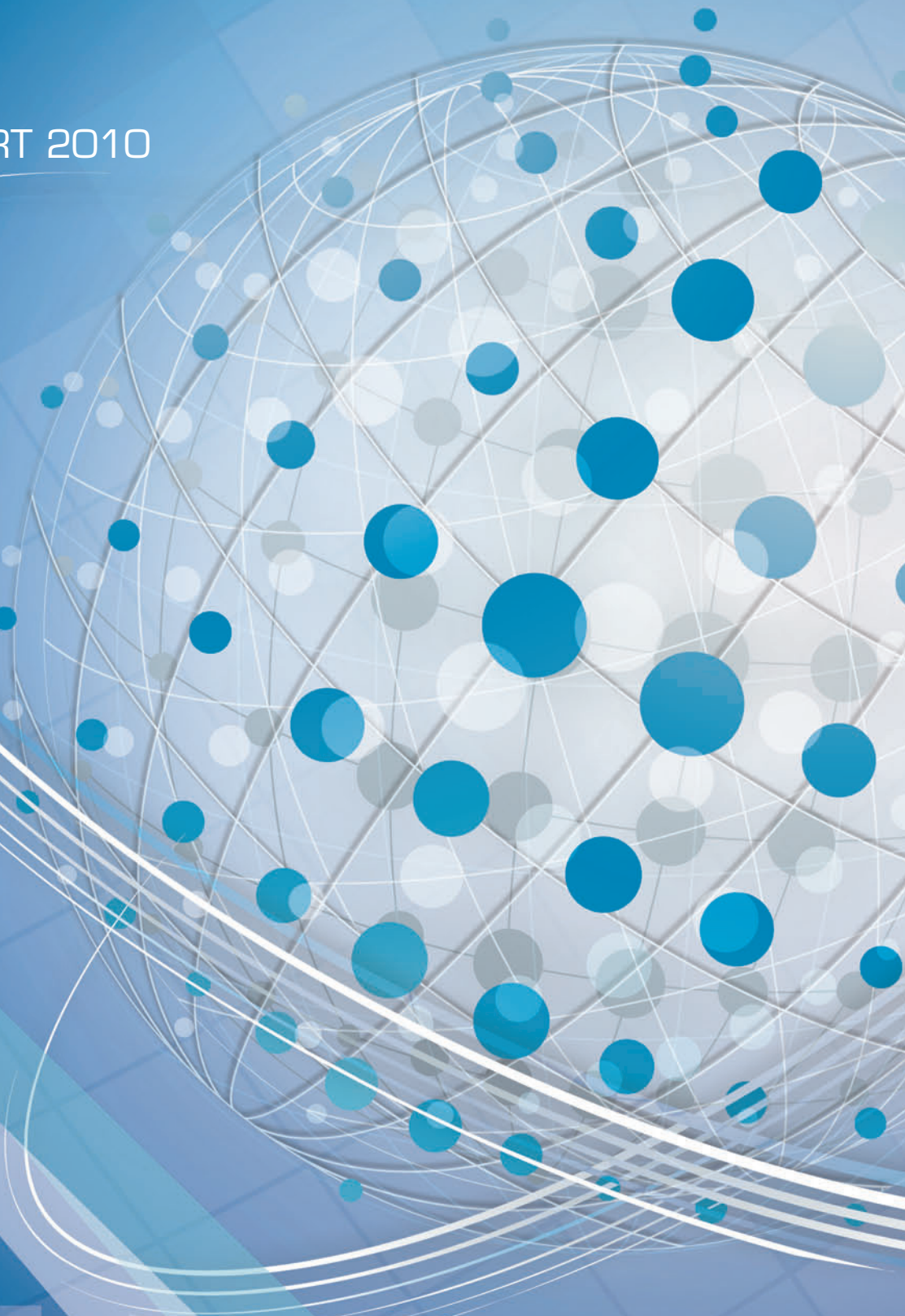




天德化工控股有限公司
Tiande Chemical Holdings Limited

(於開曼群島註冊成立之有限公司) (股份代號：609)
(incorporated in the Cayman Islands with limited liability) (Stock Code: 609)

二零一零年年報
ANNUAL REPORT 2010



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公司資料 Corporate Information

董事會

執行董事

劉洪亮先生 (主席)
王子江先生
郭希田先生
郭玉成先生

獨立非執行董事

梁錦雲先生
高寶玉先生
劉晨光先生

董事會委員會

審核委員會

梁錦雲先生 (主席)
高寶玉先生
劉晨光先生

薪酬委員會

劉洪亮先生 (主席)
梁錦雲先生
高寶玉先生
劉晨光先生

安全及環保委員會

郭玉成先生 (主席)
高寶玉先生
傅安旭先生

公司秘書

劉偉珍女士

獨立核數師

香港立信德豪會計師事務所有限公司

主要往來銀行

中國銀行(香港)有限公司
中國工商銀行濰坊市分行

BOARD OF DIRECTORS

Executive Directors

Mr. Liu Hongliang (Chairman)
Mr. Wang Zijiang
Mr. Guo Xitian
Mr. Guo Yucheng

Independent Non-Executive Directors

Mr. Leung Kam Wan
Mr. Gao Baoyu
Mr. Liu Chenguang

BOARD COMMITTEES

Audit Committee

Mr. Leung Kam Wan (Chairman)
Mr. Gao Baoyu
Mr. Liu Chenguang

Remuneration Committee

Mr. Liu Hongliang (Chairman)
Mr. Leung Kam Wan
Mr. Gao Baoyu
Mr. Liu Chenguang

Safety and Environmental Protection Committee

Mr. Guo Yucheng (Chairman)
Mr. Gao Baoyu
Mr. Fu Anxu

COMPANY SECRETARY

Ms. Lau Wai Chun

INDEPENDENT AUDITOR

BDO Limited

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Industrial and Commercial Bank of China, Weifang Branch

香港股份過戶登記處

香港中央證券登記有限公司
香港
灣仔皇后大道東183號
合和中心
17字樓1712-1716室

註冊辦事處

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

香港主要營業地點

香港
中環夏慤道12號
美國銀行中心
22字樓2204A室

總辦事處及中國主要營業地點

中國
山東省
濰坊市
山東濰坊經濟開發區

香港法律顧問

施文律師行

公司網址

<http://tdchem.hi2000.com>

股份代號

聯交所：609

HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre, 183 Queen's Road East
Wan Chai
Hong Kong

REGISTERED OFFICE

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

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 2204A, 22nd Floor
Bank of America Tower
12 Harcourt Road, Central
Hong Kong

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

Shandong Weifang Economic Development Zone
Weifang City
Shandong Province
The PRC

LEGAL ADVISER AS TO HONG KONG LAWS

F. Zimmern & Co.

COMPANY'S WEBSITE

<http://tdchem.hi2000.com>

STOCK CODE

The Stock Exchange: 609

財務摘要及五年概要 Financial Highlights and Five Years Summary

		附註 Notes	二零零六年 (已重列， 附註1) 2006 (As restated, Note 1)	二零零七年 2007	二零零八年 2008	二零零九年 2009	二零一零年 2010
業績 (以人民幣千元列示)	Results (expressed in RMB'000)						
營業額	Turnover		504,187	574,298	725,199	598,947	881,775
毛利	Gross profit		98,567	68,983	99,123	97,272	223,768
本公司擁有人 應佔溢利	Profit attributable to the owners of the Company		58,437	21,554	24,925	42,044	129,226
每股盈利 (人民幣)	Earnings per share (in RMB)	2	0.184	0.054	0.062	0.105	0.315
未計利息、稅項、 折舊及攤銷前盈利	Earnings before interest, taxation, depreciation and amortisation ("EBITDA")		82,574	54,295	74,462	90,536	199,611
財務狀況 (以人民幣千元列示)	Financial Positions (expressed in RMB'000)						
總資產	Total assets	3	578,723	768,459	640,725	638,082	739,287
總負債	Total liabilities		275,097	441,441	291,794	250,134	211,772
每股淨資產 (人民幣)	Net assets per share (in RMB)	4	0.76	0.82	0.87	0.97	1.25
財務比率	Financial Ratios						
流動比率	Current ratio	5	1.3	0.9	0.8	1.1	1.8
速動比率	Quick ratio	6	1.1	0.8	0.6	0.9	1.4
負債比率	Gearing ratio	7	14.4%	34.3%	36.8%	34.1%	7.0%

附註：

1 二零零六年之數字已重列，是為了反映：(1)因自二零零七年一月一日起採納香港會計準則第40號「投資物業」(投資物業採用公平價值模式列賬)帶來之會計政策變動；及(2)已背書票據呈列為應收票據直至到期日為止，而有關已背書票據並無應用於沖減截至二零零六年和二零零七年十二月三十一日止財政年度之貿易應付賬及其他應付款項。

2 本公司擁有人應佔溢利÷全年已發行股份加權平均數。每股基本盈利乃根據加權平均股數計算，而於截至二零零六年、二零零七年、二零零八年、二零零九年及二零一零年十二月三十一日止五個年度之加權平均股數分別為318,082,192股、400,000,000股、400,000,000股、400,000,000股及409,861,611股。

3 總資產 = 非流動資產+流動資產

4 股東權益÷年底之本公司已發行股份數目(於二零零六年、二零零七年、二零零八年、二零零九年及二零一零年十二月三十一日，每股淨資產乃分別根據已發行股份400,000,000股、400,000,000股、400,000,000股、400,000,000股及421,248,000股計算。)

5 流動比率 = 流動資產÷流動負債

6 速動比率 = (流動資產-存貨)÷流動負債

7 負債比率 = 淨負債(扣除銀行與現金結餘及已抵押銀行存款後之借貸總額)÷股東權益

Notes:

1 The figures in 2006 were restated in order to reflect (1) the change in accounting policies as a result of the adoption of Hong Kong Accounting Standards 40 "Investment Property" (investment properties to be accounted for using the fair value model) with effective from 1 January 2007 and (2) the treatment of the endorsed bills which were presented as bills receivable until maturity and such endorsed bills were not applied to reduce the amounts of trade and other payables for the financial years ended 31 December 2006 and 2007.

2 Profit attributable to the owners of the Company ÷ weighted average of issued shares for the year. (The calculation of basic earnings per share is based on the weighted average number of 318,082,192, 400,000,000, 400,000,000, 400,000,000 and 409,861,611 shares for the five years ended 31 December 2006, 2007, 2008, 2009 and 2010 respectively.)

3 Total assets = Non-current assets + Current assets

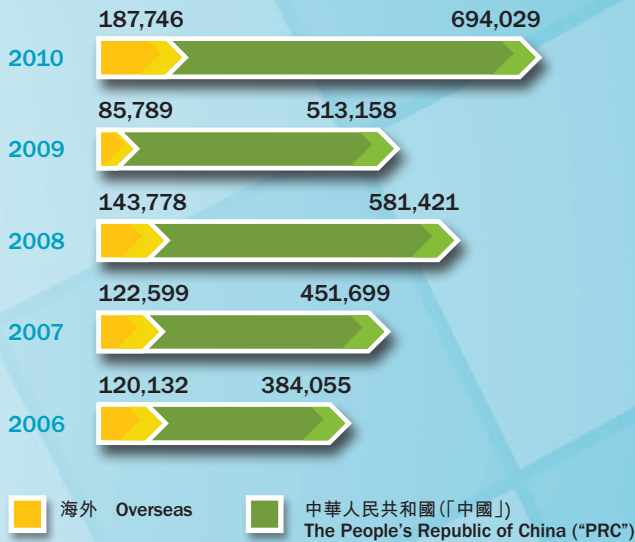
4 Shareholders' equity ÷ Number of issued shares of the Company at the year end (As at 31 December 2006, 2007, 2008, 2009 and 2010, the calculation of net assets per share based on the number of issued shares of 400,000,000, 400,000,000, 400,000,000, 400,000,000 and 421,248,000 respectively.)

5 Current ratio = Current assets ÷ Current liabilities

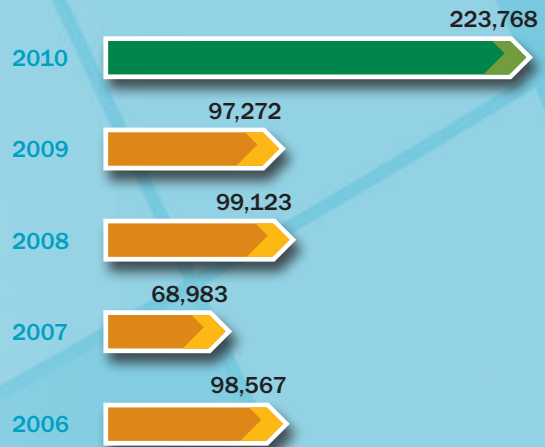
6 Quick ratio = (Current assets - Inventories) ÷ Current liabilities

7 Gearing ratio = Net debts (Total borrowings net of bank and cash balances and pledged bank deposits) ÷ Shareholders' equity

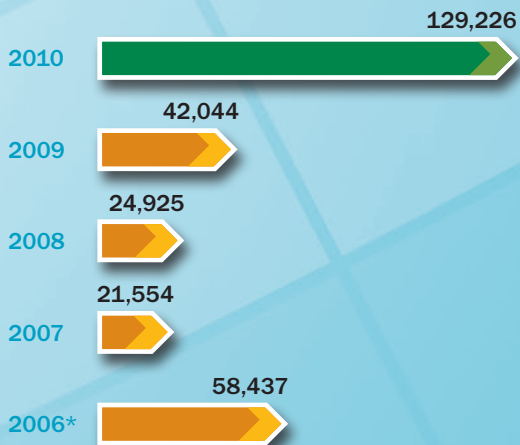
營業額 (人民幣千元) Turnover (RMB'000)



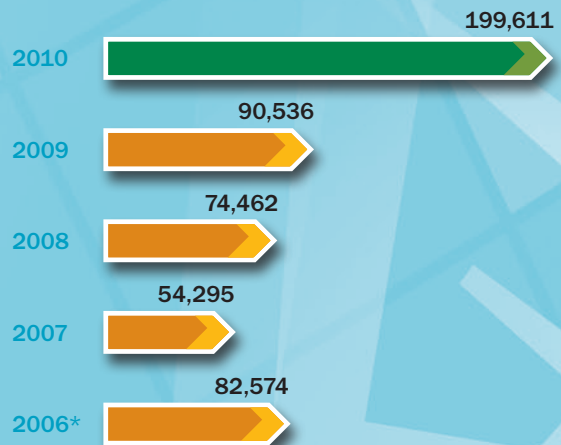
毛利 (人民幣千元) Gross Profit (RMB'000)



本公司擁有人應佔溢利 (人民幣千元) Profit Attributable to The Owners of The Company (RMB'000)



未計利息、稅項、折舊及攤銷前盈利 (人民幣千元) EBITDA (RMB'000)



* 二零零六年之數字已重列，是為了反映：(1)因自二零零七年一月一日起採納香港會計準則第40號「投資物業」(投資物業採用公平價值模式列賬)帶來之會計政策變動；及(2)已背書票據呈列為應收票據直至到期日為止，而有關已背書票據並無應用於沖減截至二零零六年和二零零七年十二月三十一日止財政年度之貿易應付賬及其他應付款項。

* The figures in 2006 were restated in order to reflect (1) the change in accounting policies as a result of the adoption of Hong Kong Accounting Standards 40 "Investment Property" (investment properties to be accounted for using the fair value model) with effective from 1 January 2007 and (2) the treatment of the endorsed bills which were presented as bills receivable until maturity and such endorsed bills were not applied to reduce the amounts of trade and other payables for the financial years ended 31 December 2006 and 2007.



Liu Hongliang
Chairman

劉洪亮
主席

各位股東：

本人謹代表董事或董事會（「董事」或「董事會」）欣然宣佈天德化工控股有限公司（「本公司」，連同其附屬公司統稱為「本集團」）截至二零一零年十二月三十一日止年度之年度報告。

Dear shareholders,

On behalf of the board of directors (the "Board" or "Directors"), I am pleased to present the annual report of Tiande Chemical Holdings Limited (the "Company" and together with its subsidiaries, collectively the "Group") for the year ended 31 December 2010.

二零一零年創出佳績，純利增長
Remarkable Results for 2010 with
the Net Profit increased by

207.4%

年度業績

在回顧年度內，本集團取得輝煌業績。本集團營業額大幅增長至約人民幣881,800,000元，與去年相比上升47.2%，本集團毛利亦錄得顯著增長，約達人民幣223,800,000元，與去年相比上升130.0%。大幅增長主要是由於本集團氰乙酸及其酯類產品經營業績增長強勁所致。本集團營業額及毛利增長主要原因是：(1)中國財政政策有利推動國內市場迅速增長，並間接帶動了本集團之產品行業增長；截至二零一零年十二月三十一日止財政年度，本集團來自中國之營業額與去年相比上升35.2%；(2)受到全球經濟復甦和反彈影響，本集團來自海外之營業額與去年相比亦飆升118.8%；(3)在二零零八/零九年全球金融危機後，行業出現整合情況；本集團作為業內一個強大的參與者，憑藉其競爭優勢，表現優於同業(尤其是在市場經過整合後)；(4)本集團採用合適之營銷策略，使本集團在回顧年度內取得更大市場份額；(5)在濰坊同業化學有限公司(「濰坊同業」)生產廠房搬遷和重置後，本集團整合經營及生產設施，從而改善及增強了本集團整體之生產及經營效率；及(6)由於本集團不斷積極完善其向上垂直整合生產體系，本集團得以更妥善控制生產成本。

通過有效控制經營費用，本公司擁有人應佔溢利增加至約人民幣129,200,000元，與去年相比上升207.4%。卓越的財務業績證明，本集團在過去幾年孜孜不倦地努力規劃和發展其核心競爭力及建立雄厚業務基礎，締造了豐碩的成果。本集團今年之成就不僅實現，而且超越了其預期業績，令本人感到欣慰和鼓舞。

在回顧年度內，本集團進一步增加了其具良好市場增長潛力之旗下產品的產能，以加強其成本優勢和滿足穩步增長的市場需求。此外，本集團在集中生產設施後，積極推行循環經濟生產體系，從而提高內部資源利用率和成本效益。該等措施同樣為回顧年度之業績作出了貢獻，並將會進一步支持本集團長遠的增長。

RESULTS FOR THE YEAR

During the year under review, the Group has achieved brilliant performance. The turnover of the Group was substantially increased to approximately RMB881.8 million, representing an increase of 47.2% when compared with that of in the last year. The gross profit of the Group was also recorded a considerable growth reaching to approximately RMB223.8 million, representing an increase of 130.0% when compared with that of in the last year. Such substantial increases were mainly attributable to the growth of business performance of cyanoacetic acid and its ester products of the Group. The growth of turnover and gross profit of the Group was mainly contributed by: (1) the favourable China fiscal policies which pushed the domestic market grew rapidly and indirectly drove the growth of the industry of the Group's products. The turnover of the Group derived from the PRC for the financial year ended 31 December 2010 increased by 35.2% when compared with that of in the last year; (2) the recovery and rebound of global economic, as a result of which, the turnover of the Group derived from the overseas has also soared by 118.8% when compared with that of in the last year; (3) the consolidation of the industry after the global financial crisis in 2008/09. The Group, being a strong market player in the industry, has outperformed its peers because of its competitive advantages, especially when the market has become consolidated; (4) the adoption of appropriate marketing strategies by the Group which enable the Group to seize a larger market share during the year under review; (5) the consolidation of the operation and production facilities of the Group after the removal and relocation of the production plant of Weifang Common Chem Co. Ltd. ("Weifang Common") which improved and enhanced of the overall production and operating efficiency of the Group; and (6) the better control of the production costs by the Group as a result of the Group's continuous and active advancing its upward vertically integrated production system.

Through an effective control on operating expenses, the profit attributable to the owners of the Company was also increased to approximately RMB129.2 million, representing by an increase of 207.4% when compared with that of in the last year. The remarkable financial results proven that the Group has continuously devoted much effort in planning and developing its core competitiveness and establishing strong business foundation over the past few years yielding fruitful results. I am grateful and encouraged by the accomplishments of the Group in this year that is not only realised but also exceeded its targeted results.

During the year under review, the Group has further enhanced the production capacities of its products with good market potential in order to strengthen its costs competitiveness and meet the steady growth of market demands. Besides, the Group has actively implemented the recycling economy production system after the consolidation of production facilities so as enhancing the utilisation of internal resources and cost efficiency. These measurements have contributed to the results of the year under review and will further sustain the long-term growth of the Group.

年度業績 (續)

過去，本集團已投入了很大努力以加強業務發展及強化其競爭優勢，包括發展其上游原料之生產配套、改善生產工藝、提升生產設備，提高生產能力達至最佳生產規模和不斷改善經營效率等等。及至目前，本集團之競爭優勢已經能夠全面地維持其核心業務之增長，本集團並將進一步加快開發新產品推出市場，從而為本公司股東實現更佳的回報以及支持本集團持續增長。

展望

目前，中國國內生產總值持續穩定增長，預期在未來一年國內需求仍將保持不斷增長之趨勢，尤其是消費品市場。預期在國內消費品市場需求增長帶動下，本集團產品將享有更理想之發展環境。根據預期之市場狀況及下游產業之發展趨勢和前景，本集團已策略性地部署未來的產品開發計劃，以應付即將來臨之挑戰以及促進長遠穩定增長。同時，本集團將不斷加強本集團產品之競爭優勢、進一步強化其垂直整合生產體系及積極地推行循環經濟生產體系，從而保持其在業內之業務優勢。

二零一零年是本集團不平凡的一年，本集團已奠定了堅實的業務基礎，並迅速發展成為業內一個成功的領導者。展望未來，本集團已準備步入下一個業務發展階段。本集團已作好準備把握機遇，並承諾將付出更大的努力，積極而謹慎地開發新業務以及尋求合適的投資機會，以進一步擴充和拓展市場，從而保持其長期業務增長。憑藉本集團穩固的業務基礎和在業內之核心競爭優勢，本集團有信心，定能繼續蓬勃發展，並為本公司股東帶來更好的回報。

RESULTS FOR THE YEAR (Continued)

The Group has devoted a great deal of effort to reinforce business development and strengthen its competitive edge in the past, including developing production facilities of its upstream materials, refining the production technologies, advancing the production facilities, enhancing the production capacities to reach the optimum production scale and improving the operation efficiency continuously etc. Now, the competitive edge of the Group is capable to maintain its core business growth comprehensively. The Group will further accelerate the development of new products to be launched to the market so as to achieve a better return to the shareholders of the Company as well as sustain a long term growth of the Group.

PROSPECTS

Currently, China continues to experience steady GDP growth and it is expected that the domestic demands will still maintain a growing momentum in a year ahead, especially for consumable goods market. Driven by the expected growth of demands on consumable goods in domestic market, it will provide a better environment for the development of the Group's products. According to the anticipated market conditions and the development trend and prospect of the downstream industries, the Group has strategically deployed the product development plans for the coming years to meet forthcoming challenges and fostering steady growth over the long term. Meanwhile, the Group will continuously intensify the competitive advantages of the Group's products, further strengthen its vertically integration production system and promote the recycling economy production system actively so as to maintain its business edge in the industry.

2010 is a remarkable year for the Group. The Group has laid a solid business foundation and rapid development to become an accomplished leader in the industry. Looking forward, the Group is ready to step into next business development stage. The Group is well prepared to grasp opportunities ahead and commits to pay more effort on new business development actively and cautiously as well as seek suitable investment opportunities for its further expansion and broaden market so as to keep its long-term business growth. Given by the Group's solid business foundation and core competitive strengths in this industry, it is confident that the Group will continue to flourish and bring the better returns to the shareholders of the Company.

鳴謝

本人謹代表董事會對全體員工的辛勤努力和對本集團成功作出之貢獻，以及我們的客戶及業務伙伴一直以來之信任及支持衷心致謝。本人相信，隨著中國經濟持續增長和世界經濟復甦，本公司將能維持其業務進一步發展和實現其預期目標。

承董事會命
主席
劉洪亮

香港，二零一一年三月二十一日

APPRECIATION

On behalf of the Board, I would like to express my sincere gratitude to our employees for their industrious work and contribution to the success of the Group and also to our customers and business partners for their continuing trust and support. I believe that, by leveraging on the continuous economic growth in the PRC as well as global economic recovery, the Company should be able to sustain a further growth of its business and achieve its desired objectives.

On behalf of the Board
Liu Hongliang
Chairman

Hong Kong, 21 March 2011

執行董事

劉洪亮，55歲，本集團執行董事、主席及創辦人之一。劉先生負責本集團整體策略性發展及政策。彼於一九八二年畢業於華東石油學院（現稱為中國石油大學（華東）），主修基本有機化工。劉先生自一九八二年起至一九九三年期間於濰坊市新技術研究所任職逾十年，其後，劉先生與其他人士於一九九六年成立濰坊天弘企業管理及顧問有限公司（「濰坊天弘」）。劉先生在化工業擁有逾25年經驗。

王子江，46歲，本集團執行董事、副總經理及創辦人之一。王先生負責管理及監察本集團整體採購及物流業務。彼於一九八八年畢業於南京化工學院（現稱為南京工業大學），主修化學工程。彼自一九九一年起於濰坊市新技術研究所任職，為期三年。其後，王先生與其他人士於一九九六年成立濰坊天弘。王先生在化工業擁有逾15年經驗。

郭希田，49歲，本集團執行董事及副總經理。郭先生負責本集團整體生產及技術發展。彼於一九八二年畢業於華東石油學院（現稱為中國石油大學（華東）），主修基本有機化工。於加盟本集團前，郭先生曾任職於山東淄博東風化工廠。郭先生於一九九九年三月加盟本集團，在化工業擁有逾25年經驗。

郭玉成，54歲，本集團執行董事。郭先生負責本集團整體安全及環境保護工作。彼於一九八二年畢業於華東石油學院（現稱為中國石油大學（華東）），主修基本有機化工。於二零零零年加盟本集團前，郭先生自一九八二年起一直於濰坊基本有機化工廠任職。彼於一九九四年獲山東省化工工程技術職務高級評審委員會認可為高級工程師。郭先生於二零零零年十二月加盟本集團，在化工業擁有逾25年經驗。

EXECUTIVE DIRECTORS

LIU Hongliang, aged 55, is an executive Director, the chairman and one of the founders of the Group. Mr. Liu is responsible for the overall strategic development and policy of the Group. He graduated from the East China Petroleum Institute (now known as the University of Petroleum (East China)) in 1982, majoring in basic organic chemistry. Mr. Liu spent more than ten years from 1982 to 1993 in Weifang New Technology Research Centre. After that, Mr. Liu established Weifang Tianhong Corporate Management and Consultancy Company Limited (“Weifang Tianhong”) with others in 1996. Mr. Liu has over 25 years of experience in the chemical industry.

WANG Zijiang, aged 46, is an executive Director, the deputy general manager and one of the founders of the Group. Mr. Wang is responsible for the management and supervision of the overall purchase and logistic operation of the Group. He graduated from the Nanjing Chemical College (now known as the Nanjing University of Technology) in 1988, majoring in chemical engineering. He spent three years since 1991 working in Weifang New Technology Research Centre. After that, Mr. Wang established Weifang Tianhong with others in 1996. Mr. Wang has over 15 years of experience in the chemical industry.

GUO Xitian, aged 49, is an executive Director and deputy general manager of the Group. Mr. Guo is responsible for the overall production and technology development of the Group. He graduated from the East China Petroleum Institute (now known as the University of Petroleum (East China)) in 1982, majoring in basic organic chemistry. Prior to joining the Group, Mr. Guo had been working in Shandong Zibo Dongfeng Chemical Factory. Mr. Guo joined the Group in March 1999. Mr. Guo has over 25 years of experience in the chemical industry.

GUO Yucheng, aged 54, is an executive Director of the Group. Mr. Guo is responsible for the overall safety and environmental protection of the Group. He graduated from the East China Petroleum Institute (now known as the University of Petroleum (East China)) in 1982, majoring in basic organic chemistry. Prior to joining the Group in 2000, Mr. Guo had been working for Weifang Organic Chemicals Factory since 1982. He was accredited as a senior engineer by The Jury of Senior Title of Chemical Technical Post, Shandong Province in 1994. Mr. Guo joined the Group in December 2000. Mr. Guo has over 25 years of experience in the chemical industry.

獨立非執行董事

梁錦雲，45歲，自二零零七年三月一日起獲委任為獨立非執行董事。梁先生畢業於香港浸會大學及香港理工大學，分別於一九九二年及二零零七年獲頒發工商管理財務學士學位及企業管治碩士學位。梁先生為香港會計師公會的會員、英國特許公認會計師公會的資深會員、英國特許秘書及行政人員公會會士及香港特許秘書公會會士。梁先生從事執業會計師超過10年。彼在財務、會計及審計方面經驗豐富，現為梁錦雲會計師有限公司董事總經理。

高寶玉，49歲，自二零零六年十月四日起獲委任為獨立非執行董事。彼為山東大學環境工程教授兼環境科學與工程學院院長。彼亦為山東大學博士研究生導師兼青年學科帶頭人。彼於二零零二年獲評為山東省十佳傑出中青年科學家之一。彼於一九九九年一月畢業於清華大學，取得工程學博士學位，主修環境工程。

劉晨光，49歲，自二零零六年十月四日起獲委任為獨立非執行董事。劉先生於一九八二年取得華東石油學院（現稱為中國石油大學（華東））煉製系科學學士學位及於一九八五年取得應用化學碩士學位。彼於一九九一年取得中國石油大學（北京）應用化學博士學位。劉先生自一九九二年起任中國石油大學（華東）副教授，後於一九九四年升任教授，並於一九九八年擔任博士學位研究生導師。劉先生為中國石油大學（華東）化學及化工工程系院長及教授。彼為中國石油協會、中國化學協會、中國化工協會及美國化學協會會員，並為山東省化學化工協會常務理事。

INDEPENDENT NON-EXECUTIVE DIRECTORS

LEUNG Kam Wan, aged 45, has been appointed as an independent non-executive Director since 1 March 2007. Mr. Leung graduated from the Hong Kong Baptist University and The Hong Kong Polytechnic University with a degree of Bachelor of Business Administration in Finance and a master degree in corporate governance in 1992 and 2007 respectively. Mr. Leung is an associate member of The Hong Kong Institute of Certified Public Accountants, a fellow of The Association of Chartered Certified Accountants, an associate of The Institute of Chartered Secretaries and Administrators and an associate of The Hong Kong Institute of Chartered Secretaries. Mr. Leung has been a practicing certified public accountant for over 10 years. He has extensive experience in financing, accounting and auditing. Mr. Leung currently is the managing director of Leung Kam Wan CPA Limited.

GAO Baoyu, aged 49, has been appointed as an independent non-executive Director since 4 October 2006. He is the professor of environmental engineering and the dean of the school of environmental science and engineering of the Shandong University. He is also the tutor of the post-graduate students studying for doctorate degrees and the leader of the youth science subject of the Shandong University. He was recognised as one of the Ten Outstanding Young Scientists in Shandong Province in 2002. He graduated from Tsinghua University in January 1999 with a doctorate degree in engineering majoring in environment engineering.

LIU Chenguang, aged 49, has been appointed as an independent non-executive Director since 4 October 2006. Mr. Liu has obtained from the East China Petroleum Institute (now known as the University of Petroleum (East China)) a bachelor degree in science majoring in petroleum refining in 1982 and a master degree in applied chemistry in 1985. He obtained his doctorate degree in applied chemistry from the University of Petroleum (Beijing) in 1991. Mr. Liu has been an associate professor of the University of Petroleum (East China) since 1992, then was promoted as a professor in 1994 and subsequently the tutor of the post-graduate students studying for doctorate degrees in 1998. Mr. Liu is the dean and professor of the faculty of chemistry and chemical engineering of the University of Petroleum (East China). He is a member of China Petroleum Society, China Chemistry Society, China Chemical Society, American Chemistry Society and director of Shandong Chemistry and Chemical Society.

高級管理人員

翟軍，44歲，自二零零六年十月四日起獲委任為獨立非執行董事，彼自二零零七年三月二日起獲調任為副總經理。由二零零八年一月一日起，翟先生獲晉升為本集團總經理。翟先生於一九九零年畢業於上海復旦大學，取得文學士學位，並於二零零五年畢業於香港理工大學，取得企業融資碩士學位。翟先生為香港會計師公會的會員和英國特許公認會計師公會的資深會員。加盟本集團之前，翟先生曾任上海實業醫藥科技(集團)有限公司的合資格會計師及為南洋兄弟煙草股份有限公司的助理總經理和財務總監。翟先生在香港和中國會計和企業融資方面擁有豐富經驗。

SENIOR MANAGEMENT

CHAK Kwan, aged 44, has been appointed as an independent non-executive Director since 4 October 2006 and has been re-designated as the deputy general manager of the Company since 2 March 2007. With effective from 1 January 2008, Mr. Chak has been promoted as the general manager of the Group. Mr. Chak graduated from the Shanghai Fudan University with a bachelor degree in arts and The Hong Kong Polytechnic University with a master degree in corporate finance in 1990 and 2005 respectively. Mr. Chak is a member of The Hong Kong Institute of Certified Public Accountants and a fellow of The Association of Chartered Certified Accountants. Prior to joining the Group, Mr. Chak was the qualified accountant of SIIC Medical Science and Technology (Group) Limited and the assistant general manager and financial controller of Nanyang Brothers Tobacco Company Limited. Mr. Chak has extensive working experience in accounting and corporate finance fields in Hong Kong and the PRC.

財務回顧

營業額

在回顧年度內，本集團之營業額大幅上升至約人民幣881,800,000元，較二零零九年約人民幣598,900,000元上升47.2%。營業額上升主要是由氰乙酸及其酯類產品之經營業績增長所帶動。

毛利

本集團之毛利亦錄得可觀增長至約人民幣223,800,000元，較二零零九年約人民幣97,300,000元比較，上升130.0%。與此同時，毛利率與去年16.2%比較，增長了9.2%達至25.4%。該增長主要是由於：(i)本集團之營運和生產已良好整合，從而提高整體效益；以及(ii)已建立完善的向上垂直整合生產體系，本集團得以更妥善控制生產成本。

其他收入及開支

在回顧年度內，其他收入主要包括：(i)出售預付土地租賃款項及物業、廠房及設備所得收入；(ii)遞延收入撥回；(iii)政府補貼；(iv)租金收入；及(v)銀行利息收入。

在回顧年度內，儘管本集團總營業額與去年相比增加了47.2%，由於本集團實施嚴格的成本控制措施，以及本集團直接處理所有新客戶，銷售佣金因此保持穩定，銷售費用由二零零九年約人民幣22,600,000元只略為增加約人民幣500,000元，至二零一零年約人民幣23,100,000元。二零一零年銷售費用佔本集團營業額之百分比下降至2.6%（二零零九年：3.8%）。

行政開支由二零零九年約人民幣26,300,000元增加約人民幣3,800,000元至二零一零年約人民幣30,100,000元。開支增加主要是由於匯兌淨損失、員工成本、其他地方稅項、銀行費用及研發開支增加所致。二零一零年行政開支佔本集團營業額百分比為3.4%（二零零九年：4.4%）。

在回顧年度內，其他經營開支為：(i)精細石油化工類產品及一個酯類產品之生產設備之減值虧損；及(ii)重置濰坊同業生產廠房之搬遷費用。

FINANCIAL REVIEW

Turnover

During the year under review, the turnover of the Group has increased substantially to approximately RMB881.8 million, representing an increase of 47.2% as compared with that of approximately RMB598.9 million in 2009. The increase in turnover was mainly driven by the growth of business performance of cyanoacetic acid and its ester products.

Gross Profit

The gross profit of the Group has also recorded significantly growth to approximately RMB223.8 million, representing an increase of 130.0% as compared with approximately RMB97.3 million in 2009 while the gross profit margin was improved by 9.2% to 25.4% when compared with 16.2% in 2009. The growth is mainly due to (i) the consolidation of operation and production of the Group that enhanced the overall effectiveness and (ii) the well established upward vertically integrated production system enable the Group to better control the production costs.

Operating Income and Expenses

The other income was mainly comprised (i) gain on disposals of prepaid land lease payments and property, plant and equipment; (ii) release of deferred income; (iii) government grants; (iv) rental income; and (v) bank interest income during the year under review.

Although the total turnover of the Group was increased by 47.2% when compared with that of in the last year, the selling expenses were only slightly increased by approximately RMB0.5 million from approximately RMB22.6 million in 2009 to approximately RMB23.1 million in 2010 as a result of the implementation of stringent costs control measurements by the Group as well as the direct dealing with all new customers so that the sales commission remained steady during the year under review. The selling expenses as a percentage of the Group's turnover were decreased to 2.6% in 2010 (2009: 3.8%).

Administrative expenses increased by approximately RMB3.8 million from approximately RMB26.3 million in 2009 to approximately RMB30.1 million in 2010. Such increase was mainly due to the increase of exchange net loss, staff costs, other local taxes, bank charges and research and development expenses. Administrative expenses expressed as a percentage of the Group's turnover were 3.4% in 2010 (2009: 4.4%).

The other operating expenses represented (i) the impairment loss on the production facilities of fine petrochemical products and an ester product; and (ii) the removal expenses for relocation of production plant of Weifang Common during the year under review.

財務回顧(續)

融資成本

融資成本主要包括銀行貸款利息及貼現票據利息，由二零零九年約人民幣10,300,000元減少約人民幣3,100,000元至二零一零年約人民幣7,200,000元。融資成本下降之主因是在回顧年度內銀行借貸金額減少。本集團之銀行借貸主要用於應付本集團之資本開支及一般營運資金需求。

本年度溢利

在回顧年度內，鑑於本集團之營業額及毛利大幅增長以及營運效率改善和提高，本集團本年度溢利亦大幅增加約人民幣87,200,000元至約人民幣129,200,000元，與二零零九年約人民幣42,000,000元比較，增加207.4%。

流動資金及財務資源

本集團之主要資金來源包括經營活動產生之淨現金流入約人民幣154,500,000元(二零零九年：人民幣47,200,000元)；新增銀行借貸約人民幣47,900,000元(二零零九年：人民幣124,000,000元)；發行新股所得款項淨額約人民幣18,500,000元(二零零九年：無)；利息收入約人民幣200,000元(二零零九年：人民幣300,000元)。在回顧年度內，出售物業、廠房及設備以及預付土地租賃款項並無帶來現金流入(二零零九年：人民幣11,300,000元)。憑藉本集團營運所得財務資源，在回顧年度內，本集團斥資約人民幣61,200,000元(二零零九年：人民幣48,400,000元)購入物業、廠房及設備；償還借貸約人民幣107,200,000元(二零零九年：人民幣134,500,000元)；支付利息約人民幣7,300,000元(二零零九年：人民幣10,100,000元)以及支付股息約人民幣8,800,000元(二零零九年：人民幣4,400,000元)。截至二零一零年十二月三十一日止，本集團之已抵押銀行存款及銀行與現金結餘約為人民幣52,900,000元(二零零九年：人民幣16,800,000元)，其中92.4%以人民幣持有，4.0%以港元持有，其餘則以美元持有。本集團在回顧年度內並無運用任何金融工具作任何對沖用途。

FINANCIAL REVIEW (Continued)

Finance Costs

The finance costs mainly comprised bank borrowings interest and discounted bills interest, which were decreased by approximately RMB3.1 million from approximately RMB10.3 million in 2009 to approximately RMB7.2 million in 2010. The decrease was mainly due to the decrease in bank borrowings amount during the year under review. The bank borrowings of the Group were mainly used in financing the capital expenditure and general working capital requirements of the Group.

Profit for the Year

Given by the substantial growth of turnover and gross profit of the Group as well as the improvement and the enhancement of operational efficiency during the year under review, the profit of the Group for the year has also significantly increased by approximately RMB87.2 million to approximately RMB129.2 million, representing an increase of 207.4% as compared with that of approximately RMB42.0 million in 2009.

Liquidity and Financial Resources

The Group's primary source of funding included the net cash inflow generated from operating activities of approximately RMB154.5 million (2009: RMB47.2 million); newly raised bank borrowings of approximately RMB47.9 million (2009: RMB124.0 million); net proceeds from the issuing of new shares of approximately RMB18.5 million (2009: Nil); interest income of approximately RMB0.2 million (2009: RMB0.3 million). For the year under review, there was no cash inflow from disposals of property, plant and equipment and prepaid land lease payments (2009: RMB11.3 million). With the financial resources obtained from the Group's operations, the Group had invested approximately RMB61.2 million (2009: RMB48.4 million) in the acquisition of the property, plant and equipment; borrowing repayments of approximately RMB107.2 million (2009: RMB134.5 million); interest paid of approximately RMB7.3 million (2009: RMB10.1 million) and dividend paid of approximately RMB8.8 million (2009: RMB4.4 million) during the year under review. As at 31 December 2010, the Group had pledged bank deposits and bank and cash balances of approximately RMB52.9 million (2009: RMB16.8 million), of which 92.4% was held in Renminbi, 4.0% was held in Hong Kong dollars and the remaining balance was held in United States dollars. During the year under review, the Group did not use any financial instruments for any hedging purposes.

財務回顧(續)

流動資金及財務資源(續)

截至二零一零年十二月三十一日止，本集團已錄得流動資產淨額約人民幣129,000,000元(二零零九年：人民幣17,000,000元)，流動比率約為1.8倍(二零零九年：1.1倍)，銀行借貸約為人民幣89,900,000元(二零零九年：人民幣149,200,000元)，而資產負債比率(即淨借貸(借貸總額減去銀行與現金結餘及已抵押銀行存款)與股東權益總額之比率)減低至約為7.0%(二零零九年：34.1%)。資產負債比率下降是由於在回顧年度內營運收入增加及銀行借貸減少所致。

憑藉持續來自經營業務之現金流入，加上現有現金資源及獲得往來銀行提供之備用銀行信貸額度，本集團已具備充裕之財務資源，足以應付其承擔及營運資金所需。本集團今後將持續密切及謹慎地管理現金流出，並致力維持穩健之財務狀況及為股東提高股本回報。

資產抵押

截至二零一零年十二月三十一日止，本集團把銀行存款金額約人民幣10,500,000元(二零零九年：無)抵押以獲得票據及信用證額度。本集團之預付土地租賃款項約人民幣27,600,000元(二零零九年：人民幣57,700,000元)已作為本集團銀行借貸之抵押品。另外，本集團並無物業、廠房及設備(二零零九年：人民幣19,600,000元)作為本集團銀行借貸之抵押品。

或然負債

截至二零一零年十二月三十一日止，本集團並無任何重大或然負債。

資本承擔

截至二零一零年十二月三十一日止，本集團有關購買物業、廠房及設備、及在建工程之已訂約但未撥備之資本承擔總額約人民幣1,000,000元(二零零九年：人民幣2,700,000元)，惟並無有關購買物業、廠房及設備及在建工程之已批准但未訂約之資本承擔(二零零九年：人民幣25,700,000元)。

FINANCIAL REVIEW (Continued)

Liquidity and Financial Resources (Continued)

As at 31 December 2010, the Group had recorded net current assets of approximately RMB129.0 million (2009: RMB17.0 million), the current ratio of the Group was approximately 1.8 times (2009: 1.1 times), bank borrowings of approximately RMB89.9 million (2009: RMB149.2 million) and the gearing ratio which is represented by the ratio of net debts (total borrowings net of bank and cash balances and pledged bank deposits) to total shareholders' equity, was decreased to approximately 7.0% (2009: 34.1%). The decrease in the gearing ratio was due to the improvement of operating income and the reduction of bank borrowings during the year under review.

With the continuous positive cash inflow generated from its operations and its existing cash resources and available banking facilities obtained from its bankers, the Group has sufficient financial resources to meet its commitments and working capital requirements. The Group will continuously manage its cash outflow closely and cautiously in the coming years and dedicate to maintain a sound financial position and improve the equity return to its shareholders.

Pledge of Assets

As at 31 December 2010, bank deposits of approximately RMB10.5 million were pledged for bills and letter of credit facilities (2009: Nil). Prepaid land lease payments of the Group of approximately RMB27.6 million (2009: RMB57.7 million) were pledged to secure the Group's bank borrowings and none of the property, plant and equipment of the Group (2009: RMB19.6 million) was pledged to secure the Group's bank borrowings.

Contingent Liabilities

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

Capital Commitment

As at 31 December 2010, the Group had capital commitments which has been contracted but not yet been provided for in the aggregate amount of approximately RMB1.0 million (2009: RMB2.7 million) and none of capital commitment in respect of the authorised but not yet been contracted (2009: RMB25.7 million) that relating to purchases of property, plant and equipment and construction in progress.

財務回顧(續)

匯率波動風險

本集團之營運主要位於中國，而且其資產、負債、收益及交易主要以人民幣、港元及美元結算。

本集團所承擔之最主要外匯波動風險乃因回顧年度內人民幣升值所致。除本集團之出口銷售主要以美元結算外，本集團大部分之收入及開支均以人民幣結算。但本集團在回顧年度內並無因外幣匯率波動而於營運或資金流動狀況方面遇上任何重大困難或對其造成任何影響。此外，於適當之時，本集團將為日後之外幣交易考慮使用具有成本效益之對沖方法。

僱員及酬金政策

截至二零一零年十二月三十一日止，本集團共有881名全職僱員(二零零九年：721名)，其中799名屬生產及倉庫員工，18名為銷售及市場推廣員工，12名為研發中心員工，而52名則為管理層及辦公室後勤員工。員工人數增加主要是由於本集團在回顧年度內擴大產能所致。

在回顧年度內，僱員成本總額(包括董事酬金)升至約人民幣39,600,000元(二零零九年：人民幣31,500,000元)。

本集團已制定其人力資源政策及體制，務求於薪酬制度中加入獎勵及獎金，以及為員工提供多元化之員工培訓及個人發展計劃。向員工發放之酬金待遇乃按其職務及當時市場標準釐定，本集團同時向員工提供員工福利，包括醫療保險及公積金。

本集團根據員工年度表現評核的評分，發放任意花紅及獎金。本集團亦會給予僱員獎金或其他獎勵，以推動僱員個人成長及事業發展，例如持續向員工提供培訓，以提升彼等之技術、產品知識以及對行業品質標準之認識。所有新加入本集團之員工均須參加入門課程以及各類供本集團所有員工選擇參加之培訓課程。

本公司亦已採納購股權計劃，以獎勵及獎賞曾對本集團成功經營作出貢獻之合資格參與人士。在回顧年度內，本集團並無授出購股權。

FINANCIAL REVIEW (Continued)

Exposure to Fluctuations in Exchange Rates

The Group's operation is mainly in the PRC and its assets, liabilities, revenues and transactions are mainly denominated in Renminbi, Hong Kong dollars and United States dollars.

The Group's foremost exposure to the foreign exchange fluctuations was caused by the appreciation of Renminbi during the year under review. Most of the Group's income and expenses are denominated in Renminbi except those for the Group's export sales which were, in majority, denominated in United States dollars. However, the Group has not experienced any material difficulties or effects on its operations or liquidity as a result of the fluctuations in currency exchange rates during the year under review. Besides, the Group will consider cost-efficient hedging methods in future foreign currency transactions when appropriate.

Employees and Remuneration Policy

As at 31 December 2010, the Group has 881 full-time employees (2009: 721) of whom 799 were production and warehouse employees, 18 were sales and marketing employees, 12 were research and development centre employees, and 52 were management and back-office supporting employees. The increase in the number of employees was mainly due to the expansion of the production capacity of the Group during the year under review.

For the year under review, the total staff costs incurred including directors' remuneration increased to approximately RMB39.6 million (2009: RMB31.5 million).

The Group has established its human resources policies and scheme with a view to deploying the incentives and rewards of the remuneration system which includes a wide range of training and personal development programs to the employees. The remuneration package offered to the staff was in line with the duties and the prevailing market terms. Staff benefits, including medical coverage and provident funds, have also been provided to the employees of the Group.

The employees would receive discretionary bonuses and monetary rewards based on their ratings in annual performance appraisals of the Group. The Group also offered rewards or other incentives to the employees in order to motivate their personal growth and career development, such as ongoing opportunities for training to enhance their technical and products knowledge as well as their knowledge of industry quality standards. All new employees of the Group are required to attend an introductory course and there are also various types of training courses available to all the Group's employees.

The Company has also adopted a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. During the year under review, no share option of the Company has been granted.

業務回顧

在回顧年度內，受惠於市場狀況和產品競爭力改善，本集團的營業額錄得大幅的增長。來自國內市場的營業額佔本集團總營業額約78.7%，其餘是來自海外市場。本集團營業額增長主要是由於：(i)在中國的經濟繼續增長的勢頭帶動市場需求；(ii)全球經濟復甦，與去年的相比，海外市場以更快的速度增長；(iii)本集團產品之競爭優勢；及(iv)改善產品組合以及採取適當的營銷策略以取得更大的市場份額。

此外，在回顧年度內，本集團已實施各種措施以加強成本控制和提高生產效率，包括：(i)鞏固向上垂直整合生產體系；(ii)優化生產規模；及(iii)集中和最大限度地提高內部資源利用等等，這使本集團在年內取得令人鼓舞的業績。

氰乙酸及其酯類產品

在回顧年度內，氰乙酸及其酯類產品持續錄得強勁增長。憑藉國內市場強勁的購買力、全球金融危機後海外市場經濟強勁反彈及本集團產品之競爭優勢，該產品類別中若干產品之平均銷售價格和銷售數量因而同時明顯地上升，佔本集團總營業額88.7%（二零零九年：86.1%）。此外，廠房搬遷和重置給予本集團一個良好機會，得以集中和整合該產品類別之資源和改善其產品組合，本集團整體生產效率因而顯著提高。而且，本集團通過向上垂直整合生產體系，有能力妥善控制生產成本，因此，在回顧年度內，該產品類別已成功帶動本集團快速增長。鑑於此產品類別正成為高增長之主導力量，預期在未來一年其表現將仍繼續優於本集團其他產品。由於利潤率相對較高，長遠前景仍然看好，本集團並將致力於開拓更多新產品及進一步提高具優厚潛力之酯類產品之生產技術和能力，以進一步加強其競爭優勢及保持其業內領導位置。

BUSINESS REVIEW

In light of the improvement of market condition and the products competitiveness, the Group has recorded a substantial growth in the turnover during the year under review. Turnover derived from domestic market was accounted for approximately 78.7% of the Group's total turnover and the rest is derived from overseas market. Such growth of the turnover of the Group are mainly contributed by (i) the China's economy continues its growth momentum driven the market demands; (ii) a revival global economy that the overseas market has growth at a faster pace when compared with that of in the last year; (iii) the competitive advantages of the Group's products; and (iv) the improvement of product portfolio as well as the adoption of appropriate marketing strategies to capture larger market share.

Besides, the Group has implemented various measurements to tighten cost controls and improve production efficiency, including (i) strengthening the upward vertically integrated production system; (ii) optimising of production scale; and (iii) consolidating and maximising the internal resources utilisation in both production and operation etc. during the year under review, which enable the Group achieved encouraging results for the year.

Cyanoacetic Acid and its Ester Products

Cyanoacetic acid and its ester products continued to report strong growth during the year under review. Leveraging on the strong purchasing power of domestic market as well as the economic of the overseas markets rebound robustly following the global financial crisis and the competitive edge of the Group's products, both the average selling price and the sales quantity of some products in this product category were increased notably, such product category was accounting for 88.7% (2009: 86.1%) of the Group's total turnover. Besides, the removal and relocation of production plant provided the Group a good opportunity to consolidate and integrate the resources and improve its product portfolio of this product category, the production efficiency of the Group is enhanced remarkably as a whole. Furthermore, the production costs were well contained through its upward vertically integrated production system of the Group. Thus, such product category has successfully driven the accelerated growth of the Group during the year under review. In view of this product category is becoming a dominant force for high growth and it is expected that it will continuous outperform the rest of the products of the Group in coming year. With relatively higher profit margins and remains optimistic about its long-term prospect, the Group will dedicate to explore more new products and further enhance the production technologies and capacities of good potential ester products in order to further reinforce its competitive advantages and sustain its leading position in the industry.

業務回顧(續)

醇類產品

由於行業成熟和飽和，醇類產品表現仍保持穩定。本集團將保持該產品類別穩步發展，配合行業日後之自然增長。

氯乙酸及其下游產品

此類產品類別之第二期產能擴充已在下半年完成，然而，在回顧年度內，內部需求十分強勁，這些產品仍主要用於內部消耗。因此，該產品類別之第三期產能擴建工程將於二零一一年施工，以應付內部需求並最終實現對外銷售。由於本集團其他產品之生產成本與該產品類別之生產成本有直接連繫，本集團將致力於加強內部生產供應之優勢，並為該產品類別建立一個堅實之生產基礎，確保今後內部資源得到充份及全面利用。

精細石油化工類產品

在回顧年度內，受到供應短缺和原材料價格飆升影響，精細石油化工類產品業績遜於預期。該產品類別之營業額對本集團總營業額影響不大，而且在回顧年度內該產品類別之生產設施已進行減值撥備。由於該產品類別之所有負面因素已在年內體現，而該產品類別廣泛應用到下游產業且仍存在廣闊的發展空間，本集團相信該產品類別未來將會為本集團帶來理想業績。今後，本集團將就該產品類別之生產技術和設備不斷作出改善，並會致力於開拓新業務之發展和機遇。

收地及重置

根據收回土地使用權通知(有關詳細情況，請參考本公司於二零零八年十一月十八日刊發之公告)，按照當地政府制定之工作指引，濰坊同業所擁有之三幅土地之土地用途已由工業用途改變為非工業用途。由於濰坊同業之生產廠房設於該等土地之上，用途不符合該工作指引，故被要求交回土地。該三幅土地之收回協議分別在二零零八年十一月、二零零九年十二月及二零一零年九月正式簽署。濰坊同業之生產廠房搬遷及重置已在二零一零年上半年完成，該三幅土地已移交當地政府。有關搬遷及重置之財務影響已反映在本集團之財務報表中。

BUSINESS REVIEW (Continued)

Alcohol Products

The results of alcohol products still remain stable as the industry is matured and saturated. The Group will keep a steady development of this product category in line with the natural growth of the industry in future.

Chloroacetic Acid and its Derivative Products

The second phase expansion of production capacity of such product category was completed in the second half of this year. However, the internal demand was very strong and such products are still mainly used for internal consumption during the year under review. Thus, the third phase expansion of production capacity of such product category will be carried out in 2011 to cope with the internal demand and eventually achieving external sales. As the production costs of the other products of the Group will be directly aligned with the production costs of such product category, the Group will devote to enhance the production of self supplies advantages and to build up a solid production foundation ensuring that the internal resources are fully and comprehensively utilised in future.

Fine Petrochemical Products

Affected by the supply shortage and soaring price of raw materials, the results of fine petrochemical products was not as promising as originally planned during the year under review. The turnover of such product category was insignificant to the total turnover of the Group and an impairment of the production facilities of such product category was made during the year under review. Since all negative factors of such product category has been reflected in this year, the Group believes such product category would bring positive results to the Group in future as the broad application of such product category to the downstream industries that there would be ample room for development. The Group will continue to refine production technologies and facilities of such product category and dedicate to exploit new business development and opportunities in future.

Resumption and Relocation

According to the notice of the resumption of land (please refer to the Company's announcement dated 18 November 2008 for details), the usage of the three plots of land owned by Weifang Common was changed from industrial use to non-industrial use in accordance with the working direction laid down by the local government. As the production plant of Weifang Common was erected on those plots of land which were not consistent with such working direction and were subject to resumption. The resumption agreements for the three plots of land were formally signed in November 2008, December 2009 and September 2010 respectively. The removal and relocation of the production plant of Weifang Common was completed in the first half of 2010 and the three plots of land were surrendered to the local government accordingly. The financial impact related to the resumption and relocation has been already reflected in the financial statements of the Group.

業務回顧(續)

收地及重置(續)

濰坊同業之生產和經營已在附近之本集團其他廠房重置及營運。透過是次搬遷和重置，本集團得以藉機集中和整合內部資源，從而改善整體經營和生產效率。這對本集團整體之長遠發展有利。

配售所得款項用途

本公司已在二零一零年七月配售20,000,000股新普通股，截至二零一零年十二月三十一日，悉數利用所得款項淨額約人民幣17,800,000元作為一般營運資金。所得款項用途已按照二零一零年七月十二日之配售公告中所述預期目的使用。

展望

本集團將集中資源培育新業務及使其產品組合多元化，從而提升企業發展。為提高能源效益，本集團將進一步促進內部資源利用最大化，如回收和減少廢物和廢水，從而達到循環經濟生產。本集團除了會繼續努力提高核心業務競爭優勢外，還將推行各種措施為下一階段發展作好準備，其中包括制定戰略性發展方案及開發新產品從而拓展新市場，以為未來業務發展開拓廣闊的空間。憑藉充份利用本集團之業務優勢及積極的未來發展計劃，本集團將能夠繼續保持其業內領導地位，並可持續加快業務發展步伐及提高效率。

本集團具備了堅實的資本結構、穩健的財務狀況及恰當的業務策略，本集團將會進一步強化其競爭優勢及實現持續健康增長。本集團將利用其優勢尋找業務發展機會，通過收購、自主開發或與企業合作產生協同效應等等，使本集團變得更加強大。本集團對其未來發展感到樂觀，並將會努力為本公司股東帶來最佳回報。

BUSINESS REVIEW (Continued)

Resumption and Relocation (Continued)

The production and operation of Weifang Common was relocated and operated in the other nearby production plants of the Group. The removal and relocation provided an opportunity to the Group to concentrate and integrate the internal resources so as to improve the overall operation and production efficiency. It was benefit to the Group's long term development as a whole.

Use of Proceeds from Placing

The Company placed 20,000,000 new ordinary shares in July 2010 and the net proceeds of approximately RMB17.8 million were fully utilised for general working capital up to 31 December 2010. The use of proceeds was in accordance with the intended purpose as stated in the placing announcement on 12 July 2010.

OUTLOOK

The Group will concentrate resources on cultivating new business and diversifying its product portfolio, thus escalating the business development. With the aim to enhance energy efficiency, the Group will further promote maximising the utilisation of internal resources, such as recycle and reduce wastes and water so as to achieve recycling economy production. The Group will not only continue to work towards increasing the competitive advantages in core business but also implement various measures to better prepare itself for next stage development, which includes planning strategic development programs and developing new products so as to explore new markets, to generate future business development with ample room. With the fully utilisation of the Group's business edge and its positive future development plans, the Group will able to keep its leading position in the industry and continue its business development in a faster and a better way.

Underpinned by the solid capital structure, strong financial position, and appropriate business strategies of the Group, the Group will further strengthen its competitive edge and achieve continued healthy growth. The Group will capitalise its strengths to seek business development opportunities through acquisition, self-development or cooperation with enterprises to generate synergy effects etc. that enabling the Group becomes stronger. The Group is optimistic to its future development and will strive to optimise the return to the shareholders of the Company.

董事報告 Directors' Report

董事欣然提呈本公司及其附屬公司(統稱為「本集團」)截至二零一零年十二月三十一日止年度之年報連同經審核綜合財務報表。

主要業務

本公司為投資控股公司，本集團之主要業務為研發、生產及銷售精細化工產品。該等產品大致分為五個主要產品類別：氰乙酸及其酯類產品、醇類產品、氯乙酸及其下游產品、精細石油化工類產品及其他副產品。

業績及分派

本集團截至二零一零年十二月三十一日止年度之業績載於本年報第41頁的綜合收益表。

董事建議派發末期股息每股8.0港仙(二零零九年：2.5港仙)、特別股息每股1.0港仙(二零零九年：無)及按每持有一股本公司現有普通股可獲發一股新普通股之基準發行紅利股份予於二零一一年五月十三日名列本公司股東名冊的本公司股東，惟以上各項須經本公司股東於本公司應屆股東週年大會(「二零一一年股東週年大會」)上批准後方可作實，而發行紅利股份另外須經香港聯合交易所有限公司(「聯交所」)批准紅利股份在聯交所主板上市後方可作實。倘建議獲通過，股息及股票將於二零一一年五月二十七日或前派付及寄出。

股東週年大會

二零一一年股東週年大會將於二零一一年五月十三日(星期五)舉行。有關二零一一年股東週年大會之詳情，本公司股東應參閱二零一一年四月七日之本公司通函、二零一一年股東週年大會通告及隨附之代表委任表格。

The Directors have pleasure in presenting the annual report together with the audited consolidated financial statements of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 December 2010.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal business of the Group includes the research and development, production and sale of fine chemical products, which is broadly categorised into five major product groups, namely the cyanoacetic acid and its ester products, the alcohol products, the chloroacetic acid and its derivative products, the fine petrochemical products and other by-products.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2010 are set out in the consolidated income statement on page 41 of this annual report.

The Directors recommend the payment of a final dividend of 8.0 HKcents (2009: 2.5 HKcents) per share, a special dividend of 1.0 HKcent (2009: Nil) per share and a bonus issue of shares on the basis of one new ordinary share for every one existing ordinary share held by the shareholders of the Company whose names are on the register of members of the Company on 13 May 2011, all of which are subject to the approval of the shareholders of the Company in the forthcoming annual general meeting (the “2011 AGM”) of the Company and the issue of the bonus shares is also subject to the approval of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on the listing of the bonus shares on the main board of the Stock Exchange, and if passed, dividends and share certificates will be paid and posted respectively on or before 27 May 2011.

ANNUAL GENERAL MEETING

The 2011 AGM will be held on Friday, 13 May 2011. Shareholders of the Company should refer to the details regarding the 2011 AGM in the circular of the Company of 7 April 2011 and the notice of the 2011 AGM and the form of proxy accompanying thereto.

暫停辦理股份過戶登記手續

為確定有權收取末期股息、特別股息、紅利股份，並出席二零一一年股東週年大會及於會上投票之本公司股東身份，本公司將於二零一一年五月六日(星期五)至二零一一年五月十三日(星期五)(包括首尾兩天)止期間內暫停辦理股份過戶登記手續，於該段期間內不會處理股份之轉讓事宜。所有過戶文件連同有關股票必須於二零一一年五月五日(星期四)下午四時三十分前送交本公司之香港股份過戶登記處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17字樓1712-1716室。

股本

在回顧年度內本公司股本變動之詳情載於截至二零一零年十二月三十一日止年度之財務報表附註25。

財務概要

本集團於過去五個財政年度的業績以及資產及負債概要載於本年報第4頁。

儲備

本集團及本公司之儲備變動詳情分別載於本年報第47頁之本集團綜合權益變動表及財務報表附註26。

本公司可供分派儲備

根據開曼群島公司法第22章，在組織章程大綱或細則規限下，本公司之股份溢價賬可用於向股東分派或派付股息，惟於緊隨股息分派後，本公司須有能力償還其於日常業務中到期之債務。截至二零一零年十二月三十一日止，本公司可供分派予股東之儲備合共約為人民幣288,900,000元(二零零九年：人民幣289,200,000元)。

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the identity of the shareholders of the Company entitled to receive the final dividend, the special dividend, the bonus shares and attend and vote at the 2011 AGM, the register of members of the Company will be closed from Friday, 6 May 2011 to Friday, 13 May 2011, both days inclusive, during which period no transfer of shares will be effected. All transfers accompanied by the relevant certificates must be lodged with the Company's share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716 on the 17th Floor of Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 5 May 2011.

SHARE CAPITAL

Details of movements during the year under review in the share capital of the Company are set out in note 25 to the financial statements for the year ended 31 December 2010.

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 page 4 of this annual report.

RESERVES

Details of movements in the reserves of the Group and of the Company are set out in the consolidated statement of changes in equity of the Group on page 47 of this annual report and note 26 to the financial statements respectively.

DISTRIBUTABLE RESERVES OF THE COMPANY

Under Chapter 22 of the Companies Law of the Cayman Islands, the share premium account of the Company can be used for paying distributions or dividends to shareholders subject to the provisions of its Memorandum or Articles of Association and provided that immediately following the distribution of dividend, the Company is able to pay its debts as they fall due in the ordinary course of business. As at 31 December 2010, the Company's reserves available for distribution to shareholders amounted in total to approximately RMB288.9 million (2009: RMB289.2 million).

物業、廠房及設備

在回顧年度內，本集團耗支約人民幣61,200,000元於物業、廠房及設備，以擴充生產能力。有關物業、廠房及設備之變動詳情載於截至二零一零年十二月三十一日止年度之財務報表附註14。

投資物業

本集團之投資物業已於年結日重估。因重估產生之投資物業公平價值增加約人民幣900,000元已計入綜合收益表。有關本集團投資物業變動之詳情載於截至二零一零年十二月三十一日止年度之財務報表附註16。

捐款

在回顧年度內，本集團作出之慈善及其他捐款合共約人民幣50,000元。

主要客戶及供應商

截至二零一零年十二月三十一日止年度，五大客戶佔本集團總營業額約18.7%（二零零九年：17.5%），而本集團最大客戶應佔營業額則佔本集團總營業額約4.4%（二零零九年：3.8%）。

截至二零一零年十二月三十一日止年度，五大供應商佔本集團總採購額約34.5%（二零零九年：33.1%），而本集團最大供應商應佔採購額則佔本集團總採購額約8.1%（二零零九年：9.6%）。

任何董事、其聯繫人或就董事所知擁有本公司股本5%以上之任何本公司股東，在回顧年度內任何時間概無在本集團五大客戶及供應商中擁有任何權益。

PROPERTY, PLANT AND EQUIPMENT

During the year under review, the Group spent approximately RMB61.2 million on property, plant and equipment to expand its production capabilities. Details of the movements in the property, plant and equipment of the Group are set out in note 14 to the financial statements for the year ended 31 December 2010.

INVESTMENT PROPERTIES

The Group's investment properties were revalued at the year end date. The fair value increase on investment properties arising on revaluation amounting to approximately RMB0.9 million has been credited to the consolidated income statement. Details of movements in the investment properties of the Group are set out in note 16 to the financial statements for the year ended 31 December 2010.

DONATIONS

During the year under review, the Group made charitable and other donations totaling approximately RMB0.05 million.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2010, the five largest customers accounted for approximately 18.7% (2009: 17.5%) of the Group's total turnover, whilst the turnover attributable to the Group's largest customer accounted for approximately 4.4% (2009: 3.8%) of the Group's total turnover.

For the year ended 31 December 2010, the five largest suppliers accounted for approximately 34.5% (2009: 33.1%) of the Group's total purchases, whilst the purchases attributable to the Group's largest supplier accounted for approximately 8.1% (2009: 9.6%) of the Group's total purchases.

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

董事及董事之服務合約

在回顧之財政年度及截至本報告刊發當日之董事如下：

執行董事：

劉洪亮先生
王子江先生
郭希田先生
郭玉成先生

獨立非執行董事：

梁錦雲先生
劉晨光先生
高寶玉先生

根據本公司組織章程細則第86及87條，王子江先生、郭玉成先生及劉晨光先生將於二零一一年股東週年大會上退任，惟符合資格並願意膺選連任為董事。

獨立非執行董事之初步任期不超過三年，並將自動續任三年，直至任何一方對對方發出不少於一個月之書面通知終止合約為止。

執行董事已與本公司訂立服務合約，為期三年。其後，除非任何一方對對方發出不少於三個月之書面通知以終止合約，否則董事任期將會按年延續。

擬於二零一一年股東週年大會上膺選連任之董事概無與本公司或其任何附屬公司訂立本公司不作賠償（法定賠償除外）則不可於一年內終止之未屆滿服務合約。

董事之合約權益

除本報告題為「關連交易」一段及截至二零一零年十二月三十一日止年度財務報表附註31「關聯方交易」所披露者外，於年終或年內任何時間，概無任何由本公司或其任何附屬公司所訂立而與本集團業務有關且本公司董事直接或間接擁有重大權益之重大合約。

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

The Directors during the financial year under review and up to the date of this report are:

Executive Directors:

Mr. Liu Hongliang
Mr. Wang Zijiang
Mr. Guo Xitian
Mr. Guo Yucheng

Independent non-executive Directors:

Mr. Leung Kam Wan
Mr. Liu Chenguang
Mr. Gao Baoyu

In accordance with Articles 86 and 87 of the Company's Articles of Association, Mr. Wang Zijiang, Mr. Guo Yucheng and Mr. Liu Chenguang shall retire and, being eligible, offer themselves for re-election as Directors at the 2011 AGM.

The independent non-executive Directors were appointed for an initial term of not more than three years and will be renewable automatically for successive term of three years until terminated by not less than one month's notice in writing served by either party on the other.

The executive Directors have entered into service contracts with the Company for a term of 3 years and thereafter shall continue from year to year until terminated by giving three months' notice in writing thereof by either party to the other.

No Directors proposed for re-election at the 2011 AGM has an unexpired service contract which is not determinable by the Company or any its subsidiaries within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in the paragraph headed "Connected Transactions" set out in this report and note 31 to the financial statements for the year ended 31 December 2010 on "Related Party Transactions", no contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or any time during the year.

董事及主要行政人員之證券權益

截至二零一零年十二月三十一日止，各董事、本公司主要行政人員及彼等之聯繫人於本公司及其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份及／或相關股份中，擁有本公司根據證券及期貨條例第352條規定存置之登記冊所記錄，或已根據聯交所證券上市規則（「上市規則」）所載上市公司董事進行證券交易的標準守則（「標準守則」）知會本公司及聯交所之權益及淡倉如下：

於本公司股份之好倉

董事姓名 Name of Director	公司／相聯法團名稱 Company/name of associated corporation	所持股份數目／ 股份權益 Number of shares held/ interest in the Shares	身份 Capacity	佔已發行 股本總數 概約百分比(%) Approximate % in the total issued share capital
劉洪亮先生 Mr. Liu Hongliang	志峰集團有限公司(附註1) Cheerhill Group Limited (Note 1)	292,000,000 (附註2) (Note 2)	受控法團之權益 Interest of controlled corporation	69.00%

附註：

- 該等292,000,000股股份由志峰集團有限公司（「志峰」）持有，其全部已發行股本分別由劉洪亮先生、王子江先生、郭希田先生、鄭虹女士、郭玉成先生及傅安旭先生最終實益擁有38%、26%、11.5%、11.5%、6.5%及6.5%。
- 由於劉先生於志峰擁有38%權益，其被視為於上文附註1所述之292,000,000股股份擁有權益。

除上文所披露者外，截至二零一零年十二月三十一日止，各董事、本公司主要行政人員及彼等之聯繫人概無擁有本公司或其任何相聯法團之任何股份、相關股份或債券之任何權益或淡倉。

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SECURITIES

As at 31 December 2010, the interests and short positions of the Directors and chief executive of the Company and their associates in the shares and/or underlying shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were as follows:

Long Position in the shares of the Company

所持股份數目／ 股份權益 Number of shares held/ interest in the Shares	身份 Capacity	佔已發行 股本總數 概約百分比(%) Approximate % in the total issued share capital
292,000,000 (附註2) (Note 2)	受控法團之權益 Interest of controlled corporation	69.00%

Notes:

- The 292,000,000 Shares were held by Cheerhill Group Limited ("Cheerhill"), the entire issued share capital of which is ultimately beneficially owned as to 38% by Mr. Liu Hongliang, 26% by Mr. Wang Zijiang, 11.5% by Mr. Guo Xitian, 11.5% by Ms. Zheng Hong, 6.5% by Mr. Guo Yucheng and 6.5% by Mr. Fu Anxu.
- Mr. Liu is deemed to be interested in 292,000,000 Shares referred to in Note 1 above by virtue of his 38% interest in Cheerhill.

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

主要股東

截至二零一零年十二月三十一日止，按本公司根據證券及期貨條例第336條存置之主要股東名冊所示，以下股東已知會本公司其於本公司已發行股本中擁有相關權益：

主要股東於股份及／或相關股份中持有之好倉

股東名稱 Name of shareholders	所持股份數目／ 股份權益及 權益總額 Number of shares held/interest in the Shares and aggregated interest	身份 Capacity	佔已發行 股本總數 概約百分比(%) Approximate % in the total issued share capital
志峰(附註) Cheerhill (Note)	292,000,000	實益擁有人 Beneficiary owner	69.00%

附註：

該等292,000,000股股份由志峰持有，其全部已發行股本分別由劉洪亮先生、王子江先生、郭希田先生、鄭虹女士、郭玉成先生及傅安旭先生最終實益擁有38%、26%、11.5%、11.5%、6.5%及6.5%。

除上文所披露者外，截至二零一零年十二月三十一日止，本公司並無獲任何人士知會於本公司之股份或相關股份中，擁有任何根據證券及期貨條例須知會本公司之權益或淡倉，或擁有本公司根據證券及期貨條例第336條存置之登記冊中記錄之權益或淡倉。

購買股份或債券之安排

本公司、其控股公司、或其任何附屬公司及同系附屬公司概無在回顧年度內任何時間訂立任何安排，致使本公司董事可藉購買本公司或任何其他法人團體之股份或債務證券(包括債券)而獲益。

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2010, the register of substantial shareholders maintained by the Company pursuant to section 336 of the SFO shows that the following shareholder had notified the Company of their relevant interests in the issued share capital of the Company:

Long position of substantial shareholders in the shares and/or underlying shares

所持股份數目／ 股份權益及 權益總額 Number of shares held/interest in the Shares and aggregated interest	身份 Capacity	佔已發行 股本總數 概約百分比(%) Approximate % in the total issued share capital
292,000,000	實益擁有人 Beneficiary owner	69.00%

Note:

The 292,000,000 Shares were held by Cheerhill, the entire issued share capital of which is ultimately beneficially owned as to 38% by Mr. Liu Hongliang, 26% by Mr. Wang Zijiang, 11.5% by Mr. Guo Xitian, 11.5% by Ms. Zheng Hong, 6.5% by Mr. Guo Yucheng and 6.5% by Mr. Fu Anxu.

Save as disclosed above, the Company has not been notified by any person who had any interest or short position in the shares or underlying shares of the Company as at 31 December 2010, which are required to be notified to the Company under the SFO or which are recorded in the register required to be kept by the Company under section 336 of the SFO.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the year under review was the Company, its holding company, or any of its subsidiaries and fellow subsidiaries, a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debt securities (including debentures) of, the Company or any other body corporate.

關連交易

根據本集團主要營運附屬公司濰坊同業與濰坊天弘企業管理及顧問有限公司(「濰坊天弘」)訂立之租約(「該租約」)，濰坊同業由二零一零年四月一日起租賃由濰坊天弘擁有之辦公室物業，租期三年，每年租金人民幣180,000元，於每年年底支付。因本公司執行董事劉洪亮先生、王子江先生、郭希田先生及郭玉成先生控制濰坊天弘之全部投票權，故濰坊天弘為本公司之關連人士。該租約項下之交易構成本公司之持續關連交易。然而，因該租約屬上市規則第14A.33(3)條下之最低限額交易，故獲豁免遵守上市規則之申報、公佈及獨立股東批准之規定。

除上文所披露及在截至二零一零年十二月三十一日止年度之財務報表內有關關聯方交易之附註31所述者外，概無任何其他根據上市規則之規定須作披露之關連交易，而本公司、其控股股東、或其任何附屬公司及同系附屬公司之間亦概無訂立於本年度年結日或回顧年度內任何時間仍然有效且董事於其中直接或間接擁有重大權益，或根據上市規則或香港法例第32章公司條例之規定為須予披露之重要合約。

管理層合約

在回顧年度內概無訂立或存在任何有關本集團全部或任何主要部分業務之管理及行政之合約。

獨立非執行董事確認

本公司已收到每位獨立非執行董事根據上市規則第3.13條規定就其獨立性發出之年度確認書。本公司認為，所有獨立非執行董事均為獨立人士。

CONNECTED TRANSACTIONS

Pursuant to a lease (the “Lease”) entered into between Weifang Common, being a major operating subsidiary of the Group, and Weifang Tianhong Corporate Management and Consultancy Service Co. Ltd. (“Weifang Tianhong”), Weifang Common leased the office premises owned by Weifang Tianhong for a term of three years commencing on 1 April 2010 at an annual rental payment of RMB180,000, payable at the end of each year. Weifang Tianhong is a connected person to the Company as Mr. Liu Hongliang, Mr. Wang Zijiang, Mr. Guo Xitian and Mr. Guo Yucheng, all being executive Directors of the Company, have full voting control of Weifang Tianhong. The transaction under the Lease constituted a continuing connected transaction of the Company. However, as the Lease is a de minimis transaction under Rule 14A.33(3) of the Listing Rules, it was exempt from the reporting, announcement and independent shareholders’ approval requirements under the Listing Rules.

Save as disclosed above and in note 31 to the financial statements for the year ended 31 December 2010 on “Related Party Transactions”, there were no other transactions which need to be disclosed as connected transactions in accordance with the requirements of the Listing Rules and no contract of significance, between the Company, its controlling shareholders, or any of its subsidiaries and fellow subsidiaries or in which a Director had a material interest, whether directly or indirectly, or which are required to be disclosed under the Listing Rules or the Companies Ordinance (Chapter 32 of the laws of Hong Kong) subsisted at the end of the year or at any time during the year under review.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Group was entered into or existed during the year under review.

CONFIRMATION FROM INDEPENDENT NON-EXECUTIVE DIRECTORS

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

薪酬政策

本集團之薪酬政策由董事會按僱員之功績、資歷及能力釐定。

董事及本公司高級管理層之酬金將由薪酬委員會經參照本集團經營業績、董事及高級管理人員所須承擔之責任及可資比較之市場統計數據後作出審閱。

購股權計劃

在本公司之購股權計劃下，因行使根據購股權計劃及其他購股權計劃授出但未行使之購股權而可予發行之股份數目上限，不得超過本公司不時已發行股份數目之30%。除非在股東大會上獲得本公司股東同意，否則每位參與者於任何十二個月期間因行使獲授之所有購股權（不論已行使、已註銷或未行使之購股權）而已發行及可能發行之股份總數，不得超過本公司已發行股份數目之1%。購股權可於董事會通知之期間（不得超過授出購股權當日起計十年），隨時根據購股權計劃之條款行使。因行使購股權而配發及發行之任何股份，將與配發當日之其他已發行本公司股份享有同等權利。

授出購股權之建議由提出建議當日起計21日內可供接納，惟合資格參與者須支付合共1港元之象徵式代價，方視作承授人。每份購股權於獲接納當日起即已歸屬。該等購股權於承授人不再為本集團合資格參與者後馬上失效。購股權將因行使期屆滿而失效。

因行使購股權將予發行之本公司股份之認購價不得低於以下各項中之較高數值：(i)本公司股份於授出日期在聯交所發出之每日報價表所示之收市價；(ii)本公司股份於緊接授出日期前五個營業日在聯交所發出之每日報價表所示之收市價平均值；及(iii)本公司股份於授出日期之面值。董事會將於向參與人提呈購股權時釐定認購價。

EMOLUMENT POLICY

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

The emoluments of the Directors and senior management of the Company will be reviewed by the Remuneration Committee, having regard to factors including the Group's operating results, responsibilities required of the Directors and senior management and the comparable market statistics.

SHARE OPTION SCHEME

Under the share option scheme of the Company, the maximum number of Shares available for issue upon exercise of all options granted and yet to be exercised under the Share Option Scheme and other share option schemes in aggregate shall not exceed 30% of the number of issued shares of the Company from time to time. The total number of shares of the Company issued and which may be issued upon exercise of all options (whether exercised, cancelled or outstanding) granted in any 12-month period to each participant must not exceed 1% of the number of shares of the Company in issue unless approval by the shareholders of the Company in a general meeting. An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be notified by the Board, which must not be more than ten years from the date of grant. Any Share allotted and issued on the exercise of options will rank pari passu with other shares of the Company in issue on the date of allotment.

The offer of a grant of share options may be accepted within 21 days from the date of offer, upon payment of nominal consideration of HK\$1 in total by the eligible participants that become grantees. Each share option will be vested immediately at the date when the option is accepted. The share options will lapse immediately after the grantee ceases to be eligible participant of the Group. The options will lapse due to the expiry of the option's exercise period.

The subscription price for the shares of the Company to be issued upon exercise of the options shall be no less than the higher of (i) the closing price of the shares of the Company as stated in the daily quotation sheet issued by the Stock Exchange on the date of grant; (ii) the average closing price of the shares of the Company as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; and (iii) the nominal value of a share of the Company on the date of grant. The subscription price will be established by the Board at the time the option is offered to the participants.

董事報告 Directors' Report

在回顧年度內，在購股權計劃下，本公司並無提供或授予購股權。截至二零一零年十二月三十一日止年度，本公司的購股權計劃下現有之購股權變動詳情已載於下表：

No share option has been offered or granted by the Company under the share option scheme during the year under review. Details of movements of the existing share options under the share option scheme of the Company for the year ended 31 December 2010 are set out the following table:

承授人類別	Category of grantee	於年初尚未行使 Outstanding at beginning of year	年內已行使 Exercised during the year	年內已沒收 Forfeited during the year	於年末尚未行使 Outstanding at the end of the year
員工	Employees	3,590,000	1,148,000	251,000	2,191,000
供應商	Supplier	200,000	100,000	–	100,000
合計	Total	3,790,000	1,248,000	251,000	2,291,000

基於所作假設及所用模式之限制，計算所得之本公司現有購股權公平價值帶有主觀及不確定因素。購股權價值因應若干主觀假設之不同變數而不同，所採納變數之任何變動或會對購股權之估計公平價值造成重大影響。

The fair value of the existing share options of the Company calculated are inherently subjective and uncertain due to the assumptions made and the limitations of the model used. The value of an option varies with different variables of certain subjective assumptions. Any change in variables so adopted may materially affect the estimation of the fair value of an option.

優先購買權

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

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles of Association or the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

購買、出售或贖回本公司上市證券

在回顧年度內，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

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

During the year under review, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

足夠公眾持股量

於刊發本報告前之最後實際可行日期，根據本公司從公開途徑所得的資料及就董事所知，董事確認本公司一直維持上市規則所規定的足夠公眾持股量。

SUFFICIENCY OF PUBLIC FLOAT

As at the latest practicable date prior to the issue of this report, based on the information that is publicly available to the Company and to the best knowledge of the Directors, the Directors confirmed that the Company has maintained sufficient public float as required under the Listing Rules.

遵守最佳應用守則之規定

本公司致力維持高水準之企業管治常規。有關本公司所採納企業管治常規之資料載於本年報第30至38頁之企業管治報告內。

本公司已採納標準守則作為董事買賣本公司證券之守則。經本公司作出具體查詢後，所有董事確認，彼等已於截至二零一零年十二月三十一日止財政年度遵守標準守則所載之規定標準。

獨立核數師

截至二零零八年十二月三十一日止財政年度，中瑞岳華(香港)會計師事務所擔任本公司的核數師。於二零零九年十二月一日，中瑞岳華(香港)會計師事務所退任本公司核數師一職，均富會計師行(「均富」)，現稱莊栢會計師行)獲委任為本公司新任核數師以填補出現之臨時空缺，且任期至本公司二零一零年股東週年大會結束時為止。

截至二零零九年十二月三十一日止財政年度之財務報表乃由均富審核。由於均富與香港立信德豪會計師事務所有限公司(「立信德豪」)於二零一零年十一月二十六日公告作業務合併並以立信德豪作為商號繼續營業，均富辭任而立信德豪獲委任為本公司核數師，由二零一零年十一月二十二日起生效。因此，截至二零一零年十二月三十一日止年度之財務報表乃由立信德豪審核。

在本公司之應屆股東週年大會上，將會提呈一項決議案，以續聘立信德豪為本公司核數師。

承董事會命
主席
劉洪亮

香港，二零一一年三月二十一日

COMPLIANCE WITH CODE OF BEST PRACTICES

The Company is committed to maintaining the high standard of corporate governance practices. Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 30 to 38 of this annual report.

The Company has adopted the Model Code as its code for dealing in securities of the Company by the Directors. After specific enquiry by the Company, all the Directors confirmed that they had complied with the required standards set out in the Model Code for the financial year ended 31 December 2010.

INDEPENDENT AUDITOR

RSM Nelson Wheeler acted as the auditor of the Company in respect of the financial year ended 31 December 2008. On 1 December 2009, RSM Nelson Wheeler retired as the auditor of the Company. Grant Thornton ("GTHK"), now known as JBPB & Co. has been appointed as the new auditor of the Company to fill the casual vacancy and held office until the conclusion of the 2010 annual general meeting of the Company.

The financial statements in respect of the financial year ended 31 December 2009 were audited by GTHK. Due to a merger of the businesses of GTHK and BDO Limited ("BDO") to practise in the name of BDO as announced on 26 November 2010, GTHK resigned and BDO was appointed as the auditor of the Company effective from 22 November 2010. The financial statements for the year ended 31 December 2010 were audited by BDO.

A resolution will be proposed at the forthcoming annual general meeting of the Company to re-appoint BDO as the auditor of the Company.

On behalf of the Board
Liu Hongliang
Chairman

Hong Kong, 21 March 2011

企業管治報告 Corporate Governance Report

本集團認同，達致高水準的企業管治對提高企業表現及問責性而言十分重要。

本公司定期檢討其企業管治常規，以確保該等常規持續符合香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四所載企業管治常規守則（「守則」）之規定。董事會認為，本公司於回顧年度內一直遵守守則之適用守則條文。本集團的主要企業管治實務概述如下：

董事會（「董事會」）

董事會須向本公司股東負責，負責本公司整體管理、業務發展及監督所有重要事項，包括制定及批准所有政策事宜、整體策略、內部監控及風險管理制度，以及監察高級管理人員之表現。董事須以本公司利益為依歸，作出客觀決策。

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。各董事的履歷載於本年報第10至11頁。董事會結構平衡，每名董事均具備與本集團業務營運及發展有關之豐富知識、經驗及／或專才。全體董事深知彼等共同及個別對本公司股東所負之責任，並勤勉盡職，為本集團之理想業績作出貢獻。

董事會各成員與主席之間概無財務、業務、親屬或其他重大或相關關係。彼等均可自由作出獨立判斷。

本公司已按上市規則之規定委任三名獨立非執行董事，且其中最最少一名獨立非執行董事具備合適專業資格或會計或相關財務管理專業知識。本公司已接獲各獨立非執行董事根據上市規則第3.13條之規定就本身獨立性呈交的年度確認書，並確信其獨立性符合上市規則的規定。

所有董事可於有需要時尋求獨立專業意見，費用由本公司承擔。

The Group recognises the value and importance of high corporate governance standards in the enhancement of corporate performance and accountability.

The Company reviews its corporate governance practices periodically to ensure the practices continue to meet the Code on Corporate Governance Practices (the “Code”) contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). The Board considered that the Company has complied with the applicable code provisions of the Code during the year under review. The key corporate governance practices of the Group are summarised as follows:

BOARD OF DIRECTORS (THE “BOARD”)

Accountable to the shareholders of the Company, the Board is responsible for the overall management, business development and supervising all major matters of the Company, including the formulation and approval of all policy matters, overall strategies, internal control and risk management systems, and monitoring the performance of the senior management. The Directors have to take decisions objectively in the interests of the Company.

The Board of the Company comprises seven Directors, including four executive Directors and three independent non-executive Directors. The biographical details of the Directors are set out on pages 10 to 11 of this annual report. The composition of the Board is well balanced with each Director having sound knowledge, experience and/or expertise relevant to the business operations and development of the Group. All the Directors are aware of their collective and individual responsibilities to the shareholders of the Company and have exercised their duties with care, skill and diligence, contributing to the successful performance of the Group.

There is no financial, business, family or other material or relevant relationship among members of the Board and the Chairman. All of them are free to exercise their independent judgement.

The Company has appointed the three independent non-executive Directors that met the requirements of the Listing Rules, with at least one independent non-executive Director possessing the appropriate professional qualifications, or accounting or related financial management expertise. The Company has received from each independent non-executive Director a written annual confirmation of their independence pursuant to Rule 3.13 of the Listing Rules and is satisfied with their independence in accordance with the Listing Rules.

All the Directors are permitted to seek independent professional advice, if required, at the Company’s expenses.

董事會(「董事會」)(續)

為了讓全體董事可盡量出席會議，所有定期董事會會議的日期會預先計劃。會議議程在諮詢董事會成員後制訂。每位董事均獲邀提出任何擬在會議中討論或提呈的事項。如有任何董事與董事會將會考慮之事宜有利益衝突，該等董事須放棄投票，並且不構成董事會會議的法定人數。

董事已獲邀將任何彼等認為合適之事項列入董事會會議議程內。每次董事會會議前最少十四天發出通知。董事會文件在會議舉行前不少於三天送交所有董事傳閱，以確保彼等可及時獲得一切有關資料。如有需要取得更多資料，各董事均可個別及單獨地向本集團管理層查詢。

董事會文件及本公司會議記錄由公司秘書備存於本公司在香港之主要營業地點。所有會議記錄之草擬及最終稿已於各董事會會議舉行後七天內送交董事，以供彼等審閱、發表意見及作記錄之用。

(1) 職責

董事會須共同負責制訂本集團業務策略方針及訂立管理目標、監督其表現及評估管理策略是否有效。本集團之日常營運及業務策略之執行乃授權本公司總經理負責。董事會定期檢討其表現是否符合既定目標及財政預算。

本公司已採納上市規則附錄十所載之上市公司董事進行證券交易的標準守則(「標準守則」)作為其本身監管董事進行證券交易之守則。各董事均已確認於截至二零一零年十二月三十一日止財政年度一直遵守標準守則。本公司亦已就有關僱員採納條款不會較標準守則寬鬆之書面指引。高級管理層因其在本公司所擔任之職務而可能擁有未公佈之股價敏感資料，彼等已應要求遵守標準守則及本公司有關董事進行證券交易之操守準則之有關規定。在回顧年度內，根據本公司所知，並無出現有關僱員違反僱員書面指引之情況。

BOARD OF DIRECTORS (THE "BOARD") (Continued)

All regular Board meetings are scheduled in advance to facilitate the possible fullest attendance. The meeting agenda is set after consulting with members of the Board. Each Director is invited to present any businesses that he wishes to discuss or propose at such meetings. Directors are required to abstain from voting and will not be counted in the quorum present in the Board meeting if any director has a conflict of interest in a matter to be considered by the Board.

The Directors have been invited to include any matters which they thought appropriate in the agenda for the Board meetings. Notice of at least 14 days has been given for each Board meeting. Board papers are circulated to all Directors not less than 3 days before the Board meetings to ensure timely access to relevant information. Each Director is able to access the management of the Group separately and independently if more information is required.

The Board papers and minutes of the Company are kept by the Company Secretary at the Company's principal place of business in Hong Kong. All draft and final versions of minutes have been sent to Directors for review, comment and record within 7 days after each board meeting.

(1) Responsibilities

The Board is collectively responsible for formulating the strategic business direction of the Group and setting objectives for management, overseeing its performance and assessing the effectiveness of management strategies. The day-to-day operations and business strategies implementation of the Group are delegated to the general manager of the Company. The Board reviews the performance against the agreed targets and budgets on a regular basis.

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules (the "Model Code") as its own code governing securities transactions of the Directors. Each of the Director has confirmed his compliance with the Model Code for the financial year ended 31 December 2010. The Company has also adopted written guidelines on no less exacting terms than the Model Code for the relevant employees. The senior management, who, because of their office in the Company, is likely to be in possession of unpublished price sensitive information, has been requested to comply with the provisions of the Model Code and the Company's code of conduct regarding securities transactions by Directors. No incidence of non-compliance of the employees' written guidelines by the relevant employees was noted by the Company during the year under review.

董事會(「董事會」)(續)

(2) 主席及行政總裁

本公司目前並無高級職員獲授行政總裁職銜，但本公司設有等同之總經理職位。為加強獨立性及問責性，主席與總經理各有不同職責，並分別由劉洪亮先生及翟軍先生擔任。主席之責任明確，主要負責領導董事會及在管理層支援下，確保董事適時獲得充份、完備及可靠之資料，以確保董事會的有效性。總經理則負責管理日常營運、執行董事會批准的業務策略及政策、發展及制訂組織架構、監控系統及內部程序與流程，以供董事會批准。主席與總經理之間的責任已明確界定，並以書面形式載列。

(3) 董事委員會

董事會已設立三個委員會，即審核委員會、薪酬委員會及安全及環保委員會，以監察本公司有關方面之事務。所有委員會已確立成文的職權及職責，以清晰界定各自之職權範圍。

在回顧年度內，共舉行四次董事會會議、兩次審核委員會會議及一次薪酬委員會會議，而安全及環保委員會並無舉行會議。各董事出席上述會議之記錄載列如下：

BOARD OF DIRECTORS (THE “BOARD”) (Continued)

(2) Chairman and Chief Executive Officer

The Company does not presently have any officer with the title of chief executive officer but with equivalent to the position of general manager of the Company. In order to reinforce the independence and accountability, the roles of the Chairman and the general manager are segregated and performed by Mr. Liu Hongliang and Mr. Chak Kwan respectively. There is a clear distinction responsibility of the Chairman to mainly provide leadership for the Board and ensure the Directors receive adequate, complete and reliable information in a timely manner with support by the management to ensure the effectiveness of the Board. The general manager is responsible for managing the day-to-day operations, implementing business strategies and policies approved by the Board, developing and formulating the organisational structure, control systems and internal procedures and processes for the Board’s approval. The division of responsibilities between the Chairman and general manager has been clearly defined and set out in writing.

(3) Board Committees

The Board has established three committees, namely the Audit Committee, the Remuneration Committee and the Safety and Environmental Protection Committee, for overseeing particular aspects of the Company’s affairs. All committees have been established with specific written terms of reference which deal clearly with their respective authorities and duties.

During the year under review, 4 Board meetings, 2 Audit Committee meetings and 1 Remuneration Committee meeting were held and no meeting was held for Safety and Environmental Protection Committee. The attendance record of each Director at the aforesaid meetings is set out below:

		出席會議記錄 Attendance of meetings		
		董事會 Board	審核委員會 Audit Committee	薪酬委員會 Remuneration Committee
執行董事	Executive Directors			
劉洪亮先生 ³	Mr. Liu Hongliang ³	4/4	1/2	1/1
王子江先生	Mr. Wang Zijiang	4/4	1/2	-
郭希田先生	Mr. Guo Xitian	4/4	1/2	-
郭玉成先生	Mr. Guo Yucheng	4/4	1/2	-
獨立非執行董事	Independent non-executive Directors			
梁錦雲先生 ^{1,4}	Mr. Leung Kam Wan ^{1,4}	4/4	2/2	1/1
高寶玉先生 ^{2,4}	Mr. Gao Baoyu ^{2,4}	4/4	2/2	1/1
劉晨光先生 ^{2,4}	Mr. Liu Chenguang ^{2,4}	4/4	2/2	1/1

附註：

1. 審核委員會主席
2. 審核委員會成員
3. 薪酬委員會主席
4. 薪酬委員會成員

Notes:

1. Chairman of the Audit Committee
2. Member of the Audit Committee
3. Chairman of the Remuneration Committee
4. Member of the Remuneration Committee

董事會(「董事會」)(續)

(3) 董事委員會(續)

審核委員會包括三名獨立非執行董事梁錦雲先生、高寶玉先生及劉晨光先生。梁先生為審核委員會之主席，彼具備上市規則規定之認可會計專業資格。審核委員會的主要職責包括：

- 審閱本集團的財務報表於會計準則、上市規則及其他與財務申報相關規定方面之合規性；
- 監管本集團之財務申報制度及內部監控流程；
- 與董事會討論內部監控系統，確保董事會已履行職責並建立有效的內部監控系統；
- 於開始審核工作前審閱獨立核數師之審核性質及範圍以及申報責任；
- 就委任、續聘及罷免獨立核數師向董事會提供意見，以及批准獨立核數師的酬金及聘用條款；
- 評估關連交易之公平及合理性，及有關交易對本集團盈利能力及本公司股東整體利益之影響；及
- 審閱獨立核數師致管理層的函件及管理層的回應。

審核委員會在回顧年度內已召開兩次會議，以討論及審閱下列事宜：

1. 審閱截至二零零九年十二月三十一日及二零一零年六月三十日止之財務報表在會計準則、上市規則及其他與財務申報相關規定方面之合規性；
2. 向董事會呈交及建議董事會批准財務報表；
3. 審閱本集團的財務和會計政策及實務；

BOARD OF DIRECTORS (THE “BOARD”) (Continued)

(3) Board Committees (Continued)

The Audit Committee comprises the three independent non-executive Directors, namely, Mr. Leung Kam Wan, Mr. Gao Baoyu and Mr. Liu Chenguang. Mr. Leung is the Chairman of the Audit Committee and he possesses recognised professional qualifications in accounting required by the Listing Rules. The main duties of the Audit Committee include:

- review the Group’s financial statements on the compliance of the accounting standards, the Listing Rules and other requirements in relation to financial reporting;
- oversee the Group’s financial reporting systems and internal control procedures;
- discuss with the Board the system of internal control and ensure that the Board has discharged its duty and has an effective internal control system;
- review the nature and scope of the audit and reporting obligations of the independent auditor before the audit commences;
- make recommendation to the Board on the appointment, reappointment and removal of the independent auditor, and approve the remuneration and terms of engagement of the independent auditor;
- evaluate the fairness and reasonableness of any connected transaction and the impact of such transaction on the profitability of the Group as well as the interest of the shareholders of the Company as a whole; and
- review the independent auditor’s management letter and management’s response.

Two Audit Committee meetings were held during the year under review to discuss and review the following matters:

1. review the financial statements as at 31 December 2009 and 30 June 2010 with the compliance of the accounting standards, the Listing Rules and other requirements in relation to financial reporting;
2. submit and recommend the Board to approve the financial statements;
3. review the Group’s financial and accounting policies and practices of the Group;

董事會(「董事會」)(續)

(3) 董事委員會(續)

4. 審閱獨立核數師之審核性質及範圍以及申報責任，並評核其獨立性，並就聘任獨立核數師向董事會提供建議；
5. 審批獨立核數師之審核費用及委聘條款；及
6. 審閱及與獨立核數師商討向管理層發出函件的事項。

在回顧年度內，審核委員會已與本公司執行董事和管理層及獨立核數師審閱及商討本集團財務報表之完整性及任何重大之財務申報判斷。此外，審核委員會成員亦已在董事會會議上審閱內部監控系統自我評估報告和企業合規評估報告。

薪酬委員會的主席為執行董事劉洪亮先生，其他三名成員為梁錦雲先生、高寶玉先生及劉晨光先生，全部均為獨立非執行董事。薪酬委員會主要負責批准本集團薪酬政策，同時審閱及評估執行董事及高級管理層之薪酬待遇，以使本公司能夠吸引、挽留及激勵高素質人才。董事一概不得參與任何有關其本身薪酬之討論。

在回顧年度內，薪酬委員會曾召開一次會議，審閱及批准本公司全體董事及高級管理層之薪酬待遇，當時已參考董事之責任和職能、本集團的經營業績和達成了的企業目標，並已考慮可比較的市場情況。

本公司審核委員會及薪酬委員會均有明確的書面職權範圍，清晰訂明其權力及職能。審核委員會及薪酬委員會的職權範圍已刊登在本公司網站，並可應本公司股東之要求以供查閱。

BOARD OF DIRECTORS (THE "BOARD") (Continued)

(3) Board Committees (Continued)

4. review the nature and scope of the audit and reporting obligations and evaluate the independence of the independent auditor and to make recommendation to the Board on the appointment of the independent auditor;
5. approval of the audit fees and terms of engagement of the independent auditor; and
6. review and discuss with the independent auditor regarding the issues of management letter.

During the year under review, the Audit Committee has met the executive Directors and management of the Company with the independent auditor to review and discuss the integrity and any significant financial reporting judgements of the financial statements of the Group. Besides, the members of the Audit Committee had reviewed the reports of the internal control self-assessment and the corporate compliance assessment in the Board meetings.

The Remuneration Committee is chaired by Mr. Liu Hongliang, an executive Director with Mr. Leung Kam Wan, Mr. Gao Baoyu and Mr. Liu Chenguang as the three other members, all being independent non-executive Directors. The Remuneration Committee is mainly responsible for approving the remuneration policy of the Group as well as reviewing and evaluating the remuneration packages of the executive Directors and senior management to enable the Company to attract, retain and motivate quality personnel. No Director shall participate in any discussion about his own remuneration.

During the year under review, the Remuneration Committee has held one meeting to review and approve the remuneration packages for all the Directors and senior management of the Company by reference to the Directors' responsibilities and duties, the Group's operating results and achieved corporate objectives, after taking into account also the comparable market conditions.

The Audit Committee and the Remuneration Committee of the Company are established with defined written terms of reference which deal clearly with their authorities and duties. The term of reference of the Audit Committee and the Remuneration Committee are posted on the Company's website and are available to shareholders of the Company upon request.

董事會(「董事會」)(續)

(3) 董事委員會(續)

為強化生產營運之安全及效益，從而減少本集團之營運風險，董事會成立了安全及環保委員會。安全及環保委員會由三名成員組成，包括執行董事兼委員會主席郭玉成先生、獨立非執行董事高寶玉先生及本集團總工程師傅安旭先生。委員會受命於董事會，主要執行以下工作：

- 制定本集團所有安全及環保計劃及規章制度，供董事會審批；
- 考核及監督各附屬公司之生產運作情況，確保符合本集團之安全及環保政策及規章制度；
- 確保本集團之生產運作符合當地政府部門不時頒佈之所有相關法規及規則；及
- 處理所有關於本集團的安全及環保生產的投訴。

在回顧年度內，安全及環保委員會並無舉行會議。

所有董事委員會將就各自之工作、調查結果及推薦意見在董事會會議進行匯報。

本公司並無成立提名委員會。新董事的委任是由董事會全體成員參議，在提名新董事時，董事會會考慮彼等之專業知識、經驗、誠信及承擔等各方面的因素。

BOARD OF DIRECTORS (THE “BOARD”) (Continued)

(3) Board Committees (Continued)

The Board has established the Safety and Environmental Protection Committee to enhance the safety and effectiveness of production operations so as to eliminate the operating risk of the Group. The Safety and Environmental Protection Committee comprised three members, namely Mr. Guo Yucheng, an executive Director and the Chairman of the Committee, Mr. Gao Baoyu, an independent non-executive Director and Mr. Fu Anxu, a chief engineer of the Group. The Committee is delegated by the Board to perform mainly the following duties:

- formulate the Group’s overall safety and environmental protection plans and regulations for the approval by the Board;
- examine and supervise the production operations in the subsidiary level to ensure that they are followed to the Group’s safety and environmental protection policy and regulations;
- ensure the Group’s production operations are complied with all relevant rules and regulations promulgated by the local government authorities from time to time; and
- handle all complaints regarding safety and environmental production aspect of the Group.

No meeting was held for the Safety and Environmental Protection Committee during the year under review.

All Board Committees would report to the Board their works, findings and recommendations in Board meetings.

The Company has not established a Nomination Committee. The full Board is involved in the appointment of new Directors by taking into consideration criteria such as expertise, experience, integrity and commitment when considering new director appointments.

董事會(「董事會」)(續)

(4) 委任、重選及罷免

所有董事的指定任期為三年，並根據本公司組織章程細則最少每三年輪值退任一次。

於每屆股東週年大會上，當時三分之一之董事(或如其數目並非三之倍數，則以最接近但不少於三分之一之數目為準)須輪值退任，惟每名董事須最少每三年退任一次。退任董事符合資格膺選連任，並於其退任之大會上繼續擔任董事。輪值退任之董事將為自上次重選或獲委任以來在任最久之董事，惟就於同一日獲委任或重選為董事之人士而言，將以抽籤方式(除非彼等互相協定)決定應予退任之人士。

可通過本公司普通決議案在董事任期完結前罷免董事，惟此舉不影響該董事就其本身與本公司訂立之任何協議遭違反而索償之權力。

問責及審核

董事會致力根據一切法定規定，向股東及公眾人士呈列以公平清晰及明確的方式就本公司的表現、狀況及前景所作的評估。

董事會負責處理發佈股價敏感資訊及其他財務資訊披露規定之程序。董事會完全瞭解其於上市規則方面的責任及定期審閱其合規監控程序。根據法規要求，本公司應進行即時披露。本公司的政策是嚴禁未經授權使用機密或內幕資訊。本公司總經理獲委派及獲授權回應有關本集團事務的查詢。

BOARD OF DIRECTORS (THE “BOARD”) (Continued)

(4) Appointment, Re-election and Removal

All Directors are appointed for a specific term of three years and subject to retirement by rotation at least once every three years in accordance with the Articles of Association of the Company.

At each annual general meeting, one-third of the Directors for the time being, or if their number is not a multiple of three, then the number nearest to but not less than one third, are required to retire from office by rotation provided that every Director shall be subject to retirement at least once every three years. A retiring Director shall be eligible for re-election and shall continue to act as a Director throughout the meeting at which he retires. The Directors to retire by rotation will be those who have been the longest in office since their last re-election or appointment but as between persons who become or were last re-elected Directors on the same day those retire will (unless they otherwise agree among themselves) be determined by lot.

A Director may be removed by an ordinary resolution of the Company before the expiration of his period of time (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and the Company).

ACCOUNTABILITY AND AUDIT

The Board aims to present a balanced, clear and understandable assessment of the Company's performance, position and prospects to its shareholders and the public pursuant to all sort of statutory requirements.

The Board is responsible for the handling of the dissemination of price sensitive information and other financial disclosure requirements procedures. The Board is fully aware of its obligations under the Listing Rules and reviews its compliance controls process regularly. The Company should make disclosure immediately pursuant to statutory requirements. The unauthorised use of confidential or insider information is strictly prohibited under the Company's policy. The general manager of the Company is identified and authorised person to respond the enquiries made in connection with the Group's affairs.

問責及審核(續)

董事負責編製本集團各財政年度的財務報表，並確保該等報表真實公平地反映本集團於期內的財務狀況、業績及現金流量，亦負責確保於任何時間妥為存置披露本集團財務狀況的本集團會計記錄。此外，在回顧年度內董事會已檢討及考慮本集團在會計及財務匯報職能方面的資源，員工資歷及經驗是否足夠，以及員工所接受的培訓課程及有關預算是否充足。

管理層須提交詳盡報告及解釋，以供董事會於批准前作出知情評估。

內部監控

董事會全盤負責本集團的內部監控系統，並為本集團維持健全和有效的內部監控系統，以保障本集團資產及股東投資。全體執行董事均緊密及直接監控本集團之日常營運、業務活動及審閱每月財務業績，以確保妥善實施合規監控及風險管理措施及程序。全體執行董事均參與每月管理層會議或按需要舉行之會議以即時解決違規情況。此外，董事會不斷檢討本集團財務與營運程序及關鍵之風險管理監控，以確保內部監控系統行之有效。

本集團已實行若干營運監控，包括清晰界定職責範圍及最終責任機制、資本性開支及投資審批程序、庫務及預算監察系統等。

此外，在回顧年度內，本集團依照內部監控系統持續實行自我評估及檢查機制，目的是對現有的內部監控機制進行合理性測試、促進員工參與評估內部監控系統之執行情況、對內控不足之處及時修正，以及使董事會及審核委員會可更有效地評估本集團之內部監控系統。

ACCOUNTABILITY AND AUDIT (Continued)

The Directors are responsible for the preparation of the financial statements of the Group for each financial year and ensuring that these statements give a true and fair view of the state of affairs of the Group, its results and cash flows for that period. The Directors are also responsible for ensuring that proper accounting records of the Group which disclose the financial position of the Group are kept at all times. In addition, the Board has reviewed and considered the adequacy of resources, qualifications and experience of staffs of the accounting and financial reporting function of the Group and also considered the training programs and budget during the year under review.

Management is required to provide detailed reports and explanation to enable the Board to make an informed assessment before approval.

INTERNAL CONTROLS

The Board has overall responsibilities for the Group's system of internal control and maintaining a sound and effective internal control system of the Group to safeguard the Group's assets and the shareholders' investment. All executive Directors closely and directly monitor the daily operations, business activities and review monthly financial results of the Group ensuring that compliance controls and risk management measures and procedures are properly implemented. All executive Directors participate in the monthly management meetings or meetings held as and when required to address irregularities immediately. Besides, the Board takes a constant review of the Group's financial and operational procedures and critical risk management control to ensure the internal control system is effectiveness.

The Group has implemented some operating controls including clearly defined lines of responsibilities and ultimate accountability system, capital expenditure and investment approval procedure, treasury and budgeting monitoring systems etc.

Besides, the Group has continued to execute the self-assessment and evaluation mechanism for internal control system during the year under review that is aimed to test the reasonableness of the existing internal control mechanism, prompt employee to step in evaluation of the implementation of internal control system, serves to rectify control system immediately if any shortcoming, facilitate the Board and the Audit Committee to assess the internal control system of the Group more effectiveness.

內部監控 (續)

董事會已於回顧年度內通過定期審閱本集團之營運程序，不斷努力完善本集團之營運系統、盡量減少其運作風險及任何違規之處，另外亦持續作出改善。儘管內部監控部門至今仍未成立，董事會仍緊密地監控業務運作。為支持本集團業務發展，董事會已計劃在不久將來成立內部監控部門，以制定更多監控措施和建立全面的內部監控系統。

與股東的溝通

本公司認為，股東週年大會是與股東作面對面溝通的重要渠道。董事會主席及審核委員會及薪酬委員會之主席或彼等之代表均會出席本公司之股東週年大會，以向股東解答及說明有關本集團業務策略及財務業績之事宜，以及於股東大會提呈之決議案。

在回顧年度內，本公司在最少二十個完整營業日前向其股東發出所有股東大會通告，至於其他股東大會（如有），則在最少十個完整營業日前發出。所有在股東大會上提呈的決議案均以投票方式表決。

在大會開始時，大會主席已解釋進行按投票方式表決之詳細程序，並已回答本公司股東就以投票方式表決而提出的任何問題。

核數師酬金

在回顧年度內，本公司已付及應付獨立核數師約500,000港元，酬金載列如下：

審計服務	400,000 港元
非審計服務	50,000 港元

承董事會命
主席
劉洪亮

香港，二零一一年三月二十一日

INTERNAL CONTROLS (Continued)

The Board has continuously devoted to optimise the Group's operation system, minimise its operational risks and any irregularities areas by periodically review the operation procedures of the Group and to make continuous improvement during the year under review. Even though an internal control department has not yet built up until now, the Board is still continuously monitor the business operation closely. The Board is planned to establish an internal control department in near future to formulate more control measures and put in place an integrated system of internal control so as to support the business development of the Group.

COMMUNICATIONS WITH SHAREHOLDERS

The Company considers its annual general meeting as an important channel for face-to-face dialogue with shareholders. The Chairman of the Board and either the chairman of the Audit Committee and the Remuneration Committee or their representatives would attend the annual general meeting of the Company answering and explaining to shareholders issues relating to the Group's business strategies and financial results and proposed resolutions at the general meeting.

During the year under review, all notices of general meeting have been dispatched by the Company to its shareholders at least 20 clear business days before the meeting and at least 10 clear business days in the case of all other general meetings, if any. All resolutions put to the vote of a general meeting have been passed by way of poll.

At the commencement of the meeting, the Chairman of the meeting has explained the detailed procedures for conducting a poll and then answers any questions from shareholders of the Company regarding voting by way of a poll.

AUDITOR'S REMUNERATION

During the year under review, the remuneration paid and payable to the Company's independent auditor of approximately HK\$0.5 million is set out as follows:

Audit services	HK\$400,000
Non-audit services	HK\$50,000

On behalf of the Board
Liu Hongliang
Chairman

Hong Kong, 21 March 2011



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Certified Public Accountants
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111 Connaught Road Central
Hong Kong
Telephone: (852) 2541 5041
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香港立信德豪會計師事務所有限公司
執業會計師
香港干諾道中一百一十一號
永安中心二十五樓
電話:(八五二)二五四一五〇四一
傳真:(八五二)二八一五二二三九

致天德化工控股有限公司全體股東
(於開曼群島註冊成立之有限公司)

To the shareholders of Tiande Chemical Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

本核數師(以下簡稱「我們」)已審計天德化工控股有限公司(「貴公司」)及其附屬公司(以下統稱為「貴集團」)載於第41頁至第112頁之綜合財務報表，此綜合財務報表包括於二零一零年十二月三十一日之綜合及公司財務狀況表，以及截至該日止年度之綜合收益表、綜合全面收益表、綜合權益變動表及綜合現金流量表，以及主要會計政策概要及其他附註解釋資料。

We have audited the consolidated financial statements of Tiande Chemical Holdings Limited (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”) set out on pages 41 to 112, which comprise the consolidated and company statements of financial position as at 31 December 2010, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

董事就綜合財務報表須承擔之責任

貴公司董事須負責根據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編製綜合財務報表，以令綜合財務報表作出真實而公平的反映，及落實其認為編製綜合財務報表所必要之內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致之重大錯誤陳述。

Directors' Responsibility for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

核數師之責任

我們之責任是根據我們之審計對該等綜合財務報表作出意見，並按照審計業務約定書的條文僅向整體股東報告，除此以外本報告別無其他目的。我們不會就本報告之內容向任何其他人士負上或承擔任何責任。

Auditor's Responsibility

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

我們已根據香港會計師公會頒佈之香港審計準則進行審計，該等準則要求我們遵守道德規範，並規劃及執行審計，以合理確定綜合財務報表是否不存在任何重大錯誤陳述。

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

核數師之責任(續)

審計涉及執行程序以獲取有關綜合財務報表所載金額及披露資料之審計憑證。所選定之程序取決於核數師之判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述之風險。在評估該等風險時，核數師考慮與該公司編製財務報表以作出真實而公平的反映相關之內部控制，以設計適當之審計程序，但目的並非為對公司內部控制之有效性發表意見。審計亦包括評價董事所採用之會計政策的合適性以及作出會計估計的合理性，並評價綜合財務報表之整體列報方式。

我們相信，我們所獲得的審計憑證能充足和適當地為我們之審計意見提供基礎。

意見

我們認為，該等綜合財務報表已根據香港財務報告準則真實而公平地反映 貴公司及 貴集團於二零一零年十二月三十一日之財務狀況及 貴集團截至該日止年度之利潤及現金流量，並已按照香港公司條例之披露規定妥為編製。

香港立信德豪會計師事務所有限公司
執業會計師
徐家賜
香港執業證書號碼 P05057

香港，二零一一年三月二十一日

Auditor's Responsibility (Continued)

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

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

Opinion

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

BDO Limited
Certified Public Accountants
Tsui Ka Che, Norman
Practising Certificate Number P05057

Hong Kong, 21 March 2011

綜合收益表 Consolidated Income Statement

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

		附註 Notes	二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
營業額	Turnover	6	881,775	598,947
銷貨成本	Cost of sales		(658,007)	(501,675)
毛利	Gross profit		223,768	97,272
其他收入	Other income	6	6,786	4,309
投資物業重估收益	Revaluation gain on investment properties	16	860	490
銷售開支	Selling expenses		(23,089)	(22,634)
行政開支	Administrative expenses		(30,126)	(26,278)
其他經營開支	Other operating expenses		(17,701)	–
財務成本	Finance costs	7	(7,237)	(10,304)
除所得稅前溢利	Profit before income tax	8	153,261	42,855
所得稅開支	Income tax expense	9	(24,035)	(811)
本年度本公司擁有人 應佔溢利	Profit for the year attributable to the owners of the Company		129,226	42,044
就本年度本公司擁有人 應佔溢利而言之每股盈利	Earnings per share for profit attributable to the owners of the Company for the year	13		
– 基本	– Basic		人民幣 0.315 元 RMB0.315	人民幣 0.105 元 RMB0.105
– 攤薄	– Diluted		人民幣 0.314 元 RMB0.314	不適用 N/A

綜合全面收益表 Consolidated Statement of Comprehensive Income

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

		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
本年度溢利	Profit for the year	129,226	42,044
其他全面(開支)/收益	Other comprehensive (expense)/income		
– 換算海外業務財務報表產生之 匯兌(虧損)/收益	– Exchange (loss)/gain on translation of financial statements of foreign operations	(539)	2
本年度其他全面(開支)/收益	Other comprehensive (expense)/income for the year	(539)	2
本年度本公司擁有人 應佔全面收益總額	Total comprehensive income for the year attributable to the owners of the Company	128,687	42,046

綜合財務狀況表 Consolidated Statement of Financial Position

於二零一零年十二月三十一日 As at 31 December 2010

	附註 Notes	二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
資產與負債	ASSETS AND LIABILITIES		
非流動負債	Non-current assets		
物業、廠房及設備	Property, plant and equipment	14 379,930	364,853
預付土地租賃款項	Prepaid land lease payments	15 56,587	57,880
投資物業	Investment properties	16 11,710	10,850
購買物業、廠房及設備之 已付訂金	Deposits paid for acquisition of property, plant and equipment	1,088	2,414
遞延稅項資產	Deferred tax assets	17 126	355
		449,441	436,352
流動資產	Current assets		
存貨	Inventories	18 65,364	43,222
貿易應收賬及應收票據	Trade and bills receivable	19 117,333	110,947
預付款項及其他應收款項	Prepayments and other receivables	53,238	23,448
流動稅項資產	Current tax assets	1,029	3,708
已抵押銀行存款	Pledged bank deposits	20 10,500	–
銀行與現金結餘	Bank and cash balances	20 42,382	16,758
		289,846	198,083
已歸類為持作待售資產之 非流動資產	Non-current assets classified as held for sale	21 –	3,647
		289,846	201,730
流動負債	Current liabilities		
貿易應付賬及應付票據	Trade and bills payable	22 24,557	23,767
應付未付賬款及其他應付款項	Accruals and other payables	67,686	53,347
銀行借貸	Bank borrowings	23 59,900	107,169
流動稅項負債	Current tax liabilities	8,703	451
		160,846	184,734
流動資產淨值	Net current assets	129,000	16,996
總資產減流動負債	Total assets less current liabilities	578,441	453,348
非流動負債	Non-current liabilities		
銀行借貸	Bank borrowings	23 30,000	42,000
遞延收入	Deferred income	24 18,671	21,412
遞延稅項負債	Deferred tax liabilities	17 2,255	1,988
		50,926	65,400
資產淨值	Net assets	527,515	387,948
權益	EQUITY		
本公司擁有人應佔權益	Equity attributable to the Company's owners		
股本	Share capital	25 4,216	4,031
儲備	Reserves	26 523,299	383,917
總權益	Total equity	527,515	387,948

劉洪亮
LIU HONGLIANG
董事
Director

王子江
WANG ZIJIANG
董事
Director

財務狀況表 Statement of Financial Position

於二零一零年十二月三十一日 As at 31 December 2010

		附註 Notes	二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
資產與負債	ASSETS AND LIABILITIES			
非流動負債	Non-current assets			
物業、廠房及設備	Property, plant and equipment	14	5	10
於附屬公司之投資	Investments in subsidiaries	27	-	-
			5	10
流動資產	Current assets			
應收附屬公司款項	Amounts due from subsidiaries	27	189,455	191,188
應收股息	Dividend receivables		86,558	100,557
預付款項及其他應收款項	Prepayments and other receivables		322	242
銀行與現金結餘	Bank and cash balances	20	17,171	1,681
			293,506	293,668
流動負債	Current liabilities			
應付未付賬款及其他應付款項	Accruals and other payables		388	352
應付附屬公司款項	Amounts due to subsidiaries	27	-	72
			388	424
流動資產淨額	Net current assets		293,118	293,244
資產淨值	Net assets		293,123	293,254
權益	EQUITY			
股本	Share capital	25	4,216	4,031
儲備	Reserves	26	288,907	289,223
總權益	Total equity		293,123	293,254

劉洪亮
LIU HONGLIANG
董事
Director

王子江
WANG ZUJIANG
董事
Director

綜合現金流量表 Consolidated Statement of Cash Flows

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

	附註 Notes	二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
經營業務產生之現金流量	Cash flows from operating activities		
除所得稅前本年度溢利	Profit for the year before income tax	153,261	42,855
調整：	Adjustments for:		
利息收入	Interest income	6 (205)	(289)
利息開支	Interest expenses	7 7,237	10,304
攤銷	Amortisation	8 1,293	1,417
折舊	Depreciation	8 37,820	35,960
遞延收入撥回	Release of deferred income	6 (2,740)	(2,740)
減低/(回撥減低)淨存貨價值 至可變現淨值	Write-down/(Reversal of write-down) of inventories to net realisable value, net	8 964	(1,328)
投資物業重估收益	Revaluation gain on investment properties	16 (860)	(490)
股權結算以股份支付之 款項開支	Equity-settled share-based payments expenses	8 1,158	1,371
出售預付土地租賃款項與 物業、廠房及設備之 淨收益	Gain on disposals of prepaid land lease payments and property, plant and equipment, net	6 (2,276)	(494)
其他應收款項減值虧損	Impairment loss on other receivables	8 581	-
貿易應收賬減值虧損	Impairment loss on trade receivables	8 -	203
物業、廠房及設備 減值虧損	Impairment loss on property, plant and equipment	8 14,400	-
未計營運資金變動前之 經營溢利	Operating profit before working capital changes	210,633	86,769
存貨增加	Increase in inventories	(23,106)	(1,934)
貿易應收賬、應收票據與 其他應收款項及預付 款項增加	Increase in trade, bills and other receivables and prepayments	(21,164)	(27,690)
貿易應付賬、應付票據與 其他應付款項及應付 未付賬款增加/(減少)	Increase/(Decrease) in trade, bills and other payables and accruals	734	(7,846)
經營業務所得現金	Cash generated from operations	167,097	49,299
已付所得稅	Income taxes paid	(12,608)	(2,101)
經營業務產生之現金淨額	Net cash generated from operating activities	154,489	47,198
投資業務產生之現金流量	Cash flows from investing activities		
購買物業、廠房及設備	Purchase of property, plant and equipment	(61,159)	(48,418)
出售預付土地租賃款項與 物業、廠房及設備之 所得款項	Proceeds on disposals of prepaid land lease payments and property, plant and equipment	-	11,305
已收利息	Interest received	205	289
已抵押銀行存款(增加)/減少	(Increase)/Decrease in pledged bank deposits	(10,500)	10,000
投資業務所用之現金淨額	Net cash used in investing activities	(71,454)	(26,824)

綜合現金流量表 Consolidated Statement of Cash Flows

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

	附註 Notes	二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
融資業務產生之現金流量	Cash flows from financing activities		
已付股息	Dividend paid		
	12(b)	(8,800)	(4,400)
已付利息	Interest paid	(7,322)	(10,136)
償還銀行借貸	Repayments of bank borrowings	(105,440)	(116,390)
新增銀行借貸	New bank borrowings raised	47,900	124,000
償還貼現票據淨額	Net repayments of discounted bills	(1,729)	(18,055)
根據配售發行新股份之 所得款項	Proceeds from issue of new shares upon placing	18,320	–
發行成本	Issuing cost	(500)	–
根據行使購股權發行新股份之 所得款項	Proceeds from issue of new shares upon exercise of share options	702	–
融資業務所用之現金淨額	Net cash used in financing activities	(56,869)	(24,981)
現金及現金等值項目 增加／(減少)淨額	Net increase/(decrease) in cash and cash equivalents	26,166	(4,607)
年初之現金及現金等值項目	Cash and cash equivalents at beginning of year	16,758	21,363
外匯匯率變動之影響	Effect of foreign exchange rate changes	(542)	2
年終之現金及現金等值項目	Cash and cash equivalents at end of year	42,382	16,758
現金及現金等值項目結餘分析	Analysis of balances of cash and cash equivalents		
銀行與現金結餘	Bank and cash balances	42,382	16,758

綜合權益變動表 Consolidated Statement of Changes in Equity

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

		股本 Share capital	股份溢價 Share premium	特別儲備 Special reserve	盈餘 公積金 Surplus reserve fund	物業 重估儲備 Property revaluation reserve	公益金 Public welfare fund	以股份 支付之 款項儲備 Share-based payment reserve	資本 出資儲備 Capital contribution reserve	外幣 匯兌儲備 Foreign currency translation reserve	保留溢利 Retained profits	建議股息 Proposed dividends	合計 Total
於二零零九年一月一日結餘	Balance at 1 January 2009	4,031	89,544	31,182	13,599	1,359	633	425	2,034	(741)	202,465	4,400	348,931
已付股息(附註12(b))	Dividend paid (note 12(b))	-	-	-	-	-	-	-	-	-	-	(4,400)	(4,400)
股權結算以股份支付之 款項開支	Equity-settled share-based payments expenses	-	-	-	-	-	-	300	1,071	-	-	-	1,371
與擁有人交易	Transactions with owners	-	-	-	-	-	-	300	1,071	-	-	(4,400)	(3,029)
本年度溢利	Profit for the year	-	-	-	-	-	-	-	-	-	42,044	-	42,044
其他全面收益	Other comprehensive income												
換算海外業務財務報表 產生之匯兌收益	Exchange gain on translation of financial statements of foreign operations	-	-	-	-	-	-	-	-	2	-	-	2
本年度其他全面收益總額	Total comprehensive income for the year	-	-	-	-	-	-	-	-	2	42,044	-	42,046
轉撥	Transfer	-	-	-	5,208	-	-	-	-	-	(5,208)	-	-
二零零九年建議末期股息 (附註12(a))	2009 proposed final dividend (note 12(a))	-	-	-	-	-	-	-	-	-	(8,800)	8,800	-
於二零零九年十二月三十一日 及二零一零年一月一日結餘	Balance at 31 December 2009 and 1 January 2010	4,031	89,544	31,182	18,807	1,359	633	725	3,105	(739)	230,501	8,800	387,948
已付股息(附註12(b))	Dividend paid (note 12(b))	-	-	-	-	-	-	-	-	-	-	(8,800)	(8,800)
根據配售發行新股份 (附註25(i))	Issue of new shares upon placing (note 25(i))	174	18,146	-	-	-	-	-	-	-	-	-	18,320
發行成本	Issuing cost	-	(500)	-	-	-	-	-	-	-	-	-	(500)
根據行使購股權發行 新股份(附註28(i))	Issue of new shares upon exercise of share options (note 28(i))	11	987	-	-	-	-	(296)	-	-	-	-	702
股權結算以股份支付之 款項開支	Equity-settled share-based payments expenses	-	-	-	-	-	-	101	1,057	-	-	-	1,158
與擁有人交易	Transactions with owners	185	18,633	-	-	-	-	(195)	1,057	-	-	(8,800)	10,880
本年度溢利	Profit for the year	-	-	-	-	-	-	-	-	-	129,226	-	129,226
其他全面收益	Other comprehensive income												
換算海外業務財務報表 產生之匯兌虧損	Exchange loss on translation of financial statements of foreign operations	-	-	-	-	-	-	-	-	(539)	-	-	(539)
本年度其他全面收益總額	Total comprehensive income for the year	-	-	-	-	-	-	-	-	(539)	129,226	-	128,687
轉撥	Transfer	-	-	-	11,337	-	-	-	-	-	(11,337)	-	-
二零一零年建議股息 (附註12(a))	2010 proposed dividends (note 12(a))	-	-	-	-	-	-	-	-	-	(32,012)	32,012	-
於二零一零年十二月三十一日 結餘	Balance at 31 December 2010	4,216	108,177	31,182	30,144	1,359	633	530	4,162	(1,278)	316,378	32,012	527,515

財務報表附註 Notes to the Financial Statements

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

1. 一般資料

天德化工控股有限公司(「本公司」)為一間在開曼群島根據開曼群島公司法註冊成立之獲豁免有限公司。本公司註冊辦事處為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands。本公司之股份於香港聯合交易所有限公司(「聯交所」)上市。

本公司主要業務為投資控股。本公司附屬公司(連同本公司統稱為「本集團」)之主要業務載於財務報表附註27。

本集團最終控股公司為在英屬處女群島註冊成立之志峰集團有限公司。

財務報表乃按人民幣(「人民幣」)呈列,其亦為本公司之呈列貨幣及本集團主要營運附屬公司之功能性貨幣。除另有說明外,所載之數額已四捨五入至最接近之千位。

第41頁至第112頁所載之財務報表乃根據香港財務報告準則(「香港財務報告準則」,該統稱詞彙包括香港會計師公會(「香港會計師公會」)所頒佈所有適用之個別香港財務報告準則(「香港財務報告準則」)、香港會計準則(「香港會計準則」)及詮釋(「詮釋」),以及香港公司條例之披露規定而編製。財務報表亦載有聯交所證券上市規則規定之適用披露事項。

截至二零一零年十二月三十一日止年度之財務報表已於二零一一年三月二十一日獲本公司董事會批准刊發。

1. General information

Tiande Chemical Holdings Limited (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company’s shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The principal activity of the Company is investment holding. The principal activities of the Company’s subsidiaries (together with the Company referred to as the “Group”) are set out in note 27 to the financial statements.

The ultimate holding company of the Group is Cheerhill Group Limited, a company incorporated in the British Virgin Islands.

The financial statements are presented in Renminbi (“RMB”) which is the Company’s presentation currency and functional currency of the principal operating subsidiaries of the Group and all values are rounded to the nearest thousand except when otherwise stated.

The financial statements on pages 41 to 112 have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) which collective term includes all applicable individual Hong Kong Financial Reporting Standards (“HKFRS”), Hong Kong Accounting Standards (“HKAS”) and Interpretations (“Int”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance. The financial statements also include the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange.

The financial statements for the year ended 31 December 2010 were approved for issue by board of the directors of the Company on 21 March 2011.

2. 採納新訂或經修訂香港財務報告準則

於本年度，本集團首次採用由香港會計師公會頒佈之以下新準則、修訂及詮釋，該等準則適用於及對二零一零年一月一日開始之年度期間之本集團財務報表有效：

香港會計準則第27號 (經修訂)	綜合及獨立財務報表
香港財務報告準則第2號(修訂本)	以股份支付之款項 – 集團以現金結算以股份支付之款項
香港財務報告準則第3號(經修訂)	業務合併
香港 – 詮釋第5號	財務報表之呈列 – 借款人對包含可隨時要求償還條款的定期貸款之分類
二零零九年香港財務報告準則改進	多項於二零零九年五月頒佈之香港財務報告準則修訂

除以下作註解者外，採納新訂香港財務報告準則對本期間及以前期間之業績及財務狀況之編製及呈列沒有重大影響。

香港會計準則第17號(修訂本) – 租賃

作為二零零九年頒佈之香港財務報告準則的改進項目之一部分，香港會計準則第17號對租賃土地之分類已作出修訂。在修訂香港會計準則第17號之前，本集團須將租賃土地分類為經營租賃，並於財務狀況表將其列作預付土地租賃款項。香港會計準則第17號之修訂本已刪除此規定，並要求租賃土地須根據香港會計準則第17號所載之一般原則劃分，即取決於租賃資產之擁有權所附之絕大部分風險及回報是否已轉移予承租人。本集團之結論為於中華人民共和國(「中國」)之土地使用權分類為經營租賃仍屬恰當(見附註4(vii))。於年內採納香港會計準則第17號不會造成影響，而新會計政策已追溯應用。

2. Adoption of new or amended HKFRSs

In the current year, the Group has applied for the first time the following new standards, amendments and interpretations issued by the HKICPA, which are relevant to and effective for the Group's financial statements for the annual period beginning on 1 January 2010:

HKAS 27 (Revised)	Consolidated and Separate Financial Statements
Amendments to HKFRS 2	Share-based Payments – Group Cash-settled Share-based Payment Transactions
HKFRS 3 (Revised)	Business Combinations
HK-Int 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Improvements to HKFRSs 2009	Amendments to a number of HKFRSs issued in May 2009

Other than as noted below, the adoption of the new HKFRSs had no material impact on how the results and financial position for the current and prior periods have been prepared and presented.

HKAS 17 (Amendments) – Leases

As part of Improvements to HKFRSs issued in 2009, HKAS 17 has been amended in relation to the classification of leasehold land. Before the amendment to HKAS 17, the Group was required to classify leasehold land as operating leases and to present leasehold land as prepaid land lease payments in the statement of financial position. The amendment to HKAS 17 has removed such a requirement and requires that the classification of leasehold land should be based on the general principles set out in HKAS 17, that is, whether or not substantially all the risks and rewards incidental to ownership of a leased asset have been transferred to the lessee. The Group concluded that the classification of the land use rights in the People's Republic China (the "PRC") as operating leases continues to be appropriate (see note 4(vii)). The adoption of HKAS 17 has had no impact during the year and the new accounting policy has been applied retrospectively.

2. 採納新訂或經修訂香港財務報告準則 (續)

香港－詮釋第5號－財務報表之呈列－借 款人對包含可隨時要求償還條款之定期貸 款的分類

此項詮釋是對現行準則－香港會計準則第1號財務報表之呈列之澄清。此項詮釋載明香港會計師公會之決定，倘定期貸款中之條款賦予貸款人可隨時要求還款之無條件權利，則不論貸款人無故援引有關條款之機會如何，亦須根據香港會計準則第1號第69(d)段將有關貸款分類為流動負債。

由於香港－詮釋第5號之總結與本集團已採用之政策一致，頒佈該詮釋對綜合財務報表不會有重大影響。

於本財務報表授權日，若干新訂及經修訂香港財務報告準則已刊載但未生效，本集團仍未加以採納。

本公司董事(「董事」)預測，本集團會計政策將於聲明生效日期後第一個年度開始採納所有聲明。預期將會對本集團會計政策構成影響之新訂及經修訂香港財務報告準則之資料在下文載述。若干其他新訂及經修訂香港財務報告準則經已頒佈，但預期不會對本集團財務報表構成重大影響。

香港財務報告準則第9號

此項準則對二零一三年一月一日或之後開始之會計期間生效，內容有關財務資產之分類及計量。此項新訂準則減少財務資產之計量類別數目，並根據實體管理財務資產之業務模式及財務資產之合約現金流量特徵，按攤銷成本或公平價值對所有財務資產進行計量。公平價值收益及虧損將於損益確認，惟若干權益投資之公平價值收益及虧損則於其他全面收益內呈列。董事現正評估該項新訂準則對本集團於應用首年之業績及財務狀況可能產生之影響。

2. Adoption of new or amended HKFRSs (Continued)

HK-Int 5 – Presentation of financial statements – Classification by the borrower of a term loan that contains a repayment on demand clause

The Interpretation is a clarification of an existing standard, HKAS 1 Presentation of Financial Statements. It sets out the conclusion reached by the HKICPA that a term loan which contains a clause which gives the lender the unconditional right to demand repayment at any time shall be classified as a current liability in accordance with paragraph 69(d) of HKAS 1 irrespective of the probability that the lender will invoke the clause without cause.

The issuance of HK-Int 5 has had no material impact on the consolidated financial statements as the Interpretation's conclusion was consistent with policies already adopted by the Group.

At the date of authorisation of these financial statements, certain new and amended HKFRSs have been published but are not effective, and have not been adopted by the Group.

The directors of the Company (the “Directors”) anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning after the effective date of the pronouncement. Information on new and amended HKFRSs that are expected to have impact on the Group's accounting policies is provided below. Certain other new and amended HKFRSs have been issued but are not expected to have a material impact of the Group's financial statements.

HKFRS 9 Financial instruments

The standard is effective for accounting periods beginning on or after 1 January 2013 and addresses the classification and measurement of financial assets. The new standard reduces the number of measurement categories of financial assets and all financial assets will be measured at either amortised cost or fair value based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. Fair value gains and losses will be recognised in profit or loss except for those on certain equity investments which will be presented in other comprehensive income. The Directors are currently assessing the possible impact of the new standard on the Group's results and financial position in the first year of application.

2. 採納新訂或經修訂香港財務報告準則 (續)

香港財務報告準則第9號 (續)

於二零一零年十一月，香港會計師公會就財務負債頒佈香港財務報告準則第9號之新增規定。該修訂帶來之變動只對指定可透過公平價值選擇(「公平價值選擇」)按公平價值計入損益之財務負債計量構成影響。就該等公平價值選擇負債而言，因信貸風險變動而產生之負債公平價值變動金額，必須於其他全面收益中呈列。除非於其他全面收益中就負債之信貸風險呈列公平價值變動會於損益中產生或擴大會計差異，否則其餘公平價值變動金額均於損益呈列。香港會計準則第39號與負債相關之所有其他規定已轉往香港財務報告準則第9號。然而，該新增規定並不涵蓋納入公平價值選擇之貸款承諾及財務擔保合約。

香港會計準則第12號 (修訂本) – 遞延稅項：收回相關資產

此項修訂對二零一二年一月一日或之後開始之會計期間生效。對香港會計準則第12號作出之修訂引入了一項具爭議之推定，即投資物業可透過銷售整項收回。如投資物業有可能貶值，並以目的為隨著時間(而非透過銷售)而耗用該投資物業內含絕大部分經濟利益之商業模型持有，此項推定即具爭議性。該修訂將會追溯應用。董事現正評估該項修訂對本集團於應用首年之業績及財務狀況可能產生之影響。

香港會計準則第24號 (經修訂) 關聯方交易

此項準則對二零一一年一月一日或之後開始之會計期間生效。此項準則澄清和簡化關聯方之定義。此外，準則並就須向政府相關實體作出之關聯方披露給予部分豁免，條件是有關交易乃與同一政府或與由同一政府控制或受同一政府共同或重大影響之實體進行。採納經修訂準則將導致會計政策變動。由於本集團目前沒有與政府相關實體進行任何重大交易，該經修訂準則應不會對關聯方披露有任何影響。

2. Adoption of new or amended HKFRSs (Continued)

HKFRS 9 Financial instruments (Continued)

In November 2010, the HKICPA issued additions to HKFRS 9 to address financial liabilities. The changes resulting from the amendments only affect the measurement of financial liabilities designated at fair value through profit or loss using the fair value option (“FVO”). For these FVO liabilities, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in other comprehensive income. The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability’s credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. All other requirements in HKAS 39 in respect of liabilities are carried forward into HKFRS 9. However, the loan commitments and financial guarantee contracts which have been designated under the FVO are scoped out of these additions.

HKAS 12 (Amendments) – Deferred tax: Recovery of underlying assets

The amendment is effective for accounting periods beginning on or after 1 January 2012. The amendments to HKAS 12 introduce a rebuttable presumption that an investment property is recovered entirely through sale. This presumption is rebutted if the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The amendment will be applied retrospectively. The Directors are currently assessing the possible impact of the amendment on the Group’s results and financial position in the first year of application.

HKAS 24 (Revised) Related party transactions

The standard is effective for accounting periods beginning on or after 1 January 2011. The standard clarifies and simplifies the definition of related parties. It also provides for a partial exemption of related party disclosure to government-related entities for transactions with the same government or entities that are controlled, jointly or significantly influenced by the same government. The adoption of the revised standard will result in changes in the accounting policy. The revised standard is unlikely to have any impact on the related party disclosures as the Group currently does not have any significant transactions with government-related entities.

3. 主要會計政策概要

(a) 編製基準

用於編製財務報表之主要會計政策概述如下，除另有說明外，該等政策於提呈的所有年度均一致採納。採納新訂或經修訂香港財務報告準則及對本集團財務報表之影響(如有)已在附註2披露。

財務報表乃按歷史成本法編製，惟以公平價值列賬之投資物業之重估則除外。計量基準於下述會計政策中詳述。

務請注意，編製財務報表時已使用會計估計及假設。儘管該等估計乃基於管理層對現時事件及行動所掌握之一切資料而按最佳判斷作出，實際結果最終或會有別於該等估計。涉及高度判斷或極為複雜之範疇，或假設及估計對財務報表乃屬重要之範疇，乃於附註4披露。

(b) 綜合基準及業務合併

綜合財務報表包括本公司及其附屬公司截至每年十二月三十一日止之財務報表。

附屬公司於控制權轉交本集團當日起綜合於賬目內，並於終止控制日期起不再綜合於賬目內。

本集團各成員公司之間的交易、交易結餘及未變現收益及虧損均於編製綜合財務報表時對銷。集團內部資產銷售的未變現虧損於綜合賬目時撥回，而相關資產亦會從本集團之角度進行減值測試。附屬公司財務報表內所報告之金額已於需要時作調整，以確保與本集團採納之會計政策貫徹一致。

3. Summary of significant accounting policies

(a) Basis of preparation

The significant accounting policies that have been used in the preparation of these financial statements are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated. The adoption of new or amended HKFRSs and the impacts on the Group's financial statements, if any, are disclosed in note 2.

The financial statements have been prepared on the historical cost basis except for the revaluation of investment properties which are stated at fair values. The measurement bases are fully described in the accounting policies below.

It should be noted that accounting estimates and assumptions are used in preparation of the financial statements. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

(b) Basis of consolidation and business combination

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31 December each year.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are excluded from consolidation from the date that control ceases.

Intra-group transactions, balances and unrealised gains and losses on transactions between group companies are eliminated in preparing the consolidated financial statements. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from the Group's perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

3. 主要會計政策概要(續)

(b) 綜合基準及業務合併(續)

(i) 於二零一零年一月一日後進行之業務合併

收購附屬公司或業務乃以收購法入賬。收購成本按本集團(作為收購方)所轉移之資產、產生之負債及發行之股權於收購日期之公平價值總額計量。所收購之可識別資產及承擔之可識別負債主要按收購日期之公平價值計量。本集團先前持有被收購方之股權按收購日期之公平價值重新計量，所產生之損益於損益確認。本集團可按每宗交易選擇按公平價值或按應佔被收購方可識別資產淨值之比例計量非控股權益。所產生之收購相關成本一概列作開支。

收購方將予轉移之任何或然代價均按收購日期之公平價值計量。倘其後對代價作出調整，僅於調整乃由於計量期間(最長為收購日期起計12個月)內所取得有關於收購日期之公平價值之新資料而作出時，方通過商譽確認。分類為資產或負債之或然代價之所有其他其後調整均於損益確認。

本集團於附屬公司之權益變動(並無導致失去控制權)列作權益交易入賬。本集團之權益與非控股權益之賬面值均作調整，以反映兩者於附屬公司相對權益之變動。非控股權益之調整額與已經支付或收取之代價之公平價值之間的任何差額，均直接於權益確認，並歸屬於本公司擁有人。

3. Summary of significant accounting policies (Continued)

(b) Basis of consolidation and business combination (Continued)

(i) Business combination from 1 January 2010

Acquisition of subsidiaries or businesses is accounted for using the acquisition method. The cost of an acquisition is measured at the aggregate of the acquisition-date fair value of assets transferred, liabilities incurred and equity interests issued by the Group, as the acquirer. The identifiable assets acquired and liabilities assumed are principally measured at acquisition-date fair value. The Group's previously held equity interest in the acquiree is re-measured at acquisition-date fair value and the resulting gains or losses are recognised in profit or loss. The Group may elect, on a transaction-by-transaction basis, to measure the non-controlling interests either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs incurred are expensed.

Any contingent consideration to be transferred by the acquirer is recognised at acquisition-date fair value. Subsequent adjustments to consideration are recognised against goodwill only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

3. 主要會計政策概要(續)

(b) 綜合基準及業務合併(續)

(i) 於二零一零年一月一日後進行之業務合併(續)

倘本集團失去附屬公司之控制權，出售損益乃按下列兩者之差額計算：(i)所收取代價之公平價值與任何保留權益之公平價值之總額；(ii)該附屬公司之資產(包括商譽)及負債與任何非控股權益過往之賬面值。先前就該附屬公司於其他全面收益確認之款額按假定出售相關資產或負債時所規定之相同方式列賬。

收購後，非控股權益之賬面值為該等權益於初步確認時之金額另加非控股權益應佔權益其後變動之部分。全面收益總額乃歸屬於非控股權益，即使此舉會導致非控股權益出現虧絀亦然。

(ii) 於二零一零年一月一日前進行之業務合併

於綜合財務報表中，收購附屬公司(受共同控制者除外)乃採用收購法列賬。此涉及估計所有可識別資產及負債(包括附屬公司之或然負債)於收購日期之公平價值，而不論有關資產及負債於收購前是否於附屬公司之財務報表列賬。初步確認時，附屬公司之資產及負債按其公平價值計入綜合財務狀況表，並用作其後按本集團會計政策計量之基準。

非控股權益意指並非由本集團擁有之股權(亦非為本集團財務負債)應佔之附屬公司損益及淨資產。

3. Summary of significant accounting policies (Continued)

(b) Basis of consolidation and business combination (Continued)

(i) Business combination from 1 January 2010 (Continued)

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of.

Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(ii) Business combination prior to 1 January 2010

In consolidated financial statements, acquisition of subsidiaries (other than those under common control) is accounted for by applying the purchase method. This involves the estimation of fair value of all identifiable assets and liabilities, including contingent liabilities of the subsidiary, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. On initial recognition, the assets and liabilities of the subsidiary are included in the consolidated statement of financial position at their fair values, which are also used as the bases for subsequent measurement in accordance with the Group's accounting policies.

Non-controlling interests represent the portion of the profit or loss and net assets of a subsidiary attributable to equity interests that are not owned by the Group and are not the Group's financial liabilities.

3. 主要會計政策概要(續)

(b) 綜合基準及業務合併(續)

(ii) 於二零一零年一月一日前進行之業務合併(續)

非控股權益乃在綜合財務狀況表列於權益項下，並獨立於本公司擁有人應佔之權益。非控股權益應佔之損益乃於綜合全面收益表獨立呈列為本集團業績之分配。

倘非控股權益應佔虧損超過其所佔附屬公司之股本權益，任何超額部分和非控股權益應佔之進一步虧損均分配往非控股權益，惟以非控股權益須承擔具有約束力之責任並有能力增加投資以彌補虧損為限。否則，該虧損沖減本集團的權益。倘該附屬公司其後錄得溢利，該等溢利須分配予非控股權益，惟必須先行彌補本集團過往承擔之非控股權益應佔虧損。

(c) 附屬公司

附屬公司乃指本集團有權控制其財務及經營政策，以自其業務獲益之實體(包括特殊目的實體)。於評估本集團是否控制另一間實體時，會考慮現時可行使或可轉換之潛在投票權是否存在及其影響。

於本公司之財務狀況表內，除非附屬公司為持作待售或已包括在出售組別內，否則附屬公司乃按成本減任何減值虧損入賬。本公司乃按於報告日之已收及應收股息為基準，將附屬公司之業績列賬。因應接受投資公司之收購前或收購後溢利收取之所有股息，一概於本公司之損益賬確認。

3. Summary of significant accounting policies (Continued)

(b) Basis of consolidation and business combination (Continued)

(ii) Business combination prior to 1 January 2010 (Continued)

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from the equity attributable to the owners of the Company. Profit or loss attributable to the non-controlling interests is presented separately in the consolidated statement of comprehensive income as an allocation of the Group's results.

Where losses applicable to the non-controlling exceed the non-controlling interests in the subsidiary's equity, the excess and further losses applicable to the non-controlling are allocated against the non-controlling interests to the extent that the non-controlling has a binding obligation and is able to make an additional investment to cover the losses. Otherwise, the losses are charged against the Group's interests. If the subsidiary subsequently reports profits, such profits are allocated to the non-controlling interests only after the non-controlling's share of losses previously absorbed by the Group has been recovered.

(c) Subsidiaries

Subsidiaries are entities (including special purpose entities) over which the Group has the power to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

In the Company's statement of financial position, subsidiaries are carried at cost less any impairment loss unless the subsidiary is held for sale or included in a disposal group. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable at the reporting date. All dividends whether received out of the investee's pre or post-acquisition profits are recognised in the Company's profit or loss.

3. 主要會計政策概要(續)

(d) 外幣換算

於綜合實體之獨立財務報表內，外幣交易均按交易日期之匯率換算為個別實體之功能貨幣。於報告日，以外幣列值之貨幣資產及負債按報告日之通行外幣匯率換算。結算該等交易及於報告日重新換算貨幣資產及負債產生之匯兌收益及虧損，均於損益賬確認。

以外幣列值並按公平價值列賬之非貨幣項目，按釐定公平價值當日之匯率重新換算，並列作公平價值收益或虧損一部分。以外幣按歷史成本計量之非貨幣項目不作重新換算。

於綜合財務報表內，海外業務所有原先以與本集團呈列貨幣不同之貨幣呈列之獨立財務報表均已換算為人民幣。資產與負債已按報告日之收市匯率換算為人民幣。倘匯率並無大幅波動，收支項目乃按交易日期之匯率或報告期間之平均匯率換算為人民幣。因此程序而產生之任何差額已於其他全面收益確認，並且於權益內之外幣匯兌儲備另行累計。

出售海外業務時，該等匯兌差額會由權益重新分類為損益，作為出售收益或虧損的一部分。

3. Summary of significant accounting policies (Continued)

(d) Foreign currency translation

In the individual financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. At the reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the reporting date retranslation of monetary assets and liabilities are recognised in profit or loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined and are reported as part of the fair value gain or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

In the consolidated financial statements, all individual financial statements of foreign operations, originally presented in a currency different from the Group's presentation currency, have been converted into RMB. Assets and liabilities have been translated into RMB at the closing rates at the reporting date. Income and expenses have been converted into RMB at the exchange rates ruling at the transaction dates, or at the average rates over the reporting period provided that the exchange rates do not fluctuate significantly. Any differences arising from this procedure have been recognised in other comprehensive income and accumulated separately in the foreign exchange translation reserve in equity.

When a foreign operation is sold, such exchange differences are reclassified from equity to profit or loss as part of the gain or loss on sale.

3. 主要會計政策概要 (續)

(e) 物業、廠房及設備

物業、廠房及設備(除在建工程外)乃按成本值減累計折舊及所有累計減值虧損列賬。資產成本包括買價及將資產達致運作狀況及運到有關地點作擬定用途之任何直接應佔成本。

物業、廠房及設備之折舊以直線法根據下列年率計算，按其估計可使用年期撇銷其成本(減殘值)(如有)：

樓宇	4.5%–5%或按租賃年期(以較短者為準)
租賃物業裝修	20%或按租賃年期(以較短者為準)
廠房及機器	6%–10%
汽車	18%–20%
傢俬、固定裝置及辦公室設備	18%–20%

於每個報告日，在適當情況下，對資產之殘值、折舊方法及可使用年期進行檢討並作出調整。

報廢或出售所產生之收益或虧損乃出售該項資產所得款項與其賬面值間之差額，並於損益賬內確認。

在建工程意指租賃樓宇及建造中之廠房及機器，並按成本扣除所有累計減值虧損列賬。於相關資產可供使用時，開始計提折舊。

其後，成本僅於與項目有關之未來經濟利益將有可能流入本集團，而項目之成本能可靠地計量時，方會列入資產之賬面值或確認為獨立資產(如適用)。維修及保養費等所有其他成本於產生之財政期間自損益扣除。

3. Summary of significant accounting policies (Continued)

(e) Property, plant and equipment

Property, plant and equipment (other than construction in progress) are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of an asset comprises its purchase price and any directly attributable cost of bringing the asset to the working condition and location for its intended use.

Depreciation on property, plant and equipment is provided to write off the cost less their residual values, if any, over their estimated useful lives, using the straight-line method, at the following rates per annum:

Buildings	4.5%–5% or the lease term, whichever is shorter
Leasehold improvements	20% or the lease term, whichever is shorter
Plant and machinery	6%–10%
Motor vehicles	18%–20%
Furniture, fixtures and office equipment	18%–20%

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

The gain or loss arising on retirement or disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Construction in progress represents leasehold buildings and plant and machinery under construction, which is stated at cost less any accumulated impairment losses. Depreciation begins when the relevant assets are available for use.

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

3. 主要會計政策概要(續)

(f) 預付土地租賃款項

就收購根據經營租賃持有之土地所作出預付款項乃以成本減累計攤銷及任何累計減值虧損列值。至於一項安排是否屬於租賃或是否包含租賃以及該租賃是否屬於經營租賃，有關的釐定方式乃於附註3(m)詳述。攤銷乃按租期／使用權有效期以直線法計算，惟倘有另一種基準更能反映本集團透過利用有關土地可產生收益之時間模式則除外。

(g) 投資物業

投資物業是指為賺取租金收入及／或為資本增值而以租賃權益擁有或持有的土地及／或建築物，包括就尚未確定未來用途持有的土地及正在興建或發展以於將來作投資物業之用的物業。

如本集團以經營租賃持有物業權益以賺取租金收入及／或取得資本增值，有關權益會按每項物業分類為投資物業及按投資物業入賬。分類為投資物業的任何物業權益的入賬方式與假定以融資租賃持有的權益相同。

投資物業於初步確認時按成本(包括任何應計之直接開支)計量。初步確認後，除非投資物業在報告日仍然在建設或發展過程中，而其公平價值當時不能可靠地確定，否則投資物業按公平價值列賬。公平價值每年由對投資物業地點及性質具豐富經驗之外部專業估值師釐定。在報告日確認的賬面值，反映報告日之當時市況。

公平價值變化或出售投資物業所產生之收益或虧損於其產生期間於損益賬確認。

3. Summary of significant accounting policies (Continued)

(f) Prepaid land lease payments

Upfront payments made to acquire land held under an operating lease are stated at cost less accumulated amortisation and any accumulated impairment losses. The determination if an arrangement is or contains a lease and the lease is an operating lease is detailed in note 3(m). Amortisation is calculated on a straight-line method over the term of the lease/right of use except where an alternative basis is more representative of the time pattern of benefits to be derived by the Group from use of the land.

(g) Investment properties

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

When the Group holds a property interest under an operating lease to earn rental income and/or for capital appreciation, the interest is classified and accounted for as an investment property on a property-by-property basis. Any such property interest which has been classified as an investment property is accounted for as if it were held under a finance lease.

On initial recognition, investment property is measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment property is stated at fair value, unless it is still in the course of construction or development at the reporting date and its fair value cannot be reliably determined at that time. Fair value is determined by external professional valuers, with sufficient experience with respect to both the location and the nature of the investment property. The carrying amounts recognised at the reporting date reflect the prevailing market conditions at the reporting date.

Gains or losses arising from either changes in the fair value or the sale of an investment property are included in profit or loss in the period in which they arise.

3. 主要會計政策概要 (續)

(h) 研發活動

與研究活動相關之成本於產生時於損益賬內支銷。發展活動直接應佔之成本確認為無形資產，惟須符合下列有關確認的規定：

- (i) 證實供內部使用或出售之準產品之技術可行性；
- (ii) 有意完成無形資產並使用或出售新產品；
- (iii) 本集團使用或出售無形資產之能力得到證明；
- (iv) 無形資產極有可能透過內部使用或出售產生經濟利益；
- (v) 有足夠技術、財務及其他資源可用於完成研發；及
- (vi) 無形資產應佔開支能可靠計量。

直接成本包括因發展活動而產生的員工成本及適當比例的開支。因內部開發而產生之軟件、產品或知識如符合以上確認要求，有關的開發成本確認為無形資產。此等成本的後續計量方法與已收購的無形資產相同。

所有其他開發成本於產生時支銷。

3. Summary of significant accounting policies (Continued)

(h) Research and development activities

Cost associated with research activities are expensed in profit or loss as they occur. Costs that are directly attributable to development activities are recognised as intangible assets provided they meet the following recognition requirement:

- (i) demonstration of technical feasibility of the prospective product for internal use or sale;
- (ii) there is intention to complete the intangible asset and use or sell it;
- (iii) the Group's ability to use or sell the intangible asset is demonstrated;
- (iv) the intangible asset will generate probable economic benefits through internal use or sale;
- (v) sufficient technical, financial and other resources are available for completion; and
- (vi) the expenditure attributable to the intangible asset can be reliably measured.

Direct costs include employee costs incurred on development activities along with an appropriate portion of relevant overheads. The costs of development of internally generated software, products or knowhow that meet the above recognition criteria are recognised as intangible assets. They are subject to the same subsequent measurement method as acquired intangible assets.

All other development costs are expensed as incurred.

3. 主要會計政策概要(續)

(i) 財務資產

本集團財務資產分類為貸款及應收款項。管理層於初步確認時，按收購財務資產之目的將財務資產分類。在容許及適當情況下，財務資產之分類於每個報告日重新評估。

所有財務資產於及僅於本集團成為該工具之合約條文的一方時，方予確認。初步確認財務資產時，會按公平價值，再加上直接應佔交易成本計量。

倘自投資獲取現金流量之權利已屆滿或已轉讓及其擁有權之絕大部分風險及回報已轉讓，則終止確認財務資產。

於每個報告日，會檢討財務資產以評估有否客觀跡象顯示減值。倘有任何該等跡象，則會按該財務資產之分類釐定及確認減值虧損。

貸款及應收款項為附帶固定或可釐定付款之非衍生性質且並無活躍市場報價之財務資產。貸款及應收款項其後使用實際利息法以攤銷成本減任何減值虧損計量。攤銷成本按計及任何收購折讓或溢價後計算，包括屬實際利息及交易成本一部分之費用。

3. Summary of significant accounting policies (Continued)

(i) Financial assets

Financial assets of the Group are classified into loans and receivables. Management determines the classification of its financial assets at initial recognition depending on the purpose for which the financial assets were acquired and where allowed and appropriate, re-evaluates this designation at every reporting date.

All financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the instrument. When financial assets are recognised initially, they are measured at fair value, plus directly attributable transaction costs.

Derecognition of financial assets occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

At each reporting date, financial assets are reviewed to assess whether there is objective evidence of impairment. If any such evidence exists, impairment loss is determined and recognised based on the classification of the financial asset.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are subsequently measured at amortised cost using the effective interest method, less any impairment losses. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction cost.

3. 主要會計政策概要 (續)

(i) 財務資產 (續)

財務資產之減值

於每個報告日，財務資產會檢討以釐定有否任何客觀跡象顯示減值。

個別財務資產之客觀減值跡象包括本集團注意到以下一項或多項虧損事項之顯著數據：

- 債務人有重大財務困難；
- 違反合約，如拖欠償還利息或本金；
- 債務人可能破產或進行其他財務重組；及
- 科技、市場、經濟或法律環境有重大改變而對債務人有不利影響。

一組財務資產之虧損事件包括顯示該組財務資產之估計未來現金流量出現可計量之減少之顯著數據。該等顯著數據包括(但不限於)該組別內應收款項之付款情況，以及與該組別資產違約有關連的國家或地方經濟情況出現不利變動。

倘有客觀跡象顯示按攤銷成本列賬之貸款及應收款項出現減值虧損，有關虧損金額為資產賬面值與估計日後現金流量(不包括尚未產生之日後信貸虧損)按該財務資產原本實際利率(即初步確認時計算之實際利率)折現之現值間之差額。虧損金額會於減值產生之期間在損益賬確認。

3. Summary of significant accounting policies (Continued)

(i) Financial assets (Continued)

Impairment of financial assets

At each reporting date, financial assets are reviewed to determine whether there is any objective evidence of impairment.

Objective evidence of impairment of individual financial assets 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; and
- Significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor.

Loss events in respect of a group of financial assets include observable data indicating that there is a measurable decrease in the estimated future cash flows from the group of financial assets. Such observable data includes but not limited to adverse changes in the payment status of debtors in the group and, national or local economic conditions that correlate with defaults on the assets in the group.

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The amount of the loss is recognised in profit or loss of the period in which the impairment occurs.

3. 主要會計政策概要(續)

(i) 財務資產(續)

財務資產之減值(續)

倘於往後期間，減值虧損金額減少，而有關減少客觀地關乎確認減值後發生之事件，則早前確認之減值虧損將予撥回，惟於撥回減值當日財務資產之賬面值不得因而超逾在無確認減值的情況下而原應釐定之攤銷成本。撥回金額於撥回產生之期間在損益賬確認。

(j) 存貨

存貨乃按成本值與可變現淨值兩者中之較低者列賬。可變現淨值按日常業務中之估計售價扣除預計完成成本及預計銷售所需成本計算。成本按加權平均法計算，如屬半成品和成品，則包括直接材料，直接工資及適當比例的費用，以及適當的分包費用。

(k) 現金及現金等值項目

現金及現金等值項目包括銀行及手頭現金、銀行活期存款以及可隨時兌換為已知金額現金(原到期日為三個月或以內)，且所涉及價值變動風險輕微之短期高流通量投資。

3. Summary of significant accounting policies (Continued)

(i) Financial assets (Continued)

Impairment of financial assets (Continued)

If, in subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that it does not result in a carrying amount of the financial asset exceeding what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss of the period in which the reversal occurs.

(j) Inventories

Inventories are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and applicable selling expenses. Cost is determined using the weighted average basis, and in the case of work in progress and finished goods, comprise direct materials, direct labour and an appropriate proportion of overheads, and where appropriate, subcontracting charges.

(k) Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, demand deposits with banks and short term highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

3. 主要會計政策概要(續)

(I) 財務負債

本集團之財務負債包括銀行借貸及貿易應付賬、應付票據及其他應付款項。此等項目已包括在財務狀況表中流動和非流動負債下的銀行借貸、貿易應付賬、應付票據及應付未付款項及其他應付款項。

財務負債乃於本集團成為工具合約條文之一方時確認。所有利息相關開支乃根據本集團就借貸成本採納之會計政策(見附註3(t))確認。

財務負債於負債責任履行、註銷或到期時終止確認。

倘現行財務負債以由相同借款人按極為不同條款作出之另一項財務負債取代，或現行負債之條款大幅修訂，則有關取代或修訂視作終止確認原有負債及確認新負債處理，而各賬面值間之差額會於損益賬確認。

借貸

借貸初步按公平價值扣除交易成本確認。其後借貸按攤銷成本列賬，至於所得款項(扣除交易成本)與贖回價值間之任何差額，乃於借貸期內使用實際利率法於損益賬內確認。

借貸歸類為流動負債，除非本集團擁有無條件權利可延遲至報告日至少十二個月後償債。

貿易應付賬、應付票據及其他應付款項

貿易應付賬、應付票據及其他應付款項初步按其公平價值確認，其後以實際利息法按攤銷成本計量。

3. Summary of significant accounting policies (Continued)

(I) Financial liabilities

The Group's financial liabilities include bank borrowings and trade, bills and other payables. They are included in line items in the statement of financial position as bank borrowings under current and non-current liabilities, trade and bills payable and accruals and other payables.

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. All interest related charges are recognised in accordance with the Group's accounting policy for borrowing costs (see note 3(t)).

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

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

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Trade, bills and other payables

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

3. 主要會計政策概要(續)

(m) 租賃

倘本集團確定一項安排賦予於經議定期間內使用指定資產之權利，而使用者須付款或作出一系列付款作為回報，則該安排(包括一項交易或一系列交易)屬於或包含租賃。本集團經評估該項安排之實際內容後，方會作出上述確定，並不會考慮該項安排是否擁有租約之法定形式。

(i) 本集團承租之資產之分類

本集團按租賃持有而擁有權之絕大部分風險及回報轉讓予本集團之資產，乃分類為按融資租賃持有。並無將擁有權之絕大部分風險及回報轉讓予本集團之租賃，乃分類為經營租賃，但下列情況例外：

按經營租賃持有的物業如符合投資物業之定義，則按個別物業分類為投資物業。倘已分類為投資物業，入賬方式與歸類為按融資租賃持有者相同(見附註3(g))。

(ii) 經營租賃費用(作為承租人)

如本集團有權使用按經營租賃持有之資產，則除非有較租賃資產之產生利益時間模式更具代表性之另一基準，否則根據租賃作出之付款會按租期以直線法於損益賬中扣除。至於所得之租賃獎勵，會作為已繳付租賃付款淨值總額之一部分於損益賬中確認。或然租金於其發生之會計期間於損益賬中扣除。

3. Summary of significant accounting policies (Continued)

(m) Leases

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

(i) Classification of assets leased to the Group

Assets that are held by the 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, with the following exceptions:

Property held under operating leases that would otherwise meet the definition of an investment property is classified as an investment property on a property-by-property basis and, if classified as investment property, is accounted for as if held under a finance lease (see note 3(g)).

(ii) Operating lease charges as the lessee

Where the Group has the right to use the assets held under operating leases, payments made under the leases are charged to profit or loss on a straight-line method over the lease terms except where an alternative basis is more representative of the time pattern of benefits to be derived from the leased assets. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rental are charged to profit or loss in the accounting period in which they are incurred.

3. 主要會計政策概要 (續)

(m) 租賃 (續)

(iii) 根據經營租賃租賃之資產 (作為出租人)

根據經營租賃租賃之資產乃按資產性質計量及呈列。因商議及安排經營租賃而產生之初步直接成本會記入租賃資產之賬面值，並以租金收入之同一基準按租期確認為開支。

經營租賃所得租金收入按租期覆蓋之期間以直線法於損益賬中確認，除非另有更能代表獲得因使用有關租賃資產所產生利益之時間模式則作別論。至於所得之租賃獎勵，會作為已收取租賃付款淨值總額之一部分於損益賬中確認。或然租金於其發生之會計期間確認為收入。

(n) 撥備及或然負債

倘本集團因過往事件負上現有責任 (法律上或推定的)，並可能需要以經濟利益流出來承擔有關責任及可就負債金額作出可靠估計，方會確認撥備。倘金錢之時間價值重大，撥備會以承擔責任之預期所需支出之現值列報。

在每個報告日，會對所有撥備進行檢討及調整，以反映當時最合適的估計。

倘可能毋須流出經濟利益或無法可靠估計有關金額，則有關責任會披露為或然負債，惟倘經濟利益極不可能流出則作別論。至於潛在責任存在與否，僅取決於非本集團所能完全控制之一項或多項未來不確定事件是否發生；潛在責任乃披露為或然負債，惟倘經濟利益極不可能流出則作別論。

3. Summary of significant accounting policies (Continued)

(m) Leases (Continued)

(iii) Assets leased out under operating leases as the lessor

Assets leased out under operating leases are measured and presented according to the nature of the assets. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the rental income.

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

(n) Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation 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.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

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 uncertain future events not wholly within the control of the Group are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

3. 主要會計政策概要(續)

(n) 撥備及或然負債(續)

或然負債於購買價分配至在業務合併中所收購資產及負債過程中確認。或然負債初步按收購日期之公平價值計量，其後按在上述可資比較撥備中確認之金額與初步確認金額減任何累計攤銷(如適用)之較高者計量。

(o) 股本

普通股乃分類為權益。股本乃使用已發行股份之面值釐定。

與發行股份有關之任何交易成本乃自股份溢價(扣除任何相關所得稅利益)中扣除，惟以權益交易之直接應佔成本增加幅度為限。

(p) 收益確認

收益包含因銷售貨品及其他人士使用本集團資產產生利益而已收或應收的代價。倘經濟利益有可能流入本集團，且能可靠地計量收益及成本(如適用)，收益按以下基準確認：

銷售貨品於貨品擁有權涉及之大部分風險及權益轉移至客戶時確認。一般於貨品送發及客戶接受貨品時確認。

按經營租賃應收之租金收入按租期覆蓋之會計期間以等額方式於損益賬中確認。授出之租賃優惠於損益賬中確認為租約應收淨值總額的一部分。倘於會計期間賺得或然租金，則確認為該期間之收入。

利息收入使用實際利息法按時間比例基準確認。

3. Summary of significant accounting policies (Continued)

(n) Provisions and contingent liabilities (Continued)

Contingent liabilities are recognised in the course of the allocation of purchase price to the assets and liabilities acquired in a business combination. They are initially measured at fair value at the date of acquisition and subsequently measured at the higher of the amount that would be recognised in a comparable provision as described above and the amount initially recognised less any accumulated amortisation, if appropriate.

(o) Share capital

Ordinary shares are classified as equity. Share capital is determined using the nominal value of shares that have been issued.

Any transaction costs associated with the issuing of shares are deducted from share premium (net of any related income tax benefits) to the extent that they are incremental cost directly attributable to the equity transaction.

(p) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and the use by others of the Group's assets yielding interest. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised as follows:

Sales of goods are recognised upon transfer of the significant risks and rewards of ownership to the customer. This is usually taken as the time when the goods are delivered and the customer has accepted the goods.

Rental income receivable under operating leases is recognised in profit or loss in equal installments over the accounting periods covered by the lease terms. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

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

3. 主要會計政策概要 (續)

(q) 政府補貼

只有在可以合理保證該補貼將可收取以及本集團會符合政府補貼之附帶條件之情況下，政府補貼方會按公平價值確認。政府補貼為遞延項目，並須切合補貼用以補償的相關成本負擔發生期間在損益賬確認。涉及購置物業、廠房及設備之政府補貼已包括在財務狀況表中的負債作為遞延收入，並以直線法按有關資產預計可使用年期在損益賬確認。

涉及收入的政府補貼已在綜合收益表中的「其他收入」下的總額呈報。

(r) 非財務資產之減值

物業、廠房及設備、預付土地租賃款項以及於附屬公司之投資須進行減值測試。

所有該等資產於有跡象顯示可能無法收回其賬面值時測試減值。

減值虧損按資產之賬面值超出其可收回金額之部分即時確認為支出。可收回金額為反映市況之公平價值減出售成本與使用價值兩者中之較高者。評估使用價值時，估計日後現金流量按可反映幣值時間價值之現行市場評估及該資產之特定風險之稅前折現率，折現至其現值。

就評估減值而言，倘資產並無產生大致上獨立於其他資產之現金流入，其可收回金額會按獨立產生現金流入之最小組別資產(即現金產生單位)釐定。因此，部分資產會個別測試減值，部分則按現金產生單位測試。

3. Summary of significant accounting policies (Continued)

(q) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants are deferred and recognised in profit or loss over the period necessary to match them with the costs that the grants are intended to compensate. Government grants relating to the purchase of property, plant and equipment are included in liabilities as deferred income in the statement of financial position and are recognised in profit or loss on a straight-line method over the expected lives of the related assets.

Government grants relating to income is presented in gross under "Other income" in the consolidated income statement.

(r) Impairment of non-financial assets

Property, plant and equipment, prepaid land lease payments and investments in subsidiaries are subject to impairment testing.

All these assets are tested for impairment whenever there are indications that the asset's carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of time value of money and the risk specific to the asset.

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflow independently (i.e. a cash-generating unit). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

3. 主要會計政策概要(續)

(r) 非財務資產之減值(續)

如用以釐定資產可收回款額之估計發生有利變化，減值虧損將予回撥，但回撥不得導致資產賬面值超過在無確認減值虧損的情況下原應得出之資產值(扣除折舊或攤銷)。

(s) 僱員福利

退休福利

給予僱員之退休福利乃透過界定供款計劃提供。

本集團按照強制性公積金條例為所有合資格參與強制性公積金計劃的僱員設立界定供款退休福利計劃。供款乃按僱員基本薪金之百分比作出。

本集團設於中國之附屬公司之僱員，須參與由有關地方政府機關統籌之中央退休金計劃。

在僱員提供服務之年度，供款於損益賬中確認為開支。本集團在這些計劃下之責任僅為按固定比率作出供款。

短期僱員福利

僱員應得之年假於僱員可享有時確認。截至報告日因僱員提供服務而可享有之年假之估計負債已作撥備。

非累計之有薪假期(例如病假及產假)，於休假時方予確認。

3. Summary of significant accounting policies (Continued)

(r) Impairment of non-financial assets (Continued)

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(s) Employee benefits

Retirement benefits

Retirement benefits to employees are provided through defined contribution plans.

The Group operates a defined contribution retirement benefit plan under the Mandatory Provident Fund Schemes Ordinance, for all of its employees who are eligible to participate in the Mandatory Provident Fund Scheme. Contributions are made based on a percentage of the employees' basic salaries.

The employees of the Group's subsidiaries which operate in the PRC are required to participate in a central pension scheme operated by the local municipal government.

Contributions are recognised as an expense in profit or loss as employees render services during the year. The Group's obligations under these plans are limited to the fixed percentage contributions payable.

Short-term employee benefits

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

Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

3. 主要會計政策概要(續)

(s) 僱員福利(續)

以股份支付之薪酬

本集團推行以股權結算以股份支付之薪酬計劃，提供給其若干僱員及一位供應商。僱員提供以換取獲授任何以股份支付之薪酬之所有服務，乃按照公平價值計量。此乃參照所獲得之股本工具而間接釐定，其價值乃於授出日期評估，並不包括任何非市場歸屬條件(如盈利能力及銷售增長目標)之影響。

所有以股份支付之薪酬按歸屬期在損益賬確認為開支(若歸屬條件適用)，或於授出的股本工具即時歸屬時，在授出日期悉數確認為開支，除非有關薪酬符合資格確認為資產並在權益之以股份支付之款項儲備相應增加則作別論。倘歸屬條件適用，則開支會按歸屬期因應預期歸屬之股權工具數目之最佳可得估計確認。在有關預期將予歸屬之股權工具數目時之假設中，已納入非市場歸屬條件。倘有任何跡象顯示預期歸屬之股權工具數目與過往之估計不同，則會於其後修訂估計。

於購股權獲行使時，先前於以股份支付之款項儲備確認之款額將轉入股份溢價。於歸屬日期後，如已歸屬之購股權其後被沒收或於到期日尚未行使，早前於以股份支付之款項儲備確認之金額將轉入保留溢利。

就本公司最終控股公司轉讓予本公司一位僱員之股份而言，所獲取服務之公平價值乃參考獲授股份於授出日期之公平價值而釐定，並以直線法按歸屬期支銷及同時增加股本。於每個報告日，因應以非市場表現歸屬條件向一位僱員授出的股份，本集團會根據預期最終歸屬之股份數目修訂其估計。修訂估計於歸屬期內之影響(如有)會在損益賬中確認，並把相關之調整反映在撥備中。

3. Summary of significant accounting policies (Continued)

(s) Employee benefits (Continued)

Share-based compensation

The Group operates equity-settled share-based compensation plans to certain employees and a supplier. All employee services received in exchange for the grant of any share-based compensation are measured at their fair values. These are indirectly determined by reference to the equity instruments awarded. Their value is appraised at the grant date and excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets).

All share-based compensation is recognised as an expense in profit or loss over the vesting period if vesting conditions apply, or recognised as an expense in full at the grant date when the equity instruments granted vest immediately unless the compensation qualifies for recognition as asset, with a corresponding increase in the share-based payment reserve in equity. If vesting conditions apply, the expense is recognised over the vesting period, based on the best available estimate of the number of equity instruments expected to vest. Non-market vesting conditions are included in assumptions about the number of equity instruments that are expected to vest. Estimates are subsequently revised, if there is any indication that the number of equity instruments expected to vest differs from previous estimates.

At the time when the share options are exercised, the amount previously recognised in share-based payment reserve will be transferred to share premium. After vesting date, when the vested share options are later forfeited or are still not exercised at the expiry date, the amount previously recognised in share-based payment reserve will be transferred to retained profits.

For shares transferred to an employee of the Company by the Company's ultimate holding company, the fair value of services received is determined by reference to the fair value of shares granted at the grant date, and is expensed on a straight-line method over the vesting period with a corresponding increase in equity. At each reporting date, for shares granted to an employee with non-market performance vesting conditions, the Group revises its estimates of the number of shares that are expected to ultimately vest. The impact of the revision of the estimates during the vesting period, if any, is recognised in profit or loss, with a corresponding adjustment to reserve.

3. 主要會計政策概要(續)

(t) 借貸成本

就收購、建造或生產任何合資格資產所產生之借貸成本，於完成及準備資產作擬定用途的期間內撥充資本。合資格資產是指需要一段長時間方可達致擬定用途或出售的資產。其他借貸成本於產生時支銷。

在資產產生開支、借貸成本產生和使資產投入擬定用途或銷售所必須的準備工作進行期間，借貸成本乃撥充資本，作為合資格資產成本的一部分。在使合資格資產投入擬定用途或銷售所必須的絕大部分準備工作完成時，借貸成本即停止資本化。

(u) 所得稅之會計方法

所得稅包括即期稅項及遞延稅項。

即期所得稅資產及／或負債包括現行或上個報告期間應向財政機關支付或提出而於報告日尚未支付之責任或索償，乃根據有關財政期間之適用稅率及稅務法例，按照本年度之應課稅溢利計算。所有即期稅務資產或負債之變動均於損益賬確認為稅項開支一部分。

遞延稅項乃就於報告日財務報表內資產及負債之賬面值與其相關稅基間之暫時差額，按負債法計算。一般就所有應課稅暫時差額確認遞延稅項負債。遞延稅項資產乃就所有可扣減暫時差額、可結轉稅項虧損及其他未動用稅項抵免確認，惟須有應課稅溢利(包括現有應課稅暫時差額)可用作抵銷可扣減暫時差額、未動用稅項虧損及未動用稅項抵免。

3. Summary of significant accounting policies (Continued)

(t) Borrowing costs

Borrowing costs incurred for the acquisition, construction or production of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. Other borrowing costs are expensed when incurred.

Borrowing costs are capitalised as part of the cost of a qualifying asset when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are being undertaken. Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

(u) Accounting for income tax

Income tax comprises current tax and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the reporting date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in profit or loss.

Deferred tax is calculated using the liability method on temporary differences at the reporting date between the carrying amounts of assets and liabilities in the financial statements and their respective tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit, including existing taxable temporary differences, will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

3. 主要會計政策概要 (續)

(u) 所得稅之會計方法 (續)

倘暫時差額及因一項對應課稅或會計溢利或虧損均無影響的交易的商譽或初步確認(業務合併除外)而產生，則遞延稅項資產及負債不予確認。

遞延稅項負債乃就於附屬公司之投資產生之應課稅暫時差額確認，惟倘本集團可控制暫時差額之撥回及暫時差額可能不會於可見將來撥回則除外。

遞延稅項不計折現，按預期付還負債或變現資產之期間適用而於報告日已實施或大致實施之稅率計算。

遞延稅項資產或負債之變動乃於損益賬確認，倘與其他全面收益或權益直接扣除或計入之項目有關，則於其他全面收益或直接於權益確認。

即期稅項資產與即期稅項負債只會於以下情況以淨額呈列：

- (a) 本集團依法有強制執行權可將已確認金額對銷；及
- (b) 計劃以淨額基準結算或同時變現資產及結清負債。

3. Summary of significant accounting policies (Continued)

(u) Accounting for income tax (Continued)

Deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither taxable nor accounting profit or loss.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset realised, provided they are enacted or substantively enacted at the reporting date.

Changes in deferred tax assets or liabilities are recognised in profit or loss, or in other comprehensive income or directly in equity if they relate to items that are charged or credited to other comprehensive income or directly in equity.

Current tax assets and current tax liabilities are presented in net if, and only if,

- (a) the Group has the legally enforceable right to set off the recognised amounts; and
- (b) it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

3. 主要會計政策概要(續)

(u) 所得稅之會計方法(續)

本集團只會於以下情況以淨額呈列遞延稅項資產與遞延稅項負債：

- (a) 該實體依法有強制執行權可將即期稅項資產與即期稅項負債對銷；及
- (b) 遞延稅項資產與遞延稅項負債是關於同一稅務機關就以下任何一項所徵收的所得稅：
 - (i) 同一應課稅實體；或
 - (ii) 計劃於各段未來期間(而預期在有關期間內將結清或收回大額的遞延稅項負債或資產)以淨額基準結算即期稅項負債與資產或同時變現資產及結清負債的不同應課稅實體。

(v) 分部報告

執行董事獲定期匯報內部財務資料，以供彼等就本集團業務組成部分的資源分配作決定，以及供彼等檢討該等組成部分的表現，而本集團則根據該等資料劃分經營分部及編製分部資料。向執行董事報告之內部財務資料的業務組成部分，乃依照本集團之主要產品及服務類別而釐定。

3. Summary of significant accounting policies (Continued)

(u) Accounting for income tax (Continued)

The Group presents deferred tax assets and deferred tax liabilities in net if, and only if,

- (a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
 - (i) the same taxable entity; or
 - (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(v) Segment reporting

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive Directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive Directors are determined following the Group's major product and service lines.

3. 主要會計政策概要 (續)

(v) 分部報告 (續)

本集團已劃分以下可呈報分部：

- (i) 氰乙酸及其酯類產品：研發、製造及銷售氰乙酸及其酯類產品；
- (ii) 醇類產品：研發、製造及銷售醇類產品；
- (iii) 氯乙酸及其下游產品：研發、製造及銷售氯乙酸及其下游產品；
- (iv) 精細石油化工類產品：研發、製造及銷售精細石油化工類產品；及
- (v) 其他副產品：銷售其他副產品，例如蒸汽。

上述各營運分部均分開管理，原因為各種產品及服務類別所需之資源以及市場推廣方式並不相同。分部間銷售所收取價格乃參考就同類訂單向外界客戶收取之價格而釐定。

本集團根據香港財務報告準則第8號就報告分部業績所採用的計量政策，與根據香港財務報告準則編製的財務報表所採用的相同，惟以下所述者：

- 以股份支付之款項開支
- 租金收入、租金成本及投資物業重估收益
- 財務費用
- 所得稅
- 並非任何經營分部直接應佔之業務活動的企業收入及開支

於計算經營分部的經營業績時並不包括在內。

3. Summary of significant accounting policies (Continued)

(v) Segment reporting (Continued)

The Group has identified the following reportable segments:

- (i) Cyanoacetic acid and its ester products: Research and development, manufacture and sale of cyanoacetic acid and its ester products;
- (ii) Alcohol products: Research and development, manufacture and sale of alcohol products;
- (iii) Chloroacetic acid and its derivative products: Research and development, manufacture and sale of chloroacetic acid and its derivative products;
- (iv) Fine petrochemical products: Research and development, manufacture and sale of fine petrochemical products; and
- (v) Other by-products: Sale of other by-products, e.g. steam.

Each of these operating segments is managed separately as each of the product and service lines requires different resources as well as marketing approaches. Inter-segment sales are priced with reference to prices charged to external parties for similar orders.

The measurement policies the Group used for reporting segment results under HKFRS 8 are the same as those used in its financial statements prepared under HKFRSs, except that:

- expenses related to share-based payments
- rental income, rental costs and revaluation gain on investment properties
- finance costs
- income tax
- corporate income and expenses which are not directly attributable to the business activities of any operating segment

are not included in arriving at the operating results of the operating segment.

3. 主要會計政策概要(續)

(v) 分部報告(續)

分部資產包括投資物業以外的所有資產。此外，並非任何經營分部直接應佔之業務活動的企業資產(主要適用於本集團總部)並不分配至分部。

分部負債不包括並非任何經營分部直接應佔之業務活動的企業負債，且不會分配至分部，此乃指投資物業及本集團之總部應佔之遞延稅項負債，以及為收購該等資產而特別借貸之資金。

並無對可呈報分部採用非對稱的分配。

(w) 關聯方

就本財務報表而言，如屬以下情況，一方可視為本集團之關聯方：

- (i) 該方能夠透過一家或多家中介機構，直接或間接控制本集團或對本集團之財務及經營決策有重大影響，或可共同控制本集團；
- (ii) 本集團與該方受共同控制；
- (iii) 該方為本集團之聯繫人或本集團為合營方之合營公司；
- (iv) 該方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) 該方為於第(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) 該方為就本集團僱員或屬於本集團關聯方之任何實體之僱員利益而設之離職後福利計劃。

3. Summary of significant accounting policies (Continued)

(v) Segment reporting (Continued)

Segment assets include all assets except investment properties. In addition, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment, which primarily applies to the Group's headquarter.

Segment liabilities exclude corporate liabilities which are not directly attributable to the business activities of any operating segment and are not allocated to a segment. These include deferred tax liabilities attributable to investment properties and the Group's headquarters, and borrowings undertaken specifically to fund the acquisition of these assets.

No asymmetrical allocations have been applied to reportable segments.

(w) Related parties

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

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

3. 主要會計政策概要 (續)

(w) 關聯方 (續)

有關人士之近親家族成員為預期於與實體進行買賣時將影響該人士或受該人士影響之家族成員。

(x) 非流動資產已歸類為持作待售資產

非流動資產已歸類為持作待售資產，並按賬面值及公平價值扣除出售成本值兩者中較低者列賬，賬面值指主要通過出售交易收回之全額，而不是通過繼續使用之價值。

持作待售非流動資產之減值虧損在損益賬確認。於非流動資產歸類為持作待售資產或包括在界定為待售資產的變賣組別中的期間，該非流動資產毋須計提折舊或攤銷。

4. 重要會計估計及判斷

估計及判斷會根據過往經驗及其他因素(包括在有關情況對未來事件作出應為合理之預期)持續評估。

重要會計估計及假設

本集團對未來作出估計及假設。在定義上，由此作出的會計估計極有可能與實際情況不一致。可能對下一財政年度資產和負債的賬面值造成調整的估計和假設列示如下：

(i) 物業、廠房及設備與折舊

本集團釐定其物業、廠房及設備之估計可使用年期及相關折舊開支，而是項估計乃根據類似性質及功能之物業、廠房及設備之實際可使用年期之過往經驗作出。如可使用年期與先前估計者不同，本集團將修訂折舊開支，或將已棄用或出售在技術上過時或屬非策略性之資產註銷或撇減。

3. Summary of significant accounting policies (Continued)

(w) Related parties (Continued)

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.

(x) Non-current assets classified as held for sale

Non-current assets are classified as assets held for sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through a continuing use.

Impairment losses on non-current assets held for sale are recognised in profit or loss. As long as a non-current asset is classified as held for sale or is included in a disposal group that is classified as held for sale, the non-current asset is not depreciated or amortised.

4. 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.

Critical accounting estimates and assumptions

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

(i) Property, plant and equipment and depreciation

The Group determines the estimated useful lives and related depreciation charges for the Group's property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. The Group will revise the depreciation charge where useful lives are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

4. 重要會計估計及判斷(續)

重要會計估計及假設(續)

(ii) 投資物業之估計公平價值

本集團已委任一間獨立專業估值師行評估投資物業之公平價值。估值師於釐定公平價值時，使用之估值方法涉及若干估計。董事已作出判斷，認為該估值方法可反映目前市況。

(iii) 存貨估值

存貨之價值為成本與可變現淨值兩者中之較低者。存貨之可變現淨值乃於日常業務過程中之估計售價，減估計完成成本及銷售開支。該等估計是根據目前市況及製造和銷售同類產品之過往經驗而作出，並可因客戶喜好改變及競爭對手因應嚴峻的行業週期所採取行動而顯著改變。本集團將於每個報告日重新評估有關估計。

估計可變現淨值的評估涉及判斷及估計。倘日後之實際結果與原先之估計不同，該差異將會影響存貨之賬面值及於估計變動之期間之撥備支出/回撥。

(iv) 物業、廠房及設備之估計減值

於每個報告日，管理層按附註3(r)之會計政策就是否存在客觀跡象顯示物業、廠房及設備已減值而進行評估。該等計算需要使用估計。

4. Critical accounting estimates and judgements (Continued)

Critical accounting estimates and assumptions (Continued)

(ii) Estimated fair values of investment properties

The Group appointed a firm of independent professional valuers to assess the fair values of the investment properties. In determining the fair values, the valuer has utilised a method of valuation which involves certain estimates. The Directors have exercised their judgement and are satisfied that the method of valuation is reflective of the current market conditions.

(iii) Inventory valuation

Inventory is valued at the lower of cost and net realisable value. 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 condition and the historical experience of manufacturing and selling products of similar nature. It could change significantly as a result of changes in customer taste and competitor actions in response to serve industry cycles. The Group will reassess the estimates by each reporting date.

The assessment of the estimated net realisable value involves judgement and estimates. Where the actual outcome in future is different from the original estimate, such difference will impact the carrying value of inventories and write-down/reversal of write-down in the period in which such estimate has been changed.

(iv) Estimated impairment on property, plant and equipment

At each reporting date, management makes an assessment on whether there is objective evidence that the property, plant and equipment are impaired in accordance with the accounting policy stated in note 3(r). These calculations require the use of estimates.

4. 重要會計估計及判斷(續)

重要會計估計及假設(續)

(v) 稅項

本集團須繳納多個不同司法權區之所得稅。於釐定所得稅撥備金額及有關支付稅項之時間時須作出重大判斷。日常業務過程中有若干交易，而此等交易難以確定最終稅項之計算方法。本集團就預計稅項確認負債時乃以估計有否額外稅項為根據。倘最終稅務結果與最初記錄之金額不同，有關差額將影響作出有關計算期間之所得稅撥備。

(vi) 股息分派所產生的預提稅項

本集團決定是否根據有關稅項司法權區就來自中國附屬公司之股息分派計提預提稅項時，乃取決於對派息時間所作之判斷。倘本集團認為在中國之附屬公司於二零零八年一月一日後賺取之溢利不可能於可預見將來分派，則不會撥備預提稅項。此方面之未確認遞延稅項負債的詳情載於附註17。

(vii) 預付土地租賃款項分類

採納香港會計準則第17號(修訂本)時，本集團已重新評估其在中國之未到期土地租賃之分類。由於評估顯示該幅中國土地幾乎所有風險及報並未轉移給本集團，本集團按租期使用直線法攤銷其預付土地租賃款項，而且仍然歸類為經營租賃。

4. Critical accounting estimates and judgements (Continued)

Critical accounting estimates and assumptions (Continued)

(v) Taxation

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the provision for income taxes and the timing of payment of the related tax. There are certain transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax based on estimates of whether additional taxes will be due. When the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax provision in the period in which such determination is made.

(vi) Withholding taxes arising from the distributions of dividends

The Group's determination as to whether to accrue for withholding taxes from the distribution of dividends from the subsidiaries in the PRC according to the relevant tax jurisdictions is subject to judgement on the timing of the payment of the dividend, where the Group considers that if it is probable that the profits of the subsidiaries in the PRC earned after 1 January 2008 will not be distributed in the foreseeable future, then no withholding taxes are provided. Details of the unrecognised deferred tax liabilities in this respect are set out in note 17.

(vii) Classification of prepaid land lease payments

The Group has reassessed the classification of its unexpired land lease in the PRC upon the adoption of the HKAS 17 (Amendments). The Group amortises its prepaid land lease payments using the straight-line method over the lease terms and remains to classify as operating leases, based on the assessment that substantially all the risks and rewards associated with the land in the PRC have not been transferred to the Group.

財務報表附註 Notes to the Financial Statements

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

5. 分部資料

執行董事已將本集團之五大產品及服務類別定為經營分部，詳情見附註3(v)。

此等經營分部是按經調整分部經營業績監察，而策略決定亦是按同一基準作出。

5. Segment information

The executive Directors have identified the Group's five product and service lines as operating segments as further described in note 3(v).

These operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results.

		二零一零年 2010					
		氰乙酸及其酯類產品 Cyanoacetic acid and its ester products	醇類產品 Alcohol products	氯乙酸及其下游產品 Chloroacetic acid and its derivative products	精細石油 化工類產品 Fine petrochemical products	其他副產品 Other by-products	合計 Total
		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 RMB'000
收益：	Revenue:						
來自外界客戶	From external customers	782,474	64,649	4,204	24,234	6,214	881,775
分部間之收益	Inter-segment revenue	-	48,636	141,039	-	45,323	234,998
可呈報分部之收益	Reportable segment revenue	782,474	113,285	145,243	24,234	51,537	1,116,773
可呈報分部之溢利/(虧損)	Reportable segment profit/(loss)	199,012	5,784	36,604	(17,141)	8,307	232,566
物業、廠房及設備折舊	Depreciation of property, plant and equipment	19,019	546	4,671	2,231	6,062	32,529
減低存貨價值至可變現淨值	Write-down of inventories to net realisable value	117	91	1,295	148	-	1,651
回撥減低之存貨價值至可變現淨值	Reversal of write-down of inventories to net realisable value	21	-	-	666	-	687
物業、廠房及設備減值虧損	Impairment loss on property, plant and equipment	1,272	-	-	13,128	-	14,400
可呈報分部之資產	Reportable segment assets	305,653	19,640	64,228	31,260	75,564	496,345
非流動分部資產之增加	Additions to non-current segment assets	38,458	759	28,530	671	515	68,933
可呈報分部之負債	Reportable segment liabilities	36,122	11,209	15,057	21,474	1,495	85,357

5. 分部資料(續)

5. Segment information (Continued)

		二零零九年 2009					
		氰乙酸及其 酯類產品 Cyanoacetic acid and its ester products 人民幣千元 RMB'000	醇類產品 Alcohol products 人民幣千元 RMB'000	氯乙酸及其 下游產品 Chloroacetic acid and its derivative products 人民幣千元 RMB'000	精細石油 化工類產品 Fine petrochemical products 人民幣千元 RMB'000	其他副產品 Other by-products 人民幣千元 RMB'000	合計 Total 人民幣千元 RMB'000
收益：	Revenue:						
來自外界客戶	From external customers	515,512	55,423	1,159	26,119	734	598,947
分部間之收益	Inter-segment revenue	-	27,385	98,495	4	24,942	150,826
可呈報分部之收益	Reportable segment revenue	515,512	82,808	99,654	26,123	25,676	749,773
可呈報分部之 溢利/(虧損)	Reportable segment profit/(loss)	77,168	4,907	20,805	(1,962)	4,149	105,067
物業、廠房及設備折舊	Depreciation of property, plant and equipment	17,264	776	4,369	2,037	6,004	30,450
減低存貨價值至可 變現淨值	Write-down of inventories to net realisable value	33	-	-	233	-	266
回撥減低之存貨價值 至可變現淨值	Reversal of write-down of inventories to net realisable value	29	42	374	992	157	1,594
可呈報分部之資產	Reportable segment assets	252,210	26,897	43,938	41,167	79,989	444,201
非流動分部資產之 增加	Additions to non-current segment assets	38,979	224	10,664	512	1,098	51,477
可呈報分部之負債	Reportable segment liabilities	36,975	10,568	8,334	27,922	3,778	87,577

就本集團經營分部所呈列之各項總數與財務報表中呈列之本集團主要財務數據之對賬如下：

The totals presented for the Group's operating segments reconcile to the Group's key financial figures as presented in the financial statements as follows:

		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
可呈報分部之收益	Reportable segment revenue	1,116,773	749,773
抵銷分部間之收益	Elimination of inter-segment revenue	(234,998)	(150,826)
集團收益	Group revenue	881,775	598,947

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5. 分部資料(續)

5. Segment information (Continued)

		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
可呈報分部之溢利	Reportable segment profit	232,566	105,067
投資物業租金收入	Rental income from investment properties	468	186
投資物業重估收益	Revaluation gain on investment properties	860	490
股權結算以股份支付之款項開支	Equity-settled share-based payment expenses	(1,158)	(1,371)
財務成本	Finance costs	(7,237)	(10,304)
企業不能分配之收入	Corporate unallocated income	3,293	1,458
企業不能分配之開支	Corporate unallocated expenses	(32,211)	(27,041)
抵銷分部間之溢利	Elimination of inter-segment profit	(43,320)	(25,630)
除所得稅前溢利	Profit before income tax	153,261	42,855
		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
可呈報分部之資產	Reportable segment assets	496,345	444,201
預付土地租賃款項	Prepaid land lease payments	57,880	59,173
投資物業	Investment properties	11,710	10,850
遞延稅項資產	Deferred tax assets	126	355
流動稅項資產	Current tax assets	1,029	3,708
已歸類為持作待售資產之 非流動資產	Non-current assets classified as held for sale	-	3,647
已抵押銀行存款	Pledged bank deposits	10,500	-
銀行及現金結餘	Bank and cash balances	42,382	16,758
物業、廠房及設備	Property, plant and equipment	89,374	84,421
其他企業資產	Other corporate assets	29,941	14,969
集團資產	Group assets	739,287	638,082
		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
可呈報分部之負債	Reportable segment liabilities	85,357	87,577
銀行借貸	Bank borrowings	89,900	149,169
遞延稅項負債	Deferred tax liabilities	2,255	1,988
流動稅項負責	Current tax liabilities	8,703	451
其他企業負債	Other corporate liabilities	25,557	10,949
集團負債	Group liabilities	211,772	250,134

5. 分部資料(續)

本集團來自外界客戶之收益劃分為以下地區：

5. Segment information (Continued)

The Group's revenue from external customers are divided into the following geographical areas:

		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
中國(本地)	PRC (domicile)	694,029	513,158
美國	United States of America	35,391	7,480
台灣	Taiwan	32,426	9,518
愛爾蘭	Ireland	16,368	12,659
印度	India	15,121	10,543
英國	United Kingdom	14,434	9,863
其他	Others	74,006	35,726
		881,775	598,947

客戶之地區劃分按貨物送達地區為基準。由於主要非流動資產實際位於中國，故無呈報按地區劃分之非流動資產。

The geographical location of customers is based on the location at which the goods delivered. No geographical location of the non-current assets is presented as the substantial non-current assets are physically based in the PRC.

6. 營業額及其他收入

本集團之主要業務已在財務報表附註27披露。本集團營業額為該等業務之收入。本集團年內之主要業務收入及其他收入已確認如下：

6. Turnover and other income

The Group's principal activities are disclosed in note 27 to the financial statements. Turnover of the Group is the revenue from these activities. Revenue from the Group's principal activities and other income recognised during the year are as follows:

		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
營業額	Turnover		
銷售氰乙酸及其酯類產品	Sales of cyanoacetic acid and its ester products	782,474	515,512
銷售醇類產品	Sales of alcohol products	64,649	55,423
銷售氯乙酸及其下游產品	Sales of chloroacetic acid and its derivative products	4,204	1,159
銷售精細石油化工類產品	Sales of fine petrochemical products	24,234	26,119
銷售其他副產品	Sales of other by-products	6,214	734
		881,775	598,947
其他收入	Other income		
出售預付土地租賃款項及物業、廠房及設備淨收益	Gain on disposals of prepaid land lease payments and property, plant and equipment, net	2,276	494
政府補貼	Government grants	799	165
利息收入	Interest income	205	289
遞延收入撥回(附註24)	Release of deferred income (note 24)	2,740	2,740
租金收入	Rental income	468	186
其他收入	Sundry income	298	435
		6,786	4,309

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7. 財務成本

7. Finance costs

		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
以下各項之利息開支：	Interest charges on:		
於五年內全額償還之銀行借貸	Bank loans wholly repayable within five years	7,142	10,107
貼現票據	Discounted bills	95	197
		7,237	10,304

分析顯示銀行借貸(包括載有按要求還款條款之定期貸款)按貸款協議所載預定還款日期之財務成本。截至二零一零年十二月三十一日止年度，包含按要求償還條款之銀行借貸之利息約人民幣164,000元(二零零九年：無)。

The analysis shows the finance costs of bank borrowings, including term loans which contain a repayment on demand clause, in accordance with the agreed scheduled repayments dates set out in the loan agreement. For the year ended 31 December 2010, the interest on bank borrowings which contain a repayment on demand clause amounted to RMB164,000 (2009: Nil).

8. 除所得稅前溢利

8. Profit before income tax

		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
除所得稅前溢利已扣除／(計入)：	Profit before income tax is arrived at after charging/(crediting):		
董事酬金(附註11(a))	Directors' remuneration (note 11(a))		
– 袍金	– Fees	278	282
– 薪金及津貼	– Salaries and allowances	2,473	2,488
– 退休福利計劃供款	– Retirement benefit scheme contributions	65	52
		2,816	2,822
其他員工成本	Other staff costs	33,472	25,607
退休福利計劃供款	Retirement benefit scheme contributions	2,112	1,691
股權結算以股份支付之款項開支	Equity-settled share-based payments expenses	1,158	1,371
總員工成本	Total staff costs	39,558	31,491
核數師酬金	Auditors' remuneration	434	399
預付土地租賃款項攤銷	Amortisation of prepaid land lease payments	1,293	1,417
確認為開支之存貨成本(附註)，包括	Cost of inventories recognised as an expense (note), including	643,462	495,515
– 減低存貨價值至可變現淨值	– Write-down of inventories to net realisable value	1,651	266
– 回撥減低之存貨價值至可變現淨值	– Reversal of write-down of inventories to net realisable value	(687)	(1,594)
物業、廠房及設備之折舊	Depreciation on property, plant and equipment	37,820	35,960
淨匯兌損失	Exchange losses, net	1,752	212
其他應收款項減值虧損	Impairment loss on other receivables	581	–
應收貿易賬減值虧損	Impairment loss on trade receivables	–	203
物業、廠房及設備減值虧損(已包括在其他經營開支中)	Impairment loss on property, plant and equipment (included in other operating expenses)	14,400	–
有關租賃土地及樓宇的經營租賃下的最低租賃款項	Minimum lease payments under operating leases in respect of leasehold land and buildings	551	566
租金收入減支出	Rental income less outgoings	(389)	(78)
投資物業支出	Outgoings in respect of investment properties	79	108
搬遷費(已包括在其他營運開支中)	Removal expenses (included in other operating expenses)	3,301	–
研究成本	Research costs	1,055	648

附註：存貨成本包括人民幣35,268,000元(二零零九年：人民幣30,449,000元)為相關折舊開支及人民幣28,805,000元(二零零九年：人民幣21,321,000元)為相關員工成本。

減低之存貨價值金額人民幣687,000元(二零零九年：人民幣1,594,000元)已撥回，原因是有關存貨之市場價格在二零一零年回升。

Note: Cost of inventories includes RMB35,268,000 (2009: RMB30,449,000) relating to depreciation expenses and RMB28,805,000 (2009: RMB21,321,000) relating to staff costs.

The write-down of inventories of RMB687,000 (2009: RMB1,594,000) was reversed as the market price of these inventories was increased in 2010.

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9. 所得稅開支

9. Income tax expense

		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
即期稅項 – 中國企業所得稅	Current tax – PRC Enterprise Income Tax	23,539	168
遞延稅項(附註17)	Deferred tax (note 17)	496	643
		24,035	811

所得稅開支與除稅前溢利乘以中國企業所得稅稅率之積之對賬如下：

The reconciliation between the income tax expense and the profit before income tax multiplied by the PRC enterprise income tax rate is as follows:

		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
除所得稅前溢利	Profit before income tax	153,261	42,855
按中國企業所得稅稅率 25% (二零零九年：25%)計算之稅項	Tax at PRC enterprise income tax rate of 25% (2009: 25%)	38,315	10,714
不可扣稅開支之稅務影響	Tax effect of non-deductible expenses	1,642	3,241
本年度動用以前年度 未確認稅務虧損之稅務影響	Tax effect of prior year's unrecognised tax losses utilised this year	(7)	(17)
未確認暫時差額之 稅務影響	Tax effect of temporary difference not recognised	3,600	123
中國附屬公司獲得稅務豁免及 稅務優惠之影響	Effect of tax exemption and concession granted to the subsidiaries in the PRC	(20,826)	(13,765)
其他	Others	1,311	515
所得稅開支	Income tax expense	24,035	811

由於本集團之收入並非在香港產生或來自香港，故並無作出香港利得稅撥備。

No provision for Hong Kong Profit Tax has been made as the Group's income neither arises in nor derives from Hong Kong.

濰坊同業化學有限公司須按中國企業所得稅稅率 25% 繳納二零一零年及二零零九年之中國企業所得稅。

Weifang Common Chem Co., Ltd. (濰坊同業化學有限公司) is subject to PRC Enterprise Income Tax at the rate of 25% for 2010 and 2009.

上海德弘化工有限公司須按上海浦東新區之優惠稅率繳納二零一零年及二零零九年之中國企業所得稅，稅率分別為 22% 及 20%。

Shanghai Dehong Chemical Company Limited (上海德弘化工有限公司) is subject to PRC Enterprise Income Tax at the rate of 22% and 20% for 2010 and 2009 respectively, being the preferential tax rate in Shanghai Pudong New District.

9. 所得稅開支(續)

根據相關中國法律法規，濰坊柏立化學有限公司(「濰坊柏立」)及濰坊濱海石油化工有限公司(「濰坊濱海」)均合資格獲得中國若干免稅期及稅務優惠。免稅期及稅務優惠之形式為由首個獲利年度起獲完全豁免兩個年度所得稅，其後三年則可享50%適用稅率減免。由於二零一零年及二零零九年分別為濰坊柏立第五個及第四個獲利年度，故按適用之中國企業所得稅優惠稅率12.5%計提中國企業所得稅。由於二零一零年為濰坊濱海第三個獲利年度，故按適用之中國企業所得稅優惠稅率12.5%計提中國企業所得稅。二零零九年為濰坊濱海第二個獲利年度，可獲豁免所得稅，故並無作出中國企業所得稅撥備。

濰坊濱海取得政府補貼，以津貼為生產高純度異丁烯、聚異丁烯及氯乙酸而興建之生產線及配套設施，該補貼已於二零零六年確認為遞延收入。由於興建工程於二零零七年十二月三十一日當日經已完成，故開始按照有關資產可使用年期將遞延收入撥往收入。有關收入於撥往損益之年度須予課稅。

10. 本公司擁有人應佔溢利

本公司擁有人應佔綜合溢利人民幣129,226,000元(二零零九年：人民幣42,044,000元)，其中虧損人民幣993,000元(二零零九年：溢利人民幣1,420,000元)已在本公司之財務報表中列賬。

9. Income tax expense (Continued)

Pursuant to the relevant laws and regulations in the PRC, Weifang Parasia Chem Co., Ltd. (濰坊柏立化學有限公司) (“Weifang Parasia”) and Weifang Binhai Petro-Chem Co., Ltd. (濰坊濱海石油化工有限公司) (“Weifang Binhai”) are eligible for certain tax holidays and concessions in the PRC. The tax holiday and concessions are in the form of two years tax exemption from the first profitable year, followed by a 50% reduction of the applicable tax rate in the following three years. PRC Enterprise Income Tax has been provided for Weifang Parasia at the preferential rate of 12.5% for 2010 and 2009 as these were the fifth and fourth profitable years respectively. PRC Enterprise Income Tax has been provided for Weifang Binhai at the preferential rate of 12.5% for 2010 as this was the third profitable year. No provision for PRC Enterprise Income Tax has been provided for Weifang Binhai for 2009 as this was the second profitable year and tax exempted.

A government grant obtained by Weifang Binhai for subsidising the construction of the production lines and ancillary facilities for manufacturing of high purity isobutylene, polyisobutylene and chloro acetic acid which was recognised as a deferred income in 2006. As the construction has been completed as at 31 December 2007, the deferred income commenced to release to income over the useful lives of the relevant assets. Such income is taxable for the year in which it is released to profit or loss.

10. Profit attributable to the owners of the Company

Of the consolidated profit attributable to the owners of the Company of RMB129,226,000 (2009: RMB42,044,000), a loss of RMB993,000 (2009: a profit of RMB1,420,000) has been dealt with in the financial statements of the Company.

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11. 董事及高級管理層酬金

(a) 董事酬金

每位董事之酬金如下：

二零一零年	2010	袍金 Fees 人民幣千元 RMB'000	薪酬及津貼 Salaries and allowances 人民幣千元 RMB'000	退休福利 計劃供款 Retirement benefit scheme contributions 人民幣千元 RMB'000	合計 Total 人民幣千元 RMB'000
執行董事	Executive Directors				
劉洪亮	Liu Hongliang	-	745	16	761
王子江	Wang Zijiang	-	576	17	593
郭希田	Guo Xitian	-	576	17	593
郭玉成	Guo Yucheng	-	576	15	591
獨立非執行董事	Independent non-executive Directors				
梁錦雲	Leung Kam Wan	104	-	-	104
高寶玉	Gao Baoyu	87	-	-	87
劉晨光	Liu Chenguang	87	-	-	87
二零一零年合計	Total for 2010	278	2,473	65	2,816

二零零九年	2009	袍金 Fees 人民幣千元 RMB'000	薪酬及津貼 Salaries and allowances 人民幣千元 RMB'000	退休福利 計劃供款 Retirement benefit scheme contributions 人民幣千元 RMB'000	合計 Total 人民幣千元 RMB'000
執行董事	Executive Directors				
劉洪亮	Liu Hongliang	-	751	13	764
王子江	Wang Zijiang	-	579	13	592
郭希田	Guo Xitian	-	579	13	592
郭玉成	Guo Yucheng	-	579	13	592
獨立非執行董事	Independent non-executive Directors				
梁錦雲	Leung Kam Wan	106	-	-	106
高寶玉	Gao Baoyu	88	-	-	88
劉晨光	Liu Chenguang	88	-	-	88
二零零九年合計	Total for 2009	282	2,488	52	2,822

於本年度內，本集團並無向董事支付任何酬金，作為加入本集團之獎勵或離職補償(二零零九年：無)。

於本年度內，並無任何安排致使任何董事放棄或同意放棄任何薪酬(二零零九年：無)。

11. Directors' and senior management's emoluments

(a) Directors' emoluments

The emoluments of each Director were as follows:

二零一零年	2010	袍金 Fees 人民幣千元 RMB'000	薪酬及津貼 Salaries and allowances 人民幣千元 RMB'000	退休福利 計劃供款 Retirement benefit scheme contributions 人民幣千元 RMB'000	合計 Total 人民幣千元 RMB'000
執行董事	Executive Directors				
劉洪亮	Liu Hongliang	-	745	16	761
王子江	Wang Zijiang	-	576	17	593
郭希田	Guo Xitian	-	576	17	593
郭玉成	Guo Yucheng	-	576	15	591
獨立非執行董事	Independent non-executive Directors				
梁錦雲	Leung Kam Wan	104	-	-	104
高寶玉	Gao Baoyu	87	-	-	87
劉晨光	Liu Chenguang	87	-	-	87
二零一零年合計	Total for 2010	278	2,473	65	2,816
執行董事	Executive Directors				
劉洪亮	Liu Hongliang	-	751	13	764
王子江	Wang Zijiang	-	579	13	592
郭希田	Guo Xitian	-	579	13	592
郭玉成	Guo Yucheng	-	579	13	592
獨立非執行董事	Independent non-executive Directors				
梁錦雲	Leung Kam Wan	106	-	-	106
高寶玉	Gao Baoyu	88	-	-	88
劉晨光	Liu Chenguang	88	-	-	88
二零零九年合計	Total for 2009	282	2,488	52	2,822

No emoluments were paid by the Group to any Directors as an inducement to join or upon joining the Group or as compensation for loss of office during the year (2009: Nil).

There are no arrangements under which a Director waived or agreed to waive any emoluments during the year (2009: Nil).

11. 董事及高級管理層酬金(續)

(b) 五名最高酬金人士

本集團最高酬金之五名人士當中，三名(二零零九年：四名)為董事，其酬金詳情已反映於上述分析中。其餘二名(二零零九年：一名)人士於本年度之酬金如下：

		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
基本薪酬及津貼	Basic salaries and allowances	1,102	526
股權結算以股份支付之款項 開支	Equity-settled share-based payments expenses	1,065	1,071
退休福利計劃供款	Retirement benefit scheme contributions	21	11
		2,188	1,608

酬金屬於以下範圍：

The emoluments fell within the following bands:

		人數 Number of Individuals	
		二零一零年 2010	二零零九年 2009
酬金範圍	Emolument bands		
零至1,000,000港元	Nil to HK\$1,000,000	1	—
1,500,001港元至2,000,000港元	HK\$1,500,001 to HK\$2,000,000	1	1
		2	1

12. 股息

(a) 年內之有關股息如下：

12. Dividends

(a) Dividends attributable to the year:

		二零一零年 2010	二零零九年 2009
擬派末期股息每股普通股8.0港仙 (二零零九年：2.5港仙)	Proposed final dividend of 8.0 HKcents per ordinary share (2009: 2.5 HKcents)	28,455	8,800
擬派特別期股息每股普通股1.0港仙 (二零零九年：無)	Proposed special dividend of 1.0 HKcent per ordinary share (2009: Nil)	3,557	—
		32,012	8,800

於報告日後建議派付之末期股息及特別股息並未確認為於報告日之負債，惟已反映為截至二零一零年十二月三十一日止年度之保留溢利分派。

The final dividend and the special dividend proposed after the reporting date have not been recognised as a liability at the reporting date, but reflected as an appropriation of retained profits for the year ended 31 December 2010.

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12. 股息(續)

- (b) 於本年度批准及派付之過往財政年度應佔股息：

		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
有關過往財政年度之末期股息，每股普通股2.5港仙 (二零零九年：1.25港仙)	Final dividend in respect of the previous financial year, of 2.5 HKcents per ordinary share (2009: 1.25 HKcents)	8,800	4,400

12. Dividends (Continued)

- (b) Dividend attributable to the previous financial year, approved and paid during the year:

13. 每股盈利

本公司擁有人應佔每股基本及攤薄盈利乃根據以下數據計算：

		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
本年度溢利	Profit for the year	129,226	42,044

13. Earnings per share

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

		普通股數目 Number of ordinary shares	
		二零一零年 2010	二零零九年 2009
計算每股基本盈利之普通股加權平均數	Weighted average number of ordinary shares for the purpose of basic earnings per share	409,861,611	400,000,000
潛在攤薄普通股之影響	Effect of dilutive potential ordinary shares:		
– 購股權	– Share options	1,527,584	–
計算每股攤薄盈利之普通股加權平均數	Weighted average number of ordinary shares for the purpose of diluted earnings per share	411,389,195	400,000,000

截至二零一零年十二月三十一日止年度每股基本盈利乃根據本公司擁有人應佔溢利人民幣129,226,000元(二零零九年：人民幣42,044,000元)及年內已發行普通股加權平均股數409,861,611股(二零零九年：400,000,000股)計算。

The calculation of basic earnings per share for the year ended 31 December 2010 was based on the profit attributable to the owners of the Company of RMB129,226,000 (2009: RMB42,044,000) and on the weighted average of 409,861,611 (2009: 400,000,000) ordinary shares in issue during the year.

截至二零一零年十二月三十一日止年度每股攤薄盈利乃根據本公司擁有人應佔溢利人民幣129,226,000元及年內已發行普通股加權平均股數409,861,611股計算。以上款額與計算每股基本盈利所用者相同，惟股數則因假設本公司所有購股權獲行使而加上假定無償發行之普通股之加權平均股數1,527,584股。

The calculation of diluted earnings per share for the year ended 31 December 2010 was based on the profit attributable to the owners of the Company of RMB129,226,000 and the weighted average of 409,861,611 ordinary shares in issue during the year, as used in the basic earnings per share calculation plus the weighted average of 1,527,584 ordinary shares deemed to be issued at no consideration as if all the Company's share options have been exercised.

截至二零零九年十二月三十一日止年度並無潛在攤薄普通股，原因是就計算每股攤薄盈利而言，尚未行使購股權之行使價處於價外範圍。

There were no dilutive potential ordinary shares for the year ended 31 December 2009 as the outstanding share options were out of the money for the purpose of the diluted earnings per share calculation.

14. 物業、廠房及設備 – 集團與公司

14. Property, plant and equipment – Group and Company

		集團 Group						公司 Company	
		樓宇 Buildings	租賃物業 裝修 improvements	廠房及機械 Plant and machinery	汽車 Motor vehicles	傢俬、固定 裝置及設備 Furniture, fixtures and equipment	在建工程 Construction in progress	合計 Total	辦公室設備 Office equipment
		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 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000
於二零零九年一月一日	As at 1 January 2009								
成本	Cost	101,007	35	330,152	1,788	5,438	15,680	454,100	30
累積折舊	Accumulated depreciation	(12,035)	(29)	(71,616)	(827)	(2,838)	-	(87,345)	(14)
賬面淨值	Net carrying amount	88,972	6	258,536	961	2,600	15,680	366,755	16
賬面淨值	Net carrying amount								
於二零零九年一月一日	As at 1 January 2009	88,972	6	258,536	961	2,600	15,680	366,755	16
增加	Additions	43	-	513	251	440	52,547	53,794	-
出售	Disposals	(7,700)	-	(10,550)	(109)	-	-	(18,359)	-
折舊	Depreciation	(4,659)	(6)	(30,197)	(299)	(799)	-	(35,960)	(6)
轉入已歸類為持作 待售之非流動資產 (附註21)	Transfer to non-current assets classified as held for sale (note 21)	(1,377)	-	-	-	-	-	(1,377)	-
轉撥	Transfer	2,125	-	42,015	-	-	(44,140)	-	-
於二零零九年 十二月三十一日	As at 31 December 2009	77,404	-	260,317	804	2,241	24,087	364,853	10
於二零零九年 十二月三十一日	As at 31 December 2009								
成本	Cost	90,691	35	350,592	1,791	5,878	24,087	473,074	30
累積折舊	Accumulated depreciation	(13,287)	(35)	(90,275)	(987)	(3,637)	-	(108,221)	(20)
賬面淨值	Net carrying amount	77,404	-	260,317	804	2,241	24,087	364,853	10
賬面淨值	Net carrying amount								
於二零一零年一月一日	As at 1 January 2010	77,404	-	260,317	804	2,241	24,087	364,853	10
增加	Additions	4,267	-	10,816	154	352	61,388	76,977	-
出售	Disposals	-	-	(9,442)	-	(238)	-	(9,680)	-
折舊	Depreciation	(4,566)	-	(32,114)	(321)	(819)	-	(37,820)	(5)
減值虧損	Impairment loss	(1,044)	-	(13,356)	-	-	-	(14,400)	-
轉撥	Transfer	14,494	-	58,167	-	(61)	(72,600)	-	-
於二零一零年 十二月三十一日	As at 31 December 2010	90,555	-	274,388	637	1,475	12,875	379,930	5
於二零一零年 十二月三十一日	As at 31 December 2010								
成本	Cost	109,452	35	396,819	1,946	3,788	12,875	524,915	30
累積折舊及減值虧損	Accumulated depreciation and impairment loss	(18,897)	(35)	(122,431)	(1,309)	(2,313)	-	(144,985)	(25)
賬面淨值	Net carrying amount	90,555	-	274,388	637	1,475	12,875	379,930	5

本集團之樓宇位於按中期租約持有之中國租賃土地。於截至二零一零年十二月三十一日止年度，本集團並無樓宇抵押作為取得銀行融資之擔保(二零零九年：人民幣19,587,000元)。

The Group's buildings are situated on leasehold land under medium-term in the PRC. None of the Group's building was pledged as security for the Group's banking facilities for the year ended 31 December 2010 (2009: RMB19,587,000).

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

14. 物業、廠房及設備 – 集團與公司 (續)

於二零一零年十二月三十一日，由於生產精細石油化工類產品及一個酯類產品持續出現虧損及本集團在年內已暫停生產若干產品，減值虧損撥備約人民幣14,400,000元(二零零九年：無)已在損益賬內確認以減低若干樓宇、廠房和設備之賬面值至其可收回金額。該等樓宇、廠房及設備的賬面值被削減至其可收回金額(根據公平價值減去出售成本(參考活躍市場價格釐定))。

14. Property, plant and equipment – Group and Company (Continued)

As at 31 December 2010, provision for impairment loss of RMB14,400,000 (2009: Nil) was recognised in profit or loss to write down the carrying amounts of certain buildings and plant and machinery to their recoverable amounts as the production of fine petrochemical products and an ester product has been persistently making losses and the Group has suspended the production of certain products during the year. The carrying amounts of these buildings and plant and machinery were reduced to their recoverable amounts which were determined based on the fair value less costs to sell by reference to an active market for these assets.

15. 預付土地租賃款項 – 集團

15. Prepaid land lease payments – Group

		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
於一月一日	As at 1 January	59,173	66,457
出售	Disposals	-	(3,597)
轉入已歸類為持作待售之非流動資產(附註21)	Transfer to non-current assets classified as held for sale (note 21)	-	(2,270)
預付土地租賃款項攤銷	Amortisation of prepaid land lease payments	(1,293)	(1,417)
於十二月三十一日	As at 31 December	57,880	59,173
即期部分(已包括在預付款項及其他應收款項)	Current portion (included in prepayments and other receivables)	(1,293)	(1,293)
非即期部分	Non-current portion	56,587	57,880

本集團之預付土地租賃款項乃按於中國之中期租賃持有。

The Group's prepaid land lease payments are held under medium-term in the PRC.

本集團已抵押作為取得銀行融資之擔保之預付土地租賃款項之賬面值約為人民幣27,593,000元(二零零九年：人民幣57,694,000元)(附註23)。

The carrying amount of the Group's prepaid land lease payments pledged as security for the Group's banking facilities amounted to approximately RMB27,593,000 (2009: RMB57,694,000) (note 23).

16. 投資物業 – 集團

財務狀況表中賬面值之變動概述如下：

		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
於一月一日	As at 1 January	10,850	10,360
投資物業重估收益	Revaluation gain on investment properties	860	490
於十二月三十一日	As at 31 December	11,710	10,850

投資物業於二零一零年及二零零九年十二月三十一日由獨立特許測量師行永利行評估顧問有限公司(擁有近期評估該位置及類似物業之經驗)進行重估。公平價值乃按位置及條件相同之類似物業之近期市場交易作出估計。重估收益已在本年度損益賬中確認。

本集團之投資物業位於按中期租賃持有之中國租賃土地。

16. Investment properties – Group

Changes to the carrying amounts presented in the statement of financial position can be summarised as follows:

Investment properties were revalued as at 31 December 2010 and 2009 by RHL Appraisal Limited, an independent firm of chartered surveyors, who have the recent experience in the location and category of property being valued. Fair values were estimated based on recent market transactions for similar properties in the same location and condition. The revaluation gain was recognised in profit or loss for the year.

The Group's investment properties are situated on leasehold land under medium-term in the PRC.

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17. 遞延稅項 – 集團

本集團已確認以下主要遞延稅項資產／(負債)：

17. Deferred tax – Group

The following is the major deferred tax assets/(liabilities) recognised by the Group:

		產生自 Arising from			合計 Total 人民幣千元 RMB'000
		稅項虧損 Tax losses 人民幣千元 RMB'000	經營前費用 Pre-operating expenses 人民幣千元 RMB'000	投資物業 Investment properties 人民幣千元 RMB'000	
於二零零九年一月一日	As at 1 January 2009	414	412	(1,816)	
自損益賬扣除 (附註9)	Charge to profit or loss (note 9)	(359)	(112)	(172)	(643)
於二零零九年 十二月三十一日及 二零一零年一月一日	As at 31 December 2009 and 1 January 2010	55	300	(1,988)	(1,633)
自損益賬扣除 (附註9)	Charge to profit or loss (note 9)	(55)	(174)	(267)	(496)
於二零一零年 十二月三十一日	As at 31 December 2010	-	126	(2,255)	(2,129)

以下為就財務狀況表所作之遞延稅項結餘分析：

The following is the analysis of the deferred tax balances for the statement of financial position purposes:

		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
遞延稅項資產	Deferred tax assets	126	355
遞延稅項負債	Deferred tax liabilities	(2,255)	(1,988)
		(2,129)	(1,633)

於報告日，本集團並無任何未使用的稅務虧損（二零零九年：人民幣3,621,000元），但有可扣除暫時差額人民幣14,400,000元（二零零九年：無）以抵銷將來溢利。因此，並無確認遞延稅項資產（二零零九年：已確認遞延稅項資產之稅務虧損人民幣221,000元）。由於未來收益流不可預測，故並無就人民幣14,400,000元（二零零九年：人民幣3,400,000元）確認遞延稅項資產。

At the reporting date, the Group has no unused tax losses (2009: RMB3,621,000) available but has deductible temporary difference of RMB14,400,000 (2009: Nil) for offset against future profits. No deferred tax asset has been recognised in this respect (2009: deferred tax assets on tax losses of RMB221,000 had been recognised). No deferred tax asset has been recognised in respect of RMB14,400,000 (2009: RMB3,400,000) due to the unpredictability of future profit streams.

由於本公司控制附屬公司的派息政策，有關中國國內附屬公司未匯出盈利之應付預扣稅項未有確立遞延稅項負債約人民幣19,839,000元（二零零九年：人民幣6,404,000元），並在可見將來應不會回撥該暫時差額。於二零一零年十二月三十一日，投資附屬公司的未匯出盈利合計為人民幣198,390,000元（二零零九年：人民幣64,042,000元）。

Deferred tax liabilities of RMB19,839,000 (2009: RMB6,404,000) have not been established for the withholding tax that would be payable on the unremitted earnings of certain subsidiaries in the PRC because the Company controls the dividend policy of these subsidiaries and it is not probable that the temporary differences will reverse in the foreseeable future. Such unremitted earnings for investment in subsidiaries totalled RMB198,390,000 as at 31 December 2010 (2009: RMB64,042,000).

18. 存貨 – 集團

18. Inventories – Group

		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
原材料	Raw materials	30,933	21,466
半成品	Work in progress	6,787	8,110
成品	Finished goods	27,644	13,646
		65,364	43,222

19. 貿易應收賬及應收票據 – 集團

19. Trade and bills receivable – Group

		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
貿易應收賬	Trade receivables	82,427	59,402
應收票據	Bills receivable	34,906	51,545
		117,333	110,947

本集團給予貿易客戶之信貸期一般介乎一個月至六個月不等。應收票據為不計息之銀行承兌票據，於兩個報告日，應收票據之賬齡均為六個月以內。每位客戶均有本身之信貸限額。本集團致力維持對應收賬款結欠作出嚴謹之控制。管理層對過期欠款進行定期檢討。

The Group allows a credit period normally ranging from one month to six months to its trade customers. The bills receivable are non-interest bearing bank acceptance bills and aged within six months at both reporting dates. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by management.

於報告日期，貿易應收賬及應收票據按發票日期所作之賬齡分析如下：

The ageing analysis of trade and bills receivable at the reporting date, based on the invoice date, is stated as follows:

		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
0至90日	0 to 90 days	114,006	94,608
91至180日	91 to 180 days	3,198	15,722
181至365日	181 to 365 days	129	617
		117,333	110,947

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

19. 貿易應收賬及應收票據 – 集團 (續)

於二零一零年十二月三十一日，貿易應收賬及應收票據約人民幣2,519,000元(二零零九年：人民幣8,325,000元)已過期，惟由於信貸質素並無重大變動且本集團仍認為該等款項可收回，故本集團尚未就此作減值。根據到期日統計，以下為於報告日經已過期但未作減值之貿易應收賬及應收票據之賬齡分析：

		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
已過期1至90日	1 to 90 days past due	2,516	7,734
已過期91至180日	91 to 180 days past due	3	484
已過期181至365日	181 to 365 days past due	-	107
		2,519	8,325

於二零一零年十二月三十一日，貿易應收賬及應收票據約人民幣114,814,000元(二零零九年：人民幣102,622,000元)並未過期，亦未作減值。該等貿易應收賬及應收票據與多名來自不同層面的客戶有關，而彼等最近並無違約紀錄。

已過期但未作減值之貿易應收賬與多名來自不同層面的客戶有關，該等客戶於本集團擁有良好的信貸記錄。根據過往信貸記錄，管理層相信，由於信貸質素並無重大變動而結欠仍視作可全數收回，因此毋須為該等結欠作減值撥備。本集團並無就已過期但未作減值之貿易應收賬持有任何抵押品。

董事認為，貿易應收賬及應收票據之公平價值與其賬面值之間並不存在重大差異，原因是該等金額的到期期限較短。

貿易應收賬及應收票據之賬面值按以下貨幣計值：

		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
人民幣	RMB	88,028	88,487
美元(「美元」)	United States Dollars ("US\$")	29,305	22,460
		117,333	110,947

19. Trade and bills receivable – Group (Continued)

As at 31 December 2010, trade and bills receivable of approximately RMB2,519,000 (2009: RMB8,325,000) were past due but not impaired as there has not been a significant change in credit quality and the amounts are still considered recoverable. The ageing analysis of these trade and bills receivable that were past due as at the reporting date but not impaired, based on the due date, is as follows:

As at 31 December 2010, trade and bills receivable of RMB114,814,000 (2009: RMB102,622,000) were neither past due nor impaired. These related to a large number of diversified customers for whom there was no recent history of default.

Trade receivables that were past due but not impaired related to a large number of diversified customers that had a good track record of credit with the Group. Based on past credit record, 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 to be fully recoverable. The Group did not hold any collateral in respect of trade receivables past due but not impaired.

The Directors considered that the fair values of trade and bills receivable are not materially different from their carrying amounts because these amounts have short maturity periods.

The carrying amounts of the trade and bills receivable are denominated in the following currencies:

20. 已抵押銀行存款及銀行與現金結餘 – 集團與公司

於二零一零年十二月三十一日，本集團之已抵押銀行存款乃指作為本集團獲授銀行融資之擔保而抵押予銀行之存款，並已列示在財務報表附註22。存款以人民幣計值，實際年利率為2.20%。於二零零九年十二月三十一日，並無已抵押之銀行存款。

本集團之已抵押銀行存款及銀行與現金結餘以人民幣計值，約為人民幣48,887,000元(二零零九年：人民幣14,429,000元)。人民幣兌換為外幣時，須按中國之外匯管制條例及結匯、售匯及付匯管理規定辦理。

已抵押銀行存款及銀行與現金結餘之賬面值按以下貨幣計值：

		集團 Group		公司 Company	
		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000	二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
港元	HK\$	2,135	1,681	2,135	1,681
美元	US\$	1,860	648	-	-
人民幣	RMB	48,887	14,429	15,036	-
		52,882	16,758	17,171	1,681

20. Pledged bank deposits and bank and cash balances – Group and Company

As at 31 December 2010, the Group's pledged bank deposits represented deposits pledged to banks to secure banking facilities granted to the Group as set out in note 22 to the financial statements. The deposits were in RMB and carried interest at the rate of 2.20% per annum. There were no pledged bank deposits as at 31 December 2009.

The Group's pledged bank deposits and bank and cash balances amounted to approximately RMB48,887,000 (2009: RMB14,429,000) were denominated in RMB. Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sales and Payment of Foreign Exchange Regulations.

The carrying amounts of pledged bank deposits and bank and cash balances are denominated in the following currencies:

21. 已歸類為持作待售資產之非流動資產 – 集團

於二零零九年十二月三十一日，本集團管理層批准出售資產後，涉及預付土地租賃款項(附註15)及樓宇(附註14)之資產已呈列為持作待售資產。於二零一零年十二月三十一日，本集團已完成出售該等資產。

21. Non-current assets classified as held for sale – Group

As at 31 December 2009, the assets related to the prepaid land lease payments (note 15) and the buildings (note 14) had been presented as held for sale, following the approval of the Group's management to sell these assets. As at 31 December 2010, the Group completed the sale of these assets.

財務報表附註 Notes to the Financial Statements

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

22. 貿易應付賬及應付票據 – 集團

22. Trade and bills payable – Group

		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
貿易應付賬	Trade payables	21,557	23,767
應付票據	Bills payable	3,000	–
		24,557	23,767

本集團獲供應商給予之信貸期為30至365日。於報告日期，貿易應付賬及應付票據按發票日期所作之賬齡分析如下：

The Group was granted by its suppliers credit periods ranging from 30 to 365 days. The ageing analysis of trade and bills payable at the reporting date, based on the invoice date, is as follows:

		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
0至90日	0 to 90 days	22,814	22,114
91至180日	91 to 180 days	756	268
181至365日	181 to 365 days	331	524
超過365日	Over 365 days	656	861
		24,557	23,767

應付票據乃以本集團的已抵押銀行存款(附註20)作擔保。

The bills payable are secured by the Group's pledged bank deposits (note 20).

貿易應付賬及應付票據之賬面值按人民幣計值。所有款額均屬短期，故貿易應付賬及應付票據之賬面值與公平價值相若，乃視作合理。

The carrying amounts of trade and bills payable are denominated in RMB. All amounts are short term and hence the carrying values of trade and bills payable are considered to be a reasonable approximation of fair value.

23. 銀行借貸 – 集團

應償還銀行貸款如下：

		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
流動負債	Current liabilities		
於一年內償還之銀行貸款 (不包括按要求償還 條款)	Bank loans repayable within one year and do not contain a repayment on demand clause	39,900	107,169
於一年內還款之銀行貸款 (包括按要求償還條款)	Bank loans repayable within one year and contain a repayment on demand clause	20,000	–
		59,900	107,169
非流動負債	Non-current liabilities		
於第二年	In the second year	12,000	12,000
於第三至五年內(包括首尾兩年)	In the third to fifth years, inclusive	18,000	30,000
		30,000	42,000

計息銀行貸款(包括可按要求償還的有期貸款)乃按攤銷成本列賬。該欠款乃以載於貸款協議之預定還款日期為基準，且未有計及任何按要求償還條款之影響。非流動銀行借貸並無按要求償還的條款。

所有銀行借貸的賬面值均以人民幣計值。短期及長期銀行借貸之浮動年利率介乎5.31%至6.37%(二零零九年：5.31%至8.96%)，致使本集團承受現金流量利率風險。該等借貸乃以本集團的預付土地租賃款項(附註15)作為抵押。

23. Bank borrowings – Group

The bank loans are repayable as follows:

The interest-bearing bank borrowings, including the term loans repayable on demand, are carried at amortised cost. The amounts due are based on the scheduled repayment dates set out in the loan agreements and ignore the effect of any repayment on demand clause. None of the non-current bank borrowings contains a repayment on demand clause.

The carrying amounts of all bank borrowings are denominated in RMB. Short-term and long-term bank borrowings are arranged at floating interest rates ranged from 5.31% to 6.37% (2009: 5.31% to 8.96%) per annum exposing the Group to cash flow interest rate risks, and are secured by the Group's prepaid land lease payments (note 15).

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24. 遞延收入 – 集團

本集團之遞延收入指由政府發出，作為興建製造異丁烯、聚異丁烯及氯乙酸之生產線及配套設施之補貼。

為申報目的所作之分析：

24. Deferred income – Group

The Group's deferred income represents a government grant obtained for subsidising the construction of the production lines and ancillary facilities for the manufacture of isobutylene, polyisobutylene and chloro acetic acid.

Analysed for reporting purpose as:

		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
流動負債(已包括在應付未付賬款及其他應付款項)	Current liabilities (included in accruals and other payables)	2,740	2,740
非流動負債	Non-current liabilities	18,671	21,412
		21,411	24,152

25. 股本

25. Share capital

		股份數目 Number of shares	金額 Amount	
			千港元 HK\$'000	人民幣千元 RMB'000
法定： 每股面值0.01港元普通股 於二零零九年一月一日、 二零零九年及 二零一零年十二月三十一日	Authorised: Ordinary shares of HK\$0.01 each As at 1 January 2009 and 31 December 2009 and 2010	100,000,000,000	1,000,000	
已發行及繳足： 每股面值0.01港元普通股 於二零零九年一月一日及二零零九年 十二月三十一日	Issued and fully paid: Ordinary shares of HK\$0.01 each As at 1 January 2009 and 31 December 2009	400,000,000	4,000	4,031
行使購股權(附註28(ii))	Exercise of share options (note 28(ii))	1,248,000	12	11
發行新股份(附註i)	Issue of new shares (note i)	20,000,000	200	174
於二零一零年十二月三十一日	As at 31 December 2010	421,248,000	4,212	4,216

附註：

- (i) 於二零一零年七月二十二日，本公司完成向獨立第三方配售20,000,000股股份，每股作價1.05港元。詳情已刊載在本公司於二零一零年七月二十二日刊發之公告內。

Note:

- (i) On 22 July 2010, the Company completed the placing of 20,000,000 shares at HK\$1.05 each to the independent third parties, details of which are set out in the Company's announcement dated 22 July 2010.

26. 儲備 – 集團及公司

本集團

本集團儲備之款額及有關變動在綜合權益變動表列示。

本公司

26. Reserves – Group and Company

Group

The amounts of the Group's reserves and the movements therein are presented in the consolidated statement of changes in equity.

Company

		股份溢價 Share premium	合併寬減 繳入盈餘 Merger contributed surplus	以股份 支付之 款項儲備 Share-based payment reserve	資本 出資儲備 Capital contribution reserve	外幣 匯兌儲備 Foreign currency translation reserve	保留溢利 Retained profits	建議股息 Proposed dividends	合計 Total
		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 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000
		(附註 a) (note a)	(附註 h) (note h)	(附註 e) (note e)	(附註 f) (note f)	(附註 g) (note g)			
於二零零九年 一月一日結餘	Balance at 1 January 2009	89,544	111,137	425	2,034	(26,850)	109,311	4,400	290,001
已付股息	Dividend paid	-	-	-	-	-	-	(4,400)	(4,400)
股權結算以股份支付 之款項開支	Equity-settled shared-based payments expenses	-	-	300	1,071	-	-	-	1,371
二零零九年建議 末期股息	2009 proposed final dividend	-	-	-	-	-	(8,800)	8,800	-
年內溢利	Profit for the year	-	-	-	-	-	1,420	-	1,420
其他全面收益	Other comprehensive income	-	-	-	-	831	-	-	831
於二零零九年 十二月三十一日及 二零一零年 一月一日結餘	Balance at 31 December 2009 and 1 January 2010	89,544	111,137	725	3,105	(26,019)	101,931	8,800	289,223
已付股息	Dividend paid	-	-	-	-	-	-	(8,800)	(8,800)
根據配售發行新股 (附註25(i))	Issue of new shares upon placing (note 25(ii))	18,146	-	-	-	-	-	-	18,146
發行成本	Issuing cost	(500)	-	-	-	-	-	-	(500)
根據行使購股權發行 新股(附註28(i))	Issue of new shares upon exercise of share options (note 28(i))	987	-	(296)	-	-	-	-	691
股權結算以股份支付 之款項開支	Equity-settled share-based payments expenses	-	-	101	1,057	-	-	-	1,158
二零一零年建議股息 (附註12(a))	2010 proposed dividends (note 12(a))	-	-	-	-	-	(32,012)	32,012	-
年內虧損	Loss for the year	-	-	-	-	-	(993)	-	(993)
其他全面開支	Other comprehensive expense	-	-	-	-	(10,018)	-	-	(10,018)
於二零一零年 十二月三十一日	Balance at 31 December 2010	108,177	111,137	530	4,162	(36,037)	68,926	32,012	288,907

26. 儲備 – 集團及公司 (續)

- (a) **股份溢價**
根據開曼群島公司法，本公司股份溢價賬內之資金可供分派予本公司擁有人，惟緊隨建議分派股息日期後，本公司須有能力償還其於日常業務過程中到期之債務。
- (b) **特別儲備**
特別儲備指根據本集團於二零零四年進行之重組所收購中國附屬公司之已繳股本與本公司為取得該等附屬公司控制權而發行之本公司股份面值之間的差額。
- (c) **盈餘公積金**
本公司於中國成立之附屬公司之章程細則規定，該等附屬公司須每年轉撥其除所得稅後溢利中之若干百分比至盈餘公積金，直至該結餘達到有關附屬公司註冊資本之50%為止。在一般情況下，盈餘公積金僅可用作抵償虧損、透過資本化轉入註冊資本及擴充附屬公司之生產及經營。資本化轉換盈餘公積金至註冊資本後，儲備之餘額不得少於註冊資本之25%。
- (d) **公益金**
根據中國公司法(於二零零五年修訂)於二零零六年一月一日頒佈前之有關規例，在中國成立之本公司附屬公司須將其5%至10%之除所得稅後溢利撥往公益金，而公益金只可為僱員之集體福利而用於屬資本性質之事項。除在進行清盤之情況下，公益金不得分派。
- (e) **以股份支付之款項儲備**
以股份支付之款項儲備指按股權結算以股份支付予本集團若干僱員及一名供應商之款項，有關款項乃根據財務報表附註3(s)所載就以股份支付之款項而採納之會計政策確認。

26. Reserves – Group and Company (Continued)

- (a) **Share premium**
Under the Companies Law of the Cayman Islands, the funds in the share premium account of the Company are 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 debt as they fall due in the ordinary course of business.
- (b) **Special reserve**
Special reserve represents the difference between the paid in capital of the PRC subsidiaries acquired pursuant to the Group reorganisation in 2004 and the nominal value of the Company's shares issued in exchange for the control in these subsidiaries.
- (c) **Surplus reserve fund**
Articles of Association of the Company's subsidiaries established in the PRC require the appropriation of certain percentage of their profit after income tax each year to the surplus reserve fund until the balance reaches 50% of their registered capital. In normal circumstances, the surplus reserve fund shall only be used for making up losses, capitalisation into registered capital and expansion of the subsidiaries' production and operation. For the capitalisation of surplus reserve fund into registered capital, the remaining amount of such reserve shall not be less than 25% of the registered capital.
- (d) **Public welfare fund**
Pursuant to relevant regulations before the enactment of Company Law of the PRC (revised in 2005) on 1 January 2006, the Company's subsidiaries established in the PRC shall make allocation from their profit after income tax at the rate of 5% to 10% to the public welfare fund. The public welfare fund can only be utilised on capital nature items for collective welfare of employees. The public welfare fund is not distributable other than in liquidation.
- (e) **Share-based payment reserve**
The share-based payment reserve represents equity-settled share-based payments to certain employees and a supplier of the Group recognised in accordance with the accounting policy adopted for equity-settled share-based payments in note 3(s) to the financial statements.

26. 儲備 – 集團及公司 (續)

(f) 資本出資儲備

於二零零七年，本公司之最終控股公司授予本公司一位員工一定數目之本公司股份，且附帶非市場表現歸屬條件。所提供服務之公平價值乃參考股份於授出當日之公平價值而釐定，並以直線法按歸屬期支銷為股權結算以股份支付款項之開支，並同時相應增加資本出資儲備。

(g) 外幣匯兌儲備

外幣匯兌儲備包括換算外國業務之財務報表所產生之所有匯兌差額。匯兌儲備根據財務報表附註3(d)所載會計政策處理。

(h) 合併寬減繳入盈餘

合併寬減繳入盈餘意指根據本集團於二零零四年進行之重組所收購中國附屬公司之資產淨值與本公司為取得該等附屬公司控制權而發行之本公司股份面值間的差額。

26. Reserves – Group and Company (Continued)

(f) Capital contribution reserve

In 2007, certain number of the Company's shares were granted to an employee of the Company by the Company's ultimate holding company, with non-market performance vesting conditions, with its fair value of services received determined by reference to the fair value of shares granted at the grant date, expenses on a straight-line method over the vesting period as equity-settled share-based payments expenses, with a corresponding increase in capital contribution reserve.

(g) Foreign currency translation reserve

The foreign currency 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 3(d) to the financial statements.

(h) Merger relief contributed surplus

Merger relief contributed surplus represents the difference between the net assets value of the PRC subsidiaries acquired pursuant to the Group reorganisation in 2004 and the nominal value of the Company's shares issued in exchange for the control in these subsidiaries.

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27. 於附屬公司之權益、應收附屬公司款項／應付附屬公司款項 – 公司 27. Interests in and due from/to subsidiaries – Company

		二零一零年 2010 人民幣 RMB	二零零九年 2009 人民幣 RMB
非上市投資，成本	Unlisted investments, at cost	3	3

截至二零一零年十二月三十一日為止，本集團附屬公司之詳情如下：

Particulars of the subsidiaries of the Group as at 31 December 2010 are as follows:

名稱 Name	註冊成立／成立 及營運地點 Place of incorporation/ establishment and operations	已發行普通／ 實繳註冊股本之面值 Nominal value of issued ordinary/ paid-up registered share capital	本公司應佔權益 之百分比 Percentage of equity attributable to the Company		主要業務 Principal activities
			直接 Direct	間接 Indirect	
盛泰控股有限公司 Great Growth Holdings Limited	香港 Hong Kong	1港元 HK\$1	100%	–	投資控股 Investment holding
盛瑞控股有限公司 Great Spirit Holdings Limited	香港 Hong Kong	1港元 HK\$1	100%	–	投資控股 Investment holding
盛信控股有限公司 Great Promise Holdings Limited	香港 Hong Kong	1港元 HK\$1	100%	–	投資控股 Investment holding
智創控股有限公司 Smartcham Holdings Limited	英屬處女群島 British Virgin Islands	268美元 US\$268	–	100%	投資控股 Investment holding
智邦企業有限公司 Smartpoint Enterprises Limited	英屬處女群島 British Virgin Islands	1,251美元 US\$1,251	–	100%	投資控股 Investment holding
智得控股有限公司 Techsmart Holdings Limited	英屬處女群島 British Virgin Islands	477美元 US\$477	–	100%	投資控股 Investment holding
濰坊同業化學有限公司 Weifang Common Chem Co., Ltd.	中國 PRC	600,000美元 US\$600,000	–	100%	研發、製造及銷售精細化工產品 Research and development, manufacture and sales of fine chemical products
上海德弘化工有限公司 Shanghai Dehong Chemical Company Limited	中國 PRC	人民幣5,000,000元 RMB5,000,000	–	100%	研發、銷售及分銷精細化工產品 Research and development, selling and distribution of fine chemical products
濰坊柏立化學有限公司 Weifang Parasia Chem Co., Ltd	中國 PRC	5,200,000美元 US\$5,200,000	–	100%	研發、製造及銷售精細化工產品 Research and development, manufacture and sales of fine chemical products
濰坊濱海石油化工有限公司 Weifang Binhai Petro-Chem Co., Ltd	中國 PRC	10,800,000美元 US\$10,800,000	–	100%	研發、製造及銷售精細化工產品 Research and development, manufacture and sales of fine chemical products

結欠金額並無抵押，且屬免息及按要求支付。

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

28. 以股份支付之款項

按股權結算購股權計劃

本公司於二零零六年十月四日批准及採納一項購股權計劃(「購股權計劃」)，旨在獎勵及酬謝對本集團之成功作出貢獻之各方，包括本集團任何成員公司或聯營公司之董事、合資格僱員、供應商、客戶、股東或彼等各自之聯繫人或本集團之顧問或諮詢人。購股權計劃由二零零六年十月四日起生效，有效期十年。根據購股權計劃可授出最多40,000,000份購股權，賦予其持有人權利認購最多40,000,000股股份。

於二零零八年二月一日，本公司根據本公司之購股權計劃向合資格僱員及供應商授出4,000,000份購股權。於二零一零年十二月三十一日，購股權計劃項下已授出但尚未行使之購股權所涉及股份數目為2,291,000股(二零零九年：3,790,000股)，相當於該日期本公司已發行股份之0.54%(二零零九年：0.95%)。

特定類別之購股權詳情刊載如下：

28. Share-based payments

Equity-settled share option scheme

The Company has approved and adopted a share option scheme (the "Share Option Scheme") on 4 October 2006 for the purpose of providing incentives and rewards to the Directors, eligible employees, suppliers, customers, any shareholder of each member of the Group or associated company or any of their respective associates, and advisers or consultants of the Group who contribute to the success of the Group. The Share Option Scheme has become effective for a period of 10 years commencing on 4 October 2006 and up to 40,000,000 options entitling the holders thereof to subscribe for up to 40,000,000 shares may be granted under the Share Option Scheme.

On 1 February 2008, the Company granted 4,000,000 share options to the eligible employees and a supplier under the Share Option Scheme of the Company. As at 31 December 2010, the number of shares in respect of which options had been granted and remained outstanding under the Share Option Scheme was 2,291,000 (2009: 3,790,000), representing 0.54% (2009: 0.95%) of the shares of the Company in issue at the date.

Details of the specific categories of options are as follows:

承授人類別 Category of grantee	授出日期 Date of grant	歸屬日期 Vesting date	行使期間 Exercise period	行使價 Exercise price 港元 HK\$	購股權數目 Number of share options
僱員 Employees	二零零八年二月一日 1 February 2008	二零零九年二月一日 1 February 2009	二零零九年二月一日 至二零一四年 一月三十一日 1 February 2009 to 31 January 2014	0.64	161,000
	二零零八年二月一日 1 February 2008	二零一零年二月一日 1 February 2010	二零一零年二月一日 至二零一四年 一月三十一日 1 February 2010 to 31 January 2014	0.64	372,500
	二零零八年二月一日 1 February 2008	二零一一年二月一日 1 February 2011	二零一一年二月一日 至二零一四年 一月三十一日 1 February 2011 to 31 January 2014	0.64	1,657,500
供應商 Supplier	二零零八年二月一日 1 February 2008	二零一一年二月一日 1 February 2011	二零一一年二月一日 至二零一四年 一月三十一日 1 February 2011 to 31 January 2014	0.64	100,000
合計 Total					2,291,000

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

28. 以股份支付之款項 (續)

按股權結算購股權計劃 (續)

於年內尚未行使之購股權詳情如下：

		二零一零年 2010	
		購股權數目 Number of share option	加權平均行使價 Weighted average exercise price 港元 HK\$
於年初 尚未行使	Outstanding at the beginning of the year	3,790,000	0.64
年內沒收	Forfeited during the year	(251,000)	0.64
年內行使 (附註 i)	Exercised during the year (note i)	(1,248,000)	0.64
於年末 尚未行使	Outstanding at the end of the year	2,291,000	0.64
於年末 可行使	Exercisable at the end of the year	533,500	0.64

附註：

- (i) 1,284,000 份每份行使價為 0.64 港元之購股權已在年內行使 (二零零九年：無)。於本年年末尚未行使購股權之加權平均尚餘合約期為 3.1 年 (二零零九年：4.1 年)。

28. Share-based payments (Continued)

Equity-settled share option scheme (Continued)

Details of the share options outstanding during the year are as follows:

		二零一零年 2010		二零零九年 2009	
		購股權數目 Number of share option	加權平均行使價 Weighted average exercise price 港元 HK\$	購股權數目 Number of share option	加權平均行使價 Weighted average exercise price 港元 HK\$
於年初 尚未行使	Outstanding at the beginning of the year	3,790,000	0.64	3,790,000	0.64
年內沒收	Forfeited during the year	(251,000)	0.64	-	-
年內行使 (附註 i)	Exercised during the year (note i)	(1,248,000)	0.64	-	-
於年末 尚未行使	Outstanding at the end of the year	2,291,000	0.64	3,790,000	0.64
於年末 可行使	Exercisable at the end of the year	533,500	0.64	758,000	0.64

Note:

- (i) 1,284,000 share options at the exercise price of HK\$0.64 per share were exercised during the year (2009: Nil). The options outstanding at the end of the year have a weighted average remaining contractual life of 3.1 years (2009: 4.1 years).

29. 資本承擔

本集團

於報告日，有關本集團生產設備之資本承擔如下：

		二零一零年 2010
		人民幣千元 RMB'000
物業、廠房及設備	Property, plant and equipment	
已訂約但未撥備	Contracted but not provided for	954
已授權但未訂約	Authorised but not contracted for	-
		954

本公司

於二零一零年及二零零九年十二月三十一日，本公司並無任何資本承擔。

29. Capital commitments

Group

The Group's capital commitments in respect of production facilities at the reporting date are as follows:

		二零一零年 2010	二零零九年 2009
		人民幣千元 RMB'000	人民幣千元 RMB'000
物業、廠房及設備	Property, plant and equipment		
已訂約但未撥備	Contracted but not provided for	954	2,742
已授權但未訂約	Authorised but not contracted for	-	25,739
		954	28,481

Company

The Company does not have any capital commitments as at 31 December 2010 and 2009.

30. 經營租賃承擔

本集團作為出租人

於二零一零年十二月三十一日，根據不可撤銷經營租賃，本集團應收之日後最低租賃收款總額如下：

		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
一年之內	Within one year	523	487
於第二至五年內(包括首尾兩年)	In the second to fifth year inclusive	79	514
		602	1,001

在本集團經營租賃安排下，租期經洽商後平均為一至三年不等。租賃條款一般要求租戶支付抵押按金。

本公司作為出租人

於二零一零年及二零零九年十二月三十一日，本公司並無任何不可撤銷經營租賃最低租賃收款。

本集團作為承租人

於二零一零年十二月三十一日，根據不可撤銷經營租賃，本集團應付之日後最低租賃付款總額如下：

		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
一年之內	Within one year	264	320
於第二至五年內(包括首尾兩年)	In the second to fifth year inclusive	241	6
		505	326

經營租賃付款乃指本集團就其若干辦公室而應付之租金。租期經洽商後平均為一至三年不等，而於租期內的租金固定，並不包括任何或然租金。

30. Operating lease commitments

Group – as lessor

As at 31 December 2010, the Group had future aggregate minimum lease receipts under non-cancellable operating leases as follows:

		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
一年之內	Within one year	523	487
於第二至五年內(包括首尾兩年)	In the second to fifth year inclusive	79	514
		602	1,001

Under operating lease arrangements of the Group, the leases are negotiated for an average terms of one to three years. The terms of the leases generally require the tenants to pay security deposits.

Company – as lessor

The Company does not have any minimum lease receipts under non-cancellable operating leases as at 31 December 2010 and 2009.

Group – as lessee

As at 31 December 2010, the total future minimum lease payments by the Group under non-cancellable operating leases payable are as follows:

		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
一年之內	Within one year	264	320
於第二至五年內(包括首尾兩年)	In the second to fifth year inclusive	241	6
		505	326

Operating lease payments represent rental payable by the Group for certain of its offices. Leases are negotiated for an average term of one to three years and rentals are fixed over the lease terms and do not include contingent rentals.

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

30. 經營租賃承擔(續)

本公司作為承租人

於二零一零年十二月三十一日，根據不可撤銷經營租賃，本公司應付之日後最低租賃付款總額如下：

		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
一年之內	Within one year	53	270
於第二至五年內(包括首尾兩年)	In the second to fifth year inclusive	-	6
		53	276

經營租賃付款乃指本公司就其若干辦公室而應付之租金。租期經洽商後平均為一年，而於租期內的租金固定，並不包括任何或然租金。

30. Operating lease commitments (Continued)

Company – as lessee

As at 31 December 2010, the total future minimum lease payments by the Company under non-cancellable operating leases payable are as follows:

Operating lease payments represent rental payable by the Company for certain of its offices. Leases are negotiated for an average term of one year and rentals are fixed over the lease terms and do not include contingent rentals.

31. 關聯方交易

- (a) 於年內，本集團向濰坊天弘企業管理及顧問有限公司支付租金約人民幣174,000元(二零零九年：人民幣155,000元)，而本公司所有執行董事在濰坊天弘企業管理及顧問有限公司擁有實益權益及可行使重大影響力。
- (b) 主要管理人員之酬金詳情載於財務報表附註11。

31. Related party transactions

- (a) During the year, the Group had rental payment of approximately RMB174,000 (2009: RMB155,000) to Weifang Tianhong Corporate Management and Consultancy Company Limited in which all the executive Directors of the Company have beneficial interests and can exercise significant influence.
- (b) The remuneration of key management personnel are set out in note 11 to the financial statements.

32. 財務風險管理

本集團面對之財務風險計有：市場風險(包括貨幣風險及利率風險)、信貸風險及流通性風險。本集團之整體風險管理計劃着重金融市場不可預測之特性，務求盡量降低可能對本集團財務表現帶來之負面影響。本集團目前並無任何明文之風險管理政策及指引。不過，董事會定期與主要管理層會面及與主要管理層通力合作，以分析及制定管理及監察財務風險的策略。

本集團並未為投機目的而買賣財務資產，亦未有出售期權。本集團所承受最重大的財務風險在下文載述。此外，附註32(v)載有按類別劃分的財務資產及負債概要。

(i) 外匯風險

由於本集團若干業務交易、資產及負債以港元及美元計值，故本集團面對若干外匯風險。本集團現時並無就其他外匯交易、資產及負債制定外匯對沖政策。本集團將密切監察其外匯風險，並會考慮於有需要時對沖重大外匯風險。

於二零一零年十二月三十一日，如人民幣兌港元及美元的匯價下降/上升5%而所有其他可變因素維持不變，則本集團年內的溢利及保留溢利會增加/減少約人民幣1,249,000元(二零零九年：人民幣823,000元)，主要來自以美元計值的貿易應收賬的匯兌收益/虧損。

截至二零零九年十二月三十一日止年度的財務報表所載的敏感度分析乃按相同基準編製。

32. Financial risk management

The Group is exposed to financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management focuses on unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group currently does not have any written risk management policies and guidelines. However, the Directors meet periodically and cooperate closely with key management to analyse and formulate strategies to manage and monitor financial risks.

The Group is not engaged in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed are described below. See also note 32(v) for a summary of financial assets and liabilities by category.

(i) Foreign currency risk

The Group has exposure to foreign currency risk as certain of its business transactions, assets and liabilities are denominated in HK\$ and US\$. The Group currently does not have a foreign currency hedging policy in respect of other foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

As at 31 December 2010, if the RMB had weakened/strengthened 5% against HK\$ and US\$ with all other variables held constant, the Group's profit for the year and retained profits would have been approximately RMB1,249,000 (2009: RMB823,000) higher/lower, arising mainly as a result of the foreign exchange gain/loss on trade receivables denominated in US\$.

The sensitivity analysis included in the financial statements for the year ended 31 December 2009 had been prepared on the same basis.

32. 財務風險管理 (續)

(ii) 利率風險

本集團面對之利率變動風險主要涉及其浮息借貸。本集團並未使用任何衍生合約對沖其利率風險。然而，管理層會監察利率風險，並會考慮於有需要時對沖重大利率風險。

敏感度分析

下表顯示本集團年度溢利及保留溢利對可能由年初開始出現的利率變動 $\pm 0.5\%$ (二零零九年： $\pm 0.5\%$)的敏感度。計算時乃以本集團於報告日所持有的財務資產及負債為基準。所有其他可變因素維持不變。

二零一零年十二月三十一日
31 December 2010
二零零九年十二月三十一日
31 December 2009

根據對目前市況的觀察所得，假定的利率變動乃視作有合理可能出現，並可作為管理層對利率於未來十二個月期間的合理可能變動所作的評估。

截至二零零九年十二月三十一日止年度的財務報表所載的敏感度分析乃按相同基準編製。

32. Financial risk management (Continued)

(ii) Interest rate risk

The Group's exposure to interest rate risk for changes in interest rates relates primarily to the Group's floating interest rate borrowings. The Group has not used any derivative contracts to hedge its exposure to interest rate risk. However, management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

Sensitivity analysis

The following table illustrates the sensitivity of the Group's profit for the year and retained profits to a possible change in interest rates of $\pm 0.5\%$ (2009: $\pm 0.5\%$), with effect from the beginning of the year. The calculations are based on the Group's financial assets and liabilities held at the reporting date. All other variables are held constant.

	本集團 Group		本公司 Company	
	年度溢利及保留溢利 Profit for the year and retained profits		年度溢利及保留溢利 Profit for the year and retained profits	
	人民幣千元 RMB'000		人民幣千元 RMB'000	
	+0.5%	-0.5%	+0.5%	-0.5%
二零一零年十二月三十一日 31 December 2010	(314)	314	47	(47)
二零零九年十二月三十一日 31 December 2009	(462)	462	4	(4)

The assumed changes in interest rates are considered to be reasonably possible based on observation of current market conditions and represents the management's assessment of a reasonably possible change in interest rate over the next twelve months period.

The sensitivity analysis included in the financial statements for the year ended 31 December 2009 had been prepared on the same basis.

32. 財務風險管理 (續)

(iii) 信貸風險

列於綜合財務狀況表的銀行及現金結餘、貿易應收賬、應收票據及其他應收款項的賬面值，意指本集團就本身財務資產承擔的最大信貸風險。銀行及現金結餘的信貸風險有限，原因是對手方擁有高信貸評級。

本集團已制定政策，以確保向有恰當信貸記錄之客戶銷售貨品。

本集團並無重大的信貸集中風險，有關風險分散至多個客戶及對手方。然而，客戶的所在地主要為中國，佔二零一零年十二月三十一日貿易應收賬的64% (二零零九年：62%)。為盡量減輕信貸風險，管理層將致力建立遍佈全球的廣泛客戶網絡，從而降低因客戶所在地帶來的信貸風險。

(iv) 流通性風險

在管理流通性風險時，本集團會監察及維持管理層認為充裕的現金及現金等值項目，作為本集團營運所需的資金，以及舒緩現金流量波動的影響，方式是不斷監察預測及實際的現金流量及調配財務資產及負債的到期組合。

由於本集團的短期銀行借貸如在銀行批准的限額內，可由本集團酌情決定按年延續，董事認為，計及本集團目前可用的融資額度及內部財政資源後，本集團擁有充裕的營運資金，足以應付目前所需。本集團依賴銀行借貸作為其流通資金的主要來源。

32. Financial risk management (Continued)

(iii) Credit risk

The carrying amount of the bank and cash balances and trade, bills and other receivables included in the consolidated statement of financial position represented the Group's maximum exposure to credit risk in relation to the Group's financial assets. The credit risk on bank and cash balances is limited because the counterparties have high credit ratings.

The Group has policies in place to ensure that sales are made to customers with an appropriate credit history.

The Group has no significant concentration of credit risk with exposure spread over a number of customers and counterparties. However, the geographical location of customers is mainly on the PRC which accounted for 64% (2009: 62%) of the trade receivables as at 31 December 2010. In order to minimise the credit risk, management will endeavor to build an extensive customer base that spread over the world, which can minimise the credit risk by geographical location.

(iv) Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

As the Group has short term bank borrowings which could be renewed on an annual basis at the discretion of the Group within limit approved by banks, the Directors are of the opinion that, taking into account the presently available facilities and internal financial resources of the Group, the Group has sufficient working capital for its present requirements. The Group relies on bank borrowings as a significant source of liquidity.

財務報表附註 Notes to the Financial Statements

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

32. 財務風險管理 (續)

(iv) 流通性風險 (續)

下表概述按合約未貼現付款分析的非衍生財務負債到期情況：

32. Financial risk management (Continued)

(iv) Liquidity risk (Continued)

The table below summarises the maturity profile of the non-derivative financial liabilities based on contractual undiscounted payments:

		三個月內 或應要求 Within 3 months or on demand 人民幣千元 RMB'000	三個月至 一年內 Between 3 months to 1 year 人民幣千元 RMB'000	一至五年內 Between 1 to 5 years 人民幣千元 RMB'000	未貼現總額 Total undiscounted amount 人民幣千元 RMB'000	賬面值 Carrying amount 人民幣千元 RMB'000
本集團	Group					
二零一零年	2010					
貿易應付賬、應付票據 及其他應付款項	Trade, bills and other payables	56,424	28,258	-	84,682	84,682
銀行借貸	Bank borrowings	1,288	50,336	44,035	95,659	89,900
合計	Total	57,712	78,594	44,035	180,341	174,582
二零零九年	2009					
貿易應付賬、應付票據 及其他應付款項	Trade, bills and other payables	56,494	17,880	-	74,374	74,374
銀行借貸	Bank borrowings	35,819	77,634	46,039	159,492	149,169
合計	Total	92,313	95,514	46,039	233,866	223,543
本公司	Company					
二零一零年	2010					
其他應付款項	Other payables	388	-	-	388	388
合計	Total	388	-	-	388	388
二零零九年	2009					
其他應付款項	Other payables	308	44	-	352	352
應付附屬公司 款項	Amounts due to subsidiaries	72	-	-	72	72
合計	Total	380	44	-	424	424

32. 財務風險管理(續)

(v) 按類別劃分的財務資產及負債概要

此外，分別於二零一零年及二零零九年十二月三十一日確認的財務資產及負債的賬面值可作以下分類。至於有關財務工具的類別如何影響其後的計量，請參閱附註3(i)及3(l)的說明。

32. Financial risk management (Continued)

(v) Summary of financial assets and liabilities by category

The carrying amounts of the financial assets and liabilities recognised as at 31 December 2010 and 2009 may also be categorised as follows. See notes 3(i) and 3(l) for explanations about how the category of financial instruments affects their subsequent measurement.

		本集團 Group		本公司 Company	
		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000	二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
財務資產	Financial assets				
貸款及應收款項：	Loans and receivables:				
- 貿易應收賬	- Trade receivables	82,427	59,402	-	-
- 應收票據	- Bills receivable	34,906	51,545	-	-
- 其他應收款項	- Other receivables	51,945	22,155	322	242
- 已抵押銀行存款	- Pledged bank deposits	10,500	-	-	-
- 銀行及現金結餘	- Bank and cash balances	42,383	16,758	17,171	1,681
- 應收附屬公司 款項	- Amounts due from subsidiaries	-	-	189,455	191,188
- 應收股息	- Dividend receivables	-	-	86,558	100,557
		222,161	149,860	293,506	293,668
財務負債	Financial liabilities				
按攤銷成本計量的 財務負債：	Financial liabilities measured at amortised cost:				
- 貿易應付賬	- Trade payables	21,557	23,767	-	-
- 應付票據	- Bills payable	3,000	-	-	-
- 其他應付款項	- Other payables	60,125	50,607	388	352
- 銀行借貸	- Bank borrowings	89,900	149,169	-	-
- 應付附屬公司 款項	- Amounts due to subsidiaries	-	-	-	72
		174,582	223,543	388	424

33. 資本管理

本集團的資本管理目標在於確保本集團有能力以持續方式經營，以及可因應風險水平就貨品相應定價，從而為股東帶來理想回報。

本集團會基於經濟狀況的變動及基本資產的風險特性，管理及調整其資本結構。為維持或調整資本結構，本集團可調整向股東派息的款額、發行新股、向股東退回資本、借取新債務融資或出售資產減債。

本集團乃根據債務權益比率監察其資本，此比率的計算方式載於下表。

於報告日的債務權益比率如下：

33. Capital management

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and to provide an adequate return to shareholders by pricing goods commensurately with the level of risk.

The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristic of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares, return capital to shareholders, raise new debt financing or sell assets to reduce debts.

The Group monitors capital on the basis of the debt-to-equity ratio. This ratio is calculated as set out in the table below.

The debt-to-equity ratio at the reporting date was as follows:

		本集團 Group	
		二零一零年 2010	二零零九年 2009
		人民幣千元 RMB'000	人民幣千元 RMB'000
借貸	Borrowings		
– 流動	– Current	59,900	107,169
– 非流動	– Non-current	30,000	42,000
減：銀行及現金結餘及已抵押 銀行存款	Less: Bank and cash balances and pledged bank deposits	(52,882)	(16,758)
債務淨額	Net debt	37,018	132,411
權益總額	Total equity	527,515	387,948
債務權益比率	Debt-to-equity ratio	7.02%	34.13%

34. 報告日後事項

於二零一零年十二月十日，本公司與獨立第三方就有關建議收購山東海恒化工有限公司(為一家在中國註冊成立之有限公司)之全部股權簽署無法定約束力之意向書。於二零一一年三月十日，在獨家期間屆滿後仍未簽立正式協議，該意向書已隨之失效。至於有關該建議收購事項之詳情，已載於本公司分別於二零一零年十二月十日及二零一一年三月十日刊發之公告。

34. Events after the reporting date

On 10 December 2010, the Company and the independent third party entered into a non-legally binding letter of intent in relation to the proposed acquisition of the entire equity interests on Shandong Haiheng Chemical Limited, a company incorporated in the PRC with limited liability. On 10 March 2011, as the Company could not reach any formal agreement in respect of the proposed acquisition after the expiry of the exclusive period, the letter of intent has lapsed. Details of the proposed acquisition are set out in the Company's announcements dated 10 December 2010 and 10 March 2011.



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