



China Taifeng Beddings Holdings Limited

中國泰豐床品控股有限公司

(Formerly known as International Taifeng Holdings Limited)

(前稱國際泰豐控股有限公司)

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock code 股份代號: 873



Annual Report

2012

年報



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Corporate Information

公司資料

BOARD OF DIRECTORS

Executive:

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

Independent and non-executive:

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

COMPANY SECRETARY

Mr. Pang Wai Hong

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

LEGAL ADVISERS TO THE COMPANY

As to Cayman law:
Conyers Dill & Pearman

As to PRC law:
Shandong Zhongcheng Renhe Law Firm (Laiwu Office)

AUDITORS

Deloitte Touche Tohmastu

AUTHORISED REPRESENTATIVES

Mr. Pang Wai Hong
Ms. Qi Tongli

董事會

執行董事：

劉慶平先生 (主席)
李登祥先生
劉純衛先生
亓同麗女士
鄒生忠先生

獨立非執行董事：

陳健生先生
李玉春先生
戴順林先生

公司秘書

彭偉康先生

審核委員會

李玉春先生 (主席)
陳健生先生
戴順林先生

薪酬委員會

戴順林先生 (主席)
李玉春先生
劉慶平先生

提名委員會

陳健生先生 (主席)
戴順林先生
劉慶平先生

本公司之法律顧問

開曼群島法律：
康明德律師事務所

中國法律：
山東眾成仁和 (萊蕪) 律師事務所

核數師

德勤 • 關黃陳方會計師行

授權代表

彭偉康先生
亓同麗女士

Corporate Information

公司資料

REGISTERED OFFICE

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

PRINCIPAL PLACE OF BUSINESS

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

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

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Codan Trust Company (Cayman) Limited

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

PRINCIPAL BANKERS

In the People's Republic of China:
Bank of China, Laiwu Branch
Industrial and Commercial Bank of China, Laiwu Branch
Laishang Bank

In Hong Kong:
Bank of Communication Co., Limited,
Hong Kong Branch

STOCK CODE

0873

COMPANY WEBSITE ADDRESS

<http://www.taifeng.cc>

INVESTOR RELATIONS CONTACT

Email: ir@taifeng.cc
Telephone: 852-22308913

註冊辦事處

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

主要營業地點

於中華人民共和國：
中華人民共和國
山東省萊蕪市
高新科技開發區

於香港：
香港
九龍
紅磡
馬頭圍道39號
紅磡商業中心
A座9樓911室

主要股份過戶登記處

Codan Trust Company (Cayman) Limited

香港股份過戶登記分處

香港中央證券登記有限公司
香港
灣仔
皇后大道東183號
合和中心
17樓1712-1716室

主要銀行

於中華人民共和國：
中國銀行萊蕪分行
中國工商銀行萊蕪分行
萊商銀行

於香港：
交通銀行股份有限公司
香港分行

股份代號

0873

公司網站

<http://www.taifeng.cc>

投資者關係

電郵： ir@taifeng.cc
電話： 852-22308913

Corporate Profile

公司簡介

China Taifeng Beddings Holdings Limited (the “Company” or “Taifeng”) is one of the major manufacturers of high-end home textile and cotton yarn products in China, and is principally engaged in the production, manufacturing and sale of high-end bedding and cotton yarn products under the Taifeng brand, a Chinese Well-Known Trademark, as well as Kangshow and I & Co. With its strong competitive edge, the Company aims to meet the need for bedding and cotton yarn products from the middle-to-high-end market.

The Company is committed to satisfying market demand by offering quality products and services under the principle of “pursuing excellence, creating value and contributing to the society”. We spare no effort in product design, research and development, sales network expansion and all-round brand image promotion, so as to further enhance the brand value of Taifeng. The Company has set its goal of becoming the leader and trend-setter of Chinese household style by defining and promoting the Chinese home and life style.

Being one of the key manufacturers in China focusing on high-end cotton yarns for use in the production of bedding products, the Group has been among the top 10 enterprises in the national home textile industry for many years. The well-established sales network of the Group covers various large and midsize cities in China. As at 31 December, 2012, the Group had 865 self-operated flagship stores and counters and 257 franchised stores across the country. The Company was awarded Top 10 Effective and Profitable Enterprises in the textile industry by the National Bureau of Statistics and Hong Kong Outstanding Enterprises by Economic Digest in Hong Kong. Other achievements include Shandong Famous Brand for bed linen and silk quilt products under the Taifeng brand, China Patent Shandong Star Enterprise, an “important textile enterprise with own brand and growth potential for tracking and nurturing” in China, Selected Famous International Brand for Nurturing and Development of Shandong Province, Science and Technological Advancement Award (Third Prize) of Shandong Province under the category of selenium nanoparticles home textile products, Outstanding Enterprises of Corporate Culture Development 2012, Top 10 Effective Enterprises in the National Cotton and Chemical Fiber Textile Processing Industry and Top 10 Most Profitable Enterprises in the National Cotton and Chemical Fiber Textile Processing Industry.

中國泰豐床品控股有限公司（「本公司」或「泰豐」）是中國極具競爭優勢的高端家紡及棉紗產品供應商，主要業務是高端床品、棉紗產品的生產、製造和銷售。經營的品牌有「中國馳名商標」泰豐、泰豐康秀及愛迪卡，全面滿足高端、中端市場全面需要。

公司秉承追求卓越、創造價值、服務社會的理念，以高品質產品、服務，最大程度滿足市場需求。我們在產品的設計研發、銷售網路的延伸拓展及形象的縱深推廣的巨大努力，使泰豐的品牌價值持續提升，使公司成為中國家居文化的引領者和宣導者，以及中國家居生活品質的推動者和創造者。

本集團是中國領先的床品級高端棉紗的重要生產商，連續多年位居全國家紡行業前十強位置。我們的銷售網路非常完善，全面覆蓋全國各主要大中城市。截至二零一二年十二月三十一日，本集團在全國共擁有865家自營的旗艦專賣店及專櫃及257家加盟店。公司榮膺國家統計局頒發的全行業「效益十佳」企業獎項以及再度榮獲香港《經濟一周》「香港傑出企業」大獎。其他獲得殊榮包括：泰豐牌「床上用品」和「蠶絲被」獲山東名牌稱號、公司獲中國專利山東明星企業大獎、重點跟蹤培育的中國服裝家紡自主品牌企業、山東省重點培育和發展的國際知名品牌；「納米硒家紡產品」山東省科技進步獎三等獎、二零一二年企業文化建設優秀單位、棉、化纖紡織加工行業效益十佳、棉、化纖紡織加工行業銷售十強。

Financial Highlights and Summary

財務摘要及概要

- **Revenue** increased by 11.6% to RMB2,401.1 million
- **Revenue from the sales of branded bedding products** increased by 23.9% to RMB1,391.6 million
- **Segment profit from the manufacture and distribution of bedding products** increased by 20.0% to RMB674.8 million
- **Profit for the year** increased by 17.7% to RMB518.1 million
- **Basic earnings per share** increased by 17.7% to RMB0.518
- The Board has recommended a **final dividend** of RMB0.052 per share for the year ended 31 December 2012
- 收益增長11.6%至人民幣2,401,100,000元
- 品牌床品銷售收益增長23.9%至人民幣1,391,600,000元
- 製造及分銷床品之分部溢利增長20.0%至人民幣674,800,000元
- 年內溢利增長17.7%至人民幣518,100,000元
- 每股基本盈利增長17.7%至人民幣0.518元
- 董事會就截至二零一二年十二月三十一日止年度建議之末期股息為每股人民幣0.052元

RESULTS

		For the year ended 31 December 截至十二月三十一日止年度				
		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
Revenue	收益	2,401,049	2,152,167	1,846,177	1,354,068	1,057,524
Gross profits	毛利	949,470	829,684	639,581	396,331	186,968
Earnings before interest and tax ("EBIT")	除稅、利息前溢利	767,842	645,700	516,186	319,981	153,980
Profit attributable to owners of the Company	本公司擁有人應佔溢利	518,076	440,103	416,790	248,288	106,934
Earnings per share – Basic (RMB)	每股盈利—基本 (人民幣元)	0.518	0.440	0.468	0.331	0.143

ASSETS AND LIABILITIES

		As at 31 December 於十二月三十一日				
		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
Total assets	資產總值	2,785,221	2,248,861	2,089,977	1,169,922	1,015,468
Total debt	債項總額	130,200	191,010	201,298	162,806	304,848
Total liabilities	負債總額	706,346	602,062	682,194	483,721	516,305
Equity attributable to owners of the Company	本公司擁有人應佔權益	2,078,875	1,646,799	1,407,783	686,201	499,163

Financial Highlights and Summary

財務摘要及概要

FINANCIAL RATIOS

財務比率

		For the year ended 31 December 截至十二月三十一日止年度				
		2012 二零一二年	2011 二零一一年	2010 二零一零年	2009 二零零九年	2008 二零零八年
Gross profits margins – overall	毛利率 – 整體	39.5%	38.6%	34.6%	29.3%	17.7%
Gross profits margins – cotton yarns	毛利率 – 棉紗	15.4%	16.3%	18.5%	12.3%	13.8%
Gross profits margins – bedding products	毛利率 – 床品	56.3%	56.5%	53.2%	49.6%	29.0%
EBIT margin	除稅、利息前利率	32.0%	30.0%	28.0%	23.6%	14.6%
Net profit margins	純利率	21.6%	20.4%	22.6%	18.3%	10.1%
ROE ⁽¹⁾	股東權益回報率 ⁽¹⁾	24.9%	26.7%	29.6%	36.2%	21.4%
ROA ⁽²⁾	資產回報率 ⁽²⁾	18.6%	19.6%	19.9%	21.2%	10.5%

⁽¹⁾ ROE is calculated based on profit after tax divided by total equity

⁽¹⁾ 股東權益回報率根據除稅後溢利除以總權益計算

⁽²⁾ ROA is calculated based on profit after tax divided by total assets

⁽²⁾ 資產回報率根據除稅後溢利除以總資產計算

		For the year ended 31 December 截至十二月三十一日止年度				
		2012 二零一二年	2011 二零一一年	2010 二零一零年	2009 二零零九年	2008 二零零八年
Trade receivables turnover (days) ⁽¹⁾	應收賬款週轉日(日) ⁽¹⁾	76	72	54	40	31
Trade payables turnover (days) ⁽²⁾	應付賬款週轉日(日) ⁽²⁾	22	35	35	31	42
Inventory turnover (days) ⁽³⁾	存貨週轉日(日) ⁽³⁾	26	35	35	47	81
Current ratio (times)	流動比率(倍)	3.4	2.9	2.4	1.4	1.3
Gearing ratio ⁽⁴⁾	資本負債比率 ⁽⁴⁾	4.7%	8.5%	9.6%	13.9%	30.0%
Debt-to-equity ⁽⁵⁾	債項對權益 ⁽⁵⁾	6.3%	11.6%	14.3%	23.7%	61.1%

⁽¹⁾ Trade receivables turnover is calculated based on the average of the beginning and ending balance of trade receivables for a given year, divided by revenue during the given year and multiplied by 365 days.

⁽¹⁾ 應收賬款週轉日按指定年度開始及結束之應收賬款結餘之平均值除該指定年度內之收益再乘以365日計算。

⁽²⁾ Trade payables turnover is calculated based on the average of the beginning and ending balance of trade payables for a given year divided by cost of sales during the given year and multiplied by 365 days.

⁽²⁾ 應付賬款週轉日按指定年度開始及結束之應付賬款結餘之平均值除該指定年度內之銷售成本再乘以365日計算。

⁽³⁾ Inventory turnover is calculated based on the average of the beginning and ending balance of inventory, net of impairment, for a given year, divided by cost of sales during the given year and multiplied by 365 days.

⁽³⁾ 存貨週轉日按指定年度開始及結束之存貨結餘之平均值(扣除減值)除該指定年度內之銷售成本再乘以365日計算。

⁽⁴⁾ Calculated as the total debts for the year, divided by total assets for the year and multiplied by 100%. Debts are defined to include current and non-current borrowings.

⁽⁴⁾ 以年內債務總額除年內資產總值乘以100%計算。債項之定義包括流動及非流動借貸。

⁽⁵⁾ Calculated as the total debts for the year, divided by the equity for the year and multiplied by 100%. Debts are defined to include current and non-current borrowings. Equity is defined to include the non-controlling interests.

⁽⁵⁾ 以年內債項總額除年內權益乘以100%計算。債項之定義包括流動及非流動借貸。權益之定義包括非控股權益。

Financial Highlights and Summary

財務摘要及概要



Chairman's Statement

主席報告

To all shareholders,

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

The Chinese textile industry has gone through a relatively difficult time since 2012, as witnessed by the evident slowdown of industry growth due to a number of negative factors, including the weak demand in the domestic and international market, the lack of growth momentum of the overall Chinese economy, the widening gap between overseas and domestic cotton prices and the rising production costs. Results of the enterprises in the industry showed a downturn as compared with last year with a marked decline in efficiency. The overall market performance was unsatisfactory despite the gradual recovery of the domestic market and the textile industry since September 2012. On the other hand, the international textile market remained on a downswing as seen from the past few years and industry competition intensified as global economies such as Europe, the United States and Japan lacks impetus for growth and the European debt crisis created uncertainties.

In November 2012, we entered into a brand promotion and strategic cooperation agreement with Choice Hotels International of the United States, which is the fifth largest hotel chain in the world. Pursuant to this agreement, we become the licensed supplier of high-end branded bedding products for the CLARION Hotels, a chain of five-star hotels owned by Choice Hotels International, and is authorized to promote ourselves as the partner of Choice Hotels International. The partnership demonstrates the strong corporate strength of Taifeng and strengthens the reputation of our brand across the globe. Leveraging on the global presence of Choice Hotels International, Taifeng can bring premium accommodation experience to high-end consumers from all over the world with its quality bedding products so as to take the Taifeng brand to the global arena, thereby realizing the value of the Taifeng brand, boosting the influence of the Group, facilitating brand development and driving sales performance.

Looking forward, it is anticipated that the considerable difference between overseas and domestic cotton prices will persist and labor costs will maintain its upward trend. These will continue to exert immense pressure on the Chinese textile industry. From a domestic perspective, the gradual revival of the economy is expected to contribute to the steady development and growth of the textile market. Global economic development, though not in a satisfactory state, is believed to bottom out and the demand from the international market is expected to see an upturn. As economic development will remain the top priority following the smooth transition of political power, the Chinese economy will continue to grow under favorable conditions. Such direction will provide enormous room for the expansion of domestic demand. Statistics showed that the increasing personal disposable income will create greater demand for mid-to-high-end textile products. Overall, the Chinese textile enterprises will still face a difficult environment in 2013. However, it is expected to see a stabilizing and even improving economy.

致各位股東：

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。

二零一二年以來，中國紡織行業面臨較為艱難的經營環境。受國內外市場需求低迷及中國整體經濟增長乏力、國內外棉花價差不斷擴大、生產成本持續上漲等諸多負面因素影響，紡織行業呈現出明顯的減速態勢，行內企業業績一般較上年同期放緩，效益明顯下滑。自二零一二年九月份以來，隨著國內市場逐步改善，紡織行業略微回暖，但總體市場表現依然不甚理想。另一方面，受歐美日等全球主要經濟體復蘇乏力，歐債危機等因素影響，國際紡織品市場仍然延續了過往幾年的疲弱格局，競爭也越來越激烈。

二零一二年十一月份，我們與世界第五大的連鎖酒店美國精選國際酒店集團簽署了品牌推廣及戰略合作協議，正是成為精選國際酒店集團旗下五星級酒店品牌「CLARION凱瑞華晟」酒店高端品牌床品特許供應商，並獲得正式授權可以用美國精選國際酒店集團合作夥伴的名義進行本集團的推廣，這充分體現了泰豐雄厚的企業實力和泰豐世界性的品牌知名度。泰豐公司可借助於美國精選國際酒店集團國際化的平臺，將優良的產品品質和入住體驗帶給國際高端消費者，讓世界瞭解泰豐公司產品，實現泰豐品牌價值、企業影響力的快速提升，帶動品牌發展與銷售業績的迅猛增長。

預計未來，國內外市場棉花價格存在較大差價的問題短期內仍然存在，勞動力成本持續呈現上升趨勢，這些因素將繼續對中國紡織行業造成較大的經營壓力。從國內經濟環境看來，隨著國內經濟逐步回暖，紡織品市場預計將保持平穩發展及增長。世界範圍內經濟發展雖不夠理想，但相信已經處於谷底，國際市場需求有望重新進入回升階段。從中國經濟發展具備的有利條件看，隨著新政府換屆成功，經濟發展依然被放在首位，將為擴大內需提供廣闊的市場空間。統計數據顯示居民可支配收入的持續提高，對各類中高檔紡織品的需求將不斷增加。總體看，二零一三年中國紡織企業所面臨的形勢雖然仍不容樂觀，但面對趨穩及回升的勢頭。

Chairman's Statement

主席報告

In the face of such tense situation, the Group managed to record a revenue of RMB2,401.1 million for the year ended 31 December 2012, up 11.6% from last year. Gross profit amounted to RMB949.5 million, representing an increase of 14.4% from last year.

The Group attributes its impressive results during the year under review to the outstanding performance of all of its employees as well as the loyal support of its business associates. I would like to take this opportunity to express my deepest gratitude to all shareholders, suppliers, distributors, customers and employees.

Liu Qingping

Chairman

28 March 2013

即使面對如此嚴峻的經營環境，本集團在截至二零一二年十二月三十一日的過去一年內，本集團的銷售收入為人民幣2,401,100,000元，比上年增長11.6%；毛利為人民幣949,500,000元，比上年增長14.4%。

集團於回顧年度取得的良好業績，有賴於全體員工的傑出表現及各方的大力支持，本人謹藉此機會，衷心向全體股東、供應商、分銷商、客戶、員工致意！

主席

劉慶平

二零一三年三月二十八日

Management Discussion and Analysis

管理層討論及分析

MARKET REVIEW

According to a report prepared by Euromonitor on the bedding markets in China and Shandong Province in 2012, the retail volume of bedding products in China reached RMB172.7 billion in 2012, representing an increase of 12.1% over that of last year. The main reason for the arrested growth was the sluggish Chinese macro economy and real estate industry in 2012. The market shares of the high-, medium- and low-end bedding product segments were 9.6%, 60.3% and 30.1% respectively, and the growth rates of these three segments were 9.7%, 10.0% and 17.4%, respectively. Compared with 2011, the growth of the medium- and high-end segments fell relatively sharply, with a corresponding decline in their market shares in the overall bedding market. However, China Home Textile Association announced the overall performance of the Chinese home textile industry for the period between January and November 2012 showing that the profits earned by 1,831 large home textile enterprises have increased satisfactorily by 14.9% over last year. This encouraging news indicates that the home textile industry remained the key driver of the overall textile industry in 2012.

In 2012, Chinese textile enterprises faced three major difficulties, which included a weak external demand, huge price difference between domestic and foreign raw cotton, and a sharp rise in domestic production costs. According to the statistics for 2012 published by the Chinese customs, the volume of Chinese textiles exported to the United States and the European Union demonstrated a downward trend as compared with 2011, while the domestic raw cotton prices was around 45% higher than the international market price at the end of the year. Furthermore, it was shown in a survey conducted by the China National Textile and Apparel Council that production costs have surged across the board. In particular, labor costs have increased by more than 10%. These negative factors directly led to the decline in the performance of the textile industry this year as compared with 2011. Data published by the National Bureau of Statistics also clearly showed that operating incomes and gross profits of major producers in the textile industry increased slower in 2012 by approximately 13.5% and 7.5%, respectively, as compared with 2011. Hence, the market is facing a particularly difficult situation. However, in early 2012, China Home Textile Association promulgated the “Framework for Home Textile Industry Development in China” during the 12th Five-Year Plan period (the “**Plan**”). It anticipated that the urbanization rate in China will increase by 4 percentage points in the next five years, which means that the urban population will grow by about 60 million in aggregate, or an increase of 12 million each year. In view of the possible yearly increase in the number of urban households caused by the planned construction of 36 million government-subsidized homes, it is expected that market demand for home textile and bedding products will surge in the future. In addition, bedding products for wedding celebrations continue to be highly sought-after. Direct market value arising from over 10 million new marriage each year is currently a stunning RMB600 billion. There is also an upward trend in the sales of children’s textile products. Since the implementation of the Plan, some large and listed brands as well as some leading textile enterprises showed a U-shaped recovery, especially after September 2012, with a blowout growth from the market contraction in the first half of the year. Moreover, the home textile segment has come under the spotlight of the market.

市場回顧

歐睿國際的「二零一二年中國及山東省床上用品市場研究報告」數據顯示，二零一二年中國床上用品零售市場規模達到人民幣1,727億元，較去年增長了12.1%。增長速度的下滑主要歸咎於二零一二年中國宏觀經濟和房地產行業的不景氣。高、中、低端床上用品的市場份額分別為9.6%、60.3%和30.1%，增長率分別為9.7%、10.0%和17.4%。與二零一一年相比，中、高端市場下滑幅度相對較大，市場份額相應下降。中國家用紡織品行業協會公佈了二零一二年一至十一月家紡經濟整體運營狀況，中國家紡行業因1,831家規模以上家紡企業利潤保持了14.9%的良好增長，再度成為整個紡織產業鏈條的一大亮點，唱響行業二零一二年度“好聲音”。

二零一二年中國紡織企業面對三大困難，分別是外需不振、國內外原棉價格差異較大及國內生產成本上升。根據中國海關的統計數字，二零一二年中國對美國及歐盟的紡織品相比二零一一年都呈現下降趨勢，年底國內棉花價格比國際市場價格高出45%左右，而中國紡織工業協會的調查結果顯示各生產要素的成本大幅上升，勞工成本增加了超過10%。這些因素直接導致了整個紡織行業的表現遠較二零一一年遜色。國家統計局的數據也清楚表明了二零一二年紡織業內主要生產企業的業務收入及利潤總額僅比二零一一年增長約13.5%及7.5%，增幅相對上年明顯緩慢，市場情況相當嚴峻。二零一二年初，中國家紡協會發佈實施了《中國家紡行業“十二五”發展規劃綱要》（「**規劃**」）。規劃指出，未來五年，城市化水準將提高4個百分點，意味着將增加大約6,000萬城市人口，即年均新增1,200萬人。隨着3,600萬套保障性住房建設工程的實施，城鎮化人均居住面積將逐年增加，以上人口、新居等因素加大了未來產品需求。另外，婚慶類產品將持續熱銷。目前，我國每年1,000多萬對新人婚慶發生的直接消費高達人民幣6,000億元，兒童用家紡消費品數量也不斷增加。規劃實施以來，上市的家紡大牌以及一批領跑型家紡企業的發展軌跡呈現“U”字型。去年上半年，不少家紡企業出現了負增長，而九月以來，許多品牌銷售呈現井噴增長，紡織家紡板塊甚至發展成為優績股。

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In view of the low industry concentration, relatively relaxed competitive environment and high degree of product homogeneity, the bedding industry in China remains to be a developing sector with a large number of new players. After all, although the bedding industry was affected by external factors in 2012 resulting in the arrested growth and a change in the competition landscape, the bedding industry has not yet matured or become saturated. The huge development potential and promising prospects of the bedding market will continue to drive industry growth in the next decade.

Certainly, the aforementioned setbacks will not fade away immediately in 2013. In particular, coupled with the slow recovery of the world's major economies such as Europe, the United States and Japan, these setbacks have made us cautious about the prospects for external demand. As to domestic demand, with the smooth change of government and continued policy focusing on urbanization, we expect there to be a growth which will provide stimulus to the textile industry.

BUSINESS REVIEW

During the year under review, the Group's revenue was RMB2,401.1 million, representing a year-on-year increase of 11.6%. Revenue generated from cotton yarn sales was RMB985.5 million, representing a year-on-year increase of 2.6% and accounting for 41.0% of the total revenue. Revenue generated from bedding sales was RMB1,415.5 million, representing a year-on-year increase of 18.8%. Bedding products continued to be the Group's key products which accounted for 59.0% of the total revenue. Currently, we are the largest bedding product supplier in Shandong Province and the seventh largest in the national market.

As at 31 December, 2012, the Group had a total of 1,122 stores and counters across China, representing an increase of 420 shops/counters as compared with last year.

The following table shows the numbers of stores and counters (including those operated by distributors) and their changes during the year under review:

		31 December, 2011 二零一一年 十二月三十一日	31 December, 2012 二零一二年 十二月三十一日	Change 增幅
Directly operated stores and counters	直營專賣店及專櫃	518	865	347
Distributors (number of stores and counters operated by distributors)	分銷商(分銷商經營的專賣店及專櫃)	184 (184)	254 (257)	70 (73)

但目前中國的床上用品行業仍處於成長期，行業集中度低、競爭環境相對寬鬆、產品同質化程度高、行業湧入者不斷。雖然床上用品行業在二零一二年受到外部因素影響而增速放緩，行業競爭特徵有所改變，但總體而言，床品行業尚未進入成熟期。床上用品市場巨大的發展空間和喜人的市場前景，在未來十年內將一直是行業增長最根本的趨動力。

展望二零一三年，上述三個負面因素不會立即得到改善，加上歐美日等全球主要經濟體的復蘇進程緩慢，我們對外部需求持審慎態度。至於內需方面，隨着政府換屆及政策重點依然是城鎮化建設，因此我們年預期內需因素的利好刺激將慢慢改善紡織行業的經營環境。

業務回顧

本集團在回顧年度，收益為人民幣2,401,100,000元，比去年同期增長11.6%；其中棉紗銷售所得收入為985,500,000元，比去年同期增長2.6%，佔總體收益的41.0%；床品銷售所得收入為人民幣1,415,500,000元，比去年同期增長18.8%。床品繼續成為本集團的重點產品，佔總體收益的59.0%。我們目前是山東省首屈一指的床品供應商，而在全國的排名在第七位。

截至二零一二年十二月三十一日止，本集團於全國共有1,122間專賣店及專櫃，較上年度增420間。

以下列表顯示回顧年度的專賣店及專櫃(包括由分銷商經營者)之數目及增幅：

Management Discussion and Analysis

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The following table shows a breakdown of the numbers of distributors, stores and counters (including those operated by distributors) by region as at 31 December, 2012:

以下列表顯示截至二零一二年十二月三十一日止按地區分佈的分銷商、專賣店及專櫃（包括由分銷商經營者）數目：

Region	地區	As at 31 December, 2012 截至二零一二年十二月三十一日止		
		Distributors 分銷商	Stores and counters operated by distributors 分銷商經營的專賣店及專櫃	Directly operated stores and counters 直營專賣店及直營專櫃
Eastern China	華東地區	140	136	547
Northern China	華北地區	30	32	165
Northeastern China	東北地區	25	26	102
Central China	華中地區	31	34	43
Southern China	華南地區	8	6	4
Southwestern China	西南地區	13	13	2
Northwestern China	西北地區	7	10	2
Total:	總計：	254	257	865

Notes:

Eastern China: Shandong, Jiangsu, Anhui, Zhejiang, Fujian, Jiangxi, Shanghai
Northern China: Beijing, Tianjin, Hebei, Shanxi, Inner Mongolia
Northeastern China: Heilongjiang, Jilin, Liaoning
Central China: Henan, Hubei, Hunan
Southern China: Guangdong, Guangxi, Hainan
Southwestern China: Sichuan, Yunnan, Guizhou, Tibet, Chongqing
Northwestern China: Ningxia, Xinjiang, Qinghai, Shaanxi, Gansu

備註：

華東地區：山東、江蘇、安徽、浙江、福建、江西、上海
華北地區：北京、天津、河北、山西、內蒙古
東北地區：黑龍江、吉林、遼寧
華中地區：河南、湖北、湖南
華南地區：廣東、廣西、海南
西南地區：四川、雲南、貴州、西藏、重慶
西北地區：寧夏、新疆、青海、陝西、甘肅

In November, 2012, we entered into a brand promotion and strategic cooperation agreement with Choice Hotels International of the United States, which is the fifth largest hotel chain in the world. Pursuant to this agreement, we become the licensed supplier of high-end branded bedding products for the CLARION Hotels, a chain of five-star hotels owned by Choice Hotels International, and is authorized to promote ourselves as the partner of Choice Hotels International. The partnership demonstrates the strong corporate strength of Taifeng and strengthens the reputation of our brand across the globe.

二零一二年十一月份，我們與世界第五大的連鎖酒店美國精選國際酒店集團簽署了品牌推廣及戰略合作協議，正是成為精選國際酒店集團旗下五星級酒店品牌「CLARION凱瑞華晟」酒店高端品牌床品特許供應商，並獲得正式授權可以用美國精選國際酒店集團合作夥伴的名義進行本集團的推廣，這充分體現了泰豐雄厚的企業實力和泰豐世界性的品牌知名度。

Management Discussion and Analysis

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FINANCIAL REVIEW

Revenue increased by 11.6% to RMB2,401.1 million for the year ended 31 December, 2012 from RMB2,152.2 million for the year ended 31 December, 2011 due to:

- Revenue in the bedding products segment increased by 18.8% to RMB1,415.5 million for the year ended 31 December, 2012 from RMB1,191.7 million for the year ended 31 December, 2011. Revenue in the sales of branded bedding products recorded a growth of 23.9% to RMB1,391.6 million for the year ended 31 December, 2012 from RMB1,123.1 million for the year ended 31 December, 2011. The increased sales of branded bedding products were driven principally by a 33.9% increase in their sales volume, reflecting primarily the enhanced ability of the Group to expand its sales networks. The effects of which were partially offset by a 7.4% decrease in the average realized selling price due primarily to an increase in the percentage of branded bedding products sold as a single piece, which in general commands a lower price and gross profit margin as compared to products sold as a multiple-piece set. Revenue in the sales of OEM bedding products decreased by 65.2% to RMB23.8 million for the year ended 31 December, 2012 from RMB68.6 million for the year ended 31 December, 2011 and was primarily due to the sluggish market demand from Europe and the United States.
- Revenue in the cotton yarns segment increased by 2.6% to RMB985.5 million for the year ended 31 December, 2012 from RMB960.5 million for the year ended 31 December, 2011. All the increase was mainly due to an increase of 5.1% in the sales volume of cotton yarns, the effects of which were partially offset by a decrease of 2.5% in the average selling price of cotton yarns.

財務回顧

收益由截至二零一一年十二月三十一日止年度之人民幣2,152,200,000元增加11.6%至截至二零一二年十二月三十一日止年度之人民幣2,401,100,000元，原因如下：

- 床品分部之收益由截至二零一一年十二月三十一日止年度之人民幣1,191,700,000元增加18.8%至截至二零一二年十二月三十一日止年度之人民幣1,415,500,000元。品牌床品銷售之收益由截至二零一一年十二月三十一日止年度之人民幣1,123,100,000元增長23.9%至截至二零一二年十二月三十一日止年度之人民幣1,391,600,000元。品牌床品銷售額增加主要受銷量上升33.9%（主要反映本集團擴充銷售網絡之能力有所提高）所帶動。有關影響部分被平均實際售價下跌7.4%抵銷，主要因為以件裝出售之品牌床品百分比增加，而以件裝出售之價格及毛利率一般低於以多件套裝形式出售。貼牌床品銷售之收益由截至二零一一年十二月三十一日止年度之人民幣68,600,000元下跌65.2%至截至二零一二年十二月三十一日止年度之人民幣23,800,000元，主要是由於歐美市場需求不振所致。
- 棉紗分部之收益由截至二零一一年十二月三十一日止年度之人民幣960,500,000元增加2.6%至截至二零一二年十二月三十一日止年度之人民幣985,500,000元，主要是由於棉紗銷量增加5.1%所致，而有關影響部分被棉紗平均售價下跌2.5%抵銷。

Management Discussion and Analysis

管理層討論及分析

The following table sets forth a breakdown of the revenue by products:

下表載列按產品劃分之收益明細：

		For the year ended 31 December, 截至十二月三十一日止年度			
		2012 二零一二年		2011 二零一一年	
		Revenue 收益		Revenue 收益	
		(RMB'000) (人民幣 千元)	(% to total) (佔總額 百分比)	(RMB'000) (人民幣 千元)	(% to total) (佔總額 百分比)
Bedding Products	床品				
Branded products	品牌產品	1,391,635	58.0	1,123,140	52.2
OEM	貼牌	23,896	1.0	68,578	3.2
Sub-total	小計	1,415,531	59.0	1,191,718	55.4
Cotton Yarns	棉紗				
Product category	產品種類	Yarn Count	支數		
Coarse-count yarns	粗支紗	18 or below	18支或以下	7,934	0.3
Medium-count yarns	中支紗	19 up to 28	19支至28支	16,798	0.7
Fine-count yarns	細支紗	29 up to 60	29支至60支	257,242	10.7
High-count yarns	高支紗	61 or above	61支或以上	703,544	29.3
Sub-total	小計	985,518	41.0	960,449	44.6
Total	總計	2,401,049	100.0	2,152,167	100.0

The Group's bedding products are packaged in two forms: in a single piece or in multiple-piece sets. Branded bedding products packaged in multiple-piece sets, in general, command a higher average realized selling price and gross profit margin than the branded bedding products packaged in a single piece and the OEM bedding products.

本集團床品以件裝或多件套裝兩種形式包裝。以多件套裝形式包裝之品牌床品之平均實際售價及毛利率一般較以件裝形式包裝之品牌床品及貼牌床品高。

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

床品之平均實際售價及毛利率載列如下：

		For the year ended 31 December, 截至十二月三十一日止年度			
		2012 二零一二年		2011 二零一一年	
		Gross profit margin	Average realized selling price 平均 實際售價 (RMB per piece/set) (每件/套 人民幣元)	Gross profit margin	Average realized selling price 平均 實際售價 (RMB per piece/set) (每件/套 人民幣元)
		(%)	(%)	(%)	(%)
Branded bedding products	品牌床品	57.0	450	58.8	486
OEM bedding products	貼牌床品	15.4	156	19.2	98
Segment weighted average	分部加權平均	56.3	436	56.5	396

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The sales volume breakdown of branded bedding products is set out below:

品牌床品之銷量明細載列如下：

		For the year ended 31 December, 截至十二月三十一日止年度			
		2012 二零一二年		2011 二零一一年	
		(Sales Volume) (銷量)	(% to total) (佔總額 百分比)	(Sales Volume) (銷量)	(% to total) (佔總額 百分比)
Multiple-piece sets	多件套裝	2,172,462	70.2	1,916,831	83.0
Single piece	單件裝	921,326	29.8	393,565	17.0
		3,093,788	100.0	2,310,396	100.0

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

棉紗之平均實際售價及毛利率載列如下：

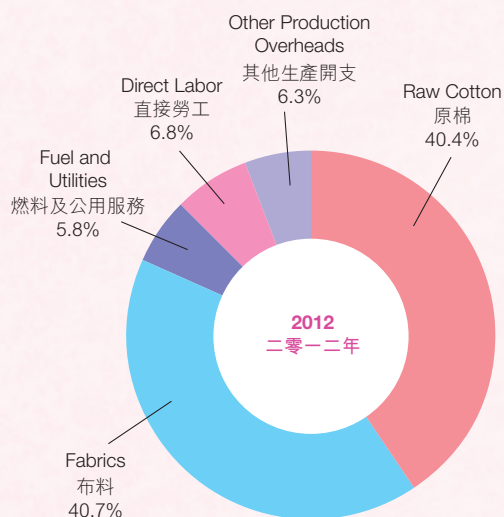
				For the year ended 31 December, 截至十二月三十一日止年度			
				2012 二零一二年		2011 二零一一年	
		Gross profit margin 毛利率 (%)	Average realized selling price 平均實際 售價 (RMB per tonne) (每噸 人民幣元)	Gross profit margin 毛利率 (%)	Average realized selling price 平均實際 售價 (RMB per tonne) (每噸 人民幣元)		
Product category	產品種類	Yarn count	支數				
Coarse-count yarns	粗支紗	18 or below	18支或以下	9.6	15,703	13.2	20,804
Medium-count yarns	中支紗	19 up to 28	19支至28支	10.2	19,842	15.6	25,252
Fine-count yarns	細支紗	29 up to 60	29支至60支	12.5	22,823	15.1	30,842
High-count yarns	高支紗	61 or above	61支或以上	16.7	43,122	18.0	49,822
Segment weighted average	分部加權平均			15.4	34,056	16.3	34,894

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管理層討論及分析

COST STRUCTURE

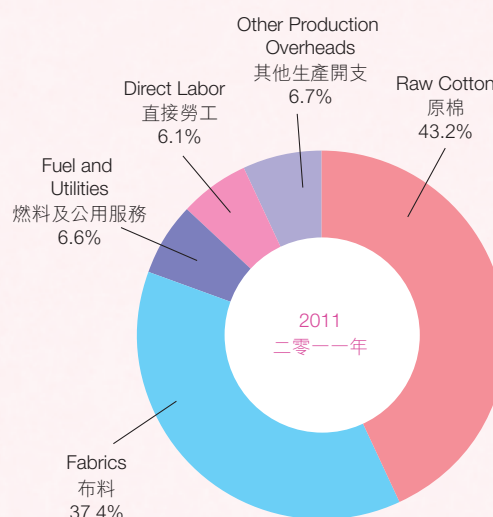
The following sets forth a breakdown of the cost structure:



Raw material costs accounted for 81.1% of the total cost of sales for the year ended 31 December 2012, similar to that of year ended 31 December, 2011. Fabric costs increased to 40.7% of the total cost of sales for the year ended 31 December, 2012 from 37.4% for the year ended 31 December, 2011 due mainly to the increase of revenue contribution from the Group's bedding product segment of 3.6 percentage points to 59.0%.

成本架構

以下載列成本架構明細：



截至二零一二年十二月三十一日止年度，原材料成本佔總銷售成本81.1%，與截至二零一一年十二月三十一日止年度相若。布料成本佔總銷售成本之百分比由截至二零一一年十二月三十一日止年度之37.4%升至截至二零一二年十二月三十一日止年度之40.7%，主要因為本集團床品分部對收益之貢獻上升3.6個百分點至59.0%。

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GROSS PROFIT AND GROSS PROFIT MARGIN

Gross profit increased by 14.4% to RMB949.5 million for the year ended 31 December, 2012 from RMB829.7 million for the year ended 31 December, 2011. Overall gross profit margin for the year ended 31 December, 2012 increased slightly to 39.5% from 38.6% for the year ended 31 December, 2011 due primarily to the increase of revenue contribution from the Group's bedding product segment by 3.6 percentage points to 59.0%.

Gross profit of the Group's bedding product segment increased by 18.4% to RMB797.5 million for the year ended 31 December, 2012 from RMB673.5 million for the year ended 31 December, 2011. Gross profit margin of the Group's bedding product segment decreased slightly to 56.3% for the year ended 31 December, 2012 from 56.5% for the year ended 31 December, 2011 and was due primarily to an increase in the percentage of branded bedding products sold as a single piece, which in general commands a lower price and gross profit margin as compared to products sold as a multiple-piece set.

Gross profit of the Group's cotton yarn segment decreased by 2.6% to RMB152.0 million for the year ended 31 December, 2012 from RMB156.1 million for the year ended 31 December, 2011. Gross profit margin dropped to 15.4% for the year ended 31 December 2012 from 16.3% for the year ended 31 December 2011 due primarily to the decrease in the average selling prices and the volatility of raw cotton price.

OTHER GAINS AND LOSSES

Other gains and losses recorded a loss of RMB9.8 million for the year ended 31 December, 2012 while gains of RMB2.0 million was recorded last year. The losses mainly comprised of RMB10.5 million in impairment loss recognised in respect of trade receivables. The effects of which were partially offset by a gain on disposal of scrap materials of RMB1.1 million during the year.

毛利及毛利率

毛利由截至二零一一年十二月三十一日止年度之人民幣829,700,000元增加14.4%至截至二零一二年十二月三十一日止年度之人民幣949,500,000元。整體毛利率由截至二零一一年十二月三十一日止年度之38.6%輕微上升至截至二零一二年十二月三十一日止年度之39.5%，主要原因為本集團品牌床品分部對收益之貢獻增長3.6個百分點至59.0%。

本集團床品分部之毛利由截至二零一一年十二月三十一日止年度之人民幣673,500,000元增加18.4%至截至二零一二年十二月三十一日止年度之人民幣797,500,000元。本集團床品分部之毛利率由截至二零一一年十二月三十一日止年度之56.5%輕微下降至截至二零一二年十二月三十一日止年度之56.3%，主要原因為以件裝出售之品牌床品百分比增加，而以件裝出售之價格及毛利率一般低於以多件套裝形式出售。

本集團棉紗分部之毛利由截至二零一一年十二月三十一日止年度之人民幣156,100,000元下跌2.6%至截至二零一二年十二月三十一日止年度之人民幣152,000,000元。毛利率由截至二零一一年十二月三十一日止年度之16.3%下跌至截至二零一二年十二月三十一日止年度之15.4%，主要原因為平均售價上升及原棉價格波動。

其他收益及虧損

截至二零一二年十二月三十一日止年度之其他收益及虧損為虧損人民幣9,800,000元，而去年為收益人民幣2,000,000元。虧損主要包括就應收賬款確認之減值虧損人民幣10,500,000元，其影響部分被年內出售廢料收益人民幣1,100,000元抵銷。

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DISTRIBUTION AND SELLING EXPENSES

Distribution and selling expenses comprise mainly of freight, import/export declaration and delivery charges, sales commission and wages paid to sales staff, expenses related to marketing and promotion such as advertisements and exhibitions, retail stores and counters running and renovation expenses, urban maintenance and construction levy and educational surcharge. Distribution and selling expenses increased by 3.3% to RMB136.9 million for the year ended 31 December, 2012 as compared with RMB132.6 million in last year. Advertising and marketing expenses recognized during the year amounted to RMB58.2 million; and urban maintenance and construction levy and educational surcharge amounted to RMB30.1 million; total representing 4.1% of the Group's revenue in the sales of bedding products and 1.3% of the Group's total revenue for the year ended 31 December, 2012; renovation costs and running expenses for our directly-operated retail stores and counters and subsidies for newly-opened franchised stores recognized amounted to RMB42.6 million which accounted for 31.1% of the distribution and selling expenses.

ADMINISTRATIVE EXPENSES

Administrative expenses comprise mainly of staff cost, depreciation, entertainment, rental, bank charges, and other sundry expenses. Administrative expenses decreased by 10.9% to RMB31.2 million for the year ended 31 December, 2012 from RMB32.3 million for the year ended 31 December, 2011. The decrease was mainly due to the decrease of RMB2.9 million in expenses associated with share-based payment transactions for the year ended 31 December, 2012.

FINANCE COSTS

Finance costs increased by 28.0% to RMB18.3 million for the year ended 31 December, 2012 from RMB14.3 million in last year. The increase was mainly due to increased bank charges and interest expenses in discounting of bill transactions.

INCOME TAX EXPENSE

Income tax expense increased by 20.7% to RMB237.7 million for the year ended 31 December, 2012 from RMB196.9 million for the year ended 31 December, 2011. The increase was mainly due to an increase in the taxable income for the year ended 31 December, 2012.

分銷及銷售開支

分銷及銷售開支主要包括貨運、進口／出口報關及付運費、銷售佣金及支付銷售員工之工資、廣告及展覽等有關市場推廣及宣傳之開支，以及零售店舖及專櫃經營與翻新開支、城市維護建設稅以及教育費附加。分銷及銷售開支由去年之人民幣132,600,000元增加3.3%至截至二零一二年十二月三十一日止年度之人民幣136,900,000元。年內確認之廣告及市場推廣開支為人民幣58,200,000元，城市維護建設稅及教育費附加為人民幣30,100,000元（共佔本集團截至二零一二年十二月三十一日止年度床品銷售收益4.1%及總收益1.3%），直營零售店舖及專櫃翻新成本與經營開支以及新開特許經營店舖之補助金為人民幣42,600,000元，佔分銷及銷售開支31.1%。

行政開支

行政開支主要包括員工成本、折舊、招待費、租金、銀行收費及其他雜項開支。行政開支由截至二零一一年十二月三十一日止年度之人民幣32,300,000元減少10.9%至截至二零一二年十二月三十一日止年度之人民幣31,200,000元。減幅主要是由於截至二零一二年十二月三十一日止年度與以股份付款交易有關之開支減少人民幣2,900,000元所致。

融資成本

融資成本由去年之人民幣14,300,000元上升28.0%至截至二零一二年十二月三十一日止年度之人民幣18,300,000元。有關上升主要是由於貼現票據交易之銀行費用及利息開支增加。

所得稅開支

所得稅開支由截至二零一一年十二月三十一日止年度之人民幣196,900,000元增加20.7%至截至二零一二年十二月三十一日止年度之人民幣237,700,000元。有關開支增加主要是由於截至二零一二年十二月三十一日止年度之應課稅收入增加所致。

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Working Capital Management

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

		For the year ended 31 December, 2012 截至 二零一二年 十二月三十一日 年度	For the year ended 31 December, 2011 截至 二零一一年 十二月三十一日 年度
Trade receivables turnover (days) ⁽¹⁾	應收賬款週轉日(日) ⁽¹⁾	76	72
Trade payables turnover (days) ⁽²⁾	應付賬款週轉日(日) ⁽²⁾	22	35
Inventory turnover (days) ⁽³⁾	存貨週轉日(日) ⁽³⁾	26	35

Notes:

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

Average trade receivable turnover increased to 76 days for the year ended 31 December, 2012 from 72 days for the year ended 31 December, 2011, which was primarily due to the increase in proportion of sales to our bedding products distributors to which we granted longer credit periods.

Average trade payables turnover and average inventory turnover decreased to 22 days and 26 days respectively for the year ended 31 December, 2012 from 35 days for the year ended 31 December, 2011, which was primarily due to a lower inventory level maintained at the year end date.

營運資金管理

下表載列本集團之經選定經營效益比率：

		For the year ended 31 December, 2012 截至 二零一二年 十二月三十一日 年度	For the year ended 31 December, 2011 截至 二零一一年 十二月三十一日 年度
Trade receivables turnover (days) ⁽¹⁾	應收賬款週轉日(日) ⁽¹⁾	76	72
Trade payables turnover (days) ⁽²⁾	應付賬款週轉日(日) ⁽²⁾	22	35
Inventory turnover (days) ⁽³⁾	存貨週轉日(日) ⁽³⁾	26	35

附註：

- (1) 應收賬款週轉日按指定年度開始及結束之應收賬款結餘之平均值除該指定年度內之收益再乘以365日計算。
- (2) 應付賬款週轉日按指定年度開始及結束之應付賬款結餘之平均值除該指定年度內之銷售成本再乘以365日計算。
- (3) 存貨週轉日按指定年度開始及結束之存貨結餘之平均值(扣除減值)除該指定年度內之銷售成本再乘以365日計算。

應收賬款平均週轉日由截至二零一一年十二月三十一日止年度之72日增加至截至二零一二年十二月三十一日止年度之76日，主要是由於本集團向獲授較長信貸期之床品分銷商進行之銷售比例增加所致。

應付賬款平均週轉日及存貨平均週轉日由截至二零一一年十二月三十一日止年度同為35日分別縮短至截至二零一二年十二月三十一日止年度之22日及26日，主要是由於年結日維持之存貨水平減低所致。

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LIQUIDITY AND CAPITAL RESOURCES

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

流動資金及資本資源

下表載列以下年度之流動資金及資本充足比率：

		For the year ended 31 December, 2012 截至 二零一二年 十二月三十一日 年度	For the year ended 31 December, 2011 截至 二零一一年 十二月三十一日 年度
Gearing ⁽¹⁾	資本負債 ⁽¹⁾	4.7%	8.5%
Debt-to-equity ⁽²⁾	債項對權益 ⁽²⁾	6.3%	11.6%
Current ratio	流動比率	3.4 times倍	2.9 times倍

Notes:

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

附註：

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

The gearing ratio and the debt-to-equity ratio decreased to 4.7% and 6.3% respectively for the year ended 31 December, 2012 from 8.5% and 11.6% for the year ended 31 December, 2011. The decrease in the gearing ratio and debt-to-equity ratio were principally due to the increase in the total assets and equity respectively.

資本負債比率及債項對權益比率分別由截至二零一一年十二月三十一日止年度之8.5%及11.6%下跌至截至二零一二年十二月三十一日止年度之4.7%及6.3%。資本負債比率及債項對權益比率下跌主要是由於資產總值及權益均有增長所致。

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CASH FLOW

The current ratio improved slightly to 3.4 times for the year ended 31 December, 2012 and was mainly attributable to a higher bank balances and cash position and a lower bank borrowing level maintained at the year end date.

現金流量

截至二零一二年十二月三十一日止年度，流動比率輕微改善至3.4倍，主要原因為年結日之銀行結餘及現金水平較高，而銀行借貸水平較低。

		For the year ended 31 December, 2012 截至 二零一二年 十二月三十一日 年度 RMB'000 人民幣千元	For the year ended 31 December, 2011 截至 二零一一年 十二月三十一日 年度 RMB'000 人民幣千元
Net cash from operating activities	經營活動產生之現金淨額	548,830	287,469
Net cash (used in)/from investing activities	投資活動(動用)/產生之現金淨額	(20,313)	(71,990)
Net cash (used in)/from financing activities	融資活動(動用)/產生之現金淨額	(165,137)	(228,618)
Cash and cash equivalents at 31 December	於十二月三十一日之現金及現金等價物	1,205,905	842,525

Net cash generated from operating activities increased to RMB548.8 million for the year ended 31 December, 2012 from RMB287.5 million for the year ended 31 December, 2011, was the result of the following:

- operating cash flows before movements in working capital of RMB828.5 million;
- a decrease in cash resulting from changes in working capital of RMB84.4 million, including an increase in trade and other receivables and prepayment of RMB56.1 million, a decrease in inventories level of RMB31.0 million and a decrease in trade and other payables and accruals of RMB59.2 million;
- PRC enterprise income tax and withholding tax on dividend paid of RMB195.3 million.

經營活動產生之現金淨額由截至二零一一年十二月三十一日止年度之人民幣287,500,000元增加至截至二零一二年十二月三十一日止年度之人民幣548,800,000元，原因如下：

- 營運資金變動前之經營現金流量人民幣828,500,000元；
- 營運資金變動導致現金減少人民幣84,400,000元，包括應收賬款及其他應收款項以及預付款項增加人民幣56,100,000元，存貨水平下跌人民幣31,000,000元，以及應付賬款及其他應付款項以及應計費用減少人民幣59,200,000元；
- 已付中國企業所得稅及股息預扣稅人民幣195,300,000元。

Net cash used in investing activities for the year ended 31 December, 2012 was RMB20.3 million mainly due to an increase in pledged bank deposits of RMB26.2 million.

截至二零一二年十二月三十一日止年度，投資活動動用之現金淨額為人民幣20,300,000元，主要包括已抵押銀行存款增加人民幣26,200,000元。

Net cash used in financing activities for the year ended 31 December, 2012 was RMB165.1 million, including primarily dividend payments of RMB86.0 million, interest payment of RMB18.3 million, and a net decrease in bank borrowings of RMB60.8 million.

截至二零一二年十二月三十一日止年度，融資活動動用之現金淨額為人民幣165,100,000元，主要包括已付股息人民幣86,000,000元、已付利息人民幣18,300,000元，以及銀行借貸減少淨額人民幣60,800,000元。

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PLEDGE OF ASSETS

Details of the assets pledged as at 31 December, 2012 are set out in note 17.

CONTINGENT LIABILITIES

The Group has no material contingent liabilities as at 31 December, 2012 (2011: nil).

FOREIGN CURRENCY EXPOSURE

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

As at 31 December, 2012, the directors of the Company (the "Directors") considered the Group's foreign exchange risk to be insignificant. During the year, the Group did not use any financial instruments for hedging purposes.

EMPLOYEES

As at 31 December, 2012, the Group had a workforce of approximately 5,384 employees (2011: 5,384). Staff costs for the year ended 31 December, 2012 (including Directors' remuneration in the form of salaries and other allowances) were approximately RMB120.7 million (2011: RMB112.6 million).

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

資產抵押

於二零一二年十二月三十一日，已抵押資產之詳情載於附註17。

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（二零一一年：無）。

外幣風險

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

於二零一二年十二月三十一日，本公司董事（「董事」）認為，本集團面對之匯兌風險甚微。年內，本集團並無使用任何金融工具作對沖用途。

僱員

於二零一二年十二月三十一日，本集團有約5,384名僱員（二零一一年：5,384名）。截至二零一二年十二月三十一日止年度之員工成本（包括董事薪酬（薪金及其他津貼））約為人民幣120,700,000元（二零一一年：人民幣112,600,000元）。

本集團僱員薪酬包括薪金、花紅及其他額外福利。本集團對不同僱員訂有不同標準之薪酬，乃根據其表現、經驗、職位及其他因素，遵照相關之中國法律及法規釐定。

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USE OF PROCEEDS

The net proceeds (after deduction of related issuance costs) from the Company's initial public offering amounted to approximately RMB383.1 million, equivalent to HK\$435.3 million. The net proceeds were partially applied up to 31 December, 2012 with the proposed applications set out in the Prospectus, as follows:

- Approximately RMB128.7 million (2011: RMB128.7 million) was used for the expansion of production facilities.
- Approximately RMB254.4 million (2011: RMB160.0 million) was used for the enhancement of sales operations and brand building.

BUSINESS OUTLOOK AND STRATEGIES

Prospects and Future Plans

We expect our business will undergo a relatively steady growth in 2013. The focuses of our business plan in 2013 are to achieve our annual business targets, promote the Taifeng home textile brand as a reputable household name in China, enhance our products' market influence and increase their added value, as well as provide great quality, high-tech, brilliantly designed, finely made and reasonably priced home textile products to our target consumers.

The Board plans to conduct a review on the Group's assets composition within this financial year with a view to reflecting the value and potential of each of the different business segments of the Group i.e. cotton yarns and bedding products. In addition, subject to a viable feasibility study and advice from consultants, the Board may consider carrying out a possible asset and/or business reorganization. The Group will issue further announcement to inform the shareholders if there is any progress on this matter.

Brand building

We will continue to implement our multi-brand strategy, and will market our diverse brands for the target consumer groups based on the characteristics, development and requirements of their specific markets. A comprehensive and flexible mix with multiple brands ranging from low- to high-end product segments will be established so as to capitalize on the brand reputation and equity of the Taifeng brand as a "Chinese Well-Known Mark". We will also pay more attention to market changes in order to adjust the position of our brands, set the direction for our marketing and product design teams, cater to the target consumers and introduce new ideas to Taifeng's brand culture. With better and unified brand positioning, our flexible brand structure will leverage our key Taifeng brand across various sub-brands with different focuses such as higher sales volume or higher profit margin.

所得款項用途

本公司首次公開發售所得款項淨額（經扣除相關發行成本）約為人民幣383,100,000元（相當於435,300,000港元）。於二零一二年十二月三十一日，部分所得款項淨額已按招股章程所載擬定用途動用如下：

- 約人民幣128,700,000元（二零一一年：人民幣128,700,000元）已用於擴充生產設施。
- 約人民幣254,400,000元（二零一一年：人民幣160,000,000元）已用於加強銷售業務及品牌建立。

業務前景及策略

展望及未來計劃

二零一三年仍將成為本集團業務平穩發展的一年，完成年度經營目標，打造泰豐家紡品牌成為更加知名的國內名牌，提升產品的市場影響力，提升產品高附加值，為廣大市場目標人群提供高品質、精美設計、優良工藝水準、物超所值的家紡產品更成為二零一三年的泰豐家紡的行銷重點。

為反映本集團各個不同業務分部（即棉紗及床品）之價值及潛力，董事會計劃於本財政年度內檢討本集團之資產組合。此外，視乎可實行之可行性研究及顧問之建議，董事會可能考慮重組資產及／或業務。如此事有任何進展，本集團將另行發表公布知會股東。

品牌建設

繼續實施多品牌策略，依據管道特點和歷史沿革，實施管道特定品牌以更加符合管道特性，滿足特定目標消費人群的需求。形成從中低檔—高檔超高檔品牌產品系列，形成泰豐紡織的有機品牌序列，發揮泰豐「中國馳名商標」的品牌沉澱和品牌價值。更加注重市場變化，調整品牌概念定位，為行銷體系指明發展方向，為產品設計指引路徑，迎合目標人群的偏愛，為泰豐的品牌文化注入新概念，品牌定位更清晰，形成以泰豐為主品牌，各個副品牌有機構成，有的以走量為重點，有的以盈利為功能，做到主副統一、擴張品牌價值。

Management Discussion and Analysis

管理層討論及分析

Product development

The Group will carry out more research on functional textile products. We aim to develop and introduce high-tech products that are, for example, anti-bacterial, anti-mosquito, moisture absorbing and temperature adjusting, and use new healthcare, smooth, comfortable and functional fabrics and yarns in our products. With effective marketing, new products will be rolled-out quickly ahead of all else so as to enhance their profitabilities and to satisfy the needs for better quality of life and sleep. In particular, we will respond quickly to changes in medium-end and low-end markets while reducing our production costs so as to capture the low-income group with products of affordable prices that cater to their needs.

Extension of distribution channels

In 2013, northern China will remain as the focus of the expansion of our distribution channels. Capitalizing on our edge in northern China, we shall establish ourselves as the leading brand in this region. Our marketing team will make extra efforts to attract distributors, especially through large or small regional investment fairs, in order to achieve our expansion goal of setting up 350 new stores. We will also establish model stores in the region. We plan to gradually increase the proportion of franchisees while reducing the proportion of our directly operated shops and counters in our business profile. Product warranty, money guarantee and marketing, logistics and human resources support provided to large distributors will be strengthened with the aim of boosting their businesses. In addition, we will step up our effort in the field of group-sales by satisfying various needs of group-buyers. Our investment in electronic business platforms will also be enlarged so as to enter nation-wide e-Commerce platforms and expand our sales through electronic means.

產品建設

加大家紡產品的功能性研究，開發引進高科技含量如抗菌、防蚊、除汗、溫度調節、保健等親膚、舒適、外觀、功能新面料的紗線、面料並積極引入家紡產品的開發設計，以有效的行銷推廣，快速進入家紡市場，提升泰豐產品的高附加值，滿足當前消費者追求改善提高生活品質、睡眠品質的更高需求。中低檔類型產品更加把握市場流行趨勢，降低成本，真正做到物美價廉，滿足中低消費人群的需要。

開拓分銷渠道

二零一三年在開拓分銷渠道策略上立足北方市場，強勢北方，發揮區位優勢，在北方建設成為首屈一指的區域強勢品牌。加大招商力度，特別通過大型招商會和小型區域招商會相結合的方式，完成350家新店的拓展目標；在區域內打造樣板市場、樣板店。加大加盟商的經營比例，適當降低直營市場的開發管理比例。更加做好大客戶、重點客戶的服務，在產品保證、資金保證、行銷活動推廣、物流配送、人力資源支持等各方面優質服務，實現大客戶的更高提升。繼續加大團購產品推廣力度，滿足團購大宗客戶的個性需求；加大電商管道的投入力度，開發進入全國性電商行銷平臺，提升電商管道銷售市場份額。

Biographical Details of Directors and Senior Management

董事及高級管理層履歷

EXECUTIVE DIRECTORS

Mr. Liu Qingping, aged 59, was appointed as the Chairman of the Board and an executive Director of the Company on 21 May 2009. Mr. Liu is responsible for strategic planning, business development and overall management of the Group. Mr. Liu has more than 20 years of experience in the textile industry. Mr. Liu has been awarded numerous recognitions and honours in the past. In 1995, he was awarded “Outstanding Quality Manager for Textile Industry of the Shandong Province (山東省紡織系統優秀質量管理工作者)” by Textile Industry Bureau of Shandong Province (山東省紡織工業廳) and Association of Quality Management Textile Industry of Shandong Province (山東紡織質量管理協會). In 2003, he was recognized as a Model Worker of Shandong Province by the Shandong Province (山東省勞動模範) by the People’s Government of Shandong Province (山東省人民政府). In 2004, he was awarded (i) “Entrepreneur with Good Faith of Shandong Province (山東省誠信企業家)” by The Committee for Credit Rating of Shandong Province and Shandong Province Credit Rating Company (山東省信譽評級委員會及山東省信譽評級總公司) and (ii) Award for Outstanding Entrepreneurs of Textile Industry of Shandong Province (山東紡織企業家創業獎) by Office of Textile Industry of Shandong Province (山東省紡織工業辦公室) and The Association of Textile Enterprises Management of Shandong Province (山東紡織企業管理協會). In 2005, he was awarded “Outstanding Ideological and Political (Enterprise Culture) Operator in Textile Industry of Shandong Province (山東省紡織行業優秀思想政治、企業文化建設工作者)” by Office of Textile Industry of Shandong Province (山東省紡織工業辦公室) and Political Research Committee of Textile Workers of Shandong Province (山東省紡織職工政研會). In 2006, he was awarded (i) “50 People Promoting the Globalization of PRC Brands in 2006 (2006推動中國品牌國際化50人)” by PRC Organization Committee of the 14th World Productivity Congress (第十四屆世界生產力大會中國組織委員會) and (ii) “Outstanding Operator and Manager of Shandong Province (山東省優秀經營管理者)” by Committee for Economic and Trade of Shandong Province (山東省經濟貿易委員會). In 2007, he was recognised (i) “An Excellent Leading Individual in Outstanding Quality Control of the Textile Industry in the PRC (全國紡織行業優秀質量管理小組活動卓越領導者)” by China National Textile and Apparel Council (中國紡織工業協會) and China Trade Union of Financial and Commercial Workers, Light Industry and Textile Workers, Tobacco Industry Workers (中國財貿輕紡煙草工會) and (ii) “Model Worker in Business Sector in Countrywide (全國商務系統勞動模範)” by Ministry of Personnel of the People’s Republic of China (中華人民共和國人事部) and the Ministry of Commerce of the People’s Republic of China (中華人民共和國商務部). In 2010, he was awarded “Award for Outstanding Entrepreneurs of Textile Industry of Shandong Province (山東紡織企業家創業獎)” by The Association of Textile Industry of Shandong Province (山東省紡織工業協會) and The Association of Textile Enterprises Management of Shandong Province (山東紡織企業管理協會). In 2011, he was awarded “Green Campaign, 2011 Top 10 Leading Figures of the PRC Economy (綠動•2011中國經濟優秀人物)” by China Economic Development Forum Committee (中國經濟發展論壇委員會). In 2012, he was named as an “Outstanding Patent Inventor of Laiwu City (萊蕪市優秀專利發明人)” by the People’s Government of Laiwu City (萊蕪市人民政府). Mr. Liu is a senior economist. He obtained a doctorate degree in business administration from American Liberty University in 2005.

執行董事

劉慶平先生，59歲，於二零零九年五月二十一日獲委任為本公司董事會主席兼執行董事，劉先生負責本集團之重大決策、整體管理及發展規劃。劉先生於紡織業擁有逾20年經驗。劉先生於過去曾獲多項嘉許及殊榮。於一九九五年，彼獲山東省紡織工業廳及山東紡織質量管理協會頒發之「山東省紡織系統優秀質量管理工作者」。於二零零三年，彼獲山東省人民政府頒發山東省勞動模範。於二零零四年，彼獲(i)山東省信譽評級委員會及山東省信譽評級總公司頒發之「山東省誠信企業家」以及(ii)山東省紡織工業辦公室及山東紡織企業管理協會頒發之「山東紡織企業家創業獎」。於二零零五年，彼獲山東省紡織工業辦公室及山東省紡織職工政研會頒發「山東省紡織行業優秀思想政治、企業文化建設工作者」。於二零零六年，彼獲(i)第十四屆世界生產力大會中國組織委員會頒發「2006推動中國品牌國際化50人」及(ii)山東省經濟貿易委員會頒發「山東省優秀經營管理者」。於二零零七年，彼獲(i)中國紡織工業協會及中國財貿輕紡煙草工會嘉許為「全國紡織行業優秀質量管理小組活動卓越領導者」以及(ii)中華人民共和國人事部及中華人民共和國商務部嘉許為「全國商務系統勞動模範」。於二零一零年，彼獲山東省紡織工業協會及山東紡織企業管理協會頒發「山東紡織企業家創業獎」。於二零一一年，彼獲中國經濟發展論壇委員會頒發的「綠動•2011中國經濟優秀人物」榮譽稱號。於二零一二年，彼獲萊蕪市人民政府頒發「萊蕪市優秀專利發明人」稱號。劉先生為高級經濟師，並於二零零五年取得美國利伯堤大學之工商管理博士學位。

Biographical Details of Directors and Senior Management

董事及高級管理層履歷

Mr. Li Dengxiang, aged 52, was appointed as the Vice-chairman of the Board and an executive Director of the Company on 18 November 2009. Mr. Li has over 20 years of experience in the textile industry and is responsible for overseeing the production, quality and operation management of the Group. Mr. Li obtained various recognitions and awards in the past. He was awarded “Golden Bridge Prize of Technology market of Shandong Province (山東省技術市場科技金橋獎)” by Golden Bridge Prize Award Committee of Shandong Province (山東省技術市場科技金橋獎獎勵委員會) in 2005 and 2007. In 2007, he was also recognized as an “Outstanding Young to Middle Age Technology Worker of the Textile Industry in the PRC (全國棉紡織行業優秀中青年科技工作者)” by China Textile Engineering Society (中國紡織工程學會). Mr. Li is an engineer. He obtained a professional certificate in business administration from the Shandong Industrial University (now merged as Shandong University) in 1998 and a doctorate degree in business administration from American Liberty University in 2005.

Ms. Qi Tongli, aged 50, was appointed an executive Director of the Company on 21 May 2009 and is responsible for capital operation management of the Group. Ms. Qi has more than 20 years of experience in the textile industry. She was awarded “Scientific Technology Advancement Award” (科學技術進步獎) in 1998 and 2000 by The Assessment Committee for Scientific Technology Advancement Award of Shandong Province (山東省科學技術進步獎評審委員會) and The Assessment Committee for Scientific Technology Advancement Award of Laiwu City (萊蕪市科學技術進步獎評審委員會) respectively. In 2003, she was awarded “Scientific Technology Award of Shandong Province” (山東省科學技術獎) by The Assessment Committee for Scientific Technology Award of Shandong Province (山東省科學技術獎評審委員會). She was recognized as a “Model Outstanding Female Worker and Contribution of Shandong Province (山東省女職工建功立業標兵)” and was awarded “Award for Improvement of Living Standard in Shandong Province (富民興魯勞動獎章)” in 2007 by the General Labour Union of Shandong Province (山東省總工會). Ms. Qi is a senior engineer. She obtained a certificate in textile industry from Jinan School of Textile Industry, a certificate in business administration from the Shandong Industrial University (now merged as Shandong University) in 1998 and a doctorate degree in business administration from American Liberty University in 2005.

Mr. Liu Chunwei, aged 45, the Chief Executive Officer of the Group and was appointed an executive Director of the Company on 18 November 2009. Mr. Liu has more than 20 years of experience in the textile industry and is responsible for overseeing the sales, production and full operation management of the Group. Mr. Liu received the “Award for Improvement of Living Standard in Shandong Province (富民興魯勞動獎章)” in 2001 by the General Labour Union of Shandong Province (山東省總工會), and “Model Worker in National Textile Industry (全國紡織工業勞動模範)” in 2010 by Human Resources and Social Security Department, and China National Textile and Apparel Council (人力資源和社會保障部及中國紡織工業協會). He obtained a certificate in textile industry from the Shandong Textile College in 1988 and a doctorate degree in business administration from American Liberty University in 2005.

李登祥先生，52歲，於二零零九年十一月十八日獲委任為本公司董事會副主席兼執行董事。李先生於紡織業擁有逾20年經驗，負責監察本集團生產、質量及營運管理。李先生過去獲得多項嘉許及獎項。彼於二零零五年及二零零七年獲山東省技術市場科技金橋獎獎勵委員會頒發「山東省技術市場科技金橋獎」。於二零零七年，彼獲中國紡織工程學會嘉許為「全國棉紡織行業優秀中青年科技工作者」。李先生為工程師。彼於一九九八年取得山東工業大學（現已合併為山東大學）企業管理專業證書，其後於二零零五年取得美國利伯堤大學之工商管理博士學位。

齊同麗女士，50歲，於二零零九年五月二十一日獲委任為本公司執行董事，負責本集團之資本運營管理。齊女士於紡織業擁有逾20年經驗。彼分別於一九九八年及二零零零年獲山東省科學技術進步獎評審委員會及萊蕪市科學技術進步獎評審委員會頒發「科學技術進步獎」。於二零零三年，彼獲山東省科學技術獎評審委員會頒發「山東省科學技術獎」。彼於二零零七年獲山東省總工會嘉許為「山東省女職工建功立業標兵」，並獲頒「富民興魯勞動獎章」。齊女士為高級工程師。彼畢業於濟南紡織工業學校棉紡專業，後於一九九八年畢業於山東工業大學（現已合併為山東大學）企業管理專業，其後於二零零五年取得美國利伯堤大學之工商管理博士學位。

劉純衛先生，45歲，本集團行政總裁，彼於二零零九年十一月十八日獲委任為本公司執行董事。劉先生於紡織業擁有逾20年經驗，負責監察本集團銷售、生產及全面營運管理。彼於二零零一年獲山東省總工會頒發「富民興魯勞動獎章」，並於二零一零年獲得由人力資源和社會保障部及中國紡織工業協會頒發的「全國紡織工業勞動模範」稱號。彼於一九八八年畢業於山東紡織工業學院棉紡織專業，其後於二零零五年取得美國利伯堤大學之工商管理博士學位。

Biographical Details of Directors and Senior Management

董事及高級管理層履歷

Mr. Zou Shengzhong, aged 47, was appointed as an executive Director of the Company on 18 November 2009. Mr. Zou has more than 20 years of experience in the textile industry and is responsible for overseeing the sales and operation management of the Group. Mr. Zou is a senior engineer. He graduated from Changwei School of Textile Industry in 1983 and he obtained a certificate in electricity engineering from the Shandong TV University in 1987 and a doctorate degree in business administration from American Liberty University in 2005.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chan Kin Sang, aged 61, is currently the sole proprietor of Messrs. Peter K.S. Chan & Co., Solicitors and Notaries. He was appointed an independent non-executive Director of the Company on 18 November 2009. He has been a practicing solicitor in Hong Kong since 1982. He was admitted as a Notary Public in 1997 and as a China-appointed Attesting Officer in 2000. He is currently a Fellow of the Hong Kong Institute of Directors. Mr. Chan graduated from the University of Hong Kong with a Bachelor of Laws degree in 1979. Mr. Chan is also a director of the following public listed companies:

Listed Company 上市公司	Stock Code 股份代號	Place of Listing 上市地	Role 職務
People's Food Holdings Limited 大眾食品控股有限公司	P05	Singapore 新加坡	Independent Non-executive Director 獨立非執行董事
Luxking Group Holdings Limited 力王集團控股有限公司	L34	Singapore 新加坡	Independent Non-executive Director 獨立非執行董事
Combest Holdings Limited 康佰控股有限公司	8190	Hong Kong 香港	Non-executive Director 非執行董事
China Precious Metal Resources Holdings Co., Limited 中國貴金屬資源控股有限公司	1194	Hong Kong 香港	Independent Non-executive Director 獨立非執行董事
Pan Hong Property Group Limited 汎港地產集團有限公司	P36	Singapore 新加坡	Non-executive Director 非執行董事
United Pacific Industries Limited 聯太工業有限公司	176	Hong Kong 香港	Non-executive Director 非執行董事
Tianjin TEDA Biomedical Engineering Co., Ltd. 天津泰達生物醫學工程股份有限公司	8189	Hong Kong 香港	Independent Non-executive Director 獨立非執行董事

For the past 3 years, Mr. Chan also held directorships in the following Hong Kong listed companies: (a) Dynamic Energy Holdings Limited (Stock Code: 578); Pacific Plywood Holdings Limited (Stock Code: 767); (c) Zhongda International Holdings Limited (Stock Code: 909); (d) Mayer Holdings Limited (Stock Code: 1116) and (e) Ming Kei Holdings Limited (Stock Code: 8239) and in the following Singapore listed company: (a) Sunray Holdings Limited (Stock Code: S38).

鄒生忠先生，47歲，於二零零九年十一月十八日獲委任為本公司執行董事。鄒先生於紡織業擁有逾20年經驗，負責監察本集團銷售及營運管理。鄒先生為高級工程師，於一九八三年畢業於昌濰紡織工業學校，於一九八七年畢業於山東廣播電視大學電氣工程專業，其後於二零零五年取得美國利伯堤大學之工商管理博士學位。

獨立非執行董事

陳健生先生，61歲，現時為陳健生律師行（律師及公證人）之獨資經營者。彼於二零零九年十一月十八日獲委任為本公司獨立非執行董事。彼自一九八二年起為香港執業律師。彼於一九九七年獲公證人資格，並於二零零零年成為中國委託公證人。彼現時為香港董事學會資深會員。陳先生於一九七九年畢業於香港大學，獲法律學士學位。陳先生亦擔任下列上市公司之董事：

於過去三年，陳先生亦曾擔任下列香港上市公司之董事：(a)合動能源控股有限公司（股份代號：578）；太平洋實業控股有限公司（股份代號：767）；(c)中大國際控股有限公司（股份代號：909）；(d)美亞控股有限公司（股份代號：1116）及(e)明基控股有限公司（股份代號：8239）；並曾擔任下列新加坡上市公司之董事：(a) Sunray Holdings Limited（股份代號：S38）。

Biographical Details of Directors and Senior Management

董事及高級管理層履歷

Mr. Li Yuchun, aged 65, is a retired senior bank official. Mr. Li is an economist and has more than 20 years of experience in the banking industry and financial management. He is currently an independent director of Shandong Inspur Software Co. Ltd (Stock Code: SHA 600756), a company listed in the Shanghai Stock Exchange. Mr. Li was appointed an independent non-executive Director of the Company on 18 November 2009. He graduated from People's Liberation Army School of Sailors Politics (中國人民解放軍海軍政治學院) in professional political works in 1986.

Mr. Dai Shunlin, aged 70, is a deputy director of China Institute of Textile Planning and a retired senior engineer. He was appointed an independent non-executive Director of the Company on 18 November 2009. Mr. Dai has more than 40 years in the textile industry. He graduated from the textile engineering department of Wuxi School of Light Industry with a certificate in professional machine knitting in 1966.

SENIOR MANAGEMENT

Mr. Huang Qige, aged 44, joined the Group in 2001 and is currently the secretary to the Board of Directors of Shandong Taifeng Textile Co., Ltd ("Shandong Taifeng"), a wholly owned subsidiary of the Group. Mr. Huang obtained a certificate in physics from Shandong Mineral College (山東礦業學院) in 1989, and a doctoral degree in business administration from American Liberty University in 2005. In 2008, he finished his studies of accountancy with Shandong School of Economics. He has more than 8 years of experience as secretary to the Board of directors.

Mr. Zou Shengcheng, aged 44, joined the Group in 2003. He has more than 16 years of experience in the textile industry. Mr. Zou is the vice general manager of Shandong Taifeng and is responsible for the products development and technology of the Group. He graduated from Shandong School of Textile Industry with a bachelor's degree in textile engineering in 1992.

李玉春先生，65歲，為退休高級銀行職員。李先生為經濟師，於銀行業及財務管理方面擁有逾20年經驗。彼目前為於上海證券交易所上市之公司山東浪潮齊魯軟件產業股份有限公司（股份代號：SHA 600756）之獨立董事。李先生於二零零九年十一月十八日獲委任為本公司獨立非執行董事。彼於一九八六年畢業於中國人民解放軍海軍政治學院政治工作專業。

戴順林先生，70歲，中國紡織規劃研究會副會長及退休高級工程師。彼於二零零九年十一月十八日獲委任為本公司獨立非執行董事。戴先生於紡織業擁有逾40年經驗。彼於一九六六年畢業於無錫輕工業學院紡織工程系機織專業。

高級管理層

黃啟閣先生，44歲，於二零零一年加入本集團，目前為山東泰豐紡織有限公司（「山東泰豐」）（本集團一間全資附屬公司）之董事會秘書。彼於一九八九年畢業於山東礦業學院物理班，於二零零五年取得美國利伯堤大學之工商管理博士學位。於二零零八年，彼修畢山東經濟學院開辦之會計學課程。彼擁有逾八年擔任董事會秘書之經驗。

鄒生成先生，44歲，於二零零三年加入本集團。彼於紡織業擁有逾16年經驗。鄒先生為山東泰豐之副總經理，負責本集團之產品開發及技術工作。彼於一九九二年畢業於山東紡織工學院，取得紡織工程學士學位。

Biographical Details of Directors and Senior Management

董事及高級管理層履歷

Mr. Geng Zhensheng, aged 47, joined the Group in 2001. He has more than 20 years of experience in the textile industry. Mr. Geng is the vice general manager of Shandong Taifeng and is responsible for the production of the Group. He completed secondary school education in Laiwu City in 1982.

Ms. Geng Yanling, aged 40, joined the Group in 2001. She is a certified tax planner in the PRC. She had been in the textile industry since 1992. Ms. Geng is the vice general manager of Shandong Taifeng and is responsible for the finance of the Group. Ms. Geng has been awarded the Model Worker by the Laiwu City People's Government and an Outstanding Person by the Laiwu City Economic and Trade Commission (萊蕪市經濟貿易委員會) in 2008. She obtained a certificate in economics from Harbin Polytechnic University in 2008.

Mr. Zhang Wengsheng, aged 50, is the general manager of the home textile operation and joined the Group in 2011. He is responsible for the operational management of the domestic sales of home textiles. Mr. Zhang graduated from Nankai University in Tianjin in 1991 and obtained a master's degree in history. He held senior management positions at renowned home textile companies such as Luolai and was a senior consultant at 上海襲人營銷諮詢有限公司, with broad-based experience in management and marketing strategies in the home textile industry.

Mr. Pang Wai Hong, aged 48, is the the company secretary of the Company. He is responsible for the statutory compliance and corporate governance matters of the Company. Mr. Pang is a member of the Hong Kong Institute of Certified Public Accountants and a fellow of the Association of Chartered Certified Accountants. He holds a Master of Science (Finance) from the National University of Ireland and a Master of Lighting degree from Queensland University of Technology. Mr. Pang has more than 20 years of financial and auditing experience. Prior to joining the Group in 2009, he was the chief financial officer and company secretary of People's Food Holdings Limited (stock code: P05), a company listed on the Singapore Stock Exchange.

耿振生先生，47歲，於二零零一年加入本集團。彼於紡織業擁有逾20年經驗。耿先生為山東泰豐之副總經理，負責本集團之生產工作。彼於一九八二年在萊蕪市完成中學教育。

耿雁翎女士，40歲，於二零零一年加入本集團。彼為中國註冊納稅籌劃師。彼自一九九二年從事紡織業。耿女士為山東泰豐之副總經理，負責本集團之財務工作。耿女士於二零零八年獲萊蕪市人民政府授予勞動模範稱號，並獲得萊蕪市經濟貿易委員會先進個人榮譽證書。彼於二零零八年畢業於哈爾濱理工大學經濟學專業。

張文升先生，50歲，於二零一一年加入本集團，為家紡事業部總經理。彼負責家紡內銷業務部的營運管理。張先生於一九九一年畢業於天津南開大學，獲歷史學碩士學位。彼曾在羅萊等知名家紡企業擔任高級管理層，亦曾任職於上海襲人營銷諮詢有限公司擔任資深顧問，在家紡行業管理及營銷策劃方面經驗豐富。

彭偉康先生，48歲，為本公司之公司秘書，負責本公司之遵守法規及企業管治事項。彭先生為香港會計師公會會員，並為英國特許公認會計師公會資深會員。彼畢業於National University of Ireland，獲頒理學(財務)碩士學位，並取得Queensland University of Technology之照明學碩士學位。彭先生於財務及審計方面擁有逾20年經驗。彼於二零零九年加入本集團之前，為新加坡交易所上市公司大眾食品控股有限公司(股份代號：P05)之財務總監兼公司秘書。

Directors' Report

董事會報告

The Board is pleased to present this annual report, together with the audited financial statements of the Group for the year ended 31 December, 2012.

CORPORATE REORGANISATION

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

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

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

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the Group are manufacturing and distribution of quality cotton yarns and bedding products in China. The principal activities and other particulars of the subsidiaries of the Company are set out in note 1 and 38 to the consolidated financial statements of this annual report.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December, 2012 are set out in the consolidated statement of comprehensive income on page 56 of this annual report.

The Directors recommend the payment of a final dividend of RMB0.052 per share for the year ended 31 December, 2012 to the shareholders whose names appear on the register of members of the Company on 11 July, 2013. The final dividend is expected to be paid on or around 26 July, 2013.

董事會欣然提呈本年報，連同本集團截至二零一二年十二月三十一日止年度之經審核財務報表。

公司重組

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

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

本公司股份已於二零一零年六月十一日（「上市日期」）在聯交所主板上市。

主要業務

本公司之主要業務為投資控股。本集團之主要業務為在中國從事優質棉紗及床品製造及分銷。本公司附屬公司之主要業務及其他詳情載於本年報綜合財務報表附註1及38。

業績及分派

本集團截至二零一二年十二月三十一日止年度之業績載於本年報第56頁之綜合全面收益表。

董事建議向於二零一三年七月十一日名列本公司股東名冊之股東派付截至二零一二年十二月三十一日止年度之末期股息每股人民幣0.052元。預期末期股息將於二零一三年七月二十六日或前後派付。

Directors' Report

董事會報告

CLOSURE OF REGISTER OF MEMBERS

The register of members will be closed from 19 June, 2013 to 21 June, 2013, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attending and voting at the annual general meeting to be held on 21 June, 2013, all transfers accompanied by the relevant share certificates must be lodged with the Company's Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 18 June, 2013.

The register of members will be closed from 9 July, 2013 to 11 July, 2013, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the abovementioned final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 8 July, 2013.

USE OF PROCEEDS FROM LISTING

The net proceeds (after deduction of related issuance costs) from the Company's initial public offering amounted to approximately RMB383,100,000, equivalent to HK\$435,300,000. The net proceeds were applied up to 31 December, 2012 with the proposed applications set out in the Prospectus, as follows:

- Approximately RMB128.7 million (2011: RMB128.7 million) was used for the expansion of production facilities.
- Approximately RMB254.4 million (2011: RMB160.0 million) was used for the enhancement of sales operations and brand building.

FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five years are set out on page 5 of this annual report.

暫停辦理股份過戶登記

本公司將於二零一三年六月十九日至二零一三年六月二十一日(首尾兩天包括在內)暫停辦理股份過戶登記手續。為符合資格出席將於二零一三年六月二十一日舉行之股東週年大會並於會上投票，所有過戶文件連同相關股票須不遲於二零一三年六月十八日下午四時三十分送達本公司股份過戶登記處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716室。

本公司將於二零一三年七月九日至二零一三年七月十一日(首尾兩天包括在內)暫停辦理股份過戶登記手續。為符合資格領取上述末期股息，所有過戶文件連同相關股票須不遲於二零一三年七月八日下午四時三十分送達本公司股份過戶登記處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716室。

上市所得款項用途

本公司首次公開發售所得款項淨額(經扣除相關發行成本)約為人民幣383,100,000元(相當於435,300,000港元)。於二零一二年十二月三十一日，所得款項淨額已按招股章程所載擬定用途動用如下：

- 約人民幣128,700,000元(二零一一年：人民幣128,700,000元)已用於擴充生產設施。
- 約人民幣254,400,000元(二零一一年：人民幣160,000,000元)已用於加強銷售業務及品牌建立。

財務概要

本集團過去五年之業績及資產負債概要載於本年報第5頁。

Directors' Report

董事會報告

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December, 2012, sales to the Group's five largest customers and the largest customer accounted for 66.3% and 16.2% respectively of the Group's total turnover for the year.

For the year ended 31 December, 2012, the Group's purchases attributable to the five largest suppliers and the largest supplier accounted for 76.1% and 21.7% respectively of the Group's total purchases for the year.

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

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group are set out in note 14 to the consolidated financial statements of this annual report.

LISTING OF THE SHARES AND SHARE CAPITAL OF THE COMPANY

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

Details of the movements during the year in the issued share capital of the Company are set out in note 26 to the consolidated financial statements of this annual report.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

RESERVES

Details of the movements during the year in the reserves of the Group are set out in the consolidated statement of changes in equity on page 58 of this annual report.

主要客戶及供應商

截至二零一二年十二月三十一日止年度，本集團對五大客戶及最大客戶之銷售額分別佔本集團年度總營業額之66.3%及16.2%。

截至二零一二年十二月三十一日止年度，本集團對五大供應商及最大供應商之購貨額分別佔本集團年度購貨總額之76.1%及21.7%。

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

物業、廠房及設備

本集團物業、廠房及設備之變動詳情載於本年報綜合財務報表附註14。

本公司股份及股本上市

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

本公司已發行股本於年內之變動詳情載於本年報綜合財務報表附註26。

購買、出售或贖回本公司上市證券

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

儲備

本集團於年內之儲備變動詳情載於本年報第58頁之綜合權益變動表。

Directors' Report

董事會報告

DISTRIBUTABLE RESERVES

Under the Companies Law of the Cayman Islands, all reserves (including share premium and retained earnings) of the Company may be applied for payment of distributions or dividends to shareholders provided that immediately following the date on which the distribution or dividend is proposed to be paid, the Company is able to pay its debts as they fall due in the ordinary course of business. At 31 December, 2012, distributable reserves of the Company amounted to approximately RMB1,521,356,000.

BANK AND OTHER BORROWINGS

Details of bank and other borrowings of the Group as at 31 December, 2012 are set out in notes 23 to 24 to the consolidated financial statements of this annual report.

CONTINGENT LIABILITIES AND COMMITMENTS

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

SUBSEQUENT EVENTS

The Group had no significant events after the balance sheet date.

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

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

Executive Directors

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

Independent Non-executive Directors

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

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

可供分派儲備

根據開曼群島公司法，本公司所有儲備（包括股份溢價及保留盈利）可用於向股東派付分派或股息，惟於緊隨建議派付分派或股息日期後，本公司必須能夠於日常業務過程中債務到期時支付有關債務。於二零一二年十二月三十一日，本公司之可供分派儲備約為人民幣1,521,356,000元。

銀行及其他借貸

本集團於二零一二年十二月三十一日之銀行及其他借貸詳情載於本年報綜合財務報表附註23至24。

或然負債及承擔

本集團承擔及或然負債之詳情載於本年報綜合財務報表附註35。

結算日後事項

本集團於結算日後並無重大事項。

董事及董事之服務合約

年內及截至本年報日期之董事如下：

執行董事

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

獨立非執行董事

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

董事及高級管理層之履歷詳情載於本年報「董事及高級管理層履歷」一節。

Directors' Report

董事會報告

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

In accordance with the articles of association of the Company, one-third of the Directors or, if the number is not three or a multiple of three, then the number nearest to but not less than one-third, will retire from office by rotation and every Directors shall be subject to retirement at an Annual General Meeting ("AGM") at least once every three years. The Directors to retire every year will be those who have been longest in office since their last re-election or appointment. Accordingly, Mr. Liu Chunwei, Mr. Zou Shengzhong and Mr. Chan Kin Sang shall retire by rotation at the AGM. All the retiring Directors are eligible for re-election.

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

REMUNERATION OF THE DIRECTORS

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

Details of the remuneration of the Directors are set out in note 11 to the consolidated financial statements of this annual report.

The emoluments paid to the senior management (excluding the Directors) during the year ended 31 December, 2012 were within the following bands:

各執行董事及各獨立非執行董事均已經與本公司訂立服務合約，由上市日期起為期三年，惟任何一方可向另一方發出不少於三個月（或雙方協定之較短時期）之事先書面通知而終止。

按照本公司組織章程細則，三分之一董事（或倘人數並非三或三之倍數，則為最接近但不少於三分之一之數目）須輪席退任，而各董事須最少每三年於股東週年大會（「股東週年大會」）上輪席退任一次。每年須退任之董事將為自其最近獲重選或委任以來在任最長時間之董事。因此，劉純衛先生、鄒生忠先生及陳健生先生將在股東週年大會上輪席退任。所有退任董事均合乎資格膺選連任。

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

董事薪酬

董事薪酬乃由薪酬委員會參考董事之職務、責任、表現及本集團業績而釐定。

董事薪酬詳情載於本年報綜合財務報表附註11。

於截至二零一二年十二月三十一日止年度，已付高級管理層（董事除外）之酬金介乎下列幅度：

		Number of Senior Management 高級管理層人數
RMB0 – 500,000	人民幣0元至人民幣500,000元	4
RMB500,001 – 1,000,000	人民幣500,001元至人民幣1,000,000元	1
RMB1,000,001 – 1,500,000	人民幣1,000,001元至人民幣1,500,000元	1
		6

Directors' Report

董事會報告

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

As at 31 December, 2012 and the date of this annual report, the interests and short positions of the Directors and the Chief Executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules are as follows:

Long Position

(a) Long position – Interests in the Company

Name of director 董事姓名	Capacity 身份	Number of ordinary shares 普通股數目	Percentage of the issued share capital of the Company 佔本公司已發行 股本百分比
Mr. Liu Qingping (1) 劉慶平先生(1)	Interest in controlled corporations 於受控制法團之權益	555,000,000	55.50%
	Beneficial owner 實益擁有人	16,234,000	1.62%

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

董事及行政總裁於本公司股份、相關股份及債券之權益及淡倉

於二零一二年十二月三十一日及本年報日期，本公司董事及行政總裁於本公司及其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債券中擁有記錄於根據證券及期貨條例第352條須予備存之登記冊，或根據上市規則附錄十所載上市發行人董事進行證券交易的標準守則（「標準守則」）知會本公司及聯交所之權益及淡倉如下：

好倉

(a) 好倉 – 於本公司之權益

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

Directors' Report

董事會報告

(b) Long position – Interests in an associated corporation

(b) 好倉 – 於相聯法團之權益

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

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

除上文所披露者外，於本年報日期，本公司董事及行政總裁概無於本公司及其相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債券中擁有任何記錄於根據證券及期貨條例第352條須予備存之登記冊，或根據標準守則須知會本公司及聯交所之權益或淡倉。

Directors' Report

董事會報告

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

As at 31 December, 2012, to the best knowledge of the Directors, the following person (other than a Director and Chief Executive of the Company) who had interests or short positions in the shares, underlying shares and debentures of the Company which would fall to be disclosed to the Company under the provision of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

主要股東於股份、相關股份及債券之權益及淡倉

於二零一二年十二月三十一日，就董事所知，以下人士（不包括本公司董事及行政總裁）於本公司之股份、相關股份及債券中擁有根據證券及期貨條例第XV部第2及第3分部之規定須向本公司披露，或記錄於本公司根據證券及期貨條例第336條須予備存之權益登記冊之權益或淡倉如下：

Name	Capacity	Number of ordinary shares	Percentage of the issued share capital of the Company
姓名／名稱	身份	普通股數目	佔本公司已發行股本百分比
Harvest Sun Enterprises Limited (1)	Registered and beneficial owner, beneficiary of a trust	555,000,000	55.50%
富盈企業有限公司(1)	登記及實益擁有人、信託受益人		
Fu Sun Development Limited (2)	Registered and beneficial owner	75,000,000	7.50%
富生發展有限公司(2)	登記及實益擁有人		
Mr. Liu Qingping (3)	Interest in controlled corporation and beneficial owner	571,234,000	57.12%
劉慶平先生(3)	於受控制法團之權益及實益擁有人		
Superior Delight Limited (4)	Registered and beneficial owner	170,768,000	17.08%
佳喜有限公司(4)	登記及實益擁有人		
Mr. Huang Quan	Interest in a controlled corporation	170,768,000	17.08%
黃全先生	於受控制法團之權益		

(1) Harvest Sun Enterprises Limited is owned as to 48.60% by Mr. Liu Qingping and therefore, Mr. Liu Qingping is deemed to be interested in 480,000,000 Shares held directly by Harvest Sun Enterprises Limited.

(1) 富盈企業有限公司由劉慶平先生擁有48.60%之權益，因此，劉慶平先生被視作於富盈企業有限公司直接持有之480,000,000股股份中擁有權益。

(2) Fu Sun Development Limited is wholly-owned by Mr. Liu Qingping and therefore Mr. Liu Qingping is deemed to be interested in 75,000,000 Shares held by Fu Sun Development Limited under the SFO.

(2) 富生發展有限公司由劉慶平先生全資擁有，因此，根據證券及期貨條例，劉慶平先生被視作於富生發展有限公司持有之75,000,000股股份中擁有權益。

(3) Mr. Liu Qingping is deemed to be indirectly interested in 555,000,000 Shares, ie. 55.50% of the issued capital of the Company through his direct interests in Harvest Sun Enterprises Limited under the SFO. Mr. Liu Qingping owns 16,234,000 Shares, ie. 1.62% on his personal interests.

(3) 根據證券及期貨條例，劉慶平先生被視作透過其於富盈企業有限公司之直接權益間接於555,000,000股股份（即本公司已發行股本55.50%）中擁有權益。劉慶平先生於16,234,000股股份（即1.62%）中擁有個人權益。

(4) Superior Delight Limited is wholly-owned by Mr. Huang Quan and Mr. Huang Quan is therefore deemed to be interested in 170,768,000 Shares held by Superior Delight Limited under the SFO.

(4) 佳喜有限公司由黃全先生全資擁有，因此，根據證券及期貨條例，黃全先生被視作於佳喜有限公司持有之170,768,000股股份中擁有權益。

Directors' Report

董事會報告

Save as disclosed above, as at 31 December, 2012, no person, other than the Directors and Chief Executives of the Company whose interests are set out in the section "Directors' and Chief Executive's Interests And Short Positions In Shares, Underlying Shares And Debentures" above, had any interest or short positions in the shares, underlying shares or debentures of the Company which are required to be notified to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

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

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

DIRECTORS' INTERESTS IN COMPETING BUSINESS

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

INDEPENDENCE OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

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

ARRANGEMENT TO ACQUIRE SHARES OR DEBENTURES

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

SHARE OPTION SCHEME

The Company does not have any share option scheme.

除上文所披露者外，於二零一二年十二月三十一日，概無人士（不包括已於上文「董事及行政總裁於股份、相關股份及債券之權益及淡倉」一節載列權益之本公司董事及行政總裁）於本公司之股份、相關股份或債券中擁有任何根據證券及期貨條例第XV部第2及第3分部之規定須知會本公司及聯交所，或記錄於本公司根據證券及期貨條例第336條須予備存之權益登記冊之權益或淡倉。

董事於重大合約之權益

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

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

董事於競爭業務之權益

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

獨立非執行董事之獨立性

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

購買股份或債券之安排

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

購股權計劃

本公司並無任何購股權計劃。

Directors' Report

董事會報告

MANAGEMENT CONTRACTS

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

REMUNERATION POLICY

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

RETIREMENT BENEFITS SCHEME

Particulars of the retirement benefits scheme of the Group are set out in note 29 to the consolidated financial statements of this annual report.

PRE-EMPTIVE RIGHTS

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

SUFFICIENCY OF PUBLIC FLOAT

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

AUDITORS

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

On behalf of the Board
Liu Qingping
Chairman
Hong Kong, 28 March, 2013

管理合約

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

薪酬政策

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

退休福利計劃

本集團退休福利計劃詳情載於本年報綜合財務報表附註29。

優先購買權

本公司組織章程細則或本公司註冊成立所在開曼群島之公司法並無優先購買權條文。

充足公眾持股量

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

核數師

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

代表董事會
主席
劉慶平
香港，二零一三年三月二十八日

Corporate Governance Report

企業管治報告

THE CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions on Corporate Governance Practices (effective until 31 March 2012) and the Corporate Governance Code (the “CG Code”) (effective from 1 April 2012) as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) as its own code of corporate governance. The directors of the Company (the “Directors”) consider that the Company has complied with all the code provisions as set out in the CG Code throughout the financial year and up to the date of this annual report.

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

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

MODEL CODE FOR DIRECTORS’ SECURITIES TRANSACTIONS

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

企業管治常規

本公司已採納香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四所載之企業管治常規（有效期至二零一二年三月三十一日）及企業管治守則（「企管守則」）（由二零一二年四月一日起生效）之守則條文，作為其本身之企業管治守則。本公司董事（「董事」）認為，於整個財政年度及截至本年報日期為止，本公司一直遵守企管守則所載之全部守則條文。

董事致力維持本公司之企業管治，以確保具有正式及具透明度之程序保障及謀求本公司股東之最大利益。

本報告羅列本公司於整個財政年度及截至本年報日期（「回顧期間」）為止所採納及遵守之原則及企業管治常規。

董事進行證券交易之標準守則

本公司已採納上市規則附錄十所載董事進行證券交易的標準守則（「標準守則」），作為其董事進行證券交易之行為守則。董事定期會獲提醒彼等於標準守則下之責任。經本公司作出具體查詢後，全體董事確認，彼等於整個回顧期間一直遵守標準守則所載之規定標準。

Corporate Governance Report

企業管治報告

BOARD OF DIRECTORS

Functions of the Board

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

Board Composition

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

As at 31 December, 2012 and at the date of this annual report, the Board comprises five executive Directors and three independent non-executive Directors. The composition of the Board are as follows:

Executive Directors

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

Independent Non-executive Directors

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

The biographical details of all Directors are set out on pages 25 to 28 of this annual report. Save as disclosed in this annual report, none of the Directors has any other financial, business, family or other material or relevant relationships among members of the Board.

Each of the executive Directors of the Company entered into a service contract with the Company for an initial term of three years commencing from the date of the Listing and may only be terminated in accordance with the provisions of the service contract after the first year of service of the Director by either party giving to the other not less than three months' prior notice in writing.

董事會

董事會職能

董事會之主要職能為考慮及批准本集團之各項策略、財務目標、年度預算及投資建議，以及承擔本集團企業管治之責任。董事會將執行日常營運、推行商業策略及管理本集團業務之權力及責任授予執行董事及高級管理人員，並將若干特定責任下放予各董事會委員會。

董事會組成

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

於二零一二年十二月三十一日及本年報日期，董事會由五名執行董事及三名獨立非執行董事組成。董事會成員如下：

執行董事

劉慶平先生 (*主席*)
李登祥先生
亓同麗女士
劉純衛先生 (*行政總裁*)
鄒生忠先生

獨立非執行董事

陳健生先生
李玉春先生
戴順林先生

全體董事之履歷詳情載於本年報第25至28頁。除本年報所披露者外，董事與董事會成員之間概無任何其他財務、業務、家族或其他重大或相關關係。

本公司各執行董事已與本公司訂立服務合約，任期自上市日期起計初步為期三年。服務合約於董事第一年任期屆滿，並由任何一方透過向另一方發出不少於三個月之事先書面通知後，方可根據服務合約條文予以終止。

Corporate Governance Report

企業管治報告

The Company has issued an appointment letter to each of the non-executive Directors and Independent non-executive Directors of the Company for a term of three years commencing from the date of the Listing unless terminated by either party giving to the other not less than two months prior notice in writing.

Chairman and Chief Executive Officer

CG Code provision A.2.1 stipulates that the roles of chairman and chief executive officer should not be performed by the same individual. To ensure a balance of power and authority, the Company has appointed Mr. Liu Qingping as Chairman and Mr. Liu Chunwei as Chief Executive Officer. Mr. Liu Qingping and Mr. Liu Chunwei are both founders of the Group and possess rich knowledge and experience of the textile industry. The Chairman is responsible for the leadership and effective running of the Board and ensuring that all material issues are discussed by the Board in a timely and constructive manner. The Chief Executive Officer is responsible for the management of the day-to-day operations of the Group's business and the implementation of the approved strategies of the Group. In addition, each executive Director is responsible for the management of the different functions of the business of the Group.

Independent Non-executive Directors

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

Appointment and Re-election of Directors

Each of the Executive Directors and independent non-executive Directors has entered into a service contract with the Company for a term of three years commencing from the date of the Listing, subject to termination by either party giving the other not less than 3 months' prior written notice or such shorter period as both parties may agree. In accordance with the articles of association of the Company, one-third of the Directors or, if the number is not three or a multiple of three, then the number nearest to but not less than one-third, will retire from office by rotation and every Directors shall be subject to retirement at an annual general meeting at least once every three years. The Directors to retire every year will be those who have been longest in office since their last re-election or appointment.

本公司已向本公司每名非執行董事及獨立非執行董事發出委聘書，除非任何一方向另一方發出不少於兩個月之事先書面通知予以終止，否則任期自上市日期起計初步為期三年。

主席及行政總裁

企管守則第A.2.1條規定，主席及行政總裁之職務不應由同一人兼任。為確保權力及授權之平衡，本公司已委任劉慶平先生為主席及委任劉純衛先生為行政總裁。劉慶平先生及劉純衛先生均為本集團創始人，於紡織業擁有豐富知識及經驗。主席負責領導董事會及其有效運作，並確保董事會能適時地以有建設性之方式商討所有重大議題。行政總裁負責本集團業務之日常營運管理及推行本集團經批准之策略。此外，各執行董事負責管理本集團業務之不同職能。

獨立非執行董事

遵照上市規則第3.10(1)條之規定，本公司已委任三名獨立非執行董事，佔董事會人數超過三分之一。在該三名獨立非執行董事中，有一名（李玉春先生）具備上市規則第3.10(2)條所規定之合適相關財務管理專業知識。本公司已收到各獨立非執行董事根據上市規則第3.13條所發出有關其獨立身份之確認書。董事會基於此等確認書，視全體獨立非執行董事為獨立人士。

董事之委任及連任

各執行董事及各獨立非執行董事均與本公司訂立服務合約，任期由上市日期起計為期三年，惟任何一方可向另一方發出不少於三個月（或雙方協定之較短時期）之事先書面通知予以終止。按本公司組織章程細則之規定，董事人數之三分之一（或倘董事人數並非三或三之倍數，則為最接近但不少於三分之一之人數）必須輪席退任，而每名董事須最少每三年在股東週年大會上退任一次。每年須退任之董事為自上次重選或委任後任期最長之董事。

Corporate Governance Report

企業管治報告

Board Meetings and Board Practices

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

During the Period Under Review, the Board convened 4 board meetings. Details of the attendance of Directors are as follows:

董事會會議及董事會常規

本公司已採納一項常規，執行董事於整個年度定期舉行董事會會議，而執行及非執行董事則每年最少舉行四次會議。每當須要董事會就某一事宜作決定時，董事會亦會於其他時間召開會議。本公司之公司秘書（「公司秘書」）將協助主席編製會議議程，而各董事均可要求將任何事宜加入議程之內。本公司一般於舉行常規會議前至少14日發出通告。董事將於舉行各董事會會議至少3日前收到詳細議程，以便作出決定。所有董事將獲得充分資源以履行其職責，並在合理要求下，可按合適情況尋求獨立專業意見，費用由本公司承擔。公司秘書負責確保各董事遵守董事會會議程序，並就遵守董事會會議程序之事宜向董事會提供意見。董事會會議之所有會議記錄，已詳細記錄董事會所考慮之事項及達致之決定。

於回顧期間內，董事會召開了4次董事會會議。各董事之出席詳情如下：

Name of Directors	董事姓名	No. of Board meetings attended/held 出席／舉行董事會會議次數
Executive Directors	執行董事	
Mr. Liu Qingping (<i>Chairman</i>)	劉慶平先生 (主席)	4/4
Mr. Li Dengxiang	李登祥先生	4/4
Ms. Qi Tongli	仵同麗女士	4/4
Mr. Liu Chunwei (<i>Chief Executive Officer</i>)	劉純衛先生 (行政總裁)	4/4
Mr. Zou Shengzhong	鄒生忠先生	4/4
Independent Non-executive Directors	獨立非執行董事	
Mr. Chan Kin Sang	陳健生先生	4/4
Mr. Li Yuchun	李玉春先生	4/4
Mr. Dai Shunlin	戴順林先生	4/4

CONTINUOUS TRAINING AND DEVELOPMENT

During the Period Under Review, Directors are provided with regular updates on the Company's performance, position and prospects to enable the board as a whole and each Director to discharge their duties. In addition, all Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Company updates Directors on the latest development regarding the Listing Rules and other applicable regulatory requirements from time to time, to ensure compliance and enhance their awareness of good corporate governance practices.

持續培訓及發展

於回顧期間，董事定期獲提供有關本公司表現、狀況及前景之最新資料，以便董事會整體及個別董事履行其職責。此外，全體董事獲鼓勵參與持續專業發展，將其知識及技能溫故知新。本公司按照上市規則及其他適用監管規定不時向董事提供有關最新發展資料，確保合規及提高董事對良好企業管治常規之認知。

Corporate Governance Report

企業管治報告

During the Period Under Review, the Company has also organized a briefing sessions conducted by Messrs. DLA Piper Hong Kong for all the Directors of the Company and all the Directors attended such briefing sessions. The briefing sessions covered topics including the new Corporate Governance Code, the disclosure of price sensitive information and the latest development regarding the Listing Rules.

於回顧期間，本公司亦曾為全體董事籌辦一個由歐華律師事務所主持之簡介會，全體董事均有出席。是次簡介會涵蓋主題包括新企業管治守則、披露價格敏感資料及上市規則之最新發展。

		Briefings and updates on the business, operation and corporate governance matters	Attending seminars, workshops or exhibitions relevant to the business or directors' duties
		有關業務、營運及企業管治事宜之簡介及最新資料	出席與業務或董事職責相關之研究會、工作坊或展覽
Executive Directors			
Mr. Liu Qingping (<i>Chairman</i>)	執行董事 劉慶平先生 (主席)	✓	✓
Mr. Li Dengxiang	李登祥先生	✓	✓
Ms. Qi Tongli	齊同麗女士	✓	✓
Mr. Liu Chunwei	劉純衛先生	✓	✓
Mr. Zou Shengzhong	鄒生忠先生	✓	✓
Independent Non-executive Directors			
Mr. Chan Kin Sang	獨立非執行董事 陳健生先生	✓	✓
Mr. Li Yuchun	李玉春先生	✓	✓
Mr. Dai Shunlin	戴順林先生	✓	✓

COMPANY SECRETARY

Mr. Pang Wai Hong was appointed as the Company Secretary in 2009. His biographical details are set out in the section headed "Biographical Details of Directors and Senior Management" in the annual report. During the Period Under Review, Mr. Pang attended relevant professional training for not less than 15 hours pursuant to new Rule 3.29 of the Listing Rules.

公司秘書

彭偉康先生於二零零九年獲委任為公司秘書，其履歷詳情載於年報「董事及高級管理層履歷」一節。於回顧期間，彭先生已根據上市規則新第3.29條出席不少於15小時之相關專業培訓。

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE AND INDEMNITY

The Company has arranged appropriate liability insurance to indemnify its Directors and officers in respect of legal actions against the Directors. Throughout the Period Under Review, no claim had been made against the Directors and the officers of the Company.

董事及高級職員之責任保險及彌償保證

本公司已安排適當責任保險，以就針對董事之法律訴訟向董事及高級職員作出彌償保證。於回顧期間，並無任何人士向本公司董事及高級職員提出索償。

Corporate Governance Report

企業管治報告

BOARD COMMITTEES

Audit Committee

Composition

The Audit Committee of the Company comprises three members, all are independent non-executive Directors, namely Mr. Li Yuchun (Chairman), Mr. Chan Kin Sang and Mr. Dai Shunlin. The primary duties of the Audit Committee are:

- (a) to consider and make recommendation to the Board on (i) the appointment, reappointment and removal of the external auditor; (ii) the audit fee and the terms of engagement of the external auditor; and (iii) any questions of resignation or dismissal of that auditor, taking into account the quality and rigour of the audit, the quality of the audit service provided, the auditing firm's quality control procedures, relationships between the external auditors and the Company, and the independence of the auditors. The external auditors appointed by the Company shall be approved by the Shareholders at the AGM;
- (b) to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards issued from time to time by the Hong Kong Institute of Certified Public Accountants, to discuss with the external auditor before the audit commences, the nature and scope of the audit and reporting obligations, and to ensure co-ordination where more than one audit firm is involved;
- (c) to develop and implement policy on engaging external auditor (which includes any entity that is under common control, ownership or management with the audit firm or any entity that a reasonable and informed third party knowing of all relevant information would reasonably conclude to be part of the audit firm nationally or internationally) to supply non-audit services, to report to the board, identifying and making recommendations on any matters where action or improvement is needed;
- (d) to act as the principal representative of the Company with the external auditor and to monitor the relationship between the Company and the external auditor

董事會委員會

審核委員會

組成

本公司之審核委員會由三名成員組成，分別為李玉春先生（主席）、陳健生先生及戴順林先生，彼等均為獨立非執行董事。審核委員會之主要職責如下：

- (a) 就下述事項作出考慮及向董事會提出推薦：(i)外部核數師的委任、續聘及罷免；(ii)外部核數師的審核費及聘用條款及(iii)有關該核數師請辭或罷免的任何事宜，考慮因素包括審核的品質及嚴格程度、所提供審核服務的品質、審核機構的品質控制程式、外部核數師與本公司的關係、以及核數師的獨立性等。本公司委任的外部核數師須獲股東在股東周年大會上批准；
- (b) 按照香港會計師公會不時頒佈的適用標準，審議及監查外部核數師的獨立性與客觀性及審核程式的有效性；在開始審核前與外部核數師討論審核的性質與範圍及申報責任，若聘用超過一家核數師事務所，則負責協調各方；
- (c) 擬定與實施外部核數師（包括與核數師事務所由同一機構控制、擁有或管理的任何實體，或一位元掌握一切有關資料的合理知情第三方會合理地認為在全國或國際範圍內屬於該核數師事務所一部分的任何實體）聘用政策，以提供非審核服務、查找其認為須採取行動或改善措施的任何事宜，向董事會作出彙報並提出建議；
- (d) 擔任本公司與外部核數師之間的主要代表，負責監察二者之間的關係；

Corporate Governance Report

企業管治報告

- (e) to monitor integrity of financial statements of the Company and the Company's annual report and accounts, interim report and quarterly financial highlights (or quarterly reports if prepared for publication), and to review significant financial reporting judgments contained in them. In reviewing these reports before submission to the Board, focusing particularly on:
- (i) any changes in accounting policies and practices;
 - (ii) major judgmental areas;
 - (iii) significant adjustments resulting from the audit;
 - (iv) the going concern assumption and any qualification;
 - (v) compliance with accounting standards, and
 - (vi) compliance with stock exchange and legal requirements;
- (f) in conducting the review described in (d) above, members of the Committee:
- (i) should liaise with the Board and Senior Management and meet with the auditors at least twice a year; and
 - (ii) consider any significant or unusual items that are, or may need to be, reflected in such reports and accounts and must give due consideration to any matters that have been raised by the Company's staff responsible for the accounting and financial reporting function, compliance officer(s) or auditors;
- (g) to review the Company's financial controls, internal control and risk management systems;
- (h) to discuss the internal control system with management to ensure that management has performed its duty to have an effective internal control system. The discussion should include the adequacy of resources, staff qualifications and experience, training programme and budget of the Company's accounting and financial reporting function;
- (i) to consider major investigation findings on internal control matter as delegated by the board or on its own initiative and management's response to these findings;
- (j) to review the Company's statement on its internal control systems (where one is included in the annual report) prior to endorsement by the Board;
- (e) 監查本公司財務報表及本公司年報與年度賬目、中期報告及季度財務摘要（或季度報告，如擬刊發），並審閱報表及報告所載有關財務申報的重大意見。委員會在向董事會提交有關報表及報告前，應特別審議以下各項：
- (i) 會計政策與應用的任何變更；
 - (ii) 需作判斷的主要領域；
 - (iii) 因審核而作出的重大調整；
 - (iv) 持續經營假設及任何保留意見；
 - (v) 遵行會計準則；及
 - (vi) 遵行交易所及法律要求；
- (f) 成員進行上文(d)所述審議時：
- (i) 應與董事會及高層管理人員保持聯繫，及每年最少與核數師會晤兩次；及
 - (ii) 考慮報告與賬目所反映或可能需要反映的任何重大或不尋常事宜，並且必須對本公司屬下會計及財務彙報職員、審查主任或核數師提出的任何事項作適當考慮；
- (g) 檢討本公司的財務監控、內部監控及風險管理系統；
- (h) 與管理層討論內部監控系統，確保管理層已履行責任，實施有效的內部監控系統，討論內容應包括本公司在會計及財務彙報職能方面的資源、員工資歷及經驗是否足夠，以及員工所接受的培訓課程及有關預算又是否充足；
- (i) 主動或應董事會的委派，就有關內部監控事宜的重要調查結果及管理層對調查結果的回應進行研究；
- (j) 在董事會確認前，審議本公司的內部監控系統聲明（將載於年報內）；

Corporate Governance Report

企業管治報告

- (k) to review and monitor the effectiveness of the internal audit programme, ensure co-ordination between the internal and external auditors, and ensure that the internal audit function is adequately resourced and has appropriate standing within the Company;
 - (l) 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;
 - (m) to review the Company's financial and accounting policies and practices;
 - (n) to review the external auditor's management letter, any material queries raised by the auditor to management about accounting records, financial accounts or systems of control and management's response;
 - (o) to ensure that the Board will provide a timely response to the issues raised in the external auditor's management letter;
 - (p) to report to the Board on the matters set out in paragraph C.3.3 of the CG Code (as amended from time to time);
 - (q) to review the following matters set up by the Company: employees of the Company can report any irregularities, on a confidential basis, identified in relation to financial reporting, internal control and other matters. The Committee should ensure that the Company has appropriate arrangement to ensure that any reported matters will be investigated on a fair and independent basis and appropriate actions will be taken; and
 - (r) to consider other topics, as defined by the Board.
- (k) 審議及監察內部審核計畫的有效性，確保內部核數師與外部核數師的協調，確保內部審核職能獲提供充分資源運作，並且有適當的地位以及檢討及監控其成效；
 - (l) 考慮董事會授權或委員會自行作出的有關內部監控事宜的內部調查主要結果，以及考慮管理層的回應；
 - (m) 檢討本公司的財務及會計政策與準則；
 - (n) 檢查外聘核數師給予管理層的「審核情況說明函件」、核數師就會計紀錄、財務賬目或監控系統向管理層提出的任何重大疑問及管理層作出的回應；
 - (o) 確保董事會對外部核數師的「審核情況說明函件」提出的事宜，作出及時回應；
 - (p) 就企業管治守則（以最新修訂版為準）第C.3段所述事項，向董事會作出彙報；
 - (q) 檢討本公司設定的以下安排：本公司雇員可暗中就財務彙報、內部監控或其他方面可能發生的不正當行為提出關注。委員會應確保有適當安排，讓本公司對此等事宜作出公平獨立的調查及採取適當行動；及
 - (r) 考慮及研究董事會所界定的其他事項。

The Audit Committee has reviewed the audited consolidated financial statements of the Group for the year ended 31 December, 2012 and the unaudited interim financial report for the six months ended 30 June, 2012, including the accounting principles and practice adopted by the Group.

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年度之經審核綜合財務報表及截至二零一二年六月三十日止六個月之未經審核中期財務報告，包括本集團所採納之會計原則及慣例。

Corporate Governance Report

企業管治報告

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

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

於回顧期間內，審核委員會已執行彼等之主要職務，檢討及監督本公司財務申報程序及內部監控程序，亦曾於執行董事及管理層缺席下與本公司核數師德勤•關黃陳方會計師行（「德勤」）舉行多次會議，商討本公司之審核、內部監控及財務申報事宜。

審核委員會會議之成員出席詳情如下：

Name of Directors	董事姓名	No. of meetings attended/held 出席／舉行 會議次數
Independent Non-executive Directors		
Mr. Chan Kin Sang	陳健生先生	4/4
Mr. Li Yuchun	李玉春先生	4/4
Mr. Dai Shunlin	戴順林先生	4/4

Remuneration Committee

薪酬委員會

Composition

組成

The Remuneration Committee of the Company comprises three members, namely Mr. Dai Shunlin (Chairman), Mr. Li Yuchun and Mr. Liu Qingping, the majority of which are independent non-executive Directors.

本公司之薪酬委員會由三名成員組成，分別為戴順林先生（主席）、李玉春先生及劉慶平先生，大多數成員均為獨立非執行董事。

The primary functions of the Remuneration Committee are:

薪酬委員會之主要職責如下：

- | | |
|---|---|
| <p>(a) to make recommendations to the Board on the Company's policy and structure of the remuneration of the Directors and the Senior Management and on the establishment of a formal and transparent procedure for developing remuneration policy;</p> | <p>(a) 就本公司董事及高層管理人員的薪酬政策及架構，及就制訂此等薪酬政策設立正規而具透明度的程式，向董事會作出推薦；</p> |
| <p>(b) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;</p> | <p>(b) 向董事會建議個別執行董事及高級管理人員的薪酬待遇，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），並就非執行董事的薪酬向董事會提出建議；</p> |
| <p>(c) to make recommendations to the Board on the remuneration packages of individual executives, Directors and Senior Management;</p> | <p>(c) 回應董事會所訂企業方針及目標而檢討及批准薪酬建議；</p> |
| <p>(d) to review and approve the remuneration payable to the executive Directors and Senior Management in connection with any loss or termination of their office or appointment to ensure that such remuneration is determined in accordance with contractual terms and is otherwise fair and not excessive;</p> | <p>(d) 審議及批准向執行董事及高層管理人員支付與喪失或終止職務或委任有關的賠償，以確保該等賠償按有關合約條款厘定，若未能與合約條款一致，賠償亦須公平合理，不致過多；</p> |

Corporate Governance Report

企業管治報告

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| <p>(e) 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;</p> <p>(f) to ensure that no Director or any of his associates (as defined in the Listing Rules) is involved in deciding his own remuneration; and</p> <p>(g) with respect to any service contracts of Directors that require the Shareholders' approval under Rule 13.68 of the Listing Rules, to advise the Shareholders as to whether the terms are fair and reasonable, whether such contracts are in the interests of the Company and its Shareholders as a whole, and as to how to vote.</p> | <p>(e) 審議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，以及賠償在其他方面合理及適當；</p> <p>(f) 確保任何董事或其任何聯繫人（按上市規則定義）不得參與厘訂他自己的薪酬；及</p> <p>(g) 就根據上市規則第13.68條規定須取得股東批准的任何董事服務合約的條款是否公平合理、合約是否符合本公司及股東整體利益，以及應如何進行表決，向股東提出建議。</p> |
|--|---|

The Remuneration Committee met once during the Period Under Review and had performed the following:

薪酬委員會於回顧期間內曾舉行一次會議，並已進行下列各項：

- | | |
|---|--|
| <p>(i) assessing individual performance of the Directors and Senior Officers of the Group;</p> <p>(ii) reviewing specific remuneration packages of the Directors and Senior Officers of the Group with reference to the Board's corporate goals and objectives as well as individual performances; and</p> <p>(iii) reviewing and making recommendations to the Board on compensation related issues.</p> | <p>(i) 評估本集團董事及高級職員之個別表現；</p> <p>(ii) 參照董事會之企業目標及目的以及個別表現，檢討本集團董事及高級職員之特定薪酬待遇；及</p> <p>(iii) 檢討有關薪酬相關問題，並向董事會提供建議。</p> |
|---|--|

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

薪酬委員會會議之成員出席詳情如下：

Name of Directors	董事姓名	No. of meetings attended/held 出席／舉行會議次數
Independent Non-executive Directors	獨立非執行董事	
Mr. Dai Shunlin	戴順林先生	1/1
Mr. Li Yuchun	李玉春先生	1/1
Executive Director	執行董事	
Mr. Liu Qingping	劉慶平先生	1/1

Remuneration of Directors

董事薪酬

The Company has adopted full disclosure of remunerations of Directors with disclosure by name, amount and type in note 11 to the financial statements.

本公司已採納全面披露董事薪酬，並於財務報表附註11按照彼等之姓名、金額及類別予以披露。

Corporate Governance Report

企業管治報告

Nomination Committee

Composition

The Nomination Committee of the Company currently comprises three members, namely Mr. Chan Kin Sang (Chairman), Mr. Dai Shunlin and Mr. Liu Qingping, the majority of which are independent non-executive Directors.

The primary function of the Nomination Committee are as follows:

- (a) to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and to make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- (b) to identify individuals suitably qualified to become board members and select or make recommendations to the Board on the selection of individuals nominated for directorship;
- (c) to assess the independence of the INEDs, having regard to the requirements under the Listing Rules; and
- (d) to make recommendations to the Board on relevant matters relating to the appointment of Directors and succession planning for Directors in particular, the Chairman and the Managing Director.

All appointments of directors were nominated by the Nomination Committee based on considerations including vacancy available, competence and experience, possession of requisite skills and qualifications, independence and integrity.

The Nomination Committee met once during the Period Under Review and had performed the following:

- (a) reviewing and evaluating the composition of the Board with reference to certain criteria. These criteria included qualifications required under the Listing Rules or any other relevant laws regarding characteristics and skills of the Directors, professional ethics and integrity, appropriate professional knowledge and industry experience, as well as ability to devote sufficient time to the work of the Board and its committees and to participate in all Board meetings and shareholders' meetings;
- (b) reviewing and recommending the re-appointment of the retiring Directors for re-election at the previous general meeting; and
- (c) assessing independence of the Independent Non-Executive Directors.

提名委員會

組成

本公司之提名委員會目前由三名成員組成，分別為陳健生先生（主席）、戴順林先生及劉慶平先生，大多數成員均為獨立非執行董事。

提名委員會之主要職責如下：

- (a) 至少每年檢討董事會結構、人數及組成（包括技能、知識及經驗方面），並就任何為配合本公司的公司策略而擬對董事會作出的變動提出建議；
- (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) 參照上市規則的要求，評核獨立非執行董事的獨立性；及
- (d) 就董事的委任及董事繼任計畫（尤其是主席及董事總經理）的有關事宜，向董事會作出推薦。

所有董事之委任均由提名委員會根據職位空缺、候選人之能力及經驗、候選人是否具備必要技能及資格，以及候選人之獨立身份和行事持正等考慮因素而提名。

提名委員會於回顧期間內曾舉行一次會議，並已進行下列各項：

- (a) 參照若干準則檢討及評價董事會組成。該等準則包括上市規則或任何其他相關法例規定須具備的資格，包括董事個性及技能、專業操守及誠信、適合的專業知識及行業經驗、能否付出足夠時間參與董事會及其委員會之工作以及參與所有董事會會議及股東大會；
- (b) 檢討續聘於之前股東大會上膺選連任之退任董事，並提供建議；及
- (c) 評估獨立非執行董事之獨立性。

Corporate Governance Report

企業管治報告

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

提名委員會會議之成員出席詳情如下：

Name of Directors	董事姓名	No. of meetings attended/held 出席／舉行會議次數
Independent Non-executive Directors	獨立非執行董事	
Mr. Chan Kin Sang	陳健生先生	1/1
Mr. Dai Shunlin	戴順林先生	1/1
Executive Director	執行董事	
Mr. Liu Qingping	劉慶平先生	1/1

ACCOUNTABILITY AND AUDIT

問責及審核

Directors' and Auditors' Responsibilities for the Financial Statements

董事及核數師對財務報表之責任

The Directors understand and acknowledge their responsibility for making sure that the financial statements for each financial year are prepared to reflect the true and fair view of the state of affairs, results and cash flow of the Group and in compliance with relevant law and disclosure provisions of the Listing Rules. In preparing the financial statements for the year ended 31 December, 2012, the Board has selected suitable accounting policies and applied them consistently, made judgments and estimates that are prudent, fair and reasonable and prepared the financial statements on a going concern basis. The Directors are responsible for taking all reasonable and necessary steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities. The Directors also warrant that the Group's financial statements will be published in a timely manner.

董事理解及知悉彼等有責任確保各財政年度之財務報表乃為真實而公允地反映本集團之營運狀況、業績與現金流量而編製，並須符合相關法例及上市規則之披露條文。編製截至二零一二年十二月三十一日止年度之財務報表時，董事會已選取適當會計政策並貫徹應用，作出審慎、公允而合理之判斷及估計，以及按持續經營基準編製財務報表。董事有責任採取一切合理而必須之措施保障本集團之資產，並且防止及偵察欺詐及其他不正常情況。董事亦保證本集團之財務報表將會適時刊發。

External Auditors

外聘核數師

The Group appointed Messrs. Deloitte Touche Tohmatsu as the Group's external auditors. The acknowledgement of their responsibilities on the financial statements is set forth in the Independent Auditors' Report on page 54 to 55 of this annual report.

本集團已委任德勤•關黃陳方會計師行為本集團之外聘核數師。彼等對財務報表責任之認知函件，載於本年報第54至55頁之獨立核數師報告。

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

於本財政年度內，就核數及非核數服務已付或應付德勤之薪酬如下：

Types of Services	服務類別	RMB'000 人民幣千元
Audit services	核數服務	2,293
Non-audit services	非核數服務	187

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

上述非核數服務包括有關稅務及審閱業務內部監控之專業顧問服務。

Corporate Governance Report

企業管治報告

Internal Control

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

During the financial year, the Company has conducted a review of the effectiveness of the Group's internal control systems of major operating segment of the Company with the assistance of an independent professional accounting firm. The Directors are of the view that the existing system of internal control is effective and adequate to the Group. No significant areas of concern which might affect shareholders were identified.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the following corporate governance duties as required under the Revised CG Code:

- (a) to develop and review the Company's policies and practices on corporate governance;
- (b) to review and monitor the training and continuous professional development of the Directors and senior officers of the Group;
- (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (d) to develop, review and monitor the codes of conduct applicable to employees and the Directors; and
- (e) to review the Company's compliance with the CG Code and the Revised CG Code and disclosure in this Corporate Governance Report.

During the Period Under Review, the Board considered the following corporate governance matters:

- (i) review of the compliance with the Model Code and disclosure in this Corporate Governance Report; and
- (ii) review of the effectiveness of the internal controls of the Group by the Audit Committee.

內部監控

董事會對維持本集團穩健有效之內部監控制度負有整體責任。由於沒有一個具成本效益之內部監控制度可絕對保證不出現損失或錯誤陳述，本集團之內部監控及制度乃為可合理保證資產得到保障、營運控制到位、業務風險得到合適保護、會計記錄得到妥善存置，以及於業務與就登載所使用之財務資料乃合理及準確而設。

於本財政年度內，本公司在一家獨立專業會計師行協助下，對本集團內部監控制度在本公司主要經營分部之效益進行了檢討。董事認為，現有內部監控制度對本集團而言屬有效及足夠。概無發現有任何重大問題可能影響股東。

企業管治職能

董事會有責任根據經修訂企業管治守則履行下列企業管治職責：

- (a) 制定及檢討本公司之企業管治政策及常規；
- (b) 檢討及監察本集團董事及高級管理人員之培訓及持續專業發展；
- (c) 檢討及監察本公司遵守法定及監管規定之政策及慣例；
- (d) 制定、檢討及監察適用於僱員及董事之行為守則；及
- (e) 檢討本公司有否遵守企業管治守則及經修訂企業管治守則，以及審閱本企業管治報告中之披露資料。

於回顧期間，董事會已考慮以下企業管治事宜：

- (i) 檢討有否遵守標準守則及審閱本企業管治報告中之披露資料；及
- (ii) 透過審核委員會檢討本集團之內部監控成效。

Corporate Governance Report

企業管治報告

SHAREHOLDERS RIGHTS

Convening of extraordinary general meeting on requisition by shareholders

Pursuant to Articles 58 of the Company's Articles of Association, any one or more shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at the general meetings of the Company shall at all times have the right, by written requisition to the Board or the Secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Procedures for putting forward proposals at general meetings by shareholders

There are no provision allowing shareholders to move new resolutions at general meetings under the Cayman Islands Companies Law or the Articles of Association of the Company. Shareholders who wish to move a resolution may request the Company to convene a general meeting following the procedures set out in the preceding paragraph.

As regards, proposing a person for election as a Director, please refer to the procedures available on the websites of the Company.

Procedures for directing shareholders' enquiries to the board

Shareholders may at any time send their enquiries and concerns to the Board in writing to the Company's principal place of business in Hong Kong at Room 911, 9/Floor, Block A, Hunghom Commercial Centre, 39 Ma Tau Wai Road, Hung Hom, Kowloon, Hong Kong.

INVESTOR RELATIONS AND COMMUNICATION WITH SHAREHOLDERS

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

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

股東權利

應股東要求召開股東特別大會

根據本公司組織章程細則第58條，任何一位或以上於遞呈要求日期持有不少於本公司實繳股本（附有本公司股東大會上投票權）十分之一的股東於任何時候有權透過向本公司董事會或秘書發出書面要求，要求董事會召開股東特別大會，以處理有關要求中指明之任何事項；且該大會應於遞呈該要求後兩個月內舉行。倘遞呈後二十一日內，董事會未有召開該大會，則遞呈要求人士可自行以同樣方式召開大會，而遞呈要求人士因董事會未有召開大會而合理產生之所有開支應由本公司向遞呈要求人士作出償付。

股東於股東大會上提呈建議之程序

根據開曼群島公司法或本公司組織章程細則，並無允許股東於股東大會上動議新決議案之條文。有意動議一項決議案之股東可依照上一段所載之程序要求本公司召開股東大會。

有關提名一名人士參選董事之程序請參閱本公司網站。

向董事會發出股東查詢之程序

股東可於任何時間向董事會提出查詢及其關注事項，方法為以書面將有關查詢及事項送交本公司之香港主要營業地點，地址為香港九龍紅磡馬頭圍道39號紅磡商業中心A座9樓911室。

投資者關係及股東通訊

董事會認同與股東及投資者保持清晰、適時及有效溝通之重要性。本集團致力確保股東及投資者可從本公司刊發之公佈、通函、中期報告及年報中獲得本集團準確、清晰、完整及適時之資料。本公司亦在本公司網站www.taifeng.cc刊登全部文件。

董事會相信，與投資界有效溝通非常重要。董事會繼續與投資界保持定期對話，讓業界了解本集團之業務及發展最新情況以及經營策略及前景。本公司之股東週年大會亦提供了與股東對話及交流之平台。董事及各委員會成員會在股東週年大會上回答提問。

Deloitte.

德勤

To the members of
China Taifeng Beddings Holdings Limited
中國泰豐床品控股有限公司
(Formerly known as
International Taifeng Holdings Limited 國際泰豐控股有限公司)
(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of China Taifeng Beddings Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 56 to 116, which comprise the consolidated statement of financial position as at 31 December 2012, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

致
China Taifeng Beddings Holdings Limited
中國泰豐床品控股有限公司
(前稱 **International Taifeng Holdings Limited**
國際泰豐控股有限公司) 之股東
(於開曼群島註冊成立之有限公司)

吾等已審核中國泰豐床品控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)於第56至116頁之綜合財務報表,當中包括於二零一二年十二月三十一日之綜合財務狀況報表,以及截至該日期止年度之綜合全面收益表、綜合權益變動表及綜合現金流量表,以及主要會計政策概要及其他說明資料。

董事就綜合財務報表須承擔之責任

貴公司董事須負責遵照香港會計師公會頒佈之香港財務報告準則及香港公司條例之披露規定,編製作出真實及公平意見之綜合財務報表,並負責董事確定就編製該等綜合財務報表而言屬必要之內部監控,以確保並無重大錯誤陳述(不論是因欺詐或錯誤引起)。

核數師之責任

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

Independent Auditor's Report

獨立核數師報告

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

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 December 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.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
28 March 2013

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

吾等相信，吾等所獲得之審核憑證充足和適當地為吾等之審核意見提供基礎。

意見

吾等認為，該等綜合財務報表已根據香港財務報告準則真實而公平地反映貴集團於二零一二年十二月三十一日之事務狀況及貴集團截至該日期止年度之溢利及現金流量，並已按照香港公司條例之披露規定妥為編製。

德勤•關黃陳方會計師行
執業會計師
香港
二零一三年三月二十八日

Consolidated Statement of Comprehensive Income

綜合全面收益表

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

		NOTES 附註	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	收益	5	2,401,049	2,152,167
Cost of sales	銷售成本		(1,451,579)	(1,322,483)
Gross profit	毛利		949,470	829,684
Other income	其他收入	6	6,921	7,437
Other gains and losses	其他收益及虧損	7	(9,770)	2,048
Distribution and selling expenses	分銷及銷售開支		(136,930)	(132,611)
Administrative expenses	行政開支		(31,185)	(32,310)
Impairment loss on an available-for-sale investment	一項可供出售投資之 減值虧損		(4,452)	(22,934)
Finance costs	財務成本	8	(18,327)	(14,330)
Profit before taxation	除稅前溢利		755,727	636,984
Income tax expense	所得稅開支	9	(237,651)	(196,881)
Profit for the year	年內溢利	10	518,076	440,103
Other comprehensive (expense) income	其他全面(開支)收益			
- fair value loss on an available-for-sale investment	- 一項可供出售投資之 公平值虧損		(4,452)	(22,934)
- impairment loss on an available-for-sale investment	- 一項可供出售投資之 減值虧損		4,452	22,934
			-	-
Total comprehensive income for the year	年內全面收益總額		518,076	440,103
Profit and total comprehensive income for the year attributable to owners of the Company	本公司擁有人應佔年內溢利 及全面收益總額		518,076	440,103
Basic earnings per share (RMB)	每股基本盈利(人民幣)	13	0.518	0.440

Consolidated Statement of Financial Position

綜合財務狀況報表

At 31 December 2012

於二零一二年十二月三十一日

		NOTES 附註	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
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	14	470,717	515,950
Prepaid lease payments	預付租賃款項	15	7,103	7,280
Deposit paid for acquisition of land use rights and buildings	購入土地使用權及樓宇之已付按金	16	61,920	61,920
Trademark	商標	17	6,934	6,934
Deferred tax asset	遞延稅項資產	25	2,699	2,699
Available-for-sale investment	可供出售投資	18	6,614	11,066
			555,987	605,849
CURRENT ASSETS	流動資產			
Inventories	存貨	19	86,589	117,575
Trade and other receivables and prepayments	應收賬款及其他應收款項以及預付款項	20	863,597	635,972
Prepaid lease payments	預付租賃款項	15	178	179
Pledged bank deposits	已抵押銀行存款	21	72,965	46,761
Bank balances and cash	銀行結餘及現金	21	1,205,905	842,525
			2,229,234	1,643,012
CURRENT LIABILITIES	流動負債			
Trade and other payables and accruals	應付賬款及其他應付款項以及應計費用	22	418,373	295,609
Tax payable	應付稅項		111,342	84,311
Amount due to a shareholder	應付一名股東款項	23	27,200	27,200
Bank borrowings	銀行借貸	24	103,000	163,810
			659,915	570,930
NET CURRENT ASSETS	流動資產淨值		1,569,319	1,072,082
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		2,125,306	1,677,931
NON-CURRENT LIABILITY	非流動負債			
Deferred tax liability	遞延稅項負債	25	46,431	31,132
NET ASSETS	資產淨值		2,078,875	1,646,799
CAPITAL AND RESERVES	資本及儲備			
Share capital	股本	26	88,000	88,000
Reserves	儲備		1,990,875	1,558,799
TOTAL EQUITY	權益總額		2,078,875	1,646,799

The consolidated financial statements on pages 56 to 116 were approved and authorised for issue by the Board of Directors on 28 March 2013 and are signed on its behalf by:

Liu Qingping
劉慶平
Director
董事

第56至116頁之綜合財務報表已於二零一三年三月二十八日由董事會批准並授權刊發，並由以下人士代表董事會簽署：

Liu Chunwei
劉純衛
Director
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 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										
	Share capital	Share premium	Merger reserve	Special reserve	Contributions from shareholders	Share-based payment reserve	PRC general reserve	Investment revaluation reserve	Capital reserve	Retained profits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
				(note 27) (附註27)		(note 28) (附註28)	中國 (附註27)	投資重估 儲備 (附註28)	資本儲備 (附註28)	保留溢利	總計
At 1 January 2011 於二零一一年一月一日	88,000	342,054	180,000	977	13,289	14,563	109,240	-	34,763	624,897	1,407,783
Profit for the year 年內溢利	-	-	-	-	-	-	-	-	-	440,103	440,103
Fair value loss on an available-for-sale investment 一項可供出售投資之公平值虧損	-	-	-	-	-	-	-	(22,934)	-	-	(22,934)
Impairment loss on an available-for-sale investment 一項可供出售投資之減值虧損	-	-	-	-	-	-	-	22,934	-	-	22,934
Total comprehensive income for the year 年內全面收益總額	-	-	-	-	-	-	-	-	-	440,103	440,103
Deemed capital contribution from a shareholder (note 28) 視作一名股東注資(附註28)	-	-	-	-	-	2,913	-	-	-	-	2,913
Transfer 轉撥	-	-	-	-	-	-	52,344	-	-	(52,344)	-
Dividend recognised and paid as distribution (note 12) 確認為分派及已付之股息(附註12)	-	-	-	-	-	-	-	-	-	(204,000)	(204,000)
At 31 December 2011 於二零一一年十二月三十一日	88,000	342,054	180,000	977	13,289	17,476	161,584	-	34,763	808,656	1,646,799
Profit for the year 年內溢利	-	-	-	-	-	-	-	-	-	518,076	518,076
Fair value loss on an available-for-sale investment 一項可供出售投資之公平值虧損	-	-	-	-	-	-	-	(4,452)	-	-	(4,452)
Impairment loss on an available-for-sale investment 一項可供出售投資之減值虧損	-	-	-	-	-	-	-	4,452	-	-	4,452
Total comprehensive income for the year 年內全面收益總額	-	-	-	-	-	-	-	-	-	518,076	518,076
Transfer 轉撥	-	-	-	-	-	-	61,430	-	-	(61,430)	-
Dividend recognised and paid as distribution (note 12) 確認為分派及已付之股息(附註12)	-	-	-	-	-	-	-	-	-	(86,000)	(86,000)
At 31 December 2012 於二零一二年十二月三十一日	88,000	342,054	180,000	977	13,289	17,476	223,014	-	34,763	1,179,302	2,078,875

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2012

截至二零一二年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
OPERATING ACTIVITIES	經營業務		
Profit before taxation	除稅前溢利	755,727	636,984
Adjustments for:	就下列各項作出調整：		
Depreciation of property, plant and equipment	物業、廠房及設備折舊	45,554	42,758
Impairment loss on an available-for-sale investment	一項可供出售投資之減值虧損	4,452	22,934
Finance costs	財務成本	18,327	14,330
Impairment loss recognised in respect of trade receivables	就應收賬款確認之減值虧損	10,520	5,263
Share-based payment expense	以股份付款之開支	-	2,913
Release of prepaid lease payments	解除預付租賃款項	178	178
Bank interest income	銀行利息收入	(6,212)	(5,614)
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量	828,546	719,746
Decrease in inventories	存貨減少	30,986	21,917
Increase in trade and other receivables and prepayments	應收賬款及其他應收款項 以及預付款項增加	(56,145)	(187,469)
Decrease in trade and other payables and accruals	應付賬款及其他應付款項 以及應計費用減少	(59,236)	(90,224)
Cash generated from operations	經營業務產生之現金	744,151	463,970
Taxation paid	已付稅項	(195,321)	(176,501)
NET CASH FROM OPERATING ACTIVITIES	經營業務產生之現金淨額	548,830	287,469
INVESTING ACTIVITIES	投資活動		
Placement of pledged bank deposits	存置已抵押銀行存款	(89,242)	(125,721)
Purchase of property, plant and equipment	購置物業、廠房及設備	(321)	(85,294)
Withdrawal of pledged bank deposits	提取已抵押銀行存款	63,038	133,411
Interest received	已收利息	6,212	5,614
NET CASH USED IN INVESTING ACTIVITIES	投資活動動用之現金淨額	(20,313)	(71,990)

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2012

截至二零一二年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
FINANCING ACTIVITIES	融資活動		
Repayment of bank borrowings	償還銀行借貸	(238,911)	(414,651)
Dividend paid	已付股息	(86,000)	(204,000)
Interest paid	已付利息	(18,327)	(14,330)
New bank borrowings raised	新造銀行借貸	178,101	406,913
Repayment to a shareholder	償還一名股東款項	-	(2,550)
NET CASH USED IN FINANCING ACTIVITIES	融資活動動用之現金淨額	(165,137)	(228,618)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等價物增加(減少)淨額	363,380	(13,139)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	年初之現金及現金等價物	842,525	855,664
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash	年終之現金及現金等價物 以銀行結餘及現金表示	1,205,905	842,525

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

1. GENERAL INFORMATION

The Company is a public limited company incorporated in Cayman Islands.

The addresses of the registered office and the principal place of business of the Company are Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and Room 911, 9th floor, Block A, Hunghom Commercial Centre, 39 Ma Tau Wai Road, Hong Kong, respectively.

The shares of the Company have been listed on The Stock Exchange of Hong Kong Limited with effect from 11 June 2010. The immediate and ultimate holding company of the Company was Harvest Sun Enterprises Limited (“Harvest Sun”) from the date of incorporation to 11 June 2010. Harvest Sun, a company incorporated in the British Virgin Islands, became the substantial shareholder of the Company with its shareholding of 48% after 11 June 2010.

The principal activities of the Company and its subsidiaries (the “Group”) are production and distribution of cotton yarns and bedding products.

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

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

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

Amendments to HKAS 12	Deferred Tax: Recovery of Underlying Assets; and
Amendments to HKFRS 7	Financial Instruments: Disclosures – Transfers of Financial Assets

The application of the amendments to HKFRSs in the current year has had no material impact on the Group’s financial performance and the positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

1. 一般資料

本公司為一間於開曼群島註冊成立之公眾有限公司。

本公司之註冊辦事處及主要營業地點之地址分別位於Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands及香港馬頭圍道39號紅磡商業中心A座9樓911室。

本公司股份由二零一零年六月十一日起在香港聯合交易所有限公司上市。由註冊成立日期起至二零一零年六月十一日，本公司之直接及最終控股公司為富盈企業有限公司（「富盈」）。富盈為一間於英屬處女群島註冊成立之公司，於二零一零年六月十一日後成為本公司之主要股東，持有本公司48%股權。

本公司及其附屬公司（「本集團」）之主要業務為棉紗及床品製造及分銷。

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

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）

於本年度，本集團已應用以下由香港會計師公會（「香港會計師公會」）頒佈之香港財務報告準則之修訂。

香港會計準則第12號之修訂	遞延稅項—收回相關資產；及
香港財務報告準則第7號之修訂	金融工具：披露—轉讓金融資產

於本年度應用香港財務報告準則之修訂對本集團於本年度及過往年度之財務表現及財務狀況及／或對該等綜合財務報表所載之披露並無重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

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

(Continued)

New and revised HKFRSs issued but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009 – 2011 Cycle ¹
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities ¹
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures ³
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance ¹
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities ²
HKFRS 9	Financial Instruments ³
HKFRS 10	Consolidated Financial Statements ¹
HKFRS 11	Joint Arrangements ¹
HKFRS 12	Disclosure of Interests in Other Entities ¹
HKFRS 13	Fair Value Measurement ¹
HKAS 19 (as revised in 2011)	Employee Benefits ¹
HKAS 27 (as revised in 2011)	Separate Financial Statements ¹
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures ¹
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income ⁴
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities ²
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine ¹

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

² Effective for annual periods beginning on or after 1 January 2014.

³ Effective for annual periods beginning on or after 1 January 2015.

⁴ Effective for annual periods beginning on or after 1 July 2012.

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

2. 應用新訂及經修訂香港財務報告準則 (「香港財務報告準則」) (續)

已發行但尚未生效之新訂及經修訂香港財務報告準則

本集團並無提早應用下列已頒佈但尚未生效之新訂及經修訂香港財務報告準則：

香港財務報告準則之修訂	二零零九年至二零一一年週期香港財務報告準則之年度改進 ¹
香港財務報告準則第7號之修訂	披露－抵銷金融資產及金融負債 ¹
香港財務報告準則第9號及香港財務報告準則第7號之修訂	香港財務報告準則第9號之強制生效日期及過渡披露 ³
香港財務報告準則第10號、香港財務報告準則第11號及香港財務報告準則第12號之修訂	綜合財務報表、共同安排及於其他實體之權益之披露：過渡指引 ¹
香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第27號之修訂	投資實體 ²
香港財務報告準則第9號	金融工具 ³
香港財務報告準則第10號	綜合財務報表 ¹
香港財務報告準則第11號	共同安排 ¹
香港財務報告準則第12號	於其他實體之權益之披露 ¹
香港財務報告準則第13號	公平值計量 ¹
香港會計準則第19號 (二零一一年經修訂)	僱員福利 ¹
香港會計準則第27號 (二零一一年經修訂)	獨立財務報表 ¹
香港會計準則第28號 (二零一一年經修訂)	於聯營公司及合營企業之投資 ¹
香港會計準則第1號之修訂	呈列其他全面收益項目 ⁴
香港會計準則第32號之修訂	抵銷金融資產及金融負債 ²
香港 (國際財務報告詮釋委員會) – 詮釋第20號	露天採礦場生產階段之剝採成本 ¹

¹ 於二零一三年一月一日或之後開始之年度期間生效。

² 於二零一四年一月一日或之後開始之年度期間生效。

³ 於二零一五年一月一日或之後開始之年度期間生效。

⁴ 於二零一二年七月一日或之後開始之年度期間生效。

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

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

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

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value, as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for goods.

The principal accounting policies are set out below.

Basis of consolidation

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

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

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

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

Revenue recognition

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

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;

3. 重大會計政策

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

誠如下文所載會計政策所闡釋，綜合財務報表乃根據歷史成本基準編製，惟若干金融工具按公平值計量則除外。歷史成本一般根據貨品交易代價之公平值計算。

主要會計政策載列如下。

綜合賬目之基準

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

期內收購或出售之附屬公司之收入及開支載入綜合全面收益表，自收購生效日期起計入或計至出售生效日期為止（按適用情況）。

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

所有集團內公司間之交易、結餘、收入及開支於綜合賬目時全數對銷。

收益確認

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

銷售貨品之收益乃於交付貨品及轉移所有權，即符合下列所有條件時予以確認：

- 本集團已將貨品擁有權上之重大風險及回報轉移予買方；

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綜合財務報表附註

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

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

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are 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.

Taxation

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

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

3. 重大會計政策 (續)

收益確認 (續)

- 本集團既無參與通常與擁有權相關之持續管理，亦無保留所售貨品之實際控制權；
- 收益金額可以可靠地計量；
- 與交易相關之經濟利益很可能流入本集團；及
- 有關交易所產生或將產生之成本可以可靠地計量。

當經濟利益很可能流入本集團而收入金額能可靠地計量時，確認來自金融資產之利息收入。利息收入乃參考尚餘本金及按適用實際利率按時間基準累計，適用實際利率為於初步確認時將金融資產預計年內估計未來現金收入準確貼現至資產賬面淨值之利率。

借貸成本

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

所有其他借貸成本乃於產生期間於損益內確認。

稅項

所得稅開支指即期應付稅項及遞延稅項之總和。

即期應付稅項乃按年內應課稅溢利計算。應課稅溢利不包括其他年度之應課稅或可扣稅收支項目，亦不包括毋須課稅或不可扣稅項目，故有別於在綜合全面收益表所報之「除稅前溢利」。本集團即期稅項之負債乃利用於報告期間結算日前已制定或實質上已制定之稅率計算。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

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

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3. 重大會計政策 (續)

稅項 (續)

遞延稅項乃就綜合財務報表中資產及負債賬面值與計算應課稅溢利所用相應稅基之間之臨時差額而確認。遞延稅項負債通常會就所有應課稅臨時差額確認。遞延稅項資產則通常於可能出現可利用臨時差額扣稅之應課稅溢利時，就所有可扣稅臨時差額而確認。若於一項交易中，因商譽或自首次確認（於業務合併中除外）其他資產及負債而引致之臨時差額不影響應課稅溢利或會計溢利，則不會確認該等資產及負債。

遞延稅項負債乃就與附屬公司投資相關之應課稅臨時差額而確認，惟若本集團能夠控制臨時差額之撥回及臨時差額有可能未必於可見將來撥回之情況則除外。與該等投資相關之可扣稅臨時差額所產生之遞延稅項資產僅於可能有足夠應課稅溢利可以使用臨時差額之利益，且預期於可見將來撥回時方會確認。

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

遞延稅項資產及負債乃按償還負債或變現資產之期內所預期之適用稅率，根據報告期間結算日前已制定或實際上已制定之稅率（及稅法）計量。

遞延稅項負債及資產之計量反映按照本集團預期於報告期間結算日收回或結算其資產及負債之賬面值方式計算而得出之稅務結果。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Foreign currencies

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

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

Leasing

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

The Group as lessee

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

Property, plant and equipment

Property, plant and equipment including buildings held for use in the production or supply of goods or services, or for administrative purposes are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

3. 重大會計政策 (續)

稅項 (續)

即期及遞延稅項乃於損益確認，除非該稅項與於其他全面收益或直接於權益中確認之項目有關，在此情況下，即期及遞延稅項亦分別於其他全面收益或直接於權益中確認。

外幣

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

於結算及換算貨幣項目時產生之匯兌差額乃於其產生期間內於損益確認。

租約

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

本集團作為承租人

經營租賃款項於租約期間按直線基準確認為開支。

物業、廠房及設備

物業、廠房及設備（包括持有作生產或供應貨品或服務用途或行政用途之樓宇）乃按成本減其後之累計折舊及累計減值虧損（如有）於綜合財務狀況報表入賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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截至二零一二年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment (Continued)

Depreciation is recognised so as to write off the cost of items of property, plant and equipment less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Prepaid lease payments

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

Intangible assets

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

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gain or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss in the period when the asset is derecognised.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are calculated using the weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated cost of completion and costs necessary to make the sale.

3. 重大會計政策 (續)

物業、廠房及設備 (續)

物業、廠房及設備之項目在其估計可使用年期內按直線法確認折舊，以撇銷其成本減剩餘價值。估計可使用年期、剩餘價值及折舊方法於各報告期間結算日時檢討，任何估計變動之影響按前瞻基準入賬。

物業、廠房及設備項目於出售時或當繼續使用該資產預期不會產生任何未來經濟利益時終止確認。物業、廠房及設備項目因出售或報廢而產生之任何收益或虧損按該資產之銷售所得款項與賬面值間之差額釐定，並於損益確認。

預付租賃款項

預付租賃款項乃按成本列賬，並於租期內以直線法攤銷。

無形資產

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

無形資產於出售時或當使用或出售預期不會產生任何未來經濟利益時終止確認。終止確認無形資產產生之收益或虧損，乃按有關資產之出售所得款項淨額與賬面值之差額計量，並於終止確認有關資產期間在損益內確認。

存貨

存貨乃按成本及可變現淨值兩者之較低者列賬。存貨成本乃利用加權平均法計算。可變現淨值指存貨估計售價減所有估計完成成本及進行出售所需成本。

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綜合財務報表附註

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Retirement benefit costs

Payments to state-managed retirement benefits schemes and the Mandatory Provident Fund Scheme are recognised as an expense when employees have rendered service entitling them to the contributions.

Share-based payment transactions

Equity-settled share-based payment transactions

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

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

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

3. 重大會計政策 (續)

退休福利成本

對國家管理退休福利計劃及強制性公積金計劃支付之款項乃於僱員提供服務而有權獲得有關款項時確認為開支。

以股份付款之交易

以權益結算以股份付款之交易

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

金融工具

金融資產及金融負債乃於集團實體為工具合同條文之訂約方時在綜合財務狀況報表內確認。

金融資產及金融負債初步按公平值計量。與收購或發行金融資產及金融負債直接相關之交易成本，乃於初步確認時計入金融資產或金融負債之公平值或自當中扣除（按適用情況）。直接源自收購透過損益按公平值列賬之金融資產或金融負債之交易成本，即時於損益確認。

金融資產

本集團之金融資產分類為可供出售金融資產以及貸款及應收款項。分類視乎金融資產之性質及目的於初步確認時釐定。所有金融資產常規買賣乃按交易日基準確認及終止確認。金融資產常規買賣指須於市場常規或慣例設定之時限內交付資產之金融資產買賣。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2012

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Effective interest method

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

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

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as financial assets at fair value through profit or loss ("FVTPL"), loans and receivables or held-to-maturity investments.

Equity securities held by the Group that are classified as available-for-sale and are traded in an active market are measured at fair value at the end of each reporting period. Changes in the carrying amount of available-for-sale financial assets relating to dividends on available-for-sale equity investments are recognised in profit or loss. Other changes in the carrying amount of available-for-sale financial assets are recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss (see the accounting policy in respect of impairment loss on financial assets below).

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established.

3. 重大會計政策 (續)

金融工具 (續)

金融資產 (續)

實際利息法

實際利息法為計算債務工具攤銷成本及於有關期間分配利息收入之方法。實際利率指於債務工具之預計年期或(如適用)較短期間準確貼現估計未來現金收入(包括構成實際利率組成部分之所有已付或已收費用及利率差價、交易成本及其他溢價或折讓)至初步確認時之賬面淨值之利率。

債務工具之利息收入按實際利息基準確認。

可供出售金融資產

可供出售金融資產為指定為可供出售或並非分類為透過損益按公平值列賬(「透過損益按公平值列賬」)之金融資產、貸款及應收款項或持至到期投資之非衍生工具。

本集團所持分類為可供出售並於活動市場上買賣之股本證券按於各報告期間結算日之公平值計量。可供出售金融資產如與可供出售股本投資之股息有關，其賬面值變動於損益確認。可供出售金融資產賬面值之其他變動則於其他全面收益內確認，並於投資重估儲備內累計。當有關投資被出售或釐定為已減值時，過往於投資重估儲備累計之累計收益或虧損會重新分類至損益(見下文有關金融資產減值虧損之會計政策)。

可供出售股本工具之股息於本集團收取有關股息之權利確立時於損益確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Loans and receivables

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

Impairment of financial assets

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

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- disappearance of an active market for the financial asset because of financial difficulties.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

3. 重大會計政策 (續)

金融工具 (續)

金融資產 (續)

貸款及應收款項

貸款及應收款項為並無於活躍市場報價而有固定或可定付款金額之非衍生金融資產。於初步確認後，貸款及應收款項（包括應收賬款及其他應收款項、已抵押銀行存款以及銀行結餘及現金）乃以實際利息法，按攤銷成本減任何已識別減值虧損列賬（見下文有關金融資產減值虧損之會計政策）。

金融資產減值

金融資產於各報告期間結算日評估是否有減值跡象。倘有客觀證據證明因於初步確認金融資產後發生一項或多項事件，而導致金融資產之估計未來現金流量受到影響，則金融資產被視為已減值。

客觀減值證據可包括：

- 發行人或對手方出現嚴重財政困難；或
- 違反合約，例如拖欠或無力支付利息或本金；或
- 借款人有可能破產或進行財務重組；或
- 金融資產因財政困難而不再存在交投活躍之市場。

就按攤銷成本列賬之金融資產而言，所確認之減值虧損金額為資產賬面值與按金融資產原有實際利率貼現之估計未來現金流量現值之差額。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

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

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

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

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period in which the impairment takes place.

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

Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

3. 重大會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (續)

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

就按攤銷成本列賬之金融資產而言，倘若隨後期間減值虧損數額減少，而該減少乃客觀地與確認減值虧損後發生之事項相關，則過往確認之減值虧損透過損益撥回，惟資產於撥回減值當日之賬面值不得超過未有確認減值時應有之攤銷成本。

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

倘可供出售金融資產被視為已減值，則之前於其他全面收益確認之累計收益或虧損於出現減值期間重新分類至損益。

可供出售股本投資之減值虧損不會透過損益撥回。減值虧損後如公平值增加，會於其他全面收益直接確認，並於投資重估儲備累計。

金融負債及股本工具

由集團實體發行之債務及股本工具乃按合約安排內容，以及金融負債及股本工具之定義分類為金融負債或權益。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Effective interest method

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

Interest expense is recognised on an effective interest basis.

Financial liabilities

The Group's financial liabilities including trade and other payables, bank borrowings and amount due to a shareholder are measured at amortised cost, using the effective interest method.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligation are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3. 重大會計政策 (續)

金融工具 (續)

金融負債及股本工具 (續)

股本工具

股本工具為任何證明本集團於扣除其所有負債後於資產剩餘權益之合約。由本集團發行之股本工具按收取之所得款項扣除直接發行成本確認。

實際利息法

實際利息法為計算金融負債攤銷成本及於有關期間分配利息開支之方法。實際利率指於金融負債之預計年期或(如適用)較短期間準確貼現估計未來現金付款(包括構成實際利率組成部分之所有已付或已收費用及利率差價、交易成本及其他溢價或折讓)至初步確認時之賬面淨值之利率。

利息開支按實際利息基準確認。

金融負債

本集團之金融負債包括應付賬款及其他應付款項、銀行借貸及應付一名股東款項，乃利用實際利息法按攤銷成本計量。

終止確認

僅當從金融資產收取現金流量之合約權利已屆滿，或金融資產已轉讓及本集團已將其於金融資產擁有權之絕大部分風險及回報轉移至另一實體時，本集團方會終止確認金融資產。

於完全終止確認金融資產時，資產賬面值與已收及應收代價以及已於其他全面收益確認並於權益中累計之累計損益總和之間之差額在損益中確認。

當及僅當本集團之責任獲解除、取消或屆滿時，本集團終止確認金融負債。被終止確認之金融負債之賬面值與已付及應付代價之差額在損益中確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment losses on tangible assets and intangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

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

3. 重大會計政策 (續)

有形資產及無形資產減值虧損

於報告期間結算日，本集團審閱有限定可使用年期之有形及無形資產之賬面值，以釐定有否跡象顯示該等資產出現減值虧損。倘存在任何該等跡象，會估算資產之可收回金額，以釐定減值虧損（如有）之程度。倘無法估計個別資產之可收回金額，則本集團估計該項資產所屬之現金產生單位之可收回金額。倘有可識別之合理一致分配基準，企業資產亦會分配至個別現金產生單位，或分配至有可識別之合理一致分配基準之現金產生單位之最小組別。

無限定可使用年期之無形資產及尚未可供使用之無形資產最少每年接受一次減值測試，並於有跡象顯示可能出現減值時接受減值測試。

可收回金額為公平值減出售成本及使用價值兩者之較高者。於評估使用價值時，估計未來現金流量利用稅前貼現率貼現至其現值，而該貼現率反映當前市場對貨幣時間價值及估計未來現金流量未經調整之資產之特定風險之評估。

倘若資產之可收回金額估計低於其賬面值，則資產（或現金產生單位）之賬面值減至其可收回金額。減值虧損即時於損益確認。

若其後撥回減值虧損，則資產（或現金產生單位）之賬面值增至其經修訂估計可收回金額，惟增加後之賬面值不得超逾倘若過往期間並無就該資產（或現金產生單位）確認減值虧損時釐定之賬面值。減值虧損撥回即時確認為收入。

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4. KEY SOURCES OF ESTIMATION UNCERTAINTY

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

Estimated allowance for receivables

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

A considerable amount of judgment is required in assessing the ultimate realisation of these debtors, including their current creditworthiness. If the actual future cash flows were less than expected, additional allowance may be required. As at 31 December 2012, the carrying amount of trade receivables is RMB509,168,000 (net of allowance for doubtful debts of RMB17,324,000) (31 December 2011: carrying amount of RMB494,056,000 net of allowance for doubtful debts of RMB6,804,000).

Inventory valuation method

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

As at 31 December 2012, the carrying amount of inventories is RMB86,589,000 (net of provision for stock of RMB12,093,000) (2011: carrying amount of RMB117,575,000 net of provision for stock of RMB12,093,000).

4. 估計不明朗因素主要來源

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

應收款項估計撥備

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

於評估該等債務人最終能否還款（包括彼等現時之信貸聲譽）時需作出大量判斷。倘實際未來現金流量少於預期，或須作出額外撥備。於二零一二年十二月三十一日，應收賬款之賬面值為人民幣509,168,000元（扣除呆賬撥備人民幣17,324,000元）（二零一一年十二月三十一日：賬面值為人民幣494,056,000元（扣除呆賬撥備人民幣6,804,000元））。

存貨估值方法

存貨以成本及可變現淨值之較低者計值。可變現淨值乃參考報告期間結算日後存貨之售價而估計。本集團會審閱其存貨水平，以識別滯銷商品，並以減價方式清售有關商品。倘存貨實際售價低於預期，可能須作出額外撥備。

於二零一二年十二月三十一日，存貨之賬面值為人民幣86,589,000元（扣除存貨撥備人民幣12,093,000元）（二零一一年：賬面值為人民幣117,575,000元（扣除存貨撥備人民幣12,093,000元））。

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5. REVENUE AND SEGMENT INFORMATION

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

The Group's revenue are all generated from its PRC subsidiaries which have two operating segments, the manufacture and distribution of cotton yarns and bedding products. The segments are managed separately as each business offers different products and requires different information technology systems and marketing strategies. The following summary describes the operations in each of the Group's operating segments.

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

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

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

5. 收益及分部資料

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

本集團之收益均來自其中國附屬公司，分為兩個經營分部，即棉紗及床品製造及分銷業務。由於各項業務提供不同產品，並需要不同資訊科技系統及市場策略，故各分部會獨立管理。下列概要載述本集團每個經營分部之業務。

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

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

並無向主要營運決策者提供分部負債資料，以評估不同分部之表現。因此，僅呈列分部收益、分部溢利及分部資產。

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5. REVENUE AND SEGMENT INFORMATION (Continued)

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

5. 收益及分部資料 (續)

本集團按經營及報告分部劃分之分部收益、溢利及資產之分析如下：

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		Manufacture and distribution of cotton yarns 製造及分銷棉紗 RMB'000 人民幣千元	Manufacture and distribution of bedding products 製造及分銷床品 RMB'000 人民幣千元	Segment total 分部總計 RMB'000 人民幣千元	Inter-segment elimination 分部間對銷 RMB'000 人民幣千元	Unallocated 未分配 RMB'000 人民幣千元	Consolidated total 綜合總計 RMB'000 人民幣千元
Revenue from external customers	來自外部客戶之收益	985,518	1,415,531	2,401,049	-	-	2,401,049
Inter-segment sales	分部間銷售	-	220	220	(220)	-	-
Segment revenue	分部收益	985,518	1,415,751	2,401,269	(220)	-	2,401,049
Segment profit	分部溢利	128,338	674,818	803,156	-	-	803,156
Segment assets as at 31 December 2012	於二零一二年十二月三十一日之分部資產	1,004,056	469,275	1,473,331	-	-	1,473,331

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

定期提供予主要營運決策者且在計量分部溢利及資產時計入之款項：

Addition to non-current assets (note)	添加非流動資產 (附註)	10	93	103	-	218	321
Depreciation of property, plant and equipment	物業、廠房及設備折舊	(43,343)	(489)	(43,832)	-	(1,722)	(45,554)
Release of prepaid lease payments	解除預付租賃款項	(178)	-	(178)	-	-	(178)
Impairment loss recognised in respect of trade receivables	就應收賬款確認之減值虧損	2,099	8,421	10,520	-	-	10,520

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

附註：非流動資產不包括金融工具及遞延稅項資產。

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5. REVENUE AND SEGMENT INFORMATION (Continued)

5. 收益及分部資料 (續)

For the year ended 31 December 2011

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		Manufacture and distribution of cotton yarns 製造及分銷棉紗	Manufacture and distribution of bedding products 製造及分銷床品	Segment total 分部總計	Inter-segment elimination 分部間對銷	Unallocated 未分配	Consolidated total 綜合總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Revenue from external customers	來自外部客戶之收益	960,449	1,191,718	2,152,167	-	-	2,152,167
Inter-segment sales	分部間銷售	-	2,639	2,639	(2,639)	-	-
Segment revenue	分部收益	960,449	1,194,357	2,154,806	(2,639)	-	2,152,167
Segment profit	分部溢利	136,799	561,892	698,691	-	-	698,691
Segment assets as at 31 December 2011	於二零一一年十二月三十一日之分部資產	720,316	593,158	1,313,474	-	-	1,313,474

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

定期提供予主要營運決策者且在計量分部溢利及資產時計入之款項：

Addition to non-current assets (note)	添加非流動資產 (附註)	82,701	221	82,922	-	2,372	85,294
Depreciation of property, plant and equipment	物業、廠房及設備折舊	(40,645)	(494)	(41,139)	-	(1,619)	(42,758)
Release of prepaid lease payments	解除預付租賃款項	(178)	-	(178)	-	-	(178)
Impairment loss (reversed) recognised in respect of trade receivables	就應收賬款 (撥回) 確認之減值虧損	(42)	5,305	5,263	-	-	5,263

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

附註：非流動資產不包括金融工具及遞延稅項資產。

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5. REVENUE AND SEGMENT INFORMATION (Continued)

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

(b) Reconciliation of segment profit

Segment profit represents the profit earned by each segment without the allocation of central administrative costs, interest income, finance costs and impairment loss on an available-for-sale investment. This is the measure reported to the chief operating decision makers for the purpose of resource allocation and assessment of segment performance.

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

5. 收益及分部資料 (續)

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

(b) 分部溢利之對賬

分部溢利指各分部於並未分配中央行政成本、利息收入、財務成本及一項可供出售投資之減值虧損前所賺取之溢利。有關數據乃為向主要營運決策者就分配資源及評估分部表現作出報告之基準。

分部溢利與本集團除稅前溢利之對賬如下：

		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 segment profit	分部溢利總額	803,156	698,691
Unallocated income:	未分配收入：		
Interest income	利息收入	6,212	5,614
Other income and other gains	其他收入及其他收益	1,151	2,076
Unallocated expenses:	未分配開支：		
Depreciation of property, plant and equipment	物業、廠房及設備折舊	(1,722)	(1,619)
Finance costs	財務成本	(18,327)	(14,330)
Impairment loss on an available-for-sale investment	一項可供出售投資之減值虧損	(4,452)	(22,934)
Central administrative costs	中央行政成本	(30,291)	(30,514)
Profit before taxation	除稅前溢利	755,727	636,984

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5. REVENUE AND SEGMENT INFORMATION (Continued)

(c) Reconciliation of segment assets

The assets of the Group are allocated to the operating segments based on the operations of the segments. However, certain property, plant and equipment, deferred tax asset, available-for-sale investment, other receivables and prepayments, pledged bank deposits and bank balances and cash, are not allocated as they relate to more than one reportable and operating segments.

Segment assets are reconciled to total assets of the Group by reportable segment 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 segment assets	分部資產總值	1,473,331	1,313,474
Unallocated assets:	未分配資產：		
Property, plant and equipment	物業、廠房及設備	19,716	21,220
Deferred tax asset	遞延稅項資產	2,699	2,699
Available-for-sale investment	可供出售投資	6,614	11,066
Other receivables and prepayments	其他應收款項及預付款項	3,991	11,116
Pledged bank deposits	已抵押銀行存款	72,965	46,761
Bank balances and cash	銀行結餘及現金	1,205,905	842,525
Total assets per consolidated statements of financial position	綜合財務狀況報表所示資產總值	2,785,221	2,248,861

5. 收益及分部資料 (續)

(c) 分部資產之對賬

本集團之資產乃根據分部業務分配至經營分部。然而，由於若干物業、廠房及設備、遞延稅項資產、可供出售投資、其他應收款項及預付款項、已抵押銀行存款以及銀行結餘及現金涉及超過一個報告及經營分部，故該等項目未有作出分配。

分部資產與本集團總資產按報告分部之對賬如下：

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5. REVENUE AND SEGMENT INFORMATION (Continued)

(d) Information about geographical areas

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

		Turnover by geographical markets 按地區市場劃分之營業額	
		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
PRC (country of the domicile)	中國(註冊地)	2,361,510	2,008,445
United States & Brazil	美國及巴西	23,896	69,082
Hong Kong & Macau	香港及澳門	10,030	54,197
Europe	歐洲	5,613	17,417
Australia & Malaysia	澳洲及馬來西亞	—	3,026
		2,401,049	2,152,167

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

(e) Information about major customers contributing over 10% of total revenue of the Group

The revenue from the Group's largest customer was approximately RMB388,696,000 and RMB272,201,000, representing 16.2% and 12.6% of the total sales of the Group for the years ended 31 December 2012 and 2011, respectively. The revenue was derived from bedding products segments.

5. 收益及分部資料(續)

(d) 關於地區之資料

下表提供本集團來自外部客戶按地區市場劃分(不論貨品來源地)之收益分析。

		Turnover by geographical markets 按地區市場劃分之營業額	
		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
PRC (country of the domicile)	中國(註冊地)	2,361,510	2,008,445
United States & Brazil	美國及巴西	23,896	69,082
Hong Kong & Macau	香港及澳門	10,030	54,197
Europe	歐洲	5,613	17,417
Australia & Malaysia	澳洲及馬來西亞	—	3,026
		2,401,049	2,152,167

本集團之非流動資產(除遞延稅項資產及可供出售投資以外)均位於中國。

(e) 關於為本集團收益總額貢獻超過10%之主要客戶資料

截至二零一二年及二零一一年十二月三十一日止年度,來自本集團最大客戶之收益分別約為人民幣388,696,000元及人民幣272,201,000元,相當於本集團銷售總額之16.2%及12.6%。此等收益來自床品分部。

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5. REVENUE AND SEGMENT INFORMATION (Continued)

(e) Information about major customers contributing over 10% of total revenue of the Group (Continued)

In addition to the above largest customer, there were three customers in bedding products segment with revenue contributing approximately RMB344,619,000, RMB330,267,000 and RMB276,032,000, representing about 14.4%, 13.8% and 11.5%, respectively, to the total revenue of the Group for the year ended 31 December 2012. For the year ended 31 December 2011, these three customers in bedding products segment contributed revenue of approximately RMB262,919,000, RMB257,314,000 and RMB226,537,000, representing about 12.2%, 12.0% and 10.5%, respectively, to the total revenue of the Group.

Taifeng Textile Group Company Limited 泰豐紡織集團有限公司 ("TTG") was a customer of the Group in manufacturing and distribution of cotton yarns segment, contributed sales of cotton yarns of approximately RMB252,615,000 (2011: RMB194,788,000), representing about 10.5% (2011: 9.1%) of the revenue of the Group for the year ended 31 December 2012. TTG has been a textile enterprise incorporated in PRC since 2001. It is principally engaged in the trading of cotton and manufacturing and sales of fabrics. Before the reorganization process of the Group for its listing in 2010, TTG and the Group had common controlling shareholders and common directors including the Chairman of the Company, Mr. Liu Qingping. As such, TTG was regarded as a related party. As part of the reorganization, the above-mentioned common controlling shareholders had disposed of their entire interests in TTG to independent third parties. In addition, Mr. Liu and other common directors had resigned as directors of TTG by 7 July 2009.

No revenue from other individual customer from cotton yarns segment contributed over 10% of the total revenue of the Group for the years ended 31 December 2012 and 2011.

5. 收益及分部資料 (續)

(e) 關於為本集團收益總額貢獻超過10%之主要客戶資料 (續)

除上述最大客戶外，三名床品分部客戶於截至二零一二年十二月三十一日止年度之收益分別為本集團收益總額貢獻約人民幣344,619,000元、人民幣330,267,000元及人民幣276,032,000元，相當於約14.4%、13.8%及11.5%。截至二零一一年十二月三十一日止年度，該三名床品分部客戶之收益為本集團收益總額貢獻約人民幣262,919,000元、人民幣257,314,000元及人民幣226,537,000元，相當於約12.2%、12.0%及10.5%。

泰豐紡織集團有限公司（「泰豐紡織」）為本集團製造及分銷棉紗分部其中一名客戶，於截至二零一二年十二月三十一日止年度為本集團貢獻棉紗銷售額約人民幣252,615,000元（二零一一年：人民幣194,788,000元），相當於本集團收益約10.5%（二零一一年：9.1%）。泰豐紡織為自二零零一年起在中國註冊成立之紡織企業，主要從事買賣棉花以及製造及銷售布料。於二零一零年本集團為上市進行重組前，泰豐紡織與本集團擁有共同控股股東及共同董事，包括本公司主席劉慶平先生。因此，泰豐紡織被視為關聯人士。於重組過程中，上述共同控股股東向獨立第三方出售彼等於泰豐紡織之全部權益。此外，劉先生及其他共同董事已於二零零九年七月七日或之前辭任泰豐紡織董事職務。

棉紗分部概無其他個別客戶於截至二零一二年及二零一一年十二月三十一日止年度之收益為本集團收益總額貢獻超過10%。

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6. OTHER INCOME

An analysis of the Group's other income 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
Bank interest income	銀行利息收入	6,212	5,614
Others	其他	709	1,823
		6,921	7,437

6. 其他收入

本集團其他收入之分析如下：

7. OTHER GAINS AND LOSSES

		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
Impairment loss recognised in respect of trade receivables	就應收賬款確認之減值虧損	(10,520)	(5,263)
Net exchange gain (loss)	匯兌收益(虧損)淨額	(380)	1,504
Gain on disposal of scrap materials	出售廢料之收益	1,130	5,807
		(9,770)	2,048

7. 其他收益及虧損

8. FINANCE COSTS

		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 on:	下列各項之利息：		
Bank and other borrowings wholly repayable within five years	須於五年內全數償還之銀行及其他借貸	16,734	12,935
Amount due to shareholders	應付股東款項	1,593	1,395
		18,327	14,330

8. 財務成本

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9. INCOME TAX EXPENSE

9. 所得稅開支

		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
Tax charge represents:	稅項開支指：		
Current tax:	即期稅項：		
The PRC Enterprise Income Tax ("EIT")	中國企業所得稅 (「企業所得稅」)	212,796	174,479
Withholding tax on dividend from a PRC subsidiary	一間中國附屬公司股息之 預扣稅	9,556	28,671
		222,352	203,150
Deferred tax:	遞延稅項：		
– Provision on withholding tax from undistributed profit from a PRC subsidiary	— 一間中國附屬公司未分派 溢利之預扣稅撥備	24,855	22,402
– Withholding tax on dividend from a PRC subsidiary	— 一間中國附屬公司股息之 預扣稅	(9,556)	(28,671)
		15,299	(6,269)
		237,651	196,881

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

由於本集團之收入並非於香港產生亦非來自香港，故並無計提香港利得稅撥備。

Under the Enterprise Income Tax Law of the PRC (the "EIT Law") and Detailed Implementation Rules of the EIT Law, the standard tax rate of the PRC subsidiaries is 25%.

根據中國企業所得稅法(「企業所得稅法」)及企業所得稅法實施細則，中國附屬公司之標準稅率為25%。

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9. INCOME TAX EXPENSE (Continued)

The tax charge for the year can be reconciled to the profit per the consolidated statements of comprehensive income 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 tax	除稅前溢利	755,727	636,984
Tax at PRC EIT rate of 25%	按中國企業所得稅稅率25% 計算之稅項	188,932	159,246
Tax effect of expenses not deductible for tax purpose	不可扣稅開支之稅務影響	24,021	14,739
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅務影響	(350)	-
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	193	494
Tax effect of withholding tax arising on undistributed profits of the PRC subsidiaries	中國附屬公司未分派溢利 所產生預扣稅之稅務影響	24,855	22,402
Tax charge for the year	年內稅項開支	237,651	196,881

9. 所得稅開支(續)

年內稅項開支與綜合全面收益表所示溢利之對賬如下：

		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 tax	除稅前溢利	755,727	636,984
Tax at PRC EIT rate of 25%	按中國企業所得稅稅率25% 計算之稅項	188,932	159,246
Tax effect of expenses not deductible for tax purpose	不可扣稅開支之稅務影響	24,021	14,739
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅務影響	(350)	-
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	193	494
Tax effect of withholding tax arising on undistributed profits of the PRC subsidiaries	中國附屬公司未分派溢利 所產生預扣稅之稅務影響	24,855	22,402
Tax charge for the year	年內稅項開支	237,651	196,881

10. PROFIT FOR THE YEAR

		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 for the year has been arrived at after charging:	年內溢利已扣除以下項目：		
Directors' emoluments (note 11)	董事酬金(附註11)	4,846	7,820
Other staff salaries and benefits	其他員工薪金及福利	112,222	101,143
Retirement benefit scheme contributions, excluding those of directors	退休福利計劃供款 (不包括就董事作出之供款)	3,590	3,660
Total staff costs	總員工成本	120,658	112,623
Auditor's remuneration	核數師酬金	2,293	2,481
Depreciation of property, plant and equipment	物業、廠房及設備折舊	45,554	42,758
Release of prepaid lease payments	解除預付租賃款項	178	178
Cost of inventories recognised as an expense	確認為開支之存貨成本	1,451,579	1,322,483

10. 年內溢利

		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 for the year has been arrived at after charging:	年內溢利已扣除以下項目：		
Directors' emoluments (note 11)	董事酬金(附註11)	4,846	7,820
Other staff salaries and benefits	其他員工薪金及福利	112,222	101,143
Retirement benefit scheme contributions, excluding those of directors	退休福利計劃供款 (不包括就董事作出之供款)	3,590	3,660
Total staff costs	總員工成本	120,658	112,623
Auditor's remuneration	核數師酬金	2,293	2,481
Depreciation of property, plant and equipment	物業、廠房及設備折舊	45,554	42,758
Release of prepaid lease payments	解除預付租賃款項	178	178
Cost of inventories recognised as an expense	確認為開支之存貨成本	1,451,579	1,322,483

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11. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS

Directors

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

Year ended 31 December 2012

	Fees	Salaries and other allowances	Retirement Benefits Scheme Contributions	Share-based payment	Total	
	袍金 RMB'000 人民幣千元	薪金及其他津貼 RMB'000 人民幣千元	退休福利計劃供款 RMB'000 人民幣千元	股份付款開支 RMB'000 人民幣千元	總計 RMB'000 人民幣千元	
Executive directors:						
Mr. Liu Qingping	劉慶平先生	-	1,029	18	-	1,047
Ms. Qi Tongli	齊同麗女士	-	806	14	-	820
Mr. Liu Chunwei	劉純衛先生	-	830	14	-	844
Mr. Li Dengxiang	李登祥先生	-	806	14	-	820
Mr. Zou Shengzhong	鄒生忠先生	-	806	14	-	820
Independent non-executive directors:						
Mr. Chan Kin Sang	陳健生先生	295	-	-	-	295
Mr. Li Yuchun	李玉春先生	100	-	-	-	100
Mr. Dai Shunlin	戴順林先生	100	-	-	-	100
		495	4,277	74	-	4,846

11. 董事、行政總裁及僱員薪酬

董事

兩個年度內已付予本集團董事及行政總裁之酬金詳情如下：

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11. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (Continued)

11. 董事、行政總裁及僱員薪酬 (續)

Directors (Continued)

Year ended 31 December 2011

董事 (續)

截至二零一一年十二月三十一日止年度

		Fees	Salaries and other allowances	Retirement Benefits Scheme Contributions	Share-based payment	Total
	袍金	薪金及其他津貼	退休福利計劃供款	股份付款開支	總計	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
Executive directors:	執行董事:					
Mr. Liu Qingping	劉慶平先生	-	1,028	17	2,913	3,958
Ms. Qi Tongli	齊同麗女士	-	806	14	-	820
Mr. Liu Chunwei	劉純衛先生	-	828	14	-	842
Mr. Li Dengxiang	李登祥先生	-	806	14	-	820
Mr. Zou Shengzhong	鄒生忠先生	-	806	14	-	820
Independent non-executive directors:	獨立非執行董事:					
Mr. Chan Kin Sang	陳健生先生	360	-	-	-	360
Mr. Li Yuchun	李玉春先生	100	-	-	-	100
Mr. Dai Shunlin	戴順林先生	100	-	-	-	100
		<u>560</u>	<u>4,274</u>	<u>73</u>	<u>2,913</u>	<u>7,820</u>

Mr. Liu Chunwei is also the chief executive of the Company and his emoluments disclosed above include those for services rendered by him as the chief executive.

劉純衛先生亦為本公司之行政總裁，彼於上文所披露之酬金包括彼作為行政總裁提供服務之酬金。

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11. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (Continued)

Employees

During the year ended 31 December 2012, the five highest paid individuals of the Group included four executive directors (2011: five executive directors). The remuneration of the remaining one individual for the year ended 31 December 2012 is as follows:

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

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

12. DIVIDENDS

Dividend recognised as distributions during the year	年內確認為分派之股息
2012 Interim – nil (2011: 2011 Interim, paid RMB0.091 per share)	二零一二年中期—無 (二零一一年: 二零一一年中期已付每股人民幣0.091元)
2011 Final, paid – RMB0.086 per share (2011: 2010 Final, paid RMB0.113 per share)	二零一一年末期已付—每股人民幣0.086元 (二零一一年: 二零一零年末期已付每股人民幣0.113元)

11. 董事、行政總裁及僱員薪酬 (續)

僱員

於截至二零一二年十二月三十一日止年度，本集團五名最高薪酬人士包括四名執行董事（二零一一年：五名執行董事）。截至二零一二年十二月三十一日止年度，餘下一名人士之薪酬如下：

	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
	1,000	—
	—	—
	<u>1,000</u>	<u>—</u>

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

12. 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
	—	91,000
	86,000	113,000
	<u>86,000</u>	<u>204,000</u>

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截至二零一二年十二月三十一日止年度

12. DIVIDENDS (Continued)

In accordance with the voting results for the annual general meeting on 26 June 2012, the Board declared a final dividend for the year ended 31 December 2011 of RMB86,000,000 with RMB0.086 per share to the shareholders on the Register of Members of the Company on 5 July 2012.

The Board has proposed a final dividend of RMB52,000,000 with RMB0.052 per share be payable on or around 26 July 2013 to the shareholders on the register of members of the Company on 11 July 2013. The proposed dividend payments are subject to approval by the shareholders of the Company at the forthcoming annual general meeting and are payable in HK\$ based on the official exchange rate of RMB against HK\$ as quoted by the People's Bank of China on 19 July 2013.

13. BASIC EARNINGS PER SHARE

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

Profit for the year attributable to owners of the Company 本公司擁有人應佔年內溢利

Number of ordinary shares for the purpose of basic earnings per share 就計算每股基本盈利之普通股股份數目

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

12. 股息 (續)

根據於二零一二年六月二十六日舉行之股東週年大會之投票結果，董事會向於二零一二年七月五日名列本公司股東名冊之股東宣派截至二零一一年十二月三十一日止年度之末期股息每股人民幣0.086元，合共人民幣86,000,000元。

董事會建議向於二零一三年七月十一日名列本公司股東名冊之股東派發末期股息每股人民幣0.052元，合共人民幣52,000,000元，將於二零一三年七月二十六日或前後派付。擬派股息須經本公司股東於應屆股東週年大會上批准，並將按中國人民銀行於二零一三年七月十九日所報人民幣兌港元之官方匯率以港元派付。

13. 每股基本盈利

本公司擁有人應佔每股基本盈利乃按以下資料計算：

	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 for the year attributable to owners of the Company	518,076	440,103
	'000 千股	'000 千股
Number of ordinary shares for the purpose of basic earnings per share	1,000,000	1,000,000

由於並無已發行潛在普通股股份，故並無呈列兩個年度之每股攤薄盈利。

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14. PROPERTY, PLANT AND EQUIPMENT

14. 物業、廠房及設備

		Buildings 樓宇 RMB'000 人民幣千元	Plant and equipment 廠房及設備 RMB'000 人民幣千元	Office equipment 辦公設備 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
COST	成本					
At 1 January 2011	於二零一一年一月一日	76,265	582,617	3,956	377	663,215
Additions	添加	38,076	44,849	1,025	1,344	85,294
At 31 December 2011	於二零一一年十二月三十一日	114,341	627,466	4,981	1,721	748,509
Additions	添加	-	-	321	-	321
At 31 December 2012	於二零一二年十二月三十一日	114,341	627,466	5,302	1,721	748,830
DEPRECIATION	折舊					
At 1 January 2011	於二零一一年一月一日	13,493	174,430	1,691	187	189,801
Provided for the year	年內撥備	3,059	39,163	366	170	42,758
At 31 December 2011	於二零一一年十二月三十一日	16,552	213,593	2,057	357	232,559
Provided for the year	年內撥備	3,722	40,989	525	318	45,554
At 31 December 2012	於二零一二年十二月三十一日	20,274	254,582	2,582	675	278,113
CARRYING VALUES	賬面值					
At 31 December 2012	於二零一二年十二月三十一日	94,067	372,884	2,720	1,046	470,717
At 31 December 2011	於二零一一年十二月三十一日	97,789	413,873	2,924	1,364	515,950

The above items of property, plant and equipment are depreciated on a straight-line basis over the following numbers of years:

上述物業、廠房及設備項目均以下列年期以直線基準計算折舊：

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

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15. PREPAID LEASE PAYMENTS

15. 預付租賃款項

		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
Prepaid lease payments comprise:	預付租賃款項包括：		
Leasehold land in the PRC under medium-term lease	根據中期租約於中國持有之租賃土地	<u>7,281</u>	<u>7,459</u>
Analysed for reporting purposes as:	就報告作出之分析：		
Current asset	流動資產	<u>178</u>	179
Non-current asset	非流動資產	<u>7,103</u>	<u>7,280</u>
		<u>7,281</u>	<u>7,459</u>

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

預付租賃款項以直線基準於使用權租賃年期50年內攤銷。

16. DEPOSIT PAID FOR ACQUISITION OF LAND USE RIGHTS AND BUILDINGS

16. 購入土地使用權及樓宇之已付按金

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

山東泰豐與泰豐紡織於二零一零年十一月十九日訂立一項收購協議，據此，山東泰豐同意根據獨立估值師仲量聯行發出之估值報告以人民幣68,800,000元之現金代價向泰豐紡織購入若干土地使用權及樓宇，以作生產用途。

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

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

A refundable deposit of RMB61,920,000 was paid by Shandong Taifeng to TTG in prior year. The acquisition has not yet been completed as at the date when these financial statements are authorised for issue. The directors of the Company are of the opinion that the Group will be able to complete the acquisition in due course.

山東泰豐已於去年向泰豐紡織支付人民幣61,920,000元可退還按金。此項收購於該等財務報表獲批准刊發日期仍未完成。本公司董事認為本集團將有能力於適當時間完成收購。

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

未付餘額人民幣6,880,000元已於附註35披露作資本承擔。

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17. TRADEMARK

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

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

As a result, the trademark is considered by management of the Group as having an indefinite useful life and hence the trademark is not amortised. Instead, it will be tested for impairment annually and whenever there is an indication that it may be impaired. During the year ended 31 December 2012, management of the Group determines that there is no impairment of trademark with indefinite useful life.

18. AVAILABLE-FOR-SALE INVESTMENT

Available-for-sale investment comprises:

Listed investment:
Equity security listed in Hong Kong

Analysed for reporting purposes as
Non-current asset

上市投資：
於香港上市之股本證券

就報告而言分析為
非流動資產

17. 商標

商標指「泰豐」之品牌名稱及其標誌，乃於截至二零零九年十二月三十一日止年度內，按獨立估值師北京中金浩資產評估有限責任公司發出之估值報告所載公平值人民幣6,934,400元收購。商標之合法年期為十年，於二零一九年五月到期，惟每十年可以極少之費用重續。

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

因此，本集團管理層認為，商標具無限可使用年期，故不會予以攤銷。然而，商標將每年接受減值測試，以及於出現減值跡象時進行測試。於截至二零一二年十二月三十一日止年度，本集團之管理層認為具無限可使用年期之商標並無減值。

18. 可供出售投資

可供出售投資包括：

	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
Listed investment: Equity security listed in Hong Kong	6,614	11,066
Analysed for reporting purposes as Non-current asset	6,614	11,066

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19. INVENTORIES

		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 cost	按成本		
Raw materials	原材料	19,596	31,239
Work-in-progress	在製品	31,744	29,047
Finished goods	製成品	35,249	57,289
		86,589	117,575

19. 存貨

20. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

		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	應收賬款	526,492	500,860
Less: allowance for doubtful debts	減：呆賬撥備	(17,324)	(6,804)
		509,168	494,056
Prepayments to suppliers	向供應商預付款項	298,463	88,195
Prepayments for operating expenses	經營開支預付款項	54,601	51,288
Other receivables	其他應收款項	1,365	2,433
		863,597	635,972

20. 應收賬款及其他應收款項以及預付款項

Included in the trade receivables is an amount of approximately RMB61,307,000 (2011: RMB18,756,000) from TTG, which was one of the top five customers of the Group. Further details are disclosed in note 5(e).

應收賬款包括應收泰豐紡織（本集團五大客戶之一）之賬款約人民幣61,307,000元（二零一一年：人民幣18,756,000元）。進一步詳情於附註5(e)披露。

Included in the prepayments to suppliers are prepayments of RMB219,540,000 to TTG for purchasing cottons, in which bills of RMB182,000,000 were issued to TTG before 31 December 2012. The bills will mature from April to June 2013 and the raw materials are expected to be delivered from February to August 2013. TTG, which was also the largest supplier of the Group in manufacturing and distribution of cotton yarns segment, contributed purchases of cottons of approximately RMB227,407,000 (2011: RMB321,051,000), representing about 17.9% (2011: 28.5%) of the purchases of the Group for the year ended 31 December 2012.

向供應商預付之款項包括就採購棉花向泰豐紡織預付之款項人民幣219,540,000元，本集團已於二零一二年十二月三十一日前就此向泰豐紡織發出票據人民幣182,000,000元。該等票據將於二零一三年四月至六月到期，原材料預期於二零一三年二月至八月交付。泰豐紡織亦為本集團製造及分銷棉紗分部之最大供應商，於截至二零一二年十二月三十一日止年度為本集團貢獻棉花購貨額約人民幣227,407,000元（二零一一年：人民幣321,051,000元），相當於購貨額約17.9%（二零一一年：28.5%）。

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20. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

(Continued)

Apart from the cash sales from its retail business, the Group generally allows an average credit period of 30 to 120 days to its trade customers. The aged analysis of the Group's trade receivables (net of allowance for doubtful debts) presented based on the invoice dates at the end of the reporting period, which approximated the respective revenue recognition dates 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
Trade receivables:	應收賬款：		
0 – 30 days	0至30日	136,497	120,531
31 – 60 days	31至60日	171,193	86,790
61 – 90 days	61至90日	94,676	33,543
91 – 180 days	91至180日	89,204	229,084
Over 180 days	超過180日	17,598	24,108
		509,168	494,056

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines its credit limits based on results from investigation of historical credit records of these customers. Majority of trade receivables that are neither past due nor impaired have no default payment history. It is the Group's policy to make provision against debts which normally aged over 90 days, except for some specific customers granted with longer credit period, because historical experience is such that receivables that are past due beyond 90 days are generally not recoverable.

However, included in the Group's trade receivables are debtors with an aggregate carrying amount of RMB24,562,000 (2011: RMB29,967,000) which were past due at the reporting date but for which the Group has not provided for impairment loss, as there has not been a significant change in credit quality of the relevant customers and the Group believes that the amounts are still recoverable as there are subsequent settlement. The Group does not hold any collateral over the above balances.

20. 應收賬款及其他應收款項以及預付款項 (續)

除來自其零售業務之現金銷售外，本集團一般給予其貿易客戶30至120日之平均信貸期。本集團應收賬款（扣除呆賬撥備）於報告期間結算日基於發票日期（與收益確認日期相若）呈列之賬齡分析如下：

本集團接納任何新客戶前會評估該潛在客戶之信貸質素，並根據對該等客戶過往信貸記錄之調查結果設定信貸限額。大部份未逾期且未減值之應收賬款過往均無拖欠付款。本集團之政策為除若干獲授較長信貸期之特定客戶外，通常就賬齡超過90日之債項計提撥備，原因為過往經驗顯示逾期超過90日之應收款項通常不可收回。

然而，本集團之應收賬款中包括總賬面值人民幣24,562,000元（二零一一年：人民幣29,967,000元）之應收款，該等款項於報告日期已逾期，惟本集團並無計提減值虧損撥備，原因為相關客戶之信貸質素並無重大變化，而基於其後能收到還款，本集團亦相信相關款項仍可收回。本集團並無就上述結餘持有任何抵押品。

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20. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

(Continued)

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

		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 – 180 days	91至180日	6,964	5,859
Over 180 days	超過180日	<u>17,598</u>	<u>24,108</u>
		<u>24,562</u>	<u>29,967</u>

Movement in the allowance for doubtful debts

		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
Balance at beginning of the year	年初結餘	6,804	1,541
Impairment loss recognised on trade receivables	就應收賬款確認之減值虧損	<u>10,520</u>	<u>5,263</u>
Balance at end of the year	年終結餘	<u>17,324</u>	<u>6,804</u>

Included in trade and other receivables as at 31 December 2012 are amounts of approximately RMB17,790,000 and RMB69,000 denominated in United States Dollars ("US\$") and HK\$, respectively, which were other than the functional currency of the respective group entities. As at 31 December 2011, there were approximately RMB32,093,000 and RMB69,000 denominated in US\$ and HK\$, respectively.

20. 應收賬款及其他應收款項以及預付款項 (續)

已逾期但未減值之應收賬款賬齡 (基於發票日期) :

	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 – 180 days	6,964	5,859
Over 180 days	<u>17,598</u>	<u>24,108</u>
	<u>24,562</u>	<u>29,967</u>

呆賬撥備之變動

	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
Balance at beginning of the year	6,804	1,541
Impairment loss recognised on trade receivables	<u>10,520</u>	<u>5,263</u>
Balance at end of the year	<u>17,324</u>	<u>6,804</u>

於二零一二年十二月三十一日，應收賬款及其他應收款項分別有約人民幣17,790,000元及人民幣69,000元以美元(「美元」)及港元(並非各集團實體之功能貨幣)計值之款項。於二零一一年十二月三十一日，分別有約人民幣32,093,000元及人民幣69,000元以美元及港元計值之款項。

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21. PLEDGED BANK DEPOSITS/BANK BALANCES AND CASH

Bank balances carry interest at variable rates as follows:

Range of interest rates per annum 年利率範圍

Pledged bank deposits mainly represent deposits pledged to banks to secure the bills of RMB182,000,000, which were issued to TTG before 31 December 2012.

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

Interest rates per annum

年利率

Included in the Group's bank balances is a bank balance with Laishang Bank Co., Ltd. ("Laishang Bank"), which is a local commercial bank that is registered in Laiwu City of Shandong Province and operates in the PRC, amounted to RMB1,204,439,000 (2011: RMB833,402,000) that carries an interest of 0.385% per annum (2011: 0.5% per annum). Based on the records of Laishang Bank, the Chairman of the Company, Mr. Liu Qingping, is one of the 14 directors of Laishang Bank as at 31 December 2012 and 2011. Mr. Liu has declared that he does not hold any equity interest in the bank, and has tendered resignation of directorship in March 2010. In March 2013, the bank has issued a confirmation stating that the resignation of Mr. Liu was approved and the bank is in the process of updating its records for the resignation. Further details in relation to the Group's credit risk are disclosed in note 36(b).

Included in bank balances and pledged bank deposits as at 31 December 2012, which were approximately RMB117,000 and RMB1,093,000 denominated in US\$ and HK\$, respectively, other than the functional currency of the respective group entities. (2011: Approximately RMB2,577,000 denominated in US\$ and RMB7,403,000 denominated in HK\$).

21. 已抵押銀行存款／銀行結餘及現金

銀行結餘按下列浮動利率計息：

2012
二零一二年 2011
二零一一年

0.01% to 0.385% 0.01% to 0.50%
0.01厘至0.385厘 0.01厘至0.50厘

已抵押銀行存款主要指作為於二零一二年十二月三十一日前向泰豐紡織發出之人民幣182,000,000元票據之抵押而抵押予銀行之存款。

本集團已抵押銀行存款按下列不同固定年利率計息：

2012
二零一二年 2011
二零一一年

0.01% to 0.385% 0.01% to 0.50%
0.01厘至0.385厘 0.01厘至0.50厘

本集團銀行結餘中有人民幣1,204,439,000元（二零一一年：人民幣833,402,000元）存入萊商銀行股份有限公司（「萊商銀行」，於山東省萊蕪市註冊並於中國經營之地方商業銀行）之銀行結餘按年利率0.385厘（二零一一年：年利率0.5厘）計息。根據萊商銀行之記錄，於二零一二年及二零一一年十二月三十一日，本公司主席劉慶平先生為萊商銀行14名董事之一。劉先生已聲明，彼並無持有該行任何股權，並已於二零一零年三月提呈辭任董事職務。於二零一三年三月，該行發出確認書，表示劉先生之辭呈已獲批准，該行正在更新記錄以作登記。有關本集團信貸風險之進一步詳情於附註36(b)披露。

於二零一二年十二月三十一日，銀行結餘及已抵押銀行存款中分別有約人民幣117,000元及人民幣1,093,000元以美元及港元（並非相關集團實體之功能貨幣）計值之款項（二零一一年：約人民幣2,577,000元以美元及人民幣7,403,000元以港元計值）。

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22. TRADE AND OTHER PAYABLES AND ACCRUALS

The analysis of the trade and other payables and accruals of the Group 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
Trade payables	應付賬款	85,611	92,675
Bills payables (note 20)	應付票據(附註20)	182,000	70,000
Accruals	應計費用	82,016	67,734
Receipts in advance	預收款項	12,103	18,743
Other tax payables	其他應付稅項	21,154	22,911
Others	其他	35,489	23,546
		418,373	295,609

The aged analysis of the Group's trade payable based on the invoice date at the end of the reporting period 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
0 – 30 days	0至30日	29,963	61,984
31 – 60 days	31至60日	3,692	7,496
61 – 90 days	61至90日	17,428	3,942
91 – 180 days	91至180日	13,939	5,948
Over 180 days	超過180日	20,589	13,305
		85,611	92,675

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

Included in trade and other payables and accruals as at 31 December 2012 were approximately RMB29,286,000 and RMB5,199,000 denominated in US\$ and HK\$, which were other than the functional currency of the respective group entities. There were approximately RMB25,917,000 and RMB3,764,000 denominated in US\$ and HK\$, other than the functional currency of the respective group entities as at 31 December 2011.

22. 應付賬款及其他應付款項以及應計費用

本集團之應付賬款及其他應付款項以及應計費用分析如下：

		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
Trade payables	應付賬款	85,611	92,675
Bills payables (note 20)	應付票據(附註20)	182,000	70,000
Accruals	應計費用	82,016	67,734
Receipts in advance	預收款項	12,103	18,743
Other tax payables	其他應付稅項	21,154	22,911
Others	其他	35,489	23,546
		418,373	295,609

本集團於報告期間結算日基於發票日期之應付賬款賬齡分析如下：

		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
0 – 30 days	0至30日	29,963	61,984
31 – 60 days	31至60日	3,692	7,496
61 – 90 days	61至90日	17,428	3,942
91 – 180 days	91至180日	13,939	5,948
Over 180 days	超過180日	20,589	13,305
		85,611	92,675

本集團所有應付票據之賬齡均介乎91至180日，於報告期間結算日均仍未到期。

於二零一二年十二月三十一日，應付賬款及其他應付款項以及應計費用中分別有約人民幣29,286,000元及人民幣5,199,000元以美元及港元（並非各集團實體之功能貨幣）計值之款項。於二零一一年十二月三十一日，分別有約人民幣25,917,000元及人民幣3,764,000元以美元及港元（並非各集團實體之功能貨幣）計值之款項。

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23. AMOUNT DUE TO A SHAREHOLDER

The amount due to a shareholder represents an amount of HK\$32,000,000, which is equivalent to approximately RMB27,200,000 (2011: HK\$32,000,000, which is equivalent to approximately RMB27,200,000) advanced by Harvest Sun to the Group and carries fixed interest at the rate of 5.25% (2011: 5.25%) per annum and repayable within one year.

24. BANK BORROWINGS

23. 應付一名股東款項

應付一名股東款項指富盈墊付予本集團之一筆32,000,000港元(相等於約人民幣27,200,000元)(二零一一年:32,000,000港元(相等於約人民幣27,200,000元))款項,固定年利率為5.25厘(二零一一年:5.25厘),須於一年內償還。

24. 銀行借貸

		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
Bank loans	銀行貸款	103,000	163,810
Analysed as:	分析為:		
Secured	有抵押	50,000	42,000
Unsecured	無抵押	53,000	121,810
		103,000	163,810
The exposure of the Group's borrowings are as follows:	本集團借貸如下:		
Fixed-rate borrowings	定息借貸	98,000	163,810
Variable-rate borrowings	浮息借貸	5,000	-
		103,000	163,810

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24. BANK BORROWINGS (Continued)

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

		2012 二零一二年	2011 二零一一年
Fixed-rate borrowings	定息借貸	6.00% to 7.80% per annum 年利率6.00厘 至7.80厘	5.14% to 13.12% per annum 年利率5.14厘 至13.12厘
Variable-rate borrowings	浮息借貸	120% of 1-year benchmark lending rate of the People's Bank of China 中國人民銀行 一年期貸款 基準利率之120%	-
Denominated in:	以下列貨幣計值：		
RMB	人民幣	103,000	152,909
US\$	美元	-	10,901
		103,000	163,810

All borrowings are repayable within one year from the end of the reporting year except for RMB30,000,000 (2011: RMB42,000,000) which are repayable on demand due to the breach of loan covenants (see the note below for details).

The effective interest rates for the bank borrowings are 7.00% and 7.85% per annum as at 31 December 2012 and 2011, respectively.

Included in the above bank borrowings are unsecured borrowings of RMB48,000,000 from Laishang Bank that carry interest at a fixed rate of 7.8% per annum. The borrowings will mature on September 2013. Further details are disclosed in note 36(b).

24. 銀行借貸 (續)

本集團借貸之實際利率(相等於已訂約利率)範圍載列如下：

		2012 二零一二年	2011 二零一一年
Fixed-rate borrowings	定息借貸	6.00% to 7.80% per annum 年利率6.00厘 至7.80厘	5.14% to 13.12% per annum 年利率5.14厘 至13.12厘
Variable-rate borrowings	浮息借貸	120% of 1-year benchmark lending rate of the People's Bank of China 中國人民銀行 一年期貸款 基準利率之120%	-
Denominated in:	以下列貨幣計值：		
RMB	人民幣	103,000	152,909
US\$	美元	-	10,901
		103,000	163,810

所有借貸均須於報告年度結算日起計一年內償還，惟人民幣30,000,000元(二零一一年：人民幣42,000,000元)須於違反借貸契諾後於要求時償還(詳情請參閱下文附註)。

於二零一二年及二零一一年十二月三十一日之銀行借貸實際年利率分別為7.00厘及7.85厘。

上述銀行借貸包括來自萊商銀行之無抵押借貸人民幣48,000,000元，按固定年利率7.8厘計息。該筆借貸將於二零一三年九月到期。進一步詳情於附註36(b)披露。

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24. BANK BORROWINGS (Continued)

24. 銀行借貸 (續)

		2012	2011
		二零一二年	二零一一年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Unsecured bank borrowings guaranteed by:	由以下各方擔保之無抵押銀行借貸：		
萊蕪泰興城市資產運營有限公司 (「萊蕪泰興」)	萊蕪泰興城市資產運營有限公司 (「萊蕪泰興」)	48,000	48,000
Laiwu City Economic Development and Investment Co., Ltd. (「Laiwu City」)	萊蕪市經濟開發投資有限公司 (「萊蕪市」)	-	22,000
TTG	泰豐紡織	-	20,000

萊蕪泰興, Laiwu City and TTG are independent third parties.

萊蕪泰興、萊蕪市及泰豐紡織均為獨立第三方。

Note: Approximately RMB30,000,000 (2011: RMB42,000,000) of the Group's bank borrowings as at 31 December 2012 are required to be secured by certain inventories of approximately RMB50,222,000 (2011: RMB83,193,000) pursuant to relevant bank borrowing agreements. However, as at 31 December 2012, the carrying amount of the relevant pledged inventories was only approximately RMB8,434,000 (2011: RMB27,892,000), which is lower than the amount required, resulting in these bank borrowings being immediately repayable due to their breach of covenants. These bank borrowings have been presented in the earliest time band in the liquidity table in note 36(b).

附註: 於二零一二年十二月三十一日, 根據相關銀行借貸協議, 本集團銀行借貸其中約人民幣30,000,000元 (二零一一年: 人民幣42,000,000元) 需要以約人民幣50,222,000元 (二零一一年: 人民幣83,193,000元) 之若干存貨作為抵押。然而, 於二零一二年十二月三十一日, 相關已抵押存貨之賬面值僅約為人民幣8,434,000元 (二零一一年: 人民幣27,892,000元), 低於所需金額, 導致該等銀行借貸須於違反契約後即時償還。該等銀行借貸已列入附註36(b)之流動資金表中最早之時限內。

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25. DEFERRED TAX

The following table shows the major deferred tax liabilities (assets) recognised by the Group and movements thereon during the current and prior years:

		Allowance on inventories	Undistributed earnings of PRC's subsidiaries from 1 January 2008	Total
		存貨撥備 RMB'000 人民幣千元	中國附屬公司 自二零零八年 一月一日起之 未分派盈利 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
At 1 January 2011	於二零一一年一月一日	(2,699)	37,401	34,702
Charge to profit or loss	扣自損益	-	22,402	22,402
Credit to profit or loss	計入損益	-	(28,671)	(28,671)
At 31 December 2011	於二零一一年十二月三十一日	(2,699)	31,132	28,433
Charge to profit or loss	扣自損益	-	24,855	24,855
Credit to profit or loss	計入損益	-	(9,556)	(9,556)
At 31 December 2012	於二零一二年十二月三十一日	(2,699)	46,431	43,732

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

		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 asset	遞延稅項資產	2,699	2,699
Deferred tax liability	遞延稅項負債	(46,431)	(31,132)
		(43,732)	(28,433)

25. 遞延稅項

下表列示本集團於本年度及過往年度確認之主要遞延稅項負債(資產)及其變動:

下表為就財務報告所作之遞延稅項結餘分析:

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25. DEFERRED TAX (Continued)

Deferred tax has been provided for allowance on inventories for the slow moving but not damaged inventories and withholding tax in respect of the undistributed profits attributable to the Group as earned by the Group's PRC subsidiaries starting from 1 January 2008. Under the New Law, distribution of such profits to their shareholders outside the PRC are subject to withholding tax.

The Group has unused tax losses of RMB13,689,000 and RMB12,917,000 available to offset against future profits at 31 December 2012 and 2011, respectively. No deferred tax asset has been recognised in respect of such tax losses due to the unpredictability of future profit streams. The tax losses of RMB1,904,000, RMB1,715,000, RMB3,367,000, RMB1,976,000 and RMB771,747 will expire in 2013, 2014, 2015, 2016 and 2017, respectively. The remaining tax losses have no expiration.

26. SHARE CAPITAL

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

Authorised:

At 1 January 2011,
31 December 2011 and 2012

Issued and fully paid:

At 1 January 2011,
31 December 2011 and 2012

每股面值人民幣0.088元
(0.1港元)之普通股:

法定:

於二零一一年一月一日、
二零一一年及二零一二年
十二月三十一日

已發行及繳足:

於二零一一年一月一日、
二零一一年及二零一二年
十二月三十一日

25. 遞延稅項 (續)

已就滯銷但未損壞存貨之存貨撥備及本集團應佔本集團中國附屬公司自二零零八年一月一日起所賺取之未分派溢利之預扣稅作出遞延稅項撥備。根據新稅法，向中國境外股東分派該等溢利須繳納預扣稅。

於二零一二年及二零一一年十二月三十一日，本集團分別有未動用稅項虧損人民幣13,689,000元及人民幣12,917,000元可用於抵銷未來溢利。由於未能預測未來溢利來源，故並無就有關稅項虧損確認遞延稅項資產。人民幣1,904,000元、人民幣1,715,000元、人民幣3,367,000元、人民幣1,976,000元及人民幣771,747元之稅項虧損將分別於二零一三年、二零一四年、二零一五年、二零一六年及二零一七年屆滿。餘下稅項虧損並無屆滿日期。

26. 股本

		Number of shares 股份數目	Amount 金額 RMB 人民幣
Ordinary shares of RMB0.088 (HK\$0.1) each:	每股面值人民幣0.088元 (0.1港元)之普通股:		
Authorised:	法定:		
At 1 January 2011, 31 December 2011 and 2012	於二零一一年一月一日、 二零一一年及二零一二年 十二月三十一日	1,500,000,000	1,320,000,000
Issued and fully paid:	已發行及繳足:		
At 1 January 2011, 31 December 2011 and 2012	於二零一一年一月一日、 二零一一年及二零一二年 十二月三十一日	1,000,000,000	88,000,000

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27. SPECIAL RESERVE/PRC GENERAL RESERVE

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

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

28. SHARE-BASED PAYMENT RESERVE/CAPITAL RESERVE

Prior to the completion of a corporate reorganisation in 2009, Mr. Liu, a director and a shareholder of the Company, acquired an additional 5.14% equity interest in Shandong Taifeng from the original shareholders of Shandong Taifeng at a nominal consideration of US\$100 as token of appreciation of his standing commitment, continuous support and contribution to the Group, upon the completion of a two-year service as a director of Shandong Taifeng from 17 April 2009.

The fair value of the additional 5.14% equity interest at the date of transfer was approximately RMB17,476,000 according to the valuation report from an independent valuer, Jones Lang LaSalle Sallmanns Limited. The share-based payment reserve represents the amount recognised as share-based payment expense which is calculated with reference to the difference between the above nominal consideration paid by Mr. Liu and fair value of the shares at the date of transfer, and is expensed on a straight-line basis over two years service period commencing 17 April 2009. The share-based payment expense of approximately RMB2,913,000 has been included in the directors' emoluments as disclosed in note 11 for the year ended 31 December 2011.

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

27. 特別儲備／中國一般儲備

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

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

28. 股份付款儲備／資本儲備

在二零零九年之企業重組完成前，劉先生（本公司董事兼股東）於完成自二零零九年四月十七日起出任山東泰豐董事之兩年服務期後，以象徵式代價100美元向山東泰豐之原始股東收購山東泰豐額外5.14%股本權益，以感謝其對本集團之奉獻及多年來之支持及貢獻。

根據獨立估值師仲量聯行西門有限公司發出之估值報告，該額外5.14%股本權益於轉讓日期之公平值約為人民幣17,476,000元。股份付款儲備即參考上述由劉先生支付之象徵式代價與股份於轉讓日期之公平值之差額計算，確認為股份付款開支之金額，並自二零零九年四月十七日起之兩年服務期內以直線法支銷。截至二零一一年十二月三十一日止年度，股份付款開支約人民幣2,913,000元已計入附註11所披露之董事酬金內。

資本儲備指股東於過往年度所提供免息墊款之公平值與開始時之本金額間之差額，並就提前償還之影響予以調整。

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29. RETIREMENT BENEFIT PLANS

The Group mainly participates in retirement benefit schemes organised by the local government authority in the PRC. The local government authority in the PRC is responsible for managing the pension liabilities to these retired employees. For the pension liabilities to these retired employees, the Group is required to make monthly contributions at 16% (2011: 16%) of the local standard basic salaries. For the year ended 31 December 2012, the Group's total contributions were approximately RMB3,664,000 (2011: RMB3,733,000).

30. RELATED PARTY DISCLOSURES

(I) Related party transactions

During the year, the Group entered into the following transactions with related parties:

Name of related party 關聯人士名稱／姓名	Relationship 關係	Nature of transactions 交易性質	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
Harvest Sun 富盈	Substantial shareholder 主要股東	Interest expense 利息開支	1,378	1,395
Liu Qingping 劉慶平	Executive director 執行董事	Interest expense 利息開支	215	-

(II) Related party balance

Details of the balance with a related party are set out in note 23.

29. 退休福利計劃

本集團主要參與中國地方政府機關籌辦之退休福利計劃。中國地方政府機關負責管理該等退休僱員之退休金責任。就該等退休僱員之退休金責任而言，本集團須按地方標準基本薪金之16%（二零一一年：16%）作每月供款。截至二零一二年十二月三十一日止年度，本集團之供款總額約為人民幣3,664,000元（二零一一年：人民幣3,733,000元）。

30. 關聯人士披露

(I) 關聯人士交易

年內，本集團與關聯人士進行下列交易：

(II) 關聯人士結餘

與一名關聯人士之結餘詳情載於附註23。

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30. RELATED PARTY DISCLOSURES (Continued)

(III) Compensation of key management personnel

The emoluments of directors who are also identified as members of key management of the Group during the year were 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
Short-term benefits	短期福利	4,772	4,834
Post-employment benefit	離職後福利	74	73
Share-based payment	股份付款	-	2,913
		4,846	7,820

31. PLEDGE OF ASSETS

At the end of the reporting period, the following assets were pledged to banks to secure the Group's bank borrowings and bills of RMB182,000,000, which were issued to TTG before 31 December 2012.

In addition, as required by a bank, the Group needs to maintain certain inventories at a level at least equal to approximately RMB50,222,000 and RMB83,193,000 to secure the relevant bank borrowings as at 31 December 2012 and 2011, respectively. However, as at 31 December 2012, the carrying amount of the relevant pledged inventories was only approximately RMB8,434,000 (2011: RMB27,892,000), which is lower than the amount required, resulting in these bank borrowing being immediately repayable due to the breach of borrowing covenants. Further details are disclosed in note 24.

30. 關聯人士披露 (續)

(III) 主要管理人員報酬

年內董事(同時被認為本集團主要管理層成員)之酬金如下:

		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
Short-term benefits	短期福利	4,772	4,834
Post-employment benefit	離職後福利	74	73
Share-based payment	股份付款	-	2,913
		4,846	7,820

31. 資產抵押

於報告期間結算日,下列資產已抵押予銀行,以作為本集團之銀行借貸及於二零一二年十二月三十一日前向泰豐紡織發出為數人民幣182,000,000元之應付票據之抵押。

此外,應一間銀行要求,本集團於二零一二年及二零一一年十二月三十一日需要將若干存貨分別維持於最少相等於約人民幣50,222,000元及人民幣83,193,000元之水平,以作為相關銀行借貸之抵押。然而,於二零一二年十二月三十一日,相關已抵押存貨之賬面值僅約為人民幣8,434,000元(二零一一年:人民幣27,892,000元),低於所需金額,導致該等銀行借貸須於違反借貸契諾後即時償還。進一步詳情於附註24披露。

		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
Inventories	存貨	8,434	27,892
Bank deposits	銀行存款	72,965	46,761
Buildings, net book value	樓宇(賬面淨值)	38,992	-
Leasehold land, net book value	租賃土地(賬面淨值)	7,281	-
		127,672	74,653

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32. OPERATING LEASES

The Group as lessee

The minimum lease payments paid under operating leases during the year.

Premises 物業

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

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

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

33. MAJOR NON-CASH TRANSACTIONS

During the year ended 31 December 2011, the Company recognised share-based payment expenses of approximately RMB2,913,000 and the amount was included in the directors' emoluments. No share-based payment expenses for the year ended 31 December 2012.

32. 經營租約

本集團作為承租人

年內根據經營租約支付之最低租賃款項如下。

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
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12,232	12,486
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於報告期間結算日，本集團根據不可註銷經營租約於下列日期到期之未來最低租賃款項承擔如下：

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
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1,462	3,790
2,213	585
3,675	4,375

經營租賃款項指本集團就其若干辦公室物業及生產廠房應付之租金。租約釐訂為1至3年，並已釐訂期間之租金。

33. 主要非現金交易

於截至二零一一年十二月三十一日止年度內，本公司確認股份付款開支約人民幣2,913,000元，該金額已計入董事酬金內。截至二零一二年十二月三十一日止年度並無股份付款開支。

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34. CAPITAL RISK MANAGEMENT

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

The capital structure of the Group consists of bank borrowings disclosed in note 24 and equity attributable to owners of the Company, comprising issued share capital and reserves.

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

35. CAPITAL COMMITMENTS

Capital expenditure in respect of the acquisition of land use rights and buildings contracted for but not provided in the consolidated financial statements

就收購土地使用權及樓宇已訂約但尚未於綜合財務報表內計提撥備之資本開支

6,880

6,880

34. 資金風險管理

本集團管理資金的目標為透過維持債項與權益間之最佳平衡，確保集團旗下公司可持續經營，同時盡量提升持份人之回報。本集團此整體策略與去年比較維持不變。

本集團之資本結構包括附註24所披露之銀行借貸以及本公司擁有人應佔權益（包括已發行股本及儲備）。

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

35. 資本承擔

2012	2011
二零一二年	二零一一年
RMB'000	RMB'000
人民幣千元	人民幣千元

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36. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

		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
Financial assets	金融資產		
Available-for-sale investment	可供出售投資	6,614	11,066
Loans and receivables (including cash and cash equivalents)	貸款及應收款項 (包括現金及現金等價物)	1,789,403	1,385,739
Financial liabilities	金融負債		
Amortised cost	攤銷成本	433,300	377,231

(b) Financial risk management objectives and policies

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

Market risk

(i) Interest rate risk

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

36. 金融工具

(a) 金融工具之類別

		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
Financial assets	金融資產		
Available-for-sale investment	可供出售投資	6,614	11,066
Loans and receivables (including cash and cash equivalents)	貸款及應收款項 (包括現金及現金等價物)	1,789,403	1,385,739
Financial liabilities	金融負債		
Amortised cost	攤銷成本	433,300	377,231

(b) 財務風險管理目標及政策

本集團之主要金融工具包括可供出售投資、應收賬款及其他應收款項、已抵押銀行存款、銀行結餘及現金、應付賬款及其他應付款項、應付一名股東款項以及銀行借貸。該等金融工具之詳情於各自之附註披露。與若干該等金融工具相關之風險包括市場風險(利率風險及貨幣風險)、信貸風險及流動資金風險。減低該等風險之政策載於下文。管理層管理及監察有關風險，以確保能及時有效地採取適當措施。

市場風險

(i) 利率風險

本集團之公平值利率風險主要與已抵押銀行存款、應付一名股東款項及定息銀行借貸相關。此外，本集團亦需就浮息銀行結餘、已抵押銀行存款及銀行借貸承受現金流量利率風險。

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36. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies

(Continued)

Market risk (Continued)

(i) Interest rate risk (Continued)

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to variable interest rates for bank balances in saving accounts of Laishang Bank which the Group has deposited over 90% (2011: over 90%) of its bank balances at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 10 basis point (2011: 10 basis points) increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 10 basis points (2011: 10 basis points) higher/lower and all other variables were held constant, the Group's post-tax profit for the year ended 31 December 2012 would increase/decrease by approximately RMB903,000 (2011: increase/decrease by RMB625,000).

The directors consider that the exposure to interest risk on pledged bank deposits and bank borrowings are insignificant, so there is no sensitivity analysis presented.

(ii) Currency risk

The Group have certain trade and other receivables, pledged bank deposits, bank balances, other payables, amount due to a shareholder and bank borrowings denominated in foreign currencies, hence risk exposure to exchange rate fluctuations arise.

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

36. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

市場風險 (續)

(i) 利率風險 (續)

敏感度分析

以下敏感度分析乃根據存入萊商銀行儲蓄賬戶之銀行結餘之浮動利率風險而釐定。於報告期間結算日，本集團逾90% (二零一一年：逾90%)之銀行結餘存入萊商銀行。該分析乃假設於報告期間結算日未平倉之金融工具於全年均未平倉而編製。上升或下跌10個基點 (二零一一年：10個基點)為內部向主要管理人員呈報利率風險所用之比率，為管理層對利率合理可能變動之評估。

倘利率上升/下跌10個基點 (二零一一年：10個基點)，而所有其他變數均維持不變，則本集團截至二零一二年十二月三十一日止年度之除稅後溢利將增加/減少約人民幣903,000元 (二零一一年：增加/減少人民幣625,000元)。

董事認為就已抵押銀行存款及銀行借貸所承受之利率風險不大，所以並無呈列任何敏感度分析。

(ii) 貨幣風險

本集團有若干以外幣計值之應收賬款及其他應收款項、已抵押銀行存款、銀行結餘、其他應付款項、應付一名股東款項以及銀行借貸，因此需面對匯率波動之風險。

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

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36. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies

(Continued)

Market risk (Continued)

(ii) Currency risk (Continued)

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

36. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

市場風險 (續)

(ii) 貨幣風險 (續)

於報告日期，本集團以外幣計值之貨幣資產之賬面值如下：

		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
Trade and other receivables	應收賬款及其他應收款項		
US\$	美元	17,790	32,093
HK\$	港元	69	69
Bank balances and pledged bank deposits	銀行結餘及已抵押銀行存款		
US\$	美元	117	2,577
HK\$	港元	1,093	7,403
Bank borrowings	銀行借貸		
US\$	美元	-	10,901
Trade and other payables	應付賬款及其他應付款項		
US\$	美元	29,286	25,917
HK\$	港元	5,199	3,764
Amount due to a shareholder	應付一名股東款項		
HK\$	港元	27,200	27,200

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36. FINANCIAL INSTRUMENTS (Continued)

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

Market risk (Continued)

(ii) Currency risk (Continued)

Sensitivity analysis

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

Increase in post-tax profit 除稅後溢利增加

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

Credit risk

As at 31 December 2012, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statements of financial position.

36. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

市場風險 (續)

(ii) 貨幣風險 (續)

敏感度分析

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

	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
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Increase in post-tax profit 除稅後溢利增加 **1,598** **962**

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

信貸風險

於二零一二年十二月三十一日，本集團所承擔可能因交易對手無法履行責任而導致本集團蒙受財務虧損之最大信貸風險，乃產生自綜合財務狀況報表內所示已確認金融資產之賬面值。

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綜合財務報表附註

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

36. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies

(Continued)

Credit risk (Continued)

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

As mentioned in note 21, the Group has deposited more than 90% of its bank balances with Laishang Bank. The directors of the Company believe that these bank balances are fully recoverable after considering the financial position and credit rating of Laishang Bank. Moreover, there is no special restriction on withdrawal of the balances from the bank. Up to the date of authorization of the issue of these financial statements, approximately 10% of the bank balance has been withdrawn and instead been deposited into one state-owned bank in the PRC.

Other than concentration of credit risk on liquid funds which are deposited with Laishang Bank with high credit ratings, the Group is also exposed to concentration of credit risk as a substantial portion of its trade receivables is generated from a limited number of customers including TTG. As at 31 December 2012, the top ten customers of the Group which are all located in and carrying on business in PRC accounted for about 95% (2011: 86%) of the Group's trade receivables. These customers are private enterprises engaged in manufacturing or trading business in textile industry with no history of default. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the management reviews the recoverable amount of each individual trade debt at the end of reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Group consider that the Group's credit risk is significantly reduced.

36. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

信貸風險 (續)

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

如附註21所述，本集團逾90%之銀行結餘存入萊商銀行。經考慮萊商銀行之財務狀況及信貸評級後，本公司董事認為，該等銀行結餘可全數收回。此外，提取存放於該行之結餘並無特別限制。截至該等財務報表獲授權刊發日期，約10%銀行結餘已被提取，並存入中國一間國有銀行。

除存入具高信貸評級之萊商銀行之流動資金信貸風險集中外，本集團亦因其大部分應收賬款來自有限數量之客戶（包括泰豐紡織）而面臨集中信貸風險。於二零一二年十二月三十一日，本集團前十名客戶（均位於中國並於中國經營）佔本集團應收賬款之約95%（二零一一年：86%）。該等客戶為從事製造或貿易業務之民營紡織企業，並無拖欠記錄。為將信貸風險減至最低，本集團管理層已指派小組負責釐定信貸限額、批准信貸及進行其他監察程序，確保採取跟進程序收回逾期債項。此外，管理層會於報告期間結算日審閱每項獨立貿易債項之可收回金額，以確保已就不可收回金額作出足夠減值虧損。就此，本集團董事認為本集團之信貸風險已大幅減低。

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綜合財務報表附註

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

36. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies

(Continued)

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with loan covenants. As set out in note 24, there are breach of covenants for certain bank borrowings. However, the directors of the Company believe that these bank borrowing facilities will continue to be available and will not be withdrawn until the maturity date.

The Group relies on bank borrowings as a significant source of liquidity. As at 31 December 2012, the Group has available unutilised bank borrowing facilities of approximately RMB109,605,000 (31 December 2011: RMB53,569,000), details of the bank borrowings are set out in note 24.

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

36. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

流動資金風險

於管理流動資金風險方面，本集團監察並將現金及現金等價物維持於管理層視為足以應付本集團營運及減低現金流量波動影響之水平。管理層監察銀行借貸之運用，並確保其符合貸款契諾。如附註24所載，若干銀行借貸之契諾已遭違反。然而，本公司董事認為該等銀行借貸融資於到期日前將繼續可供提取，不會被撤回。

銀行借貸為本集團流動資金之主要來源。於二零一二年十二月三十一日，本集團可運用之未動用銀行借貸額度約人民幣109,605,000元（二零一一年十二月三十一日：人民幣53,569,000元），銀行借貸詳情載於附註24。

下表詳述本集團金融負債之剩餘合約期。該表乃根據本集團可能被要求付款之最早日期計算之金融負債未貼現現金流量而編製。該表包括利息及本金現金流量。倘利息流量為浮動利率，則於報告期間結算日未貼現金額按利率曲線計算。

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綜合財務報表附註

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截至二零一二年十二月三十一日止年度

36. FINANCIAL INSTRUMENTS (Continued)

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

Liquidity risk (Continued)

Liquidity table

As at 31 December 2012

		Weighted average of contractual interest rate	Repayable on demand	Less than 1 month	1 – 3 months	3 months to 1 year	Total undiscounted cash flows	Carrying amount at 31.12.2012 於二零一二年 十二月 三十一日 之賬面值
		加權平均 合約利率 % %	應要求償還 RMB'000 人民幣千元	少於一個月 RMB'000 人民幣千元	1-3個月 RMB'000 人民幣千元	3個月至1年 RMB'000 人民幣千元	未貼現現金 流量總額 RMB'000 人民幣千元	RMB'000 人民幣千元
Trade and other payables	應付賬款及其他應付款項	-	-	96,646	29,962	182,000	308,608	308,608
Bank borrowings – variable rate	銀行借貸 – 浮動利率	7.2	-	-	-	5,360	5,360	5,000
Bank borrowings – fixed rate	銀行借貸 – 固定利率	6.99	30,000	-	-	72,751	102,751	98,000
Amount due to a shareholder	應付一名股東款項	5.25	-	-	-	28,628	28,628	27,200
			30,000	96,646	29,962	288,739	445,347	438,808

As at 31 December 2011

		Weighted average of contractual interest rate	Repayable on demand	Less than 1 month	1 – 3 months	3 months to 1 year	Total undiscounted cash flows	Carrying amount at 31.12.2011 於二零一一年 十二月 三十一日 之賬面值
		加權平均 合約利率 % %	應要求償還 RMB'000 人民幣千元	少於一個月 RMB'000 人民幣千元	1-3個月 RMB'000 人民幣千元	3個月至1年 RMB'000 人民幣千元	未貼現現金 流量總額 RMB'000 人民幣千元	RMB'000 人民幣千元
Trade and other payables	應付賬款及其他應付款項	-	-	57,231	101,981	30,000	189,212	189,212
Bank borrowings – fixed rate	銀行借貸 – 固定利率	7.85	42,000	-	39,153	89,921	171,074	163,810
Amount due to a shareholder	應付一名股東款項	5.25	-	-	-	28,628	28,628	27,200
			42,000	57,231	141,134	148,549	388,914	380,222

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

倘浮動利率變動與該等於報告期間結算日釐定之估算利率出現差異，則計入上述非衍生金融負債之浮息工具之金額將會變動。

36. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

流動資金風險 (續)

流動資金表

於二零一二年十二月三十一日

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綜合財務報表附註

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截至二零一二年十二月三十一日止年度

36. FINANCIAL INSTRUMENTS (Continued)

(c) Fair value

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

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

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 based on the degree to which the fair value is observable. Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities.

	2012 二零一二年	2011 二零一一年
	Level 1 第一層	Level 1 第一層
	RMB'000 人民幣千元	RMB'000 人民幣千元
Available-for-sale investment 可供出售投資	6,614	11,066

There were no transfers between levels in the current and prior year.

36. 金融工具 (續)

(c) 公平值

金融資產及金融負債之公平值乃按照普遍接納之定價模式根據貼現現金流量分析釐定。

董事認為，綜合財務報表內按攤銷成本入賬之金融資產及金融負債之賬面值與其公平值相若。

下表提供於首次確認後按公平值計量、並依據可觀察公平值之程度分為第一層之金融工具之分析。第一層公平值計量乃源自相同資產或負債於活躍市場之報價（未調整）。

於本年度及過往年度內並無於各層之間進行轉撥。

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For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

37. FINANCIAL INFORMATION OF THE COMPANY

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

		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
Assets	資產		
Investment in a subsidiary	一間附屬公司投資	180,007	180,007
Amount due from subsidiaries	應收附屬公司款項	420,180	421,236
Bank balances	銀行結餘	1,057	5,184
Liabilities	負債		
Accruals	應計費用	(4,711)	(2,295)
Amount due to a subsidiary	應付一間附屬公司款項	(2,727)	(2,727)
		593,806	601,405
CAPITAL AND RESERVES	資本及儲備		
Share capital	股本	88,000	88,000
Reserves (note)	儲備 (附註)	505,806	513,405
		593,806	601,405

Note:

Reserve of the Company:

37. 有關本公司之財務資料

本公司於報告期間結算日之財務資料包括：

	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
Assets		
Investment in a subsidiary	180,007	180,007
Amount due from subsidiaries	420,180	421,236
Bank balances	1,057	5,184
Liabilities		
Accruals	(4,711)	(2,295)
Amount due to a subsidiary	(2,727)	(2,727)
	593,806	601,405
CAPITAL AND RESERVES		
Share capital	88,000	88,000
Reserves (note)	505,806	513,405
	593,806	601,405

附註：

本公司之儲備：

		Share premium 股份溢價 RMB'000 人民幣千元	Accumulated losses 累計虧損 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2011	於二零一一年一月一日	522,054	(877)	521,177
Profit and total comprehensive income for the year	年內溢利及全面收益總額	-	196,228	196,228
Dividend recognised and paid as distribution	確認為分派及已付之股息	-	(204,000)	(204,000)
At 31 December 2011	於二零一一年十二月三十一日	522,054	(8,649)	513,405
Profit and total comprehensive income for the year	年內溢利及全面收益總額	-	78,401	78,401
Dividend recognised and paid as distribution	確認為分派及已付之股息	-	(86,000)	(86,000)
At 31 December 2012	於二零一二年十二月三十一日	522,054	(16,248)	505,806

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綜合財務報表附註

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

38. PARTICULARS OF SUBSIDIARIES

Particulars of the principal subsidiaries at 31 December 2012 and 2011 are set out below:

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

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

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

38. 附屬公司詳情

於二零一二年及二零一一年十二月三十一日，主要附屬公司之詳情載列如下：

附註：山東泰豐為外商獨資企業，而上海泰豐為一間境內有限責任企業。

於年終或年內任何時間，概無附屬公司擁有任何已發行債務證券。



China Taifeng Beddings Holdings Limited
中國泰豐床品控股有限公司