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ANNUAL REPORT 年報 2010



EcoGreen Fine Chemicals Group Limited
中怡精細化工集團有限公司*

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

Stock code 股份代號 : 2341



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Corporate Information

公司資料

Board of Directors

Executive Directors

Mr. Yang Yirong (*Chairman & President*)

Mr. Gong Xionghui

Ms. Lu Jiahua

Mr. Lin Like

Mr. Han Huan Guang

Non-executive Directors

Mr. Feng Tao (*Vice Chairman*)

Independent non-executive Directors

Mr. Yau Fook Chuen

Mr. Wong Yik Chung, John

Dr. Zheng Lansun

Board Committees

Audit Committee

Mr. Yau Fook Chuen (*Chairman*)

Mr. Wong Yik Chung, John

Dr. Zheng Lansun

Remuneration Committee

Mr. Han Huan Guang (*Chairman*)

Mr. Yau Fook Chuen

Mr. Wong Yik Chung, John

Dr. Zheng Lansun

Company secretary

Mr. Lam Kwok Kin *FCCA, FCPA*

Auditor

PricewaterhouseCoopers

Principal bankers

Agricultural Bank of China

ANZ Bank

Bank of China

Bank of Communications

China Citic Bank

China Merchants Bank

Citic Bank International

Hong Kong and Shanghai Banking Corporation

KBC Bank

Standard Chartered Bank

Registered office

Century Yard

Cricket Square, Hutchins Drive

P.O. Box 2681 GT, George Town

Grand Cayman, Cayman Islands

British West Indies

董事會

執行董事

楊毅融先生 (*主席兼總裁*)

龔雄輝先生

盧家華女士

林力克先生

韓歡光先生

非執行董事

馮濤先生 (*副主席*)

獨立非執行董事

丘福全先生

黃翼忠先生

鄭蘭蓀博士

董事委員會

審核委員會

丘福全先生 (*主席*)

黃翼忠先生

鄭蘭蓀博士

薪酬委員會

韓歡光先生 (*主席*)

丘福全先生

黃翼忠先生

鄭蘭蓀博士

公司秘書

林國健先生 *FCCA, FCPA*

核數師

羅兵咸永道會計師事務所

主要往來銀行

中國農業銀行

澳盛銀行

中國銀行

交通銀行

中信銀行

招商銀行

中信銀行國際

滙豐銀行

比利時聯合銀行

渣打銀行

註冊辦事處

Century Yard

Cricket Square, Hutchins Drive

P.O. Box 2681 GT, George Town

Grand Cayman, Cayman Islands

British West Indies

Corporate Information

公司資料

Head office and principal place of business in Hong Kong

Suite 3706, 37th Floor
Central Plaza
18 Harbour Road
Wanchai, Hong Kong

Principal share registrar and transfer office

Bank of Bermuda (Cayman) Limited
P.O. Box 513 GT
2nd Floor, Strathvale House
North Church Street, George Town
Grand Cayman, Cayman Islands
British West Indies

Hong Kong branch share registrar and transfer office

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

Website

<http://www.ecogreen.com>

Stock Codes

Stock Exchange, Hong Kong:	2341
Access to Reuters:	2341.HK
Access to Bloomberg:	2341 HK Equity

Shareholders' calendar

Book closing dates for the proposed final dividend:
3 June 2011 to 8 June 2011 (both days inclusive)

Record date for the proposed final dividend:
8 June 2011

2011 Annual General Meeting:
8 June 2011

Payment date for the proposed final dividend:
22 June 2011

總辦事處兼香港主要營業地點

香港灣仔
港灣道18號
中環廣場
37樓3706室

股份過戶登記總處

Bank of Bermuda (Cayman) Limited
P.O. Box 513 GT
2nd Floor, Strathvale House
North Church Street, George Town
Grand Cayman, Cayman Islands
British West Indies

香港股份過戶登記分處

卓佳登捷時有限公司
香港灣仔
皇后大道東28號
金鐘匯中心
26樓

網址

<http://www.ecogreen.com>

股份代號

香港聯交所：	2341
路透社版面：	2341.HK
彭博版面：	2341 HK Equity

股東日誌

就擬派末期股息暫停辦理股份過戶登記日期：
二零一一年六月三日至
二零一一年六月八日(包括首尾兩日)
擬派末期股息記錄日期：
二零一一年六月八日
二零一一年股東週年大會日期：
二零一一年六月八日
擬派末期股息派付日期：
二零一一年六月二十二日

EcoGreen is the leading fine chemicals enterprise in the PRC
Further advanced towards
to be one of the most influential global
flavour and fragrance suppliers

中怡是中國領先的精細化工企業
進一步向全球其中一間
最具影響力之香精
香料供應商進發

Review

On behalf of the Board of Directors (the "Board"), I would like to present the Group's financial results for the year ended 31 December 2010 to our shareholders. During the year, the Group recorded turnover of approximately RMB908 million, representing an increase of 25% compared with 2009. Earnings before interest, tax, depreciation and amortisation ("EBITDA") was RMB214 million, up 23% from RMB174 million in previous year. Profit attributable to shareholders increased 21% to RMB130 million. Basic earnings per share reached RMB0.280, compared with RMB0.231 in 2009. To thank our shareholders for their enduring support, the Board proposed to declare a final dividend of HK3.8 cents per share. Together with the interim dividend of HK0.88 cents per share, the total dividend for the year was HK4.68 cents per share, compared with HK3.8 cents previously.

2010 was an extraordinary year. Thanks to looser monetary policy and economic stimulus measures introduced by various governments, the global economy started to stabilize following the peak of the financial crisis. Emerging economies, in particular China, stood out with their rapid recovery, while the U.S. and developed countries in Europe also showed signs of moderate recovery and stabilization. The cost of raw materials and prices of finished products climbed to varying degrees as global demand for basic

回顧

本人謹代表董事會，向各股東報告本集團截至二零一零年十二月三十一日止年度之業績。期內，營業額約為9.08億元人民幣，與零九年相比上升25%；未計利息、稅項、折舊及攤銷之溢利（「EBITDA」）為2.14億元人民幣，較零九年的1.74億元人民幣比較升幅有23%；股東應佔溢利則增加21%至1.30億元人民幣；每股基本溢利為0.280元人民幣，相對於零九年每股基本溢利為0.231元人民幣，升幅有21%。為了回報廣大股東的支持，董事會建議宣派本年度末期股息每股港幣3.8仙，惟須待股東於應屆股東週年大會批准。連同中期股息每股港幣0.88仙，本年度的股息分派總額為每股港幣4.68仙，相對上一年度的股息為每股港幣3.8仙。

二零一零年是不尋常的一年。環球經濟在經歷了二零零九年的金融危機後，在各國政府的寬鬆貨幣政策和經濟刺激措施的支持下，逐步出現了回穩。其中，新興經濟體、尤以中國的經濟增長表現突出；歐美發達國家的經濟活動也從危機中回穩並表現出溫和的復甦跡象。雖然復甦的基礎尚薄，全球生活必需品的需求已較年前有明顯的增

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necessities still managed to increase markedly compared with 2009. This occurred despite the fact that economic recovery remained modest and loose liquidity fuelled inflation in emerging economies. During the year, the general business environment raised fresh hopes, but companies continued to face challenges and mounting pressure on the operational front. In the flavor and fragrance industry, most key players around the world saw their customer orders returning to normal levels. The size of orders placed with the Group also grew alongside improved customer demand while our production output and product prices increased as the year wore on. Turnover rose 25 percentage points year-on-year. This showed that the Group's business bounced back following the slowdown in 2009.

The recovery of the Group's business was driven mainly by the robust leadership of the Board, the collective efforts of all employees and our industry reputation. Other supportive factors included advanced technologies and skills, refined management, adequate financial support and effective risk control. Leveraging on the growth opportunities arising from the industry consolidation prompted by the global financial crisis, our Group proactively reinforced cooperation with its global clients and successfully enhanced its position in the global market.

During the year under review, sales revenue from our main product dihydromyrcenol and its woody derivative aroma chemicals continued to grow, accounting for approximately 25% of total global supply, making the Group one of the three largest suppliers in the world for this product category. Sales revenue from new aroma chemicals, including flora, green, dairy and fruity notes, also grew consistently. These products are expected to become new growth drivers in the future. Meanwhile, the food additives segment in the natural extract category also expanded gradually, with its clientele diversifying from renowned international food processors to downstream restaurant chains.

The Group's main clients include some of the largest multinational flavor and fragrance companies. Amid mounting demand and soaring costs in 2010, the Group devoted to provide the best service to its clients and maintain good interactive communications with its customers. The Group also ensured steady supplies and timely delivery and its products were at the highest quality. By offering comprehensive solutions for research and development, procurement, production and supply chain management, the Group secured the trust and support of its clients. Our clientele, which largely consists of multinational manufacturers, has broadened to include some local end-user chains.

The core competitive advantage of the Group lies mainly in its capacity to achieve and maintain technological advancement. During the year, we successfully developed new, cutting edge technology by collaborating with a renowned university in China. The first industrial reactor using this technology has been built and will begin trial operations in March 2011. It will then be

加。加上，充裕流動性引致的通脹預期已在新興經濟體系中普遍出現，帶動了原料成本和產成品價格不同程度的上升。年內，整體的經營環境，給了大多數企業新的發展希望，但面對的挑戰和經營壓力仍然十分巨大。對於香精香料行業，全球主要的企業已在恢復常年的訂單需求。本集團的訂單量亦因客戶需求的復蘇，而在主要產品產出量以及售價上全年皆獲得持續的增幅。集團的營業額與零九年相比上升了25個百分點，明確地顯示了本集團的業務經歷了零九年的波動後已在快速地恢復過往的成長動力。

本集團業務的回復增長，主要有賴於在董事會的有力領導下，通過上下同仁的協同努力，憑藉良好的行業信譽、先進的工藝技術、精緻的經營管理，在充份的財資支持和風險保障下，利用了全球金融危機對行業整合所帶來的發展機會，積極地加強了與各主要的全球客戶的業務合作，提升了企業在全球市場中的地位。

本集團的主要產品—二氫月桂烯醇及其同系「木香型」芳香化學品的生產銷售在年內持續成長，粗略估計目前產出量已達全球供應的25%，使得本集團成為了該系主要香原料的全球三大供應商之一。其它日用的花香、草香型香料和食用的奶香型、果香型香料的銷售也正在穩步提升，有望成為新的業務增長點。此外，天然提取物類別中的食品配料業務也在逐步開展，客戶組合上已發展到國際知名食品加工商以及下游終端的餐飲連鎖企業。

本集團的主要客戶都是全球最具份量的跨國香精香料企業。年內，面對需求的增長、成本的波動，仍然堅守以客為尊的承諾，繼續深化與客戶的互利互動，遵從供應穩定、交貨及時和品質上乘的業務傳統，為客戶提供從研發、採購、生產乃至供應鏈管理整合等整體解決方案服務，從而贏得了客戶的信賴和支援。客戶組合也根據產品和服務的特點從大型的跨國製造商逐步延伸到地方的連鎖終端商。

本集團的核心競爭力關鍵之一在於掌握和保持技術的領先。期內，本集團與國內的知名大學合作，成功地開發出在全球同業中具有領先地位的新型工藝技術。以該技術裝備的首套工業化反應裝置已經安裝完成，將在二零一一年三月份進行

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launched officially and begin contributing to the Group's revenue in 2011. We aim to upgrade all existing facilities for our main products gradually with this new technology in order to raise production output and improve cost efficiency. Effective implementation of the new technology is expected to strengthen our industrial capabilities for a significant period of time.

Meanwhile, the Group has also completed the construction and installation work for the first phase of the Changtai expansion in Fujian Province. A trial run will be conducted in April 2011. Phase I of the Changtai Plant, which begins production soon, will mainly engage in the production of the new aroma chemical series, and some special chemicals including pharmaceutical intermediates, agrochemical and other functional chemicals. All of these new products will contribute to the business growth of the Group.

We are still using botanic essential oils, which are rich natural products in China, as major raw materials, of which turpentine accounts for the largest share. Gum turpentine has an inelastic demand in the market place with its extensive application. As a naturally renewable resource, supply is affected by weather conditions and manpower resources for tapping. In 2010, the market price of gum turpentine hovered at historic highs due to rising demand and anticipated inflation. This added considerable pressure to our operations in the areas of raw material procurement, inventory management, production costs and working capital. Nevertheless, we still managed to secure a stable supply of raw materials, thanks to our long-standing national procurement network, our supply chain management strategies and our upstream integration plan. Furthermore, we carefully controlled our raw material inventory, and established a new, orderly price adjustment mechanism for sales of finished products with the support and understanding of our clients. Therefore, we limited the impact of raw material cost fluctuations on our profitability to certain extent, and hope to maintain stable profit margins for related products in the medium to long-term. Meanwhile, moves to introduce new products with higher margins helped to mitigate some of the negative impact caused by rising costs. In 2010, our gross profit margin fell by just 1 percentage point to 24.7%, compared with 25.7% in 2009. High raw material prices have also curbed or even eliminated some industry peers, in particular those who proved unable to consolidate their raw material resources or suffered from poor management, ineffective economies of scale or outdated technology. This phenomenon will help our Group to grow further.

With regards to production expansion, technological innovation and strategic procurement of raw materials in the coming years, we completed a new three-year syndicated loan of US\$31 million in 2010 at relatively low cost, with the support of some international banks. This helped the Group to effectively secure funding for development of our existing business and served as a natural hedge against future foreign exchange risk on our export income given expectations that the Renminbi will continue to appreciate against other currencies.

調試，完成系統測試後，投料試車。該套裝置的投產將會對二零一一年度的營業收入產生貢獻，並且在其順利運行的基礎上，計畫在來年逐步實現對現有的主要設施進行全面提升和系統改造，以全新工藝實現新的規模經營，並達至更好的成本效益。通過該項新型技術的有效實施，本集團在主要產品之成本，生產規模和效率上將有顯著的提高，並可在未來相當時期內保持著產業優勢。

與此同時，本集團也完成了福建長泰工廠的第一期工程建設及設備安裝，並在二零一一年度的四月開始調試，之後安排試運行並開始投入生產。長泰一期除了提供新的生產力予芳香化學品新產品組合之外，還將重點增加包括醫藥中間體、農用化學品和其它功能化學品在內之特殊化學品的生產，以使到這些新產品組合可為本集團未來的業務增長作出貢獻。

本集團的原料仍以中國本土豐產的植物精油等天然可再生資源為主，其中以松節油佔最大比重。一方面，由於松節油用途較廣，表現出很強的需求剛性；另一方面，作為可再生天然資源，其供應會受到自然氣候以及採收人力等因素的影響。二零一零年度內，在需求上升、通脹預期的影響下，松節油的市場價格一直在歷史的高位持續浮動，其結果對原料採收、庫存管理、生產成本以及營運資金都帶來了一定的壓力。儘管如此，本集團早期佈局的全國採購網路和資源管理戰略、配合供應鏈的上游資源整合，基本保障了本集團原料的穩定供應。加上，集團採取了嚴謹的存貨管理及控制，並在客戶的理解和支援下，對產成品的銷售建立了新的有序調價機制，從而有效地控制因原材料成本的波動而對本集團產品盈利能力所產生的影響，希望從中長期經營的角度穩定了相關產品的邊際利潤。期內，本集團所推出的較高利潤新產品組合的銷售，也有助減低了原材料成本上升的不利影響。二零一零年度本集團的毛利率較零九年的25.7%略微下調了1個百分點至24.7%。高位的資源價格，也抑制甚至淘汰了一些不具備資源整合能力，或者管理及技術落後，且並不具規模效益的同業，給本集團的進一步發展提供機會。

期內，根據本集團來年的產能擴大、技術升級以及原料策略採購的需要，本集團在多家國際銀行的支援下，以較低的成本完成了一項為期三年的三千一百萬元美元的海外銀團融資，以有效地保障了現有業務的發展，同時在人民幣持續升值的預期下為未來出口收益提供了自然的匯兌對沖，減少了匯率風險。

Chairman's Statement

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By upholding its “people-oriented” and “technology-led” business philosophy, while adhering to the principle of “green chemistry” standards in its operation, our Group strictly complied with various domestic and international industry rules and regulations, and used fully-automatic, state-of-the-art production facilities. The Group therefore maintained safe production and operations during the year.

Under the technology-intensive business model, the Group recruits high caliber personnel with relevant academic qualifications. The number of staff per unit output is relatively low in our plant. We have therefore offered attractive remuneration which surpasses the industry average in China. The impact of the minimum wage law, introduced by the Chinese government in 2010, was very limited. The staff turnover rate was also relatively low. To retain and employ more talent for our development needs, we will conduct timely reviews and adjust salary levels and incentives for our workforce in line with the growth of our business and improvement of social living standards. In addition, our Group will continue to commit resources to specific areas where necessary to boost production output, maintain a safe working environment and improve environmental protection.

Outlook

2010 was a year of robust rebound for the Group, following multiple challenges brought by the economic crisis in 2009. With regards to 2011, we have seen further signs of economic recovery in the U.S., fueled by the latest round of quantitative easing policies (QE2) by Washington. At the same time, the world's second-biggest economy, China, is expected to continue expanding at a rate of over 7 percent. It would appear that the global economy is on the road to steady recovery. However, many uncertainties and challenges remain, including the ongoing sovereign debt crisis in Europe, geopolitical turmoil in the Middle East, the fallout from the Japanese earthquake which struck in March, and anticipated inflation around the world. All these factors will cast a shadow over economic recovery. In 2011, we see dangers as well as opportunities. Therefore, we are cautiously optimistic about the future of the global industry, while remaining strongly confident in the growth potential of our Group. We will remain highly vigilant to the many risks that abound.

We expect the Group to benefit from a steady increase in flavour and fragrance product prices driven by growing demand and anticipated inflation. We also see the sovereign debt crisis in Europe, geopolitical turmoil in the Middle East and earthquake disaster in Japan potentially speeding up restructuring of global industry. We may be in a position to better capture new opportunities spurred by industry consolidation given we are based in China, a country which enjoys both political and economic stability. As a major aroma chemical supplier with global influence, our Group will strive as always to play to its strengths and seize business opportunities. We are on the right side of the global supply chain for the flavor and fragrance industry

在業務發展的過程中，本集團一直秉承著「以人為本、技術領先」的經營理念，在生產和服務中堅持「綠色化學」的經營原則，嚴格遵守國內及國際上各種的行業標準和規範，並採用了技術上全球領先的全自動化生產裝置和設備，於本年度內實現了全年的安全生產和經營。

在技術密集型製造服務的企業經營模式下，本集團的所用員工皆為具有一定學歷的專業人材，單位產能的人數較為精少，個人工酬待遇也一直較國內同業為高。中國政府年內頒佈生效的最低工資條例對本集團的影響較低，人員的流動性也相對較低。儘管如此，本集團仍將需要適時地按照公司業務的發展情況和社會薪酬水準對員工薪酬和獎勵作出檢討和調整，以繼續保留和吸納集團發展所需各種人才，同時繼續作出必須的投資以提升生產力、保障工作環境安全以及加強環保規例。

展望

回顧二零一零年，是本集團在經受零九經濟危機多重考驗後，業務重現強勢成長的一年。展望二零一一年，在美國實施新一輪量化寬鬆貨幣政策 (QE2) 的持續刺激下，經濟表現已略有起色，加上中國自一零年經濟總量上升為全球第二並有望在來年保持較快的經濟增長 (年度GDP增長7%以上) 所帶動下，環球經濟相信已從危機中逐步走向復蘇。惟目前的環境仍然充滿不安和挑戰，包括歐洲債務危機的延續、中東地緣政治的動盪、日本世紀天災的演化以及全球通脹的預期對各地社會民生所產生的壓力，都會令未來經濟復蘇的前景投射下陰影。故新一年是有危也有機的。因此，我們對行業的前景仍持有審慎樂觀的期待，對本集團業務的成長更抱有充分的信心，同時也會對各種的風險保持著高度的警覺。

我們估計，一方面，需求的回升和通脹的預期會帶動整個香精香料行業價值鏈中產品價格在穩步趨升，本集團會因此而受惠；另一方面，歐債危機、中東地緣政治和日本天災等影響有可能加快全球產業的重組，我們立足在中國相對穩定的政治經濟環境中，可增加承接行業全球再分工的機會。作為一家具有全球影響力的香原料主要供應商，本集團一直致力於發揮自有優勢，利用在香精香料全球供應鏈上有利的位置，積極地承接全球產業轉移的業務機會，在滿足市場需求的同時

Chairman's Statement

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to benefit from transformations within the global industry. We hope to meet market demand with our enlarged product and service portfolio, backed by a larger scale of production and advanced technologies. In so doing, we will be able to continue enhancing our comprehensive competitiveness.

Based on the above, we plan to cope with future challenges and capture new opportunities by using the following strategies and measures:

Consolidating supply chain

Leveraging on its leading position in turpentine processing, the Group will channel resources towards our terpenic aroma chemicals operations. We will continue with our upstream integration along the supply chain by building strategic partnerships with raw material suppliers and collaborating with upstream forestry owners to develop renewable resources in a sustainable way. By moving our management of raw material procurement closer to its primary source, we can secure a safe and steady supply of raw materials in the long run. We can also try to lock in costs of major raw materials through quarterly stockpiling on site, to achieve greater returns from better economies of scale in raw material resource management.

Innovative technology to boost production efficiency

Our unique, innovative technology and industry experience form our core competence. From 2011 onwards, the Group will incorporate the latest global technologies in its production and achieve large-scale commercialization. This revolutionary technological advancement will significantly boost our production efficiency and curb energy consumption, thus bringing down production costs. Such advancements can be introduced to existing facilities to greatly enhance productivity and minimize related capital expenditure.

Balanced expansion of production facilities

Phase I of the Changtai Plant will commence production in the first half of 2011. The plant will mainly produce special chemicals including a new series of aroma chemicals and pharmaceutical intermediates, agrochemical and other functional chemicals. This will lay a solid foundation for new business in the realm of special chemicals. The output of our Xinglin Plant is also expected to increase further as new clients in the food additives sector appear and we launch new products.

Effective operation management system

We will reinforce our operation management and internal controls to meet with market requirements in corporate governance, so as to strengthen risk controls and support long-term business growth. All those measures will include, but not be limited to, conducting regular reviews on management duties and performance, strategy and risk management, as well as corporate governance. We will take effective steps to further control costs, working capital and capital expenditure, while refining the capital structure to control risk, and boost the Group's overall profitability.

時亦擴大生產的規模和產品及服務的組合，提升生產技術，使得集團的綜合競爭力持續地得到提升。

基於以上的考量，本集團計畫於新一年裡，推行多項措施以應對未來的挑戰和機會：

供應鏈整合

本集團將進一步努力，藉著在松節油深加工領域龍頭的優勢，在基礎萜類香原料產業鏈的運營實施資源配置，繼續專注於從上游資源開始的供應鏈整合，包括建立與原料供應商的戰略夥伴關係，積極參與上游林化資源的運作並實現整合經營。由於原料採購管理有效前移，集團在保障主要天然原料的安全穩定供應為前提下，落實了主原料按季度的成本鎖定，並在規模效益下使集團在資源營運中獲得更高的回報。

創新技術提升生產效率

創新技術和先進工藝為本集團核心競爭力。自二零一一年起，本集團將會把當前國際最新之生產技術全面引入工廠，實現大規模商業化應用。這項革命性的技術預期不僅能夠大幅提高生產效率，還可以顯著地節省能耗，降低生產成本。由於新技術只需要在現有的基礎設施上進行技術改造，故在資金投入最少的情況下，這項生產力的提升預期可為集團帶來更高的回報。

均衡的生產設施擴張

長泰第一階段廠房將會在二零一一年上半年投產，主要生產新系列的芳香化學品以及醫藥中間體、農用化學品和其他功能化學品等特殊化學品產品，可為本集團拓展特殊化學品領域的新業務奠定重要基礎。杏林工廠的產能預期也會隨著食品配料業務新客戶、新產品陸續的推出而進一步提升。

有效的營運管理系統

本集團將加強營運的系統管理和內控，以配合市場對公司治理的要求，強化業務風險控制，以支持長遠的發展。這些措施包括持續檢討管理職責，例如績效、策略和風險管理及企業管治等。集團將會有效地加強成本、營運資本和資本開支的控制，以及優化資金結構以控制風險，同時提升集團的綜合盈利能力。

Chairman's Statement

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Adhering to the principles of green chemistry

The Group adheres to its principles of green chemistry and will remain committed to serving as a role model for green chemistry players in the industry. We will continue our efforts with regards to energy saving, consumption and emission reduction. While seeking to boost our overall competitiveness, the Group will also comply strictly with both domestic and international standards (especially European "REACH") in the fine chemical industry. We will also adhere to all environmental and resource protection regulations. By doing this, we can meet the requirements of all international customers in terms of supplier qualifications and fulfill our corporate social responsibilities.

Merger and acquisition

While developing our existing business, we will continue to explore opportunities for faster business expansion through horizontal mergers and acquisitions that create synergies. We will prioritize vertical integration of resources and horizontal acquisition of businesses of a similar nature. We aim to develop markets with strong demand, insufficient supply or weaker competition to achieve greater expansion along our existing industry chain and rapid and sustainable growth of our businesses.

We see a future full of opportunities. Based on our solid business foundations, we will offer our clients a larger variety of products and value-added services. By leveraging on our industry reputation, solid clientele and advanced production technologies, we can ensure faster business expansion and greater global market share. Apart from organic growth of our existing business, we also look forward to partnerships and merger opportunities to grow our scale and the value of our overall business. We will also step up efforts to ward off risks and confront challenges. By doing this, we will have full confidence in our future.

Acknowledgement

On behalf of the Board, I would like to express my sincere gratitude to all our shareholders, customers, suppliers and staff, whose consistent support is crucial to our growth and success. I would also like to thank all Board members for their great support and precious advice during the year.

I believe that through our collective efforts, the Group will achieve greater business growth, and eventually establish itself as a major global aroma chemical supplier and an influential intermediate technology provider. We will also be a leading supplier of safe food products which complies with international food safety standards. All this will allow us to generate greater returns for our shareholders.

Yang Yirong
Chairman

Hong Kong, 25 March 2011

秉承綠色化學的宗旨

本集團將一如既往地秉承綠色化學的宗旨，努力擔當綠色化學的行業典範，在節能、降耗、減排上作出更多努力。在提升企業綜合競爭力的同時，嚴格地遵守精細化工行業的國內和國際（尤其是歐洲「REACH」等）準則，以及各項相關的環境和資源保護條例，使得本集團可以符合所有國際客戶的供應商資格要求外，也能完滿地履行企業的社會責任。

尋找具發展潛力之收購項目

本集團在努力加強自身業務成長的同時，繼續發掘機遇，爭取通過併購或投資於對本集團有協同效應之行業及企業的方式，實現企業的快速發展。優先考慮在資源的縱向整合、產業的橫向併購上。希望開拓需求大、供應少或競爭低的市場，以求在現有產業價值鏈上得到更大的業務擴展、幫助本集團的業務獲得長遠及高速成長。

未來充滿著機遇。本集團立足於現有的建業務基礎，憑藉在業內良好的聲譽、穩固的客源以及先進的生產工藝，通過為客戶和市場提供品類更多、層次更深的增值產品和服務來發展業務、增加市場份額。在加快現有業務增長的同時，積極尋求合作及併購的機會來拓展產業的規模和提升經營的價值，並且積極地防範風險，主動地面對挑戰。由此，我們對本集團的未來發展充滿著信心和期待。

致謝

本人謹代表董事會，對股東、客戶、供應商及全體員工致以衷心謝意。大家對本集團一如以往的信任與支持是本集團取得業務成功和增長的根本要素。同時，也對各董事在期間所給予的大力支持和寶貴建議致以真誠感謝。

本人深信，在大家進一步的努力下，本集團的業務將會更加蓬勃地發展，並將逐步成長為全球主要的香料供應商、兼具影響力的中間體技術供應商以及符合國際食品安全準則的安全食品服務商，為廣大股東創造更加豐厚的價值回報。

楊毅融
主席

香港，二零一一年三月二十五日

Management Discussion and Analysis

管理層討論及分析



EcoGreen specializes in natural chemical and natural-identical chemical production with focus in providing building blocks for flavour, fragrance and pharmaceutical

中怡專於製造天然及等同天然的化學產品作為香精、香料及醫藥的關鍵組分

Final Dividend

The Directors will propose at the annual general meeting to be held on 8 June 2011 payment of final dividend of HK3.8 cents per share for the year ended 31 December 2010 to be payable in cash on 22 June 2011 to shareholders whose names are listed on the register of members of the Company on 8 June 2011. Together with the interim dividend of HK0.88 cents (2009: HK0.8 cents) per share, this will bring the total dividend distribution for the year to HK4.68 cents (2009: HK3.8 cents) per share.

Closure of Register of Members

The transfer book and register of members of the Company will be closed from Friday, 3 June 2011 to Wednesday, 8 June 2011, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend, all transfers documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:00 p.m. on Thursday, 2 June 2011.

末期股息

董事將於二零一一年六月八日舉行之應屆股東週年大會，建議於二零一一年六月二十二日向於二零一一年六月八日名列本公司股東名冊之股東就截至二零一一年十二月三十一日止年度派付末期現金股息每股3.8港仙。連同中期股息每股0.88港仙(二零零九年：0.8港仙)，本年度之股息分派總額為每股4.68港仙(二零零九年：3.8港仙)。

暫停辦理股份過戶手續

本公司將於二零一一年六月三日星期五至二零一一年六月八日星期三(包括首尾兩日)暫停辦理股東登記手續，期內將不會辦理股份過戶登記手續。為符合資格獲享擬派末期股息，所有過戶檔連同有關股票，須於二零一一年六月二日星期四下午四時正前送交本公司股份過戶登記分處卓佳登捷時有限公司，地址為香港灣仔皇后大道東28號金鐘匯中心26樓。

Management Discussion and Analysis

管理層討論及分析

Business Review

The Group derives its revenue primarily from the manufacturing and trading businesses. The manufacturing business includes the production and sales of aroma chemicals, natural extracts and intermediates. Breakdown of revenue by operating segments is as follow:

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Revenue	收益		
Manufacturing	生產	828,351	655,959
Trading	貿易	79,900	72,535
Total revenue	總收益	908,251	728,494

A further breakdown of turnover by products are as follows:

產品營業額分析如下：

		2010 二零一零年 RMB'000 千元 人民幣		2009 二零零九年 RMB'000 千元 人民幣	
		% of total 佔總額 百份比	% of total 佔總額 百份比		
Manufacturing	生產				
Aroma chemicals	芳香化學品	641,046	70%	486,651	67%
Natural extracts	天然提取物	127,032	14%	113,084	15%
Intermediates	中間體	60,273	7%	56,224	8%
		828,351	91%	655,959	90%
Trading	貿易	79,900	9%	72,535	10%
Turnover	營業額	908,251	100%	728,494	100%

Business Review

In 2010, both the aroma chemicals business and flavour chemicals business recorded a prosperous growth. The growth for our three major products within the manufacturing business reached 26%. The Group's turnover for the year was RMB908 million, an increase of 25% from the previous year. Excluding contributions from the supplementary 'trading and resource management' business, core growth for our three major products even reached 26%. Profit attributable to shareholders increased to RMB130 million by 21% from the previous year. Basic earnings per share were approximately RMB28.0 cents.

業務回顧

回顧二零一零年，本集團的日化香料及食品香料也同時錄得較大增長。本集團年度營業額為9.08億元人民幣，較去年增加25%。扣除輔助業務「貿易及資源營運」部份的貢獻，三大類別產品的核心增長更達到26%。股東應佔溢利達1.30億元人民幣，較去年上升21%。每股基本盈利約為28仙人民幣。

Management Discussion and Analysis

管理層討論及分析

Business Review (continued)

Manufacturing

(i) Aroma Chemicals

Aroma Chemicals continued to be the Group's core products during the year under review, and constituted a stable and major income source for the Group. Aroma chemicals are primarily used as functional ingredients and key components in many daily consumer goods, with a combined positive effect of its diversified applications and the development in the emerging markets, market demand continued to rise, the aroma chemical products continued to be the major growth driver of the Group's operation.

For the year ended 31 December 2010, with increases in both orders placed by existing customers and on the selling prices, turnover of aroma chemicals increased by 32% to RMB641 million (2009: RMB487 million), accounting for 70% of the Group's turnover (2009: 67%) and a gross profit margin of 24.3% (2009: 24.2%). Dihydromyrcenol was the major contributor which brought a revenue of RMB172 million to the Group. Its sales was up 35% over previous year and accounted for 27% of the total revenue on this product category.

In addition, certain new aroma and food flavour chemicals launching in preceding years are getting well received by the market. The new series of products have already contributed RMB196 million to the Group's revenue, with a profit margin amounted to approximately 33%, which is higher than the profit margin of our fragrance chemicals products and represents one of our new sources in profitability for our future growth.

(ii) Natural Extracts

In respect of the Natural Extracts products, apart from existing natural pharmaceutical raw materials, the Group has been actively engaged in the development of food additives business for the production of food ingredients, fast food, frozen food and pet nutrition food, which is produced with purification and bio-conversion technologies from natural produces. Natural extracts mainly include seafood, meat and mushroom extracts.

During the year under review, the Group's natural extract products maintained steady growth. The market demand for existing natural pharmaceutical raw materials just remained stable. Despite the sale of the new food additives business was up 70% over previous year, this business has still been advancing towards the economies of scale. Turnover from sale on Natural Extracts sustained at RMB127 million (2009: RMB113 million), accounting for 14% (2009:15%) of the Group's sales. Gross profit margin amounted to 23.8%, (2009:26.4%). The performance of Natural Cinnamic Aldehyde was relatively outstanding among other Natural Extracts. This product contributed revenue of RMB43.2 million to the Group and its sales surged by 11% over the corresponding period last year and accounted for 34% of the total revenue for this product category.

業務回顧(續)

生產

(i) 芳香化學品

於本回顧年度內，芳香化學品繼續成為本集團之核心產品，為集團提供了穩定的主要收入。作為多種日常必需消費品的關鍵功能組份，本集團的芳香化學品因為應用廣泛及新興市場的發展而導致的市場需求仍然增加，而繼續成為本集團業務的主要增長來源。

截至二零一零年十二月三十一日止年度，在現有客戶的訂單增加和價格調升情況下，芳香化學品的營業額增長32%至6.41億元人民幣（二零零九年：4.87億元人民幣），佔本集團營業額的70%（二零零九年：67%），毛利率為24.3%（二零零九年：24.2%）。當中，以二氫月桂烯醇為主要貢獻者，其銷售額較其去年增長了35%，並為集團提供了1.72億元人民幣的收益，佔本產品類別總收益的27%。

另外，若干日化及食用香料之新產品，在前兩年推出市場後逐漸獲得了良好的反應。於本年度該系列之新產品為集團提供了1.96億元人民幣的收益，毛利率達到33%，較原有的日用香料產品的毛利率為高，成為集團未來盈利新的一個增長動力。

(ii) 天然提取物

天然提取物除包涵了原有的天然藥物原料外，本集團已在積極地開發以天然物提純及轉化技術為基礎、應用於生產調味品、快速食品、冷凍調理食品及寵物營養食品的食品配料業務，主要是海鮮、肉類及食用菌等天然提取物。

於本回顧年度，新的食品配料業務之銷售較去年增長了70%，惟該業務之規模效益以及生產能力還在形成之中，加上原有天然藥物原料的市場需求趨向穩定，該項產品類別的銷售表現平穩，營業額維持在1.27億元人民幣（二零零九年：1.13億元人民幣），佔集團銷售額的14%（二零零九年：15%），毛利率為23.8%（二零零九年：26.4%）。當中，以天然肉桂醛表現仍較突出，其銷售額較去年同期增長11%並為集團提供4,320萬元人民幣的收益，佔本產品類別總收益的34%。

Management Discussion and Analysis

管理層討論及分析

Business Review (continued)

Manufacturing (continued)

(iii) Intermediates

Besides the chiral pharmaceuticals and intermediates, the Group also applies similar advanced technologies of synthesis to produce agrochemical intermediates, which will later be turned into the kind of eco-pesticide.

During the year under review, due to the restriction of the co-operative production capacity and the slow-down of the market demand, orders for the Group's intermediate products maintained steady growth. Turnover increased 7% year-on-year to RMB60.3 million (2009: RMB56.2 million), accounting for 7% (2009: 8%) of the Group's sales. Gross profit margin was 48.9% (2009: 56.1%). The gross profit margin of this product category of the Group was still higher than its general peers in the industry. 3-Phenylpropanal Aldehyde is the major intermediate produced by the Group. Sales for this product accounted for 37% of the overall sales of this product category and contributed revenue of RMB22.1 million to the Group.

Trading

The trading products include gum rosin, gum turpentine and other special botanic essential oils and their by-products. This year, revenue from the Group's trading business was up 10% year-on-year to RMB79.9 million, accounting for 9% of the Group's turnover. The contribution to gross profit was approximately RMB9.0 million.

Financial Review

Turnover

The Group's recorded a stable growth of 25% in its turnover for the year ended 31 December 2010, which amounted to RMB908 million. The Group's Phase III expansion of Haichang Plant was completed in 2008. It contributed to the new production capacity in the preceding years and resulted in the sustainable growth of the Group's revenue. Meanwhile, the rise in the selling prices of the existing products also contributed to the increase in the Group's operating income. Geographically, domestic sales of the Group's fine chemical products increased 18% from 2009 whereas overseas sales of the Group's fine chemical products increased by 38%.

Gross Profit

During the year under review, the Group's gross profit totaled RMB225 million, up 20%. Gross profit margin slightly dropped to 24.7% from 25.7% in 2009. Besides the strict cost control measures taken by the Group, the price of some products has been raised so as to shift partial cost pressure to customers. The strike in the raw material prices led to the slightly slump of the gross profit margin.

業務回顧(續)

生產(續)

(iii) 中間體

中間體類別包含了手性藥物原料、醫藥中間體以及運用同類先進的合成技術生產並用於製造生態農藥之農用化學品中間體。

於本回顧年度，受合作生產能力的限制以及市場需求放緩的影響，本集團中間體產品的訂單維持了平穩增長。營業額較去年錄得7%增幅至6,030萬元人民幣(二零零九年：5,620萬元人民幣)，佔集團銷售額的7%(二零零九年：8%)，毛利率為48.9%(二零零九年：56.1%)。本集團該類產品的毛利率在同業中仍處於較高水準。在該類別產品中，以3-苯丙醛為主，其銷售額佔本類別之37%，為本集團提供了2,210萬元人民幣的收益。

貿易與資源運營產品

相關的貿易產品主要包括松香、松節油和其它特有植物精油及其副產物等。於本年度，本集團貿易與資源運營產品之銷售增加約10%達到7,990萬元人民幣，佔本集團營業額9%；毛利貢獻約為900萬元人民幣。

財務回顧

營業額

本集團於截至二零一零年十二月三十一日止年度的營業額錄得25%的穩定增長，金額達9.08億元人民幣。本集團的上海廠房第三期擴建於二零零八年投產後，於其後數年間持續釋放新的產能並推動集團銷售收入得以穩定增長；另外，集團於年內對原有產品售價的調升也對集團經營收入的增長作出了貢獻。就地域覆蓋範圍而言，本集團精細化工產品的國內市場銷量較二零零九年增加18%；而同期，本集團精細化工產品的海外銷量亦較二零一零年上升38%。

毛利

於回顧年內，本集團的毛利為2.25億元人民幣，增幅為20%。本集團的毛利率由二零零九年的25.7%下調至二零一零年24.7%之水平。在嚴謹的成本控制及集團通過適時的產品加價將成本壓力轉嫁給客戶的情況下，原材料價格的飆升導致集團的毛利率略為下調。

Management Discussion and Analysis

管理層討論及分析

Financial Review (continued)

Gross Profit (continued)

By the products category, the gross profit margin of aroma chemicals sustained at 24.3% in 2010 from 24.2% in 2009, while natural extracts decreased from 26.4% in 2009 to 23.8% this year. The profit margin of intermediates decreased from 56.1% in 2009 to 48.9%. The gross profit margin of trading products increased from 11.2% in 2009 to 11.3%.

Operating Income and Expense

The selling and marketing expenses in 2010 accounted for 2.6% of the Group's turnover (2009: 2.7%), while administrative expenses represented 4.0% of turnover (2009: 4.2%). The Group's operation expense has dropped thanks to effective cost-cutting measures.

Finance Costs – Net

The net finance costs decreased by approximately RMB4.1 million compared with last year's. This was mainly attributable to the Group's net foreign exchange gains on financing activities of RMB1.7 million (2009: RMB0.2 million) in this year. Besides, interest expense capitalized been increased to RMB2.5 million from RMB1.4 million in 2009.

Income Tax Expense

Income tax expense of the Group in 2010 was RMB22.1 million representing an increase of RMB8.8 million compared with that of previous year. Effective tax rate of the Group is 14.5% (2009: 11.0%)

Profit for the Year

Profit for the year in 2010 was RMB130 million, representing a increase of 21% compared with RMB107 million in 2009. EBITDA for the year was RMB214 million, an increase of 23% from 174 million in 2009.

Liquidity and Financial Resources

During the year under review, the Group's primary source of funding mainly involved the cash generated from operating activities. For the year ended 31 December 2010, net cash generated from operating activities amounted to RMB44.4 million (2009: RMB179.3 million). With the financial resources obtained from the Group's operations, the Group had utilized RMB56.9 million (2009: RMB43.5 million) in the investing activities. During the year under review, the net cash inflow from financing activities amounted to RMB22.2 million (2009: net cash outflow of RMB7.7 million).

財務回顧(續)

毛利(續)

按本集團產品類別分析，芳香化學品的毛利率由二零零九年的24.2%上調至二零一零年的24.3%，而天然提取物的毛利率便由二零零九年的26.4%下調至本年度的23.8%，中間體毛利率由二零零九年56.1%下調至二零一零年48.9%。貿易產品之毛利率由二零零九年11.2%上調至二零一零年11.3%。

經營收入及開支

二零一零年銷售及市場推廣成本佔銷售百分比2.6% (二零零九年：2.7%)。二零一零年行政費用佔營業額4.0% (二零零九年：4.2%)。本集團積極實行成本減省的措施下，經營開支也有所下降。

融資成本－淨額

淨融資成本較去年減少約410萬元人民幣，主要由於集團於融資活動取得淨匯兌收益約170萬元人民幣 (二零零九年：20萬元人民幣)。此外，利息費用資本化由2009年之140萬元人民幣增加至本年度之250萬元人民幣。

所得稅開支

二零一零年度本集團之稅項開支為2,210萬元人民幣，較上年度增加了880萬元人民幣。實際稅率為14.5% (二零零九年：11.0%)。

本年度溢利

二零一零年度之溢利為1.30億元人民幣，較二零零九年的1.07億元人民幣增長21%。二零一零年的未計利息、稅項、折舊及攤銷前之溢利 (EBITDA) 為2.14億元人民幣，較二零零九年的1.74億元人民幣上調23%。

流動資金及財務資源

於回顧年內，本集團之基本資金來源主要來自經營業務。截至二零一零年十二月三十一日止年度，本集團錄得經營活動所得現金淨額4,440萬元人民幣 (二零零九年：1.79億元人民幣)。憑藉本集團營運所得之財務資源，本集團斥資5,690萬元人民幣 (二零零九年：4,350萬元人民幣) 於投資活動上。於回顧年度內，本集團融資活動所得現金流入淨額為2,220萬元人民幣，(二零零九年：淨現金流出770萬元人民幣)。

Management Discussion and Analysis

管理層討論及分析

Financial Review (continued)

Liquidity and Financial Resources (continued)

As at 31 December 2010, the Group had cash and cash equivalents of approximately RMB524 million (2009: RMB515 million). The average inventory turnover days, average trade receivable turnover days and average trade payable turnover days were 52 days, 100 days and 61 days respectively (2009: 54 days, 100 days and 48 days).

The Group's financial position remains very solid and healthy during the year under review. As at 31 December 2010, the net current assets and the current ratio of the Group were approximately RMB695 million (2009: RMB502 million) and 2.8 (2009: 2.4) respectively.

As at 31 December 2010, the Group had borrowings of approximately RMB390 million (2009: RMB353 million). Among them, outstanding short-term borrowings amounted to RMB206 million (2009: RMB253 million). As at 31 December 2010, the Group's ratio of total borrowings to total equity, was approximately 41% (2009: 42%) and the Group's net cash balance, being cash and cash equivalents less borrowings amounted to RMB134 million (2009: RMB162 million).

With the positive cash inflow from the Group's operations, its available banking facilities and its existing cash resources, the Group has very strong liquidity and sufficient financial resources to meet its commitments, working capital requirements and future investments for expansion.

Charge on assets

As at 31 December 2010, bank deposits of RMB58.0 million (2009: RMB27.1 million) were pledged to secure the Group's bank borrowings. As at 31 December 2009, bank deposits of RMB27.1 million and certain property, plant and equipment of the Group with an aggregate net book value of about RMB84.9 million were pledged to secure the Group's bank borrowings.

Contingent liabilities

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

Capital commitment

As at 31 December 2010, the Group had capital commitments of approximately RMB25.2 million (2009: RMB21.3 million) in respect of purchases of property, plant and equipment, construction-in-progress, product development projects and land use rights.

財務回顧(續)

流動資金及財務資源(續)

於二零一零年十二月三十一日，本集團之現金及銀行存款約有5.24億元人民幣(二零零九年：5.15億元人民幣)。存貨平均周轉天數、應收交易帳款平均周轉天數及應付交易帳款平均周轉天數分別為52天、100天及61天(二零零九年：分別為54天、100天及48天)。

本集團於回顧年內之財務狀況仍然保持相當穩健。於二零一零年十二月三十一日，本集團之流動資產淨值及流動比率分別約為6.95億元人民幣(二零零九年：5.02億元人民幣)及2.8(二零零九年：2.4)。

於二零一零年十二月三十一日，本集團有借貸約3.90億元人民幣(二零零九年：3.53億元人民幣)，當中未償還短期借貸為人民幣2.06億元人民幣(二零零九年：2.53億元人民幣)。於二零一零年十二月三十一日，本集團之負債權益比率約為41%(二零零九年：42%)，而本集團之現金結餘淨額(即現金及等同現金項目加已抵押銀行存款減借貸)則為1.34元人民幣(二零零九年：1.62億元人民幣)。

憑藉經營業務所得正數現金流量、備用銀行融資及現有現金資源，本集團具備充裕流動資金及充足財務資源，應付其承擔、營運資金需求及日後擴展投資。

資產抵押

於二零一零年十二月三十一日，銀行存款5,800萬元人民幣作為本集團銀行借貸之抵押品。於二零零九年十二月三十一日，銀行存款2,710萬元人民幣以及本集團帳面淨值總額約8,490萬元人民幣之若干物業、廠房及設備以已抵押。

或然負債

於二零一零年十二月三十一日，本集團並無任何或然負債。

資本開支

於二零一零年十二月三十一日，本集團就購買物業、廠房及設備、在建工程、產品開發項目及土地使用權約有2,520萬元人民幣(二零零九年：2,130萬元人民幣)之資本承擔。

Management Discussion and Analysis

管理層討論及分析

Financial Review (continued)

Treasury Policies and Exposure to Fluctuations in Exchange Rates

The Group's assets, liabilities, revenues and transactions are mainly denominated in Renminbi, United States dollars and Hong Kong dollars with its operation mainly in the PRC. As at 31 December 2010, the Group's borrowings of approximately RMB192 million and RMB180 million were denominated in Renminbi and United States dollars, respectively. The Group's pledged bank deposit and cash and cash equivalents denominated in Renminbi amounted to RMB58.0 million and RMB510 million respectively of the total balance, with the remaining balance of approximately RMB14.0 million mainly denominated in Hong Kong dollars and United States dollars.

The Group's foremost exposure to the foreign exchange fluctuations was caused by the revaluation of Renminbi during the year under review. The Group's export sales are, in majority, denominated in United States dollars. Nevertheless, the Group has not experienced any material difficulties or effects on its operations or liquidity as a result of fluctuations in currency exchange rates during the year. The Group will conduct periodic review of its exposure to foreign exchange risk and may use proper financial instrument and financing arrangement for hedging purpose when considered appropriate.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2010, the Group had 358 full-time employees, among whom 353 were based in the PRC. For the year under review, the total employment costs incurred for 2010 including directors' emoluments amounted to RMB30.3 million. The Group has established its human resources policies and procedures with a view to deploy the incentives and rewards of the remuneration system. The remuneration package offered to the staff is appropriate for the duties and in line with the prevailing market terms. Staff benefits, including medical coverage and provident funds, are provided to employees. The Group has also established effective performance evaluation system in which employees are properly rewarded on a performance-related basis under the Group's salary and bonus system. The Group has adopted a share option scheme for the purpose of providing incentives and rewards to the management, key technician and other eligible participants who contribute to the success of the Group's operations.

財務回顧(續)

庫務政策及外匯波動風險

本集團之資產、負債、收入及交易主要以人民幣、美元及港元列值，而其業務主要於中國進行。於二零一零年十二月三十一日，本集團約1.92億元人民幣及1.80億元人民幣之貸款分別以人民幣及美元列值款。本集團之已抵押之銀行存款及現金及等同現金項目中，分別共5,800萬元人民幣及5.1億元人民幣乃以人民幣列值，餘額約1,400萬元人民幣則主要以港元及美元列值為主。

本集團所承擔之外匯波動風險乃因回顧年內重估人民幣所致。本集團之出口銷售主要以美元結算。儘管如此，本集團於年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，本集團將定期檢討其須承受之外匯風險，並於其認為適用之情況下採用適當的金融工具和財資安排以作必要的對沖用途。

僱員及酬金政策

於二零一零年十二月三十一日，本集團有358名全職僱員，其中353名僱員派駐中國。二零一零年之僱員成本總額包括董事酬金3,030萬元人民幣。本集團制定其人力資源政策及程序，於其薪酬制度中加入花紅及獎勵。向員工發放之酬金待遇乃根據其職責而釐訂，且符合當時當地的市場水平。員工福利包括醫療保險及退休金。本集團亦設立一套有效表現評估制度，據此，本集團設定僱員的薪金及花紅制度，並按僱員表現發放適當的獎勵。本集團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的管理人員和技術骨幹以及其他合資格參與人士。

Corporate Governance Report

企業管治報告

The board of directors of EcoGreen Fine Chemicals Group Ltd. (the “Company”) (the “Board”) acknowledges the importance of and benefit from good corporate governance practices and is committed to improving the corporate governance practices in order to enhance better transparency and to ensure that business activities and decision making processes are regulated in a proper manner to safeguard the interests of shareholders.

The Company has adopted and applied the code provisions (the “Code Provisions”) set out in the Code on Corporate Governance Practices (the “CG Code”) contained in Appendix 14 to the then prevailing Rules (the “Listing Rules”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) throughout the year ended 31 December 2010. The Company periodically reviews its corporate governance practices to ensure its continuous compliance with the CG Code. In the year under review, the Company has complied with most of the Code Provisions save for the deviations from the Code Provisions A.2.1. The following summarises the Company’s corporate governance practices and explains deviations, if any, from the CG Code.

The Board

Responsibilities

The Board is accountable to the shareholders for leading the Group in a responsible and effective manner. The Board provides leadership and formulates strategic policies and plans of the Group with a view to enhancing shareholder interests while the day-to-day operations of the Group are delegated to the management.

The Board reserves for its decisions all major matters of the Group, including: objectives and overall strategies of the Group; annual budgets and financial matters; equity related transactions such as issue of shares/options and repurchase of shares; dividend; raising of capital loan; determination of major business strategy; merger and acquisition; major investment; annual financial budget in turnover, profitability and capital expenditure; review and approval of financial performance and announcement; and matters as required by laws and ordinance.

All Directors have full and timely access to all relevant information as well as the advice and services of the Company Secretary, with a view to ensuring that Board procedures and all applicable rules and regulation are followed.

中怡精細化工集團有限公司(「本公司」)本公司董事會(「董事會」)深明良好企業管治常規的重要性及好處，並承諾改善企業管治常規，以增加透明度及確保本公司的業務活動及決策過程受到適當之規管以保障股東利益。

截至二零一零年十二月三十一日止整個年度，本公司已採納及應用香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)當時適用規則附錄14所載的企業管治常規守則(「企業管治守則」)的守則條文(「守則條文」)。本公司定期檢討企業管治常規，以確保持續遵守企業管治守則或其後的新企業管治守則的規定。於回顧年內，本公司已遵守大部分守則條文，惟偏離有關守則條文A.2.1者除外。下文概述本公司企業管治常規及闡釋偏離守則條文之情況(如有)。

董事會

職責

董事會須向股東負責，並以負責任及有成效的方式領導本集團。董事會並負責領導及制定本集團策略性政策及計劃以提高股東利益為宗旨，而本集團日常運作乃管理層負責。

董事會負責本集團所有重要事項之決策，包括制定本集團之業務目標及整體策略；年度預算及財務事宜；股本相關交易，如發行股份／購股權及購回股份；股息；籌集資金貸款；釐定主要業務策略；合併及收購；主要投資；營業額、盈利及資本開支之年度財務預算；檢討及批准財務表現及公佈；以及法例及條例規定之其他事項。

全體董事可全面及適時取得所有相關資料，以及公司秘書提供的意見及服務，確保董事會程序及所有適用的條例及規例已妥為遵守。

Corporate Governance Report

企業管治報告

The Board *(continued)*

Responsibilities *(continued)*

Each Director is normally able to seek independent professional advice in appropriate circumstances at the Company's expense, upon making request to the Board.

The Directors are continually updated with the regulatory requirements, business activities and development of the Company to facilitate the discharge of their responsibilities. Through regular Board meetings, all Directors are kept abreast of the conduct, business activities and development of the Company.

The management has the obligation to supply the Board and the various Committees with adequate information in a timely manner to enable the members to make informed decisions. Each Director has separate and independent access to the Company's senior management to acquire more information than is volunteered by management and to make further enquiries if necessary.

The functions delegated to management are periodically reviewed. Approval has to be obtained from the Board prior to any significant transactions entered into by the management.

Composition

The Board currently comprises a total of nine members including five Executive Directors, one Non-executive Director ("the NED") and three Independent Non-executive Directors ("the INED"). The Board's composition covers a balance of expertise, skills and industry experience so as to bring in valuable contributions and advices for the development of the Group's business. The NED and INED together have substantial experience in fields of auditing, legal matters, business, accounting, corporate internal control and regulatory affairs. Through active participation in Board meetings, taking the lead in managing issues involving potential conflict of interests and serving on Board committees, all NED and INED make various contributions to the effective direction of the Group.

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

董事會 *(續)*

職責 *(續)*

各董事一般可在適當情況下，徵得董事會同意後尋求獨立專業意見，有關費用由本公司承擔。

本公司經常向董事提供有關監管規定與本公司業務活動及發展之最新資料，以助彼等履行職責。透過定期參加董事會議，各董事可密切跟進本公司之舉動、業務活動及發展。

管理層有責任於適當時候向董事會及各委員會提供充足資料，以便成員在知情之情況下作出決定。董事亦可自行及獨自向本公司之管理高層，索取管理層所主動提供以外資料，並在有需要時作出進一步查詢。

本公司會定期檢討委派管理層履行之職能。管理層在訂立任何重大交易前必須事先取得董事會批准。

組成

董事會現時由九名成員組成，包括五名執行董事、一名非執行董事及三名獨立非執行董事。董事會之組成具備恰當專業知識、技巧及行業經驗，故可為本集團業務發展提供寶貴貢獻及意見。各非執行董事於審計、法律事宜、業務、會計、企業內部監控及監管事宜方面具有豐富經驗。透過積極參與董事會會議，領導涉及潛在利益衝突及處理各董事委員會事務，全體非執行董事對本集團之有效領導作出不同貢獻。

本公司已接獲各獨立非執行董事根據上市規則規定就其獨立身分作出之年度確認書。根據上市規則所載獨立身分指引，本公司認為，全體獨立非執行董事均為獨立人士。

Corporate Governance Report

企業管治報告

The Board (continued)

Board meetings

The Board meets regularly throughout the year to discuss the overall strategy as well as the operation and financial performance of the Group. A total of four board meetings were held during the year. The individual attendance record of each Director at the meetings of the Board, the Remuneration Committee and the Audit Committee during the year ended 31 December 2010 is set out below:

董事會(續)

董事會會議

董事會於年內定期會晤商討本集團整體策略、營運及財務表現。年內合共舉行四次董事會會議。截至二零一零年十二月三十一日止年度，各董事於董事會會議、薪酬委員會會議及審核委員會會議之出席記錄如下：

Name of Director 董事姓名	Note 附註	Attendance/Number of meetings 出席／舉行會議次數		
		Board 董事會	Remuneration Committee 薪酬委員會	Audit Committee 審核委員會
EXECUTIVE DIRECTORS 執行董事				
Mr. Yang Yirong (Chairman)	楊毅融先生(主席)	4/4	N/A 不適用	N/A 不適用
Mr. Gong Xionghui	龔雄輝先生	4/4	N/A 不適用	N/A 不適用
Ms. Lu Jiahua	盧家華女士	4/4	N/A 不適用	N/A 不適用
Mr. Lin Like	林力克先生	3/4	N/A 不適用	N/A 不適用
Mr. Han Huan Guang	韓歡光先生 (i)	4/4	1/1	N/A 不適用
NED 非執行董事				
Mr. Feng Tao (Vice Chairman)	馮濤先生(副主席)	0/4	N/A 不適用	N/A 不適用
INED 獨立非執行董事				
Mr. Yau Fook Chuen (iv) (v)	丘福全先生 (ii) (iii)	4/4	1/1	4/4
Mr. Wong Yik Chung, John (v) (vi)	黃翼忠先生 (iii) (iv)	4/4	1/1	4/4
Mr. Zheng Lansun (v) (vi)	鄭蘭蓀先生 (iii) (iv)	0/4	0/1	0/4

Notes:

- (i) Chairman of the Remuneration Committee.
- (ii) Chairman of the Audit Committee.
- (iii) Member of the Remuneration Committee.
- (iv) Member of the Audit Committee.

附註：

- (i) 薪酬委員會主席。
- (ii) 審核委員會主席。
- (iii) 薪酬委員會成員。
- (iv) 審核委員會成員。

Corporate Governance Report

企業管治報告

The Board *(continued)*

Board meetings *(continued)*

Notices of regular board meetings are served to all Directors at least 14 days before the meetings while reasonable notice is generally given for other Board meetings. Agenda and Board papers together with complete and reliable information are sent to all Directors at least 3 days before each Board meeting to keep the Directors apprised of the latest developments and financial position of the Company and to enable them to make informed decision. Minutes of all Board meetings and committee meetings are kept by the Company Secretary. Draft minutes are normally circulated to Directors for comment within a reasonable time after each meeting and the final version is open for Directors' inspection.

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

Appointment, rotation and re-election of Directors

The Board as a whole is responsible for reviewing the Board composition, developing and formulating the relevant procedures for nomination and appointment of Directors, monitoring the appointment and succession planning of Directors and assessing the independence of INED. The Board reviewed its own structure, size and composition regularly to ensure that it has a balance of expertise, skills and experience appropriate to the requirements of the business of the Company. There were no meeting held for the nomination of Directors during the year.

In accordance with the CG Code and the Company's Articles of Association, all Directors are subject to retirement by rotation once every three years and being eligible, can offer themselves for re-election.

董事會 *(續)*

董事會會議 *(續)*

定期舉行之董事會會議通告須於會議舉行前最少14日送交全體董事，而其他董事會會議亦通常有合理時間的通知。為讓董事知悉本公司之最新動向及財政狀況以及確保彼等可作出知情決定，議程及會議文件連同完整及可靠的資料均須於各董事會會議舉行前最少3日送交全體董事。公司秘書負責保存所有董事會會議及委員會會議之會議記錄。會議記錄初稿一般於各會議結束後的合理時間內交予董事傳閱，讓董事提供意見，會議記錄之最終定稿可供董事查閱。

根據現時董事會常規，任何涉及主要股東或董事利益衝突之重大交易將由董事會正式召開董事會會議予以考慮及處理。本公司之公司組織章程細則亦載有條文規定，董事在批准涉及其或其連繫人士擁有重大權益之交易時，必須放棄投票及不得計入有關會議之法定人數內。

董事委任、輪值退任及重選

董事會之整體職責是檢討董事會組成、發展及制定提名及委任董事之有關程序、監督董事委任及連任計劃以及評估獨立非執行董事之獨立性。董事會定期檢討其本身的架構、人數及組成，確保具備適當及所需之專長、技能及經驗，以應付本公司業務發展所需。年內並無就董事之提名召開任何會議。

根據守則及本公司組織章程細則，全體董事均須每三年輪流退任，惟符合資格可膺選連任。

Corporate Governance Report

企業管治報告

The Board *(continued)*

Term of appointment of NED and INED

All NED and INED were appointed for an initial term of not more than one year and will be renewable automatically for successive term of one year until terminated by not less than three months' notice in writing served by either party or the other. All NED and INED are subject to retirement by rotation once every three years and are subject to re-election.

Indemnification

The Company has arranged appropriate insurance cover in respect of legal actions against its Directors and officers. The Board reviews the extent of this insurance annually.

Segregation of Rules of Chairman and Chief Executive Officer ("CEO")

The Company has not yet adopted A.2.1. Under the code provision A.2.1 of the CG Code, the roles of Chairman and CEO should be separate and would not be performed by the same individual. The division of responsibilities between the Chairman and CEO should be clearly established and set out in writing.

The Company does not presently have any officer with the title CEO. At present, Mr. Yang Yirong, being the Chairman and the President of the Company, is responsible for the strategic planning, formulation of overall corporate development policy and running the business of the Group as well as the duties of Chairman. The Board considers that, due to the nature and extent of the Group's operations, Mr. Yang is the most appropriate chief executive because he possesses in-depth knowledge and experience in fine chemicals business and is able to ensure the sustainable development of the Group. Besides, he is the founder, the chairman and the controlling shareholder of the Group since its establishment and till now. Notwithstanding the above, the Board will review the current structure from time to time. When at the appropriate time and if candidate with suitable leadership, knowledge, skills and experience can be identified within or outside the Group, the Company may make the necessary amendments.

董事會(續)

非執行董事及獨立非執行董事之委任年期

本公司全體非執行董事均按不超過一年之初步年期委任，並將於屆滿時自動續約一年，直至其中一名訂約方向另一方發出不少於三個月書面通知予以終止，所有非執行董事均須每三年輪流退任，並須經重選連任。

賠償

本公司已就其董事及高級人員可能會面對之法律行動作適當之投保安排，投保範圍乃按年檢討。

主席及行政總裁職能之劃分

本公司尚未採納第A.2.1條之規定。根據企業管治守則之守則條文A.2.1，主席及行政總裁之角色應予區分，不應由同一人擔任。主席與行政總裁間之職責分工應清楚界定及以書面列明。

本公司並無高級職員獲授行政總裁職銜。本公司主席兼總裁楊毅融先生現負責策略規劃、整體企業發展政策制定及本集團業務營運以及主席職責。董事會認為，基於本集團之業務性質及範疇，楊先生不但具備精細化工業務之豐富知識及經驗，並有能力推動本集團持續發展，故為最合適的行政總裁人選。此外，彼亦為本集團之創辦人、自成立至今之主席兼控股股東，惟董事會將不時檢討現行架構，並於合適時候及倘本集團自內部或外界物色到具備適當領導才能、知識、技能及經驗之人選，本公司或會作出所需修訂。

Corporate Governance Report

企業管治報告

Board Committees

The Board has established two committees, namely the Remuneration Committee and the Audit Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with defined written terms of reference which deal clearly with their authority and duties.

The chairmen of the committees will report the findings and recommendations of the committees to the Board after each meeting. The minutes of all meetings of the committees are circulated to the Board for information.

Remuneration Committee

Mr. Han Huan Guang is the chairman while all the three INED, namely, Mr. Yau Fook Chuen, Mr. Wong Yik Chung, John and Dr. Zheng Lansun are the members of the Remuneration Committee.

The primary responsibilities of the Remuneration Committee include establishing a formal and transparent procedures for developing policy on the remuneration of the Executive Directors and senior management, making recommendations to the Board on the Company's policy and structure for the remuneration of Directors and senior management, ensuring the remuneration packages are sufficient to attract and retain the Directors to run the Company successfully, to avoid over-paying and ensure no Director or any of his associates will participate in deciding his own remuneration.

During the year under review, the Remuneration Committee met once to review and consider the remuneration policy and packages, including any discretionary management bonus of the Executive Directors and senior management by reference to market conditions, performance of the Group and the individual and corporate goals.

董事委員會

董事會設有兩個委員會，分別為薪酬委員會及審核委員會，以監管本公司各類具體事務。本公司之所有董事會委員會均有明確的書面職權範圍，清晰訂明其權力及職能。

各委員會主席將於各會議完結後向董事會提交各委員會的結論及推薦意見。所有委員會會議記錄會交予董事會傳閱，以提供資訊。

薪酬委員會

韓歡光先生為薪酬委員會主席，而三名獨立非執行董事丘福全先生、黃翼忠先生及鄭蘭蓀博士均為薪酬委員會成員。

薪酬委員會主要職責包括制定正式及具透明度之程序，就執行董事及高級管理層之酬金制定政策；就本公司對執行董事及高級管理層酬金之政策及結構向董事會提供推薦意見；確保酬金組合足以吸引及留聘董事成功經營本公司；避免給予過多酬報以及確保並無董事或其任何聯繫人士參與釐定本身酬金的磋商。

於回顧年度，薪酬委員會曾舉行會議一次，經參考市況、本集團及個人表現以及企業目標後，檢討及考慮執行董事及高級管理層之酬金政策及組合，包括任何酌情管理花紅。

Corporate Governance Report

企業管治報告

Board Committees *(continued)*

Audit Committee

The Audit Committee comprises the three INED, namely, Mr. Yau Fook Chuen, Mr. Wong Yik Chung, John and Dr. Zheng Lansun. Mr. Yau is the chairman of the Audit Committee and he possesses recognised professional qualifications in accounting required by the Listing Rules.

The primary duties of the Audit Committee include the following:

- (a) To review the financial statements and reports and consider any significant or unusual items raised by the qualified accountant or external auditor before submission to the Board;
- (b) To review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process by reference to the work performed by the external auditor, their fees and terms of engagement, and make recommendation to the Board on the appointment, re-appointment and removal of external auditor; and
- (c) To review the adequacy and effectiveness of the Company's financial reporting system, internal control system and risk management system and associated procedures.

During the year under review, the Audit Committee held four meetings with the senior management and the Company's external auditor to review the interim and annual financial statements, discuss internal controls matters and the re-appointment of the external auditor. The Audit Committee has also reviewed the Group's accounting principles and practices, listing rules and statutory compliance and financial reporting matters.

董事委員會 *(續)*

審核委員會

審核委員會由三名獨立非執行董事組成，分別為丘福全先生、黃翼忠先生及鄭蘭蓀博士。丘先生為審核委員會主席，其擁有上市規則規定之認可專業會計資格。

審核委員會主要職責包括以下各項：

- (a) 向董事會提交財務報表及報告前，審閱財務報表及報告以及考慮任何由合資格會計師或外聘核數師提出的重大或不尋常項目；
- (b) 經參考外聘核數師之工作、委聘費用及條款後，檢討及監察與外聘核數師是否獨立客觀及核數程序是否有效，並就外聘核數師之委聘、續聘及罷免向董事會提供推薦意見；及
- (c) 檢討本公司財務申報系統、內部監控及風險管理制度與相關程序是否足夠及其成效。

於回顧年內，審核委員會曾與高級管理人員及本公司外聘核數師舉行四次會議，檢討中期及年度財務報表、討論內部監控及外聘核數師續聘等事宜。審核委員會亦完成檢討本集團之會計原則與常規、上市規則及其他法規之遵行，以及財務匯報事宜。

Corporate Governance Report

企業管治報告

Model Code for Securities Transactions

The Company has adopted a code of conduct regarding the Directors' securities transactions on terms not less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules. Specific enquiry has been made to all Directors and all the Directors have confirmed that they have complied with all the relevant requirements as set out in the Model Code throughout the year ended 31 December 2010.

Responsibilities in Respect of the Financial Statements

The management provides such explanation and information to the Board to facilitate an informed assessment of the financial and other information put before the Board for approval.

The Directors acknowledge their responsibility for preparing the financial statements which give a true and fair view and the Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, price-sensitive announcements and other financial disclosures required under the Listing Rules and other regulatory requirements. Meanwhile, the Directors are responsible for ensuring that appropriate accounting policies are selected and applied consistently; and that judgments and estimates made are prudent and reasonable. The Board was not aware of any material uncertainties relating to events or conditions that might cast significant doubt upon the Group's ability to continue as a going concern. The Board has prepared the financial statements on a going concern basis.

進行證券交易的標準守則

本公司已採納一套有關董事進行證券交易的行為守則，條款不遜於上市規則附錄10所載上市發行人董事進行證券交易的標準守則（「標準守則」）的規定標準。本公司已向全體董事作出具體查詢，而全體董事亦已確認，彼等於截至二零一零年十二月三十一日止年度一直遵守標準守則所載所有有關規定。

有關財務報表之責任

管理層提供一切解釋及資料，以便董事會在知情之情況下就其提呈予以通過之財務及其他資料加以評定。

董事知悉其須編製真實公平的財務報表之責任，而董事會則須負責對年報及中期報告、股價敏感資料公佈以及根據上市規則及其他監管規定須予披露的其他財務資料提呈平衡、清晰及易於理解的評審。同時亦須負責確保採納恰當之會計政策及貫徹採用，且所作判斷及估計乃審慎合理。董事會並不知悉任何可能會嚴重影響本集團繼續長遠經營之能力的重大不明朗事件或情況。因此，董事會在基於本集團長遠經營之假設下編製財務報表。

Corporate Governance Report

企業管治報告

Internal Controls

The Board has overall responsibilities for maintaining a sound and effective internal control system of the Group. The system includes a defined management structure with limits of authority, safeguards its assets against unauthorized use or disposition, ensures the maintenance of proper accounting records for the provision of reliable financial information for internal use or for publication, and ensures compliance with relevant laws and regulations. The system is designed to provide reasonable, but not absolute, assurance against material misstatement or loss, and to manage the risks of failure in the Group's operational systems and in the achievement of the Group's objectives.

The Board periodically conducts review of the effectiveness of the system of internal controls. The tasks include:

- (i) access and review selected aspects of the Group's activities and internal controls;
- (ii) conduct regular comprehensive reviews of the practices, procedures and internal controls of selected business and supporting units and subsidiaries;
- (iii) examine and investigate business ethics, conflicts of interest and other company policy violations; and
- (iv) report results of review to the senior management and make recommendation where appropriate.

The Directors, through the Audit Committee and the engagement of an independent internal audit consultancy firm, have conducted an annual review of the effectiveness of the system of internal control of the Company and its subsidiaries. The review covers all material controls, including financial, operational and compliance controls and risk management functions.

External Auditor

During the year, PricewaterhouseCoopers, the external auditor of the Company received approximately RMB1.65 million for audit services provided to the Group. The external auditor did not provide any non-audit service to the Group during the year under review.

內部監控

董事會須在整體上負責保持本集團之內部監控制度有效妥善，當中包括設有一個權限分明之清晰管理架構、保障集團資產不會遭挪用或竊取、確保會計紀錄妥為存置以提供可靠財務資料作內部或公佈之用，並且確保有關法例及規則一一遵循。該制度旨在合理（但非絕對）保證不會出現嚴重失誤，並管控本集團之營運系統以及本集團爭取達成業務目標過程中之失誤風險。

董事會定期檢討內部監控制度之有效性，範圍包括：

- (i) 對本集團業務及內部監控選定之範疇進行評估及檢討；
- (ii) 定期對選定之業務、支援單位及附屬公司之常規、程序及內部監控進行全面檢討；
- (iii) 對業務操守，利益衝突及其他公司政策之違反進行審查及調查；及
- (iv) 向高級管理層提交評審結果及提出建議（如適用）。

董事透過本公司之審核委員會以及聘用一間獨立內部監控顧問公司，每年檢討一次本公司及其附屬公司的內部監控系統是否有效。有關檢討涵蓋所有重要的監控方面，包括財務監控、運作監控及合規監控，以及風險管理功能。

外聘核數師

年內，本公司核數師羅兵咸永道會計師事務所就審計服務收取本集團約165萬元人民幣。外聘核數師年內並無向本集團提供任何非審計服務。

Corporate Governance Report

企業管治報告

Communication with Shareholders and Investor Relations

Details of the rights of shareholders and the procedures for conducting a poll on resolutions at shareholders' meetings will be explained during the proceedings of meetings. The chairman of a meeting will answer any questions from shareholders regarding voting by way of a poll.

The Company continues to enhance communications and relationships with its investors. The annual general meeting enables the Company's shareholders to exchange views with the Board. The chairman of the Board and the chairman of Audit Committee and Remuneration Committee have attended at the annual general meeting to be available to answer the questions of the shareholders of the Company. Regular meetings are also held with media, institutional investors and research analysts to provide them the Group's latest business development and non-price sensitive information.

To promote effective communication, extensive information about the Company business is provided in its interim and annual reports, which are sent to shareholders, analysts and interested parties. The Company also maintains a corporate website on which comprehensive information, updates on the Company's business developments and operations, financial information, corporate governance practices and other information of the Group are provided.

與股東之溝通及投資者關係

股東權利及於股東大會就決議案進行按股數方式表決程序之有關詳情將於會議過程中闡釋。大會主席也將會回答股東有關以投票方式表決的任何疑問。

本公司繼續改善與其投資者之溝通及關係。股東週年大會為讓本公司股東可與董事會交流意見之機會。董事會主席及審核委員會與薪酬委員會主席均有出席股東週年大會，以回應本公司股東的提問。本公司亦與傳媒、機構投資者及研究分析員定期舉行會議，向彼等提供本公司最新業務發展及非股價敏感資料。

為推行有效溝通，本公司向股東、分析員及有關人士寄發載有本集團業務詳細資料之中期報告及年報，並設有公司網站，提供全面資訊、本公司業務發展及營運的最新動向、財務資料、企業管治常規及本集團其他資料。

Biographical Details of Directors and Senior Management

董事及高級管理人員履歷

Directors

Executive Directors

Mr. YANG Yirong (*Chairman and President*)

Mr. Yang, aged 49, is the founder of the Group. He is responsible for strategic planning and formulation of overall corporate development policy for the Group. Mr. Yang holds a Bachelor's degree in science, majoring in chemistry from Huaqiao University in 1982. Prior to founding the Group in 1994, Mr. Yang has extensive experience in the fine chemical manufacturing and trading and has more than ten years of experience in natural organic chemistry research.

Mr. GONG Xionghui (*Senior Vice President – Engineering Project Management*)

Mr. Gong, aged 47, is responsible for project construction and strategic investment development. Mr. Gong holds a Master's degree in chemical engineering from Xiamen University and has accumulated over 20 years of experience in fine chemicals industry and qualified as an ISO 9000 auditor in the PRC in 1998. He joined the Group in September 1999.

Ms. LU Jiahua (*Senior Vice President – Group Financial Control*)

Ms. Lu, aged 44, oversees the finance and accounting and human resources functions for the Group in the PRC. She has over 20 years of experience in accounting, financial management, administration management and internal auditing in a number of pharmaceutical and fine chemical manufacturing enterprises. Ms. Lu holds a Bachelor's degree and a Master's degree in economics and corporate management from Xiamen University. She joined the Group in April 2002.

Mr. LIN Like (*Senior Vice President – Group Operation and Technology*)

Mr. Lin, aged 48, is responsible for the management of the Group's operation in aroma and natural products and research and development functions for the Group. Mr. Lin oversees the research and development department and other operational departments including the production department and quality management department of the Group. Mr. Lin graduated from the Chemistry Department of Huaqiao University with a Bachelor's degree in science and graduated from the Guangzhou Institute of Chemistry, Academic Sinica with a Master's degree in science. Mr. Lin has been engaged in the research and development of fine chemicals for many years with extensive experience in the natural products industry in China. He joined the Group in August 2004.

董事

執行董事

楊毅融先生(*主席兼總裁*)

楊先生，49歲，本集團創辦人，負責制定本集團策略規劃及整體企業發展政策。楊先生在華僑大學主修化學，於一九八二年取得理學士學位。於一九九四年創辦本集團之前，已累積豐富精細化學品生產及貿易經驗，具有逾十年天然有機化學研究經驗。

龔雄輝先生(*資深副總裁—工程項目管理*)

龔先生，47歲，負責項目建設及策略投資發展。龔先生持有廈門大學化學工程碩士學位，並累積超過20年之精細化工行業經驗，龔先生於一九九八年成為中國認可ISO 9000審計師。彼於一九九九年九月加入本集團。

盧家華女士(*資深副總裁—集團財務管控*)

盧女士，44歲，負責監督本集團中國業務之財務與會計及人力資源的工作。盧女士於多間製藥工業及精細化工企業之會計、財務管理、行政管理及內部核數擁有逾20年經驗。盧女士持有廈門大學經濟學學士及企業管理碩士學位。彼於二零零二年四月加入本集團。

林力克先生(*資深副總裁—集團營運及技術管理*)

林先生，48歲，負責管理本集團芳香及天然產物的營運工作及研發工作。林先生掌管本集團研發部及其他營運部門，包括生產部及品質管理部。林先生先後於華僑大學化學系及中國科學院廣州化學研究所畢業，分別獲理學學士學位及理學碩士學位。林先生多年來從事精細化學品的研究和開發工作，對中國天然產物產業擁有豐富經驗。彼於二零零四年八月加入本集團。

Biographical Details of Directors and Senior Management

董事及高級管理人員履歷

Directors (continued)

Executive Directors (continued)

Mr. HAN Huan Guang (*Chairman of Remuneration Committee*) (*Senior Vice President – Group Strategic Investments and Capital Markets*)

Mr. Han, aged 49, responsible for Group strategic investments, capital markets and investor relations. He graduated from Zhongshan University (中山大學) with a Bachelor's degree in biochemistry in 1982 and obtained his Master's degree in Business Administration from University of Technology, Sydney, Australia in 1993. He has over 20 years' experience in corporate finance, merger and acquisition, infrastructure and new technology developments, management of listed and non-listed companies in the PRC and overseas. Over the years, he has been a Director, and then Managing Director in China Everbright Medicine Co. Ltd. (a subsidiary of China Everbright Holdings Group), Livzon Pharmaceutical Group Inc. and in other senior management positions in Hong Kong, Singapore and Mainland companies. He has been appointed as a Councilor of the China Society of Biotechnology, and also member of some professional associations in the region. Mr. Han joined the Group in September 2005 as a non-executive director, and became an executive director from May 2006.

Non-executive Directors

Mr. FENG Tao (*Vice Chairman*)

Mr. Feng, aged 43, is the Chief Executive Officer of NewMargin Ventures Capital Co. Ltd., which is a leading venture capital management company in China. Commencing from 1999, Mr. Feng has been serving as the vice president officer (副主任) of The Foundation of Science & Technology for Development of the State Planning Committee, State Economic & Trade Commission of the PRC (中華人民共和國國家經濟貿易委員會) and Chinese Academy of Sciences. As one of pClienters of venture-capital of China, Mr. Feng possesses extensive experience and knowledge of both domestic and overseas markets. Mr. Feng was awarded the title of "Top 10 most influential venture capitalists in China" in the "Asia-Pacific Venture Capitalist Summit and Most Influential Venture Capitalists in China Award Ceremony" in April 2005. He obtained a Master's degree in science from the Department of Statistics and Applied Probability of University of Alberta in June 1992. He joined the Group in September 2005.

董事(續)

執行董事(續)

韓歡光先生(*薪酬委員會主席*)(*資深副總裁—集團策略投資與資本市場*)

韓先生，49歲，負責策略投資、資本市場及投資者關係。韓先生於一九八二年在中山大學畢業，持有生物化學學士，並於一九九三年獲取澳大利亞悉尼理工大學工商管理碩士學位。彼於中國及海外企業融資、併購、基建和新技术開發，以及中國及海外上市及非上市公司管理方面積逾二十年豐富經驗，曾先後於中國光大集團附屬公司 China Everbright Medicine Co. Ltd.、麗珠醫藥集團任職董事及董事總經理，亦曾於香港、星加坡和中國公司擔任其他高級管理職務。並曾獲中國生物工程學會委任為理事。彼亦為區內多個專業組織之會員。彼於二零零五年九月加盟本集團作為非執行董事，並於二零零六年五月轉任為執行董事。

非執行董事

馮濤先生(*副主席*)

馮先生，43歲，為上海聯永宣創業投資管理有限公司之總裁，該公司是國內首屈一指的風險投資管理公司。自一九九九年，馮先生出任中華人民共和國國家計劃委員會、國家經濟貿易委員會中國科學院之科技促進經濟基金委員會副主任。作為中國創業資本先鋒之一，馮先生於中國及國際市場均具備資深經驗及豐富認識。馮先生於二零零五年四月在「亞太風險投資人峰會暨首屆中國最具影響力風險投資人頒獎典禮」中，榮獲「中國最具影響力風險投資人十佳」。馮先生於一九九二年六月在阿爾伯特大學的統計及應用概率學系取得理學碩士學位。彼於二零零五年九月加入本集團為非執行董事兼董事會副主席。

Biographical Details of Directors and Senior Management

董事及高級管理人員履歷

Directors (continued)

Independent Non-executive Directors

Mr. YAU Fook Chuen (*Chairman of Audit Committee, Member of Remuneration Committee*)

Mr. Yau, aged 53, is a practising accountant and has over 19 years of experience in public accountancy practice which covers company secretarial service, accountancy, auditing and taxation. He is a member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. Mr. Yau is currently the proprietor of Yau & Wong, Certified Public Accountants in Hong Kong. He was appointed as an Independent Non-executive Director in February 2004.

Mr. WONG Yik Chung, John (*Member of Audit Committee, Member of Remuneration Committee*)

Mr. Wong, aged 44, among being the Independent Non-executive Director of the Company, was also served as an Independent Non-executive Director of Golden Resources Development International Limited, CDW Holdings Limited and General Steel Holdings Inc, companies listed in Hong Kong, Singapore and the United States respectively. He is a professional accountant by training with more than 17 years of experience in auditing and corporate finance work, with extensive exposure to the business enterprise in the PRC. Mr. Wong is currently the director to TMF China, a firm provides a variety of professional outsourcing solutions to an international client base investing in PRC. Mr. Wong graduated from the University of Melbourne. He is a fellow member of the Australian Society of Certified Public Accountants and the Hong Kong Institute of Certified Public Accountants. He also obtained a PRC Certificate of Independent Directorship in 2002. He was appointed as an Independent Non-executive Director in February 2004.

Dr. ZHENG Lansun (*Member of Audit Committee, Member of Remuneration Committee*)

Dr. Zheng, aged 56, is a member of the National Committee of the 10th Chinese People's Political Consultative Conference (中國人民政治協商會議第十屆全國委員會), representing the technology sector. He is also a qualified academician (院士) of the Chinese Academy of Sciences (中國科學院). Dr. Zheng received a Doctoral degree in philosophy from Rice University in the United States of America and has engaged in chemistry related research activities at Xiamen University. He was appointed as an Independent Non-executive Director in February 2004.

董事(續)

獨立非執行董事

丘福全先生(審核委員會主席, 薪酬委員會成員)

丘先生, 53歲, 執業會計師, 擁有逾19年有關公司秘書服務、會計、審計及稅務之執業會計師經驗。丘先生為英國特許公認會計師公會及香港會計師公會會員, 現時經營香港執業會計師丘王會計師事務所。彼於二零零四年二月獲委任為獨立非執行董事。

黃翼忠先生(審核委員會成員, 薪酬委員會成員)

黃先生, 44歲, 彼為本公司的獨立非執行董事外, 同時身兼金源米業國際有限公司, CDW Holdings 及通用鋼鐵控股有限公司等分別於香港、新加坡及美國上市之公司獨立非執行董事之職務。彼為合資格會計師, 擁有逾17年審計及企業融資經驗, 對中國商業企業具有資深經驗。彼現為TMF China之董事, 該公司向投資於中國並以國際客戶為主之公司提供專業外判解決方案。黃先生於墨爾本大學畢業, 為澳洲會計師公會及香港會計師公會資深會員。彼亦於二零零二年取得中國獨立董事證書。黃先生於二零零四年二月獲委任為獨立非執行董事。

鄭蘭蓀博士(審核委員會成員, 薪酬委員會成員)

鄭博士, 56歲, 中國人民政治協商會議第十屆全國委員會科技界委員。鄭博士亦為中國科學院合資格院士, 獲美國Rice University頒發哲學博士學位, 其後在廈門大學從事化學研究工作。鄭博士於二零零四年二月獲委任為獨立非執行董事。

Biographical Details of Directors and Senior Management

董事及高級管理人員履歷

Senior Management

Mr. XIE Rong Guo. (*Vice President – Strategic Resources Management*)

Mr. Xie, aged 48, Head of Strategic Resources Management Center. Since he joined Ecogreen, Mr. Xie has been the management positions in purchase department, logistic department and commercial department and the general manager of strategic resources management. He has excellent professional knowledge and rich experience in supply chain management and strategic resources management.

Mr. LIN Zhigang (*Vice President – Food Additives Business*)

Mr. Lin, aged 40, Head of Food Additives Business. He holds a Bachelor's degree of economics obtained from Xiamen University. Prior to joining the Group in June 1996, he worked in a foreign investment enterprise and has concrete experience in sales and marketing management, business development and production management.

Mr. YI Zhi Xiong (*Vice President – Corporate Administration*)

Mr. Yi, aged 49, Head of Corporate Administration. Mr. Yi majored in fine chemicals in Tianjin University with a Bachelor's degree of engineering. He has been the head of management in a large manufacturing company before he joined Ecogreen in September 1998.

Mr. WONG Cang Yan (*Head of President Office*)

Mr. Wong, aged 53, Head of President Office. Mr. Wong received Bachelor's degree of management science from National Chiao Tung University. Before joining Ecogreen in July 2007, Mr. Wong has 27 years work experience in enterprise management. During 2003 to 2005, he was the management consultant of Ecogreen, helping the Group to build the daily management system.

Mr. YAN Da Yi David (*General Manager – Marketing and Sales of Aroma Chemicals*)

Mr. Yan, aged 50, General Manager of the Marketing and Sales of Aroma Chemicals. Mr. Yan holds a Bachelor's degree of Engineering. Mr. Yan has 26 years work experience in Canada, Hong Kong and China. Before joining the Group in May 2004, he worked for eight years in a well-known software company in Hong Kong, for positions in marketing, sales, servicing and administrative departments.

高級管理人員

謝榮國(*副總裁 – 戰略資源管理*)

謝先生，48歲，本集團之戰略資源副總裁。謝先生自公司建立入職，歷任採購、物流、商務經理、物流中心總經理及戰略資源總經理等重要職務。在供應鏈管理，戰略資源項目開發、戰略資源運營上具有優秀的專業積累和豐富的運營經驗。

林志剛先生(*副總裁 – 食品配料事業部*)

林先生，40歲，本集團之食品配料事業部副總裁。林先生持有廈門大學經濟學士學位。於一九九六年六月加入本集團之前，曾在一家外資企業工作，有堅實之銷售與市場推廣管理、業務開發及生產管理經驗。

伊志雄先生(*副總裁 – 企業管理*)

伊先生，49歲，本集團之企業管理副總裁。伊先生畢業於天津大學精細化工工學學士學位。於一九九八年九月加入本集團前，伊先生曾於一家大型製造企業擔任管理部部长，具有優秀的專業積累和豐富的管理經驗。

翁倉煙先生(*總裁辦公室主任*)

翁先生，53歲，本集團之總裁辦公室主任。翁先生畢業於台灣交通大學管理科學學士學位。於二零零七年十月加入本集團前，翁先生已從事企業管理27年。在二零零三年至二零零五期間擔任本集團的管理顧問，幫助集團建立了日常管理體系，擁有豐富的管理經驗。

顏達義先生(*香原料市場營銷部總經理*)

顏先生，50歲，本集團之香原料市場營銷部總經理。顏先生持有工學學士學位，在加拿大、香港和中國沿海有26年工作積累，於二零零四年五月加入本集團前，顏先生曾於香港一家知名軟體公司任職八年及擔任市場、銷售、服務和行政管理職務，對不同文化背景的商業運作模式和溝通交流理解深刻、經驗豐富。

Biographical Details of Directors and Senior Management

董事及高級管理人員履歷

Senior Management (continued)

Mr. XIAO Li Yuan (*Aroma Chemicals Operations Manager*)

Mr. Xiao, aged 47, Director of Aroma Chemicals Operations. Before joining the Group in February 2001, he was the deputy manager in a large chemical enterprise. Mr. Xiao has more than 27 years experience of production management.

Mr. TU Hong Bin (*Aroma Chemicals R&D Manager*)

Mr. Tu, aged 43, Aroma Chemicals R&D Manager, who received a Ph.D degree in 1995 from Beijing Institute of Technology. After the postdoctoral research experience with Professor Alan.R.Katritzky at University of Florida of USA (2001-2004), he joined Ecogreen in May 2005. He has more than 14 years experience in organic synthesis and methodology including 3 years preparation and production of Heterocyclic compounds.

Mr. LAM Kwok Kin (*Financial Controller and Company Secretary*)

Mr. Lam, aged 37, is the financial controller and company secretary of the Company. He holds a Bachelor's degree in accountancy and is a fellow member of both the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. Prior to joining the Group in October 2003, he worked with an international accounting firm for seven years and was the financial controller and company secretary of a company listed on the Stock Exchange. Mr. Lam has extensive experience in auditing, accounting, budgeting and company secretarial works.

高級管理人員(續)

肖利遠先生(*香原料營運總監*)

肖先生，47歲，本集團香原料製造之營運總監。於二零零一年二月加入本集團前，肖先生曾於一家大型化工企業擔任生產管理副廠長，具有27年化工企業生產管理的豐富經驗。

塗洪斌先生(*香原料研發主管*)

塗先生，43歲，本集團之香原料研發主管。北京理工大學工學博士，美國佛羅里達大學博士後。於二零零五年五月加入本集團前，塗先生曾於美國佛羅尼里達大學從事雜環化學研究3年，積累有14年有機化學研究的豐富經驗。

林國健先生(*財務總監兼公司秘書*)

林先生，37歲，本公司之財務總監兼公司秘書。林先生持有會計學士學位，為英國特許公認會計師公會之資深會員及香港會計師公會之資深會員。於二零零三年十月加入本集團前，林先生曾於一家國際會計師行任職七年及擔任一家聯交所上市公司之財務總監兼公司秘書，於核數、會計、預算及公司秘書事務擁有豐富經驗。

Directors' Report

董事會報告

The directors ("the Directors") of EcoGreen Fine Chemicals Group Limited ("the Company") are pleased to present their annual report together with the audited financial statements of the Company and of its subsidiaries (collectively "the Group") for the year ended 31 December 2010.

Principal activities and geographical analysis of operations

The Company is an investment holding company. The principal activities of the Group are the research and development, production and sale of fine chemicals products from natural resources for use in aroma chemicals and pharmaceutical products, and the trading of fine chemicals products and natural materials.

An analysis of the Group's performance for the year by business and geographical segments is set out in Note 5 to the financial statements.

Subsidiaries

Particulars of the Company's subsidiaries as at 31 December 2010 are set out in Note 9 to the financial statements.

Results and dividends

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

An interim dividend of HK0.88 cents per share, amounting to a total of about HK\$4,094,000 (equivalent of approximately RMB3,583,000), was paid to shareholders of the Company ("the Shareholders") on 26 November 2010.

The Directors recommend the payment of a final dividend of HK3.8 cents per share to the Shareholders whose names appear on the register of members on 8 June 2011. Together with the interim dividend, this will bring the total dividend distribution for the year to HK4.68 cents (2009: HK3.8 cents) per share, resulting in an aggregate dividend of about HK\$22,388,000 (equivalent of approximately RMB19,017,000) for the year ended 31 December 2010.

Reserves

Details of movements in reserves of the Group during the year are set out in the consolidated statement of changes in equity on page 52. Details of movements in other reserves of the Group and of the Company during the year are set out in Note 17 to the financial statements.

中怡精細化工集團有限公司(「本公司」)董事(「董事」)欣然呈報其全年報告連同本公司及其附屬公司(統稱「本集團」)截至二零一零年十二月三十一日止年度之經審核財務報表。

主要業務及業務地區分析

本公司為投資控股公司。本集團之主要業務包括利用天然資源研發、生產及銷售精細化學品，用於芳香化學品及藥品，以及買賣精細化工產品及天然物料。

本集團於本年度按業務及地區分部劃分之表現分析載於財務報表附註5。

附屬公司

本公司附屬公司於二零一零年十二月三十一日之詳情載於財務報表附註9。

業績及股息

本集團截至二零一零年十二月三十一日止年度業績載於第50頁之綜合收益表。

本公司已於二零一零年十一月二十六日向本公司股東(「股東」)派付中期股息每股0.88港仙，合共約4,094,000港元(約相等於3,583,000元人民幣)。

董事建議派發末期股息每股3.8港仙予於二零一一年六月八日名列股東名冊之股東，連同中期股息款額，本年度股息分派總額為每股4.68港仙(二零零九年：3.8港仙)，截至二零一零年十二月三十一日止年度之股息合共約為22,388,000港元(約相等於19,017,000元人民幣)。

儲備

本集團儲備於年內之變動詳情載於第52頁之綜合權益變動表。本集團及本公司其他儲備於年內之變動詳情載於綜合財務報表附註17。

Directors' Report

董事會報告

Property, plant and equipment

Movements in property, plant and equipment of the Group during the year are set out in Note 7 to the financial statements.

Share capital

Details of movements in share capital of the Company during the year are set out in Note 16 to the financial statements.

Distributable reserves

Distributable reserves including retained earnings of the Company at 31 December 2010 amounted to RMB308,421,000 (2009: RMB314,213,000).

Purchase, sale or redemption of the Company's listed securities

During the year ended 31 December 2010, the Company had not redeemed and neither the Company nor any of its subsidiaries had purchased or sold any of the Company's listed securities.

Pre-emptive rights

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

Financial summary

A summary of the results and of the financial positions of the Group for the past five financial years is set out on page 122.

物業、機器及設備

本集團物業、機器及設備於年內之變動詳情載於財務報表附註7。

股本

本公司股本於年內之變動詳情載於財務報表附註16。

可供分派儲備

本公司於二零一零年十二月三十一日包括保留盈利之可供分派儲備為308,421,000元人民幣(二零零九年：314,213,000元人民幣)。

購買、出售或贖回本公司上市證券

截至二零一零年十二月三十一日止年度，本公司並無贖回，而本公司或其任何附屬公司概無購買或出售本公司任何上市證券。

優先購買權

本公司之組織章程細則並無有關優先購買權之規定，而根據開曼群島法例，該等權利並無限制，本公司毋須按比例向現有股東提呈發售新股份。

財務概要

本集團過去五個財政年度之業績及財務狀況概要載於第122頁。

Directors' Report

董事會報告

Directors

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

Executive Directors

Mr. Yang Yirong (*Chairman & President*)
Mr. Gong Xionghui
Ms. Lu Jiahua
Mr. Lin Like
Mr. Han Huan Guang

Non-executive Directors

Mr. Feng Tao

Independent Non-executive Directors

Mr. Yau Fook Chuen
Mr. Wong Yik Chung, John
Dr. Zheng Lansun

In accordance with article 108(A) of the Company's articles of association, Mr. Lin Like, Mr. Yau Fook Chuen and Mr. Wong Yik Chung, John, will retire from office by rotation and, being eligible, offers themselves for re-election at the forthcoming annual general meeting.

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

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

董事

於本年度及直至本報告日期之本公司董事如下：

執行董事

楊毅融先生(主席兼總裁)
龔雄輝先生
盧家華女士
林力克先生
韓歡光先生

非執行董事

馮濤先生

獨立非執行董事

丘福全先生
黃翼忠先生
鄭蘭蓀博士

根據本公司之組織章程細則第108(A)條，林力克先生、丘福全先生及黃翼忠先生將於應屆股東週年大會輪值退任，惟符合資格並願意膺選連任。

概無擬於應屆股東週年大會重選連任之董事訂有本集團不可於一年內不作賠償(法定賠償除外)予以終止之服務合約。

非執行董事及獨立非執行董事之任期初步不多於一年，並將自動續任一年，直至任何一方對對方發出不少於三個月之書面通知終止任期為止。

Directors' Report

董事會報告

Directors' interests in contracts

Details of the related party transactions are set out in Note 35 to the financial statements.

Save for the above, 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 year-end or at any time during the year.

Biographical details of Directors and senior management

Biographical details of Directors and senior management are set out on pages 27 to 31.

Directors' Emoluments

Details of Directors' emoluments disclosed pursuant to Section 161 of the Companies Ordinance and Appendix 16 of the Listing Rules are set out in Note 25(b) to the financial statements.

Arrangements to purchase shares or debentures

At no time during the year was the Company, or any of its subsidiaries, a party to any arrangements to enable the Directors or chief executives of the Company or their spouses or children under 18 years of age to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate with the exception of the Company's share option scheme, details of which are set out in the following section under the heading "Share options".

董事之合約權益

有關連人士交易詳情載於財務報表附註35。

除上述者外，本公司或其任何附屬公司概無訂有與本集團業務有關，且於年末或年內任何時間仍然生效及本公司董事直接或間接擁有重大權益之重大合約。

董事及高級管理人員履歷

董事及高級管理人員之履歷載於第27至31頁。

董事袍金

根據公司條例第161條及上市規則附錄16披露有關董事袍金詳情載於財務報表附註25(b)。

購買股份或債券之安排

於年內任何時間，本公司或其任何附屬公司概無訂立任何安排，致使董事或本公司行政總裁或彼等之配偶或未滿十八歲子女可藉收購本公司或任何其他法人團體之股份或債券而獲利，惟透過本公司購股權計劃所購買者則除外，有關詳情載於下文「購股權」一節。

Directors' Report

董事會報告

Directors' and chief executives' interests and/or short positions in shares, underlying shares and debentures

At 31 December 2010, the interests and short positions of the Directors, chief executives and their associates in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), which were recorded in the register maintained by the Company under Section 352 of the SFO; or which were notified to the Company and the Stock Exchange pursuant to the Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which were otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, were as follows:

董事及行政總裁於股份、相關股份及債券之權益及／或淡倉

於二零一零年十二月三十一日，董事、行政總裁及彼等之聯繫人士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)股份、相關股份或債券中擁有，並登記於本公司根據證券及期貨條例第352條存置之登記冊；或根據證券及期貨條例第XV部第7及8分部已知會本公司及聯交所(包括根據證券及期貨條例有關條文，彼等被當作或視作擁有之權益或淡倉)或根據上市規則上市公司董事進行證券交易的標準守則已知會本公司及聯交所之權益及淡倉如下：

(a) Long positions in ordinary shares of HK\$0.10 each of the Company

(a) 於本公司每股面值0.10港元普通股之好倉

Name of Director 董事姓名	Number of shares held 所持股數					Total 總計	% of the issued share capital of the Company 佔本公司已發行股本百分比
	Personal interests 個人權益	Family interests 家族權益	Corporate interests 公司權益	Other interests 其他權益			
Mr. Yang Yirong 楊毅融先生	-	-	195,389,158 (Note a) (附註 a)	-	195,389,158	42.00%	
Mr. Gong Xionghui 龔雄輝先生	-	-	11,368,421 (Note b) (附註 b)	-	11,368,421	2.44%	
Ms. Lu Jiahua 盧家華女士	-	-	8,526,316 (Note c) (附註 c)	-	8,526,316	1.83%	

Notes:

附註：

- (a) These shares were beneficially owned by Marietta Limited, a private company beneficially wholly-owned by Mr. Yang Yirong.
- (b) These shares were beneficially owned by Dragon Kingdom Investment Limited, a private company beneficially wholly-owned by Mr. Gong Xionghui.
- (c) These shares were beneficially owned by Sunwill Investments Limited, a private company beneficially wholly-owned by Ms. Lu Jiahua.

- (a) 該等股份以楊毅融先生實益全資擁有之私人公司Marietta Limited實益擁有。
- (b) 該等股份以龔雄輝先生實益全資擁有之私人公司Dragon Kingdom Investment Limited實益擁有。
- (c) 該等股份以盧家華女士實益全資擁有之私人公司Sunwill Investments Limited實益擁有。

Directors' Report

董事會報告

Directors' and chief executives' interests or short positions in shares, underlying shares and debentures

(continued)

(b) Interest in share options of the Company

Share options, being unlisted physically settled equity derivatives, to subscribe for the ordinary shares of the Company were granted to Directors, chief executives, employees and certain participants pursuant to the approved Company's share option scheme. Information in relation to these share options during the year ended 31 December 2010 are set out in the following section under the heading "Share options".

(c) Interest in registered share capital of a Company's subsidiary

Other than the interest disclosed above, a Director also hold nominee shares in certain subsidiaries held in trust for the Group solely for the purpose of ensuring that the relevant subsidiary has more than one member.

Other than as disclosed above, neither the Directors nor any chief executives, nor any of their associates, had any interests or short positions in the shares, underlying shares, or debentures of the Company or its associated corporation as at 31 December 2010.

Share options

The following is a summary of the Company's share option scheme ("the Scheme"), which was approved and adopted pursuant to a written resolution of the shareholders of the Company passed on 16 February 2004, disclosed in accordance with the Listing Rules:

1. Purpose of the Scheme

The Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their contributions to the Group.

2. Participants of the Scheme

All directors, employees, suppliers of goods or services, customers, persons or entities that provide research, development or other technological support to the Group, shareholders and advisers or consultants of the Group are eligible to participate in the Scheme.

董事及行政總裁於股份、相關股份及債券之權益或淡倉(續)

(b) 於本公司購股權之權益

董事、行政總裁、僱員及根據已獲批准之本公司購股權計劃之若干參與人士，授予屬於非上市實物交收股本衍生工具以認購本公司普通股之購股權。有關截至二零一零年十二月三十一日止年度內該等購股權之詳情，載於下文「購股權」一節。

(c) 於本公司一家附屬公司註冊股本之權益

除上文披露之權益外，董事亦以信託方式為本集團持有若干附屬公司之代名人股份，僅為確保有關附屬公司擁有超過一名股東。

除上文披露者外，於二零一零年十二月三十一日，概無董事或任何行政總裁或彼等任何聯繫人士，於本公司或其相聯法團之股份、相關股份或債券中，擁有任何權益或淡倉。

購股權

以下為根據上市規則披露本公司股東於二零零四年二月十六日通過書面決議案批准及採納之本公司購股權計劃(「計劃」)之概要：

1. 計劃之目的

計劃之目的是使本集團可向指定參與者授出購股權，作為彼等對本集團所作貢獻之獎勵或回報。

2. 計劃參與者

本集團所有董事、僱員、貨品或服務供應商、客戶與向本集團提供研究、開發或其他技術支援之人士或公司、股東及諮詢人或顧問均合資格參與計劃。

Share options (continued)

3. Total number of shares available for issue under the Scheme

The total number of shares of the Company ("the Shares") which may be allotted and issued upon exercise of all options to be granted under the Scheme and any other share option scheme adopted by the Company must not in aggregate exceed 10% of the Shares in issue on 21 July 2004, the date of approval of the refreshment of the General Scheme Limit (as defined below) by the shareholders of the Company ("the Shareholders").

The Company may renew the 10% limit with Shareholders' approval provided that each such renewal may not exceed 10% of the Shares in issue as at the date of the Shareholder's approval ("the General Scheme Limit").

The maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme adopted by the Company must not in aggregate exceed 30% of the Shares in issue from time to time.

As at 12 April 2011, being the latest practicable date prior to the issue of the annual report, options to subscribe for a total of 14,550,000 Shares were still outstanding under the Scheme which represents approximately 3.0% of the Shares in issue.

4. Maximum entitlement of each participant

Unless approved by shareholders of the Company, the total number of shares issued and to be issued upon the exercise of the options granted to each participant (including both exercised and outstanding options) under the Scheme or any other share option scheme adopted by the Company in any 12-month period must not exceed 1% of the issued share capital.

5. The period within which the shares must be taken up under an option

An option must be exercised in accordance with the terms of the Scheme at any time during a period to be determined and notified by the Directors to each grantee, which period may commence from the date of the offer for the grant of option is made, but shall end in any event not later than 10 years from the date on which the offer for the grant of the option is made, subject to the provisions for early termination thereof.

購股權(續)

3. 根據計劃可發行之股份總數

根據計劃及本公司採納之任何其他購股權計劃授出之購股權獲行使而將予配發及發行之本公司股份(「股份」)總數，合共不得超過於二零零四年七月二十一日本公司股東(「股東」)批准更新一般計劃限額(見以下註釋)當天已發行股份之10%。

在獲得股東批准後，本公司可更新此10%之限額，而每一次更新，均不得超過股東批准該日已發行股份之10%(「一般計劃限額」)。

根據購股權計劃及本公司採納之任何其他購股權計劃已授出但尚未行使之購股權獲行使而可予發行之股份數目，合共最多不得超過不時已發行股份之30%。

於二零一一年四月十二日，為發行本年報之最後可行日期，根據計劃仍未行使之購股權可認購股份合共14,550,000股，佔已發行股份約3.0%。

4. 各參與者之最高配額

除非獲本公司股東批准，否則於任何十二個月期間內，就根據計劃或本公司採納之任何其他購股權計劃而授予每名參與者之購股權(包括已行使及尚未行使者)獲行使而發行及將予發行之股份總數，不得超過已發行股本之1%。

5. 根據購股權認購股份之期限

購股權須於董事釐定並知會各承授人之期間隨時根據計劃條款行使，而除根據計劃規定提早終止外，該期間可自建議授出購股權當日起計，惟無論如何不得遲於建議授出購股權當日起計滿10年之日屆滿。

Share options (continued)

6. The minimum period for which an option must be held before it can be exercised

Unless otherwise determined by the Directors and stated in the offer for the grant of options to a grantee, there is no minimum period required under the Scheme for the holding of an option before it can be exercised.

7. The period within which payments or calls must or may be made or loans for such purposes must be repaid and the amount payable on application or acceptance of the option

An option may be accepted by a participant within 21 days from the date of the offer for the grant of the option and the amount payable on acceptance of the grant of an option is HK\$1.

8. The basis of determining the exercise price

The exercise price is determined by the Directors and being not less than the highest of:

- a. the closing price of the Company's shares as stated in the daily quotation sheet of the Stock Exchange for trade in one or more board lots of the Company's shares on the date of the offer for the grant;
- b. the average closing price of the Company's shares as stated in the daily quotation sheets of the Stock Exchange for the five business days immediately preceding the date of the offer for the grant; and
- c. the nominal value of the Company's shares.

9. The remaining life of the Scheme

The Scheme will end on 15 February 2014, after which no option can be granted under the Scheme. However, options that remain outstanding as at 15 February 2014 can be exercised until their respective expiry dates.

購股權(續)

6. 購股權可行使前須持有之最短期限

除非董事另行決定並於向承授人授出購股權之建議中表明，否則並無有關購股權可行使前必須根據計劃持有之最短期限。

7. 必須或可以付款或催繳或須就此等目的償還貸款之期限及於申請或接納購股權時應付款項

參與者可由建議授出購股權當日起計21日內接納購股權，而於接納授出購股權時須支付之金額為1港元。

8. 釐定行使價之基準

行使價由董事釐定，惟不得低於下列最高者：

- a. 以一手或以上單位進行買賣之本公司股份於建議授出購股權當日在聯交所每日報價表所列收市價；
- b. 本公司股份於緊接建議授出購股權當日前五個營業日在聯交所每日報價表所列平均收市價；及
- c. 本公司股份之面值。

9. 計劃剩餘年期

計劃將於二零一四年二月十五日屆滿，此後不得根據計劃授出購股權。然而，於二零一四年二月十五日仍未行使之購股權可予行使，直至其各自屆滿日期為止。

Directors' Report

董事會報告

Share options (continued)

The following table discloses details of share options outstanding as at 31 December 2010 under the Scheme and the movements during the year.

購股權(續)

下表載述於二零一零年十二月三十一日根據計劃尚未行使之購股權詳情及其於年內之變動。

Type of Grantee	承授人類別	Granted date	Exercise price	Exercisable period	Balance as at 1 January 2010	Granted during the year	Exercised during the year	Cancelled during the year	Balance as at 31 December 2010
		授出日期	行使價	行使期	於二零一零年一月一日結餘	年內授出	年內行使	年內註銷	於二零一零年十二月三十一日結餘
			HK\$		('000)	('000)	('000)	('000)	('000)
Category 1 – Directors	類別1 – 董事								
Mr. Yang Yirong	楊毅融先生	25.5.2006	1.39	25.5.2006 – 24.5.2011	400	-	-	-	400
Mr. Gong Xionghui	龔雄輝先生	8.6.2004	1.37	8.6.2004 – 7.6.2014	3,100	-	-	-	3,100
Ms. Lu Jiahua	盧家華女士	8.6.2004	1.37	8.6.2004 – 7.6.2014	2,600	-	-	-	2,600
Mr. Lin Like	林力克先生	25.5.2006	1.39	25.5.2006 – 24.5.2011	2,400	-	-	-	2,400
Mr. Han Huan Guang	韓歡光先生	25.5.2006	1.39	25.5.2006 – 24.5.2011	2,400	-	-	-	2,400
Mr. Fung Tao	馮濤先生	25.5.2006	1.39	25.5.2006 – 24.5.2011	2,400	-	-	-	2,400
Mr. Yau Fook Chuen	丘福全先生	8.6.2004	1.37	8.6.2004 – 7.6.2014	200	-	-	-	200
		25.5.2006	1.39	25.5.2006 – 24.5.2011	400	-	-	-	400
Mr. Wong Yik Chung, John	黃翼忠先生	8.6.2004	1.37	8.6.2004 – 7.6.2014	200	-	-	-	200
		25.5.2006	1.39	25.5.2006 – 24.5.2011	400	-	-	-	400
Dr. Zheng Lansun	鄭蘭蓀博士	8.6.2004	1.37	8.6.2004 – 7.6.2014	400	-	-	-	400
		25.5.2006	1.39	25.5.2006 – 24.5.2011	400	-	-	-	400
Sub-total	小計				15,300	-	-	-	15,300
Category 2 – Employees under continuous employment contract	類別2 – 持續僱傭合約僱員								
		8.6.2004	1.37	8.6.2004 – 7.6.2014	8,270	-	-	-	8,270
		25.5.2006	1.39	25.5.2006 – 24.5.2011	4,000	-	-	-	4,000
Sub-total	小計				12,270	-	-	-	12,270
Category 3 – Other participants	類別3 – 其他參與人士								
		25.5.2006	1.39	25.5.2006 – 24.5.2011	3,200	-	-	-	3,200
Sub-total	小計				3,200	-	-	-	3,200
Total	總計				30,770	-	-	-	30,770

Directors' Report

董事會報告

Interest and/or short positions of shareholders discloseable under SFO

As at 31 December 2010, the interests and short positions of the persons, other than the Directors and chief executives of the Company, in the shares and underlying shares of the Company, which were notified to the Company pursuant to Division 2 and 3 of Part XV of the SFO; or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO, were as follows:

Long positions in ordinary shares of HK\$0.10 each of the Company

Name 名稱	Beneficial owner 實益擁有人	Investment Manager 投資經理	Number of shares held 所持股數		Total 總計	% of the issued share capital of the Company 佔本公司 已發行 股本百分比
			Interest of corporation controlled by the substantial shareholder 大股東 所控制的法團 的權益	Other interests 其他權益		
Marietta Limited	195,389,158 (Note a) (附註 a)	-	-	-	195,389,158	42.00%
Keywise Capital Management (HK) Limited	-	71,342,000	-	-	71,342,000	15.33%
Keywise Greater China Opportunities Master Fund	53,022,000	-	-	-	53,022,000	11.40%
FMR LLC	-	42,000,000	-	-	42,000,000	9.03%
Platinum Investment Management Limited	-	28,234,000	-	-	28,234,000	6.07%
UBS AG	-	-	-	28,082,000 (Note b) (附註 b)	28,082,000	6.04%

Notes:

(a) These shares were registered in the name of and beneficially owned by Marietta Limited, the entire issued share capital of which was directly and beneficially owned by Mr. Yang Yirong.

(b) Trustee.

根據證券及期貨條例須予披露之股東權益及／或淡倉

於二零一零年十二月三十一日，除董事及本公司行政總裁以外之人士於本公司股份及相關股份中，擁有根據證券及期貨條例第XV部第2及3分部已知會本公司；或本公司根據證券及期貨條例第336條規定存置之登記冊所記錄之權益及淡倉如下：

於本公司每股面值0.10港元普通股之好倉

Name 名稱	Beneficial owner 實益擁有人	Investment Manager 投資經理	Number of shares held 所持股數		Total 總計	% of the issued share capital of the Company 佔本公司 已發行 股本百分比
			Interest of corporation controlled by the substantial shareholder 大股東 所控制的法團 的權益	Other interests 其他權益		
Marietta Limited	195,389,158 (Note a) (附註 a)	-	-	-	195,389,158	42.00%
Keywise Capital Management (HK) Limited	-	71,342,000	-	-	71,342,000	15.33%
Keywise Greater China Opportunities Master Fund	53,022,000	-	-	-	53,022,000	11.40%
FMR LLC	-	42,000,000	-	-	42,000,000	9.03%
Platinum Investment Management Limited	-	28,234,000	-	-	28,234,000	6.07%
UBS AG	-	-	-	28,082,000 (Note b) (附註 b)	28,082,000	6.04%

附註：

(a) 該等股份以Marietta Limited之名義登記，並由該公司實益擁有，而Marietta Limited全部已發行股本則以楊毅融先生直接實益擁有。

(b) 受託人。

Other than as disclosed above, the Company has not been notified by any persons, other than the Directors and chief executives of the Company, who had interest or short positions in the shares or underlying shares of the Company as at 31 December 2010.

除上文披露者外，本公司並無獲知會，於二零一零年十二月三十一日，除董事及本公司行政總裁以外，有任何人士於本公司之股份或相關股份中擁有權益或淡倉。

Directors' Report

董事會報告

Management contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existed during the year.

Major customers and suppliers

The aggregate sales attributable to the Group's largest and the five largest customers were 22% and 51% respectively. The aggregate purchases attributable to the Group's largest and the five largest suppliers were 9% and 35% respectively.

None of the Directors, their associates or any shareholder of the Company, which to the knowledge of the Directors, owned more than 5% of the Company's issued share capital, had any interest in the share capital of the Group's five largest customers and five largest suppliers noted above.

Continuing connected transactions and directors' interests in contracts

A summary of the related parties transactions entered into by the Group during the year ended 31 December 2010 is contained in Note 35 to the financial statements. The transactions in relation to the Group's purchase of raw materials from Chuxiong Hongbang Forestry Co., Ltd. ("Chuxiong Hongbang") and its associates, as described in the following paragraphs, fall under the definition of continuing connected transactions under the Listing Rules for which relevant announcements, if necessary, had been made by the Company in accordance with Chapter 14A of the Listing Rules.

Chuxiong Zhongyi Forestry Trading Co. Ltd. ("Chuxiong Zhongyi") is a non-wholly owned subsidiary of the Company which is principally engaged in the sale of forestry products. 70% of the equity interest in Chuxiong Zhongyi is beneficially owned by the Company while the remaining 30% equity interest is beneficially owned by Chuxiong Hongbang, a private company incorporated in the Peoples' Republic of China with limited liability and owned by third parties independent of the Company and connected persons of the Company.

Pursuant to the Listing Rules, Chuxiong Hongbang and its associates (as defined in the Listing Rules) are connected persons of the Company. Therefore, any transaction between the Group and Chuxiong Hongbang and its associates will constitute a connected transaction of the Company for the purposes of Chapter 14A of the Listing Rules, and may be subject to the reporting, announcement and/or independent shareholders' approval requirements contained in Chapter 14A of the Listing Rules.

管理合約

年內，本公司並無訂立或訂有任何涉及本集團全部或任何重大部分業務之管理及行政合約。

主要客戶及供應商

本集團之最大客戶及五大客戶應佔銷量總額分別為22%及51%。本集團之最大供應商及五大供應商應佔採購總額分別為9%及35%。

董事、彼等之聯繫人士或據董事所知擁有本公司已發行股本5%以上之本公司任何股東，概無擁有上述本集團五大客戶及五大供應商股本中任何權益。

持續關連交易及董事之合約權益

截至二零一零年十二月三十一日止年度，本集團訂立的關聯方交易摘要載於合併財務報表附註35。於以下段落所述，有關本集團向楚雄弘邦林化有限公司(「楚雄弘邦」)及其聯繫人等購買原材料之交易，屬於上市規則定義的持續關連交易，而本公司已按照上市規則第14A章的披露規定作出相關公佈(如需要)。

楚雄中怡林產貿易有限公司(「楚雄中怡」)為本公司之非全資附屬公司，其主要業務為銷售林業產品。楚雄中怡的70%股本權益由本公司非直接實益擁有，而其餘30%股本權益則由楚雄弘邦擁有。楚雄弘邦為一間於中華人民共和國成立之私人有限公司，並由第三者擁有，與本公司及本公司之關連人仕並無關連。

根據上市規則，楚雄弘邦及其聯繫人(按上市規則界定)被視為本公司的關連人。因此，本集團與楚雄弘邦及其聯繫人之間的交易將構成上市規則第14A章所指本公司的關連交易，並須遵守上市規則第14A章所載有關申報、公佈及/或獨立股東批准的規定。

Directors' Report

董事會報告

Continuing connected transactions and directors' interests in contracts (continued)

The following table is a summary of the transaction amounts of the continuing connected transactions of the Group with Chuxiong Hongbang for the years ended 31 December 2010.

Connected Party 關連人士	Category 類別	Transaction amounts 交易款額
		2010 二零一零年 RMB\$'000 人民幣千元
Chuxiong Hongbang and its associates 楚雄弘邦及其聯繫人	Purchase of raw materials 購買原材料	9,334

The aforesaid continuing connected transactions have been reviewed by the independent non-executive Directors of the Company.

The independent non-executive Directors confirmed that the aforesaid continuing connected transactions were entered into (a) in the ordinary and usual course of business of the Group; (b) either on normal commercial terms or on terms no less favourable to the Group than terms available from independent third parties; and (c) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued his unqualified letter containing his findings and conclusions in respect of the continuing connected transactions above in accordance with paragraph 14A.38 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. A copy of the auditor's letter has been provided by the Company to The Stock Exchange of Hong Kong Limited.

Save as disclosed above:

- (i) no contracts of significance subsisted 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 at the end of the years ended 31 December 2010 or at any time during the years; and
- (ii) there were no transactions which need to be disclosed as connected transactions in accordance with the requirements of the Listing Rules.

持續關連交易及董事之合約權益(續)

下表為截至二零一零年十二月三十一日止年度內屬於本集團與楚雄弘邦持續關連交易的交易款額概要。

Connected Party 關連人士	Category 類別	Transaction amounts 交易款額
		2010 二零一零年 RMB\$'000 人民幣千元
Chuxiong Hongbang and its associates 楚雄弘邦及其聯繫人	Purchase of raw materials 購買原材料	9,334

上述持續關連交易已由本公司獨立非執行董事審閱。

獨立非執行董事確認，上述持續關連交易是(a)在本集團的一般及通常業務過程中訂立的；(b)以正常商業條款或以不遜於本集團從獨立第三方可獲取的條款訂立；及(c)根據管制有關協議且為公平和合理並符合本公司股東整體利益的條款訂立。

根據香港會計師公會發佈的香港鑒證業務準則3000號「歷史財務資料審核或審閱以外的鑒證工作」並參考實務說明740號「香港上市規則規定的持續關連交易的核數師函件」，本公司核數師已受聘對本集團持續關連交易作出報告。根據香港聯合交易所有限公司證券上市規則第14A.38條，核數師已就以上所載本集團披露的持續關連交易，發出無保留意見的函件，並載有其發現和結論。本公司已將核數師函件副本向香港聯合交易所提供。

除上文所披露者外：

- (i) 於截至二零一零年度結束時或此期間任何時間內，本公司或其任何附屬公司並無訂立本公司董事擁有重大權益(不論直接或間接)且仍然有效的重大合約；及
- (ii) 概無交易須根據上市規則的規定披露為關連交易。

Directors' Report

董事會報告

Corporate governance

In the opinion of the Directors, the Company has complied with most of the Code on Corporate Governance Practices ("the CG Code") contained in Appendix 14 of the Listing Rules throughout the year ended 31 December 2010, save for the deviations from code provision A.2.1 of the CG Code. Information on the deviations and further information on the Company's corporate governance practices is set out in the "Corporate Governance Report" as set out on pages 17 to 26.

Sufficiency of public float

Based on the information that is publicly available to and within the knowledge of the Directors, it is confirmed that there is sufficient public float of more than 25% of the Company's issued shares at the date of the annual report.

Auditor

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

On behalf of the Directors

YANG YIRONG

Chairman & President

Hong Kong, 25 March 2011

企業管治

董事認為，除若干偏離企業管治常規守則條文第A.2.1條外，本公司於截至二零一零年十二月三十一日止年度一直遵守上市規則附錄14所載大部分企業管治常規守則（「企業管治常規守則」）。有關該等偏離及本公司企業管治常規守則之進一步資料載於第17至26頁「企業管治報告」。

充足公眾持股量

根據董事以公開方式獲提供之資料及彼等所深知，本公司確認，於年報日期本公司已發行股份擁有25%以上之充足公眾持股量。

核數師

本財務報表已由羅兵咸永道會計師事務所審核，該核數師任滿告退，但表示願意應聘連任。

代表董事

主席兼總裁

楊毅融

香港，二零一一年三月二十五日

Independent Auditor's Report

獨立核數師報告

PRICEWATERHOUSECOOPERS 

PricewaterhouseCoopers
22nd Floor, Prince's Building
Central, Hong Kong

TO THE SHAREHOLDERS OF ECOGREEN FINE CHEMICALS GROUP LIMITED

(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Ecogreen Fine Chemicals Group Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 47 to 121, which comprise the consolidated and company balance sheets as at 31 December 2010, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the consolidated financial statements

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

Auditor's responsibility

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

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

致中怡精細化工集團有限公司股東 (於開曼群島註冊成立之有限公司)

本核數師(以下簡稱「我們」)已審核列載於第47至121頁中怡精細化工集團有限公司(「公司」)及其附屬公司(統稱「集團」)的綜合財務報表，此綜合財務報表包括於二零一零年十二月三十一日的綜合及公司資產負債表與截至該日止年度的綜合收益表、綜合全面收益表、綜合權益變動表和綜合現金流量表，以及主要會計政策概要及其他附註解釋資料。

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港《公司條例》的披露規定編製綜合財務報表，以令綜合財務報表作出真實而公平的反映，及落實其認為編製綜合財務報表所必要的內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

核數師的責任

我們的責任是根據我們的審核對該等綜合財務報表作出意見，僅向整體股東報告我們的意見，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負責或承擔任何責任。

我們已根據香港會計師公會頒佈的香港審計準則進行審核。該等準則要求我們遵守道德規範，並規劃及執行審核，以合理確定此等財務報表是否不存有任何重大錯誤陳述。

Independent Auditor's Report

獨立核數師報告

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

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the 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.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 25 March 2011

審核涉及執行情序以獲取有關綜合財務報表所載金額及披露資料的審核憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製綜合財務報表以作出真實而公平的反映相關的內部控制，以設計適當的審核程序，但目的並非對公司的內部控制的有效性發表意見。審核亦包括評價董事所採用的會計政策的合適性及所作出的會計估計的合理性，以及評價綜合財務報表的整體列報方式。

我們相信，我們所獲得的審核憑證是充足和適當為我們的審核意見提供基礎。

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公司及貴集團於二零一零年十二月三十一日的事務狀況及貴集團截至該日止年度的利潤及現金流量，並已按照香港《公司條例》的披露規定妥為編製。

羅兵咸永道會計師事務所

執業會計師

香港，二零一一年三月二十五日

Consolidated Balance Sheet

綜合資產負債表

As at 31 December 2010 於二零一零年十二月三十一日

		Note 附註	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
ASSETS	資產			
Non-current assets	非流動資產			
Land use rights	土地使用權	6	9,541	9,851
Property, plant and equipment	物業、機器及設備	7	397,316	384,191
Intangible assets	無形資產	8	52,687	57,173
Investment in an associate	聯營公司投資	10	1,750	1,750
Available-for-sale financial assets	可供出售金融資產	11	200	400
			461,494	453,365
Current assets	流動資產			
Inventories	存貨	12	115,489	72,176
Trade receivables	應收交易帳款	13	290,313	203,227
Prepayments and other receivables	預付款項及 其他應收款項	14	99,598	45,488
Pledged bank deposits	已抵押之銀行存款	15	57,961	27,122
Cash and cash equivalents	現金及現金等價物	15	524,409	514,744
			1,087,770	862,757
Total assets	總資產		1,549,264	1,316,122
EQUITY AND LIABILITIES	權益及負債			
Equity attributable to owners of the parent	母公司權益持有者 應佔權益			
Share capital	股本	16	49,232	49,232
Share premium	股本溢價	16	181,841	181,841
Other reserves	其他儲備	17	65,515	58,852
Retained earnings	保留盈利			
– Proposed final dividend	– 擬派末期股息	31	15,434	12,274
– Others	– 其他		645,488	538,284
			957,510	840,483
Non-controlling interests	非控制性權益		3,468	3,502
Total equity	總權益		960,978	843,985

Consolidated Balance Sheet

綜合資產負債表

As at 31 December 2010 於二零一零年十二月三十一日

		Note 附註	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
LIABILITIES	負債			
Non-current liabilities	非流動負債			
Borrowings	借貸	18	184,820	100,119
Derivative financial instruments	衍生金融工具	21	–	917
Deferred tax liabilities	遞延稅項負債	22	10,500	10,500
			195,320	111,536
Current liabilities	流動負債			
Trade payables and bills payable	應付交易帳款及應付票據	19	157,107	72,824
Current income tax liabilities	即期所得稅負債		5,766	3,886
Borrowings	借貸	18	205,661	252,666
Derivative financial instruments	衍生金融工具	21	668	1,833
Accruals and other payables	應計費用及 其他應付款項	20	22,802	28,396
Amount due to a director	應付一董事款項	35	962	996
			392,966	360,601
Total liabilities	總負債		588,286	472,137
Total equity and liabilities	總權益及負債		1,549,264	1,316,122
Net current assets	流動資產淨值		694,804	502,156
Total assets less current liabilities	總資產減流動負債		1,156,298	955,521

YANG YIRONG

楊毅融

Chairman

主席

LU JIAHUA

盧家華

Executive director

執行董事

The notes on pages 54 to 121 are an integral part of these consolidated financial statements.

第54至121頁附註為該等綜合財務報表其中部分。

Balance Sheet

資產負債表

As at 31 December 2010 於二零一零年十二月三十一日

	Note 附註	31 December 2010 二零一零年 十二月三十一日 RMB'000 人民幣千元	(As restated) (重列) 31 December 2009 二零零九年 十二月三十一日 RMB'000 人民幣千元	(As restated) (重列) 1 January 2009 二零零九年 一月一日 RMB'000 人民幣千元 (Note 9) (附註9)
ASSETS				
Non-current assets				
Investments in and amounts due from subsidiaries	9	350,694	346,149	346,008
Current assets				
Amounts due from subsidiaries	9	153,609	168,998	255,235
Prepayments	14	40	56	82
Cash and cash equivalents	15	1,037	21,626	1,778
		154,686	190,680	257,095
Total assets		505,380	536,829	603,103
EQUITY				
Equity attributable to owners of the parent				
Share capital	16	49,232	49,232	49,232
Share premium	16	181,841	181,841	181,841
Other reserves	17	99,158	96,408	93,959
Retained earnings				
– Proposed final dividend	31	15,434	12,274	11,888
– Others		11,988	23,690	34,759
Total equity		357,653	363,445	371,679
LIABILITIES				
Non-current liabilities				
Borrowings	18	144,620	56,469	169,907
Derivative financial instruments	21	–	917	5,014
		144,620	57,386	174,921
Current liabilities				
Borrowings	18	–	112,331	53,903
Derivative financial instruments	21	668	1,833	–
Accruals and other payables	20	2,439	1,834	2,600
		3,107	115,998	56,503
Total liabilities		147,727	173,384	231,424
Total equity and liabilities		505,380	536,829	603,103
Net current assets		151,579	74,682	200,592
Total assets less current liabilities		502,273	420,831	546,600

YANG YIRONG
楊毅融
Chairman
主席

LU JIAHUA
盧家華
Executive director
執行董事

The notes on pages 54 to 121 are an integral part of these consolidated financial statements.

第54至121頁附註為該等綜合財務報表其中部分。

Consolidated Income Statement

綜合收益表

— By function of expenses — 按費用功能分類

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

		Note 附註	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Revenue	收益	5	908,251	728,494
Cost of goods sold	已售貨品成本	24	(683,495)	(541,383)
Gross profit	毛利		224,756	187,111
Other (losses)/gains – net	其他(虧損)/收益—淨額	23	(424)	258
Selling and marketing costs	銷售及市場推廣成本	24	(23,653)	(20,023)
Administrative expenses	行政費用	24	(36,596)	(30,332)
Operating profit	經營溢利		164,083	137,014
Finance income	融資收入	26	2,873	2,182
Finance costs	融資成本	26	(14,779)	(18,218)
Finance costs – net	融資成本—淨額	26	(11,906)	(16,036)
Profit before income tax	除所得稅前溢利		152,177	120,978
Income tax expense	所得稅開支	27	(22,108)	(13,296)
Profit for the year	本年度溢利		130,069	107,682
Attributable to:	應佔：			
Equity holders of the Company	本公司權益持有人		130,103	107,471
Non-controlling interests	非控制性權益		(34)	211
			130,069	107,682
Earnings per share for profit attributable to the equity holders of the Company during the year (expressed in RMB per share)	本年度本公司權益持有人應佔溢利之每股盈利(每股以人民幣列示)			
– Basic	– 基本	30	28.0 Cents仙	23.1 Cents仙
– Diluted	– 攤薄	30	27.3 Cents仙	22.9 Cents仙

The notes on pages 54 to 121 are an integral part of these consolidated financial statements. 第54至121頁附註為該等綜合財務報表其中部分。

Consolidated Statement of Comprehensive Income

綜合全面收益表

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

	Note 附註	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Profit for the year		130,069	107,682
Other comprehensive income:	其他全面收益：		
Currency translation differences	貨幣匯兌差額	31	(9)
Cash flow hedge	現金流量對沖		
– Fair value change for the year	– 本年度公平值改變	814	130
– Transfer to finance costs	– 轉撥入融資成本	1,936	2,134
Other comprehensive income for the year	本年度其他全面收益總額	2,781	2,255
Total comprehensive income for the year	本年度全面收益總額	132,850	109,937
Attributable to:	應佔：		
Equity holders of the Company	本公司權益持有人	132,884	109,726
Non-controlling interests	非控制性權益	(34)	211
Total comprehensive income for the year	本年度全面收益總額	132,850	109,937

The notes on pages 54 to 121 are an integral part of these consolidated financial statements.

第54至121頁附註為該等綜合財務報表其中部分。

Consolidated Statement of Changes in Equity

綜合權益變動表

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

		Attributable to equity holders of the Company 本公司權益持有人應佔					Non- controlling interests 非控制性 權益	Total equity 總權益
		Share capital 股本 RMB'000 人民幣千元	Share premium 股本溢價 RMB'000 人民幣千元	Other reserves 其他儲備 RMB'000 人民幣千元	Retained earnings 保留盈利 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元		
Balance at 1 January 2010	於二零一零年一月一日之結餘	49,232	181,841	58,852	550,558	840,483	3,502	843,985
Total comprehensive income for 2010	二零一零年全面收益總額	-	-	2,781	130,103	132,884	(34)	132,850
Dividend relating to 2009	有關二零零九年之股息	-	-	-	(12,274)	(12,274)	-	(12,274)
Dividend relating to 2010	有關二零一零年之股息	-	-	-	(3,583)	(3,583)	-	(3,583)
Transfer from retained earnings (Notes 17)	保留盈利轉撥(附註17)	-	-	3,882	(3,882)	-	-	-
Balance at 31 December 2010	於二零一零年十二月三十一日之結餘	49,232	181,841	65,515	660,922	957,510	3,468	960,978
Balance at 1 January 2009	於二零零九年一月一日之結餘	49,232	181,841	56,057	458,551	745,681	3,291	748,927
Total comprehensive income for 2009	二零零九年全面收益總額	-	-	2,255	107,471	109,726	211	109,937
Employees share option scheme:	僱員購股權計劃:							
- Value of share options granted	- 授出購股權之價值	-	-	243	-	243	-	243
- Cancellation of share options	- 註銷購股權	-	-	(58)	58	-	-	-
Dividend relating to 2008	有關二零零八年之股息	-	-	-	(11,888)	(11,888)	-	(11,888)
Dividend relating to 2009	有關二零零九年之股息	-	-	-	(3,279)	(3,279)	-	(3,279)
Transfer from retained earnings (Notes 17)	保留盈利轉撥(附註17)	-	-	355	(355)	-	-	-
Balance at 31 December 2009	於二零零九年十二月三十一日之結餘	49,232	181,841	58,852	550,558	840,483	3,502	843,985

The notes on pages 54 to 121 are an integral part of these consolidated financial statements.

第54至121頁附註為該等綜合財務報表其中部分。

Consolidated Statement of Cash Flows

綜合現金流量表

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

		Note 附註	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Cash flows from operating activities	經營業務現金流量			
Cash generated from operations	經營業務所得現金	32	78,210	207,875
Interest received	已收利息		2,873	2,182
Interest paid	已付利息		(16,466)	(16,272)
Income tax paid	已付所得稅		(20,228)	(14,480)
Net cash generated from operating activities	經營業務所得現金淨額		44,389	179,305
Cash flows from investing activities	投資活動現金流量			
Additions to property, plant and equipment	收購物業、廠房及設備	7	(44,336)	(34,631)
Increase in intangible assets	無形資產增加	8	(12,610)	(7,544)
Addition to land use rights	土地使用權增加	6	-	(1,330)
Net cash used in investing activities	投資活動所用現金淨額		(56,946)	(43,505)
Cash flows from financing activities	融資活動現金流量			
Proceeds from government grant	政府撥款之收入		386	-
Proceeds from borrowings	借貸所得款項		353,857	102,215
Repayment of borrowings	償還借貸		(316,161)	(94,705)
Decrease in amount due to a director	應付一董事款項減少		(34)	(9)
Dividends paid to the Company's equity holders	向本公司權益持有人支付之股息	31	(15,857)	(15,167)
Net cash generated from/(used in) financing activities	融資活動所得/(所用)現金淨額		22,191	(7,666)
Net increase in cash and cash equivalents	現金及等同現金項目增加淨額		9,634	128,134
Cash and cash equivalents at beginning of the year	年初之現金及等同現金項目		514,744	386,619
Exchange gains/(losses) on cash and cash equivalents	現金及等同現金項目之匯兌收益/(虧損)		31	(9)
Cash and cash equivalents at end of the year	年終之現金及等同現金項目	15	524,409	514,744

The notes on pages 54 to 121 are an integral part of these consolidated financial statements.

第54至121頁附註為該等綜合財務報表其中部分。

Notes to the Consolidated Financial Statements

綜合財務報表附註

1. General information

EcoGreen Fine Chemicals Group Limited (“EcoGreen” or “the Company”) and its subsidiaries (together “the Group”) are principally engaged in the production and trading of fine chemicals from natural resources for use in aroma chemicals and pharmaceutical products.

The Company was incorporated in the Cayman Islands on 3 March 2003 as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of its registered office is Century Yard, Cricket Square, Hutchins Drive, P.O. Box 2681 GT, George Town, Grand Cayman, Cayman Islands, British West Indies.

The Company is listed on the Main Board of The Stock Exchange of Hong Kong Limited (“the Stock Exchange”).

These consolidated financial statements are presented in Chinese Renminbi (RMB), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 25 March 2011.

2. Summary of significant accounting policies

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

2.1 Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”), which include all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong, requirements of the Hong Kong Companies Ordinance and applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Main Board Listing Rules”). They have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss, which are carried at fair value.

1. 一般資料

中怡精細化工集團有限公司(「中怡」或「本公司」)及其附屬公司(統稱「本集團」)主要從事利用天然資源買賣及生產精細化學品，以用於芳香化學品及醫藥產品。

本公司於二零零三年三月三日根據開曼群島公司法在開曼群島註冊成立為獲豁免有限公司。其註冊辦事處地址為Century Yard, Cricket Square, Hutchins Drive, P.O. Box 2681 GT, George Town, Grand Cayman, Cayman Islands, British West Indies。

本公司以香港聯合交易所有限公司(「聯交所」)主板為其主要上市地點。

除另有指明者外，該等綜合財務報表均以人民幣列值。該等綜合財務報表於二零一一年三月二十五日經董事會批准發行。

2. 主要會計政策概要

編製本綜合財務報表採用的主要會計政策載於下文。除另有說明外，此等政策在所呈報的所有年度內貫徹應用。

2.1 編製基準

本公司的綜合財務報表是根據《香港財務報告準則》(「HKFRSs」)、香港普遍採用的會計原則、香港《公司條例》的規定及《香港聯合交易所有限公司證券上市規則》(「主板上市規則」)中適用的披露規定編制。HKFRSs指香港會計師公會所頒布的《香港財務報告準則》及《香港會計準則》(「HKASs」)內所有適用的個別準則以及所有適用詮釋。綜合財務報表按照歷史成本法編製，並經重估就可供出售金融資產、按公平值透過損益記賬的金融資產和金融負債(包括衍生工具)按公平值列帳作出修訂。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

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

Changes in accounting policy and disclosures

(a) New and amended standards adopted by the Group

- HKFRS 3 (revised), "Business combinations", and consequential amendments to HKAS 27, "Consolidated and separate financial statement", HKAS 28, "Investments in associates", and HKAS 31, "Interests in joint ventures", are effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009.

The revised standard continues to apply the acquisition method to business combinations but with some significant changes compared with HKFRS 3. For example, all payments to purchase a business are recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the statement of comprehensive income. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs are expensed. The revised standard has no impact on the current year as there has been no business combination during the year.

2. 主要會計政策概要(續)

2.1 編製基準(續)

編製符合香港財務報告準則規定之財務報表須使用若干重要會計評估，管理層亦須於應用本集團會計政策時作出判斷，而涉及較高水平判斷或較為複雜之範圍，或假設及評估對綜合財務報表攸關重要之範圍於附註4披露。

會計政策和披露的變動

(a) 本集團已採納的新訂及修訂的準則

- HKFRS 3(修訂)「業務合併」，以及HKAS 27「合併和單獨財務報表」、HKAS 28「聯營投資」及HKAS 31「合營權益」的相應修改，以未來適用法應用於收購日期為二零零九年七月一日或之後開始的首個年度報告期間或之後的業務合併。

此項修訂準則繼續對業務合併應用購買法，但與HKFRS 3比較，有若干重大更改。例如，購買業務的所有付款必須按購買日期的公允價值記錄，而分類為債務的或有付款其後須在綜合收益表重新計量。就被購買方的非控制性權益，可選擇按公允價值或非控制性權益應佔被購買方淨資產的比例計量。所有與購買相關成本必須支銷。由於本年度內並沒有任何業務合併，此項修訂準則對本年度並沒有任何影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. Summary of significant accounting policies

(continued)

2.1 Basis of preparation (continued)

Changes in accounting policy and disclosures (continued)

- (a) New and amended standards adopted by the Group (continued)
HKAS 27 (revised) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss.

HK Interpretation 5 “Presentation of financial statements – Classification by the borrower of a term loan that contains a repayment on demand clause”. The Interpretation requires that the amounts repayable under a loan agreement which includes a clause that gives the lender the unconditional right to call the loan at any time shall be classified by the borrower as current in its balance sheet, as the borrower under such an agreement does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Similarly, in the contractual maturity analysis disclosed by the borrower in accordance with HKFRS 7 “Financial instruments: Disclosures”, amounts repayable under such loan agreement shall be classified in the earliest time bracket.

The Group has classified certain bank borrowings (all obtained during the year) where the relevant loan agreements contain repayment on demand clauses as current liabilities as at 31 December 2010.

- (b) New and amended standards, and interpretations mandatory for the first time for the financial year beginning 1 January 2010 but not currently relevant to the Group (although they may affect the accounting for future transactions and events).

2. 主要會計政策概要(續)

2.1 編製基準(續)

會計政策和披露的變動(續)

- (a) 本集團已採納的新訂及修訂的準則(續)
HKAS 27 (修訂)規定，如控制權沒有改變，則與非控制性權益進行的所有交易的影響必須在權益中列報，而此等交易將不再導致商譽或利得和盈虧。此項準則亦列明失去控制權時的會計處理方法。任何在主體內的剩餘權益按公允價值重新計量，並在損益表中確認利得或損失。

香港詮釋5「財務報表的呈列—借款人對有償還要求條款的定期貸款的歸類」。該詮釋規定載有給予貸款人無條件權利要求於任何時間歸還貸款之條文之貸款協議下償還之款項，須由借款人於資產負債表內歸類為流動項目，原因是借款人於該等協議下並不擁有無條件權利延遲至報告期間至少十二個月後償債。同樣地，借款人根據香港財務報告準則7「金融工具：披露」於合同到期日分析中所披露，根據該等貸款協議償還之款項須按最早時限期間分類。

本集團已將載有給予貸款人無條件權利要求於任何時間歸還貸款之條文之貸款協議下償還之款項(全部均於今年新增貸款)於二零一零年的資產負債表內歸類為流動項目。

- (b) 必須在二零一零年一月一日開始的財政年度首次採納的新和修改準則和解釋，但目前與本集團無關(雖然其可能會影響未來的交易和事項的會計記賬)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. Summary of significant accounting policies

(continued)

2.1 Basis of preparation (continued)

Changes in accounting policy and disclosures (continued)

- HKAS 17 (amendment), 'Leases', deletes specific guidance regarding classification of leases of land, so as to eliminate inconsistency with the general guidance on lease classification. As a result, leases of land should be classified as either finance or operating lease using the general principles of HKAS 17, i.e. whether the lease transfers substantially all the risks and rewards incidental to ownership of an asset to the lessee. Prior to the amendment, land interest which title is not expected to pass to the Group by the end of the lease term was classified as operating lease under "Leasehold land and land use rights", and amortised over the lease term. It is not expected to have any material impact on the Group's financial statements as the Group does not have any leasehold land during the year.
- HK(IFRIC) 17, 'Distribution of non-cash assets to owners' (effective on or after 1 July 2009). The interpretation was published in November 2008. This interpretation provides guidance on accounting for arrangements whereby an entity distributes non-cash assets to shareholders either as a distribution of reserves or as dividends. HKFRS 5 has also been amended to require that assets are classified as held for distribution only when they are available for distribution in their present condition and the distribution is highly probable.
- HK(IFRIC) 18, 'Transfers of assets from customers', effective for transfer of assets received on or after 1 July 2009. This interpretation clarifies the requirements of HKFRSs for agreements in which an entity receives from a customer an item of property, plant and equipment that the entity must then use either to connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services (such as a supply of electricity, gas or water). In some cases, the entity receives cash from a customer that must be used only to acquire or construct the item of property, plant, and equipment in order to connect the customer to a network or provide the customer with ongoing access to a supply of goods or services (or to do both).

2. 主要會計政策概要(續)

2.1 編製基準(續)

會計政策和披露的變動(續)

- HKAS 17(修改)[租賃]刪去了有關租賃土地分類的具體指引，從而消除了與租賃分類一般指引的不一致性。因此，租賃土地必須根據HKAS 17的一般原則，以分類為融資或經營租賃，即不論租賃是否差不多將資產所有權的全部風險和報酬轉移至承租人。在此修改前，土地權益(其所有權預期不會於租賃期完結時轉移至本集團)分類為經營租賃作租賃土地及土地使用權，並按租賃期攤銷。由於本集團於本年度內並沒任何租賃土地，預期不會對本集團的財務報表有任何影響。
- 香港(國際財務報告解釋委員會) — 解釋公告([HK(IFRIC)])17「向所有者分配非現金資產」(由二零零九年七月一日或之後起生效)。此項解釋在二零零八年十一月公佈。此項解釋就主體向股東分配非現金資產作為儲備分派或股利的安排的會計處理提供指引。HKFRS 5亦已被修改，規定資產只能夠在其現有狀況下可供分派，而此分派極有可能時才可分類為持作分派。
- HK(IFRIC) 18「客戶資轉讓」，適用於二零零九年七月一日或之後收到的資產轉讓。此解釋澄清國際財務報告準則的規定，有關主體從客戶收取一項不動產、工廠及設備項目而主體必須使用該項目以將客戶聯繫至網絡或向客戶持續供應貨品或服務(例如供應水、電或煤氣)的協議。在某些情況下，主體從客戶收取的現金只可用於購買或興建該項不動產、工廠及設備項目，以便將客戶聯繫至網絡或向客戶持續供應貨品或服務(或兩者兼備)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

Changes in accounting policy and disclosures (continued)

- HK(IFRIC) 9, 'Reassessment of embedded derivatives and HKAS 39, Financial instruments: Recognition and measurement' effective 1 July 2009. This amendment to HK(IFRIC) 9 requires an entity to assess whether an embedded derivative should be separated from a host contract when the entity reclassifies a hybrid financial asset out of the 'fair value through profit or loss' category. This assessment is to be made based on circumstances that existed on the later of the date the entity first became a party to the contract and the date of any contract amendments that significantly change the cash flows of the contract. If the entity is unable to make this assessment, the hybrid instrument must remain classified as at fair value through profit or loss in its entirety.

- HK(IFRIC) 16, 'Hedges of a net investment in a foreign operation' effective 1 July 2009. This amendment states that, in a hedge of a net investment in a foreign operation, qualifying hedging instruments may be held by any entity or entities within the group, including the foreign operation itself, as long as the designation, documentation and effectiveness requirements of HKAS 39 that relate to a net investment hedge are satisfied. In particular, the group should clearly document its hedging strategy because of the possibility of different designations at different levels of the group.

HKAS 38 (amendment), 'Intangible assets', effective 1 January 2010. The amendment clarifies guidance in measuring the fair value of an intangible asset acquired in a business combination and permits the grouping of intangible assets as a single asset if each asset has similar useful economic lives.

- HKAS 1 (amendment), 'Presentation of financial statements'. The amendment clarifies that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non-current. By amending the definition of current liability, the amendment permits a liability to be classified as non-current (provided that the entity has an unconditional right to defer settlement by transfer of cash or other assets for at least 12 months after the accounting period) notwithstanding the fact that the entity could be required by the counterparty to settle in shares at any time.

2. 主要會計政策概要(續)

2.1 編製基準(續)

會計政策和披露的變動(續)

- HK(IFRIC) 9「嵌入衍生工具的重估」及 HKAS 39「金融工具：確認和計量」，由二零零九年七月一日起生效。對HK(IFRIC) – INT 9的修改要求當主體將一項混合式金融資產自「以公允價值計量且其變動計入損益」類別重新分類時，主體應評估嵌入衍生工具是否應與主合同分開入賬。此評估應根據主體首次成為合同一方日期與任何合同修改大幅度改變合同現金流量日期兩者的較後者的當時情況而作出。如主體無法作出是項評估，則混合式工具必須全數繼續分類為以公允價值計量且其變動計入損益。

- HK(IFRIC) 16「境外經營的淨投資套期」，由二零零九年七月一日起生效。此修改說明，在境外經營的淨投資套期中，只要符合HKAS 39有關淨投資的指定、文件存檔和有效性的規定，合資格套期工具可由主體或集團內主體持有，包括境外經營本身。由於在集團不同層次內可能有不同指定，因此集團必須清楚將其套期策略作文件存檔。

HKAS 38(修改)「無形資產」由二零一零年一月一日起生效。此修改澄清在業務合併中購入無形資產公允價值的計量指引，而假如每項無形資產有類似的可使用年期，容許將無形資產組合為單一資產。

- HKAS 1(修改)「財務報表的呈報」。此修改澄清了透過發行權益而對負責進行結算，則對該項負債被分類為流動或非流動是沒有關係的。透過修改流動負債的定義，此修改容許一項負債被分類為非流動(如主體可無條件透過轉讓現金或其他資產，以將其負債結算遞延至會計期間後最少12個月)，則不論交易對方是否可能要求主體隨時以股份結算。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

Changes in accounting policy and disclosures (continued)

- HKAS 36 (amendment), 'Impairment of assets', effective 1 January 2010. The amendment clarifies that the largest cash-generating unit (or group of units) to which goodwill should be allocated for the purposes of impairment testing is an operating segment, as defined by paragraph 5 of HKFRS 8, 'Operating segments' (that is, before the aggregation of segments with similar economic characteristics).
- HKFRS 2 (amendments), 'Group cash-settled share-based payment transactions', effective from 1 January 2010. In addition to incorporating HK(IFRIC) 8, 'Scope of HKFRS 2', and HK(IFRIC) 11, 'HKFRS 2 – Group and treasury share transactions', the amendments expand on the guidance in HK(IFRIC) 11 to address the classification of group arrangements that were not covered by that interpretation.
- HKFRS 5 (amendment), 'Non-current assets held for sale and discontinued operations'. The amendment clarifies that HKFRS 5 specifies the disclosures required in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations. It also clarifies that the general requirement of HKAS 1 still apply, in particular paragraph 15 (to achieve a fair presentation) and paragraph 125 (sources of estimation uncertainty) of HKAS 1.

The adoption of the above new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented.

- (c) New standards, amendments and interpretations have been issued but are not effective for the financial year beginning 1 January 2010 and have not been early adopted

HKAS 12 (Amendment)	Deferred Tax: Recovery of Underlying Assets ¹
HKAS 24 (Revised)	Related Party Disclosures ²
HKAS 32 (Amendments)	Classification of Rights Issues ³
HKFRS 9	Financial Instruments ⁴
HK(IFRIC) – INT 14 (Amendment)	Prepayment of a Minimum Funding Requirement ²
HK(IFRIC) – INT 19	Extinguishing Financial Liabilities with Equity Instruments ⁵

- ¹ effective for annual periods beginning on or after 1 January 2012
² effective for annual periods beginning on or after 1 January 2011
³ effective for annual periods beginning on or after 1 February 2010
⁴ effective for annual periods beginning on or after 1 January 2013
⁵ effective for annual periods beginning on or after 1 July 2010

2. 主要會計政策概要(續)

2.1 編製基準(續)

會計政策和披露的變動(續)

- HKAS 36(修改)「資產減值」，由二零一零年一月一日起生效。此修訂本澄清了減值測試目的，商譽應變分配到的最大現金產出單元(或單元組)為HKFRS 8「經營分部」第5節定義的經營分部(即在總匯類似經濟特質的經營分部之前)。
- HKFRS 2(修改)「集團現金結算的以股份為基礎的支付交易」，由二零一零年一月一日起生效。除了納入HK(IFRIC) – INT 8「HKFRS 2」的範圍和HK(IFRIC) – INT 11「HKFRS 2 – 集團和庫存股交易」外，此修改亦擴闊了HK(IFRIC) – INT 11的指引，針對未為該解釋所涵蓋有關集團安排的分類。
- HKFRS 5(修改)「持有待售非流動資產及終止經營」。此修改澄清了HKFRS 5，說明分類為持有待售非流動資產(或處置組)或終止經營規定的有關披露。此修改亦澄清了HKAS 1的一般規定仍然適用，尤其是第15節(達致公允表達)和第125節(估計來源的不確定性)。

採納以上新香港財務申報準則並無對本會計期間或過往會計期間之業績及財務狀況之編製及呈報方式造成重大影響。

- (c) 已公佈但於二零一零年一月一日未生效及無提早採納的新準則、修改和解釋

HKAS 12(修正)	遞延稅項收回相關資產 ¹
HKAS 24(修訂)	有關連人士披露 ²
HKAS 32(修正)	供股之分類 ³
HKFRS 9	金融工具 ⁴
HK(IFRIC) – INT 14 (修正)	最低融資要求之預付款項 ²
HK(IFRIC) – INT 19	以權益工具清除金融負債 ⁵

- ¹ 於二零一二年一月一日或之後開始的年度期間生效
² 於二零一一年一月一日或之後開始的年度期間生效
³ 於二零一零年二月一日或之後開始的年度期間生效
⁴ 於二零一三年一月一日或之後開始的年度期間生效
⁵ 於二零一零年七月一日或之後開始的年度期間生效

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. Summary of significant accounting policies *(continued)*

2.1 Basis of preparation *(continued)*

Changes in accounting policy and disclosures (continued)

- (c) New standards, amendments and interpretations have been issued but are not effective for the financial year beginning 1 January 2010 and have not been early adopted *(continued)*

The Group has commenced assessing the potential impact of these new and revised standards, amendments or interpretations but is not yet in a position to determine whether they would have a significant impact on its results and financial position are prepared and presented.

2.2 Consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiaries made up to 31 December.

(a) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

2. 主要會計政策概要 *(續)*

2.1 編製基準 *(續)*

*會計政策和披露的變動 *(續)**

- (c) 已公佈但於二零一零年一月一日未生效及無提早採納的新準則、修改和解釋 *(續)*

本集團已開始評估以上新訂及修訂準則、修正或詮釋的潛在影響，惟目前仍未能確定該等準則會否對所編製及呈報的業績及財務狀況有重大之影響。

2.2 綜合

綜合財務報表包括本公司及其所有附屬公司截至十二月三十一日止之財務報表。

(a) 子公司

子公司指本集團有權管控其財政及經營政策的所有主體(包括特殊目的主體)，一般附帶超過半數投票權的股權。在評定本集團是否控制另一主體時，目前可行使或可兌換的潛在投票權的存在及影響均予考慮。子公司在控制權轉移至本集團之日全面合併入賬。子公司在控制權終止之日起停止合併入賬。

本集團利用購買法將業務合併入賬。購買的對價根據於交易日期所給予資產、所產生或承擔的負債及發行的股本工具的公允價值計算。所轉讓的對價包括或有對價安排所產生的任何資產和負債的公允價值。購買相關成本在產生時支銷。在業務合併中所購買可辨認的資產以及所承擔的負債及或有負債，首先以彼等於購買日期的公允價值計量。就個別收購基準，本集團可按公允價值或按非控制性權益應佔被購買方淨資產的比例，計量被收購方的非控制性權益。

子公司投資按成本扣除減值列賬。成本經調整以反映修改或有對價所產生的對價變動。成本亦包括投資的直接歸屬成本。子公司的業績由本公司按已收及應收股利入賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. Summary of significant accounting policies (continued)

2.2 Consolidation (continued)

(a) Subsidiaries (continued)

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of comprehensive income (note 2.6).

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(b) Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

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

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

(c) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss.

2. 主要會計政策概要(續)

2.2 綜合(續)

(a) 子公司(續)

轉讓的對價被購買方任何非控制性權益，以及被收購方任何之前權益在購買日期的公允價值，超過本集團應佔所購買可辨認淨資產公允價值的數額，列為商譽。就廉價購買而言，若該數額低於所購入子公司淨資產的公允價值，該差額直接在綜合收益表中確認(附註2.6)。

集團內公司之間的交易、交易的結餘及未實現利得予以對銷。未實現損失亦予以對銷。子公司的會計政策已按需要作出改變，以確保與本集團採用的政策符合一致。

(b) 與非控制性權益的交易

本集團將其與非控制性權益進行的交易視為與本集團權益持有者進行的交易。來自非控制性權益的購買，所支付的任何對價與相關應佔所收購子公司淨資產賬面值的差額記錄為權益。向非控制性權益的處置的盈虧亦記錄在權益中。

當集團不再持有控制權或重大影響力，在主體的任何保留權益重新計量至公允價值，賬面值的變動在損益中確認。公允價值為就保留權益的後續入賬而言的初始賬面值，作為聯營、合營或金融資產。此外，之前在其他綜合收益中確認的任何數額猶如本集團已直接處置相關資產和負債。這意味著之前在其他綜合收益中確認的數額重新分類至損益。

如聯營的權益持有被削減但仍保留重大影響力，只有按比例將之前在其他綜合收益中確認的數額重新分類至損益(如適當)。

(c) 聯營

聯營指所有本集團對其有重大影響力而無控制權的主體，通常附帶有20%–50%投票權的股權。聯營投資以權益法入賬，初始以成本確認。本集團於聯營企業的投資包括購買時已辨認的商譽，並扣除任何累計減值虧損。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. Summary of significant accounting policies (continued)

2.2 Consolidation (continued)

(c) Associates (continued)

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution gains and losses arising in investments in associates are recognised in the income statement.

2.3 Segment reporting

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

2.4 Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

2. 主要會計政策概要(續)

2.2 綜合(續)

(c) 聯營(續)

本集團應佔聯營購買後利潤或虧損於利潤表內確認，而應佔其購買後的其他綜合收益變動則於其他綜合收益內確認。購買後累計的變動於投資賬面值中調整。如本集團應佔一家聯營的虧損等於或超過其在該聯營的權益，包括任何其他無抵押應收款，本集團不會確認進一步虧損，除非本集團對聯營已產生債務或已代聯營作出付款。

本集團與其聯營之間交易的未實現利得與集團在聯營權益的數額對銷。除非交易提供證據顯示所轉讓資產已減值，否則未實現虧損亦予以對銷。聯營的會計政策已按需要作出改變，以確保與本集團採用的政策符合一致。

在聯營的投資所產生的稀釋利得和損失於利潤表確認。

2.3 分部呈報

營運分部按照與向主要經營決策者提供的內部報告貫徹一致的方式報告。執行董事被認定為主要經營決策者作出策略性決定，負責分配資源和評估營運分部的表現。

2.4 外幣換算

(a) 功能及呈列貨幣

本集團各實體之財務報表所列項目，均以該實體營運主要經濟環境之貨幣（「功能貨幣」）計量。綜合財務報表以中國人民幣（「人民幣」）呈列，人民幣為本公司的功能貨幣及本集團的列帳貨幣。

(b) 交易及結餘

外幣交易按交易日之現行匯率換算為功能貨幣。除了符合在權益中遞延入賬的現金流量對沖和淨投資對沖外，結算此等交易產生的匯兌盈虧以及將外幣計值的貨幣資產和負債以年終匯率換算產生的匯兌盈虧在綜合收益表確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. Summary of significant accounting policies

(continued)

2.4 Foreign currency translation (continued)

(b) Transactions and balances (continued)

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

Changes in the fair value of monetary securities denominated in a foreign currency classified as available-for-sale are analysed between translation differences resulting from changes in the amortised cost of the security, and other changes in the carrying amount of the security. Translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in equity.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available-for-sale are included in the available for sale reserve in equity.

(c) Group companies

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

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (iii) all resulting exchange differences are recognised as a separate component of equity.

2. 主要會計政策概要(續)

2.4 外幣換算(續)

(b) 交易及結餘(續)

與借貸和現金及現金等價物有關的匯兌盈虧在收益表內的「融資收入或成本」中呈列。所有其他匯兌盈虧在收益表內的「其他收益／(虧損)－淨額」中呈列。

以外幣為單位及被分類為可供出售證券之貨幣證券公平值轉變將在其證券攤銷成本轉變衍生之匯兌差額及其他證券帳面值轉變之間分配。與攤銷成本變動有關的匯兌差額確認為利潤或虧損，帳面值之其他轉變則在權益中確認。

非貨幣金融資產及負債(例如按公平值計入損益之權益)之匯兌差額將於損益中確認為公平值盈虧一部分。非貨幣金融資產(例如分類為可供出售之權益)之匯兌差額在權益之公平值儲備內列帳。

(c) 集團公司

集團旗下所有公司(當中沒有嚴重通脹經濟體系之貨幣)之功能貨幣倘有別於呈列貨幣，則其業績及財務狀況須按如下方式兌換為呈列貨幣：

- (i) 每份呈報的資產負債表所呈列之資產及負債按其結算日之收市匯率換算；
- (ii) 每份收益表所列收入及開支按平均匯率換算，惟倘該平均匯率並非交易日匯率累計影響的合理約數，則收入及開支按交易日的匯率換算；及
- (iii) 所有由此而產生之匯兌差額均確認為權益獨立組成部分。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. Summary of significant accounting policies *(continued)*

2.4 Foreign currency translation *(continued)*

(c) Group companies *(continued)*

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is partly disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.5 Property, plant and equipment

(a) Construction-in-progress

Construction-in-progress, representing buildings on which construction work has not been completed and machinery pending installation, is stated at historical cost, which includes construction expenditures incurred, cost of machinery, and other direct costs capitalised during the construction and installation period, less accumulated impairment losses, if any. No depreciation is provided in respect of construction-in-progress until the construction and installation work is completed. On completion, the construction-in-progress is transferred to appropriate categories of property, plant and equipment.

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

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

2. 主要會計政策概要 *(續)*

2.4 外幣換算 *(續)*

(c) 集團公司 *(續)*

於綜合帳目時，因換算於海外業務之淨投資、借貸及其他指定作為該等投資對沖的貨幣工具而產生之匯兌差額均計入股東權益內。當處置或出售部分海外業務時，有關匯兌差額乃於收益表確認為出售盈虧一部分。

收購海外實體時產生之商譽及公平值調整乃視為該海外實體之資產及負債處理，並按收市匯率換算。

2.5 物業、廠房及設備

(a) 在建工程

在建工程指未完成建築工程之樓宇及未安裝之機器，按成本入帳，包括所產生之建造開支、機器成本及建造與安裝期間其他撥充資本之直接成本，減任何累計減值虧損（如有）。建造及安裝完成前，不會就在建工程作出折舊。於完成時，在建工程轉撥至相關之物業、廠房及設備類別。

其他物業、廠房及設備乃按歷史成本減折舊及減值虧損列帳。歷史成本包括收購項目直接產生之開支。成本亦可包括轉撥自權益之對沖物業、廠房及設備外幣採購項目之合資格現金流量所產生之任何收益／虧損。

僅在與項目相關之日後經濟效益有可能歸於本公司及能可靠地計算出項目成本之情況下，其後成本方會計入資產帳面值或確認為獨立資產（倘適用）。所有其他維修及保養於其產生財政期間在收益表列支銷。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. Summary of significant accounting policies

(continued)

2.5 Property, plant and equipment (continued)

(b) Other property, plant and equipment

Depreciation on other property, plant and equipment is calculated using the straight-line method to allocate cost less their residual values over their estimated useful lives, as follows:

Buildings	30 to 40 years
Plant and machinery	5 to 15 years
Leasehold improvements	5 to 10 years
Office furniture and equipment	5 to 10 years
Motor vehicles	5 to 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.7).

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

2.6 Intangible assets

(a) Research and development

Research expenditure is recognised as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when the following criteria are fulfilled:

- (i) it is technically feasible to complete the intangible asset so that it will be available for use or sale;
- (ii) management intends to complete the intangible asset and use or sell it;
- (iii) there is an ability to use or sell the intangible asset;
- (iv) it can be demonstrated how the intangible asset will generate probable future economic benefits;
- (v) adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and

2. 主要會計政策概要(續)

2.5 物業、廠房及設備(續)

(b) 其他物業、廠房及設備

其他物業、廠房及設備以直線法計算折舊，並按估計可使用年期分配成本至餘值，估計可使用年期如下：

樓宇	30至40年
廠房及機器	5至15年
租賃物業裝修	5至10年
辦公室傢俬及設備	5至10年
汽車	5至10年

於各結算日檢討及調整(倘適用)資產之餘值及可使用年期。

倘資產之帳面值超過其估計可收回金額，則資產之帳面值將即時減至其可收回金額(附註2.7)。

出售盈虧經比較所得款項與帳面值而釐定，在收益表內的「其他收益／(虧損)－淨額」中確認。

2.6 無形資產

(a) 研究及開發成本

研究成本於產生時列作開支。有關設計、開發及測試新產品或改良產品之開發項目成本確認為產品開發成本會於以下條件達成後確認為產品開發成本：

- (i) 在技術上可完成有關無形資產，並可供使用或出售；
- (ii) 管理層有意完成並使用或出售有關無形資產；
- (iii) 可使用或出售有關無形資產；
- (iv) 證明有關無形資產可於日後獲得經濟利益；
- (v) 具備合適的技術、財政及其他資源完成開發並使用或出售有關無形資產；及

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. Summary of significant accounting policies (continued)

2.6 Intangible assets (continued)

(a) Research and development (continued)

- (vi) the expenditure attributable to the intangible asset during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use on a straight-line basis over a period of five years.

Development assets are tested for impairment annually, in accordance with HKAS 36.

(b) Patents and technical know-how

Expenditure on acquired patents and technical know-how is capitalised and amortised using the straight-line method over its estimated useful life of 3 to 10 years, from the date when the patents and technical know-how is available for use.

2.7 Impairment of investments in subsidiaries, associates and non-financial assets

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

2.8 Financial assets

2.8.1 Classification

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

2. 主要會計政策概要(續)

2.6 無形資產(續)

(a) 研究及開發成本(續)

- (vi) 可準確計算開發有關無形資產的所需開支。

且產品在技術上屬可行且有意完成開發，並且具備所需資源，以及成本可資識別及有能力出售或使用相關產品而於日後獲得經濟利益。之前確認為開支的開發成本不會於其後期間確認為資產。

該等開發成本確認為資產，按直線法在五年期間內攤銷，以反映自資產可供銷售或使用日期起相關經濟利益之確認模式。

開發資產會根據香港會計準則36每年測試減值。

(b) 專利權及專門技術

購入專利權及專門技術所產生支出乃以直線法，按其估計可使用年期3至10年(自可使用該等專利權及專門技術日期起計)予以資本化及攤銷。

2.7 附屬公司、聯營公司及非金融資產減值

無既定可使用年期或尚未可供使用之資產毋須攤銷，並每年檢討減值一次。當資產出現顯示未必能收回帳面值之事件或情況有變時檢討減值。減值虧損就資產帳面值超過其可收回金額之差額確認。可收回金額為資產公平值減出售成本及使用價值兩者間之較高者。就評估減值而言，資產按可獨立識別現金流量之最低水平(現金產生單位)分類。出現減值之非金融資產(商譽除外)於各申報日期檢討是否可能撥回減值。

2.8 金融資產

2.8.1 分類

本集團將其金融資產分類為以下類別：按公平值透過損益記賬、貸款及應收款，以及可供出售。分類視乎購入金融資產之目的。管理層在初始確認時釐定金融資產的分類。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. Summary of significant accounting policies (continued)

2.8 Financial assets (continued)

2.8.1 Classification (continued)

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

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. The Group's loans and receivables comprise 'trade and other receivables', 'pledged bank deposits' and 'cash and cash equivalents' in the balance sheet (Note 2.11 and Note 2.12).

(c) Available-for-sale financial assets

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

2.8.2 Recognition and measurement

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

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

2. 主要會計政策概要(續)

2.8 金融資產(續)

2.8.1 分類(續)

(a) 按公平值透過損益記賬的金融資產

按公平值透過損益記賬的金融資產指持有作買賣用途的金融資產。金融資產若在購入時主要用作在短期內出售，則分類為此類別。衍生工具除非被指定為對沖，否則亦分類為持作買賣用途。在此類別的資產分類為流動資產。

(b) 貸款及應收款

貸款及應收款為有固定或可釐定付款且沒有在活躍市場上報價的非衍生金融資產。此等項目包括在流動資產內，但若到期日由結算日起計超過12個月者，則分類為非流動資產。貸款及應收款列在資產負債表中「貿易及其他應收款」，「已抵押之銀行存款」及「現金及現金等價物」內(附註2.11及附註2.12)。

(c) 可供出售金融資產

可供出售金融資產為被指定作此類別或並無分類為任何其他類別之非衍生工具。除非投資到期或管理層有意在結算日後12個月內出售該項投資，否則此等資產列在非流動資產內。

2.8.2 確認及計量

日常購買或出售的金融資產於交易日即本集團承諾購買或出售該項資產之日予以確認。並非按公平值計入損益之所有金融資產，投資初步以公平值加交易成本確認。按公平值計入損益之金融資產初步以公平值加交易成本確認，並於收益表支銷。當獲取投資所產生現金流量的權利到期，或本集團將絕大部分擁有權之風險及回報轉讓時，金融資產將被終止確認。可供出售的金融資產其後以公平值入帳。貸款及應收款項以實際利率法按攤薄成本列帳。

來自「按公平值透過損益記賬的財務資產」類別的公平值變動所產生的盈虧，列入產生期間收益表內的「其他虧損－淨額」中。來自按公平值透過損益記賬的財務資產的股息，當本集團收取有關款項的權利確定時，在收益表內確認為部份其他收入。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. Summary of significant accounting policies (continued)

2.8 Financial assets (continued)

2.8.2 Recognition and measurement (continued)

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences on monetary securities are recognised in profit or loss, and the translation on non-monetary securities carrying amount are recognised in other comprehensive income. Changes in the fair value of monetary securities classified as available-for-sale and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as 'gains and losses from investment securities'. Interest on available-for-sale securities calculated using the effective interest method is recognised in the income statement. Dividends on available-for-sale equity instruments are recognised in the income statement when the Group's right to receive payment is established.

2.9 Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designed as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as hedges of a particular risk associated with a recognised liability or a highly probable forecast transaction (cash flow hedge).

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative instruments used for hedging purposes are disclosed in Note 21. Movements on the hedging reserve in shareholders' equity are shown in Note 17. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

2. 主要會計政策概要(續)

2.8 金融資產(續)

2.8.2 確認及計量(續)

以外幣計值並分類為可供出售之貨幣證券，其公平值的變動可就證券成本攤銷變動後的匯兌差額與帳面值的其他變動作出分析。貨幣性證券的折算差在損益表確認，非貨幣性證券的折算差額在其他綜合收益確認、分類為可供出售的貨幣性及非貨幣性證券的公平值變動在其他綜合收益中確認。

於分類為可供出售證券已出售或減值，其於權益確認之累計公平值調整將列入收益表為「投資證券之收益或虧損」。可供出售證券之利息以實際利率法計算，在收益表確認。有關可供出售股本工具的股息於本集團收取款項的權利確立時於收益表確認。

2.9 衍生金融工具

衍生工具初步按於衍生工具合約訂立日之公平值確認，其後按公平值重新計量。確認所產生之收益或虧損的方法取決於該衍生工具是否指定作對沖工具，如指定為對沖工具，則取決於其所對沖項目之性質。本集團指定若干衍生工具作為對沖一項已確認負債有關的特定風險或一項非常可能的預測交易(現金流量對沖)。

本集團於訂立交易時就對沖工具與被對沖項目之關係，以至其風險管理目標及執行多項對沖交易之策略作檔案記錄。本集團亦於訂立對沖交易時和按持續基準，記錄其對於該等用於對沖交易之衍生工具，是否高度有效地抵銷被對沖項目的公平值或現金流量變動的評估。

作對沖用途的各項衍生工具的公平值在附註21中披露。股東權益的對沖儲備變動載於附註17。當被對沖項目的剩餘期限超過12個月時，對沖衍生工具的全數公平值會被分類為非流動資產或負債，而當被對沖項目的剩餘期限少於12個月時，對沖衍生工具的全數公平值會被分類為流動資產或負債。買賣性質的衍生工具則分類為流動資產或負債。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. Summary of significant accounting policies

(continued)

2.9 Derivative financial instruments and hedging activities

(continued)

(a) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the income statement within 'other gains/(losses) – net'.

Amounts accumulated in equity are recycled in the income statement in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in the income statement within 'finance costs'. The gain or loss relating to the ineffective portion is recognised in the income statement within 'other gains/(losses) – net'. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory or fixed assets), the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset. The deferred amounts are ultimately recognised in cost of goods sold in the case of inventory, or in depreciation in the case of fixed assets.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement within 'other gains/(losses) – net'.

2. 主要會計政策概要(續)

2.9 衍生金融工具(續)

(a) 現金流量對沖

被指定並符合資格作為現金流量對沖之衍生工具之公平值變動的有效部份於其他綜合收益中確認。與無效部份有關的盈虧即時在收益表中的「其他收益／(虧損)－淨額」內確認。

在權益累計的金額當被對沖項目影響利潤或虧損時(例如：當被對沖的預測銷售發生時)於收益表中確認。與利率掉期對沖浮息貸款的有效部份有關的盈虧在收益表中的「融資成本」內確認。與遠期外匯合約對沖出口銷售的有效部份有關的盈虧在收益表中的銷售內確認。與無效部份有關的盈虧則在綜合收益表中的「其他收益／(虧損)－淨額」內確認。然而，當被對沖的預測交易導致一項非金融資產(例如：存貨或固定資產)的確認，之前在權益中遞延入賬的收益和虧損自權益中撥出，並列入該資產成本的初步計量中。遞延金額最終在已售貨品成本(如屬存貨)或折舊(如屬固定資產)中確認。

當一項對沖工具到期或售出後，或當對沖不再符合對沖會計法的條件時，其時在權益中存有的任何累計盈虧仍保留在權益內，並於預測交易最終在收益表內確認時確認入賬。當一項預測交易預期不會再出現時，在權益中申報的累計盈虧即時轉撥入收益表中的「其他收益／(虧損)－淨額」內。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. Summary of significant accounting policies (continued)

2.10 Inventories

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

2.11 Trade and other receivables

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

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

2.12 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

2.13 Share capital

Ordinary shares are classified as equity.

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

Where any group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

2. 主要會計政策概要(續)

2.10 存貨

存貨按成本或可變現淨值兩者間之較低者入帳。成本按加權平均法釐定。製成品及在製品成本包括原材料、直接人工、其他直接成本及相關生產開支(按正常經營規模計算)，惟不包括借款成本。可變現淨值指日常業務過程中之預計售價減適用銷售開支。

2.11 應收交易帳款及其他應收款項

應收賬款為在日常經營活動中就商品銷售或服務執行而應收客戶的款項。如應收賬款及其他應收款的收回預期在一年或以內(如仍在正常經營週期中，則可較長時間)，其被分類為流動資產；否則分類為非流動資產。

應收賬款及其他應收款以公允價值為初始確認，其後利用實際利率法按攤銷成本扣除減值準備計量。

2.12 現金及等同現金項目

現金及等同現金項目包括庫存現金、活期銀行存款、其他三個月或以內到期之短期高度流通之投資以及銀行透支。銀行透支在資產負債表的流動負債中貸款內列示。

2.13 股本

普通股歸類為股本。

發行新股份或購股權直接所佔成本之增加，於權益中列為所得款項之扣減項目(扣除稅項)。

如任何集團公司購入本公司的權益股本(庫存股份)，所支付的代價，包括任何直接所佔的新增成本(扣除所得稅)，自本公司權益持有人應佔的權益中扣除，直至股份被註銷或重新發行為止。如股份其後被重新發行，任何已收取的代價(扣除任何直接所佔的新增交易成本及相關的所得稅影響)包括在本公司權益持有人的應佔權益內。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. Summary of significant accounting policies

(continued)

2.14 Trade payables

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

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

2.15 Borrowings

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

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

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

2. 主要會計政策概要(續)

2.14 貿易應付款

應付賬款為在日常經營活動中購買商品或服務而應支付的義務。如應付款的支付日期在一年或以內(如仍在正常經營週期中,則可較長時間),其被分類為流動負債;否則分類為非流動負債。

貿易應付款初步以公平值確認,其後利用實際利息法按攤銷成本計量。

2.15 借款

借款初步按公平值扣除所產生之交易成本確認。借款其後按攤銷成本計算,所得款項(經扣除交易成本)及贖回價值間之任何差額於借貸期間以實際利率法於收益表內確認。

設立貸款融資時支付的費用倘部份或全部融資將會很有可能提取,該費用可遞延入賬直至貸款提取為止。如沒有證據證明部份或全部融資將會很有可能被提取,則該項費用資本化作為流動資金服務的預付款,並按有關融資期間攤銷。

除非本集團具備無條件權利遞延清償債務之期限至結算日後最少十二個月,否則借款將分類為流動負債。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. Summary of significant accounting policies

(continued)

2.16 Current and deferred income tax

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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

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

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, associates, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

2. 主要會計政策概要(續)

2.16 當期及遞延所得稅

本期間的稅項支出包括當期和遞延稅項。稅項在收益表中確認，但與在其他綜合收益中或直接在權益中確認的項目有關者則除外。在該情況下，稅項亦分別在其他綜合收益或直接在權益中確認。

當期所得稅支出根據本公司及其附屬公司及聯營公司營運及產生應課稅收入的國家於結算日已頒佈或實質頒佈的稅務法例計算。管理層就適用稅務法例詮釋所規限的情況定期評估報稅表的狀況，並在適用情況下根據預期須向稅務機關支付的稅款設定撥備。

遞延所得稅以負債法就資產與負債之稅基與綜合財務報表之帳面值間的暫時差額作全數撥備。然而，倘若於首次確認一項交易(業務合併除外)之資產或負債所產生之遞延所得稅於交易時不會對會計或應課稅溢利或虧損造成影響，則該等遞延所得稅並不會列帳。遞延所得稅之釐定乃根據於結算日已經制定或大致上已制定之稅率(及法例)，且預期相關之遞延所得稅資產變現或遞延所得稅負債清償時適用。

遞延所得稅資產於可能出現未來應課稅溢利抵銷暫時差額時方會確認。

遞延所得稅按投資於附屬公司、聯營公司產生之暫時差額作出撥備，除非暫時差額逆轉之時間可以控制，且暫時差額在可見未來將不會轉回。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. Summary of significant accounting policies

(continued)

2.17 Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date. Employee entitlements to sick leave and maternity leave are not recognised until the time of the leave.

(ii) Share-based compensation

The Group operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the income statement, with a corresponding adjustment to equity.

The cash subscribed for the shares issued when the options are exercised is credited to share capital (nominal value) and share premium, net of any directly attributable transaction costs

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

The social security contributions payable in connection with the grant of the share options is considered as an integral part of the grant itself, and the charge will be treated as cash-settled transaction.

2. 主要會計政策概要(續)

2.17 僱員福利

(i) 僱員假期福利

僱員年假福利在僱員享有時確認。就僱員計至結算日之服務年期所享年假估計須承擔之負債作出撥備。僱員可享有之病假及產假於享有時方予以確認。

(ii) 股份付款酬金

本集團推行按股本結算、以股份支付酬金之計劃。就換取購股權而獲得的僱員服務，按其公平價值確認為開支。於歸屬期內列作開支的總金額，乃參照已授出的購股權之公平價值釐定，不包括任何非市場歸屬條件(例如盈利能力及銷售增長目標)的影響。非市場歸屬條件包括在有關預期可予歸屬購股權數目的假設內。於各結算日，各實體均會修訂其估計預期可予歸屬的購股權數目，修訂原來估計數字(如有)之影響，則於收益表內確認，以及對股本作相應調整。

在期權行使時，認購發行股份的現金撥入股本(面值)和股本溢價，並扣除任何直接應佔的交易費用。

本公司向集團子公司的職工授予其權益工具的期權，被視為資本投入。收取職工服務的公允價值，參考授出日的公允價值計量，並在等待期內確認，作為對子公司投資的增加，並相對應權益貸記。

就授予股份期權而應支付的社會保障投入被視為是授予本身的整體組成部份，而開支將被視為以現金結算的交易。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. Summary of significant accounting policies

(continued)

2.17 Employee benefits (continued)

(iii) Pension obligations

Group companies operate various defined contribution plans. The plans are generally funded through payments to trustee-administered funds. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity on a mandatory, contractual or voluntary basis. The Group has no legal or constructive obligations to pay further contributions. The contributions are recognised as employee benefit expense when they are due and are not reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

2.18 Provisions

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

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

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

2. 主要會計政策概要(續)

2.17 僱員福利(續)

(iii) 退休金責任

集團公司營運多項定額供款計劃。一般透過信託管理基金撥付計劃供款。定額供款計劃為本集團向一獨立實體作出強制、合約或自願性質定額供款之退休金計劃。倘基金所持資產並不足以支付所有僱員有關僱員於當期或以往期間服務之福利，本集團並無法律或推定責任作進一步供款。供款於到期時確認為僱員福利開支，且不會以僱員在取得全數供款前退出計劃而被沒收之供款作扣減。預繳供款確認為資產，惟須以可獲現金退款或扣減日後供款為限。

2.18 準備

當本集團因已發生的事件而產生現有的法律或推定債務；很可能需要資源的流出以結算債務；及金額已被可靠估計時作出準備。重組準備包括租賃終止罰款和職工辭退付款。但不會就未來經營虧損確認準備。

如有多項類似債務，其需要在結算中有資源流出的可能性，則可根據債務的類別整體考慮。即使在同一債務類別所包含的任何一個項目相關的資源流出的可能性極低，仍須確認準備。

準備採用稅前利率按照預期需結算有關債務的支出現值計量，該利率反映當時市場對金錢時間值和有關債務固有風險的評估。隨著時間過去而增加的準備確認為利息費用。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. Summary of significant accounting policies

(continued)

2.19 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Group's activities. Revenue is shown, net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group. Revenue is recognised as follows:

(a) *Sales of goods*

Sales of goods are recognised when a group entity has delivered products to the customer, the customer has accepted the products and collectibility of the related receivables is reasonably assured.

(b) *Interest income*

Interest income is recognised using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

2.20 Operating leases

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

2.21 Dividend distribution

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

2. 主要會計政策概要(續)

2.19 收益確認

收益包括於本集團日常業務過程中銷售貨品已收或應收代價之公平值，並於扣除增值稅、退貨、回扣及折扣，以及撇銷集團內銷售額後呈列。收益乃於下列情況確認：

(a) *銷售貨品*

銷售貨品乃於集團實體向客戶交付產品，而客戶已接納有關產品，並會確保可收回相關應收款項時確認。

(b) *利息收入*

利息收入乃採用實際利率法確認。倘應收款項出現減值，本集團會將帳面值減至其可收回款額，即估計日後現金流按該工具之原定實際利率貼現之數額，並繼續解除貼現作為利息收入。減值貸款之利息收入按原定實際利率確認。

2.20 經營租約

資產擁有權之大部分風險及回報仍屬出租人所有之租約，一概列為經營租約。根據經營租約支付之款項須扣除自出租人所得任何優惠，按直線法於租期內自收益表扣除。

2.21 股息分派

分派予本公司股東之股息於本公司股東批准期間，在本集團及本公司之財務報表中確認為負債。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. Financial risk management

3.1 Financial risk factors

The Group's financial assets include cash and cash equivalents, trade and other receivables. The Group's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. These risks are limited by the Group's financial management policies and practices described below.

(a) Credit risk

The Group has policies in place to ensure that liquid funds are placed with renowned financial institutions registered in Mainland China and Hong Kong. Sales of products are made to customers with appropriate credit history. The Group performs credit evaluations on its customers.

Trade receivables are due within three months from the date of billing. As at 31 December 2010, 75% of the total trade receivables were due within three months (2009: 79%).

As at 31 December 2010, the five largest customers accounted for approximating 47% of the trade receivables carrying amount (2009: 47%).

The maximum exposure to credit risk represents the carrying amounts of trade receivables in the balance sheet.

Quantitative disclosures in respect of the Group's exposure to credit risk arising from trade receivables are set out in Note 13.

3. 財務風險管理

3.1 財務風險因素

本集團之金融資產包括現金及現金等價物、應收賬款及其他應收款。本集團之金融負債包括借貸、應付賬款、其他應付款及衍生金融工具。

本集團業務面對各種財務風險 市場風險(包括外匯風險、現金流量、公平值利率風險及價格風險)、信貸風險與流動資金風險。本集團整體風險管理策略針對金融市場之不可預測特性，並尋求方法減輕對本集團財務表現造成之潛在不利影響。本集團透過下述財務管理政策和慣常做法，對這些風險加以限制。

(a) 信貸風險

本集團制定政策，確保流動資金存於國內及香港註冊之著名金融機構。本集團向擁有合適信貸記錄之客戶銷售產品。本集團會評估客戶信貸狀況。

應收賬款在出具賬單日起計三個月內到期。於二零一零年十二月三十一日，75%的應收賬款總額將於未來三個月內被支付(二零零九年：79%)。

於二零一零年十二月三十一日，應收賬款賬面金額中有47%來自本集團五個最大之客戶(二零零九年：47%)。

信貸風險敞口上限為合併資產負債表中應收賬款的賬面金額。

有關本集團的應收賬款的信貸風險敞口的信息已在附註13披露。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Liquidity risk

The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables detail the remaining contractual maturities at the balance sheet date of the Group's and the Company's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the balance sheet date) and the earliest date the Group and the Company can be required to pay.

Where the loan agreement contains a repayable on demand clause which gives the lender the unconditional right to call the loan at any time, the amounts repayable are classified in the earliest time bracket in which the lender could demand repayment.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(b) 流動資金風險

本集團的政策是定期監察流動資金需求，以及是否符合借款契約的規定，以確保維持充裕的現金儲備，同時獲得主要金融機構承諾提供足夠的備用資金，以滿足短期和較長期的流動資金需求。

下表載列了本集團及本公司於結算日以合約未貼現現金流量(包括按照合約利率或(如屬浮動利率)結算日的現行利率計算的利息付款)的金融負債和本集團及本公司可能需要付款的最早日期為準的剩餘合約到期情況。

如果貸款協議載有一項按要求償還之條款，附予貸款人權利於任何時間無條件地要求還貸，該應付的數額於時間支架分類時，以貸款人可以要求還款之最早時間作為準則。

		Carrying amount	Total contractual undiscounted cash flow				More than 5 years
			Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	
		已訂約而未貼現的賬面值	已訂約而未貼現的現金流量總額	一年內或接獲通知時	一年後但不足兩年	二年後但不足五年	五年後
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 31 December 2010	於二零一零年十二月三十一日						
Borrowings	借貸	390,481	412,313	217,382	99,048	94,363	1,520
Derivative financial instruments	衍生金融工具	668	668	668	-	-	-
Trade payables and bills payables	應付交易賬款及應付票據	157,107	157,107	157,107	-	-	-
Accruals and other payables	應計費用及其他應付款項	20,324	20,324	20,324	-	-	-
At 31 December 2009	於二零零九年十二月三十一日						
Borrowings	借貸	352,785	367,121	263,202	79,641	22,308	1,970
Derivative financial instruments	衍生金融工具	2,750	2,750	1,833	917	-	-
Trade payables and bills payables	應付交易賬款及應付票據	72,824	72,824	72,824	-	-	-
Accruals and other payables	應計費用及其他應付款項	22,699	22,699	22,699	-	-	-

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Liquidity risk (continued)

3. 財務風險管理(續)

3.1 財務風險因素(續)

(b) 流動資金風險(續)

		Total contractual undiscounted cash flow	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	
The Company	本公司	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 31 December 2010	於二零一零年十二月三十一日						
Borrowings	借貸	144,620	154,492	4,617	76,098	73,777	-
Derivative financial instruments	衍生金融工具	668	668	668	-	-	-
Accruals and other payables	應計費用及其他應付款項	2,439	2,439	2,439	-	-	-
Financial guarantees to subsidiaries	財務擔保予子公司	159,541	168,734	127,301	22,407	19,026	-
At 31 December 2009	於二零零九年十二月三十一日						
Borrowings	借貸	168,800	174,462	117,419	57,043	-	-
Derivative financial instruments	衍生金融工具	2,750	2,750	1,833	917	-	-
Accruals and other payables	應計費用及其他應付款項	1,834	1,834	1,834	-	-	-
Financial guarantees to subsidiaries	財務擔保予子公司	82,215	88,006	45,205	22,055	20,746	-

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. Financial risk management (continued)

3.1 Financial risk factors (continued)

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

The Group's income and operating cash flows are substantially independent of changes in market interest rates as the Group has no significant interest-bearing assets. The Group's exposure to changes in interest rates is mainly attributable to its bank borrowings. Bank borrowings at variable rates expose the Group to cash flow interest-rate risk. Bank borrowings at fixed rates expose the Group to fair value interest-rate risk. Details of the Group's bank borrowings are disclosed in Note 18 to the consolidated financial statements. The Group analyses its interest rate exposure on a dynamic basis and to hedge its variable rate by fixed rate instruments, when necessary. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on the various scenarios, the Group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. Generally, the Group raises long-term borrowings at floating rates and swaps them into fixed rates. Under the interest rate swaps, the Group agrees with other parties to exchange, at specified intervals (primarily semi-annually), the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional amounts.

During 2010 and 2009, the Group's borrowings at variable rate were denominated in United States dollars ("USD"), RMB and Hong Kong dollars ("HKD").

It is estimated that a general increase/decrease of 50 basis points as at 31 December 2010 in bank borrowing interest rates for bank loans with all other variables held constant would decrease/increase the profit after taxation by approximately RMB1,851,000 (2009: RMB1,605,000).

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the balance sheet date and had been applied to the exposure to interest rate risk for non derivative financial instruments in existence at that date.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(c) 現金流量及公平值利率風險

由於本集團並無重大計息資產，故本集團之收入及經營現金流量很大程度上獨立於市場利率變動。本集團之利率風險主要源自銀行借貸。按不同息率提供之銀行借貸使本集團面對現金流量利率風險。按定息提供之銀行借貸使本集團面對公平值利率風險。有關本集團銀行借貸之詳情，於綜合財務報表附註18披露。本集團以活躍方式分析其利率風險，本集團利用多個模擬方案，以計入再融資、現有持倉的續訂、其他可採用的融資和對沖。根據多項模擬方案，本集團利用浮息轉換為定息利率掉期來管理其現金流量利率風險。此等利率掉期擁有將貸款由浮息轉換為定息的經濟效力。本集團一般按浮息利率籌措長期貸款，然後將貸款掉期為固定利率。根據利率掉期，本集團與其他方協議按特定期間(主要為每半年)交換定息合約利率與浮動利率金額兩者間的差額，此差額參考協議的設定本金額計算。

於二零一零年及二零零九年內，本集團按浮動利率計算的貸款以美元(「美元」)、人民幣和港元(「港元」)為單位。

於二零一零年十二月三十一日，估計銀行貸款的利率普遍上升/下降50個基準點，如果所有其他變量保持不變，除稅後利潤會減少/增加約1,851,000元人民幣(二零零九年：50個基準點；1,605,000元人民幣)。

上述敏感度分析的釐定已假設利率變動在結算日已經發生，並且應用在該日已存在的非衍生金融工具的利率風險敞口上。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. Financial risk management (continued)

3.1 Financial risk factors (continued)

(d) Foreign exchange risk

The Group mainly operates in Mainland China with most of the transactions settled in RMB. Foreign exchange rate risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the entity's functional currency.

The Group's assets and liabilities, and transactions arising from its operations primarily do not expose to material foreign exchange risk. Other than certain trade receivables, cash and cash equivalents, borrowings and derivative financial instruments denominated in USD and HKD, details of which have been disclosed in Note 13, Note 15, Note 18 and Note 21, respectively. The Group's assets and liabilities are primarily denominated in RMB. Other than approximately 37% (2009: 33%) of the sales are denominated in USD and certain expenses in HKD. The Group mainly generates RMB from sales in Mainland China to meet its liabilities denominated in RMB. The Group has not used any forward contracts as the cost-benefit is considered not effective. The Group has used foreign currency bank borrowings to minimize its exposure on foreign exchange risk.

RMB has experienced certain appreciation in recent years which is the major reason for the exchange losses arised from operating activities and exchange gain arised from financing activities recognised by the Group for the years ended 31 December 2010 and 2009. Further depreciation or appreciation of USD and HKD against RMB will affect the Group's financial position and results of operations.

A 1% strengthening/weakening RMB against USD and HKD as at the respective balance sheet dates would increase/decrease profit after taxation by approximately RMB953,000 (2009: RMB1,200,000) and by approximately RMB223,000 (2009: RMB139,000) respectively, mainly as a result of foreign exchange gain/loss on translation of USD and HKD denominated bank borrowings.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(d) 外匯風險

本集團主要在中國內地經營業務。本集團大部分交易、資產及負債均以中國人民幣結算。當未來商業交易或已確認資產和負債的計值貨幣並非該實體的功能貨幣，外匯風險便會產生。

本集團的資產與負債以及業務過程中的交易基本上並無重大外匯風險。除若干應收交易帳款、現金及等同現金項目、借貸以及衍生金融工具以美元及港元計值(詳情分別於附註13、附註15、附註18及附註21披露)外，本集團的資產及負債主要以人民幣計值。除約37%(二零零九年：33%)的銷售以美元計值以及若干港元開支外，本集團在中國的銷售主要賺取人民幣，以償付按人民幣計值的負債。由於遠期合約的成本效益不大，故本集團並無採用。本集團採用外幣銀行借貸減低有關外匯風險。

近年人民幣多番升值，是本集團於截至二零一零年及二零零九年十二月三十一日止年度確認經營活動產生的匯兌虧損及融資活動產生的匯兌收益的主因。美元及港元兌人民幣進一步貶值或升值均會影響本集團的財務狀況及經營業績。

於各相關結算日，人民幣兌美元及港元升值／貶值1%會分別增加／減少除稅後溢利約人民幣953,000元(二零零九年：人民幣1,200,000元)及約人民幣223,000元(二零零九年：人民幣139,000元)，主要因為換算以美元及港元為單位的銀行貸款所得的匯兌盈利／虧損。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. Financial risk management (continued)

3.1 Financial risk factors (continued)

(e) Price risk

The Group is exposed to equity securities price risk because certain investments held by the Group are classified as available-for-sale financial assets. As the amount of such financial assets is not material to the Group, the exposure to price risk is considered to be insignificant.

3.2 Capital risk management

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

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

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non-current borrowings as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as "equity", as shown in the consolidated balance sheet, plus net debt.

During 2010, the Group's strategy, which was unchanged from 2009, was to maintain the debt equity ratio to be in a net cash position. The net cash amounts at 31 December 2010 and 2009 were as follows:

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Total borrowings (Note 18)	總借貸(附註18)	(390,481)	(352,785)
Less: Cash and cash equivalents (Note 15)	減: 現金及現金等價物 (附註15)	524,409	514,744
Net cash	淨現金	133,928	161,959

The decrease in the net cash position during 2010 resulted primarily from the decrease in net cash generated from operating activities.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(e) 價格風險

由於本集團所持若干投資分類作可供出售金融資產，故本集團面對股本證券價格風險。由於該等金融資產之金額對本集團而言並不重大，故價格風險被視為不重大。

3.2 資金風險管理

本集團的資金管理政策，是保障本集團能繼續營運，以為股東提供回報和為其他權益持有人提供利益，同時維持最佳的資本結構以減低資金成本。

為了維持或調整資本結構，本集團可能會調整支付予股東的股息數額、向股東分派的資本返還、發行新股或出售資產以減低債務。

與業內其他公司一樣，本集團利用負債比率監察其資本。此比率按照債務淨額除以總資本計算。債務淨額為總借貸(包括綜合資產負債表所列的即期及非即期貸款)減去現金及現金等價物。總資本為「權益」(如綜合資產負債表所列)加債務淨額。

本集團在二零一零年的策略與二零零九年比較維持不變，為致力將負債比率維持在淨現金水平。在二零一零年及二零零九年十二月三十一日，淨現金之金額如下：

二零一零年淨現金水平減少主要因為經營業務所得現金淨額減少。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. Financial risk management (continued)

3.3 Fair value estimation

HKFRS 7 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Level 1 – Quoted price (unadjusted) in active markets for identical assets or liabilities. The Group does not have this type of financial instruments.
- Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). As at 31 December 2010, the Group had derivative financial instruments of RMB668,000 (2009: RMB2,750,000) that are within this category.
- Level 3 – Inputs for asset or liability that are not based on observable market data (that is, unobservable inputs). As at 31 December 2010, the Group had available-for-sale financial assets of RMB200,000 (2009: RMB400,000) that are within this category.

The fair value of derivative financial instruments that are not traded in an active market is determined by valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. Otherwise it is included in level 3.

3. 財務風險管理(續)

3.3 公平值估計

香港財務報告準則7規定按下列公允價值計量架構披露公允價值計量：

- 相同資產或負債在活躍市的報價(未經調整)(第1層)。本集團並無此種類的金融工具。
- 除了第1層所包括的報價外，該資產和負債的可觀察的其他輸入，可為直接(即例如價格)或間接(即源自價格)(第2層)。於二零一零年十二月三十一日，本集團擁有屬此類別的衍生金融工具668,000元人民幣(二零零九年：2,750,000元人民幣)。
- 資產和負債並非依據可觀察市場數據的輸入(即非可觀察輸入)(第3層)，於二零一零年十二月三十一日，本集團擁有屬此類別的可供出售金融資產200,000元人民幣(二零零九年：400,000元人民幣)。

沒有在活躍市場買賣的金融工具的公允價值利用估值技術釐定。估值技術儘量利用可觀察市場數據(如有)，儘量少依賴主體的特定估計。如計算一金融工具的公允價值所需的所有重大輸入為可觀察數據，則該金融工具列入第2層。否則列入第3層。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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.

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

(a) Estimated useful lives of property, plant and equipment

The Group's management determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. It could change significantly as a result of technical innovations and competitor actions in response to market conditions. Management will increase the depreciation charge where useful lives are less than previously estimated lives or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

(b) Estimated impairment of intangible assets, inventories and trade receivables

The Group makes provision for impairment of intangible assets, inventories and trade receivables based on an assessment of the recoverability of intangible assets, inventories and trade receivables. Provisions are applied to intangible assets, inventories and trade receivables where events or changes in circumstances indicate that the balances may not be recoverable. The identification of impairment requires the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of intangible assets, inventories and trade receivables and provision for impairment in the period in which such estimate has been changed.

4. 重大會計估計及判斷

本集團根據過往經驗及其他因素不斷對估計及判斷作出評估，包括根據該等情況相信為合理之未來事項預測。

本集團就未來發展作出估計及判斷。所得會計估值故名思義甚少等同於相關實際結果。以下所論述之估計及假設存有對下一個財政年度資產及負債帳面值造成重大調整之重大風險。

(a) 物業、廠房及設備之估計可用年期

本集團管理層釐定其物業、廠房及設備之估計可用年期及相關折舊開支。有關估值按類似性質及功能之物業、廠房及設備之實際可用年期的過往經驗計算，或會基於科技革新及競爭對手因應市場狀況作出回應而出現重大變動。當可用年期少於先前估計年期，管理層將增加折舊開支，或撇銷或撇減技術陳舊之存貨或遭廢棄或出售之非策略資產。

(b) 無形資產、存貨及應收交易帳款之估計減值

本集團根據無形資產，存貨及應收交易帳款之可收回情況作出之評估，就無形資產、存貨及應收交易帳款作出減值撥備。倘出現事項或情況有變而顯示不一定可收回餘款時，撥備應用於無形資產、存貨及應收交易帳款。識別減值須運用判斷及估計。倘預算金額有別於原訂估值，有關差額將影響估值出現變動期間無形資產、存貨及應收交易帳款之帳面以及期內減值撥備。

Notes to the Consolidated Financial Statements

綜合財務報表附註

4. Critical accounting estimates and judgements (continued)

(c) Income taxes

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

5. Turnover and segment information

(a) Turnover

The Group is principally engaged in the manufacturing of fine chemicals from natural resources for use in aroma chemicals and pharmaceutical products and the trading of natural materials and fine chemicals. Turnover for the Group represents revenue from the sale of goods.

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Sale of goods (net of value-added tax)	銷售貨品 (已扣除增值稅)	908,251	728,494

(b) Segment information

The chief operating decision-maker has been identified as the Executive Directors. The Executive Directors review the Group's internal reporting in order to assess performance and allocate resources. The Executive Directors have determined the operating segments based on these reports. The Executive Directors consider the business from product perspective.

For the year ended 31 December 2010, the Group was organised into two main operating segments:

- (1) manufacturing and selling of fine chemicals; and
- (2) trading of natural materials and fine chemicals.

4. 重大會計估計及判斷(續)

(c) 所得稅

本集團需要在香港和中國大陸繳納所得稅。在釐定全球所得稅撥備時，需要作出重大判斷。在一般業務過程中，有許多交易和計算所涉及的最終稅務釐定都是不確定的。本集團根據對是否需要繳付額外稅款的估計，就預期稅務審計項目確認負債。如此等事件的最終稅務後果與最初記錄的金額不同，此等差額將影響作出此等釐定期間的所得稅和遞延稅項撥備。

5. 銷售額及分部資料

(a) 營業額

本集團主要從事利用天然資源製造精細化學品，以用於芳香化學品及醫藥產品以及買賣天然原料及精細化學品。本集團營業額指從銷售貨品所產生之效益。

(b) 分部資料

執行董事為主要經營決策者。執行董事審閱本集團的內部報告，以評估表現及分配資源。執行董事根據該等報告劃分營運分部。執行董事從產品角度考慮業務的性質。

截至二零一零年十二月三十一日年度，本集團分為兩大主要經營分部：

- (1) 生產及銷售精細化學品；及
- (2) 買賣天然原料及精細化學品。

Notes to the Consolidated Financial Statements

綜合財務報表附註

5. Turnover and segment information (continued)

(b) Segment information (continued)

The segment results for the year ended 31 December 2010 are as follows:

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Revenue	收益		
Manufacturing	生產	828,351	655,959
Trading	貿易	79,900	72,535
Total revenue	總收益	908,251	728,494
Segment results	分部業績		
Manufacturing	生產	194,185	160,926
Trading	貿易	6,918	6,162
Unallocated corporate expense – net	未分配公司支出 – 淨額	(37,020)	(30,074)
Finance costs, net	融資成本、淨額	(11,906)	(16,036)
Income tax expense	所得稅開支	(22,108)	(13,296)
Profit for the year	本年度溢利	130,069	107,682

5. 銷售額及分部資料(續)

(b) 分部資料(續)

截至二零一零年十二月三十一日止年度之分部業績如下：

Other segment items included in the consolidated income statement are as follows: 計入綜合收益表之其他分部項目如下：

		Manufacturing 生產		Trading 貿易	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Depreciation (Note 7)	折舊(附註7)	31,087	26,136	120	107
Amortisation (Notes 6 and 8)	攤銷(附註6及8)	11,406	8,778	-	-
Provision for/(reversal of) impairment of intangible assets (Note 8)	無形資產減值撥備/(撥回)(附註8)	6,000	(856)	-	-
Provision for impairment of inventories (Note 12)	存貨減值撥回(附註12)	1,001	(255)	109	(5,721)
Write-down of inventories (Note 12)	存貨減記(附註12)	332	1,396	-	-
Provision for impairment of trade receivables (Note 13)	應收交易帳款減值撥備(附註13)	1,192	109	-	17
Reversal of impairment of other receivables (Note 14)	其他應收款減值撥回(附註14)	-	(3,000)	-	-

Notes to the Consolidated Financial Statements

綜合財務報表附註

5. Turnover and segment information (continued)

(b) Segment information (continued)

The segment assets and liabilities as at 31 December 2010 and capital expenditure for the year then ended are as follows:

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Segment assets	分部資產		
Manufacturing	生產	922,216	746,125
Trading	貿易	35,642	21,583
Pledged bank deposits	已抵押之銀行存款	57,961	27,122
Cash and cash equivalents	現金及現金等價物	524,409	514,744
Other corporate assets	其他公司資產	9,036	6,548
Total assets	資產總值	1,549,264	1,316,122
Segment liabilities	分部負債		
Manufacturing	生產	163,327	97,343
Trading	貿易	15,100	7,251
Bank borrowings	銀行貸款	370,161	321,015
Deferred tax liabilities	遞延稅項負債	10,500	10,500
Current income tax liabilities	即期所得稅負債	5,766	3,886
Other corporate liabilities	其他公司負債	24,432	32,142
Total liabilities	負債總額	588,286	472,137

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Capital expenditure	資本開支		
Manufacturing	生產	56,833	43,407
Trading	貿易	113	98
		56,946	43,505

Segment assets consist primarily of land use rights, property, plant and equipment, intangible assets, inventories and receivables. Segment liabilities comprise operating liabilities. They exclude items such as cash and cash equivalents, taxation and corporate borrowings. Capital expenditure comprises additions to property, plant and equipment (Note 7), land use rights (Note 6), and intangible assets (Note 8).

5. 銷售額及分部資料(續)

(b) 分部資料(續)

於二零一零年十二月三十一日之資產及負債分部以及截至該日止年度之資本開支如下：

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Capital expenditure	資本開支		
Manufacturing	生產	56,833	43,407
Trading	貿易	113	98
		56,946	43,505

分部資產主要包括土地使用權、物業、廠房及設備、無形資產、存貨及應收款項。分部負債包括經營負債，但不包括現金及等同現金項目、稅項及公司借貸等項目。資本開支包括物業、廠房及設備(附註7)、土地使用權(附註6)以及無形資產(附註8)之增額。

Notes to the Consolidated Financial Statements

綜合財務報表附註

5. Turnover and segment information (continued)

(b) Segment information (continued)

The Group's sales within the two operating segments are made to customers in three main geographical areas.

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Turnover	營業額		
– Mainland China	– 中國內地	571,643	484,267
– Europe	– 歐洲	173,265	143,138
– Asia (excluding Mainland China)	– 亞洲(中國內地除外)	85,802	56,546
– Others	– 其他	77,541	44,543
		908,251	728,494

Sales are allocated based on the places/countries in which customers are located.

5. 銷售額及分部資料(續)

(b) 分部資料(續)

本集團兩大經營分部於三個主要地區經營。

銷售額乃按客戶所在地區／國家分配。

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Total assets	資產總值		
– Mainland China	– 中國內地	1,477,821	1,250,453
– Hong Kong	– 香港	67,041	63,784
– Others	– 其他	4,402	1,885
		1,549,264	1,316,122

Total assets are allocated based on where the assets are located.

資產總值乃按資產所在地分配。

No geographical analysis of capital expenditure is presented as substantially all of the Group's capital expenditure was incurred in respect of assets located in Mainland China.

由於本集團絕大部分資本開支就位於中國內地之資產產生，因此並無呈報資本開支之地區分析。

Revenues of RMB203,502,000 (2009: RMB156,126,000) and RMB114,068,000 (2009: RMB92,787,000) are derived from two major customers. These revenues are mainly attributable to the manufacturing segment.

來自兩個主要客戶的收益分別為203,502,000元人民幣(二零零九年：156,126,000元人民幣)及114,068,000元人民幣(二零零九年：92,787,000元人民幣)。此等收益主要來自生產分部。

Notes to the Consolidated Financial Statements

綜合財務報表附註

6. Land use rights – Group

The Group's interests in land use rights represent prepaid operating lease payments and their net book values are analysed as follows:

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
In Mainland China, held on Leases of between 10 to 50 years	於中國內地，按10至50年	9,541	9,851

6. 土地使用權－集團

本集團於土地使用權之權益指預付經營租約款項，其帳面淨值分析如下：

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Opening net book amount	年初帳面淨值	9,851	8,631
Additions	添置	-	1,330
Amortisation of prepaid operating lease payments (Note 24)	攤銷預付經營租約款項 (附註24)	(310)	(110)
Closing net book amount	期終帳面淨值	9,541	9,851

Notes to the Consolidated Financial Statements

綜合財務報表附註

7. Property, plant and equipment – Group

7. 物業、廠房及設備—集團

		Buildings 樓宇 RMB'000 人民幣千元	Plant and machinery 廠房及機器 RMB'000 人民幣千元	Leasehold improvements, office furniture and equipment 租賃物業、 裝修、辦公室 傢俬及設備 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Construction- in-progress 在建工程 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
At 1 January 2009	於二零零九年一月一日						
Cost	成本	113,033	260,769	9,787	3,415	52,734	439,738
Accumulated depreciation	累計折舊	(11,620)	(45,727)	(3,441)	(3,132)	-	(63,920)
Net book amount	帳面淨值	101,413	215,042	6,346	283	52,734	375,818
Year ended 31 December 2009	截至二零零九年十二月三十一日止年度						
Opening net book amount	年初帳面淨值	101,413	215,042	6,346	283	52,734	375,818
Additions	添置	-	365	309	-	33,957	34,631
Transfers	轉撥	161	31,870	-	-	(32,031)	-
Disposals (Note 32)	出售(附註32)	-	-	(15)	-	-	(15)
Depreciation (Note 24)	折舊(附註24)	(3,287)	(21,373)	(1,363)	(220)	-	(26,243)
Closing net book amount	年終帳面淨值	98,287	225,904	5,277	63	54,660	384,191
At 31 December 2009	於二零零九年十二月三十一日						
Cost	成本	113,194	293,004	9,940	3,415	54,660	474,213
Accumulated depreciation	累計折舊	(14,907)	(67,100)	(4,663)	(3,352)	-	(90,022)
Net book amount	帳面淨值	98,287	225,904	5,277	63	54,660	384,191
Year ended 31 December 2010	截至二零一零年十二月三十一日止年度						
Opening net book amount	年初帳面淨值	98,287	225,904	5,277	63	54,660	384,191
Additions	添置	-	6,396	437	-	37,503	44,336
Transfers	轉撥	11,924	7,022	-	-	(18,946)	-
Disposals (Note 32)	出售(附註32)	-	-	(4)	-	-	(4)
Depreciation (Note 24)	折舊(附註24)	(3,557)	(26,264)	(1,323)	(63)	-	(31,207)
Closing net book amount	年終帳面淨值	106,654	213,058	4,387	-	73,217	397,316
At 31 December 2010	於二零一零年十二月三十一日						
Cost	成本	125,118	306,422	10,333	3,415	73,217	518,505
Accumulated depreciation	累計折舊	(18,464)	(93,364)	(5,946)	(3,415)	-	(121,189)
Net book amount	帳面淨值	106,654	213,058	4,387	-	73,217	397,316

The Group's buildings including buildings under construction, totalling RMB171,203,000 (2009: RMB129,300,000) are built on pieces of land in Mainland China with lease terms of 50 years up to December 2047, December 2048, May 2053 and April 2054, respectively.

本集團之樓宇包括在建樓宇合共171,203,000元人民幣(二零零九年: 129,300,000元人民幣), 建於中國內地多幅土地上, 為租期50年, 分別於二零四七年十二月、二零四八年十二月、二零五三年五月及二零五四年四月屆滿。

Notes to the Consolidated Financial Statements

綜合財務報表附註

7. Property, plant and equipment – Group (continued)

Depreciation expense of RMB28,846,000 (2009: RMB23,644,000) has been charged in 'cost of goods sold' and RMB2,361,000 (2009: RMB2,599,000) in 'administrative expenses'.

Analysis of construction-in-progress is:

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Construction costs of buildings	樓宇建築成本	64,549	31,013
Cost of leasehold improvements and plant and machinery	租賃物業及廠房與機器成	8,668	23,647
		73,217	54,660

Property, plant and equipment with a net book amount of nil (2009: RMB84,854,000) were pledged as collateral for the Group's borrowings.

7. 物業、廠房及設備－集團(續)

折舊費用其中28,846,000元人民幣(二零零九年：23,644,000元人民幣)在「已售貨品成本」中支銷，而2,361,000元人民幣(二零零九年：2,599,000元人民幣)則計入「行政費用」中。

在建工程分析如下：

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Construction costs of buildings	樓宇建築成本	64,549	31,013
Cost of leasehold improvements and plant and machinery	租賃物業及廠房與機器成	8,668	23,647
		73,217	54,660

二零一零年集團並無以物業、廠房及設備作為本集團借貸之抵押品(二零零九年：84,854,000元人民幣)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

8. Intangible assets – Group

8. 無形資產－集團

		Patents and technical know-how 專利權及技術知識 RMB'000 人民幣千元	Product development costs 產品開發成本 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2009	於二零零九年一月一日			
Cost	成本	12,161	79,925	92,086
Accumulated amortisation	累計攤銷	(5,483)	(29,162)	(34,645)
Net book amount	帳面淨值	6,678	50,763	57,441
Year ended 31 December 2009	截至二零零九年十二月三十一日止年度			
Opening net book amount	期初帳面淨值	6,678	50,763	57,441
Additions	添置	–	7,544	7,544
Amortisation (Note 24)	攤銷(附註24)	(593)	(8,075)	(8,668)
Reversal for impairment (Note 24)	減值撥回(附註24)	–	856	856
Closing net book amount	期終帳面淨值	6,085	51,088	57,173
At 31 December 2009	於二零零九年十二月三十一日			
Cost	成本	12,161	87,469	99,630
Accumulated amortisation and impairment	累計攤銷及減值	(6,076)	(36,381)	(42,457)
Net book amount	帳面淨值	6,085	51,088	57,173
Year ended 31 December 2010	截至二零一零年十二月三十一日止年度			
Opening net book amount	期初帳面淨值	6,085	51,088	57,173
Additions	添置	–	12,610	12,610
Amortisation (Note 24)	攤銷(附註24)	(1,293)	(9,803)	(11,096)
Provision for impairment (Note 24)	減值撥備(附註24)	–	(6,000)	(6,000)
Closing net book amount	期終帳面淨值	4,792	47,895	52,687
At 31 December 2010	於二零一零年十二月三十一日			
Cost	成本	12,161	100,079	112,240
Accumulated amortisation and impairment	累計攤銷及減值	(7,369)	(52,184)	(59,553)
Net book amount	帳面淨值	4,792	47,895	52,687

Note:

- (a) Amortisation of RMB11,096,000 (2009: RMB8,668,000) is included in cost of goods sold in the consolidated income statement.
- (b) The Group made a provision for impairment of intangible assets of RMB6,000,000 (2009: reversal of impairment of RMB856,000). The amount had been included in cost of goods sold in the consolidated income statement.

附註：

- (a) 11,096,000元人民幣之攤銷及減值(二零零九年：8,668,000元人民幣)已計入綜合收益表已售貨品成本內。
- (b) 6,000,000元人民幣之無形資產減值(二零零九年：撥回856,000元人民幣)已計入綜合收益表已售貨品成本內。

Notes to the Consolidated Financial Statements

綜合財務報表附註

9. Investments in and amounts due from subsidiaries – Company

9. 於附屬公司之投資及應收附屬公司款項 – 公司

		31 December 2010 二零一零年 十二月三十一日 RMB'000 人民幣千元	(As restated) (重列) 31 December 2009 二零零九年 十二月三十一日 RMB'000 人民幣千元	(As restated) (重列) 1 January 2009 二零零九年 一月一日 RMB'000 人民幣千元
Unlisted investments, at cost	非上市投資，按成本值	91,713	91,713	91,572
Amounts due from subsidiaries (Note a)	應收附屬公司款項(註a)	412,590	423,434	509,671
Less:	減：	504,303	515,147	601,243
Amounts due from subsidiaries – current portion (Note b)	應收附屬公司款項 – 流動部份(註b)	(153,609)	(168,998)	(255,235)
		350,694	346,149	346,008

Notes:

- (a) The balance includes amounts due from subsidiaries of RMB258,981,000 (1 January 2009 and 31 December 2009: RMB254,436,000) which are equity funding in nature.
- (b) The amounts due from subsidiaries have been reclassified from non-current assets to current assets to conform with the current year's presentation. The amount reclassified as at 1 January 2009 and 31 December 2009 were RMB255,235,000 and RMB168,998,000 respectively. Such balance is unsecured, non-interest bearing and is repayable on demand.

附註：

- (a) 該款項包括權益資助性質的款項共258,981,000元人民幣(二零零九年一月一日及二零零九年十二月三十一日：254,436,000元人民幣)。
- (b) 截至二零零九年一月一日共有止年度及二零零九年十二月三十一日，分別255,235,000元人民幣及168,998,000元人民幣之應收附屬公司款項計入非流動資產類別，但該金額已重新分類至流動資產類別以符合本年度列報。該餘額為無抵押，無附帶利息及須應要求償還。

The particulars of the subsidiaries at 31 December 2010:

附屬公司之詳情如下：

Name 名稱	Place of incorporation/ operation 註冊成立/ 經營地點	Activities 主要業務	Issued and fully paid up capital 已發行及 繳足股本	Percentage of equity interest attributable to the Group (a) 本集團 應佔股權 百分比(a)
EcoGreen Fine Chemicals Limited	British Virgin Islands 英屬處女群島	Investment holding 投資控股	US\$95,000 95,000美元	100%
EcoGreen Fine Chemicals Manufacturing Limited	British Virgin Islands 英屬處女群島	Investment holding 投資控股	US\$1 1美元	100%
EcoGreen Fine Chemicals B.V.	Netherlands 荷蘭	Sale of fine chemicals 銷售精細化學品	EUR18,000 18,000歐羅	100%
EcoGreen Holding B.V.	Netherlands 荷蘭	Investment holding 投資控股	EUR18,000 18,000歐羅	100%
EcoGreen Investments Limited 中怡精細化工集團有限公司	Hong Kong 香港	Investment holding 投資控股	HK\$2 2港元	100%

Notes to the Consolidated Financial Statements

綜合財務報表附註

9. Investments in and amounts due from subsidiaries – Company (continued)

Particulars of the principal subsidiaries are: (continued)

9. 於附屬公司之投資及應收附屬公司款項 – 公司(續)

附屬公司之詳情如下：

Name 名稱	Place of incorporation/ operation 註冊成立/ 經營地點	Activities 主要業務	Issued and fully paid up capital 已發行及 繳足股本	Percentage of equity interest attributable to the Group (a) 本集團 應佔股權 百分比(a)
Sino Bright International Trading Limited 光華國際貿易有限公司	Hong Kong 香港	Inactive 暫無業務	HK\$10,000 10,000港元	100%
Doingcom International Limited 中坤國際有限公司	Hong Kong 香港	Trading of fine chemicals 買賣精細化學品	HK\$10,000 10,000港元	100%
Xiamen Doingcom Biotechnology Co., Ltd. (b) 廈門中坤生物科技有限公司(b)	Mainland China 中國內地	Manufacturing of fine chemicals 生產精細化學品	RMB50,000,000 50,000,000元 人民幣	100%
上海萬凱化學有限公司(b)(c) (Shanghai Fine Chemicals Company Limited) (b)(c)	Mainland China 中國內地	Research and development of fine chemicals 研究及開發精細化學品	US\$2,000,000 2,000,000美元	100%
Xiamen Doingcom Chemical Co., Ltd. (b) 廈門中坤化學有限公司(b)	Mainland China 中國內地	Manufacturing and sale of fine chemicals 生產及銷售精細化學品	RMB66,000,000 66,000,000元 人民幣	100%
楚雄中怡林產貿易有限公司(b)(c) (Chuxiong Zhongyi Forestry Trading Co. Ltd.) (b)(c)	Mainland China 中國內地	Sale of forestry products 銷售林業產品	RMB10,000,000 10,000,000元 人民幣	70%
Xiamen Doingcom Enterprise Limited (b) 廈門中坤貿易有限公司(b)	Mainland China 中國內地	Sale of fine chemicals 銷售精細化學品	RMB20,000,000 20,000,000元 人民幣	100%
Xiamen Hoozyn Life Chemistry Technology Limited (b) 廈門和辰生化科技有限公司(b)	Mainland China 中國內地	Research and development of fine chemicals 研究及開發精細化學品	US\$1,400,000 1,400,000美元	100%
Xiamen Sinoloon Import and Export Co., Ltd. (b) 廈門中玖進出口有限公司 有限公司(b)	Mainland China 中國內地	Inactive 暫無業務	RMB7,000,000 7,000,000元 人民幣	100%
Xiamen Sinotek Enterprise Development Co., Ltd. (b) 廈門中技實業發展有限公司(b)	Mainland China 中國內地	Manufacturing and sale of fine chemicals 生產及銷售精細化學品	RMB20,000,000 20,000,000元 人民幣	100%
Zhangzhou Zhongyi Fine Chemicals Co., Ltd. (b) 漳州中怡精細化工有限公司(b)	Mainland China 中國內地	Manufacturing and sale of fine chemicals* (Note) 生產及銷售精細化學品 (註)	US\$6,510,442 6,510,442美元	100%

Note: Operation will commence in year 2011.

註：於二零一一年開始運作。

Notes to the Consolidated Financial Statements

綜合財務報表附註

9. Investments in and amounts due from subsidiaries – Company (continued)

Particulars of the principal subsidiaries are: (continued)

Notes:

- (a) The shares of EcoGreen Fine Chemicals Limited are held directly by the Company. The shares of other subsidiaries are held indirectly.
- (b) Xiamen Doingcom Chemical Co., Ltd. ("Xiamen Doingcom") and Xiamen Doingcom Biotechnology Co., Ltd. are sino-foreign owned enterprises established in Xiamen, Fujian Province, Mainland China for a term of 20 years up to October 2017 and July 2024 respectively. Shanghai Fine Chemicals Company Limited is a wholly foreign owned enterprise established in Shanghai, Mainland China for a term of 35 years up to March 2040. Xiamen Doingcom Enterprise Limited is a limited liability enterprise established in Xiamen, Fujian Province, Mainland China for a term of 20 years up to June 2024. Xiamen Hoozyn Life Chemistry Technology Limited, Xiamen Sinoloon Import and Export Co., Ltd. and Xiamen Sinotek Enterprise Development Co., Ltd. are wholly foreign owned enterprises established in Xiamen, Fujian Province, Mainland China for a term of 10 years, 17 years and 20 years up to June 2012, April 2012 and July 2016, respectively. Chuxiong Zhongyi Forestry Trading Co., Ltd. is a limited liability enterprise established in Chuxiong, Yunnan Province, Mainland China for a term of 30 years up to March 2037. Zhangzhou Zhongyi Fine Chemicals Co., Ltd. is wholly foreign owned enterprise established in Zhangzhou, Fujian Province, Mainland China for a term of 50 years up to April 2057.
- (c) The English names of Shanghai Fine Chemicals Co., Ltd. and Chuxiong Zhongyi Forestry Trading Co., Ltd. are for identification purpose only.

10. Investment in an associate – Group

The associate is an unlisted company and has not commenced business. Particulars of the associate are as follows:

Name	Place of incorporation/ operation	Principal activities	Fully paid up capital	Percentage of equity interest attributable to the Group
名稱	註冊成立／經營地點	主要業務	繳足股本	本集團應佔股權百分比
Jiayang Zhongtian Forestry Chemical Co., Ltd. 建陽中天林化有限公司	Mainland China 中國內地	Manufacturing of forestry chemicals 生產林化化學品	RMB5,000,000 5,000,000元 人民幣	35%

9. 於附屬公司之投資及應收附屬公司款項 – 本公司(續)

附屬公司之詳情如下：(續)

附註：

- (a) EcoGreen Fine Chemicals Limited 股份由本公司直接持有，其他附屬公司股份則間接持有。
- (b) 廈門中坤化學有限公司及廈門中坤生物科技有限公司為在中國內地福建省廈門市成立之中外合資企業，經營期為二十年，分別二零一七年十月及至二零二四年七月止。上海萬凱化學有限公司為於中國內地上海市成立之全外資企業，經營期為三十五年，至二零四零年三月止。廈門中坤貿易有限公司為於中國內地福建省廈門市成立之有限公司，經營期為二十年，至二零二四年六月止。廈門和辰生化科技有限公司、廈門中玖進出口有限公司及廈門中技實業發展有限公司均為全外資企業，在中國內地福建省廈門市成立，經營期分別為十年、十七年及二十年，分別至二零一二年六月、二零一二年四月及二零一六年七月止。楚雄中怡林產貿易有限公司於中國內地雲南省楚雄市成立之有限公司，經營期為三十年至二零三七年三月止。漳州中怡精細化工有限公司為一間全外資企業，在中國內地福建省漳州市成立，經營期為五十年至二零五七年四月止。
- (c) 上海萬凱化學有限公司及楚雄怡林產貿易有限公司的英文名稱僅供識別。

10. 聯營公司投資 – 集團

本集團投資之聯營公司，為一間非上市公司，且未有開展任何業務。聯營公司之詳情如下：

	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
At 1 January and 31 December 於一月一日及十二月三十一日	1,750	1,750

Notes to the Consolidated Financial Statements

綜合財務報表附註

11. Available-for-sale financial assets – Group

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
At 1 January	於一月一日及十二月三十一日	400	400
Provision for impairment	減值	(200)	-
At 31 December	於十二月三十一日	200	400
Less: Non-current portion	減：非流動部分	(200)	(400)
Current portion	流動部分	-	-

Available-for-sale financial assets are unlisted equity securities.

11. 可供出售金融資產－集團

可供出售金融資產為非上市股本證券。

12. Inventories – Group

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Raw materials	原料	72,752	50,589
Work-in-progress	在製品	3,055	865
Finished goods	製成品	42,643	22,573
		118,450	74,027
Less: Provision for impairment of inventories	減：存貨減值撥備	(2,961)	(1,851)
		115,489	72,176

The cost of inventories recognised as expense and included in cost of goods sold amounted to RMB559,309,000 (2009: RMB451,537,000).

確認為開支及計入售出貨品成本之存貨成本為559,309,000元人民幣(二零零九年：451,537,000元人民幣)。

The Group made a provision for impairment of inventories of RMB1,110,000 during the year ended (2009: reversal of impairment of RMB5,977,000). The amount had been included in cost of goods sold in the consolidated income statement.

在二零一零年集團作出存貨減值撥備1,110,000元人民幣(二零零九年：撥回5,977,000元人民幣)。該款額已計入綜合收益表售出貨品成本內。

Write-down of inventories amounted to RMB332,000 (2009: RMB1,396,000) was included in cost of sales.

存貨減記332,000元人民幣已計入已售貨品成本內(二零零九年：1,396,000元人民幣)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

13. Trade receivables – Group

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Trade receivables	應收交易帳款	293,245	205,459
Less: Provision for impairment of trade receivables	減：應收交易帳款減值撥備	(2,932)	(2,232)
		290,313	203,227

The carrying amounts of trade receivables approximate their fair values.

The credit period granted by the Group to its customers is generally 60 to 90 days. For certain customers with good credit histories, an extended period up to 180 days is allowed. The aging analysis of trade receivables is as follows:

13. 應收交易帳款－集團

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Trade receivables	應收交易帳款	293,245	205,459
Less: Provision for impairment of trade receivables	減：應收交易帳款減值撥備	(2,932)	(2,232)
		290,313	203,227

應收交易帳款帳面值與其公平值相若。

本集團給予其客戶之信貸期一般60至90天。對於有良好信貸歷史的客戶，集團容許達至180日的信貸期。應收交易帳款之帳齡分析如下：

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
0 to 30 days	0至30天	80,759	69,233
31 to 60 days	31至60天	72,602	53,726
61 to 90 days	61至90天	66,796	39,024
91 to 180 days	91至180天	72,890	43,182
181 to 365 days	181至365天	198	107
Over 365 days	365天以上	-	187
		293,245	205,459
Less: Provision for impairment of trade receivables	減：應收交易帳款減值撥備	(2,932)	(2,232)
		290,313	203,227

The credit quality of trade receivables that are neither past due nor impaired can be assessed by reference to the historical information about counterparty default rates. The existing counterparties do not have significant default in the past. There is no concentration of credit risk with respect to trade receivables, as the Group has a large number of customers.

沒有逾期或減值需要之應收交易帳款，其信貸質素是按以往的收款記錄及客戶的壞帳率而定。現有的客戶並無重大的拖欠。由於本集團客戶數目龐大，故有關應收交易帳款之信貸風險並無過份集中。

Notes to the Consolidated Financial Statements

綜合財務報表附註

13. Trade receivables – Group (continued)

The carrying amounts of the Group's trade receivables are denominated in the following currencies:

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Renminbi	人民幣	214,795	161,214
US dollar	美元	75,518	42,013
		290,313	203,227

Movements on the provision for impairment of trade receivables are as follows:

13. 應收交易帳款－集團(續)

本集團的貿易應收款的賬面值以下列貨幣為單位：

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
At 1 January	一月一日	2,232	2,106
Provision for impairment of trade receivable	應收款減值撥備	1,192	126
Receivables written off during the year as uncollectible	年內列為未能收回的應收交易賬款撇銷	(492)	-
At 31 December	十二月三十一日	2,932	2,232

貿易應收款減值撥備的變動如下：

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
At 1 January	一月一日	2,232	2,106
Provision for impairment of trade receivable	應收款減值撥備	1,192	126
Receivables written off during the year as uncollectible	年內列為未能收回的應收交易賬款撇銷	(492)	-
At 31 December	十二月三十一日	2,932	2,232

The creation and release of provisions for impaired receivables have been included in administrative expenses in the consolidated income statement. Amounts are charged to the allowance account when there is no expectation of recovering additional cash.

對已減值應收款撥備的設立和撥回已包括在綜合收益表中的行政費用內。在準備賬戶中扣除的數額一般會在預期無法收回額外現金時撇銷。

14. Prepayments and other receivables – Group and Company

14. 預付款項及其他應收款項－集團及公司

		Group 集團		Company 公司	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Prepayment for purchases of raw materials	購買原料預付款項	92,512	41,090	-	-
Input value-added tax recoverable	可收回進項增值稅	5,448	2,863	-	-
Others	其他	1,638	1,535	40	56
		99,598	45,488	40	56

The carrying amounts of other receivables approximate their fair values and are mainly denominated in RMB.

其他應收款項賬面值與其公平值相若且主要以人民幣列值。

Notes to the Consolidated Financial Statements

綜合財務報表附註

15. Pledged bank deposits, cash and cash equivalents – Group and Company

15. 已抵押之銀行存款、現金及等同現金項目－集團及公司

		Group 集團		Company 公司	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Pledged bank deposits	已抵押之銀行存款	57,961	27,122	-	-
Cash and cash equivalents	現金及等同現金項目				
Cash at bank and on hand	銀行及手頭現金	524,409	514,744	1,037	21,626
		582,370	541,866	1,037	21,626

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

於已抵押之銀行存款、現金及等同現金項目的帳面值結算貨幣的金額如下：

		Group 集團		Company 公司	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Renminbi	人民幣	568,450	505,183	-	-
Hong Kong dollar	港元	2,309	13,853	701	8,105
US dollar	美元	9,567	21,720	336	13,521
Euro	歐羅	2,024	1,089	-	-
Others	其他	20	21	-	-
		582,370	541,866	1,037	21,626

As at 31 December 2010, the Group has pledged bank deposits and cash and cash equivalents of approximately RMB568,450,000 (2009: RMB505,183,000) denominated in RMB, which is not a freely convertible currency in the international market and its exchange rate is determined by the People's Bank of China.

於二零一零年十二月三十一日，本集團共有已抵押之銀行存款與現金與等同現金項目約568,450,000元人民幣(二零零九年：505,183,000元人民幣)，均以人民幣列值，且為不能於國際市場自由轉換貨幣，其匯率由中國人民銀行釐定。

At 31 December 2010, bank balance of RMB57,961,000 (2009: RMB27,122,000) have been pledged to banks to secure credit facilities granted to subsidiaries.

於二零一零年十二月三十一日，共57,961,000元人民幣(二零零九年：27,122,000元人民幣)之銀行存款已予以抵押作為附屬公司向銀行取得借貸額度之抵押。

The cash and cash equivalents are not exposed to material credit risk.

現金及等同現金項目並沒有重大的信貸風險。

Notes to the Consolidated Financial Statements

綜合財務報表附註

16. Share capital, premium and share options – Group and Company

(a) Share capital – Ordinary shares of HK\$0.1 each

Authorised:	法定：	Number of shares 股份數目 (thousands) (千股)	Nominal value of ordinary shares 普通股面值 RMB'000 人民幣千元
At 1 January 2009, 31 December 2009 and 31 December 2010	於二零零九年一月一日、 二零零九年十二月三十一日及 二零一零年十二月三十一日	2,000,000	212,000

Issued:	已發行：	Number of fully paid shares 已繳股款 股份數目 (thousands) (千股)	Nominal value of ordinary shares 普通股面值 RMB'000 人民幣千元	Share Premium 股份溢價 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
At 1 January 2009, 31 December 2009 and 31 December 2010	於二零零九年一月一日、 二零零九年十二月三十一日及 二零一零年十二月三十一日	465,210	49,232	181,841	231,073

Notes to the Consolidated Financial Statements

綜合財務報表附註

16. Share capital, premium and share options – Group and Company (continued)

(b) Share options

Pursuant to a resolution of the shareholders of the Company passed on 16 February 2004, a share option scheme (“the Share Option Scheme”) was approved and adopted. Under the Share Option Scheme, the Company’s directors may, at their sole discretion, grant options to any employee, non-executive director, supplier, customer, person or entity that provides research, development or other technological support to the Group, shareholder and adviser or consultant of the Group to subscribe for shares in the Company at a price per share of not less than the highest of (i) the closing price of the shares as stated in the daily quotation sheet of the Stock Exchange on the date of the offer of grant; or (ii) the average closing price of the shares as stated in the daily quotation sheets of the Stock Exchange for the five trading days immediately preceding the date of the offer of grant; and (iii) the nominal value of a share. A nominal consideration of RMB1.04 (equivalent of HK\$1) is payable on acceptance of the grant of options. The maximum number of shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme adopted by the Group from time to time must not in aggregate exceed 30% of the share capital of the Company in issue from time to time. The Share Option Scheme will remain in force for a period of 10 years up to February 2014. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

16. 股本、溢價及購股權－集團及公司(續)

(b) 購股權

根據本公司股東於二零零四年二月十六日通過之決議案，購股權計劃(「購股權計劃」)獲批准及採納。根據購股權計劃，本公司董事可全權酌情向本集團任何僱員、非執行董事、供應商、客戶或為本集團提供研發或其他技術支援之人士或實體以及本集團股東及顧問或諮詢顧問授出購股權，彼等可按不低於以下較高者之每股價格認購本公司股份：(i)授出日期在聯交所每日報價表所報之股份收市價；或(ii)緊接授出日期前五個交易日聯交所每日報價表所報股份平均收市價；及(iii)股份面值。在接納購股權時，須支付名義代價1.04元人民幣(相等於1港元)。根據購股權計劃及本集團不時採納之任何其他購股權計劃授出但尚未行使之所有購股權獲行使而可予發行之股份數目，最多合共不得超過本公司不時已發行股本30%。購股權計劃有效期為10年，直至二零一四年二月止。本集團並無法定或推定責任，購回或以現金清償購股權。

Notes to the Consolidated Financial Statements

綜合財務報表附註

16. Share capital, premium and share options – Group and Company (continued)

(b) Share options (continued)

Movements of the number of share options outstanding during the year and their related weighted average exercise prices are as follows:

		2010 二零一零年		2009 二零零九年	
		Average exercise price in HK\$ per share 每股港元 平均行使價	Options (thousands) 購股權 (千份)	Average exercise price in HK\$ per share 每股港元 平均行使價	Options (thousands) 購股權 (千份)
At 1 January	於一月一日	1.38	30,770	1.38	31,010
Cancelled during the year	年內註銷	-	-	1.39	(240)
At 31 December	於十二月三十一日	1.38	30,770	1.38	30,770

All outstanding share options as at 31 December 2010 are exercisable (2009: all 30,770,000 options are exercisable).

16. 股本、溢價及購股權 – 集團及公司(續)

(b) 購股權(續)

尚未行使購股權數目及其相關加權平均行使價於年內之變動如下：

於二零一零年十二月三十一日，所有未行使的購股權可予行使(二零零九年：所有30,770,000的購股權可予行使)。

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

在年終時未行使的購股權的到期日和行使價如下：

		Share options 購股權		
Expiry date	到期日	Exercise price HK dollar per share 每股港元行使價	2010 二零一零年 (thousands) (千份)	2009 二零零九年 (thousands) (千份)
May 2011	二零一一年五月	1.39	16,000	16,000
June 2014	二零一四年六月	1.37	14,770	14,770
			30,770	30,770

Notes to the Consolidated Financial Statements

綜合財務報表附註

17. Other reserves – Group and Company

(a) Group

		Capital reserve (i)	Contributed surplus (ii)	Statutory reserves (iii) 法定 公積金(iii)	Capital redemption reserve (iv) 股本贖回 儲備(iv)	Share options equity reserve 購股權 股本儲備	Hedging reserve 對沖儲備	Currency translation reserve 匯兌儲備	Total
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2009	於二零零九年一月一日	685	9,500	42,847	421	7,611	(5,014)	7	56,057
Employee share option scheme:	僱員購股權計劃：								
– Value of share options granted	– 授出購股權之價值	–	–	–	–	243	–	–	243
– Cancellation of share options	– 註銷購股權	–	–	–	–	(58)	–	–	(58)
Transfer from retained earnings	保留盈利轉撥	–	–	355	–	–	–	–	355
Cash flow hedges	現金流量對沖								
– Fair value gains during the year	– 年度公平值收益	–	–	–	–	–	2,264	–	2,264
Currency translation differences	匯兌差額	–	–	–	–	–	–	(9)	(9)
Balance at 31 December 2009	於二零零九年十二月三十一日之結餘	685	9,500	43,202	421	7,796	(2,750)	(2)	58,852
At 1 January 2010	於二零一零年一月一日	685	9,500	43,202	421	7,796	(2,750)	(2)	58,852
Transfer from retained earnings	保留盈利轉撥	–	–	3,882	–	–	–	–	3,882
Cash flow hedges	現金流量對沖								
– Fair value gains during the year	– 年度公平值收益	–	–	–	–	–	2,750	–	2,750
Currency translation differences	匯兌差額	–	–	–	–	–	–	31	31
Balance at 31 December 2010	於二零一零年十二月三十一日之結餘	685	9,500	47,084	421	7,796	–	29	65,515

17. 其他儲備—集團及公司

(a) 集團

Notes to the Consolidated Financial Statements

綜合財務報表附註

17. Other reserves – Group and Company (continued)

(b) Company

		Capital redemption reserve (iv)	Share options equity reserve	Hedging reserve	Total	
	Capital reserve (i)	股本贖回 儲備(iv)	購股權 股本儲備	對沖儲備	總計	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
Balance at 1 January 2009	於二零零九年一月一日之結餘	90,941	421	7,611	(5,014)	93,959
Employee share option scheme:	僱員購股權計劃：					
– Value of share options granted	– 授出購股權價值	–	–	243	–	243
– Cancellation of share options	– 註銷購股權	–	–	(58)	–	(58)
Cash flow hedges	現金流量對沖					
– Fair value gains during the year	– 年度公平值收益	–	–	–	2,264	2,264
Balance at 31 December 2009	於二零零九年十二月三十一日之結餘	90,941	421	7,796	(2,750)	96,408
Balance at 1 January 2010	於二零一零年一月一日之結餘	90,941	421	7,796	(2,750)	96,408
Cash flow hedges	現金流量對沖					
– Fair value gains during the year	– 年度公平值收益	–	–	–	2,750	2,750
Balance at 31 December 2010	於二零一零年十二月三十一日之結餘	90,941	421	7,796	–	99,158

Notes:

- (i) Capital reserve of the Group represents the difference between the nominal value of the shares of the subsidiaries acquired pursuant to the share exchange on 16 February 2004 over the nominal value of the share capital of the Company issued in exchange therefor.
- Capital reserve of the Company represents the difference between the costs of investments in subsidiaries acquired pursuant to the share exchange on 16 February 2004 over the nominal value of the share capital of the Company issued in exchange therefor.
- (ii) Contributed surplus represents the capital contribution from an executive director and an indirect substantial shareholder of the Company, as part of a group reorganisation exercise.
- (iii) According to the articles of association of the relevant subsidiaries established in Mainland China and the Mainland China rules and regulations, Mainland China subsidiaries are required to transfer not less than 10% of their net profit as stated in their annual financial statements prepared under Mainland China accounting regulations to statutory reserves before the corresponding Mainland China subsidiaries can distribute any dividend. Such a transfer is not required when the amount of statutory reserves reaches 50% of the corresponding subsidiaries' registered capital. The statutory reserves shall only be used to make up losses of the corresponding subsidiaries, to expand the corresponding subsidiaries' production operations, or to increase the capital of the corresponding subsidiaries. Upon approval by resolutions of the corresponding subsidiaries' shareholders in general meetings, the corresponding subsidiaries may convert their statutory reserves into registered capital and issue bonus capital to existing owners in proportion to their existing ownership structure. As at 31 December 2009, the amount of statutory reserves of Xiamen Doingcom Chemical Co., Ltd. and Xiamen Sinotek Enterprise Development Co., Ltd. had reached 50% of its registered capital and accordingly, no further transfer to its statutory reserves has been made during the year ended 31 December 2010.
- (iv) The capital redemption reserve relates to the cancellation of the Company's own shares.
- (v) The Company's other reserves totalled RMB280,999,000 (2009: RMB278,249,000) which, under the Company Law (revised) of the Cayman Islands subject to certain conditions, are available for distribution to shareholders.

17. 其他儲備—集團及公司(續)

(b) 公司

	Capital redemption reserve (iv)	Share options equity reserve	Hedging reserve	Total	
	股本贖回 儲備(iv)	購股權 股本儲備	對沖儲備	總計	
	RMB'000	RMB'000	RMB'000	RMB'000	
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
Balance at 1 January 2009	於二零零九年一月一日之結餘	421	7,611	(5,014)	93,959
Employee share option scheme:	僱員購股權計劃：				
– Value of share options granted	– 授出購股權價值	–	243	–	243
– Cancellation of share options	– 註銷購股權	–	(58)	–	(58)
Cash flow hedges	現金流量對沖				
– Fair value gains during the year	– 年度公平值收益	–	–	2,264	2,264
Balance at 31 December 2009	於二零零九年十二月三十一日之結餘	421	7,796	(2,750)	96,408
Balance at 1 January 2010	於二零一零年一月一日之結餘	421	7,796	(2,750)	96,408
Cash flow hedges	現金流量對沖				
– Fair value gains during the year	– 年度公平值收益	–	–	2,750	2,750
Balance at 31 December 2010	於二零一零年十二月三十一日之結餘	421	7,796	–	99,158

附註：

- (i) 本集團資本儲備指根據二零零四年二月十六日重組所收購附屬公司股份的面值超過本公司發行以換取上述股份之股本面值的差額。
- 本公司資本儲備指根據二零零四年二月十六日重組所收購附屬公司的投資成本超過本公司發行以換取上述投資之股本面值的差額。
- (ii) 實繳盈餘指本公司一名執行董事兼間接主要股東就集團重組作出之出資額。
- (iii) 根據於中國內地成立之有關附屬公司之組織章程細則及相關中國內地規則及規例，中國內地附屬公司須先行將根據中國內地會計準則編製之年度財務報表所列純利其中不少於10%，撥入法定公積金，方可派付股息。當法定公積金達到有關附屬公司註冊資本50%時，則毋須再作轉撥。法定公積金僅可用於抵銷有關附屬公司虧損、擴大有關附屬公司生產規模或增加有關附屬公司股本。當獲得有關附屬公司之股東在股東大會通過決議案批准，則有關附屬公司可將法定公積金轉為註冊資本，並且按現有股東之現有擁有權結構比例發行紅股。於二零零九年十二月三十一日，廈門中坤化學有限公司及廈門中技實業發展有限公司的法公積金已達到註冊資本50%，因此截至二零一零年十二月三十一日並無再作轉撥。
- (iv) 股本贖回儲備與註銷本公司之股份有關。
- (v) 根據開曼群島公司法(修訂本)，本公司可供分派儲備約為280,999,000元人民幣(二零零九年：278,249,000元人民幣)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

18. Borrowings – Group and Company

18. 借貸—集團及公司

		Group 集團		Company 公司	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Non-current	非即期				
Government loans	政府貸款	3,200	3,650	–	–
Bank borrowings	銀行借貸	181,620	96,469	144,620	56,469
		184,820	100,119	144,620	56,469
Current	即期				
Government loans	政府貸款	17,120	28,120	–	–
Bank borrowings	銀行借貸	188,541	224,546	–	112,331
		205,661	252,666	–	112,331
Total borrowings	借貸總額	390,481	352,785	144,620	168,800

Terms and maturity of the government loans are as follows:

政府貸款的條款及還款期如下：

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Repayable in 2011, non-interest bearing	須於二零一一年償還，免息	10,000	–
Repayable in 2011 to 2018, interest-bearing at 2.6% per annum	須於二零一一年至二零一八年間償還，以2.6厘年利率計息	3,650	4,100
Repayable on demand, interest-bearing at 7.6% per annum	即其償還，以7.6厘年利率計息	6,000	7,000
Repayable on demand, non-interest bearing	即期償還，免息	670	20,670
		20,320	31,770

Notes to the Consolidated Financial Statements

綜合財務報表附註

18. Borrowings – Group and Company (continued)

The maturity of borrowings is as follows:

	Group 集團		Company 公司	
	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Amounts repayable within a period of: 須於以下期間償還之款項:				
– not exceeding one year 不超過一年	205,661	252,666	–	112,331
– more than one year but not exceeding two years 一年以上，但不超過兩年	92,760	76,919	72,310	56,469
– more than two years but not exceeding five years 兩年以上，但不超過五年	90,660	21,350	72,310	–
– more than five years 五年以上	1,400	1,850	–	–
	390,481	352,785	144,620	168,800

The effective interest rates at the balance sheet date were as follows:

18. 借貸－集團及公司(續)

借貸之還款期如下：

	Group 集團		Company 公司	
	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Government loans 政府貸款	2.7%			2.0%
Bank borrowings 銀行借貸	4.2%			3.6%

The effective interest rates at the balance sheet date were as follows:

於結算日之實際利率如下：

	Group 集團		Company 公司	
	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Government loans 政府貸款	2.7%			2.0%
Bank borrowings 銀行借貸	4.2%			3.6%

The carrying amounts of borrowings approximate their fair values.

貸款的賬面值與其公平值相近。

The carrying amounts of the borrowings are denominated in the following currencies:

貸款的賬面金額以下列貨幣為單位：

	Group 集團		Company 公司	
	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Renminbi 人民幣	192,029	171,770	–	–
Hong Kong dollar 港元	18,702	–	–	–
US dollar 美元	179,750	181,015	144,620	168,800
	390,481	352,785	144,620	168,800

Notes to the Consolidated Financial Statements

綜合財務報表附註

18. Borrowings – Group and Company (continued)

The Group has the following undrawn borrowing facilities:

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Floating rate	浮息		
– expiring within one year	– 一年內到期	271,456	8,309
– expiring beyond one year	– 一年以上到期	58,684	9,362
		330,140	17,671

All bank borrowings are secured, among which bank borrowings of nil (2009: RMB20,000,000) are secured by property, plant and equipment of the Group (Note 7), bank borrowings of RMB159,541,000 (2009: RMB82,215,000) are supported by the corporate guarantees provided by the Company, bank borrowings of RMB210,620,000 (2009: RMB238,801,000) are secured by cross guarantees between subsidiaries.

The exposure of the Group's borrowings to interest-rate changes and the contractual repricing dates at the balance sheet dates are as follows:

18. 借貸—集團及公司(續)

本集團有下列未提取貸款融資：

所有銀行貸款都已擔保，其中無銀行貸款(二零零九年：20,000,000元人民幣)以本集團的物業、廠房及設備(附註7)擔保，銀行貸款159,541,000元人民幣(二零零九年：82,215,000元人民幣)以公司企業支持，銀行貸款210,620,000元人民幣(二零零九年：238,801,000元人民幣)以子公司企業擔保。

於結算日，本集團的貸款在利率變動及合約重新定價日期所承擔的風險如下：

		Group 集團		Company 公司	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
6 months or less	6個月或以下	366,831	328,685	144,620	168,800
6–12 months	6–12個月	20,450	20,450	–	–
1–5 years	1–5年	1,800	1,800	–	–
Over 5 years	5年以上	1,400	1,850	–	–
		390,481	352,785	144,620	168,800

Notes to the Consolidated Financial Statements

綜合財務報表附註

19. Trade payables and bills payable – Group

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Trade payables	應付交易帳款	30,330	18,955
Bills payable	應付票據	126,777	53,869
		157,107	72,824

The aging analysis of trade payables and bills payable is as follows:

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
0 to 30 days	0至30天	35,574	15,730
31 to 60 days	31至60天	33,212	9,496
61 to 90 days	61至90天	25,362	14,842
91 to 180 days	91至180天	62,645	32,262
181 to 365 days	181至365天	10	163
Over 365 days	超過365天	304	331
		157,107	72,824

The carrying amounts of trade payables and bills payable approximate their fair values and are mainly denominated in RMB.

19. 應付交易帳款及應付票據－集團

應付交易帳款及應付票據之帳齡分析如下：

應付交易帳款及應付票據帳面值與其公平值相若，且主要以人民幣為單位。

20. Accruals and other payables – Group and Company

		Group 集團		Company 公司	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Payable for construction and purchase of property, plant and equipment	應付建造及購買物業、廠房及設備費用	3,300	3,189	–	–
Output value-added tax payable	應付銷項增值稅	2,478	5,697	–	–
Accruals for	應計				
– Administrative, selling and marketing expenses	– 行政、銷售及市場推廣費用	12,931	15,816	2,439	1,834
– Government loan interest	– 政府貸款利息	4,093	3,694	–	–
		22,802	28,396	2,439	1,834

The carrying amounts of other payables approximate their fair values and are mainly denominated in RMB.

20. 應計費用及其他應付款項－集團及公司

其他應付款項帳面值與其公平值相若且主要以人民幣列值。

Notes to the Consolidated Financial Statements

綜合財務報表附註

21. Derivative financial instruments – Group and Company 21. 衍生金融工具－集團及公司

		Group 集團		Company 公司	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Interest rate swaps – cash flow hedges	利率掉期 – 現金流量對沖	668	2,750	668	2,750
Total	合計	668	2,750	668	2,750
Less non-current portion: Interest rate swaps – cash flow hedges	減非流動部份: 利率掉期－現金 流量對沖	–	917	–	917
Current portion	流動部份	668	1,833	668	1,833

Trading and structured derivatives for non-hedging purposes are classified as a current liability. The full fair value of a hedging derivative is classified as a non-current liability if the remaining maturity of the hedged item is more than 12 months, and as a current liability if the maturity of the hedge item is less than 12 months.

非對沖之買賣性及結構性衍生工具分類為流動負債。若被對沖項目的剩餘期間超過12個月，則對沖衍生工具的全數公平值分類為非流動負債，而若被對沖項目的剩餘期間少於12個月，則分類為流動負債。

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綜合財務報表附註

22. Deferred tax liabilities – Group

During the year ended 31 December 2009, deferred tax liabilities had been recognised for the withholding tax payable on the profits of the PRC subsidiaries of the Group derived since 1 January 2008 using a tax rate of 10% (2009: 10%). The following amount is shown in the consolidated balance sheet:

Deferred tax liabilities to be settled after more than 12 months

		Withholding tax 代扣所得稅	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
At 1 January	一月一日	10,500	13,500
Credited to the consolidated income statement (Note 27)	在綜合收益表貸記 (附註27)	-	(3,000)
At 31 December	十二月三十一日	10,500	10,500

22. 遞延稅項－集團

於二零零九年十二月三十一日年度，本集團已就其中國附屬公司自二零零八年一月一日產生的盈利於分派時須繳納之代扣所得稅根據10%的稅率（二零零九年：10%）確認遞延稅項負債。於綜合資產負債表上呈列如下：

超過12個月後收回的遞延稅項負債

23. Other (losses)/gains – net

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Realised losses on interest rate swaps-net	利率掉期之變現虧損－淨額	(668)	-
Income on government grants	政府撥款之收入	386	200
Net exchange gains/(losses) (Note 28)	淨匯兌收益／(虧損)(附註28)	197	(745)
Others	其他	(339)	803
		(424)	258

23. 其他(虧損)／收益－淨額

Notes to the Consolidated Financial Statements

綜合財務報表附註

24. Expenses by nature

24. 按性質劃分之開支

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Amortisation of prepaid operating lease payments (Note 6)	預付經營租金款項攤銷(附註6)	310	110
Depreciation (Note 7)	折舊(附註7)	31,207	26,243
Amortisation of intangible assets (Note 8)	無形資產攤銷(附註8)	11,096	8,668
Provision for/(reversal of) impairment of intangible assets (Note 8)	無形資產減值撥備/(撥回)(附註8)	6,000	(856)
Provision for/(reversal of) impairment of inventories (Note 12)	存貨減值撥備/(撥回)(附註12)	1,110	(5,977)
Write-down of inventories (Note 12)	存貨減記(附註12)	332	1,396
Provision for impairment of trade receivables (Note 13)	應收交易帳款減值撥備(附註13)	1,192	126
Reversal of impairment of other receivables (Note 14)	其他應收帳款減值撥回(附註14)	-	(3,000)
Employee benefit expense (Note 25)	僱員福利開支(附註25)	28,900	27,425
Changes in inventories of finished goods and work-in-progress	製成品及在製品存貨變動	22,261	24,491
Raw materials and consumables used	已用原料及消耗品	537,048	427,046
Transportation	運輸	13,069	10,440
Operating lease payments	營運租賃租金	4,033	3,769
Auditor's remuneration	核數師酬金	1,647	1,524
Other expenses	其他費用	85,539	70,333
Total cost of goods sold, selling and marketing costs and administrative expenses	已售貨品成本、銷售及市場推廣成本及行政費用	743,744	591,738

Notes to the Consolidated Financial Statements

綜合財務報表附註

25. Employee benefit expense

25. 僱員福利開支

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Wages, salaries, other allowances and benefits in kind	工資、薪金、其他津貼及實物利益	26,926	24,828
Share options granted to directors and employees (Note 16)	授予董事及僱員之購股權(附註16)	-	243
Pension costs – defined contribution plans (Note a)	退休金成本 – 定額供款計劃(附註a)	1,974	2,354
		28,900	27,425

(a) Pensions – defined contribution plans

As stipulated by rules and regulations in Mainland China, the Group contributes to a state-sponsored retirement plan for its employees in Mainland China, which is a defined contribution plan. The Group and its employees contribute approximately 6% to 14% and 0% to 4%, respectively, of the employees' salary as specified by the local government, and the Group has no further obligations for the actual payment of pensions or post-retirement benefits beyond the annual contributions. The state-sponsored retirement plan is responsible for the entire pension obligations payable to retired employees.

The Group has arranged for its Hong Kong employees to join the Mandatory Provident Fund Scheme (the "MPF Scheme"), a defined contribution scheme managed by an independent trustee. Under the MPF Scheme, each of the Group and its Hong Kong employees makes monthly contributions to the scheme at 5% of the employees' earnings as defined under the Mandatory Provident Fund legislation. Both the Group's and the employees' contributions are subject to a cap of HK\$1,000 per month.

During the year, the aggregate amounts of the Group's contributions to the aforementioned retirement schemes were approximately RMB1,974,000 (2009: RMB2,354,000). As at 31 December 2010, the Group was not entitled to any forfeited contributions to reduce the Group's future contributions.

(a) 退休金成本 – 定額供款計劃

根據中國內地法規，本集團為其中國內地僱員向國家認可之定額供款退休計劃供款。本集團及其僱員分別按地方政府所指定之僱員薪金約6%至14%及0%至4%供款，除作出年度供款外，本集團毋須再承擔實際支付退休金或退休後福利之責任。國家認可之退休金計劃承擔應付予退休僱員之一切退休福利責任。

本集團已安排其香港僱員參與由獨立信託人管理之定額供款計劃強制性公積金計劃(「強積金計劃」)。根據強積金計劃，本集團及其香港僱員須每月按照強制性公積金條例所釐定之僱員收入5%各自向計劃供款，而本集團及僱員每月供款上限為1,000港元。

本年度，本集團有關上述退休金計劃之供款總額約為1,974,000元人民幣(二零零九年：2,354,000元人民幣)。於二零一零年十二月三十一日，本集團並無已沒收供款可用作減少其日後供款。

Notes to the Consolidated Financial Statements

綜合財務報表附註

25. Employee benefit expense (continued)

(b) Directors' emoluments

The remuneration of each director for the year ended 31 December 2010 is set out below:

25. 僱員福利開支(續)

(b) 董事酬金

截至二零一零年十二月三十一日止年度，各董事之酬金載列如下：

Name of Director 董事姓名	Fees 袍金 RMB'000 人民幣千元	Salaries, other allowances and benefits in kind 薪金、 其他津貼 及實物福利	Retirement benefit- defined contribution plans 退休福利— 定額供款計劃	Total 總計 RMB'000 人民幣千元
		RMB'000 人民幣千元	RMB'000 人民幣千元	
Executive directors		執行董事		
Mr. Yang Yirong	—	楊毅融先生 1,786	10	1,796
Mr. Gong Xionghui	—	龔雄輝先生 708	9	717
Ms. Lu Jiahua	—	盧家華女士 904	9	913
Mr. Lin Like	—	林力克先生 896	8	904
Mr. Han Huan Guang	—	韓歡光先生 1,148	10	1,158
Non-executive director		非執行董事		
Mr. Feng Tao	—	馮濤先生 —	—	—
Independent non-executive directors		獨立非執行董事		
Mr. Yau Fook Chuen	189	丘福全先生 15	—	204
Mr. Wong Yik Chung, John	189	黃翼忠先生 15	—	204
Mr. Zheng Lansun	—	鄭蘭蓀先生 —	—	—
	378	5,472	46	5,896

Notes to the Consolidated Financial Statements

綜合財務報表附註

25. Employee benefit expense (continued)

(b) Directors' emoluments (continued)

The remuneration of each director for the year ended 31 December 2009 is set out below:

Name of Director 董事姓名	Fees 袍金 RMB'000 人民幣千元	Salaries, other allowances and benefits in kind 薪金、 其他津貼 及實物福利 RMB'000 人民幣千元	Retirement benefit- defined contribution plans 退休福利— 定額供款計劃 RMB'000 人民幣千元	Share options granted to directors 授予董事 之購股權 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元	
Executive directors						
執行董事						
Mr. Yang Yirong	楊毅融先生	–	1,501	10	5	1,516
Mr. Gong Xionghui	龔雄輝先生	–	712	9	–	721
Ms. Lu Jiahua	盧家華女士	–	713	9	–	722
Mr. Lin Like	林力克先生	–	715	8	38	761
Mr. Han Huan Guang	韓歡光先生	–	1,160	11	38	1,209
Non-executive director						
非執行董事						
Mr. Feng Tao	馮濤先生	–	–	–	38	38
Independent non-executive directors						
獨立非執行董事						
Mr. Yau Fook Chuen	丘福全先生	190	15	–	5	210
Mr. Wong Yik Chung, John	黃翼忠先生	190	15	–	5	210
Mr. Zheng Lansun	鄭蘭蓀先生	–	–	–	5	5
		380	4,831	47	134	5,392

Note:

None of the directors waived any emoluments during the year ended 31 December 2010 (2009: Nil).

25. 僱員福利開支(續)

(b) 董事酬金(續)

截至二零零九年十二月三十一日止年度，各董事之酬金載列如下：

附註：

截至二零一零年十二月三十一日止年度，並無董事放棄任何酬金(二零零九年：無)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

25. Employee benefit expense (continued)

(c) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the years ended 31 December 2010 and 31 December 2009 exclusively comprise the five highest paid directors whose emoluments are reflected in the analysis presented above.

During the years ended 31 December 2010 and 2009, no emoluments were paid to the directors or the five highest paid individuals as an inducement to join or as compensation for loss of office.

25. 僱員福利開支(續)

(c) 五名最高薪人士

本集團截至二零一零年十二月三十一日及二零零九年十二月三十一日止年度之五名最高薪人士之酬金已完全包括於上文分析內之五名最高薪董事。

截至二零一零年及二零零九年十二月三十一日止年度，並無向本公司董事或該五名最高薪人士支付任何酬金，作為吸引彼加盟之獎金或作為離職之補償。

26. Finance income and costs

26. 融資收入及成本

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Interest expense on:	利息開支：		
– Bank borrowings wholly repayable within five years	– 須於五年內全數償還之銀行借貸	(18,594)	(19,196)
– Government loans wholly repayable within five years	– 須於五年內全數償還之政府貸款	(399)	(529)
– Government loans not wholly repayable within five years	– 無須於五年內全數償還之政府貸款	–	(106)
Net foreign exchange gains on financing activities (Note 28)	融資活動的淨匯兌收益(附註28)	1,687	188
		(17,306)	(19,643)
Less: amount capitalised on qualifying assets	減：合資格資產資本化數額	2,527	1,425
Finance costs	融資成本	(14,779)	(18,218)
Finance income	融資收入		
– Interest income on short term bank deposits	– 短期銀行存款的利息收入	2,873	2,182
Net finance costs	淨融資成本	(11,906)	(16,036)

Finance cost capitalised during the year have been calculated by applying a capitalisation rate of 5.2% (2009: 6.1%) per annum on expenditure of qualifying assets.

於二零一零年，合資格資本化的融資成本佔合資格資產開支之5.2%(二零零九年：6.1%)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

27. Income tax expense

27. 所得稅開支

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Current tax	現有稅項		
– Mainland China enterprise income tax	– 中國內地企業所得稅	22,108	16,296
Deferred tax (Note 22)	遞延稅項(附註22)		
– Reversal of withholding tax on profits of the PRC subsidiaries	– 中國附屬公司之利潤須予支付之代扣所得稅撥回	-	(3,000)
		22,108	13,296

Notes:

(a) **Hong Kong profits tax**
No Hong Kong profits tax has been provided as the Group had no assessable profit arising in or derived from Hong Kong.

(b) **Mainland China enterprise income tax**
The subsidiaries established in Xiamen, Fujian Province, Mainland China are subject to Mainland China enterprise income tax at a rate of 22% (2009: 20%). In August 2003, Xiamen Doingcom was accredited as a New High Technology Enterprise and accordingly is exempted from payment of enterprise income tax for two years starting from year 2003. In November 2006, Xiamen Doingcom transformed itself from a domestic enterprise to a wholly foreign owned enterprise. It has obtained approval from Mainland China Tax Bureau to be exempted from enterprise income tax for two years starting from the first year of profitable operations, followed by a 50% reduction in enterprise income tax for the following three years. Xiamen Doingcom has commenced to enjoy its tax holiday in year 2007.

On 16 March 2007, the Fifth Plenary Session of the Tenth National People's Congress passed the Corporate Income Tax Law of the People's Republic of China ("the New Tax Law") which took effect on 1 January 2008. From 1 January 2008, the income tax rate for the operating subsidiaries mentioned above will be gradually changed to the standard rate of 25% over a five-year transition period. According to the Circular 39 passed by the State Council on 26 December 2007, the tax exemption and reduction will be terminated latest by 2012.

(c) **Overseas income taxes**
The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and, accordingly, is exempted from Cayman Islands income tax. The Company's subsidiaries established in the British Virgin Islands are incorporated under the International Business Companies Acts of the British Virgin Islands and, accordingly, are exempted from British Virgin Islands income tax.

(d) **Mainland China value-added tax**
The subsidiaries established in Mainland China are subject to Mainland China value-added tax ("VAT") at 17% (2009: 17%) of revenue from sale of goods in Mainland China and entitled to a VAT export refund at 9% to 13% (2009: 8% to 13%) from sale of goods outside Mainland China. Input VAT paid on purchases can be used to offset output VAT levied on sales to determine the net VAT recoverable/payable.

(e) **Withholding tax**
Pursuant to the New Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between China and the jurisdiction of the foreign investors. Withholding taxes are payable on dividends distributed/to be distributed by those subsidiaries and an associate established in Mainland China in respect of earnings generated from 1 January 2008.

附註：

(a) **香港利得稅**
由於本集團並無在香港獲得或賺取應課稅溢利，因此並無就香港利得稅作出撥備。

(b) **中國內地企業所得稅**
於中國內地福建省廈門成立之附屬公司須按22% (二零零九年：20%)之稅率繳納中國內地企業所得稅。二零零三年八月，廈門中坤化學有限公司獲認可為高新技術企業，因此獲自二零零三起豁免繳納企業所得稅兩年。二零零六年十一月，廈門中坤化學有限公司由內資企業轉為全外資企業，並且獲得中國內地稅務局豁免自首個獲利年度起繳納企業所得稅兩年，其後三年之企業所得稅則減半。廈門中坤化學有限公司在二零零七年啟用該項稅收優惠。

於二零零七年三月十六日，第十屆全國人民代表大會第五次會議通過於二零零八年一月一日施行的《中華人民共和國企業所得稅法》(「新稅法」)。從二零零八年一月一日起，上述營運附屬公司將於五年過渡期內逐步轉變為標準率25%。根據國務院於二零零七年十二月二十六日通過的國法39號通知，稅項豁免及減免最遲將於二零一二年終止。

(c) **海外所得稅**
本公司根據開曼群島公司法在開曼群島註冊成立為獲豁免有限公司，因此獲豁免繳納開曼群島所得稅。本公司在英屬處女群島成立之附屬公司乃根據英屬處女群島國際商業公司法註冊成立，因此獲豁免繳納英屬處女群島所得稅。

(d) **中國內地增值稅**
於中國內地成立之附屬公司在中國內地及境外銷售貨品之收入須分別按17% (二零零九年：17%)，繳納中國內地增值稅(「增值稅」)，但其出口銷售可享受增值稅出口退稅的待遇(退稅率為9%至13% (2009：8%至13%))。計算可收回/應付增值稅淨額時，採購時支付之進項增值稅可用作抵銷出售時徵收之銷項增值稅。

(e) **代扣所得稅**
根據新稅法，自二零零八年一月一日起，自中國分配給外商投資者的股息應按10%的稅率代扣繳所得稅。該法令從二零零八年一月一日起生效，並適用於二零零七年十二月三十一日之後所產生利潤的分配。如果中國與外商投資者所在地區已達成稅收協定，則可採用更低的代扣繳所得稅稅率。本集團使用的稅率為10%。因此，自二零零八年一月一日起，本集團按照設立在中國的附屬公司及聯營企業所產生利潤確認遞延所得稅負債。

Notes to the Consolidated Financial Statements

綜合財務報表附註

27. Income tax expense (continued)

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the relevant enterprise income tax rate in Mainland China, where substantially all of the Group's profit was earned, and the reconciliation is as follows:

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Profit before income tax	除所得稅前溢利	152,177	120,978
Tax calculated at domestic tax rates applicable to profits in the respective countries	按相關國家溢利適用之本地稅率計算之稅項	20,854	15,771
Expense not deductible to tax	不可扣稅的費用	660	-
Income not subject to tax	毋須課稅收入	-	(1,050)
Under provision in previous year	以前年度多計之所得稅	1,383	-
Reversal of withholding tax on dividends of the PRC subsidiaries	中國附屬公司之股息須予支付之代扣所得稅撥回	-	(3,000)
Utilization of previously unrecognised tax losses	使用早前未確認的稅損	(1,581)	-
Tax losses for which no deferred income tax asset was recognised	並無確認遞延所得稅資產所產生稅項虧損	792	1,575
Income tax expense	所得稅項開支	22,108	13,296

The weighted average applicable tax rate was 13.7% (2009: 13.0%).

As at 31 December 2010, the Group has unrecognised tax losses of approximately RMB99,072,000 (2009: RMB103,435,000), which can be carried forward to offset against future taxable income. Included in the tax losses as at 31 December 2010 was a loss of RMB17,398,000 (2009: RMB25,423,000) that will expire during the period from 2011 to 2015 (2009: 2010 to 2014), while other losses can be carried forward indefinitely. The deferred tax benefit of such tax losses has not been recognised as it is not probable that future taxable profit will be available against which the unutilised tax losses can be utilised, or the amounts attributable to specific subsidiaries are insignificant.

27. 所得稅開支(續)

以本集團除所得稅前溢利計算之稅項，與按照本集團所得絕大部分溢利來源地中國相關之內地企業所得稅稅率計算之理論數額有差異，對帳如下：

適用加權平均稅率為 13.7% (二零零九年：13.0%)。

於二零一零年十二月三十一日，本集團有未確認稅務虧損約99,072,000元人民幣(二零零九年：103,435,000元人民幣)，可結轉抵銷未來應課稅收入。於二零一零年十二月三十一日之稅務虧損包括虧損17,398,000元人民幣(二零零九年：25,423,000元人民幣)，結轉期將於二零一一年至二零一五年(二零零九年：二零一零年至二零一四年)間屆滿，其他虧損則可無限期結轉。由於並不肯定未來有應課稅溢利而可以未動用之稅務虧損抵銷，或該金額對個別子公司微不足道，因此上述稅務虧損之遞延稅項利益並無確認入帳。

Notes to the Consolidated Financial Statements

綜合財務報表附註

28. Net foreign exchange gains/(losses)

The exchange differences credited/(charged) in the consolidated income statement are included as follows:

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Net exchange gains/(losses) (Note 23)	淨匯兌收益／(虧損)(附註23)	197	(745)
Net foreign exchange gains from financing activities (Note 26)	融資活動的淨匯兌收益 (附註26)	1,687	188
		1,884	(557)

29. Profit attributable to equity holders of the Company

The profit attributable to equity holders of the Company is dealt with in the financial statements of the Company to the extent of RMB7,314,000 (2009: profit RMB4,426,000).

30. Earnings per share

Basic

Basic earnings per share is calculated by dividing profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Profit attributable to equity holders of the Company (RMB'000)	本公司權益持有人應佔溢利 (人民幣千元)	130,103	107,471
Weighted average number of ordinary shares in issue (thousands)	已發行普通股加權平均數 (千股)	465,210	465,210
Basic earnings per share (RMB per share)	每股基本盈利(每股人民幣)	28.0 Cents 仙	23.1 Cents仙

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The dilutive potential ordinary shares of the Company mainly comprise the share options. A calculation is made in order to determine the number of shares that could have been acquired at fair value (determined as the average monthly market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

28. 匯兌收益／(虧損)淨額

在綜合收益表中記入／(扣除)的匯兌差額包括在下列項目內:

29. 本公司權益持有人應佔溢利

於本公司財務報表處理之本公司權益持有人應佔溢利為7,314,000元人民幣(二零零九年: 4,426,000元人民幣)。

30. 每股盈利

基本

每股基本盈利乃根據本公司權益持有人應佔溢利除年內已發行普通股加權平均數計算。

攤薄

每股攤薄盈利假設所有可攤薄的潛在普通股被兌換後，根據已發行普通股的加權平均股數計算。本公司可攤薄的潛在普通股主要包括購股權。根據未行使購股權所附的認購權的貨幣價值，釐定按公平值(釐定為本公司股份的平均月度市價)可購入的股份數目。按以上方式計算的股份數目，與假設購股權行使而應已發行的股份數目作出比較。

Notes to the Consolidated Financial Statements

綜合財務報表附註

30. Earnings per share (continued)

Diluted (continued)

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Profit attributable to equity holders of the Company (RMB'000)	本公司權益持有人應佔盈利(人民幣千元)	130,103	107,471
Weighted average number of ordinary shares in issue (thousands)	已發行普通股的加權平均數(千計)	465,210	465,210
Adjustments assuming the exercise of share options (thousands)	假設購股權被行使的調整(千計)	11,292	4,172
Weighted average number of ordinary shares for diluted earnings per share (thousands)	計算每股攤薄盈利的普通股的加權平均數(千計)	476,502	469,382
Diluted earnings per share (RMB per share)	每股攤薄盈利(每股人民幣)	27.3 Cents仙	22.9 Cents仙

31. Dividends

During the year ended 31 December 2010, a final dividend for the year ended 31 December 2009 of RMB12,274,000 (HK3 cents/share) (2009: 2008 final dividend of RMB11,888,000 (HK2.9 cents/share)) and an interim dividend for the year ended 31 December 2010 of RMB3,583,000 (HK0.88 cents/share) (2009: 2009 interim dividend of RMB3,279,000 (HK0.8 cents/share)), were paid by the Company, totalling RMB15,857,000 (2009: RMB15,167,000).

A final dividend in respect of the year ended 31 December 2010 of HK3.8 cents per share, totalling approximately of RMB15,434,000, is to be proposed at the forthcoming annual general meeting. These financial statements do not reflect such dividend payable.

30. 每股盈利(續)

攤薄(續)

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Profit attributable to equity holders of the Company (RMB'000)	本公司權益持有人應佔盈利(人民幣千元)	130,103	107,471
Weighted average number of ordinary shares in issue (thousands)	已發行普通股的加權平均數(千計)	465,210	465,210
Adjustments assuming the exercise of share options (thousands)	假設購股權被行使的調整(千計)	11,292	4,172
Weighted average number of ordinary shares for diluted earnings per share (thousands)	計算每股攤薄盈利的普通股的加權平均數(千計)	476,502	469,382
Diluted earnings per share (RMB per share)	每股攤薄盈利(每股人民幣)	27.3 Cents仙	22.9 Cents仙

31. 股息

於截至二零一零年十二月三十一日止年度內，本公司共支付15,857,000元人民幣(二零零九年：15,167,000元人民幣)之股息，分別包括12,274,000元人民幣(每股3港仙)之二零零九年末期股息(二零零九年：11,888,000元人民幣(每股2.9港仙)之二零零八年末期股息)和3,583,000元人民幣(每股0.88港仙)之二零零九年年中期股息(二零零九年：3,279,000元人民幣(每股0.8港仙)之二零零九年年中期股息)。

於即將舉行之股東週年大會上，有關截至二零一零年十二月三十一日止年度擬派末期股息每股3.8港仙，合共約15,434,000元人民幣。財務報表並無反映此應付股息。

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Interim dividend paid of HK0.88 cents (2009: HK0.8 cents) per ordinary share	已派中期股息每股普通股0.88港仙(二零零九年：0.8港仙)	3,583	3,279
Proposed final dividend of HK3.8 cents (2009: HK3.0 cents) per ordinary share	擬派末期股息每股普通股3.8港仙(二零零九年：3.0港仙)	15,434	12,274
		19,017	15,553

Notes to the Consolidated Financial Statements

綜合財務報表附註

32. Cash generated from operations

32. 經營業務產生之現金

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Profit for the year	本年度溢利	130,069	107,682
Adjustments for:	按下列各項調整：		
– Income tax expense (Note 27)	– 所得稅開支(附註27)	22,108	13,296
– Depreciation (Note 7)	– 折舊(附註7)	31,207	26,243
– Amortisation of:	– 攤銷以下各項：		
– Land use rights (Note 6)	– 土地使用權(附註6)	310	110
– Intangible assets (Note 8)	– 無形資產(附註8)	11,096	8,668
– Provision for/(reversal of) impairment of intangible assets (Note 8)	– 無形資產減值撥備/(撥回)(附註8)	6,000	(856)
– Loss on disposal of property, plant and equipment (see below)	– 出售物業、廠房及設備之虧損(見下文)	4	15
– Income on government grants	– 政府撥款之收入	(386)	(200)
– Employee share option costs (Note 25)	– 僱員購股權成本(附註25)	–	243
– Interest income (Note 26)	– 利息收入(附註26)	(2,873)	(2,182)
– Interest expense on bank borrowings and government loans (Note 26)	– 銀行借貸及政府貸款之利息開支(附註26)	16,466	16,272
– Realised loss on interest rate swap-net	– 利率掉期之變現虧損–淨額	668	–
– Impairment of available-for-sale financial assets (note 11)	– 可供出售金融資產減值撥備(附註11)	200	–
Changes in working capital:	營運資金變動：		
– Inventories	– 存貨	(43,313)	3,962
– Trade receivables	– 應收交易帳款	(87,086)	(11,221)
– Prepayments and other receivables	– 預付款項及其他應收款項	(54,110)	36,005
– Pledged bank deposits	– 已抵押銀行存款	(30,839)	10,242
– Trade payables and bills payable	– 應付交易帳款及應付票據	84,283	3,060
– Accruals and other payables	– 應計費用及其他應付款項	(5,594)	(3,464)
Cash generated from operations	經營業務產生之現金	78,210	207,875

In the consolidated cash flow statement, proceeds from disposal of property, plant and equipment comprise:

於綜合現金流量表，出售物業、廠房及設備所得款項包括以下各項：

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Net book amount (Note 7)	帳面淨值(附註7)	4	15
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	(4)	(15)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	–	–

Notes to the Consolidated Financial Statements

綜合財務報表附註

33. Commitments

(a) Capital commitments

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Authorised and contracted but not provided for	已授權及訂約但未撥備		
- Construction-in-progress and property, plant and equipment	- 在建工程以及物業、廠房及設備	10,590	9,009
- Product development projects	- 產品開發計劃	12,700	10,400
- Land use rights	- 土地使用權	1,915	1,915
		25,205	21,324

(b) Operating lease commitments

The Group leases certain premises under non-cancellable operating lease agreements in respect of property, plant and equipment. The lease have varying terms, escalation clauses and renewal rights. The lease expenditure expensed in the consolidated income statement during the year is disclosed in Note 24.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

33. 承擔

(a) 資本承擔

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Authorised and contracted but not provided for	已授權及訂約但未撥備		
- Construction-in-progress and property, plant and equipment	- 在建工程以及物業、廠房及設備	10,590	9,009
- Product development projects	- 產品開發計劃	12,700	10,400
- Land use rights	- 土地使用權	1,915	1,915
		25,205	21,324

(b) 經營租約承擔

本集團根據多份不可撤銷經營租約協議租賃若干物業。該等租約之條款、租金調整條款及續約權利不一。年內於綜合收益表支銷之租賃開支在附註24披露。

本集團根據不可撤銷經營租約之未來最低租金總額如下：

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Not later than 1 year	不超過一年	3,334	2,772
Later than 1 year and not later than 5 years	超過一年但不超過五年	4,006	5,770
Later than 5 years	超過五年	12,000	15,360
		19,340	23,902

34. Contingent liabilities

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

As at 31 December 2010, the Company has provided corporate guarantees in respect of banking facilities granted to certain subsidiaries amounting to RMB343,641,000 (2009: RMB103,242,000).

34. 或然負債

於二零一零年十二月三十一日，本集團概無任何重大之或然負債。

於二零一零年十二月三十一日，本公司就授予某些附屬公司343,641,000元人民幣(二零零九年：103,242,000元人民幣)的銀行融資額度作出公司擔保。

Notes to the Consolidated Financial Statements

綜合財務報表附註

35. Related party transactions

The Company is 42.0% owned by Marietta Limited (incorporated in the British Virgin Islands) which is owned by Mr. Yang Yirong.

The following transactions were carried out with related parties:

(a) Key management compensation

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Salaries and other short-term employee benefits	薪金及其他短期僱員福利	6,529	5,902
Share-based payments	以股份為基礎的支付	-	134
		6,529	6,036

(b) Details of the amount due to a director are:

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Mr. Yang Yirong	楊毅融先生	962	996

Balances with directors were unsecured and non-interest bearing, and are repayable on demand.

No advances were made to Mr. Yang Yirong during the year ended 31 December 2010 and 31 December 2009.

35. 有關連人士交易

本公司42.0%權益由一間楊毅融先生持有之英屬處女群島註冊成立之公司—Marietta Limited擁有。

下列為與有關連人士進行之交易：

(a) 主要管理人員酬金

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Salaries and other short-term employee benefits	薪金及其他短期僱員福利	6,529	5,902
Share-based payments	以股份為基礎的支付	-	134
		6,529	6,036

(b) 應付一董事款項詳情如下：

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Mr. Yang Yirong	楊毅融先生	962	996

董事之結餘為無抵押且免息及須應要求償還。

截至二零一零年十二月三十一日及二零零九年十二月三十一日止年度，本集團並無向楊毅融先生墊付款項。

Financial Summary

財務概要

Results

業績

		Year ended 31 December 截至十二月三十一日止年度				2010
		2006	2007	2008	2009	2010
		二零零六年	二零零七年	二零零八年	二零零九年	二零一零年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Turnover	銷售	532,975	612,159	739,973	728,494	908,251
Operating profit	經營溢利	105,592	140,119	140,745	137,014	164,083
Finance costs	融資成本	(1,175)	(2,071)	(6,776)	(16,036)	(11,906)
Profit before income tax	除所得稅前溢利	104,417	138,048	133,969	120,978	152,177
Income tax expense	所得稅	(8,982)	(7,514)	(19,513)	(13,296)	(22,108)
Profit for the year	本年度溢利	95,435	130,534	114,456	107,682	130,069
Dividends	股息	14,226	19,297	16,818	15,553	19,017
Attributable to:	應佔：					
Equity holders of the Company	本公司權益持有人	95,440	130,465	114,237	107,471	130,103
Non-controlling interests	非控制性權益	(5)	69	219	211	(34)
		95,435	130,534	114,456	107,682	130,069

Financial Positions

財務狀況

		Year ended 31 December 截至十二月三十一日止年度				2010
		2006	2007	2008	2009	2010
		二零零六年	二零零七年	二零零八年	二零零九年	二零一零年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Non-current assets	非流動資產	254,524	386,327	444,040	453,365	461,494
Current assets	流動資產	540,371	564,742	773,620	862,757	1,087,770
Total assets	資產總值	794,895	951,069	1,217,660	1,316,122	1,549,264
Total equity	總權益	533,060	663,807	748,972	843,985	960,978
Non-current liabilities	非流動負債	11,698	58,121	242,970	111,536	195,320
Current liabilities	流動負債	250,137	229,141	225,718	360,601	392,966
Total liabilities	負債總額	261,835	287,262	468,688	472,137	588,286
Total liabilities and equity	總負債及權益	794,895	951,069	1,217,660	1,316,122	1,549,264
Net current assets	流動資產淨值	290,234	335,601	547,902	502,156	694,804
Total assets less current liabilities	總資產減流動負債	544,758	721,928	991,942	955,521	1,156,298



EcoGreen Fine Chemicals Group Limited
中怡精細化工集團有限公司*

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