

阳光能源控股



LEAR BLUE

年報 200



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Corporate Information

公司資料

Board of Directors

Executive Directors

Mr. TAN Wenhua
Mr. HSU You Yuan
Ms. ZHANG Liming

Non-executive Directors

Mr. CHIAO Ping Hai (Chairman)
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
許祐淵先生
張麗明女士

非執行董事

焦平海先生(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

Financial Highlights

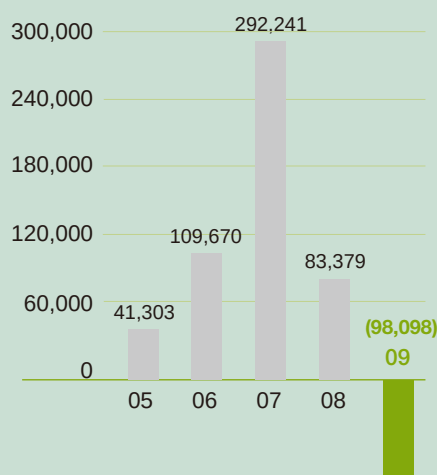
財務摘要

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

Profit Attributable to Equity Shareholders

權益股東應佔利潤

RMB'000
人民幣千元

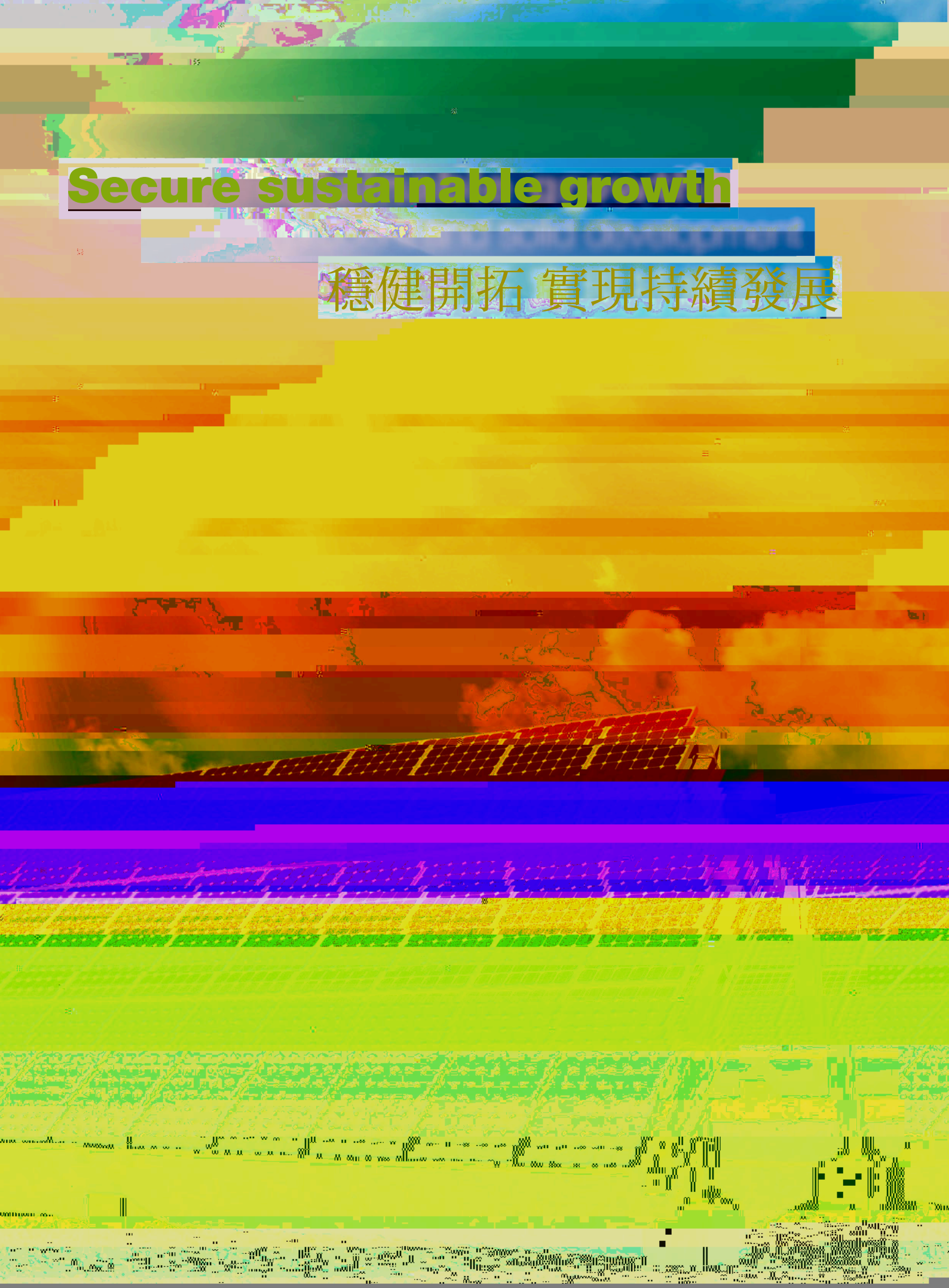


Note:

- (1) The results of the Group for the years ended 31 December 2005 and 2006 and the balance sheets items of the Group as at 31 December 2005 and 2006 are extracted from the Company's prospectus dated 17 March 2008.
- (2) 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：

- (1) 本集團截至二零零五年及二零零六年十二月三十一日止年度的業績及本集團於二零零五年及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。
- (2) 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。



Secure sustainable growth

穩健開拓 實現持續發展



improved the operating environment of the solar energy industry and also stabilised various operating indicators of the Group during the second half year in terms of sales revenue, production capacity and profit margin. For the year under review, the Group's turnover was approximately RMB658.7 million, drop by 55.9% when compared to year 2008. Gross loss for the year was RMB5.8 million, including write-down of inventories which amounted to RMB172.6 million for the first half of 2009, while loss attributable to the equity shareholders amounted to approximately RMB98.1 million for the year.

Following the climate summit convened in Copenhagen, Denmark in December 2009, the issue of global warming and the development of the renewable energy industry had again raised the concern of the governments from various countries and international organisations. During the summit, the PRC government put forward its objective of reducing carbon dioxide emission per unit of GDP by 40 to 50% from that of 2005 till 2020. Being one of the countries with the most rapid development in new energy and renewable energy, the PRC has unveiled various plans to stimulate the growth of the solar energy industry in 2009, including the "China Solar Roof Plan" (《太陽能屋頂計劃》) and the "Golden Sun Programme" (《金太陽計劃》), which bring favourable opportunities for the development of the Group.

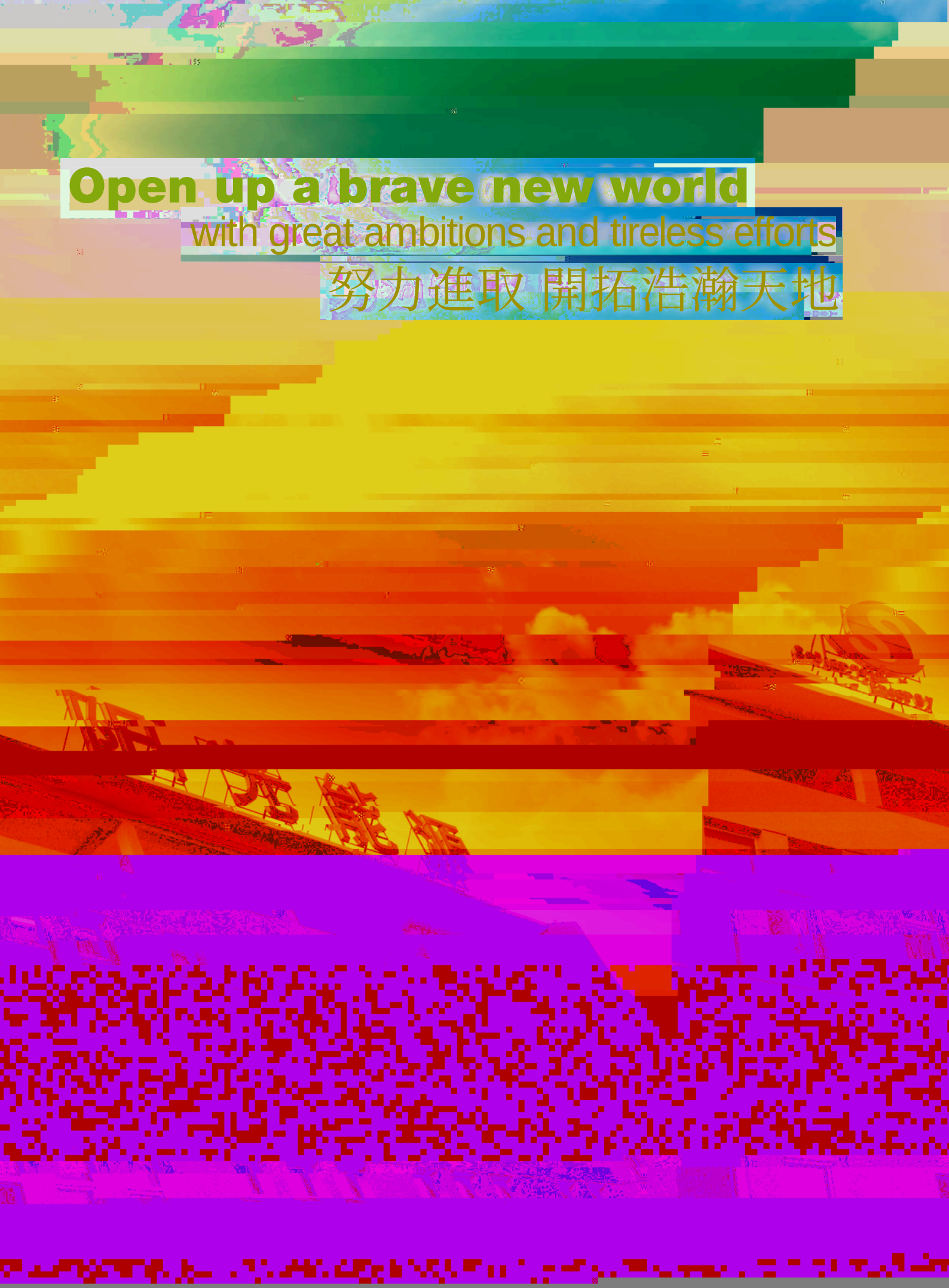
During the year under review, the Group has focused on enhancing its research and development strengths, continuously expanding production capacity and maintaining its leading position in the manufacturing of monocrystalline silicon solar ingots and wafers industry. Meanwhile, leveraging on its own competitive edges, the Group has also established the Jinzhou Jinmao Photovoltaic Technology Co. Ltd. for the development of the downstream business of solar energy including modules, systems and building integrated photovoltaic modules and systems, thus diversifying its product portfolio and making a significant step towards business chain extension. All these initiatives implemented during the year have achieved fruitful results of which the 300kW photovoltaic pilot project undertaken by the Group, which has successfully commenced power generation, together with the winning of tender in respect of the 13.5MW "Golden Solar Demonstration Project" of the PRC government, reflect the high recognition of the technology standard and product quality of the Group.

團於下半年的銷售額及生產量及利潤水平等營運指標逐步回穩。回顧年度內，本集團營業額約為人民幣658.7百萬元，較二零零八年減少55.9%。本年度毛損為人民幣5.8百萬元，其中已包括了二零零九年上半年撇減存貨人民幣172.6百萬元。本年度權益股東應佔虧損約為人民幣98.1百萬元。

隨著二零零九年十二月

Looking to the future, via relentless efforts made by all segments of the industry to enhance technology and efficiency, a continuous decrease of solar power generation cost per watt is expected, thus accelerating the realisation of grid parity for the cost of generating power via solar power and that of the traditional fossil fuels. The management team and I are confident in the prospect of the solar energy industry. In addition to continuously enhancing its production capacity, technology level and operational efficiency, the Group will expedite the development of the downstream business to realise comprehensive business chain strategies and proactively establish footholds in the overseas markets by capitalising on the upward market trend. The Group strives to consolidate its existing leading position, further increase its competitive strength and achieve excellent results as a token of thanks for the support of its shareholders.

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



Open up a brave new world

with great ambitions and tireless efforts

努力進取 開拓浩瀚天地

Business Review

業務回顧



TAN Wenhua, Executive Director and President
譚文華，執行董事兼總裁

Market Overview

The solar energy industry has been rapidly developing in recent years. One of the reasons for its rapid development is the increasing global demand for energy during the course of global economic development. While the traditional energy supply is becoming increasingly scarce, solar energy, being one of the major sources of renewable energy in the future, stands out with tremendous market potential. Environmental protection has become a popular topic in recent years worldwide. In December 2009, the world focused on the United Nations Climate Change Conference held in Copenhagen, the capital of Denmark, where for 13 days, meetings were attended by 193 country representatives to negotiate agreement on the global reduction of carbon emissions for 2012 to 2017.

The United Nations Climate Change Conference, culminated in the Copenhagen Accord which stated the increase in global temperatures should be capped by 2 degrees Celsius, and also specified that developed countries shall provide funding of US\$30 billion to developing countries in the next three years for the mitigation of global warming with the amount to be extended to US\$100 billion a year by 2020.

In the meantime, various nations have set down their own emission reduction targets. The US White House announced on 30 January 2010 an increase in the US government's targeted reduction of greenhouse gas emissions. The new target aims at a reduction of 28% in greenhouse gas emissions by the United States from the 2005 level by 2020, compared to its previous commitment of a 17% reduction under the same conditions. On the other hand, Japan has guaranteed a one-fourth reduction of emissions from that of 1990 by 2020. The European Union plans to achieve emissions reductions by enhancing energy utilisation rate, with one-fifth of its energy supply being renewable energy.

市場概覽

太陽能產業近年快速發展，主要是因為在全球經濟發展的過程中，世界對能源的需求不斷攀升，在傳統能源供應愈來愈稀有的情況之下，太陽能作為未來主要的可再生能源之一，市場發展潛力優厚。保護地球生態環境已成為全球近年熱門話題，而在二零零九年十二月，全球聚焦在丹麥首都哥本哈根舉行的聯合國氣候峰會，一百九十三國代表歷經十三天與會討論二零一二年至二零一七年全球減排協議。

《哥本哈根協定》於聯合國氣候峰會擬定，當中提及包括全球氣溫上升應以攝氏兩度為上限，及列明發達國家未來三年將向發展中國家提供三百億美元之資金對抗全球氣候暖化，到二零二零年前擴增至每年一千億美元。

同時，各國陸續定下減排目標，美國白宮於二零一零年一月三十日發佈聲明稱，美國政府的溫室氣體減排目標將有所提高。新目標承諾美國至二零二零年的溫室氣體排放規模在二零零五年水準的基礎上減少28%，而美國此前的承諾為同等條件下減排17%，而日本保證其到二零二零年將在一九九零年水準的基礎上減少排放量四分之一；而歐盟計劃通過增加能源利用率達到減排目的，並計劃五分之一的能源為可再生能源。

Market Overview

Operation Review

Improvement in operating environment brought by economic recovery

During the first half of 2009, the solar energy industry was affected by the financial crisis. Industry development was slowed down due to falling

Operation Review (Continued)

Improvement in operating environment brought by economic recovery (Continued)

With a current designed annual capacity for modules of 50MW, Jinzhou Jinmao is committed to the research and development, production and sales of photovoltaic modules and application technologies with high performance values. The products currently provided by Jinzhou Jinmao include: standard photovoltaic components, integrated power systems and customised photovoltaic components (including building photovoltaic systems), which are sold domestically.

As the Group's first step to expand its business chain, the Group undertook a foundational 300kW photovoltaic demonstration project in Binhai New District, Jinzhou. The project integrated various kinds of photovoltaic modules in one, including terrestrial photovoltaic power generation systems, BIPV systems, solar roof systems and solar road lighting. The aggregate investment of the project was approximately RMB11.6 million and has commenced power generation successfully before the end of 2009.

Exploring new financing platforms

On 11 December 2009, the Group successfully issued TDR on the Taiwan Stock Exchange (the "TDR Issue"), in order to broaden and diversify the existing shareholder base of the Company as well as to provide an additional fund-raising platform for future business development. The Group issued 100,000,000 units of TDR at a unit issue price of NT\$9.45 (equivalent to approximately RMB2.01) in Taiwan to raise a gross amount of approximately NT\$945.6 million (RMB201.6 million). The net proceeds from the TDR Issue have been used to purchase machinery and equipment so as to expand the production capacity of the Group. Taiwan Polaris Securities Corporation Limited was the principal underwriter of the TDR Issue.

Enhancing capacity with additional facilities and broadening product portfolio

In respect of enhancing the Group's production capacity, during the year under review, the Group purchased four new multicrystalline casting furnaces, which all commenced commercial production in the fourth quarter of 2009, further diversifying the Group's product mix.

As at 31 December 2009, the Group was equipped with 197 monocrystalline ingot pullers, 40 wiresaws and four multicrystalline casting furnaces, with an aggregate annual capacity of 2,000 tonnes of monocrystalline silicon solar ingots, 200 tonnes of multicrystalline silicon solar ingots and approximately 75,000,000 pieces of silicon solar wafers.

營運回顧(續)

經濟回暖改善營運情況(續)

因應目前模組組件之設計年產能為50兆瓦，錦州錦懋致力於高性價比光伏組件及應用技術的研發、生產與銷售。錦州錦懋現提供的產品包括：標準光伏組件、發電集成系統、客戶指定的光伏組件(包括建築光伏系統)，產品銷往國內。

作為本集團踏出延伸產業鏈的第一步，由本集團承建的300千瓦光伏發電示範工程項目已於錦州市濱海新區光伏產業園奠基。該項目集目前多種光伏發電模式於一身，包括以地面發電系統、BIPV系統、太陽能屋頂系統，以及太陽能路燈照明系統。項目總投資約人民幣1,100萬元，已在二零零九年年底前成功展開發電業務。

開拓新融資平台

本集團於二零零九年十二月十一日成功在台灣證交所發行台灣存託憑證(「台灣存託憑證發行」)，是次發行台灣存託憑證，除有利於擴闊公司現有股東基礎外，亦為日後的業務發展提供額外的融資平台。本集團在台灣發行100,000,000份台灣存託憑證，每單位發行價為新台幣9.45元(相當於約人民幣2.01元)，集資總額約為新台幣945,000,000元(人民幣201,000,000元)，台灣存託憑證發行之淨額所得已用於購買機器及設備，以擴大本集團之產能。台灣寶來證券股份有限公司為台灣存託憑證發行之主辦承銷商。

新增設備提升產能及擴潤產品組合

在本集團產能提升方面，回顧期內，本集團新添置4台多晶爐製造多晶硅錠，並已於二零零九年第四季正式進行商業生產，添置多晶爐令集團的產品種類更為廣泛。

於二零零九年十二月三十一日，本集團備有197台單晶爐、40台綫鋸機及4台多晶爐，總產能達每年2,000噸太陽能單晶硅錠、200噸太陽能多晶硅錠及約75,000,000片太陽能硅片。

Operation Review (Continued)

Enhancing capacity with additional facilities and broadening product portfolio (Continued)

In addition, the Group operates polysilicon reclaiming and upgrading facilities in Shanghai and Jinzhou. These reclaiming facilities enable the Group to gain production cost advantages on solar products. As at 31 December 2009, the polysilicon reclaiming and upgrading facilities had an aggregate annual designed throughput of 4,200 tonnes. In early 2009, the Group calculated the reference value of the annual solar energy conversion capacity of its existing facilities to be 200MW. However, following technological advancements in various production processes, as well as a tremendous enhancement in production efficiency and capacity, the reference value of solar energy conversion capacity was revised to 350MW at the end of 2009, far surpassing the target set by the Group.

For the purpose of expanding production capacity of monocrystalline silicon solar ingots, the Group has started to expand its product ranges with various features and functions since last year. In an effort to meet customers' demands, the Group developed wafers which can be used in the production of solar cells with higher conversion efficiency. Capitalising on its advanced technological know-how, the Group will further explore its multicrystalline silicon solar ingots and wafers manufacturing business with an aim of becoming one of the major manufacturers of multicrystalline silicon solar ingots and wafers worldwide.

Enhancing research and development to strengthen production efficiency

In addition, the Group highly values its cooperation with international enterprises, research and development institutions, and continues to invest in its research and development, to

Operation Review (Continued)

Exploring customers

The Group's products are now primarily sold to more than a dozen countries and regions, including the Mainland China, North America, Japan, Germany, Taiwan and Hong Kong, with a technological level reaching advanced international standards. During the year under review, the Group established a marketing centre in Shanghai and also appointed sales representatives stationed at overseas locations such as Japan and the United States, aimed at exploring the overseas market.

Future prospects and strategies

In light of the non-renewable characteristic of traditional energy, various nations are all accelerating their pace of new energy development, amongst which the development of the solar energy industry has no doubt become a global trend. Therefore, the Group believes the prospects of the solar energy industry to be promising.

Various countries and organisations in the world are proactively promoting the development of the solar energy industry, among which, the European Union plans to significantly reduce the emission of greenhouse gases by 2020 and to increase the proportion of renewable energy. It plans to achieve emission reduction by enhancing energy utilisation rate, with one-fifth of its energy supply being renewable energy. The United States government has also formulated a set of energy strategies which emphasise the cutting down on environmental pollution and will shift Federal spending on energy from petroleum production to local clean energy.

In Asia, the Japanese government has set down plans to reduce the emission of greenhouse gases to between 60% and 80% of that in 1990 by 2050. The PRC government also has spared no effort to promote renewable energy. The National Development and Reform Commission indicated that the PRC will invest RMB200 billion in the renewable energy market before 2020, exemplifying the tremendous potential of solar energy.

營運回顧(續)

客戶開拓

本集團的產品主要銷往中國大陸、北美、日本、德國、台灣、香港等十多個國家和地區，技術工藝達到國際先進水準。本集團並於回顧期內成立上海營銷中心，並在日本、美國等海外地區派駐銷售代表，致力開拓海外市場。

未來展望及策略

基於傳統能源屬不可再生的大前提下，各國對於推動新能源的步伐正在加快，當中推動太陽能產業發展已演變成為環球趨勢。因此，本集團相信太陽能產業的前景無限。

全球多個國家及組織正積極推動太陽能行業發展，其中，歐盟計劃於二零二零年前大幅減低溫室氣體排放量，並於同期內提高可再生能源比重，計劃通過增加能源利用率達到減排目的，及計劃五分之一的能源為可再生能源；而美國政府亦制訂一系列能源政策，強調削減污染並將聯邦能源支出從石油轉向當地清潔能源。

在亞洲地區，日本政府已計劃至二零五零年，溫室氣體的排放量降低至一九九零年的60%至80%之間；而中國政府在推動再生能源更是不遺餘力，國家發改委表示至二零二零年前，國家將投資人民幣二千億元在再生能源市場，可見太陽能發展的空間潛力巨大。

Future prospects and strategies (Continued)

The above measures clearly demonstrate the commitments of different countries around the globe and the PRC government towards the promotion of the solar energy industry. Being a leader in the solar energy photovoltaic industry in the PRC, the Group expects that the various policies to subsidise the solar energy industry initiated by various nations will have a positive impact on the long-term development of the Group. The Group will continue to focus on enhancing its competitive strengths and operational efficiency, expanding its market share and strengthening its market position, so as to be well-positioned to capture market opportunities. The Group will stride forward to its goal of becoming the largest manufacturer of monocrystalline silicon solar ingots and wafers in the world and one of the major manufacturers of multicrystalline silicon solar ingots and wafers, as well as promoting the usage of solar energy and achieving a sustainable living environment by proactively developing its downstream business, entering the photovoltaic modules and terminal system market through the following major development strategies:

Enhancing production capacity and increasing product range

During 2009, the Group has started the development of solar modules and the installation of solar power generation systems by setting up a 51%-owned joint venture company, Jinzhou Jinmao. The designed annual production capacity of solar modules of the plants at Jinzhou Jinmao as at year end of 2009 was 50MW.

To cope with the need for expanding capacity, the Group will gradually

Future prospects and strategies (Continued)

Enhancing the research and development investment to strengthen its competitiveness

The Group's leading position in the industry of manufacturing monocrystalline silicon solar ingots is attributable to its high research and development capability which is one of the keys to the Group's success. Accordingly, the Group will put more effort in this aspect to continue to optimise its ability to improve ingot crystallisation, wafer slicing and reclaiming and upgrading of polysilicon. The Group will also enhance production efficiency and reduce operating costs through an exchange of technologies and the introduction of the latest technologies.

The Group will continue to upgrade its production technologies and is expected to introduce monocrystalline ingot pullers model no. 970 in early June 2010 to produce monocrystalline silicon solar ingots of 8 inches and 8.7 inches as well as small angled and right-angled monocrystalline silicon solar wafers of 156mm x 156mm. This type of silicon wafer will have a larger surface area, therefore increasing the wattage output after they are processed into solar cells. The conversion efficiency will also be higher than 125mm x 125mm monocrystalline silicon solar wafers. Following further optimisation of the Group's slicing technology, the Group will be able to produce monocrystalline silicon solar wafers of 150μm to 180μm of thickness. In the meantime, the Group will also fulfil specific customer requirements by developing wafers which can be used for the production of solar cells with higher conversion efficiency, which in turn can be used for the production of modules of higher wattage output.

The Group will continue to enhance production efficiency through technology innovations, and will strive to improve on product quality so as to satisfy the needs of the market, as well as continue to vertically-integrate its production, and to leverage on its exclusive state-of-the-art production technology to upgrade its products. The Group will continue to via its vertically integrated business model to further promote production efficiency and reduce operating costs.

Increasing overseas business sales

As discussed above, the Group has started to explore new customers in overseas markets. The Group plans to increase the proportion of its overseas businesses, and hopes to gradually increase the proportion of turnover from overseas businesses to account for 50% of the total turnover of the Group.

未來展望及策略(續)

加大研發投入，鞏固競爭優勢

本集團在單晶硅錠製造穩佔領先地位，其高水準的研發能力是集團成功的關鍵之一。因此，本集團將加大在該方面的投入，繼續優化錠材結晶、硅片切割及多晶硅回收和改良之能力，並透過技術交流及引入最新技術，提升生產效益，減低營運成本。

本集團將不斷提升生產技術，預期將於二零一零年六月初引進970型號的單晶爐，以生產8吋及8.7吋的單晶硅錠及156毫米x156毫米的小角及直角單晶硅片。此硅片特性為表面面積大，在做成電池後，發電的瓦數較大，而轉換效率亦會較為125毫米x 125毫米的單晶硅片為高。而隨著集團的切片技術進一步優化，集團成功生產厚度為150微米至180微米的單晶硅片。同時，本集團因應客戶特定需求，開發可供生產高光電轉換效率電池的硅片，用以生產高發電瓦數模組。

本集團將透過技術創新完善生產效益，致力改良品質以迎合市場的需求，並繼續透過垂直整合生產模式，利用獨有的尖端生產技術進行產品升級，本集團將繼續透過垂直整合模式進一步提升生產效益，降低營運成本。

增加海外業務之銷售

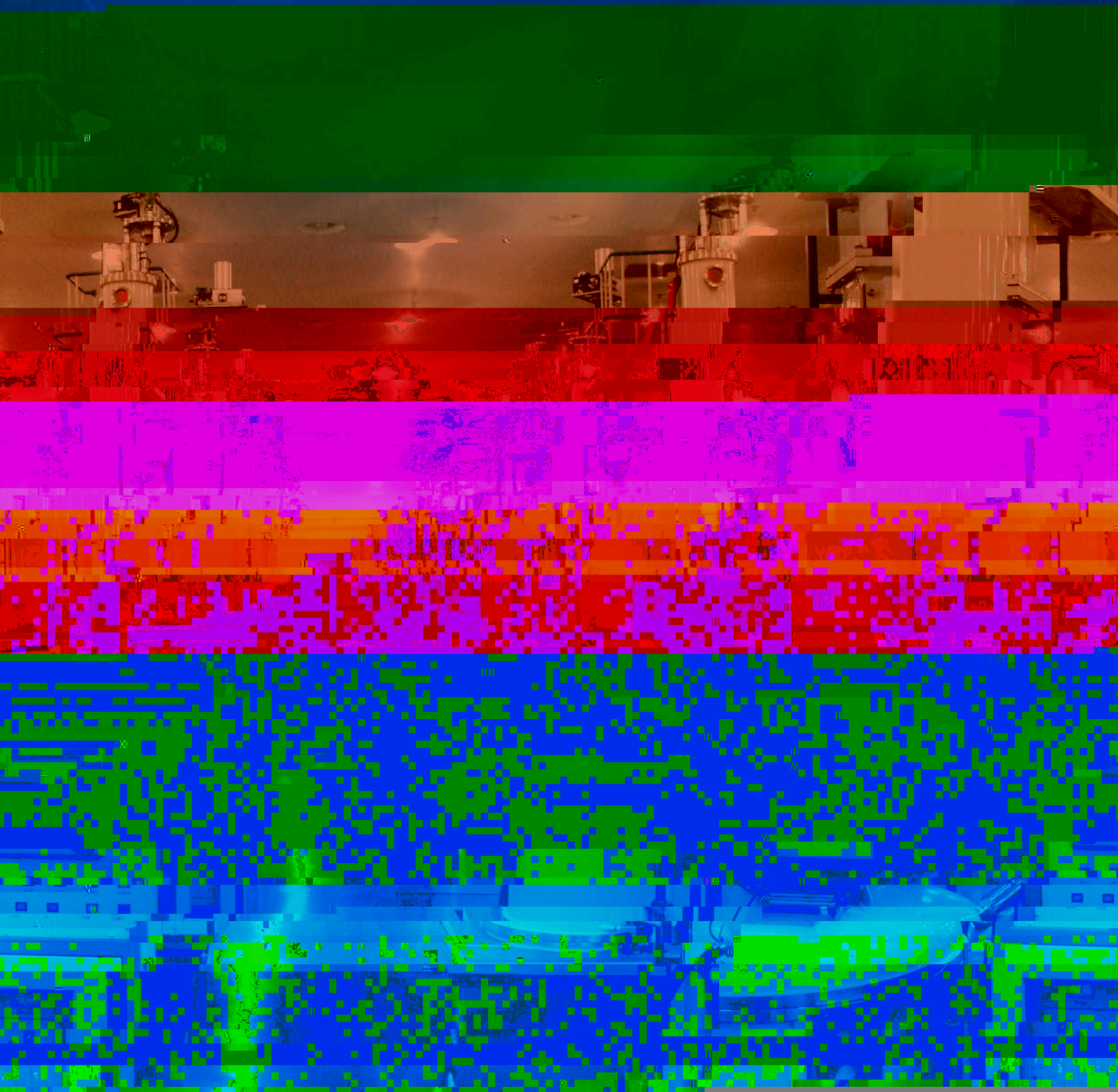
誠如上文所述，本集團開始在海外市場開拓新客源。本集團計劃增加海外業務的比例，冀未來可逐步將來自海外業務的營業額佔集團總體營業額的比例提升至五成。

Future prospects and strategies

Embrace the future

with visions and hope

放眼未來 擁抱希望曙光



Management Discussion and Analysis

管理層討論及分析

Turnover

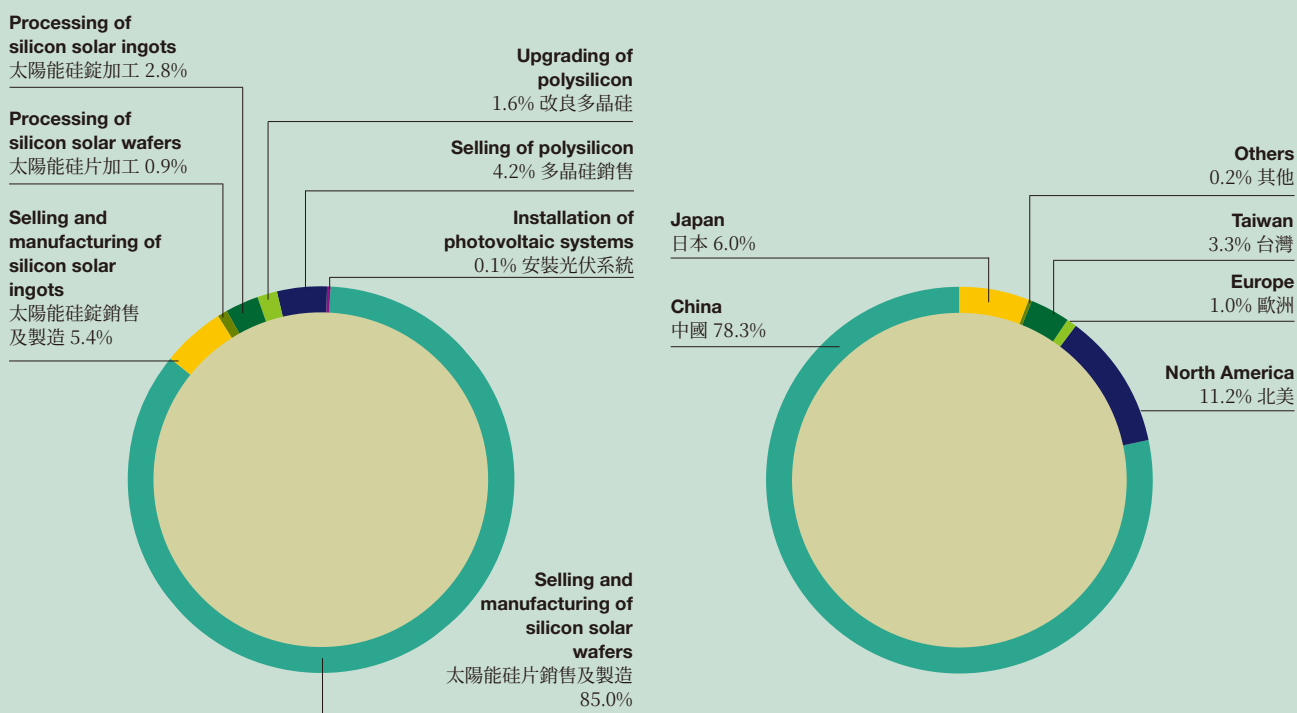
The Group's turnover decreased year-on-year by 55.9%, from RMB1,492.9 million in 2008 to RMB658.7 million in 2009. The significant downturn in the global financial markets in 2009 weakened the market demand for energy products which in turn destabilised the price of silicon solar ingots and wafers.

1. Sales of monocrystalline silicon ingots/wafers/modules decreased by 51.6% from RMB1,229.0 million to RMB595.4 million as the average selling prices of solar products continue to decrease during the year. During the year, 43,091 kg (2008: 150,124 kg) of monocrystalline silicon solar ingots and 34.8 million pieces (2008: 21.9 million pieces) of silicon solar wafers were sold.
2. Revenue from processing service fees decreased by 69.3% from RMB113.3 million to RMB34.8 million. The volume of ingots processed decreased from 225,886 kg in 2008 to 65,244 kg in 2009 and the volume of wafers processed decreased from 1,326,888 pieces in 2008 to 706,440 pieces in 2009.
3. Sales of upgrading polysilicon decrease by 84.3% from RMB150.6 million to RMB27.6 million.

營業額

本集團的營業額由二零零八年的人民幣1,492,900,000元降至二零零九年的人民幣658,700,000元，按年減少55.9%。環球金融市場於二零零九年顯著下滑，削弱太陽能產品的市場需求，動搖太陽能硅錠及硅片的價格。

1. 太陽能單晶硅錠／硅片／模組的銷售額由人民幣1,229,000,000元減至人民幣595,400,000元，減少51.6%，乃由於太陽能產品的平均售價在年內持續下降所致。年內，太陽能單晶硅錠的銷量為43,091公斤（二零零八年：150,124公斤）；硅片的銷量則為34,800,000片（二零零八年：21,900,000片）。
2. 來自加工服務費的收入由人民幣113,300,000元下降69.3%至人民幣34,800,000元。硅錠的加工量由二零零八年225,886公斤減至二零零九年65,244公斤，而硅片的加工量則由二零零八年1,326,888片減至二零零九年706,440片。
3. 經改良多晶硅的銷售額由人民幣150,600,000元減少84.3%至人民幣27,600,000元。



Turnover (Continued)

In terms of geographical contribution, revenue was mainly generated from our PRC customers which accounted for 78.3% (2008: 74.8%) of the Group's turnover. During the year, the Group successfully developed new customers from North America, with the customers from this region significantly increased to 11.2% (2008: 0.8%) of the Group's turnover. The remaining sales were generated from Japan (6.0%), Taiwan (3.3%), Europe (1.0%), and others (0.2%).

Cost of sales

Cost of sales decreased by 47.6% from RMB1,267.4 million to RMB664.5 million. As a percentage of the Group's turnover, cost of sales increased from approximately 84.9% to 100.9%. The polysilicon price declined rapidly during the first half of 2009 and, therefore, led to the write-down of inventories of RMB172.6 million (2008: RMB220.2 million) in 2009 which in turn increased the proportionate cost for the year under review.

Gross profit and gross profit margin

The Group recorded a gross loss of RMB5.8 million (2008: gross profit of RMB225.5 million) in 2009, which was mainly attributable to the write-down of inventories of RMB172.6 million (2008: RMB220.2 million) due to the continuous fall in raw material prices and product selling prices caused by the weakened demand for energy products in 2009. Excluding the effect of the write-down of inventories, the gross profit of the Group in 2009 would have been RMB166.8 million (2008: RMB445.7 million), decreased by 62.6% as compared to 2008, and the gross profit margin of the Group in 2009 would have been 25.3% (2008: 29.9%), declined by 4.6 percentage points as compared to 2008.

營業額(續)

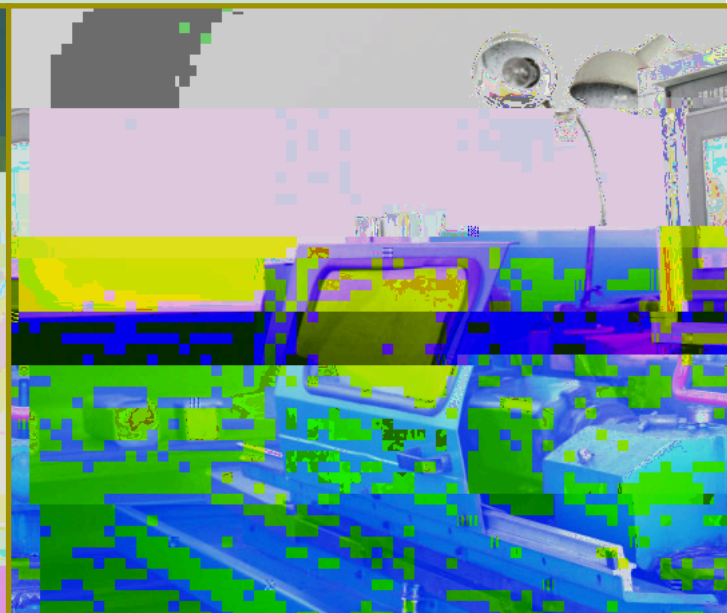
按地區貢獻計算，收入主要源自中國客戶，佔本集團營業額的78.3%(二零零八年：74.8%)。年內，本集團成功開拓北美新客源，該地區之客源佔本集團營業額大幅增至11.2%(二零零八年：0.8%)。餘下銷售額源自日本(6.0%)、台灣(3.3%)、歐洲(1.0%)及其他地區(0.2%)。

銷售成本

銷售成本由人民幣1,267,400,000元減少至人民幣664,500,000元，減幅為47.6%。銷售成本佔本集團營業額之百分比由約84.9%增至100.9%。多晶硅價格於二零零九年上半年度急跌，導致於二零零九年撇減存貨人民幣172,600,000元(二零零八年：人民幣220,200,000元)，回顧年度的銷售成本比例因而增加。

毛利及毛利率

本集團錄得毛損人民幣5,800,000元(二零零八年：毛利人民幣225,500,000元)，主要由於能源產品需求疲弱導致原材料價格及產品售價持續下跌，因而於二零零九年撇減存貨人民幣172,600,000元(二零零八年：人民幣220,200,000元)。倘不計及撇減存貨的影響，本集團於二零零九年的毛利將為人民幣166,800,000元(二零零八年：人民幣445,700,000元)，較二零零八年減少62.6%；本集團於二零零九年的毛利率將為25.3%(二零零八年：29.9%)，較二零零八年減少4.6個百分點。



Other revenue



Finance costs

The Group's finance costs increased by RMB12.6 million, or 381.8%, from RMB3.3 million in 2008 to RMB15.9 million in 2009. Finance costs represented mainly interest on bank loans and other borrowings wholly repayable within five years and interests on municipal government loan. The reason for the increase in finance costs was due to the additional bank borrowings made during the year to meet working capital requirements.

Income tax

Due to the recognition of deferred tax assets, net tax benefit amounting to RMB16.6 million was recorded during the year. Income tax expenses were RMB34.0 million in 2008.

Net loss attributable to the equity shareholders

The Group recorded a loss attributable to the equity shareholders of the Company of RMB98.1 million for the year ended 31 December 2009, which was mainly due to a decrease in gross profit triggered by the write-down of inventories by RMB172.6 million during the year. Profit attributable to the equity shareholders was RMB83.4 million in 2008.

Inventory turnover days

The inventories of the Group comprised mainly raw materials (namely polysilicon, crucibles and other auxiliary raw materials) and finished goods. The inventory turnover days as at 31 December 2009 was 230.7 days (2008: 77 days) and such increase was mainly due to the increase in inventory balance in order to prepare for the Group's production capacity ramp up process starting from the second half of 2009.

Trade receivable turnover days

The trade receivable turnover days as at 31 December 2009 was 77 days (2008: 23 days).

The market led by supply swiftly changed to a market led by demand since the financial crisis in 2008. Taking into account the actual condition as well as the long-term business relationship with customers, the Group increased the number of customers who can enjoy a longer credit term in 2009. As a result, trade receivable turnover days have increased. Currently, the Group normally allows a credit period of 30 to 90 days to its customers.

融資成本

本集團的融資成本由二零零八年的人民幣3,300,000元增至二零零九年的人民幣15,900,000元，增加人民幣12,600,000元或381.8%。融資成本主要為銀行貸款及其他須於五年內全數償還的借貸以及市政府貸款的利息。融資成本增加乃由於年內作出額外銀行借貸以應付營運資金需要。

所得稅

由於確認遞延稅項資產，年內錄得稅務抵免淨額人民幣16,600,000
34,000,000

權益股東應佔虧損

截至二零零九年十二月三十一日止年度曾於集團錄得本
98,100,000
年內撇減存貨人民幣172,600,000元，而二零零八年
零八年權益股東應佔利潤為人民幣83,400,000

存貨週轉日

本集團的存貨主要包括原材料
材料製成，並於二零零九年十二月三十一日的存貨週轉
230.7，增加主要由於自二零
零八年開始，本集團為擴充本集團產能而提高存貨結
存量。

應收貿易賬款週轉日

於二零零九年十二月三十一日的應收貿易賬款週轉日數
為77 23。

二零零八年金融風暴，「市場由供應主導突然轉為需求主導。計及實際情況及與客戶的長期業務關係，我們於二零零九年增加享有農舐信貸期的客戶數目，應收貿易賬款週轉日數因之上升。本集團目前一般向其客戶授

Trade payable turnover days

The trade payable turnover days as at 31 December 2009 was 61 days (2008: 26 days). Our good long-term relationship with suppliers enabled the Group being granted reasonable credit terms throughout the year.

Liquidity and financial resources

On 4 December 2009, the Company entered into an underwriting agreement (the "Underwriting Agreement") with Taiwan Polaris Securities Corporation Limited (for itself and on behalf of the other underwriters) in connection with the TDR Issue. Pursuant to which the underwriters agreed to subscribe for, and agreed to procure, on a fully underwritten basis, subscribers for, an aggregate of 100 million units of TDR representing in aggregate 100 million newly issued shares at the price of NT\$9.45 (equivalent to RMB2.01) per TDR, and the Company agreed to issue and allot 100 million new shares as underlying securities for the TDR programme. The issuance of 100 million units of TDR and the 100 million new shares as underlying securities for the TDR programme pursuant to the Underwriting Agreement was completed on 10 December 2009 and the net proceeds of approximately RMB196.8 million were received. Details of the TDR Issue were disclosed in the Company's announcements dated 4 December 2009 and 10 December 2009.

The Group's principal sources of working capital in the current year included cash flow from operating activities, bank and other borrowings, and the proceeds from the TDR Issue. As at 31 December 2009, the Group's current ratio (current assets divided by current liabilities) was 2.3 (2008: 2.2). As at 31 December 2009, the Group had net borrowings of RMB82.2 million (2008: net cash of RMB77.8 million) which represented cash and cash equivalent of RMB236.2 million (2008: RMB270.4 million), pledged deposits of RMB44.1 million (2008: RMB25.0 million), short-term bank loans of RMB289.3 million (2008: RMB214.6 million), long-term bank loan of RMB70 million (2008: RMBNil) and long-term municipal government loan of RMB3.2 million (2008: RMB3.0 million). Net debt-to-equity ratio (net debt divided by shareholders' equity) was 5.9% (2008: net cash-to-equity ratio of 6.2%). These ratios demonstrate that the Group's financial position remains healthy and enabled us to overcome the adverse impacts from the global economic slowdown as well as to facilitate future development.

應付貿易賬款週轉日

於二零零九年十二月三十一日的應付貿易賬款週轉日數為61日(二零零八年: 26日)。我們與供應商已建立長期良好關係, 因而於年內獲授合理的信貸期。

流動資金及財務資源

於二零零九年十二月四日, 本公司與台灣寶來證券股份有限公司(就其本身及代表其他包銷商)就台灣存託憑證發行訂立包銷協議(「包銷協議」)。據此, 包銷商同意認購並同意促使(按全面包銷基準)認購方認購合共100,000,000份台灣存託憑證, 涉及按每份台灣存託憑證新台幣9.45元(相當於人民幣2.01元)。

Contingent liabilities

As at 31 December 2009, there were 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 Renminbi, the functional currency of the operations to which they relate. The currencies giving rise to this risk to the Group are primarily the United States Dollar and the Hong Kong Dollar. The Directors do not expect any significant impact from movements in exchange rates since the Group uses 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 at spot rates where necessary to address short-term imbalances.

Human resources

As at 31 December 2009, the Group had 1,182 (2008: 1,186) employees. Employee benefit expense decreased from RMB69,911,000 in 2008 to RMB66,317,000 in 2009, which represented a decrease of 5.1%. The remuneration of the existing employees is basic salary, discretionary bonus, share-based payments and social security contributions. Pay levels of the employees commensurate with their responsibilities, performances and contributions.

或然負債

於二零零九年十二月三十一日，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，董事在有需要的情況下，按即期匯率購入或出售美元，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

於二零零九年十二月三十一日，本集團的僱員數目為1,182名（二零零八年：1,186名）。僱員福利開支由二零零八年人民幣69,911,000元減至二零零九年人民幣66,317,000元，減幅為5.1%。現有僱員的薪酬包括基本薪金、酌情花紅、以股份支付款項及社保金。僱員的薪酬水平按彼等的職責、表現及貢獻釐定。

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 (the “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.

Despite the removal of the requirement for a qualified accountant in the Listing Rules effective 1 January 2009, the Group continues to maintain the post of a qualified accountant to oversee its financial reporting and other accounting-related issues in accordance with the relevant laws, rules and regulations.

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 2009.

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 2009.

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聯交所證券上市規則（「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。

儘管自二零零九年一月一日起上市規則中有關合資格會計師的規定已移除，但本集團繼續設有合資格會計師一職，以監督本集團的財務匯報及其他會計相關事宜符合有關法例、規則及規定。

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。本公司於截至二零零九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，於截至二零零九年十二月三十一日止財政年度內，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。

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 35 to 39 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 31 to 33.

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 in accordance with the articles of association of the Company. 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（即焦仙蘆薩痢蕒洵爰婢靄牌 " 薤玩潯鉅庙兕毘裊翬



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 2009, 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 2009, including the accounting principles and practices adopted by the Group, and has also discussed auditing, internal control and financial reporting matters with the management.

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.

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。

於二零零九年，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二零零九年度的中期及年度綜合財務報表，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。

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。

Board Committees (Continued)

Remuneration Committee (Continued)

In 2009, the Remuneration Committee met once and the attendance of individual Directors at the meeting is set out below:

Name of Directors	Attendance
Independent non-executive Directors	
Ms. FU Shuangye (Chairman)	1/1
Mr. WONG Wing Kuen, Albert	1/1
Dr. LIN Wen	1/1
Mr. Zhang Chun	1/1
Executive Director	
Mr. TAN Wenhua	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.

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Board Committees (Continued)

Nomination Committee (Continued)

In 2009, the Nomination Committee met once and the attendance of individual Directors at the meeting is set out below:

Name of Directors	Attendance
Independent non-executive Directors	
Dr. LIN Wen (Chairman)	1/1
Mr. WONG Wing Kuen, Albert	1/1
Ms. FU Shuangye	1/1

Financial Reporting and Internal Control (Continued)

Internal control

The Board is responsible for the internal control of the Group and for

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 53, the President of the Jinzhou Plants. 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 since 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.

Mr. HSU You Yuan (許祐淵先生), aged 55, 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 President

Directors and Senior Management Profile

董事和高級管理人員簡歷

Directors (Continued)

Executive Directors (Continued)

Ms. ZHANG Liming (張麗明), aged 52, 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 59, the Chairman of the Board. 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 58, 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, Vice-Chairman of the board of director of Foshan Electrical and Lighting Company Limited, a company listed on the Shenzhen Stock Exchange, 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，52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，59歲，董事會主席，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，58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、深圳證券交易所上市公司佛山電器照明股份有限公司董事會副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 (Continued)

Independent Non-executive Directors

Mr. WONG Wing Kuen, Albert (王永權), aged 58, 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 41. 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，58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

Directors and Senior Management Profile

董事和高級管理人員簡歷

Directors (Continued)

Independent Non-executive Directors (Continued)

Dr. LIN Wen (林文), aged 70, an independent non-executive Director,

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 44 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. Paul SU (蘇名冠), aged 58, the President of the Shanghai Plant. He joined the Group in December 2008. He holds a bachelor's degree of Chemical Engineering from the National Taiwan University, a master's degree of Chemical Engineering from the University of Kentucky in the United States and the Executive Master's of Business Administration from the Kellogg School of Management, the Northwest University in the United States. He served as a special assistant to the managing director of WWX.

Mr. CHOW Yiu Ming (鄒耀明), aged 37, is the Chief Financial Officer, Qualified Accountant 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 14 year of experience in auditing, finance and accounting.

Ms. ZHAO Xiuzhen (趙秀珍), aged 55, 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.

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部所披露的權益

Senior Management (Continued)

Mr. WANG Chun Wei (王君偉), aged 38, 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 51, is the Director of Quality Assurance Department of Jinzhou Plant. 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 23 year of experience in semiconductor industry and has over 20 year of experience in quality assurance.

Mr. ZHANG Yuewen (張躍文), aged 45, 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.

Dr. CHEN Wei (陳蔚), aged 39, the Special Assistant to the President of the Jinzhou Plants. She joined the Group on 1 July 2006. She obtained her doctorate degree of Philosophy in Management at Wuhan University of Technology in 2005. Prior to joining the Group, she was the vice president of 西安市外經貿商務展覽公司 (Xi'an International Trade Promotion Co. Ltd.*) and the vice president of International Transport Division of 陝西機械設備進出口公司 (Shaanxi Machinery & Equipment Import & Export Corp.*).

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.*).

高級管理人員(續)

王君偉先生，38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，51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二十三年經驗，並在品保具備逾二十年經驗。

張躍文先生，45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。

陳蔚博士，39歲，錦州廠董事長特別助理。彼於二零零六年七月一日加盟本集團。彼於二零零五年獲武漢理工大學頒授管理學博士學位。加盟本集團前，彼曾任西安市外經貿商務展覽公司副總裁及陝西機械設備進出口公司國際貨運部副總裁。

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。

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

Senior Management (Continued)

Ms. LI Xuexin (李學新), aged 56, the Division Head of Audit and Legal Affairs (審計法務部長) of the Jinzhou Plants. She joined the Group on 5 March 2007. She graduated from the Faculty of Financial Management, of 遼寧省委黨校財會管理大學本科 (Liaoning Party School in Financial Management*). Prior to joining the Group, she was the Vice General Manager of 錦州盛達糖酒有限責任公司 (Jinzhou Shengda Tanjiu Co., Ltd.*) and the Vice General Manager of 錦州市金屬材料總公司 (Jinzhou City Metal Materials Co., Ltd.*).

Mr. LIU Shih Wan (劉詩灣), aged 50, the Special Assistant to the General Manager of the Shanghai Plants and the Assistant Vice President of the Greater China Region. He joined Shanghai Jingji on 1 January 2003. He obtained a bachelor Degree in Civil Engineering from Chung Yuan

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 2009.

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 30% (2008: 15%) and 68% (2008: 51%) of the Group's total sales in 2009 respectively. The Group currently procures raw materials from about 48 suppliers (2008: 43). In aggregate, purchases from its largest and five largest suppliers did not exceed 17% (2008: 14%) and 51% (2008: 51%) of the Group's total purchases in 2009 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 loss of the Group for the year ended 31 December 2009 and the state of the Company's and the Group's affairs as at that date are set out in the financial statements on pages 81 to 168.

No interim dividend was paid in 2009 (2008: RMBNil). The Directors do not recommend the payment of a final dividend for 2009 (2008: RMB1.5 cents (approximately HK\$1.7 cents) per share).

Transfer to Reserves

Loss attributable to shareholders for the year ended 31 December 2009 was RMB98.1 million. (2008: Profits attributable to shareholders, before dividend, of RMB83.4 million) had been transferred to reserves. Other movements in reserves are set out in the consolidated statement of changes in equity on page 85.

As at 31 December 2009, distributable reserves of the Company amounted to approximately RMB813,179,000 (2008: RMB710,498,000).

董事提呈本年報連同截至二零零九年十二月三十一日止年度的經審核綜合財務報表。

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表附註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。最大及五大客戶於二零零九年涉及的銷售總額分別不超過本集團銷售總額的30% (二零零八年：15%) 及 68% (二零零八年：51%)。本集團現時從約48家 (二零零八年：43家) 供應商採購原材料。最大及五大供應商於二零零九年的採購總額分別不超過本集團採購總額的17% (二零零八年：14%) 及 51% (二零零八年：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。

財務報表

本集團截至二零零九年十二月三十一日止年度的虧損，以及本公司及本集團於同日的財務狀況，載於第81至168頁的財務報表。

二零零九年內並無派付中期股息 (二零零八年：人民幣零元)。董事不建議就二零零九年派付終期股息 (二零零八年：每股人民幣1.5分 (約1.7港仙))。

轉撥至儲備

截至二零零九年十二月三十一日止年度股東應佔虧損人民幣98,100,000元 (二零零八年：扣除股息前股東應佔利潤人民幣83,400,000元) 已轉撥入儲備。儲備的其他變動載於第85頁綜合權益變動表內。

於二零零九年十二月三十一日，本公司可分派儲備約為人民幣813,179,000元 (二零零八年：人民幣710,498,000元)。

Charitable Donations

Charitable donations made by the Group during the year amounted to RMB525,000 (2008: RMB1,100,000).

Bank Loans and Other Borrowings

Particulars of bank loans and other borrowings of the Group as at 31 December 2009 are set out in note 23 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 28 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
Mr. HSU You Yuan
Ms. ZHANG Liming

Non-executive Directors

Mr. CHIAO Ping Hai
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. HSU You Yuan, Mr. CHONG Kin Ngai and Mr. ZHANG Chun 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525,000元(二零零八年：人民幣1,100,000元)。

銀行貸款及其他借貸

本集團於二零零九年十二月三十一日的銀行貸款及其他借貸詳情，載於財務報表附註23。

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，載於財務報表附註14。

股本

本公司年內股本變動的詳情，載於財務報表附註28。

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
許祐淵先生
張麗明女士

非執行董事

焦平海先生
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，許祐淵先生、莊堅毅先生及張椿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

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 repeaJing 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

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

本公司與多名根據上市規則被視為本集團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(「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。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 2009, the aggregate fees paid by the Group to Jinzhou Huarong in relation to the Services amounted to approximately RMB1,275,000 (2008: RMB1,538,000).

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

載列於於九年十二月三十一日公司與錦州昌華及錦州佑鑫訂立的正式購買協議及確認書內。

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 2009, 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 RMB14,375,000 (2008: RMB27,005,000).

For the year ended 31 December 2009, the aggregate amount of the purchase price paid by the Group to Jinzhou Youxin for the purchase of quartz crucibles amounted to approximately RMB31,190,000 (2008: RMB24,850,000).

Based on the Directors' estimate of the purchase of graphite materials and quartz crucibles for the years ending 31 December

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

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 ending 31 December 2010. The Company has 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 will expire on 31 December 2010.

For the year ended 31 December 2009, 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 RMB110,029,000 (2008: RMB214,739,000).

Based on the Directors' estimate of the purchase of scrap polysilicon, scrap ingots and scrap wafers for the year ending 31 December 2010, it is expected that the annual cap amount payable by the Group for transactions under the WWX Supply Agreement for the year ending 31 December 2010 will not exceed RMB790,749,000.

The above proposed cap is determined with reference to the Group's expected increase in production and thus the increase in demand for scrap polysilicon, scrap ingots and scrap wafers for the production requirements of the Group resulting therefrom. These caps are also determined after discussion between the Group and WWX in terms of its expected production of scrap polysilicon, scrap ingots and scrap wafers generated through its semi-conductor manufacturing process.

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，並將於二零一零年十二月三十一日屆滿。

截至二零零九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110,029,000元（二零零八年：人民幣214,739,000元）。

按照董事估計截至二零一零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，預期本集團於截至二零一零年十二月三十一日止年度就合晶科技供應協議項下交易應付年度上限金額不會超過人民幣790,749,000元。

上述建議上限乃參考本集團的預期生產量增幅，及因此而導致本集團生產所需多晶硅廢碎、硅錠廢碎及硅片廢碎的需求數量增幅釐定。此等上限亦經本集團及合晶科技商討預期於半導體製造過程中生產的多晶硅廢碎、硅錠廢碎及硅片廢碎的數量後釐定。

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)

To the best of the Director's knowledge, information and belief
having made all reasonable enquiry, as at the date of this report,

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 2009, 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 RMB17,350,000 (2008: RMB190,002,000).

Based on the Directors' estimate of the sales of upgraded and processed polysilicon, silicon solar ingots and silicon solar wafers for the year ending 31 December 2010, it is expected that the annual cap amount receivable by the Group for transactions under the WWX Sale Agreement will not exceed RMB423,021,000.

The Directors believe that the WWX Group has been purchasing from the Group, mainly due to the Group's product quality and reliability. Sales of upgraded and processed polysilicon, silicon solar ingots and silicon solar wafers to WWX and its subsidiaries have increased over time and the above proposed cap is determined with reference to (a) the Group's expected increase in production capacity and (b) the increase in sales to WWX resulting from the expected increase in demand for solar based products in Taiwan.

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 parties.

Non-exempt Continuing Connected Transactions

(Continued)

B. Non-exempt Continuing Connected Transactions

(Continued)

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 2009, 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 RMB195,546,000 (2008:RMB17,506,000).

Based on the Directors' estimate of the sales of silicon solar wafers for the year ending 31 December 2010, it is expected that the annual cap amount receivable by the Group for transactions under the Huachang Guangfu Sale Agreement will not exceed RMB2,113,650,000.

The above proposed cap is determined with reference to (a) the actual quantity of silicon solar wafers produced by the Group in the first half of 2008; (b) the anticipated increase in silicon solar wafer production arising from an expansion in the Group's manufacturing bases which is, subject to the prevailing market conditions; (c) the anticipated increase in demand from Huachang Guangfu for silicon solar wafers; and (d) the price of silicon solar wafers sold to 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。

截至二零零九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195,546,000元(二零零八年：人民幣17,506,000元)。

按照董事估計截至二零一零年十二月三十一日止年度銷售太陽能硅片的銷售額，預期本集團根據華昌光伏銷售協議應收下列交易年度上限金額不會超過人民幣2,113,650,000元。

上述建議上限乃參考(a)本集團於二零零八年上半年所生產太陽能硅片的實際數量；(b)生產太陽能硅片因本集團擴充製造基地預期取得的增幅，視乎當時市況而定；(c)華昌光伏對太陽能硅片需求之預期增幅；及(d)向獨立第三方銷售太陽能硅片的價格釐定。

Non-exempt Continuing Connected Transactions

(Continued)

B. Non-exempt Continuing Connected Transactions

(Continued)

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") (Continued)*

To the best of the Director's knowledge, information and belief having made all reasonable enquiry, as at the date of this report, Huachang Guangfu, a company incorporated in the PRC, is wholly owned by Youxin Investment Limited (a company incorporated in Hong Kong, which in turn wholly owned by Sino Light Investments Limited (a company incorporated in the British Virgin Islands). Sino Light Investments Limited is 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 7.703% 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 3.501% by Seaquest Ventures Inc., an independent third party, as to approximately 31.543% 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 is therefore an associate of Mr. TAN Wenhua and hence a connected person of the Company. Consequently, the transactions under the Huachang Guangfu Sale 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)

向錦州華昌光伏科技有限公司(「華昌光伏」)銷售太陽能硅片(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，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Sino Light Investments Limited全資擁有。Sino Light Investments Limited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You Hua Investment Corporation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7.703%、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3.501%、獨立第三方Lithium Energy Holdings Corporation擁有約31.543%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，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)

Provision of services in respect of the processing of wire slurry by 錦州奧克新材料有限公司 Jinzhou Aoke New Materials Co., Ltd. ("Jinzhou Aoke")*

On 12 August 2008, the Company entered into a framework processing agreement with Jinzhou Aoke ("Jinzhou Aoke Processing Agreement") pursuant to which the Company agreed to, or procure its subsidiaries to engage Jinzhou Aoke and/or its subsidiaries for the processing of wire slurry. The Company agreed to supply wire slurry to Jinzhou Aoke for the recycling and processing into abrasives and mineral oil ("Processed Materials") which will be used by the Group in the slicing of silicon solar ingots into silicon solar wafers. Upon the approval from the independent shareholders in respect of the Jinzhou Aoke Processing Agreement on 7 November 2008, the Jinzhou Aoke Processing Agreement had a term which would expire on 31 December 2010. Formal processing agreements (by way of processing orders and confirmations) were entered into between the Company (and/or its subsidiaries) and Jinzhou Aoke and/or its subsidiaries with the detailed terms and conditions as specified in the relevant processing orders. The processing arrangements under the Jinzhou Aoke Processing Agreement were conducted on normal commercial terms and on terms no less favourable than those available from independent third parties.

The Jinzhou Aoke Processing Agreement was entered into in the ordinary and usual course of business and on normal commercial terms. The processing fee charged by Jinzhou Aoke was determined on an individual purchase order basis in accordance with the prevailing market price and the anticipated quantity of recycled abrasives and mineral oil to be obtained by the Group.

For the year ended 31 December 2009, the aggregate processing fee paid by the Group to Jinzhou Aoke amounted to RMBNil (2008: RMBNil) in relation to the recycling and processing of wire slurry into abrasives and mineral oil.

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 a connected person of the Company. Consequently, the transactions under the Jinzhou Aoke Processing 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)

錦州奧克新材料有限公司(「錦州奧克」)提供砂漿的加工服務

於二零零八年八月十二日，本公司與錦州奧克訂立框架加工協議(「錦州奧克加工協議」)，據此，本公司同意或促使其附屬公司委聘錦州奧克及／或其附屬公司進行砂漿加工。本公司同意向錦州奧克供應砂漿以循環再用並加工為切割砂及切割液(「加工物料」)，由本集團用於切割太陽能硅錠作為太陽能硅片。經獨立股東於二零零八年十一月七日批准錦州奧克加工協議後，錦州奧克加工協議棧碼形枯櫛睿貼聯砂樑昱骸鴿斜差片

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 two years ending 31 December 2011, the annual transaction amounts under the Sale Transactions will not exceed:

- (a) RMB32 million for the year ending 31 December 2010; and
- (b) RMB53 million for the year ending 31 December 2011.

The above 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 two years ending 31 December 2011, the annual transaction amounts under the Purchase Transactions will not exceed:

- (a) RMB107 million for the year ending 31 December 2010; and
- (b) RMB174 million for the year ending 31 December 2011.

The above 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.

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兩個年度，銷售交易項下的年度交易金額將不超出：

- (a) 截至二零一零年十二月三十一日止年度人民幣32,000,000元；及
- (b) 截至二零一一年十二月三十一日止年度人民幣53,000,000元。

上述上限乃參考(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兩個年度，購買交易項下的年度交易金額將不超出：

- (a) 截至二零一零年十二月三十一日止年度人民幣107,000,000元；及
- (b) 截至二零一一年十二月三十一日止年度人民幣174,000,000元。

上述上限乃參考(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。

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)

As mentioned in the paragraph headed "Provision of services in respect of the processing of wire slurry by 錦州奧克新材料有限公司 Jinzhou Aoke New Materials Co., Ltd." above, Jinzhou Aoke is a 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.

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 2009, the aggregate amount of the purchase price paid by the Group to Huachang Guangfu under the Solar Cells Supply Agreement amounted to approximately RMB7,359,000 (2008: Nil).

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)

誠如上文「錦州奧克新材料有限公司提供砂漿的加工服務」一段所述，錦州奧克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條項下本公司的非豁免持續關連交易。

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。

截至二零零九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7,359,000元（二零零八年：無）。

Non-exempt Continuing Connected Transactions

(Continued)

B. Non-exempt Continuing Connected Transactions

(Continued)

Supply of solar cells from Huachang Guangfu to the Group

(Continued)

For the two years ending 31 December 2011, the annual transaction amounts for the transactions under the Solar Cells Supply Agreement will not exceed:

(a) RMB397,860,000 for the year ending 31 December 2010; and

(b) RMB755,934,000 for the year ending 31 December 2011.

The annual cap amounts under the Solar Cells Supply Agreement are determined by reference to (i) the expected production capacity of solar modules for the years ending 31 December 2011 arising from the Group's inception in the downstream business in the photovoltaic industry; (ii) the expected level of demand of solar cells for the Group's requirements in respect of the production of solar modules; (iii) the anticipated demand from the Group for solar modules; and (iv) the price of solar cells purchased from independent third parties.

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 is a connected person of the Company. The transactions under the Solar Cells Supply Agreement therefore constitute non-exempt continuing connected transactions for the Company under Rule 14A.35 of the Listing Rules.

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

Proaement Phowith.5(Phozhou)69.5(Huagxin)19.5(Hua)69.5(Sol"Ge)24.5(SolRers)24.5(Suppices)2

Non-exempt Continuing Connected Transactions

(Continued)

B

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 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 2009, the aggregate amount of the service fee paid by the Group to Kinmac under the First Photovoltaic System Installation Agreement amounted to approximately RMB65,000 (2008: Nil).

For each of the two years ending 31 December 2011, the annual transaction amounts for the transactions under the First Photovoltaic System Installation Agreement will not exceed:

- (a) RMB316,750,000 for the year ending 31 December 2010; and
- (b) RMB601,825,000 for the year ending 31 December 2011.

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)

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。

截至二零零九年十二月三十一日止年度，由本集團向景懋支付首份光伏系統安裝協議項下的服務費總額為數約人民幣65,000元(二零零八年：無)。

截至二零一一年十二月三十一日止兩個年度各年，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：

- (a) 截至二零一零年十二月三十一日止年度人民幣316,750,000元；及
- (b) 截至二零一一年十二月三十一日止年度人民幣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 (Continued)

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 transactions under the First Photovoltaic System Installation Agreement constitute continuing connected transactions for the Company under Chapter 14A of

Provision of service for the installation of photovoltaic system for

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 2009, the aggregate amount of the service fee paid by Kinmac to the Group under the Second Photovoltaic System Installation Agreement amounted to approximately RMBNil (2008: RMB Nil).

For each of the three financial years ending 31 December 2011, the annual cap amounts for the transactions under the Second

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 and hence subject to the reporting, announcement and independent shareholders' approval requirements pursuant to Rules 14A.45 to 14A.48 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 2009 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條項下本公司的非豁免持續關連交易，故此，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。

上文(A)節「獲豁免遵守獨立股東批准規定之持續關連交易」所載交易構成集團持續關連交易，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二零零九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 Directors have requested the auditor of the Company to perform certain agreed-upon procedures on the continuing connected transactions and have received a letter from the auditor as required under Rule 14A.38 of the Listing Rules.

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.

The total number of securities available for issue under the Share Option Scheme as at 31 December 2009 was 137,092,487 Shares (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 lapsed on 30 April 2009).

不獲豁免之持續關連交易(續)

董事根據上市規則第14A.38條規定要求本公司核數師就持續關連交易進行若干協定程序及已接獲核數師函件。

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。

截至二零零九年十二月三十一日，於購股權計劃項下可發行證券總數為137,092,487股股份(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，並加回可認購10,285,000股股份並於二零零九年四月三十日失效的購股權後)。

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.

At 31 December 2009, 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 2009 was HK\$2.02) 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	No. of shares acquired on	No. of options	No. of options		Market value per
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No. of options outstanding at the beginning of the year 於年初	No. of shares acquired on exercise of options during the year 於年內行使	No. of options lapsed during the year 於年內	No. of options outstanding at the year end 於年終	Period during which options	Exercise	Market value per share at date of grant of options*
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Purchase, Sale Or Redemption of the Company's Listed Securities

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 2009, save for the offering of TDR for sale to the public in Taiwan pursuant to the TDR Issue.

購買、出售或贖回本公司上市證券

除根據台灣存託憑證發行銷售台灣存託憑證予台灣公眾人士外，截至二零零九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 2009, 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

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)	17,352,500(L)	0.96%
	Security interest (Note 4) 抵押權益(附註4)	17,352,500(L)	0.96%
	Interest in the share options granted under the Share Option Scheme 根據購股權計劃獲授購股權的權益	500,000(L)	0.03%
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	33,841,250(L)	1.87%
Mr. HSU You Yuan 許祐淵先生	Beneficial Interest 實益權益	18,965,927(L)	1.05%
	Interest in an option (Note 4) 於購股權的權益(附註4)	2,591,000(L)	0.14%
	Security interest (Note 4) 抵押權益(附註4)	2,591,000(L)	0.14%
	Interest in the share options granted under the Share Option Scheme 根據購股權計劃獲授購股權的權益	500,000(L)	0.03%

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 (%) 概約持股份比(%)
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)	10,994,000(L)	0.61%
	Security interest (Note 4) 抵押權益(附註4)	10,994,000(L)	0.61%
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 in the share options granted under the Share Option Scheme 根據購股權計劃獲授購股權的權益	1,000,000(L)	0.06%
Mr. ZHANG Chun 張椿先生	Interest in the share options granted under the Share Option Scheme 根據購股權計劃獲授購股權的權益	500,000(L)	0.03%
Ms. FU Shuangye 符霜葉女士	Interest in the share options granted under the Share Option Scheme 根據購股權計劃獲授購股權的權益	500,000(L)	0.03%
Dr. LIN Wen 林文博士	Interest in the share options granted under the Share Option Scheme 根據購股權計劃獲授購股權的權益	500,000(L)	0.03%
Mr. WONG Wing Kuen, Albert 王永權先生	Interest in the share options granted under the Share Option Scheme 根據購股權計劃獲授購股權的權益	500,000(L)	0.03%

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 2009, Mr. Chong Kin Ngai is interested in an aggregate of 82,525,040 issued shares, of which 2,449,500 shares are directly held by Mr. Chong Kin Ngai, 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 33,841,250 Shares as trustee on behalf of certain Directors, members of the senior management and staff of the Group. Of the said 33,841,250 Shares, 3,133,500 Shares are held by Mr. Chong in trust for Ms. Zhang Liming, an executive Director, and 2,659,375 Shares are held by Mr. Chong in trust for Mr. Hsu You Yuan, an executive Director.
- (3) As at 31 December 2009, Ms. Zhang Liming's 3,133,500 Shares were registered in the name of Mr. Chong 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、相關股份及債權證券之權益 (續)

附註：

- (1) 字母「L」指該人士於該等證券之長倉
- (2) 截至二零零九年十二月三十一日，莊堅毅先生於合共82,525,040股已發行股份中應屬擁有，其中2,449,500股股份由莊堅毅先生直接持有、64,140,040股股份由Prosperity Electric Corporation(「PEC」)持有及15,935,500股股份由談昌燈光持有。談昌燈光分別由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。
- (3) 莊堅毅先生以受託人身分代為若干董事、本集團高級管理人員及員工持有33,841,250股股份。其中3,133,500股股份由莊先生以信託形式代為董事張麗明女士持有，及2,659,375股股份由莊先生以信託形式代為執行董事許祐淵先生持有。
- (4) 截至二零零九年十二月三十一日，張麗明女士的3,133,500股股份由莊先生以信託形式代為若干董事、本集團高級管理人員及員工持有。其中3,133,500股股份由莊先生以信託形式代為董事張麗明女士持有，及2,659,375股股份由莊先生以信託形式代為執行董事許祐淵先生持有。
- (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任，譚文華先生、許祐淵先生及焦平海先生有權在該等僱員或高級管理人員終止獲聘或獲委任後，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)而留出的股份抵押權益收妥該等股份抵押。

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

Mr. Tan holds 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

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.

Directors' Interests in Contracts

Save as disclosed in the section headed "Non-exempt Continuing Connected Transactions" on pages 44 to 68, 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.

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 26 to the financial statements.

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作出的不競爭承諾，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。

董事之合約權益

除第44至68頁「不獲豁免的持續關連交易」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。

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，載於財務報表附註26。

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.

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 2009.

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

CHIAO Ping Hai

Chairman

Hong Kong, 17 March 2010

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表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

焦平海

主席

香港，二零一零年三月十七日

Auditor's responsibility (continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement,5 p70.3n the ssessemene

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Consolidated Income Statement

綜合損益表

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度
(Expressed in Renminbi) (以人民幣列值)

		Note	2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Turnover	營業額	4	658,720	1,492,935
Cost of sales	銷售成本		(664,500)	(1,267,425)
Gross (loss)/profit	毛(損)/利		(5,780)	225,510
Other revenue	其他收入	5	14,898	11,107
Other net income/(loss)	其他收入/(虧損)淨額	6	2,890	(7,602)
Selling and distribution expenses	銷售及分銷開支		(5,311)	(6,843)
Administrative expenses	行政開支		(105,521)	(101,512)
(Loss)/profit from operations	經營(虧損)/利潤		(98,824)	120,660
Finance costs	融資成本	7(a)	(15,942)	(3,290)
(Loss)/profit before taxation	除稅前(虧損)/利潤	7	(114,766)	117,370
Income tax benefit/(expense)	所得稅抵免/(開支)	8	16,624	(33,991)
(Loss)/profit for the year	年度(虧損)/利潤		(98,142)	83 sc6
Attributable to:	以下人士應佔(虧損)/利潤:			
Equity shareholders of the Company	本公司權益股東	13	(98,098)	83 sc6
Minority interests	少數股東權益		(44)	—
(Loss)/profit for the year	年度(虧損)/利潤		(98,142)	83 sc6
(Loss)/earnings per share (RMB cents)	每股(虧損)/盈利(人民幣分)	10		
Basic and diluted	—基本及攤薄		(5.75)	5.12

The notes on pages 88 to 168 form part of these financial statements.
Details of dividends payable to equity shareholders of the Company
attributable to the loss for the year are set out in note 9.

第88至168頁所載附註構成財務報表其中部分。本公司權益股東應佔年內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 2009 截至二零零九年十二月三十一日止年度
(Expressed in Renminbi) (以人民幣列值)

Consolidated Balance Sheet

綜合資產負債表

At 31 December 2009 於二零零九年十二月三十一日
(Expressed in Renminbi) (以人民幣列值)

		Note 附註	2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	14(a)	536,849	394,665
Prepayments for acquisition of property, plant and equipment	購置物業、廠房及設備的預付款項		63,264	114,987
Lease prepayments	租賃預付款項	15	63,948	47,508
Prepayments for raw materials	原材料的預付款項	16	214,068	170,809
Deferred tax assets	遞延稅項資產	24(b)	42,925	31,581
			921,054	759,550
Current assets	流動資產			
Inventories	存貨	18	441,288	395,533
Trade and other receivables	應收貿易賬款及其他應收款項	19	405,361	322,976
Current tax recoverable	即期可收回稅項	24(a)	—	1,878
Pledged deposits	已抵押存款	20	44,055	25,071
Cash at bank and in hand	銀行及手頭現金	21	236,191	270,402
			1,126,895	1,015,860
Current liabilities	流動負債			
Trade and other payables	應付貿易賬款及其他應付款項	22	206,170	252,433
Short-term bank loans	短期銀行貸款	23	289,274	214,580
Current tax payable	即期應付稅項	24(a)	28	4,315
			495,472	471,328
Net current assets	流動資產淨值		631,423	544,532
Total assets less current liabilities	資產總值減流動負債		1,552,477	1,304,082
Non-current liabilities	非流動負債			
Municipal government loan	市政府貸款	23	3,227	3,003
Long-term bank loan	長期銀行貸款	23	70,000	—
Deferred tax liabilities	遞延稅項負債	24(b)	4,669	7,232
Deferred income	遞延收入	25	67,301	30,333
			145,197	40,568
Net assets	資產淨值		1,407,280	1,263,514
Capital and reserves	資本及儲備			
Share capital	股本	28	162,458	152,189
Reserves	儲備	29	1,225,261	1,111,325
Total equity attributable to equity				

Balance Sheet

資產負債表

At 31 December 2009 於二零零九年十二月三十一日
(Expressed in Renminbi) (以人民幣列值)

		Note	2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
		附註		
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	14(b)	57	80
Investments in subsidiaries	於附屬公司的投資	17	163,005	367,841
			163,062	367,921
Current assets	流動資產			
Deposits and other receivables	按金及其他應收款項	19	839,077	741,250
Cash at bank and in hand	銀行及手頭現金	21	3,527	180
			842,604	741,430
Current liabilities	流動負債			
Other payables	其他應付款項	22	25,482	239,086
Net current assets	流動資產淨額		817,122	502,344
Net assets	資產淨值		980,184	870,265
Capital and reserves	資本及儲備	28(b)		
Share capital	股本		162,458	152,189
Reserves	儲備		817,726	718,076
Total equity	權益總額		980,184	870,265

Approved and authorised for issue by the board of directors on 17 March 2010.

董事會於二零一零年三月十七日核准並許可發出。

CHIAO Ping Hai

焦平海

Director

董事

HSU You Yuan

許祐淵

Director

董事

The notes on pages 88 to 168 form part of these financial statements.

第88至168頁所載附註構成財務報表其中部分。

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度
(Expressed in Renminbi) (以人民幣列值)

Annual Report 2009 年報

綜合現金流量表

[illegible]

			2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Financing activities	融資活動			
Placement of pledged deposits	置存已抵押存款		(44,055)	(25,071)
Repayments of pledged deposits	償還已抵押存款		25,071	120
Dividends paid	已付股息	9(b)	(10,584)	(88,258)
Proceeds from bank loans	銀行貸款所得款項		447,154	324,580
Repayment of bank loans	銀行貸款之還款		(302,460)	(237,000)
Proceeds from shares issued under share option scheme	根據購股權計劃發行股份所得款項	28(h)	18,937	–
Proceeds from the listing of Taiwan Depositary Receipts	台灣存託憑證上市所得款項	28(g)	200,590	–
Capital injection by minority shareholders	少數股東注資		19,605	–
Proceed from the global offering	全球發售所得款項	28(e)	–	666,461
Share issuing costs for the global offering	全球發售股份發行成本	28(e)	–	(53,001)
Share issuing costs for the Listing of Taiwan Depositary Receipts	台灣存託憑證股份發行成本	28(g)	(3,780)	–
Interest paid	已付利息		(17,130)	(6,195)
Net cash generated from financing activities	融資活動所得現金淨額		333,348	581,636
Net decrease in cash and cash equivalents	現金及現金等價物之減少淨額		(90,475)	(77,586)
Cash and cash equivalents at the beginning of the year	年初現金及現金等價物		270,402	348,978
Effect of foreign exchange rate changes	匯率變動的影響		(756)	(990)
Cash and cash equivalents at the end of the year	年終現金及現金等價物	21	179,171	270,402

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.

The notes on pages 88 to 168 form part of these financial statements.

非現金交易

於二零零九年三月二十日，董事會向股東建議以以股代息方式派付截至二零零八年十二月三十一日止年度末期股息每股0.017港元（相當於人民幣0.015元）。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，已發行每股0.1港元之5,513,925股股份以代替支付現金人民幣14,777,000元。

第88至168頁所載附註構成財務報表其中部分。

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

1 Significant accounting policies (continued)

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

1 主要會計政策(續)

(b) 財務報表的編製基準(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表有重大影響的判斷，以及不確定估計之主要來源之討論載列於附註34。

(c) 附屬公司及少數股東權益

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表中綜合計算。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表時全數抵銷。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分。

少數股東權益為並非由本公司直接或間接通過附屬公司擁有的應佔附屬公司資產淨值部份的權益，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。少數股東權益於合併資產負債表內的權益項下與本集團權益股東應佔權益分開列示。本集團業績中的少數股東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少數股東權益及本集團權益股東之間的分配。

1 Significant accounting policies (continued)

(c) Subsidiaries and minority interests (continued)

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

In the Company's balance sheet, an investment in a subsidiary is stated at cost less impairment losses (see note 1(g)(ii)).

(d) Property, plant and equipment

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

- buildings held for own use which are situated on leasehold land, where the fair value of the building could be measured separately from the fair value of the leasehold land at the inception of the lease (see note 1(f)); and
- other items of plant and equipment.

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 appropriate proportions of production overheads and borrowing costs.

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 the income statement on the date of retirement or disposal.

1 主要會計政策(續)

(c) 附屬公司及少數股東權益(續)

倘少數股東應佔的虧損超過其應佔附屬公司的權益，則超額部份及日後任何少數股東應佔虧損便須於本集團之權益中扣除，惟倘少數股東受責任約束及可以作出額外投資彌補虧損者除外。倘附屬公司其後錄得利潤，則所有該等利潤均會分配予本集團權益，直至收回以往由本集團承擔的少數股東應佔虧損為止。

本公司資產負債表所示於附屬公司的投資，是按成本減去減值虧損後入賬(見附註1(g)(ii))。

(d) 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(g)(ii))於資產負債表中列賬：

- 持作自用而建於租賃土地上的樓宇，且其公平值在租賃(見附註1(f))開始時可與租賃土地的公平值分開計量；及
- 其他廠房及設備項目。

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。

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物業、廠房及設備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。

1 Significant accounting policies (continued)

(d) Property, plant and equipment (continued)

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.

(e) Construction in progress

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

(f) Leased assets

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

1 主要會計政策(續)

(d) 物業、廠房及設備(續)

折舊是根據各項物業、廠房及設備的估計可使用年限，以直線法除以其估計剩餘價值(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。

(e) 在建工程

在建工程按成本減去減值虧損(見附註1(g)(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。

(f) 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。

1 Significant accounting policies (continued)

(f) Leased assets (continued)

(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 the income statement in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset.

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

(g) Impairment of assets

(i) Impairment of trade and other receivables

Trade and other receivables carried at cost or amortised cost are reviewed at each balance sheet date 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; and
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor.

1 主要會計政策(續)

(f) 租賃資產(續)

(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收益表中等額計提。

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。

(g) 資產減值

(i) 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應收貿易賬款及其他應收款項，於各結算日審議，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；及
- 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。

1 Significant accounting policies (continued)

(g) Impairment of assets (continued)

(i) Impairment of trade and other receivables (continued)

If any such evidence exists, the impairment loss of a financial asset measured at cost is calculated as the difference between its 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. The impairment loss of a financial asset measured at amortised cost 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 the income statement. 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 trade and other receivables directly, except for impairment losses recognised in respect of trade debtors 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 directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in the income statement.

1 主要會計政策(續)

(g) 資產減值(續)

(i) 應收貿易賬款及其他應收款項的減值(續)

倘存在任何有關證據，按成本計量之金融資產之減值虧損以其賬面值與以類似金融資產之現行市場回報率折現之估計未來現金流量現值之差額計算。以攤銷成本計量之金融資產之減值虧損乃按資產賬面值與估計未來現金流量現值之差額釐定，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金融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，則減值虧損將在收益表撥回。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應收貿易賬款及其他應收款項中直接撇銷，但可收回性被視為可疑而並非微乎其微的應收貿易賬項的已確認減值虧損則例外，應以撥備賬記錄呆壞賬的減值虧損。倘本集團確認能收回應收賬款的機會微乎其微，則視為不可收回金額會從應收貿易賬項中直接撇銷，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。

1 Significant accounting policies (continued)

(g) Impairment of assets (continued)

(ii) Impairment of other assets

Internal and external sources of information are reviewed at each balance sheet date 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;
- pre-paid interests in leasehold land classified as being held under an operating lease; and
- investment in subsidiaries.

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

— Calculation of recoverable amount

The recoverable amount of an asset is the greater of its net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of 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 the income statement whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated 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)

(g) 資產減值(續)

(ii) 其他資產減值

本集團於各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；
- 劃分為以經營租賃形式持有的租賃土地所預繳的權益；及
- 於附屬公司的投資。

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淨售價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入的最小資產組別(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)

(g) 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 the income statement in the year in which the reversals are recognised.

(iii) Interim financial reporting and impairment

Under the Listing Rules, the Group is required to prepare an interim financial report in compliance with HKAS 34 "Interim financial reporting" in respect of the first six months of the financial year (the "Interim Period"). At the end of the Interim Period, the Group applies the same impairment testing, recognition and reversal criteria as it would at the end of the financial year (notes 1(g)(i) and (ii)).

(h) 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.

1 主要會計政策(續)

(g) 資產減值(續)

(ii) 其他資產減值(續)

- 撥回減值虧損

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。

(iii) 中期財務報告及減值

根據上市規則，本集團須遵照香港會計準則第34號「中期財務報告」之規定就財政年度首六個月（「該中期期間」）編製中期財務報告。於該中期期間結算日，本集團已採納與財政年度結算日相同的減值測試、確認及撥回條件（附註1(g)(i)及(ii)）。

(h) 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。

1 Significant accounting policies (continued)

(i) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost less allowance for impairment of doubtful debts (see note 1(g)(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.

(j) Interest-bearing borrowings

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

(k) Trade and other payables

Trade and other payables are initially recognised at fair value. Except for financial guarantee liabilities measured in accordance with note 1(o)(i), trade and other payables are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(l) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, demand deposits with banks and other financial

1 主要會計政策(續)

(i) 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壞賬減值準備（見附註1(g)(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，則按成本扣除呆壞賬的減值準備入賬。

(j) 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。

(k) 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，除了財務擔保負債根據附註1(o)(i)計算外，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。

(l) 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。

(m) 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。

1 Significant accounting policies (continued)

(m) Employee benefits (continued)

- (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 the income statement as incurred, except to the extent that they are included in the cost of inventories not yet recognised as an expense.

(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, are 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 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, or the probability that the shares will continue to be held by the employees.

During the vesting or lock-up period, the number of share options that is expected to vest or the number of shares that is expected to continue to be held by the employees are reviewed. Any adjustment to the cumulative fair value recognised in prior years is charged/credited to the income statement 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)

(m) 僱員福利(續)

(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。

(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或股份繼續由僱員持有的可能性。

於歸屬或禁售期內，預期歸屬之購股權數目或預期繼續由僱員持有的股份數目已獲審閱。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收益表內扣除／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。

1 主要會計政策(續)

(n) 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，惟倘涉及直接在權益中確認之相關項目，則在權益中確認。

當期稅項是按年度應課稅收入，根據於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)

(n) Income tax (continued)

- 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.

(o) Financial guarantees issued, provisions and contingent liabilities

(i) Financial guarantees issued

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the “holder”) for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Where the Group issues a financial guarantee, the fair value of the guarantee (being the transaction price, unless the fair value can otherwise be reliably estimated) is initially recognised as deferred income within trade and other payables. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in the income statement on initial recognition of any deferred income.

The amount of the guarantee initially recognised as deferred income is amortised in the income statement over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised in accordance with note 1(o)(ii) if and when (i) it becomes probable that the holder of the guarantee will call upon the Group under the guarantee, and (ii) the amount of that claim on the Group is expected to exceed the amount currently carried in trade and other payables in respect of that guarantee i.e. the amount initially recognised, less accumulated amortisation.

1 主要會計政策(續)

(n) 所得稅(續)

- 不同應課稅實體，而該等實體在預期有大額遞延稅項負債需要清償或遞延稅項資產可以收回的每個未來期間，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。

(o) 已發出之財務擔保、撥備及或然負債

(i) 已發出之財務擔保

財務擔保乃要求發行人(即擔保人)就擔保受益人(「持有人」)因特定債務人未能根據債務工具的條款於到期時付款而蒙受的損失而向持有人支付特定款項的合約。

當本集團發出財務擔保，該擔保的公平值(即交易價格，除非該公平值能以其他方式可靠地計量)初次確認為應付貿易賬款及其他應付款項內的遞延收入。倘在發出該擔保時已收或應收代價，該代價則根據適用於該類資產的本集團政策確認。倘並無有關已收或應收代價，則於初次確認任何遞延收入時，即時於損益表內確認開支。

初次確認為遞延收入的擔保款額按擔保年期於收益表內攤銷為所發出財務擔保的收入。此外，倘出現以下情況即按照附註1(o)(ii)確認撥備：(i)擔保持有人有可能根據擔保向本集團提出催繳；及(ii)向本集團提出的申索款額預期超過現時列於應付貿易賬款及其他應付款項內的擔保金額(即初次確認的金額扣除累計攤銷)。

1 Significant accounting policies (continued)

(o) Financial guarantees issued, provisions and contingent liabilities (continued)

(ii) Other provisions and contingent liabilities

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

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

(p) Revenue recognition

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 in the income statement when the significant risks and rewards of ownership have been transferred to the buyer.

of any trade discounts.

(ii) Services rendered

Revenue from services rendered is recognised in the income statement as and when the services are performed or rendered.

1 主要會計政策(續)

(o) 已發出之財務擔保、撥備及或然負債(續)

(ii) 其他撥備及或然負債

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其他負債確認撥備。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。

(p) 收入確認

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及其隨附相關重大風險及回報時，於損益表內確認。收入不包括增值稅，並已扣除任何營業折扣。

(ii) 提供服務

當服務已獲履行或提供時，提供服務所獲收入於損益表內確認。

Notes to the Financial Statements

財務報告附註

(Expressed in Renminbi) (以人民幣列值)

1 主要會計政策(續)

(p) 收入確認(續)

(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

槽俾計名動入入叫勾罣擔之合約成本廖劇依罣餽蟻役裕礁柜

1 Significant accounting policies (continued)

(q) Translation of foreign currencies (continued)

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. Balance sheet items are translated into RMB at the foreign exchange rate ruling at the balance sheet date. The resulting exchange differences are recognised in other comprehensive income and accumulated

1 主要會計政策(續)

(q) 外幣換算(續)

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。資產負債表項目乃按結算日之匯率換算為人民幣。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。

於出售境外業務時，於權益內確認有關該境外業務之匯兌差額之累計數額，乃計入出售之損益中。

(r) 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。

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)

() Research and development expenses

Expenditures on research and development are charged to the income statement as expenses when incurred.

() Related parties

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

- (i) the party has the ability, directly or indirectly through one or more intermediaries, to control the Group or exercise significant influence over the Group in making financial and operating policy decisions, or has joint control over the Group;
- (ii) the Group and the party are subject to common control;
- (iii) the party is an associate of the Group or a joint venture in which the Group is a venturer;
- (iv) the party is member of key management personnel of the Group or the Group's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;
- (v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; or
- (vi) the party is a post-employment benefit plan which is for the benefit of employees of the Group or of any entity that is a related party of the Group.

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

1 主要會計政策(續)

() 研發開支

研發開支於產生時計入損益表作開支。

() 關連方

就本財務報表而言，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；
- (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。

1 Significant accounting policies (continued)

(u) 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.

The Group operates in a single operating segment, being 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.

2 Changes in accounting policies

The HKICPA has issued one new HKFRS, a number of amendments to HKFRSs and 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 8, *Operating segments*
- HKAS 1 (revised 2007), *Presentation of financial statements*
- Improvements to HKFRSs (2008)
- Amendments to HKAS 27, *Consolidated and separate financial statements – cost of an investment in a subsidiary, jointly controlled entity or associate*
- Amendments to HKFRS 7, *Financial instruments: Disclosure – improving disclosures about financial instruments*

1 主要會計政策(續)

(u) 分部報告

經營分部及以財務報表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。

本集團經營單一經營分部，即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；光伏模組的生產及買賣及光伏系統的安裝。

2 會計政策變動

香港會計師公會已頒佈一項新香港財務報告準則、多項對香港財務報告準則之修訂及新詮釋，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表有關：

- 香港財務報告準則第8號，*經營分部*
- 香港會計準則第1號(二零零七年經修訂)，*財務報表呈報*
- 香港財務報告準則之改進(二零零八年)
- 香港會計準則第27號修訂，*綜合及獨立財務報表—於附屬公司、共同控制實體或聯營公司的投資成本*
- 香港財務報告準則第7號修訂，*財務工具：披露—財務工具披露之改進*

2 Changes in accounting policies (continued)

- HKAS 23 (revised 2007), *Borrowing costs*
- Amendments to HKFRS 2, *Share-based payment – vesting conditions and cancellations*

The amendments to HKAS 23, HKFRS 2 and Improvements to HKFRSs (2008) have had no material impact on the Group's financial statements as the amendments were consistent with policies already adopted by the Group. In addition, the amendments to HKFRS 7 do not contain any additional disclosure requirements specifically applicable to the financial statements. The impact of the remainder of these developments on the financial statements is as

2 會計政策變動(續)

- 香港會計準則第23號(二零零七年經修訂), *借款成本*
- 香港財務報告準則第2號修訂, *股份付款 – 歸屬條件及註銷*

香港會計準則第23號、香港財務報告準則第2號的修訂及對香港財務報告準則的改善(二零零八年)對本集團財務報表並無任何重大影響, 原因為有關修訂與本集團所採納的政策一致。此外, 香港財務報告準則第7號修訂並無載有任何特定適用於財務報表的額外披露規定。餘下有關變更對財務報表的影響如下:

- 香港財務報告準則第8號要求分部之披露應基於本集團最高營運決策人對本集團經營之考慮及管理之方式, 各可呈報分部匯報金額應為就分部業績評估及營運事項決策向本集團最高營運決策人報告者。採納香港財務報告準則第8號使呈報之分部資料與向本集團最高行政管理層提供之內部報告更為一致。並無識別任何額外可呈報分部(附註3)。
- 由於採用香港會計準則第1號(二零零七年經修訂), 在經修訂綜合權益變動表中, 年內與權益股東進行交易引起之權益變動詳情與所有其他收入及開支分開列示。所有其他收入及開支若確認為本期損益, 則在綜合損益表內呈列; 否則在新的主要報表綜合全面收入報表內呈列。本財務報告已採用新格式的綜合全面收入報表及綜合權益變動表, 並為求與新呈列方式一致而重列相關金額。此項呈列變動並無對任何呈列期間所呈報之損益、總收入及開支或資產淨值構成影響。

2 Changes in accounting policies (continued)

- The amendments to HKAS 27 have removed the requirement that dividends out of pre-acquisition profits should be recognised as a reduction in the carrying amount of the investment in the investee, rather than as income. As a result, as from 1 January 2009, all dividends receivable from subsidiaries, whether out of pre- or post-acquisition profits, will be recognised in the Company's profit or loss and the carrying amount of the investment in the investee will not be reduced unless that carrying amount is assessed to be impaired as a result of the investee declaring the dividend. In such cases, in addition to recognising dividend income in profit or loss, the Company would recognise an impairment loss. In accordance with the transitional provisions in the amendment, this new policy will be applied prospectively to any dividends receivable in the current or future periods and previous periods have not been restated.

3 Segment reporting

The Group manages its business by business operations and geography. On the adoption of HKFRS 8, *Operating segments* and 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 only identified one business segment, i.e. 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. Further, the Group's business participates primarily in only one geographical location classified by the location of assets, i.e. the PRC.

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 segment which are presented in the same way in the Group's consolidated income statement and balance sheet.

2 會計政策變動(續)

- 香港會計準則第27號的修訂刪除從收購前利潤分派之股息應確認為於被投資公司之投資賬面值減少而非收入之規定。因此，由二零零九年一月一日起，自附屬公司應收取之所有股息(不論來自從收購前或收購後利潤分派)，將於本公司損益賬確認，而被投資公司之投資賬面值將不會減少，除非賬面值因被投資公司宣派股息而評定為減值。在此情況下，除於損益賬確認股息收入外，本公司亦會確認減值虧損。根據修訂之過渡條文，此項新政策預期將應用於目前或未來期間之任何應收股息，且未有就過往期間重列。

3 分部報告

本集團按業務分部及地區管理其業務。於首次採納香港財務報告準則第8號經營分部並以與就資源分配及表現評估向本集團最高行政管理層內部呈報資料方式一致之方式時，本集團僅有一個業務分部，即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；生產及買賣光伏模組及安裝光伏系統。此外，按資產所在地劃分，本集團業務主要僅涉及一個地區，即中國。

為評估分部表現及分配分部間之資源，本集團高級行政人員管理層監察與本集團綜合損益表及資產負債表以相同方式呈列之可呈報分部應佔業績、資產及負債。

Notes to the Financial Statements

財務報告附註

(Expressed in Renminbi) (以人民幣列值)

3 分部報告(續)

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。客戶所在地以已交付貨品的地點為依據。勐煒樁碼瀧煮炯槍鼓

4 Turnover (continued)

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:

	2009	2008
二局〔褐蚡逐極娘稿蔬倥二楣喃芮猗錫臨菅和		

4 營業額(續)

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：

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

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

[illegible]

(Expressed in Renminbi) (以人民幣列值)

[illegible]

8 Income tax in the consolidated income statement (continued)

(a) Income tax in the consolidated income statement represents: (continued)

On 1 January 2008, the Corporate Income Tax ("CIT") Law of the PRC ("New CIT Law") became effective. The PRC CIT rate has been adjusted to a standard rate of 25%. Foreign Investment Enterprises ("FIEs") which have not fully utilised their five-year tax holiday (i.e. two-year exemption and subsequent three-year 50% reduction of the applicable tax rate) will be allowed to continue to receive the benefits of the tax holiday during a five-year grandfathering period. For those FIEs which have not yet begun their five-year tax holiday period, the tax holiday period will be deemed to have commenced from the effective date of the New CIT Law.

Further under the New CIT Law, from 1 January 2008 onwards, non-resident enterprises without an establishment or place of business in the PRC or which have an establishment or place of business but the relevant income is not effectively connected with the establishment or a place of business in the PRC, are subject to withholding tax at the rate of 5% or 10% on various types of passive income such as dividends derived from sources in the PRC. Distributions of pre-2008 earnings are exempted from the above-mentioned withholding tax.

On 1 August 2008, the Group obtained approval from the Jinzhou Municipal Bureau of Foreign Trade and Economic Cooperation, the Administration for Industry and Commerce and other relevant government bodies to merge Jinzhou Huachang Silicon Materials Co., Ltd., Jinzhou Huari Silicon Materials Co., Ltd., Jinzhou Xinri Silicon Materials Co., Ltd., Jinzhou Youhua New Energy Co., Ltd. and Jinzhou Yangguang Energy Co., Ltd. ("Yangguang") ("the Merging companies") into Yangguang.

8 綜合損益表內所得稅(續)

(a) 綜合損益表內所得稅代表：(續)

於二零零八年一月一日，中國企業所得稅法（「新企業所得稅法」）生效。中國企業所得稅率調整至標準稅率25%。對尚未全面享有其五年稅務優惠期（即首兩年免徵企業所得稅，其後三年按減半適用利率徵收企業所得稅）的外商投資企業（「外商投資企業」）而言，彼等獲准於五年過渡期內繼續享有稅務優惠待遇。對尚未開始其五年稅務優惠期的外商投資企業而言，其稅務優惠期將被視為自新企業所得稅法生效日期起開始。

根據新企業所得稅法，自二零零八年一月一日起，倘非本土企業未在中國設立機構或擁有營業地點，或已設立機構或擁有營業地點惟有關收入與在中國設立的機構或營業地點並無實際關連，則須就各種被動收入（如來自中國來源的股息）按5%或10%的稅率繳納預扣稅。二零零八年前的盈利分派獲豁免繳納上述預扣稅。

於二零零八年八月一日，本集團獲得錦州市對外貿易經濟合作局、工商行政管理局及其他相關政府機構的批准，將錦州華昌硅材料有限公司、錦州華日硅材料有限公司、錦州新日硅材料有限公司、錦州佑華新能源有限公司及錦州陽光能源有限公司（「錦州陽光」）（「合併公司」）併入錦州陽光。

8 綜合損益表內所得稅(續)

(a) 綜合損益表內所得稅代表：(續)

鑑於各合併公司適用的企業所得稅率不同，於二零零八年五月十三日，錦州陽光獲太和區國家稅務局書面接納給予合併後企業所得稅優惠待遇，而根據國稅法 [1997] 第 71 號（「通知第 71 號」）所列原則，錦州陽光於合併後，就二零零八年採用的實際企業所得稅率為 13.77%。根據通知第 71 號，合併公司按各公司於合併前財政年度產生計算成本及開支百分比的方法，已應用於分配予各公司應佔錦州陽光於合併後應課稅收入。其後，已作出分配之合併後應課稅收入，按照合併公司相關企業所得稅率繳稅。

於二零零九年，錦州陽光獲授予「高新科技企業」地位，並有權於截至二零零九年十二月三十一日止年度起三年以 15% 之企業所得稅優惠稅率繳納企業所得稅。

按照上文所述獲太和區國家稅務局丰業縱旦园裸鹵 根饋瀟菩髒

8 Income tax in the consolidated income statement (continued)

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

		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
(Loss)/profit before taxation	除稅前(虧損)/利潤	(114,766)	117,370
Notional tax on (loss)/profit before taxation calculated at 25%	除稅前(虧損)/利潤之名義稅項, 按25%之稅率計算	(28,692)	29,343
Effect of non-deductible expenses	不可扣稅支出之影響	6,891	8,594
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	2,664	7,068
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	—
(Reversal)/recognition of deferred tax liabilities relating to undistributed profits (note 24(b))	(撥回)/確認與不可分派利潤相關之遞延稅項負債(附註24(b))	(2,563)	7,232
Utilisation of tax loss not recognised in prior years	動用過往年度尚未確認之稅項虧損	(706)	—
Effect of non-taxable income	毋須課稅收入之影響	—	(76)
Effect of tax concessions obtained	所獲稅務優惠之影響	—	(15,379)
Effect of unused tax loss not recognised	尚未確認的未動用稅項虧損之影響	2,554	5,401
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)	—
Tax refund on domestic equipment purchases	國內購置設備退稅	—	(8,192)
Over-provision in respect of prior years	過往年度超額撥備	(2,745)	—
Actual tax (benefit)/expense	實際稅務(抵免)/開支	(16,624)	33,991

8 綜合損益表內所得稅(續)

(b) 稅務(抵免)/開支與按適用稅率計算之會計(虧損)/利潤對賬:

Notes to the Financial Statements

財務報告附註

(Expressed in Renminbi)

10 每股(虧損)／盈利

(a) 每股基本(虧損)／盈利

每股基本(虧損)／盈利乃根據本公司普通股權益股東應佔虧損人民幣98,098,000元(二零零八年：利潤人民幣83,379,000元)以及按附

Notes to the Financial Statements

財務報告附註

(Expressed in Renminbi) (以人民幣列值)

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：

		2008 二零零八年						
		Fees	Basic salaries, allowances and benefits in kind	Bonus	Retirement scheme contributions	Share-based payments (note)	Total	
		袍金	基本薪金、津貼及實物利益	花紅	退休計劃供款	以股份支付款項 (附註)	總計	
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Executive directors	執行董事							
Tan Wenhua	譚文華	–	1,167	2	10	1,179	3,331	4,510
Hsu You Yuan	許祐淵	–	1,318	–	–	1,318	7,542	8,860
Zhang Liming	張麗明	–	288	2	8	298	1,001	1,299
Non-executive directors	非執行董事							
Chiao Ping Hai	焦平海	297	–	–	–	297	2,517	2,814
Chong Kin Ngai	莊堅毅	198	–	–	–	198	–	198
Independent non-executive directors	獨立非執行董事							
Wong Wing Kuen, Albert	王永權	198	–	–	–	198	–	198
Fu Shuangye	符霜葉	198	–	–	–	198	–	198
Lin Wen	林文	198	–	–	–	198	–	198
Zhang Chun	張椿	198	–	–	–	198	–	198
Total	總計	1,287	2,773	4	18	4,082	14,391	18,473

根據香港公司條例161條而披露的董事酬金如下：

Kong Companies Ordinance is as follows: (continued)

Notes to the Financial Statements

財務報告附註

(Expressed in Renminbi) (以人民幣列值)

12 Individuals with highest emoluments

Of the five individuals with the highest emoluments, four (2008: four) are directors whose emoluments are disclosed in note 11. The emolument in respect of the remaining one (2008: one) individual with the highest emolument is as follows:

		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Basic salaries, allowances and benefits in kind	基本薪金、津貼及實物利益	871	810
Retirement scheme contributions	退休計劃供款	11	11
Share-based payments	以股份支付款項	529	74
		1,411	895

The emolument of the remaining one (2008: one) individual with the highest emolument is within the following bands:

		2009 二零零九年 Number of individuals 人數	2008 二零零八年 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	—	—
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	1	—
		1	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四名(二零零八年：四名)為董事，彼等的薪酬於附註11披露。餘下一名最高薪酬人士(二零零八年：一名)的薪酬如下：

餘下一名最高薪酬人士(二零零八年：一名)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 (Loss)/profit attributable to equity shareholders of the Company

The consolidated (loss)/profit attributable to equity shareholders of the Company includes a loss of RMB100,797,000 (2008: RMB27,951,000) which has been dealt with in the financial statements of the Company.

13 本公司權益股東應佔(虧損)/利潤

本公司權益股東應佔綜合(虧損)/利潤包括人民幣100,797,000元的虧損(二零零八年：人民幣27,951,000元)，並已於本公司財務報表中處理。

Notes to the Financial Statements

財務報告附註

(Expressed in Renminbi) (以人民幣列值)

14 Property, plant and equipment (continued)

(a) The Group (continued)

14 物業、廠房及設備(續)

(a) 本集團(續)

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

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，於二零零九年十二月三十一日，該等樓宇的眼面淨值總額為人民幣4,762,000元(二零零八年：人民幣3,624,000元)。然而，董事認為本集團於二零零九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：

15 Lease prepayments

15 租賃預付款項

		The Group 本集團	
		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Cost:	成本：		
At 1 January	於一月一日	49,041	49,041
Additions	添置	17,503	—
At 31 December	於十二月三十一日	66,544	49,041
Accumulated amortisation:			
At 1 January	於一月一日		

Notes to the Financial Statements

財務報告附註

(Expressed in Renminbi) (以人民幣列值)

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 balance sheet date are classified as non-current assets at the year end date.

Included in the Group's non-current portion of prepayments for raw materials are amounts due from related parties of RMBNil (2008: RMB9,249,000) as at 31 December 2009 (note 30(c)).

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。

於二零零九年十二月三十一日，本集團的原材料預付款項非即期部分包括應收關連方之款項人民幣零元(二零零八年：人民幣9,249,000元)(附註：30(c))。

17 Investments in subsidiaries

17 於附屬公司的投資

		The Company 本公司	
		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Unlisted shares, at cost	非上市股份，按成本	163,005	367,841

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 companies 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
			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	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	Manufacturing and processing of monocrystalline silicon 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	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	Manufacturing and processing of monocrystalline silicon wafers 製造及加工單晶硅片	Limited liability company 有限責任公司

17 於附屬公司的投資(續)

Name of companies 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
			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	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	Manufacturing and processing of monocrystalline silicon ingots/wafers 製造及加工單晶硅錠/硅片	Limited liability company 有限責任公司
錦州佑華硅材料有限公司	The PRC 13 September 2008 中國 二零零八年 九月十三日	Registered and paid-in				

Notes to the Financial Statements

財務報告附註

(Expressed in Renminbi) (以人民幣列值)

17 Investments in subsidiaries (continued)

17 於附屬公司的投資(續)

Name of companies 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
			held by the Company 由本公司持有 %	held by a subsidiary 由附屬公司持有 %		
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	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	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	Manufacturing of photovoltaic modules and design and installation of photovoltaic systems 製造光伏模組及設計及安裝光伏系統	Limited liability company 有限責任公司
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	–	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	Investment holding 投資控股	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 of the Company.

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 Inventories

(a) Inventories in the consolidated balance sheet comprise:

18 存貨

(a) 綜合資產負債表之存貨包括：

		The Group 本集團	
		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Raw materials	原材料	251,013	272,475
Work-in-progress	在製品	88,056	

Notes to the Financial Statements

財務報告附註

(Expressed in Renminbi) (以人民幣列值)

19 Trade and other receivables

19 應收貿易賬款及其他應收款項

		The Group 本集團		The Company 本公司	
		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Trade debtors and bills receivable (note 19(a))	應收貿易賬款及票據 (附註19(a))	165,501	111,003	—	—
Prepayments for raw materials (note 19(b))	原材料的預付款項 (附註19(b))	93,540	133,891	—	—
Deposits and other receivables (note 19(c))	按金及其他應收款項 (附註19(c))	146,320	78,082	199	2,491
Amounts due from subsidiaries (note 19(g))	應收附屬公司款項 (附註19(g))	—	—	838,878	738,759
		405,361	322,976	839,077	741,250

All the trade and other receivables (including amounts due from subsidiaries) are expected to be recovered or recognised as expense within one year.

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) Included in trade debtors and bills receivable are aggregate amounts due from related parties of RMB90,499,000 (2008: RMB40,463,000) as at 31 December 2009 (note 30(c)).

(a) 於二零零九年十二月三十一日，應收貿易賬款及票據包括應收關連方的款項總額人民幣90,499,000元(二零零八年：人民幣40,463,000元)(附註30(c))。

(b) Included in current portion of prepayments for raw materials are amounts due from related parties of RMB29,394,000 (2008: RMB17,828,000) as at 31 December 2009 (note 30(c)).

(b) 於二零零九年十二月三十一日，原材料預付款項即期部分包括應收關連方之款項人民幣29,394,000元(二零零八年：人民幣17,828,000元)(附註30(c))。

(c) Included in the Group's deposits and other receivables are amount due from a related party of RMB5,557,000 (2008: RMB Nil) as at 31 December 2009 (note 30(c)).

(c) 於二零零九年十二月三十一日，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5,557,000元(二零零八年：人民幣零元)(附註30(c))。

(d) The ageing analysis of trade debtors and bills receivable (net of allowance for doubtful debts) based on invoice date is as follows:

(d) 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：

Entity	2009 Employees
The Group	1,000
Subsidiaries	1,000

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財務報告附註

(Expressed in Renminbi) (以人民幣列值)

19 應收貿易賬款及其他應收款項

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財務報告附註

(Expressed in Renminbi) (以人民幣列值)

22 Trade and other payables

22 應付貿易賬款及其他應付款項

		The Group 本集團		The Company 本公司	
		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Trade payables (note 22(a))	應付貿易賬款 (附註22(a))	78,603	143,223	—	—
Bills payable (note 22(b))	應付票據(附註22(b))	63,417	24,288	—	—
Other payables and accrued expenses (note 22(c))	其他應付款項及應計 開支(附註22(c))	64,150	84,772	3,433	2,897
Amounts due to subsidiaries (note 22(d))	應付附屬公司款項 (附註22(d))	—	—	22,049	236,189
Amount due to a director (note 30(e))	應付一名董事款項 (附註30(e))	—	150	—	—
		206,170	252,433	25,482	239,086

All of the trade and other payables (including amounts due to

- W 2,897

22 Trade and other payables (continued)

- (b) The Group's bills payable of RMB63,417,000 (2008: RMB24,288,000) as at 31 December 2009 are secured by the Group's bank deposits of RMB35,000,000 (2008: RMB20,000,000) (note 20).

Included in the Group's bills payable are bills payable to related parties of RMB11,240,000 (2008: RMB15,000,000) as at 31 December 2009 (note 30(d)).

- (c) Included in the Group's other payables and accrued expenses are receipts in advance from a related party of RMB Nil (2008: RMB20,000,000) as at 31 December 2009 (note 30(d)).

- (d) The amounts due to subsidiaries are unsecured, interest-free and repayable on demand.

22 應付貿易賬款及其他應付款項(續)

- (b) 本集團於二零零九年十二月三十一日的應付票據人民幣63,417,000元(二零零八年：人民幣24,288,000元)，以本集團銀行存款人民幣35,000,000元(二零零八年：人民幣20,000,000元)作為抵押(附註20)。

本集團於二零零九年十二月三十一日的應付票據包括應付關連方的票據人民幣11,240,000元(二零零八年：人民幣15,000,000元)(附註30(d))。

- (c) 本集團於二零零九年十二月三十一日的其他應付款項及應計開支包括一名關連方的墊付款項人民幣零元(二零零八年：人民幣20,000,000元)(附註30(d))。

- (d) 應付附屬公司款項為無抵押、免息及須按要求償還。

23 Interest-bearing borrowings

The analysis of the carrying amount of interest-bearing borrowings is as follows:

23 計息借貸

計息借貸的賬面值分析如下：

		The Group 本集團	
		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Short-term bank loans	短期銀行貸款		
— unsecured	— 無抵押	289,274	200,000
— secured (note 23(a))	— 已抵押(附註23(a))	—	14,580
		289,274	214,580
Long-term loans	長期貸款		
— unsecured bank loan (note 23(b))	— 無抵押銀行貸款(附註23(b))	70,000	—
— municipal government loan (note 23(c))	— 市政府貸款(附註23(c))	3,227	3,003
		73,227	3,003
		362,501	217,583

Notes to the Financial Statements

財務報告附註

(Expressed in Renminbi) (以人民幣列值)

23 計息借貸(續)

- (a) 於二零零九年十二月三十一日，本集團所獲授若干銀行融資及貸款以本集團為數人民幣44,055,000元(二零零八年：人民幣25,071,000元)的銀行存款作為抵押的銳註

24 Income tax in the consolidated balance sheet

(a) Current taxation in the consolidated balance sheet represents:

		The Group 本集團	
		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Provision for PRC Enterprise Income Tax for the year	年度中國企業所得稅撥備	28	65,610
PRC Enterprise Income Tax paid	已付中國企業所得稅	-	(63,173)
PRC Enterprise Income Tax payable	應付中國企業所得稅	28	2,437
Representing:	相當於：		
Current tax recoverable	即期可收回稅項	-	(1,878)
Current tax payable	即期應付稅項	28	4,315
		28	2,437

(b) Deferred tax assets and liabilities recognised

The components of deferred tax assets/(liabilities) recognised in the consolidated balance sheet and the movements during the year are as follows:

Notes to the Financial Statements

財務報告附註

(Expressed in Renminbi) (以人民幣列值)

24 Income tax in the consolidated balance sheet (continued)

(b) Deferred tax assets and liabilities recognised (continued)

24 綜合資產負債表內的所得稅(續)

(b) 確認遞延稅項資產及負債(續)

		The Group 本集團	
		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Net 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	42,925	31,581
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	(4,669)	(7,232)
		38,256	24,349

(c) Deferred tax assets not recognised

The Group has not recognised deferred tax assets in respect of cumulative tax losses of RMB28,452,000 (2008: RMB32,731,000) and RMB10,176,000 (2008: Nil) 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.

25 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

26 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 for the years ended 31 December 2008 and 2009 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. Contributions to the schemes vest immediately.

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.

26 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。截至二零零八年及二零零九年十二月三十一日止年度，本集團中國附屬公司須按僱員薪金的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，僱主須按僱員相關收入的6%向計劃作出供款。向計劃作出的供款即時歸屬。

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。

27 股份獎勵福利

(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」)。

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，於錄焜購砌蚰礪禡

27 股份獎勵福利(續)

(a) 股份獎勵計劃(續)

於二零零七年六月二十六日，本集團董事會決議，

27 Equity compensation benefits (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 during the year ended 31 December 2009 is 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**股份的公平值及假設*

Fair value at measurement date

於計算日期的公平值

RMB57.50 million

人民幣57,500,000元

Expected price to earnings multiple

預期市盈率

22.3

22.3

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.

27 股份獎勵福利(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。於截至二零零九年十二月三十一日止年度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。

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。

27 Equity compensation benefits (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 行使期	Any time from 30 December 2008 up to the expiry date of 30 April 2009 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	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 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

27 股份獎勵福利(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：

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財務報告附註

(Expressed in Renminbi) (以人民幣列值)

27 Equity compensation benefits (continued)

(b) Share Option Plan of the Company (continued)

- (ii) The number and weighted average exercise prices of share options are as follows:

		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 2008	於二零零八年 一月一日 尚未行使	—	—	—	—
Granted during the year	於年內授出	HK\$1.974 1.974港元	19,500	HK\$1.974 1.974港元	22,769
Outstanding at 31 December 2008	於二零零八年 十二月三十一日 尚未行使	HK\$1.974 1.974港元	19,500	HK\$1.974 1.974港元	22,769
Exercisable at 31 December 2008	於二零零八年 十二月三十一日 可行使	HK\$1.974 1.974港元	19,500	—	—
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)	—	—
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	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	21,094

The weighted average share price at the date of exercise for share options exercised during the year was HK\$1.974 (2008: not applicable).

The options outstanding at 31 December 2009 had an exercise price of HK\$1.974 (2008: HK\$1.974) and a weighted average remaining contractual life of 1 year (2008: 1.2 years).

27 股份獎勵福利(續)

(b) 本公司之購股權計劃(續)

- (ii) 購股權的數目及加權平均行使價載列如下：

年內行使之購股權於行使日期之加權平均股價為1.974港元(二零零八年：不適用)。

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(二零零八年：1.974港元)，而加權平均餘下合約年期為1年(二零零八年：1.2年)。

27 Equity compensation benefits (continued)

(b) Share Option Plan of the Company (continued)

(iii) Fair value of share options and assumptions

The fair value of services received in return for share options granted is measured by reference to the fair value of the share options granted. The estimate of the fair values of the share options granted during the year ended 31 December 2009 is measured at the grant date based on a binomial lattice model. The contractual life of the share options is used as an input into this model.

Fair value of share options and assumptions

		Tranche A 甲組	Tranche B 乙組
Stock asset price	股份資產價	HK\$1.870 1.870港元	HK\$1.870 1.870港元
Annualised volatility (expressed as a weighted average volatility used in the modelling under the binomial lattice model)	年度波幅(以二項式點陣模式所採用加權平均波幅列示)	111.647%	87.08%
Dividend yield	股息率	1.90%	1.90%
Risk-free interest rate (based on Hong Kong Monetary Authority Exchange Fund Notes)	無風險利率(按照香港金融管理局外匯基金票據計算)	0.020%	0.591%

Certain share options 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 option grants.

27 股份獎勵福利(續)

(b) 本公司之購股權計劃(續)

(iii) 購股權公平值及假設

就授出購股權所獲服務的公平值，乃經參照授出購股權的公平值計量。截至二零零九年十二月三十一日止年度授出購股權的估計公平值，乃於授出日期根據二項式點陣模式計量。購股權合約年期乃用作輸入此模式的數據。

購股權公平值及假設

若干購股權乃按服務條件授出。該條件並未納入計算於授出日期獲得服務的公平值。授予購股權不附設市場條件。

Notes to the Financial Statements

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(Expressed in Renminbi) (以人民幣列值)

28 Share capital

(a) The Group

Details of the movements in capital and reserves of the Group

28 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報表。

(b) 本公司

28 Share capital (continued)

(c) Authorised and issued share capital

28 股本(續)

(c) 法定及已發行股本

		The Company 本公司			
		2009 二零零九年		2008 二零零八年	
		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	1,690,766,500	RMB152,189 人民幣152,189	2,874,333	RMB279 人民幣279
Capitalisation issue (note 28(d))	資本化發行(附註28(d))	—	—	1,434,292,167	129,086
Shares issued under the global offering (note 28(e))	根據全球發售發行股份 (附註28(e))	—	—	253,600,000	22,824
Shares issued in lieu of cash dividend (note 28(f))	以股份發行代替現金股息 (附註28(f))	5,513,925	485	—	—
Shares issued under the listing of Taiwan Depositary Receipts (note 28(g))	根據台灣存託憑證 上市發行股份 (附註28(g))	100,000,000	8,824	—	—
Shares issued under the share option scheme (note 28(h))	根據購股權計劃 發行股份 (附註28(h))	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	1,690,766,500	RMB152,189 人民幣152,189

- (d) Pursuant to the ordinary resolutions passed on 27 February 2008, the directors allotted and issued a total of 1,434,292,167 shares of HK\$0.1 (equivalent to RMB0.09) each credited as fully paid at par to the shareholders whose names appeared on the register of members of the Company at the close of business on the date of the Prospectus dated 17 March 2008 in proportion to their shareholdings at that date by capitalising a sum of HK\$143,429,000 (equivalent to RMB129,086,000)

28 Share capital (continued)

- (e) On 31 March 2008, an aggregate of 253,600,000 ordinary shares of HK\$0.1 (equivalent to RMB0.09) each were issued and offered for subscription at a price of HK\$2.92 (equivalent to RMB2.63) per share upon the listing of the Company's 222 Twd on the Stock Exchange. The Group raised approximately HK\$682 million (equivalent to RMB613 million) net of related expenses from the 22 Tw offer.

(f) Scrip 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 22 Tw for the year ended 31 December 2008 with a scrip alternative to the 22 Tw holders on the register of members of the Company on 12 June 2009, where the shareholders could elect to receive the dividend by allotment of new 222 Twd credited as fully paid in lieu of cash (the "Scrip Dividend Scheme"). Shareholders were entitled to 0.00557 shares for each 22 Tw held by them if they elected to receive the dividend by allotment of new 222 Twd.

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 dividend by allotment of new 222 Twd. The nominal value of these new shares of HK\$551,000 (equivalent to RMB485,000) was credited to 22 Tw capital and the balance of HK\$16,288,000 (equivalent to RMB14,292,000) was credited to 22 Tw premium account.

(g) Shares issued under the listing of Taiwan Depositary Receipts

On 10 December 2009, 100,000,000 units of Taiwan depositary 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 (the "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 Depositary Receipts on the Taiwan Stock Exchange.

28 股本(續)

- (e) 於二零零八年三月三十一日，本公司在其股份於聯交所上市時按每股2.92港元(相當於人民幣2.63元)的價格發行合共253,600,000股每股面值0.1港元(相當於人民幣0.09元)的普通股以供認購。扣除股份發售的相關開支後，本集團集資約682,000,000港元(相當於人民幣613,000,000元)。

(f) 以股份發行代替現金股息

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末期股息每股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。

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。

(g) 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。

28 Share capital (continued)

(h) Shares issued under share option scheme

The Company adopted the Scheme on 27 February 2008 for the recruitment and retention of quality executives and employees as disclosed in note 27(b).

During the year, options granted under the Scheme were exercised to subscribe for 10,890,000 (2008: Nil) ordinary shares of the Company at a consideration of HK\$21,497,000 (2008: Nil), 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.

29 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 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 entity 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(m)(iii).

28 股本(續)

(h) 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該計劃，以聘用及留聘優秀行政人員及僱員，詳情於附註27(b)披露。

年內，根據該計劃授出之購股權已獲行使認購10,890,000股(二零零八年：無)本公司普通股，代價為21,497,000港元(二零零八年：無)，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。

29 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(m)(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。

29 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 2009 and 2008 were as follows:

		The Group 本集團	
		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Note 附註			
Current liabilities:	流動負債：		
Short-term bank loans	短期銀行貸款	289,274	214,580
Non-current liabilities:	非流動負債：		
Municipal government loan	市政府貸款	3,227	3,003
Long-term bank loan	長期銀行貸款	70,000	—
		73,227	3,003
Total borrowings	借貸總額	362,501	217,583
Share capital	股本	162,458	152,189
Reserves	儲備	1,225,261	1,111,325
Total equity attributable to equity shareholders of the Company	本公司權益股東應佔權益總額	1,387,719	1,263,514
Gearing ratio	資產負債比率	26.1%	17.2%

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

29 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。

於二零零九年及二零零八年十二月三十一日之資產負債比率如下：

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)

30 Related party transactions

During the year, transactions with the following parties are considered to be related party transactions:

30 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 各方名稱	Relationship 關係
Tan Wenhua 譚文華	Executive director 執行董事
Chong Kin Ngai 莊堅毅	Non-executive director 非執行董事
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 受譚文華重大影響
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」)	An associate of Chong Kin Ngai 莊堅毅之聯繫人
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
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 本公司之權益股東
Jinzhou Aoke New Materials Co., Ltd. ("Jinzhou Aoke") 錦州奧克新材料有限公司(「錦州奧克」)	An associate of Tan Wenhua 譚文華之聯繫人
Kinmac Solar Corporation ("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」)	An associate of Tan Wenhua 譚文華之聯繫人

30 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

30 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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(Expressed in Renminbi) (以人民幣列值)

30 關連方交易

30 Related party transactions (continued)
(c) Amounts due from related parties

30 關連方交易(續)
(c) 應收關連方款項

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(Expressed in Renminbi) (以人民幣列值)

30 Related party transactions (continued)

(d) Amounts due to related parties

		The Group 本集團	
		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Trade	貿易		
– Jinzhou Youxin	– 錦州佑鑫	11,305	6,135
– Jinzhou Changhua	– 錦州昌華	10,961	11,500
– WWX	– 合晶科技	3,688	37,143
– Jinzhou Aoke	– 錦州奧克	376	–
– Huachang Guangfu	– 華昌光伏	133	20,000
– WWXS	– 合晶硅材料	64	23,670
		26,527	98,448

Amounts due to related parties are unsecured, interest free and expected to be settled within one year.

應付關連方款項為無抵押、免息及預期可於一年內償還。

(e) Amount due to a director

		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Tan Wenhua	譚文華	–	150

The amount due to a director is unsecured, interest-free and expected to be settled within one year.

應付一名董事之款項為無抵押、免息及預期可於一年內償還。

(f) Key management personnel emoluments

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 emoluments are disclosed in notes 11 and 12. Total remuneration is included in “staff costs” as disclosed in note 7(b).

(f) 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7(b)披露。

31 Capital commitments

Capital commitments that relate to purchases of property, plant and equipment outstanding at the balance sheet date not provided for in the financial statements are as follows:

		The Group 本集團	
		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Authorised and contracted for	已授權並已訂約	254,828	343,377
Authorised but not contracted for	已授權但未訂約	52,175	30,000

32 Operating lease commitments

At 31 December 2009, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

		The Group 本集團	
		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Within 1 year	一年內	2,628	1,617
After 1 year but within 5 years	一年後但五年內	5,408	1,655
After 5 years	五年後	1,930	2,041
		9,966	5,313

The Group is the lessee in respect to a number of properties held under operating leases at 31 December 2009. 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.

31 資本承擔

有關購置物業、廠房及設備於結算日尚未償還且並未在財務報表內撥備之資本承擔如下：

32 經營租賃承擔

於二零零九年十二月三十一日，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：

於二零零九年十二月三十一日，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。

33 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 and cash equivalents and trade and other receivables. Cash and cash equivalents are placed with financial institutions that have sound credit ratings and the Group considers the credit risk to be insignificant.

In respect of trade and other receivables, 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 when orders are placed by the Group in respect of the prepayments made by the Group for purchase of 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 receivables are due within 30 to 90 days from the date of billing. Normally, the Group does not obtain collateral from customers.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The default risk of the industry and country in which customers operate also has an influence on credit risk but to a lesser extent. At the balance sheet date, the Group has a certain concentration of credit risk as 22% (2008: 12%) of the total trade and other receivables was due from the Group's largest customer and 36% (2008: 31%) was due from the five largest customers of the Group.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated balance sheet. The Group does not provide any other guarantees which would expose the Group to credit risk.

33 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現金及現金等價物以及應收貿易賬款及其他應收款項。現金及現金等價物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。

就應收貿易賬款及其他應收款項，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，而有關本集團就購買原材料作出之預付款項方面，則主要集中於供應商過往於本集團落訂單時提供原材料之記錄，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，本集團不會自客戶收取抵押品。

本集團之信貸風險主要受各客戶之個別特質影響。客戶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有22%（二零零八年：12%）來自本集團最大客戶的欠款，另36%（二零零八年：31%）則來自本集團五大客戶的欠款。

最大的信貸風險為綜合資產負債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。

33 Financial risk management and fair values

(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

33 財務風險管理及公平值(續)

(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。

下表詳列本集團及本公司財務負債於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以及本集團及本公司須還款最早日期作為基礎。

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33 Financial risk management and fair values

(continued)

(b) Liquidity risk (continued)

33 財務風險管理及公平值(續)

(b) 流動資金風險(續)

		The Company					
		本公司					
		2009			2008		
		二零零九年			二零零八年		
		Total			Total		
		contractual			contractual		
		undiscounted			undiscounted		
		Within 1 year			Within 1 year		
		or on demand			or on demand		
		Carrying			Carrying		
		amount			amount		
		未折現合約			未折現合約		
		賬面值			賬面值		
		現金流量總額			現金流量總額		
		通知時			通知時		
		RMB'000			RMB'000		
		人民幣千元			人民幣千元		
Other payables	其他應付款項	3,433	(3,433)	(3,433)	2,897	(2,897)	(2,897)
Amounts due to subsidiaries	應付附屬公司款項	22,049	(22,049)	(22,049)	236,189	(236,189)	(236,189)
		25,482	(25,482)	(25,482)	239,086	(239,086)	(239,086)

33 Financial risk management and fair values

(continued)

(c) Interest rate risk

(i) Interest rate profile

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 note 21. The Group's interest rate risk arises mainly from bank borrowings. Borrowings obtained at variable rates expose the Group to cash flow interest rate risk. Borrowings bearing fixed rates expose the Group to fair value interest rate risk. The Group does not use derivative financial instruments to hedge its interest rate risk.

The following table details the interest rate profile of the Group's net borrowings at the balance sheet date.

Interest rate profile of the Group's net borrowings at the balance sheet date	
Interest rate	Amount
Fixed	
Variable	
Total	

33 財務風險管理及公平值(續)

(c) 利率風險

(i) 利率概況

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中披露。本集團之利率風險主要來自銀行借貸。浮息借貸使本集團承擔現金流利率風險。定息借貸使本集團承擔公平值利率風險。本集團並無使用衍生財務工具對沖其利率風險。

下表詳列本集團於結算日借貸淨額的利率概況。

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(Expressed in Renminbi) (以人民幣列值)

33 Financial risk management and fair values

(continued)

(d) Currency risk (continued)

(i) Exposure to currency risk

The following table details the Group's exposure at

33 財務風險管理及公平值(續)

(d) 外匯風險(續)

(i) 外匯風險

下表詳列本集團於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。

Notes to the Financial Statements

財務報告附註

(Expressed in Renminbi) (以人民幣列值)

33 Financial risk management and fair values

(continued)

(d) Currency risk (continued)

(ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's loss/profit 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.

		The Group 本集團					
		2009 二零零九年			2008 二零零八年		
		Increase in foreign exchange rates 匯率上升 %	Decrease in loss for the year 年內虧損下跌 RMB'000 人民幣千元	Increase in retained earnings 保留盈利上升 RMB'000 人民幣千元	Increase in foreign exchange rates 匯率上升 %	Increase in profit for the year 年內利潤上升 RMB'000 人民幣千元	Increase in retained earnings 保留盈利上升 RMB'000 人民幣千元
Hong Kong Dollars	港元	10	1,091	1,091	10	3,012	3,012
United States Dollars	美元	10	34	34	10	9,149	9,149

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' loss/profit 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.

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 balance sheet date, 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 2008.

The stated changes represent changes in foreign exchange rates over the period until the next annual balance sheet date. In this respect, it is assumed that the pegged rate between the Hong Kong Dollar and the United States Dollar would be materially unaffected by any changes in movement in value of the United States Dollar against other currencies. The analysis has been performed on the same basis for 2008.

33 財務風險管理及公平值(續)

(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，而令本集團除稅後虧損／利潤及保留盈利出現的即時變動。

上表呈列之分析結果指本集團各實體之除稅後虧損／利潤及股本(以各自之功能幣單位)

敞停賬視功自

33 Financial risk management and fair values

(continued)

(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 2008 and 2009.

34 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

33 財務風險管理及公平值(續)

(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

於二零零八年及二零零九年十二月三十一日，所有金融工具的賬面值與其公平值之間並沒有重大差異。

34 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。

34 Significant accounting estimates and judgements (continued)

(b) Impairments of property, plant and equipment and trade receivables

The Group reviews the carrying amounts of property, plant and equipment at each balance sheet date 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 collectibility. 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.

(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.

34 重大會計估計及判斷(續)

(b) 物業、廠房及設備以及應收貿易賬款減值

本集團於各結算日審閱物業、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。

(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，及就可能由於市況或供應商財務狀況變動而成為繁重之責任撥備。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。



Solar Energy