



TAIFENG

International Taifeng Holdings Limited

國際泰豐控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock code 股份代號: 873

INTERIM REPORT 中期報告

2010

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive:

Mr. Liu Qingping (*Chairman*)
Mr. Li Dengxiang
Mr. Liu Chunwei
Ms. Qi Tongli
Mr. Zou Shengzhong

Independent and non-executive:

Mr. Chan Kin Sang
Mr. Li Yuchun
Mr. Dai Shunlin

COMPANY SECRETARY

Mr. Pang Wai Hong, *FCCA*

AUDIT COMMITTEE

Mr. Li Yuchun (*Chairman*)
Mr. Chan Kin Sang
Mr. Dai Shunlin

REMUNERATION COMMITTEE

Mr. Dai Shunlin (*Chairman*)
Mr. Li Yuchun
Mr. Liu Qingping

NOMINATION COMMITTEE

Mr. Chan Kin Sang (*Chairman*)
Mr. Dai Shunlin
Mr. Liu Qingping

LEGAL ADVISERS TO THE COMPANY

As to Cayman law:
Conyers Dill & Pearman

As to PRC law:
Tian Yuan Law Firm

AUDITORS

Deloitte Touche Tohmastu

AUTHORISED REPRESENTATIVES

Ms. Qi Tongli
Mr. Pang Wai Hong

公司資料

董事會

執行董事：

劉慶平先生 (*主席*)
李登祥先生
劉純衛先生
亓同麗女士
鄒生忠先生

獨立非執行董事：

陳健生先生
李玉春先生
戴順林先生

公司秘書

彭偉康先生，*FCCA*

審核委員會

李玉春先生 (*主席*)
陳健生先生
戴順林先生

薪酬委員會

戴順林先生 (*主席*)
李玉春先生
劉慶平先生

提名委員會

陳健生先生 (*主席*)
戴順林先生
劉慶平先生

本公司之法律顧問

開曼法律：
Conyers Dill & Pearman

中國法律：
天元律師事務所

核數師

德勤•關黃陳方會計師行

授權代表

亓同麗女士
彭偉康先生

REGISTERED OFFICE

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

PRINCIPAL PLACE OF BUSINESS

In the People's Republic of China:
Economic and High-technology Development
Zone, Laiwu City,
Shandong Province
People's Republic of China

In Hong Kong:

Room 911, 9/F., Block A, Hunghom
Commercial Centre, 39 Ma Tau Wai Road,
Hung Hom, Kowloon, Hong Kong

COMPLIANCE ADVISER

CIMB Securities (HK) Limited

**HONG KONG BRANCH SHARE REGISTRAR
AND TRANSFER OFFICE**

Computershare Hong Kong
Investor Services Limited

PRINCIPAL BANKERS*In the People's Republic of China:*

Bank of China,
Laiwu Branch

Industrial and Commercial Bank of China,
Laiwu Branch

Laishang Bank

In Hong Kong:

Bank of Communication Co., Limited,
Hong Kong Branch

STOCK CODE

873

COMPANY WEBSITE ADDRESS

<http://www.taifeng.cc>

註冊辦事處

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

主要營業地點

於中華人民共和國：
中華人民共和國
山東省萊蕪市
高新科技開發區

於香港：

香港九龍馬頭圍道39號
紅磡商業中心A座
九樓九一一室

合規顧問

聯昌國際證券(香港)有限公司

香港股份過戶登記分處

香港中央證券登記有限公司

主要銀行

於中華人民共和國：

中國銀行
萊蕪分行

中國工商銀行
萊蕪分行

萊商銀行

於香港：

交通銀行股份有限公司
香港分行

股份代號

873

公司網站

<http://www.taifeng.cc>

CORPORATE PROFILE

Based in Shandong Province and founded in 2001, International Taifeng Holdings Limited (“Taifeng” or the “Company”, and together with its subsidiaries, the “Group”) has grown from being a cotton yarn manufacturer to be one of the leading manufacturers and distributors of quality bedding products and cotton yarn products in the PRC today, with its “Taifeng” brand being recognized as a “China Well-known Trademark” by the Trademark Bureau of the PRC Administration of Industry and Commerce.

Taifeng is the eighth largest bedding products manufacturer in the PRC, with an annual production capacity of over 2 million sets. It supplies over 1,000 varieties of quality bedding products including bed covers, flat sheets, pillows, pillow cases, bed sheets, quilts and quilt covers. Besides mainly selling under its “Taifeng” brand name for the middle-end market, being the segment with highest value within the PRC bedding products market, it also sells bedding products under the authorized German brand “IBENA” for the high-end market. Meanwhile, the Group also manufactures OEM bedding products for the overseas market.

The extensive distribution network of the Group covers 20 provinces and municipalities in the PRC. As of 30 June, 2010, it comprises 50 distributors and 155 retail stores and counters either operated directly by the Group or by distributors, and these stores and counters are strategically located with some located within well-known department stores such as Walmart and INZONE Department Store.

公司簡介

國際泰豐控股有限公司（「泰豐」或「本公司」，連同其附屬公司，則「本集團」）位於山東省並始創於2001年，由初時為一間棉紗製造商，發展成為中國現時之領先之優質床品及棉紗產品製造商及分銷商之一。其「泰豐」品牌獲中國工商行政管理總局商標局授予「中國馳名商標」稱號。

泰豐為中國第八大床品製造商，年產能超過200萬套，而所供應之優質床品種類更超過1,000款，當中包括了床單、床單、枕頭、枕套、被單、被褥及被套。本集團除了主要以「泰豐」品牌主攻中國床品市場價值最大之中端市場外，還輔以授權許可之德國「IBENA」品牌攻佔高端市場。同時，本集團也為海外市場生產貼牌床品。

本集團之銷售網路廣闊，覆蓋中國20個省市。截至二零一零年六月三十日，本集團有合共50名分銷商及155間由本集團直營及分銷商經營之專賣店及專櫃，而這些專賣店及專櫃均設於策略性地點，而部分更位於知名百貨公司如沃爾瑪及銀座百貨內。

Taifeng is also the fourth largest fine-count and high-count cotton yarns manufacturer in the PRC, with an annual production capacity of more than 30,000 tons, and supplying over 120 varieties of quality cotton yarn products.

泰豐亦為中國第四大細支紗及高支紗製造商，年產能超過30,000噸，而所供應之優質棉紗產品種類超過120款。

The strong provincial R&D capabilities and production expertise also distinguishes the Group's products from those of many other manufacturers. As a testament to its high standards, the Group has won numerous awards and accolades including:

強大之省級研發能力及生產技術亦是令本集團產品脫穎而出之處。本集團奪得的多項獎項及稱號，足以作為對本集團高品質水平的印證：

- The "Exemption Certificate for Product Quality Inspection" for "Taifeng" branded bedding products;
- The "Shandong Famous Brand Product" for its bedding and cotton yarn products;
- The "China Famous Brand Product" for its combed yarn.
- 就「泰豐」品牌床品取得「產品品質免檢證書」；
- 就床品及棉紗產品取得「山東名牌產品」稱號；
- 就精梳紗取得「中國名牌產品」稱號。

The recent successful listing of the Group on the Main Board of the Hong Kong Stock Exchange on 11 June, 2010 is an important milestone in its continuing development and growth, which has enhanced the reputation of the "Taifeng" brand name.

本集團於2010年6月11日於香港聯交所主板之成功上市，乃本集團持續發展及成長之重要里程碑，並提升了其「泰豐」品牌之知名度。

With rapid growth of the bedding product market in the PRC, the Group will continue to develop network for sales of its bedding products, promote its brands and grow the market for its high value-added products, so as to enhance promotion of Taifeng's brand image and standing, and strive to become the leading bedding products manufacturer and distributor with an established sales network in the PRC.

隨著中國床品市場的快速增長，本集團將繼續開發床品產品之銷售網路、推廣其品牌，並擴展高附加值產品之市場，以加強推廣泰豐的品牌形象及地位，致力成為中國領先之床品製造商及備有完善銷售網路之分銷商。

FINANCIAL HIGHLIGHTS

- **Successfully listed on the main board of the Hong Kong Stock Exchange on 11 June, 2010**
- **Revenue** increased by 26.5% to **RMB781.9 million** for the six months ended 30 June, 2010 from **RMB618.4 million** for the six months ended 30 June, 2009
- **Gross profit margin** increased by 3.6 percentage points to **30.9%** for the six months ended 30 June, 2010 from **27.3%** for the six months ended 30 June, 2009
- **Net profit margin** increased by 3.3 percentage points to **19.8%** for the six months ended 30 June, 2010 from **16.5%** for the six months ended 30 June, 2009
- **Profit attributable to owners of the Company** increased by 51.8% to **RMB155.0 million, outperforming the Profit Forecast of RMB140.0 million** as stated in the listing prospectus
- **Basic earnings per share** jumped by 46.3% to **RMB0.199** for the six months ended 30 June, 2010 from **RMB0.136** for the six months ended 30 June, 2009
- **Interim dividend** of **RMB0.054 per share** declared by the Board representing **payout ratio of approximately 34.8% of the 2010 interim profit**

財務摘要

- 於二零一零年六月十一日在香港聯交所主板成功上市
- 收益由截至二零零九年六月三十日止六個月之人民幣**6.184億元**增長26.5%至截至二零一零年六月三十日止六個月之人民幣**7.819億元**
- 毛利率由截至二零零九年六月三十日止六個月之**27.3%**增長3.6個百分點至截至二零一零年六月三十日止六個月之**30.9%**
- 純利率由截至二零零九年六月三十日止六個月之**16.5%**增長3.3個百分點至截至二零一零年六月三十日止六個月之**19.8%**
- 本公司擁有人應佔溢利增長51.8%至人民幣**1.55億元**，表現優於上市招股章程內訂明之盈餘預測人民幣**1.4億元**
- 每股基本盈利由截至二零零九年六月三十日止六個月之人民幣**0.136元**躍升46.3%至截至二零一零年六月三十日止六個月之人民幣**0.199元**
- 董事會宣派中期股息每股人民幣**5.4分**，即二零一零年中期溢利之派息率約為**34.8%**

Interim Results Highlights

中期業績摘要

		Six months ended 30 June, 截至六月三十日止六個月		
		2010 二零一零年	2009 二零零九年 (Unaudited) (未經審核)	Change 變動
		<i>RMB'000</i> 人民幣千元	<i>RMB'000</i> 人民幣千元	%
Revenue	收益	781,949	618,354	26.5
Gross profit	毛利	241,465	168,636	43.2
Profit from operations ⁽¹⁾	經營溢利 ⁽¹⁾	214,829	152,341	41.0
Profit attributable to equity holders of the Company	本公司權益持有人應佔溢利	155,032	102,104	51.8
Earnings per share – Basic (RMB cents)	每股盈利 – 基本 (人民幣分)	0.199	0.136	46.3%

⁽¹⁾ Profit from operations is derived from profit before tax, interest expenses & listing expenses. ⁽¹⁾ 經營溢利來自除稅前溢利、利息開支及上市費用。

Financial Ratios

財務比率

		Six months ended 30 June, 截至六月三十日止六個月	
		2010 二零一零年	2009 二零零九年 (unaudited) (未經審核)
Gross profit margin – overall	毛利率 – 整體	30.9%	27.3%
Gross profit margin – cotton yarns	毛利率 – 棉紗	18.0%	8.1%
Gross profit margin – bedding products	毛利率 – 床品	48.7%	50.8%
Operating margin	經營利率	27.5%	24.6%
Net margin	淨利率	19.8%	16.5%
ROE ⁽¹⁾	股東權益回報率 ⁽¹⁾	25.9%	34.9%
ROA ⁽²⁾	資產回報率 ⁽²⁾	18.0%	21.0%

		For the Six months ended 30 June, 2010 截至 二零一零年 六月三十日 止六個月	For the year ended 31 December, 2009 截至 二零零九年 十二月三十一日 止年度
Trade receivables turnover (days) ⁽²⁾	應收賬款週轉日(日) ⁽²⁾	36	40
Trade payables turnover (days) ⁽⁴⁾	應付賬款週轉日(日) ⁽⁴⁾	29	31
Inventory turnover (days) ⁽⁵⁾	存貨週轉日(日) ⁽⁵⁾	32	47
Current ratio (times)	流動比率(倍)	2.4	1.4
Gearing ⁽⁶⁾	資本負債 ⁽⁶⁾	9.6%	13.9%
Debt-to-equity ⁽⁷⁾	負債對權益 ⁽⁷⁾	13.8%	23.7%

- (1) ROE is calculated based on profit after tax divided by total equity. (1) 股東權益回報率根據除稅後溢利除以總權益計算。
- (2) ROA is calculated based on profit after tax divided by total assets. (2) 資產回報率根據除稅後溢利除以總資產計算。
- (3) Trade receivables turnover is calculated based on the average of the beginning and ending balance of trade receivables for a given period, divided by revenue during the given period and multiplied by 181 days. (3) 應收賬款週轉日按該指定期間開始及結束之應收賬款結餘之平均值除指定期間內收益再乘以181日計算。
- (4) Trade payables turnover is calculated based on the average of the beginning and ending balance of trade payables for a given period divided by cost of sales during the given period and multiplied by 181 days. (4) 應付賬款週轉日按該指定期間開始及結束之應付賬款結餘之平均值除指定期間內之銷售成本再乘以181日計算。
- (5) Inventory turnover is calculated based on the average of the beginning and ending balance of inventory, net of impairment, for a given period, divided by cost of sales during the given period and multiplied by 181 days. (5) 存貨週轉日按該指定期間開始及結束之存貨結餘之平均值(扣除減值)除指定期間內銷售成本再乘以181日計算。
- (6) Calculated as the total debts for the period, divided by total assets for the period and multiplied by 100%. Debts are defined to include current and non-current borrowings. (6) 以期內債項總額除期內資產總值乘以100%計算。債項之定義包括流動及非流動借貸。
- (7) Calculated as the total debts for the period, divided by the equity for the period and multiplied by 100%. Debts are defined to include current and non-current borrowings. (7) 以期內債項總額除期內權益乘以100%計算。債項之定義包括所有流動及非流動借貸。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

The Group is pleased to report the first set of audited interim results for the six months ended 30 June, 2010 following its successful listing on the Stock Exchange on 11 June, 2010. The Group's listing marks a major milestone in its corporate history which has enhanced the reputation of the "Taifeng" brand, strengthened its capital base and contributed to upholding sound corporate governance practices.

Market Review

Compared with the corresponding period last year, there was substantial improvement in the PRC economy in terms of domestic demand. According to the National Bureau of Statistics, for the first half of the year, an actual rise of 7.5% was recorded for urban residents' per capita disposable income, while total retail sales grew at a relatively high growth rate of 18.2%, thus benefitting many industries including the textile industry. With robust developments in terms of housing sales volume, hotel and tourism, wedding and consumer-based industries and the rise in living standards and tastes, the demand for quality bedding products as well as higher thread-count yarns used for the manufacture of quality cotton textile and consumer based products has increased. While consumer prices rose mildly by 2.6%, there was also an increase of selling prices for middle to high-end bedding products and fine-count and high-count yarns.

However, the recovery of the textile industry and the increase in prices also brought about the increase in various production costs. During the period under review, there were increases in prices for raw cotton and fabrics, being the main raw materials for the Group, and other necessary costs such as energy and labour. To manage such changes, the Group had a set of raw materials procurement strategies, and devoted resources to production management and internal control in order to maximize production returns.

本集團欣然呈報其於二零一零年六月十一日在聯交所成功上市後首份截至二零一零年六月三十日止六個月之經審核中期業績。本集團上市是公司發展歷史上一个重要里程碑，提高了「泰豐」品牌之知名度，鞏固了資本基礎，並有助維持良好之企業管治常規。

市場回顧

與去年同期相比，體現在內需方面的中國經濟環境已大幅改善。根據國家統計局數據，上半年，城鎮居民之人均可支配收入實際增長7.5%，而社會消費零售總額則保持了較高的18.2%增速，令包括紡織等多個行業均相繼受惠。加上房屋銷售量、旅遊酒店業、婚慶及消費類行業的蓬勃發展以及中國人民生活水平及品味的提升，這一切都帶動了市場對優質床品，以至用以製成優質棉紡織品及消費品的較高支數棉紗的需求。在居民消費價格溫和上漲2.6%的同時，中高端床品以及細支及高支紗的售價均有所提升。

然而，紡織業的回暖及物價的提升亦帶動了各項生產成本的上調。於回顧期間內，本集團的主要原材料原棉及布料，以及能源、勞動力等不可或缺的成本都有所上升。為此，本集團備有原材料的採購策略，並將資源投放於生產管理及內部監控，務求將生產效益最大化。

Business Review

Focus on expanding sales and retail network and development of high value-added products drove outstanding results

With the continuing rise in income and living standards of PRC residents, and with robust development of the property and hotel and tourism industries, demand for quality bedding products is rising. In order to capitalise on such growth opportunities and the expanding demand, during the period under review, the Group focused on proactively expanding its sales network for bedding products in different provinces in the PRC and developing quality bedding products. The Group saw tremendous growth opportunities in expanding its retail sales network for bedding products and benefited from its expansion into this segment, whereby revenue for branded bedding products increased. For the first half of 2010, sales for branded bedding products rose by 20.3% to approximately RMB292.4 million, and the current amount of confirmed branded bedding products' orders-on-hand is also very promising. Demand for cotton yarn has also been growing with the recovery in the domestic cotton textile industry, especially with the rise in demand for quality cotton textile products. The Group has benefited from its strategy of focusing on production of higher thread-count yarns and other quality cotton yarns with high value-added characteristics. By being able to sell these products with higher selling prices, it has brought about a leap forward in both revenue and gross profit margin of cotton yarn.

業務回顧

擴展銷售網絡並開發高附加值產品，帶動業績增長超乎預期

隨著中國國民經濟收入及生活水平的不斷提升，以及房地產及旅遊酒店業的蓬勃發展，優質床品的需求日趨旺盛。為了抓緊這個機遇及應付不斷擴張的需求，本集團在回顧期間內積極擴展於中國多個省份之床品銷售網絡，並致力開發優質床品，使本集團能從當中的龐大機遇中受惠，推動品牌床品收入上升。二零一零年上半年品牌床品之銷售額攀升20.3%至約人民幣292,400,000元，而目前已確認的品牌床品手頭訂單額亦非常可觀。另一方面，棉紗的需求亦隨著國內棉紡織行業的回暖，尤其是優質棉紡織品的需求的提升而有所增加。憑藉生產較高支數棉紗及其他高增值棉紗為主的策略，本集團從中受惠，而由於能夠以較高售價出售，從而帶動了棉紗收入及毛利率的躍升。

Focused on branding to tailor for different markets

With the huge development potential for middle to high-end bedding products, and especially quality bedding products with brands which are more trusted and recognized by consumers, the Group is focused on the branded bedding products business. This has resulted in a significant increase in revenue for branded bedding products during the period under review. During the period under review, the Group mainly adopted the “Taifeng” brand name, which was awarded the “China Well-known Trademark”, and the authorized German “IBENA” brand name, to target the higher profit margin middle to high-end customer market segment.

Diversified marketing activities to enhance brand reputation

Given the competitive domestic bedding products market in the PRC, in addition to possessing products of quality, the importance of effective sales and marketing strategies cannot be understated. Although the “Taifeng” brand is already a “China Well-known Trademark”, the Group is focused on enhancing and growing its brand image and positioning. During the period under review, the Group carried out various promotional activities, which include the opening of retail stores in popular areas of shopping malls for image building and product display. The Group also advertised in various newspapers, public modes of transportation, highway bridges and websites, and carried out promotional activities within its retail stores to raise the brand’s equity and reputation, with the aim of maximizing the Group’s returns.

重視品牌發展戰略，迎合不同市場需要

鑒於中國中高端床品市場的發展潛力龐大，尤其是具有品牌的優質床品更為消費者所信賴和認可，故本集團專注於品牌床品業務的發展，而期內品牌床品銷售收入因此大幅上升。於回顧期間，本集團主要以榮獲「中國馳名商標」的「泰豐」品牌及獲特許授權的德國「IBENA」品牌，以打入利潤率較高的中高端客戶市場。

多元化銷售推廣活動，加強品牌知名度

國內床品市場競爭激烈，在擁有優質產品的基礎上，有效的市場推廣和營銷策略尤為重要。雖然本集團已成功建立「泰豐」品牌為「中國馳名商標」，本集團仍然致力推廣並增強品牌的形象和定位。於回顧期間內，本集團進行多方面的品牌宣傳活動，包括在商業旺區開設專賣店，以塑造品牌形象和展示產品，並透過於報章刊登廣告、於公交車及高速公路橋樑投放戶外廣告，以及進行網站、店舖宣傳等活動，務求向消費者傳遞本集團的品牌形象，提升品牌價值和知名度，實現本集團業務的最大收益。

Meanwhile, the Group participated in a number of local and international exhibitions, such as the “92nd China Knitted Cotton Products Trading Fair and the 22nd China Silk Trading Fair” and the “2010 Shandong-Hong Kong International Fair for Investment and Trade – International Fair for Exhibition and Trade of Famous Brands”. Not only did the Group display its latest bedding products, the Group also made valuable exchanges with its industry peers and established contacts with potential customers.

Proactive extension of sales network to expand the bedding products market

As part of the Group’s bedding products sales strategy, the Group continued to expand retail distribution network in many regions such as Shanghai, Beijing, Shandong and the Northeast during the period under review. A total of 5 new bedding products distributors were added, and these distributors opened up a total of 5 stores selling the Group’s “Taifeng” bedding products. At the same time, during the period under review, the Group has added 52 stores and counters that it directly operates, selling both the “Taifeng” and “IBENA” branded bedding products. The significant increase in number of stores and counters not only gives consumers greater access to the Group’s bedding products, but also further promotes the reputation and sales of the Group’s brands.

本集團亦參展了多個本地及國際性的展覽，如「第92屆中國針棉織品交易會暨第22屆中國絲綢交易會」及「2010山東-香港國際投資貿易洽談會『國際知名品牌展示及貿易洽談會』」，以展示出本集團之最新床品，並向一眾同業交流，以及與潛在客戶建立聯繫。

積極擴充銷售網絡，以拓展床品市場

為配合本集團床品銷售的策略，於回顧期間內，本集團繼續在上海、北京、山東、東北等多個地區擴充零售分銷網絡。於回顧期間內，本集團共新增5名床品分銷商，而這些分銷商亦合共新開設了5間專賣店，售賣本集團的「泰豐」床品。同時，本集團亦新增了52間直營專賣店及專櫃，售賣「泰豐」及「IBENA」的床品。專賣店及專櫃數目的躍升，不但讓消費者能更容易接觸到本集團的床品，更有助進一步推進本集團品牌的知名度及銷售額。

	As of 30 June, 2010 截至 二零一零年 六月三十日	As of 31 December, 2009 截至 二零零九年 十二月 三十一日	Increase during the period under review 期內 新增數目
Directly-operated retail stores and counters	134	82	52
Distributors (retail stores and counters operated by distributors)	50 (21)	45 (16)	5 (5)

Dedicated R&D – key contributor to corporate success

We remain focused on scientific development and upgrading our product technology. With consumers becoming more conscious towards the texture, comfort, style and functionality of bedding products, the Group made greater efforts in product research and development in order to elevate the Group's products' competitiveness, so as to introduce products with more varieties and higher quality to meet market and seasonal changes. During the period under review, the Group developed four new types of functional bedding products. These products have their own characteristics in areas such as anti-microbial, anti-fungal, anti-odor, anti-radiation properties and infra-red function, which can provide consumers with choices in accordance with their different needs. At the same time, in view of the constant rise in quality standards for quality cotton textile products, the Group also developed numerous varieties of slub yarn products, which are widely applied in various types of fabrics to produce different kinds of quality fabrics to cater for market needs.

致力研發產品及技術，是企業成功的關鍵

本集團繼續堅持科學發展、技術升級，而隨著消費者對床品的手感、舒適度、款色、功能等的要求不斷提高，為提高本集團產品的競爭力，本集團加大了產品研發力度，務求推出更多產品款式及加強產品質量，順應市場和季節變化。於回顧期間內，本集團分別研發了四款功能性床品。這些產品在抗菌、防霉、脫臭、防輻射、遠紅外線功能等多方面均各有特色，故能針對消費者的不同需要。同時，鑑於市場對優質棉紡織品的質量要求不斷提高，本集團亦研發了多款廣泛應用於各類面料之竹節紗產品，以製作出各式各樣的優質面料，滿足市場需要。

Financial Review

Revenue

Revenue increased by 26.5% to RMB781.9 million for the six months ended 30 June, 2010 from RMB618.4 million for the six months ended 30 June, 2009 as a result of the following:

- Revenue in the cotton yarns segment increased significantly by 33.2% to RMB453.7 million for the six months ended 30 June, 2010 from RMB340.5 million for the same period last year. The increase was driven by a 26.3% increase in the average realized selling price of cotton yarns, reflecting primarily increases in the market prices of fine-count and high-count cotton yarns as a result of a strong growth in the PRC cotton yarn industry for the six months ended 30 June, 2010.
- Revenue in the bedding products segment increased by 18.2% to RMB328.3 million for the six months ended 30 June, 2010 from RMB277.8 million for the same period last year. Revenue in the sales of branded bedding products continued to grow and recorded a 20.3% increase to RMB292.4 million for the six months ended 30 June, 2010 from RMB243.1 million for the corresponding period last year. The increase reflected the strong market demand of the Group's branded bedding products.

財務回顧

收益

收益由截至二零零九年六月三十日止六個月之人民幣618,400,000元增加26.5%至截至二零一零年六月三十日止六個月之人民幣781,900,000元。原因如下：

- 棉紗分部之收益由去年同期之人民幣340,500,000元大幅增加33.2%至截至二零一零年六月三十日止六個月之人民幣453,700,000元。增幅乃由於棉紗之平均實際售價上漲26.3%，主要反映細支及高支棉紗市價因截至二零一零年六月三十日止六個月中國棉紗行業之強勁增長而上漲。
- 床品分部之收益由去年同期之人民幣277,800,000元增加18.2%至截至二零一零年六月三十日止六個月之人民幣328,300,000元。品牌床品銷售之收益持續增加，並由去年同期之人民幣243,100,000元增加20.3%至截至二零一零年六月三十日止六個月之人民幣292,400,000元。增幅反映市場對本集團品牌床品需求強勁。

The following table sets forth a breakdown of the revenue by products: 下表載列按產品劃分之收益明細：

		For the six months ended 30 June, 截至六月三十日止六個月			
		2010 二零一零年		2009 二零零九年	
		Revenue 收益 (RMB'000) 人民幣千元	(% to total) (佔總收益 百分比)	Revenue 收益 (RMB'000) 人民幣千元	(% to total) (佔總收益 百分比)
Cotton Yarns 棉紗					
Product category 產品種類	Yarn Count 支數				
Coarse-count yarns 粗支紗	18 or below 18支或以下	16,202	2.0	9,875	1.6
Medium-count yarns 中支紗	19 up to 28 19支至28支	29,309	3.8	16,543	2.7
Fine-count yarns 細支紗	29 up to 60 29支至60支	211,635	27.1	134,823	21.8
High-count yarns 高支紗	61 or above 61支或以上	196,542	25.1	179,284	29.0
Sub-total 小計		453,688	58.0	340,525	55.1
Bedding Products 床品					
OEM bedding products 貼牌床品		35,821	4.6	34,696	5.6
Branded bedding products 品牌床品		292,440	37.4	243,133	39.3
Sub-total 小計		328,261	42.0	277,829	44.9
Total 總計		781,949	100.0	618,354	100.0

The average realized selling price and gross profit margin of cotton yarns is set out below: 棉紗之平均實際售價及毛利率載列如下：

For the six months ended 30 June,
截至六月三十日止六個月

Product category 產品種類	Yarn count 支數	2010 二零一零年		2009 二零零九年	
		Gross profit margin 毛利率 (%)	Average realised selling price 平均實際售價 (RMB per tonne) (每噸人民幣元)	Gross profit margin 毛利率 (%)	Average realised selling price 平均實際售價 (RMB per tonne) (每噸人民幣元)
Coarse-count yarns 粗支紗	18 or below 18支或以下	11.5	13,466	1.0	11,457
Medium-count yarns 中支紗	19 up to 28 19支至28支	13.7	20,490	3.7	15,496
Fine-count yarns 細支紗	29 up to 60 29支至60支	14.8	23,862	2.7	18,380
High-count yarns 高支紗	61 or above 61支或以上	22.7	42,554	13.0	29,780
Segment weighted average	分部加權平均	18.0	28,142	8.1	22,279

The average realized selling price and gross profit margin of bedding products is set out below: 床品之平均實際售價及毛利率載列如下:

For the six months ended 30 June,
截至六月三十日止六個月

		2010 二零一零年		2009 二零零九年	
		Gross profit margin 毛利率 (%)	Average realised selling price 平均實際售價 (RMB per piece/set) (每件/套 人民幣元)	Gross profit margin 毛利率 (%)	Average realised selling price 平均實際售價 (RMB per piece/set) (每件/套 人民幣元)
OEM bedding products	貼牌床品	7.1	70	10.0	81
Branded bedding products	品牌床品	53.8	383	56.0	372
Segment weighted average	分部加權平均	48.7	258	50.8	256

Cost of sales, gross profit and gross profit margin 銷售成本·毛利及毛利率

The following table sets forth a breakdown of the cost of sales: 下表載列銷售成本明細：

		For the six months ended 30 June, 截至六月三十日止六個月			
		2010 二零一零年		2009 二零零九年	
		(RMB'000) (人民幣千元)	% to total 佔總額百分比	(RMB'000) (人民幣千元)	% to total 佔總額百分比
Raw materials:	原材料：				
raw cotton	原棉	254,044	47.0	206,475	45.9
fabrics	布料	154,678	28.6	123,701	27.5
Sub-total	小計	408,722	75.6	330,176	73.4
Fuel and utilities	燃料及公用服務	49,999	9.2	42,023	9.3
Direct labour	直接勞工	35,533	6.6	32,132	7.1
Other production overheads	其他生產開支	46,230	8.6	45,387	10.2
Sub-total	小計	131,762	24.4	119,542	26.6
Total	總計	540,484	100.0	449,718	100.00

Gross profit increased by 43.2% to RMB241.5 million for the six months ended 30 June, 2010 from RMB168.6 million for the six months ended 30 June, 2009. Gross profit margin increased to 30.9% from 27.3%.

毛利由截至二零零九年六月三十日止六個月之人民幣168,600,000元增加43.2%至截至二零一零年六月三十日止六個月之人民幣241,500,000元。毛利率由27.3%上升至30.9%。

Gross profit of the Group's cotton yarns segment increased significantly by 195.7% to RMB81.7 million for the six months ended 30 June, 2010 from RMB27.6 million for the corresponding period last year. The increase reflected primarily a strong growth in the PRC cotton yarn industry for the six months ended 30 June, 2010. Gross profit margin improved to 18.0% from 8.1%.

本集團棉紗分部之毛利由去年同期之人民幣27,600,000元大幅增加195.7%至截至二零一零年六月三十日止六個月之人民幣81,700,000元。增幅主要反映截至二零一零年六月三十日止六個月中國棉紗行業之強勁增長。毛利率由8.1%上升至18.0%。

Gross profit of the Group's bedding products segment increased by 13.3% to RMB159.8 million for the six months ended 30 June, 2010 from RMB141.0 million for the same period last year. Gross profit of the branded bedding products reached RMB157.2 million for the six months ended 30 June, 2010, representing an increase of 14.3% as compared to RMB137.5 million a year ago. The increase reflected primarily the growth of the Group's branded bedding products in China brought about by the expansion of the Group's sales network. Gross profit margin of the Group's bedding products segment was 48.7% and the gross profit margin of the Group's branded bedding products was 53.8%.

Other income

Other income comprises mainly interest income, gains from sales of scrap materials and subcontracting income. Other income decreased by 23.2% to RMB4.8 million for the six months ended 30 June, 2010 from RMB6.3 million in the same period last year. The decrease was mainly due to a decrease of RMB4.4 million in the interest income recorded on the balance due from Taifeng Textile Group Company Limited ("TTG"), for which interest accrued monthly, in arrears, at a fixed annual rate of 6.0%. The effects of the foregoing, however, were partially offset by an increase of RMB1.7 million in the sales of scrap materials for the six months ended 30 June, 2010. The amount due from TTG as of 30 June, 2009 was fully repaid in July, 2009.

本集團床品分部之毛利由去年同期之人民幣141,000,000元增加13.3%至截至二零一零年六月三十日止六個月之人民幣159,800,000元。截至二零一零年六月三十日止六個月，品牌床品之毛利達人民幣157,200,000元，較一年前之人民幣137,500,000元增長14.3%。增幅主要反映基於本集團擴展銷售網絡，帶動本集團品牌產品在中國市場之增長。本集團床品分部之毛利率為48.7%，而本集團品牌床品之毛利率為53.8%。

其他收入

其他收入主要包括利息收入、銷售廢料所得收益及分包收入。其他收入由去年同期之人民幣6,300,000元減少23.2%至截至二零一零年六月三十日止六個月之人民幣4,800,000元。減幅主要是由於就按固定年利率6.0厘每月計息之應收泰豐紡織集團有限公司（「泰豐紡織集團」）之款項結餘錄得利息收入減少人民幣4,400,000元所致。然而，上述影響部份被截至二零一零年六月三十日止六個月之廢料銷售增加人民幣1,700,000元所抵銷。截至二零零九年六月三十日應收泰豐紡織集團款項已於二零零九年七月悉數償還。

Distribution and selling expenses

Distribution and selling expenses comprise mainly freight, import/export declaration and delivery charges, sales commission and wages paid to sales staff, expenses related to marketing and promotion such as advertisements and exhibitions, and testing expenses. Distribution and selling expenses increased by 22.6% to RMB11.7 million for the six months ended 30 June, 2010 as compared to RMB9.5 million in the same period last year. The increase was primarily due to a recognition of RMB1.8 million of rental fees, utilities and renovation costs for our newly-opened directly-operated retail stores and counters as part of our expansion plan in the six months ended 30 June, 2010.

Administrative expenses

Administrative expenses comprise mainly staff cost, depreciation, entertainment, rental, bank charges, and other sundry expenses. Administrative expenses increased by 51.7% to RMB19.8 million for the six months ended 30 June, 2010 from RMB13.0 million for the six months ended 30 June, 2009. The increase was primarily due to the increase of RMB2.8 million in expenses associated with share-based payment transactions and an increase of RMB2.0 million in staff costs in the six months ended 30 June, 2010.

分銷及銷售開支

分銷及銷售開支主要包括貨運、進口／出口報關及付運費、銷售佣金及支付銷售員工之薪金、廣告及展覽等有關市場推廣及宣傳之開支及測試費用。分銷及銷售開支由去年同期之人民幣9,500,000元增加22.6%至截至二零一零年六月三十日止六個月之人民幣11,700,000元。增幅主要是由於截至二零一零年六月三十日止六個月就根據本集團之擴展計劃而新開之直營零售店舖及專櫃確認租金、公用服務及翻新費人民幣1,800,000元所致。

行政開支

行政開支主要包括員工成本、折舊、招待費、租金、銀行收費及其他雜項開支。行政開支由截至二零零九年六月三十日止六個月之人民幣13,000,000元增加51.7%至截至二零一零年六月三十日止六個月之人民幣19,800,000元。增幅主要是由於截至二零一零年六月三十日止六個月與以股份付款交易有關之費用增加人民幣2,800,000元及員工成本增加人民幣2,000,000元所致。

Finance costs

Finance costs decreased by 58.5% to RMB5.3 million for the six months ended 30 June, 2010 from RMB12.7 million in the same period last year. The decrease was mainly due to a decrease of RMB6.4 million in interest recorded as effective interest expense on a shareholder loan due to Mr. Liu Qingping, a controlling shareholder. The shareholder loan due to Mr. Liu Qingping was fully repaid in June 2009.

Income tax expense

Income tax expense increased by 37.6% to RMB34.0 million for the six months ended 30 June, 2010 from RMB24.7 for the six months ended 30 June, 2009. The increase was mainly due to an increase in the taxable income for the six months ended 30 June, 2010.

Working capital management

The following table sets forth selected operating efficiency ratios for the Group:

融資成本

融資成本由去年同期之人民幣12,700,000元減少58.5%至截至二零一零年六月三十日止六個月之人民幣5,300,000元。有關成本下跌主要是由於結欠控股股東劉慶平先生之股東貸款之實際利息開支之利息減少人民幣6,400,000元。結欠劉慶平先生之股東貸款已於二零零九年六月悉數償還。

所得稅開支

所得稅開支由截至二零零九年六月三十日止六個月之人民幣24,700,000元增加37.6%至截至二零一零年六月三十日止六個月之人民幣34,000,000元。有關開支增加主要是由於截至二零一零年六月三十日止六個月之應課稅收入增加所致。

營運資金管理

下表載列本集團經選定經營效益比率：

		For the six months ended 30 June, 2010 截至 二零一零年 六月三十日 止六個月	For the year ended 31 December, 2009 截至 二零零九年 十二月 三十一日 止年度
Trade receivables turnover (days) ⁽¹⁾	應收賬款週轉日(日) ⁽¹⁾	36	40
Trade payables turnover (days) ⁽²⁾	應付賬款週轉日(日) ⁽²⁾	29	31
Inventory turnover (days) ⁽³⁾	存貨週轉日(日) ⁽³⁾	32	47

Notes:

- (1) Trade receivables turnover is calculated based on the average of the beginning and ending balance of trade receivables for a given period, divided by revenue during the given period and multiplied by 365 days for a year or by 181 days for a six-month period.
- (2) Trade payables turnover is calculated based on the average of the beginning and ending balance of trade payables for a given period divided by cost of sales during the given period and multiplied by 365 days for a year or by 181 days for a six-month period.
- (3) Inventory turnover is calculated based on the average of the beginning and ending balance of inventory, net of impairment, for a given period, divided by cost of sales during the given period and multiplied by 365 days for a year or by 181 days for a six-month period.

Average trade receivable turnover improved to 36 days in the six months ended 30 June, 2010 as compared to 40 days for the year ended 31 December, 2009.

Average trade payables turnover decreased to 29 days in the six months ended 30 June, 2010 from 31 days for the year ended 31 December, 2009. These decreases were primarily due to increased purchases from suppliers requiring shorter payment terms.

附註：

- (1) 應收賬款週轉日按該指定期間開始及結束之應收賬款結餘之平均值除指定期間內收益再乘以365日(一年)或181日(六個月期間)計算。
- (2) 應付賬款週轉日按該指定期間開始及結束之應付賬款結餘之平均值除指定期間內之銷售成本再乘以365日(一年)或181日(六個月期間)計算。
- (3) 存貨週轉日按該指定期間開始及結束之存貨結餘之平均值(扣除減值)除指定期間內銷售成本再乘以365日(一年)或181日(六個月期間)計算。

截至二零一零年六月三十日止六個月之應收賬款平均週轉日改善至36日，而截至二零零九年十二月三十一日止年度則為40日。

截至二零一零年六月三十日止六個月之應付賬款平均週轉日減少為29日，而截至二零零九年十二月三十一日止年度則為31日。有關週轉日減少主要是由於要求較短信貸期之供應商作出之購貨比例增加所致。

Average inventory turnover decreased to 32 days in the six months ended 30 June, 2010 from 47 days for the year ended 31 December, 2009. The decrease was primarily due to the decrease in raw cotton inventories level, reflecting primarily the reduction in purchases to minimize the Group's exposure to the unstable market price of raw cotton for the six months ended 30 June, 2010.

Liquidity and capital resources

The following table sets forth liquidity and capital adequacy ratios for the periods :

存貨平均週轉日由截至二零零九年十二月三十一日止年度之47日減少至截至二零一零年六月三十日止六個月之32日。有關週轉日減少主要是由於原棉存貨減少(主要反映本集團減少購買以減低截至二零一零年六月三十日止六個月原棉市價不穩定對本集團帶來之風險)所致。

流動資金及股本資源

下表載列各個期間之流動資金及資本充足比率：

		For the six months ended 30 June, 2010 截至 二零一零年 六月三十日 止六個月	For the year ended 31 December, 2009 截至 二零零九年 十二月 三十一日 止年度
Gearing ⁽¹⁾	資本負債 ⁽¹⁾	9.6%	13.9%
Debt-to-equity ⁽²⁾	負債對權益 ⁽²⁾	13.8%	23.7%
Current ratio	流動比率	2.4 times倍	1.4 times倍

Notes:

- (1) Calculated as the total debts for the period/year, divided by total assets for the period/year and multiplied by 100%. Debts are defined to include current and non-current borrowings.
- (2) Calculated as the total debts for the period/year, divided by the equity for the period/year and multiplied by 100%. Debts are defined to include current and non-current borrowings.

附註：

- (1) 以期內／年內債項總額除期內／年內資產總值乘以100%計算。債項之定義包括流動及非流動借貸。
- (2) 以期內／年內債項總額除期內／年內權益乘以100%計算。債項之定義包括所有流動及非流動借貸。

The gearing ratio and the debt-to-equity ratio decreased to 9.6% and 13.8% respectively for the six months ended 30 June, 2010 from 13.9% and 23.7% for the year ended 31 December, 2009. The decreases in the gearing ratio and debt-to-equity ratio were principally due to the increases in the total assets and equity respectively.

The current ratio improved to 2.4 times for the six months ended 30 June, 2010.

Net cash generated from operating activities for the six months ended 30 June, 2010 was RMB343.0 million (six months ended 30 June, 2009: RMB190.2 million). On the other hand, the Group successfully raised RMB383.1 million (net proceed) from Listing and as at 30 June, 2010, the Group's total cash and cash equivalents amounted to RMB890.5 million (30 June, 2009: RMB103.0 million).

As at 30th June, 2010, the Group had outstanding bank borrowings of RMB165.2 million. In terms of maturity, all the outstanding bank borrowings to be repaid within one year. In terms of currency denomination, the outstanding bank borrowings can be divided into RMB133.4 million (80.8%) in Renminbi and RMB31.8 million (19.2%) in US Dollars. 77.8% of the bank borrowings of the Group are subject to fixed interest rates and the remaining 22.2% are subject to floating interest rates.

資本負債比率及負債對權益比率分別由截至二零零九年十二月三十一日止年度之13.9%及23.7%下跌至截至二零一零年六月三十日止六個月之9.6%及13.8%。資本負債比率及負債對權益比率下跌分別主要是由於資產總值及權益增加所致。

截至二零一零年六月三十日止六個月，流動比率提升至2.4倍。

截至二零一零年六月三十日止六個月，經營活動產生之現金淨額為人民幣343,000,000元（截至二零零九年六月三十日止六個月：人民幣190,200,000元）。另一方面，本集團從上市成功籌集人民幣383,100,000元（所得款項淨額），及於二零一零年六月三十日，本集團之現金及現金等值物總額達人民幣890,500,000元（二零零九年六月三十日：人民幣103,000,000元）。

於二零一零年六月三十日，本集團之未償還銀行借貸為人民幣165,200,000元。就到期而言，所有未償還銀行借貸將於一年內償還。就貨幣面額而言，未償還銀行借貸可分為以人民幣計值之人民幣133,400,000元(80.8%)及以美元計值之人民幣31,800,000元(19.2%)。本集團77.8%之銀行借貸附有固定利率，及剩餘22.2%之銀行借貸附有浮動利率。

Pledge of assets

Details of the assets pledged as at 30 June, 2010 are set out in note 27 to the consolidated interim financial statements.

Contingent liabilities

Details of contingent liabilities as at 30 June, 2010 are set out in note 29 to the consolidated interim financial statements.

Foreign currency exposure

The business operations of the Group's subsidiaries were conducted mainly in the PRC with revenues and expenses of the Group's subsidiaries denominated in Renminbi. Some of the Group's cash and bank deposits, including proceeds from the Group's initial public offering, were denominated in Hong Kong Dollars or US Dollars. Any significant exchange rate fluctuations of Hong Kong Dollars or US Dollars against each entity's respective functional currency may have a financial impact to the Group.

As at 30 June, 2010, the Directors of the Company considered the Group's foreign exchange risk to be insignificant. During the period, the Group did not use any financial instruments for hedging purposes.

資產抵押

於二零一零年六月三十日，資產抵押詳情載於綜合中期財務報表附註27。

或然負債

於二零一零年六月三十日，或然負債詳情載於綜合中期財務報表附註29。

外幣風險

本集團之附屬公司主要於中國經營業務，其收益及開支均以人民幣計值。本集團若干現金及銀行存款（包括本集團首次公開發售所得款項）以港元或美元計值。港元或美元兌各實體各自之功能貨幣之匯率出現任何重大變動，或會對本集團之財務產生影響。

於二零一零年六月三十日，本公司董事認為，本集團面臨之匯兌風險甚微。期內，本集團並無使用任何金融工具作對沖用途。

Employees

As at 30 June, 2010, the Group had a workforce of approximately 5,029 employees (30 June, 2009: 4,771). Staff costs for the six months ended 30 June, 2010 (including Directors' remuneration in the form of salaries and other allowances) was approximately RMB51.2 million (2009: approximately RMB38.3 million). This increase was mainly due to the increase of headcount for the development of bedding business and to support expansion of the retail stores and outlets operated by the Group.

The remuneration of the employees of the Group includes salaries, bonuses and other fringe benefits. The Group has different rates of remuneration for different employees to be determined based on their performance, experience, position and other factors in compliance with the relevant PRC laws and regulations.

Use of Proceeds

The shares of the Company were listed on the main board of the Hong Kong Stock Exchange on 11 June, 2010 with net proceeds from the global offering of approximately RMB383.1 million, equivalent to HK\$435.3 million (after deducting underwriting commissions and related expenses).

僱員

於二零一零年六月三十日，本集團有約5,029名僱員（二零零九年六月三十日：4,771名）。截至二零一零年六月三十日止六個月之員工成本（包括董事薪酬（薪金及其他津貼））約為人民幣51,200,000元（二零零九年：約人民幣38,300,000元）。員工成本增長主要是由於發展床品業務以及支持本集團營運之零售店舖及網點擴張之開支增加所致。

本集團僱員薪酬包括薪金、花紅及其他額外福利。本集團對不同員工制訂有不同標準之薪酬，根據其表現、經驗、職務及其他因素，遵照相關的中國法律、法規進行確定。

所得款項用途

本公司股份於二零一零年六月十一日在香港聯交所主板上市，全球發售所得款項淨額約為人民幣383,100,000元（約相當於435,300,000港元）（經扣除包銷佣金及相關開支）。

Purposes of net proceeds	所得款項淨額目的	Amount of net proceeds (HK\$'000) (千港元)	Percentage 百分比	Utilized	Unutilized
				at 30 June, 2010 於二零一零年六月三十日動用 (HK\$'000) (千港元)	at 30 June, 2010 於二零一零年六月三十日未動用 (HK\$'000) (千港元)
Enhancement of sales operations and brand building	加強銷售業務及品牌建立	229,106	52.6%	-	229,106
Establishment of new retail stores and counters	設立新零售店舖及專櫃	67,743	15.6%	-	67,743
Advertisements and promotion	廣告及宣傳推廣	98,409	22.6%	-	98,409
Acquisition and/or development of new brand name	收購及/或開發新品牌名稱	56,818	13.1%	-	56,818
Implementation of information system for the Group's sales network	於本集團之銷售網絡中推行資訊系統	6,136	1.4%	-	6,136
Expansion and/or upgrade of production capacity	擴大及/或提升產能	170,455	39.2%	-	170,455
Acquisition of new production lines to enhance the production capacity of bedding products	收購新生產線提升床品產能	39,773	9.1%	-	39,773
Upgrade compact spinning production capacity in relation to the Group's cotton yarn production	提升有關本集團棉紗生產之緊密紡產能	56,818	13.1%	-	56,818
Acquisition of land and buildings for production purpose	收購土地及樓宇用作生產用途	73,864	17.0%	-	73,864

Purposes of net proceeds	所得款項淨額目的	Amount of net proceeds	Percentage	Utilized at 30 June, 2010	Unutilized at 30 June, 2010
		淨額金額 (HK\$'000) (千港元)	百分比	於二零一零年六月三十日 動用 (HK\$'000) (千港元)	於二零一零年六月三十日 未動用 (HK\$'000) (千港元)
Enhancement of product design and quality control capabilities	提升本集團之產品設計及品質監控能力	22,955	5.3%	-	22,955
Acquisition of new testing and assessment equipment	購買本集團床品新測試及評估設備	19,432	4.5%	-	19,432
Improvement of product design of home textile products	改進家用紡織品之產品設計	3,523	0.8%	-	3,523
Working capital and general corporate purposes	營運資金及一般企業用途	12,768	2.9%	-	12,768
		<u>435,284</u>	<u>100.0%</u>	<u>-</u>	<u>435,284</u>

The Directors intend to apply the remaining net proceeds in the manner set out in the prospectus of the Company dated 31 May, 2010. 董事擬按本公司日期為二零一零年五月三十一日之招股章程載列之方式使用剩餘所得款項淨額。

Business Outlook and Strategies

With the PRC government's aim to secure growth of the economy, a stable growth trend is expected for the PRC economy in the second half of the year, thus enabling PRC residents to exercise their strong purchasing power. Also, despite the recent cooling measures for the property industry, it is believed that there will continue to be strong demand for property given the increasing rate of urbanization of PRC residents. Together with robust development of the hotel and tourism industry and the rising living standards and aesthetic sense of consumers, the prospects for quality home textile products is promising. Therefore, the Group is very optimistic about the prospects of quality bedding products and cotton yarn products with higher thread-count.

Going forward, the Group will continue to focus on expanding the branded bedding products business by expanding its bedding sales network in the PRC, opening up more retail stores or counters, and carrying out various types of brand promotion and marketing activities. The Group will also continue to focus on developing higher value-added cotton yarn products, under the belief that these will contribute to the Group's profitability. Owing to the Group's effort in bedding products distribution and branding strategies, the Group has obtained substantial confirmed orders-on-hand for brand bedding products currently.

業務前景及策略

在中央政府「保增長」的經濟目標下，預期中國下半年的經濟仍將保持穩定增長勢頭，為居民發揮強勁的購買力打下基礎。另一方面，儘管中國政府近期不斷推出為房地產業降溫的措施，但隨着中國居民的日益城鎮化，相信這將繼續為房地產業帶來剛性需求。這再加上旅遊酒店業的蓬勃發展，消費者的生活要求和審美觀不斷上升已成事實，優質家紡用品的前景相當可觀。因此，本集團對優質床品及較高支數的棉紗的前景非常樂觀。

展望未來，本集團將透過積極擴展中國其他地區的床品銷售網絡及開設更多專賣店或專櫃，並進行品牌宣傳及推廣活動，繼續大力拓展品牌床品的業務。本集團亦將繼續開發較高附加值的棉紗產品，並相信這些將為本集團之盈利能力帶來貢獻。鑑於本集團有效之床品分銷及品牌策略，本集團目前已有相當可觀的已確定的品牌床品手頭訂單。

The Group has recently invited Ms. Kelly Chen, a well-known singer in Hong Kong and the Asia-Pacific region, to be its brand spokesperson for the next two years. With her elegant and fashionable image as well as her fame in Greater China, the Group aims to promote the “Taifeng” image of high-end, high quality and modern design throughout the PRC. As of 31 July, 2010, the Group’s bedding products distributors reached 52, with retail stores and counters operated by the Group and its distributions amounting to over 169, spanning over 20 provinces and municipalities nationwide. The Group has also successfully held the “Taifeng New Fall/Winter 2010 Home Textile Products Release Conference and Investment Promotion Conference” between 6-8 August, 2010, and has gained good responses. Besides promoting the Group’s latest series of fall/winter bedding products series, the Group also successfully gained more than 30 distributors, thus further expanding its bedding products’ distribution network. Moreover, the Group has also been cooperating with Combest Group, a renowned health bedding products manufacturer and distributor in the PRC with over 2,000 franchised stores as planned. The Group will gradually put “Taifeng” branded bedding products into Combest stores for trial operation, which is believed to help the Group to better establish and develop its bedding products’ brands and sales network.

本集團最近邀請了香港及亞太區著名歌星陳慧琳小姐於未來兩年擔當品牌代言人，務求透過其高貴、典雅、時尚的形象以及於大中華的名氣，將「泰豐」床品高檔、優質且別具時尚設計風格的品牌形象帶遍全中國。直到二零一零年七月三十一日為止，本集團的床品分銷商已達到52名，由本集團直營及分銷商經營的專賣店及專櫃亦已超過169間，遍佈全國20個省市。本集團亦剛於二零一零年八月六至八日期間成功舉辦「泰豐家紡二零一零年秋冬系列新產品發佈暨招商大會」，反應熱烈。除了推廣本集團最新秋冬系列的床品外，當天更成功招攬30多名分銷商，進一步擴展床品的分銷網絡。另外，本集團亦按照計劃與於中國擁有超過2,000間特許經營店之知名健康床品製造商及分銷商康佰集團合作，陸續將「泰豐」床品運送至康佰店舖試賣，相信這將有助本集團之床品品牌及銷售網絡建立及發展得更完善。

CORPORATE GOVERNANCE AND OTHER INFORMATION

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the period under review.

Corporate Governance Practices

The Company has adopted the code provisions set out in the Code of Corporate Governance Practices (the "Code"), as stated in Appendix 14 to the Rules of Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). As far as the Code is concerned, the Company complies with all aspects of the Code.

Audit Committee

The Company has established an Audit Committee on 21 April, 2010 with written terms of reference as suggested under the Code of Best Practice set out in Appendix 14 to the Listing Rules to set out its authority and duties. The Audit Committee consists of three members, namely Mr. Li Yuchun, Mr. Chan Kin Sang and Mr. Dai Shunlin, all of which are independent non-executive Directors. Mr. Li Yuchun is the chairman of the audit committee.

Remuneration Committee

The Company has established a Remuneration Committee on 21 April, 2010 with written terms of reference as suggested under the Code of Best Practice set out in Appendix 14 to the Listing Rules to set out its authority and duties. The Remuneration Committee consists of three members, namely Mr. Dai Shunlin, Mr. Li Yuchun and Mr. Liu Qingping, of which Mr. Dai Shunlin and Mr. Li Yuchun are independent non-executive Directors. Mr. Dai Shunlin is the chairman of the remuneration committee.

企業管治及其他資料

購買、出售或贖回本公司上市證券

於回顧期間，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

企業管治常規

本公司已採納香港聯合交易所有限公司證券上市規則（「上市規則」）附錄14所載之企業管治常規守則之守則條文（「常規守則」）。就常規守則而言，本公司已遵守常規守則之所有方面。

審核委員會

本公司已於二零一零年四月二十一日按照上市規則附錄14所載之最佳應用守則成立審核委員會並以書面釐定其權責範圍，以訂明其職權。審核委員會由三名成員，即李玉春先生、陳健生先生及戴順林先生（均為獨立非執行董事）組成。李玉春先生為審核委員會主席。

薪酬委員會

本公司已於二零一零年四月二十一日按照上市規則附錄14所載之最佳應用守則成立薪酬委員會並以書面釐定其權責範圍，以訂明其職權。薪酬委員會由三名成員，即戴順林先生、李玉春先生及劉慶平先生（其中戴順林先生及李玉春先生為獨立非執行董事）組成。戴順林先生為薪酬委員會主席。

Nomination Committee

The Company has established a Remuneration Committee on 21 April, 2010 with written terms of reference as suggested under the Code of Best Practice set out in Appendix 14 to the Listing Rules to set out its authority and duties. The Remuneration Committee consists of three members, namely Mr. Chan Kin Sang, Mr. Dai Shunlin and Mr. Liu Qingping, of which Mr. Chan Kin Sang and Mr. Dai Shunlin are independent non-executive Directors. Mr. Chan Kin Sang is the chairman of the nomination committee.

Interim Dividend

To reward the shareholders for their support towards International Taifeng, the Board has declared an interim dividend of RMB0.054 per share. The interim dividend will be paid on 21 September, 2010 to the shareholders on the register of members of the Company on 3 September, 2010. Dividends are declared in Renminbi and will be converted into Hong Kong Dollars based on the official exchange rate of Renminbi against Hong Kong Dollars as quoted by the People's Bank of China on 3 September, 2010 before paid to the shareholders.

As the interim dividend is declared after the end of the reporting period, such dividend was not recognised as a liability as at 30 June, 2010.

提名委員會

本公司已於二零一零年四月二十一日按照上市規則附錄14所載之最佳應用守則成立提名委員會並以書面釐定其權責範圍，以訂明其職權。提名委員會由三名成員，即陳健生先生、戴順林先生及劉慶平先生（其中陳健生先生及戴順林先生為獨立非執行董事）組成。陳健生先生為提名委員會主席。

中期股息

為回報股東對國際泰豐的支持，董事會宣派中期股息每股人民幣5.4分。中期股息將於二零一零年九月二十一日向於二零一零年九月三日名列本公司股東名冊之股東支付。股息以人民幣宣佈並以港元派付，並將於向股東支付前按中國人民銀行於二零一零年九月三日所報人民幣兌港元之官方匯率兌換為港元。

由於中期股息於報告期間結算日後宣派，故該等股息並無於二零一零年六月三十日確認為負債。

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the “Model Code”) as the code of conduct governing directors’ securities transactions. The Company confirms that, having made specific enquiry of all Directors, all Directors have complied with the required standards of dealing as set out in the Model Code throughout the period for the six months ended 30 June, 2010.

Closure of Register of Members

The register of members will be closed from 1 September, 2010 to 3 September, 2010, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the abovementioned interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company’s Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 31 August, 2010.

Directors’ Interests and Short Positions in the Company’s Securities

As at 30 June, 2010, the interests and short positions of the directors of the Company in the shares, underlying shares or debentures of the Company or any associated corporations, within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”), as recorded in the register maintained by the Company as required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

董事進行證券交易之標準守則

本公司已採納上市規則附錄十所載上市發行人董事進行證券交易之標準守則（「標準守則」），作為其董事進行證券交易之行為守則。本公司確認，經向所有董事作出個別查詢後，所有董事於截至二零一零年六月三十日止六個月期間內一直遵守標準守則所載之交易規定標準。

暫停辦理股份過戶登記

本公司將於二零一零年九月一日至二零一零年九月三日（首尾兩日包括在內）暫停辦理股份過戶登記，期間將不會辦理股份過戶登記。為符合領取上述中期股息之資格，所有過戶文件連同相關股票須二零一零年八月三十一日下午四時三十分前送達本公司股份過戶登記處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716室。

董事於本公司證券之權益及淡倉

於二零一零年六月三十日，本公司董事於本公司或任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份或債券中擁有記錄於本公司根據證券及期貨條例第352條須予備存之登記名冊，或如依據標準守則知會本公司及聯交所之權益及淡倉如下：

Long Position

(a) Long position – Interests in the Company

好倉

(a) 好倉 – 於本公司之權益

Name of director	Capacity	Number of ordinary shares	Percentage of the issued share capital of the Company
股東姓名	身份	持有股份數目	佔本公司已發行股本百分比
Mr. Liu Qingping ⁽¹⁾	Interest in a controlled corporation	555,000,000	55.50%
劉慶平先生 ⁽¹⁾	於受控制法團之權益 實益擁有人		

⁽¹⁾ Mr. Liu Qingping is deemed to be indirectly interested in 555,000,000 Shares, ie. 55.5% of the issued capital of the Company through his direct interests in Harvest Sun under the SFO.

⁽¹⁾ 根據證券及期貨條例，劉慶平先生被視作透過其於富盈之直接權益間接於555,000,000股股份（即本公司已發行股本55.5%）中擁有權益。

(b) Long position – Interests in a associated corporation (b) 好倉 – 於相聯法團之權益

Name of director	Associated corporation	Type of interests	Approximate percentage of holding of the total share capital of the associated corporation 持有相聯法團全部股本概約百分比
董事姓名	相聯法團	權益類別	
Mr. Li Dengxiang 李登祥先生	Harvest Sun Enterprises Limited 富盈企業有限公司	Beneficial owner 實益擁有人	14.60% 14.60%
Mr. Liu Chunwei 劉純衛先生	Harvest Sun Enterprises Limited 富盈企業有限公司	Beneficial owner 實益擁有人	8.60% 8.60%
Ms. Qi Tongli 亓同麗女士	Harvest Sun Enterprises Limited 富盈企業有限公司	Beneficial owner 實益擁有人	13.20% 13.20%
Mr. Zou Shengzhong 鄒生忠先生	Harvest Sun Enterprises Limited 富盈企業有限公司	Beneficial owner 實益擁有人	7.50% 7.50%

Substantial shareholders

As at 30 June, 2010, the interests or short positions of the following substantial shareholders, other than the directors of the Company, in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO were as follows:

主要股東

於二零一零年六月三十日，以下主要股東（不包括本公司董事）於本公司之股份或相關股份中擁有記錄於本公司根據證券及期貨條例第336條須予備存之登記名冊之權益或淡倉如下：

Name	Capacity	Number of ordinary shares 普通股 股份數目	Percentage of the issued share capital of the Company 佔本公司已發行股本百分比
姓名	身份		
Harvest Sun Enterprises Limited ⁽¹⁾ 富盈企業有限公司 ⁽¹⁾	Registered and beneficial owner, beneficiary of a trust 登記及實益擁有人、 信託受益人	555,000,000	55.50%
Fu Sun Development Limited ⁽²⁾ 富生發展有限公司 ⁽²⁾	Trustee 信託人	75,000,000	7.5%
Mr. Liu Qingping ⁽³⁾ 劉慶平先生 ⁽³⁾	Interest in a controlled corporation 於受控制法團之權益	555,000,000	55.50%
Superior Delight Limited ⁽⁴⁾ 佳喜有限公司 ⁽⁴⁾	Registered and beneficial owner 登記及實益擁有人	165,000,000	16.50%
Mr. Huang Quan 黃全先生	Interest in a controlled corporation 於受控制法團之權益	165,000,000	16.50%

- (1) Harvest Sun Enterprises Limited is owned as to 48.60% by Mr. Liu Qingping and therefore, Mr. Liu Qingping is deemed to be interested in 480,000,000 Shares held directly by Harvest Sun Enterprises Limited and 75,000,000 Shares held by Fu Sun Development Limited on a trust for its benefit under the SFO.
- (1) 富盈企業有限公司由劉慶平先生擁有48.60%之權益，因此，根據證券及期貨條例，劉慶平先生被視為於富盈企業有限公司直接持有之480,000,000股股份及富生發展有限公司就富盈企業有限公司之利益以信託方式持有之75,000,000股股份中擁有權益。
- (2) Fu Sun Development Limited is wholly-owned by Mr. Liu Qingping. Fu Sun Development Limited holds on trust the 75,000,000 Shares for the benefit of Harvest Sun Enterprises Limited. Upon the completion of a 2-year service as director of the Company from April, 2009 by Mr. Liu Qingping, Fu Sun Development Limited will be beneficial owner of the 75,000,000 Shares.
- (2) 富生發展有限公司由劉慶平先生全資擁有。富生發展有限公司以信託方式就富盈企業有限公司之利益持有75,000,000股股份。於劉慶平先生完成本公司董事之2年服務合約（由二零零九年四月開始）後，富生發展有限公司將為該75,000,000股股份之實益擁有人。
- (3) Mr. Liu Qingping is deemed to be indirectly interested in 555,000,000 Shares, ie. 55.50% of the issued capital of the Company through his direct interests in Harvest Sun Enterprises Limited under the SFO.
- (3) 根據證券及期貨條例，劉慶平先生透過其於富盈企業有限公司之直接權益被視為間接於555,000,000股股份（即本公司已發行股本55.5%）中擁有權益。
- (4) Superior Delight Limited is wholly-owned by Mr. Huang Quan and Mr. Huang Quan is therefore deemed to be interested in 165,000,000 Shares held by Superior Delight Limited under the SFO.
- (4) 佳喜有限公司由黃全先生全資擁有，因此，根據證券及期貨條例，黃全先生被視為於佳喜有限公司持有之165,000,000股股份中擁有權益。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Deloitte.
德勤

德勤•關黃陳方會計師行
香港金鐘道88號
太古廣場一座35樓

Deloitte Touche Tohmatsu
35/F One Pacific Place
88 Queensway
Hong Kong

**TO THE SHAREHOLDERS OF
INTERNATIONAL TAIFENG
HOLDINGS LIMITED**

國際泰豐控股有限公司

*(incorporated in the Cayman Islands with
limited liability)*

致國際泰豐控股有限公司股東

(於開曼群島註冊成立之有限公司)

We have audited the consolidated financial statements of International Taifeng Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 43 to 132, which comprise the consolidated statement of financial position as at 30 June, 2010, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes.

吾等已審核國際泰豐控股有限公司（「貴公司」）及其附屬公司（統稱「貴集團」）於第43頁至132頁之綜合財務報表，當中包括於二零一零年六月三十日之綜合財務狀況報表，以及截至該日止六個月期間之綜合全面收益表、綜合權益變動表及綜合現金流量表，以及主要會計政策概要及其他說明附註。

Directors' responsibility for the financial statements

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

Auditor's responsibility

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

董事就財務報表須承擔之責任

貴公司董事須負責遵照香港會計師公會頒佈之香港財務報告準則及香港公司條例之披露規定，編製及真實而公平地列報該等綜合財務報表。這責任包括設計、實施及維護與編製真實而公平地列報之綜合財務報表有關之內部監控，以確保並無重大錯誤陳述（不論是否因欺詐或錯誤引起）、選擇並應用適當之會計政策，以及在不同情況下作出合理之會計估算。

核數師之責任

吾等之責任是根據吾等之審核對該等綜合財務報表作出意見，並按照委聘之條款僅向整體股東報告，除此之外本報告別無其他目的。吾等不會就本報告之內容向任何其他人士負上或承擔任何責任。吾等根據香港會計師公會頒佈之香港審計準則進行審核。這些準則要求吾等遵守道德規範，並規劃及執行審核，以合理確定綜合財務報表是否不存有任何重大錯誤陳述。

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 and true and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

審核涉及執程序以獲取有關綜合財務報表所載金額及披露資料之審核憑證。所選定之程序取決於核數師之判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存有重大錯誤陳述之風險。在評估該等風險時，核數師考慮與該公司編製及真實而公平地列報綜合財務報表相關之內部控制，以設計適當之審核程序，但並非為對實體內部控制之效能發表意見。審核亦包括評價董事所用會計政策之合適性及所作出會計估計之合理性，以及評價綜合財務報表之整體列報方式。

吾等相信，吾等所獲得之審核憑證是充足和適當地為吾等之審核意見提供基礎。

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 30 June, 2010 and of the Group's profit and cash flows for the six-month period then ended in accordance with Hong Kong Financial Reporting Standards and have been prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Without qualifying our opinion, we draw attention to the fact that the comparative figures set out in the consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and the relevant explanatory notes for the six months ended 30 June, 2009 have not been audited.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
16 August, 2010

意見

吾等認為，該等綜合財務報表已根據香港財務報告準則真實而公平地反映 貴集團於二零一零年六月三十日之事務狀況及 貴集團截至該日止六個月期間之溢利及現金流量，並已按照香港公司條例之披露規定妥為編製。

在不作保留意見之情況下，吾等謹請注意綜合全面收益表、綜合權益變動表、綜合現金流量表及相關說明附註內載列之截至二零零九年六月三十日止六個月之比較數字未經審核。

德勤•關黃陳方會計師行
執業會計師
香港
二零一零年八月十六日

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June, 2010

綜合全面收益表

截至二零一零年六月三十日止六個月

		Six months ended 30 June, 截至六月三十日止六個月	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元 (unaudited) (未經審核)
		NOTES 附註	
Revenue	收益	5	781,949
Cost of sales	銷售成本		<u>(540,484)</u>
Gross Profit	毛利		241,465
Other income	其他收入	6	4,811
Distribution and selling expenses	分銷及銷售開支		(11,670)
Administrative expenses	行政開支		(19,777)
Listing expenses	上市費用		(20,550)
Finance costs	財務成本	7	<u>(5,275)</u>
Profit before taxation	除稅前溢利		189,004
Income tax expense	所得稅開支	8	<u>(33,972)</u>
Profit for the period and total comprehensive income for the period	期內溢利及期內全面收 益總額	9	<u>155,032</u>
Attributable to: Owners of the Company	下列人士應佔： 本公司擁有人		<u>155,032</u>
Earnings per share Basic (RMB)	每股盈利 基本(人民幣元)	12	<u>0.199</u>
			<u>0.136</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION 綜合財務狀況報表

At 30 June, 2010

於二零一零年六月三十日

			At 30 June, 2010 於二零一零年 六月三十日	At 31 December, 2009 於二零零九年 十二月三十一日
	NOTES 附註		RMB'000 人民幣千元	RMB'000 人民幣千元
NON-CURRENT ASSETS		非流動資產		
Property, plant and equipment		物業·廠房及設備	13 479,863	498,630
Prepaid lease payments		預付租賃款項	14 7,547	7,636
Trademark		商標	15 6,934	6,934
Deferred tax asset		遞延稅項資產	21 2,699	2,699
			<u>497,043</u>	<u>515,899</u>
CURRENT ASSETS		流動資產		
Inventories		存貨	16 99,257	93,075
Trade and other receivables and prepayments		應收賬款及其他應收 款項以及預付款項	17 205,153	280,680
Prepaid lease payments		預付租賃款項	14 179	179
Pledged bank deposits		已抵押銀行存款	18 29,223	24,318
Bank balances and cash		銀行結餘及現金	18 890,522	255,771
			<u>1,224,334</u>	<u>654,023</u>
CURRENT LIABILITIES		流動負債		
Trade and other payables and accruals		應付賬款及其他應付 款項以及應計費用	19 300,786	203,011
Tax payable		應付稅項	35,684	51,194
Dividend payable		應付股息	11 -	50,000
Bank borrowings		銀行借貸	20 165,228	162,806
			<u>501,698</u>	<u>467,011</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued) 綜合財務狀況報表 (續)

		At 30 June, 2010 於二零一零年 六月三十日	At 31 December, 2009 於二零零九年 十二月三十一日
		RMB'000 人民幣千元	RMB'000 人民幣千元
		NOTES 附註	
NET CURRENT ASSETS	流動資產淨值	722,636	187,012
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債	1,219,679	702,911
NON-CURRENT LIABILITY	非流動負債		
Deferred tax liability	遞延稅項負債	21 24,023	16,710
		1,195,656	686,201
CAPITAL AND RESERVES	資本及儲備		
Paid-in capital/share capital	實繳股本/股本	22 88,000	-
Reserves	儲備	1,107,656	686,201
TOTAL EQUITY	權益總額	1,195,656	686,201

The financial statements on pages 43 to 132 were approved and authorised for issue by the Board of Directors on 16 August, 2010 and are signed on its behalf by:

第43至132頁之財務報表已於二零一零年八月十六日由董事會批准並授權刊發，並由以下人士代表董事會簽署：

Mr. Liu Qingping
劉慶平先生
DIRECTOR
董事

Mr. Liu Chunwei
劉純衛先生
DIRECTOR
董事

CONSOLIDATED STATEMENT OF CHANGES 綜合權益變動表

IN EQUITY

For the six months ended 30 June, 2010

截至二零一零年六月三十日止六個月

		Attributable to owners of the Company 本公司擁有人應佔									
		Share capital/ paid-in capital 股本/ 實繳股本	Share premium 股份溢價	Merger reserve 合併儲備	Special reserve 特別儲備	Contributions from shareholders 股東注資	Share-based payment reserve 付款儲備	PRC general reserve 中國一般儲備	Capital reserve 資本儲備	Retained profits 保留溢利	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	RMB'000 人民幣千元	RMB'000 人民幣千元
				(附註23)	(附註23)	(note 23)	(note 24)	(note 23)	(note 24)		
At 1 January, 2009	於二零零九年一月一日	180,000	-	-	977	13,289	-	33,371	51,838	219,688	499,163
Profit and total comprehensive income for the year	溢利及年內全面收益總額	-	-	-	-	-	-	-	-	248,288	248,288
Deemed capital contribution from shareholders	視作股東注資	-	-	-	-	-	5,825	-	-	-	5,825
Reversal of deemed capital contribution arising from change in repayment schedule on non-current interest-free shareholder's loan (note 7)	撥回因更改非即期息股東貸款還款時間表而產生之視作注資(附註7)	-	-	-	-	-	-	-	(17,075)	-	(17,075)
Effect from group reorganisation	集團重組之影響	(180,000)	-	180,000	-	-	-	-	-	-	-
Transfer	轉撥	-	-	-	-	-	-	30,158	-	(30,158)	-
Dividend recognised as distribution (note 11)	確認為分派之股息(附註11)	-	-	-	-	-	-	-	-	(50,000)	50,000
At 31 December, 2009 and 1 January, 2010	於二零零九年十二月三十一日及二零一零年一月一日	-	-	180,000	977	13,289	5,825	63,529	34,763	387,818	686,201
Profit and total comprehensive income for the period	溢利及期內全面收益總額	-	-	-	-	-	-	-	-	155,032	155,032
Capitalisation issue (note 22)	資本化發行(附註22)	66,000	(66,000)	-	-	-	-	-	-	-	-
Issue of new shares (note 22)	發行新股份(附註22)	22,000	421,650	-	-	-	-	-	-	-	443,650
Cost of issuing new shares	發行新股份之成本	-	(13,596)	-	-	-	-	-	-	-	(13,596)
Deemed capital contribution from shareholders	視作股東注資	-	-	-	-	-	4,369	-	-	-	4,369
Transfer	轉撥	-	-	-	-	-	-	21,328	-	(21,328)	-
Dividend recognised as distribution (note 11)	確認為分派之股息(附註11)	-	-	-	-	-	-	-	-	(80,000)	(80,000)
At 30 June, 2010	於二零一零年六月三十日	88,000	342,054	180,000	977	13,289	10,194	84,857	34,763	441,522	1,195,656

CONSOLIDATED STATEMENT OF CHANGES 綜合權益變動表 (續)

IN EQUITY (Continued)

		Attributable to owners of the Company 本公司擁有人應佔								
		Share capital/ paid-in capital 股本 / 實繳股本	Merger reserve 合併儲備	Special reserve 特別儲備	Contributions from shareholders 股東注資	Share-based payment reserve 股份 付款儲備	PRC general reserve 中國 一般儲備	Capital reserve 資本儲備	Retained profits 保留溢利	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	RMB'000 人民幣千元
At 1 January, 2009	於二零零九年 一月一日	180,000	-	977	13,289	-	33,371	51,838	219,688	499,163
Profit and total comprehensive income for the period	溢利及期內全面 收益總額	-	-	-	-	-	-	-	102,104	102,104
Deemed capital contribution from shareholders	視作股東注資	-	-	-	-	1,457	-	-	-	1,457
Reversal of deemed capital contribution arising from change in repayment schedule on non-current interest-free shareholder's loan	撥回因更改非即 期免息股東貸款 款還款時間表 而產生之視作 注資	-	-	-	-	-	-	(17,075)	-	(17,075)
Effect from group reorganisation	集團重組之影響	(180,000)	180,000	-	-	-	-	-	-	-
Transfer	轉撥	-	-	-	-	-	10,915	-	(10,915)	-
At 30 June, 2009 (unaudited)	於二零零九年 六月三十日 (未經審核)	-	180,000	977	13,289	1,457	44,286	34,763	310,877	585,649

CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June, 2010

綜合現金流量表

截至二零一零年六月三十日止六個月

		Six months ended 30 June, 截至六月三十日止六個月	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元 (unaudited) (未經審核)
OPERATING ACTIVITIES	經營業務		
Profit before taxation	除稅前溢利	189,004	126,794
Adjustments for:	就下列各項作出調整：		
Depreciation of property, plant and equipment	物業、廠房及設備折舊	20,478	20,375
Release of prepaid lease payments	解除預付租賃款項	89	151
Interest expenses	利息開支	5,275	12,711
Share-based payment expense	以股份付款之開支	4,369	1,457
Bank interest income	銀行利息收入	(1,190)	(152)
Interest income from amount due from a related company	應收關連公司款項之利息收入	-	(4,412)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	-	8
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量	218,025	156,932
(Increase) decrease in inventories	存貨(增加)減少	(6,182)	25,760
Decrease in trade and other receivables and prepayments	應收賬款及其他應收款項以及預付款項增加	75,527	5,973
Increase in trade and other payables and accruals	應付賬款及其他應付款項以及應計費用增加	97,775	21,515
Cash generated from operations	經營業務產生之現金	385,145	210,180
Taxation paid	已付稅項	(42,169)	(19,971)
NET CASH FROM OPERATING ACTIVITIES	經營業務產生之現金淨額	342,976	190,209
INVESTING ACTIVITIES	投資活動		
Increase in pledged bank deposits	已抵押銀行存款增加	(4,905)	(8,613)
Purchase of property, plant and equipment	購置物業、廠房及設備	(1,711)	(1,285)
Repayment from a related company	關連公司之還款	-	8,482
Interest received	已收利息	1,190	152
Proceeds on disposal of property, plant and equipment	出售物業、廠房及設備所得款項	-	117
NET CASH USED IN INVESTING ACTIVITIES	投資活動動用之現金淨額	(5,426)	(1,147)

CONSOLIDATED STATEMENT OF CASH FLOWS *(Continued)*
綜合現金流量表 (續)

		Six months ended 30 June, 截至六月三十日止六個月	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元 (unaudited) (未經審核)
FINANCING ACTIVITIES	融資活動		
Repayment of bank borrowings	償還銀行借貸	(213,670)	(104,378)
Dividend paid	已付股息	(130,000)	-
Interest paid	已付利息	(5,275)	(6,343)
Proceeds from issue of new shares, net of share issue costs	發行新股份所得款項·經扣除 股份發行成本	430,054	-
New bank loans raised	新造銀行貸款	216,092	125,749
Repayment to a shareholder	償還股東款項	-	(180,000)
Advance from (repayment to) related companies	關連公司墊款 (償還關連公司 款項)	-	(20,821)
		<u>297,201</u>	<u>(185,793)</u>
NET CASH FROM (USED IN) FINANCING ACTIVITIES	融資活動產生 (動用) 之 現金淨額		
		<u>297,201</u>	<u>(185,793)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物增加淨額	634,751	3,269
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	期初之現金及現金等價物	<u>255,771</u>	<u>99,703</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD, represented by bank balances and cash	期終之現金及現金等價物 銀行結餘及現金	890,522	102,972

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June, 2010

綜合財務報表附註

截至二零一零年六月三十日止六個月

1. GENERAL INFORMATION

The Company is an exempted company with limited liability incorporated in the Cayman Islands on 21 May, 2009 under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. It is an investment holding Company.

It became the holding company of companies now comprising the Group on 18 August, 2009 through a corporate reorganisation. The Group, which comprises the Company and its subsidiaries with principal activities as set out in note 34, is under the control of the seven founding shareholders (namely Mr. Liu Qingping, Mr. Li Dengxiang, Ms. Qi Tongli, Mr. Liu Chunwei, Mr. Zou Shengzhong, Mr. Meng Qingli and Mr. Huang Qige) prior to and after the corporate reorganisation. Details of the corporate reorganisation have been disclosed in the Company's prospectus dated 31 May, 2010.

The consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the six months ended 30 June, 2009 which include the results, changes in equity and cash flows of the companies comprising the Group have been prepared as if the current group structure had been in existence throughout that period, in accordance with Accounting Guideline 5 "Merger Accounting for Common Control Combinations" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

1. 一般資料

本公司為一間於二零零九年五月二十一日根據開曼群島第22章公司法(經綜合及修訂之一九六一年法例3)在開曼群島註冊成立之獲豁免有限公司，並為一間投資控股公司。

本公司透過企業重組於二零零九年八月十八日成為本集團現時旗下公司之控股公司。本集團(包括本公司及其附屬公司，其主要業務載於附註34)於企業重組前後均由七名創辦股東(即劉慶平先生、李登祥先生、冚同麗女士、劉純衛先生、鄒生忠先生、孟慶利先生及黃啟閣先生)控制。企業重組詳於本公司日期為二零一零年五月三十一日之招股章程內披露。

截至二零零九年六月三十日止六個月之綜合全面收益表、綜合權益變動表及綜合現金流量表(包括本集團旗下公司之業績、權益變動及現金流量)乃根據香港會計師公會(「香港會計師公會」)頒發之會計指引第5號「受共同控制實體合併之合併會計法」編製，猶如現時集團架構於期內一直存在。

1. GENERAL INFORMATION (Continued)

The shares of the Company have been listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") with effect from 11 June, 2010. The addresses of the registered office and the principal place of business of the Company are Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and Room 911, 9th floor, Block A, Hunghom Commercial Centre, 39 Ma Tau Wei Road, Hong Kong, respectively.

The immediate and ultimate holding company of the Company is Harvest Sun Enterprises Limited, a company incorporated in the British Virgin Islands which is wholly owned by seven founding shareholders.

The consolidated financial statements are presented in Renminbi ("RMB"), which is the same as the functional currency of the group entities and the Company.

1. 一般資料 (續)

本公司之股份由二零一零年六月十一日起在香港聯合交易所有限公司(「聯交所」)上市。本公司之註冊辦事處及主要營業地點之地址分別位於Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands及香港九龍馬頭圍道39號紅磡商業中心A座九樓九一一室。

本公司之直接及最終控股公司為富盈企業有限公司，其為一間於英屬處女群島註冊成立之公司，並由七名創辦股東全資擁有。

綜合財務報表以人民幣(「人民幣」)呈列，人民幣亦為集團實體及本公司之功能貨幣。

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

In the current period, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations (“new and revised HKFRSs”) issued by the HKICPA.

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs 2008
HKFRSs (Amendments)	Improvements to HKFRSs 2009
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 39 (Amendment)	Eligible Hedged Items
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions
HKFRS 3 (Revised)	Business Combinations
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）

於本中期期間，本集團首次採用以下由香港會計師公會頒佈之新訂及經修訂準則、修訂及詮釋（「新訂及經修訂香港財務報告準則」）。

香港財務報告準則（修訂本）	香港財務報告準則第5號之修訂，作為二零零八年香港財務報告準則之改進之一部分
香港財務報告準則（修訂本）	二零零九年香港財務報告準則之改進
香港會計準則第27號（經修訂）	綜合及獨立財務報表
香港會計準則第39號（修訂本）	合資格對沖項目
香港財務報告準則第1號（修訂本）	首次採用者之額外豁免
香港財務報告準則第2號（修訂本）	集團以現金結算以股份為基礎之付款交易
香港財務報告準則第3號（經修訂）	業務合併
香港（國際財務報告詮釋委員會）— 詮釋第17號	向擁有人分派非現金資產

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

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

HKFRSs (Amendments)	Improvements to HKFRSs 2010 ¹
HKAS 24 (Revised)	Related Party Disclosures ⁴
HKAS 32 (Amendment)	Classification of Rights Issues ²
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters ³
HKFRS 9	Financial Instruments ⁵
HK(IFRIC) – Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement ⁴
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments ³

¹ Effective for annual periods beginning on or after 1 July, 2010 and 1 January, 2011, as appropriate

² Effective for annual periods beginning on or after 1 February, 2010

³ Effective for annual periods beginning on or after 1 July, 2010

⁴ Effective for annual periods beginning on or after 1 January, 2011

⁵ Effective for annual periods beginning on or after 1 January, 2013

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

本集團尚未提早應用以下已頒佈但尚未生效之新訂或經修訂準則、修訂或詮釋：

香港財務報告準則（修訂本）	二零一零香港財務報告準則之改進 ¹
香港會計準則第24號（經修訂）	關連人士披露 ⁴
香港會計準則第32號（修訂本）	供股之分類 ²
香港財務報告準則第1號（修訂本）	首次採納者採納香港財務報告準則第7號披露比較數字之有限豁免 ³
香港財務報告準則第9號	金融工具 ⁵
香港（國際財務報告詮釋委員會）— 詮釋第14號（修訂本）	最低資金要求之預付款項 ⁴
香港（國際財務報告詮釋委員會）— 詮釋第19號	以股本工具清償金融負債 ³

¹ 於二零一零年七月一日及二零一一年一月一日（如適用）或之後開始之年度期間生效

² 於二零一零年二月一日或之後開始之年度期間生效

³ 於二零一零年七月一日或之後開始之年度期間生效

⁴ 於二零一一年一月一日或之後開始之年度期間生效

⁵ 於二零一三年一月一日或之後開始之年度期間生效

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

The directors of the Company anticipate that the application of other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis, as explained in the accounting policies set out below.

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

Basis of consolidation

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

The results of subsidiaries acquired or disposed of during the period are included in the consolidated statements of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate.

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

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

本公司董事預期應用其他新訂及經修訂準則、修訂或詮釋對本集團之業績及財務狀況不會產生重大影響。

3. 重大會計政策

誠如下文所載會計政策所釋，綜合財務報表乃根據歷史成本基準編製。

綜合財務報表乃遵照香港會計師公會頒佈之香港財務報告準則而編製。此外，綜合財務報表已載列香港聯合交易所有限公司證券上市規則及香港公司條例規定之適用披露。

綜合賬目之基準

綜合財務資料包括本公司及本公司控制之實體（其附屬公司）之財務報表。倘本公司有權監管實體之財務及營運政策以自其活動取得利益，則取得控制權。

期內收購或出售之附屬公司之業績載入全面綜合收益表，自收購生效日期起計入或計至出售生效日期止（按適用情況）。

如需要，會對附屬公司財務報表作出調整，以令彼等之會計政策與本集團其他成員公司採用之會計政策一致。

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Basis of consolidation *(Continued)*

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

Merger accounting for business combination involving entities under common control

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

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

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

3. 重大會計政策 (續)

綜合賬目之基準 (續)

所有集團內公司間之交易、結餘、收入及開支於綜合時對銷。

涉及受共同控制實體業務合併之合併會計法

綜合財務報表包括出現共同控制權之綜合入賬實體或業務之財務報表項目，猶如該等實體或業務首次受控制方控制當日起已綜合入賬。

綜合入賬之實體或業務之資產淨值乃按控制方認為之現有賬面值綜合入賬。在控制方之權益得以維持之情況下，不會於共同控制合併時就商譽或收購人於被收購公司可識別資產、負債及或然負債之公平淨值權益高於成本之部分確認任何金額。

綜合全面收益表包括各綜合入賬實體或業務自最早呈列日期起或自綜合入賬之實體或業務首次受共同控制之日起（以較短期間為準）（不理會共同控制權合併之日期）之業績。

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Revenue recognition

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

Revenue from sale of goods is recognised when the goods are delivered and title has passed.

Subcontracting income is recognised when services are rendered.

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

Property, plant and equipment

Property, plant and equipment including buildings held for use in the production or supply of goods or services, or for administrative purposes (other than construction in progress) are stated at cost less subsequent accumulated depreciation and accumulated impairment losses.

3. 重大會計政策 (續)

收益確認

收益乃按已收或應收代價之公平值計量，並相當於在正常業務過程中售出貨品而應收之款項，扣除折扣及銷售相關稅項。

銷售貨品之收益乃於交付貨品及轉移所有權時確認。

分包收入於提供服務時確認。

來自財務資產之利息收入乃參考尚餘本金及按適用實際利率按時間基準累計，適用實際利率為於將於財務資產預計年期之估計未來現金收入貼現至於初步確認時之資產賬面淨值之實際利率。

物業、廠房及設備

除在建工程外，物業、廠房及設備（包括持有作生產或供應貨品或服務用途或行政用途之樓宇）乃按成本減其後之累計折舊及累計減值虧損入賬。

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Property, plant and equipment *(Continued)*

Depreciation is provided to write off the cost of items of property, plant and equipment (other than construction in progress) over their estimated useful lives and after taking into account their estimated residual values, using the straight-line method.

Construction in progress includes property, plant and equipment in the course of construction for production or for its own use purpose. Construction in progress is carried at cost less any recognised impairment loss. Construction in progress is classified to the appropriate category of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the profit or loss in the period in which the item is derecognised.

3. 重大會計政策 (續)

物業、廠房及設備 (續)

除在建工程外，物業、廠房及設備之項目在其估計可使用年期內，經計及其估計餘值後，按直線法計算折舊撥備，以撇銷其成本。

在建工程包括用作生產或供其自用之在建物業、廠房及設備。在建工程乃按成本減任何已確認減值虧損列賬。當在建工程完工及可作其擬定用途時，則歸入適當之物業、廠房及設備類別。該等資產於可作其擬定用途時開始折舊，折舊基準與其他物業資產相同。

物業、廠房及設備項目於出售時或當繼續使用該資產預期不會產生任何未來經濟利益時終止確認。終止確認資產產生之任何收益或虧損（按該項目之出售所得款項淨額與賬面值間之差額計算）於該項目終止確認之期間計入損益。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Prepaid lease payments

Prepaid lease payments are carried at cost and amortised over the lease term on a straight-line basis.

Intangible assets

Intangible assets acquired separately and with indefinite useful lives are stated at cost less any accumulated impairment losses (see the accounting policy in respect of impairment losses on tangible assets below).

Gain or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss in the period when the asset is derecognised.

3. 重大會計政策 (續)

預付租賃款項

預付租賃款項乃按成本列賬，並於租期以直線法攤銷。

無形資產

獨立收購且無限定可使用年期之無形資產乃按成本減任何累計減值虧損列賬（參閱下文有關有形資產減值虧損之會計政策）。

終止確認無形資產產生之收益或虧損，乃按有關資產之出售所得款項淨額與賬面值之差額計量，並於終止確認有關資產期間在損益內確認。

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying asset, 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.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method.

3. 重大會計政策 (續)

借貸成本

與收購、建設或生產合資格資產(需要長時間方能擬定用途或銷售之資產)直接相關之借貸成本,乃於資產大致可用作其擬定用途或銷售時加至該等資產之成本。就暫未用作合資格資產開支之特定借貸所作出臨時投資而賺取之投資收入,將自合資格撥作資本之借貸成本中扣除。

所有其他借貸成本乃於產生期間於損益內確認。

存貨

存貨乃按成本及可變現淨值兩者之較低者列賬。成本乃利用加權平均法計算。

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Taxation

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

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

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

3. 重大會計政策 (續)

稅項

所得稅支出指即期應付稅項及遞延稅項之總和。

即期應付稅項乃按年內應課稅溢利計算。應課稅溢利不包括其他年度之應課稅或可扣稅收支項目，亦不包括毋須課稅或不可扣稅項目，故其有別於在全面收益表所報之溢利。本集團即期稅項之負債乃利用於申報期間結算日前已頒布或實質上已頒布之稅率計算。

遞延稅項為就綜合財務報表資產及負債賬面值與計算應課稅溢利相應稅基之間之差額而確認。遞延稅項負債通常會就所有應課稅臨時差額確認，而遞延稅項資產乃按所有可能出現可利用臨時差額扣稅之應課稅溢利時提撥。若於一項交易中，因首次確認其他資產及負債而引致之臨時差額既不影響應課稅溢利或會計溢利，則不會確認該等資產及負債（於業務合併中除外）。

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Taxation *(Continued)*

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

3. 重大會計政策 (續)

稅項 (續)

遞延稅項負債乃就附屬公司投資之相關應課稅暫時差額而確認，惟若本集團能夠控制臨時差額轉回及臨時差額有可能未必於可見將來轉回之情況除外。與該等投資及權益相關之可扣稅暫時差額所產生之遞延稅項資產僅於可能有足夠應課稅溢利可以使用暫時差額之利益且預計於可見將來可以撥回時確認。

遞延稅項資產之賬面值於報告期間之結算日作檢討，並在不大可能有足夠應課稅溢利以收回全部或部分資產時作調減。

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Taxation (Continued)

Deferred tax liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity respectively.

Foreign currencies

In preparing the financial statements of the each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currency) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise.

3. 重大會計政策 (續)

稅項 (續)

遞延稅項負債乃按償還負債或變現資產之期內所預期之適用稅率，根據申報期末已實施或實際實施之稅率（及稅法）計算。遞延稅項負債及資產之計量反映按照本集團預期於申報期末可收回或結算其資產及負債之賬面值方式計算而得出之稅務結果。遞延稅項乃於損益賬中確認，除非該稅項與該等項目有關時乃於其他全面收益或直接於股本中確認，在此情況下，遞延稅項亦分別於其他全面收益或直接於股本中確認。

外幣

於編製各個別集團實體之財務報表時，以該實體功能貨幣以外貨幣（外幣）進行之交易乃按交易日期之現行匯率換算為功能貨幣（即該實體經營所在主要經濟環境之貨幣）記賬。於報告期間結算日，以外幣計值之貨幣項目乃按該日之現行匯率重新換算。

於結算及換算貨幣項目時產生之匯兌差額乃於其產生期間內於損益確認。

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Leasing

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

The Group as lessee

Operations lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

Retirement benefit costs

Payments to the defined contribution scheme are charged as expenses when employees have rendered service entitling them to the contributions.

Payments made to state-managed retirement benefits schemes are dealt with as payments to defined contribution schemes where the Group's objectives under the schemes are equivalent to those arising in a defined contribution retirement benefits scheme.

3. 重大會計政策 (續)

租賃

凡租賃之條款將擁有權之絕大部分風險及回報轉移至承租人之租賃，均歸類為融資租賃。所有其他租賃則歸類為經營租賃。

本集團作為承租人

經營租約付款於相關租約期間按直線基準確認為開支。作為訂立經營租約之激勵而已收及應收之福利於租約期間按直線基準確認為租金開支減少。

退休福利成本

向界定供款計劃作出之供款於僱員提供服務而可享有供款時支銷。

對國家管理退休福利計劃作出之供款乃按向界定供款計劃作出供款之相同準則處理，本集團於計劃下之目標與界定供款計劃所產生者相同。

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Retirement benefit costs *(Continued)*

Share-based payment transactions

Equity-settled share-based payment transactions

The fair value of services received determined by reference to the fair value of shares transferred at the date of transfer is expensed on a straight-line basis over the service period with a corresponding increase in equity (Share-based payment reserve).

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

3. 重大會計政策 (續)

退休福利成本 (續)

以股份付款之交易

以權益結算股份付款之交易

所獲取服務之公平值乃參考轉讓股份於轉讓日期之公平值釐定，有關數額於服務期間以直線法支銷，並於權益（股份付款儲備）中作出相應增加。

財務工具

財務資產及財務負債乃於集團實體為工具合同條文之訂約方時在綜合財務狀況報表內確認。財務資產及財務負債初步按公平值計量。與收購或發行財務資產及財務負債直接相關之交易成本，乃於初步確認時計入財務資產或財務負債之公平值或自當中扣除（按適用情況）。

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments *(Continued)*

Financial assets

The Group's financial assets are classified as loans and receivables.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

3. 重大會計政策 (續)

財務工具 (續)

財務資產

本集團之財務資產分類為貸款及應收款項。

實際利息法

實際利息法為計算財務資產攤銷成本及於有關期間分配利息收入之方法。該實際利率指於財務資產之估計可使用年期或(如適用)較短期間實際貼現估計未來現金收入(包括構成實際利率組成部分之所有已付或已收費用、交易成本及其他溢價或折讓)至初步確認時之賬面淨值之利率。

債務工具之利息收入按實際利息基準確認。

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments *(Continued)*

Financial assets *(Continued)*

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade and other receivables, pledged bank deposits and bank balances and cash) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment loss on financial assets below).

3. 重大會計政策 (續)

財務工具 (續)

財務資產 (續)

貸款及應收款項

貸款及應收款項為並無於活躍市場報價、有固定或待定期款金額之非衍生財務資產。於初步確認後，貸款及應收款項（包括應收賬款及其他應收款項、已抵押銀行存款及銀行結餘）乃以實際利率法，按攤銷成本減任何已識別減值虧損入賬（參閱下文有關財務資產減值虧損之會計政策）。

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of the reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected. Objective evidence of impairment could include:

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

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

3. 重大會計政策 (續)

財務工具 (續)

財務資產 (續)

財務資產減值

財務資產於報告期間結算日評估是否有減值跡象。倘有客觀證據證明財務資產因於初步確認後發生之一項或多項事件導致財務資產之估計未來現金流量受到影響，則財務資產屬已減值。客觀減值證據可包括：

- 發行人或對手方出現嚴重財政困難；或
- 拖欠或無力支付利息或本金；或
- 借款人有可能破產或進行財務重組。

倘若存在客觀證據證明資產出現減值，則於損益內確認減值虧損，並按資產賬面值與按原有實際利率貼現之估計未來現金流量現值之差額計量。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

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

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

3. 重大會計政策 (續)

財務工具 (續)

財務資產 (續)

財務資產減值 (續)

就所有財務資產而言，減值虧損會直接於財務資產之賬面值中扣除，惟應收賬款除外，其賬面值乃使用撥備賬減少。撥備賬之賬面值變動於損益內確認。倘應收賬款被視為無法收回，則於撥備賬中撇銷。其後收回過往撇銷之款項會計入損益內。

倘若隨後期間減值虧損數額減少，而該減少乃客觀地與確認減值虧損後發生之事項相關，則過往確認之減值虧損於損益撥回，惟資產於撥回減值當日之賬面值不得超過倘若並無確認減值原有之攤銷成本。

3. SIGNIFICANT ACCOUNTING POLICIES*(Continued)***Financial instruments** *(Continued)***Financial liabilities and equity**

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

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Interest expense is recognised on an effective interest basis.

3. 重大會計政策 (續)**財務工具 (續)****財務負債及股本**

由集團實體發行之財務負債及股本工具乃按所訂立之合約安排內容，以及財務負債及股本工具之定義作出分類。

股本工具為任何證明本集團於扣除其所有負債於資產剩餘權益之合約。

實際利息法

實際利息法為計算財務負債攤銷成本及於有關期間分配利息開支之方法。該實際利率指於財務負債之估計可使用年期或（如適用）較短期間實際貼現估計未來現金付款之利率。

利息開支按實際利息基準確認。

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial liabilities and equity (Continued)

Financial liabilities

The Group's financial liabilities including trade and other payables, bank borrowings and dividend payable are measured at amortised cost, using the effective interest method.

Equity instruments

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

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3. 重大會計政策 (續)

財務工具 (續)

財務負債及股本 (續)

財務負債

本集團之財務負債包括應付賬款及其他應付款項、銀行借貸及應付股息，乃利用實際利息法按攤銷成本計量。

股本工具

本公司發行之股本工具按已收所得款項扣除直接發行成本入賬。

終止確認

當財務資產收取現金流量之權利已屆滿，或財務資產已轉讓及本集團已將其於財務資產擁有權之絕大部分風險及回報轉移，則終止確認財務資產。於終止確認財務資產時，資產賬面值與已收及應收代價總和之間之差額在損益中確認。

財務負債於有關合約所訂明責任獲解除、取消或屆滿時終止確認。被終止確認之財務負債之賬面值與已付及應付代價之差額在損益中確認。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment loss on tangible assets and intangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. In addition, intangible assets with indefinite useful lives are tested for impairment annually, and whenever there is an indication that they may be impaired. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

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

3. 重大會計政策 (續)

有形資產及無形資產減值虧損

於報告期間結束時，本集團審核其有形及無形資產之賬面值，以決定有否跡象顯示該等資產出現減值虧損。倘存在任何該等現象，會估算資產之可收回金額，以釐定減值虧損（如有）之程度。此外，無限定可使用年期之無形資產每年及在有跡象顯示可能出現減值時接受減值測試。倘若資產之可收回金額估計低於其賬面值，則資產之賬面值減至其可收回金額。減值虧損乃即時確認為開支。

若其後撥回減值虧損，則資產之賬面值增至其修訂估計可收回金額，惟增加後之賬面值不得超逾倘若過往期間並無就資產確認減值虧損時應有之賬面值。減值虧損撥回即時確認為收入。

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

The key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed below.

Estimated allowance for receivables

Management regularly reviews the recoverability of trade and other receivables. Allowance for these receivables is made based on the evaluation of collectability and on management's judgment by reference to the estimation of the future cash flows discounted at an effective interest rate to calculate the present value.

A considerable amount of judgment is required in assessing the ultimate realisation of these debtors, including their current creditworthiness. If the actual future cash flows were less than expected, additional allowance may be required.

Inventory valuation method

Inventory is valued at the lower of cost and net realisable value. Cost is determined using the weighted average method. The net realisable value is estimated by reference to selling price of inventory subsequent to the end of the reporting period. The Group reviews its inventory levels in order to identify slow-moving merchandise and use markdown to clear merchandise. If the actual selling prices of inventory were less than expected, additional allowance may be required.

4. 估計不明朗因素主要來源

於報告期間結算日時，可能存在重大風險而導致下個財政年度內資產及負債賬面值須作出重大調整之估計不明朗因素主要來源披露如下。

應收款項估計撥備

管理層定期審閱應收賬款及其他應收款項之可收回程度。該等應收款項之撥備乃根據可收回程度之評估及管理層經參考按實際利率貼現至現值之估計未來現金流量後所作判斷而作出。

於評估該等債務人最終能否還款（包括彼等現時之信貸聲譽）時需作出大量判斷。倘實際未來現金流量少於預期，或須作出額外撥備。

存貨估值方法

存貨以成本及可變現淨值之較低者計量。成本則使用加權平均法釐定。可變現淨值乃參考報告期間結算日後存貨的售價而估計。本集團會審閱其存貨水平，以識別滯銷貨品，並以減價方式清售有關貨品。倘存貨實際售價低於預期，可能須作出額外撥備。

5. REVENUE AND SEGMENT INFORMATION

The Group determines its operating segments based on the reports regularly reviewed by the directors, who are the chief operating decision makers, for the purpose of allocating resources to segments and assessing their performance.

The Group has two operating and reportable segments, the manufacture and distribution of cotton yarns and bedding products. The segments are managed separately as each business offers different products and requires different information technology systems and marketing strategies. The following summary describes the operations in each of the Group's operating and reportable segments:

The manufacture and distribution of cotton yarns segment refers to the operation of cotton yarns tailored to the specific requirements of customers, such as different texture, thickness, sheen and elasticity. Its income mainly comprises sales revenue of cotton yarns to textile manufacturers in both the domestic and overseas markets. Cotton yarns are used in the production of cotton textile used in garments and furnishings.

5. 收益及分部資料

本集團根據董事（即主要營運決策者）定期審閱之報告釐定經營分部，以分配分部資源及評估分部表現。

本集團有兩個經營及報告分部，即棉紗及床品製造及分銷業務。由於各項業務提供不同產品，並需要不同資訊科技系統及市場策略，故各分部會獨立管理。下列概要載述本集團每個經營及報告分部之業務：

棉紗製造及分銷分部指生產及分銷按照客戶特定要求（如不同質地、紗支、光澤及彈性）製造之棉紗之業務。其收入主要包括銷售予國內及海外市場之紡織品製造商之棉紗銷售收益。棉紗用作生產服裝及服飾所用之棉紡織品。

5. REVENUE AND SEGMENT INFORMATION

(Continued)

The manufacture and distribution of bedding products segment refers to the manufacture and distribution of bedding products such as bed covers, flat sheets, pillow cases, bed sheets and quilt covers, as well as combination sets of such bedding products. Its income mainly comprises sales revenue of bedding products from products sold under the "TAIFENG" brand in the People's Republic of China (the "PRC") market and products sold to overseas OEM customers under their international brands.

No information of liabilities is provided to the chief operating decision makers for the assessment of performance of different segments. Therefore, only segment revenue, segment results and segment assets are presented.

5. 收益及分部資料 (續)

床品製造及分銷分部指床鋪、床罩、枕套、床單及被袋以及該等套裝床品之製造及分銷。其收入主要包括來自於中華人民共和國（「中國」）市場以「泰豐」品牌銷售之產品及以國際品牌將產品銷售予海外貼牌客戶之床品銷售收益。

並無向主要經營決策者提供負債資料，以評估不同分部之表現。因此，僅呈列分部收益、分部業績及分部資產。

5. REVENUE AND SEGMENT INFORMATION

(Continued)

An analysis of the Group's segment profit before taxation, assets and liabilities by operating and reportable segment is as follows:

5. 收益及分部資料 (續)

本集團按經營及報告分部劃分之除稅前溢利、資產及負債之分析如下：

		For the six months ended 30 June, 2010 截至二零一零年六月三十日止六個月				
		Manufacture and distribution of cotton yarns 製造及分銷棉紗 RMB'000 人民幣千元	Manufacture and distribution of bedding products 製造及分銷床品 RMB'000 人民幣千元	Segment total 分部總計 RMB'000 人民幣千元	Inter-segment elimination 分部間對銷 RMB'000 人民幣千元	Combined 綜合 RMB'000 人民幣千元
Revenue from external customers	來自外部客戶之收益	453,688	328,261	781,949	-	781,949
Inter-segment sales	分部間銷售	-	1,080	1,080	(1,080)	-
Depreciation of property, plant and equipment	物業、廠房及設備折舊	(19,565)	(181)	(19,746)	-	(19,746)
Release of prepaid lease payments	解除預付租賃款項	(89)	-	(89)	-	(89)
Other operating expenses	其他經營開支	(355,876)	(173,645)	(529,521)	-	(529,521)
Segment profit before taxation	分部除稅前溢利	78,158	155,515	233,673	(1,080)	232,593
Segment assets as at 30 June, 2010	二零一零年六月三十日之分部資產	596,974	170,238	767,212	-	767,212

Amounts regularly provided to the chief operating decision makers and included in the measure of segment assets:

定期提供予主要經營決策者且在計量分部資產時計入之款項：

Expenditures for segment non-current assets (Note)	分部非流動資產開支 (附註)	1,538	73	1,611	-	1,611

Note: Non-current assets excluded financial instruments and deferred tax asset.

附註：非流動資產不包括金融工具及遞延稅項資產。

5. REVENUE AND SEGMENT INFORMATION

(Continued)

5. 收益及分部資料 (續)

For the six months ended 30 June, 2009 (Unaudited)
截至二零零九年六月三十日止六個月(未經審核)

		Manufacture and distribution of cotton yarns 製造及 分銷棉紗 RMB'000 人民幣千元	Manufacture and distribution of bedding products 製造及 分銷床品 RMB'000 人民幣千元	Segment total 分部總計 RMB'000 人民幣千元	Inter-segment elimination 分部間對銷 RMB'000 人民幣千元	Combined 綜合 RMB'000 人民幣千元
Revenue from external customers	來自外部客戶之收益	340,525	277,829	618,354	-	618,354
Inter-segment sales	分部間銷售	-	647	647	(647)	-
Depreciation of property, plant and equipment	物業、廠房及設備折舊	(19,484)	(183)	(19,667)	-	(19,667)
Release of prepaid lease payments	解除預付租賃款項	(135)	-	(135)	-	(135)
Other operating expenses	其他經營開支	(299,217)	(139,481)	(438,698)	-	(438,698)
Segment profit before taxation	分部除稅前溢利	21,689	138,812	160,501	(647)	159,854
Segment assets as at 31 December, 2009	二零零九年十二月三十一日之 分部資產	663,438	192,179	855,617	-	855,617

Amounts regularly provided to the chief operating decision makers and included in the measure of segment assets:

定期提供予主要經營決策者且在計量分部資產時計入之款項：

Expenditures for segment non-current assets (Note)	分部非流動資產開支 (附註)	28	10	38	-	38
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Note: Non-current assets excluded financial instruments and deferred tax asset.

附註：非流動資產不包括金融工具及遞延稅項資產。

5. REVENUE AND SEGMENT INFORMATION*(Continued)*

(a) Performance is measured based on segment profit before taxation. Income tax expense is not allocated to operating and reportable segments.

(b) Reconciliation of segment profit before taxation

Segment profit represents the profit caused by each segment without the allocation of central administrative costs, listing expenses, interest income and interest expenses. This is the measure reported to the chief operating decision makers for the purpose of resource allocation and assessment of segment performance.

5. 收益及分部資料 (續)

(a) 表現乃根據分部除稅前溢利計量。所得稅開支不會分配至經營及報告分部。

(b) 分部除稅前溢利之對賬

分部溢利指各分部於並未分配中央行政成本、上市費用、利息收入及利息開支前所產生之溢利。有關數據乃為向主要營運決策人就資源分配及分部表現評估作出報告之基準。

5. REVENUE AND SEGMENT INFORMATION

*(Continued)***(b) Reconciliation of segment profit before taxation** *(Continued)*

Segment profit before taxation are reconciled to profit before taxation of the Group as follows:

5. 收益及分部資料 (續)

(b) 分部除稅前溢利之對賬 (續)

分部除稅前溢利與本集團除稅前溢利之對賬如下：

		For the six months ended 30 June, 截至六月三十日止六個月	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元 (unaudited) (未經審核)
Total segment profit before taxation	分部除稅前溢利總額	232,593	159,854
Unallocated income:	未分配收入：		
Interest income	利息收入	1,190	4,564
Other income	其他收入	-	93
Unallocated expenses:	未分配開支：		
Depreciation of property, plant and equipment	物業、廠房及設備折舊	(732)	(708)
Release of prepaid lease payments	解除預付租賃款項	-	(16)
Interest expenses	利息開支	(5,275)	(12,711)
Listing expenses	上市費用	(20,550)	(12,836)
Other expenses	其他開支	(18,222)	(11,446)
Profit before taxation	除稅前溢利	189,004	126,794

5. REVENUE AND SEGMENT INFORMATION

(Continued)

(c) Reconciliation of segment assets

The assets of the Group are allocated based on the operations of the segments. However, property, plant and equipment, deferred tax assets, other receivables and prepayments, pledged bank deposits, bank balances and cash, are either not allocated or not entirely allocated to the segments.

Segment assets are reconciled to total assets of the Group as follows:

5. 收益及分部資料 (續)

(c) 分部資產之對賬

本集團之資產乃根據分部業務作出分配。然而，物業、廠房及設備、遞延稅項資產、其他應收款項及預付款項、已抵押銀行存款、銀行結餘及現金並無分配或完全分配至分部。

分部資產與本集團總資產之對賬如下：

		At 30 June, 2010 於二零一零年 六月三十日 RMB'000 人民幣千元	At 31 December, 2009 於二零零九年 十二月 三十一日 RMB'000 人民幣千元
Total segment assets	分部資產總值	767,212	855,617
Unallocated assets:	未分配資產：		
Property, plant and equipment	物業、廠房及設備	20,903	21,535
Deferred tax asset	遞延稅項資產	2,699	2,699
Other receivables and prepayments	其他應收款項以及預付款項	10,818	9,982
Pledged bank deposits	已抵押銀行存款	29,223	24,318
Bank balances and cash	銀行結餘及現金	890,522	255,771
		<u>1,721,377</u>	<u>1,169,922</u>
Total assets per consolidated statements of financial position	綜合財務狀況報表所示資產總值		

5. REVENUE AND SEGMENT INFORMATION

*(Continued)***(d) Information about geographical areas**

In determining the Group's information about geographical areas, revenue are attributed to the segments based on the location of the customers.

The following table provides an analysis of the Group's revenue by geographical market, irrespective of the origin of the goods.

PRC (country of the domicile)	中國 (註冊地)
United States & Brazil	美國及巴西
Australia, Japan & Malaysia	澳洲、日本及馬來西亞
Europe	歐洲
Hong Kong & Macau	香港及澳門
Others	其他

The Group's non-current assets mainly represents property, plant and equipment, which are mainly located in the PRC.

5. 收益及分部資料 (續)

(d) 關於地區之資料

釐定本集團之地區資料時，收益乃根據客戶之所在地分配至分部。

下表提供本集團按地區市場劃分 (不論貨品來源地) 之收益分析。

**Turnover by
geographical market
按地區市場劃分之營業額
for the six months ended
30 June,
截至六月三十日止六個月**

2010 二零一零年 <i>RMB'000</i> 人民幣千元	2009 二零零九年 <i>RMB'000</i> 人民幣千元 (unaudited) (未經審核)
726,667	582,851
28,021	19,916
731	6,562
8,071	2,388
18,459	2,573
-	4,064
781,949	618,354

本集團之非流動資產主要指主要位於中國之物業、廠房及設備。

5. REVENUE AND SEGMENT INFORMATION*(Continued)***(e) Information about major customers**

The revenue from the Group's largest customer which was derived from both cotton yarns and bedding products segments was approximately RMB148,869,000 and RMB118,386,000, representing 19.0% and 19.1% of the total sales of the Group for the six months ended 30 June, 2010 and 2009, respectively.

In addition to the largest customer, there was a customer in the bedding products segment revenue contributing about 10.3% to the total of the Group for the six months ended 30 June, 2010. The revenue derived from the customer was approximately RMB80,177,000. Apart from the largest customer, there were two customers in the bedding products segment contributing about 13.2% and 11.3%, respectively, to the total revenue of the Group for the six months ended 30 June, 2009. The revenue from those two customers was approximately RMB81,734,000 and RMB69,884,000, respectively.

5. 收益及分部資料 (續)**(e) 主要客戶之資料**

截至二零一零年及二零零九年六月三十日止六個月，來自本集團最大客戶之收益來自棉紗及床品分部，分別約為人民幣148,869,000元及人民幣118,386,000元，分別相當於本集團銷售總額之19.0%及19.1%。

除最大客戶外，床品分部一名客戶於截至二零一零年六月三十日止六個月之收益為本集團收益總額貢獻約10.3%。來自該名客戶之收益約為人民幣80,177,000元。除最大客戶外，床品分部兩名客戶於截至二零零九年六月三十日止六個月之收益分別為本集團收益總額貢獻約13.2%及11.3%。該兩名客戶之收益分別約為人民幣81,734,000元及人民幣69,884,000元。

6. OTHER INCOME

An analysis of the Group's other income is as follows:

Gain on disposal of scrap materials	出售廢料之收益
Bank interest income	銀行利息收入
Subcontracting income	分包收入
Others	其他
Interest income from amount due from a related company	應收一間關連公司款項之利息收入

6. 其他收入

本集團其他收入之分析如下：

For the six months ended
30 June,

截至六月三十日止六個月

2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元 (unaudited) (未經審核)
3,326	1,596
1,190	152
119	4
176	99
-	4,412
4,811	6,263

The interest income on amount due from a related company represents the interest charged on the outstanding balance due from Taifeng Textile Group Company Limited ("TTG") 泰豐紡織集團有限公司, in which Mr. Liu Qingping ("Mr. Liu"), a director of the Company, had significant influence before 7 July, 2009. The directors of the Company are of the opinion that TTG has become an independent third party since 7 July, 2009 as Mr. Liu has no significant influence since his resignation as a director of TTG at that date.

應付一間關連公司款項之利息收入指就應收泰豐紡織集團有限公司（「泰豐紡織集團」，本公司董事劉慶平先生（「劉先生」）於二零零九年七月七日前對該公司擁有重大影響力）未償還結餘收取之利息。由於劉先生自二零零九年七月七日起辭任泰豐紡織集團之董事，故本公司董事認為，泰豐紡織集團已於該日起成為獨立第三方。

7. FINANCE COSTS

7. 財務成本

		For the six months ended	
		30 June,	
		截至六月三十日止六個月	
		2010	2009
		二零一零年	二零零九年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(unaudited)	
		(未經審核)	
Interest on:	下列各項之利息：		
Bank and other borrowings wholly repayable within five years	須於五年內悉數償還之銀行及其他借貸	5,275	6,343
Imputed interest expense on non-current interest-free shareholder's loan	非即期免息股東貸款之估 算利息開支	-	6,368
		5,275	12,711

The imputed interest expense arose from an interest-free shareholder's loan with a principal amount of RMB180,000,000 which was scheduled to be repayable by the end of October, 2010. However, the Group early repaid the loan in June, 2009 and the respective accrual of imputed interest expense up to the repayment date of approximately RMB6,368,000 was charged to profit or loss. The difference between the principal amount and the carrying amounts of the loan of approximately RMB17,075,000 which represented the interest to accrue from July, 2009 to October, 2010 was adjusted to the capital reserve in June, 2009 due to the earlier repayment of such loan.

應計利息開支由本金額為人民幣180,000,000元之免息股東貸款所產生，該筆貸款預期將於二零一零年十月底前償還。然而，本集團於二零零九年六月提前償還貸款，及截至償還日期應計利息開支之相關應計費用約人民幣6,368,000元已從損益內扣除。由於提前償還貸款，貸款本金額與帳面值之間之差額約人民幣17,075,000元（指於二零零九年七月至二零一零年十月期間應計之利息）已於二零零九年六月調整至資本儲備。

8. INCOME TAX EXPENSE

8. 所得稅開支

		For the six months ended 30 June, 截至六月三十日止六個月	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元 (unaudited) (未經審核)
Tax charge represents:	稅項開支指：		
Current tax:	即期稅項：		
The People's Republic of China ("PRC") Enterprise Income Tax ("EIT")	中華人民共和國(「中國」) 企業所得稅 (「企業所得稅」)	26,659	19,779
Deferred tax (note 21):	遞延稅項(附註21)：		
Current year	本年	<u>7,313</u>	<u>4,911</u>
		33,972	24,690

No provision for taxation has been made as the Group's income neither arises in, nor is derived from, Hong Kong.

由於本集團之收入並無於香港產生或來自香港，故並無計提稅項撥備。

Under the law of the People's Republic China on Enterprise Income Tax (the "EIT Law") and Detailed Information Rules of the EIT Law, the standard tax rate of the PRC subsidiaries is 25% from 1 January, 2008 onwards.

根據中華人民共和國企業所得稅法(「新稅法」)及新稅法實施條例，中國附屬公司適用之標準稅率由二零零八年一月一日起為25%。

Shanghai Taifeng Home Textile Company Limited ("Shanghai Taifeng"), one of the subsidiaries of the Group is subject to a tax rate of 25% under the new Law.

根據新稅法，本集團一間附屬公司上海泰豐家紡有限公司(「上海泰豐」)按25%之稅率繳納稅項。

8. INCOME TAX EXPENSE (Continued)

Pursuant to the relevant laws and regulations in the PRC, Shandong Taifeng Textile Company Limited (“Shandong Taifeng”), one of the major subsidiaries of the Group, was entitled to exemption from the PRC EIT from its first two profit-making year of operation and thereafter, it is entitled to a 50% relief from the PRC enterprise income tax for the following three years. The first profit making year of Shandong Taifeng is the year of 2006. Accordingly, Shandong Taifeng is entitled to a relief from EIT by 50% reduction from 2008 to 2010 with tax rate of 12.5%.

The tax charge for the periods can be reconciled to the profit before tax per the consolidated statements of comprehensive income as follows:

8. 所得稅開支 (續)

根據中國相關法律及規例，本集團一間主要附屬公司山東泰豐紡織有限公司（「山東泰豐」）有權自其首兩個獲利營運年度起豁免繳納中國企業所得稅，其後可獲50%中國企業所得稅減免三年。山東泰豐之首個獲利年度為二零零六年。因此，山東泰豐可於二零零八年至二零一零年獲50%之企業所得稅減免，稅率為12.5%。

期內稅項開支與綜合全面收益表所示除稅前溢利對賬如下：

		For the six months ended 30 June, 截至六月三十日止六個月	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元 (unaudited) (未經審核)
Profit before tax	除稅前溢利	189,004	126,794
Tax at PRC EIT rate of 25%	按中國企業所得稅稅率25% 計算之稅項	47,251	31,699
Tax effect of expenses not deductible for tax purpose	不可扣稅開支之稅務影響	6,139	1,956
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	308	171
Tax effect on withholding tax arising on undistributed profits of the PRC subsidiary	中國附屬公司未分派溢利 所產生預扣稅之稅務影響	7,313	4,911
Effect of tax exemption granted to Shandong Taifeng	山東泰豐獲授稅項豁免之 影響	(27,039)	(14,047)
Tax charge for the period	期內稅項開支	33,972	24,690

9. PROFIT FOR THE PERIOD

9. 期內溢利

		For the six months ended 30 June, 截至六月三十日止六個月	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元 (unaudited) (未經審核)
Profit for the period has been arrived at after charging:	期內溢利已扣除以下項目：		
Directors' emoluments (note 10)	董事酬金(附註10)	5,105	1,938
Other staff costs	其他員工成本	44,210	34,894
Retirement benefit scheme contributions, excluding those of directors	退休福利計劃供款 (不包括就董事作出之供款)	<u>1,914</u>	<u>1,462</u>
Total staff costs	總員工成本	<u>51,229</u>	<u>38,294</u>
Auditor's remuneration	核數師薪金	968	950
Depreciation of property, plant and equipment	物業、廠房及設備折舊	20,478	20,375
Release of prepaid lease payments	解除預付租賃款項	89	151
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	-	8
Net exchange loss	匯兌虧損淨額	859	126
Cost of inventories recognised as an expense	確認為開支之存貨成本	<u>540,484</u>	<u>449,718</u>

10. DIRECTORS' AND EMPLOYEES' EMOLUMENTS 10. 董事及僱員薪酬

Directors

Details of the emoluments paid to the directors of the Group for the periods are as follows:

Six months ended 30 June, 2010

Fees	Salaries and other allowances	Retirement Benefits Scheme Contributions	Share-based payment	Total		
袍金	薪金及其他津貼	退休福利計劃供款	股份付款開支	總計		
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		
Executive directors:						
執行董事：						
Mr. Liu Qing Ping	劉慶平先生	-	174	8	4,369	4,551
Ms. Qi Tong Li	冼同麗女士	-	117	6	-	123
Mr. Liu Chun Wei	劉純衛先生	-	149	6	-	155
Mr. Li Deng Xiang	李登祥先生	-	117	6	-	123
Mr. Zou Sheng Zhong	鄒生忠先生	-	118	6	-	124
Independent non-executive directors:						
獨立非執行董事：						
Mr. Chan Kin Sang	為陳健生先生	-	17	-	-	17
Mr. Li Yu Chun	李玉春先生	-	6	-	-	6
Mr. Dai Shun Lin	戴順林先生	-	6	-	-	6
-	-	-	704	32	4,369	5,105

董事

期內已付予本集團董事之酬金詳情如下：

截至二零一零年六月三十日止六個月

Fees	Salaries and other allowances	Retirement Benefits Scheme Contributions	Share-based payment	Total		
袍金	薪金及其他津貼	退休福利計劃供款	股份付款開支	總計		
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		
Executive directors:						
執行董事：						
Mr. Liu Qing Ping	劉慶平先生	-	174	8	4,369	4,551
Ms. Qi Tong Li	冼同麗女士	-	117	6	-	123
Mr. Liu Chun Wei	劉純衛先生	-	149	6	-	155
Mr. Li Deng Xiang	李登祥先生	-	117	6	-	123
Mr. Zou Sheng Zhong	鄒生忠先生	-	118	6	-	124
Independent non-executive directors:						
獨立非執行董事：						
Mr. Chan Kin Sang	為陳健生先生	-	17	-	-	17
Mr. Li Yu Chun	李玉春先生	-	6	-	-	6
Mr. Dai Shun Lin	戴順林先生	-	6	-	-	6
-	-	-	704	32	4,369	5,105

Six months ended 30 June, 2009

Fees	Salaries and other allowances	Retirement Benefits Scheme Contributions	Share-based payment	Total		
袍金	薪金及其他津貼	退休福利計劃供款	股份付款開支	總計		
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		
Executive directors:						
執行董事：						
Mr. Liu Qing Ping	劉慶平先生	-	119	7	1,457	1,583
Ms. Qi Tong Li	冼同麗女士	-	76	5	-	81
Mr. Liu Chun Wei	劉純衛先生	-	112	6	-	118
Mr. Li Deng Xiang	李登祥先生	-	71	6	-	77
Mr. Zou Sheng Zhong	鄒生忠先生	-	74	5	-	79
-	-	-	452	29	1,457	1,938

截至二零零九年六月三十日止六個月

Fees	Salaries and other allowances	Retirement Benefits Scheme Contributions	Share-based payment	Total		
袍金	薪金及其他津貼	退休福利計劃供款	股份付款開支	總計		
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		
Executive directors:						
執行董事：						
Mr. Liu Qing Ping	劉慶平先生	-	119	7	1,457	1,583
Ms. Qi Tong Li	冼同麗女士	-	76	5	-	81
Mr. Liu Chun Wei	劉純衛先生	-	112	6	-	118
Mr. Li Deng Xiang	李登祥先生	-	71	6	-	77
Mr. Zou Sheng Zhong	鄒生忠先生	-	74	5	-	79
-	-	-	452	29	1,457	1,938

10. DIRECTORS' AND EMPLOYEES' EMOLUMENTS 10. 董事及僱員薪酬 (續)

(Continued)

Employees

During the six months ended 30 June, 2010, the five highest paid individuals of the Group included one director (2009: two directors). The remuneration of the remaining four (2009: three) individuals for the periods are as follows:

		Six months ended 30 June, 截至六月三十日止六個月	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元 (unaudited) (未經審核)
Salaries and other allowances	薪金及其他津貼	772	434
Retirement benefit scheme contributions	退休福利計劃供款	6	4
		778	438

Note: The emolument of each of the above employees is below HK\$1,000,000 (equivalent to approximately RMB880,000).

During the periods, no emoluments were paid by the Group to any of the directors or the five highest paid individuals (including directors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors waived any emoluments during both periods.

僱員

於截至二零一零年六月三十日止六個月，本集團五名最高薪酬人士包括一名董事（二零零九年：兩名董事）。期內餘下四名人士（二零零九年：三名）之薪酬如下：

		Six months ended 30 June, 截至六月三十日止六個月	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元 (unaudited) (未經審核)
Salaries and other allowances	薪金及其他津貼	772	434
Retirement benefit scheme contributions	退休福利計劃供款	6	4
		778	438

附註：以上各僱員之薪酬均少於1,000,000港元（約相當於人民幣880,000元）。

期內，本集團並無向任何董事或五名最高薪酬人士（包括董事及僱員）支付酬金，作為吸引彼等加盟或加入本集團時之獎金或離職賠償。於兩個期間內，並無董事放棄收取任何酬金。

11. DIVIDENDS/DIVIDEND PAYABLE

In accordance with a resolution in writing of the shareholders of the Company passed on 28 November, 2009, the Company declared a special dividend of RMB50,000,000 to the original shareholders (“original shareholders”) prior to its initial public offer in June, 2010. In accordance with a resolution in writing of the shareholders of the Company passed on 25 January, 2010, the Company declared a special dividend of RMB80,000,000 to the original shareholders prior to its initial public offer in June, 2010.

The Board has declared an interim dividend of RMB0.054 per share be payable on 21 September, 2010 to the shareholders on the Register of Members of the Company on 3 September, 2010. Dividends are declared in RMB and will be converted into Hong Kong Dollars (“HK\$”) based on the official exchange rate of RMB against HK\$ as quoted by the People’s Bank of China on 3 September, 2010 before being paid to the shareholders.

11. 股息／應付股息

根據本公司股東於二零零九年十一月二十八日通過之書面決議案，本公司於二零一零年六月在首次公開發售前向原始股東（「原始股東」）宣派特別股息人民幣50,000,000元。根據本公司股東於二零一零年一月二十五日通過之書面決議案，本公司於二零一零年六月在首次公開發售前向原始股東宣派特別股息人民幣80,000,000元。

董事會宣派於二零一零年九月二十一日向於二零一零年九月三日名列本公司股東名冊之股東支付中期股息每股人民幣5.4分。股息以人民幣宣佈並以港元派付，並將於向股東支付前按中國人民銀行於二零一零年九月三日所報人民幣兌港元之官方匯率兌換為港元。

12. BASIC EARNINGS PER SHARE

12. 每股基本盈利

The calculation of the basic earnings per share attributable to the owners of the Company for the periods are based on the following data:

有關期間本公司擁有人應佔每股基本盈利乃按以下資料計算：

		Six months ended 30 June, 截至六月三十日止六個月	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元 (unaudited) (未經審核)
Profit for the period attributable to owners of the Company	本公司擁有人應佔期內溢利	155,032	102,104
		'000 千股	'000 千股
Weighted average number of ordinary shares for the purpose of basic earnings per share	就計算每股基本盈利之普通股股份加權平均數目	777,624	750,000

The weighted average number of ordinary shares used in the calculation of basic earnings per share for the six months ended 30 June, 2009 has been adjusted for 749,999,000 shares issued pursuant to the capitalisation issue (see note 22) which was assumed to occur at 1 January, 2009 together with 1,000 share then in issue.

計算截止二零零九年六月三十日止六個月之每股基本盈利時使用之普通股加權平均數目已因根據資本化發行(請參閱附註22, 假設已於二零零九年一月一日發生)已發行之749,999,000股股份連同當時已發行之1,000股股份調整。

No diluted earnings per share is presented for both periods as there were no potential ordinary shares in issue.

由於兩個期間之已發行普通股股份並無潛在影響, 故並無呈列兩個期間之每股攤薄盈利。

13. PROPERTY, PLANT AND EQUIPMENT

13. 物業、廠房及設備

		Buildings	Plant and	Office	Motor	Construction	Total
		樓宇	廠房及設備	辦公設備	汽車	在建工程	總計
		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
COST	成本						
At 1 January, 2009	於二零零九年一月一日	55,469	578,929	3,033	377	2,774	640,582
Additions	添置	-	1,919	708	-	4,155	6,782
Transfer	轉讓	6,929	-	-	-	(6,929)	-
Disposal	出售	-	-	(11)	-	-	(11)
		<u>62,398</u>	<u>580,848</u>	<u>3,730</u>	<u>377</u>	<u>-</u>	<u>647,353</u>
At 31 December, 2009	於二零零九年十二月三十一日	62,398	580,848	3,730	377	-	647,353
Additions	添置	226	1,385	100	-	-	1,711
		<u>62,624</u>	<u>582,233</u>	<u>3,830</u>	<u>377</u>	<u>-</u>	<u>649,064</u>
At 30 June, 2010	於二零一零年六月三十日	62,624	582,233	3,830	377	-	649,064
DEPRECIATION	折舊						
At 1 January, 2009	於二零零九年一月一日	9,710	97,192	1,067	51	-	108,020
Provided for the year	年內撥備	1,822	38,514	301	68	-	40,705
Eliminated on disposal	出售時對銷	-	-	(2)	-	-	(2)
		<u>11,532</u>	<u>135,706</u>	<u>1,366</u>	<u>119</u>	<u>-</u>	<u>148,723</u>
At 31 December, 2009	於二零零九年十二月三十一日	11,532	135,706	1,366	119	-	148,723
Provided for the period	期內撥備	981	19,295	168	34	-	20,478
		<u>12,513</u>	<u>155,001</u>	<u>1,534</u>	<u>153</u>	<u>-</u>	<u>169,201</u>
At 30 June, 2010	於二零一零年六月三十日	12,513	155,001	1,534	153	-	169,201
CARRYING VALUES	賬面值						
At 30 June, 2010	於二零一零年六月三十日	<u>50,111</u>	<u>427,232</u>	<u>2,296</u>	<u>224</u>	<u>-</u>	<u>479,863</u>
		<u>50,866</u>	<u>445,142</u>	<u>2,364</u>	<u>258</u>	<u>-</u>	<u>498,630</u>
At 31 December, 2009	於二零零九年十二月三十一日	50,866	445,142	2,364	258	-	498,630

13. PROPERTY, PLANT AND EQUIPMENT*(Continued)*

The above items of property, plant and equipment other than construction in progress are depreciated on a straight-line basis over the following years:

Buildings	15 – 30 years
Plant and equipment	5 – 15 years
Office equipment	5 – 10 years
Motor vehicles	10 years

13. 物業、廠房及設備 (續)

除在建工程外，上述物業、廠房及設備項目均以下列年期以直線基準計算折舊：

樓宇	15 – 30年
廠房及設備	5 – 15年
辦公設備	5 – 10年
汽車	10年

14. PREPAID LEASE PAYMENTS**14. 預付租賃款項**

		At 30 June, 2010 於 二零一零年 六月三十日 RMB'000 人民幣千元	At 31 December, 2009 於 二零零九年 十二月 三十一日 RMB'000 人民幣千元
Prepaid lease payments comprise:	預付租賃款項包括：		
Leasehold land in the PRC under medium-term lease	根據中期租約於中國持有之租賃土地	7,726	7,815
Analysed for reporting purposes as:	就報告作出之分析：		
Current assets	流動資產	179	179
Non-current asset	非流動資產	7,547	7,636
		7,726	7,815

The prepaid lease payment is amortised over the term of the rights on a straight-line basis of 50 years.

預付租賃款項以直線基準於使用權年期50年內攤銷。

15. TRADEMARK

The trademark represents brand name of “TAIFENG” and its graph, which was acquired during the year ended 31 December, 2009 from TTG at its fair value of RMB6,934,400 in accordance with the valuation report from an independent valuer, 北京中金浩資產評估有限責任公司. The trademark has a legal life of 10 years expiring in May, 2019, but is renewable every 10 years.

The directors of the Company are of the opinion that the Group would renew the trademark continuously and has the ability to do so. Various studies including product life cycle studies, market, competitiveness and environmental trends, and brand extension opportunities have been performed by management of the Group, which supports that the trademark has no foreseeable limit to its legal life of 10 years expiring at May, 2019 and the trademark products are expected to generate net cash inflows for the Group.

As a result, the trademark is considered by management of the Group as having an indefinite useful life because it is expected to contribute to net cash inflows indefinitely. The trademark will not be amortised until its useful life is determined to be finite. Instead it will be tested for impairment annually and whenever there is an indication that it may be impaired.

15. 商標

商標指「泰豐」之品牌名稱及其圖樣，乃於截至二零零九年十二月三十一日止年度內，按獨立估值師北京中金浩資產評估有限責任公司編製之估值報告所載公平值人民幣6,934,400元向泰豐紡織集團收購。商標之合法年期為十年，於二零一九年五月到期，惟每十年可重續。

本公司董事認為，本集團將繼續並有能力重續商標。本集團管理層已進行多項研究，包括產品壽命週期研究、市場、競爭及環境趨勢，以及品牌拓展機會。有關研究證實對於商標於二零一九年五月到期之十年合法年期並無可預見之限制，並預期商標產品可為本集團帶來淨現金流入。

因此，本集團管理層認為，由於預期商標會無限期帶來淨現金流入，故並無有限可使用年期。於確定商標之可使用年期屬有限前，商標不會予以攤銷。然而，商標將每年接受減值測試，以及於出現減值跡象時進行測試。

16. INVENTORIES

At cost	按成本
Raw materials	原材料
Work-in-progress	在製品
Finished goods	製成品

16. 存貨

At 30 June, 2010	At 31 December, 2009
於二零一零年 六月三十日	於二零零九年 十二月 三十一日
RMB'000 人民幣千元	RMB'000 人民幣千元
47,077	51,775
30,317	17,795
21,863	23,505
99,257	93,075

17. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

Trade receivables	應收賬款
Less: allowance for doubtful debts	減：呆賬撥備
Prepayments to suppliers	向供應商預付款項
Prepayments for expenses	開支預付款項
Bills receivables	應收票據
Other receivables	其他應收款項

17. 應收賬款及其他應收款項以及預付款項

At 30 June, 2010	At 31 December, 2009
於二零一零年 六月三十日	於二零零九年 十二月 三十一日
RMB'000 人民幣千元	RMB'000 人民幣千元
126,750	184,771
(1,047)	(1,047)
125,703	183,724
68,856	83,696
1,680	7,121
330	5,050
8,584	1,089
205,153	280,680

17. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Continued)

Included in the trade receivables as at 31 December, 2009 is an amount of approximately RMB4,329,000 which represents trade balances due from TTG.

Apart from the cash sales from its retail business, the Group generally allows an average credit period of 30 to 90 days to its trade customers. The aged analysis of the Group's trade receivables (net of allowance for doubtful debts) based on the invoice date at the end of the reporting period is as follows:

17. 應收賬款及其他應收款項以及預付款項 (續)

於二零零九年十二月三十一日，計入應收賬款之款項約為人民幣4,329,000元，主要指應收泰豐紡織集團之貿易結餘。

除來自其零售業務的現金銷售外，本集團一般給予其貿易客戶平均30至90日之信貸期。本集團應收賬款（扣除呆賬撥備）於報告期間結算日基於發票日期之賬齡分析如下：

		At 30 June, 2010 於二零一零年 六月三十日 RMB'000 人民幣千元	At 31 December, 2009 於二零零九年 十二月 三十一日 RMB'000 人民幣千元
Trade receivables:	應收賬款：		
0-30 days	0至30日	85,345	130,658
31-60 days	31至60日	23,677	33,638
61-90 days	61至90日	8,379	11,473
91-180 days	91至180日	4,224	4,769
Over 180 days	超過180日	4,078	3,186
		125,703	183,724

17. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Continued)

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines its credit limits based on results from investigation of historical credit records of these customers. The directors of the Company consider that there has not been a significant change in credit quality of the trade receivables and there is no recent history of default for those trade receivables that are neither past due nor impaired.

Aging (based on the invoice date) of trade receivables which are past due but not impaired

91-180 days	91至180日
Over 180 days	超過180日

The Group does not hold any collateral over the above balances, but management considers that there is no impairment in view of the continuing repayments from these customers and there has not been a significant change in credit quality.

17. 應收賬款及其他應收款項以及預付款項 (續)

本集團接納新客戶前，會評估該潛在客戶之信貸質素，並根據對該等客戶過往信貸記錄之調查結果設定信貸限額。本公司董事認為，應收賬款之信貸質素並無重大變化，及該等預期或減值之應收賬款最近並無違約記錄。

已逾期但未減值之應收賬款賬齡 (根據發票日期)

At 30 June, 2010 於二零一零年 六月三十日 RMB'000 人民幣千元	At 31 December, 2009 於二零零九年 十二月 三十一日 RMB'000 人民幣千元
4,224	4,769
<u>4,078</u>	<u>3,186</u>
8,302	7,955

本集團並無就上述結餘持有任何抵押品，但管理層認為，基於能持續收到該等客戶之還款，故並無任何減值，及信貸質素並無重大變動。

17. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Continued)

17. 應收賬款及其他應收款項以及預付款項 (續)

Movement in the allowance for doubtful debts

呆賬撥備之變動

	Six months ended 30 June, 2010	For the year ended 31 December, 2009
	截至 二零一零年 六月三十日止 六個月 RMB'000 人民幣千元	二零零九年 十二月 三十一日 止年度 RMB'000 人民幣千元
Balance at beginning and at the end of the period/year	期/年初及期/年終之結餘 1,047	1,047

All bills receivables of the Group were aged within 60 days at the end of the reporting period.

本集團所有應收票據於報告期間結算日之賬齡均少於60日。

Included in trade and other receivables, there were approximately RMB45,018,000 and RMB7,040,000 denominated in United States Dollars ("US\$") and HK\$, other than the functional currency of the respective group entities as at 30 June, 2010 (As at 31 December, 2009: approximately RMB19,765,000 and Nil denominated in US\$ and HK\$), respectively.

於二零一零年六月三十日，應收賬款及其他應收款項分別有約人民幣45,018,000元及人民幣7,040,000元以美元（「美元」）及港元（並非各集團實體之功能貨幣）計值之款項（於二零零九年十二月三十一日：約人民幣19,765,000元及零元分別以美元及港元計值）。

18. BANK BALANCES AND CASH/PLEDGED BANK DEPOSITS 18. 銀行結餘及現金／已抵押銀行存款

Bank balances of the Group carry interest at variable rates as follows:

Range of interest rates per annum 年利率範圍

Pledged bank deposits mainly represent deposits pledged to banks to secure bills payables and as requested by the PRC Custom Authority.

The pledged bank deposits of the Group carrying fixed interest rates at the following various interest rates per annum:

Interest rates per annum 年利率

本集團之銀行結餘按下列浮息計息：

At 30 June, 2010 二零一零年 六月三十日	At 31 December, 2009 二零零九年 十二月 三十一日
0.01% to 0.36% 0.01厘至 0.36厘	0.01% to 0.36% 0.01厘至 0.36厘

已抵押銀行存款主要指為應中國海關要求作為應付票據抵押而抵押予銀行之存款。

本集團之已抵押銀行存款按下列不同年利率計息：

At 30 June, 2010 二零一零年 六月三十日	At 31 December, 2009 二零零九年 十二月 三十一日
0.01% to 0.36% 0.01厘至 0.36厘	0.01% to 0.36% 0.01厘至 0.36厘

18. BANK BALANCES AND CASH/PLEDGED BANK DEPOSITS (Continued)

Included in bank balances and pledged bank deposits, there were approximately RMB3,756,000 and RMB449,229,000 denominated in US\$ and HK\$, other than the functional currency of the respective group entities, as at 30 June, 2010 (As at 31 December, 2009: approximately RMB4,325,000 and Nil denominated in US\$ and HK\$), respectively.

19. TRADE AND OTHER PAYABLES AND ACCRUALS

The analysis of the trade payables of the Group is as follows:

18. 銀行結餘及現金／已抵押銀行存款 (續)

於二零一零年六月三十日，銀行結餘及已抵押銀行存款中分別有約人民幣3,756,000元及人民幣449,229,000元以美元及港元（並非各集團實體之功能貨幣）計值之款項（於二零零九年十二月三十一日：約人民幣4,325,000及零元以美元及港元計值）。

19. 應付賬款及其他應付款項及應計費用

本集團應付賬款之分析如下：

		At 30 June, 2010 於二零一零年 六月三十日 RMB'000 人民幣千元	At 31 December, 2009 於二零零九年 十二月 三十一日 RMB'000 人民幣千元
Trade payables	應付賬款	106,636	67,785
Bills payables	應付票據	44,500	40,000
Accruals	應計費用	40,450	31,014
Receipts in advance	預收款項	20,257	6,795
Other tax payables	其他應付稅項	26,275	29,248
Amount due to shareholders (Note)	應付股東款項 (附註)	25,098	-
Others	其他	37,570	28,169
		300,786	203,011

Note: The amount represented the net proceeds from initial public offering which related to old shares.

附註：該款項指首次公開發售所得款項淨額（涉及舊股份）。

19. TRADE AND OTHER PAYABLES AND ACCRUALS (Continued)

Included in the trade payables as at 30 June, 2010 is an amount of approximately RMB717,000 (31 December, 2009: nil) which represents trade balances due to TTG.

The aged analysis of the Group's trade payables based on the invoice date at the end of each reporting period is as follows:

0-30 days	0至30日
31-60 days	31至60日
61-90 days	61至90日
91-180 days	91至180日
Over 180 days	超過180日

All bills payables of the Group are aged between 91 to 180 days and are not yet due at the end of the reporting period.

19. 應付賬款及其他應付款項及應計費用 (續)

於二零一零年六月三十日，應付賬款有約人民幣717,000元（二零零九年十二月三十一日：無）之款項，該筆款項指應付泰豐紡織集團之貿易結餘。

本集團於各報告期間結算日基於發票日期之應付賬款賬齡分析如下：

	At 30 June, 2010	At 31 December, 2009
	於二零一零年 六月三十日	於二零零九年 十二月 三十一日
	<i>RMB'000</i> 人民幣千元	<i>RMB'000</i> 人民幣千元
	87,163	54,476
	4,085	2,266
	2,612	2,086
	5,060	3,320
	7,716	5,637
	106,636	67,785

本集團所有應付票據之賬齡均介乎91至180日，於報告期間結算日均仍未到期。

19. TRADE AND OTHER PAYABLES AND ACCRUALS (Continued)

As at 30 June, 2010, bills payables with aggregate amount of RMB14,500,000 (2009: RMB14,000,000) and RMB30,000,000 (2009: RMB30,000,000) were guaranteed by independent third parties, Shandong Taishan Paper Manufacturing Limited 山東泰山造紙有限公司 (“Taishan Paper”) and Laiwu City Economic Development and Investment Co., Ltd. 萊蕪市經濟開發投資有限公司 (“Laiwu City”), respectively. The guarantee provided by Taishan Paper was subsequently released after the end of the reporting period.

Included in trade and other payables and accruals, there were approximately RMB25,098,000 denominated in HK\$ as at 30 June, 2010, other than the functional currency of the respective group entities. There were approximately RMB19,796,000 denominated in US\$, other than the functional currency of the respective group entities as at 31 December, 2009.

19. 應付賬款及其他應付款項及應計費用 (續)

於二零一零年六月三十日，總額人民幣14,500,000元（二零零九年：人民幣14,000,000元）及人民幣30,000,000元（二零零九年：人民幣30,000,000元）之應付票據分別由獨立第三方山東泰山造紙有限公司（「泰山造紙」）及萊蕪市經濟開發投資有限公司（「萊蕪市」）擔保。泰山造紙提供之擔保隨後於報告日期結算日後解除。

於二零一零年六月三十日，應付賬款及其他應付款項及應計費用有約人民幣25,098,000元以港元（並非各集團實體之功能貨幣）計值之款項。於二零零九年十二月三十一日，有約人民幣19,796,000元以美元（並非各集團實體之功能貨幣）計值之款項。

20. BANK BORROWINGS

20. 銀行借貸

		At 30 June, 2010	At 31 December, 2009
		於 二零一零年 六月三十日 <i>RMB'000</i> 人民幣千元	於 二零零九年 十二月 三十一日 <i>RMB'000</i> 人民幣千元
Bank loans	銀行貸款	<u>165,228</u>	<u>162,806</u>
Analysed as:	分析為：		
Secured	有抵押	40,000	24,000
Unsecured	無抵押	<u>125,228</u>	<u>138,806</u>
		<u>165,228</u>	<u>162,806</u>
The exposure of the Group's borrowings are as follows:	本集團借貸載列如下：		
Fixed-rate borrowings	定息借貸	128,447	150,106
Variable-rate borrowings	浮息借貸	<u>36,781</u>	<u>12,700</u>
		<u>165,228</u>	<u>162,806</u>

20. BANK BORROWINGS (Continued)

20. 銀行借貸 (續)

The range of effective interest rates (which are also equal to contracted interest rates) of the Group's borrowings are as follows:

本集團借貸之實際利率(相等於已訂約利率)載列如下：

Fixed-rate borrowings	定息借貸	4.374% to 7.29% per annum 年利率 4.374厘 至7.29厘	4.374% to 10.62% per annum 年利率 4.374厘 至10.62厘
Variable-rate borrowings	浮息借貸	London Inter-bank Offered Rate ("LIBOR") +1% to 3% per annum 倫敦銀行 同業拆息 (「倫敦銀行 同業拆息」) + 年利率 1厘至3厘	LIBOR + 1.1% per annum 倫敦銀行 同業拆息 + 年利率1.1厘
Denominated in:	以下列貨幣計值：		
RMB	人民幣	133,447	150,106
US\$	美元	31,781	12,700
		165,228	162,806

All borrowings are repayable within one year of the end of the reporting period.

所有借貸均須於報告期間結算日一年內償還。

20. BANK BORROWINGS (Continued)

The average interest rates for the bank borrowings are 6.31% and 6.98% as at 30 June, 2010 and 31 December, 2009, respectively.

20. 銀行借貸 (續)

於二零一零年六月三十日及二零零九年十二月三十一日，銀行借貸之平均利率為6.31厘及6.98厘。

		At 30 June, 2010	At 31 December, 2009
		於二零一零年 六月三十日 RMB'000 人民幣千元	於二零零九年 十二月 三十一日 RMB'000 人民幣千元
Bank borrowings guaranteed by:	由以下各項擔保之銀行借貸：		
萊蕪泰興城市資產運營有限公司 (「萊蕪泰興」)	萊蕪泰興城市資產運營 有限公司(「萊蕪泰興」)	48,000	-
Taishan Paper and TTG	泰山造紙及泰豐紡織集團	40,228	33,806
Laiwu City	萊蕪市	37,000	57,000
TTG	泰豐紡織集團	-	48,000

萊蕪泰興 is an independent third party to the Group.

萊蕪泰興為本集團之獨立第三方。

The above guarantee has been provided by Taishan Paper was because the Group has provided financial guarantees to banks in respect of banking facilities to the extent of RMB60,000,000 granted to TTG as at 30 June, 2010 and 31 December, 2009, respectively as disclosed in note 29, and TTG has extended financial supports to Taishan Paper in transactions unrelated to the Group.

誠如附註29所披露，泰山造紙提供上述擔保之原因為本集團於二零一零年六月三十日及二零零九年十二月三十一日分別就授予泰豐紡織集團之銀行信貸而向多家銀行提供人民幣60,000,000元之財務擔保，以及泰豐紡織集團已在與本集團無關之交易中向泰山造紙提供財務支持。

20. BANK BORROWINGS *(Continued)*

As at 30 June, 2010, the Group had bank borrowings of approximately RMB165 million, of which approximately RMB40 million initially was secured with certain inventories of approximately RMB69 million. However, as at 30 June, 2010, the closing balance of the relevant pledged inventories was only approximately RMB29 million which is lower than the amount required, resulting in these bank borrowings being immediately repayable due to their breach of covenants. However, the directors of the Company believe that these loan facilities will continue to be available and will not be withdrawn within the next twelve months from the end of the reporting period.

Details of bank borrowings guaranteed by related parties are set out in note 26(l).

20. 銀行借貸 (續)

於二零一零年六月三十日，本集團有銀行借貸約人民幣165,000,000元，其中約人民幣40,000,000元最初以若干存貨約人民幣69,000,000元作擔保。然而，於二零一零年六月三十日，相關已抵押存貨之期末結餘僅約為人民幣29,000,000元，低於規定金額，由於違反契諾導致該等銀行借貸須即時償還。然而，本公司董事認為，該等貸款信貸將可持續獲取，及於報告期間結算日後未來十二個月內將不會撤銷。

有關連人士提供之銀行借貸詳情載於附註26(l)。

21. DEFERRED TAX

The following table shows the major deferred tax liabilities and assets recognised by the Group and movements thereon during the periods:

21. 遞延稅項

下表列示本集團期內確認之主要遞延稅項負債及資產及其變動：

		Allowance on inventories	Undistributed earnings of PRC's subsidiaries from 1 January, 2009 中國附屬公司 自二零零九年 一月一日起之 未分配盈利	Total
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January, 2009	於二零零九年一月一日	(3,023)	4,816	1,793
Charge to profit and loss	扣自損益	324	11,894	12,218
At 31 December, 2009	於二零零九年十二月三十一日	(2,699)	16,710	14,011
Charge to profit and loss	扣自損益	-	7,313	7,313
At 30 June, 2010	於二零一零年六月三十日	(2,699)	24,023	21,324

21. DEFERRED TAX (Continued)

The following table is the analysis of the deferred tax balances for financial reporting purposes:

Deferred tax asset	遞延稅項資產
Deferred tax liability	遞延稅項負債

21. 遞延稅項 (續)

下表為就財務報告所作之遞延稅項結餘分析：

At 30 June, 2010 於二零一零年 六月三十日 RMB'000 人民幣千元	At 31 December, 2009 於二零零九年 十二月 三十一日 RMB'000 人民幣千元
2,699	2,699
<u>(24,023)</u>	<u>(16,710)</u>
(21,324)	(14,011)

Deferred tax has been provided for withholding tax in respect of the undistributed profits attributable to the Group as earned by the Group's PRC subsidiaries starting from 1 January, 2009. Under the New Law, distribution of such profits to their shareholders outside the PRC are subject to withholding tax.

The Group has unused tax losses of RMB4,745,000 and RMB3,619,000 available for offset against future profits at 30 June, 2010 and 31 December, 2009, respectively. No deferred tax asset has been recognised in respect of such tax losses due to the unpredictability of future profit streams. The tax losses of RMB1,904,000, RMB1,715,000 and RMB1,126,000 will expire in 2013, 2014 and 2015, respectively.

已就本集團應佔本集團中國附屬公司自二零零九年一月一日起所賺取之未分派溢利之預扣稅作出遞延稅項撥備，根據新稅法，向中國境外股東分派該等溢利須繳納預扣稅。

於二零一零年六月三十日及二零零九年十二月三十一日，本集團分別有未動用稅項虧損人民幣4,745,000元及人民幣3,619,000元可用作抵銷未來溢利。由於未能預測未來溢利來源，故並無就有關稅項虧損確認遞延稅項資產。有關稅項虧損人民幣1,904,000元、人民幣1,715,000元及人民幣1,126,000元將分別於二零一三年、二零一四年及二零一五年屆滿。

22. SHARE CAPITAL

22. 股本

		Number of shares 股份數目	Amount 金額 RMB 人民幣
Ordinary shares of RMB0.088 (HK\$0.1) each:	每股面值 人民幣0.088元 (0.1港元)之普通股:		
<i>Authorised:</i>	法定:		
At 21 May, 2009, date of incorporation	於二零零九年 五月二十一日， 即註冊成立日期	3,800,000	3,344,000
Increase on 29 November, 2009 (note i)	於二零零九年 十一月二十九日 擴大(附註i)	<u>1,496,200,000</u>	<u>1,316,656,000</u>
At 31 December, 2009 and 30 June, 2010	於二零零九年 十二月三十一日 及二零一零年 六月三十日	<u>1,500,000,000</u>	<u>1,320,000,000</u>
<i>Issued and fully paid:</i>	已發行及繳足:		
At 21 May, 2009, date of incorporation and at 31 December, 2009	於二零零九年 五月二十一日 (即註冊成立日 期)及二零零九年 十二月三十一日	1,000	88
Capitalisation issue on 21 April, 2010 (note ii)	於二零一零年四月 二十一日資本化 發行(附註ii)	749,999,000	65,999,912
Issue of shares on 11 June, 2010 (note iii)	於二零一零年 六月十一日 發行股份 (附註iii)	<u>250,000,000</u>	<u>22,000,000</u>
At 30 June, 2010	於二零一零年 六月三十日	<u>1,000,000,000</u>	<u>88,000,000</u>

22. SHARE CAPITAL (Continued)

22. 股本 (續)

RMB'000
人民幣千元

Shown in the consolidated financial statement

綜合財務報表內所示

As at 30 June, 2010

於二零一零年六月三十日

88,000

As at 31 December, 2009

於二零零九年十二月三十一日

—

Notes:

附註:

(i) Pursuant to the written resolutions passed by the shareholders of the Company on 18 November, 2009, the authorised share capital of the Company was increased to HK\$150,000,000 (equivalent to approximately RMB132,000,000).

(i) 根據本公司股東於二零零九年十一月十八日通過之書面決議案，本公司之法定股本增加至150,000,000港元(相等於約人民幣132,000,000元)。

(ii) The directors were authorised to capitalise the amount of HK\$74,999,900 (equivalent to approximately RMB65,999,912) standing to the credit of the share premium account of the Company to pay up in full at par 749,999,000 shares for allotment and issue to its/their then existing shareholdings in the Company. On 21 April, 2010, the directors allotted and issued such shares as aforesaid and gave effect to the capitalisation issue.

(ii) 董事獲授權將本公司股份溢價賬中之進賬額74,999,900港元(相等於約人民幣65,999,912元)撥充資本，並按面值全數繳足749,999,000股股份，以配發及發行予本公司當時之現有股東。於二零一零年四月二十一日，董事配發及發行上述股份，並導致資本化發行。

(iii) On 11 June, 2010, the Company issued 250,000,000 shares pursuant to the Company's initial public offering at a price of HK\$2.06 per share upon the listing of the shares of the Company on the Stock Exchange.

(iii) 於二零一零年六月十一日，本公司在其股份於聯交所上市後根據首次公開發售以每股股份2.06港元之價格發行250,000,000股股份。

The new shares allotted and issued rank pari passu in all respects with other shares in issue.

經配發及發行之新股份在所有方面與其他已發行股份享有同等地位。

23. MERGER RESERVE/SPECIAL RESERVE/PRC GENERAL RESERVE/CONTRIBUTIONS FROM SHAREHOLDERS

Merger reserve represents the difference between the issued and fully paid up share capital of Yong Xin Development Limited (“Yong Xin”), a wholly-owned subsidiary of the Company and the paid up capital of Shandong Taifeng under the corporate reorganisation as stipulated in the prospectus of the Company dated 31 May, 2010.

The special reserve relates to Shandong Taifeng and represents the difference between registered capital and the net assets contributed by its shareholders prior to 1 January, 2007.

According to the relevant requirements in the memorandum of the Group’s PRC subsidiaries, a portion of their profits after taxation is transferred to PRC general reserve. The transfer to this reserve must be made before the distribution of a dividend to equity owners. The general reserve fund can be used to offset the previous years’ losses, if any. The general reserve fund is non-distributable other than upon liquidation.

The contributions from shareholders represent deemed contributions by seven founding shareholders prior to the corporate reorganisation.

23. 合併儲備／特別儲備／中國一般儲備／股東注資

誠如本公司日期為二零一零年五月三十一日之招股章程所訂明，合併儲備即根據企業重組，本公司一間全資附屬公司信發展有限公司（「信發展」）已發行及繳足股本與山東泰豐之實繳股本間之差異。

特別儲備與山東泰豐有關，指註冊資本與其股東於二零零七年一月一日前注入之資產淨值間之差異。

根據本集團中國附屬公司組織章程大綱內相關規定，須將其部分除稅後溢利轉撥至中國一般儲備。是項儲備轉撥必須於向權益持有人分派股息前作出。一般儲備基金可用作抵銷過往年度虧損（如有）。除清盤外，一般儲備基金不得用作分派。

股東注資指七名創辦股東於企業重組前之視作注資。

24. CAPITAL RESERVE/SHARE-BASED PAYMENT RESERVE

The capital reserve represents the difference between the fair value of the interest-free advances from shareholders and the principal amounts at inception, as adjusted by the effect of the early repayment as described in note 7.

At 17 April, 2009, Mr. Liu, the director and one of the seven founding shareholders of the Company acquired an additional 5.14% equity interest in Yong Xin from the Original Shareholders at a nominal consideration of US\$100 as token of appreciation of his standing commitment, continuous support and contribution to the Group. Mr. Liu will have beneficial interest of such additional 5.14% equity interest in Yong Xin upon the completion of a two-year service as a director of the Yong Xin from 17 April, 2009.

The fair value of the additional 5.14% equity interest at the date of transfer was approximately RMB17,476,000 in accordance with the valuation report from an independent valuer, Jones Lang LaSalle Sallmanns Limited. The share-based payment reserve represents the amount recognised as share-based payment expense which is calculated with reference to the difference between the above nominal consideration paid by Mr. Liu and fair value of the shares at the date of transfer, and is expensed on a straight-line basis over two years service period commencing 17 April, 2009. The share-based payment expense of approximately RMB4,369,000 has been included in the directors' emoluments for the six months ended 30 June, 2010 (RMB1,457,000 for the six months ended 30 June, 2009) as disclosed in note 10.

24. 資本儲備／股份付款儲備

資本儲備指股東所提供免息墊款之公平值與開始時之本金額間之差額，並因附註7所述提前償還之影響予以調整。

於二零零九年四月十七日，劉先生（本公司董事兼七名創辦股東之一）以象徵式代價100美元向原始股東收購信發展額外5.14%股本權益，以感謝其對本集團之奉獻及多年來之支持及貢獻。劉先生於完成自二零零九年四月十七日起出任信發展董事之兩年服務期後，將實益擁有該額外5.14%信發展股本權益。

根據獨立估值師仲量聯行西門有限公司之估值報告，額外5.14%股本權益於轉讓日期之公平值約為人民幣17,476,000元。股份付款儲備即參考上述由劉先生支付之象徵式代價與股份於轉讓日期之公平值之差額，確認為股份付款開支之金額，並自二零零九年四月十七日起之兩年服務期內以直線法支銷。股份付款開支約人民幣4,369,000元已計入附註10所披露截至二零一零六月三十日止六個月之董事酬金內（截至二零零九年六月三十止六個月為人民幣1,457,000元）。

25. RETIREMENT BENEFIT PLANS

The Group mainly participates in retirement benefit schemes organised by the local government authority in the PRC. The local government authority in the PRC is responsible for managing the pension liabilities to these retired employees. For the pension liabilities to these retired employees, the Group is required to make monthly contributions at 16% (2009: 16%) of the local standard basic salaries.

25. 退休福利計劃

本集團主要參與中國地方政府籌辦之退休福利計劃。中國地方政府機關負責管理該等退休僱員之退休金責任。就該等退休僱員之退休金責任而言，本集團須按地方標準基本薪酬之16%（二零零九年：16%）作每月供款。

26. RELATED PARTY DISCLOSURES**(I) Related party transactions**

During the periods, the Group entered into the following transactions with a related party:

Name of related party	Nature of transactions	Six months ended 30 June, 2009 截至二零零九年 六月三十日止六個月 RMB'000 人民幣千元	
有關連人士名稱	交易性質		
TTG 泰豐紡織集團	Sales of goods 銷售貨品	118,386	
	Purchase of materials 購買物料	122,862	
	Utility expenses paid 已付水電費	39,583	
	Rental expenses under operating leases paid 已付經營租約租金開支	6,765	
	Interest income received 已收利息收入	4,412	
	Acquisition of trademark 收購商標	6,934	

26. 有關連人士披露**(I) 有關連人士交易**

期內，本集團與一名有關連人士訂立以下交易：

26. RELATED PARTY DISCLOSURES (Continued)

26. 有關連人士披露 (續)

(I) Related party transactions (Continued)

(I) 有關連人士交易 (續)

As disclosed in note 7, following the resignation of Mr. Liu as a director of TTG on 7 July, 2009, the directors are of the opinion that TTG is no longer a related company of the Company.

誠如附註7所披露，自劉先生於二零零九年七月七日辭任泰豐紡織集團董事後，董事認為，泰豐紡織集團不再為本公司之關連公司。

The significant transactions with TTG for the period from 1 January, 2010 to 30 June, 2010 are as follows:

二零一零年一月一日至二零一零年六月三十日期間，與泰豐紡織集團進行之重大交易如下：

		<i>RMB'000</i> 人民幣千元
Sales of goods	銷售貨品	26,034
Purchase of materials	購買物料	36,144
Rental expenses under operating leases paid	已付經營租約租金開支	6,765

TTG also provided corporate guarantee of approximately RMB81,860,000 to the Group in respect of the bank borrowings as at 31 December, 2009. The guarantee has been released subsequent to the end of the reporting period.

於二零零九年十二月三十一日，泰豐紡織集團另就銀行借貸向本集團提供約人民幣81,860,000元之公司擔保。擔保已於報告日期結算日後獲解除。

26. RELATED PARTY DISCLOSURES (Continued)**(I) Related party transactions (Continued)**

As at 31 December, 2009 and 30 June, 2010, the Group has provided financial guarantees to banks in respect of banking facilities to the extent of RMB60,000,000 granted to TTG. Details of the financial guarantee are set out in note 29.

Details of operating lease commitments under rental agreements with TTG are set out in note 28.

(II) Related party balances

Details of outstanding balances of the Group are set out in notes 17 and 19.

(III) Compensation of key management personnel

The emoluments of directors who are also identified as members of key management of the Group during the periods are set out in note 10.

26. 有關連人士披露 (續)**(I) 有關連人士交易 (續)**

於二零零九年十二月三十一日及二零一零年六月三十日，本集團就泰豐紡織集團所獲銀行融資向銀行提供人民幣60,000,000元之財務擔保。有關財務擔保之詳情載於附註29。

與泰豐紡織集團訂立之租金協議項下經營租約承擔詳情載於附註28。

(II) 有關連人士結餘

本集團尚未償還結餘詳情載於附註17及19。

(III) 主要管理人員報酬

期內董事（同時被認為本集團主要管理層成員）之酬金載於附註10。

27. PLEDGE OF ASSETS

At the end of the reporting period, the following assets were pledged to banks to secure the Group's banking borrowings and bills payable. In addition, as required by a bank, the Group needs to maintain inventories at a level at least equal to approximately RMB93 million and RMB69 million to secure the relevant bank borrowings as at 31 December, 2009 and 30 June, 2010, respectively.

27. 資產抵押

於報告期間結算日，下列資產已就擔保本集團之銀行借貸及應付票據抵押予銀行。此外，應一間銀行要求，本集團於二零零九年十二月三十一日及二零一零年六月三十日需要將存貨維持於最少相等於約人民幣93,000,000元及人民幣69,000,000元之水平，以作為有關銀行借貸之抵押。

		At 30 June, 2010	At 31 December, 2009
		於二零一零年 六月三十日 RMB'000 人民幣千元	於二零零九年 十二月 三十一日 RMB'000 人民幣千元
Bank deposits	銀行存款	29,223	24,318
Buildings	樓宇	50,111	44,006
Prepaid lease payments	預付租賃款項	7,726	7,815
Total pledged assets	已抵押資產總值	87,060	76,139

All buildings and prepaid lease payments with an aggregate carrying amount of approximately RMB51,821,000 and RMB57,837,000 as at 31 December, 2009 and 30 June, 2010, respectively, were pledged to secure certain bank borrowings of TTG. The guarantee provided to TTG was subsequently released after the end of the reporting period.

於二零零九年十二月三十一日及二零一零年六月三十日，所有樓宇及預付租賃款項之總賬面值分別約為人民幣51,821,000元及人民幣57,837,000元，有關款項已就泰豐紡織集團所取得之若干銀行借貸予以質押。提供予泰豐紡織集團之擔保隨後於報告期間結算日後解除。

28. OPERATING LEASES

The Group as lessee

The minimum lease payments paid under operating lease during the periods are as follows:

Paid for premises to:
TTG
third parties

就物業向下列人士支付：
泰豐紡織集團
第三方

28. 經營租約

本集團作為承租人

期內根據經營租約已付之最低租賃款項如下：

Six months ended 30 June, 截至六月三十日止六個月	
At	At
30 June,	31 December,
2010	2009
於	於
二零一零年	二零零九年
六月三十日	十二月三十一日
RMB'000	RMB'000
人民幣千元	人民幣千元
	(unaudited) (未經審核)
	6,765
	803
7,738	7,568

28. OPERATING LEASES (Continued)

The Group as lessee (Continued)

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

Within one year	一年內
In the second to fifth year inclusive	第二至第五年 (包括首尾兩年)

Operating lease commitments payable to:	應付下列人士之 經營租約承擔：
TTG	泰豐紡織集團
third parties	第三方

Operating lease payments represent rentals payable by the Group for certain of its office premises and production plants. Leases are negotiated and rentals are fixed for a period of one to two years.

28. 經營租約 (續)

本集團作為承租人 (續)

於報告期間結算日，本集團根據不可註銷經營租約於下列日期到期之未來最低租賃款項承擔如下：

At 30 June, 2010 於二零一零年 六月三十日 RMB'000 人民幣千元	At 31 December, 2009 於二零零九年 十二月 三十一日 RMB'000 人民幣千元
13,316	14,902
131	14,113
13,447	29,015
12,405	27,052
1,042	1,963
13,447	29,015

經營租約付款指本集團就若干辦公室物業及生產廠房應付之租金。租約釐訂為1至2年，並已釐訂期間之租金。

29. CONTINGENT LIABILITIES

As at 30 June, 2010 and 31 December, 2009, the Group has provided financial guarantees to a bank in respect of banking facilities to the extent of RMB60,000,000 respectively granted to TTG. The guarantee provided to TTG was subsequently released after the end of the reporting period.

30. MAJOR NON-CASH TRANSACTIONS

During the six months ended 30 June, 2010, the Company recognised share-based payment expenses of approximately RMB4,369,000 (2009: RMB1,457,000) and the amount was included in the directors' emoluments.

During the six months ended 30 June, 2009, a trademark was acquired from TTG at a consideration of RMB6,934,000 and the amount was settled by offsetting against the amount due from TTG.

29. 或然負債

於二零一零年六月三十日及二零零九年十二月三十一日，本集團分別就授予泰豐紡織集團之銀行信貸而向一家銀行提供人民幣60,000,000元之財務擔保。提供予泰豐紡織集團之擔保隨後於報告期間結算日後解除。

30. 主要非現金交易

於截至二零一零年六月三十日止六個月，本公司確認股份付款開支約人民幣4,369,000元（二零零九年：人民幣1,457,000元），該金額已計入董事酬金內。

於截至二零零九年六月三十日止六個月，按代價人民幣6,934,000元向泰豐紡織集團收購商標。有關款項透過抵銷應收泰豐紡織集團款項支付。

31. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that the group companies will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The overall strategy remains unchanged throughout the periods.

The capital structure of the Group consists of bank borrowings and equity attributable to owners of the Company, comprising issued share capital and reserves.

The directors of the Group review the capital structure regularly. As part of this review, the directors consider the cost and the risks associates with each class of the capital. Based on the recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends and new share issues as well as the issue of new debt or the redemption of existing debt.

31. 資金風險管理

本集團管理資金的目標為透過維持債項與股本權益間之最佳平衡，確保集團旗下公司可持續經營，同時盡量提升持份人之回報。此整體策略期內維持不變。

本集團之資本結構包括銀行借貸以及本公司擁有人應佔權益（包括已發行股本及儲備）。

本集團董事定期檢討資本結構。檢討過程中董事會考慮各類資金之成本及所附帶之風險。本集團會根據董事之推薦意見，藉支付股息、發行新股份及發行新債項或贖回現有債項來平衡本集團整體資本結構。

32. FINANCIAL INSTRUMENTS

32. 財務工具

(a) Categories of financial instruments

(a) 財務工具之類別

		At 30 June, 2010	At 31 December, 2009
		於 二零一零年 六月三十日	於 二零零九年 十二月 三十一日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Financial assets	財務資產		
Loans and receivables (including cash and cash equivalents)	貸款及應收款項(包括現金 及現金等價物)	1,052,818	469,762
Financial liabilities	財務負債		
Amortised cost	攤銷成本	379,032	348,760

(b) Financial risk management objectives and policies

(b) 財務風險管理目標及政策

The Group's major financial instruments include trade and other receivables, pledged bank deposits, bank balances and cash, trade and other payables and bank borrowings. Details of these financial instruments are disclosed in respective notes. The risks associated with certain of these financial instruments include interest rate risk, foreign currency risk, credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

本集團之主要財務工具包括應收賬款及其他應收款項、已抵押銀行存款、銀行結餘及現金、應付賬款及其他應付款項以及銀行借貸。該等財務工具之詳情於各自之附註披露。與若干該等財務工具相關之風險包括利率風險、外匯風險、信貸風險及流動資金風險。減低該等風險之政策載於下文。管理層管理及監察有關風險，以確保能及時有效地採取恰當措施。

32. FINANCIAL INSTRUMENTS (Continued)

32. 財務工具 (續)

(b) Financial risk management objectives and policies (Continued)**(b) 財務風險管理目標及政策 (續)**

Market risk

市場風險

(i) Interest rate risk**(i) 利率風險**

The Group's fair value interest rate risk relates primarily to bank deposits and fixed-rate borrowings. In addition, the Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances and bank borrowings.

本集團之公平值利率風險主要與應銀行存款及定息借貸相關。此外，本集團亦需就浮息銀行結餘及銀行借貸承受現金流量利率風險。

Sensitivity analysis

敏感度分析

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. The directors consider that the exposure to interest rate risk on bank deposits is insignificant. For variable-rate bank borrowings, the analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

以下敏感度分析乃根據非衍生工具於報告期間結算日所面對之利率風險釐定。董事認為就銀行存款所承受之利率風險不大。就浮息銀行借貸而言，編製分析時乃假設於報告期間結算日尚未償還資產金額於整年內一直未償還。向內部主要管理人員呈報利率風險時使用50點子增減為基準，此乃管理層對利率之合理可能變動之評估。

32. FINANCIAL INSTRUMENTS (Continued)

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

Market risk (Continued)

(i) Interest rate risk (Continued)

Sensitivity analysis (Continued)

The effect of an increase in interest rates by 50 basis points, with all other variables held constant, on the Group's profit for the periods would be insignificant.

(ii) Currency risk

The Group have certain trade receivables, bank balances and bank borrowings denominated in foreign currencies, hence risk exposure to exchange rate fluctuations arise.

The Group has not entered into any forward contract to hedge against these foreign currencies risk exposure. However, the management of the Group will consider to hedge these balances should the need arises.

32. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

市場風險 (續)

(i) 利率風險 (續)

敏感度分析 (續)

倘所有其他變數維持不變，利率上升50點子對本集團期內溢利之影響極微。

(ii) 貨幣風險

本集團有若干以外幣計值之應收賬款、銀行結餘以及銀行借貸，因此需面對匯率波動之風險。

本集團並無就對沖有關外匯風險訂立任何遠期合約。然而，本集團管理層於有需要時將考慮對沖該等結餘。

32. FINANCIAL INSTRUMENTS (Continued)

32. 財務工具 (續)

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

(b) 財務風險管理目標及政策 (續)

Market risk (Continued)

市場風險 (續)

(ii) Currency risk (Continued)

(ii) 貨幣風險 (續)

The carrying amount of the Group's foreign currency denominated monetary assets at the reporting date is as follows:

於報告日期，本集團以外幣計值之貨幣資產之賬面值如下：

		At 30 June, 2010	At 31 December, 2009
		於 二零一零年 六月三十日	於 二零零九年 十二月 三十一日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Trade and other receivables	應收賬款及其他 應收款項		
US\$	美元	45,018	19,765
HK\$	港元	7,040	-
		45,018	19,765
Bank balances and pledged bank deposits	銀行結餘及已抵押 銀行存款		
US\$	美元	3,756	4,325
HK\$	港元	449,229	-
		449,229	4,325
Bank and other borrowings	銀行及其他借貸		
US\$	美元	31,781	12,700
		31,781	12,700
Trade and other payables	應付賬款及其他 應付款項		
US\$	美元	-	19,796
HK\$	港元	25,098	-
		25,098	19,796

32. FINANCIAL INSTRUMENTS (Continued)

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

Market risk (Continued)

(ii) Currency risk (Continued)

Sensitivity analysis

The Group is mainly exposed to exchange rate fluctuation on US\$. The following table details the Group's sensitivity to a 5% strengthening of RMB against US\$ and HK\$. 5% is the rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in US\$ and HK\$. For a 5% weakening of RMB against US\$ and HK\$, there would be an equal and opposite impact on the post-tax profit.

32. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

市場風險 (續)

(ii) 貨幣風險 (續)

敏感度分析

本集團主要面對美元匯率波動之風險。下表詳述本集團對人民幣兌美元及港元升值5%之敏感度。5%為內部向主要管理人員呈報外匯風險所用之比率，為管理層對美元及港元可能變動之評估。倘人民幣兌美元及港元貶值5%，將對除稅後溢利產生相同幅度但相反之影響。

US\$ and HK\$ Impact
美元及港元影響Six months ended 30 June,
截至六月三十日止六個月

	At 30 June, 2010	At 31 December, 2009
	於 二零一零年 六月三十日	於 二零零九年 十二月 三十一日
	RMB'000 人民幣千元	RMB'000 人民幣千元
(Decrease) increase in post-tax profit	(19,608)	368
		(unaudited) (未經審核)

除稅後溢利(減少)
增加

32. FINANCIAL INSTRUMENTS (Continued)**(b) Financial risk management objectives and policies (Continued)**

Market risk (Continued)

(ii) Currency risk (Continued)

Sensitivity analysis (Continued)

In the opinion of the directors of the Company, the sensitivity analysis is not necessarily representative of the inherent foreign exchange risk as the exposure at the end of the reporting period does not reflect the exposure during the periods.

Credit risk

At the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to perform an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statements of financial position and the amount of contingent liabilities in relation to financial guarantee issued by the Group as disclosed in note 29.

32. 財務工具 (續)**(b) 財務風險管理目標及政策 (續)**

市場風險 (續)

(ii) 貨幣風險 (續)

敏感度分析 (續)

本公司董事認為，由於報告期間結算日之風險並不反映於期內所面對之風險，故敏感度分析不一定反映內在外匯風險。

信貸風險

於報告期間完結時，本集團所承擔可能因交易對手無法履行責任而導致本集團蒙受財務虧損之最大風險，乃產生自綜合財務狀況報表內所示已確認財務資產之賬面值以及附註29所披露有關本集團所發出財務擔保之或然負債之金額。

32. FINANCIAL INSTRUMENTS (Continued)

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

In order to minimise the credit risk, management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt and the amount of contingent liabilities in relation to financial guarantee issued by the Group at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the credit risk of the Group is significantly reduced.

The credit risk on liquid funds is limited because the counterparties are banks with good reputation.

Other than concentration of credit risk on liquid funds which are deposited with several banks with high credit ratings, the Group does not have any other significant concentration of credit risk. Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas.

32. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)*信貸風險 (續)*

為將信貸風險減至最低，本集團管理層已指派小組負責釐定信貸限額、批准信貸及進行其他監察程序，確保採取跟進程序收回逾期債項。此外，本集團會於報告期間結算日審閱每項獨立債項及本集團所發出財務擔保之或然負債款項之可收回金額，以確保已就不可收回金額作出足夠減值虧損。就此，本公司董事認為本集團之信貸風險已大幅減低。

由於流動資金之交易對手均為信譽良好之銀行，因此，流動資金之信貸風險有限。

除存儲於若干信貸評級優良之銀行之流動資金集中信貸風險外，本集團並無任何其他重大之集中信貸風險。應收賬款涉及不同行業及地區之眾多客戶。

32. FINANCIAL INSTRUMENTS *(Continued)***32. 財務工具** *(續)***(b) Financial risk management objectives and policies** *(Continued)***(b) 財務風險管理目標及政策** *(續)*

Liquidity risk

流動資金風險

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. Management monitors the utilisation of borrowings and ensures compliance with loan covenants.

於管理流動資金風險方面，本集團監察並將現金及現金等價物維持於管理層視為足以應付本集團營運及減低現金流量波動影響之水平。管理層監察借貸之運用，並確保其符合貸款契約。

The following table details the Group's remaining contractual maturity for its financial liabilities based on the aged repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both contractual interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of the reporting period.

下表根據賬齡償還期限詳述本集團財務負債之剩餘合約期。該表乃根據本集團可能被要求付款之最早日期計算之財務負債未貼現現金流量而編製。該表包括合約利息及本金現金流量。倘利息流量為浮動利率，則於報告期間結算日未貼現金額按利率曲線計算。

32. FINANCIAL INSTRUMENTS (Continued)

32. 財務工具 (續)

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

(b) 財務風險管理目標及政策 (續)

Liquidity risk (Continued)

流動資金風險 (續)

Liquidity table

流動資金表

As at 30 June, 2010

於二零一零年六月三十日

		Weighted average of contractual interest rate	Repayable on demand	Less than 1 month	1 – 3 months	3 months to 1 year	Total undiscounted cash flows	Carrying amount at 31.12.2010
		加權平均合約利率	按要求償還	少於一個月	1-3個月	3個月至1年	未貼現現金流動總額	三十一日之賬面值
		%	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		%	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Non-interest bearing instrument	免息	-	-	82,141	131,663	-	213,804	213,804
Variable interest rate instrument	浮息工具	1.34	5,000	-	31,885	-	36,885	36,781
Fixed interest rate instrument	固息工具	6.31	35,000	-	57,305	39,335	131,640	128,447
			40,000	82,141	220,853	39,335	382,329	379,032
Financial guarantee contracts	財務擔保合約		-	60,000	-	-	60,000	-

32. FINANCIAL INSTRUMENTS (Continued)

32. 財務工具 (續)

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

(b) 財務風險管理目標及政策 (續)

Liquidity risk (Continued)

流動資金風險 (續)

Liquidity table (Continued)

流動資金表 (續)

As at 31 December, 2009

於二零零九年十二月三十一日

		Weighted average of contractual interest rate	Less than 1 month	1 – 3 months	3 months to 1 year	Total undiscounted cash flows	Carrying amount at 31.12.2010
							於二零一零年 十二月 三十一日之 賬面值
	加權平均 合約利率	%	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
Non-interest bearing Variable interest rate instrument	免息 浮息工具	–	106,478	79,476	–	185,954	185,954
Fixed interest rate instrument	固定息工具	1.35	–	12,742	–	12,742	12,700
		6.98	48,267	89,584	14,977	152,828	150,106
			<u>154,745</u>	<u>181,802</u>	<u>14,977</u>	<u>351,524</u>	<u>348,760</u>
Financial guarantee contracts	財務擔保合約		60,000	–	–	60,000	–

32. FINANCIAL INSTRUMENTS (Continued)**(b) Financial risk management objectives and policies (Continued)**

Liquidity risk (Continued)

Liquidity table (Continued)

The amounts included above for financial guarantee contracts are the maximum amounts of the Group could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee as disclosed in note 29. Based on expectations at the end of the reporting period, the Group considers that it is more likely than not that no amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

The amounts included above for variable interest rate instruments for non-derivative financial liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

(c) Fair value

The fair value of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

32. 財務工具 (續)**(b) 財務風險管理目標及政策 (續)**

流動資金風險 (續)

流動資金表 (續)

計入上述財務擔保合約之金額乃附註29所披露之擔保之對手方作出申索，本集團根據安排可取得用作償還全數擔保金額之最高金額。根據報告期間結算日之預期，本集團認為很大可能毋須根據安排支付款項。然而，上述估計將視乎對手方根據擔保提出申索之可能性而有變，而提出申索之可能性則取決於對手方所持獲擔保財務應收款項出現信貸虧損之可能性。

倘浮息與該等於報告期間結算日釐定之估算利率出現差異，計入上述非衍生財務負債之浮息工具之金額將會變動。

(c) 公平值

財務資產及財務負債之公平值乃按照普遍接納之定價模式根據貼現現金流量分析釐訂。

32. FINANCIAL INSTRUMENTS (Continued)

(c) Fair value (Continued)

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised costs in the Financial Information approximate their fair values.

33. FINANCIAL INFORMATION OF THE COMPANY

Financial information of the Company at the end of the reporting period includes:

32. 財務工具 (續)

(c) 公平值 (續)

董事認為·財務資料內以攤銷成本入賬之財務資產及財務負債賬面值與其公平值相若。

33. 有關本公司之財務資料

本公司於報告期間結算日之財務資料包括：

		At 30 June, 2010 於 二零一零年 六月三十日 RMB'000 人民幣千元	At 31 December, 2009 於 二零零九年 十二月 三十一日 RMB'000 人民幣千元
Assets	資產	641,876	50,007
Liabilities	負債	<u>(31,459)</u>	<u>(50,000)</u>
		610,417	7
CAPITAL AND RESERVES	資本及儲備		
Share capital	股本	88,000	-
Reserves	儲備	<u>522,417</u>	<u>7</u>
		610,417	7

As at 30 June, 2010, the reserves mainly represent share premium of RMB342,054,000 (2009: Nil) and merger reserve of RMB180,000,000 (2009: Nil).

於二零一零年六月三十日·儲備主要指股份溢價人民幣342,054,000元(二零零九年：無)及合併儲備人民幣180,000,000元(二零零九年：無)。

34. PARTICULARS OF SUBSIDIARIES

34. 附屬公司詳情

Particulars of the principal subsidiaries at 30 June, 2010 and 31 December, 2009 are set out below:

於二零一零年六月三十日及二零零九年十二月三十一日，主要附屬公司之詳情載列如下：

Name of subsidiary 附屬公司名稱	Place of incorporation/ operation 註冊成立／經營地點	Registered capital 註冊資本	Held by the Company 本公司控股 %	Principal activities 主要業務
Yong Xin 信發展	British Virgin Islands 英屬處女群島	US\$1,000 1,000美元	100 100	Investment holding 投資控股
Ever Link Creation Limited 永興創建有限公司	Hong Kong 香港	HK\$2 2港元	100 100	Investment holding 投資控股
Shandong Taifeng (note) 山東泰豐(附註)	The PRC 中國	RMB180,000,000 人民幣180,000,000元	100 100	Production and distribution of cotton yarns and bedding products 生產及分銷棉紗及床品
Shanghai Taifeng (note) 上海泰豐(附註)	The PRC 中國	RMB1,000,000 人民幣1,000,000元	100 100	Distribution of cotton yarns and bedding products 分銷棉紗及床品

Note: Shandong Taifeng is a wholly-foreign owned enterprise while Shanghai Taifeng is a domestic enterprise with limited liability.

附註：山東泰豐為外商獨資企業，而上海泰豐為一間內資有限公司。

None of the subsidiaries had any debt securities outstanding at the end of the period/year or at any time during the period/year.

於期終／年終或於期內／年內之任何時間，概無附屬公司擁有任何已發行債務證券。

