



中國聯盛投資集團有限公司
China Leason Investment Group Co., Limited

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

(股份代號 Stock Code: 8270)

2010
Annual Report 年報

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本報告乃遵照香港聯合交易所有限公司創業板證券上市規則（「創業板上市規則」）之規定提供有關中國聯盛投資集團有限公司（「本公司」）之資料。本公司之董事（「董事」）共同及個別對此負全責。董事在作出一切合理查詢後，確認就彼等所知及所信：— (1) 本報告所載資料在各重大方面均屬準確及完整，且無誤導成份；(2) 本報告並無遺漏任何事實致使本報告任何內容產生誤導；及(3) 本報告內表達的一切意見乃經審慎周詳考慮後作出，並以公平合理的基準及假設為依據。

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Corporate Information 公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Wang Zhong Sheng (*Chairman*)
Mr. Shi Liang
Mr. Zhang Qing Lin
(*appointed on 17 May 2010*)
Mr. Fu Shou Gang
(*appointed on 29 December 2010*)

Non-Executive Director

Mr. Kwok Shun Tim
(*resigned on 18 December 2010*)
Mr. Ye Jinxing
(*resigned on 29 December 2010*)

Independent Non-Executive Directors

Mr. Luo Wei Kun
Mr. Yan Chang Ming (*resigned on 6 August 2010*)
Ms. Pang Yuk Fong
Mr. Wang Zhi He
(*appointed on 29 September 2010*)

AUDIT COMMITTEE

Mr. Luo Wei Kun
Mr. Yan Chang Ming (*resigned on 6 August 2010*)
Ms. Pang Yuk Fong (*chairman of audit committee*)
Mr. Wang Zhi He
(*appointed on 29 September 2010*)

NOMINATION COMMITTEE

Mr. Luo Wei Kun
Mr. Yan Chang Ming (*resigned on 6 August 2010*)
Ms. Pang Yuk Fong
Mr. Wang Zhi He (*chairman of nomination committee*)
(*appointed on 29 September 2010*)

董事會

執行董事

王忠勝先生 (*主席*)
施亮先生
張慶林先生
(*於二零一零年五月十七日獲委任*)
付壽剛先生
(*於二零一零年十二月二十九日獲委任*)

非執行董事

郭純恬先生
(*於二零一零年十二月十八日辭任*)
葉金興先生
(*於二零一零年十二月二十九日辭任*)

獨立非執行董事

羅維崑先生
閻長明先生 (*於二零一零年八月六日辭任*)
彭玉芳女士
王之和先生
(*於二零一零年九月二十九日獲委任*)

審核委員會

羅維崑先生
閻長明先生 (*於二零一零年八月六日辭任*)
彭玉芳女士 (*審核委員會主席*)
王之和先生
(*於二零一零年九月二十九日獲委任*)

提名委員會

羅維崑先生
閻長明先生 (*於二零一零年八月六日辭任*)
彭玉芳女士
王之和先生 (*提名委員會主席*)
(*於二零一零年九月二十九日獲委任*)

Corporate Information 公司資料

REMUNERATION COMMITTEE

Mr. Luo Wei Kun
Mr. Wang Zhi He (*chairman of remuneration committee*)
(*appointed on 29 September 2010*)
Ms. Pang Yuk Fong
Mr. Yan Chang Ming (*resigned on 6 August 2010*)

QUALIFIED ACCOUNTANT & COMPANY SECRETARY

Mr. Lui Chi Keung FCCA, CPA

COMPLIANCE OFFICER

Mr. Wang Zhong Sheng

AUTHORISED REPRESENTATIVES

Mr. Wang Zhong Sheng
Mr. Lui Chi Keung

HEAD OFFICE & PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Rm 802 Wing On Plaza,
Tsim Sha Tsui East,
Kowloon
Hong Kong

REGISTERED OFFICE

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

薪酬委員會

羅維崑先生
王之和先生 (*薪酬委員會主席*)
(*於二零一零年九月二十九日獲委任*)
彭玉芳女士
閻長明先生 (*於二零一零年八月六日辭任*)

合資格會計師兼公司秘書

呂志強先生 FCCA, CPA

監察主任

王忠勝先生

授權代表

王忠勝先生
呂志強先生

香港總辦事處兼主要營業地點

香港
九龍
尖沙咀東
永安廣場802室

註冊辦事處

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

Corporate Information 公司資料

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Butterfield Bank (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 705
George Town
Grand Cayman
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Tengis Limited
Level 28, Three Pacific Place
1 Queen's Road East
Hong Kong

PRINCIPAL BANKERS

Hong Kong and Shanghai Banking Corporation
CITIC Ka Wah Bank Ltd

AUDITORS

CCIF CPA Limited

STOCK CODE

8270

主要股份過戶登記處

Butterfield Bank (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 705
George Town
Grand Cayman
Cayman Islands

香港股份過戶登記分處

卓佳登捷時有限公司
香港
皇后大道東1號
太古廣場第三座28樓

主要往來銀行

香港上海滙豐銀行有限公司
中信嘉華銀行有限公司

核數師

陳葉馮會計師事務所有限公司

股份代號

8270

Corporate Profile 公司簡介

China Leason Investment Group Co., Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) currently conduct the business of manufacture and sales of liquefied coalbed gas through Shanxi Qinshui Shuntai Energy Development Company Limited whose operations are also located in the PRC. The Company was incorporated in Cayman Islands as an exempted company with limited liability in July 2002 and was initially listed on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited on 12 August 2003.

The Group is principally engaged in production and sales of liquefied coalbed gas. Headquartered in Beijing. The Group’s production of liquefied coalbed gas is in Shanxi Qinshui Basin which boasts the richest liquefied coalbed gas, while its distribution network extends to Shanxi, Guangxi and Guangdong Provinces, etc. In particular, Guangxi Beiliu Gas Company Limit acquired by the Group in July 2009 has enabled the Group’s coalbed gas to reach the end-user market.

In order to better utilize resources and focus on more profitable new energy coalbed gas business, the Group stripped its software solution R&D business for the financial and securities industries in current year, the Group devotes all the resources and efforts to expanding its presence in the natural gas and coalbed gas liquefying industry chain so as to maintain its leading position in China’s natural gas market.

The Group will adhere to the principle of “social responsibility is of overriding importance” while exploring and developing in the new energy sector with the aim to provide the world with high-quality clean energy and keep improving and promoting the harmonious coexistence of man and nature.

中國聯盛投資集團有限公司(「本公司」)及其附屬公司(統稱「本集團」)目前透過其在中國經營之山西沁水順泰能源發展有限公司進行液化煤層氣生產及銷售業務。本公司於二零零二年七月在開曼群島註冊成立為獲豁免有限公司，本公司股份於二零零三年八月十二日初次在香港聯合交易所有限公司創業板(「創業板」)上市。

本集團目前主要從事液化煤層氣生產及銷售業務。本集團之總部設於北京。集團的液化煤層氣生產則設於煤層氣氣源最豐富的山西沁水盆地，銷售業務幅蓋山西，廣西，廣東等地。其中，集團二零零九年七月收購的廣西北流燃氣有限公司更使集團煤層氣伸展到最終用戶市場。

為了更好的利用資源及集中精力發展未來效益更好的新能源煤層氣業務，本集團在本年已剝離集團的金融及證券行業的軟件解決方案研發業務。集團全力投入天然氣，煤層氣液化產業鏈的延伸發展，務求使本集團在中國天然氣市場的業務保持領先地位。

本集團將本着「社會責任高於一切」的工作態度，努力在新能源領域不斷探索和發展，為人類提供優質的清潔能源，持續改善和促進人與自然的和諧共存。

Chairman's Statement

主席報告

Dear Shareholders,

I am pleased to present the audited financial results of the Group for the year ended 31 December 2010.

In the current year, with the completion of Group's detachment from the software solutions R&D business for the finance and securities sector, we have fully committed to developing and expanding the natural gas-liquefying industry chain. The Group also completed the acquisition of Million Ideas Investment Limited in Shanxi, a shareholding company, further perfecting the Group's expansion in the natural gas and the coalbed gas-liquefying industry chain.

LIQUEFIED COALBED GAS BUSINESS

In the current year, the coalbed gas-liquefying plant in Shanxi, a plant invested and constructed by the Group, entered the mature stage gradually from the trial production stage. During the year, further equipment upgrade and a better production flow well prepared the Group for full production. However, due to consistent shortage of gas sources, currently the gas-liquefying plant has yet to achieve its full production capacity.

Equipment upgrade in the current year impacted on the output of liquefied coalbed gas to a certain extent. Coupled with consistent shortage of gas sources, in the current year the Group only managed to maintain an approximate balance between normal operating income and expenditure. Entering Year 2011, following the completion of equipment upgrade plus gradual exploration and an increased supply of new gas sources, output will restore gradually and the Group's results will grow and improve quickly.

Hebei Shuntai Energy Resource Company Limited, a company established by the Group early this year for the industrial and transportation hub in Hebei Province, has begun its infrastructure construction. It is expected that its services launch in mid 2011 will result in a higher market share and an improved profit for the Group's market expansion in Hebei.

In order to rapidly achieve a higher market share for the natural gas and coalbed gas businesses, in the current year the Group also actively considered acquisition and expansion of the market share in the Henan region.

各位股東：

本人欣然呈報本集團截至二零一零年十二月三十一日止年度之經審核財務業績。

本年度，集團完成了已剝離金融及證券行業的軟件解決方案研發業務，全力投入天然氣液化產業鏈的延伸發展。同時集團也完成了對參股公司，萬志投資有限公司的收購，進一步完善了集團的天然氣、煤層氣液化產業鏈的延伸發展。

液化煤層氣體業務

本年度，集團在山西投資興建的煤層氣液化工廠從試生產逐步進入到成熟生產階段，年中，工廠設備也完成了進一步的改良及生產流程的更合理佈局，為全面投入生產做好了準備。然而，由於氣源供應持續緊張，目前液化工廠還沒達到滿負荷生產狀態。

本年度由於工廠進行設備改良工作，液化煤層氣生產量受到一定的影響外，加上氣源供應持續緊張，本年度集團正常運營收支只能達到大約平衡狀態。步入二零一一年，隨著設備改良工作的完成，新氣源的逐步開發和供應增加，生產量將逐步恢復，集團業績將快速增長及改善。

集團於本年初為佈點河北地區工業及運輸樞紐而成立的河北順泰能源有限公司已開始基礎建設工作，預計二零一一年中旬完工投入服務後，將為集團河北市場的擴張帶來更大的市場份額及盈利的改善。

為了使集團天然氣，煤層氣業務能迅速佔領更大的市場份額，集團在本年度也已積極研究河南地區的市場份額收購及延伸。

Chairman's Statement 主席報告

OUTLOOK

As the Chinese government pays more attention to improving air quality and lowering carbon emissions, it is intensifying its promotion of clean energies across the territory. Therefore, there is huge and still growing demand for natural gas in Chinese markets. Backed by its leading position in China's natural gas-liquefying industry, the Group will continue perfecting the industry chain of the natural gas-liquefying industry, expanding businesses into the up-and-downstream industry in an effort to maintain the Group's leading position in China's natural gas market and bring long-term and stable returns to our shareholders.

To keep its gas business thriving, the Group will continuously open, develop and station new consumer markets for coalbed gas and natural gas; expand the Group's market shares in those markets; develop and seek for new energies such as new natural gas and coalbed gas; and strengthen its capabilities in liquefaction, transportation and distribution of gases.

Finally, on behalf of the Board, I would like to avail myself of this opportunity to express our heartfelt gratitude to our shareholders, customers and business associates for their continuous support for the Group.

Wang Zhong Sheng

Chairman

30 March 2011

展望

隨着中國政府對改善大氣環境，減低碳排放問題日益重視，對各地使用清潔能源的推廣力度越來越強大，中國各地市場對天然氣需求巨大及不斷增長。本集團將依附目前集團在中國天然氣液化行業的領先地位，不斷完善天然氣液化產業鏈，向上下游產業延伸既擴大發展，務求使本集團在中國天然氣市場的業務保持領先地位，為集團股東帶來長遠而穩定的收益。

在未來的時間裡，本集團將不斷開闢，挖掘，佈點新的煤層氣，天然氣用戶市場，擴展集團在該市場的佔有率，同時開發及尋找新的天然氣，煤層氣等新能源，增強液化，運輸配送能力，使集團氣業務不斷茁壯成長。

最後，本人謹代表董事會同仁感謝股東、客戶及業務夥伴一直以來的鼎盛支持。

王忠勝

主席

二零一一年三月三十日

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW

Market Review

Liquefied Coalbed Gas Business

In the current year, the coalbed gas-liquefying plant in Shanxi, a plant invested and constructed by the Group, entered the mature stage gradually from the trial production stage. During the year, further equipment upgrade and a better production flow well prepared the Group for full production. However, due to consistent shortage of gas sources, currently the gas-liquefying plant has yet to achieve its full production capacity.

Equipment upgrade in the current year impacted on the output of liquefied coalbed gas to a certain extent. Coupled with consistent shortage of gas sources, in the current year the Group only managed to maintain an approximate balance between normal operating income and expenditure. Entering Year 2011, following the completion of equipment upgrade plus gradual exploration and an increased supply of new gas sources, output will restore gradually and the Group's results will grow and improve quickly.

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業務回顧

市場回顧

液化煤層氣體業務

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集團於本年初為佈點河北地區工業及運輸樞紐而成立的河北順泰能源有限公司已開始基礎建設工作，預計二零一一年中旬完工投入服務後，將為集團河北市場的擴張帶來更大的市場份額及盈利的改善。

為了使集團天然氣，煤層氣業務能迅速佔領更大的市場份額，集團在本年度也已積極研究河南地區的市場份額收購及延伸。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW

The Group recorded a consolidated turnover of approximately RMB237,015,000 for the year, representing an increase of approximately 158% compared with last year. The increase were mainly attributable to:

- Due to the increase in production capacity and sales of liquefied coalbed gas in Shanxi together with the sales of piped natural gas and gas supply connection services.

Loss attributable to shareholders for the year was approximately RMB20,493,000, compared with the loss attributable to shareholders of approximately RMB58,741,000 for last year.

The increase in loss was mainly attributable to the following reason:

- the impairment loss on goodwill during the very substantial acquisition in mid of 2009 amounted to approximately RMB52,971,000.

BUSINESS REVIEW AND DEVELOPMENT PROSPECTS

During the year, there was a high demand in liquefied coalbed gas. Under the improvement in production, capacity and the market condition, the board expects the Group will be rewarding in the coming year's.

- As at 31 December 2010, the Group had an aggregate of 155 employees, of which 10 were research and development staffs, 14 were finance and account staffs, 29 were administrative staffs and 18 were marketing staff, 68 production staff and 16 were security staff.
- During the year, as the liquefied coalbed gas started production and sales, it created a significant increase in turnover. It is expected that this business will bring a stronger increase in turnover and revenue of the Group in future.

The Directors believe that following the improvement of the market, through its enhanced capacities in technology and research and development, as well as reinforcement in promotions of the Company's professional corporate image together with the liquefied coalbed gas business's production and sales, the Group's business prospects is very bright.

財務回顧

本集團於本年度錄得綜合營業額約人民幣237,015,000元，較去年增長約158%。增長主要是因：

- 由於山西增加產能及銷售液化煤層氣和管道天然氣銷售及供氣接駁服務。

本年度之擁有人應佔虧損約為人民幣20,493,000元，而去年則為應佔虧損約人民幣58,741,000元。

虧損增加之主要原因如下：

- 由於二零零九年年中之一項重大收購而產生信譽之減值虧損約為人民幣52,971,000元。

業務回顧及發展前景

年內，液化煤層氣錄得高需求。由於生產、產能及市況出現改善，董事會預期本集團於未來年度將錄得回報。

- 於二零一零年十二月三十一日，本集團合共僱用155名僱員，其中10名為研發職員、14名為財務及會計職員、29名為行政職員及18名為市場推廣職員、68名為生產職員和16名保安職員。
- 年內，由於液化煤層氣開始進行生產和銷售，故營業額大幅增加。預期該項業務今後將為集團帶來更有力之營業額及收益增長。

董事相信，市場改善後，透過其經過強化後之技術和研發實力，以及一再致力宣傳本公司之專業企業形象加上液化煤層氣業務之生產和銷售，本集團之業務前景非常秀麗。

Management Discussion and Analysis 管理層討論及分析

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

During the year, there has been no change in the capital structure of the Company. The Group mainly utilized internally generated cash flow and proceeds from fund raising activities to satisfy its operational and investing requirements.

Despite the difficult operating environment in the industry, as at 31 December 2010, the Group had net assets of approximately RMB443,817,000, including cash and bank deposit balance of approximately RMB23,567,000. The Group has implemented prudent financial and risk managements. After taking into account the Group's existing financial resources, it is expected that the Group's existing financial resources and cash flow from operating activities will be adequate to satisfy the requirements from its continuing operation, which will be used mainly in future investments in product and technological development.

EMPLOYEES

As at 31 December 2010, the Group had an aggregate of 155 employees, of which 10 were research and development staffs, 14 were finance and account staffs, 29 were administrative staffs and 18 were marketing staff, 68 production staff and 16 were security staff.

During the year, the staff costs (including Directors' remuneration) was approximately RMB21,041,000 (2009: approximately RMB28,735,000).

The salary and bonus policy of the Group is principally determined in accordance with the performance of the individual employee. The Group will, on an ongoing basis, provide opportunity for professional development and training to its employees.

CHARGES ON GROUP ASSETS

As at 31st December 2010, RMB13,000,000 (2009: RMB15,000,000) of the bank borrowings were secured by the Group's property, plant and equipment with a total carrying amount of approximately RMB38,161,000 (2009: 41,259,000) and prepaid lease payments for land under operating leases of approximately RMB8,705,000 (2009: RMB10,295,000).

流動資金、財務資源及股本架構

年內，本集團主要運用內部產生之現金流量及來自集資活動之所得款項以滿足其營運和投資需要。

儘管業內經營環境艱難，於二零一零年十二月三十一日，本集團之資產淨值約為人民幣443,817,000元，包括現金及銀行存款結餘約人民幣23,567,000元。本集團已實行穩健之財務及風險管理。考慮到本集團現有之財務資源，預期本集團現有財務資源及經營活動所得之現金流量將足夠應付其持續營運之需要，而產品和技術開發之投資將會是將來持續營運之重心。

僱員

於二零一零年十二月三十一日，本集團合共僱用155名僱員，其中10名為研發職員、14名為財務及會計職員、29名為行政職員及18名為市場推廣職員、68名為生產職員和16名保安職員。

年內，員工成本(包括董事薪酬)約為人民幣21,041,000元(二零零九年：約人民幣28,735,000元)。

本集團之薪金及花紅政策主要按照個別僱員之表現而釐定。本集團將按持續基準，為其僱員提供參與專業發展和培訓之機會。

集團資產的抵押情況

於二零一零年十二月三十一日，銀行借貸人民幣13,000,000元(二零零九年：人民幣15,000,000元)乃以本集團賬面值約人民幣38,161,000元(二零零九年：人民幣41,259,000元)之物業、機器及設備以及約人民幣8,705,000元(二零零九年：人民幣10,295,000元)之經營租賃項下預付土地租賃款項作抵押。

Management Discussion and Analysis 管理層討論及分析

RISK IN FOREIGN EXCHANGE

The operations of the Group are located in the PRC and the majority of its sales and purchases were denominated in Renminbi. Therefore, there is no foreign exchange risk that may affect the Group's operating results.

CONTINGENT LIABILITIES

Tax exposure in relation to the disposal of Shine Science BVI Group

Pursuant to the Notice on Strengthening Administration of Enterprise Income Tax for Share Transfers by Non-PRC Resident Enterprises (Circular 698) issued by the State Administration of Taxation on 10 December 2009, where a foreign investor transfers its shares in an overseas holding company which holds Chinese resident companies in the PRC, and if the PRC tax authority considers that the foreign investor adopts abusive arrangement in order to avoid PRC tax, it will disregard the existence of the overseas holding company and the gains derived from such transfer may be subject to the PRC withholding tax at a rate of 10%. Accordingly, the directors made a provision on tax liability and tax surcharge in respect of the disposal of Shine Science BVI Group (note 40) of approximately RMB3,492,000 and RMB410,000 respectively in the consolidated financial statements.

Apart from the tax liability and tax surcharge mentioned above, the PRC tax authority may impose a further tax penalty to the Company. As the amount of tax penalty is not ascertainable, it has not been provided for in the consolidated financial statements.

SIGNIFICANT INVESTMENT

The Group did not have significant investment as at 31 December 2010.

外匯風險

本集團之營運位於中國，而其大部分銷售額及採購額以人民幣列值。因此，並無可影響本集團經營業績之外匯風險。

或然負債

有關出售Shine Science BVI集團之稅項承擔

根據國家稅務總局於二零零九年十二月十日頒佈的《關於加強非居民企業股權轉讓所得企業所得稅管理的通知》(國稅函(2009)698號)，倘海外投資轉讓其於一間在中國持有中國居民權的公司的境外控股公司之股份，且中國稅務機關認為該海外投資者採用濫用安排以規避繳納中國稅項，中國稅務機關將會否定境外控股公司的存在，因此，源自有關轉讓的收入可能須按10%的稅率繳納中國源泉稅。故此，董事已就出售Shine Science BVI集團(附註40)，於綜合財務報表內分別就稅項負債及滯納金計提約人民幣3,492,000元及人民幣410,000元之撥備。

除上文所述之稅項負債及附加稅外，中國稅務機關或會對本公司徵收進一步的稅項罰款。由於稅項罰款的金額現時無法確定，故並無於綜合財務報表內就其作出撥備。

重大投資

於二零一零年十二月三十一日，本集團並無重大投資。

Management Discussion and Analysis 管理層討論及分析

MATERIAL ACQUISITION AND DISPOSAL

Very Substantial Disposal — Disposal of Equity Interests in Subsidiaries

On 9 February 2010, the Company, as vendor, entered into the sale and purchase agreement (the “Sale and Purchase Agreement”) with the purchasers pursuant to which the Company has conditionally agreed to sell 100% of the issued share capital of Shine Science & Technology (BVI) Company Limited (“Shine Science BVI”) (the “Disposal”), for an aggregate consideration of RMB60,000,000. Shine Science BVI beneficially holds 100% equity interest in Fujian Shine Science & Technology Co., Limited (福建新意科技有限公司), Fuzhou Xinwangluo Network Company Limited (福州新意新網絡有限公司) and Shanghai Shine Science & Technology Co., Limited (上海新意新網絡有限公司), which altogether form the Shine Science Group. On 21 April 2010, the Company entered into a supplemental agreement with the purchasers (the “Supplemental Agreement”) pursuant to which the Company, at the Completion and subject to the terms and conditions of the Sale and Purchase Agreement, agreed to waive a sum of approximately RMB15,491,000 due by the Shine Science Group to the Company as at 31 December 2009, and neither party shall have any claims against the other in respect thereof. The Disposal constituted a very substantial disposal on the part of the Company. The Disposal obtained the approval of the Company’s shareholders at the extraordinary general meeting held on 10 May 2010. For details, please refer to the announcements of the Company dated 11 February 2010 and 21 April 2010, and the circular of the Company dated 23 April 2010.

Major Transaction Involving Issue of Convertible Bonds

On 11 May 2010, the Group has executed an acquisition agreement in respect of the acquisition of Million Ideas Investment Limited (萬志投資有限公司) in Shanxi (the “Shanxi Acquisition Agreement”) for a consideration of RMB178,000,000 of which RMB165,000,000 was settled by the zero coupon convertible bond in a principal amount of HK\$187,500,000 issued by the Company to the Vendor or its nominee(s) (the “Convertible Bonds”). Consent of the shareholders for this acquisition has been obtained in the extraordinary general meeting held on 12 July 2010. The acquisition was completed on 16 July 2010. For details, please refer to the announcement of the Company dated 13 May 2010 and the circular of the Company dated 23 June 2010.

重大收購及出售

非常重大出售事項 — 出售附屬公司之股本權益

於二零一零年二月九日，本公司(作為賣方)與買方訂立買賣協議(「買賣協議」)，據此，本公司已有條件地同意出售Shine Science & Technology (BVI) Company Limited(「Shine Science BVI」)之100%已發行股本(「出售事項」)，總代價為人民幣60,000,000元。Shine Science BVI實益持有福建新意科技有限公司、福州新意新網絡有限公司及上海新意新網絡有限公司之100%股本權益，而該等公司一併而言組成Shine Science集團。於二零一零年四月二十一日，本公司與買方訂立補充協議(「補充協議」)，據此，本公司於完成時及在買賣協議之條款和條件所規限下，同意放棄Shine Science集團於二零零九年十二月三十一日結欠本公司之款項約人民幣15,491,000元，且雙方概不能就此向對方提出任何申索。出售事項構成本公司的非常重大出售事項。出售事項於二零一零年五月十日舉行的股東特別大會獲本公司股東的批准。有關詳情，請參閱本公司日期為二零一零年二月十一日及二零一零年四月二十一日之公佈，及日期為二零一零年四月二十三日之本公司通函。

涉及發行可換股債券之主要交易

於二零一零年五月十一月，本集團已簽訂一項收購協議，內容有關收購山西之萬志投資有限公司(「山西收購協議」)，代價為人民幣178,000,000元，其中人民幣165,000,000元已透過本公司向賣方或其代名人發行本金額187,500,000港元之零息可換股債券支付(「可換股債券」)。於二零一零年七月十二日舉行之特別股東大會上，已獲得股東同意此項收購。此項收購於二零一零年七月十六日完成。有關詳情，請參閱本公司日期為二零一零年五月十三日之公佈及本公司日期為二零一零年六月二十三日之通函。

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Up to the date as at 31 December 2010, the Company allotted and issued 622,500,000 new shares upon exercising the conversion rights attached to the Convertible Bonds of HK\$124,500,000 pursuant to the Acquisition Shanxi Agreement at the price of HK\$0.20 per share. Save as disclosed herein, the Group did not have any material acquisition or disposal during the year. Save as disclosed herein, the Group did not have any material disposal during the year.

FUTURE PLANS RELATING TO MATERIAL INVESTMENT OR CAPITAL ASSET

As at 31 December 2010, the Group has not executed any agreement in respect of proposed acquisition during the year.

LIQUEFIED COALBED GAS BUSINESS

The Group's two coalbed gas-liquefying plants are developed for liquefied coalbed gas business in the PRC. One of the coalbed gas liquefying plant is in production and sales incurred. It is expected that it will bring a long term source of revenue for the Group.

As the growth of the PRC's economy, the domestic demand for fuel and resources has been expanding. Therefore, it is expected that the liquefied coalbed gas business will have promising prospect. It is anticipated that the liquefied coalbed gas industry will provide the Group with a stable and new revenue source and will further enhance the Company's value, as well as its shareholders' return. In addition, diversifying into a new business will broaden the Group's revenue sources and diversify the Group's overall business risks.

PROSPECT

With the increasing demand for fuel and resources in the PRC, it is expected that the new liquefied coalbed gas business will become one of the driving forces in the Group's profit growth in the future.

截至二零一零年十二月三十一日，本公司根據山西收購協議，在124,500,000港元的可換股債券附帶之換股權獲行使後配發及發行622,500,000股新股份，作價每股0.20港元。除上文所披露者外，本集團於年內並無任何重大收購或出售事項。

有關重大投資或資本資產之未來計劃

於二零一零年十二月三十一日，本集團年內並無簽立任何關於建議收購之協議。

液化煤層氣業務

本集團為中國之液化煤層氣業務而興建兩座煤層氣液化廠房。其中一座煤層氣液化廠房正處於生產階段並產生銷售額。預期其將為本集團帶來長遠收益來源。

隨著中國經濟增長，國內對燃料及資源之需求持續增加。因此，預期液化煤層氣業務將擁有秀麗之前景。預料液化煤層氣行業將為本集團提供穩定和全新之收益來源，並且將進一步提升本公司價值和股東回報。此外，分散投資於新業務將擴大本集團之收益來源及分散本集團之整體業務風險。

前景

隨著中國對燃料及資源之需求與日俱增，預期今後新的液化煤層氣業務勢將成為本集團溢利增長之推動力之一。

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CORPORATE GOVERNANCE PRACTICES

(a) Application of Corporate Governance Principles

The Group is committed to promoting good corporate governance, with the objectives of (i) the maintenance of responsible decision making, (ii) the improvement in transparency and disclosure of information to shareholders, (iii) the continuance of respect for the rights of shareholders and the recognition of the legitimate interests of shareholders, and (iv) the improvement in management of risk and the enhancement of performance by the Group. The Group has applied the principles set out in the Code on Corporate Governance Practices (“HKSE Code”) contained in Appendix 15 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (“GEM Listing Rules”) with these objectives in mind.

(b) Promulgation of Company’s Corporate Governance Code

To this end, the Group has promulgated a set of Code on Corporate Governance (“Company Code”) which sets out the corporate standards and practices used by the Group to direct and manage its business affairs. It is prepared by referencing to the principles, code provisions and recommended best practices set out in the HKSE Code, which came into effect on 1 January 2005. In addition to formalizing existing corporate governance principles and practices, the Company Code also serves the purpose of assimilating existing practices with benchmarks prescribed by the HKSE Code and ultimately ensuring high transparency and accountability to the Group’s shareholders.

企業管治常規

(a) 依照企業管治原則

集團致力提高企業管治水平，宗旨在於(i)維持負責任的決策、(ii)改善對股東的透明度及向股東披露的資料、(iii)貫徹一向對股東權益的尊重及股東的合法權益的認同，及(iv)改善危機管理，提升集團表現。在此等宗旨下，集團已依照香港聯合交易所有限公司創業板證券上市規則（「創業板上市規則」）附錄十五所載《企業管治常規守則》（「聯交所守則」）中的原則建立集團的管治守則。

(b) 頒佈本公司的企業管治守則

集團為此頒佈一套企業管治守則（「公司守則」），載列集團在指導及管理其商業事務時所採用的企業準則及常規。公司守則在編製時已參考由二零零五年一月一日起生效的聯交所守則內所載的原則、守則條文及建議最佳常規。除訂定現有企業管治原則及常規外，公司守則亦將現有常規及聯交所守則所規定的基準兼收並蓄，最終確保高透明度及向集團股東負責。

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(c) Compliance of Company and HKSE's Code's Provisions

The Group has complied with all provisions in the Company Code and the HKSE Code with the deviations mentioned below.

On 12 August 2005, the Company set up the following board committees and adopted the company code, being its own code on corporate governance:—

- (a) Remuneration Committee;
- (b) Nomination Committee.

The Company Code contains all the Code Provisions of the HKSE Code and other provisions.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than those as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of the directors of the Company, all directors have complied with the required standard of dealings and code of conduct regarding securities transactions by directors as set out in the code of conduct for the year 2010.

BOARD COMPOSITION

The Board of Directors ("Board") of the Company is entrusted with the overall responsibility for promoting the success of the Company by the direction and supervision of the Company's business and affairs.

The Board comprises a total of seven Directors, with four Executive Directors, namely, Mr. Wang Zhong Sheng (Chairman); Mr. Shi Liang; Mr. Zhang Qing Lin and Mr. Fu Shou Gang and three Independent Non-executive Directors, namely, Mr. Luo Wei Kun, Mr. Wang Zhi He and Ms. Pang Yuk Fong. Ms. Pang Yuk Fong has appropriate professional qualifications, accounting and financial management expertise as required under the Listing Rules.

(c) 公司及聯交所守則條文的遵行

除下文所述的偏離外，集團已遵守公司守則及聯交所守則的所有條文。

於二零零五年八月十二日，本公司設立下列董事委員會並採納公司守則，即本身之企業管治守則：

- (a) 薪酬委員會；
- (b) 提名委員會。

公司守則包括聯交所守則內之所有守則條文以及其他條文。

董事進行證券交易

本公司已採納一項守則不低於其條款於創業板上市規則第5.48條至5.67條所載條款標準之董事進行證券交易之操守守則。經向本公司董事提出具體徵詢，所有董事於截至二零一零年度內均有遵守該操守守則所列示有關董事進行證券交易之規定買賣準則及操守守則。

董事會組成

公司董事會（「董事會」）就推廣公司業務的整體責任作出領導及監控公司的業務及事務的功能。

董事會由七名董事組成，其中四名屬執行董事，包括王忠勝先生（主席）、施亮先生、張慶林先生及付壽剛先生及另外三名屬獨立非執行董事，包括羅維崑先生、王之和先生及彭玉芳女士。彭玉芳女士持有《上市規則》所要求之專業資格及具備會計及財務管理專業知識。

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Each of the Independent Non-executive Directors has made an annual confirmation of independence pursuant to Rule 5.09 of the Listing Rules. The Company is of the view that all Independent Non-executive Directors meet the independence guidelines set out in Rule 5.09 of the GEM Listing Rules and are independent in accordance with the terms of the guidelines.

APPOINTMENT TERMS OF NON-EXECUTIVE DIRECTORS

Under Code Provision of the HKSE Code non-executive directors should be appointed for specific terms, subject to re-election. Currently, the Non-executive Directors and the Independent Non-executive Directors have no set term of office but are subject to retirement by rotation at annual general meetings of the Company in accordance with the Company's Articles of Association.

Roles of Directors

The Board assumes responsibility for leadership and control of the Company and is collectively responsible for appointing and supervising senior management to ensure that the operations of the Group are conducted in accordance with the objectives of the Group. The principal roles of the Board are:

- to lay down the Group's objectives, strategies, policies and business plan;
- to monitor and control operating and financial performance through the determination of the annual budget; and
- to set appropriate policies to manage risks in pursuit of the Group's strategic objectives.

The Board is directly accountable to the shareholders and is responsible for preparing the accounts.

各獨立非執行董事已按創業板上市規則第5.09條作出年度獨立性確認。公司認為，全部獨立非執行董事均已符合創業板上市規則第5.09條所載的獨立性指引，並根據該指引的條款屬獨立人士。

非執行董事之任期

根據聯交所守則條文之守則條文，非執行董事應有固定任期，並須接受重選。目前，非執行董事及獨立非執行董事並無固定任期，惟須根據本公司之公司組織章程細則於本公司股東週年大會輪值告退。

董事角色

董事會肩負領導及監控本公司的責任，同時集體負責委任及監督高級管理層，以確保本公司之營運符合本集團之目標。董事會的主要角色為：

- 制定本集團的目標、策略、政策及業務計劃；
- 通過釐定每年財政預算，監察及控制營運及財務表現；及
- 制定適當的風險管理政策，以達致集團的策略目標。

董事會直接向股東負責，並負責編製賬目。

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Delegation by the Board

The Board has delegated the day-to-day management responsibility to the management staff under the instruction/supervision of the Board.

The management staff of the Company are principally responsible for:

1. exercising all such other powers and perform all such other acts as may be exercised and performed by the Directors, save and except for those that may specifically be reserved by the Board/or the committees set up by the Board for decision and implementation; or those that may only be exercised by the Board pursuant to the memorandum and articles of association of the Company, the GEM Listing Rules and other applicable Laws and regulations.
2. formulating and implementing policies for business activities, internal controls and administration of the Company;
3. planning and deciding the Company's strategies on its business activities; and
4. keeping proper written records of its decisions taken which may be inspected by any members of the Board or the Board committees upon request.

The Board will review those arrangements on a periodic basis to ensure that they remain appropriate to the needs of the Group.

Chairman and Chief Executive Officer ("CEO")

Under the Code Provision A.2.1 of the HKSE Code, the roles of chairman and CEO should be separate and should not be performed by the same individual. Currently, Mr. Shi Liang is holding the title of CEO. Mr. Wang Zhong Sheng is the Chairman of the Board. The Board meets regularly to consider major matters affecting the business and operations of the Group. The Board considers that this structure will balance the power and authority between the Board and management and believes that this structure enables the Group to make and implement decision promptly and efficiently.

董事會授權

董事會授權行政管理層在董事會的指示／監察下，履行日常管理職責。

本公司之管理人員主要負責：

1. 行使董事可行使的其他所有權力及進行董事可進行的其他所有行動(指定由董事會／董事會成立的委員會負責決定及執行的事務，或根據本公司之組織大綱及組織章程、創業板上市規則及其他適用法律及法規之規定，僅可由董事會負責處理的事務則除外)。
2. 制定並執行有關本公司業務活動、內部監控及行政的政策；
3. 計劃及決定本公司業務策略；及
4. 保留各項決定的書面紀錄，以便董事會或各董事委員會的任何成員查閱。

董事會定期作出檢討以確保上述安排一直符合本集團所需。

主席及行政總裁

根據聯交所守則條文第A.2.1條，主席與行政總裁應予區分，不應由同一人士兼任。現時，本公司行政總裁為施亮先生。王忠勝先生為董事會主席。董事會定期開會討論影響本集團業務及運作的主要事項。董事會認為現時該結構不會損害董事會與管理層的權力與職權的平衡，並相信該結構能使本集團迅速有效地作出與執行決定。

Corporate Governance Report

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BOARD OPERATION

Regular Board meetings are held normally every three months, with additional meeting arranged, if and when required. In 2010, the Board held 13 meetings. The attendance record of each member of the Board is set out below:

董事會運作

董事會一般會每三個月會面一次，並在有需要時另外安排會面。董事會於二零一零年曾舉行十三次會議。各董事會成員的出席紀錄如下：

Attendance 出席率

Executive Directors

執行董事

| | |
|---|-------|
| Mr. Wang Zhong Sheng (<i>Chairman</i>) 王忠勝先生 (主席) | 13/13 |
| Mr. Shi Liang 施亮先生 | 11/13 |
| Mr. Zhang Qing Lin (<i>appointed on 17 May 2010</i>) 張慶林先生 (於二零一零年五月十七日獲委任) | 10/13 |
| Mr. Fu Shou Gang (<i>appointed on 29 December 2010</i>) 付壽剛先生 (於二零一零年十二月二十九日獲委任) | 1/13 |

Non-executive Director:

非執行董事

| | |
|---|-------|
| Mr. Kwok Shum Tim (<i>resigned on 18 December 2010</i>) 郭純恬先生 (於二零一零年十二月十八日辭任) | 10/13 |
| Mr. Ye Jinxing (<i>resigned on 29 December 2010</i>) 葉金興先生 (於二零一零年十二月二十九日辭任) | 2/13 |

Independent Non-executive Directors:

獨立非執行董事

| | |
|--|-------|
| Mr. Luo Wei Kun 羅維崑先生 | 10/13 |
| Mr. Yan Chang Ming (<i>resigned on 6 August 2010</i>) 閻長明先生 (於二零一零年八月六日辭任) | 7/13 |
| Ms. Pang Yuk Fong 彭玉芳女士 | 9/13 |
| Mr. Wang Zhi He (<i>appointed on 29 September 2010</i>) 王之和先生 (於二零一零年九月二十九日獲委任) | 5/13 |

Directors are free to contribute alternative views at meetings and major decisions would only be taken after deliberation at Board meetings. Directors who are considered having conflict of interests or material interests in the proposed transactions or issues to be discussed would not be counted in the quorum of meeting and would abstain from voting on the relevant resolution.

董事於會上可自由發表不同的意見，重要決定只會在董事會會議上進行討論後始作出。如董事在建議的交易或即將討論的事宜上被視為存在利益衝突或擁有重大權益，有關董事將不計入會議法定人數，並須就有關決議案放棄表決權。

Corporate Governance Report 企業管治報告

All Directors have access to the Company Secretary who is responsible for ensuring that the Board procedures are complied with, and advising the Board on compliance matters.

Directors' Duties

Every Director is kept abreast of his responsibilities as a director of the Company and of the conduct, business activities and development of the Company:

- A comprehensive director's handbook is issued to every Director, which sets out guidelines on conduct by making reference to the relevant sections of the statutes or the GEM Listing Rules, and reminds Directors of their responsibilities in making disclosure of their interests and potential conflict of interests.
- Orientation programmes are organised for providing induction to new Directors to help them familiarise with the Company's management, business and governance practices.
- Management provides appropriate and sufficient information to Directors and the committee members in a timely manner to keep them apprised of the latest development of the Group and enable them to discharge their responsibilities. Directors also have independent and unrestricted access to senior executives of the Company.

CONDUCT ON SHARE DEALINGS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings as referred to in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company, having made specific enquiries to its directors and supervisors, confirms that, throughout the financial year ended 31 December 2010, all directors and supervisors met the criteria laid down in the said code for securities transactions by directors.

全體董事均可接觸公司秘書；公司秘書負責確保董事會程序得以遵守，並就守規事宜向董事會提供意見。

董事職責

每名董事須不時瞭解其作為本公司董事的職責，以及本公司的經營方式、業務活動及發展：

- 每名董事均獲發給資料完備的《董事手冊》。《董事手冊》透過引述法例規定或《創業板上市規則》的有關章節提供操守指引，及提醒董事必須履行的責任，包括披露權益及潛在的利益衝突。
- 為新任董事舉辦介紹公司的活動，提供就任須知協助董事熟悉本公司的管理、業務及管治常規。
- 管理層向董事及委員會成員適時提供恰當及充足資料，讓他們知悉集團的最新發展，以便他們履行職責。董事可亦有獨立及不受限制的途徑接觸本公司高級行政人員。

證券交易守則

本公司已就董事進行的證券交易，採納一套不低於《創業板上市規則》第5.48至5.67條所訂交易標準的守則。本公司已向其董事及監事作出特定查詢，所有董事及監事確認已於截至二零一零年十二月三十一日止財政年度內遵守上述有關董事進行證券交易的守則的標準。

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REMUNERATION OF DIRECTORS

As mentioned above, a remuneration committee was established on 12 August 2005 for, inter alia, the following purposes:—

- (a) to make recommendations to the Board on policies and structure for remuneration of directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration;
- (b) to determine the remuneration packages for executive directors and senior management and to make recommendations to the board on the remuneration of non-executive directors.

The Remuneration Committee is made up of all of the Company's Independent Non-executive Directors, namely, Mr. Luo Wei Kun, Mr. Wang Zhi He (Chairman) and Ms. Pang Yuk Fong. The duty of Remuneration Committee is to review and determine the remuneration policy and packages of the executive directors and executives.

In 2010, the Remuneration Committee held one meeting. The attendance record of each member of the Committee is set out below:

董事酬金

誠如上述，薪酬委員會已於二零零五年八月十二日成立，當中目的包括：

- (a) 就董事及高級管理層的全體薪酬政策及架構，及就設立正規而具透明度的程序制定此等薪酬政策，向董事會提出建議；
- (b) 釐定執行董事及高級管理層的酬金組合，並就非執行董事的酬金向董事會提出建議。

薪酬委員會由本公司全部獨立非執行董事組成，包括羅維崑先生、王之和先生(主席)及彭玉芳女士。薪酬委員會之職責為檢討及釐定執行董事及行政人員之薪酬政策及待遇。

薪酬委員會於二零一零年曾舉行一次會議。各委員會成員的出席紀錄如下：

Attendance 出席率

| | |
|---|-----|
| Mr. Luo Wei Kun 羅維崑先生 | 1/1 |
| Mr. Wang Zhi He (Chairman) 王之和先生(主席) | 1/1 |
| Ms. Pang Kuk Fong 彭玉芳女士 | 1/1 |

During the meeting, members of the Remuneration Committee reviewed the remuneration packages and overall benefits of the Directors by taking into account factors such as remuneration packages and benefits offered by comparable companies, the respective contribution of each of the Directors to the Group and the business objectives of the Group.

會上，薪酬委員會成員已根據若干因素(如同類公司所提供的薪酬待遇及福利、各董事對集團的貢獻及本集團業務目標)檢討董事的薪酬待遇及整體福利。

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The Executive Directors of the Company are responsible for reviewing all relevant remuneration data and market conditions as well as the performance of individuals and the profitability of the Group, and proposing to the Remuneration Committee for consideration and approval, remuneration packages for the executive directors and executives.

本公司執行董事負責檢討所有有關薪酬數據及市況以及個別員工表現與本集團盈利能力，並向薪酬委員會提呈考慮及批准執行董事及行政人員之薪酬待遇。

NOMINATION OF DIRECTORS

As mentioned above, a Nomination Committee was established on 12 August 2005 for, inter alia, the following purposes:—

- (a) to review the structure, size and composition (including the skills, knowledge and experience) of the Board;
- (b) to identify individuals suitably qualified to become Board members and make recommendations to the Board on the selection of individuals nominated for directorship; and
- (c) to make recommendations to the Board on relevant matters relating to the appointment or reappointment of directors and succession planning for directors.

The Nomination Committee is made up of all of the Company's Independent Non-executive Directors, namely Mr. Luo Wei Kun, Mr. Wang Zhi He (Chairman) and Ms. Pang Yuk Fong.

In 2010, the Nomination Committee held one meeting. The attendance record of each member of the Committee is set out below:

提名董事

誠如上述，提名委員會已於二零零五年八月十二日成立，當中目的包括：

- (a) 檢討董事會的架構、規模及組成(包括技能、知識及經驗)；
- (b) 物色具備適合資格成為董事會成員的人士，並向董事會提出委任董事的建議；及
- (c) 就與委任或重新委任董事及董事之接任計劃有關的事宜向董事會提出建議。

提名委員會由本公司全部獨立非執行董事組成，包括羅維崑先生、王之和先生(主席)及彭玉芳女士。

提名委員會於二零一零年曾舉行一次會議。各委員會成員的出席紀錄如下：

Attendance 出席率

| | |
|---|-----|
| Mr. Luo Wei Kun 羅維崑先生 | 1/1 |
| Mr. Wang Zhi He (Chairman) 王之和先生(主席) | 1/1 |
| Ms. Pang Kuk Fong 彭玉芳女士 | 1/1 |

Corporate Governance Report 企業管治報告

At the meeting, the Nomination Committee reviewed the structure, size and composition of the Company's Board of Directors, made reference to criteria including, inter alia, reputation for integrity, accomplishment and experience in the relevant industry, professional and educational background, and commitment in respect of available time and relevant interest. The Nomination Committee was satisfied with the existing composition of the Company's Board of Directors and recommended no change in the near term.

AUDIT COMMITTEE

The Company's Audit Committee was established on 28 July 2003 and is currently composed of all three Independent Non-executive Directors of the Company, namely, Mr. Luo Wei Kun, Mr. Wang Zhi He and Ms. Pang Yuk Fong (Chairman). The primary duties of the Audit Committee are (a) to review the Group's annual reports, financial statements, interim reports and quarterly reports; (b) To serve as a focal point for communication between Directors, the external auditors and internal auditors; (c) To assist the Board in fulfilling its responsibilities by providing an independent review and supervision of financial reporting, and the effectiveness of the Group's internal control system; and (d) To review the appointment of external auditors on an annual basis as well as to ensure independence of the continuing auditor.

In 2010, the Audit Committee held four meetings. The attendance record of each member of the Committee is set out below:

會上，提名委員會檢討了本公司董事會的架構、規模及組成，製訂參考準則包括有關人士的誠信、其在相關行業的成就及經驗、其專業及教育背景以及其投入的程度，包括能夠付出的時間及對相關範疇的關注等。提名委員會滿意本公司董事會的現有組合，建議於短期內毋須變動。

審核委員會

本公司的審核委員會於二零零三年七月二十八日成立，現任成員包括本公司全部三名獨立非執行董事羅維崑先生、王之和先生及彭玉芳女士(主席)。審核委員會之主要職責是(a)審閱本集團的年報、財務報表、中期報告及季度報告；(b)作為董事、外聘核數師及內部核數師之間的一個溝通渠道；(c)透過對財務報告、集團內部監控程序的有效性提供獨立檢討及監督，協助董事會履行職責；及(d)每年檢討外聘核數師之委任以及確保續任核數師之獨立性。

審核委員會於二零一零年曾舉行四次會議。各委員會成員的出席紀錄如下：

Attendance 出席率

| | |
|--|-----|
| Mr. Luo Wei Kun 羅維崑先生 | 4/4 |
| Mr. Yan Chang Ming (<i>resigned on 6 August 2010</i>) 閻長明先生 (於二零一零年八月六日辭任) | 1/4 |
| Ms. Pang Kuk Fong (<i>Chairman</i>) 彭玉芳女士(主席) | 4/4 |
| Mr. Wang Zhi He (<i>appointed on 29 September 2010</i>) 王之和先生 (於二零一零年九月二十九日獲委任) | 2/4 |

Corporate Governance Report 企業管治報告

At the meetings, the Audit Committee has carefully reviewed the Company's quarterly, half-yearly and annual results and its system of internal control and has made suggestions to improve them. The Committee also carried out and discharged its other duties set out in HKSE Code. In the course of doing so, the Committee has met the company's management and qualified accountant several times during 2010. Each member of the Audit Committee has unrestricted access to the Group's external auditors and the Management.

During the financial year 2010, the audit committee has held four meetings. The Group's results for the year 2010 have been reviewed and commented by the audit committee members.

ACCOUNTABILITY AND AUDIT

Financial reporting

The Directors are responsible for overseeing the preparation of the annual accounts which give a true and fair view of the Group's state of affairs of the results and cash flow for the year. In preparing the accounts for the year ended 31 December 2010, the Directors have:

- adopted suitable accounting policies and applied them consistently; and
- made judgements and estimates that are prudent and reasonable; and ensured the accounts are prepared on a going concern basis.

The company recognises that high quality corporate reporting is important in reinforcing the trust relationship between the company and the its stakeholders and aims at presenting a balanced, clear and comprehensible assessment of the Company's performance, position and prospects in all corporate communications. The annual, interim and quarterly results of the Company are announced in a timely manner within the required limits after the end of the relevant periods.

會上，審核委員會已詳細審閱本公司的季度報告、中期報告及年報，以及內部監控程序，並已提出改善建議。委員會亦已按聯交所守則進行及履行其他職責。過程中，委員會於二零一零年曾與公司的管理層及合資格會計師舉行多次會議。本公司並無限制各審核委員會成員與本集團外聘核數師及管理層聯絡。

於二零一零年財政年度內，審核委員會曾舉行四次會議，而本集團之二零一零年年度之業績已由審核委員會成員審閱及提供意見。

問責及審核

財務報告

董事負責監督年度賬目之編製，以真實公平地反映出本集團於年內之相關業績及現金流量狀況。於編製截至二零一零年十二月三十一日止年度賬目時，董事已：

- 採用適合之會計政策並貫徹應用；及
- 作出審慎合理之判斷及估計，以及確保賬目乃按持續經營基準編製。

本公司認為高質素的公司報告機制對加強本公司與其權益人之間的信任非常重要，因此所有的企業傳訊均力求以平衡、清晰及全面地評估本公司的表現、狀況及前景。本公司的年度、中期及季度業績分別在有關期間完結後之規定限期內適時發表。

Corporate Governance Report

企業管治報告

Internal Control

The Board, through the Audit Committee, has reviewed the effectiveness of the Company's system of internal control over financial, operational and compliance issues for the year 2010. The Audit Committee concluded that, in general, the Group has set up a sound control environment and installed necessary control mechanisms to monitor and correct noncompliance. The Board, through the review of the Audit Committee, is satisfied that the Group in 2010, fully complied with the code provisions on internal controls as set forth in the Code.

In order to maintain a high quality of Corporate Governance, the Group employed a Qualified Accountant in current year and will still employ a Qualified Accountant in the coming years. The Audit Committee also concluded that the Group has employed sufficient staff for the propose of accounting, financial and internal control.

External Auditors

The Group's external auditors are CCIF CPA Limited. The Audit Committee is mandated to ensure continuing auditors' objectivity and safeguard independence of the auditors, and it has:

- determined the framework for the type and authorisation of non-audit services for which the external auditors may provide. In general, the engagement of the external auditors to perform non-audit services is prohibited except for tax related services; and
- agreed with the Board on the policy relating to the hiring of employees or former employees of the external auditors and monitored the applications of such policy.

During 2010, the fees paid to the Company's external auditors for audit services amounted to RMB693,000.

The Group has not employed any staff who was formerly involved in the Group's statutory audit.

Corporate Communication

The Group recognizes the importance of shareholder feedback and the need for ongoing communication with its stakeholders, including the general public, investors, and the institutional and individual shareholders. The Company published annual, interim and quarterly reports which contained detailed information about the Group. Inquiries by shareholders are directed and dealt with by senior management of the Group.

內部管制

董事會已通過審核委員會於二零一零年內檢討本集團內部管制系統之有效性，其中涵蓋財務、營運與合規等職能。審核委員會認為，整體而言，本集團已建立妥善之管制環境，並已採用必需之管制機制監督及改正不合規問題。通過審核委員會之檢討，董事會滿意本集團於二零一零年內完全遵守守則所刊載之內部管制守則條文。

為了維持一個高質素的企業管治，本集團在本年度有聘用合資格會計師和在未來年度亦會聘用合資格會計師。審核委員會亦認為，本集團亦有聘用足夠的員工，作出會計財務及內部監控之作用。

外聘核數師

本集團之外聘核數師為陳葉馮會計師事務所有限公司。審核委員會有責任確保續任核數師的客觀性及保持核數師的獨立性，委員會已：

- 釐定外聘核數師可提供之非核數服務的類別及授權的框架。一般而言，除稅項有關服務外，委員會一般禁止委任外聘核數師提供非核數服務；及
- 與董事會協定有關聘請外聘核數師現職或前僱員的政策以及如何監察此等政策的應用。

於二零一零年，本公司支付予外聘核數師之核數服務費用為人民幣693,000元。

本集團從未僱用任何曾參與本集團法定核數工作的人士。

企業傳訊

本集團明白到股東的回應以及與權益人(包括公眾、投資者、機構及個人投資者)保持溝通的重要性。本公司發佈包含有關本集團之詳細資訊之年度、中期及季度報告。股東的一切查詢均有高級管理層直接處理。

Biographical Information of Directors and Senior Management 董事及高級管理層履歷資料

DIRECTORS

EXECUTIVE DIRECTORS

Mr. Wang Zhong Sheng (“Mr. Wang”), aged 47, has been appointed as Chairman of the Board, an executive Director and the compliance officer of the Company since May 2006. From 9 January 2004 to 26 May 2006, Mr. Wang was an executive director of Tianjin Tianlian Public Utilities Company Limited (“Tianjin Tianlian”), a company listed on the Growth Enterprise Market of the Stock Exchange (Stock Code: 8290), and was responsible for its business strategies. He graduated from the University of Tianjin with a bachelor degree in engineering in 1984. Mr. Wang is also a director of Tianjin Leason Investment Group Company Limited (天津市聯盛投資集團有限公司). Mr. Wang is a director of Jumbo Lane Investments Limited and is beneficially interested in 92% of the entire issued share capital of Jumbo Lane Investments Limited, a substantial shareholder of the company which holds 332,790,000 Shares, representing approximately 24% of the issued share capital of the Company as at the date of this report. Accordingly, Mr. Wang is deemed to be interested in these 332,790,000 Shares under the SFO.

Mr. Shi Liang (“Mr. Shi”), aged 42, has been appointed as an executive Director since May 2006. Mr. Shi graduated with a bachelor degree in Material Science in the Shanghai University of Science and Technology of the PRC and a master degree in management from the Business School of the People’s University in the PRC. He was a vice general manager of Tianjin Tianlian. He had worked for Jiangsu Nan Tong Electric Melter Company and Electronic Industrial Division Basic Products Department. He had also worked for Jiangsu Hua Yong Electronic Group Company as deputy manager of international cooperation department and secretary to the board of directors. He had also held various positions as a project manager, senior manager and an assistant to executive director in the investment banking of United Securities Limited, a securities company in the PRC. Mr. Shi owns approximately 4% interest in Jumbo Lane Investments Limited.

董事

執行董事

王忠勝先生(「王先生」)，47歲，自二零零六年五月起獲委任為董事會主席、執行董事及監察主任。王先生曾於二零零四年一月九日至二零零六年五月二十六日期間為天津天聯公用事業股份有限公司(「天津天聯」，一家於聯交所創業板上市之公司，股份代號：8290)之執行董事，並負責其業務策略。王先生一九八四年於天津大學畢業，持有工程學學士學位。王先生亦為天津市聯盛投資集團有限公司之董事。王先生為寶連投資有限公司之董事，實際擁有寶連投資有限公司全部已發行股本之92%權益。要約人則持有332,790,000股股份，相當於本公司在本報告刊發日期之已發行股本約24%。因此，根據證券及期貨條例，王先生被視為擁有該等332,790,000股股份之權益。

施亮先生(「施先生」)，42歲，自二零零六年五月起獲委任為執行董事。施先生畢業時獲得中國上海科學技術大學材料科學學士學位及中國人民大學商學院管理學碩士學位。彼曾為天津天聯之副總經理。彼曾任職於江蘇南通電容器公司及電子工業部基礎產品公司。彼亦曾於江蘇華容電子集團公司任職國際合作部之副經理及董事會秘書。彼亦曾於一間中國證券公司聯合證券有限責任公司投資銀行部任多個職位，如項目經理、高級經理及助理執行董事。施先生擁有寶連投資有限公司約4%權益。

Biographical Information of Directors and Senior Management 董事及高級管理層履歷資料

Mr. Zhang Qing Lin (“Mr. Zhang”), aged 60, joined the Company in the year of 2007. He graduated from the Tianjin Industrial University* (天津工業大學), (formerly known as The Institute of Tianjin Textile Industry* (天津紡織工業學院)) in 1980. Prior to joining the Group, Mr. Zhang has extensive working experience in corporate management. Mr. Zhang owns approximately 0.3% interest in Jumbo Lane Investments Limited.

張慶林先生(「張先生」)，60歲，於二零零七年加入本公司。彼於一九八零年在天津工業大學(前稱天津紡織工業學院)畢業。於加入本集團前，張先生於企業管理擁有豐富工作經驗。張先生擁有寶連投資有限公司約0.3%權益。

Mr. Fu Shou Gang, aged 44, has years of experiences in the natural gas sector. Prior to joining the Group, he worked in Tianjin Tianlian Public Utilities Company Limited, where was pointed as an executive Director. Mr. Fu owns approximately 0.3% interest in Jumbo Lane Investments Limited.

付壽剛先生，44歲，有多年天燃氣工作經驗，於加入本集團前，在天津天聯公用事業股份有限公司工作，其間任職至公司執行董事。附先生擁有寶連投資有限公司約0.3%權益。

NON-EXECUTIVE DIRECTORS

Mr. Ye Jinxing, aged 43, was appointed as a director of the Company in July 2002 and was redesignated as a non-executive Director on 16 May 2006. He is a senior economist. He joined the Group in October 2000 and has been in charge of the Group’s overall financial management, strategic capital planning and treasury functions of the Group. Mr. Ye previously held various managerial positions at the Quanzhou City Branch of Industrial and Commercial Bank of China in Fujian Province from 1990 to 1994 and Minfa Securities Company Limited from 1994 to 1999. Mr. Ye has over 15 years of experience and in-depth knowledge in domestic banking, capital and money markets. Mr. Ye was awarded a bachelor’s degree in economics from the Jiangxi College of Finance and Economics in 1990. Mr. Ye resigned from the office of non-executive Director on 29 December 2010.

非執行董事

葉金興先生，43歲，於二零零二年七月獲委任為本公司董事，並於二零零六年五月十六日獲重新委任為非執行董事。彼為高級經濟師。葉先生自二零零零年十月加入本集團以來一直負責本集團整體財務管理、策略性資本規劃及司庫職能。葉先生曾分別於一九九零年至一九九四年期間及一九九四年至一九九九年期間在中國工商銀行福建省泉州市分行及福建省閩發證券有限責任公司出任多個管理職位。葉先生對國內銀行、資本及貨幣市場有逾15年之經驗及深厚知識。葉先生於一九九零年獲江西財經學院頒授經濟學學士學位。葉先生於二零一零年十二月二十九日辭任非執行董事的職務。

Mr. Kwok Shun Tim (“Mr. Kwok”), aged 36, was appointed as a non-executive Director in May 2006. Mr. Kwok is currently the company secretary and chief financial officer of Tianjin Tianlian. Mr. Kwok graduated from the Hong Kong University of Science and Technology and also obtained a master degree in China Business Studies from the Hong Kong Polytechnic University. Mr. Kwok has experience in the field of audit, corporate finance and financial management, Mr. Kwok is a director of Jumbo Lane Investments Limited and owns approximately 4% interest in Jumbo Lane Investments Limited. Mr. Kwok resigned from the office of non-executive Director on 18 December 2010.

郭純恬先生(「郭先生」)，36歲，於二零零六年五月起獲委任為非執行董事。郭先生現時為天津天聯之公司秘書及首席財務執行官。郭先生畢業於香港科技大學，並獲得香港理工大學中國商貿管理碩士學位。郭先生擁有多年審計、企業融資及財務管理經驗。郭先生為寶連投資有限公司之董事，持有寶連投資有限公司約4%權益。郭先生已於二零一零年十二月十八日辭任非執行董事的職務。

Biographical Information of Directors and Senior Management 董事及高級管理層履歷資料

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Luo Wei Kun, aged 72, has been a director of the Company since August 2006. He graduated from the Tsinghua University with a bachelor's degree in civil engineering in 1964 and started postgraduate studies in the same year. He was awarded a postgraduate diploma in civil engineering in 1967. He acted as a technician in Wuhan Branch of the Chinese Medicine Industrial Limited during 1968 to 1969 and as a technician, deputy section chief, section chief, engineer and vice chief engineer in the State Ministry of Medicine - Hubei Medical Manufactory Branch during 1969 to 1985. He then worked as a senior engineer, section chief and assistant factory manager in Tianjin Second Coal Gas Factory during 1986 to 1992. From 1992 to 2000, he acted as a vice chief engineer in Tianjin Utility Department and at the same time, worked as a chief engineer in Tianjin City Gas Administrative Office. After his retirement in March 2000, Mr. Luo acted as a consultant of Tianjin City Gas Administrative Office and Tianjin City Gas Planning Office. Currently, he is an independent non-executive director of Tianjin Tianlian.

Ms. Pang Yuk Fong, aged 45, has been a director of the Company since August 2006. She is an experienced practicing certified public accountant in Hong Kong with over 22 years' professional experience in the accounting and auditing. She is a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants, an associate member of the Hong Kong Institute of Company Secretaries and the Institute of Chartered Secretaries and Administrators. Ms. Pang holds a master of professional accounting degree from the Hong Kong Polytechnic University. Ms. Pang's professional career started in Deloitte Touche Tohmatsu. She has been the principal partner in Y. F. Pang & Co., Certified Public Accountants since 1990's and the managing director of AMC First Plan International Limited which is engaged in business advisory services in the Asia Pacific region. Ms. Pang was appointed by the Cuilong Copper International Holding Limited in 2006 as its independent non-executive director.

獨立非執行董事

羅維崑先生，72歲，自二零零六年八月起為本公司董事。羅先生一九六四年畢業於清華大學土木工程系，同年繼續攻讀研究生，於一九六七年獲土木工程研究生畢業文憑。其後於一九六八年至一九六九年擔任中國醫藥工業公司武漢分公司技術員，一九六九年至一九八五年先後擔任國家醫藥總局湖北製藥製劑分廠的技術員、副科長、科長、工程師和副總工程師。一九八六年至一九九二年任職天津市第二煤氣廠，期間曾任高級工程師、科長和副廠長，一九九二年至二零零零年擔任天津市公用局副總工程師，兼任天津市燃氣管理處總工程師。羅先生於二零零零年三月退休後，還曾任天津市燃氣管理處和天津市燃氣規劃辦公室顧問。羅先生目前擔任天津天聯獨立非執行董事。

彭玉芳女士，今年45歲，自二零零六年八月起為本公司董事。彭女士是一名擁有豐富經驗的香港會計師，在會計及核數方面擁有22年的豐富經驗。彭女士是特許公認會計師公會及香港會計師公會資深會員、香港公司秘書公會及英國特許秘書暨行政管理人員學會的會員，持有香港理工大學專業會計碩士學位。彭女士於德勤會計師事務所開始她的專業生涯。自90年代開始，彭女士是香港彭玉芳會計師事務所的首席合夥人，她亦在向亞太區客戶提供商業顧問服務的聯亞專業顧問有限公司擔任董事總經理。彭女士於二零零六年獲Cuilong Copper International Holding Limited委任為其獨立非執行董事。

Biographical Information of Directors and Senior Management 董事及高級管理層履歷資料

Mr. Wang Zhi He (“Mr. Wang”), aged 63, is a senior accountant. Mr. Wang graduated from Anhui University of Finance and Economics in February 1972, and was assigned to finance department of Anhui Huaibei Mining Bureau and worked as a commissioner, deputy section chief, section chief, deputy director and director. Mr. Wang was transferred to the Ministry of Coal Industry in May 1995, and worked as a director of Asset Capital Management Division and State-owned Assets Management department. In October 1997, Mr. Wang was re-designated as a chief accountant of China Coal Construction Group Corporation, and worked as a deputy general manager and chief accountant in May 1999. Mr. Wang was transferred to Zhonglian Gas Company Limited and worked as a chief accountant in March 2004. Mr. Wang has years of relevant experience.

Mr. Yan Changming (“Mr. Yan”), aged 47, was appointed as a director of the Company in August 2006. He graduated from the Tsinghua University with a bachelor’s degree in chemical engineering in 1986. He also obtained a master degree in chemical engineering from the Tsinghua University and University of Ottawa in 1989 and 1994, respectively. Since 1994, he has been acting as the President of Canada Cadavisa Investment Consulting Inc. Currently, he is the vice president and secretary general of the Chamber of Commerce of Chinese Western Returned Association and the Canada Branch of Chinese Western Returned Association. He is also the vice secretary general of all Federation of Returned Oversea Chinese. Mr. Yan resigned from the office of independent non-executive Director on 6 August 2010.

SENIOR MANAGEMENT

Mr. Lui Chi Keung, aged 53, has been appointed as the company secretary, qualified accountant and authorized representative of the Company since September 2007. Mr. Lui is a fellow member of the Hong Kong Institute of Certified Public Accountants. He is also a fellow member of the Association of Chartered Certified Accountants. Mr. Lui has over 28 years of experience in auditing, accounting, financial and business management.

王之和先生(「王先生」)，63歲，高級會計師。一九七二年二月畢業於安徽省財經學校，被分配到安徽淮北矽務局財務處工作，先後任成專員、副科長、科長、副處長、處長。於一九九五年五月調到煤炭工業部工作，先後任資產資金管理處國有資產管理處處長。於一九九七年十月調到中煤點設集團公司任總會計師。於一九九九年五月任副總經理兼總會計師。於二零零四年三月調到中聯煤氣有限責任公司任總會計師。累積多年相關工作經驗。

閻長明先生(「閻先生」)，今年47歲，於二零零六年八月被委任為本公司董事。閻先生一九八六年畢業於清華大學化學工程系，其後分別於一九八九年及一九九四年於清華大學及加拿大渥太華大學取得化學工程系碩士學位。從一九九四年起，閻先生擔任加拿大加達國際商務投資諮詢公司的總裁。閻先生現任中國歐美同學會商會副會長兼秘書長、中國歐美同學會加拿大分會副會長兼秘書長及中國僑聯華商會副秘書長。閻先生於二零一零年八月六日辭任獨立非執行董事的職務。

高級管理人員

呂志強先生，53歲，自二零零七年九月起獲委任為本公司之公司秘書、合資格會計師兼授權代表。呂先生為香港會計師公會資深會員，亦為特許公認會計師公會資深會員。呂先生於會計、核數、財務及商業管理方面積逾二十八年經驗。

Directors' Report 董事會報告

The directors of China Leason Investment Group Co., Limited (the "Company") present their annual report and the audited consolidated financial statements of the Company and its subsidiaries (the "Group") for the year ended 31 December 2010.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 23 to the financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2010 are set out in the consolidated income statement on page 49 to 50.

The state of affairs of the Group and the Company as at 31 December 2010 are set out in the statement of financial position on pages 52 to 54 respectively. The cash flows of the Group are set out in the consolidated cash flow statement on pages 56 and 58.

The directors of the Company do not recommend the payment of a dividend.

SHARE CAPITAL AND RESERVES

Details of the movements in share capital of the Company during the year are set out in note 36 to the financial statements.

Movements in the reserves of the Group and the Company during the year are set out in note 36 to the financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group are set out in note 18 to the financial statements.

中國聯盛投資集團有限公司(「本公司」)董事會謹此提呈本公司及其附屬公司(「本集團」)截至二零一零年十二月三十一日止年度之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。其附屬公司之主要業務載於財務報表附註23。

業績及分派

本集團截至二零一零年十二月三十一日止年度之業績載於第49至50頁的綜合損益表。

本集團及本公司於二零一零年十二月三十一日之營運狀況分別載於第52至54頁之財務狀況表。本集團之現金流量載於第56及58頁之綜合現金流量表。

本公司董事不建議派付股息。

股本及儲備

本公司於年內之股本變動詳情載於財務報表附註36。

本集團及本公司於年內之儲備變動載於財務報表附註36。

物業、機器及設備

有關本集團之物業、機器及設備變動詳情載於財務報表附註18。

Directors' Report 董事會報告

DIRECTORS

The directors of the Company who held office during the year were:

Executive Directors

Mr. Wang Zhong Sheng (*Chairman*)
Mr. Shi Liang
Mr. Zhang Qing Lin
(*appointed on 17 May 2010*)
Mr. Fu Shou Gang
(*appointed on 29 December 2010*)

Non-Executive Director

Mr. Kwok Shun Tim
(*resigned on 18 December 2010*)
Mr. Ye Jinxing
(*resigned on 29 December 2010*)

Independent Non-Executive Directors

Mr. Luo Wei Kun
Mr. Yan Chang Ming (*resigned on 6 August 2010*)
Ms. Pang Yuk Fong
Mr. Wang Zhi He
(*appointed on 29 September 2010*)

In accordance with article 87 of the Company's articles of association, Mr. Luo Wei Kun and Ms. Pang Yuk Fong shall retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

Biographical information of the Directors is set out on page 26 to page 29 of this report.

The Company has received from each of the independent non-executive directors an annual confirmation of his independence pursuant to Rule 5.09 of the GEM Listing Rules and the Company considers the independent non-executive Directors remained independent.

董事

本公司於年內之在任董事如下：

執行董事

王忠勝先生 (*主席*)
施亮先生
張慶林先生
(*於二零一零年五月十七日獲委任*)
付壽剛先生
(*於二零一零年十二月二十九日獲委任*)

非執行董事

郭純恬先生
(*於二零一零年十二月十八日辭任*)
葉金興先生
(*於二零一零年十二月二十九日辭任*)

獨立非執行董事

羅維崑先生
閻長明先生 (*於二零一零年八月六日辭任*)
彭玉芳女士
王之和先生
(*於二零一零年九月二十九日獲委任*)

根據本公司之公司章程第87條，羅維崑先生和彭玉芳女士須要在即將舉行的股東週年大會退任，並符合規定及願意膺選連任。

有關該等董事之履歷資料載於本報告第26至29頁。

本公司已接獲各獨立非執行董事根據創業板上市規則第5.09條就其獨立性而作出之年度確認函。本公司認為有關獨立非執行董事仍為獨立人士。

Directors' Report 董事會報告

DIRECTORS' SERVICE CONTRACTS

None of the directors has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

DIRECTORS' AND SENIOR MANAGEMENT'S REMUNERATION

Details of Directors' and senior management's remuneration for the year are set out in note 9 to the financial statements.

The directors' remuneration are subject to shareholders' approval at general meetings. Other emoluments are determined by the Company's board of directors with reference to directors' duties, responsibilities and performance and the results of the Group.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

On 10 September 2010, the Company entered into an acquisition agreement with Mr. Wang Zhong Sheng ("Mr. Wang"), the Chairman, an executive director and a substantial shareholder of the Company (as vendor) pursuant to which the Company conditionally agreed to acquire and Mr. Wang conditionally agreed to sell the entire issued share capital of Wealthy Talent Global Investments Limited owned by Mr. Wang (the "Wealthy Acquisition Agreement"). The target group to be acquired under the Wealthy Acquisition Agreement was anticipated to be principally engaged in the supply of natural gas to its industrial customers through pipelines. The consideration for the proposed acquisition was to be settled partly by the issue of shares of the Company and partly by the issue of convertible bonds of the Company. On 25 October 2010, the Company and Mr. Wang entered into a termination agreement, whereby the Company and Mr. Wang mutually agreed to terminate the Wealthy Acquisition Agreement. The proposed acquisition would constitute, if not terminated, a very substantial acquisition and connected transaction of the Company under the GEM Listing Rules. For details, please refer to the announcement of the Company dated 25 October 2010.

董事服務合約

董事均無與本公司或其任何附屬公司訂立本集團不可於一年內免付補償(法定補償除外)而終止之服務合約。

董事及高級管理層之酬金

董事及高級管理層於年內之酬金詳情載於財務報表附註9。

董事酬金須由股東於股東大會批准。其他酬金由本公司董事會參考董事之職務、責任及表現以及本集團業績後釐定。

董事於重大合約之權益

於二零一零年九月十日，本公司與本公司主席、執行董事及主要股東王忠勝先生(「王先生」)(賣方)訂立一份收購協議，據此，本公司有條件同意收購及王先生有條件同意出售王先生擁有的Wealthy Talent Global Investments Limited的全部已發行股本(「Wealthy收購協議」)。根據Wealthy收購協議將予收購的目標集團預計將主要從事向其工業客戶通過管道供應天然氣的業務。擬定收購之代價將部份以發行本公司股份及部份以發行本公司可換股債券之方式償付。於二零一零年十月二十五日，本公司與王先生訂立一份終止協議，據此本公司與王先生相互同意終止Wealthy收購協議。倘擬定收購未有終止，則根據創業板上市規則，擬定收購將構成本公司之非常重大收購及關連交易。有關詳情請參閱本公司日期為二零一零年十月二十五日之公佈。

Directors' Report 董事會報告

Save as disclosed above, no other contract of significance in relation to the Group's business subsisted at the year-end or any time during the year to which the 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.

COMPETING INTERESTS

None of the directors of the Company or the management shareholders of the Company or any of their respective associates (as defined in the GEM Listing Rules) had an interest in a business which causes or may cause any significant competition with the business of the Group.

SUFFICIENCY OF PUBLIC FLOAT

Based on Information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this report.

除上文所披露外，本公司或其任何附屬公司於年終或年內任何時間概無訂有任何本公司董事於其中佔有重大權益（不論直接或間接）且與本集團業務有關之重大合約。

競爭權益

本公司董事或管理層股東或任何彼等各自之聯繫人士（定義見創業板上市規則）概無對於或可能對本集團業務構成重大競爭之業務中擁有任何權益。

足夠公眾持股量

根據本公司可公開取得的資料，並就董事所知，於本報告日期，本公司已發行股本總額中有最少25%由公眾人士持有。

Directors' Report 董事會報告

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

As at 31 December 2010, the interests of the Director and chief executive of the Company and each of their respective associates (as defined under the GEM Listing Rules), in the Shares, underlying Shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which such Director or chief executive is taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors to be notified to the Company and the Stock Exchange, were as follows:

(1) Long position in ordinary shares of the Company:

董事及主要行政人員於股份、相關股份及債券之權益或淡倉

於二零一零年十二月三十一日，本公司董事或主要行政人員及任何彼等各自之聯繫人士（定義見創業板上市規則）於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債券中，持有(a)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所之權益（包括根據證券及期貨條例該等條文董事或主要行政人員被視為持有之權益或短倉）；或(b)根據證券及期貨條例第352條規定須記錄於本公司根據該條所置存之登記冊之權益；或(c)根據創業板上市規則第5.46至5.67條須知會本公司及聯交所之權益如下：

(1) 於本公司普通股之好倉：

| Name 姓名 | Capacity 身份 | Nature of Interest 權益性質 | Number of shares/ underlying shares 股份／相關股份數目 | Approximate % of shareholdings 持股概約百分比 |
|-------------------------------|--|----------------------------|---|--|
| Mr. Wang Zhong Sheng 王忠勝先生 | Interest of controlled corporation 受控法團權益 | Corporate interest 公司權益 | 332,790,000 (Note) (附註) | 14.75% |
| | Beneficial Owner 實益擁有人 | Personal 個人 | 274,822,118 | 12.18% |

Note: Such shares are owned by Jumbo Lane Investments Limited.

附註：該等股份由寶連投資有限公司擁有。

Mr. Wang Zhong Sheng owns 91.6% interest in the issued share capital of Jumbo Lane Investments Limited and he is taken to be interested in the shares owned by Jumbo Lane Investments Limited pursuant to Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

王忠勝先生擁有寶連投資有限公司已發行股本之91.6%權益，故根據香港法例第571章證券及期貨條例第XV部，王先生被視作於寶連投資有限公司所持之股份中擁有權益。

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(2) Long position in shares of associated corporations of the Company:

(2) 於相聯法團股份之好倉：

| Director 姓名 | Name of associated corporation 相聯法團名稱 | Nature of Interest 權益性質 | Percentage of interests in the registered capital of the associated corporation 佔該相聯法團註冊資本之權益百分比 |
|-------------------------------|--|----------------------------|---|
| Mr. Wang Zhong Sheng 王忠勝先生 | Jumbo Lane Investments Limited (Note) 寶連投資有限公司(附註) | Personal 個人 | 91.6% |
| Mr. Zhang Qing Lin 張慶林先生 | Jumbo Lane Investments Limited 寶連投資有限公司 | Personal 個人 | 0.3% |
| Mr. Shi Liang 施亮先生 | Jumbo Lane Investments Limited 寶連投資有限公司 | Personal 個人 | 3.9% |
| Mr. Fu Shou Gang 付壽剛先生 | Jumbo Lane Investments Limited 寶連投資有限公司 | Personal 個人 | 0.3% |

Note: Jumbo Lane Investments Limited is a holding Company of the Group, owns 14.7% of the shareholding of the Group. Mr. Wang Zhong Sheng owns 91.6% interest in the issued share capital of Jumbo Lane Investments Limited. Mr. Shi Liang, Mr. Zhang Qing Lin and Mr. Fu Shou Gang each own hold 3.9%, 0.3% and 0.3% in the issued share capital of Jumbo Lane Investments Limited respectively.

附註：寶連投資有限公司為本集團之控股公司，擁有本集團14.7%股權。王忠勝先生擁有寶連投資有限公司已發行股本之91.6%權益，施亮先生、張慶林先生及付壽剛先生各擁有寶連投資有限公司已發行股本之3.9%、0.3%及0.3%權益。

Save as disclosed above, so far as the Directors are aware, as at the 31 December 2010, none of the Directors and the chief executive of the Company and each of their respective associates (as defined under the GEM Listing Rules) had any interest or short position in the Shares, underlying Shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the Director or chief executive is taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to Rules 5.48 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

除上文披露者外，於二零一零年十二月三十一日，本公司董事及主要行政人員及任何彼等各自之聯繫人士(定義見創業板上市規則)概無於本公司及其任何相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份及債券持中有任何(a)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所之權益或淡倉(包括根據證券及期貨條例該等條文董事或主要行政人員被視為持有之權益或淡倉);或(b)根據證券及期貨條例第352條規定須記錄於本公司根據該條所置存之登記冊之權益或淡倉;或(c)根據創業板上市規則第5.48至5.67條須知會本公司及聯交所之權益或淡倉。

Directors' Report

董事會報告

(3) SUBSTANTIAL SHAREHOLDERS

As at the 31 December 2010, so far as is known to the Directors and the chief executive of the Company, the following persons, other than a Director or chief executive of the Company, had an interest or a short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or was directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group, or held any option in respect of such capital:

Long positions in shares

| Name 姓名 | Number of Ordinary Shares 普通股股份數目 | Nature of Interest 權益性質 | Percentage of shareholding 股權概約百分比 |
|---|---|-----------------------------|--|
| Jumbo Lane Investments Limited (Note 1) 寶連投資有限公司(附註1) | 332,790,000 | Beneficial owner 實益擁有人 | 14.75% |
| Ms. Zhao Xin (Note 2) 趙馨女士(附註2) | 607,612,118 | Interest of spouse 配偶之權益 | 26.93% |

Notes:

- The interest was also disclosed as an interest of Mr. Wang Zhong Sheng in the paragraph headed "Directors' interests" and Chief Executive's Interests or short portions in shares, underlying shares and debentures interests above.
- Ms. Zhao Xin (the spouse of Mr. Wang Zhong Sheng) is deemed to be interested in her spouse's interest in the Company which represent the same parcels of Shares respectively held by Jumbo Lane Investments Limited and Mr. Wang Zhong Sheng as beneficial owner pursuant to the SFO.

(3) 主要股東

於二零一零年十二月三十一日，就本公司董事及主要行政人員所知，下列人士(本公司董事或主要行政人員除外)擁有根據證券及期貨條例第XV部第2及3分部須向本公司披露之權益或淡倉，或直接或間接擁有附帶權利可於任何情況下在本集團任何其他成員公司之股東大會上投票之任何類別股本面值10%或以上之權益或淡倉，或持有該等股本之購股權：

股份之好倉

| Name 姓名 | Number of Ordinary Shares 普通股股份數目 | Nature of Interest 權益性質 | Percentage of shareholding 股權概約百分比 |
|---|---|-----------------------------|--|
| Jumbo Lane Investments Limited (Note 1) 寶連投資有限公司(附註1) | 332,790,000 | Beneficial owner 實益擁有人 | 14.75% |
| Ms. Zhao Xin (Note 2) 趙馨女士(附註2) | 607,612,118 | Interest of spouse 配偶之權益 | 26.93% |

附註：

- 此權益於上文「董事權益」及「董事及主要行政人員於股份、相關股份及債券之權益或淡倉」一段中亦披露為王忠勝先生之權益。
- 根據證券及期貨條例，趙馨女士(王忠勝先生之配偶)亦被視為於本公司擁有其配偶權益之權益，即分別由寶連投資有限公司及王忠勝先生以實益擁有人身份持有之同批股份。

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Save as disclosed above, there was no person known to the Directors and the chief executive of the Company, other than the Directors or the chief executive of the Company, who, as at 31 December 2010, had an interest or a short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or held any option in respect of such capital.

DIRECTORS' AND CHIEF EXECUTIVE'S RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year was the Company or any of its subsidiaries a party to any arrangement to enable the directors and chief executive of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, and none of the directors, or their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right.

MAJOR CUSTOMERS AND SUPPLIERS

For the year under review, the top five customers of the Group together accounted for approximately 49.1% of the Group's total sales for the year while the single largest customers accounted for approximately 13.8% of the Group's total sales during the year.

The top five suppliers of the Group for the year under review together accounted for approximately 74.7% of the Group's total purchases for the year and the single largest supplier accounted for approximately 34.8% of the Group's total purchases.

None of the directors, their respective associates or any shareholders of the Company who owns more than 5% of the issued share capital of the Company has any interests in the Group's five largest customers and suppliers above mentioned.

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 31 December 2010.

除上文所披露者外，就本公司董事及主要行政人員所知，於二零一零年十二月三十一日，並無其他人士（本公司董事或主要行政人員除外）擁有根據證券及期貨條例第XV部第2及3分部須向本公司披露之權益或淡倉，或直接或間接擁有附帶權利可於任何情況下在本集團任何其他成員公司之股東大會上投票之任何類別股本面值10%或以上之權益或淡倉，或持有該等股本之購股權。

董事及主要行政人員購買股份或債券之權利

本公司或其任何附屬公司概無於年內任何時間訂有任何安排，致使本公司董事及主要行政人員可透過購買本公司或任何其他法團之股份或債券而受惠，而董事或彼等之配偶或18歲以下子女概無擁有可認購本公司證券之權利，亦無行使有關權利。

主要客戶及供應商

於回顧年內，本集團五大客戶合共佔本集團年內總銷售額約49.1%，而最大單一客戶則佔本集團年內總銷售額約13.8%。

本集團五大供應商於回顧年內合共佔本集團年內總採購額約74.7%，而最大單一供應商則佔本集團總採購額約34.8%。

董事、彼等各自之聯繫人士或任何擁有本公司已發行股本5%以上之本公司股東概無於上述本集團五大客戶及供應商中擁有任何權益。

或然負債

於二零一零年十二月三十一日，本集團並無任何重大或然負債。

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AMOUNT OF CAPITALISED INTEREST

Save as disclosed in this report, no interest has been capitalised by the Group during the year.

RETIREMENT BENEFITS SCHEMES

Particular of the retirement benefits schemes of the Group are set out in note 38 to the financial statements.

CONVERTIBLE SECURITIES, WARRANTS OR SIMILAR RIGHTS

The Company had no outstanding convertible securities, warrants or instruments carrying other similar rights as at 31 December 2010.

PRE-EMPTIVE RIGHTS

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

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

Save as the "Top-Up Placing" and the "Major Transaction Involving Issue of Convertible Bonds" disclosed below, during the year ended 31 December 2010, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed Shares.

已撥充資本之利息金額

除本報告所披露者外，本集團於年內並無將任何利息撥充資本。

退休福利計劃

本集團退休福利計劃詳情載於財務報表附註38。

可換股證券、認股權證或類似權利

於二零一零年十二月三十一日，本公司並無任何尚未行使可換股證券、認股權證或附有其他類似權利之文據。

優先購買權

本公司之公司組織章程細則或開曼群島法例並無訂有有關優先購買權之條文，規定本公司須向現有股東按比例提呈發售新股份。

購買、出售或贖回本公司上市股份

除下文所披露的「先舊後新配售」及「涉及發行可換股債券主要交易」外，於截至二零一零年十二月三十一日止年度，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市股份。

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MATERIAL EVENTS

Very Substantial Disposal — Disposal of Equity Interests in Subsidiaries

On 9 February 2010, the Company, as vendor, entered into the sale and purchase agreement (the “Sale and Purchase Agreement”) with the purchasers pursuant to which the Company has conditionally agreed to sell 100% of the issued share capital of Shine Science & Technology (BVI) Company Limited (“Shine Science BVI”) (the “Disposal”), for an aggregate consideration of RMB60,000,000. Shine Science BVI beneficially holds 100% equity interest in Fujian Shine Science & Technology Co., Limited (福建新意科技有限公司), Fuzhou Xinwangluo Network Company Limited (福州新意新網絡有限公司) and Shanghai Shine Science & Technology Co., Limited (上海新意新網絡有限公司), which altogether form the Shine Science Group. On 21 April 2010, the Company entered into a supplemental agreement with the purchasers (the “Supplemental Agreement”) pursuant to which the Company, at the Completion and subject to the terms and conditions of the Sale and Purchase Agreement, agreed to waive a sum of approximately RMB15,491,000 due by the Shine Science Group to the Company as at 31 December 2009, and neither party shall have any claims against the other in respect thereof. The Disposal constituted a very substantial disposal on the part of the Company. The Disposal obtained the approval of the Company’s shareholders at the extraordinary general meeting held on 10 May 2010. For details, please refer to the announcements of the Company dated 11 February 2010 and 21 April 2010, and the circular of the Company dated 23 April 2010.

Top Up Placing

On 24 February 2010, the Company entered into a placing and subscription agreement (the “Placing and Subscription Agreement”), pursuant to which (i) the placing agent has agreed to place, on behalf of the Jumbo Lane Investments Limited (“Jumbo Lane”) and Mr. Wang Zhang Sheng (“Mr. Wang”) (collectively the “Vendors”) and on a best effort basis, an aggregate of up to 272,360,000 existing ordinary share(s) of HK\$0.01 each in the share capital of the Company (of which 208,670,000 Shares are from Jumbo Lane and 63,690,000 Shares are from Mr. Wang) (the “Placing Share(s)”) at the placing price of HK\$0.152 per Placing Share (the “Placing”); and (ii) the Vendors have respectively and conditionally agreed to subscribe for, and the Company has conditionally agreed to issue and allot, the subscription shares pursuant to the Placing and Subscription Agreement (the “Subscription Share(s)”) at the price of HK\$0.152 per Subscription Share (the “Subscription”).

重大事項

非常重大出售事項 — 出售附屬公司之股本權益

於二零一零年二月九日，本公司(作為賣方)與買方訂立買賣協議(「買賣協議」)，據此，本公司已有條件地同意出售Shine Science & Technology (BVI) Company Limited(「Shine Science BVI」)之100%已發行股本(「出售事項」)，總代價為人民幣60,000,000元。Shine Science BVI實益持有福建新意科技有限公司、福州新意新網絡有限公司及上海新意新網絡有限公司之100%股本權益，而該等公司一併而言組成Shine Science集團。於二零一零年四月二十一日，本公司與買方訂立補充協議(「補充協議」)，據此，本公司於完成時及在買賣協議之條款和條件所規限下，同意放棄Shine Science集團於二零零九年十二月三十一日結欠本公司之款項約人民幣15,491,000元，且雙方概不能就此向對方提出任何申索。出售事項構成本公司的非常重大出售事項。出售事項於二零一零年五月十日舉行的股東特別大會獲本公司股東的批准。有關詳情，請參閱本公司日期為二零一零年二月十一日及二零一零年四月二十一日之公佈，及日期為二零一零年四月二十三日之本公司通函。

先舊後新配售

於二零一零年二月二十四日，本公司訂立配售及認購協議(「配售及認購協議」)，據此，(i)配售代理已同意代表寶連投資有限公司(「寶連」)及王忠勝先生(「王先生」)(統稱「賣方」)及按竭力行事基準，配售本公司股本中合共最多272,360,000股現有每股面值0.01港元的普通股(其中208,670,000股股份來自寶連及63,690,000股來自王先生)(「配售股份」)，配售價為每股配售股份0.152港元(「配售事項」)；及(ii)根據配售及認購協議，賣方已各別及有條件地同意認購及本公司已有條件地同意發行及配發認購股份(「認購股份」)，作價每股認購股份0.152港元(「認購事項」)。

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The Placing and the Subscription were completed on 1 March 2010 and 8 March 2010 respectively in accordance with the terms and conditions of the Placing and Subscription Agreement. An aggregate of 272,360,000 Placing Shares (of which 208,670,000 Shares were from Jumbo Lane and 63,690,000 Shares were from Mr. Wang) were successfully placed by the Vendors to not less than six individual, institutional and/or other professional investors who were third parties independent of the Company and its connected persons (within the meaning of the GEM Listing Rules) of the Company, at the Placing Price of HK\$0.152 per Placing Share and an aggregate of 272,360,000 Subscription Shares were issued and allotted by the Company to the Vendors at the Subscription Price of HK\$0.152 per Subscription Share. The net proceeds raised from the Subscription amounted to approximately HK\$40,709,000 which was intended to be used for the development of the second liquefied coalbed gas in Shanxi Province, the PRC. For details, please refer to the announcements of the Company dated 24 February 2010 and 8 March 2010.

Save as disclosed above, during the year ended 31 December 2010, neither the Company nor any of its subsidiaries purchased, sold or redeemed any to the Company's listed Shares.

Major Transaction Involving Issue of Convertible Bonds

On 11 May 2010, the Group has executed an acquisition agreement in respect of the acquisition of Million Ideas Investment Limited (萬志投資有限公司) in Shanxi (the "Shanxi Acquisition Agreement") for a consideration of RMB178,000,000 of which RMB165,000,000 was settled by the zero coupon convertible bond in a principal amount of HK\$187,500,000 issued by the Company to the Vendor or its nominee(s) (the "Convertible Bonds"). Consent of the shareholders for this acquisition has been obtained in the extraordinary general meeting held on 12 July 2010. The acquisition was completed on 16 July 2010. For details, please refer to the announcement of the Company dated 13 May 2010 and the circular of the Company dated 23 June 2010.

配售及認購已分別於二零一零年三月一日及二零一零年三月八日按照配售及認購協議的條款和條件完成。賣方已成功將合共272,360,000股配售股份(其中208,670,000股股份來自寶連及63,690,000股來自王先生)配售給不少於六名屬獨立於本公司及本公司關連人士(定義見創業板上市規則)第三方之個人、機構及/或其他專業投資者, 配售價為每股配售股份0.152港元及本公司已向賣方發行及配發合共272,360,000股認購股份, 認購價為每股認購股份0.152港元。從認購事項所籌集的所得款項淨額約為40,709,000港元, 擬用作於中國山西省興建第二座液化煤層氣廠房。有關詳情, 請參閱本公司日期為二零一零年二月二十四日及二零一零年三月八日之公佈。

除上文所披露者外, 於截至二零一零年十二月三十一日止年度, 本公司或其任何附屬公司概無購買、出售或購回本公司任何上市股份

涉及發行可換股債券之主要交易

於二零一零年五月十一月, 本集團已簽訂一項收購協議, 內容有關收購山西之萬志投資有限公司(「山西收購協議」), 代價為人民幣178,000,000元, 其中人民幣165,000,000元已透過本公司向賣方或其代名人發行本金額187,500,000港元之零息可換股債券支付(「可換股債券」)。於二零一零年七月十二日舉行之特別股東大會上, 已獲得股東同意此項收購。此項收購於二零一零年七月十六日完成。有關詳情, 請參閱本公司日期為二零一零年五月十三日之公佈及本公司日期為二零一零年六月二十三日之通函。

Directors' Report 董事會報告

Up to the date as at 31 December 2010, the Company allotted and issued 622,500,000 new shares upon exercising the conversion rights attached to the Convertible Bonds of HK\$124,500,000 pursuant to the Acquisition Shanxi Agreement at the price of HK\$0.20 per share.

Termination of Proposed Very Substantial Acquisition and connected transaction

On 10 September 2010, the Company entered into an acquisition agreement with Mr. Wang Zhong Sheng ("Wang"), the Chairman, an executive director and a substantial shareholder of the Company (as vendor) pursuant to which the Company conditionally agreed to acquire and Mr. Wang conditionally agreed to sell the entire issued share capital of Wealthy Talent Global Investments Limited owned by Mr. Wang (the "Wealthy Acquisition Agreement"). The target group to be acquired under the Wealthy Acquisition Agreement was anticipated to be principally engaged in the supply of natural gas to its industrial customers through pipelines. The consideration for the proposed acquisition was to be settled partly by the issue of shares of the Company and partly by the issue of convertible bonds of the Company. On 25 October 2010, the Company and Mr. Wang entered into a termination agreement, whereby the Company and Mr. Wang mutually agreed to terminate the Wealthy Acquisition Agreement. The proposed acquisition would constitute, if not terminated, a very substantial acquisition and connected transaction of the Company under the GEM Listing Rules. For details, please refer to the announcement of the Company dated 25 October 2010.

To the best of Directors' knowledge, information and belief, the termination of the Wealthy Acquisition Agreement will not have any adverse material impact on the interests of the Company and the shareholders of the Company as well as the business, operations or financial condition of the Group.

Finance Lease Arrangement

On 2 December 2010, (1) Shanxi Qinshui Shuntai Energy Development Company Limited ("Qinshui Energy"), a direct wholly-owned subsidiary of the Company; and (2) Shanxi Wanzhi Logistics Limited ("Shanxi Logistics"), an indirect non-wholly owned subsidiary

截至二零一零年十二月三十一日，本公司根據山西收購協議，在124,500,000港元的可換股債券附帶之換股權獲行使後配發及發行622,500,000股新股份，作價每股0.20港元。

終止擬定非常重大收購及關連交易

於二零一零年九月十日，本公司與本公司主席、執行董事及主要股東王忠勝先生（「王先生」）（賣方）訂立一份收購協議，據此，本公司有條件同意收購及王先生有條件同意出售王先生擁有的Wealthy Talent Global Investments Limited的全部已發行股本（「Wealthy收購協議」）。根據Wealthy收購協議將予收購的目標集團預計將主要從事向其工業客戶通過管道供應天然氣的業務。擬定收購之代價將部份以發行本公司股份及部份以發行本公司可換股債券之方式償付。於二零一零年十月二十五日，本公司與王先生訂立一份終止協議，據此本公司與王先生互相同意終止Wealthy收購協議。倘擬定收購未有終止，則根據創業板上市規則，擬定收購將構成本公司之非常重大收購及關連交易。有關詳情請參閱本公司日期為二零一零年十月二十五日之公佈。

就董事所深知、盡悉及確信，終止Wealthy收購協議將不會對本公司及本公司股東的利益以及本集團業務、營運或財務狀況造成任何重大不利影響。

融資租賃安排

於二零一零年十二月二日，(1)山西沁水順泰能源發展有限公司（「沁水能源」，本公司的直接全資附屬公司）及(2)山西萬志物流有限公司（「山西物流」，本公司的間接非全資附

Directors' Report 董事會報告

of the Company, entered into, among other things, the five finance lease agreements respectively with CIMC Vehicle Financial Leasing Company Limited (“CIMC Vehicle”), pursuant to which Qinshui Energy and Shanxi Logistics conditionally agreed to lease from CIMC Vehicle, and CIMC Vehicle conditionally agreed to lease to Qinshui Energy and Shanxi Logistics, certain assets including liquefied natural gas tanks, gasified system and equipment, liquefied natural gas trailer, towing vehicles and liquefied natural gas refill stations respectively for a total lease consideration of RMB95,460,930 for a term of 36 months by monthly installments inclusive of interest determined based on the prevailing lending interest rate promulgated by People's Bank of China (the “Finance Lease Arrangement”). However, the total lease consideration would be adjusted due to the floating lending interest rate to be promulgated by People's Bank of China from time to time.

The Finance Lease Arrangement constituted a very substantial acquisition for the Company under Chapter 19 of the GEM Listing Rules and therefore was subject to reporting, announcement and shareholders' approval requirements. The Finance Lease Arrangement obtained the approval of the Company's shareholders at the extraordinary general meeting held on 14 February 2011. For details, please refer to the announcements of the Company dated 7 December 2010 and 12 January 2011 respectively, and the circular of the Company dated 24 January 2011.

Formation of Joint Venture

On 31 December 2010, the Company entered into a joint venture agreement (the “Joint Venture Agreement”) through Shanxi Yangcheng Shuntai Energy Development Company Limited, its wholly-owned subsidiary, with Shanxi Yangcheng Yangtai Group Industrial Company Limited (“Yangcheng Yangtai”) and Zhengzhou Zhencheng Energy Technology Service Company Limited (“Zhengzhou Zhencheng”) to establish a joint venture company with a registered capital at RMB30 million. The joint venture company would be owned as to 60%, 20% and 20% by the Group, Yangcheng Yangtai and Zhengzhou Zhencheng, respectively. The Directors confirmed that the total investment commitment in the joint venture company by the Group would not exceed RMB18 million, which is in proportion to its shareholding in the joint venture company pursuant to the Joint Venture Agreement. The Joint Venture Agreement constituted a discloseable transaction of the Company. For details, please refer to the announcement of the Company dated 31 December 2010.

屬公司)分別與中集車輛融資租賃有限公司(「中集車輛」)簽訂(其中包括)五項融資租賃協議,據此,沁水能源及山西物流有條件同意向中集車輛承租,而中集車輛有條件同意分別向沁水能源及山西物流出租若干資產(包括液化天然氣儲罐、氣化系統及設備、液化天然氣槽車、牽引車及液化天然氣加氣站),總租賃代價為人民幣95,460,930元,為期36個月(按月分期付款,包括根據中國人民銀行公佈的現行借貸利率釐定的利息)(「融資租賃安排」)。然而,總租賃代價將根據中國人民銀行不時公佈的浮動借貸利率作出調整。

根據創業板上市規則第19章,融資租賃安排構成本公司之非常重大收購事項,因此須遵守申報、公佈及股東批准的規定。本公司股東已於二零一一年二月十四日舉行之股東特別大會上批准融資租賃安排。有關詳情,請參閱本公司日期分別為二零一零年十二月七日及二零一一年一月十二日的公佈,以及本公司日期為二零一一年一月二十四日的通函。

成立合資公司

於二零一零年十二月三十一日,本公司透過其全資附屬公司山西陽城順泰能源發展有限公司與山西陽城陽泰集團實業有限公司(「陽城陽泰」)及鄭州貞成能源技術服務有限公司(「鄭州貞成」)訂立合資協議(「合資協議」),據此成立註冊資本為人民幣30,000,000元的合資公司。本集團、陽城陽泰及鄭州貞成分別擁有合資公司的60%、20%及20%權益。董事確認本集團於合資公司的總投資承擔將不會超過人民幣18,000,000元,相等於本集團根據合資協議於合資公司的持股比例。合資協議構成本公司須予披露的交易。有關詳情,請參閱本公司日期為二零一零年十二月三十一日的公佈。

Directors' Report 董事會報告

CONNECTED TRANSACTION

Termination of Proposed Very Substantial Acquisition and connected transaction

On 10 September 2010, the Company entered into an acquisition agreement with Mr. Wang Zhong Sheng, the Chairman, an executive director and a substantial shareholder of the Company (as vendor) pursuant to which the Company conditionally agreed to acquire and Mr. Wang conditionally agreed to sell the entire issued share capital of Wealthy Talent Global Investments Limited owned by Mr. Wang (the "Wealthy Acquisition Agreement"). The target group to be acquired under the Wealthy Acquisition Agreement was anticipated to be principally engaged in the supply of natural gas to its industrial customers through pipelines. The consideration for the proposed acquisition was to be settled partly by the issue of shares of the Company and partly by the issue of convertible bonds of the Company. On 25 October 2010, the Company and Mr. Wang entered into a termination agreement, whereby the Company and Mr. Wang mutually agreed to terminate the Wealthy Acquisition Agreement. The proposed acquisition would constitute, if not terminated, a very substantial acquisition and connected transaction of the Company under the GEM Listing Rules. For details, please refer to the announcement of the Company dated 25 October 2010.

During the period, save as the proposed acquisition of Wealthy Talent Global Investments Limited which was subsequently terminated as disclosed above, the Group did not enter into any (i) connected transactions or (ii) continuing connected transactions under the GEM Listing Rules (as amended from time to time) that are required to be disclosed in accordance with Chapter 20 of the GEM Listing Rules.

The related party transactions entered into by the Group, as disclosed in note 47 to the financial statements also do not constitute any (i) connected transactions or (ii) continuing connected transactions under the GEM Listing Rules (as amended from time to time) that are required to be disclosed in accordance with Chapter 20 of the GEM Listing Rules.

關連交易

終止擬定非常重大收購及關連交易

於二零一零年九月十日，本公司與本公司主席、執行董事及主要股東王忠勝先生（賣方）訂立一份收購協議，據此，本公司有條件同意收購及王先生有條件同意出售王先生擁有的Wealthy Talent Global Investments Limited的全部已發行股本（「Wealthy收購協議」）。根據Wealthy收購協議將予收購的目標集團預計將主要從事向其工業客戶通過管道供應天然氣的業務。擬定收購之代價將部份以發行本公司股份及部份以發行本公司可換股債券之方式償付。於二零一零年十月二十五日，本公司與王先生訂立一份終止協議，據此本公司與王先生相互同意終止Wealthy收購協議。倘擬定收購未有終止，則根據創業板上市規則，擬定收購將構成本公司之非常重大收購及關連交易。有關詳情請參閱本公司日期為二零一零年十月二十五日之公佈。

於期間內，除上文所述擬收購Wealthy Talent Global Investments Limited事項其後已終止外，本集團並無訂立任何根據創業板上市規則第20章須予披露之(i)關連交易或(ii)持續關連交易（定義見創業板上市規則（經不時修訂））。

誠如財務報表附註47所披露，本集團訂立之關連人士交易亦不構成任何根據創業板上市規則第20章須予披露之(i)關連交易或(ii)持續關連交易（定義見創業板上市規則（經不時修訂））。

Directors' Report 董事會報告

POST BALANCE SHEET EVENT

The Company and Vision Finance International Company Limited (the "Placing Agent") entered into a placing agreement on 26 February 2011 (the "Placing Agreement"), whereby the Company agreed to place, through the Placing Agent, a maximum of 326,830,000 new shares (the "Placing Shares") to independent investors at a price of HK\$0.225 per Placing Share (the "Placing"). The 326,830,000 Placing Shares represent (i) approximately 14.48% of the then existing issued share capital of the Company of 2,256,675,023 Shares; and (ii) approximately 12.65% of the Company's issued share capital of 2,583,505,023 Shares as enlarged by completion of the Placing. The maximum net proceeds from the Placing of approximately HK\$71.21 million which will be used for the existing joint venture investment and general working capital of the Group.

The Placing was completed on 17 March 2011 in accordance with the terms and conditions of the Placing Agreement. An aggregate of 326,830,000 Placing Shares have been successfully placed to not less than six investors who are third parties independent of the Company and its connected persons (within the meaning of the GEM Listing Rules) of the Company, at the Placing Price of HK\$0.225 per Placing Share. For details, please refer to announcement of the Company dated 27 February 2011 and 17 March 2011.

APPOINTMENT AND RESIGNATION OF DIRECTORS

On 17 May 2010, Mr. Zhang Qing Lin has been appointed as an executive Director.

On 6 August 2010, Mr. Yan Chang Ming has resigned as independent non-executive Director and a member of audit committee, nomination committee and remuneration committee of the Company. Mr. Yan confirmed that he has no disagreement with the Board and there is no matter relating to his resignation that needs to be brought to attention of the shareholders of the Company. He further confirmed that he has no claims whatsoever against the Company. Mr. Wang Zhi He has subsequently been appointed as an independent non-executive Director and a member of audit committee, nomination committee and remuneration committee with effect from 29 September 2010. The Board noted that following the resignation of

結算日後事項

本公司與睿智金融國際有限公司（「配售代理」）於二零一一年二月二十六日訂立配售協議（「配售協議」），據此本公司同意透過配售代理配售最多326,830,000股新股份（「配售股份」）予獨立投資者，每股配售股份作價0.225港元（「配售」）。326,830,000股配售股份相當於(i)本公司當時現有已發行股本2,256,675,023股股份約14.48%；及(ii)本公司經配售完成所擴大之已發行股本2,583,505,023股股份約12.65%。配售之最高所得款項淨額約為71,210,000港元，擬用作本集團之現有合營企業投資及一般營運資金。

配售已按照配售協議之條款及條件於二零一一年三月十七日完成。合共326,830,000股配售股份已按配售價每股配售股份0.225港元成功配售予不少於六名投資者，彼等均為獨立於本公司及其關連人士（定義見創業板上市規則）之第三方。有關詳情，請參閱本公司日期分別為二零一一年二月二十七日及二零一一年三月十七日之公佈。

董事之委任及辭任

張慶林先生於二零一零年五月十七日獲委任為執行董事。

閻長明先生已於二零一零年八月六日辭任本公司獨立非執行董事以及審核委員會、提名委員會及薪酬委員會成員職務。閻先生確認，彼與董事會並無意見分歧，且並無有關其辭任之事宜須知會本公司股東。閻先生進一步確認，其並無就此向本公司提出索償。隨後，王之和先生獲委任為獨立非執行董事以及審核委員會、提名委員會及薪酬委員會成員，自二零一零年九月二十九日起生效。董事會注意到，於閻先生辭任後但於委任王之和先生前，獨立非執行董事及審核委員

Directors' Report 董事會報告

Mr. Yan but before the appointment of Mr. Wang Zhi He, the Company could not fulfill the requirement under Rules 5.05 and 5.28 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited (the "GEM Listing Rules") which the number of the independent nonexecutive directors and the Audit Committee members fell below the minimum number requirement of 3 members.

On 18 December 2010, Mr. Kwok Shun Tim ("Mr. Kwok") has resigned as non-executive Director of the Company due to his other personal commitments. Mr. Kwok has confirmed that he has no disagreement with the Board and there are no other matters in relation to his resignation that need to be brought to the attention of the shareholders of the Company or the Stock Exchange.

On 29 December 2010, Mr. Ye Jinxing ("Mr. Ye") has resigned as a non-executive Director of the Company (the "Director") due to his other business commitments which require more of his dedications. The Board and Mr. Ye have confirmed that Mr. Ye has no disagreement with the Board and there is no matter in relation to Mr. Ye's resignation from the positions set out above that needs to be brought to the attention of the shareholders of the Company or the Stock Exchange. On the same date, Mr. Fu Shou Gang has been appointed as an executive Director.

AUDITORS

The financial statements have been audited by Messrs. CCIF CPA Limited who will retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-appointment.

By order of the Board

Wang Zhong Sheng
Chairman

30 March 2011

成員人數低於三名成員之最低人數規定，未能符合香港聯交所有有限公司創業板證券上市規則（「創業板上市規則」）第5.05及5.28條之規定。

郭純恬先生（「郭先生」）因其他個人事務，已於二零一零年十二月十八日辭任本公司非執行董事職務。郭先生已確認，彼與董事會並無意見分歧，且並無有關其辭任之其他事宜須知會本公司股東或聯交所。

葉金興先生（「葉先生」）因需要投入更多時間處理其他事務，已於二零一零年十二月二十九日辭任本公司非執行董事（「董事」）職務。董事會及葉先生已確認，葉先生與董事會並無意見分歧，且並無有關其辭任上述職務之其他事宜須知會本公司股東或聯交所。付壽剛先生亦於二零一零年十二月二十九日獲委任為執行董事。

核數師

財務報表已由陳葉馮會計師事務所有限公司審核，其將於應屆股東週年大會上退任，惟合資格及願應聘留任。

承董事會命

王忠勝
主席

二零一一年三月三十日

Independent Auditor's Report 獨立核數師報告



CCIF

CCIF CPA LIMITED

陳葉馮會計師事務所有限公司

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33 Hysan Avenue

Causeway Bay Hong Kong

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CHINA LEASON INVESTMENT GROUP CO., LIMITED

(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of China Leason Investment Group Co., Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 49 to 234, which comprise the consolidated and Company statements of financial position as at 31 December 2010, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with 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.

致中國聯盛投資集團有限公司 全體股東之獨立核數師報告

(於開曼群島註冊成立之有限公司)

本核數師已審核載於第49至234頁之中國聯盛投資集團有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表，包括於二零一零年十二月三十一日之綜合財務狀況表及 貴公司財務狀況表，以及截至該日止年度的綜合損益表、綜合全面收益表、綜合權益變動表及綜合現金流量表，以及主要會計政策概要及其他附註解釋。

董事就綜合財務報表須承擔的 責任

貴公司董事須負責根據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及真實而公平地列報綜合財務報表，並落實其認為編製綜合財務報表所必要的內部控制，以確保綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

Independent Auditor's Report

獨立核數師報告

AUDITOR'S RESPONSIBILITY

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

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

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

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

核數師的責任

本核數師的責任乃根據審核工作對該等綜合財務報表表達意見，並僅向全體股東報告，除此以外本報告概不可用作其他用途。本核數師概不就本報告的內容向任何其他人士承擔或負上任何責任。

本核數師已根據香港會計師公會頒佈之《香港核數準則》進行審核。該等準則規定本核數師須遵守道德規定，並計劃及進行審核，以合理確定此等綜合財務報表是否不存有任何重大錯誤陳述。

審核包括進程序以獲取有關綜合財務報表所載金額及披露資料的審核憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存有重大錯誤陳述的風險。在評估該等風險時，核數師考慮與貴公司編製及真實而公平地列報綜合財務報表相關的內部監控，以設計適當的審核程序，但並非為對公司的內部監控的有效性發表意見。審核亦包括評價董事所採用的會計政策是否恰當及所作出的會計估算是否合理，以及評價綜合財務報表的整體列報方式。

本核數師相信，我們所獲得的審核憑證是充足和適當地為我們的審核意見提供基礎。

Independent Auditor's Report

獨立核數師報告

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2010, and of the Group's loss 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.

Emphasis of matter

Without qualifying our opinion, we draw attention to note 2(b)(ii) to the consolidated financial statements which indicates that the Group incurred a loss attributable to owners of the Company of approximately RMB20,493,000 for the year ended 31 December 2010 and, as of that date, the Group's current liabilities exceeded its current assets by approximately RMB99,465,000. These conditions, along with other matters as set forth in note 2(b)(ii) to the consolidated financial statements, indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern.

CCIF CPA Limited

Certified Public Accountants
Hong Kong, 30 March 2011

Ho Chun Shing

Practising Certificate Number P04396

意見

本核數師認為，該等綜合財務報表已根據香港財務報告準則真實而公平地反映 貴公司及 貴集團於二零一零年十二月三十一日之財務狀況，及 貴集團截至該日止年度之虧損及現金流量，並按照香港公司條例的披露規定妥為編製。

強調事項

儘管本核數師並無發表保留意見，惟謹請垂注綜合財務報表附註2(b)(ii)，當中顯示 貴集團於截至二零一零年十二月三十一日止年度錄得 貴公司擁有人應佔虧損約人民幣20,493,000元，及 貴集團於當日之流動負債超出其流動資產約人民幣99,465,000元。上述狀況連同綜合財務報表附註2(b)(ii)所載列之其他事項，顯示存在可能對 貴集團持續經營能力構成重大疑問的重大不明朗因素。

陳葉馮會計師事務所有限公司

執業會計師
香港，二零一一年三月三十日

何振誠

執業證書號碼P04396

Consolidated Income Statement

綜合損益表

For The Year Ended 31 December 2010 截至二零一零年十二月三十一日止年度

| | | Note 附註 | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 (Restated) (經重列) |
|--|-------------------------------|------------|-----------------------------------|--|
| Continuing operations | 持續經營業務 | | | |
| Turnover | 營業額 | 5 | 230,989 | 40,056 |
| Cost of sales | 銷售成本 | | (205,256) | (37,010) |
| Gross profit | 毛利 | | 25,733 | 3,046 |
| Other revenue and net income | 其他收益及淨收入 | 6 | 138 | 362 |
| Distribution costs | 分銷成本 | | (4,186) | (83) |
| Administrative expenses | 行政開支 | | (29,187) | (20,951) |
| Other operating expenses | 其他經營開支 | | (648) | (19) |
| Finance costs | 融資成本 | 7(c) | (9,681) | (4,260) |
| Gain on remeasuring existing interest in an available-for-sale investment on acquisition | 因收購而重新計量 可供出售投資現有 權益之收益 | 39(a) | 4,960 | — |
| Fair value gain on the derivative component of convertible bonds | 可換股債券衍生部份 之公平值收益 | 34 | 3,223 | — |
| Impairment loss on goodwill | 商譽減值虧損 | 16 | — | (52,971) |
| Loss before income tax | 除所得稅前虧損 | 7 | (9,648) | (74,876) |
| Income tax | 所得稅 | 8(a) | (871) | 251 |
| Loss for the year from continuing operations | 來自持續經營業務 之本年度虧損 | | (10,519) | (74,625) |
| Discontinued operations | 已終止經營業務 | 11 | | |
| (Loss)/profit for the year from discontinued operations | 來自己終止經營業務 之本年度(虧損)/溢利 | | (11,947) | 15,795 |
| Loss for the year | 本年度虧損 | | (22,466) | (58,830) |
| Attributable to: | 下列應佔: | | | |
| Owners of the Company | 本公司擁有人 | | (20,493) | (58,741) |
| Non-controlling interests | 非控股權益 | | (1,973) | (89) |
| | | | (22,466) | (58,830) |

Consolidated Income Statement

綜合損益表

For The Year Ended 31 December 2010 截至二零一零年十二月三十一日止年度

| | | Note 附註 | 2010 二零一零年 RMB 人民幣 | 2009 二零零九年 RMB 人民幣 (Restated) (經重列) |
|--|------------------|------------|-----------------------------|--|
| (Loss)/earnings per share | 每股(虧損)/盈利 | 14 | | |
| From continuing and discontinued operations | 來自持續經營業務及已終止經營業務 | | | |
| – Basic (cents) | – 基本(分) | | (1.17) | (6.29) |
| – Diluted (cents) | – 攤薄(分) | | (1.17) | (6.29) |
| From continuing operations | 來自持續經營業務 | | | |
| – Basic (cents) | – 基本(分) | | (0.49) | (7.98) |
| – Diluted (cents) | – 攤薄(分) | | (0.49) | (7.98) |

Approved and authorised for issue by the board of directors on 30 March 2010.

董事會於二零一零年三月三十日批准及授權刊發。

The notes on pages 59 to 234 form part of these financial statements.

第59頁至234頁之附註組成財務報表其中部份。

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

| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 (Restated) (經重列) |
|---|---------------------|-----------------------------------|--|
| Loss for the year | 本年度虧損 | (22,466) | (58,830) |
| Other comprehensive loss for the year (net of tax) | 本年度其他全面虧損 (扣除稅項) | | |
| Exchange differences on translation of financial statements of foreign entities | 換算境外實體財務報表之匯兌差額 | 2,195 | (79) |
| Reclassification adjustments relating to foreign entities disposed of during the year | 年內出售之海外實體之重新分類調整 | (1,884) | — |
| Total comprehensive loss for the year | 本年度全面虧損總額 | (22,155) | (58,909) |
| Total comprehensive loss attributable to: | 下列人士應佔全面虧損總額： | | |
| Owners of the Company | 本公司擁有人 | (20,182) | (58,820) |
| Non-controlling interests | 非控股權益 | (1,973) | (89) |
| | | (22,155) | (58,909) |

The notes on pages 59 to 234 form part of these financial statements.

第59頁至234頁之附註組成財務報表其中部份。

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2010 於二零一零年十二月三十一日

| | | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
|--|-------|----------------|-----------------------------------|-----------------------------------|
| | Note | | | |
| | 附註 | | | |
| Non-current assets | | | | |
| | | | | |
| 非流動資產 | | | | |
| Goodwill | 16 | 商譽 | 133,308 | 23,831 |
| Investment properties | 17 | 投資物業 | — | 7,330 |
| Property, plant and equipment | 18(a) | 物業、機器及設備 | 295,428 | 252,932 |
| Prepaid lease payments for land under operating leases | 19 | 經營租約下預付土地租金 | 29,294 | 25,819 |
| Intangible assets | 20 | 無形資產 | 156,502 | 69,687 |
| Deposits for acquisition of property, plant and equipment | 21 | 收購物業、機器及設備之訂金 | 12,211 | 7,000 |
| Deposits for acquisition of interests in land under operating leases | 22 | 收購經營租約下土地權益之訂金 | 10,462 | 8,475 |
| Available-for-sale investment | 24 | 可供出售投資 | — | 4,800 |
| Derivative component of convertible bonds | 34 | 可換股債券衍生部份 | 6,621 | — |
| Deferred tax assets | 35(b) | 遞延稅項資產 | 302 | 1,427 |
| | | | 644,128 | 401,301 |
| Current assets | | | | |
| | | | | |
| 流動資產 | | | | |
| Prepaid lease payments for land under operating leases | 19 | 經營租約下預付土地租金 | 673 | 608 |
| Trading securities | 25 | 貿易證券 | — | 582 |
| Inventories | 26(a) | 存貨 | 2,062 | 4,976 |
| Trade and other receivables | 27 | 應收賬款及其他應收款項 | 42,182 | 39,276 |
| Value-added tax recoverable | 28 | 可收回增值稅 | — | 1,990 |
| Tax recoverable | 35(a) | 可收回稅項 | 687 | — |
| Cash and cash equivalents | 29 | 現金及現金等值物 | 23,567 | 96,292 |
| | | | 69,171 | 143,724 |
| Current liabilities | | | | |
| | | | | |
| 流動負債 | | | | |
| Trade and other payables | 30 | 應付賬款及其他應付款項 | 108,015 | 128,417 |
| Deferred income | 31 | 遞延收入 | — | 8,832 |
| Bank and other borrowings due within one year | 32 | 一年內到期之銀行及其他借款 | 60,000 | 52,000 |
| Tax payable | 35(a) | 應付稅項 | 621 | 4,121 |
| | | | 168,636 | 193,370 |

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2010 於二零一零年十二月三十一日

| | Note | 2010 | 2009 |
|--|-------|-----------------|----------|
| | 附註 | 二零一零年 | 二零零九年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Net current liabilities | | (99,465) | (49,646) |
| Total assets less current liabilities | | 544,663 | 351,655 |
| Non-current liabilities | | | |
| Bank borrowings | 32 | 8,000 | 13,000 |
| Promissory notes | 33 | — | 51,296 |
| Convertible bonds | 34 | 43,137 | — |
| Deferred tax liabilities | 35(b) | 39,198 | 17,510 |
| | | 90,335 | 81,806 |
| NET ASSETS | | 454,328 | 269,849 |
| CAPITAL AND RESERVES | | | |
| Share capital | 36(b) | 20,681 | 12,921 |
| Reserves | | 412,353 | 254,401 |
| Equity attributable to owners of the Company | | 433,034 | 267,322 |
| Non-controlling interests | | 21,294 | 2,527 |
| TOTAL EQUITY | | 454,328 | 269,849 |

Approved and authorised for issue by the board of directors on 30 March 2011.

董事會於二零一一年三月三十日批准及授權刊發。

Wang Zhong Sheng

王忠勝

Director

董事

Zhang Qing Lin

張慶林

Director

董事

The notes on pages 59 to 234 form part of these financial statements.

第59頁至234頁之附註組成財務報表其中部份。

STATEMENT OF FINANCIAL POSITION

財務狀況表

As at 31 December 2010 於二零一零年十二月三十一日

| | Note 附註 | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
|--|-----------------|-----------------------------------|-----------------------------------|
| Non-current assets | 非流動資產 | | |
| Property, plant and equipment | 物業、機器及設備 | 1,634 | 883 |
| Investments in subsidiaries | 於附屬公司之投資 | 326,455 | 112,873 |
| Derivative component of convertible bonds | 可換股債券 衍生部份 | 6,621 | — |
| | | 334,710 | 113,756 |
| Current assets | 流動資產 | | |
| Trade and other receivables | 應收賬款及 其他應收款項 | 144,593 | 164,605 |
| Cash and cash equivalents | 現金及現金等值物 | 7,658 | 29,443 |
| | | 152,251 | 194,048 |
| Current liabilities | 流動負債 | | |
| Trade and other payables | 應付賬款及其他應付款項 | (2,439) | (1,685) |
| Net current assets | 流動資產淨值 | 149,812 | 192,363 |
| Total assets less current liabilities | 總資產減流動負債 | 484,522 | 306,119 |
| Non-current liabilities | 非流動負債 | | |
| Promissory notes | 承兌票據 | — | 51,296 |
| Convertible bonds | 可換股債券 | 43,137 | — |
| | | 43,137 | 51,296 |
| NET ASSETS | 資產淨值 | 441,385 | 254,823 |
| CAPITAL AND RESERVES | 資本及儲備 | | |
| Share capital | 股本 | 20,681 | 12,921 |
| Reserves | 儲備 | 420,704 | 241,902 |
| TOTAL EQUITY | 總權益 | 441,385 | 254,823 |

Approved and authorised for issue by the board of directors on 30 March 2011.

董事會於二零一一年三月三十日批准及授權刊發。

Wang Zhong Sheng

王忠勝

Director

董事

Zhang Qing Lin

張慶林

Director

董事

The notes on pages 59 to 234 form part of these financial statements.

第59頁至234頁之附註組成財務報表其中部份。

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

| | | Share capital | Share premium | Merger reserve | Contributed surplus | General reserve | Translation reserve | Convertible bonds reserve | Accumulated losses | Total | Non-controlling interests | Total equity |
|---|--------------------------|---------------|---------------|----------------|---------------------|-----------------|---------------------|---------------------------|--------------------|----------|---------------------------|--------------|
| | | 股本 | 股份溢價 | 合併儲備 | 備入盈餘 | 一般儲備 | 換算儲備 | 可換股債券儲備 | 累計虧損 | 總計 | 非控股權益 | 總權益 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| At 1 January 2009 | 於二零零九年一月一日 | 6,399 | 147,878 | (2,351) | – | 5,351 | (935) | – | (36,212) | 120,130 | – | 120,130 |
| Comprehensive income | 全面收益 | | | | | | | | | | | |
| Loss for the year | 本年度虧損 | – | – | – | – | – | – | – | (58,741) | (58,741) | (89) | (58,830) |
| Other comprehensive income | 其他全面收益 | | | | | | | | | | | |
| Exchange differences on translation of financial statements of foreign entities | 換算海外實體財務報表之匯兌差額 | – | – | – | – | – | (79) | – | – | (79) | – | (79) |
| Total comprehensive income | 全面收益總額 | – | – | – | – | – | (79) | – | (58,741) | (58,820) | (89) | (58,909) |
| Transactions with owners | 與擁有人進行之交易 | | | | | | | | | | | |
| Issue of new shares | 發行新股份 | | | | | | | | | | | |
| – Acquisition of subsidiaries (note 39(b)) | – 收購附屬公司 (附註39(b)) | 2,164 | 127,653 | – | – | – | – | – | – | 129,817 | – | 129,817 |
| – Open offer | – 公開發售 | 3,267 | 62,066 | – | – | – | – | – | – | 65,333 | – | 65,333 |
| – Share placement | – 股份配售 | 1,091 | 13,972 | – | – | – | – | – | – | 15,063 | – | 15,063 |
| Transaction costs attributable to issue of new shares | 發行新股份應佔交易成本 | – | (4,201) | – | – | – | – | – | – | (4,201) | – | (4,201) |
| Non-controlling interests arising from acquisition of subsidiaries (note 39(b)) | 收購附屬公司引致之非控股權益 (附註39(b)) | – | – | – | – | – | – | – | – | – | 2,616 | 2,616 |
| Total transactions with owners | 與擁有人進行之交易總額 | 6,522 | 199,490 | – | – | – | – | – | – | 206,012 | 2,616 | 208,628 |
| At 31 December 2009 and 1 January 2010 | 於二零零九年十二月三十一日及二零一零年一月一日 | 12,921 | 347,368 | (2,351) | – | 5,351 | (1,014) | – | (94,953) | 267,322 | 2,527 | 269,849 |
| Comprehensive income | 全面收益 | | | | | | | | | | | |
| Loss for the year | 本年度虧損 | – | – | – | – | – | – | – | (20,493) | (20,493) | (1,973) | (22,466) |
| Other comprehensive income | 其他全面收益 | | | | | | | | | | | |
| Exchange differences on translation of financial statements of foreign entities | 換算海外實體財務報表之匯兌差額 | – | – | – | – | – | 2,195 | – | – | 2,195 | – | 2,195 |
| Reclassification adjustments relating to foreign entities disposed of during the year | 年內出售之海外實體之重新分類調整 | – | – | – | – | – | (1,884) | – | – | (1,884) | – | (1,884) |
| Total comprehensive income | 全面收益總額 | – | – | – | – | – | 311 | – | (20,493) | (20,182) | (1,973) | (22,155) |
| Transactions with owners | 與擁有人進行之交易 | | | | | | | | | | | |
| Issue of new shares | 發行新股份 | | | | | | | | | | | |
| – Share placement | – 股份配售 | 2,395 | 34,012 | – | – | – | – | – | – | 36,407 | – | 36,407 |
| – Conversion of convertible bonds | – 轉換可換股債券 | 5,365 | 103,626 | – | – | – | – | (31,245) | – | 77,746 | – | 77,746 |
| Transaction costs attributable to issue of new shares | 發行新股份應佔交易成本 | – | (474) | – | – | – | – | – | – | (474) | – | (474) |
| Recognition of equity component of convertible bonds | 確認可換股債券之權益部份 | – | – | – | – | – | – | 47,055 | – | 47,055 | – | 47,055 |
| Disposal of subsidiaries (note 40) | 出售附屬公司 (附註40) | – | – | 2,351 | 25,160 | (5,351) | – | – | 3,000 | 25,160 | – | 25,160 |
| Non-controlling interests arising from acquisition of subsidiaries (note 39(a)) | 收購附屬公司引致之非控股權益 (附註39(a)) | – | – | – | – | – | – | – | – | – | 20,740 | 20,740 |
| Total transactions with owners | 與擁有人進行之交易總額 | 7,760 | 137,164 | 2,351 | 25,160 | (5,351) | – | 15,810 | 3,000 | 185,894 | 20,740 | 206,634 |
| At 31 December 2010 | 於二零一零年十二月三十一日 | 20,681 | 484,532 | – | 25,160 | – | (703) | 15,810 | (112,446) | 433,034 | 21,294 | 454,328 |

The notes on pages 59 to 234 form part of these financial statements.

第59頁至234頁之附註組成財務報表其中部份。

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

| | Note 附註 | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 (Restated) (經重列) |
|--|-----------------------|-----------------------------------|--|
| Operating activities | 經營業務 | | |
| (Loss)/profit before income tax | 除所得稅前(虧損)/溢利 | | |
| — From continuing operations | — 來自持續經營業務 | (9,648) | (74,876) |
| — From discontinued operations | — 來自已終止經營業務 | (10,548) | 20,308 |
| | | (20,196) | (54,568) |
| Adjustments for: | 就下列各項調整: | | |
| Depreciation of property, plant and equipment | 物業、機器及設備之折舊 | 18(a) 20,253 | 10,211 |
| Amortisation of prepaid lease payments for land under operating leases | 經營租約下預付土地租金攤銷 | 19 517 | 456 |
| Amortisation of intangible assets | 無形資產攤銷 | 20 10,485 | 783 |
| Impairment loss on goodwill | 商譽減值虧損 | 16 — | 52,971 |
| Interest income | 利息收入 | 6 (102) | (435) |
| Net losses on disposal of property, plant and equipment | 出售物業、機器及設備之虧損淨額 | 7(c) — | 63 |
| Gain from changes in fair value of investment properties | 投資物業公平值變動收益 | 6 — | (151) |
| Net realised and unrealised (gains)/ losses on trading securities | 貿易證券之已變現及未變現(收益)/虧損淨額 | 6 (475) | (1,650) |
| Impairment loss on trade receivables | 應收賬款減值虧損 | 27(e) — | 3,131 |
| Write back of impairment loss on trade receivables | 應收賬款減值虧損撥回 | 27(e) — | (1,249) |
| Write down of inventories | 撇減存貨 | 26(b) — | 279 |
| Interest expenses on bank and other borrowings | 銀行及其他借款之利息支出 | 7(c) 4,417 | 524 |
| Interest expenses on promissory notes | 承兌票據之利息支出 | 7(c) 2,159 | 2,368 |
| Interest expenses on convertible bonds | 可換股債券之利息支出 | 7(c) 3,173 | — |
| Other borrowing costs | 其他借貸成本 | 7(c) — | 1,404 |
| Gain on remeasuring existing interest in an available-for-sale investment on acquisition | 因出售而重新計量可供出售投資現有權益之收益 | 39(a) (4,960) | — |
| Gain on the derivative component of convertible bonds | 可換股債券衍生部份之收益 | 34 (3,223) | — |
| Foreign exchange gain | 外匯收益 | — | (382) |

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

| | Note 附註 | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 (Restated) (經重列) |
|--|--------------------|-----------------------------------|--|
| Operating cash flows before changes in working capital | 未計營運資金變動前之經營現金流量 | 12,048 | 13,755 |
| Decrease/(increase) in inventories | 存貨減少/(增加) | 2,701 | (3,074) |
| (Increase)/decrease in trade and other receivables | 應收賬款及其他應收款項(增加)/減少 | (25,132) | 8,140 |
| Increase in value-added tax recoverable | 可收回增值稅增加 | (1,243) | (1,298) |
| Increase in trade and other payables | 應付賬款及其他應付款項增加 | 17,444 | 42,405 |
| (Decrease)/increase in deferred income | 遞延收入(減少)/增加 | (3,234) | 5,119 |
| Cash generated from operations | 經營業務產生之現金 | 2,584 | 65,047 |
| Tax paid | 已繳稅項 | | |
| PRC Enterprise Income Tax paid | 已繳中國企業所得稅 35(a) | (6,982) | (1,856) |
| Net cash (used in)/generated from operating activities | 經營業務(動用)/產生之現金淨額 | (4,398) | 63,191 |
| Investing activities | 投資活動 | | |
| Payment for purchase of investment properties | 購買投資物業之款項 | — | (7,179) |
| Payment for purchase of property, plant and equipment | 購買物業、機器及設備之款項 | (32,507) | (43,779) |
| Proceeds from disposal of property, plant and equipment | 出售物業、機器及設備所得款項 | — | 78 |
| Prepaid lease payments for land under operating leases | 經營租約下預付土地租金 | (10,935) | (3,537) |
| Payment for deposits for acquisition of property, plant and equipment | 收購物業、機器及設備訂金之款項 | (8,161) | — |
| Payment for deposits for acquisition of interests in land under operating leases | 收購經營租約下土地權益訂金之款項 | (1,987) | (7,164) |
| Payment for purchase of trading securities | 購買貿易證券之款項 | (31,677) | (45,368) |
| Proceeds from disposal of trading securities | 出售貿易證券所得款項 | 22,619 | 62,515 |
| Increase in amounts due from securities broker firms | 應收證券經紀行款項增加 | — | (18,985) |
| Decrease in fixed bank deposits | 銀行定期存款減少 | — | 7,164 |
| Interest received | 已收利息 | 102 | 435 |
| Net cash outflow from acquisition of subsidiaries | 收購附屬公司之現金流出淨額 39 | (7,307) | 1,029 |
| Cash outflow from disposal of subsidiaries | 出售附屬公司之現金流出 40 | (34,513) | — |

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

| | Note 附註 | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 (Restated) (經重列) |
|---|------------|-----------------------------------|--|
| Net cash used in investing activities | | (104,366) | (54,791) |
| Financing activities | | | |
| Proceeds from issue of new shares | | 36,407 | 49,614 |
| Transaction costs for issue of new shares | | (474) | (4,201) |
| Transaction costs for issue of convertible bonds | | (528) | — |
| Proceeds from new bank and other borrowings | | 6,000 | 12,000 |
| Interest paid on bank and other borrowings | | (4,417) | (524) |
| Other borrowing costs paid | | — | (1,404) |
| Net cash from financing activities | | 36,988 | 55,485 |
| Net (decrease)/increase in cash and cash equivalents | | (71,776) | 63,885 |
| Cash and cash equivalents at 1 January | 29 | 96,292 | 32,215 |
| Effect of change in foreign exchange rate changes | | (949) | 192 |
| Cash and cash equivalents at 31 December | 29 | 23,567 | 96,292 |

The notes on pages 59 to 234 form part of these financial statements.

第59頁至234頁之附註組成財務報表其中部份。

Notes to the Financial Statements

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

1. GENERAL INFORMATION

China Leason Investment Group Co., Limited (the “Company”) was incorporated as an exempted company with limited liability in the Cayman Islands on 15 July 2002 under the Companies Act, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The shares of the Company are listed on the Growth Enterprise Market (the “GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The addresses of the registered office and principal place of business of the Company are disclosed in the “Corporate Information” section in the annual report.

The principal activity of the Company is investment holding and the principal activities of its subsidiaries are manufacture and sales of liquefied coalbed gas (including provision of liquefied coalbed gas logistics services), sales of piped natural gas and provision of gas supply connection services. During the year ended 31 December 2010, the Group discontinued the development and sales of computer software, resale of computer hardware and provision of system integration and maintenance services.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange. A summary of the significant accounting policies adopted by the Company and its subsidiaries (collectively referred to as “Group”) is set out below.

1. 一般資料

中國聯盛投資集團有限公司(「本公司」)於二零零二年七月十五日根據開曼群島法例第二十二章公司法(一九六一年第三冊，經統一及修訂)在開曼群島註冊成立為獲豁免有限公司。本公司之股份於香港聯合交易所有限公司(「聯交所」)創業板(「創業板」)上市。本公司註冊辦事處及主要營業地點之地址，均披露於年報「公司資料」一節。

本公司業務活動主要為投資控股，而其附屬公司之業務活動則主要為液化煤層氣生產及銷售(包括提供液化煤層氣物流服務)、管道天然氣銷售及提供供氣接駁服務。於截至二零一零年十二月三十一日止年度，本集團終止經營電腦軟件開發及銷售、電腦硬件轉售以及提供系統集成及維修服務。

2. 主要會計政策

a) 守章聲明

該等財務報表乃按香港財務報告準則(「香港財務報告準則」)編製。香港財務報告準則包括香港會計師公會(「香港會計師公會」)頒佈之所有適用之個別香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋、香港普遍採納之會計準則以及香港公司條例之披露規定，並為彼等之統稱。該等財務報表亦遵守聯交所創業板證券上市規則之適用披露條文。本公司及其附屬公司(統稱「本集團」)採納之重要會計政策概述於下文。

Notes to the Financial Statements

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. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策 (續)

a) Statement of compliance (Continued)

The HKICPA has issued certain new and revised HKFRSs which are or have become effective. It has also issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 3 provides information on initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

b) Basis of preparation of the financial statements and going concern concept

i) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2010 comprise the financial statements of the Company and its subsidiaries.

The measurement basis used in the preparation of the financial statements is the historical cost basis, except those disclosed otherwise in the accounting policies below.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities not readily apparent from other sources. Actual results may differ from these estimates.

a) 守章聲明 (續)

香港會計師公會已頒佈若干有效或已生效之新訂及經修訂香港財務報告準則，亦頒佈若干新訂及經修訂香港財務報告準則，該等準則均於本集團及本公司當前之會計期間首次生效或可提早採用。附註3載有關於當前及之前會計期間因初步應用其中與本集團相關之內容而產生之會計政策變動之資料，有關變動反映於該等財務報表內。

b) 財務報表編製基準及持續經營概念

i) 財務報表編製基準

截至二零一零年十二月三十一日止年度之綜合財務報表包括本公司及其附屬公司之財務報表。

除下文之會計政策另有披露者外，編製財務報表時所用之計量基準為歷史成本法。

編製符合香港財務報告準則之財務報表時，需要管理層作出影響政策之應用及有關資產、負債、收入及開支之呈報款額之判斷、估計及假設。該等估計及相關假設乃根據歷史經驗及多項其他因素（相信於該等情況下為合理）而作出。所得結果構成管理層就目前未能從其他來源明顯得出賬面值的資產及負債作出判斷之基準。實際數字或會有別於估計數字。

Notes to the Financial Statements

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. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Basis of preparation of the financial statements and going concern concept

(Continued)

i) Basis of preparation of the financial statements (Continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRSs that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 4.

ii) Going concern concept

The Group incurred a loss attributable to owners of the Company of approximately RMB20,493,000 for the year ended 31 December 2010 and, as of that date, the Group's current liabilities exceeded its current assets by approximately RMB99,465,000. Nevertheless, the directors had adopted the going concern basis in the preparation of the financial statements of the Group based on the followings:

2. 主要會計政策 (續)

b) 財務報表編製基準及持續經營概念 (續)

i) 財務報表編製基準 (續)

本集團持續就所作估計及相關假設作出評估。會計估計之變動如只影響當期，則有關影響於估計變動當期確認。如該項會計估計之變動影響當期及以後期間，則有關影響於當期及以後期間確認。

於應用香港財務報告準則時管理層所作之判斷(對財務報表構成重大影響)及估計(存在對下年作出重大調整之重大風險)均於附註4中討論。

ii) 持續經營概念

截至二零一零年十二月三十一日止年度，本集團產生本公司擁有人應佔虧損約人民幣20,493,000元，而於該日，本集團之流動負債超逾其流動資產約人民幣99,465,000元。然而，董事根據下列條件採用持續經營基準編製本集團之財務報表：

Notes to the Financial Statements

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. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Basis of preparation of the financial statements and going concern concept

(Continued)

ii) Going concern concept (Continued)

- 1) Other borrowings comprising of RMB10,000,000 and RMB40,000,000 disclosed in note 32 to the financial statements were due for repayment on 7 January 2011 and 27 February 2011 respectively in accordance with the loan agreements signed between the Group and a finance company, a non-controlling shareholder of a subsidiary (note 47). However, prior to the approval of these financial statements, these borrowings had been rolled over for a further 18 months and will be due for repayment on 7 July 2012 and 27 August 2012 respectively. Up to the date of approval of these financial statements, the finance company has not indicated its intention to withdraw the facilities granted to the Group;
- 2) Mr. Wang Zhong Sheng, a substantial shareholder and the chairman and executive director of the Company, has undertaken not to demand for the repayment of the amount due to him totalling to approximately RMB27,266,000 as at 31 December 2010 until the Group is financially viable to do so;

2. 主要會計政策 (續)

b) 財務報表編製基準及持續經營概念 (續)

ii) 持續經營概念 (續)

- 1) 財務報表附註32披露，按照本集團與一間財務公司，一間附屬公司之非控股股東(附註47)簽訂的貸款協議，其他借款包括人民幣10,000,000元及人民幣40,000,000元分別於二零一一年一月七日及二零一一年二月二十七日期到期還款。然而，於該等財務報表獲批准之前，該等借款已獲續期十八個月及分別將於二零一二年七月七日及二零一二年八月二十七日期到期還款。直至該等財務報表批准日期為止，該財務公司並無表示有意收回授予本集團之信貸；
- 2) 本集團主要股東、主席兼執行董事王忠勝先生已承諾不會要求本集團償還於二零一零年十二月三十一日應付其之款項共計約人民幣27,266,000元，直至本集團財政上有能力償還為止；

Notes to the Financial Statements

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. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Basis of preparation of the financial statements and going concern concept

(Continued)

ii) Going concern concept (Continued)

- 3) Mr. Wang Zhong Sheng has agreed to provide adequate financial support to the Group to enable it to meet in full all its financial obligations as and when they fall due in the foreseeable future;
- 4) As detailed in note 48(b) subsequent to the end of the reporting period, the Group successfully made a placing of its new shares for net proceeds of approximately HK\$71,331,000 (equivalent to approximately RMB60,034,000); and
- 5) The Group is expected to derive stable cash inflows from its operating activities for the year 31 December 2011.

In light of the above, the directors are confident that the Group will have sufficient working capital to finance its operations and meet its obligations in the next twelve months from the date of approval of these financial statements. Accordingly, the directors consider that it is appropriate to prepare the financial statements of the Group on a going concern basis. The financial statements do not include any adjustments relating to the carrying amount and reclassification of assets and liabilities that might be necessary should the Group be unable to continue as a going concern.

2. 主要會計政策 (續)

b) 財務報表編製基準及持續經營概念 (續)

ii) 持續經營概念 (續)

- 3) 王忠勝先生已同意向本集團提供足夠財務支持，以讓其充分應付於可見將來到期之所有財務責任；
- 4) 誠如附註48(b)所述，於報告期末後，本集團成功配售其新股份並獲得所得款項淨額約71,331,000港元（相等於約人民幣60,034,000元）；及
- 5) 本集團預期可於截至二零一一年十二月三十一日止年度自其經營活動取得穩定現金流入。

基於上述情況，董事有信心，本集團將有足夠營運資金應付其業務所需，以及於該等財務報表批准日期起計未來十二個月內履行其責任。因此，董事認為，按持續經營基準編製本集團之財務報表乃屬合宜之舉。財務報表並不包括在本集團無法持續經營之情況下而須就資產與負債之賬面值及重新分類作出之任何調整。

Notes to the Financial Statements

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. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策 (續)

c) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are presently exercisable are taken into account.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances and transactions and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at their proportionate share of the subsidiary's net identifiable assets.

c) 附屬公司及非控股權益

附屬公司為本集團控制之實體。於本集團有權監管該實體之財務及經營決策，以自其業務獲取利益時，即存在控制。於評估控制時，將計及現時可行使之潛在投票權。

於附屬公司之投資由控制開始當日至控制終止當日在綜合財務報表中綜合計算。集團內公司間之結餘及交易以及集團內公司間交易所產生之任何未變現溢利均於編製綜合財務報表時全部撇銷。集團內公司間交易所產生之未變現虧損亦按照未變現收益之方法同樣予以撇銷，惟僅限於減值未出現之前。

非控股權益是指並非由本公司直接或間接擁有的附屬公司權益，及本集團並未與該等權益的持有人達成任何額外條款，從而將導致本集團總體上對該等權益產生合約性責任，使其符合金融負債的定義。就各項業務合併而言，本集團可選擇按公平值或彼等於附屬公司可識別淨資產所佔比例來計算非控股權益。

Notes to the Financial Statements

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. SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Subsidiaries and non-controlling interests (Continued)

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to owners of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated income statement and the consolidated statement of comprehensive income as an allocation of the total profit or loss. Total comprehensive income 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. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position.

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

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

2. 主要會計政策 (續)

c) 附屬公司及非控股權益 (續)

非控股權益納入綜合財務狀況表的權益項目，與本公司擁有人應佔的權益分開呈列。非控股權益所佔本集團的業績，會按照損益總額進行分配，並在綜合收益表及綜合全面收益表呈列。全面收益總額由本公司擁有人及非控股權益分佔，即使此舉導致非控股權益出現虧絀結餘。於二零一零年一月一日前，適用於非控股權益之虧損如多於非控股權益於附屬公司之權益，則按本集團之權益分配，惟非控股權益具約束性責任及有能力作額外投資以填補該等虧損除外。來自非控股權益持有人之貸款及該等持有人之其他合約責任於綜合財務狀況表中呈列為金融負債。

本集團於現有附屬公司之擁有權益變更

於二零一零年一月一日或之後本集團於現有附屬公司之擁有權益變更

本集團於附屬公司的權益變更，如不構成失去控制權，這些變更會被視為權益交易，於綜合權益的控股權益及非控股權益將會被調整，以反映其權益轉變，但不會調整商譽及確認收益或損失。

Notes to the Financial Statements

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. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. 主要會計政策 (續)

c) Subsidiaries and non-controlling interests

(Continued)

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

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

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in an associate.

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

Increases in interests in existing subsidiaries were treated in the same manner as the acquisition of subsidiaries, with goodwill or a bargain purchase gain being recognised where appropriate. 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.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment losses (see note 2(k)(ii)), unless the investment is classified as held for sale.

c) 附屬公司及非控股權益

(續)

本集團於現有附屬公司之擁有權益變更 (續)

於二零一零年一月一日或之後本集團於現有附屬公司之擁有權益變更 (續)

如本集團失去附屬公司控制權，該權益變更會被視為出售該附屬公司之全部權益，其收益或損失將會計入損益。於失去附屬公司控制權當日，如仍然持有該附屬公司部份權益，該部份權益將會以公平值確認，而該金額將被視為金融資產初始確認的公平值，或於聯營公司的投資成本(如適用)。

於二零一零年一月一日之前本集團於現有附屬公司之擁有權益變更

於現有附屬公司之權益增加的處理方法與收購附屬公司相同(包括商譽與議價收購收益之確認，如適用)。如於附屬公司之權益減少，不論此活動會導致本集團對其附屬公司喪失控制權與否，調整的非控制性權益的金額與收取的代價之間的差額計入損益。

於附屬公司之投資於本公司財務狀況表按成本減任何減值虧損(見附註2(k)(ii))列賬，惟分類為持作銷售之投資則除外。

Notes to the Financial Statements

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. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Business combinations and Goodwill

i) Business combinations

Business combinations on or after 1 January 2010

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for the control of the acquiree. Acquisition related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition-date fair values, except that:

- deferred tax asset or liability arising from the assets acquired and liabilities assumed in a business combination and the potential tax effects of temporary differences and carry forwards of an acquiree that existed at the acquisition date or arise as a result of the acquisition are recognised and measured in accordance with HKAS 12, Income Tax;
- liabilities or assets relating to employee benefit arrangements are recognised and measured in accordance with HKAS 19 Employee Benefits;
- liabilities or equity instruments relating to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment transactions with share-based payment transactions of the Group are measured in accordance with HKFRS 2 Share-based Payment at the acquisition date; and

2. 主要會計政策 (續)

d) 業務合併及商譽

i) 業務合併

於二零一零年一月一日或之後的業務合併

收購業務採用收購法進行會計處理。業務合併中轉讓的代價會以公平值計量，而以公平值包括本集團向被收購方的前擁有人轉讓資產或承擔負債以及集團為換取被收購方控股權而發行的股本權益於收購日的公平值。與收購有關的成本一般會於發生時在損益確認。

於收購日，所獲得及所承擔的可識別資產及負債按其於收購日的公平值予以確認，但以下各項除外：

- 因業務合併獲得及承擔之資產及負債所產生之遞延稅項資產或負債，以及於收購日期存在或因收購產生之被收購方臨時差額及結轉之潛在稅務影響，乃根據香港會計準則第12號「所得稅」予以確認和計量；
- 僱員福利安排的相關負債或資產根據香港會計準則第19號「僱員福利」予以確認和計量；
- 與被收購方以股份為基礎支付之交易有關，或以本集團以股份為基礎支付之交易取代被收購方以股份為基礎支付之交易有關之負債或股權工具，乃於收購日期按香港財務報告準則第2號「以股份為基礎之支付」計量；及

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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. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. 主要會計政策 (續)

d) Business combinations and Goodwill

(Continued)

i) Business combinations (Continued)

Business combinations on or after 1 January 2010
(Continued)

- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

d) 業務合併及商譽 (續)

i) 業務合併 (續)

於二零一零年一月一日或之後的業務合併 (續)

- 按照香港財務報告準則第5號持作出售的非流動資產及終止經營業務劃歸為持作出售的資產(或出售組別)乃根據該準則予以計量。

商譽是以所轉撥之代價、於被收購方中任何非控股權益所佔金額、及收購方以往持有之被收購方股權之公平值(如有)之總和，減所收購之可識別資產及所承擔之負債於收購日期之淨值後，所超出之差額計值。倘經過重新評估後，所收購可識別資產與所承擔負債於收購日期之淨額高於轉撥之代價、於被收購方中任何非控股權益所佔金額以及收購方以往持有之被收購方股權之公平值(如有)之總和，則差額即時於損益內確認為議價收購收益。

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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. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Business combinations and Goodwill

(Continued)

i) Business combinations (Continued)

Business combinations on or after 1 January 2010
(Continued)

Where the consideration the Group transfers in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and considered as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments being made against goodwill or gain on bargain purchase. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period about facts and circumstances that existed as of the acquisition date. Measurement period does not exceed one year from the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with HKAS 39, or HKAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

2. 主要會計政策 (續)

d) 業務合併及商譽 (續)

i) 業務合併 (續)

於二零一零年一月一日或之後的業務合併 (續)

倘若本集團在業務合併中轉讓的代價包括或有代價安排所產生的資產或負債，則或有代價按其在收購日期的公平值計量，並視為業務合併中轉讓的部分代價。符合計量期間調整的條件的或有代價公平值變動會追溯調整，並相應調整商譽或議價收購收益。計量期間調整是指在計量期間所獲取的關於收購日期存在的事實和環境的新信息而引致的調整。計量期間從收購日期起計最長可達一年。

倘若或有代價公平值的後續變動不符合計量期間調整的條件，則其後續會計處理須視乎或有代價如何分類而定。歸類為權益的或有代價在後續報告日期不會重新計量，而其後續結算會在權益中入賬。歸類為資產或負債的或有代價在後續報告日期均按照香港會計準則第39號或香港會計準則第37號「撥備、或然負債及或然資產」（視何者適用而定）重新計量，相關損益在損益中確認。

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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. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策 (續)

d) Business combinations and Goodwill

(Continued)

i) Business combinations (Continued)

Business combinations on or after 1 January 2010
(Continued)

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

Changes in the value of the previously held equity interest recognised in other comprehensive income and accumulated in equity before the acquisition date are reclassified to profit or loss when the Group obtains control over the acquiree.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

d) 業務合併及商譽 (續)

i) 業務合併 (續)

於二零一零年一月一日或之後的業務合併 (續)

如果業務合併是分階段進行的，則應按收購日期（即，本集團獲得控制權之日）的公平值重新計量本集團先前在被收購方中持有的權益，且相關的損益（如有）應計入損益。於收購日期前，以往在其他全面收益中確認的於被收購方的權益而產生的金額，獲重新分類至損益，而倘出售權益，重新分類至損益為合適計量方法。

當本集團取得被收購方的控制權，在收購日期前於其他全面收益確認並在權益中累計的先前持有之股權價值變動會重分類至損益。

倘於報告期末出現業務合併惟業務合併的初步入賬尚未完成，則本集團須報告尚未入賬的項目的暫定款額。該等暫定款額須於計量期間（見上文）內調整，或須確認額外資產或負債，以反映所取得有關於收購日期存在的事實及狀況的新資料（如有）對該日已確認金額的影響。

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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. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Business combinations and Goodwill

(Continued)

i) Business combinations (Continued)

Business combinations 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 non-controlling interest in the acquiree was initially measured at the non-controlling interest's proportionate share of the recognised amounts of the assets, liabilities and contingent liabilities of the acquiree.

Contingent consideration was recognised, if and only if, the contingent consideration was probable and could be measured reliably. Subsequent adjustments to contingent consideration were recognised against the cost of the acquisition.

Business combinations achieved in stages were accounted for as separate steps. Goodwill was determined at each step. Any additional acquisition did not affect the previously recognised goodwill.

2. 主要會計政策 (續)

d) 業務合併及商譽 (續)

i) 業務合併 (續)

於二零一零年一月一日前的業務合併

收購業務乃按購買法入賬。收購成本之計量乃按本集團為取得被收購方之控制權而所給予之資產、已產生或承擔之負債及已發行之股權工具於交易當日之公平值總和，加上業務合併直接應佔成本計量。被收購方符合相關確認條件之可識別資產、負債及或然負債均按於收購日期的公平值確認。

收購所產生之商譽確認為資產，初步按成本計量，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數額之差額。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數額高於收購成本，則該超出部分即時於損益確認。

於被收購方之非控股權益初步按非控股權益所佔被收購方之資產、負債及或然負債之已確認數額比例計算。

當且僅當可能須支付或然代價且其金額能夠可靠計量時，方予確認或然代價。其後對或然代價作出之調整確認為收購成本。

分階段完成的業務合併按各獨立的階段入賬。商譽於各階段確認。任何增購對過往已確認的商譽並無影響。

Notes to the Financial Statements

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. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Business combinations and Goodwill

(Continued)

ii) Goodwill

Goodwill represents the excess of

- (i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over
- (ii) the Group's interest in the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. For the purposes of equipment testing, goodwill is allocated to each of the cash-generating unit, or groups of cash generating units, that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently whenever there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

2. 主要會計政策 (續)

d) 業務合併及商譽 (續)

ii) 商譽

商譽為

- (i) 所轉撥之代價、於被收購方中任何非控股權益所佔金額、及本集團以往持有之被收購方股權之公平值之總和；超出
- (ii) 本集團權益應佔所收購之可識別資產及所承擔之負債於收購日期之公平淨值之數額。

若(ii)大於(i)，超出數額即時於損益確認為議價收購收益。

商譽按成本減累計減值虧損列賬。就設備測試而言，商譽乃分配至預期可受益於合併之協同效益之現金產生單位或現金產生單位組別。

獲分配商譽之現金產生單位會每年及於有跡象顯示與商譽有關單位可能出現減值時更頻密進行減值測試。就報告期內收購所產生之商譽而言，獲分配商譽之現金產生單位會於該報告期結束前進行減值測試。倘現金產生單位之可收回金額低於其賬面值，則減值虧損會先分配以調減該單位任何商譽之賬面值，其後則按該單位內各項資產之賬面值之比例分配至該單位之其他資產。任何商譽之減值虧損會直接於損益確認。商譽之減值虧損不會於其後期間撥回。

Notes to the Financial Statements

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. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Business combinations and Goodwill

(Continued)

ii) Goodwill (Continued)

Goodwill represents the excess of (Continued)

On the disposal of a cash-generating unit during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

e) Other investments in equity securities

The Group's and the Company's policies for investments in equity securities, other than investments in subsidiaries are as follows:

Investments in equity securities are initially stated at fair value, which is their transaction price unless fair value can be more reliably estimated using valuation techniques whose variables include only data from observable markets. Cost includes attributable transaction costs, except where indicated otherwise below. These investments are subsequently accounted for as follows, depending on their classification:

Investments in securities held for trading are classified as current assets. Any attributable transaction costs are recognised in profit or loss as incurred. At the end of each reporting period the fair value is remeasured, with any resultant gain or loss being recognised in profit or loss. The net gain or loss recognised in profit or loss does not include any dividends or interest earned on these investments as these are recognised in accordance with the policies set out in note 2(u)(vi) and (vii).

Investments in equity securities that do not have a listed market price in an active market and whose fair value cannot be reliably measured are recognised in the statement of financial position at cost less impairment losses (see note 2(k)(i)).

2. 主要會計政策 (續)

d) 業務合併及商譽 (續)

ii) 商譽 (續)

商譽為 (續)

於年內出售之現金產生單位時，已購買商譽之任何應佔金額均於出售時計入損益內。

e) 於股本證券之其他投資

本集團及本公司有關於股本證券之投資(不包括於附屬公司之投資)之政策載述如下：

於股本證券之投資最初乃按公平值(即其交易價)列賬，除非公平值能更可靠地以估值法(其變量僅包括可觀測市場的數據)估計。除下文所述例外情況外，成本包括應佔交易成本。該等投資其後按下文所述視乎其分類入賬：

於持作交易用途證券之投資均歸類為流動資產。任何應佔交易成本於產生時在損益內確認。公平值於每個報告期末重新計量，而得出之任何盈虧則於損益內確認。於損益內確認之盈虧淨額不包括該等投資所賺取之任何股息或利息，因該等盈虧乃根據附註2(u)(vi)及(vii)所載之政策確認。

並無於活躍市場上市，且不能可靠地計量其公平值之股本證券投資均按成本減減值虧損於財務狀況表內確認(見附註2(k)(i))。

Notes to the Financial Statements

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. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策 (續)

e) Other investments in equity securities (Continued)

Other investments in securities are classified as available-for-sale equity securities and are initially recognised at fair value plus transaction costs. At the end of each reporting period the fair value is remeasured, with any resultant gain or loss being recognised directly in equity. Dividend income from these investments is recognised in profit or loss in accordance with the policy set out in note 2(u)(vi) and, where these investments are interest-bearing, interest calculated using the effective interest method is recognised in profit or loss in accordance with the policy set out in note 2(u)(vii). When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss.

For an investment in equity instruments that do not have a quoted market price in an active market, or derivatives linked to such equity instruments, it is measured at cost less impairment (because its fair value cannot be measured reliably).

Investments are recognised/derecognised on the date the Group commits to purchase/sell the investments or they expire.

f) Derivative financial instruments

Derivative financial instruments are recognised initially at fair value. At the end of each reporting period the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

e) 於股本證券之其他投資 (續)

其他證券投資劃分為可供出售股本證券，初始按公平值加交易成本計量。公平值於每個報告期末重新計量，而得出之任何盈虧則直接於權益內確認。該等投資之股息收入根據附註2(u)(vi)所載政策於損益確認，若該等投資為計息，相關之利息計算根據附註2(u)(vii)所載政策使用實際利率法於損益確認。若該等投資終止確認，之前直接於權益確認的累計損益於損益中確認。

並無於活躍市場報價之股本工具投資或與該等股本工具掛鉤之衍生工具按成本減減值計量(因為其公平值不能可靠計量)。

投資項目均於本集團承諾購買／出售投資項目之日或彼等到期之日予以確認／不再確認。

f) 衍生金融工具

衍生金融工具初始按公平值計量。公平值於每個報告期末重新計量，而得出之任何盈虧則即時於損益內確認。

Notes to the Financial Statements

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. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Investment property

Investment properties are land and/or buildings which are owned to earn rental income and/or for capital appreciation. These include land held for a currently undetermined future use and property that is being constructed or developed for future use as an investment property.

Investment properties are stated in the statement of financial position at fair value, unless they are still in the course of construction or development at the end of the reporting period and their fair value cannot be reliably determined at that time. Any gain or loss arising from a change in fair value or from the retirement or disposal of an investment property is recognised in profit or loss. Rental income from investment properties is accounted for as described in note 2(u)(viii).

h) Property, plant and equipment

Property, plant and equipment are stated in the statement of financial position at cost less accumulated depreciation and impairment losses (see note 2(k)(ii)):

When a lease includes both land and building elements, the Group assesses the classification of each element as 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.

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as “prepaid lease payments for land under operating leases” in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis.

2. 主要會計政策 (續)

g) 投資物業

投資物業乃為賺取租金及／或資本升值而擁有的土地及／或樓宇，包括持作目前尚未決定未來用途之土地及供未來用作投資物業而興建或開發之物業。

投資物業按公平值於財務狀況表列賬，除非其於報告期末仍處於興建或開發過程中，且其公平值於當時未能可靠地釐定則除外。因投資物業公平值變動或投資物業報廢或出售而引致的任何盈虧，均於損益中確認。投資物業之租金收入按附註2(u)(viii)所述列賬。

h) 物業、機器及設備

物業、機器及設備按成本減累計折舊及減值虧損於財務狀況表列賬(見附註2(k)(ii))：

倘租約包括土地及樓宇部份，則本集團根據對各部份的擁有權所附帶的絕大部份風險及回報是否已轉讓予本集團的評估，獨立將各部份分類評估為融資或經營租賃。

倘能可靠分配租賃款項，作為經營租賃入賬的租賃土地權益於綜合財務狀況表內呈列為「經營租賃土地之預付租賃款項」並按直線法於租賃期內攤銷。

Notes to the Financial Statements

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. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策 (續)

h) Property, plant and equipment (Continued)

Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

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

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

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

| | |
|-------------------------------------|--|
| — Buildings held for own use | Over the shorter of unexpired term of the leases or 30 years |
| — Leasehold improvements | 2 - 5 years |
| — Pipelines | 5 - 20 years |
| — Plant and machinery | 3 - 10 years |
| — Computer equipment | 3 - 5 years |
| — Furniture and equipment | 3 - 10 years |
| — Transportation and motor vehicles | 4 - 10 years |

h) 物業、機器及設備 (續)

歷史成本包括收購項目直接應佔的開支。成本可包括從權益中轉撥的有關外幣購買物業、機器及設備的合資格現金流量對沖產生的任何收益／虧損。

其後產生之成本，只有在有關項目未來可能帶給本集團經濟效益，而項目之成本又能夠可靠計算時，方列作相關資產之賬面值或確認為另一項資產。替換零件之賬面值取消確認。所有其他維修保養成本於產生之財政期間列入收益表。

若資產賬面值高於其估計可收回價值，將立即調減至可收回價值。

折舊以於物業、機器及設備項目之下列估計可使用年期內，按直線法撇銷成本，減彼等之估計餘值(如有)計算：

| | |
|-----------|-------------------|
| — 持作自用之樓宇 | 按租約之未屆滿年期或30年之較短者 |
| — 租賃裝修工程 | 2 - 5年 |
| — 管道 | 5 - 20年 |
| — 機器及設備 | 3 - 10年 |
| — 電腦設備 | 3 - 5年 |
| — 傢俱及設備 | 3 - 10年 |
| — 運輸及機動車輛 | 4 - 10年 |

Notes to the Financial Statements

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. SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Property, plant and equipment (Continued)

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net proceeds disposal on and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

Construction in progress represents property, plant and equipment under construction and pending installation and is stated at cost less accumulated impairment losses, if any. Cost includes the costs of construction of the buildings, the costs of plant and machinery and interest charges arising from borrowings used to finance these assets during the period of construction or installation and testing. No provision for depreciation is made on construction in progress until such time the relevant assets are completed and are available for their intended use. When the assets concerned are brought into use, the costs are transferred to other property, plant and equipment and depreciated in accordance with the policy as stated above.

2. 主要會計政策 (續)

h) 物業、機器及設備 (續)

倘若物業、機器及設備項目有部份之可使用年期不同，則該項目之成本乃按合理基準分配至各部份，而各部份則獨立予以折舊。資產之可使用年期及餘值(如有)乃每年予以審核。

棄用或出售物業、機器及設備項目產生之損益，均釐定為出售所得款項淨額與項目賬面值之差額，並於棄用或出售日期於損益確認。

在建工程指正在建設及有待安裝之物業、機器及設備，並按成本減累計減值虧損(如有)列賬。成本包括興建樓宇成本、機器及機械之成本，以及在建設或安裝及測試期間用以為該等資產融資所貸款之利息開支。在建工程於有關資產落成及可供擬定用途前，暫不計提折舊。當有關資產投入運作，成本會轉撥至其他物業、機器及設備，並根據上述政策予以折舊。

Notes to the Financial Statements

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. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策 (續)

i) Intangible assets (other than goodwill)

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources and the intention to complete development. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Capitalised development costs are stated at cost less accumulated amortisation and impairment losses (see note 2(k)(ii)). Other development expenditure is recognised as an expense in the period in which it is incurred.

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see note 2(k)(ii)).

Amortisation of intangible assets with finite useful lives is charged to the profit or loss on a straight-line basis over the assets' estimated useful lives. The following intangible assets with finite useful lives are amortised from the date they are available for use and their estimated useful lives are as follows:

| | |
|---|----------|
| — Exclusive right for piped natural gas operation | 45 years |
| — Operation license for liquefied coalbed gas logistics | 5 years |
| — Computer software development costs | 5 years |

Both the period and method of amortisation are reviewed annually.

i) 無形資產(商譽除外)

研究活動開支於產生期間確認為開支。倘若產品或過程於技術及商業上均為可行，且本集團有足夠資源及擬完成開發項目，則將開發活動開支撥充資本。撥充資本之開支包括材料及直接勞工成本，以及間接費用適當部份。撥充資本之開發成本按成本減累計攤銷及減值虧損(見附註2(k)(ii))列賬。其他開發開支於產生期間確認為開支。

本集團所收購之其他無形資產乃按成本值減累計攤銷(倘估計可使用年期為有限)及減值虧損於財務狀況表內列賬(見附註2(k)(ii))。

有限可使用年期之無形資產攤銷以直線法按資產之估計可使用年期自損益扣除。下列有限可使用年期之無形資產乃由彼等之可供使用當日起予以攤銷，而彼等之估計可使用年期如下：

| | |
|----------------|-----|
| — 管道天然氣業務之獨家權利 | 45年 |
| — 液化煤層氣物流營運執照 | 5年 |
| — 電腦軟件開發成本 | 5年 |

有關攤銷期及方法會每年予以審核。

Notes to the Financial Statements

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. SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Lease assets

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

i) Classification of assets leased to the Group

Assets that are held by Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases.

ii) Operating lease charges

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are written off as an expense in the accounting period in which they are incurred.

The cost of acquiring land held under an operating lease is amortised on a straight-line basis over the period of the lease term, except where the property is classified as an investment property (see note 2(g)).

2. 主要會計政策 (續)

j) 租賃資產

倘本集團決定安排在協定期限內出讓一項特定資產或多項資產之使用權，以換取一筆付款或一連串付款，則有關安排(包括一項交易或一連串交易)即屬於或包括租賃。有關決定根據對安排本質之評估(不論安排是否以法定租賃形式)作出。

i) 出租予本集團之資產分類

倘本集團根據租賃持有資產而有關租賃將擁有權涉及之絕大部份風險及回報轉移至本集團，則有關資產列作根據融資租賃持有。並無將擁有權涉及之絕大部份風險及回報轉移至本集團之租賃則列作經營租賃。

ii) 經營租賃費用

倘本集團根據經營租約使用資產，租約項下之付款將按租期所涵蓋之會計期間按均等分期金額自損益扣除，惟倘有其他方法可更清晰反映自租賃資產所得利益之情況，則當別論。已收租賃津貼於損益確認為合共已付租金淨額之組成部份。或然租金於產生之會計期間自作為開支撇銷。

收購根據經營租約持有之土地之成本，乃於租賃期內按直線法予以攤銷，除非有關物業列為投資物業則作別論(見附註2(g))。

Notes to the Financial Statements

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. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策 (續)

k) Impairment of assets

i) Impairment of investments in equity securities and other receivables

Investments in equity securities (other than investments in subsidiaries: see 2(k)(ii)) and other current and non-current receivables that are stated at cost or amortised cost or are classified as available-for-sale securities are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

- significant financial difficulty of the debtors;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and
- a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

k) 資產減值

i) 於股本證券之投資及其他應收款項之減值

於股本證券(於附屬公司之投資除外:見2(k)(ii))及其他現時及非現時應收款項之投資(按成本或攤銷成本列賬或歸類為可供出售證券)均於各報告期末予以審核,以釐定是否有減值之客觀證據。減值之客觀證據包括本集團得悉的有關下列一項或多項虧損事項的可觀察資料:

- 債務人遭遇重大財務困難;
- 違約,譬如拖欠或無法如期償還本息;
- 債務人可能會宣告破產或進行其他財務重組;
- 科技、市場、經濟或法律環境的重大變化對債務人造成重大影響;及
- 投資股本工具的公平值大幅或持續下降至低於其成本。

Notes to the Financial Statements

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. SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Impairment of assets (Continued)

i) Impairment of investments in equity securities and other receivables (Continued)

If any such evidence exists, any impairment loss is determined and recognised as follows:

- For unlisted equity securities carried at cost, the impairment loss is measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted at the current market rate of return for a similar financial asset where the effect of discounting is material. Impairment losses for equity securities are not reversed.
- For trade and other current receivables and other financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where financial assets carried at amortised cost share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

2. 主要會計政策 (續)

k) 資產減值 (續)

i) 於股本證券之投資及其他應收款項之減值 (續)

倘若任何該等證據出現，則任何減值虧損均按以下方式釐定及確認：

- 就按成本入賬的非上市股本證券而言，倘貼現之影響重大，減值虧損金額按金融資產賬面值與預計未來現金流量現值（按同類金融資產目前的市場回報率貼現）兩者之差額計量。股本證券之減值虧損將不會撥回。
- 就按攤銷成本列賬之貿易及其他流動應收款項以及其他金融資產而言，倘貼現之影響重大，減值虧損按資產之賬面值與估計未來現金流量（按金融資產之原本實際利率（即於初步確認該等資產時計算之實際利率）貼現）之現值之差額計量。倘若按攤銷成本列賬之金融資產具備類似之風險特徵，例如類似之逾期情況及並未個別被評估為減值，則有關評估會同時進行。金融資產之未來現金流量會根據與該類資產具有類似信貸風險特徵資產之過往虧損情況同時評估減值。

Notes to the Financial Statements

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. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策 (續)

k) Impairment of assets (Continued)

i) Impairment of investments in equity securities and other receivables (Continued)

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

- For available-for-sale equity securities which are stated at fair value, when a decline in the fair value has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in equity shall be removed from equity and recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in profit or loss.

Impairment losses recognised in profit or loss in respect of available-for-sale equity securities are not reversed through profit or loss. Any subsequent increase in the fair value of such assets is recognised in other comprehensive income.

k) 資產減值 (續)

i) 於股本證券之投資及其他應收款項之減值 (續)

倘若於其後減值虧損之數額減少，且有關減少可客觀地與於確認減值虧損後發生之事件連帶起來，則於損益內撥回減值虧損。撥回減值虧損不會導致資產之賬面值超過若於過去年度並無確認減值虧損時所釐定之數額。

- 就按公平值列賬之可供出售股本證券而言，若已直接於權益確認公平值減少，且有客觀證據顯示資產減值，則即使有關金融資產並無取消確認，已直接於權益中確認之累計虧損將從權益中撥至損益內確認。於損益內確認之累計虧損數額，乃收購成本(扣除任何本金還款及攤銷)與現時公平值之差額，減之前於損益內確認之資產之任何減值虧損。

就可供出售股本證券而於損益內確認之減值虧損，不會於損益內撥回。其後該等資產之公平值之增加，均於其他全面收益中確認。

Notes to the Financial Statements

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. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策 (續)

k) Impairment of assets (Continued)

i) Impairment of investments in equity securities and other receivables (Continued)

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade debtors and bills receivable included within trade and other receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade debtors and bills receivable directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

ii) Impairment of other assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- goodwill;
- property, plant and equipment;
- prepaid lease payments for land under operating leases;
- intangible assets; and
- investments in subsidiaries.

k) 資產減值 (續)

i) 於股本證券之投資及其他應收款項之減值 (續)

減值虧損應從相應的資產中直接撇銷，除非包含在應收賬款及其他應收款項中的應收賬款及應收票據的已確認減值虧損被視為難以收回但機會又並非微乎其微。在此情況下，應以撥備賬記錄呆壞賬的減值虧損。倘本集團確認能收回應收賬款的機會微乎其微，則視為不可收回金額會從應收賬款及應收票據中直接撇銷，而在撥備賬中持有有關該債務的任何金額會被撥回。若之前計入撥備賬款項在其後收回，則相關的撥備會被撥回。撥備賬的其他變動及之前直接撇銷而其後收回的款項，均在損益中確認。

ii) 其他資產減值

於每個報告期末審核內部及外部資料來源，以確定下列資產是否出現減值，或(倘為商譽)先前確認之減值虧損是否不再存在或已經減少：

- 商譽；
- 物業、機器及設備；
- 經營租約土地之預付租金；
- 無形資產；及
- 於附屬公司之投資。

Notes to the Financial Statements

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. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策 (續)

k) Impairment of assets (Continued)

ii) Impairment of other assets (Continued)

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

— Calculation of recoverable amount

The recoverable amount of an asset is the higher of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

k) 資產減值 (續)

ii) 其他資產減值 (續)

倘存在任何該等跡象，則估計資產之可收回金額。此外，就商譽、尚未可供使用之無形資產及無固定可使用年期之無形資產而言，不論有否減值跡象，均會每年估計可收回金額。

— 計算可收回金額

資產之可收回金額指其公平值減去銷售成本與使用價值之較高者。在估計使用價值時，估計日後現金流量按反映現時市場對金額時間值及資產特定風險所評估之除稅前貼現率貼現至其現值。倘一項資產所生之現金流入在很大程度上並非獨立於其他資產所產生之現金流入，則就獨立產生現金流入之最小部份資產(即現金產生單位)釐定可收回金額。

Notes to the Financial Statements

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. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策 (續)

k) Impairment of assets (Continued)

ii) Impairment of other assets (Continued)

— Recognition of impairment losses

An impairment loss is recognised in profit or loss whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of a cash-generating unit are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying amount of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.

— Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

k) 資產減值 (續)

ii) 其他資產減值 (續)

— 確認減值虧損

當資產或其所屬現金產生單位之賬面值超過其可收回款額，則於損益中確認減值虧損。就現金產生單位確認之減值虧損，均首先被分配以減少分配至現金產生單元(或一組單位)之任何商譽之賬面值，然後分配以按比例減少該單元(或一組單位)之其他資產之賬面值，惟資產之賬面值將不會被減至低於其個別公平值減銷售成本或使用價值(如可予釐定)。

— 撥回減值虧損

就商譽以外之資產而言，倘用以釐定可收回金額之估計數字出現有利變動，則撥回減值虧損。商譽之減值虧損則不會撥回。

Notes to the Financial Statements

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. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策 (續)

k) Impairment of assets (Continued)

ii) Impairment of other assets (Continued)

— Reversals of impairment losses (Continued)

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

iii) Interim financial reporting and impairment

Under the Rules Governing the Listing of Securities on the GEM of the Stock Exchange, the Group is required to prepare an interim financial report in compliance with HKAS 34, Interim financial reporting, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see notes 2(k)(i) and (ii)).

Impairment losses recognised in an interim period in respect of goodwill, available-for-sale equity securities and unlisted equity securities carried at cost are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates. Consequently, if the fair value of an available-for-sale equity security increase in the remainder of the annual period, or in any other period subsequently, the increase is recognised in other comprehensive income and not profit or loss.

k) 資產減值 (續)

ii) 其他資產減值 (續)

— 撥回減值虧損 (續)

減值虧損撥回以於過往年度並無確認減值虧損而原應釐定之資產賬面值為限。減值虧損撥回計入確認該等撥回之年度之損益。

iii) 中期財務報告及減值

根據聯交所創業板證券上市規則，本集團須按照香港會計準則第34號中期財務報告就財政年度首六個月編製中期財務報告。於中期期末，本集團應用其於財政年度末時將會採用之相同減值測試、確認及撥回標準(見附註2(k)(i)及(ii))。

於中期期間就按成本列賬之商譽、可供出售股本證券及非上市股本證券而確認之減值虧損不得於往後期間撥回。假設與中期期間有關之減值評估於財政年度末才進行，即使沒有確認虧損，或虧損屬輕微，均採用以上相同處理方法。因此，倘可供出售股本證券之公平值於全年期間剩餘時候(或其後任何其他期間)有所增加，有關增幅於其他全面收益(而非損益)內確認。

Notes to the Financial Statements

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. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策 (續)

l) Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period in which the write down or loss occurs. The amount of any reversal of any write down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

m) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost less allowance for impairment loss (see note 2(k)(i)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment loss (see note 2(k)(i)).

l) 存貨

存貨以成本及可變現淨值兩者之較低者入賬。

成本乃根據加權平均成本法計算，包括所有購買成本、加工成本及將存貨送抵目前地點及達致目前狀況所產生之其他成本。

可變現淨值指於日敘業務中之估計售價減估計完工成本及作出銷售所需估計成本。

售出存貨後，有關存貨之賬面值將於有關收益獲確認之期間確認為開支。所有將存貨撇減至可變現淨值之數額及有關存貨之所有虧損於撇減或出現虧損期間確認為開支。任何撇減存貨所撥回之有關數額將於出現撥回期間按已確認為開支之存貨數額減少確認。

m) 應收賬款及其他應收款項

應收賬款及其他應收款項均於初期按公平值確認，其後按攤銷成本減減值虧損撥備列賬（見附註2(k)(i)），惟倘若應收款項為給予有關連人士之免息貸款（並無任何固定還款期或貼現之影響並不重大）則除外。於該等情況下，應收款項均按成本減減值虧損撥備列賬（見附註2(k)(i)）。

Notes to the Financial Statements

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. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策 (續)

n) Convertible bonds

Convertible bonds issued by the Company that contain liability, conversion option and redemption option components are classified separately into liability component, equity component and derivative component consisting of the redemption option of the Company respectively. A derivative embedded in a non-derivative host contract its treated as a separate derivative when its risks and characteristics are not closely related to those of the host contract. On initial recognition, the fair value of the liability component is determined using the prevailing market interest of similar non-convertible bonds. The derivative component is carried at fair value on the statement of financial position with any changes in fair value being charged or credited to profit or loss in the period in which the change occurs. The difference between the proceeds of the issue of the convertible bonds and the fair values of the liability component and derivative component related to the redemption option of the Company is included in equity.

Subsequent to initial recognition, the liability component of the convertible bonds is carried at amortised cost using the effective interest method. The difference between the interest so calculated and the interest paid is added to the carrying amount of the liability component. The derivative is remeasured to fair value through profit or loss at subsequent reporting dates. The equity component, represented by the option to convert the liability component into ordinary shares of the Company, remains in convertible bonds reserve until the embedded option is exercised (at which time the convertible bonds equity component will be transferred to share capital and share premium). Where the option remains unexercised at the expiry date, the balance remaining in convertible bonds reserve is released to retained profits. No gain or loss is recognised in profit or loss upon conversion or expiration of the option.

n) 可換股債券

本公司所發行的可換股債券包括負債、轉換權及贖回權等各部分，且分別被獨立分類為負債部分、權益部分及衍生工具部分(由本公司贖回權組成)。當內置於非衍生主合約的衍生工具的風險及特點不與主合約的風險及特點密切相關時，其被視為獨立衍生工具。於最初確認時，負債部分的公平值乃按同類不可換股債券的現行市場利率釐定。衍生工具部分於財務狀況表以公平值列賬，任何公平值變動將在發生變動期間扣除或計入損益內。發行可換股債券所得款項與負債部分及嵌入式衍生工具(與本公司贖回權有關)的公平值之間的差額計入權益。

於最初確認後，可換股債券的負債部分乃以實際利率法按已攤銷成本列賬。所計算出的利息與所支付的利息之差額加入負債部分的賬面值。衍生工具於其後報告日期經損益重新按公平值計量。權益部分(即將負債部分轉換為本公司普通股的期權)將存留於可換股債券儲備內，直至內置期權獲行使(此時，可換股債券權益部分將被轉撥至股本及股份溢價)。倘期權於屆滿期仍未獲行使，可換股債券儲備內的結餘將撥至保留溢利。期權的轉換或屆滿均不會於損益內確認任何溢利或虧損。

Notes to the Financial Statements

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. SIGNIFICANT ACCOUNTING POLICIES (Continued)

n) Convertible bonds (Continued)

Transaction costs that relate to the issue of convertible bonds are allocated to the liability component and equity component of the convertible bonds in proportion to the allocation of proceeds. Transaction costs relating to the liability component are included in the carrying amount of the liability component and amortised over the period of the convertible bonds using the effective interest method. The portion relating to the embedded derivative is charged directly to profit or loss. Transaction costs relating to the equity component are charged directly to convertible bonds reserve.

If the convertible bonds are redeemed by the Company before maturity, the Company will allocate the consideration paid and any transaction costs for the repurchase or redemption to the liability and equity components of the instrument at the date of the transaction. The method used in allocating the consideration paid and transaction costs to the separate components is consistent with that used in the original allocation to the separate components of the proceeds received by the Company when the convertible instrument was issued. Once the consideration is allocated, any resulting gain or loss relating to the liability component is recognised in profit or loss and the amount of consideration relating to the equity component is recognised in equity.

o) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit and loss over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

2. 主要會計政策 (續)

n) 可換股債券 (續)

與發行可換股債券相關的交易成本乃按所得款項的分配比例分配至可換股債券的負債部分及權益部分。與負債部分相關的交易成本乃計入負債部分的賬面值內，並於可換股債券期間以實際利率法攤銷。與嵌入式衍生工具相關的交易成本乃直接自損益中扣除。與權益部分相關的交易成本乃直接自可換股債券儲備中扣除。

倘本公司於到期前贖回可換股債券，本公司將於交易日將已支付的代價及任何購回或贖回交易成本分配至可換股債券的負債及權益部分。支付代價及交易成本部分資金分配方法與用於發行可轉換工具時本公司收到的所得款項所用之分配方式相同。代價作出分配後，負債部分有關之盈虧會於損益中確認；而與權益部分有關之代價會於權益內確認。

o) 計息借款

計息借款初步按公平值減應佔交易成本確認。於初步確認後，計息借款按攤銷成本列賬，初步確認金額與贖回價值的任何差額（連同任何應付利息及費用）會在借款期內以實際利率法於損益內確認。

Notes to the Financial Statements

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. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. 主要會計政策 (續)

p) Trade and other payables

Trade and other payables are initially recognised at fair value and thereafter stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

q) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

r) Employee benefits

- i) Salaries, annual bonuses, paid annual leave and contributions to defined contribution plans are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.
- ii) Contributions to Mandatory Provident Funds required under the Hong Kong Mandatory Provident Fund Schemes Ordinance and mandatory central pension schemes organised by the local government of the People's Republic of China (the "PRC") government are recognised as an expense in income statement as incurred.

p) 應付賬款及其他應付款項

應付賬款及其他應付款項均於初期按公平值確認，其後按攤銷成本列賬，惟倘若貼現之影響並不重大，則按成本列賬。

q) 現金及現金等值物

現金及現金等值物包括銀行及手頭現金，銀行及其他金融機構之活期存款，以及可隨時轉換為已知數額現金，並於購入時起計三個月內到期且幾乎不受價值變動風險所影響之短期高度流通投資項目。就綜合現金流量表而言，須應要求償還且構成本集團現金管理中組成部份之銀行透支亦已作為現金及現金等值物計算在內。

r) 僱員福利

- i) 薪金、年度花紅、有薪年假及界定供款計劃供款，乃於僱員提供有關服務之年度計算。倘款項支付或清付遞延處理且其影響屬重大，則該等金額將以其現值列賬。
- ii) 根據香港強制性公積金計劃條例須向強制性公積金作出之供款，以及向中華人民共和國（「中國」）地方政府所籌辦之強制性中央退休金計劃作出之供款，於產生時在損益表內確認為開支。

Notes to the Financial Statements

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. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策 (續)

r) Employee benefits (Continued)

- iii) The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a share option reserve within equity. The fair value is measured at grant date using Black-Scholes Option Pricing Model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the share options, the total estimated fair value of the share options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options expected to vest is reviewed. Any adjustment to the cumulative fair value recognised in prior years is charged/credited to profit or loss for the year under review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the share option reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of share options that vests (with a corresponding adjustment to the share option reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the share option reserve until either the option is exercised (when it is transferred to the share premium account) or the option expires (when it is released directly to the retained profits).

r) 僱員福利 (續)

- iii) 授予僱員之購股權之公平值，乃確認為僱員成本，並相應增加權益中之購股權儲備。公平值乃於授出日期利用Black-Scholes期權定價模式計量，當中考慮到授出購股權所依據之條款及條件。倘若僱員於有權無條件享有購股權前符合歸屬條件，則估計購股權之總體公平值乃於歸屬期間內分攤，當中考慮到購股權將會歸屬之可能性。

於歸屬期內會審核預期歸屬之購股權數目。於過去年度確認之累計公平值之任何調整，乃於審核年度於損益內扣除／計入，惟合資格確認為資產之原本僱員開支則除外，並對購股權儲備作相應調整。於歸屬日，確認為開支之款額會予以調整，以反映歸屬購股權之實際數目（並對購股權儲備作相應調整），惟因並無達致與本公司股份市值相關之歸屬條件才沒收之購股權除外。權益款額乃於購股權儲備內確認，直至購股權獲行使（當其轉撥至股份溢價賬）或購股權到期（直接撥入保留溢利時）為止。

Notes to the Financial Statements

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. SIGNIFICANT ACCOUNTING POLICIES (Continued)

s) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided that those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary differences or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

2. 主要會計政策 (續)

s) 所得稅

本年度所得稅包括即期稅項以及遞延稅項資產及負債變動。即期稅項以及遞延稅項資產及負債變動於損益確認，惟倘與於其他全面收益或直接於權益確認之項目有關者，則相關稅項金額分別於其他全面收益或直接於權益中確認。

即期稅項指年內就應課稅收入，按於報告期末已實施或實際已實施之稅率，並經就過往年度應繳稅項調整而計算之估計應繳稅項。

分別由可扣減及應課稅暫時差額產生之遞延稅項資產及負債，指就財務申報之資產及負債賬面值與其稅基之差額。遞延稅項資產亦自未動用稅項虧損及未動用稅項進賬產生。

除若干例外情況外，倘日後應課稅溢利有可能對銷可予以使用的資產，則確認所有遞延稅項負債及遞延稅項資產。日後應課稅溢利有助確認撥回現有應課稅臨時差額之可扣減臨時差額產生之遞延稅項資產，惟該等差額須與同一稅務機構及同一應課稅實體有關，並預期會在可扣減臨時差額預期撥回之相同期間或轉回或結轉遞延稅項資產產生稅項虧損之期間撥回。於釐訂現有應課稅臨時差額是否可用以確認尚未動用的稅項虧損及進賬之遞延稅項資產時，可採納相同的準則，即是倘差額屬同一應課稅機構及同一應課稅實體，以及預期稅項虧損或可予以動用之進賬於期內撥回，該等差額將計入賬目。

Notes to the Financial Statements

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. SIGNIFICANT ACCOUNTING POLICIES (Continued)

s) Income tax (Continued)

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

2. 主要會計政策 (續)

s) 所得稅 (續)

確認遞延稅項資產及負債之例外情況包括不能為課稅而扣減商譽所產生之臨時差額，初步確認既不影響會計亦不影響應課稅溢利（惟須非業務組成部份）之資產或負債，及有關於附屬公司投資所出現臨時差額時，惟倘就應課稅差額而言，本集團可控制撥回之時間，且差額很可能不會於可見將來撥回或出現可扣減差額則除外，除非日後很可能會撥回。

所確認之遞延稅項金額乃按預期資產及負債賬面值之變現或結算方式，以報告期末已實施或實際已實施之稅率計算。遞延稅項資產及負債不會折現。

遞延稅項資產賬面值於各報告期末審核，倘可能不再有足夠應課稅溢利以容許使用有關稅項利益，則會進行扣減。倘可能會有足夠應課稅溢利，該等扣減將會撥回。

源自股息分派之額外所得稅於確認支付有關股息責任時予以確認。

Notes to the Financial Statements

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. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策 (續)

s) Income tax (Continued)

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities if, and only if, the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

t) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

s) 所得稅 (續)

現有稅項結餘及遞延稅項結餘和其變動，均獨立呈列及不會予以抵銷。倘本公司或本集團有法定強制執行權，可以現有稅項資產抵銷現有稅項負債及達成以下額外條件時，則現有稅項資產將抵銷現有稅項負債，及遞延稅項資產將抵銷遞延稅項負債：

- 倘為現有稅項資產及負債，本公司或本集團擬按淨額結算或同時變現資產及清償負債；或
- 倘為遞延稅項資產及負債，由同一稅務機構按以下情況徵收所得稅：
 - 同一個課稅實體；或
 - 不同的課稅實體。這些實體計劃在預期有大額遞延稅項負債需要清償或遞延稅項資產可以收回的每個未來期間，按淨額實現即期稅項資產和清償即期稅項負債或在實現資產的同時清償負債。

t) 撥備及或然負債

倘本集團或本公司因過往事件而負有可能導致經濟利益流出方可了結之法定或推定責任，且能作出可靠估計，則就不確定時限或金額之負債確認撥備。倘款項時間值為重大者，則撥備按預期解決債務所需開支之現值入賬。

Notes to the Financial Statements

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. SIGNIFICANT ACCOUNTING POLICIES (Continued)

t) Provisions and contingent liabilities

(Continued)

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

u) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

i) Sales of computer software and hardware

Revenue is recognised when the Group has transferred to the customer the significant risks and rewards of ownership of the goods. Revenue excludes value-added and business taxes, and is after deduction of any goods returns and trade discounts.

ii) Income from provision of maintenance and other services

Revenue from maintenance and other services is recognised at the time when the service is performed.

2. 主要會計政策 (續)

t) 撥備及或然負債 (續)

倘可能毋須導致經濟利益流出或不能可靠估計金額，則將責任列作或然負債披露，除非經濟利益流出之可能性極微。僅可由發生或不發生一件或數件未來事件予以確定之可能責任，亦列作或然負債披露，除非經濟利益流出之可能性極微。

u) 收益確認

收益按已收或應收代價之公平值計量。倘經濟利益極有可能流入本集團，且收益及成本(倘適用)能可靠計算，收益將按以下方式於損益確認：

i) 銷售電腦軟件及硬件

收益乃於本集團將貨品擁有權之重大風險及回報轉移予客戶時確認。收益不包括增值稅及營業稅，並於扣除任何退貨及商業折扣後列賬。

ii) 提供維修及其他服務之收入

維修及其他服務之收益乃於提供服務時確認。

Notes to the Financial Statements

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. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策 (續)

u) Revenue recognition (Continued)

iii) Sales of liquefied coalbed gas and piped natural gas

Revenue from sales of liquefied coalbed gas and piped natural gas are recognised when the gas is delivered and title has passed. Revenue excludes value-added and business taxes, and is after deduction of any goods returns and trade discounts.

iv) Income from provision of gas supply connection services

Revenue from provision of gas supply connection services is recognised when the relevant construction work is completed and connection services are rendered.

v) Income from provision of liquefied coalbed gas logistics services

Revenue from provision of logistics services is recognised when services are rendered.

vi) Dividends

Dividend income from unlisted investments is recognised when the shareholders' rights to receive payment are established.

Dividend income from listed investments is recognised when the share price of the investments goes ex-dividend.

vii) Interest income

Interest income is recognised as it accrues using the effective interest method.

u) 收益確認 (續)

iii) 銷售液化煤層氣體及管道天然氣

收益乃於本集團將貨品擁有權之重大風險及回報轉移予客戶時確認。收益不包括增值稅及營業稅，並於扣除任何退貨及商業折扣後列賬。

iv) 提供供氣接駁服務之收入

提供供氣接駁服務之收益於相關工程完工及提供接駁服務時確認。

v) 提供液化煤層氣體物流服務之收入

提供物流服務之收益於提供服務時確認。

vi) 股息

非上市投資之股息收入於股東獲派有關款項之權利確立時確認。

當上市投資之股價除息後，則確認來自上市投資之股息收入。

vii) 利息收入

利息收入乃於其利用實際利息法應計時確認。

Notes to the Financial Statements

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. SIGNIFICANT ACCOUNTING POLICIES (Continued)

u) Revenue recognition (Continued)

viii) Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net less payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

ix) Value-added tax refund

Value-added tax refund is recognised when the acknowledgement of refund from the PRC Tax Bureau has been received.

x) Government grants

Government grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to “encouraged hi-tech enterprise” with no future related costs are recognised in the profit or loss in the period in which they became receivable.

v) Deferred income

Warranty income is received in advance for the whole period under warranty and is recognised in the statement of financial position initially as deferred income. They are subsequently recognised to profit or loss when the warranty period expires.

2. 主要會計政策 (續)

u) 收益確認 (續)

viii) 經營租賃之租金收入

經營租賃的應收租金收入會在租賃期所涵蓋的期間以等額分期在損益中確認；如另有方法更能代表從使用租賃資產中獲取利益的形態則屬例外。所授予的租賃鼓勵會作為應收淨租賃付款總額的主體部份而在損益中確認。或然租金會於賺取之會計期間確認為收入。

ix) 增值稅退稅

增值稅退稅乃於確認收訖中國稅務局退稅時予以確認。

x) 政府津貼

政府津貼在有必要與擬補償成本對應的期間有系統地確認為收入。作為補償支出或損失而已產生的應收取或為了給予「受鼓勵高科技企業」即時財務支持而無日後相關成本的政府津貼在其應收取期間於損益確認。

v) 遞延收入

就整段保用期間預先收取的保修收入將會在財務狀況表內初步確認為遞延收入。於保修期屆滿時該等收入於損益內確認。

Notes to the Financial Statements

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. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策 (續)

w) Translation of foreign currencies

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Renminbi ("RMB"). The functional currency of the Company is Hong Kong dollars and the presentation currency is RMB. The reason for using RMB as a presentation currency is that the functional currency of the principal entities within the Group is RMB.

Foreign currency transactions during the year are translated into RMB at the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into RMB at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was determined.

The results of foreign operations are translated into RMB at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items, including goodwill arising on consolidation of foreign operations acquired on or after 1 January 2005, are translated into RMB at the foreign exchange rates ruling at the end of the reporting period. The resulting exchange differences are recognised directly in other comprehensive income and accumulated separately in equity in the translation reserve. Goodwill arising on consolidation of a foreign operation acquired before 1 January 2005 is translated at the foreign exchange rate that applied at the date of acquisition of the foreign operation.

w) 外幣換算

本集團各實體之財務報表中所包括之項目，均使用有關實體業務所在之主要經濟環境之貨幣（「功能貨幣」）進行計量。綜合財務報表乃以人民幣（本集團之呈列貨幣）呈列。本公司之功能貨幣為港元及呈報貨幣為人民幣。使用人民幣作為本公司呈報貨幣之原因為本集團內大量實體之功能及呈報貨幣均為人民幣。

年內以外幣結算之交易乃按交易日之匯率換算為人民幣。以外幣換算之貨幣資產及負債，則按報告期末之外幣匯率換算為人民幣。外匯收益及虧損乃於損益內確認。

按歷史成本計量及以外幣列值之非貨幣資產及負債，乃按於交易日期之匯率換算。以外幣為單位並按公平值列賬之非貨幣資產及負債，均按於釐定公平值當日之匯率換算。

海外業務之業績均按與於交易當日之匯率相若之匯率換算為人民幣。財務狀況表項目（包括因綜合於二零零五年一月一日或之後收購之海外業務而產生之商譽）均按報告期末之匯率換算為人民幣。所產生之匯兌差額，均直接於其他全面收益確認及於換算儲備的權益中分開累計。因綜合於二零零五年一月一日之前收購之海外業務而產生之商譽，乃按收購海外業務當日之匯率換算。

Notes to the Financial Statements

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. SIGNIFICANT ACCOUNTING POLICIES (Continued)

w) Translation of foreign currencies (Continued)

From 1 January 2010 onwards, 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.

x) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

2. 主要會計政策 (續)

w) 外幣換算 (續)

由二零一零年一月一日開始，出售海外業務(例如出售本集團海外業務的全部權益，或涉及失去附屬公司(包括海外業務)控制權之出售，或涉及失去於聯營公司(包括海外業務)之重大影響力之出售)，本公司擁有人應佔該業務於權益累計之所有匯兌差額重新分類至損益。

x) 借貸成本

為購入、建設或生產資產而直接應佔並須經一段頗長時間始能投入擬定用途或出售之借貸成本，作為該項資產之部份成本撥充資本。其他借款成本於產生期間內支銷。

屬於合資格資產成本一部份的借貸成本在資產產生開支、借貸成本產生和使資產投入擬定用途或出售所必須的準備工作進行期間開始撥充資本。在使合資格資產投入擬定用途或出售所必須的絕大部份準備工作中止或完成時，借貸成本便會暫停或停止撥充資本。

Notes to the Financial Statements

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. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策 (續)

y) Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which represents a separate major line of business or geographical area of operations, or is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal. It also occurs if the operation is abandoned.

Where an operation is classified as discontinued, a single amount is presented on the face of the income statement, which comprises:

- the post-tax profit or loss of the discontinued operations; and
- the post-tax gain or loss recognised on the measurement to fair value less costs to sell, or on the disposal, of the assets or disposal group(s) constituting the discontinued operation.

z) Related parties

For the purposes of these financial statements, a party is considered to be related to the Group if:

- i) the party has the ability, directly or indirectly through one or more intermediaries, to control the Group or exercise significant influence over the Group in making financial and operating policy decisions, or has joint control over the Group;
- ii) the Group and the party are subject to common control;
- iii) the party is an associate of the Group or a joint venture in which the Group is a venturer;

y) 終止經營業務

已終止經營業務為本集團業務之一部分，其營運及現金流量可與本集團其他業務清楚區分，且代表獨立主要業務或地區經營，或作為出售獨立主要業務或地區經營之單一統籌計劃一部份，或為一間純粹為轉售而收購之附屬公司。

倘業務被出售，則分類為終止經營業務。撤出業務時，有關業務亦會分類為終止經營業務。

倘業務分類為終止經營，則會於收益表按單一數額呈列，當中包含：

- 終止經營業務之除稅後溢利或虧損；及
- 就構成終止經營業務之資產或出售組別，計量公平值減銷售成本或於出售時變現之除稅後盈虧。

z) 有關連人士

在編製本財務報表時，與本集團有關連人士是指：

- i) 該人士有能力直接或間接透過一個或多個中介人控制本集團，或可對本集團的財務及經營決策發揮重大影響，或共同控制本集團；
- ii) 本集團及該人士均受共同控制；
- iii) 該人士屬本集團的聯營公司或該人士乃合營企業而本集團為合營方；

Notes to the Financial Statements

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. SIGNIFICANT ACCOUNTING POLICIES (Continued)

z) Related parties (Continued)

- iv) the party is a member of key management personnel of the Group or the Group's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;
- v) the party is a close family member of a party referred to in note 2(z)(i) or is an entity under the control, joint control or significant influence of such individuals; or
- vi) the party is a post-employment benefit plan which is for the benefit of employees of the Group or of any entity that is a related party of the Group.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

aa) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's chief operating decision maker for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

2. 主要會計政策 (續)

z) 有關連人士 (續)

- iv) 該人士屬本集團或本集團母公司主要管理人員的成員、或屬該人士的近親家庭成員、或受該等個人人士控制、共同控制或重大影響的實體；
- v) 該人士如屬附註2(z)(i)所指的近親家庭成員或受該等個人人士控制、共同控制或重大影響的實體；或
- vi) 該人士屬提供福利予本集團或與本集團有關連實體的僱員的離職後福利計劃。

該人士的近親家庭成員指預期可對該人士與實體間之買賣構成影響或會受該人士與實體間之買賣影響的家庭成員。

aa) 分部呈報

財務報表所呈報之經營分部及各分部項目之款項乃於為分配資源予本集團不同業務及地區以及評估該等業務及地區之表現而定期向本集團首席營運決策人提供之財務資料中確認。

就財務報告而言，個別重大經營分部不會合併，惟分部間有類似經濟特點及在產品及服務性質、生產過程性質、客戶種類或類別、用作分銷產品或提供服務之方法以及監管環境性質方面相類似則除外。倘並非個別重大之經營分部符合大部份此等準則，則該等經營分部可能合併處理。

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

In the current year, the Group has, where applicable, applied the following amendments and interpretations (“new HKFRSs”) issued by the HKICPA which are or have become effective.

| | |
|------------------------|---|
| HKFRSs (Amendments) | Amendments to HKFRS 5 as part of Improvements to HKFRSs issued in 2008 |
| HKFRSs (Amendments) | Improvements to HKFRSs issued in 2009 |
| HKAS 27 (Revised 2008) | Consolidated and Separate Financial Statements |
| HKAS 32 (Amendments) | Classification of Rights Issues |
| HKAS 39 (Amendments) | Eligible Hedged Items |
| HKFRS 1 (Amendments) | First-time Adoption of HKFRSs |
| HKFRS 1 (Amendments) | Additional Exemption for First-time adoption |
| HKFRS 2 (Amendments) | Group Cash-settled Share-based Payment Transactions |
| HKFRS 3 (Revised 2008) | Business Combination |
| HKFRS 5 (Amendment) | Non-current Assets Held for Sale and Discontinued Operations |
| 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 |

3. 應用新及經修訂之香港財務報告準則（「香港財務報告準則」）

於本年度，本集團已（如適用）應用下列由香港會計師公會頒佈之目前或已經生效修訂及詮釋（「新香港財務報告準則」）。

| | |
|-------------------------|--|
| 香港財務報告準則（修訂本） | 包括在香港財務報告準則的改進（於二零零八年頒佈）內的香港財務報告準則第5號修訂本 |
| 香港財務報告準則（修訂本） | 二零零九年香港財務報告準則的改進 |
| 香港會計準則第27號（二零零八年修訂） | 合併及獨立財務報表 |
| 香港會計準則第32號（修訂本） | 供股的分類 |
| 香港會計準則第39號（修訂本） | 合資格對沖項目 |
| 香港財務報告準則第1號（修訂本） | 首次採納香港財務報告準則 |
| 香港財務報告準則第1號（修訂本） | 首次採納者之額外豁免 |
| 香港財務報告準則第2號（修訂本） | 集團以現金結算之以股份基礎支付的交易 |
| 香港財務報告準則第3號（二零零八年修訂） | 業務合併 |
| 香港財務報告準則第5號（修訂本） | 持作銷售的非流動資產及終止經營業務 |
| 香港（國際財務報告詮釋委員會）— 詮釋第17號 | 向擁有人分派非現金資產 |
| 香港— 詮釋第5號 | 財務報表的呈列 — 借貨人對包括按要求償還條款的定期貸款的分類 |

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

The amendment to HKAS 39 and the issuance of HK — Int 5 have had no material impact on the Group’s consolidated financial statements as the amendment and the Interpretation’s conclusions were consistent with policies already adopted by the Group. The other developments resulted in changes in accounting policy but none of these changes in policy have a material impact on the current or comparative periods, for the following reasons:

- The impact of the majority of the revisions to HKAS 27, HKAS 32, HKFRS 1, HKFRS 2, HKFRS 5 and HK(IFRIC) — Int 17 have not yet had a material effect on the Group’s financial statements as these changes will first be effective as and when the Group enters into a relevant transaction and there is no requirement to restate the amounts recorded in respect of previous similar transactions.
- The impact of the amendments to HKFRS 3 (in respect of recognition of acquiree’s deferred tax assets) and HKAS 27 (in respect of allocation of losses to non-controlling interests (previously known as “minority interests”) in excess of their equity interest) have had no material impact as there is no requirement to restate amounts recorded in previous periods and no such deferred tax assets or losses arose in the current period.
- The amendment introduced by the Improvements to HKFRSs (2009) omnibus standard in respect of HKAS 17, Leases, resulted in a change of classification of certain of the Group’s leasehold land interests located in the Hong Kong Special Administrative Region, but this had no material impact on the amounts recognised in respect of these leases as the lease premiums in respect of all such leases are fully paid and are being amortised over the remaining length of the lease term.

3. 應用新及經修訂之香港財務報告準則（「香港財務報告準則」）（續）

香港會計準則第39號之修訂及香港（詮釋）第5號均對本集團之綜合財務報表並無重大影響。此乃由於該修訂及詮釋之結論與本集團已採納之政策一致。其他改進導致會計政策變動，但該等政策變動概無對本期間或比較期間帶來重大影響，原因如下：

- 對香港會計準則第27號、香港會計準則第32號、香港財務報告準則第31號、香港財務報告準則第2號、香港財務報告準則第5號及香港（國際財務報告詮釋委員會）— 詮釋第17號之大多數修訂尚未對本集團之財務報表帶來重大影響，原因是該等變動將於本集團訂立相關交易時方會首次生效，且毋須重列先前類似交易所錄得之金額。
- 對香港財務報告準則第3號之修訂（有關確認被收購方的遞延稅項資產）及香港會計準則第27號之修訂（有關分配予非控股權益（前稱為「少數股東權益」）而超過其權益之虧損）尚未帶來重大影響，因為毋須重列以往期間所錄得之金額，且本期間並無產生有關遞延稅項資產或虧損。
- 香港財務報告準則之改進（二零零九年）提出有關香港會計準則第17號「租賃」之綜合標準之修訂，導致本集團若干位於香港特別行政區之租賃土地權益之分類有變，惟這並不對該等租賃已確認之金額構成重大影響，原因是與所有該等租賃相關之地價均已付清並按剩餘租期攤銷。

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

As a result of the adoption of HKFRS 3 (revised 2008), any business combination occurred on or after 1 January 2010 will be recognised in accordance with the requirements under HKFRS 3 (revised). Its application has affected the accounting for business combinations in the current year.

- HKFRS 3 (revised 2008) allows a choice on a transaction-by-transaction basis for the measurement of non-controlling interests at the date of acquisition either at fair value or at the non-controlling interests' share of recognised identifiable net assets of the acquiree. Consequently, the goodwill recognised in respect of the acquisition reflects the impact of the difference between the fair value of the non-controlling interests and their share of the recognised amount of the identifiable net assets of the acquiree.
- HKFRS 3 (revised 2008) changes the recognition and subsequent accounting requirements for contingent consideration. Previously, contingent consideration was recognised at the acquisition date only if payment of the contingent consideration was probable and it could be measured reliably; any subsequent adjustments to the contingent consideration were always made against the cost of the acquisition. Under the revised Standard, contingent consideration is measured at fair value at the acquisition date. Subsequent adjustments, if any, to the consideration are recognised against the cost of the acquisition only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the date of acquisition. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss.

3. 應用新及經修訂之香港財務報告準則（「香港財務報告準則」）（續）

由於採納香港財務報告準則第3號（二零零八年修訂），於二零一零年一月一日或以後進行之任何業務合併將根據香港財務報告準則第3號（經修訂）之規定予以確認。其採用影響本年度業務合併之會計處理。

- 香港財務報告準則第3號（二零零八年修訂）容許按每項交易基準以公平值或非控股權益分佔被收購方之已確認可識別資產淨值計量於收購日期之非控股權益。因此，就該收購確認之商譽反映非控股權益之公平值與彼等分佔被收購方可識別資產淨值之已確認數額之差額之影響。
- 香港財務報告準則第3號（二零零八年修訂）改變或然代價之確認及其後之會計要求。此前，只有當有可能支付或然代價且其金額能可靠地計量時，才會於收購日期確認或然代價；或然代價之任何其後調整列入收購成本內。根據經修訂準則，或然代價按於收購日期之公平值計量。對代價之其後調整（如有）則僅於計量期間（最長為收購日期起12個月）獲得關於收購日期公平值新資料時，才會於收購成本確認。分類為資產或負債之或然代價的所有其他其後調整均於損益確認。

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

- HKFRS 3 (revised 2008) requires the recognition of a settlement gain or loss when the business combination in effect settles a pre-existing relationship between the Group and the acquiree.
- HKFRS 3 (revised 2008) requires acquisition-related costs to be accounted for separately from the business combination, with those costs being recognised as an expense in profit or loss as incurred. Previously, they were accounted for as part of the cost of the acquisition.
- HKFRS 3 (revised 2008) requires that if the Group holds interests in the acquiree immediately prior to obtaining control, these interests will be treated as if disposal of and re-acquired at fair value on the date of obtaining control. Previously, the step-up approach would have been applied, whereby goodwill was computed as if accumulated at each stage of the acquisition.

HKFRS 3 (revised 2008) requires that where the acquiree has accumulated tax losses or other temporary deductible differences and these fail to meet the recognition criteria for deferred tax assets at the date of acquisition, any subsequent recognition of these assets will be recognised in profit or loss, rather than as an adjustment to goodwill as was previously the policy.

In accordance with the transitional provisions in HKFRS 3 (revised 2008), these new accounting policies will be applied prospectively to any business combinations in the current or future periods. The new policy in respect of recognition in the movement of deferred tax assets will also be applied prospectively to accumulated tax losses and other temporary deductible differences acquired in previous business combinations. No adjustments have been made to the carrying amounts of assets and liabilities that arose from business combinations whose acquisition dates preceded the application of this revised standard.

3. 應用新及經修訂之香港財務報告準則（「香港財務報告準則」）（續）

- 香港財務報告準則第3號（二零零八年修訂）規定，當業務合併清算本集團與被收購方之已有關係時，須確認清算盈虧。
- 香港財務報告準則第3號（二零零八年修訂）規定，收購相關成本將與業務合併分開入賬，導致該等成本於產生時於損益確認為開支，而該等成本此前乃作為收購成本的一部份入賬。
- 香港財務報告準則第3號（二零零八年修訂）規定，若本集團於取得控股權之前持有被收購方之權益，該等權益將按取得控股權當日之公平值列賬，猶如該等權益先予出售再被重新收購。之前，此等情況乃採用分段法處理，商譽的計算猶如於各個收購階段累計。

香港財務報告準則第3號（二零零八年修訂）規定，倘被收購方所累計的稅項虧損或其他暫時可抵扣差異在收購日期並不符合遞延稅項資產之確認標準，則該等資產之任何其後確認將在損益中確認，而並非如以往政策般列作商譽調整。

根據香港財務報告準則第3號（二零零八年修訂）之過渡性條文，該等新會計政策未來將應用於當前或未來期間進行之任何業務合併。有關確認遞延稅項資產變動之新政策未來亦將應用於過往業務合併中所收購之累計稅項虧損及其他暫時可抵扣差異。本集團並無對任何其收購日期在採用該項經修訂準則之前的業務合併中所產生之資產與負債之賬面值作出任何調整。

Notes to the Financial Statements

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

In the current year, the above changes in policies have affected the accounting for the acquisition of 100% equity interest in Million Ideas Investment Limited and its subsidiaries (“Million Ideas Group”) (including 100% equity interest of Shanxi Wanzhi Business Services Limited and 75% equity interest of Shanxi Wanzhi Logistics Limited (“Wanzhi Logistics”), as follows:

Consolidated statement of financial position:

3. 應用新及經修訂之香港財務報告準則（「香港財務報告準則」）（續）

於本年度，上述政策變動已影響收購萬志投資有限公司及其附屬公司（「萬志集團」）（包括山西萬志商務服務有限公司之100%股本權益及山西萬志物流有限公司之75%股本權益（「萬志物流」）100%股本權益之會計處理，詳情如下：

綜合財務狀況表：

As at
31 December 2010
於二零一零年
十二月三十一日
RMB'000
人民幣千元

| | | |
|--|---------------------------------|-------|
| Gain on remeasuring existing interest in an available-for-sale investment on acquisition (reflected in profit or loss) | 因收購而重新計量可供出售投資現有權益之收益（於損益反映） | 4,960 |
| Acquisition-related costs expensed when incurred (reflected in profit or loss) | 於產生時支銷之收購相關成本（於損益反映） | (756) |
| Additional goodwill recognised as result of the application of HKFRS 3 (revised 2008) | 因採用香港財務報告準則第3號（二零零八年修訂）而確認之額外商譽 | 4,204 |

Notes to the Financial Statements 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. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

Consolidated statement of comprehensive income:

3. 應用新及經修訂之香港財務報告準則（「香港財務報告準則」）（續）

綜合全面收益表：

Year ended
31 December 2010
截至二零一零年
十二月三十一日止年度
RMB'000
人民幣千元

| | | |
|---|----------------------------------|---------|
| Gain on remeasuring existing interest in an available-for-sale investment on acquisition (reflected in profit or loss) | 因收購而重新計量可供出售投資現有權益之收益 (於損益反映) | (4,960) |
| Acquisition-related costs expensed when incurred (included in administrative expenses) | 於產生時支銷之收購相關成本 (列入行政開支) | 756 |
| Decrease in loss for the year as a result of the application of HKFRS 3 (revised 2008) | 因採用香港財務報告準則第3號(二零零八年修訂)本年度虧損減少 | (4,204) |

Results in future periods may be affected by future impairment losses relating to the increased goodwill.

有關所增加商譽之未來減值虧損可能影響未來期間之業績。

Notes to the Financial Statements

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

- As a result of the adoption of HKAS 27 (revised 2008), the following changes in policies will be applied as from 1 January 2010:
 - If the Group acquires an additional interest in a non-wholly owned subsidiary, the transaction will be accounted for as a transaction with owners (the non-controlling interests) in their capacity as owners and therefore no goodwill will be recognised as a result of such transactions. Similarly, if the Group disposes of part of its interest in a subsidiary but still retains control, this transaction will also be accounted for as a transaction with owners (the non-controlling interests) in their capacity as owners and therefore no profit or loss will be recognised as a result of such transactions. Previously the Group treated such transactions as step-up transactions and partial disposals, respectively.
 - If the Group loses control of a subsidiary, the transaction will be accounted for as a disposal of the entire interest in that subsidiary, with any remaining interest retained by the Group being recognised at fair value as if reacquired. In addition, as a result of the adoption of the amendment to HKFRS 5, if at the end of the reporting period the Group has the intention to dispose of a controlling interest in a subsidiary, the entire interest in that subsidiary will be classified as held for sale (assuming that the held for sale criteria in HKFRS 5 are met) irrespective of the extent to which the Group will retain an interest. Previously such transactions were treated as partial disposals.

In accordance with the transitional provisions in HKAS 27, these new accounting policies will be applied prospectively to transactions in current or future periods and therefore previous periods have not been restated.

3. 應用新及經修訂之香港財務報告準則（「香港財務報告準則」）（續）

- 由於採用香港會計準則第27號（二零零八年修訂），下列政策變動將自二零一零年一月一日起適用：
 - 如本集團增購非全資擁有附屬公司的額外權益，該交易將計為與擁有人（非控股權益）以擁有人身份之交易，因此將不會就有關交易確認商譽。同樣地，如本集團出售一家附屬公司部分權益，但仍保留控制權，該交易亦將計為與擁有人（非控股權益）以擁有人身份之交易，因此將不會就有關交易確認損益。過往本集團之會計政策視有關交易為分段交易及部分出售。
 - 如本集團失去一家附屬公司的控制權，該交易將計為出售該附屬公司全部權益，本集團保留之任何剩餘權益按公平值確認，猶如再收購。此外，由於採納香港財務報告準則第5號的修訂，如本集團於報告期末有意出售一家附屬公司之控股權益，不論本集團將保留權益之份額，該附屬公司之全部權益將歸類為持作出售（假設符合香港財務報告準則第5號中的持作出售之標準）。過往有關交易被視為部分出售。

根據香港會計準則第27號的過渡條文，該等新訂會計政策預期將適用於本期間或未來期間之交易，因此過往期間並不重列。

Notes to the Financial Statements

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

- As a result of the adoption of HKAS 27 (revised 2008), the following changes in policies will be applied as from 1 January 2010: (Continued)

Other changes in accounting policies which are relevant to the Group’s consolidated financial statements are as follows:

- As a result of the revisions to HKAS 27, as from 1 January 2010 any losses incurred by a non-wholly owned subsidiary will be allocated between the controlling and non-controlling interests in proportion to their interests in that entity, even if this results in a deficit balance within consolidated equity being attributed to the non-controlling interests. Previously, if the allocation of losses to the non-controlling interests would have resulted in a deficit balance, the losses were only allocated to the non-controlling interests if the non-controlling interests were under a binding obligation to make good the losses. In accordance with the transitional provisions in HKAS 27, this new accounting policy is being applied prospectively and therefore previous periods have not been restated.
- As a result of the amendment to HKAS 17, Leases, arising from the “Improvements to HKFRSs (2009)” omnibus standard, the Group has re-evaluated the classification of its interests in leasehold land as to whether, in the Group’s judgement, the lease transfers substantially all the risks and rewards of ownership of the land such that the Group is in a position economically similar to that of a purchaser. The Group has concluded that the classification of such leases as operating leases continues to be appropriate.

3. 應用新及經修訂之香港財務報告準則（「香港財務報告準則」）（續）

- 由於採用香港會計準則第27號（二零零八年修訂），下列政策變動將自二零一零年一月一日起適用：（續）

與本集團綜合財務報表相關之其他會計政策變動如下：

- 由於香港會計準則第27號之修訂，自二零一零年一月一日起，即使在計入非控股權益之綜合權益內引致赤字，非全資附屬公司產生之任何虧損將按彼等於該實體之權益分配至控股及非控股權益之間。過往，如分配至非控股權益之虧損可能引致赤字，除非非控股權益受約束而須承擔有關虧損，否則該虧損將不會分配入非控股權益。根據香港會計準則第27號之過渡條文，新訂會計政策將適用於本期間與未來期間，因此過往期間並無重列。
- 由於修訂國際會計準則第17號「租約」（此乃因香港財務報告準則之改進（二零零九年）綜合準則而產生），在本集團的判斷下，本集團已就租約是否轉讓土地擁有權的絕大部分風險及回報以致本集團在經濟上處於與買方類似的位置，對於租賃土地權益的分類進行重新評估。本集團已得出結論將該等租約分類為經營租約仍屬合適。

Notes to the Financial Statements

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

Except for HKFRS 3 (revised 2008), the application of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior year adjustment is required.

The Group has not early applied any of the following new and revised standards, amendments or interpretations which have been issued but are not yet effective.

| | |
|---------------------------------|---|
| HKFRSs (Amendments) | Improvements to HKFRSs issued in 2010 ¹ |
| HKAS 12 (Amendments) | Deferred Tax: Recovery of Underlying Assets ² |
| HKAS 24 (Revised) | Related Party Disclosures ³ |
| HKAS 32 (Amendments) | Classification of Rights Issues ⁴ |
| HKFRS 1 (Amendments) | Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters ⁵ |
| HKFRS 7 (Amendments) | Disclosure — Transfers of Financial Assets ⁶ |
| HKFRS 9 | Financial Instruments ⁷ |
| HK(IFRIC) — Int 14 (Amendments) | Prepayments of a Minimum Funding Requirements ³ |
| HK(IFRIC) — Int 19 | Extinguishing Financial Liabilities with Equity Instruments ⁵ |

3. 應用新及經修訂之香港財務報告準則（「香港財務報告準則」）（續）

除香港財務報告準則第3號（二零零八年修訂）之外，應用新香港財務報告準則對本會計期間或過往會計期間之業績及財務狀況之編製及呈列方式並無造成重大影響，因此毋須作出往年調整。

本集團並無提早應用下列已頒佈但尚未生效之任何新訂及經修訂準則、修訂或詮釋。

| | |
|------------------------------|--|
| 香港財務報告準則（修訂本） | 二零一零年香港財務報告準則的改進 ¹ |
| 香港會計準則第12號（修訂本） | 遞延稅項：收回相關資產 ² |
| 香港會計準則第24號（經修訂） | 關連方披露 ³ |
| 香港會計準則第32號（修訂本） | 供股的分類 ⁴ |
| 香港財務報告準則第1號（修訂本） | 首次採納者有關香港財務報告準則第7號比較披露資料的有限豁免 ⁵ |
| 香港財務報告準則第7號（修訂本） | 披露 — 金融資產轉讓 ⁶ |
| 香港財務報告準則第9號 | 金融工具 ⁷ |
| 香港（國際財務報告詮釋委員會）— 詮釋第14號（修訂本） | 預付最低資本規定 ³ |
| 香港（國際財務報告詮釋委員會）— 詮釋第19號 | 以股本工具抵銷金融負債 ⁵ |

Notes to the Financial Statements

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

- 1 Effective for annual periods beginning on or after 1 January 2011 except for the amendments to HKFRS 3, HKAS 21, HKAS 28 and HKAS 31, which is effective for annual periods, beginning on or after 1 July 2010
- 2 Effective for annual periods beginning on or after 1 January 2012
- 3 Effective for annual periods beginning on or after 1 January 2011
- 4 Effective for annual periods beginning on or after 1 February 2010
- 5 Effective for annual periods beginning on or after 1 July 2010
- 6 Effective for annual periods beginning on or after 1 July 2011
- 7 Effective for annual periods beginning on or after 1 January 2013

The Group is in the process of making an assessment of what the impact of these new and revised standards, amendments or interpretation is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's results of operations and financial position.

3. 應用新及經修訂之香港財務報告準則（「香港財務報告準則」）（續）

- 1 除香港財務報告準則第3號、香港會計準則第21號、香港會計準則第28號及香港會計準則第31號於二零一零年七月一日或之後開始的年度期間生效外，於二零一一年一月一日或之後開始的年度期間生效
- 2 於二零一二年一月一日或之後開始的年度期間生效
- 3 於二零一一年一月一日或之後開始的年度期間生效
- 4 於二零一零年二月一日或之後開始的年度期間生效
- 5 於二零一零年七月一日或之後開始的年度期間生效
- 6 於二零一一年七月一日或之後開始的年度期間生效
- 7 於二零一三年一月一日或之後開始的年度期間生效

本集團正評估該等新訂及經修訂準則、修訂或詮釋預期於首次應用期間之影響。至目前為止，採用該等新訂及經修訂準則、修訂或詮釋被認為不太可能對於本集團的經營業績及財務狀況造成重大影響。

Notes to the Financial Statements

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

a) Key sources of estimation uncertainty

In the process of applying the Group's accounting policies which are described in note 2, management has made certain key assumptions concerning the future, and other key sources of estimated uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, as discussed below.

i) Estimation of the fair value of investment properties and impairment of buildings held for own use

Investment properties and buildings held for own use were revalued and assessed for impairment respectively at the end of the reporting period with reference to observable prices in recent market transactions in comparable properties on arms' length terms by independent qualified valuers. Such valuation was based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results. In making the judgement, the Group considers information readily available and market conditions at the end of each reporting period. As at 31 December 2010, the carrying amounts of investment properties and buildings held for own use were approximately RMBNil (2009: RMB7,330,000) and RMB75,762,000 (2009: RMB55,260,000) respectively.

4. 關鍵會計判斷及估計不確定性之主要來源

a) 估計不確定性之主要來源

於應用附註2所述之本集團會計政策之過程中，管理層已作出若干主要假設，該等假設涉及未來及於報告期結束時估計不確定性之其他主要來源，該等假設可能存在導致資產及負債之賬面值於下個財政年度作出重大調整之重大風險，有關詳情討論如下。

i) 投資物業公平值及持作自用樓宇公平值之估計

投資物業及持作自用樓宇於報告期末分別參照獨立合資估值師於近期市場交易中按公平條款進行相若物業交易之可觀察價格進行重估和評估減值。該估計乃根據若干假設而進行，而有關假設須面對不明朗因素及可能與實際結果有重大差別。本集團於作出判斷時，考慮隨時可獲得之資料及各報告期末之市場狀況。於二零一零年十二月三十一日，投資物業及持作自用樓宇之賬面值分別約為人民幣零元(二零零九年：人民幣7,330,000元)及人民幣75,762,000元(二零零九年：人民幣55,260,000元)。

Notes to the Financial Statements

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

a) Key sources of estimation uncertainty

(Continued)

ii) Estimation of impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. 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 goodwill was approximately RMB133,308,000 (2009: RMB23,831,000). Details of the recoverable amount calculation are disclosed in note 16.

iii) Estimation of impairment of intangible assets

The Group performs annual tests on whether there has been impairment of intangible assets in accordance with the accounting policy stated in note 2(k)(ii). The recoverable amounts of cash-generating units are determined based on value in use calculations. These calculations require the use of estimates and assumptions made by management on the future operation of the business, pre-tax discount rates, and other assumptions underlying the value in use calculations. As at 31 December 2010, the carrying amount of intangible assets was approximately RMB156,502,000 (2009: RMB69,687,000).

4. 關鍵會計判斷及估計不確定性之主要來源 (續)

a) 估計不確定性之主要來源 (續)

ii) 商譽減值之估計

釐訂商譽是否出現減值須估計獲分配商譽之現金產生單位之使用價值。計算使用價值時，本集團需估計現金產生單位預期產生之未來現金流量，以及一個合適之折算率以計算現值。倘未來現金流之實際金額少於預期，則會產生重大減值虧損。於二零一零年十二月三十一日，商譽之賬面值約為人民幣133,308,000元（二零零九年：人民幣23,831,000元）。可收回金額之計算詳情於附註16披露。

iii) 估計無形資產減值

本集團根據附註2(k)(ii)所載之會計政策就無形資產是否出現減值進行年度測試。現金產生單位之可收回金額按使用價值之計算而釐定。該等計算採用管理層就日後業務營運及除稅前貼現率所作之估計及假設，以及其他計算使用價值時所作之假設。於二零一零年十二月三十一日，無形資產之賬面值約為人民幣156,502,000元（二零零九年：人民幣69,687,000元）。

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For The Year Ended 31 December 2010 截至二零一零年十二月三十一日止年度

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

a) Key sources of estimation uncertainty

(Continued)

iv) Useful lives and residual values of property, plant and equipment

Management determines the estimated useful lives and residual values for the Group's property, plant and equipment in accordance with the accounting policy stated in note 2(h). The Group will revise the depreciation charge where useful lives and residual values are different from previous estimates, or will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold. As at 31 December 2010, the carrying amount of property, plant and equipment was approximately RMB295,428,000 (2009: RMB252,932,000).

v) Amortisation of intangible assets

Intangible assets are amortised on a straight-line basis over their estimated useful lives in accordance with the accounting policy stated in note 2(i). The determination of the useful lives involves management's estimation. The Group re-assesses the useful life of the intangible assets and, if the expectation differs from the original estimate, such a difference may impact the amortisation in the year and the estimate will be changed in the future period.

4. 關鍵會計判斷及估計不確定性之主要來源 (續)

a) 估計不確定性之主要來源 (續)

iv) 物業、機器及設備之可使用年期及剩餘價值

管理層按照附註2(h)所述之會計政策釐定本集團物業、機器及設備之估計可使用年期及剩餘價值。倘本集團可使用年期及剩餘價值有別於先前所估計者，本集團將修正折舊支出，或將即時撇銷或撇減技術上已屬過時或已經棄用或出售之非策略性資產。於二零一零年十二月三十一日，物業、機器及設備之賬面值約為人民幣295,428,000元(二零零九年：人民幣252,932,000元)。

v) 無形資產攤銷

無形資產根據附註2(i)所述之會計政策，按估計可使用年期以直線法攤銷。可使用年期之釐定涉及管理層之估計。本集團重新評估無形資產之可使用年期，如預期與原先估計不同，該差異或會影響年內攤銷，而估計亦會在未來期間出現變動。

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For The Year Ended 31 December 2010 截至二零一零年十二月三十一日止年度

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

a) Key sources of estimation uncertainty

(Continued)

vi) Estimation of impairment of trade and other receivables

The policy for recognising impairment on receivables of the Group is based on an evaluation of the collectibility and ageing analysis of accounts and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each debtor. If the financial conditions of debtors of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional impairment may be required. As at 31 December 2010, the carrying amount of trade and other receivables was approximately RMB17,584,000 (2009: RMB31,681,000).

vii) Net realisable value of inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is determined on the basis of the estimated selling price less the estimated cost necessary to make the sale. The directors estimated the net realisable value for inventories based primarily on the latest invoice prices and current market conditions. As at 31 December 2010, the carrying amount of inventories was approximately RMB2,062,000 (2009: RMB4,976,000).

4. 關鍵會計判斷及估計不確定性之主要來源 (續)

a) 估計不確定性之主要來源 (續)

vi) 估計應收賬款及其他應收款項之減值

本集團確認應收款項減值之政策，乃根據評估賬目之可收回程度及賬齡分析，以及根據管理層人員之判斷而制訂。於評估該等應收款項之最終變現數額時，需作出大量判斷，包括各名債務人之目前信譽及過去收款歷史。倘若本集團債務人之財務狀況惡化，減低彼等付款之能力，則可能須作額外減值。於二零一零年十二月三十一日，應收賬款及其他應收款項之賬面值約為人民幣17,584,000元（二零零九年：人民幣31,681,000元）。

vii) 存貨之可變現淨值

存貨按成本及可變現淨值之較低者列賬。可變現淨值按估計售價減去出售估計所須成本釐定。董事主要根據最近發票價格及目前市況而估計存貨之可變現淨值。於二零一零年十二月三十一日，存貨之賬面值約為人民幣2,062,000元（二零零九年：人民幣4,976,000元）。

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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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

a) Key sources of estimation uncertainty

(Continued)

viii) Measurement of convertible bonds

On the issue of convertible bonds, the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond; and this amount is carried as a long-term liability on the amortised cost basis until extinguished on conversion or redemption. The difference between the proceeds of the issue of the convertible bonds and the fair values of liability and derivative component (note 4(a)(ix)) is recognised and included in the convertible bonds reserve, net of transaction costs. The splitting of the liability, derivative and equity components requires an estimation of the market interest rate and using valuating techniques (note 4(a)(ix)).

ix) Fair value of derivatives and other financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using valuating techniques. The Group estimates the fair value of financial derivatives based on financial modeling which requires various sources of information and assumptions. The carrying amount of derivative components of convertible bonds as at 31 December 2010 was RMB6,621,000 (2009: RMBNil). Further details are given in note 34 to these financial statements.

4. 關鍵會計判斷及估計不確定性之主要來源 (續)

a) 估計不確定性之主要來源 (續)

viii) 可換股債券之計量

對於發行可換股債券而言，負債部分之公平值使用相若不可換股債券之市場價釐定；此數額作為長期負債按攤銷成本基準列賬，直接兌換或贖回時撇銷。發行可換股債券所得款項與負債及衍生工具部分(附註4(a)(ix))之公平值的差額於扣除交易成本後於可換股債券儲備確認並計入。拆分負債、衍生工具及權益部分須估計市場利率及使用估值方法(附註4(a)(ix))。

ix) 衍生及其他金融工具之公平值

並無於活躍市場買賣之金融工具之公平值使用估值方法釐定。本集團基於金融模型估計金融衍生工具之公平值，其中需要多項資料來源及假設。於二零一零年十二月三十一日，可換股債券衍生工具部分之賬面值為人民幣6,621,000元(二零零九年：人民幣零元)。進一步詳情載於財務報表附註34。

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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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

b) Critical accounting judgements in applying the Group's accounting policies

In determining the carrying amounts of some assets and liabilities, the Group makes assumptions for the effects of uncertain future events on those assets and liabilities at the end of the reporting period. These estimates involve assumptions about such items as cash flows and discount rates used. The Group's estimates and assumptions are based on historical experience and expectations of future events and are reviewed periodically. In addition to assumptions and estimations of future events, judgements are also made during the process of applying the Group's accounting policies.

i) Income taxes and deferred taxation

The Group is subject to income tax in Hong Kong and various taxes in PRC. Significant judgement is required in determining the provision for taxation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be payable. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

4. 關鍵會計判斷及估計不確定性之主要來源 (續)

b) 在應用本集團會計政策時所作之重大會計判斷

在釐定部分資產及負債之賬面值時，本集團就不確定的未來事件對報告期末資產及負債之影響作出假設。有關估計涉及對現金流量及所用貼現率之假設。本集團根據過往經驗及對未來事件之預計作出估計及假設，並定期檢討。除對未來事件之假設及估計外，本集團在應用會計政策時亦作出判斷。

i) 所得稅及遞延稅項

本集團在香港及中國須分別繳納所得稅及多類稅項。在釐定稅項撥備時，須作出重大判斷。在日常業務過程中，有許多交易及計算均難以明確釐定最終稅項。本集團須估計未來會否須繳納額外稅項，從而確認對預期稅務事宜之責任。倘該等事宜之最終稅務結果與起初入賬之金額不同，該等差額將影響稅務釐定期內之所得稅及遞延稅項撥備。

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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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

b) Critical accounting judgements in applying the Group's accounting policies (Continued)

i) Income taxes and deferred taxation (Continued)

Deferred tax assets relating to certain temporary differences and certain tax losses are recognised as management considers it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. Where the expectation is different from the original estimate, such differences will impact the recognition of deferred tax assets and tax in the periods in which such estimate is changed. In this regard, the Group has recognised deferred tax assets in the amount of approximately RMB302,000 (2009: RMB1,427,000) as at 31 December 2010.

ii) Withholding taxes arising from the distributions of dividends

The Group's determination as to whether to accrue for withholding taxes arising from the distributions of dividends from certain subsidiaries according to the relevant tax jurisdictions is subject to judgement on the timing of the payment of the dividends. The Group considered that if the profits will not be distributed in the foreseeable future, then no withholding taxes should be provided.

4. 關鍵會計判斷及估計不確定性之主要來源 (續)

b) 在應用本集團會計政策時所作之重大會計判斷 (續)

i) 所得稅及遞延稅項 (續)

有關若干暫時差異及若干稅項虧損之遞延稅項資產，乃於管理層認為日後可能有可動用應課稅溢利抵銷暫時差異或稅項虧損之情況下予以確認。倘該項預期有別於原來估計，該等差額將影響更改有關改變估計期間所確認之遞延稅項資產及稅項。就此而言，本集團已於二零一零年十二月三十一日確認遞延稅項資產約人民幣302,000元(二零零九年：人民幣1,427,000元)。

ii) 分派股息產生的預扣稅

本集團在決定是否應根據有關稅務管轄權就若干附屬公司所分派的股息計提預扣稅，乃按支付股息時間而作出判斷。本集團認為，倘若於可預見將來溢利不獲分派，則毋須計提預扣稅。

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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. TURNOVER

The principal activities of the Group are the manufacture and sales of liquefied coalbed gas (including provision of liquefied coalbed gas logistics services), sales of piped natural gas and provision of gas supply connection services. The Group discontinued the development and sales of computer software, resale of computer hardware and provision of system integration and maintenance services in the PRC, after disposal of these operations during the year as set out in note 11.

Turnover represents the sales value of goods supplied and services provided to customers, which excludes value-added and business taxes, and is after deduction of any goods returns and trade discounts. The amount of each significant category of revenue recognised in turnover during the year is as follows:

5. 營業額

本集團之主要業務為液化煤層氣生產及銷售（包括提供液化煤層氣物流服務），管道天然氣銷售及提供供氣接駁服務。於年內出售位於中國之電腦軟件開發及銷售、電腦硬件轉售以及提供系統集成及維修服務後，本集團終止經營該等業務，詳情如附註11所載。

營業額指向客戶提供貨品及服務之銷售值，惟不包括增值稅及營業稅，並於扣除任何退貨及商業折扣後列賬。年內於營業額確認之各項重大收益類別金額如下：

| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 (Restated) (經重列) |
|--|--------------------------------------|-----------------------------------|--|
| Continuing operations | | | |
| Sales of liquefied coalbed gas (including provision of liquefied coalbed gas logistics services) | 持續經營業務 液化煤層氣銷售 (包括提供液化煤層氣物流服務) | 212,569 | 34,611 |
| Sales of piped natural gas and provision of gas supply connection services | 管道天然氣銷售及供氣接駁服務 | 18,420 | 5,445 |
| | | 230,989 | 40,056 |
| Discontinued operations (note 11) | | | |
| Sales of computer software | 已終止經營業務(附註11) 電腦軟件銷售 | 40 | 29,208 |
| Resale of computer hardware | 電腦硬件轉售 | 996 | 11,161 |
| Maintenance and other services fees | 維修及其他服務收費 | 4,990 | 11,609 |
| | | 6,026 | 51,978 |
| | | 237,015 | 92,034 |

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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. OTHER REVENUE AND NET INCOME

6. 其他收益及淨收入

| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 (Restated) (經重列) |
|---|-------------------------------|-----------------------------------|--|
| Continuing operations | | | |
| Interest income from bank deposits (note (a)) | 持續經營業務 銀行存款利息收入 (附註(a)) | 40 | 316 |
| Others | 其他 | 98 | 46 |
| | | 138 | 362 |
| Discontinued operations (note 11) | | | |
| Value-added tax refund | 已終止經營業務(附註11) 增值稅退稅 | 401 | 6,584 |
| Net realised and unrealised gains on trading securities | 貿易證券之已變現及未變現收益淨額 | 475 | 1,650 |
| Interest income from bank deposits (note (a)) | 銀行存款利息收入 (附註(a)) | 62 | 119 |
| Government grants received (note (b)) | 已收政府津貼(附註(b)) | — | 346 |
| Write back of impairment loss on trade receivables | 應收賬款減值虧損撥回 | — | 1,249 |
| Gain from change in fair value of investment properties (note 17) | 投資物業公平值變動收益 (附註17) | — | 151 |
| Rental income from investment properties | 投資物業租金收入 | 214 | 185 |
| | | 1,152 | 10,284 |
| | | 1,290 | 10,646 |

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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. OTHER REVENUE AND NET INCOME (Continued)

Note:

- a) Interest income from bank deposits represented the total interest income on financial assets not at fair value through profit or loss.
- b) These government grants are unconditional government subsidies received by the Group from relevant government authorities for the purpose of giving financial support to “encouraged hi-tech enterprise”.

6. 其他收益及淨收入 (續)

附註：

- a) 銀行存款之利息收入指並非按公平值計入損益之金融資產之利息收入總額。
- b) 本集團自相關政府部門所收取之政府津貼為無條件政府補助，該等政府津貼旨在為「高新科技企業」提供財務支持。

7. (LOSS)/PROFIT BEFORE INCOME TAX

(Loss)/profit before income tax is arrived at after charging:

7. 扣除所得稅前之(虧損)/溢利

扣除所得稅前之(虧損)/溢利已扣除以下各項：

| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 (Restated) (經重列) |
|---|----------------------------|-----------------------------------|--|
| a) Staff costs (including directors' emoluments in note 9) | a) 員工成本(包括附註9之董事酬金) | | |
| Continuing operations | 持續經營業務 | | |
| Salaries, wages and other benefits | 薪金、工資及其他福利 | 7,835 | 9,812 |
| Retirement benefit scheme contributions | 退休福利計劃供款 | 902 | 451 |
| | | 8,737 | 10,263 |
| Discontinued operations | 已終止經營業務 | | |
| Salaries, wages and other benefits | 薪金、工資及其他福利 | 11,456 | 16,220 |
| Retirement benefit scheme contributions | 退休福利計劃供款 | 848 | 2,252 |
| | | 12,304 | 18,472 |
| Total staff costs | 總員工成本 | 21,041 | 28,735 |

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7. (LOSS)/PROFIT BEFORE INCOME TAX (Continued) 7. 扣除所得稅前之(虧損)/溢利(續)

| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 (Restated) (經重列) |
|--|----------------|-----------------------------------|--|
| b) Other items | b) 其他項目 | | |
| Continuing operations | | | |
| Cost of inventories (note 26(b)) | 存貨之成本(附註26(b)) | 205,256 | 37,010 |
| Auditor's remuneration | 核數師酬金 | | |
| — audit services | — 核數服務 | 693 | 486 |
| — other services | — 其他服務 | 660 | 358 |
| | | 1,353 | 844 |
| Depreciation of property, plant and equipment | 物業、機器及設備折舊 | 19,659 | 8,262 |
| Amortisation of prepaid lease payments for land under operating leases | 經營租約下預付土地租金攤銷 | | |
| | | 453 | 318 |
| Amortisation of intangible assets | 無形資產攤銷 | 10,485 | 783 |
| Net losses on disposal of property, plant and equipment | 出售物業、機器及設備虧損淨額 | — | 19 |
| Operating lease charges in respect of land and buildings | 土地及樓宇之經營租約費用 | 1,374 | 1,032 |
| Discontinued operations | | | |
| Cost of inventories (note 26(b)) | 存貨之成本(附註26(b)) | 7,427 | 20,591 |
| Depreciation of property, plant and equipment | 物業、機器及設備折舊 | 594 | 1,949 |
| Amortisation of prepaid lease payments for land under operating leases | 經營租約下預付土地租金攤銷 | | |
| | | 64 | 138 |
| Net losses on disposal of property, plant and equipment | 出售物業、機器及設備虧損淨額 | — | 44 |
| Impairment loss on trade receivables | 應收賬款減值虧損 | — | 3,131 |
| Operating lease charges in respect of land and buildings | 土地及樓宇之經營租約費用 | 156 | 294 |

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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. (LOSS)/PROFIT BEFORE INCOME TAX (Continued) 7. 扣除所得稅前之(虧損)/溢利(續)

| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 (Restated) (經重列) |
|--|--------------------------------------|-----------------------------------|--|
| c) Finance costs | c) 融資成本 | | |
| Continuing operations | | | |
| Interest expenses on bank advances and other borrowings wholly repayable within five years | 持續經營業務 須於五年內全數償還之銀行墊款及其他借貸之利息開支 | 4,349 | 3,796 |
| Interest expenses on promissory notes (note 33) | 承兌票據之利息開支(附註33) | 2,159 | 2,368 |
| Interest expenses on convertible bonds (note 34) | 可換股債券之利息開支(附註34) | 3,173 | — |
| Other borrowing costs | 其他借貸成本 | — | 1,404 |
| | | 9,681 | 7,568 |
| Less: Amount capitalised into construction in progress (note 18(a)(iii)) | 減：資本化為在建工程之金額(附註18(a)(iii)) | — | (3,308) |
| | | 9,681 | 4,260 |
| Discontinued operations (note 11) | | | |
| Interest expenses on bank advances wholly repayable within five years | 已終止經營業務(附註11) 須於五年內全數償還之銀行墊款之利息開支 | 68 | 36 |
| Total interest expense on financial liabilities not at fair value through profit or loss | 並非按公平值計入損益之金融負債之利息開支總額 | 9,749 | 4,296 |

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For The Year Ended 31 December 2010 截至二零一零年十二月三十一日止年度

8. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

8. 綜合損益表之所得稅

a) Continuing operations

a) 持續經營業務

- i) Income tax in the consolidated income statement represents:

- i) 綜合損益表之所得稅指：

| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 (Restated) (經重列) |
|--|---------------------------------|-----------------------------------|--|
| Current tax – PRC Enterprise Income Tax ("EIT") | 即期稅項 – 中國 企業所得稅 (「企業所得稅」) | | |
| Provision for the year | 本年度撥備 | 3,481 | — |
| Deferred taxation | 遞延稅項 | | |
| Origination and reversal of temporary differences | 暫時差額產生及 撥回 | (2,610) | (251) |
| Income tax charge/(credit) | 所得稅支出／(抵免) | 871 | (251) |

Note:

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Company Law of the Cayman Islands and, accordingly, is exempted from payment of the Cayman Islands income tax.

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the two years ended 31 December 2010 and 2009. No provision for Hong Kong Profits Tax has been made as the Group has no estimated assessable profits for the two years ended 31 December 2010 and 2009.

附註：

本公司根據開曼群島公司法在開曼群島註冊成立為獲豁免有限公司，因此獲豁免繳納開曼群島所得稅。

截至二零一零年及二零零九年十二月三十一日止兩個年度之香港利得稅按估計應課稅溢利之16.5%計算。由於本集團於截至二零一零年及二零零九年十二月三十一日止兩個年度並無估計應課稅溢利，故並無為香港利得稅作出任何撥備。

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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

8. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT *(Continued)*

a) Continuing operations *(Continued)*

- i) Income tax in the consolidated income statement represents: *(Continued)*

Note: *(Continued)*

Under the Law of the PRC on EIT (the "EIT Law") and Implementation Regulations of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

The PRC subsidiaries of the Group from continuing operations, Shanxi Yangcheng Shuntai Energy Development Company Limited ("Shanxi Yangcheng") and Shanxi Qinshui Shuntai Energy Development Company Limited ("Shanxi Qinshui"), are entitled to the exemptions from the EIT for two years starting from 2008, followed by a 50% tax relief for the next three years. Shanxi Yangcheng has no estimated assessable profit for the two years ended 31 December 2010 and 2009 whereas Shanxi Qinshui has no estimated assessable profit for the year ended 31 December 2009 and is taxable at the preferential tax rate of 12.5% for the year ended 31 December 2010.

8. 綜合損益表之所得稅 *(續)*

a) 持續經營業務 *(續)*

- i) 綜合損益表之所得稅指：
(續)

附註：*(續)*

根據中華人民共和國關於企業所得稅的法律(「企業所得稅法」)及企業所得稅法實施條例，中國附屬公司自二零零八年一月一日起之稅率為25%。

本集團持續營運之中國附屬公司山西陽城順泰能源發展有限公司(「山西陽城」)及山西沁水順泰能源發展有限公司(「山西沁水」)自二零零八年起獲豁免繳納企業所得稅兩年，其後三年則獲企業所得稅減半優惠。山西陽城於截至二零一零年及二零零九年十二月三十一日止兩個年度並無估計應課稅溢利，山西沁水於截至二零零九年十二月三十一日止年度並無估計應課稅溢利，而於截至二零一零年十二月三十一日止年度則按12.5%之優惠稅率納稅。

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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

8. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT (Continued)

8. 綜合損益表之所得稅 (續)

a) Continuing operations (Continued)

a) 持續經營業務 (續)

- ii) Reconciliation between income tax charge/(credit) and accounting loss at applicable tax rates is as follows:

- ii) 按適用稅率計算之所得稅支出／(抵免)與會計虧損之對賬如下：

| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 (Restated) (經重列) |
|---|----------------------------|-----------------------------------|--|
| Loss before income tax | 扣除所得稅前虧損 | (9,648) | (74,876) |
| Notional tax on loss before income tax, calculated at the rates applicable to the jurisdictions concerned | 按所在司法權區適用稅率計算之扣除所得稅前虧損名義稅項 | (3,762) | (13,044) |
| Tax effect of non-deductible expenses | 不可扣減開支之稅項影響 | 2,789 | 9,807 |
| Tax effect of non-taxable income | 毋須課稅收益之稅項影響 | (1,140) | (367) |
| Tax effect of tax losses not allowed for tax deduction | 不可扣稅稅項虧損之稅務影響 | 1,455 | 1,510 |
| Tax effect of unused tax losses not recognised | 未確認尚未使用稅項虧損的稅務影響 | 1,529 | 1,843 |
| Income tax charge/(credit) | 所得稅支出／(抵免) | 871 | (251) |

Notes to the Financial Statements

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

8. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT (Continued)

b) Discontinued operations

- i) Income tax in the consolidated income statement represents:

8. 綜合損益表之所得稅 (續)

b) 已終止經營業務

- i) 綜合損益表之所得稅指：

| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 (Restated) (經重列) |
|---|--------------------|-----------------------------------|--|
| Current tax — PRC EIT | | | |
| | 即期稅項 — 中國 企業所得稅 | | |
| Provision for the year | 本年度撥備 | 66 | 4,535 |
| Underprovision in prior years | 過往年度撥備不足 | 924 | 236 |
| | | 990 | 4,771 |
| Deferred taxation | | | |
| | 遞延稅項 | | |
| Origination and reversal of temporary differences | 暫時差額產生及撥回 | 409 | (258) |
| Income tax charge | 所得稅支出 | 1,399 | 4,513 |

Note:

The PRC subsidiaries of the Group from discontinued operations, Fujian Shine Science & Technology Co., Ltd. ("Fujian Shine") and Shanghai Shine Science & Technology Co., Limited ("Shanghai Shine"), as "encouraged hi-tech enterprises" will continue to be entitled to a reduced EIT rate of 15%.

附註：

本集團已終止營運之中國附屬公司福建新意科技有限公司(「福建新意」)及上海新意新科技有限公司(「上海新意」)作為「高新科技企業」，將繼續享有15%的減免企業所得稅率。

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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

8. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT (Continued)

8. 綜合損益表之所得稅 (續)

b) Discontinued operations (Continued)

b) 已終止經營業務 (續)

- ii) Reconciliation between income tax charge/(credit) and accounting (loss)/profit at applicable tax rates is as follows:

- ii) 按適用稅率計算之所得稅支出／(抵免)與會計虧損之對賬如下：

| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 (Restated) (經重列) |
|--|---------------------------------|-----------------------------------|--|
| (Loss)/profit before income tax | 扣除所得稅前 (虧損)／溢利 | (10,548) | 20,308 |
| Notional tax on (loss)/profit before income tax, calculated at the rates applicable to the jurisdictions concerned | 按所在司法權區適用稅率計算之扣除所得稅前(虧損)／溢利名義稅項 | (1,587) | 3,035 |
| Tax effect of non-deductible expenses | 不可扣減開支之稅項影響 | 517 | 3,710 |
| Tax effect of non-taxable income | 毋須課稅收益之稅項影響 | (84) | (2,775) |
| Tax effect of unused tax losses not recognised | 未確認尚未使用稅項虧損的稅務影響 | 1,629 | 293 |
| Underprovision of current tax in prior years | 過往年度即期稅項撥備不足 | 924 | 236 |
| Tax effect of change in tax rates | 稅率變動之稅務影響 | — | 14 |
| Income tax charge | 所得稅支出 | 1,399 | 4,513 |

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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

9. DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to section 161 of the Hong Kong Companies Ordinance is as follows:

9. 董事酬金

根據香港公司條例第161條披露之董事酬金如下：

| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
|---|----------|-----------------------------------|-----------------------------------|
| Fees | 袍金 | 54 | 132 |
| Salaries and other emoluments | 薪金及其他薪酬 | 1,339 | 1,470 |
| Discretionary bonus | 酌情花紅 | 4 | — |
| Retirement benefit scheme contributions | 退休福利計劃供款 | 15 | — |
| | | 1,412 | 1,602 |

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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

9. DIRECTORS' EMOLUMENTS (Continued)

Details of directors' emoluments by individuals for the year ended 31 December 2010 are as follows:

9. 董事酬金 (續)

截至二零一零年十二月三十一日止年度，個別人士之董事酬金詳情如下：

| | | Fees | Salaries and other emoluments | Discretionary bonus | Retirement benefit contributions | Total |
|--|----------------|-----------|-------------------------------|---------------------|----------------------------------|--------------|
| | | 袍金 | 薪金與其他薪酬 | 酌情花紅 | 退休福利計劃供款 | 總計 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| Executive directors | 執行董事 | | | | | |
| Wang Zhong Sheng | 王忠勝 | — | 904 | — | 7 | 911 |
| Shi Liang | 施亮 | — | 383 | — | 7 | 390 |
| Zhang Qing Lin (note 1) | 張慶林(附註1) | — | — | — | — | — |
| Fu Shou Gang (note 2) | 付壽剛(附註2) | — | 48 | 4 | — | 52 |
| Non-executive directors | 非執行董事 | | | | | |
| Kwok Shun Tim (note 3) | 郭純恬(附註3) | — | — | — | — | — |
| Ye Jinxing (note 4) | 葉金興(附註4) | — | 4 | — | 1 | 5 |
| Independent non-executive directors | 獨立非執行董事 | | | | | |
| Wong Zhi He (note 5) | 王之和(附註5) | 11 | — | — | — | 11 |
| Yan Chang Ming (note 6) | 閻長明(附註6) | — | — | — | — | — |
| Luo Wei Kun | 羅維崑 | — | — | — | — | — |
| Pang Yuk Fong | 彭玉芳 | 43 | — | — | — | 43 |
| | | 54 | 1,339 | 4 | 15 | 1,412 |

Note 1: Appointed on 17 May 2010

Note 2: Appointed on 29 December 2010

Note 3: Resigned on 18 December 2010

Note 4: Resigned on 29 December 2010

Note 5: Appointed on 29 September 2010

Note 6: Resigned on 9 August 2010

附註1：於二零一零年五月十七日獲委任

附註2：於二零一零年十二月二十九日獲委任

附註3：於二零一零年十二月十八日辭任

附註4：於二零一零年十二月二十九日辭任

附註5：於二零一零年九月二十九日獲委任

附註6：於二零一零年八月九日辭任

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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

9. DIRECTORS' EMOLUMENTS (Continued)

Details of directors' emoluments by individuals for the year ended 31 December 2009 are as follows:

9. 董事酬金 (續)

截至二零零九年十二月三十一日止年度，個別人士之董事酬金詳情如下：

| | | Fees | Salaries and other emoluments | Discretionary bonus | Retirement benefit scheme contributions | Total |
|--|----------------|---------|-------------------------------------|------------------------|--|---------|
| | | 袍金 | 薪金與 其他薪酬 | 酌情花紅 | 退休福利 計劃供款 | 總計 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| Executive directors | 執行董事 | | | | | |
| Wang Zhong Sheng | 王忠勝 | — | 874 | — | — | 874 |
| Shi Liang | 施亮 | — | 350 | — | — | 350 |
| Non-executive directors | 非執行董事 | | | | | |
| Kwok Shun Tim | 郭純恬 | — | 175 | — | — | 175 |
| Ye Jinxing | 葉金興 | — | 71 | — | — | 71 |
| Independent non-executive directors | 獨立非執行董事 | | | | | |
| Yan Chang Ming | 閻長明 | 44 | — | — | — | 44 |
| Luo Wei Kun | 羅維崑 | 44 | — | — | — | 44 |
| Pang Yuk Fong | 彭玉芳 | 44 | — | — | — | 44 |
| | | 132 | 1,470 | — | — | 1,602 |

During the years ended 31 December 2010 and 2009, no directors waived any emoluments. No inducement payments to join or upon joining the Group or as compensation for loss of office was paid or payable to any director for the two years ended 31 December 2010 and 2009.

於截至二零一零年及二零零九年十二月三十一日止年度，概無董事放棄任何酬金。於截至二零一零年及二零零九年十二月三十一日止兩個年度，並無向任何董事支付或應付任何加入本集團或加入本集團時之獎賞或離職補償。

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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. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, two (2009: one) are directors whose emoluments are disclosed in note 9. The aggregate of the emoluments in respect of the other three (2009: four) individuals are as follows:

10. 最高薪人士

五名最高薪人士中，兩名(二零零九年：一名)為董事，彼等之酬金於附註9披露。其他三名(二零零九年：四名)個別人士之酬金總額如下：

| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
|---|------------|-----------------------------------|-----------------------------------|
| Salaries, wages and other benefits | 薪金、工資及其他福利 | 386 | 3,247 |
| Retirement benefit scheme contributions | 退休福利計劃供款 | — | — |
| | | 386 | 3,247 |

The emoluments of the three (2009: four) individuals with the highest emoluments are within the following bands:

三名(二零零九年：四名)最高薪個別人士之酬金介乎以下範圍：

| | | 2010 二零一零年 Number of Individuals | 2009 二零零九年 Number of Individuals |
|---|--|---|---|
| RMBNil to RMB868,000 (equivalent to approximately HK\$Nil to HK\$1,000,000) | 人民幣零元至 人民幣868,000元 (相等於約零港元至 1,000,000港元) | 3 | 3 |
| RMB868,000 to RMB1,303,000 (equivalent to approximately HK\$1,000,001 to HK\$1,500,000) | 人民幣868,000元至 人民幣1,303,000元 (相等於約1,000,001 港元至1,500,000港元) | — | 1 |

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財務報表附註

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11. DISCONTINUED OPERATIONS

On 9 February 2010, the Company, as vendor, and the promissory note-holders (the "Purchasers"), acted collectively as owners of the Company, entered into a sale and purchase agreement to dispose the 100% equity interest in Shine Science & Technology (BVI) Company Limited, which beneficially holds 100% equity interest in Fujian Shine, Shanghai Shine and Fuzhou Xinwangluo Network Company Limited (altogether referred to as "Shine Science BVI Group"), at a consideration of RMB60,000,000. Shine Science BVI Group is principally engaged in the development and sales of computer software, resale of computer hardware, provision of system integration and maintenance services in the PRC. The consideration was satisfied by each of the Purchasers in proportion to their respective interests in the sale shares on the date of completion by a discharge of the Company from its payment obligations under the promissory notes as stated in note 33. The transaction was completed on 11 May 2010. The Group's sales of computer software, computer hardware and maintenance and other services segments have been classified as discontinued operations.

The (loss)/profit for the year from discontinued operations are analysed as follows:

11. 已終止經營業務

於二零一零年二月九日，本公司作為賣方與承兌票據持有人（「買方」），共同作為本公司擁有人簽訂一份買賣協議，以出售本集團於Shine Science & Technology (BVI) Company Limited之100%股本權益，該公司實益持有福建新意、上海新意及福州新意新網絡有限公司（統稱「Shine Science BVI集團」），代價為人民幣60,000,000元。Shine Science BVI集團主要從事電腦軟件開發及銷售、電腦硬件轉售、在中國提供系統整合和維修服務。有關代價之償付方式為各買方於完成日期按彼等各自於銷售股份之權益比例，解除本公司根據附註33所述之兌承票據之付款責任。該交易已於二零一零年五月十一日完成。本集團之電腦軟件、電腦硬件銷售以及維修及其他服務分部已分類為已終止經營業務。

來自己終止經營業務之年內（虧損）／溢利分析如下：

| | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
|---|-----------------------------------|-----------------------------------|
| (Loss)/profit for the year from discontinued operations | (11,947) | 15,795 |

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For The Year Ended 31 December 2010 截至二零一零年十二月三十一日止年度

11. DISCONTINUED OPERATIONS (Continued)

The results of the discontinued operations for the period from 1 January 2010 to 11 May 2010, which have been included in the consolidated income statement, are as follows:

11. 已終止經營業務 (續)

於二零一零年一月一日至二零一零年五月十一日期間，已計入綜合損益表之已終止經營業務之業績如下：

| | | Note 附註 | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
|--|--------------------------|------------|-----------------------------------|-----------------------------------|
| Turnover | 營業額 | 5 | 6,026 | 51,978 |
| Cost of sales | 銷售成本 | 26(b) | (7,427) | (20,591) |
| Gross (loss)/profit | 毛(虧損)/溢利 | | (1,401) | 31,387 |
| Other revenue and net income | 其他收益及淨收入 | 6 | 1,152 | 10,284 |
| Distribution costs | 分銷成本 | | (3,296) | (3,358) |
| Administrative expenses | 行政開支 | | (6,935) | (14,793) |
| Other operating expenses | 其他經營開支 | | — | (3,176) |
| Finance costs | 融資成本 | 7(c) | (68) | (36) |
| (Loss)/profit before income tax | 除所得稅前(虧損)/溢利 | 7 | (10,548) | 20,308 |
| Income tax | 所得稅 | 8(b) | (1,399) | (4,513) |
| (Loss)/profit for the year from discontinued operations | 來自己終止經營業務之年內(虧損)/溢利 | | (11,947) | 15,795 |
| (Loss)/profit for the year from discontinued operations attributable to: | 下列應佔來自己終止經營業務之年內(虧損)/溢利： | | | |
| Owners of the Company | 本公司擁有人 | | (11,947) | 15,795 |
| Non-controlling interests | 非控股權益 | | — | — |
| | | | (11,947) | 15,795 |

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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

11. DISCONTINUED OPERATIONS (Continued)

The net cash flows of the discontinued operations for the period from 1 January 2010 to 11 May 2010 are as follows:

| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
|--|------------------|-----------------------------------|-----------------------------------|
| Net cash (used in)/generated from operating activities | 經營業務(所用)／產生之現金淨額 | (15,484) | 36,430 |
| Net cash used in investing activities | 投資業務所用之現金淨額 | (9,386) | (15,961) |
| Net cash generated from financing activities | 融資業務產生之現金淨額 | 5,932 | 1,964 |
| Net cash (outflow)/inflow | 現金(流出)／流入淨額 | (18,938) | 22,433 |

The carrying amounts of the assets and liabilities from disposal of discontinued operations of the Shine Science BVI Group at the date of disposal are disclosed in note 40.

12. LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY

The consolidated loss attributable to owners of the Company includes a loss of approximately RMB13,618,000 (2009: RMB66,742,000) which has been dealt with in the financial statements of the Company.

11. 已終止經營業務 (續)

於二零一零年一月一日至二零一零年五月十一日期間，已終止經營業務之現金流淨額如下：

來自出售已終止經營業務 Shine Science BVI 集團之資產及負債於出售日期之賬面值披露於附註 40。

12. 本公司擁有人應佔虧損

本公司擁有人應佔綜合虧損，包括已於本公司財務報表處理之虧損約為人民幣 13,618,000 元 (二零零九年：人民幣 66,742,000 元)。

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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

13. DIVIDENDS

No dividend has been proposed or declared by the directors for the two years ended 31 December 2010 and 2009.

13. 股息

截至二零一零年及二零零九年十二月三十一日止兩個年度，董事並無建議派付或宣派股息。

14. (LOSS)/EARNINGS PER SHARE

a) For continuing and discontinued operations

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

14. 每股(虧損)/盈利

a) 持續及已終止經營業務

本公司擁有人應佔每股基本及攤薄虧損乃根據下列數據計算：

| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
|---|--------------------------|-----------------------------------|-----------------------------------|
| Loss for the year | 本年度虧損 | | |
| Loss for the year attributable to owners of the Company for the purpose of basic loss per share | 計算每股基本虧損時採用之本公司擁有人應佔年內虧損 | (20,493) | (58,741) |

Notes to the Financial Statements

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

14. (LOSS)/EARNINGS PER SHARE (Continued)

a) For continuing and discontinued operations (Continued)

14. 每股(虧損)/盈利(續)

a) 持續及已終止經營業務 (續)

| | | 2010 二零一零年 '000 千股 | 2009 二零零九年 '000 千股 |
|---|-------------------|-----------------------------|-----------------------------|
| Number of shares | 股份數目 | | |
| Issued ordinary shares at 1 January | 於一月一日之已發行普通股 | 1,361,815 | 620,600 |
| Effect of issue of shares by share placement | 透過股份配售發行股份之影響 | 223,111 | 5,101 |
| Effect of issue of shares by open offer | 透過公开发售發行股份之影響 | — | 186,134 |
| Effect of issue of consideration shares for acquisition of subsidiaries | 因收購附屬公司而發行代價股份之影響 | — | 122,557 |
| Effect of conversion of convertible bonds | 可換股債券獲轉換之影響 | 169,678 | — |
| Weighted average number of ordinary shares at 31 December | 於十二月三十一日之普通股加權平均數 | 1,754,604 | 934,392 |

Diluted loss per share attributable to owners of the Company for the year ended 31 December 2010 is the same as the basic loss per share as the effect of dilutive potential ordinary shares from convertible bonds are anti-dilutive.

There were no dilutive potential shares during the year ended 31 December 2009, and diluted (loss)/earnings per share is the same as basic (loss)/earnings per share.

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每股攤薄虧損與每股基本虧損相同，原因是可換股債券之潛在攤薄普通股具有反攤薄效應。

截至二零零九年十二月三十一日止年度概無潛在攤薄普通股，且每股攤薄(虧損)/盈利等同於每股基本(虧損)/盈利。

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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

14. (LOSS)/EARNINGS PER SHARE (Continued)

b) From continuing operations

The calculation of basic loss per share from continuing operations attributable to owners of the Company is based on the following data:

Loss for the year is calculated as follows:

| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
|--|-----------------------------------|-----------------------------------|-----------------------------------|
| Loss for the year attributable to owners of the Company | 本公司擁有人應佔年內虧損 | (20,493) | (58,741) |
| Less: Loss/(profit) for the year attributable to owners of the Company from discontinued operations | 減：本公司擁有人應佔來自已終止經營業務之年內虧損／(溢利) | 11,947 | (15,795) |
| Loss for the year attributable to owners of the Company for the purpose of basic loss per share from continuing operations | 計算來自持續經營業務之每股基本虧損時採用之本公司擁有人應佔年內虧損 | (8,546) | (74,536) |

The denominators used are the same as those detailed in note (a) above for continuing and discontinued operations.

c) From discontinued operations

Basic loss per share for the discontinued operation is RMB0.68 cents per share (2009: earnings per share of RMB1.69 cents per share) based on the loss for the year from the discontinued operations of RMB11,947,000 (2009: profit of RMB15,795,000).

The denominators used are the same as those detailed in note (a) above for continuing and discontinued operations.

14. 每股(虧損)／盈利(續)

b) 來自持續經營業務

本公司擁有人應佔來自持續經營業務之每股基本虧損乃根據下列數據計算：

本年度虧損計算如下：

| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
|--|-----------------------------------|-----------------------------------|-----------------------------------|
| Loss for the year attributable to owners of the Company | 本公司擁有人應佔年內虧損 | (20,493) | (58,741) |
| Less: Loss/(profit) for the year attributable to owners of the Company from discontinued operations | 減：本公司擁有人應佔來自已終止經營業務之年內虧損／(溢利) | 11,947 | (15,795) |
| Loss for the year attributable to owners of the Company for the purpose of basic loss per share from continuing operations | 計算來自持續經營業務之每股基本虧損時採用之本公司擁有人應佔年內虧損 | (8,546) | (74,536) |

所用之分母均與上文附註(a)所詳述就計算持續及已終止經營業務所用之分母相同。

c) 來自終止經營業務

根據年內來自已終止經營業務之虧損人民幣11,947,000元(二零零九年：溢利人民幣15,795,000元)，來自已終止經營業務之每股基本虧損為每股人民幣0.68分(二零零九年：每股盈利為每股人民幣1.69分)。

所用之分母均與上文附註(a)所詳述就計算持續及已終止經營業務所用之分母相同。

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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. SEGMENT REPORTING

The Group manages its businesses by divisions, which are organised by business lines (products and services). Upon adoption of HKFRS 8, Operating segments and in a manner consistent with the way in which information is reported internally to the Group's chairman and executive director, being the chief operating decision maker, for the purposes of resource allocation and performance assessment, the Group has presented the following five reportable segments:

Continuing operations

- Liquefied coalbed gas (including liquefied coalbed gas logistics) : this segment is responsible for the manufacture and sales of liquefied coalbed gas to piped natural gas providers and commercial and industrial customers in the PRC through the liquefied coalbed gas transportation vehicles.
- Piped natural gas : this segment is responsible for the reprocessing of liquefied coalbed gas, construction of gas pipelines and supply of piped natural gas to commercial, industrial and household customers in Beiliu City, Guangxi Zhuang Autonomous Region, the PRC.

15. 分部呈報

本集團按根據業務類別(產品及服務)劃分之分部管理其業務。於採納香港財務報告準則第8號業務分部時及為與向本集團主席及執行董事(即首席營運決策人)提供用於分配資源及評估表現之內部匯報資料之方式一致,本集團已呈報下列五個須報告分部:

持續經營業務

- 液化煤層氣 (包括液化煤層氣物流) : 該分部負責生產及銷售液化煤層氣,並使用液化煤層氣運輸工具運送至中國之管道天然氣供應商及工商客戶。
- 管道天然氣 : 該分部負責為液化煤層氣進行再加工、興建燃氣管道及供應管道天然氣予中國廣西壯族自治區北流市之工商及居民客戶。

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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. SEGMENT REPORTING (Continued)

Discontinued operations

Computer software : this segment develops and sells computer software relating to securities and financial industries to financial and securities sectors in the PRC.

Computer hardware : this segment sells computer hardware in complement to the computer software segment.

Maintenance and other services : this segment provides repairs and maintenance services and other technical support for customers of the computer software segment.

15. 分部呈報 (續)

已終止經營業務

電腦軟件 : 該分部在中國開發及銷售證券及金融業有關之電腦軟件予中國之金融及證券界別。

電腦硬件 : 該分部出售與電腦軟件分部相輔相成之電腦硬件。

維修及其他服務 : 該分部為電腦軟件分部之客戶提供修理及維護服務以及其他技術支援。

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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. SEGMENT REPORTING (Continued)

a) Segment results, assets and liabilities

In accordance with HKFRS 8, segment information disclosed in the financial statements has been prepared in a manner consistent with the information used by the Group's chairman and executive director for the purposes of assessing segment performance and allocating resources between segments. In this regard, the Group's chairman and executive director monitor the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible and intangible assets and current assets with the exception of other corporate assets which are unallocated to an individual reportable segment. Segment liabilities include trade and other payables, deferred income attributable to the activities of the individual segments and bank and other borrowings managed directly by the segments with the exception of other corporate liabilities which are unallocated to an individual reportable segment. Assets used jointly by segments and liabilities for which segments are jointly liable are allocated on the basis of the revenue by individual segments.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

15. 分部呈報 (續)

a) 分部業績、資產及負債

根據香港財務報告準則第8號，於財務報表披露之分部資料乃按照本集團主席及執行董事就評估分部表現及分配分部間之資源所採用資料一致之方式編製。就此而言，本集團主席及執行董事按照下列基準監察各個須報告分部應佔之業績、資產及負債：

分部資產包括所有有形及無形資產及流動資產，但不包括未分配至個別須報告分部之其他企業資產。分部負債包括應付賬款及其他應付款項、個別分部之活動應佔之遞延收入以及由分部直接管理之銀行及其他借款，但不包括未分配至個別須報告分部之其他企業負債。各分部共同使用之資產及各分部共同承擔之負債乃按個別分部之收入基準進行分配。

收益及開支乃經參考須報告分部之銷售額及開支或該等分部應佔資產之折舊或攤銷所引致之開支，分配至該等分部。

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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. SEGMENT REPORTING (Continued)

a) Segment results, assets and liabilities (Continued)

The measurement used for reporting segment profit/(loss) is “Adjusted profit/(loss) before interest and taxes” (“Adjusted EBIT”). To arrive at adjusted profit/(loss) before interest and taxes, the Group’s profits/(losses) are further adjusted for items not specifically attributed to an individual reportable segment, such as interest income and other unallocated corporate expenses.

In addition to the receiving of segment information concerning adjusted EBIT, management is provided with segment information concerning revenue (including inter-segment sales), interest income and expenses from cash balances and borrowings managed directly by the segments, depreciation, amortisation and impairment losses and additions to non-current segment assets used by the segments in their operations. Inter-segment sales are priced with reference to prices charged to external parties for similar orders.

Information regarding the Group’s reportable segments as provided to the Group’s chairman and executive director for the purpose of resource allocation and assessment of segment performance for the year is as follows:

15. 分部呈報 (續)

a) 分部業績、資產及負債 (續)

呈報分部溢利／(虧損)所使用之計量方法為「經調整扣除利息及稅項前溢利／(虧損)」(「經調整 EBIT」)。為計算經調整除利息及稅項前溢利／(虧損)，本集團之溢利／(虧損)會就並非特定個別須報告分部應佔之項目作出進一步調整，如利息收入及其他未分配企業開支。

除獲得有關經調整 EBIT 之分部資料外，管理層亦獲提供有關收益(包括分部間銷售)、由分部直接管理之現金結餘及借款之利息收入及開支、折舊、攤銷及減值虧損以及分部於營運中所使用之非流動分部資產增置之分部資料。分部間銷售參考就同類訂單收取外部第三方之價格訂價。

年內，就提供予本集團主席及執行董事用作分配資源及評估分部表現之本集團須報告分部資料載列如下：

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For The Year Ended 31 December 2010 截至二〇一〇年十二月三十一日止年度

15. SEGMENT REPORTING (Continued) 15. 分部呈報 (續)

a) Segment results, assets and liabilities (Continued) a) 分部業績、資產及負債 (續)

| | Continuing operations 持續經營業務 | | | | | | Discontinued operations 已終止經營業務 | | | | | | | | | |
|---|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|---|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|--|
| | Liquefied coalbed gas 液化煤層氣 | | Piped natural gas 管道天然氣 | | Subtotal 小計 | | Computer software 電腦軟件 | | Computer hardware 電腦硬件 | | Maintenance and other services 維修及其他服務 | | Subtotal 小計 | | Total 總計 | |
| | 2010 二〇一〇年 RMB'000 人民幣千元 | 2009 二〇〇九年 RMB'000 人民幣千元 | 2010 二〇一〇年 RMB'000 人民幣千元 | 2009 二〇〇九年 RMB'000 人民幣千元 | 2010 二〇一〇年 RMB'000 人民幣千元 | 2009 二〇〇九年 RMB'000 人民幣千元 | 2010 二〇一〇年 RMB'000 人民幣千元 | 2009 二〇〇九年 RMB'000 人民幣千元 | 2010 二〇一〇年 RMB'000 人民幣千元 | 2009 二〇〇九年 RMB'000 人民幣千元 | 2010 二〇一〇年 RMB'000 人民幣千元 | 2009 二〇〇九年 RMB'000 人民幣千元 | 2010 二〇一〇年 RMB'000 人民幣千元 | 2009 二〇〇九年 RMB'000 人民幣千元 | 2010 二〇一〇年 RMB'000 人民幣千元 | |
| Revenue from external customers 來自外界客戶之收益 | 212,569 | 34,611 | 18,420 | 5,445 | 230,989 | 40,056 | 11,609 | 4,990 | 11,609 | 11,609 | 51,978 | 237,015 | 92,004 | 237,015 | | |
| Inter-segment revenue 分部間收益 | 715 | 2,612 | - | - | 715 | 2,612 | - | - | - | - | - | 715 | 2,612 | 715 | | |
| Reportable segment revenue 須報告分部收益 | 213,284 | 37,223 | 18,420 | 5,445 | 231,704 | 42,668 | 11,611 | 4,990 | 11,611 | 11,609 | 51,978 | 237,730 | 94,616 | 237,730 | | |
| Reportable segment profit/(loss) (Adjusted EBIT) | 3,368 | (13,278) | (2,771) | (54,928) | 817 | (88,206) | (2,832) | (1,720) | 4,637 | 4,637 | 18,202 | (9,897) | (50,004) | (9,897) | | |
| Interest income 利息收入 | 28 | 309 | 9 | 4 | 37 | 313 | 28 | 7 | 38 | 38 | 120 | 98 | 433 | 98 | | |
| Finance costs 融資成本 | (3,378) | (1,404) | (3,190) | (2,666) | (6,308) | (4,260) | - | - | - | - | - | (6,508) | (4,260) | (6,508) | | |
| Depreciation of property, plant and equipment 物業、機器及設備折舊 | (16,444) | (6,446) | (2,785) | (1,429) | (19,229) | (7,875) | (246) | (68) | (280) | (280) | (1,343) | (19,823) | (8,818) | (19,823) | | |
| Amortisation of prepaid lease payments for land under operating leases 預付土地租金攤銷 | (258) | (220) | (197) | (68) | (453) | (318) | (4) | (20) | (45) | (45) | (138) | (517) | (456) | (517) | | |
| Amortisation of intangible assets under operating leases 預備資產攤銷 | (8,919) | - | (1,566) | (783) | (10,465) | (783) | - | - | - | - | - | (10,465) | (783) | (10,465) | | |
| Impairment loss on goodwill Net losses on disposal of property, plant and equipment 商譽減值虧損 出售物業、機器及 設備虧損淨額 | - | - | - | (52,971) | (52,971) | (52,971) | - | - | - | - | - | - | (52,971) | (52,971) | | |
| Impairment loss on trade receivables Write back of impairment loss on trade receivables 應收賬款減值虧損 應收賬款減值虧損回 撥 | - | - | - | - | - | - | - | - | (2) | (6) | (44) | - | (44) | (44) | | |
| Income tax 所得稅 | (1,279) | - | 408 | 251 | (871) | 251 | (448) | (846) | 1,159 | (915) | 1,249 | (2,270) | 1,249 | (2,270) | | |

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15. SEGMENT REPORTING (Continued)

15. 分部呈報 (續)

a) Segment results, assets and liabilities (Continued)

a) 分部業績、資產及負債 (續)

| | Continuing operations 持續經營業務 | | | | | | Discontinued operations 已終止經營業務 | | | | | | | | | |
|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|---|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | Liquefied coalbed gas 液化煤層氣 | | Piped natural gas 管道天然氣 | | Subtotal 小計 | | Computer software 電腦軟件 | | Computer hardware 電腦硬件 | | Maintenance and other services 維修及其他服務 | | Subtotal 小計 | | Total 總計 | |
| | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
| Reportable segment assets 須報告分部資產 | 546,546 | 270,037 | 158,412 | 102,005 | 702,958 | 440,162 | - | 45,205 | 15,088 | - | 13,005 | - | 73,418 | 702,958 | 513,530 | |
| Reportable segment liabilities 須報告分部負債 | 182,213 | 123,927 | 33,609 | 35,632 | 215,822 | 165,559 | - | 47,864 | 1,314 | - | 8,385 | - | 53,243 | 215,822 | 223,302 | |
| Additions to non-current segment assets: - Goodwill - Property, plant and equipment - Prepaid leases - Payments for land under operating leases - Intangible assets | 109,477 72,625 | - 78,241 | - 71 | 76,802 46,955 | 109,477 72,686 | 76,802 124,836 | - | - | 239 | - | 66 | - | 577 | 109,477 73,473 | 76,802 128,070 | |
| | 10,935 97,300 | - | - | 9,000 70,470 | 10,935 97,300 | 9,000 70,470 | - | 1,839 | - | - | 354 | - | 3,537 | 10,935 97,300 | 12,537 70,470 | |
| | 290,337 | 78,241 | 71 | 202,867 | 290,603 | 281,108 | 272 | 3,821 | 239 | 66 | 677 | 239 | 6,771 | 291,185 | 287,879 | |

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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. SEGMENT REPORTING (Continued)

b) Reconciliations of reportable segment revenues, profit or loss, assets and liabilities

15. 分部呈報 (續)

b) 須報告分部收益、溢利或虧損、資產及負債之對賬

| | | Continuing operations 持續經營業務 | | Discontinued operations 已終止經營業務 | | Consolidated 綜合 | |
|--|------------------------|-----------------------------------|--|------------------------------------|--|-----------------------------------|-----------------------------------|
| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 (Restated) (經重列) | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 (Restated) (經重列) | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
| Revenue | 收益 | | | | | | |
| Reportable segment revenue | 須報告分部收益 | 231,704 | 42,668 | 6,026 | 51,978 | 237,730 | 94,646 |
| Elimination of inter-segment revenue | 撤銷分部間收益 | (715) | (2,612) | — | — | (715) | (2,612) |
| Consolidated turnover | 綜合營業額 | 230,989 | 40,056 | 6,026 | 51,978 | 237,015 | 92,034 |
| Profit/(loss) | 溢利/(虧損) | | | | | | |
| Reportable segment profit/(loss) | 須報告分部溢利/(虧損) | 817 | (68,206) | (10,714) | 18,202 | (9,897) | (50,004) |
| Elimination of inter-segment profits | 撤銷分部間溢利 | — | — | — | — | — | — |
| Reportable segment profit/(loss) derived from Group's external customers | 來自本集團外界客戶之須報告分部溢利/(虧損) | 817 | (68,206) | (10,714) | 18,202 | (9,897) | (50,004) |
| Interest income | 利息收入 | 40 | 316 | 62 | 119 | 102 | 435 |
| Finance costs | 融資成本 | (9,681) | (4,260) | (68) | (36) | (9,749) | (4,296) |
| Net realised and unrealised gains/(losses) on trading securities | 貿易證券之已變現及未變現收益/(虧損)淨額 | — | — | 475 | 1,650 | 475 | 1,650 |
| Gain on remeasuring existing interest in an available-for-sale investment on acquisition | 於收購時重新計量可供出售投資之現有權益之收益 | 4,960 | — | — | — | 4,960 | — |
| Fair value gain on the derivative component of convertible bonds | 可換股債券衍生部份之公平值收益 | 3,223 | — | — | — | 3,223 | — |
| Withholding tax from disposal of subsidiaries | 來自出售附屬公司之源泉稅 | (3,902) | — | — | — | (3,902) | — |
| Unallocated depreciation | 未分配折舊 | (430) | (387) | — | (6) | (430) | (393) |
| Unallocated corporate income/(expenses) | 未分配企業收入/(開支) | (4,675) | (2,339) | (303) | 379 | (4,978) | (1,960) |
| Consolidated loss before income tax | 除所得稅前綜合虧損 | (9,648) | (74,876) | (10,548) | 20,308 | (20,196) | (54,568) |

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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. SEGMENT REPORTING (Continued)

b) Reconciliations of reportable segment revenues, profit or loss, assets and liabilities (Continued)

15. 分部呈報 (續)

b) 須報告分部收益、溢利或虧損、資產及負債之對賬 (續)

| | | Consolidated 綜合 | |
|---|-------------|-----------------------------------|-----------------------------------|
| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
| Assets | 資產 | | |
| Reportable segment assets | 須報告分部資產 | 702,958 | 513,580 |
| Elimination of inter-segment receivables | 撇銷分部間應收款項 | (6,997) | (8,100) |
| | | 695,961 | 505,480 |
| Investment properties | 投資物業 | — | 7,330 |
| Derivative component of convertible bonds | 可換股債券衍生部份 | 6,621 | — |
| Trading securities | 貿易證券 | — | 582 |
| Amounts due from securities broker firms | 應收證券經紀行款項 | — | 19,040 |
| Tax recoverable | 可收回稅項 | 687 | — |
| Unallocated cash and cash equivalents | 未分配現金及現金等值物 | 7,699 | 8,570 |
| Unallocated corporate assets | 未分配企業資產 | 2,331 | 4,023 |
| Consolidated total assets | 綜合總資產 | 713,299 | 545,025 |
| Liabilities | 負債 | | |
| Reportable segment liabilities | 須報告分部負債 | 215,822 | 223,802 |
| Elimination of inter-segment payables | 撇銷分部間應付款項 | (6,997) | (8,100) |
| | | 208,825 | 215,702 |
| Tax payables | 應付稅項 | 621 | 4,121 |
| Promissory notes | 承兌票據 | — | 51,296 |
| Convertible bonds | 可換股債券 | 43,137 | — |
| Withholding tax payables | 應付源泉稅 | 3,902 | — |
| Unallocated corporate liabilities | 未分配企業負債 | 2,486 | 4,057 |
| Consolidated total liabilities | 綜合總負債 | 258,971 | 275,176 |

Notes to the Financial Statements

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. SEGMENT REPORTING (Continued)

c) Geographical information

The Group's revenue from external customers is derived solely from its operations in the PRC. Its non-current assets (excluding financial assets and deferred tax assets) by geographical location are detailed below:

15. 分部呈報 (續)

c) 地區資料

本集團來自外界客戶之收益全部來自其於中國之營運。其按地區劃分之非流動資產(金融資產及遞延稅項資產除外)詳述如下：

| | | Continuing operations 持續經營業務 | | Discontinued operations 已終止經營業務 | | Consolidated 綜合 | |
|-----------|----|-----------------------------------|-----------------------------------|------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
| Hong Kong | 香港 | 21 | 22 | - | - | 21 | 22 |
| PRC | 中國 | 614,511 | 354,754 | - | 24,823 | 614,511 | 379,577 |
| | | 614,532 | 354,776 | - | 24,823 | 614,532 | 379,599 |

d) Information about major customers

The Group's customer base is diversified and includes only three customers in liquefied coalbed gas and piped natural gas segment with whom sales for the year ended 31 December 2010 exceeded 10% of the Group's turnover. There is no customer with whom sales exceed 10% of the Group's turnover for the year ended 31 December 2009.

d) 有關主要客戶之資料

本集團的客戶基礎分散，截至二零一零年十二月三十一日止年度，僅包括液化煤層氣及管道天然氣分部中三名客戶之銷售額超過本集團營業額之10%。截至二零零九年十二月三十一日止年度，概無客戶之銷售額超過本集團營業額之10%。

Notes to the Financial Statements

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. SEGMENT REPORTING (Continued)

15. 分部呈報 (續)

d) Information about major customers (Continued)

d) 有關主要客戶之資料 (續)

| | Liquefied coalbed gas 液化煤層氣 | | Piped natural gas 管道天然氣 | | Consolidated 綜合 | |
|-------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
| Customer A 客戶甲 | 36,512 | — | — | — | 36,512 | — |
| Customer B 客戶乙 | 32,926 | — | — | — | 32,926 | — |
| Customer C 客戶丙 | 25,039 | — | 181 | — | 25,220 | — |
| | 94,477 | — | 181 | — | 94,658 | — |

16. GOODWILL

16. 商譽

The Group

本集團

RMB'000
人民幣千元

| Cost | 成本 | |
|---|-----------------------------|---------|
| At 1 January 2009 | 於二零零九年一月一日 | — |
| Acquisition of subsidiaries (note 39(b)) | 收購附屬公司(附註39(b)) | 76,802 |
| At 31 December 2009 and 1 January 2010 | 於二零零九年十二月三十一日及 二零一零年一月一日 | 76,802 |
| Acquisition of subsidiaries (note 39(a)) | 收購附屬公司(附註39(a)) | 109,477 |
| At 31 December 2010 | 於二零一零年十二月三十一日 | 186,279 |
| Accumulated impairment | 累計減值 | |
| At 1 January 2009 | 於二零零九年一月一日 | — |
| Impairment loss | 減值虧損 | 52,971 |
| At 31 December 2009 and 1 January 2010 | 於二零零九年十二月三十一日及 二零一零年一月一日 | 52,971 |
| Impairment loss | 減值虧損 | — |
| At 31 December 2010 | 於二零一零年十二月三十一日 | 52,971 |
| Carrying amount | 賬面值 | |
| At 31 December 2010 | 於二零一零年十二月三十一日 | 133,308 |
| At 31 December 2009 | 於二零零九年十二月三十一日 | 23,831 |

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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. GOODWILL (Continued)

Impairment test for cash-generating units (“CGU”) containing goodwill

Goodwill is allocated to the Group’s CGU identified according to reportable segment as follows:

16. 商譽 (續)

包含商譽之現金產生單位 (「現金產生單位」) 之減值測試

商譽分配予本集團按下列須報告分部識辨之現金產生單位：

| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
|------------------------------------|---------|-----------------------------------|-----------------------------------|
| Piped natural gas | 管道天然氣 | 23,831 | 23,831 |
| Logistics of liquefied coalbed gas | 液化煤層氣物流 | 109,477 | — |
| | | 133,308 | 23,831 |

- a) The goodwill arising from the acquisition of subsidiaries for the year ended 31 December 2010 represented the excess of the cost of acquisition of Million Ideas Group over the Group’s interest in the fair value of the identifiable assets and liabilities of Million Ideas Group as mentioned in note 39(a).

The recoverable amount of the CGU of liquefied coalbed gas segment is determined based on value in use calculations with reference to the valuation carried out by an independent firm of surveyors, Asset Appraisal Limited (“Asset Appraisal”), who have among their staff associate members of the Hong Kong Institute of Surveyors. These calculations use cash flow projections based on financial budgets approved by management covering a 20-year period, which is based on the average business and operation life over the CGU of liquefied coalbed gas logistics business. Cash flows beyond the 5-year period are extrapolated using the estimated rates stated below. The growth rates do not exceed the respective long-term average growth rates for the business in which the CGU of liquefied coalbed gas segment operates.

- a) 誠如附註39(a)所述，截至二零一零年十二月三十一日止年度因收購附屬公司引致之商譽指收購萬志集團之成本高於本集團於萬志集團可識辨資產及負債之公平值所佔權益之部分。

液化煤層氣分部之現金產生單位之可收回款額乃根據使用價值計算方法，參照一家獨立測量師行資產評估顧問有限公司（「資產評估」），該測量師行之職員包括香港測量師學會之附屬成員所進行之估值而釐定。該等計算方法使用現金流量預測（建基於管理層所批准涵蓋20年期間之財務預算），即根據液化煤層氣物流業務之現金產生單位之平均業務及營運年期而編製。超逾五年期間之現金流量使用下列估計利率推算。增長率並不高於液化煤層氣分部之現金產生單位經營所屬業務之長期平均增長率。

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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. GOODWILL (Continued)

Impairment test for cash-generating units (“CGU”) containing goodwill (Continued)

a) (Continued)

Key assumptions used for value in use calculations:

| | |
|---------------|-----|
| Gross margin | 毛利率 |
| Growth rate | 增長率 |
| Discount rate | 折現率 |

Management determined the budgeted gross margin based on past performance and its expectation for market development. The discount rate used is a pre-tax rate and reflects specific risks relating to the relevant segment.

The recoverable amount of the CGU of liquefied coalbed gas segment as at 31 December 2010 exceeds its carrying amount based on value in use calculations. Accordingly, no impairment loss on goodwill of the liquefied coalbed gas segment is recognised in the consolidated income statement for the year ended 31 December 2010.

b) The goodwill arising from the acquisition of subsidiaries for the year ended 31 December 2009 represented the excess of the cost of acquisition of Allied Rich Management Limited and its subsidiaries (“Allied Rich Group”) over the Group’s interest in the fair value of the identifiable assets and liabilities of Allied Rich Group as mentioned in note 39(b).

16. 商譽 (續)

包含商譽之現金產生單位 (「現金產生單位」) 之減值測試 (續)

a) (續)

使用價值方法中使用之主要假設：

| | | 2010 二零一零年 |
|---------------|-----|---------------|
| Gross margin | 毛利率 | 31-32% |
| Growth rate | 增長率 | 3% |
| Discount rate | 折現率 | 14% |

管理層根據過往表現及其對市場發展之預期釐定預算毛利率。所使用之該折現率為除稅前利率及反映與相關分部有關之特定風險。

液化煤層氣分部之現金產生單位於二零一零年十二月三十一日之可收回款額，超過其基於使用價值方法計算之賬面值。因此，截至二零一零年十二月三十一日止年度，並無於綜合收益表就液化煤層氣分部確認商譽減值虧損。

b) 誠如附註39(b)所述，截至二零零九年十二月三十一日止年度因收購附屬公司引致之商譽指收購聯富管理有限公司及其附屬公司（「聯富集團」）之成本高於本集團於聯富集團可識辨資產及負債之公平值所佔權益之部分。

Notes to the Financial Statements

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. GOODWILL (Continued)

Impairment test for cash-generating units (“CGU”) containing goodwill (Continued)

b) (Continued)

As part of the consideration of the acquisition, the Company allotted and issued 245,786,516 ordinary shares (see note 36(b)). In accordance with HKFRS 3 “Business combinations” issued by the HKICPA, the fair value of consideration shares was determined by reference to the market value of the ordinary shares of the Company at the date of acquisition of the Allied Rich Group. With the unexpected increase in the share price of the Company from HK\$0.32 at the date of agreement to HK\$0.60 at the date of acquisition, the goodwill arising from the acquisition was much greater than was expected by the management of the Group when the agreement was entered into. The fair value of the consideration shares increased by approximately RMB60,581,000 and after taking into consideration of the effect of discounting the principal amount of the promissory notes to their fair value of approximately RMB10,321,000 based on the effective interest method, the net increase in fair value of the consideration of the acquisition was reduced to approximately RMB50,260,000. The Group therefore immediately after combination (i.e. as at 3 July 2009) recognised the excess of the carrying amount of the CGU (including goodwill) over the recoverable amount of the CGU, which were arrived at based on value in use calculations as detailed below, as impairment loss on goodwill.

16. 商譽 (續)

包含商譽之現金產生單位 (「現金產生單位」) 之減值測試 (續)

b) (續)

本公司配發及發行245,786,516股普通股作為收購代價之一部分(見附註36(b))。按照香港會計師公會頒佈之香港財務報告準則第3號「業務合併」，代價股份之公平值乃參照收購聯富集團當日本公司普通股之市值而釐定。由於本公司股價於協議日期至收購日期之間由0.32港元急升至0.60港元，因收購引致之商譽遠較本集團管理層於訂立協議時所預期為高。代價股份之公平值增加約人民幣60,581,000元及考慮到根據實際利率法將承兌票據之本金額折算至其公平值約人民幣10,321,000元之影響後，收購代價之公平值增加淨額減少至約人民幣50,260,000元。因此，本集團於緊隨合併後(即二零零九年七月三日)確認現金產生單位(包括商譽)賬面值高於現金產生單位之可收回款額(根據下文詳述之使用價值而達致)之部分作為商譽減值虧損。

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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. GOODWILL (Continued)

Impairment test for cash-generating units (“CGU”) containing goodwill (Continued)

b) (Continued)

The recoverable amount of the CGU of piped natural gas segment is determined based on value in use calculations with reference to the valuation carried out by an independent firm of surveyors, Asset Appraisal. These calculations use cash flow projections based on financial budgets approved by management covering a 44-year period (2009: 45-year period), which is based on the average business and operation life over the CGU of piped natural gas segment. Cash flows beyond the 5-year period are extrapolated using the estimated rates stated below. The growth rates do not exceed the respective long-term average growth rates for the business in which the CGU of piped natural gas segment operates.

Key assumptions used for value in use calculations:

| | |
|---------------|-----|
| Gross margin | 毛利率 |
| Growth rate | 增長率 |
| Discount rate | 折現率 |

Management determined the budgeted gross margin based on past performance and its expectation for market development. The discount rate used is a pre-tax rate and reflects specific risks relating to the relevant segment. Management also believes that any reasonably change in assumptions on which the recoverable amount of the CGU of the piped natural gas segment is based would not cause the carrying amount of the CGU of the piped natural gas segment to exceed its recoverable amount as at 31 December 2010.

16. 商譽 (續)

包含商譽之現金產生單位 (「現金產生單位」) 之減值測試 (續)

b) (續)

管道天然氣分部之現金產生單位之可收回款額乃根據使用價值計算方法，參照一家獨立測量師行資產評值所進行之估值而釐定。該等計算方法使用現金流量預測（建基於管理層所批准涵蓋44年期(二零零九年：45年期)之財務預算），即根據管道天然氣分部之現金產生單位之平均業務及營運年期而編製。超逾五年期間之現金流量使用下列估計利率推算。增長率並不高於管道天然氣分部之現金產生單位經營所屬業務之長期平均增長率。

使用價值方法中使用之主要假設：

| | 2010 二零一零年 | 2009 二零零九年 |
|---------------|---------------|---------------|
| Gross margin | 20-22% | 18% |
| Growth rate | 0-15% | 0-19% |
| Discount rate | 11% | 13% |

管理層根據過往表現及其對市場發展之預期釐定預算毛利率。所使用之該折算率為除稅前利率及反映與相關分部有關之特定風險。管理層亦認為，管道天然氣分部之現金產生單位之可收回款額所採用之假設出現任何合理變動，將不會導致管道天然氣分部之現金產生單位之賬面值超過其於二零一零年十二月三十一日之可收回款額。

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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. GOODWILL (Continued)

Impairment test for cash-generating units (“CGU”) containing goodwill (Continued)

b) (Continued)

The recoverable amount of the CGU of piped natural gas segment as at 31 December 2010 exceeds its carrying amount based on value in use calculations. Accordingly, no impairment loss on goodwill of the piped natural gas segment is recognised in the consolidated income statement for the year ended 31 December 2010. Impairment loss on goodwill of the piped natural gas segment of approximately RMB52,971,000 is recognised in the consolidated income statement for the year ended 31 December 2009, since the recoverable amount of the CGU of piped natural gas segment as at 31 December 2009 is less than its carrying amount based on value in use calculation.

17. INVESTMENT PROPERTIES

The Group

16. 商譽 (續)

包含商譽之現金產生單位 (「現金產生單位」) 之減值測試 (續)

b) (續)

根據使用價值計算方法，管道天然氣分部之現金產生單位之可收回款額超過其賬面值。因此，截至二零一零年十二月三十一日止年度之綜合損益表並無確認管道天然氣分部之商譽減值虧損。根據使用價值計算方法，截至二零零九年十二月三十一日止年度之管道天然氣分部之現金產生單位之可收回款額低於其賬面值。因此，截至二零零九年十二月三十一日止年度之綜合損益表已確認管道天然氣分部之商譽減值虧損約人民幣52,971,000元。

17. 投資物業

本集團

RMB'000
人民幣千元

| | | |
|--|-----------------------------|---------|
| At 1 January 2009 | 於二零零九年一月一日 | — |
| Additions | 增置 | 7,179 |
| Change in fair value | 公平值變動 | 151 |
| At 31 December 2009 and 1 January 2010 | 於二零零九年十二月三十一日及 二零一零年一月一日 | 7,330 |
| Disposal of subsidiaries (note 40) | 出售附屬公司(附註40) | (7,330) |
| At 31 December 2010 | 於二零一零年十二月三十一日 | — |

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17. INVESTMENT PROPERTIES (Continued)

The Group (Continued)

The investment properties are situated on land held under medium-term leases in the PRC.

All investment properties of the Group were revalued as at 31 December 2009 on an open market value basis calculated by reference to observable prices in recent market transactions in comparable properties on arm's length terms. The valuations were carried out by Asset Appraisal, who has recent experience in the location and category of properties being valued.

The Group leases out investment properties under operating leases. The leases typically run for an initial period of 1 to 2 years, with an option to renew the lease after that date at which time all terms are renegotiated. Lease payments are usually revised every 1 to 2 years to reflect market rentals. None of the leases includes contingent rentals.

The Group's total future minimum lease payments under non-cancellable operating leases are receivable as follows:

17. 投資物業 (續)

本集團 (續)

投資物業位於中國根據中期租約持有之土地上。

於二零零九年十二月三十一日，本集團所有投資物業均已按公開市值基準進行重估。公開市值基準乃參照可比較物業於近期市場進行之公平交易之可觀察價格計算。有關估值由資產評值進行，該測量師行近期於接受估值之物業地區和類別擁有相關經驗。

本集團根據經營租約出租投資物業。租約一般初步為期一至兩年，惟可選擇重續租約，屆時所有條款均須進行磋商。租約付款通常每一至兩年修訂一次，以反映市值租金。該等租約概不附帶或然租金。

本集團根據不可撤銷經營租約項下之未來應付最低租賃款項總額如下：

| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
|---------------------------------|---------|-----------------------------------|-----------------------------------|
| Within 1 year | 一年內 | — | 105 |
| After 1 year but within 5 years | 一年後但五年內 | — | 41 |
| | | — | 146 |

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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. PROPERTY, PLANT AND EQUIPMENT

a) The Group

| | Buildings held for own use 持作自用之樓宇 RMB'000 人民幣千元 | Leasehold improvements 租賃裝修工程 RMB'000 人民幣千元 | Pipelines 管道 RMB'000 人民幣千元 | Plant and machinery 機器及設備 RMB'000 人民幣千元 | Computer equipment 電腦設備 RMB'000 人民幣千元 | Furniture and equipment 傢俱及設備 RMB'000 人民幣千元 | Transportation and motor vehicles 運輸工具及汽車 RMB'000 人民幣千元 | Construction in progress 在建工程 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
|--|---|--|-------------------------------------|--|--|--|--|--|---------------------------------|
|--|---|--|-------------------------------------|--|--|--|--|--|---------------------------------|

| Cost | 原值 | | | | | | | | | |
|--|-----------------|--------|-------|--------|---------|-------|-------|-------|-----------|---------|
| At 1 January 2009 | 於二零零九年一月一日 | 5,305 | 2,232 | — | — | 2,914 | 2,490 | 3,076 | 123,898 | 139,915 |
| Additions (note (iii)) | 添置(附註(iii)) | 920 | 488 | 173 | 2,504 | 704 | 173 | 1,131 | 76,012 | 82,105 |
| Acquisition of subsidiaries (note 39(b)) | 收購附屬公司(附註39(b)) | 3,359 | — | 40,971 | 753 | — | 898 | 419 | — | 46,400 |
| Transfer from construction in progress | 從在建工程轉出 | 48,212 | — | — | 151,329 | — | — | — | (199,541) | — |
| Disposals | 出售 | — | — | — | — | (444) | (15) | (120) | — | (579) |
| Exchange adjustments | 匯兌調整 | — | 1 | — | — | — | 1 | — | — | 2 |

| | | | | | | | | | | |
|--|-------------------------|---------|---------|--------|---------|---------|---------|---------|----------|----------|
| At 31 December 2009 and 1 January 2010 | 於二零零九年十二月三十一日及二零一零年一月一日 | 57,796 | 2,721 | 41,144 | 154,586 | 3,174 | 3,547 | 4,506 | 369 | 267,843 |
| Additions (note (iv)) | 添置(附註(iv)) | 9,992 | — | 3 | 826 | 294 | 168 | 4,695 | 39,279 | 55,157 |
| Acquisition of subsidiaries (note 39(a)) | 收購附屬公司(附註39(a)) | — | 58 | — | 15 | — | 135 | 18,108 | — | 18,316 |
| Transfer from construction in progress | 從在建工程轉出 | 18,977 | 707 | — | 5,687 | — | — | — | (25,371) | — |
| Disposals of subsidiaries (note 40) | 出售附屬公司(附註40) | (6,225) | (3,350) | — | — | (3,330) | (2,085) | (2,237) | — | (17,227) |
| Exchange adjustments | 匯兌調整 | — | (1) | — | — | — | — | — | — | (1) |

| | | | | | | | | | | |
|---------------------|---------------|--------|-----|--------|---------|-----|-------|--------|--------|---------|
| At 31 December 2010 | 於二零一零年十二月三十一日 | 80,540 | 135 | 41,147 | 161,114 | 138 | 1,765 | 24,972 | 14,277 | 324,088 |
|---------------------|---------------|--------|-----|--------|---------|-----|-------|--------|--------|---------|

| Accumulated depreciation and impairment | 累計折舊及減值 | | | | | | | | | |
|---|------------|-------|-----|-------|-------|-------|------|-------|---|--------|
| At 1 January 2009 | 於二零零九年一月一日 | 1,051 | 678 | — | — | 1,559 | 831 | 1,024 | — | 5,143 |
| Charge for the year | 本年度支出 | 1,485 | 539 | 1,199 | 5,200 | 657 | 527 | 604 | — | 10,211 |
| Written back on disposals | 出售撥回 | — | — | — | — | (387) | (13) | (38) | — | (438) |
| Exchange adjustments | 匯兌調整 | — | (4) | — | — | (2) | 1 | — | — | (5) |

| | | | | | | | | | | |
|--|-------------------------|---------|---------|-------|--------|---------|---------|-------|---|---------|
| At 31 December 2009 and 1 January 2010 | 於二零零九年十二月三十一日及二零一零年一月一日 | 2,536 | 1,213 | 1,199 | 5,200 | 1,827 | 1,346 | 1,590 | — | 14,911 |
| Charge for the year | 本年度支出 | 3,616 | 185 | 2,394 | 11,253 | 182 | 453 | 2,170 | — | 20,253 |
| Disposal of subsidiaries (note 40) | 出售附屬公司(附註40) | (1,374) | (1,315) | — | — | (1,972) | (1,157) | (685) | — | (6,503) |
| Exchange adjustments | 匯兌調整 | — | (1) | — | — | — | — | — | — | (1) |

| | | | | | | | | | | |
|---------------------|---------------|-------|----|-------|--------|----|-----|-------|---|--------|
| At 31 December 2010 | 於二零一零年十二月三十一日 | 4,778 | 82 | 3,593 | 16,453 | 37 | 642 | 3,075 | — | 28,660 |
|---------------------|---------------|-------|----|-------|--------|----|-----|-------|---|--------|

| Carrying amount | 賬面值 | | | | | | | | | |
|---------------------|---------------|--------|-------|--------|---------|-------|-------|--------|--------|---------|
| At 31 December 2010 | 於二零一零年十二月三十一日 | 75,762 | 53 | 37,554 | 144,661 | 101 | 1,123 | 21,897 | 14,277 | 295,428 |
| At 31 December 2009 | 於二零零九年十二月三十一日 | 55,260 | 1,508 | 39,945 | 149,386 | 1,347 | 2,201 | 2,916 | 369 | 252,932 |

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18. PROPERTY, PLANT AND EQUIPMENT (Continued)

18. 物業、機器及設備 (續)

a) The Group (Continued)

- i) The buildings held for own use are situated on land held under medium-term leases in the PRC.
- ii) At 31 December 2010, the carrying amounts of buildings held for own use and pipelines pledged for the Group's bank borrowings were approximately RMB1,471,000 (2009: RMB2,409,000) and RMB36,690,000 (2009: RMB38,850,000) respectively.
- iii) Additions of construction in progress for the year ended 31 December 2009 includes interest expense capitalised on other borrowings wholly repayable within five years of approximately RMB3,308,000.
- iv) Additions of buildings held for own use of RMB9,963,000 and prepaid lease payments for land under operating leases of RMB9,017,000 (note 19) represent a property located in the PRC for office use and the Group is in the process of obtaining the relevant building ownership certificates and land use right certificates.

a) 本集團 (續)

- i) 持作自用之樓宇位處中國按中期租約持有之土地上。
- ii) 於二零一零年十二月三十一日，為本集團銀行借款而抵押之持作自用樓宇及管道之賬面值分別約為人民幣1,471,000元(二零零九年：人民幣2,409,000元)及人民幣36,690,000元(二零零九年：人民幣38,850,000元)。
- iii) 截至二零零九年十二月三十一日止年度之在建工程之添置包括須於五年內全數償還之其他借貸之已資本化利息開支約人民幣3,308,000元。
- iv) 新添置持作自用之樓宇為人民幣9,963,000元及經營租約下預付土地租金為人民幣9,017,000元(附註19)指位於中國的一項辦公物業，本集團目前正在申請相關房產證及土地使用權證。

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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. PROPERTY, PLANT AND EQUIPMENT (Continued) 18. 物業、機器及設備 (續)

b) The Company

b) 本公司

| | | | Furniture and Motor | | | Total | |
|--|-------------------------|--|------------------------|--------------------|-----------|---------|----------|
| | | | Leasehold improvements | Computer equipment | equipment | | vehicles |
| | | | 租賃裝修工程 | 電腦設備 | 傢俱及設備 | 汽車 | 總計 |
| | | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| Cost | 原值 | | | | | | |
| At 1 January 2009 | 於二零零九年一月一日 | | 76 | 65 | 99 | 1,662 | 1,902 |
| Additions | 添置 | | — | 55 | 13 | — | 68 |
| Disposals | 出售 | | — | (37) | — | — | (37) |
| Exchange adjustments | 匯兌調整 | | 1 | — | 1 | — | 2 |
| At 31 December 2009 and 1 January 2010 | 於二零零九年十二月三十一日及二零一零年一月一日 | | 77 | 83 | 113 | 1,662 | 1,935 |
| Additions | 添置 | | — | 55 | 6 | 1,079 | 1,140 |
| Exchange adjustments | 匯兌調整 | | (1) | — | (1) | — | (2) |
| At 31 December 2010 | 於二零一零年十二月三十一日 | | 76 | 138 | 118 | 2,741 | 3,073 |
| Accumulated depreciation | 累計折舊 | | | | | | |
| At 1 January 2009 | 於二零零九年一月一日 | | 44 | 20 | 94 | 526 | 684 |
| Charge for the year | 本年度支出 | | 37 | 16 | 4 | 331 | 388 |
| Written back on disposals | 出售撥回 | | — | (17) | — | — | (17) |
| Exchange adjustments | 匯兌調整 | | (4) | — | 1 | — | (3) |
| At 31 December 2009 and 1 January 2010 | 於二零零九年十二月三十一日及二零一零年一月一日 | | 77 | 19 | 99 | 857 | 1,052 |
| Charge for the year | 本年度支出 | | — | 17 | 6 | 366 | 389 |
| Exchange adjustments | 匯兌調整 | | (1) | — | (1) | — | (2) |
| At 31 December 2010 | 於二零一零年十二月三十一日 | | 76 | 36 | 104 | 1,223 | 1,439 |
| Carrying amount | 賬面淨值 | | | | | | |
| At 31 December 2010 | 於二零一零年十二月三十一日 | | — | 102 | 14 | 1,518 | 1,634 |
| At 31 December 2009 | 於二零零九年十二月三十一日 | | — | 64 | 14 | 805 | 883 |

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For The Year Ended 31 December 2010 截至二零一零年十二月三十一日止年度

19. PREPAID LEASE PAYMENTS FOR LAND UNDER OPERATING LEASES 19. 經營租約下預付土地租金

The carrying amount of the Group's prepaid lease payments for land under operating leases is analysed as follows:

本集團經營租約下預付土地租金之賬面值分析如下：

| | | The Group 本集團 | |
|--|-----------------|-----------------------------------|-----------------------------------|
| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
| Carrying amount at 1 January | 於一月一日之賬面值 | 26,427 | 14,346 |
| Additions | 添置 | 10,935 | 3,537 |
| Acquisition of subsidiaries (note 39(b)) | 收購附屬公司(附註39(b)) | — | 9,000 |
| Disposal of subsidiaries (note 40) | 出售附屬公司(附註40) | (6,878) | — |
| | | 30,484 | 26,883 |
| Amortisation for the year | 本年度攤銷 | (517) | (456) |
| Carrying amount at 31 December | 於十二月三十一日之賬面值 | 29,967 | 26,427 |
| Less: Current portion | 減：即期部份 | (673) | (608) |
| Non-current portion | 非即期部份 | 29,294 | 25,819 |

The prepaid lease payments in respect of land under operating leases are held under medium-term leases and situated in the PRC. At 31 December 2010, the cost of the prepaid lease payments for land under operating leases is approximately RMB30,940,000 (2009: RMB27,587,000).

經營租約下之預付土地租金乃按中期租約持有，其位於中國。於二零一零年十二月三十一日，經營租約下之預付土地租金成本約為人民幣30,940,000元(二零零九年：人民幣27,587,000元)。

At 31 December 2010, the carrying amount of prepaid lease payments for land under operating leases pledged for the Group's bank borrowings was approximately RMB8,705,000 (2009: RMB10,295,000).

於二零一零年十二月三十一日，已就本集團之銀行借款而抵押之經營租約下預付土地租金之賬面值約為人民幣8,705,000元(二零零九年：人民幣10,295,000元)。

The amortisation charge for the year of RMB156,000 (2009: RMB269,000) and RMB361,000 (2009: RMB187,000) are included in cost of sales and administrative expenses respectively in the consolidated income statement.

本年度攤銷支出人民幣156,000元(二零零九年：人民幣269,000元)及人民幣361,000元(二零零九年：人民幣187,000元)於綜合損益表之銷售成本及行政開支列賬。

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20. INTANGIBLE ASSETS

The Group

20. 無形資產

本集團

| | | Operating | | | Total |
|--|---------------------------------|--|---|--|----------|
| | | Exclusive right for piped natural gas operation 管道天然氣 業務之獨家權利 RMB'000 人民幣千元 | license for liquefied coalbed gas logistics 液化煤層氣 物流營運執照 RMB'000 人民幣千元 | Computer software development costs 電腦軟件 開發成本 RMB'000 人民幣千元 | |
| Cost | 原值 | | | | |
| At 1 January 2009 | 於二零零九年一月一日 | — | — | 29,069 | 29,069 |
| Acquisition of subsidiaries (note 39(b)) | 收購附屬公司 (附註39(b)) | 70,470 | — | — | 70,470 |
| At 31 December 2009 and 1 January 2010 | 於二零零九年 十二月三十一日及 二零一零年一月一日 | 70,470 | — | 29,069 | 99,539 |
| Acquisition of subsidiaries (note 39(a)) | 收購附屬公司(附註39(a)) | — | 97,300 | — | 97,300 |
| Disposal of subsidiaries (note 40) | 出售附屬公司(附註40) | — | — | (29,069) | (29,069) |
| At 31 December 2010 | 於二零一零年十二月三十一日 | 70,470 | 97,300 | — | 167,770 |
| Accumulated amortisation and impairment | 累計攤銷及減值 | | | | |
| At 1 January 2009 | 於二零零九年一月一日 | — | — | 29,069 | 29,069 |
| Amortisation for the year | 本年度攤銷 | 783 | — | — | 783 |
| At 31 December 2009 and 1 January 2010 | 於二零零九年十二月三十一日及 二零一零年一月一日 | 783 | — | 29,069 | 29,852 |
| Amortisation for the year | 本年度攤銷 | 1,566 | 8,919 | — | 10,485 |
| Disposal of subsidiaries (note 40) | 出售附屬公司(附註40) | — | — | (29,609) | (29,069) |
| At 31 December 2010 | 於二零一零年十二月三十一日 | 2,349 | 8,919 | — | 11,268 |
| Carrying amount | 賬面值 | | | | |
| At 31 December 2010 | 於二零一零年十二月三十一日 | 68,121 | 88,381 | — | 156,502 |
| At 31 December 2009 | 於二零零九年十二月三十一日 | 69,687 | — | — | 69,687 |

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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. INTANGIBLE ASSETS (Continued)

a) Computer software development costs

Amortisation of computer software development costs is recognised as cost of sales on a straight-line basis over their estimated useful lives of not exceeding five years. The computer software development costs were disposed of through disposal of subsidiaries completed on 11 May 2010.

b) Exclusive right for piped natural gas operation

It represented the exclusive right to operate in gas pipeline infrastructure and provision of piped natural gas in Beiliu City, Guangxi Zhuang Autonomous Region, the PRC for a remaining period of 44 years as at 31 December 2010 and is amortised as cost of sales on a straight-line basis over the estimated useful live of 45 years.

c) Operating license for liquefied coalbed gas logistics

It represented the operating license for liquefied coalbed gas logistics in the PRC for a remaining period of 4.5 years as at 31 December 2010 and is amortised as cost of sales on a straight-line basis over the estimated useful live of 5 years.

20. 無形資產 (續)

a) 電腦軟件開發成本

電腦軟件開發成本攤銷於不超過五年之估計可使用年期內以直線法確認為開支。電腦軟件開發成本已於二零一零年五月十一日出售附屬公司完成後出售。

b) 管道天然氣業務之獨家權利

於二零一零年十二月三十一日，該權利指於44年之剩餘期間內，在中國廣西壯族自治區北流市經營燃氣管道基礎設施和提供管道天然氣之獨家權利，並按直線基準於估計可使用年期45年攤銷。

c) 液化煤層氣物流營運執照

於二零一零年十二月三十一日止年度，該執照指於4.5年之剩餘期間內，在中國經營液化煤層氣物流之營運執照，並按直線基準於估計可使用年期5年內攤銷為銷售成本。

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21. DEPOSITS FOR ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT

- a) As at 31 December 2009, total sum of approximately RMB7,000,000 represents deposits for the acquisition of certain property, plant and equipment which comprise of a set of plant and machinery for a production plant for the manufacture of liquefied coalbed gas in Shanxi Province of the PRC. The directors of the Company expect that the production plant will start commercial production in 2012. During the year ended 31 December 2010, the full amount was used for settlement of payable for property, plant and equipment due to the supplier.

Capital commitments of the Group contracted for in respect of the remaining unpaid balances of approximately RMB56,420,000 (2009: RMB49,420,000) for the above acquisition are included and disclosed in note 44(a) to the financial statements.

21. 收購物業、機器及設備之訂金

- a) 於二零零九年十二月三十一日，合共人民幣7,000,000元乃作為收購若干物業、機器及設備之訂金，用作於中國山西省液化煤層氣生產工廠的廠房及機器。本公司董事預期生產工廠將於二零一二年開展商業生產。於截至二零一零年十二月三十一日止年度，全額訂金已用於清償應付供應商有關物業、廠房及設備之款項。

上述收購未支付之結餘約人民幣56,420,000元(二零零九年：人民幣49,420,000元)。本集團就該款項已訂約之資本承擔已計入及披露於財務報表附註44(a)。

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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

21. DEPOSITS FOR ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT (Continued)

- b) As at 31 December 2010, RMB8,161,000 represents the warranty money paid for the acquisition of property, plant and equipment under finance lease arrangements. On 2 December 2010, certain subsidiaries of the Group, as lessees, entered into finance lease arrangements with certain suppliers and a lessor, independent third parties, under which the suppliers agreed to manufacture and supply the liquefied natural gas tanks, gasified system and equipment, liquefied natural gas trailers, towing vehicles and liquefied natural gas refill stations (the "Finance Lease Assets") at the consideration of approximately RMB16,400,000, RMB18,980,000, RMB30,080,000, RMB10,725,000 and RMB2,970,000 respectively, for a total of approximately RMB79,155,000. The lessor agreed to lease the Finance Lease Assets to the Group for a total lease consideration of approximately RMB95,461,000 payable within the term of 36 months by monthly installments, with an option for the Group to purchase the Finance Lease Assets at the end of the lease term on the consideration of approximately RMB7,000. Pursuant to the terms of conditions of the agreements, the Group agreed to pledge the Finance Lease Assets to the lessor and Luoyang Shunhe Energy Company Limited ("Luoyang Shunhe"), a company indirectly wholly-owned by Mr. Wang Zhong Sheng, entered into guarantees in favour of the lessor to secure the due payment of the outstanding lease consideration. The Group agreed to provide a total sum of approximately RMB15,831,000 to the lessor as warranty money, which is repayable on the end of the lease period. As at 31 December 2010, approximately RMB8,161,000 was paid.

21. 收購物業、機器及設備之訂金 (續)

- b) 於二零一零年十二月三十一日，根據融資租賃安排已就收購物業、廠房及設備支付人民幣8,161,000元保證金。於二零一零年十二月二日，本集團若干附屬公司(作為承租方)與若干供應商及一位出租方(彼等均為獨立第三方)訂立融資租賃安排，據此，供應商同意製造及供應液化天然氣罐、氣化系統及設備、液化天然氣槽車、牽引車及液化天然氣加氣站(「融資租賃資產」)，代價分別約為人民幣16,400,000元、人民幣18,980,000元、人民幣30,080,000元、人民幣10,725,000元及人民幣2,970,000元，合共約人民幣79,155,000元。出租方同意向本集團出租融資租賃資產，總租賃代價約為人民幣95,461,000元，須於36個月內按月分期償還，本集團於租賃期結束時可選擇以代價約人民幣7,000元購買融資租賃資產。根據協議條款及條件，本集團同意向出租方抵押融資租賃資產，而由王忠勝先生間接全資擁有的洛陽順和能源有限公司(「洛陽順和」)亦已訂立以出租方為受益人的保證，為支付到期應付的未清償租賃代價提供擔保。本集團同意向出租方提供總額約人民幣15,831,000元之保證金，出租方須於租賃期結束時退還保證金。於二零一零年十二月三十一日，已支付金額約為人民幣8,161,000元。

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21. DEPOSITS FOR ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT (Continued)

- c) As at 31 December 2010, RMB4,050,000 from the acquisition of subsidiaries represent the amount fully paid for the acquisition of 9 towing vehicles for liquefied coalbed gas logistics operation. The directors of the Company expect that the towing vehicles will be delivered for use in 2011.

22. DEPOSITS FOR ACQUISITION OF INTERESTS IN LAND UNDER OPERATING LEASES

During the year, the Group paid a total sum of approximately RMB10,462,000 (2009: RMB8,475,000) as deposits for the acquisition of interests in land located in Yangcheng Shanxi Province of the PRC which will be held for own use under operating leases.

23. INVESTMENTS IN SUBSIDIARIES

21. 收購物業、機器及設備之 訂金 (續)

- c) 於二零一零年十二月三十一日，來自收購附屬公司的人民幣4,050,000元即收購用於液化煤層氣物流業務的9架牽引車之全數已付金額。本公司董事預期牽引車將於二零一一年交付使用。

22. 收購經營租約下土地權益 之訂金

本年度，本集團已合共支付約人民幣10,462,000元（二零零九年：人民幣8,475,000元）以作為收購位於中國山西省陽城之土地權益之訂金，該土地權益將根據經營租約持作自用。

23. 於附屬公司之投資

The Company 本公司

| 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
|-----------------------------------|-----------------------------------|
| 326,455 | 112,873 |

Unlisted shares, at cost

非上市股份，按原值

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23. INVESTMENTS IN SUBSIDIARIES (Continued)

At as 31 December 2010, the details of the subsidiaries are as follows:

23. 於附屬公司之投資 (續)

於二零一零年十二月三十一日，附屬公司之詳情如下：

| Name of subsidiary 附屬公司名稱 | Place of incorporation/ establishment 註冊成立/ 成立地點 | Particulars of issued and paid-up share/ registered capital 已發行及繳付股本/ 註冊資本詳情 | Proportion of equity interest hold 股權比例 | | Principal activities/ place of operation 主要業務/ 營運地點 | |
|---|---|--|---|--------------------------------|--|---|
| | | | Group's effective interest 本集團 實際權益 | Direct Indirect 直接 間接 | | |
| Inboom Holdings Limited | British Virgin Islands ("BVI") 英屬處女群島 (「英屬處女群島」) | 1 ordinary share of US\$1.00 1股每股面值1.00美元之普通股 | 100% | 100% | — | Not yet commenced business/Hong Kong 暫無開始業務/香港 |
| Shanxi Yangcheng Shuntai Energy Development Company Limited (note (a)) 山西陽城順泰能源發展有限公司(附註(a)) | PRC 中國 | Registered capital of HK\$40,000,000 註冊資本40,000,000港元 | 100% | 100% | — | Not yet commenced business/PRC 暫無開始業務/中國 |
| Shanxi Qinshui Shuntai Energy Development Company Limited (note (a) and (d)) 山西沁水順泰能源發展有限公司(附註(a)及(d)) | PRC 中國 | Registered capital of HK\$92,000,000 註冊資本92,000,000港元 | 100% | 100% | — | Manufacture and sales of liquefied coalbed gas/PRC 液化煤層氣生產及銷售/中國 |
| Sino Treasure Global Group Limited (note (f))(附註(f)) | BVI 英屬處女群島 | 1 ordinary share of US\$1.00 1股每股面值1.00美元之普通股 | 100% | 100% | — | Investment holding/ Hong Kong 投資控股/香港 |
| Allied Rich Management Limited (note (f)) 聯富管理有限公司(附註(f)) | BVI 英屬處女群島 | 3,000 ordinary shares of US\$1.00 each 3,000股每股面值1.00美元之普通股 | 100% | — | 100% | Investment holding/ Hong Kong 投資控股/香港 |
| Shanxi Allied Rich Services Limited (note (a)) 山西聯富商務服務有限公司(附註(a)) | PRC 中國 | Registered capital of RMB5,000,000 註冊資本人民幣5,000,000元 | 100% | — | 100% | Investment holding/PRC 投資控股/中國 |

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23. INVESTMENTS IN SUBSIDIARIES (Continued)

23. 於附屬公司之投資 (續)

| Name of subsidiary 附屬公司名稱 | Place of incorporation/ establishment 註冊成立/ 成立地點 | Particulars of issued and paid-up share/ registered capital 已發行及繳付股本/ 註冊資本詳情 | Proportion of equity interest hold 股權比例 | | Principal activities/ place of operation 主要業務/ 營運地點 |
|---|---|--|---|--------------------------------|--|
| | | | Group's effective interest 本集團 實際權益 | Direct Indirect 直接 間接 | |
| Guangxi Beiliu Gas Company Limited (note (b)) 廣西北流燃氣有限公司(附註(b)) | PRC 中國 | Registered capital of RMB20,000,000 註冊資本人民幣 20,000,000元 | 97.5% | — 97.5% | Sales of piped natural gas and provision of gas supply connection services/PRC 管道天然氣銷售及 供氣接駁服務/中國 |
| Hebei Shuntai Energy Resource Company Limited (note (a) and (e)) 河北順泰能源有限公司 (附註(a)及(e)) | PRC 中國 | Registered capital of RMB25,000,000 註冊資本人民幣 25,000,000元 | 100% | 100% — | Sales of liquefied coalbed gas/PRC 液化煤層氣銷售/中國 |
| Million Ideas Investment Limited (note (f)) 萬志投資有限公司(附註(f)) | BVI 英屬處女群島 | 100 ordinary shares of USD1.00 each 100股每股面值1.00美元 之普通股 | 100% | 100% — | Investment holding/ Hong Kong 投資控股/香港 |
| Shanxi Wanzhi Business Services Limited (note (a)) 山西萬志商務服務有限公司 (附註(a)) | PRC 中國 | Registered capital of RMB500,000 註冊資本人民幣 500,000元 | 100% | — 100% | Investment holding/PRC 投資控股/中國 |
| Shanxi Wanzhi Logistics Limited (note (c)) 山西萬志物流有限公司(附註(c)) | PRC 中國 | Registered capital of RMB60,000,000 註冊資本人民幣 60,000,000元 | 83% | — 83% | Provision of liquefied coalbed gas logistics services/PRC 提供液化煤層氣物流 服務/中國 |

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23. INVESTMENTS IN SUBSIDIARIES (Continued)

Note:

- Registered under the laws of the PRC as a wholly-owned foreign enterprise.
- Registered under the laws of the PRC as a limited liability enterprise.
- Registered under the laws of the PRC as a sino-foreign equity joint venture.
- The registered capital of Shanxi Qinshui Shuntai Energy Development Company Limited was HK\$150,000,000 of which HK\$92,000,000 was paid up as at 31 December 2010.
- The registered capital of Hebei Shuntai Energy Resource Company Limited was RMB87,280,000 of which RMB25,000,000 was paid up as at 31 December 2010.
- Registered under the law of the BVI as a limited liability enterprise.

23. 於附屬公司之投資 (續)

附註：

- 根據中華人民共和國法律註冊為外商投資企業。
- 根據中華人民共和國法律註冊為有限責任企業。
- 根據中華人民共和國法律註冊為中外合資企業。
- 山西沁水順泰能源發展有限公司之註冊資本為150,000,000港元，其中92,000,000港元已於二零一零年十二月三十一日繳付。
- 河北順泰能源有限公司之註冊資本為人民幣87,280,000元，其中人民幣25,000,000元已於二零一零年十二月三十一日繳付。
- 根據英屬處女群島法律註冊為有限責任企業。

24. AVAILABLE-FOR-SALE INVESTMENT

24. 可供出售投資

The Group
本集團

| | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
|-------------------------------------|-----------------------------------|-----------------------------------|
| Unlisted equity securities, at cost | — | 4,800 |

The unlisted equity securities represented an 8% unlisted equity interest in Wanzhi Logistics. As at 31 December 2009, the investment is measured at cost less impairment because the range of reasonable fair value estimates is so wide that the directors of the Company are of the opinion that their fair values cannot be measured reliably. During the year, the Group increased its interest in Wanzhi Logistics from 8% to 83%, thus Wanzhi Logistics ceased to be an available-for-sale investment and became a subsidiary of the Group. Details are set out in note 39(a).

非上市股本證券指萬志物流的8%非上市股權。於二零零九年十二月三十一日，該項投資以成本減減值計量，原因為合理公平值之估計範圍非常大，因此本公司董事認為該等證券之公平值不能可靠地計量。年內，本集團將其於萬志物流的權益從8%增至83%，因此萬志物流不再屬於可供出售投資而成為本集團附屬公司。詳情載於附註39(a)。

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25. TRADING SECURITIES

25. 貿易證券

The Group
本集團

| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
|---|----------------------|-----------------------------------|-----------------------------------|
| Listed securities, at fair value | 上市證券，按公平值計 | | |
| — Listed equity securities in the PRC, at market value | — 中國之上市股本證券， 按市價計 | — | 582 |

26. INVENTORIES

26. 存貨

a) Inventories in the consolidated statement of financial position represent:

a) 於綜合財務狀況表之存貨指：

The Group
本集團

| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
|----------------|-----|-----------------------------------|-----------------------------------|
| Raw materials | 原材料 | 907 | — |
| Finished goods | 製成品 | 1,155 | 4,976 |
| | | 2,062 | 4,976 |

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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

26. INVENTORIES (Continued)

- b) The analysis of the amount of inventories recognised as an expense is as follows:

26. 存貨 (續)

- b) 已確認為開支之存貨金額之分析如下：

| | | The Group 本集團 | |
|--|---------------|-----------------------------------|--|
| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 (Restated) (經重列) |
| Continuing operations | | | |
| | 持續經營業務 | | |
| Carrying amount of inventories sold | 已售存貨之賬面值 | 205,256 | 36,884 |
| Write down of inventories | 撇減存貨 | — | 126 |
| | | 205,256 | 37,010 |
| Discontinued operations (note 11) | | | |
| | 已終止經營業務(附註11) | | |
| Carrying amount of inventories sold | 已售存貨之賬面值 | 7,427 | 20,438 |
| Write down of inventories | 撇減存貨 | — | 153 |
| | | 7,427 | 20,591 |
| | | 212,683 | 57,601 |

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27. TRADE AND OTHER RECEIVABLES

27. 應收賬款及其他應收款項

| | | The Group 本集團 | | The Company 本公司 | |
|---|-------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
| Amounts due from subsidiaries (note (a) and note 47(b)(iv)) | 應收附屬公司款項 (附註(a)及 附註47(b)(iv)) | — | — | 143,897 | 160,763 |
| Amounts due from securities broker firms (note (b)) | 應收證券經紀行款項 (附註(b)) | — | 19,040 | — | — |
| Amounts due from directors (note 47(b)(ii)) | 應收董事款項 (附註47(b)(ii)) | 470 | — | 42 | — |
| Trade and bills receivables (note (d)) | 應收賬款及應收票據 (附註(d)) | 7,129 | 4,875 | — | — |
| Other receivables | 其他應收款項 | 3,847 | 4,156 | 323 | 279 |
| Amounts due from related companies (note 47(b)(i)) | 應收關連公司款項 (附註47(b)(i)) | 6,138 | 3,610 | — | 3,074 |
| Loans and receivables | 貸款及應收款項 | 17,584 | 31,681 | 144,262 | 164,116 |
| Advances to suppliers | 向供應商墊款 | 8,886 | 4,185 | — | — |
| Prepayment for acquisition of property, plant and equipment | 收購物業、機器及 設備之預付款項 | 3,011 | — | — | — |
| Other prepayments and deposits | 其他預付款項及按金 | 7,176 | 3,410 | 331 | 489 |
| Other tax recoverable | 其他可收回稅項 | 5,525 | — | — | — |
| | | 42,182 | 39,276 | 144,593 | 164,605 |

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27. TRADE AND OTHER RECEIVABLES (Continued)

Note:

- a) Amounts due from subsidiaries
- i) An analysis of the amounts due from subsidiaries is as follows:

| | | The Company 本公司 | |
|-------------------------------|----------|-----------------------------------|-----------------------------------|
| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
| Amounts due from subsidiaries | 應收附屬公司款項 | 196,868 | 213,734 |
| Less: Impairment loss | 減：減值虧損 | (52,971) | (52,971) |
| | | 143,897 | 160,763 |

The amounts due from subsidiaries are unsecured, interest-free and repayable on demand.

- ii) The movement of impairment loss on amounts due from subsidiaries is as follows:

| | | The Company 本公司 | |
|--|-----------|-----------------------------------|-----------------------------------|
| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
| At 1 January | 於一月一日 | 52,971 | — |
| Impairment loss recognised during the year | 年內確認之減值虧損 | — | 52,971 |
| At 31 December | 於十二月三十一日 | 52,971 | 52,971 |

During the year ended 31 December 2009, an impairment loss of approximately RMB52,971,000 was recognised in respect of the amount due from Sino Treasure Global Group Limited ("Sino Treasure"), a wholly-owned subsidiary of the Company which acquired Allied Rich Group during the year ended 31 December 2009 as detailed in note 39(b), as a result of the impairment loss recognised on goodwill arising from the acquisition of the Allied Rich Group as mentioned in note 16.

27. 應收賬款及其他應收款項 (續)

附註：

- a) 應收附屬公司款項
- i) 應收附屬公司款項之分析如下：

| | | The Company 本公司 | |
|-------------------------------|----------|-----------------------------------|-----------------------------------|
| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
| Amounts due from subsidiaries | 應收附屬公司款項 | 196,868 | 213,734 |
| Less: Impairment loss | 減：減值虧損 | (52,971) | (52,971) |
| | | 143,897 | 160,763 |

應收附屬公司款項為無抵押、免息並須應要求償還。

- ii) 應收附屬公司款項減值虧損之變動如下：

| | | The Company 本公司 | |
|--|-----------|-----------------------------------|-----------------------------------|
| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
| At 1 January | 於一月一日 | 52,971 | — |
| Impairment loss recognised during the year | 年內確認之減值虧損 | — | 52,971 |
| At 31 December | 於十二月三十一日 | 52,971 | 52,971 |

於截至二零零九年十二月三十一日止年度，因附註16所述收購聯富集團而引致商譽減值虧損，故已就應收Sino Treasure Global Group Limited (「Sino Treasure」) (本公司全資附屬公司) 之款項確認減值虧損約人民幣52,971,000元。誠如附註39(b)所詳述，該附屬公司於年內收購了聯富集團。

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27. TRADE AND OTHER RECEIVABLES (Continued)

Note: (Continued)

- b) During the years ended 31 December 2010 and 2009, the Group traded securities through securities broker firms. As at 31 December 2009, a total amount of approximately RMB19,040,000 was due from securities broker firms. The amounts are unsecured and bear interest at prevailing market interest rates and can be withdrawn by the Group at any time.
- c) All of the trade and other receivables, apart from prepayments and deposits, are expected to be recovered or recognised as an expense within one year.
- d) The ageing analysis of the trade and bills receivables based on the invoice date is as follows:

27. 應收賬款及其他應收款項 (續)

附註：(續)

- b) 截至二零一零年及二零零九年十二月三十一日止年度，本集團透過證券經紀行買賣證券。於二零零九年十二月三十一日，應收證券經紀行之款項總額約為人民幣19,040,000元。該筆款項為無抵押、按現行市場利率計息及可由本集團隨時提用。
- c) 除預付款項及按金外，預期所有應收賬款及其他應收款項將於一年內收回或確認為開支。
- d) 應收賬款及應收票據之賬齡分析如下(按發票日期)：

| | | The Group 本集團 | |
|--|---------------|-----------------------------------|-----------------------------------|
| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
| Within 1 month | 1個月內 | 3,811 | 2,917 |
| More than 1 month but less than 3 months | 1個月後但3個月內 | 3,200 | 1,364 |
| More than 3 months but less than 6 months | 3個月後但6個月內 | — | 594 |
| More than 6 months but less than 12 months | 6個月後但12個月內 | — | 1,224 |
| More than 12 months | 12個月以上 | 118 | 8,292 |
| | | 7,129 | 14,391 |
| Less: Impairment loss (note (e)) | 減：減值虧損(附註(e)) | — | (9,516) |
| | | 7,129 | 4,875 |

The Group generally grants credit period of 30 to 180 days to its customers. The Group may, on a case by case basis and after evaluation of the business relationship and credit worthiness, extend the credit period upon the customers' requests.

本集團一般給予客戶30至180日信貸期。本集團可按每個個案基準，及於評估業務關係及信譽後，應客戶要求延長信貸期。

Notes to the Financial Statements

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. TRADE AND OTHER RECEIVABLES (Continued)

Note: (Continued)

- e) The movement of impairment loss on trade and bills receivables is as follows:

27. 應收賬款及其他應收款項 (續)

附註：(續)

- e) 應收賬款減值虧損之變動如下：

| | | The Group 本集團 | |
|---|--------------|-----------------------------------|-----------------------------------|
| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
| At 1 January | 於一月一日 | 9,516 | 7,634 |
| Write back of impairment loss during the year | 年內撥回之減值虧損 | — | (1,249) |
| Impairment loss recognised during the year | 年內確認之減值虧損 | — | 3,131 |
| Disposal of subsidiaries (note 40) | 出售附屬公司(附註40) | (9,516) | — |
| At 31 December | 於十二月三十一日 | — | 9,516 |

Impairment losses in respect of trade debtors are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade debtors directly (see note 2(k)(i)).

Write back of impairment loss on trade receivables represents the recovery of the debts due from those trade receivables previously considered to be impaired.

As at 31 December 2009, trade and bills receivables of the Group amounting to approximately RMB9,516,000 were individually determined to be impaired and full impairment had been made. These individually impaired receivables had been outstanding for over 180 days as at the end of the reporting period or were due from companies with financial difficulties. Accordingly, specific allowances for doubtful debts of approximately RMB3,131,000 were recognised. The Group does not hold any collateral over these balances.

應收賬款之減值虧損乃採用撥備賬記錄，惟本集團信納收回的可能性極微除外，在此情況下，減值虧損直接與應收賬款撇銷(見附註2(k)(i))。

應收賬款減值虧損撥回指收回先前認為已經減值之應收賬款所欠債項。

於二零零九年十二月三十一日，本集團之應收賬款及應收票據約人民幣9,516,000元已個別釐定為減值，並作出全數撥備。於報告期末，該等個別減值應收賬款拖欠超過180日，或屬出現財務困難之公司之欠款。因此，呆賬之特別撥備約人民幣3,131,000元已被確認。本集團並無持有該等結餘之任何抵押品。

Notes to the Financial Statements

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. TRADE AND OTHER RECEIVABLES (Continued)

Note: (Continued)

- f) Trade receivables that are not impaired

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

27. 應收賬款及其他應收款項 (續)

附註：(續)

- f) 未減值應收賬款

被認為未個別及共同減值的應收賬款之賬齡分析如下：

| | | The Group 本集團 | |
|-------------------------------|---------|-----------------------------------|-----------------------------------|
| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
| Neither past due nor impaired | 未到期及未減值 | 7,011 | 4,875 |
| Less than 1 month past due | 逾期少於1個月 | — | — |
| 1 to 3 months past due | 逾期1至3個月 | — | — |
| Over 3 months past due | 逾期超過3個月 | 118 | — |
| | | 118 | — |
| | | 7,129 | 4,875 |

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to an independent customer that have a good track record with the group. Based on past experience, management believes that no impairment allowance is necessary in respect of this balance as there has not been a significant change in credit quality and the balance is still considered fully recoverable. The Group does not hold any collateral over these balances.

未到期及未減值的應收賬款涉及眾多客戶，該等客戶最近均無拖欠記錄。

已到期但未減值的應收賬款涉及一名與本集團有著良好往績記錄的獨立客戶。根據過往經驗，管理層認為無需就該筆結餘作出減值撥備，原因是信貸質素並無出現重大變化，而該筆結餘仍被視為可全數收回。本集團並無持有該等結餘之任何抵押品。

Notes to the Financial Statements

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

28. VALUE-ADDED TAX RECOVERABLE

28. 可收回增值稅項

| | | The Group 本集團 | |
|-----------------------------------|---------|-----------------------------------|-----------------------------------|
| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
| Value-added tax refund receivable | 應收增值稅退稅 | — | 1,990 |

29. CASH AND CASH EQUIVALENTS

29. 現金及現金等值物

| | | The Group 本集團 | | The Company 本公司 | |
|---------------------------|----------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
| Deposits with banks | 銀行存款 | — | 30,000 | — | — |
| Cash at bank and on hand | 銀行及手頭現金 | 23,567 | 66,292 | 7,658 | 29,443 |
| Cash and cash equivalents | 現金及現金等值物 | 23,567 | 96,292 | 7,658 | 29,443 |

Cash and cash equivalents comprise cash held by the Group and short-term bank deposits with a maturity of three months or less at prevailing market interest rates of 1.35% per annum. The management of the Group considers that the carrying amounts of cash and cash equivalents approximate their fair value.

現金及現金等值物包括本集團持有之現金及於三個月或以內到期並按現行市場年利率1.35%計息之短期銀行存款。本集團之管理層認為，現金及現金等值物之賬面值與其公平值相若。

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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. TRADE AND OTHER PAYABLES

30. 應付賬款及其他應付款項

| | | The Group 本集團 | | The Company 本公司 | |
|---|--------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
| Trade payables | 應付賬款 | 30,886 | 9,515 | — | — |
| Amount due to a subsidiary (note 47(b)(iv)) | 應付附屬公司款項 (附註47(b)(iv)) | — | — | 484 | — |
| Amounts due to directors (note 47(b)(iii)) | 應付董事款項 (附註47(b)(iii)) | 27,647 | 1,548 | 380 | 731 |
| Amount due to a non-controlling shareholder of a subsidiary (note 47(b)(v)) | 應付一間附屬公司之 非控股股東款項 (附註47(b)(v)) | 1,569 | 1,569 | — | — |
| Accrued salaries | 應計薪金 | 1,035 | 1,388 | 298 | — |
| Payables for acquisition of property, plant and equipment | 收購物業、機器及 設備應付款項 | 24,562 | 47,910 | — | — |
| Accrued expenses and other payables | 應計開支及 其他應付款項 | 2,418 | 2,037 | 685 | 954 |
| Financial liabilities measured at amortised cost | 按攤銷成本計量 之金融負債 | 88,117 | 63,967 | 1,847 | 1,685 |
| Deposits received from customers | 就下列各項向客戶 收取之按金 | | | | |
| — Computer software | — 電腦軟件 | — | 47,134 | — | — |
| — Liquefied coalbed gas | — 液化煤層氣 | 12,241 | 13,794 | — | — |
| — Piped natural gas | — 管道天然氣 | 2,851 | 3,175 | — | — |
| Other taxes payables | 其他應付稅項 | 4,806 | 347 | 592 | — |
| | | 108,015 | 128,417 | 2,439 | 1,685 |

Notes to the Financial Statements

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. TRADE AND OTHER PAYABLES (Continued)

Note:

The ageing analysis of the trade payables based on invoice date is as follows:

30. 應付賬款及其他應付款項 (續)

附註：

應付賬款之賬齡分析如下(按發票日期)：

| | | The Group 本集團 | |
|--|------------|-----------------------------------|-----------------------------------|
| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
| Within 1 month | 1個月內 | 4,955 | — |
| More than 1 month but less than 3 months | 1個月後但3個月內 | 10,068 | 9,515 |
| More than 3 months but less than 6 months | 3個月後但6個月內 | 8,224 | — |
| More than 6 months but less than 12 months | 6個月後但12個月內 | 7,637 | — |
| More than 12 months | 超過12個月 | 2 | — |
| | | 30,886 | 9,515 |

The trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

應付賬款及其他應付款項預期將於一年內清償或確認為收入或須應要求償還。

31. DEFERRED INCOME

31. 遞延收入

| | | The Group 本集團 | |
|------------------------------------|--------------|-----------------------------------|-----------------------------------|
| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
| At 1 January | 於一月一日 | 8,832 | 3,713 |
| Credited to the income statement | 計入損益表 | (3,937) | (3,713) |
| Income deferred during the year | 年內遞延收入 | 703 | 8,832 |
| Disposal of subsidiaries (note 40) | 出售附屬公司(附註40) | (5,598) | — |
| At 31 December | 於十二月三十一日 | — | 8,832 |

Notes to the Financial Statements

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. BANK AND OTHER BORROWINGS

As at 31 December 2010, the bank and other loans are repayable as follows:

32. 銀行及其他借款

於二零一零年十二月三十一日，應償還的銀行及其他貸款如下：

| | | The Group 本集團 | |
|---|---------------------|-----------------------------------|-----------------------------------|
| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
| Secured bank loans repayable: | 須償還有抵押銀行貸款： | | |
| Within 1 year or on demand | 1年內或須按要求償還 | 10,000 | 2,000 |
| After 1 year but within 2 years | 1年後但2年內 | 8,000 | — |
| After 2 years but within 5 years | 2年後但5年內 | — | 13,000 |
| After 5 years | 5年以上 | — | — |
| | | 18,000 | 15,000 |
| Unsecured other loans repayable: | 須償還無抵押其他貸款： | | |
| Within 1 year or on demand | 1年內或須按要求償還 | 50,000 | 50,000 |
| | | 68,000 | 65,000 |
| Less: Amount due within 1 year shown under current liabilities | 減：流動負債下一年內到期 之款項 | (60,000) | (52,000) |
| Amount due after 1 year shown under non-current liabilities | 非流動負債下一年後到期 之款項 | 8,000 | 13,000 |

Note:

- a) Bank loans bear interest at variable interest rates ranging from 7.02% to 11.15% (2009: 4.50% to 9.82%) per annum.
- b) Other loans are due to the non-bank finance company, who is a non-controlling shareholder of a subsidiary and holds 17% equity interest in Wanzhi Logistics, in the PRC not connected with the Group and which bear interest at fixed interest rates ranging from 5.63% to 7.28% (2009: 5.69% to 7.12%) per annum.

附註：

- a) 銀行借款按介乎每年7.02%至11.15% (二零零九年：4.50%至9.82%) 之浮動利率計息。
- b) 應付中國一間與本集團並無關連之非銀行財務公司(一間附屬公司之非控股股東及持有萬志物流17%的股本權益)之其他借款按介乎每年5.63%至7.28% (二零零九年：5.69%至7.12%) 之固定利率計息。

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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. BANK AND OTHER BORROWINGS (Continued)

Note: (Continued)

- c) Except for the unsecured other loans of RMB50,000,000 (2009: RMB50,000,000), RMB13,000,000 (2009: RMB 15,000,000) of the bank borrowings were secured by the Group's property, plant and equipment with a total carrying amount of approximately RMB38,161,000 (2009: RMB41,259,000) and prepaid lease payments for land under operating leases of approximately RMB8,705,000 (2009: RMB10,295,000). The remaining bank borrowing of RMB5,000,000 (2009: RMBNil) was arose from the acquisition of subsidiaries for the year (see note 39(a)) and was secured by the pledge of the plant and equipment of a company owned by a former shareholder of the Million Ideas Group, who became the owner of the Company upon the conversion of the convertible bonds. As at 31 December 2010 and 2009, the Group did not have any undrawn banking facilities.
- d) None of the bank and other borrowings contain a repayment on demand clause as defined in HK — Int 5, Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause.
- e) The directors consider that the carrying amounts of the bank and other borrowings approximate their fair values.

33. PROMISSORY NOTES

On 2 July 2009, the Company issued unsecured redeemable zero coupon promissory notes as part of the consideration for the acquisition of the 100% equity interest in Allied Rich Group as mentioned in note 39(b). The promissory notes are not transferable and are repayable in one lump sum on the second anniversary of the date of issue of these promissory notes. The Company has the right to redeem the promissory notes at its principal amount prior to the maturity date by servicing prior written notice to the note-holders.

The fair value of the promissory notes with a total principal amount of approximately HK\$67,416,000 (equivalent to approximately RMB59,345,000) at the date of issue was HK\$55,691,000 (equivalent to approximately RMB49,024,000) which was calculated based on a professional valuation performed on 14 March 2010 by Asset Appraisal based on the effective interest method. The effective interest rate of the promissory notes was determined to be 10.05% per annum.

32. 銀行及其他借款 (續)

附註：(續)

- c) 除無抵押之其他借款人民幣50,000,000元(二零零九年：人民幣50,000,000元)外，銀行借款人民幣13,000,000元(二零零九年：人民幣15,000,000元)以本集團賬面總值約為人民幣38,161,000元(二零零九年：人民幣41,259,000元)之物業、機器及設備以及經營租約下預付土地租金約人民幣8,705,000元(二零零九年：人民幣10,295,000元)作抵押。其餘銀行借款人民幣5,000,000元(二零零九年：人民幣零元)乃因年內收購附屬公司所引致(見附註39(a))，並以萬志集團前股東(於轉換可換股債券後成為本公司之擁有人)所擁有的公司之機器及設備作為抵押。於二零一零年及二零零九年十二月三十一日，本集團並無任何未提取之銀行信貸。
- d) 銀行及其他借款概無包含香港詮釋第5號，財務報表之呈列 — 借款人對包含可隨時要求償還條款的定期貸款的分類所定義的按要求償還條款。
- e) 董事認為，銀行及其他借款之賬面值與其公平值相若。

33. 承兌票據

於二零零九年七月二日，本公司就附註39(b)所述收購聯富集團100%股本權益而發行無抵押之可贖回零票息承兌票據。承兌票據不可轉讓及須於發行該等承兌票據滿第二週年當日一次過償還。本公司有權透過事前向票據持有人發送書面通知，於承兌票據到期前按其本金額贖回承兌票據。

根據資產評值於二零一零年三月十四日按實際利率法進行之專業估值，承兌票據本金總額約67,416,000港元(相當於約人民幣59,345,000元)於發行日期之公平值為55,691,000港元(相當於約人民幣49,024,000元)。承票據之實際利率被釐定為10.05%。

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33. PROMISSORY NOTES (Continued)

33. 承兌票據 (續)

RMB'000
人民幣千元

| | | |
|---|---------------------------------|----------|
| Carrying amount at 1 January 2009 | 於二零零九年一月一日之賬面值 | — |
| Acquisition of subsidiaries (note 39(b)) | 收購附屬公司(附註39(b)) | 49,024 |
| Interest expenses | 利息開支 | 2,368 |
| Exchange adjustments | 匯兌調整 | (96) |
| Carrying amount at 31 December 2009 and 1 January 2010 | 於二零零九年十二月三十一日及 二零一零年一月一日之賬面值 | 51,296 |
| Interest expenses | 利息開支 | 2,159 |
| Exchange adjustments | 匯兌調整 | (39) |
| Disposal of subsidiaries (note 40) | 出售附屬公司(附註40) | (53,416) |
| Carrying amount at 31 December 2010 | 於二零一零年十二月三十一日之賬面值 | — |

On 9 February 2010, a sale and purchase agreement was entered into between the Company and the note-holders to dispose of the Group's 100% equity interest in Shine Science BVI Group, for a consideration of RMB60,000,000. The consideration was satisfied by the discharge of the Company from its payment obligation under the promissory notes. The fair value of the promissory notes at the completion date of disposal of Shine Science BVI Group was HK\$62,960,000 (equivalent to approximately RMB53,416,000). The resulting gain on disposal of subsidiaries recognised in the consolidated statement of changes in equity as a transaction with owners. Details are set out in note 40.

於二零一零年二月九日，本公司與票據持有人訂立買賣協議，以出售本集團於Shine Science BVI集團之100%股本權益，代價為人民幣60,000,000元。有關代價之償付方式為解除本公司根據承兌票據付款之責任。承兌票據於出售Shine Science BVI集團完成日期之公平值為62,960,000港元(相當於約人民幣53,416,000元)。由此產生之出售附屬公司收益於綜合權益變動表內確認為與擁有人進行之交易。有關詳情載於附註40。

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34. CONVERTIBLE BONDS

The movements of the liability component, derivative component and equity component of the convertible bonds are as follows:

34. 可換股債券

可換股債券的負債部份、衍生工具部份及權益部份之變動載列如下：

| | | Liability component of convertible bonds | Derivative component of convertible bonds | Equity component of convertible bonds | Total |
|--|----------------|---|--|--|-----------|
| | | 可換股債券的 負債部份 | 可換股債券的 衍生工具部份 | 可換股債券的 權益部份 | 總計 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| Principal amount of convertible bonds at date of issue | 可換股債券於發行日期的本金額 | 128,573 | (10,770) | 47,197 | 165,000 |
| Transaction costs | 交易成本 | (386) | — | (142) | (528) |
| Convertible bonds issued | 已發行可換股債券 | 128,187 | (10,770) | 47,055 | 164,472 |
| Interest expenses | 利息開支 | 3,173 | — | — | 3,173 |
| Conversion of bonds | 轉換債券 | (84,750) | 7,004 | (31,245) | (108,991) |
| Fair value gain | 公平值收益 | — | (3,223) | — | (3,223) |
| Exchange adjustments | 匯兌調整 | (3,473) | 368 | — | (3,105) |
| At 31 December 2010 | 於二零一零年十二月三十一日 | 43,137 | (6,621) | 15,810 | 52,326 |

On 16 July 2010, the Company issued a HK\$ denominated HK\$ settled zero coupon convertible bonds due on 15 July 2013 for an aggregate principal amount of HK\$187,500,000 (equivalent to RMB165,000,000).

於二零一零年七月十六日，本公司發行本金額為187,500,000港元(相當於人民幣165,000,000元)的零息可換股債券。該等可換股債券以港元計值及結算，於二零一三年七月十五日到期。

Pursuant to the bonds subscription agreement, the convertible bonds are:

根據債券認購協議，可換股債券：

- a) convertible at the option of the bondholder into 937,500,000 fully paid ordinary shares at anytime from 16 July 2010 to 15 July 2013 at a conversion price of HK\$0.20 per share;

- a) 可由債券持有人於二零一零年七月十六日至二零一三年七月十五日期間的任何時間，按每股0.20港元的換股價轉換為937,500,000股已繳足普通股；

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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. CONVERTIBLE BONDS (Continued)

- b) redeemable at the option of the Company at any time from 16 July 2010 to 15 July 2013 at 100% of the principal amount by serving at least 10 days' prior written notice to the bondholder.

Otherwise the convertible bonds will be redeemed on maturity at a value equal to its principal amount outstanding. The settlement of the convertible bonds will be in HK\$.

The convertible bonds have been split between a liability component, a derivative component and an equity component as follows:

- i) Liability component represents the present value of the contractually determined stream of future cash flows discounted at the prevailing market interest rate at that time applicable to instruments of comparable credit status and providing substantially the same cash flows.

The interest charged for the period is calculated by applying an effective interest rate of approximately 8.67% to the liability component since the convertible bonds were issued.

- ii) Derivative component represents the option of the Company to redeem the convertible bonds, whose fair values of HK\$12,239,000 (equivalent to approximately RMB10,770,000) and HK\$7,823,000 (equivalent to approximately RMB6,621,000) on issuance and the end of the reporting period respectively are determined with reference to a valuation performed by Asset Appraisal. Binomial model is used for the valuation of the derivative component and the major inputs into the model are as follows:

34. 可換股債券 (續)

- b) 可由本公司選擇在向債券持有人發出至少提前10日的書面通知後，於二零一零年七月十六日至二零一三年七月十五日期間的任何時間，按本金額全額贖回。

否則，可換股債券將於到期日按相等於未償還本金的價值贖回。可換股債券將以港元結算。

可換股債券已分為以下負債部份、衍生工具部份及權益部份：

- i) 負債部份即按照當時適用於具有可資比較信用狀況並提供基本相同的現金流的工具之現行市場利率，貼現的根據合約釐定的未來現金流之現值。

期間收取的利息按照自可換股債券發行日期起，對負債部份應用約8.67%的實際利率計算。

- ii) 衍生工具部份指本公司贖回可換股債券的期權。可換股債券於發行時及報告期末的公平值乃參考資產評估做出的估值而定，分別為12,239,000港元(相當於約人民幣10,770,000元)及7,823,000港元(相當於約人民幣6,621,000元)。衍生工具部份的估值乃使用二項式模型，該模型的主要參數如下：

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34. CONVERTIBLE BONDS (Continued)

ii) (Continued)

| | |
|------------------|-------|
| Stock price | 股價 |
| Conversion price | 換股價 |
| Volatility | 波幅 |
| Dividend yield | 股息收益 |
| Option life | 期權期限 |
| Risk free rate | 無風險利率 |

iii) Equity component represents the option of the bondholders to convert the convertible bonds into equity of the Company.

Transaction costs that relate to the issue of the convertible bonds are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component is charged to equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and amortised over the period of the lives of the convertible bonds using the effective interest method.

Since the issue date, an aggregate principal amount of HK\$124,500,000 (equivalent to approximately RMB109,560,000, had been converted at HK\$0.20 per share into an aggregate of 622,500,000 ordinary shares of the Company. As at 31 December 2010, the convertible bonds with an aggregate principal amount of HK\$63,000,000 (equivalent to approximately RMB55,440,000) remained outstanding.

34. 可換股債券 (續)

ii) (續)

| | 31 December 2010 |
|----------------|---------------------|
| | 二零一零年 十二月三十一日 |
| 16 July 2010 | |
| 二零一零年 七月十六日 | |

| | |
|-------------|-------------|
| HK\$ 0.16港元 | HK\$ 0.18港元 |
| HK\$ 0.20港元 | HK\$ 0.20港元 |
| 50% | 47% |
| 0% | 0% |
| 3 years年 | 2.5 years年 |
| 1% | 1% |

iii) 權益部份指債券持有人將可換股債券轉換為本公司權益的期權。

與發行可換股債券有關之交易成本按所得款項總額分配比例分配至負債及權益部份。與權益部份有關之交易成本直接於權益扣除。與負債部份有關之交易成本計入負債部份之賬面值，並於可換股債券年內按實際利率法攤銷。

自發行日期起，總本金額為124,500,000港元(相當於約人民幣109,560,000元)之可換股債券已按每股0.20港元之價格轉換為合共622,500,000股本公司普通股。於二零一零年十二月三十一日，尚有總本金額63,000,000港元(相當於約人民幣55,440,000元)之可換股債券。

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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

35. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

- a) Current income tax recognised in the consolidated statement of financial position and the movements during the year is as follows:

35. 綜合財務狀況表內之所得稅

- a) 綜合財務狀況表內確認之即期所得稅及其年內變動如下：

| | | The Group 本集團 | |
|--|------------------------|-----------------------------------|-----------------------------------|
| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
| PRC EIT | 中國企業所得稅 | | |
| At 1 January | 於一月一日 | 4,121 | 1,206 |
| Provision for the year | 本年度撥備 | 3,547 | 4,535 |
| Underprovision in prior years | 過往年度撥備不足 | 924 | 236 |
| EIT paid for the year | 本年度已繳付企業所得稅 | (6,982) | (1,856) |
| Disposal of subsidiaries (note 40) | 出售附屬公司 (附註40) | (1,676) | — |
| At 31 December | 於十二月三十一日 | (66) | 4,121 |
| Income tax recoverable recognised in the consolidation statement of financial position | 於綜合財務狀況表內確認 之可收回所得稅 | (687) | — |
| Income tax payable recognised in the consolidated statement of financial position | 於綜合財務狀況表內確認 之應付所得稅 | 621 | 4,121 |
| Net tax (recoverable)/payable | 稅務淨額(可收回/應付所得稅) | (66) | 4,121 |

Notes to the Financial Statements

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

35. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

b) Deferred tax assets and liabilities recognised

The components of deferred tax assets/(liabilities) recognised in the consolidated statement of financial position and movements during the year are as follows:

35. 綜合財務狀況表內之所得稅 (續)

b) 已確認遞延稅項資產及負債

綜合財務狀況表中確認的遞延稅項資產／(負債)之成份及其於年內的變動載列如下：

| | | Fair value adjustment on property plant and equipment | Fair value adjustment on prepaid lease payments for land under operating leases | Fair value adjustment on intangible assets | Impairment loss on trade receivables | Total |
|---|-------------------------|---|---|--|--------------------------------------|----------|
| | | 物業、機器及設備之公平值調整 | 經營租約下預付土地租金之公平值調整 | 無形資產之公平值調整 | 應收賬款減值虧損 | 總計 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| At 1 January 2009 | 於二零零九年一月一日 | — | — | — | 1,169 | 1,169 |
| Acquisition of subsidiaries (note 39(b)) | 收購附屬公司(附註39(b)) | (141) | (2) | (17,618) | — | (17,761) |
| Credited to consolidated income statement | 計入綜合收益表 | 55 | — | 196 | 258 | 509 |
| At 31 December 2009 and 1 January 2010 | 於二零零九年十二月三十一日及二零一零年一月一日 | (86) | (2) | (17,422) | 1,427 | (16,083) |
| Acquisition of subsidiaries (note 39(a)) | 收購附屬公司(附註39(a)) | 329 | — | (24,325) | — | (23,996) |
| Credited/(charged) to consolidated income statement | 計入/(扣除自)綜合收益表 | (11) | — | 2,621 | (409) | 2,201 |
| Disposal of subsidiaries (note 40) | 出售附屬公司(附註40) | — | — | — | (1,018) | (1,018) |
| At 31 December 2010 | 於二零一零年十二月三十一日 | 232 | (2) | (39,126) | — | (38,896) |

Notes to the Financial Statements

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

35. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

b) Deferred tax assets and liabilities recognised (Continued)

The following is the analysis of the deferred tax balances for financial reporting purposes:

| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
|---|------------------------|-----------------------------------|-----------------------------------|
| Deferred tax assets recognised in the consolidated statement of financial position | 於綜合財務狀況表內 確認之遞延稅項資產 | 302 | 1,427 |
| Deferred tax liabilities recognised in the consolidated statement of financial position | 於綜合財務狀況表內 確認之遞延稅項負債 | (39,198) | (17,510) |
| | | (38,896) | (16,083) |

c) Deferred tax assets not recognised

In accordance with the accounting policy set out in note 2(s), the Group has not recognised deferred tax assets in respect of cumulative tax losses of approximately RMB6,115,000 (2009: RMB13,428,000) as at 31 December 2010 as it is not probable that future taxable profits against which the tax losses can be utilised will be available in the relevant tax jurisdiction and entity.

d) Deferred tax liabilities not recognised

At 31 December 2010, temporary differences relating to the undistributed profits of subsidiaries since 1 January 2008 amounted to approximately RMB13,591,000 (2009: RMB4,898,000). Deferred tax liabilities of approximately RMB1,359,000 (2009: RMB490,000) have not been recognised in respect of the tax that would be payable on the distribution of these retained profits as the Company controls the dividend policy of these subsidiaries and it has been determined that it is probable that profits will not be distributed in the foreseeable.

35. 綜合財務狀況表內之所得稅 (續)

b) 已確認遞延稅項資產及負債 (續)

下列為就財務報告而言的遞延稅項結餘分析：

| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
|---|------------------------|-----------------------------------|-----------------------------------|
| Deferred tax assets recognised in the consolidated statement of financial position | 於綜合財務狀況表內 確認之遞延稅項資產 | 302 | 1,427 |
| Deferred tax liabilities recognised in the consolidated statement of financial position | 於綜合財務狀況表內 確認之遞延稅項負債 | (39,198) | (17,510) |
| | | (38,896) | (16,083) |

c) 尚未確認之遞延稅項資產

按照載於附註2(s)之會計政策，本集團並無確認於二零一零年十二月三十一日與累計稅項虧損約人民幣6,115,000元(二零零九年：人民幣13,428,000)有關之遞延稅項資產，乃由於在相關司法權區及實體不大可能有可抵銷稅項虧損之未來應課稅溢利。

d) 未確認遞延稅項負債

於二零一零年十二月三十一日，與附屬公司自二零零八年一月一日以來的未分配溢利有關的暫時性差額約為人民幣13,591,000元(二零零九年：人民幣4,898,000元)。尚未就分配該等保留溢利需繳納的稅項確認遞延稅項負債約人民幣1,359,000元(二零零九年：人民幣490,000元)，原因是本公司控制該等附屬公司的股息政策，而尚未決定是否可能不於可見之未來分配有關溢利。

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36. CAPITAL AND RESERVES

- a) The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

36. 資本及儲備

- a) 本集團綜合權益各個組成部分於年初及年終結餘之對賬載於綜合權益變動表內。本公司個別權益組成部分於年初及年終之變動詳情載列如下：

| | | Share premium | Contributed surplus | Translation reserve | Convertible bonds reserve | Accumulated losses | Total |
|--|------------------|---------------|---------------------|---------------------|---------------------------|--------------------|----------|
| | | 股份溢價 | 繳入盈餘 | 換算儲備 | 可換股債券儲備 | 累計虧損 | 總計 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| At 1 January 2009 | 於二零零九年一月一日 | 147,878 | — | (3,063) | — | (35,337) | 109,478 |
| Comprehensive income | 全面收益 | | | | | | |
| Loss for the year | 本年度虧損 | — | — | — | — | (66,742) | (66,742) |
| Other comprehensive income | 其他全面收益 | | | | | | |
| Exchange differences on translation of financial statements to presentation currency | 換算財務報表至呈報貨幣之匯兌差額 | — | — | (324) | — | — | (324) |
| Total comprehensive income | 全面收益總額 | — | — | (324) | — | (66,742) | (67,066) |
| Transactions with owners | 與擁有人之交易 | | | | | | |
| Issue of new shares | 發行新股份 | | | | | | |
| — Acquisition of subsidiaries | — 收購附屬公司 | 127,653 | — | — | — | — | 127,653 |
| — Open offer | — 公開發售 | 62,066 | — | — | — | — | 62,066 |
| — Share placement | — 股份配售 | 13,972 | — | — | — | — | 13,972 |
| Transaction costs attributable to issue of new shares | 發行新股份應佔交易成本 | (4,201) | — | — | — | — | (4,201) |
| Total transactions with owners | 與擁有人之交易總額 | 199,490 | — | — | — | — | 199,490 |
| At 31 December 2009 | 於二零零九年十二月三十一日 | 347,368 | — | (3,387) | — | (102,079) | 241,902 |

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36. CAPITAL AND RESERVES (Continued)

a) (Continued)

36. 資本及儲備 (續)

a) (續)

| | | Share premium | Contributed surplus | Translation reserve | Convertible bonds reserve | Accumulated losses | Total |
|--|-----------------------------|---------------|---------------------|---------------------|---------------------------|--------------------|----------|
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| At 31 December 2009 and 1 January 2010 | 於二零零九年十二月三十一日 及二零一零年一月一日 | 347,368 | — | (3,387) | — | (102,079) | 241,902 |
| Comprehensive income | 全面收益 | | | | | | |
| Loss for the year | 本年度虧損 | — | — | — | — | (13,618) | (13,618) |
| Other comprehensive income | 其他全面收益 | | | | | | |
| Exchange differences on translation of financial statements to presentation currency | 換算財務報表至呈報貨幣之匯兌差額 | — | — | 1,956 | — | — | 1,956 |
| Total comprehensive income | 全面收益總額 | — | — | 1,956 | — | (13,618) | (11,662) |
| Transactions with owners | 與擁有人之交易總額 | | | | | | |
| Issue of new shares | 發行新股份 | | | | | | |
| — Share placement | — 股份配售 | 34,012 | — | — | — | — | 34,012 |
| — Conversion of convertible bonds | — 轉換可換股債券 | 103,626 | — | — | (31,245) | — | 72,381 |
| Transaction costs attributable to issue of new shares | 發行新股份應佔交易成本 | (474) | — | — | — | — | (474) |
| Recognition of equity component of convertible bonds | 確認可換股債券的權益部份 | — | — | — | 47,055 | — | 47,055 |
| Disposal of subsidiaries | 出售附屬公司 | — | 37,490 | — | — | — | 37,490 |
| Total transactions with owners | 與擁有人之交易總額 | 137,164 | 37,490 | — | 15,810 | — | 190,464 |
| At 31 December 2010 | 於二零一零年十二月三十一日 | 484,532 | 37,490 | (1,431) | 15,810 | (115,697) | 420,704 |

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36. CAPITAL AND RESERVES (Continued)

36. 資本及儲備 (續)

b) Authorised and issued share capital

b) 法定及已發行股本

The Group and the Company 本集團及本公司

| | 2010 二零一零年 | | 2009 二零零九年 | |
|---|---|----------------------------------|---|----------------------------------|
| | Number of shares 股份數目 '000 千股 | Amount 金額 RMB'000 人民幣千元 | Number of shares 股份數目 '000 千股 | Amount 金額 RMB'000 人民幣千元 |
| Authorised — Ordinary shares of HK\$0.01 each: 法定 — 每股面值 0.01港元之普通股: | | | | |
| At 1 January and 31 December 於一月一日及十二月三十一日 | 5,000,000 | 53,000 | 5,000,000 | 53,000 |
| Issued and fully paid — Ordinary shares of HK\$0.01 each: 已發行及繳足 — 每股面值 0.01港元之普通股: | | | | |
| At 1 January 於一月一日 | 1,361,815 | 12,921 | 620,600 | 6,399 |
| Issue of shares by share placement 透過股份配售 | 272,360 | 2,395 | 124,120 | 1,091 |
| Issue of shares by open offer 透過公開發售 | — | — | 371,308 | 3,267 |
| Issue of shares for acquisition of subsidiaries 就收購附屬公司 | — | — | 245,787 | 2,164 |
| Issue of shares upon conversion of convertible bonds 就轉換可換股債券 | 622,500 | 5,365 | — | — |
| At 31 December 於十二月三十一日 | 2,256,675 | 20,681 | 1,361,815 | 12,921 |

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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. CAPITAL AND RESERVES (Continued)

b) Authorised and issued share capital

(Continued)

The holders of ordinary shares are entitled to receive dividends as declared from time to time and entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

On 3 July 2009, the Company allotted and issued 245,786,516 ordinary shares of HK\$0.01 each at the issue price of HK\$0.60 per share for a total of HK\$147,472,000 (equivalent to approximately RMB129,817,000) as partial settlement of the consideration for the acquisition of 100% equity interest in Allied Rich Group as disclosed in note 39(b).

On 22 September 2009, the Company allotted and issued 371,308,507 ordinary shares of HK\$0.01 each by way of an open offer at HK\$0.20 per share ("Open Offer"). Under the terms of the Open Offer, the consideration of 174,943,445 offer shares of approximately HK\$34,989,000 (equivalent to approximately RMB30,782,000) was satisfied by a discharge of the Company from its payment obligation in respect of the amount due to Mr. Wang Zhong Sheng of approximately RMB30,782,000 (see note 47(b)(iii)). The consideration for the remaining 196,365,062 offer shares under the Open Offer was paid in cash of HK\$39,273,000 (equivalent to approximately RMB34,551,000).

On 17 December 2009, the Company allotted and issued 124,120,000 ordinary shares of HK\$0.01 each by way of a placement at HK\$0.138 per share for cash for a total of HK\$17,129,000 (equivalent to approximately RMB15,063,000).

36. 資本及儲備 (續)

b) 法定及已發行股本 (續)

普通股持有人有權獲得不時宣派之股息及於本公司會議上享有每股一票之投票權。所有普通股對本公司之剩餘資產均享有相等權益。

於二零零九年七月三日，本公司以發行價每股0.60港元配發及發行總值147,472,000港元(相當於約人民幣129,817,000元)的245,786,516股每股面值0.01港元之普通股，以償付收購聯富集團100%股本權益之部分代價，詳情披露於附註39(b)。

於二零零九年九月二十二日，本公司透過以每股0.20港元進行公開發售(「公開發售」)之方式，配發及發行371,308,507股每股面值0.01港元之普通股。根據公開發售之條款，174,943,445股發售股份之代價約34,989,000港元(相當於約人民幣30,782,000元)透過解除應付王忠勝先生之款項約人民幣30,782,000元之付款責任而償付(見附註47(b)(iii))。公開發售下其餘196,365,062股發售股份之代價已以39,273,000港元現金(相當於約人民幣34,551,000元)支付。

於二零零九年十二月十七日，本公司透過以每股0.138港元進行配售之方式，配發及發行124,120,000股每股面值0.01港元之普通股以換取17,129,000港元(相當於約人民幣15,063,000元)現金。

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36. CAPITAL AND RESERVES (Continued)

b) Authorised and issued share capital

(Continued)

On 24 February 2010, the Company, Mr. Wang Zhong Sheng and Jumbo Lane Investments Limited (“Jumbo Lane”), a company beneficially owned by Mr. Wang Zhong Sheng, entered into a placing and subscription agreement with a placing agent for; (i) the placement of 63,690,000 and 208,670,000 ordinary shares of the Company owned by Mr. Wang Zhong Sheng and Jumbo Lane respectively at a price of HK\$0.152 per share (the “Placing”); and (ii) Mr. Wang Zhong Sheng and Jumbo Lane have agreed to subscribe for 63,690,000 and 208,670,000 new ordinary shares of the Company respectively at a price of HK\$0.152 per share (the “Subscription”). The Placing and Subscription were completed on 1 March 2010 and 8 March 2010 respectively. The net proceeds from the Subscription amounted to approximately HK\$41,399,000 (equivalent to approximately RMB36,407,000). The proceeds are used for the development of liquefied coalbed gas operation.

On 19 July 2010, 17 November 2010 and 23 December 2010, the convertible bonds in an aggregate principal amount of HK\$58,000,000, HK\$60,000,000 and HK\$6,500,000 respectively were converted into the Company's shares at a conversion price of HK\$0.20 per share. As a result of the conversion, 622,500,000 ordinary shares were issued.

36. 資本及儲備 (續)

b) 法定及已發行股本 (續)

於二零一零年二月二十四日，本公司、王忠勝先生及王忠勝先生實益擁有的寶連投資有限公司（「寶連」）與一名配售代理訂立一項配售及認購協議，內容有關(i)按每股0.152港元之價格配售王忠勝先生及寶連分別持有的63,690,000股及208,670,000股本公司普通股（「配售」）；及(ii)王忠勝先生及寶連同意以每股0.152港元之價格分別認購63,690,000股及208,670,000股本公司新普通股（「認購」）。配售及認購已分別於二零一零年三月一日及二零一零年三月八日完成。認購的所得款項淨額約為41,399,000港元（相當於約人民幣36,407,000元）。所得款項將用於發展液化煤層氣業務。

於二零一零年七月十九日、二零一零年十一月十七日及二零一零年十二月二十三日，本金額合共分別為58,000,000港元、60,000,000港元及6,500,000港元之可換股債券，按每股0.20港元之換股價轉換為本公司股份。轉換完成後，本公司的已發行普通股達到622,500,000股。

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36. CAPITAL AND RESERVES (Continued)

c) Nature and purpose of reserves

i) Share premium

Under the Companies Law (Revised) of the Cayman Islands, share premium is distributable to the shareholders of the Company, subject to the condition that the Company cannot declare or pay a dividend, or make a distribution out of share premium if (i) it is, or would after the payment be, unable to pay its liabilities as they become due, or (ii) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital account.

ii) Merger reserve

The merger reserve represents the amount of reserves of subsidiaries that have been capitalised as a result of the merger.

iii) Contributed surplus

The contributed surplus represents deemed contribution from owner of the Company which is based on the excess of the fair value of the consideration above the net assets disposed from disposal of subsidiaries to the owners of the Company.

36. 資本及儲備 (續)

c) 儲備之性質及目的

i) 股份溢價

根據開曼群島公司法(修訂本)，股份溢價可分派予本公司股東，惟倘(i)於分派時或其後未能償還其到期負債，或(ii)資產可變現價值因而少於其負債及已發行股本賬之總額，則本公司不得宣派或派付任何股息或於股份溢價中作出任何分派。

ii) 合併儲備

合併儲備指附屬公司因合併而撥充資本之儲備金額。

iii) 繳入盈餘

繳入盈餘指源於本公司擁有人之被視為出資。被視為出資乃基於將附屬公司出售予本公司擁有人時，出售代價之公平值超過出售淨資產值之部份。

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36. CAPITAL AND RESERVES (Continued)

c) Nature and purpose of reserves (Continued)

iv) General reserve

According to the relevant laws and regulations in the PRC, each of the PRC subsidiaries is required to appropriate at least 10% of its after-tax profit (after offsetting prior years' losses), based on the PRC statutory financial statements prepared in accordance with the generally accepted accounting principles ("GAAP") and financial regulations applicable to PRC enterprises, to the general reserve until the balance of the fund reaches 50% of the PRC subsidiary's registered capital. Thereafter, any further appropriation can be made at the directors' discretion.

The general reserve fund can be utilised to offset the prior years' losses, or be utilised to increase the capital on the condition that the general reserve shall be maintained at a minimum of 25% of the registered capital after such increase.

36. 資本及儲備 (續)

c) 儲備之性質及目的 (續)

iv) 一般儲備

根據中國有關法律及法規，各中國附屬公司於抵銷上年度虧損後，須各自根據按公認會計準則（「公認會計準則」）及中國企業適用之財務規例編製之中國法定財務報表除稅後溢利撥出最少10%作為一般儲備，直至基金之結餘達到中國附屬公司之註冊資本50%為止。其後，董事可酌情決定作出任何額外撥款。

一般儲備金可用作抵銷過往年度虧損，或用作增加資本，惟增加資本後，一般儲備須維持不少於註冊資本25%。

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36. CAPITAL AND RESERVES (Continued)

c) Nature and purpose of reserves (Continued)

v) Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policy set out in note 2(w).

vi) Convertible bonds reserve

The convertible bonds reserve represents the value of unexercised equity component of convertible bonds issued by the Company. The reserve is dealt with in accordance with the accounting policy set out in note 2(n).

vii) Distributable reserve

At 31 December 2010, the aggregate amount of the Company's reserves available for distribution to shareholders was approximately RMB367,404,000 (2009: RMB241,902,000) computed in accordance with the Companies Law (Revised) of the Cayman Islands and the Company's articles of association. This includes the Company's share premium of approximately RMB484,532,000 (2009: RMB347,368,000) less translation reserve and accumulated losses of approximately RMB1,431,000 (2009: RMB3,387,000) and RMB115,697,000 (2009: RMB102,079,000) respectively and is available for distribution provided that immediately following the date on which the dividend is proposed, the Company will be able to pay off its debts as they fall due in the ordinary course of business.

36. 資本及儲備 (續)

c) 儲備之性質及目的 (續)

v) 換算儲備

換算儲備包括所有換算外國業務財務報表產生之匯兌差額。換算儲備按照附註2(w)所載之會計政策處理。

vi) 可換股債券儲備

可換股債券儲備指本公司發行的可換股債券的未行使權益部份之價值。該儲備根據附註2(n)所載的會計政策處理。

vii) 可分配儲備

於二零一零年十二月三十一日，根據開曼群島公司法(修訂本)及本公司章程細則計算的本公司可向股東分派之儲備約為人民幣367,404,000元(二零零九年：人民幣241,902,000元)。其中包括本公司之股份溢價約人民幣484,532,000元(二零零九年：人民幣347,368,000元)，扣除交易儲備及累計虧損分別約人民幣1,431,000元(二零零九年：人民幣3,387,000元)及人民幣115,697,000元(二零零九年：人民幣102,079,000元)，惟可供分派的前提是緊接建議派發股息之日之後，本公司能夠支付日常經營過程中的到期債務。

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36. CAPITAL AND RESERVES (Continued)

d) Capital management

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

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher stakeholder returns that might be possible with higher levels of borrowings afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors its capital structure on the basis of the gearing ratio. This ratio is calculated as the Group's bank and other borrowings, promissory notes and convertible bonds less cash and cash equivalents over its equity attributable to owners of the Company.

36. 資本及儲備 (續)

d) 資本管理

本集團管理資本之主要目標為確保本集團持續經營之能力，以向股東提供回報，並維持最佳資本結構藉以減低資金成本。

本集團積極並定期檢討及管理其資本結構，在盡可能為股東帶來較高回報，與健全之資金狀況所支持之較高借貸水平之間取得平衡，並因應經濟情況之變動對資本結構作出調整。為維持或調整資本結構，本集團可能調整派付予股東之股息金額、發行新股或出售資產以減低債務。

本集團以資本負債比率監察其資本結構。資本負債比率按本集團之銀行及其他借款以及承兌票據減現金及現金等值物除以本集團擁有人應佔權益計算。

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36. CAPITAL AND RESERVES (Continued)

d) Capital management (Continued)

During the year ended 31 December 2010, the Group's strategy, which was unchanged from 2009, was to maintain a gearing ratio within 20%. The details of the gearing ratio of the Group is as follows:

36. 資本及儲備 (續)

d) 資本管理 (續)

於截至二零一零年十二月三十一日止年度，本集團維持與二零零九年相同之策略，將資本負債比率維持於20%內。有關本集團資本負債比率之詳情載列如下：

| | Note 附註 | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
|--|------------------|-----------------------------------|-----------------------------------|
| Bank and other borrowings | 銀行及其他借款 32 | 68,000 | 65,000 |
| Promissory notes | 承兌票據 33 | — | 51,296 |
| Convertible bonds | 可換股債券 34 | 43,137 | — |
| Less: Cash and cash equivalents | 減：現金及現金等值物 29 | (23,567) | (96,292) |
| Net debt | 淨負債 | 87,570 | 20,004 |
| Equity attributable to owners of the Company | 本公司擁有人應佔權益 | 433,034 | 267,322 |
| Total capital | 總資本 | 520,604 | 287,326 |
| Gearing ratio | 資本負債比率 | 16.82% | 6.96% |

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37. SHARE OPTION SCHEME

The Company's share option scheme (the "Scheme") was adopted pursuant to a resolution passed on 28 July 2003 for the purpose of providing incentives or rewards to eligible persons for their contributions to the Group. The Scheme will expire on 27 July 2013. Under the Scheme, the Company may grant options to any person who is a director or an employee (whether full-time or part-time) of the Group or any entity in which the Group holds an equity interest, or any class of supplier, customer, consultant, adviser, manager or officer of the Group or any entity in which the Group holds an equity interest.

The total number of shares in respect of which options may be granted under the Scheme and any other share option schemes of the Company must not in aggregate exceed ten percent of the total shares of the Company in issue from time to time. The total number of 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 shall not in aggregate exceed thirty percent of the total number of shares of the Company in issue from time to time. The total number of shares issued and which may fall to be issued upon exercise of the options granted (including both exercised or outstanding options) to each eligible person in any 12-month period must not exceed one percent of the total shares of the Company in issue. Any further grant of options in excess of the individual limit must be subject to shareholders' approval.

37. 購股權計劃

本公司之購股權計劃(「該計劃」)是根據於二零零三年七月二十八日通過之決議案採納，目的是就合資格人士對本集團所作貢獻提供鼓勵或獎賞。該計劃將會於二零一三年七月二十七日屆滿。根據該計劃，本公司可向本集團或本集團持有股權之任何實體的董事或僱員(不論全職或兼職)，或本集團或本集團持有股權之任何實體的任何類別供應商、客戶、諮詢顧問、顧問、經理或主管授出購股權。

根據該計劃及本公司任何其他購股權計劃可授出之購股權相應股份總數，合共不得多於本公司不時已發行股份總數之10%。根據該計劃或本公司任何其他購股權計劃授出之所有已發行但尚未行使購股權獲行使時可予發行之股份總數，合共不得超過本公司不時已發行股份總數之30%。於任何12個月期間向各合資格人士授出購股權(包括已行使或尚未行使購股權)獲行使時已經及可能須發行之股份總數，不得超過本公司已發行股份總數1%。任何進一步授出超逾個人限額的購股權，必須事先獲得股東批准。

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37. SHARE OPTION SCHEME (Continued)

Options granted must be taken up within 21 days from the date of grant, upon payment of HK\$1 as consideration for the grant. In respect of option holders other than suppliers and customers, option may be exercised, which shall commence 1 year from the date on which that option is granted and shall expire on the earlier of the last day of (i) a 10-year period from the date of such grant and (ii) 10 years from 28 July 2003. In respect of option holders who are suppliers and customers, such period shall commence on the date of grant and expire 1 year thereafter. The subscription price is determined by the Board, but shall not be less than the highest of (a) the closing price of the shares of the Company as stated in the Stock Exchange's daily quotation sheets on the date of grant of that option, which must be a business day; (b) the average closing price of the shares of the Company as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant of that option; and (c) the nominal value for the time being of each share of the Company. There are no outstanding share option as at 31 December 2010 and 2009.

38. DEFINED CONTRIBUTION RETIREMENT PLAN

The Group operates a Mandatory Provident Fund Scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution retirement scheme administered by independent trustees. Under the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$20,000. Contributions to the MPF Scheme vest immediately.

37. 購股權計劃 (續)

授出購股權必須由授出日期起計21天內接納，屆時須支付1港元作為授出代價。就供應商及客戶以外的購股權持有人而言，購股權可由購股權授出日期起計一年後開始行使，直至由(i)該項授出日期起計十年內；或(ii)二零零三年七月二十八日起計十年期間(以較早者為準)之最後一日屆滿。就身為供應商及客戶之購股權持有人而言，該段期間將會由授出日期起，並於該日期後1年屆滿。認購價由董事會釐定，惟不得少於下列三項中之最高者：(a)於授出購股權日期(必須為營業日)當日聯交所每日報價表所示本公司股份之收市價；(b)於緊接授出購股權日期前五個營業日聯交所每日報價表所示本公司股份之平均收市價；及(c)本公司股份當時之每股面值。於二零一零年及二零零九年十二月三十一日，並無尚未行使之購股權。

38. 定額供款退休計劃

本集團就僱用於香港僱傭條例管轄範圍之僱員，根據香港強制性公積金計劃條例設立強制性公積金計劃(「強積金計劃」)。強積金計劃指由獨立信託人管理之定額供款退休計劃。根據強積金計劃，僱主及其僱員須各自就僱員之有關收入向計劃作出5%供款，最高上限為每月有關收入20,000港元。強積金計劃供款將即時撥歸僱員所有。

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38. DEFINED CONTRIBUTION RETIREMENT PLAN

(Continued)

The Company's subsidiaries established in the PRC participate in a mandatory central pension scheme organised by the PRC Government for certain of its employees, the assets of which are held separately from those of the Group. Contributions made are based on a percentage of the eligible employees' salaries and are charged to profit or loss as they become payable in accordance with the rules of the scheme. The employer's contributions vest fully once they are made.

Under the above schemes, retirement benefits of existing and retired employees are payable by the relevant scheme administrators and the Group has no further obligations beyond the annual contributions.

The aggregate amounts of employer's contributions by the Group in respect of retirement benefits scheme dealt with in profit or loss for the year are disclosed in note 7(a) to these financial statements.

The Group does not have any other pension schemes for its employees in respect of the subsidiaries outside Hong Kong and the PRC. In the opinion of the directors of the Company, the Group did not have any significant contingent liabilities as at 31 December 2010 and 2009 in respect of the retirement of its employees.

39. ACQUISITION OF SUBSIDIARIES

a) Million Ideas Group

On 16 July 2010, the Group acquired 100% equity interest in Million Ideas Group from an independent third party for a consideration of RMB178,000,000 satisfied by convertible bonds of approximately HK\$187,500,000 (equivalent to approximately RMB165,000,000) and RMB13,000,000 in cash. As a result, the Group further increase its equity interest in Wanzhi Logistics from 8% to 83%. Million Ideas Group is mainly engaged in the provision of liquefied coalbed gas logistics services in the PRC. This acquisition has been accounted for by the acquisition method of accounting.

38. 定額供款退休計劃 (續)

本公司於中國成立之附屬公司為其若干僱員參與由中國政府籌辦之強制性中央退休金計劃，該計劃之資產與本集團之資產分開持有。根據該計劃之規則，本集團按合資格僱員之薪金比率作出之供款於應付時計入損益。僱主供款於作出後立即全數撥歸僱員所有。

根據上述計劃，現有及退休僱員之退休福利由有關計劃管理人負責支付，本集團除每年供款外並無其他責任。

本集團就退休福利計劃作出之僱主供款總額於年內之損益中處理，並已於財務報表附註7(a)中披露。

本集團並無就香港及中國以外附屬公司之僱員設立任何其他退休金計劃。本公司董事認為，於二零一零年及二零零九年十二月三十一日，本集團並無任何有關其僱員退休之重大或然負債。

39. 收購附屬公司

a) 萬志集團

於二零一零年七月十六日，本集團從一名獨立第三方收購萬志集團100%股本權益，代價為人民幣178,000,000元，由約187,500,000港元（約相當於人民幣165,000,000元）的可換股債券及人民幣13,000,000元現金償付。由此，本集團於萬志物流的股本權益由8%進一步增加至83%。萬志集團的主要業務為於中國提供液化煤層氣體物流服務。此項收購已以會計購買法列賬。

Notes to the Financial Statements

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

39. ACQUISITION OF SUBSIDIARIES (Continued)

a) Million Ideas Group (Continued)

39. 收購附屬公司 (續)

a) 萬志集團 (續)

| | | Acquiree's carrying amounts immediately before combination 緊接合併前 獲收購方 之賬面值 RMB'000 人民幣千元 | Fair value adjustments 公平值調整 RMB'000 人民幣千元 | Fair values 公平值 RMB'000 人民幣千元 |
|---|-------------------------------|--|--|---|
| Property, plant and equipment (note 18(a)) | 物業、機器及設備 (附註18(a)) | 19,633 | (1,317) | 18,316 |
| Intangible asset | 無形資產 | | | |
| — Operating license for liquefied coalbed gas logistics (note 20) | — 液化煤層氣物流 營運執照 (附註20) | — | 97,300 | 97,300 |
| Deposits of acquisition of property, plant and equipment (note 21(c)) | 收購物業、機器及 設備按金 (附註21(c)) | 4,050 | — | 4,050 |
| Inventories | 存貨 | 257 | — | 257 |
| Trade and other receivables | 應收賬款 及其他應收款項 | 4,117 | — | 4,117 |
| Cash and cash equivalents | 現金及現金等值物 | 5,693 | — | 5,693 |
| Trade and other payables | 應付賬款 及其他應付款項 | (1,714) | — | (1,714) |
| Bank borrowing | 銀行借款 | (5,000) | — | (5,000) |
| Net deferred tax assets (note 35(b)) | 淨遞延稅項資產 (附註35(b)) | — | (23,996) | (23,996) |
| Net identifiable assets and liabilities | 可識辨資產及負債淨值 | 27,036 | 71,987 | 99,023 |
| Non-controlling interests | 非控股權益 | | | (20,740) |
| Goodwill on acquisition (note 16(a)) | 有關收購之商譽 (附註16(a)) | | | 109,477 |
| Consideration | 代價 | | | 187,760 |

Notes to the Financial Statements

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

39. ACQUISITION OF SUBSIDIARIES (Continued)

39. 收購附屬公司 (續)

a) Million Ideas Group (Continued)

a) 萬志集團 (續)

| | | Acquiree's carrying amounts immediately before combination 緊接合併前 獲收購方 之賬面值 RMB'000 人民幣千元 | Fair value adjustments 公平值調整 RMB'000 人民幣千元 | Fair values 公平值 RMB'000 人民幣千元 |
|---|---------------------------------------|--|--|---|
| Total consideration satisfied by: | 總代價以下列 各項償付： | | | |
| Convertible bonds (note 34) | 可換股債券(附註34) | | | 165,000 |
| Cash | 現金 | | | 13,000 |
| | | | | 178,000 |
| Fair value of equity interest in Wanzhi Logistics held before the business combination | 業務合併前所持有 萬志物流股本權益 的公平值 | | | 9,760 |
| | | | | 187,760 |
| Net cash outflow arising on acquisition: | 收購引致之現金 流出淨額： | | | |
| Cash and cash equivalents acquired | 獲得之現金 及現金等值物 | | | 5,693 |
| Cash consideration paid | 支付之現金代價 | | | (13,000) |
| | | | | (7,307) |

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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

39. ACQUISITION OF SUBSIDIARIES (Continued)

a) Million Ideas Group (Continued)

Acquisition-related costs amounting to RMB756,000 have been excluded from the consideration transferred and have been recognised as an expense in the current year, within administrative expenses.

The fair value of trade and other receivable representing their gross contractual amounts at the date of acquisition amounted to RMB4,117,000. The best estimate at acquisition date of the contractual cash flows not expected to be collected amount to RMBNil.

The non-controlling interests of 17% in Wanzhi Logistics recognised at the acquisition date was measured by the non-controlling interests' share of recognised identifiable net assets of Wanzhi Logistics.

As a result of remeasuring fair value of the 8% equity interest in Wanzhi Logistics held by the Group as available-for-sale investment (see note 24) before the acquisition, a gain of RMB4,960,000 was recognised in profit or loss.

Million Ideas Group contributed revenue of approximately RMB6,478,000 and loss of approximately RMB11,164,000 to the Group's results for the period from date of acquisition to 31 December 2010.

If the acquisition had been completed on 1 January 2010, the Group's total revenue for the year ended 31 December 2010 would have been approximately RMB244,558,000 and loss for the year ended 31 December 2010 would have been approximately RMB28,349,000. The proforma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2010, nor is it intended to be a projection of future results.

39. 收購附屬公司 (續)

a) 萬志集團 (續)

人民幣756,000元與收購相關的成本已從已轉讓之代價中扣除，並已於本年度於行政開支中確認為一項開支。

應收賬款及其他應收款項的公平值指收購日期的合同總金額人民幣4,117,000元。於收購日期預期不可收回的合同現金流的最佳估計為人民幣零元。

於收購日期確認的萬志物流17%的非控股權益乃根據非控股權益應佔萬志物流已確認的可識辨淨資產計量。

由於在收購前將本集團持有的萬志物流8%股本權益的公平值重新計量為可供出售投資(請見附註24)，人民幣4,960,000元的收益已於損益中確認。

自收購日期起至二零一零年十二月三十一日止期間，萬志集團為本集團的業績貢獻收入約人民幣6,478,000元及產生虧損約人民幣11,164,000元。

假設收購於二零一零年一月一日完成，本集團於截至二零一零年十二月三十一日止年度的總收入將約為人民幣244,558,000元，而截至二零一零年十二月三十一日止年度的虧損約為人民幣28,349,000元。備考資料僅供參考用途，並不作為若收購於二零一零年一月一日完成本集團確實可取得的收入及經營業績的指示，亦不作為未來業績的預測。

Notes to the Financial Statements

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

39. ACQUISITION OF SUBSIDIARIES (Continued)

a) Million Ideas Group (Continued)

The goodwill arising from the acquisition of Million Ideas Group is attributable to the anticipated profitability generated from the synergy through economies of scale and sharing of resources, and future market development through vertical integration of downstream liquefied coalbed gas logistics business. Million Ideas Group has experienced management, personnel, marketing and technical staff who enable efficient operation of the relevant business. The benefit from these factors are not recognised separately from goodwill as the future economic benefits arising from them cannot be reliably measured.

Goodwill arising on these acquisition is not expected to be deductible for tax purposes.

b) Allied Rich Group

On 3 July 2009, the Group acquired 100% equity interest in Allied Rich Group, through Sino Treasure, from independent third parties for a consideration of HK\$203,163,000 (equivalent to approximately RMB178,841,000), satisfied by the issue of promissory notes for approximately HK\$55,691,000 (equivalent to approximately RMB49,024,000) and 245,786,516 consideration shares of the Company amounting to approximately HK\$147,472,000 (equivalent to approximately RMB129,817,000) based on the published share price at the date of acquisition of HK\$0.60 per share. Allied Rich Group is mainly engaged in the sales of piped natural gas in Beiliu City, Guangxi Zhuang Autonomous Region, the PRC. This acquisition has been accounted for by the acquisition method of accounting.

39. 收購附屬公司 (續)

a) 萬志集團 (續)

收購萬志集團產生的商譽來源於規模經濟與資源共享產生的協同作用所帶來的預期盈利能力，以及透過垂直綜合下游液化煤層氣物流業務而實現的未來市場發展。萬志集團擁有經驗豐富的管理層、員工以及市場及技術人員，能令有關業務實現高效運營。由於該等因素產生的未來經濟利益不能可靠計量，該等因素產生的利益並不與商譽分開確認。

預期該等收購產生的商譽毋須繳稅。

b) 聯富集團

於二零零九年七月三日，本集團透過Sino Treasure向獨立第三方收購聯富集團之100%股本權益，代價為203,163,000港元（相當於約人民幣178,841,000元），以承兌票據約55,691,000港元（相當於約人民幣49,024,000元）及本公司245,786,516股代價股份金額約147,472,000港元（相當於約人民幣129,817,000元）（根據收購日期已發佈的股價每股0.60港元）償付。聯富集團主要在中國廣西壯族自治區北流市從事管道天然氣銷售。此項收購已以會計購買法列賬。

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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

39. ACQUISITION OF SUBSIDIARIES (Continued)

b) Allied Rich Group (Continued)

39. 收購附屬公司 (續)

b) 聯富集團 (續)

| | | Acquiree's carrying amounts immediately before combination 緊接合併前 獲收購方 之賬面值 RMB'000 人民幣千元 | Fair value adjustments 公平值調整 RMB'000 人民幣千元 | Fair values 公平值 RMB'000 人民幣千元 |
|---|--------------------------------|--|--|---|
| Property, plant and equipment (note 18(a)) | 物業、機器及設備 (附註18(a)) | 45,835 | 565 | 46,400 |
| Prepaid lease payments for land under operating leases (note 19) | 經營租約下預付 土地租金(附註19) | 8,991 | 9 | 9,000 |
| Intangible assets — Exclusive right for piped natural gas operation (note 20) | 無形資產 管道天然氣業務之 獨家權利(附註20) | — | 70,470 | 70,470 |
| Inventories | 存貨 | 1,212 | — | 1,212 |
| Trade and other receivables | 應收賬款 及其他應收款項 | 11,683 | — | 11,683 |
| Cash and cash equivalents | 現金及現金等值物 | 1,029 | — | 1,029 |
| Trade and other payables | 應付賬款 及其他應付款項 | (4,378) | — | (4,378) |
| Bank borrowings | 銀行借款 | (13,000) | — | (13,000) |
| Deferred tax liabilities (note 35(b)) | 遞延稅項負債 (附註35(b)) | — | (17,761) | (17,761) |
| Net identifiable assets and liabilities | 可識辨資產 及負債淨值 | 51,372 | 53,283 | 104,655 |
| Non-controlling interests | 非控股權益 | | | (2,616) |
| Goodwill on acquisition (note 16(b)) | 有關收購之商譽 (附註16(b)) | | | 76,802 |
| Consideration | 代價 | | | 178,841 |
| Total consideration satisfied by: | 總代價以下列 各項償付： | | | |
| Promissory notes (note 33) | 承兌票據(附註33) | | | 49,024 |
| Consideration shares, at fair value | 代價股份，按公平值 | | | 129,817 |
| | | | | 178,841 |
| Net cash inflow arising on acquisition: | 收購引致之 現金流入淨額： | | | |
| Cash and cash equivalents acquired | 獲得之現金 及現金等值物 | | | 1,029 |

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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

39. ACQUISITION OF SUBSIDIARIES (Continued)

b) Allied Rich Group (Continued)

Allied Rich Group contributed revenue of approximately RMB5,445,000 and loss of approximately RMB3,565,000 to the Group's results for the period from the date of acquisition to 31 December 2009.

If the acquisition had been completed on 1 January 2009, the Group's total revenue for the year ended 31 December 2009 would have been approximately RMB93,806,000 and loss for the year ended 31 December 2009 would have been approximately RMB62,260,000. The proforma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2009, nor is it intended to be a projection of future results.

The goodwill arising from the acquisition of Allied Rich Group is attributable to an unexpected rise in the price of the consideration shares of the Company between the agreement date and the acquisition date; and the anticipated profitability generated from the synergy through economies of scale and sharing of resources, and future market development through vertical integration of downstream natural gas business. Allied Rich Group has experienced management, personnel, marketing and technical staff who enable efficient operation of the relevant business. The benefit from these factors are not recognised separately from goodwill as the future economic benefits arising from them cannot be reliably measured.

39. 收購附屬公司 (續)

b) 聯富集團 (續)

自收購日期至二零零九年十二月三十一日止期間，聯富集團為本集團業績貢獻收益約人民幣5,445,000元，虧損約人民幣3,565,000。

倘收購已於二零零九年一月一日完成，本集團於截至二零零九年十二月三十一日止年度之總收益及虧損應分別約為人民幣93,806,000元及人民幣62,260,000元。上述備考資料僅供說明用途，不一定指出倘收購已於二零零九年一月一日完成之情況下，本集團應實際達致之收益及經營業績，亦不擬用作預測未來業績。

收購聯富集團引致之商譽來自協議日期與收購日期之間本公司代價股份急升；及透過經濟規模和共用資源之協同效應預期產生之盈利能力，以及透過垂直整合下游天然氣業務獲得之未來市場發展。聯富集團具備能讓本集團有效運作之資深管理、人事、市場推廣及技術職員。由於無法可靠地計量未來經濟利益，故該等因素所帶來之利益並未從商譽中分開確認。

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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. DISPOSAL OF SUBSIDIARIES

Pursuant to the agreements entered into between the Company and the noteholders, who acted collectively as owners of the Company, dated 9 February 2010 and 21 April 2010, the Company disposed of its 100% equity interest in Shine Science BVI Group at a consideration of RMB60,000,000, which was satisfied by the discharge of the Company from its payment obligation under the promissory notes. In addition, the balance due from Shine Science BVI Group of approximately RMB15,491,000 to the Company had been waived. The disposal was completed on 11 May 2010 and resulted in a deemed contribution from owners of the Company on disposal of RMB25,160,000 which is recognised directly in consolidated statement of change in equity as transactions with owners.

40. 出售附屬公司

根據本公司與票據持有人(共同作為本公司擁有人)於二零一零年二月九日及二零一零年四月二十一日簽訂的協議，本公司以人民幣60,000,000元之代價出售於Shine Science BVI集團之100%股本權益。收購代價乃透過解除本公司於承兌票據下之付款責任滿足。此外，Shine Science BVI集團應付本公司之結餘約人民幣15,491,000元已予以豁免。出售於二零一零年五月十一日完成，令本公司擁有人就出售產生人民幣25,160,000元之被視為出資，該等出資直接於綜合權益變動表列為與擁有人之交易。

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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. DISPOSAL OF SUBSIDIARIES (Continued)

40. 出售附屬公司 (續)

Details of the assets and liabilities disposed of are as follows:

有關出售的資產及負債詳情如下：

RMB'000
人民幣千元

| | | |
|--|----------------------------|----------|
| Investment properties (note 17) | 投資物業 (附註17) | 7,330 |
| Property, plant and equipment (note 18(a)) | 物業、機器及設備 (附註18(a)) | 10,724 |
| Prepaid lease payments for land under operating leases (note 19) | 經營租賃土地的預付租金 (附註19) | 6,878 |
| Deferred tax assets (note 35(b)) | 遞延稅項資產 (附註35(b)) | 1,018 |
| Trading securities | 買賣證券 | 10,115 |
| Inventories | 存貨 | 470 |
| Trade and other receivables | 應收賬款及其他應收款項 | 35,859 |
| Less: Impairment loss | 減：減值虧損 | (9,516) |
| | | 26,343 |
| Value-added tax recoverable | 可收回增值稅 | 3,233 |
| Cash and cash equivalents | 現金及現金等值物 | 34,513 |
| Trade and other payables | 應付賬款及其他應付款項 | (70,701) |
| Deferred income (note 31) | 遞延收入 (附註 31) | (5,598) |
| Tax payable (note 35(a)) | 應付稅項 (附註 35(a)) | (1,676) |
| Bank borrowings | 銀行借款 | (8,000) |
| Net assets disposed of | 出售淨資產 | 14,649 |
| Cumulative translation reserve in respect of the net assets of the disposed subsidiaries | 已出售附屬公司資產淨值之累計換算儲備 | (1,884) |
| Deemed contribution from disposal of subsidiaries | 出售附屬公司產生之被視為出資 | 25,160 |
| Consideration | 代價 | 37,925 |
| Total consideration satisfied by: | 總代價透過以下方式滿足： | |
| Promissory notes (note 33) | 承兌票據 (附註 33) | 53,416 |
| Waiver of balance due from Shine Science BVI Group | 豁免Shine Science BVI集團的應付結餘 | (15,491) |
| | | 37,925 |
| Net cash outflow on disposal: | 出售產生的淨現金流出： | |
| Cash and cash equivalents disposed of | 出售的現金及現金等值物 | 34,513 |

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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. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments of the Group as at the end of the reporting period are as follows:

Financial assets

| | | 2010 二零一零年 | | | | 2009 二零零九年 | | | |
|---|--------------|--|--------------------------|--|---------|--|--------------------------|--|---------|
| | | Financial assets at fair value through profit or loss – held for trading | Loans and receivables | Available-for- sale financial assets | Total | Financial assets at fair value through profit or loss – held for trading | Loans and receivables | Available-for- sale financial assets | Total |
| | | 以公平值計入 損益的金融資產 - 持做交易 | 貸款及 應收款項 | 可供出售 金融資產 | | 以公平值計入 損益的金融資產 總計 - 持做交易 | 貸款及 應收款項 | 可供出售 金融資產 | 總計 |
| 人民幣千元 | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| Available-for-sale investment | 可供出售投資 | - | - | - | - | - | - | 4,800 | 4,800 |
| Derivative component of convertible bonds | 可換股債券的衍生工具部份 | 6,621 | - | - | 6,621 | - | - | - | - |
| Trading securities | 貿易證券 | - | - | - | - | 582 | - | - | 582 |
| Loans and receivables | 貸款及應收款項 | - | 17,584 | - | 17,584 | - | 31,681 | - | 31,681 |
| Cash and cash equivalents | 現金及現金等值物 | - | 23,567 | - | 23,567 | - | 96,292 | - | 96,292 |
| | | 6,621 | 41,151 | - | 47,772 | 582 | 127,973 | 4,800 | 133,355 |

Financial liabilities

| | | 2010 二零一零年 | | | 2009 二零零九年 | | |
|--|--------------|---|---|---------|---|---|---------|
| | | Financial liabilities at fair value through profit or loss - held for trading | Financial liabilities at amortised cost | Total | Financial liabilities at fair value through profit or loss - held for trading | Financial liabilities at amortised cost | Total |
| | | 以公平值計入 損益的金融 負債 - 持做交易 | 以攤銷 成本列賬 的金融負債 | 總計 | 以公平值計入 損益的金融 負債 - 持做交易 | 以攤銷 成本列賬 的金融負債 | 總計 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| Financial liabilities measured at amortised cost | 以攤銷成本計量的金融負債 | - | 88,117 | 88,117 | - | 63,967 | 63,967 |
| Bank and other borrowings | 銀行及其他借款 | - | 68,000 | 68,000 | - | 65,000 | 65,000 |
| Promissory notes | 承兌票據 | - | - | - | - | 51,296 | 51,296 |
| Liabilities components of convertible bonds | 可換股債券的負債部份 | - | 43,137 | 43,137 | - | - | - |
| | | - | 199,254 | 199,254 | - | 180,263 | 180,263 |

41. 金融工具分類

本集團於報告期間末的各類金融工具之賬面值如下：

金融資產

金融負債

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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. FINANCIAL INSTRUMENTS BY CATEGORY

(Continued)

The carrying amounts of each of the categories of financial instruments of the Company as at the end of the reporting period are as follows:

Financial assets

| | | 2010 二零一零年 | | | | 2009 二零零九年 | | | |
|---|--------------|--|--------------------------|--|---------|--|--------------------------|--|---------|
| | | Financial assets at fair value through profit or loss – held for trading | Loans and receivables | Available-for- sale financial assets | Total | Financial assets at fair value through profit or loss – held for trading | Loans and receivables | Available-for- sale financial assets | Total |
| | | 以公平值計入 損益的金融資產 - 持做交易 | 貸款及 應收款項 | 可供出售 金融資產 | 總計 | 以公平值計入 損益的金融資產 - 持做交易 | 貸款及 應收款項 | 可供出售 金融資產 | 總計 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| Derivative component of convertible bonds | 可換股債券的衍生工具部份 | 6,621 | – | – | 6,621 | – | – | – | – |
| Loans and receivables | 貸款及應收款項 | – | 144,262 | – | 144,262 | – | 164,116 | – | 164,116 |
| Cash and cash equivalents | 現金及現金等值物 | – | 7,658 | – | 7,658 | – | 29,443 | – | 29,443 |
| | | 6,621 | 151,920 | – | 158,541 | – | 193,559 | – | 193,559 |

Financial liabilities

| | | 2010 二零一零年 | | | 2009 二零零九年 | | |
|--|--------------|---|---|---------|---|---|---------|
| | | Financial liabilities at fair value through profit or loss - held for trading | Financial liabilities at amortised cost | Total | Financial liabilities at fair value through profit or loss - held for trading | Financial liabilities at amortised cost | Total |
| | | 以公平值計入損益的金融負債 - 持做交易 | 以攤銷成本列賬的金融負債 | 總計 | 以公平值計入損益的金融負債 - 持做交易 | 以攤銷成本列賬的金融負債 | 總計 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| Financial liabilities measured at amortised cost | 以攤銷成本計量的金融負債 | – | 1,847 | 1,847 | – | 1,685 | 1,685 |
| Promissory notes | 承兌票據 | – | – | – | – | 51,296 | 51,296 |
| Liabilities components of convertible bonds | 可換股債券的負債部份 | – | 43,137 | 43,137 | – | – | – |
| | | – | 44,984 | 44,984 | – | 52,981 | 52,981 |

41. 金融工具分類 (續)

本集團於報告期間末的各類金融工具之賬面值如下：

金融資產

金融負債

Notes to the Financial Statements

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42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments include cash and cash equivalents, trade and other receivables, trading securities, trade and other payables, bank and other borrowings, promissory notes and convertible bonds. Details of the financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include credit risk, liquidity risk, interest rate risk, currency risk and equity price risk arises in the normal course of the Group's business. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

a) Credit risk

- i) As at 31 December 2010, the maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated statement of financial position after deducting any impairment allowance.
- ii) In respect of trade and other receivables, in order to minimize risk, the management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis. Credit evaluations of its customers' financial position and condition is performed on each major customer periodically. These evaluations focus on the customers' past history of making payments when due and current ability to pay, and take into account information specific to the customers as well as pertaining to the economic environment in which the customers operate. The Group does not require collateral in respect of its financial assets. Debts are usually due within 30 to 180 days from the date of billing.

42. 財務風險管理目標及政策

本集團之主要金融工具包括現金及現金等值物、應收賬款及其他應收款項、貿易證券、應付賬款及其他應付款項、銀行及其他借款、承兌票據及可換股債券。金融工具之詳情於其各自附註披露。該等金融工具之相關風險包括本集團在日常業務過程中產生之信貸風險、流動資金風險、利率風險、貨幣風險及股價風險。管理層管理及監測該等風險，以確保能及時有效落實妥善的措施。

a) 信貸風險

- i) 於二零一零年十二月三十一日，最大信貸風險為綜合財務狀況表內各項金融資產經扣除任何減值撥備後之賬面值。
- ii) 為盡量減低應收賬款及其他應收款項之風險，管理層已訂立一項信貸政策，並對有關信貸風險進行持續監察。本集團會定期對各主要客戶之財務狀況及條件進行信貸評估。該等評估針對客戶過往支付到期款項之歷史及目前之支付能力，並考慮客戶特定資料及客戶經營所處經濟環境之資料。本集團就其金融資產並不要求從屬抵押品。債務一般自開單日期起30至180日內到期。

Notes to the Financial Statements

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 RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

a) Credit risk (Continued)

ii) (Continued)

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The default risk of the industry and country in which customers operate also has an influence on credit risk but to a lesser extent. At the end of the reporting period, the Group has a certain concentration of credit risk as 59.03% (2009: 13.09%) and 98.64% (2009: 39.81%) of the total trade receivables was due from the Group's largest customer and the five largest customers respectively.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade and other receivables are set out in note 27.

- iii) The Group's trading securities are blue chips listed on a recognised stock exchange.
- iv) The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

42. 財務風險管理目標及政策 (續)

a) 信貸風險 (續)

ii) (續)

本集團面對之信貸風險主要受各客戶之個別特點影響。客戶營運之行業及業務所在之國家之違約風險亦對信貸風險有影響，但程度較輕。於報告期末，本集團信貸風險集中分別為應收本集團最大客戶及五大客戶之應收賬款佔去總額之59.03% (二零零九年：13.09%) 及98.64% (二零零九年：39.81%)。

有關本集團來自應收賬款及其他應收款項之信貸風險之量化披露載於附註27。

- iii) 本集團的貿易證券為於認可證券交易所上市之藍籌股。
- iv) 由於對手方均為獲國際信貸評級機構授予高信貸評級之銀行，故此流動資金之信貸風險有限。

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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 RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to board approval. The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with lending covenants to ensure that it maintains sufficient amount of cash and adequate committed lines of funding from financial institutions to meet its liquidity requirements in the short and longer term. The Group relies on bank and other borrowings as a source of liquidity.

Also as mentioned in note 2(b)(ii), the Group (1) has successfully rolled over its other borrowings for 18 months; (2) obtained an undertaking from Mr. Wang Zhong Sheng not to demand for the repayment of the amount due to him until the Group is financially viable to do so; (3) obtained undertaking from Mr. Wang Zhong Sheng to provide adequate financial support to the Group; and (4) raised a net proceeds of approximately RMB60,034,000 by way of a share placement subsequent to the end of the reporting period. All of the above steps have been enable the Group to mitigate its liquidity risk.

The following liquidity table sets out the weighted average effective interest rate and the remaining contractual maturities at the end of the reporting period of the Group's and the Company's non-derivative financial liabilities based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group and the Company can be required to pay:

42. 財務風險管理目標及政策 (續)

b) 流動資金風險

本集團旗下之獨立營運實體須負責其各自之現金管理，包括現金盈餘之短期投資及籌措貸款以滿足預期現金需求，惟須獲董事會批准方可作實。本集團之政策為定期監察當前及預計之流動資金需求，及對借貸契諾之遵照，以確保本集團能維持充裕的現金金額及從主要金融機構取得足夠的承諾信貸融資，以滿足其短期及長期流動資金之要求。本集團依賴銀行及其他借款作為流動資金來源。

另外，如附註2(b)(ii)所述，本集團(1)已將其他借款之還款期延長18個月；(2)取得王忠勝先生之承諾，不會要求本集團償還應付其之款項，直至本集團財政上有能力償還為止；(3)取得王忠勝先生向本集團提供足夠財務支持之承諾；及(4)於報告期末後透過股份配售方式籌集所得款項淨額約人民幣60,034,000元。上述措施均可減輕本集團之流動資金風險。

以下流動資金表格載列本集團及本公司之非衍生金融負債於報告期末之加權平均實際利率及餘下合約期，乃基於合約未貼現現金流(包括使用合約利率或(如按浮息)按報告期末之現行利率計息之利息付款)及本集團及本公司須予償還之最早日期而釐定：

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財務報表附註

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42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

b) Liquidity risk (Continued)

None of the bank and other borrowings contain a repayment on demand clause in relation to HK — Int 5, Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause.

c) Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank deposits and bank and other borrowings and fair value interest rate risk in relation to fixed rate bank and other borrowings.

i) Interest rate profile

The following table details the interest rate profile of the Group's borrowings at the end of the reporting period:

42. 財務風險管理目標及政策 (續)

b) 流動資金風險 (續)

概無銀行及其他借款包含與香港詮釋第5號「財務報表的列報—借款人對包含按要求還款條款的定期貸款的分類」相關之按要求還款條款。

c) 利率風險

本集團面對之現金流量利率風險與浮動利率銀行存款以及銀行及其他借款相關，而公平值利率風險則與固定利率之銀行及其他借款相關。

i) 利率概況

下表詳列本集團借款於報告期末之利率概況：

The Group 本集團

| | | 2010 二零一零年 | | 2009 二零零九年 | |
|---|------------------------|---|------------------|---|------------------|
| | | Effective interest rates 實際利率 % | RMB'000 人民幣千元 | Effective interest rates 實際利率 % | RMB'000 人民幣千元 |
| Fixed rate borrowings: Other loans | 固定利率借款： 其他貸款 | 6.95% | 50,000 | 6.83% | 50,000 |
| Floating rate borrowings: Bank loans | 浮動利率借款： 銀行貸款 | 8.41% | 18,000 | 7.88% | 15,000 |
| Total borrowings | 總借款 | | <u>68,000</u> | | <u>65,000</u> |
| Fixed rate borrowings as a percentage of total borrowings | 固定利率借款 佔總借款之 百分比 | | <u>74%</u> | | <u>77%</u> |

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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 RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

c) Interest rate risk (Continued)

ii) Sensitivity analysis

All of the bank and other borrowings of the Group which are fixed rate instruments are insensitive to any change in interest rates. A change in interest rates at the end of the reporting period would not affect profit or loss.

At 31 December 2010, it is estimated that a general increase or decrease of 100 basis points in interest rates, with all other variables held constant, would increase or decrease the Group's loss after income tax and accumulated losses by approximately RMB180,000 (2009: RMB150,000). Other components of consolidated statement of changes in equity would not change in response to the general increase or decrease in interest rates.

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to the exposure to interest rate risk for non-derivative financial instruments in existence at that date. The 100 basis points increase or decrease is used when reporting interest rate risk internally to key management and represents management's assessment of a reasonably possible change in interest rates over the period until the end of the next reporting period. The analysis is performed on the same basis for 2009.

42. 財務風險管理目標及政策 (續)

c) 利率風險 (續)

ii) 敏感度分析

本集團所有銀行及其他借款均為固定利率工具，對利率任何變動反應不大。於報告期末之利率變動對溢利或虧損不構成影響。

於二零一零年十二月三十一日，估計利率普遍上升或下跌100個基點，而所有其他可變因素保持穩定，將令本集團除所得稅後虧損及累計虧損增加或減少約人民幣180,000元(二零零九年：人民幣150,000元)。綜合權益變動表內其他組成部份不會因利率普遍上升或下跌而改變。

上述敏感度分析乃假設利率變動已於報告期末發生並應用於該日存續的非衍生金融工具的利率風險而釐定。100個基點的上升或下跌乃用於向主要管理層內部匯報利率風險，代表理層對利率於直至下一個報告期末的期間合理可能變動的估計。該分析按與二零零九年之相同基準進行。

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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 RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

d) Currency risk

RMB is not freely convertible into foreign currencies. All foreign exchange transactions involving RMB must take place through The People's Bank of China ("PBOC") or other institutions authorised to buy and sell foreign exchange. The exchange rate adopted for foreign exchange transactions are the rates of exchange quoted by the PBOC that would be subject to a managed float against an unspecified basket of currencies.

Foreign currency payments, including the remittance of earnings outside the PRC, are subject to the availability of foreign currency (which depends on the foreign currency denominated earnings of the Group) or must be arranged through the PBOC with government approval.

All the revenue-generating operations of the Group are transacted in RMB. The Group is exposed to foreign currency risk on financing transactions denominated in currencies other than RMB. Depreciation or appreciation of the RMB against foreign currencies can affect the Group's results. The Group did not hedge its currency exposure.

The following table details the Group's and the Company's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate.

42. 財務風險管理目標及政策 (續)

d) 貨幣風險

人民幣不可自由兌換為外幣。所有涉及人民幣之外匯交易必須透過中國人民銀行(「中國人民銀行」)或其他獲准買賣外匯之機構進行。就外匯交易採納之匯率為中國人民銀行所報之匯率，有關匯率將根據一籃子沒有列明之貨幣於受監管範圍內浮動。

外幣付款，包括將盈利匯出中國，須視乎外幣供應情況(外幣供應則視乎本集團以外幣列值之盈利金額)或必須在政府批准下透過中國人民銀行安排。

本集團所有產生收益之業務均以人民幣進行交易。本集團就以非人民幣貨幣列值之融資交易承擔外幣風險。人民幣兌外幣貶值或升值，可以影響到本集團之業績。本集團並無對沖其貨幣風險。

下表詳述本集團及本公司於報告期末因以相關實體之功能貨幣以外貨幣列值之已確認資產或負債而承擔之貨幣風險。

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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 RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

42. 財務風險管理目標及政策 (續)

d) Currency risk (Continued)

d) 貨幣風險 (續)

i) Exposure to currency risk

i) 貨幣風險承擔

The Group

本集團

Exposure to foreign currency 外幣風險承擔

| | 2010 二零一零年 | | 2009 二零零九年 | |
|--|---|---|---|---|
| | United States Dollars 美元 RMB'000 人民幣千元 | Hong Kong Dollars 港元 RMB'000 人民幣千元 | United States Dollars 美元 RMB'000 人民幣千元 | Hong Kong Dollars 港元 RMB'000 人民幣千元 |
| Trade and other receivables 及其他應收款項 | — | 1 | — | 9,547 |
| Cash and cash equivalents 現金及現金等值物 | 4 | 6,854 | 10 | 35,437 |
| Overall exposure to currency risk 貨幣風險整體承擔度 | 4 | 6,855 | 10 | 44,984 |

The Company

本公司

Exposure to foreign currency 外幣風險承擔

| | 2010 二零一零年 | 2009 二零零九年 |
|--|---|---|
| | United States Dollars 美元 RMB'000 人民幣千元 | United States Dollars 美元 RMB'000 人民幣千元 |
| Cash and cash equivalents 現金及現金等值物 | 4 | 10 |
| Overall exposure to currency risk 貨幣風險整體承擔度 | 4 | 10 |

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42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

d) Currency risk (Continued)

ii) Sensitivity analysis

The following table indicates the approximate change in the Group's loss after income tax and accumulated losses in response to reasonably possible changes in the foreign exchange rates to which the Group has significant exposure at the end of the reporting period.

The Group

42. 財務風險管理目標及政策 (續)

d) 貨幣風險 (續)

ii) 敏感度分析

下表說明，於報告期末，本集團除所得稅後虧損及累計虧損因應本集團具有重大承擔之匯率之合理潛在變動而產生之概約變動。

本集團

| | 2010 二零一零年 | | 2009 二零零九年 | |
|--------------------------|--|--|--|--|
| | Increase/ (decrease) in foreign exchange rates | Effect on loss after income tax and accumulated losses 對除所得稅 後虧損及 累計虧損 之影響 RMB'000 人民幣千元 | Increase/ (decrease) in foreign exchange rates | Effect on loss after income tax and accumulated losses 對除所得稅 後虧損及 累計虧損 之影響 RMB'000 人民幣千元 |
| United States Dollars 美元 | 5% | — | 5% | (1) |
| | (5)% | — | (5)% | 1 |
| Hong Kong Dollars 港元 | 5% | (343) | 5% | (2,249) |
| | (5)% | 343 | (5)% | 2,249 |

Notes to the Financial Statements

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 RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

d) Currency risk (Continued)

ii) Sensitivity analysis (Continued)

The sensitivity analysis above has been determined assuming that the change in foreign exchange rates had occurred at the end of the reporting period and had been applied to the Group's exposure to currency risk for financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant. Results of the analysis as presented in the above table represent an aggregation of the effects on each of the Group entities' loss after income tax. The stated changes are used when reporting currency risk internally to key management and represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the end of the next reporting period. The analysis is performed on the same basis for 2009.

e) Equity price risk

- i) The Group is exposed to equity price changes arising from equity investments classified as trading securities.

The Group's listed investments are listed on the Shanghai Stock Exchange. Decisions to buy or sell trading securities are based on daily monitoring of the performance of individual securities compared to that of the Index and other industry indicators, as well as the Group's liquidity needs.

42. 財務風險管理目標及政策 (續)

d) 貨幣風險 (續)

ii) 敏感度分析 (續)

上述敏感度分析乃假設匯率變動於報告期末已發生，並已應用於本集團就該日存在之金融工具承擔之貨幣風險，且假設所有其他變數（尤其是利率）維持不變而釐定。上表呈列之分析結果代表對本集團各實體除所得稅後虧損之整體結果。上述變動於向主要管理層內部匯報貨幣風險時應用，代表管理層對匯率於截至下一個報告期末止期間之合理潛在變動之評估。有關分析按與二零零九年相同之基準進行。

e) 股價風險

- i) 本集團須承受分類為貿易證券之股本投資所產生之股價變動風險。

本集團之上市投資在上海證券交易所上市。買入或沽出貿易證券，乃根據個別證券相對指數及其他行業指標之表現之每日監察以及本集團流動資金需求釐定。

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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 RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

e) Equity price risk (Continued)

ii) Sensitivity analysis

At 31 December 2010, it is estimated that an increase or decrease of 5% (2009: 5%) in the relevant stock market index (for listed investment) with all other variables held constant, would have decreased or increased the Group's loss after income tax and accumulated losses as follows:

The Group

| | | 2010 二零一零年 | | 2009 二零零九年 | |
|--|-------------|--|---|--|------|
| | | Effect on loss after income tax and accumulated losses RMB'000 對除所得稅後虧損及累計虧損之影響 人民幣千元 | | Effect on loss after income tax and accumulated losses RMB'000 對除所得稅後虧損及累計虧損之影響 人民幣千元 | |
| Change in equity price | | Change in equity price | | Change in equity price | |
| Change in the relevant equity price risk variable: | 相關股價風險變數變動： | | | | |
| Increase | 增加 | 5% | — | 5% | (29) |
| Decrease | 減少 | (5)% | — | (5)% | 29 |

42. 財務風險管理目標及政策 (續)

e) 股價風險 (續)

ii) 敏感度分析

於二零一零年十二月三十一日，估計(就上市投資而言)相關股市指數上升或下跌5%(二零零九年：5%)而所有其他變數維持不變，將導致本集團除所得稅後虧損及累計虧損減少或增加如下：

本集團

Notes to the Financial Statements

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 RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

e) Equity price risk *(Continued)*

ii) Sensitivity analysis *(Continued)*

The sensitivity analysis indicates the instantaneous change in the Group's loss after income tax and accumulated losses that would arise assuming that the changes in the stock market index or other relevant risk variables had occurred at the end of the reporting period and had been applied to re-measure those financial instruments held by the Group which expose the Group to equity price risk at the end of the reporting period. It is also assumed that the fair values of the Group's equity investments would change in accordance with the historical correlation with the relevant stock market index or the relevant risk variable. The analysis is performed on the same basis for 2009.

42. 財務風險管理目標及政策 *(續)*

e) 股價風險 *(續)*

ii) 敏感度分析 *(續)*

敏感度分析顯示，假設股市指數或其他相關風險變數之變動已於報告期末發生，並已應用於重新計量本集團持有之金融工具，而該等工具令本集團於報告期末須承擔股價風險，則將對本集團除所得稅後虧損及累計虧損產生之即時影響。同時假設本集團股本投資之公平值將根據與相關股市指數或相關風險變數之歷史相互關係而變動。該項分析按與二零零九年相同之基準進行。

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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 RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

f) Fair value

i) Financial instruments carried at fair value

The following table presents the carrying value of financial instruments measured at fair value at the end of the reporting period across the three levels of the fair value hierarchy defined in HKFRS 7, Financial Instruments: Disclosures, with the fair value of each financial instrument categorised in its entirety based on the lowest level of input that is significant to that fair value measurement. The levels are defined as follows:

- Level 1 (highest level): fair values measured using quoted prices (unadjusted) in active markets for identical financial instruments.
- Level 2: fair values measured using quoted prices in active markets for similar financial instruments, or using valuation techniques in which all significant inputs are directly or indirectly based on observable market data.
- Level 3 (lowest level): fair values measured using valuation techniques in which any significant input is not based on observable market data.

42. 財務風險管理目標及政策 (續)

f) 公平值

i) 按公平值列賬之金融工具

下表呈列於報告期末，按香港財務報告準則第7號「金融工具：披露」所界定之公平值等級制度之三個等級中，按公平值計量之金融工具之賬面值，其中每項被分類之金融工具之公平值全數基於對公平值計量屬重大之最低輸入等級。有關等級界定如下：

- 第1級(最高等級)：利用在活躍市場中相同金融工具之報價(未經調整)計量公平值。
- 第2級：利用在活躍市場中類似金融工具之報價，或所有重要輸入數據均直接或間接基於可觀察市場數據之估值技術計量公平值。
- 第3級(最低等級)：利用任何重要輸入數據並非基於可觀察市場數據之估值技術計量公平值。

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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 RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

f) Fair value (Continued)

i) Financial instruments carried at fair value (Continued)

2010

| The Group 本集團 | | | |
|------------------|------------------|------------------|------------------|
| Level 1 第1級 | Level 2 第2級 | Level 3 第3級 | Total 總計 |
| RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 |
| | | 6,621 | 6,621 |

Assets
Derivative
component of
the convertible
bonds

資產
可換股債券
衍生部分

— — 6,621 6,621

2009

| The Group 本集團 | | | |
|------------------|------------------|------------------|------------------|
| Level 1 第1級 | Level 2 第2級 | Level 3 第3級 | Total 總計 |
| RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 |
| 582 | — | — | 582 |

Assets
Trading
securities

資產
貿易證券

582 — — 582

ii) Fair values of financial instruments carried at other than fair value

The carrying amounts of the Group's and the Company's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 December 2010 and 2009.

42. 財務風險管理目標及政策 (續)

f) 公平值 (續)

i) 按公平值列賬之金融工具 (續)

二零一零年

| The Company 本公司 | | | |
|--------------------|------------------|------------------|------------------|
| Level 1 第1級 | Level 2 第2級 | Level 3 第3級 | Total 總計 |
| RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 |
| — | — | 6,621 | 6,621 |

二零零九年

| The Company 本公司 | | | |
|--------------------|------------------|------------------|------------------|
| Level 1 第1級 | Level 2 第2級 | Level 3 第3級 | Total 總計 |
| RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 |
| — | — | — | — |

ii) 並非按公平值列賬之金融工具之公平值

於二零一零年及二零零九年十二月三十一日，本集團及本公司按成本或攤銷成本列賬之金融工具之賬面值與其公平值並無重大差異。

Notes to the Financial Statements

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 RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

g) Estimation of fair values

The following summarises the major methods and assumptions used in estimating the fair values of financial instruments.

i) Trading securities

Fair value is based on the closing bid prices at the end of the reporting period without any deduction for transaction costs.

ii) Interest-bearing bank and other borrowings

The fair value is estimated as the present value of future cash flows, discounted at current market interest rates for similar financial instruments.

iii) Convertible bonds

Major methods and assumptions used in estimating the fair values of liability component and derivative component of convertible bonds are set out in note 34.

43. MAJOR NON-CASH TRANSACTIONS

- a) On 11 May 2010, the Company disposed of its 100% equity interest in Shine Science BVI Group at a consideration of RMB60,000,000, which was satisfied by the discharge of the Company from its payment obligation under the promissory notes. Further details of the disposal are set out in note 40.
- b) On 16 July 2010, the Company issued an aggregate principal amount of HK\$187,500,000 zero-coupon convertible bonds as part of the consideration for the acquisition of Million Ideas Group. Further details of the acquisition are set out in note 39(a).
- c) During the year, property, plant and equipment of RMB22,650,000 was acquired and settled by Mr. Wang Zhong Sheng on behalf of the Group.

42. 財務風險管理目標及政策 (續)

g) 估計公平值

下文概述用於估計金融工具公平值之主要方法和假設。

i) 貿易證券

公平值乃根據報告期末之收市買入價釐定，且並無就交易成本作任何扣減。

ii) 計息銀行貸款及其他借款

公平值按未來現金流量之現值而估計，並採用類似金融工具之現行市場利率折現。

iii) 可換股債券

估計可換股債券負債部分及衍生部分之公平值所用之主要方法及假設載於附註34。

43. 主要非現金交易

- a) 於二零一零年五月十一日，本公司以代價人民幣60,000,000元出售其於Science BVI集團之100%股本權益，該代價以解除本公司於兌承票據下之付款責任清償。該出售事項之進一步詳情，載於附註40。
- b) 於二零一零年七月十六日，本公司發行本金總額為187,500,000港元之零息可換股債券，以作為收購萬志集團之部分代價。該收購事項之進一步詳情，載於附註39(a)。
- c) 年內，王忠勝先生代表本集團收購物業、機器及設備，並清償有關金額人民幣22,650,000元。

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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

44. COMMITMENTS

- a) In addition to the finance lease arrangements detailed in note 21(c), the Group had the following capital commitments contracted for but not provided for in the financial statements:

44. 承擔

- a) 除附註21(c)所詳述之融資租賃安排外，本集團於財務報表已訂約惟未撥備之資本承擔如下：

| | | The Group 本集團 | |
|--|-------------|-----------------------------------|-----------------------------------|
| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
| Acquisition of: | 收購下列項目： | | |
| — Plant and equipment | — 機器及設備 | 58,480 | 55,506 |
| — Construction in progress | — 在建工程 | 8,198 | 168 |
| — Intangible assets | — 無形資產 | — | 1,181 |
| Equity investment in respect of formation of a joint venture company | 成立合資公司之權益投資 | 18,000 | — |
| | | 84,678 | 56,855 |

The equity investment represents the capital contribution in respect of the formation of a joint venture company in the PRC to engage in provision of natural gas (coalbed methane) exploitation and the associate activities. The Group and the joint venture partners will hold equity interests of the joint venture company of 60% and 40% respectively.

權益投資指有關於中國成立從事天然氣(煤層甲烷)開採及相關活動之合資公司之注資。而本集團及合營夥伴將分別於合資公司持有60%及40%股權。

Notes to the Financial Statements

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

44. COMMITMENTS (Continued)

- b) At the end of the reporting period, the total future minimum lease payments under non-cancellable operating leases in respect of office premises are payable as follows:

44. 承擔 (續)

- b) 於報告期末，有關辦公室物業之不可撤銷經營租約項下之未來應付最低租賃款項總額如下：

| | | The Group 本集團 | | The Company 本公司 | |
|------------------------------------|---------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
| Within 1 year | 一年內 | 95 | 586 | 218 | 506 |
| After 1 year but within 5 years | 一年後但五年內 | 214 | 29 | — | — |
| After 5 years | 五年以上 | — | — | — | — |
| | | 309 | 615 | 218 | 506 |

The Group leases a number of properties held under operating leases. The leases typically run for an initial period of one to three years, with an option to renew the leases with all terms renegotiable. None of the leases includes contingent rentals.

本集團根據經營租約承租多處物業。初步租期一般為一至三年，且於重新磋商所有條款時可選擇延續租期。該等租約概無包含或然租金。

Notes to the Financial Statements

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

45. CONTINGENT LIABILITIES

Tax exposure in relation to the disposal of Shine Science BVI Group

Pursuant to the Notice on Strengthening Administration of Enterprise Income Tax for Share Transfers by Non-PRC Resident Enterprise (Circular 698) issued by the State Administrative of Taxation on 10 December 2009, where a foreign investor transfers its shares in an overseas holding company which holds Chinese resident companies in the PRC, and if the PRC tax authority considers that the foreign investor adopts abusive arrangement in order to avoid PRC tax, it will disregard the existence of the overseas holding company and the gains derived from such transfer may be subject to the PRC withholding tax at a rate of up to 10%. Accordingly, the directors made a provision on tax liability and tax surcharge in respect of the disposal of Shine Science BVI Group (note 40) of approximately RMB3,492,000 and RMB410,000 respectively in the consolidated financial statements.

Apart from the tax liability and tax surcharge mentioned above, the PRC tax authority may impose a further tax penalty to the Company. As the amount of tax penalty is not ascertainable, it has not been provided for in the consolidated financial statements.

45. 或然負債

有關出售Shine Science BVI集團之稅務風險

根據國家稅務總局於二零零九年十二月十日發佈的《關於加強非居民企業股權轉讓所得企業所得稅管理的通知》(國稅函(2009) 698號)，如果境外投資方轉讓其於持有中國境內居民公司的海外控股公司股份，及中國稅務機關認為該境外投資方濫用安排以規避中國稅收，將會否定該海外控股公司的存在，源自有關轉讓的收益可能須按10%的稅率繳納中國源泉稅。因此，董事已就出售Shine Science BVI集團(附註40)於綜合財務報表的稅項負債及滯納金項下分別計提撥備人民幣3,492,000元及人民幣410,000元。

除上述稅項負債及附加稅外，中國稅務機關可能會對本公司作出其他稅務罰款。由於稅務罰款金額尚未確定，故並未於綜合財務報表作出撥備。

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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

46. PLEDGE OF ASSETS

At the end of the reporting period, the Group had pledged the following assets to secure bank borrowings granted to the Group:

46. 資產抵押

於報告期末，本集團為本集團獲授之銀行借款而抵押下列資產：

| | | The Group 本集團 | |
|---|-----------------------|-----------------------------------|-----------------------------------|
| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
| Buildings held for own use (note 18(a)(ii)) | 持作自用之樓宇(附註18(a)(ii)) | 1,471 | 2,409 |
| Pipelines (note 18(a)(ii)) | 管道(附註18(a)(ii)) | 36,690 | 38,850 |
| Prepaid lease payments for land under operating leases (note 19) | 經營租約下預付土地租金 (附註19) | 8,705 | 10,295 |
| | | 46,866 | 51,554 |

Notes to the Financial Statements

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

47. MATERIAL RELATED PARTY TRANSACTIONS

The Group entered into the following material related party transactions.

For the years ended 31 December 2010 and 2009, the directors are of the view that the followings are related parties of the Group:

| Name of party | Relationship |
|---|--|
| Shanxi Wanzhi Logistics Limited ("Wanzhi Logistics") | Effectively 8% owned by the Group as at 31 December 2009 and accounted for as a subsidiary during the year. Details as set out in note 39(a). |
| Shanxi Qinshui Prefecture Huayu Trading Limited ("Shanxi Huayu") | Effectively controlled by the former shareholder of Million Ideas Group, who is a shareholder of the Company. |
| Luoyang Shunhe Energy Company Limited ("Luoyang Shunhe") | A company established in the PRC with limited liability and indirectly wholly-owned by Mr. Wang Zhong Sheng. |
| Shanxi Qinshui Prefecture Chengrong Investment Limited ("Chengrong Investments") | Effectively owned 17% equity interest in Wanzhi Logistics as a non-controlling shareholder of a subsidiary and provided financing to the Group of RMB50,000,000 as disclosed in note 32. |

47. 重大關連人士交易

本集團已訂立下列重大關連人士交易。

截至二零一零年及二零零九年十二月三十一日止年度，董事認為下列各方為本集團之關連人士：

| 有關各方名稱 | 關係 |
|---------------------------|--|
| 山西萬志物流有限公司 ([萬志物流]) | 於二零零九年十二月三十一日由本集團有效地擁有8%，於年內列賬為附屬公司。有關詳情載於附註39(a)。 |
| 山西沁水縣華昱工貿有限公司 ([山西華昱]) | 由本公司股東萬志集團的前股東有效地控制。 |
| 洛陽順和能源有限公司 ([洛陽順和]) | 一家於中國成立的有限公司，由王忠勝先生間接全資擁有。 |
| 沁水縣盛融投資有限責任公司 ([盛融投資]) | 作為一間附屬公司之非控股股東有效地擁有萬志物流的17%股本權益，及向本集團提供資金人民幣50,000,000元(如附註32所披露)。 |

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財務報表附註

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47. MATERIAL RELATED PARTY TRANSACTIONS

(Continued)

- a) Particulars of significant transactions between the Group and the above related parties for the years ended 31 December 2010 and 2009 are as follows:

47. 重大關連人士交易 (續)

- a) 截至二零一零年及二零零九年十二月三十一日止年度，本集團與上列關連人士之間進行之重大交易詳情如下：

| Name of party 有關各方名稱 | Nature of transaction 交易性質 | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
|--------------------------|--|-----------------------------------|-----------------------------------|
| Wanzhi Logistics 萬志物流 | Logistics services expenses of liquefied coalbed gas 液化煤層氣之物流服務開支 | 5,557 | 2,925 |
| Wang Zhong Sheng 王忠勝 | Interest expenses 利息開支 | — | 1,404 |
| Wang Zhong Sheng 王忠勝 | Underwriting commission 包銷佣金 | — | 1,338 |

Subject to the underwriting agreement dated 8 July 2009 in relation to the Open Offer mentioned in note 36(b), an underwriting commission of 2.5% of the aggregate subscription price for 304,165,650 offer shares was paid by the Company to Mr. Wang Zhong Sheng, as underwriter. The amount was charged to the share premium account as transaction costs for the issue of new shares.

Saved as disclosed elsewhere in the financial statements, a subsidiary of the Group entered into an agreement dated 8 October 2010 with Luoyang Shunhe, in which the subsidiary agreed to deliver certain pre-sales liquefied natural gas tanks included in property, plant and equipment in note 18(a) with a total carrying amount of approximately RMB4,711,000 as at 31 December 2010 to Luoyang Shunhe for the purpose of trial-operation for a period of nine months (i.e. up to 30 June 2011) before signing a formal sales and purchase agreement.

在附註36(b)所述日期為二零零九年七月八日有關開發售之包銷協議所規限下，本公司已向包銷商王忠勝先生支付304,165,650股發售股份總認購價之2.5%作為包銷佣金。有關金額已於股份溢價賬中扣除，作為發行新股份之交易成本。

除本財務報表其他地方所披露者外，本集團附屬公司於二零一零年十月八日與洛陽順和訂立一份協議，據此，為了在簽署正式的買賣協議前進行為期九個月之試營運期(即截至二零一一年六月三十日止)，該附屬公司同意於二零一零年十二月三十一日將部份賬面總值約為人民幣4,711,000元之售前液化天然氣儲罐(包括於附註18(a)之物業、機器及設備)交付予洛陽順和。

Notes to the Financial Statements

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

47. MATERIAL RELATED PARTY TRANSACTIONS

(Continued)

b) Balances with related parties

As at 31 December 2010 and 2009, the Group and the Company had the following balances with related parties:

i) Amounts due from related companies

| The Group 本集團 | | 2010 | | 2009 | | Maximum amount outstanding during the year 年內最高未償還金額 | |
|------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|--|---------------------------|
| | | 二零一零年 RMB'000 人民幣千元 | 二零一零年 RMB'000 人民幣千元 | 二零零九年 RMB'000 人民幣千元 | 二零零九年 RMB'000 人民幣千元 | 二零一零年 RMB'000 人民幣千元 | 二零零九年 RMB'000 人民幣千元 |
| | Wanzhi Logistics 萬志物流 | — | 3,610 | 7,906 | 3,984 | | |
| | Shanxi Huayu 山西華昱 | 5,138 | — | 5,138 | — | | |
| | Chengrong Investment 盛融投資 | 1,000 | — | 1,000 | — | | |
| | | 6,138 | 3,610 | | | | |

| The Company 本公司 | | 2010 | | 2009 | | Maximum amount outstanding during the year 年內最高未償還金額 | |
|--------------------|-----------------------|---------------------------|---------------------------|---------------------------|---------------------------|--|---------------------------|
| | | 二零一零年 RMB'000 人民幣千元 | 二零一零年 RMB'000 人民幣千元 | 二零零九年 RMB'000 人民幣千元 | 二零零九年 RMB'000 人民幣千元 | 二零一零年 RMB'000 人民幣千元 | 二零零九年 RMB'000 人民幣千元 |
| | Wanzhi Logistics 萬志物流 | — | 3,074 | 3,074 | 3,074 | | |

The amount due from Wanzhi Logistics represents prepayments for the provision of logistics services of liquefied coal gas. There was no provision made on the amount due as at 31 December 2009. Wanzhi Logistics became a subsidiary of the Group after the acquisition as disclosed in note 39(a). The amount due from Chengrong Investment represents prepayment for interest on the other borrowings as at 31 December 2010. The amount were unsecured, interest-free and repayable on demand.

b) 與關連人士之結餘

於二零一零年及二零零九年十二月三十一日，本集團及本公司與關連人士有下列結餘：

i) 應收關連公司款項

Maximum amount
outstanding during the year
年內最高未償還金額

Maximum amount
outstanding during the year
年內最高未償還金額

應收萬志物流款項指提供液化煤層氣之物流服務之預付款項。於二零零九年十二月三十一日，並無就該金額作出撥備。萬志物流於完成收購(如附註39(a)披露)後成為本集團之附屬公司。應收盛融投資款項指於二零一零年十二月三十一日其他借款之利息之預付款項。該金額為無抵押、免息並須應要求償還。

Notes to the Financial Statements

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

47. MATERIAL RELATED PARTY TRANSACTIONS

(Continued)

b) Balances with related parties (Continued)

ii) Amounts due from directors

| The Group 本集團 | | | | Maximum amount outstanding during the year 年內最高未償還金額 | |
|------------------|-----|-----------------------------------|-----------------------------------|--|-----------------------------------|
| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
| Zhang Qing Lin | 張慶林 | 455 | — | 455 | — |
| Fu Shou Gang | 付壽剛 | 15 | — | 15 | — |
| | | 470 | — | | |

| The Company 本公司 | | | | Maximum amount outstanding during the year 年內最高未償還金額 | |
|--------------------|-----|-----------------------------------|-----------------------------------|--|-----------------------------------|
| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
| Zhang Qing Lin | 張慶林 | 42 | — | 54 | — |

As at 31 December 2010, the amounts were unsecured interest-free and repayable on demand.

於二零一零年十二月三十一日，有關金額為無抵押、免息並須應要求償還。

47. 重大關連人士交易 (續)

b) 與關連人士之結餘 (續)

ii) 應收董事款項

Notes to the Financial Statements

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

47. MATERIAL RELATED PARTY TRANSACTIONS

(Continued)

b) Balances with related parties (Continued)

iii) Amounts due to directors

47. 重大關連人士交易 (續)

b) 與關連人士之結餘 (續)

iii) 應付董事款項

| | The Group 本集團 | | The Company 本公司 | |
|----------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
| Wang Zhong Sheng 王忠勝 | 27,266 | 817 | — | — |
| Shi Liang 施亮 | 338 | 350 | 338 | 350 |
| Kwok Shun Tim 郭純恬 | — | 316 | — | 316 |
| Luo Wei Kun 羅維崑 | — | 11 | — | 11 |
| Pang Yuk Fong 彭玉芳 | 43 | 54 | 42 | 54 |
| | 27,647 | 1,548 | 380 | 731 |

As at 31 December 2010 and 2009. The amount were unsecured, interest-free and repayable on demand.

iv) Amounts due from/(to) subsidiaries

The amounts were unsecured, interest-free and repayable on demand.

v) Amount due to a non-controlling shareholder of a subsidiary

The amount was unsecured, interest-free and repayable on demand.

於二零一零年及二零零九年十二月三十一日，有關金額為無抵押、免息並須應要求償還。

iv) 應收／(應付) 附屬公司款項

有關金額為無抵押、免息並須應要求償還。

v) 應付一間附屬公司之非控股股東款項

有關金額為無抵押、免息並須應要求償還。

Notes to the Financial Statements

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

47. MATERIAL RELATED PARTY TRANSACTIONS

(Continued)

c) Key management personnel remuneration

Remuneration for key management personnel, including amounts paid to the Company's directors as disclosed in note 9 and certain of the highest paid employees as disclosed in note 10, is as follows:

47. 重大關連人士交易 (續)

c) 主要管理人員之薪酬

主要管理人員之薪酬(包括於附註9披露之付予本公司董事之款額), 及於附註10披露之若干最高薪酬僱員之薪酬如下:

| | | The Group 本集團 | |
|--|--------------------------|-----------------------------------|-----------------------------------|
| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
| Salaries and other short-term employee benefits | 薪金及其他短期僱員福利 | 1,784 | 4,849 |
| Post employment benefits | 離職後福利 | 14 | — |
| Total remuneration is included in "Staff costs" (note 7(a)) | 薪酬總額載於「員工成本」 (附註7(a)) | 1,798 | 4,849 |

48. EVENT AFTER THE REPORTING PERIOD

- a) On 16 February 2011, a wholly-owned subsidiary of the Group entered into a sales and purchase agreement with a liquefying facilities supplier, an independent third party, in relation to the acquisition of the liquefying facilities (includes the raw gas external purification system, coalbed liquefying system, automation control system, electric control system and recycled water system) at a consideration of RMB41,000,000. The acquisition of the liquefied facilities can expand the production capability of the existing liquefying facilities.

48. 報告期後事項

- a) 於二零一一年二月十六日, 本集團之一間全資附屬公司與一間液化設施供應商(一名獨立第三方)就收購液化設施(包括粗煤氣外部淨化系統、煤層氣液化系統、自動控制系統、電子控制系統及椒環水系統)訂立一份買賣協議, 代價為人民幣41,000,000元。收購液化設施可擴充現有液化設施的產能。

Notes to the Financial Statements

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

48. EVENT AFTER THE REPORTING PERIOD

(Continued)

- b) On 26 February 2011, the Company and a placing agent, who is a third party independent of the Group, entered into a placing agreement, pursuant to which the Company has agreed to allot and issue, through the placing agent, a maximum of 326,830,000 new shares to certain independent investors at HK\$0.225 per share. The placing was completed on 17 March 2011 and the net proceeds received from the placing amounted to approximately HK\$71,331,000 (equivalent to approximately RMB60,034,000).

49. COMPARATIVE FIGURES

Comparative information in the consolidated income statement has been restated to present separately the results of the computer software, computer hardware and maintenance and other services operations as discontinued operations.

50. IMMEDIATE PARENT AND ULTIMATE CONTROLLING PARTY

At 31 December 2010, the directors consider the immediate parent and ultimate controlling party of the Group to be Jumbo Lane, which is incorporated in BVI. Jumbo Lane does not produce financial statements available for public use.

48. 報告期後事項 (Continued)

- c) 於二零一一年二月二十六日，本公司與一名配售代理（一名獨立於本集團之第三方）訂立一份配售協議，據此，本公司同意透過配售代理以每股0.225港元配發及發行最高326,830,000股新股予若干獨立投資者。配售於二零一一年三月十七日完成，配售獲得的所得款項淨額約為71,331,000港元（相當於約人民幣60,034,000元）。

49. 比較數字

於綜合損益表之比較資料已經重列，以分開呈列作為已終止經營業務的電腦軟件、電腦硬件及維修以及其他服務經營的業績。

50. 直接母公司及最終控股方

於二零一零年十二月三十一日，董事認為本集團直接母公司及最終控股方為寶連，一家於英屬處女群島註冊成立的公司。寶連並無編製供公眾使用之財務報表。

Five year financial summary

五年財務摘要

For The Year Ended 31 December 2010 截至二零一零年十二月三十一日止年度

Results

業績

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

| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 (Restated) (經重列) | 2008 二零零八年 RMB'000 人民幣千元 (Restated) (經重列) | 2007 二零零七年 RMB'000 人民幣千元 (Restated) (經重列) | 2006 二零零六年 RMB'000 人民幣千元 (Restated) (經重列) |
|--|-----------------------|-----------------------------------|--|--|--|--|
| Turnover | 營業額 | 230,989 | 40,056 | — | — | — |
| Loss from operations | 經營業務產生之虧損 | (8,150) | (17,645) | (11,508) | (10,629) | (6,325) |
| Finance costs | 融資成本 | (9,681) | (4,260) | (1,844) | (1,461) | (1,731) |
| Gain on remeasuring existing interest in an available-for-sale investment on acquisition | 因收購而重新計量可供出售投資現有權益之收益 | 4,960 | — | — | — | — |
| Fair value gain on the derivative component of convertible bonds | 可換股債券衍生部份之公平值收益 | 3,223 | — | — | — | — |
| Impairment loss on goodwill | 商譽減值虧損 | — | (52,971) | — | — | — |
| Loss before income tax | 除所得稅前虧損 | (9,648) | (74,876) | (13,352) | (12,090) | (8,056) |
| Income tax | 所得稅 | (871) | 251 | — | — | — |
| Loss for the year from continuing operations | 來自持續經營業務之本年度虧損 | (10,519) | (74,625) | (13,352) | (12,090) | (8,056) |
| (Loss)/profit for the year from discontinued operations | 來自已終止經營業務之本年度(虧損)/溢利 | (11,947) | 15,795 | (20,233) | 9,590 | 1,465 |
| Loss for the year | 本年度虧損 | (22,466) | (58,830) | (33,585) | (2,500) | (6,591) |
| Attributable to: | 下列應佔: | | | | | |
| Owners of the Company | 本公司擁有人 | (20,493) | (58,741) | (33,585) | (2,500) | (6,591) |
| Non-controlling interests | 非控股權益 | (1,973) | (89) | — | — | — |
| Loss for the year | 本年度虧損 | (22,466) | (58,830) | (33,585) | (2,500) | (6,591) |

Five year financial summary 五年財務摘要

For The Year Ended 31 December 2010 截至二零一零年十二月三十一日止年度

Assets and liabilities

資產及負債

At 31 December

於十二月三十一日

| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 | 2008 二零零八年 RMB'000 人民幣千元 | 2007 二零零七年 RMB'000 人民幣千元 | 2006 二零零六年 RMB'000 人民幣千元 |
|--|------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Total assets | 總資產 | 713,299 | 545,025 | 239,139 | 162,649 | 57,100 |
| Total liabilities | 總負債 | (258,971) | (275,176) | (119,009) | (55,990) | (14,772) |
| Non-controlling interests | 非控股權益 | (21,294) | (2,527) | — | — | — |
| Equity attributable to owners of the Company | 本公司擁有人應佔權益 | 433,034 | 267,322 | 120,130 | 106,659 | 42,328 |

