



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



ANNUAL REPORT 年報

2010



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Corporate Information

公司資料

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 Islands law:
Conyers Dill & Pearman

As to PRC law:
Tian Yuan Law Firm

AUDITORS

Deloitte Touche Tohmastu

AUTHORISED REPRESENTATIVES

Mr. Pang Wai Hong
Ms. Qi Tongli

董事會

執行董事：

劉慶平先生 (主席)
李登祥先生
劉純衛先生
冼同麗女士
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

開曼群島法律：
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

彭偉康先生
冼同麗女士

Corporate Information

公司資料

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
Shops 1712-1716, 17th Floor,
Hopewell Centre,
183 Queen's Road East,
Wanchai,
Hong Kong

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>

INVESTOR RELATIONS CONTACT

E-mail: ir@taifeng.cc
Telephone: 852-22308913

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
香港
灣仔
皇后大道東183號
合和中心17樓
1712-1716室

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>

投資者關係

電郵：ir@taifeng.cc
電話：852-22308913

Corporate Profile

公司簡介

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

According to Euromonitor International Ltd (“Euromonitor”), the Group is the eighth largest bedding products manufacturer in the PRC, with an annual production capacity of over 2 million sets. Its products extend to over 1,200 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 22 provinces and municipalities in the PRC. As of 31 December 2010, it comprises 81 distributors and 250 retail stores and counters either operated directly by the Group or by distributors, and some of stores and counters are located within well-known department stores such as Walmart, Parkson and INZONE Department Store.

According to Euromonitor, the Group 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 tonnes, and supplying over 140 varieties of quality cotton yarns products.

The Group has very strong research and development capabilities as well as production expertise given its wide product range and awards won. As a testament to its high standards, the Group has won numerous awards and accolades including:

- The “Exemption Certificate for Product Quality Inspection” for “Taifeng” branded bedding products;
- The “Shandong Famous Brand Product” for its bedding and cotton yarns products;
- The “China Famous Brand Product” for its combed yarn.

The 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 further enhanced the reputation of the “Taifeng” brand name.

國際泰豐控股有限公司（「泰豐」或「本公司」，連同其附屬公司，統稱「本集團」）位於山東省，由初時為一間棉紗製造商，發展成為中國現時之領先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。

根據歐睿國際信息諮詢公司（「Euromonitor」），本集團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1,200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22個省市。截至二零一零年十二月三十一日，本集團共有81名分銷商及250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、百盛及銀座百貨內。

根據Euromonitor，本集團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140款。

本集團擁有強大的研發能力及生產技術，其多元化的產品及奪得的多個獎項及稱號，足以作為對產品高品質的印證：

- 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。

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



Financial Highlights and Summary

財務摘要及概要

- **Successfully listed on the main board of the Hong Kong Stock Exchange on 11 June 2010**
- **Revenue** increased by 36.3% to RMB1,846.2 million for the year ended 31 December 2010 from RMB1,354.1 million for the year ended 31 December 2009
- **Gross profit margin** increased by 5.3 percentage points to 34.6% for the year ended 31 December 2010 from 29.3% for the year ended 31 December 2009
- **Net profit margin** increased by 4.3 percentage points to 22.6% for the year ended 31 December 2010 from 18.3% for the year ended 31 December 2009
- **Profit attributable to owners of the Company** increased by 67.9% to RMB416.8 million from RMB248.3 million for the year ended 31 December 2009
- **Basic earnings per share** jumped by 41.4% to RMB0.468 for the year ended 31 December 2010 from RMB0.331 for the year ended 31 December 2009
- **An interim dividend** of RMB0.054 per share was paid on 21 September 2010. The Board has recommended **a final dividend** of RMB0.113 per share for the year ended 31 December 2010
- 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十二月三十一日止年度之人民幣13.541億元增長36.3%至截至二零一零年十二月三十一日止年度之人民幣18.462億元
- 毛利率由截至二零零九年十二月三十一日止年度之29.3%增長5.3個百分點至截至二零一零年十二月三十一日止年度之34.6%
- 淨利率由截至二零零九年十二月三十一日止年度之18.3%增長4.3個百分點至截至二零一零年十二月三十一日止年度之22.6%
- 本公司擁有人應佔溢利由截至二零零九年十二月三十一日止年度之人民幣2.483億元增長67.9%至人民幣4.168億元
- 每股基本盈利由截至二零零九年十二月三十一日止年度之人民幣0.331元躍升41.4%至截至二零一零年十二月三十一日止年度之人民幣0.468元
- 中期股息每股人民幣0.054元已於二零一零年九月二十一日派付。董事會建議派發截至二零一零年十二月三十一日止年度末期股息每股人民幣0.113元



Financial Highlights and Summary

財務摘要及概要

RESULTS

業績

		For the year ended 31 December 截至十二月三十一日止年度			
		2010	2009	2008	2007
		二零一零年	二零零九年	二零零八年	二零零七年
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Revenue	收益	1,846,177	1,354,068	1,057,524	934,298
Gross profit	毛利	639,581	396,331	186,968	164,975
Earnings before interest and tax ("EBIT")	除稅、利息前溢利	516,186	319,981	153,980	143,050
Profit attributable to owners of the Company	本公司擁有人應佔溢利	416,790	248,288	106,934	123,813
Earnings per share – Basic (RMB)	每股盈利—基本 (人民幣元)	0.468	0.331	0.143	0.165

ASSETS AND LIABILITIES

資產及負債

		Year ended 31 December 截至十二月三十一日止年度			
		2010	2009	2008	2007
		二零一零年	二零零九年	二零零八年	二零零七年
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Total assets	資產總額	2,089,977	1,169,922	1,015,468	850,441
Total debts	債務總額	201,298	162,806	304,848	300,984
Total liabilities	負債總額	682,194	483,721	516,305	484,745
Equity attributable to : Owners of the Company	應佔權益： 本公司擁有人	1,407,783	686,201	499,163	365,696

Financial Highlights and Summary

財務摘要及概要

FINANCIAL RATIOS

財務比率

		Year ended 31 December 截至十二月三十一日止年度			
		2010 二零一零年	2009 二零零九年	2008 二零零八年	2007 二零零七年
Gross profit margin – overall	毛利率—整體	34.6%	29.3%	17.7%	17.7%
Gross profit margin – cotton yarns	毛利率—棉紗	18.5%	12.3%	13.8%	20.3%
Gross profit margin – bedding products	毛利率—床品	53.2%	49.6%	29.0%	3.9%
EBIT margin	除稅、利息前利率	28.0%	23.6%	14.6%	15.3%
Net profit margin	淨利率	22.6%	18.3%	10.1%	13.3%
ROE ⁽¹⁾	股東權益回報率 ⁽¹⁾	29.6%	36.2%	21.4%	33.9%
ROA ⁽²⁾	資產回報率 ⁽²⁾	19.9%	21.2%	10.5%	14.6%

⁽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

		For the year ended 31 December 截至十二月三十一日止年度			
		2010 二零一零年	2009 二零零九年	2008 二零零八年	2007 二零零七年
Trade receivables turnover (days) ⁽¹⁾	應收賬款週轉日(日) ⁽¹⁾	54	40	31	21
Trade payables turnover (days) ⁽²⁾	應付賬款週轉日(日) ⁽²⁾	35	31	42	45
Inventory turnover (days) ⁽³⁾	存貨週轉日(日) ⁽³⁾	35	47	81	88
Current ratio (times)	流動比率(倍)	2.4	1.4	1.3	1.5
Gearing ratio ⁽⁴⁾	資本負債率 ⁽⁴⁾	9.6%	13.9%	30.0%	35.4%
Debt-to-equity ⁽⁵⁾	負債對權益 ⁽⁵⁾	14.3%	23.7%	61.1%	82.3%

⁽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.

⁽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日計算。

⁽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.

⁽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日計算。

⁽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.

⁽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日計算。

⁽⁴⁾ 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.

⁽⁴⁾ 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。

⁽⁵⁾ 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.

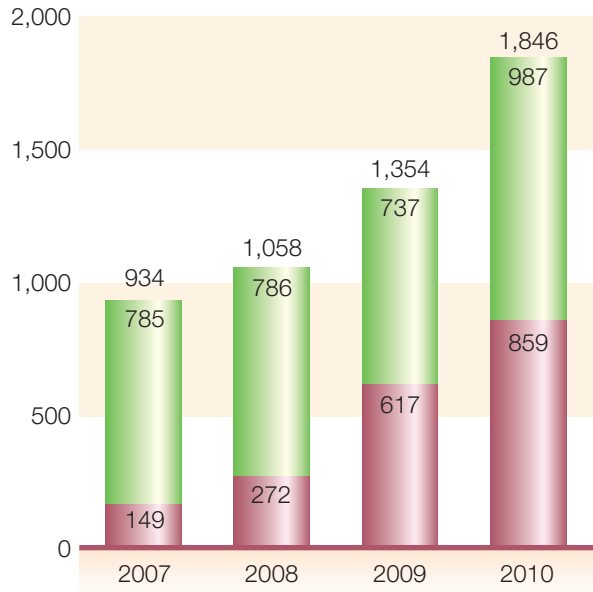
⁽⁵⁾ 以期內債項總額除期內權益乘以100%計算。債項之定義包括流動及非流動借貸。

Financial Highlights and Summary

財務摘要及概要

Revenue contribution
收益貢獻

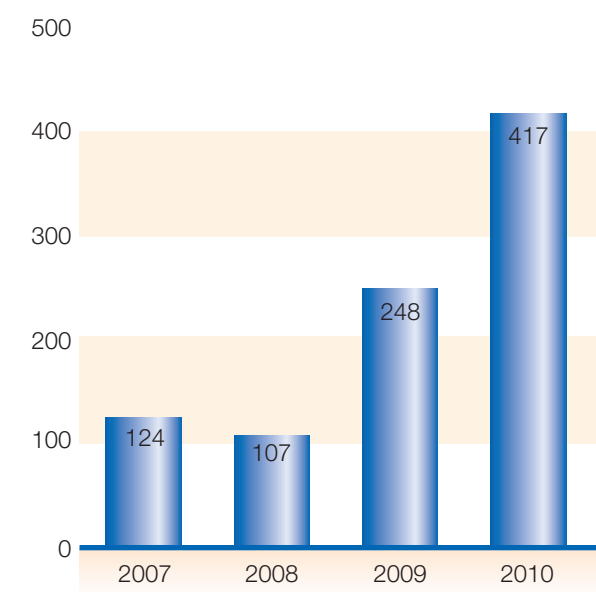
(RMB million) (人民幣 百萬元)



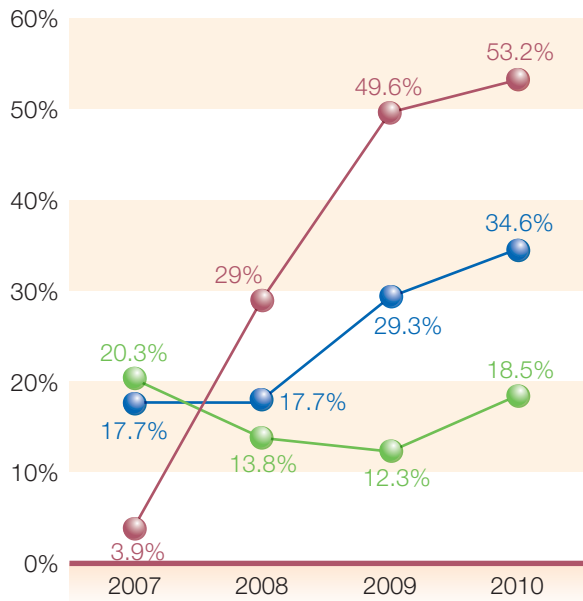
■ Cotton yarns 棉紗
■ Bedding products 床品

Profit attributable to owners of the Company
本公司擁有人應佔溢利

(RMB million) (人民幣 百萬元)

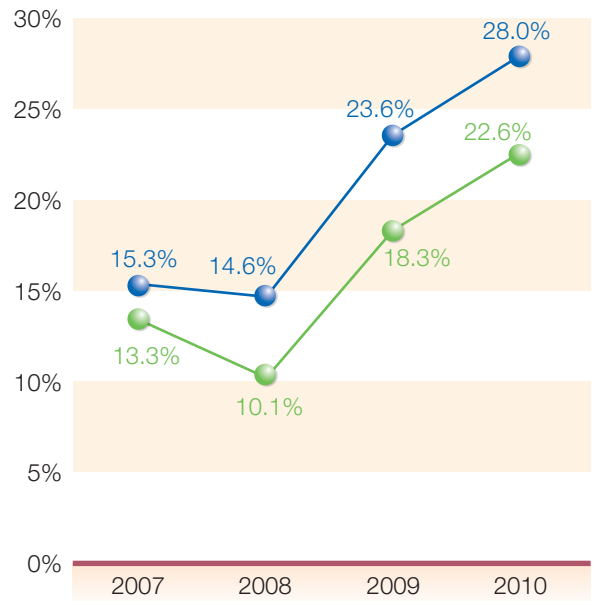


Gross profit margin
毛利率



● Gross profit margin - bedding products 毛利率—床品
● Gross profit margin - cotton yarns 毛利率—棉紗
● Gross profit margin - overall 毛利率—整體

EBIT margin and Net profit margin
除稅、利息前利率及淨利率



● EBIT margin 除稅、利息前利率
● Net profit margin 淨利率



Chairman's Statement

主席報告

To all shareholders:

I am pleased to present the annual results of International Taifeng Holdings Limited ("Taifeng" or the "Company") and its subsidiaries (collectively the "Group") for 2010.

The PRC governments' policy to stimulate domestic consumption and economy has revived the domestic consumer market. With the continuing rise in income and living standards of PRC residents, and with robust development of the property, hotel and tourism industries, demand for quality home textile products has increased. To capitalize on such growth opportunities, Taifeng focused on developing quality branded bedding products and proactively expanded its sales network throughout the PRC and carried out various promotional activities, while it continued to develop and sell high valued-added cotton yarns products, which drove the total revenues up 36.3% to RMB1,846.2 million, whereas profit attributable to owners of the Company increased by 67.9% to RMB416.8 million. To reward the shareholders for their support for Taifeng, the Board of Directors recommended the payment of a final dividend of RMB0.113 per share.

As the eighth largest bedding products manufacturer and the fourth largest fine-count and high-count yarn manufacturer in the PRC, Taifeng was successfully listed on the Main Board of the Hong Kong Stock Exchange on 11 June 2010 receiving net proceeds of more than HKD400 million and it was an important milestone for the Group in gaining international exposure. Through the successful listing, the Group has accessed an additional source of funds to sustain its future development and has promoted an international awareness of the Group and its brand, thereby laying a solid cornerstone for its long term business growth. Taifeng resolutely believes in the importance of the products innovation and quality, therefore, during the year, the Group strengthened the research and development ("R & D") of its products and launched a number of high quality blended products with different features to meet market needs. The Group's strong R&D capability and production technology are demonstrated by the numerous awards received by it. During the year, Taifeng was awarded "National Torch Plan Hi-tech Enterprise" by Ministry of Science and Technology, and "Adopt International Standard Product Marking Certificate" by Standardization Administration of China and the Quality & Technical Supervision Bureau of Shandong Province. With our strengths, good brand image and excellent enterprise reputation, we were awarded "100 Best Non-state Owned Enterprises in Shandong Province" and "10 Best Non-state Owned Enterprises Brand in Shandong (Industry)".

致各位股東：

本人欣然向各位宣佈國際泰豐控股有限公司（「泰豐」或「本公司」）及其附屬公司（統稱「本集團」）二零一零年度全年業績。

隨著中國政府鼓勵內需推動經濟收效顯著，國民經濟收入及生活水準的不斷提升，房地產及旅遊酒店業蓬勃發展，消費者對優質家用紡織品的需求日趨旺盛。泰豐抓緊了這個機遇，致力拓展優質品牌床品業務，積極擴充國內的床品銷售網絡並策略有效地進行宣傳，同時繼續研發及銷售高附加值的棉紗，推動集團的營業額躍升36.3%至人民幣1,846,200,000元，股東應占溢利增長67.9%，達人民幣416,800,000元。董事會建議派發末期股息每股人民幣0.113元，以答謝股東們對泰豐的支持。

泰豐為中國第八大床品製造商及第四大細支紗及高支紗製造商，於二零一零年六月十一日在香港聯交所主板成功上市，所得款項淨額超過港幣4億元，標誌著集團邁向國際的新里程。上市成功為集團日後發展提供更充足的資金，大幅提高集團及其品牌的國際知名度，為業務長遠發展奠下重要基石。泰豐深知產品創新及質素的重要性，於年內，本集團致力加強產品的研發力度，推出多個具不同功能性及高品質的混紡產品，以順應市場的不同需求。本集團強大的研發能力及生產技術可透過奪得多個獎項及稱號得以印證。年內，泰豐成功被國家科技部認定為「國家火炬計畫高新技術企業」，亦榮獲由中國國家標準化管理委員會、山東省品質技術監督局聯合頒發的「採用國際標準產品標誌證書」。憑藉強大的企業實力、良好的品牌形象、優異的企業信譽，我們亦十分榮幸能獲得「山東民營企業100強」及「山東（行業）十大品牌民營企業」兩項榮譽稱號。

Chairman's Statement

主席報告

Riding on the huge development potential for middle to high-end bedding products in China, and especially with quality branded bedding products being more trusted and recognized by consumers, the Group strategically focused on building its branded bedding products business. This has resulted in a significant increase in revenue for branded bedding products during the year by 43.5% to RMB746.8 million. The Group focused on expanding the retail and distribution network in many regions such as Shanghai, Beijing, Shandong and the Northeast and gradually extended its network into the Northwest, Southwest and the Central regions. As of 31 December 2010, Taifeng had a total of 250 stores and counters all over the country, which were more than 1.5 times the number of sales points last year and the significant increase further promoted the reputation and sales of the Group. To better present Taifeng's unique products style and brand image to customers, the Group invited Ms. Kelly Chen to act as its brand spokesperson coordinating its products promotion activities. With Ms. Chen's elegant and fashionable image, Taifeng's brand standing has been enhanced. In addition, the Group ran TV advertisements on CCTV, Shandong TV and placed print advertisements with major newspapers and magazines and placed outdoor advertisements on the bus and expressways. The Group also carried out promotional activities on the Internet and in the stores in order to improve customer coverage and its brand reputation so as to increase the revenue of the Group.

Going forward, riding on the rapid development of economy, the increasing affluence and rising living standards in China, there will be more demand for quality home textile products. In order to maintain our leading position, the Group will continue to optimize the products structure, expand the branded bedding products business and further consolidate and expand sales network around the country. Ms. Kelly Chen will continue to serve as our spokesperson and we will increase our promotional activities. The Group will focus on the R & D of quality products in order to diversify our product features and types, expand our customer base and enhance our product value. Also, the Group will continue to develop higher quality and value-added cotton yarns products to contribute to the steady increase of revenue and provide strong support for the development of the bedding business.

Last but not least, the Group attributes its impressive results during the year to the outstanding performance of all of its employees as well as the support and patronage of customers for Taifeng brand and products. I would like to take this opportunity to sincerely thank all the employees, shareholders, distributors, customers and suppliers for their effort and loyalty.

Chairman
Liu Qingping

7 March 2011

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，故本集團策略性地專注於品牌床品業務的發展，而年內品牌床品銷售收入因而大幅上升43.5%至人民幣746,800,000元。本集團積極在上海、北京、山東、東北等多個地區擴充零售分銷網絡，並逐步滲透至西北、西南和中部地區。截至二零一零年十二月三十一日止，本集團於全國的專賣店及專櫃數目已增至250間，較去年躍升超過1.5倍，有助進一步提升本集團的品牌知名度及銷售額。為了更有效地傳遞泰豐獨特的產品風格和品牌形象予消費者，本集團邀請陳慧琳小姐擔任品牌代言人，全面配合產品宣傳廣告及活動。憑藉陳慧琳小姐高貴典雅而又不失時尚的氣質和形象，有效地提升了「泰豐」品牌的知名度。同時，我們亦於中央電視台、山東衛視及各大報章雜誌刊登廣告、於公交車及高速公路橋樑投放戶外廣告，以及進行網站及店舖宣傳等活動，務求覆蓋更廣泛的消費者，提升品牌知名度，以增加本集團的業務收益。

展望未來，國內經濟迅速發展，中國人民日益富庶，生活水平不斷提升，優質家居紡織品的需求將更為殷切。為保持泰豐的領導地位，本集團將繼續優化產品結構，大力拓展品牌床品的業務，進一步鞏固和拓展於全國的床品銷售網絡。集團亦會繼續以陳慧琳小姐作為品牌代言人，並加大廣告宣傳力度。集團亦會專注於研發高品質床品，令產品更具功能性且多元化，以擴展客戶群，及提升產品價值。另一方面，本集團將繼續開發高品質及附加值的棉紗產品，為集團帶來穩定的收入，亦為床品業務發展提供強而有力的後盾。

最後，集團於年內取得的優秀業績，有賴全體員工傑出的表現及消費者對泰豐品牌及產品的支持與愛戴。本人僅此衷心感謝全體員工、股東、分銷商、客戶及供應商為泰豐付出的努力及對我們的長期支持。

主席
劉慶平

二零一一年三月七日

Management Discussion and Analysis

管理層討論及分析

The Group is pleased to report the first set of audited annual results for the twelve months ended 31 December 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 and has enhanced the reputation of the "Taifeng" brand, strengthened its capital base and contributed to upholding its corporate governance practices.

MARKET REVIEW

The PRC government's policies to promote domestic consumption as well as accelerate urbanization in the mainland have resulted in strong growth in China's economy. Domestic demand was strong, and various economic indicators increased steadily. According to the National Bureau of Statistics, in 2010, China's GDP surged by 10.3% and an increase of 11.3% was recorded for urban residents' per capita disposable income, while total retail sales grew at a relatively high growth rate of 18.4%, reflecting the increase in domestic living standards, thus benefiting many domestic industries including the textile industry.

Also, following from the surge of spending on wedding and festivals, increasing demand for children's products, improvement of housing conditions, and robust development of hotel and tourism industries, there is increased demand for quality bedding products as well as higher thread-count yarns used for the manufacture of quality cotton textile and consumer based products. According to a report issued by Euromonitor, the retail market of China bedding products has grown at a CAGR of 20.2% from 2004 to 2009. The retail market size of China bedding products in 2010 is estimated to be approximately RMB126.7 billion, in which nearly 70% is contributed by the middle to high-end segments of bedding products. Therefore, the Group took this opportunity and committed to expanding the business of quality bedding products, and thus profitability of bedding products increased significantly during the year.

In addition, world cotton prices attained record highs in recent history during the year due to lower than expected production worldwide and increased demand. Surging cotton prices brought about opportunities for the textile industry. Stimulated by surging cotton prices and the increasing demand for textile products, the Group was able to pass on the prices in a timely manner to our customers by increasing the selling prices of fine-count and high-count yarns used for production of middle to high-end textile products, thereby improving significantly the profit margin of these products, and greatly increasing the profitability of the Group's cotton yarns products.

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十二月三十一日止十二個月之經審核年度業績。本集團上市是公司發展歷史上一個重要里程碑，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

在國家大力催谷內需與推進城市化建設的政策帶動下，中國經濟繼續急速發展，內需發展強勁，各項經濟指標穩定上升。根據國家統計局數據，二零一零年中國國內生產總值增長約10.3%，城鎮居民之人均可支配收入增長11.3%，而社會消費零售總額則保持了較高的18.4%增速，反映國民生活水平繼續上升，令包括紡織等多個行業均相繼受惠。

與此同時，國內婚慶和節慶消費增長、兒童用品需求增加、居民住房改善、旅遊酒店業興盛等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旺盛。根據Euromonitor的一份研究報告，2004年至2009年期間，中國床品零售市場規模之年複合增長率高達20.2%。2010年，中國床品零售市場規模估計將達到人民幣126,700,000,000元，而其中約70%來自於中高端床品市場。因而，集團亦把握這個大好機會，致力於拓展中高端床品的業務，年內床品業務盈利大幅上升。

另外，由於期內全球棉花生產數目較預期為低且棉花需求上升，世界棉花價格已達到近來歷史的最高紀錄。棉花價格的飛漲同時也為紡織行業帶來了機遇。在棉價飛漲及棉紡織品需求持續增加的雙重刺激下，本集團能及時轉嫁該價格上漲於客戶，用以製成中高端棉紡織品的細支及高支紗的售價均有飛躍性的上漲，從而使得該類產品的毛利率大幅提升，大大增加了集團棉紗製品的盈利。

Management Discussion and Analysis

管理層討論及分析

However, high inflation in the PRC also brought about increases in various production costs. During the year 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, apart from passing on the price increases, the Group also implemented its raw materials procurement strategies, and devoted resources to production management and internal control as well as conserve energy in order to maximize production returns.

BUSINESS REVIEW

Outstanding results driven mainly by the Group's focus on expanding sales network and the development of high value-added products

With the continuing rise in income and living standards of PRC residents, and with robust development of the property, hotel and tourism industries, demand for quality bedding products has risen. To capitalize on such growth opportunities and expanding demand, during the year, the Group focused on developing quality bedding products and expanding its sales network in different provinces in the PRC, which drove revenue for branded bedding products to rise 43.5% to approximately RMB746.8 million. Demand for cotton yarns has also been growing with the recovery in the domestic cotton textile industry, especially with the rise in demand for quality cotton textile products. Riding on its strengths in producing higher thread-count yarns and other quality cotton yarns with high value-added characteristics, the Group was able to sell these products with higher selling prices, which brought about a jump in both revenue and gross profit margin of its cotton yarns.

Focus on branding to enhance its market position and increase sales

Riding on the huge development potential for middle to high-end bedding products, and especially with quality branded bedding products being more trusted and recognized by consumers, the Group focused on the development of its branded bedding products business. This has resulted in a significant increase in revenue for branded bedding products during the year. 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.

然而，國內通貨膨脹亦帶動了各項生產成本的上調。於回顧年內，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，本集團除了能及時提升產品售價以轉嫁棉花價格上升之壓力外，亦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，節能降耗，務求將生產效益最大化。

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準的不斷提升，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，本集團在年內致力開發優質床品，積極擴充國內的床品銷售網絡，推動品牌床品收入上升43.5%至約人民幣746,800,000元。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。憑藉擁有生產較高支數及附加值棉紗能力的優勢，本集團能夠以較高售價出售，帶動了棉紗收入及毛利率的躍升。

重視品牌發展戰略，提高市場地位及增加銷售

鑒於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，而年內品牌床品銷售收入因此大幅上升。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，針對利潤率較高的中高端客戶市場。

Management Discussion and Analysis

管理層討論及分析

Extension of sales network helps to expand the Group's share of the bedding products markets

As part of its bedding products sales strategy, the Group continued to expand its retail and distribution network in many regions such as Shanghai, Beijing, Shandong and the Northeast and gradually extended its sales network into the Northwest, Southwest and the Central regions. A total of 36 new bedding products distributors were added, and these distributors opened up a total of 38 stores and counters selling "Taifeng" bedding products. Meanwhile, the Group has added 114 directly-operated stores and counters, selling "Taifeng" and "IBENA" branded bedding products. As of 31 December 2010, the Group had a total of 250 stores and counters all over the country, which is more than 1.5 times the number of sales points last year and the significant increase not only gives consumers greater access to the Group's bedding products, but also promotes the reputation of the "Taifeng" brand and sales. The cooperation between the Group and Combest Holdings Limited ("Combest") is developing steadily. To tighten our cooperation, during the year, the Group has become a shareholder of Combest, to further develop the sales channel of the Group and jointly develop new products.

積極擴充銷售網絡，以助拓展床品市場

為配合床品業務的擴展策略，本集團積極在上海、北京、山東、東北等多個地區擴充零售分銷網絡，並逐步滲透至西北、西南和中部地區。本集團共新增36名床品分銷商，而這些分銷商亦合共新開設了38間專賣店及專櫃，售賣本集團的「泰豐」床品。同時，本集團亦新增了114間直營專賣店及專櫃，售賣「泰豐」及「IBENA」的床品。截至二零一零年十二月三十一日止，本集團於全國的專賣店及專櫃數目共有250間，較去年躍升超過1.5倍，不但讓消費者能更容易接觸到本集團的床品，更有助提升本集團品牌的知名度及銷售額。集團與康佰控股有限公司（「康佰」）的合作也在穩步推行，亦於年內入股康佰，希望能進一步拓展本集團的銷售管道及共同研發新產品。

As of 31 December 2010 於 二零一零年 十二月三十一日	As of 31 December 2009 於 二零零九年 十二月三十一日	Increase 增幅
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Directly-operated retail stores and counters	直營專賣店及專櫃	196	82	114
Distributors (retail stores and counters operated by distributors)	分銷商（分銷商經營的專賣店及專櫃）	81 (54)	45 (16)	36 (38)

Utilizing diversified marketing activities to enhance its brand reputation

Given the competitive domestic bedding products market in the PRC, in addition to manufacturing products of good quality, the importance of effective sales and marketing strategies cannot be understated. During the year, the Group carried out various promotional activities and the total promotion expenses used for enhancing brand image and reputation amounted to RMB30.5 million, accounting for 3.6% of the total turnover of bedding business. During the year, some of our promotional activities are highlighted as follows:

透過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。於本年度，本集團進行多項宣傳活動，致力推廣並增強品牌的形象和知名度，年內的銷售推廣開支共人民幣30,500,000元，佔床品業務總營業額3.6%。年內，集團的主要宣傳活動亮點如下：

Management Discussion and Analysis

管理層討論及分析

Products spokesperson

The Group invited Ms. Kelly Chen to act as its brand spokesperson coordinating its product promotion and she was featured in our TV and print advertisements. With Ms. Chen's elegant and fashionable image, "Taifeng" brand's standing bedding products has been enhanced, and it also helped to deliver its unique products style and brand image to its customers.

Advertising promotion

The Group ran TV advertisements on CCTV, Shandong TV and placed print advertisement with major newspapers and magazines and placed outdoor advertisements on the bus and expressways. In addition, the Group also carried out internet and in-store promotional activities as well as show sponsorship in order to improve customer coverage and its brand reputation so as to increase the revenue of the Group.

Sales fairs

The Group successfully held two sales fairs in August and December 2010 to exhibit its latest winter and summer bedding products styles to its existing and potential distributors and customers. Characterized by designs for different seasons and applying the philosophy of "nature, fashion, environment-friendly, technology", the two fairs successfully promoted the current pop themes and exhibited the unique design style of "Taifeng". Meanwhile, many promotional activities were launched during the fairs, which were well-received by agents, partners and mall managers around the country.

Trade fairs

The Group also participated in local and international trade fairs, 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 participated in valuable industry exchanges with its industry peers and established contacts with potential customers.

代言人

集團邀請陳慧琳小姐擔任品牌代言人，並拍攝電視及平面廣告，全面配合產品宣傳廣告及活動。憑藉陳慧琳小姐秀外慧中、高貴典雅而又不失時尚的氣質和形象，大大提升「泰豐」品牌在大中華的知名度，亦有利於傳遞泰豐獨特的產品風格和品牌文化予消費者。

廣告宣傳

本集團於中央電視台、山東衛視及各大報章雜誌刊登廣告、於公交車及高速公路橋樑投放戶外廣告，以及進行網站、店舖宣傳及表演節目贊助等活動，務求覆蓋更廣泛的消費者，提升品牌知名度，以增加本集團的業務收益。

訂貨會

集團於二零一零年八月和十二月成功舉辦過兩次訂貨會，以向現有及準分銷商展示最新的秋冬及春夏床品款式。兩次訂貨會分別以不同季節特色設定主題，崇尚「自然、時尚、環保、科技」理念，推廣當前市場流行元素，展示泰豐獨到的設計風格，並推出多項推廣政策，受到來自全國各地代理商、合作夥伴、商場經理的熱烈反應。

展銷會

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。

Management Discussion and Analysis

管理層討論及分析

Sales promotion activities

The Group also launched sales promotion activities on a regular basis to promote sales. In addition to increasing sales, these activities also allow the customers to experience first-hand its products quality and to enhance the brand image and promote customers' repeated purchases. For example, a promotion activity launched in the prosperous commercial area in Jinan City on December 2010 successfully attracted a large number of customers and achieved significant sales volume. This demonstrates that the "Taifeng" brand image and product quality have been acknowledged and trusted by the customers.

Flagship stores

One of our distributors had strategically launched a big flagship store in the High-tech Development Zone in Jinan City, Shandong Province, a prosperous commercial area with convenient transportation and strong commercial environment. With a full range of products, the flagship store focused on the store decoration, products display, products delivery and after-sales service, which promoted the high-end image of "Taifeng" brand to the customers and also set an example for other distributors.

Our success is a result of our dedication to product development and technology

With consumers becoming more conscious of the texture, comfort, style and functionality of bedding products, the Group has intensified its products development so as to introduce products with more varieties and higher quality to meet market and seasonal changes. During the year, the Group focused on developing the high-end blending home textiles featuring with diversified functions, technology, environment-friendly and fashion. These products were made by the mix of hi-tech functional fiber and high quality cotton and incorporated features such as healthcare, warmth retention, antibiosis, mould proof, deodorization, radiation protection and far-infrared radiation protection. For example the Photocatalytic fiber/Supermicro tencel jacquard series of textile products and the Anti-bacterial fiber/Pima cotton/Supermicro tencel jacquard series of textile products all serve as examples of such new advanced products. At the same time, 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. The spirit of being innovative in products development is crucial for the Group to maintain its competitive advantages and these high value-added products also contributed significantly to the profits of the Group.

促銷活動

集團亦通過定期的促銷活動來刺激終端銷售，除了可提升銷售額外，亦可讓客戶體驗產品的質素，從而提高品牌形象及重複購買的行為。如二零一零年十二月，本集團在濟南繁華商業地段開展的促銷活動，成功地吸引了大批消費者及完成可觀的銷售額，充分說明了泰豐的品牌形象及產品質素獲得了客戶的認可和信賴。

大型旗艦店

本集團之分銷商策略性地在山東省濟南市之交通便利及商業繁華的高新技術開發區內開設了一間大型的旗艦店。該旗艦店注重店面設計和陳列、物流配送、售後服務，產品種類齊全，有效地向消費者傳送泰豐品牌的高檔形象及展示產品，亦為其它分銷商提供榜樣。

致力研發產品及技術，是我們成功的關鍵因素

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，為提高產品的競爭力，本集團加大了產品的研發力度，務求推出更多產品款式及提升產品質量，順應市場和季節變化。年內，本集團以研發功能性、科技性、環保性、時尚性兼具的高檔混紡家紡產品為主，採用高科技功能性新型纖維與高品質棉料混合紡織而成，具有保健、保暖、抗菌、防霉、脫臭、防輻射、遠紅外線等功能。例如光催化纖維／細旦天絲大提花面料系列家紡產品、抗菌纖維／皮馬棉／細旦天絲大提花面料系列家紡產品等。同時，本集團亦研發了竹節紗產品，用以製造各式各樣的優質面料。本集團在產品科研不斷創新的精神是集團長久保持競爭優勢的重要原因，而這些高附加值的產品也為集團盈利帶來正面促進作用。

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During the year, the Group was awarded “The National Torch Plans Hi-Tech Enterprise” by the Ministry of Science and Technology, which was in recognition of the Group’s strength, technology ability and innovation ability.

Meanwhile, the Group also received the “Adopt International Standard Product Marking Certificate” awarded by Standardization Administration of China and the Quality & Technical Supervision Bureau of Shandong Province, which illustrates that our product quality has attained the international standards. Thus is beneficial in improving our products reputation and social recognition and also helps to expand our sales network.

The Group has continuously been winning several research awards for new products, which shows the recognition of the design and quality of our products, further cementing the leading position of our products.

本集團於年內成功被國家科技部認定為「國家火炬計畫高新技術企業」，是對集團企業實力、技術能力以及創新水準的認可。

同時，本集團亦榮獲由中國國家標準化管理委員會、山東省品質技術監督局聯合頒發的「採用國際標準產品標誌證書」，表明產品品質達到國際水準，有利於提高本集團產品信譽和社會知名度，擴大銷路。

本集團繼續有多款新產品榮獲科研獎項，這是對本集團床品設計及品質的肯定，亦進一步標誌著集團產品居行業前列。

Products 產品名稱	Awards 獎項	Awarding Authority 頒發機構
Photocatalytic fiber/Supermicro tencel jacquard series of textile products 光催化纖維／細旦天絲大提花面料系列家紡產品	Laiwu City Science and Technology Progress Award – First Prize 萊蕪市科技進步一等獎	Laiwu Municipal Government 萊蕪市政府
	Progress Award – Third Prize 科技進步三等獎	China National Textile and Apparel Council 中國紡織工業協會
	Technical Market Jin Qiao Award – Second prize 技術市場金橋獎二等獎	Shandong Science and Technology Department 山東省科技廳
Anti-bacterial fiber/Pima cotton/Supermicro tencel jacquard series of textile products 抗菌纖維／皮馬棉／細旦天絲大提花面料系列家紡產品	Technical Market Jin Qiao Award – Second prize 技術市場金橋獎二等獎	Shandong Science and Technology Department 山東省科技廳
Cashmere-like fiber/Supermicro tencel jacquard series of textile products 仿羊絨纖維／細旦天絲大提花面料系列家紡產品	Technical Market Jin Qiao Award – Second prize 技術市場金橋獎二等獎	Shandong Science and Technology Department 山東省科技廳
Bamboo carbon fiber/Pima cotton/Supermicro tencel jacquard series of textile products 竹炭纖維／皮馬棉／細旦天絲大提花面料家紡產品	Technical Market Jin Qiao Award – Second prize 技術市場金橋獎二等獎	Shandong Science and Technology Department 山東省科技廳
	“Zhang Qian Cup” 2010 China International Household Textiles Design Competition-Award of Excellence 「張騫杯」2010年中國國際家用紡織品產品設計大賽優秀獎	China Home Textile Association 中國家紡協會
“TAIFENG” Brand Combed Yarn (J60s, J50s, J80s) 「泰豐」牌精梳紗線 (J60s、J50s、J80s)	Colour-weaving Yarn Excellence Award 色織用紗優秀獎	China National Textile and Apparel Council 中國紡織工業協會

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FINANCIAL REVIEW

Revenue

Revenue increased by 36.3% to RMB1,846.2 million for the year ended 31 December 2010 from RMB1,354.1 million for the year ended 31 December 2009 as a result of the following:

- Revenue in the cotton yarns segment increased by 33.9% to RMB986.9 million for the year ended 31 December 2010 from RMB736.9 million for the year ended 31 December 2009. The increase was driven by a 37.3% 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 yarns industry for the year ended 31 December 2010.
- Revenue in the bedding products segment increased significantly by 39.2% to RMB859.3 million for the year ended 31 December 2010 from RMB617.2 million for the year ended 31 December 2009. Revenue in the sales of branded bedding products recorded a strong growth of 43.5% to RMB746.8 million for the year ended 31 December 2010 from RMB520.5 million for the year ended 31 December 2009. 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十二月三十一日止年度之人民幣1,354,100,000元增加36.3%至截至二零一零年十二月三十一日止年度之人民幣1,846,200,000元。原因如下：

- 棉紗分部之收益由去年同期之人民幣736,900,000元大幅增加33.9%至截至二零一零年十二月三十一日止年度之人民幣986,900,000元。增幅乃由於棉紗之平均實現售價上漲37.3%，主要反映細支及高支棉紗市價因截至二零一零年十二月三十一日止年度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617,200,000元增加39.2%至截至二零一零年十二月三十一日止年度之人民幣859,300,000元。品牌床品銷售之收益持續增加，並由去年同期之人民幣520,500,000元增加43.5%至截至二零一零年十二月三十一日止年度之人民幣746,800,000元。增幅反映市場對本集團品牌床品需求強勁。

Management Discussion and Analysis

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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 year ended 31 December 截至十二月三十一日止年度			
				2010 二零一零年		2009 二零零九年	
				Revenue 收益 (RMB'000)	(% to total) (佔總收益 百分比)	Revenue 收益 (RMB'000)	(% to total) (佔總收益 百分比)
				人民幣千元		人民幣千元	
Cotton yarns 棉紗							
Product category	產品種類	Yarn Count	支數				
Coarse-count yarns	粗支紗	18 or below	18或以下	34,743	1.9	22,433	1.7
Medium-count yarns	中支紗	19 up to 28	19至28	70,184	3.8	44,743	3.3
Fine-count yarns	細支紗	29 up to 60	29至60	470,483	25.5	330,878	24.4
High-count yarns	高支紗	61 or above	61或以上	411,509	22.3	338,884	25.0
Sub-total	小計			986,919	53.5	736,938	54.4
Bedding products							
OEM	貼牌			112,461	6.1	96,614	7.2
Branded products	品牌產品			746,797	40.4	520,516	38.4
Sub-total	小計			859,258	46.5	617,130	45.6
Total	總計			1,846,177	100.0	1,354,068	100.0

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管理層討論及分析

The average realized selling price and gross profit margin of cotton yarns is set out below:

棉紗之平均實現售價及毛利率載列如下：

				For the year ended 31 December 截至十二月三十一日止年度			
				2010 二零一零年		2009 二零零九年	
				Gross profit margin	Average realised selling price	Gross profit margin	Average realised selling price
				毛利率	平均實現售價	毛利率	平均實現售價
				(%)	(RMB per tonne)	(%)	(RMB per tonne)
				(%)	(每噸/人民幣元)	(%)	(每噸/人民幣元)
Product category	產品種類	Yarn count	支數				
Coarse-count yarns	粗支紗	18 or below	18或以下	12.2	15,375	5.4	11,538
Medium-count yarns	中支紗	19 up to 28	19至28	13.9	23,858	9.8	16,276
Fine-count yarns	細支紗	29 up to 60	29至60	16.1	26,453	9.7	19,036
High-count yarns	高支紗	61 or above	61或以上	22.5	45,569	15.5	31,536
Segment weighted average	分部加權平均			18.5	30,825	12.3	22,453

The average realized selling price and gross profit margin of bedding products is set out below:

床上用品平均實現售價及毛利率載列如下：

				For the year ended 31 December 截至十二月三十一日止年度			
				2010 二零一零年		2009 二零零九年	
				Gross profit margin	Average realised selling price	Gross profit margin	Average realised selling price
				毛利率	平均實現售價	毛利率	平均實現售價
				(%)	(RMB per piece/set)	(%)	(RMB per piece/set)
				(%)	(每件/套人民幣元)	(%)	(每件/套人民幣元)
OEM bedding products	貼牌床品			13.5	78	9.2	97
Branded bedding products	品牌床品			59.2	402	57.1	363
Segment weighted average	分部加權平均			53.2	261	49.6	254

Management Discussion and Analysis

管理層討論及分析

Cost of sales, gross profit and gross profit margin

The following table sets forth a breakdown of the cost of sales:

銷售成本、毛利及毛利率

下表載列銷售成本明細：

		For the year ended 31 December 截至十二月三十一日止年度			
		2010 二零一零年		2009 二零零九年	
		(RMB'000)	% to total 佔總額 百分比	(RMB'000)	% to total 佔總額 百分比
		(人民幣千元)		(人民幣千元)	
Raw materials:	原材料：				
raw cotton	原棉	561,532	46.5	436,238	45.5
fabrics	布料	379,998	31.5	286,241	29.9
Sub-total	小計	941,530	78.0	722,479	75.4
Fuel and utilities	燃料及公用服務	98,821	8.2	84,766	8.9
Direct labour	直接勞工	76,397	6.3	62,505	6.5
Other production overheads	其他生產開支	89,848	7.5	87,987	9.2
Sub-total	小計	265,066	22.0	235,258	24.6
Total	總計	1,206,596	100.0	957,737	100.00

Gross profit increased by 61.4% to RMB639.6 million for the year ended 31 December 2010 from RMB396.3 million for the year ended 31 December 2009. Gross profit margin for the year ended 31 December 2010 increased by 5.3 percentage points to 34.6% from 29.3% for the year ended 31 December 2009.

毛利由截至二零零九年十二月三十一日止年度之人民幣396,300,000元增加61.4%至截至二零一零年十二月三十一日止年度之人民幣639,600,000元。截至二零一零年十二月三十一日止年度之毛利率增加5.3個百分點，由截至二零零九年十二月三十一日止年度之29.3%上升至34.6%。

Gross profit of the Group's cotton yarns segment increased significantly by 101.9% to RMB182.5 million for the year ended 31 December 2010 from RMB90.4 million for the year ended 31 December 2009. The increase reflected primarily a strong growth in the PRC cotton yarns industry for the year ended 31 December 2010. Gross profit margin improved to 18.5% from 12.3%.

本集團棉紗分部之毛利由去年同期之人民幣90,400,000元大幅增加101.9%至截至二零一零年十二月三十一日止年度之人民幣182,500,000元。增幅主要反映截至二零一零年十二月三十一日止年度中國棉紗行業之強勁增長。毛利率由12.3%上升至18.5%。

Gross profit of the Group's bedding products segment increased by 49.4% to RMB457.1 million for the year ended 31 December 2010 from RMB305.9 million for the year ended 31 December 2009. Gross profit of the branded bedding products reached RMB442.0 million for the year ended 31 December 2010, representing an increase of 48.8% as compared to RMB297.0 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 improved to 53.2% from 49.6% and the gross profit margin of the Group's branded bedding products reached 59.2%.

本集團床品分部之毛利由去年同期之人民幣305,900,000元增加49.4%至截至二零一零年十二月三十一日止年度之人民幣457,100,000元。截至二零一零年十二月三十一日止年度，品牌床品之毛利達人民幣442,000,000元，較去年之人民幣297,000,000元增長48.8%。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由49.6%增加至53.2%，而本集團品牌床品之毛利率為59.2%。

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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 retail stores and counters running expenses. Distribution and selling expenses increased by 193.0% to RMB63.3 million for the year ended 31 December 2010 as compared to RMB21.6 million in last year. The increase was primarily due to the increase of RMB29.3 million in advertising and promotional expenses and an increase of RMB9.5 million in running expenses for our directly-operated retail stores and counters in the year ended 31 December 2010.

ADMINISTRATIVE EXPENSES

Administrative expenses comprise mainly staff cost, depreciation, entertainment, rental, bank charges, and other sundry expenses. Administrative expenses increased by 40.4% to RMB47.3 million for the year ended 31 December 2010 from RMB33.7 million for the year ended 31 December 2009. The increase was primarily due to the increase of RMB2.9 million in expenses associated with share-based payment transactions and an increase of RMB5.4 million in staff costs in the year ended 31 December 2010.

FINANCE COSTS

Finance costs decreased by 42.5% to RMB10.9 million for the year ended 31 December 2010 from RMB19.0 million in 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 56.4% to RMB92.0 million for the year ended 31 December 2010 from RMB58.8 for the year ended 31 December 2009. The increase was mainly due to an increase in the taxable income for the year ended 31 December 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21,600,000元增加193.0%至截至二零一零年十二月三十一日止年度之人民幣63,300,000元。增幅主要是由於截至二零一零年十二月三十一日止年度廣告及推廣開支增加人民幣29,300,000元，及本集團之直營零售店舖及專櫃的營運費用增加人民幣9,500,000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十二月三十一日止年度之人民幣33,700,000元增加40.4%至截至二零一零年十二月三十一日止年度之人民幣47,300,000元。增幅主要是由於截至二零一零年十二月三十一日止年度與以股份付款交易有關之費用增加人民幣2,900,000元及員工成本增加人民幣5,400,000元所致。

融資成本

融資成本由去年同期之人民幣19,000,000元減少42.5%至截至二零一零年十二月三十一日止年度之人民幣10,900,000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十二月三十一日止年度之人民幣58,800,000元增加56.4%至截至二零一零年十二月三十一日止年度之人民幣92,000,000元。有關開支增加主要是由於截至二零一零年十二月三十一日止年度之應課稅收入增加所致。

Management Discussion and Analysis

管理層討論及分析

WORKING CAPITAL MANAGEMENT

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

		For the year ended 31 December 2010 截至 二零一零年 十二月三十一日 止年度	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⁾	54	40
Trade payables turnover (days) ⁽²⁾	應付賬款週轉日(日) ⁽²⁾	35	31
Inventory turnover (days) ⁽³⁾	存貨週轉日(日) ⁽³⁾	35	47

Notes:

- Trade receivables turnover is calculated based on the average of the beginning and ending balance of trade receivables for a given year, divided by revenue during the given year and multiplied by 365 days.
- Trade payables turnover is calculated based on the average of the beginning and ending balance of trade payables for a given year divided by cost of sales during the given year and multiplied by 365 days.
- Inventory turnover is calculated based on the average of the beginning and ending balance of inventory, net of impairment, for a given year, divided by cost of sales during the given year and multiplied by 365 days.

Average trade receivable turnover increased to 54 days in the year ended 31 December 2010 from 40 days for the year ended 31 December 2009 which was primarily due to the increase in sales in the fourth quarter of 2010, the payment for part of which were not yet due as at the year end date.

Average trade payables turnover increased slightly to 35 days in the year ended 31 December 2010 from 31 days for the year ended 31 December 2009.

Average inventory turnover decreased to 35 days in the year ended 31 December 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 year ended 31 December 2010.

營運資金管理

下表載列本集團經選定經營效益比率：

	For the year ended 31 December 2010 截至 二零一零年 十二月三十一日 止年度	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⁾	54	40
Trade payables turnover (days) ⁽²⁾	35	31
Inventory turnover (days) ⁽³⁾	35	47

附註：

- 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日計算。
- 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日計算。
- 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日計算。

截至二零一零年十二月三十一日止年度之應收賬款平均週轉日增加至54日，而截至二零零九年十二月三十一日止年度則為40日。主要因為銷售額於二零一零年第四季上升，部份應收帳款在年結日仍未到期。

截至二零一零年十二月三十一日止年度之應付賬款平均週轉日輕微增加至35日，而截至二零零九年十二月三十一日止年度則為31日。

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十二月三十一日止年度之35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十二月三十一日止年度原棉市價不穩定對本集團帶來之風險)所致。

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LIQUIDITY AND CAPITAL RESOURCES

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

		For the year ended 31 December 2010 截至 二零一零年 十二月三十一 止年度	For the year ended 31 December 2009 截至 二零零九年 十二月三十一 止年度
Gearing ⁽¹⁾	資本負債 ⁽¹⁾	9.6%	13.9%
Debt-to-equity ⁽²⁾	負債對權益 ⁽²⁾	14.3%	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 year, divided by total assets for the year and multiplied by 100%. Debts are defined to include current and non-current borrowings.
- (2) Calculated as the total debts for the year, divided by the equity for the year and multiplied by 100%. Debts are defined to include current and non-current borrowings.

The gearing ratio and the debt-to-equity ratio decreased to 9.6% and 14.3% respectively ended 31 December 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 year ended 31 December 2010.

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 year ended 31 December 2010 截至 二零一零年 十二月三十一 止年度	For the year ended 31 December 2009 截至 二零零九年 十二月三十一 止年度
Gearing ⁽¹⁾	9.6%	13.9%
Debt-to-equity ⁽²⁾	14.3%	23.7%
Current ratio	2.4 times倍	1.4 times倍

附註：

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

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十二月三十一日止年度之9.6%及14.3%。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。

截至二零一零年十二月三十一日止年度，流動比率提升至2.4倍。

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CASH FLOW

現金流量

		For the year ended 31 December 2010 於截至 二零一零年 十二月三十一日 止年度 RMB'000 人民幣千元	For the year ended 31 December 2009 於截至 二零零九年 十二月三十一日 止年度 RMB'000 人民幣千元
Net cash from operating activities	經營業務產生之現金淨額	464,665	284,905
Net cash (used in)/from investing activities	投資活動(動用)/產生之 現金淨額	(138,421)	50,632
Net cash from/(used in) financing activities	融資活動產生/(動用)之 現金淨額	273,649	(179,469)
Cash and cash equivalents at 31 December	於十二月三十一日之現金及現 金等價物	855,664	255,771

Net cash generated from operating activities increased to RMB464.7 million for the year ended 31 December 2010 from RMB284.9 million for the year ended 31 December 2009. The improvement reflected primarily higher profit before taxation although the effect was partially offset by the increase in inventories and increase in trade and other receivables and prepayment.

經營活動產生之現金淨額由截至二零零九年十二月三十一日止年度人民幣284,900,000元上升至截至二零一零年十二月三十一日止年度人民幣464,700,000元。此增進主要反映除稅前溢利提高，惟此影響部份被存貨增加及應收賬款及其他應收款項及預付款項增加所抵銷。

Net cash used in investing activities for the year ended 31 December 2010 was RMB138.4 million mainly including deposit paid for acquisition of land and properties of RMB61.9 million, investment in listed securities of RMB34.0 million and an increase in pledged bank deposits of RMB30.1 million.

截至二零一零年十二月三十一日止年度投資活動動用之現金淨額為人民幣138,400,000元，主要包括收購土地及物業所付按金人民幣61,900,000元、上市證券投資人民幣34,000,000元及有抵押銀行存款增加人民幣30,100,000元。

Net cash from financing activities for the year ended 31 December 2010 was RMB273.7 million, including mainly proceeds from issue of new shares, net of share issue costs of RMB430.1 million and an advance from immediate holding company of RMB29.8 million, the effects of which was offset by a dividend payment of RMB184.0 million.

截至二零一零年十二月三十一日止年度融資活動產生之現金淨額為人民幣273,700,000元，主要包括發行新股份所得款項(扣除股份發行成本)人民幣430,100,000元，以及直接控股公司墊款人民幣29,800,000元，其影響部份被派付股息人民幣184,000,000元所抵銷。

PLEDGE OF ASSETS

Details of the assets pledged as at 31 December 2010 are set out in note 20 and note 23 to the consolidated financial statements of this annual report.

資產抵押

於二零一零年十二月三十一日，資產抵押詳情載於本年報內綜合財務報表附註20及附註23。

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CONTINGENT LIABILITIES

The Group has no material contingent liabilities as at 31 December 2010 (2009: the Group had provided financial guarantee to a bank in respect of banking facilities to the extent of RMB60.0 million granted to TTG).

FOREIGN CURRENCY EXPOSURE

The business operations of the Group's subsidiaries were conducted mainly in the PRC with revenues and expenses of the Groups subsidiaries denominated in RMB. 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 31 December 2010, the Directors of the Company considered the Group's foreign exchange risk to be insignificant. During the year, the Group did not use any financial instruments for hedging purposes.

EMPLOYEES

As at 31 December 2010, the Group had a workforce of approximately 5,258 employees (2009: 4,908). Staff costs for the year ended 31 December 2010 (including Directors' remuneration in the form of salaries and other allowances) was approximately RMB110.2 million (2009: RMB83.2 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.

或然負債

於二零一零年十二月三十一日，本集團並無重大或然負債（二零零九年：本集團就授予泰豐紡織集團之銀行貸款人民幣60,000,000元向一家銀行提供財務擔保）。

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。

於二零一零年十二月三十一日，本公司董事認為，本集團面臨之匯兌風險甚微。年內，本集團並無使用任何金融工具作對沖用途。

僱員

於二零一零年十二月三十一日，本集團有約5,258名僱員（二零零九年：4,908名）。截至二零一零年十二月三十一日止年度之員工成本（包括董事薪酬（薪金及其他津貼））約為人民幣110,200,000元（二零零九年：約人民幣83,200,000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。

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USE OF PROCEEDS FROM LISTING

The net proceeds (after deduction of related issuance costs) from the Company's initial public offering amounted to approximately RMB383,100,000, equivalent to HK\$435,300,000. The net proceeds were partially applied up to 31 December 2010 with the proposed applications set out in the Prospectus, as follows:

- Approximately RMB69.1 million was used for the expansion of production facilities.
- Approximately RMB43.7 million was used for the enhancement of sales operations and brand building.
- Approximately RMB23.0 million was used for additional working capital.
- Approximately RMB247.3 million remains unused, which is deposited in the bank account of the Company.

The unutilized proceeds are deposited with licensed banks and financial institutions in Hong Kong and PRC as interest-bearing deposits.

BUSINESS OUTLOOK AND STRATEGIES

We are benefiting from the rapid development of the domestic economy and the PRC government's policy of stimulating domestic consumption and accelerating urbanization. Domestic consumers are enjoying increasing levels of affluence and spending power. This has led to increases in consumers' living and aesthetic standards. Moreover, the rapidly growing domestic real estate industry together with the hospitality and tourism industry and the increased wedding and festival consumption also contributed to high demand for quality bedding products and prompt the further development and advancement of the home textile industry. Therefore, as the leading manufacturer of China's quality bedding products and cotton yarns products, the Group is very optimistic about the prospects of the industry.

上市所得款項用途

本公司首次公開招股之所得款項淨額（經扣除相關發行成本）約為人民幣383,100,000元（相當於435,300,000港元）。截至二零一零年十二月三十一日止該所得款項淨額已部份動用且用於本公司招股章程所列建議用途如下：

- 約人民幣69,100,000元用作擴充生產設施。
- 約人民幣43,700,000元用作加強銷售運作及建立品牌。
- 約人民幣23,000,000元用作額外營運資金。
- 約人民幣247,300,000元尚未動用，已存放於本公司之銀行賬戶。

未動用所得款項乃存放於香港及中國之持牌銀行及金融機構作為帶息存款。

業務前景及策略

我們正受益於國內經濟迅速發展、國家刺激內需及推進城市化的政策支持所帶來的正面影響。隨著國內居民日益富庶及購買力大大增強，其生活要求和審美觀亦不斷提升。此外，近年來國內房地產市場的迅速發展，旅遊酒店業的昌盛，婚慶和節慶消費的持續增長，均使得國內優質床品的需求更為殷切，促使家用紡織品行業的進一步發展。因此，本集團作為中國領先優質床品及棉紗產品的生產商，對行業前景亦非常樂觀。

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According to Euromonitor, the retail market size of China bedding products is expected to further grow at a CAGR of 25% to RMB247.4 billion from 2010 to 2013. To capture growth opportunities, the Group will continue to expand its branded bedding products business to increase its revenue contributions and market share. Next year, the Group plans to open up more stores and counters all around the country, especially Shandong, Henan, Shanxi, and Northeast Region, to increase its market penetration and the number of sale points through its directly-owned operations and its franchise networks. Meanwhile, the Group will continue to launch effective brand promotion activities and marketing activities. For example the Group plans to run TV advertisements on CCTV, Shandong TV, Henan TV, Shanxi TV and TV stations in Northeast Provinces and to open up flagship stores in Taiyuan, Zhengzhou, Hebei and Jiangsu. Ms. Kelly Chen, our brand spokesperson will continue to work with us to promote our brand. With her elegant and fashionable image, the Group aims to promote the “Taifeng” image of high-end, high quality and modern design throughout the PRC to enhance our image and reputation.

The Group will continue to strengthen our efforts on the R&D of our products, focusing on the use of various materials and technologies to develop products with diversified features, innovative design and environmental-friendly characteristics. We will continue to work on expanding our client base and meeting their demands. In the coming year, one of our R & D focus will be the series of aromatic fiber textile products. Also, the Group will continue to develop higher quality and value-added cotton yarns products and believes that these products will contribute to its profitability and will provide strong support for the development of the bedding business.

To meet the rising market demand for quality bedding products, the Group will increase the production capacity and automation of its bedding products. By the progressive introduction of the Japanese high-speed automatic sewing machine and related equipments, the Group will be able to reduce the demand for manual labor, and thus significantly increase the production efficiency and capacity.

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 year under review.

根據Euromonitor，自2010年起，中國床品零售市場規模將按25%的年複合增長率高速增長，預期2013年將達到人民幣247,400,000,000元。為了把握這個機遇，本集團將繼續大力拓展品牌床品的業務，以進一步提升床品的收入比例及市場份額。來年，本集團將透過直營及引進加盟商的方式，並以山東、河南、山西、東北等地區為重點，在全國開設更多專賣店及專櫃，進一步增加其市場滲透力度及銷售網點。同時，本集團會繼續進行強而有力的品牌宣傳及推廣活動，例如集團計劃於央視、山東衛視、河南衛視、山西衛視、東北三省等電視台進行廣告投放，並計劃在太原、鄭州、河北、江蘇開設大型旗艦店。陳慧琳小姐將繼續擔任集團的品牌代言人，務求透過其典雅時尚的形象及名氣，將「泰豐」床品高檔、優質且別具時尚設計風格的形象帶遍全中國，提高品牌形象和知名度。

本集團將繼續加強產品的設計和研發力度，開發定位於著重原料多元化、技術複合化、產品功能化、產品設計新穎化和產品開發綠色化，以擴展客戶群，及滿足消費者不斷提升的要求。來年，芳香纖維繫列家紡產品將是集團的研究開發的重點之一，另外，本集團亦將繼續開發較高品質及附加值的棉紗產品，並相信這將為本集團之盈利能力帶來貢獻，亦為床品業務發展提供強而有力的後盾。

為滿足市場對優質床品不斷上升的需求，集團將提升床品的產能及生產自動化。通過逐步引進日本高速自動平縫機及配套設備，集團將可以減輕人工勞動的需求，大大增加了生產效率及生產能力。

購買、出售或贖回本公司上市證券

於回顧年度，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

Biographical Details of Directors and Senior Management

董事及高級管理層履歷

EXECUTIVE DIRECTORS

Mr. Liu Qingping, aged 57, was appointed as the Chairman of the Board and an executive Director of the Company on 21 May 2009. Mr. Liu is responsible for strategic planning, business development and overall management of the Group. Mr. Liu has more than 20 years of experience in the textile industry. Mr. Liu has been awarded numerous recognitions and honours in the past. In 1995, he was awarded “Outstanding Quality Manager for Textile Industry of the Shandong Province (山東省紡織系統優秀質量管理工作者)” by Textile Industry Bureau of Shandong Province (山東省紡織工業廳) and Association of Quality Management Textile Industry of Shandong Province (山東紡織質量管理協會). In 2003, he was recognized as a Model Worker of Shandong Province by the Shandong Province (山東省勞動模範) by the People’s Government of Shandong Province (山東省人民政府). In 2004, he was awarded (i) “Entrepreneur with Good Faith of Shandong Province (山東省誠信企業家)” by The Committee for Credit Rating of Shandong Province and Shandong Province Credit Rating Company (山東省信譽評級委員會及山東省信譽評級總公司) and (ii) Award for Outstanding Entrepreneurs of Textile Industry of Shandong Province (山東紡織企業家創業獎) by Office of Textile Industry of Shandong Province (山東省紡織工業辦公室) and The Association of Textile Enterprises Management of Shandong Province (山東紡織企業管理協會). In 2005, he was awarded “Outstanding Ideological and Political (Enterprise Culture) Operator in Textile Industry of Shandong Province (山東省紡織行業優秀思想政治、企業文化建設工作者)” by Office of Textile Industry of Shandong Province (山東省紡織工業辦公室) and Political Research Committee of Textile Workers of Shandong Province (山東省紡織職工政研會). In 2006, he was awarded (i) “50 People Promoting the Globalization of PRC Brands in 2006 (2006推動中國品牌國際化50人)” by PRC Organization Committee of the 14th World Productivity Congress (第十四屆世界生產力大會中國組織委員會) and (ii) “Outstanding Operator and Manager of Shandong Province (山東省優秀經營管理者)” by Committee for Economic and Trade of Shandong Province (山東省經濟貿易委員會). In 2007, he was recognised (i) “An Excellent Leading Individual in Outstanding Quality Control of the Textile Industry in the PRC (全國紡織行業優秀質量管理小組活動卓越領導者)” by China National Textile and Apparel Council (中國紡織工業協會) and China Trade Union of Financial and Commercial Workers, Light Industry and Textile Workers, Tobacco Industry Workers (中國財貿輕紡煙草工會) and (ii) “Model Worker in Business Sector in Countrywide (全國商務系統勞動模範)” by Ministry of Personnel of the People’s Republic of China (中華人民共和國人事部) and the Ministry of Commerce of the People’s Republic of China (中華人民共和國商務部). In 2010, he was awarded “Award for Outstanding Entrepreneurs of Textile Industry of Shandong Province (山東紡織企業家創業獎)” by The Association of Textile Industry of Shandong Province (山東省紡織工業協會) and The Association of Textile Enterprises Management of Shandong Province (山東紡織企業管理協會). Mr. Liu is a senior economist. He obtained a doctorate degree in business administration from American Liberty University in 2005.

執行董事

劉慶平先生，57歲，於二零零九年五月二十一日獲委任為本公司董事會主席兼執行董事，劉先生負責本集團之重大決策、整體管理及發展規劃。劉先生於紡織業擁有逾20年經驗。劉先生於過去曾獲多項嘉許及殊榮。於一九九五年，彼獲山東省紡織工業廳及山東紡織質量管理協會頒發之山東省紡織系統優秀質量管理工作者。於二零零三年，彼獲山東省人民政府頒發山東省勞動模範。於二零零四年，彼獲(i)山東省信譽評級委員會及山東省信譽評級總公司頒發之山東省誠信企業家以及(ii)山東省紡織工業辦公室及山東紡織企業管理協會頒發之山東紡織企業家創業獎。於二零零五年，彼獲山東省紡織工業辦公室及山東省紡織職工政研會頒發山東省紡織行業優秀思想政治、企業文化建設工作者。於二零零六年，彼獲(i)第十四屆世界生產力大會中國組織委員會頒發2006推動中國品牌國際化50人及(ii)山東省經濟貿易委員會頒發山東省優秀經營管理者。於二零零七年，彼獲(i)中國紡織工業協會及中國財貿輕紡煙草工會嘉許為全國紡織行業優秀質量管理小組活動卓越領導者以及(ii)中華人民共和國人事部及中華人民共和國商務部嘉許為全國商務系統勞動模範。於二零一零年，彼獲山東省紡織工業協會及山東紡織企業管理協會頒發山東紡織企業家創業獎。劉先生為高級經濟師，並於二零零五年取得美國利伯堤大學之工商管理博士學位。

Biographical Details of Directors and Senior Management

董事及高級管理層履歷

Mr. Li Dengxiang, aged 50, was appointed as the Vice- chairman of the Board and an executive Director of the Company on 18 November 2009. Mr. Li has over 20 years of experience in the textile industry and is responsible for overseeing the production, quality and operation management of the Group. Mr. Li obtained various recognitions and awards in the past. He was awarded “Golden Bridge Prize of Technology market of Shandong Province (山東省技術市場科技金橋獎)” by Golden Bridge Prize Award Committee of Shandong Province (山東省技術市場科技金橋獎獎勵委員會) in 2005 and 2007. In 2007, he was also recognized as an “Outstanding Young to Middle Age Technology Worker of the Textile Industry in the PRC (全國棉紡織行業優秀中青年科技工作者)” by China Textile Engineering Society (中國紡織工程學會). Mr. Li is an engineer. He obtained a professional certificate in business administration from the Shandong Industrial University (now merged as Shandong University) in 1998 and a doctorate degree in business administration from American Liberty University in 2005.

Ms. Qi Tongli, aged 48, was appointed an executive Director of the Company on 21 May 2009 and is responsible for capital operation management of the Group. Ms. Qi has more than 20 years of experience in the textile industry. She was awarded “Scientific Technology Advancement Award” (科學技術進步獎) in 1998 and 2000 by The Assessment Committee for Scientific Technology Advancement Award of Shandong Province (山東省科學技術進步獎評審委員會) and The Assessment Committee for Scientific Technology Advancement Award of Laiwu City (萊蕪市科學技術進步獎評審委員會) respectively. In 2003, she was awarded “Scientific Technology Award of Shandong Province” (山東省科學技術獎) by The Assessment Committee for Scientific Technology Award of Shandong Province (山東省科學技術獎評審委員會). She was recognized as a “Model Outstanding Female Worker and Contribution of Shandong Province (山東省女職工建功立業標兵)” and was awarded “Award for Improvement of Living Standard in Shandong Province (富民興魯勞動獎章)” in 2007 by the General Labour Union of Shandong Province (山東省總工會). Ms. Qi is a senior engineer. She obtained a certificate in textile industry from Jinan School of Textile Industry, a certificate in business administration from the Shandong Industrial University (now merged as Shandong University) in 1998 and a doctorate degree in business administration from American Liberty University in 2005.

Mr. Liu Chunwei, aged 43, the Chief Executive Officer of the Group and was appointed an executive Director of the Company on 18 November 2009. Mr. Liu has more than 20 years of experience in the textile industry and is responsible for overseeing the sales, production and full operation management of the Group. Mr. Liu received the “Award for Improvement of Living Standard in Shandong Province (富民興魯勞動獎章)” in 2001 by the General Labour Union of Shandong Province (山東省總工會). He obtained a certificate in textile industry from the Shandong Textile College in 1988, and a doctorate degree in business administration from American Liberty University in 2005.

李登祥先生，50歲，於二零零九年十一月十八日獲委任為本公司董事會副主席兼執行董事。李先生於紡織業擁有逾20年經驗，負責監察本集團生產、質量及營運管理。李先生過去獲得多項嘉許及獎項。彼於二零零五年及二零零七年獲山東省技術市場科技金橋獎獎勵委員會頒發山東省技術市場科技金橋獎。於二零零七年，彼獲中國紡織工程學會嘉許為全國棉紡織行業優秀中青年科技工作者。李先生為工程師。彼於一九九八年取得山東工業大學（現已合併為山東大學）企業管理專業證書，其後於二零零五年取得美國利伯堤大學之工商管理博士學位。

亓同麗女士，48歲，於二零零九年五月二十一日獲委任為本公司執行董事，負責本集團之資本運營管理。亓女士於紡織業擁有逾20年經驗。彼分別於一九九八年及二零零零年獲山東省科學技術進步獎評審委員會及萊蕪市科學技術進步獎評審委員會頒發科學技術進步獎。於二零零三年，彼獲山東省科學技術獎評審委員會頒發山東省科學技術獎。彼於二零零七年獲山東省總工會嘉許為山東省女職工建功立業標兵，並獲頒富民興魯勞動獎章。亓女士為高級工程師。彼畢業於濟南紡織工業學校棉紡專業，後於一九九八年畢業於山東工業大學（現已合併為山東大學）企業管理專業，其後於二零零五年取得美國利伯堤大學之工商管理博士學位。

劉純衛先生，43歲，本集團行政總裁，彼於二零零九年十一月十八日獲委任為本公司執行董事。劉先生於紡織業積逾20年經驗，負責監察本集團銷售、生產及全面營運管理。彼於二零零一年獲山東省總工會頒發富民興魯勞動獎章。彼於一九八八年畢業於山東紡織工學院棉紡織專業，其後於二零零五年取得美國利伯堤大學之工商管理博士學位。

Biographical Details of Directors and Senior Management

董事及高級管理層履歷

Mr. Zou Shengzhong, aged 45, was appointed as an executive Director of the Company on 18 November 2009. Mr. Zou has more than 20 years of experience in the textile industry and is responsible for overseeing the sales and operation management of the Group. Mr. Zou is a senior engineer. He graduated from Changwei School of Textile Industry in 1983 and he obtained a certificate in electricity engineering from the Shandong TV University in 1987 and a doctorate degree in business administration from American Liberty University in 2005.

鄒生忠先生，45歲，於二零零九年十一月十八日獲委任為本公司執行董事。鄒先生於紡織業積逾20年經驗，負責監察本集團銷售及營運管理。鄒先生為高級工程師，於一九八三年畢業於昌濰紡織工業學校，於一九八七年畢業於山東廣播電視大學電氣工程專業，其後於二零零五年取得美國利伯堤大學之工商管理博士學位。

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chan Kin Sang, aged 59, is currently the sole proprietor of Messrs. Peter K.S. Chan & Co., Solicitors and Notaries. He was appointed an independent non-executive Director of the Company on 18 November 2009. He has been a practicing solicitor in Hong Kong since 1982. He was admitted as a Notary Public in 1997 and as a China-appointed Attesting Officer in 2000. He is currently a Fellow of the Hong Kong Institute of Directors. Mr. Chan graduated from the University of Hong Kong with a Bachelor of Laws degree in 1979. Mr. Chan is also director of the following public listed companies:

獨立非執行董事

陳健生先生，59歲，現時為陳健生律師行（律師及公證人）之獨資經營者。彼於二零零九年十一月十八日獲委任為獨立非執行董事。彼自一九八二年起為香港執業律師。彼於一九九七年獲公證人資格，並於二零零零年成為中國委託公證人。彼現時為香港董事學會資深會員。陳先生於一九七九年畢業於香港大學，獲法律學士學位。陳先生亦擔任下列上市公司之董事：

Listed Company 上市公司	Stock Code 股份代號	Place of Listing 上市地	Role 職務
People's Food Holdings Limited 大眾食品控股有限公司	P05	Singapore 新加坡	Independent Non-executive Director 獨立非執行董事
Luxking Group Holdings Limited 力王集團控股有限公司	L34	Singapore 新加坡	Independent Non-executive Director 獨立非執行董事
Combest Holdings Limited 康佰控股有限公司	8190	Hong Kong 香港	Independent Non-executive Director 獨立非執行董事
China Precious Metal Resources Holdings Co., Limited 中國貴金屬資源控股有限公司	1194	Hong Kong 香港	Independent Non-executive Director 獨立非執行董事
Pacific Plywood Holdings Limited 太平洋實業控股有限公司	767	Hong Kong 香港	Independent Non-executive Director 獨立非執行董事
Pan Hong Property Group Limited	P36	Singapore 新加坡	Non-executive Director 非執行董事
Mayer Holdings Limited 美亞控股有限公司	1116	Hong Kong 香港	Non-executive Director 非執行董事
United Pacific Industries Limited 聯太工業有限公司	176	Hong Kong 香港	Non-executive Director 非執行董事

Biographical Details of Directors and Senior Management

董事及高級管理層履歷

Mr. Li Yuchun, aged 63, is a retired senior bank official. Mr. Li is an economist and has more than 20 years of experience in the banking industry and financial management. He is currently an independent director of Shandong Inspur Software Co. Ltd (Stock Code: SHA 600756), a company listed in the Shanghai Stock Exchange. Mr. Li was appointed an independent non-executive Director of the Company on 18 November 2009. He graduated from People's Liberation Army School of Sailors Politics (中國人民解放軍海軍政治學院) in professional political works in 1986.

Mr. Dai Shunlin, aged 68, is a deputy director of China Institute of Textile Planning and a retired senior engineer. He was appointed an independent non-executive Director of the Company on 18 November 2009. Mr. Dai has more than 40 years in the textile industry. He graduated from the textile engineering department of Wuxi School of Light Industry with a certificate in professional machine knitting in 1966.

SENIOR MANAGEMENT

Mr. Huang Qige, aged 42, joined the Group in 2001 and is currently the secretary to the Board of Directors of Shandong Taifeng Textile Co., Ltd ("Shandong Taifeng"), a wholly owned subsidiary of the Group. In 2005, Mr. Huang obtained a certificate in physics from Shandong Mineral College (山東礦業學院) in 1989, a doctoral degree in business administration from American Liberty University. In 2008, he finished his studies of accountancy with Shandong School of Economics. He has more than 8 years of experience as secretary to the Board of directors.

Mr. Zou Shengcheng, aged 42, joined the Group in 2003. He has more than 16 years of experience in the textile industry. Mr. Zou is the vice general manager of Shandong Taifeng and is responsible for the products development and technology of the Group. He graduated from Shandong School of Textile Industry with a bachelor's degree in textile engineering in 1992.

李玉春先生，63歲，為退休高級銀行職員。李先生為經濟師，於銀行業及財務管理方面積逾20年經驗。彼目前為於上海證券交易所上市之公司山東浪潮齊魯軟件產業股份有限公司（股份代號：SHA 600756）之獨立董事。彼於二零零九年十一月十八日獲委任為獨立非執行董事。彼於一九八六年畢業於中國人民解放軍海軍政治學院政治工作專業。

戴順林先生，68歲，中國紡織規劃研究會副會長及退休高級工程師。彼於二零零九年十一月十八日獲委任為獨立非執行董事。戴先生於紡織業積逾40年經驗。彼於一九六六年畢業於無錫輕工業學院紡織工程系機織專業。

高級管理層

黃啟閣先生，42歲，於二零零一年加入本集團，目前為山東泰豐紡織有限公司（「山東泰豐」）（本集團一間全資附屬公司）之董事會秘書。彼於一九八九年畢業於山東礦業學院物理班，於二零零五年取得美國利伯堤大學之工商管理博士學位。於二零零八年，彼修畢山東經濟學院開辦之會計學課程。彼擁有逾八年擔任董事會秘書之經驗。

鄒生成先生，42歲，於二零零三年加入本集團。彼於紡織業積逾16年經驗。鄒先生為山東泰豐之副總經理，負責本集團之產品開發及技術。彼於一九九二年畢業於山東紡織工學院，取得紡織工程學士學位。

Biographical Details of Directors and Senior Management

董事及高級管理層履歷

Mr. Geng Zhensheng, aged 45, joined the Group in 2001. He has more than 20 years of experience in the textile industry. Mr. Geng is the vice general manager of Shandong Taifeng and is responsible for the production of the Group. He completed secondary school education in Laiwu City in 1982.

Ms. Geng Yanling, aged 38, joined the Group in 2001. She is a certified tax planner in the PRC. She had been in the textile industry since 1992. Ms. Geng is the vice general manager of Shandong Taifeng and is responsible for the finance of the Group. Ms. Geng has been awarded the Model Worker by the Laiwu City People's Government and an Outstanding Person by the Laiwu City Economic and Trade Commission (萊蕪市經濟貿易委員會) in 2008. She obtained a certificate in economics from Harbin Polytechnic University in 2008.

Mr. Pang Wai Hong, aged 46, is the financial controller and the company secretary of the Company. He is responsible for the finance, statutory compliance and corporate governance matters of the Company. Mr. Pang is a member of the Hong Kong Institute of Certified Public Accountants and a fellow of the Association of Chartered Certified Accountants. He holds a Master of Science (Finance) from the National University of Ireland and a Master of Lighting degree from Queensland University of Technology. Mr. Pang has more than 20 years of financial and auditing experience. Prior to joining the Group in 2009, he was the chief financial officer and company secretary of People's Food Holdings Limited (stock code: P05), a company listed on the Singapore Stock Exchange. He is currently an independent non-executive director of China Renji Medical Group Limited (stock code: 648), a company listed on the Main Board.

耿振生先生，45歲，於二零零一年加入本集團。彼於紡織業積逾20年經驗。耿先生為山東泰豐之副總經理，負責本集團之生產職務。彼於一九八二年在萊蕪市完成中學教育。

耿雁翎女士，38歲，於二零零一年加入本集團。彼為中國註冊納稅籌劃師。彼自一九九二年從事紡織業。耿女士為山東泰豐之副總經理，負責本集團之財務工作。耿女士於二零零八年獲萊蕪市人民政府授予勞動模範稱號，並獲得萊蕪市經濟貿易委員會先進個人榮譽證書。彼於二零零八年畢業於哈爾濱理工大學經濟學專業。

彭偉康先生，46歲，為本集團財務監控員兼公司秘書，負責本公司之財務、遵守法規及企業管治事項。彼為香港會計師公會會員，並為英國特許公認會計師公會資深會員。彼畢業於National University of Ireland，獲頒理學（財務）碩士學位，並取得Queensland University of Technology之照明學碩士學位。彭先生於財務及審計方面積逾二十年經驗。彼於二零零九年加入本集團之前，為新加坡交易所上市公司大眾食品控股有限公司（股份代號：P05）之財務總監兼公司秘書。彼現時為主板上市公司中國仁濟醫療集團有限公司（股份代號：648）之獨立非執行董事。

Directors' Report

董事會報告

The Board is pleased to present their first annual report, together with the audited financial statements of the Group for the year ended 31 December 2010.

CORPORATE REORGANISATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 21 May 2009 under the Companies Law of the Cayman Islands. In preparation for the listing of the Shares on the Main Board of The Stock Exchange of Hong Kong (the "Stock Exchange"), the Group underwent a series of corporate reorganisation procedures and the Company became the holding company of the Group since 18 August 2009.

Details of the reorganisation were set out in the paragraph headed "Reorganisation" on page 4 to 5 of Appendix VII (Statutory and General Information) in the prospectus of the Company dated 31 May 2010 (the "Prospectus").

The shares of the Company were listed on the Main Board of the Stock Exchange on 11 June 2010 (the "Listing Date").

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the Group are manufacturing and distribution of quality cotton yarns and bedding products in China. The principal activities and other particulars of the subsidiaries of the Company are set out in note 38 to the consolidated financial statements of this annual report.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2010 are set out in the consolidated statement of comprehensive income on page 60 of this annual report.

An interim dividend of RMB0.054 per share was paid on 21 September 2010. The Board recommend the payment of a final dividend of RMB0.113 per share for the year ended 31 December 2010 to the shareholders whose names appear on the register of members of the Company on 20 May 2011. Upon shareholders' approval, the proposed final dividend is expected to be paid on 22 June 2011.

董事會欣然提呈第一份年報，連同本集團截至二零一零年十二月三十一日止年度之經審核綜合財務報表。

公司重組

本公司於二零零九年五月二十一日根據開曼群島公司法於開曼群島註冊成立為獲豁免有限公司。為籌備股份於香港聯合交易所（「聯交所」）主板上市，本集團進行了連串公司重組程序，而本公司自二零零九年八月十八日起成為本集團之控股公司。

重組詳情載於本公司於二零一零年五月三十一日刊發之招股章程（「招股章程」）附錄七（法定及一般資料）第4至5頁「重組」一段。

本公司股份已於二零一零年六月十一日（「上市日期」）在聯交所主板上市。

主要業務

本公司之主要業務為投資控股。本集團之主要業務為在中國從事優質棉紗及床品製造及分銷。本公司附屬公司其他詳情載於本年報綜合財務報表附註38。

業績及分派

本集團截至二零一零年十二月三十一日止年度之業績載於本年報第60頁之綜合全面收益表。

中期股息每股人民幣0.054元已於二零一零年九月二十一日派付。董事會建議向二零一一年五月二十日名列本公司股東名冊之股東派付截至二零一零年十二月三十一日止年度之末期股息每股人民幣0.113元。獲股東批准後，預期擬派末期股息將於二零一一年六月二十二日派付。

Directors' Report

董事會報告

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from 18 May 2011 to 20 May 2011 (both days inclusive), during which period no transfer of shares can be registered. In order to qualify for the final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited not later than 4:30 p.m. on 17 May 2011. Computershare Hong Kong Investor Services Limited is located at Shops 1712-1716, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

USE OF PROCEEDS FROM LISTING

The net proceeds (after deduction of related issuance costs) from the Company's initial public offering amounted to approximately RMB383,100,000, equivalent to HK\$435,300,000. The net proceeds were partially applied up to 31 December 2010 with the proposed applications set out in the Prospectus, as follows:

- Approximately RMB69.1 million was used for the expansion of production facilities.
- Approximately RMB43.7 million was used for the enhancement of sales operations and brand building
- Approximately RMB23.0 million was used for additional working capital.
- Approximately RMB247.3 million remains unused, which is deposited in the bank account of the Company.

The unutilized proceeds are deposited with licensed banks and financial institutions in Hong Kong and PRC as interest-bearing deposits.

FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last four years are set out on page 8 of this annual report.

暫停辦理股份過戶登記

本公司將於二零一一年五月十八日至二零一一年五月二十日（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。為符合領取末期股息之資格，所有過戶文件連同相關股票須二零一一年五月十七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。

上市所得款項用途

本公司首次公開招股之所得款項淨額（經扣除相關發行成本）為約人民幣383,100,000元（相等於435,300,000港元）。截至二零一零年十二月三十一日止，該所得款項淨額已部分動用且用於本公司招股章程所披露所得款項淨額之建議用途如下：

- 約人民幣69,100,000元用作擴充生產設施。
- 約人民幣43,700,000元用作加強銷售運作及建立品牌。
- 約人民幣23,000,000元用作額外營運資金。
- 約人民幣247,300,000元尚未動用，已存放於本公司之銀行賬戶。

尚未動用所得款項已存入香港及中國之持牌銀行及金融機構作為帶息存款。

財務概要

本集團對上四年之業績以及資產負債概要載於本年報第8頁。

Directors' Report

董事會報告

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2010, sales to the Group's five largest customers and the largest customer accounted for 47.4% and 13.6% respectively of the Group's total turnover for the year.

For the year ended 31 December 2010, the Group's purchases attributable to the five largest suppliers and the largest supplier accounted for 44.6% and 16.8% respectively of the Group's total purchases for the year.

None of the Directors or any of their associates or any shareholders who, to the knowledge of the Directors, owns more than 5% of the Company's issued share capital, had any interest in the five largest suppliers or customers.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group are set out in note 13 to the consolidated financial statements of this annual report.

LISTING OF THE SHARES AND SHARE CAPITAL OF THE COMPANY

The shares of the Company have been successfully listed on the Main Board of the Stock Exchange since 11 June 2010. The total number of shares of the Company in issue upon listing was 1,000,000,000 shares.

Details of the movements during the year in the issued share capital of the Company are set out in note 25 to the consolidated financial statements of this annual report.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Since the Listing Date, neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

主要客戶及供應商

截至二零一零年十二月三十一日止年度，本集團對五大客戶及最大客戶之銷售額分別佔本集團年度總營業額之47.4%及13.6%。

截至二零一零年十二月三十一日止年度，本集團對五大供應商及最大供應商之購貨額分別佔本集團年度總購貨額之44.6%及16.8%。

據董事所知，董事或其任何聯繫人士或任何擁有本公司已發行股本5%以上之股東概無於五大供應商或客戶中擁有任何權益。

物業、廠房及設備

本集團物業、廠房及設備之變動詳情載於綜合財務報表附註13。

本公司股份及股本上市

本公司股份已成功自二零一零年六月十一日起在聯交所主板上市。本公司於上市時已發行股份總數為1,000,000,000股。

本公司已發行股本於年內之變動詳情載於本年報綜合財務報表附註25。

購買、出售或贖回本公司上市證券

自上市日期以來，本公司或其任何附屬公司概無購買、贖回或出售本公司任何上市證券。

Directors' Report

董事會報告

RESERVES

Details of the movements during the year in the reserves of the Group are set out in the consolidated statement of changes in equity on page 62 of this annual report.

BANK AND OTHER BORROWINGS

Details of bank and other borrowings of the Group as at 31 December 2010 are set out in notes 22 to 23 to the consolidated financial statements of this annual report.

CONTINGENT LIABILITIES AND COMMITMENTS

Details of the commitments and contingent liabilities of the Group are set out in note 32 and note 35 to the consolidated financial statements of this annual report.

SUBSEQUENT EVENTS

The Group had no significant events after the reporting date.

儲備

本集團於年內之儲備變動詳情載於本年報綜合權益變動表第62頁。

銀行及其他借貸

本集團於二零一零年十二月三十一日之銀行及其他借貸詳情載於本年報綜合財務報表附註22至23。

承擔及或然負債

本集團承擔及或然負債之詳情載於本年報綜合財務報表附註32及附註35。

繼後事件

本集團於報告日期後並無大事件。

Directors' Report

董事會報告

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

The Directors during the year and up to the date of this annual report are as follows:

Executive Directors

Mr. Liu Qingping	(appointed on 21 May 2009)
Mr. Li Dengxiang	(appointed on 18 November 2009)
Ms. Qi Tongli	(appointed on 21 May 2009)
Mr. Liu Chunwei	(appointed on 18 November 2009)
Mr. Zou Shengzhong	(appointed on 18 November 2009)

Independent Non-executive Directors

Mr. Chan Kin Sang	(appointed on 18 November 2009)
Mr. Li Yuchun	(appointed on 18 November 2009)
Mr. Dai Shunlin	(appointed on 18 November 2009)

Biographical details of the Directors and senior management are set out in the section headed "Biographical Details of Directors and Senior Management" in this annual report.

Each of the Executive Directors and independent non-executive Directors has entered into a service contract with the Company for a term of three years commencing from 11 June 2010, subject to termination by either party giving the other not less than 3 months' prior written notice or such shorter period as both parties may agree.

董事及董事之服務合約

年內及截至本年報日期之董事如下：

執行董事

劉慶平先生	(於二零零九年五月二十一日獲委任)
李登祥先生	(於二零零九年十一月十八日獲委任)
齊同麗女士	(於二零零九年五月二十一日獲委任)
劉純衛先生	(於二零零九年十一月十八日獲委任)
鄒生忠先生	(於二零零九年十一月十八日獲委任)

獨立非執行董事

陳健生先生	(於二零零九年十一月十八日獲委任)
李玉春先生	(於二零零九年十一月十八日獲委任)
戴順林先生	(於二零零九年十一月十八日獲委任)

董事及高級管理層之履歷詳情載於本年報「董事及高級管理層履歷」一節。

各執行董事及各獨立非執行董事均與本公司訂立服務合約，由二零一零年六月十一日起為期三年，惟任何一方可向另一方發出不少於三個月（或雙方協定之較短時期）之事先書面通知而終止。

Directors' Report

董事會報告

In accordance with the articles of association of the Company, all the existing Directors shall retire at the forthcoming Annual General Meeting ("AGM"). All of the retiring Directors, being eligible, will offer themselves for re-election at the AGM.

None of the Directors proposed for re-election at the forthcoming AGM of the Company has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

REMUNERATION OF THE DIRECTORS

The remuneration of the Directors is determined by the Remuneration Committee with reference to the duties, responsibilities, performance of the Directors and the results of the Group.

Details of the remuneration of the Directors are set out in note 10 to the consolidated financial statements of this annual report.

DIRECTORS' AND CHIEF EXECUTIVE' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 31 December 2010 and the date of this annual report, the interests and short positions of the Directors and the Chief Executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules are as follows:

按照本公司組織章程細則，全體現任董事須在應屆股東週年大會（「股東週年大會」）輪席退任。所有退任董事均合乎資格並願在股東週年大會上膺選連任。

擬於應屆股東週年大會上應選連任之董事概無與本公司或其任何附屬公司訂立於一年內不付賠償（正常法定賠償除外）而不可由本集團終止之服務合約。

董事薪酬

各董事薪乃由薪酬委員會參考董事之職務、責任、表現及本集團業績釐定。

董事薪酬詳情載於本年報綜合財務報表附註10。

董事及行政總裁於股份、相關股份及債券之權益及淡倉

於二零一零年十二月三十一日及本年報日期，本公司董事及行政總裁於本公司或任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債券中擁有記錄於根據證券及期貨條例第352條須予備存之登記冊，或根據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」）知會本公司及聯交所之權益及淡倉如下：

Directors' Report

董事會報告

Long Position

好倉

(a) Long position – Interests in the Company

(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	持有普通股股份數目	佔本公司已發行股本百分比
Mr. Liu Qingping (1) 劉慶平先生 (1)	Interest in a controlled corporation 於受控制法團之權益	555,000,000	55.50%
	Beneficial owner 實益擁有人	14,026,000	1.40%

(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
董事姓名	相聯法團	權益類別	持有相聯法團全部股本概約百分比
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%
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%
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%
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%

Save as disclosed above, as at the date of this annual report, none of the Directors and Chief Executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

除上文披露外，於本年報日期，本公司董事及行政總裁概無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、相關股份及債券中擁有記錄於根據證券及期貨條例第352條須予備存之登記冊，或根據標準守則須知會本公司及聯交所之權益及淡倉。

Directors' Report

董事會報告

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2010, to the best knowledge of the Directors, the following person (other than a Director and Chief Executive of the Company) who had interests or short positions in the shares, underlying shares and debentures of the Company which would fall to be disclosed to the Company under the provision of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

主要股東於本公司股份、相關股份及債券之權益及淡倉

於二零一零年十二月三十一日，就董事所知，以下人士（不包括本公司董事及行政總裁）於本公司之股份、相關股份及債券中擁有根據證券及期貨條例XV部第2及第3分部須向本公司披露，或記錄於本公司根據證券及期貨條例第336條須予備存之權益登記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	7.50%
Mr. Liu Qingping (3) 劉慶平先生 (3)	Interest in a controlled corporation and beneficial owner 於受控制法團之權益及實益擁有人	569,026,000	56.90%
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% 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%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. Mr. Liu Qingping owns 14,026,000 Shares, ie. 1.40% on his personal interests.

(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。劉慶平先生於14,026,000股股份（即本公司已發行股本1.40%）中擁有個人權益。

(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。

Directors' Report

董事會報告

Save as disclosed above, as at 31 December 2010, no person, other than the Directors and Chief Executives of the Company whose interests are set out in the section "Directors' and Chief Executive's Interests And Short Positions In Shares, Underlying Shares And Debentures" above, had any interest or short positions in the shares, underlying shares or debentures of the Company which are required to be notified to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contracts of significance in relation to the business of the Group, to which the Company or its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

No contracts of significance for the provision of services to the Company or any of its subsidiaries by a controlling shareholder of the Company or any of its subsidiaries subsisted at the end of year or at any time during the year.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year and up to the date of this annual report, none of the Directors has interests in any business which directly or indirectly competes, or is likely to compete with the business of the Group.

INDEPENDENCE OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

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

ARRANGEMENT TO ACQUIRE SHARES OR DEBENTURES

At no time during the year was the Company, or any of its subsidiaries a party to any arrangement to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

SHARE OPTION SCHEME

The Company does not have any share option scheme.

除上文披露外，於二零一零年十二月三十一日，概無人士（不包括已於上文「董事及行政總裁於股份、相關股份及債券之權益及淡倉」一節載列權益之本公司董事及行政總裁）於本公司之股份、相關股份及債券中擁有根據證券及期貨條例XV部第2及第3分部之規定須知會本公司及聯交所，或記錄於本公司根據證券及期貨條例第336條須予備存之權益登記冊之權益或淡倉。

董事於重大合約之權益

於本年度結束時或本年度內任何時間，並不存在有關本集團業務而本公司或其附屬公司參與訂立且董事直接或間接擁有當中重大權益之重大合約。

於本年度結束時或本年度內任何時間，並不存在本公司或其任何附屬公司控股股東訂立，藉以向本公司或其任何附屬公司提供服務之重大合約。

董事於競爭業務之權益

年內及截至本年報日期，概無董事在任何與本集團業務直接或間接競爭或可能競爭之任何業務中擁有權益。

獨立非執行董事之獨立性

本公司已接獲各獨立非執行董事根據上市規則第3.13條發出之獨立身份確認書，而本公司認為全體獨立非執行董事均為獨立人士。

購買股份及債券之安排

年內本公司或其任何附屬公司概無訂立任何安排，致使本公司董事可以透過收購本公司或任何其他法團之股份或債券而獲得利益。

購股權計劃

本公司並無任何購股權計劃。

Directors' Report

董事會報告

MANAGEMENT CONTRACTS

The Company has not entered into any contract with any individual, firm or body corporate to manage or administer the whole or any substantial part of any business of the Company during the year.

REMUNERATION POLICY

The Group mainly determines staff remuneration in accordance with the qualification, years of experience, performance of individual employee and the salary trend in PRC and will be reviewed regularly.

RETIREMENT BENEFITS SCHEME

Particulars of the retirement benefits scheme of the Group are set out in note 28 to the consolidated financial statements of this annual report.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association or the Companies Law of the Cayman Islands where the Company is incorporated.

CONNECTED TRANSACTION AND CONTINUING CONNECTED TRANSACTIONS

The Stock Exchange exercised its discretion under rule 14A.06 of the Listing Rules to deem Taifeng Textile Group Co., Ltd ("TTG") (泰豐紡織集團有限公司) as a connected person (as defined in the Listing Rules).

The relationship with TTG and details of non-exempt continuing connected transactions were set out in the chapters headed "Relationship with TTG and Laiwu Runfeng" and "Connected Transactions and Waivers" of the Prospectus.

Certain related party transactions as disclosed in note 15 and note 29 to the consolidated financial statements of this annual report also constituted connected transaction and non-exempt continuing connected transactions which were required to be disclosed in accordance with Chapter 14A of the Listing Rules.

管理合約

本公司於年內概無與任何個人、公司或法人團體訂立任何合約以管理或處理本公司任何業務之全部或任何重大部分。

薪酬政策

本集團主要根據個別僱員資歷、年資及表現以及中國支薪金趨勢釐定員工薪酬，並會定期檢討。

退休福利計劃

本集團退休福利計劃詳情載於本年報綜合財務報表附註28。

優先購買權

本公司組織章程細則或本公司註冊成立所在開曼群島之公司法並無優先購買權條文。

關連交易及持續關連交易

聯交所根據上市規則第14A.06條行使其酌情權，視泰豐紡織集團有限公司（「泰豐紡織集團」）為本公司之關連人士（定義見上市規則）。

與泰豐紡織集團之關係及不獲豁免持續關連交易之詳情載於本招股章程「與泰豐紡織集團及萊蕪潤豐之關係」及「關連交易及豁免」章節。

本年報綜合財務報表附註15及附註29所披露若干關連方交易亦構成關連交易及不獲豁免持續關連交易，須按照上市規則第14A章予以披露。

Directors' Report

董事會報告

LEASING AND ACQUISITION OF PROPERTIES FROM TTG

The Group has leased from TTG three properties situated in Laiwu City, Shandong Province, the PRC.

The first property comprises of land with a site area of 44,512.82 sq.m. and buildings having a gross floor area of 47,088.69 sq.m..

The second property comprises of land with a site area of 159,552.9 sq.m. and buildings having a gross floor area of 108,458.87 sq.m..

Both the first and the second properties are leased to the Group for a term of 20 years commencing from 22 May 2009 and expiring on 21 May 2029. The Group has the unilateral right to terminate the lease from 31 December 2011. The rent might be adjusted after three years of the lease based on the then prevailing market rate. The first and the second leased properties are occupied by the Group for production purposes.

The third property has a lettable area of 120 sq.m. is leased to the Group for a term of 3 years commencing on 10 July 2008 and expiring on 10 July 2011. The third leased property is used as the Group's retail shop.

On 19 November 2010, the Group entered into an acquisition agreement ("Acquisition Agreement") with TTG, pursuant to which the Group agreed to acquire from TTG portions of the second leased property with a site area of 46,475.0 sq.m. and buildings having a gross floor area of 35,068.12 sq.m. for a consideration of RMB68,800,000. This acquisition is in line with the stated intention as disclosed in the Prospectus. The consideration of the acquisition was arrived at based on the appraised value of the land and properties as at 31 October 2010 as reported by the independent valuer and after arm's length negotiations between the parties and on normal commercial terms.

As at 31 December 2010, an amount of RMB61,920,000, being 90% of the consideration was paid to TTG, the remaining 10% of the consideration of RMB6,880,000 shall be paid by the Group within five business days when the Group obtains the relevant land use right certificates and building ownership certificates for the land and properties.

向泰豐紡織集團租賃及收購物業

本集團已向泰豐紡織集團租賃三項位於中國山東省萊蕪市之物業。

第一項物業包括地盤面積44,512.82平方米之土地及建築面積47,088.69平方米之樓宇。

第二項物業包括地盤面積159,552.9平方米之土地及建築面積108,458.87平方米之樓宇。

第一項及第二項物業均租給本集團20年，由二零零九年五月二十二日起至二零二九年五月二十一日屆滿。本集團自二零一一年十二月三十一日起擁有單方面終止租賃之權利。租金可於租賃三年後按當時市場水平調整。第一項及第二項租賃物業乃由本集團佔用作生產目的。

第三項物業有可出租面積120平方米之零售店（「第三項物業」）。租給本集團3年，由二零零八年七月十日起至二零一一年七月十日屆滿。第三項物業乃用作本集團之零售店。

於二零一零年十一月十九日，本集團與泰豐紡織集團訂立收購協議（「收購協議」），據此本集團同意同意向泰豐紡織集團收購第二項租賃物業之部分（地盤面積46,475.0平方米之土地及建築面積35,068.12平方米之樓宇），代價為人民幣68,800,000元。是項收購與招股章程所披露之擬定意向相符。收購之代價乃基於獨立估值師所報告土地及物業於二零一零年十月三十一日之評估價值，經訂約雙方公平協商並按正常商業條款釐定。

於二零一零年十二月三十一日，人民幣61,920,000元（即90%代價）已支付予泰豐紡織集團，人民幣6,880,000元（即剩餘10%代價）將由本集團取得土地及物業之相關土地使用權證及房屋所有權證後五個營業日內支付。

Directors' Report

董事會報告

As a result of the Acquisition Agreement, on 19 November 2010, the Group and TTG also simultaneously entered into the Supplemental Lease Agreement, pursuant to which, taking into account the acquisition of the land and properties under the Acquisition Agreement, the total site area of the second leased property was reduced to 113,077.9 sq.m. and the total gross floor area of the buildings thereon was reduced to 73,389.45 sq.m..

After taking into account the revision made to the Second Lease Agreement by the Supplemental Lease Agreement, the total annual rental payable under the First Lease Agreement, the Second Lease Agreement (as supplemented by the Supplemental Lease Agreement) and the Third Lease Agreement for the two years ending 31 December 2010 and 2011 will be RMB13,280,000 and RMB10,530,000 respectively.

SALES AND PURCHASES TRANSACTIONS

On 16 November 2009, the Group entered into a master agreement with TTG, pursuant to which the Group will (i) sell cotton yarns, bedding products and other products to TTG at prevailing market price, and (ii) purchase raw cotton, fabrics and other materials from TTG at prevailing market price, effective from the Listing Date and expiring on 31 December 2011.

(i) Sale of Goods to TTG

The maximum annual caps for the year ended 31 December 2010 and for the year ending 31 December 2011 are RMB114,300,000 and RMB63,700,000, respectively. For the year ended 31 December 2010, the Group's sales of goods to TTG amounted to RMB99,070,000.

(ii) Purchases of materials from TTG

The maximum annual caps for the year ended 31 December 2010 and for the year ending 31 December 2011 are RMB112,300,000 and RMB60,200,000, respectively. For the year ended 31 December 2010, the Group's purchases of materials from TTG amounted to RMB77,504,000 and was one of the Group's five largest suppliers during the year.

因而，山東泰豐亦於二零一零年十一月十九日與泰豐紡織集團訂立補充租賃協議，以降低第二份租賃協議之原定租賃面積及月租。因著收購協議，於二零一零年十一月十九日，本集團與泰豐紡織集團亦同時訂立補充租賃協議，據此，經考慮根據收購協議收購土地及物業後，第二項租賃物業之總地盤面積減少至113,077.9平方米，其上樓宇之總建築面積減少至73,389.45平方米。

經考慮補充租賃協議對第二份租賃協議作出之修訂後，於截至二零一零年及二零一一年十二月三十一日止兩個年度根據首份租賃協議、第二份租賃協議（經補充租賃協議補充）及第三份租賃協議應付之年租金總額將分別為人民幣13,280,000元及人民幣10,530,000元。

銷貨及購貨交易

於二零零九年十一月十六日，本集團與泰豐紡織集團訂立總協議，據此，本集團將(i)按當前市價向泰豐紡織集團出售棉紗、床品及其他產品；及(ii)按當前市價從泰豐紡織集團購買原棉、布料及其他物料，自上市日期起生效並於二零一一年十二月三十一日屆滿。

(i) 向泰豐紡織集團銷售貨品

截至二零一零年十二月三十一日及二零一一年十二月三十一日止年度之最高年度上限分別為人民幣114,300,000元及人民幣63,700,000元。截至二零一零年十二月三十一日止年度，本集團對泰豐紡織集團銷售貨品之金額達人民幣99,070,000元。

(ii) 自泰豐紡織集團購買物料

截至二零一零年十二月三十一日及二零一一年十二月三十一日止年度之最高年度上限分別為人民幣112,300,000元及人民幣60,200,000元。截至二零一零年十二月三十一日止年度，本集團自泰豐紡織集團購買物料之金額達人民幣77,504,000元，其為年內本集團五大供應商之一。

Directors' Report

董事會報告

Pursuant to Rule 14A.37 of the Listing Rules, the independent non-executive directors of the Company have reviewed the continuing connected transactions set out above and in note 29 to the consolidated financial statements of this annual report and have confirmed that these continuing connected transactions were entered into:

- (i) in the ordinary course of business of the Group;
- (ii) on normal commercial terms or on terms no less favorable to the Group than terms available to or from independent third parties; and
- (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interest of the Company's shareholders as a whole.

Pursuant to Rule 14A.38 of the Listing Rules, the Board engaged the Company's auditor to perform certain agreed-upon procedures in respect of the continuing connected transactions set out above on a sample basis. The auditor has reported their factual findings on the selected samples based on the agreed procedures to the Board and has confirmed that:

- (i) the transactions had been approved by the Directors;
- (ii) the pricing of the transactions (for the sample selected) were in accordance with the pricing policies of the Group with reference to similar transactions with independent third parties;
- (iii) the transactions were entered into in accordance with the relevant agreements governing the transactions (for the sample selected); and
- (iv) the amounts of the transactions had not exceeded the relevant caps as disclosed in the Prospectus.

根據上市規則第14A.37條，本公司獨立非執行董事已審閱上文及本年報綜合財務報表附註29所載持續關連交易，並確認該等持續關連交易乃於下列情況下簽訂：

- (i) 在本集團日常業務過程中；
- (ii) 按照正常商業條款或不遜於獨立第三方採用或提供之條款；及
- (iii) 乃按照規範該等交易之相關協議，其條款為公平合理且符合本公司股東整體利益。

根據上市規則第14A.38條，董事會委聘本公司核數師以抽樣基準就上述持續關連交易進行若干經協定程序。核數師已基於協定程序向董事會報告選定樣本之實際調查結果，並確認：

- (i) 該等交易已獲董事會批准；
- (ii) 交易定價（就選定樣本而言）乃按照本集團之定價政策並參考與獨立第三方之類似交易；
- (iii) 該等交易乃按照規範該等交易（就選定樣本而言）之相關協議訂立；及
- (iv) 該等交易之金額並無超出招股章程披露之相關上限。

Directors' Report

董事會報告

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best knowledge of the Directors, the Company has maintained sufficient public float as required under the Listing Rules since the Listing Date and up to the date of this annual report.

AUDITORS

The financial statements have been audited by Messrs. Deloitte Touche Tohmatsu ("Deloitte"). A resolution for the re-appointment of Deloitte as the Company's auditor will be proposed at the Company's forthcoming AGM.

On behalf of the Board

Liu Qingping

Chairman

Hong Kong, 7 March 2011

充足公眾持股量

基於本公司可掌握之公開資料及就董事所知，自上市日期起至本年報日期止，本公司已維持上市規則規定之充足公眾持股量。

核數師

財務報表已經德勤•關黃陳方會計師行（「德勤」）審核。有關續聘德勤為本公司核數師之決議案，將於應屆本公司股東週年大會上提呈。

代表董事會

主席

劉慶平

香港，二零一一年三月七日

Corporate Governance Report

企業管治報告

THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions on Corporate Governance Practices (the “CG Code”) as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) as its own code of corporate governance. The directors of the Company (the “Directors”) consider that since the listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 11 June 2010 (the “Listing Date”) and up to the date of this annual report, the Company has complied with all the code provisions as set out in the CG Code.

The Directors are committed to upholding the corporate governance of the Company to ensure that formal and transparent procedures are in place to protect and maximize the interests of the shareholders of the Company.

This report outlines the principles and the corporate governance practices adopted and observed by the Company from the Listing Date up to the date of this annual report (the “Period Under Review”).

MODEL CODE FOR DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Directors’ Securities Transactions (the “Model Code”) as set out in Appendix 10 of the Listing Rules as its code of conduct regarding directors’ securities transactions. Directors are reminded of their obligations under the Model Code on a regular basis. Following specific enquiry by the Company, all Directors have confirmed that they have complied with the required standard set out in the Model Code throughout the Period Under Review.

企業管治常規守則

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（「企管守則」）之守則條文作為其企業管治守則。本公司董事（「董事」）認為，自本公司股份於二零一零年六月十一日（「上市日期」）於香港聯合交易所有限公司（「聯交所」）主板上市至本年報日期止，本公司已遵守企管守則項下全部守則條文。

董事致力維持本公司之企業管治，以確保具有正式及具透明度之程序，保障及盡量提升本公司之股東利益。

本報告羅列有關本公司自上市日期至本年報日期（「回顧期間」）止所採納及遵守之原則及企業管治常規守則。

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10所載上市發行人董事進行證券交易的標準守則（「標準守則」）作為董事進行證券交易之操守守則。經本公司作出特定查詢後，全體董事確認彼等於整個回顧期間一直有遵守標準守則所載之規定標準。

Corporate Governance Report

企業管治報告

BOARD OF DIRECTORS

Board Composition

As at 31 December 2010 and at the date of this annual report, the Board comprises five executive Directors and three independent non-executive Directors. The composition of the Board are as follows:

Executive Directors

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

Independent Non-executive Directors

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

The biographical details of all Directors are set out on pages 31 to 34 of this annual report. Save as disclosed in this annual report, none of the Directors has any other financial, business, family or other material or relevant relationships among members of the Board.

The composition of the Board is well balanced with each Director having sound industry knowledge, extensive corporate and strategic planning experience and/or expertise relevant to the business of the Group. The executive Directors and independent non-executive Directors bring a variety of experiences and expertises to the Company.

Functions of the Board

The principal function of the Board is to consider and approve strategies, financial objectives, annual budget and investment proposals of the Group and to assume the responsibilities of corporate governance of the Group. The Board delegates the authority and responsibility for implementing day-to-day operations, business strategies and management of the Group's businesses to the executive Directors, senior management and certain specific responsibilities to the Board committees.

董事會

董事會組成

於二零一零年十二月三十一日至本年報日期，董事會由五名執行董事及三名獨立非執行董事組成。董事會之組成如下：

執行董事

劉慶平先生 (*主席*)
李登祥先生
冼同麗女士
劉純衛先生
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

董事之履歷詳情載於本年報第31頁至34頁。除本年報所披露者外，董事會成員彼此間並無任何其他財務、業務、家族或其他重大或相關關係。

董事會結構平衡，每名董事均具備與本集團業務有關之深厚行業知識、豐富企業及策略規劃經驗及／或專業知識。執行董事及獨立非執行董事為本公司帶來各種各樣的經驗及專業知識。

董事會職能

董事會之主要職能為考慮及批核本集團之策略、財務目標、年度預算及投資建議，以及承擔本集團企業管治之責任。董事會將執行日常運作、商業策略及本集團業務管理之權力及責任授予執行董事及高級管理人員，並將若干具體責任授予董事會屬下委員會。

Corporate Governance Report

企業管治報告

Board Meetings and Board Practices

The Company adopted the practice of holding Board meetings for executive Directors regularly throughout the year and at least four meetings a year for both executive and non-executive Directors. The Board will also meet on other occasions when a board-level decision on a particular matter is required. The company secretary of the Company (the "Company Secretary") will assist the Chairman to prepare the agenda of the meeting and each Director may request to include any matters in the agenda. Generally, at least 14 days notice would be given for the regular meeting by the Company. The Directors will receive details of agenda items for decision at least 3 days before each Board meeting. All Directors will be provided with sufficient resources to discharge their duties, and upon reasonable request, the Directors will be able to seek independent professional advice in appropriate circumstances, at the Company's expense. The Company Secretary is responsible for ensuring that the procedures of the Board meetings are observed and providing the Board with opinions on matters in relation to the compliance with the procedures of the Board meetings. All minutes of Board meetings were recorded in sufficient detail the matters considered by the Board and decisions reached.

As the Company was listed on 11 June 2010, during the Period Under Review, the Board convened 3 board meetings. Details of the attendance of Directors are as follows:

董事會會議及董事會常規

本公司執行董事之董事會會議於整個年度每月定期舉行一次，而執行及非執行董事的董事會會議則每年最少舉行四次。當董事會須對某一事宜作決定時，亦會於其他時間召開董事會。本公司之公司秘書（「公司秘書」）將協助主席預備會議議程，各董事均可要求將任何事宜加入議程之內。本公司一般於舉行定期會議前至少14日發出通告。董事將於舉行各董事會會議至少3日前收到詳細議程，以便作出決定。所有董事將獲得充分資源以履行其職責，並在合理的要求下，可按合適情況尋求獨立專業意見，費用由本公司承擔。公司秘書負責確保各董事遵守會議程序，並就遵守董事會會議程序之事宜向董事會提供意見。董事會會議之紀錄需足夠詳細地記錄董事會已考慮之事項及作出之決定。

由於本公司在二零一零年六月十一日上市，故回顧期間內，董事會召開了3次董事會會議，各董事之出席詳情如下：

Name of Directors	董事姓名	No. of meetings attended/held 出席率
Executive Directors	執行董事	
Mr. Liu Qingping (<i>Chairman</i>)	劉慶平先生 (主席)	3/3
Mr. Li Dengxiang	李登祥先生	3/3
Ms. Qi Tongli	齊同麗女士	3/3
Mr. Liu Chunwei	劉純衛先生	3/3
Mr. Zou Shengzhong	鄒生忠先生	3/3
Independent Non-executive Directors	獨立非執行董事	
Mr. Chan Kin Sang	陳健生先生	3/3
Mr. Li Yuchun	李玉春先生	3/3
Mr. Dai Shunlin	戴順林先生	3/3

Corporate Governance Report

企業管治報告

Independent Non-executive Directors

In compliance with Rule 3.10(1) of the Listing Rules, the Company has appointed three independent non-executive Directors representing more than one-third of the Board. Among the three independent non-executive Directors, one of the independent non-executive Director, Mr. Li Yuchun has appropriate related financial management expertise as required by Rule 3.10(2) of the Listing Rules. The Company has received from each of its independent non-executive Directors the written confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Board, based on such confirmation, considers all independent non-executive Directors independent.

Appointment and Re-election of Directors

Each of the Executive Directors and independent non-executive Directors has entered into a service contract with the Company for a term of three years commencing from 11 June 2010, subject to termination by either party giving the other not less than 3 months' prior written notice or such shorter period as both parties may agree. In accordance with the articles of association of the Company, all the existing Directors shall retire at the forthcoming AGM. All of the retiring Directors, being eligible, will offer themselves for re-election at the AGM.

Chairman and Chief Executive Officer

The roles of the Chairman and the Chief Executive Officer are segregated in order to ensure a balance of power and authority in the management of the Board and the day-to-day management of the business. The positions of the Chairman and the Chief Executive Officer are held by Mr. Liu Qingping and Mr. Liu Chunwei respectively. Mr. Liu Qingping and Mr. Liu Chunwei are both founders of the Group and possess rich knowledge and experience of the textile industry. The Chairman is responsible for the leadership and effective running of the Board and ensuring that all material issues are discussed by the Board in a timely and constructive manner. The Chief Executive Officer is responsible for the management of the day-to-day operations of the Group's business and the implementation of the approved strategies of the Group. In addition, each executive Director is responsible for the management of the different functions of the business of the Group.

獨立非執行董事

遵照上市規則第3.10(1)條之規定，本公司委任三名獨立非執行董事，佔董事會超過三分之一。根據上市規則第3.10(2)條之規定，在該三名獨立非執行董事中有一名(李玉春先生)具備合適相關財務管理專業知識。本公司已收到各獨立非執行董事根據上市規則第3.13條發出之獨立性確認書。董事會基於此等確認，視全體獨立非執行董事為獨立人士。

董事之委任及連任

各執行董事及各獨立非執行董事均與本公司訂立服務合約，由二零一零年六月十一日起為期三年，惟任何一方可向另一方發出不少於三個月(或雙方協定之較短時期)之事先書面通知而終止。按照本公司組織章程細則，全體現任董事須在股東週年大會上輪席退任。所有退任董事均合乎資格並願在股東週年大會上膺選連任。

主席及行政總裁

主席及行政總裁之角色由不同人士擔當，以確保董事會管理之權力及授權與業務日常管理之平衡。主席及行政總裁現分別由劉慶平先生及劉純衛先生出任。劉慶平先生及劉純衛先生均為本集團創始人，於紡織業擁有豐富知識及經驗。主席負責董事會之領導及有效運作，確保董事會適時並建設性地討論所有重大議題。行政總裁負責本集團業務之日常營運管理及本集團經核准策略之實行。此外，各執行董事負責管理本集團業務之不同職能。

Corporate Governance Report

企業管治報告

BOARD COMMITTEES

Audit Committee

Composition

The audit committee of the Company (the "Audit Committee") has been established on 21 April 2010 with written terms of reference in compliance with the CG Code. The Audit Committee comprises three members, all are independent non-executive Directors, namely Mr. Li Yuchun (Chairman), Mr. Chan Kin Sang and Mr. Dai Shunlin. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control procedures of the Group, nominate and monitor external auditors, and perform other duties and responsibilities as assigned by the Board.

The Audit Committee has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2010 and the audited interim financial report for the six months ended 30 June 2010, including the accounting principles and practice adopted by the Group.

During the Period Under Review, the Audit Committee had performed their primary duties to review and supervise the financial reporting process and the internal control procedures of the Company and had also held meetings with the Company's auditors, Messrs. Deloitte Touche Tohmatsu ("Deloitte") without the presence of executive Directors and management, to discuss the auditing, internal controls and financial reporting matters of the Company.

Details of the members' attendance of the Audit Committee meetings are as follows:

Name of Directors	董事姓名	No. of meetings attended/held 出席率
Independent Non-executive Directors	獨立非執行董事	
Mr. Chan Kin Sang	陳健生先生	3/3
Mr. Li Yuchun	李玉春先生	3/3
Mr. Dai Shunlin	戴順林先生	3/3

董事會委員會

審核委員會

組成

本公司已於二零一零年四月二十一日遵照企管守則成立審核委員會（「審核委員會」）並以書面釐定其職權範圍。審核委員會由三名屬獨立非執行董事之成員，即李玉春先生（主席）、陳健生先生及戴順林先生（均為獨立非執行董事）組成。審核委員會之主要職責為檢討及督導本集團之財務報告流程及內部監控程序、提名及監察外聘核數師以及進行董事會指派之其他職責及責任。

審核委員會已審閱本集團截至二零一零年十二月三十一日止年度之經審核綜合財務報表及截至二零一零年六月三十日止六個月之經審核中期財務報告，包括本集團採納之會計原則及慣例。

回顧期間內，審核委員會已執行彼等之主要職責，檢討及監督本公司財務申報程序及內部控制程序，亦曾於無執行董事及管理層在場下與本公司核數師德勤•關黃陳方會計師行（「德勤」）召開多次會議，商討本公司之審核、內部監控及財務申報事宜。

審核委員會會議之成員出席詳情如下：

Corporate Governance Report

企業管治報告

Remuneration Committee

Composition

The remuneration committee of the Company (the “Remuneration Committee”) has been established on 21 April 2010 with written terms of reference in compliance with the CG Code. The Remuneration Committee comprises three members, namely Mr. Dai Shunlin (Chairman), Mr. Li Yuchun and Mr. Liu Qingping, the majority of which are independent non-executive Directors.

The primary functions of the Remuneration Committee are to make recommendations to the Board on remuneration of Directors and senior management and determine on behalf of the Board specific remuneration packages and conditions of employment for executive Directors and senior management.

As the Company was listed on 11 June 2010, no Remuneration Committee meeting was held during the Period Under Review. From 2011 onwards, the Remuneration Committee will conduct meeting at least once a year.

Nomination Committee

Composition

The nomination committee of the Company (the “Nomination Committee”) has been established on 21 April 2010 with written terms of reference in compliance with the CG Code. The Nomination Committee currently comprises three members, namely Mr. Chan Kin Sang (Chairman), Mr. Dai Shunlin and Mr. Liu Qingping, the majority of which are independent non-executive Directors.

The primary function of the Nomination Committee is to make recommendations to the Board on potential candidates to fill vacancies or additional appointment on the Board and senior management. All appointments of directors were nominated by the Nomination Committee based on considerations including vacancy available, competence and experience, possession of requisite skills and qualifications, independence and integrity.

As the Company was listed on 11 June 2010, no Remuneration Committee meeting was held during the Period Under Review. From 2011 onwards, the Remuneration Committee will conduct meeting at least once a year.

薪酬委員會

組成

本公司薪酬委員會（「薪酬委員會」）乃遵照企管守則之規定於二零一零年四月二十一日成立，並以書面釐定其職權範圍。薪酬委員會由三位成員組成，分別為戴順林先生（主席）、李玉春先生及劉慶平先生，彼等大部分為獨立非執行董事。

薪酬委員會之主要職責為就董事及高級管理層之薪酬向董事會作出推薦意見，並代表董事會釐定執行董事及高級管理層之具體薪酬組合及僱用條件。

由於本公司於二零一零年六月十一日方上市，故薪酬委員會於回顧期間內未有舉行會議。由二零一一年起，薪酬委員會將至少每年開會一次。

提名委員會

組成

本公司提名委員會（「提名委員會」）乃遵照企管守則之規定於二零一零年四月二十一日成立，並以書面釐定其職權範圍。提名委員會目前由三位成員組成，分別為陳健生先生（主席）、戴順林先生及劉慶平先生，大部分成員為獨立非執行董事。

提名委員會之主要職責為就填補董事會及高級管理層空缺或增選候選人向董事會提出建議。所有董事之委任均由提名委員會根據職位空缺、候選人能力、經驗、是否具備必要技能及資格以及獨立身份和行事持正等考慮因素提名。

由於本公司於二零一零年六月十一日方上市，故提名委員會於回顧期間內未有舉行會議。由二零一一年起，提名委員會將至少每年開會一次。

Corporate Governance Report

企業管治報告

ACCOUNTABILITY AND AUDIT

Directors' and Auditors' Responsibilities for the Financial Statements

The Directors acknowledges its responsibility to prepare the Group's financial statements for each financial period to give a true and fair view of the state of affairs of the Group and of the results and cash flows for that period. In preparing the financial statements for the year ended 31 December 2010, the Board has selected suitable accounting policies and applied them consistently, made judgments and estimates that are prudent, fair and reasonable and prepared the financial statements on a going concern basis. The Directors are responsible for taking all reasonable and necessary steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities. The Directors also warrant that the Group's financial statements will be published in a timely manner.

The reporting responsibility of the external auditors of the Company on the financial statements of the Company for the year are set out in the Independent Auditor's Report on pages 58 to 59 of this annual report.

Auditors' Remuneration

During the year, the remuneration paid or payable to the Company's auditors, Deloitte, in respect of its audit and non-audit services is set out below:

Types of Services	服務類別	RMB'000 人民幣千元
Audit services	核數服務	2,583
Non-audit services	非核數服務	187

The above non-audit services include the professional advisory on taxation and the review of internal control of businesses.

問責及審核

董事及核數師對財務報表之責任

董事會知悉有責任編製本集團各財政期間之財務報表，以真實而公允地呈列本集團該期間之財務狀況及業績與現金流量。編製截至二零一零年十二月三十一日止年度之財務報表時，董事會已選取適用會計政策並貫徹使用，並審慎、公允而合理地作出判斷及估計，以及按持續經營基準編製財務報表。董事有責任作出一切合理而必須的步驟，保障本集團之資產，並且防止及偵查欺詐及其他不正常情況。董事亦保證本集團之財務報表將可適時刊發。

本公司外聘核數師對本公司本年度財務報表之申報責任載於本年報第58頁至59頁之獨立核數師報告書。

核數師薪酬

年內，就核數及非核數服務已付或應付本公司核數師德勤之薪酬如下：

上述非核數服務包括有關稅務及審閱業務內部控制之專業顧問服務。

Corporate Governance Report

企業管治報告

Internal Control

The Board has overall responsibility for maintaining a sound and effective internal control system of the Group. While no cost-effective internal control system can provide absolute assurance against loss or misstatement, the Group's internal controls and systems have been designed to provide reasonable assurance that assets are safeguarded, operational controls are in place, business risks are suitably protected, proper accounting records are maintained and financial information used within the business and for publication are reasonable and accurate.

During the financial year, the Company has conducted a review of the effectiveness of the Group's internal control systems of each major operating segment of the Company with the assistance of an independent professional accounting firm. The Directors are of the view that the existing system of internal control is effective and adequate to the Group.

INVESTORS AND SHAREHOLDERS RELATIONS

The Board recognises the importance of maintaining clear, timely and effective communication with Shareholders and investors. The Group is committed to ensure that the Shareholders and the investors receive accurate, clear, comprehensive and timely information of the Group by the publication of announcements, circulars, interim reports and annual reports. The Company also publishes all documents on the Company's website at www.taifeng.cc.

The Board believes that effective communication with the investment community is essential. The Board continues to maintain regular dialogues with the investment community to keep them abreast of the Group's business and development as well as operating strategy and prospects. The Annual General Meeting of the Company also provides a forum for dialogue and interaction with the Shareholders. The Directors and the committee members are available to answer questions during the Annual General Meeting.

內部控制

董事會對維持本集團穩健有效之內部控制系統有整體責任。由於沒有具成本效益之內部控制系統可絕對保證損失及錯誤陳述，本集團之內部控制及制度乃設計成可合理保證資產得到保障、營運控制到位、業務風險得到合適保護、存置適當會計記錄及業務與出版上使用之財務資料乃合理及準確。

本財政年度內，本公司在一家獨立專業會計公司協助下，對本集團內部控制制度各主要操作環節之效益進行了檢討。董事認為，現有內部控制系統對本集團而言屬有效及足夠。

投資者及股東關係

董事會認同與股東及投資者保持清晰、適時而有效溝通之重要性。本集團致力確保投資者及股東通過刊發公佈、通函、中期報告及年報得到本集團準確、清晰、完整及適時之資料。本公司亦在公司網站www.taifeng.cc刊登全部文件。

董事會相信與投資界有效溝通非常重要。董事會繼續維持與投資界對話，使其瞭解本集團業務及發展之最新情況以及經營戰略及前景。本公司之股東週年大會亦提供了與股東對話及交流之論壇。董事及各核委員會成員會在股東週年大會上回答提問。

Deloitte.

德勤

To the members of
International Taifeng Holdings Limited
國際泰豐控股有限公司
(incorporated in the Cayman Islands with limited liability)

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 60 to 124, which comprise the consolidated statement of financial position as at 31 December 2010, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the consolidated financial statements

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

Auditor's responsibility

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

致國際泰豐控股有限公司之股東

(於開曼群島註冊成立之有限公司)

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60頁至124頁之綜合財務報表，當中包括於二零一零年十二月三十一日之綜合財務狀況報表，以及截至該日期止年度之綜合全面收益表、綜合權益變動表及綜合現金流量表，以及主要會計政策概要及其他說明資料。

董事就綜合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，編製作出真實及公平意見之綜合財務報表，並負責董事確定就編製該等綜合財務報表而言屬必要之內部監控，以確保並無重大錯誤陳述(不論是否因欺詐或錯誤引起)

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責或承擔任何責任。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。

Independent Auditor's Report

獨立核數師報告

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

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 December 2010 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
7 March 2011

審核涉及執行情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。

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十二月三十一日之事務狀況及貴集團截至該日期止年度之溢利及現金流量，並已按照香港公司條例之披露規定妥為編製。

德勤•關黃陳方會計師行
執業會計師
香港
二零一一年三月七日

Consolidated Statement of Comprehensive Income

綜合全面收益表

For the year ended 31 December 2010

截至二零一零年十二月三十一日止年度

		Notes 附註	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
Revenue	收益	5	1,846,177	1,354,068
Cost of sales	銷售成本		(1,206,596)	(957,737)
Gross profit	毛利		639,581	396,331
Other income	其他收入	6	11,275	11,031
Distribution and selling expenses	分銷及銷售開支		(63,324)	(21,609)
Administrative expenses	行政開支		(47,302)	(33,702)
Listing expenses	上市費用		(20,550)	(26,012)
Finance costs	財務成本	7	(10,897)	(18,950)
Profit before taxation	除稅前溢利		508,783	307,089
Income tax expense	所得稅開支	8	(91,993)	(58,801)
Profit for the year and total comprehensive income for the year	年內溢利及年內全面收益總額	9	416,790	248,288
Attributable to:	下列人士應佔：			
Owners of the Company	本公司擁有人		416,790	248,288
Basic earnings per share (RMB)	每股基本盈利(人民幣)	12	0.468	0.331

Consolidated Statement of Financial Position

綜合財務狀況報表

At 31 December 2010

於二零一零年十二月三十一日

			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
	Notes 附註			
NON-CURRENT ASSETS				
Property, plant and equipment		物業、廠房及設備	473,414	498,630
Prepaid lease payments		預付租賃款項	7,458	7,636
Deposit paid for acquisition of land use rights and buildings		購入土地使用權及樓宇之已付按金	61,920	–
Trademark		商標	6,934	6,934
Deferred tax asset		遞延稅項資產	2,699	2,699
Available-for-sale investment		可供出售投資	34,000	–
			586,425	515,899
CURRENT ASSETS				
Inventories		存貨	139,492	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	453,766	280,680
Prepaid lease payments		預付租賃款項	179	179
Pledged bank deposits		已抵押銀行存款	54,451	24,318
Bank balances and cash		銀行結餘及現金	855,664	255,771
			1,503,552	654,023
CURRENT LIABILITIES				
Trade and other payables and accruals		應付賬款及其他應付款項以及應計費用	385,833	203,011
Tax payable		應付稅項	57,662	51,194
Dividend payable		應付股息	–	50,000
Amount due to immediate holding company		應付直接控股公司款項	29,750	–
Bank borrowings		銀行借貸	171,548	162,806
			644,793	467,011
NET CURRENT ASSETS		流動資產淨值	858,759	187,012
TOTAL ASSETS LESS CURRENT LIABILITIES		總資產減流動負債	1,445,184	702,911
NON-CURRENT LIABILITY				
Deferred tax liability		遞延稅項負債	37,401	16,710
NET ASSETS		資產淨值	1,407,783	686,201
CAPITAL AND RESERVES				
Share capital		股本	88,000	–
Reserves		儲備	1,319,783	686,201
TOTAL EQUITY		權益總額	1,407,783	686,201

The consolidated financial statements on pages 60 to 124 were approved and authorised for issue by the Board of Directors on 7 March 2011 and are signed on its behalf by:

第60至124頁之綜合財務報表已於二零一一年三月七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：

Liu Qingping
劉慶平
Chairman
主席

Liu Chunwei
劉純衛
Director
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2010

截至二零一零年十二月三十一日止年度

	Attributable to owners of the Company 本公司擁有人應佔									
	Share capital/ paid-in capital 股本/ 實繳股本 RMB'000 人民幣千元	Share premium 股份溢價 RMB'000 人民幣千元	Merger reserve 合併儲備 RMB'000 人民幣千元 (note 26) (附註26)	Special reserve 特別儲備 RMB'000 人民幣千元 (note 26) (附註26)	Contributions from shareholders 股東注資 RMB'000 人民幣千元 (note 26) (附註26)	Share-based payment reserve 股份 付款儲備 RMB'000 人民幣千元 (note 27) (附註27)	PRC general reserve 中國 一般儲備 RMB'000 人民幣千元 (note 26) (附註26)	Capital reserve 資本儲備 RMB'000 人民幣千元 (note 27) (附註27)	Retained profits 保留溢利 RMB'000 人民幣千元	Total 總計 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 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) 撥回因更改非即期免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 year 溢利及年內全面收益總額	-	-	-	-	-	-	-	-	416,790	416,790
Capitalisation issue (note 25) 資本化發行 (附註25)	66,000	(66,000)	-	-	-	-	-	-	-	-
Issue of new shares (note 25) 發行新股份 (附註25)	22,000	431,200	-	-	-	-	-	-	-	453,200
Listing expenses capitalised 資本化上市開支	-	(9,550)	-	-	-	-	-	-	-	(9,550)
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	-	-	-	-	-	8,738	-	-	-	8,738
Transfer 轉撥	-	-	-	-	-	-	45,711	-	(45,711)	-
Dividend recognised as distribution (note 11) 確認為分派之股息 (附註11)	-	-	-	-	-	-	-	-	(134,000)	(134,000)
At 31 December 2010 於二零一零年十二月三十一日	88,000	342,054	180,000	977	13,289	14,563	109,240	34,763	624,897	1,407,783

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2010

截至二零一零年十二月三十一日止年度

		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
OPERATING ACTIVITIES	經營業務		
Profit before taxation	除稅前溢利	508,783	307,089
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	41,078	40,705
Interest expenses	利息開支	10,897	18,950
Share-based payment expense	以股份付款之開支	8,738	5,825
Impairment loss recognised in respect of trade receivables	就應收賬款確認之減值虧損	495	507
Release of prepaid lease payments	解除預付租賃款項	178	239
Bank interest income	銀行利息收入	(3,494)	(843)
Reversal of write-down of inventories	存貨撇減撥回	-	(1,294)
Interest income from amount due from a related company	應收關連公司款項之利息收入	-	(5,215)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	-	8
		<u>566,675</u>	<u>365,971</u>
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量	566,675	365,971
(Increase) decrease in inventories	存貨(增加)減少	(46,417)	61,699
Increase 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	(173,581)	(145,149)
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	182,822	22,473
		<u>529,499</u>	<u>304,994</u>
Cash generated from operations	經營業務產生之現金	529,499	304,994
Taxation paid	已付稅項	(64,834)	(20,089)
		<u>464,665</u>	<u>284,905</u>
NET CASH FROM OPERATING ACTIVITIES	經營業務產生之現金淨額	464,665	284,905
INVESTING ACTIVITIES	投資活動		
Interest received	已收利息	3,494	843
Purchase of property, plant and equipment	購置物業、廠房及設備	(15,862)	(6,781)
Increase in pledged bank deposits	已抵押銀行存款增加	(30,133)	(4,176)
Acquisition of available-for-sale investment	購入可供出售投資	(34,000)	-
Deposit paid for acquisition of land use rights and buildings	就收購土地使用權及樓宇支付之 按金	(61,920)	-
Repayment from a related company	關連公司之還款	-	60,629
Refund of prepaid lease payments	退回預付租賃款項	-	117
		<u>(138,421)</u>	<u>50,632</u>
NET CASH (USED IN) FROM INVESTING ACTIVITIES	投資活動(動用)產生之 現金淨額	(138,421)	50,632

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2010

截至二零一零年十二月三十一日止年度

		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
FINANCING ACTIVITIES	融資活動		
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 borrowings raised	新造銀行借貸	422,929	351,584
Advance from immediate holding company	直接控股公司墊款	29,750	-
Interest paid	已付利息	(10,897)	(12,582)
Dividend paid	已付股息	(184,000)	-
Repayment of bank borrowings	償還銀行借貸	(414,187)	(307,069)
Repayment to related companies	償還關連公司款項	-	(31,402)
Repayment to a shareholder	償還股東款項	-	(180,000)
		<hr/>	<hr/>
NET CASH FROM (USED IN) FINANCING ACTIVITIES	融資活動產生(動用)之 現金淨額	273,649	(179,469)
		<hr/>	<hr/>
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物增加淨額	599,893	156,068
		<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	年初之現金及現金等價物	255,771	99,703
		<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash	年終之現金及現金等價物 以銀行結餘及現金表示	855,664	255,771
		<hr/>	<hr/>

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010

截至二零一零年十二月三十一日止年度

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.

The Company became the holding company of the 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 37, 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, hereafter collectively referred as the seven Founding Shareholders) 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 year ended 31 December 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").

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.

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37）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以下統稱為七名創辦股東）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。

截至二零零九年十二月三十一日止年度之綜合全面收益表、綜合權益變動表及綜合現金流量表（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。

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。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010

截至二零一零年十二月三十一日止年度

1. GENERAL INFORMATION (Continued)

The immediate and ultimate holding company of the Company is Harvest Sun Enterprises Limited since the date of incorporation of the Company to 31 May 2010. Harvest Sun is a company incorporated in the British Virgin Islands which is wholly owned by the seven Founding Shareholders referred to above.

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

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

In the current year, 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.

HKFRS 2 (Amendments)	Group Cash-settled Share-based Payment Transactions
HKFRS 3 (as revised in 2008)	Business Combinations
HKAS 27 (as revised in 2008)	Consolidated and Separate Financial Statements
HKAS 39 (Amendments)	Eligible Hedged Items
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009
HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs issued in 2008
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners
HK – Int 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

The application of these new and revised HKFRSs in the current year has had no material effect on the amounts reported in the these consolidated financial statements and disclosures set out in these consolidated financial statements.

1. 一般資料 (續)

自本公司註冊成立日期至二零一零年五月三十一日，本公司之直接及最終控股公司為富盈企業有限公司。富盈為一間於英屬處女群島註冊成立之公司，並由上述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. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）

於本年內，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（於二零零八年經修訂）	業務合併
香港會計準則第27號（於二零零八年經修訂）	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（修訂本）	二零零九年香港財務報告準則之改進
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（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
香港財務報告準則詮釋第5號財務報表之呈報	借款人對於載有即時還款條款之定期貸款的分類

於本年度採納新訂及經修訂香港財務報告準則對該等綜合財務報表內所報告金額及該等綜合財務報表所載的披露並無重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010

截至二零一零年十二月三十一日止年度

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 issued in 2010 ¹
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosure for First-time Adopters ²
HKFRS 7 (Amendments)	Disclosures – Transfers of Financial Assets ³
HKFRS 9	Financial Instruments ⁴
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets ⁵
HKAS 24 (as revised in 2009)	Related Party Disclosures ⁶
HKAS 32 (Amendments)	Classification of Rights Issues ⁷
HK(IFRIC) – Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement ⁶
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments ²
HKFRS 1 (Amendments)	Severe hyperinflation and removal of fixed dates for first-time adopters ³

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

² Effective for annual periods beginning on or after 1 July 2010.

³ Effective for annual periods beginning on or after 1 July 2011.

⁴ Effective for annual periods beginning on or after 1 January 2013.

⁵ Effective for annual periods beginning on or after 1 January 2012.

⁶ Effective for annual periods beginning on or after 1 January 2011.

⁷ Effective for annual periods beginning on or after 1 February 2010.

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）	二零一零年頒布對香港財務報告準則之改進 ¹
香港財務報告準則第1號（修訂本）	首次採納者就香港財務報告準則第7號披露比較資料獲得之有限豁免 ²
香港財務報告準則第7號（修訂本）	披露—轉讓金融資產 ³
香港財務報告準則第9號	金融工具 ⁴
香港會計準則第12號（修訂本）	收回相關資產 ⁵
香港會計準則第24號（於二零零九年經修訂）	有關連人士披露 ⁶
香港會計準則第32號（修訂本）	供股之分類 ⁷
香港（國際財務報告詮釋委員會）—詮釋第14號（修訂本）	最低資金規定之預付款項之修訂 ⁶
香港（國際財務報告詮釋委員會）—詮釋第19號	發行權益工具以消滅金融負債 ²
香港財務報告準則第1號（修訂本）	嚴重高通脹及剔除首次採納者之固定日期 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 於二零一零年七月一日或之後開始之年度期間生效。

³ 於二零一一年一月七日或之後開始之年度期間生效。

⁴ 於二零一三年一月一日或之後開始之年度期間生效。

⁵ 於二零一二年一月一日或之後開始之年度期間生效。

⁶ 於二零一一年一月一日或之後開始之年度期間生效。

⁷ 於二零一零年二月一日或之後開始之年度期間生效。

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

(Continued)

HKFRS 9 *Financial Instruments* (as issued in November 2009) introduces new requirements for the classification and measurement of financial assets. HKFRS 9 *Financial Instruments* (as revised in November 2010) adds requirements for financial liabilities and for derecognition.

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

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

HKFRS 9 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted. The Group will adopt HKFRS 9 for the annual period beginning on 1 January 2013 and they anticipate it will have impact on the classification available-for-sale investment.

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

香港財務報告準則第9號*金融工具* (於二零零九年十一月頒佈)引進有關財務資產分類及計量之新要求。香港財務報告準則第9號*金融工具* (於二零一零年十一月修訂)加入有關財務負債及取消確認之規定。

根據香港財務報告準則第9號，所有屬香港會計準則第39號「*金融工具：確認及計量*」範疇內之已確認財務資產，其後均按攤銷成本或公平值計量。尤其是，按商業模式持有而目的為收取合約現金流量之債務投資，以及僅為支付本金及未償還本金利息之合約現金流量之債務投資，一般均於其後會計期間結束時按攤銷成本計量。所有其他債務投資及股本投資均於其後會計期間結束時按公平值計量。

就財務負債而言，主要變動乃與指定為按公平值計入損益之財務負債有關。尤其是，根據香港財務報告準則第9號，就指定為按公平值計入損益的財務負債而言，因財務負債信貸風險有變而導致其公平值變動之款額乃於其他全面收益呈列，除非於其他全面收益呈報該負債信貸風險變動的影響會產生或增加損益之會計錯配，則作別論。因財務負債信貸風險而導致其公平值變動其後不會重新分類至損益。過往，根據香港會計準則第39號，指定為按公平值計入損益之財務負債之全部公平值變動款額均於損益中呈列。

香港財務報告準則第9號於二零一三年一月一日或之後開始之年度期間生效，准予提早應用。本集團將於二零一三年一月一日開始之年度期間採納香港財務報告準則第9號，預期會對可供出售投資之分類有影響。

本公司董事預期應用以上新訂及經修訂準則、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。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES

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.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value, as explained in the accounting policies set out below.

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.

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

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。

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，惟若干金融工具按公平值計量則除外。

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。

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。

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綜合財務報表附註

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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 the sale of goods is recognised when the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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 recognised when it is probable that the economic benefits will flow to the group and the amount of revenue can be measured reliably. 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.

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符合下列所有條件時予以確認：

- 本集團已將貨品所有權上之絕大部份風險及回報轉移予買方；
- 本集團既無參與通常與所有權相關之持續管理，亦無保留所售貨品之實際控制權；
- 收益金額可以可靠地計量；
- 與交易相關之經濟利益很可能流入本集團；及
- 有關交易所產生或將產生之成本可以可靠地計量。

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。

當經濟利益很可能流入本集團而收入能可靠地計量時，對來自金融資產之利息收入進行確認。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。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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截至二零一零年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, if any.

Depreciation is recognised 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. The estimated useful lives, residual values and depreciation method are renewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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 sales 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

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（如有）。

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，按直線法計算折舊確認，以撇銷其成本。估計可使用年期、剩餘價值及折舊方法於各報告期間時延續，任何估計變動之影響按前瞻基準入賬。

在建工程包括用作生產或供其自用之在建中物業、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（按該項目之銷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。

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綜合財務報表附註

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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.

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)

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。

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。

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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 consolidated 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 Group's liability for current tax is calculated using tax rates that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax is recognised on temporary 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 those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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.

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，故其有別於在綜合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臨時差額而確認。遞延稅項負債通常會就所有應課稅臨時差額確認。遞延稅項資產則通常按可能出現可利用臨時差額扣稅之應課稅溢利時確認。若於一項交易中，因商譽或自首次確認其他資產及負債而引致之臨時差額不影響應課稅溢利或會計溢利，則不會確認該等資產及負債（於業務合併中除外）。

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。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

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.

Deferred tax assets and 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。

遞延稅項資產及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

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。

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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

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Retirement benefit costs

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.

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).

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。

倘取得的租賃獎勵用於訂立經營租賃，則該等獎勵確認為負債。經營租賃獎勵的利益總額按直線法於確認為租金支出減少，惟另一系統基準為更具代表性的時間模式（在該模式下，租賃資產產生的經濟利益被耗盡）除外。

退休福利成本

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。

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。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

The Group's financial assets are classified as available-for-sale financial assets and loans and receivables. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that requires delivery of assets within the time frame established by regulation or convention in the marketplace.

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

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）。直接源自收購透過損益按公平值列賬之財務資產或財務負債之交易成本，即時於損益確認。

財務資產

本集團之財務資產分類為可供出售財務資產（「透過損益按公平值列賬之財務資產」）及貸款及應收款項。所有財務資產之定向購買或出售乃按交易日基準確認或取消確認。定向購買或出售財務資產須於有關規則或市場慣例設定之時限內交付資產。

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。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as financial assets at FVTPL loans and receivables or held-to-maturity investments.

Available-for-sale financial assets are measured at fair value at the end of the reporting period. Changes in fair value are recognised in other comprehensive income and accumulated in investment revaluation reserve, until the financial asset is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss (see accounting policy on impairment loss on financial assets below).

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).

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
- breach of contract, such as, default or delinquency in interest or principal payments; or

3. 重大會計政策 (續)

財務工具 (續)

財務資產 (續)

可供出售金融資產

可供出售金融資產為指定或並非分類為按公平值計入損益之金融資產、貸款及應收款項或持至到期投資之非衍生工具。

於綜合財務狀況報表日，可供出售金融資產按公平值計算。公平值之變動於其他全面收入內確認，並於投資重估儲備累計，直至該金融資產被出售或決定有所減值，屆時過往於投資重估儲備累計之累計收益或虧損會重新列入損益（見下文有關金融資產減值虧損之會計政策）。

貸款及應收款項

貸款及應收款項為並無於活躍市場報價、有固定或待定付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）。

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。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
- 違反合約，例如拖欠或無力支付利息或本金；或

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for the financial asset because of financial differences.

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.

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.

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

Impairment losses on available-for-sale equity investments will not be reversed in profit or loss in subsequent periods. Any increase in fair value subsequent to impairment loss is recognised directly in other comprehensive income and accumulated in investment revaluation reserve.

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)

- 借款人有可能破產或進行財務重組；或
- 因財務差異而不再存在交投活躍之財務資產市場。

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。

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。

就可供銷售股本工具而言，投資公平值大幅或長時間低於其成本被視為減值之客觀證據。

可供出售股本投資之減值虧損不會於往後期間撥回損益。減值虧損其後增加之公平值會於其他全面收入直接確認，並於投資重估儲備累計。

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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.

Financial liabilities

The Group's financial liabilities including trade and other payables, dividend payable, bank borrowings and amount due to immediate holding company 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 in its entirety, 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

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。

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、應付股息、銀行借貸及應付直接控股公司款項，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。於完全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。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (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.

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. As at 31 December 2010, the carrying amount of trade receivables is RMB360,806,944 (net of allowance for doubtful debts of RMB1,541,094) (31 December 2009: carrying amount of RMB183,724,130 net of allowance for doubtful debts of RMB1,047,478).

3. 重大會計政策 (續)

財務工具 (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. 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。於二零一零年十二月三十一日，應收賬款之賬面值為人民幣360,806,944元（扣除呆賬撥備人民幣1,541,094元），二零零九年十二月三十一日之賬面值為人民幣183,724,130元（扣除呆賬撥備人民幣1,047,478元）。

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4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

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.

As at 31 December 2010, the carrying amount of inventories is RMB139,491,812 (net of provision for stock of RMB12,092,951) (2009: carrying amount of RMB93,074,958 net of provision for stock of RMB12,092,951).

5. REVENUE AND SEGMENT INFORMATION

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

The Group's revenue are all generated from its PRC subsidiaries which has two operating 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 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 which is used in garments and furnishings.

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 segment information of liabilities is provided to the chief operating decision makers for the assessment of performance of different segments. Therefore, only segment revenue, segment profit and segment assets are presented.

4. 估計不明朗因素主要來源 (續)

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。

於二零一零年十二月三十一日，存貨之賬面值為人民幣139,491,812元（扣除存貨撥備人民幣12,092,951元），二零零九年之賬面值為人民幣93,074,958元（扣除存貨撥備人民幣12,092,951元）。

5. 收益及分部資料

本集團根據董事會（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。

本集團之收益主要來自其於中國之附屬公司，該等附屬公司有兩個經營分部，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。

床品製造及分銷分部指床鋪、床單、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分部負債資料，以評估不同分部之表現。因此，僅呈列分部收益、分部溢利及分部資產。

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5. REVENUE AND SEGMENT INFORMATION (Continued)

An analysis of the Group's segment revenue profit and assets by operating segment is as follows:

5. 收益及分部資料 (續)

本集團按經營分部劃分之分部收益、溢利及資產之分析如下：

For the year ended 31 December 2010

截至二零一零年十二月三十一日止年度

		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	Sub total 小計 RMB'000 人民幣千元	Inter-segment elimination 分部間對銷 RMB'000 人民幣千元	Consolidated total 綜合總計 RMB'000 人民幣千元
Revenue from external customers	來自外部客戶之收益	986,919	859,258	1,846,177	-	1,846,177
Inter-segment sales	分部間銷售	-	2,804	2,804	(2,804)	-
Segment revenue	分部收益	986,919	862,062	1,848,981	(2,804)	1,846,177
Segment profit	分部溢利	174,988	409,618	584,606	(2,804)	581,802
Segment assets as at 31 December 2010	於二零一零年十二月三十一日之分部資產	680,769	430,654	1,111,423	-	1,111,423

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

定期提供予主要經營決策者且在計量分部溢利及資產時計入之款項：

Addition to non-current assets (note)	添加非流動資產 (附註)	73,847	3,313	77,160	-	77,160
Depreciation of property, plant and equipment	物業、廠房及設備折舊	(38,960)	(427)	(39,387)	-	(39,387)
Release of prepaid lease payments	解除預付租賃款項	(178)	-	(178)	-	(178)
Impairment loss recognised in respect of trade receivables	就應收賬款確認之減值虧損	495	-	495	-	495

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。

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5. REVENUE AND SEGMENT INFORMATION (Continued)

5. 收益及分部資料 (續)

For the year ended 31 December 2009

截至二零零九年十二月三十一日止年度

		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	Sub 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	Consolidated total 綜合 RMB'000 人民幣千元
Revenue from external customers	來自外部客戶之收益	736,938	617,130	1,354,068	-	1,354,068
Inter-segment sales	分部間銷售	-	1,058	1,058	(1,058)	-
Segment revenue	分部收益	736,938	618,188	1,355,126	(1,058)	1,354,068
Segment profit	分部溢利	79,919	298,097	378,016	(1,058)	376,958
Segment assets as at 31 December 2009	於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 profit and assets:

定期提供予主要經營決策者且在計量分部溢利及資產時計入之款項：

Addition to non-current assets (note)	添加非流動資產 (附註)	6,302	22	6,324	-	6,324
Depreciation of property, plant and equipment	物業、廠房及設備折舊	(38,923)	(363)	(39,286)	-	(39,286)
Reversal of written-down of inventories	存貨撇減撥回	1,294	-	1,294	-	1,294
Release of prepaid lease payments	解除預付租賃款項	(224)	-	(224)	-	(224)
Impairment loss recognised in respect of trade receivables	就應收賬款確認之減值虧損	507	-	507	-	507

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。

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5. REVENUE AND SEGMENT INFORMATION (Continued)

- (a) Performance of the operating segments is measured based on segment profit. Income tax expense is not allocated to operating segments.

(b) Reconciliation of segment profit

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.

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

5. 收益及分部資料 (續)

- (a) 經營分部之表現乃根據分部溢利計量。所得稅開支不會分配至經營分部。

(b) 分部溢利之對賬

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。

分部溢利與本集團除稅前溢利之對賬如下：

		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
Total segment profit	分部溢利總額	581,802	376,958
Unallocated income:	未分配收入：		
Interest income	利息收入	3,494	6,058
Other income	其他收入	97	534
Unallocated expenses:	未分配開支：		
Depreciation of property, plant and equipment	物業、廠房及設備折舊	(1,691)	(1,419)
Release of prepaid lease payments	解除預付租賃款項	-	(15)
Interest expenses	利息開支	(10,897)	(18,950)
Listing expenses	上市費用	(20,550)	(26,012)
Other expenses	其他開支	(43,472)	(30,065)
Profit before taxation	除稅前溢利	508,783	307,089

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5. REVENUE AND SEGMENT INFORMATION (Continued)

(c) Reconciliation of segment assets

The assets of the Group are allocated to operating segments based on the operations of the segments. However, property, plant and equipment, deferred tax asset, other receivables and prepayments, pledged bank deposits and 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分配至經營分部。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：

		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
Total segment assets	分部資產總額	1,111,423	855,617
Unallocated assets:	未分配資產：		
Property, plant and equipment	物業、廠房及設備	20,468	21,535
Deferred tax asset	遞延稅項資產	2,699	2,699
Available-for-sale investment	可供出售投資	34,000	-
Other receivables and prepayments	其他應收款項以及預付款項	11,272	9,982
Pledged bank deposits	已抵押銀行存款	54,451	24,318
Bank balances and cash	銀行結餘及現金	855,664	255,771
Total assets per consolidated statements of financial position	綜合財務狀況報表所示資產總值	2,089,977	1,169,922

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5. REVENUE AND SEGMENT INFORMATION (Continued)

5. 收益及分部資料 (續)

(d) Information about geographical areas

(d) 關於地區之資料

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

下表提供本集團來自外部客戶按地區市場劃分(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	
		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
PRC (country of the domicile)	中國(註冊地)	1,680,331	1,255,636
United States & Brazil	美國及巴西	103,010	77,193
Australia, Japan & Malaysia	澳洲、日本及馬來西亞	34,524	10,560
Europe	歐洲	9,853	2,388
Hong Kong & Macau	香港及澳門	18,459	3,584
Others	其他	—	4,707
		1,846,177	1,354,068

The Group's non-current assets exclude deferred tax asset and available-for-sale investment are all located in PRC.

本集團之非流動資產(除遞延稅項資產及可供出售投資以外)全部也位於中國。

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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 RMB250,583,000 and RMB214,807,000, representing 13.6% and 15.9% of the total sales of the Group for the years ended 31 December 2010 and 2009, respectively.

In addition to the largest customer, there was a customer in bedding products segment with revenue contributing approximately RMB184,493,000 representing 10.0% to the total revenue of the Group for the year ended 31 December 2010. For the year ended 31 December 2009, there were two customers in the bedding products segment contributing about 13.2% and 10.1%, respectively, to the total revenue of the Group for the year ended 31 December 2009. The revenue from those two customers was approximately RMB178,164,000 and RMB136,969,000, respectively.

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 on amount due from a related company (Note)	應收一間關連公司款項之利息收入(附註)

Note: The interest income on amount due from a related company represented 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.

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十二月三十一日止年度，來自本集團棉紗及床品分部之最大客戶之收益分別約為人民幣250,583,000元及人民幣214,807,000元，分別相當於本集團銷售總額之13.6%及15.9%。

除最大客戶外，一名來自床品分部客戶於截至二零一零年十二月三十一日止年度之收益為本集團收益約人民幣184,493,000元，即總額貢獻約10.0%。截至二零零九年十二月三十一日止年度，兩名床品分部之客戶於截至二零零九年十二月三十一日止年度之收益分別為本集團收益總額貢獻約13.2%及10.1%。該兩名客戶之收益分別約為人民幣178,164,000元及人民幣136,969,000元。

6. 其他收入

本集團其他收入之分析如下：

	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
Gain on disposal of scrap materials	7,099	4,416
Bank interest income	3,494	843
Subcontracting income	162	9
Others	520	548
Interest income on amount due from a related company (Note)	-	5,215
	11,275	11,031

附註：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。

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7. FINANCE COSTS

7. 財務成本

		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
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	10,637	12,582
Amount due to immediate holding company	應付直接控股公司款項	260	-
Imputed interest expense on non-current interest-free shareholder's loan (Note)	非即期免息股東貸款之估算利息開支(附註)	-	6,368
		10,897	18,950

Note: 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.

附註：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。

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8. INCOME TAX EXPENSE

8. 所得稅開支

		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
Tax charge represents:	稅項開支指：		
Current tax:	即期稅項：		
The People's Republic of China ("PRC") Enterprise Income Taxation ("EIT")	中華人民共和國（「中國」） 企業所得稅 （「企業所得稅」）	71,302	46,583
Deferred tax (<i>note 24</i>):	遞延稅項（附註24）：		
Current period	本期間	20,691	12,218
		91,993	58,801

No provision for Hong Kong 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，故並無計提香港稅項撥備。

Under the law of the People's Republic of China on Enterprise Income Taxation (the "EIT Law") and Detailed Implementation 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%。

Pursuant to the relevant laws and regulations in the PRC, Shandong Taifeng Textile Company Limited ("Shandong Taifeng"), one of the major subsidiaries, was entitled to exemption from the PRC EIT from its first two profit-making years 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 was entitled to a relief from EIT by 50% reduction from 2008 to 2010 with effective tax rate of 12.5%.

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，實際稅率為12.5%。

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8. INCOME TAX EXPENSE (Continued)

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

8. 所得稅開支(續)

年內稅項開支與綜合全面收益表所示除稅前溢利對賬如下：

		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
Profit before tax	除稅前溢利	508,783	307,089
Tax at PRC EIT rate of 25%	按中國企業所得稅稅率25% 計算之稅項	127,196	76,772
Tax effect of expenses not deductible for tax purpose	不可扣稅開支之稅務影響	13,322	1,456
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	1,830	429
Tax effect of withholding tax arising on undistributed profits of the PRC subsidiaries	中國附屬公司未分派溢利 所產生預扣稅之稅務影響	20,691	11,894
Tax effect of deductible temporary difference recognised on allowance on inventories	就存貨撥備確認之可扣稅 暫時性差異之稅務影響	-	324
Effect of concessionary tax rate granted to Shandong Taifeng	山東泰豐獲優惠稅率之影響	(71,046)	(32,074)
Tax charge for the year	年內稅項開支	91,993	58,801

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9. PROFIT FOR THE YEAR

9. 年內溢利

		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
Profit for the year has been arrived at after charging:	年內溢利已扣除以下項目：		
Directors' emoluments (<i>note 10</i>)	董事酬金 (<i>附註10</i>)	11,799	6,759
Other staff salaries and benefits	其他員工薪酬及福利	94,951	73,343
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)	3,426	3,094
Total staff costs	總員工成本	110,176	83,196
Auditor's remuneration	核數師薪金	2,583	1,617
Depreciation of property, plant and equipment	物業、廠房及設備折舊	41,078	40,705
Release of prepaid lease payments	解除預付租賃款項	178	239
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	-	8
Impairment loss recognised in respect of trade receivables	就應收賬款確認之減值虧損	495	507
Net exchange loss	匯兌虧損淨額	5,727	398
Cost of inventories recognised as an expense	確認為開支之存貨成本	1,206,596	957,737

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10. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

10. 董事及僱員薪酬

Directors

董事

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

年內已付予本集團董事之酬金詳情如下：

Year ended 31 December 2010

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	Fees	Salaries and other allowances	Retirement Benefits Scheme Contributions	Share-based payment	Total
	袍金 RMB'000 人民幣千元	薪金及其他津貼 RMB'000 人民幣千元	退休福利計劃供款 RMB'000 人民幣千元	股份付款開支 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
Executive directors:	執行董事：				
Mr. Liu Qing Ping	-	671	15	8,738	9,424
Ms. Qi Tong Li	-	508	12	-	520
Mr. Liu Chun Wei	-	549	12	-	561
Mr. Li Deng Xiang	-	475	12	-	487
Mr. Zou Sheng Zhong	-	510	12	-	522
Independent non-executive directors:	獨立非執行董事：				
Mr. Chan Kin Sang	173	-	-	-	173
Mr. Li Yu Chun	56	-	-	-	56
Mr. Dai Shun Lin	56	-	-	-	56
	285	2,713	63	8,738	11,799

Year ended 31 December 2009

截至二零零九年十二月三十一日止年度

	Fees	Salaries and other allowances	Retirement Benefits Scheme Contributions	Share-based payment	Total
	袍金 RMB'000 人民幣千元	薪金及其他津貼 RMB'000 人民幣千元	退休福利計劃供款 RMB'000 人民幣千元	股份付款開支 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
Executive directors:	執行董事：				
Mr. Liu Qing Ping	-	231	14	5,825	6,070
Ms. Qi Tong Li	-	147	11	-	158
Mr. Liu Chun Wei	-	211	11	-	222
Mr. Li Deng Xiang	-	142	11	-	153
Mr. Zou Sheng Zhong	-	145	11	-	156
	-	876	58	5,825	6,759

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10. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Continued)

Employees

During the year ended 31 December 2010, the five highest paid individuals of the Group included four executive directors (2009: one director). The remuneration of the remaining one (2009: four) individuals for the year are as follows:

Salaries and other allowances	薪金及其他津貼
Retirement benefit scheme contributions	退休福利計劃供款

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

During the year, 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 years.

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 special dividend of RMB50,000 per share, amounting to an aggregate of RMB50,000,000, to the original shareholders ("Original Shareholders") prior to its initial public offering in June 2010. In accordance with a resolution in writing of the shareholders of the Company passed on 25 January 2010, the Company declared special dividend of RMB80,000 per share, amounting to an aggregate of RMB80,000,000 to the Original Shareholders prior to its initial public offering in June 2010.

The Board has declared an interim dividend of RMB54,000,000 with RMB0.054 per share to shareholders on the Register of Members of the Company on 3 September 2010. The dividend was declared in RMB and was converted into Hong Kong Dollars 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.

10. 董事及僱員薪酬 (續)

僱員

於截至二零一零年十二月三十一日止年度，本集團五名最高薪酬人士包括四名執行董事（二零零九年：一名董事）。年內餘下一名人士（二零零九年：四名）之薪酬如下：

	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
Salaries and other allowances	520	1,267
Retirement benefit scheme contributions	3	19
	523	1,286

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）。

於年內，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。於兩個年度內，並無董事放棄收取任何酬金。

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」）宣派特別股息每股人民幣50,000元，合共人民幣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每股人民幣80,000元，合共人民幣80,000,000元。

董事會宣佈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人民幣54,000,000元，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。

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11. DIVIDENDS/DIVIDEND PAYABLE (Continued)

The Board has declared a final dividend of RMB0.113 per share be payable on 22 June 2011 to the shareholders on the Register of Members of the Company on 20 May 2011. The proposed dividend payments are subject to approval by the shareholders of the Company at the forthcoming annual general meeting and are payable in 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 13 June 2011.

12. BASIC EARNINGS PER SHARE

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

11. 股息／應付股息 (續)

董事會宣派於二零一一年六月二十二日向於二零一一年五月二十日名列本公司股東名冊之股東支付末期股息每股人民幣0.113元。擬分派股息須於即將召開之股東週年大會上獲股東批准，並按中國人民銀行於二零一一年六月十三日所報人民幣兌港元之官方匯率兌換為港元。

12. 每股基本盈利

有關年度本公司擁有人應佔每股基本盈利乃按以下資料計算：

		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
Profit for the year attributable to owners of the Company	本公司擁有人應佔年內溢利	416,790	248,288
		'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	889,726	750,000

The weighted average number of ordinary shares used in the calculation of basic earnings per share for the year ended 31 December 2009 has been adjusted for the 749,999,000 shares issued on 21 April 2010 pursuant to the capitalisation issue (see note 25) which was assumed to occur at 1 January 2009 together with 1,000 shares then in issue.

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

計算截止二零零九年十二月三十一日止年度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25，假設已於二零零九年一月一日發生)於二零一零年四月二十一日已發行之749,999,000股股份連同當時已發行之1,000股股份調整。

由於兩個年度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。

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13. PROPERTY, PLANT AND EQUIPMENT

13. 物業、廠房及設備

		Buildings 樓宇 RMB'000 人民幣千元	Plant and equipment 廠房及設備 RMB'000 人民幣千元	Office equipment 辦公設備 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Construction in progress 在建工程 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
COST	成本						
At 1 January 2009	二零零九年一月一日	55,469	578,929	3,033	377	2,774	640,582
Additions	添加	-	1,919	707	-	4,155	6,781
Transfer	轉讓	6,929	-	-	-	(6,929)	-
Disposal	出售	-	-	(10)	-	-	(10)
At 31 December 2009	二零零九年十二月三十一日	62,398	580,848	3,730	377	-	647,353
Additions	添加	13,183	1,769	226	-	684	15,862
Transfer	轉讓	684	-	-	-	(684)	-
At 31 December 2010	二零一零年十二月三十一日	76,265	582,617	3,956	377	-	663,215
DEPRECIATION	折舊						
At 1 January 2009	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	出售時對消	-	-	(2)	-	-	(2)
At 31 December 2009	二零零九年十二月三十一日	11,532	135,706	1,366	119	-	148,723
Provided for the year	年內撥備	1,961	38,724	325	68	-	41,078
At 31 December 2010	二零一零年十二月三十一日	13,493	174,430	1,691	187	-	189,801
CARRYING VALUES	賬面值						
At 31 December 2010	二零一零年十二月三十一日	62,772	408,187	2,265	190	-	473,414
At 31 December 2009	二零零九年十二月三十一日	50,866	445,142	2,364	258	-	498,630

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

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：

Buildings	15 – 30 years	樓宇	15 – 30年
Plant and equipment	5 – 15 years	廠房及設備	5 – 15年
Office equipment	5 – 10 years	辦公設備	5 – 10年
Motor vehicles	10 years	汽車	10年

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14. PREPAID LEASE PAYMENTS

14. 預付租賃款項

		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
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	7,637	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	7,458	7,636
		7,637	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. DEPOSIT PAID FOR ACQUISITION OF LAND USE RIGHTS AND BUILDINGS

15. 購置土地使用權及樓宇之所付按金

Shandong Taifeng has entered into an acquisition agreement on 19 November 2010 with TTG, pursuant to which Shandong Taifeng agreed to acquire from TTG certain land use rights and buildings for production purposes, at a consideration of RMB68,800,000 in accordance with a valuation report from an independent valuer, Jones Lang Lasalle.

山東泰豐與泰豐紡織集團於二零一零年十一月十九日訂立一項收購協議，根據此協議，山東泰豐同意以人民幣68,800,000元之代價根據獨立估值師仲量聯行發出的估值報告釐定從泰豐紡織集團收購若干土地使用權及樓宇，以資生產。

At the same date, Shandong Taifeng has also entered into a supplemental agreement with TTG to reduce the original lease area and the monthly rental in respect of an existing lease agreement.

同日，山東泰豐與泰豐紡織集團亦訂立一項補充協議，減少原租賃面積及現有租賃協議之每月租金。

A deposit of RMB61,920,000 has been paid by Shandong Taifeng to TTG. The acquisition has not yet been completed as at the date of the financial statements were authorised for issuance.

山東泰豐已向泰豐紡織集團支付人民幣61,920,000元按金。此項收購於該等財務報表獲批准刊發日期仍未完成。

The remaining unpaid amount of RMB6,880,000 has been disclosed in note 35 as capital commitment.

未付餘額人民幣6,880,000元已於附註35披露作資本承擔。

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16. 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.

17. AVAILABLE-FOR-SALE INVESTMENT

Available-for-sale investment comprises:

Listed investment:
Equity security listed in Hong Kong

Analysed for reporting purposes as
Non-current asset

上市投資：
於香港上市之股本證券

就報告而言分析為
非流動資產

16. 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。

17. 可供出售投資

可供出售投資包括：

	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
Listed investment: Equity security listed in Hong Kong	34,000	—
Analysed for reporting purposes as Non-current asset	34,000	—

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18. INVENTORIES

18. 存貨

		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
At cost	按成本		
Raw materials	原材料	57,426	51,775
Work-in-progress	在製品	37,665	17,795
Finished goods	製成品	44,401	23,505
		<u>139,492</u>	<u>93,075</u>

19. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

19. 應收賬款及其他應收款項以及預付款項

		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
Trade receivables	應收賬款	362,348	184,771
Less: allowance for doubtful debts	減：呆賬撥備	<u>(1,541)</u>	<u>(1,047)</u>
		360,807	183,724
Prepayments to suppliers	向供應商預付款項	79,105	83,696
Prepayments for expenses	開支預付款項	7,948	7,121
Bills receivables	應收票據	3,737	5,050
Other receivables	其他應收款項	2,169	1,089
		<u>453,766</u>	<u>280,680</u>

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 which has been received during the year ended 31 December 2010.

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4,392,000元，此乃於截至二零一零年十二月三十一日止年度已收取之應收泰豐紡織集團之貿易結餘。

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19. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

(Continued)

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:

		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
Trade receivables:	應收賬款：		
0 – 30 days	0至30日	192,489	130,658
31 – 60 days	31至60日	96,240	33,638
61 – 90 days	61至90日	34,574	11,473
91 – 180 days	91至180日	35,394	4,769
Over 180 days	超過180日	2,110	3,186
		360,807	183,724

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. Majority of trade receivables that are neither past due nor impaired have no default payment history. It is the Group's policy to make provision against debts which normally aged over 180 days because historical experience is such that receivables that are past due beyond 180 days are generally not recoverable.

However, included in the Group's trade receivables are debtors with an aggregate carrying amount of RMB37,504,000 (2009: RMB7,955,000) which were past due at the reporting date but for which the Group has not provided for impairment loss, as there has not been a significant change in credit quality of the relevant customers and the Group believes that the amounts are still recoverable as these are continuing subsequent settlement. The Group does not hold any collateral over the above balances.

19. 應收賬款及其他應收款項以及預付款項 (續)

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：

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。大部份未逾期且未減值之應收賬款過往均無拖欠付款。本集團之政策為通常就賬齡超過180日之債項計提撥備，因過往經驗顯示逾期超過180日之應收款項通常不可收回。

然而，應收賬款中包括總賬面值人民幣37,504,000元（二零零九年：人民幣7,955,000元）於報告日期已過期，惟本集團並無計提減值虧損，因為相關客戶之信貸質素並無重大變化，而基於其後能持續收到還款，本集團亦相信相關款項仍可收回。本集團並無就上述結餘持有任何抵押品。

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19. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

(Continued)

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

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

35,394	4,769
2,110	3,186
37,504	7,955

Movement in the allowance for doubtful debts

Balance at beginning of the year	年初結餘
Impairment loss recognised in trade receivables	於應收賬款確認之減值虧損
Amounts written-off as uncollectible	按不可收回撇銷之金額
Balance at end of the year	年終結餘

呆賬撥備之變動

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

1,047	951
495	507
(1)	(411)
1,541	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 as at 31 December 2010 were amounts of approximately RMB52,153,000 and RMB69,000 denominated in United States Dollars ("US\$") and HK\$, respectively, which were other than the functional currency of the respective group entities. As at 31 December 2009, there was approximately RMB19,765,000 denominated in US\$.

於二零一零年十二月三十一日，應收賬款及其他應收款項分別有約人民幣52,153,000元及人民幣69,000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元以美元計值）。

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20. PLEDGED BANK DEPOSITS/BANK BALANCES AND CASH

Bank balance represent short term bank deposits with an original maturity of three months or less held by the Group and 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

Included in bank balances and pledged bank deposits as at 31 December 2010, which were approximately RMB1,462,000 and RMB14,381,000 denominated in US\$ and HK\$, respectively other than the functional currency of the respective group entities. (2009: Approximately RMB4,325,000 denominated in US\$).

21. TRADE AND OTHER PAYABLES AND ACCRUALS

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

Trade payables	應付賬款
Bills payables	應付票據
Accruals	應計費用
Receipts in advance	預收款項
Other tax payables	其他應付稅項
Others	其他

20. 已抵押銀行存款／銀行結餘及現金

銀行結餘指本集團所持有之原到期日為三個月或以內之短期銀行存款，並按下列浮息計息：

2010	2009
二零一零年	二零零九年

0.01% to 0.36%	0.01% to 0.36%
0.01厘至0.36厘	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：

2010	2009
二零一零年	二零零九年

0.01% to 0.36%	0.01% to 0.36%
0.01厘至0.36厘	0.01厘至0.36厘

於二零一零年十二月三十一日，銀行結餘及已抵押銀行存款中分別有約人民幣1,462,000元及人民幣14,381,000元以美元及港元（並非各集團實體之功能貨幣）計值之款項（二零零九年：約人民幣4,325,000元以美元計值）。

21. 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：

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

Trade payables	應付賬款	163,601	67,785
Bills payables	應付票據	88,000	40,000
Accruals	應計費用	50,541	31,014
Receipts in advance	預收款項	16,885	6,795
Other tax payables	其他應付稅項	41,387	29,248
Others	其他	25,419	28,169
		385,833	203,011

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21. TRADE AND OTHER PAYABLES AND ACCRUALS

(Continued)

Included in the trade payables as at 31 December 2010 is an amount of approximately RMB3,377,000 (2009: nil) which represents trade balances due to TTG.

The aged analysis of the Group's trade payable based on the invoice date at the end of the 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.

As at 31 December 2010, bills payables with aggregate zero amount (2009: RMB10,000,000) 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 released during the year ended 31 December 2010.

Included in trade and other payables and accruals as at 31 December 2010 was approximately RMB458,000 denominated in HK\$, which was 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.

21. 應付賬款及其他應付款項及應計費用 (續)

於二零一零年十二月三十一日，計入應付賬款之款項約為人民幣3,377,000元（二零零九年：零元），主要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：

	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
0 – 30 days	140,496	54,476
31 – 60 days	5,133	2,266
61 – 90 days	3,188	2,086
91 – 180 days	7,195	3,320
Over 180 days	7,589	5,637
	163,601	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。

於二零一零年十二月三十一日，總額人民幣零元（二零零九年：人民幣10,000,000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截至二零一零年十二月三十一日止年度期間解除。

於二零一零年十二月三十一日，應付賬款及其他應付款項及應計費用有約人民幣458,000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。

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22. AMOUNT DUE TO IMMEDIATE HOLDING COMPANY

The amount due to immediate holding company represents an amount of HK\$35,000,000 (approximately RMB29,750,000) advanced to the Group, which carries fixed interest at the rate of 5.25% per annum and repayable within one year.

22. 應付直接控股公司款項

應付直接控股公司款項乃墊付予本集團之一筆35,000,000港元(約人民幣29,750,000元)款項,固定年利率為5.25厘,還款期為一年。

23. BANK BORROWINGS

23. 銀行借貸

		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
Bank loans	銀行貸款	171,548	162,806
Analysed as:	分析為:		
Secured	有抵押	40,000	24,000
Unsecured	無抵押	131,548	138,806
		171,548	162,806
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	116,580	150,106
Variable-rate borrowings	浮息借貸	54,968	12,700
		171,548	162,806

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23. BANK BORROWINGS (Continued)

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

		2010 二零一零年	2009 二零零九年
Fixed-rate borrowings	定息借貸	4.374% to 9.558% per annum 年利率4.374厘 至9.558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	LIBOR + 1% per annum 年利率倫敦銀行 同業拆息+1厘	LIBOR + 1.1% per annum 年利率倫敦銀行 同業拆息+1.1厘
Denominated in:	以下列貨幣計值：		
RMB	人民幣	136,580	150,106
US\$	美元	34,968	12,700
		171,548	162,806

All borrowings are repayable within one year of the end of the reporting year except for RMB40 million (2009: RMB24 million) are repayable on demand.

23. 銀行借貸 (續)

本集團借貸之實際利率 (相等於已訂約利率) 載列如下：

所有借款均須於報告年度結算日一年內償還，惟人民幣40,000,000元 (二零零九年：人民幣24,000,000元) 須於要求時償還。

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23. BANK BORROWINGS (Continued)

The effective interest rates for the bank borrowings are 6.97% and 6.98% as at 31 December 2010 and 2009, respectively.

Bank borrowings guaranteed by:

萊蕪泰興城市資產運營有限公司
（「萊蕪泰興」）
Taishan Paper and TTG
Laiwu City
TTG

萊蕪泰興 is an independent third party.

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 31 December 2009. The guarantee was released at 16 August 2010.

As at 31 December 2010, the Group had bank borrowings of approximately RMB172 million (2009: RMB163 million), of which approximately RMB40 million (2009: RMB24 million) initiatively was secured by certain inventories of approximately RMB87 million (2009: RMB63 million). However, as at 31 December 2010, the closing balance of the relevant pledged inventories was only approximately RMB41 million (2009: RMB46 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 year.

Details of bank borrowings guaranteed by related parties are set out in note 29(l).

23. 銀行借貸 (續)

於二零一零年及二零零九年十二月三十一日之銀行借款實際利率分別為6.97厘及6.98厘。

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

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」）
泰山造紙及泰豐紡織集團
萊蕪市
泰豐紡織集團

48,000	—
—	33,806
37,000	57,000
—	48,000

萊蕪泰興為獨立第三方。

泰山造紙提供上述擔保之原因為本集團於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。該擔保已於二零一零年八月十六日解除。

於二零一零年十二月三十一日，本集團有銀行借貸約人民幣172,000,000元（二零零九年：人民幣163,000,000元），其中約人民幣40,000,000元（二零零九年：人民幣24,000,000元）最初以若干存貨約人民幣87,000,000元（二零零九年：人民幣63,000,000元）作擔保。然而，於二零一零年十二月三十一日，相關已抵押存貨之期末結餘僅約為人民幣41,000,000元（二零零九年：人民幣46,000,000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，及於報告年度結算日起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29(l)。

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24. DEFERRED TAX

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

		Allowance on inventories	Undistributed earnings of PRC's subsidiaries from 1 January 2008	Total
		存貨撥備 RMB'000 人民幣千元	中國附屬公司 自二零零八年 一月一日起之 未分配盈利 RMB'000 人民幣千元	總計 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	-	20,691	20,691
At 31 December 2010	於二零一零年十二月三十一日	(2,699)	37,401	34,702

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

		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
Deferred tax asset	遞延稅項資產	2,699	2,699
Deferred tax liability	遞延稅項負債	(37,401)	(16,710)
		(34,702)	(14,011)

24. 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 2008	Total
		存貨撥備 RMB'000 人民幣千元	中國附屬公司 自二零零八年 一月一日起之 未分配盈利 RMB'000 人民幣千元	總計 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	-	20,691	20,691
At 31 December 2010	於二零一零年十二月三十一日	(2,699)	37,401	34,702

下表為就財務報告所作之遞延稅項結餘分析：

		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
Deferred tax asset	遞延稅項資產	2,699	2,699
Deferred tax liability	遞延稅項負債	(37,401)	(16,710)
		(34,702)	(14,011)

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24. DEFERRED TAX (Continued)

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 2008. 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 RMB10,940,000 and RMB3,619,000 available to offset against future profits at 31 December 2010 and 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 RMB3,367,000 will expire in 2013, 2014 and 2015, respectively.

25. SHARE CAPITAL

Ordinary shares of
RMB0.088 (HK\$0.1) each:

Authorised:

At 21 May 2009, date of incorporation

Increase on 29 November 2009 (note i)

At 31 December 2009 and 2010

Issued and fully paid:

At 21 May 2009, date of
incorporation and at
31 December 2009

Capitalisation issue
on 21 April 2010 (note ii)

Issue of shares on 11 June 2010
(note iii)

At 31 December 2010

每股面值人民幣0.088元
(0.1港元)之普通股:

法定:

於二零零九年五月二十一日，
即註冊成立日期

於二零零九年十一月二十九日
擴大(附註i)

於二零零九年及二零一零年
十二月三十一日

已發行及繳足:

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
資本化發行(附註ii)

於二零一零年六月十一日發行
股份(附註iii)

於二零一零年十二月三十一日

24. 遞延稅項(續)

已就本集團應佔本集團中國附屬公司自二零零八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10,940,000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3,367,000元將分別於二零一三年、二零一四年及二零一五年屆滿。

25. 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>	<i>法定:</i>		
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)	1,496,200,000	1,316,656,000
At 31 December 2009 and 2010	於二零零九年及二零一零年 十二月三十一日	1,500,000,000	1,320,000,000
<i>Issued and fully paid:</i>	<i>已發行及繳足:</i>		
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)	250,000,000	22,000,000
At 31 December 2010	於二零一零年十二月三十一日	1,000,000,000	88,000,000

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25. SHARE CAPITAL (Continued)

25. 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 31 December 2010	於二零一零年十二月三十一日	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 shareholder 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).
- (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 shareholders of in the Company. On 21 April 2010, the directors allotted and issued such shares as aforesaid and gave effect to the capitalisation issue.
- (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.
- (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) 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) 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。

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

26. 合併儲備／特別儲備／股東注資／中國一般儲備

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.

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。

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.

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。

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

(Continued)

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

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.

27. SHARE-BASED PAYMENT RESERVE/CAPITAL RESERVE

Prior to the completion of a corporate reorganisation as disclosed in note 1, 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 RMB8,738,000 has been included in the directors' emoluments for the year ended 31 December 2010 (2009: RMB5,825,000) as disclosed in note 10.

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.

26. 合併儲備／特別儲備／股東注資／中國一般儲備 (續)

股東注資指七名創始股東在企業重組前作出之視作注資。

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。

27. 股份付款儲備／資本儲備

在附註1所披露之企業重組完成前，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8,738,000元已計入附註10所披露截至二零一零年十二月三十一日止年度之董事酬金內（二零零九年：人民幣5,825,000元）。

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。

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28. 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. For the year ended 31 December 2010, the Group's total contributions were approximately RMB3,426,199 (2009: RMB3,093,628).

29. RELATED PARTY DISCLOSURES

(I) Related party transactions

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

Name of related party	Nature of transactions	For the period from 1 January 2009 to 7 July 2009 由二零零九年 一月一日至 二零零九年 七月七日期間 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 購買原料	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 已付利息開支	4,412
	Acquisition of trademark 收購商標	6,934

As disclosed in note 6, 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.

28. 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。截至二零一零年十二月三十一日止年度，本集團之出資總額約為人民幣3,426,199元（二零零九年：人民幣3,093,628元）。

29. 關聯人士披露

(I) 有關連人士交易

年內，本集團與一名有關連人士訂立以下交易：

誠如附註6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。

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29. RELATED PARTY DISCLOSURES (Continued)

(I) Related party transactions (Continued)

The significant transactions with TTG for the year ended 31 December 2010 are as follows:

Sales of goods	銷售貨品	
Purchase of materials	購買物料	
Rental expenses under operating leases paid	已付經營租約租金開支	
Utility expenses paid	已付水電費	
Interest income received	已付利息開支	

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 was subsequently released during the year ended 31 December 2010.

As at 31 December 2009, the Group has provided financial guarantees to banks in respect of banking facilities to the extent of RMB60,000,000 granted to TTG. The guarantee was subsequently released during the year ended 31 December 2010.

Details of operating lease commitments under rental agreements with TTG are set out in note 31.

(II) Related party balances

Details of outstanding balances of the Group are set out in notes 19, 21 and 22.

29. 關聯人士披露 (續)

(I) 有關連人士交易 (續)

截至二零一零年十二月三十一日止年度，與泰豐紡織集團進行之重大交易如下：

For the period from 1 January 2010 to 31 December 2010 由二零一零年一月一日至二零一零年十二月三十一日期間 RMB'000 人民幣千元	For the period from 8 July 2009 to 31 December 2009 由二零零九年七月八日至二零零九年十二月三十一日期間 RMB'000 人民幣千元
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99,070	97,941
77,504	81,192
13,280	6,765
—	18,922
—	803

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。擔保已於截至二零一零年十二月三十一日止年度內獲解除。

於二零零九年十二月三十一日，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。擔保已於截至二零一零年十二月三十一日止年度內獲解除。

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31。

(II) 有關連人士結餘

本集團尚未償還結餘詳情載於附註19、21及22。

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29. RELATED PARTY DISCLOSURES (Continued)

(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 as below:

		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
Short-term benefits	短期利益	2,998	876
Post-employment benefit	離職後利益	63	58
Share-based payment	以股份為基礎的付款	8,738	5,825
		11,799	6,759

30. PLEDGE OF ASSETS

At the end of the reporting period, the following assets were pledged to banks to secure the Group's and TTG's bank 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 RMB63 million and RMB87 million to secure the relevant bank borrowings as at 31 December 2009 and 2010, respectively.

		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
Bank deposits	銀行存款	54,451	24,318
Buildings	樓宇	-	44,006
Prepaid lease payments	預付租賃款項	-	7,815
Total pledged assets	已抵押資產總值	54,451	76,139

All buildings and prepaid lease payments with an aggregate carrying amount of approximately RMB51,821,000 as at 31 December 2009, were pledged to secure certain bank borrowings of TTG. The guarantee provided to TTG was subsequently released during the year ended 31 December 2010.

29. 關聯人士披露 (續)

(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)之酬金載列如下:

		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
Short-term benefits	短期利益	2,998	876
Post-employment benefit	離職後利益	63	58
Share-based payment	以股份為基礎的付款	8,738	5,825
		11,799	6,759

30. 資產抵押

於報告期間結算日,此外,應一間銀行要求,本集團於二零零九年及二零一零年十二月三十一日需要將存貨維持於最少相等於約人民幣63,000,000元及人民幣87,000,000元之水平,以作為本集團及泰豐紡織集團之銀行借貸之抵押。

		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
Bank deposits	銀行存款	54,451	24,318
Buildings	樓宇	-	44,006
Prepaid lease payments	預付租賃款項	-	7,815
Total pledged assets	已抵押資產總值	54,451	76,139

於二零零九年十二月三十一日,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,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截至二零一零年十二月三十一日止年度內解除。

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31. OPERATING LEASES

The Group as lessee

The minimum lease payments paid under operating lease during the years are as follows.

		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
Paid for premises to:	就物業向下列人士支付：		
TTG	泰豐紡織集團	13,280	13,530
third parties	第三方	1,582	1,529
		14,862	15,059

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:

		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
Within one year	一年內	9,427	14,902
In the second to fifth year inclusive	第二至第五年(包括首尾兩年)	3,119	14,113
		12,546	29,015
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	10,693	27,052
third parties	第三方	1,853	1,963
		12,546	29,015

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.

31. 經營租約

本集團作為承租人

該等年度內根據經營租約支付之最低租賃款項如下。

		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
Paid for premises to:	就物業向下列人士支付：		
TTG	泰豐紡織集團	13,280	13,530
third parties	第三方	1,582	1,529
		14,862	15,059

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：

		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
Within one year	一年內	9,427	14,902
In the second to fifth year inclusive	第二至第五年(包括首尾兩年)	3,119	14,113
		12,546	29,015
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	10,693	27,052
third parties	第三方	1,853	1,963
		12,546	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。

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32. CONTINGENT LIABILITIES

As at 31 December 2009, the Group had provided financial guarantee to a bank in respect of banking facilities to the extent of RMB60,000,000 granted to TTG. The guarantee provided to TTG was subsequently released during the year ended 31 December 2010.

33. MAJOR NON-CASH TRANSACTIONS

During the year ended 31 December 2010, the Company recognised share-based payment expenses of approximately RMB8,738,000 (2009: RMB5,825,000) and the amount was included in the directors' emoluments.

During the year ended 31 December 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.

34. 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.

32. 或然負債

於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截至二零一零年十二月三十一日止年度內解除。

33. 主要非現金交易

於截至二零一零年十二月三十一日止年度內，本公司確認股份付款開支約人民幣8,738,000元（二零零九年：人民幣5,825,000元），該金額已計入董事酬金內。

於截至二零零九年十二月三十一日止年度內，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。

34. 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。

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綜合財務報表附註

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35. CAPITAL COMMITMENTS

35. 資本承擔

	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
Capital expenditure in respect of the acquisition of land use rights and buildings contracted for but not provided in the consolidated financial statements	6,880,000	—
就收購土地使用權及樓宇已訂約但尚未於綜合財務報表內計提之資本承擔		

36. FINANCIAL INSTRUMENTS

36. 財務工具

(a) Categories of financial instruments

(a) 財務工具之類別

	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
Financial assets		
Available-for-sale investment	34,000	—
Loans and receivables (including cash and cash equivalents)	1,276,535	469,762
Financial liabilities		
Amortised cost	478,318	348,760
財務資產		
可供出售投資		
貸款及應收款項(包括現金及現金等價物)		
財務負債		
攤銷成本		

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36. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies

The Group's major financial instruments include available-for-sale instrument, trade and other receivables, pledged bank deposits, bank balances and cash, trade and other payables, dividend payable, amount due to immediate holding company 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.

Market risk

(i) Interest rate risk

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

Sensitivity analysis

The directors consider that the exposure to interest rate risk on bank deposits is insignificant. The directors also consider that the exposure to interest rate risk on bank borrowings is insignificant, so no sensitivity analysis is presented.

36. 財務工具 (續)

(b) 財務風險管理目標及政策

本集團之主要財務工具包括可供出售投資、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、應付股息、應付直接控股公司款項以及銀行借貸。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。

市場風險

(i) 利率風險

本集團之公平值利率風險主要與有抵押銀行存款、應付直接控股公司款項及定息借貸相關。此外，本集團亦需就浮息銀行結餘、銀行存款及銀行借貸承受現金流量利率風險。

敏感度分析

董事認為就銀行存款所承受之利率風險不大。董事亦認為銀行借貸所承受之利率風險不大，所以並無呈示任何敏感度分析。

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36. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies

(Continued)

Market risk (Continued)

(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, management of the Group will consider to hedge these balances should the need arises.

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

36. 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

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。

於報告日期，本集團以外幣計值之貨幣資產之賬面值如下：

		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
Trade and other receivables	應收賬款及其他應收款項		
US\$	美元	52,153	19,765
HK\$	港元	69	-
Bank balances and pledged bank deposits	銀行結餘及已抵押銀行存款		
US\$	美元	1,462	4,325
HK\$	港元	14,381	-
Bank and other borrowings	銀行及其他借貸		
US\$	美元	34,967	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	458	-
Amount due to immediate holding company	應付直接控股公司款項		
HK\$	港元	29,750	-

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36. 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.

(Decrease) increase
in post-tax profit

除稅後溢利(減少)增加

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.

36. 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。

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

(107)

315

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。

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36. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies

(Continued)

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 32.

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 is also exposed to concentration of credit risk as a substantial portion of its accounts receivables is generated from a limited number of customers. At 31 December 2010, the top ten customers of the Group which are all located in PRC accounted for about 86% (2009: 68%) of the Group's trade receivables. In order to minimise the credit risk, the 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 management reviews the recoverable amount of each individual trade debt at the end of reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Group consider that the Group's credit risk is significantly reduced.

36. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

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32露有關本集團所發出財務擔保之或然負債之金額。

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，本集團還因其大部分應收賬款來自有限數量之客戶而面臨集中信貸風險。於二零一零年十二月三十一日，本集團前十名客戶（均位於中國）佔本集團應收賬款之約86%（2009年：68%）。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。就此，本集團董事認為本集團之信貸風險已大幅減低。

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36. FINANCIAL INSTRUMENTS (Continued)

36. 財務工具 (續)

(b) Financial risk management objectives and policies

(Continued)

Liquidity risk

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.

The following table details the Group's remaining contractual maturity for its financial liabilities based on the agreed repayment dates. 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.

Liquidity table

As at 31 December 2010

	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	應要求償還	少於一個月	1-3個月	3個月至1年	未貼現現金流動總額	於二零一零年十二月三十一日之賬面值
	%	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	-	63,524	169,996	43,500	277,020	277,020
Variable interest rate instrument	浮息工具	1.46	20,127	-	35,093	55,220	54,968
Fixed interest rate instrument	固息工具	6.11	20,111	6,617	61,229	63,403	146,330
		<u>40,238</u>	<u>70,141</u>	<u>266,318</u>	<u>106,903</u>	<u>483,600</u>	<u>478,318</u>
Financial guarantee contracts	財務擔保合約	-	-	-	-	-	-

(b) 財務風險管理目標及政策 (續)

流動資金風險

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。

下表根據協定償還日期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。

流動資金表

於二零一零年十二月三十一日

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36. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies

(Continued)

Liquidity risk (Continued)

As at 31 December 2009

	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 31.12.2009 於二零零九年 十二月 三十一日 之賬面值
	加權平均 合約利率 %	應要求償還 RMB'000 人民幣千元	少於一個月 RMB'000 人民幣千元	1-3個月 RMB'000 人民幣千元	3個月至1年 RMB'000 人民幣千元	未貼現現金 流動總額 RMB'000 人民幣千元	RMB'000 人民幣千元
Non-interest bearing Variable interest rate instrument	免息 浮息工具 1.35	-	106,478	79,476	-	185,954	185,954
Fixed interest rate instrument	固息工具 6.98	24,403	24,403	89,584	14,977	153,367	150,106
		24,403	130,881	181,802	14,977	352,063	348,760
Financial guarantee contracts	財務擔保合約	-	60,000	-	-	60,000	-

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 32. 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.

36. 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)

於二零零九年十二月三十一日

計入上述財務擔保合約之金額乃附註32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。

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36. FINANCIAL INSTRUMENTS (Continued)

(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 using prices or rates from observable current market transactions as input.

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.

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

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

36. 財務工具 (續)

(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，使用可觀察當前市場交易的價格或利率析釐訂。

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。

下表提供於首次確認後按公平值計量，並依據可觀察公平值之程度分為第一層之目標集團金融工具之分析。

- 第一層公平值計量乃源自相同資產或負債於活躍市場之報價（未調整）。
- 第二層公平值計量乃第一層所包括之報價以外，該資產或負債之可觀察之直接輸入值（即價格）或間接輸入值（自價格衍生）。
- 第三層公平值計量乃源自計入並非根據可觀察市場數據之資產或負債輸入值（無法觀察之輸入值）之估值技術得出。

	2010 二零一零年	2009 二零零九年
	Level 1 第一層	Level 1 第一層
	RMB'000	RMB'000
	人民幣千元	人民幣千元

Available-for-sale investment	可供出售投資	34,000	—
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There were no transfers between levels during the year.

於年內並無於各層之間進行轉撥。

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37. FINANCIAL INFORMATION OF THE COMPANY

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

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 <i>RMB'000</i> 人民幣千元
Assets	資產		
Investment in subsidiary	投資附屬公司	180,007	7
Amount due from subsidiaries	應收附屬公司款項	416,508	50,000
Bank	銀行	13,642	-
Liabilities	負債		
Accruals	應計費用	(980)	(50,000)
		609,177	7
CAPITAL AND RESERVES	資本及儲備		
Share capital	股本	88,000	-
Reserves	儲備	521,177	7
		609,177	7

As at 31 December 2010, the reserves represent share premium of RMB342,054,000 (2009: Nil), merger reserve of RMB180,000,000 and accumulated loss of RMB877,000 (2009: RMB7,000).

37. 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：

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 <i>RMB'000</i> 人民幣千元
Assets	資產		
Investment in subsidiary	投資附屬公司	180,007	7
Amount due from subsidiaries	應收附屬公司款項	416,508	50,000
Bank	銀行	13,642	-
Liabilities	負債		
Accruals	應計費用	(980)	(50,000)
		609,177	7
CAPITAL AND RESERVES	資本及儲備		
Share capital	股本	88,000	-
Reserves	儲備	521,177	7
		609,177	7

於二零一零年十二月三十一日，儲備指股份溢價人民幣342,054,000元（二零零九年：無），合併儲備人民幣180,000,000元及累計虧損人民幣877,000元（二零零九年：人民幣7,000元）。

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38. PARTICULARS OF SUBSIDIARIES

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

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	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	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	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	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.

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

38. 附屬公司詳情

於二零一零年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：

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。

於年終或年內任何時間，概無附屬公司擁有任何已發行債務證券。

