



泛亞環保集團有限公司
Pan Asia Environmental Protection Group Limited

(於開曼群島註冊成立之有限公司)

(Incorporated in the Cayman Islands with limited liability)



Creating a Greener Future

開創無污染的未來





Contents

目錄

Corporate Information	2-3	公司資料	2-3
Chairman's Statement	4-8	主席報告書	4-8
Management Discussion & Analysis	9-12	管理層討論與分析	9-12
Corporate Governance Report	13-27	企業管治報告	13-27
Directors and Senior Management	28-31	董事及高級管理層	28-31
Report of the Directors	32-43	董事會報告	32-43
Independent Auditor's Report	44-45	獨立核數師報告	44-45
Consolidated Statement of Comprehensive Income	46	綜合全面收益表	46
Statements of Financial Position	47	財務狀況表	47
Consolidated Statement of Changes in Equity	48	綜合權益變動表	48
Consolidated Statement of Cash Flows	49-50	綜合現金流量表	49-50
Notes to the Financial Statements	51-143	財務報表附註	51-143
Financial Summary	144	財務摘要	144

Corporate Information

公司資料

DIRECTORS

Executive Directors

Mr. Jiang Quanlong (*Chairman*)
Mr. Jiang Lei (*Chief Executive Officer*)
Mr. Fan Yajun
Mr. Gan Yi

Independent Non-Executive Directors

Mr. Lai Wing Lee
Mr. Leung Shu Sun, Sunny
Professor Wang Guozhen

COMPANY SECRETARY

Mr. Wan San Fai, Vincent

AUTHORISED REPRESENTATIVES

Mr. Jiang Quanlong
Mr. Wan San Fai, Vincent

PRINCIPAL BANKERS

China Construction Bank
Bank of Communications
Hang Seng Bank

AUDITOR

CCIF CPA Limited
34/F., The Lee Gardens
33 Hysan Avenue
Causeway Bay
Hong Kong

LEGAL ADVISERS

Chiu & Partners
40th Floor
Jardine House
1 Connaught Place
Hong Kong

PUBLIC RELATIONS

Strategic Financial Relations Limited
Unit A, 29/F., Admiralty Centre I
18 Harcourt Road
Hong Kong

董事

執行董事

蔣泉龍先生 (主席)
蔣磊先生 (行政總裁)
范亞軍先生
甘毅先生

獨立非執行董事

賴永利先生
梁樹新先生
王國珍教授

公司秘書

溫新輝先生

授權代表

蔣泉龍先生
溫新輝先生

主要往來銀行

中國建設銀行
交通銀行
恒生銀行

核數師

陳葉馮會計師事務所有限公司
香港
銅鑼灣
希慎道33號
利園34樓

法律顧問

趙不渝 • 馬國強律師事務所
香港
康樂廣場1號
怡和大廈
40樓

公共關係

縱橫財經公關顧問有限公司
香港
夏慤道18號
海富中心第1期29樓A室

Corporate Information 公司資料

REGISTERED OFFICE

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

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

HSBC Trustee (Cayman) Limited
P.O. Box 484
2nd Floor, Strathvale House
90 North Church Street
George Town
Grand Cayman KY1-1106
Cayman Islands

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

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

PRINCIPAL PLACE OF BUSINESS IN THE PRC

No. 1 Chuanshan Road
Dingshu Town
Yixing City
Jiangsu Province
PRC 214222

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 6302, The Center
99 Queen's Road Central
Hong Kong

WEBSITE

www.paep.com.cn

STOCK CODE

556

註冊地點

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

開曼群島股份過戶登記總處

HSBC Trustee (Cayman) Limited
P.O. Box 484
2nd Floor, Strathvale House
90 North Church Street
George Town
Grand Cayman KY1-1106
Cayman Islands

香港股份過戶登記分處

卓佳證券登記有限公司
香港
灣仔
皇后大道東28號
金鐘匯中心26樓

中國主要營業地點

中國
江蘇省
宜興市
川善公路1號
郵政編號：214222

香港主要營業地點

香港
皇后大道中99號
中環中心6302室

網站

www.paep.com.cn

股份代號

556

Chairman's Statement 主席報告書

To Shareholders:

The year of 2011 was a challenging year for the Group. The PRC Central Government in its Twelfth Five-Year Plan covering 2011-2015 explicitly prioritised energy conservation and environmental protection ("EP"). The Government, in fact, introduced various policies to encourage EP commercialisation which fuelled the rapid growth of the domestic EP industry. However, enterprises' increased investment in the industry created intense competition and the Group's business was inevitably affected. In this competitive environment, the Group continued to develop its wood wool cement board ("WWCB") business, eyeing on its future potential while, at the same time, focusing on the sale of pipes, water and flue gas treatment products and equipment to capture the opportunities in the EP industry.

The Group believes that EP is becoming the main development direction for China. The PRC Central Government's stated priority of supporting the EP industry can be seen in its planned investment in water treatment projects for 2012 which will exceed the RMB345.2 billion earmarked last year. Meanwhile, the Central Government is accelerating the construction of subsidised housing. Thus, the management is optimistic about the prospects of the EP industry in China.

Looking forward, the Group will continue to invest more resources in developing and promoting the WWCB business and securing more sales and engineering contracts for its EP-related business. The Group is constantly exploring favorable investment opportunities created by the country's EP initiatives. The Group will also prudently implement business development strategies with reference to market environment so as to maintain the growth of its businesses and generate greater value for shareholders.

致各位股東：

二零一一年財政年度對本集團而言是充滿挑戰的一年。雖然中央政府在制定二零一一年至二零一五年「十二五」規劃內已明確表示節能環保為國家最關注的項目重點之一，並落實多項鼓勵政策大力推動節能環保產業，令國內環保行業隨之而迅速發展。但由於不少企業紛紛對該產業作出投資，令行業的競爭日趨激烈，而本集團的業務亦無可避免受到影響。面對日趨白熱化的競爭環境，本集團於年內繼續積極發展具增長潛力的水泥石棉板業務，同時專注從事管道、水處理及煙氣處理產品和設備的銷售以捕捉環保產業的商機。

本集團相信環保將會是未來中國發展的主要方向，而中央政府也明確落實未來將會大力提振環保工業，其中，中央政府表示預計二零一二年水利投資額將會超過去年的人民幣3,452億元；同時，隨著中央政府加大保障房的住房建設力度，管理層對中國環保行業的發展前景保持樂觀。

未來，本集團將繼續投入更多資源發展及推廣水泥石棉板業務及積極爭取各項環保產品及設備銷售和工程合約，並尋找合適的投資機會，以抓緊國家不斷完善環保體制所帶來的機遇，並且會根據市場環境而審慎推進業務發展策略，以保障業務的可持續性發展，為股東締造可觀價值。

Chairman's Statement 主席報告書

FINANCIAL REVIEW

For the year ended 31 December 2011, the Group achieved a total turnover of RMB476.0 million, a decrease of 26.4% compared with last year (2010: RMB646.7 million), mainly due to the intense competition in the market. Affected by the rising costs, the Group recorded gross profit of RMB60.0 million (2010: RMB142.7 million) and a gross profit margin of 12.6% (2010: 22.1%) during the year. On the other hand, as the WWCB business was still in the development stage and had not yet contributed revenue to the Group, profit attributable to owners of the Company was RMB9.5 million (2010: RMB76.3 million). Earnings per share were RMB1.19 cents (2010: RMB9.53 cents).

PROSPECTS

Environmentally friendly construction materials business – a new growth driver with huge potential

Under the mission to helping create a greener society that uses resources more efficiently, the Group made its efforts to provide a comfortable living environment and contribute to sustainable development of the economy by producing energy conservation construction materials. The introduction of WWCB production lines from the Netherlands in 2010 marked the Group's expansion into the environmentally friendly construction materials business. WWCB is an environmentally friendly inorganic energy-conserving construction material that is made from cement, ecologically-friendly fast growing timber, and nontoxic chemical additives through a highly pressurised process. This material is widely used overseas because of its distinctive heat retention, fire resistant and insect repellent properties, along with its being sound-proof, moisture-proof and mould-proof properties. It also does not contain formaldehyde or any other volatile organic compounds. The benefits of WWCB make it a perfect material for renovation and wall construction, in particular, for residential and commercial buildings requiring heat conservation, high durability and savings of energy in regions with greater weather and climate temperature fluctuation.

財務摘要

截至二零一一年十二月三十一日止年度，本集團總營業額為人民幣4.760億元，較去年下跌26.4%（二零一零年：人民幣6.467億元），這主要由於市場競爭劇烈所致。而受成本增加影響，本集團於年內錄得毛利約人民幣6,000萬元（二零一零年：人民幣1.427億元），毛利率為12.6%（二零一零年：22.1%）。此外，由於水泥木絲板的生產尚在投資發展階段而未開始為本集團帶來收益，令本公司擁有人應佔溢利為人民幣950萬元（二零一零年：人民幣7,630萬元）。每股盈利為人民幣1.19分（二零一零年：人民幣9.53分）。

展望

環保建材業務 – 潛力巨大的新增長點

本著構建一個有效運用資源及環保社會的目標，本集團以實際行動為建築節能和可持續發展出一份力，為人民提供更舒適的居住環境。於二零一零年自荷蘭引進水泥木絲板材生產線，開拓了環保建材業務。水泥木絲板是一種由水泥、經濟速生林木材與無毒性化學添加物，經高壓製成之環保無機節能建材，於國外已被廣泛應用。此建材集合保溫、阻燃、隔音、防潮、防霉、防蟲及不含甲醛及任何有機揮發性氣體及不損害自然環境的眾多優點，卓越的表現令其成為優質的裝修及建築牆體材料，尤其適合用於溫差較大的地區作牆體保溫改造，建造耐用及節能的經濟型房屋和商用建築。

Chairman's Statement

主席報告書

In January 2012, the Ministry of Housing and Urban-Rural Development of the PRC approved the Group's WWCB as a standard construction product of the industry with effect from 1 August 2012. In addition, the Group has signed a cooperative agreement with Jiangsu Research Institute of the Building Science Co., Ltd. ("JRIBS") to evaluate and analyze the shape and specification of boards in relation to compliance with the national construction requirements, as well as product optimisation. JRIBS is also to provide working guidance for



the Group's pilot and demonstration projects. Having JRIBS, a key construction science institutes in China, to participate in the study can help improve the quality of the Group's products and pilot projects, as well as the enhancing recognition of the Group's products in the country.

Operation of the Group's first WWCB production line commenced in March 2011. To date, the Group has received many inquiries from Government organisation and potential overseas buyers, and samples have been sent to them for testing and reference. The second production line has started a trial run, and the third line is currently under installation and is scheduled for a trial run in May 2012. To satisfy market demand, the Group continues to expand its production facilities and already placed orders for three new lines at the end of 2011, and the lines are expected to commence testing in the fourth quarter of 2012. With a capacity of 140,000 m³ for each line, the additional capacity should optimise the Group's workflow and boost production efficiency. In addition to its Yixing factory, the Group is planning to set up new production bases in other provinces, such as Liaoning, to sell its quality wall construction material to a wider geographic area.

二零一二年一月，中華人民共和國住房和城鄉建設部已批准《水泥木絲板》為建築工業行業產品標準，並將自二零一二年八月一日起實施。此外，本集團已與江蘇省建築科學研究院（「江蘇省建科院」）簽署合作協議，共同研究板材的選型、性能指標設計以配合國家建築標準，並致力在產品優化方面共同努力；而江蘇省建科院更會協助本集團在試點及示範工程作施工指



導。作為國家重點建築科學研究院之一，江蘇省建科院的參與研究將有助加速本集團的產品及試點工程的國內認受性。

本集團的第一條水泥木絲板生產線已在二零一一年三月投產，目前已收到不少潛在客戶的查詢，當中包括有國內政府機構，以及海外的潛在用家，而部份樣板已送予作參考及測試。第二條生產線目前正在試產階段，而第三條則在安裝之中，預期將於二零一二年五月進行試產。此外，為應付市場需求，本集團繼續擴展生產設備，並已於二零一一年底增購三條新生產線，預期有關設備可於二零一二年第四季度進行調試。每條水泥木絲板生產線的產能為14萬立方米，產能的擴充將有助本集團的生產流程更趨完善，成本效益更為明顯。除宜興廠房外，本集團亦計劃於其他省份如遼寧等地區設置生產點，務求將這優質的牆體建材銷售予更多地區。

Chairman's Statement 主席報告書

The Group understands that the market has just started to realise the features and benefits of WWCB. As this product has huge potential for further growth, the Group is taking advantage of the stricter regulations and requirements for construction materials and the national subsidized affordable housing programme launched by the PRC Government. To tap these opportunities, the Group is promoting its environmentally friendly construction material through various channels such as its self-operated sales network and other construction distributors' networks, as well as marketing through public media. The Group expects that the WWCB business will turn into an important income source when it is widely accepted in the market.

Water and flue gas treatment business – continues to bring stable revenue to the Group

Within the Twelfth Five-Year Plan programme, the energy saving and EP industry is designated as one of seven key emerging industries by the Central Government. The Government indicated that the investment in water treatment projects will exceed RMB345.2 billion of last year. This favourable policy has boosted the demand for EP industry products and solutions in China. Currently, the Group has 47 contracts at a total value of approximately RMB446.8 million on hand. These include

本集團了解到市場對水泥木絲板的認識仍然處於初始階段，加上此產品極具增長潛力，因此，本集團瞄準國家對房屋建材規格提高以及大力興建保障性房屋的計劃，今年將會積極透過自營及建築分銷網絡，以及媒體等各種宣傳渠道向市場推廣此優質環保建材。本集團預期當水泥木絲板廣為市場接受及使用後，此一業務將成為本集團的重要收入來源。

水及煙氣處理業務 – 持續為本集團帶來穩定收益

隨著「十二五」規劃的開展，節能環保被中央政府列為未來重點發展的七大新興產業之一，而中央政府明確表示預計二零一二年水利投資額將會超越去年的人民幣3,452億元；隨著國策的推動，國內對環保產業的需求將不斷上升。現時，本集團手頭未完成之合約共有47份，合約總金額達人民幣4.468億元；其中，本集團為



Chairman's Statement 主席報告書

the construction of a waste water treatment project for an internationally well-known automobile company's production plant in Liaoning, at a total value of RMB18.0 million; the project is now in progress. Also, there is a construction contract with a large copper manufacturer in Anhui for its flue gas desulphurisation ("FGD") facility project. The contract sum is about RMB45.0 million and is expected to be booked in the second half of 2012. Looking ahead, the Group will continue to expand its business coverage from construction engineering to large-scale industrial waste water treatment, construction and operation projects, so as to expand its income stream, generate a stable cashflow and maximise return on investment.

FINAL DIVIDEND

The Board did not recommend payment of a final dividend for the year ended 31 December 2011 (2010: Nil), as the capital will be reserved for the development of the Group's different business operations, in particular, to capture the opportunities in the enormous market for WWCB.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my gratitude to all of our customers, business partners and shareholders for their support and trust. I would also like to express my appreciation to all management team members and staff for their dedication and contribution in the past year.

By order of the Board
Pan Asia Environmental Protection Group Limited
Jiang Quanlong
Chairman
Hong Kong, 30 March 2012

一國際知名的汽車公司在遼寧的廠房提供污水處理產品及設備的建設工程，該工程現正處於建設階段，合約總金額達人民幣1,800萬元；另外，本集團為一家安徽大型銅業企業興建脫硫設備工程，合約總金額達人民幣4,500萬元，預期可於二零一二年下半年入賬。未來，本集團將繼續拓展業務範疇，由原來的工程建設，拓展到大型的工業污水處理、建設及運營，以擴闊收入來源、增加穩定的現金流和提高回報率。

股息

董事局建議不派發截至二零一一年十二月三十一日止年度之末期股息（二零一零年度：無）。此乃由於未來各項業務均有資金需求，尤其是環保建材水泥木絲板預視將有龐大的市場發展空間，為把握發展機會，董事局認為應保留資金以作發展之用。

致謝

本人謹代表董事會向各客戶、商務夥伴及股東一直以來對本集團的支持及信賴致以衷心感謝。本人亦藉此機會感謝各管理人員及員工過去一年的努力及為本集團作出的貢獻。

承董事會命
泛亞環保集團有限公司
主席
蔣泉龍
香港，二零一二年三月三十日

Management Discussion & Analysis

管理層討論與分析



BUSINESS REVIEW

As an integrated EP services provider in the PRC, the Group mainly designs and manufactures water and flue gas treatment products and equipment, as well as sells pipes. The Group also undertakes EP construction engineering projects and provides EP-related professional services. To further develop EP-related businesses with high growth potential to broaden its income stream, the Group actively expanded the scale of WWCB production lines according to plan while focusing on the sale of pipes, water and flue gas treatment products and equipment in 2011.

Sale of EP Products and Equipment

During the year under review, sale of EP products and equipment recorded a turnover of approximately RMB432.1 million, accounting for around 90.8% of the Group's total turnover.

Sale of Water Treatment Products and Equipment

The water treatment systems produced by the Group are mainly used to process industrial and urban wastewater. During the year under review, the water treatment business generated a turnover of approximately RMB342.2 million, accounting for 71.9% of the Group's turnover. The water treatment business is still the main focus of the Group's contracts on hand and during the year, the Group completed 39 water treatment related sales contracts. The Group will continue to secure more water treatment projects to maintain steady growth of the business.



業務回顧

本集團為中國綜合環保服務供應商，主要從事設計及製造水處理和煙氣處理產品及設備，銷售管道，承接環保建設工程項目，以及提供環保相關專業服務。為進一步發展具增長潛力的環保相關產業，以擴大收入來源，本集團於二零一一年按規劃積極拓展水泥木絲板的生產規模，並繼續專注於從事管道、水處理及煙氣處理產品和設備的銷售。

銷售環保產品及設備

回顧年內，銷售環保產品及設備錄得營業額約人民幣4.321億元，佔本集團總營業額約90.8%。

銷售水處理產品及設備

水處理系統主要用於處理工業廢水及城市污水。回顧年內，水處理業務為本集團帶來營業額約人民幣3.422億元，佔本集團總營業額約71.9%。本集團手頭上的合約仍然以水處理業務為主，並於年內完成了39份與水處理有關之銷售合約。本集團會繼續爭取更多水處理項目，令業務維持平穩發展。

Management Discussion & Analysis

管理層討論與分析

Sale of Flue Gas Treatment Products and Equipment

The Group mainly provides FGD services to power plants as well as to clients in the iron and steel, cement and glass industries. During the year, as growth in these industries slowed down, the demand for flue gas treatment subsequently weakened. The Group completed 7 projects related to sale of flue gas treatment, contributing a turnover of approximately RMB75.9 million, representing 16.0% of the Group's turnover.

Sale of Pipes

In addition to providing clients with comprehensive EP solutions, the Group also produces fibreglass-reinforced plastic pipes with diameters of up to 2,000 mm at its Yixing workshop. The estimated total annual production capacity is approximately 172,680 metres. During the year under review, the Group completed 3 contracts related to the sale of pipes, generating turnover of approximately RMB14.0 million, accounting for 2.9% of the Group's turnover. The decrease in turnover was mainly caused by the drop in selling prices due to intensified competition in the industry.

EP Construction Engineering Projects

Leveraging its extensive industry expertise, professional research and development capabilities and technologies, the Group has been providing one-stop EP solutions to many clients. During the year, this segment recorded a turnover of approximately RMB37.2 million, accounting for about 7.8% of the Group's total turnover.

Provision of EP Related Professional Services

The Group, through its subsidiary namely Shanghai Environmental Engineering Design & Research Institute Limited ("SEEDRI"), provides EP-related professional services to clients. With Grade A engineering design certificates, SEEDRI is qualified to undertake engineering design for all environmental projects. During the year, the segment recorded a stable turnover of approximately RMB6.7 million, accounting for around 1.4% of the total turnover of the Group.

銷售煙氣處理產品及設備

本集團主要為發電廠提供脫硫服務，此外，我們的客戶亦涉及鋼鐵、水泥及玻璃等行業。年內，鋼鐵、水泥及玻璃等行業增長放緩，導致煙氣處理的需求滯後。回顧年內，本集團共完成7份煙氣處理設備有關之銷售合約，帶來營業額約人民幣7,590萬元，佔本集團總營業額約16.0%。

銷售管道

除了為客戶提供全面的環保解決方案外，本集團亦透過位於宜興市的管材車間生產直徑最高達2,000毫米的玻璃纖維鋼管，估計年產能約為172,680米。年內，本集團完成了3份管道產品銷售合約，有關銷售的營業額約人民幣1,400萬元，佔本集團總營業額約2.9%。此業務營業額較去年減少，主要因為行業競爭劇烈而令管道產品的銷售價格下降。

環保建設工程承包服務

除提供全面的環保解決方案外，本集團憑藉豐富的行業知識以及專業的研發和技術，亦為客戶提供一站式的環保解決方案，年內，該分部的營業額約為人民幣3,720萬元，佔本集團總營業額約7.8%。

環保相關專業服務

透過附屬公司上海環境工程設計研究院有限公司（「環境工程研究院」），本集團為客戶提供環保相關的專業服務。環境工程研究院持有甲級工程設計證書，可就所有環境工程執行工程設計。年內，該分部繼續為本集團帶來穩定收入，營業額約為人民幣670萬元，佔本集團總營業額約1.4%。

Management Discussion & Analysis

管理層討論與分析

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2011, the total assets of the Group amounted to RMB1,515.9 million, an increase of RMB72.9 million as compared with RMB1,443.0 million in 2010. Increase in total assets was mainly due to the implementation of the new WWCB production facilities and increase of inventories. The Group's total liabilities as at 31 December 2011 were RMB301.5 million, an increase of RMB64.3 million as compared with RMB237.2 million in 2010. The main reason for the increase in total liabilities was the increase in trade and accounts payables and deposits received and receipt in advance. The Group's total equity as at 31 December 2011 was RMB1,214.5 million (2010: RMB1,205.8 million). The Group had no bank borrowings outstanding as at 31 December 2011 (2010: RMB9.0 million). The Group's cash and cash equivalents amounted to RMB606.8 million as at 31 December 2011.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

Business transactions and liabilities of the Group are largely denominated in Renminbi and Hong Kong Dollars. The Group adopts a conservative financial policy and the majority of its bank deposits are in Renminbi and Hong Kong Dollars. As at 31 December 2011, the Group did not have any foreign currency bank liability, foreign exchange contracts, interest or currency swaps or other financial derivatives for hedging purpose. Nevertheless, the management will continue to monitor the foreign exchange exposure and will take prudent measures as and when appropriate. As at 31 December 2011, the Group did not have any derivative for hedging against both the interest rate and foreign exchange risks.

流動資金及財務資源

於二零一一年十二月三十一日，本集團之資產總值為人民幣15.159億元，較二零一零年之人民幣14.430億元增加人民幣7,290萬元。資產總值增加之主要原因為新增的水泥木絲板生產線及存貨增加所致。於二零一一年十二月三十一日，本集團之負債總額為人民幣3.015億元，較二零一零年之人民幣2.372億元增加人民幣6,430萬元，負債總額增加之主要原因為應付貿易及其他應付款項和已收按金及預收款增加所致。於二零一一年十二月三十一日，本集團之股本總額為人民幣12.145億元（二零一零年：人民幣12.058億元）。於二零一一年十二月三十一日，本集團無未償還銀行借貸（二零一零年：人民幣900萬元）。於二零一一年十二月三十一日，本集團之現金及現金等值物為人民幣6.068億元。

承受匯率波動風險

本集團絕大多數營業交易與負債均以人民幣及港元計值。本集團奉行穩健財務政策，大部份銀行存款為人民幣及港元。於二零一一年十二月三十一日，本集團無任何外幣銀行負債、外匯合同、利息或貨幣掉期或其他對沖用途之金融衍生工具。然而，管理層將繼續監察外匯風險，並在適當時採取審慎措施。於二零一一年十二月三十一日，本集團並無使用任何金融衍生工具以對沖利率及外匯風險。

Management Discussion & Analysis

管理層討論與分析

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 December 2011, the Group had a capital expenditure commitment in respect of acquisition of property, plant and equipment and injection of the share capital of a subsidiary totaling RMB149.6 million (2010: RMB91.5 million). The Group provides product maintenance service to customers of FGD construction projects and certain EP products for a period ranging from 6 months to 2 years after a project is completed or a product is delivered. At the same time, the Group enjoys warranties for the work and equipment from its sub-contractors and suppliers. The Directors of the Company believe that the amount of crystallised warranty liabilities, if any, in excess of the amount covered by the warranties given by sub-contractors and suppliers, would not have any material adverse effect on the overall financial position or operating results of the Group.

HUMAN RESOURCES

As at 31 December 2011, the Group had approximately 300 employees. Salaries of employees are maintained at competitive levels and are reviewed annually, with close reference to the relevant labour market and economic situation. Remuneration of the Directors is determined based on a variety of factors such as market conditions and the specific responsibilities shouldered by the individual director. Apart from the basic remuneration and statutory benefits required by law, the Group also provides discretionary bonuses based on its results and the performance of the individual employee. The Group also has an employee share option scheme in operation.

AUDIT COMMITTEE

An audit committee comprising three independent non-executive directors has been established by the Company to review the financial reporting process and internal control procedures of the Group. The audit committee has reviewed the financial statements of the Company and its subsidiaries for the year ended 31 December 2011.

資金承擔及或然負債

於二零一一年十二月三十一日，本集團資本開支承擔總額為人民幣1.496億元（二零一零年：人民幣9,150萬元），將為採購水泥木絲板生產之物業、廠房及設備及為一子公司增資之用。本集團就已完工之煙氣脫硫建築工程及其若干已出售環保產品為其客戶提供產品保養，保養期由工程結束後或產品送遞後計六個月至兩年不等。同時，本集團亦享有其承包商及供應商就所提供之建築工程及設備之保養服務。本公司董事相信保養負債之變現金額（如有）超逾承包商及供應商所提供保養所涉之金額，將不會對本集團整體財務狀況或營運業績造成重大不利影響。

人力資源

於二零一一年十二月三十一日，本集團僱用約300名員工。僱員之薪酬現維持在一個具競爭力之水平，並參考相關人力市場及經濟情況，按年進行檢討。董事之酬金乃根據一系列包括市場狀況及每位董事之職責之因素而釐定。除法律規定之基本薪酬及法定福利外，本集團亦根據本身之業績及個別員工之表現，酌情發放花紅。本集團亦已採納員工購股權計劃。

審核委員會

本公司已成立由三名獨立非執行董事組成的審核委員會，以審閱本集團的財務匯報及內部監控程序事宜。審核委員會已審閱本集團截至二零一一年十二月三十一日止年度的財務報表。

Corporate Governance Report

企業管治報告

The board of directors (the “Board”) of the Company is pleased to present this Corporate Governance Report in the Group’s annual report for the year ended 31 December 2011.

The manner in which the principles and code provisions in the Code on Corporate Governance Practices (the “CG Code”) contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”) are applied and implemented is explained in the following sections of this Corporate Governance Report:

CORPORATE GOVERNANCE PRACTICES OF THE COMPANY

The Group acknowledges the importance of good corporate governance to enhance shareholder value and safeguard shareholder interests. The Group’s corporate governance principles emphasize on the importance of a quality Board, effective internal controls and accountability to shareholders and the Company has taken a proactive approach in strengthening corporate governance practices in accordance with the needs of its business.

The CG Code sets out the principles of good corporate governance and two levels of corporate governance practices:

- (a) code provisions which listed issuers are expected to comply with or to give considered reasons for any deviation; and
- (b) recommended best practices for guidance only, which listed issuers are encouraged to comply with or to give considered reasons for any deviation.

The Company’s corporate governance practices are based on the principles, code provisions and certain recommended best practices as set out in the CG Code.

Throughout the year ended 31 December 2011, the Company has complied with the code provisions as set out in the CG Code.

The Company will constantly review and enhance its corporate governance practices to ensure that these continue to meet the requirements of the CG Code and the rising expectations of shareholders and investors.

本公司董事會（「董事會」）欣然提呈本集團截至二零一一年十二月三十一日止年度年報內的企業管治報告。

有關應用及實施香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十四所載的企業管治常規守則（「企業管治守則」）所載列原則及守則條文的方式，於本企業管治報告以下部分闡述：

本公司的企業管治常規

本集團深諳良好之企業管治對於提升股東價值及保障股東利益之重要性。本集團之企業管治原則強調高素質之董事會、有效之內部控制及對股東問責之重要性，而本公司已根據其業務需要採取積極措施強化企業管治常規。

企業管治守則訂明良好企業管治的原則及企業管治常規的兩個層次：

- (a) 守則條文，即上市發行人應遵守或在出現任何偏離時應作出合理解釋；及
- (b) 建議最佳常規，僅屬指引，鼓勵上市發行人遵守守則或在出現偏離時作出合理解釋。

本公司的企業管治常規乃建基於企業管治守則所載的原則、守則條文及若干建議最佳常規。

於截至二零一一年十二月三十一日止整個年度內，本公司已遵守企業管治守則所載的守則條文。

本公司將會不斷檢討及提升其企業管治常規，以確保該等企業管治常規繼續符合企業管治守則的規定及達至股東及投資者之更高期望。

Corporate Governance Report

企業管治報告

A. THE BOARD

1. Responsibilities

The Board is responsible for overall management of the Company. Its main roles are to provide leadership and to approve strategic policies and plans with a view to enhancing shareholder value.

All directors carry out their duties in good faith, in compliance with applicable laws and regulations, and in the interests of the Company and its shareholders at all times.

2. Board Composition

The Board currently comprises seven members in total, consisting of four executive directors and three independent non-executive directors:

Executive Directors:

Mr. Jiang Quanlong, *Chairman and member of the Nomination Committee and the Remuneration Committee*
Mr. Jiang Lei, *Chief Executive Officer*
Mr. Fan Yajun
Mr. Gan Yi

Independent Non-Executive Directors:

Mr. Lai Wing Lee, *chairman of the Nomination Committee and the Remuneration Committee and member of the Audit Committee*
Mr. Leung Shu Sun, Sunny, *chairman of the Audit Committee and member of the Nomination Committee and the Remuneration Committee*
Professor Wang Guozhen, *member of the Audit Committee, the Nomination Committee and the Remuneration Committee*

The list of directors (by category) is also disclosed in all corporate communications issued by the Company pursuant to the Listing Rules from time to time.

A. 董事會

1. 職責

董事會負責本公司之整體管理。其主要作用為提供領導及批准策略性政策及計劃以提升股東之價值。

全體董事須遵照適用之法例及法規真誠地履行職責，並於任何時候均以本公司及其股東之利益為前提行事。

2. 董事會的組成

現時董事會成員合共有七名董事，包括四名執行董事及三名獨立非執行董事：

執行董事：

蔣泉龍先生，主席兼提名委員會及薪酬委員會成員
蔣磊先生，行政總裁
范亞軍先生
甘毅先生

獨立非執行董事：

賴永利先生，提名委員會及薪酬委員會主席兼審核委員會成員
梁樹新先生，審核委員會主席兼提名委員會及薪酬委員會成員
王國珍教授，審核委員會、提名委員會及薪酬委員會成員

董事名單（按董事類別）亦會不時於本公司根據上市規則發出的所有公司通訊中披露。

Corporate Governance Report 企業管治報告

Mr. Jiang Quanlong, Chairman, is the sole director of Praise Fortune Limited, the controlling shareholder of the Company. He is the father of Mr. Jiang Lei (being an executive director and Chief Executive Officer), father of Mr. Jiang Xin and spouse of Ms. Qian Yuanying, all of whom are the shareholders of Praise Fortune Limited, the controlling shareholder of the Company. Save as disclosed, there are no financial, business, family or other material/relevant relationships among members of the Board. A brief description of the background of each director and the detailed relationships among the members of the Board are disclosed under "Directors and Senior Management" on pages 28 to 31 and "Report of the Directors" on pages 32 to 43.

During the year ended 31 December 2011, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive directors with at least one independent non-executive director possessing appropriate professional qualifications or accounting or related financial management expertise.

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

All directors, including independent non-executive directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. The independent non-executive directors are invited to serve on the Audit, Nomination and Remuneration Committees of the Company.

主席蔣泉龍先生為本公司控股股東Praise Fortune Limited之唯一董事。蔣先生為蔣磊先生（執行董事兼行政總裁）及蔣鑫先生之父親，並為錢元英女士之配偶，彼等皆為Praise Fortune Limited（本公司之控股股東）之股東。除上述披露之外，董事會各成員之間並無財務、業務、家族或其他重要／相關關係。各位董事的背景資料簡況及董事會各成員之間的詳盡關係於第28至31頁的「董事及高級管理層」以及第32至43頁的「董事會報告」中披露。

於截至二零一一年十二月三十一日止年度，董事會一直遵守上市規則有關委任最少三位獨立非執行董事的規定，而當中最少有一位獨立非執行董事具備適當的專業資格或會計或相關財務管理專長。

本公司已接獲各獨立非執行董事根據上市規則就其獨立性作出的年度確認書。本公司認為，根據上市規則所載的獨立性指引，所有獨立非執行董事均確屬獨立人士。

全體董事（包括獨立非執行董事）為董事會就其具效用及效率的運作提供多方面的寶貴業務經驗、知識及專業技術。獨立非執行董事獲邀出任本公司的審核、提名及薪酬委員會成員。

Corporate Governance Report

企業管治報告

3. Chairman and Chief Executive Officer

The roles and duties of the Chairman and the Chief Executive Officer of the Company are carried out by different individuals and have been clearly defined in writing.

The Chairman of the Board is Mr. Jiang Quanlong, and the Chief Executive Officer is Mr. Jiang Lei. With the support of the Company Secretary and the senior management, the Chairman is responsible for ensuring that the directors receive adequate, complete and reliable information in a timely manner and appropriate briefing on issues arising at Board meetings. The Chief Executive Officer focuses on implementing objectives, policies and strategies approved and delegated by the Board and he is in charge of the Company's day-to-day management and operations.

4. Appointment and Re-Election of Directors

Each of the executive directors of the Company is engaged on a service contract with the Company which is renewable from year to year until terminated by either party with 3 months' notice in writing served on the other side. Each of the independent non-executive directors of the Company is appointed under a letter of appointment until terminated by either party with 3 months' notice in writing served on the other side.

In accordance with the Company's Articles of Association, all directors of the Company are subject to retirement by rotation at least once every three years and any new director appointed to fill a casual vacancy or as an addition to the Board shall submit himself for re-election by shareholders at the first general meeting after appointment.

The procedures and process of appointment, re-election and removal of directors are laid down in the Company's Articles of Association. The Nomination Committee is responsible for reviewing the Board composition, developing and formulating the relevant procedures for nomination and appointment of directors, monitoring the appointment and succession planning of directors and assessing the independence of independent non-executive directors.

3. 主席及行政總裁

本公司的主席及行政總裁的角色及職責由不同人士分任，並以書面清晰界定。

董事會主席由蔣泉龍先生擔任，行政總裁由蔣磊先生擔任。在公司秘書及高層管理人員的協助下，主席的職責為確保董事及時獲取足夠、完整及可靠的資料，並就董事會會議上討論事項作出恰當的說明。行政總裁著重於執行經董事會批准及委派的目標、政策及策略，行政總裁負責本公司的日常管理及營運。

4. 董事的委任及重選

本公司各執行董事按照與本公司訂立的每年續期的服務合約獲得委聘，直至任何一方向另一方發出3個月書面通知終止為止。本公司各獨立非執行董事按委任書獲委任，直至任何一方向另一方發出3個月書面通知終止為止。

根據本公司的組織章程細則，本公司全體董事須至少每三年輪值退任一次，而任何新獲委任以填補臨時空缺或董事會新增的董事須於其獲委聘後首次召開之股東大會上接受股東重選。

董事的委任、重選及罷免程序及過程載列於本公司的組織章程細則。提名委員會負責檢討董事會的組成、就董事的提名和委任編製及制定相關程序、監控董事的委任及繼任計劃，以及評估獨立非執行董事的獨立性。

Corporate Governance Report 企業管治報告

Nomination Committee

The Nomination Committee comprises four members, the majority of them are independent non-executive directors.

The principal duties of the Nomination Committee include:

- to review the structure, size and composition of the Board and make recommendations regarding any proposed changes;
- to develop and formulate relevant procedures for nomination and appointment of directors;
- to identify suitable candidates for appointment as directors;
- to make recommendations to the Board on appointment or re-appointment of and succession planning for directors;
- to assess the independence of independent non-executive directors.

The Nomination Committee carries out the process of selecting and recommending candidates for directorships by making reference to the skills, experience, professional knowledge, personal integrity and time commitments of such individuals, the Company's needs and other relevant statutory requirements and regulations. An external recruitment agency may be engaged to carry out the recruitment and selection process where necessary.

The Nomination Committee did not hold any meeting during the year ended 31 December 2011 but one Board meeting at which nomination related matters were discussed was held during the year. The meeting was attended by all Directors with Mr. Lai Wing Lee attended via alternate.

In accordance with the Company's Articles of Association, Mr. Fan Yajun, Mr. Gan Yi and Professor Wang Guozhen shall retire by rotation and being eligible, offer themselves for re-election at the forthcoming annual general meeting of the Company.

提名委員會

提名委員會由四名成員組成，成員大多數為獨立非執行董事。

提名委員會的主要職責包括：

- 檢討董事會的架構、人數及組成，並就任何擬作出的變動提出建議；
- 編製及制定提名和委任董事的相關程序；
- 物色合適候選人以委任為董事；
- 就董事的委任或重新委任及繼任計劃向董事會提出建議；
- 評估獨立非執行董事的獨立性。

提名委員會負責因應各候選人的技能、經驗、專業知識、個人誠信及所付出的時間，以及本公司的要求，以至其他相關法定規定及規例而挑選及推薦候選人出任董事。如有必要，或會委聘外部招聘人事顧問公司負責招聘及篩選的程序。

截至二零一一年十二月三十一日止年度，提名委員會並無舉行任何會議，惟年內已就討論董事提名事項舉行一次董事會會議。全體董事均出席是次會議。賴永利先生透過替任董事出席。

根據本公司的組織章程細則，范亞軍先生、甘毅先生及王國珍教授須輪值退任，惟合資格並願意於本公司應屆股東周年大會上膺選連任。

Corporate Governance Report

企業管治報告

The Nomination Committee recommended the re-appointment of the directors standing for re-election at the forthcoming annual general meeting of the Company.

The Company's circular containing detailed information of the directors standing for re-election at the forthcoming annual general meeting would be sent to the shareholders.

5. Training and Continuing Development

Though no new directors has been appointed during the year ended 31 December 2011, each newly appointed director will receive formal, comprehensive and tailored induction on the first occasion of his appointment, so as to ensure that he has appropriate understanding of the business and operations of the Company and that he is fully aware of his responsibilities and obligations under the Listing Rules and relevant regulatory requirements.

The existing directors are continually updated with legal and regulatory developments, and the business and market changes to facilitate the discharge of their responsibilities. Continuing briefing and professional development for directors will be arranged where necessary.

6. Board Meetings

(i) Board Practices and Conduct of Meetings

Schedules for annual meeting and draft agenda of each meeting are normally sent to all directors in advance.

Notices of regular Board meetings are served to all directors at least 14 days before the meetings. For other Board and committee meetings, reasonable notice is generally given.

提名委員會建議重新委任準備於本公司應屆股東周年大會上膺選連任的董事。

載有有關準備於應屆股東周年大會上膺選連任的董事的詳細資料的本公司通函將寄發予股東。

5. 培訓及持續發展

雖然於截至二零一一年十二月三十一日止年度內並無新董事獲委任，但每名新獲委任董事在首次獲委任時均獲得正式、全面及為其度身訂造的入職培訓，務求確保其清楚理解本公司的業務及營運，以及其全面知悉彼根據上市規則及相關監管規定的職責及責任。

現任董事持續獲提供有關的法律及監管發展、業務及市場變動，以便彼等履行其責任。如有必要，將為董事持續安排簡介及專業培訓。

6. 董事會會議

(i) 董事會常規及會議的進行

全年會議時間表及每次會議的議程初稿一般會事先發給全體董事。

董事會定期會議通告最少於會議前14日發給全體董事。而其他董事會及委員會會議，一般會發出合理通告。

Corporate Governance Report 企業管治報告

Board papers together with all appropriate, complete and reliable information are sent to all directors/committee members at least 3 days before each Board meeting or committee meeting to ensure that the directors have sufficient time to review the related documents and be adequately prepared for the meeting. The Board and each director also have separate and independent access to the senior management where necessary.

The Chief Executive Officer, Chief Financial Officer and Company Secretary attend all regular Board meetings and where necessary, other Board and committee meetings to advise on business developments, financial and accounting matters, statutory compliance, corporate governance and other major aspects of the Company.

The Company Secretary is responsible for taking and keeping minutes of all Board meetings and committee meetings. Draft minutes are normally circulated to directors for comment within a reasonable time after each meeting and the final versions are open for directors' inspection.

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

董事會文件及所有適用、完整及可靠的資料最少於每次董事會會議或委員會會議前3日發給全體董事／委員會委員，以確保董事有充足時間審閱相關文件及為會議作出充分準備。如有必要，董事會及各董事亦有個別及獨立途徑接觸高層管理人員。

行政總裁、財務總監及公司秘書出席所有董事會常規會議，並在需要時出席其他董事會及委員會會議，以就本公司的業務發展、財務及會計事宜、法定法規、企業管治及其他主要事項提供意見。

公司秘書負責準備及備存所有董事會會議及委員會會議的會議記錄。會議記錄初稿一般在每次會議結束後的合理時間內發給董事，以供董事表達意見，最後定稿亦讓董事審閱。

本公司的組織章程細則載有條文規定董事就批准其或彼等任何聯繫人士擁有重大權益者的交易須投棄權票及不計入會議法定人數。根據現有董事會常規，任何涉及主要股東或董事利益衝突的重大交易，將由董事會在正式召開的董事會會議上審議及處理。

Corporate Governance Report

企業管治報告

(ii) Directors' Attendance Records

During the year ended 31 December 2011, four regular Board meetings were held at approximately quarterly intervals for reviewing and approving the financial and operating performance, and considering and approving the overall strategies and policies of the Company.

The attendance records of each director at the Board meetings during the year ended 31 December 2011 are set out below:

Name of Director 董事姓名

Jiang Quanlong	蔣泉龍
Jiang Lei	蔣磊
Fan Yajun	范亞軍
Gan Yi	甘毅
Lai Wing Lee	賴永利
Leung Shu Sun, Sunny	梁樹新
Wang Guozhen	王國珍

* Mr. Lai Wing Lee attended one of the Board meetings through alternate director.

7. Model Code For Securities Transactions

The Company has adopted its own code of conduct regarding directors' dealings in the Company's securities (the "Company's Securities Dealing Code") on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules.

Specific enquiry has been made of all the directors and the directors have confirmed that they have complied with the Company's Securities Dealing Code and the Model Code throughout the year ended 31 December 2011.

(ii) 董事會議之出席記錄

於截至二零一一年十二月三十一日止年度，本公司舉行四次常規董事會會議，大約每季度一次，以審閱及批准本公司之財務及營運表現，以及考慮及批准本公司之整體策略及政策。

截至二零一一年十二月三十一日止年度，各董事於董事會會議的出席記錄如下：

Attendance/ Number of Meetings 出席次數／會議次數

Jiang Quanlong	蔣泉龍	4/4
Jiang Lei	蔣磊	4/4
Fan Yajun	范亞軍	4/4
Gan Yi	甘毅	4/4
Lai Wing Lee	賴永利	4/4*
Leung Shu Sun, Sunny	梁樹新	4/4
Wang Guozhen	王國珍	4/4

* 賴永利先生透過替任董事出席其中一次董事會會議。

7. 證券交易之標準守則

有關董事買賣本公司證券，本公司已採納本身的一套嚴格程度不遜於上市規則附錄十所載列的《上市發行人董事進行證券交易之標準守則》（「標準守則」）所訂標準的守則（「本公司證券買賣守則」）。

經向全體董事作出具體查詢後，董事確認彼等於二零一一年十二月三十一日止整個年度一直遵守本公司證券買賣守則及標準守則。

Corporate Governance Report 企業管治報告

The Company's Securities Dealing Code on no less exacting terms than the Model Code for securities transactions also applies to all employees who are likely to be in possession of unpublished price-sensitive information of the Company.

No incident of non-compliance of the Company's Securities Dealing Code by the employees was noted by the Company.

B. DELEGATION BY THE BOARD

The Board undertakes responsibility for decision making in all major matters of the Company, including the approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant financial and operational matters.

All directors have full and timely access to all relevant information as well as the advice and services of the Company Secretary, with a view to ensuring that Board procedures and all applicable laws and regulations are followed. Each director is normally able to seek independent professional advice in appropriate circumstances at the Company's expense, upon making request to the Board.

The day-to-day management, administration and operation of the Company are delegated to the Chief Executive Officer and the senior management. The delegated functions and work tasks are periodically reviewed. Approval has to be obtained from the Board prior to any significant transactions entered into by the abovementioned officers.

The Board has established three committees, namely the Nomination Committee, Remuneration Committee and Audit Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with defined written terms of reference which are posted on the Stock Exchange website and the Company's website and are available to shareholders upon request.

The Board also has the full support of the Chief Executive Officer and the senior management for the discharge of its responsibilities.

本公司所採納的嚴格程度不遜於有關證券交易的標準守則的證券買賣守則同樣適用於所有可能會掌握本公司未公開股價敏感資料的僱員。

本公司並不知悉僱員不遵守本公司證券買賣守則的情形。

B. 董事會權力的轉授

董事會負責本公司所有重大事項之決策，包括批准及監察所有政策事宜、整體策略及預算、內部監控及風險管理系統、重大交易（尤其是可能涉及利益衝突之交易）、財務資料、董事的委任，以及其他重大財務及營運事項。

全體董事可隨時獲取所有相關資料及公司秘書提供的意見及服務，以確保遵守董事會程序及所有適當規則及規例。一般而言，各董事均可於適當情況下向董事會要求尋求獨立專業意見，費用由本公司支付。

本公司的日常管理、行政及運作均授權予行政總裁及高級管理層負責，並會定期對其效能及工作進行檢討。上述人員於進行任何重大交易前，須先獲得董事會批准。

董事會已設立三個委員會，分別為提名委員會、薪酬委員會及審核委員會，以監察本公司各範疇的整體事務。所有本公司董事委員會的成立均有書面界定其職權範圍，有關資料可於聯交所網站及本公司網站參閱及在股東要求時提供。

董事會亦全面支持行政總裁及高層管理人員履行其職責。

Corporate Governance Report

企業管治報告

C. REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

The Company has established a formal and transparent procedure for formulating policies on remuneration of senior management of the Group. Details of the remuneration of each of the directors of the Company for the year ended 31 December 2011 are set out in note 8 to the financial statements.

Remuneration Committee

The Remuneration Committee comprises four members, the majority of them are independent non-executive directors.

The primary objectives of the Remuneration Committee include:

- to make recommendations on the establishment of procedures for developing the remuneration policy and structure for the executive directors and the senior management, which policy shall ensure that no director or any of his associates will participate in deciding his own remuneration;
- to make recommendations on the remuneration packages of the executive directors and the senior management;
- to review and approve the remuneration packages of the executive directors and the senior management by reference to the performance of the individual and the Company as well as market practice and conditions;
- to review and approve the compensation arrangements for the executive directors and the senior management.

The Human Resources Department is responsible for collection and administration of the human resources data and making recommendations to the Remuneration Committee for consideration. The Remuneration Committee shall consult with the Chairman and/or the Chief Executive Officer of the Company about these recommendations on remuneration policy and structure and remuneration packages.

C. 董事及高級管理層的薪酬

本公司已就制定本集團高層管理人員薪酬的政策而設立正式及具透明度的程序。本公司各董事於截至二零一一年十二月三十一日止年度的薪酬詳情載於財務報表附註8。

薪酬委員會

薪酬委員會包括四名成員，成員大多數為獨立非執行董事。

薪酬委員會的主要功能包括：

- 建議成立制定執行董事及高級管理層薪酬政策及架構的程序，該政策須確保並無董事或其任何聯繫人士參與決定其本身的薪酬；
- 就執行董事及高級管理層的薪酬組合作出建議；
- 參照個人及本公司的表現，以及市場慣例及情況，審閱及批准執行董事及高級管理層的薪酬組合；
- 審閱及批准執行董事及高級管理層的賠償安排。

人力資源部門負責收集及管理人力資源數據並提供建議給薪酬委員會考慮。薪酬委員會應就薪酬政策及架構及薪酬組合的建議向本公司主席及／或行政總裁作出諮詢。

Corporate Governance Report 企業管治報告

The Remuneration Committee has reviewed the remuneration policy and structure of the Company, and the performance and remuneration packages of the executive directors and the senior management for the year under review.

The Remuneration Committee did not hold any meeting during the year ended 31 December 2011 but one Board meeting at which remuneration related matters had been discussed was held during the year. The meeting was attended by all of the directors of the Company.

D. ACCOUNTABILITY AND AUDIT

Directors' Responsibilities for Financial Reporting in respect of Financial Statements

The directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 December 2011.

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, price-sensitive announcements and other disclosures required under the Listing Rules and other statutory and regulatory requirements.

The Management provides such explanation and information to the Board so as to enable the Board to make an informed assessment of the financial information and position of the Company put to the Board for approval.

E. INTERNAL CONTROLS

The Board conducted a review of the effectiveness of the internal control system of the Group for the year ended 31 December 2011. The review covered the financial, operational, compliance and risk management aspects of the Group including the adequacy of resources, qualifications and experience of staff of the Group's accounting and financial reporting function, and their training programmes and budget.

薪酬委員會已檢討本公司的薪酬政策及架構，以及執行董事及高層管理人員於回顧年度內的表現及薪酬組合。

截至二零一一年十二月三十一日止年度，薪酬委員會並無舉行任何會議，惟年內已就討論董事薪酬事項舉行一次董事會會議。本公司全體董事均出席是次會議。

D. 問責及審核

董事就財務報表的財務匯報責任

董事承認其於編製本公司截至二零一一年十二月三十一日止年度的財務報表具有責任。

董事會須負責就年度及中期報告、股價敏感公佈及根據上市規則及其他監管規定而須發表之其他披露呈報作出平衡、清晰及可理解之評估。

管理層向董事會提供說明及資料，以便董事會可對提呈其批准的財務資料及本公司狀況作出知情評核。

E. 內部監控

截至二零一一年十二月三十一日止年度，董事會已就本集團內部監控系統之有效性進行檢討，檢討範圍包括財務、營運、合規，風險管理（如檢視資源充裕與否、會計及財務匯報員工之資歷和經驗），以及相關培訓計劃與預算。

Corporate Governance Report

企業管治報告

The internal control system of the Group aims to facilitate effective and efficient operations, to ensure reliability of financial reporting and compliance with applicable laws and regulations, to identify and manage potential risks and to safeguard assets of the Group. The senior management shall review and evaluate the control process, monitors any risk factors on a regular basis and report to the Audit Committee on any findings and measures to address the variances and identified risks.

The Board has overall responsibility for the internal control system of the Company and for reviewing its effectiveness. The Board is also responsible for maintaining an adequate internal control system to safeguard the interests of the shareholders and the assets of the Company.

F. AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive directors (including one independent non-executive director who possesses the appropriate professional qualifications or accounting or related financial management expertise). None of the members of the Audit Committee is a former partner of the Company's existing external auditor.

The main duties of the Audit Committee include:

- to review the financial statements and reports and consider any significant or unusual items raised by the staff responsible for the accounting and financial reporting function, internal auditor or external auditor before submission to the Board;
- to review the relationship with the external auditor by reference to the work performed by the auditor, their fees and terms of engagement, and make recommendations to the Board on the appointment, re-appointment and removal of external auditor;
- to review the adequacy and effectiveness of the Company's financial reporting system, internal control system and risk management system and associated procedures.

本集團的內部監控系統旨在促進有效及有效率的運作，以確保財務報告的可靠程度及遵守適用法例及規則、識別及管理潛在風險以及保障本集團的資產。高級管理層須定期檢討及評估監控程序，並監察任何風險因素，以及就任何轉變及已識別風險的調查結果及措施向審核委員會報告。

董事會對本公司之內部監控系統負全部責任，亦負責檢討其有效性。董事會亦負責維持適當之內部監控系統以保障股東之權益及本公司之資產。

F. 審核委員會

審核委員會成員由三位獨立非執行董事組成，其中包括一位具備合適專業資格或會計或相關財務管理專業知識的獨立非執行董事。概無審核委員會成員為本公司現任外聘核數師的前合夥人。

審核委員會主要職責包括以下各項：

- 於呈交董事會前，審閱財務報表及報告，並考慮由負責會計及財務匯報部門的員工、內部核數師或外聘核數師提出的任何重大或非經常項目；
- 經參考核數師進行的工作、其費用及委聘條款後，檢討與外聘核數師的關係，並就委任、續聘及罷免外聘核數師向董事會提出建議；
- 檢討本公司的財務報告系統、內部監控系統及風險管理系統與相關程序是否足夠及有效。

Corporate Governance Report 企業管治報告

The Audit Committee provides supervision on the internal control system of the Group and reports to the Board on any material issues and makes recommendations to the Board.

During the year under review, the Audit Committee has reviewed the Group's annual results and annual report for the year ended 31 December 2010 and the interim results for the six months ended 30 June 2011, the financial reporting and compliance procedures, the report from the management on the Company's internal control and risk management review and processes and the re-appointment of the external auditor.

The external auditor was invited to attend the meetings to discuss with the Audit Committee on issues arising from the audit and financial reporting matters.

The Audit Committee held two meetings during the year ended 31 December 2011 and the attendance records are set out below:

審核委員會監督本集團的內部監控系統，並就任何重大事宜向董事會報告及提供建議。

於回顧年度內，審核委員會已審閱本集團截至二零一零年十二月三十一日止年度之全年業績及年度報告及截至二零一一年六月三十日止六個月的中期業績、財務匯報及合規程序、管理層就本公司內部監控及風險管理檢討及程序以及續聘外聘核數師的報告。

外聘核數師獲邀出席會議，與審核委員會討論審核及財務匯報事宜所產生事項。

於截至二零一一年十二月三十一日止年度，審核委員會舉行兩次會議，出席記錄如下：

Name of Director 董事姓名		Attendance/ Number of Meetings 出席次數／會議次數
Lai Wing Lee	賴永利	2/2*
Leung Shu Sun, Sunny	梁樹新	2/2
Wang Guozhen	王國珍	2/2

* Mr. Lai Wing Lee attended one of the Audit Committee meetings through alternate director.

* 賴永利先生透過替任董事出席其中一次審核委員會會議。

Corporate Governance Report

企業管治報告

G. EXTERNAL AUDITOR AND AUDITOR'S REMUNERATION

The statement of the external auditor of the Company about their reporting responsibilities on the financial statements is set out in the "Independent Auditor's Report" on pages 44 to 45.

During the year ended 31 December 2011, the remuneration paid to the external auditor of the Company is set out below:

Category of Services

服務種類

Audit Service
Non-audit Service
– review of accounts for the period ended 30 June 2011
– review results announcement

審核服務
非審核服務
– 審閱截至二零一一年六月三十日止期間之賬目
– 審閱業績公告

Total

合計

Fees Paid/Payable

已付／應付費用

HK\$1,180,000港元

HK\$500,000港元

HK\$50,000港元

HK\$1,730,000港元

H. COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company believes that effective communication with shareholders is essential for enhancing investor relations and investor's understanding of the Group's business performance and strategies. The Company also recognises the importance of transparency and timely disclosure of corporate information which enables shareholders and investors to make the best investment decisions.

The general meetings of the Company provide an important channel for communication and exchange of views between the Board and the shareholders. The Chairman of the Board as well as chairmen of the Nomination Committee, Remuneration Committee and Audit Committee or, in their absence, other members of the respective committees and, where applicable, the independent Board committee, normally attend the annual general meeting and other relevant shareholders' meetings to answer questions at shareholders' meetings.

G. 外聘核數師及核數師酬金

本公司外聘核數師就其於財務報表之申報職責而作出的聲明載於第44頁至第45頁之「獨立核數師報告」內。

截至二零一一年十二月三十一日止年度，支付予本公司外聘核數師的酬金如下：

H. 與股東溝通及投資者關係

本公司相信，與股東有效溝通對改善投資者關係及投資者了解本集團的業務表現及策略非常重要。本公司亦深明高透明度及適時披露公司資料的重要性，以讓股東及投資者作出最佳投資決定。

本公司股東大會為董事會及股東提供溝通及意見交流的重要渠道。董事會主席及提名委員會、薪酬委員會與審核委員會主席，或如彼等缺席，則各委員會其他成員及（如適用）獨立董事委員會，一般會出席股東周年大會及其他相關股東大會並於股東大會上回答提問。

Corporate Governance Report 企業管治報告

The 2012 Annual General Meeting (“AGM”) will be held on 8 June 2012. The notice of AGM will be sent to shareholders at least 20 clear business days before the AGM.

To promote effective communication, the Company maintains a website at www.paep.com.cn, where up-to-date information and updates on the Company’s business operations and developments, financial information, corporate governance practices and other information are available for public access. Investors may write directly to the Company at its principal place of business in Hong Kong or via email to info@paep.com.cn for any enquiries.

I. SHAREHOLDERS’ RIGHTS

To safeguard shareholders’ interests and rights, separate resolutions are proposed for each substantially separate issue at shareholders’ meetings, including the election of individual directors.

All resolutions put forward at shareholders’ meetings will be voted on by poll pursuant to the Listing Rules and the poll results will be posted on the websites of the Company and of the Stock Exchange after each shareholders’ meeting. Detailed procedures for conducting a poll will be explained during the proceedings of meetings.

J. 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.

二零一二年股東周年大會（「股東周年大會」）將於二零一二年六月八日舉行。股東周年大會通告將於股東周年大會舉行最少20個營業日前寄發予股東。

為促進有效溝通，本公司設有網站 www.paep.com.cn，該網站載有本公司最新資訊及最新業務營運及發展、財務資料、企業管治常規及其他資料，以供公眾查閱。投資人士如有任何查詢，可直接致函本公司之香港主要營業地點或電郵至 info@paep.com.cn。

I. 股東權利

為保障股東利益及權利，會於股東大會上就各重大單獨事宜（包括選舉個別董事）提呈單獨決議案。

根據上市規則，所有於股東大會上提呈之決議案將會以投票方式表決，而投票表決結果將於每次股東大會後在本公司網站及聯交所網站上公佈。有關進行投票的詳盡程序將在會議程序中說明。

J. 持續進行

並無重大不確定事件或條件令致嚴重懷疑本公司按持續經營基準繼續營運之能力。

Directors and Senior Management 董事及高級管理層

BOARD OF DIRECTORS

Executive Directors

Mr. Jiang Quanlong, aged 59, is the Chairman of the Board and an Executive Director of the Company. He was appointed as Director of the Company in August 2006. He is also a member of the Nomination Committee and the Remuneration Committee. He has nearly 15 years of experience in China's Environmental Protection ("EP") industry. He is responsible for formulating strategies guiding the Group's overall development and strengthening the competitive position of the Group in the PRC's EP market. In addition, he is the chairman and executive director of China Rare Earth Holdings Limited, the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited. Mr. Jiang is the father of Mr. Jiang Lei and also the sole director of Praise Fortune Limited, the substantial shareholder of the Company.

Mr. Jiang Lei, aged 29, is the Chief Executive Officer of the Group and an Executive Director of the Company. He was appointed Director of the Company in March 2007. He joined the Group in March 2007 and is responsible for the business development of the Group. He holds a bachelor's degree in Finance from Cass Business School, London, the United Kingdom. Mr. Jiang is the son of Mr. Jiang Quanlong.

Mr. Fan Yajun, aged 44, is an Executive Director of the Company. He was appointed Director of the Company in March 2007. He has more than 20 years of experience in business management. He joined the Group in July 2002 and has been responsible for the overall administration and business management. He completed a Master of Business Administration course at Southeast University in July 2004. For the period between August 1999 and August 2005, he was an executive director of China Rare Earth Holdings Limited, the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

Mr. Gan Yi, aged 56, is an Executive Director of the Company. He was appointed Director of the Company in March 2007. He has over 25 years of experience in environmental protection engineering design. He was appointed as an officer of Shanghai Environmental Engineering Design & Research Institute Limited ("SEEDRI") in 1995 and has served as a director of SEEDRI since 2002. He was also the chairman and general manager of SEEDRI from 2003 until April 2006, and was appointed the vice general manager of SEEDRI in April 2006. He is responsible for the daily operation and market development of SEEDRI. He completed a security engineering course at Tongji University in December 1988.

董事會

執行董事

蔣泉龍先生，59歲，為本公司之董事會主席及執行董事。他於二零零六年八月獲委任為本公司之董事。他同時為提名委員會及薪酬委員會之委員。他在中國環境保護（「環保」）業擁有近十五年經驗。他負責制訂策略以指引本集團之整體發展及增強本集團於中國環保市場之競爭地位。此外，他同時為中國稀土控股有限公司（其股份於香港聯合交易所有限公司主板上市）之主席兼執行董事。蔣先生為蔣磊先生之父親，他同時為本公司主要股東 Praise Fortune Limited 之唯一董事。

蔣磊先生，29歲，為本集團之行政總裁及本公司之執行董事。他於二零零七年三月獲委任為本公司之董事。他於二零零七年三月加入本集團負責本集團之業務發展。他持有英國倫敦Cass商學院金融學士學位。蔣先生為蔣泉龍先生之子。

范亞軍先生，44歲，為本公司之執行董事。他於二零零七年三月獲委任為本公司之董事。他擁有逾20年之企業管理經驗。他於二零零二年七月加入本集團，負責本集團之整體行政及業務管理。他於二零零四年七月完成東南大學工商管理碩士課程。他於一九九九年八月至二零零五年八月期間為中國稀土控股有限公司（其股份於香港聯合交易所有限公司主板上市）之執行董事。

甘毅先生，56歲，為本公司之執行董事。他於二零零七年三月獲委任為本公司之董事。他在環保工程設計方面擁有逾25年經驗。他於一九九五年獲委任為上海環境工程設計研究院有限公司（「環境工程研究院」）之主管，並自二零零二年起出任環境工程研究院之董事。他亦自二零零三年至二零零六年四月期間，擔任環境工程研究院之董事長及總經理，並於二零零六年四月獲委任為環境工程研究院之副總經理。他負責環境工程研究院之日常營運及市場開發。他於一九八八年十二月完成同濟大學安全工程課程。

Directors and Senior Management 董事及高級管理層

Independent Non-Executive Directors

Mr. Lai Wing Lee, aged 72, has been appointed as an Independent Non-Executive Director of the Company since December 2007. He is the Chairman of the Nomination Committee and the Remuneration Committee and also a member of the Audit Committee. He has been the managing director of Shenzhen Beishen Environmental Packaging Development Co., Limited, which is mainly engaged in the sales and manufacture of environmental protection packaging products, since August 2005. He graduated from the South China Institute of Technology (now known as South China University of Technology) in 1965. He has over 30 years of experience in enterprise management.

Mr. Leung Shu Sun, Sunny, aged 49, has been appointed as an Independent Non-Executive Director of the Company since December 2007. He is the Chairman of the Audit Committee and a member of the Nomination Committee and the Remuneration Committee. He has over 20 years' working experience in, among other things, accounting, treasury management, budgeting and corporate finance. He graduated from Hong Kong Polytechnic University with a professional diploma in Accountancy and obtained a master's degree in business administration from the University of South Australia. He is a fellow member of the Association of Chartered Certified Accountants, an associate member of the Hong Kong Institute of Certified Public Accountants and a member of Certified General Accountants' Association of Canada. From 2005 to 2007, he served as the financial controller, qualified accountant and company secretary of Xiwang Sugar Holdings Company Limited, the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited. From 2001 to date, he was a director of a company providing accounting, tax and corporate finance services. From 1999 to 2001, he held key finance position in a listed company in Hong Kong. From 1998 to 1999, he was a finance director of a company principally engaged in the provision of network infrastructure solutions. From 1993 to 1998, he was the financial controller of a company principally engaged in property investment, trading and securities. From 1987 to 1990, he had worked in international accounting firms, handling audit, tax and accounting matters. Mr. Leung was appointed as an independent non-executive director of Xiwang Special Steel Company Limited on 23 February 2012.

獨立非執行董事

賴永利先生，72歲，自二零零七年十二月起獲委任為本公司之獨立非執行董事。他為提名委員會及薪酬委員會之主席，並同時為審計委員會之委員。他自二零零五年八月起出任深圳市北深環保包裝發展有限公司之董事總經理，該公司主要從事環保包裝產品之銷售及生產。他於一九六五年畢業於華南理工學院（現稱為華南理工大學）。他於企業管理方面擁有逾30年經驗。

梁樹新先生，49歲，自二零零七年十二月起獲委任為本公司之獨立非執行董事。他為審計委員會之主席，並為提名委員會及薪酬委員會之委員。他在會計、財務管理、預算及企業融資方面，還有其他方面，擁有逾20年工作經驗。他以會計專業文憑畢業於香港理工大學，並在澳洲國立南澳洲大學獲得工商管理碩士學位。他為英國特許公認會計師公會資深會員、香港會計師公會會員及加拿大註冊會計師協會會員。他於二零零五年至二零零七年期間擔任西王糖業控股有限公司（其股份於香港聯合交易所有限公司主板上市）之財務總監、合資格會計師及公司秘書。他自二零零一年至今，於一家提供會計、稅務及企業融資服務之公司擔任董事。他自一九九九年至二零零一年期間，於一家香港上市公司擔任主要財務職位。他自一九九八年至一九九九年期間，於一家主要從事提供網絡基建解決方案業務之公司擔任財務董事。他自一九九三年至一九九八年期間，為一家主要從事物業投資、貿易及證券之公司之財務總監。他自一九八七年至一九九零年期間，曾於國際會計師行工作，負責處理審計、稅務及會計事宜。梁先生於二零一二年二月二十三日獲委任為西王特鋼有限公司之獨立非執行董事。

Directors and Senior Management 董事及高級管理層

Professor Wang Guozhen, aged 76, has been appointed as an Independent Non-Executive Director of the Company since December 2007. He is a member of the Audit Committee, Nomination Committee and Remuneration Committee. He was from 1994 to 2005, a member of the Rare Earth Expert Group of China State Planning and Development Commission, and the team leader of the Industry Division. He graduated from the Department of Chemical Engineering of Tianjin University with a major in physical chemistry of metals. He is a member of the expert group and an adviser of the Environment Protection Specialist Commission. He has been an independent director of the State-owned Gansu Rare Earth Group Co., Ltd. since 2005.

SENIOR MANAGEMENT

Mr. Wan San Fai, Vincent, aged 38, is the chief financial officer and company secretary of the Company. He joined the Group in March 2007 and is responsible for the corporate finance function of the Group, and oversees matter related to financial administration, and the compliance and reporting obligations of the Group. Mr. Wan has 15 years' experience in auditing, accounting and financial management. Prior to joining the Group, Mr. Wan has worked for a company listed on the Singapore Stock Exchange, as its financial controller from 2005 to 2007. Mr. Wan is a member of the Hong Kong Institute of Certified Public Accountants. Mr. Wan holds a Bachelor of Arts degree in Accountancy from the Hong Kong Polytechnic University.

Mr. Fu Kun, aged 45, has over 20 years of experience in project management of engineering design. He served as a vice general manager of SEEDRI since April 2006. Before joining the Group, he was the vice general manager of Shanghai Gongcheng. He is responsible for project management of environmental protection engineering design. He holds a Master of Business Administration degree from Asia International Open University, Macau.

Mr. Huang Wei, aged 28, is the vice general manager of Wuxi Pan-Asia. He has about 8 years of experience in EP technology. He joined the Group in 2010 and is responsible for wood wool cement board division. Before joining the Group, he was a technical manager of Jiangsu Yuansheng Environmental Protection Equipment Co, Limited. He graduated from Xuzhou Normal University, majoring in computer numerical control machining technology.

王國珍教授，76歲，自二零零七年十二月起獲委任為本公司之獨立非執行董事。他為審計委員會、提名委員會及薪酬委員會之委員。他於一九九四年至二零零五年期間為中國國家計劃和發展委員會稀土專家組之成員，並擔任產業組組長。他畢業於天津大學化學工程系，主修金屬物理化學。他為環保專業委員會專家組之成員及顧問。他自二零零五年起出任國有企業甘肅稀土新材料股份有限公司之獨立董事。

高級管理層

溫新輝先生，38歲，本公司之財務總監兼公司秘書。彼於二零零七年三月加入本集團，負責本集團之企業融資部門、監督財務管理相關事宜及負責本集團之合規事宜及履行呈報責任。溫先生在審核、會計及財務管理方面擁有15年經驗。於加入本集團前，溫先生於二零零五年至二零零七年在一家於新加坡證券交易所上市之公司任財務總監。溫先生現為香港會計師公會之會員。溫先生持有香港理工大學會計學文學士學位。

傅堃先生，45歲，彼在工程設計項目管理方面擁有逾20年經驗。彼自二零零六年四月起任環境工程研究院副總經理。加入本集團之前，彼任上海工程副總經理。彼負責環保工程設計之項目管理。彼持有亞洲（澳門）國際公開大學工商管理碩士學位。

黃偉先生，28歲，無錫泛亞副總經理。彼在環保技術管理方面擁有約八年經驗。彼於二零一零年加入本集團，負責本集團木絲水泥板事業部。於加入本集團前，彼為江蘇源盛環保設備有限公司技術部經理。黃先生畢業於徐州師範大學數控機床加工技術專業。

Directors and Senior Management 董事及高級管理層

Mr. Chen Liangping, aged 63, is the vice general manager of Wuxi Pan-Asia. He has over 20 years of experience in equipment manufacturing and production management. He joined the Group in 2006 and is responsible for the management of the daily production of the Group. Before joining the Group, he was a vice general manager of Yixing Xinwei Leeshing Refractory Materials Company Limited, a subsidiary under China Rare Earth Holdings Limited, the shares of which are listed on the main board of the Stock Exchange.

Mr. Wu Xijun, aged 38, is the head of the internal audit department of the Group. He has about 9 years of experience in financial management. He joined the Group in February 2011 and is responsible for the internal audit of the Group's enterprises in the PRC. Before joining the Group, he was a finance manager of Yixing Xinwei Leeshing Refractory Materials Company Limited. He graduated from The Open University of China, majoring in accountancy.

Ms. Xu Yiyun, aged 34, is the head of the finance department of Wuxi Pan-Asia. Ms. Xu has about 10 years of experience in financial management and corporate accounting in the PRC. She joined the Group in October 2000. Ms. Xu graduated from Suzhou University, majoring in accountancy.

Mr. Shen Mingming, aged 56, is the manager of the administration and human resource department of Wuxi Pan-Asia. He joined the Group in 2010 and is responsible for the daily management of the Group's human resource, administration and logistics services. Before joining the Group, he worked as deputy general director in Investment Invitation Bureau of Yixing, the PRC. He graduated from Jiangsu Radio and TV University majoring in industrial economy management.

Mr. Tang Weiqing, aged 48, the vice general manager of SEEDRI. He has over 20 years of experience in environmental protection engineering design. He joined SEEDRI in 2003 and is responsible for the overall project engineering design of SEEDRI. He graduated from Shanghai University of Technology with a major in analytical chemistry.

陳良平先生，63歲，無錫泛亞副總經理。彼在設備製造及生產管理方面擁有逾20年經驗。彼於二零零六年加入本集團，負責本集團日常生產管理。於加入本集團前，彼為中國稀土控股有限公司（其股份於聯交所主板上市）附屬公司宜興新威利成耐火材料有限公司副總經理。

吳錫君先生，38歲，本集團內控審計部部長。彼在財務管理方面擁有約九年經驗。彼於二零一一年二月加入本集團，負責本集團中國企業之內部審核。於加入本集團前，彼為宜興新威利成耐火材料有限公司財務經理。彼畢業於中央廣播電視大學會計專業。

徐逸雲女士，34歲，無錫泛亞財務部部長。徐女士於中國財務管理及企業會計方面擁有約10年經驗。彼於二零零零年十月加入本集團。徐女士畢業於蘇州大學會計專業。

沈明明先生，56歲，無錫泛亞行政及人力資源部經理。彼於二零一零年加入本集團，負責本集團人事、行政及後勤服務之日常管理。於加入本集團前，彼在宜興環保科技工業園招商局任副局長。彼畢業於江蘇廣播電視大學工業經管理專業。

唐偉慶先生，48歲，環境工程研究院副總經理。彼於環保工程設計領域有逾20年經驗。彼於二零零三年加入環境工程研究院，負責環境工程研究院之整體項目工程設計。彼畢業於上海工業大學分析化學專業。

Report of the Directors 董事會報告

The board (the “Board”) of directors (the “Directors”) submit their annual report together with the audited financial statements of Pan Asia Environmental Protection Group Limited (the “Company”) and its subsidiaries (collectively referred as the “Group”) for the year ended 31 December 2011.

PRINCIPAL PLACE OF BUSINESS

The Company is incorporated in the Cayman Islands and has its principal place of business in the PRC at No. 1 Chuanshan Road, Dingshu Town, Yixing City, Jiangsu Province, PRC 214222 and its principal place of business in Hong Kong at Suite 6302, The Center, 99 Queen’s Road Central, Hong Kong.

PRINCIPAL ACTIVITIES

The Group is principally engaged in the sale of pipes, water treatment and flue gas treatment products and equipment, as well as undertaking of environmental protection (“EP”) construction engineering projects, provision of EP related professional services and manufacture of EP construction materials.

MAJOR CUSTOMERS AND SUPPLIERS

The information in respect of the major customers and suppliers of the Group during the financial year is as follows:

The largest customer	最大客戶
Five largest customers in aggregate	五大客戶總計
The largest supplier	最大供應商
Five largest suppliers in aggregate	五大供應商總計

None of the Directors, their associates (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”)) or any shareholders of the Company (which to the knowledge of the directors owned more than 5% of the Company’s share capital) had a beneficial interest in the Group’s five largest customers and suppliers.

由董事（「董事」）組成之董事會（「董事會」）提呈彼等之年報，連同泛亞環保集團有限公司（「本公司」）及其附屬公司（統稱「本集團」）之截至二零一一年十二月三十一日止年度之經審核財務報表。

主要營業地點

本公司乃一家於開曼群島註冊成立之公司，其位於中國之主要營業地點為中國江蘇省宜興市丁蜀鎮川善公路1號（郵政編號：214222），其於香港之主要營業地點為香港皇后大道中99號中環中心6302室。

主要業務

本集團主要從事銷售管道、水處理及煙氣處理產品及設備，以及承接環保（「環保」）建設工程項目、提供環保相關專業服務及製造環保建築材料。

主要客戶及供應商

於財政年度內有關本集團主要客戶及供應商之資料如下：

Percentage of the Group’s total 佔本集團總額之百分比	
Turnover 營業額	Purchases 採購額
5.9%	—
20.6%	—
—	31.4%
—	85.5%

概無董事、彼等之聯繫人士（定義見香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」））或本公司任何股東（據董事所知擁有本公司股本5%以上）於本集團五大客戶及供應商擁有實益權益。

Report of the Directors 董事會報告

FINANCIAL STATEMENTS

The profit of the Group for the financial year ended 31 December 2011 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 46 to 50.

DISTRIBUTABLE RESERVES

Profits attributable to equity holders of the Company, before dividends, of RMB9,520,000 (2010: RMB76,277,000) have been transferred to reserves. Other movements in reserves are set out in note 28 to the financial statements.

As at 31 December 2011, the distributable reserve of the Company amounted to approximately RMB772,702,000 (2010: RMB781,256,000).

PROPERTY, PLANT AND EQUIPMENT

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

SHARE CAPITAL

Details of the movements in share capital of the Company during the financial year are set out in note 27 to the financial statements.

BORROWINGS

Details of the borrowings are set out in note 22 to the consolidated financial statements of the Group.

DIRECTORS

The Directors during the financial year were:

Executive Directors

Mr. Jiang Quanlong (*Chairman*)
Mr. Jiang Lei (*Chief Executive Officer*)
Mr. Fan Yajun
Mr. Gan Yi

財務報表

本集團於截至二零一一年十二月三十一日止財政年度之溢利及本公司及本集團於該日之狀況載於財務報表第46至第50頁。

可分發儲備

本公司權益持有人應佔溢利(未計股息)為人民幣9,520,000元(二零一零年:人民幣76,277,000元)已轉撥至儲備。儲備之其他變動載於財務報表附註28。

截至二零一一年十二月三十一日止年度,本公司可分發儲備大約為人民幣772,702,000元(二零一零年:人民幣781,256,000元)。

物業、廠房及設備

本集團物業、廠房及設備之變動詳情載於財務報表附註14。

股本

本公司股本於財政年度內之變動詳情載於財務報表附註27。

借貸

借貸詳情載於本集團之綜合財務報表附註22。

董事

於財政年度內之董事為:

執行董事

蔣泉龍先生(主席)
蔣磊先生(行政總裁)
范亞軍先生
甘毅先生

Report of the Directors

董事會報告

Independent Non-Executive Directors

Mr. Lai Wing Lee
Mr. Leung Shu Sun, Sunny
Professor Wang Guozhen

Mr. Fan Yajun and Mr. Gan Yi retire from the offices as executive Directors and Professor Wang Guozhen retires from the office as independent non-executive Director at the forthcoming annual general meeting in accordance with article 108(A) of the articles of association and all retiring directors, being eligible, offer themselves for re-election.

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.

DIRECTORS' SERVICE CONTRACTS

No director proposed for re-election at the forthcoming annual general meeting has an unexpired service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than normal statutory obligations.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save for the information disclosed in "Related Party Transactions" in note 32 to the financial statements, no contracts of significance to which the Company, any of its holding companies, or any of their subsidiaries was a party, in which a director of the Company had a material interest, subsisted at the end of the year or at any time during the year.

獨立非執行董事

賴永利先生
梁樹新先生
王國珍教授

范亞軍先生及甘毅先生以及王國珍教授根據本公司組織章程細則第108(A)條於應屆股東周年大會上分別退任執行董事及獨立非執行董事之職務，全部退任董事均合資格及願意重選連任。

確認獨立性

本公司已接獲各獨立非執行董事根據上市規則第3.13條作出之年度獨立性確認書，並認為全體獨立非執行董事均為獨立人士。

董事之服務合約

概無擬於應屆股東周年大會重選之董事訂有未到期服務合約，而本公司或其任何附屬公司在一年內不支付賠償（一般法定賠償除外）不可終止。

董事於重大合約中之權益

除於財務報表附註32「關連交易」所披露之資料外，本公司、其任何控股公司或其任何附屬公司概無參與訂立本公司董事於其中擁有重大權益，且於年結時或年內任何時間仍然有效之重大合約。

Report of the Directors 董事會報告

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2011, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register maintained by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited ("Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies were as follows:

董事於股份、相關股份及債券中之權益及淡倉

於二零一一年十二月三十一日，本公司董事及行政總裁於本公司及其相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份或債券中擁有須記錄於本公司根據證券及期貨條例第352條保存之登記冊或根據上市公司董事進行證券交易的標準守則須知會本公司及香港聯合交易所有限公司（「聯交所」）之權益及淡倉如下：

(a) Interests in shares and underlying shares of the Company

(a) 於本公司股份及相關股份之權益

Name of Director 董事姓名	Nature of interest 權益性質	Number of shares held 持有股份數目 (Note 1) (附註1)	Equity derivatives (share option) 股本衍生工具 (購股權) (Notes 1 and 5) (附註1及5)	Percentage of issued share capital 佔已發行 股本百分比
Jiang Quanlong 蔣泉龍	Corporate interest 法團權益	600,000,000 (L) (Notes 2 and 4) (附註2及4)		75.00%
	Beneficial interest 實益權益		400,000 (L)	0.05%
Jiang Lei 蔣磊	Corporate interest 法團權益	600,000,000 (L) (Notes 3 and 4) (附註3及4)		75.00%
	Beneficial interest 實益權益		400,000 (L)	0.05%
Fan Yajun 范亞軍	Beneficial interest 實益權益		2,500,000 (L)	0.3125%
Gan Yi 甘毅	Beneficial interest 實益權益		1,000,000 (L)	0.125%
Lai Wing Lee 賴永利	Beneficial interest 實益權益		500,000 (L)	0.0625%
Leung Shu Sun, Sunny 梁樹新	Beneficial interest 實益權益		500,000 (L)	0.0625%
Wang Guozhen 王國珍	Beneficial interest 實益權益		500,000 (L)	0.0625%

Report of the Directors

董事會報告

(b) Interests in shares of the associated corporation of the Company

(b) 於本公司相聯法團股份之權益

Name of Director 董事姓名	Nature of Interest 權益性質	Name of associated corporation 相聯法團名稱	Number of shares interested (Note 1) (附註1)	Percentage of the issued share capital of the associated corporation 佔相聯法團已發行股本百分比
Jiang Lei 蔣磊	Beneficial interest 實益權益	Praise Fortune Limited	300 (L)	49.92%

Notes:

附註：

- | | |
|---|--|
| <p>1. The letter "L" denotes the Director's long position in the shares/ underlying shares.</p> <p>2. These 600,000,000 shares are registered in the name of and beneficially owned by Praise Fortune Limited. Mr. Jiang Quanlong is the sole director of Praise Fortune Limited and he is deemed to be interested in all the shares in which Praise Fortune Limited is interested by virtue of the SFO.</p> <p>3. These 600,000,000 shares are registered in the name of and beneficially owned by Praise Fortune Limited, the entire issued share capital of which is beneficially owned as to approximately 49.9%, 49.9% and 0.2% by Mr. Jiang Lei, Mr. Jiang Xin and Ms. Qian Yuanying respectively. Under the SFO, Mr. Jiang Lei is deemed to be interested in the Shares held by Praise Fortune Limited.</p> <p>4. The total number of issued shares in Praise Fortune Limited as at 31 December 2011 is 601 shares of US\$1 each. These 601 shares are owned as to 300 shares by Mr. Jiang Lei (an executive Director), as to 300 shares by Mr. Jiang Xin and as to 1 share by Ms. Qian Yuanying. The sole director of Praise Fortune Limited is Mr. Jiang Quanlong, an executive Director and Ms. Qian Yuanying is the spouse of Mr. Jiang Quanlong.</p> <p>5. These interests represent the interests in underlying shares in respect of share options granted by the Company to these directors as beneficial owners, the details of which are set out in the Share Option Scheme section stated below.</p> | <p>1. 字母「L」代表董事於股份／相關股份之好倉。</p> <p>2. 該等600,000,000股股份以Praise Fortune Limited之名義登記並由其實益擁有。蔣泉龍先生乃Praise Fortune Limited之唯一董事，彼根據證券及期貨條例被視為擁有Praise Fortune Limited所擁有全部股份之權益。</p> <p>3. 該等600,000,000股股份以Praise Fortune Limited之名義登記並由其實益擁有，其全部已發行股本分別由蔣磊先生、蔣鑫先生及錢元英女士擁有約49.9%、49.9%及0.2%。根據證券及期貨條例，蔣磊先生被視為擁有Praise Fortune Limited所持有之股份權益。</p> <p>4. Praise Fortune Limited於二零一一年十二月三十一日之已發行股份總數為601股每股面值1美元之股份。該等601股股份乃由蔣磊先生（執行董事）擁有300股股份、由蔣鑫先生擁有300股股份及由錢元英女士擁有1股股份。Praise Fortune Limited之唯一董事為執行董事蔣泉龍先生，而錢元英女士為蔣泉龍先生之配偶。</p> <p>5. 該等權益指本公司向有關董事（作為實益持有人）授出購股權所涉及的相關股份權益，有關詳情載於下文購股權計劃。</p> |
|---|--|

Save as disclosed above, as at 31 December 2011, so far as is known to any Director or chief executive of the Company, neither the Directors nor the chief executive had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

除上述披露外，截至二零一一年十二月三十一日，就本公司任何董事或行政總裁所知，概無董事或行政總裁於本公司或任何其相聯法團（定義見證券及期貨條例第XV部）之任何股份、相關股份或債券中擁有任何權益或淡倉。

Report of the Directors 董事會報告

SHARE OPTION SCHEME

The Company adopted a share option scheme (the "Share Option Scheme"), details of which are set out in Note 29 to the financial statements. Details of the share options granted under the Share Option Scheme and their movements during the year ended 31 December 2011 are as follows:

購股權計劃

本公司採納一項購股權計劃（「購股權計劃」），詳情載於財務報表附註29。根據購股權計劃授出之購股權之詳情及其在截至二零一一年十二月三十一日止年度之變動載列如下：

	Date of Grant 授出日期	Exercise Price 行使價 HKD 港元	Vesting Period 歸屬期	Exercisable Period 可行使期間	Number of Share Options 購股權數目			As at 31/12/2011 於 二零一一年 十二月 三十一日
					As at 1/1/2011 於 二零一一年 一月一日	Granted during the year 於年內 已授出	Exercised/ Cancelled/ Lapsed during the year 於年內 已行使/ 已註銷/ 已失效	
Jiang Quanlong 蔣泉龍	14/5/2008	2.81	14/5/2008 to 13/5/2009	14/5/2009 to 13/5/2018	400,000	—	—	400,000
Jiang Lei 蔣磊	14/5/2008	2.81	14/5/2008 to 13/5/2009	14/5/2009 to 13/5/2018	400,000	—	—	400,000
Fan Yajun 范亞軍	14/5/2008	2.81	14/5/2008 to 13/5/2009	14/5/2009 to 13/5/2018	2,500,000	—	—	2,500,000
Gan Yi 甘毅	14/5/2008	2.81	14/5/2008 to 13/5/2009	14/5/2009 to 13/5/2018	1,000,000	—	—	1,000,000
Lai Wing Lee 賴永利	14/5/2008	2.81	14/5/2008 to 13/5/2009	14/5/2009 to 13/5/2018	500,000	—	—	500,000
Leung Shu Sun, Sunny 梁樹新	14/5/2008	2.81	14/5/2008 to 13/5/2009	14/5/2009 to 13/5/2018	500,000	—	—	500,000
Wang Guozhen 王國珍	14/5/2008	2.81	14/5/2008 to 13/5/2009	14/5/2009 to 13/5/2018	500,000	—	—	500,000
Continuous contract employees 長期合約僱員	14/5/2008	2.81	14/5/2008 to 13/5/2009	14/5/2009 to 13/5/2018	12,000,000	—	(1,000,000) (Note) (附註)	11,000,000
					17,800,000	—	(1,000,000) (Note) (附註)	16,800,000

Note: 1,000,000 share options lapsed due to resignation of senior management during the year ended 31 December 2011.

附註：於截至二零一一年十二月三十一日止年度，1,000,000份購股權因高級管理人員辭任而告失效。

Report of the Directors

董事會報告

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as is known to the directors and chief executive of the Company, as at 31 December 2011, the following persons (other than the Directors or chief executive officer of the Company) had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

主要股東於本公司股份及相關股份之權益及淡倉

於二零一一年十二月三十一日，據本公司董事及行政總裁所知，下列人士（本公司董事或行政總裁除外）於本公司之股份或相關股份中擁有須根據證券及期貨條例第XV部第2及3分部之條文向本公司披露或須記錄於本公司根據證券及期貨條例第336條存置之登記冊內之權益或淡倉：

Interest in the shares and underlying shares of the Company

於本公司股份及相關股份之權益

Name 名稱	Nature of interest 權益性質	Number of shares held 所持股份數目 (Note 1) (附註1)	Equity derivatives (share option) 股本衍生工具 (購股權) (Note 1) (附註1)	Approximate percentage of total number of issued shares 佔已發行股份總數 之概約百分比
Praise Fortune Limited (Note 2) Praise Fortune Limited (附註2)	Beneficial interest 實益權益	600,000,000 (L)		75.00%
Mr. Jiang Xin (Note 3) 蔣鑫先生 (附註3)	Interest of a controlled corporation 受控制公司權益	600,000,000 (L)		75.00%
Ms. Qian Yuanying (Note 4) 錢元英女士 (附註4)	Interest of spouse 配偶權益	600,000,000 (L)		75.00%
	Interest of spouse 配偶權益		400,000 (L)	0.05%
Ms. Li Jingru (Note 5) 李靜如女士 (附註5)	Interest of spouse 配偶權益	600,000,000 (L)		75.00%
Ms. Chai Yongping (Note 6) 柴永萍女士 (附註6)	Interest of spouse 配偶權益	600,000,000 (L)		75.00%
	Interest of spouse 配偶權益		400,000 (L)	0.05%

Report of the Directors 董事會報告

Notes:

1. The Letter "L" denotes the person's long position in the shares/ underlying shares.
2. The total number of issued shares in Praise Fortune Limited as at 31 December 2011 is 601 shares of US\$1 each. These 601 shares are owned as to 300 shares by Mr. Jiang Lei (an executive Director), as to 300 shares by Mr. Jiang Xin and as to 1 share by Ms. Qian Yuanying. The sole director of Praise Fortune Limited is Mr. Jiang Quanlong, an executive Director.
3. These Shares are registered in the name of and beneficially owned by Praise Fortune Limited, the entire issued share capital of which is beneficially owned as to approximately 49.9%, 49.9% and 0.2% by Mr. Jiang Lei, Mr. Jiang Xin and Ms. Qian Yuanying respectively. Under the SFO, Mr. Jiang Lei and Mr. Jiang Xin are deemed to be interested in the Shares held by Praise Fortune Limited.
4. Ms. Qian Yuanying is the spouse of Mr. Jiang Quanlong and is therefore deemed to be interested in all the Shares in which Mr. Jiang Quanlong is deemed to be interested.
5. Ms. Li Jingru is the spouse of Mr. Jiang Xin and is therefore deemed to be interested in all the Shares in which Mr. Jiang Xin is deemed to be interested.
6. Ms. Chai Yongping is the spouse of Mr. Jiang Lei and is therefore deemed to be interested in all the Shares in which Mr. Jiang Lei is deemed to be interested.

Save as disclosed above, as at 31 December 2011, the Company has not been notified by any person (other than the Directors or chief executive of the Company) who had interests or short position in the shares or underlying shares of the Company.

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

Neither the Company nor any of its subsidiary purchased, sold or redeemed any of the Company's listed share during the year ended 31 December 2011.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this annual report, the Company has maintained the prescribed public float under the Listing Rules.

附註：

1. 字母「L」指有關人士於股份／相關股份之好倉。
2. Praise Fortune Limited於二零一一年十二月三十一日之已發行股份總數為601股每股面值1美元之股份。該601股股份乃由蔣磊先生（執行董事）擁有300股股份，由蔣鑫先生擁有300股股份及由錢元英女士擁有1股股份。Praise Fortune Limited之唯一董事為執行董事蔣泉龍先生。
3. 該等股份以Praise Fortune Limited之名義登記並由其實益擁有，其所有已發行股本由蔣磊先生、蔣鑫先生及錢元英女士分別擁有約49.9%、49.9%及0.2%。根據證券及期貨條例，蔣磊先生及蔣鑫先生被視為於Praise Fortune Limited所持有之股份中擁有權益。
4. 錢元英女士乃蔣泉龍先生之配偶，因此被視為於蔣泉龍先生被視為擁有之全部股份中擁有權益。
5. 李靜如女士乃蔣鑫先生之配偶，因此被視為於蔣鑫先生被視為擁有之全部股份中擁有權益。
6. 柴永萍女士乃蔣磊先生之配偶，因此被視為於蔣磊先生被視為擁有之全部股份中擁有權益。

除上述披露外，截至二零一一年十二月三十一日，本公司概不知悉有任何人士（本公司董事或行政總裁除外）於本公司股份或相關股份中擁有權益或淡倉。

買賣或贖回本公司之公司之上市股份

於截至二零一一年十二月三十一日止年度，本公司或其附屬公司概無買賣或贖回本公司任何上市股份。

足夠之公眾持股量

根據截至本年報日期，本公司可公開取得之資料及據董事所知，本公司一直維持上市規則項下規定之公眾持股量。

Report of the Directors

董事會報告

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in notes 8, 19, 23, 24 and 32 to the financial statements, no contract of significance to which the Company, or any of its holding company, subsidiaries or fellow subsidiaries was a party, and in which a director of the Company had a material interest, subsisted at the end of the financial year or at any time during the financial year.

COMPETING BUSINESS INTERESTS OF DIRECTORS

Non-Competition Undertaking

Under the restrictive covenants of a share purchase agreement dated 1 December 2007 executed among (i) YY Holdings as vendor, (ii) Praise Fortune Limited, Mr. Jiang Quanlong, Ms. Qian Yuanying, Mr. Jiang Lei and Mr. Jiang Xin as covenants, and (iii) the Company as the purchaser, each of Praise Fortune Limited, Ms. Qian Yuanying, Mr. Jiang Quanlong, Mr. Jiang Lei and Mr. Jiang Xin (collectively the "Covenantors") has undertaken that he/she/it will not and shall procure his/her/its Associates will not:

- (a) at any time disclose to any person, or himself/herself/itself use for any purpose, and shall use his/her/its best endeavours to prevent the publication or disclosure of, any information concerning the business, accounts or finances of any Group company, or any of its clients', suppliers' or customers' transactions or affairs, which may, or may have, come to his/her/its knowledge;
- (b) at any time during which the Company is listed on the Stock Exchange and for so long as each of the Covenantors and their respective associates collectively hold, whether individually or taken together, 30% or more of the issued Shares or is regarded as the controlling shareholder(s) of the Company under the Listing Rules or for a period of two years from the date of the Listing, whichever is the longest period of time:
 - (i) directly or indirectly solicit, interfere with, employ or endeavour to entice away from any Group company with a view to competing with the Group any person who, to his/her/its knowledge, is now, or has during the 12 months preceding the date of the share purchase agreement been, a client, customer, supplier or employee of, or has been in the habit of dealing with, any Group company;

董事於合約之權益

除財務報表附註8、19、23、24及32所披露外，本公司、其任何控股公司、附屬公司或同系附屬公司概無參與訂立本公司董事於其中擁有重大權益，且於財務年度年結或財政年度年內任何時間仍然有效之重大合約。

董事於競爭業務之權益

不競爭承諾

根據由(i) YY Holdings (賣方)、(ii) Praise Fortune Limited、蔣泉龍先生、錢元英女士、蔣磊先生及蔣鑫先生(承諾人)與(iii)本公司(買方)於二零零七年十二月一日訂立之購股協議之限制性條款，Praise Fortune Limited、錢元英女士、蔣泉龍先生、蔣磊先生及蔣鑫先生(統稱為「承諾人」)分別承諾，其將不會且將促使其聯繫人士亦不會：

- (a) 於任何時間向任何人士透露或其本人因任何目的利用就其所知可能涉及本集團任何公司之業務、賬目或財務之資料，或其客戶、供應商或客戶之交易或事務，並將竭盡所能防止該等資料交易或事務被公開或透露；
- (b) 於本公司在聯交所上市期間內，及根據上市規則或自上市之日起計兩年期間內(以最長者為準)任何時間，共同持有(無論單獨或視作共同持有)30%或以上已發行股份或被視為本公司控股股東之各承諾人及彼等各自聯繫人士：
 - (i) 直接或間接誘使、干預、聘用或試圖誘使就其所知現時或於購股協議訂立日期前十二個月期間為本集團任何公司之客戶、顧客、供應商或僱員或慣常與本集團任何成員公司進行交易之任何人士離開本集團任何公司以與本集團競爭；

Report of the Directors 董事會報告

- (ii) at any time use the name or trading style of any Group company, or any trademarks or logos or device similar in appearance to any trademarks, in the PRC, Hong Kong or any other part of the world, or represent himself as carrying on or continuing or being connected with any Group company or its business for any purposes whatsoever; and/or
- (iii) directly or indirectly carry on or be engaged or concerned or interested in the businesses of (i) the production of water treatment and flue gas treatment and solid waste treatment equipment and components and pipes; (ii) the sale and installation of water treatment and flue gas treatment and solid waste treatment equipment and pipes; and (iii) the contracting of water treatment and flue gas treatment and solid waste treatment projects, being the current principal businesses of the Group.

Each of the Covenantors has confirmed that he/she/it is not currently engaged in any business, which directly or indirectly competes or may compete with the Group's business.

Each of the Covenantors has undertaken in favour of the Company under the share purchase agreement to procure the provision to the Company of all information necessary for the enforcement of the above undertaking. Each of the Covenantors further undertakes in favour of the Company to make a statement in the annual report of the Company confirming compliance by it and its affiliates with the terms of the non-competition undertaking in the share purchase agreement. The Company will disclose in its annual reports on how the undertakings in the share purchase agreement are complied with and enforced in accordance with the principles of making voluntary disclosures in the Corporate Governance Report as defined in Appendix 23 of the Listing Rules.

Benxi Fanya Environmental Heat & Power Co., Ltd. ("Benxi Fanya") is owned as to 80% by Asia Global Tech Group Limited ("AGT (HK)"), and as to 20% by an Independent Third Party. AGT (HK) is beneficially owned as to 60%, 20% and 20% by Ms. Qian Yuanying (the spouse of Mr. Jiang Quanlong), Mr. Jiang Lei and Mr. Jiang Xin (both of whom are sons of Mr. Jiang Quanlong) respectively. The permitted business scope on the business licence of Benxi Fanya includes, among others, research and consultation of environmental protection

- (ii) 於任何時間，在中國、香港或任何其他國家或地區使用本集團任何公司之名稱或經營模式或與彼等任何商標之外觀相似之任何商標、圖標或圖案，或不論任何目的代表其本身開展或繼續從事與本集團任何公司或其業務有關之業務；及／或
- (iii) 直接或間接開展、從事或涉及本集團現有主要業務或於其中擁有權益，即：(i)生產水處理及煙氣處理及固體廢棄物處理設備及元件及管材；(ii)水處理及煙氣處理及固體廢棄物處理設備及管材銷售及安裝；及(iii)承包水處理及煙氣處理及固體廢棄物處理工程（為本集團目前之主要業務）。

各承諾人均已確認，彼等現時並無從事與本集團業務直接或間接構成競爭或可能構成競爭之任何業務。

各承諾人均已根據購股協議作出以本公司為受益人之承諾，以促使向本公司提供執行上述承諾所需之全部資料。各承諾人進一步作出以本公司為受益人之承諾，將於本公司年報中作出聲明，確認其及其聯屬公司將遵守購股協議內不競爭承諾之條款。本公司將根據上市規則附錄23所界定企業管治報告之自願披露原則，於其年報中披露購股協議中承諾之遵守狀況及執行狀況。

本溪泛亞環保熱電有限公司（「本溪泛亞」）由Asia Global Tech Group Limited（「AGT (HK)」）擁有80%及由一位獨立第三方擁有20%。AGT (HK)分別由錢元英女士（蔣泉龍先生之配偶）、蔣磊先生及蔣鑫先生（均為蔣泉龍先生之子）擁有60%、20%及20%。本溪泛亞之營業執照所列許可經營範圍涵蓋（其中包括）環保技術研究與諮詢及環保工程設計。於本年報日期，本溪泛亞主要從事電力及熱能生產，

Report of the Directors

董事會報告

technology, and design of EP engineering. As at the date of this annual report, Benxi Fanya was principally engaged in generating electricity and heat, and did not engage or interest in any businesses which compete with the current principal businesses of the Group. Jiangsu Tianyuan Technologies Limited ("Jiangsu Tianyuan") is owned by the associates of Mr. Fang Guohong, a former executive Director of the Company who resigned on 25 March 2009. The permitted business scope on the business licence of Jiangsu Tianyuan includes, among others, research and development of denitrification EP equipment and technology, manufacture of FGD EP equipment, desulphurization absorption tower and flue glass flake anticorrosive material and denitrification EP equipment. As at the date of this annual report, Jiangsu Tianyuan was principally engaged in the business of producing thermal insulation components, and did not engage or interest in any businesses which compete with the current principal businesses of the Group. The permitted scope of business of each of Benxi Fanya and Jiangsu Tianyuan is relatively wide, but it is not unusual for a corporate entity to provide for a broader scope of business in its corporate documents to allow for flexibility. At present, neither Benxi Fanya nor Jiangsu Tianyuan has any plan to vary their respective business licences to exclude or alter the permitted activities as set out therein.

Mr. Jiang Quanlong is also the chairman and one of the executive directors of China Rare Earth Holdings Limited ("CRE"), a company whose securities are listed on the Main Board. CRE and its subsidiaries are principally engaged in manufacturing and sales of rare earth products and refractory products. As the Group's principal business is to provide integrated EP solutions in areas such as water and flue gas treatments, the current principal businesses of the Group and those of CRE and its subsidiaries do not compete with each other.

Under the restrictive covenants of several service agreements dated 1 December 2007 between the Company and each of the executive Directors, the executive Directors gave undertakings similar to the wordings stated in paragraph (b) above of the said share purchase agreement.

The independent non-executive Directors shall review, at least on an annual basis, the compliance with the non-competition undertaking by each of such persons on their existing or future competing business and the Company shall disclose the result of such review either through the annual report of the Company, or by way of announcement to the public.

而並無從事與本集團現有主要業務構成競爭之任何業務或於其中擁有權益。江蘇天元科技有限公司（「江蘇天元」）由本公司前任執行董事方國洪先生之聯繫人士擁有。江蘇天元營業執照所列許可經營範圍涵蓋（其中包括）脫硝環保設備及技術的研發；煙氣脫硫環保設備、脫硫吸收塔、煙道玻璃鱗片防腐材料、脫硝環保設備之製造。於本年報日期及江蘇天元主要從事生產熱絕緣元件之業務，而並無從事與本集團現有主要業務構成競爭之任何業務或於其中擁有權益。本溪泛亞與江蘇天元之獲許可經營範圍相對較廣。但為保持靈活性，一間公司實體往往會於其公司文件中設定較廣之業務範圍。目前，本溪泛亞與江蘇天元並無計劃更換其各自之營業執照，以去除或修改其中載明之獲許可業務。

蔣泉龍先生亦為中國稀土控股有限公司（「中國稀土」）（其股份於主板上市）之主席兼執行董事。中國稀土及其附屬公司主要從事製造及銷售稀土產品及耐火產品。由於本集團之主要業務為提供水及煙氣處理等範疇之綜合環保解決方案，故此本集團目前之主要業務與中國稀土及其附屬公司之業務並不構成競爭。

根據本公司與每位執行董事於二零零七年十二月一日訂立之若干服務協議之限制性承諾，執行董事均作出與上文所述購股協議(b)段措詞類似之承諾。

獨立非執行董事須至少每年檢討各有關人士於彼等之現有或日後競爭業務遵守不競爭承諾方面之守規情況，而本公司將透過本公司年報或公告向公眾人士披露有關檢討結果。

Report of the Directors 董事會報告

As the controlling shareholders (namely, Praise Fortune Limited, Mr. Jiang Lei and Mr. Jiang Xin) and Mr. Jiang Quanlong as sole director of Praise Fortune Limited have given non-competition undertakings in favour of the Company and none of them has interests in other business that compete or are likely to compete with the business of the Group, the management and operation of the operating entities are independent from each other, the Directors are of the view that the Group is capable of carrying on its business independently of the controlling Shareholders.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro-rata basis to its existing shareholders.

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 144 of the annual report.

RETIREMENT BENEFIT COSTS

The retirement schemes of the Company and its subsidiaries are primarily in form of contributions to the Hong Kong mandatory provident fund and China statutory public welfare fund. Particulars of these retirement schemes are set out in note 7 to the financial statements.

PROFESSIONAL TAX ADVICE RECOMMENDED

If the shareholders ("Shareholders") of the Company are unsure about the taxation implications of purchasing, holding, disposing of, dealing in, or the exercise of any rights in relation to the shares, they are advised to consult an expert.

AUDITOR

The consolidated financial statements for the year have been audited by CCIF CPA Limited. CCIF CPA Limited will retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of CCIF CPA Limited as auditor of the Company is to be proposed at the forthcoming annual general meeting.

By order of the Board
Jiang Quanlong
Chairman

Hong Kong, 30 March 2012

由於控股股東（即Praise Fortune Limited、蔣磊先生及蔣鑫先生）及蔣泉龍先生（Praise Fortune Limited之唯一董事）已給予以本公司為受益人之不競爭承諾，且彼等概無於與本集團業務競爭或可能與本集團業務競爭之其他業務中擁有權益，各經營實體之管理及營運相互獨立，因此董事認為本集團有能力獨立於控股股東經營本集團業務。

優先購買權

本公司組織章程細則或開曼群島法律均無有關強制本公司按比例向其現有股東發售新股份之優先購買權之規定。

財務摘要

本集團在過去五個財政年度之業績及資產與負債摘要載於年報第144頁。

退休福利成本

本公司及其附屬公司之退休計劃主要以香港強制性公積金及中國法定公積金供款之形式。此等退休計劃之詳情載於財務報表附註7。

建議之專業稅務意見

如本公司股東（「股東」）未能確定購買、持有、出售、處理或行使有關股份之任何權利之稅務影響，謹請彼等諮詢專業人士。

核數師

本公司之綜合財務報表由陳葉馮會計師事務所有限公司審核。陳葉馮會計師事務所有限公司將退任惟合資格獲重新聘任。重新聘任陳葉馮會計師事務所有限公司為本公司核數師之決議案將於應屆股東周年大會上提呈。

承董事會命
主席
蔣泉龍

香港，二零一二年三月三十日

Independent Auditor's Report 獨立核數師報告



CCIF

CCIF CPA LIMITED

34/F The Lee Gardens
33 Hysan Avenue
Causeway Bay Hong Kong



CCIF

陳葉馮會計師事務所有限公司

香港 銅鑼灣 希慎道33號
利園34樓

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF PAN ASIA ENVIRONMENTAL PROTECTION GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Pan Asia Environmental Protection Group Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 46 to 143, which comprise the consolidated and company statements of financial position as at 31 December 2011, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. 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.

致泛亞環保集團有限公司全體股東之 獨立核數師報告

(於開曼群島註冊成立之有限公司)

本核數師已審核第46至143頁所載泛亞環保集團有限公司（「貴公司」）及其附屬公司（統稱為「貴集團」）之綜合財務報表，包括二零一一年十二月三十一日之綜合及公司財務狀況表、截至該日止年度之綜合全面收益表、綜合權益變動表及綜合現金流量表，以及主要會計政策概要及其他說明資料。

董事編製綜合財務報表之責任

貴公司董事須遵照香港會計師公會頒佈之香港財務報告準則及香港公司條例之披露規定，負責編製真實公平的綜合財務報表以及董事認為需要之有關內部監控，以確保綜合財務報表之編製並無重大錯誤陳述（不論其由欺詐或錯誤引起）。

核數師之責任

本核數師之責任是根據審核之結果對此等綜合財務報表作出意見。本報告乃僅為向股東匯報而編製，不應用作其他用途。本核數師概不就本報告之內容向任何其他人士負責或承擔責任。

Independent Auditor's Report 獨立核數師報告

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

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

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2011, and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

CCIF CPA Limited

Certified Public Accountants
Hong Kong, 30 March 2012

Kwok Cheuk Yuen

Practising Certificate Number P02412

本核數師之審核工作按照香港會計師公會頒佈之香港審計準則進行。該等準則要求本核數師遵守操守規定以及計劃及進行審核以合理之確定此等綜合財務報表是否存在重大之錯誤陳述。

審核範圍包括進行程序以取得與綜合財務報表所載數額及披露事項有關之審核憑證。選取之該等程序須視乎核數師之判斷，包括評估綜合財務報表之重大錯誤陳述（不論其由欺詐或錯誤引起）之風險。在作出該等風險評估時，核數師將考慮與公司編製真實公平的綜合財務報表有關之內部監控，以為不同情況設計適當審核程序，但並非旨在就公司內部監控是否有效表達意見。審核範圍亦包括評估所用會計政策之恰當性，董事所作之會計估算之合理性，並就綜合財務報表之整體呈列方式作出評估。

本核數師相信，本核數師所取得之審核憑證就提出審核意見而言屬充分恰當。

意見

本核數師認為，綜合財務報表根據香港財務報告準則足以真實兼公平地顯示貴公司與貴集團於二零一一年十二月三十一日之財務狀況及貴集團截至該日止年度之溢利及現金流量，並按照香港公司條例之披露規定妥為編製。

陳葉馮會計師事務所有限公司

執業會計師
香港，二零一二年三月三十日

郭焯源

執業證書編號P02412

Consolidated Statement of Comprehensive Income

綜合全面收益表

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

		Note 附註	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
TURNOVER	營業額	4	476,026	646,708
Cost of sales	銷售成本		(415,981)	(504,022)
GROSS PROFIT	毛利		60,045	142,686
Other revenue	其他收入	4	5,404	3,769
Other net income/(loss)	其他淨收益／(虧損)	4	2,169	(1,415)
Selling and distribution expenses	銷售及分銷開支		(1,503)	(673)
General and administrative expenses	一般及行政開支		(42,520)	(32,065)
Other operating expenses	其他經營開支		(3,072)	(1,281)
Finance costs	融資成本	5a)	(537)	(367)
PROFIT BEFORE TAXATION	除稅前溢利	5	19,986	110,654
Income tax expenses	所得稅開支	6	(11,162)	(35,999)
PROFIT FOR THE YEAR	年內溢利		8,824	74,655
Other comprehensive for income the year (after tax and reclassification adjustments)	年內其他全面收益 (稅後及經重新分類調整)			
Exchange differences on translation of financial statements of foreign operation	換算海外業務財務報表 之匯兌差額		(175)	(753)
Other comprehensive income for the year, net of tax	年內其他全面收益(稅後)		(175)	(753)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	年內全面收益總額		8,649	73,902
Profit attributable to:	以下人士應佔溢利：			
Owners of the Company	本公司擁有人		9,520	76,277
Non-controlling interests	非控股權益		(696)	(1,622)
			8,824	74,655
Total comprehensive income attributable to:	以下人士應佔全面收益總額：			
Owners of the Company	本公司擁有人		9,345	75,524
Non-controlling interests	非控股權益		(696)	(1,622)
			8,649	73,902
EARNINGS PER SHARE	每股盈利	12		
– Basic and diluted	— 基本及攤薄		RMB1.19 cents 人民幣1.19分	RMB9.53 cents 人民幣9.53分

The notes on pages 51 to 143 form part of these financial statements.

第51頁至第143頁之附註屬本財務報表之一部份。

Statements of Financial Position

財務狀況表

As at 31 December 2011
於二零一一年十二月三十一日

			The Group 本集團		The Company 本公司	
		Note 附註	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
NON-CURRENT ASSETS	非流動資產					
Prepaid lease payment	預付租賃款項	13	40,596	6,576	-	-
Property, plant and equipment	物業、廠房及設備	14	252,094	175,881	106	197
Available-for-sale financial asset	可供出售金融資產	15	9,000	6,850	-	-
Investments in subsidiaries	於附屬公司之投資	16	-	-	530,201	381,537
			301,690	189,307	530,307	381,734
CURRENT ASSETS	流動資產					
Prepaid lease payment	預付租賃款項	13	850	169	-	-
Inventories	存貨	17	81,156	33,750	-	-
Trade and other receivables	應收貿易及其他款項	18	514,365	529,803	284,456	438,039
Pledged bank deposits	已抵押銀行存款	31	11,060	4,500	-	-
Cash and bank balances	現金及銀行結餘	20	606,815	685,503	5,393	6,475
			1,214,246	1,253,725	289,849	444,514
CURRENT LIABILITIES	流動負債					
Trade and other payables	應付貿易及其他款項	21	101,663	109,703	1,041	1,066
Short-term bank loan	短期銀行貸款	22	-	9,000	-	-
Deposits received and receipts in advance	已收按金及預收款		178,256	92,448	-	-
Tax payable	應付稅項	26a)	14,977	21,204	-	-
			294,896	232,355	1,041	1,066
NET CURRENT ASSETS	流動資產淨值		919,350	1,021,370	288,808	443,448
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		1,221,040	1,210,677	819,115	825,182
NON-CURRENT LIABILITIES	非流動負債					
Deferred tax liabilities	遞延稅項負債	26b)	6,566	4,852	-	-
NET ASSETS	資產淨值		1,214,474	1,205,825	819,115	825,182
CAPITAL AND RESERVES	股本及儲備					
Share capital	股本	27	74,872	74,872	74,872	74,872
Reserves	儲備	28	1,139,554	1,130,209	744,243	750,310
Equity attributable to owners of the Company	本公司擁有人應佔權益		1,214,426	1,205,081	819,115	825,182
Non-controlling interests	非控股權益		48	744	-	-
TOTAL EQUITY	權益總額		1,214,474	1,205,825	819,115	825,182

Approved and authorised for issue by the board of directors on 30 March 2012

Jiang Quanlong
Director

蔣泉龍
董事

經董事會於二零一二年三月三十日批准及授權刊發

Jiang Lei
Director

蔣磊
董事

The notes on pages 51 to 143 form part of these financial statements.

第51頁至第143頁之附註屬本財務報表之一部份。

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

		Attributable to owners of the Company											
		本公司擁有人應佔											
											Non-	Total	
		Share capital	Share premium	Special reserve	Capital reserve	Enterprise expansion reserve	Statutory surplus reserve	Translation reserve	Share option reserve	Retained profits	Subtotal	controlling interests	equity
						企業擴展	法定盈餘		購股權			非控股	權益
		股本	股份溢價	特別儲備	股本儲備	儲備	儲備	匯兌儲備	儲備	保留溢利	小計	權益	總額
		RMB'000	RMB'000	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	人民幣千元	人民幣千元
			(Note 28(ii))	(Note 28(iii))	(Note 28(iii))	(Note 28(iv))	(Note 28(v))	(Note 28(vi))	(Note 28(vii))				
			(附註28(ii))	(附註28(iii))	(附註28(iii))	(附註28(iv))	(附註28(v))	(附註28(vi))	(附註28(vii))				
1 January 2010	二零一零年一月一日	74,872	419,229	94,225	133	40,149	49,422	(6,543)	13,841	472,133	1,157,461	2,366	1,159,827
Profit for the year	年內溢利	-	-	-	-	-	-	-	-	76,277	76,277	(1,622)	74,655
Other comprehensive income	其他全面收益	-	-	-	-	-	-	(753)	-	-	(753)	-	(753)
Total comprehensive income	全面收益總額	-	-	-	-	-	-	(753)	-	76,277	75,524	(1,622)	73,902
Dividends approved in respect of previous year	已批准上年度之股息												
note 11(b)	附註11(b)	-	-	-	-	-	-	-	-	(27,904)	(27,904)	-	(27,904)
Transfer to reserves	轉撥至儲備	-	-	-	-	5,426	5,426	-	-	(10,852)	-	-	-
At 31 December 2010 and 1 January 2011	於二零一零年十二月三十一日及二零一一年一月一日	74,872	419,229	94,225	133	45,575	54,848	(7,296)	13,841	509,654	1,205,081	744	1,205,825
Profit for the year	年內溢利	-	-	-	-	-	-	-	-	9,520	9,520	(696)	8,824
Other comprehensive income	其他全面收益	-	-	-	-	-	-	(175)	-	-	(175)	-	(175)
Total comprehensive income	全面收益總額	-	-	-	-	-	-	(175)	-	9,520	9,345	(696)	8,649
Transfer to retained profits upon lapse of share options	於購股權失效後轉撥至保留溢利	-	-	-	-	-	-	-	(778)	778	-	-	-
Transfer to reserves	轉撥至儲備	-	-	-	-	820	820	-	-	(1,640)	-	-	-
At 31 December 2011	於二零一一年十二月三十一日	74,872	419,229	94,225	133	46,395	55,668	(7,471)	13,063	518,312	1,214,426	48	1,214,474

The notes on pages 51 to 143 form part of these financial statements.

第51頁至第143頁之附註屬本財務報表之一部份。

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Operating activities	經營活動		
Profit before taxation	除稅前溢利	19,986	110,654
Adjustments for:	調整：		
Amortisation of prepaid lease payment	攤銷預付租賃款項	518	169
Depreciation	折舊	9,755	5,417
Dividend income from available-for-sale financial asset	可供出售金融資產之股息收入	(2,150)	—
Gain on disposal of prepaid lease payment	出售預付租賃款項之收益	(6,340)	—
Impairment loss on trade receivables	應收貿易款項之減值虧損	—	94
Interest expenses	利息開支	537	367
Interest income	利息收入	(3,061)	(3,738)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	3,882	—
Reversal of impairment loss on trade receivables	應收貿易款項之減值虧損撥回	(80)	—
		23,047	112,963
Changes in working capital	營運資金變動		
Increase in inventories	存貨增加	(47,406)	(795)
Decrease in trade and other receivables	應收貿易及其他款項減少	21,618	11,095
Decrease in trade and other payables	應付貿易及其他款項減少	(7,621)	(31,265)
Increase in deposits received and receipts in advance	已收按金及預收款增加	85,808	23,035
		75,446	115,033
Cash generated from operations	經營業務產生之現金		
PRC enterprises income tax paid	已付中國企業所得稅	(15,675)	(29,665)
		59,771	85,368
Net cash generated from operating activities	經營業務產生之現金淨額		
Investing activities	投資活動		
Interest received	已收利息	3,061	3,738
Payments for acquisition of prepaid lease payment	收購預付租賃款項付款	(39,550)	—
Proceeds from disposal of prepaid lease payment	出售預付租賃款項所得款項	10,671	—

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Payments for acquisition of property, plant and equipment	收購物業、廠房及 設備付款	(96,374)	(133,345)
(Increase)/decrease in pledged bank deposits	已抵押銀行存款(增加)/減少	(6,560)	26,980
Net cash used in investing activities	投資活動所用 之現金淨額	(128,752)	(102,627)
Financing activities	融資活動		
Interest paid	已付利息	(537)	(367)
Repayment of short-term bank loan	短期銀行貸款還款	(9,000)	(16,478)
Proceeds from short-term bank loan	短期銀行貸款所得款項	-	9,000
Payment of dividend	派發股息	-	(27,904)
Net cash used in financing activities	融資活動所用之現金淨額	(9,537)	(35,749)
Net decrease in cash and cash equivalent for the year	本年度現金及等同現金 項目減少淨額	(78,518)	(53,008)
Cash and bank balances at beginning of year	年初之現金及銀行結餘	685,503	739,266
Effect of foreign exchange rate changes, net	外匯匯率變動之影響淨額	(170)	(755)
Cash and bank balances at end of year	年終之現金及銀行結餘	606,815	685,503
Analysis of the balance of cash and cash equivalents	現金及等同現金項目 結存分析		
Cash and bank balances	現金及銀行結餘	606,815	685,503

The notes on pages 51 to 143 form part of these financial statements.

第51頁至第143頁之附註屬本財務報表之一部份。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

1. GENERAL INFORMATION

Pan Asia Environmental Protection Group Limited (the “Company”) was incorporated as an exempted company and registered in the Cayman Islands with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (“Stock Exchange”). The addresses of the registered office and principal place of business of the Company are Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and Suite 6302, The Center, 99 Queen’s Road Central, Hong Kong, respectively.

The Company and its subsidiaries (together the “Group”) are principally engaged in the manufacture and sales of environmental protection (“EP”) products and equipment, undertaking EP construction engineering projects, provision of EP related professional services and manufacture of EP construction materials in the People’s Republic of China (the “PRC”) and investment holding.

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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). A summary of the significant accounting policies adopted by the Group is set out below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

1. 一般資料

泛亞環保集團有限公司(「本公司」)於開曼群島註冊成立為一間獲豁免有限公司，其股份於香港聯合交易所有限公司(「聯交所」)上市。本公司之註冊辦事處及香港主要營業地點地址分別為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands及香港皇后大道中99號中環中心6302室。

本公司及其附屬公司(統稱為「本集團」)主要在中華人民共和國(「中國」)從事環保(「環保」)產品及設備之製造及銷售、承接環保建設工程項目、提供環保相關專業服務及製造環保建築材料及投資控股。

2. 主要會計政策

a) 守規聲明

此等財務報表已根據香港會計師公會(「香港會計師公會」)頒佈之所有適用香港財務報告準則(「香港財務報告準則」)(此乃包括所有適用之個別香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋之統稱)、香港普遍採納會計原則及香港公司條例之披露規定而編製。此等財務報表亦遵守香港聯合交易所有限公司證券上市規則(「上市規則」)之適用披露規定。本集團採納之主要會計政策概要載列如下。

香港會計師公會已頒佈若干新訂及經修訂香港財務報告準則，均於本集團及本公司之本會計期間首次生效或可供提早採納。附註3提供了有關首次應用該等發展而導致的本財務報表內所反映的本集團於本會計期間及過往會計期間的任何會計政策變動的資料。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2011 comprise the Company and its subsidiaries.

The measurement basis used in the preparation of the financial statements is the historical cost basis except for certain financial instruments, which are stated at their fair value as explained in the accounting policies set out below.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the 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 a significant effect on the financial statements and key sources of estimation uncertainty are discussed in note 37.

2. 主要會計政策 (續)

b) 財務報表之編製基準

截至二零一一年十二月三十一日止年度綜合財務報表包括本公司及其附屬公司之財務報表。

財務報表之編製乃以歷史成本作計量基準，惟若干金融工具以公平值計量除外（見下文會計政策所闡釋）。

編製符合香港財務報告準則之財務報表，管理層需作出判斷、估計和假設，該等判斷、估計及假設對會計政策之應用以及所呈報資產、負債、收入和支出之金額構成影響。該等估計及有關假設乃根據過往經驗及被認為在該情況下屬合理之多項其他因素而作出，其結果便成為判斷資產及負債賬面值之基礎，而該賬面值顯然無法從其他來源取得。實際結果可能有別於該等估計。

該估計及相關假設會按持續基準進行檢討。對會計估計進行修訂時，倘修訂僅影響該期間，則修訂會於修訂估計之期間確認；或倘有關修訂同時影響即期及未來期間，則會於修訂期間及未來期間確認。

管理層在應用對本財務報表構成重大影響之香港財務報告準則時所作出之判斷，以及估計不確定性之主要來源，將在附註37內討論。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Subsidiaries and non-controlling interests

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

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

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at their proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the owners of the Company. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with notes 2(k) or (l) depending on the nature of the liability.

2. 主要會計政策 (續)

c) 附屬公司及非控股權益

附屬公司指受本集團控制之實體。當本集團有權監管一間實體之財務及經營政策以便從其業務中取得利益時，即屬具有控制權。於評估控制權時，目前可行使之潛在投票權亦計算在內。

於附屬公司之投資將由控制權開始至控制權終止之期間計入綜合財務報表。集團內部往來之餘額與交易以及由集團內部交易產生之任何未變現溢利，均在編製綜合財務報表時全數抵銷。集團內部交易所產生之未變現虧損，其抵銷方法與以抵銷未變現收益之方法相同，但抵銷額只限於沒有證據顯示已出現減值之部份。

非控股權益指並非本公司直接或間接應佔附屬公司之權益。就該等權益，本集團並未與該等權益持有人協定任何額外條款，使本集團整體就該等權益而負上符合金融負債定義之合約責任。就各業務合併而言，本集團可選擇按公平值或其佔附屬公司可識別資產淨值的比重計量任何非控股權益。

非控股權益在綜合財務狀況表內列入權益，但與本公司擁有人應佔權益分開列示。非控股權益於本集團業績中所佔之權益，在綜合全面收益表內以非控股權益與本公司擁有人各佔本年度損益總額之方式列示。非控股權益持有人之貸款及其他有關該等持有人之合約責任，於綜合財務狀況表根據附註2(k)或(l)（視乎負債性質而定）列為財務負債。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Subsidiaries and non-controlling interests (Continued)

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see note 2(d)).

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 2(g)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

d) Other investments in equity securities

The Group's and the Company's policies for investments in equity securities, other than investments in subsidiaries, are as follows:

Investments in equity securities are initially stated at fair value, which is their transaction price unless fair value can be more reliably estimated using valuation techniques whose variables include only data from observable markets. Cost includes attributable transaction costs, except where indicated otherwise below. These investments are subsequently accounted for as follows, depending on their classification:

2. 主要會計政策 (續)

c) 附屬公司及非控股權益 (續)

本集團於一間附屬公司之權益變動(並無導致失去控制權)列作權益交易,並對合併權益中的控股及非控股權益金額作出調整,以反映有關權益的變動,惟概無對商譽作出任何調整及並無確認任何損益。

倘本集團失去一間附屬公司的控制權,將列作出售其於該附屬公司的全部權益,因此產生的收益或虧損於損益中確認。於失去控制權當日仍保留於前附屬公司的任何權益乃按公平值確認,而該款項將視為於初步確認金融資產時(見附註2(d))之公平值。

在本公司財務狀況表中,附屬公司之投資以成本減任何減值虧損列賬(見附註2(g)),除非該投資被列為持作銷售(或計入分類為持作出售之出售組別)。

d) 其他股本證券投資

本集團及本公司之股本證券投資(除附屬公司投資外)政策如下:

股本證券投資初步按公平值(即其交易價格)列賬;但如可根據一項變數只包括可觀察市場數據之估值方法更可靠地估計出公平值則除外。成本包括應佔交易成本;惟下文所述者除外。此等投資其後因應所屬分類入賬如下:

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Other investments in equity securities (Continued)

Investments in securities held for trading are classified as current assets. Any attributable transaction costs are recognised in profit or loss as incurred. At the end of each reporting period the fair value is remeasured, with any resultant gain or loss being recognised in profit or loss. The net gain or loss recognised in profit or loss does not include any dividends or interest earned on these investments as these are recognised in accordance with the policies set out in note 2(q).

Investments in equity securities that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are recognised in the statement of financial position at cost less impairment losses (see note 2(g)).

Investments in securities which do not fall into any of the above categories are classified as available-for-sale securities. At the end of each reporting period the fair value is remeasured, with any resultant gain or loss being recognised in other comprehensive income and accumulated separately in equity. Dividend income from these investments is recognised in profit or loss in accordance with the policy set out in note 2(q) and, where these investments are interest-bearing, interest calculated using the effective interest method is recognised in profit or loss in accordance with the policy set out in note 2(q). When these investments are derecognised or impaired, the cumulative gain or loss is reclassified from equity to profit or loss.

Investments in equity securities are recognised/derecognised on the date the Group and/or the Company commits to purchase/sell the investment or they expire.

2. 主要會計政策 (續)

d) 其他股本證券投資 (續)

持作貿易用途之證券投資被歸類為流動資產，任何應佔交易成本於產生時在損益表中確認。於各報告期末，會重新計算公平值，所得之盈虧於損益表中確認。在損益表中確認之盈虧淨額並不包括從此等投資賺取所得之任何股息或利息，因為有關股息或利息會按附註2(q)所載政策確認。

倘股本證券投資於活躍市場並無報價及其公平值無法可靠計量，則該等投資在財務狀況表中以成本值減去耗損虧損確認入賬（見附註2(g)）。

不屬於以上任何類別之證券投資分類為可供出售證券。公平值於各報告期末重新計量，由此產生之任何收益或虧損於全面收益中確認，並於權益中單獨累積。投資產生之股息收入根據附註2(q)所載政策於損益內確認，倘該等投資為計息，按實際利率法計算之利息乃根據附註2(q)所載之政策於損益內確認。倘不再確認該等投資或減值，累計收益或虧損將從損益重新確認至權益內。

股本證券投資於本集團及／或本公司承諾購買／出售投資當日或投資到期確認／終止確認。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss (see note 2(g)).

Property under construction is carried at cost less impairment losses and includes all development expenditure and other direct costs attributable to such projects. They are not depreciated until completion of construction and the assets are ready for their intended use. Cost of completed construction work is transferred to the appropriate category of property, plant and equipment.

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

Buildings	Over the shorter of the term of the lease or 20 years
Furniture, fixtures and equipment	20% p.a.
Leasehold improvements	20%-100% p.a.
Motor vehicles	20% p.a.
Molding	100% p.a.
Plant and machineries	10% p.a.

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

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

2. 主要會計政策 (續)

e) 物業、廠房及設備

物業、廠房及設備概以成本減累積折舊及累積減值虧損列賬(見附註2(g))。

在建工程按成本減減值虧損計值，並計入所有發展開支及有關項目應佔之其他直接成本。彼等於建設完成及資產可用作其擬作用途後，方作出減值。建成工程成本轉移至物業、廠房及設備之適當類別。

物業、廠房及設備項目乃使用直線法按其估計可使用年期減彼等之估計剩餘價值(如有)以撇銷其成本值計算折舊如下：

樓宇	租期或二十年之較短者
傢俬、裝置及設備	20%每年
租賃物業裝修	20%-100%每年
汽車	20%每年
模具	100%每年
廠房及機器	10%每年

當一項物業、廠房及設備之各部份有不同之可使用年期，此項目各部份之成本將按合理基礎分配，而每部份將作個別折舊。資產之可使用年期及其剩餘價值(倘適用)會每年進行檢討。

因報廢或出售物業、廠房及設備項目而產生之盈虧乃釐定為出售所得款項淨額與該項目之賬面值間之差額，並於報廢或出售之日於損益表內確認。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, except for land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, in which case it is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease. For these purposes, the inception of the lease is the time that the lease was first entered into by the Group, or taken over from the previous lessee.

2. 主要會計政策 (續)

f) 租賃資產

如本集團能確定某項安排賦予有關人士權利，可透過付款或支付一系列款項而於協定期間內使用特定資產，有關安排（包括一項交易或一系列交易）即屬或包含租賃。本集團之結論乃基於有關安排之細節評估而作出，並不論有關安排是否具備租賃之法律形式。

i) 本集團租用之資產之分類

就本集團根據租賃持有之資產而言，如有關租賃把絕大部份擁有權之風險及利益轉移至本集團，則有關資產被分類為根據融資租賃持有之資產。不會轉移絕大部份擁有權之風險及利益予本集團之租賃乃分類為經營租賃；惟根據經營租賃持作自用之土地而言，如其公平值不能夠與訂立租賃時已建於其上之建築物之公平值分開計量，則將當作根據融資租賃持有者入賬；惟如有關建築物亦是根據經營租賃確實持有則除外。就此而言，訂立租賃之時指本集團首次訂立租賃之時，或自前度承租人接收之時。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Leased assets (Continued)

ii) Operating lease charges

Where the Group has the use of assets under operating leases, payments made under the leases are charged to profit or loss 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. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

The cost of acquiring land held under an operating lease is amortised on a straight-line basis over the period of the lease term except where the property is classified as an investment property, if any.

g) Impairment of assets

i) Impairment of investments in equity securities and other receivables

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

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;

2. 主要會計政策 (續)

f) 租賃資產 (續)

ii) 經營租賃支出

如屬本集團根據經營租賃使用所持資產之情況，則根據租賃作出之付款會在租賃期所涵蓋之會計期間內，以等額分期付款方式計入損益中；惟如有其他基準能更清楚地反映租賃資產所產生之收益模式則除外。已收取之租賃獎勵在損益中確認為總租賃付款淨額的一部份。或然租金於產生之會計期間自損益扣除。

根據經營租賃持有之土地之收購成本乃於租賃期內以直線法攤銷；惟如該物業被分類為投資物業（如有）則除外。

g) 資產減值

i) 股本證券投資及其他應收款項之減值

股本證券投資及其他流動及非流動應收款項，會在各報告期末作檢討以決定是否有客觀減值證據。客觀減值證據包括本集團注意到以下一項或多項虧損事項之可觀察數據：

- 債務人有重大財政困難；
- 違反合約，如逾期或拖欠償還利息或本金；

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Impairment of assets (Continued)

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

- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and
- a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

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

- For investments in subsidiaries, the impairment loss is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with note 2 (g)(ii). The impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount in accordance with note 2 (g)(ii).
- For unlisted equity securities carried at cost, impairment loss is measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted at the current market rate of return for a similar financial asset where the effect of discounting is material. Impairment losses for equity securities carried at cost are not reversed.

2. 主要會計政策 (續)

g) 資產減值 (續)

i) *股本證券投資及其他應收款項之減值 (續)*

- 債務人可能破產或進行其他財務重組；
- 科技、市場、經濟或法律環境有重大改變，並對債務人有不利影響；及
- 股本工具投資之公平值大幅或長期下跌至低於其成本值。

若有任何上述證據存在，將按以下方式釐定及確認減值虧損：

- 就於附屬公司之投資而言，減值虧損乃根據附註2(g)(ii)比較投資之可以收回金額與其賬面值而計算。倘根據附註2(g)(ii)用於釐定可收回金額之估計發生有利轉變，則減值虧損予以撥回。
- 就按成本值列賬之非上市股本證券而言，如貼現之影響屬重大，減值虧損以金融資產之賬面值與以同類金融資產當時之市場回報率貼現之預計未來現金流量間之差額計量。按成本值列賬之股本證券之減值虧損不可撥回。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Impairment of assets (Continued)

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

- For trade receivables and other financial assets carried at amortised cost, 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 these assets), where the effect of discounting is material. This assessment is made collectively where these financial assets 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 decrease and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

2. 主要會計政策 (續)

g) 資產減值 (續)

i) 股本證券投資及其他應收款項之減值 (續)

- 就按已攤銷成本列賬之貿易應收賬款及其他金融資產而言，如貼現之影響屬重大，減值虧損以資產之賬面值與以金融資產原有實際利率（即在初步確認有關資產時計算之實際利率）貼現預計未來現金流量現值間之差額計量。倘該等金融資產具備類似之風險特徵，例如類似之逾期情況及並未單獨被評估為減值，則有關之評估會同時進行。被共同評估為減值之金融資產之未來現金流量會根據與該組被評估資產具有類似信貸風險特徵之資產之過往虧損情況進行。

如減值虧損於往後期間減少，且客觀上與減值虧損確認後發生之事件有關，則於損益撥回減值虧損。減值虧損撥回後資產之賬面值不能超逾倘其在過往年度並無確認任何減值虧損而應已釐定之數額。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Impairment of assets (Continued)

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

- For available-for-sale financial assets, the cumulative loss that has been recognised in the fair value reserve is reclassified to profit or loss. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in profit or loss.

Impairment losses recognised in profit or loss in respect of available-for-sale financial assets are not reversed through profit or loss. Any subsequent increase in the fair value of such assets is recognised directly in other comprehensive income.

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

2. 主要會計政策 (續)

g) 資產減值 (續)

i) *股本證券投資及其他應收款項之減值 (續)*

- 就可供出售金融資產而言，於公平值儲備確認之累計虧損獲重新歸類為損益。於損益確認之累計虧損乃收購成本（扣除任何本金還款及攤銷）與即期公平值之間之差額，減去該資產先前於損益確認之減值虧損。

可供出售金融資產於損益確認之減值虧損不會透過損益轉回。此等資產之公平值其後之任何增額會直接在其他全面收益中確認。

減值虧損直接撇銷相應資產，惟應收貿易及其他款項之減值虧損除外，因其可收回性被視為可疑但並非微乎其微。在此情況下，呆壞賬之減值虧損以撥備賬記錄。除此之外，就其他資產確認之減值虧損應直接撇銷相應之資產。倘本集團確認能收回貿易應收賬款之機會微乎其微，則被視為不可收回之金額會直接撇銷貿易應收賬款，而在撥備賬中就該債務保留之任何金額會被撥回。倘之前計入撥備賬之款項在其後收回，則有關款項於撥備賬撥回。撥備賬之其他變動及其後收回先前直接撇銷之款項均於損益內確認。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Impairment of assets (Continued)

ii) *Impairment of other assets*

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

- property, plant and equipment (other than properties carried at revalued amounts, if any);
- investments in subsidiaries; and
- prepaid lease payment.

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

- Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs to sell and value-in-use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the 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 inflows independently (i.e., a cash-generating unit).

2. 主要會計政策 (續)

g) 資產減值 (續)

ii) 其他資產減值

於各報告期末，內部及外部資料會予檢討，以識別有否跡象顯示以下資產已出現減值，或之前已確認之減值是否已不存在或減少：

- 物業、廠房及設備(按重估金額列賬之物業除外)(如有)；
- 於附屬公司之投資；及
- 預付租賃款項。

倘若存在任何有關跡象，則會估計資產之可收回金額。

- 計算可收回金額

資產之可收回金額以其公平值減銷售成本和使用價值兩者中之較高數額為準。於評估使用價值時，估計未來現金流量乃以能反映現時市場評估資金時間值及資產特定風險之稅前貼現率貼現至其現值。倘資產不可在大致上獨立於其他資產之情況下產生現金流量，則可收回價值以能獨立地產生現金流量之最小組別資產(即現金產生單位)計算。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Impairment of assets (Continued)

ii) Impairment of other assets (Continued)

– Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, 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 profit or loss 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)

– 確認減值虧損

倘資產或其所屬之現金產生單位之賬面值超過其可收回金額，則於損益內確認減值虧損。就現金產生單位確認之減值虧損，首先會分配予減少現金產生單位（或一組單位）所獲分配之任何商譽賬面值，其後再按比例減少單位（或一組單位）其他資產之賬面值，惟資產賬面值不會減少至低於其本身之公平值減銷售成本或使用價值（若能釐定）。

– 撥回減值虧損

倘用以釐定可收回數額之估計出現有利轉變，則撥回減值虧損。

撥回減值虧損僅限於倘過往年度並未確認減值虧損而釐定之資產之賬面值。撥回減值虧損乃於確認撥回之年度計入損益。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Impairment of assets (Continued)

iii) *Interim financial reporting and impairment*

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

Impairment losses recognised in an interim period in respect of available-for-sale financial assets and unlisted equity securities carried at cost are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates. Consequently, if the fair value of an available-for-sale financial asset increases in the remainder of the annual period, or in any other period subsequently, the increase is recognised in other comprehensive income and not profit or loss.

h) Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is calculated using the weighted-average cost formula and comprises all costs of purchase, cost 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.

2. 主要會計政策 (續)

g) 資產減值 (續)

iii) 中期財務報告及減值

根據上市規則，本集團須遵照香港會計準則第34號「中期財務報告」編製有關財政年度首六個月之中期財務報告。於中期期末，本集團採用與本財政年度末相同之減值測試、確認及撥回標準。

按成本列賬之商譽及可供出售金融資產及非上市股本證券於中期確認之減值虧損不會於往後期間撥回。即使在該中期所屬之財政年度末評估減值並確認沒有虧損，或虧損屬輕微，亦不會撥回減值虧損。因此，倘可供出售金融資產公平值於剩餘會計期間或隨後任何期間增加，增幅於其他全面收入而非損益內確認。

h) 存貨

存貨按成本或可變現淨值兩者之較低者列賬。成本以加權平均成本方程式計算，包括使存貨達致目前地點及狀況而產生之購買成本、兌換成本及其他成本。

可變現淨值乃按日常業務過程中之估計售價減完成之估計成本及進行銷售所需之估計成本計算。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Inventories (Continued)

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

i) Construction contracts

Construction contracts are contracts specifically negotiated with a customer for the construction of an asset or a group of assets, where the customer is able to specify the major structural elements of the design. The accounting policy for contract revenue is set out in note 2(q). When the outcome of a construction contract can be estimated reliably, contract costs are recognised as an expense by reference to the stage of completion of the contract at the end of the reporting period. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. Where the outcome of a construction contract cannot be estimated reliably, contract costs are recognised as an expense in the period in which they are incurred.

Construction contracts in progress at the end of the reporting period are recorded at the net amount of costs incurred plus recognised profits less recognised losses and progress billings, and are presented in the statement of financial position as the "Amount due from customers for contract work" (as an asset) or the "Amounts due to customers for contract work" (as a liability), as applicable. Progress billings not yet paid by the customer are included under "Trade and other receivables". Amounts received before the related work is performed are presented as "Deposits received and receipts in advance".

2. 主要會計政策 (續)

h) 存貨 (續)

所出售存貨的賬面金額在相關收入獲確認的期間內列為支出。存貨金額撇減至可變現淨值及存貨的所有虧損，均在出現減值或虧損的期間內列為支出。存貨的任何減值逆轉之數在出現逆轉期間內確認為已確認存貨金額之減少。

i) 建造合約

倘客戶能夠指定設計的主要結構性元素，建造合約為與客戶就建造資產或一組資產而特別磋商的合約。合約收入之會計政策載列於附註2(q)。倘能夠可靠地估計建造合約之成果，則合約成本會參照報告期末之合約完成程度確認為支出。如合約總成本有可能超過合約總收入，便會即時將預期虧損確認為支出。倘不能可靠地估計工程合約之成果，則合約成本於產生期間確認為支出。

於報告期末尚在進行之工程合約，按已產生之成本加上已確認之盈利，再減去已確認之虧損及按進度開列之款項入賬，並於財務狀況表中呈列為「應收客戶合約工程款項」(作為資產)或「應付客戶合約工程款項」(作為負債)(視何者適用)。客戶尚未支付之進度款項在「應收貿易及其他款項」入賬。相關工程進行前之已收取款項在「已收按金及預收款」。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method less allowance for impairment of doubtful debts, 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 (see note 2(g)).

k) Interest-bearing borrowings

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

l) Trade and other payables

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

m) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

2. 主要會計政策 (續)

j) 應收貿易及其他款項

應收貿易及其他款項初步按公平值確認，其後則採用實際利息法按已攤銷成本減呆賬減值撥備列賬，惟應收款項為免息、無固定償還期限或折現時並無重大影響之關連人士貸款則除外。在該等情況下，應收款項按成本減呆壞賬減值虧損撥備列賬（見附註2(g)）。

k) 計息借貸

計息借貸初步按公平值減應佔交易成本確認。初始確認後，計息借貸以攤銷成本列賬，而首次確認金額與贖回價值間之任何差額，按實際利息法在借貸期間於損益內確認。

l) 應付貿易及其他款項

應付貿易及其他款項均於初期按公平值確認，其後按攤銷成本列賬，惟倘貼現之影響並不重大，則按成本列賬。

m) 現金及等同現金項目

現金及等同現金項目包括銀行及手頭現金，銀行及其他金融機構之活期存款，以及可隨時轉換為已知數額現金，並於購入時起計三個月內到期且幾乎不受價值變動風險所影響之短期高度流通投資項目。就綜合現金流量表而言，須應要求償還且構成本集團現金管理中組成部份之銀行透支亦已作為現金及等同現金項目計算在內。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

n) Employee benefits

i) *Short-term employee benefits and contributions to defined contribution retirement plans*

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

ii) *Share-based payments*

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in reserve within equity. The fair value is measured at grant date using the binomial option pricing model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

2. 主要會計政策 (續)

n) 僱員福利

i) 短期僱員福利及定額供款退休計劃供款

薪金、年度花紅、有薪年假、界定供款退休計劃供款及非貨幣福利成本，乃於僱員提供有關服務之年度計算。倘款項支付或清付遞延處理且其影響屬重大，則該等金額以其現值列賬。

ii) 股份基礎付款

授予僱員之購股權公平值會確認為僱員成本，並會相應增加權益內之儲備。公平值於授出當日採用二項式期權定價模式釐定，並會考慮購股權之授出條款及條件。倘僱員須於無條件獲授購股權前達成歸屬條件，則購股權之估計公平總值會在歸屬期內攤分，並會考慮購股權歸屬的可能性。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

n) Employee benefits (Continued)

ii) *Share-based payments (Continued)*

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

iii) *Termination benefits*

Termination benefits are recognised when, and only when, the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detail formal plan which is without realistic possibility of withdrawal.

2. 主要會計政策 (續)

n) 僱員福利 (續)

ii) 股份基礎付款 (續)

於歸屬期內會審核預期歸屬之購股權數目。於過去年度確認之累計公平值而產生之任何調整，乃於審核年度於損益扣除／計入，惟合資格確認為資產之原本僱員開支則除外，並對購股權儲備作相應調整。於歸屬日，確認為開支之款額會予以調整，以反映歸屬購股權之實際數目（並對購股權儲備作相應調整），惟因並無達致與本公司股份市值相關之歸屬條件才沒收之購股權除外。權益款額乃於購股權儲備內確認，直至購股權獲行使（當其轉撥至股份溢價賬）或購股權到期（直接撥入保留溢利時）為止。

iii) 離職福利

離職福利只會在本集團有正式的具體辭退計劃且沒有撤回該計劃的實質可能性，並且明確表示會終止僱用或於自願遣散而提供福利時才確認。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) Income Tax

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

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

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

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided that 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 differences 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.

2. 主要會計政策（續）

o) 所得稅

本年度所得稅包括即期稅項及遞延稅項資產及負債之變動。即期稅項及遞延稅項資產及負債之變動均在損益內確認，惟彼等有關於其他全面收益或權益確認之項目除外，在該等情況下，有關稅款分別於其他全面收益確認或於權益直接確認。

即期稅項乃按年內應課稅收入根據在各報告期末已執行或實質上已執行之稅率計算之預期應付稅項，加上過往年度應付稅項之任何調整。

遞延稅項資產及負債分別由可扣稅及應課稅暫時差異產生，即資產及負債就財務呈報之賬面值與其課稅基礎值之差異。遞延資產亦可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，所有遞延稅項負債和遞延稅項資產（以未來可能有應課稅溢利可予抵銷之資產為限）均予以確認。支持確認由可抵扣暫時差異所產生之遞延稅項資產之未來應課稅溢利包括因撥回目前存在之應課稅暫時差異而產生之數額；但此等撥回之差異必須與同一稅務機關及同一應課稅實體有關，並預期在可抵扣暫時差異預計撥回之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之期間內撥回。在決定目前存在之應課稅暫時差異是否足以支持確認由未動用稅項虧損和稅項抵免所產生之遞延稅項資產時，亦會採用同一準則，即差異是否與同一稅務機關及同一應課稅實體有關，並是否預期在能夠使用未動用稅項虧損和稅項抵免撥回之同一期間內撥回。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) Income Tax (Continued)

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

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

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period 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.

2. 主要會計政策 (續)

o) 所得稅 (續)

該等確認遞延稅項資產及負債之有限例外情況，包括首次確認但並不影響會計溢利及應課稅溢利之資產或負債（惟其不可為企業合併之部份）、以及有關於附屬公司投資所引致之暫時差異（如為應課稅差異，只限於本集團可控制回撥之時間，並且不大可能在可見未來回撥之差異；或如為可予扣減差異，則只限於可能在未來回撥之差異）。

已確認之遞延稅項數額乃按照資產及負債賬面值之預期變現或清償方式，以於報告期末實施或實際上已實施之稅率計算。遞延稅項資產及負債均無作折現計算。

遞延稅項資產之賬面值會在各報告期末予以審閱，若日後不再可能有足夠應課稅溢利用以抵扣相關稅項利益，則扣減遞延稅項資產賬面值。若日後可能有足夠應課稅溢利用以抵扣，則撥回所扣減之數額。

股息分派產生之額外所得稅於支付相關股息之負債獲確認時予以確認。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) Income Tax (Continued)

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

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

2. 主要會計政策 (續)

o) 所得稅 (續)

即期稅項結餘和遞延稅項結餘及其變動額將各自列示，並不予抵銷。即期稅項資產及遞延稅項資產只會在本公司或本集團有合法可強制執行權利以即期所得稅項資產抵銷即期所得稅項負債時，並且符合以下附帶條件之情況下，方可分別抵銷即期及遞延稅項負債：

- 即期稅項資產及負債：本公司或本集團計劃按淨額基準結算，或同時變現該資產及清償該負債；或
- 遞延稅項資產和負債：此等資產及負債必須與同一稅務機關就以下其中一項徵收之所得稅有關：
 - 同一應課稅實體；或
 - 不同之應課稅實體，該等實體預期在日後每個預計有大額遞延稅項負債需要清償或大額遞延稅項資產可以收回之期間內，按淨額基準實現即期稅項資產及清償即期稅項負債，或同時變現該資產及清償該負債。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

p) Provision and contingencies 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.

q) Revenue recognition

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

(i) Sales of goods

Revenue is recognised when goods are delivered and the risks and rewards of ownership have been transferred. Revenue from sales of goods excludes value added tax or other sales taxes and is after deduction of any trade discount and returns.

2. 主要會計政策 (續)

p) 撥備及或然負債

當本集團或本公司因過往事件而須負上法定或推定責任，而履行該責任很可能導致經濟效益流出及能夠就此作出可靠估計時，方為未確定時間或金額之其他負債確認撥備。當數額涉及重大之時間價值時，則會按預期用以履行責任之開支之現值作出撥備。

倘不一定需要流出經濟效益履行責任或未能可靠估計金額，則該等責任將作為或然負債予以披露，惟出現經濟效益流出之可能性極微則除外。可能出現之責任（僅於一項或多項未來事件發生或不發生之情況下確定其是否存在）亦作為或然負債予以披露，惟出現經濟效益流出之可能性極微則除外。

q) 收入確認

收入按已收或應收代價之公平值列賬。倘其可能為流向本集團之經濟利益，且收入及成本（倘合適）能夠可靠計量，則收入於損益確認如下：

(i) 貨品銷售

收入乃於交付貨品及其所有權風險及回報已移交時確認。銷售商品收入不包括增值稅或其他銷售稅，並經扣除任何貿易折扣及回報。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

q) Revenue recognition (Continued)

(ii) Contract revenue

When the outcome of a construction contract can be estimated reliably, revenue from a fixed price contract is recognised using the percentage of completion method, measured by reference to the percentage of contract costs incurred to date to estimated total contract costs for the contract.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable.

(iii) Render of services

Revenue from professional services is recognised when the services are rendered.

(iv) Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(v) Dividends

Dividend income from unlisted investments is recognised when the shareholders' rights to receive payment have been established.

2. 主要會計政策 (續)

q) 收入確認 (續)

(ii) 合約收入

當建造合約之結果能可靠估計，則固定造價合約之收入根據完工百分比法確認，其參照迄今已發生之合約成本佔合約預計總成本之百分比計量。

倘建造合約之結果不能被可靠估計，則只有已產生合約成本可收回時才能確認收入。

(iii) 提供服務

專業服務所得收益乃於提供服務時確認。

(iv) 利息收入

利息收入乃按時間基準，參考未償還本金及適用之實際利率計算，該利率為確切地將金融資產之預計年期內之估計未來現金收入貼現至該資產於初步確認之賬面淨值之貼現率。

(v) 股息

未上市投資所得股息收益乃於建立可收取有關款項之股東權利後予以確認。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

r) Foreign currencies

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Renminbi ("RMB"), which is different from the Company's functional currency of Hong Kong dollar ("HK\$") as a majority of the Group's transactions are denominated in RMB.

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss, except those arising from foreign currency borrowings used to hedge a net investment in a foreign operation which are recognised directly in other comprehensive income.

Non-monetary assets and liabilities 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 stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was determined.

The results of foreign operations are translated into RMB at the average exchange rates for the period, unless the exchange rates fluctuated significantly during the period, in which case the exchange rates at the dates of the transactions are used. Statement of financial position items are translated into RMB at the foreign exchange rates ruling at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the translation reserve.

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

2. 主要會計政策 (續)

r) 外幣

本集團旗下各實體之財務報表所列項目均以該實體經營所在主要經濟環境之通行貨幣（「功能貨幣」）計量。綜合財務報表以人民幣（「人民幣」）與本公司之功能貨幣港幣（「港幣」）不同）呈列。

於本年度之外幣交易均按交易當日之適用匯率換算。以外幣計值之貨幣資產及負債則按各報告期末之外幣匯率換算。匯兌盈虧則於損益中確認，惟用於對沖海外業務淨投資之外幣借款所產生之匯兌盈虧，則在其他全面收益中直接確認。

以歷史成本計量之外幣非貨幣資產及負債，按交易日之匯率換算。以公平值列賬而以外幣計值之非貨幣資產及負債，按釐定公平值當日之外幣匯率進行換算。

海外業務之業績使用期內之平均匯率換算成人民幣金額，除非期內匯率大幅波動，於此情況下，則採用交易當日之匯率。財務狀況表項目按各報告期末之匯率換算為人民幣金額。所產生之匯兌差異於其他全面收入確認及個別累計於換算儲備權益。

於出售海外業務時，倘出售之損益確認，與海外業務有關之匯兌差異之累計金額從權益中重新分類為損益。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

s) Borrowing costs

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

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

t) Related parties

- a) A person, or a close member of that person's family, is related to the Group if that person:
- has control or joint control over the Group;
 - has significant influence over the Group; or
 - is a member of the key management personnel of the Group or the Group's parent.
- b) An entity is related to the Group if any of the following conditions applies:
- The entity and the Group are members of the same Group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

2. 主要會計政策 (續)

s) 借貸成本

購買、建造或生產就其擬作用途或銷售而需要相當長時間的資產所直接涉及之借貸成本列作該等資產成本之一部份。其他借貸成本於產生期間確認為開支。

倘資產招致開支、產生借貸成本及正進行就其擬作用途或銷售而須準備資產的活動，則借貸成本開始資本化為合資格資產成本之一部份。倘就其擬作用途或銷售而須準備合資格資產的大部分活動中斷或完成，則借貸成本暫停或終止資本化。

t) 關連人士

- a) 倘屬以下人士，則該人士或該人士之近親與本集團有關連：
- 控制或共同控制本集團；
 - 對本集團有重大影響；或
 - 為本集團或本集團母公司之主要管理層成員。
- b) 倘符合下列任何條件，則該實體與本集團有關連：
- 該實體與本集團屬同一集團之成員公司（即各母公司、附屬公司及同系附屬公司彼此間有關連）。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

t) Related parties (Continued)

- b) An entity is related to the Group if any of the following conditions applies: (Continued)
- ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Group of which the other entity is a member).
 - iii. Both entities are joint ventures of the same third party.
 - iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - v. The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
 - vi. The entity is controlled or jointly controlled by a person identified in (a).
 - vii. A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

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

2. 主要會計政策 (續)

t) 關連人士 (續)

- b) 倘符合下列任何條件，則該實體與本集團有關連：(續)
- ii. 一間實體為另一實體之聯營公司或合營企業（或另一實體為集團旗下成員公司之聯營公司或合營企業之成員公司）。
 - iii. 兩間實體均為同一第三方之合營企業。
 - iv. 一間實體為第三方實體之合營企業，而另一實體為該第三方實體之聯營公司。
 - v. 該實體為本集團或與本集團有關連之實體就僱員利益設立之離職福利計劃。
 - vi. 該實體受(a)內所定義人士控制或共同控制。
 - vii. (a)(i)內所定義人士對實體有重大影響力或屬該實體（或該實體之母公司）之主要管理層成員。

任何人士的近親是指與該實體交易時預期可影響該名人士或受該人士影響的家庭成員。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

u) Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's Chairman of the board of directors, who is the Chief Operating Decision Maker ("CODM") for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical location.

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

2. 主要會計政策（續）

u) 分部報告

於綜合財務報表之營運分部及各分部項目之金額乃自定期向本集團之首席營運決策人（「首席營運決策人」）董事會主席提供以分配資源及評估本集團各業務類別之表現及地域位置之財務資料中確認。

就財務報告而言，除非分部具備相似的經濟特徵與產品及服務性質、生產工序性質、客戶類型或類別、用作分配產品或提供服務之方法及監管環境之性質方面相似，否則各個重大營運分部不會進行合算。個別非重大之營運分部，倘符合上述大部份標準，則可進行合算。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

3. CHANGES IN ACCOUNTING POLICIES

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

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010
HKAS 24 (Revised)	Related Party Disclosures
HK(IFRIC) – Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments

The Group has not applied any new and revised HKFRSs that is not yet effective for the current accounting period.

The amendments to HK(IFRIC)-Int 14 have had no material impact on the Group's financial statements as they were consistent with the policies already adopted by the Group. HK(IFRIC)-Int 19 has not yet had a material impact on the Group's financial statements as these changes will first be effective as and when the Group enters into a relevant transaction.

The impacts of other developments are discussed below:

HKAS 24 (revised 2009) revises the definition of a related party. As a result, the Group has re-assessed the identification of related parties and concluded that the revised definition does not have any material impact on the Group's related party disclosures in the current and previous period. HKAS 24 (revised 2009) also introduces modified disclosure requirements for government-related entities. This does not impact the Group because no entity within the Group is a government-related entity.

3. 會計政策變動

香港會計師公會已頒佈多項新訂及經修訂香港財務報告準則，彼等於本集團及本公司當前會計期間首次生效。其中，下列新訂及經修訂香港財務報告準則與本集團財務報表有關：

香港財務報告準則 (修訂本)	對二零一零年頒佈的香港 財務報告準則的改進
香港會計準則第24號 (經修訂)	關連人士披露
香港(國際財務報告 詮釋委員會)– 詮釋 第14號(修訂本)	預付最低資金規定
香港(國際財務報告詮釋 委員會)– 詮釋第19號	以股本工具抵銷金融負債

本集團並無採用於本會計期間尚未生效之任何新訂及經修訂香港財務報告準則。

香港(國際財務報告詮釋委員會)詮釋第14號之修訂對本集團之財務報表並無重大影響，因為該等修訂與本集團已採納之政策一致。香港(國際財務報告詮釋委員會)詮釋第19號尚未對本集團之財務報表有重大影響，因為該等變動將於本集團進行有關交易時方會初次有效。

其他政策修訂影響如下：

香港會計準則第24號(2009年修訂)修改了關連人士的定義。因此，本集團已經重新評估了關連人士的認定並認為關連人士的重新定義並未對本集團本期間及過往期間關連人士的披露產生重大影響。香港會計準則第24號(2009年修訂)同時提出了針對政府相關實體的修定披露要求。此項要求對本集團無影響，因為本集團下屬實體均非政府相關實體。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

3. CHANGES IN ACCOUNTING POLICIES (Continued)

The impacts of other developments are discussed below:
(Continued)

Improvements to HKFRSs (2010) omnibus standard introduces a number of amendments to the disclosure requirements in HKFRS 7, *Financial instruments: Disclosures*. The disclosures about the Group's financial instruments in notes 22 and 36 have conformed to the amended disclosure requirements. These amendments do not have any material impact on the classification, recognition and measurements of the amounts recognised in the financial statements in the current and previous periods.

3. 會計政策變動 (續)

其他政策修訂影響如下：(續)

《香港財務報告準則的改進(2010)》提出了若干針對香港財務報告準則第7號《金融工具：披露》的修訂。附註22及36有關本集團金融工具的披露已經遵照了修訂的披露要求。這些修訂並未對本期間及過往期間財務報表內確認金額的分類、確認和計量產生重大影響。

4. TURNOVER, OTHER REVENUE AND OTHER NET INCOME/(LOSS)

4. 營業額、其他收入及其他淨收益／(虧損)

Turnover

Turnover represents the net amounts received and receivable for goods sold and revenue from construction contracts and rendering of services by the Group

營業額

營業額指因本集團銷售產品及建築合約收入以及提供服務而產生之已收款項及應收款項淨額

Sales of EP products and equipment
Revenue from EP construction engineering projects
Revenue from EP related professional services

環保產品及設備之銷售
來自環保建設工程之收入
來自環保相關專業服務之收入

2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
432,167	627,897
37,193	13,114
6,666	5,697
476,026	646,708

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

4. TURNOVER, OTHER REVENUE AND OTHER NET INCOME/(LOSS) (Continued)

4. 營業額、其他收入及其他淨收益／(虧損)(續)

Other revenue

Interest income on bank deposits

Total interest income on financial assets not at fair value through profit or loss

Dividend income from available-for-sale financial asset

Reversal of impairment loss on trade receivables

Sundry income

其他收入

銀行存款利息收入

並非按公平值於損益入賬之金融資產之利息收入總額

可供出售金融資產之股息收入

應收貿易款項減值虧損撥回

雜項收入

Other net income/(loss)

Gain on disposal of prepaid lease payment

Loss on disposal of property, plant and equipment

Net exchange loss

其他淨收益／(虧損)

出售預付租賃款項之收益

出售物業、廠房及設備之虧損

匯兌虧損淨額

2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
3,061	3,738
3,061	3,738
2,150	—
80	—
113	31
5,404	3,769
6,340	—
(3,882)	—
(289)	(1,415)
2,169	(1,415)

5. PROFIT BEFORE TAXATION

5. 除稅前溢利

Profit before taxation is arrived at after charging/(crediting) the following:

除稅前溢利已扣除／(計入)下列各項：

a) Finance costs:
Interest on bank advances wholly repayable within one year

Total interest expenses on financial liabilities not at fair value through profit or loss

a) 融資成本：
須於一年內全數償還之銀行貸款之利息

並非按公平值於損益入賬之金融負債之利息開支總額

2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
537	367
537	367

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

5. PROFIT BEFORE TAXATION (Continued)

Profit before taxation is arrived at after charging/(crediting) the following: (Continued)

5. 除稅前溢利 (續)

除稅前溢利已扣除／(計入) 下列各項：(續)

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
b) Staff costs (including directors' emoluments) (Note):	b) 員工成本 (包括董事酬金) (附註) :		
– Contributions to defined contribution retirement plans (Note 7)	– 定額供款退休計劃供款 (附註7)	1,307	947
– Salaries, wages and other benefits	– 工資，薪金及其他福利	16,810	10,416
		18,117	11,363
c) Other items:	c) 其他項目：		
Amortisation of prepaid lease payment	預付租賃款項之攤銷	518	169
Auditor's remuneration	核數師酬金		
– audit services	– 審計服務	1,330	1,191
– other services	– 其他服務	448	410
Cost of inventories (Note)	存貨成本 (附註)	345,513	483,942
Depreciation (Note)	折舊 (附註)	9,755	5,417
Impairment loss on trade receivables	應收貿易款項之減值虧損	–	94
Operating lease charges	經營租賃費用		
– leasing of properties	– 租用物業	1,545	1,030
– leasing of equipment	– 租用設備	6	–
Rental from properties less direct outgoings	物業租金減直接開支	(53)	(53)

Note:

Cost of inventories includes RMB8,036,000 (2010: RMB3,750,000) relating to staff costs and depreciation, which amount is also included in the respective total amounts disclosed separately above.

附註：

存貨成本包括人民幣8,036,000元 (二零一零年：人民幣3,750,000元) 有關員工成本及折舊的金額，該等金額亦已分別計入上述各自披露的總金額。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

6. INCOME TAX IN THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

- a) Taxation in the consolidated statement of comprehensive income represents:

Current Tax	即期稅項
PRC enterprise income tax	中國企業所得稅
– current year	– 本年度
Deferred Tax	遞延稅項
Origination of temporary differences	暫時性差異產生
(note 26(b))	(附註26(b))

- i) The Company and its subsidiaries established in the British Virgin Islands are not subject to income tax.
- ii) A uniform enterprise income tax of 25% became generally applicable to all domestic and foreign investment enterprises established in the PRC, subject to certain exceptions or exemptions with effect from 1 January 2008.
- iii) No provision for Hong Kong profits tax has been made for the years ended 31 December 2010 and 2011 as the Group's income neither arises in, nor is derived from Hong Kong.

6. 於綜合全面收益表之所得稅

- a) 於綜合全面收益表之稅項指：

2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
9,448	31,147
1,714	4,852
11,162	35,999

- i) 本公司及其於英屬處女群島成立之附屬公司毋須繳付所得稅。
- ii) 自二零零八年一月一日起，於中國成立之所有國內及外商投資企業普遍採用25%之劃一企業所得稅稅率，惟若干例外或豁免除外。
- iii) 由於本集團收入並非於香港產生，亦非來自香港，故截至二零一零年及二零一一年十二月三十一日止年度本集團並無就香港利得稅作出撥備。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

6. INCOME TAX IN THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Continued)

b) Reconciliation between tax expenses and accounting profit at applicable tax rates:

6. 於綜合全面收益表之所得稅 (續)

b) 按適用稅率計算之稅項支出與會計溢利之對賬如下：

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Profit before taxation	除稅前溢利	19,986	110,654
Notional tax on profit before taxation calculated at rates applicable to profits in the jurisdictions concerned	按適用於在有關司法權區產生溢利之稅率計算除稅前溢利之名義稅項	5,649	28,055
Tax effect of non-taxable income	毋須課稅收入之稅務影響	—	(4,892)
Tax effect of non-deductible expenses	不可扣稅開支之稅務影響	130	5,547
Tax effect of unrecognised temporary differences	未確認暫時差異之稅務影響	11	9
Tax effect of unused tax losses not recognised	未確認尚未動用稅項虧損之稅務影響	3,658	2,755
Tax effect of utilisation of unused tax losses not recognised in prior year	動用往年未確認尚未動用稅項之稅務影響	—	(327)
Tax effect of withholding tax at 10% on distributable profits of the PRC subsidiaries	中國附屬公司可分派溢利按10%稅率繳納預提稅的稅務影響	1,714	4,852
Income tax expenses	所得稅支出	11,162	35,999

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

7. RETIREMENT BENEFITS COSTS

Defined contribution retirement plan

The Group has arranged for its Hong Kong employees to join the Mandatory Provident Fund Scheme (the “MPF Scheme”) under the Hong Kong Mandatory Provident Fund Schemes Ordinance and Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution retirement plan managed by independent trustees. Under the MPF Scheme, each of the Group (the employer) and its employees makes monthly contributions to the scheme at 5% of the employees’ earnings as defined under the Mandatory Provident Fund Ordinance. The contributions from each of the employer and employees are subject to a cap of HK\$1,000 per month and thereafter contributions are voluntary. Contributions to the plan vest immediately.

The employees of the Group’s subsidiaries in the PRC are members of a state-sponsored retirement plan operated by the local government in the PRC and these subsidiaries make mandatory contributions to the state-sponsored retirement plan to fund the employees retirement benefits. The retirement contributions paid by the PRC subsidiaries are based on a certain percentage of the relevant portion of the payroll of all qualifying employees in accordance with the relevant regulations in the PRC and are charged to profit or loss as incurred. The Group discharges its retirement obligations upon payment of the retirement contributions to the state-sponsored retirement plan operated by the local government in the PRC.

A new law of the PRC on employment contracts (the “Employment Contract Law”) was adopted by the Standing Committee of the National People’s Congress of the PRC in 2008 and became effective on 1 January 2008. Compliance with the requirements under the new law, in particular, the requirement of severance payment and non-fixed term employment contracts, may increase the staff costs of the Group.

7. 退休福利成本

定額供款退休計劃

根據香港強制性公積金計劃條例及香港僱傭條例規定，本集團已安排其香港僱員參與強制性公積金計劃（「強積金計劃」）。強積金計劃乃由獨立受託人管理之定額供款退休計劃。根據強積金計劃，本集團（作為僱主）及其僱員須每月各自按僱員薪金（定義見強制性公積金條例）之5%向該計劃作出供款。僱主及僱員每月各自之供款以1,000港元為上限，另可自願額外供款。對該計劃之供款即時歸屬。

本集團於中國附屬公司之僱員均參與中國當地政府運作並由國家資助之退休福利計劃，該等附屬公司向該項國家資助之退休福利計劃強制性供款以為僱員之退休福利提供資金。該等中國附屬公司之退休金供款乃基於所有合資格僱員薪酬之有關部份之特定百分比，及根據中國之有關規定，並按照所發生之金額計入損益表。本集團在向由中國地方政府運作並由國家資助之退休金計劃供款之後即為履行其於僱員退休福利方面之責任。

中國新勞動合同法（「勞動合同法」）於二零零八年獲全國人民代表大會常務委員會採納並自二零零八年一月一日開始生效。遵守新法律之規定，特別是遣散費及非固定期限勞動合同之規定可能會增加本集團之員工成本。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

7. RETIREMENT BENEFITS COSTS (Continued)

Pursuant to the new Employment Contract Law, the PRC subsidiaries are required to enter into non-fixed term employment contract with employees who have worked for more than 10 years or with whom a fixed term employment has been concluded for 2 consecutive terms. The employer is required to make a severance payment to the employee when the term of the employment contract expires unless the employee voluntarily terminates the contract or voluntarily rejects the offer to renew the contract in which case the terms are no worse off than the terms of other employment contracts available to him/her. The severance payment will be equal to the monthly wages times the number of full years that the employee has been working for the employer. The minimum wages requirement has also been imposed. Fines will be imposed for any breach of the Employment Contract Law.

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

The contributions paid which have been dealt with in profit or loss of the Group for the years ended 31 December 2010 and 2011 are as follows:

Contributions paid	已支付供款
--------------------	-------

7. 退休福利成本 (續)

根據新勞動合同法，中國附屬公司須與已工作10年以上或已經連續兩次訂立固定期限勞動合同之僱員訂立無固定期限勞動合同。法律規定當勞動合同期限到期時僱主須向僱員支付遣散費，除非僱員自願終止合同或自願拒絕續簽條款不遜於其可獲得之其他勞動合同條款之合同。遣散費之支付將相等於該僱員每月工資乘以該僱員已為僱主工作的完整年數。此外還實施最低工資規定。對勞動合同法之任何違反將會遭罰款。

本集團除上述供款以外，毋須就該等計劃承擔其他任何有關支付退休福利的重大責任。

計入本集團截至二零一零年及二零一一年十二月三十一日止年度之損益之已支付供款列明如下：

2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
1,307	947

8. DIRECTORS' EMOLUMENTS

The directors of the Company were members of the senior management of the Group during the year ended 31 December 2011 and 2010. Directors' emoluments disclosed pursuant to section 161 of the Hong Kong Companies Ordinance is as follows:

Fees	袍金
Salaries, allowances and other benefits in kind	薪金、津貼及其他實物利益
Contributions to retirement scheme	退休計劃供款

8. 董事酬金

於截至二零一一年及二零一零年十二月三十一日止年度，本公司董事亦為本集團高級管理層成員。根據香港公司條例第161條披露之董事酬金如下：

2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
679	711
778	395
56	25
1,513	1,131

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

8. DIRECTORS' EMOLUMENTS (Continued)

8. 董事酬金 (續)

		Year ended 31 December 2011 截至二零一一年十二月三十一日止年度					
Name of director	董事姓名	Salaries, allowances and other benefits in kind 薪金、津貼及其他實物利益			Contributions to retirement scheme 退休計劃供款	Equity-settled share-based payments 股本結算股份付款	Total 總額
		Fees 袍金					
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	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
Executive directors	執行董事						
Mr. Fan Yajun	范亞軍先生	100	-	-	100	-	100
Mr. Gan Yi	甘毅先生	100	180	48	328	-	328
Mr. Jiang Lei	蔣磊先生	100	264	4	368	-	368
Mr. Jiang Quanlong	蔣泉龍先生	100	334	4	438	-	438
Independent non-executive directors	獨立非執行董事						
Mr. Lai Wing Lee	賴永利先生	50	-	-	50	-	50
Mr. Leung Shu Sun, Sunny	梁樹新先生	179	-	-	179	-	179
Professor Wang Guozhen	王國珍教授	50	-	-	50	-	50
		679	778	56	1,513	-	1,513

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

8. DIRECTORS' EMOLUMENTS (Continued)

8. 董事酬金 (續)

		Year ended 31 December 2010 截至二零一零年十二月三十一日止年度					
Name of director	董事姓名		Salaries, allowances and other benefits in kind 薪金、 津貼及 其他 實物利益	Contributions to retirement scheme 退休計 劃供款	Sub-total 小計	Equity-settled share-based payments 股本結算 股份付款	Total 總額
		Fees 袍金					
		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
Executive directors		執行董事					
Mr. Fan Yajun	范亞軍先生	105	106	4	215	–	215
Mr. Gan Yi	甘毅先生	105	120	17	242	–	242
Mr. Jiang Lei	蔣磊先生	105	44	–	149	–	149
Mr. Jiang Quanlong	蔣泉龍先生	105	125	4	234	–	234
Independent non-executive directors		獨立非執行董事					
Mr. Lai Wing Lee	賴永利先生	52	–	–	52	–	52
Mr. Leung Shu Sun, Sunny	梁樹新先生	187	–	–	187	–	187
Professor Wang Guozhen	王國珍教授	52	–	–	52	–	52
		711	395	25	1,131	–	1,131

As at 31 December 2011 and 2010, the directors held share options under the Company's share option scheme. The details of the share options are disclosed under the paragraph "Share Option Scheme" in note 29 to the financial statements. During the years ended 31 December 2011 and 2010, no directors of the Company had waived any emoluments and no emoluments was paid or payable by the Group as an inducement to join or upon joining the Group, or as compensation for loss of office.

於二零一一年及二零一零年十二月三十一日，董事根據本公司購股權計劃持有購股權。有關購股權詳情載於財務報表附註29「購股權計劃」一段。於截至二零一一年及二零一零年十二月三十一日止年度，本公司概無董事已放棄任何酬金及本集團並無支付或應支付任何酬金作為促使加入或於加入本集團時之獎金或離職之賠償。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

9. INDIVIDUALS WITH HIGHEST EMOLUMENTS

The five individuals with the highest emoluments, three (2010: three) are directors whose emoluments are disclosed in note 8. The aggregate of the emoluments in respect of the other two (2010: two) individuals are as follows:

Salaries and allowances	薪金及津貼
Contributions to retirement scheme	退休計劃供款

During the year, no emoluments were paid to the five highest paid individuals (including directors and other employees) as inducement to join or upon joining the Group or as compensation of loss of office (2010: Nil).

The emoluments of the remaining two individuals other than the director fall within the following bands:

Bands:	組別：
Nil to RMB830,130 (equivalent to HK\$1,000,000)	零至人民幣830,130元 (相當於1,000,000港元)
RMB830,131 (equivalent to HK\$1,000,001) to RMB1,245,195 (equivalent to HK\$1,500,000)	人民幣830,131元 (相當於1,000,001港元) 至人民幣1,245,195元 (相當於1,500,000港元)

9. 最高酬金人士

年內，五位最高酬金人士包括三位（二零一零年：三位）董事，其酬金詳情載於附註8。餘下兩位（二零一零年：兩位）人士之酬金如下：

2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
1,105	1,123
20	21
1,125	1,144

年內，概無向五位最高酬金人士（包括董事及其他僱員）支付任何酬金作為促使加入或於加入本集團時之獎金或離職之賠償（二零一零年：零）。

該等餘下兩位人士（董事除外）之酬金組別如下：

2011 二零一一年	2010 二零一零年
1	1
1	1
2	2

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

10. LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY

The consolidated profit attributable to owners of the Company includes a loss of approximately RMB9,332,000 (2010: a profit of approximately RMB16,277,000) which has been dealt with in the financial statements of the Company.

10. 本公司擁有人應佔虧損

本公司擁有人應佔綜合溢利包括虧損約人民幣9,332,000元（二零一零年：溢利約人民幣16,277,000元），已在本公司之財務報表中處理。

11. DIVIDENDS

a) Dividends payable to owners of the Company attributable to the year

No final dividend was proposed after the end of the reporting period (2010: Nil)

並不擬於報告期末之後派付末期股息
(二零一零年：無)

The directors have resolved not to recommend the payment of a final dividend for the year.

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

Final dividend in respect of the previous financial year, approved and paid during the year, of HK Nil cents per share (2010: HK4 cents (equivalent to RMB3.49 cents))

於本年度內批准及支付上個財政年度之末期股息，每股零港仙
(二零一零年：4港仙
(相等於人民幣3.49分))

a) 應派付予本公司擁有人之本年度股息

2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
-	-

董事決議不派發本年度末期股息。

b) 於本年度內批准及支付應派付予本公司擁有人之上個財政年度股息

2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
-	27,904

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

12. EARNINGS PER SHARE

a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to owners of the Company of approximately RMB9,520,000 (2010: approximately RMB76,277,000) and the weighted average number of 800,000,000 shares (2010: 800,000,000 shares) in issue during the year.

b) Diluted earnings per share

Diluted earnings per share equal to basic earnings per share for the years ended 31 December 2011 and 2010 as the exercise price of the Company's outstanding share options were higher than the average market price of the Company's shares for the year and therefore it is anticipated that no share option to subscribe for the Company's shares will be exercised.

12. 每股盈利

a) 每股基本盈利

每股基本盈利乃基於本公司擁有人應佔溢利約人民幣9,520,000元（二零一零年：約人民幣76,277,000元）及年內已發行800,000,000股（二零一零年：800,000,000股）股份之加權平均數計算。

b) 每股攤薄盈利

由於年內本公司尚未行使購股權之行使價高於本公司股份之平均市價，截至二零一一年及二零一零年十二月三十一日止年度之每股攤薄盈利相等於每股基本盈利，因此預期不會行使購股權以認購本公司股份。

13. PREPAID LEASE PAYMENT

Carrying amount at beginning of year	年初賬面值
Addition during the year	年內添置
Disposal during the year	年內出售
Amortisation	攤銷
Carrying amount at end of year	年末賬面值
Analysed by:	分析如下：
Non-current portion	非即期部份
Current portion	即期部份

The prepaid lease payment represents prepayment of lease premium for land situated in the PRC under medium lease term. The amortisation charge for the year is included in "general and administrative expenses" in the consolidated statement of comprehensive income.

13. 預付租賃款項

The Group 本集團	
2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
6,745	6,914
39,550	—
(4,331)	—
(518)	(169)
41,446	6,745
40,596	6,576
850	169
41,446	6,745

預付租賃款項指根據中期租賃條款支付之位於中國之預付土地租金。本年度攤銷費用計入綜合全面收益表之「一般及行政開支」內。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

14. PROPERTY, PLANT AND EQUIPMENT

14. 物業、廠房及設備

The Group

本集團

		Buildings	Furniture, fixtures and equipment	Leasehold improvements	Plant and machinery	Motor vehicles	Molding	Property under construction	Total
		樓宇	傢俬、裝置及設備	租賃物業裝修	廠房及機器	汽車	模具	在建物業	總額
		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
Cost:	成本：								
As at 1 January 2010	於二零一零年一月一日	52,584	2,154	1,305	18,739	6,765	-	-	81,547
Additions	添置	-	161	553	-	2,576	-	130,055	133,345
Transfer	轉撥	-	-	11,012	-	-	-	(11,012)	-
Exchange adjustment	匯兌調整	-	(7)	-	-	-	-	-	(7)
As at 31 December 2010 & 1 January 2011	於二零一零年十二月三十一日及二零一一年一月一日	52,584	2,308	12,870	18,739	9,341	-	119,043	214,885
Additions	添置	1,320	246	681	580	906	-	92,470	96,203
Transfer	轉撥	87,108	-	-	64,034	-	1,904	(152,875)	171
Disposal	出售	(16,939)	-	-	-	(727)	-	-	(17,666)
Exchange adjustment	匯兌調整	-	(7)	(9)	-	-	-	-	(16)
As at 31 December 2011	於二零一一年十二月三十一日	124,073	2,547	13,542	83,353	9,520	1,904	58,638	293,577
Accumulated Depreciation:	累計折舊：								
As at 1 January 2010	於二零一零年一月一日	17,147	1,491	724	9,499	4,735	-	-	33,596
Charge for the year	本年度開支	2,388	217	355	1,621	836	-	-	5,417
Exchange adjustments	匯兌調整	-	(7)	(2)	-	-	-	-	(9)
As at 31 December 2010 & 1 January 2011	於二零一零年十二月三十一日及二零一一年一月一日	19,535	1,701	1,077	11,120	5,571	-	-	39,004
Charge for the year	本年度開支	2,029	215	1,002	4,467	1,090	952	-	9,755
Written back during the year	年內撥回	(6,611)	-	-	-	(654)	-	-	(7,265)
Exchange adjustments	匯兌調整	-	(7)	(4)	-	-	-	-	(11)
As at 31 December 2011	於二零一一年十二月三十一日	14,953	1,909	2,075	15,587	6,007	952	-	41,483
Carrying Amount:	賬面值：								
As at 31 December 2011	於二零一一年十二月三十一日	109,120	638	11,467	67,766	3,513	952	58,638	252,094
As at 31 December 2010	於二零一零年十二月三十一日	33,049	607	11,793	7,619	3,770	-	119,043	175,881

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

14. PROPERTY, PLANT AND EQUIPMENT (Continued)

The Company

Cost

As at 1 January 2010	於二零一零年一月一日
Additions	添置
Exchange adjustment	匯兌調整
As at 31 December 2010 and 1 January 2011	於二零一零年 十二月三十一日 及二零一一年一月一日

Additions	添置
Exchange adjustment	匯兌調整

As at 31 December 2011	於二零一一年 十二月三十一日
------------------------	-------------------

Accumulated depreciation

As at 1 January 2010	於二零一零年一月一日
Charge for the year	本年度開支
Exchange adjustment	匯兌調整
As at 31 December 2010 and 1 January 2011	於二零一零年 十二月三十一日 及二零一一年一月一日

Charge for the year	本年度開支
Exchange adjustment	匯兌調整

As at 31 December 2011	於二零一一年 十二月三十一日
------------------------	-------------------

Carrying amount

As at 31 December 2011	於二零一一年 十二月三十一日
As at 31 December 2010	於二零一零年 十二月三十一日

成本

累計折舊

賬面值

14. 物業、廠房及設備 (續)

本公司

Furniture, fixtures and equipment 傢私、 裝置及設備 RMB'000 人民幣千元	Leasehold improvements 租賃 物業裝修 RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
183	–	183
37	254	291
(7)	–	(7)
213	254	467
17	–	17
(8)	(9)	(17)
222	245	467
171	–	171
28	80	108
(7)	(2)	(9)
192	78	270
20	82	102
(7)	(4)	(11)
205	156	361
17	89	106
21	176	197

a) All the buildings are situated in the PRC and are held under medium-term lease.

a) 所有樓宇均於中國並根據中期租賃條款持有。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

15. AVAILABLE-FOR-SALE FINANCIAL ASSET

15. 可供出售金融資產

Unlisted equity securities in the PRC, at cost	按成本計算之於中國 非上市股本證券
Balance at beginning of year	年初結餘
Addition	添置
Balance at end of year	年末結餘

The carrying value of the above unlisted investment represents 5% equity interest in a private entity incorporated in the PRC. The unlisted equity securities, which is not held for short-term trading, were carried at cost less accumulated impairment losses as they do not have a quoted price in an active market and whose fair value cannot be reliably measured.

The Group 本集團	
2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
6,850	6,850
2,150	—
9,000	6,850

上述非上市投資的賬面值為在中國註冊成立之私人實體之5%股權。由於並無活躍市場所報價格及其公平值不能可靠地計量，故並非為短期買賣而持有之非上市股本證券投資按成本減累計減值虧損列賬。

16. INVESTMENTS IN SUBSIDIARIES

16. 於附屬公司之投資

Unlisted shares, at cost	按成本計算之非上市股份
Amounts due from subsidiaries (Note 18)	應收附屬公司款項 (附註18)

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

The Company 本公司	
2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
530,201	381,537
282,696	435,429

應收附屬公司款項為無抵押、免息及須按要求即時還款。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

16. INVESTMENTS IN SUBSIDIARIES (Continued)

Details of the subsidiaries are as follows:

16. 於附屬公司之投資 (續)

附屬公司詳情如下：

Name of subsidiary 附屬公司名稱	Place of incorporation and type of legal entity 註冊成立地點及法律實體性質	Issued and fully paid share capital/ registered capital/ 已發行及繳足股本／註冊股本	Proportion of ownership interest 擁有權比例			Principal activities and place of operations 主要業務及經營地點
			Group's effective interest 本集團實際權益	Held by the Company 由本公司持有	Held by a subsidiary 由附屬公司持有	
Pan Asia Environmental Protection Technologies Limited	British Virgin Islands, limited liability company 英屬處女群島，有限公司	US\$200/ Ordinary Share 200美元／普通股	100%	100%	—	Investment holding, in Hong Kong 投資控股，香港
Dragon Commend Limited	British Virgin Islands, limited liability company 英屬處女群島，有限公司	US\$1/ Ordinary Share 1美元／普通股	100%	100%	—	Not yet commence business, in Hong Kong 暫無營業，香港
Wuxi Pan Asia Environmental Protection Technologies Limited ("Wuxi Pan Asia") 無錫泛亞環保科技 有限公司 (「無錫泛亞」)	The PRC, jointly-foreign-owned enterprise 中國，外商合資企業	US\$42,609,000/ Registered Capital 42,609,000美元／註冊股本	100%	47.7%	52.3%	Manufacture and sales of EP products and equipment, undertakes EP construction engineering projects and manufacture of EP construction materials, in the PRC 環保產品及設備之製造及銷售及承接環保建設工程項目及製造環保建築材料，中國

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

16. INVESTMENTS IN SUBSIDIARIES (Continued)

16. 於附屬公司之投資 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation and type of legal entity 註冊成立地點及法律實體性質	Issued and fully paid share capital/ registered capital/ 已發行及 繳足股本／ 註冊股本	Proportion of ownership interest 擁有權比例			Principal activities and place of operations 主要業務及經營地點
			Group's effective interest 本集團 實際權益	Held by the Company 由本公司持有	Held by a subsidiary 由附屬公司持有	
Pan Asia Environmental Protection (China) Company Limited 泛亞環保(中國)有限公司	The PRC, wholly-foreign-owned enterprise 中國·外商獨資企業	HK\$100,000,000/ Registered Capital 100,000,000港元／ 註冊股本	100%	—	100%	Manufacture and sales of EP products and equipment and undertakes EP construction engineering projects, in the PRC 環保產品及設備之製造及銷售及承接環保建設工程項目·中國
Wuxi Zhong Dian Kong Leng Technology Limited 無錫市中電空冷技術有限公司	The PRC, domestic-invested limited liability company 中國·境內投資有限公司	RMB5,000,000/ Registered Capital 人民幣 5,000,000元／ 註冊股本	100%	—	100%	Investment holding, in the PRC 投資控股·中國
連雲港民心投資有限公司 (「民心投資」)	The PRC, domestic-invested limited liability company 中國·境內投資有限公司	RMB10,000,000/ Registered Capital 人民幣 10,000,000元／ 註冊股本	100%	—	100%	Undertakes EP construction engineering projects, in the PRC 承接環保建設工程項目·中國
Shanghai Environmental Engineering Design & Research Institute Limited ("SEEDRI") 上海環境工程設計研究院有限公司(「環境工程研究院」)	The PRC, joint stock limited company 中國·股份有限公司	RMB10,750,000/ Registered Capital 人民幣 10,750,000元／ 註冊股本	70.05%	—	70.05%	Provision of professional services, manufacture and sales of EP products and equipment and undertakes EP construction engineering projects and provision of professional services in the PRC 提供專業服務·環保產品及設備之製造及銷售及承接環保建設工程項目及提供專業服務·中國

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

16. INVESTMENTS IN SUBSIDIARIES (Continued)

16. 於附屬公司之投資 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation and type of legal entity 註冊成立及 法律實體性質	Issued and fully paid share capital/ registered capital 已發行及 繳足股本／ 註冊股本	Proportion of ownership interest 擁有權比例			Principal activities and place of operations 主要業務及 經營地點
			Group's effective interest 本集團 實際權益	Held by the Company 由本 公司持有	Held by a subsidiary 由附屬 公司持有	
五河泛亞污水處理 有限公司	The PRC, domestic- invested limited liability company 中國，境內投資 有限公司	RMB2,000,000/ Registered Capital 人民幣 2,000,000元／ 註冊股本	70.05%	—	100%	Manufacture and sales of EP products and equipment and undertakes EP construction engineering projects, in the PRC 環保產品及設備 之製造及銷售及 承接環保建設工程 項目，中國
遼寧泛亞環境設計工程 有限公司 (「遼寧泛亞」)	The PRC, joint stock limited company 中國，股份 有限公司	RMB10,000,000/ Registered Capital 人民幣 10,000,000元／ 註冊股本	49.04%	—	70%	Manufacture and sales of EP products and equipment and undertakes EP construction engineering projects and provision of professional services in the PRC 環保產品及設備 之製造及銷售及 承接環保建設工程 項目，提供專業 服務，中國

Note: The Group holds 49.04% effective interest of 遼寧泛亞. The Group has the power to govern the financial and operating policies of it so as to obtain benefits from its activities. The directors of the Group considered that the Group entitled to control 遼寧泛亞 as a subsidiary even the effective interest holding is 49.04% only.

*附註：*本集團持有遼寧泛亞49.04%之實益權益。本集團有權管治其財務及營運政策以便自其經營中獲利。儘管僅持有遼寧泛亞49.04%之實益權益，但本集團董事認為本集團有權將其作為一間附屬公司予以控制。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

17. INVENTORIES

17. 存貨

Raw materials 原材料
Work-in-progress 在製品
Finished goods 製成品

The Group 本集團	
2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
11,254	13,873
4,335	15
65,567	19,862
81,156	33,750

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

被確認為開支之存貨金額分析如下：

Carrying amount of inventories sold 已售存貨之賬面值

The Group 本集團	
2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
345,513	483,942

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

18. TRADE AND OTHER RECEIVABLES

18. 應收貿易及其他款項

		The Group 本集團		The Company 本公司	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Trade receivables	應收貿易款項	141,530	209,608	-	-
Less: Allowance for doubtful debts	減：呆賬撥備	(1,076)	(1,156)	-	-
		140,454	208,452	-	-
Other receivables	其他應收款項	119,479	132,422	122	111
Less: Allowance for doubtful debts	減：呆賬撥備	(147)	(147)	-	-
		119,332	132,275	122	111
Amounts due from related companies (Note 19)	應收關連公司款項 (附註19)	6,100	-	-	-
Amounts due from subsidiaries (Note 16)	應收附屬公司款項 (附註16)	-	-	282,696	435,429
Loans and receivables	貸款及應收款項	265,886	340,727	282,818	435,540
Prepayments and deposits	預付款項及按金	120,581	72,430	1,638	2,499
Other tax recoverables	其他可收回稅金	9,773	1,769	-	-
Amounts due from customers for contract work (Note 25)	應收客戶合約工程款項 (附註25)	118,125	114,877	-	-
		514,365	529,803	284,456	438,039

The amount of the Group's and the Company's prepayments and deposits expected to be recovered or recognised as expense after more than one year is RMB241,000 (2010: RMB249,000) and RMB241,000 (2010: RMB249,000) respectively. All of the trade and other receivables (including amounts due from a related company and subsidiaries), apart from the quality retention monies of approximately RMB41,538,000 (2010: RMB22,389,000) mentioned in note 18(a) are expected to be recovered or recognised as expense within one year.

本集團及本公司預期將於一年後收回或確認為開支之預付款項及按金分別為人民幣241,000元(二零一零年：人民幣249,000元)及人民幣241,000元(二零一零年：人民幣249,000元)。除附註18(a)所述質量保證金約人民幣41,538,000元(二零一零年：人民幣22,389,000元)外，所有應收貿易及其他款項(包括應收一間關連公司及附屬公司款項)預期於一年內收回或確認為開支。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

18. TRADE AND OTHER RECEIVABLES (Continued)

a) Ageing analysis

Trade receivables are net of allowance for doubtful debts and with the following ageing analysis presented as of the end of the reporting period:

0-30 days	0至30天
31-60 days	31至60天
61-90 days	61至90天
91-180 days	91至180天
181-365 days	181至365天
Over 365 days	365天以上

Trade receivables are due within 60 days from the date of billing.

The Group normally grants credit terms from 1 to 2 months to its customers. Trade receivables generally include the balances yet to be due such as the quality retention monies of approximately RMB60,564,000 (2010: RMB72,981,000) (typically 5% to 20% of the total contracted value) that are retained by the customers until the fulfilment of the warranty period of generally 1 to 2 years and receivable pursuant to the payment terms of the respective contracts.

18. 應收貿易及其他款項 (續)

a) 賬齡分析

應收貿易款項扣除呆賬撥備，而於報告期末呈列之賬齡分析如下：

2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
13,334	104,110
17,659	20,057
20,433	5,003
21,915	25,438
34,995	27,471
32,118	26,373
140,454	208,452

應收貿易款項在出具賬單日起60天內到期。

本集團通常會向客戶授予1至2個月之信貸期。應收貿易款項一般包括未到期餘額，如根據各自合約之支付條款應收取，由客戶保留直至通常為1至2年之擔保期履行為止之質量保證金約為人民幣60,564,000元(二零一零年：人民幣72,981,000元)(一般為合約總價值之5%至20%)。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

18. TRADE AND OTHER RECEIVABLES (Continued)

b) Impairment of trade receivables

Impairment losses in respect of trade receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivable directly (see note 2(g)).

The movement in the allowance for doubtful debts during the year, including both specific and collective loss components, is as follows:

At 1 January	於一月一日
Impairment loss recognised	已確認減值虧損
Reversal of impairment loss	減值虧損撥回
At 31 December	於十二月三十一日

As at 31 December 2011, trade receivables of approximately RMB1,076,000 (2010: approximately RMB1,156,000) were individually determined to be impaired and full allowance had been made. These individually impaired receivables were outstanding for over 90 days as at the end of the reporting period or were due from companies with financial difficulties. The Group does not hold any collateral over these balances.

18. 應收貿易及其他款項 (續)

b) 應收貿易款項之減值

應收貿易款項之減值虧損乃於撥備賬中確認，除非本集團相信收回該金額之可能性很低，則該減值虧損會直接於應收貿易款項中撇銷（見附註2(g)）。

年內呆賬撥備變動（包括特定及整體虧損部分）如下：

2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
1,156	1,062
-	94
(80)	-
1,076	1,156

於二零一一年十二月三十一日，應收貿易款項約人民幣1,076,000元（二零一零年：約人民幣1,156,000元）已個別釐定為減值，並作出全數撥備。該等個別減值之應收款項於報告期末逾期超過90日，或由陷入財政困難之公司欠付。本集團對該等結餘並無持有任何抵押物。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

18. TRADE AND OTHER RECEIVABLES (Continued)

b) Impairment of trade receivables (Continued)

The factors which the Group considered in determining whether these trade receivables were individually impaired included the following:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- receivables that have been outstanding for a certain period;
- the granting to the debtor, for economic or legal reasons relating to the debtor's financial difficulty, a concession that the Group would not otherwise consider;
- it becoming probable that the debtor will enter into bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor;

18. 應收貿易及其他款項 (續)

b) 應收貿易款項之減值 (續)

本集團於釐定該等應收貿易款項是否已個別減值時所考慮之因素如下：

- 債務人有重大財政困難；
- 違反合約，如逾期或拖欠償還利息或本金；
- 應收款項已拖欠一段時期；
- 本集團基於與債務人之財政困難有關之經濟或法律理由，給予債務人一項本集團在其他情況下不會考慮之讓步；
- 債務人將可能破產或進行其他財務重組；
- 科技、市場、經濟或法律環境有重大改變，並對債務人有不利影響；

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

18. TRADE AND OTHER RECEIVABLES (Continued)

c) Trade receivables that are past due but not impaired

The ageing analysis of trade receivables that are past due but not impaired are as follows:

Less than 1 month past due	逾期少於1個月
1 to 3 months past due	逾期1至3個月
More than 3 months past due	逾期超過3個月

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

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

18. 應收貿易及其他款項 (續)

c) 已過期但未減值之應收貿易款項

已過期但未減值之應收貿易款項之賬齡分析如下：

2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
6,468	30,343
14,354	13,125
33,946	16,430
54,768	59,898

既未逾期亦未減值之應收款項與多名近期無拖欠還款記錄之客戶有關。

已逾期但未減值之應收款項與多名擁有與本集團有良好往績記錄之獨立客戶有關。基於過往經驗，由於信貸質素並無重大變化且該等餘額仍被視為可全數收回，故管理層相信毋須就有關餘額作出減值撥備。本集團並無持有該等餘額之任何抵押品。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

18. TRADE AND OTHER RECEIVABLES (Continued)

d) Other receivables

The amounts due are unsecured, interest-free and repayable on demand and included an amount of approximately RMB97,230,000 (2010: RMB97,230,000) advanced to the local government departments of Guannan County, Lianyungang City, Jiangsu Province. The management believes that no impairment allowance is necessary in respect of this balance as the balance is still considered fully recoverable.

Other receivables also included a total amount of approximately RMB5,000,000 (2010: RMB20,000,000) arising from the disposal of subsidiaries in 2009. The management believes that no impairment allowance is necessary in respect of this balance as the balance is still considered fully recoverable.

There were no movements in the allowance account for other receivables.

18. 應收貿易及其他款項 (續)

d) 其他應收款項

該款項乃無抵押、免息及須按要求即時還款及包括已預付予江蘇省連雲港市灌南縣當地政府部門之款項約人民幣97,230,000元(二零一零年：人民幣97,230,000元)。管理層相信，由於該等餘額仍被視為可全數收回，此餘額無須作減值撥備。

其他應收款項亦包括自二零零九年出售附屬公司產生之合共約人民幣5,000,000元(二零一零年：人民幣20,000,000元)之款項。管理層相信，由於該等餘額仍被視為可全數收回，此餘額無須作減值撥備。

其他應收款項之撥備賬概無變動。

19. AMOUNTS DUE FROM RELATED COMPANIES

19. 應收關連公司款項

Name of company 公司名稱	Connected party 關連方	The Group 本集團				The Company 本公司			
		Year ended 31 December 截至十二月三十一日止年度		Maximum amount outstanding 未償還最高金額		Year ended 31 December 截至十二月三十一日止年度		Maximum amount outstanding 未償還最高金額	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Yixing AGC Ceramics Co. Limited ("AGC") 宜興旭硝子工業陶瓷有限公司 (「旭硝子」)	A company in which Mr. Jiang Lei and Mr. Jiang Quanlong, directors of the Company, have ultimate beneficial interests 本公司董事蔣磊先生及蔣泉龍先生於其中擁有實益權益之公司	6,100	-	6,100	-	-	-	-	-
YY Holdings Limited	A company in which Mr. Jiang Lei and Mr. Jiang Quanlong, directors of the Company, have beneficial interests 本公司董事蔣磊先生及蔣泉龍先生於其中擁有實益權益之公司	-	-	-	2,028	-	-	-	2,028
		6,100	-	6,100	2,028	-	-	-	2,028

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

19. AMOUNTS DUE FROM RELATED COMPANIES (Continued)

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

19. 應收關連公司款項 (續)

應收關連公司款項為無抵押、免息及須按要求即時還款。

20. CASH AND BANK BALANCES

A major position of the cash and bank balances for the years ended 31 December 2011 and 2010 was denominated in RMB which is not a freely convertible currency in the international money market. The exchange rate of RMB is determined by the Government of the PRC and the remittance of these funds out of the PRC is subject to exchange restrictions imposed by the Government of the PRC. The bank balances carry interest at market rates ranging from Nil to 0.5% (2010: Nil to 0.36%) per annum.

20. 現金及銀行結餘

於截至二零一一年及二零一零年十二月三十一日止年度，大部份現金及銀行結餘以人民幣（於國際貨幣市場上不能自由兌換之貨幣）計值。人民幣匯率由中國政府釐定，在中國匯出上述資金，須受中國政府所施加之外匯管制規限。銀行結餘附有零至0.5%（二零一零年：零至0.36%）之市場年利率。

21. TRADE AND OTHER PAYABLES

21. 應付貿易及其他款項

		The Group 本集團		The Company 本公司	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Trade payables	應付貿易款項	60,418	59,025	-	-
Accruals and other payables	應計費用及其他應付款項	35,250	45,888	1,041	1,066
Amount due to a director (Note 23)	應付一位董事款項 (附註23)	1,589	1,531	-	-
Amount due to a related company (Note 24)	應付一間關連公司 款項 (附註24)	23	5	-	-
Financial liabilities measured at amortised cost	以攤銷成本計量的 金融負債	97,280	106,449	1,041	1,066
Other PRC tax payables	其他應付中國稅項	4,383	3,254	-	-
		101,663	109,703	1,041	1,066

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

21. TRADE AND OTHER PAYABLES (Continued)

All of the trade and other payables (including amounts due to related parties), apart from those mentioned in note 25 are expected to be settled or recognised as income within one year or are repayable on demand.

a) Ageing analysis of trade payables

The ageing analysis of trade payables is as follows:

0 to 30 days	0至30日
31 to 60 days	31至60日
61 to 90 days	61至90日
91 to 180 days	91至180日
181 to 365 days	181至365日
Over 365 days	365日以上

b) Accruals and other payables

Included an amount of approximately RMB8,784,000 (2010: RMB14,029,000) due to a former subsidiary. The amount due is unsecured, interest-free and repayable on demand.

21. 應付貿易及其他款項 (續)

所有應付貿易及其他款項 (包括應付關連方之款項)，除上文附註25所述者外，均預期於一年內結付或確認為收入或須按要求即時償還。

a) 應付貿易賬款之賬齡分析

應付貿易賬款之賬齡分析如下：

The Group 本集團	
2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
5,306	10,024
565	304
5,510	1,383
3,215	958
2,161	1,930
43,661	44,426
60,418	59,025

b) 應計費用及其他應付款項

款項約人民幣8,784,000元 (二零一零年：人民幣14,029,000元) 應付予前附屬公司。該款項乃無抵押、免息及須按要求即時還款。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

22. SHORT-TERM BANK LOANS

At 31 December 2010, the bank loan of the Group is secured, carrying interest at variable-rates of 6.06% – 6.97% per annum and repayable within 1 year. The bank loan of the Group is secured by a building of the Group with a carrying amount of approximately RMB880,000. During the year 2011, the bank loan was fully repaid..

22. 短期銀行貸款

於二零一零年十二月三十一日，本集團之銀行貸款為有抵押貸款，按浮動年利率6.06%至6.97%計息及須於一年內償還。本集團之銀行貸款以其賬面值約人民幣880,000元樓宇為抵押。二零一一年，銀行貸款已悉數償還。

23. AMOUNT DUE TO A DIRECTOR

Mr. Jiang Quanlong

蔣泉龍先生

The amount is unsecured, interest-free and repayable on demand.

23. 應付一位董事款項

The Group 本集團	
2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
1,589	1,531

該款項乃無抵押、免息及須按要求的即時還款。

24. AMOUNT DUE TO A RELATED COMPANY

Name of company
公司名稱

Connected party
關連方

Osram (China) Fluorescent Materials Co., Ltd. ("Osram")
歐司朗(中國)熒光材料有限公司
(「歐司朗」)

A company in which Mr. Jiang Lei and Mr. Jiang Quanlong, directors of the Company, have beneficial interests
本公司董事蔣磊先生及蔣泉龍先生於其中擁有實益權益之公司

The amount due to a related company is of a trade nature and is unsecured, interest-free and repayable on demand.

24. 應付一間關連公司款項

The Group 本集團	
2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
23	5

應付一間關連公司款項屬交易性質，且為無抵押、免息及須按要求的即時還款。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

25. AMOUNTS DUE FROM CUSTOMERS FOR CONTRACT WORK

Contract work-in-progress at the end of the reporting period:

Contract costs incurred to date	迄今所產生之合約成本
Recognised profits less recognised losses	已確認溢利減已確認虧損
Less: Progress billings	減：進度款項
Amounts due from customers for contract work	應收客戶合約工程款項

The amounts due from customers for contract work at 31 December 2011 that is expected to be recovered after more than one year is RMB106,171,000 (2010: RMB106,374,000).

In respect of construction contracts in progress at the end of the reporting period, the amount of retention receivables from customers, recorded within "trade receivable" at 31 December 2011 is RMB2,370,000 (2010: RMB4,708,000). The amount of those retentions expected to be recovered after more than one year is RMBNil (2010: RMBNil). Receipts in advance from customers for contract work amounted to RMB21,460,000 (2010: RMB15,040,000).

25. 應收客戶合約工程款項

於報告期末執行之在製品合約：

The Group 本集團	
2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
204,552	171,323
75,680	75,686
280,232 (162,107)	247,009 (132,132)
118,125	114,877

於二零一一年十二月三十一日，預期於一年後收回之應收客戶合約工程款項為人民幣106,171,000元（二零一零年：人民幣106,374,000元）。

有關於報告期末之在建工程合約，於二零一一年十二月三十一日之「應收貿易賬款」內所列應收客戶之保留款項為人民幣2,370,000元（二零一零年：人民幣4,708,000元）。該等預期將於一年後收回之保留款項為人民幣零元（二零一零年：人民幣零元）。預收客戶合約工程款項為人民幣21,460,000元（二零一零年：人民幣15,040,000元）。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

26. INCOME TAX IN THE STATEMENTS OF FINANCIAL POSITION

a) Current taxation in the statement of financial position represents

Provision for PRC enterprise income tax	中國企業所得稅撥備
Tax paid	已付稅項
Balance of PRC enterprise income tax relating to prior year	與過往年度有關之中國企業所得稅結餘
Tax payable	應付稅項

b) Deferred taxation

The components of deferred tax liabilities recognised in the consolidated statement of financial position and the movements during the year are as follows:

At 1 January 2010	於二零一零年一月一日
Charged to profit or loss (Note 6(a))	計入損益 (附註6(a))
At 31 December 2010 and 1 January 2011	於二零一零年十二月三十一日及二零一一年一月一日
Charged to profit or loss (Note 6(a))	計入損益 ((附註6(a))
At 31 December 2011	於二零一一年十二月三十一日

26. 財務狀況表內之所得稅

a) 財務狀況表內之即期稅項指

The Group 本集團	
2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
9,448	31,147
(11,363)	(21,128)
(1,915)	10,019
16,892	11,185
14,977	21,204

b) 遞延稅項

年內於綜合財務狀況表確認之遞延稅項負債之組成部分及變動如下：

Withholding tax of undistributed profits 未分派溢利之預扣稅 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
-	-
4,852	4,852
4,852	4,852
1,714	1,714
6,566	6,566

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

26. INCOME TAX IN THE STATEMENTS OF FINANCIAL POSITION (Continued)

b) Deferred taxation (Continued)

Pursuant to the New Enterprise Income Tax Laws, a 10% withholding tax is levied on dividends declared to foreign investors from foreign investment enterprise established in the PRC. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax arrangement between the PRC and the jurisdiction of the foreign investors. For the Group, the applicable tax rate is 10%. The Group is therefore liable to withholding taxes on dividend distributed by those subsidiaries established in the PRC in respect of earnings generated from 1 January 2008 onwards. The Group recognised deferred tax liabilities in respect of expected distributable earnings from its subsidiaries established in the PRC since 1 January 2008 with reference to the Group's dividend policy, no matter whether such earnings have been declared or not by the subsidiaries at the reporting date. The directors of the Company will review the funding requirements of the Group from time to time and revise the dividend policy of its subsidiaries as appropriate.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

As at 31 December 2011 and 2010, the Group has not recognised deferred tax assets in respect of tax losses of RMB16,544,000 (2010: RMB14,270,000) which will expire from 2012 to 2016 as it is not probable that future profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity.

26. 財務狀況表內之所得稅 (續)

b) 遞延稅項 (續)

根據新企業所得稅法，在中國成立的外資企業向外國投資者所宣派的股息須繳交10%預扣稅。此規定自二零零八年一月一日起生效，適用於二零零七年十二月三十一日後的盈利。倘中國與外國投資者所屬司法權區訂有稅務安排，或可按較低稅率繳交預扣稅。就本集團而言，適用稅率為10%。因此，本集團須就於中國成立的附屬公司於二零零八年一月一日以後產生的盈利所分派的股息繳納預扣稅。就自二零零八年一月一日以後在中國成立的附屬公司的預期可分配盈利而言，本集團根據其股息政策，確認遞延稅項負債，無論附屬公司於報告日是否已派發該等盈利。本公司董事將不時檢討本集團的資金要求，於適當時修改其附屬公司股息政策。

本公司向其股東支付之股息並無附帶所得稅影響。

於二零一一年及二零一零年十二月三十一日，本集團並無就將於二零一二年至二零一六年期間到期之稅項虧損人民幣16,544,000元（二零一零年：人民幣14,270,000元）確認遞延稅項資產，因為有關稅務司法權區及實體並不可能取得未來溢利以供抵銷虧損。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

27. SHARE CAPITAL

Authorised and issued share capital

Authorised
Ordinary shares of HK\$0.1 each
as at 31 December 2010 and 2011

Issued and fully paid
Ordinary shares of HK\$0.1 each
as at 31 December 2010 and 2011

The holders of ordinary 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.

27. 股本

法定及已發行股本

Number of shares 股份數目 '000 千股	Amount 金額 HK\$'000 千港元
---	---------------------------------

法定 於二零一零年及二零一一年 十二月三十一日每股 面值0.1港元之普通股	4,000,000	400,000
--	-----------	---------

已發行及繳足 於二零一零年及二零一一年 十二月三十一日每股 面值0.1港元之普通股	800,000	80,000
--	---------	--------

Equivalent to RMB74,872,000
相當於人民幣74,872,000元

普通股持有人有權收取不時宣派之股息並有權於本公司大會上以每股一票投票。全部普通股對本公司剩餘資產而言屬同等。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

28. RESERVES

The Group

		Share premium	Special reserve	Capital reserve	Enterprise expansion reserve	Statutory surplus reserve	Translation reserve	Share option reserve	Retained profits	Total
		股份溢價	特別儲備	資本儲備	企業擴展儲備	法定盈餘儲備	匯兌儲備	購股權儲備	保留溢利	總計
		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
		(Note (i))	(Note (ii))	(Note (iii))	(Note (v))	(Note (vi))	(Note (vii))	(Note (vii))		
		(附註(i))	(附註(ii))	(附註(iii))	(附註(v))	(附註(vi))	(附註(vii))	(附註(vii))		
At 1 January 2010	於二零一零年一月一日	419,229	94,225	133	40,149	49,422	(6,543)	13,841	472,133	1,082,589
Profit for the year	年內溢利	-	-	-	-	-	-	-	76,277	76,277
Other comprehensive income	其他全面收益	-	-	-	-	-	(753)	-	-	(753)
Total comprehensive income	全面收益總額	-	-	-	-	-	(753)	-	76,277	75,524
Dividends approved in respect of previous year	已批准上年度之股息	-	-	-	-	-	-	-	(27,904)	(27,904)
Transfer to reserves	轉撥至儲備	-	-	-	5,426	5,426	-	-	(10,852)	-
At 31 December 2010 and 1 January 2011	於二零一零年十二月三十一日及二零一一年一月一日	419,229	94,225	133	45,575	54,848	(7,296)	13,841	509,654	1,130,209
Profit for the year	年內溢利	-	-	-	-	-	-	-	9,520	9,520
Other comprehensive income	其他全面收益	-	-	-	-	-	(175)	-	-	(175)
Total comprehensive income	全面收益總額	-	-	-	-	-	(175)	-	9,520	9,345
Transfer to retained profits upon lapse of share options	於購股權失效後轉撥至保留溢利	-	-	-	-	-	-	(778)	778	-
Transfer to reserves	轉撥至儲備	-	-	-	820	820	-	-	(1,640)	-
At 31 December 2011	於二零一一年十二月三十一日	419,229	94,225	133	46,395	55,668	(7,471)	13,063	518,312	1,139,554

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

28. RESERVES (Continued)

The Company

		Share premium 股份溢價 RMB'000 人民幣千元 (Note (i)) (附註(i))	Contributed surplus 繳入盈餘 RMB'000 人民幣千元 (Note (iv)) (附註(iv))	Translation reserve 匯兌儲備 RMB'000 人民幣千元 (Note (vi)) (附註(vi))	Share option reserve 購股權儲備 RMB'000 人民幣千元 (Note (viii)) (附註(viii))	(Accumulated losses) (累計虧損) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2010	於二零一零年一月一日	419,229	372,178	(27,579)	13,841	1,476	779,145
Profit for the year	年內溢利	-	-	-	-	16,277	16,277
Other comprehensive income	其他全面收益	-	-	(17,208)	-	-	(17,208)
Total comprehensive income	全面收益總額	-	-	(17,208)	-	16,277	(931)
Dividend approved in respect of previous year	已批准上年度之股息	-	-	-	-	(27,904)	(27,904)
At 31 December 2010 and 1 January 2011	於二零一零年十二月三十一日及二零一一年一月一日	419,229	372,178	(44,787)	13,841	(10,151)	750,310
Loss for the year	年內虧損	-	-	-	-	(9,332)	(9,332)
Other comprehensive income	其他全面收益	-	-	3,265	-	-	3,265
Total comprehensive income	全面收益總額	-	-	3,265	-	(9,332)	(6,067)
Transfer to retained profits upon lapse of share options	於購股權失效後轉撥至保留溢利	-	-	-	(778)	778	-
At 31 December 2011	於二零一一年十二月三十一日	419,229	372,178	(41,522)	13,063	(18,705)	744,243

28. 儲備 (續)

本公司

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

28. RESERVES (Continued)

Nature and purpose of reserves

i) *Share premium*

Under the Companies Law (Revised) of the Cayman Islands, the share premium account of the Company is distributable to the owners of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

ii) *Special reserve*

The special reserve of the Group represents the difference between the nominal value and share premium of the subsidiaries acquired and the nominal value of the Company's shares issued for the acquisition at the time of group reorganisation immediately prior to the listing of the Company's shares on 1 December 2007.

iii) *Capital reserve*

The capital reserve represents the excess capital contribution from the non-controlling interest of a subsidiary – 遼寧泛亞 of the Group.

iv) *Contributed surplus*

The contributed surplus represents the difference between the nominal value of the ordinary shares issued by the Company and the net assets value of subsidiaries acquired through an exchange of shares pursuant to the group reorganisation.

v) *Enterprise expansion reserve and statutory surplus reserve*

Statutory surplus reserve and enterprise expansion reserve are non-distributable. Appropriations to such reserves are made out of profit after taxation of the statutory financial statements of the PRC subsidiaries while the amount and allocation basis are decided by their board of directors annually. The statutory surplus reserve can be used to make up prior year losses of the PRC subsidiaries, if any, and can be applied in conversion into capital by means of capitalisation issues. The enterprise expansion fund is used for expanding the capital base of the PRC subsidiaries by means of capitalisation issue.

28. 儲備 (續)

儲備之性質及目的

i) *股份溢價*

根據開曼群島公司法(經修訂),本公司之股份溢價賬可分派予本公司擁有人,惟緊隨建議分派股息當日之後,本公司須有能力償還於日常業務過程中到期之債項。

ii) *特別儲備*

本集團之特別儲備指所收購附屬公司之面值及股份溢價與緊接本公司股份於二零零七年十二月一日上市前本公司於集團重組時就收購所發行股份之面值之差額。

iii) *資本儲備*

資本儲備指來自非控股權益對本集團附屬公司遼寧泛亞之超額注資。

iv) *繳入盈餘*

繳入盈餘指本公司已發行普通股之面值與根據集團重組透過換股所收購附屬公司之資產淨值的差額。

v) *企業擴展儲備及法定盈餘儲備*

法定盈餘儲備及企業擴展儲備為不可分派儲備。有關儲備之撥款乃來自中國附屬公司法定財務報表之除稅後溢利,而款額及分配基準乃由董事會按年決定。法定盈餘儲備可用於彌補過往年度中國附屬公司之虧損(如有)及可以資本化發行之方式轉換為資本。企業擴展基金將用於以資本化發行之方式擴大中國附屬公司之資本基礎。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

28. RESERVES (Continued)

Nature and purpose of reserves (Continued)

vi) Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 2(r).

vii) Share option reserve

The share option reserve of the Company and the Group arose upon on the grant of share options of the Company and is dealt with in accordance with the accounting policies set out in note 2(n).

Distributable reserves of the Company

Under the Companies Law (Revised) of the Cayman Islands, share premium and contributed surplus are distributable to shareholders, subject to the condition that the Company cannot declare or pay a dividend, or make a distribution out of share premium and contributed surplus if (i) it is, or would after the payment be unable to pay its liabilities as they become due, or (ii) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its share capital account.

As at 31 December 2011, the Company's reserves available for distribution to shareholders amounted to approximately RMB772,702,000 (2010: RMB781,256,000), computed in accordance with the Companies Law (Revised) of the Cayman islands and the Company's articles of association. This includes the Company's share premium of approximately RMB419,229,000 (2010: RMB419,229,000) and contributed surplus of approximately RMB372,178,000 (2010: RMB372,178,000), less accumulated losses of approximately RMB18,705,000 (2010: RMB10,151,000), which are available for distribution.

28. 儲備 (續)

儲備之性質及目的 (續)

vi) 匯兌儲備

匯兌儲備包括換算海外業務財務報表產生之所有外匯差額。本公司根據附註2(r)所載會計政策處理儲備。

vii) 購股權儲備

本公司及本集團之購股權儲備乃因授出本公司之購股權而產生，及按附註2(n)所載會計政策處理。

本公司之可分派儲備

根據開曼群島公司法(經修訂)，股份溢價及繳入盈餘可分派予股東，惟倘本公司支付有關款項後(i)將不能償還到期之債項；或(ii)可變現資產值將低於負債及股本賬合計之數額，則不得宣派或支付股息，或從股份溢價、股本贖回儲備及繳入盈餘作出分派。

於二零一一年十二月三十一日，根據開曼群島公司法(經修訂)及本公司組織章程細則計算，本公司可供分派予股東之儲備約為人民幣772,702,000元(二零一零年：人民幣781,256,000元)。該數額包括本公司股份溢價約人民幣419,229,000元(二零一零年：人民幣419,229,000元)及繳入盈餘約人民幣372,178,000元(二零一零年：人民幣372,178,000元)減累計虧損約人民幣18,705,000元(二零一零年：人民幣10,151,000元)，可作出分派。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

29. SHARE OPTION SCHEME

The Company's share option scheme (the "Share Option Scheme") was adopted pursuant to a resolution passed on 1 December 2007. The purpose of the Share Option Scheme is to enable the Company to grant options to selected participants as incentives or rewards for their contributions to the Group. Under the Share Option Scheme, the directors of the Company may grant options to the following eligible participants:

- i) any employee (whether full-time or part-time, including any executive director but excluding any non-executive director) of the Company, any of its subsidiaries or any entity ("Invested Entity") in which the Group holds an equity interest;
- ii) any non-executive director (including independent non-executive director) of the Company, any of its subsidiaries or any Invested Entity;
- iii) any supplier of goods or services to any member of the Group or any Invested Entity;
- iv) any customer of the Group or any Invested Entity;
- v) any person or entity that provides research, development or other technological support to the Group or any Invested Entity;
- vi) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity;
- vii) any advisor (professional or otherwise) or consultant to any area of business or business development of any member of the Group or any Invested Entity; and
- viii) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group.

29. 購股權計劃

本公司之購股權計劃(「購股權計劃」)乃根據於二零零七年十二月一日通過之決議案獲採納。購股權計劃旨在促使本公司授予經甄選參與者購股權，作為彼等為本集團作出貢獻之獎勵或獎賞。根據購股權計劃，本公司董事可向下列合資格參與者授出購股權：

- i) 本公司、其任何附屬公司或本集團持有其股權之任何實體(「投資實體」)之任何僱員(不論全職或兼職，包括任何執行董事，但不包括任何非執行董事)；
- ii) 本公司、其任何附屬公司或任何投資實體之任何非執行董事(包括獨立非執行董事)；
- iii) 向本集團任何成員公司或任何投資實體提供貨品或服務之任何供應商；
- iv) 本集團或任何投資實體之任何客戶；
- v) 為本集團或任何投資實體提供研究、開發或其他科技支持之任何人士或實體；
- vi) 本集團任何成員公司或任何投資實體之任何股東或由本集團任何成員公司或任何投資實體發行之任何證券之任何持有人；
- vii) 本集團任何成員公司或任何投資實體之任何業務範疇或業務發展之任何諮詢人(不論是否專業人士)或顧問；及
- viii) 透過合營企業、業務聯盟或對本集團之發展及增長作出其他業務安排而作出或可能作出貢獻之任何其他團體或類別之參與者。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

29. SHARE OPTION SCHEME (Continued)

The total number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme of the Group must not in aggregate exceed 10% of the shares in issue on the day on which trading of the shares commenced on the Main Board ("General Scheme Limit"). The total number of shares available for issue under the Share Option Scheme is 80,000,000 (including those granted but yet to be exercised), representing 10% of the issued shares of the Company as at the date of this Annual Report.

The maximum number of shares in respect of which options may be granted under the Share Option Scheme must not in aggregate exceed 30% of the shares of the Company in issue from time to time. The number of shares in respect of which options may be granted to any participant is not permitted to exceed 1% of the shares of the Company in issue during the 12-month period before the date of grant without prior approval from the Company's shareholders. Any grant of options under the Share Option Scheme to a director, chief executive or substantial shareholder of the Company or any of their respective associates (as defined under the Listing Rules) must be approved by the independent non-executive directors of the Company. In addition, any grant of options to a substantial shareholder or an independent non-executive director or any of their respective associates in excess of 0.1% of the shares of the Company in issue and with an aggregate value (based on the closing price of the Company's shares at the date of grant) in excess of HK\$5 million within any 12-month period must be approved by shareholders of the Company in general meeting.

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

29. 購股權計劃 (續)

因行使根據購股權計劃及本集團任何其他購股權計劃所授出之全部購股權而可能發行之股份總數合共不得超過股份開始在主板買賣當日已發行股份之10% (「一般計劃限額」)。根據購股權計劃可供發行之股份總數為80,000,000股 (包括已授出但尚未行使者)，佔本公司於本年報日期之已發行股份10%。

根據購股權計劃可予授出之購股權涉及之股份數目最多不超過本公司不時已發行股份總數之30%。未經本公司股東批准，任何參與者於授出日期前十二個月期間獲授之購股權所涉及之股份數目不得超過本公司已發行股份1%。根據購股權計劃向本公司董事、最高行政人員或主要股東或彼等各自之任何聯繫人士 (定義見上市規則) 授出任何購股權，須由本公司之獨立非執行董事批准。此外，於任何十二個月內向主要股東或獨立非執行董事或彼等各自之任何聯繫人士授出超過本公司已發行股份0.1%及總值 (根據本公司股份於授出日期之收市價計算) 超過5,000,000港元之購股權，須獲得本公司股東在股東大會上批准。

除非本公司董事另行決定及在向承授人提呈授出購股權要約時表明，否則購股權計劃並無規定在行使前所需持有購股權之最短期限。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

29. SHARE OPTION SCHEME (Continued)

An offer for the grant of options to a grantee shall be accepted by no later than 21 days from the date of offer. HK\$1 per grant of options is payable on the acceptance of the grant of options. Options may be exercised in accordance with the terms of the Share Option Scheme and expiring in accordance with the terms of the Share Option Scheme or upon the expiry of the tenth anniversary of the Share Option Scheme, whichever is the earlier.

The exercise price is determined by the directors of the Company, and shall not be less than the highest of (i) the closing price of the Company's shares as stated in the daily quotations sheets of the Stock Exchange on the date of the offer of grant; (ii) the average closing price of the Company's shares as stated in the daily quotations sheets of the Stock Exchange for the five trading days immediately preceding the date of the offer of grant; and (iii) the nominal value of the Company's share.

The Share Option Scheme will remain in force for a period of 10 years commencing on 1 December 2007.

29. 購股權計劃（續）

向獲授人作出的授出購股權要約須不遲於要約日期後21日內接納。接納獲授之購股權時須就每份購股權支付1港元。購股權可根據購股權計劃之條款行使，並根據購股權計劃之條款或於購股權計劃滿十週年時失效（以較早者為準）。

行使價由本公司董事釐定，而且不得低於(i)授出要約日期聯交所每日報價表所載本公司股份之收市價；(ii)緊接授出購股權日期前五個營業日聯交所每日報價表所載本公司股份之平均收市價；及(iii)本公司股份面值（以最高者為準）。

購股權計劃由二零零七年十二月一日起一直生效，為期十年。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

29. SHARE OPTION SCHEME (Continued)

- a) The terms and conditions of the grants that existed during the year are as follows, whereby all options are settled by physical delivery of shares:

		Number of shares issuable under options granted 根據所授之 購股權 可予發行之 股份數目	Vesting conditions 歸屬條件	Contractual life of options 購股權 合約年期
Granted to directors: – on 14 May 2008	授予董事之購股權： – 二零零八年 五月十四日	5,800,000	one year 一年	10 years 十年
Granted to employees: – on 14 May 2008	授予僱員之購股權： – 二零零八年 五月十四日	12,000,000	one year 一年	10 years 十年
Total number of shares issuable under options granted	根據所授之購股權 可予發行股份總數	17,800,000		

29. 購股權計劃（續）

- a) 下文載列年內存在之購股權之授出條款及條件，據此，所有購股權以股份實物交收方式結算交收：

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

29. SHARE OPTION SCHEME (Continued)

- b) The number and weighted average exercise price of share options are as follows:

		2011 二零一一年		2010 二零一零年	
		Weighted average exercise price 加權平均 行使價	Number of shares issuable under options granted 根據所授 購股權可發行 之股份數目	Weighted average exercise price 加權平均 行使價	Number of shares issuable under options granted 根據所授 購股權可發行 之股份數目
Outstanding at the beginning of the year	年初尚未行使	HK\$2.81港元	17,800,000	HK\$2.81港元	17,800,000
Lapsed during the year	年內失效	HK\$2.81港元	(1,000,000)	—	—
Outstanding at the end of the year	年終尚未行使	<u>HK\$2.81港元</u>	<u>16,800,000</u>	<u>HK\$2.81港元</u>	<u>17,800,000</u>
Exercisable at the end of the year	年終可予行使	<u>HK\$2.81港元</u>	<u>16,800,000</u>	<u>HK\$2.81港元</u>	<u>17,800,000</u>

The options outstanding at 31 December 2011 had an exercise price of HK\$2.81 (2010: HK\$2.81) and a weighted average remaining contractual life of 6.375 years (2010: 7.375 years).

29. 購股權計劃 (續)

- b) 購股權之數目及加權平均行使價如下：

於二零一一年十二月三十一日尚未行使購股權之行使價為2.81港元(二零一零年：2.81港元)，加權平均剩餘合約年限為6.375年(二零一零年：7.375年)。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

29. SHARE OPTION SCHEME (Continued)

c) 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 share options granted. The estimate of the fair value of the share options granted is measured based on the binomial option pricing model. The contractual life of the share option is used as an input into this model.

Fair value of share options and assumptions

Share price	股價
Exercise price	行使價
Expected volatility (expressed as weighted average volatility used in the modeling under the binomial option pricing model)	預期波幅（以「二項式」期權定價模式內採用的加權平均波幅表示）
Option life (expressed as weighted average life used in the modeling under the binomial option pricing model)	購股權年期（以「二項式」期權定價模式內採用的加權平均年期表示）
Expected dividends	預期股息
Risk-free interest rate (based on Exchange Fund Notes)	無風險利率（根據外匯基金票據）

The expected volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility based on publicly available information. Expected dividends are based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

There were no service conditions or market conditions associated with the share options granted.

29. 購股權計劃（續）

c) 購股權之公平值及假設

以授出購股權而獲得之服務之公平值按獲授購股權之公平值計量。獲授購股權之估計公平值按「二項式」期權定價模式計算。購股權之合約年期為此模式之一項輸入參數。

2011 二零一一年	2010 二零一零年
HK\$0.881港元 HK\$2.79港元 HK\$2.81港元	HK\$0.881港元 HK\$2.79港元 HK\$2.81港元
40%	40%
10 years 十年 3%	10 years 十年 3%
3.21%	3.21%

預期波幅乃根據歷史波幅計算（以購股權之加權平均剩餘年期計算），再基於公眾所知的資料就未來波幅之預期變動調整。預期股息乃根據過往股息釐定。所採用主觀輸入參數假設之變動可對公平值之估計構成重大影響。

已授出之購股權並無附帶任何服務條件或市場條件。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

30. SEGMENT REPORTING

The Group manages its business by divisions and all those divisions are located in the PRC. In a manner consistent with the way in which information is reported internally to the Group's CODM for the purposes of resource allocation and performance assessment, the Group has presented the following four reportable segment. No operating segments have been aggregated to form the following reportable segments.

- Sales of EP products and equipment: this segment sells EP products and equipment to external customers. Currently the Group's activities in this segment are carried out in PRC only.
- EP construction engineering projects: this segment undertakes EP engineering construction projects for external customers. Currently the Group's activities in this segment are carried out in the PRC only.
- Provision of EP related professional services: this segment provides EP related professional services to external customers and for Group companies. Currently the Group's activities in this segment are carried out in the PRC only.
- Manufacture of EP construction materials: this segment manufactures and sells EP construction materials to external customers, main products are wood wool cement board. Currently the Group's activities in this segment have not yet commenced.

a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's CODM monitors the results, assets and liabilities attributable to each reportable segment on the following basis:

30. 分部報告

本集團按部門劃分管理其業務，所有該等部門均位於中國。為了與就資源分配及表現評估向本集團之首席營運決策人內部呈報之資料方式更為一致，本集團呈列以下四個可呈報分部。並無將任何經營分部合併以構成以下之可呈報分部。

- 環保產品及設備之銷售：本分部向外部客戶銷售環保產品及設備。目前本集團此分部僅在中國開展業務。
- 環保建設工程：此分部從事外部客戶環保工程營建項目。目前本集團此分部僅在中國開展業務。
- 提供環保相關專業服務：此分部向外部客戶及本集團旗下公司提供環保相關專業服務。目前本集團此分部僅在中國開展業務。
- 製造環保建築材料：本分部製造及向外界客戶銷售環保建築材料，主要產品為木絲水泥板。現時本集團此分部尚未開展業務。

a) 分部業績、資產及負債

就評估分部表現及分部間分配資源而言，本集團之首席營運決策人按以下基準監察各可呈報分部之業績、資產及負債：

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

30. SEGMENT REPORTING (Continued)

a) Segment results, assets and liabilities (Continued)

Segment assets include all tangible assets and current assets with the exception of investments in financial assets and other corporate assets. Segment liabilities include trade and other payables attributable to individual segments and short-term bank loan managed directly by the respective segment.

Revenue and expenses are allocated to the reportable segments with reference to sales generated and services rendered by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments. Inter-segment assistance provided by one segment to another is not measured.

The measure used for reporting segment profit is “adjusted EBITDA” that is, “adjusted earnings before interest, taxes, depreciation and amortisation”, where “interest” is regarded as including investment income and “depreciation and amortisation” is regarded as including impairment losses on non-current assets. To arrive at adjusted EBITDA, the Group’s earnings are further adjusted for items not specifically attributed to individual segments, such as directors’ emoluments and auditor’s remuneration and other corporate administration costs.

In addition to receiving segment information concerning adjusted EBITDA, the Group’s CODM is provided with segment information concerning revenue (including inter segment sales), interest income and expense from cash balances and borrowings managed directly by the segments, depreciation, amortisation and impairment losses and additions to non-current segment assets used by the segments in their operations. Inter-segment sales are priced with reference to prices charged to external parties for similar orders.

30. 分部報告 (續)

a) 分部業績、資產及負債 (續)

分部資產包括所有有形及流動資產（於金融資產及其他公司資產之投資除外）。分部負債包括各分部貿易及其他應付款項及由各分部直接管理的短期銀行貸款。

收益及支出乃經參考該等分部產生之銷售額及提供之服務，以及所產生的支出或該等分部應佔之資產折舊或攤銷產生之支出分配予該等分部。分部間提供的支持不計算在內。

用於呈報分部溢利的方法為「經調整EBITDA」，即「經調整之未計利息、稅項、折舊及攤銷前的溢利」，其中「利息」包括投資收入，而「折舊及攤銷」包括非流動資產之減值虧損。為達至「經調整EBITDA」，本集團之盈利乃對並未指定屬於個別分部之項目作出進一步調整，如董事薪酬及核數師之酬金及其他公司行政成本。

除收到有關經調整EBITDA之分部資料外，本集團之首席營運決策人獲提供有關由各分部直接管理的收入（包括分部間銷售）、來自現金結餘及借貸之利息收入及支出、各分部於彼等營運中使用的折舊、攤銷及減值虧損以及非流動分部資產添置的分部資料。分部間銷售乃經參考就類似訂單向外部人士收取的價格而進行定價。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

30. SEGMENT REPORTING (Continued)

a) Segment results, assets and liabilities (Continued)

Information regarding the Group's reportable segments as provided to the Group's CODM for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2011 and 2010 is set out below

30. 分部報告 (續)

a) 分部業績、資產及負債 (續)

截至二零一一年及二零一零年十二月三十一日止年度，就資源分配及分部表現評估而向本集團首席營運決策人提供之本集團可呈報分部資料載列如下

		Sales of EP products and equipment		EP construction engineering projects		Provision of EP related professional services		Manufactories of EP construction materials		Total	
		銷售環保產品及設備		環保建設工程項目		提供環保相關專業服務		製造環保建築材料		總計	
		2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
		二零一一年	二零一零年	二零一一年	二零一零年	二零一一年	二零一零年	二零一一年	二零一零年	二零一一年	二零一零年
		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
Reportable segment revenue	來自外部客戶的可呈報分部收入	432,167	627,897	37,193	13,114	6,666	5,697	-	-	476,026	646,708
Reportable segment profit (adjusted EBITDA)	可呈報分部溢利 (經調整之EBITDA)	56,379	137,820	(1,070)	1,836	3,771	4,934	(933)	-	58,147	144,590
Interest expenses	利息開支	-	-	-	-	-	-	-	365	-	365
Depreciation and amortisation for the year	年內折舊及攤銷	2,914	2,041	1,337	287	-	-	3,072	-	7,323	2,328
Reportable segment assets	可呈報分部資產	313,747	392,066	170,317	163,898	4,615	613	290,548	156,392	779,227	712,969
Reportable segment liabilities	可呈報分部負債	159,356	18,101	71,793	130,303	9,748	12,069	1,850	5	242,747	160,478

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

30. SEGMENT REPORTING (Continued)

b) Reconciliations of reportable segment revenues, profit or loss, assets and liabilities

30. 分部報告 (續)

b) 可呈報分部收入、溢利或虧損、資產及負債之對賬

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Revenue	收益		
Reportable segment revenue from external customers	來自外部客戶的可呈報分部收入	476,026	646,708
Profit	溢利		
Reportable segment profit derived from external customers	源自外部客戶的可呈報分部溢利	58,147	144,590
Other revenue and other net income	其他收入及其他淨收益	7,573	2,354
Depreciation and amortisation	折舊及攤銷	(10,273)	(5,586)
Finance costs	融資成本	(537)	(367)
Unallocated head office and corporate expenses	未分配總部及企業開支	(34,924)	(30,337)
Consolidated profit before taxation	除稅前綜合溢利	19,986	110,654
Assets	資產		
Reportable segment assets	可呈報分部資產	779,227	712,969
Non-current financial assets	非流動金融資產	9,000	6,850
Unallocated head office and corporate assets	未分配總部及企業資產	727,709	723,213
Consolidated total assets	綜合總資產	1,515,936	1,443,032
Liabilities	負債		
Reportable segment liabilities	可呈報分部負債	242,747	160,478
Current tax liabilities	即期稅項負債	14,977	21,204
Deferred tax liabilities	遞延稅項負債	6,566	4,852
Unallocated head office and corporate liabilities	未分配總部及企業負債	37,172	50,673
Consolidated total liabilities	綜合總負債	301,462	237,207

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

30. SEGMENT REPORTING (Continued)

b) Reconciliations of reportable segment revenues, profit or loss, assets and liabilities (Continued)

Information about major customers

Included in revenue arising from sales of EP products and equipment of approximately RMB432,167,000 (2010: RMB627,897,000) are revenues of approximately RMB27,897,000 (2010: RMB81,660,000) which arose from sales to the Group's largest customer. No other single customers contributed 10% or more to the Group's revenue for both 2011 and 2010.

Geographical information

The Group operates all its reportable segments in the PRC. All revenue of operations and location of its non-current assets are in the PRC.

31. PLEDGE OF ASSETS

A bank deposit of a subsidiary of approximately RMB10,000,000 as at 31 December 2011 (2010: RMB4,500,000) was pledged to secure a banking facility of approximately RMB26,416,000 (2010: RMB2,800,000) granted to the subsidiary.

A bank deposits of a subsidiary of approximately RMB1,060,000 as at 31 December 2011 (2010: Nil) was pledged to a bank as security in respect of the performance by the subsidiary under sales of EP products and equipment.

A building with a carrying amount of approximately RMB880,000 as at 31 December 2010 was pledged to a bank to secure a short-term bank loan of RMB9,000,000 granted to a subsidiary. During the year, the bank loan was fully repaid and the pledge was released.

30. 分部報告 (續)

b) 可呈報分部收入、溢利或虧損、資產及負債之對賬 (續)

有關主要客戶之資料

源自環保產品及設備銷售之收入約人民幣432,167,000元(二零一零年：人民幣627,897,000元)包括源自向本集團最大客戶銷售之收入約人民幣27,897,000元(二零一零年：人民幣81,660,000元)。二零一一年及二零一零年兩年並無單獨客戶貢獻10%或以上予本集團收入。

地理資料

本集團在中國經營其所有可呈報分部。其非流動資產全部營運及位置之收入均在中國。

31. 資產抵押

於二零一一年十二月三十一日，一間附屬公司之銀行存款約人民幣10,000,000元(二零一零年：人民幣4,500,000元)已抵押，以作為該附屬公司獲授之銀行融資約人民幣26,416,000元(二零一零年：人民幣2,800,000元)之擔保。

於二零一一年十二月三十一日，一間附屬公司之銀行存款約人民幣1,060,000元(二零一零年：無)已抵押予銀行作為該附屬公司銷售環保產品及設備之業績擔保。

於二零一零年十二月三十一日，賬面值約人民幣880,000元之一幢樓宇已抵押予銀行，以作為一家附屬公司獲授之短期銀行貸款約人民幣9,000,000元之擔保。於年內，該等銀行貸款已悉數償還而抵押已獲解除。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

32. RELATED PARTY TRANSACTIONS

- a) During the two years ended 31 December 2011 and 2010, in addition to the transactions and balances disclosed elsewhere in these financial statements, the Group entered into the following related party transactions:

Name of related party 關連人士名稱	Relationship with related party 與關連人士之關係	Nature of transaction 交易性質
Wuxi Xin Wei High Temperature Ceramics Co., Ltd. 無錫新威高溫陶瓷有限公司	A company in which Mr. Jiang Lei and Mr. Jiang Quanlong, directors of the Company, have beneficial interests 本公司董事蔣磊先生及蔣泉龍先生於其中擁有實益權益之公司	Receipt of rental income 收取租金收入
Osram 歐司朗	A company in which Mr. Jiang Lei and Mr. Jiang Quanlong, directors of the Company, have ultimate beneficial interests 本公司董事蔣磊先生及蔣泉龍先生於其中擁有實益權益之公司	Payment of rental expenses 支付租賃開支
AGC 旭硝子	A company in which Mr. Jiang Lei and Mr. Jiang Quanlong, directors of the Company, have ultimate beneficial interests 本公司董事蔣磊先生及蔣泉龍先生於其中擁有實益權益之公司	Proceeds on disposal of prepaid lease payment 出售預付租賃款項之所得款項
		Proceeds on disposal of buildings 出售樓宇之所得款項

- b) The details of emoluments of key management personnel during the years ended 31 December 2010 and 2011 are set out in notes 8 and 9.

32. 關連人士交易

- a) 於截至二零一一年及二零一零年十二月三十一日止兩個年度，除於該等財務報表其他部份所披露之交易及結存外，本集團曾訂立下列關連人士交易：

The Group 本集團	
2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
53	53
(18)	(5)
10,671	—
6,100	—

- b) 主要管理層人員於截至二零一零年及二零一一年十二月三十一日止年度之酬金詳情載於附註8及9。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

33. COMMITMENTS

(a) Capital commitments

Capital expenditure contracted but not provided for in the financial statements:

– in respect of the acquisition of property, plant and equipment

– in respect of injection of the share capital of a subsidiary

有關下列各項之已訂約但未於財務報表作出撥備之資本開支：

– 收購物業、廠房及設備

– 對附屬公司股本注資

The Group 本集團		The Company 本公司	
2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
75,464	91,546	–	–
74,136	–	74,136	–
149,600	91,546	74,136	–

(b) Operating lease commitments

The Group as lessee

At the end of the reporting period, the Group and the Company had commitments for future minimum lease payments under operating leases in respect of the leasing of premises and equipment which fall due as follows:

Within one year

In second to fifth year inclusive

More than five years

一年內

第二年至第五年 (包括首尾兩年)

五年以上

The Group 本集團		The Company 本公司	
2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
810	855	791	837
159	981	84	906
805	824	–	–
1,774	2,660	875	1,743

Operating leases relate to new factory facilities with lease terms of 49 years.

(a) 資本承擔

(b) 經營租賃承擔

本集團作為承租人

於報告期末，本集團及本公司就租賃物業及設備根據經營租賃而須於未來支付最低租賃款額之承擔到期情況如下：

經營租賃涉及租期為49年之新廠房設施。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

33. COMMITMENTS (Continued)

(b) Operating lease commitments (Continued)

Included in the above is future minimum lease payments with related company of approximately RMB899,000 (2010: RMB917,000) which fall due as follows:

Within one year	一年內
In second to fifth year inclusive	第二年至第五年 (包括首尾兩年)
More than five years	五年以上

The related company is a company in which Mr. Jiang Lei and Jiang Quanlong, directors of the Company, have ultimate beneficial interests.

The Group as lessor

The Group had contracted with the tenant, a related company of the Group, for the following non-cancellable future minimum lease payments receivable:

Within one year	一年內
In second to fifth year inclusive	第二年至第五年 (包括首尾兩年)

The related company is a company in which Mr. Jiang Lei and Jiang Quanlong, directors of the Company, have ultimate beneficial interests.

33. 承擔 (續)

(b) 經營租賃承擔 (續)

上述經營租賃承擔包括約人民幣899,000元(二零一零年: 人民幣917,000元)的關連公司未來最低租賃付款,到期情況如下:

The Group 本集團	
2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
19	19
75	75
805	823
899	917

關連公司為本公司董事蔣磊先生及蔣泉龍先生於其中擁有實益權益的公司。

本集團作為出租人

本集團已與租戶(本集團關連公司)就以下不可撤銷應收未來最低租金付款訂立合約:

The Group 本集團	
2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
53	53
18	71
71	124

關連公司為本公司董事蔣磊先生及蔣泉龍先生於其中擁有實益權益的公司。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

33. COMMITMENTS (Continued)

- (c) The Company had no operating lease commitments as a lessor as at 31 December 2011 and 2010.

34. CONTINGENT LIABILITIES

The Group has provided product warranties to its customers in respect of construction work completed and certain of its EP products sold for a warranty period ranging from 6 months to 2 years after project completion or product delivery. At the same time, the Group has also received warranties in respect of those construction work and equipment supplied from its sub-contractors and suppliers. The directors of the Company believe that the amount of crystallised warranty liabilities, if any, in excess of the amount covered by the warranties given by the sub-contractors and suppliers, will not have a material adverse effect on the overall financial position or results of operations of the Group.

35. CAPITAL MANAGEMENT

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, and to generate sufficient profit to maintain growth and provide a satisfactory return to its shareholders.

The management 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 through the amount of dividend payment to shareholders or raise new debt financing. No changes were made in the objectives or policies during the year.

The management monitors the Group's capital structure on the basis of a net debt-to-equity ratio. For this purpose, the Group defines net debt as total debt (which includes interest-bearing loans and borrowings, trade and other payables and deposits received and receipts in advance plus unaccrued proposed dividends minus cash and cash equivalents).

33. 承擔 (續)

- (c) 於二零一一年及二零一零年十二月三十一日，本公司作為出租人概無經營租賃承擔。

34. 或然負債

本集團就已竣工建築工程及其售出之若干環保產品為其客戶提供產品保養，保養期由工程結束後或產品送遞後計六個月至兩年不等。同時，本集團亦享有其承包商及供應商就所提供之建築工程及設備之保養服務。本公司董事相信保養負債之實際金額（如有）超逾承包商及供應商所提供保養所涉之金額，將不會對本集團整體財務狀況或營運業績造成重大不利影響。

35. 資本管理

本集團管理資本之首要目標乃保障本集團能夠繼續根據持續經營基準經營，以及產生足夠盈利以維持增長，及為股東賺取滿意之回報。

管理層積極及定期對資本架構進行檢討及管理，以在較高股東回報情況下可能伴隨之較高借貸水平與穩健之資本狀況帶來之好處及保障之間取得平衡，並透過對股東派發股息或進行新債務融資就資本架構作出調整。年內，概無就該等目標及政策作出任何變動。

管理層按債權比率淨值基準密切監察本集團之資本結構。為此，本集團界定債務淨額為債務總額（包括計息貸款及借貸、應付貿易及其他款項及已收按金及預收款加非累計擬分派股息減現金及等同現金項目）。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

35. CAPITAL MANAGEMENT (Continued)

The net debt-to-equity ratio at 31 December 2011 and 2010 was as follows:

35. 資本管理 (續)

於二零一一年及二零一零年十二月三十一日之債權比率淨值如下：

		The Group 本集團		The Company 本公司	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Current liabilities:	流動負債：				
Short-term bank loan	短期銀行貸款	-	9,000	-	-
Trade and other payables	應付貿易及其他款項	101,663	109,703	1,041	1,066
Deposits received and receipts in advance	已收按金及預付款	178,256	92,448	-	-
Total debt	總負債	279,919	211,151	1,041	1,066
Less: Cash and cash equivalents	減：現金及等同現金項目	(606,815)	(685,503)	(5,393)	(6,475)
Net debt	負債淨額	(326,896)	(474,352)	(4,352)	(5,409)
Total equity	權益總額	1,214,474	1,205,825	819,115	825,182
Net debt-to-equity ratio	債權比率淨值	N/A不適用	N/A不適用	N/A不適用	N/A不適用

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

本公司或任何其附屬公司概無受外部實施之資本規定限制。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

36. 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.

There has been no change to the types of the Group's exposure in respect of financial instruments or the manner in which it manages and measures the risks.

a) Credit risk

As at 31 December 2011, the maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated statements of financial position after deducting any impairment allowance.

The Group's credit risk is primarily attributable to trade receivables and amounts due from related parties which are disclosed elsewhere in these financial statements. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

In respect of trade receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are normally due within 60 days from the date of billing. Normally, the Group does not obtain collateral from its customers.

36. 金融工具

本集團在日常業務中須承受信貸、流動資金、利率及貨幣風險。本集團透過下文所述財務管理政策及常規管理該等風險。

本集團有關金融工具或其管理及計量風險之方式之承擔類別並無變動。

a) 信貸風險

於二零一一年十二月三十一日，最大的信貸風險承擔為綜合財務狀況表中各金融資產的賬面值（經扣除任何減值撥備）。

本集團之信貸風險主要來自於該等財務報表其他部份披露之應收貿易賬款及應收關連方款項。管理層設定了既定之信貸政策，並持續監察該等信貸風險。

就應收貿易賬款而言，本公司對要求一定金額以上信貸之所有客戶個別進行信貸評估。評估主要根據客戶之歷史交易記錄及現時之償付能力，並考慮特定客戶之信用特徵及其所處經營環境。貿易應收賬款自發票日起計於60天內到期。在一般情況下，本集團不會自客戶獲取抵押品。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

36. FINANCIAL INSTRUMENTS (Continued)

a) Credit risk (Continued)

In respect of trade receivables, the Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Taking into account the creditworthiness of the Group's customers, the credit risk measures and the historical levels of the bad debts, the Directors consider that such concentration of credit risk would not result in significant credit default exposure to the Group. At the end of the reporting period, 4.07% (2010: 24.03%) and 13.70% (2010: 37.52%) of trade receivables due from the Group's largest customer and the five largest customers respectively arose from the sales of EP products and equipment segment.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade receivables are set out in Note 18.

Amounts due from related parties are regularly reviewed and settled unless the amounts are specifically intended to be long-term in nature.

The credit risk on liquid funds is limited because the counterparties are bank with good reputation and high credit ratings.

Credit risk associated with an advance to a local government authority is mitigated because the counter party is PRC local government. The carrying amount of the amount advanced to the local government authority amounted to RMB97,230,000 (2010: RMB97,230,000).

36. 金融工具 (續)

a) 信貸風險 (續)

就應收貿易賬款而言，本集團之信貸風險主要受每個客戶之個別情況所影響。客戶經營所屬行業之違約風險也會對信貸風險產生影響。考慮到本集團客戶之信譽、信貸風險措施及過往之壞賬水平，董事認為，此種集中信貸風險不會對本集團構成重大信貸拖欠風險。於報告期末，來自銷售環保產品及設備分部之應收本集團最大客戶及五大客戶分別佔應收貿易賬款4.07%（二零一零年：24.03%）及13.70%（二零一零年：37.52%）。

有關本集團面臨之應收貿易賬款產生之信貸風險之更多量性披露載於附註18。

應收關連方款項會定期進行審閱及結算，除非該等款項特別指定為屬長期性則除外。

流動資金信貸風險有限，因為對方為具有良好信譽及高信貸評級的銀行。

有關預付當地政府部門款項之信貸風險已減低，乃由於對方為中國當地政府。預付當地政府部門款項之賬面值為人民幣97,230,000元（二零一零年：人民幣97,230,000元）。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

36. FINANCIAL INSTRUMENTS (Continued)

b) Interest rate risk

The Group's cash flow interest rate risk and fair value interest rate risks relate primarily to variable-rates and fixed rates respectively of pledged bank deposits, bank balances and short-term bank loan. The Group's normal policy is not to use any derivative contracts to hedge its exposure to interest rate risk. However, the management of the Company will consider hedging significant interest rate exposure should the need arises. The Group's interest rate profile as monitored by management is set out in (i) below.

i) Interest rate profile

The following table details the interest rate profile of the Group's borrowings at the end of the reporting period.

36. 金融工具 (續)

b) 利率風險

本集團之現金流量利率風險及公平值利率風險主要分別與已抵押銀行存款、銀行結餘及短期銀行貸款之浮動利率及固定利率有關。一般而言，本集團之政策不採用任何衍生合約對沖其利率風險。惟倘必要，本公司管理層將會考慮對沖重大利率風險。本集團由管理層監察的利率概況載列於下文(i)。

i) 利率概況

下表詳述本集團的借款於報告期末的利率概況。

		2011 二零一一年		2010 二零一零年	
		Effective interest rate 實際利率 %	RMB'000 人民幣千元	Effective interest rate 實際利率 %	RMB'000 人民幣千元
Net variable rates borrowings	浮動利率借款淨額				
Bank loans-secured	銀行貸款－有抵押	-	-	6.06 – 6.97	9,000
Total net borrowings	總借款淨額		-		9,000
Net fixed rates borrowings	固定利率借款淨額佔				
as a percentage of	計息借款總額的				
total interest-bearing	百分比				
borrowings			-		-

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

36. FINANCIAL INSTRUMENTS (Continued)

b) Interest rate risk (Continued)

ii) Sensitivity analysis

At 31 December 2011, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would decrease/increase the Group's profit after tax and retained profits by approximately RMB6,068,000 (2010: RMB6,810,000). Other components of equity would not be affected by the changes in interest rates.

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to the exposure to interest rate risk for non-derivative financial instruments in existence at that date. The 100 basis point increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the end of the next reporting period. The analysis is performed on the same basis for 2010.

The Group's fair value interest rate risk relates primarily to fixed rate bank borrowings. The directors consider the fair value interest rate risk is insignificant to the Group as most of them are short-term.

36. 金融工具 (續)

b) 利率風險 (續)

ii) 敏感度分析

於二零一一年十二月三十一日，據估計，在所有其他變數維持不變之情況下，利率普遍上升／下降100個基點將令本集團之除稅後溢利及保留溢利減少／增加約人民幣6,068,000元（二零一零年：人民幣6,810,000元）。權益之其他部份將不會受利率變動之影響。

上述敏感度分析乃假設利率變動已於報告期末發生，並已應用於該日存在之非衍生金融工具須承受之利率風險。100個基點之增幅或跌幅為管理層就直至下個報告期末期間利率之合理可能變動所作之評估。二零一零年的分析是以相同的基準進行。

本集團之公平值利率風險主要與定息銀行貸款有關。董事認為由於大部分貸款屬短期性質，本集團之公平值利率風險並不重大。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

36. FINANCIAL INSTRUMENTS (Continued)

c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset as they fall due. The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with lending covenants and to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from banks to meet its liquidity requirements in the short and longer term.

The following table details the remaining contractual maturities at the end of the reporting period of the Group's and the Company's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates and variable rates) and the earliest date the Group and the Company can be required to pay.

36. 金融工具 (續)

c) 流動資金風險

流動資金風險乃指本集團於履行有關以現金交付方式或其他金融資產結算到期之金融負債義務時遇到困難的風險。本集團之政策為定期監控目前及預期之流動資金需求及其遵守貸款契據之情況，以確保本集團維持充裕現金儲備及獲往來銀行承諾提供足夠資金，以應付其短期及較長期之流動資金需求。

下表為詳列本集團及本公司之非衍生金融負債於報告期末之餘下合約期限。此乃基於合約所定未貼現現金流（包括根據合約所定利率及浮動利率計算之利息付款）及本集團及本公司可能須付款之最早日期計算。

		2011 二零一一年			2010 二零一零年		
		Total contractual undiscounted cash flow	Within 1 year or on demand	Carrying amount	Total contractual undiscounted cash flow	Within 1 year or on demand	Carrying amount
		合約所定 未貼現 現金流總額	一年內或 要求時	賬面值	合約所定 未貼現 現金流總額	一年內或 要求時	賬面值
		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
The Group	本集團						
	Short-term bank loan	-	-	-	9,000	9,627	9,627
	Trade and other payables	101,663	101,663	101,663	109,703	109,703	109,703
		<u>101,663</u>	<u>101,663</u>	<u>101,663</u>	<u>118,703</u>	<u>119,330</u>	<u>119,330</u>
The Company							
本公司							
	Accruals and other payables	1,041	1,041	1,041	1,066	1,066	1,066

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

36. FINANCIAL INSTRUMENTS (Continued)

c) Liquidity risk (Continued)

The Group held cash and bank balance amounting to approximately RMB606,815,000 as at 31 December 2011 (2010: approximately RMB685,503,000), which it considers is adequate for it to manage its liquidity requirements.

d) Currency risk

The Group's is exposed to currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations to which they relate. The Group currently does not have a foreign currency hedging policy, however, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure if necessary.

i) Exposure to currency risk

The following table details the Group's and the Company's exposure at the end of the reporting period to currency risk arising from recognised assets and liabilities denominated in a currency other than the functional currency of the entity to which they relate.

36. 金融工具 (續)

c) 流動資金風險 (續)

本集團於二零一一年十二月三十一日持有之現金及銀行結餘約人民幣606,815,000元(二零一零年:約人民幣685,503,000元)。本集團認為其足以管理其流動資金需求。

d) 貨幣風險

本集團涉及之貨幣風險主要來自與以業務所涉及功能貨幣以外之貨幣計值之買賣交易有關之風險。本集團目前並無外幣對沖政策。然而,管理層會監控外匯風險,並將在需要時考慮對沖重大外匯風險。

i) 面臨貨幣風險

下表詳列本集團及本公司於報告期末面臨之貨幣風險,有關風險乃因以實體經營有關之功能貨幣以外之貨幣計值之已確認資產及負債而產生。

		The Group 本集團						The Company 本公司	
		2011 二零一一年			2010 二零一零年			2011 二零一一年	
		HK\$'000 千港元	AUD'000 千澳元	EUR'000 千歐元	HK\$'000 千港元	AUD'000 千澳元	EUR'000 千歐元	AUD'000 千澳元	AUD'000 千澳元
Trade and other receivables	應收貿易及其他款項	2,153	-	977	2,949	-	-	-	-
Cash and bank balances	現金及銀行結餘	16,870	-	-	17,911	-	-	1	1
Trade and other payables	應付貿易及其他款項	(1,274)	-	-	(1,258)	-	-	-	-
Overall net exposure	整體風險淨額	17,749	-	977	19,602	-	-	1	1

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

36. FINANCIAL INSTRUMENTS (Continued)

d) Currency risk (Continued)

ii) Sensitivity analysis

The following table indicates the approximate change in the Group's profit after tax and retained profits for the year and other components of equity in response to reasonably possible changes in the foreign exchange rates to which the Company has significant exposure at the end of the reporting period date.

		2011 二零一一年		
		Increase/ (decrease) in foreign exchange rates 外幣匯率 增加/(減少)	Effect on profit after tax and retained profits 對除稅後溢利 及保留溢利 之影響	Effect on other components of equity 對權益其他 部分之影響
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
HKD	港元	1%	145	-
		(1%)	(145)	-
AUD	澳元	1%	-	-
		(1%)	-	-
EUR	歐元	1%	80	-
		(1%)	(80)	-

The sensitivity analysis above has been determined assuming that the change in foreign exchange rate had occurred at the end of the reporting period and had been applied to the Group's exposure to currency risk for financial instruments in existence at that date. The stated changes represent management's assessment of reasonably possible changes in foreign exchanges rates over the period until the end of the next reporting period. The analysis is performed on the same basis for 2010.

36. 金融工具 (續)

d) 貨幣風險 (續)

ii) 敏感度分析

下表顯示於於報告期末本集團除稅後溢利及保留溢利及權益其他部份在本公司面臨重大風險之匯率合理可能變動下之概約變動。

		2010 二零一零年		
		Increase/ (decrease) in foreign exchange rates 外幣匯率 增加/(減少)	Effect on profit after tax and retained profits 對除稅後溢利 及保留溢利 之影響	Effect on other components of equity 對權益其他 部分之影響
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
		1%	166	-
		(1%)	(166)	-
		1%	-	-
		(1%)	-	-
		1%	-	-
		(1%)	-	-

以上敏感度分析基於假設外幣匯率變動發生於報告期末，且應用於本集團就當天存在的金融工具所面臨的貨幣風險。上述變動是管理層對直至下個報告期末止期間外幣匯率合理及有可能的變動的評估，二零一零年的分析是以相同的基準進行。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

36. FINANCIAL INSTRUMENTS (Continued)

d) Currency risk (Continued)

ii) Sensitivity analysis (Continued)

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the effect is immaterial at the end of the reporting period. RMB denominated the operations of the Group and the exposure on other currencies is insignificant.

e) Estimation of fair values

The following summarises the major methods and assumptions used in estimating the fair values of the following financial instruments.

i) Liquid or/and short-term assets and liabilities

For financial assets and financial liabilities that are liquid or having a short-term maturity, it is assumed that the carrying amounts approximate their fair values. The assumption is applied to trade and other receivables, trade and other payables, pledged bank deposits cash and cash equivalents without a specific maturity.

36. 金融工具 (續)

d) 貨幣風險 (續)

ii) 敏感度分析 (續)

管理層認為，敏感度分析未能代表固有之外幣匯率風險，乃由於報告期末之影響甚微。本集團營運以人民幣計值，而其他貨幣風險並不重大。

e) 公平價值估計

以下概述以下金融工具的估計公平價值所用之主要方法及假設。

i) 流動性或／及短期資產及負債

流動性或到期日短之金融資產及金融負債乃假設其賬面值與公平值相若。該假設適用於無特定到期日之應收貿易及其他款項、應付貿易及其他款項、已抵押銀行存款以及現金及等同現金項目。

37. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

a) Key sources of estimation uncertainty

i) Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. These estimates are based on the current market conditions and the historical experience of manufacturing and selling products of similar nature. Management will reassess the estimates at the end of each reporting period. Carrying amount of inventories as at 31 December 2011 are approximately RMB81,156,000 (2010: RMB33,750,000).

37. 關鍵會計估計及判斷

a) 不明朗估計之主要來源

i) 存貨之可變現淨值

存貨之可變現淨值乃估計於日常業務過程中之銷售價格，減去估計之完成費用及銷售支出。該等估計乃基於當前之市場狀況及生產及銷售同類產品之以往經驗。管理層將於各報告期末重新評估該等估計。於二零一一年十二月三十一日，存貨的賬面值約為人民幣81,156,000元(二零一零年：人民幣33,750,000元)。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

37. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

a) Key sources of estimation uncertainty (Continued)

ii) Trade and other receivables

The Group's management determines the provision for impairment of trade and other receivables. This estimate is based on the credit history of its customers and the current market conditions. Management reassesses the provision at the end of each reporting period. Carrying amount of trade and other receivables as at 31 December 2011 are approximately RMB514,365,000 (2010: RMB529,803,000).

iii) Construction contracts

As explained in policy notes 2(i) and (2) (q) (ii) revenue and profit recognition on an uncompleted project is dependent on estimating the total outcome of the construction contract, as well as the work done to date. Based on the Group's recent experience and the nature of the construction activity undertaken by the Group, the Group makes estimates of the point at which it considers the work is sufficiently advanced such that the costs to complete and revenue can be reliably estimated. As a result, until this point is reached the amounts due from customers for contract work as disclosed in note 25 will not include profit which the Group may eventually realise from the work done to date. In addition, actual outcomes in terms of total cost or revenue may be higher or lower than that estimated at the end of the reporting period, which would affect the revenue and profit recognised in future years as an adjustment to the amounts recorded to date.

37. 關鍵會計估計及判斷 (續)

a) 不明朗估計之主要來源 (續)

ii) 應收貿易及其他款項

應收貿易及其他款項減值撥備由本集團之管理層決定。該估計乃基於本集團客戶以往之信貸記錄及當前市場狀況。管理層將於各報告期末重新評估該等撥備。於二零一一年十二月三十一日，應收貿易及其他款項約為人民幣514,365,000元（二零一零年：人民幣529,803,000元）。

iii) 建造合約

如政策附註2(i)及(2)(q)(ii)所述，未完成項目的收入及溢利確認取決於建造合約的成果及直至當日止的工作完成程度的估計。根據本集團最近經驗及本集團進行的建造業務性質，本集團已就其認為工程已取得充足預付款項而作出估計，因此能夠可靠地估計完成成本及收入。因此，直至此金額達到附註25所披露的合約工程應收客戶款項為止，不會計入本集團最終自截至當日止工程完成進度中所變現的溢利。此外，以總成本或收入計的實際成果可能高於或低於報告期末的估計，可能影響未來數年的收入及溢利，作為截至當日錄得金額的調整。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

37. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

a) Key sources of estimation uncertainty (Continued)

iv) Warranty provisions

As explained in note 34, the Group does not make provision under its product warranties it gives on sales of its EP products and provision of EP construction engineering projects taking into account the Group's recent claim experience as the Group has also received warranties in respect of those construction work and equipment supplied from its sub-contractors and suppliers. It is not indicative of future claims that it will receive in respect of past sales.

b) Critical accounting judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, management has made the following accounting judgements:

i) Useful lives of property, plant and equipment

In accordance with HKAS 16, the Group estimates the useful lives of property, plant and equipment in order to determine the amount of depreciation expenses to be recorded. The useful lives are estimated at the time the asset is acquired based on historical experience, the expected usage, wear and tear of the assets, as well as technical obsolescence arising from changes in the market demands or service output of the assets. The Group also performs annual reviews on whether the assumptions made on useful lives continued to be valid.

37. 關鍵會計估計及判斷 (續)

a) 不明朗估計之主要來源 (續)

iv) 保養撥備

誠如附註34所闡釋，由於本集團獲其分包商及供應商就相關建設工程及設備提供之保養服務，故經考慮近期之索賠經驗，本集團並無就其銷售環保產品所提供之產品保養而作出撥備，亦無就環保建設工程項目作出撥備。這並不表明其日後將因過往銷售而遭受索賠。

b) 應用本集團之會計政策當中作出之重要判斷

在應用本集團之會計政策過程中，管理層已作出如下會計判斷：

i) 物業、廠房及設備之可使用年限

本集團根據香港會計準則第16號之規定估計物業、廠房及設備之可使用年限，從而釐定所須列賬之折舊開支。本集團於購入資產之時，根據以往經驗、資產之預期使用量、資產損耗程度，以及技術會否因市場需求或資產產能有變而變成過時，估計其可使用年限。本集團亦會於每年作出檢討，以判斷就可使用年限所作出之假設是否仍然合理。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

37. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

b) Critical accounting judgements in applying the Group's accounting policies (Continued)

ii) *Impairment on property, plant and equipment and prepaid lease payments*

The Group assesses annually whether property, plant and equipment and prepaid lease payments have any indication of impairment. The recoverable amounts of property, plant and equipment and prepaid lease payments have been determined based on value-in-use calculations. These calculations require the use of judgements and estimates.

iii) *Income taxes*

Determining income tax provisions involves judgement of the future tax treatment of certain transactions and the interpretation of tax rules. The Group carefully evaluates the tax implications of transactions and tax provisions are set up accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislation.

37. 關鍵會計估計及判斷 (續)

b) 應用本集團之會計政策當中作出之重要判斷 (續)

ii) 物業、廠房及設備以及預付租賃款項減值

本集團每年評估物業、廠房及設備及預付租賃款項是否出現任何減值跡象。物業、廠房及設備及預付租賃款項的可收回金額乃根據使用價值計算法釐定。此等計算須運用判斷及估算。

iii) 所得稅

釐定所得稅撥備涉及未來若干交易之稅項優惠及稅項條例詮釋之判斷。本集團謹慎估計稅務影響及因而訂立之稅務條文。有關交易之稅務優惠會定期檢討，並計及所有稅法變動。

38. PARENT COMPANY

The director considers the immediate and ultimate parent of the Group to be Praise Fortune Limited, which is a company incorporated in the British Virgin Islands and controlled by the Chairman of the Company, Mr. Jiang Quanlong. This entity does not produce financial statements available for public use.

38. 母公司

董事認為，本集團之直接及最終母公司為於英屬處女群島註冊成立之公司Praise Fortune Limited，彼乃由本公司主席蔣泉龍先生控制。該實體並無編製可供公眾查閱之財務報表。

39. MAJOR NON-CASH TRANSACTIONS

During the year ended 31 December 2011, the Group disposed of the motor vehicles with carrying value of RMB73,000 for considerations of RMB419,000 to settle the trade payables and other payables. Further details of the disposals are set out in notes 14.

39. 主要非現金交易

截至二零一一年十二月三十一日止年度內，本集團以人民幣419,000元代價出售賬面值為人民幣73,000元之汽車，以清償貿易應付款項及其他應付款項。進一步詳情載於附註14。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

40. POSSIBLE IMPACT OF NEW AND REVISED HKFRSs ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2011

Up to the date of issue of these financial statements, the HKICPA has issued the following new and revised HKFRSs which are not yet effective for the year ended 31 December 2011.

The Group has not early applied any of the following new and revised HKFRSs that have been issued but are not yet effective.

Amendments to HKFRS 7	Disclosures-Transfers of Financial Assets ¹
	Disclosures-Offsetting Financial Assets and Financial Liabilities ²
	Mandatory Effective Date of HKFRS 9 and Transition Disclosures ³
HKFRS 9	Financial Instruments ³
HKFRS 10	Consolidated Financial Statements ³
HKFRS 11	Joint Arrangements ²
HKFRS 12	Disclosure of Interests in Other Entities ²
HKFRS 13	Fair Value Measurement ²
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income ⁵
Amendments to HKAS 12	Deferred Tax-Recovery of Underlying Assets ⁴
HKAS 19 (as revised in 2011)	Employee Benefits ²
HKAS 27 (as revised in 2011)	Separate Financial Statements ²
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures ²
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities ⁶
HK (IFRIC)-Int 20	Stripping Costs in the Production Phase of a Surface Mine ²

40. 已頒佈但於截至二零一一年十二月三十一日止年度尚未生效之新訂及經修訂香港財務報告準則之可能影響

截至該等財務報表發佈日期，香港會計師公會已頒佈下列新訂及經修訂香港財務報告準則，但彼等於截至二零一一年十二月三十一日止年度尚未生效。

本集團並無提早應用以下已頒佈但尚未生效之新訂及經修訂香港財務報告準則。

香港財務報告準則第7號之修訂	披露－轉讓金融資產 ¹
	披露－抵銷金融資產及金融負債 ²
	香港財務報告準則第9號之法定生效日期及過渡性披露 ³
香港財務報告準則第9號	金融工具 ³
香港財務報告準則第10號	綜合財務報表 ³
香港財務報告準則第11號	共同安排 ²
香港財務報告準則第12號	披露於其他實體之權益 ²
香港財務報告準則第13號	公平值計量 ²
香港會計準則第1號之修訂	其他綜合收入項目之陳列 ⁵
香港會計準則第12號之修訂	相關資產之遞延稅項收回 ⁴
香港會計準則第19號 (二零一一年經修訂)	僱員福利 ²
香港會計準則第27號 (二零一一年經修訂)	獨立財務報表 ²
香港會計準則第28號 (二零一一年經修訂)	於聯營公司及合資企業之投資 ²
香港會計準則第32號之修訂	抵銷金融資產及金融負債 ⁶
香港 (國際財務報告詮釋委員會)－詮釋第20號	露天採礦生產階段之剝採成本 ²

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

40. POSSIBLE IMPACT OF NEW AND REVISED HKFRSs ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2011 (Continued)

- ¹ Effective for annual periods beginning on or after 1 July 2011.
- ² Effective for annual periods beginning on or after 1 January 2013.
- ³ Effective for annual periods beginning on or after 1 January 2015.
- ⁴ Effective for annual periods beginning on or after 1 January 2012.
- ⁵ Effective for annual periods beginning on or after 1 July 2012.
- ⁶ Effective for annual periods beginning on or after 1 January 2014.

The Group is in the process of making an assessment of what the impact of these new and revised HKFRSs is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's results of operations and financial position.

40. 已頒佈但於截至二零一一年十二月三十一日止年度尚未生效之新訂及經修訂香港財務報告準則之可能影響(續)

- ¹ 於二零一一年七月一日或之後開始之年度期間生效。
- ² 於二零一三年一月一日或之後開始之年度期間生效。
- ³ 於二零一五年一月一日或之後開始之年度期間生效。
- ⁴ 於二零一二年一月一日或之後開始之年度期間生效。
- ⁵ 於二零一二年七月一日或之後開始之年度期間生效。
- ⁶ 於二零一四年一月一日或之後開始之年度期間生效。

本集團正在評估該等新訂及經修訂香港財務報告準則預期對首次應用期間之影響。到目前為止，本集團認為，採納該等經修訂香港財務報告準則不大可能對本集團之經營業績及財務狀況造成重大影響。

Financial Summary

財務摘要

Following is a summary of the consolidated results and the consolidated assets and liabilities of the Group for the last five financial years prepared on a basis as stated in the notes below:

下表為本集團過往五個財政年度按下文所載附註為基準編製之綜合業績及綜合資產與負債摘要：

CONSOLIDATED RESULTS

綜合業績

		For the year ended 31 December 截至十二月三十一日止年度				
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	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
Turnover	營業額	476,026	646,708	608,972	593,765	703,946
Profits before taxation	除稅前溢利	19,986	110,654	125,143	117,563	277,214
Income tax expenses	所得稅支出	(11,162)	(35,999)	(37,385)	(41,428)	(67,766)
Profit for the year	年度溢利	8,824	74,655	87,758	76,135	209,448

CONSOLIDATED ASSETS AND LIABILITY

綜合資產與負債

		As at 31 December 於十二月三十一日				
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	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
Total non-current assets	非流動資產總值	301,690	189,307	61,546	61,710	62,962
Total current assets	流動資產總值	1,214,246	1,253,725	1,344,862	1,293,881	1,171,530
Total assets	資產總值	1,515,936	1,443,032	1,406,408	1,355,591	1,234,492
Total liabilities	負債總額	301,462	(237,207)	(246,581)	(288,438)	(205,312)



泛亞環保集團有限公司
Pan Asia Environmental Protection Group Limited

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

股份代號 stock code : 00556.HK