

中國金屬再生資源(控股)有限公司
China Metal Recycling (Holdings) Limited

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立的有限公司)
(Stock Code 股份代號: 00773)



Contents 目錄

2	Corporate Information 企業資料
5	Financial Highlights 財務摘要
6	Chairman's Statement 主席報告
11	Management Discussion and Analysis 管理層討論及分析
23	Corporate Governance Report 企業管治報告
33	Profile of Directors and Senior Management 董事及高級管理層履歷
40	Directors' Report 董事會報告
52	Independent Auditor's Report 獨立核數師報告
54	Consolidated Statement of Comprehensive Income 綜合全面收益表
56	Consolidated Statement of Financial Position 綜合財務狀況表
58	Consolidated Statement of Changes in Equity 綜合權益變動表
60	Consolidated Statement of Cash Flows 綜合現金流量表
63	Notes to the Consolidated Financial Statements 綜合財務報表附註
190	Five Years' Financial Summary 五年財務概要

Corporate Information 企業資料

BOARD OF DIRECTORS

Executive Directors:

Mr. Chun Chi Wai (*Chairman and Chief Executive Officer*)
Mr. Fung Ka Lun (*Group Finance Director and Group Vice President*)
Mr. Jiang Yan Zhang (*Chief Operating Officer*)

Non-executive Director:

Ms. Lai Wun Yin

Independent Non-executive Directors:

Mr. Chan Kam Hung
Mr. Leung Chong Shun
Mr. Yan Qi Ping

Audit Committee:

Mr. Chan Kam Hung (*Chairman*)
Mr. Leung Chong Shun
Mr. Yan Qi Ping

Remuneration Committee:

Mr. Leung Chong Shun (*Chairman*)
Mr. Chan Kam Hung
Mr. Yan Qi Ping
Mr. Chun Chi Wai

AUTHORISED REPRESENTATIVES

Mr. Chun Chi Wai
Mr. Lam Po Kei Kenneth Greg

COMPANY SECRETARY

Mr. Lam Po Kei Kenneth Greg

董事會

執行董事：

秦志威先生 (主席兼行政總裁)
馮嘉倫先生 (集團財務董事兼集團副總裁)
姜延章先生 (營運總監)

非執行董事：

黎煥賢女士

獨立非執行董事：

陳錦雄先生
梁創順先生
閻啟平先生

審核委員會：

陳錦雄先生 (主席)
梁創順先生
閻啟平先生

薪酬委員會：

梁創順先生 (主席)
陳錦雄先生
閻啟平先生
秦志威先生

授權代表

秦志威先生
林寶基先生

公司秘書

林寶基先生

REGISTERED OFFICE

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

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 4803, Office Tower Convention Plaza
1 Harbour Road, Wanchai
Hong Kong
Tel: (852) 2547 4725

AUDITOR

Deloitte Touche Tohmatsu

COMPLIANCE ADVISER

Somerley Limited

LEGAL ADVISERS

Sidley Austin (Hong Kong)
Jun He Law Offices (China)

PRINCIPAL BANKERS

DBS Bank (Hong Kong) Limited
Standard Chartered Bank (Hong Kong) Limited
BNP Paribas (China) Limited
Bank of China Limited
China Construction Bank Corporation
Industrial and Commercial Bank of China Limited

註冊辦事處

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

香港主要營業地點

香港
灣仔港灣道1號
會展廣場辦公大樓4803室
電話：(852) 2547 4725

核數師

德勤•關黃陳方會計師行

合規顧問

新百利有限公司

法律顧問

盛德國際律師事務所(香港)
君合律師事務所(中國)

主要往來銀行

星展銀行(香港)有限公司
渣打銀行(香港)有限公司
法國巴黎銀行(中國)有限公司
中國銀行股份有限公司
中國建設銀行股份有限公司
中國工商銀行股份有限公司

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Butterfield Fulcrum Group (Cayman) Limited

Butterfield House, 68 Fort Street
P.O. Box 609, Grand Cayman KY1-1107
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
26/F., Tesbury Centre
28 Queen's Road East, Wanchai, Hong Kong

STOCK CODE

The Hong Kong Stock Exchange Limited: 00773

WEBSITE

www.chinametalrecycle.com
www.cmr773.com

主要股份過戶登記處

Butterfield Fulcrum Group (Cayman) Limited

Butterfield House, 68 Fort Street
P.O. Box 609, Grand Cayman KY1-1107
Cayman Islands

香港股份過戶登記分處

卓佳證券登記有限公司
香港灣仔皇后大道東28號
金鐘匯中心26樓

股份代號

香港聯合交易所有限公司：00773

網址

www.chinametalrecycle.com
www.cmr773.com

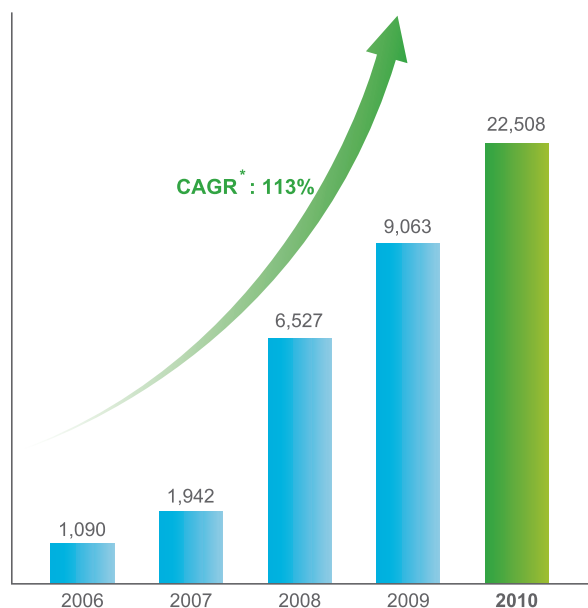
Financial Highlights

財務摘要

Revenue

收入

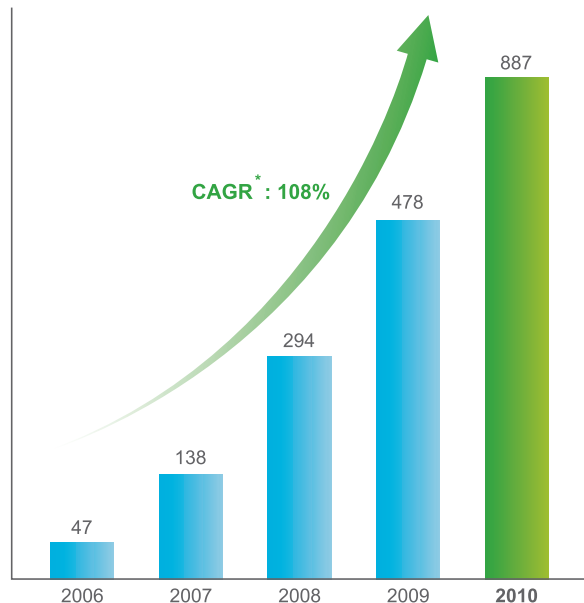
(HK\$ million 港幣百萬元)



Profit Attributable to Shareholders

股東應佔溢利

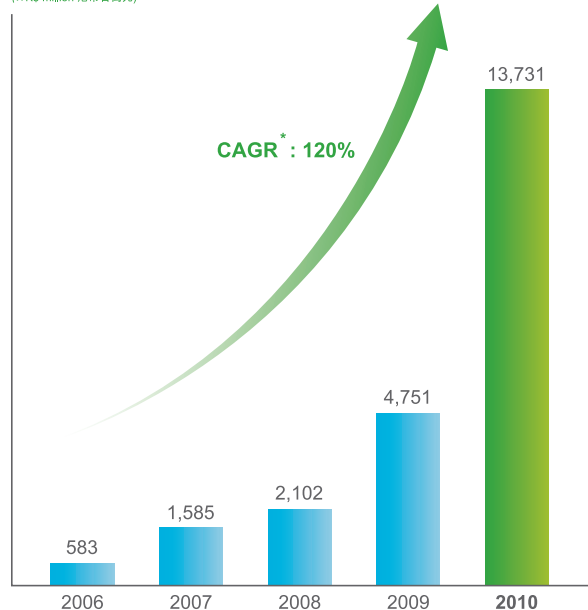
(HK\$ million 港幣百萬元)



Total Assets

資產總值

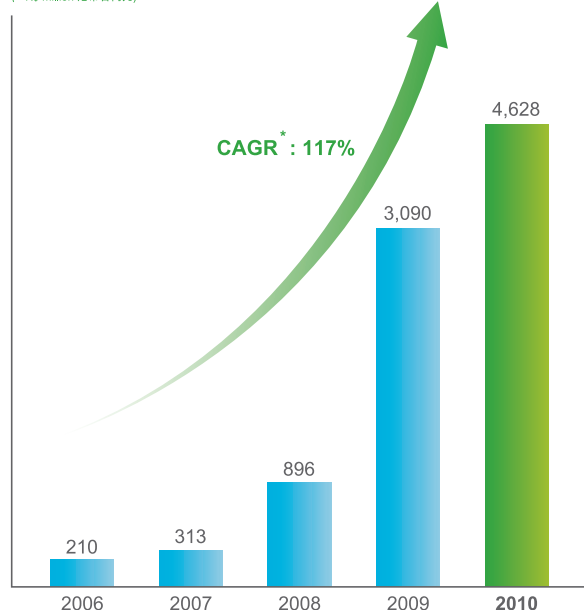
(HK\$ million 港幣百萬元)



Total Equity

權益總值

(HK\$ million 港幣百萬元)



* CAGR: Compound annual growth rate between 2006 and 2010
二零零六年至二零一零年期間之複合式年增長率

Chairman's Statement 主席報告



The Group has kept its spectacular growth momentum and achieved record sales quantity, revenue and net profit for the year, all of which were up by 152.8% , 148.3% and 85.3% respectively compared to last year mainly due to the continued high demand for metals in China, the expansion of our regional coverage and our increased market share.

本年度業績主要受惠於中國對金屬強勁及持續的需求，及本集團所覆蓋地區網絡的擴大及市場佔有率的增長，令本集團繼續保持強勁及持續的增長趨勢，本年度的銷售量、收益及淨溢利均錄得新高，分別較去年上升152.8%、148.3%及85.3%。

China is the world's largest metal consumption country and the momentum of high demand for metals is expected to continue in the next few years. However, China's fast growing economic growth relies heavily on natural resources and environmental degradation. This is the reason why it has been the State government's long-term strategic policy to use renewable resources to achieve energy efficiency and reduce carbon emissions. The State government has nominated the "energy conservation and environmental protection" sector as the top strategic industry for development under the 12th Five-Year Plan (the "Plan"). As the sector is highly fragmented and poorly equipped and managed and unable to adopt to the industry development need, the industry has to change its business mode and adopt standardized operation, mechanical processing and modernized management to meet the market demand.

As China's economy and industrial activities grown in the past decade scrap metal reserves have been accumulated in the society, e.g. ownership of 5 major home appliances (refrigerators, washing machines, air-conditioners, televisions and personal computers) and motor vehicles reached approximately 1.6 billion units and 190 million units respectively at the end of 2009. In the coming years, China's scrap metal reserves is expected to be released into the market, providing ample room for development in the industry.

The date of 9 December 2010 marked another major milestone for the Company after its initial public offering, as the Company successfully completed the issue of 90 million new shares. This share transaction generated strong demands internationally and the Company brought in many top-tier international institutional investors to support our long-term growth.

中國為全球最大金屬消費國，對金屬需求高企的勢頭預期於未來數年持續。然而，中國高速的經濟發展，非常依賴自然資源及環境的破壞。因此再生資源的使用將是中國政府長遠的資源國策，和節能減排的主要途徑。中國政府已將「節能環保」板塊定為十二五計劃（「該計劃」）項下發展的重點戰略行業。由於行業分散及設備和管理落後，未能適應行業發展需要，因此行業需要轉變經營模式，採用規範化的經營，機械化的加工及現代化的管理，才能滿足市場的需求。

隨著中國經濟及工業活動於過去十年增長，社會上已積累大量廢金屬保有量，如二零零九年底5項大型家電（冰箱、洗衣機、空調、電視及個人電腦）及機動車的保有量分別達到約16億件及1.9億件。於未來數年內，再生金屬的保有量預期會大量釋放到市場，給行業提供巨大的發展空間。

二零一零年十二月九日標誌著本公司於首次公開發售後的另一重要里程碑，本公司成功完成發行90,000,000股新股份。該股份交易引起國際性的強勁需求，令本公司成功引入多間頂級國際機構投資者成為股東支持本公司的長遠增長。

Chairman's Statement 主席報告

Our network has covered 9 cities in Southern, Eastern, Northern and Central China, and built a comprehensive collection network and system which combined the recycling and dismantling processing and port transportation. For the Eastern China operation, the completion and reshape of the acquired port in Jiangyin city will contribute a substantial increase in processing capacity in the region. The ramp up of the regional operations and increase in its market share in the second half of 2010 have proven to be margins positive. For the Northern China operation, the formation of a joint venture with 天津鋼管集團股份有限公司 (Tianjin Pipe (Group) Corporation) and 11 regional recyclers is the first-of-its-kind in the industry and would further expand our business coverage in the Northern China region. For the Southern China operation, the potential joint venture with 廣東物資集團公司 (Guangdong Materials Group Corporation) would result in a collection system combining the metal recycling and dismantling of motor vehicles, vessels and worn electrical appliances, which is a new attempt to restructure regional State-owned recycling system and could become a role model for the other provinces. For the Central China operation, our Wuhan site has commenced formal operation during the year, and has successfully secured a sizable and stable supply agreement with 武漢鋼鐵(集團)公司 (Wuhan Iron and Steel (Group) Corporation), which has built solid foundation for our business development.

Our future development strategy is to continue to strengthen our strategic national network, while expanding the business scope and focusing on the market development in the Eastern and Northern China, as well as expanding its product categories with an aim to set foot in business such as dismantling of motor vehicles, vessels and worn electrical appliances, and establish a comprehensive integrated metal recycling system under the Plan. The Group will continue to strengthen the China market by continuous adoption of various means such as co-operation, acquisition and merger.

我們的網絡已經覆蓋華南、華東、華北及華中共9個城市，建立了完善的集回收拆解處理及碼頭運輸一體化的回收網絡及系統。於華東地區業務，本集團於江陰市完成港口的收購並進行改組，將使該區的處理能力大幅增加。二零一零年下半年間，該區的業務快速增長及市場佔有率增加足證對利潤率產生正面作用。於華北地區業務方面，本集團與天津鋼管集團股份有限公司及11名當地回收商成立合營公司，為行內首見，亦有利本集團推進華北地區業務覆蓋範圍。於華南業務方面，本集團與廣東物資集團公司擬成立合營企業，將建立金屬回收、拆車、拆船、廢舊家電拆解的一體化回收體系，成為重組該區國營回收系統的新嘗試，並擬成為其他省份的模範。於華中業務方面，本集團的武漢回收基地於本年度正式投入營運，並已成功與武漢鋼鐵(集團)公司訂立大型及穩定的供貨協議，為我們的業務發展打下良好的基礎。

本集團的未來發展策略是繼續鞏固全國性的策略布點同時擴展業務領域，重點發展華東及華北市場，亦會增加產品種類，進入拆車拆船廢舊家電拆解等業務領域，根據該計劃建立完善的一體化金屬回收體系，本集團將繼續採用合資、收購及合併等不同方式繼續鞏固中國市場。

We are on track to become the consolidator in the industry while maintaining a high standard of corporate governance and high operational efficiency. We believe that 2011 will be another good year for the Group as the growth momentum will continue and the corporate actions that we have done in 2010 will eventually pay off. Our long-term goal is to become one of the largest metal recycling enterprises in the world within the next few years.

本集團正致力成為本行業的整合者，維持嚴格的企業管治及高效的營運效率。由於增長勢頭持續及本公司於二零一零年作出的行動最終將獲得回報，我們相信二零一一年將為本集團的另一個豐年。本集團的長遠目標乃於未來數年成為全球最大的金屬回收企業之一。



Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW AND OUTLOOK

Business Overview

Continuing the spectacular growth momentum in the past few years, the Group achieved a strong growth for the year ended 31 December 2010. Revenue and profit attributable to owners of the Company for the year were up by approximately 148.3% and 85.3% to HKD22,508.2 million and HKD886.6 million respectively compared to last year, as a result of our increased market share, the continued strong demand for recycled metals and expansion of our regional coverage. Sales volume of ferrous metals for the year was approximately 1,570,000 tons, an increase of approximately 179% compared to last year while sales volume of non-ferrous metals for the year was approximately 360,000 tons, an increase of approximately 79% compared to last year.

業務回顧及前景

業務概況

過去數年的增長勢頭持續強勁，因此本集團截至二零一零年十二月三十一日止年度錄得強勁增長。本年度收益及本公司擁有人應佔溢利分別較去年上升約148.3%及85.3%至225.082億港元及8.866億港元，乃由於本集團的市場佔有率增加，中國對金屬強勁的需求及本集團所覆蓋地區網絡的擴大。本年度的黑色廢金屬銷售量約為1,570,000噸，較去年增加約179%，而本年度的有色廢金屬銷售量則約為360,000噸，較去年增加約79%。



Management Discussion and Analysis 管理層討論及分析

Coherent to the State's long-term strategic policy to use renewable resources to achieve energy efficiency and reduce carbon emissions, the State government has set the "energy conservation and environmental protection" sector as the top strategic industry for development under the 12th Five-Year Plan (the "Plan"). The Plan put prominent focus on both climate change and environmental issues. According to the Copenhagen Accords, China has committed that its carbon emissions per unit of GDP would in 2020 be reduced by 40% to 45% with reference to the 2005 level. Steel industry being one of the major carbon producers has been one of the industries to lead the change. National Development and Reform Commission of China has set a target of scrap steel usage as a percentage of steel production from currently at around 14% to reach 20% under the Plan period. The construction of a proper collection network and system and the increase of industry concentration are the core objectives under the Plan due to the fragmentation of the industry and the relatively low penetration rate of recycled metals.

China's crude steel products production during the year reached approximately 627 million tons, an increase of approximately 9.3% compared to last year. China copper semis production during the year was approximately 10.9 million tons, an increase of approximately 11.7% compared to last year. The penetration of scrap metals consumption in China during the year was still low when compared with figures in the developed countries. Therefore, there exists a great potential for increasing penetration of recycled metals in China.

The date of 9 December 2010 marked another major milestone for the Company after its initial public offering as the Company successfully completed the issue of 90 million new shares. This share transaction generated strong demands internationally and the Company brought in many top-tier international institutional investors to support our long-term growth. A net proceeds of approximately HK\$691 million was raised for capital expenditure and potential acquisitions to continue our regional expansions and consolidations.

為配合使用再生資源和節能減排的國家長期戰略政策，中國政府已將「節能環保」行業定為十二五計劃（「該計劃」）項下發展的重點戰略行業。該計劃特別著重氣候變化及環保事宜。根據哥本哈根協定，中國承諾於二零二零年將單位國內生產總值二氧化碳排放較二零零五年水平下降40至45%。鋼鐵行業為排碳最多的行業之一，為其中一個作出改變的行業。中國國家發展和改革委員會已訂下目標，於該計劃期間將廢鋼用量佔鋼材產量的百分比由現時約14%增加至20%。由於行業分散及再生金屬的市場滲透率相對較低，因此建設正確收集網絡及增加行業集中度亦為該計劃的核心目標。

中國於本年度的粗鋼產量達約6.27億噸，較去年增加約9.3%。本年度中國的鋼材產量約為1,090萬噸，較去年增加約11.7%。本年度中國的廢金屬消耗量滲透率相比發達國家的數字仍屬於偏低水平。因此，中國具有提高再生金屬滲透率的龐大潛能。

二零一零年十二月九日標誌著本公司於首次公開發售後的另一重要里程碑，本公司成功完成發行90,000,000股新股份。股份交易產生強勁國際需求，且本公司獲得多間頂級國際機構投資者支持本公司的長期增長。所得款項淨額籌得約691,000,000港元，並用作資本開支及潛在收購，以繼續本集團的地區擴展及合併。

The establishment of our Group's China headquarter in Shanghai on 22 June 2010 marked our dedication in committing more resources and efforts towards further development of the Central, Eastern and Northern China markets and strengthening our national network for the Group's long term sustainable growth. The Shanghai headquarter will also become the business hub of the Group and will further enhance the efficiency in management and co-operation with our business partners.

於二零一零年六月二十二日，本集團在上海成立本集團在中國區的總辦事處標誌著我們決心投入更多資源及努力進一步發展華中、華東及華北市場，以及鞏固我們的全國網絡，為本集團的長期可持續發展奠定基礎。上海總辦事處將成為本集團的業務樞紐，進一步提高管理效率，以及加強與業務伙伴之間的合作。



For the Eastern China operation, business flow has been strong benefiting from one of the best metal recycling markets in China and leveraging off the smooth execution of the new operations. The Group has recorded substantial growth in the revenue of the Eastern China region during the year. Margins improved in the second half of 2010 as compared to the first half as a result of the ramp up of operations and the increase in regional market share. In addition, the Group has completed the acquisition of 江蘇江陰港集裝箱有限公司 (Jiangsu Jiangyin Port Container Company Limited) ("Jiangyin Port") in July 2010. Jiangyin Port has become the regional logistic and distribution hub supporting the Group's recycling base in the Eastern China region. We are in the process of reshaping the Jiangyin Port into a large scale recycling base and it will contribute an additional capacity of 1 million tons in 2011. It has improved the Group's operational efficiency and competitiveness in the region and lowers the transportation costs.

華東地區營運方面，受惠於中國其中一個最佳的再生金屬市場，業務量一直強勁，由於順利落實新業務，本集團在華東地區之收益於本年度錄得大幅增長。由於業務提升及地區市場佔有率增加，二零一零年下半年的利潤率較上半年改善。此外，本集團已於二零一零年七月完成收購江蘇江陰港集裝箱有限公司（「江陰港」）。江陰港成為支持本集團於華東地區再生基地的區域物流及分銷樞紐。本集團正重組江陰港為大型再生基地，並將於二零一一年投入額外100萬噸產能。其已改善本集團的營運效率、區內競爭力及降低運輸成本。

Management Discussion and Analysis 管理層討論及分析



For the Northern China operation, business has picked up as a result of the commitment of more financial resources and recruitment of new talents. The Group has signed a framework supply agreement with 包頭鋼鐵(集團) 有限責任公司 (Baotou Iron and Steel Group Co. Ltd) ("Baogang") under which the Group will supply 350,000 tons of scrap steel to Baogang in 2011. On 19 November 2010, the Group entered into the shareholders agreement with 天津鋼管集團股份有限公司 (Tianjin Pipe (Group) Corporation) ("Tianjin Pipe Group") and 11 regional recyclers for the establishment of a joint venture (the "Tianjin Joint Venture") in Tianjin, China, to engage in the recycling of scrap metals. The first shareholders meeting of Tianjin Joint Venture was held in March 2011 and it is expected to start business in April 2011. The Tianjin Joint Venture will create a "Strong-Strong" alliance by combining the competitive advantages of the shareholders of the Joint Venture: one of the largest consumers for scrap metals in Northern China, Tianjin Pipe Group; management experience of scaleable operations, national strategic collection, sales and financing platform, industry reputation and advanced management system of the Group, and the regional collection network covering annual scrap steel consumption of 14 million tons of the suppliers. The Tianjin Joint Venture is the first-of-its-kind in the recycling industry in China by combining the advantages of customers and suppliers and has generated a lot of discussions in the industry. It will become the largest recycling platform in the region, thereby greatly enhancing the Group's bargaining and managing power in the Northern China region.

華北地區營運方面，由於更多財務資源的投入及新團隊的加入而導致業務增長。本集團與包頭鋼鐵(集團) 有限責任公司(「包鋼」) 簽訂框架供應協議，本集團將於二零一一年向包鋼供應35萬噸廢鋼。於二零一零年十一月十九日，本集團與天津鋼管集團股份有限公司(「天津鋼管集團」) 及11名當地回收商就於中國天津成立合營企業(「天津合營企業」) 以從事回收廢金屬而訂立股東協議。天津合營企業的首個股東大會於二零一一年三月舉行，預期二零一一年四月投入營運。天津合營企業將強強聯手，結合合營企業股東的競爭優勢、天津鋼管對廢金屬的龐大需求、本集團規模化經營的管理經驗，全國性物流、銷售及融資平台、行業知名度及先進的管理系統，以及供稱商覆蓋1,400萬噸年廢鋼消耗量的回收網絡。天津聯營企業結合客戶及供應商優勢，為中國再生行業內首見，於行內引起廣泛討論。其將成為華北地區最大再生資源平台，大大加強本集團在華北地區的議價及管理能力。

For the Southern China operation, demand from existing customers such as 聯眾(廣州)不銹鋼有限公司(Lianzhong Guangzhou Stainless Steel Corporation) has increased due to the increase in production capacity. The Zhongshan site expands our collection coverage and will contribute an additional capacity of 300,000 tons in 2011. On 15 March 2011, the Company entered into a non-binding memorandum of understanding with 廣東物資集團公司(Guangdong Materials Group Corporation) ("GDWZ") to set up a joint venture (the "Guangdong Joint Venture") to engage in the business of recycling in the Southern China region. The Group and GDWZ will inject certain Southern China assets and recycling business respectively into the Guangdong Joint Venture. GDWZ, restructured from the original Materials Bureau of the Guangdong Province, is a large scale State-owned enterprise engaged in the operation of various material resources. The recycling business of GDWZ is currently one of the largest processors for the dismantling of scrapped motor vehicles and scrapped vessels in the Guangdong Province. The Guangdong Joint Venture will enable the Group to team up with one of the largest companies engaging in the recycling and dismantling of scrapped motor vehicles and the recycling and scrapping of vessels in the Guangdong Province, and to enhance and refine the waste collection network of the Group. The proposed co-operation would also help the Group create an integrated metal recycling system that combines the recycling and dismantling of scrap metals, electrical appliances, motor vehicles, vessels and aircrafts.

For the Central China operation, the site in Wuhan city commenced operation in October in 2010 with production capacity of 500,000 tons. The Group has signed a supply framework agreement with 武漢鋼鐵(集團)公司(Wuhan Iron and Steel (Group) Corporation) ("Wugang") under which the Group will supply 250,000 tons of scrap steel to Wugang in 2011.

華南地區營運方面，現有客戶如聯眾(廣州)不銹鋼有限公司的需求量因產能增加而上升。中山市基地擴大我們的回收範圍，並將於二零一一年投入額外30萬噸產能。於二零一一年三月十五日，本公司與廣東物資集團公司(「廣物集團」)訂立不具約束力諒解備忘錄，擬於華南地區成立從事回收業務的合營企業(「廣東合營企業」)。本集團及廣物集團分別會將華南地區的若干資產及回收業務注入廣東合營企業。廣物集團由原廣東省物資局改制而來，乃一家從事各類物資的大型國有企業。廣物集團的回收業務目前為廣東省最大型的廢舊汽車、廢船拆解處理商之一。廣東合營企業將可讓本集團與廣東省其中一家最大型的報廢汽車回收拆解及回收報廢船舶公司結盟，加強及完善本集團的廢料回收網絡。建議合作事項亦為本集團建立集廢舊金屬、家電、汽車、船舶及飛機等於一身的一體化金屬回收拆解體系。

華中地區營運方面，武漢市的基地已於二零一零年十月開始營運，產能達50萬噸。本集團已與武漢鋼鐵(集團)公司(「武鋼」)簽訂供應框架協議，本集團將於二零一一年向武鋼供應25萬噸廢鋼。

Management Discussion and Analysis 管理層討論及分析

Our future development strategy is to leverage off our competitive advantages to 1) continue to strengthen our strategic national network and product categories in order to establish an integrated metal recycling system that combines the recycling and dismantling of scrap metals, electrical appliances, motor vehicles and vessels, so as to fully support the State government's target of establishing a comprehensive recycling system under the Plan, 2) develop a diversified sales and procurement network to enlarge our market share, 3) continue to invest in advanced machineries and environmental protection facilities to ensure operational efficiency and economies of scale, and 4) increase investment in our staff to enhance management quality and strengthen our overall operational and business integration capability. The strategy of combining both organic and inorganic approaches of corporate development to maintain our relative first-mover advantage will be continued to reinforce our leadership position in the metal recycling industry in China.

Looking forward into 2011, the Group will continue to leverage off our core competitive advantages to achieve the full year sales volume growth target of 40%. With contributions from our multiple regional operations, we are confident to complete the targets and deliver more than spectacular returns to our shareholders.

本集團的未來發展策略是1) 繼續利用本集團的競爭優勢，鞏固全國性的策略布點及產品種類，設立一個集回收拆解廢金屬、家電、汽車及船舶於一身的一體化金屬回收體系，以全面支援中國政府根據該計劃設立全面回收體系的目標，2) 發展多元化的銷售及採購網絡以擴大我們的市場佔有率，3) 持續投資於先進機械及環保設施以確保營運效率及經濟規模效益，及4) 增加投資於栽培員工以提升管理質量，以及增強我們整體營運及業務整合的能力。採用綜合自然發展及人為方式的企業發展策略來維持我們作為先行者的相對競爭優勢，將繼續有助提高我們在中國金屬再生行業的市場領先地位。

展望二零一一年，本集團將繼續利用我們的核心競爭優勢，以達成40%的全年銷量增長率目標。憑藉來自多個地區的營運貢獻，我們完成目標及為股東帶來令人滿意的回報的信心十足。

FINANCIAL REVIEW

Revenue

Revenue of the Group for the year ended 31 December 2010 was HK\$22,508.2 million (2009: HK\$9,063.2 million), representing an increase of 148.3% as compared to last year.

Increase in the Group's revenue was mainly attributable to the significant increase in the sales of both ferrous and non-ferrous metals during the year. Our business from new regions, namely the Eastern China region and the Northern China region, have been contributing significantly to the increase during the year.

Gross Profit

Gross profit of the Group for the year ended 31 December 2010 was HK\$1,235.4 million (2009: HK\$ 790.0 million), representing an increase of 56.4% as compared to last year. Gross profit margin of the Group for the year ended 31 December 2010 was 5.5% (2009: 8.7%), representing a decrease of 3.2%. The decrease was mainly due to the increase in contributions from new regions which have lower gross profit margins.

Other Income

Other income for the year ended 31 December 2010, including mainly interest income, rental income and exchange gain, has increased by 723.5% from HK\$8.0 million for the last year to HK\$65.7 million. The increase was mainly due to the increases in exchange gain and interest income from bank deposits by HK\$38.7 million and HK\$14.9 million respectively. Renminbi had been appreciating against US dollars during the year.

Distribution and Selling Expenses

For the year ended 31 December 2010, distribution and selling expenses amounted to HK\$8.6 million, representing an increase of 31.1% compared with last year. The increase was mainly attributable to the increase in volume of our products sold.

財務回顧

收益

本集團於截至二零一零年十二月三十一日止年度的收益為225.082億港元(二零零九年：90.632億港元)，較去年上升148.3%。

本集團於年內收益上升，主要因為黑色及有色金屬的銷售大幅上升。本集團來自華東及華北新地區的業務一直對年內收益上升作出重大貢獻。

毛利

本集團於截至二零一零年十二月三十一日止年度的毛利為12.354億港元(二零零九年：7.900億港元)，較去年增加56.4%。本集團於截至二零一零年十二月三十一日止年度的毛利率為5.5%(二零零九年：8.7%)，下降3.2%。毛利下降主要由於新地區貢獻增加導致毛利率下降所致。

其他收入

截至二零一零年十二月三十一日止年度，其他收入主要包括利息收入、租金收入及匯兌收益，由去年800萬港元上升723.5%至6,570萬港元，主要因為匯兌收益及銀行存款利息收入分別上升3,870萬港元及1,490萬港元。人民幣兌美元於年內一直升值。

分銷及銷售開支

於截至二零一零年十二月三十一日止年度，分銷及銷售開支為860萬港元，較去年增加31.1%，主要是由於產品銷售量上升所致。

Management Discussion and Analysis

管理層討論及分析

Administrative Expenses

Administrative expenses including staff salaries, depreciation expenses and other general administration expenses for the year ended 31 December 2010 amounted to HK\$182.8 million, representing an increase of 118.8% over that of HK\$83.5 million for last year. The increase was mainly attributable to the increase in the number of directors and executive staff for the new regions in China; and various expenses incurred by the Group for the purpose of expanding its operations. The Group recognized total expenses of HK\$34.8 million for the year ended 31 December 2010 (2009: HK\$15.1 million) in relation to share options granted by the Company under the Pre-IPO and the Post-IPO share option schemes adopted by the Company.

Other Expenses

Other expenses for last year amounted to HK\$13.4 million, representing professional fees and listing related expenses for the Company's listing in June 2009.

Net Loss on Derivative Financial Instruments

It represents the net loss arising from the changes in fair value of the metal commodity future contracts used to hedge against the Group's purchases and inventory. Metal commodity prices have been increasing during the year and resulted in losses on those commodity future contracts used to hedge against the corresponding spot purchase or inventory.

Finance Costs

Finance costs decreased by 20.8% from HK\$120.4 million for the year ended 31 December 2009 to HK\$95.3 million for the year ended 31 December 2010, mainly due to full redemption of the senior notes upon the listing of the Company in 2009. Total interest accrued in relation to the senior notes last year amounted to HK\$111.0 million, whereas no such interest expense was accrued for the year.

The finance costs for the year ended 31 December 2010 mainly arose from trade financing from banks for working capital.

行政開支

截至二零一零年十二月三十一日止年度，行政開支包括員工薪酬、折舊開支及其他一般行政開支，由去年8,350萬港元增加118.8%至1.828億港元，增加主要因為本集團因擴充業務而導致中國新地區董事及行政人員數目與各項開支增加。截至二零一零年十二月三十一日止年度，本集團確認有關本公司採納之首次公開發售前及首次公開發售後之購股權計劃授出的購股權之總開支3,480萬港元（二零零九年：1,510萬港元）。

其他開支

去年其他開支1,340萬港元為本公司於二零零九年六月上市的專業費用及上市相關開支。

衍生金融工具的虧損淨額

該為用作對沖本集團購入貨品及存貨的金屬商品期貨合約的公允值變動所產生的虧損淨額。年內，金屬商品價格上升，導致用作對沖相應採購該等商品現貨或存貨的期貨合約錄得虧損。

融資成本

融資成本由截至二零零九年十二月三十一日止年度的1.204億港元減少20.8%至截至二零一零年十二月三十一日止年度的9,530萬港元，主要由於本公司在二零零九年上市後悉數贖回優先票據所致。本公司已就去年優先票據支付累計的利息合共1.11億港元，而年內並無累計利息開支。

截至二零一零年十二月三十一日止年度的融資成本主要來自銀行貿易融資撥作營運資金用途所致。

Gain on Disposal of a Subsidiary

Upon the completion of the acquisition of the plant and ports in Jiangyin, the Jiangsu Province in July 2010, it became the Group's hub centre in the Eastern China region. This substantially improves the Company's operational efficiency and competitiveness in the region and lower the transportation costs. In September 2010, the Group then disposed of its entire 70% equity interest in Zhangjiagang Rongli Zaisheng Ziyuen Co., Ltd. to minimise the duplication in network coverage and enhance operational efficiency.

Profit Attributable to Owners of the Company and Dividend

The profit attributable to owners of the Company for the year ended 31 December 2010 grew by 85.3% to HK\$886.6 million as compared with HK\$478.4 million for last year.

No interim dividend for the first half of the current year was declared to the shareholders. For the year ended 31 December 2010, the directors have proposed a final dividend of HK16 cents per share, which will aggregate to approximately HK\$182 million, subject to the approval of the shareholders of the Company at the forthcoming annual general meeting.

Key Financial Ratios

The following table sets forth certain of our financial ratios as at the date for the years indicated.

Current ratio	流動比率
Gearing ratio (%)	資產負債比率(%)

Inventory turnover days	存貨周轉日數
Debtors' turnover days	應收款項周轉日數
Creditors' turnover days	應付款項周轉日數

出售一家附屬公司的收益

於二零一零年七月完成收購江蘇省江陰市的港口及廠房後，該港口及廠房成為了華東地區的樞紐中心。此大大改善了本集團的營運效率及於區內的競爭力，並且減低運輸成本。於二零一零年九月，本集團出售其於張家港容利再生資源有限公司全部70%的權益，以減少重疊的網絡，並改善營運效率。

本公司擁有人應佔溢利及股息

於截至二零一零年十二月三十一日止年度，本公司擁有人應佔溢利較去年4.784億港元增加85.3%至8.866億港元。

本年度上半年並無向股東宣派任何中期股息。截至二零一零年十二月三十一日止年度，董事建議派發末期股息每股16港仙，合共約1.82億港元，惟須待本公司股東於應屆股東週年大會上批准。

主要財務比率

下表列載本集團截至所示年度日期的若干主要財務比率

	At 31 December, 2010 於二零一零年 十二月三十一日	At 31 December, 2009 於二零零九年 十二月三十一日
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1.5	2.6
26.5	12.5

	For the year ended 31 December 截至十二月三十一日止年度 2010 二零一零年	2009 二零零九年
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21	22
78	73
49	20

Management Discussion and Analysis

管理層討論及分析

Working Capital

The inventory turnover of the Group was 21 days for the year ended 31 December 2010 as compared to 22 days for last year.

The Group's debtors' turnover (including both trade debtors and bills receivable) was 78 days for the year ended 31 December 2010 as compared to 73 days for last year. The Group generally allows average credit periods of 30 to 60 days and 30 to 90 days to its ferrous and non-ferrous customers respectively.

The Group's creditors' turnover (including both trade payables and bills payable) was 49 days for the year ended 31 December 2010 as compared to 20 days for last year. Credit periods granted by the Group's suppliers rung up to 60 days. The increase was primarily induced by the increase in the turnover days of the trade debtors and bills receivable. As a result, the Group sought longer credit periods and support from its suppliers.

Liquidity, Financial Resources and Capital Structure

As at 31 December 2010, the Group has net current assets of HK\$4,114.2 million (2009: HK\$2,707.1 million) of which cash and bank deposits were HK\$2,971.0 million (2009: HK\$827.1 million).

Total borrowings as at 31 December 2010, including discounted bills, were HK\$3,634.5 million (2009: HK\$591.4 million). They were mainly used to finance the purchases of the Group. The borrowings are denominated in Hong Kong dollars, United States dollars and Renminbi, of which HK\$2,377.0 million were at fixed rates and HK\$3,281.6 million were repayable within one year.

The Group's gearing ratio as at 31 December 2010 (total borrowings divided by total assets) was 26.5% (2009: 12.5%).

營運資金

於截至二零一零年十二月三十一日止年度，本集團的存貨周轉期為21日，去年則為22日。

於截至二零一零年十二月三十一日止年度，本集團的應收款項周轉期（包括應收貿易款項及應收票據）為78日，去年則為73日。本集團一般給予黑色金屬及有色金屬客戶的平均信貸期分別為30至60日及30至90日。

於截至二零一零年十二月三十一日止年度，本集團的應付款項周轉期（應付貿易款項及應付票據）為49日，去年則為20日。供應商給予本集團的信貸期最長可達60天。周轉期增加的主要原因為應收貿易款項及應收票據的周轉期增加，因此本集團要求供應商給予更長的信貸期作為支持。

流動資金，財務資源及資本架構

於二零一零年十二月三十一日，本集團的流動資產淨值為41.142億港元（二零零九年：27.071億港元），當中現金及銀行存款為29.710億港元（二零零九年：8.271億港元）。

於二零一零年十二月三十一日，借款總額（包括貼現票據）為36.345億港元（二零零九年：5.914億港元），主要用作本集團採購的資金。借款以港元、美元及人民幣計值，當中23.770億港元為定息借款，而32.816億港元須於一年內償還。

本集團於二零一零年十二月三十一日的資產負債比率（借款總額除以資產總值）為26.5%（二零零九年：12.5%）。

The Group's transactions and the monetary assets are principally denominated in Renminbi, Hong Kong dollars and United States dollars. The Group has not experienced any material difficulties or effects on its operations or liquidity as a result of fluctuations in currency exchange rates during the year.

The Group adopts centralised financing and treasury policies in order to ensure the Group's funding is utilised efficiently. Conservative approach is adopted in monitoring foreign exchange exposure and interest rate risk. Forward contracts were used to hedge the foreign currency exposure in trading activities when it was considered appropriate.

The Group's liquidity position remains strong and the Group possesses sufficient cash and available banking facilities to meet its commitments and working capital requirements. This strong cash position enables the Group to explore investment and business development opportunities when expanding its market share in China.

Capital Expenditure and Capital Commitments

In order to enhance production capacity, the Group invested approximately HK\$513.8 million during the year ended 31 December 2010 (2009: HK\$93.7 million) in the acquisition of new fixed assets. These mainly represented the acquisition and deposits paid for land use rights, a port in Jiangyin, plants and machineries for various plants in China.

As at 31 December 2010, the Group made capital expenditure commitments of approximately HK\$318.2 million during the year (2009: HK\$306.5 million) which were contracted but not provided for in the financial statements. These commitments were mainly related to the investment in an associate in Tianjin, and acquisition of plant and machinery for the expansion of the Group's production capacity in various regions.

Charges on Group Assets

As at 31 December 2010, the Group's banking facilities were mainly collateralised by certain bank deposits amounted to HK\$1,630.5 million (2009: HK\$210.4 million), bills receivable amounted to HK\$449.4 million (2009: HK\$185.3 million), inventories amounted to HK\$398.8 million (2009: Nil), trade receivables amounted to HK\$53.5 million (2009: Nil) and certain land and buildings of the Group of approximately HK\$4.4 million (2009: HK\$4.5 million).

本集團的交易及貨幣資產主要以人民幣、港元及美元計值。年內，本集團的營運或流動資金並無由於貨幣匯率浮動而出現任何重大困難或受到任何重大影響。

為確保集團資金得以有效運用，本集團採用中央財務及庫務政策，並以保守態度監控外匯及利率風險。本集團在認為合適情況下採用遠期合約對沖交易活動的外匯風險。

本集團的流動資金狀況仍然強勁，且擁有充裕現金及可用銀行融資，足以應付承擔及營運資金需要。強勁的現金狀況使本集團可發掘投資及業務發展機會，拓展在中國的市場佔有率。

資本開支及資本承擔

為提升產能，本集團於截至二零一零年十二月三十一日止年度投資約5.138億港元（二零零九年：9,370萬港元）增購新固定資產，主要為中國各地廠房設施繳付土地使用權、江陰港口、廠房及機器設備之按金及購置。

截至二零一零年十二月三十一日，於財務報表已訂約但尚未撥備的本集團資本開支承擔約為3.182億港元（二零零九年：3.065億港元）。該等承擔主要涉及投資於一間天津之聯營公司，及購置用作擴充本集團不同地區的產能的廠房及機器。

抵押本集團資產

於二零一零年十二月三十一日，本集團銀行融資主要以若干銀行存款16.305億港元（二零零九年：2.104億港元）、應收票據4.494億港元（二零零九年：1.853億港元）、存貨3.988億港元（二零零九年：無）、貿易應收款項5,350萬港元（二零零九年：無）及本集團若干土地及樓宇約440萬港元（二零零九年：450萬港元）為抵押。

Management Discussion and Analysis

管理層討論及分析

Foreign Exchange Risk Management

Most of the sales of the Group are settled in Renminbi, which is not freely convertible into foreign currencies. The fluctuation of Renminbi during the year did not have any adverse effect on the Group's results. Besides, the Group will conduct periodic review of its exposure to foreign exchange risk and may use financial instrument for hedging purpose when considered appropriate.

Contingent Liabilities

As at 31 December 2010 and 31 December 2009, the Group had no material contingent liabilities.

Employees and Remuneration Policies

As at 31 December 2010, the Group had a workforce of about 500 people. Salaries of employees are maintained at competitive level and are reviewed annually, with close reference to the relevant labour market and economic situation. The Group has adopted share option schemes whereby employees of the Group are granted options to acquire shares in the Company.

Good relationship has been maintained between the Group and its employees. The Group also provides internal training to staff and pays out bonuses based upon staff performance and profits of the Group.

外匯風險管理

本集團大部分銷售以人民幣結算，人民幣不能自由兌換為外幣。人民幣於本期間的波動並無對本集團業績造成任何不利影響。除此之外，本集團將會定期檢討外匯風險，並在認為合適情況下可能使用財務工具作對沖之用。

或然負債

於二零一零年十二月三十一日及二零零九年十二月三十一日，本集團並無任何重大或然負債。

僱員及薪酬政策

於二零一零年十二月三十一日，本集團有約500名員工。員工薪酬維持於競爭水平，並會每年檢討，屆時會密切參考有關勞工市場及經濟情況。本集團已採納購股權計劃，本集團僱員獲授購股權，以認購本公司股份。

本集團與僱員的關係良好。本集團亦向員工提供內部培訓及根據員工表現及本集團盈利發放花紅。

Corporate Governance Report

企業管治報告

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standards of corporate governance. The board of directors (the “Board”) of the Company believes that sound and good corporate governance practices are essential for the growth of the Group and for safeguarding and maximizing shareholders’ interests.

The Company has followed the principles and complied with all applicable code provisions set out in the Code on Corporate Governance Practices (the “CG Code”) as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”) throughout the year ended 31 December 2010, save for the deviation from code provision A.2.1 of the CG Code which is explained below.

The Company will continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and to review its corporate governance practices from time to time to ensure they comply with the statutory requirements and the CG Code and align with the latest developments.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions of the directors, senior management and relevant employees (who, because of their office in the Group, are likely to be in possession of unpublished price sensitive information in relation to the Company or its securities) of the Group (the “Own Code”) on terms no less exacting than the required standard of dealings set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Listing Rules.

Having made specific enquiry of all directors, all the members of the Board have confirmed that they have complied with the required standard as set out in the Model Code and the Own Code throughout the year ended 31 December 2010. No incident of non-compliance of the Own Code during the year by the senior management and relevant employees was noted by the Company.

企業管治常規

本公司致力保持高水準的企業管治。本公司董事會（「董事會」）相信，健全良好的企業管治常規為本集團增長及保障及創造股東最大利益的關鍵。

本公司在截至二零一零年十二月三十一日止整個年度內，一直遵守香港聯合交易所（「聯交所」）證券上市規則（「上市規則」）附錄14所載企業管治常規守則（「企業管治守則」）的所有適用守則條文，除偏離下文所闡釋企業管治守則第A.2.1條守則外。

本公司會不斷因應本公司業務的操作及增長增強企業管治常規，並不時檢討企業管治常規，確保遵守法定規則及企業管治守則並符合最新發展。

董事的證券交易

本公司已採納一套不比上市規則附錄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」）所載買賣標準規定寬鬆的行為守則作為本集團董事、高級管理層及相關僱員（基於彼在本集團的職位而可能取得有關本公司或其證券的未公開股價敏感資料）進行買賣證券的守則（「本公司守則」）。

經向全體董事作出明確查詢後，全體董事確認，彼等於截至二零一零年十二月三十一日止整個年度內一直遵守標準守則及本公司守則所載規定準則。於年內，本公司並無發現任何高級管理層或相關僱員違反本公司守則的事件。

BOARD OF DIRECTORS

Composition and Role

The Board currently comprises seven directors, with three executive directors, one non-executive director and three independent non-executive directors, whose name and their biographical details are set out in the section “Profile of Directors and Senior Management” in this annual report. On 8 June 2010, Mr. Fung Ka Lun was appointed as an executive director and Mr. Yan Qi Ping was appointed as an independent non-executive director. On 1 October 2010, Mr. Chan Lu Seng resigned as an independent non-executive director.

The Board has in its composition a balance of expertise, skills and experience necessary for independent decision-making. The Board at all times during the year met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive directors with at least one independent non-executive director possessing appropriate professional qualifications, or accounting or related financial management expertise. Save that Ms. Lai Wun Yin is the spouse of Mr. Chun Chi Wai, there are no other financial, business, family or other material/relevant relationships among other members of the Board.

The Board, with the assistance of the senior management, forms the core management team of the Company. The Company has formalised and adopted the written terms on the division of functions reserved to the Board and those delegated to the management. The Board has the overall responsibility for formulating the business strategies and development plan and making key decisions of the Group whereas the senior management are responsible for the supervision and implementation of the plans of the Group. The Board also monitors the financial performance and the internal controls of the Group's business operations.

董事會

組成及角色

董事會現時由七名董事組成，包括三名執行董事、一名非執行董事及三名獨立非執行董事，彼等之姓名及簡歷載於本年報「董事及高級管理層履歷」內。於二零一零年六月八日，馮嘉倫先生獲委任為執行董事及閻啟平先生獲委任為獨立非執行董事。於二零一零年十月一日，陳耀星先生辭任獨立非執行董事。

董事會具備獨立決策所需的各項專長、技能及經驗。於年內，董事會一直遵守上市規則有關委任至少有三名獨立非執行董事，且其中至少有一名獨立非執行董事擁有合適專業資格、會計或有關財務管理專長的規定。除黎煥賢女士為秦志威先生之配偶外，董事會成員之間概無任何其他財務、業務、家族或其他重要相關關係。

在高級管理層的協助之下，董事會為本公司核心管理團隊。本公司已制訂並採納有關董事會自行負責及授權管理層負責的職權分工書面條文。董事會整體負責制定業務策略及發展計劃並作出有關本集團的重大決定，而高級管理層則負責監督及實行本集團計劃。董事會亦監控本集團業務的財務表現及內部監控。

Independent non-executive directors

The independent non-executive directors also serve the important function of ensuring and monitoring the basis for an effective corporate governance framework. The Company has received written annual confirmation from each independent non-executive director of his independence pursuant to Rule 3.13 of the Listing Rules. The Board considers that all independent non-executive directors are independent in character and judgment in accordance with the independence guideline as set out in the Listing Rules.

Board meetings

Notice of regular board meetings is served to all directors at least 14 days before the meetings. For other board meetings, reasonable notice is generally given. Agenda setting out the matters to be discussed and the relevant documents are sent out in full to all directors within reasonable time before the meeting.

Draft minutes of each board meeting is circulated to the directors for comment within a reasonable time prior to confirmation. Minutes of Board meetings and meetings of Board committees are kept by the duly appointed secretaries of the respective meetings and are available for inspection by all directors at reasonable time. All directors have full access to the board papers and related materials, and are provided with adequate information on a timely manner.

The Board members regularly meet to discuss the overall strategy as well as the operational and financial performance of the Company. Other Board meetings will be held when necessary. Such Board meetings involve the active participation, either in person or through other electronic means of communication, of a majority of directors. During the year ended 31 December 2010, six full Board meetings were held and the individual attendance records of each director is set out below:

獨立非執行董事

獨立非執行董事同時身負重任確保及監察有效企業管治架構的基礎。根據上市規則第3.13條，本公司取得各獨立非執行董事有關其獨立性的年度書面確認函。董事會認為依據上市規則的獨立指引，所有獨立非執行董事於其角色及判斷方面均為獨立人士。

董事會會議

舉行董事會定期會議之通告會於會議舉行最少14日前通知全體董事，而其他董事會會議之通告，則一般會於合理時間內發出。載有討論事項的議程及全部有關文件會於會議前合理時間內寄予所有董事。

董事會會議的會議記錄草本會於確認前合理時間內供董事傳閱表達意見。董事會會議及董事委員會會議記錄由正式獲委任之會議秘書保存且可在合理時間內供全體董事查閱。而全體董事可翻閱所有董事會文件及有關材料，並獲及時提供足夠資料。

董事會成員定期舉行會議，以商討整體策略及本公司之營運及財務表現。如有需要，將會舉行其他董事會會議。大部份董事均會親身或以其他電子通訊方式積極參予該等董事會會議。於截至二零一零年十二月三十一日止年度共舉行六次全體董事會會議，各董事出席情況如下：

Corporate Governance Report

企業管治報告

		Attendance/ No. of meetings held during the tenure of directorship
Name of directors		出席次數／董事任期內 舉行的會議次數
董事名稱		
Executive Directors		
執行董事		
Mr. Chun Chi Wai (Chairman and Chief Executive Officer)	秦志威先生 (主席兼行政總裁)	6/6
Mr. Fung Ka Lun (Group Finance Director and Group Vice President) (appointed on 8 June 2010)	馮嘉倫先生 (集團財務董事兼集團副總裁) (於二零一零年六月八日獲委任)	4/4
Mr. Jiang Yan Zhang (Chief Operating Officer)	姜延章先生 (營運總監)	6/6
Non-executive Director		
非執行董事		
Ms. Lai Wun Yin	黎煥賢女士	6/6
Independent Non-executive Directors		
獨立非執行董事		
Mr. Chan Iu Seng (resigned on 1 October 2010)	陳耀星先生 (於二零一零年十月一日辭任)	3/3
Mr. Chan Kam Hung	陳錦雄先生	6/6
Mr. Leung Chong Shun	梁創順先生	6/6
Mr. Yan Qi Ping (appointed on 8 June 2010)	閻啟平先生 (於二零一零年六月八日獲委任)	4/4

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

Mr. Chun Chi Wai currently holds both the offices of Chairman and Chief Executive Officer of the Company. The Board considers that the current structure of vesting the roles of Chairman and Chief Executive Officer in the same person will not impair the balance of power and authority within the Board as all major decisions are made in consultation with members of the Board as well as the senior management of the Company.

The Board believes that vesting the roles of both Chairman and Chief Executive Officer in the same person provides the Company with strong and consistent leadership and allows for effective and efficient planning and implementation of business decisions and strategies.

NON-EXECUTIVE DIRECTORS

The term of the service contracts of all the non-executive directors (including independent non-executive directors) are three years commencing from 27 May 2010, the date of last annual general meeting of the Company. All directors (including the executive directors) are subject to retirement by rotation at least once every three years at the annual general meeting of the Company and are eligible for re-election pursuant to the Company's articles of association.

主席及行政總裁

企業管治守則第A.2.1條規定主席及行政總裁之職能應分開而不應由一人兼任。

秦志威先生現擔任本公司之主席兼行政總裁。董事會認為，由於所有重大決策乃經本公司之董事會成員及高級管理層磋商作出，故主席及行政總裁由一人兼任的現有架構不會有損董事會的權責平衡。

董事會認為主席及行政總裁由一人兼任為本公司提供穩固統一的領導團隊，可有效作出規劃及實施業務決策及策略。

非執行董事

全體非執行董事（包括獨立非執行董事）的服務合約期限自二零一零年五月二十七日起，即本公司上屆股東週年大會日期，為期三年。全體董事（包括執行董事）均須根據本公司組織章程細則每三年最少一次在本公司的股東週年大會輪值退任並合資格重選連任。

Corporate Governance Report

企業管治報告

REMUNERATION COMMITTEE

The Company has established a remuneration committee with written terms of reference in compliance with the CG Code. As at the date of this report, the remuneration committee comprises four members, namely Mr. Leung Chong Shun, Mr. Chun Chi Wai, Mr. Chan Kam Hung and Mr. Yan Qi Ping, the majority of them are independent non-executive directors. The chairman of the remuneration committee has been changed from Mr. Chan Lu Seng to Mr. Leung Chong Shun with effect from 7 June 2010.

The remuneration committee makes recommendations to the Board on the Group's overall policy and structure for the remuneration packages of the directors and the senior management. The remuneration committee is also responsible for establishing formal and transparent procedures for developing such remuneration policy and structure to ensure that no director or any of his/her associates will participate in deciding his/her own remuneration.

The remuneration committee held two meetings during the year ended 31 December 2010 to review and approve the remuneration and bonus package of the directors and the senior management, the employment contracts of new senior staff and other related matters. In determining the emolument payable to directors, the remuneration committee takes into consideration factors such as salaries paid by comparable companies, time commitment and responsibilities of the directors and the desirability of performance based remuneration.

The attendance records of the remuneration committee meetings are set out below:

薪酬委員會

本公司已成立薪酬委員會，並遵照企業管治守則制訂書面職權範圍。於本報告日期，薪酬委員會共有四名成員，包括梁創順先生、秦志威先生、陳錦雄先生及閻啟平先生，主要成員為獨立非執行董事。二零一零年六月七日起，薪酬委員會主席由陳耀星先生變更為梁創順先生。

薪酬委員會就本集團整體薪酬政策及董事與高級管理層之薪酬組合架構向董事會提供建議，亦負責訂立正式和透明的程序改進薪酬政策及架構，確保無董事及彼等之任何聯繫人參與釐定彼之薪酬。

薪酬委員會於截至二零一零年十二月三十一日止年度舉行兩次會議，檢討及批准董事及高級管理層之薪酬及花紅組合，新任高級僱員之僱用合約及其他有關事項。釐定支付予董事的酬金時，薪酬委員會會考慮可比較公司之工資、董事所投入的時間及職責與按表現釐定薪酬之可行性。

薪酬委員會會議之出席記錄如下：

Name of committee members 委員會成員姓名	Attendance/ No. of meetings held during the tenure of directorship 出席次數／董事任期內 舉行的會議次數	
Mr. Leung Chong Shun (Chairman)	梁創順先生 (主席)	2/2
Mr. Chun Chi Wai	秦志威先生	2/2
Mr. Chan Lu Seng (resigned on 1 October 2010)	陳耀星先生 (於二零一零年十月一日辭任)	2/2
Mr. Chan Kam Hung	陳錦雄先生	2/2
Mr. Yan Qi Ping (appointed on 8 June 2010)	閻啟平先生 (於二零一零年六月八日獲委任)	1/1

NOMINATION OF DIRECTORS

The Company has not established a nomination committee. The Board as a whole is responsible for reviewing the structure, size and composition of the Board by reference to the business model of the Company and the market conditions, with a view to appoint to the Board suitable candidates with relevant experience and capabilities to maintain and improve the competitiveness of the Company.

Where vacancies on the Board exist, the Board will carry out the selection process by making reference to the skills, experience, professional knowledge, personal integrity and time commitments of the proposed candidates, including the independence status in the case of independent non-executive director, the Company's needs and other relevant statutory requirements and regulations.

The appointment, re-election and removal of directors are governed by the Company's articles of association. Pursuant to the Company's articles of association, any director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of the Company after his appointment and be subject to re-election at such meeting, whereas any director appointed as an addition to the Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election. In addition, at each annual general meeting of the Company, one-third of the directors shall retire from office by rotation and be eligible for re-election thereat, such that all directors should be subject to retirement by rotation at annual general meetings at least once every three years.

AUDITORS' REMUNERATION AND REPORTING RESPONSIBILITIES

During the year ended 31 December 2010, the remuneration paid or to be paid to Messrs. Deloitte Touche Tohmatsu, the Company's external auditors in respect of audit services rendered were approximately HK\$3,129,000 and in respect of non-audit services for interim review and other services rendered were approximately HK\$893,610.

The statement of the Company's external auditors regarding their reporting responsibilities on the consolidated financial statements for the year ended 31 December 2010 is set out in the section "Independent Auditor's Report" in this annual report.

董事提名

本公司並無成立提名委員會。董事會根據本公司的業務模式及市場狀況，整體負責檢討董事會的架構、規模與組成，旨在委任具備合適經驗及能力的人士加入董事會，以保持及提升本公司之競爭力。

董事會出現空缺時，董事會將考慮候選人之技能、經驗、專業知識、個人誠信及投入的時間，包括倘為獨立非執行董事其獨立性、本公司需求及其他有關法例規定，及其法規進行挑選。

董事的委任、重選及罷免均須遵守本公司組織章程細則。根據本公司組織章程細則，獲委任填補董事會臨時空缺的任何董事，其任期至獲委任後本公司的首次股東大會為止，並須於該大會重選連任；而獲委任加入董事會的任何新任董事，其任期至本公司下屆股東週年大會止，並合資格重選連任。此外，於本公司之股東週年大會上，三分之一的董事須輪值退任並合資格重選連任，而所有董事須每三年至少一次於股東週年大會輪值退任。

核數師薪酬及申報責任

於截至二零一零年十二月三十一日止年度，就所提供之審核服務，及就中期審閱之非審核服務及其他服務而已付或應付予本公司外聘核數師德勤·關黃陳方會計師行的薪酬分別約為3,129,000港元，及約893,610港元。

有關本公司外聘核數師對截至二零一零年十二月三十一日止年度綜合財務報表的申報責任陳述載於本年報「獨立核數師報告」一節。

Corporate Governance Report

企業管治報告

AUDIT COMMITTEE

The audit committee has been established with written terms of reference based upon the code provisions and recommended practices of the CG Code. As at the date of this report, the audit committee comprises three independent non-executive directors, namely Mr. Chan Kam Hung (Chairman), Mr. Leung Chong Shun and Mr. Yan Qi Ping. The Board considers that each of the audit committee members has broad commercial experience and there is a suitable mix of expertise in legal, business and accounting in the audit committee. The composition of the audit committee complies with the requirements under Rule 3.21 of the Listing Rules. None of the members of the audit committee is a former partner of the Company's existing external auditors.

The main duties of the audit committee include the following:

- To review the financial statements and reports and consider any significant or unusual items raised by the external auditors before submission to the Board.
- To review the relationship with the external auditors by reference to the work performed by the auditors, their fees and terms of engagement and make recommendations to the Board on the appointment, re-appointment and removal of external auditors.
- To review the adequacy and effectiveness of the Company's financial reporting system, internal control system, risk management system and the associated procedures.

The audit committee provides supervision on the internal control system of the Group and reports to the Board on any material issues and makes recommendations to the Board.

During the year, the audit committee has reviewed the Group's annual results for the year ended 31 December 2009, the Group's interim results for the six months ended 30 June 2010, the respective financial reporting, risk management and compliance procedures, the report on the Company's internal controls and processes and the independence, remuneration and terms of engagement of the external auditors. The audit committee has also reviewed and was satisfied with the effectiveness of the system of internal control of the Group including the adequacy of the resources, qualifications and experience of the employees of the Group's accounting and financial reporting function, and their training programmes and budget.

審核委員會

本公司已成立審核委員會，並遵照企業管治守則條文及建議常規訂立書面職權範圍。於本報告日期，審核委員會成員包括三名獨立非執行董事，即陳錦雄先生（主席）、梁創順先生及閻啟平先生。董事會認為各審核委員會成員擁有廣泛從商經歷，而整體審核委員會具備合適法律、商業及會計專業知識。審核委員會之組成及成員符合上市規則第3.21條規定。審核委員會成員並非本公司現任外聘核數師的前合夥人。

審核委員會之主要職責包括以下：

- 審閱財務報表及報告並考慮外聘核數師於提交上述報表及報告予董事會前所作的任何重大或特別查詢項目。
- 參照核數師的工作、收費及聘用條款，審閱與外聘核數師之關係，並就委任、續聘及罷免外聘核數師向董事會提供建議。
- 審閱本公司財務申報系統、內部監控系統、風險管理系統及有關程序是否足夠及有效。

審核委員會監察本集團內部監控系統，且就任何重大問題向董事會報告並提供建議。

於年內，審核委員會已審閱本集團截至二零零九年十二月三十一日止年度之年度業績、本集團截至二零一零年六月三十日止六個月之中期業績、相關的財務申報、風險管理及合規程序、有關本公司內部監控與程序的報告及外聘核數師之獨立性、薪酬與聘用條款。審核委員會亦已審閱並滿意本集團內部監控系統的成效，包括本集團會計及財務申報部門的資源、僱員資格及經驗以及培訓方案與預算。

The audit committee held three meetings during the year ended 31 December 2010 and the attendance records are set out below:

審核委員會於截至二零一零年十二月三十一日止年度舉行三次會議，出席記錄如下：

Name of committee members 委員會成員姓名		Attendance/ No. of meetings held during the tenure of directorship 出席次數／董事任期內 舉行的會議次數
Mr. Chan Kam Hung (<i>Chairman</i>)	陳錦雄先生 (主席)	3/3
Mr. Chan Lu Seng (resigned on 1 October 2010)	陳耀星先生 (於二零一零年十月一日辭任)	3/3
Mr. Leung Chong Shun	梁創順先生	3/3
Mr. Yan Qi Ping (appointed on 8 June 2010)	閻啟平先生 (於二零一零年六月八日獲委任)	1/1

INTERNAL CONTROLS

The Board has the overall responsibility for the system of internal control of the Group. The Board is committed to implementing an effective and sound internal control system to safeguard the interest of the shareholders and the Group's assets. The Board has delegated to the executive management the implementation of the system of internal control and the review of all relevant financial, operational, compliance and risk management functions within an established framework.

The Company has set up an internal audit department, which reports directly to the audit committee. The audit committee, on an annual basis, will assess the effectiveness of the system of internal control as well as the internal audit department by examining the scope of the internal audit work, its independence of areas reviewed and the internal auditor's report. The audit committee is satisfied that the internal audit department has adequate resources and appropriate standing within the Company to undertake its activities independently and objectively.

內部監控

董事會整體負責本集團內部監控系統。董事會致力實施有效及健全的內部監控系統，保障股東權益及本集團資產。董事會已委任管理層實施內部監控系統及審閱既定架構內全部有關財務、營運、合規及風險管理職能。

本公司已成立直接向審核委員會報告之內部審核部門。審核委員會透過審查內部審核工作之範疇及其審閱範圍之獨立性以及內部核數師報告，作出每年檢討內部監控系統及評估內部審核部門之效能。審核委員會滿意內部審核部門擁有充足資源並於本公司內擁有適當地位使其可獨立客觀執行工作。

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for ensuring that the financial statements for each financial year are prepared to reflect a true and fair view of the state of affairs, profitability and cash flows of the Group in accordance with the disclosure requirements of the Listing Rules, Hong Kong Companies Ordinance and the applicable accounting standards.

The directors acknowledge their responsibility for preparing the financial statements of the Group for the year ended 31 December 2010. In preparing the financial statements of the Group for the year ended 31 December 2010, the directors have adopted appropriate and consistent accounting policies and made prudent and reasonable judgments and estimations. The directors are responsible for maintaining proper accounting records which reflect with reasonable accuracy the state of affairs, operating results, cash flows and equity movements of the Group at all time.

INVESTOR RELATIONS AND COMMUNICATION

The Company endeavours to maintain good investor relationship with the shareholders and potential investors by way of meeting them at annual general meetings, publishing interim and annual reports on the websites of the Company and the Stock Exchange, and releasing timely press releases on the Company's website.

The Company's website has set up as a means to provide information of the Company to the shareholders and potential investors and to communicate with them directly and effectively. Further, the Company's investor relations department is responsible for handling general public relations and investor relations matters. Shareholders are also encouraged to attend the Company's annual general meetings and general meetings for which notices are served for an adequate period in accordance with the provisions of the Listing Rules. The directors and the Chief Financial Officer are available to answer questions on the Group's business at the meetings.

董事有關財務報表的責任

董事負責確保本集團根據上市規則、香港公司條例及適用會計準則的披露規定編製每個財政年度之財務報表以真實公允反映本集團的業務狀況、盈利能力及現金流量。

董事確認彼等有編製本集團截至二零一零年十二月三十一日止年度的財務報表的責任。於編製本集團截至二零一零年十二月三十一日止年度之財務報表時，董事採用合適及一貫會計政策，並作出審慎合理判斷及評估。董事負責保存反映本集團準確之業務狀況、經營業績、現金流量及股權變動的適當會計記錄。

投資者關係及溝通

本公司致力透過於股東週年大會與股東及潛在投資者會面、於本公司及聯交所網站刊發中期及年度報告，以及適時於本公司網站發表新聞稿，藉以跟股東及潛在投資者維持良好之投資者關係。

本公司已設立網站，向股東及投資者提供本公司資訊，以及作為直接有效與他們溝通之渠道。此外，本公司之投資者關係部門乃專責處理公眾關係及投資者關係事宜。本公司亦鼓勵股東出席股東週年大會及股東大會，並依據上市規則規定發送足夠通知予股東。董事及財務總監均會於大會上解答有關本集團業務之問題。

Profile of Directors and Senior Management

董事及高級管理層履歷

DIRECTORS

Our board of directors currently consists of seven members, including three executive directors, one non-executive director and three independent non-executive directors.

Executive directors

Chun Chi Wai (秦志威), aged 45

Mr. Chun was appointed as a director of the Company on 18 July 2007 and re-designated as an executive director on 28 May 2008. He is the Chairman and the Chief Executive Officer of the Group. Mr. Chun is also the director of Wellrun Limited, the substantial and controlling shareholder of the Company. Mr. Chun serves as a member of the remuneration committee of the Company and is a director of various subsidiaries of the Company. Mr. Chun co-founded the Group with his spouse Ms. Lai Wun Yin, non-executive director of the Company, and is responsible for the overall strategic planning and business management. Mr. Chun has over 17 years of experience in the business of scrap metal recycling and trading, port operations and shipping, having served as general manager and executive director of Whampoa Materials (Hong Kong) Company Limited from 1995 to 2000 and Guangzhou Zhujiang Steel Port Co. Ltd. from 2003 to 2006. He served as a director of the 33rd and the 35th term of the board of directors of Yan Chai Hospital. From 2004 to 2006, he was a committee member of the People's Political Consultative Committee of the Guangzhou Huang Pu District. Mr. Chun is currently a standing committee member of the China Association of Metal Scrap Utilization and a director of Guangzhou Zhujiang Steel Port Co., Ltd.

董事

本公司董事會現時由七名成員組成，包括三名執行董事、一名非執行董事以及三名獨立非執行董事。

執行董事

秦志威，45歲

秦先生於二零零七年七月十八日獲委任為本公司的董事，並於二零零八年五月二十八日轉任本公司的執行董事，彼為本集團主席兼行政總裁，亦為本公司主要及控股股東好運有限公司的董事。秦先生為本公司薪酬委員會成員，並兼任本公司多家附屬公司的董事。秦先生與其配偶黎煥賢女士（本公司的非執行董事）共同創辦本集團，負責總體策略規劃及業務管理。秦先生在再生金屬資源及貿易、港口營運及航運業務方面擁有逾17年經驗（包括於一九九五年至二零零零年擔任黃埔物資（香港）有限公司的總經理兼執行董事及於二零零三年至二零零六年擔任廣州珠鋼碼頭有限公司的總經理兼董事）。他曾擔任仁濟醫院第33屆及第35屆董事會成員。自二零零四年至二零零六年，彼為廣州市黃埔區人民政治協商會議委員。秦先生目前為中國廢鋼鐵應用協會常務委員及廣州珠鋼碼頭有限公司董事。

Profile of Directors and Senior Management 董事及高級管理層履歷

Fung Ka Lun (馮嘉倫), aged 36

Mr. Fung joined the Group in November 2009 and was the Corporate Finance President and the Group Vice President of the Group. He is also a director of various subsidiaries of the Company. Mr. Fung is responsible for the overall strategic planning and business management and corporate finance of the Group. Upon his appointment as an executive director of the Company on 8 June 2010, his title was changed to the Group Finance Director and the Group Vice President of the Group. Mr. Fung graduated from the Imperial College of Science, Technology and Medicine, the University of London, with a Master of Science Degree in Finance. Mr. Fung has extensive experience in corporate finance and financial management. Prior to joining the Company, Mr. Fung was a director in the investment banking division of UBS AG. Before joining the banking sector, Mr. Fung worked in the audit division of KPMG.

Jiang Yan Zhang (姜延章), aged 56

Mr. Jiang is an executive director of the Company since 28 May 2008. He is also the Chief Operating Officer of the Group. Mr. Jiang also serves as a director of various subsidiaries of the Company. Mr. Jiang joined the Group in December 2003 and is responsible for various aspects of the Group's overall operations such as production, procurement, quality control, sales and marketing. Mr. Jiang has over 39 years of experience in the business of metal production. Prior to joining the Group, Mr. Jiang held various management positions in Guangdong Shaogang Company Group from 1970 to 2003, including the manager of scrap steel department and the safety and environmental department. Mr. Jiang is currently a director of Guangzhou Zhujiang Steel Port Co., Ltd. Mr. Jiang received his Bachelor Degree in Philosophy from Zhongshan University in 1989 and a Master Degree in Business Administration from Macau University of Science and Technology in 2003.

馮嘉倫，36歲

馮嘉倫先生於二零零九年十一月加盟本集團，擔任本集團企業融資總裁兼集團副總裁，彼並兼任本公司多間附屬公司的董事。馮先生負責本集團整體策劃和業務管理及企業融資之工作。彼於二零一零年六月八日獲委任為本公司執行董事，職銜更改為本集團集團財務董事兼集團副總裁。馮先生畢業於倫敦大學Imperial College of Science, Technology and Medicine，獲金融科學碩士學位。馮先生在企業融資及財務管理方面擁有豐富經驗。加入本公司前，馮先生曾任瑞士銀行集團投資銀行部董事。加入銀行業前，馮先生曾於畢馬威會計師事務所審核部任職。

姜延章，56歲

姜先生於二零零八年五月二十八日獲委任為本公司執行董事，彼兼任本集團營運總監及本公司多家附屬公司的董事。姜先生於二零零三年十二月加盟本集團，負責本集團整體業務多方面的工作，如生產、採購、質量控制、銷售及市場推廣。姜先生在金屬生產業務方面擁有逾39年經驗。在加盟本集團之前，姜先生曾在一九七零年至二零零三年期間於廣東韶關鋼鐵集團有限公司擔任多個管理層職位，包括廢鋼鐵部門及安全及環保部門經理。姜先生目前為廣州珠鋼碼頭有限公司董事。姜先生於一九八九年獲中山大學哲學學士學位，並於二零零三年獲澳門科技大學工商管理學碩士學位。

Non-executive Director

Lai Wun Yin (黎煥賢), aged 40

Ms. Lai is a non-executive director of the Company since 28 May 2008. Ms. Lai co-founded the Group with her spouse Mr. Chun Chi Wai, executive director, chairman, chief executive officer and substantial and controlling shareholder of the Company. Ms. Lai completed secondary education and has over 10 years of experience in financial and administrative management.

Independent Non-executive Directors

Chan Kam Hung (陳錦雄), aged 52

Mr. Chan joined the Company as an independent non-executive director on 22 May 2009. Mr. Chan also serves as the chairman of the audit committee and a member of the remuneration committee of the Company. Mr. Chan has over 27 years of auditing, accounting and corporate management experience and he held senior corporate management positions in various multi-national companies and listed companies in Hong Kong. He is currently an executive director and chief operating officer of Road King Infrastructure Limited (Stock code: 1098). Mr. Chan received a Bachelor of Economics Degree from the University of Sydney in 1980. He is a member of the Institute of Chartered Accountant of Australia and a fellow member of The Hong Kong Institute of Certified Public Accountants.

非執行董事

黎煥賢，40歲

黎女士於二零零八年五月二十八日獲委任為本公司的非執行董事。黎女士與其配偶秦志威(本公司的執行董事、主席、行政總裁兼主要及控股股東)共同創辦本集團。黎女士曾接受中學教育並於財務及行政管理方面擁有逾10年經驗。

獨立非執行董事

陳錦雄，52歲

陳先生於二零零九年五月二十二日加盟本公司擔任獨立非執行董事。陳先生亦擔任本公司審核委員會主席兼薪酬委員會成員。陳先生擁有逾27年的審計、會計及企業管理經驗，並曾於多間跨國公司及香港上市公司擔任高級企業管理層職務。彼目前為路勁基建有限公司(股份代號：1098)的執行董事及營運總監。陳先生於一九八零年獲澳洲雪梨大學經濟學學士學位。彼為澳洲特許會計師公會會員，亦為香港會計師公會資深會員。

Profile of Directors and Senior Management 董事及高級管理層履歷

Leung Chong Shun (梁創順), aged 45

Mr. Leung joined the Company as an independent non-executive director on 22 May 2009. Mr. Leung also serves as the chairman of the remuneration committee and a member of the audit committee of the Company. Mr. Leung joined Woo, Kwan, Lee & Lo, a law firm in Hong Kong since 1989 and became a partner of Woo, Kwan, Lee & Lo since September 1997. Mr. Leung has served as an independent non-executive director of Lijun International Pharmaceutical (Holding) Co., Ltd. (Stock code: 2005) since October 2005 and China National Materials Company Limited (Stock code: 1893) since July 2007. He was appointed as an Independent Non-Executive Director of China Communications Construction Company Limited (stock code: 1800) on 24 January 2011. Mr. Leung received a Bachelor of Laws Degree in 1988 and the Postgraduate Certificate in Laws in 1989 from the University of Hong Kong. He was qualified as a solicitor in Hong Kong and England & Wales in 1991 and 1994 respectively.

Yan Qi Ping (閻啟平), aged 65

Mr. Yan joined the Company as an independent non-executive director on 8 June 2010. Mr. Yan is also a member of the audit committee and the remuneration committee of the Company. Mr. Yan is a senior steel engineer and was the former secretary-general of the China Association of Metal Scrap Utilization (中國廢鋼鐵應用協會), an industry organisation that is responsible for the recycle industry in China. Mr. Yan graduated from the Beijing Iron and Steel Institute (北京鋼鐵學院) (now known as Beijing University of Science and Technology (北京科技大學)) in the discipline of steel refining in 1970. He worked from 1970 to 2002 in Wuhan Iron and Steel Group Corporation (武漢鋼鐵集團公司) and served as manager of metal resources company and head of the corporate scrap metal department. He was the secretary-general of the China Association of Metal Scrap Utilization from 2002 until May 2010.

梁創順，45歲

梁先生於二零零九年五月二十二日加盟本公司擔任獨立非執行董事。梁先生亦擔任本公司薪酬委員會主席兼審核委員會成員。梁先生自一九八九年起加入香港律師行胡關李羅律師行，並自一九九七年九月起成為胡關李羅律師行的合夥人。梁先生自二零零五年十月起擔任利君國際醫藥(控股)有限公司(股份代號：2005)的獨立非執行董事，並自二零零七年七月起擔任中國中材股份有限公司(股份代號：1893)的獨立非執行董事，及於二零一一年一月二十四日獲委任為中國交通建設股份有限公司(股份代號：1800)的獨立非執行董事。梁先生於一九八八年獲香港大學法律學士學位，並於一九八九年獲法學深造證書。彼分別於一九九一年及一九九四年在香港以及英格蘭及威爾士成為合資格律師。

閻啟平，65歲

閻先生於二零一零年六月八日加盟本公司擔任獨立非執行董事。閻先生亦為本公司審核委員會及薪酬委員會成員。閻先生為煉鋼高級工程師及中國廢鋼鐵應用協會(一間負責中國回收行業之行業協會)的前秘書長。閻先生於一九七零年畢業於北京鋼鐵學院(現為北京科技大學)主修煉鋼專業。彼於一九七零年至二零零二年任職於武漢鋼鐵集團公司，曾擔任金屬資源公司經理及集團廢鋼處處長。彼於二零零二年至二零一零年五月間曾任中國廢鋼鐵應用協會秘書長。

SENIOR MANAGEMENT

Below is the biography of each of our key management members:

Lam Po Kei Kenneth Greg (林寶基), aged 44

Mr. Lam, joined our Group in 2007, is the Chief Financial Officer of the Group and the Company Secretary of the Company. Mr. Lam also serves as a director of a subsidiary of the Company. Mr. Lam is responsible for supervising financing and accounting matters of the Group. Mr. Lam has over 21 years of experience in accounting and financial management. Mr. Lam holds Master of Business Administration jointly awarded by the University of Wales and University of Manchester. Mr. Lam is a qualified Certified Public Accountant (Practising) of the Hong Kong Institute of Certified Public Accountants and an associate member of the American Institute of Certified Public Accountants.

Liu Hui (劉暉), aged 41

Mr. Liu, joined our Group in 2009, is the general manager of the non-ferrous metal department of the Group and a director of a subsidiary of the Company. Mr. Liu is responsible for overseeing the overall operations of non-ferrous business of the Group. Mr. Liu has over twenty years of experience in trading, financing and investment of non-ferrous metals business. Mr. Liu graduated from Zhejiang University in China with a Bachelor Degree in Economic Management. Prior to joining the Group, Mr. Liu was the director of metals & mining division of BNP Paribas Asia. Prior to BNP Paribas Asia, Mr. Liu was the marketing manager of base metals for BHP Billiton in China.

Ma Xian Ming (馬曉明), aged 40

Mr. Ma, joined our Group in 2009, is the general manager of the ferrous metal department of Ferrous Scrap Division in Shanghai Region. Mr. Ma is responsible for overseeing the overall operations of the ferrous business of the Group. Mr. Ma has over 15 years of experience in the industry. Mr. Wu holds a Master of Business Administration Degree from Macau University of Science and Technology and the designation of senior economist in the PRC. Prior to joining the Group, Mr. Ma was the senior manager of sales and marketing department of Baosteel Resources Company Ltd.

高級管理層

下文為本公司各主要管理人員的履歷：

林寶基，44歲

林先生於二零零七年加盟本集團，獲委任為本集團財務總監及本公司之公司秘書，同時擔任本公司一家附屬公司之董事。林先生負責監管本集團的財務及會計事宜。林先生擁有逾21年的會計及財務管理經驗。林先生持有英國威爾斯大學及曼徹斯特大學聯合頒授的工商管理碩士學位。彼為香港會計師公會的合資格執業會計師以及美國執業會計師公會的會員。

劉暉，41歲

劉先生於二零零九年加盟本集團，為本集團有色金屬部總經理兼本公司一間附屬公司董事。劉先生負責監管本集團有色金屬業務的整體運作。劉先生於有色金屬業務之貿易、融資及投資方面擁有逾20年經驗。劉先生畢業於中國浙江大學，持有經濟管理學士學位。加入本集團前，劉先生曾出任法國巴黎銀行亞洲總部金屬及採礦分部主任。在加入法國巴黎銀行前，劉先生曾任必和必拓中國區基本金屬銷售經理。

馬曉明，40歲

馬先生於二零零九年加盟本集團，為上海區廢鋼部黑色金屬部總經理。馬先生負責監管本集團黑色金屬業務的整體運作，於該行業擁有逾15年經驗。馬先生持有澳門科技大學工商管理碩士學位及中國高級經濟師職銜。加入本集團前，馬先生曾擔任寶鋼資源有限公司銷售及市場營銷部高級經理。

Profile of Directors and Senior Management 董事及高級管理層履歷

Cao Tie Cheng (曹鐵城), aged 65

Mr. Cao, joined our Group in 2010, is the general manager of a major subsidiary of the Company in Tianjin. Mr. Cao is responsible for strategic planning of operational development in Tianjin and overseeing the management and operations of the subsidiary. Mr. Cao graduated from the Correspondence Institute of the Party School of Central Committee of the Communist Party of China in the discipline of business, financial and enterprise management. Mr. Cao has over 44 years of experience in the business of metal production. Mr. Cao served as the general manager assistant and economist of Tianjin Metallurgy Group (Holdings) Limited (天津市冶金集團(控股)有限公司) from 1997 to 2004. Before joining the Group, Mr. Cao held various management positions in Tianjin Guoneng Investment Co., Ltd (天津國能投資有限公司), including director, general manager and senior consultant.

曹鐵城，65歲

曹先生於二零一零年加盟本集團，為本公司位於天津主要附屬公司總經理。曹先生負責策劃天津地區的業務發展及監管該附屬公司的管理及運作。曹先生畢業於中共中央黨校函授學院，主修工商、財務及企業管理。曹先生於金屬生產業務方面擁有逾44年經驗。曹先生曾在一九九七年至二零零四年期間於天津市冶金集團(控股)有限公司擔任總經理助理兼總經濟師。加入本集團前，曹先生於天津國能投資有限公司擔任多個管理層職位，包括董事、總經理及高級顧問。

Wang Yu Zhang (王玉璋), aged 45

Mr. Wang, joined our Group in 2003, is the general manager of a major subsidiary of the Company in Guangzhou. Mr. Wang is responsible for overseeing the management and operations of the subsidiary. Mr. Wang graduated from Guangxi University with a Bachelor Degree in Machinery Manufacturing and Design and holds the designation of intermediate economist in the PRC. Mr. Wang has over 17 years of experience in the administrative management and project investment.

王玉璋，45歲

王先生於二零零三年加盟本集團，為本公司位於廣州的主要附屬公司總經理。王先生負責監管該附屬公司的管理及運作。王先生畢業於廣西大學，持有機械製造及設計學士學位，並持有中國中級經濟師職銜。王先生於行政管理及項目投資方面擁有逾17年經驗。

Liang Jian Xiong (梁建雄), aged 49

Mr. Liang, joined our Group in 2006, is the general manager of a subsidiary of the Company in Tianjin. Mr. Liang is responsible for overseeing its management and operations of the subsidiary. Mr. Liang has over 11 years of experience in operations and financial management. Prior to joining the Group, Mr. Liang was the vice general manager and financial controller of Shenzhen Guangnan Investment and Development Company Limited.

梁建雄，49歲

梁先生於二零零六年加盟本集團，為本公司位於天津的附屬公司之總經理，負責監管該附屬公司的管理及營運事宜。梁先生於營運及財務管理方面擁有逾11年經驗。在加盟本集團之前，梁先生曾任深圳光南茵悅投資發展有限公司副總經理及財務總監。

Wu Han Ming (吳漢明), aged 49

Mr. Wu, joined our Group in 2009, is the general manager of corporate financing department in China region. Mr. Wu is responsible for the strategic planning and business management and corporate finance in the PRC region. Mr. Wu has more than 30 years of experience in the field of banking and financing industry. Mr. Wu graduated from Guangdong Provincial Party School, majoring in financial management. Before joining the Group, Mr. Wu held senior positions with various financial institutions in the PRC. Mr. Wu was formerly the general manager of sales division of The Rural Credit Cooperatives of Guangzhou.

Zhang Guang Chao (張廣超), aged 47

Mr. Zhang, joined our Group in 2010, is the general manager of cash management center of corporate financing department in China region. Mr. Zhang is responsible for the cash management and corporate finance in the PRC region. Mr. Zhang has more than 29 years of experience in the field of banking and financing industry. Mr. Wu graduated from Guangdong Polytechnic Normal University, majoring in accounting and holds the designation of economist in the PRC. Before joining the Group, Mr. Wu held senior positions with various financial institutions in the PRC. Mr. Wu was formerly the general manager of cash management division of The Rural Credit Cooperatives of Guangzhou and vice president of Balyun branch of Guangzhou Rural Commercial Bank.

吳漢明，49歲

吳先生於二零零九年加盟本集團，為中國地區企業融資部總經理。吳先生負責中國地區策略規劃及業務管理與企業融資。吳先生於銀行業及金融行業領域累積逾30年經驗。吳先生於廣東省委黨校金融管理本科畢業。加入本集團前，吳先生曾於多家中國金融機構擔任高級職務，亦曾為廣州農村信用合作社銷售部總經理。

張廣超，47歲

張先生於二零一零年加盟本集團，為中國地區企業融資部資金管理中心總經理。張先生負責中國地區資金管理與企業融資。張先生於銀行業及金融行業領域累積逾29年經驗。張先生於廣東技術師範學院會計本科畢業，並持有中國經濟師職銜。加盟本集團前，張先生曾於多家中國金融機構擔任高級職務，亦曾為廣州農村信用合作社資金部總經理及廣州農村商業銀行股份有限公司白雲支行副行長。

Directors' Report

董事會報告

The directors present their annual report and the audited consolidated financial statements for the year ended 31 December 2010.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of its subsidiaries and an associate are set out in note 41 to the consolidated financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

In 2010, our largest customer accounted for 25% (2009: 25%) of the total revenue. The five largest customers comprised 62% (2009: 71%) of our total revenue.

In 2010, our largest supplier accounted for 13% (2009: 20%) of the total purchases. The five largest suppliers comprised 43% (2009: 66%) of our total purchases.

At no time during the year did a director, an associate of a director or a shareholder of the Company (which to the knowledge of the directors owns more than 5% of the Company's share capital) have an interest in any of the Group's five largest customers or suppliers.

RESULTS AND APPROPRIATIONS

The results of the Group for the year are set out in the consolidated statement of comprehensive income on page 54.

No interim dividend was declared for the year. The directors now recommend the payment of a final dividend of HK16 cents per share, amounting to approximately HK\$182,000,000, and the retention of the remaining profit, to the shareholders whose names appeared on the register of members on 16 May 2011, subject to the approval of the shareholders at the forthcoming annual general meeting.

董事謹此提呈截至二零一零年十二月三十一日止年度的年報及經審核綜合財務報表。

主要業務

本公司為投資控股公司，其附屬公司及聯營公司之主要業務載於綜合財務報表附註41。

主要客戶及供應商

二零一零年，本集團最大客戶佔總收益之25%（二零零九年：25%），而五大客戶佔本集團總收益之62%（二零零九年：71%）。

二零一零年，本公司最大供應商佔總採購額之13%（二零零九年：20%），而五大供應商佔總採購額之43%（二零零九年：66%）。

本公司董事、彼等之聯繫人或據董事所知擁有本公司股本5%以上之任何股東，概無於任何上述本集團五大客戶或供應商擁有權益。

業績及分派

本集團本年度之業績載於第54頁之綜合全面收益表。

本年度並無宣派中期股息。董事現建議待股東於應屆股東週年大會上通過，向二零一一年五月十六日名列本公司股東名冊的股東派付末期股息每股16港仙，合共約182,000,000港元及保留餘下溢利。

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 12 May 2011 to Monday, 16 May 2011, both days inclusive. During such period, no transfer of shares will be registered. In order to qualify for the entitlement to the proposed final dividend and for attending the forthcoming annual general meeting, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 11 May 2011.

PROPERTY, PLANT AND EQUIPMENT

During the year, the Group had additions of HK\$354,971,000 to property, plant and equipment to expand and upgrade the Group's production facilities.

Details of these and other movements in the property, plant and equipment of the Group during the year are set out in note 15 to the consolidated financial statements.

DISTRIBUTABLE RESERVES OF THE COMPANY

The Company's reserves available for distribution to shareholders, including the share premium account, capital reserve and accumulated losses, amounted to approximately HK\$2,632 million as at 31 December 2010.

Under the Companies Law (Revised) Chapter 22 of the Cayman Islands, the share premium of the Company is available for paying distributions or dividends to shareholders subject to the provisions of its memorandum and articles of association and provided that immediately following the distribution or dividend, the Company is able to pay its debts as they fall due in the ordinary course of business. In accordance with the Company's articles of association, dividends shall be distributed out of the retained profits or other reserves, including the share premium account and capital reserve, of the Company.

暫停辦理股東登記手續

本公司將於二零一一年五月十二日(星期四)至二零一一年五月十六日(星期一)(包括首尾兩日)暫停辦理股東登記手續，期間不會登記任何股份轉讓。股東如欲符合資格獲取擬派末期股息及出席應屆股東週年大會，必須在不遲於二零一一年五月十一日(星期三)下午四時三十分將所有填妥的過戶表格及相關股票送交本公司的香港股份過戶登記分處卓佳證券登記有限公司，地址為香港灣仔皇后大道東28號金鐘匯中心26樓，以辦理登記手續。

物業、廠房及設備

年內，本集團添置物業、廠房及設備共值354,971,000港元，以擴充及提升本集團生產設施。

本集團添置物業、廠房及設備及年內相關之其他變動詳情載於綜合財務報表附註15。

本公司可供分派儲備

於二零一零年十二月三十一日，本公司可供分派予股東之儲備(包括股份溢價、資本儲備及累積虧損)約為2,632百萬港元。

根據開曼群島法例第22章公司法(經修訂)，在組織章程大綱或細則或規限下，本公司之股份溢價可供向股東分派或用作派付股息，惟於緊隨分派或股息派付後，本公司須有能力償還其於日常營運到期之債務。根據本公司組織章程細則，股息須自本公司保留溢利或其他儲備(包括股份溢價及資本儲備)撥派。

Directors' Report

董事會報告

SHARE CAPITAL

Details of movements during the year in the share capital of the Company are set out in note 32 to the consolidated financial statements.

DIRECTORS

The directors of the Company during the year and up to the date of this report were:

Executive directors:

Mr. Chun Chi Wai (Chairman and Chief Executive Officer)
Mr. Fung Ka Lun (Group Finance Director and Group Vice President)
(appointed on 8 June 2010)
Mr. Jiang Yan Zhang (Chief Operating Officer)

Non-executive director:

Ms. Lai Wun Yin

Independent non-executive directors:

Mr. Chan Kam Hung
Mr. Leung Chong Shun
Mr. Yan Qi Ping (appointed on 8 June 2010)
Mr. Chan Lu Seng (resigned on 1 October 2010)

In accordance with Article 84(1) of the Company's articles of association, Mr. Jiang Yan Zhang and Mr. Leung Chong Shun shall retire from office by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

In accordance with Article 83(3) of the Company's articles of association, Mr. Fung Ka Lun and Mr. Yan Qi Ping shall retire from office at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

股本

本公司年內之股本變動詳情載於綜合財務報表附註32。

董事

年內及截至本報告日期，本公司之董事如下：

執行董事：

秦志威先生（主席兼行政總裁）
馮嘉倫先生（集團財務董事兼集團副總裁）
（於二零一零年六月八日獲委任）
姜延章先生（營運總監）

非執行董事：

黎煥賢女士

獨立非執行董事：

陳錦雄先生
梁創順先生
閻啟平先生（於二零一零年六月八日獲委任）
陳耀星先生（於二零一零年十月一日辭任）

根據本公司之組織章程細則第84(1)條，姜延章先生及梁創順先生均須於應屆股東週年大會上輪值退任，並符合資格膺選連任。

根據本公司之組織章程細則第83(3)條，馮嘉倫先生及閻啟平先生均須於應屆股東週年大會上退任，並符合資格膺選連任。

DIRECTORS' SERVICE CONTRACTS

No director proposed for re-election at the forthcoming annual general meeting has a service contract which is not determinable by the Group within one year without payment of compensation other than statutory compensation.

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2010, the interests of the directors of the Company and their associates in the shares, underlying shares and debentures of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance (the "SFO"), or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were as follows:

- (i) Long positions in the shares of the Company:
本公司股份的好倉：

Name of director 董事姓名	Capacity 身份	Percentage of the issued Number of issued ordinary share capital of shares held the Company 所持已發行 佔本公司已發行 普通股數目 股本百分比	
Mr. Chun Chi Wai 秦志威先生	Interest of controlled corporation (note) 受控制法團權益(附註)	643,149,181	56.55%
	Beneficial owner 實益擁有人	1,089,000	0.10%
Ms. Lai Wun Yin 黎煥賢女士	Interest of spouse (note) 配偶權益(附註)	644,238,181	56.65%

Note: Mr. Chun Chi Wai is deemed to be interested in 643,149,181 ordinary shares held by Wellrun Limited ("Wellrun") as the sole beneficial owner of Wellrun. Ms. Lai Wun Yin is the spouse of Mr. Chun Chi Wai and is deemed to be interested in the shares held by Mr. Chun Chi Wai.

董事服務合約

概無擬於應屆股東週年大會上膺選連任之董事與本集團訂有任何不可由本集團於一年內終止而毋須作出賠償(法定賠償除外)之服務合約。

董事於股份、相關股份及債券的權益

於二零一零年十二月三十一日，本公司董事及彼等之聯繫人士於本公司及其相聯法團的股份、相關股份及債券中擁有本公司根據證券及期貨條例(「證券及期貨條例」)第352條存置的登記冊記錄，或根據香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)所載上市公司董事進行證券交易的標準守則(「標準守則」)而知會本公司及聯交所的權益如下：

附註：由於秦志威先生乃好運有限公司(「好運」)的唯一實益擁有人，故被視為擁有好運所持643,149,181股普通股的權益。黎煥賢女士乃秦志威先生的配偶，故被視為擁有秦志威先生所持股份的權益。

Directors' Report

董事會報告

(ii) Long positions in the underlying shares of the Company:

本公司相關股份的好倉：

Name of director 董事姓名	Capacity 身份	Number of options/ underlying shares held 所持購股權／ 相關股份數目	Exercisable period 行使期	Percentage of the issued share capital of the Company 佔本公司已發行 股本百分比
Mr. Chun Chi Wai 秦志威先生	Beneficial owner 實益擁有人	1,930,502	22 June 2010 - 18 June 2017 二零一零年六月二十二日至 二零一七年六月十八日	0.17%
	Beneficial owner 實益擁有人	1,930,502	23 June 2011 - 18 June 2017 二零一一年六月二十三日至 二零一七年六月十八日	0.17%
	Beneficial owner 實益擁有人	1,930,502	23 June 2012 - 18 June 2017 二零一二年六月二十三日至 二零一七年六月十八日	0.17%
	Interest of spouse (note) 配偶權益(附註)	643,500	22 June 2010 - 18 June 2017 二零一零年六月二十二日至 二零一七年六月十八日	0.06%
	Interest of spouse (note) 配偶權益(附註)	643,501	23 June 2011 - 18 June 2017 二零一一年六月二十三日至 二零一七年六月十八日	0.06%
	Interest of spouse (note) 配偶權益(附註)	643,501	23 June 2012 - 18 June 2017 二零一二年六月二十三日至 二零一七年六月十八日	0.06%
		7,722,008		0.69%
Mr. Fung Ka Lun 馮嘉倫先生	Beneficial owner 實益擁有人	1,144,164	1 November 2010 - 23 December 2017 二零一零年十一月一日至 二零一七年十二月二十三日	0.10%
	Beneficial owner 實益擁有人	1,144,165	1 November 2011 - 23 December 2017 二零一一年十一月一日至 二零一七年十二月二十三日	0.10%
	Beneficial owner 實益擁有人	1,144,165	1 November 2012 - 23 December 2017 二零一二年十一月一日至 二零一七年十二月二十三日	0.10%
		3,432,494		0.30%

Name of director 董事姓名	Capacity 身份	Number of options/ underlying shares held 所持購股權／ 相關股份數目	Exercisable period 行使期	Percentage of the issued share capital of the Company 佔本公司已發行 股本百分比
Mr. Jiang Yan Zhang 姜延章先生	Beneficial owner 實益擁有人	514,800	22 June 2010 - 18 June 2017 二零一零年六月二十二日至 二零一七年六月十八日	0.05%
	Beneficial owner 實益擁有人	514,801	23 June 2011 - 18 June 2017 二零一一年六月二十三日至 二零一七年六月十八日	0.05%
	Beneficial owner 實益擁有人	514,801	23 June 2012 - 18 June 2017 二零一二年六月二十三日至 二零一七年六月十八日	0.05%
		1,544,402		0.15%
Ms. Lai Wun Yin 黎煥賢女士	Beneficial owner 實益擁有人	643,500	22 June 2010 - 18 June 2017 二零一零年六月二十二日至 二零一七年六月十八日	0.06%
	Beneficial owner 實益擁有人	643,501	23 June 2011 - 18 June 2017 二零一一年六月二十三日至 二零一七年六月十八日	0.06%
	Beneficial owner 實益擁有人	643,501	23 June 2012 - 18 June 2017 二零一二年六月二十三日至 二零一七年六月十八日	0.06%
	Interest of spouse (note) 配偶權益(附註)	1,930,502	22 June 2010 - 18 June 2017 二零一零年六月二十二日至 二零一七年六月十八日	0.17%
	Interest of spouse (note) 配偶權益(附註)	1,930,502	23 June 2011 - 18 June 2017 二零一一年六月二十三日至 二零一七年六月十八日	0.17%
	Interest of spouse (note) 配偶權益(附註)	1,930,502	23 June 2012 - 18 June 2017 二零一二年六月二十三日至 二零一七年六月十八日	0.17%
		7,722,008		0.69%

Directors' Report

董事會報告

Name of director 董事姓名	Capacity 身份	Number of options/ underlying shares held 所持購股權／ 相關股份數目	Exercisable period 行使期	Percentage of the issued share capital of the Company 佔本公司已發行 股本百分比
Mr. Chan Kam Hung 陳錦雄先生	Beneficial owner 實益擁有人	128,700	22 June 2010 - 18 June 2017 二零一零年六月二十二日至 二零一七年六月十八日	0.01%
	Beneficial owner 實益擁有人	128,700	23 June 2011 - 18 June 2017 二零一一年六月二十三日至 二零一七年六月十八日	0.01%
	Beneficial owner 實益擁有人	128,700	23 June 2012 - 18 June 2017 二零一二年六月二十三日至 二零一七年六月十八日	0.01%
		386,100		0.03%
Mr. Leung Chong Shun 梁創順先生	Beneficial owner 實益擁有人	128,700	22 June 2010 - 18 June 2017 二零一零年六月二十二日至 二零一七年六月十八日	0.01%
	Beneficial owner 實益擁有人	128,700	23 June 2011 - 18 June 2017 二零一一年六月二十三日至 二零一七年六月十八日	0.01%
	Beneficial owner 實益擁有人	128,700	23 June 2012 - 18 June 2017 二零一二年六月二十三日至 二零一七年六月十八日	0.01%
		386,100		0.03%
Mr. Yan Qi Ping 閻啟平先生	Beneficial owner 實益擁有人	128,700	8 June 2011 - 7 June 2018 二零一一年六月八日至 二零一八年六月七日	0.01%
	Beneficial owner 實益擁有人	128,700	8 June 2012 - 7 June 2018 二零一二年六月八日至 二零一八年六月七日	0.01%
	Beneficial owner 實益擁有人	128,700	8 June 2013 - 7 June 2018 二零一三年六月八日至 二零一八年六月七日	0.01%
		386,100		0.03%

Note: Mr. Chun Chi Wai and Ms. Lai Wun Yin are husband and wife and therefore are deemed to be interested in the options held by each other.

附註：秦志威先生與黎煥賢女士為夫婦關係，因此被視為擁有對方所持購股權的權益。

(iii) Long positions in the shares and underlying shares of associated corporation of the Company:

本公司相聯法團股份及相關股份的好倉：

Name of director 董事姓名	Capacity 身份	Name of associated corporation 相聯法團名稱	Number of issued ordinary shares held 所持已發行 普通股數目	Percentage of the issued share capital of the associated corporation 佔相聯法團已發行 股本百分比
Mr. Chun Chi Wai 秦志威先生	Beneficial owner (note) 實益擁有人(附註)	Wellrun 好運	1	100%

Note: As Wellrun owns more than 50% interest of the Company, Wellrun is an associated corporation of the Company under the SFO. Wellrun is also a controlled corporation of Mr. Chun Chi Wai under the SFO. The entire issued share capital of Wellrun is owned by Mr. Chun Chi Wai, who is a director of the Company and the sole director of Wellrun.

附註：由於好運擁有本公司超過50%的權益，根據證券及期貨條例，好運乃本公司的相聯法團。根據證券及期貨條例，好運亦為秦志威先生的受控法團。本公司董事及好運的唯一董事秦志威先生擁有好運的全部已發行股本。

Other than as disclosed above, none of the directors of the Company nor their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations as at 31 December 2010.

除上文所披露者外，概無本公司董事或彼等的聯繫人士於二零一零年十二月三十一日在本公司或其任何相聯法團的任何股份、相關股份或債券擁有任何權益或淡倉。

SUBSTANTIAL SHAREHOLDERS

Other than the interests disclosed above in respect of certain directors who are also substantial shareholders of the Company, the register of substantial shareholders maintained by the Company pursuant to section 336 of the SFO discloses no person as having a notifiable interest or short position in the shares or underlying shares of the Company as at 31 December 2010.

主要股東

除上文所披露之若干董事(同時為本公司主要股東)之權益外，按本公司根據證券及期貨條例第336條存置的主要股東名冊所披露，於二零一零年十二月三十一日，並無任何人士於本公司股份或相關股份中擁有須申報之權益或淡倉。

SHARE OPTIONS

Particulars of the Company's share option schemes are set out in note 38 to the consolidated financial statements.

購股權

本公司購股權計劃詳情載於綜合財務報表附註38。

Directors' Report

董事會報告

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than the option holdings disclosed above, at no time during the year was the Company, its holding company, or any of its subsidiaries, a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in the paragraph headed "Connected Transactions" in this report and note 40 to the consolidated financial statements, no contracts of significance, to which the Company, its holding company, or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Save as disclosed in the prospectus of the Company dated 10 June 2009 issued in connection with its initial public offerings on the Stock Exchange, none of the directors hold any interests in any competing business against the Company or any of its subsidiaries during the year ended 31 December 2010.

NON-COMPETITION UNDERTAKING BY THE CONTROLLING SHAREHOLDERS

The Company has received an annual confirmation from the controlling shareholders, Mr. Chun Chi Wai and Wellrun, in respect of their compliance with the non-competition undertaking during the year ended 31 December 2010. The independent non-executive directors have reviewed the said undertaking and are of the view that Mr. Chun Chi Wai and Wellrun have complied with the non-competition undertaking during the year.

購買股份或債券之安排

除上文有關購股權之披露外，於年內任何時間，本公司、其控股公司或其任何附屬公司概無訂立任何安排，致使本公司之董事可藉購入本公司或任何其他法人團體之股份或債券而獲益。

董事於重大合約之權益

除本報告「關連交易」一段及綜合財務報表附註40所披露者外，於年結日或年內任何時間，本公司、其控股公司或其任何附屬公司概無訂有任何本公司董事直接或間接擁有重大權益之重大合約。

董事於競爭業務之權益

除本公司就其於二零零九年六月十日在聯交所首次公开发售刊發的招股章程所披露者外，截至二零一零年十二月三十一日止年度，概無董事於與本公司或其任何附屬公司競爭的業務中擁有任何權益。

控股股東之不競爭承諾

本公司已收取控股股東、秦志威先生及好運有關於截至二零一零年十二月三十一日止年度遵守不競爭承諾的年度確認。獨立非執行董事亦已審閱上述承諾，認為秦志威先生及好運於年內一直遵守不競爭承諾。

CONNECTED TRANSACTIONS

Details of the connected transactions during the year are set out in note 40 to the consolidated financial statements. Certain of those connected transactions also constitute continuing connected transactions of the Group within the meaning of Chapter 14A of the Listing Rules. Pursuant to Rule 14A.38 of the Listing Rules, the board of directors engaged the auditor of the Company to perform agreed upon procedures in respect of the certain continuing connected transactions of the Group. The auditor has reported the factual findings on these procedures to the board of directors.

The independent non-executive directors have reviewed the continuing connected transactions and the report of the auditor and have confirmed that the transactions have been entered into by the Group:

- (i) in the ordinary and usual course of its business;
- (ii) either on normal commercial terms or on terms no less favourable than terms available to or from independent third parties; and
- (iii) in accordance with the terms of agreement governing such transactions that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

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

During the year, save for the placing of 90 million new shares in December 2010, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CODE ON CORPORATE GOVERNANCE PRACTICES

During the year, in the opinion of the directors, the Company has followed the principles and complied with all applicable code provisions under the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 to the Listing Rules, save for the deviation from code provision A.2.1. The Company's corporate governance report for the year under review is set out in pages 23 to 32 of the annual report.

關連交易

年內關連交易詳情載於綜合財務報表附註40。若干關連交易亦屬本集團根據上市規則第14A章所界定的持續關連交易。根據上市規則第14A.38條，董事會委聘本公司核數師就本集團若干持續關連交易履行經協定程序。核數師已向董事會呈報彼等就該等程序的實質調查結果。

獨立非執行董事已審閱上述持續關連交易及核數師報告，並確認該等交易乃經本集團於下列情況下進行：

- (i) 於本集團一般日常業務過程中訂立；
- (ii) 按一般商業條款或不遜於獨立第三方可取得或提供的條款訂立；及
- (iii) 根據該等交易的協議條款進行，而交易條款公平合理並符合本公司股東的整體利益。

購入、出售或贖回本公司上市證券

年內，除於二零一零年十二月配售90,000,000股新股份外，本公司及其任何附屬公司概無購入、出售或贖回本公司任何上市證券。

企業管治常規守規

董事認為，於年內，除偏離於第A.2.1條守則條文外，本公司一直遵守及按照上市規則附錄14所載企業管治常規守則（「企業管治守則」）的原則及所有適用守則條文。本公司於回顧年度企業管治報告載於本年報第23至第32頁。

Directors' Report

董事會報告

COMPLIANCE WITH THE MODEL CODE OF THE LISTING RULES

The Company has adopted a code of conduct regarding securities transactions of the directors, senior management and relevant employees (who, because of their office in the Group, are likely to be in possession of unpublished price sensitive information in relation to the Company or its securities) of the Group (the "Own Code") on terms no less exacting than the required standard of dealings set out in the Model Code.

Having made specific enquiry of all directors, all the members of the board of the directors of the Company have confirmed that they have complied with the required standard as set out in the Model Code and the Own Code throughout the year ended 31 December 2010. No incident of non-compliance of the Own Code during the year by the senior management and relevant employees was noted by the Company.

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the three independent non-executive directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive directors are independent.

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the senior management of the Group on the basis of their merit, qualifications and competence.

The emoluments of the directors of the Company are decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

The Company has adopted two share option schemes as an incentive to directors and eligible employees, details of these schemes are set out in note 38 to the consolidated financial statements.

遵守上市規則的標準守則

本公司已採納一套條款不比標準守則所載買賣標準規定寬鬆的行為守則作為本集團董事、高級管理層及相關僱員（基於在本集團的職位而可能取得有關本公司或其證券的未公開股價敏感資料）進行證券買賣的守則（「本公司守則」）。

經向全體董事作出特定查詢後，本公司董事會全體成員均已確認於截至二零一零年十二月三十一日止全年期間一直遵守標準守則及本公司守則所載規定標準。於年內，本公司概無發現高級管理層或有關僱員違反本公司守則的事件。

獨立非執行董事之委任

本公司已接獲三名獨立非執行董事根據上市規則第3.13條就彼等之獨立性發出之年度確認。本公司認為，全體獨立非執行董事均為獨立人士。

薪酬政策

本集團之僱員薪酬政策由本集團高級管理層根據僱員之表現、資歷及能力釐定。

本公司董事之酬金由薪酬委員會考慮本公司經營業績、個人表現及可資比較之市場統計數據而決定。

本公司採納兩項購股權計劃，作為對董事及合資格僱員的獎勵。該等計劃詳情載於綜合財務報表附註38。

CHARITABLE DONATIONS

During the year, the Group made charitable donations amounting to HK\$1,000,000.

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, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new shares of the Company on a pro rata basis to existing shareholders of the Company.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the directors, the Company has maintained a sufficient public float as at the date of this report.

EVENT AFTER THE REPORTING PERIOD

Details of a significant event occurred after the reporting period are set out in note 43 to the consolidated financial statements.

AUDITOR

A resolution will be submitted to the forthcoming annual general meeting to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company.

On behalf of the Board

Chun Chi Wai

Chairman

28 March 2011

慈善捐款

年內，本集團的慈善捐款達1,000,000港元。

優先購買權

本公司的組織章程細則或開曼群島（本公司註冊成立的司法權區）法例概無有關優先購買權的條文而導致本公司須向現有股東按比例發售本公司新股份。

充足公眾持股量

於本報告日期，根據本公司所得的公開資料及就董事所知，本公司已維持充足公眾持股量。

報告期間後事項

於報告期間後發生的重大事項詳情載列於綜合財務報表附註43。

核數師

本公司將於應屆股東週年大會提呈決議案，續聘德勤•關黃陳方會計師行為本公司核數師。

代表董事會

秦志威

主席

二零一一年三月二十八日

Independent Auditor's Report 獨立核數師報告



TO THE MEMBERS OF CHINA METAL RECYCLING (HOLDINGS) LIMITED

(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of China Metal Recycling (Holdings) Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 54 to 189, which comprise the consolidated statement of financial position as at 31 December 2010, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and 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 Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants 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 our audit and to report our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

致中國金屬再生資源(控股)有 限公司股東

(於開曼群島註冊成立的有限公司)

吾等已審閱第54頁至第189頁所載的中國金屬再生資源(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，當中載有於二零一零年十二月三十一日的綜合財務狀況表，以及截至該日止年度的綜合全面收益表、綜合權益變動表及綜合現金流量表，以及重大會計政策概要及其他解釋附註。

董事對綜合財務報表的責任

貴公司董事負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定編製真實而公平的綜合財務報表，以及董事認為需要的內部監控，以使編製綜合財務報表不會因欺詐或錯誤而出現重大錯誤陳述。

核數師責任

吾等的責任為按協定的委聘條款，僅向閣下整體就吾等審閱該等綜合財務報表的結果表達意見，除此之外並無其他目的。吾等不會就報告內容向任何其他人士負責或承擔任何責任。吾等根據香港會計師公會頒佈的香港審核準則審核，該等準則規定吾等必須遵守有關道德規定，並計劃及執行審核工作，以就綜合財務報表是否出現重大錯誤陳述而獲得合理的憑證。

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 December 2010 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu

Certified Public Accountants
Hong Kong

28 March 2011

審核工作涉及執程序，以取得有關綜合財務資料所載金額及披露事項有關的審核憑證。所選擇程序取決於核數師的判斷，包括評估綜合財務報表是否因欺詐或錯誤而出現重大錯誤陳述風險。於作出該等風險評估時，核數師會考慮與實體編製真實而公平的綜合財務報表有關的內部控制，以設計在該等情況下合適的審核程序，而非為對實體內部監控的有效性發表意見。審核工作亦包括評估董事採用的會計政策是否恰當，董事所作的會計估計是否合理，以及評估綜合財務資料的整體呈報。

吾等相信，吾等所取得的審核憑證充足而恰當，可為吾等的審核意見提供基礎。

意見

吾等認為，根據香港財務報告準則，綜合財務報表已真實並公平地呈列貴集團於二零一零年十二月三十一日的狀況，及貴集團於截至該日止年度的溢利及現金流量，並已根據香港公司條例的披露規定妥為編製。

德勤•關黃陳方會計師行

執業會計師
香港

二零一一年三月二十八日

Consolidated Statement of Comprehensive Income

綜合全面收益表

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

		Notes 附註	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Revenue	收益	7	22,508,182	9,063,175
Cost of sales	銷售成本		(21,272,828)	(8,273,221)
Gross profit	毛利		1,235,354	789,954
Other income	其他收入	8	65,655	7,973
Distribution and selling expenses	分銷及銷售開支		(8,597)	(6,559)
Administrative expenses	行政開支		(182,832)	(83,548)
Other expenses	其他開支		—	(13,365)
Net loss on derivative financial instruments	衍生金融工具虧損 淨額		(77,534)	(72,336)
Finance costs	融資成本	9	(95,289)	(120,425)
Share of result of an associate	應佔一間聯營公司業績	18	(1,534)	1,941
Gain on disposal of a subsidiary	出售附屬公司收益	34	9,278	—
Profit before taxation	除稅前溢利		994,501	503,635
Income tax expense	所得稅開支	10	(52,598)	(24,950)
Profit for the year	年內溢利	11	891,903	478,685
Other comprehensive income	其他全面收益			
Exchange differences arising on translation of foreign operations	換算海外業務所產生的 匯兌差額			
- subsidiaries	— 附屬公司		48,801	—
- an associate	— 聯營公司	18	1,046	—
Reclassification of other comprehensive income upon disposal of a subsidiary (exchange differences included in exchange reserve)	收購附屬公司的額外權益 於出售附屬公司後重新 分類其他全面收入 (匯兌差額計入匯兌儲備)		(307)	—
Other comprehensive income for the year	年內其他全面收入		49,540	—
Total comprehensive income for the year	年內全面收入總額		941,443	478,685

		Note 附註	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Profit for the year attributable to: 以下各項應佔年內溢利：				
Owners of the Company	本公司擁有人		886,562	478,422
Non-controlling interests	非控股權益		5,341	263
			891,903	478,685
Total comprehensive income for the year attributable to: 以下各項應佔年內全面收入總額：				
Owners of the Company	本公司擁有人		933,115	478,422
Non-controlling interests	非控股權益		8,328	263
			941,443	478,685
			HK cents 港仙	HK cents 港仙
Earnings per share 每股盈利				
- basic	— 基本	14	84.61	54.28
- diluted	— 攤薄		84.15	54.10

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2010

於二零一零年十二月三十一日

		Notes	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
		附註		
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	15	426,817	88,989
Investment properties	投資物業	16	1,638	1,731
Prepaid lease payments - non-current portion	預付租賃款－ 非即期部分	17	194,631	94,529
Interest in an associate	於一間聯營公司的權益	18	96,625	97,113
Deposits paid for acquisition of property, plant and equipment	收購物業、廠房及 設備的已付按金		18,281	55,130
Deposits paid for land use rights	土地使用權已付按金		129,072	45,653
			867,064	383,145
CURRENT ASSETS	流動資產			
Inventories	存貨	19	1,747,136	727,538
Trade and other receivables and deposits	貿易及其他應收款項 及按金	20	7,347,811	2,524,325
Bills receivable	應收票據	21	717,160	248,067
Prepaid lease payments - current portion	預付租賃款－ 即期部分	17	9,733	3,460
Deposit paid to a related party	付予關連人士的按金	22	120	115
Derivative financial instruments	衍生金融工具	23	66,745	36,940
Taxation recoverable	可收回稅項		3,888	—
Pledged bank deposits	已質押銀行存款	24	1,630,541	210,376
Restricted deposits	受限制存款	25	251,972	62,284
Bank balances and cash	銀行結餘及現金	25	1,088,536	554,417
			12,863,642	4,367,522

		Notes 附註	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
CURRENT LIABILITIES	流動負債			
Trade and other payables	貿易及其他應付款項	26	4,171,503	981,796
Bills payable	應付票據	26	1,109,965	—
Amount due to a non-controlling shareholder of a subsidiary	應付附屬公司 非控股股東款項	27	1,960	—
Discounted bills	貼現票據	28	320,588	139,810
Derivative financial instruments	衍生金融工具	23	134,837	62,144
Bank borrowings	銀行借款	29	2,960,962	451,576
Taxation payable	應付稅項		49,578	25,072
			8,749,393	1,660,398
NET CURRENT ASSETS	流動資產淨值		4,114,249	2,707,124
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減 流動負債		4,981,313	3,090,269
NON-CURRENT LIABILITIES	非流動負債			
Bank borrowings	銀行借款	29	352,941	—
Other long-term payable	其他長期應付款項	31	235	454
			353,176	454
NET ASSETS	資產淨值		4,628,137	3,089,815
CAPITAL AND RESERVES	資本及儲備			
Share capital	股本	32	114	105
Reserves	儲備		4,556,720	3,009,876
Equity attributable to owners of the Company	本公司擁有人 應佔權益		4,556,834	3,009,981
Non-controlling interests	非控股權益		71,303	79,834
TOTAL EQUITY	總權益		4,628,137	3,089,815

The consolidated financial statements on pages 54 to 189 were approved and authorised for issue by the board of directors on 28 March 2011 and are signed on its behalf by:

董事會已於二零一一年三月二十八日批准並授權刊發載於第54頁至第189頁的綜合財務報表，並由下列董事代表本公司簽署：

DIRECTOR
董事

DIRECTOR
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔							Non-controlling interests 非控股權益		Total
		Share capital 股本	Share premium 股份溢價	Capital reserve 資本儲備	Other reserve 其他儲備	Exchange reserve 匯兌儲備	Share options reserve 購股權儲備	Retained profits 保留溢利	Total	Total	Total
		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
At 1 January 2009	於二零零九年一月一日	—	234,000	161,370	—	36,317	—	399,867	831,554	64,798	896,352
Profit and total comprehensive income for the year	年度溢利及全面收益總額	—	—	—	—	—	—	478,422	478,422	263	478,685
Capitalisation issue	資本化發行	70	(70)	—	—	—	—	—	—	—	—
Issue of new shares	發行新股	35	1,787,065	—	—	—	—	—	1,787,100	—	1,787,100
Cost of issue of new shares	發行新股成本	—	(102,215)	—	—	—	—	—	(102,215)	—	(102,215)
Recognition of equity-settled share-based payments	確認為權益結算以股份支付款項	—	—	—	—	—	15,120	—	15,120	—	15,120
Capital contribution from non-controlling shareholders of subsidiaries	一間附屬公司非控股股東的出資	—	—	—	—	—	—	—	—	14,773	14,773
At 31 December 2009	於二零零九年十二月三十一日	105	1,918,780	161,370	—	36,317	15,120	878,289	3,009,981	79,834	3,089,815
Profit for the year	年內溢利	—	—	—	—	—	—	886,562	886,562	5,341	891,903
Exchange differences arising on translation of foreign operations	換算海外業務所產生的匯兌差額	—	—	—	—	—	—	—	—	—	—
— subsidiaries	— 附屬公司	—	—	—	—	45,814	—	—	45,814	2,987	48,801
— an associate	— 聯營公司	—	—	—	—	1,046	—	—	1,046	—	1,046
Reclassification of other comprehensive income upon disposal of a subsidiary	於出售附屬公司後重新分類其他全面收入	—	—	—	—	(307)	—	—	(307)	—	(307)
Other comprehensive income	其他全面收入	—	—	—	—	46,553	—	—	46,553	2,987	49,540
Total comprehensive income for the year	年度全面收入總額	—	—	—	—	46,553	—	886,562	933,115	8,328	941,443
Issue of new shares	發行新股	9	706,491	—	—	—	—	—	706,500	—	706,500
Cost of issue of new shares	發行新股成本	—	(15,126)	—	—	—	—	—	(15,126)	—	(15,126)
Recognition of equity-settled share-based payments	確認為權益結算以股份支付款項	—	—	—	—	—	34,761	—	34,761	—	34,761
Exercise of share options	行使購股權	—	16,000	—	—	—	(4,218)	—	11,782	—	11,782
Acquisition of a subsidiary (note 33)	收購一間附屬公司(附註33)	—	—	—	—	—	—	—	—	807	807
Acquisition of additional interest in a subsidiary	收購附屬公司的額外權益	—	—	—	(379)	1,600	—	—	1,221	(12,182)	(10,961)
Disposal of a subsidiary (note 34)	出售附屬公司(附註34)	—	—	—	—	—	—	—	—	(5,524)	(5,524)
Capital contribution from a non-controlling shareholder of a subsidiary	一間附屬公司非控股股東的出資	—	—	—	—	—	—	—	—	40	40
Dividend recognised as distribution (note 13)	已確認為分派之股息(附註13)	—	—	—	—	—	—	(125,400)	(125,400)	—	(125,400)
At 31 December 2010	於二零一零年十二月三十一日	114	2,626,145	161,370	(379)	84,470	45,663	1,639,451	4,556,834	71,303	4,628,137

The capital reserve of the Group represents the aggregate of:

- (i) the reserve of HK\$120,811,000 arising on the acquisition of the remaining 48% equity interest in a subsidiary of the Company, Asia Steel (Holdings) Limited, from a non-controlling shareholder by Mr. Chun Chi Wai ("Mr. Chun"), the founder shareholder of the Company in June 2007 and representing the unaudited consolidated net assets value of Asia Steel (Holdings) Limited attributable to the non-controlling shareholder as at 30 June 2007 reclassified from non-controlling interests as deemed contribution by Mr. Chun; and
- (ii) the difference between the nominal value of the aggregate share capital of the subsidiaries acquired by the Company upon the group reorganisation in 2006 and the nominal value of the Company's shares issued in exchange of HK\$40,559,000.

In December 2010, the Group acquired additional interest of 9.615% in a subsidiary, namely Tianjin Yatong Steel Co., Ltd. ("Tianjin Yatong") at a consideration of HK\$10,961,000. After this transaction, Tianjin Yatong became a wholly-owned subsidiary of the Group. The difference between the consideration and the carrying amount of non-controlling interests, amounting to HK\$1,221,000, was recognised as an equity transaction in other reserve and exchange reserve.

本集團的資本儲備乃指下列兩項之總和：

- (i) 於二零零七年六月，本公司創辦股東秦志威先生（「秦先生」）向非控股股東收購亞洲鋼鐵控股有限公司的餘下48%股權產生的儲備約120,811,000港元，相當於非控股股東於二零零七年六月三十日應佔從非控股權益重新歸類為視作秦先生供款的亞洲鋼鐵控股有限公司未經審核綜合資產淨值；及
- (ii) 本公司於二零零六年進行集團重組後所購入附屬公司股本總額的面值與本公司為換取該等股本而發行的股份面值40,559,000港元的差額。

於二零一零年十二月，本集團收購附屬公司天津亞銅鋼鐵有限公司（「天津亞銅」）9.615%額外權益，代價為10,961,000港元。此交易後，天津亞銅成為本集團全資附屬公司。代價與非控制權益之間之差額為1,221,000港元，已於其他儲備及匯兌儲備確認為權益交易。

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
OPERATING ACTIVITIES	經營活動		
Profit before taxation	除稅前溢利	944,501	503,635
Adjustments for:	經調整：		
Release of prepaid lease payments	預付租賃款轉撥	6,518	3,460
Depreciation of property, plant and equipment	物業、廠房及設備折舊	25,153	13,641
Depreciation of investment properties	投資物業折舊	38	39
Finance costs	融資成本	95,289	120,425
Gain on disposal of a subsidiary	出售附屬公司收益	(9,278)	—
Gain on disposal of investment property and prepaid lease payment	出售投資物業及預付租賃款	(198)	—
(Gain) loss on disposal of property, plant and equipment	出售物業、廠房及設備(收益)虧損	(508)	63
Interest income	利息收入	(18,163)	(3,276)
Net loss on derivative financial instruments	衍生金融工具虧損淨額	77,534	72,336
Share-based payment expenses	以股份付款開支	34,761	15,120
Share of result of an associate	應佔一間聯營公司業績	1,534	(1,941)
Operating cash flows before movements in working capital	營運資金變動前的經營現金流量	1,157,181	723,502
Increase in inventories	存貨增加	(1,024,807)	(470,002)
Increase in trade and other receivables and deposits	貿易及其他應收款項及按金增加	(4,838,092)	(1,688,752)
(Increase) decrease in bills receivable	應收票據(增加)減少	(469,093)	56,534
Net movement in derivative financial instruments	衍生金融工具變動淨額	(34,646)	(45,813)
Increase in trade and other payables	貿易及其他應付款項增加	3,193,189	929,238
Increase in bills payable	應付票據增加	1,109,965	—
Cash used in operations	經營業務動用的現金	(906,303)	(495,293)

		NOTES 附註	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
PRC Enterprise Income Tax paid	已付中國企業所得稅		(31,980)	(8,247)
PRC Enterprise Income Tax refunded	退還中國企業所得稅		—	1,564
Hong Kong Profits Tax refunded	退還香港利得稅		—	618
NET CASH USED IN OPERATING ACTIVITIES	經營業務動用的 現金淨額		(938,283)	(501,358)
INVESTING ACTIVITIES	投資活動			
Increase in pledged bank deposits	已質押銀行存款增加		(1,420,165)	(137,921)
Cash outflow on acquisition of a subsidiary	收購附屬公司 現金流出	33	(251,261)	—
Increase in restricted deposits	受限制存款增加		(189,688)	(58,653)
Deposits paid for land use rights	土地使用權已付按金		(120,357)	(33,153)
Purchase of property, plant and equipment	收購物業、廠房及 設備		(95,750)	(19,655)
Acquisition of land use rights	收購土地使用權		(30,390)	—
Deposits paid for acquisition of property, plant and equipment	收購物業、廠房及設備 的已付按金		(16,088)	(40,883)
Interest received	已收利息		18,163	3,276
Net cash inflow on disposal of a subsidiary	出售附屬公司 現金流入淨額	34	12,885	—
Proceeds on disposal of property, plant and equipment	出售物業、廠房及 設備所得款項		1,023	556
Proceeds on disposal of investment property and prepaid lease payment	出售投資物業所得款項 及預付租賃款		650	—
Capital injection to an associate	向聯營公司注資		—	(28,126)
Repayment from a controlling shareholder	一名控股股東還款		—	771
Repayment from an associate	一間聯營公司還款		—	54
NET CASH USED IN INVESTING ACTIVITIES	投資活動動用的 現金淨額		(2,090,978)	(313,734)

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
FINANCING ACTIVITIES	融資活動		
New bank borrowings raised	新籌集的銀行借款	4,668,693	722,234
Proceeds from issue of new shares	發行新股的所得款項	706,500	1,787,100
Advance from a director	董事墊款	234,000	—
Increase (decrease) in discounted bills	貼現票據增加(減少)	180,778	(164,791)
Proceeds from exercise of share options	行使購股權所得款項	11,782	—
Advance from (repayment to) non-controlling shareholders of subsidiaries	附屬公司非控股股東墊款(向其還款)	1,960	(1,286)
Capital contribution from non-controlling shareholders of subsidiaries	來自附屬公司非控股股東的注資	40	14,773
Repayment of bank borrowings	償還銀行借款	(1,790,502)	(410,231)
Repayment to a director	向董事還款	(234,000)	(2,219)
Dividend paid	已付股息	(125,400)	—
Interest paid	已付利息	(95,289)	(35,934)
Share issue costs paid	已付股份發行成本	(15,126)	(102,215)
Redemption of secured guaranteed senior notes	贖回抵押有擔保優先票據	—	(781,215)
NET CASH FROM FINANCING ACTIVITIES	融資活動產生的現金淨額	3,543,436	1,026,216
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物增加淨額	514,175	211,124
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	年初現金及現金等價物	554,417	343,293
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	外匯匯率變動的影響	19,944	—
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash	年終現金及現金等價物，即銀行結餘及現金	1,088,536	554,417

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

I. GENERAL INFORMATION

The Company is public limited company incorporated in the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 22 June 2009. The immediate and ultimate holding company is Wellrun Limited, a company incorporated in the British Virgin Islands and wholly-owned by Mr. Chun Chi Wai ("Mr. Chun"), the founder shareholder of the Company. The addresses of the registered office and the principal place of business of the Company are Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and Suite 4803, Office Tower Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong, respectively.

The Company is an investment holding company. The principal activities of its subsidiaries and an associate are set out in note 41.

The functional currency of the Company is United States dollar. The consolidated financial statements are presented in Hong Kong dollar for the convenience of the shareholders as the Company is listed in Hong Kong.

1. 一般資料

本公司在開曼群島註冊成立為有限公司。本公司股份於二零零九年六月二十二日起於香港聯合交易所有限公司（「聯交所」）上市。本公司的直接及最終控股公司為於英屬處女群島註冊成立的好運有限公司，該公司由本公司的創辦股東秦志威先生（「秦先生」）全資擁有。本公司的註冊辦事處及主要營業地點分別為 Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands 及香港灣仔港灣道1號會展廣場辦公大樓4803室。

本公司為一間投資控股公司，其附屬公司及一間聯營公司的主要業務載於附註41。

本公司的功能貨幣為美元。由於本公司於香港上市，為了方便股東閱覽，綜合財務報表以港元呈列。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

In the current year, the Group has applied the following new and revised standards and interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

HKFRS 2 (Amendments)	Group Cash-settled Share-based Payment Transactions
HKFRS 3 (as revised in 2008)	Business Combinations
HKAS 27 (as revised in 2008)	Consolidated and Separate Financial Statements
HKAS 39 (Amendments)	Eligible Hedged Items
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009
HKFRSs (Amendments)	Amendments to HKFRS 5 as part of Improvements to HKFRSs issued in 2008
HK(IFRIC) - Int 17	Distributions of Non-cash Assets to Owners
HK - Int 5	Presentation of Financial Statements - Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

Except as described below, the adoption of the new and revised standards and interpretations in the current year has had no material effect on the amounts reported in these consolidated financial statements and/or disclosures set out in these consolidated financial statements.

2. 應用新頒佈及經修訂香港財務報告準則（「香港財務報告準則」）

於本年度，本集團已應用下列由香港會計師公會（「香港會計師公會」）頒佈的新訂及經修訂準則及詮釋。

香港財務報告準則第2號（修訂本）	集團以現金結算以股份付款交易
香港財務報告準則第3號（二零零八年經修訂）	業務合併
香港會計準則第27號（二零零八年經修訂）	綜合及獨立財務報表
香港會計準則第39號（修訂本）	合資格對沖項目
香港財務報告準則（修訂本）	二零零九年頒佈之香港財務報告準則的改進
香港財務報告準則（修訂本）	香港財務報告準則第5號的修訂本，為二零零八年頒佈之香港財務報告準則改進的一部分
香港（國際財務報告準則詮釋委員會）－詮釋第17號	向擁有人分配非現金資產
香港詮釋第5號	財務報表呈列－借款人對包含可隨時要求償還條款的定期貸款的分類

除下文所述者外，本年度採納該等新訂及經修訂準則及詮釋對該等綜合財務報表所呈報款額及／或該等綜合財務報表所載披露並無重大影響。

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

HKAS 27 (as revised in 2008) “Consolidated and Separate Financial Statements”

The application of HKAS 27 (as revised in 2008) has resulted in changes in the Group's accounting policies for changes in ownership interests in subsidiaries of the Group.

Specifically, the revised standard has affected the Group's accounting policies regarding changes in the Group's ownership interests in its subsidiaries that do not result in loss of control. In prior years, in the absence of specific requirements in HKFRSs, goodwill or bargain purchase gain, as appropriate, arising from increases in interests in existing subsidiaries was calculated as the difference between the cost of additional interest acquired and the increase in the Group's share of the carrying amount of the identifiable assets, liabilities and contingent liabilities; for decreases in interests in existing subsidiaries that did not involve a loss of control, the difference between the consideration received and the adjustment to the non-controlling interests was recognised in profit or loss. Under HKAS 27 (as revised in 2008), all such increases or decreases are dealt with in equity, with no impact on goodwill or profit or loss.

When control of a subsidiary is lost as a result of a transaction, event or other circumstance, the revised standard requires the Group to derecognise all assets, liabilities and non-controlling interests at their carrying amounts and to recognise the fair value of the consideration received. Any retained interest in the former subsidiary is recognised at its fair value at the date control is lost. The resulting difference is recognised as a gain or loss in profit or loss.

These changes have been applied prospectively from 1 January 2010 in accordance with the relevant transitional provisions.

2. 應用新頒佈及經修訂香港財務報告準則(「香港財務報告準則」)(續)

香港會計準則第27號(二零零八年經修訂)「綜合及獨立財務報表」

應用香港會計準則第27號(二零零八年經修訂)導致本集團對本集團附屬公司權益擁有權的會計政策出現變動。

具體來說，經修訂的準則影響本集團於附屬公司擁有權之變動(但並無導致失去控制權)所採用的會計政策。於以往年度，由於國際財務報告準則中並無具體規定，因於現有附屬公司的權益增加而產生的商譽或議價購入收益(倘適合)乃按所收購額外權益成本與本集團分佔可識別資產、負債及或然負債的賬面值增幅之間的差額而計算；至於在現有附屬公司出現不涉及失去控制權之權益減少，已收代價與對於非控股權益之調整兩者之間的差額會於損益內確認。根據香港會計準則第27號(二零零八年經修訂)，所有該等增加或減少於權益內處理，對商譽或損益並不構成影響。

倘因交易、事件或其他情況導致失去對附屬公司之控制權，經修訂準則規定本集團不再按賬面值確認所有資產、負債及非控股權益並按所收取之代價確認公平值。於前附屬公司之任何保留權益於失去控制權當日按其公平值確認。所產生之差額於損益中確認為收益或虧損。

根據有關過渡性條文，該等變動已自二零一零年一月一日起提早應用。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

HKAS 27 (as revised in 2008) “Consolidated and Separate Financial Statements” (Continued)

The application of the revised standard has affected the accounting for the Group’s acquisition of additional interest in Tianjin Yatong Steel Co., Ltd. (“Tianjin Tatong”) in the current year. The change in policy has resulted in the difference of HK\$1,221,000 between the consideration payable of HK\$10,961,000 and the non-controlling interests derecognised of HK\$12,182,000 being derecognised directly in equity, instead of in profit or loss. Therefore, the change in accounting policy has resulted in a decrease in the profit for the year of HK\$1,221,000. At the end of the reporting period, the cash consideration payable has been included in other payables as set out in note 26.

Amendments to HKAS 17 “Leases”

As part of Improvements to HKFRSs issued in 2009, HKAS 17 “Leases” has been amended in relation to the classification of leasehold land. Before the amendments to HKAS 17, the Group was required to classify leasehold land as operating leases and to present leasehold land as prepaid lease payments in the consolidated statement of financial position. The amendments to HKAS 17 have removed such a requirement. The amendments require that the classification of leasehold land should be based on the general principles set out in HKAS 17, that is, whether or not substantially all the risks and rewards incidental to ownership of a leased asset have been transferred to the lessee.

In accordance with the transitional provisions set out in the amendments to HKAS 17, the Group reassessed the classification of unexpired leasehold land as at 1 January 2010 based on information that existed at the inception of the leases and concluded that the adoption of amendments to HKAS 17 has had no material effect on the amounts reported in these consolidated financial statements and/or disclosures set out in these consolidated financial statements.

2. 應用新頒佈及經修訂香港財務報告準則(「香港財務報告準則」)(續)

香港會計準則第27號(二零零八年經修訂)「綜合及獨立財務報表」(續)

應用經修訂準則影響本集團於本年度收購天津亞銅鋼鐵有限公司(「天津亞銅」)額外權益的會計政策。政策變動導致應付代價10,961,000港元與終止確認非控股權益12,182,000港元之間的差額1,221,000港元不再於權益而非損益中直接確認。因此，會計政策變動導致年內溢利減少1,221,000港元。如附註26所載，於報告期末，應付現金代價已計入其他應付款項。

香港會計準則第17號「租賃」的修訂本

作於二零零九年頒佈的香港財務報告準則改進一部分，香港會計準則第17號「租賃」已就租賃土地的分類予以修訂。修訂香港會計準則第17號前，本集團須將租賃土地分類為經營租賃，並於綜合財務狀況表呈列為預付租賃款項。香港會計準則第17號的修訂已刪除有關規定。該修訂規定將租賃土地按香港會計準則第17號所載一般原則為基準分類，即租賃資產擁有權所附之所有風險及回報是否絕大部份轉移予承租人釐定。

根據香港會計準則第17條修訂所載的過渡性條文，本集團於二零一零年一月一日根據租賃訂立時存在的資料重新評估未到期租賃的分類，並推斷採納香港會計準則第17條修訂對綜合財務報表所報告之金額及／或綜合財務報表所載披露並無重大影響。

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

The effects of the above changes in accounting policies on the Group's basic and diluted earnings per share for the current year are as follows:

Impact on basic and diluted earnings per share

Figures before adjustment	調整前數字
Adjustment arising from changes in the Group's accounting policies in relation to change in ownership interest in a subsidiary	本集團有關於附屬公司的擁有權變動的會計政策變動而產生的調整
Figures after adjustment	調整後數字

2. 應用新頒佈及經修訂香港財務報告準則（「香港財務報告準則」）（續）

以上會計政策變動對本集團於本年度的每股基本及攤薄盈利之變動如下：

對每股基本及攤薄盈利之影響

2010 二零一零年	
Impact on basic earnings per share HK cents 對每股基本 盈利之影響 港仙	Impact on diluted earnings per share HK cents 對每股攤薄 盈利之影響 港仙
84.73	84.27
(0.12)	(0.12)
84.61	84.15

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010

截至二零一零年十二月三十一日止年度

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

New and revised standards and interpretations issued but not yet effective

The Group has not early applied the following new and revised standards and interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010 ¹
HKFRS 7 (Amendments)	Disclosures - Transfers of Financial Assets ²
HKFRS 9	Financial Instruments ³
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets ⁴
HKAS 24 (as revised in 2009)	Related Party Disclosures ⁵
HKAS 32 (Amendments)	Classification of Rights Issues ⁶
HK(IFRIC) - Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement ⁵
HK(IFRIC) - Int 19	Extinguishing Financial Liabilities with Equity Instruments ⁷

¹ Effective for annual periods beginning on or after 1 July 2010 or 1 January 2011, as appropriate.

² Effective for annual periods beginning on or after 1 July 2011.

³ Effective for annual periods beginning on or after 1 January 2013.

⁴ Effective for annual periods beginning on or after 1 January 2012.

⁵ Effective for annual periods beginning on or after 1 January 2011.

⁶ Effective for annual periods beginning on or after 1 February 2010.

⁷ Effective for annual periods beginning on or after 1 July 2010.

The directors of the Company anticipate that the application of these new and revised standards and interpretations will have no material impact on the consolidated financial statements.

2. 應用新頒佈及經修訂香港財務報告準則(「香港財務報告準則」)(續)

已頒佈但未生效的新訂及經修訂準則及詮釋

本集團並無提早應用下列已頒佈但未生效的新訂或經修訂準則及詮釋。

香港財務報告準則(修訂本)	二零一零年頒佈的香港財務報告準則的改進 ¹
香港財務報告準則第7號(修訂本)	披露－轉讓金融資產 ²
香港財務報告準則第9號	金融工具 ³
香港會計準則第12號(修訂本)	遞延稅項：收回相關資產 ⁴
香港會計準則第24號(二零零九年經修訂)	關連人士披露 ⁵
香港會計準則第32號(修訂本)	供股分類 ⁶
香港(國際財務報告準則詮釋委員會)－詮釋第14號(修訂本)	最低資金付款要求 ⁵
香港(國際財務報告準則詮釋委員會)－詮釋第19號	以權益工具清償金融負債 ⁷

¹ 於二零一零年七月一日或二零一一年一月一日(如適用)或之後開始的年度期間生效。

² 於二零一一年七月一日或之後開始的年度期間生效。

³ 於二零一三年一月一日或之後開始的年度期間生效。

⁴ 於二零一二年一月一日或之後開始的年度期間生效。

⁵ 於二零一一年一月一日或之後開始的年度期間生效。

⁶ 於二零一零年二月一日或之後開始的年度期間生效。

⁷ 於二零一零年七月一日或之後開始的年度期間生效。

本公司董事預期應用該等新訂及經修訂準則或詮釋不會對本集團的綜合財務報表造成重大影響。

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values, as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for goods.

The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein.

3. 重大會計政策

綜合財務報表已根據香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表包括聯交所證券上市規則及香港公司條例規定的適用披露事項。

綜合財務報表已按歷史成本基準編製，惟若干金融工具按公允值計量則除外（如下文會計政策所述）。歷史成本一般基於交換商品所給予之代價公平值。

主要會計政策載列如下。

綜合賬目基準

綜合財務報表包括本公司及本公司所控制實體（其附屬公司）的財務報表。倘本公司有權控制實體的財務及經營政策以從其業務中獲利，則視為對該實體擁有控制權。

於本年度收購或出售的附屬公司業績，自收購生效日期起及截至出售生效日期止（視情況而定）計入綜合全面收益表。

於必要時會調整附屬公司的財務報表，使其會計政策與本集團其他成員公司所採用者一致。

所有集團內公司間交易、結餘及收支均於綜合賬目時對銷。

附屬公司的非控股權益與本集團的權益分開呈列。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Basis of consolidation (Continued)

Allocation of total comprehensive income to non-controlling interests

Total comprehensive income and expense of a subsidiary is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. Prior to 1 January 2010, losses applicable to the non-controlling interests in excess of the non-controlling interests in the subsidiary's equity were allocated against the interests of the Group except to the extent that the non-controlling interests had a binding obligation and were able to make an additional investment to cover the losses.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in existing subsidiaries on or after 1 January 2010

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Where certain assets of the subsidiary are measured at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the related assets (i.e. reclassified to profit or loss or transferred directly to retained earnings). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39 "Financial Instruments: Recognition and Measurement" or, when applicable, the cost on initial recognition of an investment in an associate.

3. 重大會計政策 (續)

綜合賬目基準 (續)

將全面收入總額分配至非控股權益

倘若附屬公司的全面收入及開支總額歸屬於本公司的擁有人及非控股權益會導致非控股權益產生虧絀餘額，全面收入及開支總額仍然必須歸屬於本公司的擁有人及非控股權益。於二零一零年一月一日之前，倘非控股權益所適用的虧損超越於該附屬公司權益中的非控股權益，除該非控股權益須承擔約束性責任及有能力支付額外投資以彌補虧損外，否則該虧損餘額應由本集團的權益分配。

本集團於現有附屬公司的擁有權變動

本集團於二零一零年一月一日或之後於現有附屬公司的擁有權變動

倘本集團失去對附屬公司之控制權，則出售產生的損益乃根據(i)已收代價公平價值及任何保留權益公平價值之總額與(ii)該附屬公司之資產(包括商譽)及負債以及任何非控制權益之過往賬面值兩者間之差額計算。倘附屬公司之若干資產按重估金額或公平值計量，而相關累計損益已於其他全面收益確認並於權益累計，則早前於其他全面收益確認及於權益累計之金額將會以猶如本集團已直接出售相關資產之方式入賬(即重新分類至損益或直接轉撥至保留溢利)。於失去控制權當日仍保留於前附屬公司之任何投資公平值，則根據香港會計準則第39號「金融工具：確認及計量」，將被視為就其後入賬而言初步確認之公平值，或(如適用)於聯營公司之投資之初步確認成本。

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Basis of consolidation (Continued)

Changes in the Group's ownership interests in existing subsidiaries (Continued)

Changes in the Group's ownership interests in existing subsidiaries prior to 1 January 2010

Goodwill or bargain purchase gain, as appropriate, arising from increases in interests in existing subsidiaries was calculated as the difference between the cost of additional interest acquired and the increase in the Group's share of the carrying amount of the identifiable assets, liabilities and contingent liabilities. For decreases in interests in subsidiaries, regardless of whether the disposals would result in the Group losing control over the subsidiaries, the difference between the consideration received and the adjustment to the non-controlling interests was recognised in profit or loss.

Business combinations

Business combinations that took place prior to 1 January 2010

Acquisition of businesses was accounted for using the purchase method. The cost of the acquisition was measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that met the relevant conditions for recognition were generally recognised at their fair value at the acquisition date.

Goodwill arising on acquisition was recognised as an asset and initially measured at cost, being the excess of the cost of the acquisition over the Group's interest in the recognised amounts of the identifiable assets, liabilities and contingent liabilities recognised. If, after assessment, the Group's interest in the recognised amounts of the acquiree's identifiable assets, liabilities and contingent liabilities exceeded the cost of the acquisition, the excess was recognised immediately in profit or loss.

The minority interest in the acquiree was initially measured at the minority interest's proportionate share of the recognised amounts of the assets, liabilities and contingent liabilities of the acquiree.

3. 重大會計政策 (續)

綜合賬目基準 (續)

本集團於現有附屬公司的擁有權變動 (續)

本集團於二零一零年一月一日前於現有附屬公司的擁有權變動

因於現有附屬公司的權益增加而產生的商譽或議價購入收益(倘適合)乃按所收購額外權益成本與本集團分佔可識別資產、負債及或然負債的賬面值增幅之間的差額而計算。就於附屬公司的權益減少而言，不論出售會否導致本集團失去附屬公司的擁有權，已收代價及非控股權益的調整之間的差額均於損益確認。

業務合併

於二零一零年一月一日前進行的業務合併

收購業務乃採用購買法入賬。收購成本乃按本集團為換取被收購方控制權而給予的資產、所產生或承擔的負債以及發行的股本工具於交換當日的公允值總額，另加業務合併直接應佔的任何成本計量。被收購方符合有關確認條件的可識別資產、負債及或然負債一般均按收購日之公允值確認。

收購所產生之商譽(即收購成本超出本集團所佔已確認可識別資產、負債及或然負債之已確認權益數額之部分)乃確認為資產，並初步按成本計量。倘於評估後，本集團所佔被收購方可識別資產、負債及或然負債之已確認權益數額高於收購成本，則該超出部分即時於損益確認。

被收購方的少數股東權益初步按少數股東權益所佔被收購方的資產、負債及或然負債的已確認金額之比例計量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold in the normal course of business, net of discounts and sales related taxes.

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

3. 重大會計政策 (續)

收益確認

收益乃按已收或應收代價的公允值計量，指於正常業務過程中出售貨品時的應收款項，並扣除折扣及銷售相關稅項。

貨品銷售收益於以下條件達成後確認：

- 本集團已將貨品擁有權之重大風險及回報轉移予買方；
- 本集團並無保留一般與擁有權有關之銷售貨品持續管理權或實際控制權；
- 銷售收入金額能夠可靠地計量；
- 與交易相關之經濟利益很可能流入本集團；及
- 有關交易產生或將產生之成本能夠可靠地計量。

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Revenue recognition (Continued)

Specifically, revenue from sale of goods is recognised when the goods are delivered and title has passed.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably).

Leasing

Leases are classified as finance leases whenever the terms of the lease transferred substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

3. 重大會計政策 (續)

收益確認 (續)

具體而言，貨品之銷售收入於交付貨品及所有權轉移時確認。

倘經濟利益可能流向本集團，且收益能夠可靠地計量，則確認金融資產的利息收入。金融資產的利息收入乃參考未償還本金及適用實際利率，按時間基準累計。適用實際利率指於金融資產預計年內將估計未來現金收入折現至該資產初步確認時的賬面淨值的利率。

來自投資之股息收入按已確定股東獲派發股息之權利時入賬(倘可以確認本集團能取得有關之經濟利益及有關之收入及成本可以準確計算)。

租賃

當租賃條款涉及將擁有權的絕大部分風險及回報轉移至承租人時，租賃分類為融資租賃。所有其他租賃則分類為經營租賃。

本集團作為出租人

經營租賃的租金收入乃於有關租賃的租期內按直線法於損益確認。於磋商及安排經營租約引起之初期直接成本乃加於該租賃資產之賬面值上，並按租約年期以直線法確認作開支。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Leasing (Continued)

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

Leasehold land and building

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases, in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is released for as an operating lease is presented as "prepaid lease payments" in the consolidated statement of financial position and is released over the lease term on a straight-line basis. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as property, plant and equipment.

3. 重大會計政策 (續)

租賃 (續)

本集團作為承租人

經營租賃付款於租期內按直線法確認為開支。經營租賃所產生的或然租金於其產生期間確認為開支。

利益獎勵總額乃按直線法確認為租金開支的扣減。

租賃土地及樓宇

倘租賃包括土地及樓宇部分，則本集團會基於有關各部分擁有權之絕大部分風險及回報是否轉讓予本集團的評定，獨立評估各要素作為融資或經營租賃的分類，惟倘上述兩個部分明顯為融資租賃，則整份租賃分類為融資租賃。具體而言，最低租賃付款（包括一次過預付款）按租賃開始時土地及樓宇部分之租賃權益的相對公平值比例於土地與樓宇部分間分配。

倘租賃付款能夠可靠分配，則列為融資租賃的租賃土地權益於綜合財務狀況表呈列為「預付租賃款項」，並按直線基準於租期內攤薄。倘租賃款項無法於土地與樓宇間可靠分配，則整份租賃一般分類為融資租賃，並入賬列作物業、廠房及設備。

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Investment in an associate

An associate is an entity over which the investor has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of the associate are incorporated in the consolidated financial statements using the equity method of accounting. Under the equity method, investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of an associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment.

Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

3. 重大會計政策 (續)

投資聯營公司

聯營公司指投資者對其行使重大影響力且既非附屬公司，亦非於合營公司權益的實體。重大影響力指有權參與被投資方的財務及經營決策但並非對該等政策實施控制或共同控制。

聯營公司的業績以及資產及負債乃採用權益會計法計入綜合財務報表。根據權益法，於聯營公司的投資乃初步按成本列入綜合財務狀況表，其後作出調整，以確認本集團應佔聯營公司的損益及其他全面收益。當本集團應佔聯營公司虧損等於或超過本集團應佔該聯營公司權益（包括實質屬於本集團於聯營公司淨投資的任何長期權益）時，本集團則終止確認應佔額外虧損。僅於本集團具有法定或推定責任或代表該聯營公司付款時，方會確認額外虧損。

收購成本超出本集團應佔聯營公司於收購日期確認的可識別資產、負債及或然負債公允淨值的任何差額，均確認為商譽。該等商譽計入投資賬面值。

本集團應佔可識別資產及負債的公允淨值超出收購成本的任何差額，於重估後即時於損益確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Investment in an associate (Continued)

The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 "Impairment of Assets" as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

Additional investment in an associate

On additional investment in an associate, goodwill was calculated as the difference between the cost of additional interest acquired and the increase in the Group's share of net assets. If the increase in the Group's share of net assets exceeds the cost of the additional interest, the excess is recognised immediately in profit or loss.

3. 重大會計政策 (續)

投資聯營公司 (續)

本集團採納香港會計準則第39號的規定，以釐定是否需要就本集團於聯營公司的投資確認任何減值虧損。於需要時，該項投資的全部賬面值（包括商譽）根據香港會計準則第36號「資產減值」作為單一資產進行減值測試，透過比較其可收回金額（即使用價值與公允值減出售成本的較高者）與其賬面值。任何已確認的減值虧損均構成該項投資賬面值的一部分。有關減值虧損的任何撥回乃視該項投資可收回金額其後增加的情況根據香港會計準則第36號確認。

倘一集團實體與其聯營公司交易，與該聯營公司交易所產生的損益只會在有關聯營公司的權益與本集團無關的情況下，才會在本集團的綜合財務報表確認。

於聯營公司的額外投資

於聯營公司進行額外投資時，商譽以所增購權益的成本與本集團應佔資產淨值增加的差額計算。倘本集團應佔資產淨值的增加超逾額外權益的成本，則所確認的差額即時於損益確認。

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Property, plant and equipment

Property, plant and equipment including buildings held for use in the production or supply of goods, or for administrative purposes (other than construction in progress) are stated at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment, other than construction in progress, less their estimated residual values over their estimated useful lives using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Properties in the course of construction for production, supply or administrative purposes (i.e. construction in progress) are carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3. 重大會計政策 (續)

物業、廠房及設備

物業、廠房及設備(包括用於生產或貨物供應管理目的而持有的樓宇(在建工程除外)按成本減其後累計折舊及累計減值虧損(如有)列賬。

除在建工程外，物業、廠房及設備折舊乃以直線法按估計可使用年期撇銷其項目成本值減其估計剩餘價值計算。估計可使用年期、剩餘價值及折舊方法於各報告期末進行審閱，而任何估計變動的影響按前瞻基準入賬。

在建物業用作生產、供應或行政用途(即在建工程)，按成本減任何已確認減值虧損列賬。成本包括專業費用，如屬合資格資產，則為按本集團會計政策資本化的借款成本。該等物業於完工後且可作擬定用途時分類為物業、廠房及設備的適當類別。該等資產的折舊基準與其他物業資產相同，乃於資產達致擬定用途時開始計提。

物業、廠房及設備項目乃於出售或預期持續使用該資產不會產生未來經濟利益時終止確認。出售或棄用一項物業、廠房及設備產生的任何收益或虧損釐定為資產銷售所得款項與賬面值的差額，並於損益內確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Property, plant and equipment (Continued)

Buildings under development for future owner-occupied purpose

When buildings are in the course of development for production or for administrative purposes, the amount of prepaid lease payments released during the construction period is included as part of costs of buildings under construction. Buildings under construction are carried at cost, less any identified impairment losses. Depreciation of buildings commences when they are available for use (i.e. when they are in the location and condition necessary for them to be capable of operating in the manner intended by management).

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is charged so as to write off the cost of investment properties over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use or no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the item is derecognised.

3. 重大會計政策 (續)

物業、廠房及設備 (續)

供擁有人於未來佔用的在建樓宇

當正興建樓宇作生產及行政用途，解除的預付租賃款項計入在建樓宇成本部分。在建樓宇以成本減任何已識別減值虧損入賬。當樓宇可供使用時(即當樓宇可按管理層計劃的方式於某地點及狀況下經營)開始計提折舊。

投資物業

投資物業指持有作賺取租金及／或資本升值用途的物業。

投資物業於初始時按成本(包括任何直接應佔開支)計量。於初步確認後，投資物業按成本減其後累計折舊及任何累計減值虧損列賬。經計及投資物業的估計殘值，折舊採用直線法於估計使用年期內扣除，以撇銷其成本。

投資物業於出售或永久不再使用或預期不會從其出售獲得任何日後經濟利益時終止確認。終止確認資產所產生的任何收益或虧損(按該資產出售所得款項淨額與其賬面值之間的差額計算)於該項目終止確認期間計入損益。

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Impairment losses on assets

At the end of the reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so 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 in prior years. A reversal of an impairment loss is recognised as income immediately.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method.

3. 重大會計政策 (續)

資產減值虧損

本集團於各報告期末審閱其資產的賬面值，以確定有否任何跡象顯示該等資產產生減值虧損。倘有跡象顯示減值，則估計資產的可收回金額以釐定減值虧損（如有）額。倘估計資產的可收回金額低於其賬面值，則資產賬面值減至其可收回金額。減值虧損即時確認為開支。

倘減值虧損於其後撥回，資產的賬面值則會增至重估後的可收回金額，惟增加後的賬面值不得超過該資產於過往年度未確認減值虧損時應釐定的賬面值。減值虧損撥回即時確認為收入。

存貨

存貨乃按成本與可變現淨值的較低者列賬。成本使用加權平均法計算。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollar) at the rate of exchange prevailing at the end of the reporting period, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (the exchange reserve).

3. 重大會計政策 (續)

外幣

於編製個別集團實體的財務報表時，以非該實體功能貨幣（外幣）進行的交易按交易日期的現行匯率以相關功能貨幣（即該實體經營所在主要經濟環境的貨幣）列賬。於報告期末，以外幣計值的貨幣項目均按當日的匯率重新換算。按歷史成本以外幣計值的非貨幣項目則毋須重新換算。

因結算貨幣項目及換算貨幣項目而產生的匯兌差額均於產生期間在損益確認。

就呈列綜合財務報表而言，本集團海外業務的資產及負債均按報告期末的現行匯率換算為本集團的呈報貨幣（即港元），而其收入及開支則按年內平均匯率換算，除非匯率於期內大幅浮動，在此情況下，則使用交易日期的現行匯率進行換算。所產生匯兌差額（如有）在其他全面收益中確認，並於權益中累計（匯兌儲備）。

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Foreign currencies (Continued)

On the disposal of a foreign operation (i.e. 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 exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss. In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates that do not result in the Group losing significant influence), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Borrowing costs

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.

3. 重大會計政策 (續)

外幣 (續)

出售海外業務(即出售本集團於海外業務的全部權益，或出售涉及失去一間附屬公司(包括海外業務)控制權、或涉及出售失去對一間聯營公司(包括海外業務)的重大影響力)時，有關本公司擁有人應佔業務的所有於權益中累計的匯兌差額將分類為損益。此外，如屬部分出售一間附屬公司(即不會導致本集團失去附屬公司控制權)，則按比例所佔的累計匯兌差額乃重新計入非控股權益且不會在於損益表中確認。如屬所有其他部分出售(即部分出售聯營公司不會導致本集團失去重大影響力)，則按比例所佔的累計匯兌差額將重新分類至損益。

借貸成本

因收購、建設或生產合資格資產(須經一段時間方可達致擬定用途或可供出售)而產生的直接應佔借貸成本撥作該等資產的成本，直至該等資產已基本達致擬定用途或可供出售為止。指定用作合資格資產開支的借貸有關暫時投資所賺取的投資收入，將會自可供作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確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

3. 重大會計政策 (續)

稅項

所得稅開支指即期應付稅項與遞延稅項的總和。

即期應付稅項乃根據本年度應課稅溢利計算。由於應課稅溢利不包括於其他年度應課稅或可扣減的收支項目，亦不包括毋須課稅或毋須扣減的項目，故應課稅溢利與綜合全面收益表內呈報的溢利不同。本集團的即期稅項負債乃採用於報告期末已實施或實際實施的稅率計算。

遞延稅項按綜合財務報表內資產及負債的賬面值與計算應課稅溢利時採用的相應稅基之間的差額確認。所有應課稅暫時差額一般確認為遞延稅項負債。倘可能有應課稅溢利可用於抵銷可動用可扣減暫時差額，則一般就所有可扣減暫時差額確認遞延稅項資產。倘於交易中的商譽或初步確認(業務合併除外)其他資產與負債而產生的暫時差額並無影響應課稅溢利亦無影響會計溢利，則不會確認該等資產與負債。

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Taxation (Continued)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and an associate, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity respectively.

3. 重大會計政策 (續)

稅項 (續)

於附屬公司及聯營公司的投資所產生的應課稅暫時差額確認為遞延稅項負債，惟倘本集團可控制暫時差額撥回，而有關暫時差額可能不會於可見將來撥回則除外。該等投資有關可扣減暫時差額所產生的遞延稅項資產僅於可能有足夠應課稅溢利可動用暫時差額的利益，且預期可於可遇見未來撥回時確認。

遞延稅項資產的賬面值於各報告期末審閱，並扣減至不可能再有足夠應課稅溢利以收回全部或部分資產時為止。

遞延稅項資產及負債乃按清償負債或變現資產期內預期適用之稅率（根據報告期末已實施或實質實施之稅率（及稅法））計算。

遞延稅項負債及資產之計量反映按本集團所預期方式於報告期末收回或清償其資產及負債賬面值之稅務後果。遞延稅項於損益確認，惟倘與在其他全面收益或直接於權益確認的項目有關時，在此情況下，則亦分別於其他全面收益或直接於權益確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets

The Group's financial assets are classified as loans and receivables and derivative financial instruments.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition. Interest income is recognised on an effective interest basis for debt instruments.

3. 重大會計政策 (續)

金融工具

當集團實體成為工具合約條文的訂約方時，金融資產及金融負債於綜合財務狀況表確認。

金融資產及金融負債初步按公允值計量。收購或發行金融資產及金融負債直接應佔的交易成本於初步確認時計入或扣除自該項金融資產或金融負債（視情況而定）的公允值。

金融資產

本集團的金融資產分類為貸款及應收款項以及衍生金融工具。

實際利息法

實際利息法為計算金融資產攤銷成本及於有關期間分配利息收入的方法。實際利率為於金融資產預計年期或較短期間（如適用）內將估計未來現金收入（包括實際利率組成部分所支付或收取的全部費用、交易成本及其他溢價或折讓）準確折現至初步確認時的賬面淨值的利率。債務工具的利息收入按實際利息基準確認。

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade and other receivables, bills receivable, deposit paid to a related party, pledged bank deposits, restricted deposits and bank balances and cash) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment of financial assets below).

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of the reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest and principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

3. 重大會計政策 (續)

金融工具 (續)

金融資產 (續)

貸款及應收款項

貸款及應收款項為附帶固定或可變付款且在活躍市場並無報價的非衍生金融資產。初步確認後，貸款及應收款項（包括貿易及其他應收款項、應收票據、付予關連人士的按金、已質押銀行存款、受限制銀行存款及銀行結餘及現金）乃採用實際利息法以攤銷成本減任何已識別減值虧損列賬（見下文金融資產減值的會計政策）。

金融資產減值

於各報告期末評估金融資產有否減值跡象。倘有客觀跡象顯示在金融資產初步確認後發生一件或多件事項影響金融資產的估計未來現金流量，則金融資產出現減值。

減值的客觀跡象可包括：

- 發行人或交易對手出現重大財政困難；或
- 違反合約，如拖欠或無力支付利息及本金；或
- 借款人可能面臨破產或財務重組；或
- 因財務困難導致金融資產的活躍市場消失。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

For financial assets carried at amortised cost, an impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets.

If, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses were recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

3. 重大會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (續)

就以攤銷成本列賬的金融資產而言，倘有客觀跡象顯示資產減值，則會在損益按資產賬面值與以原實際利率折現估計未來現金流量所得現值之間的差額確認減值虧損。

就所有金融資產而言，金融資產的賬面值按減值虧損直接扣減。

倘其後期間減值虧損數額減少，而減少乃客觀源於確認減值虧損後發生的事件，則會在損益撥回過往已確認的減值虧損，惟撥回減值當日資產的賬面值不得超出倘並無確認減值的攤銷成本。

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of effective interest rate, transaction cost and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition. Interest expense is recognised on an effective interest basis.

Financial liabilities

The Group's financial liabilities other than derivative financial instruments (including trade and other payables, bills payable, amount due to a non-controlling shareholder of a subsidiary, discounted bills, bank borrowings and other long-term payable) are subsequently measured at amortised cost, using the effective interest method.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

3. 重大會計政策 (續)

金融工具 (續)

金融負債及權益工具

集團實體發行的金融負債及權益工具乃根據已訂立的合約安排內容及金融負債與權益工具的釋義分類。

權益工具指證明本集團資產於扣除其所有負債後有剩餘權益的任何合約。

實際利息法

實際利息法為計算金融負債攤銷成本及於有關期間分配利息開支的方法，實際利率為在金融負債透過預計年期或較短期間（如適用）內準確折現估計未來現金付款（包括構成實際利率不可或缺部分的一切已付或已收費用、交易成本及其他溢價或折讓）至初步確認時的賬面淨值的利率。利息開支按實際利息法確認。

金融負債

本集團除衍生金融工具以外的金融負債（包括貿易及其他應付款項、應付票據、應付一間附屬公司非控股股東款項、貼現票據、銀行借款及其他長期應付款項），其後乃使用實際利息法按攤銷成本計量。

權益工具

本公司發行的權益工具以已收所得款項扣除直接發行成本列賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Transaction costs of equity transactions

The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided. The costs of an equity transaction that is abandoned are recognised as an expense.

Transaction costs related jointly to concurrent offering of some shares and listing of shares are allocated using a basis of allocation that is rational and consistent with other similar transactions.

Derivative financial instruments

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3. 重大會計政策 (續)

金融工具 (續)

金融負債及權益 (續)

權益交易的交易成本

倘權益交易的交易成本乃權益交易直接應佔的遞增成本，則於權益中作為扣除項目入賬（扣除任何相關所得稅優惠），否則，應避免以上述方式入賬。已終止的權益交易的成本則會確認為開支。

與同時及同步進行若干股份發售及股份上市有關的交易成本，按與其他類似交易合理一致的分配基準分配。

衍生金融工具

衍生工具在訂立衍生工具合約當日初步按公允值確認，其後則在各報告期末重新計算其公允值。由此產生的損益即時在損益確認。

終止確認

當收取資產現金流量的權利屆滿，或金融資產已轉讓且本集團已轉讓該金融資產擁有權的絕大部分風險及回報時，有關金融資產終止確認。

於完全終止確認金融資產時，該項資產的賬面值與已收及應收代價及於其他全面收益直接確認的累計盈虧總和之間的差額累計於權益並於損益確認。

當有關合約所訂明的責任解除、註銷或屆滿時，則會終止確認金融負債。終止確認的金融負債的賬面值與已付及應付代價之間的差額於損益確認。

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Share-based payment transactions

Equity-settled share-based payment transactions in respect of share options granted to directors and employees

The fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share options reserve).

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the estimates during the vesting period, if any, is recognised in profit or loss, with a corresponding adjustment to share options reserve.

At the time when the share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to retained profits.

Retirement benefit costs

Payments to state-managed retirement benefit schemes/the Mandatory Provident Fund Scheme are charged as an expense when employees have rendered service entitling them to the contributions.

3. 重大會計政策 (續)

以股份付款交易

有關董事及僱員獲授購股權的以權益結算以股份付款交易

參考購股權於授出日的公允值所釐定的已收取服務的公允值，於歸屬期間以直線法支銷，並會於權益中作出相應增加（購股權儲備）。

於報告期末，本集團修訂其對預期最終會歸屬的購股權數目的估計。於歸屬期間，修訂該等估計的影響（如有）將於損益確認，並會於購股權儲備中作出相應調整。

當購股權獲行使時，原於購股權儲備中確認的金額將撥入股份溢價。當購股權於歸屬日期後遭沒收或於到期日仍未獲行使，則原於購股權儲備中確認的金額則會撥入保留溢利。

退休福利成本

向國家管理的退休福利計劃／強制性公積金計劃作出的供款於僱員提供服務並有權享有該等供款時作為開支支銷。

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Estimated impairment of trade receivables

When there is objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows. The amount of the impairment 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 (i.e. the effective interest rate computed at initial recognition). Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 31 December 2010, the carrying amount of trade receivables of the Group was HK\$6,303,704,000 (2009: HK\$2,301,572,000).

Allowance for inventories

Inventories of the Group represent ferrous and non-ferrous metals and are stated at the lower of cost and their net realisable values. The Group regularly reviews its inventory level to prevent excessive inventories from being accumulated. When the Group identifies items of inventories which have a market price that is lower than its carrying amount, the Group estimates the amount of write-down of inventories as allowance for inventories. Though the Group is currently using future contracts to minimise the risk arising from changes in market price of non-ferrous metals, the effectiveness of the hedges cannot be guaranteed at all times and the hedges cannot be extended to ferrous metals. If the market price of metals fluctuates and becomes lower than the corresponding carrying amount subsequently, an additional allowance may be required. As at 31 December, the carrying amount of inventories of the Group carried at cost was HK\$1,747,136,000 (2009: HK\$727,538,000).

4. 估計不明朗因素的主要來源

以下為有關未來的主要假設以及於報告期末估計不明朗因素的主要來源。有關來源涉及導致下一財政年度資產及負債的賬面值大幅調整的重大風險。

應收貿易款項的減值估計

本集團於有客觀跡象顯示減值虧損時考慮估計未來現金流量。減值虧損金額以資產賬面值與按該項金融資產原實際利率（即於初步確認時計算的實際利率）折現的估計未來現金流量現值（不包括並無產生的未來信貸虧損）兩者之間的差額計量。倘實際未來現金流量少於預期，則可能出現重大減值虧損。於二零一零年十二月三十一日，本集團應收貿易款項的賬面值為6,303,704,000港元（二零零九年：2,301,572,000港元）。

存貨撥備

本集團存貨即黑色及有色金屬，按成本及可變現淨值之較低者列值。本集團定期審閱其存貨水平，防止累積過多存貨。當本集團確認存貨項目的市價低於其賬面值，則本集團會估計存貨撥備的撇銷金額。雖然本集團現正使用期貨合約以盡量降低有色金屬市價變動產生的風險，惟不能一直確保對沖的效果，且黑色金屬不能進行對沖。如金屬市價浮動，且於其後較相應賬面值為低，則或須進行額外撥備。於十二月三十一日，本集團存貨賬面值按成本列值為1,741,136,000港元（二零零九年：727,538,000港元）。

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Income taxes

The Group is currently enjoying a low effective tax rate mainly as a result of the tax exemption on the profits generated in its Macau subsidiary which is an entity established under the Macau Commercial Offshore Company regulation. Under the current Macau tax legislation, such entity would be exempt from Macau Complementary Tax. Qualification of an entity under the Macau Commercial Offshore Company regulation would be subject to compliance with certain requirements. The directors of the Company are of the view that the Macau subsidiary would continue to comply with the requirements and qualify as a Macau Commercial Offshore Company.

As some selling activities of the Macau subsidiary have been carried out in jurisdictions outside Macau, the extent of the selling activities would be a factor to be considered as to whether the Macau subsidiary is carrying on metal trading business in the relevant jurisdiction through a permanent establishment in that jurisdiction, in which case additional tax provision may be required.

The directors of the Company are of the view that the extent of selling activities outside Macau would not establish a permanent establishment in any other jurisdictions outside Macau.

4. 估計不明朗因素的主要來源 (續)

所得稅

本集團現正享有低實際稅率，主要由於澳門附屬公司（根據澳門離岸商業服務公司法規成立的實體）產生的溢利獲稅務豁免。根據目前的澳門稅法，該實體獲豁免澳門所得補充稅。澳門離岸商業服務公司法的合資格實體須遵守若干規定。本公司董事認為澳門附屬公司將會繼續遵守澳門離岸商業服務公司的規定及合資格為澳門離岸商業服務公司。

由於澳門附屬公司於澳門以外的司法權區進行銷售業務，故銷售活動的範圍，將為考慮澳門附屬公司是否透過該司法權區永久成立而在有關司法權區進行金屬貿易業務的因素，當中或須進行額外稅務撥備。

本公司董事認為澳門以外銷售業務將不會在澳門以外的任何司法權區成立永久成立。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

5. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which includes the payables and borrowings disclosed in notes 26, 28, 29 and 31, net of cash and cash equivalents disclosed in note 25, and equity attributable to owners of the Company, comprising issued share capital, reserves and retained profits.

The directors of the Company review the capital structure regularly. As part of this review, the directors consider the cost of capital and the risks associate with each class of the capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends, new shares issues as well as the issue of new debt or the redemption of existing debt.

5. 資本風險管理

本集團管理其資本，以確保本集團實體可持續經營並同時透過優化債務及權益結餘為股東帶來最大回報。本集團的整體策略與以往年度一致。

本集團的資本架構包括債務淨額（包括附註26、28、29及31披露的應付款項及借款）、附註25披露的現金及現金等價物淨額，以及本公司擁有人應佔權益（包括已發行股本、儲備及保留溢利）。

本公司董事定期審閱資本架構。審閱時，董事考慮資本成本以及與各類資本有關的風險。基於董事的推薦意見，本集團將透過支付股息、發行新股以及發行新債務或贖回現有債務平衡其整體資本架構。

6. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

Financial assets	金融資產
Loans and receivables (including cash and cash equivalents)	貸款及應收款項 (包括現金及現金等價物)
Derivative financial instruments	衍生金融工具
Financial liabilities	金融負債
Amortised cost	攤銷成本
Derivative financial instruments	衍生金融工具

6. 金融工具

(a) 金融工具分類

2010	2009
二零一零年	二零零九年
HK\$'000	HK\$'000
千港元	千港元
10,015,381	3,378,607
66,745	36,940
8,655,458	1,483,438
134,837	62,144

6. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, bills receivable, deposit paid to a related party, derivative financial instruments, pledged bank deposits, restricted deposits, bank balances and cash, trade and other payables, bills payable, amount due to a non-controlling shareholder of a subsidiary, discounted bills, bank borrowings and other long-term payable. Details of these financial instruments are disclosed in respective notes. The risks associated with certain of these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Credit risk

As at 31 December 2010, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt and bill at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

6. 金融工具 (續)

(b) 金融風險管理目標及政策

本集團的主要金融工具包括貿易及其他應收款項、應收票據、付予一名關連人士的按金、衍生金融工具、已質押銀行存款、受限制存款、銀行結餘及現金、貿易及其他應付款項、應付票據、應付附屬公司非控股股東款項、銀行借款以及其他長期應付款項。此等金融工具詳情於相關附註中披露。下文載列有關該等若干金融工具的風險及如何降低此等風險的政策。管理層管理及監控該等風險，以確保及時有效地採取適當措施。

信貸風險

於二零一零年十二月三十一日，本集團所面臨的最大信貸風險（因交易對手未能履行責任而令本集團蒙受財務虧損），乃來自綜合財務狀況表所列各項已確認金融資產的賬面值。

為盡量降低信貸風險，本集團的管理層已委派小組負責釐定信貸限額、信貸審批及其他監控程序，以確保能採取跟進措施收回逾期債務。此外，本集團於報告期末檢討各項個別貿易債務及票據的可收回金額，以確保就不可收回款項計提足額減值虧損。就此，董事認為本集團的信貸風險已大幅降低。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

6. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk (Continued)

The Group has concentration of credit risk as 35.6% (2009: 39.0%) of the total trade and bills receivables as at 31 December 2010 was due from the Group's largest debtor and 97.3% (2009: 89.2%) of the total trade and bills receivables as at 31 December 2010 was due from the five largest debtors. The directors of the Company believe that the risk will be gradually reduced as the Group's customer base has been diversified and revenue has become less concentrated during the year.

The Group's concentration of credit risk by geographical locations is mainly in the People's Republic of China ("PRC"), which accounted for over 90% (2009: 90%) of the total trade and bills receivables at the end of the reporting period.

Other than as disclosed above, the Group has no other significant concentration of credit risk with exposure spread over a number of counterparties.

The credit risk on liquid funds is limited because the counterparties are banks or brokers with good reputation.

6. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

信貸風險 (續)

由於本集團於二零一零年十二月三十一日的應收貿易款項及應收票據總額的35.6%(二零零九年: 39.0%)為應收其最大債務人的款項,而97.3%(二零零九年: 89.2%)為應收其五大債務人的款項,故其信貸風險集中。由於本集團本年度的客戶基礎呈多元化趨勢,且收益集中度減低,故本公司董事認為風險在逐漸降低。

本集團的信貸風險按地區主要集中在中華人民共和國(「中國」),佔報告期末應收貿易款項及應收票據總額逾90%(二零零九年: 90%)。

除上述披露者外,本集團並無分佈於多位交易對手的其他重大集中信貸風險。

由於交易對手為信譽良好的銀行或經紀,故流動資金信貸風險有限。

6. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies

(Continued)

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. Management monitors the utilisation of bank borrowings and other sources of funding and considers the risk is minimal at this stage.

The Group relies on funds raised from the initial public offerings in June 2009, new shares placement in December 2010, bills payable and bank borrowings as significant sources of liquidity. Details of these are set out in notes 32(ii and iii), 32 (iv), 26 and 29 respectively.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates.

6. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

流動資金風險

於管理流動資金風險時，本集團監控並維持管理層視為足夠為本集團營運提供資金的一定水平的現金及現金等價物，並減輕因現金流量增減帶來的影響。管理層監控銀行借款及其他資金來源的使用，並認為現階段風險甚微。

本集團依賴於二零零九年六月的首次公開發售、於二零一零年十二月的新股配售、應付票據及銀行借款作為流動資金的重要來源。相關詳情分別載於附註32(ii及iii)、32(iv)、26及29。

下表載列本集團列示的非衍生金融負債的餘下合約到期日的詳情。此表乃根據本集團可能須提前償還金融負債之最早日期，金融負債的未貼現現金流量而編製。其他非衍生金融負債的到期日按協定還款期釐定。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

6. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

The tables include both interest and principal cash flows. To the extent that interest flows are variable rate, the undiscounted amount is derived from interest rate at the end of the reporting period.

In addition, the following tables detail the Group's liquidity analysis for its derivative financial instruments. The tables have been drawn up based on the undiscounted contractual net cash outflows on derivative instruments that settle on a net basis. When the amount payable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves existing at the end of the reporting period. The liquidity analysis for the Group's derivative financial instruments are prepared based on the contractual maturities as the management considers that the contractual maturities are essential for an understanding of the timing of the cash flows of derivatives.

6. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

流動資金風險 (續)

此表包括現金流量的利息及本金。倘現金流量以浮動利率計息，則未貼現金額於報告期末按利率計算。

此外，下表詳列本集團衍生金融工具的流動資金分析。該表格乃根據按淨值結算的衍生工具的未貼現合約現金流出淨額編製。當應付款項不是固定時，款項披露乃參照報告期末收益率曲線所釐定預測利率判斷。由於管理層認為合約到期日對知悉衍生工具現金流量的時間至關重要，故本集團衍生金融工具的流動資金分析乃根據合約到期日作出。

6. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

流動資金風險 (續)

流動資金表

		Weighted average effective interest rate	Less than 3 months or on demand	3 - 6 months	6 months to 1 year	Over 1 year	Total undiscounted cash flows	Carrying amount at 31.12.2010 於 二零一零年 十二月三十一日 的賬面值
		加權平均 實際利率	少於3個月 或應要求	3至6個月	6個月至1年	超過1年	未貼現現金 流量總額	
		%	HK\$'000	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	千港元
2010	二零一零年							
Non-derivative financial liabilities	非衍生金融負債							
Trade and other payables	貿易及其他應付款項	—	3,908,807	—	—	—	3,908,807	3,908,807
Bills payable	應付票據	—	460,500	649,465	—	—	1,109,965	1,109,965
Amount due to a non-controlling shareholder of a subsidiary	應付一間附屬 公司非控股 股東款項	—	1,960	—	—	—	1,960	1,960
Discounted bills	貼現票據	—	265,294	55,294	—	—	320,588	320,588
Bank borrowings	銀行借款							
- fixed-rate	一定息	3.70	680,243	900,369	507,460	—	2,088,072	2,056,445
- variable-rate	一浮息	4.28	483,464	199,159	253,651	385,758	1,322,032	1,257,458
Other long-term payable	其他長期應付款項	—	—	—	—	235	235	235
			5,800,268	1,804,287	761,111	385,993	8,751,659	8,655,458

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

6. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies

(Continued)

Liquidity risk (Continued)

Liquidity tables (Continued)

Derivatives - net settlement	按淨值結算的衍生工具
Future contracts on non-ferrous metals	有色金屬期貨合約
Foreign currency forward contracts	外匯遠期合約

Weighted average effective interest rate	Less than 3 months or on demand	3 - 6 months	6 months to 1 year	Over 1 year	Total undiscounted cash flows	Carrying amount at 31.12.2010
加權平均實際利率	少於3個月或應要求	3至6個月	6個月至1年	超過1年	未貼現現金流量總額	二零一零年十二月三十一日的賬面值
%	HK\$'000	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	千港元
—	100,464	14,354	5,689	—	120,507	120,507
—	5,682	7,736	912	—	14,330	14,330
	106,146	22,090	6,601	—	134,837	134,837

6. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

流動資金風險 (續)

流動資金表 (續)

6. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies

(Continued)

Liquidity risk (Continued)

Liquidity tables (Continued)

		Weighted average effective interest rate	Less than 3 months or on demand	3 - 6 months	6 months to 1 year	Over 1 year	Total undiscounted cash flows	Carrying amount at 31.12.2009 於 二零零九年 十二月三十一日 的賬面值
		%	HK\$'000	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	千港元
2009	二零零九年							
Non-derivative financial liabilities	非衍生金融負債							
Trade and other payables	貿易及其他應付款項	—	891,598	—	—	—	891,598	891,598
Discounted bills	貼現票據	—	40,871	31,225	67,714	—	139,810	139,810
Bank borrowings	銀行借款							
- fixed-rate	一定息	4.05	173,243	8,695	221,319	—	403,257	392,734
- variable-rate	一浮息	3.14	34,038	2,398	23,487	—	59,923	58,842
Other long-term payable	其他長期 應付款項	—	—	—	—	454	454	454
			1,139,750	42,318	312,520	454	1,495,042	1,483,438

6. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

流動資金風險 (續)

流動資金表 (續)

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

6. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Liquidity tables (Continued)

		Weighted average effective interest rate	Less than 3 months or on demand	3 - 6 months	6 months to 1 year	Over 1 year	Total undiscounted cash flows	Carrying amount at 31.12.2009 於 二零零九年 十二月三十一日 的賬面值
								未貼現現金 流量總額 HK\$'000 千港元
Derivatives - net settlement	按淨值結算的 衍生工具	% 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
Future contracts on non-ferrous metals	有色金屬期貨合約	—	58,055	3,193	—	—	61,248	61,248
Foreign currency forward contracts	外匯遠期合約	—	—	—	843	—	843	843
Interest rate swap	利率掉期	—	—	—	53	—	53	53
			58,055	3,193	896	—	62,144	62,144

The amounts included above for variable interest rate instruments for non-derivative financial liabilities are subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

倘浮動利率變動而與報告期末所釐定的利率估計值不同，上文所列非衍生金融負債之浮動利率工具數據或會變動。

6. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

流動資金風險 (續)

流動資金表 (續)

6. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies

(Continued)

Market risk

(i) Currency risk

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

		Liabilities		Assets	
		負債		資產	
		2010	2009	2010	2009
		二零一零年	二零零九年	二零一零年	二零零九年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
United States dollar	美元				
("USD")	(「美元」)	1,133,718	164,746	146,622	22,457
Hong Kong dollar	港元				
("HKD")	(「港元」)	17,200	21,917	37,208	49,783
Renminbi	人民幣				
("RMB")	(「人民幣」)	—	—	6,311	88,651

The Group currently does not have a foreign currency hedging policy. However, management closely monitors foreign exchange exposure and will use foreign currency forward contracts to hedge any significant foreign currency exposure.

6. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

市場風險

(i) 貨幣風險

於報告期末，本集團以外幣計值的貨幣資產及貨幣負債的賬面值如下：

本集團目前並無外幣對沖政策。然而，管理層會密切監控外匯風險，並將採用外幣遠期合約對沖任何重大外匯風險。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

6. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

(i) Currency risk (Continued)

Sensitivity analysis

The Group is mainly exposed to the foreign currencies of USD, RMB and HKD when such currencies are different from the functional currencies of the relevant group entities.

The following table details the Group's sensitivity to a 5% appreciation and depreciation in the above foreign currencies against the functional currency of the corresponding group entity, except for HKD against USD since HKD is pegged to USD. 5% is the sensitivity rate used which represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes outstanding foreign currency denominated monetary items and derivative financial instruments and adjusts their translation at the year end for a 5% change in foreign currency rates. The sensitivity analysis includes mainly trade receivables, bills receivable, derivative financial instruments, bank balances, trade payables, discounted bills and bank borrowings. A positive/negative number below indicates a decrease/an increase in post-tax profit where the USD, RMB and HKD strengthen 5% against the functional currency of the corresponding group entity. For a 5% weakening of the above foreign currency against the functional currency of the corresponding group entity, there would be an equal and opposite impact.

6. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

市場風險 (續)

(i) 貨幣風險 (續)

敏感度分析

本集團主要面對美元、人民幣及港元(當該等貨幣與相關集團實體的功能貨幣不同時)外幣風險。

下表載列上述外幣兌相關集團實體功能貨幣升值及貶值5%的敏感度的詳情，惟港元兌美元除外，由於港元與美元掛鈎。5%為管理層對匯率合理可能變動的評估。敏感度分析僅包括尚未清償的以外幣計值的貨幣項目及衍生金融工具，並於年終以外幣匯率5%的增減調整換算。敏感度分析主要包括應收貿易款項、應收票據、衍生金融工具、銀行結餘、應付貿易款項、貼現票據及銀行借款。倘美元、人民幣及港元兌相關集團實體的功能貨幣升值5%，則以下正數／負數表示除稅後溢利減少／增加。倘上述外幣兌相關集團實體功能貨幣貶值5%，則會產生同等及相反影響。

6. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies

(Continued)

Market risk (Continued)

(i) Currency risk (Continued)

Monetary assets and liabilities

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Decrease (increase) in post-tax profit:	除稅後溢利減少 (增加) :		
USD against RMB	美元兌人民幣	31,453	5,175
RMB against USD	人民幣兌美元	(316)	(4,433)
HKD against RMB	港元兌人民幣	645	822
		31,782	1,564

Derivative financial instruments

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Foreign currency forward contracts to sell RMB and buy USD	外匯遠期合約 售出人民幣及買入美元	40,551	9,139
Foreign currency forward contracts to buy RMB and sell USD	外匯遠期合約 買入人民幣及售出美元	(23,288)	—

6. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

市場風險 (續)

(i) 貨幣風險 (續)

貨幣資產及負債

	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Decrease (increase) in post-tax profit:		
USD against RMB	31,453	5,175
RMB against USD	(316)	(4,433)
HKD against RMB	645	822
	31,782	1,564

衍生金融工具

	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Foreign currency forward contracts to sell RMB and buy USD	40,551	9,139
Foreign currency forward contracts to buy RMB and sell USD	(23,288)	—

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

6. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

(ii) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate bank borrowings (see note 29 for details) and bank deposits. The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank borrowings (see note 29 for details of these borrowings), bank deposits and amounts payable to brokers. It is the Group's policy to keep its borrowings at floating rate of interests so as to minimise the fair value interest rate risk.

The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of the People's Bank of China ("PBOC") Base Lending Rate and London Interbank Offered Rate ("LIBOR") arising from the Group's RMB and USD variable-rate borrowings, respectively.

6. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

市場風險 (續)

(ii) 利率風險

本集團面對與定息銀行借款(詳情見附註29)及銀行存款有關的公允值利率風險,亦面對與浮息銀行借款(該等借款詳情見附註29)、銀行存款及應付經紀款項有關的現金流量利率風險。本集團按浮動利率借款以盡量降低公允值利率風險。

本集團面對金融負債利率風險的詳情載於本附註流動資金風險管理一節。本集團的現金流量利率風險主要源自本集團人民幣及美元的浮息借款的分別來自中國人民銀行(「人行」)貸款基準利率及倫敦銀行同業拆息(「倫敦銀行同業拆息」)波動。

6. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies

(Continued)

Market risk (Continued)

(ii) Interest rate risk (Continued)

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for variable-rate bank borrowings only at the end of the reporting period as the directors consider the exposure on bank deposits and amounts payable to brokers is not significant and is short term in nature. The analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used which represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's post-tax profit for the year ended 31 December 2010 would decrease/increase by HK\$5,042,000 (2009: HK\$262,000).

No sensitivity analysis has been prepared for variable-rate bank deposits as the directors of the Company consider the exposure is limited.

6. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

市場風險 (續)

(ii) 利率風險 (續)

敏感度分析

下文的敏感度分析乃僅根據報告期末浮息銀行借款的利率風險而釐定，因為董事認為銀行存款及應付經紀款項的風險承擔並不重大，且性質為短期。分析乃假設於報告期末未結清的負債金額於整個年度內並無償還而編製。所用的50基點的增幅或減幅為管理層對利率合理可能變動的評估。

倘利率上升／下降50基點而所有其他可變因素維持不變，則本集團截至二零一零年十二月三十一日止年度的除稅後溢利將減少／增加5,042,000港元（二零零九年：262,000港元）。

由於本公司董事認為有關風險有限，故並無就浮息銀行存款進行敏感度分析。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

6. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

(iii) Other price risk

The Group is exposed to other price risk through its future contracts on non-ferrous metals at the end of the reporting period. Management manages this exposure by a team of specialists, who closely monitors the future markets and the position of the Group and will take necessary action to minimise the risk to the Group. The Group's other price risk is mainly concentrated on future prices quoted in the relevant exchanges.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to other price risk of future contracts on non-ferrous metals at the end of the reporting period. A 5% increase or decrease is used which represents management's assessment of the reasonably possible change.

If the quoted prices of the future contracts had been 5% higher/lower as a result of the changes in the relevant market commodity prices, post-tax profit for the year ended 31 December 2010 would decrease/increase by HK\$67,100,000 (2009: HK\$15,806,000). The sensitivities are based on the assumption that the quoted price of the future contract in the denominated currency increases/decreases by 5% with all other variables held constant.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent price risk as the year end exposure does not reflect the exposure during the year. Furthermore, the relationship between currencies and commodity prices is interdependent, changes in exchange rates can influence commodity prices and vice versa. For the purpose of the above sensitivity analysis, exchange fluctuation is ignored.

6. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

市場風險 (續)

(iii) 其他價格風險

本集團於報告期末面對有關有色金屬期貨合約的其他價格風險。管理層透過專家團隊控制此風險，該團隊密切監察期貨市場及本集團的倉位，並將採取必要行動盡量降低貴集團面對的風險。貴集團的其他價格風險主要集中於相關交易所報的期貨價格。

敏感度分析

以下敏感度分析乃根據報告期末有色金屬合約的其他價格風險釐定。5%的增幅或減幅乃用作為管理層對合理可能變動的評估。

倘期貨合約的報價因相關市場商品價格波動而上升／下降5%，則截至二零一零年十二月三十一日止年度除稅後溢利將減少／增加67,100,000港元（二零零九年：15,806,000港元）。敏感度乃以期貨合約按計值貨幣計量的報價上升／下跌5%而所有其他可變因素維持不變的假設為基礎。

管理層認為，由於年底風險並不反映年內風險，因此敏感度分析並不代表內在價格風險。此外，貨幣與商品價格的關係互相依賴，匯率變動可影響商品價格，反之亦然。於進行上述敏感度分析時並無考慮匯率的波動。

6. FINANCIAL INSTRUMENTS (Continued)

(c) Fair value

The fair value of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities (including future contracts on non-ferrous metals) with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market bid prices and ask prices respectively;
- the fair value of other financial assets and financial liabilities (excluding derivative financial instruments) is determined in accordance with generally accepted pricing models based on discounted cash flow analysis; and
- the fair value of derivative financial instruments (other than future contracts on non-ferrous metals) is calculated using quoted prices. Where such prices are not available, use is made of discounted cash flow analysis using the applicable yield for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives.

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

6. 金融工具 (續)

(c) 公允值

金融資產及金融負債的公允值乃按以下方式釐定：

- 具備標準條款及條件，並於交投活躍及高流通性市場買賣的金融資產及金融負債(包括有色金屬期貨合約)的公允值分別參考所報市場買盤價及賣盤價釐定；
- 其他金融資產及金融負債(不包括衍生金融工具)的公允值乃根據基於貼現現金流量分析的公認定價模式釐定；及
- 衍生金融工具(有色金屬期貨合約除外)的公允值採用報價計算，倘無法獲得該等價格，就非期權衍生工具而言，則按貼現現金流量分析採用工具存續期間的適用收益計算，而期權衍生工具則採用期權定價模式計算。

董事認為，綜合財務報表內按攤銷成本列賬的金融資產及金融負債的賬面值與其公允值相若。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

6. FINANCIAL INSTRUMENTS (Continued)

(c) Fair value (Continued)

Fair value measurements recognised in the consolidated statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 2 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

		2010 二零一零年			2009 二零零九年		
		Level 1 第一級	Level 2 第二級	Total 總計	Level 1 第一級	Level 2 第二級	Total 總計
		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
Derivative financial instruments	衍生金融工具						
- assets	- 資產	58,616	8,129	66,745	36,508	432	36,940
- liabilities	- 負債	(120,507)	(14,330)	(134,837)	(61,248)	(896)	(62,144)

There were no transfers between Level 1 and 2 in the current and prior years.

6. 金融工具 (續)

(c) 公允值 (續)

於綜合財務狀況表確認之公允值計量

下表為初步確認後按公允值計量之金融工具分析，根據觀察所得之公允值程度分類為第一層至第二層。

- 第一層：公允值計量來自可識別資產或負債的活躍市場報價（未經調整）。
- 第二層：公允值計量來自除報價外，就資產或負債而言包含於第一層的直接（如股價）或間接（如來自股價）可觀察輸入數據。

年內，並無於第一層與第二層之間轉移。

7. REVENUE AND SEGMENT INFORMATION

The Group is engaged in the principal business of metal recycling, involving the recycling of scrap metal into recycled ferrous and non-ferrous metals, which are the raw materials for a wide range of metallic end-products. The Group collects scrap steel, scrap copper and other scrap metals and processes them using advanced equipment to produce quality recycled scrap metals. From time to time, the Group also sells scrap metals collected directly to customers when the quality of such scrap metals meets certain required standards. The metals can be broadly classified into two categories:

- (i) ferrous metals, namely iron and steel; and
- (ii) non-ferrous metals, including copper, aluminium, etc.

The board of directors of the Company, the chief operating decision maker, regularly reviews revenue analysis by two principal metals processed/sold by the Group and the Group's consolidated profit for the year for the purposes of resource allocation and performance assessment. As no other discrete financial information is available for the assessment of different business activities, no segment information is presented other than entity-wide disclosures.

Entity-wide disclosures

The following is an analysis of the Group's revenue by principal metals for the year:

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Ferrous metals	黑色金屬	5,088,216	1,420,545
Non-ferrous metals	有色金屬	17,419,966	7,642,630
		22,508,182	9,063,175

7. 收益及分部資料

本集團主營金屬回收業務，涉及將回收的廢金屬加工成循環再造黑色及有色金屬（為多種終端金屬產品的原材料）。本集團回收廢鋼、廢銅及其他廢金屬，並利用先進設備加工生產優質循環再造廢金屬。本集團亦不時於該等廢金屬質量符合若干規定標準則時向客戶直接出售回收的廢金屬。金屬大致分為兩類：

- (i) 黑色金屬，即鐵及鋼；及
- (ii) 有色金屬，包括銅及鋁等。

本公司主要營運決策人董事會定期審閱本集團加工／出售的兩種主要金屬的收益分析以及本集團年內的綜合溢利，以進行資源分配及表現評估。由於並未取得其他獨立的財務資料以評估不同業務活動，故並未以實體級別以外的方式披露分部資料。

實體級別披露

年內，本集團按主要金屬分部劃分的收益分析如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

7. REVENUE AND SEGMENT INFORMATION

(Continued)

Entity-wide disclosures (Continued)

The Group's non-current assets are located in the places of domicile of the relevant group entities, namely the PRC, Macau and Hong Kong. As at 31 December 2010 and 31 December 2009, substantially all of the Group's non-current assets are located in the PRC.

The following is an analysis of the Group's revenue by places of domicile and other places for the year:

Place of domicile of relevant group entities	相關集團實體所在地
– The PRC	– 中國
– Hong Kong	– 香港
Other places	其他地區
– The PRC	– 中國
– Hong Kong	– 香港
– Asia, other than the PRC and Hong Kong	– 亞洲(中國及香港除外)
– Europe	– 歐洲
– America	– 美國

Each of the three (2009: three) largest customers of the Group contributes more than 10% of the Group's revenue for the current year. Revenue of approximately HK\$5,666 million, HK\$3,163 million and HK\$3,225 million are attributed to these three customers, respectively, for the year ended 31 December 2010 (2009: approximately HK\$2,254 million, HK\$1,589 million and HK\$1,572 million, respectively) and are mainly attributable to non-ferrous metal sales.

7. 收益及分部資料 (續)

實體級別披露 (續)

本集團非流動資產均位於相關集團實體所在地，即中國、澳門及香港。於二零一零年十二月三十一日及二零零九年十二月三十一日，本集團的大部分非流動資產均位於中國。

年內，本集團按所在地及其他地區劃分的收益分析如下：

2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
11,644,719	2,586,242
1,962	—
10,263,963	5,854,144
196,251	572,653
71,216	33,899
252,536	16,237
77,535	—
22,508,182	9,063,175

年內，本集團首三名(二零零九年：三名)最大客戶對本集團的收益貢獻逾10%，等於截至二零一零年十二月三十一日止年度的收益貢獻分別約5,666百萬港元、3,163百萬港元及3,225百萬港元(二零零九年：分別約2,254百萬港元、1,589百萬港元及1,572百萬港元)，主要來自有色金屬的銷售。

8. OTHER INCOME

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Net exchange gain	匯兌收益淨額	40,267	1,532
Interest income	利息收入	18,163	3,276
Gain on disposal of property, plant and equipment	出售物業、廠房及 設備的收益	508	—
Rental income	租金收入	204	567
Gain on disposal of investment property and prepaid lease payment	出售投資物業及預付 租賃款的收益	198	—
Others	其他	6,315	2,598
		65,655	7,973

8. 其他收入

9. FINANCE COSTS

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Interest on bank loans wholly repayable within five years	須於五年內悉數償還的 銀行貸款利息	92,775	9,414
Interest on advance from a director (note i)	一名董事墊付利息(附註i)	2,514	—
Effective interest expense on secured guaranteed senior notes (note ii)	抵押有擔保優先票據的 實際利息開支(附註ii)	—	111,011
		95,289	120,425

Notes:

(i) During the year ended 31 December 2010, the Group obtained an advance of HK\$234,000,000 from a director and paid interest thereon at LIBOR plus 1.75%. The advance was settled in the same year.

(ii) The secured guaranteed senior notes were fully redeemed in prior year.

附註：

(i) 截至二零一零年十二月三十一日止年度，本集團獲得董事墊款234,000,000港元，並已按倫敦銀行同業拆息加1.75%支付其利息。墊款已於同年償付。

(ii) 抵押有擔保優先票據已於往年悉數贖回。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010

截至二零一零年十二月三十一日止年度

10. INCOME TAX EXPENSE

The charge comprises:

PRC Enterprise Income Tax	中國企業所得稅
Current year	本年度
Overprovision in prior year	往年超額撥備

10. 所得稅開支

費用包括：

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
		52,832	24,950
		(234)	—
		52,598	24,950

No provision for Hong Kong Profits Tax has been made as the Group's subsidiaries in Hong Kong either had no assessable profit or incurred tax losses for both years.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%.

Pursuant to the relevant laws and regulations in the PRC, two PRC subsidiaries of the Group, Yangzhong Yagang Metal Co., Ltd. ("Yangzhong Yagang") and Tianjin Yatong are exempted from PRC Enterprise Income Tax for two years starting from their first profit-making year, followed by a 50% tax reduction for the next three years ("Tax Holiday"). 2012 is the final year in which the two subsidiaries are subject to a 50% tax deduction.

Under Decree-Law no. 58/99/M, Central Steel (Macao Commercial Offshore) Limited ("Central Steel"), a Macau subsidiary incorporated under that Law (called "58/99/M Company"), is exempted from Macau Complementary tax (Macau income tax) as the 58/99/M Company does not sell its products to any Macau resident company during both years.

於上述兩年度，由於本集團於香港的附屬公司並無應課稅溢利或產生稅項虧損，故未就香港利得稅作出相關撥備。

根據中國企業所得稅法（「企業所得稅法」）及相關實施條例，中國附屬公司的稅率為25%。

根據中國相關法律及法規，本集團兩間中國附屬公司揚中亞鋼金屬有限公司（「揚中亞鋼」）及天津亞銅自彼等首個獲利年度起豁免兩年中國企業所得稅，其後三年稅項減半（「稅務優惠」）。二零一二年為兩間附屬公司獲減半繳稅的最後年度。

中環鋼鐵（澳門）離岸商務商業服務有限公司（「中環鋼鐵」）為根據第58/99/M號法令註冊成立的澳門附屬公司（稱為「58/99/M公司」）。由於該58/99/M公司於上述兩年度並無向任何澳門本土公司銷售產品，故此根據第58/99/M號法令獲免繳納澳門補充稅（澳門所得稅）。

10. INCOME TAX EXPENSE (Continued)

The tax charge for the year can be reconciled to the profit before taxation per the consolidated statement of comprehensive income as follows:

10. 所得稅開支 (續)

年內的稅項支出與綜合全面收益表的除稅前溢利對賬如下：

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Profit before taxation	除稅前溢利	944,501	503,635
Tax at the PRC Enterprise Income Tax rate of 25%	中國企業所得稅稅率25%	236,125	125,909
Tax effect of expenses not deductible for tax purpose	不可扣稅開支的稅務影響	15,060	42,936
Tax effect of income not taxable for tax purpose	非課稅收入的稅務影響	(2,794)	(164)
Tax effect of share result of an associate	應佔一間聯營公司 業績的稅務影響	384	(485)
Tax effect of Tax Holiday granted to PRC subsidiaries	給予中國附屬公司 的稅務優惠的稅務影響	(879)	—
Tax effect of tax exemption granted to a Macau subsidiary	給予澳門附屬公司的 稅項豁免的稅務影響	(208,648)	(151,672)
Tax effect of tax losses not recognised	未確認的稅務虧損的稅務影響	11,688	8,426
Utilisation of tax losses previously not recognised	動用過往未確認的 稅務虧損	(283)	—
Tax effect of other deductible temporary differences not recognised	其他未確認的可扣稅暫時 差異的稅務影響	2,179	—
Overprovision in prior year	過往年度超額撥備	(234)	—
Tax charge for the year	年內稅務支出	52,598	24,950

Details of deferred taxation are set out in note 30.

遞延稅項的詳情載於附註30。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

II. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging:

11. 年內溢利

年內溢利已扣除下列各項後得出：

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Directors' emoluments (note 12)	董事薪酬(附註12)	25,255	14,017
Other staff costs:	其他員工成本：		
Salaries and wages	薪酬及工資	42,345	23,693
Share-based payment, excluding those of directors	以股份支付款項 (不包括該等董事)	21,458	8,371
Retirement benefit scheme contributions, excluding those of directors	退休福利計劃供款 (不包括該等董事)	3,392	2,180
Total staff costs	員工成本總額	92,450	48,261
Auditor's remuneration	核數師薪酬	3,000	3,200
Release of prepaid lease payments	預付租賃款項轉撥	6,518	3,460
Depreciation of property, plant and equipment	物業、廠房及設備折舊	25,153	13,641
Depreciation of investment properties	投資物業折舊	38	39
Listing expenses (included in other expenses)	上市開支(計入其他開支)	—	13,365
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	—	63
Operating lease rentals paid in respect of rented premises	就租賃物業支付的經營租賃租金	26,063	18,891

Note: Cost of inventories recognised as an expense approximates cost of sales as shown in the consolidated statement of comprehensive income for both years.

附註：於該兩年度，已確認為開支的存貨成本與綜合全面收益表中所示的銷售成本相若。

12.DIRECTORS' AND EMPLOYEES' EMOLUMENTS

Directors' emoluments

Details of the emoluments paid or payable to the directors are as follows:

12.董事及僱員薪酬

董事薪酬

已付或應付董事薪酬詳情如下：

		Retirement benefit scheme					
		Salaries and allowances		contributions	Share-based payment	Total	
		Fees	Bonuses				
		袍金	花紅	退休福利計劃供款	以股份付款	總計	
		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	
		(note iii)					
		(附註iii)					
For the year ended	截至二零一零年						
31 December 2010:	十二月三十一日止年度：						
Executive directors:	執行董事：						
Mr. Chun Chi Wai	秦志威先生	—	5,393	1,250	12	5,136	11,791
Mr. Fung Ka Lun	馮嘉倫先生						
(appointed on	(於二零一零年						
8 June 2010)	六月八日獲委任)	—	1,660	2,125	7	3,695	7,487
Mr. Jiang Yan Zhang	姜延章先生	—	498	141	23	1,370	2,032
Non-executive directors:	非執行董事：						
Ms. Lai Wun Yin	黎煥賢女士	180	—	—	—	1,712	1,892
Mr. Chan Kam Hung (note i)	陳錦雄先生(附註i)	210	—	—	—	342	552
Mr. Leung Chong Shun (note i)	梁創順先生(附註i)	210	—	—	—	342	552
Mr. Yan Qi Ping (appointed	閻啟平先生						
on 8 June 2010) (note i)	(於二零一零年						
	六月八日						
	獲委任(附註i)	113	—	—	—	422	535
Mr. Chan Lu Seng (resigned	陳耀星先生						
on 1 October 2010)	(於二零一零年十月						
(note i)	一日辭職)(附註i)	130	—	—	—	284	414
		843	7,551	3,516	42	13,303	25,255

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

12. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Continued)

Directors' emoluments (Continued)

		Fees 袍金 HK\$'000 千港元	Salaries and allowances 薪金及其他津貼 HK\$'000 千港元	Bonuses 花紅 HK\$'000 千港元	Retirement benefit scheme contributions 退休福利計劃供款 HK\$'000 千港元	Share-based payment 以股份付款 HK\$'000 千港元	Total Total 總計 HK\$'000 千港元
For the year ended 31 December 2009:	截至二零零九年 十二月三十一日止年度：						
Executive directors:	執行董事：						
Mr. Chun Chi Wai	秦志威先生	—	3,220	—	5	3,749	6,974
Mr. Jiang Yan Zhang	姜延章先生	—	204	—	1	1,000	1,205
Mr. Wong Hok Leung (resigned on 11 November 2009) (note ii)	王學良先生 (於二零零九年 十一月十一日 辭職)(附註ii)	—	3,472	—	11	—	3,483
Non-executive directors:	非執行董事：						
Ms. Lai Wun Yin	黎煥賢女士	79	—	—	—	1,250	1,329
Mr. Chan Kam Hung (note i)	陳錦雄先生(附註i)	92	—	—	—	250	342
Mr. Leung Chong Shun (note i)	梁創順先生(附註i)	92	—	—	—	250	342
Mr. Chan Lu Seng (note i)	陳耀星先生(附註i)	92	—	—	—	250	342
		355	6,896	—	17	6,749	14,017

Notes:

- (i) Independent non-executive directors.
- (ii) No share-based payment in relation to Mr. Wong Hok Leung was recognised as a result of his resignation and accordingly the number of options that are expected to ultimately vest at the end of the reporting period was revised.
- (iii) Bonuses are determined on a discretionary basis by the board of directors of the Company with reference to the Group's operating results for the current financial year, individual performance and compatible market statistics.

附註：

- (i) 獨立非執行董事。
- (ii) 有關王學良先生的股份付款因其辭任而並無確認，預期於報告期末最終歸屬的購股權數目已作修訂。
- (iii) 花紅乃本公司董事會經參考本集團於本財政年度的經營業績、個人表現及可資比較之市場統計數據而酌情釐定。

12. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Continued)

Employees' emoluments

Of the five individuals with the highest emoluments in the Group, the number of directors and employees are as follows:

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Directors	董事	2 [#]	3
Employees	僱員	3	2
		5	5

It includes a director who was appointed on 8 June 2010 and received emoluments of HK\$4,031,000 for the period from 1 January 2010 to 7 June 2010 as an employee.

The emoluments of the directors are set out above while the emoluments of the remaining individuals are as follows:

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Salaries and other allowances	薪金及其他津貼	3,465	2,100
Discretionary bonuses	酌情花紅	837	—
Retirement benefit scheme contributions	退休福利計劃供款	57	24
Share-based payment	以股份付款	4,494	2,250
		8,853	4,374

12. 董事及僱員薪酬 (續)

僱員酬金

本集團五位最高酬金人士中，董事及僱員的人數如下：

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Directors	董事	2 [#]	3
Employees	僱員	3	2
		5	5

包括一名於二零一零年六月八日獲委任的董事，由二零一零年一月一日至二零一零年六月七日，其作為僱員所收取的薪金為4,031,000港元。

董事酬金載於上文，而其餘人士的酬金如下：

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Salaries and other allowances	薪金及其他津貼	3,465	2,100
Discretionary bonuses	酌情花紅	837	—
Retirement benefit scheme contributions	退休福利計劃供款	57	24
Share-based payment	以股份付款	4,494	2,250
		8,853	4,374

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

12. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Continued)

Employees' emoluments (Continued)

Their emoluments were within the following bands:

HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元
HK\$2,500,001 to HK\$3,000,000	2,500,001港元至3,000,000港元
HK\$3,500,001 to HK\$4,000,000	3,500,001港元至4,000,000港元

In the two years ended 31 December 2010, no emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group or as a compensation for loss of office. None of the directors has waived any emoluments during the two years.

12. 董事及僱員薪酬 (續)

僱員酬金 (續)

彼等的酬金介乎以下範圍：

2010 No. of employees 二零一零年 僱員數目	2009 No. of employees 二零零九年 僱員數目
—	1
1	1
1	—
1	—

截至二零一零年十二月三十一日止兩年，本集團概無向董事支付任何酬金作為彼等加入或加入本集團後的獎勵或作為離職補償。概無董事於該兩年度放棄任何酬金。

13. DIVIDEND

During the year, the final dividend of HK12 cents (2009: Nil) per share, amounted to HK\$125,400,000 (2009: Nil), in respect of the year ended 31 December 2009 was recognised as distribution to the shareholders.

No interim dividend was declared for the current year. The final dividend of HK16 cents in respect of the year ended 31 December 2010 amounted to approximately HK\$182,000,000 in total (2009: final dividend of HK12 cents in respect of the year ended 31 December 2009 amounted to HK\$125,400,000 in total) per share has been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

13. 股息

年內，截至二零零九年十二月三十一日止年度的末期股息每股12港仙(二零零九年：無)，合共為125,400,000港元(二零零九年：無)，已確認為股東分派。

本年度並無宣派中期股息。董事已建議派發截至二零一零年十二月三十一日止年度的末期股息每股16港仙，合共約182,000,000港元(二零零九年：截至二零零九年十二月三十一日止年度末期股息每股12港仙，合共125,400,000港元)，惟須待本公司股東於應屆股東週年大會批准。

14. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

14. 每股盈利

按下列數據計算本公司擁有人應佔每股基本及攤薄盈利：

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Earnings:	盈利：		
Profit for the year attributable to owners of the Company for the purposes of basic and diluted earnings per share	計算每股基本及攤薄盈利的本公司擁有人應佔年內溢利	886,562	478,422
Number of shares:	股份數目：		
Weighted average number of ordinary shares for the purpose of basic earnings per share	計算每股基本盈利的加權平均普通股數目	1,047,801,067	881,438,356
Effect of diluted potential ordinary shares as a result of the share options granted under the Pre-IPO Scheme (defined in note 38(a))	根據首次公開發售前購股權計劃（定義見附註38(a)）所授購股權所涉具攤薄影響潛在普通股的影響	5,708,380	2,854,600
Weighted average number of ordinary shares for the purpose of diluted earnings per share	計算每股攤薄盈利的加權平均普通股數目	1,053,509,447	884,292,956

The computation of diluted earnings per share does not assume the exercise of the Company's outstanding share options granted under the Scheme (defined in note 38(b)) because the adjusted exercise prices of those options calculated in accordance with HKAS 33 "Earnings Per Share" were higher than the average market price of the shares for the years ended 31 December 2010 and 2009.

根據香港會計準則第33號「每股盈利」的計算，本公司計劃（定義見附註38(b)）所授出尚未行使的本公司購股權的經調整行使價高於截至二零一零年及二零零九年十二月三十一日止年度股份的平均市價，故計算每股攤薄盈利時乃假設該等購股權並無獲行使。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

15. PROPERTY, PLANT AND EQUIPMENT

15. 物業、廠房及設備

		Buildings	Harbour works	Construction in progress	Motor vehicles	Leasehold improvements	Machinery, furniture, fixtures and equipment	Total
		樓宇	港灣工程	在建工程	汽車	租賃物業裝修	機器、傢俬及裝置	總計
		HK\$'000	HK\$'000	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	千港元	千港元
			(note)	(附註)				
COST	成本							
At 1 January 2009	於二零零九年一月一日	14,719	—	9,047	16,464	3,276	77,306	120,812
Additions	添置	849	—	11,045	900	18	7,900	20,712
Disposals	出售	—	—	—	(494)	—	(386)	(880)
At 31 December 2009	於二零零九年十二月三十一日	15,568	—	20,092	16,870	3,294	84,820	140,644
Exchange adjustments	匯兌調整	3,117	4,562	984	419	105	5,751	14,938
Acquired on acquisition of a subsidiary (note 33)	收購一間附屬公司 (附註33)	34,809	129,262	—	237	—	41,976	206,284
Additions	添置	53,578	—	21,448	5,149	969	67,543	148,687
Transfers	轉讓	3,308	—	(9,784)	—	—	6,476	—
Disposals	出售	—	—	—	(3,061)	—	(585)	(3,646)
Written-off	註銷	—	—	—	—	(111)	(2)	(113)
Disposal of a subsidiary (note 34)	出售一間附屬公司 (附註34)	—	—	—	(1,573)	—	(4,676)	(6,249)
At 31 December 2010	於二零一零年十二月三十一日	110,380	133,824	32,740	18,041	4,257	201,303	500,545

15. PROPERTY, PLANT AND EQUIPMENT

(Continued)

15.物業、廠房及設備 (續)

		Buildings	Harbour	Construction	Motor	Leasehold	Machinery,	
			works	in	vehicles	improve-	furniture,	
		樓宇	港灣工程	progress	汽車	ments	fixtures and	
		租賃物業		在建工程		租賃物業	機器、傢俬	
		裝修				裝修	及裝置	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	Total
		千港元	千港元	千港元	千港元	千港元	千港元	總計
				(note)				千港元
				(附註)				
DEPRECIATION	折舊							
At 1 January 2009	於二零零九年一月一日	3,474	—	—	9,532	394	24,875	38,275
Provided for the year	年內撥備	1,468	—	—	1,726	605	9,842	13,641
Eliminated on disposals	出售時撇銷	—	—	—	(221)	—	(40)	(261)
At 31 December 2009	於二零零九年十二月三十一日	4,942	—	—	11,037	999	34,677	51,655
Exchange adjustments	匯兌調整	280	49	—	323	30	1,268	1,950
Provided for the year	年內撥備	4,493	2,070	—	1,806	602	16,182	25,153
Eliminated on disposals	出售時撇銷	—	—	—	(2,754)	—	(377)	(3,131)
Eliminated on disposal of a subsidiary (note 34)	出售一間附屬公司時撇銷 (附註34)	—	—	—	(810)	—	(976)	(1,786)
Eliminated on written-off	註銷時撇銷	—	—	—	—	(111)	(2)	(113)
At 31 December 2010	於二零一零年十二月三十一日	9,715	2,119	—	9,602	1,520	50,772	73,728
CARRYING VALUES	賬面值							
At 31 December 2010	於二零一零年十二月三十一日	100,665	131,705	32,740	8,439	2,737	150,531	426,817
At 31 December 2009	於二零零九年十二月三十一日	10,626	—	20,092	5,833	2,295	50,143	88,989

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

15. PROPERTY, PLANT AND EQUIPMENT

(Continued)

After considering the estimated residual values, the above items of property, plant and equipment other than construction in progress are depreciated on a straight-line basis over the following years or at the following rates per annum, as appropriate:

Buildings	20 - 50 years or over the lease term of the relevant land, whichever is shorter
樓宇	20至50年或相關土地的租賃期限(以較短者為準)
Harbour works	30 years
港灣工程	30年
Motor vehicles	20%
汽車	20%
Leasehold improvements	4% or over the term of the relevant lease, whichever is shorter
租賃物業裝修	4%或相關租賃期限(以較短者為準)
Machinery, furniture, fixtures and equipment	10% - 20%
機器、傢俬、裝置及設備	10%至20%

Note: Harbour works mainly represented wharfs for transportation of goods.

15. 物業、廠房及設備 (續)

經考慮估計殘值，上述物業、廠房及設備項目(在建工程除外)乃以直線法於以下年度或按下列年利率(倘合適)折舊：

附註：港灣工程主要為用作商品運輸的碼頭。

16. INVESTMENT PROPERTIES

16. 投資物業

HK\$'000
千港元

COST		成本
At 1 January 2009 and 31 December 2009	於二零零九年一月一日及 二零零九年十二月三十一日	1,940
Disposal	出售	(61)
At 31 December 2010	於二零一零年十二月三十一日	1,879
DEPRECIATION		折舊
At 1 January 2009	於二零零九年一月一日	170
Provided for the year	年內撥備	39
At 31 December 2009	於二零零九年十二月三十一日	209
Provided for the year	年內撥備	38
Eliminated on disposal	出售時撇銷	(6)
At 31 December 2010	於二零一零年十二月三十一日	241
CARRYING VALUES		賬面值
At 31 December 2010	於二零一零年十二月三十一日	1,638
At 31 December 2009	於二零零九年十二月三十一日	1,731

The fair value of the Group's investment properties (including the corresponding leasehold land interests with a carrying amount of HK\$2,720,000) at 31 December 2010 was HK\$17,306,000 (2009: HK\$9,180,000) and whose addresses are Unit 1 on 16th Floor and car parking space no. 358 on the 3rd Floor of "118 Connaught Road West", No. 118 Connaught Road West, Sai Ying Pun, Hong Kong.

The fair value as at 31 December 2010 has been determined by the directors of the Company. No valuation has been performed by independent qualified professional valuers. The valuation performed by the directors of the Company was arrived at by reference to subsequent selling price as set out in note 43.

於二零一零年十二月三十一日，本集團投資物業（包括賬面值為2,720,000港元的相關租賃土地權益）的公允值為17,306,000港元（二零零九年：9,180,000港元）。該物業的地址為香港西營盤干諾道西118號「干諾道西118號」16樓1室及3樓第358號車位。

二零一零年十二月三十一日的公允值乃經本公司董事釐定。獨立合資格專業估值師並無進行估值。如附註43所載，本公司董事進行之估值乃經參考其後售價釐定。

綜合財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

16. INVESTMENT PROPERTIES (Continued)

The fair value as at 31 December 2009 was arrived at based on a valuation carried out by LCH (Asia-Pacific) Surveyors Limited, independent valuers not connected with the Group. The valuation was determined by reference to recent market prices for similar properties in the same location and condition.

The above investment properties are erected on land held under long leases in Hong Kong and are depreciated on a straight-line basis over approximately 46 years.

16.投資物業 (續)

二零零九年十二月三十一日的公允值乃基於與本集團並無關連的獨立估值師利駿行測量師有限公司的估值得出。估值乃參考地點及狀況相同之類似物業的近期市價釐定。

上述投資物業均建於根據長期租賃在香港持有的土地上，並按直線基準於約46年內折舊。

17. PREPAID LEASE PAYMENTS

17. 預付租賃款項

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
The prepaid lease payments	預付租賃款項包括租賃土地		
comprise leasehold land			
– in Hong Kong held under long leases	– 於香港按長期租賃持有	2,720	3,185
– in the PRC held under medium-term leases	– 於中國按中期租賃持有	201,644	94,804
		204,364	97,989
Analysed for reporting purposes as:	就報告目的分析為：		
Current asset	流動資產	9,733	3,460
Non-current asset	非流動資產	194,631	94,529
		204,364	97,989

18.INTEREST IN AN ASSOCIATE

18.於聯營公司的權益

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Cost of unlisted investment in an associate (note)	於聯營公司的非上市投資成本（附註）	87,130	87,130
Share of post-acquisition profits and other comprehensive income, net of dividends received	應佔收購後溢利及其他全面收益，扣除已收股息	9,495	9,983
		96,625	97,113

Note: Included in the cost of unlisted investment in an associate at the end of the reporting period is goodwill arising on acquisition of HK\$9,237,000 (2009: HK\$9,237,000) in prior years.

附註：於報告期末，於聯營公司的非上市投資成本包括往年收購產生的商譽9,237,000港元（二零零九年：9,237,000港元）。

Details of the Group's associate are set out in note 41.

本集團聯營公司的詳情載於附註41。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

18. INTEREST IN AN ASSOCIATE (Continued)

The summarised financial information in respect of the Group's associates is set out below:

18. 於聯營公司的權益 (續)

本集團聯營公司的財務資料概述如下：

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Total assets	資產總值	198,555	199,120
Total liabilities	負債總額	(4,359)	(3,838)
Net assets	資產淨值	194,196	195,282
The Group's share of net assets of an associate	本集團應佔聯營公司的資產淨值	87,388	87,876
Revenue	收益	26,938	33,315
(Loss) profit for the year	年內(虧損)溢利	(3,409)	4,313
Other comprehensive income	其他全面收益	2,324	—
The Group's share of (loss) profit and other comprehensive income of an associate for the year	本集團應佔聯營公司的年內(虧損)溢利及其他全面收益	(488)	1,941

19. INVENTORIES

19. 存貨

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Raw materials	原材料	1,207,110	455,304
Finished goods	製成品	540,026	272,234
		1,747,136	727,538

Included in the above figures are finished goods of HK\$319,575,000 (2009: Nil) and HK\$79,201,000 (2009: Nil) which have been pledged as security for bank borrowings and amounts payable to brokers respectively.

上述數字包括製成品319,575,000港元(二零零九年：無)及79,201,000港元(二零零九年：無)，已分別抵押作為銀行借款及應付經紀款項之抵押品。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010

截至二零一零年十二月三十一日止年度

20. TRADE AND OTHER RECEIVABLES AND DEPOSITS

The Group generally allows an average credit period of 30 to 90 days to its trade customers. The aged analysis of the Group's trade receivables, presented based on the invoice date at the end of the reporting period, is as follows:

20. 貿易及其他應收款項及按金

本集團一般向貿易客戶提供介乎30日至90日的平均信貸期。於報告期末本集團應收貿易款項的賬齡分析(按發票日期呈列)如下:

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Trade receivables:	應收貿易款項：		
0 - 30 days	0至30日	1,152,304	803,486
31 - 60 days	31至60日	1,096,188	678,539
61 - 90 days	61至90日	944,505	513,299
91 - 120 days	91至120日	923,509	199,040
121 - 180 days	121至180日	1,662,913	80,826
Over 180 days	超過180日	524,285	26,382
		6,303,704	2,301,572
Other receivables and deposits:	其他應收款項及按金：		
Deposits and prepayments	按金及預付款	55,454	31,297
Deposits paid for purchase of raw materials	就購買原材料已付的按金	686,151	94,037
Other taxes recoverable	其他可收回稅項	279,154	95,643
Others	其他	23,348	1,776
		1,044,107	222,753
		7,347,811	2,524,325

20. TRADE AND OTHER RECEIVABLES AND DEPOSITS (Continued)

The above trade and other receivables of the Group that are denominated in a currency other than the functional currencies of the relevant group entities are set out below:

20. 貿易及其他應收款項及按金 (續)

上述以有關集團實體功能貨幣以外貨幣計值的本集團貿易及其他應收款項如下：

HKD equivalent of RMB

港元的等值人民幣

HK\$'000

千港元

As at 31 December 2010	於二零一零年十二月三十一日	6,311
As at 31 December 2009	於二零零九年十二月三十一日	88,651

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. Limits attributable to customers are reviewed regularly.

No impairment loss is provided for the trade receivables that are neither past due nor impaired because these receivables are within credit period granted to the respective customer and the management considers the default rate is low for such receivables based on historical information and past experience.

In determining the recoverability of a trade receivable, the Group considers any change in credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. In view of the good settlement history and substantial subsequent settlement from those debtors of the Group which are past due but not impaired, the directors consider that no allowance is required.

於接受任何新客戶之前，本集團會評估潛在客戶的信貨質素及界定各客戶的信貨限額，並會定期檢討各客戶的限額。

概無就既未逾期亦無減值的應收貿易款項作出減值虧損撥備，乃由於該等應收款項屬有關客戶獲授的信貸期之內，故管理層基於過往資料及過往經驗認為，該等應收款項的拖欠率甚低。

於確定應收貿易款項是否可收回時，本集團考慮自初始授出信貸日期起至報告期間結束時止應收貿易款項任何信貨質素的變動。由於本集團債務人對已過期但未減值的應收貿易款項有良好還款記錄，且其後已償還大部分金額，故董事認為毋須作出撥備。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010

截至二零一零年十二月三十一日止年度

20. TRADE AND OTHER RECEIVABLES AND DEPOSITS (Continued)

Aging of trade receivables which are past due but not impaired

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
91 - 120 days	91至120日	923,509	199,040
121 - 180 days	121至180日	1,662,913	80,826
Over 180 days	超過180日	524,285	26,382
		3,110,707	306,248

At 31 December 2010, trade receivables of HK\$53,535,000 have been pledged as security for bank borrowings. The carrying amount of the associated liability is HK\$53,535,000 (included in bank borrowings in note 29).

21. BILLS RECEIVABLE

The amount represents bills on hand and bills discounted to banks with recourse with a maturity period of less than 180 days (2009: 180 days). At the end of the reporting period, these receivables are not yet due and guaranteed by the banks. The management considers the default rate is low based on past experience as the Group seldom encounters default on bills. The Group retains all the risks and rewards of discounted bills receivable and accordingly, the Group continues to recognise the full carrying amount of such bills receivable (see note 35 for assets pledged) and has recognised the cash received on such discount as secured discounted bills liabilities in note 28.

22. DEPOSIT PAID TO A RELATED PARTY

The amount represents a rental deposit paid to secure the lease agreement entered into between the Group and a company wholly-owned by Mr. Chun, a director of the Company, as the landlord. Details of the lease agreement are set out in note 40.

20. 貿易及其他應收款項及按金 (續)

已過期但未減值的應收貿易款項的賬齡

	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
91 - 120 days	923,509	199,040
121 - 180 days	1,662,913	80,826
Over 180 days	524,285	26,382
	3,110,707	306,248

於二零一零年十二月三十一日，貿易應收款項53,535,000港元已抵押作銀行借款的抵押品。有關負債的賬面值為53,535,000港元（計入附註29的銀行借款）。

21. 應收票據

該款項主要指於180日（二零零九年：180日）內到期的手頭票據及銀行附有追索權的已貼現票據。該等應收款項於報告期末尚未到期並由銀行擔保，由於本集團過往甚少遭受票據拖欠付款情況，故管理層認為拖欠率甚低。本集團保留所有該等已貼現應收票據的全部風險及回報，因此，本集團繼續確認該等應收票據的足額全部賬面值（已抵押資產見附註35），並將該等貼現所得現金確認為附註28所述有抵押貼現票據負債。

22. 支付予一名關連人士的按金

該款項乃指為擔保本集團與本公司董事秦先生全資擁有的公司（作為業主）之間訂立的租賃協議而支付的租賃按金。租賃協議詳情載於附註40。

23.DERIVATIVE FINANCIAL INSTRUMENTS

23.衍生金融工具

Derivatives settled in net (not under hedge accounting):

並非按對沖會計法處理的按淨額結算的
衍生工具：

		2010 二零一零年		2009 二零零九年	
		Assets 資產 HK\$'000 千港元	Liabilities 負債 HK\$'000 千港元	Assets 資產 HK\$'000 千港元	Liabilities 負債 HK\$'000 千港元
Future contracts on non-ferrous metals (note a)	有色金屬期貨合約(附註a)	58,616	120,507	36,508	61,248
Foreign currency forward contracts (note b)	外幣遠期合約(附註b)	8,129	14,330	432	843
Interest rate swap (note c)	利率掉期(附註c)	—	—	—	53
		66,745	134,837	36,940	62,144

Notes:

附註：

(a) Major terms of future contracts on non-ferrous metals are set out below:

(a) 有色金屬期貨合約主要條款如下：

At 31 December 2010

於二零一零年十二月三十一日

Contracted future price 合約期貨價格	Standard trading unit 標準交易單位	Total unit 總單位	Maturity 到期日
<i>Copper future contracts:</i> 銅期貨合約：			
Sell at prices ranged from RMB61,400 to RMB71,510 per tonne 按介乎每噸人民幣61,400元至 人民幣71,510元沽出	5 tonnes 5噸	1,112	Ranged from 15 February 2011 to 15 April 2011 自二零一一年二月十五日至二零一一年四月十五日
Buy at prices ranged from RMB59,800 to RMB70,080 per tonne 按介乎每噸人民幣59,800元至 人民幣70,080元買入	5 tonnes 5噸	81	Ranged from 15 February 2011 to 15 April 2011 自二零一一年二月十五日至二零一一年四月十五日

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

23.DERIVATIVE FINANCIAL INSTRUMENTS

(Continued)

Notes: (Continued)

- (a) Major terms of future contracts on non-ferrous metals are set out below: (Continued)

Contracted future price 合約期貨價格	Standard trading unit 標準交易單位	Total unit 總單位	Maturity 到期日
Sell at prices ranged from USD8,160 to USD9,514 按介乎8,160美元 至9,514美元沽出	25 tonnes 25噸	788	Ranged from 7 January 2011 to 31 March 2011 自二零一一年一月七日 至二零一一年三月三十一日
Buy at prices ranged from USD8,096 to USD9,625 按介乎8,096美元 至9,625美元買入	25 tonnes 25噸	214	Ranged from 7 January 2011 to 31 March 2011 自二零一一年一月七日 至二零一一年三月三十一日
Aluminium future contracts:	鋁期貨合約：		
Sell at prices ranged from RMB15,655 to RMB16,835 按介乎人民幣15,655元 至人民幣16,835元沽出	5 tonnes 5噸	1,088	Ranged from 15 January 2011 to 15 March 2011 自二零一一年一月十五日 至二零一一年三月十五日

23.衍生金融工具 (續)

附註：(續)

- (a) 有色金屬期貨合約主要條款如下：(續)

23.DERIVATIVE FINANCIAL INSTRUMENTS

(Continued)

Notes: (Continued)

- (a) Major terms of future contracts on non-ferrous metals are set out below: (Continued)

Contracted future price 合約期貨價格	Standard trading unit 標準交易單位	Total unit 總單位	Maturity 到期日
Zinc future contracts: 鋅期貨合約：			
Sell at prices ranged from RMB17,630 to RMB21,270 按介乎人民幣17,630元 至人民幣21,270元沽出	5 tonnes 5噸	3,852	Ranged from 15 February 2011 to 16 May 2011 自二零一一年二月十五日 至二零一一年五月十六日
Buy at prices ranged from RMB17,895 to RMB19,025 按介乎人民幣17,895元 至人民幣19,025元買入	5 tonnes 5噸	245	Ranged from 15 January 2011 to 15 April 2011 自二零一一年一月十五日 至二零一一年四月十五日
Sell at prices ranged from USD2,167 to USD2,316 按介乎2,167美元 至2,316美元沽出	25 tonnes 25噸	324	Ranged from 21 January 2011 to 31 March 2011 自二零一一年一月二十一日 至二零一一年三月三十一日
Buy at prices ranged from USD2,175 to USD2,630 按介乎2,175美元 至2,630美元買入	25 tonnes 25噸	744	Ranged from 21 January 2011 to 31 March 2011 自二零一一年一月二十一日 至二零一一年三月三十一日

23.衍生金融工具 (續)

附註：(續)

- (a) 有色金屬期貨合約主要條款如下：(續)

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

23.DERIVATIVE FINANCIAL INSTRUMENTS

(Continued)

Notes: (Continued)

- (a) Major terms of future contracts on non-ferrous metals are set out below: (Continued)

Contracted future price 合約期貨價格	Standard trading unit 標準交易單位	Total unit 總單位	Maturity 到期日
Copper future contracts: 銅期貨合約：			
Sell at prices ranged from RMB53,980 to RMB58,870 per tonne 按介乎每噸人民幣53,980元至 人民幣58,870元沽出	5 tonnes 5噸	108	Ranged from 15 January 2010 to 15 April 2010 自二零一零年一月十五日 至二零一零年四月十五日
Buy at prices ranged from RMB53,400 to RMB59,600 per tonne 按介乎每噸人民幣53,400元至 人民幣59,600元買入	5 tonnes 5噸	375	Ranged from 15 January 2010 to 15 March 2010 自二零一零年一月十五日 至二零一零年三月十五日
Sell at prices ranged from USD6,209 to USD7,331 per tonne 按介乎每噸6,209美元 至7,331美元沽出	25 tonnes 25噸	443	Ranged from 5 January 2010 to 30 March 2010 自二零一零年一月五日 至二零一零年三月三十日
Buy at prices ranged from USD5,880 to USD7,377 per tonne 按介乎每噸5,880美元 至7,377美元買入	25 tonnes 25噸	275	Ranged from 5 January 2010 to 31 March 2010 自二零一零年一月五日 至二零一零年三月三十一日
Sell at prices ranged from USD3.299 to USD3.313 per pound 按介乎每磅3.299美元 至3.313美元沽出	25,000 pounds 25,000鎊	102	10 March 2010 二零一零年三月十日

23.衍生金融工具 (續)

附註：(續)

- (a) 有色金屬期貨合約主要條款如下：(續)

23.DERIVATIVE FINANCIAL INSTRUMENTS

(Continued)

Notes: (Continued)

- (a) Major terms of future contracts on non-ferrous metals are set out below: (Continued)

Contracted future price 合約期貨價格	Standard trading unit 標準交易單位	Total unit 總單位	Maturity 到期日
Aluminium future contracts:		鋁期貨合約：	
Sell at prices ranged from RMB15,845 to RMB17,035 per tonne 按介乎每噸人民幣15,845元 至人民幣17,035元沽出	5 tonnes 5噸	288	Ranged from 15 February 2010 to 15 April 2010 自二零一零年二月十五日 至二零一零年四月十五日
Buy at prices ranged from RMB15,630 to RMB16,830 per tonne 按介乎每噸人民幣15,630元 至人民幣16,830元買入	5 tonnes 5噸	285	Ranged from 15 January 2010 to 15 March 2010 自二零一零年一月十五日 至二零一零年三月十五日
Sell at USD2,130 per tonne 按每噸2,130美元沽出	25 tonnes 25噸	14	2 March 2010 二零一零年三月二日
Zinc future contracts:		鋅期貨合約：	
Sell at prices ranged from RMB16,710 to RMB20,770 per tonne 按介乎每噸人民幣16,710元 至人民幣20,770元沽出	5 tonnes 5噸	776	Ranged from 15 January 2010 to 15 April 2010 自二零一零年一月十五日 至二零一零年四月十五日

The future contracts are measured at fair values based on the quoted prices in active markets at the end of the reporting period, with gain or loss recognised directly in the consolidated statement of comprehensive income.

23.衍生金融工具 (續)

附註：(續)

- (a) 有色金屬期貨合約主要條款如下：(續)

於報告期末，期貨合約根據交投活躍市場報價以公允值計量，其盈虧直接於綜合全面收入表內確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

23. DERIVATIVE FINANCIAL INSTRUMENTS

(Continued)

Notes: (Continued)

(b) Major terms of the foreign currency forward contracts are as follows:

At 31 December 2010

Notional amount 名義金額	Forward contracted rates 遠期合約利率	Maturity 到期日
2 contracts to sell USD80,000,000 in total 2份合約共沽出 80,000,000美元	USD1: RMB6.6377 to 6.7450 1美元兌人民幣6.6377元至 人民幣6.7450元	From 24 January 2011 to 26 January 2011 自二零一一年一月二十四日至 二零一一年一月二十六日
36 contracts to buy USD119,899,703 in total 36份合約共買入 119,899,703美元	USD1: RMB6.4850 to 6.7930 1美元兌人民幣6.4850元至 人民幣6.7930元	From 6 February 2011 to 27 September 2011 自二零一一年二月六日至 二零一一年九月二十七日

At 31 December 2009

Notional amount 名義金額	Forward contracted rates 遠期合約利率	Maturity 到期日
14 contracts to buy USD28,080,952 in total 14份合約共 買入28,080,952美元	USD1: RMB6.6410 to 6.8442 1美元兌人民幣6.6410元 至人民幣6.8442元	From 27 September 2010 to 28 December 2010 自二零一零年九月二十七日 至二零一零年十二月二十八日

23. 衍生金融工具 (續)

附註：(續)

(b) 外幣遠期合約主要條款如下：

於二零一零年十二月三十一日

於二零零九年十二月三十一日

23.DERIVATIVE FINANCIAL INSTRUMENTS

(Continued)

Notes: (Continued)

(c) Major terms of the interest rate swap are as follows:

At 31 December 2009

Notional amount 名義金額	Interest rate swap 利率掉期
USD1,000,000 1,000,000美元	From LIBOR to 1.4% 自倫敦銀行同業拆息至1.4%

The above foreign currency forward contracts and interest rate swap of the Group that are denominated in the currencies other than functional currencies of the relevant group entities are set out below:

23.衍生金融工具 (續)

附註：(續)

(c) 利率掉期的主要條款如下：

於二零零九年十二月三十一日

Maturity 到期日
27 September 2010 二零一零年九月二十七日

上述以相關集團實體功能貨幣以外貨幣計值的本集團外幣遠期合約及利率掉期如下：

		Assets HKD equivalent of USD 資產 港元的等值美元 HK\$'000 千港元	Liabilities HKD equivalent of USD 負債 港元的等值美元 HK\$'000 千港元
As at 31 December 2010	於二零一零年十二月三十一日	8,129	(10,131)
As at 31 December 2009	於二零零九年十二月三十一日	413	(784)

All of the Group's future contracts on non-ferrous metals are denominated in the functional currencies of the relevant group entities for both years.

於兩個年度內，本集團所有有色金屬期貨合約均以相關集團實體的功能貨幣計值。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

24.PLEDGED BANK DEPOSITS

The amounts represent deposits pledged to banks to secure the general banking facilities granted to the Group. All deposits are pledged to secure short-term facilities and therefore, classified as current assets.

The above pledged bank deposits of the Group that are denominated in currencies other than the functional currencies of the relevant group entities are set out below.

24.已質押銀行存款

已質押銀行存款指就本集團獲授一般銀行融資而向銀行抵押的存款。所有存款均作抵押以獲取短期融資，因此，均歸類為流動資產。

上述以相關集團實體功能貨幣以外貨幣計值的本集團已質押銀行存款如下。

		HKD equivalent of USD 港元的等值美元 HK\$'000 千港元	HKD 港元 HK\$'000 千港元
As at 31 December 2010	於二零一零年十二月三十一日	5,843	5,466
As at 31 December 2009	於二零零九年十二月三十一日	—	10,690

The pledged bank deposits of the Group carry interest at the following fixed interest rates:

本集團已質押銀行存款按以下固定利率計息：

	2010 二零一零年	2009 二零零九年
Range of interest rates per annum 年利率範圍	0.01% to 2.75% 0.01%至2.75%	0.01% to 2.25% 0.01%至2.25%

25. BANK BALANCES AND CASH/ RESTRICTED DEPOSITS

Bank balances and cash comprise cash held by the Group and short-term bank deposits with maturity of three months or less.

Restricted deposits represent deposits placed with financial institutions to secure the margin accounts of the Group for trading future contracts in the relevant financial institutions.

The above bank balances and cash and restricted deposits of the Group that are denominated in currencies other than the functional currencies of the relevant group entities are set out below:

		HKD equivalent of USD 港元的等值 美元 HK\$'000 千港元		HKD 港元 HK\$'000 千港元	
As at 31 December 2010	於二零一零年十二月三十一日	132,650		31,742	
As at 31 December 2009	於二零零九年十二月三十一日	22,044		39,093	

The bank balances and deposits of the Group carry prevailing market saving rate interest at the following rates:

	2010 二零一零年	2009 二零零九年
Range of interest rates per annum 年利率範圍	0.01% to 0.38% 0.01%至0.38%	0.01% to 2.25% 0.01%至2.25%

25. 銀行結餘及現金／受限制 存款

銀行結餘及現金包括本集團持有的現金及於三個月或三個月以內到期的短期銀行存款。

受限制存款指存放於金融機構的存款，以為本集團於相關金融機構買賣期貨合約的保證金戶口提供擔保。

上述以有關集團實體功能貨幣以外貨幣計值的本集團銀行結餘及現金以及受限制存款如下：

本集團的銀行結餘及存款按以下現行市場儲蓄利率計息：

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

26. 貿易及其他應付款項／應付票據

於報告期末，本集團應付貿易款項的賬齡分析（按發票日期呈列）如下：

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Trade payables:	應付貿易款項：		
0 - 30 days	0至30日	938,813	585,871
31 - 60 days	31至60日	891,316	191,996
61 - 90 days	61至90日	822,360	111,288
91 - 120 days	91至120日	715,714	32
121 - 150 days	121至150日	370,087	44
Over 150 days	超過150日	23,484	708
		3,761,774	889,939
Other payables:	其他應付款項：		
Accruals	應計費用	45,589	12,916
Consideration payable for acquisition of additional interest in a subsidiary	購買於附屬公司的額外權益而應付的代價	10,961	—
Payables for acquisition of property, plant and equipment	購買物業、廠房及設備的應付款項	2,377	1,659
Deposits received from customers	已收客戶按金	146,144	60,426
Other taxes payable	其他應付稅項	30,257	4,409
Amounts payable to brokers (note)	應付經紀款項(附註)	133,695	—
Others	其他	40,706	12,447
		409,729	91,857
		4,171,503	981,796

26. TRADE AND OTHER PAYABLES/BILLS PAYABLE (Continued)

Note: The balance represents amounts payable to brokers in respect of the Group's margin accounts for its derivative instruments. Out of the amount, HK\$55,654,000 (2009: Nil) is unsecured and interest bearing at LIBOR plus a spread, ranging from 0.5% to 1% and HK\$78,041,000 (2009: Nil) is interest-free and secured by inventories with a carrying amount of HK\$42,067,000 (see note 19).

The average credit period on purchase of goods is up to 60 days.

All bills payable of the Group are aged within 180 days and not yet due at the end of the reporting period. Bills payable are secured by pledged bank deposits of HK\$370,056,000.

The above trade and other payables that are denominated in a currency other than the functional currencies of the relevant group entities are set out below:

26. 貿易及其他應付款項／應付票據 (續)

附註：結餘指就本集團衍生工具的保證金戶口而應付經紀的款額。款項當中，55,654,000港元(二零零九年：無)為無抵押及按倫敦銀行同業拆息加介乎0.5%至1%的息差計息，而78,041,000港元(二零零九年：無)為免息及由賬面值為42,067,000港元的存貨作抵押(見附註19)。

貨物採購的平均信貸期不超過60日。

本集團之所有應付票據之賬齡不超過180日，於報告期末並未到期。應付票據由已質押銀行存款370,056,000港元作抵押。

上述以有關集團實體功能貨幣以外貨幣計值的貿易及其他應付款項如下：

		HKD equivalent of USD 港元的等值美元 HK\$'000 千港元
As at 31 December 2010	於二零一零年十二月三十一日	1,404
As at 31 December 2009	於二零零九年十二月三十一日	1,404

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

27. AMOUNT DUE TO A NON-CONTROLLING SHAREHOLDER OF A SUBSIDIARY

The amount is unsecured, interest-free and repayable on demand.

28. DISCOUNTED BILLS

The amounts represent the Group's bank borrowings secured by bills discounted to banks with recourse (see note 21). The ranges of effective interest rates per annum in respect of the Group's discounted bills with recourse are as follows:

Effective interest rates per annum
實際年利率

27. 應付附屬公司非控股股東款項

該等款項為無抵押、免息及於要求時償還。

28. 貼現票據

貼現票據乃指本集團以向銀行貼現附追索權票據作抵押的銀行借款（見附註21）。本集團附有追索權的貼現票據的實際年利率範圍如下：

2010 二零一零年	2009 二零零九年
0.36% to 3.06%	1.74% to 5.83%
0.36%至3.06%	1.74%至5.83%

29.BANK BORROWINGS

29.銀行借款

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Fixed-rate borrowings:	定息借款：		
Bank loans	銀行貸款	2,056,445	392,734
Variable-rate borrowings:	浮息借款：		
Bank loans	銀行貸款	1,079,538	22,727
Trust receipt loans	信託收據貸款	177,920	36,115
		3,313,903	451,576
Secured	有抵押	1,952,131	270,736
Unsecured	無抵押	1,361,772	180,840
		3,313,903	451,576
The maturity of the above loans is as follows:	上述貸款的到期 情況如下：		
Within one year	於一年內	2,960,962	451,576
In more than one year but not more than two years	一年後但不超過兩年	352,941	—
		3,313,903	451,576
Less: Amount repayable within one year shown under current liabilities	減：於一年內償還並 列入流動負債的金額	(2,960,962)	(451,576)
Amount due after one year	一年後到期的金額	352,941	—

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

29. BANK BORROWINGS - (Continued)

The Group's variable-rate borrowings are mainly subject to interest at Hong Kong Interbank Offered Rate or LIBOR plus a spread, ranging from 0.7% to 3% (2009: 0.9% to 3%), Prime Rate of the relevant bank in Hong Kong or such rate plus a spread of 1% or 105% or 110% of PBOC Base Lending Rate. The ranges of effective interest rates per annum on the Group's bank borrowings are as follows:

Effective interest rates:

實際利率：

Fixed-rate borrowings

定息借款

Variable-rate borrowings

浮息借款

29. 銀行借款 (續)

本集團的浮息借款主要按香港或倫敦銀行同業拆息加介乎0.7%至3% (二零零九年：0.9%至3%) 的息差、香港相關銀行的優惠利率或中國人民銀行基準貸款利率的1%或105%或110%計息。本集團銀行借款的實際年利率範圍如下：

	2010 二零一零年	2009 二零零九年
Effective interest rates:		
實際利率：		
Fixed-rate borrowings	1.20% to 5.10%	1.36% to 5.84%
定息借款	1.20%至5.10%	1.36%至5.84%
Variable-rate borrowings	1.55% to 5.62%	0.38% to 5.58%
浮息借款	1.55%至5.62%	0.38%至5.58%

The above Group's bank borrowings that are denominated in currencies other than the functional currencies of the relevant group entities are set out below:

上述以有關集團實體功能貨幣以外貨幣計值的本集團銀行借款如下：

		HKD equivalent of USD 港元的等值美元 HK\$'000 千港元	HKD 港元 HK\$'000 千港元
As at 31 December 2010	於二零一零年十二月三十一日	1,122,183	17,200
As at 31 December 2009	於二零零九年十二月三十一日	162,558	21,917

30.DEFERRED TAXATION

The deferred tax liabilities and assets recognised by the Group and movements thereon during the year are as follows:

30.遞延稅項

本集團於年內確認的遞延稅項負債及資產及其變動如下：

		Accelerated tax depreciation 加速稅項折舊	Tax losses 稅項虧損	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2009	於二零零九年一月一日	910	(910)	—
(Credited) charged for the year	本年度(抵免)計提	(224)	224	—
At 31 December 2009	於二零零九年 十二月三十一日	686	(686)	—
(Credited) charged for the year	本年度(抵免)計提	(413)	413	—
At 31 December 2010	於二零一零年 十二月三十一日	273	(273)	—

At 31 December 2010, the Group had unused tax losses of HK\$117,486,000 (2009: HK\$74,367,000) available for offset against future profits. A deferred tax asset has been recognised in respect of HK\$1,653,000 (2009: HK\$4,157,000) of such losses. No deferred tax asset has been recognised in respect of the remaining tax losses amounting to HK\$115,833,000 (2009: HK\$70,210,000) due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of HK\$79,518,000 (2009: HK\$57,203,000) that will expire in various dates up to 2015. Other losses may be carried forward indefinitely.

於二零一零年十二月三十一日，本集團可用作抵扣未來溢利的尚未動用稅項虧損為117,486,000港元（二零零九年：74,367,000港元），就該等虧損中約1,653,000港元（二零零九年：4,157,000港元）確認遞延稅項資產。由於未能預測未來溢利來源，故並無就其餘的稅項虧損115,833,000港元（二零零九年：70,210,000港元）確認遞延稅項資產。未確認的稅項虧損包括79,518,000港元（二零零九年：57,203,000港元）的虧損，將於截至二零一五年止前多個日期到期。其他虧損可無限期結轉。

At 31 December 2010, the Group had deductible temporary differences of HK\$8,717,000 (2009: Nil). No deferred tax asset has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

於二零一零年十二月三十一日，本集團之可扣減暫時性差異為8,717,000港元（二零零九年：無）。並無就該等可扣減暫時性差異確認遞延稅項資產，乃因未來產生應課稅溢利而可用以抵銷可扣之暫時性差異之可能性不大。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

30. DEFERRED TAXATION (Continued)

Under the EIT Law, 10% withholding income tax is imposed on dividends declared in respect of profits earned from 1 January 2008 to non-PRC resident investors of the companies established in the PRC. For investors incorporated in Hong Kong, a preferential rate of 5% will be applied. Deferred tax has not been provided for in the consolidated financial statements in respect of the temporary differences attributable to such undistributed profits from PRC subsidiaries amounting to HK\$192,710,000 (2009: HK\$109,482,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

30. 遞延稅項 (續)

根據企業所得稅法，於中國成立的公司就自二零零八年一月一日起賺取的溢利向非中國居民投資者宣派股息時須繳納10%預扣所得稅。於香港註冊成立的投資者則可享有優惠稅率5%。由於本集團可控制暫時差額的撥回時間且暫時差額於可見將來有可能不獲撥回，故並無就該等中國附屬公司的未分派溢利應佔的暫時差額192,710,000港元（二零零九年：109,482,000港元）在綜合財務報表中作遞延稅項撥備。

31. OTHER LONG-TERM PAYABLE

Total other long-term payable	其他長期應付款項總額
Less: current portion included	減：計入其他應付款項
in other payables	的即期部分

31. 其他長期應付款項

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
		470	682
		(235)	(228)
		235	454

The amount represents payable for acquisition of property, plant and equipment which is unsecured, non-interest bearing and repayable by instalments in ten years commencing from the year 2003.

該款項指收購物業、廠房及設備的應付款項，乃無抵押、免息，且須自二零零三年起計十年內分期償還。

32.SHARE CAPITAL

32.股本

		Number of shares 股份數目	Amount 金額 HK\$ 港元
Ordinary shares of HK\$0.0001 each	每股面值0.0001港元的普通股		
Authorised:	法定：		
At 1 January 2009	於二零零九年一月一日	3,800,000,000	380,000
Increase on 22 May 2009 (note i)	於二零零九年五月二十二日 增加(附註i)	6,200,000,000	620,000
At 31 December 2009 and 2010	於二零零九年及二零一零年 十二月三十一日	10,000,000,000	1,000,000
Issued and fully paid:	已發行及繳足：		
At 1 January 2009	於二零零九年一月一日	100,001	10
Capitalisation issue on 22 June 2009 (note i)	於二零零九年六月二十二日 的資本化發行(附註i)	699,899,999	69,990
Issue of shares on 22 June 2009 (note ii)	於二零零九年六月二十二日 發行股份(附註ii)	300,000,000	30,000
Issue of shares on 26 June 2009 (note iii)	於二零零九年六月二十六日 發行股份(附註iii)	45,000,000	4,500
At 31 December 2009	於二零零九年十二月三十一日	1,045,000,000	104,500
Exercise of share options	行使購股權	2,274,675	227
Issue of shares on 22 December 2010 (note iv)	於二零一零年十二月二十二日 發行股份(附註iv)	90,000,000	9,000
At 31 December 2010	於二零一零年十二月三十一日	1,137,274,675	113,727
			HK\$'000 千港元
Shown in the consolidated financial statements	於綜合財務報表內列示為		
As at 31 December 2010	於二零一零年十二月三十一日		114
As at 31 December 2009	於二零零九年十二月三十一日		105

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

32.SHARE CAPITAL (Continued)

Notes:

- (i) Pursuant to the written resolutions of the sole shareholder of the Company on 22 May 2009, the authorised share capital of the Company was increased to HK\$1,000,000. The directors of the Company were also authorised to capitalise the sum of HK\$69,990 standing to the credit of the share premium account of the Company by applying such sum in paying up in full at par 699,899,999 shares for allotment and issue to Wellrun Limited, the then sole shareholder of the Company and a company wholly-owned by Mr. Chun. On 22 June 2009, the directors allotted and issued such shares as aforesaid and gave effect to the capitalisation issue.
- (ii) On 22 June 2009, the Company issued 300,000,000 shares pursuant to the Company's initial public offerings at a price of HK\$5.18 per share upon listing of the shares of the Company on the Stock Exchange.
- (iii) On 26 June 2009, the Company issued 45,000,000 shares pursuant to the over-allotment option as referred to in the prospectus of the Company dated 10 June 2009 issued in connection with its initial public offerings at a price of HK\$5.18 per share.
- (iv) On 9 December 2010, arrangements were made for a private placement to independent private investors of 90,000,000 shares of HK\$0.0001 each in the Company held by Wellrun Limited, the controlling shareholder of the Company, at a price of HK\$7.85 per share representing a discount of approximately 11.10% to the closing market price of the Company's shares on 9 December 2010.

Pursuant to a subscription agreement of the same date, Wellrun Limited subscribed for 90,000,000 new shares of HK\$0.0001 each in the Company at a price of HK\$7.85 per share. The proceeds were used for existing and future acquisitions, capital expenditure on plant and machinery and as general working capital of the Group. These new shares were issued under the general mandate granted to the directors at the annual general meeting of the Company held on 27 May 2010.

The new shares allotted and issued rank *pari passu* in all respects with other shares in issue.

32.股本 (續)

附註：

- (i) 根據本公司唯一股東於二零零九年五月二十二日通過的書面決議案，本公司法定股本增加至1,000,000港元。本公司董事亦獲授權透過將本公司股份溢價賬的進賬金額69,990港元撥作資本，使用該筆金額按面值向本公司當時的唯一股東及秦先生全資擁有的公司好運有限公司配發及發行699,899,999股入賬列作繳足的股份。於二零零九年六月二十二日，董事配發及發行上述股份，使資本化發行生效。
- (ii) 於二零零九年六月二十二日，本公司根據首次公開發售於本公司股份於聯交所上市時按每股股份5.18港元發行300,000,000股股份。
- (iii) 於二零零九年六月二十六日，本公司根據本公司二零零九年六月十日刊發的首次公開發售招股章程所述超額配股權按每股股份5.18港元發行45,000,000股股份。
- (iv) 於二零一零年十二月九日，已就向獨立私人投資者私人配售由本公司控股股東好運有限公司持有之90,000,000股每股0.0001港元之本公司股份作出安排，有關價格為每股7.85港元，較本公司股份於二零一零年十二月九日之收市價折讓約11.10%。

根據同日之認購協議，好運有限公司按每股7.85港元之價格認購90,000,000股每股0.0001港元之本公司新股份。所得款項已用於現時及未來收購、廠房及機器之資本開支及本集團之一般營運資金。該等新股份乃根據本公司於二零一零年五月二十七日舉行之股東週年大會向董事授出之一般授權發行。

新配發及發行的股份在所有方面與其他已發行股份具相同地位。

33.ACQUISITION OF ASSETS AND LIABILITIES THROUGH ACQUISITION OF A SUBSIDIARY

In July 2010, the Group acquired a 99.68% equity interest in Jiangsu Jiangyin Port Container Company Limited ("Jiangyin Container") and related operating assets from independent third parties for an aggregate consideration of RMB221,110,000 (equivalent to HK\$251,261,000). Jiangyin Container was previously engaged in the business of the provision of port services including warehousing, stevedoring and transportation of goods. The acquisition provides the Group with an exclusive port along the Yangzi River to serve as a regional logistics and distribution hub supporting the Group's recycling base in the Jiangsu region. The Group accounted for the transaction as acquisition of assets and liabilities.

The assets acquired and liabilities recognised in the transaction are as follows:

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	206,284
Prepaid lease payments	預付租賃款項	45,962
Other payables	其他應付款項	(178)
		252,068

The non-controlling interest of 0.32% in Jiangyin Container recognised at the acquisition date was measured by reference to the non-controlling interests' proportionate share of fair value of the net assets of Jiangyin Container and amounted to HK\$807,000.

33.透過收購一間附屬公司收購資產及負債

於二零一零年七月，本集團向獨立第三方收購江蘇江陰港集裝箱有限公司（「江陰集裝箱」）99.68%權益及其相關經營資產，總代價為人民幣221,110,000元（相當於251,261,000港元）。江陰集裝箱之前從事提供港口服務之業務，包括倉儲、碼頭裝卸及貨物運輸。該收購為本集團提供位於長江之獨家港口，作為支持本集團在江蘇地區之回收基地之地區物流及分銷中心。本集團將該交易確認為收購資產及負債。

於該交易收購之資產及確認之負債如下：

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	206,284
Prepaid lease payments	預付租賃款項	45,962
Other payables	其他應付款項	(178)
		252,068

於收購日期確認之江陰集裝箱0.32%非控制權益乃參考非控制權益佔江陰集裝箱淨資產之公平值之比例計算，為807,000港元。

		HK\$'000 千港元
Cash outflow arising on acquisition	收購產生之現金流出	
Consideration paid in cash	以現金支付之代價	251,261

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

34. DISPOSAL OF A SUBSIDIARY

In September 2010, the Group entered into an agreement to dispose of its entire 70% equity interest in Zhangjiagang Rongli Zaisheng Ziyuan Co., Ltd. ("Zhangjiagang Rongli"), which is engaged in collection, processing and sale of recycled scrap metal. The net assets of Zhangjiagang Rongli at the date of disposal were as follows:

34. 出售一間附屬公司

於二零一零年九月，本集團訂立協議，出售其於張家港容利再生資源有限公司（「張家港容利」）之全部70%股權，張家港容利從事回收、加工及銷售回收廢金屬。張家港容利於出售日期之淨資產如下：

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	4,463
Inventories	存貨	5,209
Trade and other receivables and deposits	貿易及其他應收款項及按金	14,606
Bank balances and cash	銀行結餘及現金	373
Trade and other payables	貿易及其他應付款項	(14,840)
Net assets disposal of	已出售淨資產	9,811
Gain on disposal of a subsidiary	出售一間附屬公司所得收益	
Consideration received	已收代價	13,258
Net assets disposed of	已出售淨資產	(9,811)
Non-controlling interests	非控股權益	5,524
Cumulative exchange differences in respect of the net assets of the subsidiary reclassified from equity to profit or loss on loss of control of the subsidiary	因失去附屬公司控制權而將與附屬公司淨資產由權益重新分類至損益之累計匯兌差異	307
Gain on disposal	出售產生之收益	9,278
Net cash inflow arising on disposal	出售產生之現金流入淨額	
Cash consideration	現金代價	13,258
Less: bank balances and cash disposed of	減：已出售銀行結餘及現金	(373)
		12,885

35. PLEDGE OF ASSETS

The Group had the following assets pledged to banks to secure the general banking facilities granted to the Group at the end of the reporting period:

Investment properties	投資物業
Prepaid lease payments	預付租賃款項
Inventories	存貨
Trade receivables	貿易應付款項
Bills receivable	應收票據
Bank deposits	銀行存款

35. 資產抵押

於報告期末，本集團已將以下資產抵押予銀行，以擔保本集團獲授的一般銀行融資：

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
		1,638	1,668
		2,720	2,790
		398,776	—
		53,535	—
		449,358	185,265
		1,630,541	210,376
		2,536,568	400,099

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

36. OPERATING LEASES

The Group as lessee

Minimum lease payments paid under operating leases during the year are as follows:

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Office and factory premises	辦公室及廠房	26,063	18,891

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable leases which fall due as follows:

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Within one year	一年內	20,153	14,435
In the second to fifth years inclusive	第二至第五年(包括首尾兩年)	35,167	30,732
Over five years	五年以上	81,800	68,750
		137,120	113,917

Operating lease payments mainly represent rentals payable by the Group for leasehold land and office and factory premises in the PRC. Leases are negotiated for terms of fifteen to twenty years and rentals are fixed during the lease period.

36. 經營租賃

本集團作為承租人

年內根據經營租賃已付最低租賃款項如下：

	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Office and factory premises	26,063	18,891

於報告期末，本集團根據於以下日期到期的不可撤銷租賃的未來最低租賃付款的承擔如下：

	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Within one year	20,153	14,435
In the second to fifth years inclusive	35,167	30,732
Over five years	81,800	68,750
	137,120	113,917

經營租賃付款主要指本集團就其位於中國的租賃土地及辦公室及廠房應付的租金。經磋商的租租賃土地，賃年期為十五至二十年，租賃期內租金固定。

36. OPERATING LEASES (Continued)

The Group as lessor

Property rental income earned during the year is as follows:

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Rental income	租金收入	165	567

As at 31 December 2009, the Group's investment properties had a committed tenant for the next three months (2010: Nil) and the Group had contracted with the tenant for future minimum lease payments of HK\$118,000 (2010: Nil).

36. 經營租賃 (續)

本集團作為出租人

於年內所賺取的物業租金收入如下：

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
		165	567

於二零零九年十二月三十一日，本集團的投資物業於隨後三個月（二零一零年：無）已有承諾租戶，本集團已與租戶就日後最低租賃付款118,000港元（二零一零年：無）訂約。

37. CAPITAL COMMITMENTS

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of:	已訂約但並無於綜合財務報表內撥備的資本開支：		
– acquisition of property, plant and equipment	– 收購物業、廠房及設備	67,065	50,670
– addition of construction in progress	– 新增在建工程	11,206	5,799
– addition of land use rights	– 增購土地使用權	4,598	—
– capital injection in an associate	– 於一間聯營公司注資	235,294	—
– acquisition of a subsidiary (note)	– 收購一間附屬公司(附註)	—	250,000
		318,163	306,469

Note: The acquisition was completed during the current year and details of the transaction are set out in note 33.

附註：收購於本年度完成，交易詳情載於附註33。

38.SHARE-BASED PAYMENT TRANSACTIONS

Equity-settled share option schemes

(a) Pre-IPO Share Option Scheme

Pursuant to a written resolution of the sole shareholder of the Company on 22 May 2009, the Pre-IPO Share Option Scheme (the "Pre-IPO Scheme") was adopted by the Company. Pursuant to the Pre-IPO Scheme, the Company may grant options to any full-time or part-time employees or potential employees, executives, officers or directors of the Company, its subsidiaries and associated companies ("Eligible Participants") to subscribe for shares of the Company. The purpose of the Pre-IPO Scheme is to recognise the contribution that Eligible Participants made or may have made to the growth of the Group. It aims to give Eligible Participants an opportunity to acquire a personal stake in the Company and help motivate Eligible Participants to optimise their performance and efficiency, and also to help attract or retain Eligible Participants whose contributions are important to the long-term growth and profitability of the Group.

The maximum number of shares in respect of which options may be granted is 100,000,000 shares, representing 10% of shares of the issued share capital of the Company immediately upon listing of the shares of the Company on the Stock Exchange on 22 June 2009 ("Listing"), but excluding any shares which may fall to be issued upon the exercise of the options granted or to be granted under the Pre-IPO Scheme, the other schemes and shares that may fall to be issued upon the exercise of the over-allotment option in connection with the Listing.

38.以股份支付交易

以權益結算購股權計劃

(a) 首次公開發售前購股權計劃

根據本公司唯一股東於二零零九年五月二十二日通過的書面決議案，本公司採納首次公開發售前購股權計劃（「首次公開發售前計劃」）。根據首次公開發售前計劃，本公司可向本公司、其附屬公司及聯營公司所有全職或兼職僱員或準僱員、行政人員、高級職員或董事（「合資格參與人士」）授出購股權以認購本公司股份。首次公開發售前計劃旨在嘉獎合資格參與人士為本集團的發展作出的或可能作出的貢獻，向合資格參與人士提供收購本公司個人權益的機會，並有助推動合資格參與人士提升彼等的表現及效率，並吸引或挽留對本集團長遠發展及盈利有重大貢獻的合資格參與人士。

有關購股權可授出的股份數目上限為100,000,000股股份，相當於本公司於緊隨本公司股份於二零零九年六月二十二日於聯交所上市（「上市」）後已發行股本10%，惟不包括可能因行使根據首次公開發售前計劃及其他計劃授出或將予授出購股權而發行的股份，以及可能因行使有關上市的超額配股權而發行的股份。

38.SHARE-BASED PAYMENT TRANSACTIONS (Continued)

Equity-settled share option schemes (Continued)

(a) Pre-IPO Share Option Scheme (Continued)

Options granted have to be taken up within a period of 60 days from the date of offer upon payment of HK\$1.

Share options granted under the Pre-IPO Scheme are exercisable at the initial offer price to the public (i.e. HK\$5.18 per share). Each of the holders of the share options under the Pre-IPO Scheme shall be entitled to exercise his/her options in the following manner:

Service period that
share options can be
exercised after the date of Listing
於上市日期後可行使購股權的服務期間

Attaining 1 year	持有1年
Attaining 2 years	持有2年
Attaining 3 years	持有3年

38.以股份支付交易 (續)

以權益結算購股權計劃 (續)

(a) 首次公開發售前購股權計劃 (續)

本公司授出的購股權只限於提呈日期後六十日內接納，接納時須支付1港元。

根據首次公開發售前計劃授出的購股權可按給予公眾人士的首次發售價（即每股股份5.18港元）行使。首次公開發售前計劃的購股權持有人均有權按以下方式行使其購股權：

Maximum accumulated
percentage of
share options exercisable
可行使購股權的
累計百分比上限

Attaining 1 year	持有1年	33.33%
Attaining 2 years	持有2年	66.67%
Attaining 3 years	持有3年	100%

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

38.SHARE-BASED PAYMENT TRANSACTIONS

(Continued)

Equity-settled share option schemes (Continued)

(a) Pre-IPO Share Option Scheme (Continued)

During the year ended 31 December 2009, 28,716,216 options were granted to Eligible Participants under the Pre-IPO Scheme. The estimated fair value of the options at the date of grant is HK\$59,442,000. The total number of shares in respect of which options had been granted and remained outstanding as at 31 December 2010 was 20,553,510 (2009: 22,924,710) shares, representing approximately 1.81% (2009: 2.19%) of the issued share capital of the Company at that date. Details of the share options granted under the Pre-IPO Scheme and their subsequent movements are as follows:

					Outstanding			Outstanding			
Category of					Options		as at		as at		
Eligible		Exercise			during the	Forfeited	於二零零九年	Forfeited	Transferred	Exercised	於二零一零年
Participants		price	Exercisable		year	during	十二月	during	during	during	十二月
合資格參與	Date of grant	per share	period	Vesting date	於年內授出	the year	三十一日	the year	the year	the year	三十一日
人士類別	授出日期	每股行使價	行使期	歸屬日期	的購股權	於年內沒收	尚未行使	於年內沒收	於年內轉讓	於年內行使	尚未行使
Directors	19 June 2009	HK\$5.18	22 June 2010 -	22 June 2010	5,405,404	(1,930,502)	3,474,902	—	(128,700)	—	3,346,202
董事	二零零九年 六月十九日	港元	18 June 2017 二零一零年 六月二十二日 至二零一七年 六月十八日	二零一零年 六月二十二日							
			23 June 2011 -	23 June 2011	5,405,406	(1,930,502)	3,474,904	—	(128,700)	—	3,346,204
			18 June 2017 二零一一年 六月二十三日 至二零一七年 六月十八日	二零一一年 六月二十三日							
			23 June 2012 -	23 June 2012	5,405,406	(1,930,502)	3,474,904	—	(128,700)	—	3,346,204
			18 June 2017 二零一二年 六月二十三日 至二零一七年 六月十八日	二零一二年 六月二十三日							
					16,216,216	(5,791,506)	10,424,710	—	(386,100)	—	10,038,610

38.以股份支付交易 (續)

以權益結算購股權計劃 (續)

(a) 首次公開發售前購股權計劃 (續)

截至二零零九年十二月三十一日止年度，28,716,216份購股權根據首次公開發售前計劃授予合資格參與人士。購股權於授出日期的估計公允值為59,442,000港元。於二零一零年十二月三十一日，與已授出及尚未行使購股權有關之股份總數為20,553,510股（二零零九年：22,924,710股），約佔本公司於該日之已發行股本1.81%（二零零九年：2.19%）。根據首次公開發售前計劃授出的購股權及其後變動詳情如下：

38.SHARE-BASED PAYMENT TRANSACTIONS

(Continued)

Equity-settled share option schemes (Continued)

(a) Pre-IPO Share Option Scheme (Continued)

					Options	Outstanding		Outstanding			
					granted	as at		as at			
					during the	Forfeited	於二零零九年	Forfeited	Transferred	Exercised	於二零一零年
					year	during	十二月	during	during	during	十二月
					the year	the year	三十一日	the year	the year	the year	三十一日
Category of	Eligible	Exercise	Exercisable	Vesting date	於年內授出	於年內沒收	尚未行使	於年內沒收	於年內轉讓	於年內行使	尚未行使
Participants	Date of grant	per share	period	歸屬日期	的購股權	於年內沒收	尚未行使	於年內沒收	於年內轉讓	於年內行使	尚未行使
合資格參與	授出日期	每股行使價	行使期	歸屬日期	的購股權	於年內沒收	尚未行使	於年內沒收	於年內轉讓	於年內行使	尚未行使
人士類別	授出日期	每股行使價	行使期	歸屬日期	的購股權	於年內沒收	尚未行使	於年內沒收	於年內轉讓	於年內行使	尚未行使
Employees	19 June 2009	HK\$5.18	22 June 2010 -	22 June 2010	4,166,666	—	4,166,666	(32,175)	128,700	(2,274,675)	1,988,516
under	二零零九年	港元	18 June 2017	二零一零年							
continuous	六月十九日		二零一零年	六月二十二日							
employment			六月二十二日								
contract			至二零一七年								
連續僱傭			六月十八日								
合約的僱員			23 June 2011 -	23 June 2011	4,166,667	—	4,166,667	(32,175)	128,700	—	4,263,192
			18 June 2017	二零一一年							
			二零一一年	六月二十三日							
			六月二十三日								
			至二零一七年								
			六月十八日								
			23 June 2012 -	23 June 2012	4,166,667	—	4,166,667	(32,175)	128,700	—	4,263,192
			18 June 2017	二零一二年							
			二零一二年	六月二十三日							
			六月二十三日								
			至二零一七年								
			六月十八日								
					12,500,000	—	12,500,000	(96,525)	386,100	(2,274,675)	10,514,900
					28,716,216	(5,791,506)	22,924,710	(96,525)	—	(2,274,675)	20,553,510
Exercisable at the end of the year											
年末可行使							—				5,334,718

In respect of the share options exercised during the year, the weighted average share price at the dates of exercise is HK\$8.33 (2009: N/A) per share.

38.以股份支付交易 (續)

以權益結算購股權計劃 (續)

(a) 首次公開發售前購股權計劃 (續)

就年內行使之購股權，於行使日期之加權平均股份價格為每股8.33港元（二零零九年：不適用）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

38.SHARE-BASED PAYMENT TRANSACTIONS

(Continued)

Equity-settled share option schemes (Continued)

(a) Pre-IPO Share Option Scheme (Continued)

The fair value of the options was calculated using the Binomial model. The inputs into the model were as follows:

Market price	市價
Exercise price	行使價
Expected volatility	預計波幅
Contractual life	合約年期
Risk-free rate	無風險利率
Expected dividend yield	預期股息收益率

Expected volatility was determined by using the historical volatility of the stock return of certain comparable listed companies.

The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

The Group recognised an expense of HK\$20,181,000 (2009: HK\$14,842,000) for the year in relation to share options granted by the Company under the Pre-IPO Scheme.

38.以股份支付交易 (續)

以權益結算購股權計劃 (續)

(a) 首次公開發售前購股權計劃 (續)

購股權公允值按二項式模式計算，該模式所輸入數據如下：

Share options granted on 19 June 2009 於二零零九年 六月十九日 授出之購股權

HK\$5.18港元
HK\$5.18港元
48.25%
8 years年
1.986%
Nil無

預計波幅按若干可資比較上市公司的股份回報過往波幅釐定。

計算購股權公允值所用變量及假設按董事的最佳估計而定。購股權價值因若干主觀假設的不同變數而有所不同。

本集團於年內就有關本公司根據首次公開發售前計劃授出購股權確認開支20,181,000港元(二零零九年：14,842,000港元)。

38.SHARE-BASED PAYMENT TRANSACTIONS

(Continued)

Equity-settled share option schemes (Continued)

(b) Share Option Scheme

Also, pursuant to a written resolution of the sole shareholder of the Company on 22 May 2009, the Share Option Scheme (the "Scheme") was also adopted.

Pursuant to the Scheme, the Company may grant options to any full-time or part-time employees, executives or officers including directors of the Company or any of its subsidiaries and any suppliers, customers, consultants, agents and advisors ("Eligible Scheme Participants") who, in the sole opinion of the board of directors, will contribute or have contributed to the Company and/or any of its subsidiaries. The Scheme is a share incentive scheme and is established to recognise and acknowledge the contributions Eligible Scheme Participants had or may have made to the Group. The Scheme will provide Eligible Scheme Participants an opportunity to have a personal stake in the Company with the view to motivating Eligible Scheme Participants to optimise their performance efficiency for the benefit of the Group and to attract and retain or otherwise maintain on-going business relationships with Eligible Scheme Participants whose contributions are or will be beneficial to the long-term growth of the Group. The Scheme is valid and effective for a period of 10 years from 22 June 2009, the date of Listing.

38.以股份支付交易 (續)

以權益結算購股權計劃 (續)

(b) 購股權計劃

此外，根據本公司唯一股東於二零零九年五月二十二日通過的書面決議案，本公司亦採納購股權計劃（「該計劃」）。

根據該計劃，本公司或可向任何全職或兼職僱員、行政人員或高級職員（包括本公司或任何其附屬公司的董事，以及董事會全權認為將會或一直為本公司及／或其任何附屬公司作出貢獻的任何供應商、客戶、諮詢顧問、代理及顧問）（「合資格計劃參與人士」）授出購股權。該計劃是一項股份獎勵計劃，為嘉許及答謝合資格計劃參與人士對本集團作出或可能作出的貢獻而設立。該計劃將為合資格計劃參與人士提供一個於本公司擁有個人權益的機會，以激勵彼等為本集團的利益而致力提升其表現及效率，並吸引及挽留合資格計劃參與人士或另行與合資格計劃參與人士保持持續的業務關係，而該等合資格參與人士的貢獻，乃對或將對本集團的長遠發展有利。該計劃自二零零九年六月二十二日上市日期起計10年內有效。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

38.SHARE-BASED PAYMENT TRANSACTIONS

(Continued)

Equity-settled share option schemes (Continued)

(b) Share Option Scheme (Continued)

The maximum number of shares which may be issued upon exercise of all options to be granted under the Scheme shall not in aggregate exceed 10% of shares of the Company as of the date of the approval by the shareholders in general meeting, without approval from the Company's shareholders. The shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other share option schemes of the Company at any time shall not exceed 30% of the shares in issue from time to time. The maximum number of shares issued and which may fall to be issued upon exercise of the options granted under the Scheme and any other share option schemes of the Company (including both exercised and outstanding options) to each Eligible Scheme Participant in any twelve-month period up to the date of grant shall not exceed 1% of the shares in issue as of the date of grant.

Any grant of options to a director, chief executive or substantial shareholder (as defined in the Listing Rules) of the Company or any of their respective associates is required to be approved by the independent non-executive directors (excluding any independent non-executive director who is the grantee of the options). Where granting of options to a substantial shareholder or any independent non-executive director or their respective associates which will result in the number of shares issued and to be issued upon exercise of options granted and to be granted (including options exercised, cancelled and outstanding) to such person in the twelve-month period up to and including the date of such grant exceed of 0.1% of the total number of shares in issue and have an aggregate value in excess of HK\$5,000,000, based on the official closing price of the shares at the date of each grant, such proposed grant of options will be subject to the issue of a circular by the Company and the approval of the shareholders in general meeting.

38.以股份支付交易 (續)

以權益結算購股權計劃 (續)

(b) 購股權計劃 (續)

可能因行使根據該計劃將授出的所有購股權而發行的股份數目上限合計不得超過股東於股東大會批准日期的本公司股份10% (無須本公司股東批准)。可能因行使根據該計劃及本公司任何其他購股權計劃所授出但尚未行使的所有購股權而發行的股份於任何時候不得超過不時已發行股份的30%。在任何十二個月期間直至授出日期可能因行使根據該計劃及本公司任何其他購股權計劃向每名合資格計劃參與人士授出的購股權 (包括已行使及尚未行使的購股權) 而發行及將發行的股份總數不得超過於授出日期已發行股份的1%。

向本公司董事、主要行政人員或主要股東 (定義見上市規則) 或彼等各自的任何聯繫人授出任何購股權，須經獨立非執行董事 (不包括任何身為購股權承授人的獨立非執行董事) 批准。當向主要股東或任何獨立非執行董事或彼等各自的任何聯繫人授出購股權，將導致於十二個月期間直至授出日期 (包括授出日期) 因行使向每名該等人士授出及將授出的購股權 (包括已行使、已註銷及尚未行使購股權) 而發行及將發行股份的數目合計超過已發行股份總數0.1%，且根據各授出日期股份的官方收市價計算，總值超過5,000,000港元，則須待本公司發出通函並經股東在股東大會上批准，方可建議授出上述購股權。

38.SHARE-BASED PAYMENT TRANSACTIONS

(Continued)

Equity-settled share option schemes (Continued)

(b) Share Option Scheme (Continued)

Options granted have to be taken up within a period of 30 days from the date of offer upon payment of HK\$1.

The exercise price is determined by the board of directors and but in any event shall not be less than the highest of:

- (i) the official closing price of the shares on the Stock Exchange as stated in the daily quotation sheets of the Stock Exchange on the offer date, which must be a day on which the Stock Exchange is open for the business of dealing in securities;
- (ii) the average of the official closing price of the shares on the Stock Exchange as stated in the daily quotation sheets of the Stock Exchange for the five business days immediately preceding the offer date; and
- (iii) the nominal value of the shares.

Options granted are exercisable for a period to be notified by the board of directors to each grantee and such period shall expire not later than 10 years from the date of grant of options.

During the year, 828,317 and 2,691,619 (2009: 5,606,406) options were granted to Eligible Scheme Participants under the Scheme on 8 June 2010 and 27 August 2010, respectively. The estimated fair values of the options granted on those dates are HK\$2,659,000 and HK\$9,062,000 (2009: HK\$19,316,000), respectively. The total number of shares in respect of which options had been granted and remained outstanding was 9,126,342 (2009: 5,606,406) shares, representing approximately 0.80% (2009: 0.54%) of the issued share capital of the Company at 31 December 2010.

38.以股份支付交易 (續)

以權益結算購股權計劃 (續)

(b) 購股權計劃 (續)

所授購股權只限於提呈日期起計30日內接納，接納時須支付1港元。

行使價由董事會決定，惟該價格於任何情況下不得低於下列各項的最高者：

- (i) 於提呈日期(須為聯交所辦理證券交易業務的日子)聯交所每日報價表所載股份在聯交所的官方收市價；
- (ii) 緊接提呈日期前五個營業日聯交所每日報價表所載股份在聯交所的平均官方收市價；及
- (iii) 股份面值。

所授購股權可於董事會知會各承授人的期間行使，而該期間須於授出購股權日期十年後屆滿。

年內，已根據該計劃分別於二零一零年六月八日及二零一零年八月二十七日向合資格計劃參與者授出828,317份及2,691,619份(二零零九年：5,606,406份)購股權。於該等日期授出之購股權之估計公平值分別為2,659,000港元及9,062,000港元(二零零九年：19,316,000港元)。於二零一零年十二月三十一日，與已授出及尚未行使購股權有關之股份總數為9,126,342股(二零零九年：5,606,406股)，約佔本公司於該日之已發行股本0.80%(二零零九年：0.54%)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

38.SHARE-BASED PAYMENT TRANSACTIONS

(Continued)

Equity-settled share option schemes (Continued)

(b) Share Option Scheme (Continued)

Share options granted under the Scheme on 24 December 2009, 8 June 2010 and 27 August 2010 are exercisable at the prices of HK\$8.74 per share, HK\$6.78 per share and HK\$7.80 per share, respectively. Each of the holders of the share options under the Scheme shall be entitled to exercise his/her options in the following manner:

Date of grant	Relevant date	Service period that share options can be exercised after the relevant date 於有關日期後 可行使購股權的服務期間	Maximum accumulated percentage of share options exercisable 可行使購股權的 累計百分比上限
授出日期	有關日期		
24 December 2009 二零零九年十二月二十四日	1 November 2009 二零零九年十一月一日	Attaining 1 year 持有1年	33.33%
		Attaining 2 years 持有2年	66.67%
		Attaining 3 years 持有3年	100%
8 June 2010 二零一零年六月八日	8 June 2010 二零一零年六月八日	Attaining 1 year 持有1年	33.33%
		Attaining 2 years 持有2年	66.67%
		Attaining 3 years 持有3年	100%
27 August 2010 二零一零年八月二十七日	1 July 2010 二零一零年七月一日	Attaining 1 year 持有1年	33.33%
		Attaining 2 years 持有2年	66.67%
		Attaining 3 years 持有3年	100%

38.以股份支付交易 (續)

以權益結算購股權計劃 (續)

(b) 購股權計劃 (續)

於二零零九年十二月二十四日、二零一零年六月八日及二零一零年八月二十七日根據該計劃授出的購股權分別按每股8.74港元、每股6.78港元及每股7.80港元的價格行使。該計劃的購股權各持有人有權按以下方式行使其購股權：

38.SHARE-BASED PAYMENT TRANSACTIONS

(Continued)

Equity-settled share option schemes (Continued)

(b) Share Option Scheme (Continued)

Details of the share options granted under the Scheme and their movements are as follows:

					Options granted during the year and outstanding as at 31.12.2009			Outstanding as at 31.12.2010
Category of Eligible Scheme Participants	Date of grant	Exercise price per share	Exercisable period	Vesting date	於年內授出而 於二零零九年 十二月三十一日 尚未行使 的購股權	Transferred during the year	Granted during the year	於二零一零年 十二月三十一日 尚未行使
合資格參與 人士類別	授出日期	每股行使期	行使期	歸屬日期		於年內轉讓	於年內授出	
A director 董事	24 December 2009 二零零九年 十二月二十四日	HK\$8.74 港元	1 November 2010 - 23 December 2017 二零一零年十一月一日至 二零一七年十二月二十三日	1 November 2010 二零一零年十一月一日	—	1,144,164	—	1,144,164
			1 November 2011 - 23 December 2017 二零一一年十一月一日至 二零一七年十二月二十三日	1 November 2011 二零一一年十一月一日	—	1,144,165	—	1,144,165
			1 November 2012 - 23 December 2017 二零一二年十一月一日至 二零一七年十二月二十三日	1 November 2012 二零一二年十一月一日	—	1,144,165	—	1,144,165
					—	3,432,494	—	3,432,494
Employees under continuous employment contract 連續僱傭合約 的僱員	24 December 2009 二零零九年 十二月二十四日	HK\$8.74 港元	1 November 2010 - 23 December 2017 二零一零年十一月一日至 二零一七年十二月二十三日	1 November 2010 二零一零年十一月一日	1,868,802	(1,144,164)	—	724,638
			1 November 2011 - 23 December 2017 二零一零年十一月一日至 二零一七年十二月二十三日	1 November 2011 二零一一年十一月一日	1,868,802	(1,144,165)	—	724,637
			1 November 2012 - 23 December 2017 二零一二年十一月一日至 二零一七年十二月二十三日	1 November 2012 二零一二年十一月一日	1,868,802	(1,144,165)	—	724,637
					5,606,406	(3,432,494)	—	2,173,912

38.以股份支付交易 (續)

以權益結算購股權計劃 (續)

(b) 購股權計劃 (續)

根據該計劃授出的購股權及變動詳情如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

38.SHARE-BASED PAYMENT TRANSACTIONS

(Continued)

Equity-settled share option schemes (Continued)

(b) Share Option Scheme (Continued)

Category of Eligible Scheme Participants	Date of grant	Exercise price per share	Exercisable period	Vesting date	Options granted during the year and outstanding as at 31.12.2009		Outstanding as at 31.12.2010	
					於年內授出而於二零零九年十二月三十一日尚未行使的購股權	Transferred during the year 於年內轉讓	Granted during the year 於年內授出	於二零一零年十二月三十一日尚未行使
A director 董事	8 June 2010 二零一零年六月八日	HK\$6.78 港元	8 June 2011 - 7 June 2018 二零一一年六月八日至二零一八年六月七日	8 June 2011 二零一一年六月八日	—	—	128,700	128,700
			8 June 2012 - 7 June 2018 二零一二年六月八日至二零一八年六月七日	8 June 2012 二零一二年六月八日	—	—	128,700	128,700
			8 June 2013 - 7 June 2018 二零一三年六月八日至二零一八年六月七日	8 June 2013 二零一三年六月八日	—	—	128,700	128,700
					—	—	386,100	386,100
Employees under continuous employment contract 連續僱傭合約的僱員	8 June 2010 二零一零年六月八日	HK\$6.78 港元	8 June 2011 - 7 June 2018 二零一一年六月八日至二零一八年六月七日	8 June 2011 二零一一年六月八日	—	—	147,405	147,405
			8 June 2012 - 7 June 2018 二零一二年六月八日至二零一八年六月七日	8 June 2012 二零一二年六月八日	—	—	147,406	147,406
			8 June 2013 - 7 June 2018 二零一三年六月八日至二零一八年六月七日	8 June 2013 二零一三年六月八日	—	—	147,406	147,406
					—	—	442,217	442,217

38.以股份支付交易 (續)

以權益結算購股權計劃 (續)

(b) 購股權計劃 (續)

38.SHARE-BASED PAYMENT TRANSACTIONS

(Continued)

Equity-settled share option schemes (Continued)

(b) Share Option Scheme (Continued)

Category of Eligible Scheme Participants	Date of grant	Exercise price per share	Exercisable period	Vesting date	Options granted during the year and outstanding as at 31.12.2009		Outstanding as at 31.12.2010	
					於年內授出而 於二零零九年 十二月三十一日 尚未行使 的購股權	Transferred during the year 於年內轉讓	Granted during the year 於年內授出	於二零一零年 十二月三十一日 尚未行使
合資格參與 人士類別	授出日期	每股行使期	行使期	歸屬日期				
Employees under continuous employment contract	27 August 2010 二零一零年 八月二十七日	HK\$7.80 港元	1 July 2011 - 26 August 2018 二零一一年七月一日至 二零一八年八月二十六日	1 July 2011 二零一一年七月一日	—	—	897,206	897,206
連續僱傭 合約的僱員			1 July 2012 - 26 August 2018 二零一二年七月一日至 二零一八年八月二十六日	1 July 2012 二零一二年七月一日	—	—	897,206	897,206
			1 July 2013 - 26 August 2018 二零一三年七月一日至 二零一八年八月二十六日	1 July 2013 二零一三年七月一日	—	—	897,207	897,207
					—	—	2,691,619	2,691,619
Exercisable at the end of the year		年未可行使			—			1,868,802

38.以股份支付交易 (續)

以權益結算購股權計劃 (續)

(b) 購股權計劃 (續)

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

38.SHARE-BASED PAYMENT TRANSACTIONS

(Continued)

Equity-settled share option schemes (Continued)

(b) Share Option Scheme (Continued)

The fair values of the options were calculated using the Binomial model. The inputs into the model were as follows:

		Share options granted on 27 August 2010 於二零一零年 八月二十七日 授出的購股權	Share options granted on 8 June 2010 於二零一零年 六月八日 授出的購股權	Share options granted on 24 December 2009 於二零零九年 十二月二十四日 授出的購股權
Market price	市價	HK\$7.65港 元	HK\$6.52港 元	HK\$8.74港 元
Exercise price	行使價	HK\$7.80港 元	HK\$6.78港 元	HK\$8.74港 元
Expected volatility	預計波幅	58.32%	58.06%	48.31%
Contractual life	合約年期	4.42 to至 5.42 years年	4.5 to至 5.5 years年	8 years年
Risk-free rate	無風險利率	0.91% to至 1.16%	1.401% to至 1.657%	2.431%
Expected dividend yield	預期股息收益率	1.48%	1.51%	Nil無

Expected volatility was determined by using the historical volatility of the stock return of certain comparable listed companies.

The variables and assumptions used in computing the fair values of the share options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

The Group recognised an expense of HK\$14,580,000 (2009: HK\$278,000) for the year in relation to share options granted by the Company under the Scheme.

38.以股份支付交易 (續)

以權益結算購股權計劃 (續)

(b) 購股權計劃 (續)

購股權公允值採用二項式模式計算，該模式所輸入數據如下：

預計波幅按若干可資比較上市公司的股份回報過往波幅釐定。

計算購股權公允值所用變量及假設按董事的最佳估計而定。購股權價值因若干主觀假設的不同變數而有所不同。

本集團於年內就有關本公司根據該計劃授出購股權確認開支14,580,000港 元（二 零 零 九 年：278,000港 元）。

39.RETIREMENT BENEFIT PLANS

The Group operates a Mandatory Provident Fund Scheme ("MPF Scheme") for all qualifying employees in Hong Kong under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rule of the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at rate specified in the rules. The only obligation of the Group with respect of MPF Scheme is to make the required contributions under the scheme. No forfeited contribution is available to reduce the contribution payable in the future years.

The employees employed in the PRC are members of the state-managed retirement benefit schemes operated by the PRC government. The PRC subsidiaries are required to contribute a certain percentage of their basic payroll to the retirement benefit schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefit schemes is to make the required contributions under the schemes.

No forfeited contribution is available to reduce the contribution payable in the future years.

39.退休福利計劃

本集團根據強制性公積金計劃條例為所有合資格香港僱員設立強制性公積金計劃（「強積金計劃」）。強積金計劃的資產存放於由獨立受託人控制的基金，與本集團的資產分開持有。根據強積金計劃的規則，僱主及其僱員均須按規則指定的比率向該計劃供款。本集團對強積金計劃的唯一責任為按該計劃作出規定的供款。未來年度的應繳供款並無沒收供款可供減低。

本集團於中國聘用的僱員為由中國政府營運的國家管理退休福利計劃的成員。中國附屬公司須按該等僱員基本工資的若干百分比向此退休福利計劃供款，以為此福利提供資金。本集團就該退休福利計劃的唯一責任為按該計劃作出規定的供款。

未來年度的應繳供款並無沒收供款可供減低。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

40. RELATED AND CONNECTED PARTIES DISCLOSURES

During the year, the Group had transactions with related parties, some of which are deemed to be connected parties pursuant to the Listing Rules upon Listing. The transactions with these parties during the year, and balances with them at the end of the reporting period, are as follows:

(I) RELATED AND CONNECTED PARTIES

Name of counterparty 交易對方名稱	Nature of transactions/balances 交易／結餘性質	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Guangzhou Zhujiang Steel Port Co., Ltd. ("Guangzhou Zhujiang"), an associate of the Group 廣州珠鋼碼頭有限公司 （「廣州珠鋼碼頭」）， 本集團的聯營公司	Port loading charges paid (notes a and g) 已付港口裝卸費用（附註a及g）	1,378	1,541
Guangzhou Asia Steel Property Co., Ltd. ("GAS Property"), a company indirectly owned by Mr. Chun 廣州亞鋼置業有限公司 （「廣州亞鋼置業」）， 秦先生間接擁有的公司	Rental expenses paid (notes b and h) 已付租金開支（附註b及h） Deposit paid (note 22) 已付按金（附註22）	642 120	491 115

40. 有關及關連人士披露

年內，本集團與關連人士進行交易，其中部份該等人士於本公司上市後根據上市規則視為關連人士。與該等人士於年內進行的交易及報告期末與彼等的結餘如下：

(I) 有關及關連人士

40. RELATED AND CONNECTED PARTIES DISCLOSURES (Continued)

40. 有關及關連人士披露 (續)

(I) RELATED AND CONNECTED PARTIES (Continued)

(I) 有關及關連人士 (續)

Name of counterparty 交易對方名稱	Nature of transactions/balances 交易／結餘性質	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Asia Wing Tat Recycling Limited ("Asia Wing Tat"), a company indirectly owned by Mr. Chun 亞洲榮達回收有限公司 (「亞洲榮達」)，秦先生間接擁有的公司	Cargo handling service fee paid (notes c and h) 已付貨物處理服務費 (附註c及h)	—	3,456
Mr. Chun 秦先生	Interest expenses paid (note i) 已付利息開支 (附註i)	2,514	—
Wellrun Limited 好運有限公司	Issue of new shares (note i) 發行新股 (附註i)	706,500	—

(II) CONNECTED PARTIES

(II) 關連人士

Name of counterparty 交易對方名稱	Nature of transactions/balances 交易／結餘性質	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Certain subsidiaries of Guangzhou Iron & Steel Enterprises Holdings Limited ("GSEG") 廣州鋼鐵企業集團有限公司 (「廣鋼企業集團公司」) 的若干附屬公司	Sale of recycled metals (notes d and j) 銷售經回收金屬 (附註d及j)	5,665,686	2,253,621
	Purchase of scrap metals (notes e and j) 採購廢金屬 (附註e及j)	1,565,288	—
	Trade receivables 應收貿易款項	1,900,752	802,102
	Bills receivable 應收票據	566,571	192,714
Lane Tone International Material Inc. ("Lane Tone")	Purchase of scrap metals (notes f and j) 採購廢金屬 (附註f及j)	1,461,081	1,073,615
	Trade payables 應付貿易款項	23,052	—

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

40. RELATED AND CONNECTED PARTIES DISCLOSURES (Continued)

III COMPENSATION OF KEY MANAGEMENT PERSONNEL

The emolument of directors who are also identified as members of key management of the Group is set out in note 12.

Notes:

- (a) On 22 May 2009, Guangzhou Asia Steel Co., Ltd. ("Guangzhou Asia Steel"), a non wholly-owned subsidiary of the Company, and Guangzhou Zhujiang, of which a substantial shareholder is an associate of a substantial shareholder of Guangzhou Asia Steel, entered into a service agreement (the "Port Loading Service Agreement") under which Guangzhou Zhujiang agreed to provide port loading services to Guangzhou Asia Steel commencing from the date of Listing (i.e. 22 June 2009) and ending on 31 December 2011. By entering into the above connected transactions, Guangzhou Asia Steel would receive port loading services from Guangzhou Zhujiang in a timely and efficient manner.

The service fee payable by Guangzhou Asia Steel in relation to the provision of port loading services by Guangzhou Zhujiang is determined on the basis of prevailing market price. The Port Loading Service Agreement was negotiated on an arm's length basis.

The extent of these connected transactions did not exceed the limits as set out in the prospectus of the Company dated 10 June 2009.

40. 有關及關連人士披露 (續)

III 主要管理人員薪酬

董事(亦為本集團的主要管理人員)的薪酬載於附註12。

附註：

- (a) 於二零零九年五月二十二日，本公司的非全資附屬公司廣州亞鋼鋼鐵有限公司(「廣州亞鋼」)與廣州珠鋼碼頭(其一名主要股東為廣州亞鋼一名主要股東的聯繫人)訂立一項服務協議(「港口裝卸服務協議」)，據此，廣州珠鋼碼頭同意自上市日期(即二零零九年六月二十二日)起至二零一一年十二月三十一日止向廣州亞鋼提供港口裝卸服務。通過訂立上述關連交易，廣州亞鋼會及時有效地獲取廣州珠鋼碼頭所提供的港口裝卸服務。

廣州亞鋼就廣州珠鋼碼頭所提供的港口裝卸服務而應付的服務費乃按現行市價釐定。港口裝卸服務協議乃經公平磋商訂立。

該等關連交易範圍並無超過本公司二零零九年六月十日刊發的招股章程所載限額。

40. RELATED AND CONNECTED PARTIES DISCLOSURES (Continued)

Notes: (Continued)

- (b) On 23 May 2008, Guangzhou Asia Steel entered into an office lease as tenant with GAS Property as landlord, pursuant to which GAS Property agreed to lease to Guangzhou Asia Steel certain office premises in Guangzhou, the PRC at a monthly rental of RMB36,029 for a term from 1 June 2008 to 31 May 2010. The lease was renewed and extended to 30 April 2013 during the year and the monthly rental remained the same. On 25 April 2010, Guangzhou Asia Steel entered into another two office leases as tenant with GAS Property as landlord, pursuant to which GAS Property agreed to lease to Guangzhou Asia Steel certain office premises in Guangzhou, the PRC at monthly rentals of RMB9,335 and RMB3,118 for terms from 1 June 2010 to 31 May 2013 and from 1 May 2010 to 30 April 2013, respectively. The office premises were leased due to the expansion of the Group's business in Guangzhou and the close proximity of the office premises with the Guangzhou Asia Steel's facility.

The rental rate is determined on the basis of prevailing market rates .

40. 有關及關連人士披露 (續)

附註：(續)

- (b) 於二零零八年五月二十三日，廣州亞鋼（作為承租人）與廣州亞鋼置業（作為業主）訂立一項辦公室租約，據此，廣州亞鋼置業同意將位於中國廣州市的若干辦公室物業租予廣州亞鋼，月租為人民幣36,029元，租期自二零零八年六月一日起至二零一零年五月三十一日止。租賃已於年內續期及延長至二零一三年四月三十日，月租維持不變。於二零一零年四月二十五日，廣州亞鋼（作為租戶）與廣州亞鋼置業（作為業主）訂立另外兩份辦公室租賃，據此廣州亞鋼置業同意向廣州亞鋼出租在中國廣州之若干辦公室物業，月租分別為人民幣9,335元及3,118元，年期分別由二零一零年六月一日至二零一三年五月三十一日及由二零一零年五月一日至二零一三年四月三十日。由於本集團在廣州擴展業務，且上述辦公室物業鄰近廣州亞鋼設施，故本公司租用該等物業。

上述租金費率乃按現行市場租值。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

40. RELATED AND CONNECTED PARTIES DISCLOSURES (Continued)

Notes: (Continued)

- (c) On 23 February 2009, Huan Bao Steel Limited ("Huan Bao"), a wholly-owned subsidiary of the Company, entered into a service agreement with Asia Wing Tat whereby Huan Bao engaged Asia Wing Tat to provide cargo handling services at a monthly service fee of HK\$288,000 for a term commencing from 1 January 2009 to 30 June 2009. The service agreement was subsequently extended for a period of six months and terminated on 31 December 2009. The agreement was entered into for the purpose of giving convenience to certain scrap suppliers of the Group who are accustomed to Huan Bao's scrap collection site, which is located at Yau Tong, Hong Kong.

The service fee payable by Huan Bao in relation to the provision of cargo handling services by Asia Wing Tat was determined on the basis of prevailing market price and negotiated on an arm's length basis.

The extent of these connected transactions did not exceed the limit as set out in the prospectus of the Company dated 10 June 2009.

40. 有關及關連人士披露 (續)

附註：(續)

- (c) 於二零零九年二月二十三日，本公司全資附屬公司環保鋼鐵有限公司（「環保鋼鐵」）與亞洲榮達訂立一項服務協議。據此，環保鋼鐵委聘亞洲榮達提供貨物處理服務，由二零零九年一月一日起至二零零九年六月三十日止，每月服務費為288,000港元。並於二零零九年十二月三十一日終止。該服務協議隨後續期六個月。該協議乃為向熟悉環保鋼鐵位於香港油塘的廢料回收站的本集團若干廢料供應商提供便利而訂立。

環保鋼鐵就亞洲榮達提供的貨物處理服務應支付的服務費乃經公平磋商按現行市價釐定。

該等關連交易範圍並無超過本公司二零零九年六月十日刊發的招股章程所載限額。

40. RELATED AND CONNECTED PARTIES DISCLOSURES (Continued)

Notes: (Continued)

- (d) GSEG is an associate of a substantial shareholder of Guangzhou Asia Steel, a non wholly-owned subsidiary of the Company, and thus, a connected person of the Company under the Listing Rules upon Listing. The Group entered into separate sales agreements (the “Sales Agreements”) with certain subsidiaries of GSEG to supply them with recycled scrap metals.

The transaction price in relation to the supply of recycled scrap metals is determined with reference to the prevailing market price of the recycled scrap metals. The Sale Agreements were negotiated on an arm's length basis .

The extent of these connected transactions for 2009 and 2010 under the Sales Agreements did not exceed the limit as set out in the prospectus of the Company dated 10 June 2009 and the limit as revised with reference to an announcement of the Company dated 15 October 2010, respectively.

40.有關及關連人士披露 (續)

附註：(續)

- (d) 廣鋼企業集團公司為本公司非全資附屬公司廣州亞鋼一名主要股東的聯繫人，因此於本公司上市後根據上市規則為本公司的關連人士。本集團已與廣鋼企業集團公司的若干附屬公司訂立獨立的銷售協議（「銷售協議」），向彼等供應經回收廢金屬。

有關供應經回收廢金屬的交易價乃參考經回收廢金屬的現行市價釐定。銷售協議乃經公平磋商訂立。

於二零零九年及二零一零年根據銷售協議進行的該等關連交易範圍分別並無超過本公司二零零九年六月十日刊發的招股章程所載限額及參考本公司二零一零年十月十五日刊發的公告所修訂的限額。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

40. RELATED AND CONNECTED PARTIES DISCLOSURES (Continued)

Notes: (Continued)

- (e) On 15 October 2010, the Company and two subsidiaries of GSEG entered into two purchase agreements (the "Purchase Agreements") pursuant to which the Company agreed to purchase from them and their associates metals for a term commencing from the date the purchase agreements being approved by independent shareholders (i.e. 15 October 2010) until 31 December 2011.

The transaction price in relation to the purchase of metals is determined with reference to the prevailing market price. The Purchase Agreements have been entered into after arm's length negotiations.

The extent of these connected transactions under the Purchase Agreements did not exceed the limits as set out in an announcement of the Company dated 15 October 2010.

40. 有關及關連人士披露 (續)

附註：(續)

- (e) 於二零一零年十月十五日，本公司與廣鋼企業集團公司之兩間附屬公司訂立兩份購買協議（「購買協議」），據此本公司同意向彼等及其聯營公司購買金屬，年期由購買協議獲獨立股東批准之日（即二零一零年十月十五日）起至二零一一年十二月三十一日止。

有關購買金屬之交易價格乃參考現時市價釐定。購買協議乃經公平磋商訂立。

購買協議項下之該等關連交易之金額並無超過本公司日期為二零一零年十月十五日之公佈所載之限額。

40. RELATED AND CONNECTED PARTIES DISCLOSURES (Continued)

Notes: (Continued)

- (f) Lane Tone is an associate of a former director of Tianjin Yatong, a wholly-owned (2009: 90.385%) subsidiary of the Company. Though the director resigned on 29 November 2010, Lane Tone is also considered as a connected person of the Company until 28 November 2011 under the Listing Rules upon Listing. On 1 June 2009, the Group and Lane Tone entered into a framework purchase agreement (the "Purchase Agreement") pursuant to which the Group has agreed to purchase scrap metals from Lane Tone commencing from the date of Listing (i.e. 22 June 2009) and ending on 31 December 2011.

The purchase price payable by the Group in relation to the purchase of the scrap metals from Lane Tone is determined with reference to the prevailing market price of the scrap metal. The Purchase Agreement was negotiated on an arm's length basis.

The extent of these connected transactions for 2009 and 2010 did not exceed the limit as set out in the prospectus of the Company dated 10 June 2009 and the limit as revised pursuant to an announcement of the Company dated 15 October 2010, respectively.

40. 有關及關連人士披露 (續)

附註：(續)

- (f) Lane Tone為本公司全資(二零零九年：90.385%)附屬公司天津亞銅一名前董事的聯繫人。儘管該名董事已於二零一零年十一月二十九日辭任，惟於本公司上市後根據上市規則，Lane Tone仍被視為本公司的關連人士。於二零零九年六月一日，本集團與Lane Tone訂立一項框架採購協議(「採購協議」)，據此，本集團同意自上市日期(即二零零九年六月二十二日)起至二零一一年十二月三十一日止期間向Lane Tone採購廢金屬。

本集團向Lane Tone採購廢金屬而應付的採購價格參考廢金屬的現行市價釐定。採購協議乃經公平磋商訂立。

於二零零九年及二零一零年進行的該等關連交易範圍分別並無超過本公司二零零九年六月十日刊發的招股章程所載限額及參考本公司二零一零年十月十五日刊發的公告所修訂的限額。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

40. RELATED AND CONNECTED PARTIES DISCLOSURES (Continued)

Notes: (Continued)

- (g) These connected transactions are defined as "continuing connected transactions" in the Listing Rules and are exempt from the independent shareholders' approval requirement under Rules 14A.34 of the Listing Rules, but subject to the reporting and announcement requirement and annual review requirement set out in Rules 14A.45 to 14A.47 and Rules 14A.37 to 14A.40 of the Listing Rules, respectively.
- (h) These connected transactions are defined as "continuing connected transactions" in the Listing Rules and are exempt from the reporting, annual review, announcement or independent shareholders' approval requirement under Rules 14A.33 of the Listing Rules.
- (i) These connected transactions are defined as "connected transactions" in the Listing Rules and are exempt from the reporting, announcement or independent shareholders' approval requirement under Rules 14A.31 of the Listing Rules.
- (j) These connected transactions are defined as non-exempt continuing connected transactions in the Listing Rules under Rules 14A.35 of the Listing Rules and are subject to reporting and announcement requirements, independent shareholders' approval requirement and annual review requirement set out in Rules 14A.45 to 14A.47, Rule 14A.48 and Rules 14A.37 to 14A.40 of the Listing Rules, respectively. Waivers from strict compliance with the announcement and independent shareholders' approval requirement on these transactions have been sought from the Stock Exchange.

40. 有關及關連人士披露 (續)

附註：(續)

- (g) 該等關連交易根據上市規則定義為「持續關連交易」，獲豁免遵守上市規則第14A.34條的獨立股東批准規定，但須遵守分別載於上市規則第14A.45至14A.47條及第14A.37至14A.40條的呈報及公佈規定及年度審閱規定。
- (h) 該等關連交易根據上市規則定義為「持續關連交易」，獲豁免遵守上市規則第14A.33條的呈報、年度審閱、公佈或獨立股東批准規定。
- (i) 該等關連交易根據上市規則定義為「關連交易」，獲豁免遵守上市規則第14A.31條的報告、公佈或獨立股東批准的規定。
- (j) 根據上市規則第14A.35條，該等關連交易根據上市規則定義為非豁免持續關連交易，須遵守分別載於上市規則第14A.45至14A.47條、第14A.48條及第14A.37至14A.40條的呈報及公佈規定、獨立股東批准規定及年度審閱規定。已徵求聯交所批准豁免該等交易嚴格遵守公佈及獨立股東批准規定。

41. PARTICULARS OF SUBSIDIARIES AND AN ASSOCIATE

(I) SUBSIDIARIES

Particulars of the Company's subsidiaries at 31 December 2010 and 31 December 2009 are as follows:

Name of subsidiary 附屬公司名稱	Place and date of incorporation/ establishment 註冊成立/ 成立地點及日期	Form of business structure 業務架構 形式	Issued and fully paid share/ quota capital/ registered capital 已發行及 繳足股本/ 限額資本/ 註冊資本	Proportion of nominal value of issued share/quota capital/registered capital held by the Company 本公司所持 已發行股本/ 限額資本/註冊 資本面值的比例		Principal activities 主要業務
				Direct 直接 %	Indirect 間接 %	
Asia Steel (Holdings) Limited 亞洲鋼鐵(控股) 有限公司	The British Virgin Islands 20 July 1999 (note a) 英屬處女群島 一九九九年 七月二十日 (附註a)	Limited liability company 有限公司	US\$200 美元	100	—	Investment holding 投資控股
Asia Steel (H.K.) Limited 亞洲鋼鐵(香港) 有限公司	Hong Kong 6 December 2000 (note a) 香港 二零零零年 十二月六日 (附註a)	Limited liability company 有限公司	HK\$78,100,000 港元	—	100	Investment holding 投資控股
Asia Steel (Investments) Limited 亞洲鋼鐵(投資) 有限公司	Hong Kong 11 August 1999 (note a) 香港 一九九九年 八月十一日 (附註a)	Limited liability company 有限公司	HK\$100,000 港元	—	100	Investment holding 投資控股

41. 附屬公司及聯營公司的詳情

(I) 附屬公司

本公司附屬公司於二零一零年十二月三十一日及二零零九年十二月三十一日的詳情如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

41. PARTICULARS OF SUBSIDIARIES AND AN ASSOCIATE (Continued)

(I) SUBSIDIARIES (Continued)

Name of subsidiary 附屬公司名稱	Place and date of incorporation/ establishment 註冊成立/ 成立地點及日期	Form of business structure 業務架構形式	Issued and fully paid share/ quota capital/ registered capital 已發行及繳足股本/ 限額資本/ 註冊資本	Proportion of nominal value of issued share/quota capital/registered capital held by the Company 本公司所持已發行股本/限額資本/註冊資本面值的比例		Principal activities 主要業務
				Direct 直接 %	Indirect 間接 %	
Asia Steel (Development) Limited 亞洲鋼鐵(發展)有限公司	Hong Kong 4 June 1999 (note a) 香港 一九九九年 六月四日 (附註a)	Limited liability company 有限公司	HK\$100,000 港元	—	100	Investment holding 投資控股
Huan Bao 環保鋼鐵	Hong Kong 7 August 1998 (note b) 香港 一九九八年 八月七日 (附註b)	Limited liability company 有限公司	HK\$10,000 港元	—	100	Investment holding and collection, processing and sale of recycled scrap metal 投資控股及回收、加工及銷售回收廢金屬
Central Steel 中環鋼鐵	Macau 21 March 2005 (note b) 香港 二零零五年 三月二十一日 (附註b)	Limited liability company 有限公司	MOP100,000 澳門元	—	100	Metal trading 金屬貿易
China Metal Recycling (Investments) Limited 中國金屬再生資源(投資)有限公司	Hong Kong 8 October 2009 (note a) 香港 二零零九年 十月八日 (附註a)	Limited liability company 有限公司	HK\$10,000 港元	—	100	Investment holding 投資控股

41. 附屬公司及聯營公司的詳情 (續)

(I) 附屬公司 (續)

41. PARTICULARS OF SUBSIDIARIES AND AN ASSOCIATE (Continued)

41. 附屬公司及聯營公司的詳情 (續)

(I) SUBSIDIARIES (Continued)

(I) 附屬公司 (續)

Name of subsidiary 附屬公司名稱	Place and date of incorporation/ establishment 註冊成立／ 成立地點及日期	Form of business structure 業務架構 形式	Issued and fully paid share/ quota capital/ registered capital 已發行及 繳足股本／ 限額資本／ 註冊資本	Proportion of nominal value of issued share/quota capital/registered capital held by the Company 本公司所持 已發行股本／ 限額資本／註冊 資本面值的比例		Principal activities 主要業務
				Direct 直接 %	Indirect 間接 %	
China Metal Recycling (Development) Limited 中國金屬再生資源 (發展)有限公司	Hong Kong 8 October 2009 (note a) 香港 二零零九年 十月八日 (附註a)	Limited liability company 有限公司	HK\$10,000 港元	—	100	Investment holding 投資控股
揚中亞鋼 (Yangzhong Yagang)	The PRC 15 December 2006 (note b) 中國 二零零六年 十二月十五日 (附註b)	Wholly-foreign owned enterprise 外商獨資企業	US\$20,000,000 美元	—	100	Investment holding and collection, processing and sale of recycled scrap metal 投資控股與回收、 加工及銷售 回收廢金屬
天津亞鋼 (Tianjin Yatong)	The PRC 16 August 2006 (note b) 中國 二零零六年 八月十六日 (附註b)	Wholly-foreign owned enterprise 外商獨資企業	US\$13,000,000 美元	—	100 (2009: 90.385) (二零零九年： 90.385)	Investment holding and collection, processing and sale of recycled scrap metal 投資控股與 回收、加工及 銷售回收廢金屬

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

41. PARTICULARS OF SUBSIDIARIES AND AN ASSOCIATE (Continued)

(I) SUBSIDIARIES (Continued)

Name of subsidiary 附屬公司名稱	Place and date of incorporation/ establishment 註冊成立／成立地點及日期	Form of business structure 業務架構形式	Issued and fully paid share/ quota capital/ registered capital 已發行及繳足股本／限額資本／註冊資本	Proportion of nominal value of issued share/quota capital/registered capital held by the Company 本公司所持已發行股本／限額資本／註冊資本面值的比例		Principal activities 主要業務
				Direct 直接 %	Indirect 間接 %	
廣州亞銅金屬有限公司 (Guangzhou Yatong Metal Co., Ltd.)	The PRC 25 May 2007 (note b) 中國 二零零七年 五月二十五日 (附註b)	Wholly-foreign owned enterprise 外商獨資企業	US\$3,500,000 美元	—	100	Investment holding and collection, processing and sale of recycled scrap metal 投資控股與回收、加工及銷售回收廢金屬
廣州亞銅 (Guangzhou Asia Steel)	The PRC 15 May 2001 (note b) 中國 二零零一年 五月十五日 (附註b)	Sino-foreign owned enterprise 中外合資企業	US\$4,500,000 美元	—	75	Collection, processing and sale of recycled scrap metal 回收、加工及銷售回收廢金屬
中山亞銅金屬材料有限公司 (Zhongshan Yatong Metal Materials Co., Ltd.)	The PRC 3 September 2008 (note b) 中國 二零零八年 九月三日 (附註b)	Wholly-foreign owned enterprise 外商獨資企業	US\$10,000,000 美元	—	100	Collection, processing and sale of recycled scrap metal 回收、加工及銷售回收廢金屬
寧波亞銅金屬有限公司 (Ningbo Yagang Metal Co., Ltd.)	The PRC 4 September 2008 (note b) 中國 二零零八年 九月四日 (附註b)	Wholly-foreign owned enterprise 外商獨資企業	RMB20,000,000 人民幣	—	100	Collection, processing and sale of recycled scrap metal 回收、加工及銷售回收廢金屬

41. 附屬公司及聯營公司的詳情 (續)

(I) 附屬公司 (續)

41. PARTICULARS OF SUBSIDIARIES AND AN ASSOCIATE (Continued)

(I) SUBSIDIARIES (Continued)

Name of subsidiary 附屬公司名稱	Place and date of incorporation/ establishment 註冊成立/ 成立地點及日期	Form of business structure 業務架構 形式	Issued and fully paid share/ quota capital/ registered capital 已發行及 繳足股本/ 限額資本/ 註冊資本	Proportion of nominal value of issued share/quota capital/registered capital held by the Company 本公司所持 已發行股本/ 限額資本/註冊 資本面值的比例		Principal activities 主要業務
				Direct 直接 %	Indirect 間接 %	
武漢亞鋼金屬有限公司 (「武漢亞鋼」) (Wuhan Yagang Metal Co., Ltd.) ("Wuhan Yagang")	The PRC 10 November 2008 (note b) 中國 二零零八年 十一月十日 (附註b)	Sino-foreign owned enterprise 中外合資企業	US\$12,000,000 (note c) 美元 (附註c)	—	70	Collection, processing, and sale of recycled scrap metal 回收、加工及 銷售回收廢金屬
亞銅金屬(深圳)有限公司 (「亞銅深圳」) (Yatong Metal (Shenzhen) Co., Ltd.) ("Yatong Shenzhen")	The PRC 13 March 2009 (note a) 中國 二零零九年 三月十三日 (附註a)	Wholly-foreign owned enterprise 外商獨資企業	US\$5,000,000 (note c) 美元 (附註c)	—	100	Inactive 未投入運營
江蘇中金再生資源 有限公司 (Jiangsu China Metal Recycling Resources Co., Ltd.)	The PRC 28 August 2009 (note b) 中國 二零零九年 八月二十八日 (附註b)	Wholly-foreign owned enterprise 外商獨資企業	US\$59,980,000 (2009: US\$29,980,000) 美元 (二零零九年: 29,980,000 美元)	—	100	Investment holding and collection, processing and sale of recycled scrap metal 投資控股與回收、 加工及銷售 回收廢金屬

43. 附屬公司及聯營公司的詳情 (續)

(I) 附屬公司 (續)

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

41. PARTICULARS OF SUBSIDIARIES AND AN ASSOCIATE (Continued)

(I) SUBSIDIARIES (Continued)

Name of subsidiary 附屬公司名稱	Place and date of incorporation/ establishment 註冊成立/ 成立地點及日期	Form of business structure 業務架構 形式	Issued and fully paid share/ quota capital/ registered capital 已發行及 繳足股本/ 限額資本/ 註冊資本	Proportion of nominal value of issued share/quota capital/registered capital held by the Company 本公司所持 已發行股本/ 限額資本/註冊 資本面值的比例		Principal activities 主要業務
				Direct 直接 %	Indirect 間接 %	
江蘇中金再生物資 利用有限公司 (Jiangsu China Metal Recycling Materials Co., Ltd.)	The PRC 10 November 2009 (note b) 中國 二零零九年 十一月十日 (附註b)	Limited liability company 有限公司	RMB30,000,000 人民幣	—	70	Collection, processing and sale of recycled scrap metal 回收、加工及 銷售回收廢金屬
天津中金再生資源 交易市場有限公司 (Tianjin China Metal Recycling Resources Trading Market Co., Ltd.)*	The PRC 23 March 2010 (note a) 中國 二零一零年 三月二十三日 (附註a)	Limited liability company 有限公司	RMB50,000,000 人民幣	—	100 (2009: N/A) 100 (二零零九年: 不適用)	Inactive 未投入運營
天津中再廢舊金屬 回收有限公司 (Tianjin China Scrap Metal Recycling Co., Ltd.)*	The PRC 28 January 2010 (note b) 中國 二零一零年 一月二十八日 (附註b)	Wholly-foreign owned enterprise 外商獨資企業	RMB5,000,000 人民幣	—	100 (2009: N/A) 100 (二零零九年: 不適用)	Collection, processing and sale of recycled scrap metal 回收、加工及 銷售回收廢金屬

41. 附屬公司及聯營公司的詳情 (續)

(I) 附屬公司 (續)

41. PARTICULARS OF SUBSIDIARIES AND AN ASSOCIATE (Continued)

41. 附屬公司及聯營公司的詳情 (續)

(I) SUBSIDIARIES (Continued)

(II) 附屬公司 (續)

Name of subsidiary 附屬公司名稱	Place and date of incorporation/ establishment 註冊成立/ 成立地點及日期	Form of business structure 業務架構 形式	Issued and fully paid share/ quota capital/ registered capital 已發行及 繳足股本/ 限額資本/ 註冊資本	Proportion of nominal value of issued share/quota capital/registered capital held by the Company 本公司所持 已發行股本/ 限額資本/註冊 資本面值的比例	Principal activities 主要業務
				Direct 直接 %	Indirect 間接 %
中金再生資源(中國) 投資有限公司 (「中金再生(中國)」) (China Metal Recycling Investment Co., Ltd.) ("CMR (China)")*	The PRC 20 January 2010 (note b) 中國 二零一零年 一月二十日 (附註b)	Wholly-foreign owned enterprise 外商獨資企業	US\$100,000,000 (note c) 美元 (附註c)	— (2009: N/A) 100 (二零零九年: 不適用)	Metal trading 金屬貿易
中金再生資源(天津) 投資有限公司 (「中金再生(天津)」) (China Metal Recycling (Tianjin) Investment Co., Ltd.)* ("CMR (Tianjin)")	The PRC 21 June 2010 (note b) 中國 二零一零年 六月二十一日 (附註b)	Wholly-foreign owned enterprise 外商獨資企業	US\$100,000,000 (note c) 美元 (附註c)	— (2009: N/A) 100 (二零零九年: 不適用)	Investment holding and metal trading 投資控股與 金屬貿易
Infinite Metal Recycling Limited* 環球金屬回收有限公司	Hong Kong 6 October 2010 (note b) 香港 二零一零年 十月六日 (附註b)	Limited liability company 有限公司	HK\$100,000 港元	— (2009: N/A) 60 (二零零九年: 不適用)	Metal trading 金屬貿易

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

41. PARTICULARS OF SUBSIDIARIES AND AN ASSOCIATE (Continued)

(I) SUBSIDIARIES (Continued)

Name of subsidiary 附屬公司名稱	Place and date of incorporation/ establishment 註冊成立／ 成立地點及日期	Form of business structure 業務架構 形式	Issued and fully paid share/ quota capital/ registered capital 已發行及 繳足股本／ 限額資本／ 註冊資本	Proportion of nominal value of issued share/quota capital/registered capital held by the Company 本公司所持 已發行股本／ 限額資本／註冊 資本面值的比例		Principal activities 主要業務
				Direct 直接 %	Indirect 間接 %	
江陰集裝箱 (Jiangyin Container)*	The PRC 26 December 2001 (note b) 中國 二零零一年 十二月二十六日 (附註b)	Limited liability company 有限公司	RMB39,380,000 人民幣	—	99.68 (2009: N/A) 99.68 (二零零九年： 不適用) (附註33)	Warehousing, stevedoring and transportation of goods 倉儲、碼頭裝卸及 貨物運輸
張家港容利 (Zhangjiagang Rongli)	The PRC 1 December 2006 (note b) 中國 二零零六年 十二月一日 (附註b)	Limited liability company 有限公司	RMB16,667,000 人民幣	—	N/A (2009: 70) (note 34) 不適用 (二零零九年： 70) (附註34)	Collection, processing and sale of recycled scrap metal 回收、加工及銷售 回收廢金屬

41. 附屬公司及聯營公司的詳情 (續)

(I) 附屬公司 (續)

41. PARTICULARS OF SUBSIDIARIES AND AN ASSOCIATE (Continued)

(I) SUBSIDIARIES (Continued)

Notes:

- (a) These entities are either investment holding companies or inactive and do not have any operations.
- (b) The operations of these entities are located at the place of incorporation/establishment.
- (c) Capital injections to these entities are not completed at the end of the reporting period. The unpaid capital for Wuhan Yagang, Yatong Shenzhen, CMR (China) and CMR (Tianjin) as at 31 December 2010 amounted to US\$7,500,000 (2009: US\$8,300,000), US\$3,500,000 (2009: US\$3,500,000), US\$85,000,000 (2009: N/A) and US\$35,000,000 (2009: N/A), respectively.

* Subsidiaries newly set up during the year ended 31 December 2010.

41. 附屬公司及聯營公司的詳情 (續)

(I) 附屬公司 (續)

附註：

- (a) 該等實體為投資控股公司或尚未投入經營，並無任何營運業務。
- (b) 該等實體於其註冊成立或成立地點營運。
- (c) 於報告期末並未完成對該等實體的注資。於二零一零年十二月三十一日，武漢亞鋼、亞銅深圳、中金再生(中國)及中金再生(天津)的未繳資本分別為7,500,000美元(二零零九年：8,300,000美元)、3,500,000美元(二零零九年：3,500,000美元)、85,000,000美元(二零零九年：不適用)及35,000,000美元(二零零九年：不適用)。

* 於截至二零一零年十二月三十一日止年度新建立的附屬公司。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

41. PARTICULARS OF SUBSIDIARIES AND AN ASSOCIATE (Continued)

(II) AN ASSOCIATE

Particulars of the Group's associate at 31 December 2010 and 31 December 2009 are as follows:

Name of associate 聯營公司名稱	Place and date of establishment 成立地點及日期	Form of business structure 業務架構形式	Proportion of nominal value of registered capital held indirectly by the Company	Principal activities 主要業務
			本公司間接持有註冊資本面值的比例	
廣州珠鋼碼頭 (Guangzhou Zhujiang)	The PRC 28 February 2003 中國 二零零三年 二月二十八日	Sino-foreign owned enterprise 中外合資企業	45%	Construction of terminals, loading and unloading of cargoes, and warehousing 建造碼頭、裝卸貨物及倉儲

41. 附屬公司及聯營公司的詳情 (續)

(II) 聯營公司

本集團聯營公司於二零一零年十二月三十一日及二零零九年十二月三十一日的詳情如下：

42. FINANCIAL INFORMATION OF THE COMPANY

42. 本公司之財務資料

		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	2,689,425	2,086,778
TOTAL LIABILITIES	總負債	(11,626)	(3,858)
NET ASSETS	資產淨值	2,677,799	2,082,920
CAPITAL AND RESERVES	資本及儲備		
Share capital	股本	114	105
Reserves (note)	儲備 (附註)	2,677,685	2,082,815
TOTAL EQUITY	總權益	2,677,799	2,082,920

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

42. FINANCIAL INFORMATION OF THE COMPANY (Continued)

Note:

42. 本公司之財務資料 (續)

附註：

		Share premium 股份溢價 HK\$'000 千港元	Capital reserve 資本儲備 HK\$'000 千港元	Share options reserve 購股權儲備 HK\$'000 千港元	Accumulated losses 累積虧損 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2009	於二零零九年 十二月三十一日	234,000	161,370	—	(34,391)	360,979
Profit and total comprehensive income for the year	年度溢利及 全面收益總額	—	—	—	21,936	21,936
Capitalisation issue	資本化發行	(70)	—	—	—	(70)
Issue of new shares	發行新股	1,787,065	—	—	—	1,787,065
Cost of issue of new shares	發行新股成本	(102,215)	—	—	—	(102,215)
Recognition of equity-settled share-based payments	確認以權益結算 以股份支付款項	—	—	15,120	—	15,120
At 31 December 2009	於二零零九年 十二月三十一日	1,918,780	161,370	15,120	(12,455)	2,082,815
Loss and total comprehensive expense for the year	年度虧損及 全面收益總額	—	—	—	(17,638)	(17,638)
Issue of new shares	發行新股	706,491	—	—	—	706,491
Cost of issue of new shares	發行新股成本	(15,126)	—	—	—	(15,126)
Recognition of equity-settled share-based payments	確認以權益結算 以股份支付款項	—	—	34,761	—	34,761
Exercise of share options	行使購股權	16,000	—	(4,218)	—	11,782
Dividend recognised as distribution	於分派時確認之股息	—	—	—	(125,400)	(125,400)
At 31 December 2010	於二零一零年 十二月三十一日	2,626,145	161,370	45,663	(155,493)	2,677,685

43.EVENT AFTER THE REPORTING PERIOD

In January 2011, the Group entered into a sale and purchase agreement with an independent third party pursuant to which the Group agreed to sell its investment properties and the corresponding prepaid lease payments with an aggregate carrying amount of HK\$4,358,000 as at 31 December 2010 at a consideration of HK\$17,306,000.

43.報告期後之事項

於二零一一年一月，本集團與獨立第三方訂立買賣協議，據此本集團同意出售其於二零一零年十二月三十一日的總賬面值為4,358,000港元之投資物業及相關預付租賃款項，代價為17,306,000港元。

Five Years' Financial Summary

五年財務摘要

RESULTS

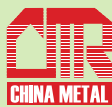
業績

		2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Revenue	收益	1,090,338	1,942,400	6,526,594	9,063,175	22,508,182
Profit before taxation	除稅前溢利	100,235	187,069	330,920	503,635	944,501
Income tax expense	所得稅開支	(4,855)	(8,342)	(23,007)	(24,950)	(52,598)
Profit for the year	年度溢利	95,380	178,727	307,913	478,685	891,903
Attributable to:	應佔：					
Owners of the Company	本公司擁有人	46,626	137,691	294,431	478,422	886,562
Non-controlling interests	非控股權益	48,754	41,036	13,482	263	5,341
		95,380	178,727	307,913	478,685	891,903

ASSETS AND LIABILITIES

資產及負債

		2006 二零零六年 HK\$'000	2007 二零零七年 HK\$'000	2008 二零零八年 HK\$'000	2009 二零零九年 HK\$'000	2010 二零一零年 HK\$'000
Total assets	總資產	583,274	1,585,317	2,102,263	4,750,667	13,703,706
Total liabilities	總負債	(373,768)	(1,272,031)	(1,205,911)	(1,660,852)	(9,102,569)
		209,506	313,286	896,352	3,089,815	4,628,137
Equity attributable to owners of the Company	本公司擁有人應佔權益	100,224	278,527	831,554	3,009,981	4,556,834
Non-controlling interests	非控股權益	109,282	34,759	64,798	79,834	71,303
		209,506	313,286	896,352	3,089,815	4,628,137



中國金屬再生資源(控股)有限公司
China Metal Recycling (Holdings) Limited