



泛亞環保集團有限公司  
Pan Asia Environmental Protection Group 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 : 00556.HK

Annual Report 2009 年報

開創 **無污染** 的未來  
a Greener  
Creating Future



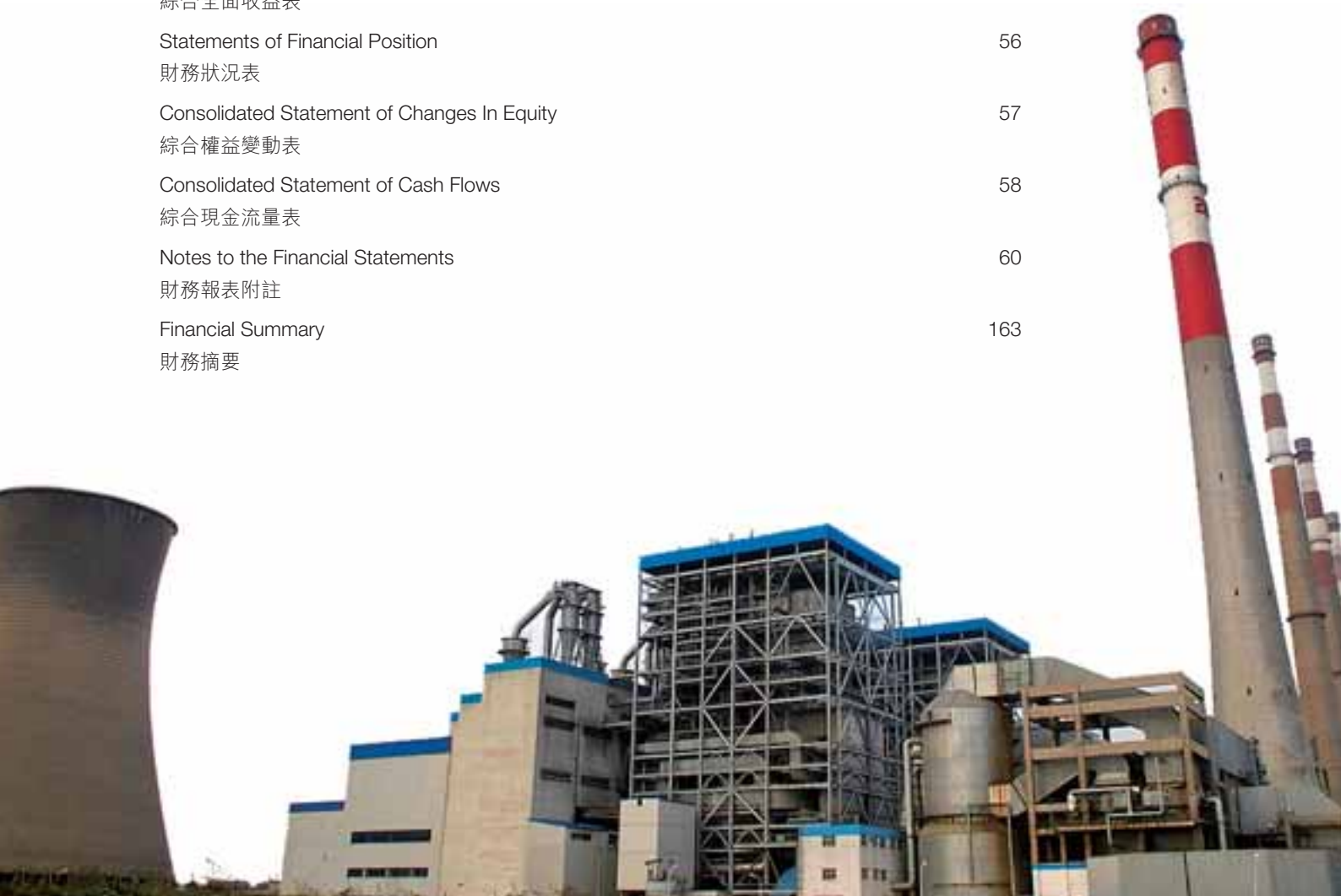




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# Corporate Information

## 公司資料

### DIRECTORS

#### Executive Directors

Mr. Jiang Quanlong (*Chairman*)  
Mr. Fan Yajun (*Chief Executive Officer*)  
Mr. Gan Yi  
Mr. Jiang Lei

#### Independent Non-Executive Directors

Mr. Lai Wing Lee  
Mr. Leung Shu Sun, Sunny  
Professor Wang Guozhen

### COMPANY SECRETARY

Mr. Wan San Fai, Vincent

### AUTHORISED REPRESENTATIVES

Mr. Jiang Quanlong  
Mr. Wan San Fai, Vincent

### PRINCIPAL BANKERS

China Construction Bank  
Bank of Communications  
Hang Seng Bank

### AUDITOR

CCIF CPA Limited  
34/F., The Lee Gardens  
33 Hysan Avenue  
Causeway Bay  
Hong Kong

### 董事

#### 執行董事

蔣泉龍先生 (*主席*)  
范亞軍先生 (*行政總裁*)  
甘毅先生  
蔣磊先生

#### 獨立非執行董事

賴永利先生  
梁樹新先生  
王國珍教授

### 公司秘書

溫新輝先生

### 授權代表

蔣泉龍先生  
溫新輝先生

### 主要往來銀行

中國建設銀行  
交通銀行  
恒生銀行

### 核數師

陳葉馮會計師事務所有限公司  
香港  
銅鑼灣  
希慎道33號  
利園34樓



## Corporate Information 公司資料

### LEGAL ADVISERS

Chiu & Partners  
41st Floor  
Jardine House  
1 Connaught Place  
Hong Kong

### PUBLIC RELATIONS

Strategic Financial Relations Limited  
Unit A, 29/F., Admiralty Centre I  
18 Harcourt Road  
Hong Kong

### REGISTERED OFFICE

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

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

HSBC Trustee (Cayman) Limited  
P.O. Box 484  
2nd Floor, Strathvale House  
90 North Church Street  
George Town  
Grand Cayman KY1-1106  
Cayman Islands

### 法律顧問

趙不渝 • 馬國強律師事務所  
香港  
康樂廣場1號  
怡和大廈41樓

### 公共關係

縱橫財經公關顧問有限公司  
香港  
夏慤道18號  
海富中心第1期29樓A室

### 註冊地點

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

### 開曼群島股份過戶登記總處

HSBC Trustee (Cayman) Limited  
P.O. Box 484  
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George Town  
Grand Cayman KY1-1106  
Cayman Islands

## Corporate Information 公司資料

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

Tricor Investor Services Limited  
26th Floor, Tesbury Centre  
28 Queen's Road East  
Wanchai  
Hong Kong

### PRINCIPAL PLACE OF BUSINESS IN THE PRC

No. 1 Chuanshan Road  
Dingshu Town  
Yixing City  
Jiangsu Province  
PRC 214222

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 6302, The Center,  
99 Queen's Road Central  
Hong Kong

### WEBSITE

[www.paep.com.cn](http://www.paep.com.cn)

### STOCK CODE

556

### 香港股份過戶登記分處

卓佳證券登記有限公司  
香港  
灣仔  
皇后大道東28號  
金鐘匯中心26樓

### 中國主要營業地點

中國  
江蘇省  
宜興市  
丁蜀鎮  
川善公路1號  
郵政編號：214222

### 香港主要營業地點

香港  
皇后大道中99號  
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### 網站

[www.paep.com.cn](http://www.paep.com.cn)

### 股份代號

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## Chairman's Statement 主席報告書

### To Shareholders,

On behalf of the board of directors (the "Board"), I am pleased to present the annual report of Pan Asia Environmental Protection Group Limited (the "Company" or "Pan Asia") and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2009.

Last year was a challenging year for economies around the globe. In the beginning of the year, the financial turmoil affected virtually all industries and created intense operational pressure on many manufacturers. As a result, fewer contracts have been awarded to the Group and some projects have had to be postponed. However, with the PRC government introducing a RMB4 trillion economic stimulus package together with a proactive financial strategy and more relaxed monetary policies, the PRC economy began to stabilise during the second quarter. In the second half of the year, the PRC economy revived and achieved the stated goal of maintaining GDP growth at eight percent. The ensuing revival enabled the Group to resume projects which were completed and for which revenue was recognised in phases during the second half of the year. Thus the Group was still able to maintain steady annual sales. During the period, the Group also continued to adhere to its prudent business strategy and enhance its internal operation management and maintain a solid financial foundation thereby solidifying its market position.

During the year under review, the PRC government continued to introduce supportive policies to develop the environmental protection industry while local governments announced tenders for public environmental protection projects, which boosted market demand for environmental protection solutions and helped nurture the industry. At the end of last year, the PRC government stated clearly its target for energy conservation and emission reduction at the climate conference in Copenhagen, adding impetus for the development of its environmental protection industry. The Group will continue its effort to secure the sales of relevant products and equipment and engineering project contracts to take advantage of opportunities arising from the emerging environmental protection system within the country.

### 致各位股東：

本人謹代表董事會向各位股東提呈泛亞環保集團有限公司(「本公司」或「泛亞環保」)及其附屬公司(統稱「本集團」)截至二零零九年十二月三十一日止年度之全年業績報告。

二零零九年是全球經濟充滿挑戰的一年，尤其年初金融海嘯衝擊著各個行業，令部份從事工業生產的客戶在經營上面對壓力，導致本集團承接的合約減少，部份工程亦一度延遲；猶幸中國政府適時推出人民幣4萬億元刺激經濟方案，採取積極財政策略及寬鬆的貨幣政策，使國內經濟於第二季逐步穩定，並在下半年顯著復甦，完成了「保八」的增長目標，集團旗下工程亦陸續展開，並於下半年逐步完成及入賬，故此全年的銷售仍能保持平穩。集團在期內亦秉承以往穩健的業務策略，繼續強化內部管理，和維持穩健的財政基礎，鞏固市場地位。

中央政府在回顧年內亦繼續不斷為環保產業提供政策支持，各地政府相繼推出公用環保項目招標，拉動了環保產業的市場需求，幫助行業的發展，去年底中央政府更在哥本哈根氣候會議上明確提出了各項節能減排的目標，為國家環保產業提供了更大的發展空間。本集團將繼續積極爭取各項產品及設備銷售和工程合約，以抓緊國家不斷完善環保體制所帶來的機會。

# Chairman's Statement

## 主席報告書

### FINANCIAL REVIEW

For the year ended 31 December 2009, the Group achieved a total turnover of RMB609.0 million, similar to that of last year (2008: RMB593.8 million). The sales of products and equipments and progress of work undertaken under the engineering contracts for the Group's solutions was negatively affected by the global financial crisis in the beginning of the review year. Despite this, the Group's overall business in the second half year was on an upward trend helped by economic stimulus measures and promotion of energy conservation and emission reduction. Gross profit was RMB164.9 million (2008: RMB208.1 million). Gross profit margin decreased to 27.1% (2008: 35.0%). Profit attributable to owners of the Company was RMB88.1 million (2008: RMB77.8 million), up by 13.2% from last year. This was mainly due to exchange gain of the Company's Australian bank deposits and a decrease in sales commission expenses. Earnings per share of the Group for the year were 11.01 RMB cents (2008: 9.72 RMB cents).

### PROSPECTS

The PRC government has stated its determination to develop and nurture new industries, and prominent among these is energy-conservation and environmental protection industries. As 2010 is the last year in the Eleventh Five-Year Plan, the government is expected to assign a higher priority to the environmental protection industry in the Twelfth Five-Year Plan with a budget allocation of up to RMB3,100 billion, of which approximately RMB1,000 billion will be injected into treatment of environmental pollution. Therefore, the Group will adhere to its moderate business policy in order to exploit the growth potential of the industry and make the most of opportunities created by such supportive government policies. The Group currently has about 27 EP contracts with a total value of approximately RMB442 million on hand.

### 財務摘要

截至二零零九年十二月三十一日止年度，本集團總營業額為人民幣6.09億元，與去年相若（二零零八年：人民幣5.94億元）。縱然集團於回顧年初受全球金融危機影響，拖慢旗下產品及設備的銷售及工程合約的開工進度，但隨著中央推出各項措施積極刺激經濟，並推動節能減排，集團整體業務在下半年穩步上揚。錄得毛利人民幣1.65億元（二零零八年：人民幣2.08億元），毛利率下調至27.1%（二零零八年：35.0%）。公司擁有人應佔溢利為人民幣8,810萬元（二零零八年：人民幣7,780萬元），較去年增加13.2%，主要由於本集團持有的澳元存款之匯兌收益以及業務費支出減少所致。年內，集團錄得每股盈利人民幣11.01分（二零零八年：人民幣9.72分）。

### 展望

全球經濟環境將於二零一零年逐步復甦，中國政府亦表明將大力發展培育包括節能環保的新興產業。而二零一零年更是第十一個五年計劃的最後一年，中央政府預期在第十二個五年計劃中環保產業會佔更重份量，環保投資將達到人民幣3.1萬億元，其中，環境污染治理設施運行費用將達1萬億元左右。本集團將繼續以穩健的業務策略，竭力抓緊中央政策支持帶來的機遇，發掘市場的增長潛力。現時，本集團手頭上未完成之合約共27份，合約總金額約達人民幣4.42億元。



## Chairman's Statement 主席報告書

The wastewater treatment business is expected to remain as the Group's stable income source. The Group is planning to expand the scope of services from construction to build and operation of large scale water treatment for industrial customers such as steel, cement and pharmaceutical industries. This will help broadening income sources, generating stable cash flow and, ultimately, boosting the return on investment for the Group. At present, the Group is conducting feasibility studies.

Moreover, it is expected the "Twelfth Five-Year Plan" of the PRC will introduce regulations for fluegas denitrification ("DeNOx") in order to reduce nitric oxide emissions. The Group will put much efforts in expanding flue gas treatment and related product manufacturing businesses to increase their portion of total turnover. The Group is in discussion to form a strategic alliance with an environmental protection company under a large PRC power group. A joint venture company will be set up to produce the catalysts used in the "Selective Catalytic Reduction Denitrification" ("SCR DeNOx") system. Pan Asia will own not less than 35% equity interest in the joint venture company and will participate in financial management as well as sales and distribution of the products in certain regions. The negotiation for the cooperation is presently in the final stage and it is hoped that an agreement will be reached in the near term. The Group also plans to establish a research and development center for the development of catalysts. It will focus on the analysis of coals in the PRC and the exploitation of raw material for the catalysts. In the past, high quality raw materials of the catalysts in the Chinese market are mainly imported from other countries, the Group is exploring the possibility of local production so as to reduce manufacturing costs of the catalysts.

Moreover, the Group endeavors to search for investment opportunities. It plans to introduce highend manufacturing equipments for environmental friendly construction materials and produce it in the PRC for domestic use. This will help to promote the application of environmental friendly construction materials in the local market. In September 2009, the Group signed a letter of intent for a possible acquisition of approximately 20% equity interest in Jiangsu E Motors Company Limited. However, the Group had shelved the acquisition plan due to the immature condition of the target.

在污水處理方面，該業務仍會是本集團的穩定收入來源。本集團亦正計劃將業務範疇，由過往只從事工程建設，拓展至大型的工業污水處理、建設及營運，而涉及的行業包括鋼鐵，水泥及製藥等。此舉有助擴闊收入來源、增加穩定的現金流和提高回報率，現時正進行可行性研究。

此外，預計中國的第十二個五年計劃中，將會加入煙氣脫硝的法規要求，以減少氮氧化物的排放，本集團在今年將加大力度在煙氣處理項目及相關產品生產的業務，使其佔整體營業額更大的比重。本集團正與內地大型電力集團附屬的環保公司商討組成戰略聯盟，成立合營公司，發展「選擇性催化還原脫硝系統」(「SCR脫硝系統」)中使用的催化劑。泛亞環保將佔有合營公司不少於35%的股權，並參與財務管理及部份地區銷售。現時，有關合作的商討已達最後階段，期望於短期內能達成協議。另外，本集團計劃配合該種催化劑的發展建立研發中心，研發方向包括中國煤種分析和催化劑原材料開發等。過往內地優質的催化劑原材料一直依賴進口，本集團正研究自行在內地生產，這將有助減省催化劑的生產成本。

另外，本集團亦致力尋找新的投資機會，計劃引進國外的高端環保建材生產設備，並將其國產化，供內銷市場使用，以普及環保建材產品在內地的應用。至於本集團於二零零九年九月曾就計劃收購江蘇益茂純電動汽車有限公司約20%權益，與賣方簽署了意向書，但由於被收購方的條件不成熟，故目前該計劃經已被擱置。

## Chairman's Statement 主席報告書

To maintain steady growth of its businesses in the long run, the Group will adhere to its moderate development strategies while actively exploring opportunities in order to consolidate its position in the EP market within the PRC and make the best use of its abundant cash. In addition to its water and flue gas treatment businesses, it will continue to enhance competitiveness and expand business scope by looking carefully for merger and acquisition targets and other investment opportunities, with an aim to generate better returns for shareholders.

### APPRECIATION

On behalf of the Board and management, I would like to express my gratitude to all staff for their hard work and dedication to the Group during the year. My thanks also go to our shareholders, investors, clients, suppliers and business partners for their tireless support.

**JIANG Quanlong**

*Chairman*

Hong Kong, 20 April 2010

為保持業務的穩定發展，本集團將秉承一貫穩健的發展策略，繼續鞏固其於中國環保市場的地位，並致力發揮手上充裕流動資金的優勢，除了水及煙氣處理業務外，亦會繼續嚴謹物色收購和投資機會，以提升市場的競爭力和擴大業務的領域，為股東爭取更佳的回報。

### 致謝

本人謹代表董事會及管理層答謝全體員工於期內努力不懈，全心全意為本集團效力，同時向各股東、投資者、客戶、供應商及業務夥伴的鼎力支持致以衷心謝意。

*主席*

**蔣泉龍**

香港，二零一零年四月二十日

# Management Discussion and Analysis

## 管理層討論及分析

### BUSINESS REVIEW

As an integrated EP services provider in the PRC, the Group mainly designs and manufactures water and flue gas treatment products and equipment and sells pipes. The Group also undertakes EP construction engineering projects and provides EP related professional services. As at 31 December 2009, the Group had 60 engineers from different professional backgrounds and who had experience in providing customised EP solutions to customers across different industries.

### SALE OF EP PRODUCTS AND EQUIPMENT

Business activities of this segment include selling pipes, as well as water and flue gas treatment products and equipment. During the year under review, it recorded a turnover of approximately RMB421.5 million, accounting for about 69.2% of the Group's total turnover.

#### Sale of Water Treatment Products and Equipment

The water treatment systems of the Group are mainly used to process industrial and urban wastewater. The Group completed 52 water treatment sales contracts during the year, which generated a turnover of approximately RMB388.3 million, accounting for 92.1% of the segmental turnover. In April 2008, the Group entered into a sewage reduction outline agreement with the Bengbu City Government in Anhui Province, where the Group is responsible for planning, designing and coordinating development of wastewater treatment systems in zones

and districts within the city. The objective is to ensure that the sewage discharge level complies with the National First Class A Standard. Construction of one of the projects under the agreement was completed during the year and was pending for testing and



### 業務回顧

本集團為中國綜合環保服務供應商，主要從事設計及製造水處理和煙氣處理產品及設備、銷售管道、承接環保建設工程項目，以及提供環保相關專業服務。於二零零九年十二月三十一日，本集團聘用共60名具有不同專業背景及擁有環保工作經驗之工程師，為不同行業之客戶提供及訂製各項環保解決方案。

### 銷售環保產品及設備

本分部主要從事管道、水處理及煙氣處理產品和設備的銷售，回顧年內錄得營業額約人民幣4.22億元，佔本集團總營業額約69.2%。

#### 銷售水處理產品及設備

本集團的水處理系統主要用於處理工業廢水及城市污水。年內，本集團共完成52份與水處理有關之銷售合約，為本集團帶來營業額約人民幣3.88億元，佔該分部營業

## Management Discussion and Analysis 管理層討論及分析

commissioning. Furthermore, the Group is considering taking part in the water treatment project in Taihu in Wuxi, Jiangsu Province, and several other wastewater treatment projects in Zhejiang and Jiangsu Provinces.

### Sale of Flue Gas Treatment Products and Equipment

The flue gas treatment systems of the Group are used in many industries to process waste gas pollution generated during production. Currently, the Group is actively in negotiation to undertake a number of new projects. This segment is expected to become one of the key development arms of the Group in the future. During the year under review, the group completed 3 projects related to the sale of equipments for flue gas treatment, contributing a turnover of RMB12.1 million to the company, representing a 2.9% of the segmental turnover.

### Sale of Pipes

In addition to providing comprehensive EP solutions, the Group also produces fibre glass-reinforced plastic pipes with diametres up to 2,000 mm at its Yixing workshop with a total annual production capacity estimated at 172,680 metres. During the year under review, the pipe workshop produced around 24,200 metres of pipes at the average utilisation rate of approximately 14.0%. The Group completed 4 contracts related to sale of pipes, which generated a turnover of approximately RMB21.1 million, accounting for 5.0% of the segmental turnover.



額92.1%。本集團於二零零八年四月與安徽蚌埠市政府訂立減排框架協議，於指定區域進行規劃、設計及協調污水處理系統之建設，以使該等範圍及區域達到國家一級A標準的排放水平。其中一個污水處理項目的工程已於回顧年內完成，現正待驗收。本集團亦正研究參與江蘇省無錫太湖治理項目及另外數個位於浙江和江蘇的水處理項目。

### 銷售煙氣處理產品及設備

本集團的煙氣處理系統為不同行業的客戶處理生產過程中產生的污染氣體。目前，本集團正積極與客戶就多個項目研究系統建設的方案詳情，預計此分部將會成為來年集團發展重點之一。回顧年內，本集團共完成3份煙氣處理設備有關之銷售合約，為本集團帶來營業額約人民幣1,210萬元，佔該分部營業額2.9%。

### 銷售管道

除為客戶提供全面的環保解決方案外，本集團同時透過位於宜興的管材車間生產直徑最高達2000毫米的玻璃纖維鋼管，總估計年產能約為172,680米。回顧年內，管材車間共生產約24,200米的管道，而車間的產能使用率約達14.0%。本集團於回顧年內完成了4份管道產品銷售合約，有關銷售為本集團貢獻營業額約人民幣2,110萬元，佔該分部營業額的5.0%。



# Management Discussion and Analysis

## 管理層討論及分析

### EP CONSTRUCTION ENGINEERING PROJECTS

The Group has been undertaking EP construction engineering projects since 2004. Relying on our extensive industry expertise and professional research and development and technology capabilities, it has delivered one-stop EP solutions to many clients around the country. During the year, it recorded a turnover of approximately RMB179.4 million, accounting for about 29.5% of the Group's total turnover. Construction works of the government projects in Hunan and Lianyungang, Jiangsu were completed and earnings from them were recognised. Moreover, the Group has started work on a contract worth of RMB80.0 million flue gas desulphurisation ("FGD") project in Henan in last May. Construction work of phase one had been completed and revenues of RMB53.0 million had been recognised. The construction of phase two is expected to be completed in 2010 and revenue will be recognised by then as well.



### 環保建設工程承包服務

本集團自二零零四年起開始承接環保建設工程。結合豐富的行業知識，以及專業的研發和技術，為客戶提供一站式的環保解決方案。年內，該分部的營業額約為人民幣1.79億元，佔總營業額約29.5%。本集團在湖南以及江蘇連雲港承接的市政項目已完工入賬。此外，本集團在河南的一個合約總值人民幣8,000萬元之脫硫項目，於去年五月開工，第一期部份已完工及入賬，入賬金額為人民幣5,300萬元，第二期預計將於二零一零年完成驗收及入賬。

### PROVISION OF EP RELATED PROFESSIONAL SERVICES

The Group, through its subsidiary Shanghai Environmental Engineering Design & Research Institute Limited ("SEEDRI"), provides EP related professional services to clients. With Grade A engineering design certificates, SEEDRI is qualified to undertake engineering design for all environmental projects. During the year, the segment recorded a turnover of approximately RMB8.0 million, accounting for around 1.3% of the total turnover of the Group.

### 環保相關專業服務

本集團透過附屬公司上海環境工程設計研究院有限公司(「環境工程研究院」)為客戶提供環保相關的專業服務。環境工程研究院持有甲級工程設計證書，可就所有環境工程執行工程設計。期內，該分部為集團帶來穩定收入，營業額約為人民幣800萬元，佔總營業額約1.3%。

# Management Discussion and Analysis

## 管理層討論及分析

### LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2009, the total assets of the Group amounted to RMB1,406.4 million (31 December 2008: RMB1,355.6 million). The Group's total liabilities as at 31 December 2009 were RMB246.6 million (31 December 2008: RMB288.4 million). The main reason for the decrease in total liabilities was the decrease of short term bank loans. The Group's total equity as at 31 December 2009 was RMB1,159.8 million (31 December 2008: RMB1,067.2 million). The Group's bank borrowings outstanding as at 31 December 2009 amounted to RMB16.5 million (31 December 2008: RMB82.0 million) and were all carried at fixed interest rates. There was no particular seasonality of the Group's borrowings. The Group monitored capital using a gearing ratio, which is total debt divided by total equity of the Group. The total debt to equity ratio of the Group expressed as a percentage of interest bearing loans and other borrowings over the total equity was 1.4% as at 31 December 2009 (31 December 2008: 7.7%). The Group's cash and cash equivalents amounted to RMB739.3 million as at 31 December 2009.

### EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

Business transactions and liabilities of the Group are largely denominated in Renminbi and Hong Kong Dollars. The Group adopts a conservative financial policy and the majority of its bank deposits are in Renminbi, Australian Dollars and Hong Kong Dollars. As at 31 December 2009, the Group did not have any foreign currency bank liability, foreign exchange contracts, interest or currency swaps or other financial derivatives for hedging purpose. Accordingly, the Group does not have material exposure to fluctuations in exchange rates other than the bank deposits denominated in Hong Kong Dollars and Australian Dollars. Nevertheless, the management will continue to monitor the foreign exchange exposure and will take prudent measures as and when appropriate.

### 流動資金及財務資源

於二零零九年十二月三十一日，本集團之資產總值為人民幣14.06億元(二零零八年十二月三十一日：人民幣13.56億元)。於二零零九年十二月三十一日，本集團之負債總額為人民幣2.47億元(二零零八年十二月三十一日：人民幣2.88億元)，負債總額減少之主要因為短期銀行貸款減少。於二零零九年十二月三十一日，本集團之股本總額為人民幣11.60億元(二零零八年十二月三十一日：人民幣10.67億元)。於二零零九年十二月三十一日，本集團之未償還銀行借貸為人民幣1,650萬元(二零零八年十二月三十一日：人民幣8,200萬元)，全部均按定息利率計息，本集團的借貸並無季節性。本集團採用資本負債比率監控資金，計算方式為本集團總負債除以權益總額。本集團的總負債對股本比率按計息貸款及其他借貸除以權益總額計算，於二零零九年十二月三十一日的比率為1.4%(二零零八年十二月三十一日：7.7%)。於二零零九年十二月三十一日，本集團之現金及現金等價物為人民幣7.39億元。

### 承受匯率波動風險

本集團絕大多數營業交易與負債均以人民幣及港元計值。本集團奉行穩健財務政策，銀行存款為人民幣、澳元及港元。於二零零九年十二月三十一日，本集團無任何外幣銀行負債、外匯合同、利息或貨幣掉期或其他對沖用途之金融衍生工具。因此，除港元及澳元定期存款的匯率波動外，本集團並無其他重大利率及外匯風險。然而，管理層將繼續監察外匯風險，並在適當時採取審慎措施。

# Management Discussion and Analysis

## 管理層討論及分析

### CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 December 2009, the Group had a capital expenditure commitment amounted to RMB51.3 million (2008: Nil).

The Group provides product maintenance service to customers of FGD construction projects and certain EP products for a period ranging from 6 months to 2 years after a project is completed or a product is delivered. At the same time, the Group enjoys warranties for the work and equipment from its subcontractors and suppliers. The directors of the Company believe that the amount of crystallised warranty liabilities, if any, in excess of the amount covered by the warranties given by sub-contractors and suppliers, will not have any material adverse effect on the overall financial position or operating results of the Group.

### HUMAN RESOURCES

As at 31 December 2009, the Group had approximately 280 employees. Salaries of employees are maintained at a competitive level and reviewed annually, with close reference to the relevant labour market benchmarks and the prevailing economic situation. Remuneration of the directors is determined based on a variety of factors including market conditions and the specific responsibilities shouldered by the individual director. Apart from the basic remuneration and statutory benefits required by laws, the Group also provides discretionary bonuses based on the Group's results and the performance of an individual employee. The Group also has an employee share option scheme in operation.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed shares during the year ended 31 December 2009.

### 資金承擔及或然負債

於二零零九年十二月三十一日，本集團資本開支承擔為人民幣5,130萬元(二零零八年：無)。

本集團就已完工之煙氣脫硫建築工程及其若干已出售環保產品為其客戶提供產品保養，保養期由工程結束後或產品送遞後計六個月至兩年不等。同時，本集團亦享有其承包商及供應商就所提供之建築工程及設備之保養服務。本公司董事相信保養負債之變現金額(如有)超逾承包商及供應商所提供保養所涉之金額，將不會對本集團整體財務狀況或營運業績造成重大不利影響。

### 人力資源

於二零零九年十二月三十一日，本集團僱用約280名員工。僱員之薪酬現維持在一個具競爭力之水平，並參考相關人力市場及經濟情況，按年進行檢討。董事之酬金乃根據一系列包括市場狀況及每位董事之職責之因素而釐定。除法律規定之基本薪酬及法定福利外，本集團亦根據本身之業績及個別員工之表現，酌情發放花紅。本集團亦已採納員工購股權計劃。

### 購入、出售或贖回本公司之上市股份

截至二零零九年十二月三十一日止年度內，本公司或其任何附屬公司概無購入、出售或贖回本公司任何上市股份。

# Management Discussion and Analysis

## 管理層討論及分析

### AUDIT COMMITTEE

An audit committee comprising three independent non-executive directors has been established by the Company to review the financial reporting process and internal control procedures of the Group. The audit committee has reviewed the financial statements of the Group for the year ended 31 December 2009.

### CORPORATE GOVERNANCE PRACTICES

In the opinion of the Board, the Company has complied with the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the year ended 31 December 2009, save for the code provision E.1.2. Code provision E.1.2 stipulates that the Chairman should attend the annual general meeting. Mr. Jiang Quanlong, Chairman of the Board, was unable to attend the 2009 annual general meeting due to a business trip and Mr. Jiang Lei, an executive director, has been delegated to attend and answer questions on his behalf at the annual general meeting. Mr. Jiang Quanlong will use his best endeavours to attend all future shareholders' meetings of the Company.

### CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 1 June 2010 (Tuesday) to 3 June 2010 (Thursday), both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for the proposed final dividend and be entitled to attend and vote at the annual general meeting, all transfers of shares of the Company accompanied by the relevant share certificates and appropriate transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:00 p.m. on 31 May 2010 (Monday).

### ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held on 3 June 2010 (Thursday), notice of which will be published and dispatched to the shareholders as soon as practicable in accordance with the Company's Articles of Association and the Listing Rules.

### 審核委員會

本公司已成立由三名獨立非執行董事組成的審核委員會，以檢閱本集團的財務匯報及內部監控程序事宜。審核委員會已審閱本集團截至二零零九年十二月三十一日止年度的財務報表。

### 企業管治常規

董事會認為，於截至二零零九年十二月三十一日止整個年度內，本公司一直遵守香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四所載之企業管治常規守則之守則條文，惟守則條文E.1.2條除外。守則條文第E.1.2條訂明，主席應出席股東周年大會。董事會主席蔣泉龍先生因出差未能出席二零零九年股東周年大會，惟已授權執行董事蔣磊先生代其出席股東周年大會並解答提問。蔣泉龍先生將會盡力出席本公司所有日後股東大會。

### 暫停辦理股份過戶登記手續

本公司將由二零一零年六月一日（星期二）至二零一零年六月三日（星期四）（包括首尾兩天）暫停辦理股份過戶登記手續，期間將不會進行本公司股份之過戶登記。為符合資格享有擬派之末期股息及有權出席股東周年大會並於會上投票，所有股份過戶文件連同相關股票及合適之過戶表格須於二零一零年五月三十一日（星期一）下午四時正前送達本公司在香港之股份過戶登記分處卓佳證券登記有限公司，地址為香港灣仔皇后大道東28號金鐘匯中心26樓，辦理股份過戶登記。

### 股東周年大會

本公司將於二零一零年六月三日（星期四）舉行股東周年大會。有關通知將按本公司組織章程細則及上市規則盡快公佈及發放予股東。



# Corporate Governance Report

## 企業管治報告

The board of directors (the “Board” or the “Directors”) of the Company is pleased to present this Corporate Governance Report in the Group’s annual report for the year ended 31 December 2009.

### CORPORATE GOVERNANCE PRACTICES OF THE COMPANY

Recognising the importance of a publicly listed company’s responsibilities to enhance its transparency and accountability, the Group is committed to achieving high standards of corporate governance to safeguard the interests of shareholders and to enhance corporate value and accountability.

The Code on Corporate Governance Practices (the “CG Code”) contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) sets out the principles of good corporate governance and two levels of corporate governance practices:

- (a) code provisions which listed issuers are expected to comply with or to give considered reasons for any deviation; and
- (b) recommended best practices for guidance only, which listed issuers are encouraged to comply with or to give considered reasons for any deviation.

The Company’s corporate governance practices are based on the principles, code provisions and certain recommended best practices as set out in the CG Code.

Throughout the year ended 31 December 2009, the Company has complied with the code provisions as set out in the CG Code, save for the deviations from code provision E.1.2 which is explained in the relevant paragraph of this Report.

The Company will continue to review and enhance its corporate governance practices to ensure that these continue to meet the requirements of the CG Code and the rising expectations of shareholders and investors.

本公司董事會(「董事會」或「董事」)欣然提呈本集團截至二零零九年十二月三十一日止年度年報內的企業管治報告。

### 本公司的企業管治常規

本公司深明公開上市公司有責任提高其透明度及問責性，故本集團一直致力達致高水準的企業管治，以保障股東的權益及提升企業價值及承擔。

香港聯合交易所有限公司證券上市規則(「上市規則」)附錄十四所載的企業管治常規守則(「企業管治守則」)訂明良好企業管治的原則及企業管治常規的兩個層次：

- (a) 守則條文，即上市發行人應遵守之守則條款或在出現任何分歧時作出合理解釋；及
- (b) 建議最佳常規，僅屬指引，鼓勵上市發行人遵守守則或在出現分歧時作出合理解釋。

本公司的企業管治常規乃建基於企業管治守則所載的原則、守則條文及若干建議最佳常規。

於截至二零零九年十二月三十一日止整個年度內，除於本報告內有關段落說明與守則條文E.1.2出現分歧者外，本公司已遵守企業管治守則所載的守則條文。

本公司將會不斷檢討及加強其企業管治常規，以確保企業管治常規繼續符合企業管治守則的規定及達至股東及投資者之更高期望。

# Corporate Governance Report

## 企業管治報告

### A. THE BOARD

#### 1. Responsibilities

The Board is responsible for the overall management of the Company's business. The Board provides leadership and control to the Company and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. All directors should take decisions objectively in the interests of the Company in the attainment of the objective of creating value to shareholders.

Every director carries out his duty in good faith and in compliance with the standards of applicable laws and regulations, and acts in the interests of the Company and its shareholders at all times.

#### 2. Board Composition

The Board of the Company comprises seven members, consisting of four executive directors and three independent non-executive directors:

##### *Executive Directors:*

Mr. Jiang Quanlong, *Chairman and member of the Nomination Committee and the Remuneration Committee*

Mr. Fan Yajun, *Chief Executive Officer*

Mr. Gan Yi

Mr. Jiang Lei

Mr. Fang Guohong

(resigned on 25 March 2009)

##### *Independent Non-Executive Directors:*

Mr. Lai Wing Lee, *chairman of the Nomination Committee and the Remuneration Committee and member of the Audit Committee*

Mr. Leung Shu Sun, Sunny, *chairman of the Audit Committee and member of the Nomination Committee and the Remuneration Committee*

### A. 董事會

#### 1. 職責

董事會負責本公司業務的整體管理。董事會負責領導及監控本公司，並透過統管及監督本公司的事務集體負責帶領本公司步向成功。全體董事應以本公司利益為前提客觀地作出決策，以達致為股東創造價值的目標。

每位董事須真誠地及遵照適用之法例及法規履行其職責，並於任何時候均以本公司及其股東之利益為前提行事。

#### 2. 董事會的組成

本公司董事會由七名董事組成，包括四名執行董事及三名獨立非執行董事：

##### *執行董事：*

蔣泉龍先生，*主席兼提名委員會及薪酬委員會成員*

范亞軍先生，*行政總裁*

甘毅先生

蔣磊先生

方國洪先生

(已於二零零九年三月二十五日辭任)

##### *獨立非執行董事：*

賴永利先生，*提名委員會及薪酬委員會主席兼審核委員會成員*

梁樹新先生，*審核委員會主席兼提名委員會及薪酬委員會成員*

# Corporate Governance Report

## 企業管治報告

Professor Wang Guozhen, *member of the Audit Committee, the Nomination Committee and the Remuneration Committee*

王國珍教授，*提名委員會、審核委員會及薪酬委員會成員*

The list of directors (by category) is also disclosed in all corporate communications issued by the Company pursuant to the Listing Rules from time to time.

董事名單(按董事類別)亦會不時於本公司根據上市規則發出的所有公司通訊中披露。

Mr. Jiang Quanlong, Chairman, is the sole director of Praise Fortune Limited, the substantial shareholder of the Company. He is the father of Mr. Jiang Lei (being an executive director), father of Jiang Xin and spouse of Ms. Qian Yuanying, all of whom are the shareholders of Praise Fortune Limited, the substantial shareholder of the Company. Save as disclosed, there are no financial, business, family or other material/relevant relationships among members of the Board. A brief description of the background of each director and the detailed relationships among the members of the Board are disclosed under "Directors and Senior Management" on pages 32 to 36 and "Report of the Directors" on pages 40 to 45.

主席蔣泉龍先生為本公司主要股東Praise Fortune Limited之唯一董事。蔣先生為蔣磊先生(執行董事)及蔣鑫先生之父親，並為錢元英女士之配偶，彼等皆為本公司主要股東Praise Fortune Limited之股東，除上述披露之外，董事會各成員之間並無財務、業務、家族或其他重要／相關關係。各位董事的背景資料簡況及董事會各成員之間的詳盡關係於第32至36頁的「董事及高級管理層」以及第40至45頁的「董事會報告」中披露。

During the year ended 31 December 2009, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive directors with at least one independent non-executive director possessing appropriate professional qualifications or accounting or related financial management expertise.

於截至二零零九年十二月三十一日止年度，董事會一直遵守上市規則有關委任最少三位獨立非執行董事的規定，而當中最少有一位獨立非執行董事具備適當的專業資格或會計或相關財務管理專長。

The Company has received written annual confirmation from each independent non-executive director of his independence pursuant to the requirements of the Listing Rules. The Company considers all independent non-executive directors to be independent in accordance with the independence guidelines as set out in the Listing Rules.

本公司已接獲各獨立非執行董事根據上市規則就其獨立性作出的年度確認書。本公司認為，根據上市規則所載的獨立性指引，所有獨立非執行董事均確屬獨立人士。

# Corporate Governance Report

## 企業管治報告

The independent non-executive directors bring a wide range of business and financial expertise, experience and independent judgement to the Board. Through active participation at Board meetings, taking the lead in managing issues involving potential conflict of interests and serving on Board committees, all independent non-executive directors make various contributions to the effective direction of the Company.

### 3. Chairman and Chief Executive Officer

The roles and duties of the Chairman and the Chief Executive Officer of the Company are carried out by different individuals and have been clearly defined in writing.

The Chairman of the Board is Mr. Jiang Quanlong, and the Chief Executive Officer is Mr. Fan Yajun. With the support of the Company Secretary and the senior management, the Chairman is responsible for ensuring that the directors receive adequate, complete and reliable information in a timely manner and appropriate briefing on issues arising at Board meetings. The Chief Executive Officer focuses on implementing objectives, policies and strategies approved and delegated by the Board and he is in charge of the Company's day-to-day management and operations.

### 4. Appointment and Re-Election of Directors

Each of the executive directors of the Company is engaged on a service contract with the Company for a term of 3 years commencing from 1 December 2007 which shall continue thereafter from year to year until terminated by either party with 3 months' notice in writing served on the other side. Each of the independent non-executive directors of the Company is appointed for a specific term up to 30 November 2009 and according to the service contract with the Company, the appointment shall continue from year to year until terminated by either party with 3 months' notice in writing served on the other side.

獨立非執行董事為董事會提供多方面的獨立意見、業務及財務專業及經驗。透過積極參與董事會會議，在涉及潛在利益衝突的事件上發揮牽頭引導作用，及出任董事會轄下委員會，所有獨立非執行董事對於本公司的有效指導方面貢獻良多。

### 3. 主席及行政總裁

本公司的主席及行政總裁的角色及職責由不同人士分任，並以書面清晰界定。

董事會主席由蔣泉龍先生擔任，行政總裁由范亞軍先生擔任。在公司秘書及高層管理人員的協助下，主席的職責為確保董事及時獲取足夠、完整及可靠的資料，並就董事會會議上討論事項作出恰當的說明。行政總裁著重於執行經董事會批准及委派的目標、政策及策略，行政總裁負責本公司的日常管理及營運。

### 4. 董事的委聘及重選

本公司各執行董事與本公司訂立的服務合約由二零零七年十二月一日起計為期三年，其後每年持續有效，直至任何一方向另一方發出三個月書面通知終止為止。本公司各獨立非執行董事按指定任期獲委任，其任期於二零零九年十一月三十日屆滿，而根據與本公司訂立的服務合約，委任每年持續有效，直至任何一方向另一方發出三個月書面通知終止為止。



## Corporate Governance Report 企業管治報告

In accordance with the Company's Articles of Association, all directors of the Company are subject to retirement by rotation at least once every three years and any new director appointed to fill a causal vacancy or as an addition to the Board shall submit himself for re-election by shareholders at the first general meeting after appointment.

The procedures and process of appointment, re-election and removal of directors are laid down in the Company's Articles of Association. The Nomination Committee is responsible for reviewing the Board composition, developing and formulating the relevant procedures for nomination and appointment of directors, monitoring the appointment and succession planning of directors and assessing the independence of independent non-executive directors.

### *Nomination Committee*

The Nomination Committee comprises four members, the majority of them are independent non-executive directors.

The principal duties of the Nomination Committee include:

- To review the structure, size and composition of the Board and make recommendations regarding any proposed changes;
- To develop and formulate relevant procedures for nomination and appointment of directors;
- To identify suitable candidates for appointment as directors;
- To make recommendations to the Board on appointment or re-appointment of and succession planning for directors; and
- To assess the independence of independent non-executive directors.

根據本公司的組織章程細則，本公司全體董事須至少每三年輪值退任一次，而任何新獲委任以填補臨時空缺或董事會新增任的董事須於其獲委聘後首次股東大會上接受股東重選。

董事的委任、重選及罷免程序及過程載列於本公司的組織章程細則。提名委員會負責檢討董事會的組成、就董事的提名和委任編製及制定相關程序、監控董事的委任及繼任計劃，以及評估獨立非執行董事的獨立性。

### *提名委員會*

提名委員會由四名成員組成，成員大多數為獨立非執行董事。

提名委員會的主要職責包括：

- 檢討董事會的架構、人數及組成，並就任何擬作出的變動提出建議；
- 編製及制定提名和委任董事的相關程序；
- 物色合適候選人以委任為董事；
- 就董事的委任或重新委任及繼任計劃向董事會提出建議；及
- 評估獨立非執行董事的獨立性。

# Corporate Governance Report

## 企業管治報告

The Nomination Committee carries out the process of selecting and recommending candidates for directorships by making reference to the skills, experience, professional knowledge, personal integrity and time commitments of such individuals, the Company's needs and other relevant statutory requirements and regulations. An external recruitment agency may be engaged to carry out the recruitment and selection process where necessary.

The Nomination Committee held one meeting during the year ended 31 December 2009 and the attendance records are set out below:

**Name of Director**  
**董事姓名**

Jiang Quanlong	蔣泉龍
Lai Wing Lee	賴永利
Leung Shu Sun, Sunny	梁樹新
Wang Guozhen	王國珍

In accordance with the Company's Articles of Association, Mr. Jiang Quanlong, Mr. Fan Yajun and Mr. Gan Yi shall retire by rotation and being eligible, offer themselves for re-election at the forthcoming annual general meeting ("AGM") of the Company.

The Nomination Committee recommended the re-appointment of the directors standing for re-election at the forthcoming AGM of the Company.

The Company's circular, sent together with this annual report, contains detailed information of the directors standing for re-election.

提名委員會負責因應各候選人的技能、經驗、專業知識、個人誠信及所付出的時間，以及本公司的要求，以至其他相關法定規定及規例而挑選及推薦候選人出任董事。如有必要，或會委聘外部招聘人事顧問公司負責招聘及篩選的程序。

提名委員會於截至二零零九年十二月三十一日止年度內舉行了一次會議，出席會議記錄載列如下：

**Attendance/  
Number of Meetings**  
**出席次數／會議次數**

1/1
1/1
1/1
1/1

根據本公司的組織章程細則，蔣泉龍先生、范亞軍先生及甘毅先生須輪值退任，惟合資格並願意於本公司應屆股東周年大會（「股東周年大會」）上膺選連任。

提名委員會建議重新委任準備於本公司應屆股東周年大會上膺選連任的董事。

有關準備膺選連任的董事的詳細資料載列於與本年報一併寄發的本公司通函內。

# Corporate Governance Report

## 企業管治報告

### 5. Training and Continuing Development

Though no new directors has been appointed during the year ended 31 December 2009, each newly appointed director will receive formal, comprehensive and tailored induction on the first occasion of his appointment, so as to ensure that he has appropriate understanding of the business and operations of the Company and that he is fully aware of his responsibilities and obligations under the Listing Rules and relevant regulatory requirements.

The existing directors are continually updated with legal and regulatory developments, and the business and market changes to facilitate the discharge of their responsibilities. Continuing briefing and professional development for directors will be arranged where necessary.

### 6. Board Meetings

#### (i) Board Practices and Conduct of Meetings

Schedules for annual meeting and draft agenda of each meeting are normally sent to all directors in advance.

Notices of regular Board meetings are served to all directors at least 14 days before the meetings. For other Board and committee meetings, reasonable notice is generally given.

Board papers together with all appropriate, complete and reliable information are sent to all directors/committee members at least 3 days before each Board meeting or committee meeting to ensure that the directors have sufficient time to review the related documents and be adequately prepared for the meeting. The Board and each director also have separate and independent access to the senior management where necessary.

### 5. 培訓及持續發展

雖然於截至二零零九年十二月三十一日止年度內並無新董事獲委任，但每名新獲委任董事在首次獲委任時均獲得正式、全面及為其度身訂造的入職培訓，務求確保其清楚理解本公司的業務及營運，以及其全面知悉彼根據上市規則及相關監管規定的職責及責任。

現任董事持續獲提供有關的法律及監管發展、業務及市場變動，以便彼等履行其責任。如有必要，將為董事持續安排簡介及專業培訓。

### 6. 董事會會議

#### (i) 董事會常規及會議的進行

全年會議時間表及每次會議的議程初稿一般會事先發給全體董事。

董事會定期會議通告最少於會議前14日發給全體董事。而其他董事會及委員會會議，一般會發出合理通告。

董事會文件及所有適用、完整及可靠的資料最少於每次董事會會議或委員會會議前3日發給全體董事或委員會會員，以確保董事有充足時間審閱相關文件及為會議作出充分準備。如有必要，董事會及各董事亦有個別及獨立途徑接觸高層管理人員。

# Corporate Governance Report

## 企業管治報告

The Chief Executive Officer, Chief Financial Officer and Company Secretary attend all regular Board meetings and where necessary, other Board and committee meetings to advise on business developments, financial and accounting matters, statutory compliance, corporate governance and other major aspects of the Company.

The Company Secretary is responsible for taking and keeping minutes of all Board meetings and committee meetings. Draft minutes are normally circulated to directors for comment within a reasonable time after each meeting and the final versions are open for directors' inspection.

The Company's Articles of Association contains provisions requiring directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such directors or any of their associates have a material interest. According to current Board practice, any material transaction, which involves a conflict of interests for a substantial shareholder or a director, will be considered and dealt with by the Board at a duly convened Board meeting.

### (ii) Directors' Attendance Records

During the year ended 31 December 2009, four regular Board meetings were held at approximately quarterly intervals for reviewing and approving the financial and operating performance, and considering and approving the overall strategies and policies of the Company. The attendance rate at each regular Board Meetings was 100%, 85.7%, 100% and 100% respectively.

行政總裁、財務總監及公司秘書出席所有董事會常規會議，並在需要時出席其他董事會及委員會會議，以就本公司的業務發展、財務及會計事宜、法定法規、企業管治及其他主要事項提供意見。

公司秘書負責準備及備存所有董事會會議及委員會會議的會議記錄。會議記錄初稿一般在每次會議結束後的合理時間內發給董事，以供董事表達意見，最後定稿亦讓董事審閱。

本公司的組織章程細則載有條文規定董事就批准其或彼等任何聯繫人士擁有重大權益者的交易須投棄權票及不計入會議法定人數。根據現有董事會常規，任何涉及主要股東或董事利益衝突的重大交易，將由董事會在正式召開的董事會會議上審議及處理。

### (ii) 董事會議之出席記錄

於截至二零零九年十二月三十一日止年度，本公司舉行四次常規董事會會議，大約每季度一次，以省覽及批准本公司的財務及營運業績，以及審議及批准本公司的整體策略及政策。各常規董事會會議出席率分別為100%、85.7%、100%及100%。



# Corporate Governance Report

## 企業管治報告

Code provision A.1.1 stipulates that the Board meetings should be held at least four times a year at approximately quarterly intervals. There were eight Board meetings held during the year under review with four of which were regular meetings held for, among other things, approving the final results for the year ended 31 December 2008 and interim results for the six months ended 30 June 2009. The other Board meetings were held as and when the business and operational needs arose.

The attendance records of each director at the Board meetings during the year ended 31 December 2009 are set out below:

Name of Director 董事姓名		Attendance/ Number of Meetings 出席次數／會議次數
Jiang Quanlong	蔣泉龍	8/8
Fan Yajun	范亞軍	7/8
Gan Yi	甘毅	8/8
Jiang Lei	蔣磊	8/8
Fang Guohong (resigned on 25 March 2009)	方國洪 (已於二零零九年三月二十五日辭任)	0/1
Lai Wing Lee	賴永利	5/8
Leung Shu Sun, Sunny	梁樹新	6/8
Wang Guozhen	王國珍	6/8

### 7. Model Code For Securities Transactions

The Company has adopted its own code of conduct regarding directors' dealings in the Company's securities (the "Company's Securities Dealing Code") on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules.

守則條文A.1.1規定，董事會會議應每年召開至少四次，大約每季度一次。於正在回顧的年度內，本公司舉行八次董事會會議，其中四次為常規會議，以（其中包括）批准截至二零零八年十二月三十一日止年度的全年業績及截至二零零九年六月三十日止六個月的中期業績。其他董事會在產生業務及營運需要時舉行。

截至二零零九年十二月三十一日止年度，各董事於董事會會議的出席記錄如下：

### 7. 證券交易之標準守則

有關董事買賣本公司證券，本公司已採納本身的一套比上市規則附錄十所載列的《上市發行人董事進行證券交易之標準守則》（「標準守則」）所訂標準更高的守則（「本公司證券買賣守則」）。

# Corporate Governance Report

## 企業管治報告

Specific enquiry has been made of all the directors and the directors have confirmed that they have complied with the Company's Securities Dealing Code and the Model Code throughout the year ended 31 December 2009.

The Company's Securities Dealing Code on no less exacting terms than the Model Code for securities transactions also applies to all employees who are likely to be in possession of unpublished price-sensitive information of the Company.

No incident of non-compliance of the Company's Securities Dealing Code by the employees was noted by the Company.

經向全體董事作出具體查詢後，董事確認彼等於二零零九年十二月三十一日止年度期間一直遵守本公司證券買賣守則及標準守則。

本公司所採納的比有關證券交易的標準守則更高標準的本公司證券買賣守則同樣適用於所有可能會擁有本公司未公開股價敏感資料的僱員。

本公司並不知悉僱員不遵守本公司證券買賣守則。

### B. DELEGATION BY THE BOARD

The Board reserves for its decision all major matters of the Company, including the approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant financial and operational matters.

All directors have full and timely access to all relevant information as well as the advice and services of the Company Secretary, with a view to ensuring that Board procedures and all applicable laws and regulations are followed. Each director is normally able to seek independent professional advice in appropriate circumstances at the Company's expense, upon making request to the Board.

The day-to-day management, administration and operation of the Company are delegated to the Chief Executive Officer and the senior management. The delegated functions and work tasks are periodically reviewed. Approval has to be obtained from the Board prior to any significant transactions entered into by the abovementioned officers.

### B. 董事會權力的轉授

董事會對本公司所有重大事項保留決策權，包括批准及監察所有政策事宜、整體策略及預算、內部監控及風險管理系統、重大交易(尤其是可能涉及利益衝突之交易)、財務資料、董事的委任，以及其他重大財務及營運事項。

全體董事可隨時獲取所有相關資料及公司秘書提供的意見及服務，以確保遵守董事會程序及所有適當規則及規例。一般而言，各董事均可於適當情況下向董事會要求尋求獨立專業意見，費用由本公司支付。

本公司的日常管理、行政及運作均授權予行政總裁及高級管理層負責，並會定期對其效能及工作進行檢討。上述人員於進行任何重大交易前，須先獲得董事會批准。

# Corporate Governance Report

## 企業管治報告

The Board has established three committees, namely the Nomination Committee, Remuneration Committee and Audit Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with defined written terms of reference which are posted on the Company's website and are available to shareholders upon request.

The Board also has the full support of the Chief Executive Officer and the senior management for the discharge of its responsibilities.

### C. REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

The Company has established a formal and transparent procedure for formulating policies on remuneration of senior management of the Group. Details of the remuneration of each of the directors of the Company for the year ended 31 December 2009 are set out in note 9 to the financial statements.

#### Remuneration Committee

The Remuneration Committee comprises four members, the majority of them are independent non-executive directors.

The primary objectives of the Remuneration Committee include making recommendations on and approving the remuneration policy and structure and remuneration packages of the executive directors and the senior management. The Remuneration Committee is also responsible for establishing transparent procedures for developing such remuneration policy and structure to ensure that no director or any of his associates will participate in deciding his own remuneration, which remuneration will be determined by reference to the performance of the individual and the Company as well as market practice and conditions.

董事會已設立三個委員會，分別為提名委員會、薪酬委員會及審核委員會，以監察本公司各範疇的整體事務。所有本公司董事委員會的成立均有書面界定其職權範圍，有關資料可於本公司網站參閱及在股東查詢時獲取。

董事會亦全面支持行政總裁及高層管理人員履行其職責。

### C. 董事及高級管理層的薪酬

本公司已就制定本集團高層管理人員薪酬的政策而設立正式及具透明度的程序。有關本公司各董事於截至二零零九年十二月三十一日止年度的薪酬詳情，載於財務報表附註9。

#### 薪酬委員會

薪酬委員會包括四名成員，成員大多數為獨立非執行董事。

薪酬委員會的主要功能包括建議及批准有關執行董事及高級管理人員的薪酬政策及架構及薪酬組合。薪酬委員會亦負責成立制定該薪酬政策及架構的具透明度程序，以確保並無董事或其任何聯繫人士參與決定其本身的薪酬，其薪酬將參照個人及本公司的表現，以及市場慣例及情況而釐定。

# Corporate Governance Report

## 企業管治報告

The Human Resources Department is responsible for collection and administration of the human resources data and making recommendations to the Remuneration Committee for consideration. The Remuneration Committee shall consult with the Chairman and/or the Chief Executive Officer of the Company about these recommendations on remuneration policy and structure and remuneration packages.

The Remuneration Committee has reviewed the remuneration policy and structure of the Company, and the remuneration packages of the executive directors and the senior management for the year under review.

The Remuneration Committee has not held any meeting during the year ended 31 December 2009.

### D. ACCOUNTABILITY AND AUDIT

#### Directors' Responsibilities for Financial Reporting in respect of Financial Statements

The directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 December 2009.

The directors are responsible for overseeing the preparation of financial statements of the Company with a view to ensuring that such financial statements give a true and fair view of the state of affairs of the Group and that relevant statutory and regulatory requirements and applicable accounting standards are complied with.

The Management provides such explanation and information to the Board so as to enable the Board to make an informed assessment of the financial information and position of the Company put to the Board for approval.

人力資源部門負責收集及管理人力資源數據並提供建議給薪酬委員會考慮。薪酬委員會應就薪酬政策及架構及薪酬組合的建議向本公司主席及／或行政總裁作出諮詢。

薪酬委員會已檢討本公司的薪酬政策及架構，以及執行董事及高層管理人員於正在回顧的年度內的薪酬組合。

薪酬委員會於截至二零零九年十二月三十一日止年度並未舉行任何會議。

### D. 問責及審核

#### 董事就財務報表的財務匯報責任

董事承認其於編製本公司截至二零零九年十二月三十一日止年度的財務報表具有責任。

董事負責監督本公司財務報表的編製，藉以確保有關財務報表真實及公平地呈列本集團的事務狀況並遵守有關法定及監管規定以及適用會計準則。

管理層向董事會提供說明及資料，以便董事會對提呈其批准的財務資料及本公司狀況作出知情評核。



# Corporate Governance Report

## 企業管治報告

### E. INTERNAL CONTROLS

The Board has overall responsibility for the internal control system of the Company and for reviewing its effectiveness. The Board is also responsible for maintaining an adequate internal control system to safeguard the interests of the shareholders and the assets of the Company.

The internal control system of the Group aims to facilitate effective and efficient operations, to ensure reliability of financial reporting and compliance with applicable laws and regulations, to identify and manage potential risks and to safeguard assets of the Group. The senior management shall review and evaluate the control process, monitors any risk factors on a regular basis and report to the Audit Committee on any findings and measures to address the variances and identified risks.

The Board has conducted a review of the effectiveness of the internal control system of the Group for the year ended 31 December 2009. Such review covered the financial, operational, compliance and risk management aspects of the Group including the adequacy of resources, qualifications and experience of staff of the Group's accounting and financial reporting function, and their training programmes and budget.

### F. AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive directors (including one independent non-executive director who possesses the appropriate professional qualifications or accounting or related financial management expertise). None of the members of the Audit Committee is a former partner of the Company's existing external auditor.

The main duties of the Audit Committee include:

- to review the financial statements and reports and consider any significant or unusual items raised by the staff responsible for the accounting and financial reporting function, internal auditor or external auditor before submission to the Board;

### E. 內部監控

董事會對本公司的內部監控系統及其效能檢討須全面負責。董事會亦須負責維持充足的內部監控系統以保障股東的權益及本公司的資產。

本集團的內部監控系統旨在促進有效及有效率的運作，以確保財務報告的可靠程度及遵守適用法例及規則、識別及管理潛在風險以及保障本集團的資產。高級管理層須定期檢討及評估監控程序，並監察任何風險因素，以及就任何轉變及已識別風險的調查結果及措施向審核委員會報告。

於截至二零零九年十二月三十一日止年度，董事會已對本集團的內部監控系統的效能進行檢討。該檢討涵蓋本集團的財務監控、運作監控、合規監控及風險管理功能方面，包括本集團會計及財務匯報職能方面的資源、員工資歷及經驗的充足性，以及彼等的培訓計劃及預算。

### F. 審核委員會

審核委員會成員由三位獨立非執行董事組成，其中包括一位具備合適專業資格或會計或相關財務管理專業知識的獨立非執行董事。概無審核委員會成員為本公司現任外聘核數師的前合夥人。

審核委員會主要職責包括以下各項：

- 於呈交董事會前，審閱財務報表及報告，並考慮由負責會計及財務匯報部門的員工、內部核數師或外聘核數師提出的任何重大或非經常項目；

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- to review the relationship with the external auditor by reference to the work performed by the auditor, their fees and terms of engagement, and make recommendations to the Board on the appointment, re-appointment and removal of external auditor;
- to review the adequacy and effectiveness of the Company's financial reporting system, internal control system and risk management system and associated procedures.
- 經參考核數師進行的工作、其費用及委聘條款後，檢討與外聘核數師的關係，並就委任、續聘及罷免外聘核數師向董事會提出建議；
- 檢討本公司的財務報告系統、內部監控系統及風險管理系統與相關程序是否足夠及有效。

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

審核委員會監督本集團的內部監控系統，並就任何重大事宜向董事會報告及提供建議。

During the year under review, the Audit Committee has reviewed the Group's annual results and annual report for the year ended 31 December 2008 and the interim results for the six months ended 30 June 2009, the financial reporting and compliance procedures, the report from the management on the Company's internal control and risk management review and processes and the re-appointment of the external auditor.

於正在回顧的年度內，審核委員會已審閱本集團截至二零零八年十二月三十一日止年度之全年業績及年度報告及截至二零零九年六月三十日止六個月的中期業績、財務匯報及合規程序、管理層就本公司內部監控及風險管理檢討及程序以及續聘外聘核數師的報告。

The external auditor was invited to attend the meetings to discuss with the Audit Committee on issues arising from the audit and financial reporting matters.

外聘核數師獲邀出席會議，與審核委員會討論審核及財務申報事宜所產生事項。

The Audit Committee held two meetings during the year ended 31 December 2009 and the attendance records are set out below:

於截至二零零九年十二月三十一日止年度，審核委員會舉行兩次會議，出席率的記錄如下：

Name of Director 董事姓名		Attendance/ Number of Meetings 出席次數／會議次數
Lai Wing Lee	賴永利	1/2
Leung Shu Sun, Sunny	梁樹新	2/2
Wang Guozhen	王國珍	2/2

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### G. EXTERNAL AUDITOR AND AUDITOR'S REMUNERATION

The statement of the external auditor of the Company about their reporting responsibilities on the financial statements is set out in the "Independent Auditor's Report" on pages 52 to 54.

The remuneration paid to the external auditor of the Company in respect of audit services and non-audit services for the year ended 31 December 2009 amounted to HK\$930,000 and HK\$440,000 respectively. An analysis of the remuneration paid to the external auditor of the Company is set out below:

#### Category of Services 服務種類

Category of Services 服務種類		Fees Paid/Payable 已付／應付費用
Audit Service	審核服務	HK\$930,000
Non-audit Service	非審核服務	
– review of accounts for the period ended 30 June 2009	– 審閱截至二零零九年六月三十日止期間之賬目	HK\$400,000
– review results announcement	– 審閱業績公告	HK\$40,000
Total	合計	<u>HK\$1,370,000</u>

### H. COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company believes that effective communication with shareholders is essential for enhancing investor relations and investor's understanding of the Group's business performance and strategies. The Company also recognises the importance of transparency and timely disclosure of corporate information which enables shareholders and investors to make the best investment decisions.

### G. 外聘核數師及核數師酬金

本公司外聘核數師就其於財務報表之申報職責而作出的聲明載於第52頁至第54頁之「獨立核數師報告」內。

截至二零零九年十二月三十一日止年度，就審核服務及非審核服務支付予本公司外聘核數師的酬金分別為930,000港元及440,000港元。支付予本公司外聘核數師的酬金分析如下：

### H. 與股東溝通及投資者關係

本公司相信，與股東有效溝通對改善投資者關係及投資者了解本集團的業務表現及策略非常重要。本公司亦深明高透明度及適時披露公司資料的重要性，以讓股東及投資者作出最佳投資決定。

## Corporate Governance Report 企業管治報告

General meetings of the Company provide a forum for communication between the Board and the shareholders. The Chairman of the Board as well as chairmen of the Nomination Committee, Remuneration Committee and Audit Committee or, in their absence, other members of the respective committees and, where applicable, the independent Board committee, normally attend the AGM and other relevant shareholders' meetings to answer questions at shareholders' meetings.

The 2010 AGM will be held on 3 June 2010. The notice of AGM will be sent to shareholders with more than 20 clear business days before the AGM.

Code provision E.1.2 stipulates that the Chairman should attend the annual general meeting. Mr. Jiang Quanlong, Chairman of the Board, was unable to attend the 2009 AGM due to a business trip and Mr. Jiang Lei, an executive director, has been delegated to attend and answer questions on his behalf at the AGM. He will use his best endeavours to attend all future shareholders' meetings of the Company.

To promote effective communication, the Company maintains a website at [www.paep.com.cn](http://www.paep.com.cn), where up-to-date information and updates on the Company's business operations and developments, financial information, corporate governance practices and other information are available for public access. Investors may write directly to the Company at its principal place of business in Hong Kong or via email to [info@paep.com.cn](mailto:info@paep.com.cn) for any enquiries.

本公司股東大會為董事會及股東提供溝通機會。董事會主席及提名委員會、薪酬委員與審核委員會主席，或如彼等缺席，則各委員會其他成員及（如適用）獨立董事委員會，一般會出席股東周年大會及其他相關股東大會並於股東大會上回答提問。

二零一零年股東周年大會將於二零一零年六月三日舉行。股東周年大會通告將於股東周年大會舉行前足20個營業日以上寄發予股東。

守則條文第E.1.2條規定，主席應出席股東周年大會。董事會主席蔣泉龍先生因出差未能出席二零零九年股東周年大會，惟已授權執行董事蔣磊先生代其出席股東周年大會並解答提問。蔣泉龍先生將會盡力出席本公司所有日後股東大會。

為促進有效溝通，本公司設有網站 [www.paep.com.cn](http://www.paep.com.cn)，該網站載有本公司最新資訊及最新業務營運及發展、財務資料、企業管治常規及其他資料，以供公眾查閱。投資人士如有任何查詢，可直接致函本公司之香港主要營業地點或電郵至 [info@paep.com.cn](mailto:info@paep.com.cn)。



# Corporate Governance Report

## 企業管治報告

### I. SHAREHOLDERS' RIGHTS

As one of the measure to safeguard the shareholders' interests and rights, separate resolutions are proposed at shareholders' meetings on each substantial issue, including the election of individual directors, for shareholders' consideration and voting.

All resolutions put forward at shareholders' meetings will be voted on by poll pursuant to the Listing Rules and the poll results will be posted on the websites of the Company and of the Stock Exchange after each shareholders' meeting. Detailed procedures for conducting a poll will be explained during the proceedings of meetings.

### J. GOING CONCERN

There are no material uncertainties relating to events or conditions that cast significant doubt upon the Company's ability to continue as a going concern.

### I. 股東權利

作為保障股東利益及權利的措施之一，會於股東大會上就各重大事宜（包括選舉個別董事）提呈單獨決議案以供股東考慮及表決。

根據上市規則，所有於股東大會上提呈之決議案將會以投票方式表決，而投票表決結果將於每次股東大會後在本公司網站及聯交所網站上公佈。有關進行投票的詳盡程序將在會議程序中說明。

### J. 持續進行

並無重大不確定事件或條件令致嚴重懷疑本公司按持續進行基準繼續營運之能力。

# Directors and Senior Management

## 董事及高級管理層

### BOARD OF DIRECTORS

#### Executive Directors

**蔣泉龍先生** (Mr. Jiang Quanlong), aged 57, is the Chairman of the Board and an Executive Director of the Company. He was appointed as Director of the Company in August 2006. He is also a member of the Nomination Committee and the Remuneration Committee. He has over 10 years of experience in China's Environmental Protection ("EP") industry. He is responsible for formulating strategies guiding the Group's overall development and strengthening the competitive position of the Group in the PRC's EP market. In addition, he is the chairman and executive director of China Rare Earth Holdings Limited, the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited. Mr. Jiang is the father of Mr. Jiang Lei and also the sole director of Praise Fortune Limited, the substantial shareholder of the Company.

**范亞軍先生** (Mr. Fan Yajun), aged 42, is the Chief Executive Officer of the Group and an Executive Director of the Company. He was appointed Director of the Company in March 2007. He has nearly 20 years of experience in business management. He joined the Group in July 2002 and has been responsible for the overall administration and business management. He completed a Master of Business Administration course at Southeast University in July 2004. For the period between August 1999 and August 2005, he was an executive director of China Rare Earth Holdings Limited, the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

**甘毅先生** (Mr. Gan Yi), aged 54, is an Executive Director of the Company. He was appointed Director of the Company in March 2007. He has over 20 years of experience in environmental protection engineering design. He was appointed as an officer of Shanghai Environmental Engineering Design & Research Institute Limited (上海環境工程設計研究院有限公司) ("SEEDRI") in 1995 and has served as a director of SEEDRI since 2002. He was also the chairman and general manager of SEEDRI from 2003 until April 2006, and was appointed the vice general manager of SEEDRI in April 2006. He is responsible for the daily operation and market development of SEEDRI. He completed a security engineering course at Tongji University in December 1988.

### 董事會

#### 執行董事

**蔣泉龍先生**，57歲，為本公司之董事會主席及執行董事。他於二零零六年八月獲委任為本公司之董事。他同時為提名委員會及薪酬委員會之委員。他在中國環境保護（「環保」）業擁有逾十年經驗。他負責制訂策略以指引本集團之整體發展及增強本集團於中國環保市場之競爭地位。此外，他同時為中國稀土控股有限公司（其股份於香港聯合交易所有限公司主板上市）之主席兼執行董事。蔣先生為蔣磊先生之父親，他同時為本公司主要股東Praise Fortune Limited之唯一董事。

**范亞軍先生**，42歲，為本集團之行政總裁及本公司之執行董事。他於二零零七年三月獲委任為本公司之董事。他擁有近20年之企業管理經驗。他於二零零二年七月加入本集團，負責本集團之整體行政及業務管理。他於二零零四年七月完成東南大學（Southeast University）工商管理碩士課程。他於一九九九年八月至二零零五年八月期間為中國稀土控股有限公司（其股份於香港聯合交易所有限公司主板上市）之執行董事。

**甘毅先生**，54歲，為本公司之執行董事。他於二零零七年三月獲委任為本公司之董事。他在環保工程設計方面擁有逾20年經驗。他於一九九五年獲委任為上海環境工程設計研究院有限公司（「環境工程研究院」）之主管，並自二零零二年起出任環境工程研究院之董事。他亦自二零零三年至二零零六年四月期間，擔任環境工程研究院之董事長及總經理，並於二零零六年四月獲委任為環境工程研究院之副總經理。他負責環境工程研究院之日常營運及市場開發。他於一九八八年十二月完成同濟大學安全工程課程。

## Directors and Senior Management 董事及高級管理層

**蔣磊先生** (Mr. Jiang Lei), aged 27, is an Executive Director of the Company. He was appointed Director of the Company in March 2007. He joined the Group in March 2007 and is responsible for the business development of the Group. He holds a bachelor's degree in Finance from Cass Business School, London, the United Kingdom. Mr. Jiang is the son of Mr. Jiang Quanlong.

### Independent Non-Executive Directors

**賴永利先生** (Mr. Lai Wing Lee), aged 70, has been appointed as an Independent Non-Executive Director of the Company since December 2007. He is the Chairman of the Nomination Committee and the Remuneration Committee and also a member of the Audit Committee. He has been the managing director of Shenzhen Beishen Environmental Packaging Development Co., Limited (深圳市北深環保包裝發展有限公司), which is mainly engaged in the sales and manufacture of environmental protection packaging products, since August 2005. He graduated from the South China Institute of Technology (now known as South China University of Technology) in 1965. He has over 30 years of experience in enterprise management.

**梁樹新先生** (Mr. Leung Shu Sun, Sunny), aged 47, has been appointed as an Independent Non-Executive Director of the Company since December 2007. He is the Chairman of the Audit Committee and a member of the Nomination Committee and the Remuneration Committee. He has over 15 years' working experience in, among other things, accounting, treasury management, budgeting and corporate finance. He graduated from Hong Kong Polytechnic University with a professional diploma in Accountancy and obtained a master's degree in business administration from the University of South Australia. He is a fellow member of the Association of Chartered Certified Accountants, an associate member of the Hong Kong Institute of Certified Public Accountants and a member of Certified General Accountants' Association of Canada. From 2005 to 2007, he served as the financial controller, qualified accountant and company secretary of Xiwang Sugar Holdings Company Limited, the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited. From 2001 to date, he was a director of a company providing accounting, tax and corporate finance services. From 1999 to 2001, he held key finance position in a listed company in Hong Kong. From 1998 to 1999, he was a finance director

**蔣磊先生**，27歲，為本公司之執行董事。他於二零零七年三月獲委任為本公司之董事。他於二零零七年三月加入本集團，負責本集團之業務發展。他持有英國倫敦Cass商學院金融學士學位。蔣先生為蔣泉龍先生之子。

### 獨立非執行董事

**賴永利先生**，70歲，自二零零七年十二月起獲委任為本公司之獨立非執行董事。他為提名委員會及薪酬委員會之主席，並同時為審計委員會之委員。他自二零零五年八月起出任深圳市北深環保包裝發展有限公司之董事總經理，該公司主要從事環保包裝產品之銷售及生產。他於一九六五年畢業於華南理工學院(現稱為華南理工大學)。他於企業管理方面擁有逾30年經驗。

**梁樹新先生**，47歲，自二零零七年十二月起獲委任為本公司之獨立非執行董事。他為審計委員會之主席，並為提名委員會及薪酬委員會之委員。他在會計、財資管理、預算及企業融資方面，還有其他方面，擁有逾15年工作經驗。他以會計專業文憑畢業於香港理工大學，並在澳洲國立南澳洲大學獲得工商管理碩士學位。他為英國特許公認會計師公會資深會員、香港會計師公會會員及加拿大註冊會計師協會會員。他於二零零五年至二零零七年期間擔任西王糖業控股有限公司(其股份於香港聯合交易所有限公司主板上市)之財務總監、合資格會計師及公司秘書。他自二零零一年至今，於一家提供會計、稅務及企業融資服務之公司擔任董事。他自一九九九年至二零零一年期間，於一家香港上市公司擔任主要財務職位。他自一九九八年至一九九九年期間，於一家主要從事提供網絡基建解決方案業務之公司擔任財務董事。他自一九九三年至

## Directors and Senior Management 董事及高級管理層

of a company principally engaged in the provision of network infrastructure solutions. From 1993 to 1998, he was the financial controller of a company principally engaged in property investment, trading and securities. From 1987 to 1990, he had worked in international accounting firms, handling audit, tax and accounting matters.

**王國珍教授** (Professor Wang Guozhen), aged 74, has been appointed as an Independent Non-Executive Director of the Company since December 2007. He is a member of the Audit Committee, Nomination Committee and Remuneration Committee. He was from 1994 to 2005, a member of the Rare Earth Expert Group of China State Planning and Development Commission, and the team leader of the Industry Division. He graduated from the Department of Chemical Engineering of Tianjin University with a major in physical chemistry of metals (金屬物理化學). He is a member of the expert group and an adviser of the Environment Protection Specialist Commission. He has been an independent director of the State-owned Gansu Rare Earth Group Co., Ltd. since 2005.

### SENIOR MANAGEMENT

**溫新輝先生** (Mr. Wan San Fai, Vincent), aged 36, is the chief financial officer and company secretary of the Company. He joined the Group in March 2007 and is responsible for the corporate finance function of the Group, and oversees matter related to financial administration, and the compliance and reporting obligations of the Group. Mr. Wan has 10 years' experience in auditing, accounting and financial management. Prior to joining the Group, Mr. Wan has worked for a company listed on the Singapore Stock Exchange as its financial controller from 2005 to 2007. Mr. Wan is a member of the Hong Kong Institute of Certified Public Accountants. Mr. Wan holds a Bachelor of Arts degree in Accountancy from the Hong Kong Polytechnic University.

**傅堃先生** (Mr. Fu Kun), aged 43, has over 18 years of experience in project management of engineering design. He served as a vice general manager of SEEDRI since April 2006. Before joining the Group, he was the vice general manager of Shanghai Gongcheng. He is responsible for project management of environmental protection engineering design. He holds a Master of Business Administration degree from Asia International Open University, Macau.

一九九八年期間，為一家主要從事物業投資、貿易及證券之公司之財務總監。他自一九八七年至一九九零年期間，曾於國際會計師行工作，負責處理審計、稅務及會計事宜。

**王國珍教授**，74歲，自二零零七年十二月起獲委任為本公司之獨立非執行董事。他為審計委員會、提名委員會及薪酬委員會之委員。他於一九九四年至二零零五年期間為中國國家計劃和發展委員會稀土專家組之成員，並擔任產業組組長。他畢業於天津大學化學工程系，主修金屬物理化學。他為環保專業委員會專家組之成員及顧問。他自二零零五年起出任國有企業甘肅稀土新材料股份有限公司之獨立董事。

### 高級管理層

**溫新輝先生**，36歲，本公司之財務總監兼公司秘書。彼於二零零七年三月加入本集團，負責本集團之企業融資部門、監督財務管理相關事宜及負責本集團之合規事宜及履行呈報責任。溫先生在審核、會計及財務管理方面擁有十年經驗。於加入本集團前，溫先生於二零零五年至二零零七年在一家於新加坡證券交易所上市之公司任財務總監。溫先生現為香港會計師公會之會員。溫先生持有香港理工大學會計學文學士學位。

**傅堃先生**，43歲，彼在工程設計項目管理方面擁有逾18年經驗。彼自二零零六年四月起任環境工程研究院副總經理。加入本集團之前，彼任上海工程副總經理。彼負責環保工程設計之項目管理。彼持有亞洲（澳門）國際公開大學工商管理碩士學位。



## Directors and Senior Management 董事及高級管理層

**陳良平先生** (Mr. Chen Liangping), aged 61, is the vice general manager of Wuxi Pan-Asia. He has over 20 years of experience in equipment manufacturing and production management. He joined the Group in 2006 and is responsible for the management of the daily production of the Group. Before joining the Group, he was a vice general manager of 宜興新威利成耐火材料有限公司 (Yixing Xinwei Leeshing Refractory Materials Company Limited), a subsidiary under China Rare Earth Holdings Limited, the shares of which are listed on the Main Board of the Stock Exchange.

**萬泉明先生** (Mr. Wan Quanming), aged 60, is the vice general manager of Wuxi Pan-Asia. He joined the Group in 2004 and is responsible for the daily management of the Group's human resource and administration. Before joining the Group, he was the deputy director of Yi Xing Municipal Public Security Bureau. He has over 20 years of experience in administration management.

**趙建新先生** (Mr. Zhao Jianxin), aged 43, is the head of the internal audit department of the Group. He has over 15 years of experience in financial management. He joined the Group in 2002 and is responsible for the internal audit of the Group's enterprises in the PRC. He completed secondary education in 1986.

**徐逸雲女士** (Ms. Xu Yiyun), aged 32, is the head of the finance department of Wuxi Pan-Asia. Ms. Xu has about 7 years of experience in financial management and corporate accounting in the PRC. She joined the Group in October 2000. Ms. Xu graduated from Suzhou University, majoring in accountancy.

**張偉先生** (Mr. Zhang Wei), aged 34, is the manager of the administration and human resource department of Wuxi Pan-Asia. He joined the Group in 2002 and is responsible for the daily management of the Group's human resource, administration and logistics services. Before joining the Group, he worked as secretary in 宜興新威集團有限公司 (Yixing Xinwei Group Company Limited). He graduated from Soochow University majoring in foreign oriented secretary.

**陳良平先生**，61歲，無錫泛亞副總經理。彼在設備製造及生產管理方面擁有逾20年經驗。彼於二零零六年加入本集團，負責本集團日常生產管理。於加入本集團前，彼為中國稀土控股有限公司（其股份於聯交所主板上市）附屬公司宜興新威利成耐火材料有限公司副總經理。

**萬泉明先生**，60歲，無錫泛亞副總經理。彼於二零零四年加入本集團，負責本集團人事及行政之日常管理。於加入本集團前，彼為宜興市公安局副局長。彼在行政管理方面擁有之逾20年之豐富經驗。

**趙建新先生**，43歲，本集團內部審計部部長。彼在財務管理方面擁有逾15年經驗。彼於二零零二年加入本集團，負責本集團中國企業之內部審核。彼於一九八六年完成中學教育。

**徐逸雲女士**，32歲，無錫泛亞財務部部長。徐女士於中國財務管理及企業會計方面擁有約七年經驗。彼於二零零零年十月加入本集團。徐女士畢業於蘇州大學會計專業。

**張偉先生**，34歲，無錫泛亞行政及人力資源部經理。彼於二零零二年加入本集團，負責本集團人事、行政及後勤服務之日常管理。於加入本集團前，彼在宜興新威集團有限公司任秘書。彼畢業於蘇州大學涉外文秘專業。

## Directors and Senior Management 董事及高級管理層

**唐偉慶先生** (Mr. Tang Weiqing), aged 46, the vice general manager of SEEDRI. He has over 20 years of experience in environmental protection engineering design. He joined SEEDRI in 2003 and is responsible for the overall project engineering design of SEEDRI. He graduated from Shanghai University of Technology with a major in analytical chemistry.

**李峻山先生** (Mr. Li Junshan), aged 53, is the vice general manager of SEEDRI. He has over 22 years of experience in environmental air conditioning and atmosphere treatment. He joined SEEDRI in 2001 and is responsible for engineering design of SEEDRI. He graduated from Shanghai Television University majoring in electronics.

**唐偉慶先生**，46歲，環境工程研究院副總經理。彼於環保工程設計領域有逾20年經驗。彼於二零零三年加入環境工程研究院，負責環境工程研究院之整體項目工程設計。彼畢業於上海工業大學分析化學專業。

**李峻山先生**，53歲，環境工程研究院副總經理。彼於環境空調及大氣處理擁有逾22年經驗。彼於二零零一年加入環境工程研究院，負責環境工程研究院之工程設計。彼畢業於上海電視大學電子專業。

## Report of the Directors 董事會報告

The board of directors (the “Board” or the “Directors”) submit their annual report together with the audited financial statements of Pan Asia Environmental Protection Group Limited (the “Company”) and its subsidiaries (collectively referred as the “Group”) for the year ended 31 December 2009.

### PRINCIPAL PLACE OF BUSINESS

The Company is incorporated in the Cayman Islands and has its principal place of business in the PRC at No. 1 Chuanshan Road, Dingshu Town, Yixing City, Jiangsu Province, PRC 214222 and its principal place of business in Hong Kong at Suite 6302, The Center, 99 Queen’s Road Central, Hong Kong.

### PRINCIPAL ACTIVITIES

The Group is principally engaged in the sale of pipes, water treatment and flue gas treatment products and equipment, as well as undertaking of environmental protection (“EP”) construction engineering projects and provision of EP related professional services.

### MAJOR CUSTOMERS AND SUPPLIERS

The information in respect of the major customers and suppliers of the Group during the financial year is as follows:

The largest customer	最大客戶
Five largest customers in aggregate	五大客戶總計
The largest supplier	最大供應商
Five largest suppliers in aggregate	五大供應商總計

None of the Directors, their associates (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”)) or any shareholders of the Company (which to the knowledge of the directors owned more than 5% of the Company’s share capital) had a beneficial interest in the Group’s five largest customers and suppliers.

董事會(「董事會」或「董事」)提呈彼等之年報，連同泛亞環保集團有限公司(「本公司」)及其附屬公司(統稱「本集團」)之截至二零零九年十二月三十一日止年度之經審核財務報表。

### 主要營業地點

本公司乃一家於開曼群島註冊成立之公司，其位於中國之主要營業地點為中國江蘇省宜興市丁蜀鎮川善公路1號(郵政編號：214222)，其於香港之主要營業地點為香港皇后大道中99號中環中心6302室。

### 主要業務

本集團主要從事銷售管道、水處理及煙氣處理產品及設備，以及承接環保(「環保」)建設工程項目及提供環保相關專業服務。

### 主要客戶及供應商

於財政年度內有關本集團主要客戶及供應商之資料如下：

	Percentage of the Group’s total 佔本集團總額之百分比	
Turnover 營業額	Purchases 採購額	
The largest customer	15.7%	—
Five largest customers in aggregate	36.8%	—
The largest supplier	—	34.4%
Five largest suppliers in aggregate	—	66.5%

概無董事、彼等之聯繫人士(定義見香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」))或本公司任何股東(據董事所知擁有本公司股本5%以上)於本集團五大客戶及供應商擁有實益權益。

# Report of the Directors

## 董事會報告

### FINANCIAL STATEMENTS

The profit of the Group for the financial year ended 31 December 2009 and the state of the Company's and the Group's affairs as at that date are set out in the financial statements on pages 55 to 59.

### FINAL DIVIDEND

The Board recommended the payment of a final dividend of 4 HK cents per share for the year ended 31 December 2009. Subject to the approval of shareholders at the forthcoming annual general meeting of the Company, the final dividend will be paid on or before 15 June 2010 to registered shareholders as at 3 June 2010.

### DISTRIBUTABLE RESERVES

Profits attributable to owners of the Company, before dividends, of RMB88,070,000 (2008: RMB77,766,000) have been transferred to reserves. Other movements in reserves are set out in note 29 to the financial statements.

As at 31 December 2009, the distributable reserve of the Company amounted to approximately RMB792,883,000 (2008: RMB749,660,000).

### PROPERTY, PLANT AND EQUIPMENT

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

### SHARE CAPITAL

Details of the movements in share capital of the Company during the financial year are set out in note 28 to the financial statements.

### BORROWINGS

Details of the borrowings are set out in note 25 to the consolidated financial statements of the Group.

### 財務報表

本集團於截至二零零九年十二月三十一日止財政年度之溢利及本公司及本集團於該日之狀況載於財務報表第55至第59頁。

### 末期股息

董事會建議派發截至二零零九年十二月三十一日止年度之末期股息每股4港仙。待於二零一零年六月三日舉行之本公司應屆股東周年大會上獲股東批准後，末期股息將於二零一零年六月十五日或之前支付予於二零一零年六月三日之登記股東。

### 可分發儲備

本公司擁有人應佔溢利(未計股息)為人民幣88,070,000元(二零零八年:人民幣77,766,000元)已轉撥至儲備。儲備之其他變動載於財務報表附註29。

於二零零九年十二月三十一日,本公司可分發儲備大約為人民幣792,883,000元(二零零八年:人民幣749,660,000元)。

### 物業、廠房及設備

有關物業、廠房及設備之變動詳情載於財務報表附註15。

### 股本

本公司股本於財政年度內之變動詳情載於財務報表附註28。

### 借貸

借貸詳情載於本集團之綜合財務報表附註25。

# Report of the Directors

## 董事會報告

### DIRECTORS

The Directors during the financial year were:

#### Executive Directors

Mr. Jiang Quanlong (*Chairman*)  
Mr. Fan Yajun (*Chief Executive Officer*)  
Mr. Gan Yi  
Mr. Jiang Lei  
Mr. Fang Guohong (resigned on 25 March 2009)

#### Independent Non-Executive Directors

Mr. Lai Wing Lee  
Mr. Leung Shu Sun, Sunny  
Professor Wang Guozhen

Mr. Jiang Quanlong, Mr. Fan Yajun and Mr. Gan Yi retire from the office as executive directors at the forthcoming annual general meeting in accordance with article 108(A) of the articles of association and all retiring directors, being eligible, offer themselves for re-election.

### CONFIRMATION OF INDEPENDENCE

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

### DIRECTORS' SERVICE CONTRACTS

No director proposed for re-election at the forthcoming annual general meeting has an unexpired service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than normal statutory obligations.

### 董事

於財政年度內之董事為：

#### 執行董事

蔣泉龍先生 (*主席*)  
范亞軍先生 (*行政總裁*)  
甘毅先生  
蔣磊先生  
方國洪先生 (於二零零九年三月二十五日辭任)

#### 獨立非執行董事

賴永利先生  
梁樹新先生  
王國珍教授

蔣泉龍先生、范亞軍先生及甘毅先生根據本公司組織章程細則第108(A)條於應屆股東周年大會上退任執行董事之職務，全部退任董事均合資格及願意重選連任。

### 確認獨立性

本公司已接獲各獨立非執行董事根據上市規則第3.13條作出之年度獨立性確認書，並認為全體獨立非執行董事均為獨立人士。

### 董事之服務合約

擬於應屆股東周年大會上重選連任之董事，概無訂有未到期之服務合約，是本公司或其任何附屬公司在一年內不可在不予賠償（一般法定賠償除外）的情況下終止。



# Report of the Directors

## 董事會報告

### DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save for the information disclosed in the section headed "Connected Transactions", no contracts of significance to which the Company, any of its holding companies, or any of their subsidiaries was a party, in which a director of the Company had a material interest, subsisted at the end of the year or at any time during the year.

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

As at 31 December 2009, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares or debentures of the Company and its associated corporations as recorded in the register maintained by the Company pursuant to section 352 of the Securities and Futures Ordinance ("SFO"), or as otherwise pursuant to the Model Code for Securities Transactions by Directors of Listed Companies were as follows:

#### Interests in shares and underlying shares of the Company

Name of Director 董事姓名	Nature of interest 權益性質	Number of shares held 持有股份數目 (Note 1) (附註1)	Equity derivatives (share option) 股本衍生工具 (認股權) (Notes 1 and 5) (附註1及5)	Percentage of issued share capital 佔已發行股本百分比
Jiang Quanlong 蔣泉龍	Corporate interest 法團權益	600,000,000 (L) (Notes 2 and 4) (附註2及4)		75.00%
	Beneficial interest 實益權益		400,000 (L)	0.05%
Jiang Lei 蔣磊	Corporate interest 法團權益	600,000,000 (L) (Notes 3 and 4) (附註3及4)		75.00%
	Beneficial interest 實益權益		400,000 (L)	0.05%

### 董事於重大合約中之權益

除於「關連交易」一節所披露之資料外，本公司、其任何控股公司或其任何附屬公司概無參與訂立本公司董事於其中擁有重大權益，且於年結時或年內任何時間仍然有效之重大合約。

### 董事於股份、相關股份及債券中之權益及淡倉

於二零零九年十二月三十一日，董事及最高行政人員於本公司及其相聯法團之股份、相關股份或債券中擁有根據證券及期貨條例(「證券及期貨條例」)第352條須予備存的登記冊所記錄者或依據上市公司董事進行證券交易的標準守則須知會本公司及聯交所之權益及淡倉如下：

#### 於本公司股份及相關股份之權益

## Report of the Directors 董事會報告

Name of Director 董事姓名	Nature of interest 權益性質	Number of shares held 持有股份數目 (Note 1) (附註1)	Equity derivatives (share option) 股本衍生工具 (認股權) (Notes 1 and 5) (附註1及5)	Percentage of issued share capital 佔已發行股本 百分比
Fan Yajun 范亞軍	Beneficial interest 實益權益		2,500,000 (L)	0.3125%
Gan Yi 甘毅	Beneficial interest 實益權益		1,000,000 (L)	0.125%
Lai Wing Lee 賴永利	Beneficial interest 實益權益		500,000 (L)	0.0625%
Leung Shu Sun, Sunny 梁樹新	Beneficial interest 實益權益		500,000 (L)	0.0625%
Wang Guozhen 王國珍	Beneficial interest 實益權益		500,000 (L)	0.0625%

Notes:

- The letter "L" denotes the Director's long position in the shares/underlying shares.
- These 600,000,000 shares are registered in the name of Praise Fortune Limited, Mr. Jiang Quanlong is the sole director of Praise Fortune Limited and he is deemed to be interested in all the shares in which Praise Fortune Limited is interested by virtue of the SFO.
- These 600,000,000 shares are registered in the name of and beneficially owned by Praise Fortune Limited, the entire issued share capital of which is beneficially owned as to approximately 49.9%, 49.9% and 0.2% by Mr. Jiang Lei, Mr. Jiang Xin and Ms. Qian Yuanying respectively. Under the SFO, Mr. Jiang Lei is deemed to be interested in the Shares held by Praise Fortune Limited.
- The total number of issued shares in Praise Fortune Limited as at 31 December 2009 is 601 shares of US\$1 each. These 601 shares are owned as to 300 shares by Mr. Jiang Lei (an executive Director), as to 300 shares by Mr. Jiang Xin and as to 1 share by Ms. Qian Yuanying. The sole director of Praise Fortune Limited is Mr. Jiang Quanlong, an executive Director and Ms. Qian Yuanying is the spouse of Mr. Jiang Quanlong.
- These interests represent the interests in underlying shares in respect of share options granted by the Company to these directors as beneficial owners, the details of which are set out in the Share Option Scheme section stated below.

附註：

- 「L」代表董事於股份或相關股份之好倉。
- 該等600,000,000股股份以Praise Fortune Limited之名義登記，蔣泉龍先生乃Praise Fortune Limited之唯一董事，彼根據證券及期貨條例被視為擁有Praise Fortune Limited所擁有全部股份之權益。
- 該等600,000,000股股份以Praise Fortune Limited之名義登記並由其實益擁有，其全部已發行股本分別由蔣磊先生、蔣鑫先生及錢元英女士擁有約49.9%、49.9%及0.2%。根據證券及期貨條例，蔣磊先生被視為擁有Praise Fortune Limited所持有之股份權益。
- Praise Fortune Limited於至二零零九年十二月三十一日之已發行股份總數為601股每股面值1美元之股份。該等601股股份乃由蔣磊先生(執行董事)擁有300股股份、由蔣鑫先生擁有300股股份及由錢元英女士擁有1股股份。Praise Fortune Limited之唯一董事為執行董事蔣泉龍先生，而錢元英女士為蔣泉龍先生之配偶。
- 該等權益指本公司向有關董事(作為實益持有人)授出認股權所涉及之相關股份權益，有關詳情載於下文購股權計劃。

# Report of the Directors

## 董事會報告

### SHARE OPTION SCHEME

The Company adopted a share option scheme (the “Share Option Scheme”) pursuant to a resolution of the sole shareholder of the Company passed on 1 December 2007. The Share Option Scheme complies with the requirements of the Listing Rules. On 14 May 2008, the Company granted 17,800,000 options under the Share Option Scheme to its directors and key employees at an exercise price of HK\$2.81. The closing market price per Share immediately before the date on which the share options were granted was HK\$2.80. The options can be exercised one year after the grant date and expiring on the tenth anniversary of the grant date. The total number of share options represents 2.2% of the Company’s outstanding share capital when fully exercised. They include the options granted to 4 executive directors, 3 independent non-executive directors and 11 employees of the Company for the number of shares set out below:

### 購股權計劃

本公司根據本公司唯一股東於二零零七年十二月一日通過之決議案採納一項購股權計劃(「購股權計劃」)。購股權計劃符合上市規則之規定。本公司於二零零八年五月十四日根據購股權計劃向其董事及主要僱員授出17,800,000份購股權，行使價為2.81港元。緊接於購股權授出日期之前的收市價每股為2.80港元。購股權可於授出日期後滿一年開始行使，於授出日期第十周年時屆滿。購股權獲悉數行使時，總數佔本公司已發行股本2.2%。該等購股權包括授予4名執行董事、3名獨立非執行董事及11名本公司僱員之購股權，涉及股份數目如下：

	Date of Grant 授出日期	Exercise Price 行使價 HK\$ 港元	Vesting Period 歸屬期	Exercisable Period 可行使期間	Number of Share Options 購股權數目			
					As at 1/1/2009 於 1/1/2009	Granted during the year 已授出	Exercised/ Cancelled/ Lapsed 已行使/ 已註銷/ 已失效	As at 31/12/2009 於 31/12/2009
Jiang Quanlong 蔣泉龍	14/5/2008	2.81	14/5/2008 to 13/5/2009	14/5/2009 to 13/5/2018	400,000	—	—	400,000
Fan Yajun 范亞軍	14/5/2008	2.81	14/5/2008 to 13/5/2009	14/5/2009 to 13/5/2018	2,500,000	—	—	2,500,000
Gan Yi 甘毅	14/5/2008	2.81	14/5/2008 to 13/5/2009	14/5/2009 to 13/5/2018	1,000,000	—	—	1,000,000
Jiang Lei 蔣磊	14/5/2008	2.81	14/5/2008 to 13/5/2009	14/5/2009 to 13/5/2018	400,000	—	—	400,000
Lai Wing Lee 賴永利	14/5/2008	2.81	14/5/2008 to 13/5/2009	14/5/2009 to 13/5/2018	500,000	—	—	500,000
Leung Shu Sun, Sunny 梁樹新	14/5/2008	2.81	14/5/2008 to 13/5/2009	14/5/2009 to 13/5/2018	500,000	—	—	500,000
Wang Guozhen 王國珍	14/5/2008	2.81	14/5/2008 to 13/5/2009	14/5/2009 to 13/5/2018	500,000	—	—	500,000
Continuous contract employees 持續合約僱員	14/5/2008	2.81	14/5/2008 to 13/5/2009	14/5/2009 to 13/5/2018	12,000,000	—	—	12,000,000
					17,800,000	—	—	17,800,000

## Report of the Directors 董事會報告

As at 31 December 2009, there are options relating to 17,800,000 shares granted by the Company pursuant to the Share Option Scheme which are valid and outstanding.

The Company has used the binomial option pricing model (the "Model") to value the share options granted pursuant to the Share Option Scheme for the year ended 31 December 2009, which is a common model used in assessing the fair value of an option. The value of an option varies with different variables of certain subjective assumptions. Any change in the variables so adopted may materially affect the estimation of the fair value of an option. As such, the fair values calculated are inherently subjective and uncertain due to the assumptions made and the limitations of the valuation model used.

The share options were granted to the Directors, senior management and other employees of the Company pursuant to the Share Option Scheme on 14 May 2008. The fair value of the share options as at the date of grant under the Model was HK\$15,681,000. For year ended 31 December 2009, a share option expense of RMB5,121,000 has been recognised with a corresponding adjustment made in the Group's share option reserve.

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

So far as is known to the directors and chief executive of the Company, as at 31 December 2009, the following persons (other than the Directors or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

於二零零九年十二月三十一日，本公司根據購股權計劃授出涉及17,800,000股股份之有效及尚未行使購股權。

本公司已使用二項式購股權定價模式(「模式」)，以評估於截至二零零九年十二月三十一日止年度已根據股份購股權計劃授出的購股權的價值。該模式是評估購股權公平值的其中一種常用模式。購股權的價值隨著若干主觀假設的不同變數而變化。作出評估時所使用的變數有任何變動，均可能對購股權公平值的估計有重大影響。由於作出假設及所使用的估價模式有所限制，故所計算的公平值難免有主觀成份及不能肯定。

本公司於二零零八年五月十四日向本公司董事、高級管理人員及其他僱員授出購股權。於上述授出日期根據模式計算的購股權的公平值為15,681,000港元。年內，經已確認的購股權開支為人民幣5,121,000元，並已對本集團的購股權儲備作出相應調整。

### **主要股東於本公司股份及相關股份 之權益及淡倉**

於二零零九年十二月三十一日，據本公司董事及最高行政人員所知，下列人士(本公司董事或最高行政人員除外)於本公司之股份或相關股份中擁有須根據證券及期貨條例第XV部第2及3分部之條文向本公司披露或須記錄於本公司根據證券及期貨條例第336條存置之登記冊內之權益或淡倉：

# Report of the Directors

## 董事會報告

### Long position in the shares and underlying shares of the Company

### 於本公司股份及相關股份之好倉

Name 名稱	Nature of interest 權益性質	Number of shares held 所持股份數目 (Note 1) (附註1)	Equity derivatives (share option) 股本衍生工具 (認股權) (Note 1) (附註1)	Approximate percentage of total number of issued shares 佔已發行股份總數 之概約百分比
Praise Fortune Limited (Note 2) Praise Fortune Limited (附註2)	Beneficial interest 實益權益	600,000,000 (L)		75.00%
Mr. Jiang Xin (Note 3) 蔣鑫先生 (附註3)	Interest of a controlled corporation 受控制公司權益	600,000,000 (L)		75.00%
Ms. Qian Yuanying (Note 4) 錢元英女士 (附註4)	Interest of spouse 配偶權益	600,000,000 (L)		75.00%
	Interest of spouse 配偶權益		400,000 (L)	0.05%
Ms. Li Jingru (Note 5) 李靜如女士 (附註5)	Interest of spouse 配偶權益	600,000,000 (L)		75.00%
Ms. Chai Yongping (Note 6) 柴永萍女士 (附註6)	Interest of spouse 配偶權益	600,000,000 (L)		75.00%
	Interest of spouse 配偶權益		400,000 (L)	0.05%

#### Notes:

- The Letter "L" denotes the person's long position in the Shares/underlying Shares.
- The total number of issued shares in Praise Fortune Limited as at 31 December 2009 is 601 shares of US\$1 each. These 601 shares are owned as to 300 shares by Mr. Jiang Lei (an executive Director), as to 300 shares by Mr. Jiang Xin and as to 1 share by Ms. Qian Yuanying. The sole director of Praise Fortune Limited is Mr. Jiang Quanlong, an executive Director.

#### 附註：

- 字母「L」指有關人士於股份／相關股份之好倉。
- Praise Fortune Limited於二零零九年十二月三十一日之已發行股份總數為601股每股面值1美元之股份。該601股股份乃由蔣磊先生(執行董事)擁有300股股份，由蔣鑫先生擁有300股股份及由錢元英女士擁有1股股份。Praise Fortune Limited之唯一董事為執行董事蔣泉龍先生。



## Report of the Directors 董事會報告

3. These Shares are registered in the name of and beneficially owned by Praise Fortune Limited, the entire issued share capital of which is beneficially owned as to approximately 49.9%, 49.9% and 0.2% by Mr. Jiang Lei, Mr. Jiang Xin and Ms. Qian Yuanying respectively. Under the SFO, Mr. Jiang Lei is deemed to be interested in the Shares held by Praise Fortune Limited.
3. 該等股份以 Praise Fortune Limited 之名義登記並由其實益擁有，其所有已發行股本由蔣磊先生、蔣鑫先生及錢元英女士分別擁有約 49.9%、49.9% 及 0.2%。根據證券及期貨條例，蔣磊先生被視為於 Praise Fortune Limited 所持有之股份中擁有權益。
4. Ms. Qian Yuanying is the spouse of Mr. Jiang Quanlong and is therefore deemed to be interested in all the Shares/underlying Shares in which Mr. Jiang Quanlong is interested/deemed to be interested.
4. 錢元英女士乃蔣泉龍先生之配偶，因此被視為於蔣泉龍先生擁有／被視為擁有之全部股份／相關股份中擁有權益。
5. Ms. Li Jingru is the spouse of Mr. Jiang Xin and is therefore deemed to be interested in all the Shares in which Mr. Jiang Xin is deemed to be interested.
5. 李靜如女士乃蔣鑫先生之配偶，因此被視為於蔣鑫先生被視為擁有之全部股份中擁有權益。
6. Ms. Chai Yongping is the spouse of Mr. Jiang Lei and is therefore deemed to be interested in all the Shares/underlying Shares in which Mr. Jiang Lei is interested/deemed to be interested.
6. 柴永萍女士乃蔣磊先生之配偶，因此被視為於蔣磊先生擁有／被視為擁有之全部股份／相關股份中擁有權益。

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed shares during the year ended 31 December 2009.

### SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this annual report, the Company has maintained the prescribed public float under the Listing Rules.

### DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in note 34 to the financial statements, no contract of significance to which the Company, or any of its holding company, subsidiaries or fellow subsidiaries was a party, and in which a director of the Company had a material interest, subsisted at the end of the financial year or at any time during the financial year.

### 購入、出售或贖回本公司之上市股份

截至二零零九年十二月三十一日止年度內，本公司或其任何附屬公司概無購入、出售或贖回本公司任何上市股份。

### 足夠之公眾持股量

截至本年報日期，根據本公司可公開取得之資料及據董事所知，本公司一直維持上市規則項下規定之公眾持股量。

### 董事於合約之權益

除財務報表附註 34 所披露外，本公司、其任何控股公司、附屬公司或同系附屬公司概無參與訂立本公司董事於其中擁有重大權益，且於財務年度年結或財政年度年內任何時間仍然有效之重大合約。

# Report of the Directors

## 董事會報告

### CONNECTED TRANSACTIONS

The following transaction has been carried out by the Group and its connected person (as defined in the Listing Rules) during the year:

#### 無錫新威高溫陶瓷有限公司 (Wuxi Xin Wei High Temperature Ceramics Co., Ltd.) (“High Temperature”) — rental of office space

High Temperature was at the relevant time indirectly wholly owned by China Rare Earth Holdings Limited, the shares of which are listed on the Main Board and the latter's issued share capital, as at the balance sheet date is attributable as to about 41.88% to Mr. Jiang Lei, an executive Director, and his family members. High Temperature is therefore a connected person of the Company for the purpose of the Listing Rules. High Temperature is principally engaged in the manufacture and sales of high temperature ceramics products. By a lease agreement (“Lease Agreement”) dated 30 April 2008 made between High Temperature as the lessee and Wuxi Pan-Asia Environmental Protection Technologies Limited (“Wuxi Pan-Asia”) as the lessor, Wuxi Pan-Asia leased the fifth block at number one of Chuanzhang Road, Yixing City, the PRC with gross floor area of 553.05 square metres, to High Temperature at an annual rent of approximately RMB53,092.8 (equivalent to approximately HK\$60,248.4). The premise is used as administrative office of High Temperature. The Lease Agreement has a term of five years, commencing from 1 May 2008 and expiring on 30 April 2013.

The transaction under the Lease Agreement falls within the de minimis threshold as stipulated under Rule 14A.33(3) of the Listing Rules. Accordingly, the transaction is not subject to any of the reporting, announcement and independent Shareholders' approval requirements applicable to continuing connected transactions under Chapter 14A of the Listing Rules.

### 關連交易

以下交易由本集團及其關連人士(定義見上市規則)於年內進行：

#### 無錫新威高溫陶瓷有限公司(「高溫」) — 租賃辦公室

高溫於相關期間內由中國稀土控股有限公司(其股份於主板上市，而執行董事蔣磊先生及其家族成員應佔中國稀土控股有限公司於結算日之已發行股本約41.88%股權)間接全資擁有。故就上市規則而言，高溫因此為本公司之關連人士。高溫主要從事生產及銷售高溫陶瓷產品。根據高溫(作為承租人)與無錫泛亞環保科技有限公司(「無錫泛亞」)(作為出租人)訂立之日期為二零零八年四月三十日之租賃協議(「租賃協議」)，無錫泛亞將位於中國宜興市川張公路1號第5座(總建築面積553.05平方米)以年租金約人民幣53,092.8元(相當於約60,248.4港元)出租予高溫，作為高溫之行政辦公室。租賃協議為期五年，由二零零八年五月一日起至二零一三年四月三十日止屆滿。

租賃協議下之交易並無超過上市規則第14A.33(3)條小額豁免規定之限額。因此，該交易毋須遵守上市規則第14A章關於持續關連交易之申報、公告及獨立股東批准規定。

# Report of the Directors

## 董事會報告

### COMPETING BUSINESS INTERESTS OF DIRECTORS

#### Non-Competition Undertaking

Under the restrictive covenants of a share purchase agreement dated 1 December 2007 executed among (i) YY Holdings as vendor, (ii) Praise Fortune Limited, Mr. Jiang Quanlong, Ms. Qian Yuanying, Mr. Jiang Lei and Mr. Jiang Xin as covenants, and (iii) the Company as the purchaser, each of Praise Fortune Limited, Ms. Qian Yuanying, Mr. Jiang Quanlong, Mr. Jiang Lei and Mr. Jiang Xin (collectively the "Covenantors") has undertaken that he/she/it will not and shall procure his/her/its Associates will not:

- (a) at any time disclose to any person, or himself/herself/itself use for any purpose, and shall use his/her/its best endeavours to prevent the publication or disclosure of, any information concerning the business, accounts or finances of any Group company, or any of its clients', suppliers' or customers' transactions or affairs, which may, or may have, come to his/her/its knowledge;
- (b) at any time during which the Company is listed on the Stock Exchange and for so long as each of the Covenantors and their respective associates collectively hold, whether individually or taken together, 30% or more of the issued Shares or is regarded as the controlling shareholder(s) of the Company under the Listing Rules or for a period of two years from the date of the Listing, whichever is the longest period of time:
  - (i) directly or indirectly solicit, interfere with, employ or endeavour to entice away from any Group company with a view to competing with the Group any person who, to his/her/its knowledge, is now, or has during the 12 months preceding the date of the share purchase agreement been, a client, customer, supplier or employee of, or has been in the habit of dealing with, any Group company;

### 董事於競爭業務之權益

#### 不競爭承諾

根據由 (i) YY Holdings (賣方)、(ii) Praise Fortune Limited、蔣泉龍先生、錢元英女士、蔣磊先生及蔣鑫先生 (承諾人) 與 (iii) 本公司 (買方) 於二零零七年十二月一日訂立之購股協議之限制性條款，Praise Fortune Limited、錢元英女士、蔣泉龍先生、蔣磊先生及蔣鑫先生 (統稱為「承諾人」) 分別承諾，其將不會且將促使其聯繫人士亦不會：

- (a) 於任何時間向任何人士透露或其本人因任何目的利用就其所知可能涉及本集團任何公司之業務、賬目或財務之資料，或其客戶、供應商或客戶之交易或事務，並將竭盡所能防止該等資料交易或事務被公開或透露；
- (b) 於本公司在聯交所上市期間內，及各承諾人及彼等各自聯繫人士一直共同持有 (無論單獨或視作共同持有) 30% 或以上已發行股份 (或根據上市規則被視為本公司控股股東) 或自上市之日起計兩年期間內 (以最長者為準) 之任何時間內：
  - (i) 直接或間接誘使、干預、聘用或試圖誘使就其所知現時或於購股協議訂立日期前十二個月期間為本集團任何公司之客戶、顧客、供應商或僱員或慣常與本集團任何成員公司進行交易之任何人士離開本集團任何公司以與本集團競爭；

## Report of the Directors 董事會報告

- (ii) at any time use the name or trading style of any Group company, or any trademarks or logos or device similar in appearance to any trademarks, in the PRC, Hong Kong or any other part of the world, or represent himself as carrying on or continuing or being connected with any Group company or its business for any purposes whatsoever; and/or
- (iii) directly or indirectly carry on or be engaged or concerned or interested in the businesses of (i) the production of water treatment and flue gas treatment and solid waste treatment equipment and components and pipes; (ii) the sale and installation of water treatment and flue gas treatment and solid waste treatment equipment and pipes; and (iii) the contracting of water treatment and flue gas treatment and solid waste treatment projects, being the current principal businesses of the Group.

Each of the Covenantors has confirmed that he/she/it is not currently engaged in any business, which directly or indirectly competes or may compete with the Group's business.

Each of the Covenantors has undertaken in favour of the Company under the share purchase agreement to procure the provision to the Company of all information necessary for the enforcement of the above undertaking. Each of the Covenantors further undertakes in favour of the Company to make a statement in the annual report of the Company confirming compliance by it and its affiliates with the terms of the non-competition undertaking in the share purchase agreement. The Company will disclose in its annual reports on how the undertakings in the share purchase agreement are complied with and enforced in accordance with the principles of making voluntary disclosures in the Corporate Governance Report as defined in Appendix 23 of the Listing Rules.

- (ii) 於任何時間，在中國、香港或任何其他國家或地區使用本集團任何公司之名稱或經營模式或與彼等任何商標之外觀相似之任何商標、圖標或圖案，或不論任何目的代表其本身開展或繼續從事與本集團任何公司或其業務有關之業務；及／或
- (iii) 直接或間接開展、從事或涉及本集團現有主要業務或於其中擁有權益，即：(i) 生產水處理及煙氣處理及固體廢棄物處理設備及元件及管材；(ii) 水處理及煙氣處理及固體廢棄物處理設備及管材銷售及安裝；及(iii) 承包水處理及廢氣處理及固體廢棄物處理工程（為本集團目前之主要業務）。

各承諾人均已確認，彼等現時並無從事與本集團業務直接或間接構成競爭或可能構成競爭之任何業務。

各承諾人均已根據購股協議作出以本公司為受益人之承諾，以促使向本公司提供執行上述承諾所需之全部資料。各承諾人進一步作出以本公司為受益人之承諾，將於本公司年報中作出聲明，確認其及其聯屬公司將遵守購股協議內不競爭承諾之條款。本公司將根據上市規則附錄23所界定企業管治報告之自願披露原則，於其年報中披露購股協議中承諾之遵守狀況及執行狀況。

## Report of the Directors 董事會報告

Benxi Fanya Environmental Heat & Power Co., Ltd. (“Benxi Fanya”) is owned as to 80% by Asia Global Tech Group Limited (“AGT (HK)”), and as to 20% by an Independent Third Party. AGT (HK) is beneficially owned as to 60%, 20% and 20% by Ms. Qian Yuanying (the spouse of Mr. Jiang Quanlong), Mr. Jiang Lei and Mr. Jiang Xin (both of whom are sons of Mr. Jiang Quanlong) respectively. The permitted business scope on the business licence of Benxi Fanya includes, among others, research and consultation of environmental protection technology, and design of EP engineering. As at the date of this annual report, Benxi Fanya was principally engaged in generating electricity and heat, and did not engage or interest in any businesses which compete with the current principal businesses of the Group. Jiangsu Tianyuan Technologies Limited (“Jiangsu Tianyuan”) is owned by the associates of Mr. Fang Guohong, a former executive Director of the Company who resigned on 25 March 2009. The permitted business scope on the business licence of Jiangsu Tianyuan includes, among others, research and development of denitrification EP equipment and technology, manufacture of FGD EP equipment, desulphurization absorption tower and flue glass flake anticorrosive material and denitrification EP equipment. As at the date of this annual report, Jiangsu Tianyuan was principally engaged in the business of producing thermal insulation components, and did not engage or interest in any businesses which compete with the current principal businesses of the Group. The permitted scope of business of each of Benxi Fanya and Jiangsu Tianyuan is relatively wide, but it is not unusual for a corporate entity to provide for a broader scope of business in its corporate documents to allow for flexibility. At present, neither Benxi Fanya nor Jiangsu Tianyuan has any plan to vary their respective business licences to exclude or alter the permitted activities as set out therein.

Mr. Jiang Quanlong is also the chairman and one of the executive directors of China Rare Earth Holdings Limited (“CRE”), a company whose securities are listed on the Main Board. CRE and its subsidiaries are principally engaged in manufacturing and sales of rare earth products and refractory products. As the Group’s principal business is to provide integrated EP solutions in areas such as water and flue gas treatments, the current principal businesses of the Group and those of CRE and its subsidiaries do not compete with each other.

本溪泛亞環保熱電有限公司(「本溪泛亞」)由Asia Global Tech Group Limited(「AGT (HK)」)擁有80%及由一位獨立第三方擁有20%。AGT (HK)分別由錢元英女士(蔣泉龍先生之配偶)、蔣磊先生及蔣鑫先生(均為蔣泉龍先生之子)擁有60%、20%及20%。本溪泛亞之營業執照所列許可經營範圍涵蓋(其中包括)環保技術研究與諮詢及環保工程設計。於本年報日期,本溪泛亞主要從事電力及熱能生產,而並無從事與本集團現有主要業務構成競爭之任何業務或於其中擁有權益。江蘇天元科技有限公司(「江蘇天元」)由本公司前執行董事(於二零零九年三月二十五日辭任)方國洪先生之聯繫人士擁有。江蘇天元之營業執照所列許可經營範圍涵蓋(其中包括)脫硝環保設備技術的研發;煙氣脫硫環保設備、脫硫吸收塔及煙道玻璃鱗片防腐材料、脫硝環保設備之製造。於本年報日期,江蘇天元主要從事生產熱絕緣元件之業務,而並無從事與本集團現有主要業務構成競爭之任何業務或於其中擁有權益。本溪泛亞與江蘇天元之獲許可經營範圍相對較廣。但為保持靈活性,一間公司實體往往會於其公司文件中設定較廣之業務範圍。目前,本溪泛亞與江蘇天元並無計劃更換其各自之營業執照,以去除或修改其中載明之獲許可業務。

蔣泉龍先生亦為中國稀土控股有限公司(「中國稀土」)(其股份於主板上市)之主席兼執行董事。中國稀土及其附屬公司主要從事製造及銷售稀土產品及耐火產品。由於本集團之主要業務為提供水及煙氣處理等範疇之綜合環保解決方案,故此本集團目前之主要業務與中國稀土及其附屬公司之業務並不構成競爭。



## Report of the Directors 董事會報告

Under the restrictive covenants of several service agreements dated 1 December 2007 between the Company and each of the executive Directors, the executive Directors gave undertakings similar to the wordings stated in paragraph (b) above of the said share purchase agreement.

The independent non-executive Directors shall review, at least on an annual basis, the compliance with the non-competition undertaking by each of such persons on their existing or future competing business and the Company shall disclose the result of such review either through the annual report of the Company, or by way of announcement to the public.

As the controlling shareholders (namely, Praise Fortune Limited, Mr. Jiang Lei and Mr. Jiang Xin) and Mr. Jiang Quanlong as sole director of Praise Fortune Limited have given non-competition undertakings in favour of the Company and none of them has interests in other business that compete or are likely to compete with the business of the Group, the management and operation of the operating entities are independent from each other, the Directors are of the view that the Group is capable of carrying on its business independently of the controlling Shareholders.

### PRE-EMPTIVE RIGHTS

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

### FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on pages 163 to 164 of the annual report.

### RETIREMENT BENEFIT COSTS

The retirement schemes of the Company and its subsidiaries are primarily in form of contributions to the Hong Kong mandatory provident fund and China statutory public welfare fund. Particulars of these retirement schemes are set out in note 8 to the financial statements.

根據本公司與每位執行董事於二零零七年十二月一日訂立之若干服務協議之限制性承諾，執行董事均作出與上文所述購股協議(b)段措詞類似之承諾。

獨立非執行董事須至少每年檢討各有關人士於彼等之現有或日後競爭業務遵守不競爭承諾方面之守規情況，而本公司將透過本公司年報或公告向公眾人士披露有關檢討結果。

由於控股股東(即Praise Fortune Limited、蔣磊先生及蔣鑫先生)及蔣泉龍先生(Praise Fortune Limited之唯一董事)已給予以本公司為受益人之不競爭承諾，且彼等概無於與本集團業務競爭或可能與本集團業務競爭之其他業務中擁有權益，各經營實體之管理及營運相互獨立，因此董事認為本集團有能力獨立於控股股東經營本集團業務。

### 優先購買權

本公司組織章程細則或開曼群島法律均無有關強制本公司按比例向其現有股東發售新股份之優先購買權之規定。

### 財務摘要

本集團在過去五個財政年度之業績及資產與負債摘要載於年報第163至164頁。

### 退休福利成本

本公司及其附屬公司之退休計劃主要以香港強制性公積金及中國法定公積金供款之形式。此等退休計劃之詳情載於財務報表附註8。

## Report of the Directors 董事會報告

### PROFESSIONAL TAX ADVICE RECOMMENDED

If the shareholders ("Shareholders") of the Company are unsure about the taxation implications of purchasing, holdings, disposing of, dealing in, or the exercise of any rights in relation to the shares, they are advised to consult an expert.

### AUDITOR

The consolidated financial statements for the year have been audited by CCIF CPA Limited. CCIF CPA Limited will retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of CCIF CPA Limited as auditor of the Company is to be proposed at the forthcoming annual general meeting.

By order of the Board

**Jiang Quanlong**

*Chairman*

Hong Kong, 20 April 2010

### 建議之專業稅務意見

如本公司股東(「股東」)未能確定購買、持有、出售、處理或行使有關股份之任何權利之稅務影響，謹請彼等諮詢專業人士。

### 核數師

本公司之綜合財務報表由陳葉馮會計師事務所有限公司審核。陳葉馮會計師事務所有限公司將退任惟合資格獲重新聘任。重新聘任陳葉馮會計師事務所有限公司為本公司核數師之決議案將於應屆股東周年大會上提呈。

承董事會命

主席

**蔣泉龍**

香港，二零一零年四月二十日

# Independent Auditor's Report

## 獨立核數師報告



**CCIF**

**CCIF CPA LIMITED**

34/F The Lee Gardens  
33 Hysan Avenue  
Causeway Bay Hong Kong



**CCIF**

**陳葉馮會計師事務所有限公司**

香港 銅鑼灣 希慎道33號  
利園34樓

### **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF PAN ASIA ENVIRONMENTAL PROTECTION GROUP LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

We have audited the consolidated financial statements of Pan Asia Environmental Protection Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 55 to 162, which comprise the consolidated and Company statements of financial position as at 31 December 2009, and 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 notes.

### **DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

The directors of the Company are responsible for the preparation and the true and fair presentation of these financial statements 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. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **致泛亞環保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)*

本核數師已審核第55至162頁所載泛亞環保集團有限公司(「貴公司」)及其附屬公司(統稱為「貴集團」)之綜合財務報表，包括二零零九年十二月三十一日之綜合及公司財務狀況表、截至該日止年度之綜合全面收益表、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說明附註。

### **董事編製財務報表之責任**

貴公司董事須遵照香港會計師公會頒佈之香港財務報告準則及香港公司條例之披露規定，負責編製並真實兼公平地呈列此等財務報表。此責任包括設計、實行及維持與編製並真實兼公平地呈列財務報表有關之內部監控，以確保其並無重大錯誤陳述(不論其由欺詐或錯誤引起)；選擇並應用適當會計政策；及在不同情況下作出合理之會計估算。

# Independent Auditor's Report

## 獨立核數師報告

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion 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 as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements 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 financial statements.

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

### 核數師之責任

本核數師之責任是根據審核之結果對此等綜合財務報表作出意見。本報告乃僅為向股東匯報而編製，不應用作其他用途。本核數師概不就本報告之內容向任何其他人士負責或承擔責任。

本核數師之審核工作按照香港會計師公會頒佈之香港審計準則進行。該等準則要求本核數師遵守操守規定以及計劃及進行審核以合理之確定此等財務報表是否不存在重大之錯誤陳述。

審核範圍包括進程序以取得與財務報表所載數額及披露事項有關之審核憑證。選取之該等程序須視乎核數師之判斷，包括評估財務報表之重大錯誤陳述（不論其由欺詐或錯誤引起）之風險。在作出該等風險評估時，核數師將考慮與公司編製並真實兼公平地呈列財務資料有關之內部監控，以為不同情況設計適當審核程序，但並非旨在就公司內部監控是否有效表達意見。審核範圍亦包括評估所用會計政策之恰當性，董事所作之會計估算之合理性，並就財務報表之整體呈列方式作出評估。

本核數師相信，本核數師所取得之審核憑證就提出審核意見而言屬充分恰當。

# 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 2009 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

#### **CCIF CPA Limited**

*Certified Public Accountants*  
Hong Kong, 20 April 2010

#### **Kwok Cheuk Yuen**

Practising Certificate Number P02412

### 意見

本核數師認為，綜合財務報表根據香港財務報告準則足以真實兼公平地顯示 貴公司與 貴集團於二零零九年十二月三十一日之財務狀況及 貴集團截至該日止年度之溢利及現金流量，並按照香港公司條例之披露規定妥為編製。

#### **陳葉馮會計師事務所有限公司**

*執業會計師*  
香港，二零一零年四月二十日

#### **郭焯源**

執業證書編號 P02412



# Consolidated Statement of Comprehensive Income

## 綜合全面收益表

For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

		Note 附註	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
<b>TURNOVER</b>	<b>營業額</b>	5	<b>608,972</b>	593,765
Cost of sales	銷售成本		<b>(444,096)</b>	(385,710)
<b>GROSS PROFIT</b>	<b>毛利</b>		<b>164,876</b>	208,055
Other revenue	其他收入	5	<b>12,028</b>	12,282
Other net income/(loss)	其他淨收入/(虧損)	5	<b>9,627</b>	(29,966)
Selling and distribution expenses	銷售及分銷開支		<b>(17,531)</b>	(25,213)
General and administrative expenses	一般及行政開支		<b>(34,902)</b>	(33,693)
Other operating expenses	其他經營開支		<b>(4,875)</b>	(10,251)
Finance costs	融資成本		<b>(4,080)</b>	(3,651)
<b>PROFIT BEFORE TAXATION</b>	<b>除稅前溢利</b>	6	<b>125,143</b>	117,563
Income tax expenses	所得稅開支	7	<b>(37,385)</b>	(41,428)
<b>PROFIT FOR THE YEAR</b>	<b>年內溢利</b>		<b>87,758</b>	76,135
<b>Other comprehensive for the year (after tax and reclassification adjustments)</b>	<b>年內其他全面收入 (稅後及經重新調整)</b>			
Exchange differences on translation of financial statements of foreign operation	換算海外業務財務報 表之匯兌差額		<b>(205)</b>	(12,638)
<b>Other comprehensive income for the year, net of tax</b>	<b>年內其他全面收入， 稅後</b>		<b>(205)</b>	(12,638)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>年內全面收入總額</b>		<b>87,553</b>	63,497
<b>Profit attributable to:</b>	<b>以下人士應佔：</b>			
Owners of the Company	本公司擁有人		<b>88,070</b>	77,766
Minority interests	少數股東權益		<b>(312)</b>	(1,631)
			<b>87,758</b>	76,135
<b>Total comprehensive income attributable to:</b>	<b>以下人士應佔全面收入總額：</b>			
Owners of the Company	本公司擁有人		<b>87,865</b>	65,128
Minority interests	少數股東權益		<b>(312)</b>	(1,631)
			<b>87,553</b>	63,497
<b>EARNINGS PER SHARE</b>	<b>每股盈利</b>			
— BASIC AND DILUTED	—基本及攤薄	13	<b>11.01 cents</b> <b>11.01 分</b>	9.72 cents 9.72 分

The notes on pages 60 to 162 form part of these financial statements.

第60頁至第162頁之附註屬本財務報表之一部份。

# Statements of Financial Position

## 財務狀況表

As at 31 December 2009  
於二零零九年十二月三十一日

		The Group 本集團		The Company 本公司	
		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	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
Note 附註					
<b>NON-CURRENT ASSETS</b>		<b>非流動資產</b>			
	Prepaid lease payment	14	6,745	6,913	-
	Property, plant and equipment	15	47,951	52,847	12
	Available-for-sale financial asset	16	6,850	1,950	-
	Investment in subsidiaries	17	-	-	381,537
			<b>61,546</b>	61,710	<b>381,549</b>
<b>CURRENT ASSETS</b>		<b>流動資產</b>			
	Prepaid lease payment	14	169	169	-
	Inventories	18	32,955	40,693	-
	Trade and other receivables	19	540,992	303,145	426,930
	Tax recoverable	27	-	3,836	-
	Pledged bank deposits	33	31,480	96,740	-
	Cash and bank balances	21	739,266	849,298	46,475
			<b>1,344,862</b>	1,293,881	<b>473,405</b>
<b>CURRENT LIABILITIES</b>		<b>流動負債</b>			
	Short term bank loan	25	16,478	82,000	-
	Trade and other payables	22	140,968	140,797	937
	Deposits received and receipt in advance		69,413	65,641	-
	Tax payable	27	19,722	-	-
			<b>246,581</b>	288,438	<b>937</b>
<b>NET CURRENT ASSETS</b>		<b>流動資產淨值</b>			
			<b>1,098,281</b>	1,005,443	<b>472,468</b>
<b>NET ASSETS</b>		<b>資產淨值</b>			
			<b>1,159,827</b>	1,067,153	<b>854,017</b>
<b>CAPITAL AND RESERVES</b>		<b>股本及儲備</b>			
	Share capital	28	74,872	74,872	74,872
	Reserves	29	1,082,589	989,603	779,145
<b>Equity attributable to owners of the Company</b>		<b>本公司擁有人應佔權益</b>			
			<b>1,157,461</b>	1,064,475	<b>854,017</b>
<b>Minority interests</b>		<b>少數股東權益</b>			
			<b>2,366</b>	2,678	<b>-</b>
<b>TOTAL EQUITY</b>		<b>權益總額</b>			
			<b>1,159,827</b>	1,067,153	<b>854,017</b>

Approved and authorised for issue by the board of directors on 20 April 2010

經董事會於二零一零年四月二十日批准及授權刊發

**Jiang Quanlong 蔣泉龍**  
Director 董事

**Fan Yajun 范亞軍**  
Director 董事

The notes on pages 60 to 162 form part of these financial statements.

第60頁至第162頁之附註屬本財務報表之一部份。

# Consolidated Statement of Changes In Equity

## 綜合權益變動表

For the year ended 31 December 2009  
截至二零零九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											
					Enterprise	Statutory	Share					Minority	Total
		Share	Share	Special	Capital	expansion	surplus	Translation	option	Retained	Subtotal	Interests	Total
		capital	premium	reserve	reserve	reserve	reserve	reserve	reserve	profits			
					企業擴展	法定	匯兌儲備	購股權儲備	保留溢利	小計	權益	總計	
		股本	股份溢價	特別儲備	股本儲備	儲備	盈餘儲備	匯兌儲備	購股權儲備	保留溢利	小計	權益	總計
		RMB'000	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	人民幣千元
		(Note 29(i))	(Note 29(ii))	(Note 29(iii))	(Note 29(iv))	(Note 29(v))	(Note 29(vi))	(Note 29(vii))	(Note 29(viii))	(Note 29(ix))	(Note 29(x))	(Note 29(xi))	(Note 29(xii))
		(附註29(i))	(附註29(ii))	(附註29(iii))	(附註29(iv))	(附註29(v))	(附註29(vi))	(附註29(vii))	(附註29(viii))	(附註29(ix))	(附註29(x))	(附註29(xi))	(附註29(xii))
At 1 January 2008	二零零八年一月一日	74,872	419,229	94,225	—	28,327	37,600	6,300	—	367,377	1,027,930	1,250	1,029,180
Capital contributed by the minority shareholders of a subsidiary	附屬公司少數股東出資	—	—	—	133	—	—	—	—	—	133	3,059	3,192
Total comprehensive income for the year	年內全面收入總額	—	—	—	—	—	—	(12,638)	—	77,766	65,128	(1,631)	63,497
Recognition of equity-settled share-based payments	確認以股本結算之股份付款	—	—	—	—	—	—	—	8,720	—	8,720	—	8,720
Dividend approved in respect of the previous year	已批准上年度之股息	—	—	—	—	—	—	—	—	(37,436)	(37,436)	—	(37,436)
Transfer to reserves	轉撥至儲備	—	—	—	—	6,214	6,214	—	—	(12,428)	—	—	—
At 31 December 2008 and 1 January 2009	於二零零八年十二月三十一日和二零零九年一月一日	<b>74,872</b>	<b>419,229</b>	<b>94,225</b>	<b>133</b>	<b>34,541</b>	<b>43,814</b>	<b>(6,338)</b>	<b>8,720</b>	<b>395,279</b>	<b>1,064,475</b>	<b>2,678</b>	<b>1,067,153</b>
Total comprehensive income for the year	年內全面收入總額	—	—	—	—	—	—	(205)	—	88,070	87,865	(312)	87,553
Recognition of equity-settled share-based payments	確認以股本結算之股份付款	—	—	—	—	—	—	—	5,121	—	5,121	—	5,121
Transfer to reserves	轉撥至儲備	—	—	—	—	5,608	5,608	—	—	(11,216)	—	—	—
At 31 December 2009	於二零零九年十二月三十一日	<b>74,872</b>	<b>419,229</b>	<b>94,225</b>	<b>133</b>	<b>40,149</b>	<b>49,422</b>	<b>(6,543)</b>	<b>13,841</b>	<b>472,133</b>	<b>1,157,461</b>	<b>2,366</b>	<b>1,159,827</b>

The notes on pages 60 to 162 form part of these financial statements.

第60頁至第162頁之附註屬本財務報表之一部份。

# Consolidated Statement of Cash Flows

## 綜合現金流量表

For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

		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
<b>Cash flows from operating activities</b>	<b>經營活動之現金流量</b>		
Profit before taxation	除稅前溢利	125,143	117,563
Adjustments for:	調整：		
Interest income	利息收入	(4,466)	(10,413)
Interest expenses	利息開支	4,080	3,651
Depreciation	折舊	5,300	4,819
Amortisation of prepaid lease payment	攤銷預付租賃款項	168	169
Bad debts written off	撇銷壞賬	—	9,243
Dividend income from available-for-sale financial asset	可供出售金融資產之股息收入	(5,176)	—
Gain on disposal of subsidiaries	出售附屬公司之收益	(1,120)	—
Impairment loss on trade receivables	貿易應收賬款之減值虧損	322	257
(Gain)/loss on disposal of property, plant and equipment	出售物業、廠房及設備之(收益)/虧損	(47)	1
Share-based payment expenses	以股份支付之款項開支	5,121	8,720
		<hr/>	<hr/>
<b>Operating cash flows before working capital changes</b>	<b>未計營運資金變動前之經營現金流量</b>	<b>129,325</b>	134,010
Decrease/(increase) in inventories	存貨減少/(增加)	7,738	(24,459)
Increase in trade and other receivables	應收貿易和其他賬款增加	(279,748)	(181,113)
Increase in trade and other payables	貿易及其他應付款項增加	11,822	31,975
Increase in deposits received and receipt in advance	已收按金及預收款項增加	32,094	12,848
		<hr/>	<hr/>
<b>Cash used in operations</b>	<b>經營業務所用之現金</b>	<b>(98,769)</b>	(26,739)
PRC enterprises income tax paid	已付中國企業所得稅	(13,827)	(90,890)
		<hr/>	<hr/>
<b>Net cash used in operating activities</b>	<b>經營業務所用之現金淨額</b>	<b>(112,596)</b>	(117,629)
		<hr/>	<hr/>
<b>Cash flows from investing activities</b>	<b>投資活動之現金流量</b>		
Interest received	已收利息	4,466	10,413
Payments for acquisition of prepaid lease payment	收購預付租賃款項付款	(20,800)	—
Proceeds on disposal of subsidiaries	出售附屬公司所得款項	14,971	—
Proceeds on disposal of property, plant and equipment	出售物業、廠房及設備所得款項	102	—

# Consolidated Statement of Cash Flows

## 綜合現金流量表

For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

		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
Payments for acquisition of property, plant and equipment	收購物業、廠房及設備付款	(475)	(1,026)
Decrease/(increase) in pledged bank deposits	已抵押銀行存款減少/(增加)	65,260	(89,860)
Dividend received from available-for-sale financial asset	已收可供出售金融資產之股息收入	276	—
<b>Net cash generated from/(used in) investing activities</b>	<b>投資活動產生/(所用)之現金淨額</b>	<b>63,800</b>	<b>(80,473)</b>
<b>Cash flows from financing activities</b>	<b>融資活動之現金流量</b>		
Advance from minority shareholders	少數股東墊款	8,571	2,530
Interest paid	已付利息	(4,080)	(3,651)
Repayment of short term bank loan	短期銀行貸款預付款項	(82,000)	—
Proceeds from short term bank loan	短期銀行貸款所得款項	16,478	82,000
Payment of dividend	派發股息	—	(37,436)
<b>Net cash (used in)/generated from financing activities</b>	<b>融資活動(所用)/產生之現金淨</b>	<b>(61,031)</b>	<b>43,443</b>
<b>Net decrease in cash and cash equivalents for the year</b>	<b>本年度現金及等同現金項目減少淨額</b>	<b>(109,827)</b>	<b>(154,659)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>年初之現金及等同現金項目</b>	<b>849,298</b>	<b>1,016,595</b>
<b>Effect of foreign exchange rate changes, net</b>	<b>匯率變動之影響淨額</b>	<b>(205)</b>	<b>(12,638)</b>
<b>Cash and cash equivalents at end of year</b>	<b>年終之現金及等同現金項目</b>	<b>739,266</b>	<b>849,298</b>
<b>Analysis of the balance of cash and cash equivalents</b>	<b>現金及等同現金項目結存分析</b>		
Cash and bank balances	現金及銀行結餘	739,266	849,298

The notes on pages 60 to 162 form part of these financial statements.

第60頁至第162頁之附註屬本財務報表之一部份。



# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

### 1. GENERAL INFORMATION

Pan Asia Environmental Protection Group Limited (the “Company”) was incorporated as an exempted company and registered in the Cayman Islands with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (“Stock Exchange”). The addresses of the registered office and principal place of business of the Company are disclosed in the “Corporate Information” section of the annual report.

The Company and its subsidiaries (together referred to as the “Group”) are principally engaged in the manufacture and sale of environmental protection (“EP”) products and equipment, undertaking of EP construction engineering projects, provision of EP related professional services in the People’s Republic of China (the “PRC”) and investment holding.

### 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 HKFRSs, 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 Stock Exchange (the “Listing Rules”). A summary of the significant accounting policies adopted by the Group is set out below.

### 1. 一般資料

泛亞環保集團有限公司(「本公司」)於開曼群島註冊成立為一間獲豁免有限公司，其股份於香港聯合交易所有限公司(「聯交所」)上市。本公司之註冊辦事處及香港主要營業地點地址披露於年報「公司資料」一節。

本公司及其附屬公司(統稱為「本集團」)主要在中華人民共和國(「中國」)從事環保(「環保」)產品及設備之製造及銷售、承接環保建設工程項目、提供環保相關專業服務及投資控股。

### 2. 主要會計政策

#### a) 守規聲明

此等財務報表已根據所有適用之香港財務報告準則(此乃包括所有適用之個別香港財務報告準則(「香港財務報告準則」)、香港會計師公會(「香港會計師公會」)頒佈之香港會計準則(「香港會計準則」)及詮釋之統稱)、香港普遍採納會計原則及香港公司條例之披露規定而編製。此等財務報表亦遵守香港聯合交易所有限公司證券上市規則(「上市規則」)之適用披露規定。本集團採納之主要會計政策概要載列如下。

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2009 comprise the Company and its subsidiaries.

The measurement basis used in the preparation of the financial statements is the historical cost basis except for certain financial instruments, which are stated at their fair value as explained in the accounting policies set out 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 values of assets and liabilities not readily apparent from other sources. Actual results may differ from these estimates.

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 39.

### 2. 主要會計政策 (續)

#### b) 財務報表之編製基準

截至二零零九年十二月三十一日止年度綜合財務報表包括本公司及其附屬公司之財務報表。

財務報表之編製乃以歷史成本作計量基準，惟若干金融工具以公平值計量除外(見下文會計政策所闡釋)。

編製符合香港財務報告準則之財務報表，管理層需作出判斷、估計和假設，該等判斷、估計及假設對會計政策之應用以及所呈報資產、負債、收入和支出之金額構成影響。該等估計及有關假設乃根據過往經驗及被認為在該情況下屬合理之多項其他因素而作出，其結果便成為判斷資產及負債賬面值之基礎，而該賬面值顯然無法從其他來源取得。實際結果可能有別於該等估計。

該估計及相關假設會按持續基準進行檢討。對會計估計進行修訂時，倘修訂僅影響該期間，則修訂會於修訂估計之期間確認；或倘有關修訂同時影響即期及未來期間，則會於修訂期間及未來期間確認。

管理層在應用對本財務報表構成重大影響之香港財務報告準則時所作出之判斷，以及未來年度有重大調整風險之估計，將在附註39內討論。

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### c) Subsidiaries and minority 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 presently are 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 intragroup 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.

Minority interests represent the portion of the net assets of subsidiaries attributable to interests that are not owned by the Company, whether directly or indirectly through subsidiaries, 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. Minority interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the owners of the Company. Minority interests in the results of the Group are presented on the face of the consolidated statement of comprehensive income as an allocation of the total profit or loss for the year between minority interests and the owners of the Company.

### 2. 主要會計政策 (續)

#### c) 附屬公司及少數股東權益

附屬公司指受本集團控制之實體。當本集團有權監管一間實體之財務及經營政策以便從其業務中取得利益時，即屬具有控制權。於評估控制權時，目前可行使之潛在投票權亦計算在內。

於附屬公司之投資將由控制權開始至控制權終止之期間計入綜合財務報表。

集團內部往來之餘額與交易以及由集團內部交易產生之任何未變現溢利，均在編製綜合財務報表時全數抵銷。集團內部交易所產生之未變現虧損，其抵銷方法與以抵銷未變現收益之方法相同，但抵銷額只限於沒有證據顯示已出現減值之部份。

少數股東權益指並非本公司直接或透過附屬公司間接擁有之權益應佔附屬公司資產淨值之部份。就該等權益，本集團並未與該等權益持有人協定任何額外條款，使本集團整體就該等權益而負上符合金融負債定義之合約責任。少數股東權益在綜合財務狀況表內列入權益，但與本公司擁有人應佔權益分開列示。少數股東於本集團業績中所佔之權益，在綜合收益表內以少數股東權益與本公司擁有人各佔本年度損益總額之方式列示。

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### c) Subsidiaries and minority interests (continued)

Where losses applicable to the minority exceed the minority's interest in the equity of a subsidiary, the excess, and any further losses applicable to the minority, are charged against the Group's interest except to the extent that the minority has a binding obligation to, and is able to, make additional investment to cover the losses. If the subsidiary subsequently reports profits, the Group's interest is allocated all such profits until the minority's share of losses previously absorbed by the Group has been recovered.

Loans from holders of minority interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with notes 2(j) or (k) depending on the nature of the liabilities.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less any impairment losses (see note 2(g)), unless the investment is classified as held for sale.

#### d) Other investments in equity securities

The Group's policies for investments in equity securities, other than investments in subsidiaries and associates, 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:

### 2. 主要會計政策 (續)

#### c) 附屬公司及少數股東權益 (續)

倘少數股東應佔之虧損超過其所佔附屬公司股本之權益，超額部份和任何歸屬於少數股東之進一步虧損便會沖減本集團所佔權益；但如少數股東須承擔具有約束力之義務並有能力作出額外投資以彌補虧損則除外。附屬公司之所有其後溢利均會分配予本集團，直至本集團收回以往承擔之少數股東應佔虧損為止。

少數股東權益持有人之貸款及其他有關該等持有人之合約責任，於綜合財務狀況表根據附註2(j)或(k)（視乎負債性質而定）列為財務負債。

在本公司財務狀況表中，附屬公司之投資以成本減任何減值虧損列賬（見附註2(g)），除非該投資被列為持作銷售。

#### d) 其他股本證券投資

本集團之股本證券投資（除附屬公司及聯營公司投資外）準則如下：

股本證券投資初步按公允值（即其交易價格）列賬；但如可根據一項變數只包括可觀察市場數據之估值方法更可靠地估計出公允值則除外。成本包括應佔交易成本；惟下文所述者除外。此等投資其後因應所屬分類入賬如下：

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### d) Other investments in equity securities (continued)

Investments in securities held for trading are classified as current assets. Any attributable transaction costs are recognised in the statement of comprehensive income as incurred. At the end of each reporting period the fair value is remeasured, with any resultant gain or loss being recognised in the statement of comprehensive income. The net gain or loss recognised in the statement of comprehensive income 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(q).

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

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 in other comprehensive income and accumulated separately in equity. Dividend income from these investments is recognised in the statement of comprehensive income in accordance with the policy set out in note 2(q) and, where these investments are interest-bearing, interest calculated using the effective interest method is recognised in the statement of comprehensive income in accordance with the policy set out in note 2(q). When these investments are derecognised, the cumulative gain or loss is reclassified from equity to the statement of comprehensive income.

Investments in equity securities are recognised/derecognised on the date the Group and/or the Company commits to purchase/sell the investment.

### 2. 主要會計政策 (續)

#### d) 其他股本證券投資 (續)

持作貿易用途之證券投資被歸類為流動資產，任何應佔交易成本於產生時在全面收益表中確認。於各報告期末，會重新計算公允值，所得之盈虧於全面收益表中確認。在全面收益表中確認之盈虧淨額並不包括從此等投資賺取所得之任何股息或利息，因為有關股息或利息會按附註2(q)所載政策確認。

倘股本證券投資於活躍市場並無報價及其公允值無法準確計量，則該等投資在財務狀況表中以成本值減去耗損虧損確認入賬(見附註2(g))。

其他證券投資分類為可供出售股本證券，並初步按公平值加交易成本確認。公平值於報告期末重新計量，由此產生之任何收益或虧損于全面收益中確認，並於權益中單獨累積。投資產生之股息收入根據附註2(q)所載政策於全面收益表內確認，倘該等投資為計息，按實際利率法計算之利息乃根據附註2(q)所載之政策於全面收益表內確認。倘不再確認該等投資，累計收益或虧損將從權益重新歸類於全面收益表內。

本集團及／或本公司承諾購買／出售投資當日或投資到期確認／不再確認之股本證券投資。

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### e) Property, plant and equipment

Property, plant and equipment are stated in the statement of financial position at cost less accumulated depreciation and accumulated impairment loss (see note 2(g)).

Gain or loss arising from the retirement or disposal of an item of property, plant and equipment is determined as the difference between the net proceeds on disposal and the carrying amount of the item and is recognised in the statement of comprehensive income on the date of retirement or disposal.

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

Buildings	Over the shorter of the term of the lease or 20 years
Furniture, fixtures and equipment	20% p.a.
Leasehold improvements	20% p.a.
Motor vehicles	20% p.a.
Plant and machineries	10% p.a.

Where parts of an item of property, plant and equipment have different useful lives, the cost or valuation 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.

### 2. 主要會計政策(續)

#### e) 物業、廠房及設備

物業、廠房及設備概以成本減累積折舊及減值虧損於財務狀況表內列賬(見附註2(g))。

因報廢或出售物業、廠房及設備項目而產生之盈虧乃釐定為出售所得款項淨額與該項目之賬面值間之差額，並於報廢或出售之日於全面收益表內確認。

物業、廠房及設備項目乃使用直線法按其估計可使用年期減彼等之估計剩餘價值(如有)以撇銷其成本值計算折舊如下：

樓宇	租期或二十年 之較短者
傢俬、裝置 及設備	20% 每年
租賃物業裝修	20% 每年
汽車	20% 每年
廠房及機器	10% 每年

當一項物業、廠房及設備之各部份有不同之可使用年期，此項目各部份之成本或估值將按合理基礎分配，而每部份將作個別折舊。資產之可使用年期及其剩餘價值(倘適用)會每年進行檢討。



# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### f) Leased 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 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, except for land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, which is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease. For these purposes, the inception of the lease is the time that the lease was first entered into by the Group, or taken over from the previous lessee.

### 2. 主要會計政策 (續)

#### f) 租賃資產

如本集團能確定某項安排賦予有關人士權利，可透過付款或支付一系列款項而於協定期間內使用特定資產，有關安排(包括一項交易或一系列交易)即屬或包含租賃。本集團之結論乃基於有關安排之細節評估而作出，並不論有關安排是否具備租賃之法律形式。

##### i) *本集團租用之資產之分類*

就本集團根據租賃持有之資產而言，如有關租賃把絕大部份擁有權之風險及利益轉移至本集團，則有關資產被分類為根據融資租賃持有之資產。不會轉移絕大部份擁有權之風險及利益予本集團之租賃乃分類為經營租賃；惟根據經營租賃持作自用之土地而言，如其公允值不能夠與訂立租賃時已建於其上之建築物之公允值分開計量，將當作根據融資租賃持有者入賬；惟如有關建築物亦是根據經營租賃確實持有則除外。就此而言，訂立租賃之時指本集團首次訂立租賃之時，或自前度承租人接收之時。

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### f) Leased assets (continued)

##### ii) *Operating lease charges*

Where the Group has the use of assets under operating leases, payments made under the leases are charged to the statement of comprehensive income 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 statement of comprehensive income as an integral part of the aggregate net lease payments made. Contingent rentals are written off as an expense of 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.

### 2. 主要會計政策 (續)

#### f) 租賃資產 (續)

##### ii) 經營租賃支出

如屬本集團根據經營租賃使用所持資產之情況，則根據租賃作出之付款會在租賃期所涵蓋之會計期間內，以等額方式計入全面收益表中；惟如有其他基準能更清楚地反映租賃資產所產生之收益模式則除外。已收取之租賃獎勵在全面收益表中確認為總租賃付款淨額的一部份。或然租金撇銷為開支於產生之會計期間。

根據經營租賃持有之土地之收購成本乃於租賃期內以直線法攤銷；惟如該物業被分類為投資物業則除外。

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### g) Impairment of assets

##### i) *Impairment of investments in equity securities and other receivables*

Investments in equity securities other than investments in subsidiaries (see note 2(c)) and other current and non-current receivables that are stated at cost or amortised cost or are classified as available-for-sale financial assets 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 debtor;
- 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.

### 2. 主要會計政策 (續)

#### g) 資產減值

##### i) *股本證券投資及其他應收款項之減值*

以成本或已攤銷成本列值或歸類為可供出售金融資產之股本證券投資(於附屬公司之投資除外(見附註2(c)))及其他流動及非流動應收款項, 會在各報告期末作檢討以決定是否有客觀減值證據。客觀減值證據包括本集團注意到以下一項或多項虧損事項之可觀察數據:

- 應收款項債務人有重大財政困難;
- 違反合約, 如逾期或拖欠償還利息或本金;
- 應收款項債務人可能破產或進行其他財務重組;
- 科技、市場、經濟或法律環境有重大改變, 並對債務人有不利影響; 及
- 股本工具投資之公平值大幅或長期下跌至低於其成本值。

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### g) 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, 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 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 estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e., the 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)

#### g) 資產減值 (續)

##### i) *股本證券投資及其他應收款項之減值 (續)*

若有任何上述證據存在，將按以下方式釐定及確認減值虧損：

- 就按成本值列賬之非上市股本證券而言，如貼現之影響屬重大，減值虧損以金融資產之賬面值與以同類金融資產當時之市場回報率貼現之預計未來現金流量間之差額計量。股本證券之減值虧損不可撥回。
- 就按已攤銷成本列賬之貿易應收賬款及其他金融資產而言，如貼現之影響屬重大，減值虧損以資產之賬面值與以金融資產原有實際利率（即在初步確認有關資產時計算之實際利率）貼現預計未來現金流量現值間之差額計量。倘按已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單獨被評估為減值，則有關之評估會同時進行。金融資產之未來現金流量會根據與該組被評估資產具有類似信貸風險特徵之資產之過往虧損情況一同減值。

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### g) 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 decrease and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through the statement of comprehensive income. 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 financial assets 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 the statement of comprehensive income even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in the statement of comprehensive income 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 the statement of comprehensive income.

### 2. 主要會計政策 (續)

#### g) 資產減值 (續)

##### i) *股本證券投資及其他應收款項之減值 (續)*

如減值虧損於往後期間減少，且客觀上與減值虧損確認後發生之事件有關，則於全面收益表撥回減值虧損。減值虧損撥回後資產之賬面值不能超過倘其在過往年度並無確認任何減值虧損而應已釐定之數額。

- 就以公平值列賬之可供出售金融資產而言，倘公平值減幅已直接於權益確認，且有客觀證據顯示資產已減值，則即使金融資產並無取消確認，直接於權益確認之累計虧損將會從權益內撥回，並於全面收益表確認。於全面收益表確認之累計虧損乃收購成本(扣除任何本金還款及攤銷)與即期公平值之間之差額，減去該資產先前於全面收益表確認之減值虧損。

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### g) Impairment of assets (continued)

##### i) *Impairment of investments in equity securities and other receivables (continued)*

Impairment losses recognised in the statement of comprehensive income in respect of available-for-sale financial assets are not reversed through the statement of comprehensive income. Any subsequent increase in the fair value of such assets is recognised directly in equity.

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade 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 receivables 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 the statement of comprehensive income.

### 2. 主要會計政策 (續)

#### g) 資產減值 (續)

##### i) *股本證券投資及其他應收款項之減值 (續)*

可供出售金融資產於全面收益表確認之減值虧損不會透過全面收益表轉回。此等資產之公平值其後之任何增額會直接在權益中確認。

減值虧損直接撇銷相應資產，惟貿易應收賬款之減值虧損除外，因其可收回性被視為可疑但並非微乎其微。在此情況下，呆壞賬之減值虧損以撥備賬記錄。除此之外，就其他資產確認之減值虧損應直接撇銷相應之資產。倘本集團確認能收回貿易應收賬款之機會微乎其微，則被視為不可收回之金額會直接撇銷貿易應收賬款，而在撥備賬中就該債務保留之任何金額會被撥回。倘之前計入撥備賬之款項在其後收回，則有關款項於撥備賬撥回。撥備賬之其他變動及其後收回先前直接撇銷之款項均於全面收益表內確認。



# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### g) Impairment of assets (continued)

##### ii) Impairment of other assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that property, plant and equipment and investments in subsidiaries may be impaired or, an impairment loss previously recognised no longer exists or may have decreased. If any such indication exists, the asset's recoverable amount is estimated.

##### Calculation of recoverable amount

The recoverable amount of an asset is the greater of its net selling price 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).

##### Recognition of impairment losses

An impairment loss is recognised in the statement of comprehensive income 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 cash-generating units 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 value of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.

### 2. 主要會計政策 (續)

#### g) 資產減值 (續)

##### ii) 其他資產減值

於各報告期末，內部及外部資料會予檢討，以識別有否跡象顯示物業、廠房及設備以及及於附屬公司之投資已出現減值，或之前已確認之減值是否已不存在或減少。倘若存在任何有關跡象，則會估計資產之可收回金額。

##### 計算可收回金額

資產之可收回金額以其銷售淨價和使用價值兩者中之較高數額為準。於評估使用價值時，估計未來現金流量乃以能反映現時市場評估資金時間值及資產特定風險之稅前貼現率貼現至其現值。倘資產不可在大致上獨立於其他資產之情況下產生現金流量，則可收回價值以能獨立地產生現金流量之最小組別資產(即現金產生單位)計算。

##### 確認減值虧損

倘資產或其所屬之現金產生單位之賬面值超過其可收回金額，則於全面收益表內確認減值虧損。就現金產生單位確認之減值虧損，首先會分配予減少現金產生單位(或一組單位)所獲分配之任何商譽賬面值，其後再按比例減少單位(或一組單位)其他資產之賬面值，惟資產賬面值不會減少至低於其本身之公平值減銷售成本或使用價值(若能釐定)。

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### g) Impairment of assets (continued)

##### ii) *Impairment of other assets (continued)*

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.

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 the statement of comprehensive income in the year in which the reversals are recognised.

##### iii) *Interim financial reporting and impairment*

Under the Listing Rules, 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.

Impairment losses recognised in an interim period in respect of available-for-sale financial asset 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.

### 2. 主要會計政策 (續)

#### g) 資產減值 (續)

##### ii) 其他資產減值 (續)

撥回減值虧損

就商譽以外之資產而言，倘用以釐定可收回數額之估計出現有利轉變，則撥回減值虧損。有關商譽之減值虧損不能撥回。

撥回減值虧損僅限於倘過往年度並未確認減值虧損而釐定之資產之賬面值。撥回減值虧損乃於確認撥回之年度計入全面收益表。

##### iii) 中期財務報告及減值

根據上市規則，本集團須遵照香港會計準則第34號「中期財務報告」編製有關財政年度首六個月之中期財務報告。於中期期末，本集團採用與本財政年度末相同之減值測試、確認及撥回標準。

按成本列賬之可供出售金融資產於中期確認之減值虧損不會於往後期間撥回。即使在該中期所屬之財政年度末評估減值並確認沒有虧損，或虧損屬輕微，亦不會撥回減值虧損。

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### h) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted-average method and comprises direct materials and, where appropriate, direct labour costs and those overheads that have been 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.

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 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.

#### i) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost less allowance for impairment losses for bad and doubtful debts, 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 losses for bad and doubtful debts (see note 2(g)).

### 2. 主要會計政策 (續)

#### h) 存貨

存貨按成本或可變現淨值兩者之較低者列賬。成本以加權平均法計算，包括直接物料及(如適用)直接勞工成本及使存貨達致目前地點及狀況所需之間接成本。可變現淨值乃按日常業務過程中之估計售價減完成之估計成本及進行銷售所需之估計成本計算。

可變現淨值按在日常業務過程中之估計售價，減去完成之估計成本及進行出售所需之估計成本計算。所出售存貨的賬面金額在相關收入獲確認的期間內列為支出。存貨金額撇減至可變現淨值及存貨的所有虧損，均在出現減值或虧損的期間內列為支出。存貨的任何減值逆轉之數在出現逆轉期間內確認為已確認存貨金額之減少。

#### i) 貿易及其他應收款項

貿易及其他應收款項初步按公平值確認，其後則按已攤銷成本減呆壞賬減值虧損撥備列賬，惟應收款項為免息、無固定償還期限或折現時並無重大影響之關連人士貸款則除外。在該等情況下，應收款項按成本減呆壞賬減值虧損撥備列賬(見附註2(g))。

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### j) 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 cost and redemption value being recognised in the statement of comprehensive income over the period of the borrowing, using the effective interest method.

#### k) Trade and other payables

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

#### l) 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 that are 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.

### 2. 主要會計政策 (續)

#### j) 計息借貸

計息借貸初步按公平值減應佔交易成本確認。初始確認後，計息借貸以攤銷成本列賬，而成本與贖回價值間之任何差額，按實際利息法在借貸期間於全面收益表內確認。

#### k) 貿易及其他應付款項

應付貿易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。

#### l) 現金及等同現金項目

現金及等同現金項目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等同現金項目計算在內。

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### m) Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of reporting period, as measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Where contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is shown as an amount due from customers for contract work. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as prepayments from customers for contract work. Amounts received before the related work is performed are included in the statement of financial position, as a liability, as advances received. Amounts billed for work performed but not yet paid by the customer are included in the statement of financial position under trade receivables.

### 2. 主要會計政策(續)

#### m) 建造合約

倘能可靠地估計建造合約的成果，收益及成本會參照各報告期末的合約活動完成階段確認，一般會按工程進行至該日所產生的合約成本佔估計總建造成本的比例計算，惟此方法並不能代表完成階段。合約工程、索償及獎金的變動，會按與客戶協議之金額入賬。

倘不能可靠地估計建造合約之成果，則僅會將所產生而有可能收回之合約成本確認為合約收益。合約成本於產生期間支銷。

當合約總成本可能超過總收益時，預期虧損將立即確認為開支。

倘直至當日所產生之合約成本加已確認溢利減已確認虧損超逾按進度開發賬單之數額，超出之數額將被視為應收客戶合約工程款項。倘合約按進度款項之數額超逾直至當日所產生之合約成本加已確認溢利減已確認虧損，超出之數額將列作已收預付款項。於進行有關工作前已收取之款項於財務狀況表計作負債，列作合約工程客戶預付款項。若已進行工程並開發賬單但客戶尚未付款，有關金額乃列作財務狀況表中的應收貿易賬項。

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### n) Employee benefits

- i) *Short term employee benefits and contributions to defined contribution retirement plans*

Salaries, annual bonuses, paid annual leave, contributions to defined contribution plans and the cost of non-monetary benefits 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) *Share-based payments*

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a capital reserve within equity. The fair value is measured at grant date using the binomial 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.

### 2. 主要會計政策 (續)

#### n) 僱員福利

- i) *短期僱員福利及定額供款退休計劃供款*

薪金、年度花紅、有薪年假、界定供款計劃供款及非貨幣福利成本，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) *股份基礎付款*

授予僱員之購股權公平值會確認為僱員成本，並會相應增加權益內之股本儲備。公平值於授出當日採用二項式期權定價模式釐定，並會考慮購股權之授出條款及條件。倘僱員須於無條件獲授購股權前達成歸屬條件，則購股權之估計公平總值會在歸屬期內攤分，並會考慮購股權歸屬的可能性。



# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### n) Employee benefits (continued)

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

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 the statement of comprehensive income for the year under review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of share options that vest (with a corresponding adjustment to the capital 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 capital 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 retained profits).

##### iii) Termination benefits

Termination benefits are recognised when, and only when, the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detail formal plan which is without realistic possibility of withdrawal.

### 2. 主要會計政策 (續)

#### n) 僱員福利 (續)

##### ii) 股份基礎付款 (續)

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，乃於審核年度於綜合收益表內扣除／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。

##### iii) 離職福利

離職福利只會在本集團有正式的具體辭退計劃且沒有撤回該計劃的實質可能性，並且明確表示會終止僱用或於自願遣散而提供福利時才確認。

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### o) 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 the statement of comprehensive income except to the extent that they relate to items recognised directly in equity, in which case they are recognised in equity.

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 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.

### 2. 主要會計政策(續)

#### o) 所得稅

本年度所得稅包括即期稅項及遞延稅項資產及負債之變動。即期稅項及遞延稅項資產及負債之變動均在綜合收益表內確認，惟倘與直接確認為權益項目相關，則於權益內確認。

即期稅項乃按年內應課稅收入根據在各報告期末已執行或實質上已執行之稅率計算之預期應付稅項，加上過往年度應付稅項之任何調整。

遞延稅項資產及負債分別由可扣稅及應課稅暫時差異產生，即資產及負債就財務呈報之賬面值與其課稅基礎值之差異。遞延資產亦可由未動用稅項虧損及未動用稅項抵免產生。

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### o) Income Tax (continued)

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.

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.

### 2. 主要會計政策 (續)

#### o) 所得稅 (續)

除若干有限之例外情況外，所有遞延稅項負債和遞延稅項資產（以未來可能有應課稅溢利可予抵銷之資產為限）均予以確認。支持確認由可抵扣暫時差異所產生之遞延稅項資產之未來應課稅溢利包括因撥回目前存在之應課稅暫時差異而產生之數額；但此等撥回之差異必須與同一稅務機關及同一應課稅實體有關，並預期在可抵扣暫時差異預計撥回之同一期間或遞延稅項資產所產生可抵扣虧損可向後期或向前期結轉之期間內撥回。在決定目前存在之應課稅暫時差異是否足以支持確認由未動用稅項虧損和稅項抵免所產生之遞延稅項資產時，亦會採用同一準則，即差異是否與同一稅務機關及同一應課稅實體有關，並是否預期在能夠使用未動用稅項虧損和稅項抵免撥回之同一期間內撥回。

該等確認遞延稅項資產及負債之有限例外情況，包括首次確認但並不影響會計溢利及應課稅溢利之資產或負債（惟其不可為企業合併之部份）、以及有關於附屬公司投資所引致之暫時差異（如為應課稅差異，只限於本集團可控制回撥之時間，並且不大可能在可見未來回撥之差異；或如為可予扣減差異，則只限於可能在未來回撥之差異）。

## Notes to the Financial Statements

### 財務報表附註

For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

#### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

##### o) Income Tax (continued)

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 balance sheet date. 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 profits 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 profits 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)

##### o) 所得稅(續)

已確認之遞延稅項數額乃按照資產及負債賬面值之預期變現或清償方式，以於結算日實施或實際上已實施之稅率計算。遞延稅項資產及負債均無作折現計算。

遞延稅項資產之賬面值會在各報告期末予以審閱，若日後不再可能有足夠應課稅溢利用以抵扣相關稅項利益，則扣減遞延稅項資產賬面值。若日後可能有足夠應課稅溢利用以抵扣，則撥回所扣減之數額。

股息分派產生之額外所得稅於支付相關股息之負債獲確認時予以確認。

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### o) 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 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.

### 2. 主要會計政策 (續)

#### o) 所得稅 (續)

即期和遞延稅項結餘及其變動額將各自列示，並不予抵銷。即期及遞延稅項資產只會在本公司或本集團有合法可強制執行權利以即期所得稅項資產抵銷即期所得稅項負債時，並且符合以下附帶條件之情況下，方可分別抵銷即期及遞延稅項負債：

- 即期稅項資產及負債：本公司或本集團計劃按淨額基準結算，或同時變現該資產及清償該負債；或
- 遞延稅項資產和負債：此等資產及負債必須與同一稅務機關就以下其中一項徵收之所得稅有關：
  - 同一應課稅實體；或
  - 不同之應課稅實體，該等實體預期在日後每個預計有大額遞延稅項負債需要清償或大額遞延稅項資產可以收回之期間內，按淨額基準實現即期稅項資產及清償即期稅項負債，或同時變現該資產及清償該負債。

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### p) Provision and contingencies liabilities

Provisions are recognised for other 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.

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.

#### q) Revenue recognition

Revenue represents the net amounts received and receivable for goods sold and services provided in the normal course of business, net of discounts and returns and sales related taxes.

Sales of goods are recognised when goods are delivered and the risks and rewards of ownership have been transferred.

Revenue from EP construction engineering projects is recognised in accordance with the Group's accounting policy on construction contracts set out in note 2(m).

Revenue from professional services is recognised when the services are rendered.

### 2. 主要會計政策 (續)

#### p) 撥備及或然負債

當本集團或本公司因過往事件而須負上法定或推定責任，而履行該責任很可能導致經濟效益流出及能夠就此作出可靠估計時，方為未確定時間或金額之其他負債確認撥備。當數額涉及重大之時間價值時，則會按預期用以履行責任之開支之現值作出撥備。

倘不一定需要流出經濟效益履行責任或未能可靠估計金額，則該等責任將作為或然負債予以披露，惟出現經濟效益流出之可能性極微則除外。可能出現之責任（僅於一項或多項未來事件發生或不發生之情況下確定其是否存在）亦作為或然負債予以披露，惟出現經濟效益流出之可能性極微則除外。

#### q) 收益確認

收益乃日常業務過程中就已售出貨品及已提供服務而已收及應收之款項淨額（已扣除折扣、退貨及有關銷售稅項）。

貨品銷售乃於交付貨品及其所有權風險及回報已移交時確認。

建造合約所得收益乃根據本集團有關環保建設工程之會計政策予以確認（載列於附註2(m)）。

專業服務所得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 2009  
截至二零零九年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### q) Revenue recognition (continued)

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

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

#### r) 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"), which is different from the Company's functional currency of Hong Kong dollar ("HK\$") as majority of the Group's transactions are denominated in RMB.

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of reporting period. Exchange gains and losses are recognised in the statement of comprehensive income, except those arising from foreign currency borrowings used to hedge a net investment in a foreign operation which are recognised directly in equity.

### 2. 主要會計政策 (續)

#### q) 收益確認 (續)

利息收入乃按時間基準，參考未償還本金及適用之實際利率計算，該利率為確實地將金融資產之預計年期內之估計未來現金收入貼現至該資產之賬面淨值之貼現率。

投資所得股息收入乃於建立可收取有關款項之股東權利後予以確認。

#### r) 外幣

本集團旗下各實體之財務報表所列項目均以該實體經營所在主要經濟環境之通行貨幣（「功能貨幣」）計量。綜合財務報表以人民幣（「人民幣」）與本公司之功能貨幣港幣（「港幣」）不同）呈列。

於本年度之外幣交易均按交易當日之適用匯率換算。以外幣計值之貨幣資產及負債則按各報告期末之外幣匯率換算。匯兌盈虧則於全面收益表中確認，惟用於對沖海外業務淨投資之外幣借款所產生之匯兌盈虧，則在權益中直接確認。

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
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### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### r) Foreign currencies (continued)

Non-monetary assets and liabilities 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 and 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 average exchange rates for the period, unless the exchange rates fluctuated significantly during the period, in which case the exchange rates at the dates of the transactions are used. Statement of financial position items 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 a separate component of equity.

On disposal of a foreign operation, the cumulative amount of the exchange differences recognised in equity which relates to that foreign operation is included in the calculation of the profit or loss on disposal.

#### s) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of those assets. Capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

### 2. 主要會計政策 (續)

#### r) 外幣 (續)

以歷史成本計量之外幣非貨幣資產及負債，按交易日之匯率換算。以公平值列賬而以外幣計值之非貨幣資產及負債，按釐定公平值當日之外幣匯率進行換算。

海外業務之業績使用期內之平均匯率換算成人民幣金額，除非期內匯率大幅波動，於此情況下，則採用交易當日之匯率。財務狀況表項目按各報告期末之匯率換算為人民幣金額。所產生之匯兌差異直接於獨立權益成份確認。

於出售海外業務時，匯兌差異之累計金額於權益內確認，其中與海外業務有關之部分乃於釐定出售之盈虧時計入。

#### s) 借貸成本

購買、建造或生產合資格資產所直接涉及之借貸成本，列作該等資產成本之一部份。一旦資產之大部份已可作擬定用途或銷售，有關借貸成本即不再撥充資本。

所有其他借貸成本於產生期間確認為開支。

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### t) Related parties

For the purpose of these financial statements, parties are 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;
- 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 (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.

### 2. 主要會計政策 (續)

#### t) 關連人士

就本財務報表而言，有關人士被認為是本集團之關連人士，倘：

- i) 該人士有能力透過一家或多家中介機構，直接或間接控制本集團或可對其財務及經營決策發揮重大影響(反之亦然)，或可共同控制本集團；
- ii) 本集團及該人士均受共同控制；
- iii) 該人士為本集團之聯繫人士或本集團為合營方之合營公司；
- iv) 該人士為本集團或本集團母公司主要管理人員之成員，或有關人士之近親家族成員，或為受有關人士控制、共同控制或重大影響之實體；
- v) 該人士為於第(i)段所述人士之近親家族成員或為受有關人士控制、共同控制或重大影響之實體；或
- vi) 該人士為就本集團僱員或屬於本集團關連方之任何實體之僱員利益而設之離職後福利計劃。

有關人士之近親家族成員為預期於買賣實體時將影響該人士或受該人士影響之該等家族成員。

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### u) Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's Chief Executive Officer for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical location.

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 type or class of customers, the methods used to 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.

### 3. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued one new HKFRS, a number of amendments to HKFRS and new interpretations that are first effective for the current accounting period of the Group and the Company. Of these, the following developments are relevant to the Group's financial statements:

- HKFRS 8, Operating segments
- HKAS 1 (Revised), Presentation of financial statements
- Improvements to HKFRSs (2008)

### 2. 主要會計政策 (續)

#### u) 分部報告

於綜合財務報表之營運分部及各分部項目之金額乃自財務資料中確認，並定期向本集團最高管理層提供以分配資源及評估本集團各業務類別之表現及地域位置。

就財務報告而言，除非分部具備相似的經濟特徵與產品及服務性質、生產工序性質、客戶類型或類別、用作分配產品或提供服務之方法及監管環境之性質方面相似，否則各個重大營運分部不會進行合算。個別非重大之營運分部，倘符合上述大部份標準，則可進行合算。

### 3. 會計政策變動

香港會計師公會已頒佈一份新的香港財務報告準則、若干香港財務報告準則之修訂及新詮釋，均於本集團及本公司之本會計期間首次生效。其中，以下準則變動與本集團之財務報表有關：

- 香港財務報告準則第8號，經營分部
- 香港會計準則第1號(經修訂)，財務報表之呈列
- 香港財務報告準則的改進(二零零八年)

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
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### 3. CHANGES IN ACCOUNTING POLICIES (continued)

- Amendments to HKAS 27, Consolidated and separate financial statements-cost of an investment in a subsidiary, jointly controlled entity or associate
- Amendments to HKFRS 7, Financial instruments: Disclosures-improving disclosures about financial instruments
- HKAS 23 (Revised), Borrowing costs
- Amendments to HKFRS 2, Share-based payment – vesting conditions and cancellations

The amendments to Improvements to HKFRSs (2008), HKAS 23, HKFRS 2 and HKFRS 7 have had no material impact on the Group's financial statements as the amendments and interpretations were consistent with policies already adopted by the Group. The impact of the remainder of these developments is as follows:

- HKFRS 8 requires segment disclosure to be based on the measures reported to the Group's Chief Executive Officer for the purposes of assessing segment performance and making decisions about operating matters. The adoption of HKFRS 8 has resulted in the presentation of segment information in a manner that is more consistent with internal reporting provided to the Group's Chief Executive Officer.

### 3. 會計政策變動(續)

- 香港會計準則第27號(修訂本), 綜合及獨立財務報表—於附屬公司、共同控制實體或聯營公司投資之成本
- 香港財務報告準則第7號(修訂本), 金融工具: 披露—改進有關金融工具之披露
- 香港會計準則第23號(經修訂), 借貸成本
- 香港財務報告準則第2號(修訂本), 以股份為基礎之付款—歸屬條件及註銷

對香港財務報告準則之改進(二零零八年)、香港會計準則第23號、香港財務報告準則第2號及香港財務報告準則第7號之修訂並無對本集團之財務報表造成重大影響, 因為修訂及詮釋與本集團經已採納之政策貫徹一致。其餘該等準則變動之影響如下:

- 香港財務報告準則第8號要求根據向本集團行政總裁所呈報用於評估分部表現及作出有關經營事務決策之措施作出分部披露。採納香港財務報告準則第8號使分部資料之呈列方式與向本集團行政總裁所提供內部報告之方式更為一致。

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
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### 3. CHANGES IN ACCOUNTING POLICIES (continued)

- As a result of the adoption of HKAS 1 (Revised), details of changes in equity during the period arising from transactions with owners in their capacity as such have been presented separately from all other income and expenses in a revised consolidated statement of changes in equity. All other items of income and expense are presented in the consolidated income statement, if they are recognised as part of profit or loss for the period, or otherwise in a new primary statement, the consolidated statement of comprehensive income. The new format for the consolidated statement of comprehensive income and the consolidated statement of changes in equity has been adopted in this consolidated financial statements and corresponding amounts have been restated to conform to the new presentation. This change in presentation has no effect on reported profit or loss, total income and expense or net assets for any period presented.
- The amendments to HKAS 27 have removed the requirement that dividends out of pre-acquisition profits should be recognised as a reduction in the carrying amount of the investment in the investee, rather than as income. As a result, as from 1 January 2009 all dividends receivable from subsidiaries, associates and jointly controlled entities, whether out of pre- or post-acquisition profits, will be recognised in the Company's statement of comprehensive income and the carrying amount of the investment in the investee will not be reduced unless that carrying amount is assessed to be impaired as a result of the investee declaring the dividend. In such cases, in addition to recognising dividend income in statement of comprehensive income, the Company would recognise an impairment loss. In accordance with the transitional provisions in the amendment, this new policy will be applied prospectively to any dividends receivable in the current or future periods and previous periods have not been restated.

### 3. 會計政策變動(續)

- 採納香港會計準則第1號(經修訂)後, 期內與擁有人進行交易產生之權益變動之詳情乃於經修訂綜合權益變動表內與所有其他收入及開支單獨呈報。所有其他收入及支出項目, 如被確認為期內溢利或虧損之部份, 均於綜合收益表內呈列, 否則於新增之主要報表一綜合全面收益表內呈列。本綜合財務報表已採納綜合全面收益表及綜合權益變動表新訂之呈列方式, 而相應金額已經重列以便與新呈列一致。此呈列變動對任何呈列期間之已呈報損益、總收入及開支或淨資產並無影響。
- 香港會計準則第27號之修訂刪除收購前溢利產生之股息須確認為於被投資公司之投資賬面值減少而非收入之規定。因此, 由二零零九年一月一日起, 所有應收附屬公司、聯營公司及共同控制實體之股息, 不論是來自收購前或收購後之溢利, 均會於本公司之全面收益表內確認, 而於被投資公司之投資賬面值將不會予以扣減, 除非該賬面值因被投資公司宣派股息而被評為已減值則作別論。於此情況下, 除了於全面收益表確認股息收入外, 本公司亦會確認減值虧損。按照該修訂之過渡性條文, 該項新政策將於本期間或未來期間開始應用於任何應收之股息, 以往期間應收之股息則並無予以重列。



# Notes to the Financial Statements

## 財務報表附註

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### 4. ADOPTION OF NEW AND AMENDED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

Up to the date of issue of these financial statements, the HKICPA has issued the following HKFRSs which are not yet effective for the year. The Group has not early applied any of the following New HKFRSs that have been issued but are not yet effective.

HKAS 24 (Revised)	Related Party Disclosures <sup>5</sup>
HKAS 27 (Revised)	Consolidated and Separate Financial Statements <sup>1</sup>
HKAS 32 (Amendments)	Classification of Rights Issues <sup>3</sup>
HKAS 39 (Amendments)	Eligible hedged items <sup>1</sup>
HKFRS 1 (Amendments)	Limited Exemption from Comparatives HKFRS 7 Disclosures for First-time Adopters <sup>4</sup>
HKFRS 1 (Amendments)	Amendments to HKFRS 1 First-time Adoption of Hong Kong Financial Reporting Standards — Additional Exemptions for First-time Adopters <sup>2</sup>
HKFRS 1 (Revised)	Additional Exemptions for First-time Adopters <sup>1</sup>
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions <sup>2</sup>
HKFRS 3 (Revised)	Business Combinations <sup>1</sup>
HKFRS 9	Financial Instruments <sup>6</sup>
HK(IFRIC)-Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement <sup>5</sup>

### 4. 採納新訂及經修訂香港財務報告準則(「香港財務報告準則」)

於此等財務報表刊發之日，香港會計師公會已頒佈下列於本年度尚未生效之香港財務報告準則。本集團並無提早採納以下已頒佈但尚未生效之新訂香港財務報告準則。

香港會計準則第24號(經修訂)	關連人士披露 <sup>5</sup>
香港會計準則第27號(經修訂)	綜合及獨立財務報表 <sup>1</sup>
香港會計準則第32號(修訂本)	供股分類 <sup>3</sup>
香港會計準則第39號(修訂本)	合資格對沖項目 <sup>1</sup>
香港財務報告準則第1號(修訂本)	香港財務報告準則第7號對首次採納者披露比較數字之有限度豁免 <sup>4</sup>
香港財務報告準則第1號(修訂本)	對香港財務報告準則第1號首次採納香港財務報告準則—首次採納者之額外豁免的修訂 <sup>2</sup>
香港財務報告準則第1號(經修訂)	首次採納者之額外豁免 <sup>1</sup>
香港財務報告準則第2號(修訂本)	集團以現金結算股份為基礎之付款交易 <sup>2</sup>
香港財務報告準則第3號(經修訂)	業務合併 <sup>1</sup>
香港財務報告準則第9號	金融工具 <sup>6</sup>
香港(國際財務報告詮釋委員會)—詮釋第14號(修訂本)	預付最低資金規定 <sup>5</sup>

## Notes to the Financial Statements

### 財務報表附註

For the year ended 31 December 2009  
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#### 4. ADOPTION OF NEW AND AMENDED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (cont’d)

HK(IFRIC)-Int 17	Distributions of Non-cash assets to Owners <sup>1</sup>
HK(IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments <sup>5</sup>
Amendments to HKFRS 5 included in Improvements to HKFRSs issued in October 2008	Amendments to HKFRS 5 Non-current Assets Held For Sale and Discontinued Operations — Plan to Sell the Controlling Interests in a subsidiary <sup>1</sup>
HK Interpretation 4 (Revised in December 2009)	Leases — Determination of the Length of Lease Term in respect of Hong Kong Land Lease <sup>2</sup>

- <sup>1</sup> Effective for annual periods beginning on or after 1 July 2009
- <sup>2</sup> Effective for annual periods beginning on or after 1 January 2010
- <sup>3</sup> Effective for annual periods beginning on or after 1 February 2010
- <sup>4</sup> Effective for annual periods beginning on or after 1 July 2010
- <sup>5</sup> Effective for annual periods beginning on or after 1 January 2011
- <sup>6</sup> Effective for annual periods beginning on or after 1 January 2013

The application of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent’s ownership interest in a subsidiary.

#### 4. 採納新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

香港(國際財務報告準則委員會)－詮釋第17號	向擁有人分派非現金資產 <sup>1</sup>
香港(國際財務報告準則委員會)－詮釋第19號	以股本工具抵銷金融負債 <sup>5</sup>
香港財務報告準則第5號(修訂本)(計入於二零零八年十月發行之香港財務報告準則之改進)	對香港財務報告準則第5號持作出售之非流動資產及已終止經營業務－計劃出售於附屬公司之控股權益之修訂 <sup>1</sup>
香港詮釋第4號(於二零零九年十二月經修訂)	租賃－就香港土地租賃確定租賃期限 <sup>2</sup>

- <sup>1</sup> 於二零零九年七月一日或之後開始之年度期間生效
- <sup>2</sup> 於二零一零年一月一日或之後開始之年度期間生效
- <sup>3</sup> 於二零一零年二月一日或之後開始之年度期間生效
- <sup>4</sup> 於二零一零年七月一日或之後開始之年度期間生效
- <sup>5</sup> 於二零一一年一月一日或之後開始之年度期間生效
- <sup>6</sup> 於二零一三年一月一日或之後開始之年度期間生效

應用香港財務報告準則第3號(經修訂)可能影響收購日期為二零零九年七月一日或之後開始之首個年度報告期間起始日期或之後之業務合併之會計處理。香港會計準則第27號(經修訂)將影響母公司於附屬公司所有權權益變動之會計處理。

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#### 5. TURNOVER, OTHER REVENUE AND OTHER NET INCOME/(LOSS)

#### 5. 營業額、其他收入及其他淨收入／(虧損)

		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
Turnover	營業額		
Turnover represents the net amounts received and receivable for goods sold and rendering of services by the Group	營業額指因本集團銷售產品及提供服務而產生之已收款項及應收款項淨額		
Sale of EP products and equipment	環保產品及設備之銷售	421,521	582,846
Revenue from EP construction engineering projects	來自環保建設工程之收入	179,386	9,356
Revenue from EP related professional services	來自環保相關專業服務之收入	8,065	1,563
		<b>608,972</b>	<b>593,765</b>

## Notes to the Financial Statements

### 財務報表附註

For the year ended 31 December 2009  
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#### 5. TURNOVER, OTHER REVENUE AND OTHER NET INCOME/(LOSS) (cont'd)

#### 5. 營業額、其他收入及其他淨收入／(虧損)(續)

		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
Other revenue	其他收入		
Interest income on bank deposits	銀行存款利息收入	4,466	10,413
Total interest income on financial assets not at fair value through profit or loss	透過損益非按公平值列賬之金融資產之利息收入總額	4,466	10,413
Bad debts recovery	壞賬收回	2,229	1,235
Dividend income from available-for-sale financial asset	可供出售金融資產之利息收入	5,176	—
Reversal of impairment loss on trade receivables	應收貿易款項減值虧損撥回	100	54
Sundry income	雜項收入	57	580
		<b>12,028</b>	<b>12,282</b>
Other net income/(loss)	其他淨收入／(虧損)		
Gain on disposal of subsidiaries	出售附屬公司之收益	1,120	—
Gain/(loss) on disposal of property, plant and equipment	出售物業、廠房及設備之收益／(虧損)	47	(1)
Net exchange gain/(loss)	匯兌收益／(虧損)淨額	8,460	(29,965)
		<b>9,627</b>	<b>(29,966)</b>

## Notes to the Financial Statements

### 財務報表附註

For the year ended 31 December 2009  
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#### 6. PROFIT BEFORE TAXATION

Profit before taxation has been arrived at after charging/  
(crediting) the following:

a)	Finance costs: Interest on bank advances wholly repayable within one year	a)	融資成本 須於一年內全數償還之銀行貸款之利息
	Total interest expenses on financial liabilities not at fair value through profit or loss		透過損益非按公平值列賬之金融負債之利息開支總額
b)	Staff costs (including directors' remuneration): — Contributions to defined contribution retirement plans — Equity settled share-based payment expenses — Salaries, wages and other benefits	b)	員工成本(包括董事酬金): — 界定供款退休計劃供款 — 股本結算股份付款開支 — 工資、薪金及其他福利

#### 6. 除稅前溢利

除稅前溢利已扣除/(計入)下列各項:

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
4,080	3,651
4,080	3,651
1,053	974
5,121	8,720
11,154	33,164
17,328	42,858

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

### 6. PROFIT BEFORE TAXATION (cont'd)

### 6. 除稅前溢利(續)

		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
c) Other items:	c) 其他項目：		
Amortisation of prepaid lease payment	預付租賃款項之攤銷	168	169
Auditor's remuneration	核數師酬金		
— audit service	— 審計服務	857	785
— other service	— 其他服務	388	282
Bad debts written off	撇銷壞賬	—	9,243
Cost of inventories (Note)	存貨成本(附註)	313,105	375,328
Depreciation (Note)	折舊(附註)	5,300	4,819
(Gain)/loss on disposal of property, plant and equipment	出售物業、廠房及設備之(收益)/虧損	(47)	1
Impairment loss on trade receivables	應收貿易款項之減值虧損	322	257
Net exchange (gain)/loss	匯兌(收益)/虧損淨額	(8,460)	29,965
Operating lease charges	經營租賃費用		
— properties rental	— 物業租金	1,019	806

Note:

Cost of inventories includes RMB4,066,000 (2008: RMB3,586,000) relating to staff costs and depreciation, which amount is also included in the respective total amounts disclosed separately above.

附註：

存貨成本包括人民幣4,066,000元(二零零八年：人民幣3,586,000元)有關員工成本及折舊的金額，該等金額亦已分別計入上述各自披露的總金額。



# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

### 7. INCOME TAX IN THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

- a) Taxation in the consolidated statement of comprehensive income represents:

Current Tax	即期稅項
PRC enterprise income tax	中國企業所得稅
— current year	— 本年度

- i) An uniform enterprise income tax of 25% became generally applicable to all domestic and foreign investment enterprises established in the PRC, subject to certain exceptions or exemptions with effect from 1 January 2008.
- ii) No provision for Hong Kong profits tax has been made for the years ended 31 December 2008 and 2009 as the Group's income neither arises nor is derived from Hong Kong.

On 26 June 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 and reduced corporate profits tax rate from 17.5% to 16.5% which is effective from the year of assessment 2008/09. Hong Kong Profits Tax is calculated at 16.5% (2008: 16.5%) of the estimated assessable profit for the year.

### 7. 於綜合全面收益表之所得稅

- a) 於綜合全面收益表之稅項指：

<b>2009</b>	2008
<b>二零零九年</b>	二零零八年
<b>RMB'000</b>	RMB'000
<b>人民幣千元</b>	人民幣千元
<b>37,385</b>	41,428

- i) 自二零零八年一月一日起，於中國成立之所有國內及外商投資企業普遍採用25%之劃一企業所得稅稅率，惟若干例外或豁免除外。
- ii) 由於本集團收入並非於香港產生，亦非來自香港，故截至二零零八年及二零零九年十二月三十一日止年度本集團並無就香港利得稅作出撥備。

於二零零八年六月二十六日，香港立法會通過了二零零八年收入條例法案，並將二零零八／零九年課稅年度之企業利得稅率由17.5%減至16.5%。香港利得稅按年內估計應課稅溢利之16.5%（二零零八年：16.5%）計算。

## Notes to the Financial Statements

### 財務報表附註

For the year ended 31 December 2009  
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#### 7. INCOME TAX IN THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (cont'd)

a) (cont'd)

- iii) Under the Enterprise Income Tax Law of the PRC with effect from 1 January 2008 onwards, non-resident enterprises without an establishment or place of business in the PRC or which have an establishment or place of business but the relevant income is not effectively connected with the establishment or a place of business in the PRC will be subject to withholding income tax at the rate of 10% on various types of passive income such as dividends derived from sources in the PRC. On 22 February 2008, the State Administration of Taxation approved Caishui (2008) No. 1, pursuant to which dividend distributions out of retained earnings of foreign investment enterprises prior to 31 December 2007 will be exempted from withholding income tax. No deferred tax liabilities in respect of the withholding income tax on dividends has been recognised by the Group as the Company controls the dividends policy of the Group's PRC subsidiaries.

#### 7. 於綜合全面收益表之所得稅 (續)

a) (續)

- iii) 根據自二零零八年一月一日起生效之中國企業所得稅法，在中國境內未設立機構、場所，或者雖在中國境內設立機構、場所但取得之所得與其在中國境內所設機構、場所沒有實際聯繫之非居民企業，將須就多種被動收入（如源於中國境內之股息）按10%稅率繳納預提稅。於二零零八年二月二十二日，國家稅務總局通過財稅(2008)第1號，據此，外商投資企業於二零零七年十二月三十一日前從其保留盈利作出之股息分派將可獲豁免繳納預提稅。由於本公司控制本集團中國附屬公司之股息政策，故本集團並無確認有關股息預提稅之遞延稅項負債。

## Notes to the Financial Statements

### 財務報表附註

For the year ended 31 December 2009  
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#### 7. INCOME TAX IN THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (cont'd)

- b) Reconciliation between tax expenses and accounting profit at applicable tax rates:

#### 7. 於綜合全面收益表之所得稅 (續)

- b) 按適用稅率計算之稅項支出與會計溢利之對賬如下：

		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
Profit before taxation	除稅前溢利	<b>125,143</b>	117,563
Notional tax on profit before taxation calculated at rates applicable to profits in the jurisdictions concerned	按適用於在有關司法權區產生溢利之稅率計算除稅前溢利之名義稅項	<b>32,878</b>	32,879
Tax effect of non-taxable income	毋須課稅收入之稅務影響	<b>(2,100)</b>	—
Tax effect of non-deductible expenses	不可扣稅開支之影響	<b>2,284</b>	8,549
Tax effect of unused tax losses not recognised	未確認尚未動用稅項虧損之稅務影響	<b>4,323</b>	—
Income tax expenses	所得稅支出	<b>37,385</b>	41,428

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
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### 8. RETIREMENT BENEFITS COSTS

The Group has arranged its Hong Kong employees to join the Mandatory Provident Fund Scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement plan managed by independent trustees. Under the MPF Scheme, each of the Group (the employer) and its employees makes monthly contributions to the scheme at 5% of the employees' earnings as defined under the Mandatory Provident Fund legislation. The contributions from each of the employer and employees are subject to a cap of HK\$1,000 per month and thereafter contributions are voluntary. Contributions to the plan vest immediately.

The employees of the Group's subsidiaries in the PRC are members of a state-sponsored retirement plan operated by the local governments in the PRC and these subsidiaries make mandatory contributions to the state-sponsored retirement plan to fund the employees retirement benefits. The retirement contributions paid by the PRC subsidiaries are based on certain percentage of the relevant portion of the payroll of all qualifying employees in accordance with the relevant regulations in the PRC and are charged to the consolidated statement of comprehensive income as incurred. The Group discharges its retirement obligations upon payment of the retirement contributions to the state-sponsored retirement plan operated by the local governments in the PRC.

### 8. 退休福利成本

根據受香港僱傭條例監管之香港強制性公積金計劃條例規定，本集團已安排其香港僱員參與強制性公積金計劃（「強積金計劃」）。強積金計劃乃由獨立受託人管理之定額供款退休計劃。根據強積金計劃，本集團（作為僱主）及其僱員須每月各自按僱員薪金（定義見強制性公積金法例）之5%向該計劃作出供款。僱主及僱員每月各自之供款以1,000港元為上限，另可自願額外供款。對該計劃之供款即時歸屬。

本集團於中國附屬公司之僱員均參與中國當地政府運作之退休福利計劃，該等附屬公司向該項國家資助之退休福利計劃強制性供款以為僱員之退休福利提供資金。該等中國附屬公司之退休金供款乃基於所有合資格僱員薪酬之特定百分比，及根據中國之有關規定，並按照所發生之金額計入綜合全面收益表。本集團在向由中國地方政府運作並由國家資助之退休金計劃供款之後即為履行其於僱員退休福利方面之責任。

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
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### 8. RETIREMENT BENEFITS COSTS (cont'd)

A new law of the PRC on employment contracts (the "Employment Contract Law") was adopted by the Standing Committee of the National People's Congress of the PRC in 2008 and became effective on 1 January 2008. Compliance with the requirements under the new law, in particular, the requirement of severance payments and non-fixed term employment contracts, may increase the staff costs of the Group.

Pursuant to the new Employment Contract Law, the PRC subsidiaries are required to enter into non-fixed term employment contract with employees who have worked for more than 10 years or with whom a fixed term employment has been concluded for 2 consecutive terms. The employer is required to make a severance payment to the employee when the term of the employment contract expires unless the employee voluntarily terminates the contract or voluntarily rejects the offer to renew the contract in which case the terms are no worse off than the terms of other employment contracts available to him/her. The severance payment will be equal to the monthly wages times the number of full years that the employee has worked for the employer. The minimum wages requirement has also been imposed. Fines will be imposed for any breach of the Employment Contract Law.

The Group has no other material obligation for the payment of retirement benefits associated with the schemes beyond the contributions described above.

### 8. 退休福利成本(續)

中國新勞動合同法(「勞動合同法」)於二零零八年獲全國人民代表大會常務委員會採納並自二零零八年一月一日開始生效。遵守新法律之規定，特別是遣散費及非固定期限勞動合同之規定可能會增加本集團之員工成本。

根據新勞動合同法，中國附屬公司須與已工作10年以上或已經連續兩次訂立固定期限勞動合同之僱員訂立無固定期限勞動合同。法律規定當勞動合同期限到期時僱主須向僱員支付遣散費，除非僱員自願終止合同或自願拒絕續簽條款不遜於其可獲得之其他勞動合同條款之合同。遣散費之支付將相等於該僱員每月工資乘以該僱員已為僱主工作的年限。此外還實施最低工資規定。對勞動法之任何違反將會遭罰款。

本集團除上述供款以外，毋須就該等計劃承擔其他任何有關支付退休福利的重大責任。

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### 財務報表附註

For the year ended 31 December 2009  
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#### 8. RETIREMENT BENEFITS COSTS (cont'd)

The contributions paid which have been dealt with in the consolidated statement of comprehensive income of the Group for the years ended 31 December 2008 and 2009 are as follows:

Contributions paid                      已支付供款

#### 8. 退休福利成本(續)

計入本集團截至二零零八年及二零零九年十二月三十一日止年度之綜合全面收益表之已支付供款列明如下：

<b>2009</b> <b>二零零九年</b> <b>RMB'000</b> <b>人民幣千元</b>	2008 二零零八年 RMB'000 人民幣千元
<b>1,053</b>	974

#### 9. DIRECTORS' REMUNERATIONS

The directors of the Company were members of the senior management of the Group during the years ended 31 December 2009 and 2008. Directors' remunerations disclosed pursuant to section 161 of the Hong Kong Companies Ordinance is as follows:

Fees    袍金  
Salaries, allowances                      薪金、津貼及實物利益  
and benefits in kind  
Share-based payments                      以股份為基礎之付款  
Contributions to                              退休計劃供款  
retirement scheme

#### 9. 董事酬金

於截至二零零九年及二零零八年十二月三十一日止年度，本公司董事亦為本集團高級管理層成員。根據香港公司條例第161條披露之董事酬金如下：

<b>2009</b> <b>二零零九年</b> <b>RMB'000</b> <b>人民幣千元</b>	2008 二零零八年 RMB'000 人民幣千元
<b>746</b>	835
<b>398</b>	927
<b>1,670</b>	2,842
<b>21</b>	11
<b>2,835</b>	4,615



# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
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### 9. DIRECTORS' REMUNERATIONS (cont'd)

### 9. 董事酬金(續)

		Year ended 31 December 2009 截至二零零九年十二月三十一日止年度					
		Salaries, allowances and benefits in kind		Contributions to retirement scheme	Share-based payments	Total	
Name of director 董事姓名		Fees 袍金	津貼及 實物利益	退休計 劃供款	Sub-total 小計	Share-based payments 股份付款	Total 總額
		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	RMB'000 人民幣千元	RMB'000 人民幣千元
<b>Executive directors</b>	<b>執行董事</b>						
Mr. Fan Yajun	范亞軍先生	106	103	7	216	720	936
Mr. Fang Guohong (note a)	方國洪先生(附註a)	26	85	—	111	—	111
Mr. Gan Yi	甘毅先生	106	88	7	201	288	489
Mr. Jiang Lei	蔣磊先生	106	—	—	106	115	221
Mr. Jiang Quanlong	蔣泉龍先生	106	122	7	235	115	350
<b>Independent non-executive directors</b>	<b>獨立非執行董事</b>						
Mr. Lai Wing Lee	賴永利先生	53	—	—	53	144	197
Mr. Leung Shu Sun, Sunny	梁樹新先生	190	—	—	190	144	334
Professor Wang Guozhen	王國珍教授	53	—	—	53	144	197
		<b>746</b>	<b>398</b>	<b>21</b>	<b>1,165</b>	<b>1,670</b>	<b>2,835</b>

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## 財務報表附註

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### 9. DIRECTORS' REMUNERATIONS (cont'd)

### 9. 董事酬金(續)

		Year ended 31 December 2008 截至二零零八年十二月三十一日止年度					
		Salaries, allowances and benefits in kind 薪金、津貼及實物利益		Contributions to retirement scheme 退休計劃供款	Sub-total 小計	Share-based payments 股份付款	Total 總額
Name of director 董事姓名	Fees 袍金	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	RMB'000 人民幣千元	RMB'000 人民幣千元
<b>Executive directors</b>		<b>執行董事</b>					
Mr. Fan Yajun	范亞軍先生	107	102	4	213	1,225	1,438
Mr. Fang Guohong (note a)	方國洪先生(附註a)	107	682	4	793	—	793
Mr. Gan Yi	甘毅先生	107	25	—	132	490	622
Mr. Jiang Lei	蔣磊先生	107	—	—	107	196	303
Mr. Jiang Quanlong	蔣泉龍先生	107	118	3	228	196	424
<b>Independent non-executive directors</b>		<b>獨立非執行董事</b>					
Mr. Lai Wing Lee	賴永利先生	54	—	—	54	245	299
Mr. Leung Shu Sun, Sunny	梁樹新先生	192	—	—	192	245	437
Professor Wang Guozhen	王國珍教授	54	—	—	54	245	299
		835	927	11	1,773	2,842	4,615

Note:

a) Mr. Fang Guohong resigned on 25 March 2009.

As at 31 December 2009 and 2008, the directors held share options under the Company's share option scheme. The details of the share options are disclosed under the paragraph "Share Option Scheme" in the report of directors and note 30 to the financial statements. During the years ended 31 December 2009 and 2008, no director of the Company waived any remuneration and no remuneration was paid or payable by the Group as an inducement to join or upon joining the Group or as compensation for loss of office.

附註：

a) 方國洪先生於二零零九年三月二十五日辭任。

於二零零九年及二零零八年十二月三十一日，董事根據本公司購股權計劃持有購股權。有關購股權詳情載於董事會報告「購股權計劃」一節及財務報表附註30。於截至二零零九年及二零零八年十二月三十一日止年度，本公司概無董事放棄任何酬金及本集團並無支付或應支付任何酬金作為促使加入或於加入本集團時之獎金或離職之賠償。

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### 財務報表附註

For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

#### 10. INDIVIDUALS WITH HIGHEST REMUNERATIONS

The five highest paid individuals for the year included two directors (2008: one), details of whose remunerations are set out in note 9 to the financial statements. The remunerations of the remaining three (2008: four) individuals are as follows:

Salaries and allowances	薪金及津貼
Contributions to retirement scheme	退休計劃供款
Share-based payments	股份付款

During the year, no remuneration was paid to the five highest paid individuals (including directors and other employees) as inducement to join or upon joining the Group or as compensation for loss of office (2008: Nil).

#### 10. 最高酬金人士

年內，五位最高酬金人士包括兩位董事(二零零八年：一位)，其酬金詳情載於財務報表附註9。餘下三位人士(二零零八年：四位)之酬金如下：

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
1,068	4,571
24	30
1,153	980
<b>2,245</b>	<b>5,581</b>

年內，概無向五位最高酬金人士(包括董事及其他僱員)支付任何酬金作為促使加入或於加入本集團時之獎金或離職之賠償(二零零八年：零)。

## Notes to the Financial Statements

### 財務報表附註

For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

#### 10. INDIVIDUALS WITH HIGHEST REMUNERATIONS (cont'd)

The remunerations of the remaining three individuals other than the director fall within the following bands:

Bands:	組別：
Nil to RMB881,230 (HK\$1,000,000 equivalent)	零至人民幣 881,230 元 (相當於 1,000,000 港元)
RMB881,231 (HK\$1,000,001 equivalent) to RMB1,321,850 (HK\$1,500,000 equivalent)	人民幣 881,231 元 (相當於 1,000,001 港元) 至 人民幣 1,321,850 元 (相當於 1,500,000 港元)
RMB1,762,460 (HK\$2,000,001 equivalent) to RMB2,203,080 (HK\$2,500,000 equivalent)	人民幣 1,762,460 元 (相當於 2,000,001 港元) 至 人民幣 2,203,080 元 (相當於 2,500,000 港元)

#### 10. 最高酬金人士(續)

該等餘下三位人士(董事除外)之酬金組別如下：

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
2	1
—	1
1	2
<b>3</b>	<b>4</b>

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

The consolidated profit attributable to owners of the Company includes a profit of approximately RMB43,223,000 (2008: a loss of approximately RMB3,625,000) which has been dealt with in the financial statements of the Company.

#### 11. 本公司擁有人應佔溢利/(虧損)

本公司擁有人應佔綜合溢利包括溢利約人民幣 43,223,000 元(二零零八年：虧損約人民幣 3,625,000 元)，已在本公司之財務報表中處理。

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

### 12. DIVIDENDS

a) Dividends payable to owners of the Company attributable to the year

Final dividend proposed after the reporting date of HK4 cents (equivalent to RMB3.53 cents) per share (2008: No final dividend was proposed)	擬於報告日期後派付之末期股息每股4港仙(相當於人民幣3.53分)(二零零八年：並無建議派付末期股息)
--	--

The final dividend proposed after the reporting date has not been recognised as a liability at the reporting date.

b) Dividends payable to owners of the Company attributable to the previous financial year, approved and paid during the year

Final dividend in respect of the previous financial year, approved and paid during the year, of Nil cents per share (2008: HK5 cents (equivalent to RMB4.68 cents) per share)	於本年度內批准及支付上個財政年度之末期股息，每股零港仙(二零零八年：每股5港仙(相當於人民幣4.68分))
---	---

### 12. 股息

a) 應派付予本公司擁有人之本年度股息

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
<b>28,213</b>	—

報告日後建議之末期股息，並未於此報告日確認為負債。

b) 應派付予本公司擁有人之上個財政年度股息，並於本年度內批准及支付

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
—	37,436

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

### 13. EARNINGS PER SHARE

#### a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to owners of the Company of approximately RMB88,070,000 (2008: approximately RMB77,766,000) and the weighted average number of 800,000,000 shares (2008: 800,000,000 shares) in issue during the year.

Weighted average number of ordinary shares

Issued ordinary shares at 1 January 於一月一日之已發行普通股

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

### 13. 每股盈利

#### a) 每股基本盈利

每股基本盈利乃基於本公司擁有人應佔溢利約人民幣88,070,000元(二零零八年:約人民幣77,766,000元)及年內已發行800,000,000股(二零零八年:800,000,000股)股份之加權平均數計算。

普通股之加權平均數:

2009 二零零九年 Number of shares 股份數目 '000 千股	2008 二零零八年 Number of shares 股份數目 '000 千股
<b>800,000</b>	800,000
<b>800,000</b>	800,000

#### b) Diluted earnings per share

Diluted earnings per share equal to basic earnings per share for the years ended 31 December 2009 and 2008 as the exercise price of the Company's outstanding share options were higher than the average market price of the Company's shares for the relevant period and therefore it is anticipated that no share option to subscribe for the Company's shares will be exercised.

#### b) 每股攤薄盈利

由於本公司截至二零零九年及二零零八年十二月三十一日止年度的未行使購股權之行使價較有關期間本公司股份的平均市價為高，因而預計將不會行使購股權認購本公司股份，故每股攤薄盈利相等於每股基本盈利。



# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

### 14. PREPAID LEASE PAYMENT

### 14. 預付租賃款項

		The Group 本集團	
		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
Net book value at beginning of year	年初賬面淨值	7,082	7,251
Addition during the year	年內添置	20,800	—
Disposal of subsidiaries (Note 31)	出售附屬公司(附註31)	(20,800)	—
Amortisation	攤銷	(168)	(169)
		<b>6,914</b>	<b>7,082</b>
Analysed by:	分析如下：		
Non-current portion	非即期部份	6,745	6,913
Current portion	即期部份	169	169
		<b>6,914</b>	<b>7,082</b>

The prepaid lease payment represents prepayment of lease premium for land situated in the PRC under medium lease term. The amortisation charge for the year is included in "General and administrative expenses" in the consolidated statement of comprehensive income.

預付租賃款項指根據中期租賃條款支付之位於中國之預付土地租金。本年度攤銷費用計入綜合全面收益表之「一般及行政開支」內。

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

### 15. PROPERTY, PLANT AND EQUIPMENT

### 15. 物業、廠房及設備

#### The Group

#### 本集團

		Buildings held for own use 持作自用 之樓宇 RMB'000 人民幣千元	Furniture, fixtures and equipment 傢私、 裝置及設備 RMB'000 人民幣千元	Plant and machineries 廠房 及機器 RMB'000 人民幣千元	Leasehold improvements 租賃 物業裝修 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
<b>Cost</b>	<b>成本</b>						
As at 1/1/2008	於二零零八年一月一日	52,349	1,518	15,547	1,880	6,338	77,632
Additions	添置	235	343	3,192	26	437	4,233
Disposal	出售	—	(40)	—	—	—	(40)
Cost variation	成本變動	—	—	—	(601)	—	(601)
As at 31/12/2008 and 1/1/2009	於二零零八年十二月三十一日 及二零零九年一月一日	52,584	1,821	18,739	1,305	6,775	81,224
Additions	添置	—	353	—	—	122	475
Disposal	出售	—	—	—	—	(132)	(132)
Disposal of subsidiaries	出售附屬公司	—	(20)	—	—	—	(20)
As at 31/12/2009	於二零零九年十二月三十一日	52,584	2,154	18,739	1,305	6,765	81,547
<b>Accumulated depreciation</b>	<b>累計折舊</b>						
As at 1/1/2008	於二零零八年一月一日	12,372	1,042	6,558	331	3,399	23,702
Charge for the year	本年度開支	2,383	214	1,319	248	655	4,819
Written back during the year	年內撥回	—	(37)	—	—	—	(37)
Cost variation	成本變動	—	—	—	(106)	—	(106)
Exchange adjustment	匯兌調整	—	(1)	—	—	—	(1)
As at 31/12/2008 and 1/1/2009	於二零零八年十二月三十一日 及二零零九年一月一日	14,755	1,218	7,877	473	4,054	28,377
Charge for the year	本年度開支	2,392	277	1,622	251	758	5,300
Disposal	出售	—	—	—	—	(77)	(77)
Disposal of subsidiaries	出售附屬公司	—	(4)	—	—	—	(4)
As at 31/12/2009	於二零零九年十二月三十一日	17,147	1,491	9,499	724	4,735	33,596
<b>Carrying amount</b>	<b>賬面值</b>						
As at 31/12/2009	於二零零九年十二月三十一日	35,437	663	9,240	581	2,030	47,951
As at 31/12/2008	於二零零八年十二月三十一日	37,829	603	10,862	832	2,721	52,847

## Notes to the Financial Statements

### 財務報表附註

For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

#### 15. PROPERTY, PLANT AND EQUIPMENT (Continued)

#### 15. 物業、廠房及設備(續)

##### The Company

##### 本公司

		Furniture, fixtures and equipment 傢私、 裝置及設備 RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
<b>Cost</b>	<b>成本</b>		
As at 1/1/2008	於二零零八年一月一日	—	—
Additions	添置	183	183
		<hr/>	<hr/>
As at 31/12/2008, 1/1/2009 and 31/12/2009	於二零零八年十二月三十一日、 二零零九年一月一日及 二零零九年十二月三十一日	183	183
		<hr/>	<hr/>
<b>Accumulated depreciation</b>	<b>累計折舊</b>		
As at 1/1/2008	於二零零八年一月一日	—	—
Charge for the year	本年度開支	81	81
Exchange adjustment	匯兌調整	(1)	(1)
		<hr/>	<hr/>
As at 31/12/2008 and 1/1/2009	於二零零八年十二月三十一日 及二零零九年一月一日	80	80
Charge for the year	本年度開支	91	91
		<hr/>	<hr/>
As at 31/12/2009	於二零零九年十二月三十一日	171	171
		<hr/>	<hr/>
<b>Carrying amount</b>	<b>賬面值</b>		
As at 31/12/2009	於二零零九年十二月三十一日	12	12
		<hr/> <hr/>	<hr/> <hr/>
As at 31/12/2008	於二零零八年十二月三十一日	103	103
		<hr/> <hr/>	<hr/> <hr/>

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

### 15. PROPERTY, PLANT AND EQUIPMENT (Continued)

- a) All the buildings are situated on land are held under medium-term lease in the PRC.
- b) Addition of plant and machineries during the year ended 31 December 2008 amounting to RMB3,192,200 was contributed from the minority shareholder of a newly incorporated subsidiary as their capital contribution in the subsidiary.

### 16. AVAILABLE-FOR-SALE FINANCIAL ASSET

Unlisted equity securities in the PRC, at cost	按成本計算之 於中國非上市股本證券
Balance at beginning of year	年初結餘
Addition (Note 40)	添置(附註40)
Balance at end of year	年末結餘

The carrying amount of the above equity securities, which is not held for short-term trading purpose, represents the Group's 5% equity interest in a private entity incorporated in the PRC. The unlisted equity securities were carried at cost less accumulated impairment losses as they do not have a quoted price in an active market and whose fair value cannot be reliably measured.

### 15. 物業、廠房及設備(續)

- a) 所有樓宇均於中國並根據中期租賃條款持有。
- b) 截至二零零八年十二月三十一日止年度內，添置廠房及機械人民幣3,192,200元由新註冊成立之附屬公司之少數股東貢獻，作為其於附屬公司之注資。

### 16. 可供出售金融資產

The Group 本集團	
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
1,950	1,950
4,900	—
<b>6,850</b>	<b>1,950</b>

上述股本證券(並非為短期買賣而持有)的賬面值為在中國註冊成立之私人實體之5%股權。非上市股本證券由於並無活躍市場所報價格及其公平值不能可靠地計量，故有關投資按成本減累計減值虧損。

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

### 17. INVESTMENT IN SUBSIDIARIES

### 17. 於附屬公司之投資

		The Company 本公司	
		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
Unlisted shares, at cost	按成本計算之非上市股份	<b>381,537</b>	381,537
Amounts due from subsidiaries (Note 19)	應收附屬公司款項(附註 19)	<b>412,916</b>	351,279

The amounts due from subsidiaries are unsecured, interest free and repayable on demand.

應收附屬公司款項為無抵押、免息及須按要求即時還款。

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

### 17. INVESTMENT IN SUBSIDIARIES (Continued)

### 17. 於附屬公司之投資(續)

Details of the subsidiaries are as follows:

附屬公司詳情如下：

Name of subsidiary 附屬公司名稱	Place of incorporation and type of legal entity 註冊成立及法律實體性質	Issued and fully paid share capital/ registered capital 已發行及繳足股本/ 註冊股本	Proportion of ownership interest 所有權權益比例			Principal activities and place of operations 主要業務及經營地點
			Group's effective interest 本集團實際權益	Held by the Company 由本公司持有	Held by a subsidiary 由附屬公司持有	
Pan Asia Environmental Protection Technologies Limited	British Virgin Islands, limited liability company 英屬處女群島，有限公司	US\$100 100美元	100%	100%	—	Investment holding, in Hong Kong 投資控股，香港
Dragon Commend Limited	British Virgin Islands, limited liability company 英屬處女群島，有限公司	US\$1 1美元	100%	100%	—	Not yet commence business, in Hong Kong 暫無營業，香港
Wuxi Pan-Asia Environmental Protection Technologies Limited ("Wuxi Pan Asia") 無錫泛亞環保科技有限公司 (「無錫泛亞」)	The PRC, wholly-foreign-owned enterprise 中國，外商獨資企業	US\$13,280,000 13,280,000美元	100%	—	100%	Manufacture and sale of EP products and equipment and undertaking of EP construction engineering projects, in the PRC 環保產品及設備之製造及銷售及承接環保建設工程項目，中國



## Notes to the Financial Statements

### 財務報表附註

For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

#### 17. INVESTMENT IN SUBSIDIARIES (Continued)

#### 17. 於附屬公司之投資(續)

Name of subsidiary 附屬公司名稱	Place of incorporation and type of legal entity 註冊成立及法律實體性質	Issued and fully paid share capital/ registered capital 已發行及繳足股本/ 註冊股本	Proportion of ownership interest 所有權權益比例			Principal activities and place of operations 主要業務及經營地點
			Group's effective interest 本集團實際權益	Held by the Company 由本公司持有	Held by a subsidiary 由附屬公司持有	
Pan Asia Environmental Protection (China) Company Limited	The PRC, wholly-foreign-owned enterprise 中國·外商獨資企業	HK\$100,000,000 100,000,000港元	100%	—	100%	Manufacture and sale of EP products and equipment and undertaking of EP construction engineering projects, in the PRC 環保產品及設備之製造及銷售及承接環保建設工程項目·中國
Wuxi Zhong Dian Kong Leng Technology Limited 無錫市中電空冷技術有限公司(「無錫中電」)	The PRC, domestic-invested limited liability company 中國·境內投資有限公司	RMB5,000,000 人民幣 5,000,000元	100%	—	100%	Investment holding, in the PRC 投資控股·中國
連雲港民心投資有限公司(「民心投資」)	The PRC, domestic-invested limited liability company 中國·境內投資有限公司	RMB10,000,000 人民幣 10,000,000元	100%	—	100%	Undertaking of EP construction engineering projects, in the PRC 承接環保建設工程項目·中國
Shanghai Environmental Engineering Design & Research Institute Limited 上海環境工程設計研究院有限公司	The PRC, joint stock limited company 中國·股份有限公司	RMB10,750,000 人民幣 10,750,000元	70.05%	—	70.05%	Provision of professional services, in the PRC 提供專業服務·中國

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

### 17. INVESTMENT IN SUBSIDIARIES (Continued)

### 17. 於附屬公司之投資(續)

Name of subsidiary 附屬公司名稱	Place of incorporation and type of legal entity 註冊成立及 法律實體性質	Issued and fully paid share capital/ registered capital 已發行及 繳足股本/ 註冊股本	Proportion of ownership interest 所有權權益比例			Principal activities and place of operations 主要業務及 經營地點
			Group's effective interest 本集團 實際權益	Held by the Company 由本 公司持有	Held by a subsidiary 由附屬 公司持有	
五河泛亞污水處理 有限公司	The PRC, domestic-invested limited liability company 中國·境內投資 有限公司	RMB2,000,000 人民幣 2,000,000 元	70.05%	—	100%	Manufacture and sale of EP products and equipment and undertaking of EP construction engineering projects, in the PRC 環保產品及設備 之製造及銷售及 承接環保建設 工程項目·中國
遼寧泛亞環境設計工程 有限公司(“遼寧泛亞”)	The PRC, joint stock limited company 中國·股份 有限公司	RMB10,000,000 人民幣 10,000,000 元	49.04%	—	70%	Manufacture and sale of EP products and equipment and undertaking of EP construction engineering projects and provision of professional services, in the PRC 環保產品及設備 之製造及銷售及承接 環保建設工程項目及 提供專業服務·中國

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

### 18. INVENTORIES

Raw materials	原材料
Work-in-progress	在製品
Finished goods	製成品

The amount of inventories recognised as an expense is as follows:

### 18. 存貨

		The Group 本集團	
		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
		7	75
		—	7
		<b>32,948</b>	40,611
		<b>32,955</b>	40,693

被確認為開支之存貨金額如下:

Carrying amount of inventories sold	已售存貨之賬面值
--	----------

		The Group 本集團	
		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
		<b>313,105</b>	375,328

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

### 19. TRADE AND OTHER RECEIVABLES

### 19. 應收貿易及其他款項

		The Group 本集團		The Company 本公司	
		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	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
Trade receivables	應收貿易款項	177,685	233,018	—	—
Less: Allowance for doubtful debts	減：呆賬撥備	(1,062)	(840)	—	—
		<b>176,623</b>	232,178	—	—
Other receivables	其他應收款項	51,022	36,354	—	711
Less: Allowance for doubtful debts	減：呆賬撥備	(147)	(147)	—	—
		<b>50,875</b>	36,207	—	711
Amount due from a related company (Note 20)	應收一間關連公司款項(附註20)	2,028	2,033	2,028	2,033
Amounts due from subsidiaries (Note 17)	應收附屬公司款項(附註17)	—	—	412,916	351,279
Loans and receivables	貸款及應收款項	229,526	270,418	414,944	354,023
Prepayments and deposits	預付款項及按金	127,361	21,514	11,986	242
Amounts due from customers for contract work (Note 26)	應收客戶合約工程款項(附註26)	184,105	11,213	—	—
		<b>540,992</b>	303,145	<b>426,930</b>	354,265

The amount of the Group's prepayments and deposits expected to be recovered or recognised as expense after more than one year is RMB360,000 (2008: RMB237,000). All of the other trade and other receivables (including amounts due from related companies) apart from those mentioned in note 26, are expected to be recovered or recognised as expense within one year.

本集團預期將於一年後收回或確認為開支之預付款項及按金分別為人民幣360,000元(二零零八年：人民幣237,000元)。除附註26所述者外，所有其他貿易款項及其他應收款項(包括應收關連公司之款項)，預期將於一年內可收回或確認為開支。

## Notes to the Financial Statements

### 財務報表附註

For the year ended 31 December 2009  
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#### 19. TRADE AND OTHER RECEIVABLES (Continued)

- a) Aging analysis of trade receivables net of allowance for doubtful debts as of the end of the reporting period is as follows:

Current	即期
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
More than 3 months but less than 12 months past due	逾期3個月以上及12個月以下
Amounts past due	逾期金額

Trade receivables are due within 60 days from the date of billing.

The Group normally grants credit terms from 1 to 2 months to its customers. Trade receivables include the balances such as the quality retention monies (typically 5% to 20% of the total contract sum) that are retained by the customers until the fulfilment of the warranty period of generally 1 to 2 years and receivable pursuant to the payment terms of the respective contracts.

#### 19. 應收貿易及其他款項(續)

- a) 應收貿易款項扣除呆賬撥備，於報告日期末之賬齡分析如下：

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
86,972	132,422
25,488	17,137
34,190	26,587
29,973	56,032
89,651	99,756
176,623	232,178

應收貿易款項在出具賬單日起60天內到期。

本集團通常會向客戶授予1至2個月之信貸期。應收貿易款項包括有關餘額，如根據各自合約之支付條款應收取，由客戶保留直至通常為1至2年之擔保期履行為止之質量保證金(一般為合約總金額之5%至20%)。

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
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### 19. TRADE AND OTHER RECEIVABLES (Continued)

#### b) Impairment of trade receivables

Impairment losses in respect of trade receivables 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 receivables directly (see note 2(g)).

The movement in the allowance for doubtful debts during the year, including both specific and collective loss components, is as follows:

At 1 January	於一月一日
Impairment loss recognised	已確認減值虧損
Reversal of impairment loss	減值虧損撥回
At 31 December	於十二月三十一日

There were no movements in the allowance account for other receivables.

As at 31 December 2009, trade receivables of approximately RMB1,062,000 (2008: RMB840,000) were individually determined to be impaired and full provision had been made. These individually impaired receivables were overdue for over 90 days as at the end of reporting period or were due from companies with financial difficulties. The Group does not hold any collateral over these balances.

### 19. 應收貿易及其他款項(續)

#### b) 應收貿易款項之減值

應收貿易款項之減值虧損乃於撥備賬中確認，除非本集團相信收回該金額之可能性很低，則該減值虧損會直接於應收貿易款項中撇銷(見附註2(g))。

年內呆賬撥備變動(包括特定及整體虧損部分)如下：

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
840	637
322	257
(100)	(54)
<b>1,062</b>	<b>840</b>

其他應收款項之撥備賬並無變動。

於二零零九年十二月三十一日，應收貿易款項約人民幣1,062,000元(二零零八年：人民幣840,000元)已個別釐定為減值，並作出全數撥備。該等個別減值之應收款項於報告期末逾期超過90日，或由陷入財政困難之公司欠付。本集團對該等結餘並無持有任何抵押物。



# Notes to the Financial Statements

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For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

### 19. TRADE AND OTHER RECEIVABLES (Continued)

#### b) Impairment of trade receivables (Continued)

The factors which the Group considered in determining whether these trade receivables were individually impaired included the following:

- significant financial difficulty of the debtor;
- receivables that have been overdue beyond their credit period;
- the granting to the debtor, for economic or legal reasons relating to the debtor's financial difficulty, a concession that the Group would not otherwise consider;
- it becoming probable that the debtor will enter into bankruptcy or other financial reorganisation;
- observable data indicating that there is a measurable decrease in the estimated future cash flows from the debtor since their initial recognition, although the decrease cannot yet be identified including:
  - adverse changes in the payment status of the debtor in the Group;
  - economic conditions that correlate with defaults on the debtor.

### 19. 應收貿易及其他款項(續)

#### b) 應收貿易款項之減值(續)

本集團於釐定該等應收貿易款項是否已個別減值時所考慮之因素如下：

- 應收款項債務人有重大財政困難；
- 應收款項已拖欠超出信貸期；
- 本集團基於與債務人之財政困難有關之經濟或法律理由，給予應收款項債務人一項本集團在其他情況下不會考慮之讓步；
- 債務人可能破產或進行其他財務重組；
- 可觀察之資料顯示應收款項自首次確認入賬後，其估計未來現金流量出現可計量之減值，儘管尚未能識別有關跌幅，包括：
  - 本集團債務人之付款狀況出現不利變動；
  - 與債務人有關之經濟狀況。

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
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### 19. TRADE AND OTHER RECEIVABLES (Continued)

#### c) Trade receivable that are not impaired

The aging analysis of trade receivables that are neither individually nor collectively considered to be impaired are as follows:

Neither past due nor impaired	既未逾期亦未減值
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
More than 3 months but less than 12 months past due	逾期超過3個月但 少於12個月

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 a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

### 19. 應收貿易及其他款項(續)

#### c) 未減值之應收貿易款項

既未個別亦未共同被視為減值之應收貿易款項之賬齡分析如下：

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
<b>83,729</b>	132,422
<b>25,488</b>	17,137
<b>34,110</b>	26,286
<b>29,973</b>	55,707
<b>89,571</b>	99,130
<b>173,300</b>	231,552

既未逾期亦未減值之應收款項與多名近期無拖欠還款記錄之客戶有關。

已逾期但未減值之應收款項與多名擁有與本集團有良好往績記錄之獨立客戶有關。基於過往經驗，由於信貸質素並無重大變化且該等餘額仍被視為可全數收回，故管理層相信毋須就有關餘額作出減值撥備。本集團並無持有該等餘額之任何抵押品。

## Notes to the Financial Statements

### 財務報表附註

For the year ended 31 December 2009  
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#### 20. AMOUNT DUE FROM A RELATED COMPANY

#### 20. 應收一間關連公司款項

##### The Group and the Company

##### 本集團及本公司

Name of company 公司名稱	Connected party 關連方	2009 二零零九年 RMB'000 人民幣千元	Maximum amount outstanding 未償還最高金額	
			2008 二零零八年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
YY Holdings Limited	A company in which Mr. Jiang Quanlong, a director of the Company, has a beneficial interest	2,028	2,033	2,153

The amount due from a related company is of a non-trade nature and is unsecured, interest-free and repayable on demand.

應收一間關連公司款項屬非交易性質，且為無抵押、免息及須按要求即時還款。

#### 21. CASH AND BANK BALANCES

#### 21. 現金及銀行結餘

A majority of the cash and bank balances for the years ended 31 December 2009 and 2008 was denominated in RMB which is not a freely convertible currency in the international money market. The exchange rate of RMB is determined by the Government of the PRC and the remittance of these funds out of the PRC is subject to exchange restrictions imposed by the Government of the PRC.

於截至二零零九年及二零零八年十二月三十一日止年度，大部份現金及銀行結餘以人民幣（於國際貨幣市場上不能自由兌換之貨幣）計值，人民幣匯率由中國政府釐定，在中國匯出上述資金，須受中國政府所施加之外匯管制規限。

## Notes to the Financial Statements

### 財務報表附註

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#### 22. TRADE AND OTHER PAYABLES

#### 22. 應付貿易及其他款項

		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
Trade payables	應付貿易賬款	77,198	87,081
Accruals and other payables	應計費用及其他應付款項	51,213	49,977
Amounts due to minority shareholders (Note 23)	應付少數股東款項 (附註23)	11,334	2,763
Amount due to a director (Note 24)	應付董事款項 (附註24)	1,223	976
Financial liabilities measured at amortised cost	以攤銷成本計量的 金融負債	<b>140,968</b>	140,797

The Group normally receives credit terms of 30 days from its suppliers. The aging analysis of trade payables is as follows:

本集團一般獲其供應商授予30天之信貸期。應付貿易賬款之賬齡分析如下：

		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
0 to 30 days	0至30日	59,054	52,133
31 to 60 days	31至60日	1,300	407
61 to 90 days	61至90日	30	453
91 to 180 days	91至180日	578	139
181 to 365 days	181至365日	4,592	2,870
Over 365 days	365日以上	11,644	31,079
		<b>77,198</b>	87,081

## Notes to the Financial Statements

### 財務報表附註

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#### 23. AMOUNTS DUE TO MINORITY SHAREHOLDERS

上海泛亞環保產業發展有限公司 (Shanghai Pan-Asia Environmental Protection Industrial Development Limited)	
上海工程成套建設有限公司	
Total (Note 22)	合計(附註22)

The amounts due to minority shareholders are of a non-trade nature and are unsecured, interest-free and repayable on demand.

#### 24. AMOUNT DUE TO A DIRECTOR

Jiang Quanlong	蔣泉龍先生
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The amount is unsecured, interest-free and repayable on demand.

#### 23. 應收少數股東款項

The Group 本集團	
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
10,401	1,263
933	1,500
<b>11,334</b>	<b>2,763</b>

應付少數股東款項屬非交易性質，且為無抵押、免息及須按要求即時還款。

#### 24. 應付一位董事款項

The Group 本集團	
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
1,223	976

該款項乃無抵押、免息及須按要求即時還款。

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### 25. SHORT TERM BANK LOAN

At 31 December 2009, the bank loan of the Group is secured, carrying interest at the fixed rate of 2.17% per annum and is repayable within 1 year. The bank loan of the Group is secured by bank deposits of the Group amounting to RMB16,480,000.

At 31 December 2008, the bank loans of the Group were secured, carrying interest at variable rates between 5.58%-7.47% per annum and were repayable within 1 year. The bank loans of the Group were secured by bank deposits of the Group amounting to approximately RMB89,804,000. During the year 2009, the bank loans were fully repaid.

### 26. AMOUNTS DUE FROM CUSTOMERS FOR CONTRACT WORK

Contract work-in-progress at the end of reporting period:

Contract costs incurred to date	迄今所產生之合約成本
Recognised profits less recognised losses	已確認溢利減已確認虧損
Less: Progress billings	減：進度款項
Amounts due from customers for contract work	應收客戶合約工程款項

### 25. 短期銀行貸款

於二零零九年十二月三十一日，本集團之銀行貸款為有抵押貸款，按固定年利率2.17%計息及須於一年內償還。本集團之銀行貸款以其銀行存款人民幣16,480,000元為抵押。

於二零零八年十二月三十一日，本集團之銀行貸款為有抵押貸款，按年浮動利率5.58%至7.47%計息及須予一年內償還。本集團之銀行貸款由本集團之銀行存款約人民幣89,804,000元作抵押。於二零零九年內，該等銀行貸款已悉數償還。

### 26. 應收客戶合約工程款項

於報告期末執行之在製品合約：

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
162,789	9,993
70,817	1,220
<b>233,606</b>	11,213
<b>(49,501)</b>	—
<b>184,105</b>	11,213



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#### 26. AMOUNTS DUE FROM CUSTOMERS FOR CONTRACT WORK (Continued)

In respect of construction contracts in progress at the end of reporting period, the amount of retentions receivable from customers, recorded within trade receivables at 31 December 2009, is RMB41,654,000 (2008: RMB49,281,000). The amount of those retentions expected to be recovered after more than one year is RMB1,072,000 (2008: Nil).

#### 27. INCOME TAX IN THE STATEMENTS OF FINANCIAL POSITION

- a) Current taxation in the statement of financial position represents

Provision for PRC enterprise income tax	中國企業所得稅撥備
Tax paid	已付稅項
Balance of PRC enterprise income tax relating to prior year	與過往年度有關之中國企業所得稅結餘
Tax payable/(recoverable)	應付/(可收回)稅項

#### 26. 應收客戶合約工程款項(續)

有關於報告期末之在建工程合約，於二零零九年十二月三十一日之應收貿易賬款內所列應收客戶之保留款項為人民幣41,654,000元(二零零八年：人民幣49,281,000元)。該等預期將於一年後收回之保留款項為人民幣1,072,000元(二零零八年：無)。

#### 27. 財務狀況表內之所得稅

- a) 財務狀況表內之即期稅項指

The Group 本集團	
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
37,385	41,428
(13,827)	(90,890)
<b>23,558</b>	(49,462)
(3,836)	45,626
<b>19,722</b>	(3,836)

## Notes to the Financial Statements

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#### 27. INCOME TAX IN THE STATEMENTS OF FINANCIAL POSITION (Continued)

##### b) Deferred taxation

From 1 January 2008 onward, under the PRC Enterprise Income Tax Law (the "New Law"), non-resident enterprises without an establishment or place of business in the PRC or which have an establishment or place of business but the relevant income is not effectively connected with the establishment or a place of business in the PRC, are subject to withholding tax at the rate up to 20% on various types of passive income such as dividends derived from sources in the PRC. Currently, the implementation rule of the New Law that is in force provides that a concessionary income tax rate of 10% will normally be applicable to dividends payable to foreign investors who are non-resident enterprises. For investors incorporated in Hong Kong, a preferential rate of 5% is applied. Distributions of pre-2008 earnings are exempted from the abovementioned withholding tax.

As all of the Group's foreign-invested enterprises are directly and wholly owned by two British Virgin Islands incorporated subsidiaries, a rate of 10% is applicable to the calculation of this withholding tax. No deferred taxation has been provided for in the consolidated financial statements in respect of the temporary differences attributable to the undistributed retained profits earned by the subsidiaries, as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

#### 27. 財務狀況表內之所得稅(續)

##### b) 遞延稅項

自二零零八年一月一日起，根據中國企業所得稅法(「新稅法」)，在中國境內未設立機構、場所，或者雖在中國境內設立機構、場所但取得之所得與其在中國境內所設機構、場所沒有實際聯繫之非居民企業，將須就多種被動收入(如源於中國境內之股息)按最多20%稅率繳納預提稅。現時，生效之新稅法實施條例規定，10%之優惠所得稅稅率通常適用於應付予屬非居民企業之外商投資者之股息。就於香港註冊成立之投資者而言，則按5%之優惠稅率繳納。二零零八年前盈利之分派可獲豁免繳納上述預提稅。

由於本集團旗下所有外商投資企業均由兩家於英屬處女群島註冊成立之附屬公司直接及全資擁有，故適用按10%稅率繳納預提稅。並無於綜合財務報表內就附屬公司所賺取之未分派保留溢利之臨時差額計提遞延稅項撥備，因為本集團能夠控制臨時差額之撥回，且臨時差額很可能不會於可預見將來撥回。

# Notes to the Financial Statements

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### 27. INCOME TAX IN THE STATEMENTS OF FINANCIAL POSITION (Continued)

#### b) Deferred taxation (Continued)

As at 31 December 2009 and 2008 respectively, the Group and the Company had no significant unprovided deferred tax assets or liabilities.

### 28. SHARE CAPITAL

Authorised and issued share capital

Authorised	法定
As at 31 December 2008 and 2009	於二零零八年及二零零九年十二月三十一日
Issued and fully paid	已發行及繳足
As at 31 December 2008 and 2009	於二零零八年及二零零九年十二月三十一日

### 27. 財務狀況表內之所得稅(續)

#### b) 遞延稅項(續)

於二零零九年及二零零八年十二月三十一日，本集團及本公司概無重大未撥備遞延稅項資產或負債。

### 28. 股本

法定及已發行股本

Number of shares 股份數目 '000 千股	Amount 金額 HK\$'000 千港元
4,000,000	400,000
800,000	80,000
<b>Equivalent to RMB74,872,000 相當於人民幣74,872,000元</b>	

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

### 29. RESERVES

#### The Group

### 29. 儲備

#### 本集團

		Share premium	Special reserve	Capital reserve	Enterprise expansion reserve	Statutory surplus reserve	Translation reserve	Share option reserve	Retained profits	Total
		股份溢價	特別儲備	資本儲備	企業擴展儲備	法定盈餘儲備	匯兌儲備	購股權儲備	保留溢利	總計
		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
		(Note (i)) (附註(i))	(Note (ii)) (附註(ii))	(Note (iii)) (附註(iii))	(Note (v)) (附註(v))	(Note (vi)) (附註(v))	(Note (vii)) (附註(vii))	(Note (vii)) (附註(vii))		
At 1 January 2008	於二零零八年一月一日	419,229	94,225	—	28,327	37,600	6,300	—	367,377	953,058
Capital contributed by the minority	少數股東出資	—	—	133	—	—	—	—	—	133
Total comprehensive income for the year	年內全面總收入	—	—	—	—	—	(12,638)	—	77,766	65,128
Recognition of equity-settled share-based payments	確認股本結算股份付款	—	—	—	—	—	—	8,720	—	8,720
Dividend approved in respect of the previous year	已批准上年度之股息	—	—	—	—	—	—	—	(37,436)	(37,436)
Transfer to reserves	轉撥至儲備	—	—	—	6,214	6,214	—	—	(12,428)	—
At 31 December 2008 and 1 January 2009	於二零零八年十二月三十一日及二零零九年一月一日	<b>419,229</b>	<b>94,225</b>	<b>133</b>	<b>34,541</b>	<b>43,814</b>	<b>(6,338)</b>	<b>8,720</b>	<b>395,279</b>	<b>989,603</b>
Total comprehensive income for the year	年內全面總收入	—	—	—	—	—	(205)	—	88,070	87,865
Recognition of equity-settled share-based payments	確認股本結算股份付款	—	—	—	—	—	—	5,121	—	5,121
Transfer to reserves	轉撥至儲備	—	—	—	5,608	5,608	—	—	(11,216)	—
At 31 December 2009	於二零零九年十二月三十一日	<b>419,229</b>	<b>94,225</b>	<b>133</b>	<b>40,149</b>	<b>49,422</b>	<b>(6,543)</b>	<b>13,841</b>	<b>472,133</b>	<b>1,082,589</b>

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

### 29. RESERVES (Continued)

### 29. 儲備(續)

#### The Company

#### 本公司

		Share premium	Contributed surplus	Translation reserve	Share option reserve	(Accumulated losses)/ retained profits	Total
		股份溢價	繳入盈餘	匯兌儲備	購股權儲備	(累計虧損)/ 保留溢利	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
		(Note (i))	(Note (iv))	(Note (vii))	(Note (vii))		
		(附註(i))	(附註(iv))	(附註(vii))	(附註(vii))		
At 1 January 2008	於二零零八年一月一日	419,229	372,178	—	—	(686)	790,721
Total comprehensive loss for the year	年內全面總虧損	—	—	(26,413)	—	(3,625)	(30,038)
Recognition of equity-settled share-based payments	確認股本結算股份付款	—	—	—	8,720	—	8,720
Dividend approved in respect of the previous year	已批准上年度之股息	—	—	—	—	(37,436)	(37,436)
At 31 December 2008 and 1 January 2009	於二零零八年十二月三十一日及二零零九年一月一日	419,229	372,178	(26,413)	8,720	(41,747)	731,967
Total comprehensive profit for the year	年內全面總溢利	—	—	(1,166)	—	43,223	42,057
Recognition of equity-settled share-based payments	確認股本結算股份付款	—	—	—	5,121	—	5,121
At 31 December 2009	於二零零九年十二月三十一日	<b>419,229</b>	<b>372,178</b>	<b>(27,579)</b>	<b>13,841</b>	<b>1,476</b>	<b>779,145</b>

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
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### 29. RESERVES (Continued)

#### Nature and purpose of reserves

- i) *Share premium*  
Under the Companies Law (Revised) of the Cayman Islands, the share premium account of the Company is distributable to the owners of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.
- ii) *Special reserve*  
The special reserve of the Group represents the difference between the nominal value and share premium of the subsidiaries acquired and the nominal value of the Company's shares issued for the acquisition at the time of reorganisation.
- iii) *Capital reserve*  
The capital reserve represents the excess capital contribution from the minority shareholder of a newly incorporated subsidiary – 遼寧泛亞 of the Group.
- iv) *Contributed surplus*  
The contributed surplus represents the difference between the nominal value of the ordinary shares issued by the Company and the net asset value of subsidiaries acquired through an exchange of shares pursuant to the group reorganization immediately prior to the listing of the Company's shares on 1 December 2007.

### 29. 儲備(續)

#### 儲備之性質及目的

- i) *股份溢價*  
根據開曼群島公司法(經修訂),本公司之股份溢價賬可分派予本公司擁有人,惟緊隨建議分派股息當日之後,本公司須有能力償還於日常業務過程中到期之債項。
- ii) *特別儲備*  
本集團之特別儲備指所收購附屬公司之面值及股份溢價與本公司於重組時就收購所發行股份之面值之差額。
- iii) *資本儲備*  
資本儲備指來自少數股東對本集團新成立附屬公司遼寧泛亞之超額注資。
- iv) *繳入盈餘*  
繳入盈餘指本公司已發行普通股之面值與緊接本公司股份於二零零七年十二月一日上市前根據集團重組透過換股所收購附屬公司之資產淨值的差額。

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

### 29. RESERVES (Continued)

#### Nature and purpose of reserves (Continued)

v) *Enterprise expansion reserve and statutory surplus reserve*

Statutory surplus reserve and enterprise expansion reserve are non-distributable. Appropriations to such reserves are made out of profit after taxation of the statutory financial statements of the PRC subsidiaries while the amount and allocation basis are decided by their board of directors annually. The statutory surplus reserve can be used to make up prior year losses of the PRC subsidiaries, if any, and can be applied in conversion into capital by means of capitalisation issues. The enterprise expansion fund to be used for expanding the capital base of the PRC subsidiaries by means of capitalisation issue.

vi) *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 policies set out in note 2(r).

vii) *Share option reserve*

The share option reserve of the Company and the Group arose upon on the grant of share options of the Company and is dealt with in accordance with the accounting policies set out in note 2(n).

#### Distributable reserves of the Company

Under the Companies Law (Revised) of the Cayman Islands, share premium and contributed surplus are distributable to shareholders, subject to the condition that the Company cannot declare or pay a dividend, or make a distribution out of share premium and contributed surplus 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 share capital account.

### 29. 儲備(續)

#### 儲備之性質及目的(續)

v) *企業擴展儲備及法定盈餘儲備*

法定盈餘儲備及企業擴展儲備為不可分派儲備。有關儲備之撥款乃來自中國附屬公司法定財務報表之除稅後溢利，而款額及分配基準乃由董事會按年決定。法定盈餘儲備可用於彌補過往年度中國附屬公司之虧損(如有)及可以資本化發行之方式轉換為資本。企業擴展基金將用於以資本化發行之方式擴大中國附屬公司之資本基礎。

vi) *匯兌儲備*

匯兌儲備包括換算海外業務財務報表產生之所有外匯差額。本公司根據附註2(r)所載會計政策處理儲備。

vii) *購股權儲備*

因售出本公司之購股權而產生之本公司及本集團之購股權儲備按附註2(n)所載會計政策處理。

#### 本公司之可分派儲備

根據開曼群島公司法(經修訂)，股份溢價及繳入盈餘可分派予股東，惟倘本公司支付有關款項後(i)將不能償還到期之債項；或(ii)可變現資產值將低於負債及股本賬合計之數額，則不得宣派或支付股息，或從股份溢價、股本贖回儲備及繳入盈餘作出分派。



# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
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### 29. RESERVES (Continued)

#### Distributable reserves of the Company (Continued)

As at 31 December 2009, the Company's reserves available for distribution to shareholders amounted to approximately RMB792,883,000 (2008: RMB749,660,000), 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 RMB419,229,000 (2008: RMB419,229,000), contributed surplus of approximately RMB372,178,000 (2008: RMB372,178,000), and retained profits of RMB1,476,000 (2008: less accumulated losses of RMB41,747,000), which is available for distribution provided that immediately following the date on which a dividend is proposed, the Company will be able to pay its debts as they fall due in the ordinary course of business.

### 30. SHARE OPTION SCHEME

The Company's share option scheme (the "Share Option Scheme") was adopted pursuant to a resolution passed on 1 December 2007. The purpose of the Share Option Scheme is to enable the Company to grant options to selected participants as incentive or rewards for their contributions to the Group. Under the Share Option Scheme, the directors of the Company may grant options to the following eligible participants:

- i) any employee (whether full-time or part-time, including any executive director but excluding any non-executive director) of the Company, any of its subsidiaries or any entity ("Invested Entity") in which the Group holds an equity interest;
- ii) any non-executive directors (including independent non-executive directors) of the Company, any of its subsidiaries or any Invested Entity;
- iii) any supplier of goods or services to any member of the Group or any Invested Entity;

### 29. 儲備(續)

#### 本公司之可分派儲備(續)

於二零零九年十二月三十一日，根據開曼群島公司法(經修訂)及本公司組織章程細則計算，本公司可供分派予股東之儲備約為人民幣792,883,000元(二零零八年：人民幣749,660,000元)。該數額包括本公司股份溢價約人民幣419,229,000元(二零零八年：人民幣419,229,000元)、繳入盈餘約人民幣372,178,000元(二零零八年：人民幣372,178,000元)及保留溢利人民幣1,476,000元(二零零八年：減累計虧損人民幣41,747,000元)，倘本公司緊隨建議分派股息當日之後將可償還日常業務中到期之債項，則可作出分派。

### 30. 購股權計劃

本公司之購股權計劃(「購股權計劃」)乃根據於二零零七年十二月一日通過之決議案獲採納。購股權計劃旨在促使本公司授予經甄選參與者購股權，作為彼等為本集團作出貢獻之獎勵或獎賞。根據購股權計劃，本公司董事可向下列合資格參與者授出購股權：

- i) 本公司、其任何附屬公司或本集團持有其股權之任何實體(「投資實體」)之任何僱員(不論全職或兼職，包括任何執行董事，但不包括任何非執行董事)；
- ii) 本公司、其任何附屬公司或任何投資實體之任何非執行董事(包括獨立非執行董事)；
- iii) 向本集團任何成員公司或任何投資實體提供貨品及服務之任何供應商；

## Notes to the Financial Statements

### 財務報表附註

For the year ended 31 December 2009  
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#### 30. SHARE OPTION SCHEME (Continued)

- iv) any customer of the Group or any Invested Entity;
- v) any person or entity that provides research, development or other technological support to the Group or any Invested Entity;
- vi) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity;
- vii) any advisor (professional or otherwise) or consultant to any area of business or business development of any member of the Group or any Invested Entity; and
- viii) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group.

The total number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme of the Group must not in aggregate exceed 10% of the shares in issue on the day on which trading of the shares commenced on the Main Board ("General Scheme Limit"). The total number of Shares available for issue under the Share Option Scheme is 80,000,000 (including those granted but yet to be exercised) representing 10% of the issued shares of the Company as at the date of this Annual Report.

#### 30. 購股權計劃(續)

- iv) 本集團或任何投資實體之任何客戶；
- v) 為本集團或任何投資實體提供研究、開發或其他科技支持之任何人士或實體；
- vi) 本集團任何成員公司或任何投資實體之任何股東或由本集團任何成員公司或任何投資實體發行之任何證券之任何持有人；
- vii) 本集團任何成員公司或任何投資實體之任何業務範疇或業務發展之任何諮詢人(不論是否專業人士)或顧問；及
- viii) 透過合營企業、業務聯盟或其他業務安排對本集團之發展及增長作出或可能作出貢獻之任何其他團體或類別之參與者。

因行使根據購股權計劃及本集團任何其他購股權計劃所授出之全部購股權而發行之股份數目總額不得超過股份開始在主板買賣當日已發行股份之10%(「一般計劃限額」)。根據購股權計劃可供發行之股份總數為80,000,000股(包括授出而未行使之購股權)，佔本公司於本年報日期之已發行股份10%。

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## 財務報表附註

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### 30. SHARE OPTION SCHEME (Continued)

The maximum number of shares in respect of which options may be granted under the Share Option Scheme must not in aggregate exceed 30% of the shares of the Company in issue from time to time. The number of shares in respect of which options may be granted to any participant is not permitted to exceed 1% of the shares of the Company in issue during the 12-month period before the date of grant, without prior approval from the Company's shareholders. Any grant of options under the Share Option Scheme to a director, chief executive or substantial shareholder of the Company or any of their respective associate (as defined under the Listing Rules) must be approved by the independent non-executive directors of the Company. In addition, any grant of options to a substantial shareholder or an independent non-executive director or any of their respective associates in excess of 0.1% of the shares of the Company in issue and with an aggregate value (based on the closing price of the Company's shares at the date of grant) in excess of HK\$5 million within any 12-month period must be approved by shareholders of the Company in general meeting.

Unless otherwise determined by the directors of the Company and stated in the offer of the grant of options to a grantee, there is no minimum period required under the Share Option Scheme for the holding of an option before it can be exercised.

### 30. 購股權計劃(續)

根據購股權計劃可予授出之購股權涉及之股份數目最多不超過本公司不時已發行股份總額之30%。未經本公司股東批准，任何參與者於購股權授出日期前十二個月內獲授之購股權所涉及之股份數目不得超過本公司已發行股份1%。根據購股權計劃向本公司董事、最高行政人員或主要股東或彼等各自之任何聯繫人士(定義見上市規則)授出任何購股權，須由本公司之獨立非執行董事批准。此外，於任何十二個月內向主要股東或獨立非執行董事或彼等各自之任何聯繫人士授出超過本公司已發行股份0.1%及總值(根據本公司股份於授出購股權當日之收市價計算)超過5,000,000港元之購股權，須獲得本公司股東在股東大會上批准。

除非本公司董事另行決定及在向承授人提呈授出購股權要約時表明，否則購股權計劃並無規定在行使前所需持有購股權之最短期限。

## Notes to the Financial Statements

### 財務報表附註

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#### 30. SHARE OPTION SCHEME (Continued)

An offer for the grant of options to a grantee shall be accepted by no later than 21 days from the date of offer. HK\$1 is payable on the acceptance of each grant of option. Options may be exercised in accordance with the terms of the Share Option Scheme and expiring in accordance with the terms of the Share Option Scheme or upon the expiry of the tenth anniversary of the Share Option Scheme, whichever is the earlier.

The exercise price is determined by the directors of the Company, and shall not be less than the highest of (i) the closing price of the Company's shares as stated in the daily quotations sheets of the Stock Exchange on the date of the offer of grant; (ii) the average closing price of the Company's shares as stated in the daily quotations sheets of the Stock Exchange for the five trading days immediately preceding the date of the offer of grant; and (iii) the nominal value of the Company's share.

The Share Option Scheme will remain in force for a period of 10 years commencing on 1 December 2007.

#### 30. 購股權計劃(續)

承授人須於購股權要約提出日期起計不遲於21天內接納獲授之購股權。每次接納獲授之購股權時須支付1港元。購股權可根據購股權計劃之條款行使，並根據購股權計劃之條款或於購股權計劃滿十周年時失效(以較早者為準)。

行使價由本公司董事釐定，而且不得低於(i)授出購股權當日聯交所每日報價表所載本公司股份之收市價；(ii)緊接授出購股權日期前五個營業日聯交所每日報價表所載本公司股份之平均收市價；及(iii)本公司股份面值(以最高者為準)。

購股權計劃由二零零七年十二月一日起一直生效，為期十年。

## Notes to the Financial Statements

### 財務報表附註

For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

#### 30. SHARE OPTION SCHEME (Continued)

- a) The terms and conditions of the grants that existed during the year are as follows, whereby all options are settled by physical delivery of shares:

#### 30. 購股權計劃(續)

- a) 下文載列年內尚未行使之購股權之授出條款及條件，據此，所有購股權以股份實物交收方式結算交收：

		Number of shares issuable under options granted	Vesting conditions	Contractual life of options
		根據所授出 購股權可發行 之股份數目	生效條件	合約年期
Options granted to directors:	授予董事之購股權：			
— on 14 May 2008	— 二零零八年 五月十四日	5,800,000	one year 一年	10 years 十年
Options granted to employees:	授予僱員之購股權：			
— on 14 May 2008	— 二零零八年 五月十四日	12,000,000	one year 一年	10 years 十年
Total number of shares issuable under options granted	根據授予之購股權可發行股份總數	17,800,000		

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

### 30. SHARE OPTION SCHEME (Continued)

- b) The number and weighted average exercise price of share options are as follows:

Outstanding at the beginning of the year	年初尚未行使
Granted during the year	年內授予
Outstanding at the end of the year	年終尚未行使
Exercisable at the end of the year	年終可予行使

2009 二零零九年		2008 二零零八年	
Weighted average exercise price	Number of shares issuable under options granted	Weighted average exercise price	Number of shares issuable under options granted
加權平均行使價	購股權可發行之股份數目	加權平均行使價	購股權可發行之股份數目
HK\$2.81 港元	17,800,000	—	—
—	—	HK\$2.81 港元	17,800,000
HK\$2.81 港元	17,800,000	HK\$2.81 港元	17,800,000
HK\$2.81 港元	17,800,000	—	—

The options outstanding at 31 December 2009 had an exercise price of HK\$2.81 (2008: HK\$2.81) and a weighted average remaining contractual life of 8.375 years (2008: 9.375 years).

### 30. 購股權計劃(續)

- b) 購股權之數目及加權平均行使價如下：

於二零零九年十二月三十一日未行使購股權之行使價為2.81港元(二零零八年：2.81港元)，加權平均剩餘合約年限為8.375年(二零零八年：9.375年)。

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

### 30. SHARE OPTION SCHEME (Continued)

#### c) Fair value of share options and assumptions

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on the binomial option pricing model. The contractual life of the share option is used as an input into this model.

Fair value of share options and assumptions	購股權之公允值及假設
Share price	股價
Exercise price	行使價
Expected volatility (expressed as weighted average volatility used in the modeling under the binomial option pricing model)	預期波幅(以「二項式」期權定價模式內採用的加權平均波幅)
Option life (expressed as weighted average life used in the modeling under the binomial option pricing model)	購股權年期(以「二項式」期權定價模式內採用的加權平均年期)
Expected dividends	預期股息
Risk-free interest rate (based on Exchange Fund Notes)	無風險利率(根據外匯基金票據)

### 30. 購股權計劃(續)

#### c) 購股權之公允值及假設

本集團以授出購股權而獲得之服務之公允值按獲授購股權之公允值計量。獲授購股權之估計公允值按「二項式」期權定價模式計算。購股權之合約年期為此模式之一項輸入參數。

2009 二零零九年	2008 二零零八年
<b>HK\$0.881 港元</b>	HK\$0.881 港元
<b>HK\$2.79 港元</b>	HK\$2.79 港元
<b>HK\$2.81 港元</b>	HK\$2.81 港元
<b>40%</b>	40%
<b>10 years</b>	10 years
<b>十年</b>	十年
<b>3%</b>	3%
<b>3.21%</b>	3.21%



# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

### 30. SHARE OPTION SCHEME (Continued)

#### c) Fair value of share options and assumptions (Continued)

The expected volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility based on public available information. Expected dividends are based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

There were no service conditions or market conditions associated with the share options granted.

### 31. DISPOSAL OF SUBSIDIARIES

On 14 December 2009, the Group, through its wholly-owned subsidiary, Wuxi Pan-Asia and 民心投資, disposed of its entire interests in 民心置業 for a total cash consideration of RMB10,000,000. The transaction was completed on 14 December 2009.

On 18 July, 2009 and 23 December 2009, the Group, through its wholly-owned subsidiary, Wuxi Pan-Asia, disposed of its entire interests in 泛亞置業 for a total cash consideration of RMB10,000,000. The transaction was completed on 23 December 2009.

The principal activities of 民心置業 and 泛亞置業 were development of real estate property.

### 30. 購股權計劃(續)

#### c) 購股權之公允值及假設(續)

預期波幅乃根據歷史波幅計算(以購股權之加權平均剩餘年期計算),再調整因公眾所知的資料影響未來波幅之估計變動。預期股息乃根據過往股息釐定。所採用主觀假設之變動可對公允值之估計構成重大影響。

已授出之購股權並無附帶任何服務條件或市場條件。

### 31. 出售附屬公司

於二零零九年十二月十四日,本集團透過其全資附屬公司無錫泛亞及民心投資,出售其於民心置業之全部權益,總現金代價為人民幣10,000,000元。該交易於二零零九年十二月十四日完成。

於二零零九年七月十八日及二零零九年十二月二十三日,本集團透過其全資附屬公司無錫泛亞出售其於泛亞置業之全部權益,總現金代價為人民幣10,000,000元。該交易於二零零九年十二月二十三日完成。

民心置業及泛亞置業均從事房地產開發。

## Notes to the Financial Statements

### 財務報表附註

For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

#### 31. DISPOSAL OF SUBSIDIARIES (Continued)

The carrying amount of net assets/(liabilities) of the subsidiaries at the dates of disposal are as follow:

Net assets/(liabilities) disposed of:	所出售之資產淨值／ (負債淨額)：
Property, plant and equipment	物業、機器及設備
Prepaid lease payment	預付租賃付款
Trade receivables	應收貿易賬款
Deposits, prepayments and other receivables	按金、預付款項及 其他應收款項
Bank balances and cash	銀行結餘及現金
Other payables and accruals	其他應付款項及應計費用
Receipt in advance	預收款項
Gain on disposal	出售產生之收益
Total consideration	總代價
Satisfied by:	以下列方式支付：
Cash	現金
Net cash flows arising from the disposal:	出售產生之現金流量淨額：
Cash consideration	現金代價
Cash and cash equivalents disposed of	所出售之現金及 等同現金項目

民心置業 and 泛亞置業 contributed loss of approximately RMB889,000 and RMB231,000 respectively to the Group's profit for the period since 1 January 2009 to the date of disposal.

#### 31. 出售附屬公司(續)

該等附屬公司於各自出售日期之資產淨值／(負債淨額)之賬面值如下：

民心置業	泛亞置業	Total
RMB'000	RMB'000	RMB'000
人民幣千元	人民幣千元	人民幣千元
		總計
16	—	16
20,800	—	20,800
367	—	367
26,530	14,682	41,212
5,000	29	5,029
(15,280)	(4,942)	(20,222)
(28,322)	—	(28,322)
9,111	9,769	18,880
889	231	1,120
10,000	10,000	20,000
10,000	10,000	20,000
10,000	10,000	20,000
(5,000)	(29)	(5,029)
5,000	9,971	14,971

民心置業及泛亞置業為本集團自二零零九年一月一日起至出售日期止期間之溢利，分別貢獻虧損約人民幣889,000元及人民幣231,000元。

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

### 32. SEGMENT REPORTING

The Group manages its business by divisions and all those divisions are located in the PRC. On the first-time adoption of HKFRS 8, Operating segments and in a manner consistent with the way in which information is reported internally to the Group's Chief Executive Officer for the purposes of resource allocation and performance assessment, the Group has identified the following three reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Sale of EP products and equipment: this segment sells EP products and equipment to external customers. Currently the Group's activities in this regard are carried out in the PRC only.
- EP construction engineering projects: this segment undertakes EP construction engineering projects for external customers. Currently the Group's activities in this regard are carried out in the PRC only.
- Provision of EP related professional services: this segment provides EP related professional services to external customers and for Group companies. Currently the Group's activities in this regard are carried out in the PRC only.

#### a) Segment results, assets and liabilities

In accordance with HKFRS 8, segment information disclosed in the interim financial report has been prepared in a manner consistent with the information used by the Group's Chief Executive Officer for the purposes of assessing segment performance and allocating resources between segments. In this regard, the Group's Chief Executive Officer monitors the results, assets and liabilities attributable to each reportable segment on the following basis:

### 32. 分部報告

本集團按部門劃分管理其業務，所有該等部門均位於中國。於首次採納香港財務報告準則第8號－經營分部時及以與就資源分配及表現評估向本集團行政總裁內部呈報資料方式一致之方式，本集團確定以下三個呈報分部。並無將任何經營分部合計以構成以下之呈報分部。

- 環保產品及設備之銷售：本分部向外部客戶銷售環保產品及設備。目前本集團此類業務僅在中國開展。
- 環保建設工程：此分部為外部客戶營建環保建設工程項目。目前本集團此類業務僅在中國開展。
- 提供環保相關專業服務：此分部向外部客戶及本集團旗下公司提供環保相關專業服務。目前本集團此類業務僅在中國開展。

#### a) 分部業績、資產及負債

根據香港財務報告準則第8號，於中期財務報告中披露的分部資料已按與本集團行政總裁就評估分部表現及分部間分配資源使用的資料一致之方式進行編製。就此而言，本集團行政總裁按以下基準監察各呈報分部之業績、資產及負債：

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

### 32. SEGMENT REPORTING (Continued)

#### a) Segment results, assets and liabilities (Continued)

Segment assets include all tangible assets, intangible assets and current assets with the exception of investments in financial assets and other corporate assets. Segment liabilities include trade and other payables attributable to individual segments and short term bank loan managed directly by the Chief Executive Officer.

Revenue and expenses are allocated to the reportable segments with reference to sales generated and services rendered 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. Inter-segment assistance provided by one segment to another is not measured.

The measure used for reporting segment profit is “adjusted EBITDA” i.e., “adjusted earnings before interest, taxes, depreciation and amortisation”, where “interest” is regarded as including investment income and “depreciation and amortisation” is regarded as including impairment losses on non-current assets. To arrive at adjusted EBITDA the Group’s earnings are further adjusted for items not specifically attributed to individual segments, such as directors’ and auditor’s remuneration and other corporate administration costs.

In addition to receiving segment information concerning adjusted EBITDA, management is provided with segment information concerning revenue (including inter segment sales), interest income and expense 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.

### 32. 分部報告(續)

#### a) 分部業績、資產及負債(續)

分部資產包括所有有形資產、無形資產及流動資產(於金融資產及其他公司資產之投資除外)。分部負債包括各分部貿易及其他應付款項及由行政總裁直接管理的短期銀行貸款。

收益及支出乃經參考該等分部產生之銷售額及提供之服務，以及所產生的支出或該等分部應佔之資產折舊或攤銷產生之支出分配予呈報分部。分部間提供的支持不計算在內。

用於呈報分部溢利的方法為「經調整EBITDA」，即「經調整之未計利息、稅項、折舊及攤銷前的溢利」，其中「利息」包括投資收入，而「折舊及攤銷」包括非流動資產之減值虧損。為達至「經調整EBITDA」，本集團之盈利乃對並未指定屬於個別分部之項目作出進一步調整，如董事及核數師之酬金及其他公司行政成本。

除收到有關經調整EBITDA之分部資料外，管理層獲提供有關由各分部直接管理的收益(包括分部間銷售)、來自現金結餘及借貸之利息收入及支出、各分部於彼等營運中使用的折舊、攤銷及減值虧損以及非流動分部資產添置的分部資料。分部間銷售乃經參考就類似訂單向外部人士收取的價格而進行定價。

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

### 32. SEGMENT REPORTING (Continued)

a) Segment results, assets and liabilities  
(Continued)  
For the year ended 31 December

	Sale of EP products and equipment 銷售環保產品及設備		EP construction engineering projects 環保建設工程項目		Provision of EP related professional services 提供專業環保相關專業服務		Total 總計	
	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	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	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	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
Revenue from external customer	421,521	582,846	179,386	9,356	8,065	1,563	608,972	593,765
Inter-segment revenue	-	-	-	-	-	200	-	200
Reportable segment revenue	<b>421,521</b>	<b>582,846</b>	<b>179,386</b>	<b>9,356</b>	<b>8,065</b>	<b>1,763</b>	<b>608,972</b>	<b>593,965</b>
Reportable segment profit (adjusted EBITDA)	<b>98,964</b>	197,632	<b>45,076</b>	1,043	<b>3,332</b>	(506)	<b>147,372</b>	198,169
Reportable segment assets	<b>224,344</b>	287,531	<b>221,944</b>	111,208	<b>6,318</b>	5,318	<b>452,606</b>	404,057
Reportable segment liabilities	<b>41,807</b>	128,112	<b>111,197</b>	144,133	<b>10,085</b>	10,322	<b>163,089</b>	282,567

### 32. 分部報告(續)

a) 分部業績、資產及負債(續)  
截至十二月三十一日止年度

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
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### 32. SEGMENT REPORTING (Continued)

### 32. 分部報告(續)

b) Reconciliations of reportable segment revenues, profit or loss, assets and liabilities

b) 呈報分部收益、溢利或虧損、資產及負債之對賬

		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
<b>Revenue</b>	<b>收益</b>		
Reportable segment revenue	呈報分部收益	<b>608,972</b>	593,965
Elimination of inter-segment revenue	分部間收益抵銷	-	(200)
Consolidated turnover	綜合營業額	<b>608,972</b>	593,765
<b>Profit</b>	<b>溢利</b>		
Reportable segment profit	呈報分部溢利	<b>147,372</b>	198,169
Elimination of inter-segment profit	分部間溢利抵銷	-	(200)
Reportable segment profit derived from Group's external customer	源自本集團外部客戶的呈報分部溢利	<b>147,372</b>	197,969
Other revenue and other net income/(loss)	其他收益及其他淨收入/(虧損)	<b>21,655</b>	(17,684)
Depreciation and amortisation	折舊及攤銷	<b>(5,468)</b>	(4,988)
Finance costs	融資成本	<b>(4,080)</b>	(3,651)
Unallocated corporate expenses	未分配企業開支	<b>(34,336)</b>	(54,083)
Consolidated profit before taxation	除稅前綜合溢利	<b>125,143</b>	117,563

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

### 32. SEGMENT REPORTING (Continued)

#### b) Reconciliations of reportable segment revenues, profit or loss, assets and liabilities (Continued)

<b>Assets</b>	<b>資產</b>
Reportable segment asset	呈報分部資產
Elimination of inter-segment receivables	分部間應收賬款抵銷
Non-current financial asset	非流動金融資產
Tax recoverable	可收回稅項
Unallocated corporate assets	未分配企業資產
Consolidated total assets	綜合總資產
<b>Liabilities</b>	<b>負債</b>
Reportable segment liabilities	呈報分部負債
Tax payable	應付稅項
Unallocated corporate liabilities	未分配企業負債
Consolidated total liabilities	綜合總負債

Revenue from the major customer of the Group attributed approximately RMB95,504,000 and RMB75,600,000 of the Group for the years ended 31 December 2009 and 2008 respectively.

### 32. 分部報告(續)

#### b) 呈報分部收益、溢利或虧損、資產及負債之對賬(續)

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
<b>452,606</b>	404,257
-	(200)
<b>452,606</b>	404,057
<b>6,850</b>	1,950
-	3,836
<b>946,952</b>	945,748
<b>1,406,408</b>	1,355,591
<b>163,089</b>	282,567
<b>19,722</b>	-
<b>63,770</b>	5,871
<b>246,581</b>	288,438

截至二零零九年及二零零八年十二月三十一日止年度，源自本集團主要客戶之收益分別為本集團貢獻人民幣95,504,000元及人民幣75,600,000元。



# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

### 33. PLEDGE BANK DEPOSITS

A bank deposit of a subsidiary of approximately RMB Nil as at 31 December 2009 (2008: approximately RMB6,936,000) was pledged to a bank as security in respect of the performance by the subsidiary under EP construction engineering projects.

A bank deposits of a subsidiary of approximately RMB31,480,000 as at 31 December 2009 (2008: RMB89,804,000) was pledged to secure a bank loan of RMB16,478,000 (2008: RMB82,000,000) and banking facility approximately RMB51,296,000 (2008: Nil) granted to the subsidiary.

### 33. 已抵押銀行存款

於二零零九年十二月三十一日，一間附屬公司之約人民幣零元銀行存款（二零零八年：約人民幣6,936,000元）已抵押予銀行以作為該附屬公司環保建設工程項目之表現擔保。

於二零零九年十二月三十一日，一間附屬公司之約人民幣31,480,000元銀行存款（二零零八年：人民幣89,804,000元）已抵押，以作為該附屬公司獲授之銀行貸款人民幣16,478,000元（二零零八年：人民幣82,000,000元）及銀行信貸約人民幣51,296,000元（二零零八年：無）之擔保。

### 34. RELATED PARTY TRANSACTIONS

a) During the two years ended 31 December 2009 and 2008, in addition to the transactions and balances disclosed elsewhere in these financial statements, the Group entered into the following related party transactions:

Name of related party 關連人士名稱	Relationship with related party 與關連人士之關係	Nature of transaction 交易性質
Wuxi Xin Wei High Temperature Ceramics Co., Ltd. 無錫新威高溫陶瓷有限公司	A company in which Mr. Jiang Quanlong, a director of the Company, has an equity interest 本公司董事蔣泉龍先生於其中擁有股權之公司	Receipt of rental income 收取租金收入

b) The details of emoluments of key management personnel during the years ended 31 December 2008 and 2009 are set out in note 9.

### 34. 關連人士交易

a) 於截至二零零九年及二零零八年十二月三十一日止兩個年度，除於該等財務報表其他部份所披露之交易及結存外，本集團訂立下列關連人士交易：

The Group 本集團	
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
53	53

b) 主要管理層人員於截至二零零八年及二零零九年十二月三十一日止年度之酬金詳情載於附註9。

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

### 35. COMMITMENTS

#### (a) Capital commitments

Capital expenditure contracted for but not provided in the financial statements in respect of the acquisition of	有關收購之已訂約但未於財務報表作出撥備之資本開支
— property, plant and equipment	— 物業、廠房及設備

#### (b) Operating lease commitments

##### The Group as lessee

The Group and the Company had commitments for future minimum lease payments under non-cancellable operating leases in respect of the renting of premises which fall due as follows:

Within one year	一年內
In second to fifth year inclusive	第二年至五年 (包括首尾兩年)

### 35. 承擔

#### (a) 資本承擔

The Group 本集團	
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
<b>51,296</b>	—

#### (b) 經營租賃承擔

##### 本集團作為承租人

本集團及本公司就租賃物業之不可撤銷經營租賃而須於未來支付最低租賃款額之承擔到期情況如下：

##### The Group and the Company 本集團及本公司

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
<b>135</b>	917
—	153
<b>135</b>	1,070

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

### 35. COMMITMENTS (Continued)

#### (b) Operating lease commitments (Continued)

##### The Group as lessor

The Group had contracted with tenants for the following non-cancellable future minimum lease payments receivable:

Within one year	一年內
In second to fifth year inclusive	第二年至五年 (包括首尾兩年)

(c) The Company had no capital commitments as at 31 December 2009 and 2008.

(d) The Company had no operating lease commitments as a lessor as at 31 December 2009 and 2008.

### 35. 承擔(續)

#### (b) 經營租賃承擔(續)

##### 本集團作為出租人

本集團已與租戶就以下不可撤銷應收未來最低租金付款訂立合約：

The Group	
本集團	
2009	2008
二零零九年	二零零八年
RMB'000	RMB'000
人民幣千元	人民幣千元
53	53
124	177
<b>177</b>	<b>230</b>

(c) 於二零零九年及二零零八年十二月三十一日，本公司概無資本承擔。

(d) 於二零零九年及二零零八年十二月三十一日，本公司作為出租人概無經營租賃承擔。

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

### 36. CONTINGENT LIABILITIES

The Group has provided product warranties to its customers in respect of FGD construction engineering work completed and certain of its EP products sold for a warranty period ranging from 6 months to 2 years after project completion or product delivery. At the same time, the Group has also received warranties in respect of those construction engineering work and equipment supplied from its sub-contractors and suppliers. The directors of the Company believe that the amount of crystallised warranty liabilities, if any, in excess of the amount covered by the warranties given by the sub-contractors and suppliers, will not have a material adverse effect on the overall financial position or results of operations of the Group.

### 37. CAPITAL RISK MANAGEMENT

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, and to generate sufficient profit to maintain growth and provide a satisfactory return to its shareholders.

The management actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure through the amount of dividend payment to shareholders or raise new debt financing. No changes were made to the objectives or policies during the year.

The management monitors the Group's capital structure on the basis of a net debt-to-equity ratio. For this purpose the Group defines net debt as total debt (which includes interest-bearing loans and borrowings and trade and other payables plus unaccrued proposed dividends minus cash and cash equivalents).

### 36. 或然負債

本集團就其已完工煙氣脫硫工程建設工程及售出之若干環保產品於工程完工或產品付運後半年至兩年之保證期內向其客戶提供產品保證。同時，本集團亦獲得其分包商及供應商就供應該等建築工程及設備之保證。本公司董事認為，明確保證負債金額超過分包商及供應商所提供之保證金額(如有)，將不會對本集團之綜合財務狀況或經營業績產生重大不利影響。

### 37. 資本風險管理

本集團管理資本之首要目標乃保障本集團能夠繼續根據持續經營基準經營，以及產生足夠盈利以維持增長，及為股東賺取滿意之回報。

管理層積極及定期對資本架構進行檢討及管理，以在較高股東回報情況下可能伴隨之較高借貸水平與穩健之資本狀況帶來之好處及保障之間取得平衡，並透過對股東派發股息或進行新債務融資就資本架構作出調整。年內，概無就目標及政策作出任何變動。

管理層按債權比率淨值基準密切監察本集團之資本結構。為此，本集團界定債務淨額為債務總額(包括計息貸款及借貸以及貿易及其他應付款項加非累計擬分派股息減現金及等同現金項目)。

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

### 37. CAPITAL RISK MANAGEMENT (Continued)

### 37. 資本風險管理(續)

The net debt-to-equity ratio at 31 December 2009 and 2008 was as follows:

於二零零九年及二零零八年十二月三十一日之債權比率淨值如下：

		The Group 本集團		The Company 本公司	
		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	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
Current liabilities:	流動負債：				
Short term bank loan	短期銀行貸款	16,478	82,000	—	—
Trade and other payables	貿易及其他 應付款項	140,968	140,797	937	864
Deposits received and receipt in advance	已收按金 及預付款	69,413	65,641	—	—
Total debt	總負債	226,859	288,438	937	864
Less: Cash and cash equivalents	減：現金及 等同現金項目	(739,266)	(849,298)	(46,475)	(71,798)
Net debt	負債淨額	(512,407)	(560,860)	(45,538)	(70,934)
Total equity	權益總額	1,159,827	1,067,153	854,017	806,839
Net debt-to-equity ratio	債權比率淨值	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

本公司或任何其附屬公司概無受外部實施之資本規定限制。

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009

截至二零零九年十二月三十一日止年度

### 38. FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. These risks are limited by the Group's financial management policies and practices described below.

#### a) Credit risk

As at 31 December 2009, the maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated statements of financial position after deducting any impairment allowance.

The Group's credit risk is primarily attributable to trade receivables and amounts due from related parties which are disclosed elsewhere in these financial statements. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

In respect of trade receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are normally due within 60 days from the date of billing. Normally, the Group does not obtain collateral from customers.

### 38. 金融工具

本集團在日常業務中須承受信貸、流動資金、利率及貨幣風險。本集團透過下文所述財務管理政策及常規管理該等風險。

#### a) 信貸風險

於二零零九年十二月三十一日，最大的信貸風險承擔為綜合財務狀況表中各金融資產扣除任何減值撥備後的賬面值。

本集團之信貸風險主要來自於該等財務報表其他部份披露之貿易應收賬款及應收關連方款項。管理層設定了既定之信貸政策，並持續監察該等信貸風險。

就貿易應收賬款而言，本公司對要求一定金額以上信貸之所有客戶個別進行信貸評估。評估主要根據客戶之歷史交易記錄及現時之償付能力，並考慮特定客戶之信用特徵及其所處經營環境。貿易應收賬款自發票日起於60天內到期。在一般情況下，本集團不會自客戶獲取抵押品。

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

### 38. FINANCIAL INSTRUMENTS (Continued)

#### a) Credit risk (Continued)

In respect of trade receivables, the Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The default risk of the industry in which customers operate also has an influence on credit risk. Taking into account the creditworthiness of the Group's customers, the credit risk measures and the historical levels of the bad debts, the Directors consider that such concentration of credit risk would not result in significant credit default exposure to the Group. At the end of the reporting period, 2.24% (2008: 26.05%) and 9.38% (2008: 45.42%) of trade receivables was due from the Group's largest customer and the five largest customers respectively within the sales of EP products and equipment segment.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade receivables are set out in Note 19.

Amounts due from related parties are regularly reviewed and settled unless the amounts are specifically intended to be long-term in nature.

The credit risk on liquid funds is limited because the counter parties are banks with good reputation.

### 38. 金融工具(續)

#### a) 信貸風險(續)

就貿易應收賬款而言，本集團之信貸風險主要受每個客戶之個別情況所影響。客戶經營所屬行業之違約風險也會對信貸風險產生影響。考慮到本集團客戶之信譽、信貸風險措施及過往之壞賬水平，董事認為，此種集中信貸風險不會對本集團構成重大信貸拖欠風險。於本報告期末，來自環保產品及設備分部之應收本集團最大客戶及最大五位客戶分別佔總貿易應收賬款2.24%(二零零八年: 26.05%)及9.38%(二零零八年: 45.42%)。

有關本集團面臨之貿易應收賬款產生之信貸風險之量性披露載於附註19。

應收關連方款項會定期進行審閱及結算，除非該等款項特別指定為屬長期性則除外。

流動資金信貸風險有限，因為對方為具有良好信譽的銀行。



# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
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### 38. FINANCIAL INSTRUMENTS (Continued)

#### b) Interest rate risk

The Group's cash flow interest rate risk relates primarily to variable rates and fixed rates of pledged bank deposits, bank balances and short term bank loan. Ordinarily, the Group's policy is not to use any derivative contracts to hedge its exposure to interest rate risk. However, the management of the Company will consider hedging significant interest rate exposure should the need arises. The Group's interest rate profile as monitored by management is set out in (i) below.

##### i) Interest rate profile

The following table details the interest rate profile of the Group's borrowings at the end of reporting period.

### 38. 金融工具(續)

#### b) 利率風險

本集團之現金流量利率風險主要與已抵押銀行存款、銀行結餘及短期銀行貸款之浮動利率及固定利率有關。本集團之政策一般不採用任何衍生合約對沖其利率風險。惟倘必要，本公司管理層將會考慮對沖重大利率風險。本集團由管理層監察的利率概況載列於下文附註(i)。

##### i) 利率概況

下表詳述本集團的借款於報告期末的利率概況：

		2009 二零零九年		2008 二零零八年	
		Effective interest rate 實際利率	RMB'000 人民幣千元	Effective interest rate 實際利率	RMB'000 人民幣千元
		%		%	
Net fixed rates borrowings	固定利率借款淨額				
Bank loans – secured	銀行貸款－有抵押	2.17	16,478	—	—
Net variable rates borrowings	浮息利率借款淨額				
Bank loans – secured	銀行貸款－有抵押	—	—	5.58 – 7.47	82,000
Total net borrowings	總借款淨額	—	16,478	—	82,000
Net fixed rates borrowings as a percentage of total interest-bearing borrowings	固定利率借款淨額估計息借款總額的百分比		100%		—

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
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### 38. FINANCIAL INSTRUMENTS (Continued)

#### b) Interest rate risk (Continued)

##### ii) Sensitivity analysis

At 31 December 2009, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would decrease/increase the Group's profit after taxation and retained profits by approximately RMB7,543,000 (2008: RMB8,640,000). Other components of equity would not be affected by the changes 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 point increase or decrease 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 2008.

#### c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with lending covenants and to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from banks to meet its liquidity requirements in the short and longer term.

The following table details the remaining contractual maturities at the end of the reporting period of the Group's and the Company's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates) and the earliest date the Group and the Company can be required to pay.

### 38. 金融工具(續)

#### b) 利率風險(續)

##### ii) 敏感度分析

於二零零九年十二月三十一日，據估計，在所有其他變數維持不變之情況下，利率普遍下降／上升100個基點將令本集團之除稅後溢利及保留溢利增加／減少約人民幣7,543,000元(二零零八年：人民幣8,640,000元)。權益之其他部份將不會受利率變動之影響。

上述敏感度分析乃假設利率變動已於報告期末發生，並已應用於該日存在之非衍生金融工具須承受之利率風險。100個基點之增幅或跌幅為管理層就直至下個報告期末止期間利率之合理可能變動所作之評估。二零零八年的分析是以相同的基準進行。

#### c) 流動資金風險

流動資金風險乃指本集團未能履行到期之金融義務之風險。本集團之政策為定期監控目前及預期之流動資金需求及其遵守貸款契據之情況，以確保本集團維持充裕現金儲備及獲往來銀行承諾提供足夠資金，以應付其短期及較長期之流動資金需求。

下表為詳列本集團及本公司之非衍生金融負債於報告期末之餘下合約期限。此乃基於合約所定未貼現現金流(包括根據合約所定利率計算之利息)及本集團及本公司可能須付款之最早日期計算：

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

### 38. FINANCIAL INSTRUMENTS (Continued)

### 38. 金融工具(續)

#### c) Liquidity risk (Continued)

#### c) 流動資金風險(續)

		2009			2008		
		二零零九年			二零零八年		
		Total			Total		
		contractual	Within		contractual	Within	
		undiscounted	1 year or		undiscounted	1 year or	
		cash flow	on demand		cash flow	on demand	
		Carrying	合約所定	一年內或	Carrying	合約所定	一年內或
		amount	未貼現	要求時	amount	未貼現	要求時
		賬面值	現金流	總額	賬面值	現金流	總額
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
<b>The Group</b>	<b>本集團</b>						
Short term bank loan	短期銀行貸款	16,478	16,478	16,478	82,000	82,000	82,000
Trade and other payables	貿易及其他應付款項	140,968	140,968	140,968	140,797	140,797	140,797
Deposit received and receipt in advance	已收按金及預付款	69,413	69,413	69,413	65,641	65,641	65,641
		<b>226,859</b>	<b>226,859</b>	<b>226,859</b>	<b>288,438</b>	<b>288,438</b>	<b>288,438</b>
<b>The Company</b>	<b>本公司</b>						
Accruals and other payables	應計及其他應付款項	937	937	937	864	864	864

The Group held cash and bank balance amounting to approximately RMB739,266,000 as at 31 December 2009 (2008: approximately RMB849,298,000), which it considers is sufficient for its liquidity demands in the near future.

本集團於二零零九年十二月三十一日持有之現金及銀行結餘約人民幣739,266,000元(二零零八年:約人民幣849,298,000元)。本集團認為其流動資金需求於可見將來足以應付。

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

### 38. FINANCIAL INSTRUMENTS (Continued)

#### d) Currency risk

The Group is exposed to currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations to which they relate. The Group currently does not have a foreign currency hedging policy, however, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure when the need arises.

#### i) Exposure to currency risk

The following table details the Group's and the Company's exposure at the reporting date 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.

### 38. 金融工具(續)

#### d) 貨幣風險

本集團涉及之貨幣風險主要來自與以業務所涉及功能貨幣以外之貨幣計值之買賣交易有關之風險。本集團目前並無外幣對沖政策。然而，管理層會監控外匯風險，並將在需要時考慮對沖重大外匯風險。

#### i) 面臨貨幣風險

下表詳列本集團及本公司於報告日面臨之貨幣風險，有關風險乃因以實體經營有關之功能貨幣以外之貨幣計值之已確認資產或負債而產生。

		The Group 本集團						The Company 本公司	
		2009 二零零九年			2008 二零零八年			2009 二零零九年	2008 二零零八年
		HK\$'000 千港元	AUD'000 千澳元	EUR'000 千歐元	HK\$'000 千港元	AUD'000 千澳元	EUR'000 千歐元	AUD'000 千澳元	AUD'000 千澳元
Trade and other receivables	應收貿易及其他款項	30,502	-	1,625	3,378	-	-	-	-
Pledged bank deposits	已抵押銀行存款	-	-	-	100,000	-	-	-	-
Cash and bank balances	現金及銀行結餘	14,937	6,899	-	13,490	13,035	-	6,899	13,035
Trade and other payables	應付貿易及其他款項	(1,063)	-	-	(977)	-	-	-	-
Overall net exposure	整體風險淨額	44,376	6,899	1,625	115,891	13,035	-	6,899	13,035

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

### 38. FINANCIAL INSTRUMENTS (Continued)

#### d) Currency risk (Continued)

##### ii) Sensitivity analysis

The following table indicates the approximate change in the Group's profit after taxation and retained profits for the year and other components of equity in response to reasonable possible changes in foreign exchange rates to which the Group has a significant exposure at the end of the reporting period.

		2009			2008		
		Increase/ (decrease) in foreign exchange rates 外幣匯率 增加/(減少) RMB'000 人民幣千元	Effect on profit after taxation and retained profits 對除稅後溢利 及保留溢利 之影響 RMB'000 人民幣千元	Effect on other components of equity 對權益其他 部分之影響 RMB'000 人民幣千元	Increase/ (decrease) in foreign exchange rates 外幣匯率 增加/(減少) RMB'000 人民幣千元	Effect on profit after taxation and retained profits 對除稅後溢利 及保留溢利 之影響 RMB'000 人民幣千元	Effect on other components of equity 對權益其他 部分之影響 RMB'000 人民幣千元
<b>The Group</b>	<b>本集團</b>						
HKD	港元	1%	391	—	1%	1,025	—
		(1%)	(391)	—	(1%)	(1,025)	—
AUD	澳元	1%	423	—	1%	614	—
		(1%)	(423)	—	(1%)	(614)	—
EUR	歐元	1%	116	—	1%	—	—
		(1%)	(116)	—	(1%)	—	—
<b>The Company</b>	<b>本公司</b>						
AUD	澳元	1%	423	—	1%	614	—
		(1%)	(423)	—	(1%)	(614)	—

### 38. 金融工具(續)

#### d) 貨幣風險(續)

##### ii) 敏感度分析

下表顯示於於報告期末本集團除稅後溢利及保留溢利及權益其他部份在本集團面臨重大風險之匯率合理可能變動下之概約變動。

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

### 38. FINANCIAL INSTRUMENTS (Continued)

#### d) Currency risk (Continued)

##### ii) Sensitivity analysis (Continued)

The sensitivity analysis above has been determined assuming that the changes in foreign exchange rate 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. The stated changes represent management's assessment of reasonable 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 2008.

#### e) Estimation of fair values

The following summarises the major methods and assumptions used in estimating the fair values of the following financial instruments.

##### i) Interest-bearing borrowings and loans

The fair value is estimated as the present value of future cash flows, discounted at current market interest rates for similar financial instruments.

##### ii) Liquid or/and short-term assets and liabilities

For financial assets and financial liabilities that are liquid or having a short term maturity, it is assumed that the carrying amounts approximate their fair values. The assumption is applied to trade and other receivables, trade and other payables, cash and cash equivalents without a specific maturity.

### 38. 金融工具(續)

#### d) 貨幣風險(續)

##### ii) 敏感度分析(續)

以上敏感度分析基於假設外幣匯率變動發生於報告期末，且應用於當天存在的金融工具上的貨幣風險上。上述變動是管理層對期間至下個報告期末外幣匯率合理及有可能的變動的評估，二零零八年的分析是以相同的基準進行。

#### e) 公平價值估計

以下概述以下金融工具的估計公平值所用之主要方法及假設。

##### i) 帶息借貸及貸款

公平值估算為未來現金流量之現值，並按類似金融工具之現行市場利率折現。

##### ii) 流動性或／及短期資產及負債

流動性或到期日極短之金融資產及金融負債乃假設其賬面值與公平值相若。該假設適用於無特定期日之應收貿易及其他款項、貿易及其他應付款項以及現金及等同現金項目。

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

### 39. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that can significantly affect the amounts recognised in the financial statements are disclosed below:

**i) Net realisable value of inventories**

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expense. These estimates are based on the current market conditions and the historical experience of manufacturing and selling products of similar nature. Management will reassess the estimates at the end of the reporting period.

**ii) Trade and other receivables**

The Group's management determines the provision for impairment of trade and other receivables. This estimate is based on the credit history of its customers and the current market conditions. Management reassesses the provision at the end of the reporting period.

### 39. 關鍵會計估計及判斷

估計和判斷將基於以往之經驗及其他因素持續進行評估，包括對確信於該等情況下屬合理之未來事件之期望。

對財務報表所確認之金額可能產生重大影響之估計及假設披露如下：

**i) 存貨之可變現淨值**

存貨之可變現淨值乃估計於日常業務過程中之銷售價格，減去估計之完成費用及銷售支出。該等估計乃基於當前之市場狀況及生產及銷售同類產品之以往經驗。管理層將於各報告期末重新評估該等估計。

**ii) 貿易及其他應收款項**

貿易及其他應收賬款減值撥備由本集團之管理層決定。該估計乃基於本集團客戶以往之信貸記錄及當前市場狀況。管理層將於各報告期末重新評估該等撥備。



# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

### 39. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

- iii) **Useful lives of property, plant and equipment**  
In accordance with HKAS 16, the Group estimates the useful lives of property, plant and equipment in order to determine the amount of depreciation expenses to be recorded. The useful lives are estimated at the time the asset is acquired based on historical experience, the expected usage, wear and tear of the assets, as well as technical obsolescence arising from changes in the market demands or service output of the assets. The Group also performs annual reviews on whether the assumptions made on useful lives continued to be valid.
- iv) **Impairment on property, plant and equipment and prepaid lease payment**  
The group assesses annually whether property, plant and equipment and prepaid lease payment have any indication of impairment. The recoverable amounts of property, plant and equipment and prepaid lease payments have been determined based on value-use calculations. These calculations require the use of judgements and estimates.
- v) **Income taxes**  
Determining income tax provisions involves judgement of the future tax treatment of certain transactions and the interpretation of tax rules. The Group carefully evaluates the tax implications of transactions and tax provisions are set up accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislation.

### 39. 關鍵會計估計及判斷(續)

- iii) **物業、廠房及設備之可使用年限**  
本集團根據香港會計準則第16號之規定估計物業、廠房及設備之可使用年限，從而釐定所須列賬之折舊開支。本集團於購入資產之時，根據以往經驗、資產之預期使用量、資產損耗程度，以及技術會否因市場需求或資產產能有變而變成過時，估計其可使用年限。本集團亦會於每年作出檢討，以判斷就可使用年限所作出之假設是否仍然合理。
- iv) **物業、廠房及設備以及預付租賃款項減值**  
本集團每年評估物業、廠房及設備及預付租賃款項是否出現任何減值跡象。物業、廠房及設備及預付租賃款項的可收回金額乃根據使用價值計算法釐定。此等計算須運用判斷及估算。
- v) **所得稅**  
釐定所得稅撥備涉及未來若干交易之稅項優惠及稅項條例詮釋之判斷。本集團謹慎估計稅務影響及因而訂立之稅務條文。有關交易之稅務優惠會定期檢討，並計及所有稅法變動。

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2009  
截至二零零九年十二月三十一日止年度

### 40. NON-CASH TRANSACTIONS

During the year ended 31 December 2008, the Group set up a new subsidiary – 遼寧泛亞. The minority shareholder contributed property, plant and equipment with an aggregate fair value of RMB3,192,200 as their capital contribution as disclosed in note 15(b). This contribution is not reflected in the consolidated statement of cash flows and is allocated to the Group's business segment as EP construction engineering projects.

During the year ended 31 December 2009, the investee company of the Group's available-for-sale financial asset, a private entity which the Group had a 5% equity interest, increased its share capital for RMB98,000,000 by way of a bonus distribution of its retained profit. A dividend income of RMB4,900,000 was recognised for the Group in this report.

### 41. ULTIMATE HOLDING COMPANY

The director considers the ultimate holding company of the Company to be Praise Fortune Limited, a company incorporated in the British Virgin Islands. This entity does not produce financial statements available for public use.

### 42. COMPARATIVE FIGURES

As a result of the application of HKAS 1 (revised 2007), Presentation of financial statements, and HKFRs 8, Operating segments, certain comparative figures have been adjusted to conform to current year's presentation and to provide comparative amounts in respect of items disclosed for the first time in 2009. Further details of these developments are disclosed in note 3.

With a view of financial statements presentation, certain items in the financial statements were reclassified which would result in a more appropriate presentation of events or transactions. Accordingly comparative figures have been reclassified to conform with the current year's presentation.

### 40. 非現金交易

截至二零零八年十二月三十一日止年度，本公司成立一間新附屬公司遼寧泛亞。少數股東貢獻總公平價值為人民幣3,192,200元之物業、廠房及設備為其注資，如附註15(b)所披露。此項注資並未在綜合現金流量表中反映，乃作為環保建設工程項目被劃撥予本集團之業務分部。

截至二零零九年十二月三十一日止年度，就本集團被投資公司之可供出售金融資產而言，本集團持有5%股本權益之私人實體透過紅利分派其保留溢利方式增加股本人民幣98,000,000元。股息收入人民幣4,900,000元由本集團於本報告中確認。

### 41. 最終控股公司

董事認為，本公司之最終控股公司為於英屬處女群島註冊成立之公司 Praise Fortune Limited。該實並無編制可供公眾查閱之財務報表。

### 42. 比較數字

因採用香港會計準則第1號(二零零七年修訂版) — 財務報表之呈列及香港財務報告準則第8號 — 經營分類，若干比較數字已作調整以符合本年度之呈報方式及就二零零九年首次披露事項提供比較金額。有關此等變動之進一步詳情乃於附註3披露。

於審閱財務報表呈列方式時，已重新分類財務報表中之若干項目，以更合適地呈列事件或交易。因此，已重新分類比較數字以符合本年度之呈列方式。

## Financial Summary 財務摘要

Following is a summary of the consolidated results and the consolidated assets and liabilities of the Group for the last five financial years prepared on a basis as stated in the notes below:

下表為本集團過往五個財政年度按下文所載附註為基準編製之綜合業績及綜合資產與負債：

### CONSOLIDATED RESULTS

### 綜合業績

For the year ended 31 December

截至十二月三十一日止年度

		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	2005 二零零五年 RMB'000 人民幣千元
Turnover	營業額	<b>608,972</b>	593,765	703,946	508,628	395,973
Profits before taxation	除稅前溢利	<b>125,143</b>	117,563	277,214	187,827	133,244
Income tax expenses	所得稅開支	<b>(37,385)</b>	(41,428)	(67,766)	(22,701)	(15,226)
Profit for the year	年度溢利	<b>87,758</b>	76,135	209,448	165,126	118,018

### CONSOLIDATED ASSETS AND LIABILITY

### 綜合資產與負債

As at 31 December

於十二月三十一日

		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	2005 二零零五年 RMB'000 人民幣千元
Total non-current assets	非流動資產總值	<b>61,546</b>	61,710	62,962	66,352	66,345
Total current assets	流動資產總值	<b>1,344,862</b>	1,293,881	1,171,530	448,597	308,832
Total assets	資產總值	<b>1,406,408</b>	1,355,591	1,234,492	514,949	375,177
Total liabilities	負債總額	<b>(246,581)</b>	(288,438)	(205,312)	165,126	118,018

## Financial Summary

### 財務摘要

#### Notes:

1. The summary of the consolidated assets and liabilities of the Group as at the end of the five financial years ended 31 December 2009 was prepared as if the current group structure had been in existence throughout these financial years according to the basis of presentation as set out in note 1 to the financial statements.
2. The results for the two years ended 31 December 2005 and 2006 were extracted from the prospectus of the Company dated 10 December 2007.
3. Assets and liabilities of the Group as at 31 December 2005 and 2006 were extracted from the prospectus of the Company dated 10 December 2007.

#### 附註：

1. 本集團於截至二零零九年十二月三十一日止五個財政年度之綜合資產與負債概要乃假設現有集團架構在此等財政年度一直存在，以及根據財務報表附註1所載之呈報基準而編製。
2. 截至二零零五年及二零零六年十二月三十一日止兩個年度之業績乃摘錄自本公司日期為二零零七年十二月十日之招股章程。
3. 本集團於二零零五年及二零零六年十二月三十一日之資產與負債乃摘錄自本公司日期為二零零七年十二月十日之招股章程。



**泛亞環保集團有限公司**  
**Pan Asia Environmental Protection Group 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 : 00556.HK