



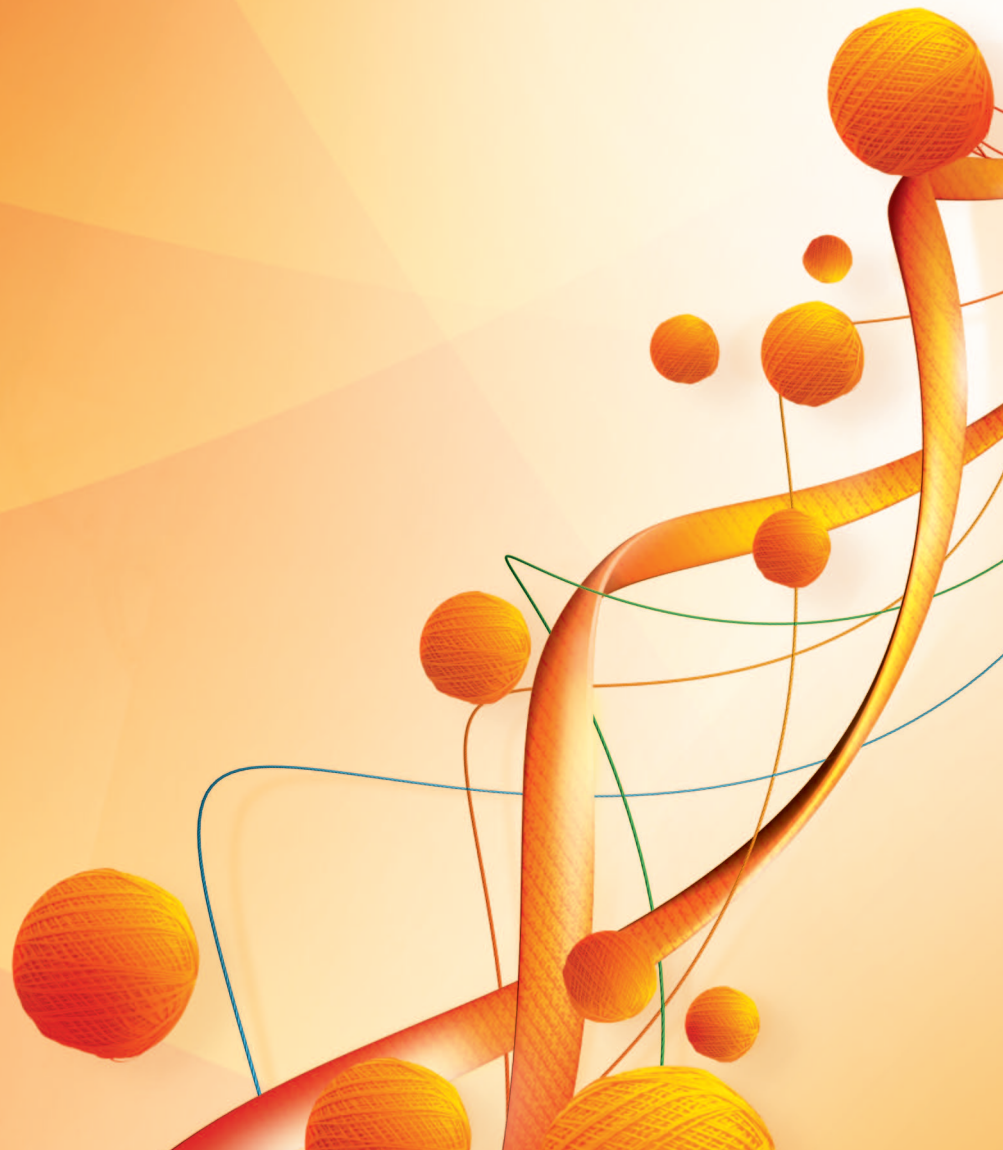
**天虹紡織集團有限公司**  
**TEXHONG TEXTILE GROUP LIMITED**

(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: 2678

**2012**  
**Annual Report**  
**二零一二年年報**





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# 財務摘要

## FINANCIAL HIGHLIGHTS

### OPERATING FIGURES

### 經營數據

		2012	2011		2010	2009	2008
		二零一二年	二零一一年		二零一零年	二零零九年	二零零八年
For the year ended 31 December		RMB '000	RMB '000	Change	RMB '000	RMB '000	RMB '000
截至十二月三十一日止年度		人民幣千元	人民幣千元	轉變	人民幣千元	人民幣千元	人民幣千元
Revenue	收入	7,341,474	6,872,713	6.8%	5,471,598	4,088,436	3,737,641
Gross profit	毛利	1,124,116	555,585	102.3%	1,308,609	601,260	458,935
Profit for the year	年內溢利	486,306	61,275	693.6%	841,134	285,565	214,193
Earnings per share	每股盈利						
Basic	基本	RMB 人民幣 0.55 元	RMB 人民幣 0.07 元	685.7%	RMB 人民幣 0.95 元	RMB 人民幣 0.32 元	RMB 人民幣 0.24 元
Diluted	攤薄	RMB 人民幣 0.55 元	RMB 人民幣 0.07 元	685.7%	RMB 人民幣 0.95 元	RMB 人民幣 0.32 元	RMB 人民幣 0.24 元

### CONSOLIDATED BALANCE SHEET

### 綜合資產負債表

		2012	2011		2010	2009	2008
		二零一二年	二零一一年		二零一零年	二零零九年	二零零八年
As at 31 December		RMB '000	RMB '000	Change	RMB '000	RMB '000	RMB '000
於十二月三十一日		人民幣千元	人民幣千元	轉變	人民幣千元	人民幣千元	人民幣千元
Total assets	總資產	5,625,025	4,930,351	14.1%	4,909,240	3,297,702	3,199,192
Non-current assets	非流動資產	2,602,043	2,273,671	14.4%	2,017,995	1,627,487	1,623,120
Current assets	流動資產	3,022,982	2,656,680	13.8%	2,891,245	1,670,215	1,576,072
Total liabilities	總負債	3,066,816	2,858,448	7.3%	2,700,065	1,811,037	1,970,810
Current liabilities	流動負債	1,443,751	1,093,772	32.0%	2,020,984	1,510,315	1,396,370
Non-current liabilities	非流動負債	1,623,065	1,764,676	-8.0%	679,081	300,722	574,440
Net current assets	流動資產淨值	1,579,231	1,562,908	1.0%	870,261	159,900	179,702
Net assets	資產淨值	2,558,209	2,071,903	23.5%	2,209,175	1,486,665	1,228,382

## 財務摘要 FINANCIAL HIGHLIGHTS

### FINANCIAL INDICATORS

### 財務指標

		2012	2011	2010	2009	2008
		二零一二年	二零一一年	二零一零年	二零零九年	二零零八年
		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
For the year ended 31 December						
截至十二月三十一日止年度						
Inventory turnover days	存貨周轉天數	78	76	92	74	75
Trade and bill receivables turnover days	應收貿易及票據款項周轉天數	36	27	28	40	41
Trade and bill payables turnover days	應付貿易及票據款項周轉天數	40	39	60	60	61
Current ratio	流動比率	2.1	2.4	1.4	1.1	1.1
Net debt to equity ratio (Note 1)	負債淨額權益比率 (附註1)	0.48	0.66	0.29	0.39	0.60
Return on equity (Note 2)	權益回報率 (附註2)	21%	3%	46%	21%	19%

Note 1: Based on total borrowings net of cash and cash equivalents and pledged bank deposits over total equity.

附註1: 根據借貸總額扣除現金及現金等值物以及已抵押銀行存款除權益總額計算得出。

Note 2: Based on the net profit over the average of the total equity at the beginning and ending of the financial year.

附註2: 根據財政年度年初及年終時之淨利潤比平均權益總額計算得出。



# 企業簡介及架構

## CORPORATE PROFILE AND STRUCTURE

### CORPORATE PROFILE

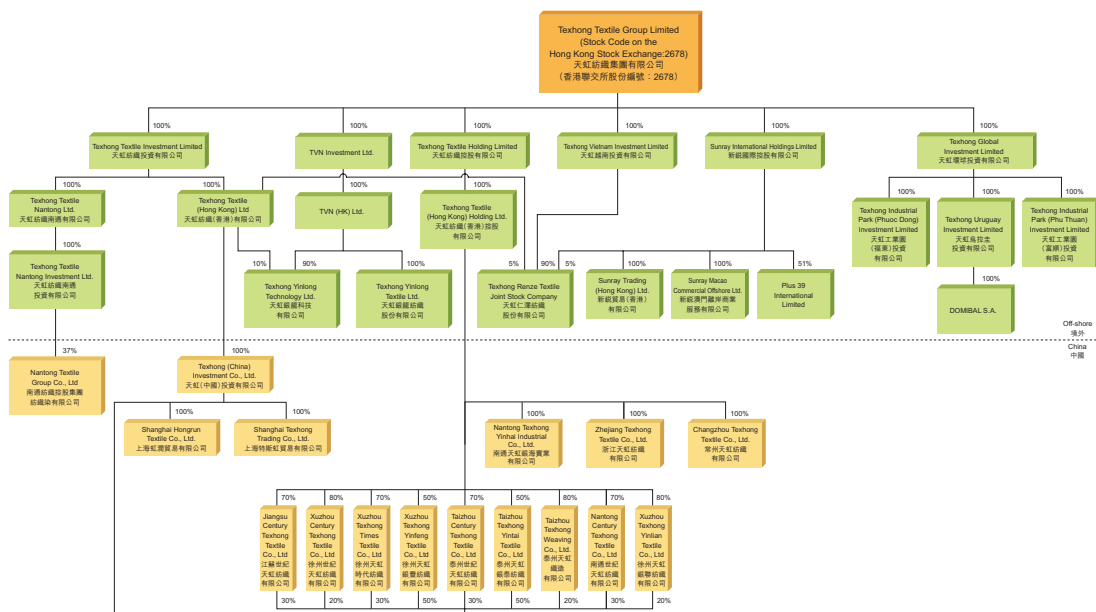
Texhong Textile Group Limited (the “Company”, together with its subsidiaries, the “Group”) (stock code: 2678) is one of the largest cotton textile manufacturers in the People’s Republic of China (“China” or the “PRC”) and is a leading textile enterprise focusing on manufacturing high value-added core-spun cotton textile products. The Group is principally engaged in the manufacture and distribution of quality yarn, grey fabrics and garment fabrics, especially high value-added core-spun yarn. Since 1997, the Group has grown rapidly and has over 1,600 customers in China and overseas, with its sales network spanning across the PRC, Brasil, Turkey, Bangladesh, Japan and South Korea. Headquartered in Shanghai, the Group is operating 11 efficient manufacturing plants in China (within the Yangze River Delta) and a production base in Vietnam with total annual production capacity of about 1 million spindles and 900 air-jet looms.

### 企業簡介

天虹紡織集團有限公司「本公司」，連同其附屬公司統稱「本集團」(股份編號: 2678)是中華人民共和國(「中國」)最大的棉紡織品製造商之一，更是中國領先的高附加值棉包芯紡織產品生產企業。本集團的主要業務為製造及銷售優質紗線、坯布及面料，尤其專注生產具有高附加值的棉包芯紗線。自一九九七年始，本集團業務發展迅速，更擁有超過1,600個國內外客戶，銷售網絡遍及中國、巴西、土耳其、孟加拉、日本及南韓。本集團以上海為總部，於中國長江三角洲內設有11個高效生產基地及在越南設有1個生產基地，具備約1,000,000個紗錠及900台噴氣織機的總年產能。

### CORPORATE STRUCTURE

### 企業架構





Hong Tianzhu 洪天祝  
Chairman 主席



# 主席報告書

## CHAIRMAN'S STATEMENT

On behalf of the Board of the Company, I am pleased to present to the shareholders of the Company the annual results of the Group for the year ended 31 December 2012.

### RESULTS

Given the low demand from Europe and the US and weak growth or even an expectation on hard landing of the PRC economy, every sector was exposed to immense pressure to adjust their strategy in 2012. The rising domestic production costs in the PRC have also presented challenges to the industry and become a trend. Due to the exercise of controls over both the price of cotton and import volume by the PRC government, cotton prices in the PRC hovered at high levels rather than following the trend of fluctuations and falls similar to international prices under weak global demand. Against this backdrop, the PRC cotton textile industry has encountered adversity to a degree exceeding that of the 2008 financial turmoil.

However, the Group has implemented scale expansion and product differentiation strategies at the same time. With the existing production base in Vietnam, the Group commenced the construction of a new plant in northern Vietnam in 2012. The Group's domestic and overseas production bases have managed to leverage their competitive advantages and secure greater market share in the PRC, in a business environment where our industry peers in the PRC faced harsh challenges and some of them were placed in jeopardy or even suspended production. Our yarn sales in 2012 reached a new high of about 243,000 tonnes.

As for positioning and marketing of our products, in addition to strengthening the market expansion of core-spun yarns, the Group's traditional competitive product, we also actively stepped up efforts in expanding the market of denim yarns and producing knitted yarns. A wide range of differentiated fibres was also used. We adhered to a business strategy focused on expansion of our scale of operations and production of differentiated products. Besides, in relation to the purchase of the principal raw materials, especially cotton, we stood out from our industry peers in terms of operating results by taking bold steps and measures to leverage on the difference in prices of domestic and overseas cotton in 2012 and rapidly increasing the consumption of overseas cotton.

During the year, the Group recorded a total revenue of RMB7,341.5 million, representing an increase of 6.8% when compared to that of 2011. Profit for the year grew substantially by seven times to RMB486.3 million. Earnings per share in 2012 amounted to RMB0.55, representing an increase of 685.7% when compared to that of 2011.

本人謹代表本公司董事會，欣然向本公司股東呈列本集團截至二零一二年十二月三十一日止年度的全年業績。

### 業績

面對歐美市場需求不振及中國經濟增長乏力，甚至預期會呈現硬著陸的局面，導致所有行業在二零一二年面對巨大的調整壓力；中國國內生產成本不斷上漲對行業的挑戰也早已是大勢所趨；中國政府對棉花的價格以及進口數量進行管制，使到中國境內的棉花價格並沒有因全球需求減弱而跟隨國際棉價反復下跌，反而在高位徘徊。綜合上述原因，中國棉紡織行業所面對的困境，遠比二零零八年金融風暴時更甚。

然而，本集團實施規模化及產品差異化同步並進的策略。本集團以越南的現有生產基地為基礎，二零一二年於越南北部開展新廠房的建設。當國內同業面對嚴峻經營環境，部分廠商陷於半停頓，甚至暫時停產的狀態時，本集團的海內外生產基地却全面能發揮競爭優勢，促使我們在中國奪取更大的市場份額，於二零一二年的紗線銷售量約達24.3萬噸，創造歷史紀錄。

在市場產品定位及營銷方面，除了加強對傳統優勢產品包芯紗的市場開拓，我們更積極拓展牛仔紗市場以及嘗試生產針織用紗，並配合使用各種特色的差別化纖維，貫徹落實規模化擴充及生產差異化產品。另外，在主要原材料，特別是棉花採購方面，我們把握住二零一二年中國及海外棉花的價格差異，採取果斷的應變措施，迅速提升海外棉花的使用量，從而取得比同業較佳的經營成果。

年內，本集團錄得總收入人民幣73.415億元，較二零一一年同期上升6.8%。年內溢利大幅上漲七倍至人民幣4.863億元。二零一二年的每股盈利為人民幣0.55元，較二零一一年增加685.7%。



## 主席報告書 CHAIRMAN'S STATEMENT

### OUTLOOK

Stagnant market conditions can sometimes present an outstanding development opportunity. In light of the competitive landscape of the PRC textile market, enterprises with strong core competitiveness are well-positioned to secure greater credibility and carve out a larger market coverage. This is the principle of “survival of enterprises with strong advantages and elimination of enterprises with poor performances” as referred to in our prior annual reports. The year 2012 further validated this principle. Currently, the trend towards a consumption-driven economy in the PRC is clear, and transformation and upgrade will be a hallmark of the next round of development for the industry. This does not only lay a solid foundation for the Group to implement a long term product differentiation strategy, but also offers favourable development opportunities. Economic slowdown would definitely affect the course of market globalisation, while trade protectionism brings both challenges and opportunities. Cooperations among local industry players and quick responses to global and local markets are becoming prevalent trends and create opportunities for the globalisation of the textile industry. In view of the prolonged price gap of cotton between China and overseas due to the differentiation in policies, enterprises with overseas production bases will have greater room for growth and a strong early-mover advantage. As a leading player in the globalisation of the textile industry, the Group will further expand the scale of its overseas production bases, in order to capture the prevailing opportunity and uphold a development strategy with a dual focus on the global expansion of its scale of operations and an organic industrial upgrade through implementation of the differentiation and other strategies.

Within the US-supported Trans-Pacific Strategic Economic Partnership Agreement, the framework agreement for the world's largest free trade zone in the Pan-Pacific region, Vietnam occupies a vital strategic position and enjoys remarkable competitive advantage. Not only is it one of the potential members of Trans-Pacific Partnership, Vietnam is also one of the key overseas production bases of the Group. The construction of our new plant in northern Vietnam has progressed smoothly since commencement in July 2012. The equipment for the first phase of approximately 170,000 spindles and 30 sets of open-end spinning machines are expected to be installed and put into trial production in the first quarter of 2013, with full production anticipated at the end of the second quarter. This new plant covers an area of about 36 hectares, and can be built into a production base of up to 400,000 spindles. The total investment for the project is about RMB1.1 billion. Following the commissioning of the first phase of production base, we will evaluate the construction of the remaining 230,000 spindles by taking into account of the then cash flows. The plant is currently planned to be completed and put into operation in 2014.

### 展望

市場欠佳時可以是最好的發展時機。在競爭激烈的中國紡織市場中，對於具有核心競爭力的企業會有更好的可信度及更大的市場空間，這是我們在過往的年報中，經常提到的「優勝劣汰乃自然法則」，這一法則，在二零一二年度又再一次完全體現。目前，中國市場的消費拉動導向十分明顯，轉型升級將是下一輪發展的產業機會，這對本集團長期實施產品差異化策略創造了良好基礎之外，更是個有利的發展時機；全球市場低迷必將影響市場全球化，貿易保護主義是挑戰也是機遇，產業鏈本地協作、全球及本地市場要求的快速反應將會是主要趨勢，這為紡織產業的全球化布局提供機會；另外，中國市場及海外棉花的價差由於政策差異將長期存在，擁有海外生產基地的企業將具備更多空間，也必然穩奪先機，本集團作為紡織行業全球化的領先企業之一，將進一步擴大海外生產基地規模，抓住機遇，繼續實施在全球範圍內的規模化擴張及差異化等內涵式產業升級同步推進的發展戰略。

《泛太平洋戰略經濟夥伴關係協定》(Trans-Pacific Partnership)是美國推動打造的跨太平洋全球最大自由貿易區的框架協定，越南可能作為其中成員之一，也是我們於海外的重點生產基地，戰略定位及明顯優勢不言而喻。我們在越南北部的新廠房建設，在二零一二年七月啟動後進展順利。第一期約170,000紗錠及30台氣流紡紗機預計在二零一三年第一季度陸續安裝設備並同時開始試生產，目標於第二季度末全面投產。新廠房佔地約36公頃，可建達400,000紗錠生產基地，項目總投資約人民幣11億元。當第一期順利投產後，結合當時的現金流狀況，將考慮建設餘下230,000紗錠，目前預計有望在二零一四年內完成全面建設並投產。

## 主席報告書 CHAIRMAN'S STATEMENT

While consolidating our production strengths in Vietnam, we would not rule out the possibility of the construction or acquisition of production bases in other countries with promising potential, so that our production network would gradually become globalised. This would enable us to cope with the huge domestic demand from the PRC market and cater for the demand for our yarns from overseas customers. By further extending into overseas markets and customers, we should significantly enhance our market awareness and response time to capture the demand for various products, and compete more efficiently in the context of rising trade barriers that may hinder market development. In particular, to explore the market in South America, we plan to invest a total of RMB400 million to build a synthetic fibre yarn production base in Uruguay with construction to be completed in 2014. The investment project in Uruguay would enable us to tap the markets in South America and produce different types of yarns, and also effectively mitigate the impact of cotton market fluctuations on our operation.

In 2012, the Group was awarded "one of the top 20 competitive cotton textile enterprises" by China National Textile and Apparel Council for the ninth consecutive year. Competition in the textile industry is extremely severe as this industry has a long history of development. Yet, this traditional manufacturing industry is also characterised by its chic and innovation components along with huge domestic and global demand. We believe that we can deliver outstanding results and achieve significant growth if we can grasp the opportunities in the market through our passionate creativity and breadth of innovation as well as spirit of professionalism.

We will continue to promote unified corporate values and guidelines and persevere with our operating strategy which focuses on "professionalism, perfectionism and globalisation". We expect that the Group will maintain a steady growth in the years to come with a target of earning an annual revenue of more than RMB10 billion in the near future.

### ACKNOWLEDGEMENT

On behalf of the Board, I would like to express my sincere thanks to all the shareholders and customers for their continuous support. Also, I would like to take this opportunity to thank all our dedicated staff members for their valuable contributions during the year.

**Hong Tianzhu**  
Chairman

28 February 2013

在鞏固我們於越南地區生產優勢的同時，我們不排除考慮在其他具潛力國家自建或收購生產基地，逐步實施全球化生產布局，以應付龐大的中國內需市場以及滿足海外客戶對我們紗線的需求，靠近海外市場與客戶將大大提升我們對不同產品需求的敏感度及反應速度，而且有效抗衡貿易壁壘對市場開拓所產生的影響。其中，對應南美市場，我們計劃在烏拉圭投資人民幣4億元興建化纖紗線生產基地，將於二零一四年完成建設。烏拉圭投資項目除有效開拓南美市場，生產不同種類紗線產品外，亦能有效減低棉紡市場波動對我們營運的影響。

在二零一二年，本集團獲「中國紡織工業協會」嘉許為「二十大最具競爭力棉紡織廠之一」一這已是連續九年獲得的榮譽。紡織行業是傳統製造業，行業內部競爭當然是非常激烈的，但我們認為紡織服裝行業是時尚及創新兼備的領域，且擁有龐大的中國及全球市場需求，只要我們繼續發揮豐富的想像力、對行業充滿激情、發揚專業與創新的精神，找准並把握市場機遇，企業當然能獲取豐厚的回報及長足的發展。

本集團繼續倡導統一的價值觀及行動方案，秉持「專業化、精益化、國際化」的營運策略。我們預期本集團在未來幾年將維持穩定增長，於不久將來達成年收入達人民幣百億元的目標。

### 鳴謝

本人僅代表董事會對全體股東及客戶一直以來的鼎力支持致以衷心的謝意。與此同時，本人僅藉此機會感謝本集團努力不懈的員工於年內作出的寶貴貢獻。

**洪天祝**  
主席

二零一三年二月二十八日

# 管理層討論及分析

## MANAGEMENT DISCUSSION AND ANALYSIS

### OVERVIEW

We are pleased to report to the shareholders the annual results of the Group for the year ended 31 December 2012. For the PRC textile industry, the past year presented a difficult operating environment, which stemmed from the weakening of the overall demand on one hand, and from high prices of domestic raw materials on the other hand. Some industry players were in a perilous state or even suspended production. The Group managed to stay ahead of the production cycle within and outside the PRC by riding on the advantages of its overseas production bases and swiftly adjusting the procurement strategy of raw materials, thus achieving a turnover rebound and a significant increase in earnings when compared to that of 2011. When compared to 2011, the Group recorded a turnover growth of 6.8% to RMB7,341.5 million. Profit for the year significantly increased by seven times to RMB486.3 million. Earnings per share rose by seven times from RMB0.07 during the corresponding period in 2011 to RMB0.55.

### INDUSTRY REVIEW

In 2012, the PRC's textile industry faced a number of challenges in three major areas, namely the sluggish external demand, the significant disparity in cotton prices within and outside the PRC as well as the rise in production costs in the PRC.

The demand from the international market was slack. According to statistics, the total exports of textiles and clothing to the US and the European Union from January to November recorded a decrease of 0.9% and 5% respectively when compared to the corresponding period of 2011, resulting in a shortage of orders placed with export enterprises in the PRC. In addition, as cotton prices in the domestic market exceeded international prices by about 45% at the end of 2012 due to the impact of national policy, the competitiveness of the cotton spinning industry chain was materially affected. The rise in costs has imposed considerable pressure on enterprises. The survey of China Cotton Textile Industry Association shows that direct labour costs jumped by about 10% in 2012 on an individual basis.

### 綜覽

我們欣然向股東報告本集團截至二零一二年十二月三十一日止年度全年業績。在過去一年，中國紡織行業的經營環境舉步維艱，一方面整體需求疲弱，另一方面，國內原料價格高昂，導致部分同業陷於半停頓甚至停產狀態。本集團憑著海外生產基地的優勢及快速調整原料採購策略，穩住國內外生產節奏，致使營業額不跌反升，盈利更比二零一一年同期錄得顯著增長。相比二零一一年同期，本集團錄得營業額增長6.8%至人民幣73.415億元。年內溢利大幅增加7倍至人民幣4.863億元。每股盈利亦由二零一一年同期人民幣0.07元躍升7倍至人民幣0.55元。

### 行業回顧

外需不振、國內外棉花價格差異巨大，以及中國的生產成本上漲，是中國紡織工業在二零一二年所面對的三大考驗。

國際市場需求低迷，根據相關資料，一月至十一月，對美國和歐盟紡織品服裝出口總額相比二零一一年同期分別下降0.9%和5%，造成中國出口企業訂單不足。另外，受國內管理政策影響，二零一二年年底國內棉價比國際市場高出約45%，嚴重影響了棉紡產業鏈的競爭力。成本的增加也給企業帶來了巨大的壓力。中國棉紡織行業協會調查顯示，在二零一二年，單是勞工的直接成本更增加了10%左右。



## 管理層討論及分析

# MANAGEMENT DISCUSSION AND ANALYSIS

### INDUSTRY REVIEW (Continued)

Given this challenging scenario, there was a setback in the overall performance of the PRC textile industry in 2012 when compared to the corresponding period last year. According to the data of the National Bureau of Statistics, the revenue and gross profit from principal business operations of above-scale enterprises in the PRC cotton textile industry from January to November was up by only 13.5% and only 7.5% respectively, when compared to the corresponding period of 2011. The rate of growth was remarkably slower when compared with that of 2011. The reduction in efficiency was also reflected in losses of enterprises. From January to November 2012, losses of above-scale enterprises accounted for a rate of 13%, which was considerably more severe than the situation in 2011.

Despite a continuous slowdown in the growth of the sales market, the performance in the second quarter of 2012 was better than that in the first quarter, while that in the third quarter was even more satisfactory. The performance in November 2012 has followed this growth trend. Looking ahead to 2013, in view of the ongoing European debt crisis and rising production costs, the market conditions would not pick up in the immediate future. However, the PRC's policy focus on accelerated urbanisation should effectively give fresh impetus to domestic demand. Moreover, we believe that the migration of the rural population, accounting for 57% of the PRC's total population of 1.3 billion, to urban areas can alleviate the high labour costs of the cotton textile industry. All these favourable factors should act to improve the operating environment of the textile enterprises which mainly focus on the domestic market.

### BUSINESS REVIEW

For the year ended 31 December 2012, the turnover of the Group was RMB7,341.5 million, representing an increase of 6.8% over the corresponding period last year, which was mainly attributable to the growth in the sales volume of yarns. The turnover contributions are mainly derived from sales of yarns, grey fabrics and garment fabrics.

### 行業回顧(續)

面對種種挑戰，中國紡織行業在二零一二年的整體業績表現較去年同期遜色。根據國家統計局資料顯示，一至十一月，中國棉紡織規模以上企業主營業務收入及利潤總額相比二零一一年同期增長13.5%及7.5%，與二零一一年同期相比，增幅明顯緩慢。效益的下滑也同時體現在企業的虧損上，二零一二年一至十一月，規模以上企業虧損面達13%，較二零一一年相比則更加嚴峻。

儘管二零一二全年銷售市場的走勢持續緩慢，但整體而言，二零一二年第二季度的表現優於第一季度，第三季度又較一、二季度為佳，直到二零一二年十一月仍處於增長的趨勢。展望二零一三年，歐債危機懸而未決，生產成本持續高企，市況不會瞬間回暖。然而，中國的政策焦點將加速城鎮化發展，將有效刺激內需，加上我國十三億人口中，農村人口佔57%，其中有一部分將轉為城鎮人口，相信能有助舒緩棉紡織行業勞工成本高企的問題。這些利好因素將有力改善以國內市場為主的紡織企業的經營氛圍。

### 業務回顧

截至二零一二年十二月三十一日止年度，本集團的營業額為人民幣73.415億元，比去年同期上升6.8%，主要由紗線銷量增長帶動。營業額貢獻主要來自紗線、坯布及面料的銷售。

## 管理層討論及分析 MANAGEMENT DISCUSSION AND ANALYSIS



### BUSINESS REVIEW (Continued)

Yarn continued to be the major product of the Group with a turnover of RMB6,146.9 million, accounting for 83.7% of the Group's total turnover for the year ended 31 December 2012. In spite of the weak demand from downstream textile manufacturers in the PRC, the total demand remained huge. Against the background of the incapability of some manufacturers to continue business operation in light of low product prices and high production costs in the PRC, the Group successfully secured a relatively large market share from its competitors by capitalising on the advantages of its production base in Vietnam and the stable and full range of product offerings. When compared with the corresponding period of 2011, sales volume increased by 28% to about 243,000 tonnes, reaching a record high volume. Affected by the fall in cotton prices, the average unit selling price of yarn decreased by 17.0% from RMB30,500 per tonne during 2011 to RMB25,308 per tonne during 2012. Turnover of grey fabric was RMB1,027.9 million, accounting for 14.0% of the Group's total turnover for the year ended 31 December 2012.

### 業務回顧(續)

紗線繼續成為本集團的重點產品，營業額達到人民幣61.469億元，佔集團截至二零一二年十二月三十一日止年度之總營業額的83.7%。雖然來自中國下游紡織廠的需求不振，但總量需求依然巨大，當產品價格低迷、國內生產成本居高不下，部分廠家沒法持續經營的情況下，本集團憑著越南生產基地的優勢及穩定的全系列產品供應，從競爭對手中成功奪取不少市場份額，與二零一一年同期比較，銷量增加28%至約24.3萬噸，打破歷年銷量紀錄。受到棉花價格下跌的影響，紗線的平均銷售單價從二零一一年同期每噸人民幣30,500元下降17.0%至二零一二年每噸人民幣25,308元。坯布的營業額為人民幣10.279億元，佔集團截至二零一二年十二月三十一日止年度之總營業額的14.0%。

### BUSINESS REVIEW (Continued)

The overall gross profit margin of the Group for the year ended 31 December 2012 increased from 8.1% for the corresponding period last year to 15.3%. Cotton is the major raw materials of the Group. In particular, cotton prices in the PRC exerted the greatest impact on the selling price of the Group's products. Though there was a sharp fall in the selling prices of the Group along with a drop in cotton prices in 2012, benefiting from the consumption of cheaper overseas cotton at overseas production base plus the prompt adjustment in switching to the use of overseas cotton by domestic production bases, production costs were effectively reduced, resulting in a rebound of gross profit margin.

During the year, about 1 million spindles of the Group were put into full production. The output of cotton and denim yarn tonnage of the Vietnam plant already exceeded 58% of the total cotton and denim yarns output of the Group. This underscored the success of the Group's strategic initiative to establish overseas plants. This move enables us to leverage the low overseas production cost advantages and successfully improves the overall profit on one hand, while effectively lowering the risk exposures associated with pure local production in the PRC on the other hand. In 2012, cotton yarns, denim yarns and synthetic fibre yarns accounted for 49.4%, 31.2% and 19.4% of the total sales volume of yarns of the Group respectively.

The Group has also further strengthened the strategic cooperation with INVISTA North America S.à.r.l ("Invista") and Lenzing Fibers (Shanghai) Co., Ltd. ("Lenzing"). At the same time, the Group has continued to produce different high-end non-spandex core-spun yarns, high-end denim yarns and high-end knitted yarns using the cellulose-based Tencel® fibre, Modal® fibre and viscose fibre supplied by Lenzing. In addition, we consistently apply environmental-friendly polyester to produce blended yarns with other fibres. The Group has further reinforced cooperative relationship with Toray of Japan. Our research and development centre in Changzhou has been developing products and improving product quality in reaction to market demand, in order to maintain a leading position in the industry and to meet the demand of quality customers for different high-end products.

### 業務回顧(續)

集團於截至二零一二年十二月三十一日止年度整體毛利率由二零一一年同期的8.1%增加至15.3%。棉花是本集團的主要原材料，特別是中國棉花價格對本集團產品售價影響最大。雖然二零一二年本集團產品售價隨著棉花價格下跌而大幅下滑，但受惠於海外生產基地可以採用更廉宜的海外棉花，加上國內生產基地也迅速地作出調整，儘量改用海外棉花，此舉有效降低生產成本，最終令毛利率不跌反升。

年內，集團共約100萬紗錠全面投產，越南廠房產出的棉及牛仔紗線噸數已超過整個集團的棉及牛仔紗線產出的58%，完全突顯集團在海外設廠的戰略部署的成功。此項部署一方面發揮了海外的低生產成本優勢，成功提升整體利潤，同時有效降低只在中國本地生產的風險。在二零一二年，棉紗線、牛仔紗線及化纖類紗線分別佔本集團總紗線銷售量的49.4%、31.2%及19.4%。

本集團繼續與INVISTA North America S.à.r.l (「Invista」)及蘭精纖維(上海)有限公司(「蘭精」)緊密合作，同時也繼續著力生產由蘭精供應的cellulose-based Tencel®、Modal®及粘膠製造高檔非氨綸包芯紗、高檔牛仔紗及高檔針織用紗。此外，本集團貫徹採用具有環保概念的滌綸與其他纖維的混紡紗線。本集團進一步強化與日本東麗公司的合作關係。本集團位於常州的研發中心也不斷因應市場需求而開發及改良產品質素，銳意在業界保持領先地位，並主攻在不同產品領域上最優質的客戶群。



### PROSPECT

Prices of cotton and other agricultural products will continue to be subject to global economic conditions and the volatility of the financial market. Currently, overseas cotton prices hover at low levels, in contrast to the PRC where domestic cotton prices are maintained at high levels, which continuously exerts tremendous pressure on the operation of domestic textile manufacturers. Though the Group has successfully established a foothold in Vietnam and the current operating environment is more conducive to the Group's vying for a larger market share in the PRC, we believe that this unusually favourable operating environment is of limited duration. Accordingly, the Group fully intends to capture the opportunities for expansion, dedicate itself to enhance the production process and provide differentiated high quality products, so that we remain capable of maintaining a leading position in the industry through our competitive strength when a normal operating environment resumes.

The construction of the new plant in northern Vietnam has progressed smoothly since commencement in July 2012. The equipment for the first phase of approximately 170,000 spindles and 30 sets of open-end spinning machines are expected to be installed and undergone trial production in the first quarter of 2013, and is anticipated to launch full production at the end of the second quarter of 2013. As our products are in robust demand in the market, the productivity of our production bases in China should also be enhanced and the equipment would be upgraded accordingly, in order for us to cope with the market demand. We expect that about 500,000 spindles and 30 sets of open-end yarn spinning machines will be installed at the Group's production bases in the PRC and Vietnam in 2013 and the related capital expenditures will be approximately RMB980 million.

As for the purchases of raw materials, as cotton prices in the international market are far lower than that in the PRC, the Group has stepped up efforts to purchase cotton from overseas countries. The existing cotton inventory and purchase orders with determined pricing are sufficient to meet our need in the coming five months.

Looking ahead, the Group's management aims at improving our profitability by optimising our existing product mix, developing new products that cater for the trends and demand of the market and fully leveraging the cost advantages of our plants in Vietnam. Furthermore, our goal is to sustain a high growth rate in profit and turnover through expansion of production capacity, thereby reinforcing our competitiveness and leading position within the industry.

### 前景

棉花與其他農產品價格依然受到全球經濟及金融市場波動所牽制。目前，海外棉花價格在偏低水平徘徊，對比中國國內的棉花價格高居不下，在中國境內的紡織廠商繼續面對巨大的經營壓力。儘管本集團早已在越南成功紮根，目前經營環境也更有利於本集團爭奪中國市場份額，但我們相信這種異常的經營環境不會永久持續，因此本集團將全力把握擴充的機遇、努力不懈地提升生產工藝以及提供優質穩定的差異化產品，當經營環境恢復正常時，我們的競爭力也始終能在行業中保持領先地位。

我們在越南北部的新廠房建設，在二零一二年七月啟動以來進展順利，第一期約17萬錠及30台氣流紡紗機預計在二零一三年第一季度陸續安裝設備並同時開始試生產，可望於第二季度末全面投產。由於市場對我們的產品需求強勁，我們在國內的生產基地也會相應增加產能及更新設備以應付市場需求。我們預計二零一三年本集團在中國及越南的生產基地將安裝共約50萬紗錠及30台氣流紡紗機，而相關資本開支約為人民幣九億八千萬元。

在原材料採購方面，有鑒於目前國際棉花市場的價格遠低於中國的棉花價格，本集團已加大採購海外棉花的力度，目前的棉花庫存加上已定價的採購訂單，將足夠應付未來約五個月的用量。

展望未來，管理層將透過改良現有產品結構、開發迎合市場需要的新產品及充分發揮越南生產基地的成本優勢，著力提升獲利能力。另外，本集團亦期望通過擴充產能，使到利潤與營業額維持高增長步伐，令本集團在業界保持最具競爭力及領先的地位。

## 管理層討論及分析

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW

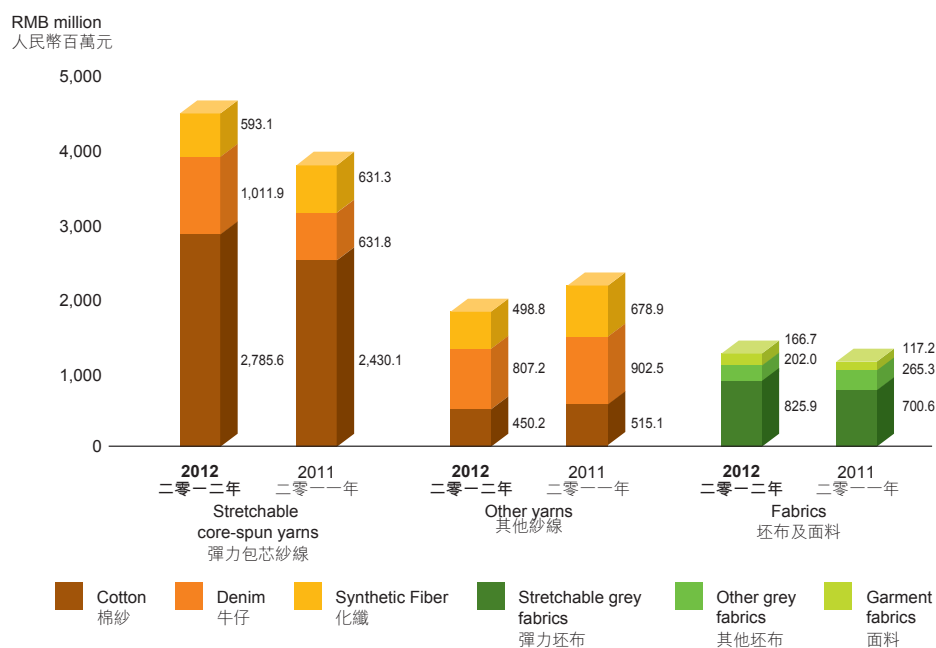
#### Turnover

The Group's turnover comprises the sales of yarns, grey fabrics and garment fabrics. Although product selling prices dropped sharply following the drop in raw material prices, sales volume grew sharply under strong demand of our products. The sales of yarns grew by about 6.2% in 2012 as compared to that of 2011. Turnover analyses of the Group by products are shown below.

#### 財務回顧

#### 營業額

本集團的營業額主要來自銷售紗線、坯布及面料。雖然原材料價格下滑，導致產品售價急劇下降，但市場對本集團產品的強勁需求推動銷量急增，於二零一二年紗線銷售額較二零一一年增長約6.2%。下列為本集團各種產品的營業額分析。



		2012 二零一二年	2011 二零一一年	Turnover change between 2012 and 2011 二零一二年 營業額對比 二零一一年 之轉變
		RMB'000 人民幣千元	RMB'000 人民幣千元	
Stretchable core-spun yarns	彈力包芯紗線			
— Cotton	— 棉紗	2,785,621	2,430,067	14.6%
— Denim	— 牛仔	1,011,931	631,826	60.2%
— Synthetic Fiber	— 化纖	593,064	631,338	-6.1%
Other yarns	其他紗線			
— Cotton	— 棉紗	450,192	515,051	-12.6%
— Denim	— 牛仔	807,242	902,493	-10.6%
— Synthetic Fiber	— 化纖	498,804	678,932	-26.5%
Fabrics	坯布及面料			
— Stretchable grey fabrics	— 彈力坯布	825,917	700,556	17.9%
— Other grey fabrics	— 其他坯布	201,980	265,287	-23.9%
— Garment fabrics	— 面料	166,723	117,163	42.3%
<b>Total</b>	<b>總計</b>	<b>7,341,474</b>	<b>6,872,713</b>	<b>6.8%</b>

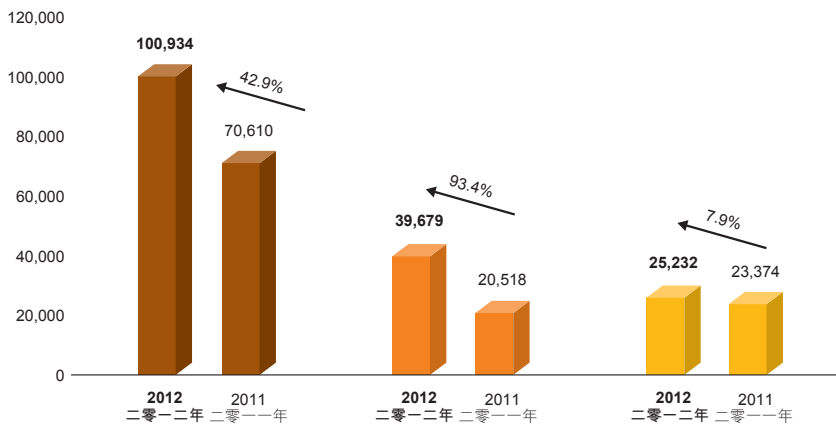
# 管理層討論及分析 MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW (Continued) Turnover (Continued)

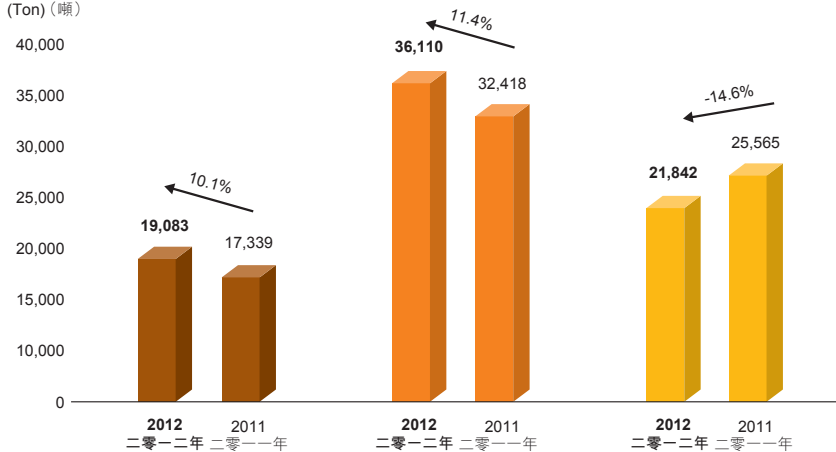
## 財務回顧(續) 營業額(續)

### Sales Volume 銷量

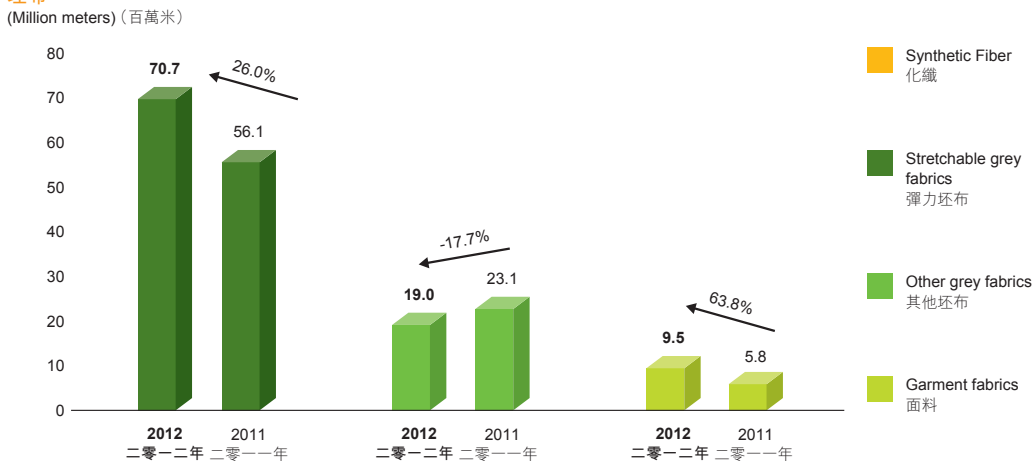
#### Stretchable core-spun yarns 彈力包芯紗線 (Ton) (噸)



#### Other yarns 其他紗線 (Ton) (噸)



#### Fabrics 坯布 (Million meters) (百萬米)





## 管理層討論及分析

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW (Continued) Turnover (Continued)

### 財務回顧(續) 營業額(續)

		Sales Volume		Selling price		Gross profit margin	
		銷量		售價		毛利率	
		2012	2011	2012	2011	2012	2011
		二零一二年	二零一一年	二零一二年	二零一一年	二零一二年	二零一一年
Stretchable core-spun yarns (Ton/RMB per ton)	彈力包芯紗線 (噸/人民幣每噸)						
— Cotton	— 棉紗	100,934	70,610	27,598	34,415	18.3%	6.3%
— Denim	— 牛仔	39,679	20,518	25,503	30,794	18.4%	13.6%
— Synthetic Fiber	— 化纖	25,232	23,374	23,504	27,010	13.8%	13.7%
Other yarns (Ton/RMB per ton)	其他紗線 (噸/人民幣每噸)						
— Cotton	— 棉紗	19,083	17,339	23,591	29,705	11.2%	-1.9%
— Denim	— 牛仔	36,110	32,418	22,355	27,839	13.2%	7.3%
— Synthetic Fiber	— 化纖	21,842	25,565	22,837	26,557	15.6%	14.7%
Fabrics (Million meters/ RMB per meter)	坯布 及面料(百萬米/ 人民幣每米)						
— Stretchable grey fabrics	— 彈力坯布	70.7	56.1	11.7	12.5	9.4%	6.6%
— Other grey fabrics	— 其他坯布	19.0	23.1	10.6	11.5	4.0%	3.0%
— Garment fabrics	— 面料	9.5	5.8	17.5	20.2	15.6%	16.8%

# 管理層討論及分析 MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW (Continued)

### Turnover (Continued)

The Chinese textile market is the Group's major market, accounting for 88% of our total turnover of 2012. The ten largest customers of the Group for 2012 are as follows:

Zhejiang Limayunshan Textile Co., Ltd.  
Yixing Lucky G And L Denim Co., Ltd.  
Yixing Lucky G And L Dyeing And Finishing Co., Ltd.  
Shaoguan Shunchang Weaving Factory Co., Ltd.  
Guangdong Qianjin Jeans Co., Ltd.  
Jiangsu Baohong Textile Co., Ltd.  
Zhejiang Jiaermei Textile Co., Ltd.  
Conba Group Co., Ltd.  
Toray International, Inc.  
Foshan Seazon Textile & Garment Co., Ltd.

The Group has more than 1,600 customers. As the Group produces differentiated products, the Group does not rely on the orders from any single customer. The ten largest customers only accounted for 19.8% of the total turnover of 2012. The ten largest customers mentioned above have more than five years' trade relationship with the Group.

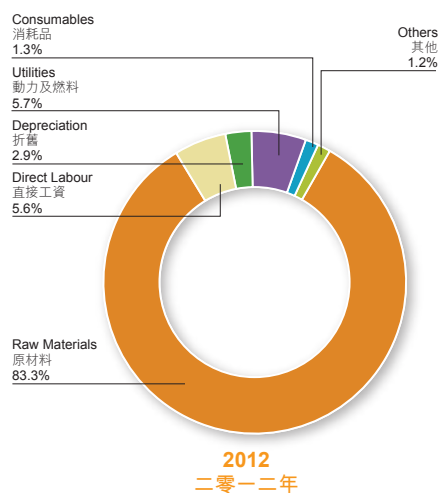
### Gross profit and gross profit margin

The gross profit of the Group increased from RMB555.6 million to RMB1,124.1 million, representing an increase of 102.3% as compared to that of 2011. The overall gross profit margin also increased by 7.2 percentage point to 15.3% as compared to that of 2011, which was mainly contributed by the consumption of cheaper overseas cotton.

### Cost structure

Cost of sales decreased by 1.6% to RMB6,217.4 million when compared to that of 2011. Although sales volume of yarns increased sharply, the drop in cotton price offset such impact. Raw material cost accounted for about 83.3% of the total cost of sales of 2012. Cotton is our major raw material.

The breakdown of our cost of sales is shown below:



## 財務回顧(續)

### 營業額(續)

中國紡織市場是本集團的主要市場，佔本集團二零一二年總營業額的88%，以下是本集團於二零一二年度的十大客戶：

浙江立馬雲山紡織股份有限公司  
宜興樂威牛仔布有限公司  
宜興新樂祺紡織印染有限公司  
韶關市順昌布廠有限公司  
廣東前進牛仔布有限公司  
江蘇寶鴻紡織品有限公司  
浙江佳而美紡織有限公司  
康恩貝集團有限公司  
Toray International, Inc.  
佛山市致興紡織服裝有限公司

本集團擁有客戶逾1,600家，由於本集團以生產差異化產品為重點，且本集團並不依賴單一客戶的訂單，因此二零一二年十大客戶僅佔總營業額的19.8%。以上十大客戶與本集團的貿易往來均超過5年以上。

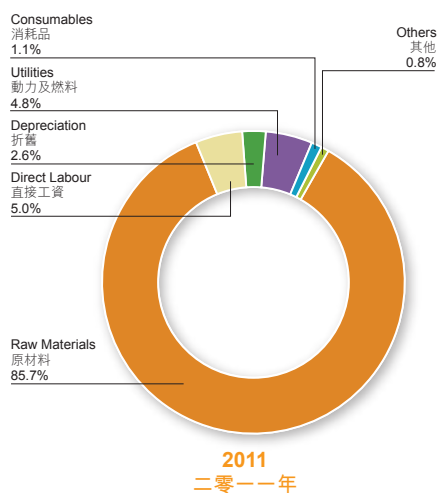
### 毛利及毛利率

本集團的毛利由二零一一年人民幣5.556億元增加102.3%至人民幣11.241億元。整體毛利率亦較二零一一年上升了7.2個百分點至15.3%，主要因為採用較便宜的海外棉花所致。

### 成本架構

銷售成本較二零一一年下降1.6%至人民幣62.174億元，縱使紗線銷量增長迅速，棉花價格下跌抵銷其影響。於二零一二年之原材料成本佔總銷售成本約83.3%。棉花為我們的主要原材料。

下列為本集團銷售成本的明細：



## 管理層討論及分析

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW (Continued)

#### Selling and distribution costs

For the year ended 31 December 2012, the Group's selling and distribution costs amounted to RMB202.9 million, representing an increase of 33.7% when compared to that of 2011. The increase was attributable to the increase in salaries and transportation cost due to increase in sales volume.

#### General and administrative expenses

During 2012, the Group's general and administrative expenses increased by 8.8% to RMB227.3 million when compared to that of 2011, which amounted to 3.1% of the Group's turnover.

#### Cash flow

### 財務回顧(續)

#### 銷售及分銷開支

於截至二零一二年十二月三十一日止年度，本集團之銷售及分銷開支較二零一一年上升33.7%至人民幣2.029億元。升幅是由於薪金上漲及因銷量增加而導致運輸成本上升所致。

#### 一般及行政開支

本集團於二零一二年之一般及行政開支較二零一一年上升8.8%至人民幣2.273億元，佔本集團營業額3.1%。

#### 現金流量

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Net cash generated from/(used in) operating activities	經營活動所得/(所耗)現金淨額	924,029	(35,755)
Net cash used in investing activities	投資活動所耗現金淨額	(644,881)	(440,984)
Net cash (used in)/generated from financing activities	融資活動(所耗)/所得現金淨額	(212,259)	370,680
Cash and cash equivalents at end of the year	於年末的現金及現金等值物	530,296	463,407

For the year ended 31 December 2012, net cash generated from operating activities amounted to RMB924.0 million, which was mainly contributed by the increase in profit. The net cash used in investing activities amounted to RMB644.9 million, which was mainly used for the payment of capital expenditure of new production facilities in Xuzhou of the PRC and Vietnam and payments for settlement of the accounts payable for machinery purchases. During the year under review, the net cash used in financing activities amounted to RMB212.3 million, which was mainly used for the repayment of matured bank borrowings and the repurchase of senior notes.

#### Liquidities and financial resources

As at 31 December 2012, the Group's bank and cash balances (including pledged bank deposits) amounted to RMB552.3 million (as at 31 December 2011: RMB495.3 million). The Group's inventories increased by RMB132.9 million to RMB1,421.5 million and our trade and bills receivables increased by RMB172.3 million to RMB812.4 million (as at 31 December 2011: RMB1,288.6 million and RMB640.1 million respectively). The inventory turnover days and trade and bills receivable turnover days were 78 days and 36 days respectively, compared to 76 days and 27 days in 2011. Increase in receivable turnover days was attributable to the decrease in discounting of post-dated bank drafts due to strong cash flow.

截至二零一二年十二月三十一日止年度，本集團錄得經營活動所得現金淨額人民幣9.240億元，主要由於利潤增加所致。本集團投資活動所耗現金淨額為人民幣6.449億元，主要用於支付本集團在中國徐州和越南新增生產設備的資本開支，以及結付購買機器的應付賬款。於回顧年度內，融資活動所耗現金淨額為人民幣2.123億元，主要用於償還到期銀行借貸及購回優先票據。

#### 流動資金及財務資源

於二零一二年十二月三十一日，本集團的銀行及現金結餘(包括已抵押銀行存款)為人民幣5.523億元(於二零一一年十二月三十一日：人民幣4.953億元)。本集團的存貨及應收貿易及票據款項分別增加人民幣1.329億元至人民幣14.215億元及增加人民幣1.723億元至人民幣8.124億元(於二零一一年十二月三十一日：分別為人民幣12.886億元及人民幣6.401億元)。存貨周轉天數及應收貿易及票據款項周轉天數分別為78天及36天，而二零一一年則分別為76天及27天。應收款項周轉天數增加是由於現金流維持強勁，令銀行承兌滙票貼現金額有所下滑所致。

## 管理層討論及分析 MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW (Continued)

#### Liquidities and financial resources (Continued)

Trade and bills payables increased by RMB362.3 million to RMB864.7 million as at 31 December 2012 (as at 31 December 2011: RMB502.4 million), the payable turnover days was 40 days which was similar to the level in 2011.

The Group decreased the total bank borrowings by RMB85.6 million to RMB1,770.2 million as at 31 December 2012 mainly due to the repurchase of its senior notes of notional amount of US\$5 million and the repayment of matured bank borrowings. The Group has repurchased and cancelled its senior notes of notional amount of US\$12 million since its issuance in January 2011. Current bank borrowings increased by RMB62.6 million to RMB206.1 million while non-current bank borrowings decreased by RMB148.2 million to RMB1,564.1 million.

As at 31 December 2012, the Group's financial ratios were as follows:

		2012 二零一二年	2011 二零一一年
Current ratio	流動比率	2.09	2.43
Debt to equity ratio	負債權益比率	0.69	0.90
Net debt to equity ratio	負債淨額權益比率	0.48	0.66

#### Borrowings

As at 31 December 2012, the Group's total bank borrowings amounted to RMB1,770.2 million, among which RMB95.0 million (5.4%) was denominated in Renminbi, RMB1,671.5 million (94.4%) was denominated in United States dollars ("US\$") and RMB3.7 million (0.2%) was denominated in Hong Kong dollars ("HK\$"). These bank borrowings borne interest at interest rates ranging from 1.8% to 7.625% per annum (2011: 2.1% to 7.625%).

As at 31 December 2012, the Group has outstanding current bank borrowings of RMB206 million (2011: RMB144 million). Increase in current bank borrowings was used in financing the short-term working capital needs.

In respect of the Group's borrowings, the Group has to comply with certain restrictive financial covenants.

Bank borrowings of RMB499.2 million (2011: RMB476.6 million) were secured by the pledge of the Group's land use rights with a net book amount of RMB19.8 million (2011: RMB50.9 million) and the pledge of the Group's property, plant and equipment with a net book amount of approximately RMB352.5 million (2011: RMB387.2 million) as at 31 December 2012.

### 財務回顧(續)

#### 流動資金及財務資源(續)

於二零一二年十二月三十一日，應付貿易及票據款項增加人民幣3.623億元至人民幣8.647億元(於二零一一年十二月三十一日：人民幣5.024億元)，其付款周轉天數為40日，保持與二零一一年相若的水平。

本集團於二零一二年十二月三十一日的銀行借貸總額減少人民幣8,560萬元至人民幣17.702億元，主要由於購回面額為500萬美元之優先票據及償還到期銀行借貸。本集團自二零一一年一月發行優先票據以來，已購回及註銷面額為1,200萬美元之優先票據。流動銀行借貸增加人民幣6,260萬元至人民幣2.061億元，而非流動銀行借貸則減少人民幣1.482億元至人民幣15.641億元。

於二零一二年十二月三十一日，本集團之財務比率如下：

#### 借貸

於二零一二年十二月三十一日，本集團的銀行借貸總額為人民幣17.702億元，其中人民幣9,500萬元(5.4%)以人民幣列值，人民幣16.715億元(94.4%)則以美元(「美元」)列值以及人民幣370萬元(0.2%)以港元(「港元」)列值。該等銀行借貸按年利率1.8%至7.625%(二零一一年：2.1%至7.625%)計息。

於二零一二年十二月三十一日，本集團之未償還流動銀行借貸為人民幣2.06億元(二零一一年：人民幣1.44億元)。新增流動銀行借貸用於應付短期營運資金需要。

本集團須就其借貸遵守若干財務限制條款。

人民幣4.992億元(二零一一年：人民幣4.766億元)的銀行借貸已以本集團於二零一二年十二月三十一日賬面淨值為人民幣1,980萬元(二零一一年：人民幣5,090萬元)的土地使用權及賬面淨值約為人民幣3.525億元(二零一一年：人民幣3.872億元)的物業、廠房及設備作抵押。



## 管理層討論及分析

# MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW (Continued)

#### Foreign exchange risk

The Group mainly operates in the PRC and Vietnam. Most of the Group's transactions, assets and liabilities are denominated in RMB and US\$. Foreign exchange risk may also arise from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. The Group manages its foreign exchange risks by performing regular review and monitoring its foreign exchange exposures. The Group's exposure to foreign exchange risk is mainly attributable to its borrowings denominated in US\$.

Since the majority of the Group's income is settled in RMB, with the expectation of RMB appreciation against US\$, the Group has not taken foreign exchange hedging on expenses and borrowings denominated in US\$ and Vietnam Dong.

#### Capital expenditures

For the year ended 31 December 2012, the capital expenditure of the Group amounted to RMB536 million (2011: RMB425 million). It was mainly comprised of the investment in fixed assets in Xuzhou of the PRC and Vietnam.

#### Contingent liabilities

As at 31 December 2012, the Group had no material contingent liabilities.

#### Disclosure pursuant to Rule 13.18 of the Rules (the "Listing Rules") Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Stock Exchange")

As announced by the Company on 12 January 2011, the Company and certain of its subsidiaries entered into a purchase agreement with Deutsche Bank AG, Singapore Branch, in connection with the issue of US\$200 million 7.625% senior notes ("Notes") due in 2016. The indenture ("Indenture") governing the Notes provides that upon the occurrence of a change of control triggering event, the Company will make an offer to purchase all outstanding Notes at a purchase price equal to 101% of their principal amount plus accrued and unpaid interest, if any, to the offer to purchase payment date.

### 財務回顧(續)

#### 外匯風險

本集團主要在中國及越南營運。本集團大部分交易、資產及負債以人民幣及美元計值。外匯風險亦可能來自於未來海外業務中的商業貿易、已確認資產及負債及投資淨額。本集團進行定期檢討及監察其外匯風險程度以管理其外匯風險。本集團所面對的外匯風險主要來自其以美元計值的借貸。

由於本集團大部分收入以人民幣結算以及預期人民幣對美元升值，故本集團並未就以美元及越南盾計值的開支及借貸進行外匯對沖。

#### 資本開支

於截至二零一二年十二月三十一日止年度，本集團之資本開支為人民幣5.36億元(二零一一年：人民幣4.25億元)，主要為中國徐州及越南的固定資產投資。

#### 或然負債

於二零一二年十二月三十一日，本集團並無重大或然負債。

#### 根據香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)第13.18條作出之披露

如本公司於二零一一年一月十二日所公佈，本公司及其若干附屬公司與德意志銀行新加坡分行訂立購買協議，內容有關發行於二零一六年到期的2.00億美元之7.625%優先票據(「票據」)。監管票據的契約(「契約」)訂明在發生觸發控制權變動之事件之情況下，本公司將按相等於本金額之101%之購買價另加計至購買付款日期之應計及未付利息(如有)，提出購買所有未償還票據。

## 管理層討論及分析

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW (Continued)

#### Disclosure pursuant to Rule 13.18 of the Rules (the “Listing Rules”) Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (Continued)

A change of control under the Indenture includes, among others, any transaction that results in either (i) the Permitted Holders (as defined below), which include Mr. Hong Tianzhu, the controlling shareholder of the Company and companies controlled by him, being the beneficial owners (as such term is used in the Indenture) of less than 50.1% of the total voting power of the voting stock of the Company; or (ii) any person or group (as such terms are used in the Indenture) is or becomes the beneficial owner, directly or indirectly, of total voting power of the voting stock of the Company greater than such total voting power held beneficially by the Permitted Holders. “Permitted Holders” means any or all of (1) Messrs. Hong Tianzhu and Zhu Yongxiang; (2) any affiliate of the persons specified in paragraph (1); and (3) any person both the capital stock and the voting stock of which (or in the case of a trust, the beneficial interests in which) are owned 80% by persons specified in paragraphs (1) and (2) above.

As announced by the Company on 14 July 2011, by an agreement dated 13 July 2011 (“Facility Agreement”) entered into by, among others, Texhong Renze Textile Joint Stock Co. (the “Borrower”), formerly known as “Texhong Vietnam Textile Joint Stock Company”, a wholly-owned subsidiary of the Company as borrower, the Company as one of the guarantors and a syndicate of banks and financial institutions as lenders, the lenders have agreed to grant a term loan facility (“Facility”) of up to the aggregate principal amount of US\$60 million to finance the Phase III expansion of the Borrower’s factory in Vietnam. The Facility shall be fully repaid in July 2018 and is secured by a mortgage of the Borrower’s equipment and machinery. The amount of the Facility represents approximately 17% of the total amount of banking/credit facilities (including the Facility) presently available to the Group. The Facility Agreement contains the usual cross default provisions and a further requirement that Mr. Hong Tianzhu (“Mr. Hong”) shall remain the chief executive officer of the Group, the single largest shareholder of the Company and own, directly or indirectly, more than 25% of the total issued share capital of the Company. A breach of such requirement will constitute an event of default under the Facility Agreement, and as a result, the Facility is liable to be declared immediately due and payable. The occurrence of such circumstance may trigger the cross default provisions of other banking/credit facilities available to the Group and, as a possible consequence, these other facilities may also be declared to be immediately due and payable.

As at the date of this annual report, the Company is in compliance with the Indenture and the Facility Agreement. In 2012, the Company repurchased and cancelled notional amount of US\$5 million of the Notes.

### 財務回顧(續)

根據香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)第13.18條作出之披露(續)

契約內所指的控制權變動包括(其中包括)引致以下後果的任何交易：(i)許可持有人(定義見下文)(包括本公司控股股東洪天祝先生及彼控制的公司)成為本公司具投票權股份中總投票權少於50.1%的實益擁有人(按該等詞條用於契約中的涵義)；或(ii)任何人士或組別(按該等詞條用於契約中的涵義)為或成為直接或間接擁有超過許可持有人實益持有的該等總投票權的本公司具投票權股份中總投票權的實益擁有人。「許可持有人」指下列任何或全部人士：(1)洪天祝先生及朱永祥先生；(2)第(1)段指明之人士之任何聯屬人士；及(3)其股本及具投票權股份均(或如為信託，則當中之實益權益)由上文第(1)及(2)段指明之人士擁有80%之任何人士。

如本公司於二零一一年七月十四日所公佈，根據由(其中包括)本公司全資附屬公司Texhong Renze Textile Joint Stock Co. (前稱「Texhong Vietnam Textile Joint Stock Company」)(作為借款人)、本公司(作為擔保人之一)及由銀行及金融機構組成之銀團(作為貸款人)訂立日期為二零一一年七月十三日之協議(「信貸協議」)，貸款人已同意授出有期信貸融資(「信貸融資」)，本金總額高達6,000萬美元，以為借款人位於越南之廠房之第三期擴充撥支。信貸融資須於二零一八年七月全數償還，且以借款人之設備及機器按揭作抵押。信貸融資之金額相當於現時本集團可供動用之銀行/信貸融資額度(包括信貸融資)總額約17%。信貸協議載有一般交叉違約條文，以及有關洪天祝先生(「洪先生」)須留任本集團行政總裁、繼續為本公司最大單一股東，及直接或間接擁有本公司已發行股本總額25%以上之進一步規定。違反有關規定將構成信貸協議項下之違約事項，並因此信貸融資須即時宣佈為到期及應付。發生有關情況可能導致觸發本集團其他銀行/信貸融資額度之交叉違約條文，並因此，該等其他信貸額度亦可能即時宣佈為到期及應付。

於本年報日期，本公司持守契約及信貸協議。於二零一二年，本公司購回並註銷面額500萬美元的票據。

## 管理層討論及分析

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW (Continued)

#### Human resources

As at 31 December 2012, the Group had a total workforce of 12,779 (as at 31 December 2011: 13,368), of whom 8,240 were located throughout our manufacturing plants in the PRC, 228 were based in Shanghai, 4,295 were located at the Group's production base in Vietnam and 16 were based in Hong Kong and Macao. New employees were recruited to cater for the Group's business expansion during the year. The Group offers its staff competitive remuneration schemes. In addition, discretionary bonuses and share options may also be granted to eligible staff based on individual and Group's performance. The Group is committed to nurturing a learning and sharing culture in the organization. Heavy emphasis is placed on the training and development of individual staff and team building, as the Group's success is dependent on the contribution of all functional divisions comprising skilled and motivated staff.

#### Dividend policy

The Board intends to maintain a long term, stable dividend payout ratio of about 30% of the Group's net profit for the year, providing shareholders with an equitable return. The Board has resolved to declare a final dividend of 27 HK cents per share in respect of the year ended 31 December 2012 to shareholders whose names appear on the register of members on 25 April 2013 and will be payable on or about 30 April 2013, subject to the approval by the shareholders at the forthcoming Annual General Meeting on 18 April 2013. No dividend was paid by the Company in 2012.

### 財務回顧(續)

#### 人力資源

於二零一二年十二月三十一日，本集團員工合共12,779名(於二零一一年十二月三十一日：13,368名)，其中8,240名屬中國大陸的生產基地，228名駐於上海，另外4,295名位於本集團在越南之生產基地以及16名駐於香港及澳門。新聘僱員為應付本集團於年度內擴充的業務。本集團向其員工提供具競爭力的酬金計劃。此外，合資格員工亦可按其個人及本集團的表現獲授酌情花紅及購股權。本集團致力於組織內建立學習及分享文化。本集團的成功有賴由技巧純熟且士氣高昂的員工組成各職能部門，故此本集團重視員工的個人培訓及發展，以及建立團隊。

#### 股息政策

董事會旨在維持長期、穩定的派息率，即本集團年內淨利潤約30%，為股東提供合理回報。董事會已決議就截至二零一二年十二月三十一日止年度宣派每股27港仙之末期股息，予名列於二零一三年四月二十五日股東名冊內之股東，並將於二零一三年四月三十日或之前派發，惟須得到股東於二零一三年四月十八日應屆股東週年大會上批准後，方可作實。本公司並無於二零一二年支付股息。

# 企業管治報告

## CORPORATE GOVERNANCE REPORT

The Group is committed to maintaining a high level of corporate governance within a sensible framework with an emphasis on the principles of transparency, accountability and independence. The Board believes that good corporate governance is essential to the success of the Group and the enhancement of shareholders' value.

### CORPORATE GOVERNANCE CODE (the "CG Code")

The Company was committed to maintaining high level of corporate governance and has steered its development and protected the interests of its shareholders in an enlightened and open manner. The Board comprises four executive Directors and three independent non-executive Directors. The Board had adopted the code provisions of the former code on Corporate Governance Practices (the "Former CG Code") prior to 1 April 2012 and has adopted the code provisions of the CG Code ("Code Provisions") set out in Appendix 14 to the Listing Rules which became effective from 1 April 2012. During the period under review, the Company had complied with the Former CG Code and the Code Provisions.

### THE BOARD

The Board currently comprises seven Directors and its composition is set out as follows:

#### Executive Directors:

Hong Tianzhu (*Chairman and Chief Executive Officer*)  
Zhu Yongxiang (*Co-Chief Executive Officer*)  
Tang Daoping  
Gong Zhao

#### Independent non-executive Directors ("INEDs"):

Zhu Lanfen  
Cheng Longdi  
Ting Leung Huel, Stephen MH, FCCA, FCPA (PRACTISING),  
ACA, CTA(HK), FHKIoD

本集團致力於切合實際之範圍內維持高水平之企業管治，以強調高透明度、問責性及獨立性為原則。董事會相信優良之企業管治對本集團之成功及提升股東價值至為重要。

### 企業管治守則 (「企業管治守則」)

本公司自上市以來一直致力保持高水平企業管治，以開明和開放的理念維護本集團的發展及保障股東們的權益。董事會由四名執行董事及三名獨立非執行董事組成。董事會已於二零一二年四月一日前採納前企業管治常規守則(「《前企業管治守則》」)內的守則條文，亦已採納於二零一二年四月一日生效且載於上市規則附錄十四的企業管治守則內的守則條文(「《守則條文》」)。於回顧期內，本公司已遵守《前企業管治守則》及《守則條文》。

### 董事會

董事會目前由七名董事組成，其成員載列如下：

#### 執行董事：

洪天祝 (*主席兼行政總裁*)  
朱永祥 (*聯席行政總裁*)  
湯道平  
龔照

#### 獨立非執行董事：

朱蘭芬  
程隆棣  
丁良輝 MH, FCCA, FCPA (PRACTISING),  
ACA, CTA(HK), FHKIoD



# 企業管治報告

## CORPORATE GOVERNANCE REPORT

### THE BOARD (Continued)

The brief biographical details of the Directors are set out in the “Directors and Senior Management” section on pages 41 to 43. There was no relationship (including financial, business, family or other material/relevant relationship) among members of the Board.

The Company has three INEDs representing more than one-third of the Board. At least one of the INEDs has appropriate professional qualifications or accounting or related financial management expertise under Rule 3.10 of the Listing Rules. The Board has received from each INED an annual confirmation of his independence and considers that all the INEDs are independent under the guidelines set out in Rule 3.13 of the Listing Rules.

The Board meets regularly to discuss the overall strategy as well as the operation and financial performance of the Group, and to review and approve the Group’s annual and interim results. During the year, four Board meetings were held and attendance of each Director at the Board meetings is set out as follows:

### 董事會(續)

董事之履歷詳情載於第41至43頁之「董事及高級管理層」一節內。董事會成員間概無任何關係(包括財務、業務、家庭或其他重大/相關關係)。

本公司之三名獨立非執行董事佔董事會人數多於三分之一。根據上市規則第3.10條，至少一名獨立非執行董事必須具備適當之專業資格或會計或相關財務管理專業知識。董事會已接獲每名獨立非執行董事有關其獨立性之年度確認書，並認為所有獨立非執行董事均具備上市規則第3.13條所載之指引下之獨立性。

董事會定期召開會議，討論本集團之整體策略以及營運及財政表現，並審閱及批准本集團之全年及中期業績。於年內，已舉行四次董事會會議，各董事出席董事會會議之情況如下：

		Number of Board meetings attended/held 出席/舉行董事會 會議次數
<b>Executive Directors:</b>		
Hong Tianzhu (chairman and chief executive officer)	執行董事： 洪天祝 (主席兼行政總裁)	4/4
Zhu Yongxiang (co-chief executive officer)	朱永祥(聯席行政總裁)	4/4
Tang Daoping	湯道平	4/4
Gong Zhao	龔照	4/4
<b>Independent Non-Executive Directors:</b>		
Zhu Lanfen	獨立非執行董事： 朱蘭芬	4/4
Cheng Longdi	程隆棣	4/4
Ting Leung Huel, Stephen MH, FCCA, FCPA (PRACTISING), ACA, CTA(HK), FHKIoD	丁良輝 MH, FCCA, FCPA (PRACTISING), ACA, CTA(HK), FHKIoD	4/4

The Board has reserved for its decision or consideration matters covering mainly the Group’s overall strategy, investment plans, annual and interim results, recommendations on Directors’ appointment or reappointment, material contracts and transactions as well as other significant policies and financial matters. The Board has delegated the day-to-day responsibility to the senior management under the supervision of the Board.

經董事會決定或考慮之事宜包括本集團整體策略、投資計劃、全年及中期業績、董事委任或重新委任之建議、重大合約及交易，以及其他重大政策及財務等事宜。董事會已將日常職責委派予高級管理層，並由董事會監督。

# 企業管治報告

## CORPORATE GOVERNANCE REPORT

### THE BOARD (Continued)

Board meetings are scheduled to be held at approximately quarterly intervals and as required by business needs. At least 14 days' notice of a Board meeting is normally given to all Directors who are given an opportunity to include matters for discussion in the agenda. The company secretary assists the chairman of the Board in preparing the agenda for meetings and ensures that all applicable rules and regulations are complied with. The agenda and the accompanying Board papers are normally sent to all Directors at least three days before the intended date of a regular Board meeting (and so far as practicable for other Board meetings). Draft minutes of each Board meeting are circulated to all Directors for their comment before the same will be tabled at the following Board meeting for approval. All minutes are kept by the company secretary and are open for inspection at any reasonable time on reasonable notice by any Director.

Every Director is entitled to have access to Board papers and related materials and has access to the advice and services of the company secretary. The Board and each Director also have separate and independent access to the Company's senior management. Directors will be continuously updated on the major development of the Listing Rules and other applicable regulatory requirements to ensure compliance and upkeep of good corporate governance practices.

### DIRECTORS' CONTINUOUS PROFESSIONAL DEVELOPMENT

To ensure the Directors' contribution to the Board remains informed and relevant and in compliance with paragraph A.6.5 of the CG Code, the Company would arrange and fund suitable continuous professional development for the Directors to participate in order to develop and refresh their knowledge and skills.

During the year ended 31 December 2012, the Company has arranged for each of the Directors to attend, and all Directors have attended (except Mr. Tang Daoping, an executive Director), a training seminar regarding the revised CG Code, responsibilities of directors of listed companies and relevant updates of the Listing Rules provided by the legal advisers of the Company as to Hong Kong laws. Mr. Tang Daoping attended a seminar on the Listing Rules compliance in Shanghai held by the Stock Exchange on 11 December 2012.

### 董事會(續)

董事會會議預定為約每季及按業務需要而舉行。召開董事會會議一般會給予全體董事至少十四天之通知，以便彼等皆有機會提出商討事項列入會議議程。公司秘書協助董事會主席編製會議議程，以及確保已遵守所有適用規則及規例。議程及隨附之董事會文件一般在舉行定期董事會會議(及就可行情況下，其他董事會會議)前至少三天發呈全體董事。每份董事會會議記錄之初稿於提交下一次董事會會議審批前，先供全體董事傳閱並提出意見。所有會議記錄均由公司秘書保存，並供任何董事於發出合理通知時，於任何合理時間內查閱。

每名董事有權查閱董事會文件及相關資料，及可向公司秘書尋求意見及服務。董事會及各董事亦可個別及獨立地接觸本公司之高級管理層。董事將獲持續提供上市規則及其他適用監管規定之最新發展之資料，以確保彼等遵守及秉持優秀企業管治常規。

### 董事之持續專業發展

為確保董事在具備全面資訊及切合所需之情況下對董事會作出貢獻，符合企業管治守則第A.6.5條，本集團為董事安排及出資支持適合之持續專業發展項目，供學習及更新知識及技能。

於截至二零一二年十二月三十一日止年度，本公司已安排各董事出席及全體董事(惟執行董事湯道平先生除外)均有出席本公司在香港法律方面之法律顧問提供之培訓研討會，內容有關經修訂企業管治守則、上市公司董事之責任及上市規則之最新資料。湯道平先生於二零一二年十二月十一日出席聯交所於上海舉辦有關上市規則之研討會。

# 企業管治報告

## CORPORATE GOVERNANCE REPORT

### DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct (“the Securities Code”) regarding securities transactions by Directors and officers on terms no less exacting than the required standard set out in the Model Code (“Model Code”) for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules.

A copy of the Securities Code has been sent to each Director of the Company first on his appointment and thereafter twice annually, 30 days and 60 days before the date of the Board meetings to approve the Company's interim result and annual result respectively, with a reminder that the Director cannot deal in the securities and derivatives of the Company until after such results have been published, and that all his dealings must be conducted in accordance with the Securities Code.

Under the Securities Code, Directors are required to notify Mr. Hong Tianzhu or Mr. Zhu Yongxiang or a Director (other than himself/herself) designated by the Board for the specific purpose (the “Designated Director”) and receive a dated written acknowledgement from such Designated Director before dealing in the securities and derivatives of the Company.

During the year, the Company, having made specific enquiry on all the Directors, confirms that all the Directors have complied with the required standard set out in the Securities Code and the Model Code.

### ROLES OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

Mr. Hong Tianzhu is the chairman and chief executive officer of the Company. As announced by the Company on 10 October 2011, Mr. Zhu Yongxiang has been appointed as the co-chief executive officer of the Company.

### 董事進行之證券交易

本公司已就有關董事及主要人員進行之證券交易採納一套操守守則(「《證券守則》」)，條款不遜於上市規則附錄十上市發行人董事進行證券交易的標準守則(「《標準守則》」)所載之要求標準。

《證券守則》之副本已於本公司每名董事首次獲委任時，及其後每年兩次(分別於批准本公司中期業績及全年業績而召開之董事會會議日期前30日及60日送交各董事，連同之備忘錄列明，在有關業績刊發前，董事不得買賣本公司證券及衍生工具，而一切買賣均須根據《證券守則》進行。

根據《證券守則》，董事在買賣本公司之證券及衍生工具前，須知會洪天祝先生或朱永祥先生或董事會就特定目的而指定之一名董事(「指定董事」)(除該董事本身外)，並接獲該指定董事發出具有日期之書面確認。

年內，本公司經向全體董事作出特定查詢後，確認所有董事已一直遵守《證券守則》及《標準守則》所載之標準。

### 主席及行政總裁之角色

守則A.2.1規定主席與行政總裁的角色應有區分，並不應由一人同時兼任。

洪天祝先生為本公司的主席兼行政總裁。根據本公司於二零一一年十月十日的公佈，朱永祥先生已獲委任為本公司聯席行政總裁。

# 企業管治報告

## CORPORATE GOVERNANCE REPORT

### TERM OF APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

Each of Mr. Ting Leung Huel Stephen, Professor Cheng Longdi and Ms. Zhu Lanfen has been appointed as an independent non-executive Director for an initial term of one year commencing from 21 November 2004 renewable automatically for successive term of one year each commencing from the next day after the expiry of the then current term of appointment, unless terminated by not less than three months' notice in writing served by either the independent non-executive Director or the Company expiring at the end of the initial term or at any time thereafter. The Company has paid an annual director's fee of HKD120,000 to each of Ms. Zhu Lanfen and Mr. Cheng Longdi and HKD240,000 to Mr. Ting Leung Huel Stephen for the year ended 31 December 2012. Save for the above directors' fees, none of the independent non-executive Directors has received any other remuneration for holding their office as an independent non-executive Director.

### BOARD COMMITTEES

The Board has established a remuneration committee (the "Remuneration Committee"), an audit committee (the "Audit Committee") and the nomination committee (the "Nomination Committee"), each of which has its specific written terms of reference. Copies of minutes of all meetings and resolutions of the committees, which are kept by the company secretary, are circulated to all Board members and the committees are required to report back to the Board on their decision and recommendations where appropriate. The procedures and arrangements for a Board meeting, as mentioned on page 25 in the section "The Board" above, have been adopted for the committee meetings so far as practicable.

### 獨立非執行董事之委任任期

丁良輝先生、程隆棣教授及朱蘭芬女士已獲委任為獨立非執行董事，首任年期為一年，由二零零四年十一月二十一日開始，自當時委任任期屆滿翌日起自動連任一年，惟獨立非執行董事或本公司於首任到期時或之後任何時間以不少於三個月書面通知終止委任除外。本公司已就截至二零一二年十二月三十一日止年度分別支付年度董事袍金120,000港元予朱蘭芬女士及程隆棣先生及240,000港元予丁良輝先生。除上述董事袍金外，並無任何獨立非執行董事預期可就擔任其獨立非執行董事的職位收取任何其他酬金。

### 董事委員會

董事會已成立薪酬委員會（「薪酬委員會」）、審核委員會（「審核委員會」）及提名委員會（「提名委員會」），並以書面具體列明其職權範圍。所有委員會之會議記錄及決議案均由公司秘書保存，並提供副本予全體董事會成員傳閱，而各委員會需按其決定及建議（倘適合）向董事會匯報。董事會會議之程序及安排（於上文第25頁「董事會」一節提述）已按可行情況下在每次委員會會議上採納。



# 企業管治報告

## CORPORATE GOVERNANCE REPORT

### BOARD COMMITTEES (Continued)

#### Remuneration Committee

The Company has established the Remuneration Committee since November 2004, which comprises three independent non-executive Directors of the Company, namely Mr. Ting Leung Huel, Stephen, Ms. Zhu Lanfen and Professor Cheng Longdi and the chairman and an executive Director of the Company, namely Mr. Hong Tianzhu. The chairman of the Remuneration Committee is Mr. Ting Leung Huel, Stephen. The Remuneration Committee has adopted terms of reference which are in line with the code provisions of the CG Code. The Remuneration Committee is provided with sufficient resources to discharge its duties and has access to independent professional advice in accordance with the Company's policy if considered necessary.

The major roles and functions of the Remuneration Committee are:

- (a) to make recommendations to the Board on the Company's policy and structure for all directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
- (b) to review and approve the management's remuneration proposals with reference to the board's corporate goals and objectives;
- (c) to make recommendations to the board on the remuneration packages of individual executive Directors and senior management, this should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
- (d) to make recommendations to the Board on the remuneration of non-executive Directors;
- (e) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group;

### 董事委員會(續)

#### 薪酬委員會

本公司自二零零四年十一月起已成立薪酬委員會，該委員會由本公司三名獨立非執行董事組成，包括丁良輝先生、朱蘭芬女士及程隆棣教授及本公司主席兼執行董事洪天祝先生。薪酬委員會主席為丁良輝先生。薪酬委員會已採納符合《企業管治守則》守則條文的職權範圍。薪酬委員會獲提供充裕資源以履行其職務，並可按本公司政策在有需要時尋求獨立專業意見。

薪酬委員會之主要角色及職能如下：

- (a) 就董事及本公司高級管理人員的全體薪酬政策及架構，及就設立正規而具透明度的程序制訂薪酬政策，向董事會提出建議；
- (b) 因應董事會所訂企業方針及目標而檢討及批准管理層的薪酬建議；
- (c) 就個別執行董事及高級管理人員的薪酬待遇向董事會提供推薦建議。此應包括非金錢利益、退休金權利及賠償金額（包括喪失或終止職務或委任的賠償）；
- (d) 就非執行董事的薪酬向董事會提出建議；
- (e) 考慮同類公司支付的薪酬、須付出的時間及職責以及本集團內其他職位的僱用條件；

# 企業管治報告

## CORPORATE GOVERNANCE REPORT

### BOARD COMMITTEES (Continued)

#### Remuneration Committee (Continued)

- (f) to review and approve compensation payable to executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;
- (g) to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate; and
- (h) to ensure that no director or any of his associates is involved in deciding his own remuneration.

The Remuneration Committee shall meet at least once a year. One committee meeting was held in 2012 to review and discuss the existing policy and structure for the remuneration of Directors, the remuneration packages of both the executive and non-executive Directors and the attendance of each member is set out as follows:

Committee member	委員會成員	Number of committee meeting attended/held 出席／舉行委員會會議之次數
Ting Leung Huel, Stephen	丁良輝	1/1
Hong Tianzhu	洪天祝	1/1
Zhu Lanfen	朱蘭芬	1/1
Cheng Longdi	程隆棣	1/1

In addition to the Committee meeting, the Remuneration Committee also dealt with matters by way of circulation during 2012. The remuneration payable to Directors will depend on their respective contractual terms under their employment or service contracts as approved by the Board on the recommendation of the Remuneration Committee.

In order to attract, retain and motivate the senior executives and key employees of the Group, including the executive Directors, the Company adopted a share option scheme in November 2004. Details of the share option scheme are set out in the Directors' Report on pages 47 to 48 and note 16 to the financial statements.

### 董事委員會(續)

#### 薪酬委員會(續)

- (f) 檢討及批准向執行董事及高級管理人員就其喪失或終止職位或委任而須支付的賠償，以確保該等賠償與合約條款一致；若未能與合約條款一致，賠償亦須公平合理，不致過多；
- (g) 檢討及批准因董事行為失當而解僱或罷免有關董事所涉及的賠償安排，以確保該等安排與合約條款一致；若未能與合約條款一致，有關賠償亦須合理適當；及
- (h) 確保任何董事或其任何聯繫人不得參與釐定他自己的薪酬。

薪酬委員會每年須至少召開一次會議。於二零一二年已舉行一次委員會會議，以審議及討論董事之現行薪酬政策及架構，執行董事及非執行董事之薪酬待遇，而各成員之出席情況如下：

除委員會會議外，薪酬委員會亦於二零一二年內透過傳閱方式處理事宜。應付董事之薪酬將視乎薪酬委員會向董事會提供之建議獲批准後，並按各自之僱傭或服務合約內之條款而釐定。

本公司已於二零零四年十一月採納一項購股權計劃以吸引、延攬及推動本集團高級行政人員及主要僱員(包括執行董事)。購股權計劃詳情載於董事會報告第47至48頁及財務報表附註16。

# 企業管治報告

## CORPORATE GOVERNANCE REPORT

### BOARD COMMITTEES (Continued)

#### Audit Committee

The Audit Committee has been established since November 2004, the current members of the Audit Committee are Mr. Ting Leung Huel, Stephen, Ms. Zhu Lanfen and Professor Cheng Longdi. The chairman of the Audit Committee is Mr. Ting Leung Huel, Stephen. To retain independence and objectivity, the Audit Committee has been chaired by an INED with appropriate professional qualifications or accounting or related financial management expertise. The Audit Committee has adopted terms of reference, which are in line with the code provisions of the CG Code. The Audit Committee is provided with sufficient resources to discharge its duties and has access to independent professional advice according to the Company's policy if considered necessary.

The major roles and functions of the Audit Committee are:

- (a) to be primarily responsible for making recommendation to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of resignation or dismissal of that auditor;
- (b) to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standard;
- (c) to develop and implement policy on the engagement of an external auditor to supply non-audit services;
- (d) to monitor integrity of financial statements of the Company and the Company's annual report and accounts, half-year report and, if prepared for publication, quarterly reports, and to review significant financial reporting judgments contained in them, and to review the Company's annual report and accounts, half-year report and, if prepared for publication, quarterly reports before submission to the Board;
- (e) to discuss problems and reservations arising from the interim and final audits, and any matters the auditors may wish to discuss;
- (f) to review the Company's financial control, internal control and risk management systems;

### 董事委員會(續)

#### 審核委員會

審核委員會自二零零四年十一月成立，現有成員為丁良輝先生、朱蘭芬女士及程隆棣教授。審核委員會主席為丁良輝先生。為保持獨立性及客觀性，審核委員會由一名具備合適專業資格或會計或相關財務管理專業知識之獨立非執行董事擔任主席。審核委員會已採納符合《企業管治守則》守則條文的職權範圍。審核委員會獲提供充裕資源以履行其職務，並可按本公司之政策在有需要時尋求獨立專業意見。

審核委員會之主要角色及職能：

- (a) 主要負責向董事會就委任、重新委任及罷免外聘核數師提出建議，以及批准外聘核數師之薪酬及聘用條款，並處理任何有關該核數師辭任或辭退該核數師之問題；
- (b) 根據適用準則檢討及監察外聘核數師之獨立性及客觀性及審核程序之效率；
- (c) 研究及實施委任外聘核數師提供非審核服務的政策；
- (d) 監察本公司財務報表及本公司年度報告及賬目、中期報告及季度報告(倘編製供刊發之用)的完整性，並審核其中的重大財務報告判斷，及於本公司的年度報告及賬目、中期報告及季度報告(倘編製供刊發之用)呈交董事會之前先行審核；
- (e) 商議就中期審閱及年終審核而產生之任何問題及保留事項，及核數師擬商討之任何事宜；
- (f) 檢討本集團之財務監控、內部監控及風險管理制度；

# 企業管治報告

## CORPORATE GOVERNANCE REPORT

### BOARD COMMITTEES (Continued)

#### Audit Committee (Continued)

- (g) to discuss with the management the system of internal control and ensure that management has discharged its duty to have an effective internal control system;
- (h) to consider any findings of major investigations of internal control matters as delegated by the Board or on its own initiative and management's response;
- (i) to review the Group's financial and accounting policies and practices; and
- (j) to review the external auditor's management letter, any material queries raised by the auditor to management in respect of the accounting records, financial accounts or systems of control and management's response.

The Audit Committee shall meet at least twice a year. Two committee meetings were held in 2012 and the attendance of each member is set out as follows:

### 董事委員會(續)

#### 審核委員會(續)

- (g) 與管理層討論內部監控系統及確保管理層已盡其職責以達至有效內部監控制度；
- (h) 考慮董事會授予或自發進行之內部監控事項之主要調查之任何發現以及管理層之回應；
- (i) 審核本集團的財務及會計政策及常規；及
- (j) 審核外聘核數師的管理函件、核數師就會計記錄、財務賬目或控制系統向管理層提出的任何重大提問，及管理層的回應。

審核委員會每年須至少召開兩次會議。於二零一二年已舉行兩次委員會會議，而各成員之出席情況如下：

Committee member	委員會成員	Number of committee meeting attended/held 出席／舉行委員會會議之次數
Ting Leung Huel, Stephen	丁良輝	2/2
Zhu Lanfen	朱蘭芬	2/2
Cheng Longdi	程隆棣	2/2

During the meetings held in 2012, the Audit Committee had performed the work as summarised below:

- (i) reviewed and approved the audit scope and fees proposed by the external auditors regarding the final audit of the Group for the year ended 31 December 2011 (the "2011 Final Audit");
- (ii) reviewed the external auditors' report of finding in relation to the 2011 Final Audit and the auditors' report on the connected transactions for the year ended 31 December 2011;
- (iii) reviewed the management accounts of the Group and the summary of findings by the external auditors in relation to the 2012 interim report;
- (iv) reviewed the financial reports for the year ended 31 December 2011 and for the six months ended 30 June 2012; and

於二零一二年舉行之會議，審核委員會已履行之工作概述如下：

- (i) 檢討及批准外聘核數師建議之本集團截至二零一一年十二月三十一日止年度之年終審核(「二零一一年年終審核」)之核數範圍及費用；
- (ii) 檢討外聘核數師之二零一一年年終審核結果之報告，以及對截至二零一一年十二月三十一日止年度關連交易之核數師報告；
- (iii) 檢討本集團管理賬目及檢討外聘核數師就二零一二年中期報告得出的發現概要；
- (iv) 檢討截至二零一一年十二月三十一日止年度及截至二零一二年六月三十日止六個月之財務報告；及



# 企業管治報告

## CORPORATE GOVERNANCE REPORT

### BOARD COMMITTEES (Continued)

#### Audit Committee (Continued)

- (v) reviewed the effectiveness of internal control system of the Group including financial, operational and compliance control and risk management functions of the Group.

There was no disagreement between the Board and the Audit Committee on the selection, appointment, resignation or dismissal of the external auditors.

#### Nomination Committee

On 19 March 2012, the Board has approved the establishment of the Nomination Committee which became effective on 1 April 2012. The Nomination Committee comprises an executive Director and the chairman of the Company, Mr. Hong Tianzhu and three independent non-executive Directors, namely Ms. Zhu Lanfen, Professor Cheng Longdi and Mr. Ting Leung Huel, Stephen. The chairman of the Nomination Committee is Mr. Hong Tianzhu. The Nomination Committee has adopted terms of reference which are in line with the code provisions of the CG Code. The Nomination Committee is provided with sufficient resources to discharge its duties and has access to independent professional advice in accordance with the Company's policy if considered necessary.

The major roles and functions of the Nomination Committee are:

- (a) to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the board to complement the Company's corporate strategy;
- (b) to identify individuals suitably qualified to become members of the Board and select or make recommendations to the Board on the selection of individuals nominated for directorships;
- (c) to assess the independence of the independent non-executive Directors;

### 董事委員會(續)

#### 審核委員會(續)

- (v) 檢討本集團內部監控制度，包括本集團的財務、營運及遵規控制情況及風險管理功能的效率。

董事會及審核委員會就甄選、委聘、退任或罷免外聘核數師並無意見分歧。

#### 提名委員會

於二零一二年三月十九日，董事會批准成立提名委員會，於二零一二年四月一日生效。提名委員會包括執行董事兼本公司主席洪天祝先生，及三名獨立非執行董事，即朱蘭芬女士、程隆棣教授及丁良輝先生。提名委員會主席為洪天祝先生。提名委員會已採納與企業管治守則的守則條文一致的職權範圍。提名委員會提供足夠資源履行職務，並已考慮在適當情況下，根據本公司政策尋求獨立專業意見。

提名委員會的主要職位及功能如下：

- (a) 至少每年檢討董事會的架構、人數及組成(包括技能、知識及經驗方面)，並為配合本公司的策略而擬對董事會作出調整向董事會提出建議；
- (b) 物色具備合適資格可擔任董事的人士，並挑選提名有關人士出任董事或就此向董事會提供意見；
- (c) 評估獨立非執行董事的獨立性；

# 企業管治報告

## CORPORATE GOVERNANCE REPORT

### BOARD COMMITTEES (Continued)

#### Nomination Committee (Continued)

- (d) to make recommendations to the Board on:
- (i) the role, responsibilities, capabilities, skills, knowledge and experience required from members of the Board;
  - (ii) the policy on the terms of employment of non-executive Directors;
  - (iii) the composition of the Audit Committee, Remuneration Committee and other board committees of the Company;
  - (iv) proposed changes to the structure, size and composition of the Board;
  - (v) candidates suitably qualified to become members of the Board;
  - (vi) the selection of individuals nominated for directorship;
  - (vii) the re-election by shareholders of the Company of any Directors who are to retire by rotation having regard to their performance and ability to continue to contribute to the Board;
  - (viii) the continuation (or not) in service of any independent non-executive Director serving more than nine years and to provide recommendation to the shareholders of the Company as to how to vote in the resolution approving the re-election of such independent non-executive Director;
  - (ix) the appointment or re-appointment of Directors; and
  - (x) succession planning for Directors in particular the chairman and the chief executive;

### 董事委員會(續)

#### 提名委員會(續)

- (d) 向董事會就下列事宜作出推薦建議：
- (i) 作為董事會成員所應有的角色、責任、能力、技能、知識及經驗；
  - (ii) 委聘非執行董事條件的政策；
  - (iii) 審核委員會、薪酬委員會及其他董事會委員會的組成；
  - (iv) 董事會的架構、人數及組成擬作出的變動；
  - (v) 具備合適資格擔任董事的候選人；
  - (vi) 挑選被提名人士出任董事；
  - (vii) 由本公司股東重新委任輪流退任董事，於此，須考慮其工作表現及對董事會繼續作出貢獻的能力；
  - (viii) 在任多於九年的獨立非執行董事的去留問題，並就該等獨立非執行董事的繼續委任與否向本公司股東就審議有關決議案贊成與否提供建議；
  - (ix) 委任或重新委任董事；及
  - (x) 董事接替計畫(尤其是主席及行政總裁)；

# 企業管治報告

## CORPORATE GOVERNANCE REPORT

### BOARD COMMITTEES (Continued)

#### Nomination Committee (Continued)

- (e) to give full consideration to the following in the discharge of its duties as mentioned above or elsewhere in these terms of reference:
- (i) succession planning of Directors;
  - (ii) leadership needs of the Group with a view of maintaining or fostering the competitive edge of the Group over others;
  - (iii) changes in market environment and commercial needs of the market in which the Group operates;
  - (iv) the skills and expertise required from members of the Board; and
  - (v) the relevant requirements of the Listing Rules with regard to directors of a listed issuer;
- (f) in respect of any proposed service contracts to be entered into by any members of the Group with its director or proposed director, which require the prior approval of the shareholders of the Company at general meeting under rule 13.68 of the Listing Rules, to review and provide recommendations to the shareholders of the Company (other than shareholders who are directors with a material interest in the relevant service contracts and their respective associates) as to whether the terms of the service contracts are fair and reasonable and whether such service contracts are in the interests of the Company and the shareholders as a whole, and to advise shareholders on how to vote;
- (g) to ensure that on appointment to the Board, non-executive Directors receive a formal letter of appointment setting out what is expected of them in terms of time commitment, committee service and involvement outside meetings of the Board;
- (h) to conduct exit interviews with any Director upon their resignation in order to ascertain the reasons for his departure; and
- (i) to consider other matters, as defined or assigned by the Board from time to time.

### 董事委員會(續)

#### 提名委員會(續)

- (e) 在履行上述責任或本職權範圍項下的其他責任，對下列各項給予充份考慮：
- (i) 董事繼任計劃；
  - (ii) 本集團為保持或加強本集團的競爭優勢所需要的領導才能；
  - (iii) 市場環境的轉變及本集團營運市場的商業需要；
  - (iv) 董事會成員所須具備的技能及專才；及
  - (v) 上市規則對上市發行人的董事的相關要求；
- (f) 檢討及就所有按上市規則第 13.68 條須事先取得本公司股東於股東大會上批准的現董事或建議委任董事與集團成員的擬定服務合同，向本公司股東就該議定服務合同條款的公平及合理性、服務合同對本公司及整體股東而言是否有利及本公司股東應怎樣作出表決，向本公司股東（而身為董事並在該等服務合同中有重大利益的股東和其連繫人士除外）提呈建議；
- (g) 確保非執行董事獲邀加入董事會時收到正式的聘書，其中列明公司期望非執行董事投入的時間、應盡的服務和在董事會會議以外的參與；
- (h) 會見辭去本公司董事職責的董事並瞭解其離職原因；及
- (i) 考慮董事會不時確定或委派的其他事項。

# 企業管治報告

## CORPORATE GOVERNANCE REPORT

### BOARD COMMITTEES (Continued)

#### Nomination Committee (Continued)

The Nomination Committee shall meet at least once a year. One committee meeting was held in 2012 to review the structure and composition of the Board and the re-election of the retiring Directors and the attendance of each member is set out as follows:

Committee member	委員會成員	Number of committee meeting attended/held 出席／舉行委員會會議之次數
Hong Tianzhu	洪天祝	1/1
Zhu Lanfen	朱蘭芬	1/1
Cheng Longdi	程隆棣	1/1
Ting Leung Huel, Stephen	丁良輝	1/1

The Nomination Committee has adopted a written nomination procedure (the "Nomination Procedure") specifying the process and criteria for the selection and recommendation of candidates for directorship of the Company. The Nomination Committee shall, based on those criteria as set out in the Nomination Procedure (such as appropriate experience, personal skills and time commitment etc.), identify and recommend the proposed candidate to the Board for approval of an appointment.

New Directors, on appointment, will be given an induction package containing all key legal and Listing Rules' requirements as well as guidelines on the responsibilities and obligations to be observed by a Director. The package will also include the latest published financial reports of the Company and the documentation for the corporate governance practices adopted by the Board. The senior management will subsequently conduct such briefing as is necessary to give the new Directors more detailed information on the Group's businesses and activities.

### CORPORATE GOVERNANCE PRACTICES

The Company has not set up any corporate governance committee. In April 2012, the Board adopted written terms of reference in compliance with the new Code Provisions of the revised CG Code with effect from 1 April 2012.

The Board is mainly responsible for keeping the effectiveness of the corporate governance and system of internal non-financial controls of the Group. The Board shall introduce and propose relevant principles concerning corporate governance and to review and determine the corporate governance policy, so as to enhance and to ensure a high standard of corporate governance practices in the Group.

### 董事委員會(續)

#### 提名委員會(續)

提名委員會每年須至少召開一次會議。於二零一二年已舉行一次委員會會議，以檢討董事會的架構及組織，以及重選退任董事，而各成員之出席情況如下：

提名委員會已採納一套以書面列載之提名程序(「提名程序」)，具體列明本公司董事候選人之挑選及推薦程序及準則。提名委員會會根據提名程序所載之該等準則(如恰當資歷、個人專長及投放時間等)作為基礎向董事會物色及建議人選以予批准委任。

新董事在獲委任後將會取得一套入職資料文件，載有所有主要法律及上市規則規定，以及有關董事應遵守之責任及義務之指引。資料文件亦包括本公司最新公佈之財務報告及董事會採納之企業管治常規文件。高級管理層其後將於有需要時提供說明，並為新董事提供本集團業務及活動之詳細資料。

### 企業管治常規

本公司並無設立任何企業管治委員會。於二零一二年四月，董事會採納符合二零一二年四月一日生效的經修訂企業管治守則新守則條文的書面職權範圍。

董事會主要負責維持本集團的企業管治及內部非財務監控系統的有效性。董事會將就企業管治引用及建議相關守則，並審閱及釐定企業管治政策，以提高及確保本集團的高標準企業管治常規。



# 企業管治報告

## CORPORATE GOVERNANCE REPORT

### ACCOUNTABILITY AND AUDIT

#### Financial Reporting

The Directors acknowledge their responsibility for preparing, with the support from finance department, the financial statements of the Group. In preparing the financial statements for the year ended 31 December 2012, the requirements of the Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure requirements of the Listing Rules and the Companies Ordinance were complied with.

The reporting responsibilities of the Company's external auditors, Messrs. PricewaterhouseCoopers, are set out in the Auditor's Report on pages 58 and 59.

#### Internal Control

The Board is responsible for maintaining a sound and effective system of internal control. During the financial year under review, the Board has reviewed the effectiveness of the internal control system of the Group through the Audit Committee.

#### External Auditor's Remuneration

During the year, the remuneration paid and payable to the Company's external auditor, Messrs. PricewaterhouseCoopers, is set out as follows:

### 問責及核數

#### 財務匯報

於財務部之協助下，董事確認彼等編製本集團財務報表之責任。截至二零一二年十二月三十一日止年度之財務報表已按照香港會計師公會頒佈之香港財務報告準則、香港會計準則及詮釋，以及上市規則及公司條例之適用披露規定而編製。

本公司外聘核數師羅兵咸永道會計師事務所之匯報責任載於核數師報告第58及59頁。

#### 內部監控

董事會負責維持良好及有效的內部監控系統。於回顧財政年度，董事會已透過審核委員會檢討本集團的內部監控制度。

#### 外聘核數師之酬金

於年內，已付及應付本公司外聘核數師羅兵咸永道會計師事務所之酬金載列如下：

Services rendered for the Group	向本集團提供之服務	Paid/Payable 已付/應付費用 RMB'000 人民幣千元
Audit services	核數服務	3,220
Non-audit services (including consulting service for transfer pricing and agreed-upon procedures for selected financial information of the Group and preliminary announcement of results)	非核數服務(轉移訂價的顧問服務及本集團特選財務資料及初步業績公佈的協定程序)	180
Total:	合計：	3,400

# 企業管治報告

## CORPORATE GOVERNANCE REPORT

### COMMUNICATION WITH SHAREHOLDERS

The Board recognizes the importance of good communication with shareholders. Information in relation to the Group is disseminated to shareholders in a timely manner through a number of formal channels, which include interim and annual reports, announcements and circulars.

The Company's annual general meeting (the "AGM") is a valuable forum for the Board to communicate directly with the shareholders. The chairman actively participated in the AGM held during the year and personally chaired the meeting to answer any questions from the shareholders. A separate resolution had been proposed by the chairman in respect of each issue to be considered at the AGM. An AGM circular and AGM notice had been distributed to all shareholders in accordance with the requirements of the articles of association of the Company and the Listing Rules, setting out details of each proposed resolution, voting procedures and other relevant information. The chairman explained the procedures for conducting a poll at the beginning of the AGM, and answered any questions from shareholders regarding voting by way of poll.

### SHAREHOLDERS' RIGHTS

#### Procedures for shareholders to convene an extraordinary general meeting

The following procedures for shareholders (the "Shareholders", each a "Shareholder") of the Company to convene an extraordinary general meeting (the "EGM") of the Company are prepared in accordance with Article 64 of the articles of association of the Company:

1. One or more Shareholders (the "Requisitionist(s)") holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings shall have the right, by written notice (the "Requisition"), to require an EGM to be called by the Directors for the transaction of any business specified therein.
2. Such Requisition shall be made in writing to the Board or the company secretary of the Company via email at the email address of the Company at [main@texhong.com](mailto:main@texhong.com).

### 與股東之溝通

董事會瞭解與股東保持良好聯繫之重要性。有關本集團之資料乃按時透過多種正式途徑向股東傳達，包括中期報告及年報、公佈及通函。

本公司股東週年大會(「股東週年大會」)乃董事會直接與股東聯繫之寶貴機會。主席於年內舉行之股東週年大會上積極回應任何股東之查詢。主席已就每項在股東週年大會上審議之議題提呈個別之決議案。股東週年大會通函及通告已根據本公司組織章程細則及上市規則之規定發送予全體股東，該通函及通告載列每項擬提呈決議案之詳情、投票程序及其他相關資料。主席於股東週年大會開始時，已解釋以投票方式進行表決之程序，已回答股東就按股數投票之任何提問。

### 股東權利

#### 股東召開股東特別大會之程序

下列本公司股東(「股東」，各為一名「股東」)召開股東特別大會(「股東特別大會」)之程序，乃根據本公司組織章程細則第64條所編製：

1. 於遞呈要求日期持有不少於本公司繳足股本十分之一的任何一名或多名有權於股東大會上投票的股東(「呈請人」)通過書面通知有權要求董事會召開股東特別大會(「呈請」)，以處理有關要求中指明的任何事項。
2. 有關呈請須以書面形式並透過發送電郵至本公司電郵地址 [main@texhong.com](mailto:main@texhong.com) 向本公司董事會或公司秘書提出。

# 企業管治報告

## CORPORATE GOVERNANCE REPORT

### SHAREHOLDERS' RIGHTS (Continued)

#### Procedures for shareholders to convene an extraordinary general meeting (Continued)

3. The EGM shall be held within two months after the deposit of such Requisition.
4. If the Directors fail to proceed to convene such meeting within 21 days of the deposit of such Requisition, the Requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the Requisitionist(s) as a result of the failure of the Directors shall be reimbursed to the Requisitionist(s) by the Company.

#### Procedures for raising enquiries

1. Shareholders should direct their questions about their shareholdings, share transfer, registration and payment of dividend to the Company's branch share registrar in Hong Kong, details of which are set out in the section headed "Corporate Information" of this annual report.
2. Shareholders may at any time raise any enquiry in respect of the Company via email at the email address of the Company at [main@texhong.com](mailto:main@texhong.com).
3. Shareholders are reminded to lodge their questions together with their detailed contact information for the prompt response from the Company if it deems appropriate.

#### Procedures and contact details for putting forward proposals at shareholders' meetings

1. To put forward proposals at a general meeting of the Company, a Shareholder should lodge a written notice of his/her/its proposal ("Proposal") with his/her/its detailed contact information via email at the email address of the Company at [main@texhong.com](mailto:main@texhong.com).
2. The identity of the Shareholder and his/her/its request will be verified with the Company's branch share registrar in Hong Kong and upon confirmation by the branch share registrar that the request is proper and in order and made by a Shareholder, the Board will include the Proposal in the agenda for the general meeting.

### 股東權利(續)

#### 股東召開股東特別大會之程序(續)

3. 股東特別大會將於遞呈呈請後兩個月內召開。
4. 倘董事未能在呈請遞交後21天內召開股東特別大會，則呈請人以同樣方式可自行召開股東特別大會，而因董事未能召開該大會令呈請人產生的所有合理費用，本公司須向呈請人進行償付。

#### 提出查詢的程序

1. 股東如對名下股權、股份轉讓、登記及派付股息有任何疑問，應向本公司香港股份過戶登記分處提出，其詳情載於本年報「公司資料」一節內。
2. 股東可隨時透過發送電郵本公司電郵地址 [main@texhong.com](mailto:main@texhong.com) 提出任何有關本公司的查詢。
3. 倘股東提出問題時，務請留下彼等詳細聯絡資料以便本公司適時迅速回應。

#### 於股東大會提呈建議的程序及詳細聯絡資料

1. 為於本公司股東大會上提呈建議，股東須以書面提交該建議（「建議」），連同詳細聯絡資料，透過電郵傳送至本公司電郵地址 [main@texhong.com](mailto:main@texhong.com)。
2. 本公司會向本公司之香港股份過戶登記分處核實股東身份及其要求，於獲得股份過戶登記分處確認股東作出的要求為恰當及適當後，董事會將在股東大會的議程內加入建議。

# 企業管治報告

## CORPORATE GOVERNANCE REPORT

### SHAREHOLDERS' RIGHTS (Continued)

#### Procedures and contact details for putting forward proposals at shareholders' meetings (Continued)

3. The notice period to be given to all the Shareholders for consideration of the Proposal raised by the Shareholder concerned at the general meeting varies according to the nature of the Proposal as follows:
- (i) Notice of not less than 21 days in writing if the Proposal requires approval by way of an ordinary resolution in an annual general meeting or a special resolution of the Company;
  - (ii) Notice of not less than 14 days in writing if the Proposal requires approval in meeting other than an annual general meeting or approval by way of a special resolution of the Company.

### CORPORATE GOVERNANCE ENHANCEMENT

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

On behalf of the Board

**Hong Tianzhu**  
Chairman

Hong Kong, 28 February 2013

### 股東權利(續)

於股東大會提呈建議的程序及詳細聯絡資料(續)

3. 就上述股東提出於股東大會考慮之建議而向全體股東發出通告之通知期因應建議之性質有所不同，詳情如下：
- (i) 倘建議須於本公司股東週年大會上以普通決議案方式獲得批准或以特別決議案方式獲得批准，則須不少於21日之書面通知；
  - (ii) 倘建議須於本公司大會而非於股東週年大會上獲得批准，或以本公司特別決議案方式獲得批准，則須不少於14日之書面通知。

### 提升企業管治水平

提升企業管治水平並非只為應用及遵守聯交所之《企業管治守則》，乃為推動及建立道德與健全之企業文化為依歸。吾等將不斷檢討並按經驗、監管變動及發展，於適當時候改善現行常規。本公司歡迎股東提供任何意見及建議以提高本公司之透明度。

代表董事會

**洪天祝**  
主席

香港，二零一三年二月二十八日



# 董事及高級管理層

## DIRECTORS AND SENIOR MANAGEMENT

### DIRECTORS

#### Executive Directors

**Mr. Hong Tianzhu**, aged 45, is an executive Director and chairman of the Group. He is the founder of the Group. He is responsible for the overall business development strategy of the Group. Mr. Hong is currently a vice chairman of the Hong Kong General Chamber of Textiles Limited. He has over 20 years of experience in the textile industry. Prior to establishing the Group, Mr. Hong was a vice general manager of 晉江藝豐服裝織造有限公司 (Jinjiang Yifeng Garment Weaving Company Limited). Mr. Hong is a director and the 100% beneficial owner of Texhong Group Holdings Limited, and the sole director of New Green Group Limited, which is 100% owned by Texhong Group Holdings Limited. Mr. Hong is also a director of Trade Partner Investments Limited, which is owned as to 51.36% by him. Each of New Green Group Limited and Trade Partner Investments Limited was the beneficial owner of 375,459,173 and 163,500,000 shares of HK\$0.1 each in the Company as at 31 December 2012 respectively.

**Mr. Zhu Yongxiang**, aged 46, is an executive Director and co-chief executive officer of the Group. He is responsible for the daily operations of the Group. Mr. Zhu graduated from the 南通紡織工學院 (Nantong Textile Industry College) in 1987. Prior to joining the Group in 1997, Mr. Zhu was an assistant to the general manager of 南通第二棉紡織廠 (Nantong No. 2 Cotton Textile Factory). Mr. Zhu is the sole director and the 100% beneficial owner of Wisdom Grace Investments Limited. Mr. Zhu is also a director of Trade Partner Investments Limited, which is owned as to 41.36% by him. Each of Trade Partner Investments Limited and Wisdom Grace Investments Limited was the beneficial owner of 163,500,000 and 68,000,000 shares of HK\$0.1 each in the Company as at 31 December 2012 respectively.

**Mr. Tang Daoping**, aged 47, is an executive Director, chief operation officer and vice president of the Group. He is responsible for the operations of the Group's yarn business. Mr. Tang is also a director and the chairman of Texhong Suining, Jiangsu Century Texhong, Xuzhou Century Texhong, Xuzhou Texhong Times, Nantong Century Texhong, Nantong Texhong Yin Hai and Xuzhou Texhong Yinfeng. Mr. Tang graduated from 徐州廣播電視大學 (Xuzhou Radio and TV University) in 1996 majoring in accounting. Mr. Tang has over 27 years of experience in the textile industry. He was a workshop manager of 睢寧棉紡織廠 (Suining Cotton Textile Factory) prior to joining the Group in 1998 as a vice general manager. Mr. Tang was promoted and became a director of Texhong Suining and Jiangsu Century Texhong in September 2002.

### 董事

#### 執行董事

**洪天祝先生**，45歲，本集團的執行董事及主席。洪先生是本集團創始人，負責本集團的整體業務發展策略。洪先生是現任香港紡織商會副主席。彼於紡織業擁有逾二十年經驗，在成立本集團前，彼曾任晉江藝豐服裝織造有限公司的副總經理。洪先生為Texhong Group Holdings Limited的董事，並為該公司全資實益擁有人，亦為New Green Group Limited的唯一董事，該公司由Texhong Group Holdings Limited全資擁有。洪先生亦為Trade Partner Investments Limited的董事，並擁有該公司51.36%權益。於二零一二年十二月三十一日，New Green Group Limited及Trade Partner Investments Limited分別為本公司每股面值0.1港元的375,459,173股股份及163,500,000股股份的實益擁有人。

**朱永祥先生**，46歲，本集團的執行董事兼聯席行政總裁。彼負責本集團的日常營運。朱先生於一九八七年畢業於南通紡織工學院。於一九九七年加入本集團前，朱先生曾任南通第二棉紡織廠的總經理助理。朱先生為Wisdom Grace Investments Limited的唯一董事，並為該公司全資實益擁有人。朱先生亦為Trade Partner Investments Limited的董事，並擁有該公司41.36%權益。於二零一二年十二月三十一日，Trade Partner Investments Limited及Wisdom Grace Investments Limited分別為本公司每股面值0.1港元的163,500,000股股份及68,000,000股股份的實益擁有人。

**湯道平先生**，47歲，本集團執行董事兼營運總裁及副總裁。彼負責本集團的紗線業務。湯先生亦為天虹睢寧、江蘇世紀天虹、徐州世紀天虹、徐州天虹時代、南通世紀天虹、南通天虹銀海及徐州天虹銀豐的董事兼董事長。彼於一九九六年畢業於徐州廣播電視大學，主修會計，並於紡織業擁有逾二十七年經驗。湯先生曾於睢寧棉紡織廠出任工廠經理，後於一九九八年加入本集團為副總經理。湯先生於二零零二年九月晉升為天虹睢寧及江蘇世紀天虹的董事。

## 董事及高級管理層

### DIRECTORS AND SENIOR MANAGEMENT

#### DIRECTORS (Continued)

##### Executive Directors (Continued)

**Mr. Gong Zhao**, aged 58, is an executive Director and vice president of the Group. He is responsible for the operations of the Group's grey fabric business. Mr. Gong is also a director and the chairman of Texhong Jinhua, Zhejiang Texhong and Zhejiang Century Texhong. Mr. Gong has over 27 years of experience in the textile industry. Prior to joining the Group in 1998 as a vice general manager, Mr. Gong had worked in 無錫市第四棉紡織廠 (Wuxi No. 4 Cotton Textile Factory). Mr. Gong was promoted and became a director of Texhong Jinhua in January 2001.

##### Independent Non-executive Directors

**Ms. Zhu Lanfen**, aged 71, studied in 華東紡織工學院 (Huadong Textile Industry School) in textile. Ms. Zhu has over 42 years of experience in the textile industry. Ms. Zhu is currently the vice president of the council of 中國棉紡織行業協會 (China Cotton Textile Industry Association). She joined the Group and was appointed as an independent non-executive Director on 21 November 2004.

**Professor Cheng Longdi**, aged 53, obtained his doctorate degree in textile from Donghua University in 2002. Professor Cheng is currently a professor of 東華大學紡織工程系 (Department of Textile Engineering, Donghua University) and he is also the 紡織面料技術教育部重點實驗室常務副主任 (deputy director of the key laboratory of Textile Science and Technology, Ministry of Education). Professor Cheng is an academic committee member of the cotton textile profession committee of the China Society of Textile Engineering. Professor Cheng is also the committee member of the expert committee of China Textile Planning Institute of Construction. Professor Cheng was an engineer of the China Textile Academy (formerly known as Textile Academy of Textile Ministry). He joined the Group and was appointed as an independent non-executive Director on 21 November 2004.

#### 董事 (續)

##### 執行董事 (續)

**龔照先生**，58歲，本集團執行董事兼副總裁。彼負責本集團的坯布業務，彼亦為天虹金華、浙江天虹及浙江世紀天虹的董事兼董事長。龔先生於紡織業擁有逾二十七年豐富經驗，於一九九八年加入本集團出任副總經理前，龔先生曾於無錫市第四棉紡織廠工作。龔先生於二零零一年一月晉升為天虹金華的董事。

##### 獨立非執行董事

**朱蘭芬女士**，71歲。朱女士於華東紡織工學院修讀紡織。朱女士於紡織業擁有逾四十二年的豐富經驗。朱女士現為中國棉紡織行業協會的副理事長。彼於二零零四年十一月二十一日加入本集團，並獲委任為獨立非執行董事。

**程隆棟教授**，53歲。程教授於二零零二年取得東華大學的紡織博士學位，亦為東華大學紡織工程系教授及紡織面料技術教育部重點實驗室常務副主任。程教授為中國紡織工程學會棉紡專業委員會學術委員會委員，亦為中國紡織建設規劃院專家委員會委員。程教授曾為中國紡織科學研究院（前稱紡織工業部紡織科學研究院）的工程師。彼於二零零四年十一月二十一日加入本集團，並獲委任為獨立非執行董事。

## 董事及高級管理層

# DIRECTORS AND SENIOR MANAGEMENT

### DIRECTORS (Continued)

#### Independent Non-executive Directors (Continued)

**Mr. TING Leung Huel, Stephen**, MH, FCCA, FCPA (PRACTISING), ACA, CTA (HK), FHKIoD, aged 59, was appointed as independent non-executive Director of the Company on 21 November 2004. Mr. Ting is an accountant in public practice and has more than 30 years' experience in this field. Currently he is the managing partner of Messrs Ting Ho Kwan & Chan, Certified Public Accountants (Practising). Mr. Ting is a member of the 9th and 10th Chinese People Political & Consultative Conference, Fujian. He is now an independent non-executive director of six other listed companies in Hong Kong, namely China SCE Property Holdings Limited, Computer and Technologies Holdings Limited, Dongyue Group Limited, JLF Investment Company Limited, Tong Ren Tang Technologies Company Limited and Tongda Group Holdings Limited respectively. He is also a non-executive director of Chow Sang Sang Holdings International Limited, a listed company in Hong Kong.

### SENIOR MANAGEMENT

**Mr. Sha Tao**, aged 47, a vice president of the Group and responsible for the production and purchase of the Group's grey fabric operations. He is also a director and the chairman of Taizhou Texhong Weaving and Taizhou Century Texhong. Mr. Sha obtained his bachelor's degree in textile from 無錫輕工業學院 (Wuxi Light Industry University) in 1986. Mr. Sha has over 23 years of experience in the textile industry. Prior to joining the Group in 1998, he was a factory manager of one of the factories of 南通第二棉紡織廠 (Nantong No. 2 Cotton Textile Factory).

**Mr. Hu Zhiping**, aged 49, is a vice president of the Group and responsible for the grey fabric sales operations of the Group. Mr. Hu graduated from 無錫職業大學 (Wuxi Professional University) in textile in 1984. Mr. Hu has over 23 years of experience in the textile industry. He was a vice general manager of 無錫協達織造有限公司 (Wuxi Xieda Weaving Company Limited) prior to joining the Group in 1998.

**Mr. Hui Tsz Wai**, aged 39, the chief financial officer and company secretary of the Group. He graduated from the Chinese University of Hong Kong with a bachelor of business administration (honours) degree. He is a fellow member of the Association of Chartered Certified Accountants and a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants. He is also a Chartered Financial Analyst and a Certified Fraud Examiner. He has more than 17 years working experience in finance related area. Prior to joining the Group in 2004, he had been working at one of the big four international accounting firms for about nine years. He successfully assisted the Group in completion of the initial public offering on the main board of the Stock Exchange in 2004.

### 董事 (續)

#### 獨立非執行董事 (續)

丁良輝先生，MH，FCCA，FCPA (PRACTISING)，ACA，CTA (HK)，FHKIoD，59歲，於二零零四年十一月二十一日獲委任為本公司之獨立非執行董事。丁先生為執業會計師，於該行業積逾三十年經驗。彼現為丁何關陳會計師行之執行合夥人。丁先生為中國人民政治協商會議第九屆及第十屆福建省委員會委員。現為其他六家香港上市公司之獨立非執行董事，分別為中駿置業控股有限公司、科聯系統集團有限公司、東岳集團有限公司、金六福投資有限公司、北京同仁堂科技發展股份有限公司及通達集團控股有限公司。彼亦擔任一家香港上市公司周生生集團國際有限公司之非執行董事。

### 高級管理層

沙淘先生，47歲，本集團的副總裁並負責本集團的坯布生產及物流採購。彼亦為泰州天虹織造及泰州世紀天虹的董事兼主席。沙先生於一九八六年畢業自無錫輕工業學院紡工系，並取得學士學位。沙先生於紡織業擁有逾二十三年經驗。彼於一九九八年加入本集團前，曾出任南通第二棉紡織廠其中一家廠房的廠長。

胡志平先生，49歲，本集團副總裁並負責本集團的坯布營銷業務。胡先生於一九八四年畢業自無錫職業大學紡織系。彼於紡織業擁有逾二十三年經驗。彼於一九九八年加入本集團前，胡先生曾出任無錫協達織造有限公司的副總經理。

許子慧先生，39歲，本集團的財務總監及公司秘書。許先生畢業於香港中文大學，獲頒工商管理(榮譽)學士學位。彼為英國特許公認會計師公會資深會員及香港會計師公會執業會計師。彼亦為特許財務分析員兼舞弊查核師。許先生擁有逾十七年財務相關的工作經驗，於二零零四年加盟本集團，此前曾在四大國際性會計師事務所之一任職近九年，他協助本集團於二零零四年成功在香港聯合交易所有限公司主板上市。

# 公司資料

## CORPORATE INFORMATION

### EXECUTIVE DIRECTORS

Mr. Hong Tianzhu (*Chairman and chief executive officer*)  
Mr. Zhu Yongxiang (*Co-chief executive officer*)  
Mr. Tang Daoping  
Mr. Gong Zhao

### INDEPENDENT NON-EXECUTIVE DIRECTORS AND AUDIT COMMITTEE

Mr. Ting Leung Huel, Stephen  
MH, FCCA, FCPA (PRACTISING),  
ACA, FTIHK, FHKIoD (*Chairman*)  
Ms. Zhu Lanfen  
Professor Cheng Longdi

### REMUNERATION COMMITTEE

Mr. Ting Leung Huel, Stephen  
MH, FCCA, FCPA (PRACTISING),  
ACA, FTIHK, FHKIoD (*Chairman*)  
Mr. Hong Tianzhu  
Ms. Zhu Lanfen  
Professor Cheng Longdi

### NOMINATION COMMITTEE

Mr. Hong Tianzhu (*Chairman*)  
Mr. Ting Leung Huel, Stephen  
MH, FCCA, FCPA (PRACTISING),  
ACA, FTIHK, FHKIoD  
Ms. Zhu Lanfen  
Professor Cheng Longdi

### COMPANY SECRETARY

Mr. Hui Tsz Wai

### AUTHORISED REPRESENTATIVES

Mr. Hong Tianzhu  
Mr. Hui Tsz Wai

### HEAD OFFICE

Unit 9, 31st Floor  
Dorset House, Taikoo Place  
979 King's Road  
Quarry Bay  
Hong Kong

### REGISTERED OFFICE

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

### 執行董事

洪天祝先生 (*主席兼行政總裁*)  
朱永祥先生 (*聯席行政總裁*)  
湯道平先生  
龔照先生

### 獨立非執行董事及審核委員會

丁良輝先生  
MH, FCCA, FCPA (PRACTISING),  
ACA, FTIHK, FHKIoD (*主席*)  
朱蘭芬女士  
程隆棣教授

### 薪酬委員會

丁良輝先生  
MH, FCCA, FCPA (PRACTISING),  
ACA, FTIHK, FHKIoD (*主席*)  
洪天祝先生  
朱蘭芬女士  
程隆棣教授

### 提名委員會

洪天祝先生 (*主席*)  
丁良輝先生  
MH, FCCA, FCPA (PRACTISING),  
ACA, FTIHK, FHKIoD  
朱蘭芬女士  
程隆棣教授

### 公司秘書

許子慧先生

### 授權代表

洪天祝先生  
許子慧先生

### 總辦事處

香港  
鰂魚涌  
英皇道979號  
太古坊多盛大廈  
31樓9室

### 註冊辦事處

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

## 公司資料 CORPORATE INFORMATION

### PRINCIPAL BANKERS

Bank of China (Hong Kong)  
Standard Chartered Bank  
Deutsche Bank AG, Hong Kong Branch  
Citibank (China) Co., Ltd. Shanghai Branch  
Australia and New Zealand Banking Group Limited  
Crédit Agricole Corporate & Investment Bank  
BNP Paribas  
Industrial and Commercial Bank of China  
Bank of China  
China Merchants Bank  
Bank of Jiangsu

### AUDITOR

PricewaterhouseCoopers

### LEGAL ADVISORS AS TO HONG KONG LAW

Chiu & Partners

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Royal Bank of Canada Trust Company  
(Cayman) Limited  
4th Floor, Royal Bank House  
24 Shedden Road, George Town  
Grand Cayman KY1-1110  
Cayman Islands

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Boardroom Share Registrars (HK) Limited  
12th Floor, The Lee Gardens  
33 Hysan Avenue  
Causeway Bay  
Hong Kong

### WEBSITE

[www.texhong.com](http://www.texhong.com)

### STOCK CODE

2678

### 主要往來銀行

中國銀行(香港)  
渣打銀行  
德意志銀行香港分行  
花旗銀行(中國)有限公司上海分行  
澳新銀行  
東方滙理銀行  
法國巴黎銀行  
中國工商銀行  
中國銀行  
招商銀行  
江蘇銀行

### 核數師

羅兵咸永道會計師事務所

### 法律顧問(香港法律)

趙不渝·馬國強律師事務所

### 主要股份過戶登記處

Royal Bank of Canada Trust Company  
(Cayman) Limited  
4th Floor, Royal Bank House  
24 Shedden Road, George Town  
Grand Cayman KY1-1110  
Cayman Islands

### 香港股份過戶登記分處

寶德隆證券登記有限公司  
香港  
銅鑼灣  
希慎道33號  
利園12樓

### 互聯網址

[www.texhong.com](http://www.texhong.com)

### 股份編號

2678



# 董事會報告

## REPORT OF THE DIRECTORS

The Directors of the Company submit their report together with the audited financial statements of the Company for the year ended 31 December 2012.

### PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The Company is an investment holding company. The Group is principally engaged in the manufacture and sale of yarn, grey fabrics and garment fabrics. The principal activities of each of the subsidiaries of the Company are set out in note 36 to the accompanying financial statements.

#### Business segments

The Group is engaged in the manufacturing and sale of yarns, grey fabrics and garment fabrics. Business analysis of sales, segment results, total assets and capital expenditure are set out in note 5 to the accompanying financial statements.

#### Geographical segments

The Group operates in four main geographical areas, the PRC, Vietnam, Macao and Hong Kong. Geographical analysis of sales, segment results, total assets, and capital expenditure are set out in note 5 to the accompanying financial statements.

### RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2012 are set out in the consolidated income statement on page 63 of this annual report.

The board recommended the payment of a final dividend of HK\$0.27 per share in respect of the financial year ended 31 December 2012.

### RESERVES

Details of movements in the reserves of the Group and of the Company during the year ended 31 December 2012 are set out in note 17 to the accompanying financial statements.

### PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group and of the Company during the year ended 31 December 2012 are set out in note 7 to the accompanying financial statements.

### SHARE CAPITAL

Details of the movements in share capital of the Company are set out in note 15 to the accompanying financial statements.

本公司董事會同寅謹將截至二零一二年十二月三十一日止年度報告連同經已審核之財務報表呈覽。

### 主要業務及營運地區分析

本公司為一間投資控股公司。本集團主要從事生產及銷售紗線、坯布及面料。本公司各附屬公司之主要業務活動載於隨附之財務報表附註36。

#### 業務分類

本集團主要製造及銷售紗線、坯布及面料。營業額、分類業績、資產總額及資本開支業務分析載於隨附之財務報表附註5。

#### 地區分類

本集團主要於中國、越南、澳門及香港這四個地區經營業務。營業額、分類業績、資產總額及資本開支之地區分析載於隨附之財務報表附註5。

#### 業績及分派

本集團於截至二零一二年十二月三十一日止年度之業績載列於本年報第63頁之綜合損益表。

董事會建議派發截至二零一二年十二月三十一日止財政年度之末期股息每股0.27港元。

#### 儲備

本集團及本公司截至二零一二年十二月三十一日止年度之儲備變動詳情載於隨附之財務報表附註17。

#### 物業、廠房及設備

本集團及本公司截至二零一二年十二月三十一日止年度之物業、廠房及設備變動詳情載於隨附之財務報表附註7。

#### 股本

本公司之股本變動詳情載於隨附之財務報表附註15。

## 董事會報告

# REPORT OF THE DIRECTORS

### DISTRIBUTABLE RESERVES

The Company's distributable reserves as at 31 December 2012 is set out in note 17 to the accompanying financial statements.

### PRE-EMPTIVE RIGHTS

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

### TAX RELIEF

The Company is not aware of any tax relief or exemption available to the shareholders of the Company by reason of their holding of the Company's securities.

### FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 3 of this annual report.

### PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

### SHARE OPTIONS

A share option scheme (the "Share Option Scheme") was adopted pursuant to a written resolution of all the then shareholders of the Company passed on 21 November 2004 (the "Adoption Date").

The purpose of the Share Option Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their contributions to the Group. All directors, employees, suppliers of goods or services, customers, persons or entities that provide research, development or other technological support to the Group, shareholders of any member of the Group, advisers or consultants of the Group and any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement and growth of the Group are eligible to participate in the Share Option Scheme

The Share Option Scheme will remain in force for a period of 10 years after the Adoption Date.

### 可供分派儲備

本公司於二零一二年十二月三十一日可供分派儲備詳情載列於隨附之財務報表附註17。

### 優先購買權

本公司組織章程細則中並無優先購股權之條文，而開曼群島之法例亦無規定本公司須按比例向現有股東發售新股的限制。

### 稅務減免

本公司並不知悉任何因持有本公司證券而提供予本公司股東之稅務寬減或減免。

### 財務概要

本集團過去五個財政年度之業績及資產負債摘要載於本年報第3頁。

### 購買、出售或購回證券

本年內，本公司或其附屬公司概無購買、出售或購回本公司上市證券。

### 購股權

購股權計劃(「購股權計劃」)於二零零四年十一月二十一日(「採納日期」)獲本公司當時全體股東以書面決議案通過採納。

購股權計劃之目的乃讓本集團向指定參與者授予購股權，作為向此等人士對本集團作出之貢獻予以嘉獎或酬謝。所有董事、僱員、貨物或服務供應商、客戶、向本集團提供研究、發展或其他技術支援之人士或實體、本集團任何成員公司之股東、本集團之顧問或專業顧問及任何其他對本集團之發展曾作出貢獻或可透過合營企業、業務聯盟或其他業務安排作出貢獻之團體或類別之參與者均合資格參與購股權計劃。

購股權計劃自購股權計劃獲採納日期後十年內有效。

## 董事會報告

# REPORT OF THE DIRECTORS

### SHARE OPTIONS (Continued)

The total number of Shares which may be allotted and issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme adopted by the Group must not in aggregate exceed 10% of the Shares of the Company in issue on the date of listing of shares of the Company on the Stock Exchange (the “General Scheme Limit”). The Company may renew the General Scheme Limit with shareholders’ approval provided that each such renewal may not exceed 10% of the Shares in the Company in issue as at the date of the shareholders’ approval.

The maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme adopted by the Group must not in aggregate exceed 30% of the Shares in issue from time to time.

Unless approved by shareholders of the Company, the total number of Shares issued and to be issued upon exercise of the options granted under the Share Option Scheme and any other share option scheme of the Group (including both exercised or outstanding options) to each participant in any 12-months period shall not exceed 1% of the issued share capital of the Company for the time being (the “Individual Limit”).

An option may be accepted by a participant within 21 days from the date of the offer of grant of the option. A nominal consideration of HK\$1 is payable on acceptance of the grant of an option.

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the Directors to each grantee, which period may commence on a day after the date upon which the offer for the grant of options is made but shall end in any event not later than 10 years from the date of grant of the option, subject to the provisions for early termination thereof. Unless otherwise determined by the Directors and stated in the offer of the grant of options to a grantee, there is no minimum period required under the Share Option Scheme for the holding of an option before it can be exercised.

The subscription price for the Shares under the Share Option Scheme will be a price determined by the Directors, but shall not be less than the highest of (i) the closing price of Shares as stated in the Stock Exchange’s daily quotations sheet on the date of the offer of grant, which must be a business day; (ii) the average closing price of the Shares as stated in the Stock Exchange’s daily quotations for the five trading days immediately preceding the date of the offer of grant; and (iii) the nominal value of the Shares.

As at 31 December 2012, no option was granted under the Share Option Scheme.

### 購股權(續)

於購股權計劃及獲本集團採納之任何其他購股權計劃項下授出之全部購股權倘獲行使而可予配發及發行之股份總數不得超過本公司股份於聯交所上市之日已發行股份之10%（「一般計劃上限」）。本公司可於獲得股東批准下重訂該一般計劃上限，惟該重訂不得超過於獲股東通過之日本公司已發行股份之10%。

於購股權計劃及獲本集團採納之任何其他購股權計劃項下發行在外而尚未行使之全部購股權倘獲行使而可予發行之股份數目不得超過當時已發行股份之30%。

除獲得本公司股東批准外，於購股權計劃及本集團之任何其他購股權計劃項下於任何十二個月內向各參與者授出之購股權（包括已行使或尚未行使者）倘獲行使而發行或可予發行之股份總數不得超過當時本公司已發行股份之1%（「個人上限」）。

參與者可於授出購股權要約日期起二十一日內接納購股權。於接納授出之購股權時，須繳付1港元之象徵代價。

購股權可按照購股權計劃之條款於董事會釐定及通知各承授人之期限（期限由授出購股權要約當日之後一日開始，惟無論如何不得遲於購股權授出日期起計十年結束，並受購股權有關提早終止之條文限制）內隨時行使。除董事另有釐定並於向承授人發出之要約函件註明外，購股權計劃並無規定其行使前必須持有之最短時限。

根據購股權計劃，股份之認購價將由董事釐定，惟不得少於（以較高者為準）(i) 授出購股權要約日期（須為營業日）在聯交所每日報價表上所示股份之收市價；(ii) 緊接授出購股權要約日期前五個交易日在聯交所每日報價表上所示股份之平均收市價；及(iii) 股份之面值。

於二零一二年十二月三十一日，概無根據購股權計劃授出購股權。

## 董事會報告

# REPORT OF THE DIRECTORS

### DIRECTORS

The Directors during the year were:

Mr. Hong Tianzhu  
Mr. Zhu Yongxiang  
Mr. Tang Daoping  
Mr. Gong Zhao  
Mr. Ting Leung Huel, Stephen\*  
Ms. Zhu Lanfen\*  
Professor Cheng Longdi\*

\* Independent non-executive Directors

In accordance with article 108(A) of the articles of association of the Company, Mr. Gong Zhao, Ms. Zhu Lanfen and Professor Cheng Longdi will retire from office by rotation. Mr. Gong Zhao and Professor Cheng Longdi, being eligible, will offer themselves for re-election at the forthcoming annual general meeting. Ms. Zhu Lanfen will not offer herself for re-election at the forthcoming annual general meeting.

### DIRECTORS' SERVICE CONTRACTS

Each of Mr. Hong Tianzhu, Mr. Zhu Yongxiang, Mr. Tang Daoping and Mr. Gong Zhao, all being executive Directors, has entered into a service contract with the Company for an initial term of three years commencing from 21 November 2004, and will continue thereafter for successive term of one year until terminated by not less than three month's notice in writing served by either party on the other expiring at the end of the initial term or at any time thereafter.

Mr. Ting Leung Huel, Stephen, Ms. Zhu Lanfen and Professor Cheng Longdi are independent non-executive directors and were appointed for an initial term of one year commencing from 21 November 2004 renewable automatically for a successive term of one year each commencing from the next day after the expiry of the then current term, unless terminated by not less than three months' notice in writing at the end of the initial term or at any time thereafter.

None of the Directors 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.

### 董事

年內在任之董事如下：

洪天祝先生  
朱永祥先生  
湯道平先生  
龔照先生  
丁良輝先生\*  
朱蘭芬女士\*  
程隆棣教授\*

\* 獨立非執行董事

根據本公司組織章程細則第108(A)條，龔照先生、朱蘭芬女士及程隆棣教授將輪值告退。龔照先生及程隆棣教授符合資格並願意於即將舉行的股東週年大會上膺選連任。朱蘭芬女士將不會於即將舉行的股東週年大會上膺選連任。

### 董事服務合約

洪天祝先生、朱永祥先生、湯道平先生及龔照先生(均為執行董事)已各自與本公司訂立服務合約，自二零零四年十一月二十一日起計，初步為期三年，其後按年續約，直至任何一方於初步年期屆滿前或其後任何時間向另一方發出不少於三個月之書面通知終止合約。

丁良輝先生、朱蘭芬女士及程隆棣教授分別獲委任為獨立非執行董事，自二零零四年十一月二十一日起計，初步任期一年，可於現有委任期屆滿後翌日自動續約一年，直至任何一方於初步年期屆滿前或其後任何時間向另一方發出不少於三個月之書面通知終止合約。

概無董事與本公司或其任何附屬公司訂立服務合同，而有關服務合同在未有支付法定賠償以外之賠償則不得由本集團於一年內予以終止。

# 董事會報告

## REPORT OF THE DIRECTORS

### INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of its independent non-executive Directors confirmation of his/her independence and the Company considers that each of them to be independent based on the guidelines set out in Rule 3.13 of the Listing Rules.

### DIRECTORS' INTERESTS IN CONTRACTS

No contracts of significance in relation to the Group's business to which the Company or any of 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.

### EMOLUMENTS OF DIRECTORS AND FIVE HIGHEST PAID DIRECTORS/EMPLOYEES

Details of the emoluments of the Directors on a named basis during the year under review are set out in note 26 to the accompanying financial statements.

Details of the five highest paid individuals during the year under review are set out in note 26 to the accompanying financial statements.

### REMUNERATION POLICY

Remuneration policy of the Group is reviewed regularly, making reference to the legal framework, market condition and performance of the Group and individual staff including the Directors). The remuneration policy and remuneration packages of the executive Directors and member of the senior management of the Group are reviewed by the Remuneration Committee, which are detailed in the paragraph headed "Remuneration Committee" under the section headed "Corporate Governance Report" of this annual report.

### RETIREMENT BENEFIT SCHEMES

Particulars of the Group's retirement benefit schemes are set out in note 25 to the accompanying financial statements.

### BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical details of directors and senior management as at the date of this annual report are set out on pages 41 to 43 of this annual report.

### 獨立非執行董事之獨立性

本公司已獲得各獨立非執行董事確認其獨立性，而根據上市規則第3.13條所載指引，本公司認為其各人均為獨立。

### 董事於合約中之權益

概無任何與本集團業務有重大關係且本公司及其附屬公司為訂約方及董事擁有重大權益（不論直接或間接）之合約於年終或年內任何時間存在。

### 董事及五位最高薪之董事／僱員之酬金

有關回顧年度內根據指名基準之董事酬金詳情載於隨附之財務報表附註26。

有關回顧年度內之五位最高薪人士之詳情載於隨附之財務報表附註26。

### 薪酬政策

本集團參考法定架構、市場狀況及本集團及個別員工（包括董事）之表現，定期檢討其薪酬政策。薪酬委員會負責檢討本集團執行董事及高級管理層成員之薪酬政策及薪酬組合，詳情載於本年度報告「企業管治報告」一節「薪酬委員會」一段內。

### 退休福利計劃

本集團退休福利計劃之詳情載於隨附之財務報表附註25。

### 董事及高級管理人員之個人簡歷

董事及高級管理人員於本年報日期之個人簡歷載於本年報第41至第43頁。



## 董事會報告

### REPORT OF THE DIRECTORS

#### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

At 31 December 2012, the interests and short positions of each Director and 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, Chapter 571 of the laws of Hong Kong (the "SFO"), as recorded in the register maintained by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code contained in the Listing Rules, were as follows:

#### 董事及行政總裁於本公司或任何相聯法團之股份、相關股份及債權證之權益及淡倉

於二零一二年十二月三十一日，本公司各董事及行政總裁於本公司及其相聯法團（定義見香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債權證中擁有根據證券及期貨條例第352條，紀錄於本公司須予存置之登記冊內之權益或淡倉，或根據上市規則所載的標準守則規定須以其他方式通知本公司及聯交所之權益及淡倉如下：

Name of directors of the Company 本公司董事姓名	Name of Group member/ associated corporation 本集團成員公司/ 相聯法團名稱	Nature of interest 權益性質	Number of ordinary shares (Note 1) 普通股數目 (附註1)	Percentage 百分比
Mr. Hong Tianzhu 洪天祝先生	the Company 本公司	Interest of controlled corporation(s) 所控制法人的權益	538,959,173 (L) (Note 2) (附註2)	60.92%
	the Company 本公司	Beneficial owner 實益擁有人	5,400,000 (L)	0.61%
Mr. Zhu Yongxiang 朱永祥先生	the Company 本公司	Interest of controlled corporation(s) 所控制法人的權益	231,500,000 (L) (Note 3) (附註3)	26.17%
Mr. Tang Daoping 湯道平先生	the Company 本公司	Beneficial owner 實益擁有人	200,000 (L)	0.02%
Mr. Gong Zhao 龔照先生	the Company 本公司	Beneficial owner 實益擁有人	90,000 (L)	0.01%

## 董事會報告

# REPORT OF THE DIRECTORS

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION (Continued)

Notes:

1. The letter "L" denotes the person's long position in the Shares.
2. Among these 538,959,173 Shares, as to 375,459,173 Shares are registered in the name of and beneficially owned by New Green Group Limited, the entire issued share capital of which is beneficially owned by Texhong Group Holdings Limited, a company wholly owned by Mr. Hong Tianzhu and as to 163,500,000 Shares are registered in the name of and beneficially owned by Trade Partner Investments Limited, the entire issued share capital of which is beneficially owned as to 51.36% by Mr. Hong Tianzhu. Under the SFO, Mr. Hong Tianzhu is deemed to be interested in all the Shares held by New Green Group Limited and Trade Partner Investments Limited.
3. Among these 231,500,000 Shares, as to 68,000,000 Shares are registered in the name of and beneficially owned by Wisdom Grace Investments Limited, the entire issued share capital of which is beneficially owned by Mr. Zhu Yongxiang and as to 163,500,000 Shares are registered in the name of and beneficially owned by Trade Partner Investments Limited, the entire issued share capital of which is beneficially owned as to 41.36% by Mr. Zhu Yongxiang. Under the SFO, Mr. Zhu Yongxiang is deemed to be interested in all the Shares held by Wisdom Grace Investments Limited and Trade Partner Investments Limited.

### 董事及行政總裁於本公司或任何相聯法團之股份、相關股份及債權證之權益及淡倉 (續)

附註：

1. 「L」代表該人士於股份之好倉。
2. 該 538,959,173 股股份中 375,459,173 股以 New Green Group Limited (New Green Group Limited 全部已發行股本由 Texhong Group Holdings Limited 實益擁有，洪天祝先生實益擁有後者 100% 權益) 名義及作為實益擁有人登記；163,500,000 股以 Trade Partner Investments Limited (洪天祝先生實益擁有其全部已發行股份的 51.36% 權益) 名義及作為實益擁有人登記。根據證券及期貨條例，洪天祝先生被視為於 New Green Group Limited 及 Trade Partner Investments Limited 持有之所有股份佔有權益。
3. 該 231,500,000 股股份中 68,000,000 股以 Wisdom Grace Investments Limited (其全部已發行股本由朱永祥先生實益擁有) 名義及作為實益擁有人登記；163,500,000 股以 Trade Partner Investments Limited (朱永祥先生實益擁有其全部已發行股份的 41.36% 權益) 名義及作為實益擁有人登記。根據證券及期貨條例，朱永祥先生被視為於 Wisdom Grace Investments Limited 及 Trade Partner Investments Limited 持有之所有股份佔有權益。

## 董事會報告

### REPORT OF THE DIRECTORS

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

So far as the Directors are aware, as at 31 December 2012, the interests or short position of the persons other than a Director or chief executive of the Company in the Shares or underlying shares or debenture of the Company which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

#### 主要股東在本公司股份、相關股份及債權證之權益及淡倉

就董事所知悉，於二零一二年十二月三十一日，於本公司股份或相關股份或債權證中擁有根據證券及期貨條例第336條紀錄於本公司須予存置之登記冊內之權益或淡倉的人士（惟本公司之董事或行政總裁除外）如下：

Ordinary Shares of the Company:

本公司之普通股：

Name of the substantial shareholder 主要股東姓名／名稱	Nature of interests 權益性質	Number of ordinary shares (Note 1) 普通股數目 (附註1)	Percentage 百分比
New Green Group Limited	Beneficial owner 實益擁有人	375,459,173(L) (Note 2) (附註2)	42.44%
Trade Partner Investments Limited	Beneficial owner 實益擁有人	163,500,000(L) (Note 3) (附註3)	18.48%
Wisdom Grace Investments Limited	Beneficial owner 實益擁有人	68,000,000(L) (Note 4) (附註4)	7.69%
Texhong Group Holdings Limited	Interest of controlled corporation(s) 所控制法人的權益	375,459,173(L) (Note 2) (附註2)	42.44%
Ms. KE Luping 柯綠萍女士	Interest of spouse 配偶權益	544,359,173(L) (Note 5) (附註5)	61.53%
Ms. ZHAO Zhiyang 趙志揚女士	Interest of spouse 配偶權益	231,500,000(L) (Note 6) (附註6)	26.17%
Event Star Limited	Beneficial owner 實益擁有人	53,176,000(L) (Note 7) (附註7)	6.01%
Hui Ching Lau 許清流	Interest of controlled corporation(s) 所控制法人的權益	53,176,000(L) (Note 7) (附註7)	6.01%

## 董事會報告

# REPORT OF THE DIRECTORS

### SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND DEBENTURES OF THE COMPANY (Continued)

Notes:

1. The letter "L" denotes the person's long position in the Shares.
2. These 375,459,173 Shares are registered in the name of and beneficially owned by New Green Group Limited, the entire issued share capital of which is beneficially owned by Texhong Group Holdings Limited, a company wholly beneficially owned by Mr. Hong Tianzhu. Under the SFO, each of Texhong Group Holdings Limited and Mr. Hong Tianzhu is deemed to be interested in all the Shares held by New Green Group Limited.
3. These 163,500,000 Shares are registered in the name of and beneficially owned by Trade Partner Investments Limited, the entire issued share capital of which is beneficially owned as to 51.36% by Mr. Hong Tianzhu, 41.36% by Mr. Zhu Yongxiang, 2.24%, 1.68%, 1.68% and 1.68%, by Mr. Sha Tao, Mr. Tang Daoping, Mr. Gong Zhao, Mr. Hu Zhiping. Under the SFO, each of Mr. Hong Tianzhu and Mr. Zhu Yongxiang is deemed to be interested in all the Shares held by Trade Partner Investments Limited.
4. These 68,000,000 Shares are registered in the name of and beneficially owned by Wisdom Grace Investments Limited, the entire issued share capital of which is beneficially owned by Mr. Zhu Yongxiang. Under the SFO, Mr. Zhu Yongxiang is deemed to be interested in all the Shares held by Wisdom Grace Investments Limited.
5. Ms. Ke Luping is the spouse of Mr. Hong Tianzhu. Under the SFO, Ms. Ke Luping is deemed to be interested in the same number of Shares in which Mr. Hong Tianzhu is interested.
6. Ms. Zhao Zhiyang is the spouse of Mr. Zhu Yongxiang. Under the SFO, Ms. Zhao Zhiyang is taken to be interested in the same number of Shares in which Mr. Zhu Yongxiang is interested.
7. These 53,176,000 Shares are beneficially owned by Event Star Limited which is controlled by Mr. Hui Ching Lau. Under the SFO, each of Event Star Limited and Mr. Hui Ching Lau is deemed to be interested in all the Shares held by Event Star Limited.

### 主要股東在本公司股份、相關股份及債權證之權益及淡倉(續)

附註：

1. 「L」代表該人士於股份之好倉。
2. 該375,459,173股股份以New Green Group Limited (New Green Group Limited全部已發行股本由Texhong Group Holdings Limited實益擁有，洪天祝先生實益擁有後者100%權益)名義及作為實益擁有人登記。根據證券及期貨條例，Texhong Group Holdings Limited及洪天祝先生均被視為於New Green Group Limited持有之所有股份佔有權益。
3. 該163,500,000股股份以Trade Partner Investments Limited (其全部已發行股本由洪天祝先生、朱永祥先生、沙陶先生、湯道平先生、龔照先生及胡志平先生分別實益擁有51.36%、41.36%、2.24%、1.68%、1.68%及1.68%)名義及作為實益擁有人登記。根據證券及期貨條例，洪天祝先生及朱永祥先生分別被視為於Trade Partner Investments Limited持有之所有股份佔有權益。
4. 該68,000,000股股份以Wisdom Grace Investments Limited (其全部已發行股本由朱永祥先生實益擁有)名義及作為實益擁有人登記。根據證券及期貨條例，朱永祥先生被視為於Wisdom Grace Investments Limited持有之所有股份佔有權益。
5. 柯綠萍女士為洪天祝先生之配偶。根據證券及期貨條例，柯綠萍女士被視為於洪天祝先生佔有權益之同樣數目股份佔有權益。
6. 趙志揚女士為朱永祥先生之配偶。根據證券及期貨條例，趙志揚女士被視為於朱永祥先生佔有權益之同樣數目股份佔有權益。
7. 該53,176,000股股份由Event Star Limited (其由許清流先生所控制)實益擁有。根據證券及期貨條例，Event Star Limited及許清流先生均被視為於Event Star Limited所持有之所有股份佔有權益。

# 董事會報告

## REPORT OF THE DIRECTORS

### ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed under the section headed “Share Options” above, at no time during the 12 months ended 31 December 2012 was the Company, its holding company or its subsidiaries a party to any arrangements which enabled the Directors (including their spouses or children under 18 years of age), to acquire benefits by means of acquisition of Shares in or debenture of the Company or any other body corporate.

### MANAGEMENT CONTRACTS

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

No contract of significance has been entered into between the Company or any of its subsidiaries and the controlling shareholder (as defined in the Listing Rules) of the Company or any of its subsidiaries.

### MAJOR CUSTOMERS AND SUPPLIERS

The percentages of purchases and sales for the year attributable to the Group’s major suppliers and customers are as follows:

Purchases	
– the largest supplier	16.2%
– five largest suppliers combined	36.2%
Sales	
– the largest customer	3.6%
– five largest customers combined	11.7%

None of the Directors, their associates or any shareholder (which to the knowledge of the Directors owns more than 5% of the Company’s share capital) had an interest in the major suppliers or customers noted above.

### RELATED PARTY TRANSACTIONS

The related party transactions set out in note 35 to the financial statements did not fall within the definition of “connected transaction” or “continuing connected transaction” in Chapter 14A of the Listing Rules.

### 購買股份或債權證之安排

除上述「購股權」一節披露者外，截至二零一二年十二月三十一日止十二個月內，本公司、其控股公司或其附屬公司概無參與訂立安排讓董事(包括其配偶或未滿十八歲之子女)以透過收購本公司或任何其他法人團體之股份或債權證之方法獲得利益。

### 管理合約

於回顧年度內，本公司並無就整體業務或任何重要業務之管理或行政工作簽訂或存有任任何合約。

本公司或其任何附屬公司及本公司或其任何附屬公司之控股股東(定義見上市規則)之間概無訂立重大合約。

### 主要客戶及供應商

本集團主要供應商及客戶佔本年度之採購額及銷售額百分比如下：

採購額	
– 最大供應商	16.2%
– 五位最大供應商合計	36.2%
銷售額	
– 最大客戶	3.6%
– 五位最大客戶合計	11.7%

董事、彼等之聯繫人或任何股東(指據董事所知擁有本公司5%以上股本權益之股東)並無於上述之主要供應商或客戶中擁有任何權益。

### 與關聯方的交易

載於財務報表附註35之與關聯方的交易不屬於上市規則第十四A章所界定之「關連交易」或持續關連交易」。



## 董事會報告

# REPORT OF THE DIRECTORS

### PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors at the latest practicable date prior to the issue of this annual report, there was sufficient prescribed public float of the issued shares of the Company under the Listing Rules at any time during the financial year ended 31 December 2012.

### AUDIT COMMITTEE

The Company has established an Audit Committee which comprises three independent non-executive Directors, namely Mr. Ting Leung Huel, Stephen, Ms. Zhu Lanfen and Professor Cheng Longdi. Mr. Ting Leung Huel, Stephen is the chairman of the Audit Committee. The rights and duties of the Audit Committee comply with the Code Provisions. The Audit Committee is responsible for reviewing and supervising the Group's financial reporting process and internal control system and providing advice and recommendations to the Board.

The Audit Committee had reviewed the audited results of the Group for the financial year ended 31 December 2012.

### NOMINATION COMMITTEE

On 19 March 2012, the Board approved the establishment of the Nomination Committee which became effective on 1 April 2012. The Nomination Committee comprises an executive Director and the chairman of the Company, Mr. Hong Tianzhu and three independent non-executive Directors, namely Ms. Zhu Lanfen, Professor Cheng Longdi and Mr. Ting Leung Huel, Stephen. The chairman of the Nomination Committee is Mr. Hong Tianzhu. The Nomination Committee has adopted terms of reference which are in line with the Code Provisions. The Nomination Committee is provided with sufficient resources to discharge its duties and has access to independent professional advice in accordance with the Company's policy if considered necessary.

### 公眾持股量

根據於本年報刊發前之最後實際可行日期本公司獲得之公開資料及據董事所知，本公司於截至二零一二年十二月三十一日止財政年度任何時間已發行股份均有充份之指定公眾持股量，符合上市規則。

### 審核委員會

本公司已成立審核委員會，該委員會由三名獨立非執行董事組成，包括丁良輝先生、朱蘭芬女士及程隆棣教授，丁良輝先生為審核委員會主席。審核委員會所採納的權力及職責符合《守則條文》。審核委員會負責審閱及監督本集團之財務匯報程序及內部監控制度，並向董事會提供意見及推薦建議。

審核委員會已審閱本集團截至二零一二年十二月三十一日止財政年度之經審核業績。

### 提名委員會

於二零一二年三月十九日，董事會已同意成立提名委員會，並於二零一二年四月一日生效。提名委員會由執行董事兼本公司主席洪天祝先生及三名獨立非執行董事組成，三名董事分別為朱蘭芬女士、程隆棣教授及丁良輝先生。洪天祝先生為提名委員會主席。提名委員會所採納的職權範圍符合《守則條文》。提名委員會獲提供充分資源以履行其職務，並可按本公司政策在有需要時尋求獨立專業意見。

## 董事會報告

### REPORT OF THE DIRECTORS

#### REMUNERATION COMMITTEE

The Remuneration Committee comprises three independent non-executive Directors, namely Mr. Ting Leung Huel, Stephen, Ms. Zhu Lanfen and Professor Cheng Longdi and the chairman and executive Director, namely Mr. Hong Tianzhu. Mr. Ting Leung Huel, Stephen is the chairman of the Remuneration Committee. The Remuneration Committee has rights and duties consistent with those set out in the Code Provisions. The Remuneration Committee is principally responsible for formulating the Group's policy and structure for all remunerations of the Directors and senior management and providing advice and recommendations to the Board.

#### LITIGATION

Neither the Company nor any of its subsidiaries is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against the Company or any of its subsidiaries during the year under review.

#### AUDITOR

The financial statements have been audited by PricewaterhouseCoopers who will retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting.

On behalf of the Board

**Hong Tianzhu**  
*Chairman*

Hong Kong, 28 February 2013

#### 薪酬委員會

董事薪酬委員會由三名獨立非執行董事丁良輝先生、朱蘭芬女士、程隆棣教授及主席兼執行董事洪天祝先生組成。丁良輝先生為薪酬委員會主席。薪酬委員會已採納與《守則條文》一致的權力及職責。薪酬委員會主要負責擬訂本集團董事及高級管理層的所有酬金政策及架構，向董事會提供意見及建議。

#### 訴訟

於回顧年度，本公司或其任何附屬公司概無牽涉於任何重大訴訟或仲裁，而據董事所知，本公司或其任何附屬公司並無涉及待決或面臨威脅之重大訴訟或索償。

#### 核數師

本財務報表已經由羅兵咸永道會計師事務所審核，該核數師將任滿告退，並合資格於下一屆股東週年大會上獲續聘。

承董事會命

**洪天祝**  
*主席*

香港，二零一三年二月二十八日

# 獨立核數師報告

## INDEPENDENT AUDITOR'S REPORT



羅兵咸永道

To the shareholders of Texhong Textile Group Limited  
(incorporated in Cayman Islands with limited liability)

致天虹紡織集團有限公司全體股東  
(於開曼群島註冊成立的有限公司)

We have audited the consolidated financial statements of Texhong Textile Group Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 60 to 155, which comprise the consolidated and company balance sheets as at 31 December 2012, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

本核數師(以下簡稱「我們」)已審核列載於第60至155頁天虹紡織集團有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表，此綜合財務報表包括於二零一二年十二月三十一日的綜合及公司資產負債表與截至該日止年度的綜合損益表、綜合全面收益表、綜合權益變動表和綜合現金流量表，以及重要會計政策摘要及其他解釋資料。

### DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

### 董事就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及按照香港公司條例的披露規定編製真實而公平的綜合財務報表，以及董事釐定屬必要的內部監控，以使編製的綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

### 核數師的責任

我們的責任是根據我們的審核對該等綜合財務報表作出意見，並僅向全體股東報告，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

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

我們已根據香港會計師公會頒佈的香港審計準則進行審核。這些準則要求我們遵守道德規範，並規劃及執行審核，以合理確定此等綜合財務報表是否不存有任何重大錯誤陳述。

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## 獨立核數師報告 INDEPENDENT AUDITOR'S REPORT

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

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

### OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2012, and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

**PricewaterhouseCoopers**  
*Certified Public Accountants*

Hong Kong, 28 February 2013

審核涉及執行程序以獲取有關綜合財務報表所載金額及披露資料的審核憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存有重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製真實而公平的綜合財務報表相關的內部監控，以設計適當的審核程序，但並非為對公司的內部監控的效能發表意見。審核亦包括評價董事所採用的會計政策的合適性及所作出的會計估計的合理性，以及評價綜合財務報表的整體列報方式。

我們相信，我們所獲得的審核憑證是充足和適當地為我們的審核意見提供基礎。

### 意見

我們認為，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公司及貴集團於二零一二年十二月三十一日的事務狀況及貴集團截至該日止年度的溢利及現金流量，並已按照香港公司條例的披露規定妥為編製。

**羅兵咸永道會計師事務所**  
執業會計師

香港，二零一三年二月二十八日

# 綜合資產負債表

## CONSOLIDATED BALANCE SHEET

As at 31 December 2012  
於二零一二年十二月三十一日

		As at 31 December 於十二月三十一日	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
	Note 附註		
<b>ASSETS</b>			
<b>Non-current assets</b>			
Freehold land and land use rights			
Property, plant and equipment			
Investment in an associate			
Deferred income tax assets			
		<b>2,602,043</b>	2,273,671
<b>Current assets</b>			
Inventories			
Trade and bills receivables			
Prepayments, deposits and other receivables			
Pledged bank deposits			
Cash and cash equivalents			
		<b>3,022,982</b>	2,656,680
<b>Total assets</b>		<b>5,625,025</b>	4,930,351
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Company</b>			
Ordinary shares			
Share premium			
Other reserves			
Retained earnings			
– Proposed final dividend			
– Others			
		<b>2,558,346</b>	2,071,808
<b>Non-controlling interests</b>		<b>(137)</b>	95
<b>Total equity</b>		<b>2,558,209</b>	2,071,903



# 綜合資產負債表

## CONSOLIDATED BALANCE SHEET

As at 31 December 2012  
於二零一二年十二月三十一日

		As at 31 December 於十二月三十一日	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
		Note 附註	
<b>LIABILITIES</b>	<b>負債</b>		
<b>Non-current liabilities</b>	<b>非流動負債</b>		
Borrowings	借貸	18	1,712,275
Deferred income tax liabilities	遞延所得稅負債	20	52,401
			<b>1,623,065</b>
<b>Current liabilities</b>	<b>流動負債</b>		
Trade and bills payables	應付貿易及票據款項	21	502,408
Accruals and other payables	預提費用及其他		
	應付賬款	22	417,103
Current income tax liabilities	當期所得稅負債		(14,277)
Borrowings	借貸	18	143,519
Derivative financial instruments	衍生金融工具	19	45,019
			<b>1,443,751</b>
<b>Total liabilities</b>	<b>總負債</b>		<b>3,066,816</b>
<b>Total equity and liabilities</b>	<b>總股東權益及負債</b>		<b>4,930,351</b>
<b>Net current assets</b>	<b>流動資產淨值</b>		<b>1,579,231</b>
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		<b>4,181,274</b>

The notes on pages 68 to 155 are an integral part of these consolidated financial statements.

第68至155頁之附註為此財務報表之一部分。

The financial statements on pages 60 to 155 were approved by the Board of Directors on 28 February 2013 and were signed on its behalf.

第60至155頁之財務報表已於二零一三年二月二十八日獲董事會批准，並由下列董事代表簽署：

**Hong Tianzhu**  
Director

**Zhu Yongxiang**  
Director

洪天祝  
董事

朱永祥  
董事

# 公司資產負債表

## COMPANY BALANCE SHEET

As at 31 December 2012  
於二零一二年十二月三十一日

		As at 31 December 於十二月三十一日	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
	Note 附註		
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	626	52
Investments in subsidiaries	8	1,343,766	1,313,643
		<b>1,344,392</b>	1,313,695
<b>Current assets</b>			
Prepayments, deposits and other receivables	13	–	5
Due from subsidiaries	8	895,312	695,312
Cash and cash equivalents	14	1,129	1,853
		<b>896,441</b>	697,170
<b>Total assets</b>		<b>2,240,833</b>	2,010,865
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Company</b>			
Ordinary shares	15	94,064	94,064
Share premium	15	189,218	189,218
Other reserves	17	172,319	172,319
Retained earnings	17		
– Proposed final dividend	32	193,671	–
– Others		19,063	3,931
<b>Total equity</b>		<b>668,335</b>	459,532
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	18	1,172,243	1,203,472
<b>Current liabilities</b>			
Accruals and other payables			
Due to subsidiaries	22	42,489	178,797
Derivative financial instruments	8	297,016	124,045
	19	60,750	45,019
		<b>400,255</b>	347,861
<b>Total liabilities</b>		<b>1,572,498</b>	1,551,333
<b>Total equity and liabilities</b>		<b>2,240,833</b>	2,010,865
<b>Net current assets</b>		<b>496,186</b>	349,309
<b>Total assets less current liabilities</b>		<b>1,840,578</b>	1,663,004

The notes on pages 68 to 155 are an integral part of these financial statements.

第68至155頁之附註為此財務報表之一部分。

The financial statements on pages 60 to 155 were approved by the Board of Directors on 28 February 2013 and were signed on its behalf.

第60至155頁之財務報表已於二零一三年二月二十八日獲董事會批准，並由下列董事代表簽署：

Hong Tianzhu  
Director

Zhu Yongxiang  
Director

洪天祝  
董事

朱永祥  
董事

# 綜合損益表

## CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2012  
截至二零一二年十二月三十一日止年度

		Year ended 31 December 截至十二月三十一日止年度	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
	Note 附註		
Revenue	收入	7,341,474	6,872,713
Cost of sales	銷售成本	(6,217,358)	(6,317,128)
<b>Gross profit</b>	<b>毛利</b>	<b>1,124,116</b>	555,585
Selling and distribution costs	銷售及分銷開支	(202,948)	(151,781)
General and administrative expenses	一般及行政開支	(227,267)	(208,833)
Other income	其他收入	5,525	21,993
Other losses – net	其他虧損 – 淨額	(22,892)	(58,742)
<b>Operating profit</b>	<b>經營溢利</b>	<b>676,534</b>	158,222
Finance income	財務收入	14,585	7,948
Finance costs	財務費用	(137,922)	(85,680)
Finance costs – net	財務費用 – 淨額	(123,337)	(77,732)
Share of profit of an associate	分佔聯營公司溢利	4,293	2,985
<b>Profit before income tax</b>	<b>除所得稅前溢利</b>	<b>557,490</b>	83,475
Income tax expense	所得稅開支	(71,184)	(22,200)
<b>Profit for the year</b>	<b>年內溢利</b>	<b>486,306</b>	61,275
<b>Profit attributable to:</b>	<b>以下各方應佔溢利：</b>		
Owners of the Company	本公司擁有人	486,538	61,256
Non-controlling interests	非控制性權益	(232)	19
		<b>486,306</b>	61,275
<b>Earnings per share attributable to equity holders of the Company during the year</b> (expressed in RMB per share)	<b>年內本公司股權持有人應佔每股盈利</b> (以每股人民幣表示)		
Basic earnings per share	每股基本盈利	0.55	0.07
Diluted earnings per share	每股攤薄盈利	0.55	0.07
<b>Dividends</b>	<b>股息</b>	<b>193,671</b>	72,304

The notes on pages 68 to 155 are an integral part of these consolidated financial statements.

第68至155頁之附註為此綜合財務報表之一部分。

# 綜合全面收益表

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2012  
截至二零一二年十二月三十一日止年度

		Year ended 31 December 截至十二月三十一日止年度	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
	Note 附註		
<b>Profit for the year</b>	年內溢利	<b>486,306</b>	61,275
Other comprehensive income	其他全面收益	—	—
<b>Total comprehensive income for the year</b>	年內全面收益總額	<b>486,306</b>	61,275
<b>Attributable to:</b>	以下各方應佔：		
Owners of the Company	本公司擁有人	<b>486,538</b>	61,256
Non-controlling interests	非控制性權益	<b>(232)</b>	19
		<b>486,306</b>	61,275

The notes on pages 68 to 155 are an integral part of these consolidated financial statements.

第68至155頁之附註為此綜合財務報表之一部分。

# 綜合權益變動表

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2012  
截至二零一二年十二月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔					Non- controlling interests 非控制性權益	Total equity 總股東權益	
		Share capital 股本	Share premium 股份溢價	Other reserves 其他儲備	Retained earnings 保留溢利	Total			
		Note 附註	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元			RMB'000 人民幣千元
<b>Balance at 1 January 2011</b>	於二零一一年 一月一日的結餘		94,064	189,218	419,299	1,506,518	2,209,099	76	2,209,175
<b>Comprehensive income</b>	全面收益								
Profit for the year	年內溢利		-	-	-	61,256	61,256	19	61,275
<b>Other comprehensive income</b>	其他全面收益								
Transfer from revaluation reserve to retained earnings	由重估儲備轉撥至保留溢利								
- gross	- 總額	17	-	-	(4,995)	4,995	-	-	-
- deferred income tax	- 遞延所得稅	17	-	-	1,316	(1,316)	-	-	-
<b>Total comprehensive income</b>	全面收益總額		-	-	(3,679)	3,679	-	-	-
<b>Transactions with owners</b>	與股權持有人之交易								
Dividend relating to 2010	有關二零一零年之股息	32	-	-	-	(126,243)	(126,243)	-	(126,243)
Dividend relating to 2011	有關二零一一年之股息	32	-	-	-	(72,304)	(72,304)	-	(72,304)
Transfer to statutory reserves	轉撥至法定儲備	17	-	-	8,233	(8,233)	-	-	-
<b>Total transactions with owners</b>	與股權持有人之交易總額		-	-	8,233	(206,780)	(198,547)	-	(198,547)
<b>Balance at 31 December 2011</b>	於二零一一年 十二月三十一日 的結餘		94,064	189,218	423,853	1,364,673	2,071,808	95	2,071,903

The notes on pages 68 to 155 are an integral part of these consolidated financial statements.

第68至155頁之附註為此綜合財務報表之一部分。



## 綜合權益變動表

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔				Non-controlling interests		Total equity
		Share capital 股本	Share premium 股份溢價	Other reserves 其他儲備	Retained earnings 保留溢利	Total 總計	Non-controlling interests 非控制性權益	Total equity 總股東權益
Note 附註		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Balance at 1 January 2012	於二零一二年一月一日的結餘	94,064	189,218	423,853	1,364,673	2,071,808	95	2,071,903
Comprehensive income	全面收益							
Profit/(loss) for the year	年內溢利/(虧損)	-	-	-	486,538	486,538	(232)	486,306
Other comprehensive income	其他全面收益							
Transfer from revaluation reserve to retained earnings	由重估儲備轉撥至保留溢利							
- gross	- 總額	17	-	(4,995)	4,995	-	-	-
- deferred income tax	- 遞延所得稅	17	-	1,351	(1,351)	-	-	-
Total comprehensive income	全面收益總額	-	-	(3,644)	3,644	-	-	-
Transactions with owners	與股權持有人之交易							
Transfer to statutory reserves	轉撥至法定儲備	17	-	23,364	(23,364)	-	-	-
Total transactions with owners	與股權持有人之交易總額	-	-	23,364	(23,364)	-	-	-
Balance at 31 December 2012	於二零一二年十二月三十一日的結餘	94,064	189,218	443,573	1,831,491	2,558,346	(137)	2,558,209

The notes on pages 68 to 155 are an integral part of these consolidated financial statements.

第 68 至 155 頁之附註為此綜合財務報表之一部分。

# 綜合現金流量表

## CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2012  
截至二零一二年十二月三十一日止年度

		Year ended 31 December 截至十二月三十一日止年度	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
	Note 附註		
<b>Cash flows from operating activities</b>	來自經營活動的 現金流量		
Cash generated from operations	經營所產生之現金	964,340	56,524
Interest received	已收利息	14,585	7,948
Income tax paid	已付所得稅	(54,896)	(100,227)
Net cash generated from/(used in) operating activities	經營活動所得/ (所耗)現金淨額	924,029	(35,755)
<b>Cash flows from investing activities</b>	來自投資活動的 現金流量		
Purchases of property, plant and equipment	購買物業、廠房及 設備	(571,978)	(420,989)
Purchase of land use rights	購買土地使用權	(83,941)	(38,813)
Proceeds from sale of property, plant and equipment	出售物業、廠房及 設備所得款項	11,038	18,818
Net cash used in investing activities	投資活動所耗 現金淨額	(644,881)	(440,984)
<b>Cash flows from financing activities</b>	來自融資活動的 現金流量		
Proceeds from borrowings	借貸所得款項	97,587	1,965,578
Repayments of borrowings	償還借貸	(178,542)	(1,273,079)
Dividends paid to the Company's Shareholders	向本公司股東派付 之股息	-	(198,547)
Interest paid	已付利息	(141,222)	(126,596)
Decrease in pledged bank deposits	已抵押銀行存款減少	9,918	3,324
Net cash (used in)/generated from financing activities	融資活動(所耗)/ 所得現金淨額	(212,259)	370,680
<b>Net increase/(decrease) in cash and cash equivalents</b>	現金及現金等值物 增加/(減少)淨額	66,889	(106,059)
Cash and cash equivalents at beginning of year	年初之現金及 現金等值物	463,407	569,466
<b>Cash and cash equivalents at end of the year</b>	年終之現金及 現金等值物	530,296	463,407

The notes on pages 68 to 155 are an integral part of these consolidated financial statements.

第68至155頁之附註為此綜合財務報表之一部分。

# 綜合財務報表附註

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2012  
截至二零一二年十二月三十一日止年度

(All amounts in RMB)  
(所有金額以人民幣計值)

### 1. GENERAL INFORMATION

Texhong Textile Group Limited (the “Company”) and its subsidiaries (together, the “Group”) are principally engaged in the manufacturing and sale of yarn, grey fabrics and garment fabrics.

The Company was incorporated in the Cayman Islands on 12 July 2004 as an exempted company with limited liability under the Companies Law of Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company’s shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited. (the “Stock Exchange”) since 9 December 2004.

These consolidated financial statements are presented in Chinese Renminbi (“RMB”), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 28 February 2013.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### 2.1 Basis of preparation

The consolidated financial statements of Texhong Textile Group Limited have been prepared in accordance with Hong Kong Financial Reporting Standards (HKFRS). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of buildings, financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss, which are carried at fair value.

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

### 1. 一般資料

天虹紡織集團有限公司(「本公司」)及其附屬公司(統稱「本集團」)主要業務為製造及銷售紗線、坯布及面料。

本公司乃於二零零四年七月十二日在開曼群島根據開曼群島公司法註冊成立為一間獲豁免有限公司。其註冊辦事處之地址為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands。

自從二零零四年十二月九日起，本公司股份已經在香港聯合交易所有限公司(「聯交所」)主板上市。

除非另有指明，該等綜合財務報表以中國人民幣(「人民幣」)呈列。董事會於二零一三年二月二十八日批准刊發該等綜合財務報表。

### 2. 重要會計政策摘要

編製該等綜合財務報表採用的主要會計政策載於下文。除另有說明外，此等政策在所呈報的所有年度內貫徹應用。

#### 2.1 編製基準

天虹紡織集團有限公司之綜合財務報表已根據香港財務報告準則(「香港財務報告準則」)編製，綜合財務報表按照歷史成本法編製，並就按公平值計入損益之樓宇、金融資產及金融負債(包括衍生工具)的重估(均按公平值列賬)而作出修訂。

編製符合香港財務報告準則之財務報表需要使用若干關鍵會計估算。這亦需要管理層在應用本集團會計政策過程中行使其判斷。涉及高度判斷或複雜性之範疇，或涉及對綜合財務報表屬重大假設和估計之範疇，於附註4披露。

## 綜合財務報表附註

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2012  
截至二零一二年十二月三十一日止年度

(All amounts in RMB)  
(所有金額以人民幣計值)

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.1 Basis of preparation (Continued) Changes in accounting policy and disclosures

#### (a) *New and amended standard adopted by the Group*

The HKICPA has amended HKAS 12, 'Income taxes', to introduce an exception to the principle for the measurement of deferred tax assets or liabilities arising on an investment property measured at fair value. HKAS 12 requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. The amendment introduces a rebuttable presumption that an investment property measured at fair value is recovered entirely by sale. The amendment is applicable retrospectively to annual periods beginning on or after 1 January 2012. The amendment is not relevant to the Group, as the Group has no investment property now.

Other than as disclosed below, there are no HKFRSs or HK(IFRIC) interpretations that are effective for the first time for the financial year beginning on 1 January 2012 that would be expected to have a material impact on the group.

## 2. 重要會計政策摘要(續)

### 2.1 編製基準(續) 會計政策變更及披露

#### (a) 本集團採納之新訂及經修訂準則

香港會計師公會已修訂香港會計準則第12號「所得稅」，以加入按公平值計量之投資物業產生遞延稅項資產或負債之計量原則之例外情況。香港會計準則第12號規定實體應視乎實體是否預期透過使用或出售資產以收回資產的賬面值從而計量資產的遞延稅項。此修訂引入一項可推翻的假設，即按公平值計量的投資物業可透過出售全數收回。此修訂於二零一二年一月一日或之後開始的年度期間追溯適用。該項修訂與本集團無關，因為本集團目前並無投資物業。

除上文披露者外，於二零一二年一月一日開始之年度期間首次生效之香港財務報告準則或香港(國際財務報告詮釋委員會)詮釋概無預期對本集團構成重大影響。

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.1 Basis of preparation (Continued)

#### Changes in accounting policy and disclosures (Continued)

- (b) *New and amended standards have been issued but are not effective for the financial year beginning 1 January 2012 and have not been early adopted*
- Amendments to HKFRS 7 'Financial instruments: Disclosures' on asset and liability offsetting, effective for accounting period beginning on or after 1 January 2013. The amendments require new disclosure requirements which focus on quantitative information about recognised financial instruments that are offset in balance sheet, as well as those recognised financial instruments that are subject to master netting or similar arrangements irrespective of whether they are offset.

## 2. 重要會計政策摘要(續)

### 2.1 編製基準(續)

#### 會計政策變更及披露(續)

- (b) 已頒佈但於二零一二年一月一日開始之財政年度尚未生效且並未提早採納之新訂及經修訂準則
- 香港財務報告準則第7號「金融工具：披露」關於資產及債務抵銷之修訂，於二零一三年一月一日或之後開始之會計期間生效。該等修訂要求遵守新規定，集中處理已於資產負債表抵銷之已確認金融工具之量化資料，以及以及須作出總體淨額結算或類似安排之該等已確認金融工具，不論有否已抵銷。



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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.1 Basis of preparation (Continued)

#### Changes in accounting policy and disclosures (Continued)

- (b) *New and amended standards have been issued but are not effective for the financial year beginning 1 January 2012 and have not been early adopted (Continued)*

HKFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities, effective for accounting period beginning on or after 1 January 2015. HKFRS 9 was issued in November 2009 and October 2010. It replaces the parts of HKAS 39 that relate to the classification and measurement of financial instruments. HKFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the HKAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income ("OCI") rather than the income statement, unless this creates an accounting mismatch.

## 2. 重要會計政策摘要(續)

### 2.1 編製基準(續)

#### 會計政策變更及披露(續)

- (b) *已頒佈但於二零一二年一月一日開始之財政年度尚未生效且並未提早採納之新訂及經修訂準則(續)*

香港財務報告準則第9號「金融工具」闡述了金融資產及金融負債的分類、計量及確認，於二零一五年一月一日或之後開始之會計期間生效。香港財務報告準則第9號於二零零九年十一月及二零一零年十月頒佈。該準則取代了香港會計準則第39號中與金融工具的分類及計量相關的部分。香港財務報告準則第9號規定金融資產分類為兩個計量類別：按公平值計量類別及按攤銷成本計量類別，並於初步確認時作出釐定。分類視乎實體管理其金融工具的業務模式及該工具的合約現金流量特徵而定。就金融負債而言，該準則保留了香港會計準則第39號的大部分規定。主要變動為倘金融負債選擇以公平值列賬，因實體本身信貸風險而產生的公平值變動部分於其他全面收益（「其他全面收益」）而非收益表入賬，除非這會導致會計錯配。

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.1 Basis of preparation (Continued)

#### Changes in accounting policy and disclosures (Continued)

- (b) *New and amended standards have been issued but are not effective for the financial year beginning 1 January 2012 and have not been early adopted (Continued)*

HKFRS 10, 'Consolidated financial statements', effective for accounting period beginning on or after 1 January 2013. The objective of HKFRS 10 is to establish principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entity (an entity that controls one or more other entities) to present consolidated financial statements. Defines the principle of control, and establishes controls as the basis for consolidation. Set out how to apply the principle of control to identify whether an investor controls an investee and therefore must consolidate the investee. It also sets out the accounting requirements for the preparation of consolidated financial statements.

HKFRS 11, 'Joint arrangements' is a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangements rather than its legal form, effective for accounting period beginning on or after 1 January 2013. There are two types of joint arrangements: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and hence accounts for its interest in assets, liabilities, revenue and expenses. Joint ventures arise where the joint operator has rights to the net assets of the arrangement and hence equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed.

## 2. 重要會計政策摘要(續)

### 2.1 編製基準(續)

#### 會計政策變更及披露(續)

- (b) *已頒佈但於二零一二年一月一日開始之財政年度尚未生效且並未提早採納之新訂及經修訂準則(續)*

香港財務報告準則第10號「綜合財務報表」，於二零一三年一月一日或之後開始之會計期間生效。香港財務報告準則第10號之目的為就某一主體如控制一個或多個其他主體而呈報綜合財務報表，訂定呈報和編製綜合財務報表的原則。界定控制的原則並確立控制權為綜合的基準。列明如何應用控制權原則以確定某一投資者是否控制某一被投資公司從而該投資者必須合併該被投資公司。此準則亦列載編製綜合財務報表的會計規定。

香港財務報告準則第11號「合營安排」對合營安排有更實質的反映，集中針對合營安排的權利和義務而非其法定形式，於二零一三年一月一日或之後開始之會計期間生效。合營安排分為兩大類：共同經營和合營企業。共同經營指其共同經營者有權獲得與安排有關的資產和債務，因此確認其資產、負債、收入和開支的權益。在合營企業中，合營經營者取得安排下淨資產的權利，因此使用權益法入賬。不再容許將合營企業的權益使用比例合併法入賬。

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.1 Basis of preparation (Continued)

#### Changes in accounting policy and disclosures (Continued)

- (b) *New and amended standards have been issued but are not effective for the financial year beginning 1 January 2012 and have not been early adopted (Continued)*

HKFRS 12, 'Disclosures of interests in other entities', effective for accounting period beginning on or after 1 January 2013, includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.

HKFRS 13, 'Fair value measurement', effective for accounting period beginning on or after 1 January 2013, aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across HKFRSs. The requirements, which are largely aligned between HKFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within HKFRSs.

Amendments to HKAS 1, 'Presentation of Financial statements' regarding other comprehensive income, effective for accounting period beginning on or after 1 January 2013. The main change resulting from these amendments is a requirement for entities to group items presented in OCI on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI.

## 2. 重要會計政策摘要(續)

### 2.1 編製基準(續)

#### 會計政策變更及披露(續)

- (b) *已頒佈但於二零一二年一月一日開始之財政年度尚未生效且並未提早採納之新訂及經修訂準則(續)*

香港財務報告準則第12號「於其他實體之權益披露」，於二零一三年一月一日或之後開始之會計期間生效，載入有關其他實體所有形式之權益(包括共同安排、聯營公司、特殊目的實體及其他資產負債表以外之實體)之披露規定。

香港財務報告準則第13號「公平值計量」，於二零一三年一月一日或之後開始之會計期間生效，旨在透過提供公平值的精確定義及於香港財務報告準則中使用的公平值計量及披露規定的單一來源而提升一致性及減少複雜性。該等規定大致上將香港財務報告準則與美國公認會計原則貫徹統一，並不擴大公平值會計的使用，但提供當其使用已由香港財務報告準則內的其他準則規定或准許的情況下應如何運用的指引。

香港會計準則第1號「財務報表的呈報」之修訂與其他全面收益有關，於二零一三年一月一日或之後開始之會計期間生效。主要變動為規定主體將在其他全面收益中呈報的項目，按此等項目其後是否有機會重新分類至盈虧(重新分類調整)而組合起來。該等修訂並無針對那些項目在其他全面收益中呈報。

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.1 Basis of preparation (Continued)

#### Changes in accounting policy and disclosures (Continued)

- (b) *New and amended standards have been issued but are not effective for the financial year beginning 1 January 2012 and have not been early adopted (Continued)*

HKAS 19, 'Employee benefits', was amended in June 2011, effective for accounting period beginning on or after 1 January 2013. The impact on the Group will be as follows: to immediately recognise all past service costs; and to replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability (asset).

HKAS 27 (revised 2011), 'Separate financial statements', effective for accounting period beginning on or after 1 January 2013, includes the provisions on separate financial statements that are left after the control provisions of HKAS 27 have been included in the new HKFRS 10.

HKAS 28, (revised 2011) 'Associates and joint ventures' includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of HKFRS 11, effective for accounting period beginning on or after 1 January 2013.

Amendments to HKAS 32 'Financial instruments: Presentation' on asset and liability offsetting, effective for accounting period beginning on or after 1 January 2014. These amendments are to elaborate application guidance in IAS/HKAS 32, 'Financial instruments: Presentation', and clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet.

## 2. 重要會計政策摘要(續)

### 2.1 編製基準(續)

#### 會計政策變更及披露(續)

- (b) *已頒佈但於二零一二年一月一日開始之財政年度尚未生效且並未提早採納之新訂及經修訂準則(續)*

香港會計準則第19號「僱員福利」於二零一一年六月修訂，於二零一三年一月一日或之後開始之會計期間生效。對本集團之影響將如下：隨即確認全部過往服務成本；及以利息淨額(對定額福利負債(資產)淨額採用折現率計算)取代計劃資產利息成本及預期回報。

香港會計準則第27號(二零一一年經修訂)「獨立財務報表」，於二零一三年一月一日或之後開始之會計期間生效，包括香港會計準則第27號之控制權條文納入新訂香港財務報告準則第10號後餘下之獨立財務報表條文。

香港會計準則第28號(二零一一年修訂)「聯營和合營」包括在香港財務報告準則第11號發佈後有關將合營和聯營按權益法入賬的規定，於二零一三年一月一日或之後開始之會計期間生效。

香港會計準則第32號「金融工具：呈報」關於資產及負債抵銷之修訂，於二零一四年一月一日或之後開始之會計期間生效。該等修訂旨在闡述國際會計準則／香港會計準則第32號「金融工具：呈報」之應用指引，並澄清於資產負債表抵銷金融資產及金融負債之若干規定。

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.1 Basis of preparation (Continued)

#### Changes in accounting policy and disclosures (Continued)

- (b) *New and amended standards have been issued but are not effective for the financial year beginning 1 January 2012 and have not been early adopted (Continued)*

HK(IFRIC)-Int 20, 'Stripping costs in the production phase of a surface mine', effective for accounting period beginning on or after 1 January 2013. The interpretation sets out the accounting for overburden waste removal (stripping) costs that are incurred in surface mining activity during the production phase of a mine. The interpretation may require mining entities reporting under HKFRS to write off existing stripping assets to opening retained earnings if the assets cannot be attributed to an identifiable components of an ore body.

The Group is yet to assess the full impact of the above amendments and standards and intend to adopt them no later than their effective dates.

### 2.2 Subsidiaries

#### 2.2.1 Consolidation

- (a) *Subsidiaries*

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

De-facto control may arise from circumstances where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control.

## 2. 重要會計政策摘要(續)

### 2.1 編製基準(續)

#### 會計政策變更及披露(續)

- (b) *已頒佈但於二零一二年一月一日開始之財政年度尚未生效且並未提早採納之新訂及經修訂準則(續)*

香港(國際財務報告詮釋委員會)－詮釋20「露天礦生產階段的剝離成本」，於二零一三年一月一日或之後開始之會計期間生效。該項詮釋規定了礦山企業生產階段的露天開採活動所產生的覆土清除(剝離)成本的會計處理。根據此詮釋的要求，採用香港財務報告準則的礦山企業在現有剝離資產不能明確歸屬於某礦體組成部分時，將該等資產與期初留存收益沖銷。

本集團尚未評估上述修訂及準則之全面影響，並擬於不遲於其各自之生效日期採納該等修訂及準則。

### 2.2 附屬公司

#### 2.2.1 綜合賬目

- (a) *附屬公司*

附屬公司指本集團可對其財務及經營政策行使控制權，控制過半數投票權的實體(包括特殊目的實體)。在評估本集團是否控制另一實體時，將考慮目前可行使或目前可轉換的潛在投票權是否存在及其影響。

實質控制權可來自投票權不多於50%但因擁有實質控制權而可監管財務及營運政策。



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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.2 Subsidiaries (Continued)

#### 2.2.1 Consolidation (Continued)

##### (a) Subsidiaries (Continued)

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from intercompany transactions that are recognized in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

##### (b) Business Combination

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

Acquisition-related costs are expensed as incurred.

## 2. 重要會計政策摘要(續)

### 2.2 附屬公司(續)

#### 2.2.1 綜合賬目(續)

##### (a) 附屬公司(續)

附屬公司自控制權轉移予本集團當日起全面綜合入賬，並由控制權終止當日起停止綜合入賬。

集團內公司之間的交易、交易的結餘及收支予以對銷。於資產確認之集團內公司之間的交易所產生溢利及虧損亦予以對銷。在必要的時候，附屬公司的會計政策將會作出改變，以確保與本集團所採納的政策保持一致。

##### (b) 業務合併

本集團採用收購法就業務合併入賬。收購附屬公司的轉讓代價為所轉讓資產、對被收購方前擁有人所產生負債及本集團所發行股權的公平值。轉讓代價包括或然代價安排產生的任何資產或負債的公平值。於業務合併時所收購的可識別資產及所承擔的負債及或然負債，初步按收購日的公平值計量。本集團按個別收購基準，以公平值或按非控制性權益所佔被收購方可識別資產淨值已確認金額的比例，確認於被收購方之任何非控制權益。

收購相關成本於產生時支銷。

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.2 Subsidiaries (Continued)

#### 2.2.1 Consolidation (Continued)

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

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

(d) *Disposal of subsidiaries*

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

## 2. 重要會計政策摘要(續)

### 2.2 附屬公司(續)

#### 2.2.1 綜合賬目(續)

(c) *不導致控制權改變之附屬公司所有者權益變動*

不導致失去控制權之非控制性權益交易入賬列作權益交易—即以彼等為擁有人之身分與擁有人進行交易。任何已付代價公平值與所收購相關應佔附屬公司資產淨值賬面值之差額於權益入賬。向非控制性權益出售之盈虧亦於權益入賬。

(d) *出售附屬公司*

本集團失去控制權時，於實體之任何保留權益按失去控制權當日之公平值重新計量，有關賬面值變動在損益確認。就其後入賬列作聯營公司、合營企業或金融資產之保留權益，其公平值為初始賬面值。此外，先前於其他全面收益確認與該實體有關之任何金額，按猶如本集團已直接出售有關資產或負債之方式入賬。此可能意味先前在其他全面收益確認之金額重新分類至損益。

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.2 Subsidiaries (Continued)

#### 2.2.2 Separate financial statements

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

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

### 2.3 Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost, and the carry amount is increased or decreased to recognize the investor's share of the profit or loss of the invested after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

## 2. 重要會計政策摘要(續)

### 2.2 附屬公司(續)

#### 2.2.2 獨立財務報表

於附屬公司之投資乃按成本扣除減值入賬。成本亦包括投資直接應佔成本。附屬公司業績由本公司按股息及應收款項基準入賬。

倘自附屬公司收取的股息超出宣派股息期間該附屬公司的全面收入總額，或倘獨立財務報表的投資賬面值超出合併財務報表所示被投資公司資產淨值(包括商譽)的賬面值，則於自該等投資收取股息時須對於該等附屬公司的投資進行減值測試。

### 2.3 聯營公司

聯營公司指所有本集團對其有重大影響力而無控制權之實體，通常附帶有20%至50%投票權之股權。聯營公司投資以權益會計法入賬。根據權益法，投資初始以成本確認，而賬面值則予以增加或減少，以確認投資者在收購日期後佔被投資方損益之比例。本集團於聯營公司之投資包括收購時識別之商譽。

如果對聯營公司的擁有權減少但仍存在重大影響，則先前於其他全面收益確認的金額僅有按比例計算的份額重新分類至損益(如適用)。

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.3 Associates (Continued)

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/(loss) of an associate' in the consolidated income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution gains and losses arising in investments in associates are recognised in the consolidated income statement.

### 2.4 Segment reporting

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

## 2. 重要會計政策摘要(續)

### 2.3 聯營公司(續)

本集團在每個報告日期釐定於聯營公司的投資是否存在客觀減值證據。一旦存在減值證據，本集團會按聯營公司可收回金額與其賬面值之間的差額計算減值金額，並於綜合收益表「應佔一間聯營公司溢利／(虧損)」確認有關金額。

本集團及其聯營公司之間之上游及下游交易所產生溢利及虧損於本集團財務報表確認，惟僅以非關連投資者於聯營公司之權益為限。除非有關交易提供已轉讓資產減值證據，否則未變現虧損予以對銷。在必要的時候，聯營公司的會計政策會作出改變，以確保與本集團所採納的政策保持一致。

於聯營公司之投資所產生攤薄盈虧於綜合收益表確認。

### 2.4 分類報告

經營分部以向主要經營決策者提供內部呈報一致的形式呈報。負責分配資源及評估經營分部表現之主要經營決策者已確定為作出策略決策之本公司之執行董事委員會。

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.5 Foreign currency translation

#### (a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in RMB, which is the Company's functional and the Group's presentation currency.

#### (b) Transactions and balances

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated income statement within 'finance costs – net'. All other foreign exchange gains and losses are presented in the consolidated income statement within 'other losses – net'.

## 2. 重要會計政策摘要(續)

### 2.5 外幣換算

#### (a) 功能及呈報貨幣

本集團旗下每個實體之財務報表所包括之項目，均以該實體之主要營運地區之貨幣(「功能貨幣」)計算。本綜合財務報表乃以人民幣呈報，人民幣為本公司功能貨幣及本集團呈報貨幣。

#### (b) 交易及結餘

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

有關借貸和現金及現金等值物之匯兌收益及虧損於綜合損益表中「財務費用－淨額」一項中呈列。所有其他匯兌收益及虧損於綜合損益表中「其他虧損－淨額」中呈列。



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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.5 Foreign currency translation (Continued)

#### (c) Group companies

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

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each consolidated income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (iii) all resulting exchange differences are recognised in other comprehensive income.

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

## 2. 重要會計政策摘要(續)

### 2.5 外幣換算(續)

#### (c) 集團公司

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

- (i) 每份呈報的資產負債表內的資產和負債按該資產負債表日期的收市匯率換算；
- (ii) 每份綜合損益表內的收入和費用按平均匯率換算(除非此平均匯率並不代表交易日期匯率的累計影響的合理約數；在此情況下，收支項目按交易日期的匯率換算)；及
- (iii) 所有由此產生的匯兌差額於其他全面收益內確認。

在編製綜合賬目時，換算海外業務淨投資和換算被指定為此等投資之對沖項目的借貸及其他貨幣工具而產生的匯兌差額，均列入其他全面收益。當出售部分或全部海外業務時，於權益入賬之匯兌差額將於綜合損益表內確認為出售收益或虧損的一部分。

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.6 Property, plant and equipment

Buildings comprise mainly factories and offices. Buildings are shown at fair value, based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Increases in the carrying amount arising on revaluation of buildings are recognised in other comprehensive income. Decreases that offset previous increases of the same asset are charged to other comprehensive income; all other decreases are charged to the consolidated income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the consolidated income statement and depreciation based on the asset's original cost is transferred from 'revaluation reserve' to 'retained earnings'.

## 2. 重要會計政策摘要(續)

### 2.6 物業、廠房及設備

樓宇主要包括工廠和辦公室。樓宇根據外部獨立估值師定期(但最少每三年一次)進行的估值按公平值減其後的折舊列賬。在重估日期的任何累計折舊與資產的賬面值總額對銷，而淨額則重列至資產的重估金額。所有其他物業、廠房及設備按歷史成本減折舊列賬。歷史成本包括收購該等項目直接應佔的開支。

只有在與項目相關的未來經濟效益有可能流入本集團，並能夠可靠地計量項目成本的情況下，本集團才會將其後成本計入為資產賬面值之一部分或確認為獨立資產項目(如適用)。所替換之部分的賬面值乃撇除確認。所有其他維護及保養費用均需於產生時於該財務期間之綜合損益表扣除。

樓宇重估後之賬面增值於其他全面收益確認。與同一資產先前增值對銷的減值部分，於其他全面收益中扣除；餘下之所有減值額則於綜合損益表內扣除。每年，根據於綜合損益表扣除之資產的重估賬面值得出之折舊，與根據資產原來成本得出之折舊的差額乃從「重估儲備」撥轉至「保留溢利」。

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.6 Property, plant and equipment (Continued)

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their costs or revalued amounts to their residual values over their estimated useful lives, as follows:

– Buildings	15 to 40 years
– Machinery and equipment	6 to 15 years
– Furniture and fixtures	3 to 10 years
– Motor vehicles	5 to 7 years

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.8).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other losses – net' in the consolidated income statement.

When revalued assets are sold, the amounts included in revaluation reserve are transferred to retained earnings.

Construction-in-progress, representing buildings on which construction work has not been completed and machinery pending installation, is stated at cost, which includes construction expenditures incurred, cost of machinery, interest capitalised and other direct costs capitalised during the construction and installation period, less accumulated impairment losses, if any. No depreciation is provided in respect of construction-in-progress until the construction and installation work is completed and put into use. On completion, construction-in-progress is transferred to appropriate categories of property, plant and equipment.

## 2. 重要會計政策摘要(續)

### 2.6 物業、廠房及設備(續)

物業、廠房及設備的折舊以直線法計算，以分配其成本值或重估價值至其於估計可使用年期之剩餘價值如下：

– 樓宇	15至40年
– 機器及設備	6至15年
– 傢俬及裝置	3至10年
– 汽車	5至7年

本集團在各報告期末重檢資產的剩餘價值及可使用年期，並已按適當情況作出調整。

倘資產的賬面值大於其估計可收回金額，資產的賬面值即時撇減至其可收回金額(附註2.8)。

出售之盈利及虧損是按出售所得款項與有關資產賬面值之差額而釐定，並於綜合損益表中「其他虧損－淨額」中確認。

重估資產售出後，重估儲備內的金額轉移至保留溢利。

在建工程指未完成建築工程的樓宇及未安裝的機器，按成本入賬，包括所產生建築開支、機器成本、資本化利息及建築與安裝期間其他直接資本化成本，而扣減累計減值虧損(如有)。於建築及安裝工程完成及投入使用前不會就在建工程作出折舊。當工程完成後，在建工程轉撥至適當物業、廠房及設備類別。

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.7 Freehold Land and Land use rights

Freehold Land is no depreciated.

The premiums paid to acquire land use rights are recorded as prepayment for operating lease, and are amortised using the straight-line method over the period of the land use rights of 45 to 50 years.

### 2.8 Impairment of investments in subsidiaries, associates and non-financial assets

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

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

## 2. 重要會計政策摘要(續)

### 2.7 永久產權土地及土地使用權

永久產權土地並無折舊。

就收購土地使用權支付的溢價視作經營租賃的預付款項，並按直線法於土地使用權的45至50年期間內攤銷。

### 2.8 附屬公司及聯營公司的投資及非金融資產減值

可使用年期不確定之資產不予攤銷並每年進行減值測試。當任何事件發生或環境變化預示其賬面值可能無法收回時，會對須予攤銷之資產進行減值測試。若某項資產的賬面值超過其可收回金額時，會就其差額確認減值虧損。資產的可收回金額為公平值減出售成本與其可使用價值中較高者。評估資產減值時，資產按可單獨分辨的最小現金流量(現金產生單位)予以分類。除商譽外減值的非金融資產將於各報告日期檢討撥回減值的可能性。

當於投資之附屬公司或聯營公司收回的股息大於附屬公司或聯營公司於股息宣派期間之全面收益總額，或者當獨立財務報表中投資之賬面值超過綜合財務報表中被投資企業資產淨值(含商譽)的賬面值時，需對該等投資進行減值測試。

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.9 Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designed as a hedging instrument, and if so, the nature of item being hedged. Derivative instruments held by the Group do not qualify for hedge accounting and are accounted for at fair value through profit or loss. Changes in fair value of these derivative instruments that do not qualify for hedge accounting are recognised immediately in the consolidated income statement within 'other losses – net'.

### 2.10 Government grants/subsidies

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

Government grants/subsidies relating to assets are presented in the balance sheet by deducting the grant in arriving at the carrying amount of the asset.

Government grants/subsidies relating to compensation for relocation are deferred and recognised in the income statements over the period when the relocation takes place.

### 2.11 Inventories

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

## 2. 重要會計政策摘要(續)

### 2.9 衍生金融工具

衍生工具最初於訂立衍生工具合同當日按公平值確認，其後按公平值重新計量。確認所得盈虧方法，取決於衍生工具是否界定為對沖工具及倘屬對沖工具，則取決於被對沖項目性質。本集團持有之衍生工具並不符合對沖會計所指的衍生工具，並透過損益以公平值列賬。任何不符合對沖會計的衍生工具的公平值變動，會即時於綜合損益表中「其他虧損－淨額」確認。

### 2.10 政府補助／補貼

假若可合理地確定本集團將獲得政府補助／補貼，以及符合所有附帶之條件，政府補助／補貼以公平值確認入賬。

與資產有關之政府補助／補貼乃於扣減補助以得出資產賬面值後在資產負債表呈列。

有關搬遷賠償之政府補助／補貼遞延處理，並於搬遷進行之期間在損益表中確認。

### 2.11 存貨

存貨以成本或可變現淨值兩者之較低者入賬。成本以加權平均法釐定。製成品及在製品之成本包括原材料、直接勞工、其他直接成本及相關間接生產成本(按一般營運能力)。這不包括借貸成本。可變現淨值則以日常業務過程中估計出售價格減應用可變銷售開支計算。



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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.12 Trade and other receivables

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

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

### 2.13 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

### 2.14 Share capital

Ordinary shares are classified as equity.

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

### 2.15 Trade payables

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

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

## 2. 重要會計政策摘要(續)

### 2.12 應收貿易款項及其他應收賬款

應收貿易款項為在日常業務過程中就售出商品或所提供服務應收客戶之款項。倘應收貿易款項及其他應收賬款預期可於一年或之內收款(或倘時間更長,則在業務正常營運周期),則分類為流動資產。倘未能於一年或之內收款,則以非流動資產呈列。

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

### 2.13 現金及現金等值物

在綜合現金流量表中,現金及現金等值物包括手頭現金、銀行通知存款、其他到期日為三個月或以下的短期高流動性投資及銀行透支。

### 2.14 股本

普通股分類列為權益。

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

### 2.15 應付貿易款項

應付貿易款項為在日常業務過程中自供應商收購商品或服務之付款責任。倘應付賬款於一年或之內到期(或倘時間更長,則在業務正常營運周期),則分類為流動負債。倘並非於一年或之內到期,則以非流動負債呈列。

應付貿易款項最初按公平值確認,其後以實際利率法按攤銷成本計量。

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.16 Borrowings

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

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

### 2.17 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

## 2. 重要會計政策摘要 (續)

### 2.16 借貸

借貸最初按公平值(扣除已產生之交易成本)確認。借貸其後按攤銷成本列賬，如扣除交易成本後之所得款項及贖回價值出現差額，則於借貸期內以實際利率法在綜合損益表內確認。

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

### 2.17 借貸成本

直接歸屬於購建或生產合資格資產(該等資產需經較長時間方能達至擬定用途或出售狀態)的一般及特定借款成本，計入該等資產之成本，直至大致達至其擬定用途或出售狀態為止。

在特定借貸撥作合資格資產支出前之暫時投資所賺取之投資收入，須自合資格資本化之借貸成本中扣除。

所有其他借貸成本於其產生期間於損益確認。

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**2.18 Current and deferred income tax**

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

**(a) Current income tax**

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

**(b) Deferred income tax**

*Inside basis differences*

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

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

**2. 重要會計政策摘要(續)**

**2.18 即期及遞延所得稅**

期內稅項開支包括即期及遞延稅項。稅項在綜合損益表中確認，除非其涉及其他全面收益或直接在權益中確認之項目。在此情況下，稅項亦分別在其他全面收益或直接在權益中確認。

**(a) 即期所得稅**

即期所得稅費用根據於結算日本公司之附屬公司及聯營公司經營並獲得應課稅收入所在的國家已經頒佈或實際上已頒佈的稅法計算。管理層定期評估適用稅法規定之情況下的納稅申報情況，並且就應付稅務機關的金額作出適當撥備。

**(b) 遞延所得稅**

*內在基準差異*

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

遞延所得稅資產只會在未來應課稅溢利有可能用作抵銷暫時差異時才會確認。

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.18 Current and deferred income tax (Continued)

#### (b) Deferred income tax (Continued)

##### Outside basis differences

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

#### (c) Offsetting

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

### 2.19 Employee benefits

#### (a) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date. Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

#### (b) Pension obligations (defined contribution plans)

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

## 2. 重要會計政策摘要 (續)

### 2.18 即期及遞延所得稅 (續)

#### (b) 遞延所得稅 (續)

##### 外在基準差異

遞延所得稅須就投資於附屬公司及聯營公司而引致的暫時差異作出撥備，惟集團可控制暫時差異會在何時轉回，且暫時差異很可能不會在可見的未來轉回的遞延所得稅負債則除外。

#### (c) 抵銷

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

### 2.19 僱員福利

#### (a) 僱員所享有假期

僱員所享有的年假當僱員可享有時確認，並因應僱員截至結算日所提供服務而就年假的估計承擔金額作出撥備。僱員所享有的病期及產假於休假時方會確認。

#### (b) 退休金承擔(定額供款計劃)

界定供款計劃為一項本集團向一個獨立實體支付固定供款之退休金計劃。倘該基金並無持有足夠資產，向所有僱員就其在當期及以往期間之僱用服務提供福利，則本集團亦無法定或推定責任作出進一步供款。

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.19 Employee benefits (Continued)

#### (b) Pension obligations (defined contribution plans) (Continued)

The Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

#### (c) Share-based compensation

The Group operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets).

Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the entity revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the income statement, with a corresponding adjustment to equity.

When the options are exercised, the company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

## 2. 重要會計政策摘要(續)

### 2.19 僱員福利(續)

#### (b) 退休金承擔(定額供款計劃)(續)

本集團以強制、合約或自願基準向公營或私營管理的退休保險計劃作出供款。一旦作出供款，本集團並無進一步付款責任。該等供款於到期時確認為僱員福利開支。預繳供款確認為資產，惟須以可獲現金退款或扣減日後供款為限。

#### (c) 以股份作補償

本集團推行按股本結算以股份作補償之計劃。按僱員服務以換取授出購股權的公平值乃確認為開支。於歸屬期內列作開支的總金額乃參照已授出的購股權的公平值釐定，不包括任何非市場歸屬條件(例如盈利能力及銷售增長目標)的影響。

非市場歸屬條件已包括在假設預期可予行使的購股權的數目。於各結算日，各實體均會修改其估計預期可予行使的購股權的數目，並於損益表內確認修改原來估計數字(如有)的影響以及對權益的相應調整。

公司於購股權獲行使時發行新股。當購股權獲行使時，已收取所得款項(扣除任何直接應佔交易成本)均列入股本(面值)及股份溢價中。



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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.19 Employee benefits (Continued)

#### (d) Bonus plan

The Group recognises a provision for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

### 2.20 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

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

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

## 2. 重要會計政策摘要(續)

### 2.19 僱員福利(續)

#### (d) 花紅計劃

本集團於合同規定或由過往做法產生推定責任時就花紅確認撥備。

### 2.20 撥備

倘本集團因過往事件而有現時法律或推定責任，並可能須動用資源履行有關責任，且能可靠估計相關金額，則確認撥備。撥備不就未來營運虧損確認。

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

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

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.21 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts returns and value added taxes. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below. The Group bases its estimates of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

#### (a) Sales of goods

Sales of goods are recognised when a Group entity has delivered products to the customer and the risk and reward of the goods has been transferred, the customer has accepted the products and collectibility of the related receivables is reasonably assured.

#### (b) Interest income

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

### 2.22 Operating leases (as the lessee)

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated income statement on a straight-line basis over the period of the lease.

### 2.23 Dividend distribution

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

## 2. 重要會計政策摘要(續)

### 2.21 收入確認

收入按已收或應收代價之公平值計量，並包括出售的貨品及已供應的服務的款項，以扣除回扣及增值稅後金額列值。當收入的數額能夠可靠計量、未來經濟利益有可能流入有關實體，而本集團每項活動均符合具體條件時(如下文所述)，本集團便會確認收入。本集團會根據其往績並考慮客戶類別、交易種類和每項安排的特點作出回扣估計。

#### (a) 貨品銷售

貨品銷售在本集團實體已將貨品交付予顧客及貨品的風險及回報已轉移後，顧客接收產品後，以及有關應收款項的收回可合理確保時確認。

#### (b) 利息收入

利息收入採用實際利率法按時間比例基準確認。

### 2.22 經營租賃(作為承租人)

凡擁有權的大部分風險及回報仍歸出租人所有的租賃，均列作經營租賃。根據經營租賃的付款(扣除出租人給予的任何優惠)在租期內以直線基準自綜合損益表扣除。

### 2.23 股息分派

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

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### 3. FINANCIAL RISK MANAGEMENT

#### 3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: foreign exchange risk, cash flow and fair value interest rate risk, price risk, credit risk and liquidity risk. The Group's risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain of its risk exposures on changes in interest rates.

##### (a) Foreign exchange risk

The Group mainly operates in Mainland China and Vietnam. Most of the Group's transactions, assets and liabilities are dominated in RMB or United States dollars ("USD"). Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. The Group is exposed to foreign exchange risk primarily through the bank borrowings that are denominated in a currency other than the functional currency of the Company and its subsidiaries. It manages its foreign exchange risks by performing regular review and monitoring its foreign exchange exposures.

At 31 December 2012, if RMB had weakened/strengthened by 3% against USD with all other variable held constant, post-tax profit for the year would have been RMB52,949,000 (2011: RMB38,583,000) lower/higher, mainly as a result of foreign exchange losses/gains on translation of USD-denominated pledged bank deposits, cash and cash equivalents, trade and bills receivables, trade and bills payables and borrowings.

### 3 財經風險管理

#### 3.1 財務風險因素

本集團的業務面對多種財務風險：外匯風險、現金流量及公平值利率風險、價格風險、信貸風險及流動資金風險。本集團的風險管理著重金融市場的不可預計因素，並尋求將可能對本集團財政表現產生負面影響的因素降至最低。本集團利用衍生金融工具以對沖利率變動而產生的若干風險。

##### (a) 外匯風險

本集團主要在中國大陸及越南營運。本集團大部分交易、資產及負債以人民幣或美元(「美元」)計值。外匯風險來自於未來海外業務中的商業貿易、已確認資產及負債及投資淨額。本集團主要因非以本公司及其附屬公司之功能貨幣結算之銀行借貸而面對外匯風險。本集團進行定期檢討及監察其外匯風險程度以管理其外匯風險。

於二零一二年十二月三十一日，倘人民幣兌美元的匯率貶值/升值3%，而所有其他可變因素維持不變，則年內稅後溢利將會減少/增加人民幣52,949,000元(二零一一年：人民幣38,583,000元)，主要由於匯兌以美元列示的已抵押銀行存款、現金及現金等值物、應收貿易及票據款項、應付貿易及票據款項以及借貸產生的外匯虧損/收益所致。

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### 3. FINANCIAL RISK MANAGEMENT

(Continued)

#### 3.1 Financial risk factors (Continued)

##### (b) Cash flow and fair value interest rate risk

Except for pledged bank deposits and cash at bank (Note 14), the Group has no significant interest-bearing assets. The Group's income and operating cash flows are substantially independent of changes in market interest rates. Management does not anticipate significant impact resulted from changes in interest rates on interest bearing assets.

The Group's interest-rate risk arises from borrowings. Borrowings issued at variable rates expose the Group to cash flow interest-rate risk. Borrowings issued at fixed rates expose the Group to fair value interest-rate risk. As at 31 December 2012, approximately 76% (2011: 79%) of the Group's borrowings were at fixed rates and the remaining were at floating rates.

The Group manages certain of its cash flow interest rate risk by using interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates or from fixed rates to floating rates. As at 31 December 2012, the Group converted borrowings of RMB451,970,000 (2011: RMB5,671,000) from floating rate to fixed rate and converted borrowings of RMB1,257,100,000 (2011: RMB1,260,180,000) from fixed rate to floating rate through interest rate swap (Note 19).

As at 31 December 2012, if interest rates on USD-denominated borrowings had been 0.3 percentage points lower/higher with all other variables held constant, post-tax profit for the year would have been RMB1,019,000 (2011: RMB446,000) higher/lower, mainly as a result of lower/higher interest expense on floating rate borrowings.

### 3 財經風險管理(續)

#### 3.1 財務風險因素(續)

##### (b) 現金流量及公平值利率風險

除已抵押銀行存款及銀行現金(附註14)外,本集團並無其他重大計息資產。大部分本集團的收入及經營現金流量均獨立於市場利率變動。管理層預期計息資產的利率變動將不會產生重大影響。

本集團的利率風險來自借貸。按浮息計息的借貸令本集團面對現金流量利率風險,按定息計息的借貸則令本集團面對公平值利率風險。於二零一二年十二月三十一日,本集團約76%(二零一一年:79%)之借貸為定息,其餘為浮息。

本集團透過利率掉期而管理其若干現金流量利率風險。利率掉期之經濟影響為將借貸由浮息轉為定息或由定息轉為浮息。於二零一二年十二月三十一日,本集團將人民幣451,970,000元(二零一一年:人民幣5,671,000元)之借貸透過利率掉期由浮息轉為定息,並將人民幣1,257,100,000元(二零一一年:人民幣1,260,180,000元)之借貸由定息轉為浮息(附註19)。

於二零一二年十二月三十一日,倘以美元列示的借貸利率下跌/上升0.3個百分點,而所有其他可變因素維持不變,則年內稅後溢利將增加/減少人民幣1,019,000元(二零一一年:人民幣446,000元),主要由於浮息借貸的利息開支減少/增加所致。

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### 3. FINANCIAL RISK MANAGEMENT

(Continued)

#### 3.1 Financial risk factors (Continued)

##### (c) Price risk

The Group is exposed to raw material price risk because of the volatility of the price of main raw material, cotton. The management of the Group analyze the trend of raw material price on weekly basis. To manage its price risk, the Group may decide to enter long term contracts to mitigate the impact from raw material price changes, and diversify the suppliers if they expect significant fluctuation in the future.

##### (d) Credit risk

The Group has more than 1,600 customers and does not rely on the orders from certain customers. So the Group has no significant concentration of credit risk. The carrying amounts of pledged bank deposits, cash and cash equivalents, trade and bills receivables and prepayments, deposits and other receivables represent the Group's maximum exposure to credit risk in relation to its financial assets.

The Group generally grants credit terms of less than 90 days to its customers in Mainland China and 120 days to its customers in other countries. The Group's management performs periodic credit evaluations/reviews of its customers and ensure that sales are made to customers with an appropriate credit history. The Group places deposits with major banks in Mainland China and Hong Kong, and limits the amount of credit exposure to any financial institution.

To lower the Group's exposure to credit risk, the Group may request 5% deposits from certain of their customers before delivery of goods. In addition, 100% (2011: 100%) of the bills receivables of the Group are endorsed by banks as at 31 December 2012.

### 3 財經風險管理(續)

#### 3.1 財務風險因素(續)

##### (c) 價格風險

本集團所面對的原材料價格風險乃由於主要原材料—棉花的價格波動所致。本集團管理層每週分析原材料的價格趨勢。倘彼等預期日後將出現大幅波動，為控制該價格風險，本集團可決定訂立長期合約，以降低原材料價格變動及供應商分散的影響。

##### (d) 信貸風險

本集團有超過1,600名客戶，並不倚賴若干客戶的訂單。故此，本集團並無重大集中信貸風險。已抵押銀行存款、現金及現金等值物、應收貿易及票據款項以及預付款項、按金及其他應收賬款的賬面值指本集團就其金融資產所須面對的最大信貸風險。

本集團通常授出少於90日的信貸期予中國內地的客戶，以及授出少於120日的信貸期予其他國家的客戶。本集團管理層定期對其客戶進行信貸評估／檢討，並確保僅向具良好信貸記錄之客戶銷貨。本集團將存款存於中國大陸及香港的主要銀行，並限制承擔任何一間金融機構的信貸風險。

為降低本集團所面對之信貸風險，本集團可能在交付貨品前要求若干客戶提供5%之按金。另外，於二零一二年十二月三十一日，100%（二零一一年：100%）之本集團應收票據由銀行背書。



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### 3. FINANCIAL RISK MANAGEMENT

(Continued)

#### 3.1 Financial risk factors (Continued)

##### (d) Credit risk (Continued)

The Group believes that adequate provision for doubtful debts has been made in the consolidated financial statements. To the extent that information is available, management has properly reflected revised estimates of expected future cash flows in their impairment assessments.

##### (e) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Group aims to maintain flexibility in funding by keeping committed credit lines available. Details of the undrawn borrowing facilities available to the Group are disclosed in Note 18 to the consolidated financial statements.

### 3 財經風險管理(續)

#### 3.1 財務風險因素(續)

##### (d) 信貸風險(續)

本集團相信已在綜合財務報表中就呆賬作出充足撥備。管理層根據現有資料，已在其減值評估中妥善反映預期未來現金流量的經修訂估計。

##### (e) 流動資金風險

本集團採取審慎的流動資金風險管理，透過高質素的充裕信貸融資保持足夠現金及可動用的資金。本集團旨在透過維持充裕信貸融資，以保持資金之靈活彈性。有關本集團的未動用借貸融資詳情於綜合財務報表附註18中披露。

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### 3. FINANCIAL RISK MANAGEMENT

(Continued)

#### 3.1 Financial risk factors (Continued)

##### (e) Liquidity risk (Continued)

The table below analyses the Group's and the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

### 3 財經風險管理(續)

#### 3.1 財務風險因素(續)

##### (e) 流動資金風險(續)

下表載列本集團及本公司的金融負債分析，此乃按相關到期組別並根據由結算日至合約到期日的剩餘期間進行分析。表內披露的金額為合約性未貼現的現金流量。

		Less than 1 year 少於一年 RMB'000 人民幣千元	Between 1 and 2 years 一年至兩年 RMB'000 人民幣千元	Between 2 and 6 years 兩年至六年 RMB'000 人民幣千元
<b>Group</b>				
<b>At 31 December 2012</b>				
Borrowings	本集團 於二零一二年十二月三十一日 借貸	206,142	113,744	1,450,314
Interest payable on borrowings	借貸應付利息	117,803	104,351	207,159
Derivative financial instruments	衍生金融工具	61,327	-	-
Trade and bills payables	應付貿易及票據款項	864,735	-	-
Accruals and other payables	預提費用及其他應付賬款	178,314	-	-
		1,428,321	218,095	1,657,473
<b>At 31 December 2011</b>				
Borrowings	於二零一一年十二月三十一日 借貸	143,519	107,895	1,604,380
Interest payable on borrowings	借貸應付利息	127,151	118,195	234,428
Derivative financial instruments	衍生金融工具	45,019	-	-
Trade and bills payables	應付貿易及票據款項	502,408	-	-
Accruals and other payables	預提費用及其他應付賬款	290,967	-	-
		1,109,064	226,090	1,838,808
<b>Company</b>				
<b>At 31 December 2012</b>				
Borrowings	本公司 於二零一二年十二月三十一日 借貸	-	-	1,172,243
Interest payable on borrowings	借貸應付利息	89,443	89,443	178,884
Derivative financial instruments	衍生金融工具	60,750	-	-
Due to subsidiaries	應付附屬公司款項	297,016	-	-
Accruals and other payables	預提費用及其他應付賬款	42,489	-	-
		489,698	89,443	1,351,127
<b>At 31 December 2011</b>				
Borrowings	於二零一一年十二月三十一日 借貸	-	-	1,203,472
Interest payable on borrowings	借貸應付利息	91,765	91,765	188,306
Derivative financial instruments	衍生金融工具	45,019	-	-
Due to subsidiaries	應付附屬公司款項	124,045	-	-
Accruals and other payables	預提費用及其他應付賬款	178,797	-	-
		439,626	91,765	1,391,778

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### 3. FINANCIAL RISK MANAGEMENT

(Continued)

#### 3.2 Capital risk management

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

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

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

The gearing ratios are as follows:

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Total borrowings (Note 18)	借貸總額(附註18)	1,770,200	1,855,794
Less: pledged bank deposits and cash and cash equivalents (Note 14)	減: 已抵押銀行存款及現金及現金等值物(附註14)	(552,285)	(495,314)
Net debt	負債淨額	1,217,915	1,360,480
Total equity	總股東權益	2,558,346	2,071,808
Total capital	資本總額	3,776,261	3,432,288
Net gearing ratio	淨資產負債比率	32%	40%

The decrease in gearing ratio during 2012 was a result of the increase in total equity for 2012's profit and settlement of borrowing rendered from the cash generated from operations.

### 3 財經風險管理(續)

#### 3.2 資金風險管理

本集團管理資金的目標為保障本集團持續經營的能力，為股東帶來回報及為其他權益持有人帶來利益，並維持理想資本結構以減少資本成本。

為維持或調整資本結構，本集團或會調整向股東派付股息金額或發行新股份。

與業內其他公司一樣，本集團利用資產負債比率監察資本。此比率以負債淨額除以資本總額計算。負債淨額以借貸總額(包括綜合資產負債表內列示之「流動及非流動借貸」)減現金及現金等值物計算。資本總額以綜合資產負債表內列示之「股東權益」加負債淨額計算。

資產負債比率如下：

於二零一二年資產負債比率下跌乃源於二零一二年溢利及營運所得現金支付借貸以致股本總額增加所致。

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### 3. FINANCIAL RISK MANAGEMENT

(Continued)

#### 3.3 Fair value estimation

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

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

As at 31 December 2012, the Group held interest rate swap contracts, and these derivative financial instruments are classified under level 2. The fair value of interest rate swap contracts are calculated as the present value of the estimated future cash flows based on observable yield curves.

The following table presents the Group's liabilities that are measured at fair value at 31 December 2012 and 2011:

### 3 財經風險管理(續)

#### 3.3 公平值估計

下表以估值法分析按公平值列賬之金融工具，各等級分析如下：

- 相同資產或負債之活躍市場報價(未經調整)(第一級)。
- 除所報價格(計入第一級)外，資產或負債之直接(如價格)或間接(如源自價格者)可觀察輸入資料(第二級)。
- 並非根據可觀察市場數據釐定之資產或負債輸入資料(即不可觀察輸入資料)(第三級)。

於二零一二年十二月三十一日，本集團持有利率掉期合約，而該等衍生金融工具分類為第二級。利率掉期合約之公平值乃基於可觀察收益率曲線並按估計日後現金流量的現值計量。

下表載列本集團於二零一二年及二零一一年十二月三十一日按公平值計量之負債。

		Level 1 第一級 RMB'000 人民幣千元	Level 2 第二級 RMB'000 人民幣千元	Level 3 第三級 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 31 December 2012	於二零一二年 十二月三十一日				
Liabilities	負債				
Derivative financial instruments	衍生金融工具	–	61,327	–	61,327
At 31 December 2011	於二零一一年 十二月三十一日				
Liabilities	負債				
Derivative financial instruments	衍生金融工具	–	45,019	–	45,019

**4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

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

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

**4.1 Estimated useful lives and residual values of property, plant and equipment**

The Group's management determines the estimated useful lives and residual values and consequently the related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. It could change as a result of technical innovations and competitors action in response to severe industry cycles. Management will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write-off or write down technically obsolete or non-strategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives, and actual residual values may differ from estimated residual values. Periodic reviews could result in a change in depreciable lives and residual values and therefore changes in depreciation expenses in the future periods.

**4.2 Net realisable value of inventories**

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. These estimates are based on the current market condition and the historical experience of manufacturing and selling products of similar nature. It could change significantly as a result of technical innovations, changes in customer taste and competitor actions in response to severe industry cycle. Management reassesses these estimates at each balance sheet date.

**4. 關鍵會計估計及判斷**

各項估計及判斷均持續評估，並根據歷史經驗及其他因素(包括於各種情況下對未來事件被認為合理之預期)評估。

本集團作出有關未來情況的估計及假設，按照定義，會計估計結果一般將不會相等於有關實際結果。估計及假設對於就下一個財政年度內的資產及負債賬面值作出重大調整而構成的重大風險如下。

**4.1 物業、廠房及設備之估計可使用年期及剩餘價值**

本集團之管理層釐定其物業、廠房及設備之估計可使用年期及剩餘價值以及相關折舊費用。該估計乃根據類似性質及功能之物業、廠房及設備之實際可使用年期之過往經驗而釐定，並可能因技術創新及競爭對手為回應嚴峻行業週期採取之行動而有改變。當可使用年期少於先前之估計年期，管理層將增加折舊費用，或將撇銷或撇減已報廢或出售之技術廢舊或非策略性資產。實際經濟年期可能與估計之可使用年期不同，而實際剩餘價值可能與估計之剩餘價值不同。定期檢討可能使可折舊年期及剩餘價值出現變動，因而引致未來期間之折舊開支有變。

**4.2 存貨之可變現淨值**

存貨之可變現淨值乃經扣除完成之估計成本及銷售開支後之日常業務估計售價。該等估計乃基於現行市況及製造與銷售性質類似產品之過往經驗而定，可能會因技術創新、客戶喜好改變及競爭對手為回應嚴峻行業週期採取之行動而出現重大變動。管理層將於各結算日重新評估該等估計。

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## 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

### 4.3 Impairment of trade, bills and other receivables

The Group's management determines the provision for impairment of trade, bills and other receivables based on an assessment of the recoverability of the receivables. This assessment is based on the credit history of its customers and other debtors and current market conditions, and requires the use of judgements and estimates. Provisions are applied to trade, bills and other receivables where events or changes in circumstances indicate that the balances may not be collectible and require the use of estimates. Management reassesses the provision at each balance sheet date. Where the expectation is different from the original estimate, such difference will impact carrying value of trade, bills and other receivable and impairment charge in the period in which such estimate has been changed.

### 4.4 Income taxes and deferred income tax

The Group is subject to income taxes in several jurisdictions. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers it is likely that future taxable profits will be available against which the temporary differences or tax losses can be utilised. When the expectations are different from the original estimates, such differences will impact the recognition of deferred tax assets and income tax charges in the period in which such estimates have been changed.

## 4. 關鍵會計估計及判斷(續)

### 4.3 應收貿易及票據款項以及其他應收賬款減值

本集團管理層按照應收款項之可收回程度釐定應收貿易及票據款項以及其他應收賬款減值撥備。倘有事件或環境轉變顯示結餘未必可收回或需要採用估計，則對應收貿易及票據款項及其他應收款項應用撥備。此評估乃根據其客戶及其他債務人過往之信貸記錄以及當時市況而定，並需作出判斷及估計。管理層於各結算日會重新評估撥備。倘預期與原估計有差別，該差額將影響該估計改變的期內的應收貿易及票據款項及其他應收款項及減值開支。

### 4.4 所得稅及遞延所得稅

本集團須於若干司法管轄區繳納所得稅。在釐定所得稅撥備時，需要作出重大判斷。在正常業務過程中，有許多交易和計算所涉及的最終稅務釐定都是不確定的。本集團根據估計附加稅是否將到期而確認預期發出的審核稅負債。倘該等事項的最終稅務後果與最初記錄金額不同，差額將影響作出此等釐定期間的所得稅及遞延稅項撥備。

凡管理層認為日後極可能有應課稅溢利用作抵銷暫時差額或稅項虧損，則若干暫時差額及稅項虧損有關的遞延稅項資產將予確認。倘預期金額與原定估計不同，則該差額將會影響該估計出現變動期間的遞延稅項資產及所得稅支出的確認。



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## 5. SEGMENT INFORMATION

The chief operating decision-maker has been identified as the Committee of Executive Directors of the Company. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Committee of Executive Directors reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The Committee of Executive Directors considers the business from both a product and geographical perspectives. From a product perspective, management assesses the performance from sales of yarn, grey fabrics and garment fabrics. The operations are further evaluated on a geographic basis including Mainland China, Vietnam, Macao, Hong Kong and Uruguay.

The Committee of Executive Directors assesses the performance of the operating segments based on revenue and operating profit.

The segment information for the year ended 31 December 2012 is as follows:

## 5 分類資料

主要經營決策者被視為本公司執行董事委員會。經營分類以向主要經營決策者提供內部呈報一致的形式呈報。執行董事委員會審閱本集團之內部申報，以評估表現及分配資源。管理層已根據該等報告釐定經營分類。

執行董事委員會認為業務可按產品及地區前景分類。就產品前景而言，管理層評估紗線、坯布及面料之營業額表現。業務以地區基準(包括中國大陸、越南、澳門、香港及烏拉圭)作進一步評估。

執行董事委員會根據收入及經營溢利評估經營分類之業績。

截至二零一二年十二月三十一日止年度之分類資料如下：

		Year ended 31 December 2012 截至二零一二年十二月三十一日止年度							
		Yarn 紗線			Grey fabrics 坯布		Garment fabrics 面料	Total 總額	
		Mainland China 中國大陸 RMB'000 人民幣千元	Vietnam 越南 RMB'000 人民幣千元	Macao 澳門 RMB'000 人民幣千元	Hong Kong 香港 RMB'000 人民幣千元	Uruguay 烏拉圭 RMB'000 人民幣千元	Mainland China 中國大陸 RMB'000 人民幣千元	Mainland China 中國大陸 RMB'000 人民幣千元	RMB'000 人民幣千元
Total revenue	總收入	5,457,549	2,491,997	5,566,751	373,854	-	1,027,897	166,723	15,084,771
Inter-segment revenue	分類間收入	(585,106)	(2,300,038)	(4,484,299)	(373,854)	-	-	-	(7,743,297)
Revenue (from external customers)	收入(來自外部客戶)	4,872,443	191,959	1,082,452	-	-	1,027,897	166,723	7,341,474
Segment results	分類業績	358,075	137,239	167,303	10,379	-	27,043	12,436	712,475
Unallocated expenses	未分配費用								(35,941)
Operating results	經營業績								676,534
Finance income	財務收入								14,585
Finance costs	財務費用								(137,922)
Share of profit of an associate	分佔聯營公司溢利								4,293
Income tax expense	所得稅開支								(71,184)
Profit for the year	年內溢利								486,306
Depreciation and amortisation	折舊及攤銷	(84,941)	(95,640)	(52)	(150)	-	(21,759)	(2,240)	(204,782)

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### 5. SEGMENT INFORMATION (Continued)

The segment information for the year ended 31 December 2011 is as follows:

### 5 分類資料(續)

截至二零一一年十二月三十一日止年度  
之分類資料如下：

		Year ended 31 December 2011 截至二零一一年十二月三十一日止年度							
		Yarn 紗線			Grey fabrics 坯布		Garment fabrics 面料	Total 總額	
		Mainland China 中國大陸 RMB'000 人民幣千元	Vietnam 越南 RMB'000 人民幣千元	Macao 澳門 RMB'000 人民幣千元	Hong Kong 香港 RMB'000 人民幣千元	Mainland China 中國大陸 RMB'000 人民幣千元	Mainland China 中國大陸 RMB'000 人民幣千元	RMB'000 人民幣千元	
Total revenue	總收入	4,978,379	2,610,609	4,672,946	129,352	965,843	117,163	13,474,292	
Inter-segment revenue	分類間收入	(368,969)	(2,338,910)	(3,765,149)	(128,551)	-	-	(6,601,579)	
<b>Revenue (from external customers)</b>	<b>收入(來自外部客戶)</b>	4,609,410	271,699	907,797	801	965,843	117,163	6,872,713	
<b>Segment results</b>	<b>分類業績</b>	82,088	134,155	(3,156)	5,116	1,263	12,426	231,892	
Unallocated expenses	未分配費用							(73,670)	
<b>Operating results</b>	<b>經營業績</b>							158,222	
Finance income	財務收入							7,948	
Finance costs	財務費用							(85,680)	
Share of profit of an associate	分佔聯營公司溢利							2,985	
Income tax expense	所得稅開支							(22,200)	
<b>Profit for the year</b>	<b>年內溢利</b>							61,275	
Depreciation and amortisation	折舊及攤銷	(76,595)	(75,617)	(638)	(115)	(21,473)	(1,903)	(176,341)	

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### 5. SEGMENT INFORMATION (Continued)

The segment assets and liabilities as at 31 December 2012 are as follows:

### 5 分類資料(續)

於二零一二年十二月三十一日之分類資產及負債如下：

		As at 31 December 2012 於二零一二年十二月三十一日								
		Yarn 紗線					Grey fabrics 坯布	Garment fabrics 面料	Total 總額	
		Mainland China 中國大陸	Vietnam 越南	Macao 澳門	Hong Kong 香港	Uruguay 烏拉圭	Sub-total 小計	Mainland China 中國大陸	Mainland China 中國大陸	
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Total segment assets	分類總資產	2,887,149	1,707,636	232,396	2,396	10,176	4,839,753	573,138	120,540	5,533,431
Unallocated assets	未分配資產									91,594
Total assets of the Group	本集團總資產									5,625,025
Total segment liabilities	分類總負債						(1,673,257)	(98,746)	(12,318)	(1,784,321)
Unallocated liabilities	未分配負債									(1,282,495)
Total liabilities of the Group	本集團總負債									(3,066,816)
Capital expenditure	資本開支	149,005	371,127	123	-	10,073	530,328	6,014	86	536,428

The segment assets and liabilities as at 31 December 2011 are as follows:

於二零一一年十二月三十一日之分類資產及負債如下：

		As at 31 December 2011 於二零一一年十二月三十一日								
		Yarn 紗線					Grey fabrics 坯布	Garment fabrics 面料	Total 總額	
		Mainland China 中國大陸	Vietnam 越南	Macao 澳門	Hong Kong 香港	Sub-total 小計	Mainland China 中國大陸	Mainland China 中國大陸		
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	
Total segment assets	分類總資產	2,462,781	1,395,961	379,882	12,285	4,250,909	504,302	95,407	4,850,618	
Unallocated assets	未分配資產								79,733	
Total assets of the Group	本集團總資產								4,930,351	
Total segment liabilities	分類總負債					(1,331,788)	(83,687)	(9,963)	(1,425,438)	
Unallocated liabilities	未分配負債								(1,433,010)	
Total liabilities of the Group	本集團總負債								(2,858,448)	
Capital expenditure	資本開支	148,665	262,874	886	10	412,435	12,315	44	424,794	

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### 6. FREEHOLD LAND AND LAND USE RIGHTS – GROUP

### 6. 永久產權土地及土地使用權 – 本集團

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Freehold land	永久產權土地	10,073	–
Land use rights	土地使用權	255,397	185,711
		<b>265,470</b>	<b>185,711</b>

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Opening amount	年初金額	185,711	151,075
Additions	添置	83,941	38,813
Amortisation (Note 24)	攤銷(附註24)	(4,182)	(4,177)
Closing amount	年末金額	<b>265,470</b>	<b>185,711</b>
Cost	成本	285,215	201,274
Accumulated amortisation	累計攤銷	(19,745)	(15,563)
Net book amount	賬面淨值	<b>265,470</b>	<b>185,711</b>

The Group's freehold land cost is analysed as follow:

本集團之完全擁有地地價分析如下：

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Freehold land – In Uruguay	永久產權土地 – 於烏拉圭	10,073	–

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### 6. FREEHOLD LAND AND LAND USE RIGHTS – GROUP (Continued)

The Group's interests in land use rights represent prepaid operating lease payments, and their net book value are analysed as follows:

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Leases of between 45 to 50 years	45至50年的租賃		
– In Mainland China	– 於中國大陸	125,179	127,612
– In Vietnam	– 於越南	130,218	58,099
		<b>255,397</b>	<b>185,711</b>

As at 31 December 2012, land use rights with a net book amount of RMB19,804,000 (2011: RMB50,899,000) was pledged as collateral of the Group's bank borrowings (Note 18).

Amortisation was included in cost of sales.

### 6. 永久產權土地及土地使用權—本集團(續)

本集團於土地使用權的權益指預付經營租賃款項，其賬面淨值分析如下：

於二零一二年十二月三十一日，賬面淨值人民幣19,804,000元(二零一一年：人民幣50,899,000元)的土地使用權已抵押作本集團銀行借貸的抵押品(附註18)。

攤銷已計入銷售成本。

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## 7. PROPERTY, PLANT AND EQUIPMENT – GROUP AND COMPANY

		Buildings 樓宇 RMB'000 人民幣千元	Machinery and equipment 機器及設備 RMB'000 人民幣千元	Furniture and fixtures 傢俬及裝置 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
<b>At 1 January 2011</b>	於二零一一年一月一日						
Cost or valuation	成本或估值	522,131	1,455,342	18,164	14,277	259,160	2,269,074
Accumulated depreciation	累計折舊	–	(450,548)	(12,024)	(7,572)	–	(470,144)
<b>Net book amount</b>	賬面淨值	<b>522,131</b>	<b>1,004,794</b>	<b>6,140</b>	<b>6,705</b>	<b>259,160</b>	<b>1,798,930</b>
<b>Year ended 31 December 2011</b>	截至二零一一年十二月三十一日止年度						
Opening net book amount	年初賬面淨值	522,131	1,004,794	6,140	6,705	259,160	1,798,930
Additions	添置	1,122	26,803	18,130	4,026	335,900	385,981
Transfers	轉讓	91,378	435,236	–	–	(526,614)	–
Disposals (Note 33)	出售(附註33)	(96)	(20,634)	(79)	(161)	–	(20,970)
Depreciation charges (Note 24)	折舊支出(附註24)	(25,975)	(140,994)	(3,054)	(2,141)	–	(172,164)
<b>Closing net book amount</b>	年末賬面淨值	<b>588,560</b>	<b>1,305,205</b>	<b>21,137</b>	<b>8,429</b>	<b>68,446</b>	<b>1,991,777</b>
<b>At 31 December 2011</b>	於二零一一年十二月三十一日						
Cost or valuation	成本或估值	614,452	1,877,648	33,409	16,929	68,446	2,610,884
Accumulated depreciation	累計折舊	(25,892)	(572,443)	(12,272)	(8,500)	–	(619,107)
<b>Net book amount</b>	賬面淨值	<b>588,560</b>	<b>1,305,205</b>	<b>21,137</b>	<b>8,429</b>	<b>68,446</b>	<b>1,991,777</b>
<b>Year ended 31 December 2012</b>	截至二零一二年十二月三十一日止年度						
Opening net book amount	年初賬面淨值	588,560	1,305,205	21,137	8,429	68,446	1,991,777
Additions	添置	5,490	52,059	10,275	4,045	380,618	452,487
Transfers	轉讓	276	28,573	–	–	(28,849)	–
Disposals (Note 33)	出售(附註33)	(22)	(13,433)	(1,245)	(34)	–	(14,734)
Depreciation charges (Note 24)	折舊支出(附註24)	(27,770)	(165,536)	(4,009)	(3,285)	–	(200,600)
<b>Closing net book amount</b>	年末賬面淨值	<b>566,534</b>	<b>1,206,868</b>	<b>26,158</b>	<b>9,155</b>	<b>420,215</b>	<b>2,228,930</b>
<b>At 31 December 2012</b>	於二零一二年十二月三十一日						
Cost or valuation	成本或估值	620,181	1,897,415	37,965	19,446	420,215	2,995,222
Accumulated depreciation	累計折舊	(53,647)	(690,547)	(11,807)	(10,291)	–	(766,292)
<b>Net book amount</b>	賬面淨值	<b>566,534</b>	<b>1,206,868</b>	<b>26,158</b>	<b>9,155</b>	<b>420,215</b>	<b>2,228,930</b>



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### 7. PROPERTY, PLANT AND EQUIPMENT – GROUP AND COMPANY (Continued)

#### Group (Continued)

The analysis of the cost or valuation of the above assets is as follows:

### 7. 物業、廠房及設備—本集團及本公司(續)

#### 本集團(續)

以上資產的成本或估值分析如下：

		Buildings 樓宇 RMB'000 人民幣千元	Machinery and equipment 機器及設備 RMB'000 人民幣千元	Furniture and fixtures 傢俬及裝置 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
At 31 December 2012	於二零一二年 十二月三十一日						
At cost	按成本	98,050	1,897,415	37,965	19,446	420,215	2,473,091
At valuation – 31 December 2010	按估值 —於二零一零年 十二月三十一日	522,131	-	-	-	-	522,131
		620,181	1,897,415	37,965	19,446	420,215	2,995,222
At 31 December 2011	於二零一一年 十二月三十一日						
At cost	按成本	92,321	1,877,648	33,409	16,929	68,446	2,088,753
At valuation – 31 December 2010	按估值 —於二零一零年 十二月三十一日	522,131	-	-	-	-	522,131
		614,452	1,877,648	33,409	16,929	68,446	2,610,884

The buildings recorded at cost represent newly added buildings during the year 2012 without revaluation by independent valuer.

按成本記賬的樓宇代表二零一二年新添的樓宇，未經獨立估值師重估。

Buildings with net book amount of RMB487,695,000 (2011: RMB504,913,000) at 31 December 2012 were stated at open market value, based on a valuation performed by DTZ Debenham Tie Leung Limited, an independent firm of qualified valuers. The revaluation surplus, net of applicable deferred income tax liabilities, was credited to revaluation reserve in equity (Note 17).

根據獨立合資格估值公司戴德梁行有限公司進行的估值，於二零一二年十二月三十一日賬面淨值為人民幣487,695,000元(二零一一年：人民幣504,913,000元)的樓宇乃以公開市值列賬。重估盈餘扣除適用的遞延所得稅負債，計入權益內的重估儲備(附註17)。

If buildings were stated on historical cost basis, the amounts would be as follows:

倘樓宇以歷史成本法列賬，金額將如下：

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Cost	成本	605,946	600,217
Accumulated depreciation	累計折舊	(106,325)	(79,243)
Net book amount	賬面淨值	499,621	520,974

## 綜合財務報表附註

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2012  
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(All amounts in RMB)  
(所有金額以人民幣計值)

### 7. PROPERTY, PLANT AND EQUIPMENT – GROUP AND COMPANY (Continued)

#### Group (Continued)

During the year ended 31 December 2012, depreciation of RMB183,683,000 (2011: RMB156,821,000) was included in cost of sales, RMB1,043,000 (2011: RMB201,000) was included in selling and distribution costs and RMB15,874,000 (2011: RMB15,142,000) was included in general and administrative expenses.

During the year ended 31 December 2012, no finance cost was capitalised as part of property, plant and equipment (2011: finance cost of RMB353,000 was capitalised at a rate 2.3% per annum) (Note 27).

As at 31 December 2012, property, plant and equipment of approximately RMB352,491,000 (2011: RMB387,214,000) were pledged as collateral of the Group's bank borrowings (Note 18).

Lease rental expense of RMB12,443,000 (2011: RMB13,014,000), relating to the lease of buildings and machinery, was included in cost of sales (Note 24).

### 7. 物業、廠房及設備—本集團及本公司 (續)

#### 本集團 (續)

於截至二零一二年十二月三十一日止年度，人民幣183,683,000元(二零一一年：人民幣156,821,000元)的折舊已計入銷售成本，人民幣1,043,000元(二零一一年：人民幣201,000元)的折舊已計入銷售及分銷開支及人民幣15,874,000元(二零一一年：人民幣15,142,000元)的折舊已計入一般及行政開支。

於截至二零一二年十二月三十一日止年度，概無財務費用資本化為物業、廠房及設備的一部分(二零一一年：財務費用人民幣353,000元按年度資本化率2.3%資本化)(附註27)。

於二零一二年十二月三十一日，物業、廠房及設備約人民幣352,491,000元(二零一一年：人民幣387,214,000元)已抵押為本集團銀行借貸的抵押品(附註18)。

有關租賃樓宇及機器的租金開支人民幣12,443,000元(二零一一年：人民幣13,014,000元)已計入銷售成本(附註24)。

## 綜合財務報表附註

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(All amounts in RMB)  
(所有金額以人民幣計值)

### 7. PROPERTY, PLANT AND EQUIPMENT – GROUP AND COMPANY (Continued) Company

### 7. 物業、廠房及設備—本集團及 本公司(續) 本公司

		Furniture and fixtures 傢俬及裝置 RMB'000 人民幣千元
<b>At 1 January 2011</b>	於二零一一年一月一日	
Cost	成本	1,165
Accumulated depreciation	累計折舊	(1,044)
<b>Net book amount</b>	<b>賬面淨值</b>	<b>121</b>
<b>Year ended 31 December 2011</b>	截至二零一一年 十二月三十一日止年度	
Opening net book amount	年初賬面淨值	121
Depreciation	折舊	(69)
<b>Net book amount</b>	<b>賬面淨值</b>	<b>52</b>
<b>At 31 December 2011</b>	於二零一一年十二月三十一日	
Cost	成本	1,165
Accumulated depreciation	累計折舊	(1,113)
<b>Net book amount</b>	<b>賬面淨值</b>	<b>52</b>
<b>Year ended 31 December 2012</b>	截至二零一二年 十二月三十一日止年度	
Opening net book amount	年初賬面淨值	52
Additions	添置	675
Depreciation	折舊	(101)
<b>Net book amount</b>	<b>賬面淨值</b>	<b>626</b>
<b>At 31 December 2012</b>	於二零一二年十二月三十一日	
Cost	成本	1,840
Accumulated depreciation	累計折舊	(1,214)
<b>Net book amount</b>	<b>賬面淨值</b>	<b>626</b>

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2012  
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(All amounts in RMB)  
(所有金額以人民幣計值)

### 8. INVESTMENTS IN AND AMOUNTS DUE FROM/TO SUBSIDIARIES – COMPANY

### 8. 於附屬公司的投資及應收／應付附屬公司款項－本公司

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Unlisted shares, at cost	非上市股份，按成本	246,989	246,989
Due from subsidiaries – non-current portion (Note (a))	應收附屬公司款項 －非即期部分(附註(a))	1,096,777	1,066,654
		<b>1,343,766</b>	<b>1,313,643</b>
Due from subsidiaries – current portion (Note (b))	應收附屬公司款項 －即期部分(附註(b))	895,312	695,312
Due to subsidiaries (Note (b))	應付附屬公司款項(附註(b))	297,016	124,045

Notes:

附註：

- (a) The amounts due from subsidiaries – non-current portion represent equity funding by the Company to the subsidiaries and are measured in accordance with the Company's accounting policy for investments in subsidiaries. They are unsecured and non-interest bearing.
- (b) The amounts due from/to subsidiaries are unsecured, non-interest bearing and are repayable within one year.

- (a) 該應收附屬公司款項 – 非即期部分指本公司向附屬公司提供之股本資金，並根據本公司有關於附屬公司的投資的會計政策計量，為無抵押及免息。

- (b) 該應收／應付附屬公司款項為無抵押、免息且須於一年內償還。

Particulars of the principal subsidiaries of the Company are set out in Note 36.

本公司主要附屬公司詳情載於附註36。

### 9. INVESTMENT IN AN ASSOCIATE – GROUP

### 9. 於聯營公司的投資 – 本集團

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Share of net assets of an unlisted associate	分佔一間非上市聯營公司 資產淨值	50,647	46,354
Goodwill	商譽	191	191
		<b>50,838</b>	<b>46,545</b>

## 綜合財務報表附註

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(All amounts in RMB)  
(所有金額以人民幣計值)

### 9. INVESTMENT IN AN ASSOCIATE – GROUP (Continued) Movement of share of net assets attributable to the Group is as follows:

### 9. 於聯營公司的投資 – 本集團 (續)

本集團應佔資產淨值變動如下：

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Opening amount	年初金額	46,354	43,369
Share of profit	分佔溢利	4,293	2,985
Closing amount	年末金額	50,647	46,354

Particulars of the associate are as follows:

聯營公司詳細資料如下：

Name 聯營公司名稱	Place and date of incorporation and form of legal entity 註冊成立地點及日期以及法律實體類別	Principal activities 主要業務	Particulars of issued share capital 已發行股本詳情	Interest held 所持權益
Nantong Textile Group Co., Ltd.	Nantong, Mainland China, 11 September 2002 limited liability company	Manufacturing and sales of top-grade textile knitting products and garments	RMB 人民幣 116,375,000	37%
南通紡織控股集團紡織染有限公司	中國大陸南通，二零零二年九月十一日，有限責任公司	製造及銷售高級紡織產品及成衣		

## 綜合財務報表附註

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2012  
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(All amounts in RMB)  
(所有金額以人民幣計值)

### 9. INVESTMENT IN AN ASSOCIATE – GROUP (Continued)

The Group's share of revenue, profit for the year, assets and liabilities of the associate, which have been included in the consolidated income statement and balance sheet using equity method, are as follows:

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Revenue	收入	161,541	181,766
Profit for the year	年內溢利	4,293	2,985
Non-current assets	非流動資產	58,547	78,501
Current assets	流動資產	47,830	49,685
Current liabilities	流動負債	(34,821)	(57,016)
Non-current liabilities	非流動負債	(20,909)	(24,816)
Net assets value	資產淨值	50,647	46,354

### 9. 於聯營公司的投資 – 本集團 (續)

以權益法列入綜合損益表及資產負債表的本集團分佔聯營公司收入、年內溢利以及資產及負債如下：

### 10. FINANCIAL INSTRUMENTS BY CATEGORY – GROUP AND COMPANY Group

### 10. 按類別劃分的金融工具 – 本集團及本公司 本集團

		Receivables 應收款項 RMB'000 人民幣千元	Cash and cash equivalents 現金及現金等值物 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
31 December 2012	二零一二年十二月三十一日			
<b>Assets as per balance sheet</b>	<b>資產負債表所列資產</b>			
Trade and bills receivables (Note 12)	應收貿易及票據款項 (附註 12)	812,409	–	812,409
Other receivables excluding prepayments (Note 13)	其他應收賬款 (不包括預付款項) (附註 13)	4,892	–	4,892
Pledged bank deposits and cash and cash equivalents (Note 14)	已抵押銀行存款及現金及現金等值物 (附註 14)	–	552,285	552,285
<b>Total</b>	<b>總計</b>	<b>817,301</b>	<b>552,285</b>	<b>1,369,586</b>



## 綜合財務報表附註

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2012  
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(All amounts in RMB)  
(所有金額以人民幣計值)

### 10. FINANCIAL INSTRUMENTS BY CATEGORY – GROUP AND COMPANY

(Continued)  
Group (Continued)

### 10. 按類別劃分的金融工具—本集團及本公司(續)

本集團(續)

		Payables	Liabilities at fair value through the profit and loss 按公平值計入損益的負債	Other financial liabilities 其他金融負債	Total
		應付款項 RMB'000 人民幣千元	負債 RMB'000 人民幣千元	金融負債 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
<b>Liabilities as per balance sheet</b>	<b>資產負債表所列負債</b>				
Borrowings (Note 18)	借貸(附註18)	-	-	1,770,200	1,770,200
Derivative financial instruments (Note 19)	衍生金融工具(附註19)	-	61,327	-	61,327
Trade and bills payables (Note 21)	應付貿易及票據款項(附註21)	864,735	-	-	864,735
Accruals and other payables excluding deposits and statutory liabilities (Note 22)	預提費用及其他應付賬款(不包括客戶按金及法定負債)(附註22)	178,314	-	-	178,314
<b>Total</b>	<b>總計</b>	<b>1,043,049</b>	<b>61,327</b>	<b>1,770,200</b>	<b>2,874,576</b>

		Receivables	Cash and cash equivalents 現金及現金等值物	Total
		應收款項 RMB'000 人民幣千元	現金等值物 RMB'000 人民幣千元	總計 RMB'000 人民幣千元

31 December 2011

二零一一年  
十二月三十一日

**Assets as per balance sheet**

**資產負債表所列資產**

Trade and bills receivables (Note 12)	應收貿易及票據款項(附註12)	640,086	-	640,086
Other receivables excluding prepayments (Note 13)	其他應收賬款(不包括預付款項)(附註13)	3,887	-	3,887
Pledged bank deposits and cash and cash equivalents (Note 14)	已抵押銀行存款及現金及現金等值物(附註14)	-	495,314	495,314
<b>Total</b>	<b>總計</b>	<b>643,973</b>	<b>495,314</b>	<b>1,139,287</b>

## 綜合財務報表附註

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(All amounts in RMB)  
(所有金額以人民幣計值)

### 10. FINANCIAL INSTRUMENTS BY CATEGORY – GROUP AND COMPANY

(Continued)

Group (Continued)

### 10. 按類別劃分的金融工具—本集團及本公司(續)

本集團(續)

		Payables	Liabilities at fair value through the profit and loss 按公平值計入損益的負債	Other financial liabilities 其他金融負債	Total
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
<b>Liabilities as per balance sheet</b>	<b>資產負債表所列負債</b>				
Borrowings (Note 18)	借貸(附註18)	–	–	1,855,794	1,855,794
Derivative financial instruments (Note 19)	衍生金融工具(附註19)	–	45,019	–	45,019
Trade and bills payables (Note 21)	應付貿易及票據款項(附註21)	502,408	–	–	502,408
Accruals and other payables excluding deposits and statutory liabilities (Note 22)	預提費用及其他應付賬款(不包括客戶按金及法定負債)(附註22)	290,967	–	–	290,967
<b>Total</b>	<b>總計</b>	<b>793,375</b>	<b>45,019</b>	<b>1,855,794</b>	<b>2,694,188</b>

#### Company

本公司

		Receivables	Cash and cash equivalents 現金及現金等值物	Total
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
<b>31 December 2012</b>	<b>二零一二年十二月三十一日</b>			
<b>Assets as per balance sheet</b>	<b>資產負債表所列資產</b>			
Due from subsidiaries (Note 8)	應收附屬公司款項(附註8)	895,312	–	895,312
Cash and cash equivalents (Note 14)	現金及現金等值物(附註14)	–	1,129	1,129
<b>Total</b>	<b>總計</b>	<b>895,312</b>	<b>1,129</b>	<b>896,441</b>

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(All amounts in RMB)  
(所有金額以人民幣計值)

### 10. FINANCIAL INSTRUMENTS BY CATEGORY – GROUP AND COMPANY

(Continued)

Company (Continued)

### 10. 按類別劃分的金融工具—本集團及本公司(續)

本公司(續)

		Payables	Liabilities at fair value through the profit and loss 按公平值計入損益的負債	Other financial liabilities 其他金融負債	Total
		應付款項 RMB'000 人民幣千元	負債 RMB'000 人民幣千元	金融負債 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
Liabilities as per balance sheet	資產負債表所列負債				
Borrowings (Note 18)	借貸(附註18)	-	-	1,172,243	1,172,243
Derivative financial instruments (Note 19)	衍生金融工具(附註19)	-	60,750	-	60,750
Due to subsidiaries (Note 8)	應付附屬公司款項(附註8)	297,016	-	-	297,016
Accruals and other payables excluding deposits and statutory liabilities (Note 22)	預提費用及其他應付賬款(不包括客戶按金及法定負債)(附註22)	42,489	-	-	42,489
Total	總計	339,505	60,750	1,172,243	1,572,498

		Receivables	Cash and cash equivalents 現金及現金等值物	Total
		應收款項 RMB'000 人民幣千元	現金等值物 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
31 December 2011	二零一一年十二月三十一日			
Assets as per balance sheet	資產負債表所列資產			
Due from subsidiaries (Note 8)	應收附屬公司款項(附註8)	695,312	-	695,312
Other receivables excluding prepayments (Note 13)	其他應收賬款(不包括預付款項)(附註13)	5	-	5
Cash and cash equivalents (Note 14)	現金及現金等值物(附註14)	-	1,853	1,853
Total	總計	695,317	1,853	697,170

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(All amounts in RMB)  
(所有金額以人民幣計值)

### 10. FINANCIAL INSTRUMENTS BY CATEGORY – GROUP AND COMPANY

(Continued)

Company (Continued)

### 10. 按類別劃分的金融工具—本集團及本公司(續)

本公司(續)

		Payables	Liabilities at fair value through the profit and loss 按公平值計入損益的負債	Other financial liabilities 其他金融負債	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
<b>Liabilities as per balance sheet</b>	<b>資產負債表所列負債</b>				
Borrowings (Note 18)	借貸(附註18)	–	–	1,203,472	1,203,472
Derivative financial instruments (Note 19)	衍生金融工具(附註19)	–	45,019	–	45,019
Due to subsidiaries (Note 8)	應付附屬公司款項(附註8)	124,045	–	–	124,045
Accruals and other payables excluding deposits and statutory liabilities (Note 22)	預提費用及其他應付賬款(不包括客戶按金及法定負債)(附註22)	178,797	–	–	178,797
<b>Total</b>	<b>總計</b>	<b>302,842</b>	<b>45,019</b>	<b>1,203,472</b>	<b>1,551,333</b>

### 11. INVENTORIES – GROUP

### 11. 存貨—本集團

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Raw materials	原材料	875,101	678,972
Work-in-progress	在製品	32,457	48,176
Finished goods	製成品	513,967	561,413
		<b>1,421,525</b>	<b>1,288,561</b>

The cost of inventories recognised as expense and included in 'cost of sales' amounted to RMB6,290,264,000 (2011: RMB6,238,459,000).

In 2012, the Group reversed an inventory provision of RMB72,906,000 (2011: additional provision of RMB78,669,000) in respect of the decline in the value of inventories. These amounts have been included in 'cost of sales' in the income statement.

確認為費用且列入「銷售成本」的存貨成本為人民幣6,290,264,000元(二零一一年：人民幣6,238,459,000元)。

於二零一二年，本集團就存貨價值減少撥回存貨撥備人民幣72,906,000元(二零一一年：額外存貨撥備人民幣78,669,000元)。該等金額已計入收益表之「銷售成本」中。

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### 12. TRADE AND BILLS RECEIVABLES – GROUP

### 12. 應收貿易及票據款項 – 本集團

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Trade receivables	應收貿易款項	181,418	190,226
Less: provision for impairment	減：減值撥備	(877)	(1,743)
Bills receivables	應收票據款項	180,541 631,868	188,483 451,603
		<b>812,409</b>	<b>640,086</b>

The fair values of trade and bills receivables approximate their carrying amounts.

應收貿易及票據款項之公平值接近其賬面值。

The Group generally grants credit terms of less than 90 days to its customers in Mainland China and 120 days to its customers in other countries. The ageing analysis of the trade and bills receivables by invoice date is as follows:

本集團授予其中國大陸客戶之信貸期一般為90日內，而授予其他國家客戶之信貸期為120日內。應收貿易及票據款項按發票日期之賬齡分析如下：

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Within 30 days	30日內	211,775	297,279
31 to 90 days	31日至90日	228,682	42,269
91 to 180 days	91日至180日	370,549	299,670
181 days to 1 year	181日至1年	1,452	2,305
Over 1 year	1年以上	828	306
Less: provision for impairment	減：減值撥備	813,286 (877)	641,829 (1,743)
Trade and bills receivables – net	應收貿易及票據款項 – 淨額	<b>812,409</b>	<b>640,086</b>

There is no concentration of credit risk with respect to trade and bills receivables, as the Group has a large number of customers.

由於本集團擁有大批客戶，故應收貿易及票據款項無集中的信貸風險。

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### 12. TRADE AND BILLS RECEIVABLES – GROUP (Continued)

Trade receivables that are less than 90 days in Mainland China and 120 days in other countries are generally not considered impaired, which amounted to RMB174,280,000 as at 31 December 2012 (2011: RMB178,454,000). As at 31 December 2012, trade receivables aged by more than 90 days in Mainland China or 120 days in other countries of RMB6,261,000 (2011: RMB10,029,000) are considered not to be impaired. These relate to a number of customers for whom there is no recent history of default. All these trade receivables are aged within 91 days to 180 days.

As at 31 December 2012, trade receivables of RMB877,000 (2011: RMB1,743,000) were impaired and had been fully provided for. These receivables relate to a number of customers, including customers in unexpected difficult economic situations. The ageing of these receivables is as follows:

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
91 to 180 days	91日至180日	102	989
181 days to 1 year	181日至1年	–	479
Over 1 year	1年以上	775	275
		<b>877</b>	<b>1,743</b>

Trade and bills receivables are denominated in the following currencies:

以下列貨幣列示的應收貿易及票據款項如下：

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
RMB	人民幣	755,352	516,186
USD	美元	50,574	119,309
Vietnam Dong (“VND”)	越南盾(「越南盾」)	7,360	6,334
		<b>813,286</b>	<b>641,829</b>

### 12. 應收貿易及票據款項 – 本集團 (續)

於中國大陸逾期不足90日及於其他國家不足120日之應收貿易款項一般不視為已減值，於二零一二年十二月三十一日的金額為人民幣174,280,000元(二零一一年：人民幣178,454,000元)。於二零一二年十二月三十一日，未被視為已減值之中國大陸逾期90日以上及其他國家逾期120日以上應收貿易款項為人民幣6,261,000元(二零一一年：人民幣10,029,000元)。該等結欠涉及最近並無拖欠記錄之多名客戶。所有該等應收貿易款項之賬齡均為91日至180日。

於二零一二年十二月三十一日，應收貿易款項人民幣877,000元(二零一一年：人民幣1,743,000元)已減值並已作全面撥備。該等應收款項涉及多名客戶，包括處於不可預期經濟困境的客戶。該等應收款項之賬齡如下：



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### 12. TRADE AND BILLS RECEIVABLES – GROUP (Continued)

Movements of the provision for impairment of trade receivables are as follows:

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
At 1 January	於一月一日	1,743	1,264
Provision for receivable impairment	應收款項減值撥備	102	1,468
Provision reversed when the related receivables were collected	相關應收款項收回時撥回撥備	(968)	(989)
At 31 December	於十二月三十一日	877	1,743

The creation and release of provision for impaired receivables have been included in general and administrative expenses. Amounts charged to the allowance account are written off when there is no expectation of receiving additional cash.

增設及解除已減值應收款項撥備已列入一般及行政開支。當預期未能收取額外現金時，在準備賬中扣除的款項將被撤銷。

The maximum exposure to credit risk at the reporting date is the fair value of trade and bills receivables.

於報告日期，本集團面對的最大信貸風險為應收貿易及票據款項公平值。

### 13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES – GROUP AND COMPANY

### 13. 預付款項、按金及其他應收賬款 – 本集團及本公司

		Group 本集團		Company 本公司	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Prepayments for purchase of raw materials	購買原材料的預付款項	182,864	175,740	–	–
Value-added tax recoverable	應退增值稅	46,235	51,542	–	–
Deposits	按金	3,147	3,238	–	–
Prepaid expenses	預付開支	2,772	1,550	–	–
Other receivables	其他應收賬款	1,745	649	–	5
		236,763	232,719	–	5

The fair values of prepayments, deposits and other receivables approximate their carrying amounts.

預付款項、按金及其他應收賬款的公平值接近其賬面值。

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### 14. PLEDGED BANK DEPOSITS AND CASH AND CASH EQUIVALENTS – GROUP AND COMPANY

### 14. 已抵押銀行存款及現金及現金等值物 – 本集團及本公司

		Group 本集團		Company 本公司	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Pledged bank deposits	已抵押銀行存款	21,989	31,907	–	–
Cash and cash equivalents	現金及現金等值物				
– Cash at bank and in hand	– 銀行及手頭現金	530,296	463,407	1,129	1,853
		552,285	495,314	1,129	1,853

As at 31 December 2012, the weighted average effective interest rate on pledged bank deposits and other deposits was 0.6% (2011: 0.7%) per annum. The pledged bank deposits have maturities of 120 days at inception (2011: 120 days), and are used for issuance of letters of credit for purchase of cotton.

於二零一二年十二月三十一日，已抵押銀行存款及其他存款之加權平均實際利率為每年0.6%（二零一一年：0.7%）。已抵押銀行存款之存款期為訂立日期起計120日（二零一一年：120日），用於簽發信用狀供購買棉花。

Pledged bank deposits and cash and cash equivalents are denominated in the following currencies:

以下列貨幣列示的已抵押銀行存款及現金及現金等值物如下：

		Group 本集團		Company 本公司	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
RMB	人民幣	438,739	359,886	–	–
USD	美元	102,691	92,090	1,129	1,242
Hong Kong dollars (“HKD”)	港元（「港元」）	2,430	1,103	–	611
VND	越南盾	8,340	34,888	–	–
Others	其他	85	7,347	–	–
		552,285	495,314	1,129	1,853

Majority of the cash and cash equivalents are deposited with banks in Mainland China. The conversion of the RMB denominated balances into other currencies and the remittance of funds out of Mainland China are subject to the rules and regulations relating to foreign exchange controls promulgated by the Mainland China Government.

大部分現金及現金等值物存於中國大陸銀行。將人民幣計值之結餘兌換為其他貨幣以及將資金匯出中國大陸須遵守中國大陸政府頒佈有關外匯管制之規則及規例。

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### 15. SHARE CAPITAL AND PREMIUM – GROUP AND COMPANY

### 15. 股本及溢價—本集團及本公司

		Number of shares 股份數目 (thousands) (千股)	Ordinary shares 普通股 HKD'000 千港元				
Authorised:	法定：						
<b>Ordinary shares of HKD0.1 each At 31 December 2011 and 2012</b>	<b>每股0.1港元普通股 於二零一一年及二零一二年 十二月三十一日</b>	4,000,000	400,000				
		<b>Number of shares 股份數目 (thousands) (千股)</b>	<b>Ordinary shares 普通股 RMB'000 人民幣千元</b>	<b>Share premium 股份溢價 RMB'000 人民幣千元</b>	<b>Total 總計 RMB'000 人民幣千元</b>		
Issued and fully paid:	已發行及繳足：						
<b>Ordinary shares of HKD0.1 each At 31 December 2011 and 2012</b>	<b>每股0.1港元 普通股 於二零一一年及 二零一二年 十二月三十一日</b>	884,681	94,064	189,218	283,282		

**16. SHARE OPTIONS – GROUP AND COMPANY****Share Option Scheme**

Pursuant to a shareholders' resolution passed on 21 November 2004, the Company adopted a share option scheme ("the Share Option Scheme"), which will remain in force for a period of 10 years up to November 2014. Under the Share Option Scheme, the Company's directors may, at their sole discretion, grant to any employee, director, supplier of goods or services, customer, person or entity that provides research, development or other technological support to the Group, shareholder and adviser or consultant of the Group to subscribe for shares in the Company at a price of not less than the higher of (i) the closing price of shares as stated in the daily quotation sheet of the Stock Exchange on the date of the offer of grant; or (ii) the average closing price of shares as stated in the daily quotation sheets of the Stock Exchange for the five trading days immediately preceding the date of the offer of grant; and (iii) the nominal value of the share. A nominal consideration of HK\$1 is payable on acceptance of the grant of an option. The maximum number of shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme adopted by the Group from time to time must not in aggregate exceed 30% of the share capital of the Company in issued from time to time. At 31 December 2012, no options have been granted under this Share Option Scheme.

**16. 購股權 – 本集團及本公司****購股權計劃**

根據本公司於二零零四年十一月二十一日通過之股東決議案，本公司已採納一項購股權計劃（「購股權計劃」），於截至二零一四年十一月止十年期間將仍屬有效。根據購股權計劃，本公司董事可全權酌情向任何僱員、董事、貨品或服務供應商、客戶、為本集團提供研究、發展或其他技術支援的個人或實體、股東及本集團顧問或諮詢人授出購股權，以認購本公司股份，惟價格不低於下列較高者：(i) 於授出要約日期在聯交所每日報價表所列出的股份收市價；或(ii) 於緊接授出要約日期前五個交易日的聯交所每日報價表所列出的股份平均收市價；及(iii) 股份的面值。1港元的名義代價於接納授出購股權要約時支付。在購股權計劃及本集團不時採納的任何其他購股權計劃以下所有授出有待行使購股權獲行使時最高可予發行的股份數目合計不得超過本公司不時已發行股本的30%。於二零一二年十二月三十一日，概無購股權根據本購股權計劃授出。

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### 17. OTHER RESERVES AND RETAINED EARNINGS – GROUP AND COMPANY

#### (a) Other reserves Group

		Capital reserve <sup>(1)</sup> 資本儲備 <sup>(1)</sup> RMB'000 人民幣千元	Statutory reserves <sup>(1)</sup> 法定儲備 <sup>(1)</sup> RMB'000 人民幣千元	Revaluation reserve 重估儲備 RMB'000 人民幣千元	Translation reserve 匯兌儲備 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2011	於二零一一年 一月一日	162,041	211,861	53,085	(7,688)	419,299
Transfer to statutory reserves	轉撥至法定儲備	-	8,233	-	-	8,233
Transfer from revaluation reserve to retained earnings for buildings revaluation	就樓宇重新估值由重估儲備轉撥至保留溢利					
- gross	- 總額	-	-	(4,995)	-	(4,995)
- deferred income tax (Note 20)	- 遞延所得稅 (附註20)	-	-	1,316	-	1,316
At 31 December 2011	於二零一一年 十二月三十一日	162,041	220,094	49,406	(7,688)	423,853
At 1 January 2012	於二零一二年 一月一日	162,041	220,094	49,406	(7,688)	423,853
Transfer to statutory reserves	轉撥至法定儲備	-	23,364	-	-	23,364
Transfer from revaluation reserve to retained earnings for depreciation	就折舊由重估儲備轉撥至保留溢利					
- gross	- 總額	-	-	(4,995)	-	(4,995)
- deferred income tax (Note 20)	- 遞延所得稅 (附註20)	-	-	1,351	-	1,351
At 31 December 2012	於二零一二年 十二月三十一日	162,041	243,458	45,762	(7,688)	443,573

#### Company

本公司

		Capital reserve <sup>(1)</sup> 資本儲備 <sup>(1)</sup> RMB'000 人民幣千元
At 1 January 2011 till 31 December 2012	於二零一一年一月一日至 二零一二年十二月三十一日	172,319

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### 17. OTHER RESERVES AND RETAINED EARNINGS – GROUP AND COMPANY

(Continued)

#### (b) Retained earnings Group

### 17. 其他儲備及保留溢利—本集團及本公司(續)

#### (b) 保留溢利 本集團

		RMB'000 人民幣千元
At 1 January 2011	於二零一一年一月一日	1,506,518
Profit for the year	年度溢利	61,256
Transfer from revaluation reserve to retained earnings	由重估儲備轉撥至保留溢利	
– gross	– 總額	4,995
– deferred income tax (Note 20)	– 遞延所得稅(附註20)	(1,316)
		1,571,453
Dividend paid	已付股息	(198,547)
Transfer to statutory reserves	轉撥至法定儲備	(8,233)
At 31 December 2011	於二零一一年十二月三十一日	1,364,673
At 1 January 2012	於二零一二年一月一日	1,364,673
Profit for the year	年度溢利	486,538
Transfer from revaluation reserve to retained earnings	由重估儲備轉撥至保留溢利	
– gross	– 總額	4,995
– deferred income tax (Note 20)	– 遞延所得稅(附註20)	(1,351)
		1,854,855
Transfer to statutory reserves	轉撥至法定儲備	(23,364)
At 31 December 2012	於二零一二年十二月三十一日	1,831,491
<b>Company</b>	<b>本公司</b>	
		RMB'000 人民幣千元
At 1 January 2011	於二零一一年一月一日	133,975
Profit for the year	年內溢利	68,503
Dividend paid	已付股息	(198,547)
At 31 December 2011	於二零一一年十二月三十一日	3,931
At 1 January 2012	於二零一二年一月一日	3,931
Profit for the year	年內溢利	208,803
At 31 December 2012	於二零一二年十二月三十一日	212,734



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## 17. OTHER RESERVES AND RETAINED EARNINGS – GROUP AND COMPANY

(Continued)

### (b) Retained earnings (Continued)

Notes:

- (i) The capital reserve represents the difference between the amount of share capital issued and the net asset value of the subsidiaries acquired under a Group reorganisation in 2004.
- (ii) As stipulated by regulations in Mainland China, the Company's subsidiaries established and operated in Mainland China are required to appropriate a portion of their after-tax profit (after offsetting prior years' losses) to statutory reserves, at rates determined by their respective boards of directors. Such transfer is not required when the amount of the statutory reserve reaches 50% of the corresponding subsidiaries' registered capital.

Statutory reserves shall only be used to make up losses of the corresponding subsidiaries, to expand the corresponding subsidiaries' production operations, or to increase the capital of the corresponding subsidiaries. Upon approval by resolutions of the corresponding subsidiaries' shareholders in general meetings, the corresponding subsidiaries may convert their statutory reserves into registered capital and issue bonus capital to existing owners in proportion to their existing ownership structure.

## 17. 其他儲備及保留溢利—本集團及本公司(續)

### (b) 保留溢利(續)

附註：

- (i) 資本儲備指已發行股本數額與於二零零四年集團重組下收購附屬公司的資產淨值的差額。
- (ii) 根據中國大陸頒佈之規例，本公司在中國大陸成立及營運之附屬公司須按其各自董事會所釐訂之比例，撥一部分除稅後溢利(經抵銷過往年度虧損)至法定儲備。倘法定儲備的金額已達相關附屬公司註冊資本的50%，則無需作出此撥款。

法定儲備僅可用於抵銷相關附屬公司虧損、擴充相關附屬公司生產經營或增加相關附屬公司股本。當獲得相關附屬公司股東於股東大會上以決議案通過，相關附屬公司則可將其法定儲備轉換成註冊資本，並按現有股東的持股比例向彼等發行紅股。

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### 18. BORROWINGS – GROUP AND COMPANY

### 18. 借貸—本集團及本公司

		Group 本集團		Company 本公司	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
<b>Current</b>	<b>即期</b>				
Secured bank borrowings (Note (a))	有抵押銀行 借貸(附註(a))	134,196	24,573	—	—
Other bank borrowings (Note (b))	其他銀行借貸 (附註(b))	71,946	118,946	—	—
		206,142	143,519	—	—
<b>Non-current</b>	<b>非即期</b>				
Secured bank borrowings (Note (a))	有抵押銀行 借貸(附註(a))	365,020	452,063	—	—
Other bank borrowings (Note (b))	其他銀行借貸 (附註(b))	26,795	56,740	—	—
Notes payable (Note (c))	應付票據 (附註(c))	1,172,243	1,203,472	1,172,243	1,203,472
		1,564,058	1,712,275	1,172,243	1,203,472
<b>Total borrowings</b>	<b>借貸總額</b>	<b>1,770,200</b>	<b>1,855,794</b>	<b>1,172,243</b>	<b>1,203,472</b>

Notes:

附註:

- (a) Bank borrowings of RMB499,216,000 (2011: RMB476,636,000) were secured by the pledge of the Group's land use rights with a net book amount of RMB19,804,000 (2011: RMB50,899,000) (Note 6); and property, plant and equipment with a net book amount of approximately RMB352,491,000 (2011: RMB387,214,000) (Note 7), as at 31 December 2012.
- (b) Other bank borrowings of RMB98,741,000 (2011: RMB175,686,000) were secured by cross corporate guarantees provided by certain subsidiaries of the Group as at 31 December 2012.
- (c) The notes payable as at 31 December 2012 represent US\$187 million senior notes ("Notes") which will be repayable in whole on 19 January 2016 (2011: US\$193 million). The Notes were issued in January 2011, with a principle amount of US\$200 million, bear interest at a fixed rate of 7.625% per annum and listed on the Singapore Exchange Securities Trading Limited. The Group repurchased and cancelled the Notes with a principle amount of US\$5 million (2011: US\$7 million) during the year ended 31 December 2012 (Note 23).

- (a) 人民幣499,216,000元(二零一一年: 人民幣476,636,000元)的銀行借貸以本集團於二零一二年十二月三十一日賬面淨值為人民幣19,804,000元(二零一一年: 人民幣50,899,000元)的土地使用權(附註6)的抵押; 及於二零一二年十二月三十一日賬面淨值約為人民幣352,491,000元(二零一一年: 人民幣387,214,000元)的物業、廠房及設備(附註7)作抵押。
- (b) 其他銀行借貸以本集團若干附屬公司提供的於二零一二年十二月三十一日數額為人民幣98,741,000元(二零一一年: 人民幣175,686,000元)的交叉公司擔保作抵押。
- (c) 二零一二年十二月三十一日之應付票據指應於二零一六年一月十九日悉數償還的1.87億美元(二零一一年: 1.93億美元)優先票據(「票據」)。該票據於二零一一年一月發行並在新加坡證券交易所有限公司上市, 本金額為2.00億美元, 按每年7.625%之固定利率計息。本集團已於截至二零一二年十二月三十一日止年度回購並註銷本金額500萬美元(二零一一年: 700萬美元)之票據(附註23)。

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### 18. BORROWINGS – GROUP AND COMPANY (Continued)

The carrying amounts of the borrowings are denominated in the following currencies:

### 18. 借貸—本集團及本公司(續)

借貸的賬面值按以下貨幣計值：

		Group 本集團		Company 本公司	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
RMB	人民幣	95,000	170,000	—	—
USD	美元	1,671,460	1,680,109	1,172,243	1,203,472
HKD	港元	3,740	5,685	—	—
		<b>1,770,200</b>	<b>1,855,794</b>	<b>1,172,243</b>	<b>1,203,472</b>

The weighted average effective interest rates per annum at year end are as follows:

於年結日加權平均實際年利率如下：

		2012 二零一二年			2011 二零一一年		
		USD 美元	RMB 人民幣	HKD 港元	USD 美元	RMB 人民幣	HKD 港元
Bank borrowings	銀行借貸	4.5%	6.0%	1.8%	4.6%	7.1%	2.1%
Notes payable	應付票據	7.6%	—	—	7.6%	—	—

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### 18. BORROWINGS – GROUP AND COMPANY (Continued)

At 31 December 2012, the Group's borrowings were repayable as follows:

### 18. 借貸—本集團及本公司(續)

於二零一二年十二月三十一日，本集團借貸的到期日如下：

		Group 本集團		Company 本公司	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Within 1 year	1年內	206,142	143,519	—	—
Between 1 and 2 years	1至2年	113,744	107,895	—	—
Between 2 and 5 years	2至5年	1,397,935	1,604,380	1,172,243	1,203,472
More than 5 years	多於5年	52,379	—	—	—
		<b>1,770,200</b>	<b>1,855,794</b>	<b>1,172,243</b>	<b>1,203,472</b>

The fair values of the borrowings approximate their carrying amounts as at the balance sheet date, as the impact of discounting is not significant.

由於折現之影響微不足道，於結算日，借貸之公平值與其賬面值相若。

The Group has undrawn floating rates borrowing facilities of approximately RMB360,284,000 (2011: RMB558,407,000) which will be expired within one year. The facilities expiring within one year are annual facilities subject to review at various dates during 2012.

本集團未動用浮動息率借貸融資約人民幣360,284,000元(二零一一年：人民幣558,407,000元)將於一年內到期。於一年內到期之融資為須於二零一二年不同日期作審閱之年度融資。

### 19. DERIVATIVE FINANCIAL INSTRUMENTS – GROUP AND COMPANY

### 19. 衍生金融工具—本集團及本公司

		Group 本集團		Company 本公司	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Interest rate swap contracts	利率掉期合約	61,327	45,019	60,750	45,019

Non-hedging derivatives are classified as a current asset or liability.

非對沖衍生工具分類為流動資產或負債。

The interest rate swap contracts as at 31 December 2012 comprised four contracts with notional principal amounts totalling RMB1,709,070,000 (2011: RMB1,265,851,000).

於二零一二年十二月三十一日，利率掉期合約包括四份合約，名義本金總計為人民幣1,709,070,000元(二零一一年：人民幣1,265,851,000元)。

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### 20. DEFERRED INCOME TAX – GROUP

The analysis of deferred tax assets and deferred tax liabilities is as follows:

### 20. 遞延所得稅—本集團

遞延稅項資產及遞延稅項負債之分析如下：

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Deferred tax assets:	遞延稅項資產：		
– Deferred tax assets to be recovered after more than 12 months	– 超過 12 個月後收回之遞延稅項資產	1,888	–
– Deferred tax assets to be recovered within 12 months	– 在 12 個月內收回之遞延稅項資產	54,917	49,638
		<b>56,805</b>	49,638
Deferred tax liabilities:	遞延稅項負債：		
– Deferred tax liabilities to be recovered after more than 12 months	– 超過 12 個月後收回之遞延稅項負債	(57,652)	(51,069)
– Deferred tax liabilities to be recovered within 12 months	– 在 12 個月內收回之遞延稅項負債	(1,355)	(1,332)
		<b>(59,007)</b>	(52,401)

The movements in deferred tax assets and liabilities during the year are as follows:

於年內遞延稅項資產及負債變動如下：

Deferred income tax assets:

遞延所得稅資產：

		Tax losses 稅務虧損 RMB'000 人民幣千元	Temporary differences 暫時差異 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2011	於二零一一年一月一日	–	24,430	24,430
Credit/(charge) to the consolidated income statement	於綜合損益表計入/(扣除)	28,571	(3,363)	25,208
At 31 December 2011	於二零一一年十二月三十一日	28,571	21,067	49,638
(Charge)/credit to the consolidated income statement	於綜合損益表(扣除)/計入	(5,530)	12,697	7,167
At 31 December 2012	於二零一二年十二月三十一日	23,041	33,764	56,805

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### 20. DEFERRED INCOME TAX – GROUP

(Continued)

Deferred income tax liabilities:

### 20. 遞延所得稅—本集團(續)

遞延所得稅負債：

		Revaluation of buildings 樓宇重估 RMB'000 人民幣千元	Withholding tax relating to unremitted earnings of subsidiaries 有關附屬公司 未匯付盈利的 預扣稅 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2011	於二零一一年一月一日	16,444	32,831	49,275
Reversal relating to additional depreciation	有關額外折舊之撥回	(1,316)	–	(1,316)
Withholding tax relating to unremitted earnings of subsidiaries	有關附屬公司未匯付 盈利的預扣稅	–	4,442	4,442
At 31 December 2011	於二零一一年 十二月三十一日	15,128	37,273	52,401
Reversal relating to additional depreciation	有關額外折舊之撥回	(1,351)	–	(1,351)
Withholding tax relating to unremitted earnings of subsidiaries	有關附屬公司未匯付 盈利的預扣稅	–	7,957	7,957
At 31 December 2012	於二零一二年 十二月三十一日	13,777	45,230	59,007

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through the future taxable profits is probable. As at 31 December 2012, the Group did not recognise deferred income tax assets of RMB909,000 (2011: RMB888,000) in respect of losses amounting to RMB3,636,000 (2011: RMB3,555,000) that can be carried forward against future taxable income.

Deferred income tax of RMB 1,351,000 (2011: RMB1,316,000) was transferred from other reserves (Note 17) to retained earnings. This represents deferred tax on the difference between the actual depreciation on buildings and the equivalent depreciation based on the historical cost of buildings.

遞延所得稅資產乃就結轉之稅項虧損確認，惟以有可能透過日後之應課稅溢利變現有關稅項利益為限。於二零一二年十二月三十一日，本集團並無就將來可沖抵應納稅收入的人民幣3,636,000元(二零一一年：人民幣3,555,000元)虧損確認遞延所得稅資產人民幣909,000元(二零一一年：人民幣888,000元)。

人民幣1,351,000元(二零一一年：人民幣1,316,000元)的遞延所得稅乃由其他儲備(附註17)轉撥至保留溢利。此代表樓宇的實際折舊與根據樓宇的歷史成本計算的相同折舊之間的差額的遞延稅項。



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### 21. TRADE AND BILLS PAYABLES – GROUP

### 21. 應付貿易及票據款項—本集團

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Trade payables	應付貿易款項	252,001	115,890
Bills payables	應付票據款項	612,734	386,518
		<b>864,735</b>	<b>502,408</b>

As at 31 December 2012, included in the trade payables was amount due to an associate of nil (2011: RMB345,000).

於二零一二年十二月三十一日，包括於應付貿易款項為應付一間聯營公司款項零元(二零一一年：人民幣345,000元)。

The ageing analysis of the trade and bills payables (including amount due to a an associate of trading in nature) is as follows:

應付貿易及票據款項(包括應付一間貿易聯營公司之款項)之賬齡分析如下：

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Within 90 days	90日內	654,111	99,188
91 to 180 days	91日至180日	112,787	394,022
181 days to 1 year	181日至1年	95,761	5,282
Over 1 year	一年以上	2,076	3,916
		<b>864,735</b>	<b>502,408</b>

Trade and bills payables are denominated in the following currencies:

以下列貨幣列示的應付貿易及票據款項如下：

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
RMB	人民幣	428,755	212,765
USD	美元	435,980	274,214
Vietnam Dong	越南盾	—	15,429
		<b>864,735</b>	<b>502,408</b>

The fair values of trade and bills payables approximately their carrying amounts.

應付貿易及票據款項之公平值與其賬面價值相若。

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### 22. ACCRUALS AND OTHER PAYABLES – GROUP AND COMPANY

### 22. 預提費用及其他應付賬款 – 本集團及本公司

		Group 本集團		Company 本公司	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Accrued wages and salaries	應計工資及薪酬	72,013	70,118	–	–
Interest payable	應付利息	44,916	43,577	40,354	41,640
Accrual of operating expenses	應計經營開支	26,450	22,070	858	465
Deposits from customers	客戶按金	42,929	34,406	–	–
Payables for purchase of property, plant and equipment	購買物業、廠房及設備應付賬款	85,839	205,330	–	135,564
Other payables	其他應付賬款	21,109	19,990	1,277	1,128
Tax payables other than Mainland China enterprise income tax	應付稅項 (中國大陸企業所得稅除外)	15,719	21,612	–	–
		<b>308,975</b>	<b>417,103</b>	<b>42,489</b>	<b>178,797</b>

### 23. OTHER INCOME AND LOSSES, NET

### 23. 其他收入及虧損，淨額

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Other income	其他收入		
Subsidy income	補貼收入	5,525	21,993
Other losses – net	其他虧損 – 淨額		
Derivative financial liability at fair value through profit or loss:	按公平值計入損益之衍生金融負債：		
– Unrealised loss	– 未實現虧損	(19,892)	(38,546)
– Realised loss	– 已實現虧損	–	(13,445)
Net foreign exchange losses (Note 28)	匯兌虧損淨額 (附註28)	(12,783)	(20,056)
Gain from Notes repurchases	票據回購收益	5,873	10,240
Others	其他	3,910	3,065
Total other losses – net	其他虧損總額 – 淨額	<b>(22,892)</b>	<b>(58,742)</b>

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### 23. OTHER INCOME AND LOSSES, NET

(Continued)

The subsidy income mainly related to incentives for development in Xuzhou and Shanghai, Mainland China and grants provided by municipal governments based on the amounts of value added tax and income tax paid. The Group received all the subsidy income in the same year and there was no future obligation related to those subsidy income.

The gain from Notes repurchases represented the repurchases and cancellation of Notes with principle amount of US\$5 million in 2012 (2011: US\$7 million) (Note 18(c)).

### 23. 其他收入及虧損，淨額(續)

補貼收入主要與於中國大陸徐州及上海發展所獲得之優惠及市政府根據已付增值稅及所得稅金額授出之津貼有關。本集團已於同年收取全數補貼收入，以及並無有關該等補貼收入之未來責任。

票據回購收益指於二零一二年回購及註銷本金額為5,000,000美元之票據(二零一一年: 7,000,000美元)(附註18(c))。

### 24. EXPENSES BY NATURE

### 24. 開支(按性質分類)

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Raw materials and consumables used	耗用原材料及消耗品	5,428,013	5,570,002
Changes in inventories of finished goods and work in progress	製成品及在製品存貨變動	63,165	(84,472)
Employment costs, including directors' emoluments (Note 25)	僱員成本，包括董事酬金(附註25)	441,292	437,338
Depreciation and amortisation (Notes 6 and 7)	折舊及攤銷(附註6及7)	204,782	176,341
Loss on disposal of property, plant and equipment (Note 33)	出售物業、廠房及設備虧損(附註33)	3,696	2,152
Office expense	辦公開支	51,921	30,817
Utilities	動力及燃料	322,680	282,627
Transportation	運輸	114,658	90,793
Auditor's remuneration	核數師酬金	4,696	3,846
Lease rental expense for buildings and machinery (Note 7)	樓宇及機器租金開支(附註7)	12,443	13,014
(Reversal of)/Provision for impairment of trade receivables (Note 12)	應收貿易款項減值(撥回)/撥備(附註12)	(866)	479
(Reversal of)/Provision for decline in the value of inventories (Note 11)	存貨減值(撥回)/撥備(附註11)	(72,906)	78,669
Other expenses	其他開支	73,999	76,136
Total cost of sales, selling and distribution costs and general and administrative expenses	銷售成本、銷售及分銷開支以及一般及行政開支總額	6,647,573	6,677,742

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### 25. EMPLOYMENT COSTS, INCLUDING DIRECTORS' EMOLUMENTS

### 25. 僱員成本，包括董事酬金

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Wages, salaries and bonuses	工資、薪酬及花紅	379,927	377,841
Pension costs – defined contribution plans (Note (a))	退休金成本 – 界定供款計劃(附註(a))	37,284	35,153
Other welfare benefits (Note (b))	其他福利(附註(b))	14,684	12,768
Other employment benefits	其他僱員福利	9,397	11,576
		<b>441,292</b>	<b>437,338</b>

#### (a) Pension – defined contribution plans

As stipulated by rules and regulations in Mainland China, the Group has participated in state-sponsored defined contribution retirement plans for its employees in Mainland China. The Group and the eligible employees are required to contribute 14% to 22% and 7% to 8%, respectively, of the employees' basic salary (subject to a cap) at rates as stipulated by the relevant municipal governments. The Group has no further obligations for the actual payment of pensions or post-retirement benefits beyond the annual contributions. The state-sponsored retirement plans are responsible for the entire pension obligations payable to the retired employees. During the year ended 31 December 2012, the Group contributed approximately RMB21,935,000 (2011: RMB21,669,000) to the aforesaid state-sponsored retirement plans.

The Group has arranged for its Hong Kong employees to join the Mandatory Provident Fund Scheme (the "MPF Scheme"), a defined contribution scheme managed by an independent trustee. Under the MPF Scheme, each of the Group and its Hong Kong employees makes monthly contributions to the scheme at 5% of the employees' earnings as defined under the Mandatory Provident fund legislation, subject to a cap of HK\$1,250 per month. During the year ended 31 December 2012, the Group contributed approximately RMB76,000 (2011: RMB76,000) to the MPF Scheme.

#### (a) 退休金 – 界定供款計劃

根據中國大陸規則及法規規定，本集團已為其中國大陸僱員參與國家資助的界定供款退休計劃。本集團及合資格僱員須分別就僱員基本薪金的14%至22%及7%至8%作出供款(訂有上限)，比率由有關市政府規定。除此項年度供款外，本集團對其任何實際退休金支出或退休後福利則毋須再作任何承擔。退休僱員的所有退休金支出概由國家資助退休計劃承擔。於截至二零一二年十二月三十一日止年度，本集團向上述國家資助退休計劃分別供款約人民幣21,935,000元(二零一一年：人民幣21,669,000元)。

本集團已安排香港僱員參加強制性公積金計劃(「強積金計劃」)，屬於由獨立信託人管理的界定供款計劃。於強積金計劃，本集團及其香港僱員各自於每月按強積金法例所界定的僱員收入5%向計劃供款，供款上限為每月1,250港元。於截至二零一二年十二月三十一日止年度，本集團向強積金計劃供款約人民幣76,000元(二零一一年：人民幣76,000元)。

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### 25. EMPLOYMENT COSTS, INCLUDING DIRECTORS' EMOLUMENTS (Continued)

#### (a) Pension – defined contribution plans (Continued)

As stipulated by rules and regulations in Vietnam, the Group contributes to state-sponsored employees' social insurance scheme for its employees in Vietnam. The Group contributes to the scheme at a rate of 20% of the employee's salary. The state-sponsored social insurance scheme is responsible for the entire obligations payable to retired employees. During the year ended 31 December 2012, the Group contributed approximately RMB15,273,000 (2011: RMB13,408,000) to the aforesaid state-sponsored social insurance scheme.

#### (b) Other welfare benefits

All of the Group's employees in Mainland China participate in employee social security plans, including medical, housing and other welfare benefits, organised and administered by governmental authorities. During the year ended 31 December 2012, the Group contributed approximately RMB14,684,000 (2011: RMB12,768,000) to these plans.

### 25. 僱員成本，包括董事酬金(續)

#### (a) 退休金 – 界定供款計劃(續)

根據越南規則及法規規定，本集團已為其越南僱員向國家資助的僱員社會保險計劃作出供款。本集團按僱員薪金的20%向該計劃供款。退休僱員的所有支出概由國家資助的社會保險計劃承擔。於截至二零一二年十二月三十一日止年度，本集團向上述國家資助的社會保險計劃供款約人民幣15,273,000元(二零一一年：人民幣13,408,000元)。

#### (b) 其他福利

本集團於中國大陸的所有僱員均參與僱員社會保障計劃，該計劃包括由政府機構籌劃及監控的醫療、房屋及其他福利。截至二零一二年十二月三十一日止年度，本集團就上述計劃供款約人民幣14,684,000元(二零一一年：人民幣12,768,000元)。

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### 26. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

The remuneration of each director of the Company for the year ended 31 December 2012 is set out below:

### 26. 董事及高級管理層酬金

截至二零一二年十二月三十一日止年度應付予本公司每位董事的酬金如下：

Name of Director	董事姓名	Fees	Salaries	Discretionary bonuses	Other benefits <sup>(1)</sup>	Employer's contribution to pension scheme	Total
		袍金	薪金	酌情花紅	其他福利 <sup>(1)</sup>	僱主退休計劃供款	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Executive directors	執行董事						
Hong Tianzhu	洪天祝	-	690	1,518	899	-	3,107
Zhu Yongxiang	朱永祥	-	1,035	2,725	8	41	3,809
Gong Zhao	龔照	-	442	360	-	20	822
Tang Daoping	湯道平	-	497	2,880	11	34	3,422
Independent non-executive directors	獨立非執行董事						
Ting Leung Huel, Stephen	丁良輝	195	-	-	-	-	195
Cheng Longdi	程隆楦	97	-	-	-	-	97
Zhu Lanfen	朱蘭芬	97	-	-	-	-	97
		389	2,664	7,483	918	95	11,549



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### 26. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

(Continued)

The remuneration of each director of the Company for the year ended 31 December 2011 is set out below:

### 26. 董事及高級管理層酬金(續)

截至二零一一年十二月三十一日止年度應付予本公司每位董事的酬金如下：

Name of Director	董事姓名	Fees	Salaries	Discretionary bonuses	Other benefits <sup>(*)</sup>	Employer's contribution to pension scheme	Total
		袍金	薪金	酌情花紅	其他福利 <sup>(*)</sup>	僱主退休計劃供款	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Executive directors	執行董事						
Hong Tianzhu	洪天祝	-	600	-	995	-	1,595
Zhu Yongxiang	朱永祥	-	900	565	600	32	2,097
Gong Zhao	龔照	-	440	426	300	14	1,180
Tang Daoping	湯道平	-	440	1,747	600	33	2,820
Independent non-executive directors	獨立非執行董事						
Ting Leung Huel, Stephen	丁良輝	195	-	-	-	-	195
Cheng Longdi	程隆棣	97	-	-	-	-	97
Zhu Lanfen	朱蘭芬	97	-	-	-	-	97
		389	2,380	2,738	2,495	79	8,081

(\*) Other benefits mainly represent housing allowance and other social security benefits.

None of the directors waived any emoluments during the year ended 31 December 2012 (2011: Nil).

(\*) 其他福利主要指房屋津貼及其他社會保障福利。

於截至二零一二年十二月三十一日止年度並無董事放棄收取任何酬金(二零一一年：零)。

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### 26. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

(Continued)

#### (a) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include four (2011: four) directors whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining one (2011: one) individual is as follows:

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Basic salaries and allowances	基本薪金及津貼	1,379	1,116
Bonuses	花紅	72	265
Pension cost – Defined contribution plan	退休金成本 – 界定供款計劃	10	10
		<b>1,461</b>	<b>1,391</b>

(b) During the year ended 31 December 2012, no emoluments were paid by the Company to any of the directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office (2011: Nil).

### 26. 董事及高級管理層酬金 (續)

#### (a) 五位最高薪酬人士

於本年度，本集團五位最高薪酬人士其中四位(二零一一年：四位)為董事，其酬金已於上文呈列的分析內反映。應付予餘下一位(二零一一年：一位)人士之酬金如下：

(b) 截至二零一二年十二月三十一日止年度，本公司並無向任何董事或五名最高薪酬人士支付任何酬金，作為加入或於加入本集團時之獎勵或作為離職補償(二零一一年：零)。

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### 27. FINANCE INCOME AND COSTS

### 27. 財務收入及費用

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Interest expense – bank borrowings wholly repayable within five years	利息開支—須於五年內悉數償還之銀行借貸	142,561	162,456
Less: amount capitalised in property, plant and equipment (Note 7)	減：物業、廠房及設備資本化金額(附註7)	—	(353)
		142,561	162,103
Exchange gain on financing activities (Note 28)	融資活動所得匯兌收益(附註28)	(4,639)	(76,423)
Finance costs – net	財務費用—淨額	137,922	85,680
Finance income – interest income on bank deposits	財務收入—銀行存款利息收入	(14,585)	(7,948)
Net finance costs	財務費用淨額	123,337	77,732

### 28. NET FOREIGN EXCHANGE (LOSSES)/ GAINS

### 28. 匯兌(虧損)/收益淨額

The exchange differences credited to the consolidated income statement are included as follows:

於綜合損益表計入之匯兌差額包括以下項目：

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Other losses – net (Note 23)	其他虧損—淨額(附註23)	(12,783)	(20,056)
Finance costs (Note 27)	財務費用(附註27)	4,639	76,423
		(8,144)	56,367

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### 29. INCOME TAX EXPENSE

The amount of income tax charged to the consolidation income statement represents:

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Current tax on profits for the year	年度即期利得稅	70,945	42,999
Adjustment in respect of prior years	過往年度調整	800	1,283
Deferred income tax (Note 20)	遞延所得稅(附註20)	(561)	(22,082)
		71,184	22,200

#### (a) Hong Kong profits tax

Subsidiaries established in Hong Kong are subject to income tax at rate of 16.5% (2011: 16.5%).

#### (b) Mainland China enterprise income tax ("EIT")

Subsidiaries established in Mainland China are subject to EIT at rate of 25% during the year (2011: 24% to 25%).

Effective from 1 January 2008, the subsidiaries established in Mainland China are required to determine and pay the EIT in accordance with the Corporate Income Tax Law of the PRC (the "New CIT Law") as approved by the National People's congress on 16 March 2007 and Detailed Implementations Regulations of the New CIT Law (the "DIR") as approved by the State Council on 6 December 2007.

Except for Texhong (China) Investment Co., Ltd., Shanghai Texhong Trading Co., Ltd. and Shanghai Hongrun Textile Co., Ltd., all other subsidiaries established in Mainland China, being wholly foreign owned enterprises, have obtained approvals from the relevant Mainland China Tax Bureau for their entitlement of exemption from EIT for the first two years and 50% reduction in EIT for the next three years, commencing from the earlier of the first profitable year after offsetting all unexpired tax losses carried forward from the previous years or 1 January 2008, in accordance with the relevant tax rules and regulations applicable to foreign investment enterprises in Mainland China.

### 29. 所得稅開支

於綜合收益表扣除之所得稅金額如下：

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Current tax on profits for the year	年度即期利得稅	70,945	42,999
Adjustment in respect of prior years	過往年度調整	800	1,283
Deferred income tax (Note 20)	遞延所得稅(附註20)	(561)	(22,082)
		71,184	22,200

#### (a) 香港利得稅

於香港成立之附屬公司須按 16.5% (二零一一年：16.5%) 之稅率繳納所得稅。

#### (b) 中國大陸企業所得稅(「企業所得稅」)

於中國大陸成立之附屬公司年內須按 25% (二零一一年：24% 至 25%) 之稅率繳納企業所得稅。

由二零零八年一月一日起，於中國大陸成立之附屬公司，須依照全國人民代表大會於二零零七年三月十六日通過之中國企業所得稅法(「新企業所得稅法」)，和國務院於二零零七年十二月六日批准之新企業所得稅法條例實施細則(「條例實施細則」)，釐定並繳納企業所得稅。

除天虹(中國)投資有限公司、上海特斯虹貿易有限公司及上海虹潤貿易有限公司外，本公司於中國大陸成立之所有其他附屬公司均為外商獨資企業，已根據適用於中國大陸外資企業之有關稅項規則及規定，取得有關中國大陸稅務局之批准，有權於抵銷所有過往年度結轉之所有未到期稅項虧損後首個獲利年度或二零零八年一月一日起(以較早者為準)，免繳企業所得稅兩年，其後三年則獲稅率減半優惠。

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### 29. INCOME TAX EXPENSE (Continued)

#### (c) Vietnam income tax

Subsidiaries established in Vietnam are subject to income tax at rate of 25% (2011: 25%).

As approved by the relevant Tax Bureau in Vietnam, the subsidiaries established in Vietnam in 2012 and 2011 are entitled to four years' exemption from income taxes followed by nine years of a 50% reduction in income tax, commencing from the first profitable year after offsetting the losses carried forward from the previous years, and are entitled to a preferential income tax rate of 10% for 15 years, commencing from the first year generating income from the operation.

As approved by the relevant Tax Bureau in Vietnam, the other subsidiary established in Vietnam in 2006 should separately calculate income tax on its supplementary investments. The initial investment of the subsidiary is entitled to three years' exemption from income taxes followed by seven years of a 50% reduction in income tax and is entitled to a preferential income tax rate of 15% for 12 years. The first supplementary investment of the subsidiary is entitled to three years' exemption from income taxes followed by five years of a 50% reduction in income tax based on the income tax rate of 25%.

The applicable tax rates for the subsidiaries established in Vietnam range from nil to 25% during the year (2011: Nil to 25%).

#### (d) Other income tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of Cayman Islands and, accordingly, is exempted from payment of Cayman Islands income tax.

The Company's subsidiaries established in the British Virgin Islands were incorporated under the International Business Companies Acts or the Business Companies Acts, 2004 of the British Virgin Islands and, accordingly, are exempted from payment of British Virgin Islands income tax.

### 29. 所得稅開支(續)

#### (c) 越南所得稅

於越南成立的附屬公司須按25% (二零一一年：25%)之稅率繳付所得稅。

經越南的相關稅務局批准，於二零一二年及二零一一年在越南成立的附屬公司，有權於抵銷過往年度結轉的虧損後首個獲利年度起，免繳所得稅四年，其後九年則獲所得稅減半優惠，並有權由業務產生收入之首個年度起享受優惠所得稅稅率10%達十五年。

經越南的相關稅務局批准，另外一家於二零零六年在越南成立的附屬公司，可就其補充投資獨立計算所得稅。該附屬公司的初步投資有權免繳所得稅三年，其後七年則獲所得稅減半優惠，並有權享受優惠所得稅稅率15%達十二年。該附屬公司的首項補充投資有權免繳所得稅三年，其後五年根據25%的所得稅稅率繳付，可獲所得稅減半優惠。

年內，於越南成立的附屬公司的適用稅率，介乎零至25% (二零一一年：零至25%)。

#### (d) 其他所得稅

本公司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，因此獲免繳開曼群島所得稅。

本公司於英屬處女群島成立之附屬公司乃根據英屬處女群島國際商業公司法或二零零四年商業公司法註冊成立，因此獲免繳英屬處女群島所得稅。

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### 29. INCOME TAX EXPENSE (Continued)

#### (d) Other income tax (Continued)

The subsidiary established in Macao is subject to income tax rate of 9% (2011: 9%). No provision for Macao profits tax has been made as the Group had no assessable profit arising in or derived from Macao during the year (2011: Nil).

The subsidiary established in Uruguay is subject to income tax rate of 25%. No provision for Uruguay profits tax has been made as the Group had no assessable profit arising in or derived from Uruguay during the year.

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities, as follows:

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Profit before income tax, after excluding share of profit of an associate	除所得稅前溢利(經扣除應佔聯營公司溢利)	553,197	80,490
Tax calculated at domestic tax rates applicable to profits of the respective subsidiaries	按適用於相關附屬公司之溢利之當地稅率計算之稅項	100,994	19,297
Effect of tax exemption/reduction	稅項豁免/減免之影響	(39,307)	(3,512)
Expenses not deductible for tax purposes	不可扣稅開支	719	567
Tax losses for which no deferred income tax asset was recognised	未經確認遞延所得稅資產之稅項虧損	21	123
Adjustment in respect of prior years	過往年度調整	800	1,283
Withholding tax relating to unremitted earnings of subsidiaries	有關附屬公司未匯付盈利的預扣稅	7,957	4,442
		<b>71,184</b>	<b>22,200</b>

The weighted average applicable tax rate was 18% (2011: 24%), which is caused by the increase of profit from Macao, which is subject to a lower income tax rate.

適用的加權平均稅率為18%(二零一一年: 24%)，此乃由於澳門的溢利增加，而澳門所繳付之所得稅率較低。

### 30. PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The profit attributable to equity holders of the Company is dealt with in the financial statements of the Company to the extent of approximately RMB208,802,000 (2011: RMB68,503,000 profit).

### 29. 所得稅開支(續)

#### (d) 其他所得稅(續)

於澳門成立之附屬公司須按9%(二零一一年: 9%)之稅率繳付所得稅。由於本集團於年內概無在澳門產生或從澳門賺取應課稅溢利，故概無就澳門利得稅作出撥備(二零一一年: 零)。

於烏拉圭成立之附屬公司按25%之稅率繳交所得稅。概無就烏拉圭利得稅計提撥備，因為本集團於年內並無於烏拉圭產生或獲得應課稅溢利。

本集團除所得稅前溢利的稅款與根據適用於綜合實體溢利的加權平均稅率計算之理論金額不同，差異如下：

### 30. 本公司股權持有人應佔溢利

本公司股權持有人應佔溢利約人民幣208,802,000元(二零一一年: 溢利人民幣68,503,000元)已計入本公司財務報表內。



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### 31. EARNING PER SHARE

#### (a) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

		2012 二零一二年	2011 二零一一年
Profit attributable to equity holders of the Company (RMB'000)	本公司股權持有人應佔溢利(人民幣千元)	486,538	61,256
Weighted average number of ordinary shares in issue (thousands)	已發行普通股加權平均數(以千計)	884,681	884,681
Basic earnings per share (RMB per share)	每股基本盈利(每股人民幣元)	0.55	0.07

#### (b) Diluted

Diluted earnings per share is the same as the basic earnings per share since the Company does not have diluted shares.

### 31. 每股盈利

#### (a) 基本

每股基本盈利以本公司股權持有人應佔溢利除以年內已發行普通股之加權平均數計算。

#### (b) 攤薄

由於本公司並無攤薄股份，故每股攤薄盈利與每股基本盈利相同。

### 32. DIVIDENDS

No dividend was paid in 2012 (2011: HKD0.27 per ordinary share, amounting to RMB198,547,000). A dividend in respect of the year ended 31 December 2012 of HKD0.27 per share, amounting to a total dividend of RMB193,671,000, is to be proposed at the annual general meeting on 18 April 2013. These financial statements do not reflect this dividend payable.

### 32. 股息

於二零一二年，概無支付股息(二零一一年：每股普通股0.27港元，金額達人民幣198,547,000元)。截至二零一二年十二月三十一日止年度之股息為每股0.27港元，股息總金額達人民幣193,671,000元，將於二零一三年四月十八日之股東週年大會上提呈。此等財務報表並不反映本項應付股息。

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Interim dividend paid of nil (2011: HKD0.1) per ordinary share	已付中期股息每股普通股零元(二零一一年：0.1港元)	-	72,304
Proposed final dividend of HKD0.27 (2011: Nil) per ordinary share	建議末期股息每股普通股0.27港元(二零一一年：零)	193,671	-
		193,671	72,304

The aggregate amounts of the dividends paid and proposed during 2012 and 2011 have been disclosed in the consolidated income statement in accordance with the Hong Kong Companies Ordinance.

於二零一二年及二零一一年已付及擬派股息總額已根據香港公司條例於綜合損益表內披露。

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### 33. CASH GENERATED FROM OPERATIONS

The reconciliation from profit before income tax to cash generated from operations is as follows:

### 33. 經營所產生之現金

除所得稅前溢利與營運產生的現金對賬如下：

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Profit before income tax	除所得稅前溢利	557,490	83,475
Adjustments for:	調整各項目：		
– Amortisation and depreciation	– 攤銷及折舊	204,782	176,341
– Share of profit from an associate	– 分佔聯營公司溢利	(4,293)	(2,985)
– Loss on disposal of property, plant and equipment and land use rights	– 出售物業、廠房及設備及土地使用權虧損	3,696	2,152
– Finance costs – net	– 財務費用 – 淨額	123,337	77,732
– Fair value loss on derivative financial instruments	– 衍生金融工具公平值虧損	19,892	38,546
– Settlement on derivative financial instruments	– 衍生金融工具結算	(3,584)	(26,996)
Changes in working capital (excluding the effects of exchange differences on consolidation):	營運資金變動(綜合賬目之匯兌差額的影響除外)：		
– Inventories	– 存貨	(132,964)	98,290
– Trade and bills receivables	– 應收貿易及票據款項	(172,323)	(235,767)
– Prepayments, deposits and other receivables	– 預付款項、按金及其他應收賬款	(4,044)	262,659
– Trade and bills payables	– 應付貿易及票據款項	362,327	(356,994)
– Accruals and other payables	– 預提費用及其他應付賬款	10,024	(59,929)
Cash generated from operations	經營所產生之現金	964,340	56,524

In the consolidated cash flow statement, proceeds from disposal of property, plant and equipment:

於綜合現金流量表，出售物業、廠房及設備的所得款項包括：

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Net book amount (Note 7)	賬面淨值(附註7)	14,734	20,970
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	(3,696)	(2,152)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	11,038	18,818

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### 34. COMMITMENTS

#### (a) Capital commitments

Capital expenditures at the balance sheet date that have not been incurred are as follows:

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備		
Authorized but not contracted for	已授權但未訂約	-	622,371
Contracted but not provided for	已訂約但未撥付	813,424	51,332
		<b>813,424</b>	<b>673,703</b>
Land use rights	土地使用權		
Contracted but not provided for	已訂約但未撥付	59,833	52,149
<b>Total capital commitments</b>	<b>資本承擔總額</b>	<b>873,257</b>	<b>725,852</b>

As at 31 December 2012, the capital commitments for property, plant and equipment mainly represent the expansion plan and investment budget in Vietnam of RMB555,799,000 and in Mainland China of RMB257,625,000 which has been approved by the board of the Group in 2012.

As at 31 December 2012, the capital commitments for land use rights mainly represent the investment budget in Vietnam of RMB59,833,000 which has been approved by the board.

### 34. 承擔

#### (a) 資本承擔

於結算日的資本開支(但未產生)如下:

於二零一二年十二月三十一日，物業、廠房及設備的資本承擔主要代表在越南及中國大陸的擴充計劃及投資預算，為數人民幣555,799,000元及人民幣257,625,000元，已獲本集團董事會於二零一二年批准。

於二零一二年十二月三十一日，土地使用權之資本承擔主要指董事會批准之越南投資預算人民幣59,833,000元。

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### 34. COMMITMENTS (Continued)

#### (b) Operating leases commitments

The Group leases various land, offices and warehouses under non-cancellable operating lease agreements. The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
No later than 1 year	一年內	2,640	8,640
Later than 1 year and no later than 5 years	一年後至五年內	8,340	2,810
Later than 5 years	五年後	26,933	24,218
		37,913	35,668
Representing:	指：		
Land use rights	土地使用權	24,774	25,450
Property, plant and equipment	物業、廠房及設備	13,139	10,218
		37,913	35,668

### 35. RELATED-PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control.

The related party that had transactions with the Group is as follows:

#### Name of related party 關聯方名稱

Nantong Textile Group Co., Ltd.  
南通紡織控股集團紡織染有限公司

### 34. 承擔(續)

#### (b) 經營租賃承擔

本集團根據不可撤銷經營租賃協議而租賃不同的土地、辦公室及倉庫。根據不可撤銷經營租賃之未來最低租賃款項總額如下：

### 35. 與關聯方的交易

倘其中一方能直接或間接控制另一方或在財務及營運決定方面對另一方行使重大影響力，則被視為關聯方。倘彼等受共同控制，亦被視為關聯方。

與本集團進行交易的關聯方如下：

#### Relationship with the Group 與本集團的關係

Associated company  
聯營公司

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### 35. RELATED-PARTY TRANSACTIONS

(Continued)

#### (a) Transactions with the related party

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Purchases of goods	購買貨品	2,505	7,887

In the opinion of the Company's directors and the Group's management, the above related party transactions were carried out in the ordinary course of business, and in accordance with the terms of the underlying agreements and/or the invoices issued by the respective parties.

### 35. 與關聯方的交易 (續)

#### (a) 與關聯方的交易

本公司董事及本集團的管理層認為上述與關聯方的交易乃於日常業務過程並且根據相關協議的條款及／或由有關各方發出的發票進行。

#### (b) Balance with the related party

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Trade payable to a related party	應付關聯方的貿易款項	-	345

The balance with the related party is unsecured, non-interest bearing and repayable within one year.

#### (b) 與關聯方的結餘

與關聯方的結餘為無抵押、免息及須於一年內償還。

#### (c) Key management compensation

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Salaries, wages and bonuses	薪酬、工資及花紅	12,664	7,998
Pension cost – defined contribution plan	退休金成本 – 界定供款計劃	119	106
Other benefits	其他福利	922	2,498
		13,705	10,602

#### (c) 主要管理層薪酬

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### 36. PARTICULARS OF SUBSIDIARIES

The following is a list of the Group's principal subsidiaries, which are unlisted, at 31 December 2012:

### 36. 附屬公司資料

下表列示本集團於二零一二年十二月三十一日的重大非上市附屬公司：

Name 名稱	Place and date of incorporation and form of legal entity 註冊成立地點及日期及 法律實體類別	Principal activities and place of operations 主要業務及營運地點	Particulars of issued share capital or paid-in capital 已發行股本或繳入的 股本詳情	Interest 佔股
<b>Directly held:</b> 直接持有：				
Texhong Textile Holdings Limited 天虹紡織控股有限公司	British Virgin Islands 26 May 2004, limited liability company 英屬處女群島 二零零四年五月二十六日 有限責任公司	Investment holding in British Virgin Islands 於英屬處女群島 投資控股	100 ordinary shares of USD1 each 100股每股1美元 普通股	100%
Texhong Textile Investment Limited 天虹紡織投資有限公司	British Virgin Islands 9 December 2004, limited liability company 英屬處女群島 二零零四年十二月九日 有限責任公司	Investment holding in British Virgin Islands 於英屬處女群島 投資控股	1 ordinary share of USD1 1股每股1美元 普通股	100%
Sunray International Holdings Limited 新銳國際控股有限公司	British Virgin Islands 21 January 2005, limited liability company 英屬處女群島 二零零五年一月二十一日 有限責任公司	Investment holding in British Virgin Islands 於英屬處女群島 投資控股	1 ordinary share of USD1 1股每股1美元 普通股	100%
Texhong Vietnam Investment Limited 天虹越南投資有限公司	British Virgin Islands, 6 Sep 2006, limited liability company 英屬處女群島 二零零六年九月六日 有限責任公司	Investment holding in British Virgin Islands 於英屬處女群島 投資控股	50,000 ordinary shares of USD1 50,000股每股1美元 普通股	100%
Texhong Global Investment Limited (formerly known as Texhong Industrial Park Holding Limited) Texhong Global Investment Limited (前稱天虹工業園控股有限公司)	British Virgin Islands, 11 November 2010, limited liability company 英屬處女群島 二零一零年十一月十一日 有限責任公司	Investment holding in British Virgin Islands 於英屬處女群島 投資控股	1 ordinary share of USD1 1股每股1美元 普通股	100%
TVN investment Limited TVN Investment Limited	British Virgin Islands, 14 February 2011, limited liability company 英屬處女群島 二零一一年二月十四日 有限責任公司	Investment holding in British Virgin Islands 於英屬處女群島 投資控股	1 ordinary shares of USD1 1股每股 1美元普通股	100%



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### 36. PARTICULARS OF SUBSIDIARIES (Continued)

### 36. 附屬公司資料(續)

Name 名稱	Place and date of incorporation and form of legal entity 註冊成立地點及日期及 法律實體類別	Principal activities and place of operations 主要業務及營運地點	Particulars of issued share capital or paid-in capital 已發行股本或繳入的 股本詳情	Interest 佔股
<b>Indirectly held:</b> 間接持有：				
Taizhou Texhong Weaving Co., Ltd.	Taizhou, Mainland China, 15 January 2000, limited liability company	Manufacturing and sales of industrial-use textile products and top-grade blended-spinning in Mainland China	USD2,818,750	100%
泰州天虹織造有限公司	中國泰州 二零零零年一月十五日 有限責任公司	於中國大陸製造及銷售 工業用紡織品及高級混 紗線	2,818,750美元	100%
Zhejiang Texhong Textile Co., Ltd.	Jinhua, Mainland China, 18 May 2000, limited liability company	Manufacturing and sales of industrial-use textile products, top-grade grey fabrics and blended-spinning in Mainland China	USD6,350,000	100%
浙江天虹紡織有限公司	中國金華 二零零零年五月十八日 有限責任公司	於中國大陸製造及銷售工 業用紡織品、高級坯布 及混紗線	6,350,000美元	100%
Jiangsu Century Texhong Textile Co., Ltd.	Xuzhou, Mainland China, 6 June 2000, limited liability company	Manufacturing and sales of yarns, grey fabrics, dyed cloth and dress; processing of cotton in Mainland China	USD10,387,500	100%
江蘇世紀天虹紡織有限公司	中國徐州 二零零零年六月六日 有限責任公司	於中國大陸製造及銷售 紗線、坯布、染布及 服裝；棉花加工	10,387,500美元	100%
Taizhou Century Texhong Textile Co., Ltd.	Taizhou, Mainland China, 23 April 2002, limited liability company	Manufacturing and sales of industrial-use textile products and top-grade blended-spinning in Mainland China	USD13,000,000	100%
泰州世紀天虹紡織有限公司	中國泰州 二零零二年四月二十三日 有限責任公司	於中國大陸製造及銷售 工業用紡織品及高級 混紗線	13,000,000美元	100%
Nantong Century Texhong Textile Co., Ltd.	Nantong, Mainland China, 7 June 2002, limited liability company	Manufacturing and sales of yarns, grey fabrics and dyed fabrics in Mainland China	USD3,850,000	100%
南通世紀天虹紡織有限公司	中國南通 二零零二年六月七日 有限責任公司	於中國大陸製造及銷售 紗線、坯布及染布	3,850,000美元	100%

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### 36. PARTICULARS OF SUBSIDIARIES (Continued)

### 36. 附屬公司資料(續)

Name 名稱	Place and date of incorporation and form of legal entity 註冊成立地點及日期及 法律實體類別	Principal activities and place of operations 主要業務及營運地點	Particulars of issued share capital or paid-in capital 已發行股本或繳入的 股本詳情	Interest 佔股
Xuzhou Century Texhong Textile Co., Ltd. 徐州世紀天虹紡織有限公司	Xuzhou, Mainland China, 13 January 2003, limited liability company 中國徐州 二零零三年一月十三日 有限責任公司	Manufacturing and sales of top-grade yarns and cloth spinning in Mainland China 於中國大陸製造及銷售 高級紗線及布料紗線	USD625,000 625,000 美元	100%
Xuzhou Texhong Yinfeng Textile Co., Ltd. 徐州天虹銀豐紡織有限公司	Xuzhou, Mainland China, 12 May 2004, limited liability company 中國徐州 二零零四年五月十二日 有限責任公司	Manufacturing and sales of yarns, grey fabrics, cloth and dyed fabrics in Mainland China 於中國大陸製造及銷售 紗線、坯布、布料及染布	USD4,200,000 4,200,000 美元	100%
Nantong Texhong Yinhai Industrial Co., Ltd. 南通天虹銀海實業有限公司	Nantong, Mainland China, 20 May 2004, limited liability company 中國南通 二零零四年五月二十日 有限責任公司	Manufacturing and sales of garment, textile knitting products and yarns in Mainland China 於中國大陸製造及銷售 成衣、紡織與織造產品 及紗線	USD3,500,000 3,500,000 美元	100%
Xuzhou Texhong Times Textile Co., Ltd. 徐州天虹時代紡織有限公司	Xuzhou, Mainland China, 29 December 2004, limited liability company 中國徐州 二零零四年十二月二十九日 有限責任公司	Manufacturing and sales of top-grade yarns, thread, grey fabrics, textile knitting products, and garments in Mainland China 於中國大陸製造及銷售 高級紗線、線、坯布、 紡織與織造產品及成衣	USD21,000,000 21,000,000 美元	100%
Texhong (China) Investment Co., Ltd. 天虹(中國)投資有限公司	Shanghai, Mainland China, 21 June 2005, limited liability company 中國上海 二零零五年六月二十一日 有限責任公司	Investment holding and trading of textile products in Mainland China 投資控股及於中國大陸 買賣紡織產品	USD30,000,000 30,000,000 美元	100%

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### 36. PARTICULARS OF SUBSIDIARIES (Continued)

### 36. 附屬公司資料(續)

Name 名稱	Place and date of incorporation and form of legal entity 註冊成立地點及日期及 法律實體類別	Principal activities and place of operations 主要業務及營運地點	Particulars of issued share capital or paid-in capital 已發行股本或繳入的 股本詳情	Interest 佔股
Xuzhou Texhong Yinlian Textile Co., Ltd. 徐州天虹銀聯紡織有限公司	Xuzhou, Mainland China, 30 March 2006, limited liability company 中國徐州 二零零六年三月三十日 有限責任公司	Manufacturing top-grade yarns, thread, grey fabrics, dresses, in Mainland China 於中國大陸製造高級 紗線、線、坯布及服裝	USD12,500,000 12,500,000美元	100%
Taizhou Texhong Yintai Textile Co., Ltd. 泰州天虹銀泰紡織有限公司	Taizhou, Mainland China, 26 May 2006, limited liability company 中國泰州 二零零六年五月二十六日 有限責任公司	Manufacturing top-grade garment and special textile for construction in Mainland China 於中國大陸製造高級成衣 及特別紡織品以用於建築	USD6,500,000 6,500,000美元	100%
Sunray Macao Commercial Offshore Limited. 新睿澳門離岸商業服務有限公司	Macao, 19 December 2005, limited liability company 澳門 二零零五年十二月十九日 有限責任公司	Trading in Macao 於澳門貿易	MOP\$100,000 100,000澳門幣	100%
Texhong Textile (Hong Kong) Limited 天虹紡織(香港)有限公司	Hong Kong, 11 May 2006, limited liability company 香港 二零零六年五月十一日 有限責任公司	Investment holding in Hong Kong 於香港進行投資控股	10,000 ordinary share of HKD1 10,000股每股1港元 普通股	100%
Changzhou Texhong Textile Co., Ltd. 常州天虹紡織有限公司	Changzhou, Mainland China 1 January 1979, limited liability company 中國常州 一九七九年一月一日 有限責任公司	Manufacturing and sales of textile, decoration and garment in Mainland China 於中國大陸製造及銷售 紡織品、飾品及成衣	RMB32,145,000 人民幣32,145,000元	100%
Sunray Trading (Hong Kong) Limited 新銳貿易(香港)有限公司	Hong Kong, 16 February 2005, limited liability company 香港 二零零五年二月十六日 有限責任公司	Trading, investment and corporate services in Hong Kong 於香港進行貿易、投資及 提供企業服務	10,000 ordinary shares of HKD1 10,000股每股1港元 普通股	100%

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### 36. PARTICULARS OF SUBSIDIARIES

(Continued)

### 36. 附屬公司資料(續)

Name 名稱	Place and date of incorporation and form of legal entity 註冊成立地點及日期及 法律實體類別	Principal activities and place of operations 主要業務及營運地點	Particulars of issued share capital or paid-in capital 已發行股本或繳入的 股本詳情	Interest 佔股
Texhong Renze Textile Joint Stock Company (formerly known as Texhong (Vietnam) Textile Limited) 天虹仁澤紡織股份有限公司 (前稱天虹(越南)紡織 有限公司)	Vietnam, 24 October 2006, limited liability company 越南 二零零六年十月二十四日 有限責任公司	Manufacturing of yarn in Vietnam 於越南製造紗線	USD30,000,000 30,000,000 美元	100% 100%
Texhong Textile Nantong Ltd. 天虹紡織南通有限公司	British Virgin Islands, 14 March 2007, limited liability company 英屬處女群島 二零零七年三月十四日 有限責任公司	Investment holding in British Virgin Islands 於英屬處女群島 進行投資控股	USD50,000 50,000 美元	100% 100%
Texhong Textile Nantong Investment Limited 天虹紡織南通投資有限公司	Hong Kong, 6 November 2007, limited liability company 香港 二零零七年十一月六日 有限責任公司	Investment holding in Hong Kong 於香港進行投資控股	100 ordinary shares of HKD1 100 股每股 1 港元 普通股	100% 100%
Texhong Textile (Hong Kong) Holdings Limited 天虹紡織(香港)控股有限公司	Hong Kong, 24 October 2007, limited liability company 香港 二零零七年十月二十四日 有限責任公司	Investment holding in Hong Kong 於香港進行投資控股	100 ordinary shares of HKD1 100 股每股 1 港元 普通股	100% 100%
TVN (Hong Kong) Limited TVN (Hong Kong) Limited	Hong Kong, 4 December 2007, limited liability company 香港 二零零七年十二月四日 有限責任公司	Investment holding in Hong Kong 於香港進行投資控股	100 ordinary shares of HKD1 100 股每股 1 港元 普通股	100% 100%
Shanghai Texhong Trading Co., Ltd. 上海特斯虹貿易有限公司	Shanghai, Mainland China, 11 August 2008, limited liability company 中國上海 二零零八年八月十一日 有限責任公司	Trading of textile products in Mainland China 在中國大陸進行紡織品貿易	USD500,000 500,000 美元	100% 100%
Shanghai Hongrun Textile Co., Ltd. 上海虹潤貿易有限公司	Shanghai, Mainland China, 7 January 2009, limited liability company 中國上海 二零零九年一月七日 有限責任公司	Trading of textile products in Mainland China 在中國大陸進行紡織品貿易	RMB5,000,000 人民幣 5,000,000 元	100% 100%

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### 36. PARTICULARS OF SUBSIDIARIES (Continued)

### 36. 附屬公司資料(續)

Name 名稱	Place and date of incorporation and form of legal entity 註冊成立地點及日期及 法律實體類別	Principal activities and place of operations 主要業務及營運地點	Particulars of issued share capital or paid-in capital 已發行股本或繳入的 股本詳情	Interest 佔股
Plus 39 International Limited	British Virgin Islands, 5 August 2010, limited liability company	Investment holding in British Virgin Islands	50,000 ordinary shares of USD1	51%
Plus 39 International Limited	英屬處女群島 二零一零年八月五日 有限責任公司	於英屬處女群島進行 投資控股	50,000股每股 1美元普通股	51%
Texhong Industrial Park (Phuoc Dong) Investment Limited 天虹工業園(福東)投資有限公司	British Virgin Islands, 16 November 2010, limited liability company 英屬處女群島 二零一零年十一月十六日 有限責任公司	Investment holding in British Virgin Islands 於英屬處女群島進行 投資控股	1 ordinary share of USD1 1股每股 1美元普通股	100%
Texhong Industrial Park (Phu Thuan) Investment Limited 天虹工業園(富順)投資有限公司	British Virgin Islands, 16 November 2010, limited liability company 英屬處女群島 二零一零年十一月十六日 有限責任公司	Investment holding in British Virgin Islands 於英屬處女群島進行 投資控股	1 ordinary share of USD1 1股每股 1美元普通股	100%
Texhong Yinlong Textile Limited 天虹銀龍紡織有限公司	Vietnam, 5 May 2011, limited liability company 越南 二零一一年五月五日 有限責任公司	Manufacturing of yarn in Vietnam 於越南製造紗線	USD1,978,000 1,978,000美元	100%
Texhong Yinlong Technology Ltd. 天虹銀龍紡織有限公司	Vietnam, 11 April 2012, limited liability company 越南 二零一二年四月十一日 有限責任公司	Manufacturing of yarn in Vietnam 於越南製造紗線	USD22,000,000 22,000,000美元	100%
Texhong Uruguay Investment Limited. (formerly known as Texhong Industrial Park Investment Limited) 天虹烏拉圭投資有限公司 (前稱天虹工業園投資有限公司)	Hong Kong, 5 January 2011, limited liability company 香港 二零一一年一月五日 有限責任公司	Investment holding in Hong Kong 於香港投資控股	100 ordinary shares of HKD1 100股每股 1港元普通股	100%
DOMIBAL S.A	Montevideo, Uruguayan, 19 November 2012, limited liability company	Manufacturing top-grade yarns in Uruguay	80,000 Uruguayan Pesos	100%
DOMIBAL S.A	烏拉圭蒙得維的亞 二零一二年十一月十九日 有限責任公司	於烏拉圭製造高級紗線	80,000 烏拉圭比索	100%

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### 36. PARTICULARS OF SUBSIDIARIES

*(Continued)*

Texhong (China) Investment Co., Ltd. is a wholly foreign owned investment holding company incorporated in Mainland China. All other subsidiaries established in Mainland China are wholly owned foreign enterprises incorporated in Mainland China.

None of the subsidiaries had any loan capital in issue at any time during year ended 31 December 2012 (2011: None).

The English names of certain subsidiaries established in Mainland China represent the best effort by the Group's management to translate their Chinese names, as they do not have official English names.

### 36. 附屬公司資料(續)

天虹(中國)投資有限公司為於中國大陸註冊成立之全外資投資控股公司。所有其他在中國大陸成立之附屬公司為在中國大陸註冊成立之全外資企業。

截至二零一二年十二月三十一日止年度內任何時間，概無附屬公司擁有任何已發行借貸股本(二零一一年：零)。

若干於中國大陸成立之附屬公司並無正式英文名稱，其英文名稱為本集團管理層盡最大努力將其中文名稱翻譯為英文之版本。





