



2011年報
Annual Report



GOLDEN SHIELD
Holdings (Industrial) Limited

金盾控股(實業)有限公司
Golden Shield Holdings (Industrial) Limited

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立的有限公司)

Stock Code 股份代號 : 2123

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Corporate Information 公司資料

Board of Directors

Executive Directors:

Mr. Chen Binghui
Mr. Chen Zhifeng
Mr. Wu Shoumin

Non-executive Directors:

Mr. Qiu Jianfa (*Chairman*)
Mr. Lin Shuqing

Independent non-executive Directors:

Mr. Yang Guohao
Mr. Kwong Kwan Tong
Ms. Xue Fang

Audit Committee

Mr. Kwong Kwan Tong (*Chairman*)
Mr. Yang Guohao
Ms. Xue Fang

Remuneration Committee

Mr. Yang Guohao (*Chairman*)
Mr. Kwong Kwan Tong
Ms. Xue Fang

Nomination Committee

Ms. Xue Fang (*Chairwoman*)
Mr. Kwong Kwan Tong
Mr. Yang Guohao

Joint Company Secretaries

Mr. Chan Cho Chak, *CPA (Practising), FCCA*
Mr. Yao Yan Ping Francis, *CPA (Practising), FCCA*

董事會

執行董事：

陳秉輝先生
陳志峰先生
吳守民先生

非執行董事：

邱建法先生(主席)
林樹青先生

獨立非執行董事：

楊國豪先生
鄭焜堂先生
薛芳女士

審核委員會

鄭焜堂先生(主席)
楊國豪先生
薛芳女士

薪酬委員會

楊國豪先生(主席)
鄭焜堂先生
薛芳女士

提名委員會

薛芳女士(主席)
鄭焜堂先生
楊國豪先生

聯席公司秘書

陳祖澤先生，*CPA (Practising) · FCCA*
姚恩平先生，*CPA (Practising) · FCCA*

Authorised Representatives

Mr. Chen Binghui
Mr. Yao Yan Ping Francis

Registered Office

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Principal Place of Business in Hong Kong

Unit 1003, 10th Floor
No. 69 Jervois Street
Hong Kong

Head Office in the PRC

Wenyi Road
Jing Yang Country
Xianyang City
Shaanxi Province
PRC

Legal Advisers to the Company

As to Hong Kong Law
So Keung Yip & Sin

As to Bermuda Law
Conyers Dill & Pearman

As to PRC Law
Dacheng Law Offices

法定代表

陳秉輝先生
姚恩平先生

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

香港主要營業地點

香港
蘇杭街69號
10樓1003室

中國總辦事處

中國
陝西省
咸陽市
涇陽縣
文藝路

本公司法律顧問

有關香港法例
蘇姜葉洸律師行

有關百慕達法例
Conyers Dill & Pearman

有關中國法例
大成律師事務所

Corporate Information (continued)
公司資料(續)

Auditors

Martin C.K. Pong & Company

Compliance Adviser

Guotai Junan Capital Limited (resigned on 1 February 2012)
Huntington Asia Limited (appointed on 1 February 2012)

Hong Kong Share Registrar

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

Principal Bankers

Standard Chartered Bank (Hong Kong) Limited

Stock Code

2123

Company Website

www.goldenshield.com.cn
www.goldenshield.com.hk

核數師

龐志鈞會計師行

合規顧問

國泰君安融資有限公司
(於二零一二年二月一日辭任)
漢騰亞洲有限公司
(於二零一二年二月一日獲委任)

香港證券登記處

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

主要往來銀行

渣打銀行(香港)有限公司

股份代號

2123

公司網址

www.goldenshield.com.cn
www.goldenshield.com.hk

Financial Highlights 財務摘要

- Revenue increased by approximately 39.6% to approximately RMB991.0 million for the year ended 31 December 2011 from approximately RMB710.0 million for the year ended 31 December 2010.
- Despite gross profit margin being decreased by approximately 4.4 percentage points to approximately 17.6% for the year ended 31 December 2011 from approximately 22.0% for the year ended 31 December 2010, gross profit increased to approximately RMB174.4 million from RMB156.0 million over the same period.
- Net profit margin decreased by approximately 3.5 percentage points to approximately 10.2% for the year ended 31 December 2011 from approximately 13.7% for the year ended 31 December 2010 whereas profit attributable to owners of the Company increased by approximately 3.2% to approximately RMB100.6 million for the year ended 31 December 2011 from approximately RMB97.4 million for the year ended 31 December 2010.
- Basic earnings per share is approximately RMB12 cents for the year ended 31 December 2011, of which its calculation is based on the weighted average number of ordinary shares of 841,774,740.
- The Board does not recommend the payment of a final dividend for the financial year ended 31 December 2011 (2010: nil).
- 收益由截至二零一零年十二月三十一日止年度約人民幣710,000,000元增長約39.6%至截至二零一一年十二月三十一日止年度約人民幣991,000,000元。
- 儘管毛利率由截至二零一零年十二月三十一日止年度約22.0%下降約4.4個百分點至截至二零一一年十二月三十一日止年度約17.6%，毛利由去年同期之約人民幣156,000,000元增至約人民幣174,400,000元。
- 純利率由截至二零一零年十二月三十一日止年度之約13.7%下降約3.5個百分點至截至二零一一年十二月三十一日止年度之約10.2%，而本公司擁有人應佔溢利由截至二零一零年十二月三十一日止年度之約人民幣97,400,000元增長約3.2%至截至二零一一年十二月三十一日止年度之約人民幣100,600,000元。
- 截至二零一一年十二月三十一日止年度之每股基本盈利約為人民幣12分，乃根據841,774,740股普通股之加權平均數計算。
- 董事不建議派付截至二零一一年十二月三十一日止財政年度之末期股息(二零一零年：無)。

Chairman's Statement

主席報告

The Board of Directors (the "Board") of **Golden Shield Holdings (Industrial) Limited** ("Golden Shield" or "the Company") is pleased to announce the audited consolidated annual results of the Company and its subsidiaries ("the Group") for the 12 months ended 31 December 2011. This is the Group's first annual results report issued after the listing of the Group on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 14 July 2011.

During the past year, the textile industry in the PRC faced a tougher macroeconomic environment when compared with that in 2010. External challenges primarily stemming from the slowdown of the global economic recovery, coupled with certain domestic obstacles such as tightening of currency and monetary policies, fluctuation of cotton prices and a surge in production costs have aggravated the operating pressures across the entire textile sector in the PRC. However, with huge consumption in the domestic market, the textile industry attained a stable growth for the year. In view of intense market competition, the Group continued to place business focus on its cotton yarns given their versatility in downstream textile product applications and hence stability in market demand. This strategy has helped the Group to achieve growth in turnover and profit notwithstanding the unfavourable operating environment.

The listing of the Group not only marks a milestone in its history but the fund raised from the share offer also facilitates its future development. During the year, the Group adopted the development strategy of "striving for excellence and growing its business in scale and strength". As for its cotton yarns business, the Group is planning to expand its Yongle Production Plant to enlarge the production scale of combed cotton yarn, a premium cotton yarn product in the market, to meet the demand from customers for higher quality products and improve the Group's overall profitability. In order to alleviate the impact from lint cotton price fluctuation, the Group concentrated on production of higher density grey fabric products during the year such that the profitability can be maintained. We believe such continual adjustment in operation strategy will help enhance the Group's leadership in the cotton textile industry in the northwestern region in the PRC, enlarge our market share and lead the Group's business to new heights.

As for the supply of raw materials, the Group will direct more financial resources towards maintaining a reasonable level of lint cotton inventory, thereby achieving better cost control, as well as product consistency and product quality. Capitalising on its expertise and years of experience, the Group will strategically manage the cotton inventory and purchase more lint cotton at favourable terms to retain its competitiveness.

金盾控股(實業)有限公司(「金盾」或「本公司」)董事會(「董事會」)欣然提呈本公司連同附屬公司(統稱「本集團」)截至二零一一年十二月三十一日止十二個月之經審核綜合全年業績報告。此乃本集團自二零一一年七月十四日於香港聯合交易所有限公司(「聯交所」)上市以來，首份刊發之全年業績報告。

於過去一年，中國紡織行業面臨的宏觀經濟環境相對二零一零年而言比較嚴峻。外有全球經濟復甦放緩之挑戰，內有緊縮外匯及貨幣政策，棉花價格不斷波動和生產成本上漲等阻力，所有該等不利發展使整個中國紡織行業經營壓力加大。然而，內需市場龐大，令年內紡織業維持穩定增長。鑒於市場競爭激烈，本集團因應棉紗在紡織產品下游市場供應不穩，加速市場需求殷切，而繼續將市場重點投放於棉紗業務，此策略令本集團在經營環境欠佳的情況下，營業額及溢利有所提升。

本集團上市除了標誌著本集團業務發展邁向新里程碑之外，從公開發售股份募集之資金亦將大大推動未來的發展。於年內，本集團落實推行「精益求精，造大造強」之發展策略。於棉紗業務方面，本集團正計劃擴建永樂生產點，擴大精梳棉紗之生產規模，以滿足客戶對更高質素產品需求的同時，亦有望可提升本集團的整體利潤。為減輕皮棉價格波動的影響，本集團於年內集中生產高檔次坯布產品以維持利潤。我們相信，有關持續調整業務的策略可鞏固本集團於中國西北地區棉紡織行業的領導地位，擴大市場份額，將本集團業務提升至另一層次。

至於原材料供應方面，本集團將繼續投入更多財務資源，以維持合理水平的皮棉存貨，致使能更有效地控制成本及保持產品的一致性和質量。本集團憑藉其專業知識及多年的行業經驗，將策略性地控制棉花存貨，以優惠的條款購買更多皮棉，以維持競爭力。

Benefitting from the steady economic growth in the PRC and driven by rising domestic demand, the textile industry in the country is expected to achieve sustainable growth in 2012. Being one of the biggest economies in the world, such continuous economic expansion and improvement in living standard in the country should combine to fuel demand for textile products, leading to an advance in the Group's business development. With the new capital raised from the listing on the Stock Exchange and the adoption of flexible strategy, the management is confident in the Group's long term prospects.

On behalf of the Board and the management, I would like to especially thank the management team and the entire staff for their efforts and contributions and also extend my sincere gratitude to the shareholders, investors, customers, suppliers and business partners for their unfailing support.

Non-Executive Director and Chairman
Mr. Qiu Jianfa

20 March 2012

受惠於中國經濟穩健增長，在內需增加的帶動下，預期中國紡織行業於二零一二年將會持續增長。中國作為全球最大經濟體之一，中國持續經濟增長及生活水平提升，將推動紡織產品的需求，加速本集團之業務發展。隨著於聯交所上市籌集新資金的推動以及策略性業務發展舉措的施行，管理層對本集團業務的長遠發展充滿信心。

本人謹代表董事會及管理層衷心感謝管理團隊及全體員工於年內努力不懈，全心全意為本集團作出貢獻。同時在此謹向各股東、投資者、客戶、供應商及業務夥伴的鼎力支持致以衷心謝意。

非執行董事及主席
邱建法先生

二零一二年三月二十日

Biographical Information of Directors and Senior Management

董事及高級管理層履歷資料

Non-executive Chairman

Mr. Qiu Jianfa (邱建法), aged 41, is a non-executive Director and Chairman of the Company. He is the founder of the Group responsible for its overall strategic direction development. Mr. Qiu graduated from Jin Jiang County Vocational School (晉江縣職業學校) (now known as Fujian Jin Jiang Vocational School (福建省晉江職業中專學校) majoring in finance and accounting in 1991. He had worked in Shishi Rural Credit Cooperatives (石獅市農村信用合作社聯合社) (now known as Fujian Shishi Rural Cooperative Bank (福建石獅農村合作銀行)) as accountant from 1994 to 2004 and a privately-owned clothing manufacturing company, Shishi City Hongjiahao Textile Company Limited (石獅市鴻杰濠服飾織造有限公司), as vice general manager from 2004 and 2007. Since 2007, he has been working in a privately-owned property development and management company, Dalin City Fengyu Property Development Limited (大連市豐裕房地產開發有限公司), as a project development manager responsible for property project planning and execution. After the establishment of Jing Yang Golden Shield in 2001, he has engaged in cotton textile business and has been the general manager of Jing Yang Golden Shield since then.

Executive Directors

Mr. Chen Binghui (陳秉輝), aged 47, is an executive Director and the managing director of the Company. He is responsible for the Group's general management, corporate development and strategic planning of the day to day operation of the Group. Mr. Chen graduated from Fujian Agriculture University (福建農業大學) (now known as Fujian Agriculture and Forestry University (福建農林大學)) with a bachelor degree in agricultural economics and management in 1989 and also holds a master degree in economics awarded by The School of Economics at Xiamen University (廈門大學經濟學院) in 2003. Prior to joining the Group in 2001, he worked in Shishi branch of Agricultural Bank of China (中國農業銀行石獅市支行) from 1989 to 1996 as supervisor. Between 1996 and 2001, Mr. Chen worked for Shishi City Hong Ji Trading and Development Company Limited* (石獅市宏基貿易聯合發展有限公司), a privately-owned company engaged in textile, clothing, footwear and leather product trading, as a general manager responsible for its corporate planning and daily operations. Mr. Chen has been the chairman of Jing Yang Golden Shield since its establishment in 2001 and has approximately 10 years of experience in the cotton textile industry. Since 2007 and 2009, he has been a deputy to the People's Congress of Jing Yang County (涇陽縣人大代表) and Xian Yang City (咸陽市人大代表) respectively. In February 2011, Mr. Chen was awarded as one of the 2010 Outstanding Entrepreneurs in Xian Yang City (優秀民營企業家) by the People's Government of Xian Yang City.

非執行主席

邱建法先生，41歲，本公司非執行董事兼主席。彼為本集團之創始人，負責其整體策略方向發展。於一九九一年，邱先生畢業於晉江縣職業學校(現稱福建省晉江職業中專學校)，主修金融及會計。彼曾於一九九四年至二零零四年出任石獅市農村信用合作社聯合社(現稱福建石獅農村合作銀行)的會計師及由二零零四年至二零零七年出任一間私人成衣生產公司石獅市鴻杰濠服飾織造有限公司的副總經理。自二零零七年，彼於一間私人房地產開發及管理公司大連市豐裕房地產開發有限公司任職項目開發經理，負責策劃及執行房地產項目。於二零零一年成立涇陽金盾後，彼從事棉紡織業務，並自此擔任涇陽金盾總經理。

執行董事

陳秉輝先生，47歲，本公司執行董事兼董事總經理。彼負責本集團之日常管理、企業發展及本集團日常營運的策略規劃。於一九八九年，陳先生畢業於福建農業大學(現稱為福建農林大學)並取得農業經濟及管理學士學位，並於二零零三年獲廈門大學經濟學院頒授經濟學碩士學位。於二零零一年加盟本集團前，彼曾於一九八九年至一九九六年出任中國農業銀行石獅市支行的主管。於一九九六年至二零零一年間，陳先生於一間從事紡織、衣服、鞋類及皮產品貿易的私人公司石獅市宏基貿易聯合發展有限公司任職總經理，負責企業規劃及日常運作。陳先生自涇陽金盾於二零零一年成立時已為其主席，並於棉紡織行業擁有約十年經驗。自二零零七年及二零零九年起，彼分別擔任涇陽縣人大代表及咸陽市人大代表。於二零一一年二月，陳先生榮獲咸陽市人民政府頒授二零一零年咸陽市優秀民營企業家之一的稱號。

Biographical Information of Directors and Senior Management (continued) 董事及高級管理層履歷資料(續)

Mr. Chen is one of the shareholders of Shaanxi Golden Shield Textile Co., Ltd., a PRC domestic enterprise which is owned as to 90% and 10% by him and Mr. Lin respectively. For further details of Shaanxi Golden Shield, please refer to the section headed “History and Corporate Structure” and the paragraph headed “Leased properties” in the section headed “Business” in the prospectus of the Company dated 28 June 2011 (the “Prospectus”).

Mr. Chen Zhifeng (陳志峰), aged 46, is an executive Director and a deputy vice general manager of Jing Yang Golden Shield responsible for its general management. Mr. Chen graduated from Shaanxi Xian Yang Textile Vocational Institute (陝西咸陽紡織工業學校) (now known as Shaanxi Polytechnic Institute (陝西工業職業技術學院)) majoring in cotton textile manufacturing in 1986 and also received a bachelor degree in economics and management from the School of Distance Learning at China Communist Party Institute (中共中央黨校函授學院) in 2000 and master degree in economics and management from the Shaanxi Province Communist Party Institute (陝西省委黨校) in 2005. He has over 22 years of experience in the cotton textile industry and worked for a number of state-owned cotton textile manufacturing enterprises, including Jing Yang Spinning Mill from 1986 to 1991, in various capacities including technician, engineer and general manager, and 13th Weaving Mill, a then state-owned textile enterprise in Shaanxi Province, from 2000 to 2005 in capacities of factory manager (廠長) and committee member of Communist Party of China (黨委委員). He also served as a supervisor of yarn division (紡紗車間主任), head of export and import department (進出口部長) and deputy chief engineer (副總工程師) from 1991 to 2000 in Northwest No. 2 Cotton Group Co., Ltd (西北二棉集團有限公司), a company engaged in the manufacturing and sales of cotton textile products. Mr. Chen joined the Group in November 2009.

Mr. Wu Shoumin (吳守民), aged 61, is an executive Director and the financial controller of the Group responsible for the Group’s financial control and tax matters. Mr Wu has approximately 40 years of experience in tax, finance and accounting. He joined Jing Yang Spinning Mill, a then state-owned textile enterprise in Shaanxi Province, as an account clerk in 1969 and promoted to accounting supervisor in 1988. After the Group’s acquisition of the production facilities of Jing Yang Spinning Mill in 2001, he joined the Group and was appointed as financial controller of Jing Yang Golden Shield in May 2002.

陳先生為陝西金盾紡織有限公司(一間彼與林先生分別擁有90%及10%權益的中國內資企業)的股東之一。有關陝西金盾的詳細資料，請參閱本公司日期為二零一一年六月二十八日的招股章程(「招股章程」)「歷史及公司架構」一節，以及「業務」一節「租賃物業」一段。

陳志峰先生，46歲，涇陽金盾之執行董事兼常務副總經理，負責日常管理。陳先生於一九八六年畢業於陝西咸陽紡織工業學校(現稱陝西工業職業技術學院)，主修棉紡織生產，並於二零零零年及二零零五年自中共中央黨校函授學院及陝西省委黨校分別取得經濟及管理系學士及經濟及管理碩士學位。彼於棉紡織行業擁有超過二十二年經驗及自一九八六年至一九九一年於多間國有棉紡織生產企業(包括涇陽縣棉紡織廠)工作，任職多個崗位，包括技術員，工程師及總經理，以及自二零零零年至二零零五年間於當時陝西省的國有紡織企業第十三棉紡織廠任職廠長及黨委委員。彼曾於一九九一年至二零零零年間於西北二棉集團有限公司(一間從事生產及銷售棉紡織產品的公司)出任紡紗車間主任、進出口部長以及副總工程師。陳先生於二零零九年十一月加盟本集團。

吳守民先生，61歲，本集團之執行董事兼財務總監，負責本集團之財務控制及稅務事項。吳先生於稅務、金融及會計方面擁有約四十年經驗。彼於一九六九年加入當時陝西省的國有紡織企業涇陽縣棉紡織廠為會計員並於一九八八年晉升為會計主管。於二零零一年本集團收購涇陽縣棉紡織廠之生產設施後，吳先生於二零零二年五月加盟本集團並獲委任為涇陽金盾之財務總監。

Biographical Information of Directors and Senior Management (continued)

董事及高級管理層履歷資料(續)

Non-executive Director

Mr. Lin Shuqing (林樹青), aged 40, a non-executive Director, is responsible for the strategic development and supervision of the Group. Mr. Lin graduated from Fujian Institute of Financial Administrators (福建金融管理幹部學院) (now known as Fujian Jiangxia College (福建江廈學院)) majoring in finance in 1999. He had worked for Shishi City Qiao Lian Logistics Company Limited (石獅市僑聯物流有限責任公司), a PRC travel agency company, as financial manager, from 1991 to 2000 and Shishi City Xin Cheng Chemicals Trading Company Limited (石獅市信成化工工貿有限公司), a PRC chemicals and textile wholesaler, as sales manager, from 2001 to 2003. He currently works in Shishi City Xin Yi Chemicals Trading Company Limited (石獅市信義化工工貿有限公司), a PRC chemicals and textile trading company as the authorised representative and general manager since 2004. He joined the Group in 2001 and has approximately 10 years of experience in the cotton textile industry. Mr. Lin is also a shareholder of Shaanxi Golden Shield, a PRC domestic enterprise the jointly controlled by him and Mr. Chen.

非執行董事

林樹青先生，40歲，非執行董事，負責本集團策略發展及監督。林先生於一九九九年畢業於福建金融管理幹部學院(現稱福建江廈學院)，主修金融。於一九九一年至二零零零年，彼於一間中國旅遊代理公司石獅市僑聯物流有限責任公司任職財務經理，且自二零零一年至二零零三年於一間中國化學及紡織批發商石獅市信成化工工貿有限公司任職銷售經理。彼目前於一間中國化學及紡織貿易公司石獅市信義化工工貿有限公司工作，自二零零四年開始出任授權代表及總經理。彼於二零零一年加盟本集團，並於棉紡織行業擁有約十年經驗。林先生亦為陝西金盾(一間由彼及陳先生共同控制的中國內資企業)的股東。

Independent Non-Executive Directors

Mr. Yang Guohao (楊國豪), aged 48, is an independent non-executive Director. He graduated from Dalian Maritime College (大連海運學院) (now known as Dalian Maritime University (大連海事大學)), with a bachelor degree in electrical engineering for shipbuilding in 1984 and obtained his master degree in electrical engineering for shipbuilding from Marine Engineering College (海軍工程學院) (now known as China People's Liberation Army Marine Engineering University (中國人民解放軍海軍工程大學)) in 1989. Mr. Yang has extensive teaching and research experience in maritime engineering discipline and was a vice president and committee member of Communist Party at Jimei University (集美大學) in Fujian Province until December 2010. Currently, he is the full time secretary of Communist Party Committee at Xiamen University of Technology (廈門理工學院). He joined the Group in November 2010.

獨立非執行董事

楊國豪先生，48歲，獨立非執行董事。彼於一九八四年畢業於大連海運學院(現稱大連海事大學)並取得電氣工程造船學士學位，以及於一九八九年自海軍工程學院(現稱中國人民解放軍海軍工程大學)取得電氣工程造船碩士學位。楊先生擁有豐富的海事工程教學及研究經驗，並為福建省集美大學副校長及共產黨委員會常務委員直至二零一零年十二月。目前，彼為廈門理工學院全職黨委書記。彼於二零一零年十一月加盟本集團。

Biographical Information of Directors and Senior Management (continued) 董事及高級管理層履歷資料(續)

Mr. Kwong Kwan Tong (鄺焜堂), aged 46, is an independent non-executive Director. He is a fellow member of the Association of Chartered Certified Accountants, and an associate member of the Hong Kong Institute of Certified Public Accountants and the Chartered Institute of Management Accountants. Mr. Kwong has over 20 years of experience in accounting, auditing and financial control through his various employment with different companies in Hong Kong and the PRC. During the tenure in his career, he was an independent non-executive director, chairman of audit committee, member of remuneration and nomination committee of China Investment Fund Company Limited (a company listed on the Stock Exchange with stock code 612) from 2008 to 2010. He is currently an independent non-executive director of Qunxing Paper Holdings Company Limited (a company listed on the Stock Exchange with stock code 3868) and the chief financial officer and company secretary of Damin International Holdings Limited (大閩國際控股有限公司), a privately held manufacturing company. Mr. Kwong joined the Group in November 2010.

Ms. Xue Fang (薛芳), aged 48, is an independent non-executive Director. Ms. Xue graduated at Shaanxi Province Finance and Economic Institute (陝西省財經學校) (now known as Shaanxi Province Technical Institute of Finance and Economics (陝西財經職業技術學院)) majoring in corporate accounting in 1987 and received her bachelor degree in law from Xi'an Political Institute (西安政治學院) in 2005. She has more than 20 years of experience in accounting and financial control matters with the finance department of state-owned Shaanxi Steel Factory (陝西鋼廠) from 1987 to 1994, subsequently merged with Shaanxi Province Military Food Supplies and Procurement Centre (陝西省軍糧採購供應站) since 1994. She has served as its assistant accountant since 1993. Ms. Xue joined the Group in November 2010.

鄺焜堂先生，46歲，獨立非執行董事。彼為英國特許公認會計師公會資深會員、香港會計師公會會員及英國特許管理會計師公會會員。鄺先生透過受僱於香港及中國多間不同公司，於會計、核數及財務管理方面積逾二十年經驗。彼曾於二零零八年至二零一零年任職中國投資基金有限公司(聯交所上市公司，股份代號為612)之獨立非執行董事、審核委員會主席、薪酬及提名委員會成員。彼現為群星紙業控股有限公司(聯交所上市公司，股份代號為3868)之獨立非執行董事，並為一間私人持有製造業公司大閩國際控股有限公司之財務總監及公司秘書。鄺先生於二零一零年十一月加盟本集團。

薛芳女士，48歲，獨立非執行董事。薛女士於一九八七年自陝西省財經學校(現稱陝西財經職業技術學院)畢業，主修企業會計，並於二零零五年自西安政治學院取得法律學士學位。彼於會計及財務監控方面積逾二十年經驗，由一九八七年至一九九四年於國有的陝西鋼廠(及後於一九九四年與陝西省軍糧採購供應站合併)的財務部工作。彼自一九九三年出任助理會計師。薛女士於二零一零年十一月加盟本集團。

Biographical Information of Directors and Senior Management (continued)

董事及高級管理層履歷資料(續)

Senior Management

Mr. Dang Ming (黨明), aged 47, is the director of operations of Jing Yang Golden Shield responsible for the management and supervision of its sale and purchase department since 2010. Mr. Dang graduated from Shaanxi Xian Yang Textile Vocational Institute (陝西咸陽紡織工業學校) (now known as Shaanxi Polytechnic Institute (陝西工業職業技術學院)) majoring in mechanical engineering in 1983 and obtained a bachelor degree in management engineering through distance learning from Xi'an Electronic Engineering and Technology University (西安電子科技大學) in 1989. He has over 14 years of experience in the cotton textile industry and began his career with 13th Weaving Mill, a then state-owned textile enterprise in Shaanxi Province. He was appointed as a deputy factory manager of 13th Weaving Mill in 2003. After the acquisition of the production facilities of 13th Weaving Mill by the Group, Mr. Dang joined the Group and was appointed as vice general manager of Jing Yang Golden Shield in 2009.

Mr. Xu Xiaoniu (許小牛), aged 46, is the director of production of Jing Yang Golden Shield responsible for the supervision of operations and technical aspects of all of its production plants since 2010. Mr. Xu has over 15 years of experience in the cotton textile industry. He joined Jing Yang Spinning Mill as a technician in 1985 after he obtained a bachelor degree in Light Industry Mechanical Engineering from Northwest Light Industry Institute (西北輕工業學院) (now known as Shaanxi University of Science and Technology (陝西科技大學)) in the same year. After the acquisition of production facilities of Jing Yang Spinning Mill by the Group, Mr. Xu joined the Group in 2001 and was appointed as an assistant to the chairman since 2002.

Mr. He Baomin (何保民), aged 50, is the vice general manager of Jing Yang Golden Shield responsible for the supervision and production management of Yongle Production Plant since 2009. He graduated from Shaanxi Xian Yang Textile Vocational Institute (陝西咸陽紡織工業學校) (now known as Shaanxi Polytechnic Institute (陝西工業職業技術學院)) majoring in cotton textile manufacturing in 1983 and also received a bachelor degree in corporate management through distance learning from Northwest Light Industry Institute (西北輕工業學院) (now known as Shaanxi University of Science and Technology (陝西科技大學)) in 1989. Mr. He has over 17 years of experience in the cotton textile industry. Prior to joining the Group in 2009, he worked as a production manager in Northwest No. 7 Weaving Plant (西北第七棉紡廠), currently known as Xian Yang China Resources Textile Co., Ltd (咸陽華潤紡織有限公司) from 1983 to 2004 and served as the general manager of Yong Sing Textile Company Limited (永勝紡織有限公司) from 2004 to 2007.

高級管理層

黨明先生，47歲，自二零一零年起為涇陽金盾之營運總監，負責管理及監督其銷售及採購部門。黨先生於一九八三年自陝西咸陽紡織工業學校(現稱陝西工業職業技術學院)畢業，主修機械工程，並於一九八九年透過遙距課程於西安電子科技大學取得管理工程學士學位。彼於棉紡織業方面擁有超過十四年經驗，並於第十三棉紡織廠開展其事業。彼於二零零三年獲委任為當時陝西省的國有紡織企業第十三棉紡織廠工廠副廠長。於本集團收購第十三棉紡織廠之生產設施後，黨先生加盟本集團並於二零零九年獲委任為涇陽金盾副總經理。

許小牛先生，46歲，自二零一零年起為涇陽金盾之生產總監，負責監督其所有生產點的營運及技術事宜。許先生於棉紡織業方面擁有超過十五年經驗。彼於一九八五年自西北輕工業學院(現稱陝西科技大學)畢業並取得輕工業機械工程學士學位後，於同年加入涇陽縣棉紡織廠為技術員。於本集團收購涇陽縣棉紡織廠之生產設施後，許先生於二零零一年加盟本集團並自二零零二年獲委任為主席助理。

何保民先生，50歲，自二零零九年起為涇陽金盾之副總經理，負責永樂生產點的監督及生產管理。彼於一九八三年畢業於陝西咸陽紡織工業學校(現稱陝西工業職業技術學院)，主修棉紡織生產，並於一九八九年透過遙距課程於西北輕工業學院(現稱陝西科技大學)取得企業管理學士學位。何先生於棉紡織業方面擁有超過十七年經驗。於二零零九年加盟本集團前，彼由一九八三年至二零零四年於西北第七棉紡廠(現稱咸陽華潤紡織有限公司)任職生產經理，並由二零零四年至二零零七年出任永勝紡織有限公司總經理。

Biographical Information of Directors and Senior Management (continued) 董事及高級管理層履歷資料(續)

Mr. Xing Jigang (邢繼剛), aged 47, is the vice general manager of Jing Yang Golden Shield responsible for the supervision and production management of Guang Hua Production Plant since 2009. Mr. Xing obtained a bachelor degree in cotton textile engineering from Northwest Textile Engineering Institute (西北紡織工學院) (now known as Xi'an Polytechnic University (西安工程大學)) in 1987. He has over 11 years of experience in the cotton textile industry. Prior to joining the Group in 2008, Mr. Xing worked in various positions (including deputy factory manager) in 13th Weaving Mill from 1987 to 2003 and served as a general manager in Dong Run Textile Company Limited (東潤紡織有限公司) from 2005 to 2008.

Mr. Wang Wentao (王文濤), aged 45, is the vice general manager of Jing Yang Golden Shield responsible for the supervision and production management of Dali Production Plant since 2009. Mr. Wang received a bachelor degree in cotton textile engineering from Northwest Textile Engineering Institute (西北紡織工學院) (now known as Xi'an Polytechnic University (西安工程大學)) in 1989. He has over 15 years of experience in the cotton textile industry and joined the Group in 2005 and appointed as vice general manager in charge of Dali Production Plant after the acquisition of production facilities of 13th Weaving Mill by the Group in 2008. Prior to joining the Group, Mr. Wang worked as the head of production technology department and deputy factory manager for Shaanxi Province Textile Supply and Sales Factory (陝西省供銷紡織廠) from 1993 to 1999, as deputy factory manager of Xinjiang Manasi County Long Xing Cotton Spinning Mill (新疆瑪納斯縣隆興棉紡織廠) from 1999 to 2003, as factory manager for Shandong Linyi Ramie Textile Company Limited (山東臨沂苧麻紡織有限公司) from 2004 to 2005.

Mr. Yao Wen (姚文), aged 41, is the vice general manager of Jing Yang Golden Shield responsible for the supervision and production management of Jing Yang Production Plant since 2009. Mr. Yao has over 20 years of experience in the cotton textile industry. He graduated from Shaanxi Xian Yang Textile Vocational Institute (陝西咸陽紡織工業學校) (now known as Shaanxi Polytechnic Institute (陝西工業職業技術學院)) in 1989 and was awarded a bachelor degree in mechanical engineering by Shaanxi Province Higher Education Self-Learning Examination Board (陝西省高等教育自學考試委員會) of the Xi'an Jiaotong University (西安交通大學) in 1991. He worked as a technician and production manager in Jing Yang Spinning Mill, a then state-owned textile enterprise in Shaanxi Province, since 1989. After the acquisition of the production facilities of Jing Yang Spinning Mill by the Group, Mr. Yao joined the Group in 2001.

邢繼剛先生，47歲，自二零零九年起為涇陽金盾之副總經理，負責光華生產點的監督及生產管理。邢先生於一九八七年自西北紡織工學院(現稱西安工程大學)取得棉紡織工程學士學位。彼於棉紡織業方面擁有超過十一年經驗，於二零零八年加盟本集團前，邢先生自一九八七年至二零零三年於第十三棉紡織廠出任多個職位(包括副廠長)，並由二零零五年至二零零八年於東潤紡織有限公司出任總經理。

王文濤先生，45歲，自二零零九年起為涇陽金盾之副總經理，負責大荔生產點之監督及生產管理。王先生於一九八九年自西北紡織工學院(現稱西安工程大學)取得棉紡織工程學士學位。彼於棉紡織業方面擁有超過十五年經驗。彼於二零零五年加盟本集團，並於本集團在二零零八年收購第十三棉紡織廠之生產設施後獲委任為副總經理，負責大荔生產點。於加盟本集團前，王先生由一九九三年至一九九九年於陝西省供銷紡織廠任職生產技術部主任及副廠長，由一九九九年至二零零三年於新疆瑪納斯縣隆興棉紡織廠任職副廠長，及由二零零四年至二零零五年於山東臨沂苧麻紡織有限公司出任廠長。

姚文先生，41歲，自二零零九年起為涇陽金盾之副總經理，負責涇陽生產點之監督及生產管理。姚先生於棉紡織業方面擁有超過二十年經驗。彼於一九八九年自陝西咸陽紡織工業學校(現稱陝西工業職業技術學院)畢業，並於一九九一年獲西安交通大學陝西省高等教育自學考試委員會頒授機械工程學士學位。彼自一九八九年於當時陝西省的國有紡織企業涇陽縣棉紡織廠任職技術員及生產經理。於本集團收購涇陽縣棉紡織廠之生產設施後，姚先生於二零零一年加盟本集團。

Biographical Information of Directors and Senior Management (continued)

董事及高級管理層履歷資料(續)

Mr. Chan Cho Chak (陳祖澤), aged 49, has been the joint company secretary of the Company since June 2011. Mr. Chan is a practising accountant in Hong Kong and has over 16 years of professional experience in public accounting and company secretarial work. He is an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. Mr. Chan holds a Professional Diploma in accountancy from the Hong Kong Polytechnic University. Mr. Chan joined PricewaterhouseCoopers in 1986 since his graduation from the Hong Kong Polytechnic University and held the position of senior tax consultant when he left PricewaterhouseCoopers in 1989. After his departure, Mr. Chan commenced his own consulting business in advising accounting and tax related matters to other businesses from 1989 to 1994. In 1995, Mr. Chan formed Chan Fan & Co., an audit firm established in Hong Kong, as a founder partner.

Mr. Yao Yan Ping Francis (姚恩平), aged 42, holds a bachelor's degree in accounting from the City University of Hong Kong. He is currently a fellow member of the Hong Kong Institute of Certified Public Accountants (HKICPA) and of The Association of Chartered Certified Accountants, United Kingdom. Mr. Yao has over 18 years' experience in the financial field, the money market and capital market.

陳祖澤先生，49歲，自二零一一年六月起為本公司之聯席公司秘書。陳先生為香港執業會計師，並在會計及公司秘書工作方面擁有逾16年之專業經驗。彼為香港會計師公會會員及英國特許公認會計師公會資深會員。陳先生持有香港理工大學會計學專業文憑。陳先生自香港理工大學畢業後於一九八六年加入羅兵咸永道會計師事務所，於一九八九年離開羅兵咸永道會計師事務所前乃出任高級稅務顧問。陳先生於離職後，於一九八九年至一九九四年間開始其本身之顧問業務，從事向其他業務提供會計及與稅務相關事項的顧問工作。於一九九五年，陳先生以創辦合夥人身份在香港成立審核公司陳范會計師事務所。

姚恩平先生，42歲，持有香港城市大學會計學學士學位。彼為香港會計師公會及英國特許公認會計師公會資深會員。姚先生在金融領域、貨幣市場及資本市場擁有逾18年經驗。

Management Discussion and Analysis

管理層討論及分析

The Group is pleased to report the first set of audited annual results for the year ended 31 December 2011 (the “Year Under Review”) following its successful listing on the Stock Exchange on 14 July 2011.

Industry review

According to the National Development and Reform Commission, notwithstanding pressure arising from certain unfavorable factors such as raw material price fluctuation, increase in production and financing costs, change in Renminbi (“RMB”) foreign exchange rate and slowdown of external demand, the textile industry still maintained a steady growth in 2011.

For the first eleven month in 2011, textile enterprises above scale attained an industrial output of approximately RMB4,952.6 billion, representing a growth of approximately 27.5% over the same period. The total production volume of yarn, cloth, clothing and chemical fibers for the year reached approximately 28.9 million tonnes, 6.2 billion metres, 25.4 billion pieces and 33.6 million tonnes respectively, representing a growth of approximately 12.4%, 11.6%, 8.1% and 13.9% respectively over the same period.

Total export of clothing and textile products were approximately US\$153.2 billion and US\$94.7 billion respectively, representing a growth of 18.3% and 22.3% over the same period. However, after adjusting the price effect, the growth in terms of quantity of export for the first eleven month in 2011 was reduced to approximately 0.5% over the same period, reflecting demand in the international market was not optimistic.

For the twelve month period in 2011, total retail sales of consumer goods in the PRC reached approximately RMB18,122.6 billion, representing a growth of 17.1% over the same period, in which total retail sales of shoe, garment and textile products amounted to approximately RMB795.5 billion, representing a growth of 24.2% and surpassing the growth rate of total consumer goods above over the same period. For the eleven month period in 2011, domestic sales accounted for approximately 82.9% of total industrial output of textile industry and the figure illustrated the importance of domestic consumption in the sector.

Driven by significant domestic demand, fixed asset investment in textile industry recorded a fast growth in the year. For the eleven month period in 2011, the fixed asset investment amounted to approximately RMB610.2 billion, representing a growth of 34.7% over the same period. In terms of geographical structure, central and western regions attained a higher investment growth rate as compared to the national average, reflecting a continuous shift in investment trend to these regions.

本集團欣然呈報於二零一一年七月十四日成功上市後，截至二零一一年十二月三十一日止年度（「回顧年」）的首份經審核全年業績。

市場回顧

根據國家發展和改革委員會，儘管原材料價格波動、生產及融資成本上漲、人民幣（「人民幣」）匯率變動及外需放緩等若干不利因素帶來壓力，紡織行業於二零一一年仍維持穩定增長。

於二零一一年首十一個月，大型紡織企業錄得約人民幣4,952,600,000,000元的行業產量，較去年同期上升約27.5%。年內，紗、布、衣服及化學纖維的總產量分別約28,900,000噸、6,200,000,000米、25,400,000,000件及33,600,000噸，較去年同期分別上升約12.4%、11.6%、8.1%及13.9%。

衣服及紡織產品的總出口分別約為153,200,000,000美元及94,700,000,000美元，較去年同期增加18.3%及22.3%。然而，於調整價格影響後，出口於二零一一年首十一個月數量的增長較去年同期下降至約0.5%，反映國際市場的需求並不樂觀。

於二零一一年十二個月期間，中國消費品總零售銷量約人民幣18,122,600,000,000元，較去年同期增加17.1%，其中鞋類、服裝及紡織產品的總零售銷量約為人民幣795,500,000,000元，較去年同期增加24.2%，並超越消費品總額的增長率。於二零一一年十一個月期間，本地銷量佔紡織行業總行業產量約82.9%，有關數字說明了本地消費對行業的重要性。

受國內需求殷切帶動，年內紡織行業的固定資產投資錄得快速增長。於二零一一年十一個月期間，固定資產投資約為人民幣610,200,000,000元，較去年同期上升34.7%。就地理結構而言，中部及西部地區較全國平均數錄得較高投資增長率，反映投資趨勢持續向該等地區轉移。

Management Discussion and Analysis (continued)

管理層討論及分析(續)

Nevertheless, cotton prices were volatile in the year 2011. Gaining momentum from the year 2010, the CC price index continued to climb in the first quarter of the year and reached the year high of approximately RMB30,733 per ton in April 2011. Since then, the index price began to decline and reached approximately RMB19,329 per ton in August 2011 and remained at similar price level until the year end. As cotton is one of the principal raw materials in the industry, the fluctuation in cotton prices presents opportunity and challenge to all of the industry players.

Business review

The year 2011 marks a major milestone in the Group's corporate development history. First, the Group strides forward to the tenth year of operations. More importantly, the success of listing establishes the Group a new platform to strengthen its capital base and enhances its reputation.

For business operations, the Group achieved a total revenue of approximately RMB990.9 million for the year ended 31 December 2011, representing an increase of approximately 39.6% over corresponding period last year.

Cotton yarn business

Sales of cotton yarn products continued to be the major source of the Group's revenue. As mentioned above, cotton prices moved up and down like roller coaster in the year and the difference between the year high and its low was as much as one-third in magnitude.

In response to such changing market environment, the directors of the Company (the "Directors") continue to place business focus in cotton yarn products as they are more adaptable to change.

Sales volume of both carded cotton yarns and combed cotton yarns increased for the year. Increase in sales volume of carded cotton yarns was caused by continuous shift in production mix between cotton yarn and grey fabrics whereas increase in sales of combed cotton yarns was due to the full utilisation of the production capacity of Yongle plant as compared to last year in which the plant commenced commercial operation in March 2010.

The average selling prices of the Group's products are substantially determined by the price level of lint cotton. Despite the lint cotton prices being relatively stable in the second half of the year, the increase in average selling prices over comparative periods was primarily attributed to the relatively high lint cotton costs in the first half of the year.

然而，二零一一年棉花價格波動。受二零一零年之升勢帶動，CC價格指數於年內第一季繼續攀升，並於二零一一年四月達至年內高位每噸約人民幣30,733元。此後，指數價格開始回落，於二零一一年八月每噸約為人民幣19,329元，價格一直維持相若水平直至年末。由於棉花為紡織業的主要原材料之一，棉花價格的波動為所有業內企業同時帶來商機和挑戰。

業務回顧

二零一一年標誌著本集團企業發展史上重大的里程碑。首先，本集團邁步踏進營運第十個年頭。更為重要的是，成功上市為本集團建立鞏固其資金基礎及提升聲譽的新平台。

於營運業務方面，本集團於截至二零一一年十二月三十一日止年度錄得約人民幣990,900,000元的總收益，較去年同期增加約39.6%。

棉紗業務

銷售棉紗產品繼續為本集團收益的主要來源。如上文所述，年內棉花價格大幅上落，年內高位及低位之間的差價幅度多達三分之一。

為配合瞬息萬變的市場環境，本公司董事（「董事」）繼續將業務集中於棉紗產品，原因是有關產品較能適應變動。

年內，普梳棉紗及精梳棉紗的銷量均有所提升。普梳棉紗銷量增加乃由於棉紗與坯布的生產組合不斷轉變所致，而精梳棉紗銷量增加是由於永樂廠房相對去年而言已全面投產所致，該廠房於二零一零年三月開始商業營運。

本集團產品的平均售價大部分取決於皮棉的價格水平。儘管皮棉價格於今年下半年相對穩定，然而可資比較期間的平均售價仍然上升，主要是由於今年上半年皮棉成本相對較高所致。

Due to price pressure from lint cotton costs, the overall gross profit margin of cotton yarn products was slightly decreased from approximately 21.5% in last year to 18.9% in current year.

Grey fabric business

As mentioned above, shift in production mix resulted in reduction of grey fabric output in the current year. The revenue derived from sales of grey fabric products decreased from approximately RMB208.6 million to approximately RMB131.0 million and the decrease was mainly due to the decrease in sales volume from approximately 56,788 kilometres to approximately 25,597 kilometres over corresponding period.

Since the Group focused more on sales and production of higher density grey fabric products in the current year, the cost pressure from lint cotton on average selling prices and gross profit margin was less prominent as compared to that on cotton yarn products. The average selling price increased from approximately RMB3.7 per metre to approximately RMB5.1 per metre and the gross profit margin remained at similar level over the corresponding period.

Lint cotton trading business

In addition, the Group also commenced lint cotton trading business in the current year. Under the relatively low cotton price environment in the second half of the year, it has given rise to the Group an opportunity to procure substantial amount of lint cotton at favorable terms. It not only enables the Group to secure sufficient level of raw materials for its normal operations but also enhance its profitability through trading of surplus in its lint cotton reserves.

由於皮棉成本帶來價格壓力，棉紗產品的整體毛利率由去年約21.5%微跌至今年的18.9%。

坯布業務

如上文所述，生產組合的轉變導致坯布產量於本年度減少。銷售坯布產品所產生的收益由約人民幣208,600,000元跌至約人民幣131,000,000元，有關跌幅主要由於銷量由去年同期約56,788千米跌至約25,597千米所致。

由於本集團於本年度較集中銷售及生產密度較高的坯布產品，因此皮棉對平均售價及毛利率的成本壓力相對棉紗產品影響較小。平均售價由每米約人民幣3.7元增至每米約人民幣5.1元，而毛利率則維持與去年同期相若的水平。

皮棉買賣業務

此外，本集團亦於本年度開始皮棉買賣業務。今年下半年棉花價格相對較低的環境為本集團帶來商機，能以有利條款採購大量皮棉。這不僅使本集團可為其日常業務營運取得足夠的原材料，亦可透過買賣其皮棉儲備的盈餘提升其盈利能力。

Management Discussion and Analysis (continued)
管理層討論及分析(續)

Financial Review

Revenue

The following is an analysis of the revenue by major product categories during the Year Under Review:

財務回顧

收益

下表為於回顧年內主要產品類別之收益分析：

For the year ended 31 December

截至十二月三十一日止年度

		2011 二零一一年		2010 二零一零年	
		RMB'000	%	RMB'000	%
		人民幣千元	%	人民幣千元	%
Cotton yarn	棉紗	697,379	70.4	501,323	70.6
Grey fabric	坯布	130,954	13.2	208,625	29.4
Sales of lint cotton	銷售皮棉	162,621	16.4	—	—
		990,954	100.0	709,948	100.0

Cotton yarn products

Set out below are analysis of revenue by major cotton yarn categories offered by the Group during the years:

棉紗產品

下表載列本集團於本年度按提供之主要棉紗類別分類之收益分析：

For the year ended 31 December

截至十二月三十一日止年度

Product category 產品類別		Count No. 支數		2011 二零一一年		2010 二零一零年	
				RMB'000	%	RMB'000	%
				人民幣千元	%	人民幣千元	%
A. Carded yarns	A. 普梳棉紗						
Medium-count yarns	中支紗	19 to 28	19支至28支	36,796	5.3	34,807	6.9
Fine-count yarns	細支紗	29 to 58	29支至58支	393,644	56.4	291,072	58.0
High-count yarns	高支紗	60 or above	60支或以上	128,875	18.5	104,608	21.0
Sub-total	小計			559,315	80.2	430,487	85.9
B. Combed yarns	B. 精梳棉紗						
Fine-count yarns	細支紗	29 to 58	29支至58支	138,064	19.8	68,947	13.8
High-count yarns	高支紗	60 or above	60支或以上	—	—	1,889	0.3
Sub-total	小計			138,064	19.8	70,836	14.1
Total	總計			697,379	100.0	501,323	100.0

Management Discussion and Analysis (continued)
管理層討論及分析(續)

Grey fabric products

Set out below are analysis of revenue by major grey fabric categories offered by the Group during the years:

坯布產品

下表載列本集團於本年度按提供之主要坯布類別分類之收益分析：

For the year ended 31 December
截至十二月三十一日止年度

Product category 產品類別	Tex No. 紡織線數目		2011 二零一一年		2010 二零一零年	
			RMB'000 人民幣千元	%	RMB'000 人民幣千元	%
Medium-count fabrics 中支布料	21 to 30 21條至30條		—	—	1,657	0.8
Fine-count fabrics 細支布料	11 to 20 11條至20條		130,954	100.0	206,968	99.2
Total 總計			130,954	100.0	208,625	100.0

Remark:

- (1) Coarse-count fabric 31 tex or above (18 count or below)
- (2) Medium-count fabric 21 to 30 tex (19 count to 28 count)
- (3) Fine-count fabric 11 to 20 tex (29 count to 55 count)

備註：

- (1) 粗支布料由31條或以上紡織線(18支或以下)織成
- (2) 中支布料由21條至30條紡織線(19支至28支)織成
- (3) 細支布料由11條至20條紡織線(29支至55支)織成

Management Discussion and Analysis (continued)

管理層討論及分析(續)

Sales volume and average selling price

The following table sets out the sales volume and the average selling prices of the Group's cotton yarn and grey fabric during the Year Under Review:

銷量及平均售價

下表載列回顧年內本集團棉紗及坯布之銷量及平均售價：

For the year ended 31 December

截至十二月三十一日止年度

		2011 二零一一年		2010 二零一零年	
		Total sales volume	Average selling price (Note) 平均售價 (附註) RMB 人民幣	Total sales volume	Average selling price (Note) 平均售價 (附註) RMB 人民幣
		總銷量 (tonnes/ kilometres) (噸／千米)		總銷量 (tonnes/ kilometres) (噸／千米)	
Cotton yarn (tonnes)	棉紗(噸)	22,819	30,561	19,474	25,743
Grey fabric (kilometres)	坯布(千米)	25,597	5.1	56,788	3.7
Sales of lint cotton (tonnes)	銷售皮棉(噸)	9,361	17,372	—	—

Note: Average selling prices represent the turnover for the year divided by the total sales volume for the year and are expressed in RMB/tonne for cotton yarn and lint cotton and RMB/metre for grey fabric.

附註：平均售價為年度營業額除以年度之總銷量，就棉紗及皮棉而言為人民幣／噸及就坯布而言為人民幣／米。

Management Discussion and Analysis (continued)
管理層討論及分析(續)

Cotton yarn products

Set out below are analysis of sales volume and the average selling prices by major cotton yarn categories by the Group during the Year Under Review:

棉紗產品

下表載列本集團於回顧年內按主要棉紗類別分類的銷售量及平均銷售價格分析：

For the year ended 31 December
截至十二月三十一日止年度

Product category 產品類別		Count No. 支數		2011 二零一一年		2010 二零一零年	
				tonnes 噸	%	tonnes 噸	%
A. Carded yarns	A. 普梳棉紗						
Medium-count yarns	中支紗	19 to 28	19支至28支	1,435	6.3	1,650	8.4
Fine-count yarns	細支紗	29 to 58	29支至58支	13,576	59.5	11,989	61.6
High-count yarns	高支紗	60 or above	60支或以上	3,844	16.8	3,583	18.4
Sub-total	小計			18,855	82.6	17,222	88.4
B. Combed yarns	B. 精梳棉紗						
Fine-count yarns	細支紗	29 to 58	29支至58支	3,964	17.4	2,200	11.3
High-count yarns	高支紗	60 or above	60支或以上	—	—	52	0.3
Sub-total	小計			3,964	17.4	2,252	11.6
Total	總計			22,819	100.0	19,474	100.0

Management Discussion and Analysis (continued)
管理層討論及分析(續)

				For the year ended 31 December 截至十二月三十一日止年度	
Product category 產品類別		Count No. 支數		2011 二零一一年 RMB/ton 人民幣／噸	2010 二零一零年 RMB/ton 人民幣／噸
A. Carded yarns	A. 普梳棉紗				
Medium-count yarns	中支紗	19 to 28	19支至28支	25,642	21,095
Fine-count yarns	細支紗	29 to 58	29支至58支	28,995	24,277
High-count yarns	高支紗	60 or above	60支或以上	33,526	29,198
Average price of carded yarns		普梳棉紗平均價		29,665	24,997
B. Combed yarns	B. 精梳棉紗				
Fine-count yarns	細支紗	29 to 58	29支至58支	34,829	31,333
High-count yarns	高支紗	60 or above	60支或以上	—	36,500
Average price of combed yarns		精梳棉紗平均價		34,829	31,452
Average price of cotton yarns		棉紗平均價		30,561	25,743

Grey fabric products

Set out below are analysis of sales volume and the average selling prices by major grey fabric categories by the Group during the Year Under Review:

坯布產品

下表載列本集團於回顧年內按主要坯布類別分類的銷售量及平均銷售價格分析：

				For the year ended 31 December 截至十二月三十一日止年度			
Product category 產品類別		Tex No. 紡織線數目		2011 二零一一年 kilometres 千米		2010 二零一零年 kilometres 千米	
				%	%	%	%
Medium-count fabrics	中支布料	21 to 30	21條至30條	—	—	427	0.8
Fine-count fabrics	細支布料	11 to 20	11條至20條	25,597	100.0	56,361	99.2
Total	總計			25,597	100.0	56,788	100.0

				For the year ended 31 December 截至十二月三十一日止年度	
Product category 產品類別		Tex No. 紡織線數目		2011 二零一一年 RMB/metre 人民幣／米	2010 二零一零年 RMB/metre 人民幣／米
Medium-count fabrics	中支布紗料	21 to 30	21條至30條	0	3.88
Fine-count fabrics	細支布紗料	11 to 20	11條至20條	5.12	3.67
Average price of grey fabrics		坯布平均價		5.12	3.67

Cotton yarn products

The revenue derived from the sales of cotton yarns increased by approximately 39.1% to approximately RMB697.4 million for the Year Under Review from approximately RMB501.3 million for the year ended 31 December 2010. The increase in revenue was caused by increase in sales volume and average selling prices. Increase in sales of carded cotton yarns was caused by continuous shift in production mix between cotton yarn and grey fabrics whereas increase in sales of combed cotton yarns is due to the full utilisation of Yongle plant production capacity as compared to last year in which the plant commenced commercial operation in March 2010.

The average selling price of cotton yarns in the Year Under Review increased by approximately 18.7% to approximately RMB30,561 per tonne for the Year Under Review from approximately RMB25,743 per tonne for the year ended 31 December 2010. Despite the lint cotton prices being relatively stable in the second half of the year, the increase in average selling prices over comparative periods was primarily attributed to relatively high lint cotton costs in the first half of the year.

Grey fabric products

The revenue derived from the sales of grey fabric decreased by approximately 37.2% to approximately RMB131.0 million for the Year Under Review from approximately RMB208.6 million for the year ended 31 December 2010. The decrease in revenue was attributed to the drop of the sales volume of grey fabrics from approximately 56,788 kilometres to approximately 25,597 kilometres as result of continuous shift in production mix between cotton yarn and grey fabrics as mentioned above.

Lint cotton trading

In view of the relatively low cotton price environment in the second half of the Year Under Review, the Group commenced lint cotton trading business in current year and the revenue contribution from sales of lint cotton amounted to approximately RMB162.6 million, representing approximately 16.4% of the Group's total revenue for the year.

棉紗產品

棉紗銷售所產生之收益由截至二零一零年十二月三十一日止年度之約人民幣501,300,000元上升至回顧年內之約人民幣697,400,000元，上升幅度約為39.1%。收益增加乃由於銷量及平均售價上升所致。普梳棉紗銷量增加乃由於棉紗與坯布的生產組合不斷轉移所致，而精梳棉紗銷量增加是由於永樂廠房相對去年而言已全面投產所致，該廠房於二零一零年三月開始商業營運。

回顧年內棉紗之平均售價由截至二零一零年十二月三十一日止年度之每噸約人民幣25,743元升至回顧年內約每噸人民幣30,561元，增長約18.7%。儘管皮棉價格於今年下半年相對穩定，然而可資比較期間的平均售價仍然上升，主要是由於今年上半年皮棉成本相對較高所致。

坯布產品

坯布銷售所產生之收益由截至二零一零年十二月三十一日止年度之約人民幣208,600,000元減少至回顧年內之約人民幣131,000,000元，減少幅度約為37.2%。收益減少乃由於坯布銷量因上文所述棉紗與坯布的生產組合不斷轉移，導致由約56,788千米減少至約25,597千米。

皮棉買賣

鑒於回顧年下半年棉花價格相對較低的環境，本集團於本年度開始皮棉買賣業務，皮棉銷量帶來的收益貢獻約為人民幣162,600,000元，佔本集團年內總收益約16.4%。

Management Discussion and Analysis (continued)

管理層討論及分析(續)

Cost of sales

The cost of sales is mainly represented by lint cotton costs, direct staff costs and production overheads including depreciation and electricity cost. The following table sets out a breakdown of the Group's cost of sales by cost of production during the Year Under Review:

銷售成本

銷售成本主要為皮棉成本、直接員工成本及間接生產支出(包括折舊及電力成本)。下表載列本集團於回顧年內按生產成本劃分之銷售成本分析：

For the year ended 31 December
截至十二月三十一日止年度

Cost components	成本組合	2011		2010	
		二零一一年		二零一零年	
		RMB'000	% of total	RMB'000	% of total
		人民幣千元	佔總額之%	人民幣千元	佔總額之%
Lint cotton	皮棉	678,769	83.1	423,530	76.5
Subcontracting fee	外包費用	17,601	2.2	13,394	2.4
Labour cost	勞工成本	53,486	6.6	45,891	8.3
Electricity	電力	37,123	4.6	53,113	9.6
Depreciation	折舊	8,665	1.0	8,757	1.6
Other	其他	11,991	1.4	17,581	3.1
Total production cost	總生產成本	807,635	98.9	562,266	101.5
Finished goods movement	製成品變動	8,920	1.1	(8,338)	(1.5)
Cost of sales	銷售成本	816,555	100.0	553,928	100.0

Lint cotton cost is of primary significance to the Group, accounting for approximately 83.1% and 76.5% of the Group's overall cost of sales for the years ended 31 December 2011 and 2010, respectively, all lint cotton was purchased from independent suppliers during the Year Under Review.

皮棉成本佔本集團銷售成本的最主要部分，於截至二零一一年及二零一零年十二月三十一日止年度，分別佔本集團總銷售成本約83.1%及76.5%。回顧年內，所有皮棉亦從獨立供應商採購。

The cost of sales increased by approximately 47.4% to RMB816.6 million for the Year Under Review from approximately RMB553.9 million for the year ended 31 December 2010. This was due to a growth in consumption of lint cotton as a result of (i) increase in the production volume of cotton yarns and commencement of lint cotton trading business and (ii) increase in lint cotton average purchase price by approximately 23.0% over the corresponding period in 2010.

於回顧年內之銷售成本約為人民幣816,600,000元，較截至二零一零年十二月三十一日止年度約人民幣553,900,000元增加約47.4%，此乃由於皮棉消耗量增加所致，原因是(i)棉紗之生產量提升及開展皮棉買賣業務，以及(ii)皮棉之平均採購價格較二零一零年同期上升約23.0%。

However, electricity charges for the Year Under Review decreased by approximately 30.1% as compared to the year ended 31 December 2010. Such decrease in electricity charges was due to lower production volume of grey fabric products as a result of shift in production mix as mentioned above.

然而，與截至二零一零年十二月三十一日止年度相比，於回顧年內之電費下降約30.1%。有關電費下降乃由於坯布產品的產量因上文所述的生產組合轉移而減少。

Gross profit and gross profit margin

Set out below is an analysis of the Group's gross profits and gross profit margins during the Year Under Review:

毛利及毛利率

下表載列本集團於回顧年內之毛利及毛利率分析：

For the year ended 31 December
截至十二月三十一日止年度

		2011 二零一一年		2010 二零一零年	
		Gross profit		Gross profit	
		Gross profit	margin	Gross profit	margin
		毛利	毛利率	毛利	毛利率
		RMB'000	%	RMB'000	%
		人民幣千元	%	人民幣千元	%
Cotton yarn	棉紗	131,507	18.9	107,604	21.5
Grey fabric	坯布	29,617	22.6	48,416	23.2
Sales of lint cotton	銷售皮棉	13,275	8.1	—	—
		174,399	17.6	156,020	22.0

Cotton yarn products

Set out below are analysis of gross profit and gross profit margin by major cotton yarn categories offered by the Group during the Year Under Review:

棉紗產品

下表載列本集團於回顧年內按提供之主要棉紗類別分類的毛利及毛利率分析：

For the year ended 31 December
截至十二月三十一日止年度

		2011 二零一一年		2010 二零一零年	
		Gross profit		Gross profit	
		Gross profit	margin	Gross profit	margin
		毛利	毛利率	毛利	毛利率
		RMB'000	%	RMB'000	%
		人民幣千元	%	人民幣千元	%
A. Carded yarns	A. 普梳棉紗				
Medium-count yarns	中支紗	6,511	18.3	7,111	20.4
Fine-count yarns	細支紗	73,391	19.3	62,743	21.6
High-count yarns	高支紗	20,922	16.8	20,540	19.6
Sub-total	小計	100,824	18.7	90,394	21.0
B. Combed yarns	B. 精梳棉紗				
Medium-count yarns	中支紗	—	—	16,733	24.3
Fine-count yarns	細支紗	30,683	23.0	477	25.2
Sub-total	小計	30,683	23.0	17,210	24.3
Total	總計	131,507	18.9	107,604	21.5

Management Discussion and Analysis (continued)

管理層討論及分析(續)

Grey fabric products

Set out below are analysis of gross profit and gross profit margin by major grey fabric categories offered by the Group during the Year Under Review:

坯布產品

下表載列本集團於回顧年內按提供之主要坯布類別分類的毛利及毛利率分析：

For the year ended 31 December
截至十二月三十一日止年度

		2011 二零一一年		2010 二零一零年	
		Gross profit		Gross profit	
		Gross profit	margin	Gross profit	margin
		毛利	毛利率	毛利	毛利率
		RMB'000	%	RMB'000	%
		人民幣千元	%	人民幣千元	%
Medium-count fabrics	中支布料	—	—	429	25.9
Fine-count fabrics	細支布料	29,617	22.6	47,987	23.2
Total	總計	29,617	22.6	48,416	23.2

The overall gross profit for the Year Under Review was approximately RMB174.4 million, representing an increase of approximately 11.8% from the year ended 31 December 2010 whereas the overall gross profit margin for the Year Under Review was approximately 17.6%, representing a decrease of approximately 4.4 percentage points from the approximately 22.0% in the corresponding period in 2010. The decrease in overall gross profit margin was mainly caused by decrease in gross profit margin of cotton yarn products.

於回顧年內之整體毛利約為人民幣174,400,000元，較截至二零一零年十二月三十一日止年度增加約11.8%，而回顧期間之整體毛利率則約17.6%，較二零一零年同期約22.0%下降約4.4個百分點。整體毛利率下跌是由於棉紗產品之毛利率下降所致。

Cotton yarn products

The gross profit for the sales of cotton yarns for the Year Under Review was approximately RMB131.5 million, representing an increase of approximately 22.2% from approximately RMB107.6 million for the year ended 31 December 2010. The increase of gross profit was due to the increase in sales volume of cotton yarns by approximately 17.2%, which comprises of the increase in sales volume of combed cotton yarns of approximately 76.0% and increase in sales volume of carded cotton yarn of approximately 9.5%.

棉紗產品

於回顧年內，棉紗銷售之毛利由截至二零一零年十二月三十一日止年度約人民幣107,600,000元增加約22.2%至約人民幣131,500,000元。毛利增加乃由於棉紗銷量增加約17.2%，其中包括精梳棉紗銷量增加約76.0%及普梳棉紗銷量增加約9.5%。

The gross profit margin of cotton yarns decreased by approximately 2.6 percentage points to 18.9% for the Year Under Review from approximately 21.5% for the same period in 2010.

於回顧年內，棉紗之毛利率由二零一零年同期約21.5%下降約2.6個百分點至18.9%。

The decrease in gross profit margin of cotton yarn products for the Year Under Review was mainly caused by the increase in the average purchase price of lint cotton over the period compared with the same period in 2010.

棉紗產品於回顧年內之毛利率下降主要由於期內皮棉之平均採購價較二零一零年同期上升。

Grey fabric products

The gross profit for the sales of grey fabrics for the Year Under Review was approximately RMB29.6 million, representing a decrease of approximately 38.8% from approximately RMB48.4 million for the year ended 31 December 2010.

The gross profit margin for the sales of grey fabrics for the Year Under Review was approximately 22.6%, representing a slight decrease of approximately 0.6 percentage points from approximately 23.2% for the year ended 31 December 2010.

The decrease in gross profit of grey fabric products for the Year Under Review was mainly due to the decrease in sales volume of grey fabrics by approximately 54.9% over the year ended 31 December 2010 as a result of change in production mix as mentioned above.

Lint cotton trading

The gross profit and gross profit margin from lint cotton trading activities were approximately RMB13.3 million and 8.2% respectively for the Year Under Review.

Other income

Other income comprises interest income, sale of scraps and other sundry income.

Other income increased by approximately 78.7% to approximately RMB3.6 million for the Year Under Review from approximately RMB2.0 million for the year ended 31 December 2010. The increase was mainly due to the increase in bank interest income and gain on disposal of property, plant and equipment.

Distribution costs

Distribution costs comprise mainly freights and loading charges, plus salary and social insurance contributions for sales personnel.

Distribution costs increased by approximately 17.0% to approximately RMB11.1 million for the Year Under Review from approximately RMB9.5 million for the year ended 31 December 2010. The increase was due to the higher transportation costs for the year incurred as a result of increase in sales volume of cotton yarn products and commencement of lint cotton trading activities.

坯布產品

於回顧年內，銷售坯布之毛利約為人民幣29,600,000元，較截至二零一零年十二月三十一日止年度約人民幣48,400,000元減少約38.8%。

於回顧年內，銷售坯布之毛利率約為22.6%，較截至二零一零年十二月三十一日止年度約23.2%輕微下降約0.6個百分點。

坯布產品於回顧年內之毛利下降主要由於坯布之銷量因上文所述的生產組合變更而較截至二零一零年十二月三十一日止年度減少約54.9%。

皮棉買賣

於回顧年內，皮棉買賣活動的毛利及毛利率分別為約人民幣13,300,000元及8.2%。

其他收入

其他收入包括利息收入、銷售廢料以及其他雜項收入。

於回顧年內，其他收入由截至二零一零年十二月三十一日止年度約人民幣2,000,000元增加約78.7%至約人民幣3,600,000元。此增加主要由於銀行利息收入及出售物業、廠房及設備收益增加所致。

分銷成本

分銷成本包括運輸及裝卸費用，以及銷售人員的薪金和社會保障基金供款。

分銷成本由截至二零一零年十二月三十一日止年度約人民幣9,500,000元增加約17.0%至回顧年內之約人民幣11,100,000元。此增加乃由於棉紗產品銷量增加及開始皮棉買賣活動而令年內運輸成本增加。

Management Discussion and Analysis (continued)

管理層討論及分析(續)

Administrative expenses

Administrative expenses comprise mainly salary expenses, social insurance contributions, entertainment expenses, utilities charges and other sundry items.

Administrative expenses increased by approximately 47.2% to approximately RMB25.3 million for the Year Under Review from approximately RMB17.2 million for the year ended 31 December 2010. The increase was primarily due to non-recurring listing expenses of approximately RMB2.5 million, increase in share based compensation of approximately RMB1.7 million due to full year amortisation effect and increase in net exchange loss of approximately RMB0.8 million.

Finance costs

Finance costs consist of interest on borrowings for purchase of lint cotton. Finance costs increased by approximately 2.97 times to approximately RMB3.0 million for the Year Under Review from approximately RMB0.8 million for the year ended 31 December 2010. The increase in finance cost was due to the increase of bank loans from approximately RMB6.9 million for the year ended 31 December 2010 to approximately RMB199.0 million for the Year Under Review.

Income tax expense

Income tax expenses increased by approximately 14.6% to approximately RMB38.0 million for the Year Under Review from approximately RMB33.2 million for the year ended 31 December 2010. The increase was mainly due to an increase in the taxable income for the Year Under Review. The effective tax rate for the respective period are 27.4% and 25.4%. It was in line with the PRC statutory enterprise income tax rate of 25%.

Profit for the Year

As the result of the foregoing, the profit for the Year Under Review increased by approximately 3.2% to approximately RMB100.6 million from approximately RMB97.4 million for the year ended 31 December 2010. Due to combined effect of a decline in gross profit margin of cotton yarn products, the decline of production of grey fabric products as well as the increase in administration expenses as mentioned above, the net profit margin decreased to approximately 10.1% for the Year Under Review as compared to approximately 13.7% for the year ended 31 December 2010.

行政開支

行政開支主要包括薪酬開支、社會保障基金供款、應酬開支、水電費用及其他雜項開支。

於回顧年內，行政開支由截至二零一零年十二月三十一日止年度約人民幣17,200,000元增加約47.2%至約人民幣25,300,000元。有關增加主要由於非經常性上市開支約人民幣2,500,000元、以股份為基礎之報酬因全年攤銷影響而增加約人民幣1,700,000元，以及匯兌虧損淨額增加約人民幣800,000元所致。

融資成本

融資成本包括購買皮棉之借款利息。融資成本由截至二零一零年十二月三十一日止年度約人民幣800,000元增加約2.97倍至回顧年內約人民幣3,000,000元。融資成本增加乃由於銀行貸款由截至二零一零年十二月三十一日止年度約人民幣6,900,000元增加至回顧年內約人民幣199,000,000元。

所得稅開支

於回顧年內，所得稅開支由截至二零一零年十二月三十一日止年度約人民幣33,200,000元增加約14.6%至約人民幣38,000,000元。此增加主要由於回顧年內之應課稅收入增加。相關期間之實際稅率為27.4%及25.4%。此與中國法定企業所得稅稅率25%相符。

年內溢利

由於之前所述，於回顧年內之溢利由截至二零一零年十二月三十一日止年度約人民幣97,400,000元增加約3.2%至約人民幣100,600,000元。由於棉紗產品之毛利率下降、坯布產品之生產下降及如上所述行政開支增加等綜合因素影響，於回顧年內，純利率由截至二零一零年十二月三十一日止年度約13.7%下降至約10.1%。

Working capital management

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

營運資金管理

下表載列本集團經選定經營效益比率：

		For the year ended 31 December 截至十二月三十一日止年度	
		2011 二零一一年	2010 二零一零年
Trade receivables turnover (days) ⁽¹⁾	應收貿易賬款週轉日數(日數) ⁽¹⁾	71.5	55.9
Trade payables turnover (days) ⁽²⁾	應付貿易賬款週轉日數(日數) ⁽²⁾	3.7	7.9
Inventory turnover (days) ⁽³⁾	存貨週轉日數(日數) ⁽³⁾	37.2	14.4

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.

附註：

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

Average trade receivables turnover increased to 71.5 days in the Year Under Review from 55.9 days for the year ended 31 December 2010. The increase in trade receivables turnover rate was primarily due to commencement of lint cotton trading activities in the current year in which lint cotton customers generally request a longer credit period. If excluded the effect of lint cotton trading activities, the trade receivables turnover rate remained stable over comparative period.

回顧年內之應收貿易賬款平均週轉日增加至71.5日，而截至二零一零年十二月三十一日止年度則為55.9日。應收貿易賬款週轉日比率上升主要是由於本年度開展皮棉買賣活動所致，而皮棉客戶一般要求較長的信貸期。倘不計入皮棉買賣活動的影響，應收貿易賬款週轉日比率於可資比較期間維持穩定。

Average trade payables turnover decreased slightly to 3.7 days in the Year Under Review from 7.9 days for the year ended 31 December 2010. As the Group increased its purchase of lint cotton from major suppliers, who generally required prepayment upfront, the account payables turnover to lint cotton suppliers decreased accordingly.

回顧年內之應付貿易賬款平均週轉日數輕微減少至3.7日，而截至二零一零年十二月三十一日止年度則為7.9日。由於本集團增加向通常需預先支付款項的主要供應商採購皮棉，因此應付皮棉供應商賬款週轉日數相應減少。

Average inventory turnover increased to 37.2 days in the Year Under Review from 14.4 days for the year ended 31 December 2010. The increase was primarily due to the increase in lint cotton inventories level at year end, resulting from the increase in purchases to support the Group's production and trading needs in the near future.

存貨平均週轉日數由截至二零一零年十二月三十一日止年度之14.4日增加至回顧年內之37.2日。有關週轉日數增加主要是由於本集團增加購買以支持本集團於短期內的生產及買賣需要，導致年末皮棉存貨增加所致。

Management Discussion and Analysis (continued)

管理層討論及分析(續)

Liquidity and capital resources

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

		For the year ended 31 December 截至十二月三十一日止年度	
		2011 二零一一年	2010 二零一零年
Gearing ⁽¹⁾	資本負債比率 ⁽¹⁾	22.9%	1.4%
Debt-to-equity ⁽²⁾	負債權益比率 ⁽²⁾	31.7%	1.6%
Current ratio	流動比率	3.1 times倍	7.0 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. Equity is defined to include the minority interests.

流動資金及資本資源

下表載列各個期間之流動資金及資本充足比率：

		For the year ended 31 December 截至十二月三十一日止年度	
		2011 二零一一年	2010 二零一零年
Gearing ⁽¹⁾	資本負債比率 ⁽¹⁾	22.9%	1.4%
Debt-to-equity ⁽²⁾	負債權益比率 ⁽²⁾	31.7%	1.6%
Current ratio	流動比率	3.1 times倍	7.0 times倍

附註：

- (1) 以年內總負債除年內總資產乘以100%計算。負債之定義包括流動及非流動借款。
- (2) 以年內總負債除年內權益乘以100%計算。負債之定義包括所有流動及非流動借款。權益之定義包括少數股東權益。

The gearing ratio and the debt-to-equity ratio increased to 22.9% and 31.7% respectively for the Year Under Review from 1.4% and 1.6% for the year ended 31 December 2010, respectively. The increases in the gearing ratio and debt-to-equity ratio were principally due to the increases in the borrowings.

資本負債比率及負債權益比率分別由截至二零一零年十二月三十一日止年度之1.4%及1.6%上升至回顧年內之22.9%及31.7%。資本負債比率及負債權益比率上升主要是由於借款增加所致。

The current ratio changed to 3.1 times for the Year Under Review.

回顧年內，流動比率變為3.1倍。

Cash flow

		For the year ended 31 December 截至十二月三十一日止年度	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Net cash (used in)/from operating activities	經營活動(所用)/產生之現金淨額	(215,355)	55,834
Net cash used in investing activities	投資活動所用之現金淨額	(99,985)	(42,680)
Net cash from financing activities	融資活動產生之現金淨額	283,298	2,658
Cash and cash equivalents at 31 December	於十二月三十一日之現金及現金等價物	143,850	175,892

Net cash used in operating activities for the Year Under Review was approximately RMB215.4 million whereas net cash generated from operating activities for the year ended 31 December 2010 was approximately RMB55.8 million. The increase in cash outflow from operating activities was due to (i) increase in inventory level and amount of deposit paid resulting increase in lint cotton purchase during the year; and (ii) longer credit period requested by lint cotton customers.

Net cash used in investing activities for the Year Under Review was RMB100.0 million mainly including an increase in pledged bank deposits of RMB92.4 million.

Net cash from financing activities for the Year Under Review was RMB283.3 million, including mainly proceeds from issue of new shares, net of share issue costs of RMB94.1 million and a net drawdown of bank loan of approximately RMB192.2 million for financing purchase of lint cotton.

Pledge of assets

Details of the assets pledged as at 31 December 2011 are set out in note 31 to the consolidated financial statements.

Contingent liabilities

As at 31 December 2011, the Group did not have any significant contingent liability.

Foreign currency exposure

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

As at 31 December 2011, 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.

回顧年內之經營活動所用之現金淨額約為人民幣215,400,000元，而截至二零一零年十二月三十一日止年度之經營活動產生之現金淨額約為人民幣55,800,000元。經營活動產生之現金流出增加乃由於(i)存貨水平及所支付按金金額增加，導致年內增加購買皮棉；及(ii)皮棉客戶要求較長的信貸期。

回顧年內，投資活動所用之現金淨額為人民幣100,000,000元，主要包括有抵押銀行存款增加人民幣92,400,000元。

回顧年內，融資活動產生之現金淨額為人民幣283,300,000元，主要包括發行新股份所得款項(扣除股份發行成本)人民幣94,100,000元，以及為採購皮棉提供資金而提取銀行貸款淨額約人民幣192,200,000元。

資產抵押

於二零一一年十二月三十一日，資產抵押詳情載於綜合財務報表附註31。

或然負債

於二零一一年十二月三十一日，本集團並無任何重大或然負債。

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(「港元」)或美元(「美元」)計值。港元或美元兌各實體各自之功能貨幣之匯率出現任何重大波動，均可能會對本集團之財務產生影響。

於二零一一年十二月三十一日，董事認為，本集團面臨之匯兌風險甚微。年內，本集團並無使用任何金融工具作對沖用途。

Management Discussion and Analysis (continued)

管理層討論及分析(續)

Employees

As at 31 December 2011, the Group had a workforce of approximately 2,662 employees (2010: 2,578). Staff costs for the Year Under Review (including Directors' remuneration in the form of salaries and other allowances) was approximately RMB64.9 million (2010: RMB63.4 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.

Use of Net Proceeds from Listing

The Group has received approximately HK\$119.1 million net proceeds, after deducting underwriting fee and other related expenses, from the listing of the Company's shares during the year. These proceeds were applied during the Year Under Review in accordance with the proposed applications set out in the section headed "Future Plans and Use of Proceeds" in the prospectus of the Company dated 28 June 2011 (the "Prospectus"), as follows:

僱員

於二零一一年十二月三十一日，本集團有約2,662名僱員(二零一零年：2,578名)。回顧年內之員工成本(包括董事以薪金及其他津貼之形式收取之酬金)約為人民幣64,900,000元(二零一零年：人民幣63,400,000元)。

本集團僱員之酬金包括薪金、花紅及其他附帶福利。本集團根據不同僱員之表現、經驗、職位及其他符合相關中國法例及規例之因素而給予彼等不同之薪酬。

上市所得款項淨額的用途

年內，本集團自本公司股份於上市獲得已扣除包銷費用及其他相關費用約119,100,000港元的所得款項淨額。根據日期為二零一一年六月二十八日之本公司招股章程(「招股章程」)「未來計劃及所得款項用途」一節所載之建議用途，該等所得款項於回顧年內運用如下：

Net proceeds (HK\$ million) 所得款項淨額 (百萬港元)

		Available 可用	Utilised 已動用	Unutilised 未動用
Expansion of cotton yarn production facilities	擴展棉紗生產設施			
— Yongle Production Plant Phase II (as referred to in the Prospectus) expansion	— 永樂生產點第二期 (如招股章程所提述) 擴展工程	66.6	—	66.6
Improvement of production efficiency and product quality by upgrading existing cotton yarn production facilities	透過升級現有棉紗生產設施 提升生產效率及產品質素	28.6	—	28.6
Maintaining a stable level of lint cotton reserve	維持皮棉儲備於穩定水平	19.7	19.7	—
Expansion and diversification of product range	擴展及增加產品種類	4.2	—	4.2

The Group held the unutilised net proceeds in short-term deposits or time deposits with authorised financial institutions in China as at 31 December 2011.

於二零一一年十二月三十一日，本集團將未動用所得款項淨額以短期存款或定期存款形式存於中國之認可財務機構。

Business Outlook and Strategies

Due to weather condition in the second half of 2011, the foundation work for the Phase II expansion of Yongle Production Plant was postponed and the Directors expect the construction work will resume in the second quarter of 2012 in order to catch up with the original timeframe.

In November 2011, the Group identified a combed cotton yarn production facilities and entered into a lease arrangement. The lease arrangement gives an immediate boost to the Group's cotton yarn production capacity to approximately 216,780 spindles. Currently, the Group is undergoing trial run on the leased facilities and is expected to commence commercial production in the second quarter of 2012. For further details of the leased facilities, please refer to the Company's announcement dated 30 November 2011.

As disclosed in the Prospectus, the Group intended to carry out upgrade and modification work in Guang Hua Production Plant (as defined in the Prospectus) for combed cotton yarn production. During the first quarter of 2012, the Group completed the installation of automated cone-winding machines in Guang Hua Production Plant and is pending certain modification work for completion of other upgrades.

In addition, the Group also carried out study and test run on higher count cotton yarn products along with its expansion plan. The Directors expect all such development efforts will continue to deliver value and return to the Company and its shareholders as a whole.

業務前景及策略

永樂生產點第二期擴展工程之地基工程於二零一一年下半年因天氣狀況而推遲，董事預期建築工程將於二零一二年第二季恢復，以趕上原定進度。

於二零一一年十一月，本集團確定精梳棉紗之生產設施，並訂立租賃協議。該租賃協議即時將本集團之棉紗產能提升至約216,780個紡錠。現時，本集團正試運行租賃設施，預期將於二零一二年第二季開始商業營運。有關租賃設施之進一步詳情，請參閱本公司日期為二零一一年十一月三十日之公佈。

如招股章程所披露，本集團有意為生產精梳棉紗對光華生產點(定義見招股章程)進行升級及改良。於二零一二年首季，本集團已完成於光華生產點安裝自動絡筒機，有待進行若干其他改良工作以完成升級。

此外，本集團在執行其擴展計劃之同時，亦對更高支紗之棉紗產品進行研究及測試。董事預期有關開發措施將繼續為本公司及其股東創造整體價值及回報。

Report of the Directors

董事會報告

The Board has the pleasure in presenting the annual report of the Company and the audited consolidated financial statements for the year ended 31 December 2011.

Principal Activities

The principal activity of the Company is investment holding and the activities of its subsidiaries are set out in note 18 to the consolidated financial statements. There were no significant changes in the nature of Group's principal activities during the year ended 31 December 2011.

Results and Appropriations

A summary of the results, assets and liabilities of the Group for the year ended 31 December 2011 and the state of affairs of the Group at that date are set out in the consolidated financial statements on pages 54 to 112.

The Board does not recommend the payment of any dividend for the year ended 31 December 2011.

董事會欣然提呈本公司年報及截至二零一一年十二月三十一日止年度的經審核綜合財務報表。

主要活動

本公司的主要活動為投資控股而其附屬公司的活動載於綜合財務報表附註18。本集團主要活動的性質於截至二零一一年十二月三十一日止年度並無重大變化。

業績及撥付

本集團截至二零一一年十二月三十一日止年度的業績、資產及負債概要及本集團於該日的財務狀況載於第54至112頁的綜合財務報表。

董事會並不建議就截至二零一一年十二月三十一日止年度支付任何股息。

Summary Financial Information

財務資料概要

		2008 二零零八年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Revenue	收益	458,904	554,340	709,948	990,954
Gross profit	毛利	114,294	152,907	156,020	174,399
Profit before income tax	除所得稅前溢利	101,069	131,168	130,571	138,565
Profit attributable to owners of the Company	本公司擁有人應佔溢利	75,960	98,857	97,417	100,567
Basic earnings per share (RMB cents)	每股基本盈利(人民幣分)	10.08	13.12	12.93	11.95

		2008 二零零八年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2010 二零一零年 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	61,808	105,690	112,291	115,613
Current assets	流動資產	260,697	317,954	359,606	754,784
Current liabilities	流動負債	114,904	117,186	51,128	242,850
Net assets	資產淨值	207,601	306,458	430,769	627,547

Major Customers and Suppliers

During the year ended 31 December 2011, the aggregate sales attributable to the Group's five largest customers accounted for 17.9% of the total sales for the year and the sales attributable to the largest customer included therein amounted to 4.6%. The aggregate purchases from the Group's five largest suppliers accounted for 46.1% of the total purchases for the year and purchases from the largest supplier included therein amounted to 12.3%.

None of the Directors or any of their associates or any shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any material beneficial interest in the Group's five largest customers and suppliers.

主要客戶及供應商

截至二零一一年十二月三十一日止年度，本集團的五大客戶佔年度總銷售額的17.9%，而其中最大客戶佔4.6%。向本集團五大供應商作出的總購買量佔年度總購買額的46.1%，而向其中最大供應商作出的購買量佔12.3%。

概無董事或彼等的聯繫人或任何股東（就董事深知，擁有本公司已發行股本5%以上的股東）於本集團的五大客戶及供應商擁有任何重大實益。

Property, Plant and Equipment

Details of movements in the property, plant and equipment of the Company and the Group during the year are set out in note 16 to the consolidated financial statements.

Share Capital

Details of movements in the share capital of the Company during the year are set out in note 28 to the consolidated financial statements.

Reserves

Details of movements in the reserves of the Company and the Group during the year ended 31 December 2011 are set out in note 29 to the consolidated financial statements and in the consolidated statement of changes in equity, respectively.

Distributable Reserves

At 31 December 2011, the Company's reserves available for distribution to Shareholders, calculated in accordance with the provisions of the Companies Act 1981 of Bermuda, amounted to nil (2010: nil). However, the Company's share premium account, in the amount of approximately RMB16,410,000, may be distributed in the form of fully paid bonus shares.

物業、廠房及設備

本公司及本集團的物業、廠房及設備於年內的變動詳情載於綜合財務報表附註16。

股本

本公司股本於年內的變動詳情載於綜合財務報表附註28。

儲備

本公司及本集團的儲備於截至二零一一年十二月三十一日止年度的變動詳情分別載於綜合財務報表附註29及綜合權益變動表。

可供分派儲備

按百慕達一九八一年公司法之規定計算，於二零一一年十二月三十一日，本公司並無可供分派儲備(二零一零年：無)。然而，本公司金額約人民幣16,410,000元之股份溢價賬可以繳足紅股之形式分派。

Directors

The Directors during the year ended 31 December 2011 and up to the date of this annual report were as follows:

Executive Directors:

Mr. Chen Binghui ("Mr. Chen")
Mr. Chen Zhifeng
Mr. Wu Shoumin

Non-executive Directors:

Mr. Qiu Jianfa (*Chairman*) ("Mr. Qiu")
Mr. Lin Shuqing

Independent non-executive Directors:

Mr. Yang Guohao
Mr. Kwong Kwan Tong
Ms. Xue Fang

In accordance with bye-laws 84(1) and (2) of the bye-laws of the Company, Mr. Chen Binghui, Mr. Qiu Jianfa and Mr. Chen Zhifeng shall retire from office as Directors by rotation and, being eligible, offer themselves for re-election at the AGM.

At the forthcoming AGM, ordinary resolutions will be put forward to the shareholders of the Company in relation to the proposed re-election of Mr. Chen Binghui, Mr. Qiu Jianfa and Mr. Chen Zhifeng as Directors.

Board of Directors and Senior Management

Biographical information of the Directors and senior management of the Group are set out on pages 8 to 14 of this annual report.

董事

截至二零一一年十二月三十一日止年度及直至本年報日期的董事如下：

執行董事：

陳秉輝先生(「陳先生」)
陳志峰先生
吳守民先生

非執行董事：

邱建法先生(主席)(「邱先生」)
林樹青先生

獨立非執行董事：

楊國豪先生
鄭焜堂先生
薛芳女士

根據本公司細則第84(1)及(2)條，陳秉輝先生、邱建法先生及陳志峰先生須輪值退任董事職務，並合資格且願意於股東週年大會上重選連任。

於應屆股東週年大會上，將向本公司股東提出有關建議重選陳秉輝先生、邱建法先生及陳志峰先生為董事之普通決議案。

董事會及高級管理層

本集團董事及高級管理層的履歷資料載於本年報第8至14頁。

Directors' Service Agreements and Appointments

Each of the executive Directors has entered into a service agreement with the Company for a term of three years from 14 July 2011.

Each of the independent non-executive Directors has entered into a service agreement with the Company for a term of three years from 14 July 2011.

Each of the non-executive Directors namely, Mr Qiu and Mr. Lin Shuqing has respectively entered into an appointment letter with the Company for a term of three years from 14 July 2011.

None of the Directors, including those retired or to be elected at the forthcoming annual general meeting, has a service agreement which is not determinable by the Group within one year without the payment of compensation (other than statutory compensation).

Emolument Policy

A Remuneration Committee is set up for reviewing the Group's emolument policy and structure for all remuneration of the directors and senior management of the Group, having regard to the Group's operating results, individual performance and comparable market practices.

Remuneration of Directors and Five Individuals with Highest Emoluments

Details of the emoluments of the directors and five individuals with highest emoluments are set out in note 11 and note 12 to the consolidated financial statements.

董事的服務協議及委任

各執行董事均與本公司訂立服務協議，自二零一一年七月十四日起計為期三年。

各獨立非執行董事均與本公司訂立服務協議，自二零一一年七月十四日起計為期三年。

各非執行董事邱先生及林樹青先生已分別與本公司訂立委任函，自二零一一年七月十四日起計為期三年。

概無任何董事(包括將於下屆股東週年大會退任或當選的董事)擁有本集團在不支付賠償(法定賠償除外)的情況下不可於一年內終止的服務協議。

薪酬政策

本公司已成立薪酬委員會，旨在考慮本集團的經營業績、個別表現及可比較的市場慣例後，檢討本集團的薪酬政策及本集團全體董事及高級管理層的薪酬結構。

董事及五位最高薪酬人士的薪酬

董事及五位最高薪酬人士酬金的詳情載於綜合財務報表附註11及12。

Directors and the Company's Chief Executive's Interests in Shares, Underlying Shares and Debentures

As at 31 December 2011, the interests or short position of the Directors or Chief executive of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong ("SFO") which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests which they were taken or deemed to have under such provisions of the SFO), or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") (the "Model Code"), to be notified to the Company and the Stock Exchange, were as follows:

董事及本公司主要行政人員於股份、相關股份及債權證之權益

於二零一一年十二月三十一日，本公司董事或主要行政人員於本公司或其任何相聯法團（定義見香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債券證中擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所之權益或淡倉（包括根據證券及期貨條例之有關條款被當作或視為由彼等擁有之權益），或根據證券及期貨條例第352條須記錄於該條文所規定之登記冊之權益或淡倉，或根據聯交所證券上市規則（「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」）須予知會本公司及聯交所之權益或淡倉如下：

Long positions in shares of the Company

於本公司股份之好倉

Name of Director 董事名稱	Capacity 身份	Number of shares of the Company 本公司股份數目	Approximate percentage of shareholding 股權概約百分比 (%)
Mr. Qiu 邱先生	Interest of controlled corporation (Note) 受控制法團權益(附註)	527,464,000	56.0
Mr. Chen 陳先生	Interest of controlled corporation (Note) 受控制法團權益(附註)	527,464,000	56.0

Note: These shares were owned by Tong Fa Limited ("Tong Fa"), which is owned by Mr. Qiu and Mr. Chen as to 79% and 21% respectively. Mr. Qiu is the sole director of Tong Fa. So far as the Directors are aware, Tong Fa, Mr. Qiu and Mr. Chen collectively are entitled to exercise or control the exercise of 30% or more of the voting power at the general meetings of the Company and are therefore regarded as controlling shareholders of the Company under the Listing Rules.

附註：該等股份由通發有限公司（「通發」）擁有，而通發由邱先生及陳先生分別擁有79%及21%。邱先生為通發之唯一董事。就董事所知，通發、邱先生與陳先生共同擁有權行使或控制行使本公司股東大會上30%或以上投票權，故根據上市規則被視為本公司之控股股東。

Report of the Directors (continued)

董事會報告(續)

Long position in shares of the associated corporation of the Company 於本公司相聯法團之股份之好倉

Name of Director 董事名稱	Name of associated corporation 相聯法團名稱	Capacity 身份	Number of shares of the associated corporation held 相聯法團股份數目	Approximate percentage of shareholding 股權概約百分比 (%)
Mr. Qiu 邱先生	Tong Fa 通發	Interest of controlled corporation 受控制法團權益	79	79.0
Mr. Chen 陳先生	Tong Fa 通發	Interest of controlled corporation 受控制法團權益	21	21.0

Save as disclosed above, as at 31 December 2011, none of the Directors nor chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests which they were taken or deemed to have under provisions of the SFO), or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

除上文所披露者外，於二零一一年十二月三十一日，概無本公司董事或主要行政人員於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份及債券證中擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所之權益或淡倉(包括根據證券及期貨條例之有關條款被當作或視為由彼等擁有之權益)，或根據證券及期貨條例第352條須記錄於該條文所規定之登記冊之權益或淡倉，或根據標準守則須予知會本公司及聯交所之權益或淡倉。

Substantial Shareholders' interests in Shares and Underlying Shares

As at 31 December 2011 as far as is known to any Director or Chief executive of the Company, the interests and short position of the substantial shareholders (other than a Director or chief executive of the Company) in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of Part XV of the SFO were as follows:

Long position in shares of the Company

Name of Shareholder 董事名稱	Capacity 身份	Number of shares of the Company 本公司股份數目	Approximate percentage of shareholding 股權概約百分比 (%)
Tong Fa 通發	Beneficial owner 實益擁有人	527,464,000	56.0
Hai Xin Capital Group Limited 海信資本集團有限公司	Beneficial owner 實益擁有人	73,468,000	7.8
Mr. Kung Shih Kun 龔詩焜先生	Interest of controlled corporation (Note 1) 受控制法團權益(附註1)	73,468,000	7.8
Wealth Lake Investment Limited Wealth Lake Investment Limited	Beneficial owner 實益擁有人	56,512,000	6.0
Mr. Cheung Yung 張勇先生	Interest of controlled corporation (Note 2) 受控制法團權益(附註2)	56,512,000	6.0

Notes:

- (1) These shares were owned by Hai Xin Capital Group Limited, which is wholly owned by Mr. Kung Shih Kun.
- (2) These shares were owned by Wealth Lake Investment Limited, which is wholly owned by Mr. Cheung Yung.

主要股東於股份及相關股份之權益

於二零一一年十二月三十一日，就本公司任何董事或主要行政人員所知，根據證券及期貨條例第XV部第2及第3分部須向本公司披露，或記錄於根據證券及期貨條例第XV部第336條須由本公司存置之登記冊內之本公司股份及相關股份之主要股東(本公司董事或主要行政人員除外)之權益及淡倉如下：

本公司股份之好倉

Number of shares of the Company 本公司股份數目	Approximate percentage of shareholding 股權概約百分比 (%)
527,464,000	56.0
73,468,000	7.8
73,468,000	7.8
56,512,000	6.0
56,512,000	6.0

附註：

- (1) 該等股份由龔詩焜先生全資擁有之海信資本集團有限公司擁有。
- (2) 該等股份由張勇先生全資擁有之Wealth Lake Investment Limited擁有。

Report of the Directors (continued)

董事會報告(續)

Final Dividend

The Directors do not recommend the payment of a final dividend for the financial year ended 31 December 2011 (2010: nil) and there is no disclosure of the registers of members accordingly.

Directors' Interests in Contracts of Significance

No Director had a material interest in, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year ended 31 December 2011.

Directors' Rights to Acquire Shares or Debentures

During the year, the Company did not grant any rights to any Directors, chief executive of the Company or their respective spouse or children under 18 to acquire beneficial interests by means of the acquisition of shares in, or debentures of, the Company, and none of the above persons have exercised the rights during the year. Further, none of the Company, its holding company or any of the subsidiaries of the Company was a party to any arrangements to enable the Directors to acquire the rights to acquire beneficial interests by means of the acquisition of shares in, or debentures of, any other body corporate.

Connected Transactions

There were no connected transactions or continuing connected transactions of the Company under Chapter 14A of the Listing Rules which are required to comply with any of the reporting, announcement or independent shareholders' approval requirements under the Listing Rules.

Purchase, Sale and Redemption of the Company's Shares

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2011.

末期股息

董事會不建議派發截至二零一一年十二月三十一日止財政年度之末期股息(二零一零年：無)，因此毋須披露股東名冊。

董事於重大合約中的權益

概無董事於對本集團業務屬重大的合約(本公司或其任何附屬公司於截至二零一一年十二月三十一日止年度為該合約的訂約方)中擁有任何重大權益。

董事認購股份或債權證的權利

年內，本公司並無授予任何董事、主要行政人員或彼等各自之配偶或18歲以下子女透過購買本公司股份或債券證而獲取實益權益；以上人士於年內概無行使有關權利。此外，本公司、其控股公司或其任何附屬公司並無參與任何安排，致令各董事透過購買於任何其他實體法團之股份或債券證獲得實益權益。

關連交易

根據上市規則第14A章，所有關連方交易均不構成本公司的關連交易或持續關連交易，而該等交易則須遵守上市規則的申報、公佈或獨立股東批准的規定。

購買、出售及贖回本公司股份

本公司或其任何附屬公司於截至二零一一年十二月三十一日止年度概無購買、出售或贖回本公司任何上市證券。

Directors' Interest in a Competing Business

During the financial year, the Directors were not aware of any business or interest of the Directors or any substantial shareholder (as defined under the Listing Rules) of the Company and their respective associates that had competed or might compete with the business of the Group and any other conflicts of interests which any such person had or might have with the Group.

Particulars of secured bank borrowing of the Group as at 31 December 2011 are set out in note 26 to the consolidated financial statements.

Retirement Benefit Schemes

Particulars of the retirement benefit schemes of the Group are set out in note 5 to the consolidated financial statements.

Confirmation of Independence

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

Share Option Scheme

Up to 31 December 2011, the Company had not adopted any share option scheme or granted any option.

Sufficiency of Public Float

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this annual report.

董事於競爭性業務的權益

於財政年度內，董事概不知悉董事或任何本公司主要股東(定義見上市規則)及彼等各自的聯繫人的任何業務或權益對本集團業務構成競爭或可能構成競爭或對本集團造成或可能造成任何其他利益衝突。

本集團於二零一一年十二月三十一日的有抵押銀行借款的詳情載於綜合財務報表附註26。

退休福利計劃

本集團退休福利計劃的詳情載於綜合財務報表附註5。

獨立性確認

本公司已收到各獨立非執行董事根據上市規則第3.13條所作的年度獨立性確認書，並認為全體獨立非執行董事均為獨立人士。本公司認為所有獨立非執行董事均屬獨立。

購股權計劃

截至二零一一年十二月三十日，本公司概無採納任何購股權計劃或授出任何購股權。

公眾持股量的充足性

根據本公司可公開獲得的資料及就董事所知，於本年報日期，本公司已發行股本總額的至少25%由公眾人士持有。

Pre-Emptive Rights

There are no provisions for pre-emptive rights under the Company's bye-laws and the laws of Bermuda where the Company is incorporated, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

Code on Corporate Governance Practices

The Board considered that the Company had complied with the code provisions set out in the Code on Corporate Governance Practices as stipulated in Appendix 14 to the Listing Rules during the year.

The Group's compliance with the code provisions is set out in the Corporate Governance Report from page 45 to 51 of this annual report.

Auditors

Martin C.K. Pong & Company has acted as auditors of the Company for the year ended 31 December 2011.

Martin C.K. Pong & Company shall retire in the forthcoming annual general meeting and, being eligible, will offer themselves for reappointment. A resolution for the re-appointment of Martin C.K. Pong & Company as auditors of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board

Mr. Chen Binghui

Executive Director

Hong Kong, 20 March 2012

優先權

本公司細則及百慕達(本公司註冊成立所在地)法律項下並無提供優先權,令本公司可按現有股東股權比例發售新股份。

企業管治常規守則

董事會認為,本公司年內已遵守上市規則附錄十四所載企業管治常規守則的守則條文。

本集團遵守條文規定的詳情載於本年報企業管治報告第45至51頁。

核數師

龐志鈞會計師行已擔任本公司截至二零一一年十二月三十一日止年度的核數師。

龐志鈞會計師行將於下屆股東週年大會退任,並合資格及願意重獲聘任。重新聘任龐志鈞會計師行為本公司核數師的決議案將於下屆股東週年大會上提呈。

代表董事會主席

陳秉輝先生

執行董事

香港,二零一二年三月二十日

Corporate Governance Report

企業管治報告

Corporate Governance Practices

The Company has complied with all the code provisions set out in the Code on Corporate Governance Practices ("CG Code") contained in Appendix 14 to the Listing Rules throughout the year ended 31 December 2011.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as the code of conduct governing Directors' securities transactions. The Company confirms that, having made specific enquiry of all the Directors, each of them has complied with the required standard as set out in the Model Code throughout the year ended 31 December 2011.

Board of Directors

As at 31 December 2011, the Board comprises three executive Directors, two non-executive Directors and three independent non-executive Directors as follows:

Executive Directors

Mr. Chen Binghui
Mr. Chen Zhifeng
Mr. Wu Shoumin

Non-executive Directors

Mr. Qiu Jianfa (*Chairman*)
Mr. Lin Shuqing

Independent non-executive Directors

Mr. Yang Guohao
Mr. Kwong Kwan Tong
Ms. Xue Fang

企業管治常規

本公司於截至二零一一年十二月三十一日止年度內，已遵守上市規則附錄十四所載之企業管治常規守則（「企業管治守則」）內之所有守則條文。

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標準守則，作為規管董事進行證券交易之行為守則。本公司確認，經向所有董事作出個別查詢後，彼等各自於截至二零一一年十二月三十一日止年度內一直遵守標準守則所載之規定標準。

董事會

於二零一一年十二月三十一日，董事會包括三名執行董事、兩名非執行董事及三名獨立非執行董事。董事會成員如下：

執行董事

陳秉輝先生
陳志峰先生
吳守民先生

非執行董事

邱建法先生（主席）
林樹青先生

獨立非執行董事

楊國豪先生
鄭焜堂先生
薛芳女士

Corporate Governance Report (continued)

企業管治報告(續)

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 biographical details of the Directors and the relationship among the members of the Board are set out in the “Biographical Information of Directors and Senior Management” on pages 8 to 14 of this annual report.

The Board is responsible for the overall strategic development of the Group. It also monitors the financial performance and internal control of the Group’s business operations. Executive Directors are responsible for running the Group and executing the strategies adopted by the Board. The Board delegates day-to-day activities to the management with department heads responsible for different aspects of the business. Management is required to present an annual budget and any proposal for major investments and changes in business strategies for the Board’s approval. The non-executive Directors serve the relevant function of bringing independent judgment on the development, performance and risk management of the Group through their contributions in board meetings. They are also serving on Audit Committee, Remuneration Committee and Nomination Committee.

During the year, the Board complies at all times with the requirement of the Listing Rules relating to the appointment of at least 3 independent non-executive directors and at least one of them has appropriate professional qualifications or accounting or related financial management expertise. The Company has received from each independent non-executive Director an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and the Company considers all the independent non-executive Directors to be independent.

董事會之成員各有所長，而每名董事對於本集團所從事業務均具備充分行業知識、豐富之企業及策略規劃經驗及／或專門技術。董事之履歷資料及董事會成員間關係於本年度報告第8至14頁所載「董事及高級管理層履歷資料」內披露。

董事會負責本集團之整體策略發展。其亦監督本集團業務營運之財務表現及內部監控。執行董事負責經營本集團並執行董事會所採納之策略。董事會將日常活動授權予管理層，其中部門主管負責業務之不同方面。管理層須提交年度預算及有關主要投資及改變業務策略之任何建議書，供董事會批准。非執行董事透過彼等於董事會會議上之貢獻，就本集團之發展、表現及風險管理作出獨立判斷之有關職能。彼等亦為審核委員會、薪酬委員會及提名委員會之成員。

於年內，董事會始終遵守上市規則之相關規定，委任至少三名獨立非執行董事，彼等至少一名擁有適當之專業資格，或擁有會計或相關財務管理資格。本公司已根據上市規則第3.13條收到每名獨立非執行董事每年須就其獨立性作出之確認。本公司認為全體獨立非執行董事確屬獨立人士。

The Board normally has four scheduled meetings a year at quarterly interval and meets as and when required to discuss the overall business, development strategy, operations and financial reporting of the Company. The Directors can attend meetings in persons or through other means of electronic communication in accordance with the Company's bye-laws. Notice of at least 14 days is given of a regular Board meeting to allow all Directors an opportunity to attend. The following table shows the attendance of individual Directors at the meetings held during the year:

Mr. Chen Binghui	11/11	陳秉輝先生	11/11
Mr. Chen Zhifeng	11/11	陳志峰先生	11/11
Mr. Wu Shoumin	11/11	吳守民先生	11/11
Mr. Qiu Jianfa	11/11	邱建法先生	11/11
Mr. Lin Shuqing	11/11	林樹青先生	11/11
Mr. Yang Guohao	11/11	楊國豪先生	11/11
Mr. Kwong Kwan Tong	11/11	鄭焜堂先生	11/11
Ms. Xue Fang	11/11	薛芳女士	11/11

Board papers are circulated at least 3 days before the Board meetings to enable the Directors to make informed decisions on matters to be raised at the Board meetings.

In addition, the Company has maintained a procedure for the Directors to seek independent professional advice, in appropriate circumstances, at the Company's expense in discharging their duties to the Company. Moreover, the Company Secretary prepares minutes and keeps records of matters discussed and decisions resolved at all Board meetings. The Company Secretary also keeps the minutes, which are open for inspection at any reasonable time on reasonable notice by any Director.

董事會通常每年安排四次例會，每季舉行一次，於討論本公司之整體業務、發展策略、運營及財務申報時進行會晤。董事可親自或透過本公司細則所容許之其他電子通訊方式出席會議。本公司將在定期董事會會議前最少14天，向所有董事發出通知，讓其有機會出席會議。下表載列個別董事年內出席會議之情況：

董事會文件於董事會會議舉行前最少三日向董事傳閱，以使董事能就將於董事會會議提出之事宜，作出知情決定。

此外，本公司已訂立一套程序，讓董事在合適情況下，於履行其對本公司之職責時，尋求獨立專業意見，開支由本公司支付。另外，公司秘書亦為所有董事會會議上討論之事宜以及議決之決定，編製會議記錄並保存有關記錄。公司秘書亦保存會議記錄，並可於任何董事作出合理通知後，在任何合理時間供索閱。

Appointment, Re-Election and Removal

Under the Code Provision A.4.1 of the CG Code, all the non-executive directors should be appointed for a specific term, subject to re-election. At present, each of the independent non-executive Directors has been appointed for a specific term of three years.

According to the Company's bye-laws, one-third of the Directors are required to retire from office at each annual general meeting, provided that every Director shall be subject to retirement by rotation at least once in every three years. The Directors to retire every year shall be those appointed by the Board during the year and those who have been longest in office since their last re-election.

Each of Mr. Chen Binghui, Mr. Qiu Jianfa and Mr. Chen Zhifeng shall retire from office as Directors at the 2011 annual general meeting in accordance with bye-laws 84(1) and (2) of the bye-laws of the Company.

At the forthcoming annual general meeting, ordinary resolutions will be put forward to the shareholders of the Company in relation to the proposed re-election of Mr. Chen Binghui and Mr. Chen Zhifeng as executive Directors and Mr. Qiu Jianfa as non-executive Director.

Continuous Professional Development

The Directors have been informed of the requirement under the new code provision A.6.1. of the CG Code regarding continuous professional development which will come into effect on 1 April 2012. Details of how each Director complies with such requirement for the year ending 31 December 2012 will be set out in the corporate governance report in the 2012 annual report of the Company.

Nomination of Directors

The Company established a nomination committee ("Nomination Committee") in March 2012 with written terms of reference in compliance with the new CG Code Provision A.5.1 which will come into effect on 1 April 2012. The principal duties of the Nomination Committee are to identify individuals suitably qualified to become members of the Board and make recommendations to the Board on succession planning for the Directors. The Nomination Committee comprised three independent non-executive Directors, namely, Ms. Xue Fang, Mr. Yang Guohao and Mr. Kwong Kwan Tong. Pursuant to a resolution of the Board passed on 20 March 2012, Ms. Xue Fang has been appointed as the chairwoman of the Nomination Committee.

委任、重選及退任

根據企業管治守則守則條文A.4.1條，所有非執行董事之委任應有指定任期，並須接受重新選舉。目前，各獨立非執行董事以固定年期獲委任，為期三年。

根據本公司之細則，三分之一董事須於各股東週年大會退任，而各董事亦須每三年輪席退任一次。每年退任之董事須為董事會年內委任而且自最近重選以來任職最長之董事。

根據本公司細則第84(1)及(2)條，陳秉輝先生、邱建法先生及陳志峰先生均會於二零一一年股東週年大會退任董事職務。

於應屆股東週年大會上，普通決議案將獲提呈予本公司股東，內容有關建議重選陳秉輝先生及陳志峰先生為執行董事以及重選邱建法先生為獨立非執行董事。

持續專業發展

董事已獲通知企業管治守則新守則條文第A.6.1.條中將於二零一二年四月一日生效之有關持續專業發展之規定。截至二零一二年十二月三十一日止年度，各董事遵守有關規定之詳情載於本公司二零一二年年報之企業管治報告。

董事之提名

本公司於二零一二年三月成立提名委員會（「提名委員會」），其書面職權範圍符合將於二零一二年四月一日生效之新企業管治守則第A.5.1條之規定。提名委員會之主要職責為識別適合人選成為董事會成員並就董事之繼任計劃向董事會作出建議推薦意見。提名委員會由三名獨立非執行董事薛芳女士、楊國豪先生及鄭焜堂先生組成。根據董事會於二零一二年三月二十日通過之決議案，薛芳女士已獲委任為提名委員會主席。

Remuneration Committee

In accordance with the CG Code, the Company established its remuneration committee ("Remuneration Committee") in July 2011 and has formulated its written terms of reference, which may from time to time be modified in accordance with the provisions set out in the CG Code. The Remuneration Committee comprises all the members of independent non-executive Directors, namely, Mr. Yang Guohao (chairman of the Remuneration Committee), Mr. Kwong Kwan Tong and Ms. Xue Fang. The Remuneration Committee is responsible for reviewing and evaluating the remuneration packages of the Directors and senior management and making recommendations to the Board from time to time.

A meeting was held by the remuneration committee with all members attended during the year ended 31 December 2011.

Accountability and Audit

The Directors acknowledge their responsibility for the preparation of the financial statements of the Company for the year ended 31 December 2011. The Directors are responsible for overseeing the preparation of financial statements of the Company with a view to ensuring that such financial statements give a true and fair view of the state of affairs of the Group and those relevant statutory and regulatory requirements and applicable accounting standards are complied with. The Company believes in conducting itself in ways that deliver maximum sustainable value to the shareholders.

The auditors are responsible to form an independent opinion based on the audit, on the financial statements prepared by the Directors and report the opinion solely to the shareholders of the Company. The statement of the external auditors of the Company about their reporting responsibilities on the financial statements is set out in the "Independent Auditor's Report" in this annual report.

薪酬委員會

本公司已根據企業管治守則於二零一一年七月成立其薪酬委員會(「薪酬委員會」)，並根據企業管治守則的條文制訂其書面職權範圍及不時作出修訂。薪酬委員會的所有成員均為獨立非執行董事，包括楊國豪先生(薪酬委員會主席)、鄭焜堂先生及薛芳女士。薪酬委員會負責審閱和評估董事及高級管理層之薪酬組合和不時向董事會提供推薦意見。

截至二零一一年十二月三十一日止年度，薪酬委員會已舉行一次會議，且所有成員均已出席會議。

責任及審核

董事得知其就編製本公司截至二零一一年十二月三十一日止年度財務報表之責任。董事有責任監督本公司財務報表之編製，確保有關財務報表真實公平地反映為本集團之業務狀況，遵守相關法定及監管規定以及適用會計準則之情況。本公司認為遵守各項規定可為股東帶來最大可持續價值。

核數師負責根據其審核工作之結果，就董事編製之財務報表作出獨立意見，並僅向本公司股東作出報告。本公司外部核數師有關彼等就財務報表之申報責任之聲明載於本年報「獨立核數師報告」。

Auditors' Remuneration

For the year ended 31 December 2011, the remuneration paid to the auditors, Martin C.K. Pang to Company in respect of audit services amounted to HK\$1,300,000 and non-audit service assignment amounted to HK\$150,000.

Audit Committee

The Company established the Audit Committee in July 2011 and has formulated its written terms of reference, which may from time to time be modified, in accordance with the provisions set out in the Code on Corporate Governance Practices as set out in Appendix 14 (the CG Code) and Rule 3.21 to 3.23 of the Listing Rules. The Audit Committee comprises three independent non-executive Directors, namely, Mr. Kwong Kwan Tong (chairman of the Audit Committee), Mr. Yang Guohao and Ms. Xue Fang. The Audit Committee is accountable to the Board and the principal duties of the Audit Committee include the review and supervision of the Group's financial reporting system and internal control procedures, review of the Group's financial information and review of the relationship with the external auditor of the Company.

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters, including the review of the audited consolidated results of the Group for the Year Under Review.

The following table shows the attendance of individual Directors at the meetings held during the year:

Mr. Kwong Kwan Tong (appointed on 24 June 2011)	1/1
Mr. Yang Guohao (appointed on 24 June 2011)	1/1
Ms. Xue Fang (appointed on 24 June 2011)	1/1

The Audit Committee reviews the interim and annual reports before submission to the Board. The audit committee focuses not only on the impact of the changes in accounting policies and practices but also on the compliance with accounting standards, the Listing Rules and the legal requirements in the review of the Company's interim and annual reports.

核數師酬金

截至二零一一年十二月三十一日止年度，支付予核數師龐志鈞會計師行有關審核服務及非審核服務工作之酬金分別為1,300,000港元及150,000港元。

審核委員會

已於二零一一年七月成立一個審核委員會，並根據上市規則附錄十四及第3.21至3.23條企業管治常規守則（「企業管治守則」）的條文制訂其書面職權範圍及不時作出修訂。審核委員會成員為三名獨立非執行董事，分別為鄭焜堂先生（審核委員會主席）、楊國豪先生及薛芳女士。審核委員會須向董事會負責，而審核委員會的主要職責包括審閱和監察本集團的財務報告系統和內部監控程序、審閱本集團的財務資料和審閱與本公司外聘核數師之關係。

審核委員會已與管理層審閱本集團所採納之會計原則及常規，並討論審核、內部監控及財務報告事宜，其中包括審閱本集團於回顧年內經審核綜合業績。

下表列示各董事於本年會議之出席率：

鄭焜堂先生（於二零一一年六月二十四日獲委任）	1/1
楊國豪先生（於二零一一年六月二十四日獲委任）	1/1
薛芳女士（於二零一一年六月二十四日獲委任）	1/1

審核委員會在中期及年度報告提呈董事會前負責有關審閱工作。審核委員會在審閱本公司之中期及年度報告方面不僅關注會計政策變動及慣例造成之影響，亦關注有關會計準則：上市規則及法律規定之合規情況。

Company Secretary

The joint company secretary of the Company are Mr. Chan Cho Chak and Mr. Yao Yan Ping Francis. They have been informed of the requirement under Rule 3.29 of the Listing Rules and their compliance with such requirement for the Year Under Review will be set out in the corporate governance report in the 2012 annual report of the Company

公司秘書

本公司聯席公司秘書為陳祖澤先生及姚恩平先生。彼等已獲通知有關上市規則第3.29條項下之規定，而截至回顧年，彼等遵守有關規定之情況將載於本公司二零一二年年報之企業管治報告。

Investor Relations And Communication With Shareholders

The Board recognises the importance of maintaining a clear, timely and effective communication with the Shareholders and investors of the Company. The Board also recognises that effective communication with its investors is critical in establishing investor confidence and to attract new investors. Therefore, the Company is committed to maintaining a high degree of transparency to ensure the investors and shareholders of the Company will receive accurate, clear, comprehensive and timely information of the Group. The Company has established a range of communication channels between itself and its shareholders, and investors. These include the publication of annual and interim reports, notices, announcements and circulars, the Company's websites at www.goldenshield.com.cn and www.goldenshield.com.hk and meetings with investors and analysts.

投資者關係及與股東之溝通

董事會瞭解到與股東及本公司投資者維持清晰、適時及有效溝通之重要性。董事會亦認為與其投資者之有效溝通在建立投資者信心及吸引新投資者方面甚為重要。因此，本公司承諾維持高透明度，以確保本公司投資者及股東將收取本集團正確、清晰、全面及適時之資料。本公司已就其與股東及投資者之間設立多個溝通渠道。當中包括發佈年度及中期報告、通告、公佈及通函、本公司網站 www.goldenshield.com.cn 及 www.goldenshield.com.hk 以及與投資者及分析員會面。

Internal Control

The Board recognises the importance of maintaining an adequate and effective internal control system to safeguard the Company's assets against unauthorised use of disposition, and to protect the interests of shareholders of the Company. Senior management assumes the overall responsibility for reviewing the adequacy and integrity of the Group's internal control system with the guidance of the executive Directors.

During the year ended 31 December 2011, the Board has discussed and reviewed the internal control system and the relevant proposal made by senior management in order to ensure an adequate and effective system of internal control.

內部控制

董事會深知維持充份及有效內部控制系統甚為重要，以防止本公司之資產在未經授權情況下被動用或出售，以及保障本公司股東權益。高級管理層負全責根據執行董事之指示，檢討本集團之內部監控系統，確保有關系統充足及可靠。

截至二零一一年十二月三十一日止年度，董事會已討論及檢討內部監控系統及高級管理層提出之相關方案，以確保內部控制系統充足及有效。

Independent Auditor's Report 獨立核數師報告



TO THE SHAREHOLDERS OF
GOLDEN SHIELD HOLDINGS (INDUSTRIAL) LIMITED
(Incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Golden Shield Holdings (Industrial) Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 54 to 112, which comprise the consolidated statements of financial position as at 31 December 2011, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the 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 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 Section 90 of the Companies Act 1981 of Bermuda 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.

致金盾控股(實業)有限公司股東

(於百慕達註冊成立之有限公司)

吾等已審計載於第54至112頁之金盾控股(實業)有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)綜合財務報表，當中包括於二零一一年十二月三十一日之綜合財務狀況報表與截至該日止年度之綜合全面收益表、綜合權益變動表及綜合現金流量表，以及主要會計政策概要及其他解釋資料。

董事就綜合財務報表須承擔之責任

貴公司董事須負責根據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綜合財務報表，編製真實而公平地呈報之綜合財務報表，及落實其認為編製綜合財務報表所必要之內部控制，以使綜合財務報表不存在因欺詐或錯誤而出現重大錯誤陳述。

核數師之責任

吾等之責任是根據吾等之審計對該等綜合財務報表作出意見，我們的報告依據百慕達一九八一年公司法第90條僅為閣下(作為法人團體)編製，除此之外本報告別無其他目的。吾等不會就本報告之內容向任何其他人士負上或承擔任何責任。吾等已根據香港會計師公會頒佈之香港審計準則進行審計。該等準則要求吾等遵守道德規範，並規劃及執行審計，以合理確定綜合財務報表是否不存在任何重大錯誤陳述。

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

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 December 2011, 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.

Martin C.K. Pong & Company
Certified Public Accountants

16/F., Dah Sing Life Building,
99–105 Des Voeux Road Central,
Central
Hong Kong

20 March 2012

審計工作包括執行程序以獲取綜合財務報表中金額及披露事項之審計憑證。所選定之程序取決於核數師之判斷，包括評估綜合財務報表有否因欺詐或錯誤而出現重大錯誤陳述之風險。在評估該等風險時，核數師考慮與該實體編製真實及公平地呈報之綜合財務報表之相關內部監控，以按情況設計適當審計程序，惟並非為對實體內部監控之效能發表意見。審計亦包括評價董事所採用之會計政策之合適性及所作出之會計估計之合理性，以及評價綜合財務報表之整體列報方式。

吾等相信所獲得之審計憑證可以充足和適當地為吾等之審計意見提供基礎。

意見

吾等認為，綜合財務報表已根據香港財務報告準則真實而公平地呈報。貴集團於二零一一年十二月三十一日之業務狀況及貴集團截至該日止年度之盈利及現金流量，並已按照香港公司條例之披露規定妥為編製。

龐志鈞會計師行
執業會計師

香港
中環
德輔道中99–105號
大新人壽大廈16樓

二零一二年三月二十日

Consolidated Statement of Comprehensive Income

綜合全面收益表

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

		Notes 附註	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Revenue	收益	8	990,954	709,948
Cost of sales	銷售成本		(816,555)	(553,928)
Gross profit	毛利		174,399	156,020
Other income	其他收入	8	3,585	2,006
Distribution costs	分銷成本		(11,134)	(9,518)
Administrative expenses	行政開支		(25,304)	(17,186)
Finance costs	融資成本	9	(2,981)	(751)
Profit before income tax	所得稅前溢利	10	138,565	130,571
Income tax expense	所得稅開支	13	(37,998)	(33,154)
Profit for the year	年度溢利		100,567	97,417
Other comprehensive income, net of tax	其他全面收入（已扣除稅項）		—	—
Total comprehensive income for the year	年度全面收益總額		100,567	97,417
Profit and total comprehensive income attributable to owners of the Company	本公司擁有人應佔溢利及全面總收入		100,567	97,417
Total comprehensive income attributable to owners of the Company	本公司擁有人應佔全面收益總額		100,567	97,417
Earnings per share attributable to owners of the Company	本公司擁有人應佔每股盈利	15		
— basic (RMB cents)	— 基本（人民幣分）		11.95	12.93

Consolidated Statement of Financial Position

綜合財務狀況報表

As at 31 December 2011 於二零一一年十二月三十一日

		Notes 附註	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	16	106,173	112,279
Prepaid land lease payments	預付土地租賃款項	17	9,440	9,704
Deferred tax asset	遞延稅項資產	19	—	308
			115,613	122,291
Current assets	流動資產			
Inventories	存貨	20	141,575	24,938
Trade receivables	應收貿易賬款	21	259,134	129,205
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	22	117,842	29,571
Pledged bank deposits	抵押銀行存款	23	92,383	—
Cash and cash equivalents	現金及現金等價物	23	143,850	175,892
			754,784	359,606
Current liabilities	流動負債			
Trade payables	應付貿易賬款	24	7,293	9,452
Accruals and other payables	應計款項及其他應付款項	25	20,453	21,642
Current tax liabilities	即期稅項負債		9,907	6,800
Interest bearing bank borrowings	計息銀行借款	26	199,000	6,850
Provisions	撥備	27	6,197	6,384
			242,850	51,128
Net current assets	流動資產淨值		511,934	308,478
Total assets less current liabilities/net assets	總資產減流動負債／資產淨值		627,547	430,769
Equity attributable to owners of the Company	本公司擁有人應佔權益			
Share capital	股本	28	77,801	—
Reserves	儲備	29	549,746	430,769
Total equity	權益總額		627,547	430,769

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2011 截至二零一一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	Other reserve	Share-based compensation reserve	Statutory surplus reserve	Retained earnings	Total
		股本	股份溢價	其他儲備	以股份為基礎之報酬儲備	法定盈餘儲備	保留盈利	總計
Notes		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
附註		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 29) (附註29)	(Note 29) (附註29)	(Note 29) (附註29)		
At 1 January 2010	於二零一零年一月一日	—	—	24,915	—	14,267	267,276	306,458
Total comprehensive income for the year	年度全面收益總額	—	—	—	—	—	97,417	97,417
Appropriation to statutory surplus reserve	分配至法定盈餘儲備	—	—	—	—	11,369	(11,369)	—
Share-based payment transactions	以股份支付的交易	29(b)	—	—	335	—	—	335
Capital contribution to a PRC subsidiary from a shareholder of the PRC subsidiary	一名中國附屬公司股東向一間中國附屬公司注資	—	—	26,559	—	—	—	26,559
At 31 December 2010	於二零一零年十二月三十一日	—	—	51,474	335	25,636	353,324	430,769
Total comprehensive income for the year	年度全面收益總額	—	—	—	—	—	100,567	100,567
Appropriation to statutory surplus reserve	分配至法定盈餘儲備	—	—	—	—	11,307	(11,307)	—
Arising on the Reorganisation	因重組產生	28	82	(82)	—	—	—	—
Placing and public offer of new shares	配售及公開發售新股份	28	15,561	93,361	—	—	—	108,922
Shares issue expenses	發行股份開支	28	—	(14,793)	—	—	—	(14,793)
Capitalisation issue	資本化發行	28	62,158	(62,158)	—	—	—	—
Share-based payment transactions	以股份支付的交易	29(b)	—	—	2,082	—	—	2,082
At 31 December 2011	於二零一一年十二月三十一日	77,801	16,410	51,392	2,417	36,943	442,584	627,547

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

	Notes 附註	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
CASH FLOWS FROM OPERATING ACTIVITIES	來自經營活動的現金流量		
Profit before income tax:	所得稅前溢利：	138,565	130,571
Adjustments for:	以下各項經調整：		
(Gain)/Loss on disposal of property, plant and equipment	出售物業、廠房及設備的(收益)/虧損	(859)	361
Depreciation and amortisation	折舊及攤銷	9,826	10,030
Share-based payment transaction expenses	以股份支付的交易開支	2,082	335
Finance costs	融資成本	2,981	751
Interest income	利息收入	(995)	(530)
		151,600	141,518
Increase in inventories	存貨增加	(116,637)	(6,119)
Increase in trade receivables	應收貿易賬款增加	(129,929)	(40,935)
Increase in prepayments, deposits and other receivables	預付款項、按金及其他應收款項增加	(82,271)	(23,595)
Decrease in amount due from a related company	應收一間關連公司款項減少	—	42,678
Decrease in trade payables	應付貿易賬款減少	(2,159)	(5,070)
Decrease in accruals and other payables	應計款項及其他應付款項減少	(1,189)	(19,670)
Decrease in provisions	撥備減少	(187)	(198)
Cash (used in)/generated from operations	經營活動(所用)/產生的現金	(180,772)	88,609
Income tax paid	已付所得稅	(34,583)	(32,775)
Net cash (used in)/from operating activities	經營活動(所用)/產生的現金淨額	(215,355)	55,834
CASH FLOWS FROM INVESTING ACTIVITIES	來自投資活動的現金流量		
Purchase of property, plant and equipment	購買物業、廠房及設備	(3,655)	(28,086)
Deposit payments for purchase of property, plant and equipment	就購買物業、廠房及設備支付按金	(6,000)	(140)
Settlement of other payables for purchase of property, plant and equipment	清償就購買物業、廠房及設備的其他應付款項	—	(16,455)
Payments for prepaid land lease payments	預付土地租賃款項	—	(90)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	1,058	61
(Increase)/decrease in pledged bank deposits	抵押銀行存款(增加)/減少	(92,383)	1,500
Interest received	已收利息	995	530
Net cash used in investing activities	投資活動所用現金淨額	(99,985)	(42,680)

Consolidated Statement of Cash Flows (continued)

綜合現金流量表(續)

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

		Notes	2011	2010
		附註	二零一一年	二零一零年
			RMB'000	RMB'000
			人民幣千元	人民幣千元
CASH FLOWS FROM FINANCING ACTIVITIES	來自融資活動的現金流量	32		
Interest paid	已付利息		(2,981)	(751)
Capital contribution to a PRC subsidiary from a shareholder of a PRC subsidiary	一名中國附屬公司股東向一間中國附屬公司注資		—	26,559
Placing and public offer of new shares	配售及公開發售新股		108,922	—
Shares issue expenses	發行股份開支		(14,793)	—
Proceeds from bank borrowings	銀行借款所得款項		199,000	6,850
Repayment of bank borrowings	償還銀行借款		(6,850)	(30,000)
Net cash from financing activities	來自融資活動的現金淨額		283,298	2,658
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物 (減少)/增加淨額		(32,042)	15,812
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	年初的現金及現金等價物		175,892	160,080
CASH AND CASH EQUIVALENTS AT END OF YEAR	年末的現金及現金等價物	23	143,850	175,892

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

1. Corporate Information and Group Reorganisation

The Company was incorporated in Bermuda as an exempted company with limited liability on 2 July 2010 and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The addresses of the registered office and the principal place of business of the Company are disclosed in the “Corporate Information” section of the annual report.

During the year, the principal activity of the Company was the investment holding and the principal activities of its subsidiaries are described in note 18 to the financial statement.

On 21 June 2011, pursuant to a group reorganisation (the “Reorganisation”) to rationalise the structure of the Company and its subsidiaries (collectively referred to as “the Group”) in the preparation for the listing of the Company’s shares on the Main Board of the Stock Exchange (the “Main Board”), the Company acquired the entire issued share capital of Jade Goal Holdings Limited (“Jade Goal”) in consideration of and exchange for the allotment and issue of 999,900 shares of Hong Kong dollar (“HK\$”) 0.1 each in the share capital of the Company credited as fully paid and thereafter the Company became the holding company of its subsidiaries. Details of the Reorganisation are set out in the prospectus issued by the Company dated 28 June 2011.

The shares of the Company commenced listing on the Main Board on 14 July 2011.

2. Basis of Preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). In addition, these financial statements include applicable disclosure required by the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and by the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention.

1. 公司資料及集團重組

本公司於二零一零年七月二日在百慕達註冊成立為獲豁免有限公司，其股份於香港聯合交易所有限公司（「聯交所」）上市。本公司之註冊辦事處及主要營業地點之地址於年報「公司資料」一節披露。

年內，本公司之主要業務為投資控股，其附屬公司之主要業務載於財務報表附註18。

於二零一一年六月二十一日，根據為籌備本公司股份於聯交所主板（「主板」）上市而精簡本公司及其附屬公司（統稱「本集團」）架構所進行之集團重組（「重組」），本公司收購高翠控股有限公司（「高翠」）之全部已發行股本，代價為以配發及發行本公司股本中999,900股每股面值0.1港元（「港元」）之入賬列作繳足股份作為交換，其後本公司成為其附屬公司之控股公司。重組詳情載於本公司於二零一一年六月二十八日刊發之招股章程。

本公司股份於二零一一年七月十四日開始於主板上市。

2. 呈列基準

本財務報表乃按照香港財務報告準則（「香港財務報告準則」）（包括香港會計師公會（「香港會計師公會」）頒佈之所有香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋）而編製。此外，本財務報表亦包括聯交所證券上市規則（「上市規則」）及香港公司條例之適用披露規定。本財務報表按歷史成本法編製。

2. Basis of Preparation (Continued)

The Group resulting from the Reorganisation as defined in note 1 above is regarded as a continuing entity. Accordingly, the financial statements of the Group for the year ended 31 December 2010 have been prepared on a merger accounting basis as if the Company had always been the holding company of the Group in accordance with Accounting Guideline 5 Merger Accounting for Common Control Combinations.

These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

3. Adoption of New and Revised HKFRSs

In the current year, the Group has adopted all of the new and revised HKFRSs issued by the HKICPA which are relevant to its operations and effective for accounting periods beginning on or after 1 January 2011.

The adoption of the new and revised HKFRSs has had no significant financial effect on these financial statements.

2. 呈列基準(續)

本集團因進行重組(定義見上文附註1)而被視為持續實體。因此,本集團截至二零一零年十二月三十一日止年度之財務報表乃根據會計指引第5號「共同控制合併之合併會計處理」採用合併會計原則編製,猶如本公司一直為本集團之控股公司。

本財務資料乃以人民幣(「人民幣」)呈列,除另有指明外,所有價值均調整至最接近之千元數。

3. 採納新訂及經修訂香港財務報告準則

於本年度,本集團採納香港會計師公會所頒佈與本集團業務相關,且於二零一一年一月一日或之後開始之會計期間生效之所有新訂及經修訂香港財務報告準則。

採納新訂及經修訂香港財務報告準則對本財務報表並無重大財務影響。

4. Issued but not yet Effective HKFRSs

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective in these financial statements.

4. 已頒佈但尚未生效之香港財務報告準則

本集團並無於本財務報表採納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

		Effective for annual periods beginning on or after 於以下日期或之後 開始之年度期間生效
HKFRS 1 (Amendments)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	1 July 2011
香港財務報告準則第1號 (修訂本)	嚴重通脹及免除首次採納者之固定日期	二零一一年七月一日
HKFRS 7 (Amendments)	Transfers of Financial Assets	1 July 2011
香港財務報告準則第7號 (修訂本)	轉讓金融資產	二零一一年七月一日
HKFRS 7 (Amendments)	Disclosure — Offsetting Financial Assets and Financial Liabilities	1 January 2013
香港財務報告準則第7號 (修訂本)	披露 — 抵銷金融資產及金融負債	二零一三年一月一日
HKFRS 9 (Amendments) and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures	1 January 2015
香港財務報告準則第9號 (修訂本)及香港財務 報告準則第7號	香港財務報告準則第9號的強制 生效日期及過渡披露	二零一五年一月一日
HKFRS 9	Financial Instruments	1 January 2015
香港財務報告準則第9號	金融工具	二零一五年一月一日
HKFRS 10	Consolidated Financial Statements	1 January 2013
香港財務報告準則第10號	綜合財務報表	二零一三年一月一日
HKFRS 11	Joint Arrangements	1 January 2013
香港財務報告準則第11號	共同安排	二零一三年一月一日
HKFRS 12	Disclosure of Interests in Other Entities	1 January 2013
香港財務報告準則第12號	披露於其他實體之權益	二零一三年一月一日
HKFRS 13	Fair Value Measurement	1 January 2013
香港財務報告準則第13號	公平值計量	二零一三年一月一日

4. Issued but not yet Effective HKFRSs (Continued)

4. 已頒佈但尚未生效之香港財務報告準則(續)

		Effective for annual periods beginning on or after 於以下日期或之後 開始之年度期間生效
HKAS 1 (Amendments) 香港會計準則第1號 (修訂本)	Presentation of Items of Other Comprehensive Income 其他全面收益項目之呈列	1 July 2012 二零一二年七月一日
HKAS 12 (Amendments) 香港會計準則第12號 (修訂本)	Deferred Tax: Recovery of Underlying Assets 遞延稅項：收回相關資產	1 January 2012 二零一二年一月一日
HKAS 19 (2011) 香港會計準則第19號 (二零一一年)	Employee Benefits 僱員福利	1 January 2013 二零一三年一月一日
HKAS 27 (2011) 香港會計準則第27號 (二零一一年)	Separate Financial Statements 獨立財務報表	1 January 2013 二零一三年一月一日
HKAS 28 (2011) 香港會計準則第28號 (二零一一年)	Investments in Associates and Joint Ventures 於聯營公司及合營企業之投資	1 January 2013 二零一三年一月一日
HKAS 32 (Amendments) 香港會計準則第32號 (修訂本)	Presentation — Offsetting Financial Assets and Financial Liabilities 呈列 — 抵銷金融資產及金融負債	1 January 2014 二零一四年一月一日
HK (IFRIC)-Int 20 香港(國際財務報告詮釋 委員會)－詮釋第20號	Stripping Costs in the Production Phase of a Surface Mine 露天礦場生產階段之剝採成本	1 January 2013 二零一三年一月一日

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application but it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed whether these new and revised HKFRSs would have any significant impact on its results of operations and financial position.

本集團現正評估該等新訂及經修訂香港財務報告準則於初次應用時之影響，惟直至完成有關該等新訂及經修訂香港財務報告準則會否對其經營業績及財務狀況有任何重大影響之詳細審閱之前，提供該影響之合理估計並不可行。

5. Summary of Significant Accounting Policies

(a) Basis of consolidation

For the year ended 31 December 2010, the Reorganisation has been accounted for using merger accounting by regarding the Company as being the holding company of the Group from the beginning of the earliest period presented.

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2011. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. Apart from the Reorganisation, the results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated on consolidation in full.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate.

5. 重大會計政策概要

(a) 綜合基準

截至二零一零年十二月三十一日止年度，經考慮本公司自最早呈報期間開始起成為本集團之控股公司，重組已採用合併會計法入賬。

綜合財務報表包括本公司及其附屬公司截至二零一一年十二月三十一日止年度之財務報表。附屬公司之財務報表按與本公司相同之報告期間編製，並採用一致之會計政策。除重組外，附屬公司之業績乃由收購當日（即本集團獲得控制權之日）起綜合入賬，並維持綜合入賬直至該控制權終止之日。集團內公司間之所有結餘、交易、因集團內公司間之交易所產生之未變現收益及虧損以及股息均於綜合賬目時對銷。

即使導致虧絀結餘，附屬公司內的虧損仍歸屬非控股權益。

附屬公司擁有權權益之變動（並無失去控制權）乃按權益交易入賬。

倘本集團失去對附屬公司之控制權，則終止確認(i)該附屬公司之資產（包括商譽）及負債，(ii)任何非控股權益之賬面值及(iii)於權益內記錄之累計匯兌差額；及確認(i)已收代價之公平值，(ii)所保留任何投資之公平值及(iii)損益中任何因此產生之盈餘或虧損。本集團先前於其他全面收益內確認應佔部分重新分類至損益或保留溢利（如適當）。

5. Summary of Significant Accounting Policies

(Continued)

(b) Subsidiaries

A subsidiary is an entity whose financial and operating policies the Company controls, directly or indirectly, so as to obtain benefits from its activities.

(c) Impairment of non-financial assets

When an indication of impairment exists, or when annual impairment testing for an asset is required (other than deferred tax asset, inventories and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is calculated as the higher of the asset's or cash-generating unit's value in use and its fair value less costs to sell, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. 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. An impairment loss is charged to the comprehensive income in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the comprehensive income in the period in which it arises.

5. 重大會計政策概要(續)

(b) 附屬公司

附屬公司為本公司直接或間接控制其財務及營運決策，以從其業務活動中獲益之實體。

(c) 非金融資產減值

如有跡象顯示出現減值，或須就資產進行年度減值測試(不包括遞延稅項資產、存貨及金融資產)，則會估計資產的可收回金額。資產的可收回金額按資產或現金產生單位的使用價值及公平值減銷售成本(以較高者為準)計算，並就個別資產而釐定，除非有關資產並無產生在頗大程度上獨立於其他資產或資產類別的現金流入，在此情況下，可收回金額就資產所屬的現金產生單位而釐定。

減值虧損僅於資產賬面值超逾其可收回金額時確認。於評估使用價值時，估計未來現金流量按可反映金錢時間價值的現時市場評估及資產特定風險的稅前貼現率貼現至現值。減值虧損於產生期間自全面收益內該等與減值資產功能一致的開支類別中扣除。

於各呈報期間結束時均會就是否有任何跡象顯示先前確認的減值虧損不再存在或可能已經減少進行評估。倘存在任何上述跡象，則會估計可收回金額。僅當用於釐定資產的可收回金額的估計有所改變時，先前就資產所確認的減值虧損方可撥回，但撥回的金額不可高於假設過往年度並無確認該資產的減值虧損時釐定的賬面值(已扣除任何折舊／攤銷)。撥回的減值虧損於其產生期間計入全面收益。

5. Summary of Significant Accounting Policies

(Continued)

(d) Property, plant and equipment

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the comprehensive income in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life, at the following rates per annum:

Buildings	樓宇	5%
Plant and machinery	廠房及機器	10% to 33 ¹ / ₃ %
Furniture, fixture and office equipment	傢俬、裝置及辦公室設備	20%
Motor vehicles	汽車	10% to 33 ¹ / ₃ %

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately.

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

5. 重大會計政策概要(續)

(d) 物業、廠房及設備

除在建工程外，物業、廠房及設備按成本減累計折舊及任何減值虧損後列賬。物業、廠房及設備項目成本包括其購入價及使資產達致其擬定用途的運作狀況及地點的任何直接應佔成本。物業、廠房及設備項目開始運作後產生的開支，例如維修保養成本，一般於產生期間自全面收益中扣除。在確認標準達成的情況下，主要檢測所產生的開支在資產賬面值中資本化為重置。倘大部分物業、廠房及設備須不時重置，則本集團會將有關部分確認為具特定使用年期的個別資產並會作出相應折舊。

折舊以直線法計算，以按每項物業、廠房及設備項目的估計可使用年期以下列每年折舊率撇銷其成本至其剩餘價值：

Buildings	樓宇	5%
Plant and machinery	廠房及機器	10% to 33 ¹ / ₃ %
Furniture, fixture and office equipment	傢俬、裝置及辦公室設備	20%
Motor vehicles	汽車	10% to 33 ¹ / ₃ %

倘物業、廠房及設備項目的各部分有不同的可使用年期，該項目的成本將在各部分之間作合理分配，而每部分將個別計提折舊。

資產的剩餘價值、可使用年期及折舊方法於每個報告期末進行評估，並在適當時候作出調整。

5. Summary of Significant Accounting Policies

(Continued)

(d) Property, plant and equipment (Continued)

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the comprehensive income in the year the asset is derecognised is the difference between the net sale proceeds and the carrying amount of the relevant asset.

Construction in progress which mainly represents property, plant and equipment under construction is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct and indirect costs incurred during the periods of construction, installation and testing. When the assets concerned are completed and ready for use, the costs are reclassified to the appropriate category of property, plant and equipment.

(e) Leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessee, rental payable under operating leases net any incentives received from the lessor are charged to the comprehensive income on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

5. 重大會計政策概要(續)

(d) 物業、廠房及設備(續)

物業、廠房及設備項目及已初步確認的任何重大部分於處置時或當其使用或處置預期不會產生任何日後經濟利益時終止確認。被終止確認的資產因其處置或報廢而產生的任何損益，為有關資產的銷售所得款項淨額與賬面值的差額，於該資產終止確認的年度在全面收益確認。

在建工程主要指在建的物業、廠房及設備，按成本減任何減值虧損列賬，並不會計提折舊。成本包括在建、安裝及測試期間的直接及間接成本。當有關資產已完成並可供使用，有關成本即重新分類至物業、廠房及設備的適當類別。

(e) 租賃

倘資產擁有權的絕大部分回報及風險保留於出租人的租賃，則列作經營租賃處理。當本集團為承租人時，根據經營租賃應付的租金扣除出租人給予的任何優惠後以直線法按租賃年期於全面收益扣除。

經營租賃下的預付土地租賃款項初步按成本列賬，其後按直線法於租賃年內確認。

5. Summary of Significant Accounting Policies

(Continued)

(f) Financial assets

Initial recognition and measurement

Financial assets of the Group within the scope of HKAS 39 Financial Instruments: Recognition and Measurement are classified as loans and receivables. The Group determines the classification of its financial assets at initial recognition. When financial assets are recognised initially, they are measured at fair value plus directly attributable transaction costs.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in the comprehensive income. The loss arising from impairment is recognised in the comprehensive income.

5. 重大會計政策概要(續)

(f) 金融資產

初步確認及計量

香港會計準則第39號金融工具：確認與計量界定的本集團金融資產分類為貸款及應收款項。本集團於初步確認時釐定其金融資產的分類。金融資產於初步確認時按公平值加直接應佔交易成本計量。

所有一般買賣的金融資產概於交易日(即本集團承諾買賣該資產的日期)予以確認。一般買賣乃指按照一般市場規定或慣例在一定期間內交付資產的金融資產買賣。

後續計量

貸款及應收款項

貸款及應收款項乃指並無於活躍市場報價且具固定或可釐定金額之非衍生金融資產。於初步計量後，有關資產其後採用實際利率法按已攤銷成本減任何減值撥備計算。攤銷成本經計及任何收購折讓或溢價後計算，並包括屬於實際利率之組成部分之各項費用或成本。實際利率攤銷計入全面收益。減值產生之虧損於全面收益確認。

5. Summary of Significant Accounting Policies

(Continued)

(f) Financial assets (Continued)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when (i) the rights to receive cash flows from the asset have expired; or (ii) the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

5. 重大會計政策概要(續)

(f) 金融資產(續)

撤銷確認金融資產

金融資產(或如適用,金融資產其中一部分或一組類似金融資產其中部分)在下列情況下撤銷確認:(i)自該資產收取現金流量的權利已屆滿;或(ii)本集團已轉讓其收取來自該資產的現金流量的權利,或已根據「轉遞」安排就向第三方承擔責任全數支付已收現金流量,且無重大延誤,並(a)本集團已轉讓該資產的絕大部分風險及回報,或(b)本集團並無轉讓或保留該資產的絕大部分風險及回報,惟已轉讓該資產的控制權。

倘若本集團已轉讓其自資產收取現金流量的權利或訂立轉遞安排,且並無轉讓或保留該資產的絕大部分風險及回報,亦無轉讓該資產的控制權,則該資產按本集團繼續參與該資產的程度確認。在此情況下,本集團亦將確認相關負債。已轉讓資產及相關負債以反映本集團保留的權利及責任為基準計量。

倘以擔保已轉讓資產的方式繼續參與,乃按該資產的原賬面值及本集團可能需要支付的最高代價兩者的較低者計量。

5. Summary of Significant Accounting Policies

(Continued)

(g) Impairment of financial assets

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

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses individually whether objective evidence of impairment exists for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

5. 重大會計政策概要(續)

(g) 金融資產減值

本集團於各報告期末評估金融資產或一組金融資產有否出現任何減值的客觀跡象。倘且僅倘因初步確認資產後發生的一項或多項事件導致存在客觀減值跡象(一項已發生的「虧損事件」)，而該項虧損事件對該項或該組金融資產的估計未來現金流量所造成的影響能可靠地估計，則該項或該組金融資產會被視作減值。

按攤銷成本列賬的金融資產

就按攤銷成本列賬的金融資產而言，本集團首先會按個別基準就個別屬重大的金融資產或按組合基準就個別不屬重大的金融資產，評估是否存在客觀減值跡象。倘本集團釐定按個別基準經評估的金融資產(無論是否重大)並無客觀跡象顯示存在減值，則該項資產會歸入一組具有相似信貸風險特性的金融資產內，並共同評估減值。經個別評估減值的資產，其減值虧損會予以確認或繼續確認入賬，而不會納入共同減值評估之內。

倘有客觀跡象顯示出現減值虧損，虧損金額為資產之賬面值與估計未來現金流量(不包括尚未產生之日後信貸虧損)現值間之差額計量。估計未來現金流量現值按該金融資產原本實際利率(即初步確認時計算之實際利率)貼現。倘貸款按浮動利率計息，則計量任何減值虧損的貼現率為現有實際利率。

5. Summary of Significant Accounting Policies

(Continued)

(g) Impairment of financial assets (Continued)

Financial assets carried at amortised cost (Continued)

The carrying amount of the asset is reduced either directly or through the use of an allowance account and the amount of the loss is recognised in the comprehensive income. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to the comprehensive income.

(h) Financial liabilities

Initial recognition and measurement

Financial liabilities of the Group within the scope of HKAS 39 are classified as financial liabilities at amortised costs. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus directly attributable transaction costs.

5. 重大會計政策概要(續)

(g) 金融資產減值(續)

按攤銷成本列賬的金融資產(續)

該資產的賬面值可直接或透過使用備抵賬目來扣減，而虧損金額在全面收益中確認。利息收入持續按減少賬面值累計，並採用貼現未來現金流量的利率累計，以計量減值虧損。當日後收回不可實現而所有抵押已變現或已轉入本集團時，貸款及應收款項連同相關備抵將予以撇銷。

倘於其後期間，估計減值虧損金額增加或減少乃由於確認減值後之事件所致，則早前確認之減值虧損將透過調整備抵賬目增加或減少。倘日後撇銷其後收回，則收回金額計入全面收益。

(h) 金融負債

初步確認及計量

香港會計準則第39號界定的本集團金融負債分類為按攤銷成本計量的金融負債。本集團於初步確認時釐定其金融負債的分類。

所有金融負債於初步確認時按公平值加直接應佔交易成本確認。

5. Summary of Significant Accounting Policies

(Continued)

(h) Financial liabilities (Continued)

Subsequent measurement

Financial liabilities at amortised costs

After initial recognition, financial liabilities at amortised costs are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the comprehensive income when the liabilities are derecognised as well as through the effective interest rate method amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the comprehensive income.

(i) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the comprehensive income.

(j) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

5. 重大會計政策概要(續)

(h) 金融負債(續)

後續計量

按攤銷成本計量的金融負債

初步確認後，按攤銷成本計量的金融負債其後採用實際利率法按攤銷成本計量，惟折讓影響甚微時則按成本列賬。損益於負債撤銷確認時透過實際利率法攤銷程序於全面收益內確認。

計算攤銷成本時，計及收購的任何折讓或溢價及屬實際利率一部分的各項費用或成本。實際利率攤銷入賬全面收益內融資成本。

(i) 撤銷確認金融負債

當負債項下之責任獲解除或註銷或屆滿時，則撤銷確認金融負債。

倘一項現有金融負債被相同放債人按基本上不同之條款提供之其他債項取代，或現有負債條款被重大修改，該取代或修改會被視作撤銷確認原有負債及確認一項新負債，且各賬面值之間之差額會在全面收益確認。

(j) 抵銷金融工具

倘及僅倘具現有可執行法定權利抵銷確認金額及有意按淨額結算，或同時變現資產及清償負債，金融資產及金融負債方會互相抵銷並於財務狀況報表內呈報淨額。

5. Summary of Significant Accounting Policies

(Continued)

(k) Fair value of financial instruments

The fair value of financial instruments that are traded in active markets is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. For financial instruments where there is no active market, the fair value is determined using appropriate valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument which is substantially the same; a discounted cash flow analysis; and other valuation models.

(l) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

(m) Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

5. 重大會計政策概要(續)

(k) 金融工具之公平值

於活躍市場買賣之金融工具的公平值乃參照所報市價或交易商報價(好倉的買入價及淡倉的沽盤價)釐定，未扣除任何交易成本。就未於活躍市場買賣的金融工具而言，其公平值採用適當估值法釐定。相關估值法包括採用近期公平磋商的市場交易、參照其他大致相似工具的現行市值及貼現現金流量分析以及其他估值模式。

(l) 存貨

存貨按成本值及可變現淨值之較低者入賬。成本乃按加權平均法釐定；而在製品及製成品成本則包括直接原料、直接勞工及適當比例之經常性開支。可變現淨值根據估計售價減截至完成及出售所招致之任何估計成本而釐定。

(m) 現金及現金等價物

就綜合現金流量表而言，現金及現金等價物包括手頭現金、活期存款以及一般於購入後三個月內到期且可隨時兌換為已知數額現金而涉及之價值變動風險極微的短期高度流動投資，減按要求償還的銀行透支，為本集團現金管理的組成部分。

就財務狀況報表而言，現金及現金等價物包括手頭現金及銀行存款，包括定期存款及性質與現金相似而其使用不受限制的資產。

5. Summary of Significant Accounting Policies

(Continued)

(n) Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in the comprehensive income.

(o) Income tax

Income tax comprises current and deferred tax. Income tax is recognised as income or expense and included in the comprehensive income for the period, except that income tax relating to a transaction or an event, which is recognised in the same or a different period outside the comprehensive income, is recognised, either in other comprehensive income or directly in equity as appropriate.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

5. 重大會計政策概要(續)

(n) 撥備

倘因過往事件而須承擔現有法定或推定責任，而履行該責任時有可能涉及未來資源流失，並能可靠地估計責任的金額，則確認有關撥備。

若貼現影響乃屬重大，則確認之撥備金額按預期履行該責任所需未來開支以報告期末之現值列賬。因時間流逝而產生之貼現現值增加計入全面收益表。

(o) 所得稅

所得稅包括即期及遞延稅項。所得稅乃確認為收入或開支及計入該期間之全面收益中，惟與在同一段期間或不同期間於全面收益外確認之交易或事件有關之所得稅，則於其他全面收益或直接於權益(如適當)中確認。

本期或過往期間的即期稅項資產及負債乃根據報告期末已實施或大致上實施的稅率(及稅法)，並計及本集團經營所在國家現行詮釋及慣例，按預期可自稅務機關收回或向稅務機關繳付的金額計量。

於報告期末的資產及負債的稅基與其在財務報告賬面值之間的所有暫時差額，須按負債法計提遞延稅項撥備。

5. Summary of Significant Accounting Policies

(Continued)

(o) Income tax (Continued)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

5. 重大會計政策概要(續)

(o) 所得稅(續)

除下述者外，本集團均會就所有應課稅暫時差額確認遞延稅項負債：

- 當遞延稅項負債產生自一項交易(並非業務合併)初步確認的資產或負債，而於該項交易進行時對會計溢利或應課稅溢利或虧損均無影響；及
- 就有關附屬公司投資的應課稅暫時差額而言，倘若撥回暫時差額的時間可以控制，以及暫時差額不大可能在可見將來撥回。

遞延稅項資產乃就所有可扣稅暫時差額、可結轉未運用稅項抵免及任何未運用稅項虧損確認，惟以可能有應課稅溢利可抵銷可扣稅暫時差額、可結轉未運用稅項抵免及未運用稅務虧損之情況為限，惟：

- 關於一項並非業務合併之交易初步確認之資產或負債(於該項交易進行時對會計溢利或應課稅溢利或虧損均無影響)所產生之可扣稅暫時差額之遞延稅項資產；及
- 就與於附屬公司之投資有關之可扣稅暫時差額而言，僅於暫時差額可能會在可見將來撥回及將有應課稅溢利作為抵銷，以動用暫時差額之情況下，方會確認遞延稅項資產。

5. Summary of Significant Accounting Policies

(Continued)

(o) Income tax (Continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Conversely, previously unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(p) Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (i) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold; and
- (ii) interest income, on an accrual basis using the effective interest method by applying the rate that discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

5. 重大會計政策概要(續)

(o) 所得稅(續)

遞延稅項資產之賬面值乃於各報告期末進行審閱，並予以相應扣減，直至不可能有足夠應課稅溢利以動用全部或部分遞延稅項資產為止。相反，先前未確認之遞延稅項資產乃於各報告期末重新評估，在可能獲得足夠應課稅溢利以動用全部或部分遞延稅項資產之情況下予以確認。

遞延稅項資產及負債乃根據於報告期末已實施或大致上實施之稅率(及稅法)，按變現資產或清償負債之期間預期適用之稅率計量。

倘有合法可強制執行權利將即期稅項資產與即期稅項負債抵銷，而遞延稅項乃與同一應課稅實體及同一稅務機關有關，則遞延稅項資產及遞延稅項負債可相互抵銷。

(p) 收益確認

當經濟利益有可能流入本集團及收益數額能可靠計算時，方會確認收益，基準如下：

- (i) 當出售貨品之擁有權的重大風險及回報轉移至買方，惟本集團不得干涉一般與擁有權相關之管理事務或對已售貨品擁有實際控制權；及
- (ii) 利息收入以實際利率法按應計基準確認，而利率為採用將金融工具於整個預期有效期內或較短期間(如適用)之估計未來現金流入貼現至金融資產賬面淨值之利率。

5. Summary of Significant Accounting Policies

(Continued)

(q) Employee benefits

Share-based payment transactions

Employees (including directors) of the Group receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments ("equity-settled transactions"). The cost of equity-settled transactions with an employee is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binominal model, further details of which are given in note 29 to the financial statements.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expenses recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the comprehensive income for a period represents the movement in the cumulative expenses recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum, an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

5. 重大會計政策概要(續)

(q) 僱員福利

以股份支付的交易

本集團僱員(包括董事)以股份支付的交易之方式收取報酬,而僱員提供服務作為收取股本工具之代價(「股本結算交易」)。與僱員進行股本結算交易之成本乃參考授出購股權當日之公平值計算。公平值由外部估值師採用二項式模式釐定,有關進一步詳情載於財務報表附註29。

股本結算交易的成本,連同權益相應增加部分,在績效及/或服務條件獲得履行的期間內確認。在歸屬日期前,各報告期末確認的股本結算交易的累計開支,反映歸屬期已屆滿部分及本集團對最終將會歸屬的股本工具數目的最佳估計。在某一期間內在全面收益內扣除或計入之數額,乃反映於該段期間期初與期終確認的累計開支的變動。

對於已授出但尚未最終歸屬之購股權,不會確認任何開支,惟視乎市場或非歸屬條件而決定歸屬與否之股本結算交易則除外,對於該類股本結算交易而言,只要所有其他績效及/或服務條件已經達成,不論市場或非歸屬條件是否達成,均會被視為已歸屬。

倘股本結算獎勵之條款有所變更,開支最少須於獎勵之原有條款達到時確認,猶如條款並無任何變更。此外,倘按變更日期計量,任何變更導致以股份支付的交易之總公平值有所增加,或對僱員帶來其他利益,則應就該等變更確認開支。

5. Summary of Significant Accounting Policies

(Continued)

(q) Employee benefits (Continued)

Share-based payment transactions (Continued)

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph. All cancellations of equity-settled transaction awards are treated equally.

Retirement benefits

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for all of its employees. Contributions are made based on a percentage of the employees' salaries and are charged to the comprehensive income as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiary which operates in the People's Republic of China (the "PRC") are required to participate in a central pension scheme operated by local municipal government. This subsidiary is required to contribute certain percentage of its payroll to the central pension scheme. The contributions are charged to the comprehensive income as they become payable in accordance with the rules of the central pension scheme.

5. 重大會計政策概要(續)

(q) 僱員福利(續)

以股份支付的交易(續)

倘股本結算獎勵被註銷，應被視為已於註銷日期歸屬，任何尚未確認之獎勵開支，均應即時確認。這包括在本集團或僱員控制範圍內之非歸屬條件未能達致之任何獎勵。然而，若授予新獎勵代替已註銷之獎勵，並於授出日期指定為替代獎勵，則已註銷之獎勵及新獎勵，一如前段所述，均應被視為原獎勵之變更。所有股本結算交易獎勵之註銷均按同等方式處理。

退休福利

本集團根據強制性公積金計劃條例為其全體僱員設立定額供款之強制性公積金退休福利計劃(「強積金計劃」)。有關供款為僱員薪金之某個百分比，並根據強積金計劃之規則於應付時在全面收益中扣除。強積金計劃之資產與本集團之資產分開，由獨立管理之基金持有。本集團之僱主供款在注入強積金計劃後，全數歸於僱員。

本集團在中華人民共和國(「中國」)經營之附屬公司之僱員，須參加當地市政府所運作之中央退休金計劃。該附屬公司須向中央退休金計劃支付工資支出之若干百分比。有關供款乃根據中央退休金計劃規則，於應付時在全面收益中扣除。

5. Summary of Significant Accounting Policies

(Continued)

(r) Borrowing costs

Borrowing costs are expensed in the period in which they are incurred.

(s) Foreign currencies

The Company's functional currency is Hong Kong dollars ("HK\$") and the financial statements are presented in RMB. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rates of exchange ruling at the end of the reporting period. All differences are taken to the comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The functional currencies of certain overseas subsidiaries are currencies other than the RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into the presentation currency of the Company at the exchange rates ruling at the end of the reporting period and their comprehensive income are translated into RMB at the weighted average exchange rates for the year. The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

5. 重大會計政策概要(續)

(r) 借款成本

借款成本均於產生期間支銷。

(s) 外幣

本公司之功能貨幣為港元(「港元」)，而財務報表以人民幣呈列。本集團之每一實體決定其功能貨幣，每一實體之財務報表中之項目以該功能貨幣計算。本集團實體錄得的外幣交易最初以交易當日各自的適用功能貨幣匯率記錄入賬。以外幣列值的貨幣資產及負債，則按報告期末適用的功能貨幣匯率再換算。所有差額計入全面收益。以外幣列值及按歷史成本計量的非貨幣項目，乃按最初進行交易當日的匯率換算。以外幣列值及按公平值計量的非貨幣項目，須按釐定公平值當日的匯率換算。

若干海外附屬公司之功能貨幣並非人民幣。於報告期末，該等實體之資產與負債乃按報告期末適用之匯率換算為本公司之呈報貨幣，而該等實體之全面收益則按年內之加權平均匯率換算為人民幣。由此產生之匯兌差額於其他全面收益確認，並於外匯波動儲備中累計。

就綜合現金流量表而言，海外附屬公司之現金流量按現金流量日期之適用匯率換算為人民幣。海外附屬公司年內經常產生之現金流量，按年內之加權平均匯率換算為人民幣。

5. Summary of Significant Accounting Policies

(Continued)

(t) Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;
 or
- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a); and

5. 重大會計政策概要(續)

(t) 關連人士

在下列情況下，有關人士將被視為本集團的關連人士：

- (a) 該人士或其直系親屬，而該人士：
 - (i) 控制或共同控制本集團；
 - (ii) 對本集團施加重大影響；或
 - (iii) 為本集團或本集團母公司之主要管理層成員；
 或
- (b) 該人士為實體，且符合下列任何條件：
 - (i) 該實體與本集團屬同一集團的成員公司；
 - (ii) 一間實體為另一實體之聯營公司或合營企業（或另一實體的母公司、附屬公司或同系附屬公司之旗下）；
 - (iii) 該實體與本集團屬同一第三方的合營企業；
 - (iv) 一間實體為第三方實體的合營企業，而另一實體為該第三方實體的聯營公司；
 - (v) 該實體為本集團或本集團之關聯實體為其僱員的福利而設立的退休福利計劃；
 - (vi) 該實體受(a)項定義之人士控制或共同控制；及

5. Summary of Significant Accounting Policies

(Continued)

(t) Related parties (Continued)

- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

6. Significant Accounting Judgments and Estimates

The preparation of the Group's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

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

(a) Impairment of receivables

The provision policy for doubtful debts of the Group is based on an ongoing evaluation of the collectability and ageing analysis of the outstanding receivables and on management's judgement. In assessing the ultimate realisation of these receivables, various factors including creditworthiness and the past collection history of the customer or debtors concerned will be taken into account. If the financial conditions of any customers or other debtors of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional impairment may be required.

(b) Provision for obsolete inventories

Management reviews the ageing analysis of inventories of the Group at the end of each reporting period, and makes provision for obsolete and slow moving items identified that are no longer suitable for sale. Management estimates the net realisable value for such inventories based primarily on the latest selling prices and prevailing market conditions.

5. 重大會計政策概要(續)

(t) 關連人士(續)

- (vii) 於(a)(i)項定義之人士對該實體有重大影響或屬該實體(或該實體的母公司)主要管理層成員。

6. 重大會計判斷及估計

編製本集團之財務報表要求管理層作出足以影響於報告期末收益、開支、資產與負債的呈報金額以及或然負債之披露的判斷、估計及假設。然而，此等假設及估計的不確定因素可能會導致在未來需要對受影響資產或負債的賬面值作出重大調整。

以下為涉及未來及有極大風險導致下一個財政年度內的資產與負債的賬面值須作出重大調整的主要假設及於報告期末估計不確定因素的其他主要來源。

(a) 應收款項減值

本集團為呆賬撥備的政策是根據對尚未償還應收款項的可收回程度及賬齡分析的持續評估以及管理層的判斷而定。評估該等應收款項的最終可變現性，將會計及各項因素包括客戶或有關債務人的信用及過往的收款歷史。倘本集團的任何客戶或其他債務人的財務狀況轉壞，以致其還款能力受損，則或須作出額外減值。

(b) 陳舊存貨撥備

管理層會於各報告期末審閱本集團存貨之賬齡分析，並就確定不再適合用作出售之陳舊及滯銷項目計提撥備。管理層主要根據最近期之售價及現行市況，估計該等存貨之可變現淨值。

6. Significant Accounting Judgments and Estimates (Continued)

(c) Impairment of non-financial assets

The Group assesses at the end of each reporting period whether there is an indication that an asset may be impaired. If any such indication exists, the Group makes an estimate of the recoverable amount of the asset. This requires an estimation of the value in use of the cash-generating unit to which the asset is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. A change in the estimated future cash flows and/or the discount rate applied will result in an adjustment to the estimated impairment provision previously made.

(d) Estimate useful lives of property, plant and equipment

In determining the useful lives of property, plant and equipment, the Group has to consider various factors, such as expected usage of the asset, expected physical wear and tear, the care and maintenance of the asset, and legal or similar limits on the use of the asset. The estimation of the useful life of the asset is made based on the experience of the Group with similar assets that are used in a similar way. Depreciation charge is revised if the estimated useful lives of items of property, plant and equipment are different from the previous estimation. Useful lives are reviewed, at the end of each reporting period, based on changes in circumstances.

7. Operating Segment Information

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's major operations.

6. 重大會計判斷及估計 (續)

(c) 非金融資產減值

本集團於各報告期末評估是否存在顯示資產可能出現減值的跡象。如果存在任何此類跡象，本集團則會對資產的可收回金額作出估計。這要求對資產獲分配的現金產生單位的使用價值作出估計。估計使用價值需要本集團就來自現金產生單位的預期未來現金流量作出估計，並選擇合適的貼現率以計算該等現金流量的現值。估計未來現金流量及／或所採用的貼現率的變動將導致過往作出的估計減值撥備需作出調整。

(d) 物業、廠房及設備的估計可使用年期

於釐定物業、廠房及設備的可使用年期時，本集團須考慮多種因素，例如資產的預期用途、預期的實質磨損、資產的保養及維護、以及動用資產的法律或類似限制。資產的可使用年期的估計乃按本集團於用途相近的類似資產的經驗而作出。倘物業、廠房及設備項目的估計可使用年期與過往的估計不同，則折舊費用會經修訂。於各報告期末，可使用年期乃按情況改變進行審閱。

7. 營運分部資料

本集團乃根據向執行董事報告之定期內部財務資料，確認營運分部及編製分部資料以便彼等就分配資源至本集團業務部分作出決定及審閱該等部分的表現。向執行董事報告之內部財務資料中的業務部分乃根據本集團的主要業務而釐定。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

7. Operating Segment Information (Continued)

The Group's operating business are organised and managed separately according to the nature of products, which each segment representing a strategic business segment that offers different products in the PRC market. The Company's executive directors considered that the Group's reportable and operating segments are as follows:

- Textile products segment is the production and sale of cotton yarn and grey fabric; and
- Trading materials segment is trading of raw materials for textile products segments.

The following is an analysis of the Group's reportable segments.

7. 營運分部資料(續)

本集團的營運業務乃根據產品性質而獨立組成及管理，而分部各代表一種於中國市場提供不同產品的策略性業務分部。本公司的執行董事認為，本集團的報告分部及營運分部如下：

- 紡織產品分部為棉紗及坯布之生產及銷售；及
- 買賣材料分部為紡織產品分部的原材料買賣。

下列為本集團報告分部之分析。

		Textile Products 紡織產品		Trading materials 買賣材料		Total 總計	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Segment revenue	分部收益						
Sales to external customers	外部客戶之銷售	828,333	709,948	162,621	—	990,954	709,948
Segment results	分部業績	151,617	146,616	9,643	—	161,260	146,616
Reconciliation:	對賬：						
Interest income	利息收入					995	530
Corporate and other unallocated expenses	企業及其他未分配開支					(23,690)	(16,575)
Profit before tax	除稅前溢利					138,565	130,571
Segment assets	分部資產	327,470	301,057	294,576	—	622,046	301,057
Reconciliation:	對賬：						
Corporate and other unallocated assets	企業及其他未分配開支					248,351	180,840
Total assets	總資產					870,397	481,897
Other segment information:	其他分部資料：						
Depreciation and amortisation	折舊及攤銷	9,826	10,030	—	—	9,826	10,030
Additions to non-current assets	非流動資產增加	3,655	30,093	—	—	3,655	30,093

There were no inter-segment sales in the current year (2010: nil).

本年度並無分部間銷售(二零一零年：無)。

7. Operating Segment Information (Continued)

Geographical information

The Company is an investment holding company and the principle place of the Group's operation is in the PRC. For the purpose of segment information disclosures under HKFRS 8 Operating Segments, the Group regards the PRC as its country of domicile. All the Group's revenue and non-current assets are principally attributable to the PRC, being the single geographical region.

Information about a major customer

Revenue of approximately RMB45,639,000 (2010: RMB36,387,000) was derived from the textile product segment to the Group's largest customer. No other single customers contributed 10% or more to the Group's revenue for both 2011 and 2010.

8. Revenue and Other Income

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, and trade discounts and net of value-added tax during the year.

An analysis of revenue and other income is as follows:

		Year ended 31 December 截至十二月三十一日止年度	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Revenue	收益		
Sale of goods	銷售貨品	990,954	709,948
Other income and gains	其他收入及收益		
Bank interest income	銀行利息收入	995	530
Gain on sale of scrap materials	出售廢料收益	745	576
Gain on disposal of property, plant and equipment	出售物業、廠房及設備收益	859	—
Others	其他	986	900
		3,585	2,006
		994,539	711,954

7. 營運分部資料(續)

地區資料

本公司為一家投資控股公司，而本集團營運的主要地點位於中國。就根據香港財務報告準則第8號營運分部披露分部資料而言，本集團視中國為其所在國家。本集團所有收益及非流動資產主要來自中國(為單一地區)。

主要客戶之資料

約人民幣45,639,000元(二零一零年：人民幣36,387,000元)的收益來自本集團最大客戶所屬紡織產品分部。二零一一年度及二零一零年均無其他單一客戶為本集團貢獻10%或以上的收益。

8. 收益及其他收入

收益亦即本集團的營業額，指於年內售出貨品的發票淨值，並經扣除貿易折扣及扣除增值稅。

收益及其他收入的分析如下：

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9. Finance Costs

9. 融資成本

		Year ended 31 December 截至十二月三十一日止年度	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Interest on bank borrowings	須於五年內悉數償還的銀行		
wholly repayable within five years	借款利息	2,981	751

10. Profit before Income Tax

10. 所得稅前溢利

The Group's profit before income tax is arrived at after charging/
(crediting):

本集團所得稅前溢利已扣除／(計入)下列各項：

		Year ended 31 December 截至十二月三十一日止年度	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Cost of Inventories sold	已售存貨成本	816,555	553,928
Depreciation of property, plant and equipment	物業、廠房及設備折舊	9,562	9,770
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	264	260
(Gain)/loss on disposal of property, plant and equipment	出售物業、廠房及 設備的(收益)／虧損	(859)	361
Auditors' remuneration	核數師酬金	1,133	68
Employee benefit expense (including directors' remuneration) (Note 11):	僱員福利開支 (包括董事酬金) (附註11):		
— Wages, salaries and allowances	— 工資、薪金及津貼	48,421	51,768
— Share-based payments	— 以股份為基礎之付款	2,082	335
— Pension schemes contributions	— 退休金計劃供款	7,922	6,342
— Staff welfare and other benefits	— 員工福利及其他福利	6,438	5,003
		64,863	63,448
Foreign exchange loss, net	外匯虧損淨額	840	38

11. Directors' Remuneration

Directors' remuneration for the year, disclosed pursuant to the Listing Rules and Section 161 of the Hong Kong Companies Ordinance, is as follows:

11. 董事酬金

根據上市規則及香港公司條例第161條披露之本年度董事酬金如下：

		Year ended 31 December 截至十二月三十一日止年度									
		Fees 袍金		Salaries, allowances and benefits in kind 薪金、津貼及實物福利		Share-based payments 以股份付款		Pension scheme contributions 退休金計劃供款		Total 總計	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Executive directors:	執行董事：										
Mr. Chen Binghui	陳秉輝先生	—	—	475	71	2,082	335	13	6	2,570	412
Mr. Wu Shoumin	吳守民先生	—	—	182	59	—	—	11	4	193	63
Mr. Chen Zhifeng	陳志峰先生	—	—	172	54	—	—	10	8	182	62
		—	—	829	184	2,082	335	34	18	2,945	537
Non-executive directors:	非執行董事：										
Mr. Qiu Jianfa	邱建法先生	—	—	64	58	—	—	11	—	75	58
Mr. Lin Shuqing	林樹青先生	—	—	56	65	—	—	—	10	56	75
		—	—	120	123	—	—	11	10	131	133
Independent non-executive directors:	獨立非執行董事：										
Mr. Yang Guohao	楊國豪先生	—	—	41	—	—	—	—	—	41	—
Mr. Kwong Kwan Tong	鄺焜堂先生	—	—	97	—	—	—	—	—	97	—
Ms. Xue Fang	薛芳女士	—	—	41	—	—	—	—	—	41	—
		—	—	179	—	—	—	—	—	179	—
		—	—	1,128	307	2,082	335	45	28	3,255	670

There was no arrangement under which a director waived or agreed to waive any remuneration during the year.

年內概無任何董事據此放棄或同意放棄任何酬金之安排。

12. Five Highest Paid Individuals

The five highest paid individuals during the year included four (2010: four) directors, details of whose remuneration are set out in note 11 above. Details of the remuneration of the remaining one (2010: one) non-director, highest paid individual for the year are as follows:

		Year ended 31 December 截至十二月三十一日止年度	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	299	60
Performance bonus	表現花紅	243	—
Pension scheme contributions	退休金計劃供款	7	9
		549	69

The number of non-director, highest paid individuals whose remuneration fell within the following band is as follows:

		Number of individuals 人數	
		2011 二零一一年	2010 二零一零年
Nil to HK\$1,000,000	零至1,000,000港元	1	1

During the year, no emoluments were paid to the five highest paid individuals (including directors and other employees) as inducement to join or upon joining the Group or as compensation for loss of office (2010: Nil).

12. 五名最高薪酬人士

年內五名最高薪酬人士包括四名(二零一零年：四名)董事，彼等酬金之詳情載於上文附註11。餘下一名(二零一零年：一名)並非董事之最高薪酬人士於本年度之酬金詳情如下：

酬金介於下列區間的非董事最高薪酬人士的人數如下：

年內，本集團概無向五名最高薪酬人士(包括董事及其他僱員)支付任何酬金，作為加入本集團或於加入本集團時之獎金或離職補償(二零一零年：無)。

13. Income Tax Expense

Hong Kong profits tax has been provided at the rate of 16.5% (2010: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. PRC subsidiaries are subject to PRC Enterprise Income Tax ("EIT") at 25% (2010: 25%). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdiction in which the Group operates.

13. 所得稅開支

本集團根據年內於香港產生的估計應課稅溢利按16.5%(二零一零年: 16.5%)的稅率計提香港利得稅撥備。中國附屬公司須按25%(二零一零年: 25%)繳納中國企業所得稅(「企業所得稅」)。其他地區之應課稅溢利之稅項乃根據本集團經營業務所在司法權區之現行稅率計算。

		Year ended 31 December 截至十二月三十一日止年度	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Current tax:	即期稅項:		
— Hong Kong	— 香港	—	—
— PRC	— 中國	37,690	30,024
		37,690	30,024
Deferred tax (noted 19)	遞延稅項(附註19)	308	3,130
Total tax charge for the year	年度稅項支出總額	37,998	33,154

No provision for Hong Kong profits tax has been made as the Company did not generate any assessable profits arising in Hong Kong during the year (2010: Nil).

由於本公司於本年度並無在香港產生任何應課稅溢利，故此並無作出香港利得稅撥備(二零一零年: 無)。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

13. Income Tax Expense (Continued)

A reconciliation of the income tax expense applicable to profit before tax at the statutory tax rates for the jurisdictions in which the Company and its subsidiaries are domiciled to the income tax expense at the effective tax rates is as follows:

		Year ended 31 December 截至十二月三十一日止年度	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Profit before income tax	除所得稅前溢利	138,565	130,571
Tax at the EIT rate	按企業所得稅率計算之稅項	34,641	32,643
Income not subject to tax	毋須納稅之收入	(21)	—
Expenses not deductible for tax	不可扣稅之開支	2,558	—
Others	其他	820	511
Income tax expense	所得稅開支	37,998	33,154

13. 所得稅開支(續)

按本公司及其附屬公司所在司法權區之法定稅率計算適用於除稅前溢利的所得稅支出與按實際所得稅率計算的所得稅支出的對賬如下：

14. Dividends

No dividend was paid or proposed during the year ended 31 December 2011, nor has any dividend been proposed since the end of the reporting period (2010: Nil).

14. 股息

本公司於截至二零一一年十二月三十一日止年度並無支付或建議派付股息，自報告期結束以來亦無建議派付任何股息（二零一零年：無）。

15. Earnings Per Share

The calculation of basic earnings per share amounts for the year ended 31 December 2011 is based on the profit for the year attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 841,774,740 that would have been in issue throughout the year as if the Company had been the holding company of the Group since the beginning of the year.

The calculation of basic earnings per share amounts for the year ended 31 December 2010 is based on the profit for the year attributable to ordinary equity holders of the Company and on the 753,520,000 ordinary shares (being the number of shares of the Company prior to the listing of the Company's shares on the Stock Exchange) as if these shares had been issued throughout the year.

No diluted earnings per share amounts are presented as the Group had no potentially dilutive ordinary shares in issue during 2010 and 2011.

15. 每股盈利

截至二零一一年十二月三十一日止年度之每股基本盈利乃根據年內本公司普通股持有人應佔溢利及841,774,740股應會於年內發行之普通股之加權平均數計算，猶如本公司自年初已為本集團之控股公司。

截至二零一零年十二月三十一日止年度之每股基本盈利乃根據年內本公司普通股持有人應佔溢利及753,520,000股普通股(即本公司股份於聯交所上市前本公司的股份數目)計算，猶如該等股份於年內已經發行。

由於本集團於二零一零年及二零一一年並無潛在攤薄性已發行普通股，故並無呈列每股攤薄盈利金額。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

16. Property, Plant and Equipment

16. 物業、廠房及設備

		Buildings	Plant and machinery	Furniture, fixtures and office equipment 傢俬、裝置及辦公室設備	Motor vehicles 汽車	Construction in progress 在建工程	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Cost:	成本：						
At 1 January 2010	於二零一零年一月一日	25,495	25,882	359	1,885	58,019	111,640
Additions	添置	9	2,657	155	—	27,272	30,093
Disposals	出售	—	(992)	—	—	(114)	(1,106)
Transfers	轉讓	44,733	40,384	—	—	(85,117)	—
At 31 December 2010	於二零一零年十二月三十一日	70,237	67,931	514	1,885	60	140,627
Additions	添置	—	2,800	36	—	819	3,655
Disposals	出售	—	(559)	—	—	—	(559)
Transfers	轉讓	60	—	—	—	(60)	—
At 31 December 2011	於二零一一年十二月三十一日	70,297	70,172	550	1,885	819	143,723
Accumulated depreciation and impairment:	累計折舊及減值：						
At 1 January 2010	於二零一零年一月一日	5,124	13,722	185	231	—	19,262
Provided for the year	年度撥備	2,404	7,122	53	191	—	9,770
Written back on disposals	出售回撥	—	(684)	—	—	—	(684)
At 31 December 2010	於二零一零年十二月三十一日	7,528	20,160	238	422	—	28,348
Provided for the year	年度撥備	2,717	6,606	63	176	—	9,562
Written back on disposals	出售回撥	—	(360)	—	—	—	(360)
At 31 December 2011	於二零一一年十二月三十一日	10,245	26,406	301	598	—	37,550
Net carrying amounts:	賬面淨值：						
At 31 December 2011	於二零一一年十二月三十一日	60,052	43,766	249	1,287	819	106,173
At 31 December 2010	於二零一零年十二月三十一日	62,709	47,771	276	1,463	60	112,279

16. Property, Plant and Equipment (Continued)

At 31 December 2011, certain building ownership certificates for the Group's buildings with a net carrying amount of approximately RMB1,353,000 (2010: RMB2,597,000) have not been obtained. The Group's legal advisor has confirmed that the Group has legally obtained the rights to use these buildings.

At 31 December 2011, certain of the Group's buildings and plant and machinery with a net carrying amount of approximately RMB58,700,000 (2010: Nil) and RMB32,738,000 (2010: Nil) respectively were pledged to secure general banking facilities granted to the Group (note 26).

16. 物業、廠房及設備 (續)

於二零一一年十二月三十一日，本集團尚未就賬面淨值約為人民幣1,353,000元(二零一零年：人民幣2,597,000元)的樓宇取得若干房屋所有權證。本集團之法律顧問已確認本集團已合法取得使用該等樓宇的權利。

於二零一一年十二月三十一日，本集團若干賬面淨值分別約為人民幣58,700,000元(二零一零年：無)及人民幣32,738,000元(二零一零年：無)之樓宇以及廠房及機器已抵押作為本集團獲授一般銀行融資之擔保(附註26)。

17. Prepaid Land Lease Payments

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Net carrying amount	賬面淨值		
Land outside Hong Kong	香港境外土地	9,440	9,704

The Group's prepaid land lease payments represent the payments for land use rights in the PRC under medium term leases.

At 31 December 2011, the Group's land use rights with a net carrying amount of approximately RMB4,639,000 (2010: RMB4,948,000) was pledged to secure the bank borrowings granted to the Group (note 26).

17. 預付土地租賃款項

本集團的預付土地租賃款項指就根據中期租賃於中國的土地使用權支付的款項。

於二零一一年十二月三十一日，本集團賬面淨值約為人民幣4,639,000元(二零一零年：人民幣4,948,000元)的土地使用權已抵押作為本集團獲授銀行借款之擔保(附註26)。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

18. Subsidiaries

Particulars of the subsidiaries as at 31 December 2011 are as follows:

Company name	Place of incorporation/ registration and operations	Nominal value of issued and fully paid ordinary share capital 已發行及繳 足普通股股 本面值	Percentage of equity attributable to the Company		Principal activities
公司名稱	註冊成立／註冊及營 業地點		本公司應佔股權 百分比		主要業務
			Direct 直接	Indirect 間接	
Jade Goal 高翠	British Virgin Island 英屬處女群島	US\$200 200美元	100%	—	Investment holding 投資控股
Hong Kong Golden Shield Limited 香港金盾有限公司	Hong Kong 香港	HK\$1 1港元	—	100%	Investment holding 投資控股
Golden Shield Textile (Jing Yang) Co., Ltd.	The PRC	US\$7,370,000	—	100%	Production and sale of cotton yarn and grey fabric and trading of raw materials for textile products
金盾紡織(涇陽)有限公司	中國	7,370,000 美元			生產及銷售棉紗和坯布，以及 買賣紡織產品原材料

18. 附屬公司

於二零一一年十二月三十一日之附屬公司資料如下：

19. Deferred Tax Asset

The movements in deferred tax asset in relation to provision of social insurance contribution fund during the year are as follow:

		At 31 December 於十二月三十一日	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
At 1 January	於一月一日	308	3,438
Recognised in comprehensive income (note 13)	於全面收益中確認 (附註13)	(308)	(3,130)
At 31 December	於十二月三十一日	—	308

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprise established in the PRC. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between the PRC and the jurisdiction of the foreign investors. For the Group, the applicable rate is 5% or 10%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in the PRC in respect of earnings generated from 1 January 2008.

At 31 December 2011, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in the PRC. In the opinion of the directors, it is not probable that these subsidiaries will distribute such earnings in the foreseeable future. The aggregate amount of temporary differences associated with investments in the PRC subsidiaries for which deferred tax liabilities have not been recognised totalled approximately RMB17,692,445 at 31 December 2011 (2010: RMB12,604,000).

19. 遞延稅項資產

年內與社會保險供款基金撥備有關的遞延稅項資產的變動如下：

		At 31 December 於十二月三十一日	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
At 1 January	於一月一日	308	3,438
Recognised in comprehensive income (note 13)	於全面收益中確認 (附註13)	(308)	(3,130)
At 31 December	於十二月三十一日	—	308

根據中國企業所得稅法，於中國成立的外商投資企業向外國投資者宣派股息須按10%徵收預扣稅。此規定自二零零八年一月一日起生效，並適用於二零零七年十二月三十一日後的盈利。倘中國與外國投資者的司法權區有簽訂相關稅務條約，則可運用較低的預扣稅率。就本集團而言，適用稅率為5%或10%。因此，本集團有責任就於中國成立的該等附屬公司於二零零八年一月一日起產生的盈利所分派的股息繳付預扣稅。

於二零一一年十二月三十一日，並無就本集團於中國成立之附屬公司應付之未匯出盈利所產生之預扣稅確認遞延稅項。董事認為，該等附屬公司於可見將來不大可能分派有關盈利。於二零一一年十二月三十一日，並未就與中國附屬公司投資有關的暫時差額確認遞延稅項負債的總額合共約為人民幣17,692,445元(二零一零年：人民幣12,604,000元)。

20. Inventories

		At 31 December 於十二月三十一日	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Raw materials	原材料	50,708	12,611
Work in progress	在製品	1,361	651
Finished goods	製成品	2,756	11,676
Goods held for re-sale	持作轉售貨品	86,750	—
		141,575	24,938

21. Trade Receivables

		At 31 December 於十二月三十一日	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Trade receivables	應收貿易賬款	259,134	129,205

The Group's trading terms with its customers are mainly on credit. The credit term is generally 90 days and up to 180 days for major customers. The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest bearing.

本集團與其客戶之貿易條款主要以信貸形式進行。信貸期一般為90天，而主要客戶最多為180天。本集團設法維持嚴格控制其未償還應收款項及逾期結餘，高級管理層亦會定期審閱未償還應收款項及逾期結餘。鑒於前述情況及本集團的應收貿易賬款與多名多元化客戶有關，故信貸風險之集中程度並不嚴重。應收貿易賬款為免息。

21. Trade Receivables (Continued)

An aged analysis of the trade receivables of the Group as at the end of the reporting period, based on the invoice date, is as follows:

		At 31 December 於十二月三十一日	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Within 3 months	三個月內	237,045	129,205
4–6 months	四至六個月	22,089	—
		259,134	129,205

The ageing analysis of trade receivables of the Group that are not individually nor collectively considered to be impaired is as follows:

		At 31 December 於十二月三十一日	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Neither past due nor impaired	未逾期或未減值	259,134	129,205

Receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

於報告期末按發票日期計算的本集團應收貿易賬款的賬齡分析如下：

本集團非個別或共同地被認為已減值的應收貿易賬款的賬齡分析如下：

與多名多元化客戶有關的應收款項並無逾期或已減值，該等客戶近期無拖欠記錄。

22. Prepayments, Deposits and Other Receivables

22. 預付款項、按金及其他應收款項

		At 31 December 於十二月三十一日	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Prepayments to suppliers	預付供應商款項	96,207	16,363
Other prepayments	其他預付款項	148	5,408
Deposits	按金	18,038	140
Other receivables	其他應收款項	2,542	7,660
Other tax recoverable	其他可收回稅項	907	—
		117,842	29,571

None of the above assets is either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default.

上述資產並無逾期或已減值。計入上述結餘的金融資產與近期並無拖欠記錄的應收款項有關。

23. Pledged Bank Deposits and Cash and Cash Equivalents

23. 已抵押銀行存款以及現金及現金等價物

		At 31 December 於十二月三十一日	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Cash and bank balances	現金及銀行結餘	236,233	175,892
Pledged bank deposits for bank borrowings (note 31)	銀行借款之已抵押銀行存款(附註31)	(92,383)	—
Cash and cash equivalents	現金及現金等價物	143,850	175,892

At the end of the reporting period, the cash and bank balances of the Group denominated in RMB amounted to RMB141,755,000 (2010: RMB175,892,000). RMB is not freely convertible into other currencies and the remittance of funds out of the PRC is subject to exchange restrictions imposed by the PRC government.

於報告期末，本集團以人民幣計值之現金及銀行結餘合計為人民幣141,755,000元(二零一零年：人民幣175,892,000元)。人民幣無法自由兌換為其他貨幣，而從中國匯出資金須受中國政府實施之外匯限制所規限。

23. Pledged Bank Deposits and Cash and Cash Equivalents (Continued)

Cash at banks earns interest at floating rates based on daily bank deposit rates. Pledged bank deposits which denominated in Hong Kong dollars and the bank balances are deposited with creditworthy banks with no recent history of default.

24. Trade Payables

An ageing analysis of the trade payables of the Group as at the end of reporting period, based on the invoice date, is as follows:

		At 31 December 於十二月三十一日	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Within 3 months	三個月內	7,293	9,452

The trade payables are non-interest bearing and normally settled on 90 days terms.

23. 已抵押銀行存款以及現金及現金等價物(續)

銀行現金根據每天銀行存款利率賺取浮動利率利息。已抵押銀行港元存款及銀行結餘乃存放於近期並無拖欠記錄及信譽良好的銀行。

24. 應付貿易賬款

於報告期末按發票日期計算的本集團應付貿易賬款的賬齡分析如下：

		At 31 December 於十二月三十一日	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Within 3 months	三個月內	7,293	9,452

應付貿易賬款為免息及一般於90天結清。

25. Accruals and Other Payables

		At 31 December 於十二月三十一日	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Accruals and other payables	應計款項及其他應付款項	11,751	9,180
Due to shareholders	應付股東款項	5,837	5,786
Due to a director	應付一名董事款項	1,287	—
Social insurance contribution payables	應付社會保險供款	1,578	1,232
Other tax payables	其他應付稅項	—	5,444
		20,453	21,642

The amounts due to shareholders mainly represented the listing expenses paid on behalf of the Group by a shareholder. The amounts due to shareholders and director are non-interest bearing, unsecured and have no fixed terms of repayment.

25. 應計款項及其他應付款項

		At 31 December 於十二月三十一日	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Accruals and other payables	應計款項及其他應付款項	11,751	9,180
Due to shareholders	應付股東款項	5,837	5,786
Due to a director	應付一名董事款項	1,287	—
Social insurance contribution payables	應付社會保險供款	1,578	1,232
Other tax payables	其他應付稅項	—	5,444
		20,453	21,642

應付股東款項主要指股東代本集團支付之上市開支。應付股東及董事款項為免息、無抵押及無固定還款期。

26. Interest Bearing Bank Borrowings

26. 計息銀行借款

		At 31 December 於十二月三十一日	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Secured bank loans	已抵押銀行貸款		
On demand or repayable within one year	按要求或須於一年內償還	199,000	6,850

Notes:

附註：

(a) The Group's bank loans are secured by the pledge of:

(a) 本集團之銀行貸款以下列資產作抵押：

(i) Certain of the Group's prepaid land lease payments, which had an aggregate carrying value at the end of the period of approximately RMB4,639,000 (2010: RMB4,948,000);

(i) 本集團於期末賬面總值約為人民幣4,639,000元(二零一零年：人民幣4,948,000元)的若干預付土地租賃款項；

(ii) Certain of the Group's plant and machinery, which had an aggregate carrying value at the end of the reporting period of approximately RMB32,738,000 (2010: Nil);

(ii) 本集團於期末賬面總值約為人民幣32,738,000元(二零一零年：無)的若干廠房及機器；

(iii) Certain of the Group's buildings, which had an aggregate carrying value at the end of the reporting period of approximately RMB58,700,000 (2010: Nil); and

(iii) 本集團於期末賬面總值約為人民幣58,700,000元(二零一零年：無)的若干樓宇；及

(iv) Certain of land and buildings of a related company of the Group.

(iv) 本集團一間關連公司的若干土地及樓宇。

(b) Fixed rate bank loans of RMB161,000,000 (2010: RMB6,850,000) are bearing interest rate at 7.82 to 7.98% (2010: 5.31%) per annum. Other bank loan of RMB38,000,000 is bearing at 7.32% (2010: nil) per annum. The weighted average effective interest rate is 7.32% per annum.

(b) 定息銀行貸款人民幣161,000,000元(二零一零年：人民幣6,850,000元)按年利率7.82至7.98厘(二零一零年：5.31厘)計算。其他銀行貸款人民幣38,000,000元按年利率7.32厘(二零一零年：無)計算。加權平均實際利率為每年7.32厘。

(c) A bank loan of RMB28,000,000 repayable under a loan agreement which includes a clause that gives the lender the unconditional right to call the loan at any time is classified as current and is due on demand. The remaining bank borrowing amounts of RMB171,000,000 due are based on the scheduled repayment dates set out in the loan agreements.

(c) 銀行貸款人民幣28,000,000元乃根據貸款協議償還，當中一條款賦予貸款人可於任何時候催繳分類為即期及於要求時償還貸款之無條件權利。餘下銀行借款人民幣171,000,000元根據貸款協議所載償還日期如期償還。

27. Provisions

27. 撥備

		At 31 December 於十二月三十一日	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Net carrying amounts:	賬面淨值：		
At 1 January	於一月一日	6,384	6,582
Amounts utilised during the year	年內已動用金額	(187)	(198)
At 31 December	於十二月三十一日	6,197	6,384

The Group provides the probable future staff termination benefits expected to be made to employees of Jing Yang Spinning Mill under the acquisition agreement dated 14 September 2001. The amount of the provision is estimated by the Group based on the best estimation of the probable future payments at the end of reporting period. The estimation basis is reviewed on an ongoing basis and revised where appropriate.

本集團預期將根據日期為二零零一年九月十四日的收購協議向涇陽縣棉紡織廠的僱員提供未來可能產生的員工終止聘用福利。有關撥備金額乃按於報告期末對未來可能支付的款項的最佳估計數字估算。估計基準按持續基準審閱並在適當的時候修訂。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

28. Share Capital

28. 股本

	Notes	Number of shares	HK\$'000	Equivalent to RMB'000
	附註	股份數目	千港元	相當於人民幣千元
Authorised:	法定：			
Ordinary shares of HK\$0.1 each	每股面值0.1港元之普通股			
At date of incorporation	於註冊成立日期 (i)	3,000,000	300	
At 31 December 2010	於二零一零年十二月三十一日	3,000,000	300	
Increased in authorised capital	法定股本增加 (ii)	1,997,000,000	199,700	
At 31 December 2011	於二零一一年十二月三十一日	2,000,000,000	200,000	
Issued and fully paid:	已發行及繳足：			
Ordinary shares of HK\$0.1 each	每股面值0.1港元之普通股			
Issue of shares to initial subscribers	向初步認購人發行股份 (i)	100	—	—
At 31 December 2010	於二零一零年十二月三十一日	100	—	—
Issue of shares in accordance with the Reorganisation for acquisition of Jade Goal	根據重組發行股份以收購高翠 (iii)	999,900	100	82
Placing and public offer of new shares	配售及公開發售新股份 (iv)	188,380,000	18,838	15,561
Capitalisation issue	資本化發行 (iv)	752,520,000	75,252	62,158
At 31 December 2011	於二零一一年十二月三十一日	941,900,000	94,190	77,801

Notes:

- (i) The Company was incorporated on 2 July 2010 with an authorised share capital of HK\$300,000 divided into 3,000,000 ordinary shares of HK\$0.1 each. 100 ordinary shares were issued nil paid on 26 July 2010.
- (ii) Pursuant to written resolutions of the shareholders passed on 24 June 2011, the authorised share capital of the Company was increased from HK\$300,000 to HK\$200,000,000 by the creation of an additional of 1,997,000,000 shares of HK\$0.1 each, ranking *pari passu* in all respects with the existing shares of the Company.

附註：

- (i) 本公司於二零一零年七月二日註冊成立，法定股本為300,000港元，分為3,000,000股每股面值0.1港元的普通股，其中100股普通股已於二零一零年七月二十六日以未繳股款形式發行。
- (ii) 根據股東於二零一一年六月二十四日通過之書面決議案，本公司之法定股本透過增設額外1,997,000,000股每股面值0.1港元的股份（於各方面與本公司現有股份享有同等地位）而由300,000港元增加至200,000,000港元。

28. Share Capital (Continued)

Notes: (Continued)

- (iii) On 21 June 2011, pursuant to the Reorganisation, the then shareholders of Jade Goal, the previous holding company of the Group, transferred the entire share capital in Jade Goal to the Company, in consideration of and in exchange for which the Company allotted and issued at par, credited as fully paid, 999,900 shares of HK\$0.1 each to the then shareholders.
- (iv) Pursuant to the written resolutions passed by the then shareholders of the Company on 24 June 2011:
- (a) 188,380,000 new ordinary shares of HK\$0.1 each were authorised to be issued by way of placing and public offer at an issue price of HK\$0.7 per share for a total cash consideration, before expenses, of HK\$131,866,000. A premium of HK\$0.6 per share for cash, the excess of the issue price over the par value of the shares issued upon the placing and public offer, totaling HK\$113,028,000 was credited to the share premium account of the Company.
- (b) Immediately after the placing and public offer, 752,520,000 ordinary share of HK\$0.1 each were authorised to be allotted and issued, credit as fully paid, at par, to the then shareholders in proportion to their respective shareholdings on the register of the members of the Company at the close of business on 24 June 2011 by way of the capitalisation of the share premium available.

The above mentioned ordinary shares were finally allotted and issued before the shares of the Company are listed on Main Board.

29. Reserves

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity.

(b) Nature and purpose of reserves

- (i) Other reserve
- The other reserve of the Group represents the difference between the nominal value of shares of the Company and the nominal value of the shares of the subsidiaries acquired pursuant to the Reorganisation.

28. 股本 (續)

附註：(續)

- (iii) 於二零一一年六月二十一日，本集團之前控股公司高翠之當時股東根據重組向本公司轉讓高翠之全部股本，代價為本公司按面值向當時股東配發及發行 999,900 股每股面值 0.1 港元之入賬列作繳足股份作為交換。
- (iv) 根據本公司當時之股東於二零一一年六月二十四日通過之書面決議案：
- (a) 188,380,000 股每股面值 0.1 港元之新普通股獲授權透過配售及公開發售按每股 0.7 港元的發行價發行，總現金代價為 131,866,000 港元（未扣除開支）。每股股份現金溢價 0.6 港元，即於配售及公開發售時發行價超出已發行股份面值之數額合共 113,028,000 港元，已計入本公司股份溢價賬。
- (b) 緊隨配售及公開發售後，752,520,000 股每股面值 0.1 港元的入賬列作繳足普通股獲授權透過將可動用股份溢價撥充資本，按二零一一年六月二十四日營業時間結束時本公司股東登記冊所示當時股東各自所持之股權比例，按面值向彼等配發及發行。

上述普通股於本公司於主板上市前最終被配發及發行。

29. 儲備

(a) 權益部分之變動

本集團綜合權益各部分之年初及年末結餘的對賬載於綜合權益變動表。

(b) 儲備之性質及目的

- (i) 其他儲備
- 本集團之其他儲備指本公司股份面值與根據重組所收購附屬公司股份面值的差額。

29. Reserves (Continued)

(b) Nature and purpose of reserves (Continued)

(ii) Share-based compensation reserve

The share-based compensation reserve represents the difference between the fair value and consideration of the shares of the ultimate holding company granted to a director of the Company for the appreciation of his contribution to the Group. Further details of the transaction are set out in the Company's prospectus dated 28 June 2011.

The fair value of equity interest at the date of grant was approximately RMB31,223,000 in accordance with the valuation report from an independent valuer, BMI Appraisals Limited. The share-based payment expense is recognised on a straight-line basis over the agreed service periods, fifteen years, commencing 3 November 2010. Once the director is left, no share-based payment expense is further required to be recognised. During the year, the share-based payment expense of approximately RMB2,082,000 (2010: RMB335,000) is recognised as part of directors' remuneration.

(iii) Statutory surplus reserve

In accordance with the Company Law of the PRC, the Company's subsidiary registered in the PRC is required to appropriate 10% of the annual statutory profit after tax (after offsetting any prior years' losses) determined in accordance with generally accepted accounting principles in the PRC to the statutory reserve until the balance of the reserve fund reaches 50% of the entity's registered capital. The statutory reserve can be utilised to offset prior years' losses or to increase capital, provided the remaining balance of the statutory reserve is not less than 25% of registered capital.

29. 儲備(續)

(b) 儲備之性質及目的(續)

(ii) 以股份為基礎之報酬儲備

以股份為基礎之報酬儲備指本公司董事獲授最終控股公司的股份，其公平值與代價之間的差額，以表彰其對本集團的貢獻。有關交易的進一步詳情載於本公司日期為二零一一年六月二十八日之招股章程。

根據獨立估值師中和邦盟評估有限公司之估值報告，授出當日之股權公平值約為人民幣31,223,000元。以股份付款的開支按直線法於協定之服務期間(自二零一零年十一月三日起計十五年)確認。一旦董事離職，無須再確認以股份付款的開支。年內，以股份付款的開支約人民幣2,082,000元(二零一零年：人民幣335,000元)確認為董事酬金的一部分。

(iii) 法定盈餘儲備

根據中國公司法，本公司於中國註冊的附屬公司須劃撥10%根據中國公認會計原則釐定的年度法定除稅後溢利(經抵銷任何過往年度虧損後)至法定儲備，直至儲備金結餘達到該實體註冊資本的50%為止。該法定儲備可用於抵銷過往年度虧損或用於增資，惟法定儲備的餘下結餘不少於註冊資本的25%。

30. Contingent Liabilities

The Group did not have any contingent liabilities at the end of the reporting period.

30. 或然負債

於報告期末，本集團概無擁有任何或然負債。

31. Pledge of Assets

Details of the Group's bank borrowings which are secured by the assets of the Group are included in note 26 to the financial statements.

As at 31 December 2011, the Group has pledged bank deposit approximately RMB92,383,000 to a bank to secure banking facilities granted to its PRC subsidiary during the year. The bank borrowing of RMB86,000,000 was drawn down on 18 January 2012.

31. 資產抵押

本集團以其資產作抵押的銀行借款詳情載於財務報表附註26。

於二零一一年十二月三十一日，本集團於年內向銀行抵押了約人民幣92,383,000元的銀行存款，作為授予其中國附屬公司的銀行融資的擔保。銀行借款人民幣86,000,000元於二零一二年一月十八日已被提取。

32. Major Non-Cash Transactions

The major non-cash transaction of the Group is the capitalisation of certain sums standing to the credit of the share premium account of the Company pursuant to the Reorganisation. Further details are set out in note 28 to the financial statements.

32. 主要非現金交易

本集團的主要非現金交易為本公司根據重組於股份溢價賬進賬的若干撥充資本。進一步詳情載於財務報表附註28。

33. Operating Lease Arrangements

The Company leases its office and factory premise and machinery under operating lease arrangements. Leases for properties are negotiated for terms of one to two years, with an option to renew the lease when all terms are renegotiated. None of the leases includes contingent rentals.

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

		As at 31 December 於十二月三十一日	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Within one year	一年內	22,054	—

33. 經營租賃安排

本公司根據經營租賃安排租賃辦公室、廠房及機器。物業之議定租約為期一至兩年，在重新磋商所有條款後可選擇重續租約。任何租約均不包括或然租金。

於報告期末，本集團根據不可撤銷經營租賃之未來最低租賃款項於下列期間到期：

34. Capital Commitments

Capital commitments outstanding at 31 December 2011 not provided for in the financial statements were as follows:

		As at 31 December 於十二月三十一日	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Contractual commitments for the acquisition of property, plant and equipment	購置物業、廠房及設備之合約承擔	37,817	37,817

34. 資本承擔

於二零一一年十二月三十一日，於財務報表內未計提的資本承擔如下：

35. Related Party Disclosures

(a) Balances and transactions

Other than the related party balances and transactions disclosed in notes 25 and 26 to the financial statements, the Group had the following material transactions with related parties during the reporting period:

- (i) During the year ended 31 December 2010 and 2011, the Group used the land and buildings owned by Shaanxi Golden Shield Textile Co., Ltd ("Shaanxi Golden Shield") as its cotton spinning/weaving mills at nil consideration;
- (ii) Shaanxi Golden Shield also pledged their certain lands and buildings to provided corporate guarantee to the Group in respect of the bank borrowings as at 31 December 2011.

(b) Compensation of key management personnel of the Group

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Short term employee benefits	短期僱員福利	863	202
Share-based payment	以股份付款	2,082	335
		2,945	537

Further details of directors' remunerations are included in note 11 to the financial statement.

35. 關連方披露

(a) 結餘及交易

除財務報表附註25及26所披露之關連方結餘及交易外，本集團於報告期間與關連方存在下列重大交易：

- (i) 截至二零一零年及二零一一年十二月三十一日止年度，本集團無償使用由陝西金盾紡織有限公司(「陝西金盾」)擁有的土地及樓宇作其棉紡紗／織布廠；
- (ii) 於二零一一年十二月三十一日，陝西金盾亦已抵押其若干土地及樓宇，以就銀行借款向本集團提供企業擔保。

(b) 本集團主要管理人員的薪酬

有關董事酬金的進一步詳情載於財務報表附註11。

36. Financial Instruments by Category

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

Financial assets — loans and receivables

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Trade receivables	應收貿易賬款	259,134	129,205
Deposits and other receivables	按金及其他應收款項	20,579	7,660
Pledged bank deposits	已抵押銀行存款	92,383	—
Cash and cash equivalents	現金及現金等價物	143,850	175,892
		515,946	312,757

Financial liabilities — at amortised cost

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Trade payables	應付貿易賬款	7,293	9,452
Financial liabilities included in accruals and other payables	計入應計款項及其他應付款項及的金融負債	20,453	21,642
Interest bearing bank borrowings	計息銀行借款	199,000	6,850
		226,746	37,944

37. Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise trade receivables, deposit and other receivables, pledged bank deposits, cash and cash equivalents, trade payables, accruals and other payables and interest bearing bank borrowings. These financial instruments mainly arise from its operations.

The carrying amounts of the Group's financial instruments approximated to their fair values as at the end of each reporting period. Fair value estimates are made at a specific point in time and are based on relevant market information about the financial instruments.

36. 按類別劃分的金融工具

於各報告期末各類別的金融工具的賬面值如下：

金融資產—貸款及應收款項

	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Trade receivables	259,134	129,205
Deposits and other receivables	20,579	7,660
Pledged bank deposits	92,383	—
Cash and cash equivalents	143,850	175,892
	515,946	312,757

金融負債—按攤銷成本

	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Trade payables	7,293	9,452
Financial liabilities included in accruals and other payables	20,453	21,642
Interest bearing bank borrowings	199,000	6,850
	226,746	37,944

37. 金融風險管理目標與政策

本集團的主要金融工具包括應收貿易賬款、存款及其他應收款項、已抵押銀行存款、現金及現金等價物、應付貿易賬款、應計款項及其他應付款項以及計息銀行借款。該等金融工具主要產生自其營運。

於各報告期末，本集團的金融工具的賬面值與其公平值相若。公平值估算乃於特定時間點及根據有關金融工具之市場資料作出。

37. Financial Risk Management Objectives and Policies (Continued)

These estimates are subjective in nature and involve uncertainties and matters of significant judgment, and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. As the Group's exposure to these risks is kept to a minimum, the Group has not used any derivatives and other instruments for hedging purposes. The Group does not hold or issue derivative financial instruments for trading purposes. The board of directors of the Company reviews and agrees policies for managing each of these risks and they are summarised below:

(a) Interest rate risk

Interest rate risk means the risk on the fluctuation of fair value on future cash flows of financial instruments which arise from changes in interest rates. Floating interest rate instruments will result in the Group facing the risk of changes in market interest rate, and fixed interest rate instruments will result in the Group facing fair value interest rate risk.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before income tax (through the impact on the Group's bank balances and bank borrowings which are subject to floating interest rate) and the Group's equity.

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Increase/(decrease) in profit before income tax and equity if:	倘出現下列情況，所得稅前溢利及權益增加／(減少)：		
100 basis points increase	上升100個基點	1,037	1,690
100 basis points decrease	下跌100個基點	(1,037)	(1,690)

37. 金融風險管理目標與政策(續)

該等估算乃屬主觀性質，並涉及不明朗因素及須作重大判斷的事項，因此無法準確釐定。假設的變動可能會對估算造成重大影響。

本集團之金融工具所產生之主要風險為利率風險、外幣風險、信貸風險及流動資金風險。本集團所面對之該等風險維持於低水平，故本集團並無應用任何衍生工具及其他工具以作對沖。本集團並無持有或發行用作買賣之衍生金融工具。本公司董事會已審閱並協定管理上述各項風險之政策，現概述如下：

(a) 利率風險

利率風險指利率變動以致金融工具未來現金流量的公平值波動的風險。浮動利率工具將導致本集團面對市場利率變動的風險，而固定利率工具將導致本集團面對公平值利率風險。

下表顯示在所有其他變量維持不變的情況下，本集團所得稅前溢利（透過對本集團浮息銀行結餘及銀行借款造成的影響）及本集團權益的利率的合理可能變動之敏感性分析。

37. Financial Risk Management Objectives and Policies (Continued)

(b) Foreign currency risk

The Group's businesses are located in the PRC and most of the transactions are conducted in RMB. Most of the Group's assets and liabilities are denominated in RMB. Accordingly, fluctuations of the exchange rates of RMB against foreign currencies do not have significant effects on the Group's results. The Group has not hedged its foreign exchange rate risk.

(c) Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to management review. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral.

The credit risk of the Group's other financial assets, which mainly comprise of cash and cash equivalents, arises from potential default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments. Credit risk in cash and cash equivalents is mitigated as cash is deposited in banks with high credit rating.

(d) Liquidity risk

Management of the Group aims to maintain sufficient cash and cash equivalents and has available funding through an adequate amount of committed credit facilities to meet its commitments.

37. 金融風險管理目標與政策(續)

(b) 外幣風險

本集團的業務均位於中國，而大部分交易均以人民幣進行。本集團大部分資產及負債乃以人民幣計值。因此，人民幣兌外幣的匯率波動對本集團的業績並無重大影響。本集團並無為其外匯匯率風險進行對沖。

(c) 信貸風險

本集團僅與獲認可及信譽可靠的第三方進行交易。按照本集團的政策，所有擬按信貸期進行交易的客戶，必須先通過管理層審核。此外，本集團持續監察應收結餘的情況，故本集團的壞賬風險並不重大。由於本集團僅與獲認可及信譽可靠的第三方進行交易，故並無抵押要求。

本集團其他金融資產(主要包括現金及現金等價物)的信貸風險乃產生自交易對手的潛在違約，最高風險相等於該等工具的賬面值。現金及現金等價物的信貸風險已因現金存於享有高度信貸評級的銀行而減低。

(d) 流動資金風險

本集團管理層致力維持充足的現金及現金等價物，並透過充裕之已承擔信貸額度以為其承擔維持可供動用資金。

37. Financial Risk Management Objectives and Policies (Continued)

(d) Liquidity risk (Continued)

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

		On demand or within 1 year 按要求或一年內		1 to 2 years 一至兩年		Total 總計	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Trade payables	應付貿易賬款	7,293	9,452	—	—	7,293	9,452
Financial liabilities included in accrual and other payables	包括於應計款項及 其他應付款項 的金融負債	20,453	21,642	—	—	20,453	21,642
Interest bearing bank borrowing	計息銀行借款	208,311	7,092	—	—	208,311	7,092
		236,057	38,186	—	—	236,057	38,186

(e) Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as going concern and to maintain reasonable capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the reporting period.

37. 金融風險管理目標與政策(續)

(d) 流動資金風險(續)

以訂約非貼現付款為基準，本集團於各報告期末的金融負債到期情況如下：

(e) 資本管理

本集團資本管理的主要目標為保障本集團繼續可持續經營的能力，以及維持合理的資本比率以支持其業務，以及將股東的價值提升至最高。

本集團根據經濟狀況的變動及相關資產的風險性質管理其資本架構及作出調整。為維持或調整資本架構，本集團可調整支付予股東的股息、向股東退回資本或發行新股。本集團並無受任何外部附加的資本要求所限。於報告期間，管理資本的目標、政策或過程並無變動。

37. Financial Risk Management Objectives and Policies (Continued)

(e) Capital management (Continued)

The Group monitors capital using a gearing ratio, which is net debts divided by total equity. Net debts include interest-bearing bank borrowings, trade payables, accruals and other payables, current tax liabilities and provisions less cash and cash equivalents.

At the end of 31 December 2010 and 2011, the Group's strategy was to maintain the gearing ratio at a healthy capital level in order to support its businesses. The principal strategies adopted by the Group include, without limitation, reviewing future cash flow requirements and the ability to meet debt repayment schedules when they fall due, maintaining a reasonable level of available banking facilities and adjusting investment plans and financing plans, if necessary, to ensure that the Group has a reasonable level of capital to support its business.

The gearing ratios at the end of 31 December 2010 and 2011 were as follows:

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Interest bearing bank borrowings	計息銀行借款	199,000	6,850
Trade payables	應付貿易賬款	7,293	9,452
Accruals and other payables	應計款項及其他應付款項	20,453	21,642
Current tax liabilities	即期稅項負債	9,907	6,800
Provisions	撥備	6,197	6,384
Less: Cash and cash equivalents	減：現金及現金等價物	(143,850)	(175,892)
Net debts	債務淨額	99,000	(124,764)
Total equity	權益總額	627,547	430,769
Gearing ratio	資本負債比率	15.78%	(28.96)%

37. 金融風險管理目標與政策(續)

(e) 資本管理(續)

本集團以資本負債比率監控資本，該比率為債務淨額除以權益總額。債務淨額包括計息銀行借款、應付貿易賬款、應計款項及其他應付款項、即期稅項負債及撥備減現金及現金等價物。

於二零一零年及二零一一年十二月三十一日結束時，本集團的策略為維持資本負債比率在健康資本水平，以支持其業務。本集團採取的主要策略包括但不限於審閱未來現金流量要求及於債務到期時按時間表還款的能力、維持可動用銀行融資在合理水平以及調整投資計劃及融資計劃(如需要)，以確保本集團擁有合理水平的資本支持其業務。

於二零一零年及二零一一年十二月三十一日結束時的資本負債比率如下：

37. Financial Risk Management Objectives and Policies (Continued)

(f) Fair value estimation

The directors of the Company consider that the carrying values of those financial assets and liabilities are assumed to approximate their fair values.

37. 金融風險管理目標與政策(續)

(f) 公平值估算

本公司董事認為該等金融資產及負債的賬面值與其公平值相若。

38. Parent and Ultimate Holding Company

At 31 December 2011, the directors consider the parent and ultimate holding company of the Company to be Tong Fa Limited, which is incorporated in BVI. This entity does not produce financial statements available for public use.

38. 母公司及最終控股公司

於二零一一年十二月三十一日，董事認為，本公司的母公司及最終控股公司是在英屬處女群島註冊成立的通發有限公司。該實體不會提供財務報表以供公眾查閱。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

39. Statement of Financial Position of the Company 39. 本公司財務狀況報表

	Notes 附註	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Non-current assets			
Investment in a subsidiary		83	—
Current assets			
Amount due from a subsidiary	(a)	43,610	—
Prepayment, deposits and other receivable		265	—
Amounts due from shareholders		5	—
Pledged bank deposits		92,383	—
Bank balances and cash		2,095	—
		138,358	—
Current liabilities			
Amount due to a subsidiary	(b)	48,744	—
Other payables and accrued expenses		1,946	—
Amount due to a director		1,287	—
		51,977	—
Net current assets		86,381	—
Net assets		86,464	—
Capital and reserves			
Share capital		77,801	—
Share premium		16,410	—
Share-based compensation reserve		2,082	—
Accumulated losses		(9,829)	—
Total equity		86,464	—

(a) The amount due from a subsidiary is unsecured, interest free and has no fixed terms of repayment

(b) The amount due to a subsidiary is unsecured, interest free and has no fixed terms of repayment

(a) 應收一間附屬公司款項為無抵押、免息及無固定還款期

(b) 應付一間附屬公司款項為無抵押、免息及無固定還款期

40. Approval of the Financial Statements

The financial statements were approved and authorised for issue by the board of directors on 20 March 2012.

40. 批准財務報表

財務報表已獲董事會於二零一二年三月二十日批准及授權刊發。



GOLDEN SHIELD
Holdings (Industrial) Limited

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