

中汽内饰

CHINA AUTOMOTIVE

China Automotive

Interior Decoration Holdings Limited

中國汽車內飾集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

GEM stock code: 8321

創業板股份代號：8321

Annual Report 2011年報

Corporate Information

公司資料

Executive Directors

Mr. Zhuang Yuejin (*Chairman*)
Mr. Pak Ping
Ms. Ruan Bixia
Mr. Wong Ho Yin (*appointed on 30 June 2011*)
Mr. Chen Xianping (*resigned on 2 December 2011*)
Ms. Wong Hsiao Hung (*removed on 10 October 2011*)

Independent Non-Executive Directors

Mr. Mak Wai Ho (*appointed on 9 September 2011*)
Dr. Tang Yanfei
Mr. Feng Xueben
Mr. Law Tze Lun (*resigned on 9 September 2011*)

Audit Committee

Mr. Mak Wai Ho (*appointed on 9 September 2011*)
Dr. Tang Yanfei
Mr. Feng Xueben
Mr. Law Tze Lun (*resigned on 9 September 2011*)

Remuneration Committee

Mr. Mak Wai Ho (*Chairman*) (*appointed on 9 September 2011*)
Mr. Zhuang Yuejin
Mr. Feng Xueben
Mr. Law Tze Lun (*resigned on 9 September 2011*)

Nomination Committee

Mr. Zhuang Yuejin (*Chairman*)
Mr. Mak Wai Ho (*appointed on 9 September 2011*)
Dr. Tang Yanfei
Mr. Law Tze Lun (*resigned on 9 September 2011*)

Compliance Officer

Mr. Wong Ho Yin

Company Secretary

Mr. Wong Ho Yin

Authorised Representatives

Mr. Zhuang Yuejin
Mr. Wong Ho Yin

Auditors

HLB Hodgson Impey Cheng
Chartered Accountants
Certified Public Accountants

執行董事

莊躍進先生(*主席*)
白平先生
阮碧霞女士
黃浩然先生(*於二零一一年六月三十日獲委任*)
陳顯平先生(*於二零一一年十二月二日辭任*)
黃小紅女士(*於二零一一年十月十日被罷免*)

獨立非執行董事

麥偉豪先生(*於二零一一年九月九日獲委任*)
湯炎非博士
馮學本先生
羅子璘先生(*於二零一一年九月九日辭任*)

審核委員會

麥偉豪先生(*於二零一一年九月九日獲委任*)
湯炎非博士
馮學本先生
羅子璘先生(*於二零一一年九月九日辭任*)

薪酬委員會

麥偉豪先生(*主席*)(*於二零一一年九月九日獲委任*)
莊躍進先生
馮學本先生
羅子璘先生(*於二零一一年九月九日辭任*)

提名委員會

莊躍進先生(*主席*)
麥偉豪先生(*於二零一一年九月九日獲委任*)
湯炎非博士
羅子璘先生(*於二零一一年九月九日辭任*)

監察主任

黃浩然先生

公司秘書

黃浩然先生

授權代表

莊躍進先生
黃浩然先生

核數師

國衛會計師事務所
特許會計師
執業會計師

Corporate Information (Continued)

公司資料(續)

Registered Office

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

Headquarter and Principal Place of Business in Hong Kong

Flat J, 6/F, Fu Cheung Centre
5-7 Wong Chuk Yeung Street, Fotan, Shatin
New Territories, Hong Kong

Principal Place of Business in the PRC

No. 28 Xinfeng Road, Xinfeng Industrial Park, Fangqian Town
New District, Wuxi City, Jiangsu Province, the PRC

Cayman Islands Share Registrar and Transfer Office

Codan Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Hong Kong Branch Share Registrar and Transfer Office

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

Principal Banker

Industrial and Commercial Bank of China
Wuxi Xi Shan Sub-branch
Ying Bin North Road
Dong Ting Town
Xi Shan District
Wuxi City, the PRC

Compliance Adviser

Tanrich Capital Limited

Company Website

www.joystar.com.hk

Stock Code

8321

註冊辦事處

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

總辦事處及香港主要營業地點

香港新界
沙田火炭黃竹洋街5-7號
富昌中心6樓J室

中國主要營業地點

中國江蘇省無錫市新區
坊前鎮新豐工業園新風路28號

開曼群島股份過戶登記處

Codan Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

股份過戶登記處香港分處

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

主要往來銀行

中國工商銀行
無錫錫山支行
中國無錫市
錫山區
東亭鎮
迎賓北路

合規顧問

敦沛融資有限公司

公司網站

www.joystar.com.hk

股份代號

8321



Chairman's Statement & Management Discussion and Analysis

主席報告及管理層的討論與分析

Chairman's Statement & Management Discussion and Analysis

主席報告及管理層的討論與分析

Dear Shareholders,

On behalf of the Board of Directors (the "Board") of China Automotive Interior Decoration Holdings Limited (the "Company"), I am pleased to present the audited annual results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2011.

Final Dividend

The directors do not recommend the payment of a final dividend for the year ended 31 December 2011.

Business Review

The Group is principally engaged in the manufacture and sale of nonwoven fabric products used in automotive interior decoration parts and infrastructure. It manufactures its products with single layer or multiple layers of nonwoven fabric in accordance with specific requirements and standards of different customers. Most of the Group's customers are primary manufacturers and suppliers of automotive parts in the PRC. The majority of the Group's products are further processed by these customers in order to make different automotive parts such as floor, head lining, seat cover, parcel tray, trunk, luggage-side trim, hubcap and car-mat, which are of different characteristics and are to be applied for different usages in passenger vehicles.

According to the statistics released from China Association of Automobile Manufacturers, the production and sales of passenger vehicles were approximately 14,485,000 units and 14,472,000 units respectively in 2011, representing an increase of approximately 4.23% and 5.19%. These favorable growth in passenger vehicles market resulted an increase in demand of automotive interior decoration materials of the Group during 2011.

各位股東：

本人謹代表中國汽車內飾集團有限公司(「本公司」)董事會(「董事會」)欣然提呈本公司及其附屬公司(統稱「本集團」)截至二零一一年十二月三十一日止年度之經審核全年業績。

末期股息

董事不建議就截至二零一一年十二月三十一日止年度派付末期股息。

業務回顧

本集團主要從事製造及銷售用於汽車內飾件及基建的無紡布產品。本集團根據不同客戶的特定要求及標準製造一層或多層非織造纖維的產品。本集團大部分主要客戶為在中國的汽車內飾件主要製造商及供應商。本集團大部分產品均由其作進一步加工，以成為不同的汽車內飾件，如汽車主地毯面料、頂蓬面料、座椅面料、衣帽架面料、行李箱蓋毯面料、行李箱側毯面料、輪罩面料及汽車腳踏墊面料，各具不同特點，可應用於乘用車的不同用途。

根據中國汽車工業協會的數據，二零一一年乘用車的製造及銷售分別約為14,485,000台及14,472,000台，相當於約4.23%及5.19%的增長。該等於乘用車市場的可利增長於二零一一年為本集團的汽車內飾產品需求帶來增長。



Expansion of production capacity

At the beginning of 2011, the annual production capacity of nonwoven fabric of the Group was around 16 million meter squares. To cope with the anticipated production growth in 2011, the Group expanded its production by upgrading the production lines as well as purchasing new machineries. By end of 2011, the aggregate annual production capacity of nonwoven fabric increased to around 18 million meter squares.

Diversification of customer base

After years of expansion of production capacity, the Group was capable of accepting more sales orders with different price ranges which became a competitive advantage of the Group to diversify customer base and solicit more sales orders from customers. During the year, around 8.4% of the Group's revenue was contributed from new customers of the Group.

Placing of new shares

On 17 October 2011, the Group announced a placing of up to 40,000,000 new shares of the Company at a price of HK\$0.25 per placing share. Net proceeds from the placing was approximately HK\$9 million, representing a net issue price of approximately HK\$0.225 per new share, which was intended to be used for opportunistic investments should appropriate opportunities arise and/or for the general working capital of the Group. On 3 November 2011, the placing of new shares was completed where a total of 40,000,000 new shares were issued.

Change of use of proceeds

The Group originally intended to apply part of the net proceeds from the initial public offering of the shares of the Company for the construction of new factory premises. After a year-round effort, the Group still could not identify suitable land with adequate supporting infrastructure to implement this plan. The Group expected part of the net proceeds would not be utilised as intended in the short term. Therefore, on 22 November 2011, for the efficiency of use of proceeds, the Group changed the proposed use of net proceeds originally allocated for the acquisition of land and construction of new factory premises to the expansion of production capacity and the research and development of new products.

擴大生產力

於二零一一年初，本集團無紡布產品的年產量約為16,000,000平方米。為應付預期在於二零一一年產量增長，本集團透過將生產線升級及購買新機器以增加其生產。於二零一一年年底，無紡布產品的總年產能增加至約18,000,000平方米。

客戶群多樣化

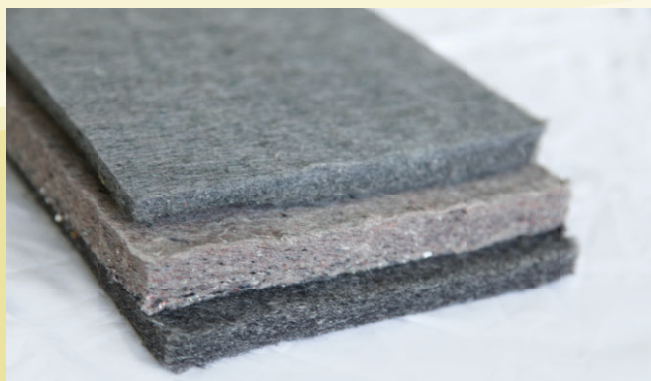
經過擴充產能多年，本集團能夠承接更多不同價格範圍的銷售訂單，成為本集團的一項競爭優勢，使客戶群多樣化，同時亦從客戶招攬更多銷售訂單。於年內，本集團約8.4%收入來自本集團的新客戶。

配售新股份

於二零一一年十月十七日，本集團宣佈配售最多40,000,000股本公司之新股份，每股配售股份價格為0.25港元。配售之所得淨款項約為9.0百萬港元，即發行價淨額約為每股新股份0.225港元，其擬用作合適機會湧現時之投資機遇及／或本集團之一般營運資金。於二零一一年十一月三日，新股份之配售已完成，合共40,000,000股新股份發行。

所得款項用途之變動

本集團原本擬將由本公司股份首次公開發售之部分所得款項淨額用於興建新廠房物業。經過一整年努力，本集團仍未能物色到能提供足夠支持基建之合適土地以推行此計劃。本集團預期部分所得款項淨額在短期內將不會按擬定用途運用。因此，於二零一一年十一月二十二日，為使所得款項有效運用，本集團將原為分配作為收購土地及興建新廠房物業的所得款項淨額，改為擴大產能以及研發新產品。



Financial Review

Revenue

The Group's revenue for the years ended 31 December 2011 and 2010 was illustrated as follows:

		Year ended 31 December	
		截至十二月三十一日止年度	
		2011	2010
		二零一一年	二零一零年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Nonwoven fabric for use in automobiles	用於汽車的無紡布		
Sale of automotive floor carpets	汽車主地毯的銷售	96,771	75,773
Sale of other automotive parts	其他汽車配件的銷售	56,121	43,048
Nonwoven fabric for use in infrastructure	用於基建的無紡布	3,584	4,269
		156,476	123,090

財務回顧

收入

截至二零一一年及二零一零年十二月三十一日止年度，本集團的收入顯示如下：

For the year ended 31 December 2011, the Group's revenue increased to approximately RMB156.5 million compared to approximately RMB123.1 million in 2010, representing an increase of approximately 27.1%. The increase in the Group's revenue was mainly attributable to the increase in demand of the Group's products under the stable growth of production and sales of passenger vehicles in the PRC. Furthermore, as the Group's customers mostly supplied their products to Korean brand automotive manufacturers, the continuous growth in sales of Korean brand passenger vehicles also contributed a growth of business of the Group.

Gross profit

The gross profit of the Group increased by approximately RMB12.7 million or 43.3% from approximately RMB29.3 million in 2010 to approximately RMB42.0 million in 2011. The increase was mainly attributable to the restructuring of production lines to improve operational efficiency, the decrease in cost of production as well as the expansion of the Group's business.

Other income

The Group's other income for the year ended 31 December 2011 decreased by approximately RMB6.2 million from approximately RMB7.2 million for the year ended 31 December 2010 to approximately RMB1.0 million for the year ended 31 December 2011. The substantial decrease was mainly due to a drop in technical support income from suppliers and no PRC government grant during the year.

截至二零一一年十二月三十一日止年度，本集團的收入增至約人民幣156.5百萬元，二零一零年則為約人民幣123.1百萬元，相當於約27.1%的增長。本集團收入增加主要由於在中國乘用車的生產及銷售穩定增長下，本集團產品的需求增加。此外，由於本集團的客戶大多向韓國品牌汽車製造商供應其產品，韓國品牌乘用車持續增長亦為本集團業務帶來增長。

毛利

本集團之毛利由二零一零年約人民幣29.3百萬元增加約人民幣12.7百萬元或43.3%至二零一一年約人民幣42.0百萬元。增長主要來自重組生產線以改善營運效率、減低生產成本及擴充本集團業務。

其他收入

本集團截至二零一一年十二月三十一日止年度之其他收入由截至二零一零年十二月三十一日止年度約人民幣7.2百萬元下降約人民幣6.2百萬元至截至二零一一年十二月三十一日止年度約1.0百萬元。大幅下降是主要由於來自供應商的技術支援收入下降及中國政府於年內並無提供補助。

Selling and distribution costs

The selling and distribution costs increased by approximately RMB1.0 million or 16.4% from approximately RMB6.7 million in the year ended 31 December 2010 to RMB7.7 million in the year ended 31 December 2011. The increase was mainly due to an increase of transportation costs by approximately RMB1.4 million or 27.1% under the expansion of the Group's business.

Administrative expenses

The administrative expenses increased by approximately RMB1.6 million or 16.9% from approximately RMB9.7 million in the year ended 31 December 2010 to approximately RMB11.3 million in the year ended 31 December 2011. The increase was principally attributable to the increase in the Group's staff costs (including directors' remuneration and pension) in relation to expansion of the Group's business.

Finance costs

The finance costs decreased by approximately RMB0.2 million or 12.3% from approximately RMB1.7 million in the year ended 31 December 2010 to approximately RMB1.5 million in the year ended 31 December 2011. The decrease was because there was no net foreign exchange loss during the year.

Profit for the year attributable to the owners of the Company

The profit for the year attributable to the owners of the Company was approximately RMB18.9 million for the year of 2011 compared with approximately RMB14.5 million for the corresponding year of 2010. The increase was mainly due to an increase in revenue of the Group under the continuous growth in automotive industry in the PRC.

Outlook

According to the statistics released from China Association of Automobile Manufacturers, although the growth of total number of automobile production and sales was slowing down, the production and sales of passenger vehicles still realized a stable growth of 4.23% and 5.19% in 2011. Under the increasing personal income in the PRC, the Group expected that this trend will continue and the production and sales of passenger vehicles in the PRC will record an steady growth in 2012.

As the Group's products are ultimately used in the passenger vehicles, the prospect of the Group is still promising. To keep a steady pace of development, the Group will continuously deploy its resources on:

- 1) improving the production lines in order to expand the production capacity;

銷售及分銷成本

銷售及分銷成本由截至二零一零年十二月三十一日止年度約人民幣6.7百萬元增加約人民幣1.0百萬元或16.4%至截至二零一一年十二月三十一日止年度約7.7百萬元。增加主要由於運輸成本在本集團業務擴充下增加約人民幣1.4百萬元或27.1%。

行政開支

行政開支由截至二零一零年十二月三十一日止年度約人民幣9.7百萬元增加約人民幣1.6百萬元或16.9%至截至二零一一年十二月三十一日止年度約11.3百萬元。增加主要來自有關本集團業務擴充之本集團員工成本增加(包括董事之薪酬及養老金)。

融資成本

融資成本由截至二零一零年十二月三十一日止年度約人民幣1.7百萬元下降約人民幣0.2百萬元或12.3%至截至二零一一年十二月三十一日止年度約1.5百萬元。下降乃由於年內並無外匯風險虧損淨額。

本公司擁有人應佔年度溢利

本公司擁有人應佔年度溢利於二零一一年約為人民幣18.9百萬元，而二零一零年同期約為人民幣14.5百萬元。增加主要由於本集團收入在中國汽車業不斷增長下增加。

前景

根據中國汽車工業協會公佈的數據，雖然汽車生產及銷售總數的增長減慢，乘用車的生產及銷售於二零一一年仍實現穩定增長4.23%及5.19%。在中國個人收入不斷增長下，本集團預期此趨勢將會持續，而中國的乘用車生產及銷售於二零一二年將錄得穩定增長。

由於本集團的產品最終用於乘用車，因此本集團前景仍然光明。為保持穩步發展，本集團將不斷投放資源於：

- 1) 改善生產線，以擴大生產力；

Chairman's Statement & Management Discussion and Analysis (Continued)

主席報告及管理層的討論與分析(續)

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|--|--|
| 2) installing new machineries to suit the customers' varying requirements and demand on high-end products; | 2) 安裝新機器，以迎合客戶對高端產品不停轉變的需要及需求； |
| 3) conducting research and development to keep up with the latest technological trends in relation to product specifications; | 3) 進行研發，以在有關產品規格的最新技術趨勢上與時並進； |
| 4) accelerating the launch of new products to capture extra market share and expand the market coverage in the PRC; and | 4) 加快推出新產品，以擴大市場佔有率及擴闊於中國的市場覆蓋率；及 |
| 5) strengthening the quality control systems to retain customer loyalty and reinforce the Group's reputation in the nonwoven fabric industry in the PRC. | 5) 加強質量監控系統，以確保顧客繼續支持及鞏固本集團於無紡布產品在中國的口碑。 |

Going forward, with a view to achieving better return and enhancing the expansion of the Group, the Group will look for potential investment opportunities to diversify its business scope.

展望未來，為實現更豐厚回報及加強本集團的擴充，本集團將物色有潛力的投資商機，務求多元化發展其業服範圍。

Liquidity and Financial Resources

流動性及財務資源

		As at 31 December	
		於十二月三十一日	
		2011	2010
		二零一一年	二零一零年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Current assets	流動資產	109,033	98,862
Current liabilities	流動負債	42,556	49,085
Current ratio	流動比率	2.56	2.01

The current ratio of the Group at 31 December 2011 was 2.56 times as compared to that of 2.01 times as at 31 December 2010. It was mainly resulted from the net proceeds raised from the placing of shares on 3 November 2011 as well as the growth of the Group's business.

本集團於二零一一年十二月三十一日的流動比率為2.56倍，而於二零一零年十二月三十一日則為2.01倍，主要來自於二零一一年十一月三日股份配售籌集之所得款項淨額以及本集團業務的增長。

At 31 December 2011, the Group's gearing ratio (represented by totals of borrowings and finance lease payable divided by summation of total bank borrowings and finance lease payable and equity) amounted to approximately 18.3% (2010: 20.5%).

於二零一一年十二月三十一日，本集團的資本負債比率(即借款及應付融資租賃之總和除以銀行借款總額和應付融資租賃及權益之總和)約為18.3%(二零一零年：20.5%)。

The Group generally financed its operations by internal cash resources and bank financing. On 3 November 2011, 40,000,000 shares of the Company were placed and allotted to independent investors at HK\$0.25. The net proceeds of the placing was approximately RMB7.4 million.

本集團一般透過內部現金資源及銀行融資撥付其經營業務。於二零一一年十一月三日，40,000,000股本公司股份按每股0.25港元配售及配發予獨立投資者。配售的所得款項淨額約為人民幣7.4百萬元。

At 31 December 2011, cash and bank balances of the Group amounted to approximately RMB16.4 million (2010: RMB19.0 million), and approximately RMB6.0 million (2010: RMB2.9 million) of which are denominated in Hong Kong dollars, United States dollars and Euro. Taking into account the Group's cash reserves and recurring cash flows from its operations, the Group's financial position is stable and healthy.

於二零一一年十二月三十一日，本集團現金及銀行結餘約為人民幣16.4百萬元(二零一零年：人民幣19.0百萬元)，其中約人民幣6.0百萬元(二零一零年：人民幣2.9百萬元)以港元、美元及歐元列值。經考慮本集團現金儲備及其業務的經常性現金流量後，本集團的財務狀況乃屬穩健。

In order to secure the supply of materials and to stabilize the price thereof in future, the Group placed trade deposits of approximately RMB6.9 million (2010: RMB11 million) with the suppliers by the end of 31 December 2011.

為確保日後的物料供應及穩定價格，本集團於截至二零一一年十二月三十一日向供應商支付可退回的貿易按金約人民幣6.9百萬元(二零一零年：人民幣11百萬元)。

Comparison of Business Objectives With Actual Business Progress

業務目標與實際業務進展之比較

An analysis comparing the business objectives as set out in the Company's prospectus dated 21 September 2010 (the "Prospectus") with the Group's actual business progress for the year ended 31 December 2011 is set out below:

本公司日期為二零一零年九月二十一日的招股章程(「招股章程」)所載的業務目標與本集團截至二零一一年十二月三十一日止年度的實際業務進展之比較分析載列如下：

Business objectives as stated in the Prospectus 招股章程所述業務目標	Actual business progress 實際業務進展
1. Expansion of production capacity 擴充產能	
– Upgrading two existing production lines – 提升兩條現有生產線	The Group completed upgrading the existing production lines. 本集團已完成現有生產綫之升級。
– Installing new equipment for perfection of production – 安裝新設備以完善生產	The Group installed new PE coating production line for perfection of existing production lines. 本集團已安裝新設備以完善現有生產綫。

Chairman's Statement & Management Discussion and Analysis (Continued)

主席報告及管理層的討論與分析(續)

Business objectives as stated in the Prospectus	Actual business progress
招股章程所述業務目標	實際業務進展
2. Acquisition of land and construction of new factory premises 購買土地及興建新廠房	
Constructing factory premises 興建廠房	<p>The Group originally intended to acquire a land situated in Xibei Yuan District of the Xishan Economic Development Zone of Jiangsu Province, the PRC for the construction of new factory premises. As inadequate supporting infrastructure to the said land, the Group could not reach a proposal on the terms of acquiring land with the Management Committee of Xibei Yuan District of the Xishan Economic Development Zone of Jiangsu Province. The Group has also attempted to explore another land located around the Group's existing factory premises in Fonqian Town with favorable offer for the construction of new factory premises but no suitable land was identified. The Group will continue to identify suitable land with favorable offer for the construction of factory premises.</p> <p>本集團原先計劃收購一幅位於中國江蘇省錫山經濟開發區錫北園區之土地以興建新廠房。由於上述土地之支援基建不足，本集團無法就購買土地之條款與江蘇省錫山經濟開發區錫北園區管理委員會達成建議。本集團亦嘗試物色其他鄰近本集團於坊前鎮現有廠房且條件優惠之土地興建新廠房，惟仍未物色到合適之土地。本集團將繼續物色具備優惠條件之合適土地以興建廠房。</p>
3. Development of new products 開發新產品	
Research and development 研究及開發	<p>– Noise-absorbing and heat-insulating nonwoven fabric; – 吸音及隔熱無紡布；</p> <p>The Group has successfully developed noise-absorbing and heat-insulating nonwoven fabric and has distributed the products in the second half of 2010. 本集團已成功開發吸音及隔熱無紡布，並已於二零一零年下半年分銷該產品。</p> <p>– Nonwoven fabric for filtering system of high-speed trains; and – 用於動車組過濾系統的無紡布；及</p> <p>The Group is conducting research and development in smooth and filtering materials used in high-speed trains with universities in the PRC. 本集團現正與中國多所大學進行用於動車組的防刺及過濾物料的研發。</p> <p>– Material for interior decoration of cruising boats; non-flammable smooth seat pad; and Civil-work fabric – 用於遊艇內飾的物料；防火及防刺坐墊；及土工布</p> <p>The Group is conducting research on the textures of the material for interior decoration of cruising boats, non-flammable smooth seat pad and Civil-work fabric. In addition, the Group is also performing market research on the demand of the material for interior decoration of cruising boats, non-flammable smooth seat pad and Civil-work fabric. 本集團正就用於遊艇內飾的物料、防火及防刺坐墊及土工布的結構進行研究。此外，本集團亦正就用於遊艇內飾的物料、防火及防刺坐墊及土工布進行市場需求研究。</p> <p>The Group also conducted research and development on other new nonwoven fabric products. 本集團亦實行研究及開發其他新無紡布產品。</p>

USE OF PROCEEDS

On 29 September 2010, shares of the Company were listed on the Stock Exchange by way of placing. The net proceeds from the placing was approximately HK\$30.6 million, which was different from the estimated net proceeds of approximately HK\$34.4 million (estimated on the assumption that the placing price would be the mid-point of the stated range as stated in the Prospectus). The Group originally intends to adjust the use of proceeds in the same manner and in the same proportion as shown in the Prospectus. On 22 November 2011, the Board resolved to change the proposed use of net proceeds originally allocated for (ii) the acquisition of land and construction of new factory premises to (i) the expansion of production capacity which mainly involved in the acquisition of additional plants and equipments; and (iii) the research and development of new products, as follows:

所得款項用途

於二零一零年九月二十九日，本公司股份以配售方式於聯交所上市。配售所得款項淨額約為30.6百萬港元，其有別於估計所得款項淨額約34.4百萬港元（估計乃假設配售價格為招股章程所載範圍之中間價）。本集團擬按招股章程所示之相同方式及比例調整所得款項用途。於二零一一年十一月二十二日，董事會議決將所得款項淨額由原先撥作(ii)收購土地及興建新廠房用途改為以下用途(i)主要以收購其他廠房及設備以擴充產能；及(iii)研制及開發新產品：

		Adjusted use of proceeds in the same manner and proportion as stated in the Prospectus 根據招股章程所示之相同方式及比例調整之所得款項用途 HK\$'000 千港元	Revised allocation of use of proceeds 經修訂之所得款項用途分配 HK\$'000 千港元	
(i)	Expansion of production capacity	(i) 擴充產能	8,733	24,801
(ii)	Acquisition of land and construction of new factory premises	(ii) 收購土地及興建新廠房	19,401	–
(iii)	Development of new products	(iii) 開發新產品	2,467	5,800
		30,601	30,601	

During the period from 13 September 2010, being the latest practicable date prior to issue of the Prospectus to 31 December 2011, the Group has applied the net proceeds as follows:

自二零一零年九月十三日(即刊發招股章程前的最後實際可行日期)至二零一一年十二月三十一日期間內，本集團已將所得款項淨額作如下用途：

		Revised allocation of use of proceeds 經修訂之所得款項用途分配 HK\$'000 千港元	Actual use of proceeds 所得款項實際用途 HK\$'000 千港元
Expansion of production capacity	擴充產能	24,801	8,733
Development of new products	開發新產品	5,800	5,800
		30,601	14,533

The balance of the unused proceeds was placed as bank deposits as at 31 December 2011 and temporarily used as general working capital in order to increase the efficiency of the use of proceeds.

於二零一一年十二月三十一日，未動用所得款項的結餘以銀行存款方式存放，並已暫時用作一般營運資金以提高所得款項用途之使用效率。本集團將於必要時分配至其原有計劃。

Capital Structure

Except the Company issued 40,000,000 shares of HK\$0.1 each at the placing price of HK\$0.25 each on 3 November 2011, there has been no material change in the capital structure of the Group since 31 December 2010.

Foreign Exchange Exposure

Majority of the assets and liabilities of the Group were denominated in Renminbi and Hong Kong dollars. At 31 December 2011, the Group had no significant exposure under foreign exchange contracts, interest, currency swaps or other financial derivatives.

Significant Investments

At 31 December 2011, there was no significant investment held by the Group (2010: Nil).

Material Acquisitions or Disposals

For the year ended 31 December 2011, there were no material acquisitions or disposal of subsidiaries and affiliated companies by the Group.

Pledge on Assets

At 31 December 2011, the Group secured its bank loans by buildings with a carrying amounts of approximately RMB7.8 million (2010: RMB7.8 million) and prepaid land lease payments with a carrying amounts of approximately RMB3.1 million (2010: RMB3.1 million). The carrying amounts of motor vehicles held by the Group under finance lease amounted to approximately RMB0.8 million (2010: RMB0.9 million).

Approximately RMB7.4 million (2010: RMB6.4 million) of trade receivables were pledged to a bank to secure short-term bank loans.

Employees and Remuneration Policy

At 31 December 2011, the Group employed a total of 208 employees (2010: 211). The emolument policy of the employees of the Group is set up by the Board on the basis of their experience, qualifications and competence. Other employees' benefits include contributions to statutory mandatory provident funds, and social insurance together with housing provident funds to its employees in Hong Kong and the PRC respectively.

A remuneration committee was set up for, inter alia, reviewing the Group's emolument policy and structure for all directors and senior management of the Group.

資本結構

除本公司於二零一一年十一月三日按配售價每股0.25港元發行40,000,000股每股面值為0.1港元之股份外，自二零一零年十二月三十一日起本集團之資本結構概無重大變動。

外匯風險

本集團大部分資產及負債以人民幣及港元計值。於二零一一年十二月三十一日，本集團概無因外匯合約、利息、貨幣掉期或其他金融衍生工具而面臨任何重大風險。

重大投資

於二零一一年十二月三十一日，本集團並無持有重大投資(二零一零年：無)。

重大收購或出售

於截至二零一一年十二月三十一日止年度，本集團概無就附屬公司及聯營公司進行重大收購或出售。

抵押資產

於二零一一年十二月三十一日，本集團以賬面值約人民幣7.8百萬元(二零一零年：人民幣7.8百萬元)的樓宇及賬面值約人民幣3.1百萬元(二零一零年：人民幣3.1百萬元)的預付土地租賃款項擔保其銀行貸款。本集團根據融資租賃持有的汽車賬面值約為人民幣0.8百萬元(二零一零年：人民幣0.9百萬元)。

約人民幣7.4百萬元(二零一零年：人民幣6.4百萬元)的貿易應收款項抵押給銀行，以取得短期銀行貸款。

僱員及薪酬政策

於二零一一年十二月三十一日，本集團共聘用208名僱員(二零一零年：211名)。本集團的僱員薪酬政策乃由董事會根據其經驗、資歷及工作能力而制定。其他僱員福利分別包括香港及中國僱員的法定強制性公積金供款、社會保險以及住房公積金。

薪酬委員會已告成立，旨在(其中包括)審閱本集團所有董事及高級管理層的薪酬政策及結構。

Chairman's Statement & Management Discussion and Analysis (Continued)

主席報告及管理層的討論與分析(續)

Appreciation

On behalf of the Group, I would like to take this opportunity to express my sincere gratitude to all of our customers, business partners and investors for their support and trust towards the Group. Further, I would like to express my sincere thanks to our Directors and employees for their dedications and contributions to the Group.

By order of the Board

Zhuang Yuejin

Chairman and Chief Executive Officer

Hong Kong, 2 March 2012

鳴謝

本人謹代表本集團，藉此機會向本集團之所有客戶、業務夥伴及投資者對本集團的支持和信任致以衷心的謝意。此外，本人亦衷心感謝我們的董事及僱員對本集團作出的努力和貢獻。

承董事會命

莊躍進先生

主席兼行政總裁

香港，二零一二年三月二日

Biographical Information of Directors and Senior Management

董事及高級管理層的履歷資料

Executive Directors

Mr. Zhuang Yuejin, aged 49, is the Chairman of the Board, Chief Executive Officer of the Company and one of the founders of the Group. He was appointed as an executive Director on 12 April 2010. He has over 10 years of experience in the nonwoven textile industry. He is responsible for formulating the Group's corporate strategy, overseeing its production operations and the overall steering of the Group's strategic development.

Mr. Zhuang graduated from Xiamen Fisheries College in 1981 and was approved as a qualified engineer by the Intermediate Level Adjudication Committee of Xiamen City Marine Engineering Department in 1990. From 1997 to 2001, Mr. Zhuang was the director and the general manager of Xiamen Marine Industries (Group) Co., Limited, a PRC incorporated company and was previously listed on the Shenzhen Stock Exchange. Mr. Zhuang is the spouse of Ms. Ruan Bixia, an executive Director.

Mr. Pak Ping, aged 52, was appointed as an executive Director on 12 April 2010. Mr. Pak has over 16 years of experience in the nonwoven material and carpet industry. He is primarily responsible for coordinating the marketing activities and formulating product development strategies for the Group.

With extensive experience and profound knowledge on the nonwoven product industry, Mr. Pak co-founded the Group with Mr. Zhuang Yuejin in 2003.

Ms. Ruan Bixia, aged 47, was appointed as an executive Director on 12 April 2010. She has over 9 years of experience in the nonwoven textile industry. She is primarily responsible for supervising the delivery of customer service and the Group's expansion within the PRC market.

Ms. Ruan graduated from Fujian Chemical Industry School in July 1989. Ms. Ruan is the spouse of Mr. Zhuang Yuejin, an executive Director.

Mr. Wong Ho Yin, aged 42, was appointed as an executive Director and company secretary on 30 June 2011. He graduated from Hong Kong Polytechnic University with a Master of Corporate Governance Degree and a Bachelor of Arts Degree in Accountancy. He is a member of the Hong Kong Institute of Certified Public Accountants and a member of both the Institute of Chartered Secretaries and Administrators and the Hong Kong Institute of Chartered Secretaries.

Prior to joining the Group, Mr. Wong was the financial controller and company secretary of a company listed on the Main Board of the Stock Exchange, namely Ching Hing (Holdings) Limited (currently known as Bao Yuan Holdings Limited) (Stock Code: 692), from September 2006 to October 2010. He has extensive experience in accounting and corporate compliance.

執行董事

莊躍進先生，49歲，為董事會主席、本公司行政總裁及本集團創辦人之一。彼於二零一零年四月十二日獲委任為執行董事。彼於非織造行業積逾十年經驗。彼負責制定本集團的公司策略、監管生產經營及本集團策略發展的整體方向。

莊先生於一九八一年畢業於廈門市水產大專班，並於一九九零年獲廈門市水產工程技術中級職務評審委員會批准為合資格工程師。一九九七年至二零零一年間，莊先生於一間在中國註冊成立的公司廈門海洋實業(集團)股份有限公司擔任董事兼總經理，該公司之前於深圳證券交易所上市。莊先生為執行董事阮碧霞女士之配偶。

白平先生，52歲，於二零一零年四月十二日獲委任為執行董事。白先生於無紡布物料及地毯行業積逾十六年經驗。彼主要負責協調市場推廣活動及制定本集團的產品開發策略。

透過於無紡布產品行業的廣泛經驗及深入認識，白先生與莊躍進先生於二零零三年共同創辦本集團。

阮碧霞女士，47歲，於二零一零年四月十二日獲委任為執行董事。彼於無紡布行業積逾九年經驗。彼主要負責監察所提供的客戶服務及本集團於中國市場的拓展。

阮女士於一九八九年七月畢業於福建化工學校。阮女士為執行董事莊躍進先生的配偶。

黃浩然先生，42歲，於二零一一年六月三十日獲委任為執行董事及公司秘書。彼畢業於香港理工大學，持有企業管治碩士學位及會計學文學士學位。彼為香港會計師公會會員，亦為特許秘書及行政人員公會及香港特許秘書公會之會員。

於加入本集團前，黃先生於二零零六年九月至二零一零年十月間在聯交所主板上市公司正興(控股)有限公司(現稱寶源控股有限公司，股份代號：692)擔任財務總監及公司秘書。彼於會計及公司遵例方面擁有豐富經驗。

Biographical Information of Directors and Senior Management (Continued)

董事及高級管理層的履歷資料(續)

Independent Non-Executive Directors

Dr. Tang Yanfei, aged 48, was appointed as an independent non-executive Director on 12 April 2010. Dr. Tang graduated from Wuhan University of Technology with a bachelor's degree in engineering in 1984. He further obtained from Wuhan University a master's degree and a doctor's degree in Economics respectively in 1987 and 1997.

Dr. Tang was appointed as the president assistant and the manager of the development department of Shenzhen Overseas Chinese Town Holding Company (Stock Code: 000069), a PRC incorporated company listed on the Shenzhen Stock Exchange, in 1998. From 2003 to 2004, he took office as the president assistant and the general manager of the investment management department of China Oceanwide Holdings Group, a PRC incorporated company and the holding company of Oceanwide Real Estate Group Co., Ltd. (Stock Code: 000046), a company listed on the Shenzhen Stock Exchange. Dr. Tang is currently a professor and the dean of the Faculty of Business Administration of Haikou College of Economics.

Mr. Mak Wai Ho, aged 39, was appointed as an independent non-executive Director on 9 September 2011. He was graduated from the Hong Kong University of Science and Technology with a Bachelor degree in Business Administration in Finance. He is a fellow member of the Association of Chartered Certified Accountants in the United Kingdom and a practising member of the Hong Kong Institute of Certified Public Accountants. He is a practising certified public accountant and has more than 15 years of experience in finance, accounting and auditing.

Mr. Mak was the company secretary and financial controller of Kong Sun Holdings Limited (Stock Code: 295), a company listed on the Main Board of the Stock Exchange, from September 2005 to November 2009.

Mr. Feng Xueben, aged 64, was appointed as an independent non-executive Director on 12 April 2010. Mr. Feng was approved as a qualified engineer specialising in textile machinery design by the Textile Industry Department of the People's Republic of China in 1989. Since 2003, Mr. Feng has been the chief engineer of Wuxi Jiayuan Nonwovens Technology Research Institute.

Mr. Feng was an independent director of Fujian Nanfang Textile Co., Ltd (Stock Code: 600483), a company listed on the Shanghai Stock Exchange, from June 2002 to May 2008. He was the deputy director of Nonwoven Textile Machinery Professional Committee of China Textile Machinery Association from 2007 to 2009. Since February 2010, Mr. Feng has also been an independent non-executive director of Costin New Materials Group Limited (Stock Code: 2228), a company listed on the Main Board of the Stock Exchange.

獨立非執行董事

湯炎非博士，48歲，於二零一零年四月十二日獲委任為獨立非執行董事。湯博士於一九八四年畢業於武漢科技大學，並取得工程學學士學位。彼其後分別於一九八七年及一九九七年於武漢大學取得經濟學碩士及博士學位。

於一九九八年，湯博士獲委任為一間於中國註冊成立且於深圳證券交易所上市的深圳華僑城控股股份有限公司(股份代號：000069)之總裁助理及發展部經理。於二零零三年至二零零四年，彼於一間中國註冊成立公司中國泛海控股集團擔任總裁助理及投資管理部總經理，該公司為深圳證券交易所上市公司泛海建設集團股份有限公司(股份代號：000046)的控股公司。湯博士現時為海口經濟學院的工商管理學院的教授兼學院院長。

麥偉豪先生，39歲，於二零一一年九月九日獲委任為獨立非執行董事。彼畢業於香港科技大學，持有工商管理學(財務)學士學位。彼為英國特許公認會計師公會之資深會員及香港會計師公會之執業會員。彼為執業會計師，於金融、會計及核數範疇積逾十五年經驗。

麥先生於二零零五年九月至二零零九年十一月擔任聯交所主板上市公司江山控股有限公司(股份代號：295)之公司秘書兼財務總監。

馮學本先生，64歲，於二零一零年四月十二日獲委任為獨立非執行董事。馮先生於一九八九年獲中華人民共和國紡織工業部批准為合資格紡織設計工程師。自二零零三年起，馮先生於無錫嘉元非織造技術研究所擔任總工程師。

於二零零二年六月至二零零八年五月間，馮先生於上海證券交易所上市公司福建南紡股份有限公司(股份代號：600483)擔任獨立董事。馮先生於二零零七年至二零零九年擔任中國紡織機械器材工業協會非織造布機械專業委員會的副主任。自二零一零年二月起，馮先生亦擔任聯交所主板上市公司海東青新材料集團有限公司(股份代號：2228)的獨立非執行董事。

Biographical Information of Directors and Senior Management (Continued)

董事及高級管理層的履歷資料(續)

Senior Management

Mr. Chen Xianping, aged 42, was appointed as a director of Joystar (Wuxi) Automotive Interior Decoration Co., Ltd. (“Joystar Wuxi”) on March 2010. Mr. Chen joined the Group in 2005 and has since then served as the deputy general manager of Joystar Wuxi. He is responsible for overseeing the purchasing department and managing the production workshops of the Group. He was previously an executive Director of the Company from 12 April 2010 to 2 December 2011.

Mr. Chen graduated from Wuhan Institute of Textile Engineering (currently known as Wuhan Textile University) in 1994, specialising in textile engineering. Mr. Chen has over 16 years of experience in the industrial use textile industry. Mr. Chen is the spouse of Ms. Wang Haiying, the deputy general manager of Joystar Wuxi.

Ms. Wang Haiying, aged 42, has been the deputy general manager of Joystar Wuxi since 2007 and is responsible for overseeing the production process and quality control of the Group.

Ms. Wang graduated from Wuhan Institute of Textile Engineering (currently known as Wuhan Textile University) in 1994, specialising in textile engineering. She has extensive experience in the industrial use textile industry and joined the Group as the head of quality control department of Joystar Wuxi in 2004. Ms. Wang is the spouse of Mr. Chen Xianping, a director and the deputy general manager of Joystar Wuxi.

Mr. Han Zhiqing, aged 47, has been the deputy general manager of Joystar Wuxi since 2004 and is responsible for coordinating the technological development and mechanical support for the Group.

Mr. Han graduated from Shanghai Wool and Jute Textile Company Workers' University in 1982, specialising in woolen textile. Mr. Han has over 10 years of extensive experience in the industrial use textile industry.

Ms. Wu Danping, aged 37, is the manager of the accounting department of Joystar Wuxi. Ms. Wu is responsible for the financial reporting and the management of the accounting and finance department of Joystar Wuxi.

Ms. Wu obtained the Certificate of Accounting Professional issued by the Jiangsu Province Department of Finance and the Qualification Certificate of Specialty and Technology with specialty in accountancy conferred by the Ministry of Finance of the PRC in 1997 and 2006 respectively.

In 2008, Ms. Wu completed a online diploma programme in accountancy from China Agricultural University. She has 15 years of experience in financial accounting and reporting.

高級管理層

陳顯平先生，42歲，於二零一零年三月獲委任為怡星(無錫)汽車內飾件有限公司(「怡星無錫」)董事。陳先生於二零零五年加入本集團，其後擔任怡星無錫的副總經理。彼負責監管採購部及管理本集團的生產車間。陳先生於二零一零年四月十二日至二零一一年十二月二日期間曾任本公司執行董事。

陳先生在一九九四年畢業於武漢紡織工學院(現稱為武漢紡織大學)的紡織工程專業。陳先生於工業用紡織業積逾十六年的經驗。彼為怡星無錫副總經理王海英女士之配偶。

王海英女士，42歲，自二零零七年起為怡星無錫之副總經理，負責監管生產過程及本集團的品質監控。

王女士於一九九四年畢業於武漢紡織工學院(現稱為武漢紡織大學)的紡織工程專業。彼於工業用紡織行業擁有豐富經驗並於二零零四年加入本集團擔任怡星無錫的品管部主管。王女士為怡星無錫董事及副總經理陳顯平先生之配偶。

韓志清先生，47歲，自二零零四年起一直為怡星無錫之副總經理，負責協調本集團的技術發展及機器支援。

韓先生於一九八二年畢業於上海市毛麻公司職工大學的毛紡專業。韓先生於工業用紡織行業積逾十年的豐富的經驗。

吳丹萍女士，37歲，為怡星無錫會計部經理。吳女士負責財務報告及管理怡星無錫會計及財務部。

吳女士分別於一九九七年及二零零六年取得江蘇省財政廳頒發的會計從業資格證書及中國財政部授予的專業技術資格證書(會計專業)。

於二零零八年，吳女士完成中國農業大學的一個網上會計文憑課程。彼在財務會計及申報領域擁有十五年經驗。

Biographical Information of Directors and Senior Management (Continued)

董事及高級管理層的履歷資料(續)

Mr. Wu Ganghua, aged 41, is the manager of the sales and marketing department of Joystar Wuxi. He is responsible for the sales and marketing operation of Joystar Wuxi.

In 1990, Mr. Wu graduated from Jiangsu Province Wuxi City College of Mechanical Manufacturing (currently known as Wuxi Institute of Technology). He was qualified as an assistant engineer in mechanical manufacturing by Wuxi City Professional Title Reform Committee in 1996. Mr. Wu further obtained a graduation certificate from Nanjing Normal University in 1999. Mr. Wu joined Joystar Wuxi in 2004.

吳剛華先生，41歲，為怡星無錫銷售及推廣部經理。彼負責怡星無錫的銷售及市場推廣運作。

於一九九零年，吳先生畢業於江蘇省無錫市機械製造學校(現稱無錫職業技術學院)。彼於一九九六年獲無錫市職稱改革工作領導小組認可為機械製造助理工程師。於一九九九年，吳先生取得南京師範大學的畢業證書。吳先生於二零零四年加盟怡星無錫。

Corporate Governance Report

企業管治報告

Pursuant to the Rule 18.44 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (the “GEM Listing Rules”), the Board is pleased to present the corporate governance report for the year ended 31 December 2011. This report highlights the key corporate governance practices of the Company.

Corporate Governance Practices

The Company is committed to maintaining high standards of corporate governance to protect the interests of the shareholders of the Company. The Company’s corporate governance practices are based on principles, code provisions and certain recommended best practices as set out in the Code on Corporate Governance Practices (“Code”) in Appendix 15 to the GEM Listing Rules. Except for the deviation from Code provision A.2.1 as described under the section “Chairman and Chief Executive Officer” on page 22 of this report, the Company has complied with the Code for the year ended 31 December 2011.

Code of Conduct Regarding Securities Transactions by Directors

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry with all Directors, the Company confirmed that all Directors have complied with the code of conduct and the required standard of dealings concerning securities transactions by the Directors for the year ended 31 December 2011.

Board of Directors

At 31 December 2011, the Board comprises four executive Directors and three independent non-executive Directors as follows:

Executive Directors

Mr. Zhuang Yuejin (*Chairman*)
Mr. Pak Ping
Ms. Ruan Bixia
Mr. Wong Ho Yin

Independent non-executive Directors

Mr. Mak Wai Ho
Dr. Tang Yanfei
Mr. Feng Xueben

根據聯交所創業板證券上市規則(「創業板上市規則」)第18.44條，董事會欣然呈列截至二零一一年十二月三十一日止年度之企業管治報告。本報告強調本公司的主要企業管治規範。

企業管治規範

本公司致力保持高水平的企業管治，以保障本公司股東之利益。本公司的企業管治規範乃基於創業板上市規則附錄十五的企業管治常規守則(「守則」)的各項原則、守則條文及若干建議最佳常規。除於本報告第22頁「主席及行政總裁」一節所述對守則條文第A.2.1條偏離外，本公司於截至二零一一年十二月三十一日止年度一直遵守守則。

有關董事進行證券交易之行為守則

本公司已採納有關董事進行證券交易之行為守則，其條款並不遜於創業板上市規則第5.48條至第5.67條所載之交易準則規定。經向全體董事作出特定查詢後，本公司確認全體董事於截至二零一一年十二月三十一日止年度均一直遵守行為守則及有關董事進行證券交易之交易準則規定。

董事會

於二零一一年十二月三十一日，董事會由下列四名執行董事及三名獨立非執行董事組成：

執行董事

莊躍進先生(主席)
白平先生
阮碧霞女士
黃浩然先生

獨立非執行董事

麥偉豪先生
湯炎非博士
馮學本先生

The composition of the Board is well balanced with each Director having sound industry knowledge, extensive corporate and strategic planning experience and/or expertise relevant to the business of the Group. The biographical details of the Directors and the relationship among the members of the Board are set out in the “Biographical Information of Directors and Senior Management” on pages 15 to 18 of this report.

Generally, the responsibilities of the Board include:

- Formulation of overall strategic development of the Group;
- Monitoring the financial performance and internal control of the Group’s business operations;
- Material acquisitions, investments, disposal of assets or any significant capital expenditure;
- Appointment, removal or reappointment of Board members and auditors;
- Remuneration of Directors;
- Communications with key stakeholders;
- Recommendation and declaration of any interim and final dividends

Executive Directors are responsible for running the Group and executing the strategies adopted by the Board. The Board delegates day-to-day activities to the management with department heads responsible for different aspects of the business. The non-executive Directors serve the relevant function of bringing independent judgment on the development, performance and risk management of the Group through their contributions in board meetings. They are also serving on audit committee, remuneration committee and nomination committee.

During the year, the Board complies at all times with the requirement of the GEM Listing Rules relating to the appointment of at least three independent non-executive Directors and at least one of them has appropriate professional qualifications or accounting or related financial management expertise. The Company has received from each independent non-executive Director an annual confirmation of his independence pursuant to Rule 5.09 of the GEM Listing Rules and the Company considers all the independent non-executive Directors to be independent.

董事會的結構平衡，每名董事均具備充分的行業知識、廣泛的企業及策略規劃經驗及／或與本集團業務有關的專門技術。董事之履歷詳情及董事會成員之間的關係載於本報告第15頁至第18頁的「董事及高級管理層的履歷資料」。

一般而言，董事會之職責包括：

- 制定本集團之整體策略發展；
- 監察本集團業務經營的財務表現及內部監控；
- 重大收購、投資、出售資產或任何重大資本開支；
- 委任、罷免或重新委任董事會成員及核數師；
- 董事酬金；
- 與主要權益擁有人溝通；
- 建議及宣派任何中期及末期股息

執行董事負責經營本集團及執行董事會所採納之策略。董事會將日常活動指派予管理層，其中各部門主管負責不同範疇的業務。非執行董事透過參與董事會會議，履行對本集團的發展、表現及風險管理作出獨立判斷的有關職能。彼等亦為審核委員會、薪酬委員會及提名委員會成員。

於年內，董事會時刻遵守創業板上市規則之相關規定，委任至少三名獨立非執行董事及當中至少一名擁有適當專業資格，或擁有會計或相關財務管理的專長。本公司已根據創業板上市規則第5.09條接獲各獨立非執行董事就其獨立性作出之年度確認。本公司認為，全體獨立非執行董事均屬獨立人士。

Corporate Governance Report (Continued)

企業管治報告(續)

The Board normally has four regular meetings a year at quarterly interval and meets as and when required to discuss the overall business, development strategy, operations and financial reporting of the Company. The Directors can attend meetings in person or through other means of electronic communication in accordance with the Company's articles of association. The following table shows the attendance of individual Directors at the four regular meetings held during the year:

董事會通常每年召開四次例會，每季舉行一次，及於有需要時會晤，以討論本公司的整體業務、發展策略、業務及財務申報事宜。董事可親自或透過本公司組織章程細則所容許之其他電子通訊方式出席會議。下表載列個別董事年內出席四次例會之情況：

Members	No. of Attendance	成員	出席次數
<i>Executive Directors</i>			
<i>執行董事</i>			
Mr. Zhuang Yuejin	4/4	莊躍進先生	4/4
Mr. Pak Ping	4/4	白平先生	4/4
Ms. Ruan Bixia	4/4	阮碧霞女士	4/4
Mr. Wong Ho Yin (appointed on 30 June 2011)	2/4	黃浩然先生(於二零一一年六月三十日獲委任)	2/4
Mr. Chen Xianping (resigned on 2 December 2011)	4/4	陳顯平先生(於二零一一年十二月二日辭任)	4/4
Ms. Wong Hsiao Hung (removed on 10 October 2011)	3/4	黃小紅女士(於二零一一年十月十日被罷免)	3/4
<i>Independent Non-executive Directors</i>			
<i>獨立非執行董事</i>			
Mr. Mak Wai Ho (appointed on 9 September 2011)	1/4	麥偉豪先生(於二零一一年九月九日獲委任)	1/4
Dr. Tang Yanfei	4/4	湯炎非博士	4/4
Mr. Feng Xueben	4/4	馮學本先生	4/4
Mr. Law Tze Lun (resigned on 9 September 2011)	3/4	羅子璘先生(於二零一一年九月九日辭任)	3/4

The Directors will receive details of agenda and minutes of committee meetings in advance of and after each Board meeting respectively. The company secretary will distribute relevant documents to the Directors in a timely manner to enable the Directors to make informed decisions on matters to be raised at the Board meetings. All Directors have access to the advice and services of the company secretary who is responsible for ensuring the procedures of the Board meetings are complied with, and in consultation with the compliance officer of the Company, advising the Board on compliance matters.

董事分別於每次董事會會議舉行前後收到詳細之議程和委員會會議之記錄。公司秘書將適時向董事分發有關文件，以使董事能就將於董事會會議提出之事宜作出知情決定。全體董事可獲得公司秘書的意見及服務，而公司秘書負責確保董事會程序已獲遵守，並向本公司監察主任作出諮詢，從而就合規事宜向董事會提出建議。

In addition, the Company has maintained a procedure for the Directors to seek independent professional advice, in appropriate circumstances, at the Company's expense in discharging their duties to the Company. Moreover, the company secretary prepares minutes of the Board meetings and keeps records of matters discussed and decisions resolved at all Board meetings. The company secretary also keeps the minutes of the Board meetings, which are open for inspection at any reasonable time on reasonable notice by any Director.

此外，本公司已訂立一套程序，讓董事在合適情況下，於履行其對本公司之職責時，尋求獨立專業意見，而開支由本公司支付。另外，公司秘書亦會就於所有董事會會議上討論之事宜及議決之決定，編製會議記錄並保存有關記錄。公司秘書亦保存董事會會議記錄，並可於任何董事作出合理通知後，在任何合理時間供索閱。

Chairman and Chief Executive Officer

Code provision A.2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

Mr. Zhuang Yuejin is the Chairman and the Chief Executive Officer of the Company. Such deviation from Code provision A.2.1 is deemed appropriate as it is considered to be more efficient to have one single person as the Chairman of the Company as well as to discharge the executive functions of a chief executive officer, and it provides the Group with strong and consistent leadership in the development and execution of long term business strategies. The Board believes that the balance of power and authority is adequately ensured by the operations of the Board which comprises highly experienced individuals. There are three independent non-executive Directors on the Board. All of them possess adequate independence and therefore the Board considers the Company has achieved balance and provided sufficient protection of its interests.

Appointment, Re-Election and Removal

According to the Company's articles of association, one-third of the Directors are required to retire from office at each annual general meeting, provided that every Director shall be subject to retirement by rotation at least once in every three years. A Director appointed since the most recent annual general meeting shall hold office only until the next annual general meeting and shall then be eligible for re-election. The independent non-executive Directors were appointed at specific terms for one year.

Nomination Committee

According to paragraph A.4.4 of the Code, the listed issuers are recommended to set up a nomination committee with a majority of the members thereof being independent non-executive Directors.

The Company established a nomination committee on 13 September 2010 with written terms of reference in compliance with the Code. The nomination committee is mainly responsible for making recommendations to the Board regarding candidates to fill vacancies on the Board. The nomination committee comprises one executive Director, namely Mr. Zhuang Yuejin (chairman of the nomination committee), and two independent non-executive Directors, namely Mr. Mak Wai Ho and Mr. Feng Xueben.

主席及行政總裁

根據守則條文第A.2.1條，主席與行政總裁的角色應有區分，不應由一人同時兼任。

莊躍進先生為本公司主席兼行政總裁。有關偏離守則條文第A.2.1條的情況被視為恰當，此乃由於由一人擔任本公司主席並履行行政總裁的行政職能相信更具效率，且為本集團提供強大及一致的領導，方便發展及推行長遠的業務策略。董事會深信，董事會由經驗豐富的人士組成，故董事會的運作能充分確保權力得到制衡。董事會有三名獨立非執行董事。由於彼等均具充分的獨立性，故此董事會認為，本公司已取得平衡，並能充分保障本公司的利益。

委任、重選及退任

根據本公司之組織章程細則，於每屆股東週年大會上，當時三分之一的董事須輪值退任，惟每名董事每三年須至少輪值退任一次。獲委任之董事任期由最近期股東週年大會起至下屆股東週年大會為止，並符合資格重選連任。獨立非執行董事按特定任期獲委任一年。

提名委員會

根據守則第A.4.4條，建議上市發行人成立提名委員會，且大部分成員應為獨立非執行董事。

本公司於二零一零年九月十三日成立提名委員會，並以書面列明符合守則的職權範圍。提名委員會主要負責就填補董事會空缺的候選人向董事會作出建議。提名委員會目前由一名執行董事莊躍進先生(提名委員會主席)，及兩名獨立非執行董事麥偉豪先生及馮學本先生組成。

Corporate Governance Report (Continued)

企業管治報告(續)

During the year, three meetings were held by the nomination committee to discuss the nomination of Directors. The following table shows the attendance of individual members at the meetings held during the year:

於年內，提名委員會舉行三次會議以討論董事提名。下表載列年內各成員於會議之出席率：

Members	No. of Attendance	成員	出席次數
<i>Executive Director</i>		<i>執行董事</i>	
Mr. Zhuang Yuejin	3/3	莊躍進先生	3/3
<i>Independent non-executive Directors</i>		<i>獨立非執行董事</i>	
Mr. Feng Xueben	2/3	馮學本先生	2/3
Mr. Mak Wai Ho (appointed on 9 September 2011)	0/3	麥偉豪先生(於二零一一年九月九日獲委任)	0/3
Mr. Law Tze Lun (resigned on 9 September 2011)	3/3	羅子璘先生(於二零一一年九月九日辭任)	3/3

Remuneration Committee

The Company established a remuneration committee on 13 September 2010 with written terms of reference in compliance with Code provision B.1.1. The primary duties of the remuneration committee include reviewing the terms of remuneration packages, determining the award of bonuses and considering the grant of options under the share option scheme of the Company. The remuneration committee comprises one executive Director, namely, Mr. Zhuang Yuejin and two independent non-executive Directors, namely Mr. Mak Wai Ho (chairman of the remuneration committee) and Dr. Tang Yanfei.

薪酬委員會

本公司於二零一零年九月十三日成立薪酬委員會，並以書面列明符合守則條文第B.1.1條的職權範圍。薪酬委員會主要職責包括審閱薪酬待遇條款、釐定花紅獎勵及考慮根據本公司購股權計劃授出購股權。薪酬委員會目前由一名執行董事莊躍進先生，及兩名獨立非執行董事麥偉豪先生(薪酬委員會主席)及湯炎非博士組成。

During the year, four meetings were held by the remuneration committee to discuss the remuneration policy of the Group and determine the remuneration of new Directors. The following table shows the attendance of individual members at the meetings held during the year:

於年內，薪酬委員會舉行四次會議討論本集團之薪酬政策及釐訂新董事薪酬。下表載列年內各成員於會議之出席率：

Members	No. of Attendance	成員	出席次數
<i>Executive Director</i>		<i>執行董事</i>	
Mr. Zhuang Yuejin	4/4	莊躍進先生	4/4
<i>Independent non-executive Directors</i>		<i>獨立非執行董事</i>	
Dr. Tang Yanfei	3/4	湯炎非博士	3/4
Mr. Mak Wai Ho (appointed on 9 September 2011)	0/4	麥偉豪先生(於二零一一年九月九日獲委任)	0/4
Mr. Law Tze Lun (resigned on 9 September 2011)	4/4	羅子璘先生(於二零一一年九月九日辭任)	4/4

Audit Committee

The Company established an audit committee on 13 September 2010 in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules. Written terms of reference in compliance with Code provision C.3.3 have been adopted. The primary duties of the audit committee are, among other things, to review and supervise the financial reporting process and internal control system of the Group. The audit committee comprises three independent non-executive Directors, namely Mr. Mak Wai Ho (chairman of the audit committee), Mr. Feng Xueben and Dr. Tang Yanfei.

During the year, five meetings were held by the audit committee. The following table shows the attendance of individual members at the meetings held during the year:

Members	No. of Attendance	成員	出席次數
<i>Independent non-executive Directors</i>		<i>獨立非執行董事</i>	
Mr. Mak Wai Ho (appointed on 9 September 2011)	2/5	麥偉豪先生(於二零一一年九月九日獲委任)	2/5
Dr. Tang Yanfei	5/5	湯炎非博士	5/5
Mr. Feng Xueben	4/5	馮學本先生	4/5
Mr. Law Tze Lun (resigned on 9 September 2011)	3/5	羅子璘先生(於二零一一年九月九日辭任)	3/5

During the year, the audit committee reviewed the quarterly, interim and annual reports as well as result announcements before submission to the Board. The audit committee focuses not only on the impact of the changes in accounting policies and practices but also on the compliance with accounting standards, the GEM Listing Rules and the legal requirements in review of the Company's quarterly, interim and annual reports as well as result announcements.

Auditors' Remuneration

The audit committee is responsible for considering the appointment of the external auditors and also reviews any non-audit functions performed by the external auditors for the Group, including whether such non-audit functions could lead to any potential material adverse effect on the Group. For the year ended 31 December 2011, the remuneration payable and paid to the auditors, HLB Hodgson Impey Cheng in respect of audit services amounted to HK\$580,000.

審核委員會

本公司根據創業板上市規則第5.28至5.33條於二零一零年九月十三日成立審核委員會，符合守則條文第C.3.3條的書面職權範圍已獲採納。審核委員會的主要職責為(其中包括)審閱及監察本集團的財務申報程序及內部監控。本公司審核委員會目前由三位獨立非執行董事組成，分別為麥偉豪先生(審核委員會主席)、馮學本先生及湯炎非博士。

於年內，審核委員會舉行五次會議。下表為年內各成員於會議之出席率：

年內，審核委員會於季度、中期、年度報告以及業績公告提呈董事會前審閱該等報告。審核委員會不僅注視會計政策及常規變動的影響，於審閱本公司季度、中期、年度報告以及業績公告時亦會關注是否符合會計準則、創業板上市規則及相關法律規定。

核數師薪酬

審核委員會負責考慮委任外聘核數師及檢討外聘核數師為本集團所執行之任何非核數職能，包括該等非核數職能會否對本集團構成任何潛在重大不利影響。截至二零一一年十二月三十一日止年度，就有關審核服務應付及已付予核數師國衛會計師事務所的款項為580,000港元。

Investor Relations and Communication with Shareholders

The Company has established a range of communication channels between itself and its shareholders, and investors. These include the publication of annual, interim and quarterly reports, notices, announcements and circulars, the Company's website at www.joystar.com.hk and meetings with investors and analysts.

The Company encourages all shareholders to attend the annual general meetings to stay informed of the Group's strategy and goals. It provides an opportunity for direct communication between the Board and its shareholders. The chairman of the meeting explains the detailed procedures for conducting a poll and then answers any questions from shareholders. The poll results are published on the websites of the Company and the Stock Exchange.

Internal Control

The Board recognises the importance of maintaining an adequate and effective internal control system to safeguard the Company's assets against unauthorised use or disposition, and to protect the interests of shareholders of the Company.

The audit committee assumes the overall responsibility for reviewing the adequacy and integrity of the Group's internal control system.

During the year, the Board has discussed and reviewed the relevant proposals made by senior management in order to ensure an adequate and effective system of internal control. The Board, through the audit committee, has conducted a review of the effectiveness of the internal control system of the Company and its subsidiaries for the year ended 31 December 2011, which covers all material controls, including financial, operational and compliance controls functions.

Financial Reporting

The Directors acknowledged their responsibility for the preparation of the financial statements, which give a true and fair view of the financial position of the Group. The auditor of the Company is responsible to form an independent opinion based on the audit, on the financial statements prepared by the Directors and report the opinion solely to the shareholders of the Company.

投資者關係及與股東之溝通

本公司已於其與股東及投資者之間設立多種溝通渠道。當中包括刊發年度、中期及季度報告、通告、公告及通函，本公司網站www.joystar.com.hk及與投資者及分析員會晤。

本公司鼓勵所有股東出席股東週年大會，了解本集團之最新策略及目標。股東週年大會提供機會讓董事會與其股東直接溝通。大會主席會解釋以投票方式進行表決的詳細程序，然後回答股東的任何提問。投票結果刊登於本公司及聯交所之網站。

內部監控

董事會認同維持充分及有效內部監控系統甚為重要，此能防止本公司的資產在未經授權情況下遭動用或出售，並保障本公司股東權益。

審核委員會檢討本集團內部監控系統的充足及可靠性，並對此負上全部責任。

年內，董事會已討論及審閱高級管理層提出的相關建議方案，以確保內部監控系統充足及有效。董事會已透過審核委員會就本公司及其附屬公司於截至二零一一年十二月三十一日止年度之內部監控制度成效進行檢討，內容涵蓋所有重要監控，包括財務、營運、及合規監控功能。

財務報告

董事負責編製真實而公平地呈列本集團財務狀況的財務報表。本公司核數師負責根據其審核工作之結果，就董事編製的財務報表作出獨立意見，並僅向本公司股東匯報其意見。



Directors' Report

董事會報告

Directors' Report

董事會報告

The Directors have pleasure in presenting their report and the audited financial statements of the Group for the year ended 31 December 2011 (the "Year").

Principal Activities

The Group is principally engaged in the manufacture and trading of nonwoven fabric products used in automotive interior decoration parts and infrastructure.

Results and Financial Position

The Group's results for the Year are set out in the consolidated income statement and consolidated statement of comprehensive income on page 37 and 38.

The state of affairs of the Group and of the Company at 31 December 2011 are set out in the statement of financial position on pages 39 to 41.

Share Capital

Details of the movements in the share capital of the Company are set out in Note 28 to the financial statements.

Subsidiaries

Particulars of the Company's subsidiaries are set out in Note 22 to the financial statements.

Summary of Financial Information

A summary of financial results and of the assets and liabilities of the Group are set out in the section headed "Summary of Financial Information" on page 112 in this report.

Reserves

The movements in the reserves of the Group during the Year are set out in the consolidated statement of comprehensive income and consolidated statement of changes in equity. The movements in the reserves of the Company during the Year are set out in Note 29 to the financial statements.

Distributable Reserves

At 31 December 2011, the Company's reserve available for distribution to owners of the Company comprising share premium account amounted to approximately RMB10,328,000 (2010: RMB9,850,000).

Dividends

The Directors do not recommend the payment of any dividend for the Year.

董事會欣然呈列其報告及本集團截至二零一一年十二月三十一日止年度(「本年度」)的經審核財務報表。

主要業務

本集團主要從事製造及銷售用於汽車內飾件及基建的無紡布產品。

業績及財務狀況

本集團於本年度的業績載於第37頁及第38頁之綜合收益表及綜合全面收益表。

本集團及本公司於二零一一年十二月三十一日的業務狀況載於第39頁至第41頁之財務狀況表。

股本

本公司的股本變動詳情載於財務報表附註28。

附屬公司

有關本公司附屬公司之詳情載於財務報表附註22。

財務資料概要

本集團之財務業績及資產和負債概要載於本報告第112頁之「財務資料概要」一節。

儲備

本集團於本年度的儲備變動載於綜合全面收益表及綜合權益變動表。本公司於本年度的儲備變動載於財務報表附註29。

可供分派儲備

於二零一一年十二月三十一日，本公司可供分派予本公司擁有人的儲備包括股份溢價賬約人民幣10,328,000元(二零一零年：人民幣9,850,000元)。

股息

董事並不建議派付本年度的末期股息。

Directors' Report (Continued)

董事會報告(續)

Property, Plant and Equipment

Details of the movements in the property, plant and equipment of the Group are set out in Note 19 to the financial statements.

Donations

Donations made by the Group during the Year amounted to RMB100,000.

Major Customers and Suppliers

In the Year, sales to the Group's five largest customers in aggregate accounted for approximately 64.4% (2010: 60.5%) of the total sales for the Year and sales to the largest customer accounted for approximately 19.4% (2010: 17%) of total sales. Purchases from the Group's five largest suppliers in aggregate accounted for approximately 67.1% (2010: 67.6%) of the total purchases for the Year and purchases from the largest supplier accounted for approximately 22.8% (2010: 27.0%) of total purchases.

None of the Directors, their associates or any shareholders of the Company (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any interest in the Group's five largest customers and suppliers during the Year.

Directors

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

Executive Directors:

Mr. Zhuang Yuejin	
Mr. Pak Ping	
Ms. Ruan Bixia	
Mr. Wong Ho Yin	– appointed on 30 June 2011
Mr. Chen Xianping	– resigned on 2 December 2011
Ms. Wong Hsiao Hung	– removed on 10 October 2011

Independent non-executive Directors:

Mr. Mak Wai Ho	– appointed on 9 September 2011
Dr. Tang Yanfei	
Mr. Feng Xueben	
Mr. Law Tze Lun	– resigned on 9 September 2011

Pursuant to Article 84(1) of the Company's articles of association, Mr. Zhuang Yuejin, Mr. Pak Ping and Mr. Feng Xueben shall retire by rotation at the forthcoming annual general meeting and pursuant to Article 83(3) of the Company's articles of association, Mr. Wong Ho Yin and Mr. Mak Wai Ho shall retire at the forthcoming annual general meeting. All the retiring Directors are eligible for re-elections.

物業、廠房及設備

本集團的物業、廠房及設備變動詳情載於財務報表附註19。

慈善捐款

本集團於本年度的慈善捐款為人民幣100,000元。

主要客戶及供應商

本年度內，售予本集團五大客戶的銷量合共佔本年度總銷量約64.4%(二零一零年：60.5%)，而售予最大客戶的銷量佔總銷量約19.4%(二零一零年：17%)。本集團五大供應商的採購合共佔本年度採購總額約67.1%(二零一零年：67.6%)，而最大供應商的採購佔總採購約22.8%(二零一零年：27.0%)。

本年度內，概無董事、彼等之聯繫人士或任何本公司股東(據董事所深知，擁有本公司已發行股本5%或以上)於本集團的五大客戶及供應商擁有任何權益。

董事

本公司於本年度及截至本報告日期的董事為：

執行董事：

莊躍進先生	
白平先生	
阮碧霞女士	
黃浩然先生	– 於二零一一年六月三十日獲委任
陳顯平先生	– 於二零一一年十二月二日辭任
黃小紅女士	– 於二零一一年十月十日被罷免

獨立非執行董事：

麥偉豪先生	– 於二零一一年九月九日獲委任
湯炎非博士	
馮學本先生	
羅子璘先生	– 於二零一一年九月九日辭任

根據本公司組織章程細則第84(1)條，莊躍進先生、白平先生及馮學本先生須於應屆股東週年大會輪值退任及根據本公司組織章程細則第83(3)條，黃浩然先生及麥偉豪先生須於應屆股東週年大會退任。所有退任董事均合資格膺選連任。

Directors' and Senior Management

Biographical information of the Directors and senior management of the Group are set out on pages 15 to 18 of this report.

Directors' Service Contracts

None of the Directors, including those proposed for re-election at the forthcoming annual general meeting, has a service agreement which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

Emolument Policy

The emolument policy of the employees of the Group is set up by the Board on the basis of their experience, qualifications and competence.

The emoluments of the Directors of the Company are reviewed by the remuneration committee of the Company and approved by the Board, having regard to the relevant Director's experience, responsibility, workload and the time devoted to the Group; the Company's operating results and comparable market statistics.

The Company has adopted a share option scheme (the "Scheme") on 13 September 2010 to which the Directors and eligible employees, among others are entitled to participate in. The Company operates the Scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Details of the Scheme are set out in paragraph "Share Option Scheme" below.

Remuneration of Directors and Five Highest Paid Individuals

Details of the emoluments of the Directors and the five highest paid individuals in the Group are set out in Notes 15 and 16 to the financial statements.

Directors' and Chief Executives' Interests in Securities, Underlying Shares and Debentures

So far as known to the Directors, at 31 December 2011, the interests and short positions of the directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions of which they were taken or deemed to have under such provisions of SFO) or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or otherwise required to be notified to

董事及高級管理層

本集團董事及高級管理層的履歷資料載於本報告第15頁至第18頁。

董事服務合約

概無董事(包括該等提呈於應屆股東週年大會膺選連任的董事)訂有不可由本公司於一年內免付賠償而終止(法定賠償除外)之服務協議。

薪酬政策

本集團僱員之薪酬政策乃由董事會制定，以僱員之經驗、資歷及能力為基準釐定。

本公司的董事酬金由本公司的薪酬委員會審核，並由董事會審批，有關酬金乃經計及有關董事的經驗、責任、工作量、為本集團貢獻的時間、本公司的經營業績及可資比較的市場統計數據後釐定。

本公司於二零一零年九月十三日採納購股權計劃(「該計劃」)，董事及合資格僱員均有權參與該計劃。本公司採納該計劃旨在激勵及獎勵為本集團之成功營運作出貢獻的合資格參與者。有關該計劃的詳情載於下文「購股權計劃」一段。

董事及五名最高酬金人士的薪酬

本集團之董事及五名最高酬金人士的薪酬詳情載於財務報表附註15及16。

董事及最高行政人員於證券、相關股份及債權證的權益

據董事所知，於二零一一年十二月三十一日，本公司董事及最高行政人員於本公司或其任何相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)的股份、相關股份及債權證中，擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益及淡倉(包括根據證券及期貨條例有關條文彼等被當作或被視為擁有的任何權益及／或淡倉)，或根據證券及期貨條例第352條登記於本公司所需存置登記冊內

Directors' Report (Continued)

董事會報告(續)

the Company and the Stock Exchange pursuant to the Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

的權益及淡倉，或根據創業板上市規則第5.46至5.67條須知會本公司及聯交所的權益及淡倉如下：

Long positions in shares of the Company

於本公司股份之好倉

Name	Capacity and nature of interest	Number of issued ordinary shares held	Approximate percentage of shareholding in the Company
姓名	身份及權益的性質	所持已發行普通股數目	佔本公司股權之概約百分比
Director			
董事			
Mr. Zhuang Yuejin	Beneficial owner	79,860,000	33.28%
莊躍進先生	實益擁有人		
Ms. Ruan Bixia*	Interest of spouse	79,860,000	33.28%
阮碧霞女士*	配偶權益		
Mr. Pak Ping	Beneficial owner	14,910,000	6.21%
白平先生	實益擁有人		

* Ms. Ruan Bixia is the spouse of Mr. Zhuang Yuejin and is deemed to be interested in all shares held by Zhuang Yuejin under the SFO.

* 阮碧霞女士為莊躍進先生之配偶。因此，在證券及期貨條例下，阮碧霞被視為擁有莊躍進所持全部股份之權益。

Save as disclosed above, at 31 December 2011, none of the Directors or chief executives of the Company had any interests or short positions in the shares or underlying shares or debentures of the Company or any of its associated corporations as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

除上文披露者外，於二零一一年十二月三十一日，概無本公司董事或最高行政人員於本公司或其任何相聯法團的股份、相關股份及債權證中，擁有根據證券及期貨條例第352條登記於本公司所需存置登記冊內的權益或淡倉，或根據創業板上市規則第5.46至5.67條須知會本公司及聯交所的權益及淡倉。

Save as disclosed above, at no time during the Year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company or of any other body corporate granted to any Directors or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company, its holding company or any of its subsidiaries a party to any arrangements to enable the Directors, their respective spouse or children under 18 years of age to acquire such rights in the Company or any body corporate.

除上文所披露者外，於本年度之任何時間內概無授予任何董事或彼等各自之配偶或未滿十八歲子女可透過收購本公司或任何其他法人團體之股份或債權證而獲益的權利，該等權利亦無獲其行使；本公司、其控股公司或其任何附屬公司亦無參與訂立任何安排致使董事、彼等各自之配偶或未滿十八歲子女獲得於本公司或任何法人團體之該等權利。

Substantial Shareholders' and Other Persons' Interests Or Short Positions in the Shares Or Underlying Shares of the Company

At 31 December 2011, so far as known to the Directors, the persons (other than the Directors or chief executives of the Company), who had, or was deemed to have interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company in accordance with the provision of Divisions 2 and 3 of Part XV of the SFO, or which would be recorded in the register maintained by the Company, pursuant to Section 336 of the SFO, were as follows:

Long positions in shares of the Company

Name	Capacity and nature of interest	Number of issued ordinary shares held	Approximate percentage of shareholding in the Company
姓名	身份及權益的性質	所持已發行普通股數目	佔本公司股權之概約百分比
Ms. Wong Hsiao Hung 黃小紅女士	Beneficial owner 實益擁有人	40,019,000	16.67%

Save as disclosed above and under the section "Directors' and Chief Executives' Interest in Securities, Underlying Shares and Debentures" on page 29 of this report, at 31 December 2011, the Directors of the Company were not aware of any persons who had, or was deemed to have, interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company in accordance with the provisions of Divisions 2 and 3 of Part XV of the SFO; or be recorded in the register required to be kept under Section 336 of the SFO.

Directors' Interests in Contracts

No Director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party at the end of the year or at any time during the Year.

Director's Interest in Competing Interests

The Directors are not aware of any business or interest of the Directors, the controlling shareholder and their respective associates (as defined under the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group during the Year.

主要股東及其他人士於本公司之股份或相關股份中的權益或淡倉

於二零一一年十二月三十一日，就董事所知，以下人士(本公司董事及最高行政人員除外)於股份或相關股份中擁有或被視為擁有根據證券及期貨條例第XV部之第2及第3分部須向本公司披露，或根據證券及期貨條例第336條本公司須存置於登記冊的權益或淡倉：

於本公司股份之好倉

除上文及本報告第29頁「董事及最高行政人員於證券、相關股份及債權證的權益」一節所披露者外，於二零一一年十二月三十一日，本公司董事概不知悉任何人士已經或被視為於股份或相關股份中擁有根據證券及期貨條例第XV部之第2及第3分部須向本公司披露，或根據證券及期貨條例第336條登記於須予存置登記冊的權益或淡倉。

董事於合約的權益

於年終或本年度內任何時間，概無董事於本公司或其任何附屬公司訂立對本集團業務而言屬重要之任何合約中直接或間接擁有重大權益。

董事於競爭業務的權益

本年度內，董事概不知悉任何董事、控股股東及彼等各自的聯繫人士(定義見創業板證券上市規則)的任何業務或權益與本集團的業務出現或可能出現競爭，亦不知悉該等人士會或可能會與本集團出現任何其他利益衝突。

Purchase, Redemption or Sale of the Listed Securities of the Company

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Year.

Interest of the Compliance Adviser

At 31 December 2011, except for the agreement entered into between the Company and Tanrich Capital Limited, the Company's compliance adviser on 19 August 2011, neither the Company's compliance adviser nor its directors, employees or associates had any interest in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities) as notified by the Company's compliance adviser.

Directors' Rights to Acquire Shares and Debentures

Save as disclosed in section "Directors' and Chief Executives' Interest in Securities, Underlying Shares and Debentures" on page 29 of this report, at no time during the Year was the Company, or its subsidiaries, or its fellow subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of the Company or any other body corporate.

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 latest practicable date prior to issue of this report, the Company has maintained the sufficient public float under the GEM Listing Rules.

Related Party Transactions

During the Year, except for those disclosed in Note 41 to the financial statements, the Group had no transactions with its related parties.

Bank Borrowings

Particulars of bank borrowings of the Group at 31 December 2011 are set out in Note 33 to the financial statements.

Retirement Benefit Scheme

Particulars of the retirement benefit scheme of the Group are set out in Note 40 to the financial statements.

Pre-emptive Rights

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

購買、贖回或出售本公司的上市證券

本公司及其任何附屬公司於本年度內概無購買、出售或贖回本公司任何上市證券。

合規顧問的權益

據本公司合規顧問告知，於二零一一年十二月三十一日，除於二零一一年八月十九日本公司與敦沛融資有限公司(本公司之合規顧問)訂立之協議外，本公司之合規顧問或其董事、僱員或聯繫人士概無於本公司或本集團任何成員公司之股本中擁有任何權益(包括可認購有關證券的購股權或權利)。

董事購入股份及債權證的權益

除本報告第29頁「董事及最高行政人員於證券、相關股份及債權證的權益」一節所披露者外，本公司或其附屬公司或其同系附屬公司於本年度內任何時間概無訂立任何安排，致使董事可藉購入本公司或任何其他法團的股份或債權證而獲益。

足夠公眾持股量

按照本公司公開可得之資料及就董事所知，於本報告刊發前的最後實際可行日期，本公司根據創業板上市規則已維持足夠之公眾持股量。

關連方交易

本年度內，除財務報表附註41所披露者外，本集團概無與關連方進行任何交易。

銀行借款

本集團截至二零一一年十二月三十一日的銀行借款詳情載於財務報表附註33。

退休福利計劃

本集團的退休福利計劃詳情載於財務報表附註40。

優先購股權

本公司的組織章程細則或開曼群島法律並無有關優先購股權的規定，致使本公司須按比例基準向現有股東發售新股份。

Share Option Scheme

The Company adopted the Scheme on 13 September 2010 which will remain in force for a period of 10 years from the effective date of the Scheme and will expire on 29 September 2020.

Under the Scheme, the Directors may at their discretion grant options to (i) any employee of any member of the Group or any entity in which any member of the Group holds any equity interest (the "Invested Entity"); (ii) any executive and non-executive Directors of any member of the Group or any Invested Entity; (iii) any supplier and customer of any member of the Group or any Invested Entity; (iv) any person or entity that provides research, development or other technological support to any member of the Group or any Invested Entity; (v) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued or proposed to be issued by any member of the Group or any Invested Entity; or (vi) any adviser or consultant of any member of the Group or any Invested Entity to subscribe for the shares of the Company.

The maximum number of shares in respect to which options may be granted under the Scheme shall not exceed 10% of the issued share capital of the Company on the date of adopting the Scheme. The limit may be refreshed at any time provided that the new limit must not be in aggregate exceed 10% of the issued share capital of the Company as at the date of the shareholders' approval in general meeting. However, the total number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other scheme of the Company must not in aggregate exceed 30% of the shares in issue from time to time. The maximum number of shares in respect of which options may be granted to any individual in any 12-month period shall not exceed 1% of the shares in issue on the last date of such 12-month period unless approval of the shareholders of the Company has been obtained in accordance with the GEM Listing Rules. A nominal consideration of HK\$1 is payable on acceptance of the grant of an option.

Options may be exercised at any time from the date of grant of the option to the 10th anniversary of the date of grant as may be determined by the Directors. The exercise price is determined by the Directors, and will not be less than the highest of (i) the closing price per share as stated in the Stock Exchange's daily quotations sheets on the date of the grant of the options; (ii) the average closing price per share as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of the grant of the options; or (iii) the nominal value of a share.

During the Year, no share option was granted, exercised, expired or lapsed and there is no outstanding share option under the Scheme.

購股權計劃

本公司於二零一零年九月十三日採納該計劃，該計劃自生效日期起十年內有效，而屆滿日期將為二零二零年九月二十九日。

根據該計劃，董事可酌情向以下人士授出購股權，以認購本公司之股份：(i)本集團成員或本集團任何成員持有股權的任何實體(「投資實體」)的任何僱員；(ii)本集團任何成員或任何投資實體的任何執行及非執行董事；(iii)本集團任何成員或任何投資實體的任何供應商及客戶；(iv)向本集團任何成員或任何投資實體提供研發或其他技術支援的人士或實體；(v)本集團任何成員或任何投資實體的股東或已獲或將獲本集團任何成員或任何投資實體發行的任何證券之持有人；或(vi)本集團任何成員或任何投資實體的任何顧問或諮詢顧問。

根據該計劃授出之購股權獲行使時，可予發行之股份數目最多不超過本公司於採納該計劃當日之已發行股本10%。該上限可隨時更新，惟新限額不得超過股東於股東大會批准當日，本公司之已發行股本之10%。然而，根據該計劃及本公司任何其他計劃已授出但尚未行使之全部購股權獲行使時，可予發行之股份數目不得超過當時已發行股份之30%。於任何十二個月期間內，向任何個別人士授出之購股權獲行使時，可予發行之股份總數不得超過該十二個月期間最後一天本公司之已發行股份之1%，除非按照創業板上市規則經由本公司股東批准則作別論。面值代價1港元須於接納授出購股權時支付。

購股權可於授出購股權日期起計，直至授出日期十週年的任何時間內行使，而期限由董事決定。行使價則由董事釐定，並將不會低於以下之較高者：(i)於購股權授出日期股份在聯交所每日報價表所報之收市價；(ii)緊接購股權授出日期前五個營業日股份在聯交所每日報價表所報之平均收市價；或(iii)股份面值。

本年度內，概無任何購股權已獲授出、行使、到期或失效，且該計劃項下概無任何尚未行使之購股權。

Code of Conduct Regarding Securities Transactions by Directors

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry with all Directors, the Company confirmed that all Directors have complied with the code of conduct and the required standard of dealings concerning securities transactions by the Directors during the Year.

Events After the Reporting Period

Details of the significant events after the reporting period of the Group are set out in Note 44 to the financial statements.

Auditors

A resolution to re-appoint the retiring auditor, HLB Hodgson Impey Cheng, will be proposed at the forthcoming annual general meeting.

On behalf of the Board

Zhuang Yuejin

Director

Hong Kong, 2 March 2012

有關董事進行證券交易之行為守則

本公司已採納有關董事進行證券交易之行為守則，其條款並不遜於創業板上市規則第5.48至5.67條所載之交易準則規定。經向全體董事作出特定查詢後，本公司確認全體董事於本年度內均一直遵守行為守則及有關董事進行證券交易之交易準則規定。

報告期後事項

本集團的報告期後重大事項詳情載於財務報表附註44。

核數師

於應屆股東週年大會上將提呈有關續聘退任核數師國衛會計師事務所的決議案。

承董事會命

莊躍進

董事

香港，二零一二年三月二日

Independent Auditors' Report

獨立核數師報告



國衛會計師事務所
Hodgson Impey Cheng

Chartered Accountants
Certified Public Accountants

TO THE SHAREHOLDERS OF CHINA AUTOMOTIVE INTERIOR DECORATION HOLDINGS LIMITED (Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of China Automotive Interior Decoration Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 37 to 111, which comprise the consolidated and Company statements of financial position as at 31 December 2011, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

致

中國汽車內飾集團有限公司股東
(於開曼群島註冊成立的有限公司)

本核數師已審核載於第37至第111頁中國汽車內飾集團有限公司(「貴公司」)及其附屬公司(統稱為「貴集團」)的綜合財務報表，當中載有於二零一一年十二月三十一日的綜合及公司財務狀況表、截至該日止年度的綜合收益表、綜合全面收益表、綜合權益變動表及綜合現金流量表，以及重大會計政策概要及其他說明資料。

董事就綜合財務報表須承擔的責任

貴公司董事負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定，編製表達真實且公平意見的綜合財務報表，以及維持董事認為必要的有關內部控制，以確保編製綜合財務報表時不存在由於欺詐或錯誤而導致的重大錯誤陳述。

核數師的責任

本核數師的責任是根據本核數師的審核對該等綜合財務報表表達意見，並僅向整體股東報告本核數師的意見，除此之外，本報告別無其他目的。本核數師概不會就本報告內容向任何其他人士負責或承擔責任。本核數師乃根據香港會計師公會頒佈的香港核數準則進行審核。按該等準則的要求，本核數師須遵守道德操守規定，以及計劃及進行審核，以合理確定綜合財務報表是否不存有任何重大錯誤陳述。

Independent Auditors' Report (Continued)

獨立核數師報告(續)

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 auditors' 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 auditors consider internal control relevant to the entity's preparation of the 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.

Other Matter

The consolidated financial statements of the Group for the year ended 31 December 2010 were audited by another auditors who expressed an unmodified opinion on those statements on 18 March 2011.

HLB Hodgson Impey Cheng

Chartered Accountants
Certified Public Accountants

Hong Kong, 2 March 2012

審核包括執行情序以取得與綜合財務報表所載金額及披露事項有關的審核憑證。所選用的程序取決於核數師的判斷，包括評估有關綜合財務報表存在重大錯誤陳述(不論是因欺詐或錯誤而起)的風險。在作出該等風險評估時，核數師會考慮與公司編製並真實公平地呈報綜合報財務報表相關的內部監控，但目的只在於按具體情況設計適當的審核程序，而並非要對公司的內部監控有效與否表達意見。審核亦包括評核董事所採用的會計政策是否恰當以及其所作的會計估算是否合理，以及評核綜合財務報表的整體呈報方式。

本核數師相信，本核數師已取得充分且恰當的審核憑證，足以為本核數師的審核意見提供基礎。

意見

本核數師認為，綜合財務報表已按香港財務報告準則真實而公平地反映 貴公司及 貴集團於二零一一年十二月三十一日的事務狀況及 貴集團截至該日止年度的溢利及現金流量，並已根據香港公司條例的披露規定妥善編製。

其他事項

貴集團截至二零一零年十二月三十一日止年度的綜合財務報表已由另一核數師審核，其於二零一一年三月十八日對該等報表發表未經修訂意見。

國衛會計師事務所

特許會計師
執業會計師

香港，二零一二年三月二日

Consolidated Income Statement

綜合收益表

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

			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
		Note 附註		
Revenue	收入	9	156,476	123,090
Cost of sales	銷售成本		(114,470)	(93,774)
Gross profit	毛利		42,006	29,316
Other income	其他收入	10	998	7,180
Selling and distribution costs	銷售及分銷成本		(7,749)	(6,656)
Administrative expenses	行政開支		(11,290)	(9,661)
Profit from operations	經營溢利	11	23,965	20,179
Finance costs	融資成本	12	(1,490)	(1,699)
Profit before tax	除稅前溢利		22,475	18,480
Income tax expense	所得稅開支	13	(3,624)	(3,983)
Profit for the year attributable to the owners of the Company	本公司擁有人應佔年度溢利		18,851	14,497
			RMB 人民幣	RMB 人民幣
Earnings per share	每股盈利			
Basic	基本	14	9.1 cents分	8.9 cents分
Diluted	攤薄	14	9.1 cents分	8.9 cents分

The accompanying notes form an integral part of these consolidated financial statements.
隨附的附註構成此等綜合財務報表的一部分。

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

		2011	2010
		二零一一年	二零一零年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Profit for the year	年度溢利	18,851	14,497
Other comprehensive (loss)/income, net of income tax:	其他全面(虧損)/收益，扣除所得稅後：		
Exchange differences on translating foreign operations	換算海外業務之匯兌差額	(33)	43
Total comprehensive income for the year attributable to the owners of the Company	本公司擁有人應佔年度全面收益總額	18,818	14,540

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2011

於二零一一年十二月三十一日

			2011	2010
		Note	二零一一年	二零一零年
		附註	RMB'000	RMB'000
			人民幣千元	人民幣千元
ASSETS	資產			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	19	42,253	32,838
Prepaid land lease payments	預付土地租賃款項	20	2,990	3,063
Loan receivables	應收貸款	21	–	118
Deferred tax assets	遞延稅項資產	35	854	763
			<u>46,097</u>	<u>36,782</u>
Current assets	流動資產			
Prepaid land lease payments	預付土地租賃款項	20	73	73
Inventories	存貨	23	13,806	9,937
Trade receivables	貿易應收款項	24	60,109	46,966
Note receivables	應收票據		3,400	6,040
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	25	15,258	16,818
Amount due from a director	應收一名董事款項	26	–	38
Cash and bank balances	現金及銀行結餘	27	16,387	18,990
			<u>109,033</u>	<u>98,862</u>
Total assets	資產總額		<u>155,130</u>	<u>135,644</u>
EQUITY	權益			
Capital and reserves attributable to the owners of the Company	本公司擁有人應佔資本及儲備			
Share capital	股本	28	20,552	17,275
Reserves	儲備	29	92,022	69,075
Total equity	權益總額		<u>112,574</u>	<u>86,350</u>

Consolidated Statement of Financial Position (Continued)
綜合財務狀況表(續)

At 31 December 2011
於二零一一年十二月三十一日

			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
		Note 附註		
LIABILITIES	負債			
Current liabilities	流動負債			
Trade payables	貿易應付款項	30	10,374	15,472
Accruals and other payables	應計費用及其他應付款項	31	4,950	9,645
Amounts due to shareholders	應付股東款項	32	–	22
Borrowings	借款	33	25,000	21,848
Finance lease payables	應付融資租賃款項	34	209	234
Tax payable	應付稅項		2,023	1,864
			42,556	49,085
Non-current liabilities	非流動負債			
Finance lease payables	應付融資租賃款項	34	–	209
			–	209
Total liabilities	負債總額		42,556	49,294
Total equity and liabilities	權益及負債總額		155,130	135,644
Net current assets	流動資產淨額		66,477	49,777
Total assets less current liabilities	總資產減流動負債		112,574	86,559

Approved by the Board of Directors on 2 March 2012 and signed on its behalf by:
於二零一二年三月二日由董事會批准並由下列人士代表簽署：

Zhuang Yuejin
莊躍進
Director
董事

Pak Ping
白平
Director
董事

The accompanying notes form an integral part of these consolidated financial statements.
隨附的附註構成此等綜合財務報表的一部分。

Statement of Financial Position

財務狀況表

At 31 December 2011

於二零一一年十二月三十一日

			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
ASSETS	資產			
Non-current assets	非流動資產			
Investments in subsidiaries	於附屬公司的投資	22	17,872	17,553
Current assets	流動資產			
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	25	82	–
Amounts due from subsidiaries	應收附屬公司款項	22	23,492	32,605
Cash and bank balances	現金及銀行結餘	27	5,874	452
			29,448	33,057
Total assets	資產總額		47,320	50,610
EQUITY	權益			
Capital and reserves attributable to the owners of the Company	本公司擁有人應佔資本及儲備			
Share capital	股本	28	20,552	17,275
Reserves	儲備	29	26,108	26,553
Total equity	權益總額		46,660	43,828
LIABILITIES	負債			
Current liabilities	流動負債			
Accruals and other payables	應計費用及其他應付款項	31	350	507
Amounts due to subsidiaries	應付附屬公司款項	22	310	6,275
Total liabilities	負債總額		660	6,782
Total equity and liabilities	權益及負債總額		47,320	50,610
Net current assets	流動資產淨額		28,788	26,275
Total assets less current liabilities	總資產減流動負債		46,660	43,828

Approved by the Board of Directors on 2 March 2012 and signed on its behalf by:

於二零一二年三月二日由董事會批准並由下列人士代表簽署：

Zhuang Yuejin
莊躍進
Director
董事

Pak Ping
白平
Director
董事

The accompanying notes form an integral part of these financial statements.

隨附的附註構成此等綜合財務報表的一部分。

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

		Share capital	Share premium account	Merger reserve	Foreign currency translation reserve	Statutory reserve	Retained profits	Total equity
		股本	溢價賬	合併儲備	換算儲備	法定儲備	保留溢利	權益總額
		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
At 1 January 2010	於二零一零年一月一日	1,064	-	-	2,647	3,018	24,313	31,042
Profit for the year	年度溢利	-	-	-	-	-	14,497	14,497
Other comprehensive income for the year, net of income tax:	年度其他全面收益，扣除所得稅後：							
Exchange differences on translating foreign operations	換算海外業務之匯兌差額	-	-	-	43	-	-	43
Total comprehensive income for the year	年度全面收益總額	-	-	-	43	-	14,497	14,540
Capitalisation of the shareholders' loans	股東貸款資本化	149	5,112	-	-	-	-	5,261
Reorganisation	重組	(880)	(5,112)	5,992	-	-	-	-
Capitalisation issue	資本化發行	12,624	(12,624)	-	-	-	-	-
Issue of shares on placement	配售時發行股份	4,318	35,835	-	-	-	-	40,153
Share issue expenses	股份發行開支	-	(4,646)	-	-	-	-	(4,646)
Transfer to statutory reserve	轉撥至法定儲備	-	-	-	-	2,446	(2,446)	-
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	17,275	18,565	5,992	2,690	5,464	36,364	86,350
Profit for the year	年度溢利	-	-	-	-	-	18,851	18,851
Other comprehensive loss for the year, net of income tax:	年度其他全面虧損，扣除所得稅後：							
Exchange differences on translating foreign operations	換算海外業務之匯兌差額	-	-	-	(33)	-	-	(33)
Total comprehensive (loss)/income for the year	年度全面(虧損)/收益總額	-	-	-	(33)	-	18,851	18,818
Issue of shares on placement	配售時發行股份	3,277	4,915	-	-	-	-	8,192
Share issue expenses	股份發行開支	-	(786)	-	-	-	-	(786)
Transfer to statutory reserve	轉撥至法定儲備	-	-	-	-	2,217	(2,217)	-
At 31 December 2011	於二零一一年十二月三十一日	20,552	22,694	5,992	2,657	7,681	52,998	112,574

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
CASH FLOWS FROM OPERATING ACTIVITIES	經營活動產生的現金流量		
Profit before tax	除稅前溢利	22,475	18,480
Adjustments for:	就以下各項作出調整：		
Interest expenses	利息開支	1,464	1,235
Finance lease charges	融資租賃費用	26	43
Interest income	利息收入	(24)	(25)
Net foreign exchange loss	外匯虧損淨額	-	421
Impairment loss recognised on trade receivables	就貿易應收款項確認的減值虧損	246	-
Inventories written off	存貨撇銷	294	175
Depreciation of property, plant and equipment	物業、廠房及設備折舊	3,415	3,153
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	73	73
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	47	315
		<hr/>	<hr/>
Operating profit before working capital changes	營運資金變動前之經營溢利	28,016	23,870
Increase in inventories	存貨增加	(4,163)	(3,868)
Increase in trade receivables	貿易應收款項增加	(13,389)	(12,310)
Decrease/(increase) in note receivables	應收票據減少/(增加)	2,640	(5,036)
Decrease/(increase) in prepayments, deposits and other receivables	預付款項、按金及其他應收款項減少/(增加)	6,323	(15,534)
(Decrease)/increase in trade payables	貿易應付款項(減少)/增加	(5,098)	827
Decrease in accruals and other payables	應計費用及其他應付款項減少	(4,695)	(1,215)
		<hr/>	<hr/>
Net cash generated from/(used in) operations	經營所得/(所用)現金淨額	9,634	(13,266)
Interest paid	已付利息	(1,464)	(1,235)
Finance lease charges paid	已付融資租賃費用	(26)	(43)
Tax refund	退稅	341	-
Income taxes paid	已付所得稅	(3,897)	(3,673)
		<hr/>	<hr/>
Net cash generated from/(used in) operating activities	經營活動所得/(所用)現金淨額	4,588	(18,217)
		<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動產生的現金流量		
Repayment of loan receivables	償還應收貸款	118	62
Interest received	已收利息	24	25
Purchase of property, plant and equipment	購置物業、廠房及設備	(1,912)	(2,495)
Addition of construction in progress	在建工程添置	(15,751)	(3,568)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	23	365
		<hr/>	<hr/>
Net cash used in investing activities	投資活動所用現金淨額	(17,498)	(5,611)

Consolidated Statement of Cash Flows (Continued)

綜合現金流量表(續)

For the year ended 31 March 2011

截至二零一一年三月三十一日止年度

		2011	2010
		二零一一年	二零一零年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動產生的現金流量		
Proceeds from short-term bank loans	短期銀行貸款所得款項	30,000	21,000
Repayment of short-term bank loans	償還短期銀行貸款	(26,000)	(19,000)
Repayment of finance lease payables	償還應付融資租賃款項	(234)	(217)
Repayment of amounts due to related companies	償還應付關連公司款項	–	(3,537)
Repayment of amount due from/(to) a director	償還應收/(應付)一名董事款項	38	(996)
Repayment of amounts due to shareholders	償還應付股東款項	(22)	(12,368)
Repayment of loans from a related party	償還一名關連方貸款	–	(100)
(Repayment to)/advances from an unrelated party	向一名非關連方(還款)/墊款	(848)	848
Proceeds from issue of shares	發行股份所得款項	8,192	40,153
Share issuing expenses	股份發行開支	(786)	(4,646)
		10,340	21,137
Net cash generated from financing activities	融資活動所得現金淨額	10,340	21,137
Net decrease in cash and cash equivalents	現金及現金等值物減少淨額	(2,570)	(2,691)
Cash and cash equivalents at the beginning of the year	於年初的現金及現金等值物	18,990	22,068
Effect of foreign currency exchange rate changes	外幣匯率變動的影響	(33)	(387)
Cash and cash equivalents at the end of the year	於年終的現金及現金等值物	16,387	18,990
Analysis of the balances of cash and cash equivalents	現金及現金等值物結餘分析		
Cash and bank balances	現金及銀行結餘	16,387	18,990

The accompanying notes form an integral part of these consolidated financial statements.

隨附的附註構成此等綜合財務報表一部分。

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

The Company was incorporated in the Cayman Islands on 9 December 2009 with limited liability. The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The address of the Group's principal place of business is located at No. 28 Xinfeng Road, Xinfeng Industrial Park, Fangqian Town, New District, Wuxi City, Jiangsu Province, the People's Republic of China (the "PRC").

The principal activity of the Company is investment holding. The Group is principally engaged in the manufacture and sale of nonwoven fabric products used in automotive interior decoration parts and infrastructure.

The consolidated financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousands, except when otherwise indicated.

The shares of the Company were listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 29 September 2010 (the "Listing Date").

2. Group Reorganisation

Pursuant to the Group of Reorganisation (the "Reorganisation") for the purpose of listing (the "Listing") the Company's ordinary shares on the Stock Exchange, the Company and Joystar (BVI) Automotive Interior Decoration Limited were incorporated and interspersed between Joystar International Investment Limited and the owners of Joystar International Investment Limited; and became the holding company of the subsidiaries now comprising the Group and the intermediate holding company of Joystar International Investment Limited respectively. Further details of the Reorganisation are also set out in the paragraphs headed "Corporate Reorganisation/Development" of the section headed "History and Development" to the prospectus of the Company dated 21 September 2010 (the "Prospectus") in connection with the Listing.

1. 一般資料

本公司於二零零九年十二月九日於開曼群島註冊成立為有限公司。本公司註冊辦事處位於Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands。本集團的主要營業地點位於中華人民共和國(「中國」)江蘇省無錫市新區坊前鎮新豐工業園新風路28號。

本公司主要業務為投資控股。本集團主要從事製造及銷售用於汽車內飾件及基建的無紡布產品。

除另有註明者外，綜合財務報表以人民幣(「人民幣」)呈列，而所有價值均調至最接近的千元。

本公司股份於二零一零年九月二十九日(「上市日期」)在香港聯合交易所有限公司(「聯交所」)創業板上市。

2. 集團重組

根據集團重組(「重組」)以籌備本公司普通股於聯交所上市(「上市」)，本公司及Joystar (BVI) Automotive Interior Decoration Limited分別註冊成立，嵌入怡星國際投資有限公司與怡星國際投資有限公司之擁有人之間，並成為現時組成本集團的附屬公司之控股公司以及怡星國際投資有限公司之中間控股公司。重組的進一步詳情亦已載日期為二零一零年九月二十一日有關上市的招股章程(「招股章程」)「歷史與發展」一節「公司重組／發展」一段。

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. Group Reorganisation (Continued)

As the Reorganisation only involved inserting new holding entities at the top of an existing group and has not resulted in any change of economic substances, the financial statements of the Group for the years ended 31 December 2010 and 2011 have been presented as a continuation of the existing group based on the principles and procedures of merger accounting in accordance with Accounting Guideline 5 “Merger Accounting for Common Control Combinations” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). Accordingly, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows are prepared as if the current group structure had been in existence rather than from date of incorporation of the Company.

3. Application of New and Revised Hong Kong Financial Reporting Standards

In the current year, the Group has adopted all of the new and revised standards, amendments and interpretations (“new HKFRSs”) issued by the HKICPA that are relevant to its operations and effective for annual periods beginning on or after 1 January 2011.

HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010
HKAS 24 (Revised)	Related Party Disclosures
HKAS 32 (Amendments)	Amendment to HKAS 32 Financial Instruments: Presentation – Classification of Rights Issues
HK(IFRIC)-Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement
HK(IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments

2. 集團重組(續)

由於重組僅涉及在現有集團之上增設新的控股實體，並無導致經濟實質出現任何變動，故根據香港會計師公會(「香港會計師公會」)頒佈的會計指引第5項「共同控制合併的合併會計法」規定的合併會計法原則及程序，編製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的財務報表作為現有集團之延續呈列。因此，編製綜合收益表、綜合全面收益表、綜合權益變動表及綜合現金流量表按猶如現有集團架構已存在呈列現時組成，而非自本公司註冊成立日期起。

3. 應用新訂及經修訂香港財務報告準則

於本年度，本集團已採納與其業務有關並於二零一一年一月一日或之後開始的年度期間生效，且由香港會計師公會頒佈的所有新訂及經修訂準則、修訂本及詮釋(「新香港財務報告準則」)。

香港財務報告準則第1號 (修訂本)	首次採納者有關香港財務報告準則第7號比較披露資料的有限豁免
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)	關連方披露
香港會計準則第32號 (修訂本)	香港會計準則第32號 金融工具：呈列 — 供股的分類之修訂本
香港(國際財務報告詮釋 委員會)－詮釋第14號 (修訂本)	最低資金規定的預付款
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

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. Application of New and Revised Hong Kong Financial Reporting Standards (“HKFRSs”) (Continued)

The principal effects of adopting these new and revised HKFRSs are as follows:

HKAS 24 (revised 2009) simplifies the definition of “related party” and removes inconsistencies, which emphasises a symmetrical view of related party transactions. The revised standard also provides limited relief from disclosure of information by government-related entities in respect of transactions with the government to which the group is related, or transactions with other entities related to the same government. These amendments have had no material impact on the Group’s financial statements.

Improvements to HKFRSs (2010) omnibus standard introduces a number of amendments to the disclosure requirements in HKFRS 7, Financial instruments: Disclosures. 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.

The adoption of the new HKFRSs had no material effect on the results and the financial position of the Group for the current or prior accounting period. Accordingly, no prior period adjustment is required.

3. 應用新訂及經修訂香港財務報告準則 (「香港財務報告準則」)(續)

採納該等新訂及經修訂香港財務報告準則的主要影響如下：

香港會計準則第24號(二零零九年經修訂)簡化「關連方」的定義並消除定義不一致的情況，並強調關連方交易之對等。經修訂準則亦對政府相關實體就該集團與其相關的政府之間的交易，或就與同一政府相關的其他實體之間的交易進行資料披露時提供有限豁免。此等修訂對本集團財務報表無重大影響。

香港財務報告準則之改進(二零一零年)中多項準則引入對香港財務報告準則第7號金融工具：披露之披露規定之若干修訂。該等修訂對於目前及過往期間之財務報表確認款額之分類、確認及計量並無任何重大影響。

採納新訂香港財務報告準則並無對本集團於目前或過往會計期間之業績及財務狀況構成重大影響。因此毋須進行前期調整。

Notes to the Financial Statements (Continued)
財務報表附註(續)

For the year ended 31 December 2011
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3. Application of New and Revised Hong Kong Financial Reporting Standards (“HKFRSs”)
(Continued)

The Group has not early applied the following new and revised standards, amendments and interpretations that have been issued but are not yet effective.

HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income ³
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets ²
HKAS 19 (2011)	Employee Benefits ⁴
HKAS 27 (2011)	Separate Financial Statements ⁴
HKAS 28 (2011)	Investments in Associates and Joint Ventures ⁴
HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities ⁵
HK(IFRIC)-Int 20	Stripping Costs in the Production Phase of a Surface Mine ⁴
HKFRS 7 (Amendments)	Disclosure – Transfer of Financial Assets ¹ Disclosure – Offsetting Financial Assets and Financial Liabilities ⁴ Mandatory Effective Date of HKFRS 9 and Transition Disclosure ⁶
HKFRS 9	Financial Instruments ⁴
HKFRS 10	Consolidated Financial Statements ⁴
HKFRS 11	Joint Arrangements ⁴
HKFRS 12	Disclosure of Interests in Other Entities ⁴
HKFRS 13	Fair Value Measurement ⁴

- ¹ Effective for annual periods beginning on or after 1 July 2011
- ² Effective for annual periods beginning on or after 1 January 2012
- ³ Effective for annual periods beginning on or after 1 July 2012
- ⁴ Effective for annual periods beginning on or after 1 January 2013
- ⁵ Effective for annual periods beginning on or after 1 January 2014
- ⁶ Effective for annual periods beginning on or after 1 January 2015

3. 應用新訂及經修訂香港財務報告準則
(「香港財務報告準則」)(續)

本集團並無提早應用下列已發佈但尚未生效的新訂及經修訂準則、修訂本及詮釋。

香港會計準則第1號 (修訂本)	其他全面收益項目的呈列 ³
香港會計準則第12號 (修訂本)	遞延稅項：收回相關資產 ²
香港會計準則第19號 (二零一一年)	僱員福利 ⁴
香港會計準則第27號 (二零一一年)	獨立財務報表 ⁴
香港會計準則第28號 (二零一一年)	於聯營公司及合營企業的投資 ⁴
香港會計準則第32號 (修訂本)	抵銷金融資產及金融負債 ⁵
香港(國際財務報告詮釋委員會)－詮釋第20號	露天礦場生產階段的剝採成本 ⁴
香港財務報告準則第7號 (修訂本)	披露－金融資產轉讓 ¹ 披露－抵銷金融資產及金融負債 ⁴
香港財務報告準則第9號	香港財務報告準則第9號之強制生效日期及過渡披露 ⁶
香港財務報告準則第10號	金融工具 ⁴
香港財務報告準則第11號	綜合財務報表 ⁴
香港財務報告準則第12號	共同安排 ⁴
香港財務報告準則第13號	於其他實體權益的披露 ⁴
香港財務報告準則第13號	公平值計量 ⁴

- ¹ 於二零一一年七月一日或之後開始的年度期間生效
- ² 於二零一二年一月一日或之後開始的年度期間生效
- ³ 於二零一二年七月一日或之後開始的年度期間生效
- ⁴ 於二零一三年一月一日或之後開始的年度期間生效
- ⁵ 於二零一四年一月一日或之後開始的年度期間生效
- ⁶ 於二零一五年一月一日或之後開始的年度期間生效

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3. Application of New and Revised Hong Kong Financial Reporting Standards ("HKFRSs") (Continued)

HKFRS 9 Financial Instruments introduces new requirements for the classification and measurement of financial assets and will be effective from 1 January 2013, with earlier application permitted. The standard requires all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of HKFRS 9 might affect the classification and measurement of the Group's financial assets.

Under HKFRS 9, all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement are subsequently measured at either amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

In relation to financial liabilities, the significant change relates to financial liabilities that are designated as at fair value through profit or loss. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the presentation of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

3. 應用新訂及經修訂香港財務報告準則 (「香港財務報告準則」)(續)

香港財務報告準則第9號「金融工具」引進有關金融資產分類和計量的新要求，並由二零一三年一月一日起生效(可提前應用)。該準則規定，屬香港會計準則第39號「金融工具：確認及計量」範圍以內的所有已確認金融資產均須按攤銷成本或公平值計量。特別是，(i)目的為集合合約現金流量的業務模式內所持有及(ii)合約現金流量僅為本金及尚未償還本金的利息付款的債務投資，一般按攤銷成本計量。所有其他債項投資及股本投資均按公平值計量。應用香港財務報告準則第9號可能影響到本集團金融資產的分類和計量。

根據香港財務報告準則第9號，屬香港會計準則第39號「金融工具：確認及計量」範圍內的所有已確認金融資產，其後均按攤銷成本或公平值計量。尤其是，按商業模式持有而目的為收取合約現金流量的債務投資，以及僅為支付本金及未償還本金利息的合約現金流量的債務投資，一般均於往後會計期間結束時按攤銷成本計量。所有其他債務投資及股本投資均於往後會計期間結束時按公平值計量。

就金融負債而言，重大變動與指定為按公平值計入損益的金融負債有關。尤其是，根據香港財務報告準則第9號，就指定為按公平值計入損益的金融負債而言，因金融負債信貸風險有變而導致其公平值變動的款額乃於其他全面收益呈列，除非於其他全面收益呈報該負債信貸風險變動的影響會產生或擴大損益的會計錯配，則作別論。因金融負債信貸風險而導致其公平值變動其後不會重新分類至損益。過往，根據香港會計準則第39號，指定為按公平值計入損益的金融負債的全部公平值變動款額均於損益中呈列。

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3. Application of New and Revised Hong Kong Financial Reporting Standards (“HKFRSs”) (Continued)

HKFRS 9 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The directors anticipate that HKFRS 9 that will be adopted in the Group’s consolidated financial statements for the annual period beginning 1 January 2013 and that the application of the new standard may have a significant impact on amounts reported in respect of the Groups’ financial assets. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

The amendments to HKFRS 7 titled Disclosures – Transfers of Financial Assets increase the disclosure requirements for transactions involving transfers of financial assets. These amendments are intended to provide greater transparency around risk exposures when a financial asset is transferred but the transferor retains some level of continuing exposure in the asset. The amendments also require disclosures where transfers of financial assets are not evenly distributed throughout the period.

The directors do not anticipate that these amendments to HKFRS 7 will have a significant effect on the Group’s disclosures regarding transfers of trade receivables previously affected. However, if the Group enters into other types of transfers of financial assets in the future, disclosures regarding those transfers may be affected.

For other new and revised HKFRSs which are issued but not yet effective, the Group is in the process of making an assessment of the impact upon initial application. The Group is not yet in a position to state whether they would have a significant impact on the Group’s results of operations and financial position.

3. 應用新訂及經修訂香港財務報告準則 (「香港財務報告準則」)(續)

香港財務報告準則第9號於二零一三年一月一日或之後開始的年度期間生效，並可提早應用。

董事預期將由二零一三年一月一日開始的年度期間於本集團綜合財務報表中採納香港財務報告準則第9號，而應用新準則可能會對就本集團金融資產呈報的金額有重大影響。然而，直至完成詳細審閱前，提供該影響的合理估計並不可行。

香港財務報告準則第7號「披露—金融資產轉讓」的修訂增加涉及金融資產轉讓的交易的披露規定。該等修訂旨在就於金融資產被轉讓而轉讓人保留該資產一定程度之持續風險承擔時，提高風險承擔的透明度。該等修訂亦要求於該期間內金融資產轉讓並非均衡分佈時作出披露。

董事預計，香港財務報告準則第7號的該等修訂將不會對本集團有關過往進行的貿易應收款項轉讓的披露造成重大影響。然而，若本集團日後進行其他類型的金融資產轉讓，有關該等轉讓的披露可能會受到影響。

就其他已頒佈但尚未生效的新訂及經修訂香港財務報告準則而言，本集團正評估首次應用的影響。本集團目前未能陳述該等新訂及經修訂香港財務報告準則對本集團的經營業績及財務狀況是否有重大影響。

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4. Significant Accounting Policies

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

Basis of preparation

The consolidated financial statements have been prepared in accordance with all applicable HKFRSs, which is a collective term that includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations (the “Interpretations”) issued by the HKICPA and accounting principles generally accepted in Hong Kong, in addition, the consolidated financial statements include applicable disclosures required by the Hong Kong Companies Ordinance and by the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (the “GEM Listing Rules”).

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair values.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests have a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

4. 主要會計政策

編製該等綜合財務報表應用之主要會計政策載列如下。除另有註明者外，該等政策在所呈列之所有年度內貫徹應用。

編製基準

綜合財務報表根據所有適用香港財務報告準則編製，該準則為包括所有適用個別香港財務報告準則、由香港會計師公會頒佈的香港會計準則（「香港會計準則」）及詮釋（「詮釋」）以及香港公認會計原則。此外，綜合財務報表包括香港公司條例及聯交所創業板證券上市規則（「創業板上市規則」）的適用披露規定。

除若干金融工具按公平值計量外，綜合財務報表按歷史成本基準編製。

綜合賬目基準

綜合財務報表載入本公司及本公司（其附屬公司）控制之實體（包括特殊目的實體）之財務報表。倘本公司擁有支配一間實體之財務及經營政策以從其業務中獲取利益的權力，則本公司已取得控制權。

年內所收購或出售附屬公司之收入及開支自收購生效日期起至出售生效日期（倘適用）止在綜合收益表列賬。附屬公司之全面收益總額歸本公司擁有人及非控股權益所有，即使此舉導致非控股權益結餘出現虧損。

如有需要，本集團會對附屬公司之財務報表作出調整，使其會計政策與本集團其他成員公司所採用者一致。

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4. Significant Accounting Policies (Continued)

Basis of consolidation (continued)

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Where certain assets of the subsidiary are measured at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Company had directly disposed of the related assets (i.e. reclassified to profit or loss or transferred directly to retained earnings). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

Merger accounting for common control combination

The financial statement incorporates the financial statement items of the combining entities or business in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party.

4. 主要會計政策(續)

綜合賬目基準(續)

所有集團內交易、結餘、收入及開支於綜合賬目時悉數對銷。

本集團於現有附屬公司之擁有人權益變動

並無導致本集團失去附屬公司控制權之本集團於附屬公司之擁有人權益變動，按權益交易入賬。本集團之權益及非控股權益的賬面值經調整以反映其於附屬公司相關權益之變動。非控股權益數額的調整額與已付或已收代價之公平值兩者間之差額，直接於權益確認，歸本公司擁有人所有。

當本集團失去附屬公司的控制權時，出售損益計算為(i)所收取代價及任何保留權益的公平值總額與(ii)附屬公司資產(包括商譽)及負債以及任何非控股權益的先前賬面值之間的差額。倘附屬公司若干資產乃按重估金額或公平值計量，而相關的累計損益已於其他全面收益確認及於權益累計，則先前於其他全面收益確認及於權益累計的金額，應如同本公司已直接出售該相關資產入賬處理，即重新分類至損益或直接轉撥至保留盈利。在前附屬公司中保留的任何投資於失去控制權當日的公平值應被視作按照香港會計準則第39號金融工具：確認及計量初始確認時的公平值，或(倘適用)作為在聯營公司或共同控制實體中的投資的初始確認成本。

共同控制合併之合併會計法

財務報表載入發生共同控制合併之合併實體或業務之財務報表項目，猶如於合併實體或業務首次受控制方控制當日已合併。

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4. Significant Accounting Policies (Continued)

Merger accounting for common control combination (continued)

The net assets of the combining entities or business are combined using the existing book values from the controlling party's perspective. No amount is recognised with respect to goodwill or any excess of acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over its cost at the time of common control combination, to the extent of the contribution of the controlling party's interest.

The combined statement of comprehensive income include the results of each of the combining entities or business from the earliest date presented or since the date when combining entities or business first came under common control, where this is a shorter period, regardless of the date of common control combination.

Intra-group transactions, balances and unrealised gains on transactions between the combining entities or business are eliminated. Unrealised losses are eliminated but considered as an impairment indicator of the asset transferred. Accounting policies of combining entities or business have been changed where necessary to ensure consistency with the policies adopted by the Group.

Subsidiaries

A subsidiary is a company in which the Company, directly or indirectly, controls more than one half of the voting power; has the power to govern the financial and operating policies; to appoint or remove the majority of the members of the board of directors; or to cast majority of votes at the meetings of the board of directors.

Investments in subsidiaries are included in the Company's statement of financial position at cost less any impairment loss. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

4. 主要會計政策(續)

共同控制合併之合併會計法(續)

合併實體或業務之淨資產從控制方之角度以現有賬面值合併。於共同控制合併時之商譽或成本超出收購方於被收購方可資識別資產、負債及或然負債之公平淨值之權益之金額不予確認(惟以控制方之權益注資為限)。

合併全面收益表包括由最早呈列日期或自合併實體或業務最初受共同控制當日(以較短期間者為準)之各合併實體或業務之業績，而不論共同控制合併之日期。

合併實體或業務之間之集團內交易、結餘及交易時之未變現收益均會對銷。未變現虧損亦會對銷，惟會考慮為轉讓資產減值之跡象。倘有需要，合併實體或業務的會計政策會作出更改，以確保符合本集團採納的會計政策。

附屬公司

附屬公司指由本公司直接或間接控制過半數投票權、擁有支配其財務及經營政策、委任或罷免大部分董事會成員或以多數票在董事會會議上投票的權力的公司。

於附屬公司之投資按成本扣除任何減值虧損於本公司之財務狀況表列賬。該等附屬公司之業績乃按本公司已收及應收股息列賬。

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4. Significant Accounting Policies (Continued)

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold in the normal course of business, net of discounts and sales related taxes.

Revenue from sales of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyers, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold.

Interest income is recognised on a time-proportion basis using effective interest method.

Technical support income is recognised when the technical support services are rendered.

Leasing

Leases are classified as finance leases whenever the terms of the leases transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the consolidated income statement.

Rental payable under operating leases are charged to the consolidated income statement on a straight-line basis over the terms of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

4. 主要會計政策(續)

收入確認

收入按已收或應收代價之公平值計量，及指在日常業務過程中出售貨品之應收款項(扣除折扣及銷售相關稅項)。

銷售貨品的收入於貨品所有權的重大風險及回報轉移至買方時確認，惟本集團既不參與一般與所有權相關的管理權，亦無實際控制所出售貨品。

利息收入採用實際利息法按時間比例基準確認。

技術支援收入於提供技術支援服務時確認。

租賃

凡租賃條款將擁有權的絕大部分風險及回報轉移予承租人之租賃，均列作融資租賃。所有其他租賃則列作經營租賃。

本集團作為承租人

於融資租賃項下持有之資產在租賃開始時按公平值或最低租賃款項現值(以較低者為準)確認為本集團資產。欠付出租人之相應債務於綜合財務狀況表中計入融資租賃承擔。租賃款項於財務費用及租賃承擔減額間分配，以在債務結餘得出統一利率。財務費用直接在綜合收益表內扣除。

經營租賃下之應付租金於相關租賃期內以直線法在綜合收益表內扣除。作為訂立經營租賃獎勵金之已收及應收利益於租賃期內以直線法確認為租金開支減額。

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4. Significant Accounting Policies (Continued)

Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the consolidated income statement in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the property, plant and equipment, the expenditure is capitalised as an additional cost of that asset.

Depreciation is provided to write off the cost of property, plant and equipment, using the straight line method, over their estimated useful lives. The principal useful lives are as follows:

Building	30 years
Plant and machinery	12 years
Motor vehicles	8 years
Furniture, fixtures and equipment	6 years
Leasehold improvements	5 years

The useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period.

Construction in progress represents leasehold improvements under construction and plant and machinery pending installation, and is stated at cost less impairment losses. Depreciation begins when the relevant asset are available for use.

The gain or loss arising from disposal of an asset is determined as the difference between the net sale proceeds and the carrying amount of the relevant asset and is recognised in the consolidated income statement.

4. 主要會計政策(續)

物業、廠房及設備

所有物業、廠房及設備按成本減累計折舊及減值虧損列賬。

資產的成本包括購買價格及任何令資產達致其運作狀況及運往現址作擬定用途的直接成本。物業、廠房及設備投入運作後產生的開支，例如維修及保養開支，一般於產生期間自綜合收益表中扣除。倘可清楚顯示該項支出會導致預期日後使用物業、廠房及設備所得的經濟利益增加，則該項支出將被資本化為該資產的附加成本。

物業、廠房及設備之折舊就其估計可使用年期使用直線法計提撥備，以撇銷其成本。主要可使用年期如下：

樓宇	30年
廠房及機器	12年
汽車	8年
傢俬、裝置及設備	6年
租賃物業裝修	5年

可使用年期及折舊方法於各報告期末進行檢討及調整(如適用)。

在建工程指在建租賃物業裝修以及待安裝之廠房及機器，按成本減減值虧損列賬。有關資產於可供使用時方計算折舊。

出售資產所產生之收益或虧損釐定為出售所得款項淨額與有關資產賬面值兩者間之差額，及於綜合收益表確認。

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4. Significant Accounting Policies (Continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average basis. The cost of finished goods and work in progress comprises raw materials, direct labour and an appropriate proportion of all production overhead expenditure, and where appropriate, subcontracting charges. Net realisable value represents the estimated selling price in the ordinary course of business less all estimated costs necessary to make the sale.

Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the receivables' carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate computed at initial recognition. The amount of the allowance is recognised in profit or loss.

Impairment losses are reversed in subsequent periods and recognised in profit or loss when an increase in the receivables' recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the receivables at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

Impairment of assets (other than goodwill, intangible assets with indefinite lives)

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

4. 主要會計政策(續)

存貨

存貨按成本與可變現淨值兩者之較低者列賬。成本以加權平均基準計算。製成品及在製品之成本包括原材料、直接勞工及所有生產經常性開支之適當部分以及(如適用)承包費。可變現淨值按日常業務之估計售價減所有進行銷售估計所需之成本計算。

貿易及其他應收款項

貿易及其他應收款項為附有固定或可釐定支付款項，且並無在活躍市場報價之非衍生金融資產，並於初始確認時按公平值入賬，其後使用實際利率法按攤銷成本減去減值撥備釐定。倘有客觀證據顯示本集團將不能根據應收款項的原有期限收取所有到期金額，則會就貿易及其他應收款項作出減值撥備。撥備金額乃應收款項賬面值與估計未來現金流量現值的差額，按初始確認時計算之實際利率貼現。撥備金額於損益內確認入賬。

於往後期間，倘應收款項之可收回金額增加可與確認減值後所發生之事件客觀相連，則撥回減值虧損並於損益內確認，惟於撥回減值當日之應收款項賬面值不得超過倘並無確認減值之攤銷成本。

資產減值(商譽及具無限年期之無形資產除外)

於各報告期末，本集團均會審閱其有形及無形資產的賬面值，以釐定資產是否出現減值虧損跡象。倘估計資產的可收回金額少於其賬面值，則資產賬面值減少至其可收回金額。減值虧損即時確認為開支。

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4. Significant Accounting Policies (Continued)

Impairment of assets (other than goodwill, intangible assets with indefinite lives) (Continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable and deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liabilities method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, and deferred tax assets are recognised to the extent that it is probable that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of the other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference will not reverse in the foreseeable future.

4. 主要會計政策(續)

資產減值(商譽及具無限年期之無形資產除外)(續)

倘減值虧損其後撥回，則資產的賬面值增加至經修訂的估計可收回金額，惟所增加的賬面值不得超過倘資產於過往年度並無確認減值虧損而釐定的賬面值。所撥回的減值虧損即時確認為收入。

稅項

所得稅開支指應付即期稅項及遞延稅項的總和。

應付即期稅項乃按年內應課稅溢利計算。由於應課稅溢利不包括其他年度應課稅或可扣稅收入或開支，且不包括非應課稅及可扣稅的項目，故與綜合收益表所呈報的溢利有所不同。本集團的即期稅項負債乃按報告期末已頒佈或實際上已頒佈的稅率計算。

遞延稅項乃按財務報表內資產及負債賬面值與計算應課稅溢利所用的相應稅基的差額予以確認，並採用資產負債表負債法入賬。遞延稅項負債一般會就所有應課稅暫時差額確認，而遞延稅項資產乃於可能出現應課稅溢利，以致出現可扣稅暫時差額時確認，而遞延稅項資產乃於可能出現應課稅溢利，以致可扣稅暫時差額可予動用時確認。若於一項交易中，因商譽或初步確認(業務合併時除外)其他資產及負債而引致的暫時差額不影響應課稅溢利或會計溢利，則不會確認該等資產及負債。

遞延稅項負債乃就於附屬公司的投資所產生的應課稅暫時差額確認，惟倘本集團能夠控制暫時差額的撥回將不會於可見將來撥回則作別論。

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4. Significant Accounting Policies (Continued)

Taxation (Continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to consolidated income statement except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the entity intends to settle its current tax assets and liabilities on a net basis.

Financial instruments

Financial assets and financial liabilities are recognised on the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the consolidated income statement.

Financial assets

The Group's financial assets are classified into loans and receivables. All regular purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. The accounting policies adopted in respect of each category of financial assets are set out below.

4. 主要會計政策(續)

稅項(續)

遞延稅項資產的賬面值於各報告期末作檢討，並於不再可能有足夠應課稅溢利收回全部或部分資產時作調減。

遞延稅項乃按預期於負債清償或資產變現期間應用的稅率計算。遞延稅項乃於綜合收益表扣除或計入，惟有關直接扣除或計入之項目或權益的遞延稅項則除外，在此情況下，遞延稅項亦會於權益中處理。

遞延稅項資產及負債於其有關同一稅務機關所徵收的所得稅且實體擬以淨額償付其即期稅項資產及負債時予以抵銷。

金融工具

當本集團成為有關工具合約規定之一方時，金融資產及金融負債於綜合財務狀況表內確認。金融資產及金融負債按公平值初步計量。收購或發行金融資產及金融負債(按公平值於損益列賬之金融資產及金融負債除外)直接應佔之交易成本乃於初始確認時加入金融資產或金融負債之公平值或自金融資產或金融負債之公平值內扣除(視適用情況而定)。收購按公平值於損益列賬之金融資產或金融負債直接應佔之交易成本即時於綜合收益表確認。

金融資產

本集團之金融資產分類為貸款及應收款項。所有一般購買或出售之金融資產乃按交易日基準確認及取消確認。一般購買或出售指對須按市場所在地規則或慣例所確定時限內交付資產之金融資產之購買或出售。有關各類別金融資產所採納之會計政策載列如下。

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4. Significant Accounting Policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At the end of each reporting period subsequent to initial recognition, loans and receivables are carried at amortised cost using the effective interest method, less any identified impairment losses. An impairment loss is recognised in consolidated income statement when there is objective evidence that the asset is impaired, and is measured as the difference between the assets' carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment losses were recognised, subject to a restriction that the carrying amount of the asset at the date the impairment losses reversed do not exceed what the amortised cost would have been had the impairment losses not been recognised.

Financial liabilities and equity

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The Group's financial liabilities are generally classified into other financial liabilities. The accounting policies adopted in respect of financial liabilities and equity instruments are set out below.

Other financial liabilities

Other financial liabilities are subsequently measured at amortised cost, using the effective interest method.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

4. 主要會計政策(續)

金融工具(續)

金融資產(續)

貸款及應收款項

貸款及應收款項為具有固定或可釐定付款而並無在活躍市場報價的非衍生金融資產。於初始確認後各報告期末，貸款及應收款項使用實際利率法按攤銷成本減任何已識別減值虧損列賬。當有客觀證據證明資產已減值，減值虧損於綜合收益表內確認，且計量為資產賬面值與按原實際利率貼現之估計未來現金流量現值間之差額。於往後期間，倘資產的可收回金額增加可與確認減值後所發生之事件客觀相連，則撥回減值虧損，惟於撥回減值虧損當日之資產賬面值不得超過倘並無確認減值虧損之攤銷成本。

金融負債及權益

集團實體發行的金融負債及股本工具乃根據所訂立合約安排的內容以及金融負債及股本工具的定義分類。

股本工具乃證明本集團扣除其所有負債後的資產中擁有剩餘權益的任何合約。本集團的金融負債一般分類為其他金融負債。下文載列就金融負債及股本工具採納的會計政策。

其他金融負債

其他金融負債其後採用實際利率法按攤銷成本計量。

股本工具

本公司發行的股本工具經扣除直接發行成本後按已收所得款項入賬。

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4. Significant Accounting Policies (Continued)

Financial instruments (Continued)

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognised directly in equity is recognised in consolidated income statement.

Financial liabilities are removed from the Group's consolidated statement of financial position when the obligation specified in the relevant contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid or payable is recognised in consolidated income statement.

Foreign currencies

i. Functional and presentation currency

Items included in the financial statements of each of the companies now comprising the Group are measured using the currency of the primary economic environment in which the company operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars, which is the Company's presentation currency and the functional currency of the principal operating subsidiary of the Group. The functional currency of the Company is Hong Kong dollars. The directors consider that choosing Renminbi as the presentation currency best suits the needs of the shareholders and investors.

4. 主要會計政策(續)

金融工具(續)

取消確認

倘從資產收取現金流量之權利屆滿，或金融資產已轉讓及本集團轉讓金融資產擁有權之絕大部分風險及回報，則金融資產將取消確認。於取消確認金融資產時，資產賬面值與已收代價及已直接於權益確認之累計損益兩者總和間之差額將於綜合收益表確認。

就金融負債而言，於有關合約之特定責任獲解除、取消或到期時，金融負債將自本集團的綜合財務狀況表移除。取消確認之金融負債賬面值與已付或應付代價兩者間之差額於綜合收益表確認。

外幣

i. 功能及呈列貨幣

現時組成本集團各公司之財務報表所含項目乃按公司經營之主要經濟環境的貨幣(「功能貨幣」)計量。綜合財務報表以港元呈列，而港元為本公司之呈列貨幣以及本集團主要經營附屬公司之功能貨幣。本公司的功能貨幣是港元。董事認為，選擇人民幣作為呈列貨幣乃最為符合股東及投資者的需求。

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4. Significant Accounting Policies (Continued)

Financial currencies (Continued)

ii. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement.

Translation differences on non-monetary financial assets and liabilities are reported as part of their fair value gain or loss.

iii. Group companies

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

- (a) Assets and liabilities are translated at the closing rate;
- (b) Income and expenses are translated at average exchange rates; and
- (c) All resulting exchange differences are recognised as a separate component of equity.

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

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

4. 主要會計政策(續)

外幣(續)

ii. 交易及結餘

外幣交易以交易日期現行匯率換算為功能貨幣。來自償付該等交易及按年末匯率換算以外幣計值之貨幣資產及負債之外匯收益及虧損於綜合收益表確認。

非貨幣金融資產及負債之換算差額按部分公平值收益或虧損入賬。

iii. 集團公司

功能貨幣與呈列貨幣不同之現時組成本集團所有公司(當中並無嚴重通脹經濟地區之貨幣)之業績及財務狀況乃按下列方式換算為呈列貨幣：

- (a) 資產及負債按收市匯率換算；
- (b) 收入及開支按平均匯率換算；及
- (c) 所有因此而產生之匯兌差額確認為獨立權益部分。

於綜合賬目時，換算海外業務投資淨值以及借款及指定為對沖該等投資之其他貨幣工具產生之匯兌差額納入擁有人權益。出售海外業務時，於權益記錄的匯兌差額於綜合全面收益表確認為出售之部分收益或虧損。

收購海外實體產生之商譽及公平值調整視為海外實體之資產及負債，並按收市匯率換算。

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4. Significant Accounting Policies (Continued)

Current assets and liabilities

Current assets are expected to be realised within twelve months of the end of the reporting period or in the normal course of the Group's operating cycle. Current liabilities are expected to be settled within twelve months of the end of the reporting period or in the normal course of the Group's operating cycle.

Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably. A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that outflow is probable, they will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. A contingent asset is not recognised but is disclosed in the notes to the financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprises of cash in hand and demand deposits, and short term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

4. 主要會計政策(續)

流動資產及負債

流動資產預期於報告期末起計十二個月內或於本集團營運週期之一般過程中變現。流動負債預期於報告期末起計十二個月內或於本集團營運週期之一般過程中償付。

或然負債及或然資產

或然負債指因過往事件而可能引起的責任，該等責任須就某宗或多宗本集團不能完全控制的事件會否於日後發生方予以確認。或然負債亦可能因過往事件引致現有責任，惟由於可能不需要經濟資源流出，或責任金額不能可靠地計量而未有確認。或然負債不會被確認，惟會在財務報表附註內披露。倘資源流出的可能性改變而導致可能出現資源流出時，則該等負債將確認為撥備。

或然資產指因過往事件而可能產生的資產，該等資產須就某宗或多宗本集團不能完全控制的事件會否於日後發生方予以確認。或然資產不會被確認，惟會於經濟利益可能流入時在財務報表附註內披露。倘可實質確認流入，該等資產將予以確認。

研究及開發支出

研究活動支出於其產生之有關期間確認為開支。

現金及現金等值物

就綜合現金流量表而言，現金及現金等值物包括手頭現金、活期存款以及可隨時兌換為已知數額的現金及存在非重大價值變動風險而期限(一般在購入後三個月內)較短的短期高流通性投資，扣除須按要求償還並構成本集團現金管理一部分的銀行透支。

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4. Significant Accounting Policies (Continued)

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(ii) Pension obligations

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Group to the funds.

As stipulated by the rules and regulations of the PRC, the Company's subsidiaries registered in the PRC are required to contribute to a state-sponsored retirement plan for all its PRC employees at certain percentages of the basic salaries predetermined by the local governments. The state-sponsored retirement plan is responsible for the entire retirement benefit obligations payable to retired employees and the Group has no further obligations for the actual retirement benefit payments or other post-retirement benefits beyond the annual contributions.

4. 主要會計政策(續)

撥備

倘本集團因過往事件負上現有責任(法律或推定)而可能需要本集團支付負債，及能就負債金額作出可靠估計時，則會就負債確認撥備。

作為撥備確認之金額乃對於報告期末償付現有負債所需代價之最佳估計，並經考慮負債相關之風險及不確定因素。倘使用估計償付現有負債之現金流量計量撥備，則其賬面值即為該等現金流量之現值(倘貨幣之時間價值影響重大)。

當預期用作償付撥備所需部分或全部經濟利益可從第三方收回，如可實際確認可以收回且應收款項之金額能可靠計量，則應收款項確認為資產。

僱員福利

(i) 僱員應享假期

僱員的年假及長期服務假於僱員應享有時予以確認。截至報告期末止，因僱員所提供的服務而產生的年假及長期服務假的估計負債已計提撥備。

僱員的病假及產假於僱員休假時方會確認。

(ii) 養老金責任

本集團為所有僱員提供定額供款退休計劃。本集團及僱員對計劃的供款乃按僱員的基本薪金的百分比計算。自損益內扣除的退休福利計劃成本乃指本集團應付該等基金的供款。

根據中國之規則及法規，本公司在中國註冊之附屬公司須按當地政府預定之基本薪金若干百分比為所有中國僱員向國家管理之退休計劃供款。國家管理之退休計劃負責向退休僱員支付退休福利之一切責任，除每年供款外，本集團在實際退休福利付款或其他退休後福利方面並無進一步責任。

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4. Significant Accounting Policies (Continued)

Employee benefits (Continued)

(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 detailed formal plan which is without realistic possibility of withdrawal.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants that become receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

4. 主要會計政策(續)

僱員福利(續)

(iii) 終止僱用福利

終止僱用福利僅於本集團具備正式而詳細且不可撤回方案的情況下，明確顯示終止聘用或因採取自願離職措施而提供福利時，方予確認。

借款成本

直接用作收購、建造或生產合資格資產(即需要相當長期間以達致其擬定用途或銷售的資產)的借款成本資本化為該等資產的部分成本，直至該等資產大致用作其擬定用途或銷售。用於合資格資產的特定借款在其尚未支銷時用作暫時投資所賺取的投資收入，乃於合資格資本化的借款成本內扣除。

倘一般性借入資金用於獲取一項合資格資產，則合資格資本化的借款成本金額乃按該資產支銷的資本化率釐定。資本化率為適用於本集團於該期間尚未償還借款的加權平均借款成本，惟獲取一項合資格資產而專門借入的借款除外。

所有其他借款成本於產生期間在損益內確認。

政府補助金

政府補助金於可合理確定本集團將遵守該等補助金附帶之條件及收取補助金時方予確認。

作為開支或已產生虧損的補償金或向本集團提供即時財務援助而成為應收款項(並無日後相關成本)的政府補助金，乃於其成為應收款項的期間在損益內確認。

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4. Significant Accounting Policies (Continued)

Segment reporting

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

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

Impairment of financial assets

Financial assets, other than those at financial assets at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been impacted.

For an available-for-sale equity investment, a significant or prolonged decline in the fair value of that investment below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- (a) significant financial difficulty of the issuer or counterparty; or
- (b) default or delinquency in interest or principal payments; or
- (c) it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

4. 主要會計政策(續)

分部報告

經營分部及財務報表所呈報各分部項目的金額，乃從為向本集團各項業務及地理位置分配資源及評估其表現而定期向本集團最高行政管理層提供的財務資料中識別。

個別重大經營分部不會合計以供財務報告之用，惟倘該等分部的產品及服務性質、生產工序性質、客戶階層類別、分銷產品或提供服務的方法以及監管環境的性質等經濟特性均屬類似，則作別論。個別不重大經營分部倘符合以上大部分條件，則可予以合計。

金融資產減值

除按公平值計入損益的金融資產外，金融資產於各報告期末評估減值跡象。倘有客觀證據證明因金融資產初始確認後發生的一項或多項事件使金融資產的估計未來現金流量受影響，則金融資產被視為已減值。

就可供出售股本投資而言，倘投資之公平值大幅或持續下降至低於其成本，則該下降視為減值之客觀證據。

所有其他金融資產之減值客觀證據可包括：

- (a) 發行人或對手方出現嚴重財政困難；或
- (b) 逾期支付或拖欠利息或本金；或
- (c) 借款人有可能破產或進行財務重組。

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4. Significant Accounting Policies (Continued)

Impairment of financial assets (Continued)

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 7 to 90 days, observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, an impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

4. 主要會計政策(續)

金融資產減值(續)

就若干類別之金融資產(如貿易應收款項)而言, 獲評估為不會個別減值之資產其後將整體作減值評估。應收款項組合出現減值之客觀證據包括本集團過往收款經驗、組合超過7至90日平均信貸期延誤還款之次數增加、以及與逾期支付應收款項有關之國家或地方經濟狀況出現明顯變動。

就按攤銷成本列賬之金融資產而言, 減值虧損於有客觀證據證明資產出現減值時方在損益確認, 並按資產賬面值與以原實際利率貼現估計未來現金流量現值兩者間之差額計量。

就按成本列賬之金融資產而言, 減值虧損金額按資產賬面值與以類似金融資產現時市場回報率貼現估計未來現金流量現值兩者間之差額計量。該減值虧損不會於往後期間撥回。

金融資產之賬面值直接透過所有金融資產之減值虧損減少, 惟貿易應收款項除外, 賬面值透過使用撥備賬減少。撥備賬賬面值的變動於損益確認。倘貿易應收款項被認為不可收回, 則於撥備賬撇銷。其後所收回先前撇銷的數額計入損益。

就按攤銷成本計量之金融資產而言, 於往後期間, 倘減值虧損之金額減少, 而該減少可與確認減值虧損後發生之事件客觀相連, 則先前確認之減值虧損會透過損益撥回, 惟於撥回減值當日資產之賬面值不得超過倘並無確認減值之攤銷成本。

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4. Significant Accounting Policies (Continued)

Impairment of financial assets (Continued)

Impairment losses on available-for-sale equity investments will not be reversed in profit or loss in subsequent periods. Any increase in fair value subsequent to impairment loss is recognised directly in equity. For available-for-sale debt investments, impairment losses are subsequently reversed if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Related parties

A party is considered to be related to the Group if:

- (1) A person or entity that is preparing the financial statements of the Group;
- (2) A person or a close member of that person's family is related to the Group if that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group.

4. 主要會計政策(續)

金融資產減值(續)

可供出售股本投資之減值虧損不會於往後期間撥回損益。確認減值虧損後之公平值之任何增加直接於權益確認。就可供出售債務投資而言，倘投資公平值增加可客觀地與確認減值虧損後出現之事件有關，則減值虧損可於其後撥回。

關連方

任何一方如屬以下情況，即視為本集團的關連方：

- (1) 該人士或實體正編製本集團之財務報表；
- (2) 下列人士或其家族與本集團有關連之近親：
 - (i) 其控制或共同控制本集團；
 - (ii) 其對本集團有重大影響力；或
 - (iii) 其為本集團或本集團母公司的主要管理層人員的成員。

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4. Significant Accounting Policies (Continued)

Related parties (Continued)

(3) An entity is related to the Group if any of the following conditions applies:

- (i) 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).
- (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. If the Group is itself such a plan, the sponsoring employers are also related to the Group.
- (vi) The entity is controlled or jointly controlled by a person identified in (2).
- (vii) A person identified in (2)(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).

A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

4. 主要會計政策(續)

關連方(續)

(3) 在下列任何情況下，一間實體被視為與本集團有關連：

- (i) 實體與本集團為同一集團成員，即母公司、附屬公司及同系附屬公司各自彼此相互關連。
- (ii) 某一實體為另一實體之聯營公司或合營公司，或為另一實體所屬集團成員之聯營公司或合營公司。
- (iii) 實體均為同一第三方之合營公司。
- (iv) 實體為第三方實體之合營公司，而另一實體為第三方實體之聯營公司。
- (v) 實體乃為本集團或與本集團有關之實體的僱員福利所設離職後福利計劃。倘本集團本身設有計劃，則僱主亦與本集團有關連。
- (vi) 實體受(2)所界定人士控制或共同控制。
- (vii) (2) (i)所界定人士對實體擁有重大影響力或為實體或該實體母公司之主要管理層人員。

倘關連方之間轉移資源或責任，則該交易被視為關連方交易。

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5. Significant Accounting Estimates and Judgments

In the application of the Group's accounting policies which are described in Note 4, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. 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.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment of trade receivables

The Group makes impairment of trade receivables based on assessments of the recoverability of the trade receivables, including the current creditworthiness and the past collection history of each debtor. Impairment arises where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgment and estimates. Where the actual result is different from the original estimate, such difference will impact the carrying value of the trade receivables and doubtful debt expenses in the reporting period in which such estimate has been changed.

Useful lives of property, plant and equipment

The Group's management determines the estimated useful lives and related depreciation charges for the Group's property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. The Group will revise the depreciation charge where useful lives are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

5. 主要會計估計及判斷

於應用本集團之會計政策(其於附註4內闡述)時,本公司之董事須作出有關未能從其他來源輕易獲得之資產及負債賬面值之判斷、估計及假設。估計及相關假設乃基於過往經驗及被認為有關之其他因素。實際業績可能不同於該等估計。

估計及相關假設乃按持續經營基準予以檢討。倘會計估計之修訂僅影響估計獲修訂之期間,則會計估計之修訂於該期間予以確認,倘若修訂影響現時及未來期間,則會計估計之修訂於現時及未來期間內予以確認。

下列為有關未來之主要假設及於報告期末時估計不確定因素之其他主要來源(其擁有導致下一個財政年度之資產及負債之賬面值出現大幅調整之重大風險)。

貿易應收款項減值

本集團根據對貿易應收款項的可收回程度所作的評估(包括每個債務方的現時信貸及過往的收取記錄)就貿易應收款項作出減值。倘事件或情況變動顯示餘款或會無法收回,則會出現減值。確認呆壞賬須作出判斷及估計。倘實際結果與原有估計存在差異,則相關差異將影響相關估計出現變動之報告期的貿易應收款項的賬面值及呆壞賬開支。

物業、廠房及設備及折舊

本集團的管理層釐定本集團物業、廠房及設備的估計可使用年期及相關折舊開支。該估計乃以同類性質及功能的物業、廠房及設備的實際可使用年期的過往經驗為基準。倘可使用年期與先前估計不同,本集團將修訂折舊開支,或撇銷或撇減已廢棄或出售的技術上已過時或非策略性的資產。

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5. Significant Accounting Estimates and Judgments

(Continued)

Income taxes and deferred taxation

The Group is subject to income taxes in different jurisdictions. Significant judgment is required in determining the provision for income tax. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers to be probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The outcome of their actual utilisation may be different.

Impairment of non-current assets

If a triggering event occurs indicating that the carrying amount of an asset may not be recoverable, an assessment of the carrying amount of that asset will be performed. Triggering events include significant adverse changes in the market value of an asset, changes in the business or regulatory environment, or certain legal events. The interpretation of such events requires judgment from management with respect to whether such an event has occurred. Upon the occurrence of triggering events, the carrying amounts of non-current assets are reviewed to assess whether their recoverable amounts have declined below their carrying amounts. The recoverable amount is the present value of estimated net future cash flows which the Group expects to generate from the future use of the asset, plus the assets residual value on disposal. Where the recoverable amount of non-current assets is less than its carrying value, an impairment loss is recognised to write the assets down to its recoverable amount.

5. 主要會計估計及判斷(續)

所得稅及遞延稅項

本集團須繳納若干司法權區的所得稅。於釐定所得稅撥備時，須作出重大估計。於日常業務過程中存在很多交易及計算，而最終稅項的釐定具有不確定性。倘該等事件的最終稅項結果與初始記錄的金額存在差異，則相關差異將影響作出有關釐定的報告期的所得稅及遞延稅項撥備。

倘管理層認為未來應課稅溢利將抵銷其暫時差額或稅項虧損時，有關若干暫時差額之遞延稅項資產及稅項虧損可予確認。但實際應用結果可能有所不同。

非流動資產減值

如發生觸發事件，顯示資產之賬面值可能無法收回，本集團將評估該資產之賬面值。觸發事件包括資產市值有重大不利變動、營商或規管環境轉變，或若干法律事件。管理層詮釋此等事件前，須判斷有關事件是否已經發生。如發生觸發事件，本集團將評估非流動資產之賬面值，以評估其可收回金額是否已跌至低於其賬面值。可收回金額為本集團預期日後使用該資產估計產生之未來現金流量淨額現值，加出售該資產之剩餘價值。如非流動資產之可收回金額低於其賬面值，本集團將確認減值虧損，將資產價值撇減至相等於其可收回金額。

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6. Financial Instruments

(a) Categories of financial instruments

		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
Financial assets:	金融資產：		
Loans and receivables (including cash and cash equivalents)	貸款及應收款項 (包括現金及現金等值物)	86,530	75,425
Financial liabilities:	金融負債：		
Amortised cost	攤銷成本	40,533	47,430

(b) Financial risk management objectives and policies

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk and fair value interest rate risks), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Management regularly manages the financial risks of the Group. Because of the simplicity of the financial structure and the current operations of the Group, no major hedging activities are undertaken by management.

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.

6. 金融工具

(a) 金融工具分類

(b) 財務風險管理目標及政策

本集團業務活動令其面臨多項財務風險：市場風險(包括外幣風險、公平值利率風險)、信貸風險及流動資金風險。本集團的整體風險管理項目專注於金融市場的不可預測性及尋求降低本集團財務表現的潛在不利影響。

管理層定期管理本集團之財務風險。由於本集團之財務架構及現時營運並不複雜，管理層並無進行重大對沖活動。

本集團就金融工具承擔的風險類別或其管理與計量有關風險的方式並無任何改變。

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6. Financial Instruments (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk

Foreign currency risk

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of the respective subsidiaries. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

Interest rate risk

(i) Exposure to interest rate risk

The Group's exposure to the risk of changes in market interest rate relates primarily to its bank deposits and interest-bearing bank loans. Interest-bearing bank loans at floating rates expose the Group to interest rate risk.

The Group has not used any interest rate swaps to hedge its exposure to interest rate risk. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

(ii) Sensitivity analysis

At 31 December 2011, if interest rates at the date had been 100 basis points higher/lower with all other variables held constant, the Group's profit for the year would decrease/increase by RMB25,000 (2010: RMB21,000). This is mainly attributable to the Group's exposure as result of increase/decrease interest expense on short-term bank loans net off with interest income from bank deposits.

6. 金融工具(續)

(b) 財務風險管理目標及政策(續)

市場風險

外幣風險

本集團的外幣風險甚微，此乃由於其大部分業務交易、資產及負債主要以相關附屬公司的功能貨幣計值。本集團現時並無就外幣交易、資產及負債設立外幣對沖政策。本集團將密切監控外幣風險，並於必要時考慮對沖重大外幣風險。

利率風險

(i) 承受利率風險

本集團所面對的市場利率變動風險，主要與本集團的銀行存款及計息銀行貸款有關。浮息銀行貸款使本集團面對利率風險。

本集團並無使用任何利率掉期對沖利率風險。然而，管理層監控利率風險，並於必要時考慮對沖重大利率風險。

(ii) 敏感度分析

於二零一一年十二月三十一日，倘於該日之利率上升/下跌100個基點而所有其他變數維持不變，則本集團之年度溢利將下降/上升人民幣25,000元(二零一零年：人民幣21,000元)，乃主要由於短期銀行貸款利息支出抵銷來自銀行存款利息收入之金額增加/減少產生之本集團風險所致。

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6. Financial Instruments (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk

The carrying amount of the cash and bank balances, trade receivables included in the consolidated statements of financial position represents the Group's maximum exposure to credit risk in relation to the Group's financial assets.

The Group has certain exposure to credit risk as the trade receivables from the five largest customers as at 31 December 2011 represented 58% (2010: 62%) of total trade receivables, while 17% (2010: 17%) of the total trade receivables were due from the largest single customer. It has policies in place to ensure that sales are made to customers with an appropriate credit history.

The credit risk on cash and bank balances is limited because the counterparties are international and state-owned banks with good reputation.

The Group does not hold any collateral or other credit enhancements to cover its credit risk associated with its financial assets.

Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term. The Group manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables below have been drawn up based on the contractual maturities of the undiscounted financial liabilities including interest that will accrue to those liabilities except where the Group are entitled and intends to repay the liability before its maturity.

6. 金融工具(續)

(b) 財務風險管理目標及政策(續)

信貸風險

計入綜合財務狀況表的現金及銀行結餘、貿易應收款項的賬面值指與本集團的金融資產有關的最高信貸風險。

本集團面臨若干信貸風險，因五大客戶於二零一一年十二月三十一日的貿易應收款項佔貿易應收款項總額58%(二零一零年：62%)，而最大單一客戶的貿易應收款項佔貿易應收款項總額17%(二零一零年：17%)。其已實施政策以確保銷售對象為合理信貸記錄的客戶。

由於交易對方為信譽良好的國際及國有銀行，故現金及銀行結餘之風險有限。

本集團並無持有任何抵押品或其他信貸增強措施以為其金融資產相關之信貸風險提供保障。

流動資金風險

本集團政策為定期監控現有及預期流動資金需求，以確保其擁有充裕現金儲備應付短期及長期流動資金需求。本集團透過保持充足之儲備，持續對預測及實際現金流量進行監察，並配對金融資產及負債之到期情況，藉以管理流動資金風險。

下表詳細列明本公司非衍生金融負債的餘下合約到期情況。該表根據未貼現金融負債合約期限編製，包括該等負債的應計利息(本集團有權及有意在到期前清償者除外)。

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6. Financial Instruments (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

At 31 December 2011

6. 金融工具(續)

(b) 財務風險管理目標及政策(續)

流動資金風險(續)

於二零一一年十二月三十一日

		The Group 本集團					
		Weighted average effective interest rate	Within 1 year	2 to 5 years	Over 5 years	Total undiscounted cash flow	Total carrying amount
		加權平均 實際利率 %	少於一年 RMB'000 人民幣千元	兩年至五年 RMB'000 人民幣千元	五年以上 RMB'000 人民幣千元	未貼現現金 流量總額 RMB'000 人民幣千元	賬面總值 RMB'000 人民幣千元
Non-derivative financial liabilities	非衍生金融負債						
Trade payables	貿易應付款項	-	10,374	-	-	10,374	10,374
Accruals and other payables	應計及其他應付款項	-	4,950	-	-	4,950	4,950
Borrowings	借貸	6.5%	25,805	-	-	25,805	25,000
Finance lease payables	應付融資租賃款項	7.6%	216	-	-	216	209
			41,345	-	-	41,345	40,533

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6. Financial Instruments (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

At 31 December 2011 (Continued)

6. 金融工具(續)

(b) 財務風險管理目標及政策(續)

流動資金風險(續)

於二零一一年十二月三十一日(續)

		The Company 本公司					
		Weighted average effective interest rate	Within 1 year	2 to 5 years	Over 5 years	Total undiscounted cash flow	Total carrying amount
		加權平均 實際利率 %	少於一年 RMB'000 人民幣千元	兩年至五年 RMB'000 人民幣千元	五年以上 RMB'000 人民幣千元	未貼現現金 流量總額 RMB'000 人民幣千元	賬面總值 RMB'000 人民幣千元
Non-derivative financial liabilities	非衍生金融負債						
Accruals and other payables	應計費用及 其他應付款項	-	350	-	-	350	350
Amounts due to subsidiaries	應付附屬公司款項	-	310	-	-	310	310
			660	-	-	660	660

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6. Financial Instruments (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)
 At 31 December 2010

6. 金融工具(續)

(b) 財務風險管理目標及政策(續)

流動資金風險(續)
 於二零一零年十二月三十一日

		The Group 本集團					
		Weighted average effective interest rate 加權平均 實際利率 %	Within 1 year 少於一年 RMB'000 人民幣千元	2 to 5 years 兩年至五年 RMB'000 人民幣千元	Over 5 years 五年以上 RMB'000 人民幣千元	Total undiscounted cash flow 未貼現現金 流量總額 RMB'000 人民幣千元	Total carrying amount 賬面總值 RMB'000 人民幣千元
Non-derivative financial liabilities	非衍生金融負債						
Trade payables	貿易應付款項	-	15,472	-	-	15,472	15,472
Accruals and other payables	應計費用及 其他應付款項	-	9,645	-	-	9,645	9,645
Amounts due to shareholders	應付股東款項	-	22	-	-	22	22
Borrowings	借貸	5.1%	22,378	-	-	22,378	21,848
Finance lease payables	應付融資租賃款項	7.6%	260	216	-	476	443
			47,777	216	-	47,993	47,430

Notes to the Financial Statements (Continued)
財務報表附註(續)

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6. Financial Instruments (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

At 31 December 2010

6. 金融工具(續)

(b) 財務風險管理目標及政策(續)

流動資金風險(續)

於二零一零年十二月三十一日(續)

		The Company 本公司					
		Weighted average effective interest rate	Within 1 year	2 to 5 years	Over 5 years	Total undiscounted cash flow	Total carrying amount
		加權平均 實際利率 %	少於一年 RMB'000 人民幣千元	兩年至五年 RMB'000 人民幣千元	五年以上 RMB'000 人民幣千元	未貼現現金 流量總額 RMB'000 人民幣千元	賬面總值 RMB'000 人民幣千元
Non-derivative financial liabilities	非衍生金融負債						
Accruals and other payables	應計費用及 其他應付款項	-	507	-	-	507	507
Amounts due to subsidiaries	應付附屬公司款項	-	6,275	-	-	6,275	6,275
			<u>6,782</u>	<u>-</u>	<u>-</u>	<u>6,782</u>	<u>6,782</u>

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6. Financial Instruments (Continued)

(c) Fair value of financial instruments

The fair value of financial assets and financial liabilities are determined as follows:

- (i) the fair value of financial assets and financial liabilities (including derivative instruments) with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices and ask prices respectively;
- (ii) the fair values of derivative instruments are calculated using quoted prices. Where such prices are not available, a discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives.
- (iii) the fair value of other financial assets and financial liabilities (excluding those described above) are determined in accordance with generally pricing models based on discounted cash flow analysis.

The directors consider that the carrying amounts of financial assets and financial liabilities recorded in the consolidated financial statements approximate to their fair values.

Fair value measurements recognised in the consolidated statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

1. Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
2. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

6. 金融工具(續)

(c) 金融工具之公平值

金融資產及金融負債之公平值乃按以下釐定：

- (i) 具有標準條款及條件及於活躍流動市場買賣的金融資產及金融負債(包括衍生工具)，乃分別參考所報市場買入價及賣出價釐定公平值；
- (ii) 衍生工具的公平值按所報價格計算。倘未能獲得有關價格，則按非期權衍生工具之年期使用適用孳息曲線釐定貼現現金流分析。
- (iii) 其他金融資產及金融負債的公平值(以上所述者除外)乃基於貼現現金流分析根據一般定價模式釐定。

董事認為於綜合財務報表中的金融資產與金融負債賬面值與其公平值相若。

於綜合財務狀況表確認之公平值計量

下表提供初步確認後按公平值計量的金融工具分析，乃根據公平值可觀察程度分為級別一至三：

1. 級別一公平值計量由相同資產或負債在活躍市場之報價(未經調整)得出；
2. 級別二公平值計量由級別一所載報價以外之可觀察資產或負債數據直接(即價格)或間接(即衍生自價格)得出；及

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6. Financial Instruments (Continued)

(c) Fair value of financial instruments (Continued)

Fair value measurements recognised in the consolidated statement of financial position (Continued)

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

No analysis is disclosed since the Group has no financial instruments that are measured subsequent to initial recognition at fair value at the end of the reporting period

7. Capital Risk Management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2010.

The capital structure of the Group consists of debt (which includes borrowings and finance lease payables) and equity attributable to owners of the Company, comprising issued capital and reserves. The directors of the Company review the capital structure on a continuous basis. As part of this review, the directors consider the cost of capital and the risks associated with capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the issuance of new shares as well as the addition of new borrowings.

Gearing ratio

The gearing ratio at 31 December 2011 and 2010 was as follows:

		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
Debt	負債	25,209	22,291
Total equity	權益總額	112,574	86,350
Gearing ratio	資本負債比率	22.4%	25.8%

6. 金融工具(續)

(c) 金融工具之公平值(續)

於綜合財務狀況表確認之公平值計量(續)

- 級別三公平值計量由包括並非基於可觀察市場數據(不可觀察數據)之資產或負債數據之估值技術衍生。

於報告期末，由於本集團並無金融工具於初步確認後按公平值計量，故並無披露有關分析。

7. 資本風險管理

本集團管理其資本，以確保本集團內各實體能夠持續經營，同時亦透過優化債項與權益之平衡，為股東爭取最高回報。自二零一零年起，本集團整體策略保持不變。

本集團之資本架構包括債項(包括借貸及應付融資租賃款項)以及本公司擁有人應佔權益(包括已發行資本及儲備)。本公司董事不斷檢討資本架構。作為檢討一部分，董事考慮資本成本及資本相關風險。本集團將根據董事之意見透過發行新股及新增借貸，平衡其整體資本結構。

資本負債比率

於二零一一年及二零一零年十二月三十一日資本負債比率如下：

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8. Segment Information

The directors, being the chief operating decision maker, consider that the Group operates in a single operating segment as the revenue and profit are derived from the manufacture and sale of nonwoven fabric products used in automotive interior decoration parts and infrastructure to the customers in the PRC. In addition, all the Group's non-current assets are principally located in the PRC. Accordingly, no segment analysis is presented.

Information about product is set out in Note 9.

Information about major customers

For the year ended 31 December 2011, revenue generated from four (2010: three) customers of the Group amounting to RMB92,295,000 (2010: RMB54,216,000) has individually accounted for over 10% of the Group's total revenue. No other single customer contributed 10% or more to the Group's revenue for both years ended 31 December 2011 and 2010.

Revenue from major customers, each of them amounted to 10% or more of the Group's revenue, are set out below:

		2011	2010
		二零一一年	二零一零年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Customer A	客戶A	30,376	21,021
Customer B	客戶B	22,124	19,914
Customer C	客戶C	17,059	13,281
Customer D	客戶D	22,736	-

8. 分部資料

由於收入和溢利全部來自向中國客戶製造及銷售用於汽車內飾件和基建的無紡布產品，因此，董事(即主要經營決策者)認為本集團僅經營單一經營分部。此外，本集團非流動資產主要位於中國。故並無呈報分部分析。

有關產品的資料載於附註9。

有關主要客戶的資料

截至二零一一年十二月三十一日止年度，自本集團四名客戶(二零一零年：三名)產生的收入人民幣92,295,000元(二零一零年：人民幣54,216,000元)各自佔本集團總收入超過10%。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，概無其他單一客戶佔本集團的收入10%或以上。

主要客戶的收入(各佔本集團收入的10%或以上)載列如下：

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財務報表附註(續)

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9. Revenue

The Group's revenue represents sales of nonwoven fabric products used in automotive interior decoration parts and infrastructure.

An analysis of revenue is as follows:

		2011	2010
		二零一一年	二零一零年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Nonwoven fabric for use in automobiles	用於汽車的無紡布		
– Sale of automotive floor carpets	– 汽車地毯面料的銷售	96,771	75,773
– Sale of other automotive parts	– 其他汽車配件面料的銷售	56,121	43,048
Nonwoven fabric for use in infrastructure	用於基建的無紡布	3,584	4,269
		156,476	123,090

9. 收入

本集團收入指用於汽車內飾件和基建的無紡布產品的銷售。

收入的分析如下：

10. Other Income

		2011	2010
		二零一一年	二零一零年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Interest income	利息收入	24	25
Government grants (Note)	政府補助金(附註)	–	3,943
Technical support income	技術支援收入	600	3,000
Others	其他	374	212
		998	7,180

10. 其他收入

Note:

During the year ended 31 December 2010, government grants mainly represent reward of RMB3,000,000 from New District Administrative Committee of Wuxi Municipal People's Government for successful listing of the Company and compensation of RMB900,000 for the purpose of land restoration in previous year. They were determined at the sole discretion of the relevant PRC government authorities.

附註：

截至二零一零年十二月三十一日止年度，政府補助金主要指無錫市人民政府新區管理委員會因本公司的成功上市所授予之獎勵金人民幣3,000,000元，以及於過往年度因土地復墾所得補償人民幣900,000元。此等補助金均由相關中國政府機關全權酌情決定。

For the year ended 31 December 2011

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11. Profit from Operations

The Group's profit from operations is stated after charging/(crediting) the following:

11. 經營溢利

本集團的經營溢利已扣除/(計入)下列各項：

		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
Auditors' remuneration	核數師薪酬	482	527
Amortisation of prepaid land lease payments	攤銷預付土地租賃款項	73	73
Depreciation of property, plant and equipment	物業、廠房及設備折舊	3,415	3,153
Operating lease rentals in respect of rented premises	有關租賃物業的經營租賃費用	942	421
Staff costs including directors' remuneration:	員工成本(包括董事薪酬)：		
– Salaries and other benefits	– 薪金及其他福利	10,666	8,686
– Retirement benefits scheme contributions	– 退休福利計劃供款	2,654	1,940
Cost of inventories sold recognised as cost of sales	確認為銷售成本的已售存貨成本	89,446	69,811
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	47	315
Inventories written off	存貨撇銷	294	175
Impairment loss recognised on trade receivables	就貿易應收款項確認減值虧損	246	–
Research and development expenditure (Note (a))	研究及開發支出(附註(a))	4,973	8,256
Listing expenses	上市開支	–	6,723
Less: Government grant (Note (b))	減：政府補助金(附註(b))	–	(6,400)
		–	323

Notes:

- (a) The amount included in cost of sales for the year amounted to approximately RMB4,973,000 (2010: RMB8,191,000).
- (b) Government grant represents reward from Wuxi New District Jiangxi Sub-district Office for successful listing of the Company.

附註：

- (a) 年內入賬為銷售成本的金額約為人民幣4,973,000元(二零一零年：人民幣8,191,000元)。
- (b) 政府補助金指來自無錫市新區江溪街道辦事處因本公司成功上市而授予之獎勵金。

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12. Finance Costs

12. 融資成本

		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
Interest expenses on the Group's borrowings	本集團借款的利息費用		
– Short-term bank loans	– 銀行短期貸款	1,464	1,227
– Borrowings from unrelated parties wholly repayable within five years	– 來自非關連方須於五年內悉數清還的借款	–	8
Finance lease charges	融資租賃費用	26	43
Net foreign exchange loss	匯兌虧損淨額	–	421
		1,490	1,699

13. Income Tax Expense

13. 所得稅開支

		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 tax	即期稅項		
Provision for PRC enterprise income tax ("EIT")	中國企業所得稅 (「中國企業所得稅」)撥備	4,056	3,581
Overprovision for EIT in previous years	過往年度中國企業所得稅的超額撥備	(341)	–
Withholding tax for dividend from a subsidiary	有關一間附屬公司的股息預扣稅	–	770
Deferred tax	遞延稅項		
Current year	本年度	(91)	(368)
		3,624	3,983

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

No provision for Hong Kong Profits Tax is required since the Group has no assessable profit in Hong Kong during the year (2010: Nil).

根據開曼群島及英屬維爾京群島(「英屬維爾京群島」)規例及法規，本集團於開曼群島及英屬維爾京群島毋須繳納任何所得稅。

由於本集團於年內在香港並無產生任何應課稅溢利，故並無就香港利得稅作出撥備(二零一零年：無)。

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13. Income Tax Expense (Continued)

PRC EIT is calculated at the applicable rates based on estimated taxable income earned by the PRC subsidiary of the Group with certain tax preference, based on existing legislation, interpretation and practice in respect thereof.

Pursuant to the enterprise income tax rules and regulations of the PRC, the applicable PRC EIT rate of the Group's PRC subsidiary is 25%.

Joystar (Wuxi) Automotive Interior Decoration Co., Ltd. ("Joystar (Wuxi)"), being a foreign investment enterprise engaged in manufacturing activities in an advanced and new technology district, is entitled to an exemption from EIT for two years starting from its first profit-making year, followed by a 50% tax relief for the following three years. Joystar (Wuxi) was entitled to and enjoyed the first exemption year in 2006 and a 50% tax relief for the three years ended 31 December 2010. Therefore, the applicable income tax rate of Joystar (Wuxi) for the year ended 31 December 2010 is 12.5%.

Pursuant to PRC Enterprise Income Tax Law, an innovative and high-end technology enterprise may enjoy a preferential enterprise income tax rate of 15% ("IHT Enterprise Rate"). On 22 December 2009, Joystar (Wuxi) obtained the "Certificate of Innovative and High-end Technology Enterprise" with validity period of three years. The IHT Enterprise Rate enjoyed by Joystar (Wuxi) will be expired in December 2012. Consequently, the applicable income tax rate of Joystar (Wuxi) for the year ended 31 December 2011 is 15%.

13. 所得稅開支(續)

中國企業所得稅根據現行法例、詮釋及其相關慣例，按享有若干稅項優惠的本集團的中國附屬公司所賺取估計應課稅收入，以適用稅率計算。

根據中國企業所得稅規例及法規，本集團的中國附屬公司的適用中國企業所得稅率為25%。

怡星(無錫)汽車內飾件有限公司(「怡星(無錫)」)，為一家於高新技術區從事製造活動的外商投資企業，自其首個獲利年度起計兩年獲豁免繳納企業所得稅，隨後三年獲50%之稅項減免。怡星(無錫)於二零零六年有權並享有首個豁免年度，並於截至二零一零年十二月三十一日止三個年度享有50%稅項減免。因此，怡星(無錫)於截至二零一零年十二月三十一日止年度之適用所得稅率為12.5%。

根據中國企業所得稅法，高新技術企業可享有企業所得稅優惠稅率15%（「高新技術企業稅率」）。於二零零九年十二月二十二日，怡星(無錫)取得「高新技術企業證書」，有效期為三年。怡星(無錫)享有的高新技術企業稅率將於二零一二年十二月屆滿。因此，怡星(無錫)於截至二零一一年十二月三十一日止年度之適用所得稅率為15%。

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13. Income Tax Expense (Continued)

The reconciliation between the income tax expense and the profit before tax multiplied by the PRC enterprise income tax rate is as follows:

		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 tax	除稅前溢利	22,475	18,480
Tax at the PRC enterprise income tax rate of 25% (2010: 25%)	按中國企業所得稅稅率25%計算 (二零一零年：25%)	5,619	4,620
Tax effect of expenses that are not deductible	不可扣減開支的稅務影響	91	1,507
Tax effect of income that are not taxable	毋須課稅收入的稅務影響	(168)	18
PRC dividend withholding tax	中國股息預扣稅	-	531
Over provision in previous years	過往年度的超額撥備	(341)	-
Tax effect of tax preferential period	稅項優惠期的稅務影響	(2,579)	(3,553)
Effect of different tax rates of subsidiaries	附屬公司不同稅率的影響	341	860
Tax loss not recognised	未確認稅項虧損	661	-
Income tax expense	所得稅開支	3,624	3,983

Under the New Tax Law, from 1 January 2008, non-resident enterprises without an establishment or place of business in the PRC or which have an establishment or place of business in the PRC but whose relevant income is not effectively connected with the establishment or a place of business in the PRC, will be subject to withholding tax at the rate of 10% (unless reduced by treaty) on various types of passive income such as dividends derived from sources within the PRC.

According to the notice Caishui 2008 No. 1 released by the Ministry of Finance and the State Administration of Taxation, distributions of the pre-2008 retained profits of a foreign-invested enterprise to a foreign investor in 2008 or after are exempt from corporate income tax. Accordingly, the retained profits as at 31 December 2007 in the Group's PRC subsidiaries will not be subject to 10% withholding tax on future distributions.

13. 所得稅開支(續)

所得稅開支與除稅前溢利乘以中國企業所得稅稅率計算所得的對賬如下：

根據新稅法，自二零零八年一月一日起，於中國境內未設立機構或營業地點，或儘管於中國境內設立機構或營業地點但其相關收入與其於中國境內所設機構或營業地點無實際聯繫之非居民企業，將須就各種被動收入(如源於中國境內之股息)按10%稅率(除非按稅收協定減免)繳納預扣稅。

根據財政部及國家稅務總局發佈之財稅2008第1號通知，外商投資企業在二零零八年或之後向外國投資者分派二零零八年之前之保留溢利，均可獲豁免繳納企業所得稅。因此，將來作出分派時，本集團中國附屬公司於二零零七年十二月三十一日之保留溢利將毋須繳納10%的預扣稅。

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13. Income Tax Expense (Continued)

According to the EIT law, starting from 1 January 2008, 10% withholding income tax will be imposed on dividend relating to profits earned by the companies established in the PRC in the calendar year 2008 onwards to their foreign shareholders. For investors incorporated in Hong Kong which hold at least 25% of equity interest of those PRC companies, a preferential rate of 5% will be applied. The Group has applied the preferential rate of 5% as the Group's subsidiaries in the PRC are directly held by an investment holding company incorporated in Hong Kong. No deferred tax has been provided for in respect of the temporary differences attributable to such profits as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

14. Earnings Per Share

Basic earnings per share

The calculation of basic earnings per share attributable to owners of the Company is based on the profit for the year attributable to owners of the Company of approximately RMB18,851,000 (2010: RMB14,497,000) and the weighted average number of ordinary shares of 206,356,164 (2010: 162,876,712) in issue during the year. For the year ended 31 December 2010, the weighted average number of ordinary shares was adjusted to reflect the share issue on the Listing Date.

Diluted earnings per share

For the years ended 31 December 2011 and 2010, diluted earnings per share are the same as the basic earnings per share as the Company did not have any dilutive potential ordinary shares during the years ended 31 December 2011 and 2010.

13. 所得稅開支(續)

根據企業所得稅法，自二零零八年一月一日起，將就於二零零八年曆年以後於中國成立的公司所賺取的溢利向其外國股東所派付的股息實施10%預扣所得稅。對於持有該等中國公司至少25%股權於香港註冊成立的投資者而言，5%優惠稅率將予適用。本集團已應用5%優惠稅率，原因為本集團於中國的附屬公司乃由香港註冊成立的投資控股公司直接持有。本集團並無就該等溢利應佔暫時差額作出遞延稅項撥備，原因為本集團能夠控制暫時差額撥回時間及在可預見未來有可能不會撥回暫時差額。

14. 每股盈利

每股基本盈利

本公司擁有人應佔每股基本盈利的基準乃根據本公司擁有人應佔年度溢利約人民幣18,851,000元(二零一零年：人民幣14,497,000元)及年內已發行的普通股之加權平均數為206,356,164股(二零一零年：162,876,712股)計算得出。截至二零一零年十二月三十一日止年度，普通股之加權平均數經調整以反映於上市日期發行的股份。

每股攤薄盈利

由於本公司於截至二零一一年及二零一零年十二月三十一日止年度並無任何攤薄潛在普通股，故截至二零一一年及二零一零年十二月三十一日止年度，每股攤薄盈利與每股基本盈利相同。

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財務報表附註(續)

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15. Directors' Remuneration

Details of remuneration of the directors of the Company for the year, disclosed pursuant to the Listing Rules and Section 161 of the Hong Kong Companies Ordinance, are as follows:

15. 董事薪酬

根據上市規則及香港公司條例第161條披露本年度本公司董事薪酬的詳情如下：

Name of director	董事姓名	Fees		Salaries and allowances		Retirement benefit scheme contributions		Total	
		袍金		薪金及補貼		退休福利計劃供款		合計	
		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
		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
<i>Executive director</i>	<i>執行董事</i>								
Zhuang Yuejin	莊躍進	561	191	145	120	41	37	747	348
Pak Ping ("Mr. Pak")	白平(「白先生」)	225	77	-	-	12	2	237	79
Wong Hsiao Hung	黃小紅								
(removed on 10 October 2011)	(於二零一一年 十月十日被罷免)	564	179	-	-	10	2	574	181
Chen Xianping	陳顯平								
(resigned on 2 December 2011)	(於二零一一年 十二月二日辭任)	213	77	145	120	41	37	399	234
Ruan Bixia	阮碧霞	149	51	-	-	-	-	149	51
Wong Ho Yin	黃浩然								
(appointed on 30 June 2011)	(於二零一一年 六月三十日獲委任)	151	-	-	-	7	-	158	-
<i>Independent non-executive director</i>	<i>獨立非執行董事</i>								
Law Tze Lun	羅子璘								
(resigned on 9 September 2011)	(於二零一一年 九月九日辭任)	59	22	-	-	-	-	59	22
Tang Yanfei	湯炎非	50	13	-	-	-	-	50	13
Feng Xueben	馮學本	50	13	-	-	-	-	50	13
Mak Wai Ho	麥偉豪								
(appointed on 9 September 2011)	(於二零一一年 九月九日獲委任)	31	-	-	-	-	-	31	-
		2,053	623	290	240	111	78	2,454	941

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15. Directors' Remuneration (Continued)

From 1 January 2010 to 15 September 2010, Ms. Wong Hsiao Hung, a former executive director of the Company, has agreed to waive her emolument of RMB434,000. Save as disclosed above, there was no agreement under which a director waived or agreed to waive any emoluments during the year.

During the year ended 31 December 2011, no remuneration was paid by the Group to the directors as a discretionary bonus or an inducement to join or upon joining the Group or as compensation for loss of office (2010: Nil).

16. Five Highest Paid Employees

The five highest paid individuals in the Group during the year included 4 (2010: 3) directors, details of whose remuneration set out in Note 15 above. The emoluments of the remaining 1 (2010: 2) individuals are set out below:

		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
Basic salaries and allowances	基本薪金及津貼	166	624
Retirement benefits scheme contributions	退休福利計劃供款	5	40
		171	664

The emoluments fell within the following band:

		Number of individuals 人士數目	
		2011 二零一一年	2010 二零一零年
Nil to RMB1,000,000	零至人民幣1,000,000元	1	2

During the year ended 31 December 2011, no remuneration was paid by the Group to the five highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office (2010: Nil).

15. 董事薪酬(續)

自二零一零年一月一日至二零一零年九月十五日，本公司前執行董事黃小紅女士已同意豁免其酬金人民幣434,000元。除上述披露者外，概無董事於本年度內豁免或同意豁免任何酬金之安排。

於截至二零一一年十二月三十一日止年度，本集團概無向任何董事支付酬金，作為促使加入本集團或加入本集團後的酌情花紅或獎勵，或作為離職補償(二零一零年：無)。

16. 五名最高酬金僱員

本集團於本年度內五位最高薪酬人士包括四名(二零一零年：三名)董事，酬金詳情載列於上文附註15。餘下一名最高薪酬人士(二零一零年：兩名)的薪酬載列如下：

酬金介乎以下範圍內：

於截至二零一一年十二月三十一日止年度，本集團概無向五名最高薪酬僱員支付酬金，作為促使加入本集團或加入本集團後的獎勵，或作為離職補償(二零一零年：無)。

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17. Profit for the Year Attributable to the Owners of the Company

The profit for the year attributable to the owners of the Company included a loss of approximately RMB3,651,000 (2010: RMB8,715,000) which has been dealt with in the financial statements of the Company.

18. Dividend

The directors do not recommend the payments of any dividend in respect of the year ended 31 December 2011 (2010: Nil).

17. 本公司擁有人應佔年度溢利

本公司擁有人應佔年度溢利包括已於本公司財務報表處理的虧損約人民幣3,651,000元(二零一零年：人民幣8,715,000元)。

18. 股息

董事不建議就截至二零一一年十二月三十一日止年度派付任何股息(二零一零年：無)。

Notes to the Financial Statements (Continued)
財務報表附註(續)

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19. Property, Plant and Equipment

19. 物業、廠房及設備

		The Group 本集團						
		Buildings 樓宇 RMB'000 人民幣千元	Plant and machinery 廠房及機械 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Furniture and fixtures 傢俬及裝置 RMB'000 人民幣千元	Leasehold improvement 租賃物業裝修 RMB'000 人民幣千元	Construction in progress 在建工程 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Cost	成本							
At 1 January 2010	二零一零年一月一日	9,640	27,254	1,856	608	1,548	-	40,906
Additions	添置	-	1,523	461	241	270	3,568	6,063
Transfer from construction in progress	在建工程轉入	-	2,218	-	-	-	(2,218)	-
Reclassification	重新分類	-	(66)	-	66	-	-	-
Disposals	出售	-	(1,251)	-	-	-	-	(1,251)
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	9,640	29,678	2,317	915	1,818	1,350	45,718
Additions	添置	-	1,338	135	16	423	15,751	17,663
Transfer from construction in progress	在建工程轉入	376	16,725	-	-	-	(17,101)	-
Disposals	出售	-	(6,881)	(69)	-	-	-	(6,950)
At 31 December 2011	於二零一一年十二月三十一日	10,016	40,860	2,383	931	2,241	-	56,431
Accumulated depreciation and impairment	累計折舊及減值							
At 1 January 2010	於二零一零年一月一日	1,539	7,169	342	386	862	-	10,298
Charge for the year	年度支出	322	2,320	247	125	139	-	3,153
Reclassification	重新分類	-	(1)	-	1	-	-	-
Disposals	出售	-	(571)	-	-	-	-	(571)
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	1,861	8,917	589	512	1,001	-	12,880
Charge for the year	年度支出	327	2,453	289	117	229	-	3,415
Disposals	出售	-	(2,062)	(55)	-	-	-	(2,117)
At 31 December 2011	於二零一一年十二月三十一日	2,188	9,308	823	629	1,230	-	14,178
Net book value	賬面淨值							
At 31 December 2011	於二零一一年十二月三十一日	7,828	31,552	1,560	302	1,011	-	42,253
At 31 December 2010	於二零一零年十二月三十一日	7,779	20,761	1,728	403	817	1,350	32,838

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19. Property, Plant and Equipment (Continued)

At 31 December 2011, the carrying amount of buildings of the Group pledged as security for the Group's bank loans amounted to approximately RMB7,828,000 (2010: RMB7,779,000).

At 31 December 2011, the carrying amount of motor vehicles held by the Group under finance leases amounted to approximately RMB785,000 (2010: RMB920,000).

20. Prepaid Land Lease Payments

		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 assets	流動資產	73	73
Non-current assets	非流動資產	2,990	3,063
		3,063	3,136

Analysed for reporting purposes as:

就報告而言之分析：

		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
At the beginning of the year	於年初	3,136	3,209
Amortisation for the year	年度攤銷	(73)	(73)
At the end of the year	於年底	3,063	3,136

The Group's prepaid land lease payments represent payment for land use rights outside Hong Kong under medium term leases.

At 31 December 2011, the carrying amount of prepaid land lease payments pledged as security for the Group's bank loans amounted to approximately RMB3,063,000 (2010: RMB3,136,000).

19 物業、廠房及設備(續)

於二零一一年十二月三十一日，本集團質押賬面值約為人民幣7,828,000元(二零一零年：人民幣7,779,000元)的樓宇作為其銀行貸款的抵押品。

於二零一一年十二月三十一日，本集團於融資租賃項下所持汽車的賬面值約為人民幣785,000元(二零一零年：人民幣920,000元)。

20. 預付土地租賃款項

本集團的預付土地租賃款項指有關屬中期租約在香港以外地區的土地使用權支付款項。

於二零一一年十二月三十一日，本集團質押賬面值約為人民幣3,063,000元(二零一零年：人民幣3,136,000元)的預付土地租賃款項作為其銀行貸款的抵押品。

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21. Loan Receivables

The loan receivables represent advances to individuals who are independent third parties. The amounts due are unsecured, interest free and fully settled during the year ended 31 December 2011 (2010: repayable in 2 to 5 years).

As at 31 December 2010, the loan receivables are neither past due nor impaired.

21. 應收貸款

應收貸款指向身為獨立第三方的個別人士作出的墊款。有關款項乃為無抵押、免息及於截至二零一一年十二月三十一日止年度(二零一零年：2至5年內償還)悉數償還。

於二零一零年十二月三十一日，應收貸款概無逾期或減值。

22. Investments in Subsidiaries

22. 於附屬公司之投資

		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
Unlisted shares, at costs	非上市股份，按成本	17,872	17,553
Amounts due from subsidiaries	應收附屬公司款項	23,492	32,605
Amounts due to subsidiaries	應付附屬公司款項	310	6,275

The amounts due from/to subsidiaries are unsecured, interest free and recoverable/repayable on demand.

應收／付附屬公司款項乃為無抵押、免息且按要求收回／償還。

Notes to the Financial Statements (Continued)

財務報表附註(續)

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22. Investments in Subsidiaries (Continued)

Particulars of the subsidiaries of the Company as at 31 December 2011 were as follows:

22. 於附屬公司之投資(續)

於二零一一年十二月三十一日，有關本公司附屬公司的詳情載列如下：

Name of Company 公司名稱	Place of incorporation/ registration and operation 註冊成立／登記及 營業地點	Issued and paid up capital 已發行及 繳足股本	Percentage of equity attributable to the Company 本公司應佔權益 百分比		Principal activities 主要業務
			Direct	Indirect	
			直接	間接	
Joystar (BVI) Automotive Interior Decoration Limited	British Virgin Islands ("BVI") 英屬維爾京群島 (「英屬維爾京群島」)	USD1 1美元	100%	–	Investment holding 投資控股
Joystar (BVI) Auto Inter-parts Limited	BVI 英屬維爾京群島	USD1 1美元	100%	–	Investment holding 投資控股
Link Excellent Limited	BVI 英屬維爾京群島	USD50,000 50,000美元	100%	–	Investment holding 投資控股
Joystar International Investment Limited 怡星國際投資有限公司	Hong Kong 香港	HK\$1,170,177 1,170,177港元	–	100%	Investment holding 投資控股
Joystar China Investment Limited 怡星中國投資有限公司	Hong Kong 香港	HK\$1 1港元	–	100%	Dormant 暫無營業
Joystar (Wuxi) 怡星(無錫)	PRC 中國	USD7,477,172 7,477,172美元	–	100%	Manufacturing of nonwoven fabric products used in automotive interior decoration parts and infrastructure 製造用於汽車內飾件及 基建的無紡布產品
Link Sharp International Limited	Hong Kong 香港	HK\$10,000 10,000港元	–	100%	Dormant 暫無營業

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23. Inventories

23. 存貨

		The Group 本集團	
		2011	2010
		二零一一年	二零一零年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Raw materials	原材料	6,257	5,105
Work in progress	在製品	1,195	795
Finished goods	製成品	6,354	4,037
		13,806	9,937

24. Trade Receivables

24. 貿易應收款項

		The Group 本集團	
		2011	2010
		二零一一年	二零一零年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Trade receivables	貿易應收款項	60,611	47,222
Allowance for doubtful debts	呆賬撥備	(502)	(256)
		60,109	46,966

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24. Trade Receivables (Continued)

The aging analysis of trade receivables, based on the invoice date, and net of allowance for doubtful debts, is as follows:

		The Group 本集團	
		2011 二零一一年	2010 二零一零年
		RMB'000 人民幣千元	RMB'000 人民幣千元
0 to 90 days	0至90日	49,203	40,485
91 to 180 days	91至180日	10,733	5,462
181 to 365 days	181至365日	173	681
Over 365 days	超過365日	—	338
		60,109	46,966

The Group's trading terms with customers are mainly on credit. The credit terms generally ranging from 30 to 120 days (2010: ranging from 30 days to 120 days), depending on the creditworthiness of customers and the existing relationship with the Group. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. Trade receivables are non-interest bearing.

The carrying amounts of the Group's trade receivables are denominated in Renminbi.

As at 31 December 2011, approximately RMB7,437,000 (2010: RMB6,401,000) of trade receivables were pledged to a bank to secure short-term bank loans as set out in Note 33 to the financial statements.

As at 31 December 2011, trade receivables of approximately RMB17,491,000 (2010: RMB11,359,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The Group does not hold any collateral over these balances.

24. 貿易應收款項(續)

根據發票日期，貿易應收款項的賬齡分析(經扣除呆賬撥備)如下：

本集團與客戶的貿易條款主要為信貸。根據客戶信貸級別及與本集團的現有關係，信貸期一般介乎30至120日(二零一零年：介乎30至120日)。本集團致力嚴謹監控未付之應收款項。逾期未付之結餘由高級管理層定期審閱。貿易應收款項為免息款項。

本集團的貿易應收款項之賬面值乃以人民幣計值。

於二零一一年十二月三十一日，貿易應收款項約人民幣7,437,000元(二零一零年：人民幣6,401,000元)已向銀行抵押作為短期銀行貸款(載於財務報表附註33)之擔保。

於二零一一年十二月三十一日，貿易應收款項約人民幣17,491,000元(二零一零年：人民幣11,359,000元)已逾期但未減值。該等款項涉及若干無近期拖欠記錄的獨立客戶。本集團現時並無就該等結餘持有任何抵押品。

Notes to the Financial Statements (Continued)

財務報表附註(續)

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24. Trade Receivables (Continued)

The aging analysis of these trade receivables is as follows:

		2011	2010
		二零一一年	二零一零年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Overdue by:	逾期：		
0 to 90 days	0至90日	17,482	10,295
91 to 180 days	91至180日	9	365
181 to 365 days	181至365日	–	361
Over 365 days	超過365日	–	338
		17,491	11,359

As at 31 December 2011, an allowance was made for estimated irrecoverable trade receivables of approximately RMB246,000 (2010: Nil). The impaired trade receivables related to customers that were in financial difficulties and management assessed that the receivables were not recoverable. The Group does not hold any collateral over these balances.

The aged analysis of the Group's trade receivables which are impaired is presented as follows:

		2011	2010
		二零一一年	二零一零年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Overdue by:	逾期：		
181 to 365 days	181至365日	222	–
Over 365 days	超過365日	280	256
		502	256

24. 貿易應收款項(續)

該等貿易應收款項的賬齡分析如下：

於二零一一年十二月三十一日，已就估計不可收回貿易應收款項約人民幣246,000元(二零一零年：無)作出撥備。已減值應收款項與處於財政困難的客戶有關，管理層評估該等應收款項乃為不可收回。本集團現時並無就該等結餘持有任何抵押品。

本集團已減值貿易應收款項的賬齡分析如下：

Notes to the Financial Statements (Continued)
財務報表附註(續)

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24. Trade Receivables (Continued)

Movement in the allowance for doubtful debts:

		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
At 1 January	於一月一日	256	256
Impairment loss recognised on trade receivables	確認為貿易應收款項之減值虧損	246	—
At 31 December	於十二月三十一日	502	256

24. 貿易應收款項(續)

呆賬撥備變動：

25. Prepayments, Deposits and Other Receivables

25. 預付款項、按金及其他應收款項

		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
Advances to suppliers	向供應商墊款	—	2,017
Trade deposits	貿易按金	6,959	11,000
Prepayments	預付款項	1,665	410
Receivables from disposal of property, plant and equipment	出售物業、廠房及設備之應收款項	5,361	—
Others	其他	1,273	3,391
		15,258	16,818

		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
Prepayments	預付款項	82	—

None of the above assets is either past due or impaired. The financial assets included in the above balances related to receivables for which there was no recent history of default.

上述資產概無逾期或減值。上述結餘載列的金融資產與近期並無拖欠記錄的應收款項有關。

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26. Amount Due from a Director**26. 應收一名股東款項**

		The Group 本集團	
Maximum balance outstanding during the year 年內未償還最高金額		2011 二零一一年	2010 二零一零年
RMB'000 人民幣千元		RMB'000 人民幣千元	RMB'000 人民幣千元
Mr. Chen Xianping 陳顯平先生	38	-	38

The amount due from a director is unsecured, interest free and recoverable on demand.

應收一名董事款項乃為無抵押、免息且按要求收回。

Mr. Chen Xianping has resigned as an executive director of the Company on 2 December 2011.

陳顯平先生已於二零一一年十二月二日辭任本公司執行董事。

27. Cash and Bank Balances

As at 31 December 2011, cash and bank balances are denominated in the following currencies:

27. 現金及銀行結餘

於二零一一年十二月三十一日，現金及銀行結餘按以下貨幣計值：

		The Group 本集團	
		2011 二零一一年	2010 二零一零年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Renminbi 人民幣	10,380	16,097	
Hong Kong dollars 港元	6,006	1,465	
United States dollars 美元	1	60	
Euro 歐元	-	1,368	
	16,387	18,990	

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27. Cash and Bank Balances (Continued)

27. 現金及銀行結餘(續)

		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
Renminbi	人民幣	2	2
Hong Kong dollars	港元	5,872	450
		5,874	452

As at 31 December 2011, the bank balances of the Group denominated in Renminbi amounted to approximately RMB10,368,000 (2010: RMB16,095,000) were kept in banks in the PRC. Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

於二零一一年十二月三十一日，本集團以人民幣計值並存放於中國境內銀行之銀行結餘約為人民幣10,368,000元(二零一零年：人民幣16,095,000元)。人民幣兌換成外幣須遵守中國外匯管理條例及結匯、售匯及付款外匯管理規定。

Notes to the Financial Statements (Continued)

財務報表附註(續)

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28. Share Capital

28. 股本

		Note	Number of shares 股份數目	Amount 金額 HK\$'000 港幣千元	Amount 金額 RMB'000 人民幣千元
Authorised:	法定：				
Ordinary shares or HK\$0.1 each	每股面值0.1港元之普通股				
At 1 January 2010	於二零一零年一月一日	(a)	3,800,000	380	333
Increase in authorised ordinary shares	增加法定普通股	(c)	9,996,200,000	999,620	863,162
At 31 December 2010 and 31 December 2011	於二零一零年十二月三十一日及二零一一年十二月三十一日		10,000,000,000	1,000,000	863,495
Issued and fully paid:	已發行及繳足：				
Ordinary shares or HK\$0.1 each	每股面值0.1港元之普通股				
At 1 January 2010	於二零一零年一月一日		1	1	1
Shares swap	股份互換	(b)	3,799,999	379	332
Capitalisation	資本化	(d)	146,200,000	14,620	12,624
Issue of shares by way of placing	以配售方式發行股份	(e)	50,000,000	5,000	4,318
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		200,000,000	20,000	17,275
Issue of shares by way of placing	以配售方式發行股份	(f)	40,000,000	4,000	3,277
At 31 December 2011	於二零一一年十二月三十一日		240,000,000	24,000	20,552

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28. Share Capital (Continued)

Note:

- (a) The Company was incorporated on 9 December 2009 in the Cayman Islands under the Companies Laws as an exempted company with limited liability, with an authorised share capital of HK\$380,000 divided into 3,800,000 shares of HK\$0.1 each. On the same date, one share was allotted and issued nil paid to the shareholder and transferred to Ms. Wong Hsiao Hung.
- (b) On 18 June 2010, pursuant to a share swap agreement entered into among the Company, Joystar (BVI) Automotive Interior Decoration Limited, Joystar International Investment Limited and all of the then shareholders of Joystar International Investment Limited, Joystar (BVI) Automotive Interior Decoration Limited acquired the entire issued share capital of Joystar International Investment Limited from the then shareholders of Joystar International Investment Limited comprising the same persons as the shareholders of the Company immediately prior to the capitalisation issue and the placing of shares, in consideration of (i) Joystar (BVI) Automotive Interior Decoration Limited crediting as paid up the initial one nil paid share of Joystar (BVI) Automotive Interior Decoration Limited; (ii) the Company crediting as fully paid at par the initial one nil paid share allotted in (a); (iii) the Company allotting and issuing 3,799,999 shares to shareholders of Joystar International Investment Limited immediately before such share swap.
- (c) On 13 September 2010, the authorised share capital of the Company was increased from HK\$380,000 to HK\$1,000,000,000 by the creation of an additional 9,996,200,000 shares of HK\$0.10 each.
- (d) On 24 September 2010, conditional upon the crediting of the Company's share premium account as a result of the issue of placing shares pursuant to the placing, the Directors are authorised to capitalise a sum of HK\$14,620,000 standing to the credit of the share premium account of the Company by applying such sum towards the paying up in full at par a total of 146,200,000 shares for allotment and issue.
- (e) In connection with the placing of shares of the Company, an aggregate of 50,000,000 new ordinary shares with HK\$0.1 each were issued at a price of HK\$0.93 per share for a total cash consideration, before of issuance costs, of HK\$46,500,000.
- (f) On 3 November 2011, the Company issued 40,000,000 shares of HK\$0.1 each at the price of HK\$0.25 each by way of placing.

28. 股本(續)

附註：

- (a) 本公司於二零零九年十二月九日在開曼群島根據公司法註冊成立為獲豁免有限公司，法定股本為380,000港元，分為3,800,000股每股面值0.1港元的股份。同日，一股未繳足股份配發及發行予股東並已轉讓予黃小紅女士。
- (b) 於二零一零年六月十八日，根據本公司、Joystar (BVI) Automotive Interior Decoration Limited、怡星國際投資有限公司及怡星國際投資有限公司當時的全體股東訂立的股份互換協議，Joystar (BVI) Automotive Interior Decoration Limited 自怡星國際投資有限公司當時的股東收購怡星國際投資有限公司全部已發行股本，怡星國際投資有限公司當時的股東與緊接本公司於資本化發行及股份配售前本公司的股東乃相同人士，而有關代價為(i) Joystar (BVI) Automotive Interior Decoration Limited 將 Joystar (BVI) Automotive Interior Decoration Limited最初的一股未繳足股份入賬列為繳足；(ii)本公司將(a)當中配發的最初一股未繳足股份入賬列為繳足；(iii)緊接該股份互換前，本公司向怡星國際投資有限公司的股東配發及發行3,799,999股股份。
- (c) 於二零一零年九月十三日，本公司的法定股本透過新增9,996,200,000股每股面值為0.10港元的股份由380,000港元增至1,000,000,000港元。
- (d) 於二零一零年九月二十四日，根據配售發行配售股份而有待計入本公司股份溢價賬，董事獲授權自本公司股份溢價賬中資本化合共14,620,000港元，此乃透過動用上述金額以賬面值配發及發行合共146,200,000股股份。
- (e) 就本公司股份配售而言，合共50,000,000股每股面值為0.1港元的新普通股份以每股0.93港元之價格發行，總現金代價為46,500,000港元(扣除發行成本前)。
- (f) 於二零一一年十一月三日，本公司以配售方式按每股0.25港元之價格發行40,000,000股每股面值0.1港元之股份。

Notes to the Financial Statements (Continued)

財務報表附註(續)

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29. Reserves

The Group

The amounts of the Group's reserves and movements therein for the current and prior year and presented in the consolidated statement of changes in equity.

The Company

29. 儲備

本集團

本集團目前及過往年度之儲備金額及其變動於綜合權益變動表內呈列。

本公司

		Share premium 股份溢價 RMB'000 人民幣千元	Contributed surplus 繳入盈餘 RMB'000 人民幣千元	Foreign currency translation reserve 外幣換算儲備 RMB'000 人民幣千元	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	-	-	-	-	-
Loss for the year	年內虧損	-	-	-	(8,715)	(8,715)
Other comprehensive loss for the year, net of income tax:	年內其他全面虧損，除所得稅：					
Exchange differences on translating foreign currency	換算外幣之匯兌差額	-	-	(516)	-	(516)
Total comprehensive loss for the year	年內全面虧損總額	-	-	(516)	(8,715)	(9,231)
Reorganisation	重組	-	17,219	-	-	17,219
Issue of shares on placement	配售時發行股份	35,835	-	-	-	35,835
Capitalisation issue	資本化發行	(12,624)	-	-	-	(12,624)
Share issue expenses	股份發行開支	(4,646)	-	-	-	(4,646)
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	18,565	17,219	(516)	(8,715)	26,553
Loss for the year	年內虧損	-	-	-	(3,651)	(3,651)
Other comprehensive loss for the year, net of income tax:	年內其他全面虧損，除所得稅：					
Exchange differences on translating foreign currency	換算外幣之匯兌差額	-	-	(923)	-	(923)
Total comprehensive loss for the year	年內全面虧損總額	-	-	(923)	(3,651)	(4,574)
Issue of shares on placement	配售時發行股份	4,915	-	-	-	4,915
Share issue expenses	股份發行開支	(786)	-	-	-	(786)
At 31 December 2011	於二零一一年十二月三十一日	22,694	17,219	(1,439)	(12,366)	26,108

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29. Reserves (Continued)

Note:

Share premium

Under the Companies Law of the Cayman Islands, the funds in the share premium of the Company are distributable to the shareholders 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.

Share premium represents premium arising from the issue of shares at a price in excess of their par value per share and after deduction of capitalisation issue and issuance costs of placing of shares.

Merger reserve

The merger reserve of the Group arose as a result of the Group reorganisation implemented in preparation for the listing of the Company's shares in 2010 and represented the difference between the nominal value of the aggregate share capital of the subsidiaries acquired under the reorganisation scheme, over the nominal value of the share capital of the Company issued in exchange therefore.

Foreign currency translation reserve

The foreign currency 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 4 to the financial statements.

Statutory reserve

Subsidiaries of the Company established in the PRC shall appropriate 10% of its annual statutory net profit (after offsetting any prior year's losses) to the statutory reserve fund account in accordance with the PRC Company Law. When the balance of such reserve fund reaches 50% of the entity's share capital, any further appropriation is optional. The statutory reserve fund can be utilised to offset prior year's losses or to increase capital after proper approval.

29. 儲備(續)

附註：

股份溢價

根據開曼群島公司法，本公司股份溢價賬內的資金可供分配予本公司股東，惟緊隨建議派付股息日期後，本公司將仍有能力於日常業務過程中償還到期的債務。

股份溢價指按超過股份每股面值之價格發行股份及於扣除資本化發行及配售股份發行成本後產生的溢價。

合併儲備

本集團之合併儲備產生於二零一零年籌備本公司股份上市而所進行的重組，指根據重組計劃收購的附屬公司股本總額的面值與高於本公司據此發行以作交換的股本面值間的差額。

外幣換算儲備

外幣換算儲備包括換算海外業務財務報表而產生的所有外匯差額。該儲備乃按財務報表附註4所載列的會計政策處理。

法定儲備

根據中國公司法，本公司於中國成立之附屬公司須將其年度法定純利(經扣除過往年度虧損後)約10%撥往法定儲備金賬戶。倘該儲備金之結餘達該實體股本之50%，則可選擇是否作任何進一步分派。於獲得適當批准後，法定儲備金可用作抵銷過往年度虧損或增資。

Notes to the Financial Statements (Continued)

財務報表附註(續)

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30. Trade Payables

The aging analysis of trade payables, based on the invoice dates, is as follows:

		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
0 to 90 days	0至90日	8,256	14,567
91 to 180 days	91至180日	561	291
181 to 365 days	181至365日	1,138	394
Over 365 days	超過365日	419	220
		10,374	15,472

Trade payables generally have credit terms ranging from 10 days to 60 days (2010: ranging from 10 days to 60 days).

All trade payables are denominated in Renminbi.

30. 貿易應付款項

根據發票日期，貿易應付款項的賬齡分析如下：

貿易應付款項的信貸期一般介乎10日至60日(二零一零年：介乎10日至60日)。

所有貿易應付款項均以人民幣計值。

31. Accruals and Other Payables

		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
Advance from customers	客戶墊款	609	273
Accruals of staff costs	應計員工成本	3,026	3,003
Accruals of operating expenses	應計經營開支	594	4,760
VAT payables	應付增值稅	87	706
Others	其他	634	903
		4,950	9,645

31. 應計費用及其他應付款項

Accruals of operating expenses

應計經營開支

350

507

		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
Accruals of operating expenses	應計經營開支	350	507

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32. Amounts due to Shareholders

Amounts due to shareholders were denominated in Renminbi, unsecured, interest free and repayable on demand.

32. 應付股東款項

應付股東款項以人民幣計值，乃為無抵押、免息且按要求償還。

33. Borrowings

33. 借款

		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
Short-term bank loans, secured	短期銀行貸款，有抵押	25,000	21,000
Loans from unrelated parties, unsecured	非關連方貸款，無抵押	—	848
		25,000	21,848

The maturities of the above borrowings are as follows:

上述借款到期日如下：

		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
Carrying amount repayable:	應償還款項賬面值：		
On demand or within one year	按要求償還或於一年內	25,000	21,848
Less: Amounts shown under current liabilities	減：於流動負債項下顯示的款項	(25,000)	(21,848)
Amount due after one year	於一年後應付的款項	—	—

As at 31 December 2011, the short-term bank loans were secured by charges over the Group's buildings, prepaid land lease payments and trade receivables of approximately RMB7,828,000 (2010: RMB7,779,000), RMB3,063,000 (2010: RMB3,163,000) and RMB7,437,000 (2010: RMB6,401,000) respectively. The weighted average effective interest rate on the short-term bank loans is 6.49% (2010: 5.11%) per annum.

於二零一一年十二月三十一日，短期銀行貸款由本集團樓宇、預付土地租賃款項及貿易應收款項分別約人民幣7,828,000元(二零一零年：人民幣7,779,000元)、人民幣3,063,000元(二零一零年：人民幣3,163,000元)及人民幣7,437,000元(二零一零年：人民幣6,401,000元)作抵押。短期銀行貸款之加權平均實際利率為每年6.49厘(二零一零年：5.11厘)。

The loans from unrelated parties were unsecured, interest free and repayable on demand. The loans from unrelated parties were fully settled during the year ended 31 December 2011.

非關連方貸款乃為無抵押、免息且按要求償還。非關連方貸款已於截至二零一一年十二月三十一日止年度悉數償還。

The carrying amounts of all the Group's borrowings are denominated in Renminbi.

本集團全部借款之賬面值均以人民幣計值。

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34. Finance Lease Payables

34. 應付融資租賃款項

		The Group 本集團			
		Minimum lease payments 最低租賃付款		Present value of minimum lease payments 最低租賃付款現值	
		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
Amounts payable under finance leases:	融資租賃應付款項：				
Within one year	一年內	216	260	209	234
In more than one year and not more than five years	超過一年但少於五年	—	216	—	209
		216	476	209	443
Less: future finance charges	減：未來融資支出	(7)	(33)	N/A	N/A
Present value of lease obligations	租賃承擔現值	209	443	209	443
Less: amount due for settlement within 12 months (shown under current liabilities)	減：流動負債項下所列須於12個月內償還的款項			(209)	(234)
Amount due for settlement after 12 months	於12個月後償還的款項			—	209

The Group leased certain of its property, plant and equipment under finance leases. At 31 December 2011, the average effective interest rate was 7.6% (2010: 7.6%), with remaining lease term of 0.83 years (2010: 1.83 years). Interest rates are fixed at the contract dates and all leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

All finance lease payables are denominated in Renminbi.

The Group's finance lease payables are secured by the lessor's title to the leased assets and personal guarantee executed by a director and shareholder of the Company, and a director of Joystar (Wuxi).

本集團以融資租賃的方式租賃若干物業、廠房及設備。於二零一一年十二月三十一日，平均實際借貸利率為7.6厘(二零一零年：7.6厘)，而餘下租賃期限為0.83年(二零一零年：1.83年)。利率於訂約日期已經釐定，且所有租賃均屬固定償還形式及並無就或然租金作出安排。

所有應付融資租賃款項均以人民幣計值。

本集團的應付融資租賃款項均以租賃資產的出租人業權及個人擔保(由本公司之董事及股東以及怡星(無錫)之一名董事簽立)作為抵押。

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35. Deferred Taxation**The Group**

The following are the major deferred tax assets and liabilities recognised and movements thereon during the current and prior years:

		Amortisation of prepaid land lease payments	Decelerated tax depreciation	Withholding tax on undistributed profits of PRC subsidiary 中國 附屬公司之 未分派溢利的 預扣稅	Total
		攤銷 預付土地 租賃款項 RMB'000 人民幣千元	減速 稅項 折舊 RMB'000 人民幣千元	RMB'000 人民幣千元	合計 RMB'000 人民幣千元
At 1 January 2010	於二零一零年一月一日	31	603	(247)	387
Credit to profit or loss for the year	計入年內損益	4	125	239	368
Exchange differences	匯兌差額	-	-	8	8
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	35	728	-	763
Credit to profit or loss for the year	計入年內損益	-	91	-	91
At 31 December 2011	於二零一一年十二月三十一日	35	819	-	854

The following is the analysis of the deferred tax balances (after offset) for consolidated statement of financial position purposes:

以下為就綜合財務狀況表而言之遞延稅項結餘(抵銷後)之分析：

		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
Deferred tax assets	遞延稅項資產	854	763

Note:

At the end of the reporting period, the Group did not has any unused tax losses (2010: Nil) available for offset against future profits that may be carried forward indefinitely.

附註：

於報告期末，本集團並無擁有任何可用作抵銷未來溢利並可無限期結轉的尚未動用稅項虧損(二零一零年：無)。

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36. Operating Lease Commitment

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases within fall due as follows:

		The Group 本集團	
		2011	2010
		二零一一年	二零一零年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Within one year	一年內	484	781
In the second to fifth years inclusive	第二至第五年(包括首尾兩年)	1,620	1,620
After five years	五年後	304	709
		2,408	3,110

Operating lease payments represent rentals payable by the Group for its warehouse, factory and office premises. Leases are negotiated for a range from 1 to 7 years (2010: 1 to 7 years) and rentals are fixed over the lease terms and do not include contingent rentals. The Group does not have an option to purchase the leased asset at the expiry of the lease period.

36. 經營租賃承擔

於報告期末，本集團之不可撤銷經營租賃在下列期間屆滿的未來最低租賃款項承擔如下：

經營租賃款項指本集團就倉庫、工廠及辦公室物業應付的租金。租期議定為介乎一至七年(二零一零年：一至七年)，而租金按租賃條款釐定，不包括或然租金。本集團並無於租期屆滿時購買租賃資產之選擇權。

37. Capital Commitment

The Group's capital commitments at the end of the reporting period are as follows:

		The Group 本集團	
		2011	2010
		二零一一年	二零一零年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Acquisition of prepaid land lease payments Contracted but not provided for	收購預付租賃款項 已訂約但未撥備	13,347	13,347
Property, plant and equipment Contracted but not provided for	物業、廠房及設備 已訂約但未撥備	2,358	700
		15,705	14,047

37. 資本承擔

於報告期末，本集團的資本承擔如下：

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

38. Contingent Liabilities

As at 31 December 2011, the Group and the Company did not have any significant contingent liabilities (2010: Nil).

39. Pledge of Assets

At 31 December 2011 and 2010, certain property, plant and equipment (Note 19), prepaid land lease payments (Note 20) and trade receivables (Note 24) of the Group were pledged as collateral for secured bank loans (Note 33) and finance lease payables (Note 34) granted to the Group.

At 31 December 2011 and 2010, the Company did not pledge any assets at the end of the reporting period.

40. Retirement Benefits Scheme

The Group operates a mandatory provident fund scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for all qualifying employees in Hong Kong. The Group's contributions to the MPF Scheme are calculated at 5% of the salaries and wages subject to a monthly maximum amount of contribution of HK\$1,000 per employee and vest fully with employees when contributed into the MPF Scheme.

The employees of the Group's subsidiary established in the PRC are members of a central pension scheme operated by the local municipal government. This subsidiary is required to contribute certain percentage of the employees' basic salaries and wages to the central pension scheme to fund the retirement benefits. The local municipal government undertakes to assume the retirement benefits obligations of all existing and future retired employees of this subsidiary. The only obligation of this subsidiary with respect to the central pension scheme is to meet the required contributions under the scheme.

38. 或然負債

於二零一一年十二月三十一日，本集團及本公司並無任何重大或然負債(二零一零年：無)。

39. 資產抵押

於二零一一年及二零一零年十二月三十一日，本集團若干物業、廠房及設備(附註19)、預付土地租賃款項(附註20)及貿易應收款項(附註24)已作為授予本集團抵押銀行貸款(附註33)及應付融資租賃款項(附註34)之抵押品進行抵押。

於二零一一年及二零一零年十二月三十一日，本公司並無於報告期末抵押任何資產。

40. 退休福利計劃

本集團根據香港強制性公積金計劃條例為香港所有合資格僱員設立強制性公積金計劃(「強積金計劃」)。本集團向強積金計劃之供款乃按照僱員薪金及工資之5%計算，每名僱員每月供款上限為1,000港元。當已向強積金計劃作出供款後，即盡歸僱員所有。

於中國成立之本集團附屬公司之僱員為地方市政府營運之中央退休金計劃成員。該附屬公司須就僱員基本薪金及工資之若干百分比向中央退休金計劃供款，作為退休福利之資金。地方市政府承諾承擔該附屬公司所有現有及未來退休僱員之退休福利責任。該附屬公司就中央退休金計劃之唯一責任是根據計劃作出所需供款。

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

41. Material Related Party Transactions

In addition to the transactions and balances as disclosed elsewhere in the consolidated financial statements, the Group entered into the following material transaction with related parties during the year:

(a) Transactions with related parties

		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
Sales of plant and machinery from related companies in which a director and shareholder of the Company has controlling interest	自本公司董事及股東擁有控股權的關連公司銷售廠房及機器	-	375
Salary received by a shareholder	一名股東已收薪金	48	96
Waiver of interest expenses on amount due to a shareholder	豁免應付一名股東款項的利息開支	-	131
		48	96

(b) Compensation of key management personnel

Compensation for key management personnel, including amount paid to the Company's directors is as follows:

		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
Salaries and other short-term benefits	薪金及其他短期利益	2,343	863
Employer contribution to pension scheme	退休金計劃僱主供款	111	78
		2,454	941

(c) Mr. Pak, a director and shareholder of the Company, and Ms. Zhu Xiudian, a director of Joystar (Wuxi), entered into a personal guarantee agreement dated 29 September 2009 with Mercedes-Benz Auto Finance Limited to secure the Group's finance lease payables (Note 34).

41. 重大關連方交易

除綜合財務報表內其他地方披露的交易及結餘外，年內本集團與其關連方訂有以下重大交易：

(a) 與關連方之交易

(b) 主要管理人員之補償

主要管理人員之補償，包括已付本公司董事金額如下：

(c) 本公司董事兼股東白先生及怡星(無錫)董事朱秀端女士與梅賽德斯-奔馳汽車金融有限公司訂立日期為二零零九年九月二十九日之個人擔保協議以為本集團之應付融資租賃款項作出抵押(附註34)。

For the year ended 31 December 2011

截至二零一一年十二月三十一日止年度

42. Non-Cash Transactions

During the year ended 31 December 2010, amounts due to shareholders of approximately RMB5,261,000 was settled by issue of new ordinary shares of 170,177 shares of HK\$1 each in a subsidiary to the respective shareholders.

43. Comparative

Certain comparative amounts have been reclassified to conform with the current year's presentation.

44. Events after the Reporting Period

No significant events after reporting period of the Group are required to be disclosed in the financial statements.

45. Authorisation for Issue of Consolidated Financial Statements

The financial statements were approved and authorised for issue by the Board of Directors on 2 March 2012.

42. 非現金交易

截至二零一零年十二月三十一日止年度，應付股東款項約人民幣5,261,000元乃透過於一間附屬公司向相關股東發行170,177股每股面值1港元之新普通股予以清償。

43. 比較數字

若干比較數字已重新分類以符合本年度的呈報方式。

44. 報告期後事項

本集團於報告期後並無須於財務報表披露的重大事項。

45. 授權刊發綜合財務報表

財務報表已於二零一二年三月二日獲董事會批准及授權刊發。

Summary of Financial Information

財務資料概要

The following is a summary of the published results and of the assets and liabilities of the Group prepared on the bases set out in the note below:

以下為本集團按下列附註所載基準編製之已刊發業績與資產及負債概要：

		Year ended 31 December 截至十二月三十一日止年度			
		2008	2009	2010	2011
		二零零八年	二零零九年	二零一零年	二零一一年
		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
Revenue	收入	66,852	87,363	123,090	156,476
Gross profit	毛利	15,632	27,058	29,316	42,006
Profit before tax	除稅前溢利	5,414	14,160	18,480	22,475
Profit for the year attributable to owners of the Company	本公司擁有人應佔年度溢利	4,352	12,084	14,497	18,851
Basic earnings per share (RMB cents)	每股基本盈利(人民幣分)	2.9	8.1	8.9	9.1

		As at 31 December 於十二月三十一日			
		2008	2009	2010	2011
		二零零八年	二零零九年	二零一零年	二零一一年
		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
Non-current assets	非流動資產	28,555	34,558	36,782	46,097
Current assets	流動資產	51,311	65,329	98,862	109,033
Current liabilities	流動負債	60,723	68,155	49,085	42,556
Net assets	淨資產	18,951	31,042	86,350	112,574



Website 網址: <http://www.joystar.com.hk>