



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

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號: 2678



3	FINANCIAL HIGHLIGHTS 財務摘要
5	CORPORATE PROFILE AND STRUCTURE 企業簡介及架構
6	CHAIRMAN'S STATEMENT 主席報告書
9	MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析
22	CORPORATE GOVERNANCE REPORT 企業管治報告
33	DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層
36	CORPORATE INFORMATION 公司資料
38	REPORT OF THE DIRECTORS 董事會報告
50	INDEPENDENT AUDITOR'S REPORT 獨立核數師報告
52	CONSOLIDATED BALANCE SHEET 綜合資產負債表
54	COMPANY BALANCE SHEET 公司資產負債表
55	CONSOLIDATED INCOME STATEMENT 綜合損益表
56	CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME 綜合全面收益表
57	CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 綜合權益變動表
59	CONSOLIDATED CASH FLOW STATEMENT 綜合現金流量表
60	NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

OPERATING FIGURES

經營數據

		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	Change 轉變	2009 二零零九年 RMB '000 人民幣千元	2008 二零零八年 RMB '000 人民幣千元	2007 二零零七年 RMB '000 人民幣千元
For the year ended 31 December 截至十二月三十一日止年度							
Revenue	收入	6,872,713	5,471,598	25.6%	4,088,436	3,737,641	3,254,109
Gross profit	毛利	555,585	1,308,609	-57.5%	601,260	458,935	434,751
Profit for the year	年內溢利	61,275	841,134	-92.7%	285,565	214,193	237,777
Earnings per share	每股盈利						
Basic	基本	RMB 人民幣 0.07 元	RMB 人民幣 0.95 元	-92.6%	RMB 人民幣 0.32 元	RMB 人民幣 0.24 元	RMB 人民幣 0.27 元
Diluted	攤薄	RMB 人民幣 0.07 元	RMB 人民幣 0.95 元	-92.6%	RMB 人民幣 0.32 元	RMB 人民幣 0.24 元	RMB 人民幣 0.27 元

CONSOLIDATED BALANCE SHEET

綜合資產負債表

		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	Change 轉變	2009 二零零九年 RMB '000 人民幣千元	2008 二零零八年 RMB '000 人民幣千元	2007 二零零七年 RMB '000 人民幣千元
As at 31 December 於十二月三十一日							
Total assets	總資產	4,930,351	4,909,240	0.4%	3,297,702	3,199,192	2,645,130
Non-current assets	非流動資產	2,273,671	2,017,995	12.7%	1,627,487	1,623,120	1,339,571
Current assets	流動資產	2,656,680	2,891,245	-8.1%	1,670,215	1,576,072	1,305,559
Total liabilities	總負債	2,858,448	2,700,065	5.9%	1,811,037	1,970,810	1,569,379
Current liabilities	流動負債	1,093,772	2,020,984	-45.9%	1,510,315	1,396,370	855,717
Non-current liabilities	非流動負債	1,764,676	679,081	159.9%	300,722	574,440	713,662
Net current assets	流動資產淨值	1,562,908	870,261	79.6%	159,900	179,702	449,842
Net assets	資產淨值	2,071,903	2,209,175	-6.2%	1,486,665	1,228,382	1,075,751

FINANCIAL INDICATORS

財務指標

		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	2009 二零零九年 RMB '000 人民幣千元	2008 二零零八年 RMB '000 人民幣千元	2007 二零零七年 RMB '000 人民幣千元
For the year ended 31 December 截至十二月三十一日止年度						
Inventory turnover days	存貨周轉天數	76	92	74	75	71
Trade and bill receivables turnover days	應收貿易及票據款項 周轉天數	27	28	40	41	33
Trade and bill payables turnover days	應付貿易及票據款項 周轉天數	39	60	60	61	48
Current ratio	流動比率	2.4	1.4	1.1	1.1	1.5
Net debt to equity ratio (Note 1)	負債淨額權益比率 (附註1)	0.66	0.29	0.39	0.60	0.67
Return on equity (Note 2)	權益回報率(附註2)	3%	46%	21%	19%	25%

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

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

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

附註2：根據財政年度年初及年終時之淨利潤比平均權益總額計算得出。

CORPORATE PROFILE

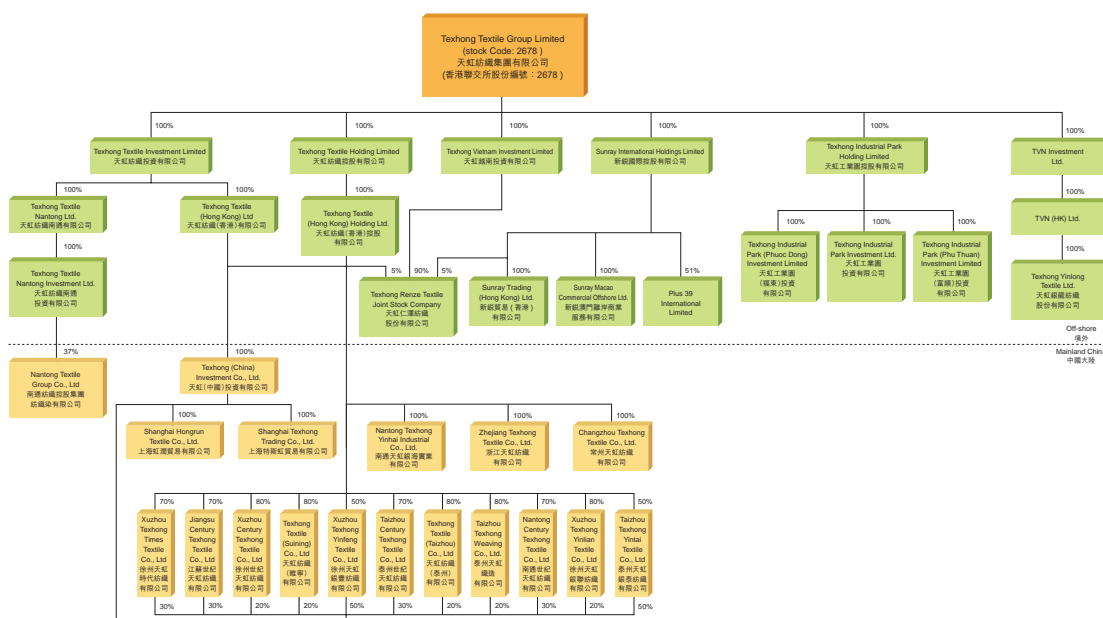
Texhong Textile Group Limited (the “Company”, together with its subsidiaries, the “Group”) (stock code: 2678) is one of the largest cotton textile manufacturers in the People’s Republic of China (“China” or the “PRC”) and is a leading textile enterprise focusing on manufacturing high value-added core-spun cotton textile products. The Group is principally engaged in the manufacture and distribution of quality yarn, grey fabrics and garment fabrics, especially high value-added core-spun yarn. Since 1997, the Group has grown rapidly and has over 1,600 customers in China and overseas, with its sales network spanning across the PRC, Europe, South Korea, Hong Kong and Bangladesh. Headquartered in Shanghai, the Group is operating 11 efficient manufacturing plants in China (within the Yangze River Delta) and a production base in Vietnam with total annual production capacity of over 1,000,000 spindles and 900 air-jet looms.

企業簡介

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

CORPORATE STRUCTURE

企業架構





On behalf of the board of directors (the "Board") of the Company, I am pleased to present to the shareholders of the Company the annual results of the Group for the year ended 31 December 2011.

RESULTS

In 2011, raw material prices continued their extremely volatile fluctuation. Our major raw material, cotton, reached a record high price of more than RMB30,000 per ton and then dropped by about 40% within the year. This created unimaginable difficulties for the Group in raw material purchases and cost control. Meanwhile, global market sentiment was severely affected by the European debt crisis. Customers were very price sensitive and reluctant to place orders. The survival of Chinese textile players was under big challenge.

In view of the uncertain market conditions especially in the second half of the year, the Group took immediate actions in adjusting the product pricing policy and raw material procurement strategy. Sales of low count yarns and denim yarns then largely rebound and an alternative source of raw material supply with cheaper cost has been established. Such actions helped largely reduce the Group's inventory level and exposure on raw material price risk. Financial performance became stabilized and a minimal profit had been recorded for 2011 although it was substantially lower as compared to 2010.

During the year, the Group achieved total revenue of RMB6,872.7 million, representing an increase of 25.6% as compared to last year. Profit for the year dropped by 92.7% to RMB61.3 million. Earnings per share was RMB0.07 in 2011, representing a decrease of 92.6% as compared to 2010.

OUTLOOK

Raw material procurement strategy becomes more and more crucial to our financial performance especially for the increasingly volatile cotton market. We will continue to focus on expanding and strengthening our procurement team. While further strengthening the relationship with those core raw material suppliers, we continue to explore new fibres for developing new products and new sources of raw material supply with better quality and more competitive cost. We strongly believe that such a move will improve our profitability and competitiveness. This also helps achieve a more stable financial performance. Securing different sources of low cost raw material supply creates a natural cushion for us at all times especially when raw material price is in an overall downward trend.

After completion of the 190,000 spindle project in Vietnam in April 2011, we have already achieved about one million spindles yarn production capacity. In relation to another piece of land of about 67 hectares in Vietnam, this expansion plan has been delayed since the land

本人僅代表本公司董事會（「董事會」），欣然向本公司股東呈列本集團截至二零一一年十二月三十一日止年度的全年業績。

業績

於二零一一年，原材料價格繼續大幅波動。年內，本集團主要原材料棉花的價格曾升至破紀錄新高，每噸售價超過人民幣30,000元，其後在年內下跌約40%。如此情況對本集團於採購原材料及控制成本方面造成難以想像的困難。同時，歐債危機嚴重影響全球市場情緒，客戶對價格非常敏感，往往猶疑再三方開訂單。中國紡織界同業均面對重重困難，處於存亡之秋。

由於市況不明朗，下半年情況尤其惡劣，本集團已立刻採取行動，調整產品定價政策及原材料採購策略。粗支紗線及牛仔紗線的銷售其後大致回升，本集團並建立起原材料供應的另一個來源，成本更低廉。此等措施大幅降低本集團之存貨水平及所面對之原材料價格風險。財務表現趨向穩定，全年更錄得微利，惟與去年相比仍遠遜之。

年內，本集團錄得總收入人民幣68,727億元，較去年同期上升25.6%。年內溢利下降92.7%至人民幣6,130萬元。二零一一年的每股盈利為人民幣0.07元，較二零一零年減少92.6%。

展望

原材料採購策略對本集團財務表現愈來愈重要，尤其棉花市場日益波動。本集團將繼續重點擴大及強化本集團的採購團隊。隨著本集團與主要原材料供應商的關係越來越鞏固，本集團繼續物色新纖維以開發更優質及成本更具競爭力的新產品及新供應貨源。本集團深信，此舉將改善本集團盈利能力及競爭力，亦可幫助取得更穩定財務表現。取得不同的低成本原材料供應來源，能為本集團建構全天候天然的保護屏障，尤其原材料價格整體呈下調趨勢時，效用更大。

於二零一一年四月完成越南的190,000紗錠項目後，本集團已具備約1,000,000紗錠產能。就越南另一塊約67公頃的土地而言，此擴展計劃一直遭延遲，因為土地發展商未能交付土地開展建築工程。土地發展商現時未

developer is unable to handover the land for commencement of construction work. The land developer is currently unable to confirm the date for the land handover. While we closely monitor its progress, we have already found another site in northern Vietnam to pursue our expansion plan. We expect to kick start a 70,000 spindle expansion project in northern Vietnam within 2012 to capture the market opportunity in southern China.

In the meantime, we will develop yarn trading business through exploring new potential sources of quality supplies in India, Pakistan and other south-east Asian countries. Not to mention the total demand in China, with the support of our existing sales channel and customer base, we already see a huge potential in yarn trading business in China. This does not involve substantial investment in capital expenditure and human resources, while we can also better serve our existing customers since they not only demand for our core-spun yarns but also have huge demand in other general types of yarns which we do not currently manufacture.

In 2011, the Group had been awarded for a consecutive eight years as one of the top 20 competitive cotton textile enterprises by China National Textile and Apparel Council. Competition in the textile industry is extremely severe as this industry has a long history of development. Yet, this traditional manufacturing industry is also characterized by chic and innovation with huge domestic demand. We believe that we will be able to deliver outstanding results and achieve significant growth if we can grasp the opportunities in the market with our passionate creativity and great breadth of innovation.

We will continue to promote unified corporate values and guidelines and persist with our operating strategy which focuses on "professionalism, perfectionism and globalization". We target to maintain scale expansion and explore differentiated products by utilizing our plants in Vietnam and the PRC, mainly targeting at the extensive consumption market in the PRC. Although it was a tough year in 2011, we still anticipate that the Group will overcome those difficulties and maintain a steady growth in the years to come with a target of earning over RMB10 billion revenue in the near future.

ACKNOWLEDGEMENT

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

Hong Tianzhu
Chairman

19 March 2012

能確定土地交吉日期。本集團密切監控其進度的同時，已在越南北部找到其他地點進行本集團的擴展計劃。本集團預期於二零一二年內在越南北部開展70,000紗錠擴展項目，以把握中國華南的市場機遇。

與此同時，本集團將於印度、巴基斯坦及其他東南亞國家物色具潛力的新優質供應，開發紗線貿易業務。中國之總需求是不須多提，僅憑著本集團現有銷售渠道及客戶基礎的支持，本集團已察覺中國紗線貿易業務具有巨大潛力。這方面毋須對資本及人力資源的作出重大投資，同時本集團可為現有客戶提供更佳服務，該等客戶不僅對我們的包芯紗線有需求，對本集團現時並無製造的其他一般種類紗線亦有龐大需求。

在二零一一年，本集團獲中國紡織工業協會嘉許為二十大最具競爭力棉紡織廠之一。這已是連續八年獲得的榮譽。紡織行業雖然是傳統製造業，行業內部競爭當然是非常激烈的，但我們認為紡織服裝業同時還是充滿時尚及創新的領域，而擁有龐大的國內需求，只要我們具有豐富的想像力及激情，發揚專業精神，找準並把握市場機遇，企業當然能獲取豐厚的回報及長足的發展。

本集團繼續宣導統一的價值觀及行動方案，秉持「專業化、精益化、國際化」的營運策略。本集團利用越南及中國的生產基地，主攻中國龐大的消費市場，旨在保持規模擴張並差異化產品的開拓，雖然二零一一年為艱辛的一年，我們仍然預期本集團會克服困難及在未來幾年維持穩定增長，以於不久將來達成收入達百億元的目標。

鳴謝

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

洪天祝
主席

二零一二年三月十九日

OVERVIEW

We are pleased to present the annual results of the Group for the year ended 31 December 2011 to the shareholders. Due to the extremely volatile fluctuation in cotton price, the Group's performance was severely affected in 2011. However, the Group still achieved a 25.6% growth in turnover to RMB6,872.7 million as compared to that of 2010. Profit for the year dropped substantially by 92.7% to RMB61.3 million, mainly attributable to the profit margin decline as a result of the sharp drop in product selling prices in line with cotton price within a short period of time. Earnings per share also dropped by 92.6% to RMB0.07 from RMB0.95 for the corresponding period in 2010.

INDUSTRY REVIEW

In 2011, there was a general slowdown in the PRC's textile industry in terms of output value, profit and investment growth. This was a reflection that textile businesses were facing tough challenges arising from the fluctuation in raw material prices, the increase in production costs and the sluggishness of the international demand.

According to the China National Textile and Apparel Council ("CNTAC"), the production growth of the textile industry experienced a continued slowdown in 2011. From January to November 2011, textile business with a scale of over 36,000 enterprises on a nationwide basis realized a total industrial output value of RMB4,952.64 billion, representing a year-on-year increase of 27.5% when compared to January to November 2010. However, this growth in output value was slowed down by 4.1 percentage point when compared to the first quarter of 2011.

The investment growth of the textile industry was also slowing down. From January to December last year, the actual total investment in fixed assets of the textile industry amounted to RMB366.8 billion, representing an increase of 30.91% over the same period last year. The number of new projects was 7,551, representing a decrease of 0.05% when compared to that of the same period last year. The slowdown in the growth of new projects was also a reflection that there was a fall in market confidence and investment sentiment.

綜覽

我們欣然向股東報告本集團截至二零一一年十二月三十一日止年度全年業績。在棉花價格極為波動的情況下，本集團的業績於二零一一年受到嚴重影響。然而，相比二零一零年，本集團仍錄得營業額增長25.6%至人民幣68.727億元。年內溢利大幅減少92.7%至人民幣6,130萬元，主要由於短期內產品售價與棉花價格同步大幅下跌導致盈利率下降所致。每股盈利亦由二零一零年同期人民幣0.95元下跌92.6%至人民幣0.07元。

行業回顧

二零一一年，中國紡織業產值、利潤、投資增速全面放緩，反映出紡織企業面臨的原料價格波動、生產成本增加、國際需求疲軟等嚴峻問題。

根據中國紡織工業協會「中國紡織工業協會」的資料，二零一一年，紡織業生產增速持續放緩。二零一一年一至十一月，全國3.6萬戶以上紡織企業累計實現工業總產值人民幣49,526.4億元，較二零一零年一月至十一月按年增長27.5%，但與二零一一年第一季度比較，產值增速減緩4.1個百分點。

紡織業投資增速也在趨緩。去年一月至十二月，紡織行業固定資產實際投資總額達人民幣3,668億元，比去年同期增長30.91%；新開工項目數為7,551個，比去年同期減少0.05%。新開工項目增長減速，也反映出企業市場信心及投資意願下降。

INDUSTRY REVIEW (Continued)

According to customs data, the export value of the textile products and apparels across the PRC from January to December 2011 was US\$247.9 billion, representing a year-on-year increase of 20% when compared to the corresponding period in 2010. We understand that this growth was mainly driven by increase in selling prices instead of volume growth and was slowed down by 3.6 percentage point when compared to 2010. While some of the export orders were transferring to the surrounding low-cost countries, the terminal demand from the international market was not optimistic. The textile industry is expected to be exposed to continued complications of the internal and external environment in 2012. It will undergo stepped up transformation and upgrading in order to stay ahead of the setback in the market.

BUSINESS REVIEW

For the year ended 31 December 2011, the turnover of the Group was RMB6,873 million, representing an increase of 25.6% as compared with the corresponding period last year. The turnover comprises sales of yarns, grey fabrics and garment fabrics. Yarns continue to be the major product of the Group. Turnover thereof amounted to RMB5,790 million and accounted for 84.2% of the Group's total turnover for the year ended 31 December 2011. Compared with the corresponding period in 2010, sales volume of yarns only increased by 5.6% to 189,824 tonnes due to the weak demand on low-count yarns and denim yarns in the first half of 2011. The increase in turnover thereof was mainly contributed by the increase in product selling prices. The average unit selling price of yarn increased by 24.3% to RMB30,500 per ton from RMB24,539 per ton for the corresponding period in 2010. The turnover of our grey fabrics amounted to RMB966 million and accounted for 14.1% of the Group's total turnover for the year ended 31 December 2011.

Our overall gross profit margin decreased to 8.1% from 23.9% for the corresponding period in 2010. Since cotton is our major raw material, our product selling prices and profit margin are highly correlated to the cotton price fluctuation. During 2011, our product selling prices dropped sharply and remained at a rather low level following the cotton price movements during the year, our gross profit margin had been badly hit. Although our inventories have been reduced from the peak during 2011, a provision of about RMB79 million for inventories write-down was made and maintained as at 31 December 2011.

行業回顧(續)

根據海關數據，二零一一年一月至十二月，全國紡織品服裝出口2,479億美元，較二零一零年同期按年增長20%，以我們了解，增速主要由售價上調(而非銷售量增長)所帶動，並且較二零一零年降低3.6個百分點。部分出口訂單向周邊低成本國家轉移，國際市場終端需求情況並不樂觀。預計二零一二年紡織行業面臨的內外部環境仍將十分複雜，紡織業將在市場倒逼中加快轉型升級。

業務回顧

截至二零一一年十二月三十一日止年度，本集團的營業額為人民幣68.73億元，比去年同期上升25.6%。營業額包括紗線、坯布及面料的銷售。紗線繼續為本集團的重點產品，營業額達到人民幣57.9億元，佔集團截至二零一一年十二月三十一日止年度之總營業額的84.2%。與二零一零年同期比較，銷量僅增加5.6%至189,824噸，因為二零一一年上半年之粗支紗線及牛仔紗線的需求疲弱。營業額的上升主要是產品售價上升所致。紗線平均銷售單價從二零一零年同期每噸人民幣24,539元增長24.3%至每噸人民幣30,500元。坯布的營業額為人民幣9.66億元，佔集團截至二零一一年十二月三十一日止年度之總營業額的14.1%。

本集團的整體毛利率由二零一零年同期的23.9%減少至8.1%。由於棉花是本集團的主要原材料，因此產品售價及毛利與棉花的價格波動有著密切關連。二零一一年，本集團產品售價大幅下滑，並跟隨棉花價格變動而維持在較低水平，毛利率亦因而嚴重下跌。雖然本集團的存貨於二零一一年已從高峰期減少下來，惟本集團於二零一一年十二月三十一日維持為存貨撇減撥備，金額為人民幣7,900萬元。



BUSINESS REVIEW (Continued)

The Phase III 190,000 spindles expansion project in our plant in Vietnam commenced production in April 2011. However, due to the unsatisfactory market sentiment and demand during 2011, the completion of the Phase III project almost did not have any contribution to the Group's performance. In 2011, cotton yarns, denim yarns and synthetic fibre yarns represented 46.3%, 27.9% and 25.8% of the total sales volume of yarns respectively.

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

業務回顧(續)

本集團在越南廠房舉行了第三期190,000個紗錠擴充項目的奠基儀式，整個項目已在二零一一年四月全面投產，然而，由於二零一一年市場氣氛及需求不穩，第三期項目的完成對本集團的表現似乎未有任何貢獻。在二零一一年，棉紗線、牛仔紗線及化纖類紗線分別佔總紗線銷售量的46.3%、27.9%及25.8%。

本集團繼續與INVISTA North America S.à.r.l ("Invista")及蘭精纖維(上海)有限公司("蘭精")緊密合作。本集團也繼續著力生產由蘭精供應的cellulose-based Tencel®、Modal®及粘膠製造高檔機織紗、高檔牛仔紗及高檔針織用紗。此外，本集團繼續應用具有環保概念的滌綸生產與其他纖維的混紡紗線。本集團並強化與日本東麗公司的合作。本集團位於常州的研發中心也不斷因應市場需求開發及改良產品，保持在業界中的領先地位，主攻在不同產品領域上最優質的客戶群。



FUTURE OUTLOOK

After a year of highly volatile cotton market, we expect cotton price to stabilize in 2012 as the PRC government announced that they had purchased more than 2 million tons of cotton in the open market since October 2011. Although the market demand has not yet fully restored to the normal level, the market demand and pricing have bottomed out. Even though the expansion on another piece of land of about 67 hectares has been delayed, our production capability and efficiency have been strengthened after completion of the Phase III project in Vietnam. We anticipate our sales volume will have a satisfactory growth in 2012 as compared to 2011. External and domestic demand for textile products remains huge in the PRC no matter in good times or bad times.

The Group has been awarded as one of the top 20 enterprises in the Chinese cotton textiles industry for a consecutive eight years by China National Textile and Apparel Council. Looking forward, we aim at improving our profitability through optimizing our existing product mix, developing new products that cater for the trend and demand of the market and fully leveraging the cost advantages of our plant in Vietnam. Coupled with our expansion of production capacity, we aim to sustain a high growth in profit and revenue and reinforce our competitiveness and leading position within the industry.

前景

棉花市場經過去年的大幅波動後，本集團預期棉花價格於二零一二年將告穩定，因為中國政府宣佈自二零一一年十月起已在公開市場購買超過2,000,000噸棉花。雖然市場需求尚未完全恢復至正常水平，惟市場需求及價格均有谷底反彈的情況。儘管另一塊面積約67公頃的土地的擴展工程有所延遲，越南的第三期項目完成後，本集團之產能及效率均會增強，對比二零一一年，本集團預期二零一二年將錄得理想的銷售量增長。不論環境順逆，中國內外對紡織品仍然有龐大需求。

本集團已連續八年獲中國紡織工業協會評定為中國棉紡（色）織行業競爭力20強企業。展望未來，管理層將透過改良現有產品結構、開發迎合市場需要的新產品及充分發揮越南生產基地的成本優勢提高獲利能力，加上產能的擴充，目標同時讓利潤與營業額維持高增長，在業界始終保持最具競爭力及領先地位。

FINANCIAL REVIEW

Turnover

The Group's turnover comprises the sales of yarns, grey fabrics and garment fabrics. Although product selling prices dropped sharply from the peak during 2011, product selling prices in average were still higher as compared to 2010, the sales of yarns grew by about 31.3% in 2011. Turnover analyses of the Group by products are shown below.

財務回顧

營業額

本集團的營業額主要來自銷售紗線、坯布及面料。雖然產品售價於二零一一年從最高位急劇下降，平均產品售價仍高於二零一零年同期，於二零一一年紗線銷售額增長約31.3%。下列為本集團各種產品的營業額分析：

		2011 二零一一年	Gross profit margin 毛利率	2010 二零一零年	Gross profit margin 毛利率	Turnover change between 2011 and 2010 二零一一年 營業額對比 二零一零年 之轉變	Margin change between 2011 and 2010 二零一一年 邊際利潤對比 二零一零年 之轉變
		RMB'000 人民幣千元		RMB'000 人民幣千元			percentage points 百分點
Stretchable core-spun yarns	彈力包芯紗線						
— Cotton	— 棉紗	2,430,067	6.3%	1,979,882	31.9%	22.7%	-25.6
— Denim	— 牛仔	631,826	13.6%	526,353	24.9%	20.0%	-11.3
— Synthetic Fiber	— 化纖	631,338	13.7%	465,407	18.8%	35.7%	-5.0
Other yarns	其他紗線						
— Cotton	— 棉紗	515,051	-1.9%	205,772	19.7%	150.3%	-21.6
— Denim	— 牛仔	902,493	7.3%	965,127	24.1%	-6.5%	-16.7
— Synthetic Fiber	— 化纖	678,932	14.7%	266,906	24.8%	154.4%	-10.1
Fabrics	坯布						
— Stretchable grey fabrics	— 彈力坯布	700,556	6.6%	687,920	10.6%	1.8%	-4.0
— Other grey fabrics	— 其他坯布	265,287	3.0%	230,925	10.2%	14.9%	-7.2
— Garment fabrics	— 面料	117,163	16.8%	143,306	15.7%	-18.2%	1.1
Total	總額	6,872,713	8.1%	5,471,598	23.9%	25.6%	-15.8

FINANCIAL REVIEW (Continued)

Turnover

財務回顧(續)

營業額

		Sales Volume		Sales Volume change between 2011 and 2010	Selling price		Selling Price change between 2011 and 2010
		銷量	2010	二零一一年銷量對比二零一零年之轉變	銷售價格	2010	二零一一年銷售價格對比二零一零年之轉變
		2011	二零一零年		2011	二零一零年	
		二零一一年	二零一零年		RMB	RMB	
					人民幣	人民幣	
Stretchable core-spun yarns	彈力包芯紗線						
(Ton/RMB per ton)	(噸/人民幣每噸)						
— Cotton	— 棉紗	70,610	68,040	3.8%	34,415	29,099	18.3%
— Denim	— 牛仔	20,518	23,196	-11.5%	30,794	22,692	35.7%
— Synthetic Fiber	— 化纖	23,374	19,885	17.5%	27,010	23,405	15.4%
Other yarns	其他紗線						
(Ton/RMB per ton)	(噸/人民幣每噸)						
— Cotton	— 棉紗	17,339	9,184	88.8%	29,705	22,405	32.6%
— Denim	— 牛仔	32,418	47,731	-32.1%	27,839	20,220	37.7%
— Synthetic Fiber	— 化纖	25,565	11,655	119.3%	26,557	22,901	16.0%
Fabrics (Million meters/	坯布						
RMB per meter)	(百萬米/人民幣每米)						
— Stretchable grey fabrics	— 彈力坯布	56.1	65.5	-14.4%	12.5	10.5	19.0%
— Other grey fabrics	— 其他坯布	23.1	25.9	-10.8%	11.5	8.9	29.2%
— Garment fabrics	— 面料	5.8	9.6	-39.6%	20.2	14.9	35.6%

The Chinese textile market is the Group's major market, accounting for 88% of our total turnover. The ten largest customers of the Group for 2011 are as follows:

中國紡織市場是本集團的主要市場，佔本集團總營業額的88%，以下是本集團於二零一一年度的十大客戶：

Zhejiang Limayunshan Textile Co., Ltd.
Foshan Seazon Textile & Garment Co., Ltd.
Zhejiang Jiaermei Textile Co., Ltd.
Guangdong Qianjin Jeans Co., Ltd.
Toray International, Inc.
Shaoguan Shunchang Weaving Factory Co., Ltd.
Ningbo Daqian Textile Co., Ltd.
Yixing Lucky G and L Denim Co., Ltd.
Zhejiang Yuanfeng Textile Co., Ltd.
Zhejiang Seven Star Textile Co., Ltd.

浙江立馬雲山紡織股份有限公司
佛山市致興紡織服裝有限公司
浙江佳而美紡織有限公司
廣東前進牛仔布有限公司
Toray International, Inc.
韶關市順昌布廠有限公司
寧波大千紡織品有限公司
宜興樂威牛仔布有限公司
浙江元豐紡織股份有限公司
浙江七星紡織有限公司

The Group has more than 1,600 customers. As the Group produces differentiated products, the Group does not rely on the orders from any single customer. The ten largest customers only accounted for 18.85% of the total turnover of 2011. The ten largest customers mentioned above have more than 5 years' trade relationship with the Group.

本集團擁有客戶逾1,600家，由於本集團以生產差異化產品為重點，且本集團並不依賴單一客戶的訂單，因此二零一一年十大客戶佔總營業額僅為18.85%。以上十大客戶與本集團的貿易往來都超過5年以上。

FINANCIAL REVIEW (Continued)

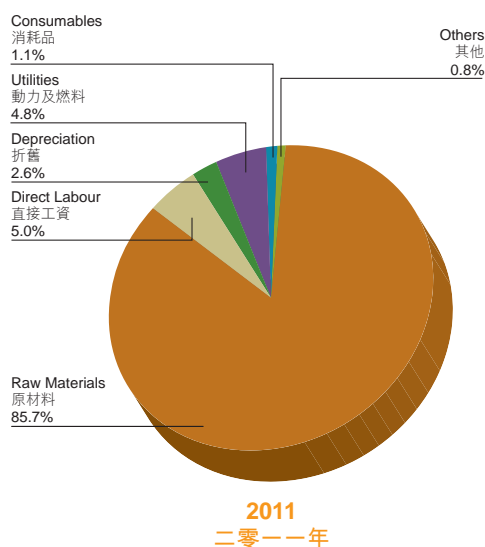
Gross profit and gross profit margin

With the sharp decline in cotton price during 2011, selling prices also dropped sharply. The gross profit of the Group decreased from RMB1,309 million to RMB556 million, representing a decrease of 57.5% as compared to 2010. The overall gross profit margin also decreased by 15.8 percentage point as compared with 2010.

Cost structure

Cost of sales increased by 51.7% to RMB6,317 million, which was mainly driven by the increase in raw material cost. Raw material cost accounted for about 85.7% of the total cost of sales of 2011. Cotton is our major raw material.

The breakdown of our cost of sales is shown below:



財務回顧(續)

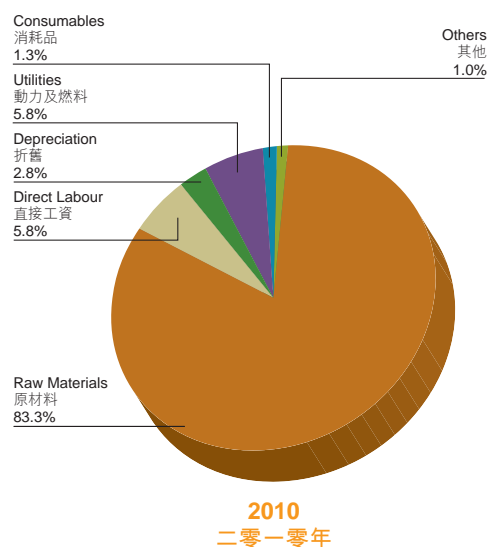
毛利及毛利率

隨着二零一一年棉花價格急劇下降，本集團的毛利由二零一零年人民幣13.09億元減少57.5%至人民幣5.56億元。整體毛利率亦較二零一零年減少了15.8個百分點。

成本架構

銷售成本增加51.7%至人民幣63.17億元，主要由原材料成本上升帶動。於二零一一年之原材料成本佔總銷售成本約85.7%。棉花為我們的主要原材料。

下列為本集團銷售成本的明細：



FINANCIAL REVIEW (Continued)

Selling and distribution costs

For the year ended 31 December 2011, the Group's selling and distribution costs amounted to RMB152 million, representing an increase of 17.7% compared to that of 2010. The increase was attributable to the increase in additional government charges associated with the value added tax paid in the PRC.

General and administrative expenses

During 2011, the Group's general and administrative expenses increased by 1.9% to RMB209 million, which amounted to 3% of the Group's turnover.

Cash flow

財務回顧(續)

銷售及分銷開支

於截至二零一一年十二月三十一日止年度，本集團之銷售及分銷開支較二零一零年上升17.7%至人民幣1.52億元。升幅是由於中國與已付增值稅相關之其他政府收費上升所致。

一般及行政開支

本集團於二零一一年之一般及行政開支上升1.9%至人民幣2.09億元，佔本集團營業額3%。

現金流量

		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)/generated from operating activities	經營活動(所耗)/所得現金淨額	(35,755)	470,143
Net cash used in investing activities	投資活動所耗現金淨額	(440,984)	(340,114)
Net cash generated from financing activities	融資活動所得現金淨額	370,680	47,434
Cash and cash equivalents at end of the year	於年末的現金及現金等值物	463,407	569,466

For the year ended 31 December 2011, net cash used in operating activities amounted to RMB36 million, which was mainly used for reducing bills payables by excess cash. The net cash used in investing activities amounted to RMB441 million, which was mainly used for the payment of capital expenditure of new plants built in Vietnam and the upgrading of machinery and equipment in the PRC. During the year under review, the net cash generated from financing activities amounted to RMB371 million, mainly contributed by the issuance of senior unsecured notes and a project financing in Vietnam.

截至二零一一年十二月三十一日止年度，本集團經營活動所耗現金淨額人民幣0.36億元，主要是利用多出之現金於削減應付票據款項。本集團投資活動所耗現金淨額為人民幣4.41億元，主要用於支付本集團位於越南的新建廠房的資本開支及更新中國之機器及設備。於回顧年度內，本集團融資活動所得現金流入淨額為人民幣3.71億元，主要由於發行優先無抵押票據及越南之項目貸款所致。

FINANCIAL REVIEW (Continued)

Liquidity and financial resources

As at 31 December 2011, the Group's bank and cash balances (including pledged bank deposits) amounted to RMB495.3 million (as at 31 December 2010: RMB604.7 million). The Group's inventories decreased by RMB98.3 million to RMB1,288.6 million and our trade and bills receivables increased by RMB235.8 million to RMB640.1 million (as at 31 December 2010: RMB1,386.9 million and RMB404.3 million respectively). The inventory turnover days and trade and bill receivable turnover days were 76 days and 27 days respectively, compared to 92 days and 28 days in 2010. Decrease in inventory turnover days was attributable to the improvement of our inventory control.

Trade and bills payables decreased by RMB357 million to RMB502.4 million as at 31 December 2011 (as at 31 December 2010: RMB859.4 million), the turnover days were 39 days. In the second half of 2011, the Group reduced the issuance of letter of credit due to high cash balance.

The Group increased the total bank borrowings by RMB616 million to RMB1,856 million as at 31 December 2011 mainly due to the issuance of the senior unsecured notes of US\$200 million in January 2011. Current bank borrowings decreased by RMB466 million to RMB144 million while non-current bank borrowings increased by RMB1,082 million to RMB1,712 million. To make the capital structure more capable for the long-term development of the Group's business, the Group completed the issue of unsecured five-year senior notes of US\$200 million and drawdown of a US\$60 million project financing which helped further optimize the proportion between long-term loan and short-term loan of the Group.

As at 31 December 2011, the Group's financial ratios were as follows:

財務回顧(續)

流動資金及財務資源

於二零一一年十二月三十一日，本集團的銀行及現金結餘(包括已抵押銀行存款)為人民幣4.953億元(於二零一零年十二月三十一日：人民幣6.047億元)。本集團的存貨及應收貿易及票據款項分別減少人民幣9,830萬元至人民幣12.886億元及增加人民幣2.358億元至人民幣6.401億元(於二零一零年十二月三十一日：分別為人民幣13.869億元及人民幣4.043億元)。存貨周轉天數及應收貿易及票據款項周轉天數分別為76天及27天，而二零一零年則分別為92天及28天。存貨周轉天數減少是由於改善存貨控制方面所致。

於二零一一年十二月三十一日，應付貿易及票據款項減少人民幣3.57億元至人民幣5.024億元(於二零一零年十二月三十一日：人民幣8.594億元)，其周轉天數為39日。由於二零一一年下半年現金餘額高企，集團因此減少使用信用證。

本集團於二零一一年十二月三十一日的銀行借貸總額增加人民幣6.16億元至人民幣18.56億元，主要是在二零一一年一月發行2.00億美元的優先無抵押票據。流動銀行借貸減少人民幣4.66億元至人民幣1.44億元，而非流動銀行借貸則增加人民幣10.82億元至人民幣17.12億元。為使資本結構更加適合本集團長期業務發展，本集團完成發行2.00億美元5年期無抵押優先票據及提取6,000萬美元項目貸款，進一步優化本集團的長期貸款與短期貸款的比例。

於二零一一年十二月三十一日，本集團之財務比率如下：

		2011 二零一一年	2010 二零一零年
Current ratio	流動比率	2.43	1.43
Debt to equity ratio	負債權益比率	0.90	0.56
Net debt to equity ratio	負債淨額權益比率	0.66	0.29

FINANCIAL REVIEW (Continued)

Borrowings

As at 31 December 2011, the Group's total bank borrowings amounted to RMB1,856 million, among which RMB170 million (9.2%) was denominated in Renminbi, RMB1,680 million (90.5%) was denominated in United States dollars ("US\$") and RMB6 million (0.3%) was denominated in Hong Kong dollars ("HK\$"). These bank borrowings borne interest at interest rates ranging from 2.1% to 7.625% per annum (2010: 2.1% to 6.8%).

As at 31 December 2011, the Group has outstanding current bank borrowings of RMB144 million (2010: RMB610 million). Current bank borrowings managed to decrease after further optimization of debt profile.

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

Bank borrowings of RMB476.6 million (2010: RMB277.5 million) were secured by the pledge of the Group's land use rights with a net book amount of RMB50.9 million (2010: RMB52.1 million) and the pledge of the Group's property, plant and equipment with a net book amount of approximately RMB387.2 million (2010: RMB487.9 million) as at 31 December 2011.

Foreign exchange risk

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

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

Capital expenditures

For the year ended 31 December 2011, the capital expenditure of the Group amounted to RMB425 million (2010: RMB485 million). It was mainly comprised of the investment of fixed asset in the new plants in Vietnam.

Contingent liabilities

As at 31 December 2011, the Group had no material contingent liabilities.

財務回顧(續)

借貸

於二零一一年十二月三十一日，本集團的銀行借貸總額為人民幣18.56億元，其中人民幣1.7億元(9.2%)以人民幣列值，人民幣16.8億元(90.5%)則以美元(「美元」)列值以及人民幣600萬元(0.3%)以港元(「港元」)列值。該等銀行借貸按年利率2.1%至7.625%(二零一零年：2.1%至6.8%)計息。

於二零一一年十二月三十一日，本集團之未償還流動銀行借貸為人民幣1.44億元(二零一零年：人民幣6.1億元)。流動銀行借貸於進一步優化貸款組合後得以減少。

本集團須就其借貸遵守若干財務限制條款。

人民幣4.766億元(二零一零年：人民幣2.775億元)的銀行借貸已以本集團於二零一一年十二月三十一日賬面淨值為人民幣5,090萬元(二零一零年：人民幣5,210萬元)的土地使用權及賬面淨值約為人民幣3.872億元(二零一零年：人民幣4.879億元)的物業、廠房及設備作抵押。

外匯風險

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

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

資本開支

於截至二零一一年十二月三十一日止年度，本集團之資本開支為人民幣4.25億元(二零一零年：人民幣4.85億元)，主要為越南的新廠房的固定資產投入。

或然負債

於二零一一年十二月三十一日，本集團並無重大或然負債。

FINANCIAL REVIEW (Continued)

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

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

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

財務回顧(續)

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

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

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

FINANCIAL REVIEW (Continued)

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

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

As at the date of this annual report, the Company is in compliance with the Indenture and the Facility Agreement. In 2011, the Company repurchased and cancelled notional amount of US\$7 million of the Notes.

財務回顧(續)

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

如本公司於二零一一年七月十四日所公佈，根據由(其中包括)本公司全資附屬公司Texhong Renze Textile Joint Stock Co. (「借款人」，前稱「Texhong Vietnam Textile Joint Stock Company」)(作為借款人)、本公司(作為擔保人之一)及由銀行及金融機構組成之銀團(作為貸款人)訂立日期為二零一一年七月十三日之協議(「信貸協議」)，貸款人已同意授出有期信貸融資(「信貸融資」)，本金總額高達60,000,000美元，以為借款人位於越南之廠房之第三期擴充撥支。信貸融資須於二零一八年七月全數償還，且以借款人之設備及機器按揭作抵押。信貸融資之金額相當於現時本集團可供動用之銀行／信貸融資額度(包括信貸融資)總額約17%。信貸協議載有一般交叉違約條文，以及有關洪天祝先生(「洪先生」)須留任本集團行政總裁、繼續為本公司最大單一股東，及直接或間接擁有本公司已發行股本總額25%以上之進一步規定。違反有關規定將構成信貸協議項下之違約事項，並因此信貸融資須即時宣佈為到期及應付。發生有關情況可能導致觸發本集團其他銀行／信貸融資額度之交叉違約條文，並因此，該等其他信貸額度亦可能即時宣佈為到期及應付。

於本年報日期，本公司持守信貸協議及契約。於二零一一年，本公司購回並註銷面額7,000,000美元的票據。

FINANCIAL REVIEW (Continued)

Human resources

As at 31 December 2011, the Group had a total workforce of 13,368 (as at 31 December 2010: 12,925), of whom 8,955 were located throughout our manufacturing plants in the PRC, 223 were based in Shanghai, 4,178 were located at the Group's production base in Vietnam and 12 were based in Hong Kong and Macao. New employees were recruited to cater for the Group's business expansion during the year. The Group offers its staff competitive remuneration schemes. In addition, discretionary bonuses and share options may also be granted to eligible staff based on individual and Group's performance. The Group is committed to nurturing a learning and sharing culture in the organization. Heavy emphasis is placed on the training and development of individual staff and team building, as the Group's success is dependent on the contribution of all functional divisions comprising skilled and motivated staff.

Dividend policy

The Board intends to maintain a long term, stable dividend payout ratio of about 30% of the Group's net profit for the year, providing shareholders with an equitable return. The Board does not recommend final dividend due to unsatisfactory result for 2011. An interim dividend of 10 HK cents per share was paid by the Company on 28 September 2011.

財務回顧(續)

人力資源

於二零一一年十二月三十一日，本集團員工合共13,368名（於二零一零年十二月三十一日：12,925名），其中8,955名屬中國大陸的生產基地，223名駐於上海，另外4,178名位於本集團在越南之生產基地以及12名駐於香港及澳門。新聘僱員為應付本集團於年度內擴充的業務。本集團向其員工提供具競爭力的酬金計劃。此外，合資格員工亦可按其個人及本集團的表現獲授酌情花紅及購股權。本集團致力於組織內建立學習及分享文化。本集團的成功有賴由技巧純熟且士氣高昂的員工組成各職能部門，故此本集團重視員工的個人培訓及發展，以及建立團隊。

股息政策

董事會旨在維持長期、穩定的派息率，即本集團年內淨利潤約30%，為股東提供合理回報。由於業績未如理想，董事會不建議就二零一一年度派發末期股息。本公司於二零一一年九月二十八日已派付每股10港仙中期股息。

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

CODE ON CORPORATE GOVERNANCE PRACTICES (the "CG Code")

The Company was committed to maintaining high level of corporate governance and has steered its development and protected the interests of its shareholders in an enlightened and open manner. The Board comprises four executive Directors and three independent non-executive Directors. The Board has adopted the code provisions of the CG Code ("Code Provisions") set out in Appendix 14 to the Listing Rules. During the period under review, the Company had complied with the Code Provisions except for the deviations as specified with considered reasons for such deviations as explained in this corporate governance report.

THE BOARD

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

Executive Directors:

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

Independent non-executive Directors ("INEDs"):

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

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

企業管治常規守則 (「企業管治守則」)

本公司自上市以來一直致力保持高水平企業管治，以開明和開放的理念維護本集團的發展及保障股東們的權益。董事會由四名執行董事及三名獨立非執行董事組成。董事會已採納現時載於上市規則附錄十四的企業管治守則內的守則條文(「《守則條文》」)。於回顧期內，除因於本企業管治報告所解釋已闡明原因的偏離情況外，本公司已遵守《守則條文》。

董事會

董事會目前由七名董事組成，其成員載列如下：

執行董事：

洪天祝(主席兼行政總裁)
朱永祥(聯席行政總裁)
湯道平
龔照

獨立非執行董事：

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

THE BOARD (Continued)

The brief biographical details of the Directors are set out in the “Directors and Senior Management” section on pages 33 to 35. There was no relationship (including financial, business, family or other material/relevant relationship) among members of the Board.

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

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

董事會 (續)

董事之履歷詳情載於第33至35頁之「董事及高級管理層」一節內。董事會成員間概無任何關係(包括財務、業務、家庭或其他重大／相關關係)。

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

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

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

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

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

THE BOARD (Continued)

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

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

DIRECTORS' SECURITIES TRANSACTIONS

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

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

董事會(續)

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

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

董事進行之證券交易

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

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

DIRECTORS' SECURITIES TRANSACTIONS (Continued)

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

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

ROLES OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

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

NOMINATION OF DIRECTORS

The Company has not set up any nomination committee. In December 2005, the Board has established and adopted a written nomination procedure (the "Nomination Procedure") specifying the process and criteria for the selection and recommendation of candidates for directorship of the Company. The Board shall, based on those criteria as set out in the Nomination Procedure (such as appropriate experience, personal skills and time commitment etc.), identify and recommend the proposed candidate to the Board for approval of an appointment.

董事進行之證券交易 (續)

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

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

主席及行政總裁之角色

守則A.2.1規定主席與行政總裁的角色應有區分，並不應由一人同時兼任。

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

董事提名

本公司並無設立任何提名委員會。於二零零五年十二月，董事會已設立並採納一套以書面列載之提名程序（「提名程序」），具體列明本公司董事候選人之挑選及推薦程序及準則。董事會會根據提名程序所載之該等準則（如恰當資歷、個人專長及投放時間等）作為基礎向董事會物色及建議人選以予批准委任。

NOMINATION OF DIRECTORS (Continued)

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

As far as the nomination and appointment of Directors are concerned, no Board meeting was convened for the year ended 31 December 2011.

TERM OF APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

Each of Mr. Ting Leung Huel Stephen, Professor Cheng Longdi and Ms. Zhu Lanfen has been appointed as an independent non-executive Director for an initial term of one year commencing from 21 November 2004 renewable automatically for successive term of one year each commencing from the next day after the expiry of the then current term of appointment, unless terminated by not less than three months' notice in writing served by either the independent non-executive Director or the Company expiring at the end of the initial term or at any time thereafter. The Company has paid an annual director's fee of HKD120,000 to each of Ms. Zhu Lanfen and Mr. Cheng Longdi and HKD240,000 to Mr. Ting Leung Huel Stephen for the year ended 31 December 2011. Save for the above directors' fees, none of the independent non-executive Directors has received any other remuneration for holding their office as an independent non-executive Director.

BOARD COMMITTEES

The Board has established a remuneration committee (the "Remuneration Committee") and an audit committee (the "Audit Committee"), each of which has its specific written terms of reference. Copies of minutes of all meetings and resolutions of the committees, which are kept by the Company secretary, are circulated to all Board members and the committees are required to report back to the Board on their decision and recommendations where appropriate. The procedures and arrangements for a Board meeting, as mentioned on page 23 in the section "The Board" above, have been adopted for the committee meetings so far as practicable.

董事提名(續)

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

截至二零一一年十二月三十一日止年度董事會並無就董事提名及委任召開任何董事會會議。

獨立非執行董事之委任任期

丁良輝先生、程隆棣教授及朱蘭芬女士已獲委任為獨立非執行董事，首任年期為一年，由二零零四年十一月二十一日開始，自當時委任任期屆滿翌日起自動連任一年，惟獨立非執行董事或本公司於首任到期時或之後任何時間以不少於三個月書面通知終止委任除外。本公司已就截至二零一一年十二月三十一日止年度分別支付年度董事袍金120,000港元予朱蘭芬女士及程隆棣先生及240,000港元予丁良輝先生。除上述董事袍金外，並無任何獨立非執行董事預期可就擔任其獨立非執行董事的職位收取任何其他酬金。

董事委員會

董事會已成立薪酬委員會(「薪酬委員會」)及審核委員會(「審核委員會」)，並以書面具體列明其職權範圍。所有委員會之會議記錄及決議案均由公司秘書保存，並提供副本予全體董事會成員傳閱，而各委員會需按其決定及建議(倘適合)向董事會匯報。董事會會議之程序及安排(於上文第23頁「董事會」一節提述)已按可行情況下在每次委員會會議上採納。

BOARD COMMITTEES (Continued)

Remuneration Committee

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

The major roles and functions of the Remuneration Committee are:

- (a) to formulate and make recommendation to the Board on the Group's staff compensation policy and structure for all remuneration of the Directors and senior management of the Group and on the establishment of a formal and transparent procedures for developing policy on such remuneration;
- (b) to have the delegated responsibility to determine the specific remuneration packages of all Directors and senior management;
- (c) to make recommendations to the Board of the remuneration of non-executive Directors;
- (d) notwithstanding (b) above, to review and approve performance-based discretionary bonus for the Directors and senior management by reference to corporate goals and objectives resolved by the Board from time to time, and to review the performance against these corporate goals and objectives;
- (e) in respect of any service agreement to be entered into between any members of the Group and its Director or proposed Director, to review and provide recommendations to the shareholders of the Company as to whether the terms of the service agreements are fair and reasonable and whether such service agreements are in the interests of the Company and the shareholders as a whole, and to advise shareholders on how to vote;

董事委員會 (續)

薪酬委員會

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

薪酬委員會之主要角色及職能如下：

- (a) 就本集團的員工薪酬政策及本集團董事及高級管理層所有酬金的架構向董事會提出建議，並就建立該酬金發展政策的正式及具透明度的步驟提出建議；
- (b) 受委託有責任釐定所有董事及高級管理層的特定薪酬組合；
- (c) 就非執行董事的酬金向董事會作出建議；
- (d) 除上文(b)外，檢討及批准參考公司目標及董事會不時議決的目的實施按董事及高級管理層表現釐定酌情花紅，檢討此等公司目標及目的下的表現；
- (e) 就任何本集團任何成員公司與其董事或建議董事簽訂的服務協議，檢討及向本公司股東提供意見，建議服務協議條款是否公平合理，及該等服務協議是否符合本公司及整體股東的利益，並就如何投票給予股東建議；

BOARD COMMITTEES (Continued)

Remuneration Committee (Continued)

- (f) to review and approve the compensation payable to executive Directors and senior management in connection with any loss or termination of their office or appointment;
- (g) to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct;
- (h) to ensure that no Director or any of his associates (as defined in the Listing Rules) is included in deciding his own remuneration;
- (i) to conduct exit interviews with any Director or senior management upon their resignation in order to ascertain the reasons (from remuneration perspective) for his departure.

The Remuneration Committee shall meet at least once a year. One committee meeting was held in 2011 to review and discuss the existing policy and structure for the remuneration of Directors, the remuneration packages of both the executive and non-executive Directors and the attendance of each member is set out as follows:

董事委員會(續)

薪酬委員會(續)

- (f) 檢討及批准就任何離任或終止委任應付予執行董事及高級管理層的酬金；
- (g) 檢討及批准有關因行為不當而辭退或罷免董事的酬金協議；
- (h) 確保並無董事或任何其聯繫人(定義見上市規則)參與釐定自己的薪酬；
- (i) 於任何董事或高級管理層辭職之時與其進行離職會面以確定其離職原因(以酬金的角)。

薪酬委員會每年須至少召開一次會議。於二零一一年已舉行一次委員會會議，以審議及討論董事之現行薪酬政策及架構，執行董事及非執行董事之薪酬待遇，而各成員之出席情況如下：

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

In addition to the Committee meeting, the Remuneration Committee also dealt with matters by way of circulation during 2011. The remuneration payable to Directors will depend on their respective contractual terms under their employment or service contracts as approved by the Board on the recommendation of the Remuneration Committee.

除委員會會議外，薪酬委員會亦於二零一一年內透過傳閱方式處理事宜。應付董事之薪酬將視乎薪酬委員會向董事會提供之建議獲批准後，並按各自之僱傭或服務合約內之條款而釐定。

In order to attract, retain and motivate the senior executives and key employees of the Group, including the executive Directors, the Company adopted a share option scheme in November 2004. Details of the share option scheme are set out in the Directors' Report on pages 39 to 40 and note 16 to the financial statements.

本公司已於二零零四年十一月採納一項購股權計劃以吸引、延攬及推動本集團高級行政人員及主要僱員(包括執行董事)。購股權計劃詳情載於董事會報告第39至40頁及財務報表附註16。

BOARD COMMITTEES (Continued)

Audit Committee

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

The major roles and functions of the Audit Committee are:

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

董事委員會(續)

審核委員會

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

審核委員會之主要角色及職能：

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

BOARD COMMITTEES (Continued)

Audit Committee (Continued)

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

The Audit Committee shall meet at least twice a year. Two committee meetings were held in 2011 and the attendance of each member is set out as follows:

董事委員會(續)

審核委員會(續)

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

審核委員會每年須至少召開兩次會議。於二零一一年已舉行兩次委員會會議，而各成員之出席情況如下：

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

During the meetings held in 2011, the Audit Committee had performed the work as summarised below:

於二零一一年舉行之會議，審核委員會已履行之工作概述如下：

- (i) reviewed and approved the audit scope and fees proposed by the external auditors regarding the final audit of the Group for the year ended 31 December 2010 (the "2010 Final Audit");
 - (ii) reviewed the external auditors' report of finding in relation to the 2010 Final Audit and the auditors' report on the connected transactions for the year ended 31 December 2010;
 - (iii) reviewed the management accounts of the Group and the summary of findings by the external auditors in relation to the 2011 interim report;
 - (iv) reviewed the financial reports for the year ended 31 December 2010 and for the six months ended 30 June 2011; and
- (i) 檢討及批准外聘核數師建議之本集團截至二零一零年十二月三十一日止年度之年終審核(「二零一零年年終審核」)之核數範圍及費用；
 - (ii) 檢討外聘核數師之二零一零年年終審核結果之報告，以及對截至二零一零年十二月三十一日止年度關連交易之核數師報告；
 - (iii) 檢討本集團管理賬目及檢討外聘核數師就二零一一年中期報告得出的發現概要；
 - (iv) 檢討截至二零一零年十二月三十一日止年度及截至二零一一年六月三十日止六個月之財務報告；及

BOARD COMMITTEES (Continued)

Audit Committee (Continued)

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

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

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Directors acknowledge their responsibility for preparing, with the support from finance department, the financial statements of the Group. In preparing the financial statements for the year ended 31 December 2011, the requirements of the Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure requirements of the Listing Rules and the Companies Ordinance were complied with.

The reporting responsibilities of the Company's external auditors, Messrs. PricewaterhouseCoopers, are set out in the Auditor's Report on pages 50 and 51.

Internal Control

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

External Auditor's Remuneration

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

董事委員會 (續)

審核委員會 (續)

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

董事會及審核委員會就甄選、委聘、退任或罷免外聘核數師並無意見分歧。

問責及核數

財務匯報

於財務部之協助下，董事確認彼等編製本集團財務報表之責任。截至二零一一年十二月三十一日止年度之財務報表已按照香港會計師公會頒佈之香港財務報告準則、香港會計準則及詮釋，以及上市規則及公司條例之適用披露規定而編製。

本公司外聘核數師羅兵咸永道會計師事務所之匯報責任載於核數師報告第50及51頁。

內部監控

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

外聘核數師之酬金

於年內，已付及應付本公司外聘核數師羅兵咸永道會計師事務所之酬金載列如下：

Services rendered for the Group	向本集團提供之服務	Paid/Payable 已付及應付費用 RMB'000 人民幣千元
Audit services	核數服務	3,216
Non-audit services (including consulting service for transfer pricing and agreed-upon procedures for selected financial information of the Group and preliminary announcement of results)	非核數服務(轉移訂價的顧問服務及本集團特選財務資料及初步業績公佈的協定程序)	180
Total:	合計：	3,396

COMMUNICATION WITH SHAREHOLDERS

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

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

CORPORATE GOVERNANCE ENHANCEMENT

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

On behalf of the Board

Hong Tianzhu
Chairman

Hong Kong, 19 March 2012

與股東之溝通

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

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

提升企業管治水平

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

代表董事會

洪天祝
主席

香港，二零一二年三月十九日

DIRECTORS

Executive Directors

Mr. Hong Tianzhu, aged 44, is an executive Director and chairman of the Group. He is the founder of the Group. He is responsible for the overall business development strategy of the Group. Mr. Hong is currently a vice chairman of the Hong Kong General Chamber of Textiles Limited. He has over 20 years of experience in the textile industry. Prior to establishing the Group, Mr. Hong was a vice general manager of 晉江藝豐服裝織造有限公司 (Jinjiang Yifeng Garment Weaving Company Limited). Mr. Hong is a director and the 100% beneficial owner of Texhong Group Holdings Limited, and the sole director of New Green Group Limited, which is 100% owned by Texhong Group Holdings Limited. Mr. Hong is also a director of Trade Partner Investments Limited, which is owned as to 51.36% by him. Each of New Green Group Limited and Trade Partner Investments Limited was the beneficial owner of 375,459,173 and 163,500,000 shares of HK\$0.1 each in the Company as at 31 December 2011 respectively.

Mr. Zhu Yongxiang, aged 45, is an executive Director and co-chief executive officer of the Group. He is responsible for the daily operations of the Group. Mr. Zhu graduated from the 南通紡織工學院 (Nantong Textile Industry College) in 1987. Prior to joining the Group in 1997, Mr. Zhu was an assistant to the general manager of 南通第二棉紡織廠 (Nantong No. 2 Cotton Textile Factory). Mr. Zhu is the sole director and the 100% beneficial owner of Wisdom Grace Investments Limited. Mr. Zhu is also a director of Trade Partner Investments Limited, which is owned as to 41.36% by him. Each of Trade Partner Investments Limited and Wisdom Grace Investments Limited was the beneficial owner of 163,500,000 and 68,000,000 shares of HK\$0.1 each in the Company as at 31 December 2011 respectively.

Mr. Tang Daoping, aged 46, is an executive Director, chief operation officer and vice president of the Group. He is responsible for the operations of the Group's yarn business. Mr. Tang is also a director and the chairman of Texhong Suining, Jiangsu Century Texhong, Xuzhou Century Texhong, Xuzhou Texhong Times, Nantong Century Texhong, Nantong Texhong Yin Hai and Xuzhou Texhong Yinfeng. Mr. Tang graduated from 徐州廣播電視大學 (Xuzhou Radio and TV University) in 1996 majoring in accounting. Mr. Tang has over 27 years of experience in the textile industry. He was a workshop manager of 睢寧棉紡織廠 (Suining Cotton Textile Factory) prior to joining the Group in 1998 as a vice general manager. Mr. Tang was promoted and became a director of Texhong Suining and Jiangsu Century Texhong in September 2002.

董事

執行董事

洪天祝先生，44歲，本集團的執行董事及主席。洪先生是本集團創始人，負責本集團的整體業務發展策略。洪先生是現任香港紡織商會副主席。彼於紡織業擁有逾二十年經驗，在成立本集團前，彼曾任晉江藝豐服裝織造有限公司的副總經理。洪先生為Texhong Group Holdings Limited的董事，並為該公司全資實益擁有人，亦為New Green Group Limited的唯一董事，該公司由Texhong Group Holdings Limited全資擁有。洪先生亦為Trade Partner Investments Limited的董事，並擁有該公司51.36%權益。於二零一一年十二月三十一日，New Green Group Limited及Trade Partner Investments Limited分別為本公司每股面值0.1港元的375,459,173股股份及163,500,000股股份的實益擁有人。

朱永祥先生，45歲，本集團的執行董事兼聯席行政總裁。彼負責本集團的日常營運。朱先生於一九八七年畢業於南通紡織工學院。於一九九七年加入本集團前，朱先生曾任南通第二棉紡織廠的總經理助理。朱先生為Wisdom Grace Investments Limited的唯一董事，並為該公司全資實益擁有人。朱先生亦為Trade Partner Investments Limited的董事，並擁有該公司41.36%權益。於二零一一年十二月三十一日，Trade Partner Investments Limited及Wisdom Grace Investments Limited分別為本公司每股面值0.1港元的163,500,000股股份及68,000,000股股份的實益擁有人。

湯道平先生，46歲，本集團執行董事兼營運總裁及副總裁。彼負責本集團的紗線業務。湯先生亦為天虹睢寧、江蘇世紀天虹、徐州世紀天虹、徐州天虹時代、南通世紀天虹、南通天虹銀海及徐州天虹銀豐的董事兼董事長。彼於一九九六年畢業於徐州廣播電視大學，主修會計，並於紡織業擁有逾二十七年經驗。湯先生曾於睢寧棉紡織廠出任工廠經理，後於一九九八年加入本集團為副總經理。湯先生於二零零二年九月晉升為天虹睢寧及江蘇世紀天虹的董事。

DIRECTORS (Continued)**Executive Directors (Continued)**

Mr. Gong Zhao, aged 57, is an executive Director and vice president of the Group. He is responsible for the operations of the Group's grey fabric business. Mr. Gong is also a director and the chairman of Texhong Jinhua, Zhejiang Texhong and Zhejiang Century Texhong. Mr. Gong has over 27 years of experience in the textile industry. Prior to joining the Group in 1998 as a vice general manager, Mr. Gong had worked in 無錫市第四棉紡織廠 (Wuxi No. 4 Cotton Textile Factory). Mr. Gong was promoted and became a director of Texhong Jinhua in January 2001.

Independent Non-executive Directors

Ms. Zhu Lanfen, aged 70, studied in 華東紡織工學院 (Huadong Textile Industry School) in textile. Ms. Zhu has over 42 years of experience in the textile industry. Ms. Zhu is currently the vice president of the council of 中國棉紡織行業協會 (China Cotton Textile Industry Association). She joined the Group and was appointed as an independent non-executive Director on 21 November 2004.

Professor Cheng Longdi, aged 52, obtained his doctorate degree in textile from Donghua University in 2002. Professor Cheng is currently a professor of 東華大學紡織工程系 (Department of Textile Engineering, Donghua University) and he is also the 紡織面料技術教育部重點實驗室常務副主任 (deputy director of the key laboratory of Textile Science and Technology, Ministry of Education). Professor Cheng is an academic committee member of the cotton textile profession committee of the China Society of Textile Engineering. Professor Cheng is also the committee member of the expert committee of China Textile Planning Institute of Construction. Professor Cheng was an engineer of the China Textile Academy (formerly known as Textile Academy of Textile Ministry). He joined the Group and was appointed as an independent non-executive Director on 21 November 2004.

董事 (續)**執行董事 (續)**

龔照先生，57歲，本集團執行董事兼副總裁。彼負責本集團的坯布業務，彼亦為天虹金華、浙江天虹及浙江世紀天虹的董事兼董事長。龔先生於紡織業擁有逾二十七年豐富經驗，於一九九八年加入本集團出任副總經理前，龔先生曾於無錫市第四棉紡織廠工作。龔先生於二零零一年一月晉升為天虹金華的董事。

獨立非執行董事

朱蘭芬女士，70歲。朱女士於華東紡織工學院修讀紡織。朱女士於紡織業擁有逾四十二年的豐富經驗。朱女士現為中國棉紡織行業協會的副理事長。彼於二零零四年十一月二十一日加入本集團，並獲委任為獨立非執行董事。

程隆棟教授，52歲。程教授於二零零二年取得東華大學的紡織博士學位，亦為東華大學紡織工程系教授及紡織面料技術教育部重點實驗室常務副主任。程教授為中國紡織工程學會棉紡專業委員會學術委員會委員，亦為中國紡織建設規劃院專家委員會委員。程教授曾為中國紡織科學研究院（前稱紡織工業部紡織科學研究院）的工程師。彼於二零零四年十一月二十一日加入本集團，並獲委任為獨立非執行董事。

DIRECTORS (Continued)**Independent Non-executive Directors (Continued)**

Mr. TING Leung Huel, Stephen, MH, FCCA, FCPA (PRACTISING), ACA, CTA (HK), FHKIoD, aged 58, was appointed as independent non-executive Director of the Company on 21 November 2004. Mr. Ting is an accountant in public practice and has more than 30 years' experience in this field. Currently he is the managing partner of Messrs Ting Ho Kwan & Chan, Certified Public Accountants (Practising). Mr. Ting is a member of the 9th and 10th Chinese People Political & Consultative Conference, Fujian. He is now an independent non-executive director of six other listed companies in Hong Kong, namely China SCE Property Holdings Limited, Computer and Technologies Holdings Limited, Dongyue Group Limited, JLF Investment Company Limited, Tong Ren Tang Technologies Company Limited and Tongda Group Holdings Limited respectively. He is also a non-executive director of Chow Sang Sang Holdings International Limited, a listed company in Hong Kong.

SENIOR MANAGEMENT

Mr. Sha Tao, aged 46, a vice president of the Group and responsible for the production and purchase of the Group's grey fabric operations. He is also a director and the chairman of Taizhou Texhong Weaving and Taizhou Century Texhong. Mr. Sha obtained his bachelor's degree in textile from 無錫輕工業學院 (Wuxi Light Industry University) in 1986. Mr. Sha has over 23 years of experience in the textile industry. Prior to joining the Group in 1998, he was a factory manager of one of the factories of 南通第二棉紡織廠 (Nantong No. 2 Cotton Textile Factory).

Mr. Hu Zhiping, aged 48, is a vice president of the Group and responsible for the grey fabric sales operations of the Group. Mr. Hu graduated from 無錫職業大學 (Wuxi Professional University) in textile in 1984. Mr. Hu has over 23 years of experience in the textile industry. He was a vice general manager of 無錫協達織造有限公司 (Wuxi Xieda Weaving Company Limited) prior to joining the Group in 1998.

Mr. Hui Tsz Wai, aged 38, the chief financial officer and company secretary of the Group. He graduated from the Chinese University of Hong Kong with a bachelor of business administration (honours) degree. He is a fellow member of the Association of Chartered Certified Accountants and a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants. He is also a Chartered Financial Analyst and a Certified Fraud Examiner. He has more than 16 years working experience in finance related area. Prior to joining the Group in 2004, he had been working at one of the big four international accounting firms for about nine years. He successfully assisted the Group in completion of the initial public offering on the main board of the Stock Exchange in 2004.

董事 (續)**獨立非執行董事 (續)**

丁良輝先生，MH，FCCA，FCPA (PRACTISING)，ACA，CTA (HK)，FHKIoD，58歲，於二零零四年十一月二十一日獲委任為本公司之獨立非執行董事。丁先生為執業會計師，於該行業積逾三十年經驗。彼現為丁何關陳會計師行之執行合夥人。丁先生為中國人民政治協商會議第九屆及第十屆福建省委員會委員。現為其他六家香港上市公司之獨立非執行董事，分別為中駿置業控股有限公司、科聯系統集團有限公司、東岳集團有限公司、金六福投資有限公司、北京同仁堂科技發展股份有限公司及通達集團控股有限公司。彼亦擔任一家香港上市公司周生生集團國際有限公司之非執行董事。

高級管理層

沙淘先生，46歲，本集團的副總裁並負責本集團的坯布生產及物流採購。彼亦為泰州天虹織造及泰州世紀天虹的董事兼主席。沙先生於一九八六年畢業自無錫輕工業學院紡工系，並取得學士學位。沙先生於紡織業擁有逾二十三年經驗。彼於一九九八年加入本集團前，曾出任南通第二棉紡織廠其中一家廠房的廠長。

胡志平先生，48歲，本集團副總裁並負責本集團的坯布營銷業務。胡先生於一九八四年畢業自無錫職業大學紡織系。彼於紡織業擁有逾二十三年經驗。彼於一九九八年加入本集團前，胡先生曾出任無錫協達織造有限公司的副總經理。

許子慧先生，38歲，本集團的財務總監及公司秘書。許先生畢業於香港中文大學，獲頒工商管理(榮譽)學士學位。彼為英國特許公認會計師公會資深會員及香港會計師公會執業會計師。彼亦為特許財務分析員兼舞弊查核師。許先生擁有逾十六年財務相關的工作經驗，於二零零四年加盟本集團，此前曾在四大國際性會計師事務所之一任職近九年，他協助本集團於二零零四年成功在香港聯合交易所有限公司主板上市。

EXECUTIVE DIRECTORS

Mr. Hong Tianzhu (*Chairman*)
Mr. Zhu Yongxiang
Mr. Tang Daoping
Mr. Gong Zhao

INDEPENDENT NON-EXECUTIVE DIRECTORS AND AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

COMPANY SECRETARY

Mr. Hui Tsz Wai

AUTHORISED REPRESENTATIVES

Mr. Hong Tianzhu
Mr. Hui Tsz Wai

HEAD OFFICE

Room 1818, 18/F
Metroplaza Tower 1
223 Hing Fong Road
Kwai Fong, N.T.
Hong Kong

REGISTERED OFFICE

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

執行董事

洪天祝先生(主席)
朱永祥先生
湯道平先生
龔照先生

獨立非執行董事及審核委員會

丁良輝先生
MH, FCCA, FCPA (PRACTISING),
ACA, CTA(HK) · FHKIoD
朱蘭芬女士
程隆棣教授

薪酬委員會

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

公司秘書

許子慧先生

授權代表

洪天祝先生
許子慧先生

總辦事處

香港
新界葵芳
興芳路223號
新都會廣場第一座
18樓1818室

註冊辦事處

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

PRINCIPAL BANKERS

Bank of China (Hong Kong)
Deutsche Bank AG, Hong Kong Branch
Standard Chartered Bank
Citibank (China) Co., Ltd. Shanghai Branch
BNP Paribas
Industrial and Commercial Bank of China
Bank of China
Bank of Communications
China Merchants Bank
Bank of Jiangsu

AUDITOR

PricewaterhouseCoopers

LEGAL ADVISORS AS TO HONG KONG LAW

Chiu & Partners

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Butterfield Fulcrum Group (Cayman) Limited
Butterfield House, 68 Fort Street
George Town, Grand Cayman
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

WEBSITE

www.texhong.com

STOCK CODE

2678

主要往來銀行

中國銀行(香港)
德意志銀行香港分行
渣打銀行
花旗銀行(中國)有限公司上海分行
法國巴黎銀行
中國工商銀行
中國銀行
中國交通銀行
招商銀行
江蘇銀行

核數師

羅兵咸永道會計師事務所

法律顧問(香港法律)

趙不渝・馬國強律師事務所

主要股份過戶登記處

Butterfield Fulcrum Group (Cayman) Limited
Butterfield House, 68 Fort Street
George Town, Grand Cayman
Cayman Islands

香港股份過戶登記分處

寶德隆證券登記有限公司
香港
銅鑼灣
希慎道33號
利園12樓

互聯網址

www.texhong.com

股份編號

2678

The Directors of the Company submit their report together with the audited financial statements of the Company for the year ended 31 December 2011.

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

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

Business segments

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

Geographical segments

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

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2011 are set out in the consolidated income statement on page 55 of this annual report.

The board did not recommend final dividend in respect of the financial year ended 31 December 2011.

RESERVES

Details of movements in the reserves of the Group and of the Company during the year ended 31 December 2011 are set out in note 17 to the accompanying financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group and of the Company during the year ended 31 December 2011 are set out in note 7 to the accompanying financial statements.

SHARE CAPITAL

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

本公司董事會同寅謹將截至二零一一年十二月三十一日止年度報告連同經已審核之財務報表呈覽。

主要業務及營運地區分析

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

業務分類

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

地區分類

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

業績及分派

本集團於截至二零一一年十二月三十一日止年度之業績載列於本年報第55頁之綜合損益表。

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。

儲備

本集團及本公司截至二零一一年十二月三十一日止年度之儲備變動詳情載於隨附之財務報表附註17。

物業、廠房及設備

本集團及本公司截至二零一一年十二月三十一日止年度之物業、廠房及設備變動詳情載於隨附之財務報表附註7。

股本

本公司之股本變動詳情載於隨附之財務報表附註15。

DISTRIBUTABLE RESERVES

The Company's distributable reserves as at 31 December 2011 is set out in note 17 to the accompanying financial statements.

PRE-EMPTIVE RIGHTS

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

TAX RELIEF

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

FINANCIAL SUMMARY

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

PURCHASE, SALE OR REDEMPTION OF SECURITIES

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

SHARE OPTIONS

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

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

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

可供分派儲備

本公司於二零一一年十二月三十一日可供分派儲備詳情載列於隨附之財務報表附註17。

優先購買權

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

稅務減免

本公司並不知悉任何因持有本公司證券而提供予本公司股東之稅務寬減或減免。

財務概要

本集團過去五個財政年度之業績及資產負債摘要載於本年報第3頁。

購買、出售或購回證券

本年內，本公司或其附屬公司概無購買、出售或購回本公司上市證券。

購股權

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

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

購股權計劃自購股權計劃獲採納日期後十年內有效。

SHARE OPTIONS (Continued)

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

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

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

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

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

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

As at 31 December 2011, no option was granted under the Share Option Scheme.

購股權 (續)

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

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

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

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

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

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

於二零一一年十二月三十一日，概無根據購股權計劃授出購股權。

DIRECTORS

The Directors during the year were:

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

* Independent non-executive Directors

In accordance with article 108(A) of the Company's articles of association, Mr. Ting Leung Huel, Stephen, Ms. Zhu Lanfen and Professor Cheng Longdi will retire from office by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

DIRECTORS' SERVICE CONTRACTS

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

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

None of the Directors has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

董事

年內在任之董事如下：

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

* 獨立非執行董事

根據本公司組織章程細則第108(A)條，丁良輝先生、朱蘭芬女士及程隆棣教授將輪值告退，以使其合資格於應屆股東週年大會膺選連任。

董事服務合約

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

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

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

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

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

DIRECTORS' INTERESTS IN CONTRACTS

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

EMOLUMENTS OF DIRECTORS AND FIVE HIGHEST PAID DIRECTORS/EMPLOYEES

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

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

REMUNERATION POLICY

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

RETIREMENT BENEFIT SCHEMES

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

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical details of directors and senior management as at the date of this annual report are set out on pages 33 to 35 of this annual report.

獨立非執行董事之獨立性

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

董事於合約中之權益

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

董事及五位最高薪之董事／僱員之酬金

有關回顧年度內根據指名基準之董事酬金詳情載於隨附之財務報表附註26。

有關回顧年度內之五位最高薪人士之詳情載於隨附之財務報表附註26。

薪酬政策

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

退休福利計劃

本集團退休福利計劃之詳情載於隨附之財務報表附註25。

董事及高級管理人員之個人簡歷

董事及高級管理人員於本年報日期之個人簡歷載於本年報第33至第35頁。

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

At 31 December 2011, the interests and short positions of each Director and chief executive of the Company in the Shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong (the "SFO"), as recorded in the register maintained by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code contained in the Listing Rules, were as follows:

董事及行政總裁於本公司或任何相聯法團之股份、相關股份及債權證之權益及淡倉

於二零一一年十二月三十一日，本公司各董事及行政總裁於本公司及其相聯法團（定義見香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債權證中擁有根據證券及期貨條例第352條，紀錄於本公司須予存置之登記冊內之權益或淡倉，或根據上市規則所載的標準守則規定須以其他方式通知本公司及聯交所之權益及淡倉如下：

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

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

Notes:

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

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

附註：

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

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

So far as the Directors are aware, as at 31 December 2011, the interests or short position of the persons other than a Director or chief executive of the Company in the Shares or underlying shares or debenture of the Company which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

主要股東在本公司股份、相關股份及債權證之權益及淡倉

就董事所知悉，於二零一一年十二月三十一日，於本公司股份或相關股份或債權證中擁有根據證券及期貨條例第336條紀錄於本公司須予存置之登記冊內之權益或淡倉的人士（惟本公司之董事或行政總裁除外）如下：

Ordinary Shares of the Company:

本公司之普通股：

Name of the substantial shareholder 主要股東姓名／名稱	Nature of interests 權益性質	Number of ordinary shares (Note 1) 普通股數目 (附註1)	Percentage 百分比
New Green Group Limited	Beneficial owner 實益擁有人	375,459,173(L) (Note 2) (附註2)	42.44%
Trade Partner Investments Limited	Beneficial owner 實益擁有人	163,500,000(L) (Note 3) (附註3)	18.48%
Wisdom Grace Investments Limited	Beneficial owner 實益擁有人	68,000,000(L) (Note 4) (附註4)	7.69%
Texhong Group Holdings Limited	Interest of controlled corporation(s) 所控制法人的權益	375,459,173(L) (Note 2) (附註2)	42.44%
Ms. KE Luping 柯綠萍女士	Interest of spouse 配偶權益	544,359,173(L) (Note 5) (附註5)	61.53%
Ms. ZHAO Zhiyang 趙志揚女士	Interest of spouse 配偶權益	231,500,000(L) (Note 6) (附註6)	26.17%
Lianjie (China) Investments Limited	Beneficial owner 實益擁有人	45,016,000(L) (Note 7) (附註7)	5.09%
Hui Ching Lau 許清流	Interest of controlled corporation(s) 所控制法人的權益	45,016,000(L) (Note 7) (附註7)	5.09%

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

Notes:

1. The letter "L" denotes the person's long position in the Shares.
2. These 375,459,173 Shares are registered in the name of and beneficially owned by New Green Group Limited, the entire issued share capital of which is beneficially owned by Texhong Group Holdings Limited, a company wholly beneficially owned by Mr. Hong Tianzhu. Under the SFO, each of Texhong Group Holdings Limited and Mr. Hong Tianzhu is deemed to be interested in all the Shares held by New Green Group Limited.
3. These 163,500,000 Shares are registered in the name of and beneficially owned by Trade Partner Investments Limited, the entire issued share capital of which is beneficially owned as to 51.36% by Mr. Hong Tianzhu, 41.36% by Mr. Zhu Yongxiang, 2.24%, 1.68%, 1.68% and 1.68%, by Mr. Sha Tao, Mr. Tang Daoping, Mr. Gong Zhao, Mr. Hu Zhiping. Under the SFO, each of Mr. Hong Tianzhu and Mr. Zhu Yongxiang is deemed to be interested in all the Shares held by Trade Partner Investments Limited.
4. These 68,000,000 Shares are registered in the name of and beneficially owned by Wisdom Grace Investments Limited, the entire issued share capital of which is beneficially owned by Mr. Zhu Yongxiang. Under the SFO, Mr. Zhu Yongxiang is deemed to be interested in all the Shares held by Wisdom Grace Investments Limited.
5. Ms. Ke Luping is the spouse of Mr. Hong Tianzhu. Under the SFO, Ms. Ke Luping is taken to be interested in the same number of Shares in which Mr. Hong Tianzhu are interested.
6. Ms. Zhao Zhiyang is the spouse of Mr. Zhu Yongxiang. Under the SFO, Ms. Zhao Zhiyang is taken to be interested in the same number of Shares in which Mr. Zhu Yongxiang are interested.
7. These 45,016,000 Shares are registered in the name of and beneficially owned by Lianjie (China) Investments Limited, the entire issued share capital of which is beneficially owned by Hui Ching Lau. Under the SFO, each of Lianjie (China) Investments Limited and Hui Ching Lau is deemed to be interested in all the Shares held by Lianjie (China) Investments Limited.

主要股東在本公司股份、相關股份及債權證之權益及淡倉 (續)

附註：

1. 「L」代表該人士於股份之好倉。
2. 該375,459,173股股份以New Green Group Limited (New Green Group Limited全部已發行股本由Texhong Group Holdings Limited實益擁有，洪天祝先生實益擁有後者100%權益)名義及作為實益擁有人登記。根據證券及期貨條例，Texhong Group Holdings Limited及洪天祝先生均被視為於New Green Group Limited持有之所有股份佔有權益。
3. 該163,500,000股股份以Trade Partner Investments Limited (其全部已發行股本由洪天祝先生、朱永祥先生、沙陶先生、湯道平先生、龔照先生及胡志平先生分別實益擁有51.36%、41.36%、2.24%、1.68%、1.68%及1.68%)名義及作為實益擁有人登記。根據證券及期貨條例，洪天祝先生及朱永祥先生分別被視為於Trade Partner Investments Limited持有之所有股份佔有權益。
4. 該68,000,000股股份以Wisdom Grace Investments Limited (其全部已發行股本由朱永祥先生實益擁有)名義及作為實益擁有人登記。根據證券及期貨條例，朱永祥先生被視為於Wisdom Grace Investments Limited持有之所有股份佔有權益。
5. 柯綠萍女士為洪天祝先生之配偶。根據證券及期貨條例，柯綠萍女士被視為於洪天祝先生佔有權益之同樣數目股份佔有權益。
6. 趙志揚女士為朱永祥先生之配偶。根據證券及期貨條例，趙志揚女士被視為於朱永祥先生佔有權益之同樣數目股份佔有權益。
7. 該45,016,000股股份以Lianjie (China) Investments Limited (其全部已發行股本由許清流實益擁有)名義及作為實益擁有人登記。根據證券及期貨條例，Lianjie (China) Investments Limited及許清流均被視為於Lianjie (China) Investments Limited所持有之所有股份佔有權益。

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed under the section headed “Share Options” above, at no time during the 12 months ended 31 December 2011 was the Company, its holding company or its subsidiaries a party to any arrangements which enabled the Directors (including their spouses or children under 18 years of age), to acquire benefits by means of acquisition of Shares in or debenture of the Company or any other body corporate.

MANAGEMENT CONTRACTS

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

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

MAJOR CUSTOMERS AND SUPPLIERS

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

Purchases	
– the largest supplier	19.5%
– five largest suppliers combined	38.4%
Sales	
– the largest customer	3.6%
– five largest customers combined	12.0%

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

RELATED PARTY TRANSACTIONS

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

購買股份或債權證之安排

除上述「購股權」一節披露者外，截至二零一一年十二月三十一日止十二個月內，本公司、其控股公司或其附屬公司概無參與訂立安排讓董事（包括其配偶或未滿十八歲之子女）以透過收購本公司或任何其他法人團體之股份或債權證之方法獲得利益。

管理合約

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

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

主要客戶及供應商

本集團主要供應商及客戶佔本年度之採購額及銷售額百分比如下：

採購額	
– 最大供應商	19.5%
– 五位最大供應商合計	38.4%
銷售額	
– 最大客戶	3.6%
– 五位最大客戶合計	12.0%

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

與關聯方的交易

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

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors at the latest practicable date prior to the issue of this annual report, there was sufficient prescribed public float of the issued shares of the Company under the Listing Rules at any time during the financial year ended 31 December 2011.

AUDIT COMMITTEE

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

The audit committee had reviewed the audited results of the Group for the financial year ended 31 December 2011.

REMUNERATION COMMITTEE

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

LITIGATION

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

公眾持股量

根據於本年報刊發前之最後實際可行日期本公司獲得之公開資料及據董事所知，本公司於截至二零一一年十二月三十一日止財政年度任何時間已發行股份均有充份之指定公眾持股量，符合上市規則。

審核委員會

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

審核委員會已審閱本集團截至二零一一年十二月三十一日止財政年度之經審核業績。

薪酬委員會

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

訴訟

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

AUDITOR

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

On behalf of the Board

Hong Tianzhu
Chairman

Hong Kong, 19 March 2012

核數師

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

承董事會命

洪天祝
主席

香港，二零一二年三月十九日



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

We have audited the consolidated financial statements of Texhong Textile Group Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 52 to 143, which comprise the consolidated and company balance sheets as at 31 December 2011, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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, 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.

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羅兵咸永道

致天虹紡織集團有限公司全體股東
(於開曼群島註冊成立的有限公司)

本核數師(以下簡稱「我們」)已審核列載於第52至143頁天虹紡織集團有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表，此綜合財務報表包括於二零一一年十二月三十一日的綜合及公司資產負債表與截至該日止年度的綜合損益表、綜合全面收益表、綜合權益變動表和綜合現金流量表，以及重要會計政策摘要及其他解釋資料。

董事就綜合財務報表須承擔的責任

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

核數師的責任

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

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

香港中環太子大廈廿二樓
電話: +852 2289 8888 傳真: +852 2810 9888

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

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

OPINION

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

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 19 March 2012

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

我們相信，我們所獲得的審核憑證是充足和適當地為我們的審核意見提供基礎。

意見

我們認為，該等綜合財務報表已根據香港財務報告準則真實而公平地反映貴公司及貴集團於二零一一年十二月三十一日的事務狀況及貴集團截至該日止年度的溢利及現金流量，並已按照香港公司條例的披露規定妥為編製。

羅兵咸永道會計師事務所
執業會計師

香港，二零一二年三月十九日

As at 31 December 2011
於二零一一年十二月三十一日

		As at 31 December 於十二月三十一日	
	Note 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
ASSETS			
Non-current assets			
Land use rights	6	185,711	151,075
Property, plant and equipment	7	1,991,777	1,798,930
Investment in an associate	9	46,545	43,560
Deferred income tax assets	20	49,638	24,430
		2,273,671	2,017,995
Current assets			
Inventories	11	1,288,561	1,386,851
Trade and bills receivables	12	640,086	404,319
Prepayments, deposits and other receivables	13	232,719	495,378
Pledged bank deposits	14	31,907	35,231
Cash and cash equivalents	14	463,407	569,466
		2,656,680	2,891,245
Total assets		4,930,351	4,909,240
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Ordinary shares	15	94,064	94,064
Share premium	15	189,218	189,218
Other reserves	17	423,853	419,299
Retained earnings	17		
– Proposed final dividend	32	–	126,243
– Others		1,364,673	1,380,275
		2,071,808	2,209,099
Non-controlling interests		95	76
Total equity		2,071,903	2,209,175

		As at 31 December 於十二月三十一日	
	Note 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
LIABILITIES			
Non-current liabilities	負債 非流動負債		
Borrowings	借貸	18 1,712,275	629,806
Deferred income tax liabilities	遞延所得稅負債	20 52,401	49,275
		1,764,676	679,081
Current liabilities	流動負債		
Trade and bills payables	應付貿易及票據款項	21 502,408	859,402
Accruals and other payables	預提費用及其他應付 賬款	22 417,103	476,533
Current income tax liabilities	當期所得稅負債	(14,277)	41,668
Borrowings	借貸	18 143,519	609,912
Derivative financial instruments	衍生金融工具	19 45,019	33,469
		1,093,772	2,020,984
Total liabilities	總負債	2,858,448	2,700,065
Total equity and liabilities	總股東權益及負債	4,930,351	4,909,240
Net current assets	流動資產淨值	1,562,908	870,261
Total assets less current liabilities	總資產減流動負債	3,836,579	2,888,256

The notes on pages 60 to 143 are an integral part of these consolidated financial statements.

第60至143頁之附註為此財務報表之一部分。

The financial statements on pages 52 to 143 were approved by the Board of Directors on 19 March 2012 and were signed on its behalf.

第52至143頁之財務報表已於二零一二年三月十九日獲董事會批准，並由下列董事代表簽署：

Hong Tianzhu
Director

Zhu Yongxiang
Director

洪天祝
董事

朱永祥
董事

As at 31 December 2011
於二零一一年十二月三十一日

		As at 31 December 於十二月三十一日	
	Note 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
ASSETS			
Non-current assets			
Property, plant and equipment	7	52	121
Investments in subsidiaries	8	1,313,643	774,958
		1,313,695	775,079
Current assets			
Prepayments, deposits and other receivables	13	5	5
Due from subsidiaries	8	695,312	714,362
Cash and cash equivalents	14	1,853	3,457
		697,170	717,824
Total assets		2,010,865	1,492,903
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Ordinary shares	15	94,064	94,064
Share premium	15	189,218	189,218
Other reserves	17	172,319	172,319
Retained earnings	17		
– Proposed final dividend	32	–	126,243
– Others		3,931	7,732
Total equity		459,532	589,576
LIABILITIES			
Non-current liabilities			
Borrowings	18	1,203,472	379,150
Current liabilities			
Accruals and other payables			
	22	178,797	148,393
Due to subsidiaries	8	124,045	305,122
Borrowings	18	–	70,421
Derivative financial instruments	19	45,019	241
		347,861	524,177
Total liabilities		1,551,333	903,327
Total equity and liabilities		2,010,865	1,492,903
Net current assets		349,309	193,647
Total assets less current liabilities		1,663,004	968,726

The notes on pages 60 to 143 are an integral part of these financial statements.

第60至143頁之附註為此財務報表之一部分。

The financial statements on pages 52 to 143 were approved by the Board of Directors on 19 March 2012 and were signed on its behalf.

第52至143頁之財務報表已於二零一二年三月十九日獲董事會批准，並由下列董事代表簽署：

Hong Tianzhu
Director

Zhu Yongxiang
Director

洪天祝
董事

朱永祥
董事

		Year ended 31 December 截至十二月三十一日止年度	
	Note 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		6,872,713	5,471,598
Cost of sales	24	(6,317,128)	(4,162,989)
Gross profit		555,585	1,308,609
Selling and distribution costs	24	(151,781)	(128,930)
General and administrative expenses	24	(208,833)	(204,867)
Other income	23	21,993	49,517
Other losses – net	23	(58,742)	(39,292)
Operating profit		158,222	985,037
Finance income	27	7,948	2,792
Finance costs	27	(85,680)	(46,358)
Finance costs – net	27	(77,732)	(43,566)
Share of profit of an associate	9	2,985	8,702
Profit before income tax		83,475	950,173
Income tax expense	29	(22,200)	(109,039)
Profit for the year		61,275	841,134
Profit attributable to:			
Owners of the Company		61,256	841,225
Non-controlling interests		19	(91)
		61,275	841,134
Earnings per share attributable to equity holders of the Company during the year (expressed in RMB per share)			
Basic earnings per share	31	0.07	0.95
Diluted earnings per share	31	0.07	0.95
Dividends	32	72,304	211,181

The notes on pages 60 to 143 are an integral part of these consolidated financial statements.

第60至143頁之附註為此綜合財務報表之一部分。

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

		Year ended 31 December 截至十二月三十一日止年度	
	Note 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
Profit for the year		61,275	841,134
Other comprehensive income:			
Revaluation of buildings			
– gross	17	–	32,181
– deferred income tax	17	–	(7,665)
Other comprehensive income for the year		–	24,516
Total comprehensive income for the year		61,275	865,650
Attributable to:			
Owners of the Company		61,256	865,741
Non-controlling interests		19	(91)
		61,275	865,650

The notes on pages 60 to 143 are an integral part of these consolidated financial statements.

第60至143頁之附註為此綜合財務報表之一部分。

		Attributable to owners of the Company 本公司擁有人應佔					Non- controlling interests	Total equity
		Share capital 股本 RMB'000 人民幣千元	Share premium 股份溢價 RMB'000 人民幣千元	Other reserves 其他儲備 RMB'000 人民幣千元	Retained earnings 保留溢利 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元	非控制性權益 RMB'000 人民幣千元	總股東權益 RMB'000 人民幣千元
Note 附註								
Balance at 1 January 2010	於二零一零年 一月一日的結餘	94,064	189,218	340,496	862,887	1,486,665	—	1,486,665
Comprehensive income	全面收益							
Profit for the year	年內溢利	—	—	—	841,225	841,225	(91)	841,134
Other comprehensive income	其他全面收益							
Surplus on revaluation of buildings	重估樓宇之盈餘							
– gross	—總額	17	—	32,181	—	32,181	—	32,181
– deferred income tax	—遞延所得稅	17	—	(7,665)	—	(7,665)	—	(7,665)
Transfer from revaluation reserve to retained earnings	由重估儲備轉撥至保留溢利							
– gross	—總額	17	—	(2,660)	2,660	—	—	—
– deferred income tax	—遞延所得稅	17	—	789	(789)	—	—	—
Total comprehensive income	全面收益總額	—	—	22,645	1,871	24,516	—	24,516
Transactions with owners	與股權持有人之交易							
Capital injection	注資	—	—	—	—	—	167	167
Dividend relating to 2009	有關二零零九年之股息	32	—	—	(58,369)	(58,369)	—	(58,369)
Dividend relating to 2010	有關二零一零年之股息	32	—	—	(84,938)	(84,938)	—	(84,938)
Transfer to statutory reserves	轉撥至法定儲備	17	—	56,158	(56,158)	—	—	—
Total transactions with owners	與股權持有人之交易總額	—	—	56,158	(199,465)	(143,307)	167	(143,140)
Balance at 31 December 2010	於二零一零年 十二月三十一日 的結餘	94,064	189,218	419,299	1,506,518	2,209,099	76	2,209,175

The notes on pages 60 to 143 are an integral part of these consolidated financial statements.

第60至143頁之附註為此綜合財務報表之一部分。

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

The notes on pages 60 to 143 are an integral part of these consolidated financial statements.

第60至143頁之附註為此綜合財務報表之一部分。

		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
	Note 附註		
Cash flows from operating activities	來自經營活動的現金流量		
Cash generated from operations	經營所產生之現金	56,524	547,876
Interest received	已收利息	7,948	2,792
Income tax paid	已付所得稅	(100,227)	(80,525)
Net cash (used in)/generated from operating activities	經營活動(所耗)/所得現金淨額	(35,755)	470,143
Cash flows from investing activities	來自投資活動的現金流量		
Purchases of property, plant and equipment	購買物業、廠房及設備	(420,989)	(349,094)
Purchase of land use rights	購買土地使用權	(38,813)	—
Proceeds from sale of property, plant and equipment	出售物業、廠房及設備所得款項	18,818	8,980
Net cash used in investing activities	投資活動所耗現金淨額	(440,984)	(340,114)
Cash flows from financing activities	來自融資活動的現金流量		
Proceeds from capital injection from non-controlling interest	非控制性權益注資所得款項	—	167
Proceeds from borrowings	借貸所得款項	1,965,578	1,126,219
Repayments of borrowings	償還借貸	(1,273,079)	(846,990)
Dividends paid to the Company's Shareholders	向本公司股東派付之股息	(198,547)	(143,307)
Interest paid	已付利息	(126,596)	(69,323)
Decrease/(increase) in pledged bank deposits	已抵押銀行存款減少/(增加)	3,324	(19,332)
Net cash generated from financing activities	融資活動所得現金淨額	370,680	47,434
Net increase in cash and cash equivalents	現金及現金等值物增加淨額	(106,059)	177,463
Cash and cash equivalents at beginning of year	年初之現金及現金等值物	569,466	392,003
Cash and cash equivalents at end of the year	年終之現金及現金等值物	463,407	569,466

The notes on pages 60 to 143 are an integral part of these consolidated financial statements.

第60至143頁之附註為此綜合財務報表之一部分。

1. GENERAL INFORMATION

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

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

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

These consolidated financial statements are presented in Chinese Renminbi (“RMB”), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 19 March 2012.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

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

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

1. 一般資料

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

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

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

除非另有指明，該等綜合財務報表以中國人民幣(「人民幣」)呈列。董事會於二零一二年三月十九日批准刊發該等綜合財務報表。

2. 重要會計政策摘要

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

2.1 編製基準

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

編製符合香港財務報告準則之財務報表需要使用若干關鍵會計估計，這需要管理層於應用本集團會計政策之過程中作出判斷。涉及高度的判斷或高度複雜性的範疇，或涉及對綜合財務報表作出重大假設和估計的範疇，在附註4中披露。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

(a) New and amended standards adopted by the Group

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 January 2011 that are relevant to the Group.

- HKAS 24 (Revised), "Related Party Disclosures" is effective for annual period beginning on or after January 2011. It introduces an exemption from all of the disclosure requirements of HKAS 24 for transactions among government related entities and the government. Those disclosures are replaced with a requirement to disclose:
 - The name of the government and the nature of their relationship;
 - The nature and amount of any individually significant transactions; and
 - The extent of any collectively-significant transactions qualitatively or quantitatively.

It also clarifies and simplifies the definition of a related party. The Group has applied this new accounting policy; however it has no impact on the financial statements.

2. 重要會計政策摘要(續)

2.1 編製基準(續) 會計政策變更及披露

(a) 本集團已採納之新訂及經修訂準則

以下與本集團有關之新準則及準則修訂已於二零一一年一月一日開始之財政年度首次強制採納。

- 香港會計準則第24號(經修訂)「關聯方披露」於二零一一年一月或以後開始之年度期間生效。該準則提出香港會計準則第24號有關政府相關主體之間和與政府進行交易的所有披露規定的豁免。該等披露事項由披露以下各項之規定所取代：
 - 政府的名稱及交易雙方關係的性質；
 - 任何個別而言屬重大的交易的性質及金額；及
 - 任何按質或按量計合計而言屬重大的交易的範圍。

該準則亦釐清和簡化關聯方的定義。本集團已應用此新會計政策，惟該政策並無對財務報表構成影響。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**2.1 Basis of preparation (Continued)****Changes in accounting policy and disclosures (Continued)**

- (b) *New and amended standards have been issued but are not effective for the financial year beginning 1 January 2011 and have not been early adopted*

The Group's assessment of the impact of these new and amended standards is set out below.

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

2. 重要會計政策摘要(續)**2.1 編製基準(續)****會計政策變更及披露(續)**

- (b) *已頒佈但於二零一一年一月一日開始之財政年度尚未生效且並未提早採納之新準則、修訂及詮釋*

本集團經修訂準則對該等新準則及經修訂準則之影響之評估載列如下。

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

Changes in accounting policy and disclosures (Continued)

(b) *New and amended standards have been issued but are not effective for the financial year beginning 1 January 2011 and have not been early adopted (Continued)*

- HKFRS 10 “Consolidated financial statements” builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess.
- HKFRS 13 “Fair value measurement” aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across HKFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within HKFRSs.

The Group is yet to assess these standards' full impact and intends to adopt these standards no later than the accounting period beginning on or after 1 January 2013. There are no other HKFRSs or HK(IFRIC) interpretations that are not yet effective that would be expected to have a material impact on the Group.

2. 重要會計政策摘要 (續)

2.1 編製基準 (續)

會計政策變更及披露 (續)

(b) *已頒佈但於二零一一年一月一日開始之財政年度尚未生效且並未提早採納之新準則、修訂及詮釋 (續)*

- 香港財務報告準則第10號「綜合財務報表」以現有原則為基礎，確定將控制權的概念作為釐定實體應否計入母公司的綜合財務報表的因素。該準則提供額外指引，在難以評估的情況下協助釐定控制權。
- 香港財務報告準則第13號「公平值計量」旨在透過提供公平值的精確定義及於香港財務報告準則中使用的公平值計量及披露規定的單一來源而提升一致性及減少複雜性。該等規定並不擴大公平值會計的使用，但提供當其使用已由香港財務報告準則內的其他準則規定或准許的情況下應如何運用的指引。

本集團尚未評估該等準則的全面影響，並擬不遲於二零一三年一月一日或之後開始的會計期間採納該等準則。概無其他尚未生效之香港財務報告準則或香港（國際財務報告詮釋委員會）詮釋預期會對本集團產生重大影響。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Subsidiaries

2.2.1 Consolidation

(a) Subsidiaries

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

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

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

2. 重要會計政策摘要(續)

2.2 附屬公司

2.2.1 綜合賬目

(a) 附屬公司

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Subsidiaries (Continued)

2.2.1 Consolidation (Continued)

(b) Business Combination

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

Acquisition-related costs are expensed as incurred.

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

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

2. 重要會計政策摘要(續)

2.2 附屬公司(續)

2.2.1 綜合賬目(續)

(b) 業務合併

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

收購相關成本於產生時支銷。

(c) 不導致控制權改變之附屬公司所有者權益變動

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**2.2 Subsidiaries (Continued)****2.2.1 Consolidation (Continued)****(d) Disposal of subsidiaries**

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

2.2.2 Separate financial statements

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

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

2. 重要會計政策摘要(續)**2.2 附屬公司(續)****2.2.1 綜合賬目(續)****(d) 出售附屬公司**

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

2.2.2 獨立財務報表

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Associates

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

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

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

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

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

2. 重要會計政策摘要(續)

2.3 聯營公司

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

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

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

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

於聯營公司之投資所產生攤薄盈虧於綜合收益表確認。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**2.4 Segment reporting**

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

2.5 Foreign currency translation**(a) Functional and presentation currency**

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

(b) Transactions and balances

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

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

2. 重要會計政策摘要(續)**2.4 分類報告**

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

2.5 外幣換算**(a) 功能及呈報貨幣**

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

(b) 交易及結餘

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Foreign currency translation (Continued)

(c) Group companies

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

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

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

2. 重要會計政策摘要 (續)

2.5 外幣換算 (續)

(c) 集團公司

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**2.6 Property, plant and equipment**

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

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

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

2. 重要會計政策摘要(續)**2.6 物業、廠房及設備**

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.6 Property, plant and equipment (Continued)

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

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

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

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

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

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

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

2. 重要會計政策摘要 (續)

2.6 物業、廠房及設備 (續)

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

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

本集團在各報告期末重檢資產的剩餘價值及可使用年期，並已按適當情況作出調整。

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

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

重估資產售出後，重估儲備內的金額轉移至保留溢利。

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 Land use rights

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

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

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

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

2. 重要會計政策摘要(續)

2.7 土地使用權

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

2.8 附屬公司及聯營公司的投資及非金融資產減值

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Derivative financial instruments

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

2.10 Government grants/subsidies

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

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

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

2.11 Inventories

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

2. 重要會計政策摘要 (續)

2.9 衍生金融工具

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

2.10 政府補助／補貼

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

與資產有關之政府補助／補貼乃於扣減補助以得出資產賬面值後在資產負債表呈列。

有關搬遷賠償之政府補助／補貼遞延處理，並於搬遷進行之期間在損益表中確認。

2.11 存貨

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Trade and other receivables

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

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

2.13 Cash and cash equivalents

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

2.14 Share capital

Ordinary shares are classified as equity.

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

2.15 Trade payables

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

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

2. 重要會計政策摘要(續)

2.12 應收貿易款項及其他應收賬款

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

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

2.13 現金及現金等值物

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

2.14 股本

普通股分類為權益。

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

2.15 應付貿易款項

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

應付貿易款項最初按公平值確認,其後以實際利率法按攤銷成本計量。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.16 Borrowings

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

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

2.17 Borrowing costs

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

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

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

2. 重要會計政策摘要 (續)

2.16 借貸

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

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

2.17 借貸成本

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

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

所有其他借貸成本於其產生期間於損益確認。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.18 Current and deferred income tax

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

(a) Current income tax

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

(b) Deferred income tax

Inside basis differences

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

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

2. 重要會計政策摘要(續)

2.18 即期及遞延所得稅

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

(a) 即期所得稅

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

(b) 遞延所得稅

內在基準差異

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

遞延所得稅資產只會在未來應課稅溢利有可能用作抵銷暫時差異時才會確認。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.18 Current and deferred income tax (Continued)

(b) Deferred income tax (Continued)

Outside basis differences

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

(c) Offsetting

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

2.19 Employee benefits

(a) Employee leave entitlements

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

2. 重要會計政策摘要 (續)

2.18 即期及遞延所得稅 (續)

(b) 遞延所得稅 (續)

外在基準差異

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

(c) 抵銷

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

2.19 僱員福利

(a) 僱員所享有假期

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.19 Employee benefits (Continued)

(b) Pension obligations (defined contribution plans)

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

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

(c) Share-based compensation

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

2. 重要會計政策摘要(續)

2.19 僱員福利(續)

(b) 退休金承擔(定額供款計劃)

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

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

(c) 以股份作補償

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.19 Employee benefits (Continued)

(c) Share-based compensation (Continued)

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

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

(d) Bonus plan

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

2.20 Provisions

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

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

2. 重要會計政策摘要 (續)

2.19 僱員福利 (續)

(c) 以股份作補償 (續)

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

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

(d) 花紅計劃

本集團於合同規定或由過往做法產生推定責任時就花紅確認撥備。

2.20 撥備

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.20 Provisions (Continued)

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

2.21 Revenue recognition

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

(a) Sales of goods

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

(b) Interest income

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

2. 重要會計政策摘要(續)

2.20 撥備(續)

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

2.21 收入確認

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

(a) 貨品銷售

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

(b) 利息收入

利息收入採用實際利率法按時間比例基準確認。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.22 Operating leases (as the lessee)

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

2.23 Dividend distribution

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

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

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

(a) Foreign exchange risk

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

2. 重要會計政策摘要 (續)

2.22 經營租賃 (作為承租人)

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

2.23 股息分派

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

3. 財務風險管理

3.1 財務風險因素

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

(a) 外匯風險

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

3. FINANCIAL RISK MANAGEMENT*(Continued)***3.1 Financial risk factors (Continued)****(a) Foreign exchange risk (Continued)**

At 31 December 2011, if RMB had weakened/strengthened by 4.9% against USD with all other variable held constant, post-tax profit for the year would have been RMB44,786,000 (2010: RMB33,323,000) lower/higher, mainly as a result of foreign exchange losses/gains on translation of USD-denominated pledged bank deposits, cash and cash equivalents, trade and bills receivables, trade and bills payables and borrowings.

(b) Cash flow and fair value interest rate risk

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

The Group's interest-rate risk arises from borrowings. Borrowings issued at variable rates expose the Group to cash flow interest-rate risk. Borrowings issued at fixed rates expose the Group to fair value interest-rate risk. As at 31 December 2011, approximately 79% (2010: 55%) of the Group's borrowings were at fixed rates and the remaining were at floating rates.

The Group manages certain of its cash flow interest rate risk by using interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates or from fixed rates to floating rates. As at 31 December 2011, the Group converted borrowings of RMB5,671,000 (2010: RMB17,881,000) from floating rate to fixed rate and converted borrowings of RMB1,260,180,000 (2010: nil) from fixed rate to floating rate through interest rate swap (Note 19).

3. 財務風險管理(續)**3.1 財務風險因素(續)****(a) 外匯風險(續)**

於二零一一年十二月三十一日，倘人民幣兌美元的匯率貶值／升值4.9%，而所有其他可變因素維持不變，則年內稅後溢利將會減少／增加人民幣44,786,000元(二零一零年：人民幣33,323,000元)，主要由於匯兌以美元列示的已抵押銀行存款、現金及現金等值物、應收貿易及票據款項、應付貿易及票據款項以及借貸產生的外匯虧損／收益所致。

(b) 現金流量及公平值利率風險

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

本集團的利率風險來自借貸。按浮息計息的借貸令本集團面對現金流量利率風險，按定息計息的借貸則令本集團面對公平值利率風險。於二零一一年十二月三十一日，本集團約79%(二零一零年：55%)之借貸為定息，其餘為浮息。

本集團透過利率掉期而管理其若干現金流量利率風險。利率掉期之經濟影響為將借貸由浮息轉為定息或由定息轉為浮息。於二零一一年十二月三十一日，本集團將人民幣5,671,000元(二零一零年：人民幣17,881,000元)之借貸透過利率掉期由浮息轉為定息，並將人民幣1,260,180,000元(二零一零年：無)由定息轉為浮息(附註19)。

3. FINANCIAL RISK MANAGEMENT

(Continued)

3.1 Financial risk factors (Continued)

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

As at 31 December 2011, if interest rates on USD-denominated borrowings had been 0.3 percentage-points lower/higher with all other variables held constant, post-tax profit for the year would have been RMB446,000 (2010: RMB1,499,000) higher/lower, mainly as a result of lower/higher interest expense on floating rate borrowings.

(c) Price risk

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

(d) Credit risk

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

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

3. 財務風險管理(續)

3.1 財務風險因素(續)

(b) 現金流量及公平值利率風險(續)

於二零一一年十二月三十一日，倘以美元列示的借貸利率下跌／上升0.3個百分點，而所有其他可變因素維持不變，則年內稅後溢利將增加／減少人民幣446,000元(二零一零年：人民幣1,499,000元)，主要由於浮息借貸的利息開支減少／增加所致。

(c) 價格風險

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

(d) 信貸風險

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

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

3. FINANCIAL RISK MANAGEMENT

(Continued)

3.1 Financial risk factors (Continued)

(d) Credit risk (Continued)

To lower the Group's exposure to credit risk, the Group may request 5% deposits from certain of their customers before delivery of goods. In addition, most of the sales in Vietnam are covered by letters of credit issued by banks. As at 31 December 2011, 70% (2010: 69%) of the trade and bills receivables are covered by letters of credit issued by banks.

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

(e) Liquidity risk

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

3. 財務風險管理(續)

3.1 財務風險因素(續)

(d) 信貸風險(續)

為降低本集團所面對之信貸風險，本集團可能在交付貨品前要求若干客戶提供5%之按金。另外，大部分於越南之銷售均由銀行發出之信用狀涵蓋。於二零一一年十二月三十一日，70%（二零一零年：69%）之應收貿易及票據款項由銀行發出之信用狀涵蓋。

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

(e) 流動資金風險

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

3. FINANCIAL RISK MANAGEMENT

(Continued)

3.1 Financial risk factors (Continued)

(e) Liquidity risk (Continued)

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

		Less than 1 year 少於一年 RMB'000 人民幣千元	Between 1 and 2 years 一年至兩年 RMB'000 人民幣千元	Between 2 and 5 years 兩年至五年 RMB'000 人民幣千元
Group	本集團			
At 31 December 2011	於二零一一年十二月三十一日			
Borrowings	借貸	143,519	107,895	1,604,380
Interest payable on borrowings	借貸應付利息	127,151	118,195	234,428
Derivative financial instruments	衍生金融工具	45,019	—	—
Trade and bills payables	應付貿易及票據款項	502,408	—	—
Accruals and other payables	預提費用及其他應付賬款	290,967	—	—
		1,109,064	226,090	1,838,808
At 31 December 2010	於二零一零年十二月三十一日			
Borrowings	借貸	609,912	227,753	402,053
Interest payable on borrowings	借貸應付利息	48,229	27,172	17,326
Derivative financial instruments	衍生金融工具	33,469	—	—
Trade and bills payables	應付貿易及票據款項	859,402	—	—
Accruals and other payables	預提費用及其他應付賬款	346,099	—	—
		1,897,111	254,925	419,379
Company	本公司			
At 31 December 2011	於二零一一年十二月三十一日			
Borrowings	借貸	—	—	1,203,472
Interest payable on borrowings	借貸應付利息	91,765	91,765	188,306
Derivative financial instruments	衍生金融工具	45,019	—	—
Due to subsidiaries	應付附屬公司款項	124,045	—	—
Accruals and other payables	預提費用及其他應付賬款	178,797	—	—
		439,626	91,765	1,391,778
At 31 December 2010	於二零一零年十二月三十一日			
Borrowings	借貸	70,421	142,388	236,762
Interest payable on borrowings	借貸應付利息	21,880	16,748	7,164
Derivative financial instruments	衍生金融工具	241	—	—
Due to subsidiaries	應付附屬公司款項	305,122	—	—
Accruals and other payables	預提費用及其他應付賬款	145,629	—	—
		543,293	159,136	243,926

3. FINANCIAL RISK MANAGEMENT

(Continued)

3.2 Capital risk management

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

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

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

The gearing ratios are as follows:

		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
Total borrowings (Note 18)	借貸總額(附註18)	1,855,794	1,239,718
Less: pledged bank deposits and cash and cash equivalents (Note 14)	減：已抵押銀行存款及現金及現金等值物(附註14)	(495,314)	(604,697)
Net debt	負債淨額	1,360,480	635,021
Total equity	總股東權益	2,071,808	2,209,099
Total capital	資本總額	3,432,288	2,844,120
Net gearing ratio	淨資產負債比率	40%	22%

The increase in gearing ratio during 2011 was a result of the increase in borrowings for the expansion of the Group.

3. 財務風險管理(續)

3.2 資金風險管理

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

為維持或調整資本結構，本集團或會調整向股東派付股息金額或發行新股份。

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

資產負債比率如下：

由於本集團擴展令借貸增加，使二零一一年之負債比率相應上升。

3. FINANCIAL RISK MANAGEMENT

(Continued)

3.3 Fair value estimation

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

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

As at 31 December 2011, the Group held interest rate swap contracts, and these derivative financial instruments are classified under level 2. The fair value of interest rate swap contracts are calculated as the present value of the estimated future cash flows based on observable yield curves.

The following table presents the Group's liabilities that are measured at fair value at 31 December 2011 and 2010:

3. 財務風險管理(續)

3.3 公平值估計

下表以估值法分析按公平值列賬之金融工具，各等級分析如下：

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

於二零一一年十二月三十一日，本集團持有利率掉期合約，而該等衍生金融工具分類為第二級。利率掉期合約之公平值乃基於可觀察收益率曲線並按估計日後現金流量的現值計量。

下表載列本集團於二零一一年及二零一零年十二月三十一日按公平值計量之負債。

		Level 1 第一級 RMB'000 人民幣千元	Level 2 第二級 RMB'000 人民幣千元	Level 3 第三級 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 31 December 2011	於二零一一年 十二月三十一日				
Liabilities	負債				
Derivative financial instruments	衍生金融工具	—	45,019	—	45,019
At 31 December 2010	於二零一零年 十二月三十一日				
Liabilities	負債				
Derivative financial instruments	衍生金融工具	33,228	241	—	33,469

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

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

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

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

4.2 Net realisable value of inventories

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

4. 關鍵會計估計及判斷

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

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

4.1 物業、廠房及設備之估計可使用年期及剩餘價值

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

4.2 存貨之可變現淨值

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

4.3 Impairment of trade, bills and other receivables

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

4.4 Income taxes and deferred income tax

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

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

4. 關鍵會計估計及判斷 (續)

4.3 應收貿易及票據款項以及其他應收賬款減值

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

4.4 所得稅及遞延所得稅

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

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

4.5 Impairment of the Group's assets

The Group's management follows the guidance of HKAS 36 to determine whether the Group's assets are impaired. As at 31 December 2011, the Group's market capitalisation was lower than the Group's net assets value, which is an impairment indicator requiring an estimate of the recoverable amount to be performed. The assessment requires significant judgments and estimations by the Group's management. In making these judgments and estimations, the Group's management evaluates and considers both qualitative and quantitative factors that will affect the value-in-use of assets such as the extent of difference between the net assets value and market capitalisation, composition of the Group's assets and results.

The Group's management has performed the impairment test according to HKAS 36, and determines that no assets have impairment on the basis that there is no material changes in existing political, legal, fiscal or economic conditions in the respective countries in which the Group operates, and the production capacity, selling price, gross margin and operating expenses of the Group keep stable since the end of 31 December 2011.

4. 關鍵會計估計及判斷(續)

4.5 本集團資產的減值

本集團管理層依循香港會計準則第36號的指示，釐定本集團的資產是否已減值。於二零一一年十二月三十一日，本集團的市值低於本集團的資產淨值，為一項減值指示，反映需要作出可收回金額的估計。評估需要本集團管理層作出重大判斷及估計。在作出該等判斷及估計時，本集團管理層評估及考慮定性及定量的因素，該等因素將影響資產的使用價值，例如淨值資產與市場的差額、本集團資產及業績的組成。

本集團管理已根據香港會計則第36號作出減值測試，並釐定沒有出現減值，因為本集團經營所在的各個國家的現有政治、法律、財務或經濟情況沒有發生重大變動，而本集團的產能、售價、毛利及經營開支由二零一一年十二月三十一日起一直保持穩定。

5. SEGMENT INFORMATION

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

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

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

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

5. 分類資料

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

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

執行董事委員會根據收入及經營溢利評估經營分類之業績。

截至二零一一年十二月三十一日止年度之分類資料如下：

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

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

(All amounts in RMB)
(所有金額以人民幣計值)

5. SEGMENT INFORMATION (Continued)

The segment information for the year ended 31 December 2010 is as follows:

5. 分類資料(續)

截至二零一零年十二月三十一日止年度
之分類資料如下：

		Year ended 31 December 2010 截至二零一零年十二月三十一日止年度						
		Yarn 紗線				Grey fabrics 坯布	Garment fabrics 面料	Total 總額
		Mainland China 中國大陸 RMB'000 人民幣千元	Vietnam 越南 RMB'000 人民幣千元	Macao 澳門 RMB'000 人民幣千元	Hong Kong 香港 RMB'000 人民幣千元	Mainland China 中國大陸 RMB'000 人民幣千元	Mainland China 中國大陸 RMB'000 人民幣千元	RMB'000 人民幣千元
Total revenue	總收入	4,285,738	1,646,082	1,847,828	135,363	918,845	143,306	8,977,162
Inter-segment revenue	分類間收入	(489,404)	(1,108,949)	(1,794,652)	(112,559)	—	—	(3,505,564)
Revenue (from external customers)	收入(來自外部客戶)	3,796,334	537,133	53,176	22,804	918,845	143,306	5,471,598
Segment results	分類業績	552,984	254,800	149,265	926	39,324	15,126	1,012,425
Unallocated expenses	未分配費用							(27,388)
Operating results	經營業績							985,037
Finance income	財務收入							2,792
Finance costs	財務費用							(46,358)
Share of profit of an associate	分佔聯營公司溢利							8,702
Income tax expense	所得稅開支							(109,039)
Profit for the year	年內溢利							841,134
Depreciation and amortisation	折舊及攤銷	(68,038)	(53,189)	(9)	(192)	(20,730)	(2,310)	(144,468)

5. SEGMENT INFORMATION (Continued)

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

5. 分類資料(續)

於二零一一年十二月三十一日之分類資產及負債如下：

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

The segment assets and liabilities as at 31 December 2010 are as follows:

於二零一零年十二月三十一日之分類資產及負債如下：

		As at 31 December 2010 於二零一零年十二月三十一日							
		Yarn 紗線					Grey fabrics 坯布	Garment fabrics 面料	Total 總額
		Mainland China 中國大陸 RMB'000 人民幣千元	Vietnam 越南 RMB'000 人民幣千元	Macao 澳門 RMB'000 人民幣千元	Hong Kong 香港 RMB'000 人民幣千元	Sub-total 小計 RMB'000 人民幣千元	Mainland China 中國大陸 RMB'000 人民幣千元	Mainland China 中國大陸 RMB'000 人民幣千元	RMB'000 人民幣千元
Total segment assets	分類總資產	2,919,594	1,197,406	114,040	4,348	4,235,388	538,049	99,705	4,873,142
Unallocated assets	未分配資產								36,098
Total assets of the Group	本集團總資產								4,909,240
Total segment liabilities	分類總負債					(2,011,165)	(143,589)	(14,272)	(2,169,026)
Unallocated liabilities	未分配負債								(531,039)
Total liabilities of the Group	本集團總負債								(2,700,065)
Capital expenditure	資本開支	243,253	238,485	19	69	481,826	3,332	100	485,258

6. LAND USE RIGHTS – GROUP

The Group's interests in land use rights represent prepaid operating lease payments and their net book value are analysed 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
Leases of between 45 to 50 years	45至50年的租賃		
– In Mainland China	– 於中國大陸	127,612	131,095
– In Vietnam	– 於越南	58,099	19,980
		185,711	151,075

As at 31 December 2011, land use rights with a net book amount of RMB50,899,000 (2010: RMB52,134,000) was pledged as collateral of the Group's bank borrowings (Note 18).

6. 土地使用權—本集團

本集團於土地使用權的權益指預付經營租賃款項，其賬面淨值分析如下：

於二零一一年十二月三十一日，賬面淨值人民幣50,899,000元(二零一零年：人民幣52,134,000元)的土地使用權已抵押作本集團銀行借貸的抵押品(附註18)。

		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
Opening amount	年初金額	151,075	154,483
Additions	添置	38,813	—
Amortisation (Note 24)	攤銷(附註24)	(4,177)	(3,408)
Closing amount	年末金額	185,711	151,075
Cost	成本	201,274	162,461
Accumulated amortisation	累計攤銷	(15,563)	(11,386)
Net book amount	賬面淨值	185,711	151,075

Amortisation was included in cost of sales.

攤銷已計入銷售成本。

7. PROPERTY, PLANT AND EQUIPMENT – GROUP AND COMPANY

7. 物業、廠房及設備—本集團及本公司

		Buildings 樓宇 RMB'000 人民幣千元	Machinery and equipment 機器及設備 RMB'000 人民幣千元	Furniture and fixtures 傢俬及裝置 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Construction in-progress 在建工程 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2010	於二零一零年一月一日						
Cost or valuation	成本或估值	504,559	1,258,722	16,102	11,968	70,329	1,861,680
Accumulated depreciation	累計折舊	(53,373)	(356,600)	(9,530)	(6,632)	–	(426,135)
Net book amount	賬面淨值	451,186	902,122	6,572	5,336	70,329	1,435,545
Year ended 31 December 2010	截至二零一零年十二月三十一日止年度						
Opening net book amount	年初賬面淨值	451,186	902,122	6,572	5,336	70,329	1,435,545
Additions	添置	5,936	5,533	2,320	3,294	468,175	485,258
Transfers	轉讓	58,193	221,151	–	–	(279,344)	–
Revaluation (Note 17)	重估(附註17)	32,181	–	–	–	–	32,181
Disposals (Note 33)	出售(附註33)	–	(12,779)	(33)	(182)	–	(12,994)
Depreciation charges (Note 24)	折舊支出(附註24)	(25,365)	(111,233)	(2,719)	(1,743)	–	(141,060)
Closing net book amount	年末賬面淨值	522,131	1,004,794	6,140	6,705	259,160	1,798,930
At 31 December 2010	於二零一零年十二月三十一日						
Cost or valuation	成本或估值	522,131	1,455,342	18,164	14,277	259,160	2,269,074
Accumulated depreciation	累計折舊	–	(450,548)	(12,024)	(7,572)	–	(470,144)
Net book amount	賬面淨值	522,131	1,004,794	6,140	6,705	259,160	1,798,930
Year ended 31 December 2011	截至二零一一年十二月三十一日止年度						
Opening net book amount	年初賬面淨值	522,131	1,004,794	6,140	6,705	259,160	1,798,930
Additions	添置	1,122	26,803	18,130	4,026	335,900	385,981
Transfers	轉讓	91,378	435,236	–	–	(526,614)	–
Disposals (Note 33)	出售(附註33)	(96)	(20,634)	(79)	(161)	–	(20,970)
Depreciation charges (Note 24)	折舊支出(附註24)	(25,975)	(140,994)	(3,054)	(2,141)	–	(172,164)
Closing net book amount	年末賬面淨值	588,560	1,305,205	21,137	8,429	68,446	1,991,777
At 31 December 2011	於二零一一年十二月三十一日						
Cost or valuation	成本或估值	614,452	1,877,648	33,409	16,929	68,446	2,610,884
Accumulated depreciation	累計折舊	(25,892)	(572,443)	(12,272)	(8,500)	–	(619,107)
Net book amount	賬面淨值	588,560	1,305,205	21,137	8,429	68,446	1,991,777

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

Group (Continued)

Buildings with net book amount of RMB504,913,000 (2010: RMB522,131,000) at 31 December 2011 were stated at open market value, based on a valuation performed by DTZ Debenham Tie Leung Limited, an independent firm of qualified valuers. The revaluation surplus, net of applicable deferred income tax liabilities, was credited to revaluation reserve in equity (Note 17).

During the year ended 31 December 2011, depreciation of RMB156,821,000 (2010: RMB128,398,000) was included in cost of sales, RMB201,000 (2010: RMB81,000) was included in selling and distribution costs and RMB15,142,000 (2010: RMB12,581,000) was included in general and administrative expenses.

During the year ended 31 December 2011, finance cost of RMB353,000 (2010: RMB126,000) was capitalised as part of property, plant and equipment at a rate of 2.3% (2010: 6.0%) per annum (Note 27).

As at 31 December 2011, property, plant and equipment of approximately RMB387,214,000 (2010: RMB487,934,000) were pledged as collateral of the Group's bank borrowings (Note 18).

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

7. 物業、廠房及設備—本集團及本公司(續)

本集團(續)

根據獨立合資格估值公司戴德梁行有限公司進行的估值，於二零一一年十二月三十一日賬面淨值為人民幣504,913,000元(二零一零年：人民幣522,131,000元)的樓宇乃以公開市值列賬。重估盈餘扣除適用的遞延所得稅負債，計入權益內的重估儲備(附註17)。

於截至二零一一年十二月三十一日止年度，人民幣156,821,000元(二零一零年：人民幣128,398,000元)的折舊已計入銷售成本，人民幣201,000元(二零一零年：人民幣81,000元)的折舊已計入銷售及分銷開支及人民幣15,142,000元(二零一零年：人民幣12,581,000元)的折舊已計入一般及行政開支。

於截至二零一一年十二月三十一日止年度，財務費用人民幣353,000元(二零一零年：人民幣126,000元)已資本化為物業、廠房及設備的一部分，按年度資本化率為2.3%(二零一零年：6.0%)(附註27)。

於二零一一年十二月三十一日，物業、廠房及設備約人民幣387,214,000元(二零一零年：人民幣487,934,000元)已抵押為本集團銀行借貸的抵押品(附註18)。

倘樓宇以歷史成本法列賬，金額將如下：

		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	成本	600,217	507,896
Accumulated depreciation	累計折舊	(79,243)	(57,626)
Net book amount	賬面淨值	520,974	450,270

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

Group (Continued)

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

7. 物業、廠房及設備—本集團及本公司(續)

本集團(續)

以上資產的成本或估值分析如下：

		Buildings 樓宇 RMB'000 人民幣千元	Machinery and equipment 機器及設備 RMB'000 人民幣千元	Furniture and fixtures 傢俬及裝置 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Construction in-progress 在建工程 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 31 December 2011	於二零一一年 十二月三十一日						
At cost	按成本	92,321	1,877,648	33,409	16,929	68,446	2,088,753
At valuation – 31 December 2010	按估值 —於二零一零年 十二月三十一日	522,131	—	—	—	—	522,131
		614,452	1,877,648	33,409	16,929	68,446	2,610,884
At 31 December 2010	於二零一零年 十二月三十一日						
At cost	按成本	—	1,455,342	18,164	14,277	259,160	1,746,943
At valuation – 31 December 2010	按估值 —於二零一零年 十二月三十一日	522,131	—	—	—	—	522,131
		522,131	1,455,342	18,164	14,277	259,160	2,269,074

The buildings recorded at cost represent newly added buildings during the year 2011 without revaluation by independent valuer.

按成本值記賬的樓宇代表二零一一年新添的樓宇，未經獨立估值師重估。

Lease rental expense of RMB13,014,000 (2010: RMB12,974,000), relating to the lease of buildings and machinery, was included in cost of sales (Note 24).

有關租賃樓宇及機器的租金開支人民幣13,014,000元(二零一零年：人民幣12,974,000元)已計入銷售成本(附註24)。

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

7. 物業、廠房及設備—本集團及本公司 (續)
本公司

		Furniture and fixtures 傢俬及裝置 RMB'000 人民幣千元
At 1 January 2010	於二零一零年一月一日	
Cost	成本	1,149
Accumulated depreciation	累計折舊	(976)
Net book amount	賬面淨值	173
Year ended 31 December 2010	截至二零一零年十二月三十一日止年度	
Opening net book amount	年初賬面淨值	173
Additions	添置	16
Depreciation	折舊	(68)
Net book amount	賬面淨值	121
At 31 December 2010	於二零一零年十二月三十一日	
Cost	成本	1,165
Accumulated depreciation	累計折舊	(1,044)
Net book amount	賬面淨值	121
Year ended 31 December 2011	截至二零一一年十二月三十一日止年度	
Opening net book amount	年初賬面淨值	121
Depreciation	折舊	(69)
Net book amount	賬面淨值	52
At 31 December 2011	於二零一一年十二月三十一日	
Cost	成本	1,165
Accumulated depreciation	累計折舊	(1,113)
Net book amount	賬面淨值	52

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

8. 於附屬公司的投資及應收／應付附屬公司款項－本公司

		Company 本公司	
		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
Unlisted shares, at cost	非上市股份，按成本	246,989	246,989
Due from subsidiaries – non-current portion (Note(a))	應收附屬公司款項 －非即期部分(附註(a))	1,066,654	527,969
		1,313,643	774,958
Due from subsidiaries – current portion (Note(b))	應收附屬公司款項 －即期部分(附註(b))	695,312	714,362
Due to subsidiaries (Note(b))	應付附屬公司款項(附註(b))	124,045	305,122

Notes:

附註：

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

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

- (b) 該應收／應付附屬公司款項為無抵押、免息且須於一年內償還。

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

本公司主要附屬公司詳情載於附註36。

9. INVESTMENT IN AN ASSOCIATE – GROUP

9. 於聯營公司的投資－本集團

		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
Share of net assets of an unlisted associate (Note (a))	分佔一間非上市聯營公司 資產淨值(附註(a))	46,354	43,369
Goodwill	商譽	191	191
Net book amount	賬面淨值	46,545	43,560

9. INVESTMENT IN AN ASSOCIATE –
GROUP (Continued)

(a) Movement of share of net assets
attributable to 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
Opening amount	年初金額	43,369	34,667
Share of profit	分佔溢利	2,985	8,702
Closing amount	年末金額	46,354	43,369

(b) Particulars of the associate are as follows:

9. 於聯營公司的投資—本集團
(續)

(a) 本集團應佔資產淨值變動

(b) 聯營公司詳細資料如下：

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

9. INVESTMENT IN AN ASSOCIATE – GROUP (Continued)

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

		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	收入	181,766	155,171
Profit for the year	年內溢利	2,985	8,702
Non-current assets	非流動資產	78,501	93,113
Current assets	流動資產	49,685	48,588
Current liabilities	流動負債	(57,016)	(65,146)
Non-current liabilities	非流動負債	(24,816)	(33,186)
Net assets value	資產淨值	46,354	43,369

9. 於聯營公司的投資—本集團 (續)

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

10. FINANCIAL INSTRUMENTS BY CATEGORY – GROUP AND COMPANY Group

10. 按類別劃分的金融工具—本集團及本公司 本集團

		Receivables 應收款項 RMB'000 人民幣千元	Cash and cash equivalents 現金及現金等值物 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
31 December 2011	二零一一年十二月三十一日			
Assets as per balance sheet	資產負債表所列資產			
Trade and bills receivables (Note 12)	應收貿易及票據款項 (附註 12)	640,086	—	640,086
Other receivables excluding prepayments (Note 13)	其他應收賬款 (不包括預付款項) (附註 13)	3,887	—	3,887
Pledged bank deposits and cash and cash equivalents (Note 14)	已抵押銀行存款及現金及現金等值物 (附註 14)	—	495,314	495,314
Total	總計	643,973	495,314	1,139,287

10. FINANCIAL INSTRUMENTS BY CATEGORY – GROUP AND COMPANY

(Continued)

Group (Continued)

10. 按類別劃分的金融工具－本集團及本公司(續)

本集團(續)

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

		Receivables	Cash and cash equivalents 現金及現金等值物	Total
		應收款項 RMB'000 人民幣千元	現金等值物 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
31 December 2010	二零一零年十二月三十一日			
Assets as per balance sheet	資產負債表所列資產			
Trade and bills receivables (Note 12)	應收貿易及票據款項(附註12)	404,319	—	404,319
Other receivables excluding prepayments (Note 13)	其他應收賬款(不包括預付款項)(附註13)	200,376	—	200,376
Pledged bank deposits and cash and cash equivalents (Note 14)	已抵押銀行存款及現金及現金等值物(附註14)	—	604,697	604,697
Total	總計	604,695	604,697	1,209,392

10. FINANCIAL INSTRUMENTS BY CATEGORY – GROUP AND COMPANY

(Continued)
Group (Continued)

10. 按類別劃分的金融工具－本集團及本公司 (續)

本集團 (續)

		Payables	Liabilities at fair value through the profit and loss 按公平值計入損益的負債	Other financial liabilities 其他金融負債	Total 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
Liabilities as per balance sheet	資產負債表所列負債				
Borrowings (Note 18)	借貸 (附註 18)	—	—	1,239,718	1,239,718
Derivative financial instruments (Note 19)	衍生金融工具 (附註 19)	—	33,469	—	33,469
Trade and bills payables (Note 21)	應付貿易及票據款項 (附註 21)	859,402	—	—	859,402
Accruals and other payables excluding deposits and statutory liabilities (Note 22)	預提費用及其他應付賬款 (不包括客戶按金及法定負債) (附註 22)	346,099	—	—	346,099
Total	總計	1,205,501	33,469	1,239,718	2,478,688

Company

本公司

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

10. FINANCIAL INSTRUMENTS BY CATEGORY – GROUP AND COMPANY

(Continued)

Company (Continued)

10. 按類別劃分的金融工具－本集團及本公司 (續)

本公司 (續)

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

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

31 December 2010

二零一零年

十二月三十一日

Assets as per balance sheet

資產負債表所列資產

Due from subsidiaries (Note 8)

應收附屬公司款項

(附註8)

714,362

—

714,362

Other receivables excluding prepayments (Note 13)

其他應收賬款(不包括預付款項)(附註13)

5

—

5

Cash and cash equivalents (Note 14)

現金及現金等值物(附註14)

—

3,457

3,457

Total

總計

714,367

3,457

717,824

10. FINANCIAL INSTRUMENTS BY CATEGORY – GROUP AND COMPANY

(Continued)
Company (Continued)

10. 按類別劃分的金融工具－本集團及本公司(續)

本公司(續)

		Payables	Liabilities at fair value through the profit and loss 按公平值計入損益的負債	Other financial liabilities 其他金融負債	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Liabilities as per balance sheet	資產負債表所列負債				
Borrowings (Note 18)	借貸(附註18)	–	–	449,571	449,571
Derivative financial instruments (Note 19)	衍生金融工具(附註19)	–	241	–	241
Due to subsidiaries (Note 8)	應付附屬公司款項(附註8)	305,122	–	–	305,122
Accruals and other payables excluding deposits and statutory liabilities (Note 22)	預提費用及其他應付賬款(不包括客戶按金及法定負債)(附註22)	145,629	–	–	145,629
Total	總計	450,751	241	449,571	900,563

11. INVENTORIES – GROUP

11. 存貨－本集團

		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	678,972	861,734
Work-in-progress	在製品	48,176	66,536
Finished goods	製成品	561,413	458,581
		1,288,561	1,386,851

The cost of inventories recognised as expense and included in “cost of sales” amounted to RMB6,238,459,000 (2010: RMB4,162,408,000).

The Group recognises losses of approximately RMB78,669,000 (2010: RMB581,000) in respect of the decline in the value of inventories for the year ended 31 December 2011. These amounts have been included in “cost of sales” in the income statement.

確認為費用且列入「銷售成本」的存貨成本為人民幣6,238,459,000元(二零一零年：人民幣4,162,408,000元)。

於截至二零一一年十二月三十一日止年度，本集團就存貨價值減少確認虧損約人民幣78,669,000元(二零一零年：人民幣581,000元)。該等金額已計入收益表之「銷售成本」中。

12. TRADE AND BILLS RECEIVABLES – GROUP

12. 應收貿易及票據款項 – 本集團

		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	應收貿易款項	190,226	124,381
Less: provision for impairment	減：減值撥備	(1,743)	(1,264)
Bills receivables	應收票據款項	188,483 451,603	123,117 281,202
		640,086	404,319

The fair values of trade and bills receivables approximate their carrying amounts.

應收貿易及票據款項之公平值接近其賬面值。

The Group generally grants credit terms of less than 90 days to its customers in Mainland China and 120 days to its customers in other countries. The ageing analysis of the trade and bills receivables by invoice date is as follows:

本集團授予其中國大陸客戶之信貸期一般為90日內，而授予其他國家客戶之信貸期為120日內。應收貿易及票據款項按發票日期之賬齡分析如下：

		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 30 days	30日內	297,279	301,569
31 to 90 days	31日至90日	42,269	77,305
91 to 180 days	91日至180日	299,670	25,800
181 days to 1 year	181日至1年	2,305	–
Over 1 year	1年以上	306	909
Less: provision for impairment	減：減值撥備	641,829 (1,743)	405,583 (1,264)
Trade and bills receivables – net	應收貿易及票據款項 — 淨額	640,086	404,319

There is no concentration of credit risk with respect to trade and bills receivables, as the Group has a large number of customers.

由於本集團擁有大批客戶，故應收貿易及票據款項無集中的信貸風險。

12. TRADE AND BILLS RECEIVABLES – GROUP (Continued)

Trade receivables that are less than 90 days in Mainland China and 120 days in other countries are generally not considered impaired, which amounted to RMB178,454,000 as at 31 December 2011 (2010: RMB123,053,000). As at 31 December 2011, trade receivables aged by more than 90 days in Mainland China or 120 days in other countries of RMB10,029,000 (2010: RMB64,000) are considered not to be impaired. These relate to a number of customers for whom there is no recent history of default. All these trade receivables are aged within 91 days to 180 days.

As at 31 December 2011, trade receivables of RMB1,743,000 (2010: RMB1,264,000) were impaired and had been fully provided for. These receivables relate to a number of customers, including customers in unexpected difficult economic situations. The ageing of these receivables is as follows:

		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
91 to 180 days	91日至180日	989	373
181 days to 1 year	181日至1年	479	—
Over 1 year	1年以上	275	891
		1,743	1,264

Trade and bills receivables are denominated in the following currencies:

以下列貨幣列示的應收貿易及票據款項如下：

		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
RMB	人民幣	516,186	305,826
USD	美元	119,309	99,757
VND	越南盾	6,334	—
		641,829	405,583

12. 應收貿易及票據款項—本集團 (續)

於中國大陸逾期不足90日及於其他國家不足120日之應收貿易款項一般不視為已減值，於二零一一年十二月三十一日的金額為人民幣178,454,000元（二零一零年：人民幣123,053,000元）。於二零一一年十二月三十一日，未被視為已減值之中國大陸逾期90日以上及其他國家逾期120日以上應收貿易款項為人民幣10,029,000元（二零一零年：人民幣64,000元）。該等結欠涉及最近並無拖欠記錄之多名客戶。所有該等應收貿易款項之賬齡均為91日至180日。

於二零一一年十二月三十一日，應收貿易款項人民幣1,743,000元（二零一零年：人民幣1,264,000元）已減值並已作全面撥備。該等應收款項涉及多名客戶，包括處於不可預期經濟困境的客戶。該等應收款項之賬齡如下：

12. TRADE AND BILLS RECEIVABLES – GROUP (Continued)

Movements of the provision for impairment of trade receivables are 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
At 1 January	於一月一日	1,264	2,936
Provision for receivable impairment	應收款項減值撥備	1,468	373
Provision reversed when the related receivables were collected	相關應收款項收回時撥回撥備	(989)	(2,045)
At 31 December	於十二月三十一日	1,743	1,264

The creation and release of provision for impaired receivables have been included in general and administrative expenses. Amounts charged to the allowance account are written off when there is no expectation of receiving additional cash.

增設及解除已減值應收款項撥備已列入一般及行政開支。當預期未能收取額外現金時，在準備賬中扣除的款項將被撤銷。

The maximum exposure to credit risk at the reporting date is the fair value of trade and bills receivables.

於本報告日期，本集團面對的最大信貸風險為應收貿易及票據款項公平值。

13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES – GROUP AND COMPANY

13. 預付款項、按金及其他應收賬款 – 本集團及本公司

		Group 本集團		Company 本公司	
		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
Prepayments for purchase of raw materials	購買原材料的預付款項	175,740	241,270	—	—
Value-added tax recoverable	應退增值稅	51,542	52,532	—	—
Prepaid expenses	預付開支	1,550	1,200	—	—
Deposits	按金	3,238	199,323	—	—
Other receivables	其他應收賬款	649	1,053	5	5
		232,719	495,378	5	5

The fair values of prepayments, deposits and other receivables approximate their carrying amounts.

預付款項、按金及其他應收賬款的公平值接近其賬面值。

13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES – GROUP AND COMPANY (Continued)

As at 31 December 2010, deposits included mainly the deposits amounting to RMB197,320,000 for the futures contracts, for trading of cotton in the active futures market.

13. 預付款項、按金及其他應收賬款—本集團及本公司(續)

於二零一零年十二月三十一日，按金主要包括期貨合約按金人民幣197,320,000元，用於活躍期貨市場的棉花交易。

14. PLEDGED BANK DEPOSITS AND CASH AND CASH EQUIVALENTS – GROUP AND COMPANY

14. 已抵押銀行存款及現金及現金等值物—本集團及本公司

		Group 本集團		Company 本公司	
		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
Pledged bank deposits	已抵押銀行存款	31,907	35,231	—	—
Cash and cash equivalents	現金及現金等值物				
– Cash at bank and in hand	—銀行及手頭現金	463,407	569,466	1,853	3,457
		495,314	604,697	1,853	3,457

As at 31 December 2011, the weighted average effective interest rate on pledged bank deposits and other deposits was 0.7% (2010: 0.4%) per annum. The pledged bank deposits have maturities of 120 days at inception (2010: 75 days), and are used for issuance of letters of credit for purchase of cotton.

於二零一一年十二月三十一日，已抵押銀行存款及其他存款之加權平均實際利率為每年0.7%（二零一零年：0.4%）。已抵押銀行存款之存款期為訂立日期起計120日（二零一零年：75日），用於簽發信用狀供購買棉花。

Pledged bank deposits and cash and cash equivalents are denominated in the following currencies:

以下列貨幣列示的已抵押銀行存款及現金及現金等值物如下：

		Group 本集團		Company 本公司	
		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
RMB	人民幣	359,886	442,470	—	—
USD	美元	92,090	151,743	1,242	2,904
Hong Kong dollars (“HKD”)	港元（「港元」）	1,103	1,583	611	553
Vietnam Dong (“VND”)	越南盾（「越南盾」）	34,888	8,804	—	—
Others	其他	7,347	97	—	—
		495,314	604,697	1,853	3,457

14. PLEDGED BANK DEPOSITS AND CASH AND CASH EQUIVALENTS – GROUP AND COMPANY (Continued)

Majority of the cash and cash equivalents are deposited with banks in Mainland China. The conversion of the RMB denominated balances into other currencies and the remittance of funds out of Mainland China are subject to the rules and regulations relating to foreign exchange controls promulgated by the Mainland China Government.

14. 已抵押銀行存款及現金及現金等值物－本集團及本公司(續)

大部分現金及現金等值物存於中國大陸銀行。將人民幣計值之結餘兌換為其他貨幣以及將資金匯出中國大陸須遵守中國大陸政府頒佈有關外匯管制之規則及規例。

15. SHARE CAPITAL AND PREMIUM – GROUP AND COMPANY

15. 股本及溢價－本集團及本公司

		Number of shares 股份數目 (thousands) (千股)	Ordinary shares 普通股 HKD'000 千港元
Authorised:	法定：		
Ordinary shares of HKD0.1 each At 31 December 2010 and 2011	每股 0.1 港元普通股 於二零一零年及二零一一年 十二月三十一日	4,000,000	400,000

	Number of shares 股份數目 (thousands) (千股)	Ordinary shares 普通股 RMB'000 人民幣千元	Share premium 股份溢價 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Issued and fully paid:	已發行及繳足：			
Ordinary shares of HKD0.1 each At 31 December 2010 and 2011	每股 0.1 港元 普通股 於二零一零年及 二零一一年 十二月三十一日	884,681	94,064	283,282

16. SHARE OPTIONS – GROUP AND COMPANY

Share Option Scheme

Pursuant to a shareholders' resolution passed on 21 November 2004, the Company adopted a share option scheme ("the Share Option Scheme"), which will remain in force for a period of 10 years up to November 2014. Under the Share Option Scheme, the Company's directors may, at their sole discretion, grant to any employee, director, supplier of goods or services, customer, person or entity that provides research, development or other technological support to the Group, shareholder and adviser or consultant of the Group to subscribe for shares in the Company at a price of not less than the higher of (i) the closing price of shares as stated in the daily quotation sheet of the Stock Exchange on the date of the offer of grant; or (ii) the average closing price of shares as stated in the daily quotation sheets of the Stock Exchange for the five trading days immediately preceding the date of the offer of grant; and (iii) the nominal value of the share. A nominal consideration of HK\$1 is payable on acceptance of the grant of an option. The maximum number of shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme adopted by the Group from time to time must not in aggregate exceed 30% of the share capital of the Company in issued from time to time. At 31 December 2011, no options have been granted under this Share Option Scheme.

16. 購股權 – 本集團及本公司

購股權計劃

根據本公司於二零零四年十一月二十一日通過之股東決議案，本公司已採納一項購股權計劃（「購股權計劃」），於截至二零一四年十一月止十年期間將仍屬有效。根據購股權計劃，本公司董事可全權酌情向任何僱員、董事、貨品或服務供應商、客戶、為本集團提供研究、發展或其他技術支援的個人或實體、股東及本集團顧問或諮詢人授出購股權，以認購本公司股份，惟價格不低於下列較高者：(i) 於授出要約日期在聯交所每日報價表所列出的股份收市價；或(ii) 於緊接授出要約日期前五個交易日的聯交所每日報價表所列出的股份平均收市價；及(iii) 股份的面值。1港元的名義代價於接納授出購股權要約時支付。在購股權計劃及本集團不時採納的任何其他購股權計劃以下所有授出有待行使購股權獲行使時最高可予發行的股份數目合計不得超過本公司不時已發行股本的30%。於二零一一年十二月三十一日，概無購股權根據本購股權計劃授出。

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

(All amounts in RMB)
(所有金額以人民幣計值)

17. OTHER RESERVES AND RETAINED EARNINGS – GROUP AND COMPANY

(a) Other reserves Group

		Capital reserve ⁽ⁱ⁾ 資本儲備 ⁽ⁱ⁾ RMB'000 人民幣千元	Statutory reserves ⁽ⁱⁱ⁾ 法定儲備 ⁽ⁱⁱ⁾ RMB'000 人民幣千元	Revaluation reserve 重估儲備 RMB'000 人民幣千元	Translation 匯兌儲備 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2010	於二零一零年 一月一日	162,041	155,703	30,440	(7,688)	340,496
Transfer to statutory reserves	轉撥至法定儲備	–	56,158	–	–	56,158
Transfer from revaluation reserve to retained earnings for buildings revaluation	就樓宇重新估值 由重估儲備轉撥至 保留溢利	–	–	–	–	–
– gross	– 總額	–	–	32,181	–	32,181
– deferred income tax (Note 20)	– 遞延所得稅 (附註20)	–	–	(7,665)	–	(7,665)
Transfer from revaluation reserve to retained earnings for depreciation	就折舊由重估儲備 轉撥至保留溢利	–	–	–	–	–
– gross	– 總額	–	–	(2,660)	–	(2,660)
– deferred income tax (Note 20)	– 遞延所得稅 (附註20)	–	–	789	–	789

At 31 December 2010	於二零一零年 十二月三十一日	162,041	211,861	53,085	(7,688)	419,299
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At 1 January 2011	於二零一一年 一月一日	162,041	211,861	53,085	(7,688)	419,299
Transfer to statutory reserves	轉撥至法定儲備	–	8,233	–	–	8,233
Transfer from revaluation reserve to retained earnings for depreciation	就折舊由重估儲備 轉撥至保留溢利	–	–	–	–	–
– gross	– 總額	–	–	(4,995)	–	(4,995)
– deferred income tax (Note 20)	– 遞延所得稅 (附註20)	–	–	1,316	–	1,316

At 31 December 2011	於二零一一年 十二月三十一日	162,041	220,094	49,406	(7,688)	423,853
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Company

本公司

		Capital reserve ⁽ⁱ⁾ 資本儲備 ⁽ⁱ⁾ RMB'000 人民幣千元
At 1 January 2010 till 31 December 2011	於二零一零年一月一日至 二零一一年十二月三十一日	172,319

17. OTHER RESERVES AND RETAINED EARNINGS – GROUP AND COMPANY

(Continued)

(b) Retained earnings Group

		RMB'000 人民幣千元
At 1 January 2010	於二零一零年一月一日	862,887
Profit for the year	年度溢利	841,225
Transfer from revaluation reserve to retained earnings	由重估儲備轉撥至保留溢利	
– gross	– 總額	2,660
– deferred income tax (Note 20)	– 遞延所得稅(附註20)	(789)
		1,705,983
Dividend paid	已付股息	(143,307)
Transfer to statutory reserves	轉撥至法定儲備	(56,158)
At 31 December 2010	於二零一零年十二月三十一日	1,506,518
At 1 January 2011	於二零一一年一月一日	1,506,518
Profit for the year	年度溢利	61,256
Transfer from revaluation reserve to retained earnings	由重估儲備轉撥至保留溢利	
– gross	– 總額	4,995
– deferred income tax (Note 20)	– 遞延所得稅(附註20)	(1,316)
		1,571,453
Dividend paid	已付股息	(198,547)
Transfer to statutory reserves	轉撥至法定儲備	(8,233)
At 31 December 2011	於二零一一年十二月三十一日	1,364,673

Company

本公司

		RMB'000 人民幣千元
At 1 January 2010	於二零一零年一月一日	28,086
Profit for the year	年內溢利	249,196
Dividend paid	已付股息	(143,307)
At 31 December 2010	於二零一零年十二月三十一日	133,975
At 1 January 2011	於二零一一年一月一日	133,975
Profit for the year	年內溢利	68,503
Dividend paid	已付股息	(198,547)
At 31 December 2011	於二零一一年十二月三十一日	3,931

17. OTHER RESERVES AND RETAINED EARNINGS – GROUP AND COMPANY

(Continued)

(b) Retained earnings (Continued)

Notes:

- (i) The capital reserve represents the difference between the amount of share capital issued and the net asset value of the subsidiaries acquired under a Group reorganisation in 2004.
- (ii) As stipulated by regulations in Mainland China, the Company's subsidiaries established and operated in Mainland China are required to appropriate a portion of their after-tax profit (after offsetting prior years' losses) to statutory reserves, at rates determined by their respective boards of directors. Such transfer is not required when the amount of the statutory reserve reaches 50% of the corresponding subsidiaries' registered capital.

Statutory reserves shall only be used to make up losses of the corresponding subsidiaries, to expand the corresponding subsidiaries' production operations, or to increase the capital of the corresponding subsidiaries. Upon approval by resolutions of the corresponding subsidiaries' shareholders in general meetings, the corresponding subsidiaries may convert their statutory reserves into registered capital and issue bonus capital to existing owners in proportion to their existing ownership structure.

17. 其他儲備及保留溢利—本集團及本公司(續)

(b) 保留溢利(續)

附註：

- (i) 資本儲備指已發行股本數額與於二零零四年集團重組下收購附屬公司的資產淨值的差額。
- (ii) 根據中國大陸頒佈之規例，本公司在中國大陸成立及營運之附屬公司須按其各自董事會所釐訂之比例，提撥一部分除稅後溢利(經抵銷過往年度虧損)至法定儲備。倘法定儲備的金額已達相關附屬公司註冊資本的50%，則無需作出此撥款。

法定儲備僅可用於抵銷相關附屬公司虧損、擴充相關附屬公司生產經營或增加相關附屬公司股本。當獲得相關附屬公司股東於股東大會上以決議案通過，相關附屬公司則可將其法定儲備轉換成註冊資本，並按現有股東的持股比例向彼等發行紅股。

18. BORROWINGS – GROUP AND COMPANY

18. 借貸－本集團及本公司

		Group 本集團		Company 本公司	
		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
Current	即期				
Secured bank borrowings (Note (a))	有抵押銀行 借貸(附註(a))	24,573	126,801	—	—
Other bank borrowings (Note (b))	其他銀行借貸 (附註(b))	118,946	409,686	—	—
Unsecured bank borrowing	無抵押銀行借貸	—	73,425	—	70,421
		143,519	609,912	—	70,421
Non-current	非即期				
Secured bank borrowings (Note (a))	有抵押銀行 借貸(附註(a))	452,063	150,681	—	—
Other bank borrowings (Note (b))	其他銀行借貸 (附註(b))	56,740	85,956	—	—
Unsecured bank borrowings (Note (c))	無抵押銀行借貸 (附註(c))	—	227,601	—	213,582
Notes payable (Note (d))	應付債券款項 (附註(d))	1,203,472	165,568	1,203,472	165,568
		1,712,275	629,806	1,203,472	379,150
Total borrowings	借貸總額	1,855,794	1,239,718	1,203,472	449,571

Notes:

附註：

- (a) Bank borrowings of RMB476,636,000 (2010: RMB277,482,000) were secured by the pledge of the Group's land use rights with a net book amount of RMB50,899,000 (2010: RMB52,134,000) as at 31 December 2011 (Note 6); and the pledge of the Group's property, plant and equipment with a net book amount of approximately RMB387,214,000 (2010: RMB487,934,000) as at 31 December 2011 (Note 7).
- (b) Other bank borrowings of RMB175,686,000 (2010: RMB495,642,000) were secured by cross corporate guarantees provided by certain subsidiaries of the Group as at 31 December 2011.

- (a) 人民幣476,636,000元(二零一零年：人民幣277,482,000元)的銀行借貸以本集團於二零一一年十二月三十一日賬面淨值為人民幣50,899,000元(二零一零年：人民幣52,134,000元)的土地使用權(附註6)的抵押；及本集團於二零一一年十二月三十一日賬面淨值約為人民幣387,214,000元(二零一零年：人民幣487,934,000元)的物業、廠房及設備(附註7)的抵押作抵押。
- (b) 其他銀行借貸以本集團若干附屬公司提供於二零一一年十二月三十一日數額為人民幣175,686,000元(二零一零年：人民幣495,642,000元)的交叉公司擔保作抵押。

18. BORROWINGS – GROUP AND COMPANY (Continued)

- (c) Mr. Hong Tianzhu, chairman and an executive director, has undertaken to maintain at least 30% equity interest in the Company unless otherwise agreed by the relevant banks in respect of the provision of unsecured non-current bank borrowings.
- (d) The notes payable as at 31 December 2011 represent US\$193 million senior notes (“Notes”) which will be repayable in whole on 19 January 2016 (31 December 2010: Nil). The Notes were issued in January 2011, with a principle amount of US\$200 million, bear interest at a fixed rate of 7.625% per annum and listed on the Singapore Exchange Securities Trading Limited. The Group repurchased and cancelled the Notes with a principle amount of US\$7 million during the year ended 31 December 2011 (Note 23).

The notes payable as at 31 December 2010 represented US\$25 million guaranteed notes which would mature in 2012. The notes bore interest at a fixed rate of 6.8% per annum since July 2009 and were guaranteed by certain subsidiaries of the Group. The Group fully repaid the notes before they were due in 2011.

18. 借貸－本集團及本公司(續)

- (c) 主席兼執行董事洪天祝先生已承諾除非得到有關銀行同意，否則其將就無抵押非即期銀行借貸的提供最少維持持有本公司股本權益30%。
- (d) 二零一一年十二月三十一日之應付票據指應於二零一六年一月十九日悉數償還的1.93億美元(二零一零年十二月三十一日：無)優先票據(「票據」)。該票據於二零一一年一月發行並在新加坡證券交易所有限公司上市，本金額為2.00億美元，按每年7.625%之固定利率計息。本集團已於截至二零一一年十二月三十一日止年度回購並註銷本金額700萬美元之票據(附註23)。

二零一零年十二月三十一日之應付票據指於二零一二年到期之2,500萬美元擔保票據。該票據自二零零九年七月起按每年6.8%之固定利率計息並由本集團若干附屬公司擔保。於二零一一年，本集團在票據到期之前已全數償還。

The carrying amounts of the borrowings are denominated in the following currencies:

借貸的賬面值按以下貨幣計值：

		Group 本集團		Company 本公司	
		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
RMB	人民幣	170,000	487,644	—	—
USD	美元	1,680,109	744,076	1,203,472	449,571
HKD	港元	5,685	7,998	—	—
		1,855,794	1,239,718	1,203,472	449,571

18. BORROWINGS – GROUP AND COMPANY (Continued)

The weighted average effective interest rates per annum at year end are as follows:

18. 借貸—本集團及本公司(續)

於年結日加權平均實際年利率如下：

		2011 二零一一年			2010 二零一零年		
		USD 美元	RMB 人民幣	HKD 港元	USD 美元	RMB 人民幣	HKD 港元
Bank borrowings	銀行借貸	4.6%	7.1%	2.1%	4.5%	5.3%	2.1%
Notes payable	應付債券款項	7.6%	—	—	6.8%	—	—

At 31 December 2011, the Group's borrowings were repayable as follows:

於二零一一年十二月三十一日，本集團借貸的到期日如下：

		Group 本集團		Company 本公司	
		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
Within 1 year	1年內	143,519	609,912	—	70,421
Between 1 and 2 years	1至2年	107,895	227,753	—	142,388
Between 2 and 5 years	2至5年	1,604,380	402,053	1,203,472	236,762
		1,855,794	1,239,718	1,203,472	449,571

The fair values of the borrowings approximate their carrying amounts as at the balance sheet date, as the impact of discounting is not significant.

由於折現之影響微不足道，於結算日，借貸之公平值與其賬面值相若。

The Group has undrawn floating rates borrowing facilities of approximately RMB558,407,000 (2010: RMB254,809,000) which will be expired within one year. The facilities expiring within one year are annual facilities subject to review at various dates during 2012.

本集團未動用浮動息率借貸融資約人民幣558,407,000元(二零一零年：人民幣254,809,000元)將於一年內到期。於一年內到期之融資為須於二零一二年不同日期作審閱之年度融資。

19. DERIVATIVE FINANCIAL INSTRUMENTS – GROUP AND COMPANY

19. 衍生金融工具－本集團及本公司

		Group 本集團		Company 本公司	
		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
Interest rate swap contracts	利率掉期合約	45,019	241	45,019	241
Futures contracts	期貨合約	—	33,228	—	—
		45,019	33,469	45,019	241

Non-hedging derivatives are classified as a current asset or liability.

非對沖衍生工具分類為流動資產或負債。

The interest rate swap contracts as at 31 December 2011 comprised two contracts with notional principal amounts totalling RMB1,265,851,000 (2010: RMB17,881,000).

於二零一一年十二月三十一日，利率掉期合約包含兩份合約，名義本金額為人民幣1,265,851,000元（二零一零年：人民幣17,881,000元）。

At 31 December 2010, the future contracts represented the future trading for cotton in the active futures market. The contract had been completed in 2011.

於二零一零年十二月三十一日，期貨合約指於活躍期貨市場買賣棉花期貨。該合約於二零一一年完成。

20. DEFERRED INCOME TAX – GROUP

The analysis of deferred tax assets and deferred tax liabilities is as follows:

20. 遞延所得稅－本集團

遞延稅項資產及遞延稅項負債之分析如下：

		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
Deferred tax assets:	遞延稅項資產：		
– Deferred tax assets to be recovered after more than 12 months	– 超過12個月後收回之遞延稅項資產	–	15
– Deferred tax assets to be recovered within 12 months	– 在12個月內收回之遞延稅項資產	49,638	24,415
		49,638	24,430
Deferred tax liabilities:	遞延稅項負債：		
– Deferred tax liabilities to be recovered after more than 12 months	– 超過12個月後收回之遞延稅項負債	(51,069)	(38,929)
– Deferred tax liabilities to be recovered within 12 months	– 在12個月內收回之遞延稅項負債	(1,332)	(10,346)
		(52,401)	(49,275)

The movements in deferred tax assets and liabilities during the year are as follows:

於年內遞延稅項資產及負債變動如下：

Deferred income tax assets:

遞延所得稅資產：

		Tax losses 稅務虧損 RMB'000 人民幣千元	Temporary differences 暫時差異 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2010 (Charge)/credit to the consolidated income statement	於二零一零年一月一日 於綜合損益表 (扣除)/計入	49 (49)	2,552 21,878	2,601 21,829
At 31 December 2010 and 1 January 2011	於二零一零年十二月三十一日及 二零一一年一月一日	–	24,430	24,430
Credit/(Charge) to the consolidated income statement	於綜合損益表 計入/(扣除)	28,571	(3,363)	25,208
At 31 December 2011	於二零一一年十二月三十一日	28,571	21,067	49,638

20. DEFERRED INCOME TAX – GROUP

(Continued)

Deferred income tax liabilities:

20. 遞延所得稅－本集團(續)

遞延所得稅負債：

		Revaluation of buildings 樓宇重估 RMB'000 人民幣千元	Withholding tax relating to unremitted earnings of subsidiaries 有關附屬公司 未匯付盈利的 預扣稅 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2010	於二零一零年一月一日	9,568	14,569	24,137
Taxation charged to equity in relation to the revaluation of buildings (Note 17)	有關樓宇重估而於 權益扣除之稅項 (附註17)	7,665	—	7,665
Reversal relating to additional depreciation	有關額外折舊之撥回	(789)	—	(789)
Withholding tax relating to unremitted earnings of subsidiaries	有關附屬公司未匯付 盈利的預扣稅	—	18,262	18,262
At 31 December 2010 and 1 January 2011	於二零一零年 十二月三十一日及 二零一一年一月一日	16,444	32,831	49,275
Reversal relating to additional depreciation	有關額外折舊之撥回	(1,316)	—	(1,316)
Withholding tax relating to unremitted earnings of subsidiaries	有關附屬公司未匯付 盈利的預扣稅	—	4,442	4,442
At 31 December 2011	於二零一一年 十二月三十一日	15,128	37,273	52,401

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through the future taxable profits is probable. As at 31 December 2011, the Group did not recognise deferred income tax assets of RMB888,000 (2010: RMB765,000) in respect of losses amounting to RMB3,555,000 (2010: RMB3,059,000) that can be carried forward against future taxable income.

Deferred income tax of RMB1,316,000 (2010: RMB789,000) was transferred from other reserves (Note 17) to retained earnings. This represents deferred tax on the difference between the actual depreciation on buildings and the equivalent depreciation based on the historical cost of buildings.

遞延所得稅資產乃就結轉之稅項虧損確認，惟以有可能透過日後之應課稅溢利變現有關稅項利益為限。於二零一一年十二月三十一日，本集團並無就將來可沖抵應納稅收入的人民幣3,555,000元（二零一零年：人民幣3,059,000元）虧損確認遞延所得稅資產人民幣888,000元（二零一零年：人民幣765,000元）。

人民幣1,316,000元（二零一零年：人民幣789,000元）的遞延所得稅乃由其他儲備（附註17）轉撥至保留溢利。此代表樓宇的實際折舊與根據樓宇的歷史成本計算的相同折舊之間的差額的遞延稅項。

21. TRADE AND BILLS PAYABLES – GROUP

21. 應付貿易及票據款項—本集團

		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	應付貿易款項	115,890	155,443
Bills payables	應付票據款項	386,518	703,959
		502,408	859,402

As at 31 December 2011, included in the trade payables was amount due to an associate of RMB345,000 (2010:RMB50,000) (Note 35).

於二零一一年十二月三十一日，包括於應付貿易款項為應付一間聯營公司款項人民幣345,000元(二零一零年：人民幣50,000元)(附註35)。

The ageing analysis of the trade and bills payables (including amount due to a an associate of trading in nature) is as follows:

應付貿易及票據款項(包括應付一間貿易聯營公司之款項)之賬齡分析如下：

		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 90 days	90日內	99,188	634,853
91 to 180 days	91日至180日	394,022	218,025
181 days to 1 year	181日至1年	5,282	4,646
Over 1 year	一年以上	3,916	1,878
		502,408	859,402

Trade and bills payables are denominated in the following currencies:

以下列貨幣列示的應付貿易及票據款項如下：

		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
RMB	人民幣	212,765	325,846
USD	美元	274,214	524,250
Vietnam Dong	越南盾	15,429	9,306
		502,408	859,402

The fair values of trade and bills payables approximately their carrying amounts.

應付貿易及票據款項之公平值與其賬面值相若。

22. ACCRUALS AND OTHER PAYABLES – GROUP AND COMPANY

22. 預提費用及其他應付賬款—本集團及本公司

		Group 本集團		Company 本公司	
		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
Accrued wages and salaries	應計工資及薪酬	70,118	76,436	—	2,764
Interest payable	應付利息	43,577	7,717	41,640	6,607
Accrual of operating expenses	應計經營開支	22,070	36,700	465	867
Deposits from customers	客戶按金	34,406	46,384	—	—
Payables for purchase of property, plant and equipment	購買物業、廠房及設備應付賬款	205,330	240,691	135,564	126,432
Other payables	其他應付賬款	19,990	60,991	1,128	11,723
Tax payables other than Mainland China enterprise income tax	應付稅項 (中國大陸企業所得稅除外)	21,612	7,614	—	—
		417,103	476,533	178,797	148,393

23. OTHER INCOME AND LOSSES, NET

23. 其他收入及虧損，淨額

		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
Other income	其他收入		
Subsidy income	補貼收入	21,993	49,517
Other losses – net	其他虧損—淨額		
Derivative financial liability at fair value through profit or loss:	按公平值計入損益之衍生金融負債：		
– Unrealised loss	—未實現虧損	(38,546)	(33,532)
– Realised loss	—已實現虧損	(13,445)	(8,180)
Net foreign exchange losses (Note 28)	匯兌虧損淨額(附註28)	(20,056)	(2,742)
Gain from Notes repurchases	票據回購收益	10,240	—
Others	其他	3,065	5,162
Total other losses – net	其他虧損總額—淨額	(58,742)	(39,292)

23. OTHER INCOME AND LOSSES, NET

(Continued)

The subsidy income mainly related to incentives for development in Xuzhou, Mainland China and grants provided by municipal governments based on the amounts of value added tax and income tax paid. The Group received all the subsidy income in the same year and there was no future obligation related to those subsidy income.

The gain from Notes repurchases represented the repurchases and cancellation of Notes with principle amount of US\$7 million in 2011 (Note 18(d)).

23. 其他收入及虧損，淨額(續)

補貼收入主要與於中國大陸徐州發展所獲得之優惠及市政府根據已付增值稅及所得稅金額授出之津貼有關。本集團於同年獲得所有補貼收入，而該等補貼收沒有任何未來責任。

回購票據收益指於二零一一年購回及註銷，本金額為7,000,000美元之票據(附註18(d))。

24. EXPENSES BY NATURE

24. 開支(按性質分類)

		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 and consumables used	耗用原材料及消耗品	5,570,002	3,767,502
Changes in inventories of finished goods and work in progress	製成品及在製品存貨變動	(84,472)	(262,003)
Employment costs, including directors' emoluments (Note 25)	僱員成本，包括董事酬金(附註25)	437,338	391,074
Depreciation and amortisation (Notes 6 and 7)	折舊及攤銷(附註6及7)	176,341	144,468
Loss on disposal of property, plant and equipment (Note 33)	出售物業、廠房及設備虧損(附註33)	2,152	4,014
Office expense	辦公開支	30,817	24,763
Utilities	動力及燃料	282,627	241,017
Transportation	運輸	90,793	90,291
Auditor's remuneration	核數師酬金	3,846	5,475
Lease rental expense for buildings and machinery (Note 7)	樓宇及機器租金開支(附註7)	13,014	12,974
Provision for/(reversal) of impairment of trade receivables (Note 12)	應收貿易款項減值撥備/(撥回)(附註12)	479	(1,672)
Provision for decline in the value of inventories (Note 11)	存貨價值減少撥備(附註11)	78,669	581
Other expenses	其他開支	76,136	78,302
Total cost of sales, selling and distribution costs and general and administrative expenses	銷售成本、銷售及分銷開支以及一般及行政開支總額	6,677,742	4,496,786

25. EMPLOYMENT COSTS, INCLUDING DIRECTORS' EMOLUMENTS

25. 僱員成本，包括董事酬金

		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
Wages, salaries and bonuses	工資、薪酬及花紅	377,841	343,654
Pension costs – defined contribution plans (Note (a))	退休金成本—界定供款計劃(附註(a))	35,153	28,862
Other welfare benefits (Note (b))	其他福利(附註(b))	12,768	12,478
Other employment benefits	其他僱員福利	11,576	6,080
		437,338	391,074

(a) Pension – Defined Contribution Plans

As stipulated by rules and regulations in Mainland China, the Group has participated in state-sponsored defined contribution retirement plans for its employees in Mainland China. The Group and the eligible employees are required to contribute 14% to 22% and 7% to 8%, respectively, of the employees' basic salary (subject to a cap) at rates as stipulated by the relevant municipal governments. The Group has no further obligations for the actual payment of pensions or post-retirement benefits beyond the annual contributions. The state-sponsored retirement plans are responsible for the entire pension obligations payable to the retired employees. During the year ended 31 December 2011, the Group contributed approximately RMB 21,669,000 (2010: RMB20,275,000) to the aforesaid state-sponsored retirement plans.

The Group has arranged for its Hong Kong employees to join the Mandatory Provident Fund Scheme (the "MPF Scheme"), a defined contribution scheme managed by an independent trustee. Under the MPF Scheme, each of the Group and its Hong Kong employees makes monthly contributions to the scheme at 5% of the employees' earnings as defined under the Mandatory Provident fund legislation, subject to a cap of HK\$1,000 per month. During the year ended 31 December 2011, the Group contributed approximately RMB76,000 (2010: RMB76,000) to the MPF Scheme.

(a) 退休金—界定供款計劃

根據中國大陸規則及法規規定，本集團已為其中中國大陸僱員參與國家資助的界定供款退休計劃。本集團及合資格僱員須分別就僱員基本薪金的14%至22%及7%至8%作出供款（訂有上限），比率由有關市政府規定。除此項年度供款外，本集團對其任何實際退休金支出或退休後福利則毋須再作任何承擔。退休僱員的所有退休金支出概由國家資助退休計劃承擔。於截至二零一一年十二月三十一日止年度，本集團向上述國家資助退休計劃分別供款約人民幣21,669,000元（二零一零年：人民幣20,275,000元）。

本集團已安排香港僱員參加強制性公積金計劃（「強積金計劃」），屬於由獨立信託人管理的界定供款計劃。於強積金計劃，本集團及其香港僱員各自於每月按強積金法例所界定的僱員收入5%向計劃供款，供款上限為每月1,000港元。於截至二零一一年十二月三十一日止年度，本集團向強積金計劃供款約人民幣76,000元（二零一零年：人民幣76,000元）。

25. EMPLOYMENT COSTS, INCLUDING DIRECTORS' EMOLUMENTS (Continued)

(a) Pension – Defined Contribution Plans (Continued)

As stipulated by rules and regulations in Vietnam, the Group contributes to state-sponsored employees' social insurance scheme for its employees in Vietnam. The Group contributes to the scheme at a rate of 20% of the employee's salary. The state-sponsored social insurance scheme is responsible for the entire obligations payable to retired employees. During the year ended 31 December 2011, the Group contributed approximately RMB13,408,000 (2010: RMB8,511,000) to the aforesaid state-sponsored social insurance scheme

(b) Other welfare benefits

All of the Group's employees in Mainland China participate in employee social security plans, including medical, housing and other welfare benefits, organised and administered by governmental authorities. During the year ended 31 December 2011, the Group contributed approximately RMB12,768,000 (2010: RMB12,478,000) to these plans.

25. 僱員成本，包括董事酬金(續)

(a) 退休金—界定供款計劃(續)

根據越南規則及法規規定，本集團已為其越南僱員向國家資助的僱員社會保險計劃作出供款。本集團按僱員薪金的20%向該計劃供款。退休僱員的所有支出概由國家資助的社會保險計劃承擔。於截至二零一一年十二月三十一日止年度，本集團向上述國家資助的社會保險計劃供款約人民幣13,408,000元(二零一零年：人民幣8,511,000元)。

(b) 其他福利

本集團於中國大陸的所有僱員均參與僱員社會保障計劃，該計劃包括由政府機構籌劃及監控的醫療、房屋及其他福利。截至二零一一年十二月三十一日止年度，本集團就上述計劃供款約人民幣12,768,000元(二零一零年：人民幣12,478,000元)。

26. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

The remuneration of each director of the Company for the year ended 31 December 2011 is set out below:

26. 董事及高級管理層酬金

截至二零一一年十二月三十一日止年度應付予本公司每位董事的酬金如下：

Name of Director	董事姓名	Fees	Salaries	Discretionary bonuses	Other benefits ⁽¹⁾	Employer's contribution to pension scheme	Total
		袍金	薪金	酌情花紅	其他福利 ⁽¹⁾	僱主退休計劃供款	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Executive directors	執行董事						
Hong Tianzhu	洪天祝	-	600	-	995	-	1,595
Zhu Yongxiang	朱永祥	-	900	565	600	32	2,097
Gong Zhao	龔照	-	440	426	300	14	1,180
Tang Daoping	湯道平	-	440	1,747	600	33	2,820
Independent non-executive directors	獨立非執行董事						
Ting Leung Huel, Stephen	丁良輝	195	-	-	-	-	195
Cheng Longdi	程隆棣	97	-	-	-	-	97
Zhu Lanfen	朱蘭芬	97	-	-	-	-	97
		389	2,380	2,738	2,495	79	8,081

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

(All amounts in RMB)
(所有金額以人民幣計值)

26. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

(Continued)

The remuneration of each director of the Company for the year ended 31 December 2010 is set out below:

Name of Director	董事姓名	Fees	Salaries	Discretionary bonuses	Other benefits ^(*)	Employer's contribution to pension scheme	Total
		袍金 RMB'000 人民幣千元	薪金 RMB'000 人民幣千元	酌情花紅 RMB'000 人民幣千元	其他福利 ^(*) RMB'000 人民幣千元	僱主退休計劃供款 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
Executive directors	執行董事						
Hong Tianzhu	洪天祝	-	600	251	838	-	1,689
Zhu Yongxiang	朱永祥	-	783	3,325	19	26	4,153
Gong Zhao	龔照	-	382	1,191	4	7	1,584
Tang Daoping	湯道平	-	394	3,125	9	12	3,540
Independent non-executive directors	獨立非執行董事						
Ting Leung Huel, Stephen	丁良輝	204	-	-	-	-	204
Cheng Longdi	程隆棟	102	-	-	-	-	102
Zhu Lanfen	朱蘭芬	102	-	-	-	-	102
		408	2,159	7,892	870	45	11,374

(*) Other benefits mainly represent housing allowance and other social security benefits.

None of the directors waived any emoluments during the year ended 31 December 2011 (2010: Nil).

26. 董事及高級管理層酬金 (續)

截至二零一零年十二月三十一日止年度應付予本公司每位董事的酬金如下：

(*) 其他福利主要指房屋津貼及其他社會保障福利。

於截至二零一一年十二月三十一日止年度並無董事放棄收取任何酬金(二零一零年：零)。

26. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

(Continued)

(a) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include four (2010: four) directors whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining one (2010: one) individual is 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
Basic salaries and allowances	基本薪金及津貼	1,116	523
Bonuses	花紅	265	1,037
Pension cost – Defined contribution plan	退休金成本—界定供款計劃	10	10
		1,391	1,570

(b) During the year ended 31 December 2011, no emoluments were paid by the Company to any of the directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office (2010: Nil).

26. 董事及高級管理層酬金 (續)

(a) 五位最高薪酬人士

於本年度，本集團五位最高薪酬人士其中四位(二零一零年：四位)為董事，其酬金已於上文呈列的分析內反映。應付予餘下一位(二零一零年：一位)人士之酬金如下：

(b) 截至二零一一年十二月三十一日止年度，本公司並無向任何董事或五名最高薪酬人士支付任何酬金，作為加入或於加入本集團時之獎勵或作為離職補償(二零一零年：零)。

27. FINANCE INCOME AND COSTS

27. 財務收入及費用

		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 expense – bank borrowings wholly repayable within five years	利息開支—須於五年內悉數償還之銀行借貸	162,456	70,449
Less: amount capitalised in property, plant and equipment (Note 7)	減：物業、廠房及設備資本化金額(附註7)	(353)	(126)
Exchange gain on financing activities (Note 28)	融資活動所得匯兌收益(附註28)	162,103 (76,423)	70,323 (23,965)
Finance costs – net	財務費用—淨額	85,680	46,358
Finance income – interest income on bank deposits	財務收入—銀行存款利息收入	(7,948)	(2,792)
Net finance costs	財務費用淨額	77,732	43,566

28. NET FOREIGN EXCHANGE GAINS

The exchange differences credited to the consolidated income statement are included as follows:

28. 匯兌收益淨額

於綜合損益表計入之匯兌差額包括以下項目：

		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
Other losses – net (Note 23)	其他虧損—淨額(附註23)	(20,056)	(2,742)
Finance costs (Note 27)	財務費用(附註27)	76,423	23,965
		56,367	21,223

29. INCOME TAX EXPENSE

The amount of income tax charged to the consolidation income statement represents:

29. 所得稅開支

於綜合損益表扣除之所得稅金額如下：

		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 on profits for the year	年度即期利得稅	42,999	113,556
Adjustment in respect of prior years	過往年度調整	1,283	(161)
Deferred income tax (Note 20)	遞延所得稅(附註20)	(22,082)	(4,356)
		22,200	109,039

29. INCOME TAX EXPENSE (Continued)

(a) Hong Kong profits tax

No provision for Hong Kong profits tax has been made as the Group had no assessable profit arising in or derived from Hong Kong during the year (2010: Nil).

(b) Mainland China enterprise income tax ("EIT")

Subsidiaries established in Mainland China are subject to EIT at rates ranging from 24% to 25% during the year (2010: 22% to 25%).

Effective from 1 January 2008, the subsidiaries established in Mainland China are required to determine and pay the EIT in accordance with the Corporate Income Tax Law of the PRC (the "New CIT Law") as approved by the National People's congress on 16 March 2007 and Detailed Implementations Regulations of the New CIT Law (the "DIR") as approved by the State Council on 6 December 2007.

Except for Texhong (China) Investment Co., Ltd., Shanghai Texhong Trading Co., Ltd. and Shanghai Hongrun Textile Co., Ltd., all other subsidiaries established in Mainland China, being wholly foreign owned enterprises, have obtained approvals from the relevant Mainland China Tax Bureau for their entitlement of exemption from EIT for the first two years and 50% reduction in EIT for the next three years, commencing from the earlier of the first profitable year after offsetting all unexpired tax losses carried forward from the previous years or 1 January 2008, in accordance with the relevant tax rules and regulations applicable to foreign investment enterprises in Mainland China.

(c) Vietnam income tax

Subsidiaries established in Vietnam are subject to income tax at rate of 25% (2010: 25%).

As approved by the relevant Tax Bureau in Vietnam, one subsidiary established in Vietnam in 2011 is entitled to four years' exemption from income taxes followed by nine years of a 50% tax reduction and is entitled to a preferential income tax rate of 10% for 15 years, commencing from the first profitable year after offsetting the losses carried forward from the previous years.

29. 所得稅開支(續)

(a) 香港利得稅

由於本集團於年內概無在香港或從香港賺取應課稅溢利，故概無就香港利得稅作出撥備(二零一零年：零)。

(b) 中國大陸企業所得稅(「企業所得稅」)

於中國大陸成立之附屬公司於年內須按24%至25%(二零一零年：22%至25%)之稅率繳付企業所得稅。

由二零零八年一月一日起，於中國大陸成立的附屬公司需要根據人大常委於二零零七年三月十六日批准的中國企業所得稅法(「新企業所得稅」)及國務院於二零零七年十二月六日批准的新企業所得稅法實施條例(「實施條例」)釐定及支付企業所得稅。

除天虹(中國)投資有限公司及上海特虹貿易有限公司及上海虹潤貿易有限公司外，本公司於中國大陸成立之所有其他附屬公司均為外商獨資企業，已根據適用於中國大陸外資企業之有關稅項規則及規定，取得有關中國大陸稅務局之批准，有權於抵銷所有過往年度結轉之所有未到期稅項虧損後首個獲利年度或二零零八年一月一日起(以較早者為準)，免繳企業所得稅兩年，其後三年則獲稅率減半優惠。

(c) 越南所得稅

於越南成立的附屬公司須按25%(二零一零年：25%)之稅率繳付所得稅。

經越南的相關稅務局批准，一家於二零一一年在越南成立的附屬公司，有權於抵銷過往年度結轉的虧損後首個獲利年度起，免繳所得稅四年，其後九年則獲稅率減半優惠，並有權享受優惠所得稅稅率10%達十五年。

29. INCOME TAX EXPENSE (Continued)

(c) Vietnam income tax (Continued)

As approved by the relevant Tax Bureau in Vietnam, the other subsidiary established in Vietnam in 2006 should separately calculate income tax on its supplementary investments. The initial investment of the subsidiary is entitled to three years' exemption from income taxes followed by seven years of a 50% tax reduction and is entitled to a preferential income tax rate of 15% for 12 years. The first supplementary investment of the subsidiary is entitled to three years' exemption from income taxes followed by five years of a 50% tax reduction based on the income tax rate of 25%.

The applicable tax rates for the subsidiaries established in Vietnam range from nil to 25% during the year (2010: Nil).

(d) Other income tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of Cayman Islands and, accordingly, is exempted from payment of Cayman Islands income tax.

The Company's subsidiaries established in the British Virgin Islands were incorporated under the International Business Companies Acts or the Business Companies Acts, 2004 of the British Virgin Islands and, accordingly, are exempted from payment of British Virgin Islands income tax.

The subsidiary established in Macao is subject to income tax rate of 9% (2010: 9%). No provision for Macao profits tax has been made as the Group had no assessable profit arising in or derived from Macao during the year (2010: Nil).

29. 所得稅開支(續)

(c) 越南所得稅(續)

經越南的相關稅務局批准，另外一家於二零零六年在越南成立的附屬公司，可就其補充投資獨立計算所得稅。該附屬公司的初步投資有權免繳所得稅三年，其後七年則獲稅率減半優惠，並有權享受優惠所得稅稅率15%達十二年。該附屬公司的首項補充投資有權免繳所得稅三年，其後五年根據25%的所得稅稅率繳付，可獲稅率減半優惠。

年內，於越南成立的附屬公司的適用稅率，介乎零至25%（二零一零年：零）。

(d) 其他所得稅

本公司根據開曼群島公司法於開曼群島註冊成立為獲豁免有限公司，因此獲免繳開曼群島所得稅。

本公司於英屬處女群島成立之附屬公司乃根據英屬處女群島國際商業公司法或二零零四年商業公司法註冊成立，因此獲免繳英屬處女群島所得稅。

於澳門成立之附屬公司須按9%（二零一零年：9%）之稅率繳付所得稅。由於本集團於年內概無在澳門或從澳門賺取應課稅溢利，故概無就澳門利得稅作出撥備（二零一零年：零）。

29. INCOME TAX EXPENSE (Continued)

(d) Other income tax (Continued)

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities, as follows:

		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, after excluding share of profit of an associate	除所得稅前溢利 (經扣除應佔聯營 公司溢利)	80,490	941,471
Tax calculated at domestic tax rates applicable to profits of the respective subsidiaries	按適用於相關附屬公司 之溢利之當地稅率 計算之稅項	19,297	171,109
Effect of tax exemption/reduction	稅項豁免／減免之影響	(3,512)	(83,479)
Expenses not deductible for tax purposes	不可扣稅開支	567	1,226
Tax losses for which no deferred income tax asset was recognised	未經確認遞延所得稅 資產之稅項虧損	123	694
Adjustment in respect of prior years	過往年度調整	1,283	(161)
Withholding tax relating to unremitted earnings of subsidiaries	有關附屬公司未匯付 盈利的預扣稅	4,442	19,650
		22,200	109,039

The weighted average applicable tax rate was 24% (2010: 18%), which is caused increase of the applicable tax rate of the Group's subsidiary in Vietnam.

適用的加權平均稅率為24% (二零一零年：18%)，此乃由於本集團越南附屬公司之適用稅率增加所致。

30. PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The profit attributable to equity holders of the Company is dealt with in the financial statements of the Company to the extent of approximately RMB68,503,000 (2010: RMB249,196,000 profit).

29. 所得稅開支(續)

(d) 其他所得稅(續)

本集團除所得稅前溢利的稅款與根據適用於綜合實體溢利的加權平均稅率計算之理論金額不同，差異如下：

30. 本公司股權持有人應佔溢利

本公司股權持有人應佔溢利約人民幣68,503,000元(二零一零年：溢利人民幣249,196,000元)已計入本公司財務報表內。

31. EARNING PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

		2011 二零一一年	2010 二零一零年
Profit attributable to equity holders of the Company (RMB'000)	本公司股權持有人應佔溢利(人民幣千元)	61,256	841,225
Weighted average number of ordinary shares in issue (thousands)	已發行普通股加權平均數(以千計)	884,681	884,681
Basic earnings per share (RMB per share)	每股基本盈利(每股人民幣元)	0.07	0.95

(b) Diluted

Diluted earnings per share is the same as the basic earnings per share since the Company does not have diluted shares.

31. 每股盈利

(a) 基本

每股基本盈利以本公司股權持有人應佔溢利除以年內已發行普通股之加權平均數計算。

(b) 攤薄

由於本公司並無攤薄股份，故每股攤薄盈利與每股基本盈利相同。

32. DIVIDENDS

The dividends paid in 2011 and 2010 were RMB198,547,000 (HKD0.27 per ordinary share) and RMB143,307,000 (HKD0.185 per ordinary share) respectively. The directors did not recommend the payment of a final dividend for the year ended 31 December 2011.

		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
Interim dividend paid of HKD0.1 (2010: HKD0.11) per ordinary share	每股普通股已付中期股息 0.1 港元(二零一零年：0.11 港元)	72,304	84,938
Proposed final dividend of nil (2010: HKD0.17) per ordinary share	建議每股普通股零港元末期股息(二零一零年：0.17 港元)	—	126,243
		72,304	211,181

The aggregate amounts of the dividends paid and proposed during 2011 and 2010 have been disclosed in the consolidated income statement in accordance with the Hong Kong Companies Ordinance.

32. 股息

二零一一年及二零一零年分別支付股息人民幣198,547,000元(每股普通股0.27港元)及人民幣143,307,000元(每股普通股0.185港元)。董事並不建議就截至二零一一年十二月三十一日止年度派付末期股息。

於二零一一年及二零一零年已付及擬派股息總額已根據香港公司條例於綜合損益表內披露。

33. CASH GENERATED FROM OPERATIONS

The reconciliation from profit before income tax to cash generated from operations is as follows:

33. 經營所產生之現金

除所得稅前溢利與營運產生的現金對賬如下：

		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	83,475	950,173
Adjustments for:	調整各項目：		
– Amortisation and depreciation	– 攤銷及折舊	176,341	144,468
– Share of profit from an associate	– 分佔聯營公司溢利	(2,985)	(8,702)
– Loss on disposal of property, plant and equipment and land use rights	– 出售物業、廠房及設備及土地使用權虧損	2,152	4,014
– Finance costs – net	– 財務費用－淨額	77,732	43,566
– Fair value loss on derivative financial instruments	– 衍生金融工具公平值虧損	38,546	33,532
– Realised fair value change on financial instruments	– 金融工具已實現公平值變動	(26,996)	(368)
Changes in working capital (excluding the effects of exchange differences on consolidation):	營運資金變動(綜合賬目之匯兌差額的影響除外)：		
– Inventories	– 存貨	98,290	(672,196)
– Trade and bills receivables	– 應收貿易及票據款項	(235,767)	31,146
– Prepayments, deposits and other receivables	– 預付款項、按金及其他應收賬款	262,659	(383,185)
– Trade and bills payables	– 應付貿易及票據款項	(356,994)	348,800
– Accruals and other payables	– 預提費用及其他應付賬款	(59,929)	56,628
Cash generated from operations	經營所產生之現金	56,524	547,876

In the consolidated cash flow statement, proceeds from disposal of property, plant and equipment:

於綜合現金流量表，出售物業、廠房及設備的所得款項包括：

		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 book amount (Notes 7)	賬面淨值(附註7)	20,970	12,994
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	(2,152)	(4,014)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	18,818	8,980

34. COMMITMENTS

(a) Capital commitments

Capital expenditure at the balance sheet date but not yet incurred is 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
Property, plant and equipment	物業、廠房及設備		
Authorized but not contracted for	已授權但未訂約	622,371	—
Contracted but not provided for	已訂約但未撥付	51,332	191,663
		673,703	191,663
Land use rights	土地使用權		
Contracted but not provided for	已訂約但未撥付	52,149	191,663
Total capital commitments	資本承擔總額	725,852	191,663

As at 31 December 2011, the capital commitments for property, plant and equipment and land use rights mainly represent the expansion plan and investment budget in Vietnam of RMB701,267,000, which has been approved by the board of the Group in 2011.

於二零一一年十二月三十一日，物業、廠房及設備的資本承擔主要代表在越南的擴充計劃及投資預算，為數人民幣701,267,000元，已獲本集團董事會於二零一一年批准。

(b) Operating leases commitments

The Group leases various land, offices and warehouses under non-cancellable operating lease agreements. The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

(b) 經營租賃承擔

本集團根據不可撤銷經營租賃協議而租賃不同的土地、辦公室及倉庫。根據不可撤銷經營租賃之未來最低租賃款項總額如下：

		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
No later than 1 year	一年內	8,640	3,417
Later than 1 year and no later than 5 years	一年後至五年內	2,810	7,582
Later than 5 years	五年後	24,218	64,851
		35,668	75,850
Representing:	指：		
Land use rights	土地使用權	25,450	73,346
Property, plant and equipment	物業、廠房及設備	10,218	2,504
		35,668	75,850

35. RELATED-PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control.

The related party that had transactions with the Group is as follows:

Name of related party 關聯方名稱	Relationship with the Group 與本集團的關係
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Nantong Textile Group Co., Ltd. 南通紡織控股集團紡織染有限公司	Associated company 聯營公司
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35. 與關聯方的交易

倘其中一方能直接或間接控制另一方或在財務及營運決定方面對另一方行使重大影響力，則被視為關聯方。倘彼等受共同控制，亦被視為關聯方。

與本集團進行交易的關聯方如下：

(a) Transactions with the related party

	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
Purchases of goods 購買貨品	7,887	33,308

In the opinion of the Company's directors and the Group's management, the above related party transactions were carried out in the ordinary course of business, and in accordance with the terms of the underlying agreements and/or the invoices issued by the respective parties.

本公司董事及本集團的管理層認為上述與關聯方的交易乃於日常業務過程並且根據相關協議的條款及／或由有關各方發出的發票進行。

(b) Balance with the related party

	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 for purchase of raw materials to a related party 應付關聯方的原材料採購預付款	—	103
Trade payable to a related party 應付關聯方的貿易款項	345	50

The balances with related parties are unsecured, non-interest bearing and are repayable within one year.

與關聯方的結餘為無抵押、免息及須於一年內償還。

35. RELATED-PARTY TRANSACTIONS

(Continued)

(c) Key management compensation

		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, wages and bonuses	薪酬、工資及花紅	7,998	14,319
Pension cost – defined contribution plan	退休金成本—界定供款計劃	106	103
Other benefits	其他福利	2,498	843
		10,602	15,265

35. 與關聯方的交易 (續)

(c) 主要管理層薪酬

36. PARTICULARS OF SUBSIDIARIES

The following is a list of the Group's principal subsidiaries, which are unlisted, at 31 December 2011:

36. 附屬公司資料

下表列示本集團於二零一一年十二月三十一日的重大非上市附屬公司：

Name 名稱	Place and date of incorporation and form of legal entity 註冊成立地點及日期及 法律實體類別	Principal activities and place of operations 主要業務及營運地點	Particulars of issued share capital or paid-in capital 已發行股本或繳入的 股本詳情	Interest 佔股
Directly held: 直接持有：				
Texhong Textile Holdings Limited 天虹紡織控股有限公司	British Virgin Islands, 26 May 2004, limited liability company 英屬處女群島 二零零四年五月二十六日 有限責任公司	Investment holding in British Virgin Islands 於英屬處女群島 投資控股	100 ordinary shares of USD1 each 100 股每股 1 美元 普通股	100%
Texhong Textile Investment Limited 天虹紡織投資有限公司	British Virgin Islands, 9 December 2004, limited liability company 英屬處女群島 二零零四年十二月九日 有限責任公司	Investment holding in British Virgin Islands 於英屬處女群島 投資控股	1 ordinary share of USD1 1 股每股 1 美元 普通股	100%
Sunray International Holdings Limited 新銳國際控股有限公司	British Virgin Islands, 21 January 2005, limited liability company 英屬處女群島 二零零五年一月二十一日 有限責任公司	Investment holding in British Virgin Islands 於英屬處女群島 投資控股	1 ordinary share of USD1 1 股每股 1 美元 普通股	100%

36. PARTICULARS OF SUBSIDIARIES (Continued)

36. 附屬公司資料 (續)

Name 名稱	Place and date of incorporation and form of legal entity 註冊成立地點及日期及 法律實體類別	Principal activities and place of operations 主要業務及營運地點	Particulars of issued share capital or paid-in capital 已發行股本或繳入的 股本詳情	Interest 佔股
Texhong Vietnam Investment Limited	British Virgin Islands, 6 September 2006, limited liability company	Investment holding in British Virgin Islands	50,000 ordinary shares of USD1	100%
天虹越南投資有限公司	英屬處女群島 二零零六年九月六日 有限責任公司	於英屬處女群島 投資控股	50,000 股每股 1 美元 普通股	100%
Texhong Industrial Park Holding Limited	British Virgin Islands, 11 November 2010, limited liability company	Investment holding in British Virgin Islands	1 ordinary share of USD1	100%
天虹工業園控股有限公司	英屬處女群島 二零一零年十一月十一日 有限責任公司	於英屬處女群島 投資控股	1 股每股 1 美元 普通股	100%
TVN Investment Limited	British Virgin Islands, 14 February 2011, limited liability company	Investment holding in British Virgin Islands	1 ordinary share of USD1	100%
TVN Investment Limited	英屬處女群島 二零一一年二月十四日 有限責任公司	於英屬處女群島 投資控股	1 股每股 1 美元 普通股	100%
Indirectly held: 間接持有：				
Texhong Textile (Taizhou) Co., Ltd.	Tai Zhou, Mainland China, 20 October 1997, limited liability company	Manufacturing and sales of yarns and grey fabrics in Mainland China	USD193,750	100%
天虹紡織(泰州)有限公司	中國泰州 一九九七年十月二十日 有限責任公司	於中國大陸製造及銷售 紗線及坯布	193,750 美元	100%
Texhong Textile (Suining) Co., Ltd.	Xuzhou, Mainland China, 26 June 1998, limited liability company	Manufacturing and sales of yarns, grey fabrics, dyed cloth and dress in Mainland China	USD187,500	100%
天虹紡織(睢寧)有限公司	中國徐州 一九九八年六月二十六日 有限責任公司	於中國大陸製造及銷售 紗線、坯布、染布及服裝	187,500 美元	100%
Taizhou Texhong Weaving Co., Ltd.	Taizhou, Mainland China, 15 January 2000, limited liability company	Manufacturing and sales of industrial-use textile products and top-grade blended-spinning in Mainland China	USD2,625,000	100%
泰州天虹織造有限公司	中國泰州 二零零零年一月十五日 有限責任公司	於中國大陸製造及銷售 工業用紡織品及高級混 紗線	2,625,000 美元	100%

36. PARTICULARS OF SUBSIDIARIES (Continued)

36. 附屬公司資料(續)

Name 名稱	Place and date of incorporation and form of legal entity 註冊成立地點及日期及 法律實體類別	Principal activities and place of operations 主要業務及營運地點	Particulars of issued share capital or paid-in capital 已發行股本或繳入的 股本詳情	Interest 佔股
Zhejiang Texhong Textile Co., Ltd.	Jinhua, Mainland China, 18 May 2000, limited liability company	Manufacturing and sales of industrial -use textile products, top-grade grey fabrics and blended-spinning in Mainland China	USD6,350,000	100%
浙江天虹紡織有限公司	中國金華 二零零零年五月十八日 有限責任公司	於中國大陸製造及銷售工 業用紡織品、高級坯布 及混紡線	6,350,000 美元	100%
Jiangsu Century Texhong Textile Co., Ltd.	Xuzhou, Mainland China, 6 June 2000, limited liability company	Manufacturing and sales of yarns, grey fabrics, dyed cloth and dress; processing of cotton in Mainland China	USD10,200,000	100%
江蘇世紀天虹紡織有限公司	中國徐州 二零零零年六月六日 有限責任公司	於中國大陸製造及銷售 紗線、坯布、染布及 服裝；棉花加工	10,200,000 美元	100%
Taizhou Century Texhong Textile Co., Ltd.	Taizhou, Mainland China, 23 April 2002, limited liability company	Manufacturing and sales of industrial-use textile products and top-grade blended-spinning in Mainland China	USD13,000,000	100%
泰州世紀天虹紡織有限公司	中國泰州 二零零二年四月二十三日 有限責任公司	於中國大陸製造及銷售 工業用紡織品及高級 混紡線	13,000,000 美元	100%
Nantong Century Texhong Textile Co., Ltd.	Nantong, Mainland China, 7 June 2002, limited liability company	Manufacturing and sales of yarns, grey fabrics and dyed fabrics in Mainland China	USD3,850,000	100%
南通世紀天虹紡織有限公司	中國南通 二零零二年六月七日 有限責任公司	於中國大陸製造及銷售 紗線、坯布及染布	3,850,000 美元	100%
Xuzhou Century Texhong Textile Co., Ltd.	Xuzhou, Mainland China, 13 January 2003, limited liability company	Manufacturing and sales of top-grade yarns and cloth spinning in Mainland China	USD625,000	100%
徐州世紀天虹紡織有限公司	中國徐州 二零零三年一月十三日 有限責任公司	於中國大陸製造及銷售 高級紗線及布料紗線	625,000 美元	100%

36. PARTICULARS OF SUBSIDIARIES (Continued)

36. 附屬公司資料 (續)

Name 名稱	Place and date of incorporation and form of legal entity 註冊成立地點及日期及 法律實體類別	Principal activities and place of operations 主要業務及營運地點	Particulars of issued share capital or paid-in capital 已發行股本或繳入的 股本詳情	Interest 佔股
Xuzhou Texhong Yinfeng Textile Co., Ltd.	Xuzhou, Mainland China, 12 May 2004, limited liability company	Manufacturing and sales of yarns, grey fabrics, cloth and dyed fabrics in Mainland China	USD4,200,000	100%
徐州天虹銀豐紡織有限公司	中國徐州 二零零四年五月十二日 有限責任公司	於中國大陸製造及銷售 紗線、坯布、布料及染布	4,200,000 美元	100%
Nantong Texhong Yinhai Industrial Co., Ltd.	Nantong, Mainland China, 20 May 2004, limited liability company	Manufacturing and sales of garment, textile knitting products and yarns in Mainland China	USD3,500,000	100%
南通天虹銀海實業有限公司	中國南通 二零零四年五月二十日 有限責任公司	於中國大陸製造及銷售 成衣、紡織與織造產品 及紗線	3,500,000 美元	100%
Xuzhou Texhong Times Textile Co., Ltd.	Xuzhou, Mainland China, 29 December 2004, limited liability company	Manufacturing and sales of top-grade yarns, thread, grey fabrics, textile knitting products, and garments in Mainland China	USD18,000,000	100%
徐州天虹時代紡織有限公司	中國徐州 二零零四年十二月二十九日 有限責任公司	於中國大陸製造及銷售 高級紗線、線、坯布、 紡織與織造產品及成衣	18,000,000 美元	100%
Texhong (China) Investment Co., Ltd.	Shanghai, Mainland China, 21 June 2005, limited liability company	Investment holding and trading of textile products in Mainland China	USD30,000,000	100%
天虹(中國)投資有限公司	中國上海 二零零五年六月二十一日 有限責任公司	投資控股及於中國大陸 買賣紡織產品	30,000,000 美元	100%
Xuzhou Texhong Yinlian Textile Co., Ltd.	Xuzhou, Mainland China, 30 March 2006, limited liability company	Manufacturing top-grade yarns, thread, grey fabrics, dresses, in Mainland China	USD12,500,000	100%
徐州天虹銀聯紡織有限公司	中國徐州 二零零六年三月三十日 有限責任公司	於中國大陸製造高級 紗線、線、坯布及服裝	12,500,000 美元	100%

36. PARTICULARS OF SUBSIDIARIES (Continued)

36. 附屬公司資料(續)

Name 名稱	Place and date of incorporation and form of legal entity 註冊成立地點及日期及 法律實體類別	Principal activities and place of operations 主要業務及營運地點	Particulars of issued share capital or paid-in capital 已發行股本或繳入的 股本詳情	Interest 佔股
Taizhou Texhong Yintai Textile Co., Ltd.	Taizhou, Mainland China, 26 May 2006, limited liability company	Manufacturing top-grade garment and special textile for construction in Mainland China	USD6,500,000	100%
泰州天虹銀泰紡織有限公司	中國泰州 二零零六年五月二十六日 有限責任公司	於中國大陸製造高級成衣 及特別紡織品以用於建築	6,500,000 美元	100%
Sunray Macao Commercial Offshore Limited	Macao, 19 December 2005, limited liability company	Trading in Macao	MOP\$100,000	100%
新濠澳門離岸商業服務有限公司	澳門 二零零五年十二月十九日 有限責任公司	於澳門貿易	100,000 澳門幣	100%
Texhong Textile (Hong Kong) Limited.	Hong Kong, 11 May 2006, limited liability company	Investment holding in Hong Kong	10,000 ordinary share of HKD1	100%
天虹紡織(香港)有限公司	香港 二零零六年五月十一日 有限責任公司	於香港進行投資控股	10,000 股每股 1 港元 普通股	100%
Changzhou Texhong Textile Co., Ltd.	Changzhou, Mainland China 1 January 1979, limited liability company	Manufacturing and sales of textile, decoration and garment in Mainland China	RMB32,145,000	100%
常州天虹紡織有限公司	中國常州 一九七九年一月一日 有限責任公司	於中國大陸製造及銷售 紡織品、飾品及成衣	人民幣 32,145,000 元	100%
Sunray Trading (Hong Kong) Limited	Hong Kong, 16 February 2005, limited liability company	Trading, investment and corporate services in Hong Kong	10,000 ordinary shares of HKD1	100%
新銳貿易(香港)有限公司	香港 二零零五年二月十六日 有限責任公司	於香港進行貿易、投資及 提供企業服務	10,000 股每股 1 港元 普通股	100%
Texhong Renze Textile Joint Stock Company (formerly known as Texhong (Vietnam) Textile Limited)	Vietnam, 24 October 2006, limited liability company	Manufacturing of yarn in Vietnam	USD30,000,000	100%
天虹仁澤紡織股份有限公司 (前稱天虹(越南)紡織 有限公司)	越南 二零零六年十月二十四日 有限責任公司	於越南製造紗線	30,000,000 美元	100%

36. PARTICULARS OF SUBSIDIARIES (Continued)

36. 附屬公司資料 (續)

Name 名稱	Place and date of incorporation and form of legal entity 註冊成立地點及日期及 法律實體類別	Principal activities and place of operations 主要業務及營運地點	Particulars of issued share capital or paid-in capital 已發行股本或繳入的 股本詳情	Interest 佔股
Texhong Textile Nantong Ltd. 天虹紡織南通有限公司	British Virgin Islands, 14 March 2007, limited liability company 英屬處女群島 二零零七年三月十四日 有限責任公司	Investment holding in British Virgin Islands 於英屬處女群島 進行投資控股	USD50,000 50,000 美元	100% 100%
Texhong Textile Nantong Investment Limited 天虹紡織南通投資有限公司	Hong Kong, 6 November 2007, limited liability company 香港 二零零七年十一月六日 有限責任公司	Investment holding in Hong Kong 於香港進行投資控股	100 ordinary shares of HKD1 100 股每股 1 港元 普通股	100% 100%
Texhong Textile (Hong Kong) Holdings Limited 天虹紡織(香港)控股有限公司	Hong Kong, 24 October 2007, limited liability company 香港 二零零七年十月二十四日 有限責任公司	Investment holding in Hong Kong 於香港進行投資控股	100 ordinary shares of HKD1 100 股每股 1 港元 普通股	100% 100%
TVN (Hong Kong) Limited TVN (Hong Kong) Limited	Hong Kong, 4 December 2007, limited liability company 香港 二零零七年十二月四日 有限責任公司	Investment holding in Hong Kong 於香港進行投資控股	100 ordinary shares of HKD1 100 股每股 1 港元 普通股	100% 100%
Shanghai Texhong Trading Co., Ltd. 上海特斯特虹貿易有限公司	Shanghai, Mainland China, 11 August 2008, limited liability company 中國上海 二零零八年八月十一日 有限責任公司	Trading of textile products in Mainland China 在中國大陸進行紡織品貿易	USD500,000 500,000 美元	100% 100%
Shanghai Hongrun Textile Co., Ltd. 上海虹潤貿易有限公司	Shanghai, Mainland China, 7 January 2009, limited liability company 中國上海 二零零九年一月七日 有限責任公司	Trading of textile products in Mainland China 在中國大陸進行紡織品貿易	RMB5,000,000 人民幣 5,000,000 元	100% 100%

36. PARTICULARS OF SUBSIDIARIES (Continued)

36. 附屬公司資料(續)

Name 名稱	Place and date of incorporation and form of legal entity 註冊成立地點及日期及 法律實體類別	Principal activities and place of operations 主要業務及營運地點	Particulars of issued share capital or paid-in capital 已發行股本或繳入的 股本詳情	Interest 佔股
Plus 39 International Limited	British Virgin Islands, 5 August 2010, limited liability company	Investment holding in British Virgin Islands	50,000 ordinary shares of USD1	51%
Plus 39 International Limited	英屬處女群島 二零一零年八月五日 有限責任公司	於英屬處女群島進行 投資控股	50,000股每股 1美元普通股	51%
Texhong Industrial Park (Phuoc Dong) Investment Limited	British Virgin Islands, 16 November 2010, limited liability company	Investment holding in British Virgin Islands	1 ordinary share of USD1	100%
Texhong Industrial Park (Phuoc Dong) Investment Limited	英屬處女群島 二零一零年十一月十六日 有限責任公司	於英屬處女群島進行 投資控股	1股每股 1美元普通股	100%
Texhong Industrial Park (Phu Thuan) Investment Limited	British Virgin Islands, 16 November 2010, limited liability company	Investment holding in British Virgin Islands	1 ordinary share of USD1	100%
Texhong Industrial Park (Phu Thuan) Investment Limited	英屬處女群島 二零一零年十一月十六日 有限責任公司	於英屬處女群島進行 投資控股	1股每股 1美元普通股	100%
Texhong Yinlong Textile Limited	Vietnam, 5 May 2011, limited liability company	Manufacturing of yarn in Vietnam	USD70,000,000	100%
天虹銀龍紡織有限公司	越南 二零一一年五月五日 有限責任公司	於越南製造紗線	70,000,000美元	100%
Texhong Industrial Park Investment Limited	Hong Kong, 5 January 2011, limited liability company	Investment holding in Hong Kong	100 ordinary shares of HKD1	100%
天虹工業園投資有限公司	香港 二零一一年一月五日 有限責任公司	於香港投資控股	100股每股 1港元普通股	100%

36. PARTICULARS OF SUBSIDIARIES

(Continued)

Texhong (China) Investment Co., Ltd. is a wholly foreign owned investment holding company incorporated in Mainland China. All other subsidiaries established in Mainland China are wholly owned foreign enterprises incorporated in Mainland China.

None of the subsidiaries had any loan capital in issue at any time during year ended 31 December 2011 (2010: None).

The English names of certain subsidiaries established in Mainland China represent the best effort by the Group's management to translate their Chinese names, as they do not have official English names.

36. 附屬公司資料(續)

天虹(中國)投資有限公司為於中國大陸註冊成立之全外資投資控股公司。所有其他在中國大陸成立之附屬公司為在中國大陸註冊成立之全外資企業。

截至二零一一年十二月三十一日止年度內任何時間，概無附屬公司擁有任何已發行借貸股本(二零一零年：零)。

若干於中國大陸成立之附屬公司並無正式英文名稱，其英文名稱為本集團管理層盡最大努力將其中文名稱翻譯為英文之版本。

