



Yongsheng Advanced Materials Company Limited 永盛新材料有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號：3608

Annual Report 2013 年報



Content

目錄

Financial Highlights	財務摘要	2
Corporate Information	公司資料	4
Chairman's Statement	主席報告	7
Management Discussion and Analysis	管理層討論及分析	12
Financial Review	財務回顧	20
Directors and Senior Management	董事及高級管理層	37
Corporate Governance Report	企業管治報告	45
Report of the Directors	董事會報告	60
Independent Auditor's Report	獨立核數師報告	74
Financial Statements	財務報表	
Consolidated Balance Sheet	合併資產負債表	76
Balance Sheet of the Company	本公司資產負債表	78
Consolidated Statement of Comprehensive Income	合併綜合收益表	79
Consolidated Statement of Changes in Equity	合併權益變動表	81
Consolidated Cash Flow Statement	合併現金流量表	82
Notes to the Consolidated Financial Statements	合併財務報表附註	84
Four-year Financial Summary	四年財務概要	179

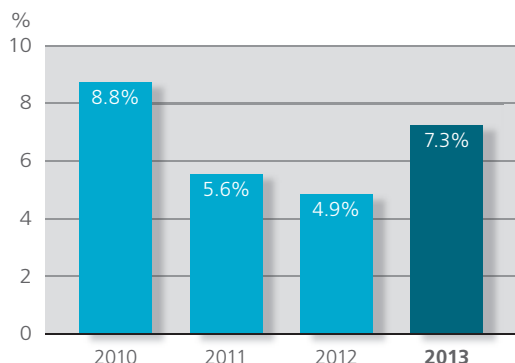
Financial Highlights

財務摘要

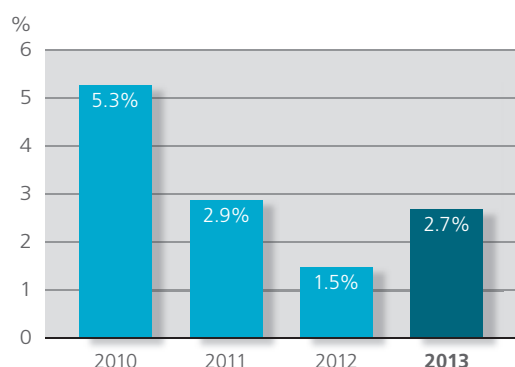
Statement of Comprehensive Income		For the year ended 31 December		
		截至十二月三十一日止年度		
		RMB million		Changes
		人民幣百萬元		
		2013	2012	變化
		二零一三年	二零一二年	
Revenue	收益	1,767.4	2,210.9	-20.1%
Gross profit	毛利	128.8	109.1	+18.0%
Operating profit	經營溢利	77.8	58.8	+32.4%
Profit before income tax	除所得稅前溢利	65.1	39.0	+66.7%
Net profit excluding investment income and listing expenses	扣除投資收入及上市開支的溢利	57.8	37.1	+55.9%
Profit attributable to shareholders of the Company	本公司股東應佔溢利	40.0	23.2	+72.7%
Profit attributable to shareholders of the Company, excluding investment income and listing expenses	扣除投資收入及上市開支的本公司股東應佔溢利	49.3	27.2	+80.9%
Earnings per share (RMB)	每股盈利(人民幣)	0.13	0.08	+67.4%

Balance Sheet		As at 31 December		
		於十二月三十一日		
		RMB million		Changes
		人民幣百萬元		
		2013	2012	變化
		二零一三年	二零一二年	
Non-current assets	非流動資產	178.4	190.1	-6.1%
Current assets	流動資產	545.0	891.2	-38.8%
Current liabilities	流動負債	(368.2)	(830.0)	-55.6%
Net current assets	流動資產淨值	176.9	61.2	+189.0%
Non-current liabilities	非流動負債	(38.1)	(60.0)	-36.4%
Net assets	淨資產	317.1	191.3	+65.8%

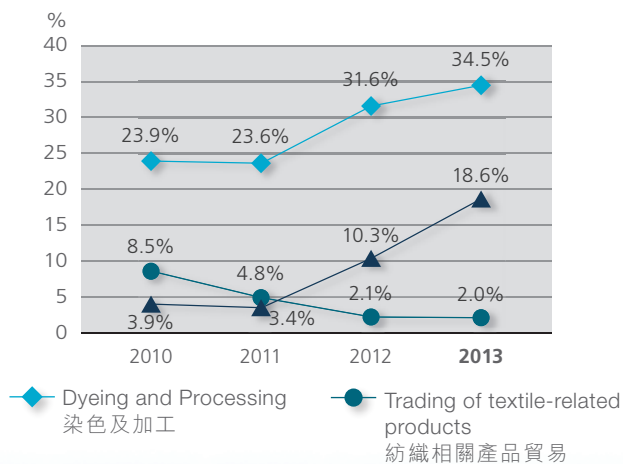
Gross Profit Margin of the Group 集團毛利率



Net Profit Margin of the Group 集團純利率



Gross Profit Margin by Business Segment 毛利率按業務分部



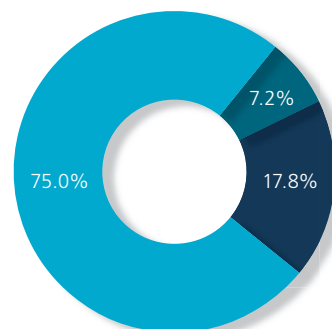
◆ Dyeing and Processing
染色及加工

● Trading of textile-related products
紡織相關產品貿易

▲ Polyester filament yarn production
滌綸長絲生產

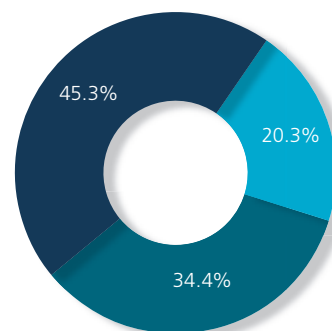
Revenue by Business Segment 業務分部收益佔比

For the year ended 31 December 2013
截至二零一三年十二月三十一日止年度



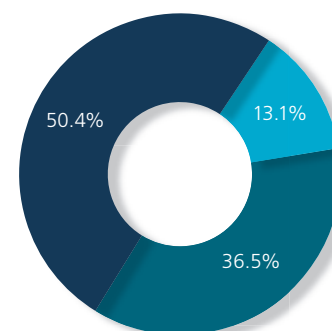
Gross Profit by Business Segment 業務分部毛利佔比

For the year ended 31 December 2013
截至二零一三年十二月三十一日止年度



Operating Profit by Business Segment 業務分部經營溢利佔比

For the year ended 31 December 2013
截至二零一三年十二月三十一日止年度



● Trading of textile-related products
紡織相關產品貿易

● Dyeing and processing products
染色及加工

● Polyester filament yarn production
滌綸長絲生產

Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Li Cheng (*Chairman*)
Mr. Zhao Jidong (*Chief Executive Officer*)
Mr. Li Conghua
Mr. Ma Qinghai

Independent Non-executive Directors

Ms. Wong Wai Ling
Mr. Duan Xiaoping
Mr. Shiping James Wang

AUDIT COMMITTEE

Ms. Wong Wai Ling (*Chairlady*)
Mr. Duan Xiaoping
Mr. Shiping James Wang

REMUNERATION COMMITTEE

Ms. Wong Wai Ling (*Chairlady*)
Mr. Zhao Jidong
Mr. Duan Xiaoping

NOMINATION COMMITTEE

Mr. Li Cheng (*Chairman*)
Mr. Duan Xiaoping
Mr. Shiping James Wang

AUTHORISED REPRESENTATIVES

Mr. Li Cheng
Mr. Leung Ho Yan, Julian

COMPANY SECRETARY

Mr. Leung Ho Yan, Julian

QUALIFIED ACCOUNTANT

Mr. Leung Ho Yan, Julian

AUDITORS

PricewaterhouseCoopers

COMPLIANCE ADVISER

Haitong International Capital Limited

董事會

執行董事

李誠先生 (*主席*)
趙繼東先生 (*行政總裁*)
李聰華先生
馬青海先生

獨立非執行董事

黃慧玲女士
端小平先生
王世平先生

審核委員會

黃慧玲女士 (*主席*)
端小平先生
王世平先生

薪酬委員會

黃慧玲女士 (*主席*)
趙繼東先生
端小平先生

提名委員會

李誠先生 (*主席*)
端小平先生
王世平先生

授權代表

李誠先生
梁浩仁先生

公司秘書

梁浩仁先生

合資格會計師

梁浩仁先生

核數師

羅兵咸永道會計師事務所

合規顧問

海通國際資本有限公司

LEGAL ADVISER AS TO HONG KONG LAWS

Loong & Yeung Solicitors

LEGAL ADVISER AS TO PRC LAWS

Tianyuan Law Firm

REGISTERED OFFICE

Clifton House, 75 Fort Street, PO Box 1350,
Grand Cayman, KY1-1108, Cayman Islands

Headquarter and principal place of business in Hong Kong

Office 1616, 16th Floor, Tower Two Lippo Centre,
No. 89 Queensway, Hong Kong

COMPANY'S WEBSITE

Website: www.chinaysgroup.com

STOCK CODE

3608

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Appleby Trust (Cayman) Ltd.
Clifton House, 75 Fort Street, PO Box 1350
Grand Cayman, KY1-1108, Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
26th Floor, Tesbury Centre,
28 Queens' Road East,
Wanchai, Hong Kong
(which will be relocated to
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong, with effect from
31 March 2014)

PRINCIPAL BANKERS

Bank of China
The Agricultural Bank of China
China CITIC Bank

關於香港法律之法律顧問

龍炳坤·楊永安律師行

關於中國法律之法律顧問

北京市天元律師事務所

註冊辦事處

Clifton House, 75 Fort Street, PO Box 1350,
Grand Cayman, KY1-1108, Cayman Islands

香港總辦事處及主要營業地點

香港金鐘道89號
力寶中心2座16樓1616室

本公司網址

網址：www.chinaysgroup.com

股份代號

3608

開曼群島股份過戶登記總處

Appleby Trust (Cayman) Ltd.
Clifton House, 75 Fort Street, PO Box 1350
Grand Cayman, KY1-1108, Cayman Islands

香港股份過戶登記分處

卓佳證券登記有限公司
香港灣仔
皇后大道東28號
金鐘匯中心26樓
(其將搬遷至
香港皇后大道東183號
合和中心22樓·
自二零一四年三月三十一日起生效)

主要往來銀行

中國銀行
中國農業銀行
中信銀行



Chairman's Statement

主席報告

Chairman's Statement

主席報告



Li Cheng 李誠

Chairman and Executive Director
主席兼執行董事

On behalf of the board (the “Board”) of directors (the “Directors”) of Yongsheng Advanced Materials Company Limited (the “Company” and together with its subsidiaries, the “Group”), I am pleased to present the annual results of the Group for the year ended 31 December 2013 (the “Year Under Review”).

2013 was a year of advancement for the Group. The Company was successfully listed on the main board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 27 November 2013. Its share offer was well received by investors, marking the important first step of the Group’s capital internationalization process, and laid a solid foundation for sustainable development of the Group’s business in future. The business development of the Group first began with the trading of textile-related products. After two decades of dedication and diligence, it has now become a high technique textile group of companies integrating science, research, innovation and efficiency. Its principal business segments include (1) the production of polyester filament yarn, (2) the dyeing and processing of differentiated polyester filament fabric, and (3) the trading of textile-related products. Polyester filament yarn is mainly categorized into regular polyester filament yarn and differentiated polyester filament yarn. Differentiated polyester filament yarn is high value-added, usually used in customized products with special functionalities. Differentiated polyester filament yarn produced by the Group can be further synthesized into silk-like, cotton-like, leather-like, wool-like or linen-like materials, thus it is widely recognized by mid to high-end fabric and apparel producers as well as home furnishings and sofa manufactures.

本人謹代表永盛新材料有限公司（「本公司」，及連同其附屬公司，「本集團」）之董事（「董事」）會（「董事會」），欣然提呈本集團截至二零一三年十二月三十一日止年度（「回顧年內」）之全年業績。

二零一三年是本集團邁向新里程的一年。本公司於二零一三年十一月二十七日在香港聯合交易所（「聯交所」）主板成功掛牌上市。股份發售獲得了投資者的熱烈支持，標誌著本集團在資本國際化進程中邁進了重要的第一步，並為本集團日後業務的迅猛發展奠定了穩扎的基礎。永盛新材料的業務發展由紡織相關產品貿易展開，經過二十年的努力，至今已發展成一家以誠信經營，集科研創新、高效和規範於一身的高技術企業，主要業務包括(1)滌綸長絲生產、(2)差別化滌綸面料染色及加工，以及(3)紡織相關產品貿易。滌綸長絲主要分為常規滌綸長絲及差別化滌綸長絲，差別化滌綸長絲一般為具特殊性能的訂制產品，且具有較高附加值。本集團生產的差別化滌綸長絲更可仿造成類似絲綢、棉花、皮革、羊毛或亞麻等物料，故備受中、高端面料或服飾生產商，以及家居及沙發製造商推崇。

ACHIEVING RAPID GROWTH WITH DIFFERENTIATED STRATEGY

Despite stagnant macroeconomic recovery, the Chinese textile industry has been riding on an upward trend as a result of the stable growth of domestic economy and stimulating policies of the Chinese government. The textile industry in the PRC has all along been maintaining an upward trend, and the demand for polyester filament yarn and diversified fabric thereby surged. In 2013, by adhering to the operational strategy of "Innovation, Expansion, Standardization and Development", the Group's business achieved remarkable growth. During the Year Under Review, we focused on our major advantageous business segments: (1) the production of polyester filament yarn and (2) the dyeing and processing of differentiated polyester filament fabric. These two business segments drove a substantial increase in overall gross profit and maintained a positive operating momentum. Incorporating our stringent risk control and strategic product mix, our trading business of textile related products maintained stable sales despite a downturn of domestic and foreign markets. For the year ended 31 December 2013, total revenue and profit of the Group amounted to RMB1,767.4 million and RMB48.5 million respectively, representing a year-on-year decrease of 20.1% and increase of 47.1% respectively. Profit attributable to shareholders of the Company was RMB40.0 million, representing a year-on-year increase of 72.7%.

圍繞差異化戰略 實現業務快速增長

在宏觀經濟依舊嚴峻的形勢下，受惠國內經濟的穩定增長及中國政府的刺激政策推動，中國紡織行業一直保持上升趨勢，從而帶動滌綸長絲及多元化面料的需求。二零一三年，我們本著「創新、開拓、規範、發展」的經營策略，乘勢而上，取得了顯著的業績增長。回顧年內，我們專注發展兩大優勢業務：(1)滌綸長絲生產及(2)差別化滌綸面料染色及加工業務，使整體毛利得以大大提高，維持良好的經營勢頭。而憑藉我們嚴謹的風險控制及良好的產品結構，本集團的紡織相關產品貿易業務在國內外市場低迷的情況下，仍然維持穩定銷售。本集團截至二零一三年十二月三十一日止年度總收益及年內溢利分別為人民幣1,767.4百萬元及人民幣48.5百萬元，同比分別下降20.1%及上升47.1%。本公司股東應佔溢利為人民幣40.0百萬元，同比增長72.7%。



Looking back into 2013, the Group implemented a management strategy of "Differentiation and Substantiation". By leveraging on our research and development expertise, we established advanced and technological techniques with differentiation. The differentiated products of the Group were hence further migrating towards diversification.

During the Year Under Review, the Group successfully developed 21 differentiated polyester filament yarn and 9 differentiated polyester fabric dyeing techniques. Our new products had penetrated into the market and created new sources of revenue for the Group within a year. Our research and development capability obtained further recognition in the industry during the Year Under Review. In addition to receiving the award of "Best Applications of Materials" of the 2013 China International Fabrics Design Competition, the "Product Development Contribution Award" by China Textile Industry Associations and the title of "Municipal Enterprise Technical Centre" in Hangzhou, the Group became the main drafter of national standards for "Elastic Polyester DW", and undertook the "Project of Introducing, Appreciating and Assimilating SSS". At the same time, the Group applied for 16 new patents, of which, 1 patent and 14 patents has been granted in 2013 and first quarter of 2014 respectively, which further broadening its product development system and unveiled the continuous development in product differentiation of the Group. It had further strengthened the Group's confidence to gradually optimize and enhance its differentiated polyester filament yarn products and also the fabric dyeing and processing.

Seizing opportunities and making innovative breakthroughs

In 2014, "Seizing Opportunities and Making Innovative Breakthroughs" will be the strategy of the Group. Throughout years of hard work, the Group has gradually mastered the core technology of manufacturing differentiated products and that resulted in noticeably improved performance. As the Group had successfully entered the international capital market, the enhanced capital is beneficial to its development in terms of enhancing its competitive advantage, achieving technology innovation, scale expansion and market development.

回顧過去一年，我們實現了推進「差異化、實體化」的科學管理戰略，利用核心的研發優勢，打造出高科技、具差異化的技術。本集團差異化產品更趨向多元化發展。

回顧年內，我們已成功開發21種差別化滌綸長絲及9項差別化滌綸面料染色技術，新產品於僅僅一年的時間已迅速佔領市場，為本集團帶來了新的收入來源。我們的研發能力亦得到業內的進一步肯定與認可。除榮獲二零一三年中國國際面料設計大賽之「最佳材料應用獎」、中國紡織工業協會之「產品開發貢獻獎」及杭州市「市級企業技術中心」稱號外，我們更作為主起草單位以擬定國家《彈性滌綸牽伸絲》的標準，以及承接了「SSY引進消化吸收項目」。同時，本集團於回顧年內共申請16個新專利，其中1個及14個已分別於二零一三年及二零一四年第一季獲授權，進一步拓寬了我們的產品開發體系，為本集團差異化的持續發展揭開序幕，更加堅定了我們在差別化滌綸長絲產品，以及面料染色及加工領域上逐步做優、做強的信心。

搶抓機遇 創新突破

推進「搶抓機遇、創新突破」是本集團二零一四年的重點方針。經過近幾年的努力，我們已逐步掌握差異化產品的核心技術，經營業績也因此錄得了重大躍進。隨著本集團成功進入國際資本市場這個大平台，更充裕的資本有助增強我們的競爭優勢，實現技術創新、規模擴張及市場開拓等多方面的良性發展。

Chairman's Statement

主席報告

In year of 2014, the Group will focus on deepening its research and development efforts on differentiated products and technologies as well as intensifying its marketing strategies. We have already planned to increase the production capacity of differentiated polyester filament yarn and dyeing and processing capability of differentiated fabrics. In addition, to launch more high value-added products to the market as soon as possible, the Group will emphasize on making technological breakthroughs in the production of new products like imitation of acetate fiber, split type fiber and new elastic materials. By leveraging on the geographical advantage of being adjacent to the textile industry hub region in Hangzhou, Zhejiang Province, the Group will grasp latest market trends to carry out precise marketing and network expansion plans and effectively promote new products to target customers and secure markets share proactively.

Furthermore, facing the economic uncertainties in the coming year, the Group will be vigilant in internal management and strive to enhance internal control while enhancing operation efficiency. On one hand, we will perfect our management standards, prudently optimize resources and build up corporate culture to enhance the overall operational efficiency. On the other hand, we will broaden our business presence, improve procurement and sales strategies to strengthen the Group's risk management capabilities.

By upholding the corporate spirit of "Integrity, Cooperation, Reciprocity, Learning and Innovation", the Group has consistently achieved gratifying results in operational efficiency, internal control and product innovation. To cater to the rapid development of polyester filament yarn market in the PRC, we will continue our efforts in research and development and marketing, to consolidate our core competitive advantages through scientific and technological innovations to make breakthroughs. In the future, the management of the Group and I will continue to lead the Group with the goal to turn the Group into a world-class premier enterprise and demonstrate our potential values to international capital markets. On behalf of the Board, I hereby express my sincere gratitude to the management, all our staff, shareholders and business partners for their consideration and support to the Company.

Li Cheng

Chairman

Hong Kong, 25 March 2014

二零一四年，本集團將重點深化差別化產品及技術的研發力度，以及加強市場推廣策略。我們已計劃增加差別化滌綸長絲產能及差別化面料染色及加工能力，重點攻克突破仿醋酸纖維、裂片纖維及新型彈性材料等新品種，務求以最短時間將高附加值新產品推向市場。而借助我們鄰近浙江省杭州市紡織業中心地帶的地理優勢，我們可迅速獲得最新市場動向，以推行精準的市場及網絡拓展計劃，更有效地將新產品推向目標客戶，積極搶佔市場。

此外，面對來年經濟環境可能存在的不確定性，我們會時刻自省警惕，在提升營運水平的同時，致力強化內控管理。我們將一方面對內完善管理，整合內部資源及推進企業文化建設，以提高整體營運效益；另一方面則對外深化業務佈局，完善採購和銷售策略，提高本集團應對經營風險的能力。

我們一直秉承「誠信、合作、互惠、學習、創新」的企業精神，使本集團在經營效益、內部經營管控，以至產品創新上都取得了令人可喜的成績。為了迎合快速發展的中國滌綸長絲市場，我們將抓緊研發和市場兩大重點，堅持科技創新，積極尋求突破，以鞏固我們的核心競爭力。未來，我與本集團管理層將繼續帶領本集團向前邁進，旨在將本集團打造成世界級優質企業，向國際資本市場展現我們的潛在價值。在此，我謹代表董事會向管理層、全體員工及各位股東及業務夥伴，對本公司的關心和支持表示衷心感謝。

主席

李誠

香港，二零一四年三月二十五日



Management Discussion and Analysis

管理層討論及分析

Management Discussion and Analysis

管理層討論及分析

MARKET REVIEW

In 2013, despite the global financial environment began to show signs of improvement, however, the global economy still remained volatile at its recovery stage with potential risks in the macro-economic growth. On the contrary, the PRC's overall economy remained stable during the Year Under Review with a GDP growth of 7.7% year-on-year; while total import and export value grew by approximately 7.6% over 2012, which was in line with the expected growth rate.

Domestic demand for mid to high-end textile products is surging rapidly as a result of rapid urbanization, increase in national disposable income and change in lifestyle in the PRC. Major customers of the Group's polyester filament yarn production and dyeing and processing business are differentiated fabric manufacturers and downstream manufacturers of home furnishings and sofa. As the disposable per capita income for urban and rural residents in the PRC continued to grow at 7.0% and 9.3% respectively in 2013, the demand for textile products and relevant consumer products boomed. The domestic demand for high-quality and diversified textile, garment and home furnishing products thus burgeoned. The Group's revenue from differentiated polyester filament yarn production and dyeing and processing business recorded a substantial growth during the year.

BUSINESS REVIEW

The Group is principally engaged in textile-related business in the PRC, namely (1) the production of polyester filament yarn, (2) the dyeing and processing of differentiated polyester filament fabric and (3) the trading of textile-related products. During the Year Under Review, the Group continued its efforts in the research and development of differentiated polyester filament yarn production and dyeing and processing of differentiated polyester filament fabric, as well as making appropriate adjustments to the trading business of textile-related products, thereby accomplished a healthy growth in terms of corporate development and financial performance.

市場回顧

二零一三年，儘管各國金融環境開始呈改善跡象，全球經濟仍然處於脆弱的復甦階段，宏觀經濟增長不穩定風險依然存在。然而，中國整體經濟於年內持續穩健，國內生產總值按年增長達7.7%，進出口總值較二零一二年增長約7.6%，符合預期的增長。

受惠於城鎮化的快速推進、國民可支配收入增加及生活方式的變動，國內中、高檔紡織品需求正在快速釋放。本集團的滌綸長絲生產、染色及加工業務的主要客戶為差別化面料生產商，家居及沙發的下游製造商。二零一三年，在全國城鎮居民和農村居民人均可支配收入分別繼續增長達7.0%和9.3%之下，其增長推動了紡織產品及相關消費品的需求，帶動了國內消費者對高質、多樣化的服裝和家居產品的需求。本集團的差別化滌綸長絲生產、染色及加工業務收益於回顧年內錄得快速增長。

業務回顧

本集團主要於中國從事紡織相關業務，包括(1)滌綸長絲生產、(2)差別化滌綸面料染色及加工，以及(3)紡織相關產品貿易。於年度內，本集團繼續提升有關差別化滌綸長絲生產和差別化滌綸面料染色及加工的研發力度，以及適度調整紡織相關產品貿易業務，所以在企業發展及業績表現方面均獲得穩健增長。

For the year ended 31 December 2013, consolidated total comprehensive income of the Group increased significantly when compared with 2012. Revenue of the Group was RMB1,767.4 million, a decrease of 20.1% from RMB2,210.9 million in 2012. Gross profit increased by 18.0% to RMB128.8 million (2012: RMB109.1 million). In 2013, the Group focused on developing its higher profit margin business segments – the production of differentiated polyester filament yarn and the processing of differentiated polyester fabric. As such, the Group's gross profit margin improved to 7.3%, up by 2.4 percentage points (2012: 4.9%). The improvement in gross profit was mainly contributable to the increase in gross profit of RMB23.5 million and RMB7.1 million in the Group's polyester filament yarn production business and dyeing and processing business respectively. Profit for the year amounted to RMB48.5 million, increased by 47.1% from RMB33.0 million in 2012. Profit attributable to shareholders of the Company grew significantly by 72.7% to RMB40.0 million as compared with RMB23.2 million in 2012.

During the year, the Group's revenue from the development and production of polyester filament yarn, the dyeing and processing of differentiated polyester filament fabric and trading of textile-related products accounted for 17.8%, 7.2% and 75.0% of the Group's total revenue respectively. Operating profit of the three major business segments accounted for 50.4%, 36.5% and 13.1% of the Group's total operating profit respectively.

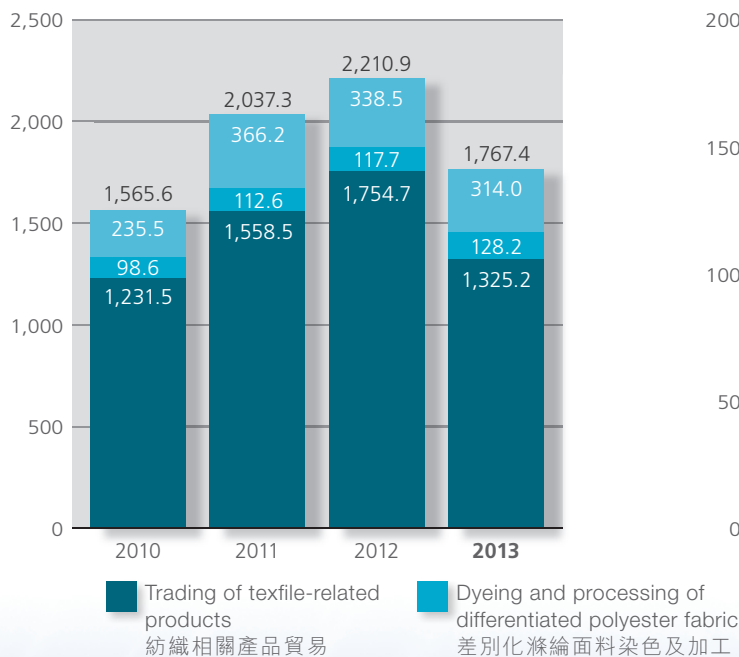
截至二零一三年十二月三十一日止年度，本集團的全面收益總額較去年大幅增加。本集團整體收益人民幣1,767.4百萬元，較二零一二年人民幣2,210.9百萬元下降20.1%，整體毛利較上年人民幣109.1百萬元增加18.0%至人民幣128.8百萬元。二零一三年，本集團專注發展差別化滌綸長絲生產和差別化滌綸面料加工兩大毛利率較高的業務分部，以至整體毛利率能得到提升達7.3%，較去年4.9%增加2.4個百分點。整體毛利提高主要由於本集團的滌綸長絲生產業務以及染色及加工業務的毛利分別增加人民幣23.5百萬元及人民幣7.1百萬元所致。年內溢利為48.5百萬元，較二零一二年人民幣33.0百萬元增加47.1%。本公司股東應佔溢利由上年人民幣23.2百萬元上升至人民幣40.0百萬元，增長72.7%。

回顧年內，本集團滌綸長絲開發及製造、滌綸面料染色及加工和紡織相關產品貿易之收益分別佔本集團總收益17.8%、7.2%和75.0%；分部經營溢利分別佔本集團的總經營溢利的50.4%、36.5%和13.1%。

REVENUE BY BUSINESS SEGMENTS

收益按業務分析

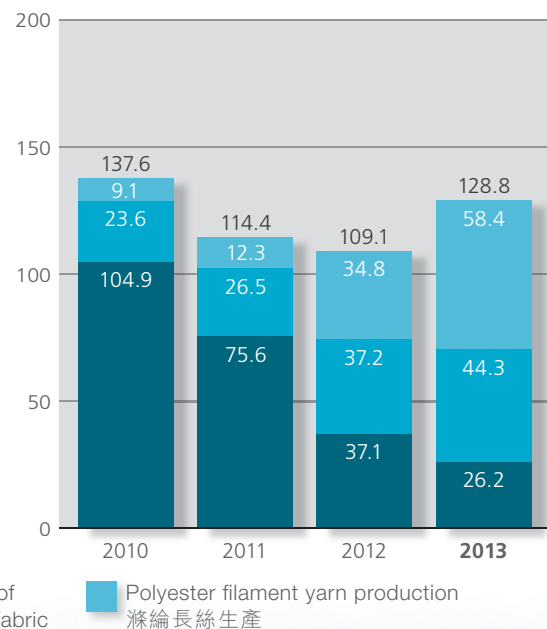
RMB million
人民幣百萬元



GROSS PROFIT BY BUSINESS SEGMENTS

毛利按業務分析

RMB million
人民幣百萬元



Production of Polyester Filament Yarn

The Group is a developer and manufacturer of regular and differentiated polyester filament yarn in the PRC. Regular polyester filament yarn is directly spun from polymerizing melt without adding any extra chemical component or changing the shape or linear density of the filament; whereas differentiated polyester filament yarn carries special properties and functionalities, and it is generally custom-made for specific textures or qualities. Differentiated polyester filament yarn products have strong bargaining power and are relatively less dependable on raw material prices, and have higher gross profit margin than regular products. Since 2013, the Group began to focus on the production and sales on high profit margin differentiated polyester filament yarn products, which became a major driver of the Group's revenue growth. In 2013, revenue of polyester filament yarn segment amounted to RMB314.0 million (2012: RMB338.5 million), accounting for 17.8% (2012: 15.3%) of the Group's total revenue for the Year Under Review. The regular polyester filament yarn and differentiated polyester filament yarn accounted for 20.5% and 79.5% of segment revenue respectively. Contributed by the significant increase of 60.3% in revenue of differentiated products with high gross margin, the segment gross profit margin increased from 10.3% in 2012 to 18.6% in 2013, and respective gross profit margin of regular products and differentiated products were 4.3% and 22.3%. The segment operating profit margin increased significantly to 14.6% from 7.0% in 2012, up by 7.6 percentage points.

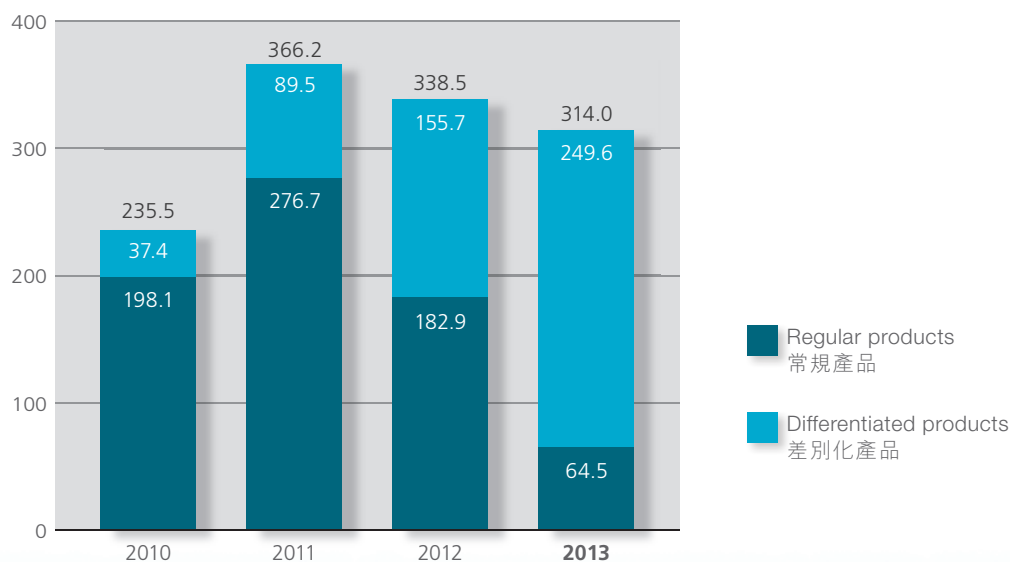
滌綸長絲生產

本集團為中國常規及差別化滌綸長絲開發商及製造。常規滌綸長絲為直接由聚酯切片紡成的滌綸長絲，未有添加任何額外的化學成份或改變長絲的形狀或線密度。而差別化滌綸長絲則為具有特殊的特性與功能的滌綸長絲，一般為替客戶度身訂制而具有特定質地或質量的產品。差別化滌綸長絲產品具有較大的議價能力，對原材料價格的依賴度相對較低，其毛利率亦較常規產品高。本集團自二零一三年開始逐步專注於生產及銷售利潤率較高的差別化滌綸長絲產品，成為收益增長的主要動力。二零一三年，滌綸長絲分部收益為人民幣314.0百萬元（二零一二年：人民幣338.5百萬元），佔本集團年內總收益17.8%（二零一二年：15.3%）。常規滌綸長絲及差別化滌綸長絲則分別佔分部收益20.5%和79.5%。受惠於毛利率較高的差別化產品的收益大幅上升60.3%，分部毛利率由二零一二年10.3%上升至二零一三年18.6%，常規產品和差別化產品的毛利率分別為4.3%和22.3%。分部經營溢利率由去年7.0%顯著增加至14.6%，增長達7.6個百分點。

REVENUE ANALYSIS: POLYESTER FILAMENT YARN PRODUCTION

滌綸長絲生產分部的收入分析

RMB million
人民幣百萬元



The Group's polyester filament yarn production facilities are located in Hangzhou, Zhejiang Province and Nantong, Jiangsu Province respectively. In 2013, the production facilities had a total of 29 polyester filament yarn production lines with total production capacity of 22,000 tonnes per year. During the Year Under Review, revenue derived from sales of differentiated polyester filament yarn accounted for 79.5% of the segment revenue, jumped by 33.5 percentage points over 46.0% in 2012. Sales volume of differentiated polyester filament yarn accounted for 68.0% of segment sales volume, significantly increased by 34.4 percentage points over 33.6% in the previous year. Moreover, the Group's differentiated polyester filament yarn is unique owing to its anti-bacterial, ultraviolet resistant, water absorbing, anti-abrasion, drape well and dry-touch qualities. Its physical properties could be processed to resemble products of silk, cotton, leather, wool or linen, for fabric manufacturers to produce high-end apparel and home furnishings. As at 31 December 2013, the Group had successfully developed 21 differentiated polyester filament yarns, including SPH, a kind of differentiated polyester filament yarn which has lasting elasticity and a linen-like and cotton-like feel. During the year, the application of the Group's differentiated polyester filament yarn – Tianjieduan was awarded the "Best Application of Materials" by the competition committee of the China International Fabrics Design, showcasing the Group's research and development achievements.

Dyeing and Processing of Differentiated Polyester Fabric

The Group mainly provided fabric dyeing and processing services to customers in textile-processing segment, or made use of the differentiated polyester fabric sourced by the Group for further dyeing and processing to conduct direct sales to the customers, such products include various types of synthetic chamois leather. The "Twelfth Five Year Plan" of the PRC's textile industry further refined the entry threshold into dyeing and processing fabric service industry in recent years, it became more stringent in the approval of new projects. In view of industry consolidation, the Group successfully commenced cooperation with new customers from Zhejiang Province and Jiangsu Province in 2013. Its direct sales contributed an increase of RMB5.0 million in revenue during the Year Under Review and raised the segment revenue from RMB117.7 million in 2012 by 9.0% to RMB128.2 million in 2013. Segment gross profit margin reached 34.5%, representing an increase of 2.9 percentage points over the 31.6% in the previous year. The growth was mainly attributable to the Group's continued improvement of capacity utilization rate of dyeing and processing facilities and the decrease in raw materials costs during the year. Segment operating profit margin increased by 3.3 percentage points from 22.6% in 2012 to 25.9%.

本集團的滌綸長絲生產設施分別設於浙江省杭州市及江蘇省南通市。二零一三年，生產設施共設有29條滌綸長絲生產線，總產能合共每年22,000公噸。於回顧年內，銷售差別化滌綸長絲佔分部銷售所佔比例79.5%，較二零一二年46.0%上漲33.5個百分點。而差別化滌綸長絲銷量則佔本業務分部總銷量68.0%，較去年33.6%大幅上升34.4個百分點。此外，本集團的差別化滌綸長絲具有特殊性能，例如抗菌、抗紫外線、吸水、耐磨損、懸垂性好及乾爽，其物理特性更可被加工成類似絲綢、棉花、皮革、羊毛或亞麻的產品，以供面料製造商用於生產高端服飾及家居飾品。截至二零一三年十二月三十一日止，本集團已成功開發21種差別化滌綸長絲，其中包括SPH，一種彈性十足且手感類似亞麻及棉花的差別化滌綸長絲。年內，本集團的差別化滌綸長絲應用天杰緞榮獲中國國際面料設計大賽「最佳材料應用獎」，彰顯集團的研發成果。

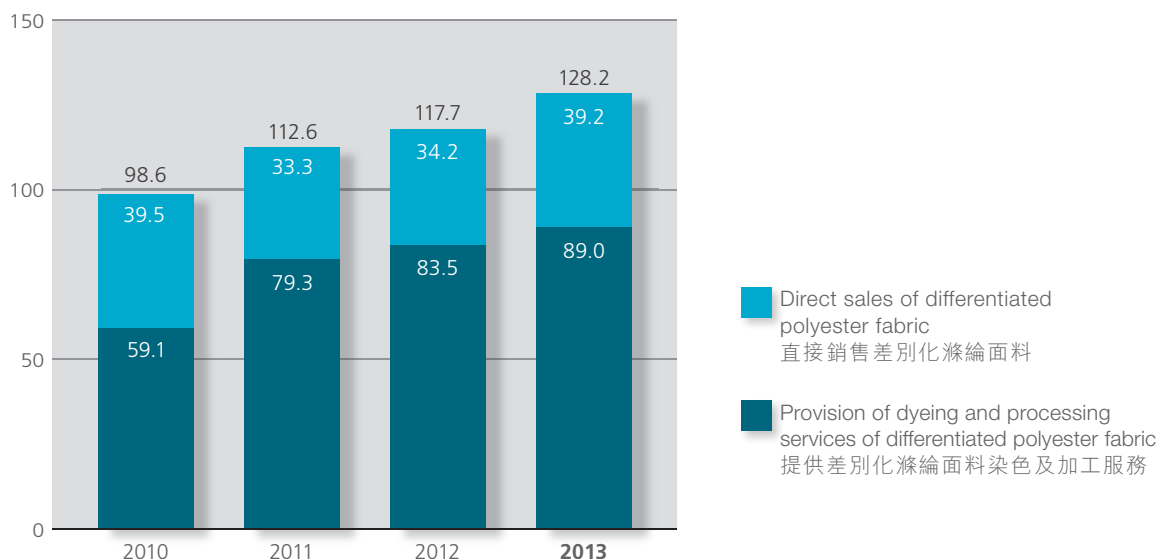
差別化滌綸面料染色及加工

本集團主要向加工客戶提供面料染色及加工服務，或利用本集團所採購的差別化滌綸面料進行進一步染色及加工，產品包括多種仿麂皮。近年來，中國紡織行業的「十二五規劃」進一步完善中國面料染色及加工服務行業的入行門坎，對於新及擴充項目的審批越來越嚴格。受惠於行業整合，本集團於二零一三年成功吸納浙江及江蘇的新客戶，年內直接銷售貢獻收益增加人民幣5.0百萬元，帶動分部收益由二零一二年人民幣117.7百萬元上升9.0%至二零一三年人民幣128.2百萬元。分部毛利率達34.5%，較去年的31.6%上升2.9個百分點，增長主要是由於本集團於年內持續提高染色及加工設施的產能使用率及原材料成本下降所致。分部經營溢利率由去年22.6%上升3.3個百分點至25.9%。

REVENUE ANALYSIS: DYEING AND PROCESSING

染色及加工分部收入分析

RMB million
人民幣百萬元



In 2013, the Group's dyeing facilities, located in Hangzhou, Zhejiang Province, had 5 processing lines with a processing capacity of approximately 48 million metres per year and the capacity utilization rate reached 88.0% (2012: 76.0%). Furthermore, the Group had successfully developed 9 differentiated polyester fabric dyeing techniques to improve the dyeing quality of differentiated polyester fabric. In addition to cutting energy and production costs, the research and development of the dyeing and processing techniques also improved the consistency of product quality and further enlarged the Group's market share.

二零一三年，本集團位於浙江省杭州市的染色設施設有5條加工線，加工能力為每年48百萬米，產能使用率達88.0%（二零一二年：76.0%）。此外，本集團已於年內成功研發9項差別化滌綸面料染色技術，以提升差別化滌綸面料染色效果。染色及加工技術的研發除有助降低能耗及生產成本外，更可提升該等技術的穩定性及產品質量，以助本集團進一步增加其市場份額。

Trading of Textile-Related Products

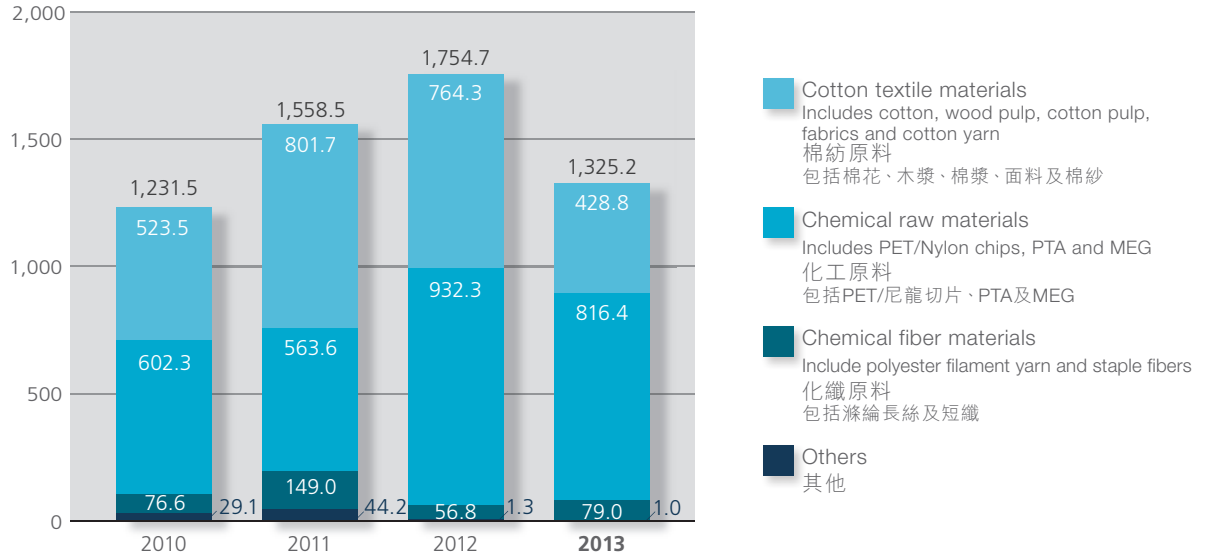
The Group mainly trades textile-related products, including cotton, PET chips, nylon chips, PTA, wood pulp and cotton pulp. For the year ended 31 December 2013, revenue of the trading segment amounted to RMB1,325.2 million, a 24.5% decrease over the RMB1,754.7 million in 2012, accounting for 75.0% of the Group's total revenue. In 2013, prices of most trading products experienced unexpected fluctuations due to unstable economic environment, which caused gross profit margin in cotton textile materials trading to decrease from 5.9% in 2012 to 4.9% during the Year Under Review. However, the Group captured opportunities to buy low and sell high in order to offset the impact of volatile cotton textile materials prices. The overall segment gross profit margin maintained at 2.0%, representing only a slight decrease of 0.1 percentage points over the 2.1% in 2012. Segment operating profit margin maintained at 0.9% (2012: 0.7%).

紡織相關產品貿易

本集團的貿易產品主要為紡織相關產品，包括棉花、PET切片、尼龍切片、PTA、木漿及棉漿。二零一三年，貿易分部收益為人民幣1,325.2百萬元，較二零一二年人民幣1,754.7百萬元下跌24.5%，佔本集團總收益75.0%。二零一三年，大部分貿易產品價格因疲弱的經濟環境而出現意外波動，其中，棉紡產品貿易的毛利率由5.9%下降至4.9%。然而，本集團仍然把握低價買入、高價沽出的良機以爭取較高的毛利率，整體分部毛利率維持在2.0%，較二零一二年2.1%僅輕微下跌0.1個百分點。分部經營溢利率維持在0.9%（二零一二年：0.7%）。

REVENUE ANALYSIS: TRADING OF TEXTILE-RELATED PRODUCTS 紡織相關產品貿易分部的收入分析

RMB million
人民幣百萬元



Major customers of the Group's trading business consist of trading companies and manufacturers of textile-related products located in different regions of the PRC. To keep abreast of the cotton supply in the PRC, the Group had set up representative office in Xinjiang Uygur Autonomous Region, the major production area for cotton in the PRC. Moreover, the Group established contact points at close proximity with suppliers to establish a close relationship between the Group and its major customers for making timely responses and delivery. On the other hand, engaging in the trading business may deepen the connections between the Group and the textile market, which will help in soliciting new customers for the Group's polyester filament yarn production and processing business, thereby expanding the Group's customer base.

PROSPECTS

The PRC is the largest textile producer and exporter in the world; and the textile industry is in turn of crucial support to the PRC's economy. The PRC yarn market mainly consists of polyester filament yarn made from synthetic materials and natural fiber yarn made from plant, animal skin or fur. In view of the continuous shortage of global cotton supply and the versatile usage of polyester filament yarn, it is expected that the market will continue to use polyester filament yarn as a substitute of natural fiber yarn; and the domestic demand for polyester filament yarn is expected to maintain a strong momentum. On the other hand, through further exploration of market promotion network and expansion of the marketing team, the Group plans to enhance its promotional campaigns proactively in order to promote the Group's competitive advantage in its polyester filament yarn products and the dyeing or processing of differentiated polyester filament fabric service and to other provinces (such as Guangdong Province and Fujian Province) in the PRC.

本集團貿易業務的主要客戶為國內不同地區的紡織相關產品貿易公司及製造商。為更緊貼中國棉花的供應情況，本集團已於中國主要棉花產地—新疆設有代表處。此外，本集團已在供貨商鄰近地點設有聯絡點，以助本集團與主要客戶建立密切關係，及時回應客戶的要求及提供付運。另一方面，從事貿易業務可增加本集團與紡織市場消息的聯繫，有助本集團的滌綸長絲生產及加工業務招徠更多新客戶，鞏固本集團的客戶網絡。

展望

中國為全球紡織行業最大的生產及出口國，紡織行業亦為中國經濟的主要支柱之一。而中國紗線市場主要包括：以合成材料生產的滌綸長絲及由植物或動物皮毛製成的天然纖維長絲。基於全球棉花供應持續短缺及滌綸長絲具有多元化產品特性的產品優勢，預期市場將繼續使用滌綸長絲作為天然纖維長絲的替代品，國內滌綸長絲的需求有望繼續維持強勁的增長勢頭。另一方面，本集團計劃透過進一步拓展市場推廣網絡及壯大推廣團隊，積極提升本集團產品的推廣活動，將本集團的滌綸長絲產品，以及差別化滌綸面料染色或加工服務的優勢，推廣至中國其他省份（如廣東省及福建省），爭取更大的市場覆蓋率。

Management Discussion and Analysis

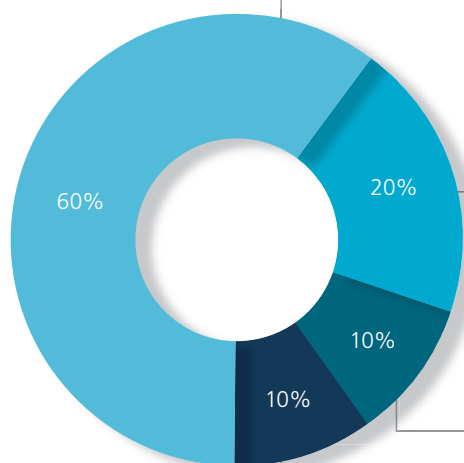
管理層討論及分析

To capitalize on the business opportunities arising from the rapid development of the PRC's polyester filament yarn business, the Group has formulated a series of expansion plans to seize larger market share. Based on the product application and process technique studied by the Group on differentiated new fiber materials, and the knowledge on the development of differentiated new fiber materials, currently, the Group is working with relevant experts to explore and form new plans for production and development; at the same time, adhering to the principal of attitude to be responsible for the shareholders, the Group will add 1 new production line in the polyester filament yarn production facilities in Nantong, Jiangsu Province by the end of 2014, which is an optimized project for new differentiated fiber materials. Subject to the completion of the implementation, the Group plans to fully apply such technique to complete the investment in subsequent projects. At the same time, the Group also plans to implement the sewage treatment project and install 1 new processing line in the dyeing facilities in Hangzhou City, Zhejiang Province. It is expected that the fabric dyeing and processing capacity of the Group will be increased during the year. Furthermore, the Group has been developing new products revolving around market demand and actively strengthening its efforts in the research and development of products and design. The new polyester filament yarn products are expected to commence production in the first half of 2014, and bring direct sales contributions to the Group.

為抓緊中國滌綸長絲業務迅速發展的商機，本集團已制訂一系列的擴充計劃，積極搶佔龐大的市場份額。根據本集團最新研究的差異化纖維新材料的產品應用和工藝技術，以及對差異化纖維新材料發展的理解，本集團目前正與相關專家探討並形成生產開發的新方案；同時本著對股東負責的態度，本集團將於二零一四年底在江蘇省南通市的滌綸長絲生產設施內新增1條生產線，為差異化纖維新材料優化性新項目。待實施完善後，本集團將計劃全面採用這一技術完成後續新項目的投入。同時，本集團亦計劃在浙江省杭州市的染色設施內實施染水處理工程和新增1條加工線的技術工程項目，預期本集團的面料染色及加工能力可於年內增加。此外，本集團一直靈活地按市場需求開發新產品，積極加強產品及設計的研發力度，預期新的滌綸長絲產品將於二零一四年上半年投入生產，為本集團帶來直接銷售貢獻。

USE OF IPO PROCEEDS

上市所得款項用途



Expansion of the production capacity of differentiated polyester filament yarn (Nantong Yongsheng)

- Will be used for building of additional production lines and acquiring the production equipment and machines in order to increase the production capacity of our Nantong production facilities, mainly used for the production of differentiated polyester filament yarn

擴大差別化滌綸長絲產能 (南通永盛)

- 將用於興建額外生產線及購入生產設備及機器，以增加南通生產設施的產能 (主要用於生產差別化滌綸長絲)

Increasing the processing capacity and improving the waste water treatment system and energy savings system (Yongsheng Dyeing)

- Will be used for increasing the processing capacity and improving the waste water treatment system and energy savings system

提高加工能力及改善染色設施的污水處理系統及節能系統 (永盛染整)

- 將用於提高加工能力及改善污水處理系統及節能系統

Strengthen our research and analysis capabilities and business development capabilities in textile-related products trading business

- Will be used to recruit more research analysts to research on the market price trend of textile-related products. We also have plan to send our staff members to seek out potential suppliers and customers for our trading business

加強紡織相關產品貿易業務的研究、分析及業務發展能力

- 將用於雇用更多研究分析員以研究紡織相關產品的市價趨勢，亦計劃派遣員工為貿易業務物色潛在供貨商及客戶

General working capital and other general corporate purposes

- Will be used for general working capital and other general corporate purposes of our Group

一般營運資金及其他一般公司用途

- 將用作本公司一般營運資金及用於其他一般公司用途

The Company was listed on the main board of the Stock Exchange on 27 November 2013 and is fully prepared for the comprehensive business development in international capital markets. Looking forward, the Board believes efforts in exploring differentiated polyester filament yarn production and dyeing and processing business will improve the Group's competitiveness in the textile industry and capital market. At the same time, through stringent cost management mechanism, the Group will maintain a sound financial position to continue supporting its business expansion strategies, thereby realizing sustainable returns for shareholders.

本公司已於二零一三年十一月二十七日於聯交所主板掛牌上市，為業務的迅猛發展在國際資本市場上作好充分準備。展望將來，董事會相信加大力度拓展潛力龐大的差別化滌綸長絲生產和染色及加工業務，將有助提高本集團於市場的競爭力。同時，透過嚴謹的成本管理政策，本集團將保持穩健的財務狀況，繼續支持本集團的業務擴充策略，為股東實現可持續的盈利回報。



Financial Review

財務回顧

REVENUE AND GROSS PROFIT

The following table sets forth a breakdown of the Group's revenue and gross profit by our business segment for the year ended 31 December 2013:

收益及毛利

下表載列本集團截至二零一三年十二月三十一日止年度按業務分部劃分的收益及毛利明細：

Revenue	收益	Year ended 31 December 截至十二月三十一日止年度			
		2013 二零一三年 RMB'000 人民幣千元	Percentage of sales 佔銷售額的 百分比	2012 二零一二年 RMB'000 人民幣千元	Percentage of sales 佔銷售額的 百分比
1) Textile-related products trading (Note)	1) 紡織相關產品貿易 (附註)	1,325,166	75.0%	1,754,658	79.4%
2) Polyester filament yarn production (Note)	2) 滌綸長絲生產 (附註)	314,030	17.8%	338,532	15.3%
– Differentiated	– 差別化	249,576	14.1%	155,659	7.0%
– Regular	– 常規	64,454	3.7%	182,873	8.3%
3) Dyeing and processing	3) 染色及加工	128,227	7.2%	117,663	5.3%
		1,767,423	100.0%	2,210,853	100.0%

Note: Revenue of trading business included sales of raw materials in the polyester filament yarn production of RMB4,717,000 (2012: RMB36,582,000).

附註：貿易業務的收益包括滌綸長絲生產的原材料銷售額人民幣4,717,000元（二零一二年：人民幣36,582,000元）。

Revenue of the Group in 2013 was RMB1,767.4 million, representing an decrease of 20.1% in revenue. The decrease was mainly contributed by the decrease in revenue of RMB429.5 million in our textile-related products trading business, decrease in revenue of polyester filament yarn production business of RMB24.5 million, offset by the increase in dyeing and processing revenue business by RMB10.6 million. Details of the fluctuations of revenue in each business segment were discussed separately in the section below.

本集團於二零一三年的收益為人民幣1,767,400,000元，收益減少20.1%。減少主要因我們的紡織相關產品貿易業務的收益減少人民幣429,500,000元、滌綸長絲生產業務的收益減少人民幣24,500,000元所致，而該減少被染色及加工業務收益增加人民幣10,600,000元所抵銷。各業務分部的收益變動詳情於下節分開討論。

Gross profit	毛利	Year ended 31 December 截至十二月三十一日止年度			
		2013 二零一三年 RMB'000 人民幣千元	Gross profit margin 毛利率 %	2012 二零一二年 RMB'000 人民幣千元	Gross profit margin 毛利率 %
1) Textile-related products trading	1) 紡織相關產品貿易	26,211	2.0%	37,100	2.1%
2) Polyester filament yarn production (Note)	2) 滌綸長絲生產 (附註)	58,370	18.6%	34,848	10.3%
– Differentiated	– 差別化	55,584	22.3%	38,273	24.6%
– Regular	– 常規	2,786	4.3%	-3,425	-1.9%
3) Dyeing and processing	3) 染色及加工	44,256	34.5%	37,197	31.6%
		128,837	7.3%	109,145	4.9%

Gross profit of the Group in 2013 was RMB128.8 million, representing an increase of 18.0%, mainly contributed by the increase in gross profit of RMB23.5 million and RMB7.1 million in our polyester filament yarn production business and dyeing and processing business respectively, offset by decrease in gross profit of RMB10.9 million in our textile-related products trading business. Details of the fluctuations of gross profit in each business segment were discussed separately in the section below.

本集團於二零一三年的毛利為人民幣128,800,000元，增加18.0%，乃主要因我們的滌綸長絲生產業務以及染色及加工業務的毛利分別增加人民幣23,500,000元及人民幣7,100,000元所致，而有關增加被我們的紡織相關產品貿易業務的毛利減少人民幣10,900,000元所抵銷。各業務分部的毛利變動詳情於下節分開討論。

1) Trading business

1) 貿易業務

		Year ended 31 December 截至十二月三十一日止年度			
Revenue	收益	2013 二零一三年 RMB'000 人民幣千元	Percentage of sales 佔銷售額的 百分比	2012 二零一二年 RMB'000 人民幣千元	Percentage of sales 佔銷售額的 百分比
a) Cotton textile materials (Note i)	a) 棉紡原料 (附註i)	428,784	32.3%	764,275	43.6%
b) Chemical raw materials (Note ii)	b) 化工原料 (附註ii)	816,363	61.6%	932,335	53.1%
c) Chemical fiber materials (Note iii)	c) 化纖原料 (附註iii)	79,047	6.0%	56,772	3.2%
d) Others	d) 其他	972	0.1%	1,276	0.1%
		1,325,166	100.0%	1,754,658	100.0%

		Year ended 31 December 截至十二月三十一日止年度			
Gross Profit	毛利	2013 二零一三年 RMB'000 人民幣千元	Gross profit margin 毛利率	2012 二零一二年 RMB'000 人民幣千元	Gross profit margin 毛利率
a) Cotton textile materials (Note i)	a) 棉紡原料 (附註i)	21,051	4.9%	44,844	5.9%
b) Chemical raw materials (Note ii)	b) 化工原料 (附註ii)	1,622	0.2%	-8,808	-0.9%
c) Chemical fiber materials (Note iii)	c) 化纖原料 (附註iii)	3,472	4.4%	955	1.7%
d) Others	d) 其他	66	6.8%	109	8.5%
		26,211	2.0%	37,100	2.1%

Note i: Cotton textile materials include cotton, wood pulp, cotton pulp, fabrics and cotton yarn.

附註i：棉紡原料包括棉花、木漿、棉漿、面料及棉紗。

Note ii: Chemical raw materials include PET/Nylon chips, PTA and MEG.

附註ii：化工原料包括PET/尼龍切片、PTA及MEG。

Note iii: Chemical fiber materials include polyester filament yarn and staple fibers.

附註iii：化纖原料包括滌綸長絲及短纖。

Revenue and gross profit of textile-related products trading business in 2013 were RMB1,325.2 million and RMB26.2 million respectively, representing a decrease of 24.5% and 29.4% respectively, mainly comprise of the following:

- i) Sales volume in cotton textile materials decreased from 57,086 tonnes to 38,445 tonnes and the average selling price decreased from RMB13,388/tonne to RMB12,246/tonne. We observed fewer trading opportunities of cotton in the market during 2013 as compared to 2012 due to the decline in cotton price and decrease in trading of wood pulp as part of our trading risk control measure. We maintained a stable gross profit margin of 4.9% in 2013 as compared to 5.9% in 2012 in the trading of cotton textile materials.
- ii) Sales volume in a chemical raw materials decreased from 124,090 tonnes to 104,638 tonnes and the average selling price increased from RMB7,513/tonne to RMB8,223/tonne. We observed fewer trading opportunities in PTA and PET/Nylon chips in the market during 2013 as compared with 2012. In addition, starting from second quarter of 2013, we reduced low margin trading, especially for MEG as part of our trading risk control measure. We recorded a gross profit margin of 0.2% as compared to -0.9% in 2012 in the trading of chemical raw materials.
- iii) Sales volume in chemical fiber materials increased from 2,299 tonnes to 3,039 tonnes and the average selling price increased from RMB 24,694/tonne to RMB 26,007/tonne. Due to the increase in demand for premium grade polyester filament yarns for production, trading volume and average selling price for polyester filament yarn increased in 2013. We recorded a gross profit margin of 4.4% as compared to 1.7% in 2012 in the trading of chemical fiber materials.

紡織相關產品貿易業務於二零一三年的收益及毛利分別為人民幣1,325,200,000元及人民幣26,200,000元，分別減少24.5%及29.4%，主要包括以下各項：

- i) 棉紡原料的銷量由57,086公噸減少至38,445公噸，而平均售價由人民幣13,388元／公噸降至人民幣12,246元／公噸。我們觀察到，由於棉花價格下跌以及木漿貿易減少（作為我們的貿易風險控制措施的一部分），於二零一三年內市場上的棉花買賣商機較二零一二年減少。我們於二零一三年的棉紡原料貿易維持穩定毛利率4.9%，而二零一二年則為5.9%。
- ii) 化工原料的銷量由124,090公噸減少至104,638公噸，而平均售價由人民幣7,513元／公噸增加至人民幣8,223元／公噸。我們觀察到，於二零一三年內市場上的PTA及PET／尼龍切片商機較二零一二年減少。此外，自二零一三年第二季度起，我們減少邊際利潤低的貿易（尤其是MEG），作為我們的貿易風險控制措施的一部分。我們的化工原料貿易錄得毛利率0.2%，而二零一二年則為-0.9%。
- iii) 化纖原料的銷量由2,299公噸增加至3,039公噸，而平均售價由人民幣24,694元／公噸增加至人民幣26,007元／公噸。由於供生產的特級滌綸長絲的需求增加，滌綸長絲的貿易量及平均售價於二零一三年均有所增加。我們的化纖原料貿易錄得毛利率4.4%，而二零一二年則為1.7%。

2) Polyester filament yarn production business

2) 滌綸長絲生產業務

		Year ended 31 December 截至十二月三十一日止年度			
Revenue	收益	2013 二零一三年 RMB'000 人民幣千元	Percentage of sales 佔銷售額的 百分比	2012 二零一二年 RMB'000 人民幣千元	Percentage of sales 佔銷售額的 百分比
Differentiated	差別化	249,576	79.5%	155,659	46.0%
Regular	常規	64,454	20.5%	182,873	54.0%
		314,030	100.0%	338,532	100.0%

		Year ended 31 December 截至十二月三十一日止年度			
		2013		2012	
Gross Profit	毛利	二零一三年 RMB'000 人民幣千元	Gross profit margin 毛利率	二零一二年 RMB'000 人民幣千元	Gross profit margin 毛利率
Differentiated	差別化	55,584	22.3%	38,273	24.6%
Regular	常規	2,786	4.3%	(3,425)	-1.9%
		58,370	18.6%	34,848	10.3%

Revenue and gross profit of polyester filament yarn production business in 2013 were RMB314.0 million and RMB58.4 million respectively, representing a decrease of 7.2% and increase of 67.5% respectively, mainly comprise of the following:

The decrease in polyester filament yarns sales by RMB24.5 million was mainly attributable to the decrease in sales of regular products of RMB118.4 million, which was offset by increase in sales of differentiated products by RMB93.9 million. Consistent with our strategy to focus on differentiated products with higher gross profit margin, the percentage of the revenue derived from sales of differentiated polyester filament yarn increased from 46.0% for 2012 to 79.5% for 2013. As a result, our gross profit margin increased from 10.3% in 2012 to 18.6% in 2013.

- i) Sales volume in differentiated polyester filament yarn increased 79.1% from 7,290 tonnes to 13,057 tonnes. Due to the increase in demand for premium grade polyester filament yarns for production, especially for SPH, CEY, REN and SSY, the revenue and volume for differentiated polyester filament yarn increased sharply in 2013. We also launched new products, such as CEH, CEI and SQH during the year. The average selling price decreased from RMB21,352/tonne to RMB19,114/tonne as we lowered the price of differentiated products in order to earn more market share. Since a significant portion of cost of sales represented raw materials costs for PET/Nylon chips and POY, the general decrease in raw materials price benefit our production. We maintained a stable gross profit margin of 22.3% as compared to 24.6% in 2012 in the differentiated polyester filament yarn.

滌綸長絲生產業務於二零一三年的收益及毛利分別為人民幣314,000,000元及人民幣58,400,000元，分別減少7.2%及增加67.5%，主要包括以下各項：

滌綸長絲銷售額減少人民幣24,500,000元乃主要由於常規產品的銷售額減少人民幣118,400,000元，惟被差別化產品的銷售額增加人民幣93,900,000元所抵銷。與我們專注於毛利率較高的差別化產品的策略一致，銷售差別化滌綸長絲產生的收益百分比由二零一二年的46.0%增加至二零一三年的79.5%。因此，我們的毛利率由二零一二年的10.3%增加至二零一三年的18.6%。

- i) 差別化滌綸長絲的銷量由7,290公噸增加79.1%至13,057公噸。由於供生產的特級滌綸長絲的需求增加（尤其是SPH、CEY、REN及SSY），差別化滌綸長絲的收益及銷量於二零一三年大幅增加。我們於年內亦推出如CEH、CEI及SQH等新產品。平均售價由人民幣21,352元／公噸下降至人民幣19,114元／公噸，原因為我們下調差別化產品的價格以爭取更大的市場份額。由於大部分銷售成本為PET／尼龍切片及POY的原材料成本，故原材料價格普遍下降對我們的生產有利。我們的差別化滌綸長絲維持穩定毛利率22.3%，而二零一二年則為24.6%。

- ii) Sales volume in regular polyester filament yarn decreased 57.4% from 14,424 tonnes to 6,141 tonnes. Consistent with our strategy to focus on differentiated products, we sold less regular products during the year 2013. We produced and sold regular products mainly for the purpose of utilizing our production facilities to keep the plant and machineries at the best working status and to share manufacturing fixed costs such as depreciation of plant and equipment. We maintained a gross profit margin of 4.3% as compared to -1.9% in 2012 in the regular polyester filament yarn mainly because we ceased production and sales of certain types of regular polyester filament yarn which had negative or low gross profit margin.

- ii) 常規滌綸長絲的銷量由14,424公噸減少57.4%至6,141公噸。與我們專注於差別化產品的策略一致，我們於二零一三年年內銷售的常規產品減少。我們生產及銷售常規產品主要為利用我們的生產設施，以使廠房及機器處於最佳工作狀態，並分攤生產固定成本（例如廠房及設備折舊）。我們的常規滌綸長絲維持毛利率4.3%，而二零一二年則為-1.9%，主要原因是我們停止生產及銷售若干種類毛利率為負數或低毛利率的常規滌綸長絲。

3) Dyeing and processing business

3) 染色及加工業務

		Year ended 31 December 截至十二月三十一日止年度			
		2013 二零一三年 RMB'000 人民幣千元	Percentage of sales 佔銷售額的 百分比	2012 二零一二年 RMB'000 人民幣千元	Percentage of sales 佔銷售額的 百分比
Revenue	收益				
Processing activity	加工活動	89,006	69.4%	83,479	70.9%
Direct sales	直接銷售	39,221	30.6%	34,184	29.1%
		128,227	100.0%	117,663	100.0%

		Year ended 31 December 截至十二月三十一日止年度			
		2013 二零一三年 RMB'000 人民幣千元	Gross profit margin 毛利率	2012 二零一二年 RMB'000 人民幣千元	Gross profit margin 毛利率
Gross Profit	毛利				
Processing activity	加工活動	35,129	39.5%	30,531	36.6%
Direct sales	直接銷售	9,127	23.3%	6,666	19.5%
		44,256	34.5%	37,197	31.6%

Revenue and gross profit of dyeing and processing business in 2013 were RMB128.2 million and RMB44.3 million respectively, representing an increase of 9.0% and 19.0%, respectively mainly comprise of the following:

- i) Processing volume in dyeing and processing activity increased 4.3% from 35,558,000 meters to 37,102,000 meters due to the increase in processing orders during 2013. The average processing income remained stable at RMB2.4/meter in 2013 as compared to RMB2.3/meter in 2012. We achieved a gross profit margin of 39.5% as compared to 36.6% in 2012 in the processing activity because of the economy of scale in operation of the plant and decrease in costs of production as part of the energy savings and water recycle initiatives.
- ii) Sales volume in direct sale increased 14.7% from 34,184,000 meters to 39,221,000 meters as we developed more new customers in 2013. The average selling price for direct sale remained stable at RMB10.8/meter in 2013 as compared to RMB11.5/meter in 2012. We achieved a gross profit margin of 23.3% as compared to 19.5% in 2012 for direct sales mainly due to of the decrease in unit cost of fabric.

Other gains/losses, net

Other net gains/losses increased by RMB10.5 million from loss of RMB3.1 million for the year ended 31 December 2012 to RMB7.4 million for the year ended 31 December 2013, primarily due to (1) the marking of foreign exchange gain on our accounts receivables and payables not denominated in RMB (mainly in USD) mainly related to our trading activities of RMB1.2 million for the year ended 31 December 2013 as compared to foreign exchange loss for the year ended 31 December 2012 of RMB5.1 million mainly as a result of (a) the record of average trade payables balance denominated in USD during the year ended 31 December 2013 of RMB90.5 million and average trade receivables balance denominated in USD during the year ended 31 December 2013 of RMB38.2 million, and therefore resulting in net trade payables denominated in USD on average for 2013, and (b) the depreciation of USD against RMB, our functional currency during 2013, leading to foreign exchange gain resulted from net trade payables in USD; and (2) a decrease in losses on disposal of financial assets at fair value through profit or loss of RMB3.3 million as we no longer entered into commodities futures contracts since March 2013.

染色及加工業務於二零一三年的收益及毛利分別為人民幣128,200,000元及人民幣44,300,000元，分別增加9.0%及19.0%，主要包括以下各項：

- i) 由於二零一三年內的加工訂單增加，染色及加工活動的加工量由35,558,000米增加4.3%至37,102,000米。平均加工收入於二零一三年維持穩定於人民幣2.4元/米，而二零一二年則為人民幣2.3元/米。由於廠房營運的規模經濟及生產成本減少（作為節能及水循環措施的一部分），我們的加工活動錄得毛利率39.5%，而二零一二年則為36.6%。
- ii) 由於我們於二零一三年吸納更多新客戶，直接銷售的銷量由34,184,000米增加14.7%至39,221,000米。直接銷售的平均售價於二零一三年維持穩定於人民幣10.8元/米，而二零一二年則為人民幣11.5元/米。我們的直接銷售錄得毛利率23.3%，而二零一二年則為19.5%，乃主要由於面料的單位成本下降所致。

其他收益／虧損淨額

其他收益／虧損淨額由截至二零一二年十二月三十一日止年度的人民幣3,100,000元（虧損）增加人民幣10,500,000元至截至二零一三年十二月三十一日止年度的人民幣7,400,000元，主要由於(1)截至二零一三年十二月三十一日止年度，就主要於貿易活動中產生的並非以人民幣（主要以美元）計值的應收賬款及應付賬款錄得外匯收益人民幣1,200,000元，而截至二零一二年十二月三十一日止年度錄得外匯虧損人民幣5,100,000元，主要由於(a)截至二零一三年十二月三十一日止年度，錄得以美元計值的平均貿易應付款項結餘人民幣90,500,000元，而截至二零一三年十二月三十一日止年度錄得以美元計值的平均貿易應收款項結餘人民幣38,200,000元，因此導致平均而言於二零一三年錄得以美元計值的貿易應付款項淨額，及(b)於二零一三年，美元兌我們的功能貨幣人民幣貶值，導致以美元計值的貿易應付款項淨額產生外匯收益；及(2)由於我們自二零一三年三月起不再訂立商品期貨合約，故出售按公平值計入損益的金融資產的虧損減少人民幣3,300,000元。

Selling expenses

銷售開支

Year ended 31 December
截至十二月三十一日止年度

2013	2012
二零一三年	二零一二年
RMB'000	RMB'000
人民幣千元	人民幣千元

Transportation and storage	運輸及儲存	9,268	16,390
Staff costs	員工開支	3,753	3,030
Travelling and entertainment expenses	差旅及交際開支	937	1,641
Commission	佣金	1,015	413
Postage and communications	郵寄及通訊	281	370
Advertisement and exhibitions	廣告及展銷	162	160
Depreciation and amortisation	折舊及攤銷	107	44
Others	其他	552	645
		16,075	22,693

Selling expenses decreased by RMB6.6 million, or 29.2% from RMB22.7 million for the year ended 31 December 2012 to RMB16.1 million for the year ended 31 December 2013, primarily attribute to decrease in transportation and storage cost by RMB7.1 million, which was mainly due to (i) we did not trade any cotton from Xinjiang during 2013 but instead sourced cotton from overseas for domestic sales, and transportation costs for cotton in Xinjiang were on average higher than those for overseas purchase, and (ii) we conducted more intermediary trade during the 2013 in which we purchased goods from overseas and then sold to our customers outside the PRC, and on average we incurred less transportation and storage costs by conducting intermediary trading than importing or trading within the PRC.

銷售開支由截至二零一二年十二月三十一日止年度的人民幣22,700,000元減少人民幣6,600,000元或29.2%至截至二零一三年十二月三十一日止年度的人民幣16,100,000元，主要由於運輸及儲存開支減少人民幣7,100,000元，主要因(i)我們於二零一三年並無買賣產自新疆的棉花，而是自海外購買以供於國內銷售，而新疆棉花的運輸成本平均而言高於海外採購的運輸成本，及(ii)我們於二零一三年進行的轉口貿易增加，於轉口貿易中，我們自海外採購貨物並將其出售予我們的國外客戶，而平均而言，我們進行轉口貿易產生的運輸及儲存成本較進口或國內貿易的運輸及儲存成本低。

Administrative expenses

行政開支

		Year ended 31 December	
		截至十二月三十一日止年度	
		2013	2012
		二零一三年	二零一二年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Staff costs	員工開支	17,024	10,232
Depreciation and amortisation	折舊及攤銷	2,677	2,932
Stamp duty, property tax and other surcharges	印花稅、物業稅及其他附加稅	1,899	2,030
Professional service expenses	專業服務費用	473	447
Listing expenses	上市開支	10,251	2,647
Bank charges	銀行收費	1,780	1,393
Travelling and entertainment expenses	差旅及交際開支	2,141	843
Auditors' remuneration	核數師酬金	1,277	122
Provision for impairment of receivables	應收款項減值撥備	367	313
Operating lease rental for buildings	樓宇的經營租賃租金	1,359	724
Others	其他	3,112	2,863
		42,360	24,546

Administrative expenses increased by RMB17.8 million, or 72.6% from RMB24.6 million for the year ended 31 December 2012 to RMB42.4 million for the year ended 31 December 2013 primarily due to (i) the increase in listing expenses by RMB7.6 million in 2013 due to the successful listing of the Company on 27 November 2013, (ii) the increase in staff costs of RMB6.8 million to reward employees as a result of the improvement in profitability of the Group for 2013, and (iii) increase in travelling and entertainment expenses and auditors' remuneration.

行政開支由截至二零一二年十二月三十一日止年度的人民幣24,600,000元增加人民幣17,800,000元或72.6%至截至二零一三年十二月三十一日止年度的人民幣42,400,000元，主要由於(i)因本公司於二零一三年十一月二十七日成功上市令於二零一三年之上市開支增加人民幣7,600,000元，(ii)基於本集團於二零一三年的盈利改善，為獎勵僱員，員工成本增加人民幣6,800,000元，及(iii)差旅及交際開支以及核數師酬金增加所致。

Finance costs, net

Net finance costs decreased by RMB7.0 million, or 35.6% from RMB19.7 million for the year ended 31 December 2012 to RMB12.7 million for the year ended 31 December 2013, primarily due to decrease in interest expenses on bank borrowings by RMB17.5 million, mainly as a result of the decrease in bank borrowings of RMB205.5 million from 31 December 2012 to 31 December 2013 according to our strategy to repay bank borrowings with excess cash balances during the year 2013, offset by (1) a decrease in interest income from cash and cash equivalents, restricted cash deposits and other financial assets of RMB7.6 million mainly as a result of decrease in the aggregate balance by RMB114.3 million from 31 December 2012 to 31 December 2013; and (2) a decrease in net interest income on loan to related parties of RMB5.1 million as we ceased borrowing from or lending to related parties during the year ended 31 December 2013.

Profit before income tax

Profit before income tax increased from RMB39.0 million for the year ended 31 December 2012 to RMB65.1 million for the year ended 31 December 2013 by RMB26.1 million or 66.9%, which was mainly due to (1) increase in gross profit by RMB19.7 million, and (2) decrease in net finance costs by RMB7.0 million.

Income tax expenses

Income tax expense increased by 173.5% from 2012 to 2013, which was larger than the increase of profit before income tax of 66.9% as the corporate income tax rate of Yongsheng Chemical Fiber doubled from 12.5% for the year ended 31 December 2012 to 25% for the year ended 31 December 2013 as it ceased to enjoy 50% tax holiday from year of 2013 and the accrual for withholding income tax for 2013.

Total comprehensive income

As a result of the foregoing, our total comprehensive income increased by RMB14.6 million, or 44.1% from RMB33.0 million for year ended 31 December 2012 to RMB47.5 million for the year ended 31 December 2013. Our net profit margin before interest and tax and net profit margin increased from 2.6% and 1.5% respectively for the year ended 31 December 2012 to 4.4% and 2.7% respectively for the year ended 31 December 2013, mainly as a result of our increased gross profit margin from 4.9% to 7.3% due to the improvement of gross profit margin of production activities and decrease in net finance costs.

融資成本淨額

融資成本淨額由截至二零一二年十二月三十一日止年度的人民幣19,700,000元減少人民幣7,000,000元或35.6%至截至二零一三年十二月三十一日止年度的人民幣12,700,000元，主要由於銀行借款利息開支減少人民幣17,500,000元，主要原因為根據本集團於二零一三年年內實行償還銀行借款之策略以及額外現金結餘令銀行借款由二零一二年十二月三十一日至二零一三年十二月三十一日減少人民幣205,500,000元，惟被(1)現金及現金等值物、受限制現金存款及其他金融資產的利息收入主要由於由二零一二年十二月三十一日至二零一三年十二月三十一日，結餘總額減少人民幣114,300,000元而減少人民幣7,600,000元；及(2)由於截至二零一三年十二月三十一日止年度我們終止向關連方借款或授出貸款，授予關連方的貸款的利息收入淨額減少人民幣5,100,000元所抵銷。

除所得稅前溢利

除所得稅前溢利由截至二零一二年十二月三十一日止年度的人民幣39,000,000元增加人民幣26,100,000元或66.9%至截至二零一三年十二月三十一日止年度的人民幣65,100,000元，主要由於(1)毛利增加人民幣19,700,000元；及(2)融資成本淨額減少人民幣7,000,000元。

所得稅開支

所得稅開支由二零一二年至二零一三年增加173.5%，高於除所得稅前溢利的增幅66.9%，原因為永盛化纖的企業所得稅率因其自二零一三年起不再享受免稅50%的優惠稅率而由截至二零一二年十二月三十一日止年度的12.5%倍增至截至二零一三年十二月三十一日止年度的25%以及二零一三年的預扣所得稅應計款項。

綜合收益總額

由於上述原因，我們的綜合收益總額由截至二零一二年十二月三十一日止年度的人民幣33,000,000元增加人民幣14,600,000元或44.1%至截至二零一三年十二月三十一日止年度的人民幣47,500,000元。我們的除利息及稅項前純利率及純利率分別由截至二零一二年十二月三十一日止年度的2.6%及1.5%上升至截至二零一三年十二月三十一日止年度的4.4%及2.7%，主要由於我們的毛利率因生產活動的毛利率改善（由4.9%上升至7.3%）以及融資成本淨額減少所致。

Property, plant and equipment

Property, plant and equipment as at 31 December 2013 decreased by RMB7.8 million, or 5.6% as compared to 31 December 2012, mainly attributable to depreciation of RMB11.6 million offset by additions of RMB6.2 million, mainly for plant and machinery for production.

Inventories

		Year ended 31 December 截至十二月三十一日止年度	
		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
Trading inventories	貿易類存貨	84,268	118,239
Finished goods	製成品	20,093	23,993
Raw materials	原材料	11,752	12,507
Work in progress	在製品	3,044	2,040
		119,157	156,779
Less: provision	減：撥備	(5,995)	(5,862)
		113,162	150,917
Inventory turnover days (Note)	存貨周轉日數(附註)	27 days	33 days

Note: Inventory turnover days equals to the average of beginning and ending inventory balances of the year divided by revenue of the year and multiplied by the total number of days for the respective year. The calculations in 2012 exclude the balance of Yongsheng (HK) International Co., Limited as at 31 December 2012.

Inventories as at 31 December 2013 decreased by RMB37.8 million, or 25.0% as compared to 31 December 2012, mainly due to decrease in trading inventories by RMB34.0 million as a result of decrease in trading revenue by RMB429.5 million for 2013 as compared to 2012.

Inventory turnover days decreased from 33 days in 2012 to 27 days in 2013, mainly due to the decrease in inventory balance from RMB150.9 million as at 31 December 2012 to RMB113.2 million as at 31 December 2013 as a result of decrease in trading revenue.

物業、廠房及設備

於二零一三年十二月三十一日的物業、廠房及設備較二零一二年十二月三十一日減少人民幣7,800,000元或5.6%，主要由於折舊人民幣11,600,000元（被添置主要用於生產的廠房及機器人民幣6,200,000元所抵銷）所致。

存貨

附註：存貨周轉日數相等於年初及年末存貨結餘的平均數除以年內收益再乘以各年的總天數。二零一二年的計算不包括永盛（香港）國際有限公司於二零一二年十二月三十一日的結餘。

於二零一三年十二月三十一日的存貨較二零一二年十二月三十一日減少人民幣37,800,000元或25.0%，主要由於貿易存貨因二零一三年的貿易收益較二零一二年減少人民幣429,500,000元而減少人民幣34,000,000元所致。

存貨周轉日數由二零一二年之33日減少至二零一三年之27日，主要由於存貨結餘因貿易收益減少而由二零一二年十二月三十一日之人民幣150,900,000元降至二零一三年十二月三十一日之人民幣113,200,000元所致。

Trade and bills receivables

貿易應收款項及應收票據

		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
Trade receivables	貿易應收款項	94,006	207,746
Bills receivable	應收票據	37,207	42,522
		131,213	250,268
Less: Provision for impairment	減：減值撥備	(5,108)	(5,116)
Trade and bills receivables – net	貿易應收款項及應收票據－淨額	126,105	245,152
Debtors' turnover days (Note)	應收賬款周轉日數 (附註)	32 days日	30 days日

Note: Debtors' turnover days equals to the average of the beginning and ending trade receivable balances of the year divided by revenue and multiplied by the total number of days for the respective year. The calculations in 2012 exclude the balance of Yongsheng (HK) International Co., Limited and include trade related receivables due from related parties as at 31 December 2012.

附註：應收賬款周轉日數相等於於年初及年末貿易應收款項結餘的平均數除以收益再乘以各年的總日數。二零一二年的計算並未計入永盛(香港)國際有限公司的結餘但計入於二零一二年十二月三十一日應收關連方的貿易相關應收款項。

Trade and bills receivable as at 31 December 2013 decreased by RMB119.0 million, or 48.6% as compared to 31 December 2012, mainly attributable to the decline in revenue by RMB443.4 million for the year ended 31 December 2013 as compared to the year ended 31 December 2012 as a result of decrease in trading revenue.

於二零一三年十二月三十一日的貿易應收款項及應收票據較二零一二年十二月三十一日減少人民幣119,000,000元或48.6%，主要由於截至二零一三年十二月三十一日止年度的收益因貿易收益減少而較截至二零一二年十二月三十一日止年度減少人民幣443,400,000元。

Debtors' turnover days remained stable at 32 days for year ended 31 December 2013 and 30 days for year ended 31 December 2012.

截至二零一三年十二月三十一日止年度之應收賬款周轉日數穩定維持於32日，而截至二零一二年十二月三十一日止年度則為30日。

Trade and bills payables

貿易應付賬項及應付票據

		2013	2012
		二零一三年	二零一二年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Trade payables	貿易應付款項	116,829	235,065
Bills payable	應付票據	-	1,165
		116,829	236,230
Creditors' turnover days (Note)	應付賬款的周轉日數(附註)	43 days 日	46 days日

Note: Creditors' turnover days equal to the average of the beginning and ending trade payable balances of the year divided by cost of sales and multiplied by the actual number of days in respective year. The above calculations include trade related payables due to related parties. The calculations in 2012 exclude the balance of Yongsheng (HK) International Co., Limited as at 31 December 2012.

附註：應付賬款周轉日數相等於年初及年末貿易應付款項結餘的平均數除以銷售成本再乘以各年的實際日數。以上計算計入應付關連方的貿易相關應付款項。二零一二年的計算並未計入永盛(香港)國際有限公司於二零一二年十二月三十一日的結餘。

Trade and bills payable as at 31 December 2013 decreased by RMB119.4 million, or 50.5% as compared to 31 December 2012, mainly attributable to the decline in revenue by RMB443.4 million for the year ended 31 December 2013 as compared to the year ended 31 December 2012 as a result of decrease in trading revenue.

於二零一三年十二月三十一日的貿易應付款項及應付票據較二零一二年十二月三十一日減少人民幣119,400,000元或50.5%，主要由於截至二零一三年十二月三十一日止年度的收益因貿易收益減少而較截至二零一二年十二月三十一日止年度減少人民幣443,400,000元。

Creditors' turnover days decreased from 46 days in 2012 to 43 days in 2013, mainly due to decrease in trading revenue during the year resulted in the significant decrease in trade payable by 50.3%, offset by decline in cost of sales for the year ended 2013 by approximately 22.0%.

應付賬款周轉日數由二零一二年之46日減少至二零一三年之43日，主要由於本年度貿易收益減少導致貿易應付款項大幅減少50.3%，惟被二零一三年之銷售成本下降約22.0%所抵銷。

Advances from customers

Advances from customers declined significantly from RMB150.5 million as at 31 December 2012 to RMB8.1 million as at 31 December 2013 by RMB142.4 million mainly as (1) decrease in advances from customers for sales of MEG as we ceased most of MEG trading in 2013, hence did not record any advance from customers of MEG as at 31 December 2013, and (2) decrease in advances from customers for sales of PTA as the overseas sales of PTA decreased in 2013 where we received letter of credit from customers and converted part of them into cash before the completion of sales, which partly contributed to decrease in advances from customers.

Cash flow

The following table sets forth a summary of our consolidated cash flow statements for the year:

客戶墊款

客戶墊款由二零一二年十二月三十一日的人民幣150,500,000元大幅下降人民幣142,400,000元至二零一三年十二月三十一日的人民幣8,100,000元，主要由於(1)客戶就銷售MEG的墊款減少，乃由於我們於二零一三年終止大部分MEG貿易，因此於二零一三年十二月三十一日並未自MEG客戶錄得任何墊款，及(2)客戶就銷售PTA的墊款減少，乃由於PTA的海外銷售於二零一三年減少，而我們於海外銷售中自客戶收取信用證並於銷售完成前將其部分兌換為現金，此部分導致客戶墊款減少。

現金流量

下表載列年內合併現金流量表概要：

		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
Net cash (used in)/generated from operating activities	經營活動(所用)/所得現金淨額	(6,664)	114,955
Net cash generated from investing activities	投資活動所得現金淨額	232,452	219,144
Net cash used in financing activities	融資活動所用現金淨額	(135,845)	(304,070)
Net increase in cash and cash equivalents	現金及現金等值物增加淨額	89,943	30,029
Cash and cash equivalents at beginning of the year	年初現金及現金等值物	75,700	46,130
Effect of foreign exchange rate changes on cash and cash equivalents	現金及現金等值物外匯匯率變動 影響	916	(459)
Cash and cash equivalents at end of the year	年終現金及現金等值物	166,559	75,700

Cash flow from operating activities

Our net cash used in operating activities amounted to RMB6.7 million, which was primarily attributable to (1) profit before taxation of RMB65.1 million, (2) decrease in advance receipts from customers by RMB142.4 million as we did not record any advances from customers in MEG trading and decrease in advances from PTA customers, offset by (3) decrease in inventories primarily due to the tightened inventory control in the textile-related products trading business and (4) decrease in prepayments, deposits and other receivables of RMB31.8 million due to the full settlement of the loan and consideration receivable balances in Yongsheng (HK) International Co., Limited.

Cash flow from investing activities

We generated cash from investing activities of RMB232.5 million in 2013, which was mainly due to the proceeds from maturity of wealth management products of RMB190.7 million, loan repayment from one of the customer of our Group of RMB20.8 million and decrease in restricted bank deposits of RMB13.0 million, mainly due to decrease of restricted cash deposits for letter of credit as consistent with decrease in trade payables incurred from letter of credit from 2012 to 2013.

Cash flow from financing activities

Net cash used in financing activities in 2013 amounted to RMB135.8 million, which mainly consisted of net repayment of bank borrowings of RMB204.1 million and interest paid of RMB20.5 million, according to our strategy to repay bank borrowings with excess cash balances during 2013 in order to reduce finance costs, offset by proceeds from issuance of ordinary shares of RMB88.7 million during IPO of the Company.

經營活動現金流量

本集團經營活動所用現金淨額達人民幣6,700,000元，其中主要由於(1)除稅前溢利人民幣65,100,000元，(2)預收客戶款項減少人民幣142,400,000元，乃由於我們並未自MEG貿易客戶錄得任何墊款及來自PTA客戶的墊款減少所抵銷(3)存貨減少主要由於加強於紡織相關產品貿易業務的存貨管理及(4)應付款項、按金及其他應收款項減少人民幣31,800,000元乃主要由於悉數結清於永盛(香港)國際有限公司的貸款及應收代價結餘所致。

投資活動現金流量

本集團於二零一三年自投資活動產生的現金為人民幣232,500,000元，此乃主要由於到期理財產品的所得款項人民幣190,700,000元，本集團其中一名客戶償還貸款人民幣20,800,000元及受限制銀行存款減少人民幣13,000,000元，主要由於信用證有關的受限制現金存款減少與於二零一二年起至二零一三年的信用證產生的貿易應付款項下降一致。

融資活動現金流量

於二零一三年用於融資活動之現金淨額達人民幣135,800,000元，其中主要包括償還銀行借款淨額人民幣204,100,000元及已付利息人民幣20,500,000元，於二零一三年期間根據本集團的政策償還銀行貸款超過現金結餘以減少融資成本，由於本公司首次公開發售期間發行人民幣88,700,000元之普通股之所得款項抵銷。

Capital Structure

The Company's issued share capital as at 31 December 2013 is HK\$4,000,000 divided into 400,000,000 shares of HK\$0.01 each.

The Group adopts a prudent treasury policy, and its debt to equity ratio (calculated by dividing the total interest-bearing borrowings by total equity) as at 31 December 2013 was approximately 69.9% (31 December 2012: approximately 223.8%). The current ratio (calculated as current assets divided by current liabilities) as at 31 December 2013 was approximately 1.48 times (31 December 2012: approximately 1.07 times).

Liquidity, financial resources and use of the IPO proceeds

As at 31 December 2013, the total amount of the borrowings by the Group was RMB221.6 million (31 December 2012: RMB427.1 million). The Group settled borrowings in the amount of approximately RMB205.5 million for the year ended 31 December 2013. The Group's cash and bank balances, including restricted cash, amounted to RMB284.9 million (31 December 2012: RMB208.1 million). The Group has received net proceeds of HK\$81.5 million (approximately RMB63.7 million) from issuance of ordinary shares under the share offer on 27 November 2013. The Group has not utilised the net proceeds as at 31 December 2013 and intends to apply the net proceeds in the manner consistent with that disclosed in the announcement of the Company dated 26 November 2013 in respect of the share offer.

Pledge of Group's assets

As at 31 December 2013, bank borrowings of RMB86,471,000 were pledged by restricted bank deposits of RMB91,273,000, bank borrowings of RMB5,705,000 were pledged by restricted cash and bills receivable with net book value of RMB6,430,000 and RMB200,000 respectively and bank borrowings of RMB88,000,000 were pledged by buildings with net book value of RMB43,903,000 and land use rights with net book value of RMB27,137,000.

資本架構

本公司於二零一三年十二月三十一日的已發行股本為4,000,000港元，分為400,000,000股每股面值0.01港元的股份。

本集團採取審慎的庫務政策，而其於二零一三年十二月三十一日的負債與權益比率（按計息借款總額除以權益總值計算）約為69.9%（二零一二年十二月三十一日：約223.8%）。於二零一三年十二月三十一日的流動比率（按流動資產除以流動負債計算）約為1.48倍（二零一二年十二月三十一日：約1.07倍）。

流動資金、財務資源及首次公開發售所得款項用途

於二零一三年十二月三十一日，本集團的借款總額為人民幣221,600,000元（二零一二年十二月三十一日：人民幣427,100,000元）。本集團截至二零一三年十二月三十一日止年度償還借款約人民幣205,500,000元。本集團的現金及銀行結餘（包括受限制現金）為人民幣284,900,000元（二零一二年十二月三十一日：人民幣208,100,000元）。本集團已於二零一三年十一月二十七日收到根據公開發售發行普通股的所得款項淨額81,500,000港元（約人民幣63,700,000元）。本集團於二零一三年十二月三十一日尚未動用所得款項淨額，並擬按與日期為二零一三年十一月二十六日的有關公開發售之公佈所披露者一致的方式動用所得款項淨額。

集團資產抵押

於二零一三年十二月三十一日，人民幣86,471,000元的銀行借款乃以人民幣91,273,000元的受限制銀行存款作抵押；人民幣5,705,000元的銀行借款乃以賬面淨值分別為人民幣6,430,000元及人民幣200,000元的受限制現金及應收票據作抵押，而人民幣88,000,000元的銀行借款乃以賬面淨值為人民幣43,903,000元的樓宇及賬面淨值為人民幣27,137,000元的土地使用權作抵押。

Operating lease commitments

The Group's future aggregate minimum lease payments to be paid under non-cancellable operating leases were as follows:

		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
Not later than 1 year	不遲於一年	1,066	652
1 – 2 years	一年至兩年	596	570
2 – 3 years	兩年至三年	399	599
		2,061	1,821

Capital commitments and contingent liabilities

As at 31 December 2013, the Group has no material capital commitments or contingent liabilities.

Material Acquisition and Disposals

Save as disclosed in the "History and Development" section in the prospectus of the Company dated 15 November 2013 (the "Prospectus"), the Group did not have any material acquisition or disposal of subsidiaries or associates during the year ended 31 December 2013.

Exposure to fluctuations in exchange rates and related hedge

Most transactions of the Group are settled in Renminbi ("RMB") since the operations of the Group are mainly carried out in the PRC, and the major subsidiaries of the Group are operating in an RMB environment and the functional currency of the major subsidiaries is RMB. The reporting currency of the Group is RMB. The Group carried on trading of textile products from overseas and most of the transactions were settled in United States Dollars. The Group's cash and bank deposits are predominantly in RMB. The Company will pay dividends in Hong Kong Dollars if dividends are declared. The Directors are of the view that RMB is relatively stable against the other currencies and the Group will closely monitor the fluctuations in exchange rates, and that hedging by means of derivative instruments is therefore not necessary. RMB is currently not a freely convertible currency. A portion of the Group's RMB revenue or profit may be converted into other currencies to meet foreign currency obligations of the Group such as the payment of dividends, if declared.

經營租約承擔

本集團根據不可註銷經營租約將予支付的未來最低租賃付款總額如下：

		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
Not later than 1 year	不遲於一年	1,066	652
1 – 2 years	一年至兩年	596	570
2 – 3 years	兩年至三年	399	599
		2,061	1,821

資本承擔及或然負債

於二零一三年十二月三十一日，本集團並無重大資本承擔或或然負債。

重大收購及出售

除本公司日期為二零一三年十一月十五日之招股章程（「招股章程」）「歷史及發展」一節所披露者外，本集團於截至二零一三年十二月三十一日止年度並無進行任何附屬公司或聯營公司之重大收購或出售。

匯率波動風險及有關對沖

由於本集團主要在中國境內經營業務及本集團之主要附屬公司於人民幣（「人民幣」）環境下營運，而主要附屬公司之功能貨幣為人民幣，故本集團大部分交易以人民幣結算。本集團之呈報貨幣為人民幣。本集團從事來自海外之紡織產品貿易及大部份交易以美元結算。本集團現金及銀行存款主要以人民幣計值。倘宣派股息，本公司將以港元派付股息。董事認為人民幣與其他貨幣之匯率相對穩定，且本集團將密切留意匯率波動之情況，因此並無必要採用衍生工具進行對沖。人民幣目前為不可自由兌換貨幣。本集團部分人民幣收入或溢利可兌換為其他貨幣，以履行本集團之外匯責任，例如派付股息（如有宣派）。

Employee benefits and remuneration policies

As at 31 December 2013, the Group had a total of 504 employees (31 December 2012: 518). The employees of the Group were remunerated based on their experience, qualifications, the Group's performance and the prevailing market conditions.

During the year, staff costs (including Directors' remunerations) amounted to RMB37.6 million (31 December 2012: RMB31.4 million). Moreover, the share option scheme of the Company (the "Scheme") was adopted on 7 November 2013 to retain staff members who have made contributions to the success of the Group. During the period from the date of adoption of the Scheme (i.e. 7 November 2013) to 31 December 2013, no share options were granted to any persons including Directors or employees of the Group under the Scheme.

As required by the PRC regulations on social insurance, the Group participates in the social insurance schemes operated by the relevant local government authorities which include retirement pension, medical insurance, unemployment insurance, industrial injuries insurance and maternity insurance.

Significant investments held

There was no significant investment held by the Company as at 31 December 2013.

Dividend policy

The Board does not recommend the payment of final dividend for the financial year ended 31 December 2013. The Board intends to commence paying appropriate dividends in subsequent financial years on the condition, however, that the Company's business operations, financial and cashflow position, capital expenditures and other related considerations are appropriate. In particular, the Company must be assured that financial resources available at that time will be sufficient to achieve sustained and favourable long-term growth and complete investment projects that will create shareholder value.

僱員福利及酬金政策

於二零一三年十二月三十一日，本集團共聘用504名僱員（二零一二年十二月三十一日：518名）。本集團僱員之薪酬根據其經驗、資格、本集團表現及現行市況釐定。

於年內，員工成本（包括董事酬金）為人民幣37,600,000元（二零一二年十二月三十一日：人民幣31,400,000元）。此外，本公司之購股權計劃（「該計劃」）已於二零一三年十一月七日獲採納，以挽留為本集團之成功作出貢獻之員工。自採納該計劃日期（即二零一三年十一月七日）起至二零一三年十二月三十一日止期間內，概無根據該計劃向任何人士（包括董事或本集團僱員）授出購股權。

根據中國社保法規所規定，本集團參與相關地方政府部門營運之社保計劃，涵蓋退休金、醫療保險、失業保障、工傷保險及分娩保險。

所持有重大投資

於二零一三年十二月三十一日，本公司概無持有重大投資。

股息政策

董事會不建議派付截至二零一三年十二月三十一日止財政年度的末期股息。在本公司業務經營、財務及現金流狀況、資本開支及其他相關因素合適的條件下，董事會擬於隨後的財政年度開始派付適量的股息。特別是，本公司須確保屆時將有足夠的財務資源可實現業務的長期持續良好發展及完成將可為股東創造價值的投資項目。

Directors and Senior Management

董事及高級管理層

EXECUTIVE DIRECTORS

Mr. Li Cheng

aged 51, an executive director and the chairman of the Board of the Company. Mr. Li is also the chairman of the Nomination Committee under the Board and the authorised representative of the Company. Mr. Li has more than 20 years of experience in textile and trading industry, and is mainly responsible for overall business strategy and management of the Group. From August 1985 to May 1993, Mr. Li had been engaged in trading of textile products as a sole proprietorship. He worked as the general manager of Xiaoshan Yongsheng Trading Company from March 1993 to November 1997, and from November 1997 to June 1999, he assumed the role of general manager of Xiaoshan Yongsheng Chemical Fiber Company Limited (the current Hangzhou Yongsheng Group Limited ("Yongsheng Group")). He served as the general manager of Hangzhou Yongsheng Weaving Limited from June 1999 to April 2003. Since 2003, Mr. Li has been appointed as a chairman of the board of director of Yongsheng Group. Mr. Li has been a senior economist since October 2013.

Mr. Li completed his professional study major in dyeing and processing engineering in Zhejiang Institute of Silk Textile (now known as Zhejiang Sci-Tech University) in July 1985, and in March 2004, he completed a course on corporate director advanced business administration which was held by Ningbo Jianfeng Management Technology Research Centre. Between 2006 and 2012, Mr. Lee had also completed various courses including the Senior Training Course on the Philosophy of New Technology and Enterprise Growth – Growth enterprise and the Senior Training Course on Financial Investment in Real Operations respectively offered by the school of humanities and the school of media of Zhejiang University, the Senior Training course for Business Administration Executives offered by Zhejiang Gongshang University, the training course for senior enterprise operators and managers in Hangzhou City on "356 Engineering Programme" in relation to investment, financing and capital operation training offered by Fudan University. Mr. Li was appointed as the deputy chairman of The Professional Committee of Zhejiang Province Privately-operated Economic Research Centre in December 2002.

Mr. Li has been elected as a member of the Hangzhou City Xiaoshan District Committee of the Chinese People's Political Consultative Conference since May 2005. He was also elected as the chairman of the Hangzhou City Xiaoshan District Wenzhou Chamber of Commerce in July 2010, the vice-chairman of the Hangzhou City Xiaoshan District General Chamber of Commerce in December 2012 and the standing council member of the China Chemical Fiber Association in April 2012. In October 2008, Mr. Li was named the "Staff Caring Outstanding Entrepreneur" of Hangzhou City jointly awarded by the Federation of Trade Union of Hangzhou City and the Industry and Commerce Joint Committee of Hangzhou City. In February 2013, Mr. Li was awarded the "Outstanding Socialist Builder" for the years 2010 – 2012 by the Office of China Hangzhou City Xiaoshan District and The People's Government Office of Hangzhou City Xianshan District.

執行董事

李誠先生

51歲，本公司執行董事兼董事會主席。李先生亦為董事會轄下提名委員會主席及本公司授權代表。李先生於紡織及貿易行業擁有逾20年經驗，主要負責本集團整體業務策略及管理。自一九八五年八月至一九九三年五月，李先生成立獨資企業，一直從事紡織品貿易。彼於一九九三年三月至一九九七年十一月擔任蕭山永盛貿易公司總經理，及於一九九七年十一月至一九九九年六月擔任蕭山市永盛化纖有限公司（現稱杭州永盛集團有限公司（「永盛集團」））總經理。自一九九九年六月至二零零三年四月，彼擔任杭州永盛紡織有限公司總經理。自二零零三年起，李先生一直擔任永盛集團董事會主席一職。李先生自二零一三年十月起為高級經濟師。

李先生於一九八五年七月於浙江絲綢工學院（現稱為浙江理工大學）完成專業學習，主修染色及加工工藝，及於二零零四年三月修畢寧波健峰管理技術研修中心開設的公司董事先進業務管理課程。李先生於二零零六年至二零一二年修畢多門課程，包括由浙江大學人文學院及傳媒學院開設的浙大新科技與企業成長之道—成長型企業高級研修班及金融投資實戰運營高級研修班、由浙江工商大學開設的工商管理總裁高級研修班，及由復旦大學開設的杭州市企業高級經營管理者培訓「356工程」投融資與資本運作研修班。於二零零二年十二月，李先生獲委任為浙江省民營經濟研究中心專業委員會副主任。

李先生自二零零五年五月起一直擔任中國人民政治協商會議杭州市蕭山區委員會委員。彼亦於二零一零年七月及二零一二年十二月分別獲選為杭州市蕭山區溫州商會會長及杭州市蕭山區總商會副會長，並於二零一二年四月獲選為中國化學纖維工業協會常務理事。於二零零八年十月，李先生獲杭州市總工會及杭州市工商業聯合會共同評選為杭州市「關愛員工優秀企業家」。彼亦於二零一三年二月獲中共杭州市蕭山區委辦公室及杭州市蕭山區人民政府辦公室評為二零一零至二零一二年度之「優秀社會主義事業建設者」。

Directors and Senior Management

董事及高級管理層

Mr. Zhao Jidong

aged 49, an executive director and chief executive officer of the Company. Mr. Zhao is also a member of the Remuneration Committee under the Board. Mr. Zhao has more than 25 years of experience in textile industry, and is mainly responsible for general management and overall operations of the Group. Mr. Zhao joined Yongsheng Group as the position of chief executive officer since June 2010. Mr. Zhao was previously also a director of Yongsheng Group. From July 1985 to October 2006, Mr. Zhao had worked in Yangzhou Cloth Factory and he served previously as the factory director. He had also served as the deputy director and director of Yangzhou Textile Research Institute from February 1990 to October 2006. From September 2006 to July 2011, Mr. Zhao had been the director of Shanghai Huayuan Company Limited, a company which is listed on the Shanghai Stock Exchange (the "Shanghai Stock Exchange") (stock code: 600094), and from November 2006 to July 2011, Mr. Zhao had been the deputy general manager and chief engineer of Shanghai Huayuan Company Limited.

Mr. Zhao obtained his bachelor degree major in textile engineering from Wuxi Light Industry Institute (now known as Jiangnan University) in July 1985. Mr. Zhou has also completed the Senior Training Course for Young Entrepreneur in Financial Control and Capital Operation offered by Tsinghua University in December 2011. Mr. Zhao was elected a council member of Yangzhou City Textile Construction Association in June 1991. He joined the Jiangsu Textile Engineering Association as a product professional committee member in January 2004, and Mr. Zhao had been granted as the government special allowance certificate by the State Council of the PRC in 2000. He has completed and passed the Training Course for Senior Management of Listed Companies offered by China Securities Regulatory Commission Shanghai Regulatory Bureau respectively in 2007 and 2008. He was also accredited as a senior engineer on textile engineering by Jiangsu Province Textile Industry Bureau Job Title Reform Office and professor level senior engineer by Jiangsu Department of Personnel respectively in 1995 and 2000, and Mr. Zhao was engaged by the Graduate School of Donghua University as an out-campus mentor in September 2012.

Mr. Zhao also obtained a number of awards, including the 3rd prize of Yangzhou Science and Technology Advancement Awards and the 1st prize of Yangzhou Science and Technology Advancement Awards awarded by Yangzhou Science and Technology Advancement Awards Judging Committee, the "National Textile Labour Working Role Model" awarded by China Textile Industrial Bureau, the "Yangzhou City Technology Contributor" awarded by Yangzhou City, the "Central Enterprise Labour Working Role Model" awarded jointly by the National Ministry of Personnel and State-owned Assets Supervision and Administration Commission of the State Council, and the "2nd Prize of Sang Ma Textile Technology" by The Sang Ma Trust Fund. Mr. Zhao was awarded the 3rd prize of Jiangsu Province Science and Technology Advancement Awards on his projects of "High Stimulation Twisted Peach Skin flannel" and "The Ultrafine Composite Fabric Thread" and awarded the 2nd prize of Jiangsu Province Science and Technology Advancement Awards on his projects of "The Sea-island Ultrafine Composite Synthetic Chamois Leathers" by Jiangsu Province Science and Technology Advancement Awards Judging Committee. He has been selected as one of the "Candidate of the First Batch National Engineering Talents of the National New Century Project" by The Ministry of Personnel of the PRC in April 2004 and passed its advanced training in July 2005.

趙繼東先生

49歲，本公司執行董事兼行政總裁。趙先生亦為董事會轄下薪酬委員會成員。趙先生於紡織業擁有逾25年經驗，主要負責本集團綜合管理及整體營運。彼自二零一零年六月起加入永盛集團擔任行政總裁，亦曾擔任永盛集團董事。於一九八五年七月至二零零六年十月，趙先生加入揚州布廠並曾任廠長。自一九九零年二月至二零零六年十月，彼亦擔任揚州紡織研究所副所長及所長。趙先生於二零零六年九月至二零一一年七月擔任上海華源股份有限公司（一家於上海證券交易所（「上交所」）上市之公司，股份代號：600094）之董事，及於二零零六年十一月至二零一一年七月擔任上海華源股份有限公司副總經理兼總工程師。

趙先生於一九八五年七月於無錫輕工業學院（現稱為江南大學）取得學士學位，主修紡織工程。趙先生亦於二零一一年十二月修畢清華大學的青年經營者財務管控與資本運營高級研修班。於一九九一年六月，彼獲選為揚州市紡織工程學會理事會理事。趙先生於二零零四年一月加入江蘇省紡織工程學會並擔任產品專業委員會委員，及於二零零零年獲中國國務院授予政府特殊津貼證書。彼分別於二零零七年及二零零八年修畢並通過中國證券監督管理委員會上海監管局開設的上市公司高級管理人員培訓班課程。彼亦分別於一九九五年及二零零零年獲江蘇省紡織工業廳職稱改革辦公室及江蘇省人事廳評為紡織工程高級工程師及教授級高級工程師，及於二零一二年九月被東華大學研究生部聘任為校外導師。

趙先生曾獲得多項獎項，包括揚州市科學技術進步獎評審委員會授予之「揚州市科技進步三等獎」及「揚州市科技進步一等獎」、中國紡織工業部之「全國紡織工業勞動模範」稱號、揚州市授予的「揚州市科技功臣」稱號、國家人事部及國務院國有資產監督管理委員會共同授予的「中央企業勞動模範」稱號、香港桑麻基金會的「桑麻紡織科技貳等獎」等。趙先生先後憑藉其「高仿真倍捻桃皮絨」項目、「超細複合織物摩絲」項目及「海島極細複合纖維織物麂皮」項目獲得江蘇省科學技術進步獎評審委員會授予之「江蘇省科技進步三等獎」或「江蘇省科技進步二等獎」。彼亦於二零零四年四月獲中華人民共和國人事部選為「首批新世紀百千萬人才工程國家級人選」，並於二零零五年七月通過高級培訓。

Mr. Li Conghua

aged 39, an executive director of the Company and general manager of Hangzhou Xiaoshan Yongsheng Foreign Trading Company Limited ("Hangzhou Yongsheng Trading"). Mr. Li has more than 15 years of experience in the textile industry, and is mainly responsible for management and supervision of ordinary operation of the Group's trading business. He worked as a chemical fiber materials salesperson in the chemical fiber department in Xiaoshan Yongsheng Trading Company Limited from June 1997 to December 2000, and from January 2000 to December 2004, he was the department manager in chemical fiber department of Yongsheng Group. Since March 2005, he has been the general manager of Hangzhou Yongsheng Trading.

Mr. Li has also completed the Senior Training Course for Chief Executive Officer of Growth Enterprise offered by Zhejiang University in January 2008. Mr. Li is the nephew of Mr. Li Cheng.

Mr. Ma Qinghai

aged 39, an executive director of the Company and general manager of Hangzhou Huvis Yongsheng Dyeing and Finishing Company Limited ("Yongsheng Dyeing") manufacturing division. Mr. Ma has more than 15 years of experience in the textile industry, and is mainly responsible for management and supervision of ordinary operation of the Group's dyeing business. Mr. Ma was the technical supervisor and workshop officer of Zhejiang Hongli Group Limited Printing and Dyeing Branch Company from August 1994 to February 2001. Mr. Ma held the position of internal trading manager of Yongsheng Group from January 2002 to July 2005 and was previously a director of Yongsheng Group. Mr. Ma served as the vice factory director, factory director and deputy general manager of Yongsheng Dyeing from August 2005 to February 2008, and he has held the general manager of Yongsheng Dyeing since February 2008.

In July 1994, Mr. Ma completed his professional study major in dyeing and processing in Zhejiang Province Common Intermediate Professional School. He completed the Senior Training Course for Chief Executive Officer of Growth Enterprise offered by the school of humanity of Zhejiang University in April 2007. Mr. Ma was awarded the Progressive Individual of Xiaoshan Dongpian Printing, Dyeing and Chemical Industry Provincial Level Environmental Protection Key Regulatory Area Remediation Work by the People's Government of Xiaoshan District of Hangzhou City in 2007, and Mr. Ma obtained the award of Outstanding Contract Manager of Xiaoshan District jointly offered by the Hangzhou Administration for Industry and Commerce Xiaoshan Branch and Hangzhou City Xiaoshan District Enterprise Contract Management Association in 2010.

李聰華先生

39歲，本公司執行董事兼杭州蕭山永盛對外貿易有限公司（「杭州永盛貿易」）總經理。李先生於紡織業擁有逾15年經驗，主要負責管理及監督本集團貿易業務的日常營運。李先生於一九九七年六月至二零零零年十二月擔任蕭山永盛貿易有限公司化纖部的化纖材料銷售人員，及於二零零零年一月至二零零四年十二月擔任永盛集團化纖部部門經理。自二零零五年三月起，彼一直擔任杭州永盛貿易總經理。

李先生於二零零八年一月修畢浙江大學開設的成長型企業總裁高級研修班。李先生為李誠先生之侄子。

馬青海先生

39歲，本公司執行董事兼杭州滙維仕永盛染整有限公司（「永盛染整」）事業部總經理。馬先生於紡織業擁有逾15年經驗，主要負責管理及監督本集團印染業務的日常營運。馬先生於一九九四年八月至二零零一年二月擔任浙江紅利集團有限公司印染分公司技術指導兼車間主任。自二零零二年一月至二零零五年七月，馬先生擔任永盛集團國內銷售部門經理及曾任永盛集團董事。於二零零五年八月至二零零八年二月，彼先後擔任永盛染整副廠長、廠長及副總經理，及自二零零八年二月起擔任永盛染整總經理。

馬先生於一九九四年七月於浙江省普通中等專業學校完成專業學習，主修染色及加工。彼亦於二零零七年四月修畢浙江大學人文學院開設的成長型企業總裁高級研修班。馬先生於二零零七年獲杭州市蕭山區人民政府評為「蕭山東片印染染化行業省級環保重點監管區整治工作先進個人」，並於二零一零年榮獲杭州市工商行政管理局蕭山分局及杭州市蕭山區企業合同管理協會聯合評選為「蕭山區優秀合同管理員」。

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Duan Xiaoping

aged 44, an independent non-executive director of the Company appointed on 7 November 2013. Mr. Duan is also a member of the Audit Committee, the Nomination Committee and the Remuneration Committee under the Board. Mr. Duan mainly provides his independent judgment on strategy, performance, resources, code of conduct and other aspects of the Company. Mr. Duan is the Chairman of China Chemical Fiber Association. Mr. Duan was the deputy division head of China Textile Association from August 1991 to August 1998. Mr. Duan held the position of deputy general manager in China National Chemical Fiber Corp. from January 2002 to September 2007. From September 2007 to November 2008, Mr. Duan assumed the position of deputy general manager of Zhejiang Hengyi Group. From November 2008 to August 2010, he was the general manager of China Garments Co., Ltd, a company which is listed on the Shenzhen Stock Exchange (the "Shenzhen Stock Exchange") (stock code: 000902). Since September 2010, Mr. Duan has been the director of Research and Development Centre of Textile Chemical Fiber Products and the director of China Chemical Fiber Association. Mr. Duan was also appointed as a director of the chemical fiber professional committee of China Textile Engineering Society in July 2012. Since 2011, Mr. Duan has been the independent director of Tong Kun Group Co., Ltd. ("Tong Kun Group", a company which is listed on the Shanghai Stock Exchange, stock code: 601233) and Tangshan Sanyou Chemical Industries Co., Ltd (a company which is listed on the Shanghai Stock Exchange, stock code: 600409). Tong Kun Group is a holding company of 桐昆集團浙江恒通化纖有限公司, a supplier of the Group. Mr. Duan has also been the independent director of Zhejiang Huaafon Spandex Co., Ltd. (a company which is listed on the Shenzhen Stock Exchange, stock code: 002064) and Zhejiang Hengyi Group Co., Ltd. (a company which is listed on the Shenzhen Stock Exchange, stock code: 000703) since February 2008 and May 2011 respectively.

Mr. Duan graduated in chemical fiber from the China Textile University (now known as Donghua University) in July 1991 and obtained a master degree in materials engineering there in May 2004. In July 2007, he was awarded a master of business administration of senior management by Fudan University. Mr. Duan also completed the Training Course for Senior Management of Listed Company offered by Shenzhen Stock Exchange in March 2011. Mr. Duan was awarded the first prize of science technological advancement by China National Textile and Apparel Council in October 2011 on his project of "Ten Thousand Tonnes Level Nationalization PBT Continuous Integration Setting and Fiber Product Development".

獨立非執行董事

端小平先生

44歲，於二零一三年十一月七日獲委任為本公司獨立非執行董事。端先生亦為董事會轄下審核委員會、提名委員會及薪酬委員會成員。端先生主要就本公司策略、表現、資源及行為準則等事項提供獨立判斷。端先生現為中國化學纖維工業協會會長。端先生於一九九一年八月至一九九八年八月擔任中國紡織總會副處長。自二零零二年一月至二零零七年九月，端先生擔任中國化纖總公司副總經理。自二零零七年九月至二零零八年十一月，端先生擔任浙江恒逸集團副總經理。自二零零八年十一月至二零一零年八月，彼為中國服裝股份有限公司（一間於深圳證券交易所（「深交所」）上市之公司，股份代號：000902）之總經理。自二零一零年九月起，端先生一直擔任紡織化纖產品開發中心的主任及中國化學纖維工業協會理事。端先生亦於二零一二年七月獲委任為中國紡織工程學會化纖專業委員會理事。自二零一一年起，端先生分別擔任桐昆集團股份有限公司（「桐昆集團」，一間於上交所上市之公司，股份代號：601233）及唐山三友化工股份有限公司（一間於上交所上市之公司，股份代號：600409）之獨立董事。桐昆集團為本集團之一名供貨商桐昆集團浙江恒通化纖有限公司之控股公司。端先生亦分別自二零零八年二月及二零一一年五月起擔任浙江華峰氨綸股份有限公司（一間於深交所上市之公司，股份代號：002064）及恒逸石化股份有限公司（一間於深交所上市之公司，股份代號：000703）之獨立董事。

端先生於一九九一年七月畢業於中國紡織大學（現稱為東華大學）化纖專業，並於二零零四年五月於該校取得材料工程碩士學位。彼亦於二零零七年七月取得復旦大學高級管理人員工商管理碩士學位。彼於二零一一年三月修畢深交所開設的上市公司高級管理人員培訓班。於二零一一年十月，端先生憑藉其「萬噸級國產化PBT連續聚合裝置及纖維產品開發」項目榮獲中國紡織工業協會頒發的「科技進步一等獎」。

Ms. Wong Wai Ling

aged 52, an independent non-executive director of the Company appointed on 7 November 2013. She is also the chairlady of the Audit Committee and the Remuneration Committee under the Board. Ms. Wong has over twenty years of experience in accounting and auditing, and mainly provides her independent judgment on strategy, performance, resources, code of conduct and other aspects of the Company. She had worked for more than seven years in major international accounting firms and local accounting firms before she set up her own accounting firm in Hong Kong in 1993. Ms. Wong is an independent non-executive director and the chairperson of the audit committees of China Ruifeng Renewable Energy Holdings Limited (previously known as China Ruifeng Galaxy Renewable Energy Holdings Limited) (stock code: 527), Overseas Chinese Town (Asia) Holdings Limited (stock code: 3366) and AVIC International Holdings Limited (previously known as CATIC Shenzhen Holdings Limited) (stock code: 161), all of which are companies which are listed on the Main Board of the Stock Exchange. Ms. Wong is also an executive director and chief executive officer of JC Group Holdings Limited, a company which is listed on the Growth Enterprise Market of the Stock Exchange (stock code: 8326).

Ms. Wong obtained a Bachelor of Arts degree from University of Hong Kong in November 1983 and a postgraduate diploma in account and finance from the London School of Economics and Political Science, University of London, in the United Kingdom in July 1985. She has been registered as a Certified Public Accountant in Hong Kong since June 1991. Ms. Wong has become a fellow member of the Association of Chartered Certified Accountants and a fellow member of Hong Kong Institute of Certified Public Accountants since May 1995 and February 2001 respectively.

Mr. Shiping James Wang

aged 53, an independent non-executive director of the Company appointed on 7 November 2013. He is also a member of the Audit Committee and the Nomination Committee under the Board. Mr. Wang mainly provides her independent judgment on strategy, performance, resources, code of conduct and other aspects of the Company. Mr. Wang was the Foreign General Legal Counsel of Zhongxin Law Firm Shanghai Branch from July 2009 to March 2013 and has been the Foreign General Legal Counsel of Shanghai Hanyuan Law Firm since 30 June 2013.

Mr. Wang obtained his master degree of science in biochemical engineering from Massachusetts Institute of Technology in May 1988. He further completed his Juris Doctoris in Seton Hall Law School in June 1994. Mr. Wang was admitted as an attorney at law in the Supreme Court of New Jersey and the US District Court for the District of New Jersey in December 1994.

黃慧玲女士

52歲，於二零一三年十一月七日獲委任為本公司獨立非執行董事，亦為董事會轄下審核委員會主席及薪酬委員會主席。黃女士於會計及審計方面擁有逾20年經驗，主要就本公司策略、表現、資源及行為準則等事項提供獨立判斷。彼於一九九三年於香港成立會計師事務所前，曾於主要國際會計師事務所及本地會計師事務所任職逾7年。彼現為中國瑞風新能源控股有限公司（前稱中國瑞風銀河新能源控股有限公司）（股份代號：527）、華僑城（亞洲）控股有限公司（股份代號：3366）及中航國際控股股份有限公司（前稱深圳中航集團股份有限公司）（股份代號：161）之獨立非執行董事及審核委員會主席，以上公司均於聯交所主板上市。黃女士亦為JC Group Holdings Limited（一間於聯交所創業板上市的公司（股份代號：8326））之執行董事及行政總裁。

黃女士於一九八三年十一月取得香港大學文學士學位，並於一九八五年七月於英國倫敦大學倫敦政治經濟學院取得會計及財務文憑。彼自一九九一年六月起註冊為香港執業會計師，並分別自一九九五年五月及二零零一年二月起成為英國特許公認會計師公會資深會員及香港會計師公會資深會員。

王世平先生

53歲，於二零一三年十一月七日獲委任為本公司獨立非執行董事，亦為董事會轄下審核委員會及提名委員會成員。王先生主要就本公司策略、表現、資源及行為準則等事項提供獨立判斷。王先生於二零零九年七月至二零一三年三月擔任眾鑫律師事務所上海分公司國外法律總顧問，並自二零一三年六月起擔任上海瀚元律師事務所國外法律總顧問。

王先生於一九八八年五月於麻省理工學院取得生物工程專業理學碩士學位，及於一九九四年六月進一步取得Seton Hall Law School法學博士學位。彼於一九九四年十二月取得新澤西州高等法院及新澤西州聯邦地區法院律師資格。

SENIOR MANAGEMENT

Mr. Zhao Ganghua

aged 50, the general manager of Hangzhou Huvis Yongsheng Chemical Fiber Company Limited ("Yongsheng Chemical Fiber"). Mr. Zhao has over 15 years of experience in management, and is mainly responsible for management and supervision of day-to-day operation of fiber manufacturing business of Yongsheng Chemical Fiber under the Group. Mr. Zhao was the vice president of Yongsheng Group from January 2007 to December 2011, and he joined Yongsheng Chemical Fiber as a general manager as well as the chairman of the Labour Union of Yongsheng Group in February 2008. Mr. Zhao worked in Singapore Dongyuan China Investment Company Limited as the chairman assistant from February 1995 to January 1999. He worked in Shenzhen Franchise Association as a vice secretary-general from November 2001 to November 2002, and he was the management advisory counsellor of Hangzhou Shidai Guanghua Limited from May 2003 to December 2005.

Mr. Zhao completed the enterprise management course held by Vigor Management Consulting Co., Ltd. in March 2001 and further obtained his master of business administration from the University of Ballarat in Australia in May 2003. He was invited by Huzhou University as guest lecturer in June 2005. He was named as the "Asia Top Ten Trainer" by the International Profession Training Business Society in 2006. Mr. Zhao has been a senior economist since December 2009.

Mr. Shi Hongxing

aged 45, the general manager of Nantong Yongsheng Fiber Advanced Materials Company Limited ("Nantong Yongsheng"), and is mainly responsible for management and supervision of day-to-day operation of fiber manufacturing business of Nantong Yongsheng under the Group. Mr. Shi joined the Group in June 2010 since the incorporation of Nantong Yongsheng. Mr. Shi had been the general manager assistant and the head of production department of Nantong Huatong Chemical Fiber Limited from July 1993 to June 2008, and he had been the general manager assistant in Shenghong Group Jiangsu Zhonglu Technology Company Limited from August 2008 to May 2010.

Mr. Shi obtained his bachelor degree majoring in chemical fiber from the Suzhou Silk Technical Institute in July 1993. Mr. Shi has been accredited as a senior engineer since December 2008.

高級管理層

趙崗華先生

50歲，杭州滙維仕永盛化纖有限公司（「永盛化纖」）總經理。趙先生於管理方面擁有逾15年經驗，主要負責管理及監督本集團永盛化纖的化纖製造業務的日常營運。趙先生於二零零七年一月至二零一一年十二月擔任永盛集團副總裁，及於二零零八年二月擔任永盛化纖總經理兼永盛集團工會主席。趙先生於一九九五年二月至一九九九年一月擔任新加坡東園中國投資有限公司董事長助理。彼於二零零一年十一月至二零零二年十一月擔任深圳市零售商業行業協會秘書處之副秘書長，及於二零零三年五月至二零零五年十二月擔任杭州時代光華有限公司管理諮詢顧問。

趙先生於二零零一年三月修畢健峰管理技術研修中心的企業管理課程。彼進一步於二零零三年五月於澳洲University of Ballarat取得工商管理碩士學位。趙先生於二零零五年六月獲湖州師範學院邀請擔任客座講師，並於二零零六年獲國際職業培訓師行業協會授予「亞洲十大培訓師」頭銜。趙先生自二零零九年十二月起為高級經濟師。

石紅星先生

45歲，南通永盛纖維新材料有限公司（「南通永盛」）總經理，主要負責管理及監督本集團南通永盛的化纖製造業務的日常營運。石先生自南通永盛於二零一零年六月註冊成立以來即加盟本集團。彼於一九九三年七月至二零零八年六月擔任南通華通化纖有限公司總經理助理兼生產部主管，並於二零零八年八月至二零一零年五月擔任盛虹集團江蘇中鱷科技股份有限公司總經理助理。

石先生於一九九三年七月於蘇州絲綢工學院取得學士學位，主修化學纖維。石先生自二零零八年十二月起獲授高級工程師頭銜。

Mr. Leung Ho Yan, Julian

aged 34, the financial controller, company secretary and authorised representative of the Group. Mr. Leung has over 12 years of experience in audit and accounting industry, and is mainly responsible for financial reporting and planning of the Group. Mr. Leung joined Yongsheng (HK) International Co., Limited in February 2012. He worked in KPMG from August 2001 to January 2012 with his secondment to KPMG Huazhen Beijing Office from January 2008 to September 2009.

Mr. Leung obtained his bachelor of arts in accountancy from The Hong Kong Polytechnic University in November 2001. Mr. Leung has been a fellow member of The Association of Chartered Certified Accountants and a fellow member of the Hong Kong Institute of Certified Public Accountants since December 2009 and May 2012 respectively. Mr. Leung is currently studying the Master of Corporate Governance programme at The Hong Kong Polytechnic University.

Mr. Li Min

aged 46, the head of internal audit department of the Group. Mr. Li has over 20 years of accounting experience, and is mainly responsible for internal control and risk management of the Group. Mr. Li joined Yongsheng Group in March 2000 as a financial manager and then a director. Prior to joining Yongsheng Group, Mr. Li worked as an assistant accountant in various factories including Xiaoshan Agricultural Machinery Factory (currently known as Hangzhou Safe Company Limited) from 1986 to 1987, Xiaoshan Building Materials Factory from 1993 to 1997 and Saintyear Holding Co., Ltd. from 1997 to 1999.

Mr. Li completed his higher education in industrial statistic in Hangzhou Business School in June 1992. Mr. Li was awarded as the “2003 Outstanding Statistics Financial Worker of Hangzhou Township Enterprises” by the Hangzhou Economic Commission in 2004 and has been conferred by the Ministry of Finance of the PRC as a senior accountant since November 2009.

Ms. Zhang Yingli

aged 40, the head of finance department of the Group, and is mainly responsible for financial reporting and treasury management for subsidiaries of the Group. Ms. Zhang joined Yongsheng Group in October 2003. She was the financial accountant of Zhejiang Asia Pacific Electrical and Mechanical Group Limited from July 1995 to November 2001.

Ms. Zhang completed her higher education in accounting in the Central China Agricultural University in July 1995. Ms. Zhang has been conferred by the Ministry of Finance of the PRC as an intermediate accountant since May 2002.

梁浩仁先生

34歲，本集團之財務總監、公司秘書兼授權代表。梁先生在審計及會計業擁有超過12年經驗，主要負責本集團的財務申報及規劃。梁先生於二零一二年二月加盟永盛（香港）國際有限公司。彼於二零一一年八月至二零一二年一月任職於畢馬威會計師事務所，並於二零零八年一月至二零零九年九月借調至畢馬威華振北京辦事處。

梁先生於二零零一年十一月於香港理工大學取得會計學文學士學位。梁先生分別自二零零九年十二月及二零一二年五月起成為特許公認會計師公會資深會員及香港會計師公會資深會員。梁先生現於香港理工大學修讀企業管治碩士課程。

李敏先生

46歲，集團內部審計部主管。李先生擁有逾20年會計經驗，主要負責本集團的內部監控及風險管理。李先生自二零零零年三月加盟永盛集團，先後擔任財務經理及董事。彼於加盟永盛集團前，曾於多間工廠擔任助理會計師，包括於一九八六年至一九八七年任職於蕭山農機廠（現稱杭州保險箱櫃有限公司）、於一九九三年至一九九七年任職於蕭山建材廠，及於一九九七年至一九九九年任職於三元控股集團有限公司。

李先生於一九九二年六月於杭州商學院完成工業統計的高等教育。李先生於二零零四年榮獲杭州市經濟委員會頒授的「2003年度杭州鄉鎮企業優秀統計財務工作者」稱號，並自二零零九年十一月起獲中國財政部授予高級會計師頭銜。

張穎莉女士

40歲，集團財務部主管，主要負責本集團附屬公司的財務申報及庫務管理。張女士於二零零三年十月加盟永盛集團。彼於一九九五年七月至二零零一年十一月擔任浙江亞太機電集團有限公司財務會計師。

彼於一九九五年七月完修畢華中農業大學的會計學高等教育課程。張女士自二零零二年五月獲中國財政部授予中級會計師頭銜。

Directors and Senior Management

董事及高級管理層

Mr. Xu Bing

aged 33, the head of human resources and administration department of the Group. Mr. Xu has over 10 years in human resources and administration management, and is mainly responsible for human resources management and administration. Mr. Xu has joined Yongsheng Weaving since May 2003 as the office manager and then the office manager of Yongsheng Dyeing, and is mainly responsible for human resources, administration and purchasing management. He rotated to Yongsheng Group as head of human resources and administration department in December 2008. He worked as the manager of the human resources department of Zhejiang Chenhui Lighting Company Limited from July 2002 to May 2003.

Mr. Xu graduated in Hubei Xiangfan Institute majoring in business administration in June 2002.

Mr. Xu Hua

aged 48, the supervisor of product information department of the Group. Mr. Xu has over 20 years of experience of fabric product development, and is mainly responsible for product research and development and market research. Prior to joining Yongsheng Group in March 2011, Mr. Xu had been the head of product development department of Yangzhou Cloth Factory from December 1993 to June 1997 and had been the head of product development department and general engineer of Yangzhou Huayuan Company Limited from November 2004 to February 2011.

Mr. Xu graduated from Nantong Textile Institute in July 1987 majoring in textile engineering and was accredited as a senior engineer in 2002. He was awarded the 3rd prize, the 3rd prize and the 2nd prize of Jiangsu Province Science and Technology Advancement Awards by Jiangsu Province Science and Technology Advancement Judging Committee on his projects of “High Stimulation Twisted Peach Skin Flannel”, “The Ultrafine Composite Fabric Thread” and “The Sea-island Ultrafine Composite Synthetic Chamoic Leather” in September 1996, October 1999 and December 2001 respectively. Mr. Xu was appraised by the People’s Government of Jiangsu Province in September 1997 for the achievement made from his work in relation to technological transformation in production between 1991 and 1996. He was named as the “Young Professional with outstanding contribution” by the People’s Government of Yangzhou and awarded with Five-One Labour Medal by Yangzhou Federation of Trade Unions in 2006. Furthermore, he was also named as the head of young professionals in respect of scientific technology of “333 Training Programme for Talented Individuals” by Leading Group for Talented Individuals in Jiangsu Province between 2007 and 2010.

徐冰先生

33歲，集團人力資源及行政部主管。徐先生於人力資源及行政管理方面擁有逾10年經驗，主要負責人力資源管理及行政工作。徐先生自二零零三年五月加盟永盛紡織，先後擔任永盛紡織及永盛染整之辦公室主任，主要負責人力資源、行政及採購管理。彼於二零零八年十二月調任永盛集團人力資源及行政部主管。徐先生於二零零二年七月至二零零三年五月擔任浙江晨輝照明有限公司人力資源部部門經理。

徐先生於二零零二年六月畢業於湖北襄樊學院，主修工商管理。

徐華先生

48歲，集團產品信息部主管。徐先生纖維產品開發方面擁有逾20年經驗，主要負責產品研發及市場調研。徐先生於二零一一年三月加盟永盛集團前，曾於一九九三年十二月至一九九七年六月擔任揚州布廠產品開發部主管，及於二零零四年十一月至二零一一年二月擔任揚州華源有限公司產品開發部主管兼總工程師。

徐先生於一九八七年七月畢業於南通紡織工學院，主修紡織工程，並於二零零二年獲授高級工程師頭銜。彼分別於一九九六年九月、一九九九年十月及二零零一年十二月憑藉「高仿真倍捻桃皮絨」、「超細複合織物摩絲」及「海島極細複合纖維織物麂皮」，獲江蘇省科學技術進步獎評審委員會分別頒發「江蘇省科學技術進步獎三等獎」、「江蘇省科學技術進步獎三等獎」及「江蘇省科學技術進步獎二等獎」。於一九九七年九月，徐先生獲江蘇省人民政府表彰其於一九九一年至一九九六年於生產技術改造方面取得的成就。彼於二零零六年獲揚州市人民政府授予「有突出貢獻的中青年專家」稱號和揚州市總工會授予之「五一勞動獎章」。此外，彼亦於二零零七年至二零一零年期間獲江蘇省人才工作領導小組評選為「333高層次人才培養工程」中青年科學技術帶頭人。

The Company was committed to achieving and maintaining high standards of corporate governance, the principles of which serve to uphold transparency, accountability and independence in all aspects of business and endeavours to ensure that affairs are conducted in accordance with applicable laws and regulations.

CORPORATE GOVERNANCE CODE

The Group's corporate governance practices are based on the Corporate Governance Code (the "Code") – Appendix 14 to the Listing Rules. During the period from 27 November 2013 (date of listing of the shares on the Main Board of the Stock Exchange) (the "Listing Date"), to the date of this report (the "Review Period") save as disclosed below, the Board considered that the Company had complied with the Code.

Code provision A.1.1

According to code provision A.1.1, the Company should hold at least four board meetings in the year. Since the company was listed on the Stock Exchange on 27 November 2013, which is closed to end of the year, only one board meeting was held during the Review Period. The Company believes that such derivation to the relevant code provision will not affect the decision making and effective communications of the Board.

The Board will periodically review the Company's current corporate practices and procedures and will maintain and further enhance the standard of corporate governance practices of the Company, in order to ensure it is in line with international and local best practices and optimise the interests of the shareholders, investors, employees, business partners and the community as a whole.

CODE OF CONDUCT REGARDING DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code"). Specific enquiry has been made to all the Directors and the Directors have confirmed that they had complied with the Model Code and such code of conduct during the Review Period.

本公司致力達致及維持高水平的企業管治，其原則旨在於各個業務方面維持透明度、問責性及獨立性，並努力確保一切事務均按照適用的法律及法規進行。

企業管治守則

本集團的企業管治常規乃以上市規則附錄14所載的企業管治守則（「守則」）為基準。除下文所披露者外，於自二零一三年十一月二十七日（股份於聯交所主板上市日期）（「上市日期」）起至本報告止期間「審閱期內」，董事會認為本公司一直遵守守則。

守則條文第A.1.1條

根據守則條文第A.1.1條，本公司應於年度舉行至少四次董事會會議。由於本公司於二零一三年十一月二十七日於聯交所上市，其臨近年末，故於審閱期內僅舉行一次董事會會議。本公司認為，有關偏離相關守則將不會影響董事會之決策及有效交流。

董事會將定期檢討本公司現時的企業慣例及程序，並會維持及進一步提升本公司的企業管治常規水平，以確保其符合國際和本地最佳慣例，及盡量提升股東、投資者、僱員、業務夥伴及公眾的整體利益。

董事進行證券交易的操守守則

本公司已採納有關董事進行證券交易的操守守則，其條款不遜於上市規則附錄10所載上市發行人董事進行證券交易的標準守則（「標準守則」）所載的規定標準。本公司已向全體董事作出具體查詢，而各董事已確認彼等於審閱期內一直遵守標準守則及有關操守準則。

THE BOARD OF DIRECTORS

Composition of the Board

The Board has a balance of skills and experience appropriate for the requirements of the Group's business. The Board includes a balanced composition of executive and independent non-executive Directors so that independent judgement can be effectively exercised.

The Board currently comprises four executive Directors and three independent non-executive Directors. During the Review Period, the Directors were:

Executive Directors

Mr Li Cheng (*Chairman*)

Mr Zhao Jidong (*CEO*) (appointed on 7 November 2013)

Mr Li Conghua (appointed on 7 November 2013)

Mr Ma Qinghai (appointed on 7 November 2013)

Independent Non-Executive Directors

Mr Duan Xiaoping (appointed on 7 November 2013)

Ms Wong Wai Ling (appointed on 7 November 2013)

Mr Shiping James Wang (appointed on 7 November 2013)

The brief biographic details of and relationships between the existing Directors are set out in the section headed "Directors and Senior Management" on pages 37 to 41. Save as disclosed under the section headed "Directors and Senior Management", there is no financial, business, family or other material or relevant relationships between Board members and in particular, between the chairman of the Board (the "Chairman") and the chief executive officer of the Company (the "Chief Executive Officer").

During the Review Period, the Board maintained a high level of independence, with more than one-third of the Board comprised of independent non-executive Directors, who had exercised independent judgement. The independent non-executive Directors are expressly identified in all corporate communications whenever the names of the Directors are disclosed.

董事會

董事會的組成

董事會具備本集團業務所需的適當平衡的技能及經驗。董事會包括執行董事及獨立非執行董事的均衡組成，可更有效地行使獨立判斷。

董事會現由四名執行董事及三名獨立非執行董事組成。於審閱期內，董事為：

執行董事

李誠先生（主席）

趙繼東先生（行政總裁）

（於二零一三年十一月七日獲委任）

李聰華先生（於二零一三年十一月七日獲委任）

馬青海先生（於二零一三年十一月七日獲委任）

獨立非執行董事

端小平先生（於二零一三年十一月七日獲委任）

黃慧玲女士（於二零一三年十一月七日獲委任）

王世平先生（於二零一三年十一月七日獲委任）

現有董事的簡歷詳情及彼等之間的關係載於第37頁至第41頁「董事及高級管理層」一節。除「董事及高級管理層」一節所披露者外，董事會成員之間，尤其是董事會主席（「主席」）及本公司行政總裁（「行政總裁」）之間，概無任何財務、業務、家族或其他重大或相關關係。

於審閱期內，董事會以其超過三分之一成員（由已行使獨立判斷的獨立非執行董事組成），維持高水平的獨立性。於所有披露董事姓名的公司通訊中，獨立非執行董事乃獲明確識別。

The Company has received from each independent non-executive Director an annual confirmation of his independence pursuant to the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company considers all independent non-executive Directors satisfied the Listing Rules requirement of independence.

Board Meetings

The Board meeting is held regularly. In addition to regular meetings, it meets as and when warranted by particular circumstances. During the Review Period, one Board meeting was held. The Directors attended the meeting in person or by telephone in accordance with the Articles of Association.

A record of the Directors' attendance at the Board meeting held during the Review Period is set out as follows:

本公司已收到各獨立非執行董事根據上市規則第3.13條所載的獨立性指引發出的年度獨立性確認書。本公司認為全體獨立非執行董事均符合上市規則有關獨立性的規定。

董事會會議

董事會定期召開會議。本公司除例會外，亦在有特殊情況需要時召開會議。於審閱期內，舉行一次董事會會議。根據組織章程細則，董事親自或通過電話參加會議。

董事出席於審閱期內舉行的董事會會議的記錄載列如下：

**(Attendance/Number of
Board meetings held)**
(出席次數／所舉行董事會
會議次數)

Executive Directors

Mr. Li Cheng	李誠先生	1/1
Mr. Zhao Jidong	趙繼東先生	1/1
Mr. Li Conghua	李聰華先生	1/1
Mr. Ma Qinghai	馬青海先生	1/1

Independent Non-Executive Directors

Mr. Duan Xiaoping	端小平先生	1/1
Ms. Wong Wai Ling	黃慧玲女士	1/1
Mr. Shiping James Wang	王世平先生	1/1

The Annual General Meeting ("AGM") of our company will be held on 5 June 2014. Our directors, financial controller and company secretary and other senior executives of the Company will attend the AGM together with our external auditor to answer any questions from shareholders. All Directors treasure the opportunity to canvass the views of the shareholders in the AGM held annually.

本公司股東週年大會將於二零一四年六月五日舉行。本公司董事、財務總監及公司秘書以及其他高級行政人員連同本公司外聘核數師將出席股東週年大會，並回答股東的任何提問。全體董事均重視於每年舉行的股東週年大會上徵詢股東意見的機會。

Board Responsibilities and Delegation

The Board is responsible for leadership and control of the Group and be collectively responsible for promoting the success of the Group by directing and supervising the Group's affairs. The Board focuses on formulating the Group's overall strategies, authorising the annual development plan and budget; monitoring financial and operating performance; reviewing the effectiveness of the internal control system; supervising and managing management's performance and determining the corporate governance policy of the Group. The Board delegates the day-to-day management, administration and operation of the Group to management. The delegated functions are reviewed by the Board periodically to ensure that they accommodate the needs of the Group. The Board gives clear directions to management as to the matters that must be approved by the Board before decisions are made on behalf of the Group.

During the Review Period, the Board has reviewed and discussed the corporate governance policy of the Group and is satisfied with the effectiveness of the corporate governance policy.

Appointment, Re-election and Removal of Directors

The Company has established the Nomination Committee on 7 November 2013. The Nomination Committee has from time to time identify individuals suitably qualified to become Board members and make recommendations to the Board. The main consideration in selecting candidates for directorships is whether their characters, qualifications and experience are appropriate for the businesses of the Group.

Each of the independent non-executive Directors has entered into a service contract for a term of 3 years which may be terminated by either party giving to the other party at least 3 months' prior written notice. All independent non-executive Directors are subject to rotation and re-election at annual general meeting of the Company in accordance with the articles of association of the Company.

In accordance with Article 108(a) of the Articles of Association, at each annual general meeting of the Company, at least one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every director shall be subject to retirement at an annual general meeting at least once every three years. All such retiring Directors being eligible will offer themselves for re-election. Accordingly, Mr. Li Cheng, Mr. Ma Qinghai and Ms. Wong Wai Ling will retire from office as Directors, being eligible, will offer themselves for re-election at the forthcoming annual general meeting of the Company.

董事會責任及授權

董事會負責領導及監控本集團，及透過指導及監督本集團的事務，集體負責促進本集團的成功。董事會專注於制訂本集團的整體策略、審批年度發展計劃及預算；監察財務及營運表現；審查內部監控制度的有效性；監督和管理管理層的表現及釐定本集團的企業管治政策。董事會授權管理層處理本集團的日常管理、行政及營運。董事會定期檢討授出的職能，以確保該等職能配合本集團的需要。對於須經董事會批准的事宜，董事會會先行給予管理層清晰指示，再由管理層代表本集團作出決策。

於審閱期內，董事會已審閱及討論本集團的企業管治政策並信納企業管治政策的有效性。

董事的委任、重選及罷免

本公司已於二零一三年十一月七日成立提名委員會。提名委員會不時物色合適資格成為董事會成員的人選，並向董事會作出推薦建議。挑選成為候選董事的主要考慮在於其性格、資歷及經驗是否適合本集團的業務。

各獨立非執行董事已訂立為期三年的服務合約，並可由一方向另一方發出最少三個月的書面通知予以終止。所有獨立非執行董事均須按照本公司的組織章程細則於本公司股東週年大會上輪席退任及膺選連任。

根據組織章程細則第108(a)條，於本公司每屆股東週年大會上，當時最少三分之一董事（或倘人數並非三(3)的倍數，則為最接近但不少於三分之一的人數）將輪席退任，惟每位董事須最少每三年於股東週年大會上退任一次。所有符合資格的有關退任董事將願意膺選連任。因此，李誠先生、馬青海先生及黃慧玲女士將於本公司應屆股東週年大會上退任董事職務，並符合資格且願意膺選連任。

Insurance of the Directors and Officers

The Company has bought a liability insurance for Directors and officers in respect of legal action against the Directors and officers has been bought which is in compliance with code provision A.1.8 of the Code.

Induction and Continuous Professional Development

Newly appointed Directors will receive guideline and reference materials to enable them to familiarise with the Group's business operations and Board's policies. The Company is committed to arranging and funding suitable training to all Directors for their continuous professional development. Each Director is briefed and updated from time to time to ensure that he is fully aware of his responsibilities under the Listing Rules and applicable legal and regulatory requirements and the governance policies of the Group. All the Directors also understand the importance of continuous professional development and are committed to participating any suitable training to develop and refresh their knowledge and skills. According to the records provided by the Directors, a summary of training received by the Directors during the Review Period is set out below:

董事及高級人員的保險

本公司遵守守則的守則條文第A.1.8條已購買就針對董事及高級人員的法律訴訟的董事及高級人員責任保險。

入職簡報及持續專業發展

新委任董事將獲發指引及參考資料，以便其熟識本集團業務運作及董事會政策。本公司致力於為全體董事的持續專業發展而向彼等安排及資助適當的培訓。各董事不時獲簡介及更新最新發展，以確保其充分知悉其於上市規則及適當法例及監管規定以及本集團管治政策項下的責任。全體董事亦明白持續專業發展的重要性，並承諾參與任何合適的培訓，以發展及更新彼等的知識與技能。按董事提供的記錄，董事於審閱期內所接受的培訓概要載列如下：

**(Types of continuous
professional development
programmes)
(持續專業發展課程類型)**

Executive Directors

Executive Directors	執行董事	
Mr. Li Cheng	李誠先生	1, 2, 3
Mr. Zhao Jidong	趙繼東先生	1, 2, 3
Mr. Li Conghua	李聰華先生	1, 2, 3
Mr. Ma Qinghai	馬青海先生	1, 2, 3

Independent Non-Executive Directors

Independent Non-Executive Directors	獨立非執行董事	
Mr. Duan Xiaoping	端小平先生	1, 3
Ms. Wong Wai Ling	黃慧玲女士	1, 3
Mr. Shiping James Wang	王世平先生	1, 3

Notes:

- 1 Attend induction program organized by lawyers of the company
- 2 Attend internal training organized by company secretary of the company
- 3 Reading relevant materials of workshops/internal training/updates on the Listing Rules and other applicable regulations

附註：

- 1 出席本公司律師組織的入職簡介課程
- 2 出席本公司的公司秘書組織的內部培訓
- 3 閱讀研討會／內部培訓／有關上市規則及其他適用法規的更新的相關資料

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Under code provision A.2.1 of the Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The Chairman of the Board is Mr. Li Cheng and the Chief Executive Officer is Mr. Zhao Jidong. The Chairman is responsible for providing leadership to, and overseeing, the functioning of the Board and seeking to ensure that all Directors are properly briefed on issues arising at Board meetings and that they receive, in a timely manner, adequate and reliable information. The Chief Executive Officer is responsible for managing the business of the Group and leading the management team to implement strategies and objectives adopted by the Board. Their respective responsibilities are clearly established and set out in writing.

BOARD COMMITTEES

Remuneration Committee

The Company established the Remuneration Committee which comprises one executive Director and two independent non-executive Directors. The roles and functions of the Remuneration Committee include consulting the Chairman of the Board about their remuneration proposals for other executive Directors, making recommendation to the Board on the Company's remuneration policy and structure for all Directors' and senior management and making recommendation to the Board on the remuneration packages of individual Directors' and senior management. The Remuneration Committee also make recommendations to the Board on the remuneration packages of individual executive Directors and senior management. The Remuneration Committee's authority and duties are set out in written terms of reference that are posted on the website of the Stock Exchange and the Company.

During the Review Period, among others, the Remuneration Committee had reviewed the Group's remuneration policy and the terms of the executive Directors' service contracts, made recommendation to the Board on the policy for the remuneration of non-executive Directors, independent non-executive Director and Chief Executive Officer, assessed performance of non-executive Directors, independent non-executive Directors and Chief Executive Officer and approved the terms of independent non-executive Director's service contracts.

主席及行政總裁

根據守則的守則條文第A.2.1條，主席及行政總裁的角色應有所區分，並不應由同一人士兼任。董事會主席為李誠先生，而行政總裁為趙繼東先生。主席負責領導和監督董事會的運作，及設法確保所有董事均獲適當簡介有關董事會會議上產生的事項，及彼等及時收到充足及可靠的資料。行政總裁負責管理本集團的業務及領導管理團隊執行董事會採納的策略與目標。彼等各自的職責已明確制定並以書面記載。

董事委員會

薪酬委員會

本公司已成立薪酬委員會，由一名執行董事及兩名獨立非執行董事組成。薪酬委員會的職責及職能包括向董事會主席諮詢彼等就其他執行董事的薪酬建議，就本公司薪酬政策及全體董事及高級管理層的架構向董事會作出推薦建議以及就個別董事及高級管理層的薪酬待遇向董事會作出推薦建議。薪酬委員會亦就個別執行董事及高級管理層的薪酬待遇向董事會作出推薦建議。薪酬委員會的權力及職責載於書面職權範圍內，並刊載於聯交所及本公司網站。

於審閱期內，（其中包括），薪酬委員會已審閱本集團的薪酬政策及執行董事服務合約的條款，就非執行董事、獨立非執行董事及行政總裁的薪酬政策向董事會作出推薦建議，評估非執行董事、獨立非執行董事及行政總裁的表現及批准獨立非執行董事的服務合約條款。

There is one meeting held during the Review Period and the attendance by each committee member is set out below:

於審閱期內，舉行了一次會議，每位委員會成員的出席情況載列如下：

Members of Remuneration Committee	薪酬委員會成員	(Attendance/ Number of meetings) (出席次數／會議次數)
Ms. Wong Wai Ling (<i>Chairlady</i>)	黃慧玲女士 (主席)	1/1
Mr. Zhao Jidong	趙繼東先生	1/1
Mr. Duan Xiaoping	端小平先生	1/1

Nomination Committee

The Company established the Nomination Committee which comprises one executive Director and two independent non-executive Directors. The roles and functions of the Nomination Committee include reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board, identifying individuals suitably qualified to become Board member and assessing the independence of independent non-executive Directors. The Nomination Committee is established with specific terms of reference which deal clearly with the committee's authority and duties and is available on the website of the Stock Exchange and the Company.

During the Review Period, the Nomination Committee reviewed the structure, size and composition of the Board and assessed the independence of the independent non-executive Directors. The Nomination Committee also endorsed the Board Diversity Policy.

As part of the Board Diversity Policy, the Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance. All Board appointments will be based on meritocracy, and candidates will be considered against selection criteria. Selection of candidates will be based on a range of diversity perspectives, which would include but not be limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The Nomination Committee will from time to time review this policy, as appropriate, to ensure the effectiveness of this policy.

提名委員會

本公司已成立由一名執行董事及兩名獨立非執行董事組成的提名委員會。提名委員會的職責及職能包括審閱董事會的架構、規模及組成（包括技能、知識及經驗），識別合適資格人士成為董事會成員及評估獨立非執行董事的獨立性。提名委員會訂明具體職權範圍，清楚說明委員會的職權和責任，並刊載於聯交所及本公司網站。

於審閱期內，提名委員會已審閱董事會的架構、規模及組成，並已評估獨立非執行董事的獨立性。提名委員會亦贊同董事會成員多元化政策。

作為董事會成員多元化政策的一部份，本公司認同並深信董事會成員多元化有利於提升本公司的表現。所有董事會成員之委任均以用人唯才為原則，並在考慮人選時會按甄選準則。甄選人選將按一系列多元化範疇為基準，可包括（但不限於）性別、年齡、文化及教育背景、專業資格、技能、知識及服務任期。最終將按人選的長處及可為董事會提供的貢獻而作決定。董事會組成將在年報內披露。提名委員會將不時在適當時候檢討本政策，以確保本政策行之有效。

Corporate Governance Report

企業管治報告

There is one meeting held during the Review Period and the attendance by each committee member is set out below:

於審閱期內，舉行了一次會議，每位委員會成員的出席情況載列如下：

Members of Nomination Committee	提名委員會成員	(Attendance/ Number of meetings) (出席次數／會議次數)
Ms. Li Cheng (<i>Chairman</i>)	李誠先生 (主席)	1/1
Mr. Duan Xiaoping	端小平先生	1/1
Mr. Shiping James Wang	王世平先生	1/1

Audit Committee

The Audit Committee currently consists of 3 independent non-executive Directors. The primary duties of the Audit Committee are to review the Company's financial information, review and supervise the Company's financial reporting process and internal control procedures, nominate and monitor external auditors and provide advice and comments to the Board. The Audit Committee is established with specific terms of references which deal clearly with the committee's authority and duties and is available on the website of the Stock Exchange and the Company. During the Review Period, the Audit Committee discussed and reviewed the interim and final results of the Group and certain other businesses. The effectiveness of the Company's internal control was also discussed at the meetings. The Audit Committee has also reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the Prospectus, annual report and the final result of the Group for the financial year ended 31 December 2013. The Group's final results for the financial year ended 31 December 2013 had been reviewed by the Audit Committee before submission to the Board for approval. The Audit Committee had also reviewed this annual report, and confirmed that this annual report complies with the Listing Rules. In the opinion of the Audit Committee, there are no material uncertainties relating to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. There is no disagreement between the Board and the Audit Committee regarding the selection, appointment, resignation or dismissal of the external auditors.

審核委員會

審核委員會現由三位獨立非執行董事組成。審核委員會的主要職責是審閱本公司的財務資料，檢討及督管本公司的財務申報流程及內部監控程序，提名及監察外聘核數師及向董事會提供意見及評論。審核委員會訂明具體職權範圍，清楚說明委員會的職權和責任，並刊載於聯交所及本公司網站。於審閱期內，審核委員會討論及審閱本集團的中期及末期業績及若干其他事宜。本公司亦於該等會議上討論內部監控的成效。審核委員會亦已與管理層檢討本集團採納的會計原則及慣例，並討論內部監控及財務申報事宜，包括檢討本集團的招股章程、截至二零一三年十二月三十一日止財政年度之年報及末期業績。本集團於截至二零一三年十二月三十一日止財政年度之末期業績於提交董事會審批前，已由審核委員會審閱。審核委員會亦已審閱本年報，並確認本年報符合上市規則的規定。審核委員會認為，並無有關可能對本集團的持續經營能力構成重大疑問的事件或狀況的重大不確定因素。董事會與審核委員會在外聘核數師的甄選、委任、辭任或罷免方面並無意見分歧。

There is one meeting held during the Review Period and the attendance by each committee member is set out below:

於審閱期內，舉行了一次會議，每位委員會成員的出席情況載列如下：

Members of Audit Committee	審核委員會成員	(Attendance/ Number of meetings) (出席次數／會議次數)
Ms. Wong Wai Ling (<i>Chairlady</i>)	黃慧玲女士 (主席)	1/1
Mr. Duan Xiaoping	端小平先生	1/1
Mr. Shiping James Wang	王世平先生	1/1

INTERNAL CONTROL

The Board is committed to manage business risks and to maintain a proper and effective system of internal control to safeguard the shareholders' investments and the Group's assets. The Board, through the Audit Committee, has conducted annual review of the effectiveness of the Group's system of internal control covering all controls, including financial, operational and compliance controls, and risk management processes. The Board is satisfied that the Group has fully complied with the Code in respect of internal controls during the Review Period.

內部監控

董事會致力管理業務風險，並維持適當及有效的內部監控制度，以保障股東投資及本集團資產。董事會透過審核委員會對本集團內部監控制度的有效性進行年度審閱，其中涵蓋財務、營運及合規控制以及風險管理程序的所有監控。董事會信納本集團於審閱期內已全面遵守有關內部監控的守則。

COMPLIANCE AND ENFORCEMENT OF THE NON-COMPETE UNDERTAKING FROM CONTROLLING SHAREHOLDERS

As disclosed in the Prospectus, Mr. Li Cheng and Ever Thrive Global Limited are the controlling shareholders of the Company (the "Controlling Shareholders"). To protect the Group from any potential competition, the Controlling Shareholders have given an irrevocable non-competition undertaking (the "Non-competition Undertaking") in favour of the Company on 7 November 2013 pursuant to which each of the Controlling Shareholders has, among other matters, undertaken with the Company that each of the Controlling Shareholders and their respective associates (other than the Group) shall not, engaged in any business which will or may compete with the business currently and from time to time engaged by the Group. Details of the Non-competition Undertaking have been set out in paragraph headed "Relationship with our controlling shareholders – Non-competition Undertaking" of the Prospectus.

控股股東對不競爭承諾的遵守及執行

誠如招股章程所披露，李誠先生及恆盛環球有限公司乃本公司之控股股東（「控股股東」）。為保護本集團免遭任何潛在競爭，控股股東已於二零一三年十一月七日以本公司為受益人作出不可撤銷的不競爭承諾（「不競爭承諾」），據此，各控股股東已（其中包括）向本公司承諾，各控股股東及彼等各自的聯繫人士（本集團除外）不得參與任何將或可能與本集團目前及不時從事的業務構成競爭的業務。有關不競爭承諾的詳情載於招股章程「與我們的控股股東的關係－不競爭承諾」一節。

The Company has received the annual declaration from each of the Controlling Shareholders in respect of their respective compliance with the terms of the Non-competition Undertaking during 2013. The independent non-executive Directors, having reviewed the annual declarations and made reasonable enquiry, are satisfied that the Controlling Shareholders have complied with the terms of the Non-competition Undertaking during 2013.

UPDATES ON COMPLIANCE AND REGULATORY MATTERS AS DISCLOSED IN PROSPECTUS

As disclosed in the section headed “Business – Non-compliance and legal proceedings” of the Prospectus, during the three financial years ended 31 December 2012 and the six months ended 30 June 2013 (“Track Record Period”), the Group has failed to comply with laws and regulations in the PRC.

As part of remedial action and monitoring process, our Company has engaged an independent consulting firm (the “Internal Control Consultant”) as our internal control consultant in November 2012 to review selected areas of our Group’s internal controls over financial reporting. During the review, the Internal Control Consultant identified internal control deficiencies of non-compliance incidents relating to (i) non-compliant bill arrangements, (ii) housing provident fund contributions and (iii) social insurance contributions and has recommended remedial measures to enhance our internal control system. Set out below is the status of the remedial actions taken in relation to those non-compliance matters as at the date of this annual report:

Non-compliance bill arrangement

As disclosed in the Prospectus, we used the proceeds from bank acceptance notes for purposes other than for payment of purchase from certain suppliers during the Track Record Period, which did not comply with the terms of the credit agreements and Article 10 of the PRC Negotiable Instruments Law. As advised by the Internal Control Consultant, our Group has undertaken the following remedial measures with effect from March 2013:

- established segregation of duties between application and approval of issuance of bank acceptance notes;

本公司已接獲各控股股東有關彼等各自於二零一三年內遵守不競爭承諾條款的年度聲明。獨立非執行董事已審閱上述年度聲明，及經合理查詢後認為各控股股東於二零一三年內一直遵守不競爭承諾的條款。

招股章程內所披露的合規及規管事宜的更新資料

誠如招股章程之「業務－違規事項及法律訴訟」一節所披露，於截至二零一二年十二月三十一日止三個財政年度及截至二零一三年六月三十日止六個月內（「往績記錄期間」），本集團未能遵守中國的法律及法規。

作為修正行動及監控程序的一部份，本公司已於二零一二年十一月聘請一間獨立諮詢公司（「內部監控顧問」）擔任我們的內部監控顧問，審閱本集團有關財務報告的內部監控的指定部份。於審閱中，內部監控顧問識別有關(i)違規票據安排、(ii)住房公積金供款及(iii)社會保險供款的違規事件的內部監控缺陷，並已提出補救措施，以提升我們的內部監控制度。下文載列本集團於本年報日期就該等不合規事宜採取的補救措施的情況：

違規票據安排

誠如招股章程所披露，於往績記錄期間，我們將銀行承兌票據所得款項用作支付對若干供應商的採購款項以外的用途，乃不符合信貸協議及《中華人民共和國票據法》第10條的條款。誠如內部監控顧問所告知，本集團已自二零一三年三月起實施以下補救措施：

- 申請與審批發行銀行承兌票據的明確職責劃分；

- when the bank acceptance note is issued, the finance department reviews and makes record to ensure each bank acceptance note is tracked and managed;
 - the finance department performs checking on a monthly basis to identify any discrepancy between the note payables issued and the actual underlying transactions; and
 - the internal control department of our Group performs checking on the compliance regarding non-compliance bill arrangement on a monthly basis.
- 於發行銀行承兌票據時，財務部門審閱並作記錄，以確保各銀行承兌票據有據可查及受管理；
 - 財務部門每月進行檢查以識別已發行應付票據及實際相關交易之間的任何差異；及
 - 本集團內部監控部門每月對有關違規票據安排的合規情況進行檢查。

In addition, we have appointed an independent external consultant to examine and monitor our bill financing activities. Based on the review performed, no non-compliance bill arrangement incident is noted from the period from 1 March 2013 to 31 December 2013.

此外，我們已委任一名獨立外部顧問以審查及監察本集團的票據融資活動。根據所進行的審閱，自二零一三年三月一日起至二零一三年十二月三十一日止期間並無注意到任何違規票據安排事件。

Housing provident fund and social insurance contribution

住房公積金供款及社會保險供款

As disclosed in the Prospectus, we did not make full social insurance and housing provident fund contributions for all of our respective employees as required under the relevant national PRC laws and regulations during the Track Record Period. All underpaid social insurance and housing provident fund contributions during the Track Record Period has been accrued in the financial statements. As advised by the Internal Control Consultant, our Group has undertaken the following remedial measures with effect from April 2013:

誠如招股章程所披露，於往績記錄期間，我們並未根據中國相關法律及法規的規定為我們各自全部僱員悉數作出社會保險及住房公積金的供款。於往績記錄期間的所有未繳足社會保險及住房公積金供款已於財務報表計提。誠如內部監控顧問所告知，本集團已自二零一三年四月起實施以下補救措施：

- the finance department reviews the payment details of housing provident fund and social insurance to ensure that they are timely provided to all the employees; and
 - the internal control department performs checking on the compliance regarding housing provident fund contributions and social insurance contributions on a monthly basis.
- 財務部門審閱住房公積金及社會保險的繳付詳情以確保按時為全部僱員繳付；及
 - 內部監控部門每月對有關住房公積金供款及社會保險供款的合規情況進行檢查。

In 2013, the Company has make full social insurance and housing provident fund contributions for all of our respective employees as required under the relevant national PRC laws and regulations.

於二零一三年，本公司已根據中國相關法律及法規的規定為我們各自全部僱員悉數作出社會保險及住房公積金的供款。

Regulatory requirements of applying building ownership certificate

As disclosed in the Prospectus, we are not able to obtain the building ownership certificate for one building with gross floor area of approximately 70 square metres in our Nantong plant (“Defective Building”). The Defective Building had been vacated and no longer in use during the year. The Defective Building could be demolished if necessary and the estimated time and cost of demolishment is not significant to the Group.

AUDITOR’S REMUNERATION

The Group’s external auditor is PricewaterhouseCoopers. The remuneration paid or payable to the external auditor of the Group for the financial year ended 31 December 2013 comprised fees for audit services of RMB950,000 (2012: Nil). During the financial year ended 31 December 2013, there was no non-audit service provided by our external auditor.

DIRECTORS’ AND AUDITOR’S RESPONSIBILITIES FOR FINANCIAL STATEMENTS

All Directors are responsible for the preparation of the financial statements which give a true and fair view of the state of affairs of the Group. The auditors of the Company acknowledges its reporting responsibilities in the auditor’s report on the financial statements for the financial year ended 31 December 2013. The statement by the auditors of the Company about their responsibilities for the financial statements is set out in the report of the independent auditor’s report contained in this annual report. The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company’s ability to continue as a going concern. Accordingly, the Directors have prepared the financial statements on a going-concern basis.

申請房屋所有權證的監管規定

誠如招股章程所披露，我們未能取得位於我們南通廠房內一棟總建築面積約70平方米的樓宇（「欠妥樓宇」）的房屋所有權證。欠妥樓宇於年內處於空置狀態且不再使用。欠妥樓宇可予拆除（如有需要），而拆除的估計時間及成本對本集團而言並不重大。

核數師酬金

本集團的外聘核數師為羅兵咸永道會計師事務所。本集團於截至二零一三年十二月三十一日止年度已付或應付外聘核數師的薪酬包括審核服務費用人民幣950,000元（二零一二年：無）。於截至二零一三年十二月三十一日止年度，本公司外聘核數師並無提供非審核服務。

董事及核數師對財務報表所負的責任

全體董事負責編製真實及公平地反映本集團事務狀況的財務報表。本公司核數師在本公司截至二零一三年十二月三十一日止年度財務報表的核數師報告中知悉其申報責任。本公司核數師就其對財務報表所負責任的聲明載於本年報所載之獨立核數師報告內。董事並不知悉任何有關可能對本公司的持續經營能力構成重大疑問的事件或狀況的重大不確定因素，故董事已按持續經營基準編製財務報表。

COMPANY SECRETARY

Mr Leung Ho Yan Julian has been the company secretary of the Company (the “Company Secretary”) since 7 November 2013. Mr Leung is a full time employee of the Group and has day-to-day knowledge of the Company’s affairs. The Company Secretary reports to the Chairman and is responsible for advising the Board on corporate governance matters and facilitating communication between Board members, the shareholders and management of the Company. Mr Leung has duly complied with the relevant professional training requirement under Rule 3.29 of the Listing Rules. The biography of the Company Secretary is set out in the section “Directors and Senior Management” on page 43 of this annual report.

THE SHAREHOLDERS’ RIGHTS

Convening an Extraordinary Meeting by Shareholders

Pursuant to Article 64 of the Articles of Association, extraordinary general meetings shall be convened on the requisition of one or more shareholders holding, at the date of deposit of the requisition, not less than one-tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the Company Secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within 2 months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner.

Procedures for Putting Forward Proposals at General Meetings by Shareholders

Shareholders are requested to follow Article 64 of the Articles of Association for including a resolution at an extraordinary general meeting. The requirements and procedures are set out above in the paragraph headed “Convening an Extraordinary Meeting by Shareholders”. Pursuant to Article 113 of the Articles of Association, no person (other than a retiring Director) shall be eligible for election to the office of Director at any general meeting unless a notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been lodged at the Head Office or at the Registration Office no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than 7 days prior to the date of such general meeting and the minimum length of the period during which such notices to the Company may be given will be at least 7 days. The procedures for shareholders to propose a person for election as a Director is posted on the website of the Company.

公司秘書

梁浩仁先生自二零一三年十一月七日起擔任本公司的公司秘書（「公司秘書」）。梁先生為本集團全職僱員，並了解本公司的日常事務。公司秘書向主席匯報，並負責就企業管治事宜向董事會提供意見及促進董事會成員、本公司股東及管理層之間的溝通。梁先生已妥為遵守上市規則第3.29條項下的相關專業培訓規定。公司秘書的履歷載於本年報第43頁的「董事及高級管理層」一節。

股東權利

股東召開股東特別大會

根據組織章程細則第64條，股東特別大會須於一名或多名於遞呈要求當日持有不少於本公司有權於股東大會上投票的繳足股本十分之一的股東要求時召開。有關要求須以書面向董事會或秘書作出，以供董事會就該要求下任何指定業務交易要求召開股東特別大會。該大會須於該項要求呈遞後兩個月內舉行。倘董事會於呈遞該要求後21日內未能召開該大會，則提出要求者本人（彼等）可以相同方式召開大會。

股東於股東大會上提呈建議的程序

股東須遵照組織章程細則第64條於股東特別大會提呈決議案。有關要求及程序載於上文「股東召開股東特別大會」一段。根據組織章程細則第113條，除非有意提名選舉該人士為董事的書面通知及該人士表明願意接受選舉的書面通知已遞交總辦事處或登記處，否則除退任董事外，任何人士概無資格於任何股東大會上膺選董事職位，惟遞交通知的期限由不早於就有關參選的指定股東大會通告寄發後當日起計至不遲於該股東大會舉行日期前七日止，而向本公司寄發通知的最低期限為最少七日。股東提名人士參選董事的程序於本公司網站刊載。

Communication with Shareholders

Information of the Group is delivered to the shareholders through a number of channels, which include annual report, interim report, announcements and circulars at the corporate website (<http://www.chinaysgroup.com>). The latest information of the Group together with the published documents are also available on the Company's website. Shareholders may at any time send their enquiries and concerns to the Board in writing through the Company whose contact details are as follows:

Yongsheng Advanced Materials Company Limited
Room 1616, 16/F, Tower II,
Lippo Centre No 89 Queensway, Admiralty,
Hong Kong
Website: www.chinaysgroup.com
Tel No.: (852) 2776 5228
Fax No.: (852) 2994 9699

The Company will handle both telephone and written enquiries from shareholders from time to time. Shareholders' enquiries and concerns will be forwarded to the Board and/or relevant Board Committees of the Company, where appropriate, to answer the shareholders' questions.

INVESTOR RELATIONS

Constitutional Documents

During the Review Period, the Company did not make any changes to the Memorandum and Articles of Association, and the current version of which is available on the websites of the Stock Exchange and the Company.

Number of shares

Our total number of shares outstanding in 31 December 2013 is 400,000,000. The company will periodically announce the total number of issued shares in its monthly returns.

與股東溝通

本公司通過多個渠道向股東提供本集團的資料，該等渠道包括於公司網站(<http://www.chinaysgroup.com>) 刊載年報、中期報告、公佈及通函。本公司網站亦載有本集團的最新資料以及已刊發的文件。股東可於任何時間以書面方式透過本公司向董事會提出查詢及關切問題，其聯絡詳情如下：

永盛新材料有限公司
香港金鐘金鐘道89號
力寶中心2座
16樓1616室
網站：www.chinaysgroup.com
電話號碼：(852) 2776 5228
傳真號碼：(852) 2994 9699

本公司將不時處理股東的電話及書面查詢。在適當的情況下，股東的查詢及關切問題將轉交董事會及／或本公司相關董事委員會，以解答股東的提問。

投資者關係

憲章文件

本公司於審閱期內對組織章程大綱及細則並無作出任何變動，其當前版本刊載於聯交所及本公司網站。

股份數目

本公司於二零一三年十二月三十一日的已發行股份總數為400,000,000股。本公司將定期於其月報表內公佈已發行股份總數。

Important schedule for shareholders – AGM

Our AGM will be held in Cliftons Hong Kong, Level 5, Hutchison House, 10 Harcourt Road, Central, Hong Kong on 5 June 2014. Details of the AGM and resolutions will be dispatched at the time together with this annual report.

Information for Hong Kong branch registrar

Tricor Investor Services Centre
26/F Tesbury Centre, 28 Queen's Road East, Hong Kong
(Will be relocated to the following address
with effect from 31 March 2014)
Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong
Tel No: (852) 2980 1333
Fax No: (852) 2810 8185
Email: is-enquiries@hk.tricorglobal.com
Website: www.tricoris.com
Office Hours: 9:00 am – 4:30 pm
(Monday to Friday, except public holidays)

CORPORATE GOVERNANCE ENHANCEMENT

Enhancing corporate governance is not simply a matter of applying and complying with the Code but also about promoting and developing an ethical and healthy corporate culture. The Company will continue to review and, where appropriate, improve the current practices on the basis of the experience, regulatory changes and developments. Any views and suggestions from the shareholders to promote and improve the transparency are also welcomed.

On behalf of the Board
Li Cheng
Chairman
Hong Kong, 25 March 2014

股東的重要議事日程 – 股東週年大會

本公司的股東週年大會將於二零一四年六月五日假座香港中環夏慤道十號和記大廈五樓Cliftons香港舉行。股東週年大會及決議案的詳情將於當時連同本年報一併寄發。

香港股份過戶登記分處資料

卓佳投資者服務中心
香港皇后大道東28號金鐘匯中心26樓
(將自二零一四年三月三十一日起遷往以下地址)
香港皇后大道東183號合和中心22樓
電話號碼: (852) 2980 1333
傳真號碼: (852) 2810 8185
電郵: is-enquiries@hk.tricorglobal.com
網站: www.tricoris.com
辦公時間: 上午九時正至下午四時三十分
(星期一至星期五, 公眾假期除外)

提升企業管治水平

提升企業管治水平並非只為應用及遵守守則, 亦為推動及發展具道德與健全的企業文化。本公司將按經驗、監管變動及發展, 不斷檢討及於適當時改善現行常規。本公司亦歡迎股東提供任何意見及建議, 以促進及改善其透明度。

代表董事會
主席
李誠
香港, 二零一四年三月二十五日

Report of the Directors

董事會報告

The Directors have pleasure in submitting their annual report and the audited financial statements for the financial year ended 31 December 2013.

PRINCIPAL ACTIVITIES

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law (as revised) on 19 April 2012. The registered office of the Company is at Clifton House, 75 Fort Street, PO Box 1350, Grand Cayman, KY1-1108, Cayman Islands and its principal place of business is at Office 1616, 16th Floor, Tower Two Lippo Centre, No. 89 Queensway, Hong Kong. The principal activity of the Company is investment holding and those of its subsidiaries which principally affected the results, assets or liabilities of the Group are principally engaged in the developing and manufacturing of polyester filament yarns, the provision of dyeing services of differentiated polyester filament fabric and trading of textile raw materials and products in the People's Republic of China (the "PRC"). There were no significant changes in the nature of the Group's principal activities during the year ended 31 December 2013.

SUBSIDIARIES

Particulars of the Company and the Group's subsidiaries as at 31 December 2013 are set out in note 9 to the financial statements.

FINANCIAL STATEMENTS

The profit of the Group for the financial year ended 31 December 2013 and the financial conditions of the Company and the Group as at that date are set out in the financial statements on pages 76 to 178.

REORGANIZATION AND USE OF PROCEEDS FROM SHARE OFFER

Pursuant to a reorganization scheme to rationalize the structure of the Group in preparation for the listing of the Company's ordinary shares with a nominal value of HK\$0.01 each on the Stock Exchange, the Company became the holding company of the companies currently comprising the Group on 28 December 2012.

董事會欣然提呈本集團截至二零一三年十二月三十一日止財政年度之年度報告及經審計財務報表。

主要業務

本公司於二零一二年四月十九日根據公司法（經修訂）在開曼群島註冊成立為獲豁免有限公司。本公司之註冊辦事處將位於Clifton House, 75 Fort Street, PO Box 1350, Grand Cayman, KY1-1108, Cayman Islands，其主要營業地點位於香港金鐘道89號力寶中心2座16樓1616室。本公司主要業務為投資控股，而其附屬公司主要在中華人民共和國（「中國」）從事開發及製造滌綸長絲、提供差別化滌綸面料染色服務及紡織原材料及產品貿易，該等業務對本集團之業績、資產或負債造成重大影響。截至二零一三年十二月三十一日止年度，本集團主要業務之性質概無重大變動。

附屬公司

於二零一三年十二月三十一日，本公司及本集團附屬公司之詳情載列於財務報表附註9。

財務報表

本集團截至二零一三年十二月三十一日止財政年度之溢利及本公司及本集團於該日期之財務狀況乃載於財務報表第76頁至第178頁。

重組及股份發售所得款項用途

為籌備本公司每股面值0.01港元之普通股於聯交所上市，本公司曾進行重組計劃以整頓本集團架構，據此本公司已於二零一二年十二月二十八日成為現組成本集團各公司之控股公司。

As part of the preparation for the listing of the Shares of the Company on the Stock Exchange, the Company implemented a capitalization issue of 297,327,010 shares and an issue of 100,000,000 new Shares under the share offer (the "Share Offer") in November 2013. The net proceeds of the Share Offer received by the Company were approximately HK\$81,500,000. These proceeds are intended to be applied in accordance with the proposed application set out in the section headed "Future plans and use of proceeds from the Share Offer" in the prospectus of the Company dated 15 November 2013 (the "Prospectus") and the announcement dated 26 November 2013 for the share offer.

The Company's Shares were listed on the Main Board of the Stock Exchange on 27 November 2013 (the "Listing Date").

RESERVES

Movements in reserves during the financial year ended 31 December 2013 are set out in the Consolidated Statement of Changes in Equity on page 81.

As at 31 December 2013, the Company had distributable reserves of approximately RMB87,510,000 (2012: approximately RMB49,601,000) available for distribution to the shareholders.

SHARE CAPITAL AND SHARE OPTION SCHEME

Details of the Company's share capital and share option scheme are set out in note 18 to the financial statements and the paragraph "Share Option Schemes" below, respectively.

DIVIDEND

The Directors do not recommend the payment of any dividend in respect of the financial year ended 31 December 2013.

PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment during the financial year are set out in Note 7 to the financial statements. An independent property valuer has valued our property interests and is of the opinion that the market value of our property interests in aggregate amounted to RMB154.5 million as of 30 September 2013. Details of valuation of our property interests as of 30 September 2013 are set out in Appendix III to the Prospectus. Should our property interests stated at such valuation, the amount of additional depreciation charged against the consolidated statement of comprehensive income would be RMB534,000.

作為籌備本公司股份於聯交所上市之部分，本公司於二零一三年十一月根據股份發售（「股份發售」）實行資本化發行297,327,010股股份及發行100,000,000股新股。本公司收取之股份發售所得款項淨額約為81,500,000港元。該等所得款項擬用於本公司日期為二零一三年十一月十五日之招股章程（「招股章程」）中「未來計劃及股份發售所得款項用途」一節及二零一三年十一月二十六日之有關股份發售公告所載的建議用途。

本公司股份於二零一三年十一月二十七日（「上市日期」）在聯交所主板上市。

儲備

截至二零一三年十二月三十一日止財政年度之儲備變動情況載列於第81頁之合併權益變動表。

於二零一三年十二月三十一日，本公司擁有可供分派儲備約人民幣87,510,000元（二零一二年：約人民幣49,601,000元）可用於向股東作出分派。

股本及購股權計劃

本公司股本及購股權計劃之詳情分別載於財務報表附註18及下文「購股權計劃」一段。

股息

董事不建議就截至二零一三年十二月三十一日止財政年度派付任何股息。

物業、廠房及設備

本財政年度之物業、廠房及設備變動情況載列於財務報表附註7。獨立物業估值師已對我們的物業權益進行估值，認為我們的物業權益於二零一三年九月三十日的市值總額為人民幣154,500,000元。於二零一三年九月三十日的物業權益估值詳情載於招股章程附錄三。假如該等資產以有關估值數額列賬，合併綜合收益表額外扣除的折舊人民幣534,000元。

MAJOR SUPPLIERS AND CUSTOMERS

During the year ended 31 December 2013, the aggregate sales attributable to the Group's five largest customers accounted for approximately 25.1% of the Group's total sales and the sales attributable to the Group's largest customer accounted for approximately 13.5% of the Group's total sales. During the year ended 31 December 2013, the aggregate purchases attributable to the Group's five largest suppliers accounted for approximately 25.3% of the Group's total purchases and the purchases attributable to the Group's largest supplier accounted for approximately 7.1% of the Group's total purchases.

So far as is known to the Directors, other than those disclosed in "Connected transactions and related party transactions" section in this report, none of the Directors, their associates or substantial shareholders (which to the best knowledge of the Directors owns more than 5% of the Company's issued share capital) had any interest in the share capital of any of the five largest customers and suppliers of the Group.

CHARITABLE DONATIONS

The Group made charitable donations during the financial year totalling RMB798,000.

BANK BORROWINGS

Details of bank borrowings of the Group as at 31 December 2013 are set out in note 23 to the financial statements.

DIRECTORS

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

Mr. Li Cheng (李誠) (*Chairman*)

Mr. Zhao Jidong (趙繼東) (*Chief Executive Officer*)
(appointed on 7 November 2013)

Mr. Li Conghua (李聰華) (appointed on 7 November 2013)

Mr. Ma Qinghai (馬青海) (appointed on 7 November 2013)

Ms. Wong Wai Ling (黃慧玲) (appointed on 7 November 2013)

Mr. Duan Xiaoping (端小平) (appointed on 7 November 2013)

Mr. Shiping James Wang (appointed on 7 November 2013)

主要供應商及客戶

截至二零一三年十二月三十一日止年度，本集團五大客戶應佔之銷售總額佔本集團總銷量約25.1%，而本集團最大客戶應佔的銷售佔本集團總銷量約13.5%。截至二零一三年十二月三十一日止年度，本集團五大供應商應佔的採購總額佔本集團總採購量約25.3%，而本集團最大供應商應佔之採購額佔本集團總採購量約7.1%。

據董事所知，除本報告「關連交易及關連方交易」一節所披露外，概無董事、彼等聯繫人士或主要股東（據董事所深知，擁有本公司已發行股本超過5%）於本集團任何五大客戶及供應商的股本中擁有任何權益。

慈善捐款

本集團於本財政年度作出慈善捐款總額為人民幣798,000元。

銀行借款

本集團於二零一三年十二月三十一日之銀行借貸詳情載列於財務報表附註23。

董事

於本財政年度及直至本報告日期，本公司之董事如下：

李誠先生（主席）

趙繼東先生（行政總裁）

（於二零一三年十一月七日獲委任）

李聰華先生（於二零一三年十一月七日獲委任）

馬青海先生（於二零一三年十一月七日獲委任）

黃慧玲女士（於二零一三年十一月七日獲委任）

端小平先生（於二零一三年十一月七日獲委任）

王世平先生（於二零一三年十一月七日獲委任）

Mr. Li Cheng, Mr. Ma Qinghai and Ms. Wong Wai Ling are due to retire from the Board at the forthcoming Annual General Meeting. Being eligible, they offer themselves for re-election. None of the retiring Directors proposed for re-election at the forthcoming Annual General Meeting has a service contract with the Company which is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

The biographies of the directors proposed for re-election at the forthcoming annual general meeting (“Directors for Re-election”) are set out on pages 37 to 41. Except as disclosed in such biographies, the Directors for Re-election have not held any other directorships in any listed public companies in the last three years. Further, except as noted in the biographies, none of the Directors for Re-election is connected with any directors, senior management or substantial or controlling shareholders of the Company and, except as disclosed in the paragraphs headed “Directors’ and Chief Executive’s Interest and Short Positions in Shares, Underlying Shares and Debentures” and “Share Option Schemes” below, none of them has any interests in the shares of the Company within the meaning of Part XV of the Hong Kong Securities and Futures Ordinance (“SFO”).

DIRECTOR’S SERVICE CONTRACTS

Each of the Directors has entered into a service contract with the Company for an initial fixed term of three years commencing from 7 November 2013 subject to termination, among others, by giving not less than three-month notice in writing. Each of such directors will be subject to retirement by rotation and re-election at annual general meetings of the Company every three years. Mr. Li Cheng, Mr. Ma Qinghai and Ms. Wong Wai Ling is entitled to an annual director’s fee of HK\$100,000 (equivalent to RMB80,000 at exchange rate of HK\$1.25/1RMB), HK\$100,000 (equivalent to RMB80,000 at exchange rate of HK\$1.25/1RMB) and HK\$130,000 (equivalent to RMB104,000 at exchange rate of HK\$1.25/1RMB), respectively, as proposed by the Board and approved by the shareholders of the Company. Director’s fees are payable on a time pro-rata basis for any non-full year’s service. In addition, for the financial year ended 31 December 2013, Mr. Li Cheng and Mr. Ma Qinghai received annual remuneration, including retirement scheme contributions, of RMB74,000 and RMB123,000, respectively, plus a discretionary bonus as determined by the Board with respect to the director’s performance. The remuneration of these directors has been determined with reference to the individual’s duties, responsibilities and experience, and to prevailing market conditions.

李誠先生、馬青海先生及黃慧玲女士將於應屆股東週年大會上自董事會退任，惟彼等皆符合資格，並願意膺選連任。於應屆股東週年大會上提呈重選的退任董事與本公司概無訂立僱主不得在一年內於毋須作出賠償（法定賠償除外）下將其終止的任何服務合約。

董事會及高級管理層

擬在應屆股東週年大會上進行重選的董事（「重選董事」）的履歷載於第37頁至第41頁。除於該履歷中披露者外，重選董事在過去三年內並無在任何上市公司擔任任何其他董事職務。此外，除履歷中披露者外，重選董事與本公司之任何董事、高級管理人員、主要股東或控股股東概無關係。除於以下「董事及最高行政人員於股份、相關股份及債權證之權益及淡倉」及「購股權計劃」的章節所披露者外，重選董事並無擁有香港證券及期貨條例（「證券及期貨條例」）第XV部所指本公司任何股份權益。

董事之服務合約

各董事已與本公司訂立服務合約，初始固定期限由二零一三年十一月七日起計三年，惟可（其中包括）藉發出不少於三個月之書面通知予以終止。各董事將每三年於本公司股東週年大會上輪值告退及重選。李誠先生、馬青海先生及黃慧玲女士分別享有由董事會建議並由本公司股東批准之董事袍金每年100,000港元（相等於人民幣80,000元，匯率為1.25港元／人民幣1元）、100,000港元（相等於人民幣80,000元，匯率為1.25港元／人民幣1元）及130,000港元（相等於人民幣104,000元，匯率為1.25港元／人民幣1元），服務不足一年的，董事袍金按服務時間比例支付。此外，截至二零一三年十二月三十一日止財政年度，李誠先生及馬青海先生分別享有包括退休計劃供款的年度薪酬人民幣74,000元及人民幣123,000元及由董事會按其工作表現而釐定的酌情花紅。該等董事之酬金乃參考彼等於本公司的職務、責任、經驗及當前市況等釐定。

Report of the Directors

董事會報告

During the year, Mr. Duan Xiaoping has agreed to waived the director's fee in the service contract dated 7 November 2013. The amount waived in 2013 was amounted to HK\$15,000 (equivalent to RMB12,000 at exchange rate of HK\$1.25/1RMB). Mr. Duan will waived the annual director's fee of HK\$100,000 (equivalent to RMB80,000 at exchange rate of HK\$1.25/1RMB) in the remaining terms of the service contract. Saved as disclosed above, no directors have waived or agreed to waive any emoluments.

INTERESTS IN CONTRACTS

Save as disclosed in this annual report, no contract of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

CONTRACTS WITH CONTROLLING SHAREHOLDERS

Save as disclosed in this annual report, no contract of significance has been entered into between the Company or any of its subsidiaries and the controlling shareholders during the year.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save for the share option scheme of the Company, at no time during the financial year was the Company, its subsidiaries or its ultimate holding company or any subsidiary of that ultimate holding company a party to any arrangement to enable the Directors of the Company to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTOR'S INTERESTS IN COMPETING BUSINESS

None of the Directors is or was interested in any business apart from the Group's business, that competes or competed or is or was likely to compete, either directly or indirectly, with the Group's business at any time during the year ended 31 December 2013 and up to and including the date of this annual report.

年內，端小平先生已同意放棄日期為二零一三年十一月七日之服務合約內之董事袍金。於二零一三年所放棄之金額為15,000港元（相等於人民幣12,000元，匯率為1.25港元／人民幣1元）。端先生將放棄服務合約餘下期限之年度董事袍金100,000港元（相等於人民幣80,000元，匯率為1.25港元／人民幣1元）。除上文所披露者外，概無董事已放棄或同意放棄任何酬金。

於合約之權益

除本年報所披露者外，本公司或其任何附屬公司於年終時或年度內任何時間，概無訂立任何且本公司董事直接或間接於其中享有重大權益的重要合約。

管理合約

年內概無訂立或存在任何有關本公司全部或絕大部份業務管理及行政之合約。

與控股股東之合約

除本年報所披露者外，本公司或其任何附屬公司並無於本年度與控股股東訂立任何重大合約。

購買股份或債權證之安排

除本公司之購股權計劃外，於本財政年度內，本公司、其附屬公司或其最終控股公司或該最終控股公司之任何附屬公司均無參與任何安排，致令本公司董事因取得本公司或任何其他法人團體的股份或債權證而獲得利益。

董事於競爭業務之權益

截至二零一三年十二月三十一日止年度及直至及包括本年報日期期間內任何時間，本公司董事概無於本集團業務以外且現在或以前與本集團業務直接或間接競爭或可能構成競爭的任何業務中擁有權益。

CONFIRMATION OF INDEPENDENCE

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

DIRECTOR'S AND CHIEF EXECUTIVE'S INTEREST AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2013, interests or short positions in the shares of the Company (the "Shares"), underlying Shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) held by the Directors and chief executive of the Company which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO) or have been entered in the register maintained by the Company pursuant to section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") are as follows:

(A) Long position in the Shares

Name of Director	Capacity/Nature	Number of shares held/ interested 所持／擁有 權益股份數目	Percentage of shareholding 股權百分比
董事姓名	身份／性質		
Mr. Li Cheng ("Mr. Li") (Note) 李誠先生(「李先生」)(附註)	Interest in controlled corporation 受控法團權益	300,000,000	75%

Note: Mr. Li beneficially owns approximately 79.61% of the issued share capital of Ever Thrive Global Limited which in turn, beneficially holds 206,471,700 Shares. Therefore, Mr. Li is deemed or taken to be interested in all our Shares held by Ever Thrive Global Limited for the purposes of the SFO. Mr. Li is the sole director of Shun Sheng Global Limited and Shun Sheng Global Limited is accordingly accustomed to act in accordance with Mr. Li's directions. Therefore, Mr. Li is deemed or taken to be interested in all our Shares held by Shun Sheng Global Limited for the purposes of the SFO. Mr. Li is also the sole director of Ever Thrive Global Limited.

獨立性之確認

本公司已獲各獨立非執行董事按照上市規則第3.13條發出其每年之獨立性確認書，並認為全體獨立非執行董事均具獨立性。

董事及最高行政人員於股份、相關股份及債權證之權益及淡倉

於二零一三年十二月三十一日，董事及本公司的最高行政人員於本公司股份（「股份」）、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）相關股份及債權證中，持有已根據證券及期貨條例第XV部第7及8分部知會本公司及聯交所的權益或淡倉（包括根據證券及期貨條例有關條文彼等被當作或視為擁有的權益及淡倉），或列入本公司遵照證券及期貨條例第352條保存的登記冊內的權益或淡倉，或根據聯交所上市規則（「上市規則」）附錄10上市發行人董事進行證券交易之標準守則（「標準守則」）已知會本公司及聯交所的權益或淡倉如下：

(A) 於股份之好倉

附註：李先生實益擁有恆盛環球有限公司約79.61%的已發行股本，而恆盛環球有限公司實益持有206,471,700股股份。因此，根據證券及期貨條例，李先生被視為或當作於恆盛環球有限公司持有的全部股份中擁有權益。李先生為順盛環球有限公司的唯一董事，故順盛環球有限公司一向按李先生的指示行事。因此，就證券及期貨條例而言，李先生被視為或當作於順盛環球有限公司持有的全部股份中擁有權益。李先生亦為恆盛環球有限公司的唯一董事。

(B) Long position in shares of associated corporation**(B) 於相聯法團股份之好倉**

Name of Director	Name of Associated Corporation	Capacity/Nature	Number of shares held/ interested 所持／擁有	Percentage of shareholding 股權百分比
董事姓名	相聯法團名稱	身份／性質	權益股份數目	股權百分比
Mr. Li 李先生	Ever Thrive Global Limited 恆盛環球有限公司	Beneficial owner 實益擁有人	371	79.61%

Apart from those disclosed herein, as at 31 December 2013, none of the directors nor the chief executive of the Company had any interests or short positions in any of the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of the SFO) that is required to be recorded and kept in the register in accordance with section 352 of the SFO or any interests required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

除本文所披露者外，於二零一三年十二月三十一日，董事或本公司的最高行政人員並無於本公司或其任何相聯法團（定義見證券及期貨條例）的股份、相關股份或債權證中擁有根據證券及期貨條例第352條須記入該條所述的登記冊內的任何權益或淡倉，或根據標準守則須知會本公司及聯交所的任何權益。

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

主要股東及其他人士於股份及相關股份之權益及淡倉

As at 31 December 2013, so far as is known to the Directors, the following persons (other than a Director or chief executive of the Company) had or were deemed or taken to have an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, were directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

於二零一三年十二月三十一日，據董事所知，以下人士（董事或本公司的最高行政人員除外）擁有或被視為或當作於股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部的條文須向本公司及聯交所披露的權益或淡倉，或直接或間接持有附有權利可於任何情況下於本集團任何其他成員公司股東大會上投票的任何類別股本的面值5%或以上的權益：

Name of shareholder	Capacity/Nature	Number of Shares held/ interested	Percentage of shareholding
股東名稱	身份／性質	所持／擁有權益股份數目	股權百分比
Ever Thrive Global Limited 恆盛環球有限公司	Beneficial owner 實益擁有人	206,471,700	51.62%
Shun Sheng Global Limited 順盛環球有限公司	Beneficial owner 實益擁有人	93,528,300	23.38%
Ms. Chen Fangqin (Note) 陳芳芹女士（附註）	Interest in controlled corporation 受控法團權益	300,000,000	75%
Nice Investments Limited 麗思投資有限公司	Beneficial owner 實益擁有人	32,000,000	8%

Note: Ms. Chen Fangqin is the spouse of Mr. Li. Therefore, Ms. Chen Fangqin was deemed, or taken to be interested in all our Shares which are interested by Mr. Li for the purposes of the SFO.

附註：陳芳芹女士為李先生的配偶，因此，就證券及期貨條例而言，陳芳芹女士被視為或當作於李先生擁有權益的全部股份中擁有權益。

SUBSTANTIAL SHAREHOLDERS OF OUR SUBSIDIARIES

Huvis Corporation holds 30% of the equity interest in Hangzhou Huvis Yongsheng Chemical Fiber Limited as at 31 December 2013. For details, please refer to the paragraph headed “Yongsheng Chemical Fiber” set out in the section headed “History and development” of the Prospectus.

SHARE OPTION SCHEME OF THE COMPANY

The Company adopted a share option scheme (the “Scheme”) on 7 November 2013 as to attract and retain the best available personnel and to provide additional incentive to the eligible participants under the Scheme. Pursuant to the Scheme, the Board is authorised, at its absolute discretion and subject to the terms of the Scheme, to grant options to subscribe the Shares to any employees (full-time or part-time), directors, consultants or advisor of the Group, or any substantial shareholder of the Group, or any distributor, contractor, supplier, agent, customer, business partner or service provider of the Group. The Scheme shall be valid and effective for a period of ten years commencing on 7 November 2013, subject to early termination provisions contained in the Scheme.

An offer for the grant of options must be accepted within seven days inclusive of the day on which such offer was made. The amount payable by the grantee of an option to the Company on acceptance of the offer for the grant of an option is HK\$1.00. The subscription price of a Share in respect of any particular option granted under the Scheme shall be a price solely determined by the Board and notified to a participant and shall be at least the highest of: (i) the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet on the date on which an option is offered to a participant; (ii) the average of the closing prices of the Shares as stated in the Stock Exchange’s daily quotations sheets for the 5 business days immediately preceding the date on which an option is offered to a participant; and (iii) the nominal value of a Share on the date on which an option is offered to a participant.

本集團附屬公司的主要股東

株式會社Huvis於二零一三年十二月三十一日持有杭州匯維仕永盛化纖有限公司30%股權，詳情請參閱招股章程「歷史及發展」一節所載「永盛化纖」一段。

本公司的購股權計劃

本公司於二零一三年十一月七日採納一項購股權計劃（「該計劃」），旨在吸引及挽留最稱職人員及向該計劃項下合資格參與者提供額外獎勵。根據該計劃，董事會獲授權全權酌情及按該計劃之條款向本集團任何僱員（全職或兼職）、董事、諮詢人員或顧問、或本集團任何主要股東、或任何分銷商、承包商、供貨商、代理、客戶、商業夥伴或服務供貨商授出購股權以認購股份。該計劃將自二零一三年十一月七日起十年期有效及具效力，惟受該計劃的提早終止條文所規限。

授出購股權的建議須於發出有關建議日期（包括當日）起計七日內接納。購股權承授人須於接納購股權建議時就每份購股權向本公司支付1.00港元。就根據該計劃授出的任何指定購股權的股份認購價，將完全由董事會釐定並通知參與者，但不得低於下列較高者：(i)聯交所每日報價表所報股份在授予參與者購股權當日的收市價；(ii)聯交所每日報價表所報股份於緊接截至授予參與者購股權前五個交易日的平均收市價；及(iii)授予參與者購股權日期的股份面值。

The Company shall be entitled to issue options, provided that the total number of Shares which may be issued upon exercise of all options to be granted under the Scheme and any other share option schemes of the Company must not exceed 10% of the shares in issue on the Listing Date. The Company may at any time refresh such limit, subject to the shareholders' approval and issue of a circular in compliance with the Listing Rules, provided that the total number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under all the share option schemes of the Company does not exceed 30% of the Shares in issue from time to time. The total number of Shares issued and to be issued upon exercise of the options granted to each participant (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the Shares in issue unless approved by the shareholders of the Company and issue of a circular and all other information in compliance with the Listing Rules.

An option may be exercised in accordance with the terms of the Scheme at any time during a period as the Board may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof.

As at 31 December 2013, the total number of securities available for issuance under the Scheme was 40,000,000 Shares, which represented 10% of the issued share capital of the Company.

From the adoption date of the Scheme on 7 November 2013 to 31 December 2013, no share option was granted, exercised, cancelled or lapsed and there was no outstanding share option under the Scheme as at 7 November 2013 and as at 31 December 2013.

CONNECTED TRANSACTIONS AND RELATED PARTIES TRANSACTIONS

(A) Connected transactions – continuing connected transactions

During the year ended 31 December 2013, the Group entered into the following continuing connected transactions which are subject to the reporting and annual review requirements set out in Chapter 14A of the Listing Rules.

本公司將有權發行購股權，惟將根據該計劃及本公司任何其他購股權計劃授出的所有購股權獲行使時將予發行的股份總數，不得超過上市日期已發行股份的10%。本公司可於取得股東批准及根據上市規則發出通函後隨時更新該限額，惟根據本公司所有購股權計劃已授出但尚未行使的所有購股權獲行使時將予發行的股份總數不得超過當時已發行股份之30%。於任何12個月期間內，授予各參與者的購股權（包括已行使及尚未行使購股權）獲行使時已發行及將予發行的股份總數不得超過已發行股份之1%，除非獲本公司股東批准及根據上市規則發出通函及所有其他資料者除外。

購股權可根據該計劃條款於董事會釐定的期間內隨時行使，惟有關年期不得超出購股權授出日期起計十年，並須受該計劃的提早終止條文所規限。

於二零一三年十二月三十一日，根據該計劃可予發行的證券總數為40,000,000股股份，相當於本公司已發行股本10%。

自於二零一三年十一月七日採納該計劃之日起至二零一三年十二月三十一日止，概無購股權獲授出、行使、註銷或失效及於二零一三年十一月七日及於二零一三年十二月三十一日概無該計劃項下的尚未行使購股權。

關連交易及關連方交易

(A) 關連交易—持續關連交易

截至二零一三年十二月三十一日止年度，本集團訂立以下須遵守上市規則第14A章所載申報及年度審核規定的持續關連交易。

Details of the continuing connected transactions are set out below:

I. Lease Agreement

As Yongsheng Group is an associate of Mr. Li, Yongsheng Group is a connected person of the Company under the Listing Rules.

On 25 December 2012, Yongsheng Dyeing and Yongsheng Group entered into an agreement pursuant to which Yongsheng Dyeing agreed to lease part of its owned land situated at Jingjiang Industry Zone (Qing Six Lane), Xiaoshan District, Hangzhou, Zhejiang Province, the PRC with a gross floor area of approximately 10,260.08 square metres to Yongsheng Group for a term of two years commencing from 1 January 2013 and ending on 31 December 2014 in accordance with the terms and conditions stipulated therein (the "Lease Agreement").

For the year ended 31 December 2013, rental income received from Hangzhou Yongsheng Group amounted to approximately RMB905,000, which is within the annual cap of RMB930,000 as disclosed in the Prospectus dated 15 November 2013.

II. Master Bonded Warehouse Storage Services Agreement

On 7 November 2013, Yongsheng Group and Yongsheng Dyeing entered into an agreement pursuant to which Yongsheng Group agreed to provide its storage services in the Properties to our Group from time to time for a term of two years commencing from 1 January 2013 and ending on 31 December 2014 in accordance with the terms and conditions stipulated therein (the "Master Bonded Warehouse Storage Services Agreement").

For the year ended 31 December 2013, storage service fee paid to Hangzhou Yongsheng Group amounted to approximately RMB309,000, which is within the annual cap of RMB600,000 as disclosed in the Prospectus dated 15 November 2013.

持續關連交易之詳情乃載於下文：

I. 租賃協議

由於永盛集團為李先生之聯繫人，根據上市規則，永盛集團為本公司之關連人士。

於二零一二年十二月二十五日，永盛染整與永盛集團訂立一項協議，據此，永盛染整同意根據該協議訂明的條款及條件出租其擁有的一幅位於浙江省杭州市蕭山區靖江工業區（青六線）且總地盤面積約為10,260.08平方米的土地的一部份予永盛集團，為期兩年，自二零一三年一月一日起至二零一四年十二月三十一日止（「租賃協議」）。

截至二零一三年十二月三十一日止年度，來自杭州永盛集團已收租金收入約達人民幣905,000元，該金額屬於日期為二零一三年十一月十五日的招股章程所披露年度上限人民幣930,000元內。

II. 主保稅倉庫存儲服務協議

於二零一三年十一月七日，永盛集團與永盛染整訂立一項協議，據此，永盛集團同意根據協議訂明的條款及條件不時於該等物業內向本集團提供存儲服務，為期兩年，自二零一三年一月一日起至二零一四年十二月三十一日止（「主保稅倉庫存儲服務協議」）。

截至二零一三年十二月三十一日止年度，已支付予杭州永盛集團存儲服務費約達人民幣309,000元，該金額屬於日期為二零一三年十一月十五日的招股章程所披露年度上限人民幣600,000元內。

III. Master Procurement Agreement

As Huvis Corporation is a substantial shareholder of Yongsheng Chemical Fiber, a non-wholly owned subsidiary of the Company, Huvis Corporation is a connected person of the Company under the Listing Rules.

On 12 November 2013, Huvis Corporation and Yongsheng Chemical Fiber entered into an agreement pursuant to which our Group agreed to purchase textile-related products for trading and production of differentiated polyester filament yarn from Huvis Corporation and/or its associate(s) from time to time for a term of three years commencing from 1 January 2013 and ending on 31 December 2015 in accordance with the terms and conditions stipulated therein (the "Master Procurement Agreement").

For the year ended 31 December 2013, purchases from Huvis amounted to approximately RMB49,002,000, which is within the annual cap of RMB60,000,000 as disclosed in the Prospectus dated 15 November 2013.

Confirmations from the independent non-executive Directors and auditors of the Company Pursuant to Rule 14A.37 of the Listing Rules, the independent non-executive Directors have reviewed the above continuing connected transactions and confirmed that the transactions have been entered into:

- (i) in the ordinary and usual course of the business of the Company;
- (ii) either (a) on normal commercial terms; or (b) where there is no available comparable terms, on terms no less favorable to the Company than terms available to or from independent third parties; and
- (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

III. 主採購協議

由於株式會社Huvis為本公司非全資附屬公司永盛化纖之主要股東，根據上市規則，株式會社Huvis為本公司之關連人士。

於二零一三年十一月十二日，株式會社Huvis與永盛化纖訂立一項協議，據此，本集團同意根據協議訂明的條款及條件不時向株式會社Huvis及／或其聯繫人士採購紡織相關產品以進行貿易及生產差別化滌綸長絲，為期三年，自二零一三年一月一日起至二零一五年十二月三十一日止（「主採購協議」）。

截至二零一三年十二月三十一日止年度，自株式會社Huvis之採購約達人民幣49,002,000元，該金額屬於日期為二零一三年十一月十五日的招股章程所披露年度上限人民幣60,000,000元內。

根據上市規則第14A.37條自本公司獨立非執行董事及核數師確認，獨立非執行董事已審核上述持續關連交易並確認該等交易已按下列訂立：

- (i) 於本公司日常業務過程中；
- (ii) 按(a)正常商業條款；或(b)倘並無可資比較條款，按不遜於向或自獨立第三方條款提供予本公司；及
- (iii) 根據規管該等交易的相關協議按公平合理並符合本公司股東整體利益的條款。

Report of the Directors

董事會報告

Pursuant to Rule 14A.38 of the Listing Rules, the Board has engaged the auditors of the Company to perform certain assurance procedures on the continuing connected transactions. Based on the work performed, the auditors of the Company provided a letter to the Board confirming that the aforesaid continuing connected transactions:

- (i) have been approved by the Directors;
- (ii) were entered into in accordance with the pricing policies of the Company;
- (iii) were entered into in accordance with the terms of the relevant agreements governing such transactions; and
- (iv) did not exceed the annual cap amounts for the year ended 31 December 2013.

(B) Related Party Transactions

Details of the significant related party transactions undertaken in the normal course of business of the Group are provided under note 37 to the financial statements. None of these related party transactions constitutes a connected transaction as defined under the Listing Rules that is required to be disclosed, except for those described above in the paragraphs headed "(A) Connected transactions – continuing connected transactions", in respect of which the disclosure requirements in accordance with Chapter 14A of the Listing Rules have been complied with.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this report, the Company has maintained the prescribed public float of not less than 25% of the Company's issued shares as required under the Listing Rules.

根據上市規則第14A.38條，董事會已委聘本公司核數師對持續關連交易進行若干鑒證程序。根據所進行工作，本公司核數師已向董事會提供一份函件確認上述持續關連交易：

- (i) 已經董事批准；
- (ii) 根據本公司的定價政策訂立；
- (iii) 根據規管該等交易的相關協議條款訂立；及
- (iv) 並無超過截至二零一三年十二月三十一日止年度之年度上限。

(B) 關連方交易

於本集團日常業務過程中進行的重大關連方交易的詳情乃於財務報表附註37項下提供。概無該等關連方交易構成一項根據上市規則界定須予披露的關連交易，惟上文「(A)關連交易-持續關連交易」一段該等所述者除外，其已遵守有關根據上市規則第14A章之披露規定。

充足的公眾持股量

於本報告日期，根據本公司所得的公開資料及據董事所知，本公司已根據上市規則保持規定的不少於本公司已發行股份25%的公眾持股量。

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association and the laws of Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

PURCHASE, SALE OR REDEMPTION OF SHARES

Save as disclosed in the Prospectus, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed securities of the Company during the financial year.

AUDITORS

The financial statements now presented have been audited by PricewaterhouseCoopers, Certified Public Accountants, who retire and being eligible, offer themselves for re-appointment.

CLOSURE OF THE REGISTER OF MEMBERS

The register of members of the Company will be closed from 3 June 2014 to 5 June 2014, both days inclusive, in order to determine the identity of the shareholders who are entitled to attend the forthcoming annual general meeting to be held on Thursday, 5 June 2014. All transfers accompanied by the relevant share certificates and transfer forms must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queens' Road East, Wanchai, Hong Kong (which will be relocated to level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong with effect from 31 March 2014) no later than 4:30 p.m. on 30 May 2014.

GROUP FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last four financial years is set out on pages 179 to 180 of this annual report.

By Order of the Board
LI Cheng
Chairman and Executive Director
Hong Kong, 25 March 2014

優先購買權

組織章程細則及開曼群島法律並無優先購買權之規定，致使本公司須按比例基準向現有股東發售新股份。

購買、出售或贖回股份

除於招股章程所披露者外，概無本公司或其任何附屬公司於財政年度內已購買、出售或贖回本公司任何已上市證券。

核數師

現呈報的財務報表已由執業會計師羅兵咸永道會計師事務所審核，其已退任，惟符合資格，並願意膺選連任。

暫停辦理股份過戶登記

本公司將於二零一四年六月三日至二零一四年六月五日（包括首尾兩日）期間暫停辦理股份過戶登記手續，以釐定有權出席於二零一四年六月五日（星期四）舉行之應屆股東週年大會之股東身份。須於二零一四年五月三十日下午四時三十分前將所有過戶文件連同有關股票及過戶表格交回本公司的香港股份過戶登記分處卓佳證券登記有限公司，地址為香港灣仔皇后大道東28號金鐘匯中心26樓（該處自二零一四年三月三十一日起遷往香港皇后大道東183號合和中心22樓），方為有效。

集團財務概要

本集團於最近四個財政年度的業績以及資產及負債概要乃載於本年報第179頁至180頁。

承董事會命
主席兼執行董事
李誠
香港，二零一四年三月二十五日

Independent Auditor's Report

獨立核數師報告



羅兵咸永道

To the shareholders of Yongsheng Advanced Materials Company Limited

(incorporated in Cayman Islands with limited liability)

致永盛新材料有限公司股東

(於開曼群島註冊成立的有限公司)

We have audited the consolidated financial statements of Yongsheng Advanced Materials Company Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 76 to 178, which comprise the consolidated and company balance sheets as at 31 December 2013, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

本核數師(以下簡稱「吾等」)已審計列載於第76至178頁永盛新材料有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)的合併財務報表,此合併財務報表包括於二零一三年十二月三十一日的合併資產負債表及公司資產負債表與截至該日止年度的合併綜合收益表、合併權益變動表和合併現金流量表,以及主要會計政策概要及其他附註解釋資料。

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 International Financial Reporting Standards issued by the International Accounting Standards Board 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.

董事就合併財務報表須承擔的責任

貴公司的董事須負責根據國際會計準則理事會頒佈的國際財務報告準則及香港公司條例的披露規定編製合併財務報表,以令合併財務報表作出真實而公平的反映及落實其認為編製合併財務報表所必要的內部控制,以使合併財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

AUDITOR'S 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.

核數師的責任

吾等的責任是根據吾等的審計對該等合併財務報表作出意見,並向整體股東報告,不作其他用途。吾等概不就本報告的內容,對任何其他人士負責或承擔法律責任。

We conducted our audit in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standards Board. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement.

吾等已根據國際審計及鑒證準則理事會頒佈的國際審計準則進行審計。這些準則要求吾等遵守道德規範,並規劃及執行審計,以合理確定合併財務報表是否不存在任何重大錯誤陳述。

*PricewaterhouseCoopers, 22/F Prince's Building, Central, Hong Kong
T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com*

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

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2013, and of the Group's profit and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 25 March 2014

審計涉及執程序以獲取有關合併財務報表所載金額及披露資料的審計憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致合併財務報表存在重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製合併財務報表以作出真實而公平的反映相關的內部控制，以設計適當的審計程序，但目的並非為對公司內部控制的有效性發表意見。審計亦包括評價董事所採用會計政策的合適性及作出會計估計的合理性，以及評價合併財務報表的整體列報方式。

吾等相信，吾等所獲得的審計憑證能充足和適當地為吾等的審計意見提供基礎。

意見

吾等認為，該等合併財務報表已根據國際財務報告準則真實而公平地反映 貴公司和 貴集團於二零一三年十二月三十一日的事務狀況及 貴集團截至該日止年度的利潤及現金流量，並已按照香港《公司條例》妥為編製。

羅兵咸永道會計師事務所
執業會計師

香港，二零一四年三月二十五日

Consolidated Balance Sheet

合併資產負債表

As at 31 December 2013 於二零一三年十二月三十一日

			2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
	Note 附註			
ASSETS		資產		
Non-current assets		非流動資產		
Land use rights	6	土地使用權	31,781	32,579
Property, plant and equipment	7	物業、廠房及設備	131,063	138,851
Intangible assets	8	無形資產	7,006	7,889
Deferred income tax assets	10	遞延所得稅資產	8,573	10,794
			178,423	190,113
Current assets		流動資產		
Inventories	11	存貨	113,162	150,917
Trade and bills receivables	12	貿易應收款項及應收票據	126,105	245,152
Prepayments, deposits and other receivables	13	預付款項、按金及其他應收款項	20,058	63,349
Amounts due from related parties	37(b)	應收關連方款項	-	31,906
Other financial asset	14	其他金融資產	-	191,068
Financial assets at fair value through profit or loss	15	按公平值計入損益之金融資產	757	645
Restricted cash	16	受限制現金	118,387	132,429
Cash and cash equivalents	17	現金及現金等值物	166,559	75,700
			545,028	891,166
Total assets		資產總值	723,451	1,081,279
EQUITY		權益		
Share capital	18	股本	3,165	16
Share premium	18	股份溢價	235,512	160,397
Other reserves	19	其他儲備	(33,680)	(34,815)
Retained earnings		保留盈利	87,510	49,601
Equity attributable to shareholders of the Company		本公司股東應佔權益	292,507	175,199
Non-controlling interests		非控股權益	24,634	16,133
Total equity		權益總額	317,141	191,332

Consolidated Balance Sheet

合併資產負債表

As at 31 December 2013 於二零一三年十二月三十一日

			2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
	Note 附註			
LIABILITIES				
Non-current liabilities				
Borrowings	23	25,000	47,000	
Other non-current liabilities	24	13,132	12,970	
		38,132	59,970	
Current liabilities				
Trade and bills payables	21	116,829	236,230	
Advances from customers		8,084	150,517	
Accruals and other current liabilities	22	27,278	21,288	
Current portion of other non-current liabilities	24	807	682	
Amounts due to related parties	37(b)	7,513	35,913	
Current income tax liabilities		11,096	5,282	
Borrowings	23	196,571	380,065	
		368,178	829,977	
Total liabilities		406,310	889,947	
Total equity and liabilities		723,451	1,081,279	
Net current assets		176,850	61,189	
Total assets less current liabilities		355,273	251,302	

The notes on pages 84 to 178 are an integral part of these consolidated financial statements.

第84至178頁之附註為該等合併財務報表之一部份。

The financial statements on page 76 to 178 were approved by the Board of Directors on 25 March 2014 and were signed on its behalf.

第76至178頁之財務報表已於二零一四年三月二十五日獲董事會批准並由以下人士代為簽署。

LI CHENG

李誠

Director

董事

ZHAO JIDONG

趙繼東

Director

董事

Balance Sheet of the Company

本公司資產負債表

As at 31 December 2013 於二零一三年十二月三十一日

		Note 附註	2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
ASSETS	資產			
Non-current assets	非流動資產			
Interest in subsidiaries	於附屬公司的權益	9	155,535	160,405
			155,535	160,405
Current assets	流動資產			
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	13	114	251
Cash and cash equivalents	現金及現金等值物	17	86,043	8
			86,157	259
Total assets	總資產		241,692	160,664
EQUITY	權益			
Share capital	股本	18	3,165	16
Share premium	股份溢價	18	235,512	160,397
Other reserve	其他儲備	19	(5,258)	–
Accumulated deficits	累計虧絀	20	(6,266)	(351)
Total equity	權益總額		227,153	160,062
LIABILITIES	負債			
Current liabilities	流動負債			
Accruals and other current liabilities	應計款項及其他流動負債	22	6,010	–
Amounts due to subsidiaries	應付附屬公司款項		8,529	602
			14,539	602
Total liabilities	負債總額		14,539	602
Total equity and liabilities	權益及負債總額		241,692	160,664
Net current assets/(liabilities)	流動資產/(負債)淨值		71,618	(343)
Total assets less current liabilities	總資產減流動負債		227,153	160,062

The notes on pages 84 to 178 are an integral part of these financial statements.

第84至178頁之附註為該等財務報表之一部份。

The financial statements on page 76 to 178 were approved by the Board of Directors on 25 March 2014 and were signed on its behalf.

第76至178頁之財務報表已於二零一四年三月二十五日獲董事會批准並由以下人士代為簽署。

LI CHENG

李誠

Director

董事

ZHAO JIDONG

趙繼東

Director

董事

Consolidated Statement of Comprehensive Income

合併綜合收益表

For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

		Note	2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
		附註		
Revenue	收益	5	1,767,423	2,210,853
Cost of sales	銷售成本	26	(1,638,586)	(2,101,708)
Gross profit	毛利		128,837	109,145
Other gains/(losses), net	其他收益／(虧損)淨額	25	7,420	(3,118)
Selling expenses	銷售開支	26	(16,075)	(22,693)
Administrative expenses	行政開支	26	(42,360)	(24,546)
Operating profit	經營溢利		77,822	58,788
Finance income	融資收入	29	6,897	22,826
Finance costs	融資成本	29	(19,617)	(42,566)
Finance costs, net	融資成本淨額		(12,720)	(19,740)
Profit before income tax	除所得稅前溢利		65,102	39,048
Income tax expense	所得稅開支	30	(16,577)	(6,061)
Profit for the year	年內溢利		48,525	32,987
Other comprehensive income:	其他全面收入：			
Items that may be reclassified to profit or loss	可能重新分類至損益之項目			
– Currency translation differences	– 貨幣換算差額		(980)	–
Other comprehensive income for the year, net of tax	年內其他全面收益 (扣除稅項)		(980)	–
Total comprehensive income for the year	年內全面收益總額		47,545	32,987

Consolidated Statement of Comprehensive Income

合併綜合收益表

For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

	Note	2013	2012
	附註	二零一三年	二零一二年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Profit attributable to:			
Shareholders of the Company		40,024	23,173
Non-controlling interests		8,501	9,814
		48,525	32,987
Total comprehensive income attributable to:			
Shareholders of the Company		39,044	23,173
Non-controlling interests		8,501	9,814
		47,545	32,987

	Note	2013	2012
	附註	二零一三年	二零一二年
		RMB	RMB
		人民幣	人民幣
Earnings per share for profit attributable to the shareholders of the Company			
– Basic	32	0.13	0.08
– Diluted	32	0.13	0.08

The notes on pages 84 to 178 are an integral part of these consolidated financial statements.

第84至178頁之附註為該等合併財務報表之一部份。

	Note	2013	2012
	附註	二零一三年	二零一二年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Dividends (paid and proposed)	34	–	90,251

Consolidated Statement of Changes in Equity

合併權益變動表

For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

	Note 附註	Attributable to shareholders of the Company 本公司股東應佔					Non- controlling interests 非控股權益 RMB'000 人民幣千元	Total equity 權益總額 RMB'000 人民幣千元
		Share capital and Share premium 股本及 股份溢價 RMB'000 人民幣千元	Other Reserves 其他儲備 RMB'000 人民幣千元	Retained earnings 保留盈利 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元			
Balance at 1 January 2012		於二零一二年一月一日的 結餘	–	50,507	113,379	163,886	36,004	199,890
Comprehensive income		全面收入						
Profit for the year		年內溢利	–	–	23,173	23,173	9,814	32,987
Total comprehensive income		全面收入總額	–	–	23,173	23,173	9,814	32,987
Transactions with equity holders		與權益持有人的交易						
Issuance of new shares	18	發行新股份	160,413	–	–	160,413	–	160,413
Distribution to equity holders	19	向權益持有人作出分派	–	(134,695)	–	(134,695)	–	(134,695)
Acquisition of non-controlling interests	19	收購非控股權益	–	1,796	–	1,796	(22,901)	(21,105)
Disposal of equity interest in a subsidiary		出售於一間附屬公司的 股權	–	(1,587)	–	(1,587)	1,587	–
Deemed contribution by equity holders	19	視作由權益持有人注資	–	29,190	–	29,190	–	29,190
Appropriation to statutory reserves	19	分撥至法定儲備	–	5,071	(5,071)	–	–	–
Dividends	34	股息	–	–	(81,880)	(81,880)	(8,371)	(90,251)
Waived dividend payable by non-controlling interest	19	非控股權益應付的 已放棄股息	–	7,953	–	7,953	–	7,953
Gain from acquisition	19	收購收益	–	6,950	–	6,950	–	6,950
Total transactions with equity holders		與權益持有人的交易 總額	160,413	(85,322)	(86,951)	(11,860)	(29,685)	(41,545)
Balance at 31 December 2012		於二零一二年十二月 三十一日的結餘	160,413	(34,815)	49,601	175,199	16,133	191,332
Balance at 1 January 2013		於二零一三年一月一日的 結餘	160,413	(34,815)	49,601	175,199	16,133	191,332
Comprehensive income		全面收入						
Profit for the year		年內溢利	–	–	40,024	40,024	8,501	48,525
Other comprehensive income		其他全面收入						
Currency translation differences	19	貨幣換算差額	–	(980)	–	(980)	–	(980)
Total comprehensive income		全面收入總額	–	(980)	40,024	39,044	8,501	47,545
Transactions with equity holders		與權益持有人的交易						
Issuance of new shares	18	發行新股份	78,264	–	–	78,264	–	78,264
Appropriation to statutory reserves	19	分撥至法定儲備	–	2,115	(2,115)	–	–	–
Total transactions with equity holders		與權益持有人的交易總額	78,264	2,115	(2,115)	78,264	–	78,264
Balance at 31 December 2013		於二零一三年十二月 三十一日的結餘	238,677	(33,680)	87,510	292,507	24,634	317,141

The notes on pages 84 to 178 are an integral part of these consolidated financial statements.

第84至178頁之附註為該等合併財務報表之一部份。

Consolidated Cash Flow Statement

合併現金流量表

For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

			2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
		Note 附註		
Cash flows from operating activities	經營活動現金流量			
Cash generated from operations	經營所得現金	33(a)	(9,276)	102,190
Interest received	已收利息		11,154	25,165
Income tax paid	已付所得稅		(8,542)	(12,400)
Net cash (used in)/generated from operating activities	經營活動(所用)/所得現金淨額		(6,664)	114,955
Cash flows from investing activities	投資活動現金流量			
Purchase of property, plant and equipment	購買物業、廠房及設備		(6,350)	(6,247)
Proceeds from disposals of property, plant and equipment	出售物業、廠房及設備所得款項	33(b)	2,482	-
Loans granted to related parties	向關連方授出貸款		-	(446,122)
Loan repayments from related parties	關連方償還貸款		6,482	630,995
Loan repayment received from a third party	收到一名第三方償還貸款	13	20,819	-
Proceeds from disposal of available-for-sale financial assets	出售可供銷售金融資產所得款項		-	4,000
Proceeds from disposal of investment in an associate	出售於聯營公司的投資所得款項	13	8,440	-
Decrease of restricted bank deposits	受限制銀行存款減少		13,009	221,779
Payments for purchase of other financial asset	購買其他金融資產支付的款項		-	(201,212)
Proceeds from disposal of other financial asset	出售其他金融資產的所得款項		190,716	10,192
Cash paid for acquisition of a subsidiary	收購一家附屬公司所支付的現金		(3,146)	-
Acquisition of subsidiaries, net of cash acquired	收購附屬公司·扣除所得現金		-	5,759
Net cash generated from investing activities	投資活動所得現金淨額		232,452	219,144

Consolidated Cash Flow Statement

合併現金流量表

For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
	Note 附註		
Cash flows from financing activities	融資活動現金流量		
Proceeds from issuance of ordinary share	發行普通股的所得款項	91,827	157,267
Proceeds from related party borrowings	關連方借款的所得款項	-	124,550
Proceeds from bank borrowings	銀行借款的所得款項	335,097	1,159,642
Dividends paid to equity holders	向權益持有人派付股息	-	(81,880)
Distribution for Reorganisation	就重組作出分派	-	(134,695)
Acquisition of non-controlling interests	收購非控股權益	-	(21,105)
Repayments of related party borrowings	償還關連方借款	(2,994)	(185,990)
Repayments of bank borrowings	償還銀行借款	(539,226)	(1,276,415)
Interest paid	已付利息	(20,549)	(45,444)
Net cash used in financing activities	融資活動所用現金淨額	(135,845)	(304,070)
Net increase in cash and cash equivalents	現金及現金等值物增加淨額	89,943	30,029
Cash and cash equivalents at beginning of the year	年初現金及現金等值物	75,700	46,130
Effect of foreign exchange rate changes on cash and cash equivalents	現金及現金等值物外匯匯率變動影響	916	(459)
Cash and cash equivalents at end of the year	年終現金及現金等值物	166,559	75,700

The notes on pages 84 to 178 are an integral part of these consolidated financial statements.

第84至178頁之附註為該等合併財務報表之一部份。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

1. GENERAL INFORMATION

1.1 General information

Yongsheng Advanced Materials Company Limited (the “Company”) was incorporated in the Cayman Islands on 19 April 2012 as an exempted company with limited liability under the Companies Law (2010 Revision) of the Cayman Islands. The address of the Company’s registered office is Clifton House, 75 Fort Street, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands.

The Company and its subsidiaries (the “Group”) are principally engaged in the developing and manufacturing of polyester filament yarns, the provision of dyeing services of differentiated polyester filament fabric and trading of textile raw materials and products in the People’s Republic of China (the “PRC”) (the “Listing Businesses”). The directors consider the ultimate holding company of the Company is Ever Thrive Global Limited (“Ever Thrive”), a company incorporated in the BVI and controlled by Mr. Li Cheng (the “Controlling Shareholder”).

The Company’s shares have been listed on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 27 November 2013. In preparation for the listing of the Company’s shares on the Main Board of The Stock Exchange of Hong Kong Limited (the “Listing”), the Group underwent a series of transaction to transfer the Listing Businesses to the Company (the “Reorganisation”).

These consolidated financial statements are presented in Renminbi (“RMB”), unless otherwise stated. These consolidated financial statements have been approved for issue by the Company’s Board of Directors on 25 March 2014.

1. 一般資料

1.1 一般資料

永盛新材料有限公司(「本公司»)於二零一二年四月十九日根據開曼群島公司法(二零一零年修訂本)在開曼群島註冊成立為獲豁免有限公司。本公司之註冊辦事處地址為Clifton House, 75 Fort Street, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands。

本公司及其附屬公司(「本集團»)主要在中華人民共和國(「中國»)從事開發及製造滌綸長絲、提供差別化滌綸面料染色服務及紡織原材料及產品貿易(「上市業務»)。董事認為本公司之最終控股公司為恆盛環球有限公司(「恆盛») (一間在英屬處女群島註冊成立並由李誠先生(「控股股東»)控制之公司)。

本公司股份自二零一三年十一月二十七日起於香港聯合交易所有限公司(「聯交所»)上市。於籌備本公司股份於香港聯合交易所有限公司主板上市(「上市»)時，本集團就轉讓上市業務至本公司進行一系列交易(「重組»)。

除另有指明外，此等合併財務報表乃以人民幣(「人民幣»)呈列。此等合併財務報表已由本公司董事會於二零一四年三月二十五日批准刊發。

1. GENERAL INFORMATION (CONTINUED)

1.2 Basis of presentation

Immediately prior to and after the Reorganisation, the Listing Business is held by the Controlling Shareholder and family, as well as the individual shareholders at the same shareholding percentage and operates mainly through the four subsidiaries (namely Hangzhou Xiaoshan Yongsheng Foreign Trading Company Limited (“Hangzhou Yongsheng Trading”), Nantong Yongsheng Fiber Advanced Materials Company Limited (“Nantong Yongsheng”), Hangzhou Huvis Yongsheng Chemical Fiber Company Limited (“Yongsheng Chemical Fiber”) and Yongsheng Dyeing and Finishing Company Limited (“Yongsheng Dyeing”). Pursuant to the Reorganisation, these four subsidiaries are transferred to and held by the Company. The Company has not been involved in any other business prior to the Reorganisation and do not meet the definition of a business. The Reorganisation is merely a reorganisation of the Listing Businesses with no change in management of the business and the ultimate owners of the Listing Business remain the same. Accordingly, the accompanying financial information of the companies now comprising the Group is presented using the carrying values of the Listing Businesses. This financial information also included the assets, liabilities and results of operations of the trading of textile raw materials and products business previously undertook by Hangzhou Yongsheng Group Limited (“Yongsheng Group”) and Yongsheng Holding Company Limited (“Yongsheng Holdings”) (the then holding companies of part of the Listing Businesses) from 1 January 2012 up to the completion of Reorganisation.

The financial information of the dissimilar businesses is not included in the financial statements, because (i) such businesses had historically been managed by separate management teams different from that of the Listing Businesses; (ii) such businesses were dissimilar from the Listing Businesses in terms of business risks and rewards, customer bases and content and had not formed part of the Group pursuant to the Reorganisation and (iii) such businesses had limited shared facilities and few inter or intra company transactions with the Listing Businesses.

1. 一般資料 (續)

1.2 呈列基準

緊接重組前及緊隨重組後，上市業務由控股股東及其家族與個人股東按相同股權百分比持有，並主要透過四間附屬公司經營，即杭州蕭山永盛對外貿易有限公司（「杭州永盛貿易」）、南通永盛纖維新材料有限公司（「南通永盛」）、杭州滙維仕永盛化纖有限公司（「永盛化纖」）及永盛染整有限公司（「永盛染整」）。該四間附屬公司根據重組轉讓予本公司，並由本公司持有。本公司在重組前並無參與任何其他業務，亦不符合業務的定義。重組純粹為重組上市業務，業務的管理層並無變動，上市業務的最終擁有人維持不變。因此，現組成本集團的公司的隨附財務資料採用上市業務的賬面值呈列。該等財務資料亦包括之前於二零一二年一月一日起至業務重組當日止期間由杭州永盛集團有限公司（「永盛集團」）及永盛控股有限公司（「永盛控股」）（當時部分上市業務之控股公司）進行的紡織原材料及產品貿易的資產、負債及經營業績。

財務報表並未計入不同業務的財務資料，原因是(i)該等業務過去由另一與上市業務不同的管理團隊管理；(ii)該等業務在業務風險及回報、客戶群及內容方面均與上市業務相異，而且並不根據重組構成本集團的其中部份；及(iii)該等業務的共享設施有限，而且與上市業務進行的公司間或公司內交易不多。

1. GENERAL INFORMATION (CONTINUED)

1.2 Basis of presentation (Continued)

Inter-company transactions, balances and unrealized gains/losses on transactions between group companies are eliminated on combination.

As Yongsheng (HK) International Co., Limited (“Yongsheng Trading (HK)”) was not under the same management and owners of the Listing Business prior to the Reorganisation, its results has not been included in the financial statements. Instead, acquisition method of accounting for business combinations has been applied to such acquisition at the time when the Company obtained control in Yongsheng Trading (HK).

2. SUMMARY OF 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.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (“IFRSs”). The consolidated financial statements have been prepared under the historical cost convention except for the financial assets at fair value through profit or loss which are carried at fair value.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4 below.

1. 一般資料 (續)

1.2 呈列基準 (續)

公司間交易、集團公司間交易有關的結餘及未變現損益於合併賬目時抵銷。

由於重組前永盛(香港)國際有限公司(「永盛貿易(香港)」)的管理層及擁有人與上市業務的管理層及擁有人不同，其業績並未計入財務報表。反之，於本公司取得永盛貿易(香港)的控制權時，已就該等收購應用業務合併的會計收購法。

2. 主要會計政策概要

編製此等財務報表時所採用之主要會計政策載列如下。除另有指明外，此等政策於所有呈列年度貫徹應用。

2.1 編製基準

本集團之合併財務報表乃根據國際財務報告準則(「國際財務報告準則」)而編製。載於本報告之合併財務報表已根據歷史成本法編製，惟以公平值列賬之按公平值計入損益之金融資產除外。

按照國際財務報告準則編製財務報表要求採用若干重要會計估計，亦要求管理層於應用本集團之會計政策之過程作出判斷。涉及較高程度判斷或複雜性的範圍或有關假設及估計對合併財務報表屬重大的範圍於下文附註4披露。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

(a) *New and amended standards adopted by the Group*

The following standards have been adopted by the Group for the first time for the financial year beginning on or after 1 January 2013 and have no material impact on the Group:

- Amendment to IAS 1 'Financial statement presentation' regarding other comprehensive income is effective for annual periods beginning on or after 1 July 2012. The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' on the basis of whether they are potentially reclassifiable to profit or loss subsequently. It is not expected to have any significant impact on the Group's financial statements.
- IAS 19, 'Employee benefits' was revised in June 2011 and is effective for annual periods beginning on or after 1 January 2013. The changes on the Group's accounting policies has been as follows: to immediately recognise all past service costs; and to replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability (asset). It is not expected to have any significant impact on the Group's financial statements.
- Amendment to IFRS 7, 'Financial instruments: Disclosures', on asset and liability offsetting, is effective for annual periods beginning on or after 1 January 2013. The amendments require new disclosure requirements which focus on quantitative information about recognised financial instruments that are offset in the statement of financial position, as well as those recognised financial instruments that are subject to master netting or similar arrangements irrespective of whether they are offset. It is not expected to have any significant impact on the Group's financial statements.

2. 主要會計政策概要 (續)

2.1 編製基準 (續)

(a) 本集團採納之新訂及經修訂準則

下文載列本集團已於二零一三年一月一日或之後開始之財政年度首次採用且對本集團並無重大影響之準則：

- 有關其他全面收益之國際會計準則第1號「財務報表呈報」之修訂本乃於二零一二年七月一日或之後開始之年度期間生效。該修訂本之主要變動為要求實體將呈列於「其他全面收益」之項目按該等項目其後會否有可能重新分類至收益表之基準分組。預期此不會對本集團之財務報表有任何重大影響。
- 國際會計準則第19號「僱員福利」於二零一一年六月修訂，並於二零一三年一月一日開始或之後之年度期間生效。此修訂對集團會計政策影響如下：所有過往服務成本即時確認；將利息成本及計劃資產的預期回報，以淨利息成本（根據淨設定受益資產（負債）按貼現率計算）取代。預期此不會對本集團之財務報表有任何重大影響。
- 國際財務報告準則第7號「金融工具：披露」的修訂乃有關資產及負債的對銷，並於二零一三年一月一日或之後開始之年度期間生效。該修訂亦規定新的披露要求，著重於在財務狀況表中被抵銷的金融工具，以及受總互抵協定或類似協定約束的金融工具（無論其是否被抵銷）的量化資訊。預期此不會對本集團之財務報表有任何重大影響。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

(a) *New and amended standards adopted by the Group (Continued)*

- IFRS 10, 'Consolidated financial statements', effective for annual periods beginning on or after 1 January 2013, builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. It is not expected to have any significant impact on the Group's financial statements.
- IFRS 12, 'Disclosures of interests in other entities', effective for annual periods beginning on or after 1 January 2013, includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, structured entities and other off balance sheet vehicles. It is not expected to have any significant impact on the Group's financial statements.
- IFRS 13, 'Fair value measurement', effective for annual periods beginning on or after 1 January 2013, aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs. It is not expected to have any significant impact on the Group's financial statements.

2. 主要會計政策概要 (續)

2.1 編製基準 (續)

(a) 本集團採納之新訂及經修訂準則 (續)

- 國際財務報告準則第10號「合併財務報表」，於二零一三年一月一日或之後開始之年度期間生效，建基於現有原則，透過確定控制權概念作為釐定是否應將某一主體納入母公司合併財務報表的決定性因素。此準則亦列載當難以釐定時，提供額外指引以協助釐定控制權。預期此不會對本集團之財務報表有任何重大影響。
- 國際財務報告準則第12號「於其他主體權益的披露」，於二零一三年一月一日或之後開始之年度期間生效，包括在其他主體的所有形式的權益的披露規定，包括合營安排、聯營、特別用途工具及其他資產負債表外工具。預期此不會對本集團之財務報表有任何重大影響。
- 國際財務報告準則第13號「公平值計量」，於二零一三年一月一日或之後開始之年度期間生效，旨在透過提供公平值之精確定義及公平值計量之單一來源以及適用於各國際財務報告準則之披露規定，使之較為一致及簡單。該等規定並無擴大公平值會計之使用，但就當該準則獲國際財務報告準則內其他準則規定或准許使用時應如何應用提供指引。預期此不會對本集團之財務報表有任何重大影響。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. 主要會計政策概要 (續)

2.1 Basis of preparation (Continued)

2.1 編製基準 (續)

(b) *New and amended standards have been issued but are not effective for the financial year beginning 1 January 2013 and have not been early adopted*

(b) 於二零一三年一月一日開始之財政年度內已頒佈但尚未生效，亦未提早採納之新訂及經修訂準則

		Effective date 生效日期
IAS 32 (Amendment)	Financial instruments: Presentation – Offsetting financial assets and financial liabilities	1 January 2014
國際會計準則第32號 (修訂本)	金融工具：呈列－抵銷金融資產及 金融負債	二零一四年一月一日
IFRS 10, IFRS 12 and IAS 27 (Amendment)	Investment entities	1 January 2014
國際財務報告準則第10號、 國際財務報告準則第12號及 國際會計準則第27號(修訂本)	投資實體	二零一四年一月一日
IAS 36 (Amendment)	Impairment of assets – Recoverable amount disclosures for non-financial assets	1 January 2014
國際會計準則第36號 (修訂本)	資產減值－非金融資產 可收回金額披露	二零一四年一月一日
IAS 39 (Amendment)	Financial instruments: Recognition and measurement	1 January 2014
國際會計準則第39號(修訂本)	金融工具：確認及計量	二零一四年一月一日
IFRIC 21	Levies	1 January 2014
國際財務報告詮釋委員會第21號	徵費	二零一四年一月一日
IFRS 9	Financial instruments	Later than 1 January 2015
國際財務報告準則第9號	金融工具	二零一五年一月一日以後

None of these new and amended standards is expected to have a significant effect on the consolidated financial statements of the Group.

預期該等新訂及經修訂準則概不會對本集團之合併財務報表造成重大影響。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Subsidiaries

2.2.1 Consolidation

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

(a) *Business combinations*

The Group applies the acquisition method to account for business combinations, except for those acquisitions that qualify as business combinations under common control, which are accounted for using merger accounting. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

2. 主要會計政策概要 (續)

2.2 附屬公司

2.2.1 綜合

附屬公司指由本集團控制之所有實體 (包括結構實體)。當本集團面對或有權取得來自其涉及該等實體之可變回報，並有能力通過其對實體之權力影響有關回報時，則本集團控制該實體。附屬公司從控制權轉移至本集團日期起綜合入賬，直至控制權終止日期為止。

(a) *業務合併*

本集團應用收購法對業務合併進行入賬，惟收購附屬公司視為共同控制的業務合併則以合併會計法入賬。就收購附屬公司而轉讓的代價為本集團轉讓資產、被收購方前擁有人所產生負債及發行股權的公平值。所轉讓的代價包括或然代價安排產生的任何資產或負債的公平值。在業務合併中所收購可識別的資產以及所承擔的負債及或然負債，初步以其於收購日期的公平值計量。對於個別收購基準，本集團按公平值或按非控股權益應佔被收購方可識別資產淨值的已確認金額的比例，確認被收購方的任何非控股權益。

購買相關成本在產生時支銷。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Subsidiaries (Continued)

2.2.1 Consolidation (Continued)

(a) Business combinations (Continued)

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated statements of comprehensive income.

Intra-group transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

2. 主要會計政策概要 (續)

2.2 附屬公司 (續)

2.2.1 綜合 (續)

(a) 業務合併 (續)

倘業務合併分階段進行，收購方過往於被收購方持有之股權的收購日期賬面值重新計量至收購日期的公平值；有關重新計量產生的任何盈虧於損益內確認。

本集團將轉讓的任何或然代價按於收購日期的公平值確認。或然代價（被視為資產或負債）公平值其後的變動則根據國際會計準則第39號，於損益確認或作為其他全面收入的變動。歸類為股權的或然代價不會重新計量，而其後的結算則於股權列賬。

所轉讓代價、被收購方的任何非控股權益金額及任何先前於被收購方的股權於收購日期的公平值超逾本集團應佔所收購可識別資產淨值公平值的差額，乃入賬列作商譽。就議價購買而言，倘轉讓代價、已確認非控股權益及先前持有權益計量總額低於所收購附屬公司資產淨值公平值，差額直接在合併綜合收益表中確認。

本集團內公司間交易、結餘及未變現交易收益將會對銷。未變現虧損亦會對銷。必要時，附屬公司所呈報金額經調整以確保與本集團的會計政策一致。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Subsidiaries (Continued)

2.2.1 Consolidation (Continued)

(b) *Changes in ownership interests in subsidiaries without change of control*

Transactions with non-controlling interests that do not result in a loss of control are accounted for as equity transactions – that is, as transactions with the owners of the subsidiary in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) *Disposal of subsidiaries*

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2.2.2 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

2. 主要會計政策概要 (續)

2.2 附屬公司 (續)

2.2.1 綜合 (續)

(b) *控制權無變動下附屬公司之擁有權益變動*

與非控股權益進行且不會導致失去控制權的交易入賬列作股權交易—即與附屬公司擁有人(以彼等為擁有人的身份)進行的交易。所支付任何代價之公平值與所收購附屬公司資產淨值賬面值相關份額的差額於股權列賬。向非控股權益的出售所產生的收益或虧損亦於股權列賬。

(c) *出售附屬公司*

當本集團不再擁有控制權，於該實體的任何保留權益按其於失去控制權日期當日的公平值重新計量，賬面值變動則於損益確認。為隨後將保留權益入賬列作聯營公司、合資企業或金融資產，公平值為初始賬面值。此外，之前就該實體於其他全面收益確認的任何數額，均猶如本集團直接出售相關資產或負債而列賬，即之前於其他全面收益確認的數額可能重新分類至損益賬。

2.2.2 獨立財務報表

於附屬公司之投資按成本值扣除減值入賬。成本值亦包括投資之直接應佔成本。附屬公司之業績在本公司賬目內按已收及應收股息入賬。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Subsidiaries (Continued)

2.2.2 Separate financial statements (Continued)

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors that makes strategic decisions.

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in these financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Company's functional currency is HK dollars (HK\$) and most of its subsidiaries' functional currencies are RMB. These consolidated financial statements are presented in RMB, which is the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. 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 comprehensive income statements.

2. 主要會計政策概要 (續)

2.2 附屬公司 (續)

2.2.2 獨立財務報表 (續)

倘自附屬公司收取之股息超出宣派股息期間該附屬公司之全面收入總額，或倘獨立財務報表中之投資賬面值超出合併財務報表所示被投資公司之資產淨值（包括商譽）之賬面值，則須對該等附屬公司之投資進行減值測試。

2.3 分部報告

經營分部以向主要經營決策者提供內部呈報一致的形式呈報。負責分配資源及評估經營分部表現的主要經營決策者已確定為作出策略決策的執行董事。

2.4 外匯兌換

(a) 功能及呈報貨幣

本集團旗下每個實體的財務報表所包括的項目均以該實體的主要營運經濟環境的貨幣（「功能貨幣」）計算。本公司的功能貨幣為港元（「港元」）且其大部分附屬公司的功能貨幣為人民幣。該等合併財務報表乃以人民幣呈報，人民幣為本集團的呈報貨幣。

(b) 交易及結餘

外幣交易均按交易當日或估值當日（倘項目再計量）的匯率換算為功能貨幣。此等交易結算以及按年結日的匯率換算外幣資產和負債而產生的外匯收益及虧損，均於合併綜合收益表內確認。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Foreign currency translation (Continued)

(b) Transactions and balances (Continued)

Foreign exchange gains and losses that relate to borrowings and other financial asset are presented in the consolidated comprehensive income statements within 'finance income or costs'. All other foreign exchange gains and losses are presented in the consolidated comprehensive income statements within 'other gains/(losses), net'.

Changes in the fair value of debt securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in other comprehensive income.

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

2. 主要會計政策概要 (續)

2.4 外匯兌換 (續)

(b) 交易及結餘 (續)

有關借款和其他金融資產的外匯收益及虧損於合併綜合收益表中「融資收入或成本」一項中呈列。所有其他外匯收益及虧損於合併綜合收益表中「其他收益／(虧損)淨額」中呈列。

以外幣列值分類為可供出售債務證券之公平值變動乃以證券之攤銷成本變動及證券賬面值之其他變動所導致換算差額分析。有關攤銷成本變動之換算差額乃於損益確認，而賬面值之其他變動乃於其他全面收益確認。

非貨幣金融資產及負債（例如持作按公平值計入損益的股權）之換算差額乃於損益確認作公平值收益或虧損之部分。非貨幣金融資產（例如分類為可供出售之股權）乃於其他全面收益列賬。

(c) 集團公司

功能貨幣與呈報貨幣不同的集團實體（當中沒有任何一間有嚴重通脹貨幣）的業績和財務狀況按如下方法換算為呈報貨幣：

- (i) 所呈列各資產負債表之資產和負債按該資產負債表日期的收市匯率換算；

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Foreign currency translation (Continued)

(c) Group companies (Continued)

- (ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (iii) all resulting currency translation differences are recognised in other comprehensive income.

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. Currency translation differences arising are recognised in other comprehensive income.

(d) Disposal of foreign operation and partial disposal

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the currency translation differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated currency translation differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (that is, reductions in the Group's ownership interest in associates or joint ventures that do not result in the Group losing significant influence or joint control) the proportionate share of the accumulated exchange difference is reclassified to profit or loss.

2. 主要會計政策概要 (續)

2.4 外匯兌換 (續)

(c) 集團公司 (續)

- (ii) 各收益表收入和費用按平均匯率換算(除非此平均匯率並不代表交易日期匯率的累計影響的合理約數;在此情況下,收支項目按交易日期的匯率換算);及
- (iii) 所有由此產生的貨幣換算差額於其他全面收益內確認。

因收購海外實體而產生的商譽及公平值調整乃視為海外實體的資產及負債並按收市匯率換算。所產生貨幣換算差額乃於其他全面收益確認。

(d) 出售及部分出售海外業務

於出售海外業務(即出售集團於海外業務的全部權益,或出售涉及失去對一家包括海外業務之附屬公司之控制權,或出售涉及失去一家包括海外業務之合資企業之共同控制權,或出售涉及失去一間包括海外業務之聯營公司之重大影響)時,所有歸屬於本公司擁有人業務權益的累計外幣換算差額,將重新分類至損益。

倘部分出售並未導致本集團失去對包括海外業務之附屬公司的控制權,所佔累計貨幣換算差額比例重新歸屬於非控股權益及未於損益確認。就所有其他部分出售(即削減本集團於聯營公司或合資企業之擁有權權益並未導致本集團失去重大影響或共同控制權),則累計匯兌差額所佔比例乃重新分類至損益。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Property, plant and equipment

Construction-in-progress (the "CIP") represents buildings, plant and machinery under construction or pending installation and is stated at cost less accumulated impairment losses, if any. Cost includes the costs of construction and acquisition. No provision for depreciation is made on CIP until such time as the relevant assets are completed and ready for intended use. When the assets concerned are available for use, the costs are transferred to property, plant and equipment and depreciated in accordance with the policy as stated below.

Property, plant and equipment from capital contribution are recognised initially at fair value, and are subsequently carried at depreciated cost less accumulated impairment.

Other property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated comprehensive income statements during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate the cost less impairment loss of each asset to its residual value over its estimated useful life, as follows:

- Buildings	20-40 years	5% - 10%
- Plant and machinery	10-14 years	5% - 10%
- Vehicles	4-5 years	5% - 10%
- Office equipment, leasehold improvements and others	2-5 years	5% - 10%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

2. 主要會計政策概要 (續)

2.5 物業、廠房及設備

在建工程(「在建工程」)指興建中或待裝置的樓宇、廠房及機器，按成本減累計減值虧損(如有)入賬。成本包括建造及收購成本。於有關資產落成及可作擬定用途之前，不會就在建工程計提折舊撥備。當有關資產可供使用時，成本即轉入物業、廠房及設備，並按下述政策折舊。

注資的物業、廠房及設備初步按公平值確認，其後按折舊成本減累計減值列賬。

其他物業、廠房及設備乃按歷史成本減累計折舊及累計減值虧損(如有)列賬。歷史成本包括收購該等項目直接應佔開支。

只有在與項目相關的未來經濟利益有可能流入本集團，並能夠可靠地計量項目成本的情況下，本集團才會將其後成本計入資產賬面值或確認為獨立資產項目(如適用)。所替換部分的賬面值乃撇除確認。所有其他維護及保養費用均需於產生時的財務期間的合併綜合收益表扣除。

折舊以直線法計算，以於估計可使用年期內分配各項資產的成本值減減值虧損至其剩餘價值如下：

- 樓宇	20至40年	5%-10%
- 廠房及機械	10至14年	5%-10%
- 汽車	4至5年	5%-10%
- 辦公室設備、租賃物業裝修及其他	2至5年	5%-10%

本集團在各報告期末重檢資產的剩餘價值及可使用年期，並按適當情況作出調整。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Property, plant and equipment (Continued)

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are recognised within 'other gains/(losses), net' in the consolidated comprehensive income statements.

2.6 Land use rights

Land use rights represent upfront payments made for the land use rights for self-use buildings. It is stated at cost and charged to the consolidated comprehensive income statements over the remaining period of the lease on a straight-line basis, net of any impairment losses, if any.

2.7 Intangible assets

(a) Technical Know-How

Acquired technical know-how of manufacturing processes is shown at historical cost. Acquired technical know-how are capitalised on the basis of the costs incurred to acquire the know-how and are amortised over their estimated useful lives of 10 years.

(b) Computer Software

Acquired computer software is shown at historical cost and is capitalised on the basis of the costs incurred to acquire the specific software. These costs are amortised over their estimated useful lives of 10 years.

(c) Sewage Pipes Use Right

Acquired sewage pipes use right is shown at historical cost and is capitalised on the basis of the cost incurred to acquire the use right. The costs are amortised over the contractual lives of 20 years.

2. 主要會計政策概要 (續)

2.5 物業、廠房及設備 (續)

倘資產的賬面值大於其估計可收回金額，資產的賬面值即時撇減至其可收回金額。

出售的收益及虧損將按出售所得款項與有關資產賬面值的差額而釐定，並於合併綜合收益表中「其他收益／(虧損)淨額」中確認。

2.6 土地使用權

土地使用權指就自用樓宇的土地使用權所支付的預付款。土地使用權按成本列賬，並於租約餘下期間扣除任何減值虧損（如有）後按直線法於合併綜合收益表內扣除。

2.7 無形資產

(a) 技術知識

所獲得有關製造過程的技術知識按歷史成本值列示。所獲得的技術知識按獲得有關知識所產生的成本撥充資本，並於10年估計可使用年內攤銷。

(b) 計算機軟件

所獲得的計算機軟件按歷史成本值列示，並按獲得指定軟件所產生的成本撥充資本。該等成本於10年估計可使用年內攤銷。

(c) 污水渠使用權

所獲得的污水渠使用權按歷史成本值列示，並按獲得有關使用權所產生的成本撥充資本。有關成本於20年合約年內攤銷。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Impairment of non-financial assets

Assets that have an indefinite useful life – for example, goodwill – are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.9 Financial assets

2.9.1 Classification

The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

2. 主要會計政策概要 (續)

2.8 非金融資產減值

具無限使用年期的資產(如商譽)無須攤銷但每年作減值測試。當有事件出現或情況改變顯示賬面值可能無法收回時,須就攤銷資產是否減值進行審閱。減值虧損按資產的賬面值超出其可收回金額的差額確認。可收回金額以資產的公平值扣除銷售成本或使用價值兩者之間較高者為準。於評估減值時,資產按可分開識別現金流量(現金產生單位)的最低層次組合。除商譽外,已出現減值的非金融資產在各報告日期均就減值是否可以撥回進行檢討。

2.9 金融資產

2.9.1 分類

本集團將金融資產劃分為以下類別:按公平值計入損益的金融資產、貸款及應收款項及可供銷售金融資產。分類視乎收購金融資產的目的而定。管理層於首次確認時釐定金融資產分類。

(a) *按公平值計入損益的金融資產*

按公平值計入損益的金融資產為持作買賣的金融資產。倘收購金融資產的主要目的為於短期內進行出售,則有關金融資產分類為此類別。除非衍生工具指定作對沖用途,否則衍生工具亦分類為持作買賣。此類別內的資產倘預期將於十二個月內結算,則分類為流動資產;否則,則分類為非流動資產。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Financial assets (Continued)

2.9.1 Classification (Continued)

(b) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise 'trade and bills receivables', 'prepayments, deposits and other receivables', 'amount due from related parties', 'other financial asset', 'restricted cash' and 'cash and cash equivalents' in the balance sheet.

(c) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

2.9.2 Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the consolidated statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

2. 主要會計政策概要 (續)

2.9 金融資產 (續)

2.9.1 分類 (續)

(b) *貸款及應收款項*

貸款及應收款項為無活躍市場報價並附帶固定或可釐定付款的非衍生金融資產。貸款及應收款項均計入流動資產，惟到期日由報告期末起計超過十二個月後結算或預期結算的金額除外，該等金額分類為非流動資產。本集團的貸款及應收款項包括計入資產負債表的「貿易應收款項及應收票據」、「預付款項、按金及其他應收款項」、「應收關連方款項」、「其他金融資產」、「受限制現金」及「現金及現金等值物」。

(c) *可供銷售金融資產*

可供銷售金融資產為指定為此類別或並非分類為任何其他類別的非衍生工具。除非投資到期日在報告期末後十二個月內或管理層有意在報告期末後十二個月內出售此等投資，否則可供銷售金融資產均計入非流動資產。

2.9.2 確認及計量

以常規方式買賣金融資產於交易日（即本集團承諾買賣有關資產當日）確認。就並非按公平值計入損益的所有金融資產，投資最初按公平值加交易成本確認。按公平值計入損益的金融資產最初按公平值確認，並於合併綜合收益表中將交易成本列為開支。當收取投資現金流量的權利到期或轉讓，且集團已轉移擁有權的絕大部分風險及回報時，金融資產會終止確認。可供銷售金融資產及按公平值計入損益的金融資產其後以公平值列賬。貸款及應收款項使用實際利息法以攤銷成本列賬。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Financial assets (Continued)

2.9.2 Recognition and measurement (Continued)

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the consolidated statement of comprehensive income within 'Other gains/(losses), net' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the consolidated statement of comprehensive income as part of other income when the Group's right to receive payments is established.

Changes in the fair value of monetary and non-monetary securities classified as available for sale and carried at fair value are recognised in other comprehensive income.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the consolidated statement of comprehensive income as 'gains and losses from investment securities'.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the consolidated statement of comprehensive income as part of other income. Dividends on available-for-sale equity instruments are recognised in the consolidated statement of comprehensive income as part of other income when the Group's right to receive payments is established.

2.10 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2. 主要會計政策概要 (續)

2.9 金融資產 (續)

2.9.2 確認及計量 (續)

「按公平值計入損益的金融資產」類別的公平值變動盈虧在產生期間於合併綜合收益表中「其他收益／(虧損)淨額」呈列。當本集團有權收取付款時，按公平值計入損益的金融資產的股息收入於合併綜合收益表內確認為其他收入的部分。

分類為可供銷售及按公平值列賬的貨幣性及非貨幣性證券的公平值變動於其他全面收益確認。

當分類為可供銷售的證券售出或減值時，於股權確認的累計公平值調整計入合併綜合收益表列作「投資證券的盈虧」。

使用實際利息法計算的可供銷售證券的利息於合併綜合收益表確認為其他收益的一部份。當本集團收取付款的權利確立時，可供銷售股權工具的股息於合併綜合收益表確認為其他收入的一部份。

2.10 抵銷金融工具

當有法定可執行權利可抵銷已確認金額，並有意按淨額基準結算或同時變現資產及結算負債時，財務資產與負債可互相抵銷，並在資產負債表報告其淨額。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Impairment of financial assets

(a) *Assets carried at amortised cost*

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

2. 主要會計政策概要 (續)

2.11 金融資產減值

(a) 以攤銷成本列賬的資產

本集團於各報告期末評估有否客觀證據顯示金融資產或金融資產組別出現減值。僅當有客觀證據表明資產首次確認後發生一項或多項事件(「虧損事件」)，且該項(或該等)虧損事件對金融資產或金融資產組別估計未來現金流量的影響能夠可靠估計時，則金融資產或金融資產組別視為已減值並產生減值虧損。

減值虧損的證據可包括債務人或債務人組別出現重大財務困難、逾期或拖欠支付利息或本金、債務人可能破產或進行其他方式的財務重組，以及可觀察數據顯示估計未來現金流量出現可計量的跌幅以及有可觀察數據顯示估計未來現金流有可計量的減少，例如拖欠款項或有關拖欠情況的經濟狀況改變。

就貸款及應收款項類別，虧損金額以資產賬面值與按該金融資產原實際利率貼現的估計未來現金流量(不包括未產生的未來信貸虧損)現值的差額計量。資產的賬面值會相應扣減，虧損金額於合併綜合收益表確認。倘貸款或持至到期投資採用浮動利率，計量任何減值虧損的貼現率則為根據合約釐定的當前實際利率。作為可行權宜之計，本集團採用可觀察市價根據工具的公平值計量減值。

往後期間，倘減值虧損金額下降且該下降客觀上有關減值確認後發生的事件(例如債務人的信用評級提高)，過往確認的減值虧損撥回於合併綜合收益表確認。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Impairment of financial assets (Continued)

(b) *Assets classified as available for sale*

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. For debt securities, the Group uses the criteria referred to in (a) above. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. Impairment losses recognised in the consolidated income statement on equity instruments are not reversed through the consolidated income statement. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the consolidated income statement.

2.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods comprises raw materials, labour, other direct costs and related production overheads (based on normal operating capacity) but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses.

2. 主要會計政策概要 (續)

2.11 金融資產減值 (續)

(b) 分類為可供銷售的資產

本集團於各報告期末評估有否客觀證據表明金融資產或金融資產組別出現減值。對於債務證券，本集團使用上文(a)項所述標準。對於分類為可供銷售的股權投資，證券的公平值大幅或持續下跌至低於其成本亦為資產減值的證據。倘可供銷售金融資產存在該等證據，則累計虧損（以收購成本與當前公平值的差額，減過往於損益確認的金融資產減值虧損計算）從股權轉撥並於損益確認。於合併綜合收益表確認的股權工具減值虧損不會於合併綜合收益表撥回。往後期間，倘分類為可供銷售的債務工具的公平值增加，且該增加客觀上有關減值虧損於損益確認後發生的事件，則減值虧損於合併綜合收益表撥回。

2.12 存貨

存貨以成本或可變現淨值兩者的較低者入賬。成本以加權平均法釐定。製成品的成本包括原材料、勞工、其他直接成本及相關間接生產成本（按一般營運能力），但不包括借貸成本。可變現淨值則以日常業務過程中估計出售價格減估計完成成本及銷售開支計算。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.14 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

2.15 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to owners of the Company until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's shareholders.

2.16 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2. 主要會計政策概要 (續)

2.13 貿易應收款項及其他應收款項

貿易應收款項為在日常業務過程中就售出商品或所提供服務應收客戶的款項。倘貿易應收款項及其他應收款項預期可於一年或之內(或倘時間更長,則在業務正常營運週期內)收款,則分類為流動資產。倘未能於一年或之內收款,則以非流動資產呈列。

貿易應收款項及其他應收款項最初按公平值確認,其後以實際利率法按攤銷成本減減值撥備計量。

2.14 現金及現金等值物

現金及現金等值物包括手頭現金、銀行通知存款、其他到期日為三個月或以下的短期高流動性投資。

2.15 股本

普通股分類列為權益。

與發行新股或購股權直接有關的增量成本,列入權益作為所得款項的減值(扣除稅項)。

倘任何集團公司購買本公司的權益股本(庫存股份),則所支付的代價(包括任何直接應佔的新增成本減去所得稅)乃從本公司擁有人應佔權益中扣除,直至該等股份被註銷或重新發行為止。倘該等普通股其後被重新發行,則任何已收取的代價(減去任何直接應佔的新增交易成本及相關所得稅影響)乃計入本公司股東應佔權益中。

2.16 貿易應付款項及其他應付款項

貿易應付款項為在日常業務過程中自供貨商收購商品或服務的付款責任。倘貿易應付款項於一年或之內到期(或倘時間更長,則在業務正常營運週期內),則分類為流動負債。倘並非於一年或之內到期,則以非流動負債呈列。

貿易應付款項及其他應付款項最初按公平值確認,其後以實際利率法按攤銷成本計量。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of comprehensive income over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2.18 Borrowing costs

General and specific 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 added to 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.

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

2. 主要會計政策概要 (續)

2.17 借款

借款最初按公平值(扣除已產生的交易成本)確認。借款其後按攤銷成本列賬,如扣除交易成本後的所得款項與贖回價值出現任何差額,則於借款期內以實際利率法在合併綜合收益表內確認。

在貸款將很有可能部分或全部提取的情況下,就設立貸款融資支付的費用乃確認為貸款交易成本。在此情況下,該費用將遞延至提取貸款發生時。在並無跡象顯示該貸款將很有可能部分或全部提取的情況下,該費用撥充資本作為流動資金服務的預付款項,並於其相關融資期間內予以攤銷。

除非本集團有權無條件將債務結算日期遞延至報告期末後至少十二個月,否則借款分類為流動負債。

2.18 借貸成本

直接歸屬於收購、興建或生產合資格資產(指必須經一段長時間處理以作其預定用途或銷售的資產)的一般及特定借貸成本,加入該等資產的成本內,直至資產大致上備妥供其預定用途或銷售為止。

就特定借貸,因有待合資格資產的支出而臨時投資賺取的投資收入,應自合資格資本化的借貸成本中扣除。

所有其他借款成本於產生期間在損益內確認。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred income tax

Inside basis differences

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2. 主要會計政策概要 (續)

2.19 當期及遞延所得稅

期內稅項開支包括當期及遞延稅項。稅項在合併綜合收益表中確認，除非其涉及在其他全面收益中確認或直接在權益中確認的項目。在此情況下，稅項亦分別在其他全面收益中確認或直接在權益中確認。

(a) 當期所得稅

當期所得稅費用根據於結算日本公司的附屬公司及聯營公司經營並獲得應課稅收入所在的國家已經頒布或實際上已頒布的稅法計算。管理層定期評估適用稅務規定的情況下的納稅申報情況，並且就預期須支付稅務機關的金額作出適當撥備。

(b) 遞延所得稅

內部基準差異

遞延所得稅以負債法就資產及負債的評稅基準與其於合併財務報表內的賬面值兩者間的暫時差異予以確認。然而，如遞延稅項負債未於初始確認商譽產生時確認，遞延所得稅乃來自進行交易時初始確認的資產或負債（如屬業務合併則除外）而於進行交易之時並不影響會計或應課稅溢利或虧損，則不得計入遞延所得稅。遞延所得稅乃根據於結算日前已頒布或實際上已頒布而預期當有關遞延所得稅資產已變現後或遞延所得稅負債已清償後將應用的有關稅率（及法例）釐定。

遞延所得稅資產只會在未來應課稅溢利有可能用作抵銷暫時差異時才會確認。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Current and deferred income tax (Continued)

(b) Deferred income tax (Continued)

Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates. Only where there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

(c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.20 Employee benefits

(a) Pension obligations

PRC employees of the Group covered by PRC government-sponsored defined-contribution pension plans under which the employees become entitled to a monthly pension based on certain formulas. The relevant government agencies are responsible for the pension liability to these employees when they retire. The Group contributes on a monthly basis to these pension plans for the employees which are determined at a certain percentage of their salaries. Under these plans, the Group has no obligation for post-retirement benefits beyond the contribution made. Contributions to these plans are expenses as incurred.

2. 主要會計政策概要 (續)

2.19 當期及遞延所得稅 (續)

(b) 遞延所得稅 (續)

外部基準差異

遞延所得稅負債須就投資於附屬公司、聯營公司及合營安排而引致的暫時差異作出撥備，惟本集團可控制暫時差異會在何時轉回，且暫時差異很可能不會在可見的未來轉回的遞延所得稅負債則除外。通常本集團不能控制聯營公司暫時差異撥回。僅倘訂立協議賦予本集團控制未確認暫時差異撥回之能力。

遞延所得稅資產就投資於附屬公司、聯營公司及合營安排引致之可扣減暫時差異予以確認，惟暫時差異可能將於日後撥回，且有充足之應課稅溢利而動用暫時差異。

(c) 抵銷

遞延所得稅資產及負債僅可在當期稅項資產與當期稅項負債有合法權利互相抵銷及遞延所得稅資產及負債與於同一稅務機關向同一應課稅實體或不同應課稅實體徵收所得稅（有關實體擬按淨額基準支付有關結餘）相關時，方可互相抵銷。

2.20 僱員福利

(a) 退休金責任

本集團的中國僱員參與中國政府資助的退休金計劃，僱員可按若干公式每月獲得退休金。相關政府機構承擔向該等退休僱員支付退休金的責任。本集團按僱員薪金的一定百分比每月為僱員向該等退休金計劃供款。根據該等退休金計劃，除所作供款外，本集團並無退休後福利責任。該等計劃供款於產生時支銷。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 Employee benefits (Continued)

(b) Housing benefits

PRC employees of the Group are entitled to participate in government-sponsored housing funds. The Group contributes on a monthly basis to these funds based on certain percentages of the employees' salaries. The Group's liability in respect of these funds is limited to the contributions payable in each period.

2.21 Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.22 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

2. 主要會計政策概要 (續)

2.20 僱員福利 (續)

(b) 住房福利

本集團的中國僱員均可參與政府資助住房公積金。本集團按僱員薪金的一定百分比每月向該等基金供款。本集團有關該等基金的責任僅限於各期間應付的供款。

2.21 撥備

倘本集團因過往事件而承擔現時法律或推定責任；可能須動用資源履行有關責任；及能可靠估計相關金額，則確認環境復原、重組成本及法律索償撥備。重組撥備包括終止租約罰款及終止僱員支付款項。未來經營虧損毋須確認撥備。

如有多項類似責任，其需要在償付中流出資源的可能性根據責任的類別整體考慮。即使同一責任類別所包含的任何一個項目相關的資源流出的可能性極低，仍須確認撥備。

撥備以預期用以償付責任的開支，按反映當時市場對金錢時間價值的評估及該責任的特有風險的稅前費率計算的現值計量。因時間過去而增加的撥備確認為利息開支。

2.22 政府資助

倘合理保證將收取政府資助，且本集團會符合所有附帶條件，則政府資助按公平值確認。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.22 Government grants (Continued)

Government grants relating to costs are deferred and recognised in the consolidated statement of comprehensive income over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to property, plant and equipment and land use rights are included in liabilities as other non-current liabilities and are credited to the consolidated statement of comprehensive income on a straight-line basis over the expected lives of the related assets.

2.23 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sales of goods and services in the ordinary course of the Group's activities. Sales are shown, net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below. The Group bases its estimates of return on historical results, the type of transaction and the specifics of each arrangement.

(a) Sales of goods and materials

Sales of goods and materials are recognised on the transfer of the significant risks and rewards of ownership, which generally coincides with the time when the Group has delivered goods to the customers and collectability of the related receivables is reasonably assured.

(b) Interest income

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

2. 主要會計政策概要 (續)

2.22 政府資助 (續)

有關成本的政府資助遞延入賬，並於擬補償成本的同一期間在合併綜合收益表確認。

有關購置物業、廠房及設備以及土地使用權的政府資助計入負債，列作其他非流動負債，並於有關資產的預計可使用年期內以直線法計入合併綜合收益表。

2.23 收益確認

收益包括本集團於日常業務中出售貨品及服務的已收或應收代價的公平值。所示銷售額已扣除增值稅、退貨、回扣及折扣，並已抵銷本集團的內部銷售額。

當收益的數額能夠可靠計量、未來經濟利益有可能流入有關實體，而本集團每項活動均符合具體條件時（如下文所述），本集團便會確認收益。本集團會根據其往績並考慮交易種類和每項安排的特點作出退貨估計。

(a) 銷售貨品及材料

銷售貨品及材料的銷售額於擁有權的絕大部份風險及回報轉讓時（一般為本集團已將貨品交付予客戶且有關應收款項的收回可合理保證時）確認。

(b) 利息收入

利息收入採用實際利率法按時間比例基準確認。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.24 Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

(a) As a lessee

Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated statement of comprehensive income on a straight-line basis over the period of the lease.

(b) As a lessor

When assets are leased out under an operating lease, the asset is included in the balance sheet based on the nature of the asset. The revenue from operating lease is charge to the consolidated statement of comprehensive income on a straight-line basis over the period of the lease.

2.25 Contingent liabilities

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 an 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 consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

2.26 Dividend distributions

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders, where appropriate.

2. 主要會計政策概要 (續)

2.24 經營租賃

凡擁有權的大部分風險及回報仍歸出租人所有的租賃，均列作經營租賃。

(a) 作為承租人

根據經營租賃的付款（扣除出租人給予的任何優惠）在租期內以直線基準自合併綜合收益表扣除。

(b) 作為出租人

當資產根據經營租賃出租，資產根據其性質納入資產負債表內。經營租賃之收入乃按直線法於租賃期內自合併綜合收益表中扣除。

2.25 或然負債

或然負債為可能因過往事件而產生的潛在責任，而其存在與否僅因一件或多件不確定且非本集團可控制的未來事件是否發生方可確定。或然負債亦可指因很可能毋須經濟資源流出或責任金額無法可靠估計而並無確認的過往事件而產生的現時責任。

儘管或然負債不會確認入賬，但會於合併財務報表披露。倘資源流出的機會改變，而很可能導致資源流出，則或然負債將會確認為撥備。

2.26 股息分派

向本公司股東分派的股息在股息獲本公司股東（倘適用）批准的期間於本集團及本公司的財務報表內確認為負債。

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), 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.

(a) Market risk

(i) Foreign exchange risk

Most of the Company's subsidiaries' functional currencies are RMB as majority of the revenues of these companies are derived from operations in mainland China. The Group is exposed to foreign currency risks with respect to sales and purchases from oversea customers and suppliers as well as foreign currency denominated financial assets as at each balance sheet date. The Group has not hedged its foreign exchange risk. Details of the Group's trade and bills receivables, restricted cash, cash and cash equivalents, trade and bills payables and borrowings as at 31 December 2013, which are denominated in currencies other than RMB, are disclosed in Notes 12, 16, 17, 21 and 23 respectively.

At 31 December 2013, if US dollars had weakened/strengthened by 10% against the RMB with all other variables held constant, profit before income tax for the year would have been higher/lower by RMB13,883,000 (2012: RMB25,259,000), mainly as a result of foreign exchange losses/gains on translation of US\$-denominated trade and bills receivables, restricted cash, cash and cash equivalents and foreign exchange gains/losses on translation of US\$-denominated trade and bills payables and borrowings.

3. 財務風險管理

3.1 財務風險因素

本集團經營活動面臨各種財務風險：市場風險（含蓋外匯風險、公平值利率風險、現金流量利率風險及價格風險）、信用風險及流動資金風險。本集團之整體風險管理乃關注不可預測之金融市場和尋求降低潛在之負面因素對本集團財務表現所帶來之影響。

(a) 市場風險

(i) 外匯風險

由於本公司大部份附屬公司大部份的收益來自中國大陸的業務經營，因此該等公司的功能貨幣為人民幣。本集團就海外客戶及供貨商的買賣以及於各結算日以功能貨幣計值的金融資產面臨外匯風險。本集團並無對沖其外匯風險。本集團於二零一三年十二月三十一日按人民幣以外的貨幣計值的貿易應收款項及應收票據、受限制現金、現金及現金等值物、貿易應付款項及應付票據以及借款的詳情分別披露於附註12、16、17、21及23。

於二零一三年十二月三十一日，假若美元兌人民幣貶值／升值10%，而所有其他可變因素維持不變，則該年度的除所得稅前溢利應增加／減少人民幣13,883,000元（二零一二年：人民幣25,259,000元），該變動主要來自換算以美元計值的貿易應收款項及應收票據、受限制現金、現金及現金等值物的外匯虧損／收益，以及換算以美元計值的貿易應付款項及應付票據及借款的外匯收益／虧損。

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(i) Foreign exchange risk (Continued)

At 31 December 2013, if HK\$ had weakened/strengthened by 10% against the RMB with all other variables held constant, profit before income tax for the year would have been lower/higher by RMB719,000 (2012: RMB2,017,000), mainly as a result of foreign exchange losses/gains on translation of HK\$-denominated cash and cash equivalents.

At 31 December 2013, if EURO had weakened/strengthened by 10% against the RMB with all other variables held constant, profit before income tax for the year would have been lower/higher by RMB13,000 (2012: RMB1,928,000, higher/lower), mainly as a result of foreign exchange losses/gains on translation of EUR-denominated trade and bills receivables, net of borrowings.

(ii) Price risk

The Group is exposed to price risk of funds because investments held by the Group are classified on the consolidated balance sheet as at fair value through profit or loss. The Group has not hedged its price risk arising from investments in financial assets at fair value through profit or loss.

As the Group's investments in funds are publicly traded, their fair value is determined with reference to quoted market prices.

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) 市場風險 (續)

(i) 外匯風險 (續)

於二零一三年十二月三十一日，假若港元兌人民幣貶值／升值10%，而所有其他可變因素維持不變，則該年度的除所得稅前溢利應減少／增加人民幣719,000元（二零一二年：人民幣2,017,000元）。該變動主要來自換算以港元計值的現金及現金等值物的外匯虧損／收益。

於二零一三年十二月三十一日，假若歐元兌人民幣貶值／升值10%，而所有其他可變因素維持不變，則該年度的除所得稅前溢利應減少／增加人民幣13,000元（二零一二年：增加／減少人民幣1,928,000元），該變動主要來自換算以歐元計值的貿易應收款項及應收票據（扣除借貸）的外匯虧損／收益。

(ii) 價格風險

由於本集團持有投資，並於合併資產負債表內分類為按公平值計入損益，因此本集團並無對沖按公平值計入損益之金融資產投資所引致之價格風險。

由於本集團於基金之投資屬公開買賣，其公平值乃經參考所報市值而釐定。

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(iii) Cash flow and fair value interest rate risk

As the Group has no significant interest-bearing assets except for cash and cash equivalents, other financial asset and restricted cash, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's interest-rate risk mainly arises from borrowings. Borrowings obtained at variable rates expose the Group to cash flow interest-rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest-rate risk.

The Group has not used any financial instrument to hedge its exposure to interest rate risk.

As at 31 December 2013, if the interest rates on bank borrowings had been 10% higher/lower with all other variables held constant, profit before income tax for the years would have been RMB1,264,000 lower/higher, mainly as a result of higher/lower interest expense on borrowings.

(b) Credit risk

Credit risk arises mainly from trade and other receivables, amounts due from customers for contract work, and cash at bank. The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations as at the reporting dates in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated balance sheet.

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) 市場風險 (續)

(iii) 現金流量及公平值利率風險

由於本集團並無重大計息資產(現金及現金等值物、其他金融資產及受限制現金除外)，故本集團的收入及經營現金流量絕大部分不受市場利率變動的影響。

本集團的利率風險主要來自借款。按浮動利率取得的借款使本集團面對現金流量利率風險，按固定利率取得的借款則使本集團面對公平值利率風險。

本集團並無利用任何金融工具以對沖其利率風險。

於二零一三年十二月三十一日，假若銀行借款的利率上升/下降10%，而所有其他可變因素維持不變，則該年度扣除所得稅前的溢利應減少/增加人民幣1,264,000元，該變動主要來自借款利息開支增加/減少。

(b) 信貸風險

信貸風險主要來自貿易應收款項及其他應收款項、就合約項目應收客戶款項及銀行現金。倘對約方未能於報告日就各類別的已確認金融資產履行其責任，本集團信貸風險的最大程度為該等資產於合併資產負債表內列賬的賬面值。

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

As at 31 December 2013, all cash and cash equivalents, and restricted cash, were deposited in the major financial institutions in the PRC with good credit rating. The Group categorises its major counterparties into the following groups:

- Group 1 – Top 4 banks in the PRC (China Construction Bank, Bank of China, Agriculture Bank of China, and Industrial and Commercial Bank of China);
- Group 2 – Other major listed banks in the PRC; and
- Group 3 – Regional banks in the PRC.

The cash at bank balances as at 31 December 2013 and 2012, which are placed with these institutions are shown as below:

		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
Category	類型		
Group 1	第一類	193,162	102,936
Group 2	第二類	85,236	84,161
Group 3	第三類	6,469	20,992
Total	總額	284,867	208,089

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 信貸風險 (續)

於二零一三年十二月三十一日，所有現金及現金等值物和受限制現金均存放於信貸級別良好的中國主要金融機構。本集團將其主要對約方分類如下：

- 第一類－中國四大銀行（中國建設銀行、中國銀行、中國農業銀行及中國工商銀行）；
- 第二類－中國其他主要上市銀行；及
- 第三類－中國地方銀行。

於二零一三年及二零一二年十二月三十一日，存放於此等機構的銀行現金結餘載列如下：

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

In respect of trade and other receivables, individual credit evaluations are performed on all customers and counterparties. These evaluations focus on the counterparty's financial position, past history of making payments and take into account information specific to the counterparty as well as pertaining to the economic environment in which the counterparty operates. Monitoring procedures have been implemented to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade and other receivable balance at the end of each reporting period to ensure adequate impairment losses are made for irrecoverable amounts.

(c) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with debt covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from banks and other financial institutions to meet their liquidity requirements in the short and longer term. Management believes there is no significant liquidity risk as the Group has sufficient committed facilities to fund their operations.

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 信貸風險 (續)

就貿易應收款項及其他應收款項而言，本集團會對所有客戶及對約方進行個別信貸評估。此等評估集中於對約方的財務狀況及過往付款記錄，並且計及對約方的具體資料和有關對約方經營所在的經濟環境的資料。監控程序經已實施，以確保採取跟進行動以收回逾期債務。此外，本集團會於各報告期末審閱每項個別貿易應收款項及其他應收款項結餘的可收回款項，以確保就不可收回款項作出足夠減值虧損。

(c) 流動資金風險

本集團的政策是定期監控當期及預期流動資金需求及其是否遵守債務契約，以確保持有充足的現金儲備及從銀行及其他金融機構獲取足夠的承諾貸款額度，藉以滿足其短期及長期的流動資金要求。管理層相信，由於本集團有充足的承諾信貸支付其業務需要，故並無重大流動資金風險。

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3. 財務風險管理 (續)

3.1 Financial risk factors (Continued)

3.1 財務風險因素 (續)

(c) Liquidity risk (Continued)

The following table details the remaining contractual maturities of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the year end) and the earliest date the Group may be required to pay:

(c) 流動資金風險 (續)

下表載列本集團金融負債按合約非貼現現金流量(包括於採用合約利率或(倘浮息)按年終利率計算的利息付款)以及本集團可能須付款的最早日期的餘下合約到期日:

		Within 1 year 一年內 RMB'000 人民幣千元	Between 1 and 2 years 一年至兩年 RMB'000 人民幣千元
At 31 December 2013	於二零一三年 十二月三十一日		
Borrowings	借款	196,571	25,000
Trade and bills payables	貿易應付款項及應付票據	116,829	-
Amounts due to related parties	應付關連方款項	7,513	-
Accruals, interest payable and other current liabilities (Not including payroll payable and tax payable)	應計款項、應付利息及其他 流動負債(不包括應付 工資及應付稅項)	14,547	49
		335,460	25,049
At 31 December 2012	於二零一二年 十二月三十一日		
Borrowings	借款	380,065	47,000
Trade and bills payables	貿易應付款項及應付票據	236,230	-
Amounts due to related parties	應付關連方款項	35,913	-
Accruals, interest payable and other current liabilities (Not including payroll payable and tax payable)	應計款項、應付利息及其他 流動負債(不包括應付 工資及應付稅項)	19,937	489
		672,145	47,489

Notes to the Consolidated Financial Statements

合併財務報表附註

For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for the Company's shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including "current and non-current borrowings" as shown in the consolidated balance sheet) less cash and cash equivalents and restricted cash for bank borrowings. Total capital is calculated as "equity" as shown in the consolidated balance sheet plus net debt.

The gearing ratios at 31 December 2013 and 2012 were as follows:

		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
Total borrowings (Note 23)	借款總額 (附註23)	221,571	427,065
Less: cash and cash equivalents (Note 17)	減: 現金及現金等值物 (附註17)	(166,559)	(75,700)
Restricted cash for bank borrowings (Note 16)	有關銀行借款的受限制 現金 (附註16)	(97,703)	(75,855)
Net debt	債務淨額	(42,691)	275,510
Total equity	權益總額	317,141	191,332
Total capital	資本總額	274,450	466,842
Gearing ratio	資本負債比率	-16%	59%

3. 財務風險管理 (續)

3.2 資本風險管理

本集團管理資本的目的為保障本集團的持續經營能力，從而為本公司股東提供回報及為其他股東保障利益，以及維持最佳資本結構以減低資本成本。

為維持或調整資本結構，本集團可能調整派付予股東的股息、向股東退還資本、發行新股份或出售資產以減低債務。

本集團按照業內慣例基於資本負債比率監察資本。該比率以債務淨額除以總資本計算。債務淨額以借款總額（包括合併資產負債表列示的「當期及非當期借款」）減現金及現金等值物及有關銀行借款的受限制現金計算。總資本以合併資產負債表列示的「股權」加債務淨額計算。

於二零一三年及二零一二年十二月三十一日的資本負債比率如下：

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.2 Capital risk management (Continued)

The variation in gearing ratio is resulting from increase in cash and cash equivalents arising from the initial public offering on 27 November 2013 and increase in profit.

3.3 Fair value estimation

The carrying amounts of the Group's financial assets including cash and cash equivalents, restricted bank balances, trade and other receivables; and financial liabilities including trade and other payables, and borrowings, approximate their fair values due to their short maturities. The carrying values less any estimated credit adjustments for financial assets with a maturity of less than one year are a reasonable approximation of their fair values.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

3. 財務風險管理 (續)

3.2 資本風險管理 (續)

資本負債比率之變化乃由於於二零一三年十一月二十七日之首次公開發售產生之現金及現金等值物增加及溢利增加所致。

3.3 公平值估計

由於本集團金融資產(包括現金及現金等值物、受限制銀行結餘和貿易應收款項及其他應收款項)及金融負債(包括貿易應付款項及其他應付款項和借款)的到期日較短,因此其賬面值與公平值相若。就到期日少於一年的金融資產,賬面值減任何估計信貸調整為其公平值的合理概約。

下表以估值法分析按公平值列賬的金融工具,不同分級界定如下:

- 相同資產或負債在活躍市場的報價(未經調整)(第一級)。
- 除第一級內所載報價外,資產或負債可直接(即價格)或間接(即源自價格)觀察的輸入數據(第二級)。
- 資產或負債並非依據可觀察市場數據的輸入數據(即不可觀察輸入數據)(第三級)。

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation (Continued)

The following table presents the Group's level 1 financial assets that are measured as at fair value at 31 December 2012 and 2013.

		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
Assets	資產		
Financial assets at fair value through profit or loss (Note 15)	按公平值計入損益的金融資產 (附註15)	757	645

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom be equal to the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Useful lives of property, plant and equipment

The Group determines the estimated useful lives for its property, plant and equipment 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 charges where useful lives are different from previously estimated, or it will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold.

3. 財務風險管理 (續)

3.3 公平值估計 (續)

下表載列本集團按於二零一二年及二零一三年十二月三十一日的公平值計量的第一級金融資產。

4. 關鍵會計估算及判斷

估計及判斷會持續基於過往經驗及其他因素 (包括在有關情況下認為合理的未來事件預期) 接受評估。

本集團作出有關未來的估計及假設。顧名思義，該等會計估計甚少與相關實際結果相同。很可能導致資產及負債的賬面值於下個財政年度大幅調整的估計及假設討論如下。

(a) 物業、廠房及設備的可使用年期

本集團根據過往經驗，按過往類似性質及功能的物業、廠房及設備的實際可使用年期釐定物業、廠房及設備的估計可使用年期。倘可使用年期與先前估計有差異，本集團會修訂折舊開支，或撇銷或撇減已廢棄或出售的技術過時或非策略性資產。

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(b) Impairment of property, plant and equipment, land use rights and intangible assets

Impairment losses for property, plant and equipment, land use rights and intangible assets are recognised for the amount by which the carrying amount exceeds its recoverable amount in accordance with the accounting policy stated in Note 2.8. The recoverable amounts, being the higher of fair value less costs to sell or net present value of future cash flows which are estimated based upon the continued use of the asset in the business, are determined with reference to the best information available at each of the balance sheet date. Changing the assumptions selected by the Group's management in assessing impairment, including the discount rates or the operating and growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test and as a result affect the Group's financial position and results of operations.

(c) Impairment of financial assets

(i) *Assets carried at amortised cost*

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

4. 關鍵會計估算及判斷 (續)

(b) 物業、廠房及設備、土地使用權及無形資產的減值

物業、廠房及設備、土地使用權以及無形資產的減值虧損根據附註2.8所述的會計政策就賬面值超出其可收回金額的數額確認。可收回金額即公平值減銷售成本或按於業務中持續使用資產估計的未來現金流量淨現值(以較高者為準)，乃參考於各結算日的現有最佳數據釐定。倘本集團管理層用以釐定減值程度的假設(包括現金流量預測中採用的貼現率或經營及增長率假設)有變，或會對減值測試所用淨現值構成重大影響，並因此影響本集團的財務狀況及營運業績。

(c) 金融資產減值

(i) *以攤銷成本列賬的資產*

本集團於各報告期末評估有否客觀證據顯示金融資產或金融資產組別出現減值。僅當有客觀證據表明資產首次確認後發生一項或多項事件(「虧損事件」)，且該項(或該等)虧損事件對金融資產或金融資產組別估計未來現金流量的影響能夠可靠估計時，則金融資產或金融資產組別視為已減值並產生減值虧損。

減值虧損的證據可包括債務人或債務人組別出現重大財務困難、逾期或拖欠支付利息或本金、債務人可能破產或進行其他方式的財務重組，以及可觀察數據顯示估計未來現金流量出現可計量的跌幅，例如拖欠款項或有關拖欠情況的經濟狀況改變。

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(c) Impairment of financial assets (Continued)

(i) *Assets carried at amortised cost (Continued)*

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated comprehensive income statement. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated comprehensive income statement.

4. 關鍵會計估算及判斷 (續)

(c) 金融資產減值 (續)

(i) *以攤銷成本列賬的資產 (續)*

就貸款及應收款項類別，虧損金額以資產賬面值與按該金融資產原實際利率貼現的估計未來現金流量（不包括未產生的未來信貸虧損）現值的差額計量。資產的賬面值會相應扣減，虧損金額於合併綜合收益表確認。倘貸款採用浮動利率，計量任何減值虧損的貼現率則為根據合約釐定的當前實際利率。作為可行權宜之計，本集團採用可觀察市價根據工具的公平值計量減值。

往後期間，倘減值虧損金額下降且該下降客觀上有關減值確認後發生的事件（例如債務人的信用評級提高），過往確認的減值虧損撥回於合併綜合收益表確認。

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(c) Impairment of financial assets (Continued)

(ii) *Assets classified as available for sale*

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. For debt securities, the group uses the criteria referred to in (i) above. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. Impairment losses recognised in the consolidated comprehensive income statement on equity instruments are not reversed through the consolidated comprehensive income statement. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the consolidated comprehensive income statement.

(d) Net realisable value of inventories

Net realisable value of inventory is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expense. These estimates are based on the current market condition and the historical experience of manufacturing and selling products of similar nature. It could change significantly as a result of technical innovations, changes in customer taste and competitor actions in response to severe industry cycle. Management reassesses these estimates at each balance sheet date.

4. 關鍵會計估算及判斷 (續)

(c) 金融資產減值 (續)

(ii) 分類為可供銷售的資產

本集團於各報告期末評估有否客觀證據表明金融資產或金融資產組別出現減值。對於債務證券，本集團使用上文(i)項所述標準。對於分類為可供銷售的股權投資，證券的公平值大幅或持續下跌至低於其成本亦為資產減值的證據。倘可供銷售金融資產存在該等證據，則累計虧損（以收購成本與當前公平值的差額，減過往於損益確認的金融資產減值虧損計算）從股權轉撥並於損益確認。於合併綜合收益表確認的股權工具減值虧損不會於合併綜合收益表撥回。往後期間，倘分類為可供銷售的債務工具的公平值增加，且該增加客觀上有關減值虧損於損益確認後發生的事件，則減值虧損於合併綜合收益表撥回。

(d) 存貨的可變現淨值

存貨的可變現淨值乃在日常業務過程中的估計售價，減估計完成成本及銷售開支。該等估計乃以現行市況及製造及銷售同類產品的過往經驗為基準進行，並可因科技創新、客戶品味變化及競爭對手因應嚴峻行業周期所採取的行動而顯著改變。管理層於各結算日重新評估有關估計。

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(e) Income taxes and deferred income tax

The Group is subject to income taxes in a number of jurisdictions. Significant judgement is required in determining the provision for income taxes in various jurisdictions. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities 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.

5. SEGMENT INFORMATION – GROUP

The chief operating decision-makers have been identified as the executive directors. The decision-maker reviews the Group's internal reporting in order to assess performance and allocate resources. Directors have determined the operating segment based on these reports.

Directors consider the business from a business perspective, and assesses the performance of the business segment based on profit before income tax without allocation of finance income/ (costs).

The amount provided to directors with respect to total assets is measured in a manner consistent with that of the consolidated financial statements. These assets are allocated based on the operations of segment.

4. 關鍵會計估算及判斷 (續)

(e) 所得稅及遞延所得稅

本集團須繳納多個司法權區的所得稅。於釐定多個司法權區的所得稅撥備時須作出重大的判斷。很多交易及計算中均未能清楚釐定最終稅項。本集團基於是否有額外應付稅項的估計，而對預料的稅項審計問題確認負債。於該等事項的最後稅項結果與起初記錄的金額出現差異時，該等差異將會於其獲釐定期間對當期及遞延所得稅資產及負債構成影響。

當管理層認為將來可能有應課稅溢利以抵銷暫時性差異或可使用稅務虧損時，有關若干暫時性差異及稅務虧損的遞延稅項資產予以確認。實際應用結果可能不同。

5. 分部資料 – 本集團

主要經營決策人已獲確認為執行董事。決策人審閱本集團之內部報告程序，以評估表現及分配資源。董事已根據該等報告釐定經營分部。

董事從商業角度考慮業務，並根據除所得稅前溢利及未分配融資收入／(成本)前評估業務分部之表現。

就資產總值向董事提供之金額按與合併財務報表一致之方式計量，該等資產根據分部經營分配。

5. SEGMENT INFORMATION – GROUP (CONTINUED)

The Group's operations are mainly organised under the following business segments:

- Trading: Trading of textile raw materials and products;
- Production: Production of polyester filament yarns;
- Processing: The dyeing processing of differentiated polyester filament yarn.

Segment assets consist primarily of land use rights, property, plant and equipment, intangible assets, inventories, trade and bills receivables, prepayments, deposits and other receivables, other financial asset, amounts due from related parties, restricted cash, cash and cash equivalents. Unallocated assets mainly comprise corporate cash and amounts due from related parties.

Segment liabilities mainly comprise operating liabilities, amounts due to related parties and borrowings. Unallocated liabilities mainly comprise accruals and amounts due to related parties.

(a) Revenue

5. 分部資料—本集團（續）

本集團之經營主要根據以下業務分部設立：

- 貿易：買賣紡織原材料及產品；
- 生產：生產滌綸長絲；
- 加工：差別化滌綸長絲染色加工。

分部資產主要包括土地使用權、物業、廠房及設備、無形資產、存貨、貿易應收款項及應收票據、預付款項、按金及其他應收款項、其他金融資產、應收關連方款項、受限制現金、現金及現金等值物。未分配資產主要包括公司現金及應收關連方款項。

分部負債主要包括經營負債、應付關連方款項及借款。未分配負債主要包括應計款項及應付關連方款項。

(a) 收益

		Year ended 31 December 截至十二月三十一日止年度	
		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
Trading	貿易	1,320,449	1,718,076
Production	生產	318,747	375,114
Processing	加工	128,227	117,663
		1,767,423	2,210,853

Notes to the Consolidated Financial Statements

合併財務報表附註

For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

5. SEGMENT INFORMATION – GROUP (CONTINUED)

(b) Segment information

The segment information provided to directors for the reportable segments for the year ended 31 December 2013 is as follows:

5. 分部資料—本集團（續）

(b) 分部資料

截至二零一三年十二月三十一日止年度，向董事提供有關可報告分部之分部資料如下：

		For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度			
Business segment 業務分部		Trading 貿易 RMB'000 人民幣千元	Production 生產 RMB'000 人民幣千元	Processing 加工 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Revenue	收益				
Sales of products	產品銷售	1,532,703	315,013	128,227	1,975,943
Sales of raw materials	原材料銷售	-	4,717	-	4,717
Inter-segment sales	分部間銷售	(212,254)	(983)	-	(213,237)
Revenue from external customers	來自外界客戶之收益	1,320,449	318,747	128,227	1,767,423
Results	業績				
Segment gross profit	分部毛利	26,238	58,343	44,256	128,837
Segment operating profit	分部經營溢利	11,899	45,759	33,202	90,860
Unallocated expense	未分配開支				(13,038)
Total operating profit	經營溢利總額				77,822
Finance income	融資收入				6,897
Finance costs	融資成本				(19,617)
Profit before income tax	除所得稅前溢利				65,102
Other information	其他資料				
Depreciation of property, plant and equipment	物業、廠房及設備折舊	677	6,023	4,941	11,641
Amortisation of land use rights	土地使用權攤銷	-	483	315	798
Amortisation of intangible assets	無形資產攤銷	-	216	667	883
Provision for write-down of inventories	存貨撇減撥備	(77)	210	-	133
Provision for impairment of receivables	應收款項減值撥備	349	38	(20)	367
Capital expenditure	資本開支	42	4,783	1,336	6,161

5. SEGMENT INFORMATION – GROUP
(CONTINUED)

5. 分部資料－本集團（續）

(b) Segment information (Continued)

(b) 分部資料（續）

Business segment 業務分部		As at 31 December 2013 於二零一三年十二月三十一日			Total 總計
		Trading 貿易 RMB'000 人民幣千元	Production 生產 RMB'000 人民幣千元	Processing 加工 RMB'000 人民幣千元	
Segment assets	分部資產	312,617	257,675	234,978	805,270
Unallocated assets	未分配資產				87,903
Inter-segment elimination	分部間對銷				(169,722)
Total assets	資產總值				723,451
Segment liabilities	分部負債	268,976	160,631	140,406	570,013
Unallocated liabilities	未分配負債				6,019
Inter-segment elimination	分部間對銷				(169,722)
Total liabilities	負債總額				406,310

Notes to the Consolidated Financial Statements

合併財務報表附註

For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

5. SEGMENT INFORMATION – GROUP (CONTINUED)

(b) Segment information (Continued)

The segment information provided to directors for the reportable segments for the year ended 31 December 2012 is as follows:

Business segment 業務分部		For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度			
		Trading 貿易 RMB'000 人民幣千元	Production 生產 RMB'000 人民幣千元	Processing 加工 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Revenue					
	收益				
Sales of products	產品銷售	1,734,276	340,172	117,663	2,192,111
Sales of raw materials	原材料銷售	–	36,582	–	36,582
Inter-segment sales	分部間銷售	(16,200)	(1,640)	–	(17,840)
Revenue from external customers	來自外界客戶之收益	1,718,076	375,114	117,663	2,210,853
Results					
	業績				
Segment gross profit	分部毛利	37,514	34,434	37,197	109,145
Segment operating profit	分部經營溢利	12,810	23,152	26,576	62,538
Unallocated expense	未分配開支				(3,750)
Total operating profit	經營溢利總額				58,788
Finance income	融資收入				22,826
Finance costs	融資成本				(42,566)
Profit before income tax	除所得稅前溢利				39,048
Other information					
	其他資料				
Depreciation of property, plant and equipment	物業、廠房及設備折舊	636	5,823	4,962	11,421
Amortisation of land use rights	土地使用權攤銷	–	483	315	798
Amortisation of intangible assets	無形資產攤銷	–	210	738	948
Provision for write-down of inventories	存貨撇減撥備	(1,231)	109	–	(1,122)
Provision for impairment of receivables	應收款項減值撥備	204	90	19	313
Capital expenditure	資本開支	470	6,360	2,108	8,938

5. 分部資料—本集團(續)

(b) 分部資料(續)

截至二零一二年十二月三十一日止年度，向董事提供有關可報告分部的分部資料如下：

Notes to the Consolidated Financial Statements

合併財務報表附註

For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

**5. SEGMENT INFORMATION – GROUP
(CONTINUED)****5. 分部資料 – 本集團 (續)****(b) Segment information (Continued)****(b) 分部資料 (續)**

Business segment 業務分部		As at 31 December 2012 於二零一二年十二月三十一日			Total 總計
		Trading 貿易 RMB'000 人民幣千元	Production 生產 RMB'000 人民幣千元	Processing 加工 RMB'000 人民幣千元	
Segment assets	分部資產	824,520	169,743	198,318	1,192,581
Unallocated assets	未分配資產				23,877
Inter-segment elimination	分部間對銷				(135,179)
Total assets	資產總值				1,081,279
Segment liabilities	分部負債	782,049	104,782	135,149	1,021,980
Unallocated liabilities	未分配負債				3,146
Inter-segment elimination	分部間對銷				(135,179)
Total liabilities	負債總額				889,947

Notes to the Consolidated Financial Statements

合併財務報表附註

For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

6. LAND USE RIGHTS – GROUP

The Group's interest in land use rights represents prepaid operating lease payment for land and its net book values were analysed as follows:

		2013	2012
		二零一三年	二零一二年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Opening net book value	年初賬面淨值	32,579	33,377
Amortisation charges	攤銷費用	(798)	(798)
Closing net book value	年終賬面淨值	31,781	32,579

The Group's land use rights are located in Hangzhou and Nantong of the PRC and the remaining lease periods were between 10 to 50 years as at 31 December 2013.

As at 31 December 2013, land use rights with net book values of approximately RMB27,137,000 were pledged as collaterals for the Group's bank borrowings (Note 23).

Amortisation of land use rights has been charged to the consolidated statement of comprehensive income as follows:

6. 土地使用權－本集團

本集團於土地使用權的權益指有關土地的預付經營租賃款項，其賬面淨值分析如下：

本集團的土地使用權位於中國杭州及南通，於二零一三年十二月三十一日，餘下租期分別介乎10至50年。

於二零一三年十二月三十一日，賬面淨值約人民幣27,137,000元的土地使用權已就本集團的銀行借款質押為抵押品（附註23）。

土地使用權攤銷已於合併綜合收益表中扣除如下：

		Year ended 31 December	
		截至十二月三十一日止年度	
		2013	2012
		二零一三年	二零一二年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Administrative expenses	行政開支	510	510
Cost of sales	銷售成本	209	209
Others	其他	79	79
		798	798

Notes to the Consolidated Financial Statements

合併財務報表附註

For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

7. PROPERTY, PLANT AND EQUIPMENT – GROUP

7. 物業、廠房及設備—本集團

		Buildings	Plant and machinery	Vehicles	Office equipment and others	Leasehold improvements	Construction-in-progress	Total
		樓宇	廠房及機械	汽車	辦公室設備及其他	租賃裝修	在建工程	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2012	於二零一二年一月一日							
Cost	成本	77,961	104,533	6,905	6,563	507	3,576	200,045
Accumulated depreciation	累計折舊	(13,536)	(35,889)	(3,760)	(5,041)	(488)	-	(58,714)
Net book amount	賬面淨值	64,425	68,644	3,145	1,522	19	3,576	141,331
Year ended 31 December 2012	截至二零一二年十二月三十一日止年度							
Opening net book amount	年初賬面淨值	64,425	68,644	3,145	1,522	19	3,576	141,331
Additions	添置	192	6,081	-	206	386	2,073	8,938
Acquisition of a subsidiary	收購一間附屬公司	-	-	-	6	-	-	6
Transfers	轉讓	-	1,032	-	-	-	(1,032)	-
Depreciation	折舊	(2,356)	(7,750)	(785)	(435)	(95)	-	(11,421)
Disposals	出售	-	-	-	(3)	-	-	(3)
Closing net book amount	年終賬面淨值	62,261	68,007	2,360	1,296	310	4,617	138,851
At 31 December 2012	於二零一二年十二月三十一日							
Cost	成本	78,153	111,646	6,905	6,807	955	4,617	209,083
Accumulated depreciation	累計折舊	(15,892)	(43,639)	(4,545)	(5,511)	(645)	-	(70,232)
Net book amount	賬面淨值	62,261	68,007	2,360	1,296	310	4,617	138,851
Year ended 31 December 2013	截至二零一三年十二月三十一日止年度							
Opening net book amount	年初賬面淨值	62,261	68,007	2,360	1,296	310	4,617	138,851
Additions	添置	232	2,014	253	202	177	3,283	6,161
Transfers	轉讓	-	5,690	-	-	-	(5,690)	-
Depreciation	折舊	(2,364)	(8,002)	(770)	(410)	(95)	-	(11,641)
Disposals	出售	-	(1,787)	(42)	-	-	(479)	(2,308)
Closing net book amount	年終賬面淨值	60,129	65,922	1,801	1,088	392	1,731	131,063
At 31 December 2013	於二零一三年十二月三十一日							
Cost	成本	78,385	116,174	6,733	6,954	1,132	1,731	211,109
Accumulated depreciation	累計折舊	(18,256)	(50,252)	(4,932)	(5,866)	(740)	-	(80,046)
Net book amount	賬面淨值	60,129	65,922	1,801	1,088	392	1,731	131,063

Notes to the Consolidated Financial Statements

合併財務報表附註

For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

7. PROPERTY, PLANT AND EQUIPMENT – GROUP (CONTINUED)

Depreciation expenses have been charged to the consolidated statement of comprehensive income as follows:

7. 物業、廠房及設備—本集團 (續)

折舊開支已於合併綜合收益表中扣除如下：

		Year ended 31 December	
		截至十二月三十一日止年度	
		2013	2012
		二零一三年	二零一二年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Cost of sales	銷售成本	9,029	8,620
Administrative expenses	行政開支	2,147	2,399
Selling expenses	銷售開支	107	44
Others	其他	358	358
		11,641	11,421

As at 31 December 2013, buildings with net book values of approximately RMB43,903,000 were pledged as collaterals for the Group's bank borrowings (2012: RMB48,550,000) (Note 23).

於二零一三年十二月三十一日，賬面淨值約人民幣43,903,000元的樓宇已就本集團的銀行借款（二零一二年：人民幣48,550,000元）質押為抵押品（附註23）。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

8. INTANGIBLE ASSETS – GROUP

Intangible assets represent technical know-how related to advanced fabric dyeing and finishing process, sewage pipes use right and computer software. Movement was as follows:

8. 無形資產－本集團

無形資產指有關先進布料染整過程的技術知識、污水渠使用權及計算機軟件，有關變動如下：

		Computer software 計算機軟件 RMB'000 人民幣千元	Technical know-how 技術知識 RMB'000 人民幣千元	Sewage pipes use right 污水渠使用權 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2012	於二零一二年一月一日				
Cost	成本	225	7,274	2,400	9,899
Accumulated amortisation	累計攤銷	(110)	(542)	(410)	(1,062)
Net book amount	賬面淨值	115	6,732	1,990	8,837
Year ended 31 December 2012	截至二零一二年十二月三十一日止年度				
Opening net book amount	年初賬面淨值	115	6,732	1,990	8,837
Amortisation charge	攤銷費用	(22)	(806)	(120)	(948)
Closing net book amount	年終賬面淨值	93	5,926	1,870	7,889
At 31 December 2012	於二零一二年十二月三十一日				
Cost	成本	225	7,274	2,400	9,899
Accumulated amortisation	累計攤銷	(132)	(1,348)	(530)	(2,010)
Net book amount	賬面淨值	93	5,926	1,870	7,889
Year ended 31 December 2013	截至二零一三年十二月三十一日止年度				
Opening net book amount	年初賬面淨值	93	5,926	1,870	7,889
Amortisation charge	攤銷費用	(22)	(741)	(120)	(883)
Closing net book amount	年終賬面淨值	71	5,185	1,750	7,006
At 31 December 2013	於二零一三年十二月三十一日				
Cost	成本	225	7,274	2,400	9,899
Accumulated amortisation	累計攤銷	(154)	(2,089)	(650)	(2,893)
Net book amount	賬面淨值	71	5,185	1,750	7,006

Notes to the Consolidated Financial Statements

合併財務報表附註

For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

8. INTANGIBLE ASSETS – GROUP (CONTINUED)

Amortisation expenses have been charged to the consolidated statement of comprehensive income as follows:

		Year ended 31 December 截至十二月三十一日止年度	
		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
Cost of sales	銷售成本	861	926
Administrative expenses	行政開支	22	22
		883	948

8. 無形資產－本集團（續）

攤銷開支已於合併綜合收益表中扣除如下：

9. INTEREST IN SUBSIDIARIES – COMPANY

(a) Interest in subsidiaries

		2013 二零一三年 RMB 人民幣	2012 二零一二年 RMB 人民幣
Investments in unlisted shares, at cost	非上市股份投資·按成本	6	6
Advances to subsidiaries – non-current	向附屬公司之墊款－非流動	155,534,959	160,405,380
		155,534,965	160,405,386

Advances to subsidiaries represent equity funding provided by the Company and are measured in accordance with the Company's accounting policy for investments in subsidiaries. It is unsecured and non-interest bearing. The change of carry amount of advances to subsidiaries arose from foreign exchange differences.

9. 於附屬公司的權益－本公司

(a) 於附屬公司之權益

向附屬公司之墊款指本公司提供之股本資金，並根據本公司之會計政策計量為於附屬公司之投資。墊款乃無抵押及不計息。向附屬公司之墊款之賬面值之變動乃因外匯差額而產生。

9. INTEREST IN SUBSIDIARIES – COMPANY (CONTINUED)

9. 於附屬公司的權益 – 本公司 (續)

(a) Interest in subsidiaries (Continued)

The details of the Company's principal subsidiaries at 31 December 2013, all of which are unlisted, are as follow:

(a) 於附屬公司之權益 (續)

於二零一三年十二月三十一日，本公司主要附屬公司（全部均未上市）之詳情如下：

Name 名稱	Place of incorporation and type of legal entity 註冊成立地點及法律實體類型	Principal activities and place of operations 主要業務及營業地點	Particulars of issued and fully paid share capital 已發行及繳足股本詳情	Interest held 所持有之權益	
				2013 二零一三年	2012 二零一二年
Yongsheng Advanced Materials (BVI) Limited 永盛新材料 (BVI) 有限公司	Limited liability company incorporated in The British Virgin Island 於英屬處女群島註冊成立的有限公司	Investment holding company in Hong Kong 於香港從事投資控股	US\$1 1美元	100% (Directly held) 100% (直接持有)	100% (Directly held) 100% (直接持有)
Yongsheng Advanced Materials (HK) Limited 永盛新材料 (香港) 有限公司	Limited liability company incorporated in Hong Kong 於香港註冊成立的有限公司	Investment holding company in Hong Kong 於香港從事投資控股	US\$1 1美元	100% (Indirectly held) 100% (間接持有)	100% (Indirectly held) 100% (間接持有)
Yongsheng Trading (HK) 永盛貿易 (香港)	Limited liability company incorporated in Hong Kong 於香港註冊成立的有限公司	Trading of textile raw materials and products in Hong Kong 於香港從事紡織原材料及產品貿易	US\$500,000 500,000美元	100% (Indirectly held) 100% (間接持有)	100% (Indirectly held) 100% (間接持有)
Yongsheng Dyeing 永盛染整	Limited liability company incorporated in Mainland China 於中國大陸註冊成立的有限公司	Provision of dyeing services in Mainland China 於中國大陸從事提供染色服務	RMB138,000,000 人民幣138,000,000元	100% (Indirectly held) 100% (間接持有)	100% (Indirectly held) 100% (間接持有)
Hangzhou Yongsheng Trading 杭州永盛貿易	Limited liability company incorporated in Mainland China 於中國大陸註冊成立的有限公司	Trading of textile raw materials and products in Mainland China 於中國大陸從事紡織原材料及產品貿易	RMB11,000,000 人民幣11,000,000元	100% (Indirectly held) 100% (間接持有)	100% (Indirectly held) 100% (間接持有)
Yongsheng Chemical Fiber 永盛化纖	Limited liability company incorporated in Mainland China 於中國大陸註冊成立的有限公司	Developing and manufacturing of polyester filament yarns in Mainland China 於中國大陸從事開發及製造滌綸長絲	RMB40,000,000 人民幣40,000,000元	70% (Indirectly held) 70% (間接持有)	70% (Indirectly held) 70% (間接持有)
Nantong Yongsheng 南通永盛	Limited liability company incorporated in Mainland China 於中國大陸註冊成立的有限公司	Developing and manufacturing of polyester filament yarns in Mainland China 於中國大陸從事開發及製造滌綸長絲	RMB30,000,000 人民幣30,000,000元	90% (Indirectly held) 90% (間接持有)	90% (Indirectly held) 90% (間接持有)

Notes to the Consolidated Financial Statements

合併財務報表附註

For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

9. INTEREST IN SUBSIDIARIES – COMPANY (CONTINUED)

(b) Material non-controlling interests

The total non-controlling interest as at 31 December 2013 is RMB24,634,000, of which RMB22,393,000 is for Yongsheng Chemical Fiber and RMB2,241,000 is attributed to Nantong Yongsheng. Set out below are the summarised financial information for each subsidiary that has non-controlling interests.

Summarised balance sheet:

		Yongsheng Chemical Fiber 永盛化纖		Nantong Yongsheng 南通永盛	
		2013	2012	2013	2012
		二零一三年	二零一二年	二零一三年	二零一二年
		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
Current Assets	流動資產	82,318	43,858	84,680	29,000
Liabilities	負債	(42,541)	(16,561)	(112,530)	(66,015)
Total current net assets/(liabilities)	流動資產/(負債)淨值總額	39,777	27,297	(27,850)	(37,015)
Non-current Assets	非流動資產	37,240	39,457	53,454	57,428
Liabilities	負債	(2,373)	(18,569)	(3,188)	(3,638)
Total non-current net assets	非流動資產淨值總額	34,867	20,888	50,266	53,790
Net assets	資產淨值	74,644	48,185	22,416	16,775

9. 於附屬公司的權益－本公司 (續)

(b) 重大非控股權益

於二零一三年十二月三十一日之非控股權益總額為人民幣24,634,000元，其中人民幣22,393,000元乃屬於永盛化纖及人民幣2,241,000元乃歸屬於南通永盛。以下載列持有非控股權益之各附屬公司之財務資料概要。

資產負債表概要：

9. INTEREST IN SUBSIDIARIES – COMPANY (CONTINUED)

(b) Material non-controlling interests (Continued)

Summarised income statement:

9. 於附屬公司的權益－本公司 (續)

(b) 重大非控股權益 (續)

收益表概要：

		Yongsheng Chemical Fiber 永盛化纖		Nantong Yongsheng 南通永盛	
		2013	2012	2013	2012
		二零一三年	二零一二年	二零一三年	二零一二年
		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	收益	241,517	199,721	94,615	177,033
Profit/(loss) before income tax	除稅前溢利／(虧損)	36,405	19,761	7,573	(3,493)
Income tax (expense)/income	所得稅(開支)／收入	(9,947)	(2,168)	(1,932)	822
Post-tax profit/(loss) from continuing operations	來自持續業務之 除稅後溢利／(虧損)	26,458	17,593	5,641	(2,671)
Total comprehensive income	綜合收益總額	26,458	17,593	5,641	(2,671)
Total comprehensive income allocated to Non-Controlling Interests	分配至非控制權益之 綜合收益總額	7,937	5,278	564	90

Notes to the Consolidated Financial Statements

合併財務報表附註

For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

9. INTEREST IN SUBSIDIARIES – COMPANY (CONTINUED)

(b) Material non-controlling interests (Continued)

Summarised cash flows:

		Yongsheng Chemical Fiber 永盛化纖		Nantong Yongsheng 南通永盛	
		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
Cash generated from/(used in) operations	經營所得/(所用)現金	50,954	12,683	(14,418)	16,880
Interest paid	已付利息	(1,138)	(2,255)	(3,725)	(5,714)
Income tax paid	已付所得稅	(3,208)	(123)	-	-
Net cash generated from/(used in) operating activities	經營活動所得/(所用)現金淨額	46,608	10,305	(18,143)	11,166
Net cash (used in)/generated from investing activities	投資活動(所用)/所得現金淨額	(46,326)	(1,045)	(4,361)	4,157
Net cash (used in)/generated from financing activities	融資活動(所用)/所得現金淨額	(1,000)	(8,000)	50,288	(18,447)
Net (decrease)/increase in cash and cash equivalents	現金及現金等值物(減少)/增加淨額	(718)	1,260	27,784	(3,124)
Cash and cash equivalents at beginning of year	年初之現金及現金等值物	2,417	1,154	2,588	5,712
Exchange (losses)/gains on cash and cash equivalents	現金及現金等值物換算(虧損)/收益	(151)	3	(4)	-
Cash and cash equivalents at end of year	年末之現金及現金等值物	1,548	2,417	30,368	2,588

The information above is the amount before inter-company eliminations.

上述之資料乃為於公司間抵銷前之金額。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

10. DEFERRED INCOME TAX – GROUP

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset and when the deferred income taxes relate to the same fiscal authority. The net deferred income tax balances after offsetting are as follows:

		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
Deferred income tax assets:	遞延所得稅資產：		
– to be recovered after more than 12 months	– 將於十二個月後收回	3,283	3,223
– to be recovered within 12 months	– 將於十二個月內收回	5,290	7,571
		8,573	10,794

The gross movements in the deferred income tax account are as follows:

		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
Beginning of the year	年初	10,794	11,030
Debited to the consolidated statement of comprehensive income (Note 30)	計入合併綜合收益表 (附註30)	(2,221)	(236)
End of the year	年末	8,573	10,794

10. 遞延所得稅－本集團

於遞延所得稅資產與負債有合法可執行權利互相抵銷，及當遞延所得稅與同一稅務機構有關時，則可抵銷。於抵銷後遞延所得稅結餘淨額如下：

遞延所得稅賬目之總變動如下：

Notes to the Consolidated Financial Statements

合併財務報表附註

For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

10. DEFERRED INCOME TAX – GROUP (CONTINUED)

Movements in deferred income tax assets and liabilities, without taking into consideration the offsetting of balance within the same tax jurisdiction, are as follows:

The movements in deferred tax assets:

		Provision for write-down of inventories 存貨撇減撥備	Deferred income 遞延收入	Accruals 應計款項	Provision for impairment of receivables 應收款項減值撥備	Pre-operating expenses 經營前開支	Changes in fair values of financial assets 金融資產公平值變動	Tax losses 稅項虧損	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2012	於二零一二年一月一日	1,445	2,386	2,550	1,386	180	141	2,942	11,030
Recognised in the consolidated statement of comprehensive income	已於合併綜合收益表內確認	21	988	(727)	(84)	(141)	(103)	1,026	980
At 31 December 2012	於二零一二年十二月三十一日	1,466	3,374	1,823	1,302	39	38	3,968	12,010
Recognised in the consolidated statement of comprehensive income	已於合併綜合收益表內確認	33	91	621	36	(39)	(38)	(2,268)	(1,564)
At 31 December 2013	於二零一三年十二月三十一日	1,499	3,465	2,444	1,338	-	-	1,700	10,446

Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through the future taxable profit is probable. The Group did not recognise cumulative deferred tax assets of RMB1,316,000 (2012: RMB1,316,000) in respect of losses amounted to RMB5,264,000 (2012: RMB5,264,000) that can be carried forward against future taxable income as at 31 December 2013.

10. 遞延所得稅—本集團(續)

遞延所得稅資產及負債變動如下(未有計及抵銷同一稅務司法權區內的結餘):

遞延稅項資產之變動:

當有可能透過未來應課稅溢利變現相關稅務利益時,則會就結轉之稅項虧損確認遞延所得稅資產。於二零一三年十二月三十一日,本集團並無就可結轉抵銷未來應課稅收入之虧損人民幣5,264,000元(二零一二年:人民幣5,264,000元)確認累計遞延稅項資產人民幣1,316,000元(二零一二年:人民幣1,316,000元)。

**10. DEFERRED INCOME TAX – GROUP
(CONTINUED)**

The movements in deferred tax liabilities are as follows:

10. 遞延所得稅 – 本集團 (續)

遞延稅項負債之變動如下：

		Unrealized investment income 未變現 投資收入 RMB'000 人民幣千元	Unrealized interest income 未變現 利息收入 RMB'000 人民幣千元	Withholding tax 預扣稅 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2012	於二零一二年一月一日	-	-	-	-
Recognised in the consolidated statement of comprehensive income	已於合併綜合收益表內確認	(1,216)	-	-	(1,216)
At 31 December 2012	於二零一二年十二月三十一日	(1,216)	-	-	(1,216)
Recognised in the consolidated statement of comprehensive income	已於合併綜合收益表內確認	1,216	(700)	(1,173)	(657)
At 31 December 2013	於二零一三年十二月三十一日	-	(700)	(1,173)	(1,873)

11. INVENTORIES – GROUP**11. 存貨 – 本集團**

		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
Finished goods	製成品	104,361	142,232
Raw materials	原材料	11,752	12,507
Work in progress	在製品	3,044	2,040
Less: provision	減：撥備	(5,995)	(5,862)
		113,162	150,917

For the year ended 31 December 2013, the cost of inventories recognised as cost of sales amounted to approximately RMB1,633,160,000 (2012: RMB2,097,283,000).

截至二零一三年十二月三十一日止年度，已確認為銷售成本之存貨成本約為人民幣1,633,160,000元（二零一二年：人民幣2,097,283,000元）。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

11. INVENTORIES – GROUP (CONTINUED)

For the year ended 31 December 2013, the Group has recognised losses of approximately RMB133,000, for the write-down of inventories to their net realisable value. For the year ended 31 December 2012, the Group realised provision for inventory write-down of approximately RMB1,122,000. These amounts have been included in the cost of sales in the consolidated statement of comprehensive income (Note 26).

12. TRADE AND BILLS RECEIVABLES – GROUP

11. 存貨 – 本集團 (續)

截至二零一三年十二月三十一日止年度，本集團已就存貨撇減至其可變現淨值確認虧損約人民幣133,000元。截至二零一二年十二月三十一日止年度，本集團所變現之存貨撇減撥備約為人民幣1,122,000元。相關金額已於合併綜合收益表列作銷售成本（附註26）。

12. 貿易應收款項及應收票據 – 本集團

		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
Trade receivables	貿易應收款項	94,006	207,746
Bills receivable	應收票據	37,207	42,522
		131,213	250,268
Less: Provision for impairment	減：減值撥備	(5,108)	(5,116)
Trade receivables – net	貿易應收款項淨額	126,105	245,152

12. TRADE AND BILLS RECEIVABLES – GROUP (CONTINUED)

The Group's sales are normally made on credit terms of 30-90 days. Ageing analysis of trade receivables based on invoice date was as follows:

		2013	2012
		二零一三年	二零一二年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Trade receivables:	貿易應收款項：		
Less than 3 months	少於三個月	71,694	191,028
3 months to 6 months	三個月至六個月	10,546	4,034
6 months to 1 year	六個月至一年	5,451	7,640
1 year to 2 years	一年至兩年	1,384	1,196
2 years to 3 years	兩年至三年	1,128	1,085
More than 3 years	超過三年	3,803	2,763
		94,006	207,746

Ageing analysis of past due but not impaired trade receivables was as follows:

		2013	2012
		二零一三年	二零一二年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Trade receivables:	貿易應收款項		
3 months to 6 months	三個月至六個月	10,546	4,034
6 months to 1 year	六個月至一年	5,451	7,438
1 year to 2 years	一年至兩年	1,207	131
		17,204	11,603

As at 31 December 2013, based on the past experiences and review of the operating situation with the customers, the directors are of the view that past due trade receivables, amounting to approximately RMB17,204,000 (2012: RMB11,603,000) were not impaired, as there has not been a significant change in their credit quality and the balances are considered fully recoverable.

12. 貿易應收款項及應收票據—本集團 (續)

本集團按一般介乎30至90日之信貸期進行銷售。貿易應收款項按發票日期之賬齡分析如下：

		2013	2012
		二零一三年	二零一二年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Trade receivables:	貿易應收款項：		
Less than 3 months	少於三個月	71,694	191,028
3 months to 6 months	三個月至六個月	10,546	4,034
6 months to 1 year	六個月至一年	5,451	7,640
1 year to 2 years	一年至兩年	1,384	1,196
2 years to 3 years	兩年至三年	1,128	1,085
More than 3 years	超過三年	3,803	2,763
		94,006	207,746

已到期但未減值的貿易應收款項賬齡分析如下：

		2013	2012
		二零一三年	二零一二年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Trade receivables:	貿易應收款項		
3 months to 6 months	三個月至六個月	10,546	4,034
6 months to 1 year	六個月至一年	5,451	7,438
1 year to 2 years	一年至兩年	1,207	131
		17,204	11,603

於二零一三年十二月三十一日，根據過往經驗及檢討與客戶的經營情況，董事認為，約為人民幣17,204,000元（二零一二年：人民幣11,603,000元）的已到期貿易應收款項尚未減值，原因為彼等的信貸質量並無重大變動，並且認為可全數收回該等結餘。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

12. TRADE AND BILLS RECEIVABLES – GROUP (CONTINUED)

The ageing of bills receivables is within 180 days, which is within the credit term.

The carrying amounts of the Group's trade and bills receivables were denominated in the following currencies:

12. 貿易應收款項及應收票據—本集團 (續)

應收票據的賬齡為180日內，屬信貸期之內。

本集團貿易應收款項及應收票據的賬面值以下列貨幣結算：

		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
Trade and bills receivables are denominated in:	貿易應收款項及應收票據乃按下列貨幣計值：		
RMB	人民幣	101,372	202,601
US\$	美元	29,706	46,677
EUR	歐元	135	981
HK\$	港元	-	9
		131,213	250,268

Movement of the provision for impairment of trade receivables is as follows:

貿易應收款項減值撥備變動如下：

		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
At beginning of year	年初	(5,116)	(5,813)
Provision for trade receivables	貿易應收款項撥備	(225)	(223)
Write-off of receivables as uncollectible	撇銷應收款項為不可收回款項	233	920
At end of year	年終	(5,108)	(5,116)

Provision for impairment of trade receivables is charged to administrative expenses in the consolidated statement of comprehensive income (Note 26). Amounts charged to the allowance account are generally written off when there is no expectation of recovery of additional cash.

貿易應收款項減值撥備已於合併綜合收益表的行政開支中扣除（附註26）。於撥備賬目中扣除的金額一般於預期不能收回額外現金時撇銷。

The maximum exposure to credit risk as at the balance sheet date is the carrying value of the trade receivables.

於結算日的最大信貸風險為貿易應收款項的賬面值。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES – GROUP AND COMPANY**13. 預付款項、按金及其他應收款項 – 本集團及本公司****(a) Group****(a) 本集團**

			2013	2012
			二零一三年	二零一二年
		Note	RMB'000	RMB'000
		附註	人民幣千元	人民幣千元
Prepayment to suppliers	向供應商支付的 預付款項		13,609	19,877
Deposits and other receivables	按金及其他應收款項	a	3,179	34,081
Interest receivables	應收利息		2,841	7,098
Prepaid expenses	預付開支		766	2,488
			20,395	63,544
<i>Less: provision for impairment</i>	減：減值撥備	b	(337)	(195)
Prepayments, deposits and other receivables – net	預付款項、按金及 其他應收款項淨額		20,058	63,349

(a) Deposits and other receivables comprised:

(a) 按金及其他應收款項包括：

			2013	2012
			二零一三年	二零一二年
		Note	RMB'000	RMB'000
		附註	人民幣千元	人民幣千元
Loan receivable	應收貸款	(i)	–	20,819
Consideration receivable	應收代價	(ii)	–	8,440
Other deposits and receivables	其他按金及應收款項		3,179	4,822
			3,179	34,081

Notes to the Consolidated Financial Statements

合併財務報表附註

For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES – GROUP AND COMPANY (CONTINUED)

(a) Group (Continued)

(a) (Continued)

- (i) This represented a loan extended to a third party company, which is also a customer of the Group amounting to RMB20,819,000. Such loan is unsecured, non-interest bearing and due within three months from the date of the loan. As at 31 December 2013, such loan was fully settled by the third party.
- (ii) This represented consideration receivable by Yongsheng Trading (HK) in respect of the disposal of an associate of Yongsheng Trading (HK) prior to the acquisition of Yongsheng Trading (HK) by the Group. As at 31 December 2013, such receivable was fully settled.

(b) Movement of the provision for impairment of other receivables is as follows:

13. 預付款項、按金及其他應收款項 – 本集團及本公司 (續)

(a) 本集團 (續)

(a) (續)

- (i) 此項指向一名為本集團客戶的第三方公司授出的為數人民幣20,819,000元的貸款。相關貸款為無抵押、不計息且須自貸款授出日期起三個月內償還。截至二零一三年十二月三十一日，相關貸款乃由第三方悉數結清。
- (ii) 此項指本集團收購永盛貿易(香港)前，永盛貿易(香港)就出售一間永盛貿易(香港)的聯營公司而應收的代價。截至二零一三年十二月三十一日，相關應收款項乃悉數結清。

(b) 其他應收款項減值撥備變動如下：

		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
At beginning of year	年初	(195)	(898)
Provision for other receivables	其他應收款項撥備	(142)	(90)
Write-off of receivables as uncollectible	撇銷應收款項為 不可收回款項	-	793
At end of year	年終	(337)	(195)

13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES – GROUP AND COMPANY (CONTINUED)**(a) Group (Continued)**

(b) (Continued)

Impairment provision for other receivables is charged to administrative expenses in the consolidated statement of comprehensive income (Note 26). Amounts charged to the allowance account are generally written off when there is no expectation of recovery of additional cash.

The maximum exposure to credit risk as at the balance sheet date is the carrying value of prepayments, deposits and other receivables.

(b) Company**13. 預付款項、按金及其他應收款項 – 本集團及本公司 (續)****(a) 本集團 (續)**

(b) (續)

其他應收款項減值撥備已於合併綜合收益表的行政開支中扣除(附註26)。於撥備賬目中扣除的金額一般於預期不能收回額外現金時撇銷。

於結算日的最大信貸風險為預付款項、按金及其他應收款項的賬面值。

(b) 本公司

	2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
Prepaid expenses 預付開支	114	251

14. OTHER FINANCIAL ASSET – GROUP

	2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
Wealth management products 理財產品	-	191,068

Other financial asset represented wealth management products held at banks in the PRC with fixed interest rate ranging from 3.57% to 4.80% and fixed maturity within 12 months. Such financial asset had been pledged to secure the Group's bank borrowings as at 31 December 2012 and fully disposed of by 31 December 2013.

14. 其他金融資產 – 本集團

	2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
其他金融資產	-	191,068

其他金融資產指由位於中國的銀行按固定利率3.57%至4.80%於固定年期12個月內所持有的理財產品。該等金融資產已質押作為本集團於二零一二年十二月三十一日的銀行借款的抵押品並於二零一三年十二月三十一日前悉數出售。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

15. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS – GROUP

15. 按公平值計入損益的金融資產—本集團

		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
Listed in the PRC:	於中國上市：		
– Funds	– 基金	757	645

Financial assets at fair value through profit or loss represented trading security. The fair values of this security is based on their closing bid prices in an active market. Changes in fair value of the financial assets at fair value through profit or loss are recorded in 'other gains/(losses), net' (Note 25).

按公平值計入損益的金融資產指買賣證券。該證券的公平值根據其於活躍市場上的收市買入價計算。按公平值計入損益的金融資產的公平值變動記入「其他收益／（虧損），淨額」項內（附註25）。

16. RESTRICTED CASH – GROUP

16. 受限制現金—本集團

Restricted cash were denominated in the following currencies:

受限制現金以下列貨幣結算：

		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
RMB	人民幣	114,859	80,823
US\$	美元	3,528	21,262
AUD	澳元	-	30,344
		118,387	132,429

16. RESTRICTED CASH – GROUP (CONTINUED)

Restricted cash refers to deposits pledged for letter of credits, bank borrowings and bills payables as collaterals:

		2013	2012
		二零一三年	二零一二年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Letter of credits	信用證	20,684	55,819
Bank borrowings (Note 23)	銀行借款(附註23)	97,703	75,855
Bills payables	應付票據	-	755
		118,387	132,429

As at 31 December 2013, the weighted average interest rate on restricted cash was 2.40%, (2012: 2.83%). These deposits had an average maturity of approximately 277 days (2012: 94 days).

受限制現金指就信用證、銀行借款及應付票據質押為抵押品的存款：

於二零一三年十二月三十一日，受限制現金的加權平均利率為2.40%（二零一二年：2.83%）。該等存款的平均到期日約277日（二零一二年：94日）。

17. CASH AND CASH EQUIVALENTS – GROUP AND COMPANY

Cash and cash equivalents represent cash in hand and demand deposits.

Cash and cash equivalents were denominated in the following currencies:

17. 現金及現金等值物 – 本集團及本公司

現金及現金等值物指手頭現金及活期存款。

現金及現金等值物以下列貨幣結算：

		Group		Company	
		本集團		本公司	
		2013	2012	2013	2012
		二零一三年	二零一二年	二零一三年	二零一二年
		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
RMB	人民幣	132,527	36,083	80,397	-
US\$	美元	26,842	19,278	-	-
EUR	歐元	-	147	-	-
HK\$	港元	7,190	20,192	5,646	8
		166,559	75,700	86,043	8

Notes to the Consolidated Financial Statements

合併財務報表附註

For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

17. CASH AND CASH EQUIVALENTS – GROUP AND COMPANY (CONTINUED)

The weighted average interest rate of the demand deposits of the Group was 0.33% (2012: 0.69%).

RMB is currently not a freely convertible currency in international market. The conversion of RMB denominated balances into foreign currencies and the remittance of the foreign currencies out of the PRC are subject to relevant rules and regulations of foreign exchange control promulgated by the PRC government.

18. SHARE CAPITAL AND SHARE PREMIUM – GROUP AND COMPANY

17. 現金及現金等值物 – 本集團及本公司 (續)

本集團活期存款的加權平均利率為0.33% (二零一二年: 0.69%)。

人民幣目前是一種不能在國際市場自由兌換的貨幣，兌換以人民幣結算的結餘為外幣及從中國匯出外幣均受到中國政府頒佈的相關外匯控制規則及規例。

18. 股本及股份溢價 – 本集團及本公司

		Number of shares 股份數目 '000 千股	Ordinary shares 普通股 HK\$'000 千港元
Authorised shares:	法定股本:		
At 31 December 2013 (ordinary shares of HK\$0.01 each)	於二零一三年十二月三十一日 (每股0.01港元之普通股)	2,000,000	20,000
At 31 December 2012 (ordinary shares of HK\$0.01 each)	於二零一二年十二月三十一日 (每股0.01港元之普通股)	38,000	380

18. SHARE CAPITAL AND SHARE PREMIUM – GROUP AND COMPANY (CONTINUED)**18. 股本及股份溢價—本集團及本公司 (續)****Issued shares and fully paid up:****已發行股份及已繳足股款：**

		Number of shares 股份數目	Share capital 股本 RMB'000 人民幣千元	Share premium 股份溢價 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2012	於二零一二年一月一日	-	-	-	-
Issue of one share upon incorporation (a)	於註冊成立時發行一股股份(a)	1	-	-	-
Issue of shares to Ever Thrive (b)	向恆盛發行股份(b)	583,332	5	-	5
Issue of shares to Shun Sheng Global Limited (c)	向順盛環球有限公司發行股份(c)	416,667	3	-	3
Issue of shares to Ever Thrive (d)	向恆盛發行股份(d)	583,333	5	151,999	152,004
Issue of shares to Shun Sheng Global Limited (e)	向順盛環球有限公司發行股份(e)	416,667	3	8,398	8,401
<hr/>					
At 31 December 2012	於二零一二年十二月三十一日	2,000,000	16	160,397	160,413
<hr/>					
Issue of shares to Ever Thrive (f)	向恆盛發行股份(f)	672,990	5	-	5
Capitalisation issue on 27 November 2013 (g)	於二零一三年十一月二十七日 資本化發行(g)	297,327,010	2,353	-	2,353
Issue of shares on 27 November 2013 (g)	於二零一三年十一月二十七日 發行股份(g)	100,000,000	791	75,115	75,906
<hr/>					
At 31 December 2013	於二零一三年十二月三十一日	400,000,000	3,165	235,512	238,677

(a) Upon the incorporation of the Company, one share was allotted and issued at par to Reid Services Limited, the subscriber of the Company, who subsequently transferred such share to Ever Thrive, a company incorporated in the British Virgin Island and owned and controlled by Mr. Li Cheng on the same date, at consideration of HK\$0.01.

(b) On 19 April 2012, 583,332 shares at par value of HK\$0.01 were allotted and issued to Ever Thrive at consideration of HK\$5,833 (equivalent to RMB4,700).

(c) On 19 April 2012, 416,667 shares at par value of HK\$0.01 were allotted and issued to Shun Sheng Global Limited, a company incorporated in the British Virgin Island and owned and controlled by other individual shareholders, at consideration of HK\$4,167 (equivalent to RMB3,400).

(a) 本公司註冊成立時，本公司的認購人Reid Services Limited按面值獲配發及發行一股股份，其於同日稍後轉讓該股股份予恆盛（一間於英屬處女群島註冊成立並由李誠先生擁有及控制的公司），代價為0.01港元。

(b) 於二零一二年四月十九日，恆盛按面值0.01港元獲配發及發行583,332股股份，代價為5,833港元（相當於人民幣4,700元）。

(c) 於二零一二年四月十九日，順盛環球有限公司（一間於英屬處女群島註冊成立並由其他個人股東擁有及控制的公司）按面值0.01港元獲配發及發行416,667股股份，代價為4,167港元（相當於人民幣3,400元）。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

18. SHARE CAPITAL AND SHARE PREMIUM – GROUP AND COMPANY (CONTINUED)

- (d) On 20 December 2012, 583,333 shares at par value of HK\$0.01 were allotted and issued to Ever Thrive at consideration of approximately HK\$187,462,000 (equivalent to RMB152,004,000). The excess of the consideration over the par value of the shares issued amounting to HK\$187,456,000 (equivalent to RMB151,999,000) was credited to the share premium. Out of the total proceed of HK\$187,462,000, approximately HK\$3,880,000 (equivalent to RMB3,146,000) was settled in 2013 and was presented as an amount due from shareholder as at 31 December 2012.
- (e) On 20 December 2012, 416,667 shares at par value of HK\$0.01 were allotted and issued to Shun Sheng Global Limited at consideration of approximately HK\$10,361,000 (equivalent to RMB8,401,000). The excess of the consideration over the par value of the shares issued amounting to HK\$10,357,000 (equivalent to RMB8,398,000) was credited to the share premium.
- (f) On 31 January 2013, 672,990 shares at par value of HK\$0.01 were allotted and issued to Ever Thrive at consideration of HK\$6,730 (equivalent to RMB5,400) by the Company.
- (g) Pursuant to the written resolution passed by the Company's board of directors and shareholders on 7 November 2013, the authorised share capital of the Company was increased from HK\$380,000 (divided into 38,000,000 shares of HK\$0.01 each) to HK\$20,000,000 (divided into 2,000,000,000 shares of HK\$0.01 each) by creation of an additional 1,962,000,000 shares of HK\$0.01 each.

The Company capitalised an amount of HK\$2,973,270 (equivalent to RMB2,353,000) credited from share premium account as a result of the public offering of shares of the Company (the "Capitalisation issue") and to appropriate such amount as capital to pay up in full at par 297,327,010 shares for allotment and issue to the persons whose names appear on the register of members of the Company on 6 November 2013 in proportion to their then existing shareholdings in the Company, each ranking pari passu in all respects with the shares then in issue.

18. 股本及股份溢價—本集團及本公司 (續)

- (d) 於二零一二年十二月二十日，恆盛按面值0.01港元獲配發及發行583,333股股份，代價約187,462,000港元（相當於人民幣152,004,000元）。代價較已發行股份面值多出的部份187,456,000港元（相當於人民幣151,999,000元）已記入股份溢價賬。所得款項總額187,462,000港元中，約3,880,000港元（相當於人民幣3,146,000元）已於二零一三年結清，於二零一二年十二月三十一日以一項應收股東款項呈列。
- (e) 於二零一二年十二月二十日，順盛環球有限公司按面值0.01港元獲配發及發行416,667股股份，代價約10,361,000港元（相當於人民幣8,401,000元）。代價較已發行股份面值多出的部份10,357,000港元（相當於人民幣8,398,000元）已記入股份溢價賬。
- (f) 本公司於二零一三年一月三十一日按面值0.01港元向恆盛配發及發行672,990股股份，代價為6,730港元（相當於人民幣5,400元）。
- (g) 根據本公司董事會及股東於二零一三年十一月七日通過之書面決議案，本公司法定股本已通過增發額外1,962,000,000股每股面值0.01港元之股份而自380,000,000港元（分為38,000,000股每股面值0.01港元之股份）增加至20,000,000,000港元（分為2,000,000,000股每股面值0.01港元之股份）。

本公司將因公開發售本公司股份而自股份溢價賬錄得進賬之款項2,973,270港元（相等於人民幣2,353,000元）撥充資本（「資本化發行」），並將有關款項分撥為用以按面值悉數繳足297,327,010股股份之資本，以向於二零一三年十一月六日名列本公司股東名冊之人士按彼等當時於本公司之現有股權比例配發及發行，而將予配發及發行之各股份將在各方面與當時已發行股份享有同等權利。

18. SHARE CAPITAL AND SHARE PREMIUM – GROUP AND COMPANY (CONTINUED)

(g) (Continued)

On 27 November 2013, the Company completed its initial public offering of 400,000,000 shares of HK\$0.01 each at a price of HK\$1.18 per share, comprising 100,000,000 new shares offered by the Company and 300,000,000 existing shares of the Company offered by the shareholders of the Company. The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited on the same date. Total listing proceeds, net of listing expenses of RMB15,084,000, resulted in an increase in issued share capital of the Company by RMB3,144,000 and share premium by RMB75,115,000.

19. OTHER RESERVES – GROUP AND COMPANY**(a) Group**

		Statutory reserves	Total	
	Others 其他	法定儲備	總計	
Note 附註	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	
At 31 December 2011	於二零一一年十二月三十一日	44,388	6,119	50,507
Distribution to equity holders	向股權持有人作出分派	(134,695)	–	(134,695)
Acquisition of non-controlling interests	收購非控股權益	1,796	–	1,796
Disposal of equity interest in subsidiaries	出售於附屬公司的股權	(1,587)	–	(1,587)
Deemed contribution by equity holders	被視為股權持有人注資	29,190	–	29,190
Appropriation to statutory reserves	分撥至法定儲備	–	5,071	5,071
Waived dividend payable by non-controlling interests	非控股權益放棄應付股息	7,953	–	7,953
Gain from acquisition	收購收益	6,950	–	6,950
At 31 December 2012	於二零一二年十二月三十一日	(46,005)	11,190	(34,815)
Currency translation differences	貨幣換算差額	(980)	–	(980)
Appropriation to statutory reserves	分撥至法定儲備	–	2,115	2,115
At 31 December 2013	於二零一三年十二月三十一日	(46,985)	13,305	(33,680)

18. 股本及股份溢價 – 本集團及本公司 (續)

(g) (續)

於二零一三年十一月二十七日，本公司完成以每股1.18港元之價格進行其首次公開發售400,000,000股每股面值0.01港元之股份，包括由本公司發售之100,000,000股新股份及由本公司股東發售之300,000,000股本公司現有股份。於同日，本公司股份在香港聯合交易所有限公司主板上市。上市所得款項總額（扣除上市開支人民幣15,084,000元）導致本公司已發行股本增加人民幣3,144,000元及股份溢價增加人民幣75,115,000元。

19. 其他儲備 – 本集團及本公司**(a) 本集團**

Notes to the Consolidated Financial Statements

合併財務報表附註

For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

19. OTHER RESERVES – GROUP AND COMPANY (CONTINUED)

(a) Group (Continued)

- (a) This represented cash paid to the then shareholders of the four operating subsidiaries now comprising the Group (namely Hangzhou Yongsheng Trading, Nantong Yongsheng, Yongsheng Chemical Fiber and Yongsheng Dyeing) for acquisition of the equity interests by the Group upon Reorganisation.
- (b) In November 2012, the Group acquired a 35% equity interest in Yongsheng Dyeing, a subsidiary, from the non-controlling shareholder at cash consideration of RMB21,105,000. The carrying amount of the non-controlling interests on the date of acquisition amounted to RMB22,901,000. The difference between the consideration paid and the acquired non-controlling interests, amounting to RMB1,796,000 was credited into the other reserve. Upon the completion of the acquisition, Yongsheng Dyeing became a wholly owned subsidiary of the Group.
- (c) In November 2012, Yongsheng Group, the then holding company, sold a 10% equity interests in Nantong Yongsheng to four management team members of Nantong Yongsheng at cash consideration of RMB3,000,000. The carrying amount of the disposed equity interests on the date of disposal amounted to RMB1,587,000.
- (d) This represented the net equity movement of part of the Listing Businesses undertook by Yongsheng Group and Yongsheng Holdings during the period from 1 January 2010 up to the date of Reorganisation, which was treated as deemed contribution/distribution by the equity holder of the Group.

19. 其他儲備—本集團及本公司 (續)

(a) 本集團 (續)

- (a) 此項指本集團於重組時收購股權而向現組成本集團的四間經營附屬公司(即杭州永盛貿易、南通永盛、永盛化纖及永盛染整)當時股東支付的現金。
- (b) 於二零一二年十一月,本集團以現金代價人民幣21,105,000元收購非控股股東於一間附屬公司永盛染整持有的35%股權。該等非控股權益於收購日期的賬面值為人民幣22,901,000元。已付代價與所收購非控股權益之間的差額人民幣1,796,000元已計入其他儲備。於收購完成時,永盛染整成為本集團的全資附屬公司。
- (c) 於二零一二年十一月,當時之控股公司永盛集團向南通永盛四位管理團隊成員出售於南通永盛之10%股權,現金代價為人民幣3,000,000元。所出售股權於出售當日之賬面值為人民幣1,587,000元。
- (d) 此項指於二零一零年一月一日至重組日期期間,永盛集團及永盛控股所進行之部份上市業務之股權變動淨額,以視為本集團股權持有人作出注資/分派之方式處理。

19. OTHER RESERVES – GROUP AND COMPANY (CONTINUED)**(a) Group (Continued)**

- (e) As stipulated by regulations in the Mainland China and the Articles of Association of the Company's subsidiaries established in the Mainland China, the subsidiaries established in the Mainland China are required to appropriate 10% of their PRC GAAP after-tax profit (after offsetting prior years' losses) to statutory surplus reserve fund before distributing their profit. When the balance of such reserve reaches 50% of each subsidiary's share capital, any further appropriation is optional. The statutory surplus reserve fund can be utilised to offset prior years' losses or to issue bonus shares.
- (f) This represented dividend waived by the non-controlling shareholder of Yongsheng Dyeing with respect to dividend declared by Yongsheng Dyeing in September 2012.
- (g) This represented gain from acquisition of Yongsheng Trading (HK), a subsidiary, from Yongsheng Holdings, the then holding company of Yongsheng Trading (HK), in December 2012.

(b) Company**19. 其他儲備—本集團及本公司 (續)****(a) 本集團 (續)**

- (e) 誠如中國內地之條例及於中國內地成立之本公司附屬公司之組織章程細則所規定，於中國內地成立之附屬公司須於分派其溢利前將其中國公認會計準則稅後溢利（於抵銷過往年度之虧損後）之10%撥至法定盈餘公積金。倘有關儲備結餘達致各附屬公司股本之50%，則可選擇是否再撥款。法定盈餘公積金可用於抵銷過往年度虧損或發行紅股。
- (f) 此項指永盛染整非控股股東就永盛染整於二零一二年九月宣派的股息放棄收取的股息。
- (g) 此項指於二零一二年十二月自永盛貿易（香港）當時之控股公司永盛控股收購附屬公司永盛貿易（香港）之收益。

(b) 本公司

		Other reserve 其他儲備 RMB'000 人民幣千元
At 31 December 2012	於二零一二年十二月三十一日	-
Currency translation differences	匯兌差異	(5,258)
At 31 December 2013	於二零一三年十二月三十一日	(5,258)

As at 31 December 2013, no share options are granted to any employees, directors and other persons.

於二零一三年十二月三十一日，概無購股權已授予任何僱員、董事及其他人士。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

20. LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY

The loss attributable to owners of the Company is dealt with in the financial statements of the Company to the extent of RMB5,915,000 (2012: RMB351,000).

The movement on the accumulated deficits was as follows:

		Accumulated deficits 累計虧絀 RMB'000 人民幣千元
Balance at 1 January 2012	於二零一二年一月一日之結餘	-
Loss for the year	年度虧損	(351)
Balance at 31 December 2012	於二零一二年十二月三十一日之結餘	(351)
Loss for the year	年度虧損	(5,915)
Balance at 31 December 2013	於二零一三年十二月三十一日之結餘	(6,266)

20. 本公司擁有人應佔虧損

本公司擁有人應佔虧損於本公司財務報表內處理，惟人民幣5,915,000元（二零一二年：人民幣351,000元）為限。

有關累計虧絀之變動如下：

21. TRADE AND BILLS PAYABLES – GROUP

21. 貿易應付款項及應付票據－本集團

		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
Trade payables	貿易應付款項	116,829	235,065
Bills payables	應付票據	-	1,165
		116,829	236,230

As at 31 December 2013, bills payables represented bank acceptance notes issued by the Group with maturity within six months.

於二零一三年十二月三十一日，應付票據指本集團發行之於六個月內到期之銀行承兌票據。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

21. TRADE AND BILLS PAYABLES – GROUP (CONTINUED)

Ageing analysis of trade and bills payables based on invoice date was as follows:

		2013	2012
		二零一三年	二零一二年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Less than 6 months	少於六個月	109,898	230,504
6 months to 1 year	六個月至一年	5,104	2,717
1 year to 2 years	一年至兩年	296	1,561
2 years to 3 years	兩年至三年	285	541
More than 3 years	超過三年	1,246	907
		116,829	236,230

The carrying amounts of the Group's trade and bills payables were denominated in the following currencies:

		2013	2012
		二零一三年	二零一二年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
RMB	人民幣	16,492	153,414
US\$	美元	100,337	80,575
HK\$	港元	-	2,241
		116,829	236,230

21. 貿易應付款項及應付票據 – 本集團 (續)

貿易應付款項及應付票據按照於發票日期之賬齡分析如下:

		2013	2012
		二零一三年	二零一二年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Less than 6 months	少於六個月	109,898	230,504
6 months to 1 year	六個月至一年	5,104	2,717
1 year to 2 years	一年至兩年	296	1,561
2 years to 3 years	兩年至三年	285	541
More than 3 years	超過三年	1,246	907
		116,829	236,230

本集團貿易應付款項及應付票據之賬面金額以下列貨幣結算:

		2013	2012
		二零一三年	二零一二年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
RMB	人民幣	16,492	153,414
US\$	美元	100,337	80,575
HK\$	港元	-	2,241
		116,829	236,230

22. ACCRUALS AND OTHER CURRENT LIABILITIES – GROUP AND COMPANY

		Group		Company	
		本集團		本公司	
		2013	2012	2013	2012
		二零一三年	二零一二年	二零一三年	二零一二年
		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
Accruals	應計款項	8,860	1,452	5,924	-
Accrued payroll	應計工資	6,001	2,965	86	-
Value-added and other taxes payable	應付增值稅及其他稅項	5,838	3,887	-	-
Pension and other social welfare payables	應付退休金及其他社會福利	5,033	4,952	-	-
Payables for purchase of property, plant and equipment	購買物業、廠房及設備的應付款項	674	853	-	-
Deposits	按金	244	5,554	-	-
Others	其他	628	1,625	-	-
		27,278	21,288	6,010	-

22. 應計款項及其他流動負債 – 本集團及本公司

Notes to the Consolidated Financial Statements

合併財務報表附註

For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

23. BORROWINGS – GROUP

23. 借款 – 本集團

		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
Non-current	非當期		
Non-current portion of long-term bank borrowings	非當期長期銀行借款之部份	25,000	47,000
Current	當期		
Current portion of long-term bank borrowings	當期長期銀行借款之部份	46,000	–
Short-term bank borrowings	短期銀行借款	150,571	380,065
		196,571	380,065
Total borrowings	借款總額	221,571	427,065
Representing:	指：		
Unsecured	無抵押	41,395	8,171
Pledged (i)	已質押(i)	180,176	343,405
Guaranteed (ii)	有擔保(ii)	–	75,489
		221,571	427,065

(i) As at 31 December 2013, bank borrowings of RMB86,471,000 were pledged by restricted bank deposits of RMB91,273,000, bank borrowings of RMB5,705,000 were pledged by restricted cash and bills receivable of RMB6,430,000 and RMB200,000 respectively and bank borrowings of RMB88,000,000 were pledged by buildings with net book value of RMB43,903,000 (Note 7) and land use rights with net book value of RMB27,137,000 (Note 6).

As at 31 December 2012, bank borrowings of RMB72,244,000 were pledged by restricted bank deposits of RMB75,855,000, bank borrowings of RMB189,161,000 were pledged by other financial asset of RMB191,068,000 and bank borrowings of RMB82,000,000 were pledged by buildings with net book value of RMB48,550,000 and land use rights with net book value of RMB27,828,000.

(i) 於二零一三年十二月三十一日，人民幣86,471,000元的銀行借款以人民幣91,273,000元的受限制銀行存款作抵押，而人民幣5,705,000元的銀行借款則以分別為人民幣6,430,000元及人民幣200,000元的受限制現金及應收票據作抵押以及人民幣88,000,000元的銀行借款以賬面淨值人民幣43,903,000元的樓宇（附註7）及賬面淨值為人民幣27,137,000元的土地使用權（附註6）作抵押。

於二零一二年十二月三十一日，人民幣72,244,000元的銀行借款以人民幣75,855,000元的受限制銀行存款作抵押，人民幣189,161,000元的銀行借款以人民幣191,068,000元的其他金融資產作抵押，而人民幣82,000,000元的銀行借款則以賬面淨值人民幣48,550,000元的樓宇及賬面淨值人民幣27,828,000元的土地使用權作抵押。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

23. BORROWINGS – GROUP (CONTINUED)

- (ii) As at 31 December 2012, all bank borrowings were guaranteed by related parties. All these guarantees have been released prior to the Listing of the Company's shares on the Main Board of The Stock Exchange of Hong Kong Limited.

Analysis of the carrying amounts of the Group's borrowings by type and currency was as follows:

23. 借款 – 本集團 (續)

- (ii) 於二零一二年十二月三十一日，所有銀行借款乃由關連人士作出擔保。所有該等擔保於本公司之股份於香港聯合交易所有限公司主板上市之前已獲解除。

本集團借款賬面值按種類及貨幣的分析如下：

		2013	2012
		二零一三年	二零一二年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
At fixed rates in RMB	按固定利率計息及以人民幣計算	47,000	105,432
At fixed rates in US\$	按固定利率計息及以美元計算	-	110,079
At floating rates in RMB	按浮動利率計息及以人民幣計算	76,000	42,000
At floating rates in US\$	按浮動利率計息及以美元計算	98,571	149,150
At floating rates in EUR	按浮動利率計息及以歐元計算	-	20,404
		221,571	427,065

The weighted average interest rates per annum were as follows:

加權平均年利率如下：

		2013	2012
		二零一三年	二零一二年
RMB	人民幣	6.62%	6.35%
US\$	美元	3.79%	4.68%
EUR	歐元	2.43%	2.86%
HK\$	港元	-	1.30%

The maturity of borrowings were as follows:

借款到期日如下：

		2013	2012
		二零一三年	二零一二年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Within 1 year	一年內	196,571	380,065
1 year to 2 years	一年至兩年	25,000	47,000
		221,571	427,065

Notes to the Consolidated Financial Statements

合併財務報表附註

For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

23. BORROWINGS – GROUP (CONTINUED)

The fair values of current bank borrowings equal their carrying amounts as the discounting impact is not significant. The carrying amounts and fair values of the non-current bank borrowings are as follows:

		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
Carrying amounts	賬面值	25,000	47,000
Fair values	公平值	25,074	47,169

The fair values of bank borrowings are based on cash flows discounted using the annual interest rate published by the People's Bank of China for long-term bank loans prevailing at each balance sheet date.

23. 借款－本集團（續）

由於貼現影響極微，故當期銀行借款的公平值相等於其賬面值。非當期銀行借款的賬面值及公平值如下：

	2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
Carrying amounts	25,000	47,000
Fair values	25,074	47,169

銀行借款的公平值乃根據於各結算日採用中國人民銀行公佈的長期銀行貸款年利率貼現的現金流量計算。

24. OTHER NON-CURRENT LIABILITIES – GROUP

Other non-current liabilities referred to government grants were as follows:

		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
Government grants	政府資助	13,939	13,652
Less: current portion	減：當期部份	(807)	(682)
		13,132	12,970

24. 其他非流動負債－本集團

其他非流動負債指政府資助如下：

The movement on the government grants was as follows:

政府資助變動如下：

		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
Beginning balance of the year	年初結餘	13,652	9,797
Grant received during the year	年內接受資助	1,000	4,500
Amortised as income (Note 25)	攤銷為收入（附註25）	(713)	(645)
Ending balance of the year	年終結餘	13,939	13,652

24. OTHER NON-CURRENT LIABILITIES – GROUP (CONTINUED)

Government grants were provided to the Group to support its purchase of land use rights and intangible asset in Hangzhou and the plant expansion in Nantong. In Hangzhou, the amounts were deferred to match with amortisation of related land use rights and intangible asset over an expected useful life of from 48 to 50 years and 8 years respectively. For Nantong's plant expansion, the amount was deferred to match with depreciation of the related equipments over the expected useful lives of 10 years.

24. 其他非流動負債－本集團（續）

政府資助指支持本集團在杭州購買土地使用權及無形資產及在南通擴建廠房的政府資助。在杭州，金額已遞延以配合於預期可使用年期分別為介乎48年至50年及8年期間攤銷相關土地使用權及無形資產。就擴建南通廠房而言，金額已遞延以配合於預期可使用年期10年期間折舊相關設備。

25. OTHER GAINS/(LOSSES), NET**25. 其他收益／（虧損）淨額**

		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
Subsidy income (a)	補貼收入(a)	2,846	1,262
Rental income	租金收入	1,429	458
Foreign exchange gains/(losses) (Note 31)	外匯收益／（虧損）（附註31）	1,207	(5,118)
Reimbursement for transportation expense (b)	運輸開支補償(b)	953	1,266
Government grant (Note 24)	政府資助（附註24）	713	645
Commission income	佣金收入	582	-
Gains/(losses) on disposal of property, plant and equipment, net (Note 33(a))	出售物業、廠房及設備的收益／（虧損）淨額（附註33(a)）	174	(3)
Fair value gains/(losses) on financial assets at fair value through profit or loss (Note 15)	按公平值計入損益的金融資產的公平值收益／（虧損）（附註15）	112	(15)
Waiver of deposits by customers on cancelled sales	客戶取消出售的豁免按金	-	785
Interest income from deposits placed at brokers' account in respect of the Group's financial assets at fair value through profit or loss	就本集團按公平值計入損益的金融資產而存放於經紀賬戶的存款利息收入	-	1,702
Losses on disposal of financial assets at fair value through profit or loss	出售按公平值計入損益的金融資產的虧損	(382)	(3,711)
Depreciation and amortization	折舊及攤銷	(437)	(437)
Others	其他	223	48
Other gains/(losses), net	其他收益／（虧損）淨額	7,420	(3,118)

(a) Subsidy income primarily represents tax refund by local Taxation Bureau to encourage the Group's business growth and other subsidies granted by the Bureau of Finance in Hangzhou and Nantong, the PRC.

(b) This represents reimbursement of transportation expense by the Bureau of Finance in Hangzhou, the PRC, in respect of the Group's purchases of cotton from Xinjiang Uygur Autonomous Region, the PRC.

(a) 補貼收入主要指地方稅務局鼓勵本集團業務增長的退稅及中國杭州及南通財政局發放的其他補貼。

(b) 此項指中國杭州財政局就本集團從中國新疆維吾爾自治區購買棉花而作出的運輸開支補償。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

26. EXPENSES BY NATURE

Expenses included in cost of sales, sales tax, selling expenses and administrative expenses were analysed as follows:

26. 按性質分類的開支

計入銷售成本、營業稅、銷售開支及行政開支之開支分析如下：

		2013	2012
		二零一三年	二零一二年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Changes in inventories of finished goods and work in progress	製成品及在製品之存貨變動	36,867	96,462
Raw materials consumed and consumable used	所耗用原材料及所採用消耗品	1,545,711	1,949,057
Utilities charges	公用事業收費	21,305	21,810
Transportation cost	運輸成本	13,052	21,956
Employee benefit expenses, including directors' emoluments (Note 27&28)	僱員福利開支(包括董事酬金)(附註27及28)	37,637	31,403
Depreciation and amortisation (Note 6&7&8)	折舊及攤銷(附註6及7以及8)	12,885	13,167
Stamp duty, property tax and other surcharges	印花稅、物業稅及其他附加收費	7,326	6,394
Travelling and entertainment	差旅及應酬	3,093	2,484
Bank Charges	銀行收費	1,780	1,393
Provision for impairment of receivables (Note 12&13)	應收款項減值撥備(附註12及13)	367	313
Office rental	辦公室租金	1,359	724
Professional service expenses	專業服務開支	473	447
Listing expenses	上市開支	10,251	2,647
Auditors' remuneration	核數師酬金	1,277	122
Provision for/(Realisation of) write-down of inventories (Note 11)	存貨撇減撥備/(變現)(附註11)	133	(1,122)
Others	其他	3,505	1,690
Total cost of sales, sales tax, selling expenses and administrative expenses	銷售成本、營業稅、銷售開支及行政開支總額	1,697,021	2,148,947

Notes to the Consolidated Financial Statements

合併財務報表附註

For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

27. EMPLOYEE BENEFIT EXPENSES**27. 僱員福利開支**

		2013	2012
		二零一三年	二零一二年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Salaries, bonus and other welfares	薪金、花紅及其他福利	33,637	27,256
Defined contribution plans	界定供款計劃	1,623	1,646
Social security insurance	社會保障保險	2,377	2,501
		37,637	31,403

28. DIRECTORS AND SENIOR MANAGEMENT'S EMOLUMENTS**28. 董事及高級管理層酬金****(a) Directors' emoluments**

The emoluments of individual director of the Company which were included in the employee benefit expense as disclosed in Note 27 were set out below:

(a) 董事酬金

本公司之個人董事酬金(計入於附註27披露的僱員福利開支)載列如下:

		2013	2012
		二零一三年	二零一二年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Directors' emoluments	董事酬金		
- Fees	- 袍金	75	-
- Salaries and allowances	- 薪金及津貼	431	389
- Discretionary bonus	- 酌情花紅	220	30
- Social security insurance	- 社會保障保險	32	25
		758	444

Notes to the Consolidated Financial Statements

合併財務報表附註

For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

28. DIRECTORS AND SENIOR MANAGEMENT'S EMOLUMENTS (CONTINUED)

28. 董事及高級管理層酬金 (續)

(a) Directors' emoluments (Continued)

(a) 董事酬金 (續)

For year ended 31 December 2013

截至二零一三年十二月三十一日止年度

Name of Director	董事名稱	Fees 袍金 RMB'000 人民幣千元	Salaries and	Discretionary	Social	Total 合計 RMB'000 人民幣千元
			allowances 薪金及津貼 RMB'000 人民幣千元	bonus 酌情花紅 RMB'000 人民幣千元	Security Insurance 社會保障保險 RMB'000 人民幣千元	
Executive directors 執行董事						
Mr. Li Cheng	李誠先生	12	66	80	8	166
Mr. Zhao Jidong	趙繼東先生	12	127	80	8	227
Mr. Li Conghua	李聰華先生	12	123	5	8	148
Mr. Ma Qinghai	馬青海先生	12	115	55	8	190
Independent non-executive directors 獨立非執行董事						
Mr. Shiping James Wang	王世平先生	12	-	-	-	12
Ms. Wong Wai Ling	黃慧玲女士	15	-	-	-	15
Mr. Duan Xiaoping	端小平先生	-	-	-	-	-
		75	431	220	32	758

For year ended 31 December 2012

截至二零一二年十二月三十一日止年度

Name of Director	董事名稱	Fees 袍金 RMB'000 人民幣千元	Salaries and	Discretionary	Social	Total 合計 RMB'000 人民幣千元
			allowances 薪金及津貼 RMB'000 人民幣千元	bonus 酌情花紅 RMB'000 人民幣千元	Security Insurance 社會保障保險 RMB'000 人民幣千元	
Executive directors 執行董事						
Mr. Li Cheng	李誠先生	-	66	-	4	70
Mr. Zhao Jidong	趙繼東先生	-	127	-	7	134
Mr. Li Conghua	李聰華先生	-	100	-	7	107
Mr. Ma Qinghai	馬青海先生	-	96	30	7	133
		-	389	30	25	444

28. DIRECTORS AND SENIOR MANAGEMENT'S EMOLUMENTS (CONTINUED)

(b) Five highest paid individuals

For the year ended 31 December 2013, the five individuals whose emoluments were the highest in the Group include one (2012: two) directors, whose emoluments are reflected in the analysis presented above. The emoluments paid to the remaining four (2012: three) individuals were as follows.

		2013	2012
		二零一三年	二零一二年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Salaries and allowances	薪金及津貼	1,892	1,004
Discretionary bonus	酌情花紅	270	30
Social security insurance	社會保障保險	35	17
		2,197	1,051

All of five highest paid individuals' emoluments fell within the band: RMB1– RMB1,000,000.

During the year ended 31 December 2013 and 2012, no directors or any of the five highest paid individuals received any emoluments from the Group as an inducement to join or upon joining the Group or as compensation for loss of office.

28. 董事及高級管理層酬金 (續)

(b) 五位最高薪人士

截至二零一三年十二月三十一日止年度，本集團五位最高薪人士包括一名（二零一二年：兩名）董事，彼等的酬金已於上文分析反映。向其餘四名（二零一二年：三名）最高薪人士支付的酬金如下：

所有五位最高薪人士的酬金介乎該範圍：人民幣1元至人民幣1,000,000元。

截至二零一三年及二零一二年十二月三十一日止年度，董事或任何五位最高薪人士概無收取本集團任何酬金作為招攬加入本集團或於加入本集團時的獎勵或作為離職補償。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

29. FINANCE COSTS, NET

29. 融資成本淨額

		2013	2012
		二零一三年	二零一二年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Interest expenses on bank borrowings	銀行借款利息開支	20,630	38,098
Interest expenses on borrowings from related parties (Note 37(a))	關連方借款利息開支 (附註37(a))	-	3,241
Net exchange (gains)/losses on financing activities (Note 31)	融資活動匯兌(收益)/ 虧損淨額(附註31)	(1,013)	1,227
Total finance cost	融資成本總額	19,617	42,566
Interest income from cash and cash equivalents, restricted cash deposits and other financial asset	現金及現金等值物、受限制 現金存款及其他金融資產之 利息收入	(6,897)	(14,505)
Interest income on loan to related parties (Note 37(a))	借予關連方之貸款利息收入 (附註37(a))	-	(8,321)
Total finance income	融資收入總額	(6,897)	(22,826)
Net finance cost	融資成本淨額	12,720	19,740

Notes to the Consolidated Financial Statements

合併財務報表附註

For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

30. INCOME TAX EXPENSE

30. 所得稅開支

		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
Current income tax	即期所得稅		
– Enterprise income tax	– 企業所得稅	14,356	5,825
Deferred income tax	遞延所得稅	2,221	236
		16,577	6,061

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the effective tax rate applicable to profits of the companies comprising the Group as follows:

有關本集團除稅前溢利的稅項與採用適用於本集團旗下公司溢利的實際稅率計算的理論金額的不同情況，載列如下：

		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
Profit before income tax	除所得稅前溢利	65,102	39,048
Tax calculated at domestic tax rate applicable to profits in PRC (25%)	按適用於中國溢利的國內稅率(25%)計算的稅項	16,276	9,762
Effect of difference between Hong Kong income tax rate and domestic tax rate	香港所得稅率與國內稅率間差異的影響	309	–
Effect of preferential corporate income tax rate	優惠企業所得稅率的影響	(2,526)	(4,995)
Tax losses for which no deferred income tax asset was recognised	並無確認遞延所得稅資產的稅務虧損	–	1,243
Change of tax rates	稅率變動	33	(344)
Withholding tax	預扣稅	1,173	–
Expenses not deductible for tax purpose	不可扣稅開支	1,312	395
Income tax expense	所得稅開支	16,577	6,061
Effective tax rate	實際稅率	25%	16%

Notes to the Consolidated Financial Statements

合併財務報表附註

For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

30. INCOME TAX EXPENSE (CONTINUED)

(a) Cayman Islands income tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Company Law of Cayman Islands and, accordingly, is exempted from payment of Cayman Islands income tax.

(b) Hong Kong profits tax

Enterprises incorporated in Hong Kong are subject to profits tax rates of 16.5% (2012: 16.5%).

(c) PRC corporate income tax

Enterprises incorporated in the PRC are generally subject to income tax rates of 25% (2012: 25%) except for enterprises with approval for preferential rate (Note (d) below).

The income tax provision of the Group in respect of its operations in the PRC has been calculated at the applicable tax rate on the estimated assessable profits based on existing legislations, interpretations and practices.

Since the deferred income tax assets and liabilities shall be measured at the tax rates that are expected to apply to the year when the assets is realised or the liability is settled, the change in the applicable tax rate will affect the determination of the carrying values of deferred tax assets and liabilities of the Group's subsidiaries located in the PRC.

(d) Tax effect of reduced tax rate

Certain subsidiaries of the Group enjoyed preferential income tax rates and have obtained approvals from the relevant tax authorities in the PRC. Yongsheng Chemical Fiber is entitled to a two-year exemption from income tax followed by a 50% reduction in income tax for subsequent three years, commencing from 2008. Yongsheng Dyeing obtained the certificate of qualifying as "advanced technology company" in 2012 and is subject to 15% corporate income tax rate for three years from 2012 to 2014.

30. 所得稅開支(續)

(a) 開曼群島所得稅

本公司於開曼群島根據開曼群島公司法註冊成立為獲豁免有限公司，因此獲豁免繳納開曼群島所得稅。

(b) 香港利得稅

於香港註冊成立之企業須按利得稅率 16.5% (二零一二年: 16.5%) 繳稅。

(c) 中國企業所得稅

於中國註冊成立之企業一般按所得稅率 25% (二零一二年: 25%) 繳稅，惟獲批享受優惠稅率之企業則除外(見下文附註(d))。

本集團就其於中國之經營作出之所得稅撥備乃根據現行法例、詮釋及慣例基於估計應課稅溢利按適用稅率計算。

由於遞延所得稅資產及負債應按預期適用於變現資產或清償負債年度之稅率計量，適用稅率的變動將影響本集團位於中國之附屬公司之遞延稅項資產及負債賬面值的釐定。

(d) 稅率減低的稅務影響

本集團若干附屬公司享有優惠所得稅率，並已取得中國有關稅務機關之批准。自二零零八年起，永盛化纖有資格豁免繳納兩年之所得稅，且隨後三年可寬免繳納50%之所得稅。永盛染整於二零一二年獲得「高新技術企業」資格證書，並自二零一二年至二零一四年三年間按15%之企業所得稅率繳稅。

30. INCOME TAX EXPENSE (CONTINUED)**30. 所得稅開支 (續)****(d) Tax effect of reduced tax rate (Continued)**

The effective corporate income tax rate for the companies with tax preferential treatment are as follows:

		2013 二零一三年	2012 二零一二年
Yongsheng Chemical Fiber	永盛化纖	25%	12.5%
Yongsheng Dyeing	永盛染整	15%	15%

No tax reductions and exemptions were granted to the other subsidiaries of the Company in the PRC for years ended 31 December 2013 and 2012.

享有優惠待遇的公司的實際企業所得稅率如下：

本公司在中國的其他附屬公司於截至二零一三年及二零一二年十二月三十一日止年度概無獲授予稅項寬減及豁免。

(e) PRC withholding income tax

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on the dividends declared to foreign investors from the foreign investment enterprises established in the PRC. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between the PRC and the jurisdiction of the foreign investors. The Group is therefore liable to withholding taxes on dividends distributed by those subsidiaries established in the PRC in respect of their earnings generated from the date when these subsidiaries became foreign owned enterprises in the PRC. As at 31 December 2013, deferred tax liabilities of approximately RMB4,836,000 (2012: RMB3,720,000) has not been recognized for withholding tax that would be payable on the unremitted earnings of the Group's subsidiaries in the PRC, as the directors do not intend to declare any dividends out of these unremitted earnings for the subsidiaries.

(e) 中國預扣所得稅

根據中國企業所得稅法，在中國成立的外資企業向海外投資者宣派的股息須繳納10%預扣稅。有關規定由二零零八年一月一日起生效，適用於二零零七年十二月三十一日後的盈利。倘中國與海外投資者的司法權區訂有稅務條約，則可能適用較低的預扣稅率。本集團因而有可能須就該等在中國成立的附屬公司就彼等成為中國境內的外商投資企業當日起賺取的盈利所派發的股息繳納預扣稅。於二零一三年十二月三十一日，遞延稅項負債約人民幣4,836,000元（二零一二年：人民幣3,720,000元）並未就本集團於中國之附屬公司之未匯付盈利將予支付之預扣稅確認，原因為董事並不擬從附屬公司之該等未匯付盈利中宣派任何股息。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

31. NET FOREIGN EXCHANGE GAINS/ (LOSSES)

The exchange differences credited/(charged) in the consolidated statement of comprehensive income are included as follows:

		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
Other gains/(losses), net (Note 25)	其他收益／(虧損)·淨額 (附註25)	1,207	(5,118)
Net exchange gains/(losses) on financing activities (Note 29)	融資活動之外匯收益／(虧損) 淨額(附註29)	1,013	(1,227)
		2,220	(6,345)

31. 外匯收益／(虧損)淨額

計入／(扣除)合併綜合收益表的匯兌差額如下：

32. EARNINGS PER SHARE

(a) Basic

Basic earnings per share for the years ended 31 December 2013 and 2012 is calculated by dividing the profit attributable to the owners of the Company by the weighted average number of ordinary shares in issue. In determining the weighted average number of ordinary shares in issue during the years ended 31 December 2013 and 2012, the 297,327,010 shares issued and allotted through capitalisation of the share premium account of the Company upon Listing on 27 November 2013 (Note 18 (g)) have been regarded as if these shares were in issue since 1 January 2012.

		2013 二零一三年	2012 二零一二年
Profit attributable to the shareholders of the Company (RMB'000)	本公司股東應佔溢利 (人民幣千元)	40,024	23,173
Weighted average number of ordinary shares in issue	已發行普通股加權 平均數	309,589,041	300,000,000
Basic earnings per share (RMB per share)	每股基本盈利 (每股人民幣)	0.13	0.08

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

The fully diluted earnings per share for years ended 31 December 2013 and 2012 are the same as the basic earnings per share as there are no dilutive potential ordinary shares.

32. 每股盈利

(a) 基本

截至二零一三年及二零一二年十二月三十一日止年度，每股基本盈利乃按本公司擁有人應佔溢利除以已發行普通股之加權平均數計算。於釐定截至二零一三年及二零一二年十二月三十一日止年度已發行普通股加權平均數時，透過資本化本公司股份溢價賬所發行及配發之297,327,010股股份自二零一三年十一月二十七日上市起(附註18(g))已視作猶如該等股份自二零一二年一月一日起已發行。

(b) 攤薄

每股攤薄盈利按調整發行在外普通股加權平均數以假設已轉換所有攤薄性潛在普通股而計算。

由於截至二零一三年及二零一二年十二月三十一日止年度並無攤薄性潛在普通股，因此每股全數攤薄盈利與每股基本盈利相同。

33. NOTES TO CONSOLIDATED CASH FLOW STATEMENTS**33. 合併現金流量表附註****(a) Reconciliation of cash generated from operations****(a) 經營所得現金對賬**

		2013	2012
		二零一三年	二零一二年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Profit before income tax	除所得稅前溢利	65,102	39,048
Adjustments for:	就以下項目作出的調整：		
– Depreciation of property, plant and equipment (Note 7)	– 物業、廠房及設備折舊 (附註7)	11,641	11,421
– Amortisation of land use rights (Note 6)	– 土地使用權攤銷 (附註6)	798	798
– Amortisation of intangible assets (Note 8)	– 無形資產攤銷 (附註8)	883	948
– (Gains)/losses on disposal of property, plant and equipment (Note 25)	– 出售物業、廠房及設備 (收益) / 虧損 (附註25)	(174)	3
– Provision for impairment of receivables (Note 26)	– 應收款項減值撥備 (附註26)	367	313
– Provision for/(Reversed) write-down of inventories to their net realisable value (Note 26)	– 存貨撇減至其可變現淨值撥備 / (撥回) (附註26)	133	(1,122)
– Net foreign exchange (gains)/losses	– 外匯 (收益) / 虧損淨額	(896)	1,688
– Interest income (Note 29)	– 利息收入 (附註29)	(6,897)	(22,612)
– Interest expenses (Note 29)	– 利息開支 (附註29)	20,630	41,339
Operating profits before working capital changes	營運資金變動前的經營溢利	91,587	71,824
Changes in working capital:	營運資金變動：		
– Inventories	– 存貨	37,622	98,757
– Trade and bills receivables	– 貿易應收款項及應收票據	118,822	(111,323)
– Prepayments, financial assets at fair value through profit or loss and other receivables	– 預付款項、按公平值計入損益的金融資產及其他應收款項	31,810	57,058
– Trade and bills payables	– 貿易應付款項及應付票據	(119,401)	33,445
– Advance receipts from customers	– 預先收取客戶款項	(142,432)	(54,024)
– Accruals and other payables	– 應計款項及其他應付款項	(27,284)	6,453
Cash flow generated from operations	經營所得現金流量	(9,276)	102,190

Notes to the Consolidated Financial Statements

合併財務報表附註

For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

33. NOTES TO CONSOLIDATED CASH FLOW STATEMENTS (CONTINUED)

(b) In the consolidated cash flow statements, proceeds from disposal of property, plant and equipment comprise:

		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
Net book amount disposed (Note 7)	所出售賬面淨值(附註7)	2,308	3
Gain/(loss) on disposal of property, plant and equipment (Note 25)	出售物業、廠房及設備的 收益/(虧損)(附註25)	174	(3)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備的 所得款項	2,482	-

34. DIVIDENDS

No dividend has been paid or declared by the Company for year ended 31 December 2013.

Dividends during the year ended 31 December 2012 represented dividends declared by the companies now comprising the Group to the then equity holders of the companies for the year ended 31 December 2012. The rates for dividend and the number of shares ranking for dividends are not presented as such information is not considered meaningful for the purpose of this financial statements.

33. 合併現金流量表附註(續)

(b) 合併現金流量表內，出售物業、廠房及設備的所得款項包括：

34. 股息

截至二零一三年十二月三十一日止年度，本公司並無派發或宣派股息。

截至二零一二年十二月三十一日止年度之股息指現組成本集團之公司就截至二零一二年十二月三十一日止年度向該等公司當時之股權持有人宣派之股息。由於有關資料對本財務報表而言並無意義，故此不呈列股息率及享有股息之股份數目。

35. COMMITMENTS**Operating lease commitments**

The Group leases certain office premises under non-cancellable operating lease agreements.

The Group's future aggregate minimum lease payments to be paid under non-cancellable operating leases were as follows:

		2013	2012
		二零一三年	二零一二年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Not later than 1 year	不遲於一年	1,066	652
1 – 2 years	一年至兩年	596	570
2 – 3 years	兩年至三年	399	599
		2,061	1,821

36. OPERATING LEASE

The future aggregate minimum lease rental receipts in respect of warehouses in Mainland China under non-cancellable operating leases are as follows:

		2013	2012
		二零一三年	二零一二年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
No later than 1 year	不遲於一年	1,277	1,447
Later than 1 year and no later than 5 years	遲於一年及不遲於五年	10	1,287
		1,287	2,734

35. 承擔**經營租賃承擔**

本集團根據不可註銷經營租賃協議租用若干辦公室物業。

本集團根據不可註銷經營租賃將予支付之未來最低租賃付款總額載列如下：

36. 經營租賃

有關不可撤銷經營租賃項下中國大陸倉庫之未來最低租約租金收款總額如下：

Notes to the Consolidated Financial Statements

合併財務報表附註

For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

37. RELATED PARTY TRANSACTIONS

37. 關連方交易

The Directors are of the view that the following companies are related parties of the Group:

董事認為以下公司為本集團的關連方：

Name 名稱	Relationship with the Group 與本集團的關係
Ever Thrive 恆盛	Controlled by the Controlling Shareholders 由控股股東控制
Yongsheng Group 永盛集團	Controlled by the Controlling Shareholders 由控股股東控制
Yongsheng Holdings 永盛控股	Controlled by the Controlling Shareholders 由控股股東控制
Hangzhou Yongsheng Weaving Limited 杭州永盛紡織有限公司	Controlled by the Controlling Shareholders 由控股股東控制
Hangzhou Yongsheng Haiyi Differential Fiber Fabric Limited 杭州永盛海一差別化纖維織物有限公司	Controlled by the Controlling Shareholders 由控股股東控制
Hangzhou Yongzhuo Chemical Fiber Limited 杭州永卓化纖有限公司	Controlled by the Controlling Shareholders 由控股股東控制
Yongsheng Trading (HK) 永盛貿易(香港)	30% owned by the Controlling Shareholders before acquisition by the Group 於本集團收購之前由控股股東擁有30%權益
HUVIS Corporation and its subsidiary 株式會社HUVIS及其附屬公司	Joint venture partner and its subsidiary 合資企業夥伴及其附屬公司
Hangzhou Xiaoshan HongChang Chemical Fiber Co.,Ltd. 杭州蕭山宏昌化纖有限公司	Controlled by Mr. Li Zhihong, one of the individual shareholders of the Group 由本集團的個人股東之一李志洪先生控制
City Prosper International Limited 城隆國際有限公司	50% owned by Mr. Li Cheng 由李誠先生擁有50%權益
Hangzhou Qingwang Trading Co., Ltd. 杭州慶旺貿易有限公司	50% owned by Ms. Li Yuzhen, sister of Mr. Li Cheng 由李誠先生的妹妹李玉珍女士擁有50%權益

**37. RELATED PARTY TRANSACTIONS
(CONTINUED)****37. 關連方交易 (續)****(a) Transactions with related parties**

Save as disclosed elsewhere in these consolidated financial statements, the Group had the following significant transactions with related parties:

(i) Purchase of goods**(a) 與關連方的交易**

除於該等合併財務報表其他地方所披露者外，本集團與關連方進行以下重大交易：

(i) 採購貨品

		2013	2012
		二零一三年	二零一二年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
HUVIS Corporation and its subsidiary	株式會社HUVIS及其附屬公司	49,002	29,297
Hangzhou Xiaoshan HongChang Chemical Fiber Co.,Ltd.	杭州蕭山宏昌化纖有限公司	4,174	-
Yongsheng Trading (HK)	永盛貿易(香港)	-	46,343
Hangzhou Yongsheng Weaving Limited	杭州永盛紡織有限公司	-	1,020
Hangzhou Yongsheng Haiyi Differential Fiber Fabric Limited*	杭州永盛海一差別化纖維織物有限公司*	-	171
		53,176	76,831

Notes to the Consolidated Financial Statements

合併財務報表附註

For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

37. RELATED PARTY TRANSACTIONS (CONTINUED)

37. 關連方交易 (續)

(a) Transactions with related parties (Continued)

(a) 與關連方的交易 (續)

(ii) Sale of goods

(ii) 銷售貨品

		2013	2012
		二零一三年	二零一二年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Yongsheng Trading (HK)	永盛貿易(香港)	-	114,734
Hangzhou Qingwang Trading Co., Ltd.	杭州慶旺貿易有限公司	-	26,574
Hangzhou Xiaoshan HongChang Chemical Fiber Co.,Ltd.	杭州蕭山宏昌化纖 有限公司	-	22,234
Hangzhou Yongsheng Haiyi Differential Fiber Fabric Limited*	杭州永盛海一差別化纖維 織物有限公司*	-	6,314
Hangzhou Yongsheng Weaving Limited	杭州永盛紡織有限公司	-	647
		-	170,503

* The Controlling Shareholders completed the disposal of its entire interests in Hangzhou Yongsheng Haiyi Differential Fiber Fabric Limited in early 2013 and thus this company ceased to be a related party of the Group thereafter.

* 控股股東於二零一三年年初完成出售其於杭州永盛海一差別化纖維織物有限公司的全部權益，故該公司其後不再為本集團的關連方。

(iii) Rental income

(iii) 租金收入

		2013	2012
		二零一三年	二零一二年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Yongsheng Group	永盛集團	905	-
Hangzhou Yongsheng Haiyi Differential Fiber Fabric Limited	杭州永盛海一差別化 纖維織物有限公司	-	120
Hangzhou Xiaoshan HongChang Chemical Fiber Co.,Ltd.	杭州蕭山宏昌化纖 有限公司	-	35
Hangzhou Yongzhuo Chemical Fiber Limited	杭州永卓化纖有限公司	-	5
		905	160

**37. RELATED PARTY TRANSACTIONS
(CONTINUED)****37. 關連方交易 (續)****(a) Transactions with related parties
(Continued)****(a) 與關連方的交易 (續)****(iv) Storage fee paid to related parties****(iv) 向關連方支付的儲存費用**

		2013	2012
		二零一三年	二零一二年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Yongsheng Group	永盛集團	309	-

(v) Interest charged from related parties**(v) 被關連方收取的利息**

		2013	2012
		二零一三年	二零一二年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Yongsheng Group	永盛集團	-	3,241

(vi) Interest income from related parties**(vi) 來自關連方的利息收入**

		2013	2012
		二零一三年	二零一二年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Yongsheng Group	永盛集團	-	8,321

(vii) Management fee paid to related parties**(vii) 向關連方支付的管理費**

		2013	2012
		二零一三年	二零一二年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Yongsheng Group	永盛集團	-	300

Notes to the Consolidated Financial Statements

合併財務報表附註

For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

37. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Transactions with related parties (Continued)

(viii) Sale of available-for-sale financial assets

		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
Yongsheng Holdings	永盛控股	-	4,000

(b) Year-end balances arising from related party transactions

The Group had the following significant balances with its related parties:

		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
Due from related parties 應收關連方款項			
Trade:	貿易:		
Yongsheng Group	永盛集團	-	14,877
Hangzhou Xiaoshan HongChang Chemical Fiber Co.,Ltd.	杭州蕭山宏昌化纖有限公司	-	4,829
Hangzhou Yongsheng Haiyi Differential Fiber Fabric Limited	杭州永盛海 一差別化纖維織物有限公司	-	1,616
Hangzhou Qingwang Trading Co., Ltd.	杭州慶旺貿易有限公司	-	956
		-	22,278
Non-trade:	非貿易:		
Mr. Li Cheng	李誠先生	-	6,482
Ever Thrive	恆盛	-	3,146
		-	31,906

37. 關連方交易 (續)

(a) 與關連方的交易 (續)

(viii) 銷售可供銷售金融資產

(b) 關連方交易產生的年終結餘:

本集團與其關連方的重大結餘如下:

**37. RELATED PARTY TRANSACTIONS
(CONTINUED)****37. 關連方交易 (續)****(b) Year-end balances arising from related party transactions (Continued)****(b) 關連方交易產生的年終結餘：
(續)**

		2013	2012
		二零一三年	二零一二年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Due to related parties 應付關連方款項			
Trade:			
貿易：			
HUVIS Corporation	株式會社HUVIS	7,513	8,005
Yongsheng Group	永盛集團	-	21,767
Hangzhou Yongsheng Haiyi Differential Fiber Fabric Limited	杭州永盛海一差別化纖維織物 有限公司	-	1
		7,513	29,773
Non-trade:			
非貿易：			
Yongsheng Holdings	永盛控股	-	3,146
City Prosper International Limited	城隆國際有限公司	-	2,994
		7,513	35,913

All trade balances with related parties are unsecured and bear no interest.

所有與關連方的貿易結餘為無抵押及免息。

All non-trade balances with related parties are unsecured, repayable on demand and bear no interest.

所有與關連方的非貿易結餘為無抵押，須按要求償還及免息。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

37. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Year-end balances arising from related party transactions (Continued)

Details of amount due from Mr. Li Cheng, a director is as follows:

Year ended 31 December 截至十二月三十一日止年度	At end of the year 年終 RMB'000 人民幣千元	At beginning of the year 年初 RMB'000 人民幣千元	Maximum outstanding during the year 年內最高未償付金額 RMB'000 人民幣千元	Terms 年期
2012 二零一二年	6,482	–	6,482	The balance was unsecured and interest free, which was repayable on demand. 結餘為無抵押及免息，須按要求的償還。
2013 二零一三年	–	6,482	6,482	

37. 關連方交易 (續)

(b) 關連方交易產生的年終結餘： (續)

應收董事李誠先生的款項的詳情如下：

(c) Key management compensation

		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
Salary and allowances 薪金及津貼		1,265	1,016
Discretionary bonus 酌情花紅		328	30
Social security insurance 社會保障保險		59	36
		1,652	1,082

(c) 主要管理層報酬

Four-year Financial Summary

四年財務概要

RESULTS

業績

		For the year ended 31 December 截至十二月三十一日止年度			
		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 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
Revenue	收益	1,767,423	2,210,853	2,037,346	1,565,630
Gross profit	毛利	128,837	109,145	114,409	137,624
Operating profit	經營溢利	77,822	58,788	93,231	119,378
Finance costs, net	融資成本淨額	(12,720)	(19,740)	(12,972)	(12,480)
Profit before income tax	除所得稅前溢利	65,102	39,048	80,259	106,898
Income tax expense	所得稅開支	(16,577)	(6,061)	(20,248)	(23,968)
Profit for the year	年內溢利	48,525	32,987	60,011	82,930
Attributable to: Shareholders of the Company	以下項目應佔溢利： 本公司股東	40,024	23,173	54,206	78,217
Non-controlling interests	非控股權益	8,501	9,814	5,805	4,713
Earnings per share Basic and diluted (RMB per share)	每股盈利 基本及攤薄 (每股人民幣)	0.13	0.08	0.18	0.26

Four-year Financial Summary

四年財務概要

ASSETS AND LIABILITIES

資產及負債

		As at 31 December 於十二月三十一日			
		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Non-current assets	非流動資產	178,423	190,113	198,575	194,899
Current assets	流動資產	545,028	891,166	1,071,870	968,688
Total assets	總資產	723,451	1,081,279	1,270,445	1,163,587
Current liabilities	流動負債	(368,178)	(829,977)	(1,060,990)	(1,016,544)
Non-current liabilities	非流動負債	(38,132)	(59,970)	(9,565)	(19,002)
Total liabilities	負債總額	(406,310)	(889,947)	(1,070,555)	(1,035,546)
EQUITY	權益				
Equity attributable to shareholders of the Company	本公司股東應佔權益	292,507	175,199	163,886	97,842
Non-controlling interests	非控股權益	24,634	16,133	36,004	30,199
Total equity	權益總額	317,141	191,332	199,890	128,041

The Company was incorporated in the Cayman Islands on 19 April 2012 and the consolidated statements of comprehensive income and consolidated balance sheets of the Group for the year ended 31 December 2010, 2011 and 2012 have been prepared as if the current group structure had been existed throughout the years.

The financial results of the company for the year ended 31 December 2010, 2011 and 2012 and financial position as at 31 December 2010, 2011 and 2012 are extracted from the Company's IPO Share Offer prospectus dated 15 November 2013. The consolidated financial statements of the Group are only available since the year ended 31 December 2010.

本公司於二零一二年四月十九日在開曼群島註冊成立，而本集團截至二零一零年、二零一一年及二零一二年十二月三十一日止年度之合併綜合收益表及合併資產負債表已按猶如現時集團架構已於該等年度內一直存在而編製。

本公司截至二零一零年、二零一一年及二零一二年十二月三十一日止年度之財務業績及於二零一零年、二零一一年及二零一二年十二月三十一日之財務狀況乃摘錄自本公司日期為二零一三年十一月十五日之首次公開招股股份發售招股章程。本集團之合併財務報表僅自截至二零一零年十二月三十一日止年度起可供查閱。



www.chinaysgroup.com