



Solargiga Energy

Solargiga Energy Holdings Limited

陽光能源控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份編號 : 757

Growing Steadily
With Total Integration

縱橫結合
穩步發展

Annual Report 2010 年報



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Corporate Information

公司資料

Board of Directors

Executive Directors

Mr. TAN Wenhua
(appointed as Chairman with effect from 28 March 2011)
Mr. HSU You Yuan
Ms. ZHANG Liming

Non-executive Directors

Mr. CHIAO Ping Hai
(resigned as Chairman with effect from 28 March 2011)
Mr. CHONG Kin Ngai

Independent Non-executive Directors

Mr. WONG Wing Kuen, Albert
Ms. FU Shuangye
Dr. LIN Wen
Mr. ZHANG Chun

Company Secretary

Chow Yiu Ming

Audit Committee

Wong Wing Kuen, Albert (Chairman)
Fu Shuangye
Lin Wen
Zhang Chun
Chong Kin Ngai

Remuneration Committee

Fu Shuangye (Chairman)
Wong Wing Kuen, Albert
Lin Wen
Zhang Chun
Tan Wenhua

Nomination Committee

Lin Wen (Chairman)
Wong Wing Kuen, Albert
Fu Shuangye
Zhang Chun
Hsu You Yuan

Auditor

KPMG

董事會

執行董事

譚文華先生
(於二零一一年三月二十八日起獲委任為主席)
許祐淵先生
張麗明女士

非執行董事

焦平海先生
(於二零一一年三月二十八日辭任主席)
莊堅毅先生

獨立非執行董事

王永權先生
符霜葉女士
林文博士
張椿先生

公司秘書

鄒耀明

審核委員會

王永權(主席)
符霜葉
林文
張椿
莊堅毅

薪酬委員會

符霜葉(主席)
王永權
林文
張椿
譚文華

提名委員會

林文(主席)
王永權
符霜葉
張椿
許祐淵

核數師

畢馬威會計師事務所

Principal Bankers

Bank of Jinzhou
China Development Bank
China Construction Bank
China CITIC Bank
Guangdong Development Bank
Huaxia Bank
Agricultural Bank of China
Industrial and Commercial Bank of China

Registered Office

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

Head Office and Principal Place of Business in Hong Kong

Room 1402, Harbour Centre
25 Harbour Road
Wanchai
Hong Kong

Principal Share Registrar

Butterfield Fund Services (Cayman) Limited
Butterfield House
68 Fort Street, P.O. Box 705
Grand Cayman, KY1-1107
Cayman Islands

Hong Kong Share Registrar

Computershare Hong Kong Investor Services Limited
Rooms 1712-16, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

Authorised Representatives

Hsu You Yuan
Chow Yiu Ming

Investor Relations Consultant

Porda Havas International Finance Communications Group

Corporate Website

www.solargiga.com

主要往來銀行

錦州銀行
國家開發銀行
中國建設銀行
中信銀行
廣東發展銀行
華夏銀行
中國農業銀行
中國工商銀行

註冊辦事處

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

香港總辦事處暨主要營業地址

香港
灣仔
港灣道25號
海港中心1402室

股份過戶登記總處

Butterfield Fund Services (Cayman) Limited
Butterfield House
68 Fort Street, P.O. Box 705
Grand Cayman, KY1-1107
Cayman Islands

股份過戶登記處香港分處

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

法定代表

許祐淵
鄒耀明

投資者關係顧問

博達浩華國際財經傳訊集團

企業網站

www.solargiga.com

Company Profile

公司簡介



Solargiga Energy Holdings Limited (the "Company", together with its subsidiaries collectively the "Group", stock code: 757) is a leading manufacturer of monocrystalline silicon solar ingots and wafers in the People's Republic of China (the "PRC"). Its products are used for the manufacture of photovoltaic cells which are important components of solar energy generation systems.

During the year, the Group was engaged in five main businesses:

- the manufacturing and sales of monocrystalline and multicrystalline silicon solar ingots and wafers;
- the processing of silicon solar ingots and wafers;
- the upgrading and trading of polysilicon;
- the production and sales of photovoltaic modules; and
- the design and installation of photovoltaic systems.

In September 2010, Solargiga has commenced the development of a 400MW monocrystalline silicon solar ingot production line in Xining, Qinghai Province, in which the Group owns 51% controlling interest.

In November 2010, Solargiga has entered into another development project so as to build a 500MW multicrystalline silicon solar ingot and wafer production plant in Jinzhou, Liaoning Province, in which the Group owns 37% interest.

Also, the Group has entered into downstream solar cell business through acquisition in Jinzhou which has an annual production capacity of 300MW. The acquisition has been subsequently completed in January 2011.

Currently, our integrated business model includes monocrystalline silicon solar ingot production with annual capacity of approximately 800MW, monocrystalline silicon solar wafer production with annual capacity of approximately 600MW, as well as photovoltaic cells and modules productions with annual capacity of approximately 300MW and 50MW, respectively. In addition, the Group operates polysilicon reclaiming and upgrading facilities in Shanghai and Jinzhou.

Upon the completion of the 400MW monocrystalline silicon solar ingot production line in Xining as well as the 500MW multicrystalline silicon solar ingot and wafer production plant in Jinzhou, Solargiga will move a step closer to be the world's largest monocrystalline silicon solar ingot and wafer producer as well as one of the key players in multicrystalline silicon solar product business through rapid capacity expansion and technology upgrade. The Group also extended its business gradually to downstream photovoltaic cell, module and system installation businesses to realise vertical integration.

陽光能源控股有限公司(「本公司」, 連同其附屬公司統稱「本集團」, 股份代號: 757)為中華人民共和國(「中國」)領先的太陽能單晶硅錠及硅片製造商。其產品用於製造光伏電池, 而光伏電池為太陽能發電系統的重要組件。

年內, 本集團從事的五項主要業務分別為:

- 製造及銷售太陽能單晶及多晶硅錠及硅片;
- 提供太陽能硅錠及硅片的加工服務;
- 改良及買賣多晶硅料;
- 製造及銷售光伏模組; 及
- 設計及安裝光伏系統。

於二零一零年九月, 陽光能源開始於青海省西寧市開發一條400兆瓦(400MW)的太陽能單晶硅錠生產線, 本集團擁有其51%控股權益。

於二零一零年十一月, 陽光能源已進行另一發展項目, 於遼寧省錦州市興建一個500兆瓦(500MW)的太陽能多晶硅錠及硅片生產廠房, 本集團擁有其37%權益。

此外, 本集團已透過於錦州進行的收購進軍下游太陽能電池業務, 其年產能為300兆瓦(300MW)。收購其後已於二零一一年一月完成。

目前, 本集團的整合業務模式包括年產量約800兆瓦(800MW)的太陽能單晶硅錠生產業務、年產能約600兆瓦(600MW)的太陽能單晶硅片生產業務, 以及年產能分別約300兆瓦(300MW)及50兆瓦(50MW)的光伏電池及模組生產業務。此外, 本集團於上海及錦州經營多晶硅回收及改良設施。

於西寧的400兆瓦(400MW)單晶硅錠生產線及錦州的500兆瓦(500MW)太陽能多晶硅錠及硅片生產廠房落成後, 陽光能源將因產能及技術得快速擴展及提升, 朝著成為全球最大太陽能單晶硅錠及硅片生產商及太陽能多晶硅產品主要參予者的目標邁進一步。為實現垂直整合, 本集團亦逐步將業務擴展至下游光伏電池、模組及系統安裝業務。

Financial Highlights

財務摘要

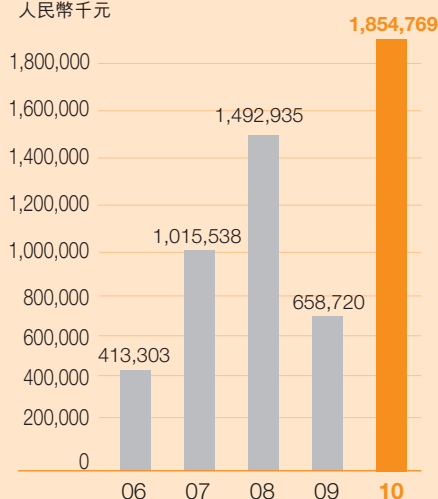
(For the year ended 31 December)
(截至十二月三十一日止年度)

Five-Year Financial Summary 五年財務摘要

| RMB'000 | 人民幣千元 | 2006 二零零六年 | 2007 二零零七年 | 2008 二零零八年 | 2009 二零零九年 | 2010 二零一零年 |
|---|--------------------|---------------|---------------|---------------|---------------|------------------|
| Turnover | 營業額 | 413,303 | 1,015,538 | 1,492,935 | 658,720 | 1,854,769 |
| Gross profit/(loss) | 毛利/(毛損) | 169,063 | 323,126 | 225,510 | (5,780) | 413,243 |
| Profit/(loss) from operations | 經營利潤/(虧損) | 156,025 | 344,673 | 120,660 | (98,824) | 300,897 |
| Profit/(loss) attributable to equity shareholders | 權益股東應佔利潤/(虧損) | 109,670 | 292,241 | 83,379 | (98,098) | 214,121 |
| Basic earnings/(loss) per share (RMB cents) | 每股基本盈利/(虧損) (人民幣分) | 21.85 | 20.33 | 5.12 | (5.75) | 11.85 |
| Non-current assets | 非流動資產 | 134,500 | 277,879 | 759,550 | 921,054 | 1,502,677 |
| Current assets | 流動資產 | 264,935 | 673,996 | 1,015,860 | 1,126,895 | 1,540,546 |
| Current liabilities | 流動負債 | 129,285 | 289,521 | 471,328 | 495,472 | 1,113,576 |
| Non-current liabilities | 非流動負債 | 15,344 | 29,637 | 40,568 | 145,197 | 283,932 |
| Net assets | 資產淨值 | 254,806 | 632,717 | 1,263,514 | 1,407,280 | 1,645,715 |

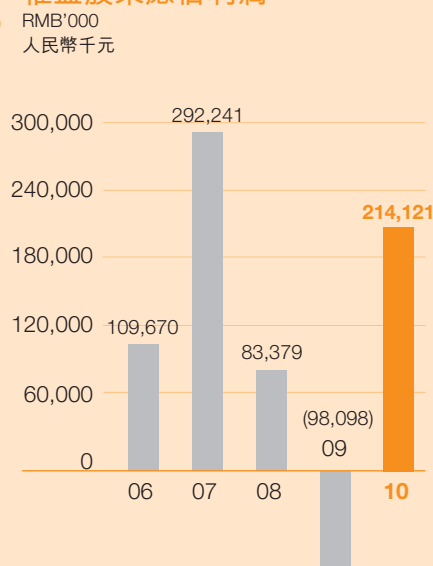
Turnover

營業額
RMB'000
人民幣千元



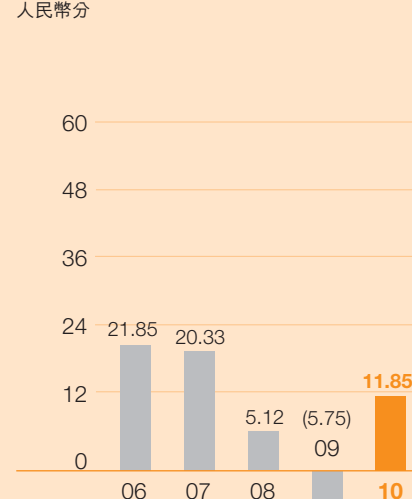
Profit Attributable to Equity Shareholders

權益股東應佔利潤
RMB'000
人民幣千元



Basic Earnings Per Share

每股基本盈利
RMB cents
人民幣分



Note:

- The results of the Group for the year ended 31 December 2006 and the balance sheet items of the Group as at 31 December 2006 are extracted from the Company's prospectus dated 17 March 2008.
- The gross profit/(loss) for the years ended 31 December 2008 and 2009 included inventory write-down of RMB220.2 million and RMB172.6 million, respectively.

附註：

- 本集團截至二零零六年十二月三十一日止年度的業績及本集團於二零零六年十二月三十一日的資產負債表項目乃取材自本公司日期為二零零八年三月十七日的招股章程。
- 截至二零零八年及二零零九年十二月三十一日止年度的毛利/(毛損)包括存貨撇減分別人民幣220.2百萬元及人民幣172.6百萬元。

持續發展

創建成就

Fostering Sustainable Growth to Realise Success

With the Chinese government's approval of the "Twelfth Five year Plan", as well as the policies carried out by different countries and organisations around the world to encourage the development of solar energy industry, there will be bright prospects for the solar energy industry. The Group will continue to strengthen ourselves to promote our competitiveness gradually, and to provide long term prosperous results to our shareholders for their support.

隨著中國政府通過「十二五」規劃，加上全球各國及組織推行鼓勵太陽能產業發展的措施，太陽能產業的發展前景不可限量。本集團將繼續積極自強，逐步提升本集團的競爭力，以長遠而優秀的業績回饋股東支持。



Chairman's Statement

主席報告書



TAN Wenhua, *Executive Director and Chairman*
譚文華，執行董事兼主席

Dear honourable shareholders,

On behalf of the board of directors ("Board") of Solargiga Energy Holdings Limited ("Solargiga" or the "Company", together with its subsidiaries referred to as the "Group"), I hereby present the annual report of the Company for the year ended 31 December 2010.

The global economy has gradually recovered from the haze of the global financial crisis. The prices for upstream materials and downstream products have been stable since early 2010, while market demand increased gradually. As there were enormous opportunities within the solar energy industry, the Group actively enhanced its competitive advantages and gradually increased its production capacity, bringing strong growth momentum to the financial results of the Group. During the year under review, the Group's turnover reached a record high since its listing with approximately of RMB1,854.769 million, representing an increase of 181.6% compared with 2009. Gross profit and net profit attributable to equity shareholders for the year were approximately RMB413.243 million and RMB214.121 million respectively.

During the year, through several investments, the Group not only strengthened its leading position in producing monocrystalline silicon solar ingots and wafers, but also stepped further in its pursuit of becoming a major participant in the production of multicrystalline silicon solar ingots and wafers. By exploring opportunities in the downstream business of producing solar cells, together with the maturing photovoltaic modules production and system installation businesses, the outline of the Group's vertical integration business model has been finished, which represents an important step toward its goal of being a leading enterprise in the global solar energy industry.

各位尊敬的股東：

本人謹代表陽光能源控股有限公司（「陽光能源」或「公司」），連同其附屬公司「本集團」董事會全人，向各位股東提呈本公司截至二零一零年十二月三十一日止年度之年度報告。

全球經濟已逐步走出環球金融危機的陰霾，自二零一零年初至今，太陽能行業上游原料及下游產品價格逐漸穩定，市場需求亦穩步增加。面對太陽能產業的龐大發展機會，本集團積極地擴大競爭優勢，有序地提升生產能力，為業績帶來強大的增長動力。回顧年度內，本集團錄得營業額約人民幣1,854.769百萬元，較二零零九年增加181.6%，再創上市以來的新高。本年度毛利及權益股東應佔純利分別約人民幣413.243百萬元及人民幣214.121百萬元。

年內，本集團通過多項投資，不但鞏固了生產太陽能單晶硅錠及硅片的領先地位，亦進一步向著成為生產太陽能多晶硅錠及硅片的主要參予者以及開拓下游太陽能電池生產的目標前進。連同日趨成熟的光電組件生產以及系統安裝業務，垂直整合的經營模式已漸見雛形，使本集團朝着成為全球太陽能產業領先企業的目標邁進重要一步。

During the year under review, Solargiga entered into an agreement with the management committee of Xining Economic & Technology Development Zone to invest 51% equity interest in Qinghai Chengguang, of which the name has been changed to Solargiga Energy (Qinghai) Co., Ltd. (陽光能源(青海)有限公司) upon capital injection, with an aim to jointly invest in constructing a factory with 192 sets of monocrystalline silicon solar ingot pullers. Upon the completion of construction, the annual production capacity of monocrystalline silicon solar ingots of the Group will be increased to 1.2GW, bringing the Group to become a major manufacturer of monocrystalline silicon solar ingots in the world. On the other hand, by entering into a cooperation framework agreement with Liaoning Oxiranchem, Inc. (遼寧奧克化學股份有限公司) to establish a joint venture, which the Group has 37% interest, and jointly invest in a 500MW multicrystalline silicon solar ingots and wafers project, the Group has expanded its business to the production of multicrystalline silicon solar ingots and wafers. The production capacity of the joint venture has been included in the sales plan of the Group. The two projects mentioned above provided the Group with a solid platform and resources for production capacity expansion of monocrystalline products as well as the lateral integration and development of multicrystalline product business. Furthermore, the Group has placed more effort on developing downstream solar energy business to gradually implement its vertical integration business strategy via its business in the installation of solar energy photovoltaic modules and systems through its 51% controlling interest in Jinzhou Jinmao Photovoltaic Technology Company Limited, and its contemplation of the entire equity interest in Sino Light Investments Limited ("Sino Light"), whereby the acquisition was completed in January 2011. Sino Light and its subsidiaries are principally engaged in the manufacture of solar cells with current production capacity of 300MW. The Group not only endeavoured to realise a balanced lateral and vertical business development, but also actively strengthened its marketing effort, and secured long-term sales order with well-known domestic and foreign enterprises during the year. Furthermore, the Group has also signed long-term polysilicon supply agreements with internationally renowned polysilicon suppliers to ensure the stable supply of polysilicon raw materials for the next few years and to control costs, so as to support the long-term stable development of the Group.

回顧年內，陽光能源與西寧經濟技術開發區管理委員會簽訂協議，投資於青海辰光51%股權，並於出資後更名為陽光能源(青海)有限公司，共同投資建設廠房並安裝192台單晶爐。建成後，陽光能源單晶硅錠的年總產能將提升至1.2吉瓦(1.2GW)，成為世界主要的太陽能單晶硅錠製造商。另一方面，本集團開拓了生產太陽能多晶硅錠及硅片的業務，與遼寧奧克化學股份有限公司簽訂合作框架協議成立合營公司，其中本集團控股37%，共同投資建設500兆瓦(500MW)太陽能多晶硅錠及硅片項目，該合營公司產能納入陽光能源的銷售計畫內。以上兩個項目為集團在未來進一步進行單晶產品的擴產以及多晶產品的橫向整合和發展提供了建設平台及資源基礎。此外，本集團亦通過控股51%的錦州錦懋光伏科技有限公司開拓太陽能光電組件及系統安裝業務，以及考慮收購華光投資有限公司(「華光」，其與其附屬公司主要從事太陽能電池製造業務，目前產能為300兆瓦(300MW))全數權益，有關收購已於二零一一年一月完成。以加大發展太陽能下游業務的力度，並逐步實現垂直整合的業務策略。除致力實現橫向與垂直並重的業務發展外，本集團亦積極加強營銷力度，並於年內促成與中外知名企業簽下長期銷售訂單；另外，集團也與世界知名的多晶硅料供應商簽訂多晶硅料長期供貨協議，確保未來幾年多晶硅原材料供應及成本控制，以支持集團的長遠穩定發展。

2010 is a year of breakthrough for the solar energy industry in the PRC. Although Europe is still the greatest solar cells market in the world, Newly added production capacity in the PRC has raised to the top in the world. According to the "PV Status Report 2010" issued by the European Commission Joint Research Center, at present, the solar cell production capacity of manufacturers from the PRC and Taiwan in aggregate has accounted for half of the world's production capacity for solar cells. Also, the PRC government continued its policies to support the solar energy industry, for example, various ministries and commissions such as the Ministry of Finance and National Energy Administration has also proposed to further extend the application and demonstration of large scale solar energy power generation, and to further strengthen the implementation of the "Golden Sun Programme" and photovoltaic building demonstration projects, aiming to make the scale of the country's solar energy power generation no less than 1GW after 2012. It can be expected that the PRC's photovoltaic industry will keep growing at a fast pace, thus providing huge room for development for players like the Group in the industry.

Looking forward, there will be challenges but also opportunities in the solar energy industry. The European Photovoltaic Industry Association expects that, "slightly excess supply" will occur in 2011 as more players participate in the industry, thus pushing down the price of solar energy products. Different European countries and the United States have been aware of the importance of solar energy industry on a strategic and sustainable development level. In order to protect the development of its local photovoltaic industry, those countries intended to adopt trade protectionism towards photovoltaic industry, which also post challenges to the photovoltaic industry. However, the Chinese government has approved the "Twelfth Five year Plan" to encourage energy saving and emissions reduction and to actively develop the clean energy industry. Also different countries and organisations around the world continue to carry out policies that encourage the development of solar energy industry in order to replace traditional fossil fuels with renewable energy such as solar energy. In the long run, there will be ample opportunities and bright prospects for every upstream and downstream business in the solar energy industry. The Group will grasp such opportunities through increasing its production capacity and enhancing its technology level. Besides, the Group will accelerate its lateral and vertical expansion for not just improving its operation efficiency, but also completing its industry chain, which can help to promote the Group's competitiveness gradually, and provide long term prosperous results to our shareholders for their support.

Last but not least, I, on behalf of the Board of Directors of the Company, would like to express our gratitude to all staff for their dedicated services and contributions throughout the year, as well as to all business partners for their continuous trust. May we pull together to boost the continuous development of the Group.

TAN Wen Hua
Chairman

Hong Kong, 28 March 2011

二零一零年，乃中國太陽能產業突破的一年。儘管歐洲依然是全球最大的太陽能電池市場，但中國的產能已躍升至全球首位。而根據歐盟執委會聯合研究中心公佈的「二零一零年太陽能電池現況報告」(PV Status Report 2010)，中國和台灣製造商的產能現時已合共佔全球太陽能電池產能一半。另外，中國政府亦持續對太陽能產業提供扶持政策，例如財政部及國家能源局等部委亦提出未來將進一步擴大太陽能發電規模化應用示範，將加大「金太陽」和太陽能光電建築應用示範工程實施力度，力爭二零一二年後國內太陽能發電應用規模不低於1吉瓦(1GW)。可以預期，未來中國光伏事業將繼續急速成長，亦為本集團等一眾行業參與者帶來鉅大的發展空間。

展望未來，太陽能產業市場仍然挑戰與機遇並存。歐洲光電產業協會(European Photovoltaic Industry Association)預期，行業參與者的增加將導致全球太陽能市場在二零一一年出現「略微供應過剩」的情況，亦導致太陽能產品價格下降。而歐美多國已意識到發展太陽能行業在戰略層面及可持續發展領域上的重要性，為保護當地光伏產業發展，該等國家日益傾向在光伏行業採取貿易保護主義政策，此等情況亦為光伏行業構成一定挑戰。然而，中國政府已通過「十二五」規劃，大力推動節能減排，積極發展潔淨能源產業。加上全球各國及組織繼續推行鼓勵太陽能產業發展的措施，藉以長遠以太陽能等可再生能源代替傳統化石能源，太陽能產業各上下游業務將迎來更多機會，發展前景不可限量。本集團將把握契機，繼續提升生產力及技術水平，亦會加快業務的橫向及垂直擴展，加強營運效益之餘，並實現完整產業鏈佈局，逐步提升本集團的競爭力，以長遠而優秀的業績回饋股東支持。

最後，本人謹代表董事會感謝全體員工一年的辛勤工作及默默付出，同時亦由衷感謝各位合作夥伴的支持信賴，讓我們齊心協力，共同推動本集團不斷壯大發展。

譚文華
主席

香港，二零一一年三月二十八日

紮實根基

成就願景

Embracing the Vision of Future with Solid Foundation

During the year under review, the Group has grasped the opportunities brought by thriving market demand whilst successively entering into long-term sales contracts with a number of renowned customers from Japan and the US. As such, the Group's market share in the industry has been further consolidated, thereby establishing its leading position.

本集團於回顧年內把握市場需求旺盛的機遇，致力維繫與長期客戶的關係，並先後與多家來自日本及美國的知名客戶簽署長期銷售合同，進一步鞏固本集團在行業內的市場份額，確立領先地位。



Business Review

業務回顧



Market Overview

As countries around the world gradually overcome the economic shocks brought by the financial crisis, the global solar energy industry gradually recovered, while market demand has also rebounded. In 2010, saving energy and emissions reduction as well as the development of clean energy have become crucial topics among governments of different countries. As various countries continue to encourage the development of the solar energy industry through different ways such as providing subsidies and loan guarantees, it is expected that the production cost of solar energy industry will keep reducing, and the application of solar energy will gradually become more popular, thus facilitating the sustainable development of the industry.

The US is currently one of the countries actively promoting the development of renewable energy. According to the statistics of Solar Energy Industries Association, as at the end of 2010, the US's overall solar energy power generating capacity has reached 2.6GW. It is expected that the US solar energy industry can reach 10GW by 2015. In 2010, the US government launched a series of measures including tax credits pursuant to the "Green Economic Recovery Plan" to promote clean energy in order to create more jobs and revive its economy. On 21 July 2010, the US Senate Committee on Energy & Natural Resources passed the Ten Million Solar Roofs Plan, which will significantly foster the development of the US photovoltaic market throughout the next decade. The US government will invest US\$250 million in this act in 2012, and will invest US\$500 million in solar roof plans each year from 2013 to 2021.

市場概覽

隨著全球各國逐漸克服金融海嘯對經濟所帶來的衝擊，全球太陽能產業逐步回暖，市場需求亦已逐步重拾升軌。二零一零年，節能減排及潔淨能源的發展成為各國政府間的重要議題。隨著多國政府持續透過補貼及提供貸款擔保等方式推動產業的發展，太陽能行業的生產成本預期將持續下降，亦有望逐步普及，朝可持續發展之路進一步邁進。

美國是目前大力提倡發展再生能源的國家之一。根據太陽能工業協會(Solar Energy Industries Association)的統計資料顯示，截至二零一零年底，美國整體太陽能發電能力已達到2.6吉瓦(2.6 GW)，並預期美國太陽能行業可於二零一五年達到10吉瓦(10 GW)。二零一零年，美國政府根據「綠色經濟復興計劃」推出一系列措施協助推廣潔淨能源，包括稅務優惠等措施，藉以創造更多就業及振興經濟。二零一零年七月二十一日，美國參議院能源委員會投票通過了美國千萬太陽能屋頂計劃，這一法案的通過將大大促進未來十年美國光伏市場的發展。從二零一二年開始，美國將投資2.5億美元用於該項計劃，從二零一三年至二零二一年，美國每年將投資5億美元用於太陽能屋頂計劃。

Market Overview (Continued)

In Europe, 11 countries including Spain and Germany, as well as various international organisations attended the “Mediterranean Solar Plan” Conference held in Spain during May 2010 to co-operate in developing the solar energy industry. According to this plan, 43 countries, including European Union members in the Mediterranean Basin and countries from North Africa and the Middle East, intend to inject between EUR38 billion and EUR46 billion over the next 20 years to address the issue of power shortages in the rural areas of the southern Mediterranean. In addition, in order to enhance the overall competitiveness of the European solar energy market, the European Photovoltaic Industry Association has been striving to gain research and technological development support for solar energy from the European Union. The European photovoltaic industry is also raising EUR1.235 billion for relevant research and development projects. Those funds will be used to finance the development of different projects in the next three years, including optimising photovoltaic production processes, reducing the costs and improving the connection between the grid and photovoltaic systems. Sixteen European Union members have undertaken to provide full support for the development of the solar energy industry. With the financial support mentioned above, it is expected that the photovoltaic sector will contribute 12% of power supplied to the European Union in 2020.

In the People’s Republic of China (“PRC”), renewable energy continues its rapid development. In 2010, investment in non-fossil energy construction accounted for 63.5% of the total investment in power construction, representing an increase of 4.8 percentage points compared to 2009. As of the end of 2010, the proportion of installed capacity of non-fossil energy accounted for 26.5% in total, representing an increase of 1.1 percentage points compared to 2009, with accumulated power generation of 786.2 billion kWh. Additional installed capacity of solar energy power generation in 2010 reached 400MW, making the aggregate installed capacity to 700MW. In order to facilitate the PRC government’s decision to further develop renewable energy industry, the National Energy Administration has organised large-scale open tender for 13 solar energy power generation stations located in the Northwest China and Inner Mongolia in August 2010 with provision of subsidies. The total installed capacity of these projects amounts to 280MW. The National Development and Reform Commission has also approved two solar energy photovoltaic power generation projects located in Ningxia and Wuhan respectively in December 2010 as Clean Development Mechanism projects. In addition, at the beginning of this year, the Ministry of Finance of the PRC has apportioned RMB50 billion to fund energy conservation and greenhouse gas emissions reduction to support and encourage the development of the solar energy industry. According to China Renewable Energy Society Solar PV Committee (中國可再生能源學會光伏專業委員會), the solar energy power generation of the PRC is expected to have increased by at least 500MW in 2010. With subsidies provided by various local governments, it is expected that the demand for solar energy in Mainland China would continue to increase throughout 2010. Furthermore, market expects the PRC government will use the same method as promoting wind power generation industry in the past, and will initiate more similar large-scale projects for tender, laying a solid foundation for nationwide price-setting for solar energy power generation in the future.

市場概覽(續)

歐洲方面，西班牙及德國等11個國家，以及多個國際組織在二零一零年五月在西班牙舉行「地中海太陽能計劃」會議，協議合作開發太陽能產業。按照該計劃，地中海沿岸的歐盟成員和北非及中東等地區43個國家擬在未來20年投放380億至460億歐元的資金，解決地中海南岸國家農村地區缺電問題。此外，為全面提升歐洲太陽能市場的競爭力，歐洲光伏行業協會(European Photovoltaic Industry Association)致力促進歐盟對太陽能技術研發提供支援，而歐洲太陽能光電行業亦正積極籌備12.35億歐元的資金進行行業相關研發。該資金將在未來三年支持不同項目的發展，包括優化光伏生產流程，降低成本、改進電網與光伏系統之間的聯接等方面。16個歐盟成員國已承諾全力支持太陽能產業的發展，預計在相關資金支持下的光伏技術將會於二零二零年為歐盟貢獻12%的電力供應來源。

而在中華人民共和國(「中國」)，可再生能源持續迅速發展。二零一零年，非化石能源建設投資佔電源建設總投資的比重達到63.5%，較二零零九年提高4.8個百分點。二零一零年底，非化石能源裝機比重合計佔26.5%，較二零零九年提高1.1個百分點，累計發電量7,862億千瓦時。而二零一零年太陽能發電新增裝機容量達400兆瓦，累計裝機達到700兆瓦。中央政府進一步推動可再生能源行業的發展，國家能源局已於二零一零年八月就位於西北及內蒙地區共13個太陽能發電站進行大規模公開招標，並提供補貼，該等項目的總裝機容量達280兆瓦。國家發改委亦於二零一零年十二月批准兩個分別位於寧夏及武漢的太陽能光伏發電項目作為清潔發展機制項目。此外，為鼓勵太陽能產業的發展，中國財政部於今年初撥出人民幣500億元的節能減排資金，支持節能減排產業。中國可再生能源學會光伏專業委員會指出，中國二零一零年將至少新增500兆瓦的太陽能發電量，而各地方政府亦推出補助方案，預計二零一零年中國內地的太陽能市場需求將持續增長。此外，市場預期中國政府將一如過去推動風力發電產業的做法，將於未來推出更多此類大型招標項目，為日後太陽能發電全國性定價作好準備。

Operation Review (Continued)

Market rebounds and production capacity continues to expand

During the year under review, the PRC's economy witnessed a positive growth momentum, raw material prices tend to be stable and the operating environment continued to improve, all of which are favorable to the long-term development of the solar energy industry. As the market recovered, there has been excess demand in various solar energy products. Faced with the ever-expanding demand, the Group has actively expanded its production capacity during the year. By making use of its advantages, the Group further expanded its production scale to accommodate the huge amount of product shipments. As at 31 December 2010, the Group was equipped with 397 monocrystalline ingot pullers, 83 wiresaws and 4 multicrystalline casting furnaces, while our production capacity of ingots, wafers and solar energy photovoltaic module components have increased significantly, reaching 800MW, 600MW and 50MW respectively.

With thriving market demand for solar energy products, the number of orders for our products increased accordingly. During the year under review, the Group has grasped the opportunities and endeavoured to maintain the relationship with its long-term customers, whilst successively entering into long-term sales contracts with a number of customers, including renowned enterprises from Japan and the US. As such, the Group's market share in the industry has been further consolidated, thereby establishing its leading position. The shipment volumes for our self-manufactured silicon solar ingots and wafers kept growing during the year under review, reaching approximately 76.99MW (2009: 7.00MW) and 225.27MW (2009: 93.91MW) respectively. The volume of processing silicon solar ingots and wafers was approximately 25.94MW (2009: 10.60MW) and 6.46MW (2009: 2.09MW) respectively.

Successfully expanded laterally while vertical integration takes shape

The Group strives to become the leading enterprise in the global solar energy industry. Therefore, the Group has made various investments and contemplated opportunities during the year under review, so as to actively expand its business in accordance with its target of balanced lateral expansion and vertical integration.

營運回顧(續)

市場重拾升軌產能持續擴張

回顧年內，中國經濟發展勢頭良好，原材料價格趨於穩定，經營環境持續改善，亦有利太陽能行業的長遠發展。市場回暖，太陽能產品相繼出現供不應求的局面。面對日益擴大的需求，本集團於回顧年內積極進行產能擴張，發揮自身優勢並進一步提升生產規模，以應付龐大的產品付運量。於二零一零年十二月三十一日，本集團備有397台單晶爐、83台線鋸機及4台多晶爐，而硅錠、硅片及太陽能光電模組組件的產能亦大幅提升，分別達800兆瓦、600兆瓦及50兆瓦。

市場對太陽能產品需求旺盛，產品訂單亦隨之提升。本集團於回顧年內把握機遇，致力維繫與長期客戶的關係，並先後與多家客戶簽署長期銷售合同，當中包括來自日本及美國的知名企業，進一步鞏固本集團在行業內的市場份額，確立領先地位。因此，本集團於回顧年內自產的太陽能硅錠及硅片付運量取得持續增長，分別約達76.99兆瓦(二零零九年：7.00兆瓦)及225.27兆瓦(二零零九年：93.91兆瓦)。太陽能硅錠及硅片的加工量分別約為25.94兆瓦(二零零九年：10.60兆瓦)及6.46兆瓦(二零零九年：2.09兆瓦)。

橫向擴展進行順利垂直整合漸見雛型

本集團銳意成為全球太陽能產業的領軍企業，因此，本集團於回顧年內作出多項投資及商機，配合其橫向發展及垂直整合並重的目標，積極進行業務拓展。

Operation Review (Continued)

Successfully expanded laterally while vertical integration takes shape (Continued)

For lateral expansion, in July 2010 the Group invested in 51% equity interest in Qinghai Chenguang New Energy Co., Ltd. (青海辰光新能源有限公司), of which upon capital injection the name has been changed to Solargiga Energy (Qinghai) Co., Ltd. (陽光能源(青海)有限公司), to jointly invest in constructing a factory with 192 monocrystalline silicon solar ingot pullers. Upon the completion of construction, the annual production capacity of monocrystalline silicon ingots of the Group will increase to 1.2GW as our target is to become the leading monocrystalline silicon solar ingots manufacturer in the world. In the meantime, the Group actively pursued increasing the diversity of its products, and successfully expanded into the business of multicrystalline silicon solar ingots and wafers during the year under review. The Group established a joint venture with Liaoning Oxiranchem, Inc. (遼寧奧克化學股份有限公司) in September 2010 to jointly invest in a 500MW multicrystalline silicon solar ingots and wafers project with the planned installation of 65 multicrystalline casting furnaces, 75 wiresaws and other auxiliary facilities. The above-mentioned development projects will not only benefit the Group to further expand its production capacity of monocrystalline products, but also help us to successfully expand its business to the multicrystalline field, speeding up its lateral expansion plan, and thus satisfy the strong demand of customers.

In 2009, the Group expanded its business to the downstream of installing solar energy photovoltaic modules and systems through its 51% controlling interest in Jinzhou Jinmao Photovoltaic Technology Company Limited. At present, the production capacity of solar energy photovoltaic modules is about 50MW. In order to gradually implement its vertical integration business model, during the year under review, the Group was planning for the acquisition of Sino Light, whereby the acquisition was completed in January 2011. Sino Light and its subsidiaries principally engaged in the manufacturing of solar cells. This acquisition is expected to boost the development of downstream business by the Group and secure a reliable supply source of solar cells to support the development of the module business and improve its operating efficiency. Meanwhile, by understanding the needs of downstream customers, the Group can also promptly develop new silicon solar ingots and wafers products needed by the customers, thus bringing synergy effect to the existing business of manufacturing ingots and wafers.

營運回顧(續)

橫向擴展進行順利垂直整合漸見雛型(續)

在橫向發展方面，本集團於二零一零年七月於青海辰光新能源有限公司擁有51%股權，並於出資後更名為陽光能源(青海)有限公司，共同投資建設廠房並安裝192台單晶爐。建成後，本集團單晶硅錠的年總產能將提升至1.2吉瓦(1.2GW)，目標成為全球領先的單晶硅錠製造商。與此同時，本集團於回顧期內亦積極實現產品多元化，成功開拓多晶硅錠及硅片的業務。本集團於二零一零年九月與遼寧奧克化學股份有限公司成立合營公司，共同投資建設500兆瓦(500MW)太陽能多晶硅錠及硅片項目，計劃將安裝多晶鑄錠爐65台、切片機75台，以及其他配套設備。以上的發展項目不但有助本集團進一步擴大單晶產品的產能，亦成功將業務拓展至多晶範疇，加快其橫向擴產計劃，以滿足客戶殷切的需求。

於二零零九年，本集團通過控股51%的錦州錦懋光伏科技有限公司開拓太陽能下游光電組件及系統安裝業務。現時太陽能光電模組組件的產能約為50兆瓦(50MW)。為逐步實現垂直整合的業務策略，於回顧年內，本集團正計劃收購華光，華光及其附屬公司主要從事太陽能電池製造業務，有關收購已於二零一一年一月完成。是項收購預期令本集團加快發展下游業務，並取得可靠之太陽能電池供應來源，用以供給模組業務的發展，從而提升其營運效率。同時，藉著瞭解下游客戶的需求，本集團亦可及時開發出客戶所需之太陽能硅錠及硅片新產品，為現有的硅錠及硅片製造業務帶來協同效應。

Operation Review (Continued)

Increasing the proportion of overseas market and exploring potential customers of high quality

As the global solar energy market recovered, together with the various favourable measures to stimulate market demand implemented by various governments, expansion into the overseas market became a growth point which should not be taken lightly. In order to maintain a sustainable business, the Group has been actively identifying new potential customers overseas during the year under review and strived to increase the proportion of overseas market in our total turnover. For the year ended 31 December 2010, the proportion of turnover from overseas customers to the Group's overall turnover has increased from approximately 21.8% for 2009 to 39.5% for the year under review. Among them, the Group's major overseas markets are the US and Japan, which accounted for 24.6% and 11.4% of the total turnover respectively. Indeed, the Group still devotes itself to develop domestic market so as to maintain its leading position. During the year under review, the PRC was still the key market of the Group, and the sales from the PRC accounted for approximately 60.5% of the total sales.

營運回顧(續)

提升海外市場比重開發優質客源

全球太陽能市場復甦，加上多國政府推出各項利好措施推動市場需求，拓展海外市場成為其中一個不容忽視的增長點。為維持業務可持續的發展，本集團於回顧年內積極開拓海外的新客源，致力提升海外市場佔其總營業額的比重。截至二零一零年十二月三十一日止年度，來自海外的客戶佔本集團整體營業額的比重已從二零零九年約21.8%提升至回顧年內的39.5%。其中，本集團的主要海外市場為美國及日本，分別佔總營業額的24.6%及11.4%。誠然，本集團仍然致力深耕國內市場，以保持其領先的市場地位。於回顧年內，中國仍為本集團的重點市場，來自國內市場的銷售額佔總體約60.5%。

Pursuing Excellence under Full Integration

全面整合 追求卓越

The Group strives to become the leading enterprise in the global solar energy industry. Therefore, the Group has undergone various acquisitions and investments during the year under review, so as to actively expand its business in accordance with its target of balanced lateral and vertical development, thereby achieving a full integration.

本集團銳意成為全球太陽能產業的領軍企業，因此，本集團於回顧年內通過多項收購投資，配合其橫向及垂直發展並重的目標，積極進行業務拓展，成功實現全面整合。



Management Discussion and Analysis

管理層討論及分析

Turnover

For the year ended 31 December 2010, the Group's turnover increased to RMB1,854.769 million from RMB658.720 million for the corresponding period in 2009, representing a year-on-year increase of 181.6%. The increase was mainly due to an increase in market demand, resulting in a significant increase in our sales volume, and the increase of production scale of the Company.

Cost of sales

For the year ended 31 December 2010, cost of sales increased by 116.9% to RMB1,441.526 million from RMB664.500 million for the corresponding period of 2009. As a percentage of total turnover, cost of sales decreased from approximately 100.9% to 77.7%. The decrease was mainly due to no write down of inventories being made by the Group with cost ratios returning to a normal level.

Gross profit and gross profit margin

For the year ended 31 December 2010, the Group recorded a gross profit of RMB413.243 million and a gross profit margin of 22.3%, as compared with a gross loss of RMB5.780 million for the corresponding period in 2009.

營業額

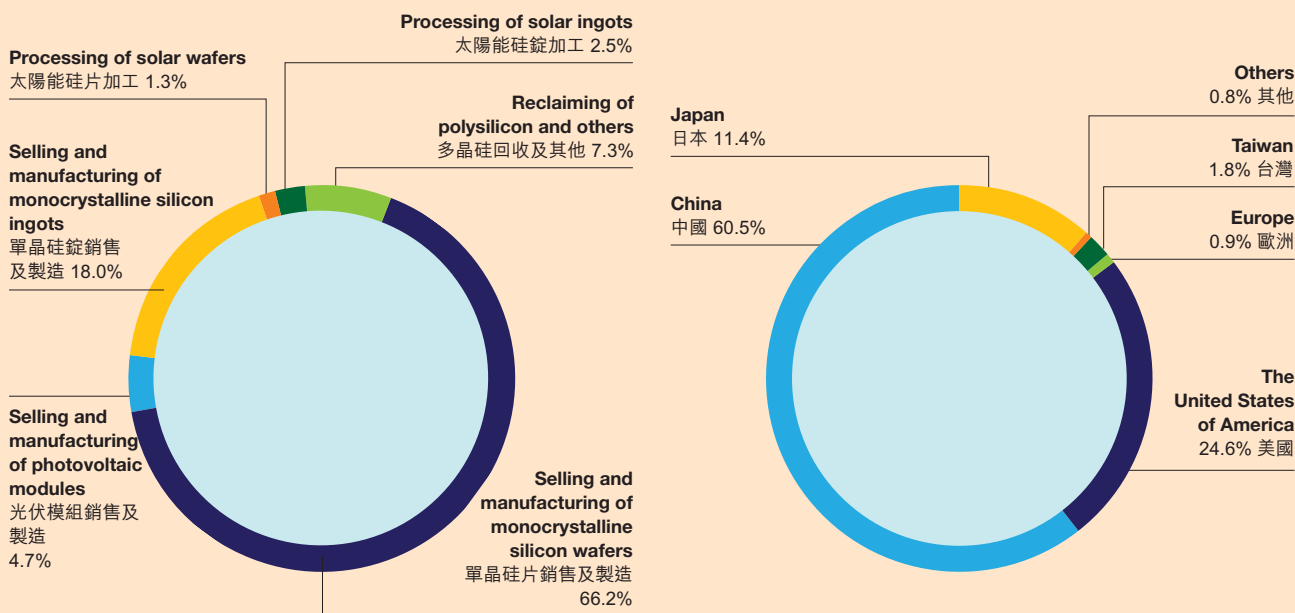
截至二零一零年十二月三十一日止年度，本集團的營業額由二零零九年同期的人民幣658.720百萬元增至人民幣1,854.769百萬元，按年增加181.6%。營業額增加主要是由於市場需求增長使銷售量大幅提升，以及公司生產規模的提升。

銷售成本

截至二零一零年十二月三十一日止年度，銷售成本由二零零九年同期的人民幣664.500百萬元增加至人民幣1,441.526百萬元，增幅為116.9%。銷售成本佔總營業額的百分比，則由約100.9%減至77.7%，主要由於本集團已不再需要撇減存貨，成本比例回復正常水平。

毛利及毛利率

截至二零一零年十二月三十一日止年度，本集團錄得人民幣413.243百萬元的毛利，毛利率為22.3%，二零零九年同期為人民幣5.780百萬元的毛損。





Selling and distribution expenses

Selling and distribution expenses mainly comprised packaging expenses, freight charges and insurance expenses. Selling and distribution expenses increased by 82.1%, from RMB5.311 million for the year ended 31 December 2009 to RMB9.669 million for the year ended 31 December 2010, accounting for 0.5% (2009: 0.8%) of the Group's total turnover. The increase in expenses was due to the growth in sales volume for the year.

Administrative expenses

Administrative expenses mainly comprised staff costs and research and development expenses. The administrative expenses for 2010 amounted to RMB123.577 million, a year-on-year increase of 17.1% from RMB105.521 million for the corresponding period last year, accounting for 6.7% of the Group's turnover. Another major item of administrative expenses was share-based payments in relation to shares granted to employees during the initial public offering amounted to RMB4.752 million (for the year ended 31 December 2009: RMB8.997 million). The administrative expenses in 2009 also included the expenses in relation to the grant of share options to employees in 2008 amounted to RMB16.049 million. Excluding the above non-recurring expenses, the administrative expenses for the year ended 31 December 2010 amounted to RMB118.825 million, representing an increase of 47.7% from RMB80.475 million for the corresponding period last year. The increase in administrative expenses was mainly due to the increase in research and development cost from RMB17.654 million in 2009 to RMB48.328 million in 2010 so as to cope with the expansion of production of the Company.

Finance costs

The Group's finance costs increased from RMB15.942 million for the year ended 31 December 2009 to RMB18.006 million for the year ended 31 December 2010. Finance costs represented mainly interest on bank loans and the municipal government loan. The increase in finance costs was due to the additional bank borrowings during the year to meet working capital requirements.

銷售及分銷開支

銷售及分銷開支主要包括包裝開支、運費及保險費。銷售及分銷開支由截至二零零九年十二月三十一日止年度的人民幣5.311百萬元，增至截至二零一零年十二月三十一日止年度的人民幣9.669百萬元，增幅82.1%，佔本集團總營業額的0.5%（二零零九年：0.8%），費用上升乃同年銷售量增長所致。

行政開支

行政開支主要包括員工成本及研發開支。二零一零年的行政開支為人民幣123.577百萬元，較去年同期人民幣105.521百萬元上升17.1%，或佔本集團營業額6.7%。另一項主要行政開支為於首次公開發售時授予員工股份的以股份支付款項人民幣4.752百萬元（截至二零零九年十二月三十一日止年度：人民幣8.997百萬元）。二零零九年之開支亦包括於二零零八年向員工授出購股權的費用人民幣16.049百萬元。剔除以上非經常性開支後，截至二零一零年十二月三十一日止年度的行政開支為人民幣118.825百萬元，較去年同期人民幣80.475百萬元輕微上升47.7%。行政開支上升主要由於本公司生產規模擴大，令研發成本由二零零九年人民幣17.654百萬元上升至二零一零年人民幣48.328百萬元。

融資成本

本集團的融資成本由截至二零零九年十二月三十一日止年度的人民幣15.942百萬元增至截至二零一零年十二月三十一日止年度的人民幣18.006百萬元。融資成本主要為銀行貸款及市政府貸款的利息。融資成本增加乃由於銀行借貸於年內增加以應付相應的營運資金需求所致。



Income tax

Income tax expenses were RMB71.444 million for the year ended 31 December 2010, while a net tax credit amounting to RMB16.624 million was recorded for the corresponding period in 2009 due to the recognition of deferred tax assets in 2009.

Profit attributable to the equity shareholders

For the year ended 31 December 2010, the Group witnessed a turnaround as compared with the corresponding period in 2009 and recorded profit attributable to the equity shareholders of RMB214.121 million, accounting for 11.5% of our total turnover. A loss attributable to the equity shareholders of RMB98.098 million was recorded in 2009.

Inventory turnover days

The inventories of the Group comprised mainly raw materials namely polysilicon, crucibles and other auxiliary raw materials and finished goods. Owing to the expansion in production capacity as well as the good relationship with its suppliers, the Group was able to increase its inventory of raw materials when the market was in short supply. The inventory turnover days for 2010 were 104 days (2009: 230 days), representing a decrease of 126 days compared to the corresponding period last year. The Group's optimal inventory levels should be sufficient for three months' consumption in the case of polysilicon and one month's consumption for other auxiliary raw materials.

Trade receivable turnover days

In 2010, the trade receivable turnover days of the Group decreased to 33 days (2009: 77 days). Such turnover days were at a low level and were within the credit period that the Group grants to its customers. The Group normally grants a credit period of 30 to 90 days to its customers.

所得稅

截至二零一零年十二月三十一日止年度的所得稅開支為人民幣71.444百萬元，而二零零九年同期由於二零零九年確認遞延稅項資產而錄得稅務抵免淨額人民幣16.624百萬元。

權益股東應佔利潤

截至二零一零年十二月三十一日止年度，本集團對比二零零九年同期轉虧為盈，錄得權益股東應佔利潤人民幣214.121百萬元，佔本集團總營業額的11.5%。二零零九年權益股東應佔虧損人民幣98.098百萬元。

存貨週轉日

本集團的存貨主要包括原材料(即多晶硅、坩堝及其他輔料)及製成品。憑藉擴充產能及與供應商的良好關係，本集團在市場缺料時能夠將原材料存貨量調高。於二零一零年，本集團存貨週轉期為104日(二零零九年：230日)，與去年同期相比減少126日。本集團存貨的最佳水準應為多晶硅足夠使用約三個月及其他輔料足夠使用一個月。

應收貿易賬款週轉日

於二零一零年，集團應收貿易賬款週轉日縮短至33日(二零零九年：77日)。週轉日數處於低水平，介乎本集團授予其客戶的信貨期內。本集團一般授予其客戶30至90日的信貨期。

Trade payable turnover days

As global supply of polysilicon raw materials is limited and the volume of polysilicon used by the Group increased, the Group's prepayments to suppliers for purchasing raw materials increased. Therefore, the trade payable turnover days decreased to 32 days (2009: 61 days).

Liquidity and financial resources

The Group's principal sources of working capital during the year under review were cash flows from operating activities and bank borrowings. As at 31 December 2010, the Group's current ratio (current assets divided by current liabilities) was 1.38 (31 December 2009: 2.27). The Group had net borrowings of RMB202.259 million as at 31 December 2010 (31 December 2009: RMB82.255 million) with cash in bank and on hand of RMB459.734 million (31 December 2009: RMB236.191 million), pledged deposits of RMB74.113 million (31 December 2009: RMB44.055 million), short-term bank loans of RMB648.011 million (31 December 2009: RMB289.274 million), long-term bank loan of RMB85.000 million (31 December 2009: RMB70.000 million) and long-term municipal government loan of RMB3.095 million (31 December 2009: RMB3.227 million). Net debt to equity ratio (net debt divided by total equity) was 12.3% (31 December 2009: 5.9%). Such ratios show that the Group's financial position remains healthy.

Contingent liabilities

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

Foreign currency risk

The Group is exposed to foreign currency risk primarily through sales and purchases and cash and bank deposits that are denominated in a currency other than RMB, the functional currency of the operations to which they relate. The currencies giving rise to this risk to the Group are primarily the US Dollar, Euro and Hong Kong Dollar. The Directors do not expect any significant impact from movements in exchange rates since the Group uses foreign currencies received from customers to settle the amounts due to suppliers. In addition, the Directors ensure that the net exposure is kept to an acceptable level by buying or selling the US Dollar and Euro at spot rates where necessary to address short-term imbalances.

Human resources

At 31 December 2010, the Group had 2,081 (31 December 2009: 1,182) employees. The increase in employees was mainly for preparing the expansion of production.

應付貿易賬款週轉日

由於全球多晶硅原材料供應有限，以及本集團的多晶硅原材料使用量上升，令本集團向供應商預付貨款購買原材料的比例增加，因此，應付貿易賬款週轉日縮短至32日(二零零九年：61日)。

流動資金及財務資源

本集團於回顧年內主要營運資金來源為經營活動產生的現金流量及銀行借貸所得款項。於二零一零年十二月三十一日，本集團的流動比率(流動資產除流動負債)為1.38(二零零九年十二月三十一日：2.27)。本集團於二零一零年十二月三十一日有借貸淨額人民幣202.259百萬元(二零零九年十二月三十一日：人民幣82.255百萬元)，其中包括銀行及手頭現金人民幣459.734百萬元(二零零九年十二月三十一日：人民幣236.191百萬元)、已抵押存款人民幣74.113百萬元(二零零九年十二月三十一日：人民幣44.055百萬元)、短期銀行貸款人民幣648.011百萬元(二零零九年十二月三十一日：人民幣289.274百萬元)、長期銀行貸款人民幣85.000百萬元(二零零九年十二月三十一日：人民幣70.000百萬元)及市政府長期貸款人民幣3.095百萬元(二零零九年十二月三十一日：人民幣3.227百萬元)。淨借貸權益比率(借貸淨額除權益總額)為12.3%(二零零九年十二月三十一日：5.9%)。該等比率顯示本集團財政狀況維持穩健。

或然負債

於二零一零年十二月三十一日，本集團並無重大的或然負債。

外幣風險

本集團所承受的外匯風險主要來自以相關業務的功能貨幣人民幣以外貨幣進行的買賣交易以及現金及銀行存款，當中主要來自美元、歐元及港元。由於本集團以從客戶收取的外幣清償應付予供應商款額，故董事預期匯率變動不會構成任何重大影響。此外，董事在有需要的情况下，按即期匯率購入或出售美元及歐元，以處理短期的失衡情況，藉以確保淨風險維持於可接受的水平。

人力資源

於二零一零年十二月三十一日，本集團的僱員數目為2,081名(二零零九年十二月三十一日：1,182名)。本期僱員人數上升主要是為即將擴大的生產規模作準備。

Corporate Governance Report

企業管治報告

Overview

The Board strived to uphold good corporate governance and adopted sound corporate governance practices. This report outlines the principles and the code provisions of the Code on Corporate Governance Practices (the “Code”) contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) which have been adopted by the Group.

The Company has established the audit committee (the “Audit Committee”) in compliance with the Code to oversee the financial reporting procedures and internal controls of the Group so as to ensure compliance with the Listing Rules. The Company has also established a nomination committee (the “Nomination Committee”) and a remuneration committee (the “Remuneration Committee”) (collectively, the “Board Committees”) with defined terms of reference. The terms of reference of the Board Committees are available upon request.

The Group has implemented a compliance manual which covers areas such as ongoing compliance obligations of the Company and the Directors, business operations of the Group, financial management systems, human resources management systems, internal control systems, quality assurance and property management systems. All the code provisions set out in the Code were met by the Company throughout the financial year ended 31 December 2010.

Compliance with the Model Code for Directors’ Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Listing Rules as the standard for securities transactions entered into by Directors. The Company has made specific enquiries of all the Directors and all the Directors confirmed that they have complied with the required standards as set out in the Model Code and its code of conduct regarding Directors’ securities transactions throughout the financial year ended 31 December 2010, save and except that we are informed by Mr. Chong Kin Ngai, a non-executive director of the Company, of his spouse’s dealings in the shares of the Company during the period between 17 July 2009 and 21 July 2010 without notification to the chairman of the Company in accordance with rule A.6 of the Model Code and such notifiable interests were subsequently disclosed by filing of disclosure of interest forms to the Stock Exchange and the Company on 29 November 2010 and 7 December 2010 pursuant to the requirements under Part XV of the Securities and Futures Ordinance (Chapter 571, Law of Hong Kong). The Company has already in place remedial measures, including (i) sending formal notifications to its Directors reminding them that they should not deal in the securities of the Company during the “black-out period” specified in Appendix 10 of the Listing Rules and (ii) periodic update of the Company’s policies on compliance with the Listing Rules. Further, to prevent re-occurrence of similar incidents in the future, the Company will take further measures, including the provision of additional training session for the Directors to reinforce their knowledge regarding the rules and regulations in respect of the securities dealing by Directors and the provision updates on the Listing Rules to the Directors of the Company on a timely basis.

概覽

董事會致力維持良好的企業管治，採納理想的企業管治常規。本報告簡述已獲本集團採納香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四載列之企業管治常規守則（「守則」）之原則及守則條文。

本公司已根據守則的規定成立審核委員會（「審核委員會」）監督本集團財務報告程序及內部監控，確保遵守上市規則。本公司亦已成立提名委員會（「提名委員會」）及薪酬委員會（「薪酬委員會」）（統稱「董事委員會」），均具有界定的職權範圍。董事委員會的職權範圍，需要時可供查閱。

本集團亦制定遵例手冊，範圍涵蓋本公司及董事的持續遵例責任、本集團的業務營運、財務管理制度、人力資源管理制度、內部監控制度、質量保證及物業管理制度等方面。本公司於截至二零一零年十二月三十一日止財政年度內一直遵守守則載列的全部守則條文。

遵守董事進行證券交易的標準守則

本公司已採納上市規則附錄十載列的上市發行人董事進行證券交易的標準守則（「標準守則」），作為董事進行證券交易的準則。本公司已特別向全體董事查詢，全體董事確認，於截至二零一零年十二月三十一日止財政年度內，除本公司非執行董事莊堅毅先生所知會，其配偶在未根據標準守則A.6條事先知會本公司主席之情況下，於二零零九年七月十七日至二零一零年七月二十一日止期間內買賣本公司股份一事外（有關須知會權益其後於二零一零年十一月二十九日及二零一零年十二月七日根據香港法例第571章證券及期貨條例第XV部之規定，以向聯交所遞交權益披露表格之方式作出披露），彼等均已符合標準守則及其有關董事進行證券交易操守守則規定的準則。本公司已製訂補救措施，包括(i)向其董事發出正式通知，提醒彼等不可於上市規則附錄十所訂明的「禁售期」內買賣本公司證券；及(ii)定期根據上市規則更新本公司的政策。此外，為防止日後再次發生類似事件，本公司將採取進一步措施，包括為董事提供額外培訓課程加強彼等對董事買賣證券的規則及規例的認識，以及適時向本公司董事提供上市規則的最新資料。

The Board of Directors

The Board takes the responsibility to oversee all major matters of the Company, including the formulation and approval of overall business strategies, internal control and risk management systems, and monitoring the performance of the senior management. The Directors have the responsibility to act objectively in the interests of the Company.

Currently, the Board comprises nine Directors, including three executive Directors: Mr. TAN Wenhua, Mr. HSU You Yuan and Ms. ZHANG Liming, two non-executive Directors: Mr. CHIAO Ping Hai and Mr. CHONG Kin Ngai and four independent non-executive Directors: Mr. WONG Wing Kuen, Albert, Ms. FU Shuangye, Dr. LIN Wen and Mr. ZHANG Chun. The names and biographical details of the Directors are set out on pages 30 to 34 of the annual report. The Board has a strong independent element in its composition with over half of the board members being non-executive Directors to ensure that all decisions of the Board are made in the best interest of the Group's long-term development.

The Board has delegated various responsibilities to the Board Committees. Further details of these committees are set out below on pages 25 to 27.

Board Meetings

The Company holds Board meetings regularly, at least four times a year at approximately quarterly intervals. Ad-hoc meetings will also be convened if necessary to discuss the overall strategy as well as the operation and financial performance of the Group. Notice of Board meeting will be sent to all Directors at least 14 days prior to a regular Board meeting. Reasonable notices will be given to the Directors for ad-hoc Board meetings. Directors may participate either in person or through electronic means of communications. The Company will provide relevant materials to all the Directors relating to the matters brought before the meetings. All the Directors will be provided with sufficient resources to discharge their duties, and, upon reasonable request, the Directors will be able to seek independent professional advice in appropriate circumstances, at the Company's expenses. All Directors will have the opportunity to include matters in the agenda for Board meetings.

董事會

董事會負責監督本公司所有重要事宜，包括制定及批准整體業務策略、內部監控及風險管理制度、監察高級管理層表現。董事有責任以本公司利益按客觀標準行事。

董事會現時由九名董事組成，包括三名執行董事（即譚文華先生、許祐淵先生及張麗明女士）、兩名非執行董事（即焦平海先生及莊堅毅先生）及四名獨立非執行董事（即王永權先生、符霜葉女士、林文博士及張椿先生）。本年報內第30頁至第34頁載有董事的姓名及履歷詳情。董事會的組成具高度獨立成份，過半數董事會成員為非執行董事，確保董事會以本集團長遠發展的最佳利益，作出所有決策。

董事會已委派董事委員會履行各種職責。有關該等委員會的進一步詳情，載於下文第25頁至第27頁。

董事會會議

本公司的董事會會議每年定期最少舉行四次，大約每季舉行一次，在有需要時亦會召開臨時會議，商討整體策略以及本集團的營運及財務表現。全體董事將於舉行定期董事會會議前最少14天獲發董事會會議通告，而臨時董事會會議通告亦會於事前合理時間內送交予董事。董事可選擇親身或以電子通訊方式出席會議。本公司將於會議前向所有董事提供有關會議上討論事項的資料。所有董事將獲得充份資源以履行其職責，並可提出合理要求，按合適情況徵求獨立專業意見，費用由本公司承擔。所有董事均可將其關注的事宜加入董事會會議議程。

Board Meetings (Continued)

During the year ended 31 December 2010, 9 meetings were held by the Board and the attendance of individual Directors at these meetings is set out below:

| Name of Directors | Attendance | 董事姓名 | 出席率 |
|--|------------|---------------------------|-----|
| Executive Directors | | | |
| Mr. TAN Wenhua (appointed as Chairman with effect from 28 March 2011) | 9/9 | 譚文華先生(於二零一一年三月二十八日獲委任為主席) | 9/9 |
| Ms. Zhang Liming | 9/9 | 張麗明女士 | 9/9 |
| Mr. HSU You Yuan | 9/9 | 許祐淵先生 | 9/9 |
| Non-executive Directors | | | |
| Mr. CHIAO Ping Hai (resigned as Chairman with effect from 28 March 2011) | 5/9 | 焦平海先生(於二零一一年三月二十八日辭任主席) | 5/9 |
| Mr. CHONG Kin Ngai | 8/9 | 莊堅毅先生 | 8/9 |
| Independent non-executive Directors | | | |
| Mr. WONG Wing Kuen, Albert | 9/9 | 王永權先生 | 9/9 |
| Ms. FU Shuangye | 9/9 | 符霜葉女士 | 9/9 |
| Dr. LIN Wen | 8/9 | 林文博士 | 8/9 |
| Mr. Zhang Chun | 7/9 | 張椿先生 | 7/9 |

Independent non-executive Directors

All independent non-executive Directors possess a wealth of professional and industry expertise and management experience and have provided their professional advices to the Board. They have played a significant role in the Board by virtue of their independent judgment and their views carry significant weight in the Board's decision. In particular, they bring impartial views to the Board on issues of the Company's strategy, performance and control. The Board also considers that independent non-executive Directors provide independent advice on the Company's business strategy, results and management so that all interests of shareholders are taken into consideration, and the interests of the Company and its shareholders are taken into account in all business decisions.

董事會會議(續)

截至二零一零年十二月三十一日止年度內，董事會曾舉行9次會議，而個別董事出席有關會議的情況載列如下：

| 董事姓名 | 出席率 |
|---------------------------|-----|
| 執行董事 | |
| 譚文華先生(於二零一一年三月二十八日獲委任為主席) | 9/9 |
| 張麗明女士 | 9/9 |
| 許祐淵先生 | 9/9 |
| 非執行董事 | |
| 焦平海先生(於二零一一年三月二十八日辭任主席) | 5/9 |
| 莊堅毅先生 | 8/9 |
| 獨立非執行董事 | |
| 王永權先生 | 9/9 |
| 符霜葉女士 | 9/9 |
| 林文博士 | 8/9 |
| 張椿先生 | 7/9 |

獨立非執行董事

所有獨立非執行董事均具備豐富的業界專業知識及管理經驗，能為董事會提供專業意見。彼等能提供獨立判斷，董事會作出決定時多會考慮彼等的意見，故在董事會中擔當重要的角色。尤其在本公司策略、業績及監控方面，他們可向董事會提出無偏私的觀點。董事會亦認為，獨立非執行董事能就本公司的業務策略、業績及管理提供獨立意見，因此，股東的所有利益已獲考慮，而所有商業決定亦已顧及本公司及其股東的利益。

Appointments, Re-election and Removal of Directors

Each of the executive Directors of the Company has entered into a service contract with the Company for a specific term of three years commencing from 31 March 2008. Such terms are subject to re-appointment by the Company at an annual general meeting upon retirement.

All independent non-executive Directors and non-executive Directors were appointed for an initial term of three years from 1 February 2008, and are subject to retirement by rotation and re-election in accordance with the articles of association of the Company. In accordance with the provisions of the Company's Articles of Association, Mr. TAN Wenhua, Ms. ZHANG Liming and Mr. CHIAO Ping Hai will retire by rotation at the forthcoming annual general meeting and being eligible, have agreed to offer themselves for re-election. The Company considers that all independent non-executive Directors are independent in accordance with the Listing Rules.

Chairman and Chief Executive Officer

Under provision A.2.1 of the Code, the roles of the Chairman and the Chief Executive Officer ("CEO") should be separated and should not be performed by the same individual. The role of the Chairman was performed by Mr. CHIAO Ping Hai during the financial year and up to 28 March 2011, whereupon Mr. CHIAO resigned as Chairman due to his other business commitments that require more of his dedication. Mr. CHIAO had contributed valuable inputs to the Group's business direction with a wealth of industry expertise during his tenure as Chairman. Mr. CHIAO Ping Hai remains as a non-executive Director of the Company after his resignation as Chairman. Mr. TAN Wenhua was appointed as Chairman with effect from 28 March 2011.

The role of the CEO is performed by Mr. HSU You Yuan. The overall management of the Company was performed by the CEO, executive Directors and senior management of the Company. The executive Directors (Mr. HSU You Yuan, Mr. TAN Wenhua and Ms. ZHANG Liming) who have extensive experience in the solar energy industry and their respective areas of profession, spearhead the Group's overall development and business strategies.

委任、重選及罷免董事

本公司各執行董事已與本公司訂立服務合約，自二零零八年三月三十一日開始，為期三年。董事須於股東週年大會上退任後由本公司再度委任。

全部獲委任的獨立非執行董事及非執行董事，初步任期自二零零八年二月一日起，為期三年，惟須根據本公司的組織章程細則輪值告退並接受重選。根據本公司組織章程細則的條文，譚文華先生、張麗明女士及焦平海先生將於應屆股東週年大會輪值退任，彼等均合資格並同意於大會重選連任。本公司認為，所有獨立非執行董事根據上市規則均為獨立人士。

主席及行政總裁

根據守則第A.2.1條，主席及行政總裁（「行政總裁」）的角色應分立，不應由同一人擔任。於財政年度至二零一一年三月二十八日期間，焦平海先生擔任主席一職。其後，焦先生因彼之其他業務承擔需要其更多貢獻而辭任主席一職。焦先生擁有豐富業界知識，於其在任主席期間就本集團業務方針提供寶貴意見。焦平海先生於辭任主席後留任為本公司非執行董事。譚文華先生獲委任為主席，於二零一一年三月二十八日生效。

行政總裁之角色由許祐淵先生擔任。行政總裁、本公司執行董事及高級管理層管理本公司整體運作。執行董事許祐淵先生、譚文華先生及張麗明女士，於太陽能產業及各自專業領域中擁有豐富的經驗，為本集團整體發展及業務策略擔當領導角色。

Board Committees

Audit Committee

The Company established the Audit Committee pursuant to a resolution of the Directors passed on 27 February 2008 in compliance with Rules 3.21 to 3.23 and Appendix 14 of the Listing Rules. The primary duties of the Audit Committee are to oversee the financial reporting processes and internal control procedures of the Group, to review the financial information of the Group and to consider issues relating to the external auditor. The Audit Committee consists of five non-executive Directors; four of whom are independent non-executive Directors.

In 2010, the Audit Committee met 2 times and the attendance of individual Directors at these meetings is set out below:

| Name of Directors | Attendance |
|--|------------|
| Independent non-executive Directors | |
| Mr. WONG Wing Kuen, Albert (Chairman) | 2/2 |
| Ms. FU Shuangye | 2/2 |
| Dr. LIN Wen | 2/2 |
| Mr. ZHANG Chun | 2/2 |
| Non-executive Director | |
| Mr. CHONG Kin Ngai | 2/2 |

The Audit Committee has reviewed the Group's interim and annual consolidated financial statements for the year 2010, including the accounting principles and practices adopted by the Group, and has also discussed auditing, internal control and financial reporting matters with the management.

董事委員會

審核委員會

遵照上市規則第3.21至3.23條及附錄十四的規定，本公司已根據董事於二零零八年二月二十七日通過的決議案成立審核委員會。審核委員會的主要職責是監督本集團的財務報告程序及內部監控程序、審閱本集團財務資料，以及考慮有關外聘核數師的事宜。審核委員會由五名非執行董事組成，當中四名為獨立非執行董事。

於二零一零年，審核委員會曾舉行2次會議，而個別董事出席有關會議的情況載列如下：

| 董事姓名 | 出席率 |
|----------------|-----|
| 獨立非執行董事 | |
| 王永權先生(主席) | 2/2 |
| 符霜葉女士 | 2/2 |
| 林文博士 | 2/2 |
| 張椿先生 | 2/2 |
| 非執行董事 | |
| 莊堅毅先生 | 2/2 |

審核委員會已審閱本集團二零一零年度的中期及年度綜合財務報告，包括本集團採納的會計準則及慣例，亦已與管理層商討核數、內部監控及財務申報事宜。

Board Committees (Continued)

Remuneration Committee

The Company established the Remuneration Committee pursuant to a resolution of the Directors passed on 27 February 2008 in compliance with Appendix 14 of the Listing Rules. The primary duties of the Remuneration Committee are to make recommendations to the Board on the Company's structure for remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration. The Remuneration Committee consists of five members; four of whom are independent non-executive Directors and one is the Executive Director.

In 2010, the Remuneration Committee met once and the attendance of individual Directors at the meeting is set out below:

| Name of Directors | Attendance | 董事姓名 | 出席率 |
|--|------------|-----------|-----|
| Independent non-executive Directors | | | |
| Ms. FU Shuangye (Chairman) | 1/1 | 符霜葉女士(主席) | 1/1 |
| Mr. WONG Wing Kuen, Albert | 1/1 | 王永權先生 | 1/1 |
| Dr. LIN Wen | 1/1 | 林文博士 | 1/1 |
| Mr. Zhang Chun | 1/1 | 張椿先生 | 1/1 |
| Executive Director | | | |
| Mr. TAN Wenhua | 1/1 | 譚文華先生 | 1/1 |

The Remuneration Committee has made recommendations to the Board regarding the remuneration policy of the Company. In addition, it has also reviewed and approved performance-based remuneration by reference to corporate goals and objectives resolved by the Board, and ensured that no Director or any of his/her associates is involved in deciding his/her own remuneration.

董事委員會(續)

薪酬委員會

遵照上市規則附錄十四的規定，本公司已根據董事於二零零八年二月二十七日通過的決議案成立薪酬委員會。薪酬委員會的主要職責是就本公司董事及高級管理人員的薪酬結構以及就發展該等薪酬政策設立正式及具透明度程序，向董事會作出推薦意見。薪酬委員會由五名成員組成，當中四名為獨立非執行董事，而另一名為執行董事。

於二零一零年，薪酬委員會曾舉行1次會議，而個別董事出席有關會議的情況載列如下：

薪酬委員會已就本公司薪酬政策向董事會提供建議。此外，該委員會亦已參考董事會決定之公司目標及宗旨，檢討及批准與表現掛鈎之薪酬，並確保概無董事或彼之任何聯繫人士參與彼本身薪酬之決策。

Board Committees (Continued)

Nomination Committee

The Company established a Nomination Committee pursuant to a resolution of the Directors passed on 27 February 2008 in compliance with Appendix 14 of the Listing Rules. The primary duties of the Nomination Committee are to make recommendations to the Board on the Company's policy and structure for recruiting Directors and senior management and on the establishment of formal and transparent procedures for nomination procedures and process and criteria adopted by the Nomination Committee to select and recommend candidates for directorship and senior management. The Nomination Committee consists of five members; four of whom are independent non-executive Directors and one is the executive Director.

In 2010, the Nomination Committee met once and the attendance of individual Directors at the meeting is set out below:

| Name of Directors | Attendance | 董事姓名 | 出席率 |
|--|------------|---------------------|-----|
| Independent non-executive Directors | | | |
| Dr. LIN Wen (Chairman) | 1/1 | 獨立非執行董事 林文博士(主席) | 1/1 |
| Mr. WONG Wing Kuen, Albert | 1/1 | 王永權先生 | 1/1 |
| Ms. FU Shuangye | 1/1 | 符霜葉女士 | 1/1 |
| Mr. ZHANG Chun | 1/1 | 張椿先生 | 1/1 |
| Executive Director | | | |
| Mr. HSU You Yuan | 1/1 | 執行董事 許祐淵先生 | 1/1 |

The Nomination Committee has discussed matters relating to the appointment of senior management members during the year.

董事委員會(續)

提名委員會

遵照上市規則附錄十四的規定，本公司已根據董事於二零零八年二月二十七日通過的決議案成立提名委員會。提名委員會的主要職責是就本公司董事及高級管理人員的聘用政策及架構以及就提名委員會就甄選推薦董事及高級管理人員候選人採納的提名程序及條件設立正式及具透明度的程序，向董事會作出推薦意見。提名委員會由五名成員組成，當中四名為獨立非執行董事及一名為執行董事。

於二零一零年，提名委員會曾舉行一次會議，而個別董事出席有關會議的情況載列如下：

提名委員會年內已討論有關委任高級管理層成員的事宜。

Financial Reporting and Internal Control

Financial Reporting

The Board, supported by the Chief Financial Officer and the Finance Department of the Company, is responsible for the preparation of the financial statements of the Company and the Group. In the preparation of financial statements, Hong Kong Financial Reporting Standards have been adopted and the appropriate accounting policies have been consistently used and applied. The Board aims to present a clear and balanced assessment of the Group's performance in the annual and interim reports to the shareholders, and make appropriate disclosure and announcements in a timely manner.

External Auditor

During the year ended 31 December 2010, the fees paid and payable to the external auditor of the Company in respect of audit services amounted to approximately RMB1,684,000 (2009: RMB1,498,000). In addition, approximately RMB199,000 (2009: RMB37,000) was charged for other non-statutory services which mainly consisted of interim reviews and tax services.

Internal control

The Board is responsible for the internal control of the Group and for reviewing its effectiveness. The Company conducted regular review to monitor the Company's internal management and operation during the year. Procedures have been designed to ensure maintenance of proper accounting records for the provision of reliable financial information for internal use or for publication, ensure compliance of applicable laws, rules and regulations.

In order to fulfil their fiduciary duties and duties of skill, care and diligence, the Directors will constantly seek advice and assistance from the Company's internal legal team and if necessary, seek advice from external legal advisors in Hong Kong and the PRC. The Company also adopted internal control procedures relating to, among others, signing authority and procedures since February 2007. The Company has an Audit and Legal Department consisting 3 members, one of whom was a former registered PRC lawyer with extensive experience in the legal field. The main duties of the Audit and Legal department are:

- providing legal advice on major business decisions
- reviewing and drafting legal documents
- handling legal disputes
- advising on legal issues related to daily operations
- conducting internal training for compliance matters

財務報告及內部監控

財務報告

董事會在本公司首席財務官及財務部門的支援下，負責編製本公司及本集團的財務報告。本公司在編製財務報告時，已採納香港財務報告準則，並貫徹使用及應用適當的會計政策。董事會旨在於致股東年報及中期報告中，對本集團業績作出清晰平衡的評估，並適時作出披露及公佈。

外聘核數師

截至二零一零年十二月三十一日止年度，就審核服務已付及應付本公司外聘核數師費用約人民幣1,684,000元（二零零九年：人民幣1,498,000元）。此外，約人民幣199,000元（二零零九年：人民幣37,000元）已計入其他非法定服務，主要包括中期審閱及稅項服務。

內部監控

董事會負責本集團的內部監控，並檢討監控的成效。本年度內，本公司對其內部管理及營運，進行定期檢討及監察。本公司已設計程序，確保保存適當的會計記錄，以便提供可靠的財務資料，以供內部使用或刊印發行，亦確保符合相關法律、規則及規例。

為履行其誠信責任及應有技能、謹慎和勤勉行事的責任，董事將不斷向本公司內部法律團隊徵求意見及協助，倘若有需要，則向香港及中國的外聘法律顧問徵求意見。此外，本公司亦自二零零七年二月起採納有關其中包括簽署授權及程序的內部監控程序。本公司設有審核及法律部門，由三名成員組成，其中一員是在法律領域具備豐富經驗的前中國註冊律師。審核及法律部門的主要職務為：

- 就達成重大業務決策提供法律意見
- 審閱及草擬法律文件
- 處理法律爭議
- 就與日常營運有關的法律問題提供意見
- 就合規事宜提供內部培訓

Financial Reporting and Internal Control

(Continued)

Directors' responsibility on the financial statements

The Directors acknowledge their responsibility for preparing the financial statements for the year ended 31 December 2010, which were prepared in accordance with applicable accounting standards.

The reporting responsibility of the external auditor of the Company on the consolidated financial statements of the Group are set out in the independent auditor's report on pages 74 to 75.

Going concern

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

財務報告及內部監控(續)

董事對財務報告的責任

董事知悉，彼等須按照適用的會計準則，編製截至二零一零年十二月三十一日止年度的財務報告。

本公司外聘核數師對本集團綜合財務報告的報告責任，載於第74頁至第75頁的獨立核數師報告。

持續經營能力

概無任何有關可對本公司持續經營能力構成重大疑慮的事件或情況的重大不明朗因素。

Directors and Senior Management Profile

董事和高級管理人員簡歷

Directors

Executive Directors

Mr. TAN Wenhua (譚文華), aged 54, Chairman of the Board. He was one of the founders of the Jinzhou Plants. He was conferred various honours including the Model for the Labour of the Building Materials Systems of the Nation, the medal of "May 1st" Labour of Liaoning Province, the Outstanding Member of the China Communist Party, the Outstanding Entrepreneur of the Building Materials Industry of the Nation, and the Venture Entrepreneur of the Liaoning Province. He is also a guest professor of Liaoning University of Technology. Prior to the founding of Jinzhou Plants, he was the Chairman of 錦州新華石英玻璃(集團)有限責任公司 (Jinzhou Xinhua Quartz Glass (Group) Co., Ltd.*) and the President and the Vice President of 錦州一五五廠 (Jinzhou 155 Factory*), a state-owned factory engaging in quartz crucibles manufacturing. He has been granted a special subsidy by the State Council in 2004 for his contribution in engineering technology. He was elected as a delegate of the 11th National People's Congress of the People's Republic of China in 2007. He is the father of Mr. Tan Xin, the General Manager of the Jinzhou Plants. He is also the brother-in-law of Ms. Zhao Xiuzhen who is the Director of Production of the Jinzhou Plants.

Mr. HSU You Yuan (許祐淵先生), aged 56, the Chief Executive Officer of the Company. He joined the Group on 6 February 2007 and was appointed an executive Director on the same date. He graduated with a master degree in Business Administration from the Chinese Culture University in 1980. Prior to joining the Group, Mr. HSU was the General Manager and President of Wafer Works Corp. ("WWX") from February 1998 to June 2003 and later became the Vice-Chairman of the board of WWX in June 2003. WWX is a manufacturer of silicon wafer for the semiconductor industry and is listed on the Gre Tai Securities Market in Taiwan since May 2002. He was the managing director of Silicon Technology Investment (Cayman) Corp. and was appointed the Chief Executive Officer of Solar Technology Investment (Cayman) Corp., responsible for overseeing, amongst others, WWX's investment in the solar energy industry. In March 2006, he was appointed a director and he was subsequently appointed as the Chairman of the board of Jinzhou Youhua in September 2006. Mr. HSU's previous work credentials also include acting as Vice-President of Mosel Vitelic Inc., a company listed on the Taiwan Stock Exchange and as a member of the board of directors and Executive Vice-President of Mosel Vitelic (Hong Kong) Limited, a subsidiary of Mosel Vitelic Inc. Mr. HSU had also made contributions to non-commercial sectors in the past. He served as a researcher, a deputy director, and the director of Business Department of the Executive Yuan Development Fund. He was also a lecturer of Statistics and Managerial Mathematics for the Business Administration department at the Chinese Culture University.

董事

執行董事

譚文華先生，54歲，董事會主席。彼為錦州廠創辦人之一。彼曾獲全國建材系統勞動模範，遼寧省「五一」勞動獎章、優秀共產黨員、全國建材行業優秀企業家及遼寧省創業企業家等多項殊榮。彼亦為遼寧工業大學客座教授。創辦錦州廠前，彼出任錦州新華石英玻璃(集團)有限責任公司董事長及國有石英坩堝製造廠錦州一五五廠董事長兼副董事長。國務院於二零零四年就譚先生對工程技術作出的貢獻，授予其為可享受國務院特殊津貼的專家。彼於二零零七年當選為中華人民共和國第十一屆全國人民代表大會代表。彼為譚鑫先生(為錦州廠總經理)的父親。彼亦為趙秀珍女士(為錦州廠生產總監)的妹夫。

許祐淵先生，56歲，本公司首席執行官。彼於二零零七年二月六日加盟本集團並於同日獲委任為執行董事。彼於一九八零年畢業於中國文化大學，獲頒企業管理碩士學位。加盟本集團前，許先生自一九九八年二月至二零零三年六月出任合晶科技股份有限公司(「合晶科技」)總經理兼董事長，其後於二零零三年六月轉任合晶科技董事會副主席。合晶科技乃半導體硅片製造商，該公司自二零零二年五月起於台灣證券櫃檯買賣中心上市。彼歷任 Silicon Technology Investment (Cayman) Corp. 董事總經理，並曾獲委任為 Solar Technology Investment (Cayman) Corp. 首席執行官，專責監督(其中包括)合晶科技於太陽能產業的投資。於二零零六年三月，彼獲委任為錦州佑華董事，並隨後於二零零六年九月獲委任為該公司董事會主席。許先生曾出任台灣證交所上市公司台灣茂矽電子股份有限公司副總經理及台灣茂矽電子股份有限公司附屬公司香港華智公司董事會成員兼執行副總裁。許先生過往亦對非商業領域作出貢獻。彼曾先後出任行政院開發基金業務組研究員、副組長及組長。彼亦曾任中國文化大學企管系講師，講授統計學及管理數學。

* English translation of Chinese official name is for identification purpose only

Directors (Continued)

Executive Directors (Continued)

Ms. ZHANG Liming (張麗明), aged 53, the Director of Administration (行政總監) of the Jinzhou Plants. She joined the Original Group (i.e. the Group prior to the acquisition of the Acquired Group) on 1 April 2003 responsible for overseeing, amongst others, the administration of the Original Group. She is also the chairman of the labour union of the Jinzhou Plants. She graduated from the Faculty of Economic Management of the Party School of the CPC Central Committee in 1996. Prior to joining the Group, she was appointed as the head of the supply division of 錦州石英玻璃儀器廠 (Jinzhou Quartz Glass Instrument Factory*), the director of management of 錦州京旭晶體材料制造有限責任公司 (Jinzhou Crystalline Material Co., Ltd.*) during 1993 to 1994 and the general manager of 錦州華明水晶工藝品有限公司 (Jinzhou Huaming Crystal Art & Craft Co., Limited*) during 1994 to 2003.

Non-executive Directors

Mr. CHIAO Ping Hai (焦平海), aged 60, a non-executive Director. He was appointed a non-executive Director in July 2007. He graduated from the Chung Yuen University with a bachelor degree in Chemical Engineering and master degree in Chemistry from the University of California, San Jose in 1973 and 1978, respectively. He is the Chairman and General Manager of WWX and the President of Helitek Company Ltd., a subsidiary of WWX.

Mr. CHONG Kin Ngai (莊堅毅), aged 59, a non-executive Director. He joined the Group in June 2002 when Prosperity Lamps & Components Limited ("PLC") became a joint venture partner of Jinzhou Huachang. He was appointed a non-executive Director in July 2007. Mr. CHONG obtained his bachelor of Arts degree from the University of Hong Kong and obtained his Master of Business Administration degree from the Chinese University of Hong Kong. He is the Chairman of board of director of PLC, and Vice-Chairman of Jinzhou Youxin. He has been engaging in the production and trading of electro-optical products for more than 30 years.

董事(續)

執行董事(續)

張麗明女士，53歲，錦州廠行政總監。彼於二零零三年四月一日加盟原集團(即收購被收購集團前之本集團)，專責監督(其中包括)原集團的行政工作，同時出任錦州廠工會主席。彼於一九九六年畢業於中共中央黨校經濟管理系。加盟本集團前，彼於一九九三年至一九九四年間獲委任為錦州石英玻璃儀器廠供應科科長及錦州京旭晶體材料制造有限責任公司管理董事，並於一九九四年至二零零三年間獲委任為錦州華明水晶工藝品有限公司總經理。

非執行董事

焦平海先生，60歲，非執行董事，於二零零七年七月獲委任為非執行董事。彼於一九七三年畢業於中原大學，獲頒化學工程學士學位，後於一九七八年畢業於加州聖荷西大學，獲頒化學碩士學位。彼現時出任合晶科技董事長兼總經理及合晶科技附屬公司Helitek Company Ltd.總裁。

莊堅毅先生，59歲，非執行董事。於二零零二年六月，彼於佑昌燈光器材有限公司(「佑昌燈光」)成為錦州華昌之合資企業合夥人時加盟本集團。於二零零七年七月，彼獲委任為非執行董事。莊先生於香港大學畢業，獲頒文學學士學位，其後於香港中文大學畢業，獲頒工商管理碩士學位。彼現時出任佑昌燈光董事會主席及錦州佑鑫副董事長。彼於電光產品生產及貿易業擁有逾三十年經驗。

Directors and Senior Management Profile

董事和高級管理人員簡歷

Directors (Continued)

Independent Non-executive Directors

Mr. WONG Wing Kuen, Albert (王永權), aged 59, was appointed an independent non-executive Director on 12 January 2008. Mr. Wong is a fellow member of The Institute of Chartered Secretaries and Administrators, The Hong Kong Institute of Chartered Secretaries, The Taxation Institute of Hong Kong, Securities & Investment Institute, Hong Kong Institute of Directors, Chartered Management Institute, UK, Association of International Accountants, Society of Registered Financial Planners, Hong Kong, as well as a member of Hong Kong Securities Institute, The Chartered Institute of Arbitrators, Macau Society of Certified Practising Accountants, The Institute of Certified Public Accountants in Ireland, UK and an associate member of The Chartered Institute of Bankers in Scotland, UK. Mr. WONG had also been a director and Chief Executive Officer of Minghua Group International Holdings Limited, a listed public company in the United States, until 30 September 2004. According to the filings made available to public through the EDGAR database in U.S., for the quarterly period ended 30 September 2005, Minghua Group International Holdings Limited was “a small business issuer” and “a development stage company”. Mr. WONG has been the Managing Director of Charise Financial Consultants Limited, a private professional consulting firm in Hong Kong and an independent non-executive director of APAC Resources Limited, a company listed on the Main Board of the Stock Exchange, since July 2004.

Ms. FU Shuangye (符霜葉), aged 42. Ms. FU was appointed an independent non-executive Director on 12 January 2008. Ms. FU graduated from Wuhan University with a bachelor degree in English Literature in 1990 and obtained her further legal studies certificate in the Law School of China Politics and Law University in 1997. She was qualified as a PRC lawyer in 1998. She was a partner of Zhong Lun W&D Law Firm in Beijing. Ms. FU is now the Managing Partner of Zhong Hao Attorneys-at-Law. She is also a member of the Foreign Direct Investment Expertise Committee of the Beijing Judiciary Bureau.

董事(續)

獨立非執行董事

王永權先生，59歲，二零零八年一月十二日獲委任為獨立非執行董事。王先生為英國特許秘書及行政人員公會、香港特許秘書公會、香港稅務學會、證券及投資學會、香港董事學會、英國特許管理學會、國際會計師公會及香港註冊財務策劃師協會資深會員以及香港證券專業學會、特許仲裁學會、澳門會計師公會、英國愛爾蘭特許會計師公會及英國蘇格蘭特許銀行家學會會員。王先生曾在美國一間上市公司明華集團國際有限公司出任董事兼首席執行官，直至二零零四年九月三十日止。截至二零零五年九月三十日止季度期間通過EDGAR在美國向公眾人士發佈的存檔資料，明華集團國際有限公司屬「小型企業發行商」及「處於發展階段的公司」。王先生一直為香港私人專業顧問公司卓昇財務顧問有限公司的董事總經理，並自二零零四年七月起為在聯交所主板上市的亞太資源有限公司獨立非執行董事。

符霜葉女士，42歲。符女士於二零零八年一月十二日獲委任為獨立非執行董事。符女士於一九九零年畢業於武漢大學，獲頒英國文學學士學位；於一九九七年獲頒中國政法大學法律系法律研究證書；及於一九九八年獲得中國律師資格。符女士曾任北京中倫文德律師事務所合夥人律師，目前出任北京中灝律師事務所管理合夥人律師，並擔任北京市司法局對外投資專業委員會委員。

Directors (Continued)

Independent Non-executive Directors (Continued)

Dr. LIN Wen (林文), aged 71, an independent non-executive Director, joined the Group on 12 January 2008. Dr. LIN received his bachelor degree in Science (Metallurgy), master degree in Science (Chemical Engineering) and Ph.D. degrees in Materials Science & Engineering. He joined AT&T Bell Laboratories (subsequently, Lucent Bell Labs/Agere) in 1975. He is the author of many articles published by internationally recognised science magazines. Together with other collaborators, he wrote about the properties of uniform oxygen Czochralski silicon crystals in an article and such article was published in the Vol. 51(10), October 1980 edition of J. Appl. Phys., a publication of the American Institute of Physics. Czochralski process is the key process employed by the Group in the manufacturing of monocrystalline silicon ingots. He has also authored/co-authored technical papers, book chapters and owns several patents. Dr. LIN was a recipient of the 1983 Bell Laboratories Distinguished Technical Staff Award. He is a member of Phi Tau Phi Honor Societies. Since 1999, he has been a member of the Starting Materials Team of ITRS (International Technology Roadmap of Semiconductor). As a life member of the Chinese Institute of Engineers-USA, he has served the Institute in various capacities in the last two decades. He served as its president in 1987 and National Council Chairman in 1995. Dr. LIN also served as Chairman of METS (Modern Engineering and Technology Seminars), as well as Vice-Chairman and Chairman of Sino-American Technology and Engineering Conference.

Mr. ZHANG Chun (張椿), aged 78, an independent non-executive Director, joined the Group on 12 January 2008. Mr. ZHANG graduated from Tianjin University in 1955 and conducted research on semi-conductor silicon material in 北京有色金屬研究總院 (Beijing Non-Ferrous Metal Research Institution*) in the same year. During 1965 to 1979, he was involved in the establishment of the semi-conductor materials factory in Emei and the monocrystalline silicon factory in Luoyang and their production and technological management. During 1979 to 1998, he was the supervisor of a semi-conductor material research unit of Beijing Non-Ferrous Metal Research Institution, the supervisor of the 國家半導體材料工程研究中心 (State Semi-conductor Material Engineering Research Centre*) and he also acted as the general manager of 金鑫半導體材料有限公司 (Jinxin Semi-conductor Material Company Limited*). The (a) project on 3 to 4 inches monocrystalline silicon for the use in integrated circuit and (b) the research project on the manufacture of 125mm monocrystalline silicon wafer for the use in 2 to 3 μ m integrated circuit organised and led by Mr. ZHANG received 科學技術進步一等獎 (the Science and Technology Progress First Prize*) by the China National Non-Ferrous Metals Industry Corp. Mr. ZHANG was granted a special subsidy of government from the State Council since 1992, was awarded the title of Supreme Model for the Labour of the Non-ferrous Metals Industry of the Nation in 1993 and was awarded as a 全國先進工作者 (National Pioneer*) by the State Council in 1995.

董事(續)

獨立非執行董事(續)

林文博士，71歲，獨立非執行董事，於二零零八年一月十二日加盟本集團。林博士擁有科學學士學位(冶金學)、科學碩士學位(化學工程)，以及材料科學及工程博士學位。林博士於一九七五年加盟AT&T貝爾實驗室(後為朗訊貝爾實驗室/傑爾系統公司(Lucent Bell Labs/Agere))。彼於獲國際肯定的科學期刊發表多份文章。彼連同其他合作夥伴撰寫有關均氧提拉法晶硅的屬性的文章，此文章刊登於美國物理學會旗下刊物《J. Appl. Phys.》第51(10)期(一九八零年十月版)。提拉法工序為本集團製造單晶硅錠時採用的重要工序。此外，彼個人著作及與他人合著的著作包括技術論文、文章(編載入書)，另擁有多項專利。林博士曾獲頒一九八三年度貝爾實驗室傑出技術工作人員獎，現為斐陶榮譽學會成員。自一九九九年，林博士擔任國際半導體技術藍圖的原材料小組成員。林博士為美國中國工程師學會的永久會員，並於過去二十年出任該學會不同職位，於一九八七年曾任該學會的主席，更於一九九五年出任國家總會主席。此外，林博士曾任近代工程技術討論會主席，以及中美技術及工程會議副主席及主席。

張椿先生，78歲，獨立非執行董事，於二零零八年一月十二日加盟本集團。張先生於一九五五年於天津大學畢業，同年在北京有色金屬研究總院從事半導體材料的研究工作。一九六五年至一九七九年，彼在峨眉半導體材料廠和洛陽單晶硅廠參與建廠和生產及技術管理工作。一九七九年至一九九八年，彼任北京有色金屬研究總院半導體材料研究室主任、國家半導體材料工程研究中心主任及金鑫半導體材料有限公司總經理。張先生組織領導(a) 3至4吋用於集成電路的單晶硅片項目和(b)製造用於2至3微米集成電路的125毫米單晶硅片的研究項目，兩者均獲中國有色金屬工業總公司科學技術進步一等獎。張先生於一九九二年獲國務院頒授政府特殊津貼，一九九三年榮獲全國有色金屬工業特等勞動模範光榮稱號，一九九五年獲國務院頒發全國先進工作者稱號。

Directors and Senior Management Profile

董事和高級管理人員簡歷

Directors (Continued)

Independent Non-executive Directors (Continued)

The Directors' interest or short positions in the shares or underlying shares in the Company within the meaning of Part XV of the Securities and Futures Ordinance ("SFO") are set out in the section headed "Interest and Short Positions of the Directors and the Chief Executives of the Company in the Shares, Underlying Shares and Debentures of the Company and its Associated Corporations" in this annual report. Each Director has entered into a service contract with the Company for a term of three years and the details of which are set out in the section headed "Directors' Service Contracts" on page 38 of this annual report. The Directors' emoluments, the basis of determining the same (including any bonus payments, whether fixed or discretionary in nature, irrespective of whether the Director has or does not have a service contract) and the Directors' fees covered by the service contracts of the Directors are set out in note 11 to the Financial Statements and the section headed and "Report of the Directors – Emolument Policy" of this annual report. Save as disclosed above, each Director confirmed that there are no other matters that need to be brought to the attention of the shareholders of the Company and there is no other information which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

Senior Management

Mr. TAN Xin (譚鑫), aged 28, is the General Manager of the Jinzhou Plants. He joined the Group in July 2005. He holds a bachelor's degree of Marketing from the Macau University of Science and Technology, and a master's degree of Business Administration from University of East Anglia, U.K. Before taking the role of the General Manager of Jinzhou Plants, Mr. Tan also worked in other subsidiaries within the Group and accumulated plenty of experiences from his prior positions. He is the son of Mr. Tan Wenhua who is an executive Director and the Chairman of the Company.

Mr. CHOW Yiu Ming (鄒耀明), aged 38, is the Chief Financial Officer and Company Secretary of the Company. He holds a bachelor's degree of business administration from the University of Hong Kong and is also a fellow member of the Association of Chartered Certified Accountants and an associate of the Hong Kong Institute of Certified Public Accountants. He joined the Company in September 2008 and has over 15 year of experience in auditing, finance and accounting.

Ms. ZHAO Xiuzhen (趙秀珍), aged 56, the Director of Production (生產總監) of the Jinzhou Plants. She joined the Group on 31 January 2005. She graduated from 錦州黨校黨務行政管理系 (Jinzhou Communist Party School in Administration and Management for Party Affairs*). Prior to joining the Group, she was the deputy general manager of Jinzhou Hualian Shopping Centre. She is the sister-in-law of Mr. Tan Wenhua who is an executive director and the chairman of the Company.

董事(續)

獨立非執行董事(續)

董事於本公司股份或相關股份中擁有根據證券及期貨條例(「證券及期貨條例」)第XV部所界定之權益或淡倉，載於本年報「董事及本公司最高行政人員於本公司及其相聯法團的股份、相關股份及債券的權益及淡倉」一節。各董事與本公司訂立服務合約，為期三年，詳情載於本年報第38頁「董事服務合約」一節。董事薪酬、釐定薪酬之基準(包括無論屬固定或酌情且不論董事有否服務合約之任何花紅款項)以及董事服務合約涵蓋之董事袍金載於本年報財務報告附註11及本年報「董事會報告書—薪酬政策」一節。除上文披露者外，各董事確認，概無其他事宜須本公司股東注意，亦無其他資料須根據上市規則第13.51(2)條予以披露。

高級管理人員

譚鑫先生，28歲，錦州廠總經理。彼於二零零五年七月加盟本集團。彼持有澳門科技大學市場學學士學位，以及英國University of East Anglia工商管理碩士學位。於出任錦州廠總經理前，譚先生曾於本集團旗下其他附屬公司工作，於過往職位中積累豐富經驗。彼為本公司執行董事及主席譚文華先生的兒子。

鄒耀明先生，38歲，為本公司首席財務官及公司秘書。彼持有香港大學頒授的工商管理學士學位，亦為英國特許公認會計師公會資深會員及香港會計師公會會員。彼於二零零八年九月加入本公司，具備逾十五年核數、財務及會計經驗。

趙秀珍女士，56歲，錦州廠生產總監。彼於二零零五年一月三十一日加盟本集團。彼畢業於錦州黨校黨務行政管理系。加盟本集團前，彼曾任錦州華聯購物中心副總經理。彼為本公司執行董事及主席譚文華先生的姨姐。

Senior Management (Continued)

Mr. WANG Chun Wei (王君偉), aged 40, the Chief Financial Officer of the Jinzhou and Shanghai Plants. He joined the Group on 1 January 2007. He obtained a Master of Business Administration from the State University of New Jersey (Rutgers). He is a certified public accountant in Maryland, the United States. Prior to joining the Group, he was a Special Assistant to President & Deputy Spokesman of The Office of General Manager of WWX, the Spokesman and Chief Financial Officer of Panram International Corp., a company listed on the Gre Tai Securities Market in Taiwan.

Mr. Joe CHOU (周志文), aged 52, is the Director of Quality Assurance Department of Jinzhou Plants. He joined the Group on 3 February 2009. He holds a bachelor's degree of Chemical Engineering from the Chung Yuen Christian University, Taiwan, a master's degree of Business Administration from City University of Seattle, and an Executive Master's of Business Administration degree from National Taiwan University. Prior to joining the Group, he was appointed as Director of Quality Assurance Department of WWX. He has over 24 year of experience in semiconductor industry and has over 21 year of experience in quality assurance.

Mr. ZHANG Yuewen (張躍文), aged 46, the Director of Marketing (營銷總監) of the Jinzhou Plants. He joined the Group on 16 May 2003. He graduated from 錦州黨校經濟管理本科 (Jinzhou Communist Party School in Economic and Management*). Prior to joining the Group, he worked in the supply division of Jinzhou Xinhua Quartz Glass (Group) Co., Limited as a deputy division head and then the division head.

Mr. CHEN Limin (陳立民), aged 42, the Technical Director of Jinzhou Plants. He joined the Group on 30 December 2000. He graduated from the Ore Mining Faculty of the 四川建材學院 (Sichuan College of Construction Materials*). Prior to joining the Group, he worked for 新華石溪玻璃 (集團) 有限公司 (Xinhua Shixi Glass (Group) Co., Ltd.*).

Consultant

Dr. Stephen Sun Hai CHIAO (焦生海), aged 62. He was appointed a consultant of the Company on 12 January 2008. Dr. CHIAO has been a director of Shanghai Jingji since 1998. Dr. CHIAO received his bachelor degree in Science from the National Cheng-Kung University, master degree in Science from the University of Southern California, and Ph.D. degree from Stanford University. Dr. CHIAO is a Professor in the Department of Electrical Engineering at San Jose State University. In 2002, Dr. CHIAO was appointed as the Honorary and Guest Professor at The University of Shanghai for Science and Technology and China Institute of Metrology. Dr. CHIAO has published and presented technical articles internationally, held several U.S. patents in semiconductors and microelectronics related technologies. Dr. CHIAO's recent publication includes "Alternative Energy Saving Devices/System", a book with three chapters on solar cell technologies, applications and trend. Dr. CHIAO is the elder brother of Mr. CHIAO Ping Hai.

高級管理人員(續)

王君偉先生，40歲，錦州廠及上海廠首席財務官。彼於二零零七年一月一日加盟本集團。彼獲新澤西州 (Rutgers) 州立大學頒授工商管理碩士學位。彼為美國馬里蘭州執業會計師。加盟本集團前，彼出任合晶科技總經理辦公室總裁特別助理兼副發言人以及台灣證券櫃檯市場上市公司品安科技股份有限公司發言人兼首席財務官。

周志文先生，52歲，錦州廠品保總監，彼於二零零九年二月三日加盟本集團，彼獲台灣私立中原大學化學工程學士，美國西雅圖城市大學工商管理碩士及國立台灣大學行政人員工商管理碩士。加盟本集團前，彼曾任合晶科技品保處處長職務。彼在半導體相關行業具備逾二十四年經驗，並在品保具備逾二十一年經驗。

張躍文先生，46歲，錦州廠營銷總監。彼於二零零三年五月十六日加盟本集團。彼畢業於錦州黨校經濟管理本科。加盟本集團前，彼任職於錦州新華石英玻璃(集團)有限責任公司供應科擔任副科長，其後晉升為科長。

陳立民先生，42歲，錦州廠技術總監。彼於二零零零年十二月三十日加盟本集團。彼畢業於四川建材學院採礦系。加盟本集團前，彼任職於新華石溪玻璃(集團)有限公司。

顧問

焦生海博士，62歲，彼於二零零八年一月十二日獲委任為本公司顧問。自一九九八年起，焦博士一直於上海晶技出任董事。焦博士獲頒國立成功大學科學學士學位、南加州大學科學碩士學位及史丹福大學博士學位。彼現任聖荷西州立大學電子工程系教授。於二零零二年，焦博士獲上海科技大學及中國計量學院委任為榮譽及客座教授。彼曾發表國際技術文章，並持有數項美國半導體及微電子相關技術專利。焦博士最新出版之著作包括名為「替代能源儲存設備／系統」(Alternative Energy Saving Devices/System) 的書籍，其中三章有關太陽能電池技術、應用及趨勢。焦博士乃焦平海先生之胞兄。

Report of the Directors

董事會報告書

The Directors present the annual report together with the audited consolidated financial statements for the year ended 31 December 2010.

Principal Activities

The Company acts as an investment holding company of the Group. The principal activities of the Group are the trading of, manufacturing of and provision of processing services for polysilicon and monocrystalline and multicrystalline silicon solar ingots/wafers, and the producing of and trading of photovoltaic modules as well as the installation of photovoltaic systems. The analysis of the principal activities and geographical locations of the operations of the subsidiaries during the financial year are set out in note 17 to the financial statements.

Major Customers and Suppliers

The Group's top five customers are mainly silicon solar wafer or cell manufacturers or traders. In aggregate, the largest and five largest customers did not exceed 23% (2009: 30%) and 65% (2009: 68%) of the Group's total sales in 2010 respectively. The Group currently procures raw materials from about 48 suppliers (2009: 48). In aggregate, purchases from its largest and five largest suppliers did not exceed 23% (2009: 17%) and 51% (2009: 51%) of the Group's total purchases in 2010 respectively. Save for Jinzhou Huachang Photovoltaic Technology Company Limited and WWX, at no time during the year have the Directors, their associates or any shareholder of the Company (which to the knowledge of the Directors owns more than 5% of the Company's share capital) had any interest in these major suppliers and/or customers.

Financial Statements

The profit of the Group for the year ended 31 December 2010 and the state of the Company's and the Group's affairs as at that date are set out in the financial statements on pages 76 to 168.

The Directors recommend the payment of a final dividend of RMB3.5 cents (HK4.1 cents) per share for 2010 (2009: RMBNil per share).

Transfer to Reserves

Profit attributable to shareholders for the year ended 31 December 2010 was RMB214.121 million. (2009: Loss attributable to shareholders of RMB98.098 million) had been transferred to reserves. Other movements in reserves are set out in the consolidated statement of changes in equity on page 81.

As at 31 December 2010, distributable reserves of the Company amounted to approximately RMB819,574,000 (2009: RMB813,179,000).

董事提呈本年報連同截至二零一零年十二月三十一日止年度的經審核綜合財務報告。

主營業務

本公司為本集團投資控股公司。本集團主營業務為產銷太陽能多晶硅及單晶硅錠／硅片，以及提供太陽能多晶硅以及單晶及多晶硅錠／硅片的加工服務，並生產及買賣光伏模組及安裝光伏系統。本財政年度內附屬公司之主要業務及按地區分部劃分之業務分析載於財務報告附註17。

主要客戶及供應商

本集團五大客戶主要為太陽能硅片或電池製造商或貿易商。最大及五大客戶於二零一零年涉及的銷售總額分別不超過本集團銷售總額的23% (二零零九年：30%) 及65% (二零零九年：68%)。本集團現時從約48家 (二零零九年：48家) 供應商採購原材料。最大及五大供應商於二零一零年的採購總額分別不超過本集團採購總額的23% (二零零九年：17%) 及51% (二零零九年：51%)。除錦州華昌光伏科技有限公司及合晶科技外，本公司董事、彼等的聯繫人士或就董事所知擁有本公司股本5%以上之任何股東，概無於本年度內任何時間，在本集團主要供應商及／或客戶中擁有任何權益。

財務報告

本集團截至二零一零年十二月三十一日止年度的利潤，以及本公司及本集團於同日的財務狀況，載於第76至168頁的財務報告。

董事建議就二零一零年派付終期股息每股人民幣3.5分 (4.1港仙) (二零零九年：每股人民幣零元)。

轉撥至儲備

截至二零一零年十二月三十一日止年度股東應佔利潤人民幣214,121,000元 (二零零九年：股東應佔虧損人民幣98,098,000元) 已轉撥入儲備。儲備的其他變動載於第81頁綜合權益變動表內。

於二零一零年十二月三十一日，本公司可分派儲備約為人民幣819,574,000元 (二零零九年：人民幣813,179,000元)。

Charitable Donations

Charitable donations made by the Group during the year amounted to RMB810,000 (2009: RMB525,000).

Bank Loans and Other Borrowings

Particulars of bank loans and other borrowings of the Group as at 31 December 2010 are set out in note 24 to the financial statements.

Property, Plant and Equipment

Details of acquisitions and other movements in property, plant and equipment are set out in note 14 to the financial statements.

Share Capital

Details of the movements in share capital of the Company during the year are set out in note 30 to the financial statements.

Five-year Financial Summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 5 of the annual report.

Directors

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

Executive Directors

Mr. TAN Wenhua, Chairman
(appointed as Chairman on 28 March 2011)
Mr. HSU You Yuan, Chief Executive Officer
Ms. ZHANG Liming

Non-executive Directors

Mr. CHIAO Ping Hai (resigned as Chairman on 28 March 2011)
Mr. CHONG Kin Ngai

Independent Non-executive Directors

Mr. WONG Wing Kuen, Albert
Ms. FU Shuangye
Dr. LIN Wen
Mr. ZHANG Chun

In accordance with the provisions of the Company's articles of association, Mr. TAN Wenhua, Ms. ZHANG Liming and Mr. CHIAO Ping Hai will retire by rotation at the forthcoming annual general meeting and being eligible, have agreed to offer themselves for re-election.

慈善捐款

本年度內本集團所作慈善捐款為人民幣810,000元(二零零九年：人民幣525,000元)。

銀行貸款及其他借貸

本集團於二零一零年十二月三十一日的銀行貸款及其他借貸詳情，載於財務報告附註24。

物業、廠房及設備

收購物業、廠房及設備以及其他變動的詳情，載於財務報告附註14。

股本

本公司年內股本變動的詳情，載於財務報告附註30。

五年財務摘要

本集團過去五個財政年度的業績以及資產與負債的概要，載於本年報第5頁。

董事

本財政年度內及直至本報告日期止的在任董事為：

執行董事

譚文華先生，主席
(於二零一一年三月二十八日獲委任為主席)
許祐淵先生，行政總裁
張麗明女士

非執行董事

焦平海先生(於二零一一年三月二十八日辭任主席一職)
莊堅毅先生

獨立非執行董事

王永權先生
符霜葉女士
林文博士
張椿先生

根據本公司組織章程細則的條文，譚文華先生、張麗明女士及焦平海先生將於應屆股東週年大會輪值退任，彼等均合資格並同意於大會重選連任。

Directors' Service Contracts

As at 31 December 2010, each of the Executive Directors has entered into a service contract with the Company for a term of 3 years commencing from 31 March 2008 (the "Listing Date"), which may be terminated by not less than 3 months' notice in writing served by either party on the other.

The Non-Executive Directors and the Independent Non-Executive Directors have entered into service contracts with the Company for a term of 3 years commencing from 1 February 2008.

Save as disclosed above, none of the Directors being proposed for re-election at the forthcoming annual general meeting has a service agreement with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

Non-exempt Continuing Connected Transactions

The Group has entered into a number of agreements with parties which are regarded as a connected person for the Company under the Listing Rules. The Company confirms that it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules in respect of the Company's continuing connected transactions, details of which are set out below.

A. Continuing Connected Transactions Exempt from the Independent Shareholders' Approval Requirements

The following transactions constitute continuing connected transactions for the Company under Rule 14A.34 of the Listing Rules and would be exempt from the independent shareholders' approval requirement but are subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules:

Provision of water and heat services by 錦州華榮物業管理有限公司 (Jinzhou Huarong Property Management Company Limited) ("Jinzhou Huarong")*

On 12 January 2008, Jinzhou Huarong entered into a framework service agreement with the Company pursuant to which Jinzhou Huarong agreed to provide water and heat (the "Services") to the Company and its subsidiaries designated by it from time to time. The agreement commenced on 31 March 2008 and expired on 31 December 2009.

On 2 December 2009, the Company has entered into a new service agreement (the "New Service Agreement") with Jinzhou Huarong to renew the pre-existing agreement as well as to determine the annual cap for the transactions for the years ending 31 December 2012. The term of the New Service Agreement commenced on 1 January 2010 and will expire on 31 December 2012.

董事服務合約

於二零一零年十二月三十一日，各執行董事與本公司已訂立服務合約，自二零零八年三月三十一日（「上市日期」）開始，為期三年，任何一方給予對方不少於三個月的書面通知後可終止合約。

非執行董事及獨立非執行董事已與本公司訂立服務合約，為期三年，自二零零八年二月一日開始。

除上文披露者外，所有擬於應屆股東週年大會重選連任的董事與本公司概無訂立任何不可於一年內免付賠償（法定賠償除外）予以終止的服務協議。

不獲豁免之持續關連交易

本集團與多名根據上市規則被視為本公司關連人士的訂約方訂立多項協議。本公司確認，其已就本公司持續關連交易遵守根據上市規則第14A章之披露規定，詳情載於下文。

A. 獲豁免遵守獨立股東批准規定之持續關連交易

根據上市規則第14A.34條，下列交易構成本公司持續關連交易，並獲豁免遵守獨立股東批准的規定，惟仍須遵守上市規則第14A.45至第14A.47條的申報及公告規定：

錦州華榮物業管理有限公司（「錦州華榮」）用水及熱能供應服務

於二零零八年一月十二日，錦州華榮與本公司訂立框架服務協議，據此，錦州華榮同意不時向本公司及其指定的附屬公司供應用水及熱能（「服務」）。協議由二零零八年三月三十一日起生效，並已於二零零九年十二月三十一日屆滿。

於二零零九年十二月二日，本公司與錦州華榮訂立新服務協議（「新服務協議」）重續現有協議，並載截至二零一二年十二月三十一日止年度的交易釐定年度上限。新服務協議已於二零一零年一月一日開始，並將於二零一二年十二月三十一日屆滿。

Non-exempt Continuing Connected Transactions

(Continued)

A. Continuing Connected Transactions Exempt from the Independent Shareholders' Approval Requirements

(Continued)

Provision of water and heat services by Jinzhou Huarong (Continued)

The New Service Agreement was entered into in the ordinary and usual course of business and on normal commercial terms. The fees to be charged by Jinzhou Huarong in relation to the Services were determined comparable to the prevailing market prices in local markets in the PRC based on the actual consumption of the water and heat supplied to the Group.

For the year ended 31 December 2010, the aggregate fees paid by the Group to Jinzhou Huarong in relation to the Services amounted to approximately RMB1,459,000 (2009: RMB1,275,000).

Based on an estimate of the Group's expected consumption of water and heat for the years ending 31 December 2012, it is expected that the following annual cap amounts payable by the Group under the renewed Service Agreement will not exceed:

- (a) RMB2,333,000 for the year ending 31 December 2011; and
- (b) RMB2,450,000 for the year ending 31 December 2012.

The above annual caps are determined with reference to the Group's expected increase in production capacity and the increase in the expected consumption of water and heat in the production process resulting therefrom the expected utilisation rate of the Group's production capacity for the three years ending 31 December 2012, and the expected inflation rate in the PRC for 2010.

To the best of the Director's knowledge, information and belief having made all reasonable enquiry, as at the date of this report, Jinzhou Huarong is owned as to 90% by 錦州華新硅材料經營部 ("Huaxin Silicon"), a sole proprietorship established in the PRC and wholly-owned by Mr. TAN Wenhua and as to 10% by an independent third party. Jinzhou Huarong is an associate of Mr. TAN Wenhua and hence a connected person of the Company. Consequently, the transactions under the New Service Agreement constitute continuing connected transactions for the Company under Rule 14A.34 of the Listing Rules and are exempt from the independent shareholders' approval requirement but are subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules.

不獲豁免之持續關連交易 (續)

A. 獲豁免遵守獨立股東批准規定之持續關連交易 (續)

錦州華榮用水及熱能供應服務 (續)

新服務協議乃於日常及一般業務過程中按一般商業條款訂立。錦州華榮就服務收取的費用乃以本集團實際耗用的用水及熱能為基準，參照中國當地市場當時可資比較的市價釐定。

截至二零一零年十二月三十一日止年度，本集團就服務向錦州華榮支付的費用合共約為人民幣1,459,000元(二零零九年：人民幣1,275,000元)。

根據本集團於截至二零一二年十二月三十一日止年度的預期用水及熱能消耗量估計，預期本集團根據經重續服務協議應付的年度上限金額將：

- (a) 就截至二零一一年十二月三十一日止年度不超過人民幣2,333,000元；及
- (b) 就截至二零一二年十二月三十一日止年度不超過人民幣2,450,000元。

上述年度上限乃經參照本集團的預期產能增幅，以及因而導致生產過程中預期用水及熱能消耗量的增幅、截至二零一二年十二月三十一日止三個年度本集團的產能預期使用率及二零一零年中國預期通脹率後釐定。

據董事作出一切合理查詢後所深知、得悉及確信，於本報告日期，錦州華榮90%股權由於中國成立並由譚文華先生全資擁有之個人獨資企業錦州華新硅材料經營部(「華新硅材料」)擁有，而餘下10%股權則由一名獨立第三方擁有。由於錦州華榮為譚文華先生之聯繫人士，因此為本公司之關連人士。就此，根據上市規則第14A.34條，新服務協議項下之交易構成本公司之持續關連交易，並獲豁免遵守獨立股東批准的規定，惟仍須遵守上市規則第14A.45至第14A.47條的申報及公告規定。

Non-exempt Continuing Connected Transactions

(Continued)

B. Non-exempt Continuing Connected Transactions

The following transactions constituted non-exempt continuing connected transactions for the Company and are thus subject to reporting, announcement and independent shareholders' approval requirements under Rules 14A.45 to 14A.48 of the Listing Rules:

Supply of graphite materials by 錦州昌華碳素制品有限公司 (Jinzhou Changhua Carbon Products Company Limited) ("Jinzhou Changhua") and supply of quartz crucibles by 錦州佑鑫電子材料有限公司 (Jinzhou Youxin Electronic Materials Co., Ltd.*) ("Jinzhou Youxin")*

On 12 January 2008, the Company entered into a framework supply agreement with Jinzhou Changhua and Jinzhou Youxin pursuant to which Jinzhou Changhua and Jinzhou Youxin agreed to supply graphite materials and quartz crucibles respectively to the Company or its subsidiaries as requested by them from time to time. Such graphite materials and quartz crucibles serve as the essential materials for the Group's production of silicon ingots. The supply agreement commenced on 31 March 2008 and expired on 31 December 2009. Formal purchase agreements (by way of purchase orders and confirmations) were entered into between the Group, Jinzhou Changhua and Jinzhou Youxin (as the case may be) with the detailed terms and conditions as specified in the relevant purchase orders. The purchase arrangement under the supply agreement has been conducted on normal commercial terms and on terms no less favourable than those available from independent third parties.

On 2 December 2009, the Company has entered into a new supply agreement (the "New Materials Supply Agreement") with Jinzhou Changhua and Jinzhou Youxin to renew the pre-existing agreement as well as to determine the annual cap for the transactions for the years ending 31 December 2012. The Company has obtained the approval from its independent shareholders in respect of the New Materials Supply Agreement on 31 December 2009. Upon approval, the term of the New Materials Supply Agreement commenced on 1 January 2010 and will expire on 31 December 2012.

不獲豁免之持續關連交易(續)

B. 不獲豁免之持續關連交易

下列交易構成本公司之不獲豁免持續關連交易，故本公司須遵守上市規則第14A.45至第14A.48條的申報、公告及獨立股東批准規定。

錦州昌華碳素制品有限公司(「錦州昌華」)供應石墨材料及錦州佑鑫電子材料有限公司(「錦州佑鑫」)供應石英坩堝

於二零零八年一月十二日，本公司與錦州昌華及錦州佑鑫訂立框架供應協議，據此，錦州昌華及錦州佑鑫同意根據本公司或其附屬公司之不時要求，向彼等分別供應石墨材料及石英坩堝。本集團採用該等石墨材料及石英坩堝作為生產硅錠的必要材料。供應協議由二零零八年三月三十一日起開始，並已於二零零九年十二月三十一日屆滿。本集團、錦州昌華及錦州佑鑫(視乎情況而定)已訂立正式購買協議(以購買訂單及確認之形式)，其詳細條款及條件載列於相關購買訂單內。供應協議項下購買安排乃以一般商業條款及不遜於獨立第三方提出的條款進行。

於二零零九年十二月二日，本公司與錦州昌華及錦州佑鑫訂立新供應協議(「新物料供應協議」)重續現有協議，並就截至二零一二年十二月三十一日止年度的交易釐定年度上限。本公司已於二零零九年十二月三十一日就新物料供應協議獲其獨立股東批准。獲批准後，新物料供應協議已於二零一零年一月一日開始，並將於二零一二年十二月三十一日屆滿。

Non-exempt Continuing Connected Transactions

(Continued)

B. Non-exempt Continuing Connected Transactions

(Continued)

Supply of graphite materials by Jinzhou Changhua and supply of quartz crucibles by Jinzhou Youxin (Continued)

The New Materials Supply Agreement was entered into in the ordinary and usual course of business of the Group and on normal commercial terms. The purchase price payable by the Group to Jinzhou Changhua and Jinzhou Youxin (as the case may be) under the New Materials Supply Agreement is estimated based on the expected purchase amount of the graphite materials and quartz crucibles and is comparable to the prevailing market prices.

For the year ended 31 December 2010, the aggregate amount of the purchase price paid by the Group to Jinzhou Changhua in relation to the sale and purchase of graphite materials amounted to approximately RMB34,737,000 (2009: RMB14,375,000).

For the year ended 31 December 2010, the aggregate amount of the purchase price paid by the Group to Jinzhou Youxin for the purchase of quartz crucibles amounted to approximately RMB58,429,000 (2009: RMB31,190,000).

Based on the Directors' estimate of the purchase of graphite materials and quartz crucibles for the years ending 31 December 2012, it is expected that the following annual cap amounts payable by the Group for transactions under the New Materials Supply Agreement will not exceed:

(a) RMB292,039,000 for the year ending 31 December 2011; and

(b) RMB419,594,000 for the year ending 31 December 2012.

The above annual caps are determined with reference to (a) the costs incurred by the Group for the purchase of the graphite materials and quartz crucibles for the first nine months ended 30 September 2009; (b) the expected increase in the Group's production capacity for the three years ending 31 December 2012; (c) the expected increase in demand for the graphite materials and quartz crucibles for the production requirements of the Group in anticipation of the expected increase in demand for the Group's products; and (d) the expected utilisation rate of the Group's production capacity for the three years ending 31 December 2012.

不獲豁免之持續關連交易(續)

B. 不獲豁免之持續關連交易(續)

錦州昌華供應石墨材料及錦州佑鑫供應石英坩堝(續)

新物料供應協議乃於本集團日常一般業務過程中按商業條款訂立。根據新物料供應協議，本集團向錦州昌華及錦州佑鑫(視乎情況而定)支付的購買價，乃參照石墨材料及石英坩堝的預期採購量估計，並與當時市價相若。

截至二零一零年十二月三十一日止年度，本集團就買賣石墨材料向錦州昌華支付之採購價總額約為人民幣34,737,000元(二零零九年：人民幣14,375,000元)。

截至二零一零年十二月三十一日止年度，本集團就採購石英坩堝向錦州佑鑫支付之採購價總額，約為人民幣58,429,000元(二零零九年：人民幣31,190,000元)。

按照董事估計截至二零一二年十二月三十一日止年度採購石墨材料及石英坩堝的數量，預期本集團根據新物料供應協議項下交易應付年度上限金額將：

(a) 就截至二零一一年十二月三十一日止年度不超過人民幣292,039,000元；及

(b) 就截至二零一二年十二月三十一日止年度不超過人民幣419,594,000元。

上述年度上限乃參考(a)本集團於截至二零零九年九月三十日止首九個月就採購石墨材料及石英坩堝所產生成本；(b)本集團於截至二零一二年十二月三十一日止三個年度的產量預期增幅；(c)有鑑於本集團產品需求的預期增幅本集團就生產需要對石墨材料及石英坩堝需求的預期增幅；及(d)本集團就截至二零一二年十二月三十一日止三個年度產能的預期使用率。

Non-exempt Continuing Connected Transactions

(Continued)

B. Non-exempt Continuing Connected Transactions

(Continued)

Supply of graphite materials by Jinzhou Changhua and supply of quartz crucibles by Jinzhou Youxin (Continued)

To the best of the Director's knowledge, information and belief having made all reasonable enquiry, as at the date of this report, Jinzhou Changhua is owned as to 40% by Huaxin Silicon, which is owned by Mr. TAN Wenhua, and as to 60% by Prosperity Lamps & Components Limited ("PLC") which is owned as to 65% by Mr. CHONG Kin Ngai's wholly-owned companies. Mr. CHONG Kin Ngai is a non-executive Director. Jinzhou Changhua is therefore an associate of each of Mr. TAN Wenhua and Mr. CHONG Kin Ngai and hence a connected person of the Company. To the best of the Director's knowledge, information and belief having made all reasonable enquiry, as at the date of this report, Jinzhou Youxin was owned as to 30% by PLC, and as to 70% by an independent third party. Jinzhou Youxin is therefore an associate of Mr. CHONG Kin Ngai and hence a connected person of the Company. Consequently, the transactions under the New Materials Supply Agreement constitute non-exempt continuing connected transactions for the Company under Rule 14A.35 of the Listing Rules.

Supply of scrap polysilicon, scrap ingots and scrap wafers by WWX

On 12 January 2008, the Company entered into a framework supply agreement with WWX pursuant to which WWX agreed to supply, and/or procure its subsidiaries ("WWX Group") to supply scrap polysilicon raw material, scrap ingots and scrap wafers to the Company or its subsidiaries as requested by them from time to time. Such scrap polysilicon, scrap ingots and scrap wafers serve as the Group's materials for its production of wafers. The supply agreement had a term commencing on 31 March 2008 and expired on 31 December 2009. Formal purchase agreements (by way of purchase orders and confirmations) were entered into between the Company (and/or its subsidiaries) and WWX (and/or its subsidiaries) with the detailed terms and conditions as specified in the relevant purchase orders. The purchase arrangements under the supply agreement were conducted on normal commercial terms and on terms no less favourable than those available from independent third parties.

不獲豁免之持續關連交易(續)

B. 不獲豁免之持續關連交易(續)

錦州昌華供應石墨材料及錦州佑鑫供應石英坩堝(續)

據董事作出一切合理查詢後所深知、得悉及確信，於本報告日期，錦州昌華由華新硅材料(由譚文華先生擁有)擁有40%股權，並由佑昌燈光器材有限公司(「佑昌燈光」)擁有60%股權。莊堅毅先生之全資擁有公司擁有佑昌燈光65%股權。莊堅毅先生是非執行董事。故此，錦州昌華是譚文華先生及莊堅毅先生各自之聯繫人士，因此為本公司之關連人士。據董事作出一切合理查詢後所深知、得悉及確信，於本報告日期，佑昌燈光擁有錦州佑鑫30%股權，餘下70%股權由獨立第三方擁有。故此，錦州佑鑫是莊堅毅先生之聯繫人士，並為本公司之關連人士。因此，根據上市規則第14A.35條，新物料供應協議項下交易構成本公司不獲豁免之持續關連交易。

合晶科技供應多晶硅廢碎、硅錠廢碎及硅片廢碎

於二零零八年一月十二日，本公司與合晶科技訂立框架供應協議，據此，合晶科技同意按本公司或其附屬公司的不時要求，向彼等供應及/或促使其附屬公司(「合晶科技集團」)供應多晶硅廢碎原材料、硅錠廢碎及硅片廢碎。本集團採用該等多晶硅廢碎、硅錠廢碎及硅片廢碎作為生產硅片的原材料。供應協議由二零零八年三月三十一日起開始，並已於二零零九年十二月三十一日屆滿。本公司(及/或其附屬公司)及合晶科技(及/或其附屬公司)已訂立正式購買協議(以購買訂單及確認之形式)，其詳細條款及條件載列於相關購買訂單內。合晶科技供應協議項下購買安排乃以一般商業條款及不遜於獨立第三方可能提出的條款進行。

Non-exempt Continuing Connected Transactions

(Continued)

B. Non-exempt Continuing Connected Transactions

(Continued)

Supply of scrap polysilicon, scrap ingots and scrap wafers by WWX
(Continued)

The WWX Supply Agreement was entered into in the ordinary and usual course of business and on normal commercial terms. The purchase price payable by the Group to WWX under the WWX Supply Agreement is estimated based on the expected purchase amount of the scrap polysilicon, scrap ingots and scrap wafers and is comparable to the prevailing market prices in the scrap polysilicon, scrap ingots and scrap wafers market in the PRC.

On 4 June 2008, the Company entered into a supplemental agreement (the “WWX Supplemental Supply Agreement”) with WWX to revise the caps for the transactions under the WWX Supply Agreement as well as to determine the annual cap for the transactions for the year ended 31 December 2010. The Company had obtained the approval from its independent shareholders in respect of the WWX Supplemental Supply Agreement on 27 June 2008. Upon approval, the term of the WWX Supplemental Supply Agreement commenced on 27 June 2008 and has expired on 31 December 2010.

On 3 November 2010, the Company has entered into a new supply agreement (the “New WWX Supply Agreement”) with WWX to renew the pre-existing agreement as well as to determine the annual cap for the transactions for the years ending 31 December 2013. The Company has obtained the approval from its independent shareholders in respect of the New WWX Supply Agreement on 26 January 2011. Upon approval, the term of the New WWX Supply Agreement commenced on 1 January 2011 and will expire on 31 December 2013.

For the year ended 31 December 2010, the aggregate amount of the purchase price paid by the Group to the WWX Group in relation to the supply of scrap polysilicon raw material, scrap ingots and scrap wafers amounted to approximately RMB84,430,000 (2009: RMB110,029,000).

不獲豁免之持續關連交易 (續)

B. 不獲豁免之持續關連交易 (續)

合晶科技供應多晶硅廢碎、硅錠廢碎及硅片廢碎
(續)

合晶科技供應協議乃於日常一般業務過程中按一般商業條款訂立。根據合晶科技供應協議，本集團向合晶科技支付的購買價，乃按照預計多晶硅廢碎、硅錠廢碎及硅片廢碎的採購額估算，並與中國多晶硅廢碎、硅錠廢碎及硅片廢碎市場當時的市價相若。

於二零零八年六月四日，本公司與合晶科技簽訂補充協議（「合晶科技補充供應協議」），修訂合晶科技供應協議項下交易的年度上限，並釐定截至二零一零年十二月三十一日止年度交易的年度上限。本公司已於二零零八年六月二十七日就合晶科技補充供應協議獲獨立股東批准。獲批准後，合晶科技補充供應協議自二零零八年六月二十七日起生效，並已於二零一零年十二月三十一日屆滿。

於二零一零年十一月三日，本公司與合晶科技訂立新供應協議（「合晶科技新供應協議」），更新已存在的現有協議，並釐定截至二零一三年十二月三十一日止年度交易的年度上限。本公司已於二零一一年一月二十六日就合晶科技新供應協議獲獨立股東批准。獲批准後，合晶科技新供應協議自二零一一年一月一日起生效，並將於二零一三年十二月三十一日屆滿。

截至二零一零年十二月三十一日止年度，本集團就供應多晶硅廢碎原材料、硅錠廢碎及硅片廢碎向合晶科技集團支付之採購價總額約為人民幣84,430,000元（二零零九年：人民幣110,029,000元）。

Non-exempt Continuing Connected Transactions

(Continued)

B. Non-exempt Continuing Connected Transactions

(Continued)

Supply of scrap polysilicon, scrap ingots and scrap wafers by WWX
(Continued)

Based on the Directors' estimate of the purchase of scrap polysilicon, scrap ingots and scrap wafers for the years ending 31 December 2013, it is expected that the following annual cap amounts payable by the Group for transactions under the New WWX Supply Agreement will not exceed:

- (a) RMB249,200,000 for the year ending 31 December 2011;
- (b) RMB223,800,000 for the year ending 31 December 2012; and
- (c) RMB 229,900,000 for the year ending 31 December 2013.

The above annual caps are determined with reference to (i) the expected increase in the Group's production capacity for the three years ending 31 December 2013; (ii) the expected percentage volume of polysilicon, scrap ingots and scrap wafers to be procured from WWX; (iii) the outstanding amount of procurement contract entered into with WWX; (iv) the production ratio of silicon solar ingot to polysilicon; and (v) the expected changes in the market price of polysilicon for the three years ending 31 December 2013.

To the best of the Director's knowledge, information and belief having made all reasonable enquiry, as at the date of this report, WWX holds 100% interests in Wafer Works Investment Corp. ("WWIC"). WWIC is a substantial shareholder of the Company. Each of WWX and its subsidiaries is therefore an associate of WWIC and hence a connected person of the Company. Consequently, the transactions under the New WWX Supply Agreement constitute non-exempt continuing connected transactions for the Company under Rule 14A.35 of the Listing Rules.

不獲豁免之持續關連交易(續)

B. 不獲豁免之持續關連交易(續)

合晶科技供應多晶硅廢碎、硅錠廢碎及硅片廢碎
(續)

按照董事估計截至二零一三年十二月三十一日止年度的多晶硅廢碎、硅錠廢碎及硅片廢碎採購量，預期本集團就合晶科技新供應協議項下交易應付年度上限金額：

- (a) 就截至二零一一年十二月三十一日止年度不超過人民幣249,200,000元；
- (b) 就截至二零一二年十二月三十一日止年度不超過人民幣223,800,000元；及
- (c) 就截至二零一三年十二月三十一日止年度不超過人民幣229,900,000元。

上述年度上限乃參考：(i)截至二零一三年十二月三十一日止三個年度本集團產能的預期升幅；(ii)將向合晶科技採購的多晶硅、硅錠廢碎及硅片廢碎數量的預期百分比；(iii)與合晶科技所訂立採購合約的未達成數量；(iv)太陽能硅錠轉化為多晶硅的生產比率；及(v)截至二零一三年十二月三十一日止三個年度多晶硅市價的預期變動後釐定。

據董事作出一切合理查詢後所深知、得悉及確信，於本報告日期，合晶科技持有Wafer Works Investment Corp. (「WWIC」) 100%權益。WWIC是本公司主要股東。故此，合晶科技及其附屬公司各自為WWIC之聯繫人士，故亦為本公司之關連人士。因此，根據上市規則第14A.35條，合晶科技新供應協議項下交易構成本公司不獲豁免之持續關連交易。

Non-exempt Continuing Connected Transactions

(Continued)

B. Non-exempt Continuing Connected Transactions

(Continued)

Sale of upgraded and processed polysilicon, silicon solar ingots and silicon solar wafers to WWX

On 12 January 2008, the Company entered into a framework sale agreement with WWX (the “WWX Sale Agreement”) pursuant to which the Company has agreed to sell, or procure its subsidiaries to sell upgraded and processed polysilicon, silicon solar ingots and silicon solar wafers to WWX and/or its subsidiaries. The WWX Sale Agreement had a term commencing on 31 March 2008 and expired on 31 December 2009. Formal sale agreements (by way of purchase orders and confirmations) were entered into between the Company (and/or its subsidiaries) and WWX (and/or its subsidiaries) with the detailed terms and conditions as specified in the relevant purchase orders. The sale arrangements under the WWX Sale Agreement were conducted on normal commercial terms and on terms no less favourable than those available from independent third parties.

The WWX Sale Agreement was entered in the ordinary and usual course of business and on normal commercial terms. The purchase price payable by WWX to the Group under the WWX Sale Agreement is determined with reference to the prevailing market price of upgraded and processed polysilicon, silicon solar ingots and silicon solar wafers.

On 4 June 2008, the Company entered into a supplemental agreement (“the WWX Supplemental Sale Agreement”) to revise the caps for the transactions under the WWX Sale Agreement as well as to determine the annual cap for the transactions for the year ended 31 December 2010. The Company had obtained the approval from its independent shareholders in respect of the WWX Supplemental Sale Agreement on 27 June 2008. Upon approval, the term of the WWX Supplemental Sale Agreement commenced on 27 June 2008 and has expired on 31 December 2010.

On 3 November 2010, the Company has entered into a new sale agreement (the “New WWX Sale Agreement”) with WWX to renew the pre-existing agreement as well as to determine the annual cap for the transactions for the year ending 31 December 2013. The Company has obtained the approval from its shareholders in respect of the New WWX Sale Agreement on 26 January 2011. Upon approval, the term of the New WWX Sale Agreement commenced on 1 January 2011 and will expire on 31 December 2013.

不獲豁免之持續關連交易(續)

B. 不獲豁免之持續關連交易(續)

向合晶科技銷售經改良及加工的多晶硅、太陽能硅錠及太陽能硅片

於二零零八年一月十二日，本公司與合晶科技訂立框架銷售協議(「合晶科技銷售協議」)，據此，本公司同意銷售或促使其附屬公司銷售經改良及加工的多晶硅、太陽能硅錠及太陽能硅片予合晶科技及／或其附屬公司。合晶科技銷售協議之年期自二零零八年三月三十一日起生效，並已於二零零九年十二月三十一日屆滿。本公司(及／或其附屬公司)與合晶科技(及／或其附屬公司)須訂立正式銷售協議(以購買訂單及確認之形式)，其中詳細條款及條件載列於相關購買訂單內。合晶科技銷售協議項下銷售安排乃以一般商業條款及不遜於獨立第三方提出的條款進行。

合晶科技銷售協議乃於日常一般業務過程中按一般商業條款訂立。根據合晶科技銷售協議，合晶科技向本集團支付的購買價，乃參照經改良及加工的多晶硅、太陽能硅錠及太陽能硅片當時的市價釐定。

於二零零八年六月四日，本公司簽訂補充協議(「合晶科技補充銷售協議」)，修訂合晶科技銷售協議項下交易的年度上限，並釐定截至二零一零年十二月三十一日止年度交易的年度上限。本公司已於二零零八年六月二十七日就合晶科技補充銷售協議獲獨立股東批准。獲批准後，合晶科技補充銷售協議自二零零八年六月二十七日起生效，並已於二零一零年十二月三十一日屆滿。

於二零一零年十一月三日，本公司與合晶科技訂立新銷售協議(「合晶科技新銷售協議」)，更新已存在的現有協議，並釐定截至二零一三年十二月三十一日止年度交易的年度上限。本公司已於二零一一年一月二十六日就合晶科技新銷售協議獲獨立股東批准。獲批准後，合晶科技新銷售協議自二零一一年一月一日起生效，並將於二零一三年十二月三十一日屆滿。

Non-exempt Continuing Connected Transactions

(Continued)

B. Non-exempt Continuing Connected Transactions

(Continued)

Sale of upgraded and processed polysilicon, silicon solar ingots and silicon solar wafers to WWX (Continued)

For the year ended 31 December 2010, the aggregate amount of the sales proceeds received by the Group from the WWX Group in relation to the sale of upgraded and processed polysilicon, silicon solar ingot and silicon solar wafers amounted to approximately RMB950,000 (2009: RMB17,350,000).

Based on the Directors' estimate of the sales of upgraded and processed polysilicon, silicon solar ingots and silicon solar wafers for the years ending 31 December 2013, it is expected that the following annual cap amounts receivable by the Group for transactions under the WWX New Sale Agreement will not exceed:

- (a) RMB334,900,000 for the year ending 31 December 2011;
- (b) RMB403,200,000 for the year ending 31 December 2012; and
- (c) RMB229,900,000 for the year ending 31 December 2013.

The above annual caps under the New WWX Sale Agreement are determined with reference to (i) the Group's expected increase in processing capacity for the three years ending 31 December 2013; (ii) the estimated WWX's demand for ingots and wafers for its business in the photovoltaic industry; and (iii) the expected changes in the market price of silicon solar ingots and wafers for the three years ending 31 December 2013.

As mentioned in the paragraph headed "Supply of scrap polysilicon, scrap ingots and scrap wafers by WWX" above, WWX is a connected person of the Company and the transactions under the New WWX Sale Agreement therefore constitute non-exempt continuing connected transactions for the Company under Rule 14A.35 of the Listing Rules.

不獲豁免之持續關連交易(續)

B. 不獲豁免之持續關連交易(續)

向合晶科技銷售經改良及加工的多晶硅、太陽能硅錠及太陽能硅片(續)

截至二零一零年十二月三十一日止年度，本集團就銷售經改良及加工的多晶硅、太陽能硅錠及太陽能硅片向合晶科技集團收取的銷售所得款項總額約為人民幣950,000元(二零零九年：人民幣17,350,000元)。

按照董事估計截至二零一三年十二月三十一日止年度銷售經改良及加工的多晶硅、太陽能硅錠及太陽能硅片的銷售額，預計本集團根據合晶科技新銷售協議應收下列交易年度上限金額：

- (a) 就截至二零一一年十二月三十一日止年度不超過人民幣334,900,000元；
- (b) 就截至二零一二年十二月三十一日止年度不超過人民幣403,200,000元；及
- (c) 就截至二零一三年十二月三十一日止年度不超過人民幣229,900,000元。

上述合晶科技新銷售協議項下的年度上限乃參考：(i)截至二零一三年十二月三十一日止三個年度本集團加工產能的預期升幅；(ii)估計合晶科技的光伏業務對硅錠及硅片的需求；及(iii)截至二零一三年十二月三十一日止三個年度太陽能硅錠及硅片市價的預期變動後釐定。

誠如上文「合晶科技供應多晶硅廢碎、硅錠廢碎及硅片廢碎」一段所述，由於合晶科技為本公司關連人士，故根據上市規則第14A.35條，合晶科技新銷售協議項下之交易構成本公司不獲豁免之持續關連交易。

Non-exempt Continuing Connected Transactions

(Continued)

B. Non-exempt Continuing Connected Transactions

(Continued)

The provision of services in respect of acidic wash of silicon, the processing and production of polysilicon and wafers to WWX

On 12 January 2008, the Company entered into a framework processing agreement with WWX pursuant to which the Company agreed to provide, or procure its subsidiaries to provide the services in respect of acidic wash of silicon, the processing and recycling of top and tail scrap, pot scrap and scrap silicon into polysilicon and other raw materials necessary for the production of silicon solar ingots as well as the processing and production of silicon solar wafers to WWX or its subsidiaries. The processing agreement had a term commencing on 31 March 2008 and expired on 31 December 2009. Formal agreements (by way of processing orders and confirmations) were entered into between the Company (and/or its subsidiaries) and WWX (and/or its subsidiaries) with the detailed terms and conditions as specified in the relevant processing orders. The processing arrangements under the WWX Processing Agreement were conducted on normal commercial terms and on terms no less favourable than those available from independent third parties.

On 2 December 2009, the Company has entered into a new processing agreement ("New WWX Processing Agreement") to renew the pre-existing processing agreement as well as to determine the annual cap for the transactions for the years ending 31 December 2012. The Company has obtained the approval from its independent shareholders in respect of the New WWX Processing Agreement on 31 December 2009. Upon approval, the term of the New WWX Processing Agreement commenced on 1 January 2010 and will expire on 31 December 2012.

The New WWX Processing Agreement was entered into in the ordinary and usual course of business and on normal commercial terms. The processing fee is subject to the individual processing orders placed by the WWX Group with the Group and is determined with reference to the prevailing market price in respect of the processing services provided by a comparable sub-contractors in the PRC market.

For the year ended 31 December 2010, no fee was received by the Group from the WWX Group in relation to acidic wash of silicon, the processing and recycling of top and tail scrap, pot scrap and scrap silicon (2009: RMB4,187,000).

不獲豁免之持續關連交易(續)

B. 不獲豁免之持續關連交易(續)

向合晶科技提供硅材酸洗、多晶硅及硅片的加工及生產服務

於二零零八年一月十二日，本公司與合晶科技訂立框架加工協議，據此，本公司同意提供或促使其附屬公司提供有關硅材酸洗及將頭尾料、鍋底料及硅廢碎加工及循環再造為多晶硅之服務，及提供用作生產太陽能硅錠及太陽能硅片加工及生產之其他所需原材料予合晶科技或其附屬公司。合晶科技加工協議之年期自二零零八年三月三十一日起生效，並已於二零零九年十二月三十一日屆滿。本公司(及/或其附屬公司)與合晶科技(及/或其附屬公司)須訂立正式協議(以加工訂單及確認之形式)，其詳細條款及條件載列於相關加工訂單內。合晶科技加工協議項下加工安排乃以一般商業條款及不遜於獨立第三方提出的條款進行。

於二零零九年十二月二日，本公司簽訂一項新加工協議(「新合晶科技加工協議」)重續現存之合晶科技加工協議，並就截至二零一二年十二月三十一日止年度的交易釐定年度上限。本公司已於二零零九年十二月三十一日就新合晶科技加工協議獲其獨立股東批准。獲批准後，新合晶科技加工協議已於二零一零年一月一日生效，並將於二零一二年十二月三十一日屆滿。

新合晶科技加工協議乃於日常一般業務過程中按一般商業條款訂立。加工費乃取決於合晶科技集團向本集團發出的個別加工訂單，並參照中國市場同類分包商提供之加工服務當時市價釐定。

截至二零一零年十二月三十一日止年度，本集團並無就硅材酸洗、加工及循環再造頭尾料、鍋底料、硅廢碎向合晶科技集團收取費用(二零零九年：人民幣4,187,000元)。

Non-exempt Continuing Connected Transactions

(Continued)

B. Non-exempt Continuing Connected Transactions

(Continued)

The provision of services in respect of acidic wash of silicon, the processing and production of polysilicon and wafers to WWX (Continued)

Based on the Directors' estimate of the processing services in the years ending 31 December 2012, it is expected that the following annual cap amounts receivable by the Group for transactions under the New WWX Processing Agreement will not exceed:

- (a) RMB359,756,000 for the year ending 31 December 2011; and
- (b) RMB448,409,000 for the year ending 31 December 2012.

The above annual caps are determined with reference to (a) the Group's expected increase in processing capacity for the three years ending 31 December 2012; and (b) the estimated WWX's demand for recycled polysilicon materials required for its semiconductor production.

As mentioned in the paragraph headed "Supply of scrap polysilicon, scrap ingots and scrap wafers by WWX" above, WWX is a connected person of the Company. The transactions under the New WWX Processing Agreement therefore constitute non-exempt continuing connected transactions for the Company under Rule 14A.35 of the Listing Rules.

Sale of silicon solar wafers to 錦州華昌光伏科技有限公司 Jinzhou Huachang Photovoltaic Technology Co., Ltd. ("Huachang Guangfu")*

On 12 August 2008, the Company entered into a framework sale agreement with Huachang Guangfu ("Huachang Guangfu Sale Agreement") pursuant to which the Company has agreed to sell, or procure its subsidiaries to sell, and Huachang Guangfu agreed to buy, silicon solar wafers. Upon the approval from the independent shareholders in respect of the Huachang Guangfu Sale Agreement on 7 November 2008, the Huachang Guangfu Sale Agreement has become effective and has expired on 31 December 2010. Formal sale agreements (by way of purchase orders and confirmations) were entered into between the Company (and/or its subsidiaries) and Huachang Guangfu (and/or its subsidiaries) with the detailed terms and conditions as specified in the relevant purchase orders. The sale arrangements under the Huachang Guangfu Sale Agreement have been conducted on normal commercial terms and on terms no less favourable than those available from independent third parties.

不獲豁免之持續關連交易(續)

B. 不獲豁免之持續關連交易(續)

向合晶科技提供硅材酸洗、多晶硅及硅片的加工及生產服務(續)

按照董事估計截至二零一二年十二月三十一日止各年度的加工服務數額，預計本集團就新合晶科技加工協議項下交易應收下列年度上限金額：

- (a) 就截至二零一一年十二月三十一日止年度不超過人民幣359,756,000元；及
- (b) 就截至二零一二年十二月三十一日止年度不超過人民幣448,409,000元。

上述年度上限則參考：(a)本集團截至二零一二年十二月三十一日止三個年度的加工產能預期增幅；及(b)估計合晶科技用作半導體生產的循環再造多晶硅的需求釐定。

誠如上文「合晶科技供應多晶硅廢碎、硅錠廢碎及硅片廢碎」一段所述，合晶科技為本公司關連人士。根據上市規則第14A.35條，新合晶科技加工協議項下之交易構成本公司不獲豁免之持續關連交易。

向錦州華昌光伏科技有限公司(「華昌光伏」)銷售太陽能硅片

於二零零八年八月十二日，本公司與華昌光伏訂立框架銷售協議(「華昌光伏銷售協議」)，據此，本公司同意銷售或促使其附屬公司銷售，而華昌光伏同意購買太陽能硅片。經獨立股東於二零零八年十一月七日批准華昌光伏銷售協議後，華昌光伏銷售協議已生效，並已於二零一零年十二月三十一日屆滿。本公司(及／或其附屬公司)與華昌光伏(及／或其附屬公司)已訂立正式銷售協議(以採購訂單及確認之形式)，其詳細條款及條件載列於相關採購訂單內。華昌光伏銷售協議項下銷售安排乃以一般商業條款及不遜於獨立第三方提出的條款進行。

Non-exempt Continuing Connected Transactions

(Continued)

B. Non-exempt Continuing Connected Transactions

(Continued)

Sale of silicon solar wafers to Huachang Guangfu (Continued)

The Huachang Guangfu Sale Agreement was entered into in the ordinary and usual course of business and on normal commercial terms. The purchase price payable by Huachang Guangfu to the Group under the Huachang Guangfu Sale Agreement is determined with reference to the prevailing market price of silicon solar wafers and the sales quantity thereof.

For the year ended 31 December 2010, the aggregate amount of the sales proceeds received by the Group from Huachang Guangfu Group in relation to the sale of silicon solar wafers amounted to approximately RMB419,000,000 (2009: RMB195,546,000).

To the best of the Director's knowledge, information and belief having made all reasonable enquiry, for the year ended 31 December 2010, Huachang Guangfu, a company incorporated in the PRC, was wholly owned by Youxin Investment Limited (a company incorporated in Hong Kong, which was in turn wholly owned by Sino Light Investments Limited (a company incorporated in the British Virgin Islands). Sino Light Investments Limited was owned as to approximately 32.135% by You Hua Investment Corporation (which is wholly owned by Mr. TAN Wenhua, an executive Director), as to approximately 7.703% by PLC (which is held as to 65% by the companies wholly owned by Mr. CHONG Kin Ngai, a non-executive Director), as to approximately 15.55% by Wintek International Corp., an independent third party, as to approximately 14.005% by Grand Sea Investments Limited (which is held as to 18.75% by Mr. Stephen CHIAO Sun Hai, the brother of Mr. CHIAO Ping Hai, a non-executive Director), as to approximately 5.00% by Seaquest Ventures Inc., an independent third party, as to approximately 22.2% by Lithium Energy Holdings Corporation, an independent third party and as to approximately 3.410% by Sunvision Capital Investment Limited ("Sunvision"), a shareholder of Jinzhou Jinmao in which Sunvision beneficially owns 14%. Huachang Guangfu was therefore an associate of Mr. TAN Wenhua and hence a connected person of the Company. Consequently, the transactions under the Huachang Guangfu Sale Agreement for the year ended 31 December 2010 constituted non-exempt continuing connected transactions for the Company under Rule 14A.35 of the Listing Rules.

不獲豁免之持續關連交易(續)

B. 不獲豁免之持續關連交易(續)

向華昌光伏銷售太陽能硅片(續)

華昌光伏銷售協議乃於日常一般業務過程中按一般商業條款訂立。華昌光伏根據華昌光伏銷售協議向本集團應付之採購價乃參照太陽能硅片當時市價及其銷售數量予以釐定。

截至二零一零年十二月三十一日止年度，本集團就銷售太陽能硅片向華昌光伏集團所收取銷售所得款項總額約為人民幣419,000,000元(二零零九年：人民幣195,546,000元)。

據董事作出一切合理查詢後所深知、得悉及確信，於截至二零一零年十二月三十一日止年度，華昌光伏於中國註冊成立，由Youxin Investment Limited全資擁有。Youxin Investment Limited於香港註冊成立，由華光投資有限公司全資擁有。華光投資有限公司於英屬處女群島註冊成立，分別由執行董事譚文華先生全資擁有的佑華投資有限公司擁有約32.135%、由非執行董事莊堅毅先生全資擁有的公司持有65%的佑昌燈光擁有約7.703%、獨立第三方Wintek International Corp.擁有約15.55%、由非執行董事焦平海先生的兄弟焦生海先生擁有18.75%的Grand Sea Investments Limited擁有約14.005%、獨立第三方Seaquest Ventures Inc.擁有約5.00%、獨立第三方Lithium Energy Holdings Corporation擁有約22.2%及Sunvision Capital Investment Limited(「Sunvision」)擁有約3.410%，Sunvision為錦州錦懋股東，其中Sunvision實益擁有14%。華昌光伏因而為譚文華先生的聯繫人士，繼而為本公司的關連人士。因此，根據上市規則第14A.35條，於截至二零一零年十二月三十一日止年度，華昌光伏銷售協議項下交易構成本公司不獲豁免的持續關連交易。

Non-exempt Continuing Connected Transactions

(Continued)

B. Non-exempt Continuing Connected Transactions

(Continued)

Sale of silicon solar wafers to Huachang Guangfu (Continued)

Subsequent to the balance sheet date, on 26 January 2011, all the interests of Sino Light Investments Limited together with its subsidiaries has been acquired by the Group and become wholly-owned subsidiaries of the Group. The transactions between the Group and Huachang Guangfu therefore no longer constitute non-exempt continuing connected transactions for the Company under Rule 14A.35 of the Listing Rules

Sale of wire slurry to Jinzhou Aoke and purchase of recycled abrasives and mineral oil from Jinzhou Aoke

On 17 April 2009, the Company entered into a framework agreement with Jinzhou Aoke (the “Jinzhou Aoke Agreement”) pursuant to which (a) the Company agreed to sell, or procure its subsidiaries to sell and Jinzhou Aoke agreed to purchase, or procure its subsidiaries to purchase, wire slurry (the “Sale Transactions”); and (b) Jinzhou Aoke agreed to sell, or procure its subsidiaries to sell, and the Company agreed to purchase, or procure its subsidiaries to purchase, recycled abrasives and mineral oil which serve as the Group’s materials for the slicing of silicon solar ingots into silicon solar wafers (the “Purchase Transactions”).

The Company has obtained the approval from its independent shareholders on 12 June 2009. Upon approval, the Jinzhou Aoke Agreement has taken effect on 17 April 2009 and will expire on 31 December 2011.

不獲豁免之持續關連交易(續)

B. 不獲豁免之持續關連交易(續)

向華昌光伏銷售太陽能硅片(續)

於結算日後，本集團於二零一一年一月二十六日收購華光投資有限公司及其附屬公司全部權益，並成為本集團的全資附屬公司。因此，根據上市規則第14A.35條，本集團與華昌光伏間的交易不再構成本公司的不獲豁免持續關連交易。

銷售砂漿予錦州奧克並向錦州奧克購買循環再用切割砂及切割液

於二零零九年四月十七日，本公司與錦州奧克訂立框架協議(「錦州奧克協議」)，據此，(a)本公司同意銷售或促使其附屬公司銷售，而錦州奧克同意購買或促使其附屬公司購買砂漿(「銷售交易」)；及(b)錦州奧克同意銷售或促使其附屬公司銷售，而本公司同意購買或促使其附屬公司購買循環再用切割砂及切割液，作為本集團切割太陽能硅錠為太陽能硅片的物料(「購買交易」)。

本公司已於二零零九年六月十二日取得其獨立股東批准。批准後，錦州奧克協議於二零零九年四月十七日生效，並將於二零一一年十二月三十一日屆滿。

Non-exempt Continuing Connected Transactions

(Continued)

B. Non-exempt Continuing Connected Transactions

(Continued)

Sale of wire slurry to Jinzhou Aoke and purchase of recycled abrasives and mineral oil from Jinzhou Aoke (Continued)

The Sale Transactions and the Purchase Transactions under the Jinzhou Aoke Agreement were entered into in the ordinary and usual course of business of the Group and on normal commercial terms. The sale prices for the Sale Transactions are determined in accordance with the prevailing market price of wire slurry. Payment terms for the Sale Transactions are determined based on normal commercial terms to be agreed after arm's length negotiations between the Group and the Jinzhou Aoke and/or its subsidiaries from time to time, including without limitation, payment by cash on delivery, payment with a credit term ranging from 30 to 90 days, etc. Other business terms of the Sale Transactions are determined on an individual purchase order basis and the terms of which are on normal commercial terms and no less favourable to the Company than terms available to or from independent third parties. In respect of the Purchase Transactions, the purchase prices for the Purchase Transactions are determined in accordance with the prevailing market price of recycled abrasives and mineral oil. Payment terms for the Purchase Transactions are determined based on normal commercial terms to be agreed after arm's length negotiations between the Group and Jinzhou Aoke and/or its subsidiaries from time to time, including without limitation, payment by cash on delivery, payment with a credit term ranging from 30 to 90 days, etc. Other business terms of the Purchase Transactions are determined on an individual purchase order basis and the terms of which are on normal commercial terms and no less favourable to the Company than terms available to or from independent third parties.

For the year ended 31 December 2010, the aggregate amount of the sale price paid by Jinzhou Aoke to the Group in relation to the sale of wire slurry amounted to approximately RMB15,302,000 (2009: RMB8,640,000).

For the year ended 31 December 2010, the aggregate amount of the purchase price paid by the Group to Jinzhou Aoke in relation to the purchase of recycled abrasives and mineral oil amounted to approximately RMB3,210,000 (2009: RMB4,959,000).

不獲豁免之持續關連交易(續)

B. 不獲豁免之持續關連交易(續)

銷售砂漿予錦州奧克並向錦州奧克購買循環再用切割砂及切割液(續)

錦州奧克協議項下之銷售交易及購買交易乃於本集團日常及一般業務過程中按正常商業條款訂立。銷售交易的售價根據砂漿的當前市價釐定。銷售交易的支付條款乃按本集團與錦州奧克及／或其附屬公司經公平磋商後不時協定的正常商業條款釐定，包括但不限於以現金交易付款、授予信貸期介乎30至90日等。銷售交易的其他業務條款乃按個別訂單基準釐定，彼等屬正常商業條款，且不遜於本公司向或獲獨立第三方提供的條款。就購買交易而言，購買交易的購入價根據循環再用切割砂及切割液的當前市價釐定。購買交易的支付條款乃按本集團與錦州奧克及／或其附屬公司經公平磋商後不時協定的正常商業條款釐定，包括但不限於以現金交易付款、授予信貸期介乎30至90日等。購買交易的其他業務條款乃按個別訂單基準釐定，彼等屬正常商業條款，且不遜於本公司向或獲獨立第三方提供的條款。

截至二零一零年十二月三十一日止年度，由錦州奧克向本集團支付有關銷售砂漿的售價總額為數約人民幣15,302,000元(二零零九年：人民幣8,640,000元)。

截至二零一零年十二月三十一日止年度，由本集團向錦州奧克支付有關購買循環再用切割砂及切割液的購入價總額為數約人民幣3,210,000元(二零零九年：人民幣4,959,000元)。

Non-exempt Continuing Connected Transactions

(Continued)

B. Non-exempt Continuing Connected Transactions

(Continued)

Sale of wire slurry to Jinzhou Aoke and purchase of recycled abrasives and mineral oil from Jinzhou Aoke (Continued)

For the year ending 31 December 2011, the annual transaction amounts under the Sale Transactions will not exceed RMB53 million.

The above annual caps are determined by reference to (i) the anticipated increase in wafer production capacities arising from an expansion in the Group's manufacturing bases subject to the prevailing market conditions, for the years ending 31 December 2011; (ii) the anticipated increase in Jinzhou Aoke's demand for wire slurry; and (iii) the average market price of wire slurry sold to an independent third party and Jinzhou Aoke in 2008.

For the year ending 31 December 2011, the annual transaction amounts under the Purchase Transactions will not exceed RMB174 million.

The above annual caps are determined by reference to (i) the actual quantity of abrasives and mineral oil used by the Group in 2008; (ii) the anticipated increase in wafer production capacities arising from an expansion in the Group's manufacturing bases which are, subject to the prevailing market conditions for the years ending 31 December 2011; (iii) the estimated quantity of recycled abrasives and mineral oil to be purchased from Jinzhou Aoke; (iv) the average recycled rate of abrasives and mineral oil, respectively and hence the estimated quantity of recycled abrasives and mineral oil to be produced by Jinzhou Aoke from the processing of wire slurry to be supplied by the Group; and (v) the estimated price of recycled abrasives and mineral oil to be purchased from Jinzhou Aoke which are determined by reference to the market price of brand new abrasives and mineral oil purchased from independent third parties and the processing fee of wire slurry charged by independent third parties.

To the best of the Director's knowledge, information and belief having made all reasonable enquiry, as at the date of this report, Jinzhou Aoke is owned as to 35% by Jinzhou Yuexin Silicon Materials Co., Ltd., a company wholly-owned by Mr. Tan Wenhua and as to 65% by independent third parties. Jinzhou Aoke is therefore an associate of Mr. Tan Wenhua and hence connected person of the Company. The Sale Transactions and the Purchase Transactions under the New Jinzhou Aoke Agreement therefore constitute non-exempt continuing connected transactions for the Company under Rule 14A.35 of the Listing Rules.

不獲豁免之持續關連交易(續)

B. 不獲豁免之持續關連交易(續)

銷售砂漿予錦州奧克並向錦州奧克購買循環再用切割砂及切割液(續)

截至二零一一年十二月三十一日止年度，銷售交易項下的年度交易金額將不超出人民幣53,000,000元。

上述年度上限乃參考(i)截至二零一一年十二月三十一日止年度根據當前市況擴充本集團製造基地所產生的硅片產能預期增幅；(ii)錦州奧克對砂漿需求的預期增幅；及(iii)二零零八年售予一名獨立第三方及錦州奧克的砂漿平均市價而釐定。

截至二零一一年十二月三十一日止年度，購買交易項下的年度交易金額將不超出人民幣174,000,000元。

上述年度上限乃參考(i)二零零八年本集團切割砂及切割液的實際用量；(ii)截至二零一一年十二月三十一日止年度根據當前市況擴充本集團製造基地所產生的硅片產能預期增幅；(iii)估計將向錦州奧克購入的循環再用切割砂及切割液份量；(iv)切割砂及切割液平均循環再用率，即錦州奧克就將由本集團供應的砂漿進行加工而將予生產的循環再用切割砂及切割液估計份量；及(v)將向錦州奧克購入的循環再用切割砂及切割液估計價格(參考購自獨立第三方的全新切割砂及切割液市價與獨立第三方收取的砂漿加工費而釐定)而釐定。

據董事作出一切合理查詢後所深知、全悉及確信，於本報告日期，錦州奧克分別由錦州悅鑫硅材料有限公司(其由譚文華先生全資擁有)及獨立第三方擁有35%及65%權益。錦州奧克因而為譚文華先生的聯繫人士，繼而為本公司的關連人士。新錦州奧克協議項下的銷售交易及購買交易因而構成上市規則第14A.35條項下本公司的不獲豁免持續關連交易。

Non-exempt Continuing Connected Transactions

(Continued)

B. Non-exempt Continuing Connected Transactions

(Continued)

Supply of solar cells from Huachang Guangfu to the Group

On 2 November 2009, the Company entered into a framework agreement with Huachang Guangfu (the "Solar Cells Supply Agreement") pursuant to which the Company has agreed to purchase (or procure its subsidiaries to purchase), and Huachang Guangfu has agreed to supply, solar cells.

The Company has obtained the approval from its independent shareholders in respect of the Solar Cells Supply Agreement on 31 December 2009. Upon approval, the Solar Cells Supply Agreement has taken effect on 2 November 2009 and will expire on 31 December 2011.

The transactions under the Solar Cells Supply Agreement were entered into in the ordinary and usual course of business of the Group and on normal commercial terms. The prices for the transactions under the Solar Cells Supply Agreement are determined in accordance with the prevailing market price of solar cells and the quantities to be purchased by the Group. The terms of the Solar Cells Supply Agreement and the transaction contemplated thereunder are determined on an individual purchase order basis and the terms of which are on normal commercial terms and no less favourable to the Company than terms available from independent third parties. Payments for the transactions under the Solar Cells Supply Agreement are on such credit terms as may be agreed between the parties on normal commercial terms and no less favourable to the Company than terms available from independent third parties.

For the year ended 31 December 2010, the aggregate amount of the purchase price paid by the Group to Huachang Guangfu under the Solar Cells Supply Agreement amounted to approximately RMB47,602,000 (2009: RMB7,359,000).

不獲豁免之持續關連交易 (續)

B. 不獲豁免之持續關連交易 (續)

華昌光伏向本集團供應太陽能電池

於二零零九年十一月二日，本公司與華昌光伏訂立框架協議（「太陽能電池供應協議」），據此，本公司已同意購買或促使其附屬公司購買，而華昌光伏已同意供應太陽能電池。

本公司已於二零零九年十二月三十一日取得其獨立股東批准太陽能電池供應協議。批准後，太陽能電池供應協議於二零零九年十一月二日生效，並將於二零一一年十二月三十一日屆滿。

太陽能電池供應協議項下交易乃於本集團日常及一般業務過程中按正常商業條款訂立。太陽能電池供應協議項下的交易價格根據太陽能電池當前市價及本集團將予購入的數量釐定。太陽能電池供應協議及其項下擬進行的交易的條款乃按個別訂單基準釐定，彼等屬正常商業條款，且不遜於本公司向或獲獨立第三方提供的條款。太陽能電池供應協議項下交易以訂約各方可能協定的有關信貸條款付款，彼等屬正常商業條款，且不遜於本公司向或獲獨立第三方提供的條款。

截至二零一零年十二月三十一日止年度，由本集團向華昌光伏支付太陽能電池供應協議項下的購入價總額為數約人民幣47,602,000元（二零零九年：人民幣7,359,000元）。

Non-exempt Continuing Connected Transactions

(Continued)

B. Non-exempt Continuing Connected Transactions

(Continued)

Supply of solar cells from Huachang Guangfu to the Group (Continued)

As mentioned in the paragraph headed “Sale of silicon solar wafers to 錦州華昌光伏科技有限公司 Jinzhou Huachang Photovoltaic Technology Co., Ltd.” above, Huachang Guangfu was a connected person of the Company for the year ended 31 December 2010. The transactions for the year ended 31 December 2010 under the Solar Cells Supply Agreement therefore constituted non-exempt continuing connected transactions for the Company under Rule 14A.35 of the Listing Rules. Subsequent to the balance sheet date, on 26 January 2011, Huachang Guangfu became a wholly-owned subsidiary of the Group and therefore the transactions between the Group and Huachang Guangfu no longer constitute non-exempt continuing connected transactions for the Company.

Provision of services for re-coating and re-grooving guide rollers by 錦州京鑫半導體材料有限公司 Jingxin Semi-conductor Material Company Limited (“Jinzhou Jingxin”)*

On 2 November 2009, the Company entered into a framework agreement with Jinzhou Jingxin (the “Guide Rollers Service Agreement”) pursuant to which the Company has agreed to engage or procure its subsidiaries to engage Jinzhou Jingxin for the provision of services for re-coating and re-grooving guide rollers which is necessary for slicing of silicon solar ingots into silicon solar wafers.

The Company has obtained the approval from its independent shareholders in respect of the Guide Rollers Service Agreement on 31 December 2009. Upon approval, the Guide Rollers Service Agreement has taken effect on 2 November 2009 and will expire on 31 December 2011.

不獲豁免之持續關連交易(續)

B. 不獲豁免之持續關連交易(續)

華昌光伏向本集團供應太陽能電池(續)

誠如上文「向錦州華昌光伏科技有限公司銷售太陽能硅片」一段所提述，於截至二零一零年十二月三十一日止年度，華昌光伏為本公司的關連人士。於截至二零一零年十二月三十一日止年度，太陽能電池供應協議項下交易因而構成上市規則第14A.35條項下本公司的不獲豁免持續關連交易。於結算日後，華昌光伏於二零一一年一月二十六日成為本集團的全資附屬公司，因此，本集團與華昌光伏間的交易不再構成本公司的不獲豁免持續關連交易。

錦州京鑫半導體材料有限公司(「錦州京鑫」)提供導輪的塗覆及開槽服務

於二零零九年十一月二日，本公司與錦州京鑫訂立框架協議(「導輪服務協議」)，據此，本公司已同意聘用或促使其附屬公司聘用錦州京鑫提供切割太陽能硅錠為太陽能硅片所需的導輪的塗覆及開槽服務。

本公司已於二零零九年十二月三十一日取得其獨立股東批准導輪服務協議。批准後，導輪服務協議於二零零九年十一月二日生效，並將於二零一一年十二月三十一日屆滿。

Non-exempt Continuing Connected Transactions

(Continued)

B. Non-exempt Continuing Connected Transactions

(Continued)

Provision of services for re-coating and re-grooving guide rollers by Jinzhou Jingxin (Continued)

The transactions under the Guide Rollers Service Agreement were entered into in the ordinary and usual course of business of the Group and on normal commercial terms. The prices for the transactions under the Guide Rollers Service Agreement are determined in accordance with the prevailing market price for the provision of service for re-coating and re-grooving guide rollers. The terms of the transactions under the Guide Rollers Service Agreement are determined on an individual purchase order basis and the terms of which are on normal commercial terms and no less favourable to the Company than terms available from independent third parties. Payments for the transactions under the Guide Rollers Service Agreement are on such credit terms as may be agreed between the parties on normal commercial terms and no less favourable to the Company than terms available from independent third parties.

For the year ended 31 December 2010, the aggregate amount of the service fee paid by the Group to Jinzhou Jingxin under the Guide Rollers Service Agreement amounted to approximately RMB2,653,000 (2009: RMB1,045,000).

For the year ending 31 December 2011, the annual transaction amounts for the transactions under the Guide Rollers Service Agreement will not exceed RMB10,120,000.

The above annual cap amounts under the Guide Rollers Service Agreement are determined by reference to (i) the anticipated increase in wafer production capacity arising from an expansion in the manufacturing bases, subject to the prevailing market conditions, for the years ending 31 December 2011; and (ii) the projected service fee for re-coating and re-grooving guide rollers in the next two financial years.

不獲豁免之持續關連交易 (續)

B. 不獲豁免之持續關連交易 (續)

錦州京鑫提供導輪的塗覆及開槽服務 (續)

導輪服務協議項下的交易乃於本集團日常及一般業務過程中按正常商業條款訂立。導輪服務協議項下的交易價格根據提供導輪的塗覆及開槽服務當前市價釐定。導輪服務協議項下的交易條款乃按個別訂單基準釐定，彼等屬正常商業條款，且不遜於本公司向或獲獨立第三方提供的條款。導輪服務協議項下交易以訂約各方可能協定的有關信貸條款付款，彼等屬正常商業條款，且不遜於本公司向或獲獨立第三方提供的條款。

截至二零一零年十二月三十一日止年度，由本集團向錦州京鑫支付導輪服務協議項下的服務費總額為數約人民幣2,653,000元(二零零九年：人民幣1,045,000元)。

截至二零一一年十二月三十一日止年度，導輪服務協議項下的交易的年度交易金額將不超出人民幣10,120,000元。

上述導輪服務協議項下年度上限金額乃參考(i)截至二零一一年十二月三十一日止年度根據當前市況擴充製造基地所產生的硅片產能預期增幅；及(ii)預期未來兩個財政年度的導輪塗覆及開槽服務費。

Non-exempt Continuing Connected Transactions

(Continued)

B. Non-exempt Continuing Connected Transactions

(Continued)

Provision of services for re-coating and re-grooving guide rollers by Jinzhou Jingxin (Continued)

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, as at the date of this report, Jinzhou Jingxin is owned as to 40% by Ms. Chen Man, the daughter-in-law of Mr. TAN Wenhua, an executive Director, and as to 60% by independent third parties. Jinzhou Jingxin is therefore an associate of Mr. TAN Wenhua and hence a connected person of the Company. Consequently, the transactions under the Guide Rollers Service Agreement constitute non-exempt continuing connected transactions for the Company under Chapter 14A of the Listing Rules. As the applicable ratios under the respective aggregate annual amounts of the transactions contemplated under the Guide Rollers Service Agreement, when aggregated with the transaction amounts under the Solar Cells Supply Agreement, will exceed 2.5%, the Guide Rollers Service Agreement are subject to the reporting, announcement and independent shareholders' approval requirements pursuant to Rules 14A.45 to 14A.48 of the Listing Rules.

Provision of service for the installation of photovoltaic system for solar energy generation by Kinmac Solar Corporation ("Kinmac") to the Group

On 2 November 2009, the Company entered into a framework agreement with Kinmac (the "First Photovoltaic System Installation Agreement") pursuant to which the Company has agreed to engage (or procure its subsidiaries to engage) Kinmac for the provision of, and Kinmac has agreed to provide, the service for the installation of photovoltaic system for solar energy generation (the "Installation Service") to the Group for the development of the Group's photovoltaic system integrator business on a non-exclusive basis in such amounts and quantities as the Company may require on and subject to the terms and conditions of the First Photovoltaic System Installation Agreement. The exact transaction amount of the First Photovoltaic System Installation Agreement will depend on the Group's demand for the Installation Service and its production capacity of solar modules. By entering into the First Photovoltaic System Installation Agreement, the Group is not obliged to engage Kinmac for the Installation Service for any fixed amount during the term of the First Photovoltaic System Installation Agreement.

不獲豁免之持續關連交易(續)

B. 不獲豁免之持續關連交易(續)

錦州京鑫提供導輪的塗覆及開槽服務(續)

據董事作出一切合理查詢後所深知、得悉及確信，於本報告日期，錦州京鑫分別由執行董事譚文華先生之媳婦陳曼女士及獨立第三方擁有40%及60%權益。因此，錦州京鑫為譚文華先生之聯繫人士，故屬本公司之關連人士。故此，導輪服務協議項下的交易構成上市規則第14A章項下本公司不獲豁免持續關連交易。由於導輪服務協議項下擬進行的交易各自的年度總金額項下的適用比率加上太陽能電池供應協議項下的交易金額將超過2.5%，根據上市規則第14A.45條至14A.48條，導輪服務協議須遵守申報、公告及獨立股東批准規定。

景懋光電股份有限公司(「景懋」)就太陽能發電向本集團提供安裝光伏系統服務

於二零零九年十一月二日，本公司與景懋訂立框架協議(「首份光伏系統安裝協議」)，據此，按照首份光伏系統安裝協議之條款及條件以及在其規限下，本公司已同意聘用或促使其附屬公司聘用景懋，而景懋已同意按非獨家基準就太陽能發電向本集團提供本公司可能要求之金額及數量的光伏系統安裝服務(「安裝服務」)，以開發本集團之光伏系統合成商業務。首份光伏系統安裝協議之確實交易金額將視乎本集團對安裝服務之需求以及其太陽能組件之產能而定。於訂立首份光伏系統安裝協議後，本集團並無責任於首份光伏系統安裝協議期間委聘景懋提供任何固定金額之安裝服務。

Non-exempt Continuing Connected Transactions

(Continued)

B. Non-exempt Continuing Connected Transactions

(Continued)

Provision of service for the installation of photovoltaic system for solar energy generation by Kinmac Solar Corporation ("Kinmac") to the Group (Continued)

The Company has obtained the approval from its independent shareholders in respect of the First Photovoltaic System Installation Agreement on 31 December 2009. Upon approval, the First Photovoltaic System Installation Agreement has taken effect on 2 November 2009 and will expire on 31 December 2011.

The transactions under the First Photovoltaic System Installation Agreement were entered into in the ordinary and usual course of business of the Group and on normal commercial terms. The prices for the transactions under the First Photovoltaic System Installation Agreement are determined in accordance with the prevailing market price of the Installation Service to be provided by independent third parties. The terms of the First Photovoltaic System Installation Agreement and the transaction contemplated thereunder are determined on normal commercial terms on a project-by-project basis as offered to other independent third parties who provide similar services for installation of photovoltaic system. Payments for the transactions under the First Photovoltaic System Installation Agreement are mutually agreed between the Company and Kinmac on a project-by-project basis.

For the year ended 31 December 2010, no service fee was paid by the Group to Kinmac under the First Photovoltaic System Installation Agreement (2009: 65,000).

For the year ending 31 December 2011, the annual transaction amount for the transactions under the First Photovoltaic System Installation Agreement will not exceed RMB601,825,000.

The annual cap amounts under the First Photovoltaic System Installation Agreement are determined by reference to (i) the expected capacity of solar modules for the two years ending 31 December 2011 arising from the Group's inception in the downstream business in the photovoltaic industry; (ii) the anticipated demand from the Group for photovoltaic system installation projects; and (iii) the costs of materials (including solar modules and other relevant parts and components) involved for the installation of photovoltaic system.

不獲豁免之持續關連交易 (續)

B. 不獲豁免之持續關連交易 (續)

景懋光電股份有限公司(「景懋」)就太陽能發電向本集團提供安裝光伏系統服務(續)

本公司已於二零零九年十二月三十一日取得其獨立股東批准首份光伏系統安裝協議。批准後，首份光伏系統安裝協議於二零零九年十一月二日生效，並將於二零一一年十二月三十一日屆滿。

首份光伏系統安裝協議項下的交易乃於本集團日常及一般業務過程中按正常商業條款訂立。首份光伏系統安裝協議項下的交易價格根據獨立第三方將予提供的安裝服務當前市價釐定。首份光伏系統安裝協議及其項下擬進行的交易的條款乃以個別項目為基準，按給予其他提供類似安裝光伏系統服務的獨立第三方的正常商業條款釐定，首份光伏系統安裝協議項下的交易付款由本公司與景懋按個別項目基準協定。

截至二零一零年十二月三十一日止年度，本集團並無根據首份光伏系統安裝協議向景懋支付服務費(二零零九年：人民幣65,000元)。

截至二零一一年十二月三十一日止年度，首份光伏系統安裝協議項下的交易的年度交易金額將不超出人民幣601,825,000元。

首份光伏系統安裝協議項下年度上限金額乃參考(i)截至二零一一年十二月三十一日止兩個年度因本集團展開光伏產業下游業務而預期產生的太陽能組件產能；(ii)本集團對光伏系統安裝項目之預期需求；及(iii)安裝光伏系統所涉及之物料(包括太陽能組件及其他相關零部件)成本而釐定。

Non-exempt Continuing Connected Transactions

(Continued)

B. Non-exempt Continuing Connected Transactions

(Continued)

Provision of service for the installation of photovoltaic system for solar energy generation by Kinmac to the Group

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, as at the date of this report, 錦州錦懋光伏科技有限公司 Jinzhou Jinmao Photovoltaic Technology Co., Ltd* ("Jinzhou Jinmao") is owned as to 51% by Jinzhou Yangguang Energy Co., Ltd. (an indirect wholly owned subsidiary of the Company), as to 35% by Kinmac Holding Limited and as to 14% by an independent third party. Jinzhou Jinmao is treated as a subsidiary of the Company. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Kinmac Holding Limited is wholly owned by Kinmac. As Kinmac is entitled to control the exercise of 35% voting right in Jinzhou Jinmao, Kinmac is a substantial shareholder of Jinzhou Jinmao for the purpose of the Listing Rules and hence the Company's connected person at the subsidiary level. Consequently, the Directors consider that the transactions under the First Photovoltaic System Installation Agreement should constitute non-exempt continuing connected transactions for the Company under Chapter 14A of the Listing Rules subject to the reporting, announcement and independent shareholders' approval requirements pursuant to Rules 14A.45 to 14A.48 of the Listing Rules.

Provision of service for the installation of photovoltaic system for solar energy generation by the Group to Kinmac

On 2 November 2009, the Company entered into a framework agreement with Kinmac (the "Second Photovoltaic System Installation Agreement") pursuant to which Kinmac has agreed to engage the Company for the provision of, and the Company has agreed to provide (or procure its subsidiaries to provide), the Installation Service to Kinmac on a non-exclusive basis in such amounts and quantities as Kinmac may require on and subject to the terms and conditions of the Second Photovoltaic System Installation Agreement. The exact transaction amount of the Second Photovoltaic System Installation Agreement will depend on Kinmac's demand for the Installation Service and its production capacity of solar modules. By entering into the Second Photovoltaic System Installation Agreement, Kinmac is not obliged to engage the Company for the Installation Service for any fixed amount during the term of the Second Photovoltaic System Installation Agreement.

不獲豁免之持續關連交易(續)

B. 不獲豁免之持續關連交易(續)

景懋就太陽能發電向本集團提供安裝光伏系統服務

據董事作出一切合理查詢後所深知、得悉及確信，於本報告日期，錦州錦懋光伏科技有限公司(「錦州錦懋」)分別由錦州陽光能源有限公司(本公司之間接全資附屬公司)、Kinmac Holding Limited及一名獨立第三方擁有51%、35%及14%權益。錦州錦懋被視作本公司之附屬公司。據董事作出一切合理查詢後所深知、得悉及確信，Kinmac Holding Limited由景懋全資擁有。由於景懋有權控制行使錦州錦懋35%投票權，景懋就上市規則而言為錦州錦懋之主要股東，故屬本公司之附屬公司級別關連人士。因此，董事認為，首份光伏系統安裝協議項下的交易構成上市規則第14A章項下本公司的不獲豁免持續關連交易，根據上市規則第14A.45條至14A.48條須遵守申報、公告及獨立股東批准規定。

本集團就太陽能發電向景懋提供安裝光伏系統服務

於二零零九年十一月二日，本公司與景懋訂立框架協議(「第二份光伏系統安裝協議」)，據此，按照第二份光伏系統安裝協議之條款及條件以及在其規限下，景懋已同意聘用本公司，而本公司已同意提供或促使其附屬公司按非獨家基準向景懋提供景懋可能要求之金額及數量的安裝服務。第二份光伏系統安裝協議之確實交易金額將視乎景懋對安裝服務之需求以及其太陽能組件之產能而定。於訂立第二份光伏系統安裝協議後，景懋並無責任於第二份光伏系統安裝協議期間委聘本公司提供任何固定金額之安裝服務。

Non-exempt Continuing Connected Transactions

(Continued)

B. Non-exempt Continuing Connected Transactions

(Continued)

Provision of service for the installation of photovoltaic system for solar energy generation by the Group to Kinmac (Continued)

The Company has obtained the approval from its independent shareholders in respect of the Second Photovoltaic System Installation Agreement on 31 December 2009. Upon approval, the Second Photovoltaic System Installation Agreement has taken effect on 2 November 2009 and will expire on 31 December 2011.

The transactions under the Second Photovoltaic System Installation Agreement were entered into in the ordinary and usual course of business of the Group and on normal commercial terms. The prices for the transactions under the Second Photovoltaic System Installation Agreement are determined in accordance with the prevailing market price of the Installation Service to be provided by independent third parties. The terms of the Second Photovoltaic System Installation Agreement and the transaction contemplated thereunder are determined on normal commercial terms on a project-by-project basis as offered to other independent third parties who provide similar services for installation of photovoltaic system. Payments for the transactions under the Second Photovoltaic System Installation Agreement are mutually agreed between the Company and Kinmac on a project-by-project basis.

For the year ended 31 December 2010, no service fee was paid by Kinmac to the Group under the Second Photovoltaic System Installation Agreement (2009: RMB Nil).

For the year ending 31 December 2011, the annual cap amount for the transactions under the Second Photovoltaic System Installation Agreement will not exceed RMB601,825,000.

The annual cap amounts under the Second Photovoltaic System Installation Agreement will be determined by reference to (i) the expected capacity of solar modules of Kinmac for the two years ending 31 December 2011; (ii) the anticipated demand from Kinmac for photovoltaic system installation projects; and (iii) the costs of materials (including solar modules and other relevant parts and components) involved for the installation of photovoltaic system.

不獲豁免之持續關連交易 (續)

B. 不獲豁免之持續關連交易 (續)

本集團就太陽能發電向景懋提供安裝光伏系統服務 (續)

本公司已於二零零九年十二月三十一日取得其獨立股東批准第二份光伏系統安裝協議。批准後，第二份光伏系統安裝協議於二零零九年十一月二日生效，並將於二零一一年十二月三十一日屆滿。

第二份光伏系統安裝協議項下的交易乃於本集團日常及一般業務過程中按正常商業條款訂立。第二份光伏系統安裝協議項下的交易價格根據獨立第三方將予提供的安裝服務當前市價釐定。第二份光伏系統安裝協議及其項下擬進行的交易的條款乃以個別項目為基準，按給予其他提供類似安裝光伏系統服務的獨立第三方的正常商業條款釐定，第二份光伏系統安裝協議項下的交易付款由本公司與景懋按個別項目基準協定。

截至二零一零年十二月三十一日止年度，景懋並無根據第二份光伏系統安裝協議向本集團支付服務費 (二零零九年：人民幣零元)。

截至二零一一年十二月三十一日止年度，第二份光伏系統安裝協議項下的交易的年度上限金額將不超出人民幣601,825,000元。

第二份光伏系統安裝協議項下年度上限金額將參考 (i) 截至二零一一年十二月三十一日止兩個年度景懋的太陽能組件預期產能；(ii) 景懋對光伏系統安裝項目之預期需求；及 (iii) 安裝光伏系統所涉及之物料 (包括太陽能組件及其他相關零部件) 成本而釐定。

Non-exempt Continuing Connected Transactions

(Continued)

B. Non-exempt Continuing Connected Transactions

(Continued)

Provision of service for the installation of photovoltaic system for solar energy generation by the Group to Kinmac (Continued)

As mentioned in the paragraph headed “Provision of service for the installation of photovoltaic system for solar energy generation by Kinmac Solar Corporation (“Kinmac”) to the Group ” above, Kinmac is a connected person of the Company. The transactions under the Second Photovoltaic System Installation Agreement therefore constitute non-exempt continuing connected transactions for the Company under Rule 14A.35 of the Listing Rules.

The transactions as set out in section (A) “Continuing Connected Transactions Exempt from the Independent Shareholders’ Approval Requirements” above constitute continuing connected transactions of the Group which are exempt from independent shareholders’ approval under Rule 14A.34 of the Listing Rules and are subject to the reporting and announcement requirements set out in Rule 14A.35 to 14A.47 of the Listing Rules. The transactions as set out in section (B) “Non-exempt Continuing Connected Transactions” above are subject to reporting, announcement and independent shareholders’ approval requirements set out in Rules 14A.45 to 14A.48 of the Listing Rules.

The Board has reviewed and the Independent Non-executive Directors have confirmed that the above continuing connected transactions (the “Continuing Connected Transactions”) for the year ended 31 December 2010 were entered into and conducted:

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

不獲豁免之持續關連交易(續)

B. 不獲豁免之持續關連交易(續)

本集團就太陽能發電向景懋提供安裝光伏系統服務(續)

誠如上文「景懋光電股份有限公司(「景懋」)就太陽能發電向本集團提供安裝光伏系統服務」一段所述，景懋為本公司的關連人士。第二份光伏系統安裝協議項下的交易因而構成上市規則第14A.35條項下本公司的不獲豁免持續關連交易。

上文(A)節「獲豁免遵守獨立股東批准規定之持續關連交易」所載交易構成本集團之持續關連交易，根據上市規則第14A.34條獲豁免遵守獨立股東批准的規定，並須遵守上市規則第14A.35條至14A.47條所載申報及公告規定。上文(B)節「不獲豁免之持續關連交易」所載交易須遵守上市規則第14A.45至第14A.48條的申報、公告及獨立股東批准的規定。

董事會已審閱上述於截至二零一零年十二月三十一日止年度所進行持續關連交易(「持續關連交易」)，獨立非執行董事亦已確認持續關連交易乃按下列方式訂立及進行：

- (i) 在本公司日常一般業務過程中；
- (ii) 按一般商業條款，或按不遜於本公司向或獲獨立第三方提供的條款；及
- (iii) 符合相關規管協議，且上述條款及建議年度上限屬公平及合理，並符合本公司股東整體利益。

Non-exempt Continuing Connected Transactions

(Continued)

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 disclosed by the Group from pages 38 to 61 of the Annual Report in accordance with Main Board Listing Rule 14A.38. A copy of the auditor's letter has been provided by the Company to The Stock Exchange of Hong Kong Limited. The related party transactions entered into by the Group for the year ended 31 December 2010 as set out in note 32 to the financial statements fall under the definition of "continuing connected transactions" in Chapter 14A of the Listing Rules. The Company confirmed that it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

Connected Transaction

On 8 November 2010, the Company entered into a sale and purchase agreement with seven vendors which include You Hua Investment Corporation (a company wholly owned by Mr. Tan Wenhua, an executive Director) and PLC (which is held as to 65% by the companies wholly owned by Mr. Chong Kin Ngai, a non-executive Director) whereby the Company agreed to acquire a 100% equity interest in Sino Light Investment Limited at a consideration of HK\$835,200,000 (equivalent to approximately RMB709,586,000), which is to be settled in full by the issue of convertible bonds of the Company (the "Bonds") in an aggregate principal amount of HK\$835,200,000 (the "Acquisition"). The Bonds were issued to the vendors on 26 January 2011 upon completion of the Acquisition. The Bonds, which are zero-coupon bonds, can be converted into 435,000,000 ordinary shares of the Company at a conversion price of HK\$1.92 per share during the period between 28 March 2011 and 25 January 2013 i.e. the maturity date (both days inclusive) on and subject to the terms and conditions of the Bonds. The Company shall redeem each Bond then outstanding at a value equal to the aggregate principal amount then outstanding on the maturity date by issuing shares in the Company to the bondholder at the conversion price of HK\$1.92 per share. The Bonds shall not be transferable without prior written consent of the Company and shall not confer on the bondholder(s) the right to vote at a general meeting of the Company.

As the associate of Mr. Tan Wenhua and that of Mr. Chong Kin Ngai as the vendors were parties to the Acquisition, the Acquisition and the transactions contemplated thereunder constituted connected transaction for the Company under the Listing Rules and are subject to approval by the independent shareholders of the Company. The Acquisition was completed on 26 January 2011 after the independent shareholders' approval was obtained on the same day. As the consideration for disposing of their respective interests in Sino Light Investments Limited, You Hua Investment Corporation and PLC were issued the Bonds in the principal amount of HK\$268,393,493 and HK\$64,334,376, respectively.

不獲豁免之持續關連交易(續)

本公司核數師已獲聘根據香港會計師公會頒布的香港核證工作準則第3000號「審核或審閱歷史財務資料以外的核證工作」及參照實務說明第740號「關於香港上市規則所述持續關連交易的核數師函件」報告本集團的持續關連交易。核數師已根據主板上市規則第14A.38條發出函件，而該函件載有核數師對有關本集團在年報第38至61頁披露的持續關連交易的發現及結論。本公司已將核數師函件副本送呈香港聯合交易所有限公司。本集團於截至二零一零年十二月三十一日止年度訂立的關連人士交易(載於財務報告附註32)，符合上市規則第14A章的「持續關連交易」的定義。本公司已確認，已遵守上市規則第14A章的披露規定。

關連交易

於二零一零年十一月八日，本公司與七名賣方訂立買賣協議，七名賣方包括由執行董事譚文華先生全資擁有的佑華投資有限公司及由非執行董事莊堅毅先生全資擁有的公司持有65%權益的佑昌燈光，據此，本公司同意以代價835,200,000港元(相當於約人民幣709,586,000元)收購華光投資有限公司全部股本權益，代價全數以發行本金總額835,200,000港元的本公司可換股債券(「債券」)償付(「收購」)。債券於二零一一年一月二十六日收購完成後發行予賣方。債券為零息債券，可根據債券的條款及條件及在其規限下於二零一一年三月二十八日至二零一三年一月二十五日(即到期日)(包括首尾兩日)，按換股價每股1.92港元兌換成435,000,000股本公司普通股。本公司須於債券到期日按換股價每股1.92港元向債券持有人發行本公司股份，以按相當於當時尚未償還本金總額的價值贖回當時尚未兌換的每份可換股債券。債券不得於未獲本公司事先書面同意的情况下轉讓，亦不會賦予債券持有人於本公司股東大會上表決的權利。

由於譚文華先生的聯繫人士及莊堅毅先生的聯繫人士作為賣方屬收購的訂約方，收購及其項下擬進行的交易構成上市規則下本公司的關連交易，須經本公司獨立股東批准，方可作實。收購於二零一一年一月二十六日取得獨立股東批准後於同日完成。由於出售彼等各自於華光投資有限公司、佑華投資有限公司及佑昌燈光各自權益的代價為分別發行本金額268,393,493港元及64,334,376港元的債券。

Connected Transaction (Continued)

Upon completion of the Acquisition, Sino Light Investments Limited and its subsidiaries (including Huachang Guangfu) has become wholly owned subsidiaries of the Company which will enable the Group to accelerate its intended downstream business developments in the photovoltaic industry. The Acquisition will enable the Group to secure a reliable source of silicon solar cells for its module business and improve the operational efficiency of the Group. Moreover, the Acquisition is expected to bring synergy between the new business and the Group's existing business of wafer and ingot manufacturing, which will benefit the Group in the long run. The Directors are of the view that the Acquisition is in line with the Group's plan in developing its downstream business and will enable the Group to further diversify its source of revenue and broaden its opportunities to cooperate with well-established enterprises along the photovoltaic value chain.

Share Option Scheme

The Company has conditionally approved and adopted the share option scheme on 27 February 2008 ("Share Option Scheme") in which certain participants may be granted options to subscribe for the ordinary shares in the share capital of the Company with a nominal value of HK\$0.10 each ("Shares"). The Directors believe that the Share Option Scheme will be important for the recruitment and retention of quality executives and employees.

The subscription price for the shares under the share option to be granted will be determined by the Board and will be the highest of:

- (i) the official closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on the date of grant, which must be a day on which the Stock Exchange is open for the business of dealing in securities;
- (ii) the average of the official closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and
- (iii) the nominal value of a Share.

The maximum number of Shares in respect of which options may be granted under the Share Option Scheme and under any other share option schemes of the Company must not in aggregate exceed 10% of the total number of Shares in issue immediately following completion of the Listing (but taking no account of any Shares which may be sold pursuant to the exercise of the over-allotment option in connection with the Listing) and capitalisation issue, being 169,076,650 Shares which represents 9.36% of the existing issued share capital of the Company.

關連交易 (續)

收購完成後，華光投資有限公司及其附屬公司(包括華昌光伏)已成為本公司的全資附屬公司，使本集團得以加快發展擬從事的光伏行業下游業務。收購將令本集團得以為其模組業務取得可靠的太陽能電池供應來源，並改善本集團的營運效率。此外，收購預期可為新業務與本集團現有硅片及硅錠製造業務帶來協同效應，長遠而言將對本集團有利。董事認為，收購與本集團致力發展其下游業務的計劃相符，將令本集團進一步分散其收益來源，並獲得更多機會與光伏價值鏈中信譽卓著的企業合作。

購股權計劃

本公司已於二零零八年二月二十七日有條件批准及採納購股權計劃(「購股權計劃」)，若干參與者可獲授購股權認購本公司股本中每股面值0.10港元之普通股(「股份」)。董事相信購股權計劃對聘用及留聘高質素的行政人員及僱員至為重要。

授出購股權所涉及股份的認購價將由董事會釐定，並將以下列最高者為準：

- (i) 股份於授出日期(須為聯交所關於進行證券交易業務的日子)於聯交所每日報價表所報的正式收市價；
- (ii) 緊接授出日期前五個營業日股份於聯交所每日報價表所報正式收市價平均數；及
- (iii) 股份面值。

根據購股權計劃及本公司任何其他購股權計劃可能授出的購股權涉及的股份數目上限，合共不得超過緊隨上市(但並不計及根據有關上市之超額配股權獲行使而可能出售的任何股份)及資本化發行完成後已發行股份總數的10%，即169,076,650股股份，相當於本公司現有已發行股本9.36%。

Share Option Scheme (Continued)

The total number of securities available for issue under the Share Option Scheme as at 31 December 2010 was 158,186,650 Shares which represents 8.75% of the existing issued share capital of the Company (after deducting the grant of options to subscribe for 42,269,163 Shares on 29 December 2008 and adding back the number of options to subscribe for 10,285,000 Shares and 21,094,163 Share lapsed on 30 April 2009 and 31 December 2010, respectively).

No option may be granted to any person such that the total number of Shares of the Company issued and to be issued upon exercise of all options granted and to be granted to each participant in any 12-month period up to the date of the latest grant exceeds 1% of the number of Shares of the Company in issue.

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as determined by the Board of Directors of the Company, which must not be more than 10 years from the date of the grant.

As at 31 December 2010, each of the Directors and employees of the Company had the following interests in options to subscribe for Shares (market value per share at 31 December 2010 was HK\$1.78) granted for a consideration of HK\$1.00 under the Share Option Scheme. The options are unlisted. Each option gives the holder the right to subscribe for one ordinary share with a par value of HK\$0.10 each of the Company.

| | No. of options outstanding at the beginning of the year 於年初尚未行使購股權數目 | No. of options lapsed during the year 於年內失效購股權數目 | No. of options outstanding at the year end 於年終尚未行使購股權數目 | Date granted 授出日期 | Period during which options are exercisable 購股權行使期 | Exercise price per share 每股行使價 | Market value per share at date of grant of options* 於購股權授出日期的每股股份市值* |
|---------------------------|---|---|--|----------------------------------|---|-----------------------------------|---|
| Directors | | | | | | | |
| 董事 | | | | | | | |
| Mr. TAN Wenhua 譚文華先生 | 500,000 | 500,000 | - | 29 December 2008 二零零八年十二月二十九日 | 30 June 2009 to 31 December 2010 二零零九年六月三十日至二零一零年十二月三十一日 | HK\$1.974 1.974港元 | HK\$1.87 1.87港元 |
| Mr. HSU You Yuan 許祐淵先生 | 500,000 | 500,000 | - | 29 December 2008 二零零八年十二月二十九日 | 30 June 2009 to 31 December 2010 二零零九年六月三十日至二零一零年十二月三十一日 | HK\$1.974 1.974港元 | HK\$1.87 1.87港元 |
| Ms. ZHANG Liming 張麗明女士 | 1,000,000 | 1,000,000 | - | 29 December 2008 二零零八年十二月二十九日 | 30 June 2009 to 31 December 2010 二零零九年六月三十日至二零一零年十二月三十一日 | HK\$1.974 1.974港元 | HK\$1.87 1.87港元 |
| Mr. ZHANG Chun 張椿先生 | 500,000 | 500,000 | - | 29 December 2008 二零零八年十二月二十九日 | 30 June 2009 to 31 December 2010 二零零九年六月三十日至二零一零年十二月三十一日 | HK\$1.974 1.974港元 | HK\$1.87 1.87港元 |

購股權計劃(續)

截至二零一零年十二月三十一日，於購股權計劃項下可發行證券總數為158,186,650股股份，(相當於本公司現有已發行股本8.75%)(扣除於二零零八年十二月二十九日授出可認購42,269,163股股份的購股權，並加回分別可認購10,285,000股股份及21,094,163股股份並於二零零九年四月三十日及二零一零年十二月三十一日失效的購股權後)。

本公司不得向任何人士授出購股權，致使該名人士在截至最後授出日期止任何12個月期間內已獲授或將獲授之購股權於行使時所發行及可予發行之本公司股份總數，超過本公司已發行股份1%。

購股權可根據購股權計劃條款於本公司董事會釐定的期間內隨時行使，而有關期間自授出日期起計不得超過10年。

於二零一零年十二月三十一日，董事及本公司僱員各自於根據購股權計劃按代價1.00港元獲授可認購股份(於二零一零年十二月三十一日之市值為每股1.78港元)的購股權中擁有以下權益。購股權並無上市。每份購股權賦予持有人權利認購一股每股面值0.10港元的本公司普通股。

Share Option Scheme (Continued)

購股權計劃(續)

| | No. of options outstanding at the beginning of the year 於年初 尚未行使 購股權數目 | No. of options lapsed during the year 於年內 失效 購股權數目 | No. of options outstanding at the year end 於年終 尚未行使 購股權數目 | Date granted 授出日期 | Period during which options are exercisable 購股權行使期 | Exercise price per share 每股行使價 | Market value per share at date of grant of options* 於購股權授出 日期的每股 股份市值* |
|--|---|---|--|--------------------------------------|--|---|---|
| Ms. FU Shuangye 符霜葉女士 | 500,000 | 500,000 | - | 29 December 2008 二零零八年 十二月二十九日 | 30 June 2009 to 31 December 2010 二零零九年六月三十日至 二零一零年十二月三十一日 | HK\$1.974 1.974港元 | HK\$1.87 1.87港元 |
| Dr. LIN Wen 林文博士 | 500,000 | 500,000 | - | 29 December 2008 二零零八年 十二月二十九日 | 30 June 2009 to 31 December 2010 二零零九年六月三十日至 二零一零年十二月三十一日 | HK\$1.974 1.974港元 | HK\$1.87 1.87港元 |
| Mr. WONG Wing Kuen, Albert 王永權先生 | 500,000 | 500,000 | - | 29 December 2008 二零零八年 十二月二十九日 | 30 June 2009 to 31 December 2010 二零零九年六月三十日至 二零一零年十二月三十一日 | HK\$1.974 1.974港元 | HK\$1.87 1.87港元 |
| Employees 僱員 | 17,094,163 | 17,094,163 | - | 29 December 2008 二零零八年 十二月二十九日 | 30 June 2009 to 31 December 2010 二零零九年六月三十日至 二零一零年十二月三十一日 | HK\$1.974 1.974港元 | HK\$1.87 1.87港元 |

The options granted to the Directors are registered under the names of the Directors who are also the beneficial owners.

授予董事的購股權以董事名義註冊。董事亦為實益擁有人。

* being the closing price of the shares on the dates the options were granted.

* 即股份於購股權授出日期之收市價。

Information on the accounting policy for share options granted and the value per option is provided in note 1(n)(iii) and note 29 to the financial statements respectively.

有關所授出購股權的會計政策及每份購股權的加權平均價值之資料，分別載於財務報告附註1(n)(iii)及附註29。

Apart from the foregoing, at no time during the year was the Company, or any of its holding company, subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of Shares in or debentures of the company or any other body corporate.

除上述者外，本公司、其任何控股公司、附屬公司或同系附屬公司於年內任何時間概無參與任何安排，致使董事可透過收購本公司或任何其他法人團體之股份或債券而獲益。

Purchase, Sale Or Redemption of the Company's Listed Securities

購買、出售或贖回本公司上市證券

There was no purchase, sale or redemption by the Company or any of its subsidiaries, of the Company's listed securities during the year ended 31 December 2010.

截至二零一零年十二月三十一日止年度，本公司或其任何附屬公司概無購買、出售或贖回本公司上市證券。

Interest and Short Positions of the Directors and the Chief Executives of the Company in the Shares, Underlying Shares and Debentures of the Company and its Associated Corporations

As at 31 December 2010, so far as the Directors are aware, the Directors and the chief executives of the Company and their associates had the following interests in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code:

董事及本公司最高行政人員於本公司及其相聯法團的股份、相關股份及債券的權益及淡倉

於二零一零年十二月三十一日，據董事所悉，董事及本公司最高行政人員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第XV部)的股份、相關股份及債券中，擁有已記錄於根據證券及期貨條例第352條規定存置的登記冊或已根據標準守則知會本公司及聯交所的權益如下：

| Name of Director 董事姓名 | Nature of interest 權益性質 | Number of ordinary shares held (Note 1) 所持普通股數目(附註1) | Approximate percentage of holding (%) 概約持股百分比(%) |
|---|--|--|---|
| Mr. TAN Wenhua 譚文華先生 | Beneficial Interest 實益權益 | 475,761,999(L) | 26.33% |
| | Interest in an option (Note 4) 於購股權的權益(附註4) | 13,014,375(L) | 0.72% |
| | Security interest (Note 4) 抵押權益(附註4) | 13,014,375(L) | 0.72% |
| Mr. CHONG Kin Ngai (Note 2) 莊堅毅先生(附註2) | Interest of controlled corporation 受控法團權益 | 80,075,540(L) | 4.43% |
| | Personal interest 個人權益 | 2,449,500(L) | 0.14% |
| | Trustee's interest 受託人權益 | 26,058,625(L) | 1.44% |
| | Family interest 家族權益 | 1,100,000(L) | 0.06% |
| Mr. HSU You Yuan 許祐淵先生 | Beneficial Interest 實益權益 | 12,440,927 | 0.69% |
| | Interest in an option (Note 4) 於購股權的權益(附註4) | 2,080,000(L) | 0.12% |
| | Security interest (Note 4) 抵押權益(附註4) | 2,080,000(L) | 0.12% |

Interest and Short Positions of the Directors and the Chief Executives of the Company in the Shares, Underlying Shares and Debentures of the Company and its Associated Corporations

(Continued)

董事及本公司最高行政人員於本公司及其相聯法團的股份、相關股份及債券的權益及淡倉(續)

| Name of Director 董事姓名 | Nature of interest 權益性質 | Number of ordinary shares held (Note 1) 所持普通股數目(附註1) | Approximate percentage of holding (%) 概約持股百分比(%) |
|-----------------------------|--|--|---|
| Mr. CHIAO Ping Hai 焦平海先生 | Beneficial Interest 實益權益 | 6,135,500(L) | 0.34% |
| | Interest in an option (Note 4) 於購股權的權益(附註4) | 8,304,875(L) | 0.46% |
| | Security interest (Note 4) 抵押權益(附註4) | 8,304,875(L) | 0.46% |
| Ms. ZHANG Liming 張麗明女士 | Beneficial Interest (Note 3) 實益權益(附註3) | 3,133,500(L) | 0.17% |

Interest and Short Positions of the Directors and the Chief Executives of the Company in the Shares, Underlying Shares and Debentures of the Company and its Associated Corporations

(Continued)

Note:

- (1) The letter "L" denotes the person's long position in such securities.
- (2) As at 31 December 2010, Mr. Chong Kin Ngai is interested in an aggregate of 83,625,040 issued shares, of which 2,449,500 shares are directly held by Mr. Chong Kin Ngai, 1,100,000 Shares are held by Mr. Chong Kin Ngai's spouse, 64,140,040 shares are held by Prosperity Electric Corporation ("PEC") and 15,935,500 shares are held by PLC. PLC is held as to 20% by PEC, as to 45% by Leigh Company Limited and as to 35% by independent third parties. Both PEC and Leigh Company Limited are wholly-owned by Mr. Chong Kin Ngai.

Mr. Chong Kin Ngai holds 26,058,625 Shares as trustee on behalf of certain Directors, members of the senior management and staff of the Group. Of the said 26,058,625 Shares, 2,350,125 Shares are held by Mr. Chong Kin Ngai in trust for Ms. Zhang Liming, an executive Director, and 2,659,375 Shares are held by Mr. Chong Kin Ngai in trust for Mr. Hsu You Yuan, an executive Director.

- (3) As at 31 December 2010, Ms. Zhang Liming's 2,350,125 Shares were registered in the name of Mr. Chong Kin Ngai as trustee who is entrusted to exercise voting rights and hold the dividends and other distributions made in respect of the relevant Shares in trust for, among others, the relevant employees and senior management members (if any) to the extent the relevant Shares remain subject to a lock-up period.
- (4) Mr. Tan, Mr. Hsu You Yuan and Mr. Chiao Ping Hai are entitled to buy back the Shares of the relevant senior management and employees in the event that any of them cease to be employed or engaged within 4 years after the date of listing of the Company. These Directors also have security interest in these Shares pursuant to share charges granted by the relevant employees to secure their obligations to pay for the purchase price of the Shares and their obligations to comply with the relevant regulatory requirements to which they are subject (if any).

董事及本公司最高行政人員於本公司及其相聯法團的股份、相關股份及債券的權益及淡倉(續)

附註：

- (1) 字母「L」指該人士於該等證券的好倉。
- (2) 於二零一零年十二月三十一日，莊堅毅先生於合共83,625,040股已發行股份中擁有權益，其中2,449,500股股份由莊堅毅先生直接持有、1,100,000股股份由莊堅毅先生之配偶持有、64,140,040股股份由Prosperity Electric Corporation (「PEC」) 持有及15,935,500股股份由佑昌燈光持有。佑昌燈光分別由PEC、Leigh Company Limited及獨立第三方持有20%、45%及35%。PEC及Leigh Company Limited均由莊堅毅先生全資擁有。

莊堅毅先生以受託人身分代表若干董事、本集團高級管理人員及員工持有26,058,625股股份。上述26,058,625股股份中，2,350,125股股份由莊堅毅先生以信託形式代執行董事張麗明女士持有，及2,659,375股股份由莊堅毅先生以信託形式代執行董事許祐淵先生持有。

- (3) 於二零一零年十二月三十一日，張麗明女士的2,350,125股股份以莊堅毅先生的名義作為受託人登記持有。莊堅毅先生作為受託人受託以信託形式，代(其中包括)有關僱員及高級管理人員(如有)於有關股份禁售期屆滿前，就有關股份行使投票權及持有其股息及其他分派。
- (4) 倘若任何該等相關高級管理人員及僱員自上市日期起4年內終止獲聘或獲委託，譚文華先生、許祐淵先生及焦平海先生有權購回彼等的股份。此外，該等董事根據相關僱員就確保履行支付股份收購價的責任以及遵從彼等受其限制的相關規管規定(如有)而作出的股份抵押擁有該等股份的抵押權益。

Substantial Shareholders' and Other Persons Interests and Short Positions in Shares and Underlying Shares

As at 31 December 2010, so far as the Directors are aware, save as disclosed above, the persons or corporations (not being a Director or chief executive of the Company) who have interest or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO or have otherwise notified to the Company were as follows:

主要股東及其他人士於股份及相關股份中的權益及淡倉

截至二零一零年十二月三十一日，據董事所悉，除上文披露者外，以下人士或法團（並非董事或本公司最高行政人員）於本公司股份及相關股份中，擁有已記錄於根據證券及期貨條例第336條規定存置的登記冊或已知會本公司的權益或淡倉：

| Name 名稱／姓名 | Capacity 身分 | Number of ordinary shares held (Note 1) 所持普通股數目(附註1) | Approximate Percentage of shareholding 概約持股比例(%) |
|---|--|--|---|
| Wafer Works Investment Corp. ("WWIC") | Beneficial owner 實益擁有人 | 344,208,822(L) | 19.05% |
| Wafer Works Corp. ("WWX") (Note 2) 合晶科技股份有限公司(「合晶科技」)(附註2) | Interest of a controlled corporation 受控法團權益 | 344,208,822(L) | 19.05% |
| The Baring Asia Private Equity Fund IV, L.P. | Interest of a controlled corporation 受控法團權益 | 122,139,421(L) | 6.76% |
| Jean Salata | Interest of a controlled corporation 受控法團權益 | 119,045,000(L) | 6.59% |
| Baring Private Equity Asia GP IV Limited | Interest of a controlled corporation 受控法團權益 | 119,045,000(L) | 6.59% |
| Baring Private Equity Asia GP IV, L.P. | Interest of a controlled corporation 受控法團權益 | 119,045,000(L) | 6.59% |
| Baring Private Equity Asia IV Holding (6) Limited | Beneficial interest 實益權益 | 119,045,000(L) | 6.59% |

Notes:

- (1) The letter "L" denotes the person's long position in such securities.
- (2) To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, WWIC is wholly-owned by WWX as at the date of this report. By virtue of the SFO, WWX is deemed to be interested in the Shares held by WWIC.

附註：

- (1) 字母「L」指該人士於該等證券的好倉。
- (2) 據董事於作出一切合理查詢後所深知、全悉及確信，於本報告日期，合晶科技全資擁有WWIC。根據證券及期貨條例，合晶科技被視為於WWIC持有的股份中擁有權益。

Save as disclosed above, as at 31 December 2010, the Directors are not aware of any other person or corporation having an interest or short position in shares and underlying shares of the Company which fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

除上文所披露者外，截至二零一零年十二月三十一日，董事並不知悉有任何其他人士或法團於本公司的股份及相關股份中擁有須根據證券及期貨條例第XV部第2及3分部之條文披露的權益或淡倉。

Directors' Interest in Potentially Competing Businesses

Mr. TAN Wenhua, being the Executive Director, and Mr. CHONG Kin Ngai and Mr. CHIAO Ping Hai, being the non-executive Directors, are interested in other related businesses, particulars of which are set out below:

Mr. TAN Wenhua

For the year ended 31 December 2010, Mr. Tan held approximately 32.135% indirect interest in Huachang Guangfu and 40% interest in Jinzhou Changhua. Huachang Guangfu is engaged in the manufacturing of photovoltaic and solar cells. Jinzhou Changhua is engaged in the manufacturing of graphite and graphite related products. The businesses of Huachang Guangfu and Jinzhou Changhua do not compete with that of the Group. Huachang Guangfu, being a manufacturer of photovoltaic and solar cells, or some other materials (not being polysilicon), is a downstream company of the Group because photovoltaic and solar cells are made from silicon wafers, which the Group manufactures. Huachang Guangfu does not manufacture any polysilicon, silicon ingots or silicon wafers. On the other hand, Jinzhou Changhua, as a company which manufactures graphite and graphite related products, is also not a competitor of the Group because (a) the Group is not engaged in the manufacturing of graphite or any graphite related products; and (b) graphite is not a substitute for, or alternative raw material to, polysilicon in the manufacturing of solar related products. Subsequent to the balance sheet date, on 26 January 2011, Huachang Guangfu became a wholly owned subsidiary of the Group after completion of the Acquisition and Mr. Tan Wenhua no longer has interest in Huachang Guangfu (other than his interests in the Company).

Mr. CHIAO Ping Hai

For the year ended 31 December 2010, Mr. CHIAO Ping Hai had interests in WWX, 上海合晶硅材料有限公司 (Wafer Works (Shanghai) Corp*) ("WWXS") and Wafer Works Epitaxial Corp. These three companies are all engaged in the business of manufacturing silicon wafers used in the semi-conductor industry. Mr. CHIAO Ping Hai also has indirect interests in Helitek and Heli-Vantech, Inc., both of which are engaged in the trading of silicon wafers used in the manufacture of semi-conductors. As explained above, the semi-conductor industry is different from that of the solar technology industry; thus, WWX, WWXS and Wafer Works Epitaxial Corp., Helitek and Heli-Vantech, Inc., are not engaged in any competing business of the Group.

董事於潛在競爭業務的權益

執行董事譚文華先生以及非執行董事莊堅毅先生及焦平海先生於其他相關業務擁有權益，其中詳情載列如下：

譚文華先生

於截至二零一零年十二月三十一日止年度，譚先生於華昌光伏持有約32.135%的間接權益，並於錦州昌華擁有40%的權益。華昌光伏從事製造光伏及太陽能電池。錦州昌華則從事製造石墨及石墨相關產品。華昌光伏及錦州昌華的業務與本集團的業務並不存在任何競爭。作為光伏及太陽能電池或若干其他物料(非多晶硅)製造商的華昌光伏屬本集團的下游公司，原因為光伏及太陽能電池是以本集團製造的硅片所製造。華昌光伏並無製造任何多晶硅、硅錠或硅片。另一方面，作為一家製造石墨及石墨相關產品公司的錦州昌華，亦非本集團的競爭對手，原因為(a)本集團並無從事石墨或任何石墨相關產品的業務；及(b)石墨不能替代製造太陽能相關產品的多晶硅，亦非製造太陽能相關產品的原材料之另一選擇。於二零一一年一月二十六日結算日之後，華昌光伏在收購完成後成為本集團全資附屬公司，譚文華先生不再於華昌光伏擁有權益(彼於本公司的權益除外)。

焦平海先生

於截至二零一零年十二月三十一日止年度，焦平海先生於合晶科技、上海合晶硅材料有限公司(「合晶硅材料」)及上海晶盟硅材料有限公司擁有權益。該三家公司均從事半導體產業所用的硅片製造業務。焦平海先生亦於漢崧及晶材科技股份有限公司擁有間接權益，兩家公司均從事買賣製造半導體所用的硅片。誠如上文所闡釋，半導體產業有別於太陽能科技產業，故此，合晶科技、合晶硅材料及上海晶盟硅材料有限公司、漢崧及晶材科技股份有限公司並非從事任何與本集團競爭的業務。

Directors' Interest in Potentially Competing Businesses (Continued)

Mr. CHONG Kin Ngai

For the year ended 31 December 2010, like Mr. TAN Wenhua, Mr. CHONG Kin Ngai held interest in Huachang Guangfu and Jinzhou Changhua. As explained above, Huachang Guangfu and Jinzhou Changhua are not competitors of the Group, as the Group, Huachang Guangfu and Jinzhou Changhua are engaged in different industries. Mr. CHONG Kin Ngai also holds an interest in Jinzhou Youxin, which is principally engaged in the trading of quartz crucibles. As Huachang Guangfu has become a wholly-owned subsidiary of the Group and Mr. Chong Kin Ngai no longer has interests in Huachang Guangfu (other than his interests in the Company).

Jinzhou Youxin is not a competitor to the Group because (a) quartz crucible is an auxiliary raw material for the Group's manufacturing of polysilicon products. Jinzhou Youxin, being in the business of trading quartz crucibles, is an upstream company which supplies auxiliary raw materials to the Group; and (b) Jinzhou Youxin does not manufacture any polysilicon or polysilicon related products.

Non-competition Undertaking

The Directors confirm that they have no interest in any business (apart from the Group's business) which competes or is likely to compete, either directly or indirectly, with the Group's business. The Directors have also signed a non-competition undertaking with the Company.

Disclosure on how the non-competition undertaking has been complied with and enforced would be consistent with the principles of making voluntary disclosures under the Corporate Governance Report under Appendix 23 of the Listing Rules.

Pursuant to the non-competition undertaking dated 27 February 2008, Mr. TAN Wenhua shall continue to be bound by the terms of the non-competition undertaking in the event that he ceases to be a Director but remains a substantial shareholder of the Company.

The interested Director shall abstain from the meeting where there is actual or potential conflict in interest.

董事於潛在競爭業務的權益(續)

莊堅毅先生

截至二零一零年十二月三十一日止年度，與譚文華先生情況相同，莊堅毅先生持有華昌光伏及錦州昌華的權益。誠如上文所述，華昌光伏及錦州昌華並非本集團的競爭對手，而本集團、華昌光伏與錦州昌華從事不同的產業。莊堅毅先生亦持有錦州佑鑫的權益，該公司主要從事石英坩堝的買賣業務。由於華昌光伏已成為本集團之全資附屬公司，而莊堅毅先生於華昌光伏不再持有權益(彼於本公司之權益除外)。

錦州佑鑫並非本集團的競爭對手，原因為(a)石英坩堝是本集團製造多晶硅產品所需的輔料。從事石英坩堝買賣業務的錦州佑鑫屬上游公司，為本集團供應輔料；及(b)錦州佑鑫並無製造任何多晶硅或多晶硅相關產品。

不競爭承諾

董事確認，除本集團業務外，彼等概無於與本集團業務直接或間接存有競爭或極可能存有競爭的任何業務擁有權益。董事亦已與本公司訂立不競爭承諾。

本公司有關披露遵守及強制執行不競爭承諾情況的方式將與上市規則附錄二十三企業管治報告所載自願作出披露的原則相符。

根據二零零八年二月二十七日出作的不競爭承諾，倘若譚文華先生終止擔任董事職務但繼續為本公司主要股東，彼亦須受不競爭承諾的條款約束。

倘會議上討論的事宜與董事實際或潛在存在利益衝突，該涉及利益董事須放棄出席有關會議。

Directors' Interests in Contracts

Save as disclosed in the section headed “Non-exempt Continuing Connected Transactions” and the section headed “Connected Transaction” on pages 38 to 62, no contract of significance to which the Company or any of its subsidiaries or fellow subsidiaries was a party, and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

In addition to the contracts mentioned above, on 8 November 2010, a joint venture agreement between 錦州陽光能源有限公司(Jinzhou Yangguang Energy Co., Ltd) (“Jinzhou Yangguang”), a wholly-owned subsidiary of the Company and Liaoning Oxiranchem, Inc. (遼寧奧克化學股份有限公司) (“Joint Venture Partner”), which is owned as to approximately 2.43% by Mr. Tan Xin, the son of Mr. Tan who is also a supervisor of the Joint Venture Partner, was entered into for the establishment of 錦州奧克陽光新能源有限公司(Jinzhou Oxiranchem Yangguang New Energy Co. Ltd.) (the “Joint Venture”) which is owned as to 63% by the Joint Venture Partner and as to 37% by Jinzhou Yangguang, to engage in the business of manufacturing multicrystalline silicon solar ingots and wafers.

Emolument Policy

The emolument policy of the employees of the Group is set out by the Remuneration Committee on the basis of their merit, qualifications and competence.

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

Retirement Benefit Schemes

Particulars of the retirement benefit schemes of the Group are set out in note 28 to the financial statements.

Pre-emptive Rights

There are no provisions for pre-emptive rights under the Company's articles of association, or the law of Cayman Islands, being the jurisdiction in which the Company is incorporated under which would oblige the Company to offer new Shares on a pro-rata basis to existing shareholders.

董事之合約權益

除第38至62頁「不獲豁免的持續關連交易」及「關連交易」一節披露者外，本公司或其任何附屬公司或同系附屬公司概無參與訂立任何於年終或年內任何時間仍然有效，且董事於當中直接或間接擁有重大權益之重大合約。

除上述合約外，於二零一零年十一月八日，本公司全資附屬公司錦州陽光能源有限公司(「錦州陽光」)與遼寧奧克化學股份有限公司(「合營夥伴」)，由譚鑫先生(為同屬合營夥伴監事的譚先生的兒子)擁有約2.43%權益)訂立一份合營協議成立錦州奧克陽光新能源有限公司(「合營企業」)，合營企業由合營夥伴及錦州陽光分別擁有63%及37%權益，將從事製造太陽能多晶硅錠及硅片業務。

薪酬政策

薪酬委員會按照僱員表現、資歷及能力，制定本集團僱員之薪酬政策。

薪酬委員會參照本公司的營運業績、董事個別表現及可比較市場統計數據，決定董事的薪酬。

退休福利計劃

本集團福利計劃詳情，載於財務報告附註28。

優先購股權

本公司之組織章程細則或開曼群島(即本公司註冊成立的司法權區)法例均無有關優先購股權之條文，規定本公司須按持股比例向現有股東提呈新股。

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as the code of conduct regarding securities transactions by the Directors. Special enquiries have been made by the Company to confirm that all Directors have been complied with the Model Code for the year ended 31 December 2010, save and except that we are informed by Mr. Chong Kin Ngai, a non-executive director of the Company, of his spouse's dealings in the shares of the Company during the period between 17 July 2009 and 21 July 2010 without notification to the chairman of the Company in accordance with rule A.6 of the Model Code and such notifiable interests were subsequently disclosed by filing of disclosure of interest forms to the Stock Exchange and the Company on 29 November 2010 and 7 December 2010 pursuant to the requirements under Part XV of the Securities and Futures Ordinance (Chapter 571, Law of Hong Kong). The Company has already in place remedial measures, including (i) sending formal notifications to its Directors reminding them that they should not deal in the securities of the Company during the "black-out period" specified in Appendix 10 of the Listing Rules and (ii) periodic update of the Company's policies on compliance with the Listing Rules. Further, to prevent re-occurrence of similar incidents in the future, the Company will take further measures, including the provision of additional training session for the Directors to reinforce their knowledge regarding the rules and regulations in respect of the securities dealing by Directors and the provision updates on the Listing Rules to the Directors of the Company on a timely basis.

Corporate Governance

Principal corporate governance practices adopted by the Company are set out in the corporate governance report on pages 21 to 29.

Audit Committee

The Company established an Audit Committee on 27 February 2008 with terms of references adopted in compliance with the Code set out in Appendix 14 of the Listing Rules. The members of the Audit Committee are the four independent non-executive Directors, and Mr. Chong Kin Ngai, a non-executive Director and Mr. Wong Wing Kuen Albert, an independent non-executive Director, is the Chairman of the Audit Committee.

The Audit Committee is to serve as a focal point for communication between other Directors, the external auditor and the internal auditor (where an internal audit function exists) of the Company as regards their duties relating to financial and other reporting, internal controls, external and internal audits and such other financial and accounting matters as the Board determines from time to time.

董事進行證券交易的標準守則

本公司已採納上市規則附錄十所載標準守則作為其本身董事進行證券交易的操守守則。本公司作出特別查詢後確認，除獲本公司非執行董事莊堅毅先生知會，其配偶在未根據標準守則A.6條事先知會本公司主席之情況下，於二零零九年七月十七日至二零一零年七月二十一日止期間內買賣本公司股份外(有關須知會權益其後於二零一零年十一月二十九日及二零一零年十二月七日根據香港法例第571章證券及期貨條例第XV部之規定，以向聯交所遞交權益披露表格之方式作出披露)，全體董事截至二零一零年十二月三十一日止年度已遵守標準守則。本公司已製訂補救措施，包括(i)向其董事發出正式通知，提醒彼等不可於上市規則附錄十所訂明的「禁售期」內買賣本公司證券；及(ii)定期根據上市規則更新本公司的政策。此外，為防止日後再次發生類似事件，本公司將採取進一步措施，包括為董事提供額外培訓課程加強彼等對董事買賣證券的規則及規例的認識，以及適時向本公司董事提供上市規則的最新資料。

企業管治

本公司採納的主要企業管治常規，載於第21至29頁的企業管治報告。

審核委員會

本公司已於二零零八年二月二十七日成立審核委員會，並採納按照上市規則附錄十四所載列守則制定的職權範圍。審核委員會由四名獨立非執行董事及非執行董事莊堅毅先生組成，獨立非執行董事王永權先生為審核委員會主席。

審核委員會乃作為其他董事、外聘核數師與內部核數師(倘存在內部審核職能)之間的溝通橋樑，關乎彼等職責中相關的財務及其他報告、內部監控、外部及內部審核以及董事會不時決定的其他財務及會計事宜。

Audit Committee (Continued)

The Audit Committee is to assist the Board in providing an independent review of the effectiveness of the financial reporting process, internal control and risk management system of the Group, overseeing the audit process and performing other duties and responsibilities as may be assigned by the Board from time to time. The audit committee has reviewed the Group's interim and annual consolidated financial statements for the year 2010, including the accounting principles and practices adopted by the Group.

Sufficiency of Public Float

As at the date of this annual report, the Company has maintained the prescribed public float of not less than 25% of the issued share capital of the Company pursuant to the Listing Rules and as agreed with the Stock Exchange, based on the information that is publicly available to the Company and within the knowledge of the Directors.

Confirmation of Independence

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

Auditors

The financial statements of the Company for the year have been audited by KPMG who will retire, and, being eligible, offer themselves for re-appointment.

A resolution for the re-appointment of KPMG as auditors of the Company is to be proposed at the forthcoming annual general meeting.

By Order of the Board

TAN Wenhua

Chairman

Hong Kong, 28 March 2011

審核委員會 (續)

審核委員會乃為協助董事會獨立檢討財務報告過程、內部監控及風險管理制度的成效、監管審核過程及履行董事會不時指派的其他職責及責任。審核委員會已審閱本集團截至二零一零年度中期及年度綜合財務報告，包括本集團採納的會計原則及常規。

足夠公眾持股量

根據本公司透過公開途徑的資料及據董事所知悉，於本年報日期，本公司一直維持上市規則所訂明並經與聯交所協定本公司已發行股本不少於25%的公眾持股量。

獨立身分的確認

本公司已接獲各獨立非執行董事根據上市規則第3.13條發出的年度獨立身分確認書，並認為全體獨立非執行董事均為獨立人士。

核數師

本公司本年度的財務報告已由畢馬威會計師事務所審核。畢馬威會計師事務所將任滿告退，惟其符合資格並願意獲續聘。

有關續聘畢馬威會計師事務所為本公司核數師的決議案將於應屆股東週年大會上提呈。

承董事會命

譚文華

主席

香港，二零一一年三月二十八日

Independent Auditor's Report

獨立核數師報告



Independent auditor's report to the shareholders of Solargiga Energy Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Solargiga Energy Holdings Limited (the "Company") and its subsidiaries (together "the Group") set out on pages 76 to 168, which comprise the consolidated and company statements of financial position as at 31 December 2010, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement 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. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

致陽光能源控股有限公司股東

獨立核數師報告

(於開曼群島註冊成立之有限公司)

本核數師(以下簡稱「我們」)已審核列載於第76至168頁陽光能源控股有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)的綜合財務報告,此財務報告包括於二零一零年十二月三十一日的綜合及貴公司財務狀況表與截至該日止年度的綜合損益表、綜合全面收入表、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。

董事就綜合財務報告須承擔的責任

貴公司董事負責根據香港會計師公會頒佈的《香港財務報告準則》及香港《公司條例》的披露規定,編製表達真實且公平意見的綜合財務報告,以及維持董事認為必要的有關內部控制,以確保綜合財務報告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告作出意見,並僅向整體股東報告。除此之外,我們的報告書不可用作其他用途。我們概不就本報告的內容,對任何其他人士負責或承擔法律責任。

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。這些準則要求我們遵守道德規範,並規劃及執行審核,以合理確定此等綜合財務報告是否不存有任何重大錯誤陳述。

Auditor's responsibility (continued)

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

KPMG

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

28 March 2011

核數師的責任(續)

審核涉及執程序以獲取有關綜合財務報告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告存有重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製及真實而公平地列報財務報告相關的內部控制，以設計適當的審核程序，但並非為對公司的內部控制的成效發表意見。審核亦包括評價董事採用的會計政策是否合適及所作出會計估計是否合理，以及評價綜合財務報告的整體列報方式。

我們相信，我們所獲得的審核憑證充足和適當地為我們的審核意見提供基礎。

意見

我們認為，該等綜合財務報告已根據《香港財務報告準則》真實而公平地反映 貴公司及 貴集團於二零一零年十二月三十一日的事務狀況及 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。

畢馬威會計師事務所

執業會計師

香港中環
遮打道10號
太子大廈8樓

二零一一年三月二十八日

Consolidated Income Statement

綜合損益表

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度
(Expressed in Renminbi) (以人民幣列值)

| | | Note 附註 | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
|--|-----------------|------------|-----------------------------------|-----------------------------------|
| Turnover | 營業額 | 3 | 1,854,769 | 658,720 |
| Cost of sales | 銷售成本 | | (1,441,526) | (664,500) |
| Gross profit/(loss) | 毛利/(毛損) | | 413,243 | (5,780) |
| Other revenue | 其他收入 | 4 | 23,174 | 14,898 |
| Other net (loss)/income | 其他(虧損)/收益淨額 | 5 | (2,274) | 2,890 |
| Selling and distribution expenses | 銷售及分銷開支 | | (9,669) | (5,311) |
| Administrative expenses | 行政開支 | | (123,577) | (105,521) |
| Profit/(loss) from operations | 經營利潤/(虧損) | | 300,897 | (98,824) |
| Finance costs | 融資成本 | 6(a) | (18,006) | (15,942) |
| Profit/(loss) before taxation | 除稅前利潤/(虧損) | 6 | 282,891 | (114,766) |
| Income tax (expense)/credit | 所得稅(開支)/抵免 | 7 | (71,444) | 16,624 |
| Profit/(loss) for the year | 年度利潤/(虧損) | | 211,447 | (98,142) |
| Attributable to: | 以下人士應佔： | | | |
| Equity shareholders of the Company | 本公司權益股東 | 8 | 214,121 | (98,098) |
| Non-controlling interests | 非控制性權益 | | (2,674) | (44) |
| Profit/(loss) for the year | 年度利潤/(虧損) | | 211,447 | (98,142) |
| Earnings/(loss) per share (RMB cents) | 每股盈利/(虧損)(人民幣分) | 10 | | |
| – Basic and diluted | – 基本及攤薄 | | 11.85 | (5.75) |

The notes on pages 84 to 168 form part of these financial statements. Details of dividends payable to equity shareholders of the Company attributable to the profit/loss for the year are set out in note 9.

第84至168頁所載附註構成財務報告其中部分。本公司權益股東應佔年內利潤/虧損之應付股息載於附註9。

Consolidated Statement of Comprehensive Income

綜合全面收入表

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度
(Expressed in Renminbi) (以人民幣列值)

| | | 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/(loss) for the year | 年度利潤／(虧損) | 211,447 | (98,142) |
| Other comprehensive income for the year: | 年度其他全面收入： | | |
| Exchange differences on translation of financial statements of subsidiaries outside of the People's Republic of China ("PRC") | 換算中華人民共和國(「中國」)以外附屬公司業務財務報告之匯兌差額 | 186 | (7,906) |
| Total comprehensive income for the year | 年度全面收入總額 | 211,633 | (106,048) |
| Attributable to: | 以下人士應佔： | | |
| Equity shareholders of the Company | 本公司權益股東 | 214,307 | (106,004) |
| Non-controlling interests | 非控制性權益 | (2,674) | (44) |
| Total comprehensive income for the year | 年度全面收入總額 | 211,633 | (106,048) |

The notes on pages 84 to 168 form part of these financial statements.

第84至168頁所載附註構成財務報告其中部分。

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2010 於二零一零年十二月三十一日
(Expressed in Renminbi) (以人民幣列值)

| | | Note | 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 |
|---|---------------------|-------|-----------------------------------|-----------------------------------|
| | | 附註 | | |
| Non-current assets | 非流動資產 | | | |
| Property, plant and equipment | 物業、廠房及設備 | 14(a) | 1,197,049 | 536,849 |
| Prepayments for acquisition of property, plant and equipment | 購置物業、廠房及設備的 預付款項 | | 49,063 | 63,264 |
| Lease prepayments | 租賃預付款項 | 15 | 68,400 | 63,948 |
| Prepayments for raw materials | 原材料的預付款項 | 16 | 146,915 | 214,068 |
| Interest in an associate | 於一間聯營公司的權益 | 18 | 37,000 | – |
| Deferred tax assets | 遞延稅項資產 | 25(b) | 4,250 | 42,925 |
| | | | 1,502,677 | 921,054 |
| Current assets | 流動資產 | | | |
| Inventories | 存貨 | 19 | 378,287 | 441,288 |
| Trade and other receivables | 應收貿易賬款及其他應收款項 | 20 | 628,412 | 405,361 |
| Pledged deposits | 已抵押存款 | 21 | 74,113 | 44,055 |
| Cash at bank and in hand | 銀行及手頭現金 | 22 | 459,734 | 236,191 |
| | | | 1,540,546 | 1,126,895 |
| Current liabilities | 流動負債 | | | |
| Trade and other payables | 應付貿易賬款及其他應付款項 | 23 | 463,322 | 206,170 |
| Short-term bank loans | 短期銀行貸款 | 24 | 648,011 | 289,274 |
| Current tax payable | 即期應付稅項 | 25(a) | 2,243 | 28 |
| | | | 1,113,576 | 495,472 |
| Net current assets | 流動資產淨值 | | 426,970 | 631,423 |
| Total assets less current liabilities | 資產總值減流動負債 | | 1,929,647 | 1,552,477 |

| | | Note 附註 | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
|--|----------------------|------------|-----------------------------------|-----------------------------------|
| Non-current liabilities | 非流動負債 | | | |
| Municipal government loan | 市政府貸款 | 24 | 3,095 | 3,227 |
| Long-term bank loan | 長期銀行貸款 | 24 | 85,000 | 70,000 |
| Deferred tax liabilities | 遞延稅項負債 | 25(b) | 21,547 | 4,669 |
| Deferred income | 遞延收入 | 26 | 172,905 | 67,301 |
| Other non-current liabilities | 其他非流動負債 | 27 | 1,385 | – |
| | | | 283,932 | 145,197 |
| NET ASSETS | 資產淨值 | | 1,645,715 | 1,407,280 |
| CAPITAL AND RESERVES | 資本及儲備 | | | |
| Share capital | 股本 | 30 | 162,458 | 162,458 |
| Reserves | 儲備 | | 1,444,320 | 1,225,261 |
| Total equity attributable to equity shareholders of the Company | 本公司權益股東應佔權益總額 | | 1,606,778 | 1,387,719 |
| Non-controlling interests | 非控制性權益 | | 38,937 | 19,561 |
| TOTAL EQUITY | 權益總額 | | 1,645,715 | 1,407,280 |

Approved and authorised for issue by the board of directors on 28 March 2011.

董事會於二零一一年三月二十八日核准並許可發出。

TAN Wenhua
譚文華
Director
董事

HSU You Yuan
許祐淵
Director
董事

The notes on pages 84 to 168 form part of these financial statements.

第84至168頁所載附註構成財務報告其中部分。

Statement of Financial Position

財務狀況表

At 31 December 2010 於二零一零年十二月三十一日
(Expressed in Renminbi) (以人民幣列值)

| | | Note 附註 | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
|-------------------------------------|---------------|------------|-----------------------------------|-----------------------------------|
| Non-current assets | 非流動資產 | | | |
| Property, plant and equipment | 物業、廠房及設備 | 14(b) | 35 | 57 |
| Investments in subsidiaries | 於附屬公司的投資 | 17 | 147,456 | 163,005 |
| | | | 147,491 | 163,062 |
| Current assets | 流動資產 | | | |
| Trade and other receivables | 應收貿易賬款及其他應收款項 | 20 | 803,567 | 839,077 |
| Cash at bank and in hand | 銀行及手頭現金 | 22 | 1,045 | 3,527 |
| | | | 804,612 | 842,604 |
| Current liabilities | 流動負債 | | | |
| Other payables and accrued expenses | 其他應付款項及應計費用 | 23 | 23,993 | 25,482 |
| Net current assets | 流動資產淨額 | | 780,619 | 817,122 |
| NET ASSETS | 資產淨值 | | 928,110 | 980,184 |
| CAPITAL AND RESERVES | 資本及儲備 | 30(b) | | |
| Share capital | 股本 | | 162,458 | 162,458 |
| Reserves | 儲備 | | 765,652 | 817,726 |
| TOTAL EQUITY | 權益總額 | | 928,110 | 980,184 |

Approved and authorised for issue by the board of directors on 28 March 2011. 董事會於二零一一年三月二十八日核准並許可發出。

TAN Wenhua
譚文華
Director
董事

HSU You Yuan
許祐淵
Director
董事

The notes on pages 84 to 168 form part of these financial statements.

第84至168頁所載附註構成財務報告其中部分。

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
(Expressed in Renminbi) (以人民幣列值)

| | | Attributable to equity shareholders of the Company 本公司權益股東應佔權益 | | | | | | | Non-controlling interests | | Total equity |
|--|----------------------------|---|------------------|----------------------|------------------|------------------|------------------|------------------|---------------------------|------------------|------------------|
| Note | | Share capital | Share premium | General reserve fund | Capital reserve | Exchange reserve | Other reserve | Retained profits | Total | | |
| 附註 | | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 |
| Balance at 1 January 2009 | 於二零零九年一月一日之結餘 | 152,189 | 740,854 | 88,810 | 34,482 | (2,569) | (66,710) | 316,458 | 1,263,514 | - | 1,263,514 |
| Changes in equity for 2009: | 二零零九年權益變動: | | | | | | | | | | |
| Profit for the year | 年度利潤 | - | - | - | - | - | - | (98,098) | (98,098) | (44) | (98,142) |
| Other comprehensive income | 其他全面收入 | - | - | - | - | (7,906) | - | - | (7,906) | - | (7,906) |
| Total comprehensive income | 全面收入總額 | - | - | - | - | (7,906) | - | (98,098) | (106,004) | (44) | (106,048) |
| Dividends approved in respect of the previous year | 上年度獲批准股息 | 9(b) | (25,361) | - | - | - | - | - | (25,361) | - | (25,361) |
| Shares issued in lieu of cash dividends | 以股份發行代替現金股息 | 30(d) | 485 | 14,292 | - | - | - | - | 14,777 | - | 14,777 |
| Share issued under the listing of Taiwan Depository Receipts | 根據台灣存託憑證上市發行股份 | 30(e) | 8,824 | 191,766 | - | - | - | - | 200,590 | - | 200,590 |
| Share issuing costs | 股份發行成本 | 30(e) | - | (3,780) | - | - | - | - | (3,780) | - | (3,780) |
| Capital injection by minority shareholders | 少數股東注資 | | - | - | - | - | - | - | - | 19,605 | 19,605 |
| Shares issued under share option scheme | 根據購股權計劃發行股份 | 30(f) | 960 | 17,977 | - | - | - | - | 18,937 | - | 18,937 |
| Equity settled share-based transactions | 以股權結算股份支付之交易 | | - | 4,680 | - | 16,462 | - | 3,904 | 25,046 | - | 25,046 |
| Balance at 31 December 2009 and 1 January 2010 | 於二零零九年十二月三十一日及二零一零年一月一日之結餘 | 162,458 | 940,428 | 88,810 | 50,944 | (10,475) | (66,710) | 222,264 | 1,387,719 | 19,561 | 1,407,280 |
| Changes in equity for 2010: | 二零一零年權益變動: | | | | | | | | | | |
| Profit for the year | 年度利潤 | - | - | - | - | - | - | 214,121 | 214,121 | (2,674) | 211,447 |
| Other comprehensive income | 其他全面收入 | - | - | - | - | 186 | - | - | 186 | - | 186 |
| Total comprehensive income | 全面收入總額 | - | - | - | - | 186 | - | 214,121 | 214,307 | (2,674) | 211,633 |
| Capital injection by minority shareholders | 少數股東注資 | | - | - | - | - | - | - | - | 22,050 | 22,050 |
| Equity settled share-based transactions | 以股權結算股份支付之交易 | | - | - | (10,116) | - | - | 14,868 | 4,752 | - | 4,752 |
| Appropriation | 分配 | | - | 28,745 | - | - | - | (28,745) | - | - | - |
| Balance at 31 December 2010 | 於二零一零年十二月三十一日之結餘 | 162,458 | 940,428 | 117,555 | 40,828 | (10,289) | (66,710) | 422,508 | 1,606,778 | 38,937 | 1,645,715 |

The notes on pages 84 to 168 form part of these financial statements.

第84至168頁所載附註構成財務報告其中部分。

Consolidated Cash Flow Statement

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
(Expressed in Renminbi) (以人民幣列值)

| | 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 |
|---|------------------------|-----------------------------------|-----------------------------------|
| Operating activities | 經營活動 | | |
| Profit/(loss) before taxation | 除稅前利潤/(虧損) | 282,891 | (114,766) |
| Adjustments for: | 調整： | | |
| Depreciation and amortisation | 折舊及攤銷 | 54,460 | 32,738 |
| Loss on disposals of property, plant and equipment | 出售物業、廠房及設備的虧損 | — | 901 |
| Equity settled share-based payment expenses | 按權益結算以股份支付的開支 | 4,752 | 25,046 |
| Write-down of inventories | 存貨撇減 | — | 172,648 |
| Impairment of trade debtors | 應收貿易賬款減值 | 449 | 4,752 |
| Finance costs | 融資成本 | 18,006 | 15,942 |
| Provision for warranty | 就保證作出的撥備 | 870 | — |
| Interest income from bank deposits | 銀行存款利息收入 | (2,786) | (1,953) |
| Foreign exchange loss/(gain) | 匯兌虧損/(收益) | 1,624 | (1,555) |
| Operating profit before changes in working capital | 未計營運資金變動的經營利潤 | 360,266 | 133,753 |
| Decrease/(increase) in inventories | 存貨減少/(增加) | 62,925 | (219,281) |
| Increase in trade and other receivables | 應收貿易賬款及其他應收款項增加 | (260,773) | (131,267) |
| Decrease/(increase) in prepayments for raw materials | 原材料的預付款項減少/(增加) | 67,153 | (2,908) |
| Increase/(decrease) in trade and other payables | 應付貿易賬款及其他應付款項增加/(減少) | 199,869 | (72,700) |
| Increase in deferred income | 遞延收入增加 | 105,604 | 36,968 |
| Cash generated from/(used in) operating activities | 經營活動所得/(所用)現金 | 535,044 | (255,435) |
| PRC income tax paid | 已付中國所得稅 | (13,676) | (785) |
| PRC income tax refunded | 已退回中國所得稅 | — | 1,093 |
| Net cash generated from/(used in) operating activities | 經營活動所得/(所用)現金淨額 | 521,368 | (255,127) |
| Investing activities | 投資活動 | | |
| Payment for the acquisition of property, plant and equipment | 就購置物業、廠房及設備支付的款項 | (603,242) | (96,133) |
| Capital injection to an associate | 向一間聯營公司注資 | (37,000) | — |
| Payment of lease prepayments | 租賃預付款項 | (5,876) | (17,503) |
| Deposits with banks with original maturity over three months | 到期日為三個月以上的銀行存款 | (12,980) | (57,020) |
| Proceeds from disposals of property, plant and equipment | 出售物業、廠房及設備所得款項 | 1,094 | 7 |
| Interest received | 已收利息 | 2,786 | 1,953 |
| Net cash used in investing activities | 投資活動所用現金淨額 | (655,218) | (168,696) |

| | | 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 |
|--|--------------------------------|------------|-----------------------------------|-----------------------------------|
| Financing activities | 融資活動 | | | |
| Placement of pledged deposits | 置存已抵押存款 | | (59,097) | (44,055) |
| Repayments of pledged deposits | 償還已抵押存款 | | 29,039 | 25,071 |
| Dividends paid | 已付股息 | 9(b) | – | (10,584) |
| Proceeds from bank loans | 銀行貸款所得款項 | | 984,573 | 447,154 |
| Repayment of bank loans | 銀行貸款之還款 | | (610,836) | (302,460) |
| Proceeds from shares issued under share option scheme | 根據購股權計劃發行股份 所得款項 | 30(f) | – | 18,937 |
| Proceeds from the listing of Taiwan Depository Receipts | 台灣存託憑證上市 所得款項 | 30(e) | – | 200,590 |
| Capital injection by minority shareholders | 少數股東注資 | | 22,050 | 19,605 |
| Share issuing costs for the listing of Taiwan Depository Receipts | 台灣存託憑證上市的 股份發行成本 | 30(e) | – | (3,780) |
| Interest paid | 已付利息 | | (21,932) | (17,130) |
| Net cash generated from financing activities | 融資活動所得現金淨額 | | 343,797 | 333,348 |
| Net increase/(decrease) in cash and cash equivalents | 現金及現金等價物之增加/ (減少)淨額 | | 209,947 | (90,475) |
| Cash and cash equivalents at the beginning of the year | 年初現金及現金等價物 | | 179,171 | 270,402 |
| Effect of foreign exchange rate changes | 匯率變動的影響 | | 616 | (756) |
| Cash and cash equivalents at the end of the year | 年終現金及現金等價物 | 22 | 389,734 | 179,171 |

The notes on pages 84 to 168 form part of these financial statements.

第84至168頁所載附註構成財務報告其中部分。

Notes to the Financial Statements

財務報告附註

(Expressed in Renminbi) (以人民幣列值)

1 Significant accounting policies

(a) Statement of compliance

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

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 2 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2010 comprise the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interest in an associate.

The measurement basis used in the preparation of the financial statements is the historical cost basis except as otherwise stated in the accounting policies set out below.

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

1 主要會計政策

(a) 合規聲明

財務報告是根據所有適用的香港財務報告準則(該統稱詞彙包括香港會計師公會頒佈之所有個別適用的香港財務報告準則、香港會計準則及詮釋)、香港公認會計原則及香港公司條例的披露規定予以編製。此外，財務報告亦符合香港聯合交易所有限公司證券上市規則(「上市規則」)的適用披露條文。下文所載為本集團採納的主要會計政策概要。

香港會計師公會已頒佈本集團及本公司於現時會計期間首次生效或提早採納之若干新訂及經修訂香港財務報告準則。附註2提供就於現時及過往會計期間初步採納與本集團有關之此等發展事項導致於此等財務報告反映之會計政策之任何變動之資料。

(b) 財務報告的編製基準

截至二零一零年十二月三十一日止年度之綜合財務報告包括本公司及其附屬公司(統稱「本集團」)以及本集團於一間聯營公司之權益。

除於以下會計政策內列明，編製財務報告是以歷史成本作為計量基準。

編製符合香港財務報告準則的財務報告需要管理層作出判斷、估計和假設。這些判斷、估計和假設會影響會計政策應用和影響資產與負債、收入與支出的呈報金額。這些估計和相關的假設是以過往經驗和以在具體情況下確信為合理的其他因素為基礎，用作判斷那些無法從其他渠道直接獲得其賬面值的資產和負債項目的賬面值的依據。實際結果可能跟這些估計有所不同。

1 Significant accounting policies (continued)

(b) Basis of preparation of the financial statements (continued)

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

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 36.

(c) Subsidiaries and non-controlling interests

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

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

Non-controlling interests (previously known as “minority interests”) represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability.

1 主要會計政策(續)

(b) 財務報告的編製基準(續)

這些估計及相關假設會持續審閱。如會計估計的修訂僅對修訂期間產生影響，則其影響只會在當期確認；如會計估計的修訂對修訂期間及未來期間均產生影響，相關影響則同時在當期和未來期間確認。

有關管理層採納香港財務報告準則時所作出對財務報告有重大影響的判斷，以及不確定估計之主要來源之討論載列於附註36。

(c) 附屬公司及非控制性權益

附屬公司指本集團控制的實體。控制是指本集團有權力支配某實體的財務及營運政策，藉此從其活動取得利益。在評估本集團是否控制某實體時，會考慮到目前可行使的潛在投票權。

於附屬公司的投資由控制開始當日至控制終止當日在綜合財務報告中綜合計算。集團內公司間的結餘和交易，以及集團內公司間交易產生的任何未變現利潤，會在編製綜合財務報告時全數抵銷。集團內公司間交易所引致未變現虧損的抵銷方法與未變現收益相同，但抵銷額只限於沒有證據顯示已出現減值的部份。

非控制性權益(前稱「少數股東權益」)為並非由本公司直接或間接應佔的附屬公司權益，而本集團並無就此與該等權益的持有人協定任何額外條款，致使本集團整體就該等權益承擔符合財務負債定義的合約責任。

Notes to the Financial Statements

財務報告附註

(Expressed in Renminbi) (以人民幣列值)

1 Significant accounting policies (continued)

(c) Subsidiaries and non-controlling interests

(continued)

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated income statement and the consolidated statement of comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset or, when appropriate the cost on initial recognition of an investment in an associate (see note 1(d)).

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 1(h)).

(d) Associates

An associate is an entity in which the Group or Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

An investment in an associate is accounted for in the consolidated financial statements under the equity method. Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (see note 1(h)). Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated income statement, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statement of comprehensive income.

1 主要會計政策(續)

(c) 附屬公司及少數股東權益(續)

非控制性權益於綜合財務狀況表內的權益項下與本集團權益股東應佔權益分開列示。本集團業績中的非控制性權益乃在綜合損益表及綜合全面收入表中列為年度利潤或虧損總額及全面收入總額在非控制性權益及本集團權益股東之間的分配。

當本集團失去附屬公司之控制權，會以出售該附屬公司的全部權益列賬，因而產生之損益乃於損益表中確認。於失去控制權當日在該附屬公司保留之權益會以公平值確認，而該款額乃被視為該財務資產於最初確認時之公平值或(如適用)於一間聯營公司之投資於最初確認時之成本(見附註1(d))。

於本公司財務狀況表中，於附屬公司的投資是按成本減去減值虧損後入賬(見附註1(h))。

(d) 聯營公司

聯營公司是指本集團或本公司對其有重大影響，但對其管理層並無控制或共同控制權的實體；重大影響包括參與其財務和經營決策。

於聯營公司的投資是按權益法記入綜合財務報告。根據權益法，投資初步以成本入賬，然後就本集團所佔被投資方可識別資產淨值的收購日期公平值超出投資成本的任何部分(如有)作出調整。其後，有關投資會就本集團所佔被投資方資產淨值的收購後變動及有關投資的任何減值虧損(見附註1(h))作出調整。收購日期超出成本的任何部分、本集團所佔被投資方的收購後除稅後業績及年內任何減值虧損於綜合損益表確認，而本集團所佔被投資方其他全面收入內的收購後除稅後項目則於綜合全面收入表確認。

1 Significant accounting policies (continued)

(d) Associates (continued)

When the Group's share of losses exceeds its interest in the associate, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with the Group's long-term interests that, in substance, form part of the Group's net investment in the associate.

Unrealised profits and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

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

(e) Property, plant and equipment

The following items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see note 1(h)(ii)):

- buildings held for own use which are situated on leasehold land classified as held under operating leases (see note 1(g)); and
- other items of plant and equipment.

1 主要會計政策(續)

(d) 聯營公司(續)

當本集團對聯營公司承擔的虧損額超過其所佔權益時，本集團所佔權益便會減少至零，並且不再確認額外虧損；但如本集團須履行法定或推定義務，或被投資方作出付款則除外。就此而言，本集團的權益是以按照權益法計算的投資賬面金額，以及實質上構成本集團在聯營公司投資淨額一部分的長期權益。

本集團與其聯營公司之間交易所產生的未變現損益，均按本集團於被投資方所佔的權益抵銷；但倘未變現虧損證明已轉讓資產出現減值，則會即時在損益表中確認。

當本集團不再對聯營公司有重大影響力時，會以出售該被投資方的全部權益列賬，因而產生之損益乃於損益表中確認。於失去重大影響力當日在該前被投資方保留之權益會以公平值確認，而該款額乃被視為該財務資產於最初確認時之公平值或(如適用)於一間聯營公司之投資於最初確認時之成本。

(e) 物業、廠房及設備

下列各項物業、廠房及設備乃按照成本扣除累計折舊及減值虧損(見附註1(h)(ii))列賬：

- 位於分類為根據經營租賃持有的租賃土地之持作自用樓宇(見附註1(g))；及
- 其他廠房及設備項目。

Notes to the Financial Statements

財務報告附註

(Expressed in Renminbi) (以人民幣列值)

1 Significant accounting policies (continued)

(e) Property, plant and equipment (continued)

The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportions of production overheads and borrowing costs (see note 1(s)).

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

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

- Buildings situated on leasehold land are depreciated over the shorter of the unexpired term of lease and their estimated useful lives, being no more than 50 years after the date of completion.
- Plant and machinery 10 years
- Other fixed assets 5 years

Both the useful life of an asset and its residual value, if any, are reviewed annually.

(f) Construction in progress

Construction in progress is stated at cost less impairment losses (see note 1(h)(ii)).

Cost comprises direct costs of construction as well as interest expenses capitalised during the periods of construction and installation. Capitalisation of these costs ceases and the construction in progress is transferred to property, plant and equipment when substantially all the activities necessary to prepare the asset for its intended use are completed. No depreciation is provided in respect of construction in progress until it is substantially ready for its intended use.

1 主要會計政策(續)

(e) 物業、廠房及設備(續)

自建的物業、廠房及設備項目成本包括材料、直接勞工、初步估計(視何者適用)拆卸及清除項目及重修所在地盤之成本，以及生產經常費用及借貸成本的適當部分(見附註1(s))。

報廢或出售一項物業、廠房及設備所產生的損益以出售該項項目所得款項淨額與其賬面金額之差額而釐定，並於報廢或出售當日在損益表確認。

折舊是根據各項物業、廠房及設備項目的估計可使用年限，以直線法減去其估計剩餘價值(如有)計算，以撇銷其成本值，詳情如下：

- 位於租賃土地之樓宇是按租賃未屆滿年期及其估計可使用年限之較短期間折舊，即竣工日期起計不多於50年。
- 廠房及機器 10年
- 其他固定資產 5年

資產之可使用年限及剩餘價值(如有)均會每年審閱。

(f) 在建工程

在建工程按成本減去減值虧損(見附註1(h)(ii))後列賬。

成本包括建設及安裝期間的直接建設成本及資本化利息。當該資產投入擬定用途所需的準備工作大致完成時，此等成本終止資本化，而該在建工程則轉入物業、廠房及設備。在建工程不計提折舊，直至在建工程大部分已就緒作擬定用途。

1 Significant accounting policies (continued)

(g) Leased assets

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

(i) Classification of assets leased to the Group

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

(ii) Operating lease charges

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal installments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset.

The cost of acquiring land held under an operating lease is amortised on a straight-line basis over the period of the lease term.

1 主要會計政策(續)

(g) 租賃資產

倘本集團決定一項安排(由一項交易或一系列交易組成)會在協定期間內轉讓一項或一些特定資產的使用權以換取一筆或一連串付款，該安排屬於或包括一項租賃。該項決定乃基於該安排之實際內容的估量而作出，不管這項安排是否以租賃的法律形式作出。

(i) 本集團租賃資產之分類

本集團根據租賃持有並獲轉讓與所有權有關的絕大部分風險及回報的資產均列為融資租賃持有資產，如本集團的租賃並無獲轉讓絕大部分與所有權有關的風險及回報，則列為經營租賃。

(ii) 經營租賃費用

除非有更具代表性的基準衡量從租賃資產獲取利益的模式，否則本集團透過經營租賃使用資產，而根據租賃作出的付款，會在租賃期所涵蓋會計期間內分期在損益表中等額計提。

在經營租賃下的土地購置成本會在租賃期間以直線法攤銷。

Notes to the Financial Statements

財務報告附註

(Expressed in Renminbi) (以人民幣列值)

1 Significant accounting policies (continued)

(h) Impairment of assets

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

Investments in equity securities and trade and other receivables that are stated at cost or amortised cost are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

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

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

- For investments in subsidiaries and an associate (including those recognised using the equity method (see note 1(d)), the impairment loss is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with note 1(h)(ii). The impairment loss is reversed if there has been a favourable change in the estimates amount in accordance with note 1(h)(ii).
- For prepayments carried at cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the current market rate of return for a similar financial asset.

1 主要會計政策(續)

(h) 資產減值

(i) 於股本證券的投資以及應收貿易賬款及其他應收款項的減值

以成本或攤銷成本列賬的於股本證券的投資以及應收貿易賬款及其他應收款項，於各報告期間結算日審議，以釐定是否存在客觀的減值證據，包括本集團得悉的有關下列一項或多項虧損事項的可觀察數據：

- 債務人遭遇重大財務困難；
- 違約，譬如拖欠或無法如期償還本息；
- 債務人可能會宣告破產或進行其他財務重組；
- 科技、市場、經濟或法律環境的重大變化對債務人造成不利影響；及
- 於聯營公司的投資的公平值大幅或長期低於其成本。

倘出現上述任何證據，則會按以下方式釐訂及確認減值虧損：

- 根據附註1(h)(ii)，就使用權益法確認的於附屬公司及一間聯營公司的投資(見附註1(d))而言，減值虧損乃以投資的可收回金額與其賬面值作出比較的方式計量。根據附註1(h)(ii)，倘估計金額出現有利變動，則回撥回減值虧損。
- 就按成本計值的預付款項而言，減值虧損乃按資產賬面值與按類似財務資產的現行市場回報率貼現的估計現金流量現值間的差額計量。

1 Significant accounting policies (continued)

(h) Impairment of assets (continued)

(i) Impairment of the investment in an associate and trade and other receivables (continued)

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

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

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

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

1 主要會計政策(續)

(h) 資產減值(續)

(i) 於一間聯營公司的投資以及應收貿易賬款及其他應收款項的減值(續)

倘出現上述任何證據，則會按以下方式釐訂及確認減值虧損：(續)

- 以攤銷成本計量之應收貿易賬款及其他應收款項而言，減值虧損乃按資產賬面值與估計未來現金流量現值的差額釐定，如貼現影響屬重大，則按原來實際利率(即初始確認該等資產時計算的實際利率)貼現。如按攤銷成本列賬的財務資產具備類似的風險特徵，例如類似的逾期情況及並未單獨被評估為減值，則有關的評估會集體進行。應收款項的未來現金流量，根據與該類資產具有類似信貸風險特徵資產的過往虧損情況集體評估減值。

倘減值虧損金額其後減少，且該等減少可客觀地與減值虧損確認後發生的事件聯繫，則減值虧損將在損益表撥回。減值虧損之撥回額不得導致資產之賬面值超過假設該資產於以往年度從來未確認減值虧損情況下確認的賬面值。

減值虧損應從相應的資產中直接撇銷，但應收貿易賬款及其他應收款項中可收回性被視為可疑而並非微乎其微的應收貿易賬款及票據的已確認減值虧損則例外，應以撥備賬記錄呆賬的減值虧損。倘本集團確認能收回應收賬款及應收票據的機會微乎其微，則視為不可收回金額會從應收貿易賬款及票據中直接撇銷，而在撥備賬中持有有關該債務的任何金額會被撥回。若之前計入撥備賬款項在其後收回，則相關的撥備會被撥回。撥備賬的其他變動及之前直接撇銷而其後收回的款項，均在損益表確認。

Notes to the Financial Statements

財務報告附註

(Expressed in Renminbi) (以人民幣列值)

1 Significant accounting policies (continued)

(h) Impairment of assets (continued)

(ii) Impairment of other assets

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

- property, plant and equipment;
- construction in progress; and
- pre-paid interests in leasehold land classified as being held under an operating lease.

If any such indication exists, the asset's recoverable amount is estimated.

- Calculation of recoverable amount

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

- Recognition of impairment losses

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

1 主要會計政策(續)

(h) 資產減值(續)

(ii) 其他資產減值

本集團於各報告期間結算日審閱內部和外來的信息來源，以辨識下列資產是否可能出現減值，或以往確認的減值虧損是否已不再存在或有所減少：

- 物業、廠房及設備；
- 在建工程；及
- 劃分為以經營租賃形式持有的租賃土地所預繳的權益。

如果出現任何減值跡象，便會對資產的可收回金額作出估算。

- 可收回金額之計算

資產的可收回金額是其公平值減銷售成本與使用價值兩者中的較高者。在評估使用價值時，估計未來現金流量會按可以反映當時市場對貨幣時間值及該資產獨有風險之除稅前貼現率，貼現至其現值。如果資產產生的現金流入基本上不能獨立於其他資產產生的現金流入，則以能夠獨立產生現金流量的最小資產組別(即現金產生單位)來釐定可收回金額。

- 確認減值虧損

當資產的賬面金額或所隸屬的現金產生單位超過其可收回金額時，減值虧損即於損益表內確認。就現金產生單位確認的減值虧損，將按比例分配至該單位(或一組單位)的其他資產，以削減該等資產的賬面金額，惟資產的賬面值不會低於其個別公平值減銷售成本或使用價值(如可釐定)。

1 Significant accounting policies (continued)

(h) Impairment of assets (continued)

(ii) Impairment of other assets (continued)

- Reversals of impairment losses

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

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

(i) Inventories

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

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

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

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

(j) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost less allowance for impairment of doubtful debts (see note 1(h)(i)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts.

1 主要會計政策(續)

(h) 資產減值(續)

(ii) 其他資產減值(續)

- 撥回減值虧損

如果用以釐定可收回金額的估計數字出現正面的變化，有關的減值虧損便會撥回。

所撥回的減值虧損以假設在以往年度沒有確認減值虧損而釐定的資產賬面金額為限。所撥回的減值虧損在確認撥回的年度內記入損益表。

(i) 存貨

存貨以成本及可變現淨值兩者中的較低者列值。

成本是以加權平均成本法計算，其中包括所有採購成本、加工成本及將存貨運至現址及達致現狀的其他成本。

可變現淨值是以日常業務過程中估計售價減去完成生產及銷售所需估計成本後所得數額。

售出存貨的賬面金額在相關收入確認的期間內，確認為支出。存貨數額撇減至可變現淨值的金額，而存貨的所有虧損均在出現撇減或虧損期間確認為支出。存貨撇減的任何撥回在撥回期間沖減列作支出的存貨數額。

(j) 應收貿易賬款及其他應收款項

應收貿易賬款及其他應收款項最初按公平值確認，其後按攤銷成本扣除呆賬減值準備(見附註1(h)(i))入賬，惟借予關連方免息及無固定還款期的貸款或貼現影響並不重大之應收款項，則按成本扣除呆賬的減值準備入賬。

Notes to the Financial Statements

財務報告附註

(Expressed in Renminbi) (以人民幣列值)

1 Significant accounting policies (continued)

(k) Interest-bearing borrowings

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

(l) Trade and other payables

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

(m) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

(n) Employee benefits

(i) Short term employee benefits

Salaries, annual bonuses and staff welfare costs are accrued in the period in which the associated services are rendered by employees of the Group. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their fair values.

(ii) Contributions to defined contribution retirement plans

Contributions to local retirement schemes pursuant to the relevant labour rules and regulations in the PRC, Taiwan and Hong Kong are recognised as an expense in profit or loss as incurred, except to the extent that they are included in the cost of inventories not yet recognised as an expense.

1 主要會計政策(續)

(k) 計息借貸

計息借貸最初按公平值減所佔交易成本確認，其後按攤銷成本入賬，而最初確認的金額與確認的贖回價值間任何差額，連同任何利息及應付費用，均以實際利息法於借貸期內在損益表確認。

(l) 應付貿易賬款及其他應付款項

應付貿易賬款及其他應付款項最初按公平值確認，應付貿易賬款及其他應付款項其後按攤銷成本入賬，惟若貼現影響並不重大，則按成本列值。

(m) 現金及現金等價物

現金及現金等價物包括銀行及手頭現金、存放於銀行及其他財務機構的活期存款，以及可以隨時換算為已知的現金額及價值變動方面的風險輕微、並在購入後三個月內到期之短期和高度流通之投資。

(n) 僱員福利

(i) 短期僱員福利

本集團僱員提供相關服務期間，會產生薪金、全年花紅及僱員福利成本。若遞延處理有關付款或結算招致的影響屬重大，該等款項將按公平值列值。

(ii) 定額供款退休計劃之供款

根據中國、台灣及香港相關勞工規則及規例，就當地退休計劃作出的供款，除非包括於尚未確認為支出的存貨成本，否則，供款產生時於損益表確認為支出。

1 Significant accounting policies (continued)

(n) Employee benefits (continued)

(iii) Share-based payments

The fair value of share options granted to employees and the fair value of shares allotted and issued to employees to the extent that it exceeds the subscription cost, is recognised as an employee cost with a corresponding increase in a capital reserve within equity. The fair values of share options and shares are measured at the grant date using the binomial lattice model and the price to earning multiples valuation method, respectively, taking into account the terms and conditions upon which the share options and shares were granted. Where the employees have to meet vesting or lock-up conditions before becoming unconditionally entitled to the share options or shares, the total estimated fair value of the share options or the fair value of the shares over the subscription cost is spread over the vesting or lock-up period, taking into account the probability that the share options will vest.

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

1 主要會計政策(續)

(n) 僱員福利(續)

(iii) 以股份支付款項

授予僱員之購股權之公平值以及向僱員配發及發行之股份之公平值乃確認為僱員成本，以超出認購成本為限，而權益內的資本儲備則相應增加。購股權及股份之公平值於授出當日分別以二項式點陣模型及市盈率估值法計算，並考慮購股權及股份的授出條款及條件。倘僱員於無條件享有購股權或股份前須符合歸屬或禁售條件，則超出認購成本的購股權的估計總公平值或股份的估計總公平值在歸屬或禁售期內攤分，並需考慮購股權將歸屬的可能性。

於歸屬內，預期歸屬之購股權數目已獲審閱。任何對過往年度已確認累計公平值所作調整於回顧年度的損益表內扣除／計入，除非原有僱員開支合資格確認為資產，則對資本儲備作出相應調整。於歸屬日期，為反映實際歸屬之購股權之數目（僅因並無達成與本公司股份市價有關之歸屬條件而沒收者除外），確認為開支之金額已作出調整，並於資本儲備作相應調整。權益金額於資本儲備確認，直至購股權獲行使（其時將轉撥至股份溢價賬）或購股權到期時（其時將直接於保留盈利解除）止。

Notes to the Financial Statements

財務報告附註

(Expressed in Renminbi) (以人民幣列值)

1 Significant accounting policies (continued)

(o) Income tax

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

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

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

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

1 主要會計政策(續)

(o) 所得稅

年度所得稅包括當期稅項及遞延稅項資產與負債之變動。當期稅項及遞延稅項資產與負債之變動均在損益表確認，惟倘涉及直接在其他全面收入或直接在權益中確認之相關稅項金額項目，則在其他全面收入或直接在權益中確認。

當期稅項是按年度應課稅收入，根據於報告期間結算日已生效或大致上已生效之稅率計算之預期應付稅項，加上以往年度應付稅項之任何調整。

遞延稅項資產與負債分別由可扣減及應課稅暫時差異產生，即資產與負債就財務報告而言之賬面金額與其稅基之差異。遞延稅項資產亦可以由未動用稅項虧損及未動用稅項抵免產生。

除若干有限之例外情況外，所有遞延稅項負債及所有遞延稅項資產(只限於有可能獲得可動用該遞延稅項資產來抵扣之未來應課稅利潤)均會確認。支持確認由可抵扣暫時差異所產生遞延稅項資產的未來應課稅利潤包括因撥回現有應課稅暫時差異而產生的數額；但有關撥回的差異必須與同一稅務機關和同一應課稅實體有關，並預期在可抵扣暫時差異預計撥回的同一期間或遞延稅項資產所產生可抵扣虧損可向後期或向前期結轉的期間內撥回。在決定現有應課稅暫時差異是否足以支持確認由未動用稅項虧損及抵免產生的遞延稅項資產時，亦會採用同一準則，即差異是否與同一稅務機關和同一應課稅實體有關，以及是否預期在能夠動用稅項虧損或抵免撥回的同一期間內撥回。

1 Significant accounting policies (continued)

(o) Income tax (continued)

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

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

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

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

1 主要會計政策(續)

(o) 所得稅(續)

不確認為遞延稅項資產和負債的暫時差異產生自以下例外情況：不影響會計或應課稅利潤的資產或負債的初次確認(如屬業務合併一部分則除外)；以及投資附屬公司有關的暫時差異(如屬應課稅差異，只限於本集團可以控制撥回的時間，而且在可預見的將來不大可能撥回的暫時差異；或如屬可抵扣差異，則只限於很可能在將來撥回的差異)。

已確認遞延稅項款額是按照資產和負債賬面金額的預期實現或清償方式，根據於各報告期間結算日已生效或大致上已生效的稅率計量。遞延稅項資產和負債均不貼現計算。

本集團於每個報告期間結算日審閱遞延稅項資產的賬面金額。如預期不再可能獲得足夠的應課稅利潤以運用相關的稅務利益，該遞延稅項資產的賬面金額即予以撇減。倘日後可能獲得足夠的應課稅利潤，有關撇減款額即撥回。

當派付相關股息之債項獲確認時，因分派股息導致的額外所得稅亦會獲確認。

Notes to the Financial Statements

財務報告附註

(Expressed in Renminbi) (以人民幣列值)

1 Significant accounting policies (continued)

(o) Income tax (continued)

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

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

(p) Provisions and contingent liabilities

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

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

1 主要會計政策(續)

(o) 所得稅(續)

即期稅項結餘和遞延稅項結餘以及其變動會分開列示，並且不予抵銷。只會在本公司或本集團擁有法定行使權力以即期稅項資產抵銷即期稅項負債，並且符合以下附帶條件的情況下，才可以分別以即期稅項資產抵銷即期稅項負債和以遞延稅項資產抵銷遞延稅項負債：

- 就即期稅項資產和負債而言，本公司或本集團計劃按淨額基準結算，或同時變現該資產和清償該負債；或
- 就遞延稅項資產和負債而言，該等資產和負債必須與同一稅務機關就以下其中一項徵收的所得稅有關：
 - 同一應課稅實體；或
 - 不同應課稅實體，而該等實體在預期待有大額遞延稅項負債需要清償或遞延稅項資產可以收回的每個未來期間，計劃按淨額基準變現即期稅項資產和清償即期稅項負債，或同時變現該資產和清償該負債。

(p) 撥備及或然負債

倘本集團或本公司須就過去事件承擔法律或推定責任，因而預期會導致經濟效益外流以履行責任，並在可以作出可靠估計時，本集團便會就時間上或數額上並不確定的負債確認撥備。倘貨幣時間值重大，則按預計償還債務的支出現值計提撥備。

倘經濟效益外流的可能性較低，或無法對有關數額作出可靠估計，便會將該責任披露為或然負債，惟經濟效益外流的可能性極低則除外。倘本集團可能履行的責任須視乎某宗或多宗未來事件是否發生或不發生才能確定是否存在，亦會披露為或然負債，惟經濟效益外流的可能性極低則除外。

1 Significant accounting policies (continued)

(q) Revenue recognition

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

- (i) *Sale of goods*
Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer. Revenue excludes value added tax and is after deduction of any trade discounts.
- (ii) *Services rendered*
Revenue from services rendered is recognised as and when the services are performed or rendered.
- (iii) *Revenue from the installation of photovoltaic systems*
Revenue from the installation of photovoltaic systems is recognised using the percentage of completion method, measured by reference to the percentage of contract costs incurred to date to estimated total contract costs for the contract. When the outcome of the contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable.
- (iv) *Interest income*
Interest income is recognised in profit or loss as it accrues using the effective interest method.
- (v) *Government grants*
Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attached to them. Grants that compensate the Group for expenses incurred are recognised as revenue in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are recognised in profit or loss over the useful life of the asset.

1 主要會計政策(續)

(q) 收入確認

收入按已收或應收代價之公平值計量。倘經濟效益可能會流入本集團，而收入及成本(如適用)能可靠計量時，收入於損益表確認如下：

- (i) *銷售貨品*
銷售貨品所獲收入，在客戶接收貨品的所有權之重大風險及回報時確認。收入不包括增值稅，並已扣除任何營業折扣。
- (ii) *提供服務*
提供服務所獲收入於服務已獲履行或提供時確認。
- (iii) *來自安裝光伏系統的收入*
來自安裝光伏系統的收入乃採用完成百分比之方法確認，參考截至確認當日已承擔之合約成本對合約之估計合約成本總額之百分比計量。倘合約結果未能可靠估計，收入僅於所承擔之合約成本可能收回時確認。
- (iv) *利息收入*
利息收入產生時以實際利息法計算，於損益表內確認。
- (v) *政府撥款*
倘有合理保證可獲取政府撥款，而所有附帶條件可予以遵從，則政府撥款首先於財務狀況表內確認。倘撥款與本集團產生的支出項目有關，則撥款按有系統基準在支出產生期間，於損益表確認為收入。補助本集團就一項資產產生成本之撥款，於該項資產的可使用年限期間於損益表內確認。

Notes to the Financial Statements

財務報告附註

(Expressed in Renminbi) (以人民幣列值)

1 Significant accounting policies (continued)

(q) Revenue recognition (continued)

(vi) Rental income from operating leases

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

(r) Translation of foreign currencies

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (“functional currency”). The financial statements are presented in Renminbi Yuan (“RMB”) (“reporting currency”).

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

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

The results of foreign operations are translated into RMB at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items are translated into RMB at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

1 主要會計政策(續)

(q) 收入確認(續)

(vi) 經營租賃之租金收入

經營租賃之應收租金收入在租賃期所涵蓋的期間內，以等額分期在損益表確認，除非有其他基準能更清楚反映使用租賃資產產生之收益模式。獲授租賃優惠於損益表中確認為總應收租金收入淨額之組成部分。

(r) 外幣換算

載於本集團各實體財務報告的項目乃採用最能反映有關該實體之相關事宜及情況之經濟特質之貨幣(「功能貨幣」)計量。財務報告則以人民幣(「人民幣」)(「呈報貨幣」)呈列。

年內，外幣交易按交易日當日之匯率換算。以外幣為單位之貨幣資產及負債按報告期間結算日當日之匯率換算。匯兌利潤及虧損於損益表確認。

以歷史成本列值但以外幣為單位之非貨幣資產及負債按交易日當日之匯率換算。以公平值列值以外幣為單位之非貨幣資產及負債按釐定其公平值當日之匯率換算為人民幣。

境外業務之業績乃按與交易日當日之匯率相若之匯率換算為人民幣。財務狀況表項目乃按報告期間結算日之收市匯率換算為人民幣。產生之匯兌差額於其他全面收入確認並獨立累計於匯兌儲備之權益內。

1 Significant accounting policies (continued)

(r) Translation of foreign currencies (continued)

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

(s) Borrowing costs

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

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

(t) Research and development expenses

Expenditure on research and development is charged to profit or loss as an expense when incurred.

(u) Related parties

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

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

1 主要會計政策(續)

(r) 外幣換算(續)

於出售境外業務時，有關該境外業務之匯兌差額之累計數額，會於確認出售損益時自權益重新分類至損益表。

(s) 借貸成本

與收購、建造或生產需要長時間才可投入擬定用途或銷售的資產直接相關的借貸成本獲撥充資本作為資產之部分成本。其他借貸成本於產生時於期內列作開支。

屬於合資格資產成本一部分的借貸成本在資產產生開支、借貸成本產生和使資產投入擬定用途或銷售必須的準備工作進行期間開始資本化。在使合資格資產投入擬定用途或銷售所屬必須的絕大部分準備工作中斷或完成時，借貸成本便會暫停或停止資本化。

(t) 研發開支

研發開支於產生時計入損益表作開支。

(u) 關連方

就本財務報告而言，下列的另一方被視為本集團關連方：

- (i) 該另一方能夠透過一個或多個中介機構直接或間接控制本集團或對本集團的財務及經營政策決策發揮重大影響力，或共同控制本集團；
- (ii) 本集團及該另一方受到共同控制；
- (iii) 該另一方為本集團之聯營公司或本集團為合營方之合營企業；

Notes to the Financial Statements

財務報告附註

(Expressed in Renminbi) (以人民幣列值)

1 Significant accounting policies (continued)

(u) Related parties (continued)

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

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

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

(v) Segment reporting

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

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

1 主要會計政策(續)

(u) 關連方(續)

就本財務報告而言，下列的另一方被視為本集團關連方：(續)

- (iv) 該另一方為本集團或本集團母公司之主要管理人員、或該等個別人士關係密切之家族成員、或受該等個別人士控制、共同控制或重大影響之實體；
- (v) 該另一方為與(i)所指之一方關係密切之家族成員或受該等個別人士控制、共同控制或重大影響之實體；或
- (vi) 該另一方為以本集團或屬本集團關連人士實體之僱員為受益人之終止受僱後福利計劃。

與個別人士關係密切之家族成員指預期可影響該個別人士與該實體交易之家族成員，或受該個別人士與該實體交易影響之家族成員。

(v) 分部報告

經營分部及以財務報告呈報之各分部項目金額，乃根據就分配資源予本集團各業務及地區分部並評估其表現而定期提供予本集團最高層管理人員之財務資料而確定。

就財務報告而言，個別重要經營分部不會綜合呈報，除非此等分部具有類似經濟特徵以及其產品及服務性質、生產程序性質、客戶類型或類別、分銷產品或提供服務所採用之方式及監管環境性質類似。倘個別並非屬重大之經營分部擁有上述大部分特徵，則可綜合呈報。

2 Changes in accounting policies

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

- HKFRS 3 (revised 2008), *Business Combinations*
- Amendments to HKAS 27, *Consolidated and Separate Financial Statements*
- Improvements to HKFRSs (2009)
- HK(Int) 5, *Presentation of financial statements – Classification by the Borrower of a Term Loan that contains a Repayment on Demand Clause*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

The issuance of HK(Int) 5 has had no material impact on the Group's financial statements as the Interpretation's conclusions were consistent with the accounting policies already adopted by the Group. The other developments resulted in changes in accounting policies but none of these changes in policy has had a material impact on the current or comparative periods, for the following reasons:

- The impact of the majority of the revisions to HKFRS 3 and HKAS 27 has not yet had a material effect on the Group's financial statements as these changes will first be effective as and when the Group enters into a relevant transaction (for example, a business combination, a disposal of a subsidiary or a non-cash distribution) and there is no requirement to restate the amounts recorded in respect of previous such transactions.
- The impact of the amendments to HKFRS 3 (in respect of recognition of acquirer's deferred tax assets) and HKAS 27 (in respect of allocation of losses to non-controlling interests (previously known as minority interests) in excess of their equity interest) has had no material impact as there is no requirement to restate amounts recorded in previous periods and no such deferred tax assets or losses arose in the current period.

2 會計政策變動

香港會計師公會已頒佈兩項經修訂香港財務報告準則、多項對香港財務報告準則之修訂及兩項新詮釋，於本集團現行會計期間首次生效，其中以下變更與本集團財務報告有關：

- 香港財務報告準則第3號(二零零八年經修訂) *業務合併*
- 香港會計準則第27號修訂 *綜合及獨立財務報告*
- 香港財務報告準則之改進(二零零九年)
- 香港(詮釋)第5號 *財務報告之呈列 – 借款人對附催繳條款之有期貨款之分類*

本集團並無採納於現行會計期間尚未生效之任何新準則或詮釋。

頒佈香港(詮釋)第5號對本集團之財務報告並無重大影響，此乃由於詮釋的結論與本集團所採納的會計政策一致。其他改動導致會計政策出現變動，惟該等政策變動對本期或比較期間並無重大影響，原因如下：

- 香港財務報告準則第3號及香港會計準則第27號之大部分修訂尚未對本集團財務報告構成重大影響，此乃由於該等變動將於本集團訂立相關交易(如業務合併、出售附屬公司或非現金分派)時首次生效，且並無規定須重列就過往有關交易記錄之款額。
- 香港財務報告準則第3號(有關確認被收購方之遞延稅項資產)及香港會計準則第27號(有關將超逾股本權益之虧損分配至非控制性權益(前稱少數股東權益))之修訂並無構成重大影響，此乃由於並無規定須重列過往期間記錄之款額，而本期間並無產生該等遞延稅項資產或虧損。

Notes to the Financial Statements

財務報告附註

(Expressed in Renminbi) (以人民幣列值)

2 Changes in accounting policies (continued)

- As a result of the amendments to HKAS 17, *Leases*, arising from the “Improvements to HKFRSs (2009)” omnibus standard, the Group has re-evaluated the classification of its interests in leasehold land as to whether, in the Group’s judgement, the lease transfers significantly all the risks and rewards of ownership of the land such that the Group is in a position economically similar to that of a purchaser. The Group has concluded that the classification of such leases as operating leases continues to be appropriate.

3 Turnover

The principal activities of the Group are the manufacturing of, trading of and provision of processing services for polysilicon and monocrystalline and multicrystalline silicon solar ingots/wafers and the producing of and trading of photovoltaic modules as well as the installation of photovoltaic systems.

Turnover represents the sales value of goods supplied to customers less value added tax and trade discounts and income from the provision of processing services and the installation of photovoltaic systems. The amount of each significant category of revenue recognised in turnover during the year is as follows:

2 會計政策變動(續)

- 由於「香港財務報告準則之改進(二零零九年)」之綜合準則導致香港會計準則第17號租賃須作出修訂，本集團已重新評估其於租賃土地權益之分類，按本集團之判斷評估租賃是否轉讓土地擁有權之絕大部分風險及回報，使本集團之經濟地位與一位買家之經濟地位相若。本集團之結論為將有關租賃分類為經營租賃仍屬恰當。

3 營業額

本集團主要業務為太陽能單晶硅及多晶硅錠／硅片之製造、買賣及提供多晶硅料加工服務以及光伏模組的生產及買賣與安裝光伏系統。

營業額乃指供應予客戶貨物的銷售值(減增值稅及貿易折扣)以及提供加工服務與安裝光伏系統所得收入。年內，各項於營業額中確認的重大收入類別如下：

| | | 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 |
|---|----------------------|-----------------------------------|-----------------------------------|
| Sales of polysilicon and monocrystalline and multicrystalline silicon solar ingots/wafers | 銷售多晶硅及太陽能單晶硅及多晶硅錠／硅片 | 1,695,959 | 623,036 |
| Revenue from trading of photovoltaic modules and installation of photovoltaic systems | 買賣光伏模組及安裝光伏系統的收入 | 87,962 | 835 |
| Processing service fees | 加工服務費 | 70,848 | 34,849 |
| | | 1,854,769 | 658,720 |

4 Other revenue

4 其他收入

| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
|-------------------------------------|------------|-----------------------------------|-----------------------------------|
| Government grants (note 26) | 政府補貼(附註26) | 9,756 | 10,023 |
| Income from sale of scrap materials | 出售廢料的收入 | 6,821 | 566 |
| Interest income from bank deposits | 銀行存款的利息收入 | 2,786 | 1,953 |
| Rental income from operating leases | 經營租賃的租金收入 | 1,800 | 1,932 |
| Others | 其他 | 2,011 | 424 |
| | | 23,174 | 14,898 |

5 Other net (loss)/income

5 其他(虧損)/收入淨額

| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
|---|---------------|-----------------------------------|-----------------------------------|
| Net foreign exchange (loss)/gain | 外匯(虧損)/收益淨額 | (2,274) | 3,791 |
| Loss on disposal of property, plant and equipment | 出售物業、廠房及設備的虧損 | - | (901) |
| | | (2,274) | 2,890 |

7 Income tax in the consolidated income statement 7 綜合損益表內所得稅

Income tax in the consolidated income statement represents:

綜合損益表內所得稅代表：

| | | 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 – the PRC | 即期稅項 – 中國 | | |
| Provision for the year | 年度撥備 | 15,891 | 28 |
| Over-provision in respect of prior years | 過往年度超額撥備 | – | (2,745) |
| | | 15,891 | (2,717) |
| Deferred tax | 遞延稅項 | | |
| Origination and reversal of temporary differences (note 25(b)) | 暫時性差額之出現及撥回 (附註25(b)) | 55,553 | (11,642) |
| Effect on deferred tax balances at 1 January resulting from an increase in tax rate | 調高稅率對一月一日的遞延稅項 結餘的影響 | – | (2,265) |
| | | 55,553 | (13,907) |
| Income tax expense/(credit) | 所得稅開支/(抵免) | 71,444 | (16,624) |

For the year ended 31 December 2009, no provision for Hong Kong Profits Tax was made as subsidiaries of the Group either did not have any assessable profits subject to Hong Kong Profits Tax or had accumulated tax losses brought forward from previous years to offset the estimated assessable profits for the year.

For the year ended 31 December 2010, no provision for Hong Kong Profits Tax has been made as subsidiaries of the Group did not have any assessable profits subject to Hong Kong Profits Tax or sustained losses for Hong Kong taxation purposes.

Pursuant to the applicable laws of the Cayman Islands, the Group is not subject to any income tax in the Cayman Islands.

截至二零零九年十二月三十一日止年度，由於本集團各附屬公司並無任何應繳納香港利得稅的應課稅利潤或過往年度承前累計稅項虧損可抵銷年度估計應課稅利潤，故並無作出香港利得稅撥備。

截至二零一零年十二月三十一日止年度，由於本集團附屬公司並無任何須繳納香港利得稅之應課稅溢利或就課稅而言蒙受虧損，故並無作出香港利得稅撥備。

根據開曼群島適用法律，本集團毋須繳納任何開曼群島所得稅。

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(Expressed in Renminbi) (以人民幣列值)

7 Income tax in the consolidated income statement (continued) 7 綜合損益表內所得稅(續)

The PRC subsidiaries of the Group were subject to the following PRC Corporate Income Tax ("CIT") rates for both years ended 31 December 2009 and 2010:

本集團中國附屬公司就截至二零零九年及二零一零年十二月三十一日止兩個年度須按以下稅率繳納中國企業所得稅(「企業所得稅」):

| | | 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 |
|--|----------------------------|-----------------------------------|-----------------------------------|
| Shanghai Jingji Electronic Materials Co., Ltd. | 上海晶技電子材料有限公司 | 25% | 25% |
| Jinzhou Jingji Solar Technology Co., Ltd. | 錦州晶技太陽能科技有限公司 | 25% | 25% |
| Jinzhou Rixin Silicon Materials Co., Ltd. | 錦州日鑫硅材料有限公司 | 25% | 25% |
| Jinzhou Youhua Silicon Materials Co., Ltd. | 錦州佑華硅材料有限公司 | 25% | 25% |
| Jinzhou Yangguang Energy Co., Ltd. ("Yangguang") (note) | 錦州陽光能源有限公司 (「錦州陽光」)(附註) | 15% | 15% |
| Jinzhou Jinmao Photovoltaic Technology Company Limited | 錦州錦懋光伏科技有限公司 | 25% | 25% |
| Solargiga Energy (Qinghai) Co., Ltd. | 陽光能源(青海)有限公司 | 25% | N/A不適用 |

Note: In 2009, Yangguang was granted the status of a "High and New Technology Enterprise" that entitled it to a preferential CIT rate of 15% for three years commencing from the year ended 31 December 2009.

附註: 於二零零九年, 錦州陽光獲授予「高新科技企業」地位, 並有權自截至二零零九年十二月三十一日止年度起以15%之企業所得稅優惠稅率繳納企業所得稅三年。

Under the CIT Law of the PRC and its relevant regulations, dividends receivable by non-PRC corporate residents from PRC enterprises are subject to withholding tax at a rate of 10% or 5% for earnings accumulated beginning on 1 January 2008. Accordingly, a provision for withholding tax in respect of the undistributed profits from the PRC subsidiaries has been made for both years ended 31 December 2010 and 2009.

根據中國企業所得稅法及其相關規例, 自二零零八年一月一日起, 中國企業以累計盈利向非中國公司派付股息須按10%或5%之稅率繳納預扣稅。因此, 於截至二零一零年及二零零九年十二月三十一日止兩個年度已就中國附屬公司之未分派溢利之預扣稅作出撥備。

7 Income tax in the consolidated income statement (continued) 7 綜合損益表內所得稅(續)

(b) Reconciliation between tax expense/(credit) and accounting profit/(loss) at applicable tax rates:

(b) 稅務開支／(抵免)與按適用稅率計算之會計利潤／(虧損)對賬：

| | | 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/(loss) before taxation | 除稅前利潤／(虧損) | 282,891 | (114,766) |
| Notional tax on profit/(loss) before taxation calculated at 25% | 除稅前利潤／(虧損)之名義稅項，按25%之稅率計算 | 70,723 | (28,692) |
| Effect of non-deductible expenses | 不可扣稅支出之影響 | 2,372 | 6,891 |
| Effect of different taxation rates used in other jurisdictions | 於其他司法權區所用不同稅率之影響 | 4,783 | 2,664 |
| Recognition/(reversal) of deferred tax liabilities relating to undistributed profits (note 25(b)) | 確認／(撥回)與不可分派利潤相關之遞延稅項負債(附註25(b)) | 16,878 | (2,563) |
| Utilisation of tax loss not recognised in prior years | 動用過往年度尚未確認之稅項虧損 | (2,554) | (706) |
| Effect of tax concessions obtained | 所獲稅務優惠之影響 | (25,870) | - |
| Effect of unused tax loss not recognised | 尚未確認的未動用稅項虧損之影響 | 6,721 | 2,554 |
| Effect on deferred tax balance at 1 January resulting from an increase in tax rate | 調高稅率對一月一日之遞延稅項結餘之影響 | - | (2,265) |
| Effect of different taxation rates between notional tax and applicable tax rate for deferred taxation | 遞延稅項之名義稅率與適用稅率不同稅率之影響 | - | 8,238 |
| Over-provision in respect of prior years | 過往年度超額撥備 | - | (2,745) |
| Others | 其他 | (1,609) | - |
| Actual tax expense/(credit) | 實際稅務開支／(抵免) | 71,444 | (16,624) |

8 Profit attributable to equity shareholders of the Company 8 本公司權益股東應佔利潤

The consolidated profit attributable to equity shareholders of the Company includes a loss of RMB8,473,000 (2009: RMB100,797,000) which has been dealt with in the financial statements of the Company.

本公司權益股東應佔綜合利潤包括人民幣8,473,000元的虧損(二零零九年：人民幣100,797,000元)，並已於本公司財務報告中處理。

Details of dividends paid and payable to equity shareholders of the Company are set out in note 9.

已付及應付本公司權益股東的股息詳情載於附註9。

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財務報告附註

(Expressed in Renminbi) (以人民幣列值)

9 Dividends

(a) Dividends payable to equity shareholders of the Company attributable to 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 |
|---|---|-----------------------------------|-----------------------------------|
| Final dividend proposed after the end of the reporting period of RMB3.5 cents (HK4.1 cents) per share (2009: RMB Nil) | 報告期間結算日後建議派發終期股息 每股人民幣3.5分(4.1港仙) (二零零九年：人民幣零元) | 63,251 | - |

The Board has recommended the payment of final dividend of RMB3.5 cents (HK4.1 cents) per share for the year ended 31 December 2010 (2009: RMB Nil per share).

董事會建議就截至二零一零年十二月三十一日止年度派發終期股息每股人民幣3.5分(4.1港仙)(二零零九年：每股人民幣零元)。

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

於報告期間結算日後建議派發之終期股息並無於報告期間結算日確認為負債。

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

(b) 於年內批准及支付上一個財政年度應付本公司權益股東股息

| | | 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 |
|---|-------------------------|-----------------------------------|-----------------------------------|
| Final dividend in respect of the previous financial year, approved and paid during the year | 於年內批准及支付上一個 財政年度終期股息 | | |
| - cash dividend | - 現金股息 | - | 10,584 |
| - scrip dividend (note 30(d)) | - 以股代息(附註30(d)) | - | 14,777 |
| | | - | 25,361 |

10 Earnings/(loss) per share

(a) Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share is based on the profit attributable to the ordinary equity shareholders of the Company of RMB214,121,000 (2009: loss of RMB98,098,000) and the weighted average of 1,807,170,425 (2009: 1,705,687,406) ordinary shares of the Company in issue during the year as calculated as set out in note 10(b).

(b) Weighted average number of ordinary shares

10 每股盈利／(虧損)

(a) 每股基本盈利／(虧損)

每股基本盈利／(虧損)乃根據本公司普通股權益股東應佔利潤人民幣214,121,000元(二零零九年：虧損人民幣98,098,000元)以及按附註10(b)所載方式計算年內的本公司已發行普通股加權平均數1,807,170,425股(二零零九年：1,705,687,406股)計算。

(b) 普通股加權平均股數

| | | Number of ordinary shares 普通股數目 | |
|--|----------------------------|------------------------------------|---------------|
| | | 2010 二零一零年 | 2009 二零零九年 |
| Issued ordinary shares at 1 January | 於一月一日已發行普通股 | 1,807,170,425 | 1,690,766,500 |
| Effect of shares issued in lieu of cash dividend (note 30(d)) | 發行股份代替現金股息的影響(附註30(d)) | — | 2,447,276 |
| Effect of shares issued under the listing of Taiwan Depository Receipts (note 30(e)) | 根據台灣存託憑證上市發行股份的影響(附註30(e)) | — | 5,753,425 |
| Effect of shares issued under the share option scheme (note 30(f)) | 根據購股權計劃發行股份的影響(附註30(f)) | — | 6,720,205 |
| Weighted average number of ordinary shares | 普通股加權平均股數 | 1,807,170,425 | 1,705,687,406 |

(c) Diluted earnings/(loss) per share

There were no dilutive potential ordinary shares in issue during the years ended 31 December 2009 and 2010.

(c) 每股攤薄盈利／(虧損)

於截至二零零九年及二零一零年十二月三十一日止年度，並無潛在攤薄的已發行普通股。

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11 Directors' remuneration

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

11 董事酬金

根據香港公司條例161條而披露的董事酬金如下：

| | | 2010 二零一零年 | | | | | |
|--|----------------|---|---------------------------------|-----------|-----------------------------|-------------|---------|
| | | Basic salaries, allowances and benefits | Retirement scheme contributions | Sub-Total | Share-based payments (note) | Total | |
| | | Fees in kind | | | | | |
| | | 袍金 | 基本薪金、津貼及實物利益 | 退休計劃供款 | 小計 | 以股份支付款項(附註) | 總計 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| Executive directors | 執行董事 | | | | | | |
| Tan Wenhua | 譚文華 | - | 1,082 | 42 | 1,124 | 828 | 1,952 |
| Hsu You Yuan | 許祐淵 | - | 1,232 | 10 | 1,242 | 801 | 2,043 |
| Zhang Liming | 張麗明 | - | 200 | 38 | 238 | 279 | 517 |
| Non-executive directors | 非執行董事 | | | | | | |
| Chiao Ping Hai | 焦平海 | 314 | - | - | 314 | - | 314 |
| Chong Kin Ngai | 莊堅毅 | 209 | - | - | 209 | 112 | 321 |
| Independent non-executive directors | 獨立非執行董事 | | | | | | |
| Wong Wing Kuen, Albert | 王永權 | 209 | - | - | 209 | - | 209 |
| Fu Shuangye | 符霜葉 | 209 | - | - | 209 | - | 209 |
| Lin Wen | 林文 | 209 | - | - | 209 | - | 209 |
| Zhang Chun | 張椿 | 209 | - | - | 209 | - | 209 |
| Total | 總計 | 1,359 | 2,514 | 90 | 3,963 | 2,020 | 5,983 |

11 Directors' remuneration (continued)

Directors' remuneration disclosed pursuant to section 161 of Hong Kong Companies Ordinance is as follows: (continued)

11 董事酬金(續)

根據香港公司條例161條而披露的董事酬金如下：
(續)

| | | 2009 二零零九年 | | | | | |
|--|----------------|---------------|---|---------------------------------|--------------|-----------------------------|---------------|
| | | Fees | Basic salaries, allowances and benefits in kind | Retirement scheme contributions | Sub-Total | Share-based payments (note) | Total |
| | | 袍金 | 基本薪金、津貼及實物利益 | 退休計劃供款 | 小計 | 以股份支付款項(附註) | 總計 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| Executive directors | 執行董事 | | | | | | |
| Tan Wenhua | 譚文華 | – | 1,352 | 42 | 1,394 | 1,870 | 3,264 |
| Hsu You Yuan | 許祐淵 | – | 1,553 | 5 | 1,558 | 2,274 | 3,832 |
| Zhang Liming | 張麗明 | – | 200 | 37 | 237 | 882 | 1,119 |
| Non-executive directors | 非執行董事 | | | | | | |
| Chiao Ping Hai | 焦平海 | 317 | – | – | 317 | 353 | 670 |
| Chong Kin Ngai | 莊堅毅 | 212 | – | – | 212 | 917 | 1,129 |
| Independent non-executive directors | 獨立非執行董事 | | | | | | |
| Wong Wing Kuen, Albert | 王永權 | 212 | – | – | 212 | 353 | 565 |
| Fu Shuangye | 符霜葉 | 212 | – | – | 212 | 353 | 565 |
| Lin Wen | 林文 | 212 | – | – | 212 | 353 | 565 |
| Zhang Chun | 張椿 | 212 | – | – | 212 | 353 | 565 |
| Total | 總計 | 1,377 | 3,105 | 84 | 4,566 | 7,708 | 12,274 |

Note: Share-based payments represent the estimated value of shares allotted and issued to the directors of STIC on 24 June 2007 for the years ended 31 December 2009 and 2010 and share options granted to certain directors of the Company on 29 December 2008 under the Share Option Plan of the Company for the year ended 31 December 2009 (note 29). The values of these shares and share options are measured in accordance with the Group's accounting policies for share-based payment transactions as set out in note 1(n)(iii).

附註：以股份支付款項乃二零零七年六月二十四日向STIC董事配發及發行股份於截至二零零九年及二零一零年十二月三十一日止年度的估計價值以及本公司按照本公司購股權計劃於二零零八年十二月二十九日向若干本公司董事授出購股權於截至二零零九年十二月三十一日止年度的估計價值(附註29)。該等股份及購股權的價值乃根據附註1(n)(iii)所載本集團有關以股份支付款項交易的會計政策而計算。

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12 Individuals with highest emoluments

Of the five individuals with the highest emoluments, three (2009: four) are directors whose emoluments are disclosed in note 11. The aggregate of the emoluments in respect of the remaining two (2009: one) individuals with the highest emoluments 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 |
|---|--------------|-----------------------------------|-----------------------------------|
| Basic salaries, allowances and benefits in kind | 基本薪金、津貼及實物利益 | 1,246 | 871 |
| Retirement scheme contributions | 退休計劃供款 | 10 | 11 |
| Share-based payments | 以股份支付款項 | - | 529 |
| | | 1,256 | 1,411 |

The emoluments of the remaining two (2009: one) individuals with the highest emoluments are within the following bands:

| | | 2010 二零一零年 Number of individuals 人數 | 2009 二零零九年 Number of individuals 人數 |
|--------------------------------|-------------------------|---|---|
| Nil to HK\$1,000,000 | 零至1,000,000港元 | 1 | - |
| HK\$1,000,001 to HK\$1,500,000 | 1,000,001港元至1,500,000港元 | 1 | - |
| HK\$1,500,001 to HK\$2,000,000 | 1,500,001港元至2,000,000港元 | - | 1 |
| | | 2 | 1 |

During the year, no emoluments have been paid by the Group to the directors, senior executives or any of the five highest individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

12 最高薪酬人士

五名最高薪酬人士中有三名(二零零九年：四名)為董事，彼等的薪酬於附註11披露。餘下兩名(二零零九年：一名)最高薪酬人士的薪酬總額如下：

餘下兩名(二零零九年：一名)最高薪酬人士的薪酬屬以下組別：

於本年度，本集團概無向董事、高級行政人員或五名最高薪酬人士支付作為加盟本集團或加盟本集團後的獎勵金，或作為離任補償。

13 Segment reporting

In prior periods, the Group managed the operations of the manufacturing of, trading of and provision of processing services for polysilicon and monocrystalline and multicrystalline silicon solar ingots/wafers/modules as a whole. The composition of the operating segments was changed in the current year as a result of the significant growth of the manufacturing of and trading of photovoltaic modules and installation of photovoltaic systems business. The change in the composition of the operating segments has resulted in the change in the internal reporting information reviewed by the Group's most senior executive management.

In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has identified two reportable segments in 2010: (i) the manufacturing of, trading of and provision of processing services for polysilicon and monocrystalline and multicrystalline silicon solar ingots/wafers ("Segment A"); and (ii) the manufacturing of and trading of photovoltaic modules and installation of photovoltaic systems ("Segment B"). No operating segments have been aggregated to form these reportable segments. Comparative figures have been restated to reflect such change.

13 分部報告

於過往期間，本集團負責管理太陽能單晶及多晶硅錠／硅片／模組整體的製造、買賣及提供多晶硅料加工服務。由於光伏模組之製造及買賣以及光伏系統安裝業務大幅增長，故本年度之經營分部組合有所改變。經營分部組合改變，導致本集團最高級行政管理層審閱之內報申報資料有所變動。

就資源分配及表現評估而言，本集團於二零一零年按照與本集團最高級行政管理層內報呈報之資料一致之方式，確認兩個可報告分部：(i) 太陽能單晶及多晶硅錠／硅片的製造、買賣及提供多晶硅料加工服務（「分部A」）；及(ii) 生產及買賣光伏模組及安裝光伏系統（「分部B」）。並無合併經營分部組成此等可報告分部。已重列比較數字，以反映有關變動。

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13 Segment reporting (continued)

(a) Segment results, assets and liabilities

For the purpose of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to the reportable segments which are presented in the same way in the Group's financial statements. Information regarding the Group's reportable segments are disclosed as follows:

13 分部報告(續)

(a) 分部業績、資產及負債

為評估分部表現及於分部間分配資源，本集團高級行政管理人員會監察可報告分部應佔之業績、資產及負債，有關資料以與本集團財務報告相同的方式呈列。有關本集團可報告分部之資料披露如下：

| | | Segment A | | Segment B | | Total | |
|---|--------------|------------------|-----------|----------------|---------|------------------|-----------|
| | | 分部A | | 分部B | | 總計 | |
| | | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 |
| | | 二零一零年 | 二零零九年 | 二零一零年 | 二零零九年 | 二零一零年 | 二零零九年 |
| | | 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 |
| Revenue from external customers | 來自外界客戶之收益 | 1,766,807 | 657,885 | 87,962 | 835 | 1,854,769 | 658,720 |
| Inter-segment revenue | 分部間收益 | - | - | - | 4,540 | - | 4,540 |
| Reportable segment revenue | 可報告分部收益 | 1,766,807 | 657,885 | 87,962 | 5,375 | 1,854,769 | 663,260 |
| Reportable segment profit/(loss) | 可報告分部溢利/(虧損) | 216,371 | (97,642) | (4,924) | (90) | 211,447 | (97,732) |
| Elimination of inter-segment profit | 分部間溢利撇銷 | - | - | - | (410) | - | (410) |
| Profit/(loss) for the year | 年內溢利/(虧損) | 216,371 | (97,642) | (4,924) | (500) | 211,447 | (98,142) |
| Interest income from bank deposits | 銀行存款利息收入 | 2,457 | 1,843 | 329 | 110 | 2,786 | 1,953 |
| Interest expense | 利息開支 | 18,006 | 15,942 | - | - | 18,006 | 15,942 |
| Depreciation and amortisation for the year | 年度折舊及攤銷 | 53,855 | 32,643 | 605 | 95 | 54,460 | 32,738 |
| Reportable segment assets | 可報告分部資產 | | | | | | |
| (including investment in an associate) | (包括於聯營公司之投資) | 2,959,990 | 2,006,018 | 83,233 | 41,931 | 3,043,223 | 2,047,949 |
| Additions to non-current segment assets during the year | 年內非流動分部資產添置 | 827,067 | 237,570 | 29,260 | 2,515 | 856,327 | 240,085 |
| Reportable segment liabilities | 可報告分部負債 | 1,349,326 | 638,713 | 48,182 | 1,956 | 1,397,508 | 640,669 |

13 Segment reporting (continued)

(b) Geographic information

The following table sets out information about the geographical location of the Group's revenue from external customers. The geographical location of customers is based on the location at which the services were provided or the goods delivered. The Group's property, plant and equipment, lease prepayments and interest in an associate are physically located or operated in the PRC.

| | | 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 |
|--------------------------------|------------|-----------------------------------|-----------------------------------|
| The PRC (place of domicile) | 中國大陸(註冊地點) | 1,121,531 | 515,387 |
| Export sales | 出口銷售 | | |
| – The United States of America | – 美國 | 457,157 | 73,785 |
| – Japan | – 日本 | 212,154 | 39,247 |
| – Taiwan | – 台灣 | 33,227 | 21,585 |
| – Germany | – 德國 | 14,824 | 5,316 |
| – Canada | – 加拿大 | 13,875 | – |
| – Korea | – 韓國 | 219 | 781 |
| – Other countries | – 其他國家 | 1,782 | 2,619 |
| Sub-total | 小計 | 733,238 | 143,333 |
| Total | 總計 | 1,854,769 | 658,720 |

13 分部報告(續)

(b) 地區資料

下表載列有關本集團來自外界客戶的收益所在地區的資料。客戶所在地以提供服務或交付貨品的地點為依據。本集團的物業、廠房及設備、租賃預付款項及於一間聯營公司的權益均於中國或於中國經營。

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財務報告附註

(Expressed in Renminbi) (以人民幣列值)

14 Property, plant and equipment

(a) The Group

14 物業、廠房及設備

(a) 本集團

| | | Construction in progress | Buildings | Plant, machinery and equipment | Motor vehicles | Furniture and fittings | Total |
|--------------------------------------|-------------------|-----------------------------|-----------|---|-------------------|------------------------------|---------|
| | | 在建工程 | 樓宇 | 廠房、機器 及設備 | 汽車 | 家具及 固定裝置 | 總計 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| Cost: | 成本： | | | | | | |
| At 1 January 2009 | 於二零零九年一月一日 | 84,690 | 25,411 | 322,778 | 7,592 | 7,537 | 448,008 |
| Exchange adjustments | 匯兌調整 | - | - | - | - | (5) | (5) |
| Additions | 添置 | 131,359 | 8,876 | 31,439 | 1,107 | 1,990 | 174,771 |
| Disposals | 出售 | - | - | (1,862) | - | (147) | (2,009) |
| Transfers | 轉撥 | (134,803) | 3,800 | 130,874 | - | 129 | - |
| At 31 December 2009 | 於二零零九年十二月 三十一日 | 81,246 | 38,087 | 483,229 | 8,699 | 9,504 | 620,765 |
| Accumulated depreciation: | 累計折舊： | | | | | | |
| At 1 January 2009 | 於二零零九年一月一日 | - | 3,888 | 44,482 | 2,824 | 2,149 | 53,343 |
| Exchange adjustments | 匯兌調整 | - | - | - | - | (1) | (1) |
| Charge for the year | 年度折舊 | - | 1,598 | 26,912 | 1,300 | 1,865 | 31,675 |
| Written back on disposals | 出售時撥回 | - | - | (1,003) | - | (98) | (1,101) |
| At 31 December 2009 | 於二零零九年十二月 三十一日 | - | 5,486 | 70,391 | 4,124 | 3,915 | 83,916 |
| Net book value: | 賬面淨值： | | | | | | |
| At 31 December 2009 | 於二零零九年十二月 三十一日 | 81,246 | 32,601 | 412,838 | 4,575 | 5,589 | 536,849 |

14 Property, plant and equipment (continued)

(a) The Group (continued)

14 物業、廠房及設備(續)

(a) 本集團(續)

| | | Construction in progress | Buildings | Plant, machinery and equipment | Motor vehicles | Furniture and fittings | Total |
|--------------------------------------|-------------------|-----------------------------|-----------|---|-------------------|------------------------------|-----------|
| | | 在建工程 | 樓宇 | 廠房、機器 及設備 | 汽車 | 家具及 固定裝置 | 總計 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| Cost: | 成本： | | | | | | |
| At 1 January 2010 | 於二零一零年一月一日 | 81,246 | 38,087 | 483,229 | 8,699 | 9,504 | 620,765 |
| Exchange adjustments | 匯兌調整 | - | - | - | - | (35) | (35) |
| Additions | 添置 | 699,420 | 47 | 6,151 | 5,432 | 3,297 | 714,347 |
| Disposals | 出售 | (1,094) | - | - | - | - | (1,094) |
| Transfers | 轉撥 | (321,437) | 100,659 | 220,590 | - | 188 | - |
| At 31 December 2010 | 於二零一零年十二月 三十一日 | 458,135 | 138,793 | 709,970 | 14,131 | 12,954 | 1,333,983 |
| Accumulated depreciation: | 累計折舊： | | | | | | |
| At 1 January 2010 | 於二零一零年一月一日 | - | 5,486 | 70,391 | 4,124 | 3,915 | 83,916 |
| Exchange adjustments | 匯兌調整 | - | - | - | - | (18) | (18) |
| Charge for the year | 年度折舊 | - | 1,482 | 47,368 | 1,559 | 2,627 | 53,036 |
| At 31 December 2010 | 於二零一零年十二月 三十一日 | - | 6,968 | 117,759 | 5,683 | 6,524 | 136,934 |
| Net book value: | 賬面淨值： | | | | | | |
| At 31 December 2010 | 於二零一零年十二月 三十一日 | 458,135 | 131,825 | 592,211 | 8,448 | 6,430 | 1,197,049 |

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財務報告附註

(Expressed in Renminbi) (以人民幣列值)

14 Property, plant and equipment (continued)**(b) The Company****14 物業、廠房及設備**(續)**(b) 本公司**

| | | Office equipment 辦公室設備 RMB'000 人民幣千元 |
|----------------------------------|---------------|--|
| Cost: | 成本： | |
| At 1 January 2009 | 於二零零九年一月一日 | 112 |
| Exchange adjustments | 匯兌調整 | (2) |
| At 31 December 2009 | 於二零零九年十二月三十一日 | 110 |
| Accumulated depreciation: | 累計折舊： | |
| At 1 January 2009 | 於二零零九年一月一日 | 32 |
| Exchange adjustments | 匯兌調整 | (1) |
| Charge for the year | 年度折舊 | 22 |
| At 31 December 2009 | 於二零零九年十二月三十一日 | 53 |
| Net book value: | 賬面淨值： | |
| At 31 December 2009 | 於二零零九年十二月三十一日 | 57 |
| | | Office equipment 辦公室設備 RMB'000 人民幣千元 |
| Cost: | 成本： | |
| At 1 January 2010 | 於二零一零年一月一日 | 110 |
| Exchange adjustments | 匯兌調整 | (3) |
| At 31 December 2010 | 於二零一零年十二月三十一日 | 107 |
| Accumulated depreciation: | 累計折舊： | |
| At 1 January 2010 | 於二零一零年一月一日 | 53 |
| Exchange adjustments | 匯兌調整 | (2) |
| Charge for the year | 年度折舊 | 21 |
| At 31 December 2010 | 於二零一零年十二月三十一日 | 72 |
| Net book value: | 賬面淨值： | |
| At 31 December 2010 | 於二零一零年十二月三十一日 | 35 |

14 Property, plant and equipment (continued)

(c) All of the Group's property, plant and equipment is located in the PRC.

(d) The Group has yet to obtain property ownership certificates for certain buildings with an aggregate net book value of RMB35,211,000 (2009: RMB4,762,000) as at 31 December 2010. Notwithstanding this, the directors are of the opinion that the Group owned the beneficial title to these buildings as at 31 December 2010.

(e) Fixed assets leased out under operating leases

The Group leases out a limited portion of land and buildings under operating lease. The leases typically run for an average period of twenty years, with an option to renew the leases upon expiry at which time all terms are renegotiated. None of the leases includes contingent rentals.

The Group's total future minimum lease payments under non-cancellable operating leases are receivable as follows:

14 物業、廠房及設備(續)

(c) 本集團全部物業、廠房及設備均位於中國。

(d) 本集團尚未獲得若干樓宇的房屋所有權證，於二零一零年十二月三十一日，該等樓宇的賬面淨值總額為人民幣35,211,000元(二零零九年：人民幣4,762,000元)。然而，董事認為本集團於二零一零年十二月三十一日擁有該等樓宇的實益業權。

(e) 根據經營租賃出租之固定資產

本集團根據經營租賃出租極小部分土地及樓宇。該等租賃一般平均為期二十年，可於屆滿時選擇重續租賃，所有條款將於重續時重新磋商。該等租賃並不包括或然租金。

本集團根據不可註銷經營租賃應收之未來最低租賃款如下：

| | | The Group 本集團 | |
|---------------------------------|----------|-----------------------------------|-----------------------------------|
| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
| Within 1 year | 一年內 | 1,728 | 1,728 |
| After 1 year but within 5 years | 一年後但於五年內 | 6,911 | 6,911 |
| After 5 years | 五年後 | 10,151 | 11,878 |
| | | 18,790 | 20,517 |

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(Expressed in Renminbi) (以人民幣列值)

15 Lease prepayments

15 租賃預付款項

| | | The Group 本集團 | |
|----------------------------------|--------------|-----------------------------------|-----------------------------------|
| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
| Cost: | 成本： | | |
| As at 1 January | 於一月一日 | 66,544 | 49,041 |
| Additions | 添置 | 5,876 | 17,503 |
| As at 31 December | 於十二月三十一日 | 72,420 | 66,544 |
| Accumulated amortisation: | 累計攤銷： | | |
| As at 1 January | 於一月一日 | 2,596 | 1,533 |
| Charge for the year | 年度攤銷 | 1,424 | 1,063 |
| As at 31 December | 於十二月三十一日 | 4,020 | 2,596 |
| Net book value: | 賬面淨值： | | |
| As at 31 December | 於十二月三十一日 | 68,400 | 63,948 |

Lease prepayments represent the cost of land use rights in respect of land located in the PRC, which expire on 19 October 2030, 29 April 2055, 15 and 27 August 2057 and 25 February 2059.

租賃預付款項為就位於中國之土地所支付土地使用權成本，該等土地使用權將於二零三零年十月十九日、二零五五年四月二十九日及二零五七年八月十五日及二十七日以及二零五九年二月二十五日屆滿。

16 Prepayments for raw materials

In order to secure a stable supply of polysilicon materials, the Group makes prepayments to certain suppliers. Prepayments for raw materials where the Group expects to take delivery of the inventory more than twelve months after the end of the reporting period are classified as non-current assets at the year end date.

16 原材料預付款項

為確保有穩定多晶硅原材料供應，本集團向若干供應商支付預付款項。於本集團預期於報告期間結算日後十二個月以上方取得存貨之原材料作出之預付款項，於年結日分類為非流動資產。

17 Investments in subsidiaries

17 於附屬公司的投資

| | | The Company 本公司 | |
|--|-----------------------|-----------------------------------|-----------------------------------|
| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
| Unlisted shares/capital contribution, at cost at 1 January | 於一月一日的非上市股份／出資，按成本 | 163,005 | 163,005 |
| Exchange adjustment | 匯兌調整 | (15,549) | — |
| Unlisted shares/capital contribution, at cost at 31 December | 於十二月三十一日的非上市股份／出資，按成本 | 147,456 | 163,005 |

The following list contains the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

下表包含主要影響本集團業績、資產或負債的附屬公司的詳情。除非另有所指，所持有的股份類別為普通股。

| Name of company 公司名稱 | Place and date of incorporation/ operation 註冊成立／ 經營地點及日期 | Authorised/ registered/ paid-in/ issued capital 法定／註冊／ 實繳／已發行資本 | Proportion of ownership interest 所有權權益比例 | | | Principal activities 主要業務 | Legal form 法定形式 |
|---------------------------|---|--|---|--|---|--|--|
| | | | Group's effective interest 本集團的 實際權益 % | held by the Company 由本公司 持有 % | held by a subsidiary 由附屬 公司持有 % | | |
| 錦州日鑫硅材料有限公司 ("日鑫") | The PRC 9 May 2007 中國 二零零七年 五月九日 | Registered and paid-in capital of RMB190,000,000 註冊及實繳資本 人民幣190,000,000元 | 100 | — | 100 | Manufacturing and processing of monocrystalline ingots/wafers 製造及加工單晶 硅錠／硅片 | Limited liability company 有限責任公司 |
| 錦州晶技太陽能科技有限公司 ("錦州晶技") | The PRC 9 December 2007 中國 二零零七年 十二月九日 | Registered and paid-in capital of US\$17,500,000 註冊及實繳資本 17,500,000美元 | 100 | — | 100 | Manufacturing and processing of monocrystalline wafers 製造及加工單晶硅片 | Limited liability company 有限責任公司 |

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17 Investments in subsidiaries (continued)

17 於附屬公司的投資(續)

| Name of company 公司名稱 | Place and date of incorporation/ 註冊成立/ 經營地點及日期 | Authorised/ registered/ paid-in/ issued capital 法定/註冊/ 實繳/已發行資本 | Proportion of ownership interest 所有權權益比例 | | | Principal activities 主要業務 | Legal form 法定形式 |
|-------------------------|---|--|---|------------------------------------|--------------------------------------|---|-------------------------------------|
| | | | Group's effective interest 本集團的實際權益 % | held by the Company 由本公司持有 % | held by a subsidiary 由附屬公司持有 % | | |
| 錦州陽光能源有限公司 (「陽光」) | The PRC 15 December 2004 中國 二零零四年 十二月十五日 | Registered and paid-in capital of RMB813,000,000 註冊及實繳資本 人民幣 813,000,000元 | 100 | – | 100 | Manufacturing and processing of monocrystalline and multicrystalline ingots/wafers 製造及加工單晶及多晶硅錠/硅片 | Limited liability company 有限責任公司 |
| 錦州佑華硅材料有限公司 (「佑華硅材」) | The PRC 13 September 2008 中國 二零零八年 九月十三日 | Registered and paid-in capital of RMB200,000,000 註冊及實繳資本 人民幣 200,000,000元 | 100 | – | 100 | Manufacturing and processing of monocrystalline ingots/wafers 製造及加工單晶 硅錠/硅片 | Limited liability company 有限責任公司 |
| 上海晶技電子材料有限公司 (「晶技」) | The PRC 16 March 1998 中國 一九九八年 三月十六日 | Registered and paid-in capital of US\$6,950,000 註冊及實繳資本 6,950,000美元 | 100 | – | 100 | Processing and trading of polysilicon and monocrystalline ingots/wafers 加工及買賣多晶硅及單晶硅錠/硅片 | Limited liability company 有限責任公司 |

17 Investments in subsidiaries (continued)

17 於附屬公司的投資(續)

| Name of company 公司名稱 | Place and date of incorporation/operation 註冊成立/ 經營地點及日期 | Authorised/registered/paid-in/issued capital 法定/註冊/ 實繳/已發行資本 | Proportion of ownership interest 所有權權益比例 | | | Principal activities 主要業務 | Legal form 法定形式 |
|---|---|---|---|--|--|--|-------------------------------------|
| | | | Group's effective interest 本集團的 實際權益 % | held by the Company 由本公司 持有 % | held by a subsidiary 由附屬 公司持有 % | | |
| Solar Technology Investment (Cayman) Corp. ("STIC") | Cayman Islands 15 December 2006 開曼群島 二零零六年 十二月十五日 | Authorised capital of HK\$400,000,000 of HK\$0.10 each and issued share capital of HK\$167,895,494 法定資本 400,000,000港元， 每股面值0.10港元及 已發行股本 167,895,494港元 | 100 | 100 | – | Investment holding 投資控股 | Limited liability company 有限責任公司 |
| Wealthy Rise International Limited 鉅升國際有限公司 | Hong Kong 21 June 2007 香港 二零零七年 六月二十一日 | Authorised share capital of HK\$10,000 of HK\$1 each and issued share capital of HK\$1 法定股本10,000港元， 每股面值1港元及 已發行股本1港元 | 100 | – | 100 | Trading of polysilicon and monocrystalline ingots/wafers 買賣多晶硅及單晶 硅錠/硅片 | Limited liability company 有限責任公司 |
| 錦州錦懋光伏科技有限公司 (「錦州錦懋」) | The PRC 17 July 2009 中國 二零零九年 七月十七日 | Registered and paid-in capital of RMB40,000,000 註冊實繳資本 人民幣40,000,000元 | 51 | – | 51 | Manufacturing of photovoltaic modules and design and installation of photovoltaic systems 製造光伏模組以及設計 及安裝光伏系統 | Limited liability company 有限責任公司 |

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17 Investments in subsidiaries (continued)

17 於附屬公司的投資(續)

| Name of company 公司名稱 | Place and date of incorporation/ operation 註冊成立/ 經營地點及日期 | Authorised/ registered/ paid-in/ issued capital 法定/註冊/ 實繳/已發行資本 | Proportion of ownership interest 所有權權益比例 | | | Principal activities 主要業務 | Legal form 法定形式 |
|---|---|---|---|--|--|------------------------------|-------------------------------------|
| | | | Group's effective interest 本集團的 實際權益 % | held by the Company 由本公司 持有 % | held by a subsidiary 由附屬 公司持有 % | | |
| Rising Sun Investment Company Limited 日晟投資有限公司 | Hong Kong 4 February 2009 香港 二零零九年 二月四日 | Authorised share capital of HK\$10,000 of HK\$1 each and issued share capital of HK\$1 法定股本10,000港元，每股面值1港元及已發行股本1港元 | 100 | 100 | – | Investment holding 投資控股 | Limited liability company 有限責任公司 |
| Silicon Solar Materials Company Limited 太陽能硅材料有限公司 | Hong Kong 28 November 2008 香港 二零零八年 十一月二十八日 | Authorised share capital of HK\$10,000 of HK\$1 each and issued share capital of HK\$1 法定股本10,000港元，每股面值1港元及已發行股本1港元 | 100 | – | 100 | Investment holding 投資控股 | Limited liability company 有限責任公司 |
| 陽光能源(青海)有限公司 (「青海」) | The PRC 6 July 2010 中國 二零一零年 七月六日 | Registered and paid-in capital of RMB90,000,000 註冊實繳資本 人民幣90,000,000元 | 51 | – | 51 | Inactive 暫無業務 | Limited liability company 有限責任公司 |

A subsidiary of the Company, Tayaneng Investments Limited, was deregistered during the year ended 31 December 2009, resulting in a loss on deregistration of RMB73,603,000.

本公司附屬公司Tayaneng Investments Limited於截至二零零九年十二月三十一日止年度撤銷註冊，帶來本公司撤銷註冊虧損人民幣73,603,000元。

18 Interest in an associate

18 於一間聯營公司的權益

| | | The Group 本集團 | | The Company 本公司 | |
|-------------------------------|--------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
| Capital contribution, at cost | 出資，按成本 | — | — | 37,000 | — |
| Share of net assets | 應佔資產淨值 | 37,000 | — | — | — |
| | | 37,000 | — | 37,000 | — |

The following list contains the particular of the associate, which is an unlisted corporate entity:

下表載列聯營公司的詳情，其為一間非上市公司實體：

| Name of associate 聯營公司名稱 | Form of business structure 業務結構形式 | Place of incorporation and operation 註冊成立及經營地點 | Particulars of registered and paid-in capital 註冊及實繳資本詳情 | Proportion of ownership interest 所有權益比例 | |
|-----------------------------|--------------------------------------|---|--|--|--|
| | | | | Group's effective interest 本集團實際權益 % | Held by a subsidiary 由一間附屬公司持有 % |
| 錦州奧克陽光新能源有限公司 (「奧克」) | Incorporated 註冊成立 | The PRC 中國 | RMB100,000,000 人民幣100,000,000元 | 37 | 37 |

Summary financial information on the associate:

於聯營公司的財務資料概要：

| | | 2010 二零一零年 | |
|----------------------------|----------|----------------------------------|----------------------------------|
| | | Assets 資產 RMB'000 人民幣千元 | Equity 權益 RMB'000 人民幣千元 |
| 100 per cent | 100巴仙 | 100,000 | 100,000 |
| Group's effective interest | 本集團的實際權益 | 37,000 | 37,000 |

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(Expressed in Renminbi) (以人民幣列值)

19 Inventories

(a) Inventories in the consolidated statement of financial position comprise:

| | | The Group 本集團 | |
|------------------|-----|-----------------------------------|-----------------------------------|
| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
| Raw materials | 原材料 | 232,431 | 251,013 |
| Work-in-progress | 在製品 | 61,577 | 88,056 |
| Finished goods | 製成品 | 84,279 | 102,219 |
| | | 378,287 | 441,288 |

(b) The analysis of the amount of inventories recognised as an expense is as follows:

| | | The Group 本集團 | |
|-------------------------------------|----------|-----------------------------------|-----------------------------------|
| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
| Carrying amount of inventories sold | 已售存貨的賬面值 | 1,441,526 | 491,852 |
| Write-down of inventories | 存貨撇減 | — | 172,648 |
| | | 1,441,526 | 664,500 |

19 存貨

(a) 綜合財務狀況表之存貨包括：

(b) 確認為支出的存貨金額分析如下：

20 Trade and other receivables

20 應收貿易賬款及其他應收款項

| | | The Group 本集團 | | The Company 本公司 | |
|--|------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
| Trade debtors and bills receivable (note 20(a)) | 應收貿易賬款及票據 (附註20(a)) | 167,255 | 165,501 | — | — |
| Prepayments for raw materials (note 20(b)) | 原材料的預付款項 (附註20(b)) | 151,288 | 93,540 | — | — |
| Deposits and other receivables (note 20(c)) | 按金及其他應收款項 (附註20(c)) | 309,869 | 146,320 | 691 | 199 |
| Amounts due from subsidiaries (note 20(g)) | 應收附屬公司款項 (附註20(g)) | — | — | 802,876 | 838,878 |
| | | 628,412 | 405,361 | 803,567 | 839,077 |

All the trade and other receivables (including amounts due from subsidiaries) are expected to be recovered or recognised as expense within one year.

- (a) Included in trade debtors and bills receivable are aggregate amounts due from related parties of RMB57,007,000 (2009: RMB90,499,000) as at 31 December 2010 (note 32(c)).
- (b) Included in prepayments for raw materials are amounts due from related parties of RMB16,114,000 (2009: RMB29,394,000) as at 31 December 2010 (note 32(c)).
- (c) Included in the Group's deposits and other receivables are amounts due from related parties of RMB2,683,000 (2009: RMB5,557,000) as at 31 December 2010 (note 32(c)).

預期所有應收貿易賬款及其他應收款項(包括應收附屬公司款項)於一年內收回或確認為開支。

- (a) 於二零一零年十二月三十一日，應收貿易賬款及票據包括應收關連方款項總額人民幣57,007,000元(二零零九年：人民幣90,499,000元)(附註32(c))。
- (b) 於二零一零年十二月三十一日，原材料預付款項包括應收關連方款項人民幣16,114,000元(二零零九年：人民幣29,394,000元)(附註32(c))。
- (c) 於二零一零年十二月三十一日，本集團的按金及其他應收款項包括應收關連方款項人民幣2,683,000元(二零零九年：人民幣5,557,000元)(附註32(c))。

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財務報告附註

(Expressed in Renminbi) (以人民幣列值)

20 Trade and other receivables (continued)

- (d) The ageing analysis of trade debtors and bills receivable (net of allowance for doubtful debts) based on invoice date as of the end of the reporting period is as follows:

| | | The Group 本集團 | |
|----------------|--------|-----------------------------------|-----------------------------------|
| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
| Within 1 month | 一個月內 | 144,740 | 86,336 |
| 1 to 3 months | 一至三個月 | 15,660 | 66,746 |
| 3 to 6 months | 三至六個月 | – | 9,717 |
| 6 to 12 months | 六至十二個月 | 6,855 | 2,385 |
| 1 to 2 years | 一至兩年 | – | 317 |
| | | 167,255 | 165,501 |

Trade debtors are due within 30 to 90 days from the date of billing. Further details on the Group's credit policy are set out in note 35(a).

(e) Impairment of trade debtors and bills receivable

Impairment losses in respect of trade debtors and bills receivable are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade debtors and bills receivable directly (see note 1(h)(i)). During the year, trade debtors of the Group totalling RMB449,000 (2009: RMB4,752,000) were individually determined to be impaired. The individually impaired receivables related to customers that were in financial difficulties and management assessed that all receivables are not expected to be recovered. Subsequently, specific allowances for doubtful debts of RMB449,000 (2009: RMB4,752,000) were recognised as at 31 December 2010.

20 應收貿易賬款及其他應收款項(續)

- (d) 於報告期間結算日，扣除呆賬撥備後的應收貿易賬款及票據的賬齡按發票日期分析如下：

| | | The Group 本集團 | |
|----------------|--------|-----------------------------------|-----------------------------------|
| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
| Within 1 month | 一個月內 | 144,740 | 86,336 |
| 1 to 3 months | 一至三個月 | 15,660 | 66,746 |
| 3 to 6 months | 三至六個月 | – | 9,717 |
| 6 to 12 months | 六至十二個月 | 6,855 | 2,385 |
| 1 to 2 years | 一至兩年 | – | 317 |
| | | 167,255 | 165,501 |

應收貿易賬款乃於自發票日期起計30至90日內到期。本集團信貸政策之進一步詳情載於附註35(a)。

(e) 應收貿易賬款及票據減值

應收貿易賬款及票據減值虧損乃採用準備賬記錄，除非本集團相信收回款項的可能性極低，於該情況下，減值虧損將直接與應收貿易賬款及票據撇銷(見附註1(h)(i))。年內，本集團應收貿易賬款合共人民幣449,000元(二零零九年：人民幣4,752,000元)個別釐定為已減值。個別已減值應收款項與遇到財務困難的客戶有關，而管理層評估預期所有應收款項將不能收回。其後，於二零一零年十二月三十一日就呆賬確認特別撥備人民幣449,000元(二零零九年：人民幣4,752,000元)。

20 Trade and other receivables (continued)

(f) Trade debtors and bills receivable that are not impaired

The ageing analysis of trade debtors and bills receivable that are neither individually nor collectively considered to be impaired are as follows:

| | | The Group 本集團 | |
|-------------------------------|----------|-----------------------------------|-----------------------------------|
| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
| Neither past due nor impaired | 並無逾期或減值 | 145,225 | 160,960 |
| Less than 1 month past due | 逾期少於一個月 | 15,660 | 492 |
| 1 to 3 months past due | 逾期一至三個月 | 6,370 | 1,323 |
| 3 to 6 months past due | 逾期三至六個月 | - | 2,409 |
| 6 to 12 months past due | 逾期六至十二個月 | - | - |
| 1 to 2 years past due | 逾期一至兩年 | - | 317 |
| | | 22,030 | 4,541 |
| | | 167,255 | 165,501 |

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

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

- (g) The amounts due from subsidiaries are unsecured, interest-free and recoverable on demand.

20 應收貿易賬款及其他應收款項(續)

(f) 並無減值的應收貿易款項及票據

並無個別或共同被視為減值的應收貿易賬款及票據之賬齡分析如下：

並無逾期或減值之應收款項與多名並無近期欠款記錄的客戶有關。

逾期未收回但並無減值的應收款項與本集團多名擁有良好往績記錄的個別客戶有關。根據以往經驗，由於信貸質素並無重大改變，且認為該等結餘仍可全數收回，管理層相信毋需就該等結餘計提減值撥備。本集團並無就該等結餘持有任何抵押品。

- (g) 應收附屬公司款項為無抵押、免息及須按要求收回。

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21 Pledged deposits

Certain of the Group's bank deposits were pledged to secure certain banking facilities granted to the Group as follows:

21 已抵押存款

本集團若干銀行存款已就本集團獲授之若干銀行融資作出抵押，載列如下：

| | | The Group 本集團 | |
|--|----------------|-----------------------------------|-----------------------------------|
| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
| Pledged as security for bills payable | 抵押作為應付票據之抵押品 | 70,047 | 35,000 |
| Guarantee deposits for issuance of letters of credit | 抵押作為發出信用證之存款擔保 | 4,066 | 9,055 |
| | | 74,113 | 44,055 |

The effective annual interest rate for pledged deposits with banks was 0.36% (2009: 0.24%) as at 31 December 2010.

於二零一零年十二月三十一日，已抵押予銀行的存款的實際年利率為0.36厘(二零零九年：0.24厘)。

22 Cash at bank and in hand

22 銀行及手頭現金

| | | The Group 本集團 | | The Company 本公司 | |
|---|-------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
| Cash at bank and in hand | 銀行及手頭現金 | 459,734 | 236,191 | 1,045 | 3,527 |
| Deposits with banks with original maturity over three months | 原有到期日超過三個月之銀行存款 | (70,000) | (57,020) | | |
| Cash and cash equivalents in the consolidated cash flow statement | 綜合現金流量表中之現金及現金等價物 | 389,734 | 179,171 | | |

(a) Cash at bank and in hand totaling RMB404,612,000 (2009: RMB200,739,000) as at 31 December 2010 is denominated in RMB. RMB is not a freely convertible currency and the remittance of funds out of the PRC is subject to exchange restrictions imposed by the PRC government.

(a) 於二零一零年十二月三十一日，銀行及手頭現金合共人民幣404,612,000元(二零零九年：人民幣200,739,000元)以人民幣列值。人民幣為不可自由兌換貨幣，且在國內匯出資金須受中國政府的外匯管制規限。

The effective annual interest rate for deposits with banks was 1.77% (2009: 0.28%) as at 31 December 2010.

於二零一零年十二月三十一日，銀行存款之實際年利率為1.77厘(二零零九年：0.28厘)。

22 Cash at bank and in hand (continued)

(b) Non-cash transaction

On 20 March 2009, the Board recommended the payment of a final dividend of HK\$0.017 (equivalent to RMB0.015) per share for the year ended 31 December 2008 with a scrip alternative to the shareholders. Under this scrip dividend scheme, 5,513,925 shares of HK\$0.1 each were issued in lieu of cash of RMB14,777,000 during the year ended 31 December 2009.

22 銀行及手頭現金 (續)

(b) 非現金交易

於二零零九年三月二十日，董事會建議向股東派付截至二零零八年十二月三十一日止年度終期股息每股0.017港元（相當於人民幣0.015元），股東可選擇以股代息。根據以股代息計劃，截至二零零九年十二月三十一日止年度，已發行5,513,925股每股面值0.1港元之股份以代替支付現金人民幣14,777,000元。

23 Trade and other payables

23 應付貿易賬款及其他應付款項

| | | The Group 本集團 | | The Company 本公司 | |
|--|--------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
| Trade payables (note 23(a)) | 應付貿易賬款 (附註23(a)) | 175,919 | 78,603 | — | — |
| Bills payable (note 23(b)) | 應付票據 (附註23(b)) | 124,200 | 63,417 | — | — |
| Other payables and accrued expenses (note 23(c)) | 其他應付款項及應計開支 (附註23(c)) | 163,203 | 64,150 | 2,532 | 3,433 |
| Amounts due to subsidiaries (note 23(d)) | 應付附屬公司款項 (附註23(d)) | — | — | 21,461 | 22,049 |
| | | 463,322 | 206,170 | 23,993 | 25,482 |

All of the trade and other payables (including amounts due to subsidiaries) are expected to be settled within one year.

預期所有應付貿易賬款及其他應付款項（包括應付附屬公司之款項）將於一年內清付。

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(Expressed in Renminbi) (以人民幣列值)

23 Trade and other payables (continued)

- (a) The ageing analysis of trade and bills payables as of the end of the reporting period is as follows:

| | | The Group 本集團 | |
|----------------|--------|-----------------------------------|-----------------------------------|
| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
| Within 1 month | 一個月內 | 196,188 | 87,950 |
| 1-3 months | 一至三個月 | 23,708 | 18,425 |
| 3-6 months | 三至六個月 | 69,220 | 25,085 |
| 6-12 months | 六至十二個月 | 1,787 | 5,654 |
| 1-2 years | 一至兩年 | 9,216 | 4,906 |
| | | 300,119 | 142,020 |

Included in trade payables are amounts due to related parties of RMB75,437,000 (2009: RMB15,287,000) at 31 December 2010 (note 32(d)).

- (b) The Group's bills payable of RMB124,200,000 (2009: RMB63,417,000) as at 31 December 2010 are secured by the Group's bank deposits of RMB70,047,000 (2009: RMB35,000,000) (note 21).

Included in the Group's bills payable are amounts due to related parties of RMB2,000,000 (2009: RMB11,240,000) as at 31 December 2010 (note 32(d)).

- (c) Included in the Group's other payables and accrued expenses are amounts due to related parties of RMB683,000 (2009: RMB Nil) at 31 December 2010 (note 32(d)).
- (d) The amounts due to subsidiaries are unsecured, interest-free and repayable on demand.

23 應付貿易賬款及其他應付款項(續)

- (a) 於報告期間結算日，應付貿易賬款及票據的賬齡分析如下：

於二零一零年十二月三十一日，應付貿易賬款包括應付關連方款項人民幣75,437,000元(二零零九年：人民幣15,287,000元)(附註32(d))。

- (b) 本集團於二零一零年十二月三十一日的應付票據人民幣124,200,000元(二零零九年：人民幣63,417,000元)，以本集團銀行存款人民幣70,047,000元(二零零九年：人民幣35,000,000元)作為抵押(附註21)。

本集團於二零一零年十二月三十一日的應付票據包括應付關連方款項人民幣2,000,000元(二零零九年：人民幣11,240,000元)(附註32(d))。

- (c) 本集團於二零一零年十二月三十一日的其他應付款項及應計開支包括應付關連方款項人民幣683,000元(二零零九年：人民幣零元)(附註32(d))。
- (d) 應付附屬公司款項為無抵押、免息及須按要求償還。

24 Interest-bearing borrowings

The analysis of the carrying amount of interest-bearing borrowings is as follows:

24 計息借貸

計息借貸的賬面值分析如下：

| | | The Group 本集團 | |
|--|--------------------|-----------------------------------|-----------------------------------|
| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
| Unsecured short-term bank loans | 無抵押短期銀行貸款 | 648,011 | 289,274 |
| Long-term loans | 長期貸款 | | |
| • unsecured bank loan (note 24(a)) | • 無抵押銀行貸款(附註24(a)) | 85,000 | 70,000 |
| • municipal government loan (note 24(b)) | • 市政府貸款(附註24(b)) | 3,095 | 3,227 |
| | | 88,095 | 73,227 |
| | | 736,106 | 362,501 |

(a) The long-term bank loan is unsecured, interest bearing and is fully repayable in 2015 (2009: 2011).

(a) 長期銀行貸款為無抵押、計息，及須於二零一五年(二零零九年：二零一一年)悉數償還。

(b) The municipal government loan is repayable as follows:

(b) 應償還市政府貸款如下：

| | | The Group 本集團 | |
|----------------------------------|----------|-----------------------------------|-----------------------------------|
| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
| Within 1 year | 一年內 | 364 | 364 |
| After 1 year but within 2 years | 一年後但於兩年內 | 364 | 364 |
| After 2 years but within 5 years | 兩年後但於五年內 | 1,091 | 1,091 |
| After 5 years | 五年以後 | 1,276 | 1,408 |
| | | 3,095 | 3,227 |

The municipal government loan was received by the Group for constructing a manufacturing plant in Jinzhou, Liaoning Province, the PRC. There are no unfulfilled conditions or contingencies relating to the municipal government loan. It is unsecured, interest bearing at a fixed rate of 2.55% per annum and is fully repayable by instalments from 2010 to 2020.

本集團已就於中國遼寧省錦州建設製造廠房取得市政府貸款。有關市政府貸款概無未達成的條件或然事項，且為無抵押、按固定年利率2.55厘計息及須於二零一零年至二零二零年期間分期悉數清償。

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(Expressed in Renminbi) (以人民幣列值)

25 Income tax in the consolidated statement of financial position

(a) Current taxation in the consolidated statement of financial position represents:

25 綜合財務狀況表內的所得稅

(a) 綜合財務狀況表內的即期稅項代表：

| | | The Group 本集團 | |
|---|-------------|-----------------------------------|-----------------------------------|
| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
| Provision for PRC Enterprise Income Tax for the year | 年度中國企業所得稅撥備 | 15,891 | 28 |
| PRC Enterprise Income Tax paid | 已付中國企業所得稅 | (13,676) | – |
| Balance of income tax provision relating to prior years | 過往年度所得稅撥備結餘 | 2,215 | 28 |
| | | 28 | – |
| Current tax payable | 即期應付稅項 | 2,243 | 28 |

25 Income tax in the consolidated statement of financial position (continued)

(b) Deferred tax assets and liabilities recognised

The components of deferred tax (liabilities)/assets recognised in the consolidated statement of financial position and the movements during the year are as follows:

| | | The Group 本集團 | | | | |
|--|-------------------------|---|--|--|--|---------------------------------|
| | | Government grant 政府補貼 RMB'000 人民幣千元 | Inventory provision 存貨撥備 RMB'000 人民幣千元 | Undistributed profits 不可分派利潤 RMB'000 人民幣千元 | Tax losses 稅務虧損 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
| Deferred tax arising from: | 來自下列各項的遞延稅項： | | | | | |
| At 1 January 2009 | 於二零零九年一月一日 | 3,875 | 27,706 | (7,232) | - | 24,349 |
| Credited/(charged) to profit or loss (note 7(a)) | 於損益表計入/(扣除) (附註7(a)) | (3,875) | (22,830) | 2,563 | 38,049 | 13,907 |
| At 31 December 2009 | 於二零零九年 十二月三十一日 | - | 4,876 | (4,669) | 38,049 | 38,256 |
| At 1 January 2010 | 於二零一零年一月一日 | - | 4,876 | (4,669) | 38,049 | 38,256 |
| Charged to profit or loss (note 7(a)) | 於損益表扣除(附註7(a)) | - | (4,876) | (16,878) | (33,799) | (55,553) |
| At 31 December 2010 | 於二零一零年 十二月三十一日 | - | - | (21,547) | 4,250 | (17,297) |

| | | The Group 本集團 | |
|--|-----------------------|-----------------------------------|-----------------------------------|
| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
| Net deferred tax assets recognised in the balance sheet | 於資產負債表確認的遞延稅項 資產淨值 | 4,250 | 42,925 |
| Net deferred tax liabilities recognised in the balance sheet | 於資產負債表確認的遞延稅項 負債淨額 | (21,547) | (4,669) |
| | | (17,297) | 38,256 |

25 綜合財務狀況表內的所得稅(續)

(b) 確認遞延稅項資產及負債

於綜合財務狀況表確認的遞延稅項(負債)/資產的項目及年內變動如下：

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(Expressed in Renminbi) (以人民幣列值)

25 Income tax in the consolidated statement of financial position (continued)

(c) Deferred tax assets not recognised

The Group has not recognised deferred tax assets in respect of cumulative tax losses of RMB62,867,000 (2009: RMB28,452,000) and RMB4,172,000 (2009: RMB10,176,000) attributable to its subsidiaries in Hong Kong and the PRC, respectively, as it is not probable that future taxable profits against which losses can be utilised will be available in the relevant tax jurisdiction and entities. The tax losses of the subsidiary in Hong Kong do not expire under current tax legislation while those of the subsidiary in the PRC will expire within five years.

26 Deferred income

Various government grants have been received by the Group for generating export sales, participating in high-tech industry and constructing various manufacturing plants in Jinzhou, Liaoning Province, the PRC. In addition, certain government grants have been received by the Group to compensate for its research and development expenses in relation to the manufacturing of monocrystalline silicon solar ingots and wafers and interest expenses for certain specific loans. Amounts of RMB9,756,000 (note 4) (2009: RMB10,023,000) have been recognised in the consolidated income statement for the year ended 31 December 2010.

The remaining unused balances as at the end of each reporting period are included in the consolidated statement of financial position as deferred income. There are no unfulfilled conditions or contingencies relating to these grants. Amounts of RMB167,464,000 (2009: RMB63,119,000) of deferred income will be recognised in profit or loss after more than one year.

25 綜合財務狀況表內的所得稅(續)

(c) 尚未確認遞延稅項資產

本集團並無就其香港及中國附屬公司人民幣62,867,000元(二零零九年：人民幣28,452,000元)及人民幣4,172,000元(二零零九年：人民幣10,176,000元)的應佔累計稅務虧損確認遞延稅項資產，原因為該等虧損可動用的未來應課稅利潤不大可能在相關稅務司法權區及實體出現。根據現行稅務法例，香港附屬公司之稅務虧損不會屆滿，而中國附屬公司之稅務虧損將於五年內屆滿。

26 遞延收入

本集團因產生出口銷售，從事高科技行業及於中國遼寧省錦州興建多家製造廠房獲得不同之政府補貼。此外，本集團亦獲得若干政府補貼以資助其製造太陽能單晶硅錠及硅片之研發開支，及補貼若干特定貸款之利息開支。截至二零一零年十二月三十一日止年度，於綜合損益表已確認人民幣9,756,000元(附註4)(二零零九年：人民幣10,023,000元)。

於各報告期間結算日，未動用之結餘被納入綜合財務狀況表，列作遞延收入。該等補貼並無尚未達成之條件或或然事項。遞延收入人民幣167,464,000元(二零零九年：人民幣63,119,000元)將於多於一年後於損益表中確認。

27 Other non-current liabilities

Included in other non-current liabilities is provision for product warranty costs as follows:

| | | 2010 二零一零年 RMB'000 人民幣千元 |
|----------------|----------|-----------------------------------|
| At 1 January | 於一月一日 | - |
| Provision made | 所作撥備 | 870 |
| At 31 December | 於十二月三十一日 | 870 |

The Group's photovoltaic modules were typically sold with a 2 or 5-year warranty for defects in materials and workmanship and a 10 and 25 year minimum power output warranty, against declines of more than 10% and 20%, respectively, of initial power generation capacity from the date of delivery. The Group has the right to repair or replace solar modules, at its option, under the terms of the warranty policy. The Group maintains warranty reserves to cover potential liabilities that could arise under these guarantees and warranties.

28 Retirement benefit schemes

Employees of the Group's PRC subsidiaries are required to participate in a defined contribution retirement benefit scheme administered and operated by the local municipal government. The Group's PRC subsidiaries were required to make contributions to the scheme at 20% of the employees' salaries per annum to fund the retirement benefits of the employees.

The Group is required to participate in defined contribution retirement schemes administered and operated by Bureau of Labour Insurance of Taiwan for employees employed in Taiwan. Under the schemes the employer is required to make contributions to the schemes at 6% of the employees' relevant income per annum. Contributions to the schemes vest immediately.

27 其他非流動負債

其他非流動負債包括產品保用成本撥備，載列如下：

本集團的光伏模組出售時一般附帶自交付日期起2年或5年物料損壞及人工保用，以及10年及25年最低電力輸出保證，分別保證電力輸出下降幅度不會多於初步發電產能10%及20%。根據保用政策的條款，本集團有權選擇對太陽能組件進行維修或置換。本集團設有保用儲備應該等保證及保用項下的潛在負債。

28 退休福利計劃

本集團中國附屬公司僱員須參與由各自地方市政府管理及營辦的定額供款退休福利計劃。本集團中國附屬公司須按僱員年薪的20%向計劃作出供款，為僱員退休福利提供資金。

本集團須為受聘於台灣的僱員參加由台灣勞工保險局管理及營辦的定額供款退休福利計劃。根據該等計劃，僱主須按僱員相關年度收入的6%向計劃作出供款。向計劃作出的供款即時歸屬。

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28 Retirement benefit schemes (continued)

The Group also operates a Mandatory Provident Fund Scheme (“the MPF scheme”) under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees’ relevant income, subject to a cap of monthly relevant income of HK\$20,000. Contributions to the MPF scheme vest immediately.

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

29 Equity settled share-based transactions

(a) STIC Employee Share Plan

For the purpose of providing compensation to certain senior management and employees (the “Relevant Employees”) of the acquisition of Solar Technology Investment (Cayman) Corp. and its subsidiaries (“the Acquired Group”) and those who have made past contribution to the Acquired Group (the “Other Relevant Officers”) for their past contribution to the development of the Acquired Group and/or as an incentive for their future performance, pursuant to the board resolutions of STIC passed on 24 June 2007, STIC allotted and issued an aggregate of 126,114,814 shares of HK\$0.1 each for an aggregate subscription price of HK\$12,611,481 (equivalent to RMB12,244,000) to the Relevant Employees and the Other Relevant Officers. Relevant Employees have agreed with Messrs. Hsu You Yuan, Tan Wenhua and Chiao Ping Hai (the “Relevant Directors”), and the Relevant Directors have undertaken with one another, that the Relevant Directors are entitled to buy back such shares from the Relevant Employees at the subscription cost if the Relevant Employees cease to be employed for reasons other than becoming incapacitated by work-inflicted injury which would prevent them from performing their duties, or deceased before the end of the relevant lock-up period (the “Return Condition”).

28 退休福利計劃(續)

本集團亦已根據香港強制性公積金計劃條例，為其受香港僱傭條例所管轄的僱員設立強制性公積金計劃(「強積金計劃」)。強積金計劃為定額供款退休計劃，由獨立受託人管理。強積金計劃規定僱主及其僱員各自按僱員相關收入的5%向計劃作出供款，以每月相關收入20,000港元為上限。向強積金計劃作出的供款即時歸屬。

除上述供款外，本集團毋須就支付該等計劃有關的退休福利承擔其他重大責任。

29 以股權結算股份支付之交易

(a) STIC僱員股份計劃

為向被收購之 Solar Technology Investment (Cayman) Corp. 及其附屬公司(「被收購集團」)若干高級管理人員及僱員(「有關僱員」)及過往曾向被收購集團作出貢獻者(「其他有關高級職員」)，就彼等過往對被收購集團發展作出的貢獻及／或作為其日後表現的鼓勵而提供獎勵，根據於二零零七年六月二十四日通過的STIC董事會決議案，STIC以總認購價12,611,481港元(相等於人民幣12,244,000元)配發及發行合共126,114,814股每股面值0.1港元的股份予有關僱員及其他有關高級職員。有關僱員已與許祐淵先生、譚文華先生及焦平海先生(「有關董事」)達成協議，且有關董事已彼此承諾，倘有關僱員停止受聘(因工傷導致傷殘未能履行其職責，或於有關禁售期完結前身故則除外)，有關董事有權以認購成本向有關僱員購回該等股份(「歸還條件」)。

29 Equity settled share-based transactions 29 以股權結算股份支付之交易(續)

(continued)

(a) STIC Employee Share Plan (continued)

Out of the total allotted and issued shares of 126,114,814 shares, 116,961,911 shares are subject to the Return Condition. Accordingly, the Acquired Group is required to recognise the value of such shares over the subscription cost as an employee expense on a straight-line basis over the relevant lock-up period. Employee expenses as a result of the allotment of such shares subject to the Return Condition to the Relevant Employees will be approximately RMB17.0 million, RMB9.0 million, RMB4.8 million and RMB1.9 million for each of the financial years ended/ending 31 December 2008, 2009, 2010 and 2011, respectively, assuming there is no termination of the Relevant Employees' employment before the end of the relevant vesting period. In respect of those shares which are not subject to the Return Condition, the value of such shares over the subscription cost was recognised as an employee expense on the allotment date.

On 26 June 2007, the Company acquired the entire interest of the Acquired Group. As shareholders of the Acquired Group, the Relevant Employees and the Other Relevant Officers were entitled to and did subscribe for 114,973 shares of HK\$0.1 each of the Company for an aggregate consideration of HK\$12,611,481 (equivalent to RMB12,244,000). The Return Condition remains applicable to those Relevant Employees to the effect that if the Relevant Employees cease to be employed for reasons other than becoming incapacitated by work-inflicted injury which would prevent them from performing their duties or deceased before the end of the relevant lock-up period, the Relevant Directors are entitled to buy back those shares which remain subject to the lock-up period from the Relevant Employees, provided that in the event that a Relevant Employee ceases to be employed within one year after the listing of the Company's shares on the Stock Exchange ("the Listing Date"), the Relevant Directors shall not be entitled to buy back the relevant shares until the first anniversary of the Listing Date.

(a) STIC僱員股份計劃(續)

已配發及發行股份總數126,114,814股，其中116,961,911股受歸還條件所限。因此，被收購集團以直線法於有關禁售期內確認股份價值超出認購成本之數為僱員開支。假設概無有關僱員於有關歸屬期完結前停止受聘，截至二零零八年、二零零九年、二零一零年及二零一一年十二月三十一日止財政年度各年，因配發該等受歸還條件所限的股份予有關僱員而引致的僱員開支將分別約為人民幣17,000,000元、人民幣9,000,000元、人民幣4,800,000元及人民幣1,900,000元。就該等不受歸還條件所限的股份而言，該等超出認購成本的股份價值已於配發日期確認為僱員開支。

於二零零七年六月二十六日，本公司收購被收購集團的全部權益。作為被收購集團的股東，有關僱員及其他有關高級職員有權以總代價12,611,481港元(相等於人民幣12,244,000元)認購114,973股每股面值0.1港元的本公司股份，而上述僱員已認購相關股份。歸還條件仍適用於有關僱員，倘有關僱員不再受聘(因工傷導致傷殘未能履行其職責，或於有關禁售期完結前身故除外)，有關董事有權向有關僱員購回該等依然處於禁售期的股份，前提是倘有關僱員於本公司股份於聯交所上市(「上市日期」)後一年內終止受聘，有關董事於上市日期一周年屆滿前不得購回相關股份。

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29 Equity settled share-based transactions

(continued)

(a) STIC Employee Share Plan (continued)

Total employee expenses as a result of the allotment of the employee shares (including those shares with and without the Return Condition) are RMB4,752,000 (2009: RMB8,998,000) for the year ended 31 December 2010.

(i) *The terms and conditions of the shares granted to the Relevant Employees are as follows:*

| Date of grant 授出日期 | Number of shares allotted and issued 配發及發行股份數目 | Lock-up conditions 禁售條件 |
|-----------------------------|---|-------------------------------|
| 24 June 2007 二零零七年六月二十四日 | 26,657 | 1 December 2008 二零零八年十二月一日 |
| 24 June 2007 二零零七年六月二十四日 | 26,657 | 1 December 2009 二零零九年十二月一日 |
| 24 June 2007 二零零七年六月二十四日 | 26,657 | 1 December 2010 二零一零年十二月一日 |
| 24 June 2007 二零零七年六月二十四日 | 26,658 | 1 December 2011 二零一一年十二月一日 |

There was no change in the number of shares allotted and issued from the date of grant to 31 December 2010.

29 以股權結算股份支付之交易(續)

(a) STIC僱員股份計劃(續)

截至二零一零年十二月三十一日止年度，因配發僱員股份而產生的僱員開支總額為人民幣4,752,000元(二零零九年：人民幣8,998,000元)，僱員股份包括附有及未附有歸還條件的股份。

(i) 授予有關僱員的股份條款及條件如下：

| Number of shares allotted and issued 配發及發行股份數目 | Lock-up conditions 禁售條件 |
|---|-------------------------------|
| 26,657 | 1 December 2008 二零零八年十二月一日 |
| 26,657 | 1 December 2009 二零零九年十二月一日 |
| 26,657 | 1 December 2010 二零一零年十二月一日 |
| 26,658 | 1 December 2011 二零一一年十二月一日 |

自授出日期至二零一零年十二月三十一日，配發及發行股份的數目並無變動。

29 Equity settled share-based transactions

(continued)

(a) STIC Employee Share Plan (continued)

(ii) Fair value of shares and assumptions

The fair value of services received in return for shares allotted and issued is measured by reference to the fair value of shares granted. The estimate of the fair values of the shares granted under the STIC Employee Share Plan was measured at the grant date using the price to earnings multiple valuation method. The valuation is derived from applying (i) an expected price to earnings multiple of a group of listed companies operating in comparable businesses, adjusted for the uniqueness of the subject being valued; and (ii) the net profit, excluding non-operating income and expenses, of the Acquired Group with appropriate adjustments.

Fair value of shares and assumptions

Fair value at measurement date

於計算日期的公平值

Expected price to earnings multiple

預期市盈率

The price to earnings multiple is determined with reference to comparable listed companies, after discounting for marketability to reflect illiquidity in nature at the grant date.

Certain shares were granted under a service condition. This condition has not been taken into account in the grant date fair value measurement of the services received. There were no market conditions associated with the share grants.

29 以股權結算股份支付之交易(續)

(a) STIC僱員股份計劃(續)

(ii) 股份的公平值及假設

因配發及發行股份所獲服務的公平值，乃經參照授出股份的公平值而計量。根據STIC僱員股份計劃所授出股份的估計公平值，乃於授出日期採用市盈率估值法計量。估值乃應用(i)在可資比較業務環境中經營的一組上市公司的預期市盈率(經就所估值公司本身的獨特情況作出調整)；及(ii)被收購集團經適當調整後的純利(不包括非經營收入及開支)所得出。

股份的公平值及假設

RMB57.50 million

人民幣57,500,000元

22.3

市盈率乃經參考可資比較上市公司釐定，並已顧及有關股份於授出日期缺乏市場流通能力的因素。

若干股份乃按服務條件授出。該條件並未納入計算於授出日期獲得服務的公平值。授予股份不附設市場條件。

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29 Equity settled share-based transactions

(continued)

(b) Share Option Plan of the Company

The Company adopted a Share Option Scheme (the "Scheme") on 27 February 2008 for the recruitment and retention of quality executives and employees. In consideration for HK\$1 from each grantee, options to subscribe for an aggregate of 42,269,163 ordinary shares at a subscription price of HK\$1.974 were granted to 185 grantees under the Scheme on 29 December 2008. Tranche A of the Scheme was fully vested on the date of grant and Tranche B of the Scheme was fully vested on 30 June 2009. Each option gives the holder the right to subscribe for one ordinary share in the Company and is settled gross in shares.

- (i) The terms and conditions of the options granted under the Scheme are as follows:

| | Tranche A 甲組 | Tranche B 乙組 |
|--|---|---|
| Number of options 購股權數目 | 19,500,000 19,500,000份 | 22,769,163 22,769,163份 |
| Contractual life of options 購股權合約年期 | 0.3 year 0.3年 | 2 years 兩年 |
| Exercisable period | Any time from 30 December 2008 up to the expiry date of 30 April 2009 | At each of the last business days of August and December 2009 and April, August and December 2010 during the period from 30 June 2009 up to the expiry date of 31 December 2010 |
| 行使期 | 由二零零八年十二月三十日起至到期日二零零九年四月三十日止任何時間 | 由二零零九年六月三十日起至到期日二零一零年十二月三十一日止期間內，二零零九年八月及十二月以及二零一零年四月、八月及十二月各月的最後一個營業日 |

29 以股權結算股份支付之交易 (續)

(b) 本公司之購股權計劃

本公司於二零零八年二月二十七日採納購股權計劃(「該計劃」)，以聘用及留聘優質行政人員及僱員。本公司於二零零八年十二月二十九日按照該計劃向185名承授人授出可按認購價1.974港元認購合共42,269,163股普通股的購股權，每名承授人須支付代價1港元。該計劃所涉及甲組購股權於授出日期全數歸屬，而該計劃所涉及乙組購股權於二零零九年六月三十日全數歸屬。每份購股權賦予持有人認購本公司一股普通股之權利，並全數以股份結算。

- (i) 根據該計劃所授出購股權的條款及條件如下：

29 Equity settled share-based transactions 29 以股權結算股份支付之交易(續)

(continued)

(b) Share Option Plan of the Company (continued)

- (ii) The number and weighted average exercise prices of share options are as follows:

| | | 2010 Tranche B 二零一零年乙組 | |
|---|-------------------------|--|---|
| | | Weighted average exercise price 加權平均行使價 | Number of options 購股權數目 '000 千份 |
| Outstanding at 1 January 2010 Lapsed during the year | 於二零一零年一月一日尚未行使 於年內失效 | HK\$1.974 HK\$1.974 | 21,094 (21,094) |
| Outstanding at 31 December 2010 | 於二零一零年十二月三十一日尚未行使 | | — |

| | | 2009 二零零九年 | | | |
|----------------------------------|-----------------------|--|---|--|---------|
| | | Tranche A 甲組 | | Tranche B 乙組 | |
| | | Weighted average exercise price 加權平均行使價 | Number of options 購股權數目 '000 千份 | Weighted average exercise price 加權平均行使價 | |
| | | | | Number of options 購股權數目 '000 千份 | |
| Outstanding at 1 January 2009 | 於二零零九年一月一日尚未行使 | HK\$1.974 1.974港元 | 19,500 | HK\$1.974 1.974港元 | 22,769 |
| Exercised during the year | 於年內行使 | HK\$1.974 1.974港元 | (9,215) | HK\$1.974 1.974港元 | (1,675) |
| Lapsed during the year | 於年內失效 | HK\$1.974 1.974港元 | (10,285) | HK\$1.974 1.974港元 | — |
| Outstanding at 31 December 2009 | 於二零零九年十二月三十一日 尚未行使 | HK\$1.974 1.974港元 | — | HK\$1.974 1.974港元 | 21,094 |
| Exercisable at 31 December 2009 | 於二零零九年十二月三十一日 可行使 | HK\$1.974 1.974港元 | — | HK\$1.974 1.974港元 | 21,094 |

No share options were exercised during the year ended 31 December 2010. The weighted average share price at the date of exercise for share options exercised during the year ended 31 December 2009 was HK\$1.86.

The options outstanding at 31 December 2009 had an exercise price of HK\$1.974 and a weighted average remaining contractual life of 1 year.

(b) 本公司之購股權計劃(續)

- (ii) 根據該計劃所授出購股權的條款及條件如下：

截至二零一零年十二月三十一日止年度並無購股權獲行使。截至二零零九年十二月三十一日止年度行使之購股權於行使日期之加權平均股價為1.86港元。

於二零零九年十二月三十一日尚未行使之購股權之行使價為1.974港元，而加權平均餘下合約年期為1年。

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(Expressed in Renminbi) (以人民幣列值)

30 Share capital

(a) The Group

Details of the movements in capital and reserves of the Group are set out in the consolidated statement of changes in equity.

(b) The Company

30 股本

(a) 本集團

本集團資本及儲備變動的詳情載於綜合權益變動表。

(b) 本公司

| | | Share capital 股本 | Share premium 股份溢價 | Capital reserve 資本儲備 | Exchange reserve 匯兌儲備 | Accumulated losses 累計虧損 | Total 合計 |
|---|----------------------------|---------------------|-----------------------|-------------------------|--------------------------|----------------------------|------------------|
| | Note 附註 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 |
| Balance at 1 January 2009 | 於二零零九年一月一日之結餘 | 152,189 | 740,854 | 7,403 | 175 | (30,356) | 870,265 |
| Changes in equity for 2009: | 二零零九年之權益變動： | | | | | | |
| Profit for the year | 年度利潤 | - | - | - | - | (100,797) | (100,797) |
| Other comprehensive income | 其他全面收入 | - | - | - | (10,496) | - | (10,496) |
| Total comprehensive income | 全面收入總額 | - | - | - | (10,496) | (100,797) | (111,293) |
| Dividends approved in respect of the previous year | 就過往年度批准之股息 | 9(b) | - | (25,361) | - | - | (25,361) |
| Shares issued in lieu of cash dividend | 就取代現金股息發行股份 | 30(d) | 485 | 14,292 | - | - | 14,777 |
| Shares issued under the listing of Taiwan Depository Receipts | 根據台灣存託憑證上市發行股份 | 30(e) | 8,824 | 191,766 | - | - | 200,590 |
| Share issuing costs | 股份發行成本 | 30(e) | - | (3,780) | - | - | (3,780) |
| Shares issued under the share option scheme | 根據購股權計劃發行股份 | 30(f) | 960 | 17,977 | - | - | 18,937 |
| Equity settled share-based transactions | 以股權結算股份支付之交易 | | - | 4,680 | 7,465 | 3,904 | 16,049 |
| Balance at 31 December 2009 and 1 January 2010 | 於二零零九年十二月三十一日及二零一零年一月一日之結餘 | 162,458 | 940,428 | 14,868 | (10,321) | (127,249) | 980,184 |
| Changes in equity for 2010: | 二零一零年之權益變動： | | | | | | |
| Profit for the year | 年度利潤 | - | - | - | - | (8,473) | (8,473) |
| Other comprehensive income | 其他全面收入 | - | - | - | (43,601) | - | (43,601) |
| Total comprehensive income | 全面收入總額 | - | - | - | (43,601) | (8,473) | (52,074) |
| Equity settled share-based transactions | 以股權結算股份支付之交易 | - | - | (14,868) | - | 14,868 | - |
| Balance at 31 December 2010 | 於二零一零年十二月三十一日之結餘 | 162,458 | 940,428 | - | (53,922) | (120,854) | 928,110 |

30 Share capital (continued)

(c) Authorised and issued share capital

30 股本(續)

(c) 法定及已發行股本

| | | The Company 本公司 | | | |
|--|---------------------------------|-----------------------|--------------------------|-----------------------|--------------------------|
| | | 2010 二零一零年 | | 2009 二零零九年 | |
| | | No. of shares 股份數目 | '000 千元 | No. of shares 股份數目 | '000 千元 |
| Authorised: | 法定： | | | | |
| Ordinary shares of HK\$0.1 each | 每股面值0.1港元的普通股 | 5,000,000,000 | HK\$500,000 港幣500,000 | 5,000,000,000 | HK\$500,000 港幣500,000 |
| Equivalent to | 相等於 | | RMB450,000 人民幣450,000 | | RMB450,000 人民幣450,000 |
| Ordinary shares, issued and fully paid: | 已發行及繳足普通股： | | | | |
| At 1 January | 於一月一日 | 1,807,170,425 | RMB162,458 人民幣162,458 | 1,690,766,500 | RMB152,189 人民幣152,189 |
| Shares issued in lieu of cash dividend (note 30(d)) | 就取代現金股息發行股份 (附註30(d)) | - | - | 5,513,925 | 485 |
| Shares issued under the listing of Taiwan Depository Receipts (note 30(e)) | 根據台灣存託憑證 上市發行股份 (附註30(e)) | - | - | 100,000,000 | 8,824 |
| Shares issued under the share option scheme (note 30(f)) | 根據購股權計劃發行股份 (附註30(f)) | - | - | 10,890,000 | 960 |
| At 31 December | 於十二月三十一日 | 1,807,170,425 | RMB162,458 人民幣162,458 | 1,807,170,425 | RMB162,458 人民幣162,458 |

(d) Shares issued in lieu of cash dividends

On 20 March 2009, the Board announced and recommended the payment of a final dividend of HK\$0.017 (equivalent to RMB0.015) per share for the year ended 31 December 2008 with a scrip alternative to the shareholders on the register of members of the Company on 12 June 2009, where the shareholders could elect to receive the dividends by allotment of new shares credited as fully paid in lieu of cash (the "Scrip Dividend Scheme"). Shareholders were entitled to 0.00557 shares for each share held by them if they elected to receive the dividends by allotment of new shares.

(d) 就取代現金股息發行股份

於二零零九年三月二十日，董事會宣佈及建議向於二零零九年六月十二日名列本公司股東名冊之股東派付截至二零零八年十二月三十一日止年度之終期股息每股0.017港元（相當於人民幣0.015元），附帶以股代息選擇股，股東可選擇以配發入賬列作繳足之新股份取代現金之方式收取股息（「以股代息計劃」）。倘股東選擇以配發新股份之方式收取股息，則彼等有權就所持有之每股股份獲發0.00557股股份。

Notes to the Financial Statements

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(Expressed in Renminbi) (以人民幣列值)

30 Share capital (continued)

(d) Shares issued in lieu of cash dividends (continued)

On 17 July 2009, 5,513,925 shares of HK\$0.1 each were issued under the Scrip Dividend Scheme, representing 990,563,165 shares for which the shareholders elected to receive the dividends by allotment of new shares. The nominal value of these new shares of HK\$551,000 (equivalent to RMB485,000) was credited to share capital and the balance of HK\$16,288,000 (equivalent to RMB14,292,000) was credited to share premium account.

(e) Shares issued under the listing of Taiwan Depository Receipts

On 10 December 2009, 100,000,000 units of Taiwan depository receipts ("TDR"), representing 100,000,000 new shares of HK\$0.1 (equivalent to RMB0.088) each of the Company, were offered for subscription by the public in the Republic of China at an offer price of NT\$9.45 (equivalent to RMB2.01) per TDR and were listed on the Taiwan Stock Exchange Corporation ("Taiwan Stock Exchange") on 11 December 2009. 100,000,000 new shares of the Company were issued by the Company. The Group raised proceeds of RMB196,810,000 net of related expenses from the listing of the Taiwan Depository Receipts on the Taiwan Stock Exchange.

(f) Shares issued under share option scheme

The Company adopted the Share Option Scheme (the "Scheme") on 27 February 2008 for the recruitment and retention of quality executives and employees as disclosed in note 29(b).

During the year ended 31 December 2009, share options granted under the Scheme were exercised to subscribe for 10,890,000 ordinary shares of the Company at a consideration of HK\$21,497,000, of which HK\$1,089,000 (equivalent to RMB960,000) was credited to share capital and the balance of HK\$20,408,000 (equivalent to RMB17,977,000) was credited to the share premium account.

No share option granted under the Scheme has been exercised during the year ended 31 December 2010.

30 股本(續)

(d) 就取代現金股息發股份(續)

於二零零九年七月十七日，根據以股代息計劃發行5,513,925股每股面值0.1港元之股份，即有990,563,165股股份之股東選擇以配發新股份之方式收取股息。該等新股份之面值551,000港元(相當於人民幣485,000元)已計入股本，而餘額16,288,000港元(相當於人民幣14,292,000元)已計入股份溢價賬。

(e) 根據台灣存託憑證上市發行股份

於二零零九年十二月十日，100,000,000份台灣存託憑證(「台灣存託憑證」，相當於100,000,000股本公司每股面值0.1港元(相當於人民幣0.088元)之新股份)提呈供中華民國之公眾人士按發售價每份台灣存託憑證9.45新台幣(相當於人民幣2.01元)認購，並於二零零九年十二月十一日於台灣證券交易所股份有限公司(「台灣證交所」)上市。本公司發行100,000,000股本公司新股份。扣除有關開支後，本集團就台灣存託憑證於台灣證交所上市籌得之所得款項為人民幣196,810,000元。

(f) 根據購股權計劃發行股份

本公司於二零零八年二月二十七日採納購股權計劃(「該計劃」)，以聘用及留聘優秀行政人員及僱員，詳情於附註29(b)披露。

於截至二零零九年十二月三十一日止年度，根據該計劃授出之購股權已獲行使認購10,890,000股本公司普通股，代價為21,497,000港元，當中1,089,000港元(相當於人民幣960,000元)已計入股本，而餘額20,408,000港元(相當於人民幣17,977,000元)已計入股份溢價賬。

截至二零一零年十二月三十一日止年度，並無根據該計劃授出購股權。

31 Reserves

The nature and purpose of reserves are set out below:

(a) Share premium

The application of the share premium account is governed by the Companies Law of the Cayman Islands. The share premium is distributable.

(b) General reserve fund

Pursuant to articles of association of the Company's subsidiaries incorporated in the PRC, these PRC subsidiaries are required to transfer a minimum of 10% of their profits after taxation based on their PRC statutory financial statements to the general reserve fund until the balance of the fund is at least half of the paid-in capital of the relevant subsidiaries. The amounts allocated to this reserve are determined by the respective boards of directors with reference to the minimum requirement.

For the entities concerned, the general reserve fund can be used to make good previous years' losses, if any, and may be converted into capital in proportion to the equity holders' existing equity holdings, provided that the balance after such conversion is not less than 25% of the registered capital.

(c) Capital reserve

The capital reserve comprises the fair value of shares allotted and issued over the subscription costs and share options granted to employees of the Group recognised in accordance with the accounting policy adopted for share-based payments in note 1(n)(iii).

31 儲備

儲備的性質及目的載列如下：

(a) 股份溢價

股份溢價賬的應用受開曼群島公司法所規管。股份溢價可予分派。

(b) 一般儲備金

根據本公司於中國註冊成立之附屬公司之組織章程細則，此等中國附屬公司須將其中國法定財務報告所示之除稅後利潤最少10%轉撥至一般儲備金，直至該儲備金結餘至少達相關附屬公司實繳股本一半。各自董事會經參照最低要求後，釐定分配至該儲備之金額。

就有關實體而言，一般儲備金可用作彌補以往年度虧損(如有)，亦可按權益持有人現時的持股比例兌換為資本，惟兌換後結餘不得少於註冊資本的25%。

(c) 資本儲備

資本儲備為配發及發行予本集團僱員的股份超逾認購成本的部分以及授予彼等的購股權遵照附註1(n)(iii)所載有關就以股份支付款項所採納會計政策而確認的公平值。

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(Expressed in Renminbi) (以人民幣列值)

31 Reserves (continued)

(d) Other reserve

The other reserve represents:

- (i) The difference between Tayaneng's attributable shares of the nominal value of the paid-up capital of the subsidiaries acquired over the consideration paid by Tayaneng to obtain the equity interests in these subsidiaries.

Pursuant to reorganisation of the Group to rationalise the Group's structure ("the Reorganisation") in preparation of the public listing of the Company which became the holding company of the subsidiaries on 7 May 2007, Tayaneng acquired equity interests of 75%, 70%, 74.17% and 75% in Yangguang, Huachang, Huari and Xinri respectively on 9 March 2007. The difference between Tayaneng's attributable share of the nominal value of these subsidiaries of RMB74,858,000 and the consideration paid of RMB74,782,000 amounted to RMB76,000 and was credited to other reserve account.

- (ii) The difference between the net asset value of Tayaneng and its subsidiaries acquired and the nominal value of the issued share capital of Tayaneng.

The other reserve is non-distributable.

(e) Exchange reserve

The exchange reserve comprises all exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policy set out in note 1(r).

(f) Distributability of reserves

At 31 December 2010, the aggregate amount of reserves available for distribution to equity shareholders of the Company was RMB819,574,000 (2009: RMB813,179,000).

(g) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

31 儲備(續)

(d) 其他儲備

其他儲備指：

- (i) Tayaneng於所收購附屬公司應佔實繳資本之面值超出Tayaneng就獲得此等附屬公司之股權所支付代價之差額。

根據本集團就理順本集團架構，為本公司公開上市作準備而進行之重組（「重組」，使本公司於二零零七年五月七日成為附屬公司之控股公司），Tayaneng於二零零七年三月九日收購錦州陽光、錦州華昌、錦州華日及錦州新日分別75%、70%、74.17%及75%股權。Tayaneng於此等附屬公司應佔面值人民幣74,858,000元與已支付代價人民幣74,782,000元之差額為人民幣76,000元，已計入其他儲備賬。

- (ii) 所收購Tayaneng及其附屬公司的資產淨值與Tayaneng已發行股本面值之差額。

其他儲備為不可分派的儲備。

(e) 匯兌儲備

匯兌儲備包括所有因換算海外業務財務報告而產生之匯兌差額。本儲備按附註1(r)所載之會計政策處理。

(f) 儲備的可供分派性

於二零一零年十二月三十一日，可供分派予本公司權益股東的儲備總額為人民幣819,574,000元（二零零九年：人民幣813,179,000元）。

(g) 資金管理

本集團管理資金的首要目的為根據風險水平釐定產品及服務價格以及按合理成本取得融資，藉此保障本集團能持續營運，繼續為股東提供回報與為其他權益持有人帶來利益。

31 Reserves (continued)

(g) Capital management (continued)

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group monitors its capital structure on the basis of a gearing ratio. For this purpose, the Group defines gearing ratio as total borrowings to total share capital and reserves.

The gearing ratio at 31 December 2010 and 2009 were as follows:

31 儲備(續)

(g) 資金管理(續)

本集團積極定期檢討和管理其資本結構，在高借貸水平所可能帶來更高股東回報，以及穩健資本狀況所提供的優勢和保障兩者中間取得平衡，並因應經濟情況轉變而調整資本結構。

本集團以資產負債比率監察其資本結構。就此而言，本集團將資產負債比率定義為借貸總額相對總股本及儲備之比率。

於二零一零年及二零零九年十二月三十一日之資產負債比率如下：

| | | The Group 本集團 | |
|---------------------------------|---------------|-----------------------------------|-----------------------------------|
| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
| | Note 附註 | | |
| Current liabilities: | 流動負債： | | |
| Short-term bank loans | 短期銀行貸款 | 648,011 | 289,274 |
| Non-current liabilities: | 非流動負債： | | |
| Municipal government loan | 市政府貸款 | 3,095 | 3,227 |
| Long-term bank loan | 長期銀行貸款 | 85,000 | 70,000 |
| | | 88,095 | 73,227 |
| Total borrowings | 借貸總額 | 736,106 | 362,501 |
| Share capital | 股本 | 162,458 | 162,458 |
| Reserves | 儲備 | 1,444,320 | 1,225,261 |
| | | 1,606,778 | 1,387,719 |
| Gearing ratio | 資產負債比率 | 45.8% | 26.1% |

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

本公司及其任何附屬公司均毋須遵守外界施加之資本規定。

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(Expressed in Renminbi) (以人民幣列值)

32 Related party transactions

During the year, transactions with the following parties are considered to be related party transactions:

32 關連方交易

年內，與下列人士進行之交易被視為關連方交易：

| Name of party 訂約方名稱 | Relationship 關係 |
|--|---|
| Jinzhou Changhua Carbon Products Company Limited ("Jinzhou Changhua") 錦州昌華碳素製品有限公司(「錦州昌華」) | Significantly influenced by Tan Wenhua, an executive director of the Company 受本公司執行董事譚文華重大影響 |
| Wafer Works Corp. ("WWX") 合晶科技股份有限公司(「合晶科技」) | Equity shareholder of the Company 本公司之權益股東 |
| Jinzhou Huarong Property Management Company Limited ("Jinzhou Huarong") 錦州華榮物業管理有限公司(「錦州華榮」) | Controlled by Tan Wenhua 受譚文華控制 |
| Jinzhou Huachang Photovoltaic Technology Company Limited ("Huachang Guangfu") 錦州華昌光伏科技有限公司(「華昌光伏」) | Controlled by Tan Wenhua 受譚文華控制 |
| Jinzhou Youxin Electronic Materials Company Limited ("Jinzhou Youxin") 錦州佑鑫電子材料有限公司(「錦州佑鑫」) | Significantly influenced by Chong Kin Ngai, a non-executive director of the Company 受本公司非執行董事莊堅毅重大影響 |
| Wafer Works (Shanghai) Corp. ("WWXS") 上海合晶硅材料有限公司(「合晶硅材料」) | Subsidiary of WWX 合晶科技之附屬公司 |
| Jinzhou Aoke New Materials Co., Ltd. ("Jinzhou Aoke") 錦州奧克新材料有限公司(「錦州奧克」) | Significantly influenced by Tan Wenhua 受譚文華重大影響 |
| Kinmac Solar Corp. ("Kinmac") 景懋光電股份有限公司(「景懋」) | Equity shareholder of the Company 本公司之權益股東 |
| Jinzhou Jingxin Semi-conductor Material Co., Ltd.. ("Jinzhou Jingxin") 錦州京鑫半導體材料有限公司(「錦州京鑫」) | Controlled by a close family member of Tan Wenhua 受譚文華之直系親戚控制 |
| Space Energy Corporation ("SEC") 宇宙能源株式會社(「宇宙能源株式會社」) | Equity shareholder of the Company (Ceased to be a related party of the Group since 1 January 2010 upon disposal of all of its shares in the Company) 本公司之權益股東 (於二零一零年一月一日出售其於本公司之所有股份後不再為本集團關連方) |

32 Related party transactions (continued)

Particulars of significant transactions between the Group and the above related parties during the year are as follows:

(a) Recurring transactions

| | | The Group 本集團 | |
|---------------------------|------------|-----------------------------------|-----------------------------------|
| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
| Sales of goods to: | 銷售貨品予： | | |
| • Huachang Guangfu | • 華昌光伏 | 419,000 | 195,546 |
| • Jinzhou Aoke | • 錦州奧克 | 15,302 | 8,640 |
| • WWX | • 合晶科技 | 520 | 17,350 |
| • WWXS | • 合晶硅材料 | 430 | - |
| • Jinzhou Youxin | • 錦州佑鑫 | 216 | - |
| • Jinzhou Huarong | • 錦州華榮 | 211 | 30 |
| • Jinzhou Changhua | • 錦州昌華 | 105 | 41 |
| • SEC | • 宇宙能源株式會社 | N/A 不適用 | 78 |
| Provision of services to: | 提供服務予： | | |
| • SEC | • 宇宙能源株式會社 | N/A 不適用 | 15,344 |
| • WWX | • 合晶科技 | - | 3,817 |
| • WWXS | • 合晶硅材料 | - | 370 |
| | | 435,784 | 241,216 |

32 關連方交易 (續)

本集團與上述關連方於年內所進行主要交易之詳情如下：

(a) 經常性交易

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財務報告附註

(Expressed in Renminbi) (以人民幣列值)

32 Related party transactions (continued)

(a) Recurring transactions (continued)

| | | The Group 本集團 | |
|--|--------------|-----------------------------------|-----------------------------------|
| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
| Purchases of goods from: | 向下列各方購買貨品： | | |
| • WWX | • 合晶科技 | 84,430 | 110,029 |
| • Jinzhou Youxin | • 錦州佑鑫 | 58,429 | 31,190 |
| • Huachang Guangfu | • 華昌光伏 | 47,602 | 7,359 |
| • Jinzhou Changhua | • 錦州昌華 | 34,737 | 14,375 |
| • Jinzhou Aoke | • 錦州奧克 | 3,210 | 4,959 |
| • Kinmac | • 景懋 | - | 65 |
| • SEC | • 宇宙能源株式會社 | N/A不適用 | 59 |
| Processing services received from Jinzhou Jingxin | 由錦州京鑫提供加工服務 | 2,653 | 1,045 |
| Rental expense paid to Huachang Guangfu | 支付予華昌光伏之租金開支 | 574 | 479 |
| Provision of electricity and water by Jinzhou Huarong | 錦州華榮提供水電 | 1,459 | 1,275 |
| | | 233,094 | 170,835 |

Pursuant to the tenancy agreement entered into between Huachang Guangfu and the Group in 2010, Huachang Guangfu granted the Group a right to use a portion of its land with no charge for the period from 1 May 2010 to 30 April 2020.

根據華昌光伏與本集團於二零一零年訂立之租賃協議，華昌光伏授予本集團權利，於二零一零年五月一日起至二零二零年四月三十日止期間免費使用其部分土地。

(b) Non-recurring transactions

(b) 非經常性交易

| | | The Group 本集團 | |
|--|--------------|-----------------------------------|-----------------------------------|
| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
| Purchase of machinery and equipment from Huachang Guangfu | 向華昌光伏購買機器及設備 | - | 2,056 |

32 Related party transactions (continued)

(c) Amounts due from related parties

32 關連方交易(續)

(c) 應收關連方款項

| | | The Group 本集團 | |
|---|---------|-----------------------------------|-----------------------------------|
| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
| Trade | 貿易 | | |
| • Huachang Guangfu | • 華昌光伏 | 57,007 | 88,094 |
| • WWX | • 合晶科技 | 14,130 | 31,799 |
| • Jinzhou Aoke | • 錦州奧克 | 2,583 | 3,435 |
| • Jinzhou Youxin | • 錦州佑鑫 | 1,984 | - |
| • WWXS | • 合晶硅材料 | 100 | - |
| | | 75,804 | 123,328 |
| <hr style="border-top: 1px dashed black;"/> | | | |
| Non-trade | 非貿易 | | |
| • Jinzhou Changhua | • 錦州昌華 | - | 2,000 |
| • Huachang Guangfu | • 華昌光伏 | - | 100 |
| • Jinzhou Huarong | • 錦州華榮 | - | 22 |
| | | - | 2,122 |
| | | 75,804 | 125,450 |

The amounts due from related parties are unsecured, interest free and are expected to be recovered or recognised as expense within one year.

應收關連方款項為無抵押、免息及預期可於一年內收回或確認為開支。

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(Expressed in Renminbi) (以人民幣列值)

32 Related party transactions (continued)

(d) Amounts due to related parties

| | | The Group 本集團 | |
|--------------------|---------|-----------------------------------|-----------------------------------|
| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
| Trade | 貿易 | | |
| • Jinzhou Youxin | • 錦州佑鑫 | 20,013 | 11,305 |
| • Huachang Guangfu | • 華昌光伏 | 46,960 | 133 |
| • Jinzhou Changhua | • 錦州昌華 | 10,143 | 10,961 |
| • Jinzhou Huarong | • 錦州華榮 | 376 | – |
| • Jinzhou Jingxin | • 錦州京鑫 | 326 | – |
| • Jinzhou Aoke | • 錦州奧克 | 271 | 376 |
| • Kinmac | • 景懋 | 31 | – |
| • WWX | • 合晶科技 | – | 3,688 |
| • WWXS | • 合晶硅材料 | – | 64 |
| | | 78,120 | 26,527 |

The amounts due to related parties are unsecured, interest free and expected to be settled within one year.

(e) Key management personnel remuneration

Key management personnel receive compensation in the form of salaries, housing and other allowances, benefits in kind, discretionary bonuses and retirement scheme contributions. Details of key management personnel remuneration are disclosed in notes 11 and 12. Total remuneration is included in “staff costs” as disclosed in note 6(b).

32 關連方交易(續)

(d) 應付關連方款項

應付關連方款項為無抵押、免息及預期可於一年內償還。

(e) 主要管理人員薪酬

主要管理人員以薪金、住房及其他津貼、實物利益、酌情花紅及退休計劃供款的方式收取酬金。主要管理人員薪酬詳情於附註11及12披露。薪酬總額撥入「員工成本」，詳情於附註6(b)披露。

33 Capital commitments

Capital commitments that relate to purchase of property, plant and equipment outstanding at 31 December 2010 not provided for in the financial statements are as follows:

| | | The Group 本集團 | |
|-----------------------------------|---------|-----------------------------------|-----------------------------------|
| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
| Authorised and contracted for | 已授權並已訂約 | 256,972 | 254,828 |
| Authorised but not contracted for | 已授權但未訂約 | 141,235 | 52,175 |

34 Operating lease commitments

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

| | | The Group 本集團 | |
|---------------------------------|---------|-----------------------------------|-----------------------------------|
| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
| Within 1 year | 一年內 | 2,013 | 2,628 |
| After 1 year but within 5 years | 一年後但五年內 | 3,507 | 5,408 |
| After 5 years | 五年後 | 1,818 | 1,930 |
| | | 7,338 | 9,966 |

The Group is the lessee in respect to a number of properties held under operating leases. The leases typically run for an initial period of two to twenty years, with an option to renew each lease upon expiry when all terms are renegotiated. None of the leases include contingent rentals.

33 資本承擔

有關購置物業、廠房及設備於二零一零年十二月三十一日尚未償還且並未在財務報告內撥備之資本承擔如下：

34 經營租賃承擔

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

本集團為多項根據經營租賃所持物業的承租人。該等租賃一般初步為期二至二十年，可於各份租賃屆滿時選擇重續，所有條款於重續時重新磋商。該等租賃並不包括或然租金。

Notes to the Financial Statements

財務報告附註

(Expressed in Renminbi) (以人民幣列值)

35 Financial risk management and fair values

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

The Group's credit risk is primarily attributable to cash at banks, trade debtors and prepayments made to suppliers. Cash at banks are placed with financial institutions that have sound credit ratings and the Group considers the credit risk to be insignificant.

In respect of trade debtors and prepayments made to suppliers, individual credit evaluations are performed on customers/suppliers on a case-by-case basis. These evaluations focus on the customer's past history of making payments when due and current ability to pay as well as the supplier's past history of supplying raw materials and take into account information specific to the customer/supplier as well as pertaining to the economic environment in which the customer/supplier operates. Trade debtors are due within 30 to 90 days from the date of billing. Normally, the Group does not obtain collateral from customers and suppliers.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer and supplier. The default risk of the industry and country in which customers/suppliers operate also has an influence on credit risk but to a lesser extent. At the end of the reporting period, the Group has a certain concentration of credit risk as 7% and 16% (2009: 22% and 18%) of the total trade and other receivables was due from the Group's largest customer and the supplier with the largest prepayment balance, respectively, and 18% and 45% (2009: 36% and 39%) was due from the five largest customers and suppliers with five largest prepayment balances, respectively, of the Group.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated statement of financial position. The Group does not provide any other guarantees which would expose the Group to credit risk.

35 財務風險管理及公平值

本集團所承擔的信貸、流動資金、利率及貨幣風險來自本集團的日常業務。本集團為管理所承擔之該等風險及財務風險而採用之管理政策及慣例如下。

(a) 信貸風險

本集團的信貸風險主要來自銀行現金以及支付予供應商之應收貿易賬款及預付款項。銀行現金存放於本集團認為無甚信貸風險且有良好信貸評級的金融機構。

就支付予供應商之應收貿易賬款及預付款項，本集團會按個別情況個別評估客戶／供應商的信貸狀況。該等評估集中於客戶過往之到期付款記錄及現時付款能力，以及供應商過往提供原材料之記錄，並會考慮客戶／供應商特有之賬戶資料及客戶／供應商經營地之有關經濟環境。應收貿易賬款於賬單日期起30至90日內到期。一般而言，本集團不會自客戶及供應商收取抵押品。

本集團之信貸風險主要受各客戶及供應商之個別特質影響。客戶／供應商經營之行業及所處國家之欠款風險亦對信貸風險有一定影響，但程度較輕。於報告期間結算日，本集團有若干程度信貸過份集中的風險，因為應收貿易賬款及其他應收款項總額中分別有7%及16% (二零零九年：22%及18%) 來自本集團最大客戶及供應商 (彼等佔預付款項之大部分) 的欠款，另18%及45% (二零零九年：36%及39%) 則來自本集團五大客戶及供應商 (彼等佔預付款項之五大部分) 的欠款。

最大的信貸風險為綜合財務狀況表中各項財務資產的賬面值。本集團並無提供任何其他擔保，致令本集團需承擔信貸風險。

35 Financial risk management and fair values 35 財務風險管理及公平值(續)

(continued)

(b) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements 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 show the remaining contractual maturities at the end of the reporting period 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 end of the reporting period) and the earliest date the Group and the Company can be required to pay.

The Group

| | | 2010 二零一零年 | | | | | | 2009 二零零九年 | | | | | |
|---------------------------|---------------|--|--------------------|--------------------------------------|--|---|------------------------|--|------------------|--------------------------------------|--|---|------------------------|
| | | Contractual undiscounted cash outflow 未貼現合約現金流量 | | | | | | Contractual undiscounted cash outflow 未貼現合約現金流量 | | | | | |
| | | Carrying amount at 31 December 於十二月三十一日之賬面值 | Total | Within 1 year or on demand 一年內或接獲通知時 | More than 1 year but less than 2 years 超過一年但少於兩年 | More than 2 years but less than 5 years 超過兩年但少於五年 | More than 5 years 超過五年 | Carrying amount at 31 December 於十二月三十一日之賬面值 | Total | Within 1 year or on demand 一年內或接獲通知時 | More than 1 year but less than 2 years 超過一年但少於兩年 | More than 2 years but less than 5 years 超過兩年但少於五年 | More than 5 years 超過五年 |
| | | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 |
| Short-term bank loans | 短期銀行貸款 | 648,011 | (660,201) | (660,201) | - | - | - | 289,274 | (297,362) | (297,362) | - | - | - |
| Municipal government loan | 市政府貸款 | 3,095 | (4,146) | (456) | (447) | (1,286) | (1,957) | 3,227 | (4,612) | (466) | (456) | (1,313) | (2,377) |
| Long-term bank loans | 長期銀行貸款 | 85,000 | (115,569) | (6,365) | (6,365) | (102,839) | - | 70,000 | (77,477) | - | (77,477) | - | - |
| Trade and other payables | 應付貿易賬款及其他應付款項 | 463,322 | (464,707) | (464,707) | - | - | - | 206,170 | (206,170) | (206,170) | - | - | - |
| | | 1,199,428 | (1,244,623) | (1,131,729) | (6,812) | (104,125) | (1,957) | 568,671 | (585,621) | (503,998) | (77,933) | (1,313) | (2,377) |

(b) 流動資金風險

本集團的政策是定期監察當期和預期流動資金的需求，以確保其備存充裕現金儲備及向各大金融機構取得充足承諾信貸額度，以應付長短期的流動資金需求。

下表載列本集團及本公司財務負債於報告期間結算日之餘下合約年限，有關財務負債乃以未折現合約現金流量(包括根據合約利率或(如為浮息)根據報告期間結算日當前利率計算之利息付款)以及本集團及本公司須還款最早日期作為基礎。

本集團

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(Expressed in Renminbi) (以人民幣列值)

35 Financial risk management and fair values 35 財務風險管理及公平值(續)

(continued)

(b) Liquidity risk (continued)

The Company

(b) 流動資金風險(續)

本公司

| | | 2010 二零一零年 | | | 2009 二零零九年 | | |
|-------------------------------------|-------------|---|----------|---|---|----------|---|
| | | Contractual undiscounted cash outflow 未貼現合約現金流量 | | | Contractual undiscounted cash outflow 未貼現合約現金流量 | | |
| | | Carrying amount at 31 December 於十二月 三十一日 之賬面值 RMB'000 人民幣千元 | Total | Within 1 year or on demand 一年內或接獲 通知時 RMB'000 人民幣千元 | Carrying amount at 31 December 於十二月 三十一日 之賬面值 RMB'000 人民幣千元 | Total | Within 1 year or on demand 一年內或接獲 通知時 RMB'000 人民幣千元 |
| Other payables and accrued expenses | 其他應付款項及應計費用 | 2,532 | (2,532) | (2,532) | 3,433 | (3,433) | (3,433) |
| Amounts due to subsidiaries | 應付附屬公司款項 | 21,461 | (21,461) | (21,461) | 22,049 | (22,049) | (22,049) |
| | | 23,993 | (23,993) | (23,993) | 25,482 | (25,482) | (25,482) |

(c) Interest rate risk

Except for bank deposits with stable interest rates, the Group has no other significant interest bearing assets. Accordingly, the Group's income and operating cash flows are substantially independent of changes in market interest rates. Details of the effective interest rates for bank deposits are disclosed in notes 21 and 22. The Group's interest rate risk arises mainly from borrowings. Borrowings obtained at variable rates and at fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk, respectively. The Group does not use derivative financial instruments to hedge its interest rate risk.

(c) 利率風險

除穩定利率之銀行存款外，本集團並無其他重大計息資產。因此，本集團之收益及經營現金流量大致上不受市場利率變動影響。有關銀行存款實際利率之詳情於附註21及22中披露。本集團之利率風險主要來自借貸。浮息及定息借貸使本集團分別承擔現金流利率風險及公平值利率風險。本集團並無使用衍生財務工具對沖其利率風險。

35 Financial risk management and fair values 35 財務風險管理及公平值(續)

(continued)

(c) Interest rate risk (continued)

(i) Interest rate profile

The following table details the interest rate profile of the Group's net borrowings at the end of the reporting period.

| | | 2010 二零一零年 | | 2009 二零零九年 | |
|---|---------------|-------------------------------|---------|-------------------------------|---------|
| | | Effective interest rate | RMB'000 | Effective interest rate | RMB'000 |
| | | 實際利率 % | 人民幣千元 | 實際利率 % | 人民幣千元 |
| Variable rate borrowings | 浮息借貸 | | | | |
| Short-term unsecured bank loans | 短期無抵押銀行貸款 | 1.98-6.12 | 578,011 | 4.86-6.90 | 289,274 |
| Fixed rate borrowings | 定息借貸 | | | | |
| Municipal government loan | 市政府貸款 | 2.55 | 3,095 | 2.55 | 3,227 |
| Short-term unsecured bank loan | 短期無抵押銀行貸款 | 5.40 | 70,000 | | - |
| Long-term bank loan | 長期銀行貸款 | 7.49 | 85,000 | 5.40 | 70,000 |
| | | | 158,095 | | 73,227 |
| Total borrowings | 借貸總額 | | 736,106 | | 362,501 |
| Fixed rate borrowings as a percentage of total borrowings | 定息借貸佔借貸總額的百分比 | | 21.5% | | 20.2% |

(ii) Sensitivity analysis

At 31 December 2010, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would have decreased/increased the Group's profit after taxation and retained earnings by approximately RMB4,483,000 (2009: increased/decreased loss after taxation and retained earnings by approximately RMB2,438,000).

The sensitivity analysis above indicates the instantaneous change in the Group's profit after taxation (and retained earnings) that would have arisen assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to the exposure to interest rate risk for financial instruments in existence at that date. The analysis has been performed on the same basis for 2009.

(c) 利率風險(續)

(i) 利率概況

下表詳列本集團於報告期間結算日借貸淨額的利率概況。

(ii) 敏感度分析

於二零一零年十二月三十一日，估計整體利率上升/下降100個基點，而所有其他可變因素維持不變，本集團的除稅後利潤及保留盈利將會下降/上升約人民幣4,483,000元(二零零九年：除稅後虧損及保留盈利上升/下降約人民幣2,438,000元)。

以上敏感度分析顯示假設利率變動於報告期間結算日發生，並把利率變動應用於當天存在的財務工具所承擔的利率風險時，本集團除稅後利潤(及保留盈利)之即時變動。二零零九年的分析是以相同的基準進行。

Notes to the Financial Statements

財務報告附註

(Expressed in Renminbi) (以人民幣列值)

35 Financial risk management and fair values 35 財務風險管理及公平值(續)

(continued)

(d) Currency risk

The Group is exposed to currency risk primarily through sales and purchases, bank loans and cash and bank deposits that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily the United States Dollar, Euros and the Hong Kong Dollar. The directors do not expect any significant impact from movements in exchange rates since the Group uses the foreign currencies collected from customers to settle the amounts due to suppliers. In addition, the directors ensure that the net exposure is kept to an acceptable level by buying or selling the United States Dollar and Euros at spot rates where necessary to address short-term imbalances.

(i) Exposure to currency risk

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate.

(d) 外匯風險

本集團承受的外匯風險，主要來自以外幣(即與交易相關之業務與功能貨幣以外貨幣)計值之銷售及採購銀行貸款以及現金及銀行存款。產生此等風險之貨幣主要為美元、歐元及港元。董事並不預期匯率變動會對本集團造成任何重大影響，因為本集團使用自客戶收回之外幣向供應商支付款項。此外，董事在需要時可藉著按即期匯率買入或賣出美元及歐元解決短期失衡，以確保淨風險維持於可接受水平。

(i) 外匯風險

下表詳列本集團於報告期間結算日承擔的外匯風險，外匯風險因以相關實體功能貨幣以外貨幣計值之已確認資產或負債而產生。

The Group

本集團

Exposure to foreign currencies (expressed in Renminbi)

外匯風險 (以人民幣列值)

| | | 2010 | | | 2009 | |
|-----------------------------|---------------|-----------------------|----------|-------------------|-----------------------|-------------------|
| | | 二零一零年 | | | 二零零九年 | |
| | | United States Dollars | Euros | Hong Kong Dollars | United States Dollars | Hong Kong Dollars |
| | | 美元 | 歐元 | 港元 | 美元 | 港元 |
| | | 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 |
| Trade and other receivables | 應收貿易賬款及其他應收款項 | 62,069 | 27,714 | - | 21,857 | - |
| Cash at bank and in hand | 銀行及手頭現金 | 43,008 | - | 2,465 | 67,607 | 10,911 |
| Bank loans | 銀行貸款 | (340,884) | (23,131) | - | (84,274) | - |
| Trade and other payables | 應付貿易賬款及其他應付款項 | (17,526) | (46,685) | - | (82) | - |
| | | (253,333) | (42,102) | 2,465 | 5,108 | 10,911 |

35 Financial risk management and fair values 35 財務風險管理及公平值(續)

(continued)

(d) Currency risk (continued)

(ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's profit/loss after taxation and retained earnings in response to reasonably possible changes in the foreign exchange rates to which the Group has significant exposure at the balance sheet date.

(d) 外匯風險(續)

(ii) 敏感度分析

下表顯示本集團因於結算日承擔重大風險的匯率可能出現的合理變動，而令本集團除稅後利潤／虧損及保留盈利出現的即時變動。

| | | The Group 本集團 | | | | | |
|-----------------------|----|--|---|---|--|---|---|
| | | 2010 二零一零年 | | | 2009 二零零九年 | | |
| | | Increase/ (decrease) in foreign exchange rates 匯率上升/ (下跌) % | Effect on profit for the year 對年內 利潤之影響 RMB'000 人民幣千元 | Effect on retained earnings 對保留 盈利之影響 RMB'000 人民幣千元 | Increase/ (decrease) in foreign exchange rates 匯率上升/ (下跌) % | Effect on loss for the year 對年內 虧損之影響 RMB'000 人民幣千元 | Effect on retained earnings 對保留 盈利之影響 RMB'000 人民幣千元 |
| Hong Kong Dollars | 港元 | 10 (10) | 246 (246) | 246 (246) | 10 (10) | (1,091) 1,091 | 1,091 (1,091) |
| Euros | 歐元 | 10 (10) | (3,736) 3,736 | (3,736) 3,736 | – – | – – | – – |
| United States Dollars | 美元 | 10 (10) | (26,447) 26,447 | (26,447) 26,447 | 10 (10) | (34) 34 | 34 (34) |

Result of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' profit/loss after taxation and equity measured in the respective functional currencies, translated into Renminbi at the exchange rate ruling at the balance sheet date for presentation purposes.

上表呈列之分析結果指本集團各實體之除稅後利潤／虧損及股本(以各自之功能貨幣計量，並以結算日之匯率換算為人民幣)之即時影響總額，供呈報之用。

Notes to the Financial Statements

財務報告附註

(Expressed in Renminbi) (以人民幣列值)

35 Financial risk management and fair values

(continued)

(d) Currency risk (continued)

(ii) Sensitivity analysis (continued)

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period, including inter-company payables and receivables within the Group which are denominated in a currency other than the functional currencies of the lender or the borrower. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency. The analysis has been performed on the same basis for 2009.

(e) Supply of raw materials risk

The Group's revenue depends significantly on its ability to obtain sufficient raw materials which meet the Group's specifications. The Group obtains most of its raw materials from a limited number of suppliers. As a result, there is a risk that the Group will be unable to secure a sufficient supply of raw materials to meet its planned production output, which may have a material and adverse impact on the revenue of the Group.

(f) Fair values

All financial instruments are carried at amounts not materially different from their fair values as at 31 December 2009 and 2010.

35 財務風險管理及公平值(續)

(d) 外匯風險(續)

(ii) 敏感度分析(續)

敏感度分析乃假設已採用有關匯率變動重新計量本集團所持有令其於報告期間結算日承擔外匯風險之財務工具，包括以放款人或借入人功能貨幣以外貨幣計值之集團內公司間應付款項及應收款項。分析不包括將海外業務財務報告換算為本集團呈報貨幣所產生之差額。二零零九年的分析是以相同的基準進行。

(e) 原材料供應風險

本集團之收入很大程度上倚重其取得充足符合其指定規格之原材料之能力。本集團從有限數目之供應商取得大部分原材料。因此，倘本集團未能確保有充足原材料供應以應付其計劃產量，則本集團的收入可能會受到重大不利影響。

(f) 公平值

於二零零九年及二零一零年十二月三十一日，所有財務工具的賬面值與其公平值之間並沒有重大差異。

36 Significant accounting estimates and judgements

The methods, estimates and judgements the directors used in applying the Group's accounting policies have a significant impact on the Group's financial position and operating results. Some of the accounting policies require the Group to apply estimates and judgements on matters that are inherently uncertain. The critical accounting judgements in applying the Group's accounting policies are described below.

(a) Useful lives of property, plant and equipment

Property, plant and equipment is depreciated on a straight-line basis over the estimated useful lives of each asset, after taking into account the estimated residual value. The Group reviews annually the useful life of an asset and its residual value, if any. Both the period and methods of depreciation are reviewed annually. The depreciation expense for future periods is adjusted if there are significant changes from previous estimates.

(b) Impairments of property, plant and equipment and trade receivables

The Group reviews the carrying amounts of property, plant and equipment at the end of each reporting period to determine whether there is objective evidence of impairment. When an indication of impairment is identified, the asset's recoverable amount is estimated. The recoverable amount of an asset is the greater of its net selling price and value in use. In assessing value in use, management prepares discounted future cash flows to assess the differences between the carrying amount and value in use and provides for impairment losses. Any change in the assumptions adopted in the cash flow forecasts would increase or decrease the provision for impairment losses and affect the Group's profit or loss and net asset value.

Impairment losses for bad and doubtful debts are assessed and provided based on the directors' regular review of ageing analysis and evaluation of collectability. A considerable level of judgement is exercised by the directors when assessing the credit worthiness and past collection history of each individual customer. An increase or decrease in the above impairment loss would affect profit or loss in future years.

36 重大會計估計及判斷

董事應用本集團之會計政策時使用對本集團財務狀況及經營業績有重大影響之方法、估計及判斷。部分會計政策需本集團就固有不明朗事項作出估計及判斷。應用本集團會計政策時作出之重大會計判斷載述如下。

(a) 物業、廠房及設備的可使用年期

物業、廠房及設備在計及其估計殘值後，以直線法按各資產估計可使用年期計提折舊。本集團每年審閱資產的可使用年期及其殘值（如有），並每年審閱計提折舊的期間及方法。如果先前估計發生重大變動，則會對未來期間之折舊開支作出調整。

(b) 物業、廠房及設備以及應收貿易賬款減值

本集團於各報告期間結算日審閱物業、廠房及設備之賬面值，以釐定是否有減值之客觀證據。當確認出現減值跡象時，將估計資產之可收回金額。資產之可收回金額是淨售價與使用價值兩者中之較高者。評估其使用價值時，管理層編製貼現未來現金流量以評估賬面值與使用價值之差額，並作減值虧損撥備。現金流量預測採納之假設有任何變動，將令其減值虧損撥備增加或減少，並影響本集團之利潤或虧損及資產淨值。

呆壞賬減值虧損是根據董事定期審閱賬齡分析及可收回程度評估來作出評估及計提撥備。董事在評估各個別客戶的信譽及過往收賬經驗時，作出相當程度的判斷。上述減值虧損的任何增減，會影響未來年度的利潤或虧損。

36 Significant accounting estimates and judgements (continued)

(c) Impairment of advances to suppliers and provision for onerous contracts

The Group makes non-cancellable advance payments to raw material suppliers under purchase agreements which are to be offset against future purchases. In the event when the economic benefits expected to be received under these purchase agreements are less than the unavoidable costs of meeting the contractual obligations; or the financial condition of these suppliers deteriorate, the Group will consider whether the advance payments to these suppliers are impaired and make necessary provision for the present obligation under the agreements. The Group does not require collateral or other security against its advances to suppliers. The Group performs ongoing evaluations of impairment of advances to suppliers and provisions for commitments that may become onerous due to a change of market conditions and the financial condition of its suppliers. The evaluation takes into account the projected revenue, related expenses, capital spending and other costs. When the advance is not likely to be settled as expected, the Group will make necessary provisions for the present obligation under the agreements.

(d) Valuation of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs to completion and selling expenses. These estimates are based on the current market condition and the historical experience of manufacturing and selling products of similar nature. It could change significantly as a result of changes in technique and competitor actions in response to adverse industry cycles. Management reassesses these estimates at the end of each reporting period.

(e) Income taxes

The Group is subject to income taxes in various jurisdictions. Significant judgement is required in determining the provision for income taxes. There are transactions during the ordinary course of business, for which calculation of the ultimate tax determination is uncertain. Where the final tax outcome is different from the amounts that were initially recorded, such differences would affect profit or loss in future years.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the tax losses and deductible temporary differences can be utilised. Estimation of future taxable profits involves judgements made by management. Any increase or decrease in the recognition of deferred tax assets would affect the Group's profit or loss in future years.

36 重大會計估計及判斷(續)

(c) 預付予供應商之款項之減值及繁重合約撥備

本集團根據購買協議向原材料供應商作出不可撤銷預付款項，有關款項將於未來購貨時作出抵銷。倘根據該等購買協議預期可收取之經濟利益低於合約責任不可避免之成本，或該等供應商財務狀況轉壞，本集團將考慮預付予該等供應商之款項是否經已減值，並就該等協議項下之現有責任作出必要撥備。本集團並無就預付予供應商之款項要求抵押品或其他抵押。本集團持續評估預付予供應商之款項之減值，及就可能由於市況及供應商財務狀況變動而成為繁重之承擔撥備。該評估需要考慮預計收益、有關開支、資金消耗及其他成本。無法如預期結算時，本集團將就該等協議項下之現有責任作出必要撥備。

(d) 存貨之估值

存貨之可變現淨值乃其於日常業務過程中之估計售價，扣除估計完成所需成本及銷售開支。該等估計乃基於目前市況以及製造及銷售同類產品之過往經驗，但可能會因為技術改變及競爭對手為針對嚴峻行業週期而採取之行動而出現重大改變。管理層會於各報告期間結算日重新評估該等估計。

(e) 所得稅

本集團須繳付多個司法權區之所得稅。釐定所得稅撥備須作出重大判斷。於日常業務中，有交易之最終稅項未能確定。倘最終稅項結果與初步記錄之金額不同，有關差額將影響本集團未來年度之利潤或虧損。

遞延稅項資產於日後可能有應課稅利潤可動用稅項虧損及可扣稅臨時差額時確認。估計未來應課稅利潤涉及管理層作出之判斷。確認遞延稅項資產之任何增減將影響本集團未來年度之利潤或虧損。

36 Significant accounting estimates and judgements (continued)

(f) Provision for warranty costs

The Group provides warranties for its photovoltaic modules for up to 25 years after sales have taken place. Due to limited warranty claims history, the Group estimates warranty costs based on the Group's historical cost data, industry data and an assessment of the Group's competitors' accrual. The warranty obligation of the Group will be affected not only by the product failure rates, but also by costs incurred to repair or replace failed products. If the actual product failure rates and cost of replacement or repairing of failed products differ from the estimates, the Group will need to prospectively revise the provision for warranty costs which would affect profit or loss in future years.

37 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2010

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments and interpretations and one new standard which are not yet effective for the year ended 31 December 2010 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group.

Improvements to HKFRSs 2010

香港財務報告準則二零一零年改進

Revised HKAS 24, *Related party disclosures*

經修訂的香港財務會計準則第24號，*關連方披露*

HKFRS 9, *Financial instruments*

香港財務報告準則第9號，*財務工具*

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

36 重大會計估計及判斷(續)

(f) 保用成本撥備

本集團就其光伏模組提供長達25年的售後保用。由於過往甚少出現就保用索償，本集團根據本集團的歷史成本數據、業內數據及對本集團競爭對手的累計索償評估估計保用成本。本集團的保用責任不但會受產品故障比率影響，同時會受維修或置換出現故障產品所涉成本影響。倘實際產品故障比率及置換或維修出現故障產品的實際成本與估計有差異，本集團將須預先修訂保用成本撥備，並對未來年度的利潤或虧損構成影響。

37 已頒佈但尚未於截至二零一零年十二月三十一日止年度生效的修訂、新訂準則及詮釋可能帶來的影響

截至財務報告刊發日期，香港會計師公會已頒佈多項修訂及詮釋以及一項新訂準則，而本集團並未在財務報告中採用此等並未於截至二零一零年十二月三十一日止年度生效的修訂及詮釋、以及新訂準則。該等修訂及詮釋以及新訂修訂包括以下各項，並可能與本集團相關。

Effective for accounting periods beginning on or after

於下列日期或之後
開始的會計期間生效

1 July 2010

or 1 January 2011

二零一零年七月一日或

二零一一年一月一日

1 January 2011

二零一一年一月一日

1 January 2013

二零一三年一月一日

本集團現正評估上述修訂於首次應用期間的預期影響。至目前為止，本集團認為應用上述修訂、新訂準則及詮釋不大可能會對本公司的經營業績及財務狀況產生重大影響。

Notes to the Financial Statements

財務報告附註

(Expressed in Renminbi) (以人民幣列值)

38 Non-adjusting events after the reporting date

- (a) On 26 January 2011, the Group acquired a 100% equity interest in Sino Light Investment Limited (“Sino Light”) at a consideration of HK\$835,200,000 (equivalent to approximately RMB709,586,000), which was settled in full by the issue of convertible bonds of the Company. The convertible bonds, which are zero-coupon bonds, can be converted into 435,000,000 ordinary shares of the Company. The conversion period commences on 28 March 2011 and ends on 25 January 2013.

Sino Light and its subsidiaries (the “Sino Light Group”) are engaged in the manufacturing and trading of monocrystalline silicon solar cells. The Group has now engaged an independent professional qualified valuer to identify and measure the assets acquired and the liabilities assumed and such exercise has not been completed. Accordingly, the fair value of interest in the Sino Light Group, the amount of goodwill and intangible assets, if any, arising from this business combination are not yet available. Based on the information obtained so far, the Sino Light Group had the following classes of assets acquired and liabilities assumed at the acquisition date: cash and bank deposits, trade and other receivables, bank borrowings and trade and other payables with an estimated value of RMB33,669,000, RMB91,311,000, RMB190,000,000 and RMB153,658,000, respectively.

- (b) On 24 March 2011, the Group has entered into a long-term contract with a supplier for the purchase of polysilicon. Pursuant to the contract, the Group is required to make a cash deposit to the supplier totalling approximately US\$34,500,000 (equivalent to approximately RMB228,107,000) as a prepayment for future product deliveries and the deposit must be paid in full on or before 11 March 2013.

38 毋須作出調整的報告日後事項

- (a) 於二零一一年一月二十六日，本集團收購華光投資有限公司(「華光」)100%股本權益，代價為835,200,000港元(相當於約人民幣709,586,000元)，透過發行本公司可換股債券清付。該等為零息債券的可換股債券可兌換為435,000,000股本公司普通股。換股期於二零一一年三月二十八日開始，於二零一三年一月二十五日結束。

華光及其附屬公司(「華光集團」)從事單晶太陽能電池製造及買賣業務。本集團已委聘獨立合資格專業估值師確認及計量所收購資產及所承擔負債，而有關工作仍未完成。因此，於華光集團之權益之公平值，以及是次業務合併所產生之商譽及有形資產之金額(如有)仍未能確定。根據目前所得資料，華光集團於收購日期所收購資產及所承擔負債可分為以下類別：現金及銀行存款、應收貿易賬款及其他應收款項、銀行借款以及應付貿易賬款及其他應付款項，估計價值分別為人民幣33,669,000元、人民幣91,311,000元、人民幣190,000,000元及人民幣153,658,000元。

- (b) 於二零一一年三月二十四日，本集團與供應商就購買多晶硅訂立長期合約。根據該合約，本集團須向供應商支付現金按金合共約34,500,000美元(相當於約人民幣228,107,000元)，作為日後付運產品之預付款項，而有關按金須於二零一三年三月十一日或之前繳足。



Solargiga Energy



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