



Solargiga Energy

Solargiga Energy Holdings Limited  
陽光能源控股有限公司

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

Stock Code 股份編號 : 757

Working Together for  
**A GREENER FUTURE**  
戮力同心 建設綠色未來

Annual Report 年報 2008



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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 (appointed with effect from 1 October 2008)  
Tong Wan Sze (resigned with effect from 1 October 2008)

### 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(於二零零八年十月一日獲委任並生效)  
湯雲斯(於二零零八年十月一日辭任並生效)

### 審核委員會

王永權(主席)  
符霜葉  
林文  
張椿  
莊堅毅

### 薪酬委員會

符霜葉(主席)  
王永權  
林文  
張椿  
譚文華

### 提名委員會

林文(主席)  
王永權  
符霜葉  
張椿  
許祐淵

### 核數師

畢馬威會計師事務所

### Principal Bankers

Bank of Jinzhou  
Agricultural Bank of China  
China Construction Bank  
Huaxia Bank  
Bank of Communications

### Registered Office

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

### Head Office and Principal Place of Business in Hong Kong

Room 1402, Harbour Centre  
25 Harbour Road  
Wanchai  
Hong Kong

### Principal Share Registrar

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

### Authorised Representatives

Hsu You Yuan  
Chow Yiu Ming

### Hong Kong Share Registrar

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

### Investor Relations Consultant

Porda International (Finance) PR Group

### Corporate Website

[www.solargiga.com](http://www.solargiga.com)

### 主要往來銀行

錦州銀行  
中國農業銀行  
中國建設銀行  
華夏銀行  
交通銀行

### 註冊辦事處

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

### 香港總辦事處暨主要營業地址

香港  
灣仔  
港灣道25號  
海港中心1402室

### 股份過戶登記總處

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

### 法定代表

許祐淵  
鄒耀明

### 股份過戶登記處香港分處

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

### 投資者關係顧問

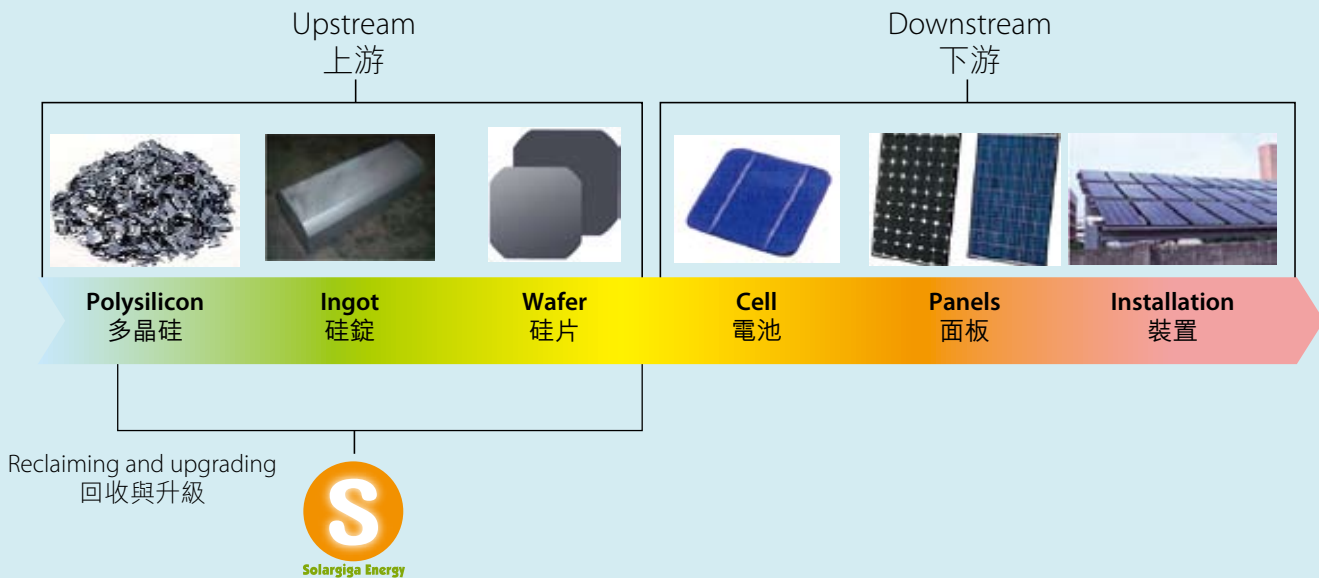
博達國際(財經)公關傳訊集團

### 企業網站

[www.solargiga.com](http://www.solargiga.com)

# Company Profile

## 公司簡介



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

- (a) the trading and manufacturing of monocrystalline silicon solar ingots and wafers;
- (b) the processing of solar ingots and wafers; and
- (c) the upgrading and trading of polysilicon.

The Group operates its major production facilities of monocrystalline silicon solar ingots and wafers in Jinzhou, Liaoning Province, the PRC. The facilities were equipped with 196 monocrystalline silicon solar ingots pullers and 37 wiresaws, with an aggregate annual designed capacity of 2,000 tonnes of monocrystalline silicon solar ingots and 56 million pieces of monocrystalline silicon solar wafers as at 31 December 2008.

In addition, the Group operates polysilicon reclaiming and upgrading facilities in Shanghai and Jinzhou. These reclaiming facilities allow the Company to gain production cost advantages on solar products. As at 31 December 2008, the polysilicon reclaiming and upgrading facilities had an aggregate annual designed throughput of 2,400 tonnes.

Being a leader in the PRC market, the Group aspires to be the world’s largest monocrystalline silicon solar ingot and wafer producer as well as one of the key players in multicrystalline silicon solar product business through capacity expansion and technology upgrade.

陽光能源控股有限公司(「本公司」，連同其附屬公司統稱「本集團」，股份代號: 757)為中華人民共和國(「中國」)領先的太陽能單晶硅錠及硅片製造商。其產品用於製造光伏電池，而光伏電池為太陽能發電系統的重要組件。本集團從事的三項主要業務分別為：

- (a) 買賣及製造太陽能單晶硅錠及硅片；
- (b) 提供太陽能硅錠及硅片的加工服務；及
- (c) 改良及買賣多晶硅。

本集團主要設施位於中國遼寧省錦州市，經營太陽能單晶硅錠及硅片生產，於二零零八年十二月三十一日備有196台單晶硅錠拉製機及37台線鋸，該生產設施的設計總產能為每年2,000噸太陽能單晶硅錠及56,000,000片太陽能單晶硅片。

此外，本集團於上海及錦州經營多晶硅回收及改良設施，使本公司於太陽能產品上取得生產成本優勢。於二零零八年十二月三十一日，多晶硅回收及改良設施的設計總年產量為2,400噸。

作為中國市場的翹楚，本集團透過擴大產能及技術升級，銳意成為全球最大太陽能單晶硅錠及硅片製造商，以及太陽能多晶硅產品業務的主要參與者之一。

# Financial Highlights

## 財務摘要

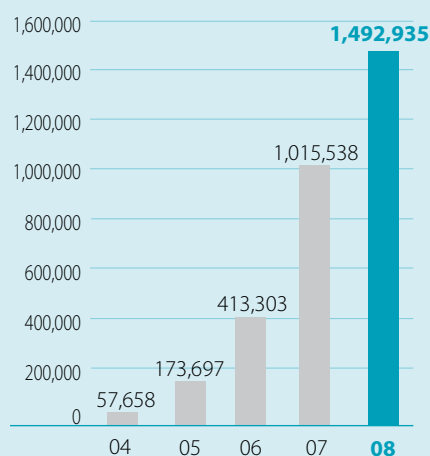
(For the year ended 31 December)  
(截至十二月三十一日止年度)

### Five-Year Financial Summary 五年財務摘要

RMB'000	人民幣千元	2004 二零零四年 <sup>(1)</sup>	2005 二零零五年 <sup>(1)</sup>	2006 二零零六年 <sup>(1)</sup>	2007 二零零七年	2008 二零零八年
Turnover	營業額	57,658	173,697	413,303	1,015,538	<b>1,492,935</b>
Gross profit	毛利	10,543	68,900	169,063	323,126	<b>225,510<sup>(2)</sup></b>
Profit from operations	經營利潤	7,988	62,842	156,025	344,673	<b>120,660</b>
Profit attributable to equity shareholders	權益股東應佔利潤	4,941	41,303	109,670	292,241	<b>83,379</b>
Basic earnings per share (RMB cents)	每股基本盈利(人民幣分)	0.99	8.26	21.85	20.33	<b>5.12</b>
Non-current assets	非流動資產	17,981	109,450	134,500	277,879	<b>588,741</b>
Current assets	流動資產	57,615	135,333	264,935	673,996	<b>1,186,669</b>
Current liabilities	流動負債	27,568	75,543	129,285	289,521	<b>471,328</b>
Non-current liabilities	非流動負債	150	14,981	15,344	29,637	<b>40,568</b>
Net assets	資產淨值	47,878	154,259	254,806	632,717	<b>1,263,514</b>

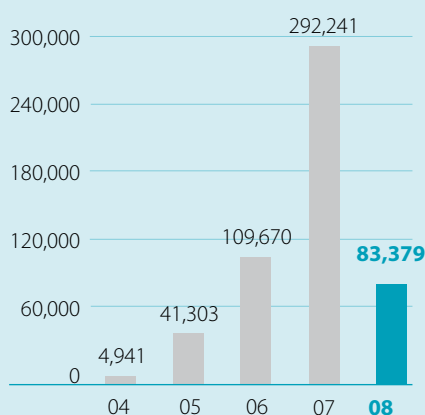
### Turnover 營業額

RMB'000  
人民幣千元



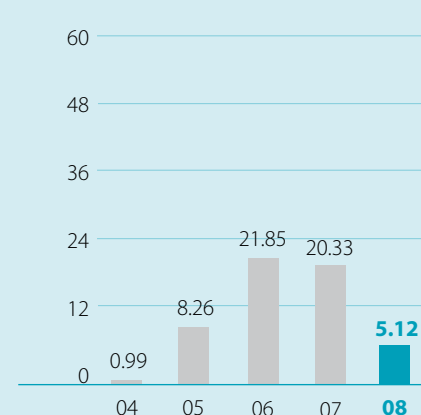
### Profit Attributable to Equity Shareholders 權益股東應佔利潤

RMB'000  
人民幣千元



### Basic Earnings Per Share 每股基本盈利

RMB cents  
人民幣分



Note:

(1) The results of the Group for the years ended 31 December 2004, 2005 and 2006 and the balance sheets items of the Group as at 31 December 2004, 2005 and 2006 are extracted from the Company's prospectus dated 17 March 2008.

(2) At the end of 2008, the continuous fall of the prices of raw material and finished products led to the inventory write-down of RMB220.2 million.

附註：

(1) 本集團截至二零零四年、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二零零四年、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。

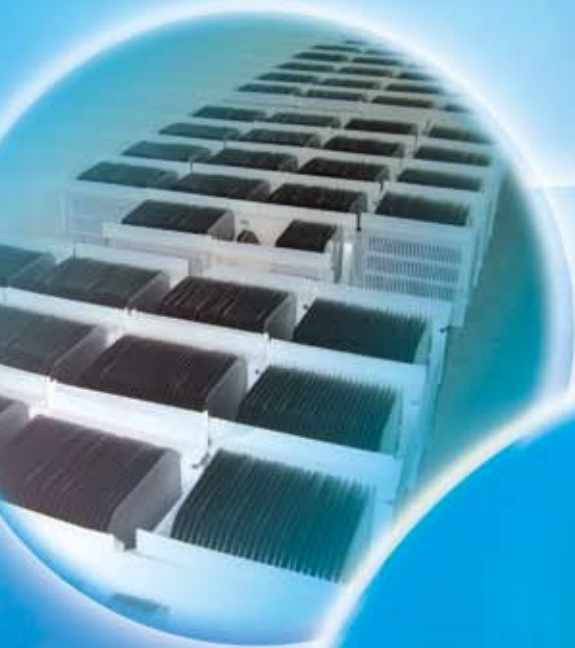
(2) 二零零八年年末，因原材料及製成品銷售價格持續下跌撇減存貨約人民幣220.2百萬元。

# Forging Ahead Without Fear

## 無懼烏雲蔽日 自強不息

Solargiga's successful listing on the Main Board of Hong Kong Stock Exchange has accelerated the upgrade of its production capacity and technological level, reinforced its corporate governance structure, as well as created good conditions against the external challenges under the unfavourable market, providing a strong support for long-term development.

陽光能源成功於香港聯合交易所主板上市，有助加快提升產能及技術水平，強化企業管治架構，得以為本集團創造良好條件以抵禦市場不景氣的外在挑戰，也為長遠發展提供有力的支持。



## Chairman's Statement 主席報告書



CHIAO Ping Hai, *Chairman*  
焦平海，主席

Dear honourable shareholders,

On behalf of the board ("Board") of directors ("Directors") of Solargiga Energy Holdings Limited ("Solargiga" or the "Company", together with its subsidiaries referred as the "Group"), I am pleased to present the annual report of the Company for the year ended 31 December 2008.

Year 2008 is an important milestone to the Group's development. Solargiga was successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited ("Stock Exchange") on 31 March 2008 and widely supported from the investors worldwide. It was even included as a constituent stock for the Morgan Stanley Capital International ("MSCI") Global Small Cap Index on 25 November 2008. Furthermore, the proceeds raised from the listing of the Company's shares on the Stock Exchange (the "Listing") provided the source of funding for the Company's long-term development, accelerated the upgrade of the Group in term of its production capacity and the level of technology, and reinforced the corporate governance structure, as well as provided good conditions against the impacts brought from the global financial crisis.

Last year was an unusual year. For the first three quarters, the Group's results had achieved new heights in terms of sales revenue, production capacity and output volume, and profitability level. Towards the end of the year, the damages caused by the financial tsunami triggered by the US sub-prime crisis gradually deepened. Deflation, the drastic slowdown of global economy, and the substantial reduction in the demand for energy, have resulted in plummeting oil prices. The solar energy industry was also affected. The prices of polysilicon, the raw material, and ingots and wafers, the finished products, dropped significantly, resulting in an impairment loss for the inventories at the end of the year of approximately RMB220.2 million. As such, the gross profit margin decreased from 31.8% in 2007 to 15.1%, despite a rise of turnover of 47.0% from 2007 to RMB1,492.9 million for the year. The profit before tax for the year was RMB117.4 million, representing a decrease of RMB219.7 million from 2007. The basic earnings per share was RMB5.12 cents, representing a decrease of 74.8% over that of the previous year.

各位尊敬的股東：

本人謹代表陽光能源控股有限公司（「陽光能源」或「公司」，連同其附屬公司「本集團」）董事會全人，向各位股東提呈本公司截至二零零八年十二月三十一日止年度之業績報告。

二零零八年是本集團發展歷程中的一個重要里程碑，陽光能源於二零零八年三月三十一日成功在香港聯合交易所（「聯交所」）主板上市，獲得國際投資者的廣泛支持和關注，更於二零零八年十一月二十五日被納入摩根士丹利資本國際環球小型股指數成份股。此外，本公司股份於聯交所上市（「上市」）所得款項為企業的長遠發展提供了資金，加快提升本集團的產能及技術水平，強化企業管治架構，並為本集團創造了良好條件以抵禦環球金融危機帶來的衝擊。

過去的一年是不尋常的一年，前三季度本集團的業績，無論是銷售收入，產能產量，以及利潤水平，一直創出新高。及至年末以後，由美國次按問題演變成的金融海嘯所造成的破壞逐步深化，通貨緊縮，全球經濟大幅放緩，能源需求的大幅減少，使油價急速下跌。太陽能行業亦受到衝擊，多晶硅原材料及硅錠和硅片產成品的價格，均以極大幅度急劇下降，造成年末存貨減值損失約人民幣220.2百萬元，從而導致全年營業額雖達到人民幣1,492.9百萬元，較二零零七年度上升47.0%，但毛利率則由二零零七年之31.8%降為15.1%；全年稅前利潤為人民幣117.4百萬元，較二零零七年減少人民幣219.7百萬元。每股基本盈利為人民幣5.12分，較上年度減少74.8%。



## Chairman's Statement

## 主席報告書

In 2008, measures such as raising funds through the Listing, increasing production capacity and enhancing level of technology, have created favourable opportunities for the Group's business development. However, at the same time, the impacts of the global financial tsunami have also brought a very challenging business environment for the solar power industry, which still needs subsidies from the government. Currently, governments from various countries are having a tough time in dealing with serious problems such as deflation, aggravation of economy and rise of unemployment rate. However, facing the deteriorating problem of global warming, governments of major countries including the United States and Japan see the need to put emphasis on the importance of investment in developing clean energies, through taking new measures including various subsidies or tax concessions.

The PRC, for instance, as a major energy consuming country, the PRC government has earlier approved three pilot projects in respect of solar energy power stations in Chongming Island (崇明島) in Shanghai, Ordos (鄂爾多斯) in the Inner Mongolia and Dunhuang (敦煌) in Gansu Province, respectively, marking its determination in promoting and developing clean energies. Meanwhile, during the annual World Economic Forum held in Davos, Switzerland earlier this year, energy has become the focus of the representatives from various countries, while coping with the current challenges, such as unstable economies and climate change. The representatives from various countries also suggested that, despite the shortage of capital owing to the economic crisis, the development of and investment to clean energies should be increased in order to turn such economic crisis into opportunities. Through implementing the proposals that stimulate economies on a large-scale basis, the ultimate objective of investing clean energies is set to restore economies and create employment, and at the same time to establish a low-emission and mature alternative energy industry. Setting solar energy as a clean and mature alternative energy, the only downside is its relatively high cost of generating power at present. However, as the price of polysilicon, a raw material used in the solar energy industry, was forced to plunge following the global financial tsunami, the cost of generating power of solar energy per watt had reduced substantially. It also speeded up the pace of the cost of generating power of solar energy and that of the traditional fossil energy reaching grid parity as early as possible. By that time, the potential of its market will be infinite.

Looking forward, the management and I have the confidence in the prospects of the solar energy industry. Aside from continuously upgrading the production techniques and enhancing the operations effectiveness, the Group will strive to provide the product quality which is satisfactory to the customers and reduce the cost to maintain the competitive advantages. At present, the Group is proactively refining the existing business strategies and identifying potential opportunity for development, in an effort to capture enormous opportunities in the upcoming era of clean and economical power of solar energy, creating the greatest reward for our shareholders.

本集團於二零零八年通過上市、增加產能及提升技術水平等措施，為集團業務創造了良好的發展機遇，但同時，環球金融海嘯的衝擊對尚須政府補助的太陽能發電產業也帶來了極具挑戰的經營環境。目前各國政府雖然為解決通貨緊縮、經濟惡化及失業率攀升等嚴重問題而捉襟見肘，然而，在面對日趨嚴重的全球氣候暖化問題的情形下，包括美國、日本在內等各主要國家政府，亦不得不重視投資發展潔淨能源的重要性，紛紛推出新的鼓勵措施，包括各種補助或稅賦優惠等。

就以中國為例，作為一個能源消耗大國，中國政府較早前批核了分別位於上海市崇明島、內蒙古鄂爾多斯及甘肅省敦煌的三個太陽能電站示範專案，充份顯示其推動發展潔淨能源的決心。同時，在今年初於瑞士達沃斯召開的世界經濟論壇年會中，能源成為各國代表關注的焦點，在對抗當前經濟不穩及氣候變遷等挑戰的同時，各國代表主張儘管因面對經濟危機而資金緊絀，仍然更應投資發展潔淨能源，將這場經濟危機轉化為機遇，透過大舉推行的刺激經濟方案，投資於潔淨能源，以達致促進經濟復蘇、創造就業的最終目標，並同時建立一個低碳且成熟的替代能源產業。太陽能光電要作為一個潔淨且成熟替代能源，其唯一的美中不足之處是目前其發電成本仍然處於較高水平。但隨著環球金融海嘯迫使太陽能產業之原材料多晶硅價格急速下降，大大降低了太陽能每瓦發電成本，也加快促進太陽能發電成本與傳統化石能源發電成本儘早達至等價，屆時其市場之潛力將無可限量。

展望未來，本人與全體管理層對太陽能產業的前景充滿信心，本集團除持續提升生產技術，加強營運效益，提供客戶滿意的產品品質並降低成本，以維持競爭優勢外，正積極調節現有的業務策略及尋找潛在發展機會，以迎接即將到來的潔淨低廉的太陽能發電時代，從而為股東創造最大的回報。

In a market environment surrounded with both opportunities and challenges, the Group's most valuable assets are its loyal, devoted and outstanding staff. I, on behalf of the Board of Directors, would like to express our gratitude to the staff from all departments for their dedicated services and contributions, as well as to all shareholders and business partners for their continuous support and trust.

*Chairman*

**CHIAO Ping Hai**

Hong Kong, 20 March 2009

在身處充滿機遇及挑戰的市場環境下，本集團最寶貴的資產是其勤奮忠誠、緊守崗位的優秀員工。在此，本人謹代表董事會對各部門員工之忠誠服務及貢獻，深表謝意，也衷心感謝各位股東及業務夥伴一直以來的支持和信任。

**焦平海**

*主席*

香港，二零零九年三月二十日

# Taking Challenge in our Stride

## Turning Crises into Opportunities

### 運籌帷幄 轉危為機

The substantial decreases in prices of raw material, polysilicon, and finished products provide the industry with an opportunity of consolidation and is beneficial to the medium to long-term development of the solar energy industry. The Group will seize the market opportunities and enhance its competitive advantages and operational efficiency, so as to strengthen its market position, in an effort to capture the rapid growth of the solar energy products.

多晶硅原材料及製成品價格大幅下降，有利於太陽能產業的中、長期發展。本集團將把握契機，繼續提升競爭優勢及營運效益，鞏固市場地位，為迎接太陽能產品的迅速成長而作好準備。



## Business Review

### 業務回顧



The Group believes that the prospects of the solar energy industry remains promising, given the dedicated efforts in promoting the renewable energies by various governments worldwide. As one of the leading players in the solar energy industry in the PRC, the Group will continue to pursue the current development directions and make appropriate adjustments to the strategies in response to the market changes, striving to become the largest producer of monocrystalline silicon solar ingots and wafers, and one of the major producers of multicrystalline silicon solar ingots and wafers worldwide.

本集團相信，鑑於世界各國政府對可再生能源的大力推廣，太陽能產業的前景仍然浩瀚。作為中國太陽能產業的領導者之一，本集團將繼續跟隨現行的發展方向，因應市場變化而適度調整策略，銳意成為全球最大的太陽能單晶硅錠及硅片生產商，以及太陽能多晶硅錠及硅片的主要生產商之一。

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

Solargiga was successfully listed on the Main Board of the Stock Exchange on 31 March 2008. The proceeds raised from the Listing have accelerated the expansion of production capacity and enhanced the level of technology, provided a strong support for its development in the long run. It also laid a solid foundation for the Group to expand across the globe. Moreover, the Group was included as a constituent stock for the MSCI Global Small Cap Index on 25 November 2008, further enhancing the Group's status on the international capital market and recognising its achievement in the market.

In 2008, capitalising on its leading research and development ("R&D") standard and its strengths in the markets, the Group continued to be a leading manufacturer of monocrystalline silicon solar ingots and wafers. During the fourth quarter of 2008, the players of all industries faced enormous challenges with the downturn of global economies. The prices of upstream raw materials and downstream products in the solar energy industry were under pressure. Shortly after 31 December 2008, a continuous and more severe drop in the overall raw material and product pricing was observed. The Board, after discussion with the auditors of the Company in relation to the accounting treatment of diminution of value of inventories as at 31 December 2008, considered that such diminution would have a material adverse impact on the Group's full-year 2008 results and an early alert to investors was warranted by issuing the profit warning announcement dated 5 February 2009 in a timely manner. Nonetheless, the financial position of the Group has remained healthy. In addition, the Group has proactively addressed the impacts of the global financial tsunami by implementing stringent cost control measures, enhancing production efficiency, as well as adjusting its development strategies and product portfolio to cope with the market demands. The Group, therefore, is confident that the current difficulties may be overcome.

陽光能源於二零零八年三月三十一日於聯交所主板成功上市，上市籌集所得的資金，有助加快提升產能及技術水平，為企業長遠發展提供有力的支持，也為本集團邁向國際化奠定堅實的基礎。此外，本集團於二零零八年十一月二十五日獲納入摩根士丹利資本國際環球小型股指數成份股，進一步提高本集團在國際資本市場的地位，並見證了市場對其成就的認同。

二零零八年，本集團憑藉領先的研究及開發（「研發」）技術及市場優勢，繼續佔據中國太陽能單晶硅錠及硅片製造商的領先地位。儘管二零零八年第四季，全球經濟放緩，各行各業的經營者面臨重大的挑戰，太陽能行業上游原料及下游產品價格受壓。於二零零八年十二月三十一日後不久，整體原材料及產品之價格持續及急劇下跌。董事會徵詢本公司核數師有關於二零零八年十二月三十一日存貨減值之會計處理方法後，認為有關減值對本集團二零零八年整年之業績將造成重大不利影響，故已透過發出日期為二零零九年二月五日之盈利警告公佈，及時向投資者作出預警。儘管如此，本集團財務狀況持續穩固，加上通過嚴格監控成本及致力提升生產效率，調整發展策略與步伐及產品組合以配合市場需求等措施，積極應對全球金融海嘯帶來的衝擊。因此，本集團對克服當前的艱困境況充滿信心。

Business Review  
業務回顧



### Market Overview

According to the data from the “World Energy Outlook 2008” published by the International Energy Agency, the demand for global primary energy in 2030 is expected to grow by 45% over that of 2006. It is also expected that renewable energy would develop rapidly and would overtake natural gas soon after 2010 to become the second largest electricity fuel, next to coal. Non-hydroelectric renewable energies such as solar energy and wind energy are expected to achieve an average growth rate of 7.2% per year from 2006 to 2030, exceeding the average growth rate of any other energy globally.

The reserves of fossil energy are limited and will be exhausted one day. The existing energy reserves are diminishing, and the unreasonable and excessive use of fossil energy has caused serious pollution to the environment. In order to maintain sufficient energy supply and to realise the sustainable development of energy and environment, governments of various countries have proactively promoted the development of renewable energy industries, in which solar energy is considered the preferred choice for clean energy due to its wide applications, easy installation and infinite nature. These factors have continuously contributed to the rapid growth of the solar energy industry worldwide.

In respect of the global PV markets, countries including Japan, Germany, Spain and Italy are currently the major end-markets. These countries are promoting solar generation by implementing proactive policies, such as government grants, leading to the fast development of the PV manufacturing industry. The PRC and the United States, being the largest energy consuming countries in the world, together with Greece, France, Australia and the Middle East are promising solar energy markets with substantial potential in the future.

### 市場概覽

根據國際能源署發表的《世界能源展望2008》資料顯示，二零三零年全球一次能源需求將較二零零六年增長45%，並預期可再生能源將迅速發展，會在二零一零年後不久超過天然氣，成為僅次於煤炭的第二大電力燃料，而包括太陽能及風能等非水電可再生能源預期將於二零零六年至二零三零年達到平均年增長率7.2%，超過任何其他能源的全球年均增長幅度。

化石能源蘊藏量有限，總有耗盡的一天。隨著現有能源儲備的日益減少，加上不合理地過多使用化石能源造成了嚴重的環境污染，為維持足夠的能源供應，實現能源及環境的可持續發展，各國政府在政策層面上，均積極推動可再生能源產業發展，當中以應用範圍廣、安裝方便及擁有用之不竭等特點的太陽能為潔淨新能源的不二之選，此等因素持續推動了全球太陽能產業的快速增長。

就全球太陽能光伏市場而言，目前以日本、德國、西班牙及意大利等國家為主要最終市場，該等國家採取包括政府補貼等積極政策推廣太陽能發電，帶動了光伏製造業的蓬勃發展。而全球最大能源消耗國之一的中國及美國，加上希臘、法國、澳洲及中東則是未來極具潛力的太陽能市場。

## Market Overview (Continued)

At present, the suppliers of polysilicon, a major raw material for the Group, are mainly from countries in Europe, the United States and Japan. In recent years, the rapid growth of the solar energy industry has resulted in a serious shortage of polysilicon supply due to insufficient output. With inadequate supply, the price of polysilicon has been increasing. With effect from the fourth quarter of 2008, as the financial tsunami triggered the economic slowdown, some manufacturers of solar energy products have experienced capital shortages, which resulted in a drop in demand for polysilicon and prices continued to fall substantially. In the long run, it is expected that the supply of the raw material, polysilicon, will only become stable upon the completion of the expansion plans of existing polysilicon manufacturers and the introduction of new manufacturers in Japan, Korea and the PRC. By then, the solar energy industry is expected to grow steadily and healthily.

## Operation Review

### Enhancing production capacity to address market demands

In recent years, with the increasing awareness of environmental protection, global warming has become a worldwide issue. Owing to the fact that fossil fuel will be used up one day, there is a huge market potential for renewable energy due to its unlimited and infinite natures. According to the "Research Report on the Development of the Photovoltaic Industry in China (2006-2007)" issued by China Renewable Energy Development Project Management Office in May 2008, the structure of global energy in the first half of the 21st century will undergo drastic changes. Renewable energy will gradually overtake fossil energy, at a replacement rate of approximately 5% in 2000 to approximately 10% in 2010, and will further increase to 40% in 2040. Among the many renewable energy sources, the prospect of the solar energy industry is the most promising.

To meet with the high market demand of PV products, during the third quarter of 2008, the Group added 96 monocrystalline silicon ingot pullers and 16 wiresaws and made further additions of 13 wiresaws by the end of the year. As at 31 December 2008, the Group had a total of 196 monocrystalline silicon ingot pullers and 37 wiresaws, increasing production output of monocrystalline silicon ingots by one-fold to 2,000 tonnes, while production of wafers substantially increased by 2.3 times to 56 million pieces, with a light energy conversion capability of approximately 200MW.

## 市場概覽(續)

目前，本集團主要原材料多晶硅的供應商主要來自歐洲、美國及日本等國家。近年來，由於太陽能產業的快速發展，多晶硅原材料產能不足，造成市場嚴重短缺，供不應求的情況下導致多晶硅價格一直飆升。及至二零零八年第四季起，由於金融海嘯帶來的經濟放緩，部分太陽能產品製造商出現資金短缺，導致多晶硅需求下降，使價格出現持續顯著下滑。長遠而言，預期多晶硅原材料的供應仍有待現有廠商擴產完成，以及日本、韓國和中國等新廠商的加入後才能得以穩定下來，屆時太陽能產業預期將可以更穩健地成長。

## 營運回顧

### 提升產能以回應市場需求

近年環保意識抬頭，全球氣候暖化已經成為備受關注的課題，化石燃料總有用罄之時，為取之不盡、用之不竭的可再生能源締造了潛力豐厚的市場。根據二零零八年五月由中國可再生能源發展項目管理辦公室發出的《中國光伏產業發展研究報告(2006-2007)》，21世紀前半期全球能源結構將會出現重大的變化，可再生能源將逐漸替代化石能源，替代比率將從二零零零年的約5%增加至二零一零年約10%，並於二零四零年進一步增加至40%。在眾多的再生能源當中，太陽能產業的發展最為矚目。

為了回應市場對光伏產品的殷切需求，本集團於二零零八年第三季新添置單晶硅錠拉製機96台及線鋸16台，並於年底前再新添置線鋸13台。於二零零八年十二月三十一日，本集團共有單晶硅錠拉製機196台和線鋸37台，使單晶硅錠產能較去年度增加一倍至2,000噸，硅片產能則大幅增加2.3倍至5,600萬片，可供轉化成為約200兆瓦電力。

## Operation Review (Continued)

### Enhancing R&D to strengthen production efficiency

The solar energy industry is developing rapidly. Although it is still in an infant stage, it is believed that market competition will intensify gradually as the number of new participants increases. In the long run, the solar energy industry should reach economies of scale and reduce the cost of generating power to a level that can compete with that of fossil energy even without government subsidies in order to become an alternative energy source with economic benefits, and play a part in the energy market. Facing such dual competition, the Group, as a pioneer of the industry, strongly believes that increasing investment in R&D and strengthening of production efficiency are the key to success. In view of this, the Group has committed to enhancing its R&D capability, working closely with strategic investors in the PRC, Japan and Taiwan for technology exchange and cooperation; and enhancing production efficiency through technology innovation to improve product quality, so as to maintain its market position and strengthen its overall competitiveness.

During the year, with its vertically integrated production model, the Group upgraded scrap polysilicon which could not be used directly in the production process by utilising various unique and proprietary techniques, and appropriately implemented the mixed use of such reclaimed polysilicon and high purity polysilicon in its production in order to further enhance production efficiency and lower costs. Furthermore, the Group strives to expand its product range. The R&D team has successfully introduced a 20-inch hot zone for the production of 156mm X 156mm wafers, and optimised the slicing technology to produce monocrystalline silicon wafers of 170 $\mu$ m of thickness. In addition, the 12-inch monocrystalline silicon ingot pullers were delivered to the factory in the first quarter of 2009, and the trial production will start in the second quarter of 2009.

### Future prospects and strategies

In light of the global financial crisis, the solar energy industry is inevitably affected to a certain extent. The Group believes the industry outlook remains promising, given the dedicated efforts in promoting renewable energy by various governments worldwide. Among them, the European Union plans to reduce the emission of the greenhouse gas to a rate of 20% lower than that in 1990 by 2020, and to increase the proportion of the renewable energy to 20% during the same period.

Besides, the United States government led by the new president Barack Obama has emphasised the promotion of environmental protection and renewable energy. The energy strategies put forward by the United States government include: (1) providing a subsidy of United States Dollars ("US\$") 150 billion for the study of renewable energy and a tax concession initiative for related corporations in the next decade; (2) developing renewable energy and substantially reducing the reliance on crude oil; (3) planning to increase the power generated by renewable energy to 10% of the total power by 2012, and further increase to 25% thereof by 2025; (4) planning to reduce the emission of the greenhouse gas to below 80% of that in 1990 by 2050. Apparently, the above policies are favourable to the PV industry. Under the drive of such policies, the growth potential of the United States market should not be underestimated.

### 營運回顧(續)

#### 加強研發以提高生產效益

太陽能行業發展一日千里，雖然現階段仍然處於起步階段，但相信行業的競爭將隨著新加入者上升而漸趨激烈。長遠而言，太陽能產業必須追求規模經濟，把發電成本降低至在沒有政府補貼的情況下，也可與化石能源作競爭，才能真正成為具經濟效益的替代能源，從而在能源市場分一杯羹。面對雙重競爭，作為行業先行者，本集團深信加大研發投放、提高生產效益是致勝的關鍵。有見及此，本集團非常著重於加強研發實力，與中國、日本、台灣等國家及地區的策略性投資者緊密合作，進行技術交流及合作，透過技術創新完善生產效益，改良品質，以保持市場地位，提升整體的競爭能力。

過去的一年，本集團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，將不能直接用於生產的多晶硅廢料，提升至適合與多種純晶硅料混合使用，以進一步提升生產效益，降低營運成本。此外，本集團致力擴闊產品種類，研發隊伍已經成功為156毫米X156毫米硅片生產引入20吋熱場，並優化切片技術，生產厚度為170微米的單晶硅片。另外，拉製12吋硅棒單晶爐已於二零零九年第一季到廠，並在二零零九年第二季開始試產。

### 未來展望及策略

在全球金融危機的籠罩下，太陽能產業雖然受到一定程度的影響，然而，本集團相信鑑於世界各國政府對可再生能源的大力推廣，太陽能產業的前景仍然浩瀚。其中，歐盟便計劃於二零二零年前，將溫室氣體排放量減至較一九九零年低20%，並於同期內提高可再生能源比重至20%。

此外，由美國新任總統奧巴馬領導的政府強調推動環保及可再生能源，其倡議的能源政策包括：(1)在未來十年投入1,500億美元資助再生能源的研究，並為相關公司提供稅務優惠；(2)發展再生能源，大幅減少對石油的依賴；(3)計劃至二零一二年，可再生能源的發電量將佔總發電量的10%，而於二零二五年，更提升比率至25%；(4)計劃至二零五零年將溫室氣體的排放量降低至一九九零年的80%以下。上述政策明顯將讓光伏產業受惠，而在有關政策的推動下，美國市場的增長潛力實不容忽視。

## Future prospects and strategies (Continued)

Regarding the Japanese market, the Japanese government announced in the first quarter of 2009 that the subsidies for household solar energy generation systems were open for application with a budget up to 9 billion Yen. It also plans to have over 70% of newly built houses throughout the nation to be equipped with a solar energy generation system, so that the wattage of solar-generated energy will be increased by 10 times from that of at present, with the goal of a further growth of 40 times in 2030. It also plans to reduce the emission of the greenhouse gas to a rate of between 60% and 80% of that in 1990 by 2050.

In view of the rapid economic growth in the PRC, the number of industrial and infrastructure projects keeps increasing, driving the demand for energy. In addition, as the environmental protection policies in the PRC aim at aligning with the international ones, it has created tremendous opportunities for the solar energy industry. The PRC government has earlier approved three pilot projects of solar energy power stations, namely the Chongming Island (崇明島) project in Shanghai for 1MW of power, the Ordos (鄂爾多斯) project in the Inner Mongolia for 255KW of power and the Dunhuang (敦煌) PV grid-connected power generation project in Gansu Province for 10MW of power. The Chinese Academy of Sciences announced the establishment of the "Solar Energy Action Programme" in mid-January 2009, in which the whole academy will join hands with the experts from the relevant science and research areas nationwide in an effort to make solar energy a mature alternative energy by 2025, a widely used energy source by 2035 and a major energy source in the PRC by 2050. All the above have clearly demonstrated the determination of the PRC government to promote the solar energy industry.

As one of the leaders of the solar energy industry in the PRC, the Group will capitalise the market opportunities and continue its existing effective development strategies, so as to enhance its competitive advantages and operational efficiency, expand its market share and strengthen its market position, with a view of preparing for the rapid growth of the solar energy products. The Group plans to achieve gradually its goal of striving to be the largest manufacturer of monocrystalline silicon solar ingots and wafers worldwide and one of the major manufacturers of multicrystalline silicon solar ingots and wafers, by taking the following measures:

## 未來展望及策略(續)

在日本市場方面，日本政府宣佈在二零零九年第一季開放家庭太陽能發電系統的申請補貼，預算達90億日圓，並計劃全國70%以上的新建房屋必須安裝太陽能發電系統，將太陽能發電的瓦數提升至目前的10倍，而二零零三年更將達到40倍增長的目標，且計劃至二零五零年，溫室氣體的排放量降低至一九九零年的60%至80%之間。

隨著近年中國經濟高速增長，工業、基建項目不斷增加，帶動能源需求，加上中國的環保政策提倡與國際接軌，為太陽能產業創造了龐大的商機。中國政府早前已批准了三家太陽能電站示範項目，包括1兆瓦的上海市崇明島項目、255千瓦的內蒙古鄂爾多斯項目、10兆瓦甘肅省敦煌光伏並網發電項目。中國科學院更於二零零九年一月中旬宣佈啟動「太陽能行動計劃」，舉全院之力，聯合全國相關科研力量，藉以使太陽能在一零二五年成為一種成熟的替代能源，二零三五年成為一種廣泛使用的能源，並在二零五零年前成為中國的主要能源。以上種種，均可見中國政府對推動太陽能產業的決心。

作為中國太陽能產業的領導者之一，本集團將把握市場契機，繼續採取現行固有的有效發展策略，提升競爭優勢及營運效益，擴大市場份額，鞏固市場地位，為迎接太陽能產品的迅速成長而作好準備。本集團計劃通過以下措施，逐步實現其矢志成為全球最大的太陽能單晶硅錠及硅片生產商，以及太陽能多晶硅錠及硅片的主要生產商之一的目標：



## Future prospects and strategies (Continued)

### Proactively enhancing production capacity and expanding product range

To cope with the need for future development, the Group will complete the construction of a new production plant which can accommodate 200 monocrystalline silicon ingot pullers and 43 wiresaws. The installation of monocrystalline silicon ingot pullers is expected to commence in the fourth quarter of 2009 and their commercial production will start upon the completion of installation and testing by the end of the fourth quarter of 2009. Wiresaws will be delivered in batches to the plant and the installation and production will start from the end of the second quarter of 2009 and full production is expected to commence in the fourth quarter of 2009. According to such plan, in 2009, the numbers of monocrystalline silicon ingot pullers and wiresaws will be increased to 400 and 80 respectively, the annual production capacity of silicon ingots and wafers will rise to 4,000 tonnes and 150 million pieces respectively, with the annual solar energy conversion capability increased to 400MW.

The Group plans to expand its product range according to requirements of existing customers. Capitalising on its advanced technologies, the Group has participated in the manufacture of multicrystalline silicon solar ingots and wafers, achieving the target of becoming one of the major manufacturers of multicrystalline silicon solar ingots and wafers. Currently, there are four multicrystalline silicon ingot casting furnaces under installation and fine-tuning, which will duly come into operation once the testing is completed.

The capital required for such expansion of production capacity will be satisfied by the proceeds from the Listing, internal resources and/or other sources of long-term financing. On the other hand, to comply with the policies of the PRC government for the promotion of solar energy industry, the Group will accelerate its pace of development in the PRC market. Aside from consolidating its existing customers from both the PRC and abroad, the Group is actively expanding its sales network to further increase its market share of the solar energy industry.

### Enhancing the R&D investment to strengthen its leading position

The Group's ability to obtain a leading position in the industry of manufacturing monocrystalline solar ingots is attributable to its high level of R&D capability. In the future, the Group will continue to optimise its ability of reclaiming and improving ingot crystallisation, wafer slicing and polysilicon. The Group will enhance the production efficiency and reduce the operating costs through the introduction of the latest technologies. At the same time, the Group will continue to upgrade the slicing technology and to study and develop the production of thinner and larger wafers. The target is set to produce monocrystalline wafers of 150µm of thickness. The Group will also fulfill customers' specific 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. Besides, 40 monocrystalline silicon ingot pullers with magnetic field will be delivered by the end of the fourth quarter of 2009, and the production will commence upon installation and fine-tuning.

## 未來展望及策略(續)

### 積極提升產能及擴闊產品種類

為配合未來發展所需，本集團將完成建設可容納200台單晶硅錠拉製機和43台線鋸的新生產廠房，單晶硅錠拉製機預計將於二零零九年第四季開始安裝，在二零零九年第四季度末前安裝及測試完成後開始商業生產；而線鋸則從二零零九年第二季底開始分批到廠及展開安裝投產，並可望於二零零九年第四季開始全面投產。按照此計劃，二零零九年單晶硅錠拉製機及線鋸將分別增至約400台和80台，硅錠年產能將上升至4,000噸，硅片年產能則達到約1億5,000萬片，而太陽能轉化為電力之年產量將增至400兆瓦。

本集團根據現有客戶的需求，計劃擴充產品種類，憑藉現有先進的技術水平，涉足多晶硅錠及硅片的製造，從而達致成為太陽能多晶硅錠及硅片的主要生產商之一的目標。目前，本集團已有四台多晶硅錠鑄錠爐正在安裝及調試，在測試完成可正式投入生產。

本集團將以上市集資所得、內部資源及／或其他長期融資來源，以撥付有關提升產能所需資金。另一方面，為配合中國政府推動太陽能產業的政策，本集團將加快發展中國市場的步伐，在鞏固中國及海外現有客戶的同時，積極擴大銷售網絡，進一步提高集團在太陽能產業的市場佔有率。

### 加大研發投入以鞏固領先地位

本集團能夠在單晶硅錠製造穩佔領先地位，有賴其高水平的研發能力，未來本集團將繼續優化錠材結晶、硅片切割及多晶硅回收和改良之能力，透過引進最新技術，提升生產效益，減低營運成本。同時，本集團將不斷提升薄化技術，從而研發及生產更薄更大的硅片，目標是生產厚度為150微米的單晶硅片。本集團也配合客戶特定需求，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。此外，40台加裝磁場單晶硅錠拉製機將於二零零九年第四季底到廠，在安裝調試後便進行生產。

## Future prospects and strategies (Continued)

### Enhancing the R&D investment to strengthen its leading position (Continued)

The Group will also continue to reinforce the cooperation with academic institutions. The research centre jointly established with Dalian University of Technology will be completed in the third quarter of 2009 and will possess world-class technology level. It will facilitate the nurturing of R&D technicians and the development of new products and technologies.

### Exploring diversified channels to stabilise the supply of raw materials

During the fourth quarter of 2008, the price of polysilicon raw materials decreased along with a drop in demand resulting from global economic slowdown. However, management believes that securing the stable price and supply of raw materials is beneficial to the long-term development of the Group. Therefore, apart from its strategic investment partners, the Group will actively seek new suppliers for quality raw materials, and to enter into medium to long-term supply agreements with them when the timing is right, in order to satisfy part of the production capacity.

On the other hand, the Group continues to blend in more lower-grade polysilicon leftovers in the production of silicon ingots and wafers, so as to study the feasibility of using metallurgical silicon in the production of monocrystalline solar ingots, in an attempt to diversify the sources for materials and reduce the risks of unstable supply and price fluctuation of raw materials.

The slowdown of the global economies has caused a drop in the demand for energy in the market, and a decline in the price of crude oil has lowered the urge for the development of the new energy industry. However, management believes the unfavourable market is to be a short-term periodic phenomenon which provides the industry with an opportunity of consolidation and is beneficial to the medium to long term development of the solar energy industry. Looking forward, the Group will adopt a prudent strategy for development, which will be adjusted in accordance with market changes. Leveraging on its solid foundation of business operations and financial position, the Group will be able to grasp the market opportunities while progressing forward, generating the best return for the shareholders.

*Executive Director and President*

**Tan Wenhua**

Hong Kong, 20 March 2009

## 未來展望及策略(續)

### 加大研發投入以鞏固領先地位(續)

本集團亦將繼續加強與學術機構合作，與大連理工大學合作興建的研發中心將於二零零九年第三季落成，該實驗室將擁有國際頂尖的技术水平，有助研發技術人員的培育及新產品、新技術的開發。

### 開拓多元渠道以穩定原料供應

儘管二零零八年第四季，受到全球經濟放緩的影響，多晶硅原材料價格隨需求減少而回落，但管理層相信確保原材料價格及供應的穩定，有利於集團的長遠持續發展。因此，除其策略性投資夥伴外，集團將積極尋覓新的優質原材料供應商，並於適當時機與其簽訂中長期的供料協議，以滿足部份生產產能。

另一方面，集團將繼續在硅錠及硅片的生產過程中，混合更多較低等級多晶硅邊角料，從而研究在太陽能單晶硅錠生產中採用冶金硅的可行性，希望藉此開拓多元化材料來源，減低原材料供應不穩及價格波動的風險。

雖然全球經濟放緩，市場對能源需求下降，加上原油價格回落，使新能源行業發展的急切性減低。然而，管理層認為市場不景氣乃是短暫的週期性現象，並為行業提供了整合機會，有利於太陽能產業的中、長期發展。展望未來，本集團將採取審慎的發展策略，因應市場變化而適度調整策略。憑藉集團穩健的業務營運基礎及財務狀況，必定能抓緊市場契機，穩步向前，為股東創造最佳回報。

**譚文華**

*執行董事兼總裁*

香港，二零零九年三月二十日

# Gearing up to Meet the Challenges Ahead

## 未雨綢繆 迎戰未來

As the problem of global warming worsens day after day, energies and climate changes have become a worldwide issue, creating an enormous market for the solar energy industry. Capitalising on its advanced technologies, the Group will strive to broaden its product portfolio and engage in the manufacture of multicrystalline silicon ingots and wafers, achieving the target of becoming one of the major manufacturers of multicrystalline silicon solar ingots and wafers.

隨著全球氣候暖化問題日趨嚴重，能源及氣候變遷已成世界各國關注的議題，為太陽能產業創造了浩瀚的商機。憑藉現有先進的技術水平，本集團將擴闊產品種類，涉足多晶硅錠及硅片的製造，目標成為太陽能多晶硅錠及硅片的主要生產商之一。



# Management Discussion and Analysis

## 管理層討論及分析

### Turnover

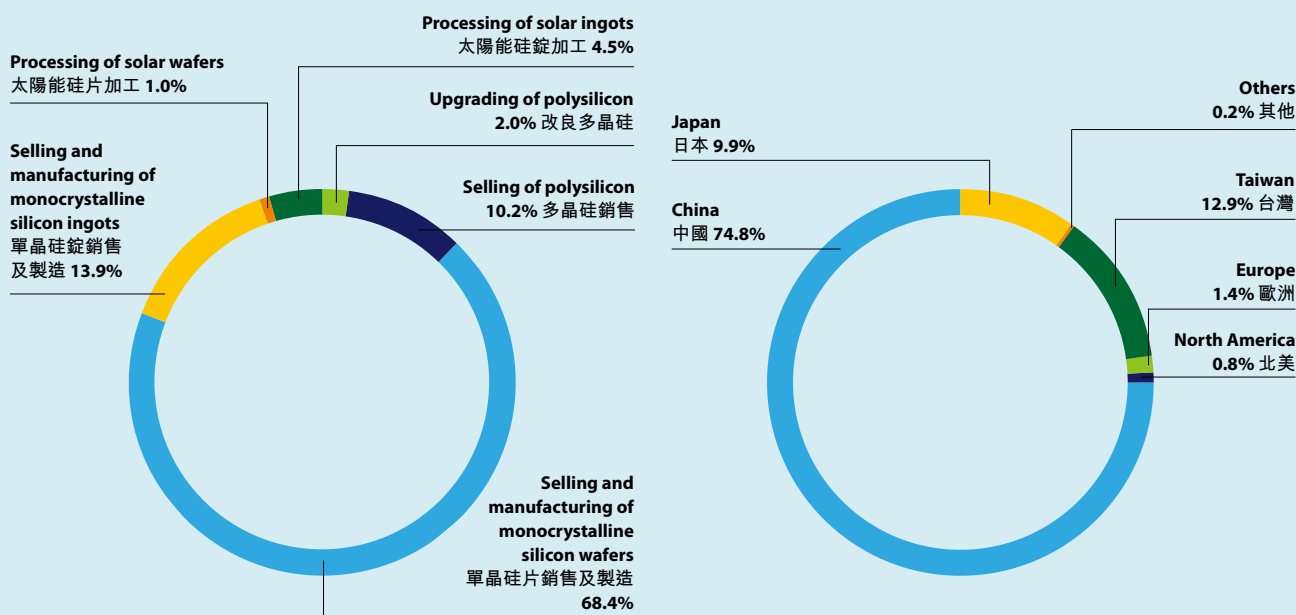
The Group's turnover increased year-on-year by 47.0%, from RMB1,015.5 million in 2007 to RMB1,492.9 million in 2008. The increase was mainly driven by the new production capacity which commenced operation in 2008 as well as the continuous increasing in the market prices of solar products in the first nine months of 2008.

- Sales of monocrystalline silicon ingots and wafers increased by 42.1% from RMB864.7 million to RMB1,229.0 million. This is attributable to both increases in sales volume and average selling prices in the first nine months of 2008. The volume of ingot sold decreased from 150,837 kg in 2007 to 105,124 kg in 2008, while volume of wafers sold increased from 14.6 million pieces to 21.9 million pieces.
- Revenue from processing service fees increased from RMB109.6 million to RMB113.3 million. The volume of ingots processed decreased from 424,920 kg in 2007 to 225,886 kg in 2008 while the volume of wafers processed increased from 1,239,896 pieces in 2007 to 1,326,888 pieces in 2008.
- Sales of upgrading polysilicon increased by 285.5% from RMB41.2 million to RMB150.6 million. The Group purchases scrap polysilicon and resells to third parties after upgrading thereof.

### 營業額

本集團的營業額由二零零七年的人民幣1,015,500,000元增至二零零八年的人民幣1,492,900,000元，按年增長47.0%。營業額的增加主要由於新產能於二零零八年開始投產，加上二零零八年首九個月太陽能產品的市價持續上升所帶動。

- 單晶硅錠及硅片的銷售額由人民幣864,700,000元增至人民幣1,229,000,000元，上升42.1%，由於二零零八年首九個月的銷量及平均售價增加所致。硅錠的銷量由二零零七年150,837公斤減至二零零八年105,124公斤，硅片的銷售則由14,600,000片增至21,900,000片。
- 來自加工服務費的收入由人民幣109,600,000元上升至人民幣113,300,000元。硅錠的加工量由二零零七年424,920公斤減至二零零八年225,886公斤，而硅片的加工量則由二零零七年1,239,896片增至二零零八年1,326,888片。
- 經改良多晶硅的銷售額由人民幣41,200,000元升至人民幣150,600,000元，升幅285.5%。本集團購買多晶硅廢料，經改良後轉售予第三方。



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



### Turnover (Continued)

In terms of geographical contribution, sales were mainly generated from the PRC, increased considerably by 199.6% to RMB1,116.5 million and accounted for 74.8% of the Group's turnover. The increase is mainly attributable to the adjustment of sales strategy by selling more products and providing more processing services to high quality customers in the PRC in order to capitalise the benefit from the appreciation of RMB as well as reduce the impact on the change of the export tax refund policies imposed on the export of ingots and wafers. The remaining sales were generated from Taiwan(12.9%), Japan(9.9%), Europe(1.4%), North America(0.8%) and others(0.2%).

### Cost of sales

Cost of sales increased by 83.0%, from RMB692.4 million to RMB1,267.4 million. During the year and before being affected by the global financial crisis, the price of polysilicon was in a continuous increasing trend. The increase in cost of sales was thus in line with the increase in turnover and reflected the increase in the price of polysilicon. As a consequence of the negative impact on the solar energy industry, the prices of raw material prices declined gradually, and it led to the write-down of inventories of RMB220.2 million (2007: Nil) in 2008, which in turn increased the cost of sales for the year.

### Gross profit and gross profit margin

The gross profit of the Group decreased by RMB97.6 million, or 30.2%, from RMB323.1 million in 2007 to RMB225.5 million in 2008, mainly attributable to the write-down of inventories of RMB220.2 million (2007: Nil) due to the continuous fall in the prices of raw material and product selling prices caused by the global economic slowdown. Excluding such significant impact, the gross profit of the Group in 2008 would have been RMB445.7 million, increased by RMB122.6 million or 37.9% as compared to 2007.

### 營業額(續)

按地區貢獻計算，銷售主要源自中國，大幅增加199.6%至人民幣1,116,500,000元，並佔本集團營業額的74.8%。銷售額增加，主要由於改變銷售策略，向中國優質客戶出售更多產品及提供更多加工服務，以利用人民幣升值的優勢，並降低就出口硅錠及硅片實施的出口退稅政策改變帶來的影響。餘下銷售額源自台灣(12.9%)、日本(9.9%)、歐洲(1.4%)、北美洲(0.8%)及其他地區(0.2%)。

### 銷售成本

銷售成本由人民幣692,400,000元增加至人民幣1,267,400,000元，增幅為83.0%。於年內及受全球金融危機影響前，多晶硅價格持續上升。銷售成本因而與營業額一致增加，並反映多晶硅價格上升。於太陽能行業受到不利影響後，原材料價格逐步下跌，導致於二零零八年撇減存貨人民幣220,200,000元(二零零七年：無)，因而增加本年度的銷售成本。

### 毛利及毛利率

本集團毛利由二零零七年人民幣323,100,000元，減至二零零八年人民幣225,500,000元，減少人民幣97,600,000元或30.2%，主要由於全球經濟放緩，導致原材料價格及產品售價持續下跌，因而撇減存貨人民幣220,200,000元(二零零七年：無)。倘不計及此重大影響，本集團於二零零八年的毛利將為人民幣445,700,000元，較二零零七年增加人民幣122,600,000元或37.9%。



### Gross profit and gross profit margin (Continued)

Gross profit margin declined by 16.7 percentage points from 31.8% in 2007 to 15.1% for 2008. Excluding the impact from the write-down of inventories, the gross profit margin of the Group in 2008 would have been 29.9%, a decline of 1.9 percentage points as compared to 2007.

### Other revenue

Other revenue during the financial year mainly comprised interest income from bank deposits, income from sale of scrap materials and government grants.

### Other net loss

Other net loss mainly comprised net foreign exchange loss amounting to RMB7.6 million (2007: RMB8.4 million). The loss mainly arose from the appreciation of RMB, the reporting currency, during the period between the transaction date and the settlement date.

### Selling and distribution expenses

Selling and distribution expenses mainly comprised packaging expenses, freight charges and insurance expenses. There was an increase of 54.4%, from RMB4,432,000 in 2007 to RMB6,843,000 in 2008, accounting for less than 0.5% of the Group's total turnover. Such an increase was in line with the increase in turnover.

### 毛利及毛利率(續)

毛利率由二零零七年31.8%下降16.7個百分點至二零零八年15.1%。倘不計及撇減存貨帶來的影響，本集團於二零零八年的毛利率將為29.9%，較二零零七年下降1.9個百分點。

### 其他收入

於本財政年度內，其他收入主要包括銀行存款的利息收入、出售廢料的收入及政府補助。

### 其他虧損淨額

其他虧損淨額主要包括匯兌虧損淨額人民幣7,600,000元(二零零七年：人民幣8,400,000元)。該等虧損主要由交易日期至結算日期止期間內人民幣(呈報貨幣)升值所致。

### 銷售及分銷開支

銷售及分銷開支主要包括包裝開支、運費及保險開支。銷售及分銷開支由二零零七年的人民幣4,432,000元，增至二零零八年的人民幣6,843,000元，增加54.4%，佔本集團總營業額的百分比不足0.5%。此增幅與營業額的增幅相符。

## Management Discussion and Analysis

### 管理層討論及分析

#### Administrative expenses

Administrative expenses comprised one-off Listing expenses of RMB11.6 million (2007: Nil), equity-settled share-based payment expenses of RMB24.4 million (2007: RMB10.1 million) as well as salaries, wages and bonuses. In line with the business expansion, they increased by 115.0% from RMB47.2 million for 2007 to RMB101.5 million for 2008 and accounted for 6.8% (2007: 4.6%) of the Group's turnover.

#### Finance costs

The Group's finance costs decreased by RMB4.3 million, or 56.6%, from RMB7.6 million in 2007 to RMB3.3 million in 2008. Finance costs included mainly interest on bank loans wholly repayable within five years and interest on municipal government loan. The reason for the decrease in finance costs was due to the repayment of bank borrowings with part of the proceeds from the Listing during the year.

#### Income tax

Income tax increased by RMB13.4 million or 65.0% from RMB20.6 million in 2007 to RMB34.0 million in 2008. This is mainly due to the increase in the effective tax rate of a major PRC subsidiary of the Group from 0% in 2007 to 13.77% in 2008 in accordance with the preferential tax policy granted thereto.

#### Net profit attributable to the equity shareholders

The Group recorded a net profit attributable to the equity shareholders of the Company of RMB83.4 million for the year ended 31 December 2008, a decrease of 71.5% as compared to RMB292.2 million in 2007. The calculation took into account one-off non-operating items of the Listing expenses of RMB11.6 million incurred in 2008 and gain on acquisition of Solar Technology Investment (Cayman) Corp. ("STIC") and its subsidiaries (hereinafter collectively referred to as the "Acquired Group") of RMB74.8 million generated in 2007. If the calculation excluded the aforesaid one-off non-operating items, the Group's net profit attributable to the equity shareholders of the Company would have been RMB95.0 million for the year ended 31 December 2008, a decrease of 56.3% as compared to RMB217.4 million in 2007.

#### 行政開支

行政開支包括一次性上市開支人民幣11,600,000元(二零零七年：無)、按權益結算以股份支付款項開支人民幣24,400,000元(二零零七年：人民幣10,100,000元)以及薪金、工資及花紅。行政開支由二零零七年的人民幣47,200,000元，增至二零零八年的人民幣101,500,000元，增加115.0%，佔本集團營業額的百分比6.8%(二零零七年：4.6%)，增幅與業務拓展幅度相符。

#### 融資成本

本集團的融資成本由二零零七年的人民幣7,600,000元減至二零零八年的人民幣3,300,000元，減少人民幣4,300,000元或56.6%。融資成本主要包括須於五年內全數償還的銀行貸款以及市政府貸款的利息。融資成本減少乃由以年內上市所得款項償還銀行借貸所致。

#### 所得稅

所得稅由二零零七年的人民幣20,600,000元，增至二零零八年的人民幣34,000,000元，增加人民幣13,400,000元或65.0%，主要由於按照所獲授稅務優惠政策，本集團一家主要中國附屬公司實際稅率由二零零七年的0%增至二零零八年的13.77%。

#### 權益股東應佔純利

截至二零零八年十二月三十一日止年度，本集團錄得本公司權益股東應佔純利人民幣83,400,000元，較二零零七年人民幣292,200,000元下降71.5%，當中已計及於二零零八年所產生一次性非經營項目上市開支人民幣11,600,000元及於二零零七年所產生收購Solar Technology Investment (Cayman) Corp. (「STIC」)及其附屬公司(以下統稱「被收購集團」)所得收益人民幣74,800,000元。倘不包括上述一次性非經營項目，則截至二零零八年十二月三十一日止年度，本集團的本公司權益股東應佔純利為人民幣95,000,000元，較二零零七年人民幣217,400,000元下降56.3%。

### Inventory turnover days

The inventories of the Group mainly comprised raw materials (namely polysilicon, crucibles and other auxiliary raw materials) and finished goods. The increase in inventories was mainly due to the expansion in the production capacity of the Group. Included in the balance of the inventories as at 31 December 2008 was a write-down of inventories of RMB220.2 million (2007: Nil). This is mainly due to the continuous fall in the prices of raw material and product selling prices caused by the global economic slowdown. The inventory turnover days as at 31 December 2008 totalled 77 days (2007: 77 days). The Directors consider the Group's optimal inventory level should be around three months for polysilicon and one month for other auxiliary raw materials to meet the Group's production requirements.

### Trade receivable turnover days

The trade receivable turnover days as at 31 December 2008 totalled 23 days (2007: 31 days).

The Directors considered such turnover days was at low level and was within the credit periods of the Group grants to its customers. The Group normally grants a credit period of 30 to 90 days to its customers.

### Trade payable turnover days

The trade payable turnover days as at 31 December 2008 totalled 26 days (2007: 24 days).

Given the established relationship, suppliers allowed the Group to have a reasonable payment period throughout the year.

### Liquidity and financial resources

The Group's principal sources of working capital included cash flow from operating activities, bank and other borrowings and the proceeds from the initial public offering. As at 31 December 2008, the Group's current ratio (current assets divided by current liabilities) was 2.52 (2007: 2.33) and it was in a net cash position. The Group's financial position remains healthy and it is well-positioned to overcome the possible adverse impacts from the global economic slowdown as well as to facilitate future development.

### 存貨週轉天數

本集團的存貨主要包括原材料(即多晶硅、坩堝及其他輔料)及製成品。存貨增加主要由本集團的產能擴大所致。於二零零八年十二月三十一日的存貨結餘包括存貨撇減人民幣220,200,000元(二零零七年：無)，主要由於全球經濟放緩，導致原材料價格及產品售價持續下降。於二零零八年十二月三十一日的存貨週轉天數合共77天(二零零七年：77天)。董事認為，本集團存貨的最佳水平應為足夠約三個月使用的多晶硅及一個月使用的其他輔料，以配合本集團的生產需求。

### 應收貿易賬款週轉天數

於二零零八年十二月三十一日的應收貿易賬款週轉天數合共23天(二零零七年：31天)。

董事認為該等週轉天數處於低水平，並不超出本集團向其客戶授出的信貸期。本集團一般向其客戶授出介乎30至90天的信貸期。

### 應付貿易賬款週轉天數

於二零零八年十二月三十一日的應付貿易賬款週轉天數為26天(二零零七年：24天)。

由於與供應商已建立關係，本集團於年內獲給予合理的應付貿易賬款週轉天數。

### 流動資金及財務資源

本集團主要營運資金來源一直為經營活動產生的現金流量、銀行及其他借貸以及首次公開發售所得款項。於二零零八年十二月三十一日，本集團的流動比率(流動資產除流動負債)為2.52(二零零七年：2.33)，且處於現金淨額狀況，反映本集團財政狀況穩健，足以克服全球經濟放緩可能帶來的不利影響以及應付未來發展。



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

### Liquidity and financial resources (Continued)

As at 31 December 2008, the Group was in a net cash position of RMB52,819,000 (2007: RMB219,088,000) which included cash and cash equivalent of RMB270,402,000 (2007: RMB348,978,000), short-term bank loans of RMB214,580,000 (2007: RMB127,000,000) and a long-term municipal government loan of RMB3,003,000 (2007: RMB2,890,000). The Group's net debt to equity ratio (net debt divided by shareholders' equity) increased from -34.6% as at 31 December 2007 to -4.2% as at 31 December 2008, the minus signs represented the net cash position at the respective year end dates.

### Contingent liabilities

As at 31 December 2008, there was no material contingent liability.

### 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 currencies other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily United States dollars and Hong Kong dollars. 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 amount due to suppliers. In addition, the Directors ensure that the net exposure is kept to an acceptable level by buying or selling United States dollars at spot rates where necessary to address short-term imbalances.

### Human resources

As at 31 December 2008, the Group had 1,186 (2007: 783) employees. Employee benefit expense increased to RMB69,911,000 in 2008 from RMB40,242,000 in 2007, which represented an increase of 73.7%. The remuneration of the existing employee includes basic salaries, discretionary bonuses, share-based payments and social security contributions. Pay levels of the employees are commensurate with their responsibilities, performance and contribution.

### 流動資金及財務資源(續)

本集團於二零零八年十二月三十一日處於現金淨額狀況人民幣52,819,000元(二零零七年：人民幣219,088,000元)，包括現金及現金等價物為人民幣270,402,000元(二零零七年：人民幣348,978,000元)、短期銀行貸款人民幣214,580,000元(二零零七年：人民幣127,000,000元)及市政府長期貸款人民幣3,003,000元(二零零七年：人民幣2,890,000元)。本集團的淨負債權益比率(負債淨額除股東權益)由二零零七年十二月三十一日的-34.6%增至二零零八年十二月三十一日的-4.2%，負號代表於相關年結日均處於現金淨額狀況。

### 或然負債

於二零零八年十二月三十一日，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買賣相關業務以及現金及銀行存款的功能貨幣以外貨幣進行的買賣交易，當中主要來自美元及港幣。由於本集團以從客戶收取的外幣清償應付予供應商的款額，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

於二零零八年十二月三十一日，本集團的僱員數目為1,186名(二零零七年：783名)。僱員福利開支由二零零七年人民幣40,242,000元增至二零零八年人民幣69,911,000元，增幅為73.7%。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 of Hong Kong Limited ("Listing Rules") which have been adopted by the Group.

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

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. Since the Listing of the shares of the Company on the Main Board of the Stock Exchange on 31 March 2008, all the code provisions set out in the Code were met by the Company.

### 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 since the Listing on 31 March 2008.

### 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.

### 概覽

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

本公司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，需要時可供索取。

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被刪除，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。自本公司股份於二零零八年三月三十一日在聯交所主板上市以來，本公司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，自於二零零八年三月三十一日上市以來，彼等均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。

### 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、監察高級管理層的表現。董事有責任以本公司利益按客觀標準行事。

## Corporate Governance Report

### 企業管治報告

### The Board of Directors (Continued)

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 32 to 35 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 28 to 30.

### Board Meetings

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

### 董事會 (續)

董事會現時由九名董事組成，包括三名執行董事（即譚文華先生、許祐淵先生及張麗明女士）、兩名非執行董事（即焦平海先生及莊堅毅先生）及四名獨立非執行董事（即王永權先生、符霜葉女士、林文博士及張椿先生）。本年報內第32頁至第35頁載有董事的姓名及履歷詳情。董事會的組成具高度獨立成份，過半數董事會成員為非執行董事，確保董事會以本集團長遠發展的最佳利益，作出所有決策。

董事會已委派董事委員會履行各種職責。有關該等委員會的進一步詳情，載於下文第28頁至第30頁。

### 董事會會議

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

## Board Meetings (Continued)

During the year ended 31 December 2008, 11 meetings were held by the Board and the attendance of individual Directors at these meetings is set out below:

Name of Directors	Attendance	董事姓名	出席率
<b>Executive Directors</b>			
Mr. TAN Wenhua	11/11	譚文華先生	11/11
Ms. ZHANG Liming	11/11	張麗明女士	11/11
Mr. HSU You Yuan	11/11	許祐淵先生	11/11
<b>Non-executive Directors</b>			
Mr. CHIAO Ping Hai (Chairman)	11/11	焦平海先生(主席)	11/11
Mr. CHONG Kin Ngai	11/11	莊堅毅先生	11/11
<b>Independent non-executive Directors</b>			
Mr. WONG Wing Kuen, Albert	11/11	王永權先生	11/11
Ms. FU Shuangye	11/11	符霜葉女士	11/11
Dr. LIN Wen	11/11	林文博士	11/11
Mr. ZHANG Chun	11/11	張椿先生	11/11

## Independent non-executive Directors

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

## Appointments, Re-election and Removal of Directors

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

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

## 董事會會議(續)

截至二零零八年十二月三十一日止年度內，董事會曾舉行11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
<b>執行董事</b>	
譚文華先生	11/11
張麗明女士	11/11
許祐淵先生	11/11
<b>非執行董事</b>	
焦平海先生(主席)	11/11
莊堅毅先生	11/11
<b>獨立非執行董事</b>	
王永權先生	11/11
符霜葉女士	11/11
林文博士	11/11
張椿先生	11/11

## 獨立非執行董事

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

## 委任、重選及罷免董事

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

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

## Chairman and Chief Executive Officer

Under provision A.2.1 of the Code, the roles of the Chairman and the Chief Executive Officer (“CEO”) should be separated and should not be performed by the same individual. The role of the Chairman is performed by Mr. CHIAO Ping Hai. Mr. CHIAO Ping Hai is a non-executive Director who is responsible for the management of the Board but does not involve in the day-to-day management of the Group’s business. He has contributed valuable inputs to the Group’s business direction with a wealth of industry expertise.

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

## 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 2008, the Audit Committee met 2 times and the attendance of individual Directors at these meetings is set out below:

Name of Directors	Attendance	董事姓名	出席率
<b>Independent non-executive Directors</b>			
Mr. WONG Wing Kuen, Albert (Chairman)	2/2	王永權先生(主席)	2/2
Ms. FU Shuangye	2/2	符霜葉女士	2/2
Dr. LIN Wen	2/2	林文博士	2/2
Mr. ZHANG Chun	2/2	張椿先生	2/2
<b>Non-executive Director</b>			
Mr. CHONG Kin Ngai	2/2	莊堅毅先生	2/2

The Audit Committee has reviewed the Group’s interim and annual consolidated financial statements for the year 2008, including the accounting principles and practices adopted by the Group, and has also discussed auditing, internal control and financial reporting matters with the management.

## 主席及行政總裁

根據守則第A.2.1條，主席及行政總裁(「行政總裁」)的角色應分立，不應由同一人擔任。焦平海先生擔任主席一職。焦平海先生為非執行董事，負責董事會的管理工作，但並不參與本集團日常的業務管理。他擁有豐富的業界知識，就本集團業務方針提供寶貴意見。

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

## 董事委員會

### 審核委員會

為遵守上市規則第3.21至3.23條及附錄十四的規定，本公司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。

於二零零八年，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
<b>獨立非執行董事</b>	
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
<b>非執行董事</b>	
莊堅毅先生	2/2

審核委員會已審閱本集團二零零八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。

## Board Committees (Continued)

### Remuneration Committee

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

In 2008, the Remuneration Committee met once and the attendance of individual Directors at the meeting is set out below:

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

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

### Nomination Committee

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

## 董事委員會(續)

### 薪酬委員會

為遵守上市規則附錄十四的規定，本公司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架構以及就發展該等薪酬政策設立正式及具透明度程序，向董事會作出推薦意見。薪酬委員會由五名成員組成，當中四名為獨立非執行董事，而另一名為執行董事。

於二零零八年，薪酬委員會曾舉行1次會議，而個別董事出席有關會議的情況載列如下：

董事姓名	出席率
<b>獨立非執行董事</b>	
符霜葉女士(主席)	1/1
王永權先生	1/1
林文博士	1/1
張椿先生	1/1
<b>執行董事</b>	
譚文華先生	1/1

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

### 提名委員會

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

## Corporate Governance Report

企業管治報告

## Board Committees (Continued)

## Nomination Committee (Continued)

In 2008, the Nomination Committee met once and the attendance of individual Directors at the meeting is set out below:

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

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

## 董事委員會(續)

## 提名委員會(續)

於二零零八年，提名委員會曾舉行一次會議，而個別董事出席有關會議的情況載列如下：

提名委員會年內已討論有關委任高級管理層成員的事宜。

## Financial Reporting and Internal Control

## Financial Reporting

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

## External Auditor

During the year ended 31 December 2008, the fees paid and payable to the external auditor of the Company in respect of audit services amounted to approximately RMB1,575,000 (2007: RMB1,567,000). In addition, approximately RMB1,507,500 (2007: RMB Nil) was charged for other non-statutory services which mainly consisted of interim reviews and tax services.

## 財務報告及內部監控

## 財務報告

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

## 外聘核數師

截至二零零八年十二月三十一日止年度，就審核服務已付及應付本公司外聘核數師費用約達人民幣1,575,000元(二零零七年：人民幣1,567,000元)。此外，約人民幣1,507,500元(二零零七年：人民幣零元)已計入其他非法定服務，主要包括中期審閱及稅項服務。

## Financial Reporting and Internal Control (Continued)

### Internal control

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

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

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

### Directors' responsibility on the financial statements

The Directors acknowledge their responsibility for preparing the financial statements for the year ended 31 December 2008, which were prepared in accordance with applicable accounting standards.

The reporting responsibility of the external auditor of the Company on the consolidated financial statements of the Group are set out in the independent auditor's report on pages 65 to 66.

### Going concern

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

## 財務報告及內部監控(續)

### 內部監控

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

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

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

### 董事對財務報表的責任

董事知悉，彼等須按照適用的會計準則，編製截至二零零八年十二月三十一日止年度的財務報表。

本公司外聘核數師對本集團綜合財務報表的報告責任，載於第65頁至第66頁的獨立核數師報告。

### 持續經營能力

概無任何重大不明朗因素，其中涉及可對本公司持續經營能力構成重大疑慮的事件或情況。



## 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 52, 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), aged 54, 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 of Wafer Works Corp. ("WWX") from February 1998 to June 2003 and later became the Vice-Chairman of the board of WWX in June 2003. WWX is a manufacturer of silicon wafer for the semiconductor industry and is listed on the Gre Tai Securities Market in Taiwan since May 2002. He was the managing director of Silicon Technology Investment (Cayman) Corp. and was appointed the Chief Executive Officer of Solar Technology Investment (Cayman) Corp., responsible for overseeing, amongst others, WWX's investment in the solar energy industry. In March 2006, he was appointed a director and he was subsequently appointed as the Chairman of the board of Jinzhou Youhua in September 2006. Mr. HSU's previous work credentials also include acting as Vice-President of Mosel Vitelic Inc., a company listed on the Taiwan Stock Exchange and as a member of the board of directors and Executive Vice-President of Mosel Vitelic (Hong Kong) Limited, a subsidiary of Mosel Vitelic Inc. Mr. HSU had also made contributions to non-commercial sectors in the past. He served as a researcher, a deputy director, and the director of Business Department of the Executive Yuan Development Fund. He was also a lecturer of Statistics and Managerial Mathematics for the Business Administration department at the Chinese Culture University.

#### 董事

##### 執行董事

譚文華先生，52歲，錦州廠總裁。彼為錦州廠創辦人之一。彼曾獲全國建材系統勞動模範，遼寧省「五一」勞動獎章、優秀共產黨員、全國建材行業優秀企業家及遼寧省創業企業家等多項殊榮。彼亦為遼寧工業大學客座教授。創辦錦州廠前，彼出任錦州新華石英玻璃(集團)有限責任公司董事長及國有石英坩堝製造廠錦州一五五廠董事長兼副董事長。國務院自二零零四年以來，就譚先生對工程技術作出的貢獻，向彼頒授特別補助金。彼於二零零七年當選為中華人民共和國第十一屆全國人民代表大會代表。

許祐淵先生，54歲，本公司首席執行官。彼於二零零七年二月六日加盟本集團並於同日獲委任為執行董事。彼於一九八零年畢業於中國文化大學，獲頒企業管理碩士學位。加盟本集團前，許先生自一九九八年二月至二零零三年六月出任合晶科技股份有限公司(「合晶科技」)總經理，其後於二零零三年六月轉任合晶科技副董事長。合晶科技乃半導體硅片製造商，該公司自二零零二年五月起於台灣證券櫃檯買賣中心上市。彼歷任Silicon Technology Investment (Cayman) Corp.董事總經理，並曾獲委任為Solar Technology Investment (Cayman) Corp.首席執行官，專責監督(其中包括)合晶科技於太陽能產業的投資。於二零零六年三月，彼獲委任為錦州佑華董事，並隨後於二零零六年九月獲委任為該公司董事會主席。許先生曾出任台灣證券交易所上市公司台灣茂矽電子股份有限公司副總經理及台灣茂矽電子股份有限公司附屬公司香港華智公司董事會成員兼執行副總裁。許先生過往亦對非商業領域作出貢獻。彼曾先後出任行政院開發基金業務組研究員、副組長及組長。彼亦出任中國文化大學企管系講師，講授統計學及管理數學。

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

## Directors (Continued)

### Executive Directors (Continued)

Ms. ZHANG Liming (張麗明), aged 51, 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 58, 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 57, 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，51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，58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，57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。

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

**Directors and Senior Management Profile**

董事和高級管理人員簡歷

**Directors** (Continued)**Independent Non-executive Directors**

Mr. WONG Wing Kuen, Albert (王永權), aged 57, 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 of Hong Kong Limited, since July 2004.

Ms. FU Shuangye (符霜葉), aged 40. 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，57歲，二零零八年一月十二日獲委任為獨立非執行董事。王先生為英國特許秘書及行政人員公會、香港特許秘書公會、香港稅務學會、證券及投資學會、香港董事學會、英國特許管理學會、國際會計師公會及香港註冊財務策劃師協會資深會員以及香港證券專業學會、特許仲裁學會、澳門會計師公會、英國愛爾蘭特許會計師公會及英國蘇格蘭特許銀行家學會會員。王先生曾在美國一間上市公司明華集團國際有限公司出任董事兼首席執行官，直至二零零四年九月三十日止。截至二零零五年九月三十日止季度期間通過EDGAR在美國向公眾人士發佈的存檔資料，明華集團國際有限公司屬「小型企業發行商」及「處於發展階段的公司」。王先生一直為香港私人專業顧問公司卓昇財務顧問有限公司的董事總經理，並為自二零零四年七月起在香港聯合交易所有限公司主板上市的亞太資源有限公司獨立非執行董事。

符霜葉女士，40歲。符女士於二零零八年一月十二日獲委任為獨立非執行董事。符女士於一九九零年畢業於武漢大學，獲頒英國文學學士學位；於一九九七年獲頒中國政法大學法律系法律研究證書；及於一九九八年獲得中國律師資格。符女士曾任北京中倫文德律師事務所合夥人律師，目前出任北京中灝律師事務所管理合夥人律師，並擔任北京市司法局對外投資專業委員會委員。

## Directors (Continued) Independent Non-executive Directors (Continued)

Dr. LIN Wen (林文), aged 69, an independent non-executive Director, joined the Group on 12 January 2008. Dr. LIN received his bachelor degree in Science (Metallurgy), master degree in Science (Chemical Engineering) and Ph.D. degrees in Materials Science & Engineering. He joined AT&T Bell Laboratories (subsequently, Lucent Bell Labs/Agere) in 1975. He is the author of many articles published by internationally recognised science magazines. Together with other collaborators, he wrote about the properties of uniform oxygen Czochralski silicon crystals in an article and such article was published in the Vol. 51(10), October 1980 edition of J. Appl. Phys., a publication of the American Institute of Physics. Czochralski process is the key process employed by the Group in the manufacturing of monocrystalline silicon ingots. He has also authored/co-authored technical papers, book chapters and owns several patents. Dr. LIN was a recipient of the 1983 Bell Laboratories Distinguished Technical Staff Award. He is a member of Phi Tau Phi Honor Societies. Since 1999, he has been a member of the Starting Materials Team of ITRS (International Technology Roadmap of Semiconductor). As a life member of the Chinese Institute of Engineers-USA, he has served the Institute in various capacities in the last two decades. He served as its president in 1987 and National Council Chairman in 1995. Dr. LIN also served as Chairman of METS (Modern Engineering and Technology Seminars), as well as Vice-Chairman and Chairman of Sino-American Technology and Engineering Conference.

Mr. ZHANG Chun (張椿), aged 76, an independent non-executive Director, joined the Group on 12 January 2008. Mr. ZHANG graduated from Tianjin University in 1955 and conducted research on semi-conductor silicon material in 北京有色金屬研究總院 (Beijing Non-Ferrous Metal Research Institution\*) in the same year. During 1965 to 1979, he was involved in the establishment of the semi-conductor materials factory in Emei and the monocrystalline silicon factory in Luoyang and their production and technological management. During 1979 to 1998, he was the supervisor of a semi-conductor material research unit of Beijing Non-Ferrous Metal Research Institution, the supervisor of the 國家半導體材料工程研究中心 (State Semi-conductor Material Engineering Research Centre\*) and he also acted as the general manager of 金鑫半導體材料有限公司 (Jinxin Semi-conductor Material Company Limited\*). The (a) project on 3 to 4 inches monocrystalline silicon for the use in integrated circuit and (b) the research project on the manufacture of 125mm monocrystalline silicon wafer for the use in 2 to 3µm integrated circuit organised and led by Mr. ZHANG received 科學技術進步一等獎 (the Science and Technology Progress First Prize\*) by the China National Non-Ferrous Metals Industry Corp. Mr. ZHANG was granted a special subsidy of government from the State Council since 1992, was awarded the title of Supreme Model for the Labour of the Non-ferrous Metals Industry of the Nation in 1993 and was awarded as a 全國先進工作者 (National Pioneer\*) by the State Council in 1995.

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 40 of this annual report. The Directors' emoluments, the basis of determining the same (including any bonus payments, whether fixed or discretionary in nature, irrespective 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 10 to the Financial Statements and the section headed "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.

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

## 董事(續) 獨立非執行董事(續)

林文博士，69歲，獨立非執行董事，於二零零八年一月十二日加盟本集團。林博士擁有科學學士學位(冶金學)、科學碩士學位(化學工程)，以及材料科學及工程博士學位。林博士於一九七五年加盟AT&T貝爾實驗室(後為朗訊貝爾實驗室/傑爾系統公司(Lucent Bell Labs/Agere))。彼於獲國際肯定的科學期刊發表多份文章。彼連同其他合作夥伴撰寫有關均氧提拉法晶矽的屬性的文章，此文章刊登於美國物理學會旗下刊物《J. Appl. Phys》第51(10)期(一九八零年十月版)。提拉法工序為本集團製造單晶矽錠時採用的重要工序。此外，彼個人著作及與他人合著的著作包括技術論文、文章(編載入書)，另擁有多項專利。林博士曾獲頒一九八三年度貝爾實驗室傑出技術工作人員獎，現為斐陶榮譽學會成員。自一九九九年，林博士擔任國際半導體技術藍圖的原材料小組成員。林博士為美國中國工程師學會的永久會員，並於過去二十年出任該學會不同職位，於一九八七年曾任該學會的主席，更於一九九五年出任國家總會主席。此外，林博士曾任近代工程技術討論會主席，以及中美技術及工程會議副主席及主席。

張椿先生，76歲，獨立非執行董事，於二零零八年一月十二日加盟本集團。張先生於一九五五年於天津大學畢業，同年在北京有色金屬研究總院從事半導體材料的研究工作。一九六五年至一九七九年，彼在峨眉半導體材料廠和洛陽單晶矽廠參與建廠和生產及技術管理工作。一九七九年至一九九八年，彼任北京有色金屬研究總院半導體材料研究室主任、國家半導體材料工程研究中心主任及金鑫半導體材料有限公司總經理。張先生組織領導(a) 3至4吋用於集成電路的單晶矽片項目和(b) 製造用於2至3微米集成電路的125毫米單晶矽片的研究項目，兩者均獲中國有色金屬工業總公司科學技術進步一等獎。張先生於一九九二年起獲國務院頒授政府特殊津貼，一九九三年榮獲全國有色金屬工業特等勞動模範光榮稱號，一九九五年獲國務院頒發全國先進工作者稱號。

董事於本公司股份或相關股份中擁有根據證券及期貨條例(「證券及期貨條例」)第XV部所界定之權益或淡倉，載於本年報「董事及本公司最高行政人員於本公司及其相聯法團的股份、相關股份及債券的權益或淡倉」一節。各董事與本公司訂立服務合約，為期三年，詳情載於本年報第40頁「董事服務合約」一節。董事薪酬、釐定薪酬之基準(包括無論屬固定或酌情且不論董事有否服務合約之任何花紅款項)以及董事服務合約涵蓋之董事袍金載於本年報財務報表附註10及本年報「董事會報告書—薪酬政策」一節。除上文披露者外，各董事確認，概無其他事宜須本公司股東注意，亦無其他資料須根據上市規則第13.51(2)條予以披露。

**Directors and Senior Management Profile**

董事和高級管理人員簡歷

**Senior Management**

Mr. Paul SU (蘇名冠), aged 57, 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 36, 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 13 year of experience in auditing, finance and accounting.

Ms. ZHAO Xiuzhen (趙秀珍), aged 54, 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.

Mr. WANG Chun Wei (王君偉), aged 37, 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. ZHANG Yuewen (張躍文), aged 44, 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 38, 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.\*).

**高級管理人員**

蘇名冠先生，57歲，上海廠總經理。彼於二零零八年十二月加盟本集團。彼獲國立台灣大學化學學士、美國肯塔基大學化學碩士及美國西北大學凱洛格管理學院資深經理工商管理碩士。彼曾任合晶科技董事長總經理特別助理。

鄒耀明先生，36歲，為本公司首席財務官、合資格會計師兼公司秘書。彼持有香港大學頒授的工商管理學士學位，亦為英國特許公認會計師公會資深會員及香港會計師公會會員。彼於二零零八年九月加入本公司，具備逾十三年核數、財務及會計經驗。

趙秀珍女士，54歲，錦州廠生產總監。彼於二零零五年一月三十一日加盟本集團。彼畢業於錦州黨校黨務行政管理系。加盟本集團前，彼曾任錦州華聯購物中心副總經理。

王君偉先生，37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。

張躍文先生，44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，38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。

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

## Senior Management (Continued)

Mr. CHEN Limin (陳立民), aged 41, the Deputy 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.\*).

Ms. LI Xuexin (李學新), aged 55, 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 49, 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 University in 1988. Prior to joining the Group, he was appointed the Chief Executive Officer of TaoYuan Real Estate Investment Consortia. He joined the Group on 28 June 2007 upon the Original Group's acquisition of the Acquired Group.

## Consultant

Dr. Stephen Sun Hai CHIAO (焦生海), aged 60. He was appointed a consultant of the Company on 12 January 2008. Dr. CHIAO has been a director of Shanghai Jingji since 1998. Dr. CHIAO received his bachelor degree in Science from the National Cheng-Kung University, master degree in Science from the University of Southern California, and Ph.D. degree from Stanford University. Dr. CHIAO is a Professor in the Department of Electrical Engineering at San Jose State University. In 2002, Dr. CHIAO was appointed as the Honorary and Guest Professor at The University of Shanghai for Science and Technology and China Institute of Metrology. Dr. CHIAO has published and presented technical articles internationally, held several U.S. patents in semiconductors and microelectronics related technologies. Dr. CHIAO's recent publication includes "Alternative Energy Saving Devices/System", a book with three chapters on solar cell technologies, applications and trend. Dr. CHIAO is the elder brother of Mr. CHIAO Ping Hai.

## 高級管理人員(續)

陳立民先生，41歲，錦州廠技術副總監。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。

李學新女士，55歲，錦州廠審計法務部長。彼於二零零七年三月五日加盟本集團。彼畢業於遼寧省委黨校財會管理大學本科。加盟本集團前，彼曾任錦州盛達糖酒有限責任公司副總經理及錦州市金屬材料總公司副總經理。

劉詩灣先生，49歲，上海廠總經理特別助理兼大中華區業務協理。彼於二零零三年一月一日加盟上海晶技。彼於一九八八年獲中原大學頒授土木工程學士學位。加盟本集團前，彼獲委任為桃園縣建築投資公會總幹事。彼於二零零七年六月二十八日在原集團收購被收購集團時加盟本集團。

## 顧問

焦生海博士，60歲，彼於二零零八年一月十二日獲委任為本公司顧問。自一九九八年起，焦博士一直於上海晶技出任董事。焦博士獲頒國立成功大學科學學士學位、南加州大學科學碩士學位及史丹福大學博士學位。彼現任聖荷西州立大學電子工程系教授。於二零零二年，焦博士獲上海科技大學及中國計量學院委任為榮譽及客席教授。彼曾發表國際技術文章，並持有數項美國半導體及微電子相關技術專利。焦博士最新出版之著作包括名為「替代能源儲存設備／系統」(Alternative Energy Saving Devices/System)的書籍，其中三章有關太陽能電池技術、應用及趨勢。焦博士乃焦平海先生之胞兄。

# Report of the Directors

## 董事會報告書

The Directors present the annual report together with the audited consolidated financial statements for the year ended 31 December 2008.

### 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 solar silicon monocrystalline ingots/wafers. The analysis of the principal activities and geographical locations of the operations of the subsidiaries during the financial year are set out in note 15 to the financial statements.

### Major Customers and Suppliers

The Group's top five customers are mainly solar wafer or cell manufacturers or traders, except for two of them who also engage in the semi-conductor industry. In aggregate, the largest and top five customers did not exceed 15% and 51% of the Group's total sales in 2008 respectively.

The Group currently procures raw materials from about 43 suppliers. In aggregate, purchases from its largest and five largest suppliers did not exceed 14% and 51% of the Group's total purchases in 2008 respectively.

Save for Space Energy Corporation 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 profits of the Group for the year ended 31 December 2008 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 67 to 140.

The Directors have recommended the payment of final dividend of RMB1.5 cents (HK\$1.7 cents) per share (2007: RMB5.2 cents (HK\$5.8 cents)) and propose to give shareholders the option of receiving part or all of the final dividend in form of new shares ("Scrip Dividend") in lieu of cash dividend. The Scrip Dividend proposal (the "Proposal") will be conditional on (i) the approval of the recommended final dividend at the forthcoming annual general meeting of the Company and (ii) the Stock Exchange granting a listing of and permission to deal in the shares to be issued pursuant to the Proposal. Subject to shareholders' approval at the forthcoming annual general meeting of the Company, the recommended final dividend will be paid to shareholders whose names appear on the register of members of the Company on 12 June 2009.

### Transfer to Reserves

Profits attributable to shareholders, before dividend, of RMB83 million (2007: RMB316 million) have been transferred to reserves. Other movements in reserves are set out in the consolidated statement of changes in equity on page 70.

As at 31 December 2008, distributable reserves of the Company amounted to approximately RMB710,498,000, of which about RMB25,361,000 was proposed to be the final dividend of the year.

董事提呈本年報連同截至二零零八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多晶硅、太陽能單晶硅錠／硅片，以及提供多晶硅、太陽能單晶硅錠／硅片的加工服務。本財政年度內附屬公司之主要活動及按地區分部劃分之業務分析載於財務報表附註15。

### 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，而其中兩名亦從事半導體行業。最大及五大客戶於二零零八年涉及的销售總額分別不超過本集團銷售總額的15%及51%。

本集團現時從約43家供應商採購原材料。最大及五大供應商於二零零八年的採購總額分別不超過本集團採購總額的14%及51%。

除宇宙能源株式會社及合晶科技外，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

本集團截至二零零八年十二月三十一日止年度的利潤，以及本公司及本集團於同日的事務狀況，載於財務報表第67至140頁。

董事建議派付終期股息每股人民幣1.5分(1.7港仙)(二零零七年：人民幣5.2分(5.8港仙))，並建議給予股東選擇權以新股形式收取全部或部分終期股息(「以股代息」)代替現金股息。以股代息建議(「該建議」)須待達成以下條件後，方告作實：(i)所建議終期股息於本公司應屆股東週年大會上獲批准；及(ii)聯交所批准根據該建議將予發行之股份上市及買賣。待股東於本公司應屆股東週年大會上批准後，所建議終期股息將派發予於二零零九年六月十二日名列本公司股東名冊之股東。

### 轉撥至儲備

股東應佔扣除股息前利潤人民幣83,000,000元(二零零七年：人民幣316,000,000元)，已轉撥入儲備。儲備的其他變動載於第70頁綜合權益變動表內。

於二零零八年十二月三十一日，本公司可分派儲備約為人民幣710,498,000元，其中建議動用約人民幣25,361,000元作派付本年度終期股息之用。

## Charitable Donations

Charitable donations made by the Group during the year amounted to RMB1.1 million (2007: RMB1.1 million).

## Bank Loans and Other Borrowings

Particulars of bank loans and other borrowings of the Group as at 31 December 2008 are set out in note 20 to the financial statements.

## Property, Plant and Equipment

Details of acquisitions and other movements in property, plant and equipment are set out in note 13 to the financial statements.

## Share Capital

Details of the movements in share capital of the Company during the year are set out in note 26(c) 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 (appointed on 12 January 2008)  
Ms. FU Shuangye (appointed on 12 January 2008)  
Dr. LIN Wen (appointed on 12 January 2008)  
Mr. ZHANG Chun (appointed on 12 January 2008)

In accordance with the provisions of the Company's Articles of Association, Mr. WONG Wing Kuen, Albert, Ms. FU Shuangye and Dr. LIN Wen 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1,100,000元(二零零七年：人民幣1,100,000元)。

## 銀行貸款及其他借貸

本集團於二零零八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20。

## 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13。

## 股本

本公司年內股本變動的詳情，載於財務報表附註26(c)。

## 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

本財政年度及直至本報告日期止的董事為：

### 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(於二零零八年一月十二日獲委任)  
符霜葉女士(於二零零八年一月十二日獲委任)  
林文博士(於二零零八年一月十二日獲委任)  
張椿先生(於二零零八年一月十二日獲委任)

根據本公司組織章程細則的條文，王永權先生、符霜葉女士及林文博士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。



## Report of the Directors

### 董事會報告書

### 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 to the Group under the Listing Rules to regulate the relevant transactions which are non-exempt continuing connected transactions under the Listing Rules. The Company confirms that it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules. More details about the agreements and the transactions are set out below.

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

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

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

On 12 January 2008, Jinzhou Huarong entered into a framework service agreement (the "Service Agreement") with the Company pursuant to which Jinzhou Huarong has 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 will expire on 31 December 2009.

### 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，雙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。

### 不獲豁免的持續關連交易

本集團與多名訂約方訂立多項協議，以規管根據上市規則為不獲豁免的持續關連交易的有關交易，該等訂約方根據上市規則被視為本集團關連人士。本公司確認，其已遵守根據上市規則第14A章之披露規定。有關協議及交易的詳情載於下文。

#### 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條的申報及公告的規定：

*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，錦州華榮已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」）。協議的生效期由二零零八年三月三十一日至二零零九年十二月三十一日止。

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

## 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 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 2008, the aggregate fees paid by the Group to Jinzhou Huarong in relation to the Services amounted to approximately RMB1,538,000 (2007: RMB1,177,000).

Based on an estimate of the Group's expected consumption of water and heat for the year ending 31 December 2009, it is expected that the annual cap amount payable by the Group under the Service Agreement will not exceed RMB2,941,000.

The above proposed cap is determined with reference to the Group's expected increase in production and the increase in the expected consumption of water and heat in the production process resulting therefrom.

Jinzhou Huarong is owned as to 90% by Huaxin Silicon ("Huaxin Silicon"), a sole proprietorship established in the PRC and wholly-owned by Mr. TAN Wenhua and as to 10% by an independent third party. Jinzhou Huarong is an associate of Mr. TAN Wenhua and hence a connected person of the Company. Consequently, the transactions under the Service Agreement constitute continuing connected transactions for the Company under Rule 14A.34 of the Listing Rules and are exempt from the independent shareholders' approval requirement but are subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules.

## 不獲豁免的持續關連交易(續)

### A. 獲豁免遵守獨立股東批准規定之持續關連交易(續)

*錦州華榮用水及熱能供應服務(續)*

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

截至二零零八年十二月三十一日止年度，本集團就服務向錦州華榮支付的費用合共約為人民幣1,538,000元(二零零七年：人民幣1,177,000元)。

根據本集團於截至二零零九年十二月三十一日止年度的估計用水及熱能消耗量，預期本集團根據服務協議應付的年度上限金額將不會超過人民幣2,941,000元。

經參照本集團的預期生產量增幅，以及因而導致生產過程中預期用水及熱能消耗量的增幅後，釐定上述建議上限。

於中國成立的由譚文華先生全資擁有之個人獨資企業華新硅材料(「華新硅材料」)擁有錦州華榮90%股權，而餘下10%股權則由一名獨立第三方擁有。由於錦州華榮為譚文華先生之聯繫人士，因此成為本公司之關連人士。就此，根據上市規則第14A.34條，服務協議項下之交易構成本公司之持續關連交易，並獲豁免遵守獨立股東批准的規定，惟仍須遵守上市規則第14A.45至第14A.47條的申報及公告的規定。

**Non-exempt Continuing Connected Transactions**

(Continued)

**B. Non-exempt Continuing Connected Transactions**

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

*Supply of graphite materials by 錦州昌華碳素製品有限公司 (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 (the "Supply Agreement") pursuant to which Jinzhou Changhua and Jinzhou Youxin have 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 Group's raw materials for the production of ingots. The Supply Agreement has become effective on 31 March 2008 and will expire on 31 December 2009. Formal purchase agreements (by way of purchase orders and confirmations) are to be 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.

The 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 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 2008, 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 RMB27,005,000 (2007: RMB16,873,000).

For the year ended 31 December 2008, the aggregate amount of the purchase price paid by the Group to Jinzhou Youxin for the purchase of quartz crucibles amounted to approximately RMB24,850,000 (2007: RMB29,504,000).

**不獲豁免的持續關連交易(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的規定。

*錦州昌華碳素製品有限公司(「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(「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原材料。供應協議的生效期自二零零八年三月三十一日至二零零九年十二月三十一日止。本集團、錦州昌華及錦州佑鑫(視乎情況而定)須訂立正式購買協議(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不遜於獨立第三方提出的商業條款進行。

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

截至二零零八年十二月三十一日止年度，本集團就買賣石墨材料向錦州昌華支付之採購價總額約為人民幣27,005,000元(二零零七年：人民幣16,873,000元)。

截至二零零八年十二月三十一日止年度，本集團就採購石英坩堝向錦州佑鑫支付之採購價總額，約為人民幣24,850,000元(二零零七年：人民幣29,504,000元)。

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

## 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)*

Based on the Directors' estimate of the purchase of graphite materials and quartz crucibles for the year ending 31 December 2009, it is expected that the annual cap amount payable by the Group for transactions under the Supply Agreement will not exceed RMB185,177,000.

The above proposed cap is determined with reference to (a) the Group's expected production capacity (with the Group's ingot production facilities of 196 ingot pullers and 37 wafer wiresaws; and (b) the expected increase in the unit cost of graphite materials and quartz crucibles resulting from the increase in the size of the quartz crucible from 18 inches to 20 inches in diameter where a large portion of such modification work for the Group's ingots facilities will be carried out in 2009. The increase in size of the quartz crucible from 18 inches to 20 inches in diameter for the Group's ingot production facilities allows the Group to produce better quality of ingots as well as with longer length for each ingot produced from the ingots puller.

Jinzhou Changhua, which was established in 2006, 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. Jinzhou Youxin was owned as to 70% by 錦州市鑫鑫電子材料經營部 (Jinzhou Xinxin Electronic Trading Department) ("Jinzhou Xinxin"), a wholly-owned company of Ms. ZHAO Xiu Qin, the spouse of Mr. TAN Wenhua, and as to 30% by PLC from the date of incorporation of Jinzhou Youxin to 28 May 2007. On 28 May 2007, Jinzhou Xinxin transferred 70% interest in Jinzhou Youxin to an independent third party. Since then, Jinzhou Youxin has been owned as to 30% by PLC, and as to 70% by an independent third party. Jinzhou Youxin is therefore also an associate of Mr. CHONG Kin Ngai and hence a connected person of the Company. Consequently, the transactions under the Supply Agreement constitute non-exempt continuing connected transactions for the Company under Rule 14A.35 of the Listing Rules.

## 不獲豁免的持續關連交易 (續)

### B. 不獲豁免之持續關連交易 (續)

*錦州昌華供應石墨材料及錦州佑鑫供應石英坩堝 (續)*

按照董事估計截至二零零九年十二月三十一日止年度採購石墨材料及石英坩堝的數量，預期本集團根據供應協議項下交易應付年度上限金額不會超過人民幣185,177,000元。

上述建議上限乃參考(a)本集團的預期產量(本集團的硅錠生產設施包括196台硅錠拉製機及37台硅片線鋸)；及(b)石英坩堝的尺寸由直徑18吋增加至20吋所導致石墨材料及石英坩堝的單位成本的預期增幅，而本集團硅錠設施的大部分優化工程將於二零零九年進行。本集團硅錠生產設施的石英坩堝的直徑由18吋增加至20吋後，不但可讓本集團生產更高質量的硅錠，更可令硅錠拉製機生產的每個硅錠的長度增加。

錦州昌華於二零零六年成立，由華新硅材料(由譚文華先生擁有)擁有40%股權，並由佑昌燈光器材有限公司(「佑昌燈光」)擁有60%股權。莊堅毅先生之全資擁有公司擁有佑昌燈光65%股權。莊堅毅先生是非執行董事。故此，錦州昌華是譚文華先生及莊堅毅先生各自之聯繫人士，因此為本公司之關連人士。錦州市鑫鑫電子材料經營部(「錦州鑫鑫」)擁有錦州佑鑫70%股權，錦州鑫鑫乃趙秀芹女士(譚文華先生之配偶)全資擁有的公司，而自錦州佑鑫註冊成立日期起至二零零七年五月二十八日間，佑昌燈光擁有錦州佑鑫30%股權。於二零零七年五月二十八日，錦州鑫鑫向獨立第三方轉讓錦州佑鑫70%股權。此後，佑昌燈光擁有錦州佑鑫30%股權，餘下70%股權由獨立第三方擁有。故此，錦州佑鑫是莊堅毅先生之聯繫人士，並為本公司之關連人士。因此，根據上市規則第14A.35條，供應協議項下交易構成本公司不獲豁免之持續關連交易。

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

**Non-exempt Continuing Connected Transactions**

(Continued)

**B. Non-exempt Continuing Connected Transactions**

(Continued)

*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 (the "WWX Supply Agreement") pursuant to which WWX agreed to supply, and/or procure its subsidiaries ("WWX Group") to supply scrap polysilicon raw material, scrap ingots and scrap wafers to the Company or its subsidiaries as requested by them from time to time. Such scrap polysilicon, scrap ingots and scrap wafers serve as the Group's raw materials for its production of wafers. The term of the WWX Supply Agreement has become effective on 31 March 2008 and expire on 31 December 2009. Formal purchase agreements (by way of purchase orders and confirmations) are to be entered into between the Company (and/or its subsidiaries) and WWX (and/or its subsidiaries) with the detailed terms and conditions as specified in the relevant purchase orders. The purchase arrangement under the WWX Supply Agreement is conducted on normal commercial terms and is on terms no less favourable than those available from independent third parties.

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 has announced its intention 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 by means of signing of a supplemental supply agreement ("WWX Supplemental Supply Agreement"). The Company has obtained the approval from its independent shareholders on 27 June 2008. Upon approval, the terms of the WWX Supplemental Supply Agreement have become effective on 27 June 2008 and will expire on 31 December 2010.

For the year ended 31 December 2008, the aggregate amount of the purchase price paid by the Group to WWX Group in relation to the supply of scrap polysilicon raw material, scrap ingots and scrap wafers amounted to approximately RMB214,739,000 (2007: RMB36,027,000).

**不獲豁免的持續關連交易(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*

於二零零八年一月十二日，本公司與合晶科技訂立框架供應協議(「合晶科技供應協議」)，據此，合晶科技同意按本公司或其附屬公司的不時要求，向彼等供應及／或促使其附屬公司(「合晶科技集團」)供應多晶硅廢碎原材料、硅錠廢碎及硅片廢碎。本集團將採用該等多晶硅廢碎、硅錠廢碎及硅片廢碎作為生產硅片的原材料。合晶科技供應協議的生效期由二零零八年三月三十一日至二零零九年十二月三十一日止。本公司(及／或其附屬公司)及合晶科技(及／或其附屬公司)須訂立正式購買協議(以購買訂單及確認之形式)，其詳細條款及條件載列於相關購買訂單內。合晶科技供應協議項下購買安排乃以不遜於獨立第三方可提出的一般商業條款進行。

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，將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，本公司宣佈，擬簽訂補充供應協議(「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。本公司於二零零八年六月二十七日已獲獨立股東批准。獲批准後，合晶科技補充供應協議的生效期自二零零八年六月二十七日至二零一零年十二月三十一日止。

截至二零零八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214,739,000元(二零零七年：人民幣36,027,000元)。

## Non-exempt Continuing Connected Transactions

(Continued)

### B. Non-exempt Continuing Connected Transactions

(Continued)

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

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

- (a) RMB675,854,000 for the year ending 31 December 2009; and
- (b) RMB790,749,000 for the year ending 31 December 2010.

The above proposed caps are determined with reference to the Group's expected increase in production (with the Group's ingot production facilities to increase from 196 ingot pullers at present to 400 by the end of 2009) 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.

WWX holds 100% interests in Wafer Works Investment Corp. ("WWIC"). WWIC is a substantial shareholder of the Company. Each of WWX and its subsidiaries is therefore an associate of WWIC and hence a connected person of the Company. Consequently, the transactions under the WWX Supply Agreement and WWX Supplemental Supply Agreement constitute non-exempt continuing connected transactions for the Company under Rule 14A.35 of the Listing Rules.

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

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

## 不獲豁免的持續關連交易 (續)

### B. 不獲豁免之持續關連交易 (續)

*合晶科技供應多晶硅廢碎、硅錠廢碎及硅片廢碎 (續)*

按照董事估計未來兩年多晶硅廢碎、硅錠廢碎及硅片廢碎的採購量，預期本集團就合晶科技供應協議項下交易應付下列年度上限金額不會超過：

- (a) 截至二零零九年十二月三十一日止年度人民幣675,854,000元；及
- (b) 截至二零一零年十二月三十一日止年度人民幣790,749,000元。

上述建議上限乃參考本集團的預期生產量增幅(本集團的硅錠生產設施包括現有196台硅錠拉製機增加至二零零九年底的400台硅錠拉製機)，及因此而導致本集團生產所需的多晶硅廢碎、硅錠廢碎及硅片廢碎的需求數量增幅。此外，此等上限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。

合晶科技持有Wafer Works Investment Corp. ("WWIC") 100%權益。WWIC是本公司主要股東。故此，合晶科技及其附屬公司各公司為WWIC之聯繫人士，因此亦為本公司之關連人士。根據上市規則14A.35條，合晶科技供應協議及合晶科技補充供應協議項下交易構成本公司不獲豁免之持續關連交易。

*向合晶科技銷售經改良及加工的多晶硅、太陽能硅錠及太陽能硅片*

於二零零八年一月十二日，本公司與合晶科技訂立框架銷售協議(「合晶科技銷售協議」)，據此，本公司同意銷售或促使其附屬公司銷售經改良及加工的多晶硅、太陽能硅錠及太陽能硅片予合晶科技及／或其附屬公司。合晶科技銷售協議的生效期自二零零八年三月三十一日至二零零九年十二月三十一日止。本公司(及／或其附屬公司)與合晶科技(及／或其附屬公司)須訂立正式銷售協議(以購買訂單及確認之形式)，其中詳細條款及條件載列於相關購買訂單內。合晶科技銷售協議項下銷售安排乃以不遜於獨立第三方提出的一般商業條款進行。

**Non-exempt Continuing Connected Transactions**

(Continued)

**B. Non-exempt Continuing Connected Transactions**

(Continued)

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

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

On 4 June 2008, the Company has announced its intention to revise the caps for the transactions under the WWX Sale Agreement as well as to determine the annual cap for the transactions for the year ending 31 December 2010 by means of signing of a supplemental sale agreement ("WWX Supplemental Sale Agreement"). The Company has obtained the approval from its independent shareholders on 27 June 2008. Upon approval, the terms of the WWX Supplemental Sale Agreement have become effective on 27 June 2008 and will expire on 31 December 2010.

For the year ended 31 December 2008, the aggregate amount of the sales proceeds received by the Group from WWX Group in relation to the sale of upgraded and processed polysilicon, solar ingot and solar wafers amounted to approximately RMB190,002,000 (2007: RMB179,690,000).

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

- (a) RMB361,556,000 for the year ending 31 December 2009; and
- (b) RMB423,021,000 for the year ending 31 December 2010.

The Directors believe that WWX Group has been purchasing from the Group, mainly due to the Group's product quality and reliability. Sales of upgraded and processed polysilicon, solar ingots and solar wafers to WWX and its subsidiaries have increased over time and the above proposed caps are determined with reference to (a) the Group's expected increase in production capacity (with the Group's ingots production facilities expected to increase from 196 ingots pullers at present to 400 by the end of 2009) and (b) the increase in sales to WWX resulting from the expected increase in demand for solar based products in Taiwan.

**不獲豁免的持續關連交易(續)****B. 不獲豁免之持續關連交易(續)**

*向合晶科技銷售經改良及加工的多晶硅、太陽能硅錠及太陽能硅片(續)*

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

於二零零八年六月四日，本公司宣佈，擬簽訂補充銷售協議（「合晶科技補充銷售協議」），修訂合晶科技銷售協議項下交易的年度上限，並釐定截至二零一零年十二月三十一日止年度交易的年度上限。本公司於二零零八年六月二十七日已獲獨立股東批准。獲批准後，合晶科技補充銷售協議的生效期自二零零八年六月二十七日至二零一零年十二月三十一日止。

截至二零零八年十二月三十一日止年度，本集團就銷售經改良及加工的多晶硅、太陽能硅錠及太陽能硅片向合晶科技集團收取的銷售所得款項總金額約為人民幣190,002,000元（二零零七年：人民幣179,690,000元）。

按照董事估計未來兩年銷售經改良及加工的多晶硅、太陽能硅錠及太陽能硅片的銷售額，預計本集團根據合晶科技銷售協議應收下列交易年度上限金額不會超過：

- (a) 截至二零零九年十二月三十一日止年度人民幣361,556,000元；及
- (b) 截至二零一零年十二月三十一日止年度人民幣423,021,000元。

董事相信，合晶科技集團一直向本集團採購產品，主要與本集團的產品質量及可靠性有關。故此，本集團向合晶科技及其附屬公司銷售經改良及加工的多晶硅、太陽能硅錠及太陽能硅片的銷售額日益增加，上述建議上限乃參考(a)本集團產能的預期升幅（本集團的硅錠生產設施預期由現時的196台硅錠拉製機增加至二零零九年年底的400台硅錠拉製機）及(b)因預期台灣對以太陽能為基礎的產品的需求上升帶動向合晶科技的銷售額升幅釐定。

## Non-exempt Continuing Connected Transactions

(Continued)

### B. Non-exempt Continuing Connected Transactions

(Continued)

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

Furthermore, part of the sales of upgraded and processed polysilicon is determined by reference to WWX's expected consumption of recycled polysilicon materials as feedstock for its semi-conductor production.

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

*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 (the "WWX Processing Agreement") 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 solar ingots as well as the processing and production of solar wafers to WWX or its subsidiaries. The WWX Processing Agreement has become effective on 31 March 2008 and will expire on 31 December 2009. Formal agreements (by way of processing orders and confirmations) are to be 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 arrangement under the WWX Processing Agreement has been conducted on normal commercial terms and on terms no less favourable than those available from independent third parties.

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

For the year ended 31 December 2008, the fees received by the Group from WWX Group in relation to acidic wash of silicon, the processing and recycling of top and tail scrap, pot scrap and scrap silicon amounted to approximately RMB8,031,000 (2007: RMB3,543,000).

Based on the Directors' estimate of the processing services in the year ending 31 December 2009, it is expected that the following annual cap amount receivable by the Group for transactions under the WWX Processing Agreement will not exceed RMB43,910,000.

## 不獲豁免的持續關連交易(續)

### B. 不獲豁免之持續關連交易(續)

*向合晶科技銷售經改良及加工的多晶硅、太陽能硅錠及太陽能硅片(續)*

此外，部分經改良及加工的多晶硅銷售，乃參考合晶科技採用循環再造的多晶硅材料作為半導體生產的給料的預期消耗量而釐定。

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

*向合晶科技提供硅材酸洗、多晶硅及硅片的加工及生產服務*

於二零零八年一月十二日，本公司與合晶科技訂立框架加工協議（「合晶科技加工協議」），據此，本公司同意提供或促使其附屬公司提供有關硅材酸洗及將頭尾料、鍋底料及硅廢碎加工及循環再造為多晶硅之服務，及提供用作生產太陽能硅錠及太陽能硅片加工及生產之其他所需原材料予合晶科技或其附屬公司。合晶科技加工協議的有效期自二零零八年三月三十一日至二零零九年十二月三十一日止。本公司（及／或其附屬公司）與合晶科技（及／或其附屬公司）須訂立正式協議（以加工訂單及確認之形式），其詳細條款及條件載列於相關加工訂單內。合晶科技加工協議項下加工安排乃以不遜於獨立第三方提出的一般商業條款進行。

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

截至二零零八年十二月三十一日止年度，本集團就硅材酸洗、加工及循環再造頭尾料、鍋底料、硅廢碎向合晶科技集團收取的費用約為人民幣8,031,000元（二零零七年：人民幣3,543,000元）。

按照董事估計截至二零零九年十二月三十一日止年度內加工服務的數額，預計本集團就合晶科技加工協議項下交易應收下列年度上限金額不會超過人民幣43,910,000元。



## Non-exempt Continuing Connected Transactions (Continued)

### B. Non-exempt Continuing Connected Transactions

(Continued)

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

The above proposed cap is determined with reference to (a) the Group's expected increase in processing capacity (with the Group's ingot production facilities of 196 ingot pullers and 37 wafer wiresaws) and (b) the increase in WWX's demand for recycled polysilicon materials required for its semi-conductor production. As recycled polysilicon is a cheaper source of polysilicon raw material for semi-conductor production, WWX may seek to use a greater portion of the recycled polysilicon for its semi-conductor production.

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

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

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

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 solar wafers and the sales quantity thereof.

## 不獲豁免的持續關連交易(續)

### B. 不獲豁免之持續關連交易(續)

*向合晶科技提供硅材酸洗、多晶硅及硅片的加工及生產服務(續)*

上述建議上限則參考：(a)本集團的加工產能的預期升幅(本集團的硅錠生產設施包括196台硅錠拉製機及37台硅片線鋸)及；(b)合晶科技用作半導體生產的循環再造多晶硅的需求之增幅予以釐定。就半導體生產而言，由於循環再造多晶硅為較相宜多晶硅原材料來源，故合晶科技可嘗試利用較大部分的循環再造多晶硅以作半導體生產之用。

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

*向錦州華昌光伏科技有限公司(「華昌光伏」)銷售太陽能硅片*

於二零零八年八月十二日，本公司與華昌光伏訂立框架銷售協議(「華昌光伏銷售協議」)，據此，本公司同意銷售或促使其附屬公司銷售太陽能硅片予華昌光伏及／或其附屬公司(「華昌光伏集團」)。經獨立股東於二零零八年十一月七日批准後，華昌光伏銷售協議的生效期至二零一零年十二月三十一日止。本公司(及／或其附屬公司)與華昌光伏(及／或其附屬公司)須訂立正式銷售協議(以採購訂單及確認之形式)，其詳細條款及條件載列於相關採購訂單內。華昌光伏銷售協議項下銷售安排乃以不遜於獨立第三方提出的一般商業條款進行。

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。

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

**Non-exempt Continuing Connected Transactions**

(Continued)

**B. Non-exempt Continuing Connected Transactions**

(Continued)

*Sale of solar wafers to Huachang Guangfu (Continued)*

For the year ended 31 December 2008, the aggregate amount of the sales proceeds received by the Group from Huachang Guangfu Group in relation to the sale of solar wafers amounted to approximately RMB17,506,000.

Based on the Directors' estimate of the sales of solar wafers in the coming two years, it is expected that the following annual cap amounts receivable by the Group for transactions under the Huachang Guangfu Sale Agreement will not exceed:

- (a) RMB1,212,750,000 for the year ending 31 December 2009; and
- (b) RMB2,113,650,000 for the year ending 31 December 2010.

The above proposed caps are determined with reference to (a) the actual quantity of solar wafers produced by the Group in the first half of 2008; (b) the anticipated increase in solar wafer production arising from an expansion in the Group's manufacturing bases which is, subject to the prevailing market conditions, expected to reach 150 million pieces of solar wafer by end of 2009; (c) the anticipated increase in demand from Huachang Guangfu for solar wafers; and (d) the price of solar wafers sold to independent third parties.

Huachang Guangfu, a company incorporated in the PRC, is owned as to 53% by Huaxin Silicon; as to 22% by PLC; as to 20% by Grand Sea, which is owned as to 18.75% by Mr. Stephen CHIAO Sun Hai, the brother of Mr. CHIAO Ping Hai; as to 5% by a minority shareholder of the Company. Mr. CHIAO Ping Hai is a non-executive Director. 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.

**不獲豁免的持續關連交易 (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)*

截至二零零八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17,506,000元。

按照董事估計未來兩年銷售太陽能硅片的銷售額，預計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：

- (a) 截至二零零九年十二月三十一日止年度人民幣1,212,750,000元；及
- (b) 截至二零一零年十二月三十一日止年度人民幣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，預期於二零零九年底可達150,000,000片太陽能硅片；(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。

於中國註冊成立的華昌光伏分別由華新硅材料、佑昌燈光、Grand Sea(其由焦平海先生之兄弟焦生海先生擁有18.75%權益)及本公司一名少數股東擁有53%、22%、20%及5%權益。焦平海先生為非執行董事。華昌光伏因而成為譚文華先生的聯繫人士，繼而成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。

Report of the Directors  
董事會報告書

## 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 has agreed to, or procure its subsidiaries to engage Jinzhou Aoke and/or its subsidiaries ("Jinzhou Aoke Group") for the processing of wire slurry. The Company will supply wire slurry to Jinzhou Aoke for the recycling and processing into abrasives and mineral oil which will be used by the Group in the slicing of solar ingots into solar wafers. Upon the approval from the independent shareholders on 7 November 2008, the Jinzhou Aoke Processing Agreement has become effective and will expire on 31 December 2010. Formal processing agreements (by way of processing orders and confirmations) are to be 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 arrangement under the Jinzhou Aoke Processing Agreement is 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 is determined on an individual purchase order basis and is 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 2008, no processing fees was incurred by the Group to Jinzhou Aoke in relation to the recycling and processing into abrasives and mineral oil.

Based on the Directors' estimate of the processing services to be used in the coming two years, it is expected that the following annual cap amounts payable by the Group for transactions under the Jinzhou Aoke Processing Agreement will not exceed:

- (a) RMB75,746,000 for the year ending 31 December 2009; and
- (b) RMB147,736,000 for the year ending 31 December 2010.

## 不獲豁免的持續關連交易(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(「錦州奧克集團」)進行砂漿加工。本公司  
將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，待本集團切割太陽能硅錠為太陽能硅片  
時使用。經獨立股東於二零零八年十一月七日批准  
後，錦州奧克加工協議的生效期至二零一零年十二  
月三十一日止。本公司(及／或其附屬公司)與錦州  
奧克及／或其附屬公司須訂立正式加工協議(以加  
工訂單及確認之形式)，其詳細條款及條件載列於  
相關加工訂單內。錦州奧克加工協議項下加工安排  
乃以不遜於獨立第三方提出的一般商業條款進行。

錦州奧克加工協議乃於日常一般業務過程中按一般  
商業條款訂立。錦州奧克收取的加工費乃以個別採  
購訂單為基準，並根據本集團將獲得的循環再用切  
割砂及切割液當時市價及預期數量釐定。

截至二零零八年十二月三十一日止年度，本集團並  
無就循環再用並加工為切割砂及切割液向錦州奧克  
支付加工費。

按照董事估計未來兩年將使用的加工服務，預計本  
集團根據錦州奧克加工協議項下交易應付下列年度  
上限金額不會超過：

- (a) 截至二零零九年十二月三十一日止年度人民  
幣75,746,000元；及
- (b) 截至二零一零年十二月三十一日止年度人民  
幣147,736,000元。

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

## 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 Jinzhou Aoke (Continued)*

The above proposed caps are determined with reference to (a) the actual quantity of abrasives and mineral oil used by the Group in the first half of 2008; (b) the anticipated increase in solar wafer production arising from an expansion in the Group's manufacturing bases which is, subject to the prevailing market conditions, expected to reach 150 million pieces of solar wafer by end of 2009; (c) the anticipated quantity of recycled abrasives and mineral oil to be obtained by the Group; and (d) the projected processing fee of recycled abrasives and mineral oil in the next two financial years.

Jinzhou Aoke, a company incorporated in the PRC, is owned as to 35% by Jinzhou Yuexin, which is 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.

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(3) of the Listing Rules. The transactions as set out in section (B) "Non-exempt Continuing Connected Transactions" above are subject to announcement and independent shareholders' approval requirements set out in Rules 14A.47 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 2008 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.

## 不獲豁免的持續關連交易(續)

### B. 不獲豁免之持續關連交易(續)

*錦州奧克提供砂漿的加工服務(續)*

上述建議上限乃參考(a)本集團於二零零八年上半年所使用切割砂及切割液的實際數量；(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，須視乎當時市況而定，預期於二零零九年底可達150,000,000片太陽能硅片；(c)本集團將獲得循環再用切割砂及切割液的預期數量；及(d)於隨後兩個財政年度循環再用切割砂及切割液的預期加工費釐定。

於中國註冊成立的錦州奧克分別由錦州悅鑫(其由譚文華先生全資擁有)及獨立第三方擁有35%及65%權益。錦州奧克因而為譚文華先生的聯繫人士，繼而成為本公司的關連人士。因此，根據上市規則第14A.35條，錦州奧克加工協議項下交易構成本公司不獲豁免的持續關連交易。

上文(A)節「獲豁免遵守獨立股東批准規定之持續關連交易」所載交易構成本集團持續關連交易，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(3)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.47至第14A.48條的公告及獨立股東批准的規定。

董事會已審閱上述於截至二零零八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之中；
- (ii) 按一般商業條款、或按不遜於本公司向獨立第三方提供或從其所得的條款；及
- (iii) 符合相關規管協議之公平及合理的條款，且符合本公司股東整體利益。

## Report of the Directors

## 董事會報告書

**Non-exempt Continuing Connected Transactions**

(Continued)

Pursuant to Rule 14A.38 of the Listing Rules, the Board engaged, KPMG, the auditors of the Company to perform the agreed upon procedures on the Continuing Connected Transactions which:

- (i) have received the approval from the Board;
- (ii) are in accordance with the pricing policies of the Company;
- (iii) have been entered into in accordance with the terms of the agreements governing such Continuing Connected Transactions; and
- (iv) have not exceeded the caps disclosed in the relevant announcements.

The auditors have confirmed to the Board in writing in respect of the Continuing Connected Transactions for the year ended 31 December 2008 that the Continuing Connected Transactions:

- (i) have received the approval of the Board of Directors;
- (ii) were entered in accordance with the pricing terms set out in the relevant agreements governing such transactions;
- (iii) were recorded in agreements governing the Continuing Connected Transactions; and
- (iv) the aggregate dollar amount of the Continuing Connected Transactions did not exceed the cap amounts disclosed in the relevant announcements of the Company in respect of each of the Continuing Connected Transaction.

**不獲豁免的持續關連交易 (續)**

根據上市規則第14A.38條，董事會委聘本公司的核數師畢馬威會計師事務所就以下持續關連交易履行協定的程序：

- (i) 已獲得董事會的批准；
- (ii) 符合本公司的定價政策；
- (iii) 按照規管持續關連交易的協議條款而訂立；及
- (iv) 並無超逾有關公布中所披露的上限。

核數師已就截至二零零八年十二月三十一日止年度的持續關連交易，以書面向董事會作出確認，表示持續關連交易乃：

- (i) 已獲董事會批准；
- (ii) 按照規管該等交易的有關協議所載定價條款訂立；
- (iii) 按照規管持續關連交易之協議進行記錄；及
- (iv) 持續關連交易之總金額並無超過本公司就各持續關連交易之有關公佈所披露上限金額。

## 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 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 2008 was 126,807,487 Shares (after the grant of options to subscribe for 42,269,163 Shares).

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

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

At 31 December 2008, 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 2008 was HK\$1.96) 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 of HK\$0.10 each of the Company.

## 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」)，若干參與者可能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。

董事會釐定將予授出購股權所涉及股份的認購價，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。

截至二零零八年十二月三十一日，於購股權計劃項下可發行證券總數為126,807,487股股份(授出可認購42,269,163股股份之購股權後)。

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

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

於二零零八年十二月三十一日，董事及本公司僱員各自於根據購股權計劃獲授可按代價1.00港元認購股份(於二零零八年十二月三十一日之市值為每股1.96港元)的購股權中擁有以下權益。購股權並無上市。每份購股權均賦予持有人權利認購一股面值0.10港元的本公司普通股。

Report of the Directors  
董事會報告書

## Share Option Scheme (Continued)

## 購股權計劃(續)

	No. of options outstanding at the beginning of the year 於年初 尚未行使 購股權數目	No. of options granted during the year 於年內 所授出 購股權數目	No. of shares acquired on exercise of options during the year 於年內行使 購股權時所收購 股份數目	No. of options forfeited during the year 於年內所沒收 購股權數目	No. of options outstanding at the year end 於年終 尚未行使 購股權數目	Date granted 授出日期	Period during which options are exercisable 購股權行使期	Exercise price per share 每股行使價	Market value per share at date of grant* 於購股權授出 日期的每股 股份市值*
<b>Directors</b>									
<b>董事</b>									
Mr. TAN Wenhua 譚文華先生	-	1,190,000	-	-	1,190,000	29 December 2008 二零零八年 十二月二十九日	30 December 2008 to 30 April 2009 二零零八年十二月三十日至 二零零九年四月三十日	HK\$1.974 1.974港元	HK\$1.87 1.87港元
	-	500,000	-	-	500,000	29 December 2008 二零零八年 十二月二十九日	30 June 2009 to 31 December 2010 二零零九年六月三十日至 二零一零年十二月三十一日	HK\$1.974 1.974港元	HK\$1.87 1.87港元
Mr. CHIAO Ping Hai 焦平海先生	-	6,500,000	-	-	6,500,000	29 December 2008 二零零八年 十二月二十九日	30 December 2008 to 30 April 2009 二零零八年十二月三十日至 二零零九年四月三十日	HK\$1.974 1.974港元	HK\$1.87 1.87港元
	-	500,000	-	-	500,000	29 December 2008 二零零八年 十二月二十九日	30 June 2009 to 31 December 2010 二零零九年六月三十日至 二零一零年十二月三十一日	HK\$1.974 1.974港元	HK\$1.87 1.87港元
Mr. HSU You Yuan 許祐淵先生	-	11,810,000	-	-	11,810,000	29 December 2008 二零零八年 十二月二十九日	30 December 2008 to 30 April 2009 二零零八年十二月三十日至 二零零九年四月三十日	HK\$1.974 1.974港元	HK\$1.87 1.87港元
	-	500,000	-	-	500,000	29 December 2008 二零零八年 十二月二十九日	30 June 2009 to 31 December 2010 二零零九年六月三十日至 二零一零年十二月三十一日	HK\$1.974 1.974港元	HK\$1.87 1.87港元
Mr. CHONG Kin Ngai 莊堅毅先生	-	1,000,000	-	-	1,000,000	29 December 2008 二零零八年 十二月二十九日	30 June 2009 to 31 December 2010 二零零九年六月三十日至 二零一零年十二月三十一日	HK\$1.974 1.974港元	HK\$1.87 1.87港元
Ms. ZHANG Liming 張麗明女士	-	1,000,000	-	-	1,000,000	29 December 2008 二零零八年 十二月二十九日	30 June 2009 to 31 December 2010 二零零九年六月三十日至 二零一零年十二月三十一日	HK\$1.974 1.974港元	HK\$1.87 1.87港元
Mr. ZHANG Chun 張椿先生	-	500,000	-	-	500,000	29 December 2008 二零零八年 十二月二十九日	30 June 2009 to 31 December 2010 二零零九年六月三十日至 二零一零年十二月三十一日	HK\$1.974 1.974港元	HK\$1.87 1.87港元
Mr. FU Shuangye 符霜葉女士	-	500,000	-	-	500,000	29 December 2008 二零零八年 十二月二十九日	30 June 2009 to 31 December 2010 二零零九年六月三十日至 二零一零年十二月三十一日	HK\$1.974 1.974港元	HK\$1.87 1.87港元
Dr. LIN Wen 林文博士	-	500,000	-	-	500,000	29 December 2008 二零零八年 十二月二十九日	30 June 2009 to 31 December 2010 二零零九年六月三十日至 二零一零年十二月三十一日	HK\$1.974 1.974港元	HK\$1.87 1.87港元
Mr. WONG Wing Kuen, Albert 王永權先生	-	500,000	-	-	500,000	29 December 2008 二零零八年 十二月二十九日	30 June 2009 to 31 December 2010 二零零九年六月三十日至 二零一零年十二月三十一日	HK\$1.974 1.974港元	HK\$1.87 1.87港元

## Share Option Scheme (Continued)

## 購股權計劃(續)

	No. of options outstanding at the beginning of the year 於年初 尚未行使 購股權數目	No. of options granted during the year 於年內 所授出 購股權數目	No. of shares acquired on exercise of options during the year 於年內行使 購股權時所收購 股份數目	No. of options forfeited during the year 於年內所沒收 購股權數目	No. of options outstanding at the year end 於年終 尚未行使 購股權數目	Date granted 授出日期	Period during which options are exercisable 購股權行使期	Exercise price per share 每股行使價	Market value per share at date of grant 於購股權授出 日期的每股 股份市值*
<b>Employees</b> 僱員	-	17,269,163	-	-	17,269,163	29 December 2008 二零零八年 十二月二十九日	30 June 2009 to 31 December 2010 二零零九年六月三十日至 二零一零年十二月三十一日	HK\$1.974 1.974港元	HK\$1.87 1.87港元

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

授予董事的購股權以董事名義註冊。董事亦為實益擁有人。

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

\* 即股份於購股權授出日期之收市價。

Information on the accounting policy for share options granted and the value per option is provided in note 2(m)(iii) and note 25(b) to the financial statements respectively.

有關所授出購股權的會計政策及每份購股權的加權平均價值之資料，分別載列於財務報表附註2(m)(iii)及附註25(b)。

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

除上述者外，本公司、其任何控股公司、附屬公司或同系附屬公司概無於年內任何時間參與任何安排，致使董事可以透過收購本公司或任何其他法團之股份或債券而獲益。

## 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 2008.

## 購買、出售或贖回本公司上市證券

截至二零零八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。



Report of the Directors  
董事會報告書

## 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 2008, so far as the Directors are aware, the Directors and the chief executives of the Company and their associates had the following interests in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code:

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

於二零零八年十二月三十一日，據董事所悉，董事及本公司最高行政人員及彼等之聯繫人士於本公司及其相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份及債券中，擁有記錄於根據證券及期貨條例第352條須存置的登記冊或根據標準守則須知會本公司及聯交所的權益如下：

Name of Director 董事姓名	Nature of interest 權益性質	Number of ordinary Shares (Note 1) 普通股股數(附註1)	Approximate percentage of shareholding 持股概約百分比
Mr. TAN Wenhua 譚文華先生	Beneficial interest 實益權益	471,910,500 (L)	27.90%
	Interest in options (Note 4) 於購股權的權益(附註4)	31,036,000 (L)	1.84%
	Security interest (Note 4) 擔保權益(附註4)	17,352,500 (L)	1.03%
	Interest in the employee options granted under the Share Option Scheme 根據購股權計劃獲授僱員購股權的權益	1,690,000 (L)	0.10%
	Interest of controlled corporation 受控法團權益	98,464,500 (L)	5.83%
Mr. CHONG Kin Ngai (Note 2) 莊堅毅先生(附註2)	Personal interest 個人權益	1,254,500 (L)	0.07%
	Trustee's interest 受託人權益	34,814,000 (L)	2.06%
	Interest in the employee options granted under the Share Option Scheme 根據購股權計劃獲授僱員購股權的權益	1,000,000 (L)	0.06%
	Beneficial interest 實益權益	9,703,750 (L)	0.57%
Mr. HSU You Yuan 許祐淵先生	Interest in options (Note 4) 於購股權的權益(附註4)	18,672,500 (L)	1.10%
	Security interest (Note 4) 擔保權益(附註4)	5,293,500 (L)	0.31%
	Interest in the employee options granted under the Share Option Scheme 根據購股權計劃獲授僱員購股權的權益	12,310,000 (L)	0.73%
	Beneficial interest 實益權益	9,703,750 (L)	0.57%

### 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 (Note 1) 普通股股數(附註1)	Approximate percentage of shareholding 持股概約百分比
Mr. CHIAO Ping Hai 焦平海先生	Beneficial interest 實益權益	3,135,500 (L)	0.19%
	Interest in options (Note 4) 於購股權的權益(附註4)	31,158,000 (L)	1.84%
	Security interest (Note 4) 擔保權益(附註4)	11,621,000 (L)	0.69%
	Interest in the employee options granted under the Share Option Scheme 根據購股權計劃獲授僱員購股權的權益	7,000,000 (L)	0.41%
Ms. ZHANG Liming (Note 3) 張麗明女士(附註3)	Beneficial interest 實益權益	3,133,500 (L)	0.19%
	Interest in the employee options granted under the Share Option Scheme 根據購股權計劃獲授僱員購股權的權益	1,000,000 (L)	0.06%
Mr. ZHANG Chun 張椿先生	Interest in the employee options granted under the Share Option Scheme 根據購股權計劃獲授僱員購股權的權益	500,000 (L)	0.03%
Ms. FU Shuangye 符霜葉女士	Interest in the employee options granted under the Share Option Scheme 根據購股權計劃獲授僱員購股權的權益	500,000 (L)	0.03%
Dr. LIN Wen 林文博士	Interest in the employee options granted under the Share Option Scheme 根據購股權計劃獲授僱員購股權的權益	500,000 (L)	0.03%
Mr. WONG Wing Kuen, Albert 王永權先生	Interest in the employee options granted under the Share Option Scheme 根據購股權計劃獲授僱員購股權的權益	500,000 (L)	0.03%

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## 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)

## Notes:

- (1) The letter "L" denotes the person's long position in such securities.
- (2) As at 31 December 2008, Mr. Chong Kin Ngai is interested in an aggregate of 99,719,000 issued shares, of which 1,254,500 shares are directly held by Mr. Chong Kin Ngai, 82,617,000 shares are held by Prosperity Electric Corporation ("PEC") and 15,847,500 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.
- As at 31 December 2008, 34,814,000 Shares were held by Mr. Chong Kin Ngai in trust for, among others, certain employees and consultants of the Acquired Group. Mr. Chong Kin Ngai was entrusted to exercise voting rights and hold the dividends and other distributions made in respect of the relevant shares in trust for these employees and the 2 consultants (if any) to the extent the relevant shares remain subject to a lock-up period.
- (3) As at 31 December 2008, Ms. Zhang Liming's 3,133,500 issued shares were registered in the name of Mr. Chong Kin Ngai as trustee who is entrusted to exercise voting rights and hold the dividends and other distributions made in respect of the relevant shares in trust for, among others, certain employees and consultants of the Acquired Group (if any) to the extent the relevant shares remain subject to a lock-up period.
- (4) Mr. Tan Wen Hua, Mr. Hsu You Yuan and Mr. Chiao Ping Hai are entitled to buy back the shares of the relevant senior management, employees and consultants in the event that any of them cease to be employed or engaged within 4 years after the Listing Date. These directors also have security interest in these shares pursuant to a share charge granted by the relevant employees and consultants 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 to (if any).

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

## 附註：

- (1) 字母「L」指該人士於該等證券的好倉。
- (2) 於二零零八年十二月三十一日，莊堅毅先生於合共99,719,000股已發行股份中擁有權益，其中莊堅毅先生直接持有1,254,500股股份，Prosperity Electric Corporation(「PEC」)持有82,617,000股股份及佑昌燈光持有15,847,500股股份。佑昌燈光分別由PEC、Leigh Company Limited及獨立第三方持有20%、45%及35%。PEC及Leigh Company Limited由莊先生全資擁有。
- 於二零零八年十二月三十一日，34,814,000股股份由莊堅毅先生以信託形式代(其中包括)被收購集團若干僱員及顧問持有。莊堅毅先生受託以信託形式，代該等僱員及2名顧問(如有)於相關股份禁售期屆滿前，就有關股份行使投票權及持有其股息及其他分派。
- (3) 於二零零八年十二月三十一日，張麗明女士持有以莊堅毅先生的名義登記的3,133,500股已發行股份。莊堅毅先生作為受託人受託以信託形式，代(其中包括)被收購集團若干僱員及顧問(如有)於相關股份禁售期屆滿前，就有關股份行使投票權及持有其股息及其他分派。
- (4) 倘若任何該等相關高級管理人員、僱員及顧問自上市日期起4年內終止獲聘或獲委託，譚文華先生、許祐淵先生及焦平海先生有權購回彼等的股份。此外，該等董事根據相關僱員及顧問授出的股份抵押擁有該等股份的抵押權益，以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)。

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

As at 31 December 2008, so far as the Directors are aware, save as disclosed above, the persons or corporations (not being a Director or chief executive of the Company) who have interest or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO or have otherwise notified to the Company were as follows:

## 主要股東及其他人士於股份及相關股份中的權益及淡倉

截至二零零八年十二月三十一日，據董事所悉，除上文披露者外，以下人士或法團（並非董事或本公司最高行政人員）於本公司股份及相關股份中，擁有已記錄於根據證券及期貨條例第336條須存置的登記冊或已知會本公司的權益或淡倉：

Name 名稱／姓名	Capacity 身份	Number of ordinary Shares (Note 1) 普通股股數(附註1)	Percentage of shareholding 持股百分比
Wafer Works Investment Corp. (Note 2) (附註2)	Beneficial owner 實益擁有人	358,364,000(L)	21.2%
Wafer Works Corp. (Note 2) 合晶科技股份有限公司(附註2)	Interest of a controlled corporation 受控法團權益	358,364,000(L)	21.2%
Space Energy Corporation 宇宙能源株式會社	Beneficial owner 實益擁有人	144,978,500(L)	8.57%
Toshinao Nimura (Note 3) 仁村利尚(附註3)	Interest of a controlled corporation 受控法團權益	144,978,500(L)	8.57%
Jean Salata	Interest of a controlled corporation 受控法團權益	119,045,000(L)	7.04%
Baring Private Equity Asia GP IV Limited	Interest of a controlled corporation 受控法團權益	119,045,000(L)	7.04%
Baring Private Equity Asia GP IV, L.P.	Interest of a controlled corporation 受控法團權益	119,045,000(L)	7.04%
The Baring Asia Private Equity Fund IV, L.P.	Interest of a controlled corporation 受控法團權益	122,139,421(L)	7.22%
Baring Private Equity Asia IV Holding (6) Limited	Interest of a controlled corporation 受控法團權益	119,045,000(L)	7.04%

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## Substantial Shareholders' and Other Persons Interests and Short Positions in Shares and Underlying Shares (Continued)

Notes:

1. The letter "L" denotes the person's long position in such securities.
2. WWIC is wholly-owned by WWX. By virtue of the SFO, WWX is deemed to be interested in the Shares held by WWIC.
3. Toshinao Nimura was interested in approximately 34.22% of the issued share capital of Space Energy Corporation as at 31 December 2008.

Save as disclosed above, as at 31 December 2008, the Directors are not aware of any other person or corporation having an interest or short position in shares and underlying shares of the Company representing 5% or more of the issued share capital of the Company.

## Directors' Interest in Potentially Competing Businesses

Mr. TAN Wenhua and Mr. HSU You Yuan, being the executive Directors, 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 Wenhua holds 53% interest in Huachang Guangfu and 40% interest in Jinzhou Changhua. Huachang Guangfu is engaged in the manufacturing of PV 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 PV and solar cells, or some other materials (not being polysilicon), is a downstream company of the Group because PV and solar cells are made from wafers, which the Group manufactures. Huachang Guangfu does not manufacture any polysilicon, ingots or wafers. On the other hand, Jinzhou Changhua, as a company which manufactures graphite and graphite related products, is also not a competitor of the Group because (a) the Group is not engaged in the manufacturing of graphite or any graphite related products; and (b) graphite is not a substitute for, or alternative raw material to, polysilicon in the manufacturing of solar related products.

## 主要股東及其他人士於股份及相關股份中的權益及淡倉(續)

附註：

1. 字母「L」指該人士於該等證券的好倉。
2. 合晶科技全資擁有WWIC。根據證券及期貨條例，合晶科技被視為於WWIC持有的股份中擁有權益。
3. 於二零零八年十二月三十一日，仁村利尚於宇宙能源株式會社已發行股本約34.22%中擁有權益。

除上文所披露者外，截至二零零八年十二月三十一日，董事並不知悉有任何其他人士或法團於本公司的股份及相關股份中擁有佔本公司已發行股本5%或以上的權益或淡倉。

## 董事於潛在競爭業務的權益

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

### 譚文華先生

譚文華先生於華昌光伏持有53%的權益，並於錦州昌華擁有40%的權益。華昌光伏從事製造光伏及太陽能電池。錦州昌華則從事製造石墨及石墨相關產品。華昌光伏及錦州昌華的業務與本集團的業務並不存在任何競爭。作為光伏及太陽能電池或其他部分物料(非多晶硅)製造商的華昌光伏屬本集團之下游公司，原因為光伏及太陽能電池是以本集團製造的硅片所製造。華昌光伏並無製造任何多晶硅、硅錠或硅片。另一方面，作為一家製造石墨及石墨相關產品公司的錦州昌華，亦非本集團的競爭對手，原因為(a)本集團並無從事石墨或任何與石墨相關的產品之業務；及(b)石墨不能替代製造太陽能相關產品的多晶硅，亦非製造太陽能相關產品的原材料之另一選擇。

## Directors' Interest in Potentially Competing Businesses (Continued)

### Mr. HSU You Yuan

Mr. HSU You Yuan has a direct interest in WWX and an indirect interest in Helitek, which is a subsidiary of WWX. Mr. HSU You Yuan also has an indirect interest in Neo Solar Power Corp. ("Neo Solar"). Both WWX and Helitek are engaged in the semi-conductor industry. WWX's scope of business includes the manufacture of silicon wafers for the semi-conductor industry, and Helitek is involved in the sale of such silicon wafers in the United States of America whereas the Group is engaged in the manufacture of solar wafers.

Although polysilicon is the basic raw material used in the production of semi-conductors and solar cells or solar-related products, the quality and purity level of the polysilicon required for the production of semi-conductors is higher than that required for the production of solar cells or solar-related products. Even though WWX manufactures silicon wafers by using polysilicon, it is not a competitor to the Group because it would not be cost effective for solar product manufacturers to use costly semi-conductor grade polysilicon or silicon wafers to manufacture solar products. Besides, Neo Solar, as a manufacturer of solar cells, uses wafers or other materials (not being polysilicon) as raw materials for its production.

Neo Solar is a downstream company of the Group, since it uses the products that the Group manufactures. Thus, Neo Solar is not a competitor of the Group.

### Mr. CHIAO Ping Hai

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

### Mr. CHONG Kin Ngai

Like Mr. TAN Wenhua, Mr. CHONG Kin Ngai holds interest in Huachang Guangfu and Jinzhou Changhua. As explained above, Huachang Guangfu and Jinzhou Changhua are not competitors of the Group, as the Group, Huachang Guangfu and Jinzhou Changhua are engaged in different industries. Mr. CHONG Kin Ngai also holds an interest in Jinzhou Youxin, which is principally engaged in the trading of quartz crucibles.

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

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

## 董事於潛在競爭業務的權益(續)

### 許祐淵先生

許祐淵先生於合晶科技擁有直接權益，並於合晶科技的附屬公司漢崧擁有間接權益。許祐淵先生亦於新日光能源科技股份有限公司(「新日光能源」)擁有間接權益。合晶科技及漢崧均從事半導體產業。合晶科技的業務範圍包括製造供半導體產業用的硅片，而漢崧於美國銷售此等硅片，本集團則從事太陽能硅片的製造業務。

儘管多晶硅為生產半導體及太陽能電池或其他太陽能相關產品的基本原材料，但生產半導體所需多晶硅的質量與純度，較生產太陽能電池或其他太陽能相關產品所需者為高。即使合晶科技利用多晶硅製造硅片，其並非本集團的競爭對手，原因為使用成本高昂較高級別的多晶硅或硅片生產太陽能產品，不符合太陽能產品製造商的成本效益。另外，作為太陽能電池製造商的新日光能源則使用硅片或其他材料(並非多晶硅)作為其生產之原材料。

新日光能源屬本集團之下游公司，由於其採用本集團製造的產品，故此新日光能源並非本集團的競爭對手。

### 焦平海先生

焦平海先生於合晶科技、上海合晶硅材料有限公司(「合晶硅材料」)及上海晶盟硅材料有限公司擁有權益。該三家公司均從事半導體產業所用的硅片製造業務。焦平海先生亦於漢崧及晶材科技股份有限公司擁有間接權益，兩家公司均從事買賣製造半導體所用的硅片。誠如上文所闡釋，半導體產業有別於太陽能科技產業，故此，合晶科技、合晶硅材料及上海晶盟硅材料有限公司、漢崧及晶材科技股份有限公司並非從事本集團任何競爭業務。

### 莊堅毅先生

與譚文華先生情況相同，莊堅毅先生持有華昌光伏及錦州昌華的權益。誠如上文所述，華昌光伏及錦州昌華並非本集團的競爭對手，而本集團、華昌光伏與錦州昌華從事不同的產業。莊堅毅先生亦持有錦州佑鑫的權益，主要從事石英坩堝的買賣業務。

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

## Report of the Directors 董事會報告書

### 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, 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 40 to 52, 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 24 to the financial statements.

### Purchase, Sale Or Redemption of Shares of the Company

During the year, the Company had not redeemed, and neither the Company nor any of its subsidiaries had purchased or sold any of the Shares.

### 不競爭承諾

董事確認，除本集團業務外，彼等概無擁有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之權益。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23企業管治報告所載自願作出披露的原則相符。

根據不競爭承諾，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存有實際或潛在利益衝突，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40至52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24。

### 購買、出售或贖回本公司股份

年內，本公司概無贖回，而本公司或其任何附屬公司亦無購買或出售任何股份。

## 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 2008.

## Corporate Governance

Principal corporate governance practices adopted by the Company are set out in the corporate governance report on pages 25 to 31.

## Audit Committee

The Company established an Audit Committee on 27 February 2008 with terms of references adopted on 20 March 2007 in compliance with the Code set out in Appendix 14 of the Listing Rules. The members of the Audit Committee are the four independent non-executive Directors, and Mr. Chong Kin Ngai, a non-executive Director and Mr. Wong Wing Kuen Albert, an independent non-executive Director, is the Chairman of the Audit Committee.

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

The audit committee is to assist the Board in providing an independent review of the effectiveness of the financial reporting process, internal control and risk management system of the Group, overseeing the audit process and performing other duties and responsibilities as may be assigned by the Board from time to time. The audit committee has reviewed the Group's interim and annual consolidated financial statements for the year 2008, including the accounting principles and practices adopted by the Group.

## 優先購股權

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

## 董事進行證券交易的標準守則

本公司已採納上市規則附錄十所載標準守則作為其本身董事進行證券交易的操守守則。本公司特別就此作出查詢後確認，全體董事截至二零零八年十二月三十一日止年度已遵守標準守則。

## 企業管治

本公司採納的主要企業管治常規，載於第25至31頁的企業管治報告。

## 審核委員會

本公司於二零零八年二月二十七日成立審核委員會，並於二零零七年三月二十日採納按照上市規則附錄十四所載列守則制定的職權範圍。審核委員會由四名獨立非執行董事及非執行董事莊堅毅先生組成，獨立非執行董事王永權先生為審核委員會主席。

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

審核委員會乃為協助董事會獨立檢討財務報告過程、內部監控及風險管理制度的成效、監管審核過程及履行董事會不時指派的其他職責及責任。審核委員會已審閱本集團截至二零零八年度中期及年度綜合財務報表，包括本集團採納的會計原則及常規。



## Report of the Directors

### 董事會報告書

### 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, 20 March 2009

### 公眾持股量百分比

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經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，二零零九年三月二十日

# Independent Auditor's Report

## 獨立核數師報告



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

(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Solargiga Energy Holdings Limited (the "Company") set out on pages 67 to 140, which comprise the consolidated and company balance sheets as at 31 December 2008, the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

### Directors' responsibilities for the financial statements

The directors of the Company are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditor's responsibility

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

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

### 致陽光能源控股有限公司股東 獨立核數師報告

(於開曼群島註冊成立的有限公司)

本核數師(以下簡稱「我們」)已審核列載於第67至140頁陽光能源控股有限公司(「貴公司」)的綜合財務報表，此等綜合財務報表包括於二零零八年十二月三十一日的綜合及公司資產負債表與截至該日止年度的綜合損益表、綜合權益變動表和綜合現金流量表，以及主要會計政策概要及其他附註解釋。

### 董事就財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的《香港財務報告準則》編製及真實而公平地列報該等財務報表。這責任包括設計、實施及維護與編製及真實而公平地列報財務報表相關的內部控制，以使該等財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述；選擇和應用適當的會計政策；及按情況下作出合理的會計估計。

### 核數師的責任

我們的責任是根據我們的審核對該等財務報表作出意見，並僅向整體股東報告，除此之外，我們的報告書不可用作其他用途。我們不會就本報告的內容向任何其他人士負責或承擔任何法律責任。

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

Independent Auditor's Report  
獨立核數師報告

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

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

### Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2008 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and the disclosure requirements of the Hong Kong Companies Ordinance.

#### KPMG

*Certified Public Accountants*

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

20 March 2009

### 核數師的責任(續)

審核涉及執行情序以獲取有關財務報表所載金額及披露資料的審核憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致財務報表存有重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製及真實而公平地列報財務報表相關的內部控制，以設計適當的審核程序，但並非為對公司的內部控制的成效發表意見。審核亦包括評價董事採用的會計政策是否合適及所作出會計估計是否合理，以及評價財務報表的整體列報方式。

我們相信，我們獲得的審核憑證充足和適當地為我們的審核意見提供基礎。

### 意見

我們認為，該等綜合財務報表已根據《香港財務報告準則》真實而公平地反映 貴公司及 貴集團於二零零八年十二月三十一日的事務狀況及 貴集團截至該日止年度的利潤及現金流量，並已按照香港《公司條例》的披露規定妥為編製。

#### 畢馬威會計師事務所

*執業會計師*

香港中環  
遮打道10號  
太子大廈8樓

二零零九年三月二十日

# Consolidated Income Statement

## 綜合損益表

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度  
(Expressed in Renminbi) (以人民幣列值)

		Note	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
		附註		
Turnover	營業額	3	1,492,935	1,015,538
Cost of sales	銷售成本		(1,267,425)	(692,412)
<b>Gross profit</b>	<b>毛利</b>		<b>225,510</b>	323,126
Other revenue	其他收入	4	11,107	81,583
Other net loss	其他虧損淨額	5	(7,602)	(8,442)
Selling and distribution expenses	銷售及分銷開支		(6,843)	(4,432)
Administrative expenses	行政開支		(101,512)	(47,162)
<b>Profit from operations</b>	<b>經營利潤</b>		<b>120,660</b>	344,673
Finance costs	融資成本	6(a)	(3,290)	(7,578)
<b>Profit before taxation</b>	<b>除稅前利潤</b>	6	<b>117,370</b>	337,095
Income tax	所得稅	7	(33,991)	(20,606)
<b>Profit for the year</b>	<b>年度利潤</b>		<b>83,379</b>	316,489
<b>Attributable to:</b>	<b>以下人士應佔利潤：</b>			
Equity shareholders of the Company	本公司權益股東	12	83,379	292,241
Minority interests	少數股東權益		–	24,248
<b>Profit for the year</b>	<b>年度利潤</b>		<b>83,379</b>	316,489
<b>Dividends payable to equity shareholders of the Company attributable to the year:</b>	<b>本公司權益股東應佔年內應付股息：</b>			
Final dividend proposed after the balance sheet date	結算日後擬派終期股息	8	25,361	87,920
<b>Earnings per share (RMB cents)</b>	<b>每股盈利(人民幣分)</b>			
– Basic	– 基本	9	5.12	20.33

The notes on pages 73 to 140 form part of these financial statements.

第73至140頁所載附註構成財務報表其中部分。

# Consolidated Balance Sheet

## 綜合資產負債表

At 31 December 2008 於二零零八年十二月三十一日  
(Expressed in Renminbi) (以人民幣列值)

		Note 附註	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	13(a)	394,665	175,379
Lease prepayments	租賃預付款項	14	47,508	48,486
Prepayments for acquisition of property, plant and equipment	購置物業、廠房及 設備的預付款項		114,987	53,092
Deferred tax assets	遞延稅項資產	22(b)	31,581	922
			<b>588,741</b>	277,879
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨	16	395,533	137,832
Trade and other receivables	應收貿易賬款及其他應收款項	17	493,785	187,066
Tax recoverable	可收回稅項	22(a)	1,878	-
Pledged deposits	已抵押存款	18	25,071	120
Cash and cash equivalents	現金及現金等價物	19	270,402	348,978
			<b>1,186,669</b>	673,996
<b>Current liabilities</b>	<b>流動負債</b>			
Short-term bank loans	短期銀行貸款	20	214,580	127,000
Trade and other payables	應付貿易賬款及其他應付款項	21	252,433	144,068
Current tax payable	即期應付稅項	22(a)	4,315	18,453
			<b>471,328</b>	289,521
<b>Net current assets</b>	<b>流動資產淨值</b>		<b>715,341</b>	384,475
<b>Total assets less current liabilities</b>	<b>資產總值減流動負債</b>		<b>1,304,082</b>	662,354
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Municipal government loan	市政府貸款	20	3,003	2,890
Deferred tax liabilities	遞延稅項負債	22(b)	7,232	-
Deferred income	遞延收入	23	30,333	26,747
			<b>40,568</b>	29,637
<b>Net assets</b>	<b>資產淨值</b>		<b>1,263,514</b>	632,717
<b>Capital and reserves</b>	<b>資本及儲備</b>			
Paid-in/issued capital	實繳/已發行資本	26	152,189	279
Reserves	儲備		1,111,325	632,438
<b>Total equity</b>	<b>權益總額</b>		<b>1,263,514</b>	632,717

Approved and authorised for issue by the Board of Directors on 20 March 2009.

董事會於二零零九年三月二十日核准並許可發出。

**CHIAO Ping Hai**  
焦平海  
Director  
董事

**HSU You Yuan**  
許祐淵  
Director  
董事

The notes on pages 73 to 140 form part of these financial statements.

第73至140頁所載附註構成財務報表其中部分。

# Balance Sheet

## 資產負債表

At 31 December 2008 於二零零八年十二月三十一日  
(Expressed in Renminbi) (以人民幣列值)

		Note	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
		附註		
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	13(b)	80	111
Investments in subsidiaries	於附屬公司的投資	15	367,841	367,841
			<b>367,921</b>	367,952
<b>Current assets</b>	<b>流動資產</b>			
Other receivables, prepayments and deposits	其他應收款項、預付款項及按金	17	741,250	46,679
Cash and cash equivalents	現金及現金等價物	19	180	416
			<b>741,430</b>	47,095
<b>Current liabilities</b>	<b>流動負債</b>			
Other payables	其他應付款項	21	239,086	49,611
<b>Net current assets/(liabilities)</b>	<b>流動資產/(負債)淨額</b>		<b>502,344</b>	(2,516)
<b>Net assets</b>	<b>資產淨值</b>		<b>870,265</b>	365,436
<b>Capital and reserves</b>	<b>資本及儲備</b>	26(b)		
Issued capital	已發行資本		152,189	279
Share premium	股份溢價		740,854	367,562
Capital reserve	資本儲備		7,403	-
Exchange reserve	匯兌儲備		175	-
Accumulated loss	累計虧損		(30,356)	(2,405)
<b>Total equity</b>	<b>權益總額</b>		<b>870,265</b>	365,436

Approved and authorised for issue by the Board of Directors on 20 March 2009.

董事會於二零零九年三月二十日核准並許可發出。

**CHIAO Ping Hai**  
焦平海  
Director  
董事

**HSU You Yuan**  
許祐淵  
Director  
董事

# Consolidated Statement of Changes in Equity

## 綜合權益變動表

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度  
(Expressed in Renminbi) (以人民幣列值)

		Attributable to equity shareholders of the Company									
		本公司權益股東應佔權益									
		Paid-in/ issued capital 實繳/ 已發行資本	Share premium 股份溢價	General reserve fund 儲備金 一般	Capital reserve 資本儲備	Exchange reserve 匯兌儲備	Other reserve 其他儲備	Retained earnings 保留盈利	Subtotal 小計	Minority interests 少數 股東權益	Total equity 權益總額
Note		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
附註		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		(Note 26(c)) (附註26(c))	(Note 27(a)) (附註27(a))	(Note 27(b)) (附註27(b))	(Note 27(c)) (附註27(c))		(Note 27(d)) (附註27(d))				
At 1 January 2007	於二零零七年一月一日	74,858	-	16,001	-	-	-	97,947	188,806	66,000	254,806
Profit for the year	年度利潤	-	-	-	-	-	-	292,241	292,241	24,248	316,489
Dividends	股息	8(b)	-	-	-	-	-	(84,300)	(84,300)	(29,358)	(113,658)
Arising from the Reorganisation	因重組而產生的權益	26(d)	(74,858)	-	-	-	76	-	(74,782)	-	(74,782)
Capitalisation of shareholder's loan	股東貸款資本化	26(e)	77,160	-	-	-	-	-	77,160	-	77,160
Arising from the Reorganisation	因重組而產生的權益	26(f)	(77,063)	143,849	-	-	(66,786)	-	-	-	-
Acquisition of minority interests	收購少數股東權益	26(g)	33	60,857	-	-	-	-	60,890	(60,890)	-
Issue of new shares	發行新股份	26(h)	149	162,856	-	-	-	-	163,005	-	163,005
Share-based payments	以股份支付款項	27(c)	-	-	10,054	-	-	-	10,054	-	10,054
Appropriations	分配		-	39,170	-	-	-	(39,170)	-	-	-
Exchange difference on translation of financial statements of subsidiaries	換算附屬公司財務報表產生的匯兌差額		-	-	-	(357)	-	-	(357)	-	(357)
At 31 December 2007	於二零零七年十二月三十一日	279	367,562	55,171	10,054	(357)	(66,710)	266,718	632,717	-	632,717
At 1 January 2008	於二零零八年一月一日	279	367,562	55,171	10,054	(357)	(66,710)	266,718	632,717	-	632,717
Profit for the year	年度利潤	-	-	-	-	-	-	83,379	83,379	-	83,379
Dividends	股息	8(b)	-	(88,258)	-	-	-	-	(88,258)	-	(88,258)
Capitalisation issue	資本化發行	26(j)	129,086	(129,086)	-	-	-	-	-	-	-
Shares issued under the global offering	根據全球發售發行股份	26(k)	22,824	643,637	-	-	-	-	666,461	-	666,461
Share issuing costs	股份發行成本	26(k)	-	(53,001)	-	-	-	-	(53,001)	-	(53,001)
Share-based payments	以股份支付款項	27(c)	-	-	24,428	-	-	-	24,428	-	24,428
Appropriations	分配		-	33,639	-	-	-	(33,639)	-	-	-
Exchange difference on translation of financial statements of subsidiaries	換算附屬公司財務報表產生的匯兌差額		-	-	-	(2,212)	-	-	(2,212)	-	(2,212)
At 31 December 2008	於二零零八年十二月三十一日	152,189	740,854	88,810	34,482	(2,569)	(66,710)	316,458	1,263,514	-	1,263,514

The notes on pages 73 to 140 form part of these financial statements.

第73至140頁所載附註構成財務報表其中部分。

# Consolidated Cash Flow Statement

## 綜合現金流量表

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度  
(Expressed in Renminbi) (以人民幣列值)

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
	Note 附註		
<b>Operating activities</b>	<b>經營活動</b>		
Profit before taxation	除稅前利潤	117,370	337,095
Adjustments for:	調整：		
– Depreciation and amortisation	– 折舊及攤銷	21,702	11,799
– Gain on acquisition of subsidiaries	– 收購附屬公司的收益	–	(74,771)
– Loss/(gain) on disposals of property, plant and equipment	– 出售物業、廠房及設備的虧損/(收益)	4	(1)
– Equity-settled share-based payment expenses	– 按權益結算以股份支付款項開支	24,428	10,054
– Write-down of inventories	– 存貨撇減	220,235	–
– Finance costs	– 融資成本	3,290	7,578
– Interest income from bank deposits	– 銀行存款利息收入	(3,982)	(2,017)
– Foreign exchange gain	– 匯兌收益	(1,211)	–
<b>Operating profit before changes in working capital</b>	<b>未計營運資金變動的經營利潤</b>	<b>381,836</b>	289,737
(Increase)/decrease in inventories	存貨(增加)/減少	(477,936)	67,838
(Increase)/decrease in trade and other receivables	應收貿易賬款及其他應收款項(增加)/減少	(306,719)	55,589
Increase/(decrease) in trade and other payables	應付貿易賬款及其他應付款項增加/(減少)	108,365	(8,838)
Increase in deferred income	遞延收入增加	3,586	14,188
<b>Net cash (used in)/generated from operations</b>	<b>經營活動(所用)/所得現金淨額</b>	<b>(290,868)</b>	418,514
PRC income tax paid	已付中國所得稅	(81,626)	(15,131)
PRC income tax refunded	已退回中國所得稅	8,192	–
		<b>(364,302)</b>	403,383
<b>Investing activities</b>	<b>投資活動</b>		
Payment for the acquisition of property, plant and equipment	就購置物業、廠房及設備支付的款項	(298,916)	(90,508)
Payment of lease prepayments	租賃預付款項	–	(41,001)
Proceeds from disposals of property, plant and equipment	出售物業、廠房及設備所得款項	14	1,626
Net cash outflow from acquisition of subsidiaries	收購附屬公司產生之現金流出淨額	–	(94,526)
Acquisition of equity interests of the PRC subsidiaries	收購中國附屬公司之股權	–	(74,782)
Interest received	已收利息	3,982	2,017
<b>Net cash used in investing activities</b>	<b>投資活動所用現金淨額</b>	<b>(294,920)</b>	(297,174)



### Consolidated Cash Flow Statement

#### 綜合現金流量表

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度  
(Expressed in Renminbi) (以人民幣列值)

	Note	2008	2007
	附註	二零零八年 RMB'000 人民幣千元	二零零七年 RMB'000 人民幣千元
<b>Financing activities</b>			
Placement of pledged deposits		(25,071)	(120)
Repayments of pledged deposits		120	5,508
Dividends paid	8(b)	(88,258)	(113,658)
Proceeds from shareholder's loan		-	77,160
Proceeds from bank loans and other borrowings		324,580	392,340
Repayment of bank loans and other borrowings		(237,000)	(320,340)
Issue of new shares	26(h)	-	163,005
Proceed from the global offering	26(k)	666,461	-
Share issuing costs	26(k)	(53,001)	-
Interest paid		(6,195)	(7,473)
<b>Net cash generated from financing activities</b>		<b>581,636</b>	196,422
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(77,586)</b>	302,631
<b>Cash and cash equivalents at the beginning of the year</b>		<b>348,978</b>	46,704
<b>Effect of foreign exchange rate changes</b>		<b>(990)</b>	(357)
<b>Cash and cash equivalents at the end of the year</b>		<b>270,402</b>	348,978

### Non-cash transaction

During the year ended 31 December 2007, the Company acquired the 25.58% minority interest in Tayaneng by allotting and issuing of 343,708 shares of HK\$0.1 each of the Company (note 26(g)) to the then minority shareholders of Tayaneng credited as fully paid.

The notes on pages 73 to 140 form part of these financial statements.

### 非現金交易

截至二零零七年十二月三十一日止年度，本公司以入賬列為繳足方式，向Tayaneng當時的少數股東配發與發行343,708股每股面值0.1港元的本公司股份（附註26(g)），藉以購入Tayaneng的25.58%少數股東權益。

第73至140頁所載附註構成財務報表其中部分。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Renminbi) (以人民幣列值)

### 1. Status of the Company

#### (a) The Company

The Company was incorporated in the Cayman Islands on 7 March 2007 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and its principal place of business is Room 1402, Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong. The Company was incorporated under the name of Solar Giga Holdings Ltd. By a resolution passed on 26 April 2007, the name of the Company was changed to Solargiga Energy Holdings Limited.

#### (b) Reorganisation

Pursuant to the reorganisation of the Group to rationalise the Group's structure (the "Reorganisation") in preparation for the public listing of the Company's shares on the Main Board of the Stock Exchange, the Company became the holding company of the subsidiaries on 7 May 2007. Details of the Reorganisation are set out in note 26 to the financial statements. The shares of the Company were listed on the Stock Exchange on 31 March 2008.

#### (c) Basis of preparation

Except for the Acquired Group, which were acquired during the year ended 31 December 2007, other companies which took part in the Reorganisation and which are included in the financial statements were controlled by the same ultimate equity shareholder (referred to as "the controlling equity shareholder") before and after the Reorganisation. The control is not transitory and, consequently, there was a continuation of the risks and benefits to the controlling equity shareholder and, therefore, the Reorganisation is considered to be a business combination of entities under common control and Accounting Guideline 5 "Merger Accounting for Common Control Combinations" has been applied. The financial statements have been prepared using the merger basis of accounting as if the Group had always been in existence, except for the acquisition of the Acquired Group. The net assets of the combining companies are combined using the existing book values from the controlling equity shareholder's perspective.

### 1. 有關本公司的資料

#### (a) 本公司

本公司根據開曼群島第22章公司法(一九六一年第三號法律,經綜合及修訂),於二零零七年三月七日在開曼群島註冊成立為一家獲豁免有限公司。其註冊辦事處地址為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands,而主要經營地點為香港灣仔港灣道25號海港中心1402室。本公司先以Solar Giga Holdings Ltd.的名義註冊成立,後於二零零七年四月二十六日通過決議案,易名為Solargiga Energy Holdings Limited(陽光能源控股有限公司)。

#### (b) 重組

根據為籌備本公司股份於聯交所主板公開上市,本集團就精簡集團架構進行重組(「重組」),本公司於二零零七年五月七日成為各附屬公司的控股公司。重組詳情載於財務報表附註26。本公司股份已於二零零八年三月三十一日在聯交所正式上市。

#### (c) 呈列基準

除於截至二零零七年十二月三十一日止年度收購的被收購集團外,重組所涉及並包括於財務報表內的其他公司於重組前後均由相同的最終權益股東(稱為「控股權益股東」)控制。此控制權並非過渡性質,而控股權益股東亦持續承受相關風險及利益,因此,重組被視為受共同控制之實體之業務合併,已應用會計指引第5號「共同控制合併之合併會計法」。除被收購集團的收購事項外,財務報表以合併會計基礎編製,猶如本集團一直存在。合併公司之資產淨值,以控股權益股東角度而言之現時賬面值合併。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi) (以人民幣列值)

1. Status of the Company (continued)

(c) Basis of preparation (continued)

The consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement of the Group include the results of operations of the Company and its subsidiaries (except for the Acquired Group) for the years ended 31 December 2007 and 2008 or since the respective dates of incorporation, whichever is a shorter period, as if the current group structure had been in existent throughout the two years presented. The consolidated balance sheet of the Group as at 31 December 2007 and 2008 has been prepared to present the combined assets and liabilities of the Group as at those dates.

Intra-group balances and transactions and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised profits but only to the extent that there is no evidence of impairment.

Minority interests represent the portion of the net assets of subsidiaries attributable to interests that are not owned by the Group, whether directly or indirectly through subsidiaries, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. Minority interests are presented in the consolidated balance sheet within equity, separately from equity attributable to the equity shareholders of the Group. Minority interests in the results of the Group are presented on the face of the consolidated income statement as an allocation of the total profit or loss for the year between minority interests and the equity shareholders of the Group.

Where losses applicable to the minority exceed the minority interests 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.

The Group acquired the Acquired Group on 26 June 2007. The purchase method of accounting has been used to account for this acquisition.

1. 有關本公司的資料(續)

(c) 呈列基準(續)

本集團的綜合損益表、綜合權益變動表及綜合現金流量表乃包括本公司及其附屬公司(被收購集團除外)截至二零零七年及二零零八年十二月三十一日止年度或自其各自註冊成立日期以來(以較短的期間為準)的經營業績，猶如現有集團架構於所呈報兩個年度一直存在。編製本集團於二零零七年及二零零八年十二月三十一日的綜合資產負債表，乃為呈列於該等日期本集團的合併資產及負債。

集團內公司間結餘及交易以及由集團內公司間交易產生的任何未變現利潤，會在編製財務報表時全數抵銷。因集團內公司間交易產生的未變現虧損會按未變現利潤的相同方式抵銷，但以沒有減值憑據者為限。

少數股東權益為並非由本集團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。本集團業績的少數股東權益乃在綜合損益表中列為年度利潤或虧損總額在少數股東權益及本集團權益股東之間的分配。

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。

本集團於二零零七年六月二十六日收購被收購集團。此項收購乃以購買會計方法處理。

## 2. Significant accounting policies

### (a) Statement of compliance

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

The HKICPA has issued the following new Interpretations and an amendment to HKFRSs that are first effective for the current accounting period of the Group and the company:

- HK(IFRIC) 11, *HKFRS 2 – Group and treasury share transactions*
- amendment to HKAS 39, *Financial instruments: Recognition and measurement*, and HKFRS 7, *Financial instruments: Disclosures – Reclassification of financial assets*

These HKFRS developments have had no material impact on the Group's financial statements as either they were consistent with accounting policies already adopted by the Group or they were not relevant to the Group's and the Company's operations.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period (see note 34).

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

The consolidated financial statements are presented in Renminbi ("RMB"), rounded to the nearest thousand, which is the functional and reporting currency of the Group. They are prepared on the historical cost basis except as otherwise stated in the accounting policies as set out below.

## 2. 主要會計政策

### (a) 合規聲明

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

香港會計師公會已頒佈下列香港財務報告準則之新詮釋及修訂，並於本集團及本公司的本會計期間首次生效。

- 香港(國際財務報告詮釋委員會)－詮釋第11號，*香港財務報告準則第2號－集團及庫存股份交易*
- 香港會計準則第39號(修訂本)，*財務工具：確認和計量*，以及香港財務報告準則第7號，*財務工具：披露－金融資產重新分類*

由於香港財務報告準則之發展事項與本集團已採納之會計政策一致，或與本集團及本公司之業務無關，故該等準則並無對本集團財務報告構成重大影響。

本集團並無應用任何於本會計期間尚未生效之新準則或詮釋(見附註34)。

### (b) 財務報表的編製基準

綜合財務報表以本集團的功能及申報貨幣人民幣列值，並湊整至最近千位。除於下文所載會計政策中另有說明外，財務資料以歷史成本法為編製基準。

**Notes to the Financial Statements****財務報表附註**

(Expressed in Renminbi) (以人民幣列值)

**2. Significant accounting policies (continued)****(b) Basis of preparation of the financial statements**

(continued)

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

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

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 33.

**(c) Subsidiaries**

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

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

In the Company's balance sheet, an investment in a subsidiary is stated at cost less impairment losses (see note 2(g)(ii)).

**2. 主要會計政策(續)****(b) 財務報表的編製基準(續)**

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

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，以及存在下年度大幅調整的重大風險的估計之討論載列於附註33。

**(c) 附屬公司**

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份。

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2(g)(ii))。

## 2. Significant accounting policies (continued)

### (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 2(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 2(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 an appropriate proportion of production overheads.

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.

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.

## 2. 主要會計政策(續)

### (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2(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2(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, 以及生產經常費用的適當部份。

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。

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。

## Notes to the Financial Statements

## 財務報表附註

(Expressed in Renminbi) (以人民幣列值)

**2. Significant accounting policies (continued)****(e) Construction in progress**

Construction in progress is stated at cost less impairment losses (see note 2(g)(ii)).

Cost comprises direct costs of construction. 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.

*(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.

**2. 主要會計政策(續)****(e) 在建工程**

在建工程按成本減去減值虧損(見附註2(g)(ii))後列賬。

成本包括建設的直接成本。當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，而在建工程則轉入物業、廠房及設備。在建工程不作折舊撥備，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。

*(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，則均列為經營租賃。

*(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。

## 2. Significant accounting policies (continued)

### (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.

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

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.

## 2. 主要會計政策(續)

### (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。

倘存在任何有關證據，減值虧損按資產賬面值與估計未來現金流量現值的差額釐定，如貼現影響屬重大，則按金融資產原來實際利率（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。金融資產的未來現金流量，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。



## Notes to the Financial Statements

## 財務報表附註

(Expressed in Renminbi) (以人民幣列值)

**2. Significant accounting policies** (continued)**(g) Impairment of assets** (continued)*(i) Impairment of trade and other receivables (continued)*

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.

*(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.

**2. 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)*

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。

*(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。

## 2. Significant accounting policies (continued)

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

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

- 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.

- 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.

## 2. 主要會計政策(續)

### (g) 資產減值(續)

#### (ii) 其他資產減值(續)

- 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)。

- 撥回減值虧損  
如果用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。

**Notes to the Financial Statements**

**財務報表附註**

(Expressed in Renminbi) (以人民幣列值)

**2. Significant accounting policies (continued)**

**(h) Inventories**

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

Cost is calculated using the weighted average 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, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

**(i) Trade and other receivables**

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost less allowance for impairment of doubtful debts (see note 2(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) Cash and cash equivalents**

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

**(k) Interest-bearing borrowings**

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

**2. 主要會計政策(續)**

**(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。因可變現淨值增加引致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。

**(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2(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) 現金及現金等價物**

現金及現金等價物包括銀行存款及現金、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。

**(k) 計息借貸**

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

## 2. Significant accounting policies (continued)

### (l) Trade and other payables

Trade and other payables are initially recognised at fair value. Except for financial guarantee liabilities measured in accordance with note 2(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.

### (m) Employee benefits

#### (i) Short term employee benefits

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

#### (ii) Contributions to defined contribution retirement plans

Contributions to local retirement schemes pursuant to the relevant labour rules and regulations in the PRC, Taiwan and Hong Kong are recognised as an expense in 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 shares allotted and issued to employees is recognised as an employee cost to the extent that it exceeds the subscription cost with a corresponding increase in a capital reserve within equity. The fair value is measured at the grant date using the price to earning multiples valuation method, taking into account the terms and conditions upon which shares were allotted and issued. Where the employees have to meet lock-up conditions before becoming unconditionally entitled to the shares, the total estimated fair value of the shares over the subscription cost is spread over the lock-up period, taking into account the probability that the shares will continue to be held by the employees.

During the lock-up period, the number of shares that is expected to continue to be held by the employees is 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.

## 2. 主要會計政策(續)

### (l) 應付貿易賬款及其他應付款項

應付貿易賬款及其他應付款項最初按公平值確認，除了財務擔保債項根據附註2(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。

### (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。

#### (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

向僱員配發及發行的股份的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。公平值於授出當日以市盈率估值法計算，並考慮配發及發行股份的條款及條件。倘僱員於無條件地有權獲授股份前須符合禁售條件，則超出認購成本的股份的估計總公平值在禁售期內攤分，並需考慮股份繼續由僱員持有的可能性。

於禁售期內，審閱預期繼續由原有僱員持有的股數。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。

## Notes to the Financial Statements

## 財務報表附註

(Expressed in Renminbi) (以人民幣列值)

**2. Significant accounting policies (continued)****(n) Income tax**

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in the income statement except to the extent that they relate to items recognised directly in equity, in which case they are recognised in equity.

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

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

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

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

**2. 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。

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

## 2. Significant accounting policies (continued)

### (n) Income tax (continued)

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

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

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

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

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

## 2. 主要會計政策(續)

### (n) 所得稅(續)

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

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

當派付相關股息之債項獲確認時，因分派股息導致的額外所得稅亦會獲確認。

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

- 就即期稅項資產和負債而言，本公司或本集團計劃按淨額基準結算，或同時變現該資產和清償該負債；或
- 就遞延稅項資產和負債而言，該等資產和負債必須與同一稅務機關就以下其中一項徵收的所得稅有關：
  - 同一應課稅實體；或
  - 不同應課稅實體，而該等實體在預期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。

## Notes to the Financial Statements

## 財務報表附註

(Expressed in Renminbi) (以人民幣列值)

**2. Significant accounting policies (continued)****(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 2(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.

*(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.

**2. 主要會計政策(續)****(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。倘在發行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2(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)。

*(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。

## 2. Significant accounting policies (continued)

### (p) Revenue recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the Group and the revenue can be measured reliably.

#### (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. Revenue excludes value added tax and is after deduction 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.

#### (iii) Interest income

Interest income is recognised in the income statement as it accrues using the effective interest method.

#### (iv) Government grants

Government grants are recognised in the balance sheet initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attached to them. Grants that compensate the Group for expenses incurred are recognised as revenue in the income statement on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are recognised in the income statement over the useful life of the asset.

#### (v) Rental income from operating leases

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

## 2. 主要會計政策(續)

### (p) 收入確認

如果有關交易的經濟效益可能會流入本集團，而收入又能夠可靠地計算時，收入便會確認。

#### (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。

#### (iii) 利息收入

利息收入產生時以實際利息法計算，於損益表內確認。

#### (iv) 政府撥款

倘有合理保證可獲取政府撥款，而所有附帶條件可予以遵從，則政府撥款首先於資產負債表內確認。倘撥款與本集團產生的支出項目有關，則撥款按有系統基準在支出產生期間，於損益表確認為收入。補助本集團就一項資產產生成本之撥款，於該項資產的可使用年限期間於損益表內確認。

#### (v) 經營租賃之租金收入

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



Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi) (以人民幣列值)

2. Significant accounting policies (continued)

(q) Translation of foreign currencies

Foreign currency transactions during the year are translated into RMB at the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into RMB at the exchange rates ruling at the balance sheet date. Exchange gains and losses are recognised in the income statement.

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 directly in a separate component of equity.

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

(r) Borrowing costs

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

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

2. 主要會計政策(續)

(q) 外幣換算

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

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

境外業務之業績乃按與交易日當日之匯率相若之匯率換算為人民幣。資產負債表項目乃按結算日之匯率換算為人民幣。產生之匯兌差額直接於權益內確認為獨立部份。

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

借貸成本於產生期間在損益表列支，但與收購、建造或生產需要長時間才可以投入擬定用途或銷售的資產直接相關的借貸成本則予以資本化。

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止或完成時，借貸成本便會暫停或停止資本化。

## 2. Significant accounting policies (continued)

### (s) 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.

### (t) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

The Group's operations are regarded as a single business segment, being an entity engaged in the trading of, manufacturing of and provision of processing services for polysilicon and solar silicon monocrystalline ingots/wafers. In addition, the Group's turnover and operating profit are almost entirely derived from its operations in the PRC. Accordingly, no analysis by geographical segment has been presented.

## 2. 主要會計政策(續)

### (s) 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。

### (t) 分部報告

分部是指本集團可明顯區分的組成部分，其為提供產品或服務(業務分部)，或在特定經濟環境中提供產品或服務(地區分部)，並且承擔不同於其他分部的風險及回報。

本集團的業務被視作單一業務分部，即從事多晶硅及太陽能單晶硅錠／硅片的貿易、製造及提供加工服務的實體。此外，絕大部分本集團的營業額及經營利潤均來自其於中國的業務，故此，並無呈列區域分部的分析。

## Notes to the Financial Statements

## 財務報表附註

(Expressed in Renminbi) (以人民幣列值)

## 3. Turnover

The principal activities of the Group are the trading of, manufacturing of and provision of processing services for polysilicon and monocrystalline silicon solar ingots/wafers.

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. The amount of each significant category of revenue recognised in turnover during the year is as follows:

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Sales of polysilicon and monocrystalline silicon solar ingots/wafers	銷售多晶硅及太陽能單晶 硅錠／硅片	1,379,674	905,975
Processing service fees	加工服務費	113,261	109,563
		<b>1,492,935</b>	1,015,538

## 4. Other revenue

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Gain on acquisition of subsidiaries (note 28)	收購附屬公司之收益(附註28)	-	74,771
Government grants (note 23)	政府補貼(附註23)	1,265	3,437
Insurance claims received	已收保險索償金	681	1,109
Interest income from bank deposits	銀行存款的利息收入	3,982	2,017
Rental income from operating leases	經營租賃的租金收入	1,296	69
Income from sale of scrap materials	出售廢料的收入	3,463	-
Others	其他	420	180
		<b>11,107</b>	81,583

## 5. Other net loss

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Net foreign exchange loss	外匯虧損淨額	(7,598)	(8,443)
(Loss)/gain on disposals of property, plant and equipment	出售物業、廠房及設備 (虧損)／收益	(4)	1
		<b>(7,602)</b>	(8,442)

## 3. 營業額

本集團主要業務為多晶硅及太陽能單晶錠／硅片的買賣、製造及提供加工服務。

營業額乃指供應予客戶的貨物的銷售值減增值稅及營業折扣以及提供加工服務所得收入。年內，各項於營業額中確認的重大收入類別如下：

## 4. 其他收入

## 5. 其他虧損淨額

**6. Profit before taxation**

Profit before taxation is arrived at after charging:

**6. 除稅前利潤**

除稅前利潤已扣除：

		<b>2008</b>	2007
		二零零八年	二零零七年
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
(a)	Finance costs:		
	Interest on bank loans wholly repayable within five years	<b>6,093</b>	9,009
	Interest on municipal government loan	<b>215</b>	207
	Total interest expense on financial liabilities not at fair value through profit or loss	<b>6,308</b>	9,216
	Less: interest expense capitalised into construction in progress *	<b>(3,018)</b>	(1,638)
		<b>3,290</b>	7,578
(b)	Staff costs:		
	Contributions to retirement schemes	<b>4,788</b>	1,758
	Equity-settled share-based payment expenses	<b>24,428</b>	10,054
	Salaries, wages and other benefits	<b>40,695</b>	28,430
		<b>69,911</b>	40,242
(c)	Other items:		
	Amortisation of lease prepayments	<b>978</b>	287
	Auditors' remuneration	<b>2,250</b>	1,567
	Depreciation	<b>20,724</b>	11,512
	Operating lease charges – property	<b>1,493</b>	1,122
	Research and development costs	<b>7,204</b>	1,310
	Write-off of trade receivables	–	107
	Write-down of inventories	<b>220,235</b>	–

\* The borrowing costs have been capitalised at a rate of 5.85% to 6.23% (2007: 5.85% to 6.08%) per annum.

\* 借貸成本已按年利率5.85%至6.23%(二零零七年：5.85%至6.08%)予以資本化。

## Notes to the Financial Statements

## 財務報表附註

(Expressed in Renminbi) (以人民幣列值)

## 7. Income tax in the consolidated income statement

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

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
<b>Current tax – the PRC</b>	<b>即期稅項 – 中國</b>		
Provision for the year	年度撥備	65,610	24,128
Over-provision in respect of prior years	過往年度超額撥備	–	(8)
Tax refund on domestic equipment purchases	國內購置設備退稅	(8,192)	–
		<b>57,418</b>	24,120
<b>Deferred tax</b>	<b>遞延稅項</b>		
Origination and reversal of temporary differences (note 22(b))	暫時性差額之出現及撥回 (附註22(b))	(23,427)	(3,514)
		<b>33,991</b>	20,606

No provision for Hong Kong Profits Tax has been made as the subsidiaries of the Group either did not have any assessable profits subject to Hong Kong Profits Tax or sustained losses for taxation purposes.

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands.

Pursuant to the income tax rules and regulations of the PRC, the subsidiaries in the PRC are eligible for a 100% relief from PRC Enterprise Income Tax ("EIT") for two years from the first year they record assessable profits and, thereafter, they are subject to PRC EIT at 50% of the applicable income tax rate for the following three years.

The first year that Jinzhou Xinri Silicon Materials Co., Ltd. ("Xinri") recorded assessable profits was 2001 and, therefore, Xinri was subject to a 50% tax exemption starting from 2003. As Xinri is engaged in an advanced technology business in the PRC, it has been granted an extension of the 50% tax exemption for a further three years. Accordingly, Xinri was subjected to a preferential tax rate of 13.5% for the years ended 31 December 2007. The extension of the 50% tax exemption was repealed when the new tax law become effective on 1 January 2008.

## 7. 綜合損益表內所得稅

## (a) 綜合損益表內所得稅代表：

由於本集團各附屬公司並無任何應繳納香港利得稅的利潤或持續稅項虧損，故並無作出香港利得稅撥備。

根據開曼群島及英屬處女群島規則及規例，本集團毋須繳納任何開曼群島及英屬處女群島所得稅。

根據中國所得稅規則及規例，中國附屬公司自錄得應課稅利潤首年起計兩年，可獲全數豁免繳納中國企業所得稅，其後三年，中國企業所得稅按適用所得稅率減免一半。

錦州新日硅材料有限公司(「錦州新日」)於二零零一年首度錄得應課稅利潤，因此，錦州新日自二零零三年起獲豁免繳納50%稅項。由於錦州新日從事中國高新技術業務，故額外獲豁免繳納50%稅項三年。故此，截至二零零七年十二月三十一日止年度，錦州新日按優惠稅率13.5%納稅。於新稅法在二零零八年一月一日生效時，已廢除額外的50%稅項豁免。

## 7. Income tax in the consolidated income statement (continued)

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

The first year that Jinzhou Huachang Silicon Materials Co., Ltd. ("Huachang"), Jinzhou Huari Silicon Materials Co., Ltd. ("Huari") and Jinzhou Youhua New Energy Co., Ltd. ("Youhua") recorded assessable profits was 2003, 2005 and 2005, respectively. Accordingly, Huachang, Huari and Youhua were subjected to a preferential tax rate of 13.5% for the year ended 31 December 2007.

The first year that Jinzhou Yangguang Energy Co., Ltd. ("Yangguang") recorded assessable profits was 2006. It was fully exempted from PRC EIT for the year ended 31 December 2007.

Shanghai Jingji Electronic Materials Co., Ltd. ("Jingji") was subject to a preferential tax rate of 27% for the year ended 31 December 2007.

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%. For Foreign Investment Enterprises ("FIE"s) 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.

## 7. 綜合損益表內所得稅(續)

### (a) 綜合損益表內所得稅代表：(續)

錦州華昌硅材料有限公司(「錦州華昌」)、錦州華日硅材料有限公司(「錦州華日」)及錦州佑華新能源有限公司(「錦州佑華」)分別於二零零三年、二零零五年及二零零五年首度錄得應課稅利潤。因此，截至二零零七年十二月三十一日止年度，錦州華昌、錦州華日及錦州佑華均按優惠稅率13.5%納稅。

錦州陽光能源有限公司(「錦州陽光」)於二零零六年首度錄得應課稅利潤。截至二零零七年十二月三十一日止年度，錦州陽光獲全數豁免繳納中國企業所得稅。

截至二零零七年十二月三十一日止年度，上海晶技電子材料有限公司(「上海晶技」)須按優惠稅率27%納稅。

於二零零八年一月一日，中國企業所得稅法(「新稅法」)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，其後三年減半徵收企業所得稅)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稅法生效日期起開始。

根據新稅法，自二零零八年一月一日起，倘非本土企業未在中國擁有設立機構或營業地點，或擁有設立機構或營業地點惟有關收入與中國的設立機構或營業地點並無存在有效關連，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。

## Notes to the Financial Statements

## 財務報表附註

(Expressed in Renminbi) (以人民幣列值)

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

Based on the New CIT Law, the PRC subsidiaries of the Group were subjected to the following PRC CIT rates for the year ended 31 December 2008:

Huachang	25%
Huari	12.5%
Jingji	25%
Jinzhou Rixin Silicon Material Co., Ltd. ("Rixin")	25%
Xinri	25%
Yangguang	12.5%
Youhua	12.5%

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 Xinri, Huari, Huachang, Youhua and Yangguang ("the Merging Companies") into Yangguang.

In view of the different CIT rates applicable to the Merging Companies, on 13 May 2008, Yangguang obtained the written acceptance from Taihe District State Tax Bureau on the post-merger CIT treatment, that Yangguang should adopt an effective CIT rate after the merger of 13.77% for 2008 and 2009, 16.77% for 2010 and 25% thereafter according to the principles stated in Guo Shui Fa [1997] No. 71 ("Notice 71"). Based on Notice 71, the percentage of cost and expenses method of the Merging Companies incurred during the financial year preceding to the merger was applied to apportion each company's share of the post-merger taxable income of Yangguang. The apportioned post-merger taxable incomes are then taxed at the respective CIT rates of the Merging Companies.

**7. 綜合損益表內所得稅(續)****(a) 綜合損益表內所得稅代表：(續)**

按照新稅法，截至二零零八年十二月三十一日止年度本集團中國附屬公司的中國企業所得稅率乃按以下比率計算：

錦州華昌	25%
錦州華日	12.5%
上海晶技	25%
錦州日鑫硅材料有限公司 (「錦州日鑫」)	25%
錦州新日	25%
錦州陽光	12.5%
錦州佑華	12.5%

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，將錦州新日、錦州華日、錦州華昌、錦州佑華及錦州陽光(「合併公司」)合併為錦州陽光。

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(Taihe District State Tax Bureau)書面接納按合併後企業所得稅務優惠納稅，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，適用於二零零八年及二零零九年的實際企業所得稅率為13.77%；二零一零年為16.77%；其後則為25%。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。

## 7. Income tax in the consolidated income statement (continued)

### (b) Reconciliation between tax expense and accounting profit at applicable tax rates:

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Profit before taxation	除稅前利潤	117,370	337,095
Notional tax on profit before taxation calculated at 25% (2007: 27%)	除稅前利潤之名義稅項，按25% (二零零七年：27%)之稅率計算	29,343	91,016
Effect of non-deductible expenses	不可扣稅支出之影響	8,594	4,815
Effect of non-taxable income	免課稅收入之影響	(76)	(20,188)
Effect of tax concessions obtained	所獲稅務優惠之影響	(15,379)	(57,340)
Effect of unused tax loss not recognised	尚未確認的未動用稅項虧損影響	5,401	-
Tax refund on domestic equipment purchases	國內購置設備退稅	(8,192)	-
Effect of different taxation rate used in other jurisdiction	於其他司法權區所用不同稅率之影響	7,068	2,311
Effect of withholding tax	預扣稅之影響	7,232	-
Over-provision in respect of prior years	過往年度超額撥備	-	(8)
Actual tax expense	實際稅務開支	33,991	20,606

## 7. 綜合損益表內所得稅(續)

### (b) 稅務開支與會計利潤按適用稅率計算之對賬：

## 8. Dividends

### (a) Dividends payables to equity shareholders of the Company attributable to the year

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Final dividend proposed after the balance sheet date of RMB1.5 cents (HK\$1.7 cents) (2007: RMB5.2 cents (HK\$5.8 cents)) per share	於結算日後擬派發終期股息 每股人民幣1.5分(1.7港仙) (二零零七年：人民幣5.2分(5.8港仙))	25,361	87,920

## 8. 股息

### (a) 本公司權益股東應佔年內應付股息



## Notes to the Financial Statements

## 財務報表附註

(Expressed in Renminbi) (以人民幣列值)

**8. Dividends** (continued)**(a) Dividends payable to equity shareholders of the Company attributable to the year** (continued)

The Board has recommended the payment of final dividend of RMB1.5 cents (HK\$1.7 cents) per share (2007: RMB5.2 cents (HK\$5.8 cents)) and propose to give shareholders the option of Scrip Dividend in lieu of a cash dividend. The Proposal will be conditional on (i) the approval of the recommended final dividend at the forthcoming annual general meeting of the Company and (ii) the Stock Exchange granting a listing of and permission to deal in the shares to be issued pursuant to the Proposal. Subject to shareholders' approval at the forthcoming annual general meeting of the Company, the recommended final dividend will be paid to shareholders whose names appear on the register of members of the Company on 12 June 2009.

The final dividend proposal after the balance sheet date has not been recognised as a liability in the balance sheet.

**(b) Dividends attributable to the previous financial year, approved and paid during the year**

	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Final dividend in respect of the previous financial year, approved and paid during the year	88,258	113,658

In respect of the final dividend approved and paid for the year ended 31 December 2007, the difference of RMB338,000 between the final dividend proposed in the 2007 annual report and amount approved and paid during the year represents exchange fluctuations.

**9. Earnings per share****(a) Basic earnings per share**

The calculation of basic earnings per share is based on the profit attributable to the ordinary equity shareholders of the Company of RMB83,379,000 (2007: RMB292,241,000) and the weighted average of 1,627,540,199 (2007: 1,437,166,500) ordinary shares of the Company in issue during the year as calculated as set out in note 9(b). The weighted average number of shares for the current and prior years has been adjusted for the capitalisation issue as if the capitalisation issue had been in existence throughout 2007 and 2008. For details on the capitalisation issue, please refer to note 26(j).

**8. 股息**(續)**(a) 本公司權益股東應佔年內應付股息**(續)

董事會建議派付終期股息每股人民幣1.5分(1.7港仙)(二零零七年：人民幣5.2分(5.8港仙))，並建議給予股東選擇權以股代息代替現金股息。該建議須待達成以下條件後，方告作實：(i)所建議終期股息於本公司應屆股東週年大會上獲批准；及(ii)聯交所批准根據該建議將予發行之股份上市及買賣。待股東於應屆本公司股東週年大會批准後，所建議終期股息將派發予於二零零九年六月十二日名列本公司股東名冊之股東。

於結算日後擬派之終期股息，並無於結算日在資產負債表中確認為負債。

**(b) 於年內批准及支付上一個財政年度應佔股息**

就截至二零零七年十二月三十一日止年度批准及派付的終期股息而言，二零零七年年報所列擬派終期股息與年內批准及派付的款項差額人民幣338,000元代表匯兌變動。

**9. 每股盈利****(a) 每股基本盈利**

每股基本盈利乃根據本公司普通股權益股東應佔利潤人民幣83,379,000元(二零零七年：人民幣292,241,000元)以及按附註9(b)所載方式計算年內的本公司已發行普通股加權平均數1,627,540,199股(二零零七年：1,437,166,500股)計算。於本年及過往年度的加權平均股份數目已就資本化發行作出調整，猶如資本化發行於二零零七年及二零零八年一直存在。有關資本化發行詳情，請參閱附註26(j)。

**9. Earnings per share** (continued)**(b) Weighted average number of ordinary shares**

		<b>Number of ordinary shares</b> 普通股數目	
		2008 二零零八年	2007 二零零七年
Issued ordinary shares at 1 January 2008 (note 26(c))	於二零零八年一月一日 已發行普通股(附註26(c))	2,874,333	2,874,333
Effect of capitalisation issue (note 26(j))	資本化發行的影響(附註26(j))	1,434,292,167	1,434,292,167
Effect of shares issued under the global offering (note 26(k))	根據全球發售發行股份 的影響(附註26(k))	190,373,699	-
Weighted average number of ordinary shares	普通股加權平均股數	1,627,540,199	1,437,166,500

**(c) Diluted earnings per share**

There were no dilutive potential ordinary shares in issue during the years ended 31 December 2007 and 2008.

**9. 每股盈利**(續)**(b) 普通股加權平均股數****(c) 每股攤薄盈利**

截至二零零七年及二零零八年十二月三十一日止年度，並無潛在攤薄的已發行普通股。

**10. Directors' remuneration**

Directors' remuneration disclosed pursuant to section 161 of Hong Kong Companies Ordinance is as follows:

**10. 董事酬金**

根據香港公司條例161條而披露的董事酬金如下：

		2007 二零零七年						
		Basic salaries, allowances and benefits in kind		Retirement scheme contributions	Sub-Total	Share-based payments (note)	Total	
		Fees	津貼及袍金	Bonus	退休計劃供款	小計	以股份支付款項(附註)	總計
		RMB'000	人民幣千元	RMB'000	人民幣千元	RMB'000	人民幣千元	人民幣千元
<b>Executive Directors</b>	<b>執行董事</b>							
Tan Wenhua	譚文華	-	129	1	9	139	1,695	1,834
Hsu You Yuan	許祐淵	-	332	-	13	345	1,753	2,098
Zhang Liming	張麗明	-	88	1	6	95	591	686
<b>Non-executive Directors</b>	<b>非執行董事</b>							
Chiao Ping Hai	焦平海	-	-	-	-	-	-	-
Chong Kin Ngai	莊堅毅	-	-	-	-	-	-	-
<b>Total</b>	<b>總計</b>	-	549	2	28	579	4,039	4,618

Notes to the Financial Statements  
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10. Directors' remuneration (continued)

10. 董事酬金(續)

		2008 二零零八年						
		Basic salaries, allowances and benefits in kind 基本薪金、津貼及實物利益			Retirement scheme contributions 退休計劃供款	Share-based payments (note) 以股份支付款項(附註)		Total 總計
		Fees 袍金		Bonus 花紅		Sub-Total 小計		
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
<b>Executive Directors</b>	<b>執行董事</b>							
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
<b>Non-executive Directors</b>	<b>非執行董事</b>							
Chiao Ping Hai	焦平海	297	-	-	-	297	2,517	2,814
Chong Kin Ngai	莊堅毅	198	-	-	-	198	-	198
<b>Independent non-executive Directors</b>	<b>獨立非執行董事</b>							
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
<b>Total</b>	<b>總計</b>	<b>1,287</b>	<b>2,773</b>	<b>4</b>	<b>18</b>	<b>4,082</b>	<b>14,391</b>	<b>18,473</b>

Note: This represents the estimated value of shares allotted and issued to the directors of STIC on 24 June 2007 and share options granted to certain directors of the Company on 29 December 2008 under Share Option Plan of the Company (note 25). The values of these shares and share options are measured in accordance with the Group's accounting policies for share-based payment transactions as set out in note 2(m)(iii).

附註：此乃二零零七年六月二十四日向STIC董事配發及發行股份以及本公司按照本公司購股權計劃於二零零八年十二月二十九日向若干本公司董事授出購股權的估計價值(附註25)。該等股份及購股權的價值乃根據附註2(m)(iii)所載本集團有關以股份支付款項交易的會計政策而計算。

## 11. Individuals with highest emoluments

Of the five individuals with the highest emoluments, four (2007: three) are directors whose emoluments are disclosed in note 10. The aggregate of the emoluments in respect of the remaining one (2007: two) individuals with the highest emoluments are as follows:

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Basic salaries, allowances and benefits in kind	基本薪金、津貼及實物利益	810	616
Retirement scheme contributions	退休計劃供款	11	24
Share-based payments	以股份支付款項	74	1,565
		<b>895</b>	2,205

The emoluments of the remaining one (2007: two) individuals with the highest emoluments are within the following bands:

		2008 二零零八年 Number of individuals 人數	2007 二零零七年 Number of individuals 人數
Nil to HK\$1,000,000	零至1,000,000港元	1	1
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	-	1
		<b>1</b>	2

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. Profit attributable to equity shareholders of the Company

The consolidated profit attributable to equity shareholders of the Company includes a loss of RMB27,951,000 (2007: RMB2,405,000) which has been dealt with in the financial statements of the Company.

## 11. 最高薪酬人士

五名最高薪酬人士中有四名(二零零七年：三名)為董事，彼等的薪酬於附註10披露。餘下一名最高薪酬人士(二零零七年：兩名)的薪酬總額如下：

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Basic salaries, allowances and benefits in kind	基本薪金、津貼及實物利益	810	616
Retirement scheme contributions	退休計劃供款	11	24
Share-based payments	以股份支付款項	74	1,565
		<b>895</b>	2,205

餘下一名最高薪酬人士(二零零七年：兩名)的薪酬屬以下組別：

		2008 二零零八年 Number of individuals 人數	2007 二零零七年 Number of individuals 人數
Nil to HK\$1,000,000	零至1,000,000港元	1	1
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	-	1
		<b>1</b>	2

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。

## 12. 本公司權益股東應佔利潤

本公司權益股東應佔綜合利潤包括人民幣27,951,000元的虧損(二零零七年：人民幣2,405,000元)，並已於本公司財務報表中處理。

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**13. Property, plant and equipment**  
**(a) The Group**

**13. 物業、廠房及設備**  
**(a) 本集團**

		Construction in progress 在建工程 RMB'000 人民幣千元	Buildings 樓宇 RMB'000 人民幣千元	Plant, machinery and equipment 廠房、機器 及設備 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Furniture and fittings 家具及 固定裝置 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>Cost:</b>	<b>成本：</b>						
At 1 January 2007	於二零零七年一月一日	3,032	17,545	101,339	2,982	4,063	128,961
Additions	添置						
- through acquisition of subsidiaries (note 28)	- 透過收購附屬公司 (附註28)	698	5,865	24,416	2,074	701	33,754
- others	- 其他	21,297	1,115	22,105	2,274	1,340	48,131
Disposals	出售	-	-	(2,439)	(245)	-	(2,684)
Transfers	轉撥	(3,994)	539	3,455	-	-	-
At 31 December 2007	於二零零七年十二月三十一日	21,033	25,064	148,876	7,085	6,104	208,162
<b>Accumulated depreciation:</b>	<b>累計折舊：</b>						
At 1 January 2007	於二零零七年一月一日	-	900	11,455	483	865	13,703
Through acquisition of subsidiaries (note 28)	透過收購附屬公司 (附註28)	-	1,392	6,291	765	179	8,627
Charge for the year	年度折舊	-	743	9,323	637	809	11,512
Written back on disposals	出售時撥回	-	-	(837)	(222)	-	(1,059)
At 31 December 2007	於二零零七年十二月三十一日	-	3,035	26,232	1,663	1,853	32,783
<b>Net book value:</b>	<b>賬面淨值：</b>						
At 31 December 2007	於二零零七年十二月三十一日	21,033	22,029	122,644	5,422	4,251	175,379

## 13. Property, plant and equipment (continued)

(a) The Group (continued)

## 13. 物業、廠房及設備(續)

(a) 本集團(續)

		Construction in progress 在建工程 RMB'000 人民幣千元	Buildings 樓宇 RMB'000 人民幣千元	Plant, machinery and equipment 廠房、機器 及設備 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Furniture and fittings 家具及 固定裝置 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>Cost:</b>	<b>成本：</b>						
At 1 January 2008	於二零零八年一月一日	21,033	25,064	148,876	7,085	6,104	208,162
Exchange adjustments	匯兌調整	-	-	(9)	-	(3)	(12)
Additions	添置	230,677	311	6,927	688	1,436	240,039
Disposals	出售	-	-	-	(181)	-	(181)
Transfers	轉撥	(167,020)	36	166,984	-	-	-
At 31 December 2008	於二零零八年十二月三十一日	84,690	25,411	322,778	7,592	7,537	448,008
<b>Accumulated depreciation:</b>	<b>累計折舊：</b>						
At 1 January 2008	於二零零八年一月一日	-	3,035	26,232	1,663	1,853	32,783
Exchange adjustments	匯兌調整	-	-	(1)	-	-	(1)
Charge for the year	年度折舊	-	853	18,251	1,324	296	20,724
Written back on disposals	出售時撥回	-	-	-	(163)	-	(163)
At 31 December 2008	於二零零八年十二月三十一日	-	3,888	44,482	2,824	2,149	53,343
<b>Net book value:</b>	<b>賬面淨值：</b>						
At 31 December 2008	於二零零八年十二月三十一日	84,690	21,523	278,296	4,768	5,388	394,665

**Notes to the Financial Statements**

財務報表附註

(Expressed in Renminbi) (以人民幣列值)

**13. Property, plant and equipment** (continued)

(b) The Company

**13. 物業、廠房及設備**(續)

(b) 本公司

		Office equipment 辦公室設備 RMB'000 人民幣千元
<b>Cost:</b>	<b>成本：</b>	
At 7 March 2007	於二零零七年三月七日	-
Additions	添置	121
<hr/>		
At 31 December 2007	於二零零七年十二月三十一日	121
<hr style="border-top: 1px dashed black;"/>		
<b>Accumulated depreciation:</b>	<b>累計折舊：</b>	
At 7 March 2007	於二零零七年三月七日	-
Charge for the period	期內折舊	10
<hr/>		
At 31 December 2007	於二零零七年十二月三十一日	10
<hr style="border-top: 1px dashed black;"/>		
<b>Net book value:</b>	<b>賬面淨值：</b>	
At 31 December 2007	於二零零七年十二月三十一日	111

		Office equipment 辦公室設備 RMB'000 人民幣千元
<b>Cost:</b>	<b>成本：</b>	
At 1 January 2008	於二零零八年一月一日	121
Exchange adjustments	匯兌調整	(9)
<hr/>		
At 31 December 2008	於二零零八年十二月三十一日	112
<hr style="border-top: 1px dashed black;"/>		
<b>Accumulated depreciation:</b>	<b>累計折舊：</b>	
At 1 January 2008	於二零零八年一月一日	10
Exchange adjustments	匯兌調整	(1)
Charge for the year	年度折舊	23
<hr/>		
At 31 December 2008	於二零零八年十二月三十一日	32
<hr style="border-top: 1px dashed black;"/>		
<b>Net book value:</b>	<b>賬面淨值：</b>	
At 31 December 2008	於二零零八年十二月三十一日	80

**13. Property, plant and equipment** (continued)

- (c) All of the Group's property, plant and equipment is located in the PRC.
- (d) The Group has yet to obtain property ownership certificates for certain buildings with an aggregate net book value of RMB3,624,000 (2007: RMB3,149,000) as at 31 December 2008. Notwithstanding this, the Directors are of the opinion that the Group owned the beneficial title to these buildings as at 31 December 2008.

**13. 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，於二零零八年十二月三十一日，該等樓宇的賬面淨值總額為人民幣3,624,000元(二零零七年：人民幣3,149,000元)。然而，董事認為本集團於二零零八年十二月三十一日擁有該等樓宇的實益業權。

**14. Lease prepayments****14. 租賃預付款項**

		<b>The Group</b> 本集團	
		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
<b>Cost:</b>	<b>成本：</b>		
At 1 January	於一月一日	49,041	8,040
Additions	添置	-	41,001
At 31 December	於十二月三十一日	49,041	49,041
<b>Accumulated amortisation:</b>	<b>累計攤銷：</b>		
At 1 January	於一月一日	555	268
Charge for the year	年度攤銷	978	287
At 31 December	於十二月三十一日	1,533	555
<b>Net book value:</b>	<b>賬面淨值：</b>		
At 31 December	於十二月三十一日	47,508	48,486

Lease prepayments represent the cost of land use rights in respect of land located in the PRC, which expire on 29 April 2055 and 27 August 2057.

租賃預付款項為就位於中國之土地所支付土地使用權成本，該等土地使用權將於二零五五年四月二十九日及二零五七年八月二十七日屆滿。



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15. Investments in subsidiaries

15. 於附屬公司的投資

		The Company 本公司	
		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Unlisted shares, at cost	非上市股份，按成本	367,841	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。

Names 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 ("Rixin") (「錦州日鑫」)	The PRC 9 May 2007 中國 二零零七年 五月九日	Registered and paid-in capital of RMB10,000,000 註冊及實繳資本 人民幣10,000,000元	-	100	Manufacturing and processing of monocrystalline ingots/wafers 製造及加工單晶 硅錠/硅片	Limited liability company 有限責任公司
錦州晶技太陽能科技有限公司 ("Jinzhou Jingji") (「錦州晶技」)	The PRC 9 December 2007 中國 二零零七年 十二月九日	Registered and paid-in capital of US\$17,500,000 註冊及實繳資本 17,500,000美元	-	100	Dormant 暫無經營	Limited liability company 有限責任公司
錦州陽光能源有限公司 ("Yangguang") (「錦州陽光」)	The PRC 15 December 2004 中國 二零零四年 十二月十五日	Registered and paid-in capital of RMB672,050,000 註冊及實繳資本 人民幣672,050,000元	-	100	Manufacturing and processing of monocrystalline ingots/wafers 製造及加工單晶 硅錠/硅片	Limited liability company 有限責任公司

## 15. Investments in subsidiaries (continued)

## 15. 於附屬公司的投資(續)

Names 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 %		
錦州佑華硅材料有限公司 ("Youhua Silicon") (「佑華硅材料」)	The PRC 13 September 2008 中國 二零零八年 九月十三日	Registered capital of RMB200,000,000 and paid-in capital of RMB156,390,196 註冊資本人民幣200,000,000元及實繳資本人民幣156,390,196元	–	100	Dormant 暫無業務	Limited liability company 有限責任公司
上海晶技電子材料有限公司 ("Jingji") (「上海晶技」)	The PRC 16 March 1998 中國 一九九八年 三月十六日	Registered and paid-in capital of US\$700,000 註冊及實繳資本700,000美元	–	100	Processing and trading of polysilicon and monocrystalline ingots/wafers 加工及買賣多晶硅及單晶硅錠/硅片	Limited liability company 有限責任公司
Solar Technology Investment (Cayman) Corp. ("STIC")	Cayman Islands 15 December 2006 開曼群島 二零零六年 十二月十五日	Authorised capital of HK\$400,000,000 of HK\$0.10 each and issued share capital of HK\$167,895,494 法定資本400,000,000港元，每股面值0.10港元及已發行股本167,895,494港元	100	–	Investment holding 投資控股	Limited liability company 有限責任公司
Tayaneng Investments Limited ("Tayaneng")	British Virgin Islands 15 August 2006 英屬處女群島 二零零六年 八月十五日	Authorised share capital of US\$50,000 of US\$1 each and issued share capital of US\$13,437 法定股本50,000美元，每股面值1美元及已發行股本13,437美元	100	–	Investment holding 投資控股	Limited liability company 有限責任公司
Wealthy Rise International Limited 鉅升國際有限公司	Hong Kong 21 June 2007 香港 二零零七年 六月二十一日	Authorised share capital of HK\$10,000 of HK\$1 each and issued share capital of HK\$1 法定股本10,000港元，每股面值1港元及已發行股本1港元	–	100	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

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**16. Inventories**

(a) Inventories in the consolidated balance sheet comprise:

		<b>The Group</b> 本集團	
		<b>2008</b> 二零零八年 <b>RMB'000</b> 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Raw materials	原材料	<b>272,475</b>	95,929
Work-in-progress	在製品	<b>53,466</b>	15,170
Finished goods	製成品	<b>69,592</b>	26,733
		<b>395,533</b>	137,832

(b) The analysis of the amount of inventories recognised as an expense is as follows:

		<b>The Group</b> 本集團	
		<b>2008</b> 二零零八年 <b>RMB'000</b> 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Carrying amount of inventories sold	已售存貨的賬面值	<b>1,047,190</b>	692,412
Write-down of inventories	存貨撇減	<b>220,235</b>	-
		<b>1,267,425</b>	692,412

**16. 存貨**

(a) 綜合資產負債表之存貨包括：

(b) 確認為支出的存貨金額分析如下：

**17. Trade and other receivables****17. 應收貿易賬款及其他應收款項**

		<b>The Group</b> 本集團		<b>The Company</b> 本公司	
		<b>2008</b> 二零零八年 <b>RMB'000</b> 人民幣千元	2007 二零零七年 RMB'000 人民幣千元	<b>2008</b> 二零零八年 <b>RMB'000</b> 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Trade receivables (note 17(a))	應收貿易賬款(附註17(a))	<b>111,003</b>	77,118	-	-
Other receivables, prepayments and deposits (note 17(b))	其他應收款項、預付款項及按金(附註17(b))	<b>382,782</b>	109,233	<b>2,491</b>	46,064
Amount due from a related party (note 29(c))	應收一名關連方之款項(附註29(c))	-	715	-	-
Amounts due from subsidiaries (note 17(d))	應收附屬公司款項(附註17(d))	-	-	<b>738,759</b>	615
		<b>493,785</b>	187,066	<b>741,250</b>	46,679

The amount of the Group's prepayments expected to be recovered or recognised as expense after more than one year is RMB170,809,000 (2007: RMB Nil).

本集團預期於超過一年後收回或確認為開支之預付款項合共人民幣170,809,000元(二零零七年：人民幣零元)。

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

預期所有其他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) The ageing analysis of trade receivables as of the balance sheet date is as follows:

(a) 於結算日，應收貿易賬款之賬齡分析如下：

		<b>The Group</b> 本集團	
		<b>2008</b> 二零零八年 <b>RMB'000</b> 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Within 1 month	一個月內	<b>54,872</b>	41,861
1 – 3 months	一至三個月	<b>45,699</b>	18,977
3 – 6 months	三至六個月	<b>6,054</b>	13,753
6 – 12 months	六至十二個月	<b>1,895</b>	826
1 – 2 years	一至兩年	<b>2,483</b>	1,701
		<b>111,003</b>	77,118

The Group normally allows a credit period of 30 – 90 days to its customers.

本集團一般給予客戶30至90天的信貸期限。

Included in trade receivables are aggregate amounts due from related parties of RMB40,463,000 (2007: RMB32,991,000) as at 31 December 2008 (note 29(c)).

於二零零八年十二月三十一日，應收貿易賬款包括應收關連方的款項總額人民幣40,463,000元(二零零七年：人民幣32,991,000元)(附註29(c))。

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**17. Trade and other receivables** (continued)

- (b) Included in the Group's other receivables, prepayments and deposits are prepayments for the purchase of raw materials from related parties of RMB27,077,000 (2007: RMB351,000) as at 31 December 2008 (note 29(c)).
- (c) The ageing analysis of trade receivables that are past due but not impaired as of the balance sheet date:

**17. 應收貿易賬款及其他應收款項**(續)

- (b) 於二零零八年十二月三十一日，本集團的其他應收款項、預付款項及按金包括向關連方購買原材料支付的預付款項人民幣27,077,000元(二零零七年：人民幣351,000元)(附註29(c))。
- (c) 於結算日，逾期未收回但並無減值的應收貿易賬款之賬齡分析：

		<b>The Group</b> 本集團	
		<b>2008</b> 二零零八年 <b>RMB'000</b> 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Less than 1 month past due	逾期少於一個月	<b>34,174</b>	9,826
1 to 3 months past due	逾期一至三個月	<b>6,662</b>	2,413
3 to 6 months past due	逾期三至六個月	<b>1,102</b>	1,236
6 to 12 months past due	逾期六至十二個月	<b>1,565</b>	1,571
1 to 2 years	一至兩年	<b>1,145</b>	454
		<b>44,648</b>	15,500

Receivables that were past due but not impaired relate to a number of individual customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances which are still considered fully recoverable. The Group does not hold any collateral over these balances.

逾期未收回但並無減值的應收款項與本集團多名擁有良好還款記錄的個別客戶有關。根據以往經驗，管理層相信毋需就該等結餘計提減值撥備，且認為該等結餘仍可全數收回。本集團並無就該等結餘持有任何抵押品。

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

- (d) 應收附屬公司款項為無抵押、免息及須按要求收回。

**18. Pledged deposits****18. 已抵押存款**

		<b>The Group</b> 本集團	
		<b>2008</b> 二零零八年 <b>RMB'000</b> 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Pledged as security for a bank loan	作為銀行貸款之抵押品	<b>4,705</b>	–
Pledged as security for bills payable	作為應付票據之抵押品	<b>20,000</b>	–
Guarantee deposits for issuance of letters of credit	作為發出信用證之存款擔保	<b>366</b>	120
		<b>25,071</b>	120

**19. Cash and cash equivalents****19. 現金及現金等價物**

		<b>The Group</b> 本集團		<b>The Company</b> 本公司	
		<b>2008</b> 二零零八年 <b>RMB'000</b> 人民幣千元	2007 二零零七年 RMB'000 人民幣千元	<b>2008</b> 二零零八年 <b>RMB'000</b> 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Cash at bank and in hand	銀行及手頭現金	<b>270,402</b>	348,978	<b>180</b>	416

Cash and cash equivalents of RMB208,437,000 (2007: RMB313,208,000) as at 31 December 2008 are denominated in RMB. RMB is not a freely convertible currency and the remittance of funds out of the PRC is subject to exchange restrictions imposed by the PRC government.

於二零零八年十二月三十一日，現金及現金等價物人民幣208,437,000元(二零零七年：人民幣313,208,000元)以人民幣列值。人民幣為不可自由兌換貨幣，且在國內匯出資金須受中國政府的外匯管制規限。

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**20. Interest-bearing borrowings**

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

		<b>The Group</b> 本集團	
		<b>2008</b> 二零零八年 <b>RMB'000</b> 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Short-term bank loans	短期銀行貸款		
– unsecured	– 無抵押	<b>200,000</b>	127,000
– secured (note 20(a))	– 已抵押(附註20(a))	<b>14,580</b>	–
		<b>214,580</b>	127,000
Long-term loan	長期貸款		
– municipal government loan (note 20(b))	– 市政府貸款(附註20(b))	<b>3,003</b>	2,890
		<b>217,583</b>	129,890

(a) Certain banking facilities and loans granted to the Group are secured by the Group's bank deposits with an aggregate carrying value of RMB25,071,000 (2007: RMB120,000) as at 31 December 2008 (note 18).

(b) The municipal government loan is repayable as follows:

**20. 計息借貸**

計息借貸的賬面金額分析如下：

		<b>The Group</b> 本集團	
		<b>2008</b> 二零零八年 <b>RMB'000</b> 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Short-term bank loans	短期銀行貸款		
– unsecured	– 無抵押	<b>200,000</b>	127,000
– secured (note 20(a))	– 已抵押(附註20(a))	<b>14,580</b>	–
		<b>214,580</b>	127,000
Long-term loan	長期貸款		
– municipal government loan (note 20(b))	– 市政府貸款(附註20(b))	<b>3,003</b>	2,890
		<b>217,583</b>	129,890

(a) 於二零零八年十二月三十一日，本集團所獲授若干銀行融資及貸款以本集團賬面總值人民幣25,071,000元(二零零七年：人民幣120,000元)的銀行存款作為抵押(附註18)。

(b) 應償還市政府貸款如下：

		<b>The Group</b> 本集團	
		<b>2008</b> 二零零八年 <b>RMB'000</b> 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
After 1 year but within 2 years	一年後但於兩年內	<b>364</b>	–
After 2 years but within 5 years	兩年後但於五年內	<b>1,091</b>	724
After 5 years	五年以後	<b>1,548</b>	2,166
		<b>3,003</b>	2,890

The municipal government loan was received by the Group for constructing a manufacturing plant in Jinzhou, Liaoning Province, the PRC. There are no unfulfilled conditions or contingencies relating to the municipal government loan. It is unsecured, interest bearing at a fixed rate of 2.55% per annum and is fully repayable by instalments from 2010 to 2020.

本集團已就於中國遼寧省錦州建設製造廠房取得市政府貸款。有關市政府貸款概無未達成的條件或或然事項，且為無抵押、按固定年息率2.55厘計息及須於二零一零年至二零二零年期間分期悉數清償。

## 21. Trade and other payables

## 21. 應付貿易賬款及其他應付款項

		The Group 本集團		The Company 本公司	
		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Trade payables (note 21(a))	應付貿易賬款(附註21(a))	143,223	38,367	-	-
Bills payable (note 21(c))	應付票據(附註21(c))	24,288	-	-	-
Other payables and accrued Expenses (note 21(d))	其他應付款項及應計開支 (附註21(d))	84,772	105,701	2,897	33,837
Amounts due to subsidiaries (note 21(b))	應付附屬公司款項 (附註21(b))	-	-	236,189	15,774
Amount due to a director (note 29(e))	應付一名董事之款項 (附註29(e))	150	-	-	-
		<b>252,433</b>	144,068	<b>239,086</b>	49,611

All of the trade and other payables (including amounts due to subsidiaries and a director) are expected to be settled within one year.

預期所有應付貿易賬款及其他應付款項(包括應付附屬公司及一名董事之款項)於一年內清付。

(a) The ageing analysis of trade payables as of the balance sheet date is as follows:

(a) 於結算日，應付貿易賬款的賬齡分析如下：

		The Group 本集團	
		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Within 1 month	一個月內	58,526	24,627
1 – 3 months	一至三個月	67,218	9,584
3 – 6 months	三至六個月	11,171	1,858
6 – 12 months	六至十二個月	3,884	1,164
1 – 2 years	一至兩年	2,424	1,134
		<b>143,223</b>	38,367

Included in trade payables are amounts due to related parties of RMB63,448,000 (2007: RMB26,762,000) at 31 December 2008 (note 29(d)).

於二零零八年十二月三十一日，應付貿易賬款包括應付關連方的款項人民幣63,448,000元(二零零七年：人民幣26,762,000元)(附註29(d))。



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**21. Trade and other payables** (continued)

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

(c) The Group's bills payable of RMB24,288,000 as at 31 December 2008 are secured by the Group's bank deposits of RMB20,000,000 (note 18).

Included in the Group's bills payable are bills payable to related parties of RMB15,000,000 (2007: RMB Nil) as at 31 December 2008 (note 29(d)).

(d) Included in the Group's other payables and accrued expenses are receipts in advance from a related party of RMB20,000,000 (2007: RMB Nil) as at 31 December 2008 (note 29(d)).

**22. Income tax in the consolidated balance sheet**

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

**21. 應付貿易賬款及其他應付款項**(續)

(b) 應付附屬公司款項為無抵押、免息及須按要求償還。

(c) 本集團於二零零八年十二月三十一日的應付票據為人民幣24,288,000元，以本集團銀行存款人民幣20,000,000元作為抵押(附註18)。

本集團於二零零八年十二月三十一日的應付票據包括應付關連方票據人民幣15,000,000元(二零零七年：人民幣零元)(附註29(d))。

(d) 本集團於二零零八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墊付款項人民幣20,000,000元(二零零七年：人民幣零元)(附註29(d))。

**22. 綜合資產負債表內的所得稅**

(a) 綜合資產負債表內的即期稅項代表：

		<b>The Group</b> 本集團	
		<b>2008</b> 二零零八年 <b>RMB'000</b> 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Provision for PRC EIT for the year	年度中國企業所得稅撥備	<b>65,610</b>	24,128
Addition through acquisition of subsidiaries (note 28)	因收購附屬公司的增加額(附註28)	-	8,362
Provisional PRC EIT paid	已付暫繳中國企業所得稅	<b>(63,173)</b>	(14,037)
PRC EIT payable	應付中國企業所得稅	<b>2,437</b>	18,453
Representing:	相當於：		
Current tax recoverable	即期可收回稅項	<b>(1,878)</b>	-
Current tax payable	即期應付稅項	<b>4,315</b>	18,453
		<b>2,437</b>	18,453

**22. Income tax in the consolidated balance sheet**

(continued)

**(b) Deferred tax assets and liabilities recognised***The Group*

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

		Government grant 政府補貼 RMB'000 人民幣千元	Inventory provisions 存貨撥備 RMB'000 人民幣千元	Distributable profits of subsidiaries 附屬公司的可供分派利潤 RMB'000 人民幣千元	Other expenses 其他開支 RMB'000 人民幣千元	Fair value adjustment upon acquisition of a subsidiary 收購一家附屬公司後公平值調整 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>Deferred tax arising from:</b>	來自下列各項的遞延稅項：						
At 1 January 2007	於二零零七年一月一日	-	-	-	755	-	755
Addition through acquisition of a subsidiary (note 28)	因收購一家附屬公司的增加額 (附註28)	-	-	-	-	(3,347)	(3,347)
Credited/(charged) to the income statement (note 7(a))	於損益表計入/(扣除) (附註7(a))	922	-	-	(755)	3,347	3,514
At 31 December 2007	於二零零七年十二月三十一日	922	-	-	-	-	922
At 1 January 2008	於二零零八年一月一日	922	-	-	-	-	922
Credited/(charged) to the income statement (note 7(a))	於損益表計入/(扣除) (附註7(a))	2,953	27,706	(7,232)	-	-	23,427
At 31 December 2008	於二零零八年十二月三十一日	3,875	27,706	(7,232)	-	-	24,349

		The Group 本集團	
		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
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	31,581	922
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	(7,232)	-
		24,349	922

**22. 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***本集團*

於綜合資產負債表確認的遞延稅項資產/(負債)的項目及年內變動如下：

		Government grant 政府補貼 RMB'000 人民幣千元	Inventory provisions 存貨撥備 RMB'000 人民幣千元	Distributable profits of subsidiaries 附屬公司的可供分派利潤 RMB'000 人民幣千元	Other expenses 其他開支 RMB'000 人民幣千元	Fair value adjustment upon acquisition of a subsidiary 收購一家附屬公司後公平值調整 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>Deferred tax arising from:</b>	來自下列各項的遞延稅項：						
At 1 January 2007	於二零零七年一月一日	-	-	-	755	-	755
Addition through acquisition of a subsidiary (note 28)	因收購一家附屬公司的增加額 (附註28)	-	-	-	-	(3,347)	(3,347)
Credited/(charged) to the income statement (note 7(a))	於損益表計入/(扣除) (附註7(a))	922	-	-	(755)	3,347	3,514
At 31 December 2007	於二零零七年十二月三十一日	922	-	-	-	-	922
At 1 January 2008	於二零零八年一月一日	922	-	-	-	-	922
Credited/(charged) to the income statement (note 7(a))	於損益表計入/(扣除) (附註7(a))	2,953	27,706	(7,232)	-	-	23,427
At 31 December 2008	於二零零八年十二月三十一日	3,875	27,706	(7,232)	-	-	24,349

		The Group 本集團	
		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
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	31,581	922
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	(7,232)	-
		24,349	922

## Notes to the Financial Statements

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(Expressed in Renminbi) (以人民幣列值)

## 22. Income tax in the consolidated balance sheet

(continued)

### (c) Deferred tax assets not recognised

The Group has not recognised deferred tax assets in respect of tax losses of RMB32,731,000 (2007: RMB Nil) of one of its subsidiaries in Hong Kong as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. The tax losses do not expire under the current tax legislation.

## 23. Deferred income

Various government grants have been received by the Group for generating export sales and constructing a manufacturing plant in Jinzhou, Liaoning Province, the PRC. In addition, certain government grants have been received by the Group to compensate for its research and development expenses in relation to the manufacturing of mono-crystalline silicon solar ingots and wafers and interest expenses for certain specific loans. Amounts of RMB1,265,000 (2007: RMB3,437,000) for the year ended 31 December 2008 have been recognised in the income statement.

The remaining unused balances as at each balance sheet date are included in the consolidated balance sheet as deferred income. There are no unfulfilled conditions or contingencies relating to these grants.

## 24. 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 2007 and 2008 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.

## 22. 綜合資產負債表內的所得稅(續)

### (c) 尚未確認遞延稅項資產

本集團並無就其中一家香港附屬公司人民幣32,731,000元(二零零七年:人民幣零元)的稅務虧損確認遞延稅項資產, 因為該等虧損可動用的未來應課稅利潤不大可能於相關稅務司法權區及實體出現。稅務虧損根據現行稅務法例並無到期日。

## 23. 遞延收入

本集團因產生出口銷售及於中國遼寧省錦州興建一家製造廠房獲得不同之政府補貼。此外, 本集團亦獲得若干政府補貼以資助其製造太陽能單晶硅錠及硅片之研發開支, 及補貼若干特定貸款之利息開支。截至二零零八年十二月三十一日止年度, 於收益表已確認人民幣1,265,000元(二零零七年:人民幣3,437,000元)。

於各結算日, 未動用之結餘被納入綜合資產負債表, 列作遞延收入。就該等補貼而言, 本集團並無尚未達成之條件或出現任何或然事項。

## 24. 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。截至二零零七年及二零零八年十二月三十一日止年度, 本集團中國附屬公司須就計劃分別按僱員薪金的20%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。

## 24. Retirement benefit schemes (continued)

The Group also operates a Mandatory Provident Fund Scheme ("the MPF scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$20,000. Contributions to the MPF scheme vest immediately.

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

## 25. Equity compensation benefits

### (a) STIC Employee Share Plan

For the purpose of providing compensation to certain senior management and employees (the "Relevant Employees") of the Acquired Group and those who have made past contribution to the Acquired Group (the "Other Relevant Officers") for their past contribution to the development of the Acquired Group and/or as an incentive for their future performance, pursuant to the board resolutions of STIC passed on 24 June 2007, STIC allotted and issued, an aggregate of 126,114,814 shares of HK\$0.1 each for an aggregate subscription price of HK\$12,611,481 (equivalent to RMB12,244,000) to the Relevant Employees and the Other Relevant Officers. Relevant Employees have agreed with Messrs. Hsu You Yuan, Tan Wenhua and Chiao Ping Hai (the "Relevant Directors"), and the Relevant Directors have undertaken with one another, that the Relevant Directors are entitled to buy back such shares from the Relevant Employees at the subscription cost if the Relevant Employees cease to be employed for reasons other than becoming incapacitated by work-inflicted injury which would prevent them from performing their duties, or deceased before the end of the relevant lock-up period (the "Return Condition").

## 24. 退休福利計劃(續)

本集團亦已根據香港強制性公積金計劃條例，為其受香港僱傭條例所管轄的僱員設立強制性公積金計劃(「強積金計劃」)。強積金計劃為定額供款退休計劃，由獨立受託人管理。強積金計劃規定僱主及其僱員各自按僱員相關收入的5%向該計劃作出供款，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。

## 25. 股份獎勵福利

### (a) STIC僱員股份計劃

為向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(因工傷未能履行其職責，或於有關禁售期完結前身故原因則除外)，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」)。

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財務報表附註

(Expressed in Renminbi) (以人民幣列值)

25. Equity compensation benefits (continued)

(a) STIC Employee Share Plan (continued)

Out of the total allotted and issued shares of 126,114,814 shares, 116,961,911 shares are subject to the Return Condition. Accordingly, at the end of each year end, the Acquired Group is required to estimate the number of shares which will continue to be held by the original Relevant Employees at the end of the relevant lock-up period and recognise the value of such shares over the subscription cost as an employee expense on a straight-line basis over the relevant lock-up period. Employee expenses as a result of the allotment of such shares subject to the Return Condition to the Relevant Employees will be approximately RMB17.0 million, RMB9.0 million, RMB4.8 million and RMB1.9 million for each of the financial years ending 31 December 2008, 2009, 2010 and 2011, respectively, assuming there is no termination of the Relevant Employees' employment before the end of the relevant vesting period. In respect of those shares which are not subject to the Return Condition, the value of such shares over the subscription cost was recognised as an employee expense on the allotment date.

On 26 June 2007, the Company acquired the entire interest of the Acquired Group. As shareholders of the Acquired Group, the Relevant Employees and the Other Relevant Officers were entitled to and did subscribe for 114,973 shares of HK\$0.1 each of the Company for an aggregate consideration of HK\$12,611,481 (equivalent to RMB12,244,000). The Return Condition remains applicable to those Relevant Employees to the effect that if the Relevant Employees cease to be employed for reasons other than becoming incapacitated by work-inflicted injury which would prevent them from performing their duties or deceased before the end of the relevant lock-up period, the Relevant Directors are entitled to buy back those shares which remain subject to the lock-up period from the Relevant Employees, provided that in the event that a Relevant Employee ceases to be employed within one year after the Listing Date, the Relevant Directors shall not be entitled to buy back the relevant shares until the first anniversary of the Listing Date.

Total employee expenses as a result of the allotment of the employee shares (including those shares with and without the Return Condition) are RMB17,025,000 (2007: RMB10,054,000) for the year ended 31 December 2008.

25. 股份獎勵福利(續)

(a) STIC僱員股份計劃(續)

已配發及發行股份總數126,114,814股，其中116,961,911股受歸還條件所限。因此，於各年度結束時，被收購集團須估計於有關禁售期結束時繼續由原有有關僱員持有的股份數目，並以直線法於有關禁售期內確認股份價值超出認購成本之數為僱員開支。假設概無有關僱員於有關歸屬期完結前停止受聘，截至二零零八年、二零零九年、二零一零年及二零一一年十二月三十一日止財政年度各年，因配發該等受歸還條件所限的股份予有關僱員而引致的僱員開支將分別約為人民幣17,000,000元、人民幣9,000,000元、人民幣4,800,000元及人民幣1,900,000元。就該等不受歸還條件所限的股份而言，該等扣除認購成本的股份價值已於配發日期確認為僱員開支。

於二零零七年六月二十六日，本公司收購被收購集團的全部權益。作為被收購集團的股東，有關僱員及其他有關高級職員有權以總代價12,611,481港元(相等於人民幣12,244,000元)認購114,973股每股面值0.1港元的本公司股份，而上述僱員已認購相關股份。歸還條件仍適用於有關僱員，倘有關僱員不再受聘(不包括因工傷未能履行其職責，或於有關禁售期完結前身故的有關僱員)，有關董事有權向有關僱員購回該等依然處於禁售期的股份，前提是倘有關僱員於上市日期後一年內終止受聘，有關董事於上市日期一周年屆滿前不得購回相關股份。

截至二零零八年十二月三十一日止年度，因配發僱員股份而產生的僱員開支總額為人民幣17,025,000元(二零零七年：人民幣10,054,000元)，僱員股份包括附有及未附有歸還條件的股份。

**25. Equity compensation benefits** (continued)**(a) STIC Employee Share Plan** (continued)

- (i) The terms and conditions of the shares granted to the Relevant Employees are as follows:

Date of grant 授出日期	Number of shares allotted and issued 配發及發行股份數目	Lock-up conditions 禁售條件
24 June 2007 二零零七年六月二十四日	26,657	1 December 2008 二零零八年十二月一日
24 June 2007 二零零七年六月二十四日	26,657	1 December 2009 二零零九年十二月一日
24 June 2007 二零零七年六月二十四日	26,657	1 December 2010 二零一零年十二月一日
24 June 2007 二零零七年六月二十四日	26,658	1 December 2011 二零一一年十二月一日

There was no change in the number of shares allotted and issued from the date of grant to 31 December 2008.

(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 2007 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	RMB57.5 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.

**25. 股份獎勵福利**(續)**(a) STIC僱員股份計劃**(續)

- (i) 授予有關僱員的股份條款及條件如下：

自授出日期至二零零八年十二月三十一日，配發及發行股份的數目並無變動。

(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。於截至二零零七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。估值乃自應用(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)所得的結果。

經參考可資比較上市公司，並扣除反映於授出日期非流動資金性質的可銷性折扣後釐定市盈率。

若干股份乃按服務條件授出。該條件並未納入計算於授出日期獲得服務的公平值。授予股份不附設市場條件。

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(Expressed in Renminbi) (以人民幣列值)

**25. Equity compensation benefits (continued)**

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

The Company adopted the 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 under the Scheme on 29 December 2008. Tranche A of the Scheme was fully vested on the date of grant.

The terms and conditions of the options granted under the Scheme are as follows:

	<b>Tranche A</b> 甲組	<b>Tranche B</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

No option granted under the Scheme has been exercised during the current year. The fair value of the options granted under the Scheme over the subscription cost amounted to RMB23,483,000, of which, RMB7,403,000 has been recognised as staff costs for the year ended 31 December 2008.

**25. 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。

根據該計劃所授出購股權的條款及條件如下：

概無根據該計劃所授出購股權於本年度獲行使。截至二零零八年十二月三十一日止年度，根據該計劃所授出購股權對認購成本的公平值為人民幣23,483,000元，當中人民幣7,403,000元已確認為員工成本。

**25. Equity compensation benefits** (continued)**(b) Share Option Plan of the Company** (continued)*(i) 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 2008 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

		<b>Tranche A</b>	<b>Tranche B</b>
		甲組	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.

**25. 股份獎勵福利**(續)**(b) 本公司之購股權計劃**(續)*(i) 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。截至二零零八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

		<b>Tranche A</b>	<b>Tranche B</b>
		甲組	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%

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。



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(Expressed in Renminbi) (以人民幣列值)

**26. Paid-in/issued capital**

**(a) The Group**

Details of the movements in capital and reserves of the Group are set out on page 70.

**(b) The Company**

**26. 實繳／已發行股本**

**(a) 本集團**

本集團資本及儲備變動的詳情載於第70頁。

**(b) 本公司**

		Share capital 股本	Share premium 股份溢價	Capital reserve 資本儲備	Exchange reserve 匯兌儲備	Accumulated losses 累計虧損	Total 合計
	Note 附註	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 7 March 2007	於二零零七年三月七日	-	-	-	-	-	-
Loss for the year	年度虧損	-	-	-	-	(2,405)	(2,405)
Arising from the Reorganisation	因重組產生的股本	26(f) 97	143,849	-	-	-	143,946
Acquisition of minority interests	收購少數股東權益	26(g) 33	60,857	-	-	-	60,890
Issue of new shares	發行新股份	26(h) 149	162,856	-	-	-	163,005
At 31 December 2007	於二零零七年十二月三十一日	279	367,562	-	-	(2,405)	365,436

		Share capital 股本	Share premium 股份溢價	Capital reserve 資本儲備	Exchange reserve 匯兌儲備	Accumulated losses 累計虧損	Total 合計
	Note 附註	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2008	於二零零八年一月一日	279	367,562	-	-	(2,405)	365,436
Loss for the year	年度虧損	-	-	-	-	(27,951)	(27,951)
Dividends	股息	8(b) -	(88,258)	-	-	-	(88,258)
Capitalisation issue	資本化發行	26(j) 129,086	(129,086)	-	-	-	-
Shares issued under the global offering	根據全球發售發行股份	26(k) 22,824	643,637	-	-	-	666,461
Share issuing costs	股份發行成本	26(k) -	(53,001)	-	-	-	(53,001)
Share-based payments	以股份支付款項	27(c) -	-	7,403	-	-	7,403
Exchange adjustments	匯兌調整	-	-	-	175	-	175
At 31 December 2008	於二零零八年十二月三十一日	152,189	740,854	7,403	175	(30,356)	870,265

**26. Paid-in/issued capital** (continued)**(c) Authorised and issued share capital****26. 實繳／已發行股本** (續)**(c) 法定及已發行股本****The Company**

本公司

		2008 二零零八年		2007 二零零七年	
		No. of shares 股份數目	'000 千元	No. of shares 股份數目	'000 千元
<b>Authorised:</b>	<b>法定：</b>				
Ordinary shares of HK\$0.1 each (note 26(i))	每股面值0.1港元的普通股 (附註26(i))	5,000,000,000	HK\$500,000 港幣500,000	3,800,000	HK\$380 港幣380
Equivalent to	相等於		RMB450,000 人民幣450,000		RMB368 人民幣368
<b>Ordinary shares, issued and fully paid:</b>	<b>已發行及繳足普通股：</b>				
At 1 January/7 March	於一月一日／三月七日	2,874,333	RMB279 人民幣279	1	RMB- 人民幣-
Arising from the Reorganisation (note 26(f))	因重組產生的股本 (附註26(f))	-	-	999,999	97
Acquisition of minority interests (note 26(g))	收購少數股東權益 (附註26(g))	-	-	343,708	33
Issue of new shares (note 26(h))	發行新股份 (附註26(h))	-	-	1,530,625	149
Capitalisation issue (note 26(j))	資本化發行 (附註26(j))	1,434,292,167	129,086	-	-
Shares issued under the global offering (note 26(k))	根據全球發售發行股份 (附註26(k))	253,600,000	22,824	-	-
At 31 December	於十二月三十一日	1,690,766,500	RMB152,189 人民幣152,189	2,874,333	RMB279 人民幣279

The Company was incorporated in the Cayman Islands on 7 March 2007 with an authorised share capital of 3,800,000 shares of HK\$0.1 each. One share of HK\$0.1 was issued nil paid and allotted to Codan Trust Company (Cayman) Limited and was transferred to the controlling equity shareholder on the same day.

The holders of shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

本公司於二零零七年三月七日於開曼群島註冊成立，法定股本為3,800,000股每股面值0.1港元的股份。1股面值0.1港元之股份以未繳股款的形式發行及配發予Codan Trust Company (Cayman) Limited，並於同日轉讓予控股權益股東。

股份持有人均有權收取不時宣派之股息，並有權就所持每股股份享有於本公司大會一票投票權。所有普通股對本公司剩餘資產擁有同等權利。

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**財務報表附註**

(Expressed in Renminbi) (以人民幣列值)

**26. Paid-in/issued capital (continued)**

- (d) Pursuant to written resolutions of the board of directors of Tayaneng passed on 9 March 2007, Tayaneng acquired equity interests of 75%, 70%, 74.17% and 75% in Yanguang, Huachang, Huari and Xinri respectively for a consideration of RMB74,782,000 and became the holding company of Yanguang, Huachang, Huari and Xinri.
- (e) Pursuant to written resolutions of the board of directors of Tayaneng passed on 7 May 2007, a shareholder's loan of US\$10,000,000 (equivalent to RMB77,160,000) was capitalised by Tayaneng by the allotment and issue of 9,999 shares of US\$1 each in Tayaneng, credited as fully paid, to the shareholders.
- (f) Pursuant to written resolutions of the board of directors of the Company passed on 8 May 2007, the Company obtained the entire equity interest in Tayaneng from the then shareholder of Tayaneng by issuing 999,999 shares of HK\$0.1 each (equivalent to RMB97,000) and credited the nil paid share held by Mr. Tan Wenhua referred to in note 26(e) as fully paid. The difference between the net asset value of Tayaneng and its subsidiaries acquired and the nominal value of the shares of the Company issued of RMB143,849,000 was credited to the share premium account.
- (g) Pursuant to written resolutions of the board of directors of the Company passed on 26 June 2007, the Company acquired the minority interests in the subsidiaries of Tayaneng by issuing 343,708 shares of HK\$0.1 each (equivalent to RMB33,000). The difference between the net asset value of minority interests acquired and the nominal value of the shares of the Company issued of RMB60,857,000 was credited to the share premium account.
- (h) Pursuant to written resolutions of the board of directors of the Company passed on 26 June 2007, the Company allotted and issued an aggregate of 1,530,625 shares of HK\$0.1 each to the then shareholders of the Acquired Group which subscribed for the Company's shares at a cash consideration of HK\$167,895,000 (equivalent to RMB163,005,000), of which RMB149,000 was credited to issued capital and the balance of RMB162,856,000 was credited to the share premium account.
- (i) Pursuant to the ordinary resolutions passed on 12 January 2008, the authorised share capital of the Company was increased from HK\$380,000 (equivalent to RMB368,000) to HK\$5,000,000,000 (equivalent to RMB4,500,000,000) by the creation of 4,996,200,000 new ordinary shares of HK\$0.1 (equivalent to RMB0.09) each.

**26. 實繳／已發行股本(續)**

- (d) 根據Tayaneng董事會於二零零七年三月九日通過的書面決議案，Tayaneng以代價人民幣74,782,000元分別收購錦州陽光、錦州華昌、錦州華日及錦州新日的股權75%、70%、74.17%及75%，並成為錦州陽光、錦州華昌、錦州華日及錦州新日的控股公司。
- (e) 根據Tayaneng董事會於二零零七年五月七日通過的書面決議案，Tayaneng透過向股東配發及發行9,999股每股面值1美元入賬列作繳足股份，以將10,000,000美元(相等於人民幣77,160,000元)的股東貸款撥充資本。
- (f) 根據本公司董事會於二零零七年五月八日通過的書面決議案，本公司透過發行999,999股每股面值0.1港元的股份(相等於人民幣97,000元)，以及譚文華先生持有未繳股款入賬列作繳足股份(誠如附註26(e)所述)，向Tayaneng當時股東取得Tayaneng全部股權。所收購的Tayaneng及其附屬公司資產淨值與本公司已發行股份的面值之差額，為人民幣143,849,000元，已於股份溢價賬中入賬。
- (g) 根據本公司董事會於二零零七年六月二十六日通過的書面決議案，本公司透過發行343,708股每股面值0.1港元的股份(相等於人民幣33,000元)，收購Tayaneng附屬公司的少數股東權益。所收購少數股東權益的資產淨值與本公司已發行股份的面值之差額，為人民幣60,857,000元，已於股份溢價賬中入賬。
- (h) 根據本公司董事會於二零零七年六月二十六日通過的書面決議案，本公司向被收購集團當時股東配發及發行合共1,530,625股每股面值0.1港元的股份，而被收購集團以現金代價167,895,000港元(相等於人民幣163,005,000元)認購本公司股份，其中人民幣149,000元計入已發行股本，餘額人民幣162,856,000元於股份溢價賬中入賬。
- (i) 根據於二零零八年一月十二日通過的普通決議案，透過增設4,996,200,000股每股面值0.1港元(相當於人民幣0.09元)的新普通股，將本公司法定股本由380,000港元(相當於人民幣368,000元)增至5,000,000,000港元(相當於人民幣4,500,000,000元)。

## 26. Paid-in/issued capital (continued)

- (j) 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) standing to the credit of the share premium account of the Company.

The allotment and issue of shares of the Company mentioned above is referred to as the "Capitalisation issue".

- (k) 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 shares on the Stock Exchange. The Group raised approximately HK\$682 million (equivalent to RMB613 million) net of related expenses from the share offer.

## 27. 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.

## 26. 實繳／已發行股本(續)

- (j) 根據於二零零八年二月二十七日通過的普通決議案，董事將本公司股份溢價賬內的進賬143,429,000港元(相當於人民幣129,086,000元)撥充資本，藉以向在招股章程日期二零零八年三月十七日營業時間結束時名列本公司股東名冊的股東，按其於當日持有的股權比例透過以面值配發及發行合共1,434,292,167股每股面值0.1港元(相當於人民幣0.09元)入賬列為繳足的股份。

上述本公司股份的配發及發行稱為「資本化發行」。

- (k) 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)。

## 27. 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%。

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(Expressed in Renminbi) (以人民幣列值)

27. Reserves (continued)

(c) Capital reserve

The capital reserve comprises the fair value of shares allotted and issued and share options granted to employees of the Group over the subscription costs recognised in accordance with the accounting policy adopted for share-based payments in note 2(m)(iii).

(d) Other reserve

The other reserve represents:

- (i) The difference between Tayaneng's attributable share of the nominal value of the paid-up capital of the subsidiaries acquired over the consideration paid by Tayaneng to obtain the equity interests in these subsidiaries.

Pursuant to the Reorganisation, Tayaneng acquired equity interests of 75%, 70%, 74.17% and 75% in Yangguang, Huachang, Huari and Xinri respectively on 9 March 2007. The difference between Tayaneng's attributable share of the nominal value of these subsidiaries of RMB74,858,000 and the consideration paid of RMB74,782,000 amounted to RMB76,000 and was credited to other reserve account.

- (ii) The difference between the net asset value of Tayaneng and its subsidiaries acquired and the nominal value of the issued share capital of Tayaneng.

The other reserve is non-distributable.

(e) Distributability of reserves

At 31 December 2008, the aggregate amount of reserves available for distribution to equity shareholders of the Company was RMB710,498,000 (2007: RMB365,157,000).

27. 儲備(續)

(c) 資本儲備

資本儲備為配發及發行予本集團僱員的股份以及授予彼等的購股權的公平值超出遵照附註2(m)(iii)所載有關以股份支付款項所採納會計政策而確認的認購成本之數。

(d) 其他儲備

其他儲備指：

- (i) Tayaneng於所收購附屬公司應佔實繳資本之面值超出Tayaneng就獲得此等附屬公司之股權所支付代價之差額。

根據重組，Tayaneng於二零零七年三月九日收購錦州陽光、錦州華昌、錦州華日及錦州新日分別75%、70%、74.17%及75%股權。Tayaneng於此等附屬公司應佔面值人民幣74,858,000元與已支付代價人民幣74,782,000元之差額為人民幣76,000元，已計入其他儲備賬。

- (ii) 所收購Tayaneng及其附屬公司的資產淨值與Tayaneng已發行股本的面值之差額。

其他儲備為不可分派的儲備。

(e) 儲備的可供分派性

於二零零八年十二月三十一日，可供分派予本公司權益股東的儲備總額為人民幣710,498,000元(二零零七年：人民幣365,157,000元)。

## 27. Reserves (continued)

### (f) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

At 31 December 2008, the Group had short-term bank loans amounting to RMB214,580,000 (2007: RMB127,000,000) which are repayable within one year and a municipal government loan of RMB3,003,000 (2007: RMB2,890,000) which will be fully repaid by 2020. The gearing ratio, representing the ratio of total borrowings to the total share capital and reserves of the Group was 17.2% at 31 December 2008 (2007: 20.5%). The Group had cash and bank deposits as at 31 December 2008 amounting to RMB295,473,000 (2007: RMB349,098,000).

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.

## 28. Business combination

On 26 June 2007, the Company acquired the entire equity interests in the Acquired Group for a cash consideration of HK\$167,895,000 (equivalent to RMB163,005,000). The fair value of the Acquired Group's net assets at the date that the Company obtained control on 26 June 2007 was RMB237,776,000.

The Acquired Group contributed aggregate revenue of RMB158,585,000 and aggregate net profit of RMB38,246,000 during the period from 26 June 2007 to 31 December 2007. The aggregate revenue and net profit of the Acquired Group as if the acquisition for the business combination effected during the year ended 31 December 2007 had been at the beginning of the year were RMB363,784,000 and RMB101,359,000 respectively.

## 27. 儲備(續)

### (f) 資金管理

本集團管理資金的首要目的為根據風險水平釐定產品及服務價格以及按合理成本取得融資，藉此保障本集團能持續營運，繼續為股東提供回報與為其他權益持有人帶來利益。

於二零零八年十二月三十一日，本集團的短期銀行貸款達人民幣214,580,000元(二零零七年：人民幣127,000,000元)，須於一年內償還；而市政府貸款為人民幣3,003,000元(二零零七年：人民幣2,890,000元)，將於二零零七年前悉數償還。負債比率即借貸總額相對本集團的總股本及儲備之比率，於二零零八年十二月三十一日為17.2%(二零零七年：20.5%)。於二零零八年十二月三十一日，本集團持有現金及銀行存款人民幣295,473,000元(二零零七年：人民幣349,098,000元)。

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。

## 28. 業務合併

於二零零七年六月二十六日，本公司以現金代價167,895,000港元(相等於人民幣163,005,000元)收購被收購集團全部股權。本公司於二零零七年六月二十六日獲得控制權，被收購集團當日之資產淨值公平值為人民幣237,776,000元。

二零零七年六月二十六日至二零零七年十二月三十一日期間，被收購集團的收入貢獻總額為人民幣158,585,000元，純利貢獻總額為人民幣38,246,000元。被收購集團之收入及純利總額分別為人民幣363,784,000元及人民幣101,359,000元(猶如截至二零零七年十二月三十一日止年度落實之業務合併收購於年初已存在)。

**Notes to the Financial Statements**

**財務報表附註**

(Expressed in Renminbi) (以人民幣列值)

**28. Business combination (continued)**

The acquisition has the following effect on the Group's assets and liabilities on 26 June 2007:

		Carrying amount 賬面值 RMB'000 人民幣千元	Fair value adjustment 公平值調整 RMB'000 人民幣千元	Fair value 公平值 RMB'000 人民幣千元
Property, plant and equipment (note 13(a))	物業、廠房及設備 (附註13(a))	25,127	-	25,127
Goodwill	商譽	3,539	(3,539)	-
Inventories	存貨	60,094	18,005	78,099
Trade and other receivables	應收貿易賬款及其他應收款項	157,503	-	157,503
Cash and cash equivalents	現金及現金等價物	68,479	-	68,479
Short-term bank loan	短期銀行貸款	(15,000)	-	(15,000)
Trade and other payables	應付貿易賬款及其他應付款項	(64,723)	-	(64,723)
Current tax payable (note 22(a))	應付即期稅項 (附註22(a))	(8,362)	-	(8,362)
Deferred tax liabilities (note 22(b))	遞延稅項負債 (附註22(b))	-	(3,347)	(3,347)
<b>Net assets acquired</b>	<b>所收購資產淨值</b>	<b>226,657</b>	<b>11,119</b>	<b>237,776</b>
Cash consideration paid	已付現金代價			(163,005)
Gain on acquisition (note 4)	收購收益 (附註4)			74,771
<b>Analysis of the net cash outflow of cash and cash equivalents in respect of the acquisition of the Acquired Group</b>	<b>收購被收購集團之現金及現金等價物現金流出淨額分析</b>			
Cash consideration paid	已付現金代價			163,005
Less: cash and cash equivalents acquired	減：所收購現金及現金等價物			(68,479)
<b>Net cash outflow</b>	<b>現金流出淨額</b>			<b>94,526</b>

The gain on acquisition mainly represents the changes in the fair value of the Acquired Group during the period from 1 January 2007 to the acquisition date of 26 June 2007. The Company had substantially concluded and agreed on the terms and conditions of the acquisition with the then shareholders of the Acquired Group as at 31 December 2006. Since the statutory approval from authorities of corresponding jurisdictions was necessary for the acquisition to complete, the change in fair value during the application process has therefore resulted in a gain on acquisition.

**28. 業務合併(續)**

該項收購對本集團於二零零七年六月二十六日之資產及負債有以下影響：

	Carrying amount 賬面值 RMB'000 人民幣千元	Fair value adjustment 公平值調整 RMB'000 人民幣千元	Fair value 公平值 RMB'000 人民幣千元
Property, plant and equipment (note 13(a))	25,127	-	25,127
Goodwill	3,539	(3,539)	-
Inventories	60,094	18,005	78,099
Trade and other receivables	157,503	-	157,503
Cash and cash equivalents	68,479	-	68,479
Short-term bank loan	(15,000)	-	(15,000)
Trade and other payables	(64,723)	-	(64,723)
Current tax payable (note 22(a))	(8,362)	-	(8,362)
Deferred tax liabilities (note 22(b))	-	(3,347)	(3,347)
<b>Net assets acquired</b>	<b>226,657</b>	<b>11,119</b>	<b>237,776</b>
Cash consideration paid			(163,005)
Gain on acquisition (note 4)			74,771
<b>Analysis of the net cash outflow of cash and cash equivalents in respect of the acquisition of the Acquired Group</b>			
Cash consideration paid			163,005
Less: cash and cash equivalents acquired			(68,479)
<b>Net cash outflow</b>			<b>94,526</b>

收購收益主要指被收購集團由二零零七年一月一日至收購日期二零零七年六月二十六日期間之公平值變動。本公司與被收購集團於二零零六年十二月三十一日當時之股東，已大致落實及同意收購條款及條件。由於收購須取得相應司法權區主管機關之法定批准方告完成，故於申請過程中之公平值變動帶來收購收益。

## 29. Related party transactions

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

### Name of party 各方名稱

## 29. 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：

### Relationship 關係

Tan Wenhua 譚文華	Executive Director 執行董事
Zhao Xiu Qin 趙秀芹	Spouse of Tan Wenhua 譚文華之配偶
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
Helitek International Company Limited ("Helitek") 漢崧國際有限公司(「漢崧」)	Subsidiary of WWX 合晶科技之附屬公司
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 Youhua New Energy Company Limited ("Youhua") 錦州佑華新能源有限公司(「錦州佑華」)	Same key management as the Group's before it became the subsidiary of the Company on 26 June 2007 於二零零七年六月二十六日成為本公司附屬公司之前，其主要管理人員與本集團者相同
Jinzhou Youxin Electronic Materials Company Limited ("Jinzhou Youxin") 錦州佑鑫電子材料有限公司(「錦州佑鑫」)	Controlled by Zhao Xiu Qin and an associate of Chong Kin Ngai on or before 28 May 2007 An associate of Chong Kin Ngai after 28 May 2007 受趙秀芹控制，並於二零零七年五月二十八日或之前為莊堅毅之聯繫人士 於二零零七年五月二十八日之後為莊堅毅之聯繫人士
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



**Notes to the Financial Statements**

**財務報表附註**

(Expressed in Renminbi) (以人民幣列值)

**29. 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**

		<b>The Group</b>	
		<b>本集團</b>	
		<b>2008</b>	2007
		二零零八年	二零零七年
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
Sales of goods to:	銷售貨品予：		
– Huachang Guangfu	– 華昌光伏	<b>17,506</b>	–
– SEC	– 宇宙能源株式會社	–	88,840
– WWX	– 合晶科技	<b>179,959</b>	69,310
– WWXS	– 合晶硅材料	<b>10,043</b>	965
Provision of services to:	提供服務予：		
– SEC	– 宇宙能源株式會社	<b>43,248</b>	8,533
– WWX	– 合晶科技	<b>1,835</b>	5,264
– WWXS	– 合晶硅材料	<b>6,196</b>	374
– Youhua	– 錦州佑華	–	643
		<b>258,787</b>	173,929
Purchases of goods from:	向下列各方購買貨品：		
– Jinzhou Changhua	– 錦州昌華	<b>27,005</b>	16,873
– SEC	– 宇宙能源株式會社	<b>7,376</b>	55,206
– Youhua	– 錦州佑華	–	52,310
– Jinzhou Youxin	– 錦州佑鑫	<b>24,850</b>	29,504
– WWX	– 合晶科技	<b>186,170</b>	36,027
– WWXS	– 合晶硅材料	<b>28,569</b>	415
– Helitek	– 漢崧	–	848
Provision of services by Youhua	錦州佑華提供服務	–	1,550
Provision of electricity and water by Jinzhou Huarong	錦州華榮提供水電	<b>1,538</b>	1,177
		<b>275,508</b>	193,910

The Directors are of the opinion that the above related party transactions were conducted on normal commercial terms and were priced with reference to prevailing market prices and in the ordinary course of business.

**29. 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**

董事認為上述關連方交易乃於一般業務過程中按一般商業條款進行，並參考現行市價而訂價。

**29. Related party transactions** (continued)**(b) Non-recurring transactions**

		<b>The Group</b> 本集團	
		<b>2008</b> 二零零八年 <b>RMB'000</b> 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Sale of machinery and equipment to WWXS	向合晶硅材料出售機器及設備	-	715

The Directors are of the opinion that the above related party transaction was conducted on normal commercial terms and was with reference to prevailing market prices and in the ordinary course of business.

董事認為上述關連方交易乃於一般業務過程中按一般商業條款進行，並參考現行市價而訂價。

**(c) Amounts due from related parties**

		<b>The Group</b> 本集團	
		<b>2008</b> 二零零八年 <b>RMB'000</b> 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Trade	貿易		
- Jinzhou Changhua	- 錦州昌華	4,328	351
- SEC	- 宇宙能源株式會社	7,061	2,978
- WWX	- 合晶科技	55,002	28,840
- WWXS	- 合晶硅材料	1,149	1,173
		<b>67,540</b>	33,342
Non-trade	非貿易		
- WWXS	- 合晶硅材料	-	715
		<b>67,540</b>	34,057

An amount due from related party expected to be recovered or recognised as expense after more than one year is RMB9,249,000 (2007: RMB Nil).

預期於超過一年後收回或確認為開支之應收關連方款項為人民幣9,249,000元(二零零七年：人民幣零元)。

Other amounts due from related parties are unsecured, interest free and are expected to be recovered or recognised as expense within one year.

應收關連方之其他款項為無抵押、免息及預期可於一年內收回或確認為開支。

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**財務報表附註**

(Expressed in Renminbi) (以人民幣列值)

**29. Related party transactions (continued)**

**(d) Amounts due to related parties**

		<b>The Group</b>	
		<b>本集團</b>	
		<b>2008</b>	2007
		二零零八年	二零零七年
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
Trade	貿易		
- Jinzhou Changhua	- 錦州昌華	<b>11,500</b>	1,356
- WWX	- 合晶科技	<b>37,143</b>	18,708
- WWXS	- 合晶硅材料	<b>23,670</b>	3,415
- Jinzhou Youxin	- 錦州佑鑫	<b>6,135</b>	3,283
- Huachang Guangfu	- 華昌光伏	<b>20,000</b>	-
		<b>98,448</b>	26,762

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**

		<b>The Group</b>	
		<b>本集團</b>	
		<b>2008</b>	2007
		二零零八年	二零零七年
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
Tan Wenhua	譚文華	<b>150</b>	-

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。

**29. 關連方交易(續)**

**(d) 應付關連方款項**

		<b>The Group</b>	
		<b>本集團</b>	
		<b>2008</b>	2007
		二零零八年	二零零七年
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
Trade	貿易		
- Jinzhou Changhua	- 錦州昌華	<b>11,500</b>	1,356
- WWX	- 合晶科技	<b>37,143</b>	18,708
- WWXS	- 合晶硅材料	<b>23,670</b>	3,415
- Jinzhou Youxin	- 錦州佑鑫	<b>6,135</b>	3,283
- Huachang Guangfu	- 華昌光伏	<b>20,000</b>	-
		<b>98,448</b>	26,762

**(e) 應付一名董事之款項**

		<b>The Group</b>	
		<b>本集團</b>	
		<b>2008</b>	2007
		二零零八年	二零零七年
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
Tan Wenhua	譚文華	<b>150</b>	-

**29. Related party transactions** (continued)**(f) Guarantees**

		<b>The Group</b> 本集團	
		<b>2008</b> 二零零八年 <b>RMB'000</b> 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
<b>Financial guarantee granted to a related party:</b>	向一名關連方授出的財務擔保：		
Issuance of a guarantee in favour of a bank in respect of a bank loan granted to Youhua	就向錦州佑華授出之銀行貸款，以銀行為受益人作出之擔保	-	-
<b>Maximum liability of the Company under the guarantee:</b>	擔保項下本公司負債之上限：		
At beginning of year	年初	-	6,000
At end of year	年終	-	-

**(g) 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 10 and 11. Total remuneration is included in "staff costs" as disclosed in note 6(b).

**(g) 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10及11披露。薪酬總額撥入「員工成本」，詳情於附註6(b)披露。

**30. 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:

**30. 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：

		<b>The Group</b> 本集團	
		<b>2008</b> 二零零八年 <b>RMB'000</b> 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Authorised and contracted for	已授權並已訂約	<b>343,377</b>	83,668
Authorised but not contracted for	已授權但未訂約	<b>30,000</b>	8,570

**Notes to the Financial Statements**

**財務報表附註**

(Expressed in Renminbi) (以人民幣列值)

**31. Operating lease commitments**

At 31 December 2008, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

		<b>The Group</b>	
		<b>本集團</b>	
		<b>2008</b>	2007
		二零零八年	二零零七年
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
Within 1 year	一年內	<b>1,617</b>	1,637
After 1 year but within 5 years	一年後但五年內	<b>1,655</b>	2,675
After 5 years	五年後	<b>2,041</b>	2,165
		<b>5,313</b>	6,477

The Group is the lessee in respect to a number of properties held under operating leases at 31 December 2008. 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.

**32. Financial instruments**

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. These risks are limited by the Group's financial management policies and practices described below.

**(a) Credit risk**

The Group's credit risk is primarily attributable to cash and cash equivalents and trade and other receivables. Cash and cash equivalents are normally 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 on a case-by-case basis. As at 31 December 2008, the Group has a certain concentration of credit risk as 12% (2007: 13%) of the total trade and other receivables was due from the Group's largest customer and 31% (2007: 30%) 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. Except as disclosed in note 29(f), the Group does not provide any other guarantees which would expose the Group to credit risk.

**31. 經營租賃承擔**

於二零零八年十二月三十一日，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：

		<b>The Group</b>	
		<b>本集團</b>	
		<b>2008</b>	2007
		二零零八年	二零零七年
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
Within 1 year	一年內	<b>1,617</b>	1,637
After 1 year but within 5 years	一年後但五年內	<b>1,655</b>	2,675
After 5 years	五年後	<b>2,041</b>	2,165
		<b>5,313</b>	6,477

於二零零八年十二月三十一日，本集團為根據多項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，附有選擇權於租賃屆滿時，可於重新磋商全部條款日期後續約。該等租賃並不包括或然租金。

**32. 金融工具**

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。此等風險受到本集團下述財務管理政策及常規所限制。

**(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。現金及現金等價物一般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的信貸狀況。於二零零八年十二月三十一日，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的12% (二零零七年：13%) 來自本集團最大客戶的欠款，另31% (二零零七年：30%) 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金額。除於附註29(f)所披露者外，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。

**32. Financial instruments** (continued)**(b) Liquidity risk**

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

The following table details the remaining contractual maturities at the balance sheet date of the Group's and the Company's financial liabilities, which are based on contractual undiscounted cash flows and the earliest date the Group and the Company can be required to pay.

**The Group**

		2008 二零零八年						2007 二零零七年					
		Total contractual carrying amount	Within 1 year or less than 2 years	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total contractual amount	Within 1 year or less than 2 years	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years		
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000		
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元		
Short-term bank loans	短期銀行貸款	214,580	(224,968)	(224,968)	-	-	127,000	(131,428)	(131,428)	-	-		
Municipal government loan	市政府貸款	3,003	(4,612)	-	(466)	(1,341)	(2,805)	2,890	(4,612)	-	(922)	(3,690)	
Trade and other payable and accrued expenses	應付貿易賬款及其他應付款項以及應計開支	252,433	(252,433)	(252,433)	-	-	144,068	(144,068)	(144,068)	-	-		
		470,016	(482,013)	(477,401)	(466)	(1,341)	(2,805)	273,958	(280,108)	(275,496)	-	(922)	(3,690)

**32. 金融工具** (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於結算日財務負債之餘下合約年限，有關財務負債乃以合約未折現現金流量以及本集團及本公司須還款最早日期作為基礎。

**本集團**

**Notes to the Financial Statements**  
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 (Expressed in Renminbi) (以人民幣列值)

**32. Financial instruments** (continued)

**(b) Liquidity risk** (continued)

**The Company**

		2008 二零零八年			2007 二零零七年		
		Total		Total			
		contractual	Within	contractual	Within		
		undiscounted	1 year or	undiscounted	1 year or		
		Carrying	cash flow	on demand	Carrying	cash flow	on demand
		amount	合約未折現	一年內或接獲	amount	合約未折現	一年內或接獲
		賬面值	現金流量總額	通知時到期	賬面值	現金流量總額	通知時到期
		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
Other payables	其他應付款項	2,897	(2,897)	(2,897)	33,837	(33,837)	(33,837)
Amount due to a subsidiary	應付一家附屬公司款項	236,189	(236,189)	(236,189)	15,774	(15,774)	(15,774)
		<b>239,086</b>	<b>(239,086)</b>	<b>(239,086)</b>	49,611	(49,611)	(49,611)

**32. 金融工具** (續)

**(b) 流動資金風險** (續)

**本公司**

**32. Financial instruments** (continued)**(c) Interest rate risk***(i) Effective interest rates and repricing analysis*

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

		2008 二零零八年		2007 二零零七年	
		Effective interest rate	RMB'000	Effective interest rate	RMB'000
		實際利率	人民幣千元	實際利率	人民幣千元
<b>Variable rate borrowings</b>	<b>浮息借貸</b>				
Short-term secured bank loans	短期有抵押銀行貸款	6.00	14,580	—	—
Short-term unsecured bank loans	短期無抵押銀行貸款	4.87-6.66	200,000	6.71	127,000
			<b>214,580</b>		<b>127,000</b>
<b>Fixed rate borrowing</b>	<b>定息借貸</b>				
Municipal government loan	市政府貸款	7.44	3,003	7.44	2,890
Total borrowings	借貸總額		<b>217,583</b>		<b>129,890</b>
Net fixed rate borrowings as a percentage of total net borrowings	定息借貸淨額佔借貸淨額總計的百分比		<b>1.4%</b>		<b>2.2%</b>

*(ii) Sensitivity analysis*

At 31 December 2008, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would have decreased/increased the Group's profit after tax and retained earnings by approximately RMB1,817,000 (2007: RMB1,270,000).

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the balance sheet date and had been applied to the exposure to interest rate risk for both derivative and non-derivative financial instruments in existence at that date. The 100 basis point increase or decrease represents change in interest rates over the period until the next annual balance sheet date. The analysis has been performed on the same basis for 2007.

**32. 金融工具** (續)**(c) 利率風險***(i) 實際利率及重新定價分析*

下表詳列本集團於結算日借貸淨額的利率概況。

*(ii) 敏感度分析*

於二零零八年十二月三十一日，估計整體利率上升／下降100個基點，而所有其他可變因素維持不變，本集團的除稅後利潤及保留盈利將會下降／上升大約人民幣1,817,000元(二零零七年：人民幣1,270,000元)。

以上敏感度分析基於假設利率變動於結算日發生，並把利率變動應用於當天存在的衍生及非衍生金融工具上。100個基點的增減指直至下個年度結算日止期間內的利率變動，二零零七年的分析是以相同的基準進行。



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財務報表附註

(Expressed in Renminbi) (以人民幣列值)

32. Financial instruments (continued)

(d) 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 the functional currency of the operations to which they relate. The currencies giving rise to this risk 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 the foreign currencies collected from customers to settle the amounts due to suppliers. In addition, the Directors ensure that the net exposure is kept to an acceptable level by buying or selling the United States Dollar at spot rates where necessary to address short-term imbalances.

(i) Exposure to currency risk

The following table details the Group's and the Company's exposure at the balance sheet date to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate.

32. 金融工具(續)

(d) 外匯風險

本集團承受的外幣匯兌風險，主要來自與業務相關功能貨幣以外貨幣計值之銷售及採購。產生此等風險之貨幣主要為美元及港元。董事並不預期匯率變動會對本集團造成任何重大影響，因為本集團使用自客戶收回之外幣向供應商支付款項。此外，當有需要時，董事在需要時可藉著按即期匯率買入及賣出美元解決短期失衡，以確保淨風險維持於可接受水平。

(i) 外匯風險

下表詳列本集團及本公司於結算日承擔的外匯風險，外匯風險因已確認資產或負債以相關實體功能貨幣以外貨幣計值而產生。

		<b>The Group</b> 本集團			
		<b>2008</b> 二零零八年		2007 二零零七年	
		<b>United States Dollars '000</b> 千美元	<b>Hong Kong Dollars '000</b> 千港元	United States Dollars '000 千美元	Hong Kong Dollars '000 千港元
Trade and other receivables	應收貿易賬款及其他應收款項	10,128	-	10,773	-
Pledged deposits	已抵押存款	-	-	-	-
Cash and cash equivalents	現金及現金等價物	6,832	33,469	3,670	9,555
Trade and other payables	應付貿易賬款及其他應付款項	(1,377)	-	(3,369)	-
		<b>15,583</b>	<b>33,469</b>	11,074	9,555

**32. Financial instruments** (continued)**(d) Foreign currency risk** (continued)*(i) Exposure to currency risk (continued)*

		<b>The Company</b> 本公司	
		<b>2008</b> 二零零八年	2007 二零零七年
		<b>United States Dollars '000</b> 千美元	United States Dollars '000 千美元
Other receivables, prepayments and deposits	其他應收款項、預付款項及按金	-	255
Other payables	其他應付款項	<b>(6)</b>	(210)
		<b>(6)</b>	45

*(ii) Sensitivity analysis*

The following table indicates the approximate change in the Group's profit after tax and retained profits in response to reasonably possible changes in the foreign exchange rates to which the Group has significant exposure at the balance sheet date.

*(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合理變動，而令本集團除稅後利潤及保留利潤出現的概約變動。

		<b>The Group</b> 本集團			
		<b>2008</b> 二零零八年		2007 二零零七年	
		<b>Increase/decrease in foreign exchange rates</b> 匯率升/跌 %	<b>Effect on profit after tax and retained profit</b> 對除稅後利潤及保留利潤之影響 <b>RMB'000</b> 人民幣千元	Increase/decrease in foreign exchange rates	Effect on profit after tax and retained profit 對除稅後利潤及保留利潤之影響 RMB'000 人民幣千元
Hong Kong Dollars	港元	<b>10</b>	<b>3,012</b>	10	838
United States Dollars	美元	<b>10</b>	<b>10,644</b>	10	7,596

## Notes to the Financial Statements

### 財務報表附註

(Expressed in Renminbi) (以人民幣列值)

## 32. Financial instruments (continued)

### (d) Foreign currency risk (continued)

#### (ii) Sensitivity analysis (continued)

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had occurred at the balance sheet date and had been applied to the Group's exposure to currency risk for all financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant.

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 2007.

### (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 2007 and 2008.

## 33. Significant accounting estimates and judgements

In determining the carrying amounts of certain assets and liabilities, the Group makes assumptions of the effects of uncertain future events on those assets and liabilities as at the balance sheet date. The Group's estimates and assumptions are based on historical experience and expectations of future events and are reviewed periodically. In addition to assumptions and estimations of future events, judgements are also made during the process of applying the Group's accounting policies.

### (a) Useful lives of property, plant and equipment

Property, plant and equipment is depreciated on a straight-line basis over the estimated useful lives of each asset, after taking into account the estimated residual value. The Group reviews annually the useful life of an asset and its residual value, if any. Both the period and methods of depreciation are reviewed annually. The depreciation expense for future periods is adjusted if there are significant changes from previous estimates.

## 32. 金融工具(續)

### (d) 外匯風險(續)

#### (ii) 敏感度分析(續)

敏感度分析乃假設有關匯率變動已於結算日發生而釐定，並已應用於本集團就該日存在的全部金融工具所承擔匯率風險，且所有其他可變因素(特別是利率)均維持不變。

所述變動乃指本期間至下一年度結算日止期間的匯率變動。就此而言，已假設美元兌其他貨幣匯率出現的任何變動，不會重大影響港元與美元的聯繫匯率。二零零七年的分析是以相同的基準進行。

### (e) 原材料供應風險

本集團之收入很大程度上倚重其取得充足符合其指定規格之原材料之能力。本集團從有限數目之供應商取得大部分原材料。因此，倘本集團未能確保有充足原材料供應以應付其計劃產量，則本集團的收入可能會受到重大不利影響。

### (f) 公平值

於二零零七年及二零零八年十二月三十一日，所有金融工具的賬面金額與其公平值之間並沒有重大差異。

## 33. 重大會計估計及判斷

在釐定若干資產及負債的賬面金額時，本集團就不確定的未來事件對於結算日該等資產及負債的影響作出假設。本集團根據過去經驗和對未來事件的預計作出估計及假設，並定期審閱。除對未來事件的假設及估計外，本集團採用會計政策時亦會作出判斷。

### (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，則會在未來期間之折舊開支作出調整。

### 33. Significant accounting estimates and judgements (continued)

#### (b) Impairment

In considering the impairment losses that may be required for the Group's property, plant and equipment and construction in progress, the recoverable amount of the asset needs to be determined. The recoverable amount is the greater of the net selling price and the value in use. It is difficult to precisely estimate the net selling price because quoted market prices for these assets may not be readily available. In determining the value in use, expected cash flows generated by the asset are discounted to their present values, which requires significant judgement relating to items such as the level of sales volume, selling price and amount of operating costs. The Group uses all readily available information in determining an amount that is a reasonable approximation of the recoverable amount, including estimates based on reasonable and supportable assumptions and projections of items such as sales volume, selling prices and amount of operating costs.

Impairment losses for bad and doubtful debts are assessed and provided based on the directors' regular review of ageing analyses 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.

Any increase or decrease in the above impairment losses would affect the net profit in future years.

#### (c) Valuation of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs to completion and selling expenses. These estimates are based on the current market condition and the historical experience of manufacturing and selling products of similar nature. It could change significantly as a result of changes in technique and competitor actions in response to adverse industry cycles. Management reassess these estimates at each balance sheet date.

#### (d) Recognition of deferred tax assets

The Group has not recognised deferred tax assets in respect of tax losses of its subsidiary in Hong Kong based on the management's estimation of future taxable profits against which the accumulated tax losses may be offset in the foreseeable future. The Group has assessed that, based on the current economic circumstances, the operations of this subsidiary are unlikely generate sufficient profits to utilise the accumulated tax losses in the foreseeable future. It is possible that certain assumptions adopted in the preparation of the profit forecasts for the period may not be indicate of future taxable profits.

### 33. 重大會計估計及判斷(續)

#### (b) 減值

在考慮本集團物業、廠房及設備以及在建工程可能需要計提的減值虧損時，需要釐定該等資產的可收回金額。可收回金額是淨售價與使用價值兩者中之較高者。由於上述資產不一定可在市場上獲得報價，故此難以精確估計淨售價。在釐定使用價值時，預計從有關資產所得現金流量貼現至其現值，當中需要對銷量、售價及營運成本等項目作出重大判斷。本集團會運用一切可得資料，釐定可收回金額之合理概約數字，包括根據對銷量、售價及營運成本等項目之合理和具支持之假設和預測所作出之估計。

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的。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，會影響未來年度的純利。

#### (c) 存貨之估值

存貨之可變現淨值乃其於日常業務過程中之估計售價，扣除估計完成所需成本及銷售開支。該等估計乃基於目前市況以及製造及銷售同類產品之過往經驗，但可能會因為技術改變及競爭對手為針對嚴峻行業週期而採取之行動而出現重大改變。管理層會於各結算日重新評估該等估計。

#### (d) 確認遞延稅項資產

本集團並未就根據管理層估計在可預見未來可與累計稅項虧損對銷之未來應繳稅利潤計算之香港附屬公司稅項虧損，確認遞延稅項資產。本集團作出評估後，認為根據目前經濟情況，該附屬公司之業務不大可能賺取足夠利潤，以於可見將來動用累計稅項虧損。在編製期內利潤預測時所採納若干假設，未必反映日後應繳稅利潤。

**Notes to the Financial Statements**

**財務報表附註**

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**34. Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2008**

Up to the date of issue of the financial statements, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 31 December 2008 and which have not been adopted in these financial statements.

The Group is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations is expected to be in the period of initial application.

So far it has concluded that the adoption of them is unlikely to result in a significant restatement of the Group's or the Company's results of operations and financial position.

In addition, the following developments are expected to result in amended disclosures in the financial statements, including restatement of comparative amounts in the first period of adoption:

**34. 已頒佈但尚未於截至二零零八年十二月三十一日止年度生效的修訂、新訂準則及詮釋可能帶來的影響**

截至財務報表刊發日期，香港會計師公會已頒佈多項修訂、新訂準則及詮釋，而本集團並未在財務報表中採用此等並未於截至二零零八年十二月三十一日止年度生效的修訂、新訂準則及詮釋。

本集團現正評估上述修訂、新訂準則及詮釋於首次應用期間的預期影響。

至目前為止，本集團認為應用上述修訂、新訂準則及詮釋不大可能會對本集團或本公司的經營業績及財務狀況產生重大影響。

此外，預期以下進展將導致財務報表作出經修訂披露，包括於採納後首個期間重列比較金額：

**Effective for  
 accounting periods  
 beginning on or after  
 於下列日期或之後  
 開始的會計期間生效**

HKAS 1 (revised), Presentation of Financial Statements 香港會計準則第1號(經修訂)，財務報表的呈列	1 January 2009 二零零九年一月一日
HKAS 23 (revised), Borrowing Costs 香港會計準則第23號(經修訂)，借款成本	1 January 2009 二零零九年一月一日
HKAS 27 (revised), Consolidation and Separate Financial Statements 香港會計準則第27號(經修訂)，綜合及獨立財務報表	1 July 2009 二零零九年七月一日
HKFRS 2 (amendment), Share-based payment – Vesting Conditions and Cancellations 香港財務報告準則第2號(修訂本)，以股份支付款項－歸屬條件及註銷	1 January 2009 二零零九年一月一日
HKFRS 3 (revised), Business Combinations 香港財務報告準則第3號(經修訂)，業務合併	1 July 2009 二零零九年七月一日
HKFRS 8, Operating Segments 香港財務報告準則第8號，經營分部	1 January 2009 二零零九年一月一日



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