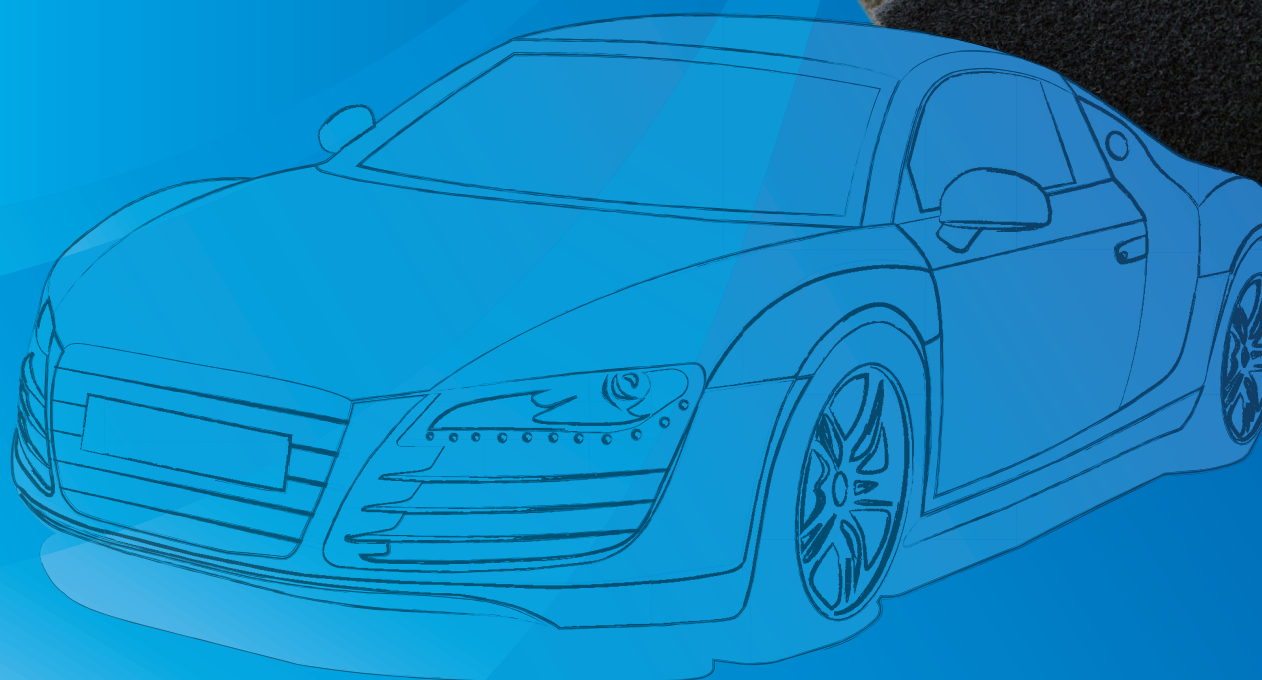




China Automotive Interior Decoration Holdings Limited 中國汽車內飾集團有限公司

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立的有限公司)

GEM stock code: 8321
創業板股份代號：8321



2012
年報
Annual Report

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss however arising from or in reliance upon the whole or any part of the contents of this report.

This report, for which the directors of China Automotive Interior Decoration Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (“GEM Listing Rules”) for the purpose of giving information with regard to the Company. The directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

香港聯合交易所有限公司(「聯交所」)創業板(「創業板」)的特色

創業板的定位，乃為相比起其他在聯交所上市的公司帶有較高投資風險的公司提供一個上市的市場。有意投資的人士應了解投資於該等公司的潛在風險，並應經過審慎周詳的考慮後方作出投資決定。創業板的較高風險及其他特色表示創業板較適合專業及其他資深投資者。

由於創業板上市公司新興的性質使然，在創業板買賣的證券可能會較於主板買賣的證券承受較大的市場波動風險，而且無法保證在創業板買賣的證券會有高流通量的市場。

香港交易及結算所有限公司及香港聯合交易所有限公司對本報告之內容概不負責，對其準確性或完整性亦不發表任何聲明，並明確表示概不就因本公告全部或任何部分內容而產生或因依賴該等內容而引致之任何損失承擔任何責任。

本報告(中國汽車內飾集團有限公司(「本公司」)各董事願共同及個別對此負全部責任)乃遵照聯交所創業板證券上市規則(「創業板上市規則」)的規定而提供關於本公司的資料。董事在作出一切合理查詢後，確認就彼等所知及所信，本報告所載資料在各重大方面均屬準確及完整，且無誤導或欺騙成分，而本報告亦無遺漏其他事實，致使本報告所載任何陳述或本報告有所誤導。

CONTENTS

目錄

3	Corporate Information	公司資料
5	Chairman's Statement & Management Discussion and Analysis	主席報告及管理層的討論及分析
16	Biographical Information of Directors and Senior Management	董事及高級管理層的履歷資料
20	Corporate Governance Report	企業管治報告
30	Directors' Report	董事會報告
39	Independent Auditors' Report	獨立核數師報告
41	Consolidated Income Statement	綜合收益表
42	Consolidated Statement of Comprehensive Income	綜合全面收益表
43	Consolidated Statement of Financial Position	綜合財務狀況表
45	Statement of Financial Position	財務狀況表
46	Consolidated Statement of Changes in Equity	綜合權益變動表
47	Consolidated Statement of Cash Flows	綜合現金流量表
49	Notes to the Financial Statements	財務報表附註
120	Summary of Financial Information	財務資料概要

CORPORATE INFORMATION

公司資料

Executive Directors

Mr. Zhuang Yuejin (*Chairman*)
Mr. Pak Ping
Ms. Ruan Bixia
Mr. Wong Ho Yin

Independent Non-Executive Directors

Mr. Mak Wai Ho
Dr. Tang Yanfei
Mr. Feng Xueben

Audit Committee

Mr. Mak Wai Ho (*Chairman*)
Dr. Tang Yanfei
Mr. Feng Xueben

Remuneration Committee

Mr. Mak Wai Ho (*Chairman*)
Mr. Zhuang Yuejin
Dr. Tang Yanfei

Nomination Committee

Mr. Zhuang Yuejin (*Chairman*)
Mr. Mak Wai Ho
Mr. Feng Xueben

Compliance Officer

Mr. Wong Ho Yin

Company Secretary

Mr. Wong Ho Yin

Authorised Representatives

Mr. Zhuang Yuejin
Mr. Wong Ho Yin

Auditors

HLB Hodgson Impey Cheng
Chartered Accountants
Certified Public Accountants

Registered Office

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

執行董事

莊躍進先生(*主席*)
白平先生
阮碧霞女士
黃浩然先生

獨立非執行董事

麥偉豪先生
湯炎非博士
馮學本先生

審核委員會

麥偉豪先生(*主席*)
湯炎非博士
馮學本先生

薪酬委員會

麥偉豪先生(*主席*)
莊躍進先生
湯炎非博士

提名委員會

莊躍進先生(*主席*)
麥偉豪先生
馮學本先生

監察主任

黃浩然先生

公司秘書

黃浩然先生

授權代表

莊躍進先生
黃浩然先生

核數師

國衛會計師事務所
英國特許會計師
香港執業會計師

註冊辦事處

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

CORPORATE INFORMATION (Continued)

公司資料(續)

Headquarter and Principal Place of Business in Hong Kong

Workshop Nos. 22-23,
6/F, Corporation Park,
11 On Lai Street, Shatin,
New Territories, Hong Kong

Principal Place of Business in the PRC

No. 28 Xinfeng Road, Xinfeng Industrial Park,
Fangqian Town New District,
Wuxi City, Jiangsu Province, the PRC

Cayman Islands Share Registrar and Transfer Office

Codan Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Hong Kong Branch Share Registrar and Transfer Office

Tricor Investor Services Limited
26th Floor, Tesbury Centre
28 Queen's Road East
Wanchai
Hong Kong

Principal Banker

Industrial and Commercial Bank of China
Wuxi Xi Shan Sub-branch
Ying Bin North Road
Dong Ting Town
Xi Shan District
Wuxi City, the PRC

Compliance Adviser

Tanrich Capital Limited

Company Website

www.joystar.com.hk

Stock Code

8321

總辦事處及香港主要營業地點

香港新界
沙田安麗街 11 號
企業中心
6樓 22-23 室

中國主要營業地點

中國江蘇省無錫市
新區坊前鎮
新豐工業園新風路 28 號

開曼群島股份過戶登記處

Codan Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

股份過戶登記處香港分處

卓佳證券登記有限公司
香港
灣仔
皇后大道東 28 號
金鐘匯中心 26 樓

主要往來銀行

中國工商銀行
無錫錫山支行
中國無錫市
錫山區
東亭鎮
迎賓北路

合規顧問

敦沛融資有限公司

公司網站

www.joystar.com.hk

股份代號

8321

CHAIRMAN'S STATEMENT & MANAGEMENT DISCUSSION AND ANALYSIS

主席報告及管理層的討論與分析

Dear Shareholders,

On behalf of the board of Directors (the "Board") of China Automotive Interior Decoration Holdings Limited (the "Company"), I am pleased to present the audited annual results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2012.

FINAL DIVIDEND

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2012.

BUSINESS REVIEW

The Group is principally engaged in the manufacture and sale of nonwoven fabric products used in automotive interior decoration parts. The Group mainly manufactures its products with single layer or multiple layers of nonwoven fabric in accordance with specific requirements and standards of different customers. Most of the Group's customers are primary manufacturers and suppliers of automotive parts in the PRC. The majority of the Group's products are further processed by these customers in order to make different automotive parts such as floor, head lining, seat cover, parcel tray, trunk, luggage-side trim, hubcap and car-mat, which are of different characteristics and are to be applied for different usages in passenger vehicles.

According to the statistics released from China Association of Automobile Manufacturers ("CAAM"), the production and sales of passenger vehicles were approximately 15,523,000 units and 15,495,000 units respectively during 2012, representing an increase of approximately 7.2% and 7.0%. These favorable growth in passenger vehicles market resulted in a stable demand for automotive interior decoration materials of the Group during 2012.

However, as a result of various regulations and standards imposed upon the automotive industry, such as environmental protection and safety requirements, some of the Group's major customers changed its product specification requirements during the year. To enhance our competitiveness, the Company had to procure higher grade of raw materials to maintain relationship with customers, causing an increase in cost of raw materials. To overcome the increased cost of production in long-term, the Group deployed more resources to research and development in order to improve production efficiency and reduce the consumption of the raw materials. During the year ended 31 December 2012, the Group incurred a cost of approximately RMB6.5 million for the research and development. Some of outcomes of research and development are expected to achieve an effect of cost saving. For example, the Group has developed fire resistant glue for the production of nonwoven fabric and reduced the total cost of glue and fire resistant materials if purchased separately. As most of the outcomes of research and development are achieved during late 2012, the cost saving effect cannot be reflected in the result during the year ended 31 December 2012.

各位股東：

本人謹代表中國汽車內飾集團有限公司(「本公司」)董事會(「董事會」)欣然提呈本公司及其附屬公司(統稱「本集團」)截至二零一二年十二月三十一日止年度之經審核全年業績。

末期股息

董事不建議就截至二零一二年十二月三十一日止年度派付末期股息。

業務回顧

本集團主要從事製造及銷售用於汽車內飾件的無紡布產品。本集團主要根據不同客戶的特定要求及標準製造一層或多層非織造纖維的產品。本集團大部分主要客戶為在中國的汽車配件主要製造商及供應商。本集團大部分產品均由其客戶作進一步加工，以成為不同的汽車配件，如汽車主地毯面料、頂蓬面料、座椅面料、衣帽架面料、行李箱蓋毯面料、行李箱側毯面料、輪罩面料及汽車腳踏墊面料，各具不同特點，可應用於乘用車的不同用途。

根據中國汽車工業協會(「CAAM」)公佈的數據，二零一二年乘用車的製造及銷售分別約為15,523,000台及15,495,000台，相當於約7.2%及7.0%的增長。該等於乘用車市場的有利增長於二零一二年為本集團的汽車內飾產品帶來穩定需求增長。

然而，由於汽車業已實施多項環保及安全等方面的規定及標準，本集團的部分主要客戶於年內更改其產品規格要求。為提升本集團之競爭力，本公司必須採購較高品質的原料以維持與客戶的關係，致使原料成本上升。為解決長期生產成本上升，本集團已將更多資源投放於研發工作，從而改善生產效率及減低原料耗用。截至二零一二年十二月三十一日止年度，本集團就研發產生成本約人民幣6.5百萬元。部份研發結果預期將可達致節省成本的效用。例如，本集團已為生產無紡布研發阻熱膠，並減低膠水及阻熱物料之總成本(倘獨立採購)。由於二零一二年底期間才達致研發成果，故節省成本影響未能於截至二零一二年十二月三十一日止年度之業績中反映。

CHAIRMAN'S STATEMENT & MANAGEMENT DISCUSSION AND ANALYSIS

主席報告及管理層的討論與分析

Upgrading of production process

On 23 March 2012, the Group entered into a technical service agreement with Donghua University, pursuant to which the university will provide technical services to help the Group on upgrading its existing manufacturing technology and process and to assist the Group in the research and development of, among others, recyclable, biodegradable and functional nonwoven fabric products together with the corresponding processing technology.

Achievements on research and development

With the Group's effort in research and development, various types of new products and technologies have been developed over the past years. During 2012, the Group successfully registered 7 utility model patents which have a symbolic meaning of recognition of the Group's effort in research and development and have facilitated and guaranteed the Group's production quality. The Group's effort in research and development was further acknowledged when the Group obtained the Certificate of Innovative and High-end Technology Enterprise in November 2012.

Formation of joint venture company

On 17 October 2012, the Group entered into a joint venture agreement with a sizeable Korean company, pursuant to which a joint venture company was established to engage in the production and sale of polyester fibers used in automobiles in the PRC. As the Group requires polyester fibers for the production of nonwoven fabric. The Group expected that the joint venture will allow the Group to secure raw materials supply and accelerate the production expansion plan of the Group horizontally.

Diversification of new business

It is the Group's objective to pursue its existing business and at the same time, to actively seek opportunities to diversify its existing principal business in order to reduce business risk. Recently, rubber related products have been broadly used for automotive parts, such as tines and seal circle. During the last quarter of 2012, the Group allocated its resource on rubber trading which brought turnover of approximately RMB6.7 million for the year ended 31 December 2012.

Important events after the year end date

In order to further expand the Group's market influence in the nonwoven products used in automobiles in the PRC, on 11 March 2013, the Group entered into a joint venture agreement with a machinery manufacturer, pursuant to which a joint venture company was established to engage in the production and sale of environmental-friendly interior decoration materials and filtering materials for using in automobiles in the PRC.

On 26 March 2013, the Group entered into a sale and purchase agreement pursuant to which the Group acquired the entire business of trading of synthetic rubber at a consideration of HK\$28 million for the purpose of strengthening the future income stream of the Group's existing business of rubber trading.

優化生產工序

於二零一二年三月二十三日，本集團與東華大學訂立技術服務協議，據此，該大學將提供技術服務以協助本集團將現有製造技術與工序升級，以及協助本集團研發(其中包括)可收回、可分解及功能性無紡布產品及相關加工技術。

研究及開發成績

憑藉本集團於研究及開發的努力，過往年度已開發多種新產品及技術。於二零一二年，本集團已成功註冊七項實用新型專利，對本集團於研究及開發的努力具有象徵性的意義，亦促進並保證本集團的生產質素。本集團二零一二年十一月獲得高新技術企業證書，進一步認同本集團於研究及開發的努力。

成立合營公司

於二零一二年十月十七日，本集團與一家具規模的韓國公司訂立合營協議，據此成立合營公司可以在中國從事生產及銷售用於汽車的聚酯短纖維。由於本集團生產無紡布需要聚酯短纖維，本集團預期合營公司將確保本集團取得原材料供應並促進本集團的橫向擴大生產計劃。

多元化拓展新業務

本集團旨在致力於其現有業務並同時積極尋求機會以多元化其現有主要業務，從而減低業務風險。近期，橡膠相關產品已被廣泛用於輪胎及焊接工具等汽車部件。於二零一二年最後一季期間，本集團分配其資源至中國橡膠買賣，於截至二零一二年十二月三十一日止年度帶來約人民幣6.7百萬元營業額。

年結日後重要事項

為進一步擴充本集團在中國用於汽車內飾件的無紡布產品的市場影響力，於二零一三年三月十一日，本集團與機械生產商訂立合營協議，據此成立合營公司，在中國從事生產及銷售用於汽車的環保內飾物料及過濾物料。

於二零一三年三月二十六日，本集團訂立買賣協議，據此，本集團以代價28百萬港元收購全部合成橡膠買賣業務，以加強本集團現有橡膠買賣業務的未來收入流。

FINANCIAL REVIEW**Revenue**

The Group's revenue for the years ended 31 December 2012 and 2011 was illustrated as follows:

		Year ended 31 December 截至十二月三十一日止年度	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Nonwoven fabric for using in automobiles	用於汽車的無紡布		
Sale of automotive floor carpets	汽車地毯的銷售	90,234	96,771
Sale of other automotive parts	其他汽車配件的銷售	69,999	56,121
Nonwoven fabric for using in infrastructure	用於基建的無紡布	—	3,584
Sales of rubber	橡膠的銷售	6,673	—
		166,906	156,476

For the year ended 31 December 2012, the Group's revenue increased to approximately RMB166.9 million, compared to approximately RMB156.5 million in 2011, representing an increase of approximately 6.7%. The increase in the Group's revenue was mainly attributable to the increase in demand of the Group's products under the stable growth of production and sales of passenger vehicles in the PRC. Furthermore, as most of the Group's customers supplied their products to Korean brand automotive manufacturers, the continuous growth in sales of Korean brand passenger vehicles also contributed to a growth of business of the Group. In addition, the Group commenced the business of sales of rubber during the last quarter of 2012 and recorded an turnover of approximately RMB6.7 million for the year ended 31 December 2012.

Gross profit

The gross profit of the Group decreased by approximately RMB13.6 million from approximately RMB42.0 million in 2011 to approximately RMB28.4 million in 2012. The decrease was mainly attributable to the increase in cost of raw materials and recognized of research and development expenditure of approximately RMB6.5 million. To enhance quality of the product to fulfil the changing requirements, the Group acquired higher grade of materials and therefore increased its overall materials costs during 2012. Furthermore, the Group realized the importance of research and development on new products and the manufacturing process will enhance the sustainability of the Group's business. During 2012, the Group deployed more resources to research and development and therefore recorded an increase in cost of sales and a decrease in gross profit of the Group.

財務回顧**收入**

截至二零一二年及二零一一年十二月三十一日止年度，本集團的收入顯示如下：

截至二零一二年十二月三十一日止年度，本集團的收入增至約人民幣166.9百萬元，二零一一年則為約人民幣156.5百萬元，相當於約6.7%的增長。本集團收入增加主要由於在中國乘用車的生產及銷售穩定增長下，本集團產品的需求增加。此外，由於本集團大部分的客戶向韓國品牌汽車製造商供應其產品，韓國品牌乘用車持續增長亦為本集團業務帶來增長。此外本集團於二零一二年最後一季開展橡膠的銷售業務，並於截至二零一二年十二月三十一日止年度錄得營業額約人民幣6.7百萬元。

毛利

本集團之毛利由二零一一年約人民幣42.0百萬元減少約人民幣13.6百萬元至二零一二年約人民幣28.4百萬元。減少主要由於原材料成本增加及確認研究及開發開支約人民幣6.5百萬元。為提高產品質素以符合不斷改變的規定，本集團於二零一二年收購較高水平物料，因而增加其整體原料成本。此外，本集團深明研究及開發新產品及製造工序將提高本集團業務的可持續性的重要性。於二零一二年，本集團投放更多資源至研究及開發，故錄得銷售成本增加，以及本集團之毛利減少。

Other income

The Group's other income increased by approximately RMB3.8 million from approximately RMB1.0 million for the year ended 31 December 2011 to approximately RMB4.8 million for the year ended 31 December 2012. The substantial increase was mainly due to an increase in technical support income of RMB0.8 million and gain on held-for-trading investments during the year.

Selling and distribution costs

The selling and distribution costs decreased by approximately RMB0.4 million from approximately RMB7.7 million in the year ended 31 December 2011 to RMB7.3 million in the year ended 31 December 2012. The decrease was mainly due to the reduction of transportation costs of the Group.

Administrative expenses

The administrative expenses increased by approximately RMB0.5 million from approximately RMB11.3 million in the year ended 31 December 2011 to approximately RMB11.8 million in the year ended 31 December 2012. The increase was principally attributable to the increase in the Group's professional fee in relation to compliance of the Group's corporate governance issue and the payment of technical services expense to Donghua University to upgrade the manufacturing process of the Group.

Finance costs

The finance costs increased by approximately RMB0.2 million from approximately RMB1.5 million in the year ended 31 December 2011 to approximately RMB1.7 million in the year ended 31 December 2012. The increase was mainly due to the increase in interest expense during the year.

Profit attributable to the owners of the Company

The profit attributable to the owners of the Company was approximately RMB10.8 million for the year of 2012, compared with approximately RMB18.9 million for the corresponding year of 2011. The decrease was mainly due to a decrease in profit margin of the Group's nonwoven business.

其他收入

本集團之其他收入由截至二零一一年十二月三十一日止年度約人民幣1.0百萬元增加約人民幣3.8百萬元至截至二零一二年十二月三十一日止年度約人民幣4.8百萬元。大幅增加是主要由於年內技術支援收入增加人民幣0.8百萬元及持作買賣投資的收益所致。

銷售及分銷成本

銷售及分銷成本由截至二零一一年十二月三十一日止年度約人民幣7.7百萬元減少約人民幣0.4百萬元至截至二零一二年十二月三十一日止年度約人民幣7.3百萬元。減少主要由於本集團的運輸成本減少所致。

行政開支

行政開支由截至二零一一年十二月三十一日止年度約人民幣11.3百萬元增加約人民幣0.5百萬元至截至二零一二年十二月三十一日止年度約人民幣11.8百萬元。增加主要來自有關本集團企業管治事項的合規之本集團專業成本及為將本集團的生產工序升級而向東華大學支付的技術服務開支有所增加。

融資成本

融資成本由截至二零一一年十二月三十一日止年度約人民幣1.5百萬元增加約人民幣0.2百萬元至截至二零一二年十二月三十一日止年度約人民幣1.7百萬元。增加乃由於年內利息費用增加所致。

本公司擁有人應佔溢利

本公司擁有人應佔年度溢利於二零一二年約為人民幣10.8百萬元，而二零一一年同期則約為人民幣18.9百萬元。減少主要由於本集團的無紡布業務的邊際利潤減少。

OUTLOOK

The Group entered into the master purchasing agreements with some major customers that intending to increase the purchasing quantities in 2013. In addition, the Group's committed efforts in research and development in the use of new materials and improvement of production technologies have yielded successful results in late 2012. Such efforts will also be carried on in the manufacturing process of the Group in 2013 and is expected to reduce the future production costs.

On the other hand, according to the statistics released from CAAM, although the growth of total number of automobile production and sales was slowing down, it still expects the sales of passenger vehicles in the PRC will be increased by 7% in 2013.

Therefore, the Board expects the prospect of the Group is still promising. To keep a steady pace of development, the Group will continuously deploy its resources on:

- 1) upgrading the production lines in order to improve the production efficiency;
- 2) installing new machineries to suit the customers' varying requirements and demands on high-end products;
- 3) conducting research and development to keep up with the latest technological trends in relation to product specifications;
- 4) accelerating the launch of new products to capture extra market share and expand the market coverage in the PRC; and
- 5) strengthening the quality control systems to retain customer loyalty and reinforce the Group's reputation in the nonwoven fabric industry in the PRC.

Regarding the new business, the Group considered that supported by robust economic growth, the PRC's market is still a major driver for rubber trading of the Group. Trading of rubber will yield stable return with a lower risk level. Therefore, the Group is dedicating to diversify further into the business of trading of rubber in order to bring greater returns to the shareholders of the Company in long term.

Going forward, with a view to achieving better return and enhancing the expansion of the Group, the Group will look for potential investment opportunities to diversify its business scope.

前景

本集團與部分主要客戶訂立總採購協議，擬增加二零一三年的採購數量。此外，本集團多年來於研究及開發使用新物料及改善生產科技作出的努力於二零一二年年底帶來理想成果。該等努力亦會延伸至本集團於二零一三年的製造過程，預期將進一步減低未來生產成本。

此外，根據中國汽車工業協會的數據，儘管汽車製造及銷售總額現正放緩，惟中國乘用車銷售仍預期將於二零一三年增加7%。

因此，董事會預期本集團前景仍然光明。為保持穩步發展，本集團將不斷投放資源於：

- 1) 將生產線升級，以改善生產效率；
- 2) 安裝新機器，以迎合客戶對高端產品不停轉變的需要及需求；
- 3) 進行研發，以在有關產品規格的最新技術趨勢上與時並進；
- 4) 加快推出新產品，以擴大市場佔有率及擴闊於中國的市場覆蓋率；及
- 5) 加強質量監控系統，以確保顧客繼續支持及鞏固本集團於無紡布產品在中國的口碑。

就新業務方面，本集團認為在強勁經濟增長的支持下，中國市場仍為本集團橡膠買賣的主要動力。本集團的橡膠買賣將於較低的風險水平下，實現穩定回報。因此，本集團致力進一步多元化拓展其業務至橡膠買賣業務，務求長遠為本公司股東帶來更大回報。

展望未來，為實現更豐厚回報及加強本集團的擴充，本集團將物色有潛力的投資商機，務求多元化發展其業務範圍。

Liquidity and Financial Resources

流動性及財務資源

		As at 31 December 於十二月三十一日	
		2012	2011
		二零一二年	二零一一年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Current assets	流動資產	196,757	109,033
Current liabilities	流動負債	52,862	42,556
Current ratio	流動比率	3.72	2.56

The current ratio of the Group at 31 December 2012 was 3.72 times as compared to that of 2.56 times at 31 December 2011. It was mainly resulted from the net proceeds raised from the issue of new shares on 14 May 2012 and 12 September 2012 respectively as well as the growth of the Group's business.

At 31 December 2012, the Group's gearing ratio (represented by totals of borrowings and finance lease payable divided by summation of total bank borrowings and finance lease payable and equity) amounted to approximately 13.6% (2011: 18.3%).

The Group generally financed its operations by internal cash resources and bank financing. On 14 May 2012 and 12 September 2012, 120,000,000 new shares and 720,000,000 new shares of the Company were respectively issued and allotted by way of open offers. The total net proceeds of the open offers was approximately RMB64.7 million and the Board intends to apply the proceeds for potential acquisition activities as identified by the Group from time to time and/or as the working capital of the Group.

At 31 December 2012, cash and bank balances of the Group amounted to approximately RMB82.1 million (2011: RMB16.4 million), and approximately RMB71.6 million (2011: RMB6.0 million) of which are denominated in Hong Kong dollars, United States dollars and Euro. Taking into account the Group's cash reserves and recurring cash flows from its operations, the Group's financial position is stable and healthy.

本集團於二零一二年十二月三十一日的流動比率為3.72倍，而於二零一一年十二月三十一日則為2.56倍，主要來自分別於二零一二年五月十四日及二零一二年九月十二日發行新股份籌集之所得款項淨額以及本集團業務的增長。

於二零一二年十二月三十一日，本集團的資本負債比率(即借款及應付融資租賃之總和除以銀行借款總額和應付融資租賃及權益之總和)約為13.6%(二零一一年：18.3%)。

本集團一般透過內部現金資源及銀行融資撥付其經營業務。於二零一二年五月十四日及二零一二年九月十二日，120,000,000股及720,000,000股本公司新股份已分別透過公開發售發行及配發。公開發售的所得款項總淨額為約人民幣64.7百萬元，而董事會擬將所得款項用於本集團識別的潛在收購活動及/或作為本集團的營運資金。

於二零一二年十二月三十一日，本集團現金及銀行結餘約為人民幣82.1百萬元(二零一一年：人民幣16.4百萬元)，其中約人民幣71.6百萬元(二零一一年：人民幣6.0百萬元)以港元、美元及歐元列值。經考慮本集團現金儲備及其業務的經常性現金流量後，本集團的財務狀況乃屬穩健。

COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS 業務目標與實際業務進展之比較

An analysis comparing the business objectives as set out in the Company's prospectus dated 21 September 2010 (the "Prospectus") with the Group's actual business progress for the year ended 31 December 2012 is set out below:

本公司日期為二零一零年九月二十一日之招股章程(「招股章程」)所載的業務目標與本集團截至二零一二年十二月三十一日止年度的實際業務進展之比較分析載列如下：

Business objectives as stated in the Prospectus

招股章程所述業務目標

1. Expansion of production capacity 擴充產能

- Upgrading two existing production lines
- 提升兩條現有生產線

- Installing new equipment for perfection of production
- 安裝新設備以完善生產

2. Acquisition of land and construction of new factory premises 購買土地及興建新廠房

Constructing factory premises
興建廠房

Actual business progress

實際業務進展

The Group completed upgrading the existing production lines.
本集團已完成現有生產線之升級。

The Group installed new PE coating production line for perfection of existing production lines.
本集團已安裝新設備以完善現有生產線。

The Group originally intended to acquire a land situated in Xibei Yuan District of the Xishan Economic Development Zone of Jiangsu Province, the PRC for the construction of new factory premises. As inadequate supporting infrastructure to the said land, the Group could not reach a proposal on the terms of acquiring land with the Management Committee of Xibei Yuan District of the Xishan Economic Development Zone of Jiangsu Province. The Group also attempted to explore another land located around the Group's existing factory premises in Fonqian Town with favorable offer for the construction of new factory premises but no suitable land was identified. The Group will continue to identify suitable land with favorable offer for the construction of factory premises.

本集團原先計劃收購一幅位於中國江蘇省錫山經濟開發區錫北園區之土地以興建新廠房。由於上述土地之支援基建不足，本集團無法就購買土地之條款與江蘇省錫山經濟開發區錫北園區管理委員會達成建議。本集團亦嘗試物色其他鄰近本集團於坊前鎮現有廠房且條件優惠之土地興建新廠房，惟仍未物色到合適之土地。本集團將繼續物色具備優惠條件之合適土地以興建廠房。

CHAIRMAN'S STATEMENT & MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

主席報告及管理層的討論與分析(續)

Business objectives as stated in the Prospectus

招股章程所述業務目標

3. Development of new products 開發新產品

Research and development
研究及開發

— Noise-absorbing and heat-insulating nonwoven fabric;

— 吸音及隔熱無紡布；

— Nonwoven fabric for filtering system of high-speed trains; and

— 用於動車組過濾系統的無紡布；及

— Material for interior decoration of cruising boats; non-flammable smooth seat pad; and Civil-work fabric

— 用於遊艇內飾的物料；防火及防刺坐墊；及土工布

Actual business progress

實際業務進展

The Group has successfully developed noise-absorbing and heat-insulating nonwoven fabric and has distributed the products in the second half of 2010.

本集團已成功開發吸音及隔熱無紡布，並已於二零一零年下半年分銷該產品。

The Group is conducted research and development in smooth and filtering materials used in high-speed trains with universities in the PRC. After considering the potential market demands and respective development costs, the Group deferred to develop the materials.

本集團與中國多所大學進行用於動車組的防刺及過濾物料的研發。經考慮潛在市場需求及各自的開發成本後，本集團決定延遲開發有關物料。

The Group conducted research on the textures of the material for interior decoration of cruising boats, non-flammable smooth seat pad and Civil-work fabric. In addition, the Group performed market research on the demand of the material for interior decoration of cruising boats, non-flammable smooth seat pad and Civil-work fabric. After considering the potential market demands and respective development costs, the Group deferred to develop these products.

本集團就用於遊艇內飾的物料、防火及防刺坐墊及土工布的結構進行研究。此外，本集團亦就用於遊艇內飾的物料、防火及防刺坐墊及土工布進行市場需求研究。經考慮潛在市場需求及各自的開發成本後，本集團決定延遲開發該等產品。

The Group also conducted research and development on other new nonwoven fabric products.

本集團亦實行研究及開發其他新無紡布產品。

USE OF PROCEEDS

On 29 September 2010, shares of the Company were listed on the Stock Exchange by way of placing. The net proceeds from the placing was approximately HK\$30.6 million, which was different from the estimated net proceeds of approximately HK\$34.4 million (estimated on the assumption that the placing price would be the mid-point of the stated range as stated in the Prospectus). The Group originally intends to adjust the use of proceeds in the same manner and in the same proportion as shown in the Prospectus. On 22 November 2011, the Board resolved to change the proposed use of net proceeds originally allocated for the acquisition of land and construction of new factory premises to the expansion of production capacity which mainly involved in the acquisition of additional plants and equipment and the research and development of new products, as follows:

所得款項用途

於二零一零年九月二十九日，本公司股份以配售方式於聯交所上市。配售所得款項淨額約為30.6百萬港元，其有別於估計所得款項淨額約34.4百萬港元（估計乃假設配售價格為招股章程所載範圍之中間價）。本集團擬按招股章程所示之相同方式及比例調整所得款項用途。於二零一一年十一月二十二日，董事會議決將所得款項淨額由原先撥作收購土地及興建新廠房用途改為用作主要以收購其他廠房及設備以擴充產能及研製及開發新產品：

		Adjusted use of proceeds in the same manner and proportion as stated in the Prospectus 根據招股章程 所示之相同方式 及比例調整之 所得款項用途 HK\$'000 千港元	Revised allocation of use of proceeds 經修訂之 所得款項 用途分配 HK\$'000 千港元
Expansion of production capacity	擴充產能	8,733	24,801
Acquisition of land and construction of new factory premises	收購土地及興建新廠房	19,401	—
Development of new products	開發新產品	2,467	5,800
		30,601	30,601

CHAIRMAN'S STATEMENT & MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

主席報告及管理層的討論與分析(續)

During the period from 13 September 2010, being the latest practicable date prior to issue of the Prospectus to 31 December 2012, the Group has applied the net proceeds as follows:

自二零一零年九月十三日(即刊發招股章程前的最後實際可行日期)至二零一二年十二月三十一日期間內，本集團已將所得款項淨額作如下用途：

		Revised allocation of use of proceeds 經修訂之 所得款項用途分配 HK\$'000 千港元	Actual use of proceeds 所得款項 實際用途 HK\$'000 千港元
Expansion of production capacity	擴充產能	24,801	13,781
Development of new products	開發新產品	5,800	5,800
		30,601	19,581

The balance of the unused proceeds was placed as bank deposits as at 31 December 2012 and temporarily used as general working capital in order to increase the efficiency of the use of proceeds.

於二零一二年十二月三十一日，未動用所得款項的結餘以銀行存款方式存放，並已暫時用作一般營運資金以提高所得款項用途之使用效率。

CAPITAL STRUCTURE

Except 120,000,000 shares and 720,000,000 shares of the Company were issued and allotted by way of open offers on 14 May 2012 and 12 September 2012 respectively, there has been no material change in the capital structure of the Group since 31 December 2011.

資本結構

除120,000,000股及720,000,000股本公司股份已分別於二零一二年五月十四日及二零一二年九月十二日透過公開發售發行及配發外，自二零一一年十二月三十一日起本集團之資本結構概無重大變動。

FOREIGN EXCHANGE EXPOSURE

Majority of the assets and liabilities of the Group were denominated in Renminbi and Hong Kong dollars. At 31 December 2012, the Group had no significant exposure under foreign exchange contracts, interest, currency swaps or other financial derivatives.

外匯風險

本集團大部分資產及負債以人民幣及港元計值。於二零一二年十二月三十一日，本集團概無因外匯合約、利息、貨幣掉期或其他金融衍生工具而面臨任何重大風險。

SIGNIFICANT INVESTMENTS

At 31 December 2012, there was no significant investment held by the Group (2011: Nil).

重大投資

於二零一二年十二月三十一日，本集團並無持有重大投資(二零一一年：無)。

MATERIAL ACQUISITIONS OR DISPOSALS

For the year ended 31 December 2012, there was no material acquisitions or disposal of subsidiaries and affiliated companies by the Group.

重大收購或出售

於截至二零一二年十二月三十一日止年度，本集團概無就附屬公司及聯營公司進行重大收購或出售。

PLEDGE ON ASSETS

At 31 December 2012, the Group secured its bank loans by buildings with a carrying amounts of approximately RMB7.5 million and prepaid land lease payments with a carrying amounts of approximately RMB3.0 million respectively.

At 31 December 2011, the Group secured its bank loans by buildings with carrying amounts of approximately RMB7.8 million, prepaid land lease payments with carrying amounts of approximately RMB3.1 million and trade receivables with carrying amounts of approximately RMB7.4 million respectively.

EMPLOYEES AND REMUNERATION POLICY

At 31 December 2012, the Group employed a total of 184 employees (2011: 208). The emolument policy of the employees of the Group was set up by the Board on the basis of their experience, qualifications and competence. Other employees' benefits include contributions to statutory mandatory provident funds, and social insurance together with housing provident funds to its employees in Hong Kong and the PRC respectively.

A remuneration committee was set up for, inter alia, reviewing the Group's emolument policy and structure for all directors and senior management of the Group.

APPRECIATION

On behalf of the Group, I would like to take this opportunity to express my sincere gratitude to all of our customers, business partners and investors for their support and trust towards the Group. Further, I would like to express my sincere thanks to our Directors and employees for their dedications and contributions to the Group.

By order of the Board

Zhuang Yuejin
Chairman and Chief Executive Officer

Hong Kong, 28 March 2013

抵押資產

於二零一二年十二月三十一日，本集團分別以賬面值約人民幣7.5百萬元的樓宇及賬面值約人民幣3.0百萬元的預付土地租賃款項擔保其銀行貸款。

於二零一一年十二月三十一日，本集團分別以其賬面值約人民幣7.8百萬元的樓宇、賬面值約人民幣3.1百萬元的預付土地租賃款項及賬面值約人民幣7.4百萬元的應收貿易款項，作為其銀行貸款的抵押。

僱員及薪酬政策

於二零一二年十二月三十一日，本集團共聘用184名僱員(二零一一年：208名)。本集團的僱員薪酬政策乃由董事會根據其經驗、資歷及工作能力而制定。其他僱員福利分別包括香港及中國僱員的法定強制性公積金供款、社會保險以及住房公積金。

薪酬委員會已告成立，旨在(其中包括)審閱本集團所有董事及高級管理層的薪酬政策及結構。

鳴謝

本人謹代表本集團，藉此機會向本集團之所有客戶、業務夥伴及投資者對本集團的支持和信任致以衷心的謝意。此外，本人亦衷心感謝我們的董事及僱員對本集團作出的努力和貢獻。

承董事會命

莊躍進先生
主席兼行政總裁

香港，二零一三年三月二十八日

BIOGRAPHICAL INFORMATION OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層的履歷資料

EXECUTIVE DIRECTORS

Mr. Zhuang Yuejin, aged 50, is the Chairman of the Board, Chief Executive Officer of the Company and one of the founders of the Group. He was appointed as an executive Director on 12 April 2010. He has over 11 years of experience in the nonwoven textile industry. He is responsible for formulating the Group's corporate strategy, overseeing its production operations and the overall steering of the Group's strategic development.

Mr. Zhuang graduated from Xiamen Fisheries College in 1981 and was approved as a qualified engineer by the Intermediate Level Adjudication Committee of Xiamen City Marine Engineering Department in 1990. From 1997 to 2001, Mr. Zhuang was the director and the general manager of Xiamen Marine Industries (Group) Co., Limited, a PRC incorporated company and was previously listed on the Shenzhen Stock Exchange. Mr. Zhuang is the spouse of Ms. Ruan Bixia, an executive Director.

Mr. Pak Ping, aged 53, was appointed as an executive Director on 12 April 2010. Mr. Pak has over 17 years of experience in the nonwoven material and carpet industry. He is primarily responsible for coordinating the marketing activities and formulating product development strategies for the Group.

With extensive experience and profound knowledge on the nonwoven product industry, Mr. Pak co-founded the Group with Mr. Zhuang Yuejin in 2003.

Ms. Ruan Bixia, aged 48, was appointed as an executive Director on 12 April 2010. She has over 10 years of experience in the nonwoven textile industry. She is primarily responsible for supervising the delivery of customer service and the Group's expansion within the PRC.

Ms. Ruan graduated from Fujian Chemical Industry School in July 1989. Ms. Ruan is the spouse of Mr. Zhuang Yuejin, an executive Director.

Mr. Wong Ho Yin, aged 43, was appointed as an executive Director and company secretary on 30 June 2011. He graduated from Hong Kong Polytechnic University with a Master of Corporate Governance Degree and a Bachelor of Arts Degree in Accountancy. He is a member of the Hong Kong Institute of Certified Public Accountants and a member of both the Institute of Chartered Secretaries and Administrators and the Hong Kong Institute of Chartered Secretaries.

執行董事

莊躍進先生，50歲，為董事會主席、本公司行政總裁及本集團創辦人之一。彼於二零一零年四月十二日獲委任為執行董事。彼於非織造行業積逾十一年經驗。彼負責制定本集團的公司策略、監管生產經營及本集團策略發展的整體方向。

莊先生於一九八一年畢業於廈門市水產大專班，並於一九九零年獲廈門市水產工程技術中級職務評審委員會批准為合資格工程師。一九九七年至二零零一年間，莊先生於一間在中國註冊成立的公司廈門海洋實業(集團)股份有限公司擔任董事兼總經理，該公司之前於深圳證券交易所上市。莊先生為執行董事阮碧霞女士之配偶。

白平先生，53歲，於二零一零年四月十二日獲委任為執行董事。白先生於無紡布物料及地毯行業積逾十七年經驗。彼主要負責協調市場推廣活動及制定本集團的產品開發策略。

透過於無紡布產品行業的廣泛經驗及深入認識，白先生與莊躍進先生於二零零三年共同創辦本集團。

阮碧霞女士，48歲，於二零一零年四月十二日獲委任為執行董事。彼於無紡布行業積逾十年經驗。彼主要負責監察所提供的客戶服務及本集團於中國的拓展。

阮女士於一九八九年七月畢業於福建化工學校。阮女士為執行董事莊躍進先生的配偶。

黃浩然先生，43歲，於二零一一年六月三十日獲委任為執行董事及公司秘書。彼畢業於香港理工大學，持有企業管治碩士學位及會計學文學學士學位。彼為香港會計師公會會員，亦為特許秘書及行政人員公會及香港特許秘書公會之會員。

BIOGRAPHICAL INFORMATION OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

董事及高級管理層的履歷資料(續)

Prior to joining the Group, Mr. Wong was the financial controller and company secretary of a company listed on the Main Board of the Stock Exchange, namely Ching Hing (Holdings) Limited (currently known as China Household Holdings Limited) (Stock Code: 692), from September 2006 to October 2010. He has extensive experience in accounting and corporate compliance.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Tang Yanfei, aged 49, was appointed as an independent non-executive Director on 12 April 2010. Dr. Tang graduated from Wuhan University of Technology with a bachelor's degree in engineering in 1984. He further obtained from Wuhan University a master's degree and a doctor's degree in Economics respectively in 1987 and 1997.

Dr. Tang was appointed as the president assistant and the manager of the development department of Shenzhen Overseas Chinese Town Holding Company (Stock Code: 000069), a PRC incorporated company listed on the Shenzhen Stock Exchange, in 1998. From 2003 to 2004, he took office as the president assistant and the general manager of the investment management department of China Oceanwide Holdings Group, a PRC incorporated company and the holding company of Oceanwide Real Estate Group Co., Ltd. (Stock Code: 000046), a company listed on the Shenzhen Stock Exchange. Dr. Tang is currently a professor and the dean of the Faculty of Business Administration of Haikou College of Economics.

Mr. Mak Wai Ho, aged 40, was appointed as an independent non-executive Director on 9 September 2011. He was graduated from the Hong Kong University of Science and Technology with a Bachelor degree in Business Administration in Finance. He is a fellow member of the Association of Chartered Certified Accountants in the United Kingdom and a practising member of the Hong Kong Institute of Certified Public Accountants. He is a practising certified public accountant and has more than 16 years of experience in finance, accounting and auditing.

Mr. Mak was the company secretary and financial controller of Kong Sun Holdings Limited (Stock Code: 295), a company listed on the Main Board of the Stock Exchange, from September 2005 to November 2009.

於加入本集團前，黃先生於二零零六年九月至二零一零年十月間在聯交所主板上市公司正興(控股)有限公司(現稱中國家居控股有限公司，股份代號：692)擔任財務總監及公司秘書。彼於會計及公司遵例方面擁有豐富經驗。

獨立非執行董事

湯炎非博士，49歲，於二零一零年四月十二日獲委任為獨立非執行董事。湯博士於一九八四年畢業於武漢理工大學，並取得工程學學士學位。彼其後分別於一九八七年及一九九七年於武漢大學取得經濟學碩士及博士學位。

於一九九八年，湯博士獲委任為一間於中國註冊成立且於深圳證券交易所上市的深圳華僑城控股股份有限公司(股份代號：000069)之總裁助理及發展部經理。於二零零三年至二零零四年，彼於一間中國註冊成立公司中國泛海控股集團擔任總裁助理及投資管理部總經理，該公司為深圳證券交易所上市公司泛海建設集團股份有限公司(股份代號：000046)的控股公司。湯博士現時為海口經濟學院的工商管理學院的教授兼學院院長。

麥偉豪先生，40歲，於二零一一年九月九日獲委任為獨立非執行董事。彼畢業於香港科技大學，持有工商管理學(財務)學士學位。彼為英國特許公認會計師公會之資深會員及香港會計師公會之執業會員。彼為執業會計師，於金融、會計及核數範疇積逾十六年經驗。

麥先生於二零零五年九月至二零零九年十一月擔任聯交所主板上市公司江山控股有限公司(股份代號：295)之公司秘書兼財務總監。

BIOGRAPHICAL INFORMATION OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

董事及高級管理層的履歷資料(續)

Mr. Feng Xueben, aged 65, was appointed as an independent non-executive Director on 12 April 2010. Mr. Feng was approved as a qualified engineer specialising in textile machinery design by the Textile Industry Department of the People's Republic of China in 1989. Since 2003, Mr. Feng has been the chief engineer of Wuxi Jiayuan Nonwovens Technology Research Institute.

Mr. Feng was an independent director of Fujian Nanfang Textile Co., Ltd (Stock Code: 600483), a company listed on the Shanghai Stock Exchange, from June 2002 to May 2008. He was the deputy director of Nonwoven Textile Machinery Professional Committee of China Textile Machinery Association from 2007 to 2009. Since February 2010, Mr. Feng has also been an independent non-executive director of Costin New Materials Group Limited (Stock Code: 2228), a company listed on the Main Board of the Stock Exchange.

SENIOR MANAGEMENT

Ms. Wang Haiying, aged 43, has been the deputy general manager of Joystar (Wuxi) Automotive Interior Decoration Co., Ltd. ("Joystar Wuxi") since 2007 and is responsible for overseeing the production process and quality control of the Group.

Ms. Wang graduated from Wuhan Institute of Textile Engineering (currently known as Wuhan Textile University) in 1994, specialising in textile engineering. She has extensive experience in the industrial use textile industry and joined the Group as the head of quality control department of Joystar Wuxi in 2004.

Mr. Han Zhiqing, aged 48, has been the deputy general manager of Joystar Wuxi since 2004 and is responsible for coordinating the technological development and mechanical support for the Group.

Mr. Han graduated from Shanghai Wool and Jute Textile Company Workers' University in 1982, specialising in woolen textile. Mr. Han has over 10 years of extensive experience in the industrial use textile industry.

Ms. Wu Danping, aged 38, is the manager of the accounting department of Joystar Wuxi. Ms. Wu is responsible for the financial reporting and the management of the accounting and finance department of Joystar Wuxi.

馮學本先生，65歲，於二零一零年四月十二日獲委任為獨立非執行董事。馮先生於一九八九年獲中華人民共和國紡織工業部批准為合資格紡機設計工程師。自二零零三年起，馮先生於無錫嘉元非織造技術研究所擔任總工程師。

於二零零二年六月至二零零八年五月間，馮先生於上海證券交易所上市公司福建南紡股份有限公司(股份代號：600483)擔任獨立董事。馮先生於二零零七年至二零零九年擔任中國紡織機械器材工業協會非織造布機械專業委員會的副主任。自二零一零年二月起，馮先生亦擔任聯交所主板上市公司海東青新材料集團有限公司(股份代號：2228)的獨立非執行董事。

高級管理層

王海英女士，43歲，自二零零七年起為怡星(無錫)汽車內飾件有限公司(「怡星無錫」)的副總經理，負責監管生產過程及本集團的品質監控。

王女士於一九九四年畢業於武漢紡織工學院(現稱為武漢紡織大學)的紡織工程專業。彼於工業用紡織行業擁有豐富經驗並於二零零四年加入本集團擔任怡星無錫的品管部主管。

韓志清先生，48歲，自二零零四年起一直為怡星無錫之副總經理，負責協調本集團的技術發展及機器支援。

韓先生於一九八二年畢業於上海市毛麻公司職工大學的毛紡專業。韓先生於工業用紡織行業積逾十年的豐富的經驗。

吳丹萍女士，38歲，為怡星無錫會計部經理。吳女士負責財務報告及管理怡星無錫會計及財務部。

BIOGRAPHICAL INFORMATION OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

董事及高級管理層的履歷資料(續)

Ms. Wu obtained the Certificate of Accounting Professional issued by the Jiangsu Province Department of Finance and the Qualification Certificate of Specialty and Technology with specialty in accountancy conferred by the Ministry of Finance of the PRC in 1997 and 2006 respectively.

In 2008, Ms. Wu completed an online diploma programme in accountancy from China Agricultural University. She has 16 years of experience in financial accounting and reporting.

Mr. Wu Ganghua, aged 42, is the manager of the sales and marketing department of Joystar Wuxi. He is responsible for the sales and marketing operation of Joystar Wuxi.

In 1990, Mr. Wu graduated from Jiangsu Province Wuxi City College of Mechanical Manufacturing (currently known as Wuxi Institute of Technology). He was qualified as an assistant engineer in mechanical manufacturing by Wuxi City Professional Title Reform Committee in 1996. Mr. Wu further obtained a graduation certificate from Nanjing Normal University in 1999. Mr. Wu joined Joystar Wuxi in 2004.

吳女士分別於一九九七年及二零零六年取得江蘇省財政廳頒發的會計從業資格證書及中國財政部授予的專業技術資格證書(會計專業)。

於二零零八年，吳女士完成中國農業大學的一個網上會計文憑課程。彼在財務會計及申報領域擁有十六年經驗。

吳剛華先生，42歲，為怡星無錫銷售及推廣部經理。彼負責怡星無錫的銷售及市場推廣運作。

於一九九零年，吳先生畢業於江蘇省無錫市機械製造學校(現稱無錫職業技術學院)。彼於一九九六年獲無錫市職稱改革工作領導小組認可為機械製造助理工程師。於一九九九年，吳先生取得南京師範大學的畢業證書。吳先生於二零零四年加盟怡星無錫。

CORPORATE GOVERNANCE REPORT

企業管治報告

Pursuant to the Rule 18.44 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (the "GEM Listing Rules"), the Board is pleased to present the corporate governance report for the year ended 31 December 2012. This report highlights the key corporate governance practices of the Company.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standards of corporate governance to protect the interests of the shareholders of the Company. The Company's corporate governance practices are based on principles and code provisions as set out in the Corporate Governance Code ("Code") in Appendix 15 to the GEM Listing Rules. Except for the deviation from Code provision A.2.1 and A.6.7, the Company has complied with the former Code on Corporate Governance Practices during the period from 1 January 2012 to 31 March 2012 and the Code for the period from 1 April 2012 to 31 December 2012.

Code provision 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. Zhuang Yuejin is the Chairman and the Chief Executive Officer of the Company. Such deviation from Code provision A.2.1 is deemed appropriate as it is considered to be more efficient to have one single person as the Chairman of the Company as well as to discharge the executive functions of a chief executive officer, and it provides the Group with strong and consistent leadership in the development and execution of long term business strategies. The Board believes that the balance of power and authority is adequately ensured by the operations of the Board which comprises highly experienced individuals. There are three independent non-executive Directors on the Board. All of them possess adequate independence and therefore the Board considers the Company has achieved balance and provided sufficient protection of its interests.

Code provision A.6.7 stipulates that independent non-executive Directors should attend general meetings of the Company. Owing to overseas engagements, two independent non-executive Directors, Dr. Tang Yanfei and Mr. Feng Xueben, were unable to attend the general meetings of the Company held on 31 May 2012 and 10 August 2012.

根據聯交所創業板證券上市規則(「創業板上市規則」)第18.44條，董事會欣然呈列截至二零一二年十二月三十一日止年度之企業管治報告。本報告強調本公司的主要企業管治規範。

企業管治常規

本公司致力保持高水平的企業管治，以保障本公司股東之利益。本公司的企業管治規範乃基於企業管治守則(「守則」)各項原則及守則條文。除對守則條文第A.2.1及第A.6.7條偏離外，本公司於二零一二年一月一日至二零一二年三月三十一日期間內一直遵守創業板上市規則附錄十五的企業管治常規守則(「守則」)及於二零一二年四月一日至二零一二年十二月三十一日期間內一直遵守守則。

守則條文第A.2.1條規定主席與行政總裁的角色應予區分，並不應由一人同時兼任。莊躍進先生為本公司主席及行政總裁。守則條文第A.2.1條的偏離情況被視為恰當，原因是董事會認為一人同時兼任本公司主席並履行行政總裁的執行職務更具效率，並為本集團提供穩固且貫徹的領導，方便發展及推行長遠的業務策略。董事會深信，基於董事經驗豐富，董事會的運作能充分確保權力及權限得到制衡。董事會有三位獨立非執行董事。由於彼等的獨立性均屬足夠，故此董事會認為本公司已取得平衡及充分保障本公司的利益。

守則條文第A.6.7條規定獨立非執行董事應出席本公司的股東大會。由於另有海外事務，兩位獨立非執行董事湯炎非博士及馮學本先生未能出席本公司於二零一二年五月三十一日及二零一二年八月十日舉行的股東大會。

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry with all Directors, the Company confirmed that all Directors have complied with the code of conduct and the required standard of dealings concerning securities transactions by the Directors for the year ended 31 December 2012.

BOARD OF DIRECTORS

At 31 December 2012, the Board comprises four executive Directors and three independent non-executive Directors as follows:

Executive Directors

Mr. Zhuang Yuejin (Chairman)*
Mr. Pak Ping
Ms. Ruan Bixia*
Mr. Wong Ho Yin

* Mr. Zhuang Yuejin is the spouse of Ms. Ruan Bixia

Independent non-executive Directors

Mr. Mak Wai Ho
Dr. Tang Yanfei
Mr. Feng Xueben

The composition of the Board is well balanced with each Director having sound industry knowledge, extensive corporate and strategic planning experience and/or expertise relevant to the business of the Group. The biographical details of the Directors and the relationship among the members of the Board are set out in the "Biographical Information of Directors and Senior Management" on pages 16 to 19 of this report.

Generally, the responsibilities of the Board include:

- Formulation of overall strategic development of the Group;
- Monitoring the financial performance and internal control of the Group's business operations;
- Material acquisitions, investments, disposal of assets or any significant capital expenditure;
- Appointment, removal or reappointment of Board members and auditors;

有關董事進行證券交易之行為守則

本公司已採納有關董事進行證券交易之行為守則，其條款並不遜於創業板上市規則第5.48條至第5.67條所載之交易準則規定。經向全體董事作出特定查詢後，本公司確認全體董事於截至二零一二年十二月三十一日止年度均一直遵守行為守則及有關董事進行證券交易之交易準則規定。

董事會

於二零一二年十二月三十一日，董事會由下列四名執行董事及三名獨立非執行董事組成：

執行董事

莊躍進先生(主席)*
白平先生
阮碧霞女士*
黃浩然先生

* 莊躍進先生為阮碧霞女士的配偶

獨立非執行董事

麥偉豪先生
湯炎非博士
馮學本先生

董事會的結構平衡，每名董事均具備充分的行業知識、廣泛的企業及策略規劃經驗及／或與本集團業務有關的專門技術。董事之履歷詳情及董事會成員之間的關係載於本報告第16頁至第19頁的「董事及高級管理層的履歷資料」。

一般而言，董事會之職責包括：

- 制定本集團之整體策略發展；
- 監察本集團業務經營的財務表現及內部監控；
- 重大收購、投資、出售資產或任何重大資本開支；
- 委任、罷免或重新委任董事會成員及核數師；

CORPORATE GOVERNANCE REPORT (Continued)

企業管治報告(續)

- Remuneration of Directors;
- Communications with key stakeholders;
- Recommendation and declaration of any interim and final dividends

Executive Directors are responsible for running the Group and executing the strategies adopted by the Board. The Board delegates day-to-day activities to the management with department heads responsible for different aspects of the business. The non-executive Directors serve the relevant function of bringing independent judgment on the development, performance and risk management of the Group through their contributions in board meetings. They are also serving on remuneration committee, nomination committee and audit committee.

During the year, the Board complies at all times with the requirement of the GEM Listing Rules relating to the appointment of at least three independent non-executive Directors and at least one of them has appropriate professional qualifications or accounting or related financial management expertise. The Company has received from each independent non-executive Director an annual confirmation of his independence pursuant to Rule 5.09 of the GEM Listing Rules and the Company considers all the independent non-executive Directors to be independent.

The Board normally has four regular meetings a year at quarterly interval and meets as and when required to discuss the overall business, development strategy, operations and financial reporting of the Company. The Directors can attend meetings in person or through other means of electronic communication in accordance with the Company's articles of association. During the year ended 31 December 2012, eight Board meetings and two general meeting were held. The following table shows the attendance of individual Directors at the meetings held during the year:

- 董事酬金；
- 與主要權益擁有人溝通；
- 建議及宣派任何中期及末期股息

執行董事負責經營本集團及執行董事會所採納之策略。董事會將日常活動指派予管理層，其中各部門主管負責不同範疇的業務。非執行董事透過參與董事會會議，履行對本集團的發展、表現及風險管理作出獨立判斷的有關職能。彼等亦為薪酬委員會、提名委員會及審核委員會成員。

於年內，董事會時刻遵守創業板上市規則之相關規定，委任至少三名獨立非執行董事及當中至少一名擁有適當專業資格，或擁有會計或相關財務管理的專長。本公司已根據創業板上市規則第5.09條接獲各獨立非執行董事就其獨立性作出之年度確認。本公司認為，全體獨立非執行董事均屬獨立人士。

董事會通常每年召開四次例會，每季舉行一次，及於有需要時會晤，以討論本公司的整體業務、發展策略、業務及財務申報事宜。董事可親自或透過本公司組織章程細則所容許之其他電子通訊方式出席會議。於截至二零一二年十二月三十一日止年度，舉行了八次董事會會議及兩次股東大會。下表載列個別董事年內出席有關會議之情況：

Members	No. of Attendance		成員	出席次數	
	General meetings	Board meetings		股東大會	董事會會議
<i>Executive Directors</i>			<i>執行董事</i>		
Mr. Zhuang Yuejin	1/2	8/8	莊躍進先生	1/2	8/8
Mr. Pak Ping	2/2	8/8	白平先生	2/2	8/8
Ms. Ruan Bixia	0/2	7/8	阮碧霞女士	0/2	7/8
Mr. Wong Ho Yin	2/2	8/8	黃浩然先生	2/2	8/8
<i>Independent Non-executive Directors</i>			<i>獨立非執行董事</i>		
Mr. Mak Wai Ho	2/2	7/8	麥偉豪先生	2/2	7/8
Dr. Tang Yanfei	0/2	6/8	湯炎非博士	0/2	6/8
Mr. Feng Xueben	0/2	4/8	馮學本先生	0/2	4/8

CORPORATE GOVERNANCE REPORT (Continued)

企業管治報告(續)

The Directors will receive details of agenda and minutes of committee meetings in advance of and after each Board meeting respectively. The company secretary will distribute relevant documents to the Directors in a timely manner to enable the Directors to make informed decisions on matters to be raised at the Board meetings. All Directors have access to the advice and services of the company secretary who is responsible for ensuring the procedures of the Board meetings are complied with, and in consultation with the compliance officer of the Company, advising the Board on compliance matters.

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

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Code provision 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. Zhuang Yuejin is the Chairman and the Chief Executive Officer of the Company. Such deviation from Code provision A.2.1 is deemed appropriate as it is considered to be more efficient to have one single person as the Chairman of the Company as well as to discharge the executive functions of a chief executive officer, and it provides the Group with strong and consistent leadership in the development and execution of long term business strategies. The Board believes that the balance of power and authority is adequately ensured by the operations of the Board which comprises highly experienced individuals. There are three independent non-executive Directors on the Board. All of them possess adequate independence and therefore the Board considers the Company has achieved balance and provided sufficient protection of its interests.

APPOINTMENT, RE-ELECTION AND REMOVAL

According to the Company's articles of association, one-third of the Directors are required to retire from office at each annual general meeting, provided that every Director shall be subject to retirement by rotation at least once in every three years. A Director appointed since the most recent annual general meeting shall hold office only until the next annual general meeting and shall then be eligible for re-election. The independent non-executive Directors were appointed at specific terms for one year.

董事分別於每次董事會會議舉行前後收到詳細之議程和委員會會議之記錄。公司秘書將適時向董事分發有關文件，以使董事能就將於董事會會議提出之事宜作出知情決定。全體董事可獲得公司秘書的意見及服務，而公司秘書負責確保董事會程序已獲遵守，並向本公司監察主任作出諮詢，從而就合規事宜向董事會提出建議。

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

主席及行政總裁

根據守則條文第A.2.1條，主席與行政總裁的角色應有區分，不應由一人同時兼任。

莊耀進先生為本公司主席兼行政總裁。有關偏離守則條文第A.2.1條的情況被視為恰當，此乃由於由一人擔任本公司主席並履行行政總裁的行政職能相信更具效率，且為本集團提供強大及一致的領導，方便發展及推行長遠的業務策略。董事會深信，董事會由經驗豐富的人士組成，故董事會的運作能充分確保權力得到制衡。董事會有三名獨立非執行董事。由於彼等均具充分的獨立性，故此董事會認為，本公司已取得平衡，並能充分保障本公司的利益。

委任、重選及退任

根據本公司之組織章程細則，於每屆股東週年大會上，當時三分之一的董事須輪值退任，惟每名董事每三年須至少輪值退任一次。獲委任之董事任期由最近期股東週年大會起至下屆股東週年大會為止，並符合資格重選連任。獨立非執行董事按特定任期獲委任一年。

CONTINUOUS PROFESSIONAL DEVELOPMENT

Pursuant to Code provision A.6.5, which has come into effect from 1 April 2012, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant. All the Directors also understand the importance of continuous professional development and are committed to participate any suitable training or read relevant materials in order to develop and refresh their knowledge and skills. The Company has received from each Director a confirmation of their participation in continuous professional development by the following means:

Members*Executive Directors*

Mr. Zhuang Yuejin
Mr. Pak Ping
Ms. Ruan Bixia
Mr. Wong Ho Yin

Types of training

A, B, C
C
A
A, C

Independent Non-executive Directors

Mr. Mak Wai Ho
Dr. Tang Yanfei
Mr. Feng Xueben

B, C
A, B, C
B, C

Note:

A: attending training courses or seminars
B: giving talks at seminars, conferences or forums
C: reading newspapers, journals and relevant materials

持續專業發展

根據於二零一二年四月一日生效的守則條文第A.6.5條，全體董事均須參與持續專業發展，以發展及更新彼等的知識及技能，以確保彼等繼續向董事會作出知情及相關的貢獻。全體董事亦明白持續專業發展的重要性，並承諾參與任何適合的持續專業發展或閱讀有關材料，以發展及更新彼等的知識及技能。本公司已接獲各董事的確認書，確認彼等均有透過以下方式參與持續專業培訓：

成員*執行董事*

莊躍進先生
白平先生
阮碧霞女士
黃浩然先生

培訓類型

A, B, C
C
A
A, C

獨立非執行董事

麥偉豪先生
湯炎非博士
馮學本先生

B, C
A, B, C
B, C

附註：

A: 出席培訓課程或研討會
B: 於研討會、會議或論壇上演講
C: 閱讀報章、期刊及相關資料

REMUNERATION COMMITTEE

The Company established a remuneration committee on 13 September 2010 with written terms of reference in compliance with the Code. The primary duties of the remuneration committee include making recommendations to the Board on the policy and structure for all Directors and senior management, reviewing the terms of remuneration packages, determining the award of bonuses and considering the grant of options under the share option scheme of the Company. The remuneration committee comprises one executive Director, namely, Mr. Zhuang Yuejin and two independent non-executive Directors, namely Mr. Mak Wai Ho (chairman of the remuneration committee) and Dr. Tang Yanfei.

薪酬委員會

本公司於二零一零年九月十三日成立薪酬委員會，並以書面列明符合守則的職權範圍。薪酬委員會主要職責包括就全體董事及高級管理人員的政策及架構向董事會提出建議、審閱薪酬待遇條款、釐定花紅獎勵及考慮根據本公司購股權計劃授出購股權。薪酬委員會目前由一名執行董事莊躍進先生，及兩名獨立非執行董事麥偉豪先生(薪酬委員會主席)及湯炎非博士組成。

CORPORATE GOVERNANCE REPORT (Continued)

企業管治報告(續)

During the year, one meeting was held by the remuneration committee to discuss, among other things, the remuneration policy of the Group and determine the remuneration of the Directors. The following table shows the attendance of individual members at the meetings held during the year:

於年內，薪酬委員會舉行一次會議討論(其中包括)本集團之薪酬政策及釐訂董事薪酬。下表載列年內各成員於會議之出席率：

Members	No. of Attendance	成員	出席次數
<i>Executive Director</i>		<i>執行董事</i>	
Mr. Zhuang Yuejin	1/1	莊躍進先生	1/1
<i>Independent non-executive Directors</i>		<i>獨立非執行董事</i>	
Mr. Mak Wai Ho	1/1	麥偉豪先生	1/1
Dr. Tang Yanfei	0/1	湯炎非博士	0/1

NOMINATION COMMITTEE

提名委員會

The Company established a nomination committee on 13 September 2010 with written terms of reference in compliance with the Code. The primary duties of the nomination committee include reviewing the structure, size and composition of the Board, making recommendations to the Board regarding candidates to fill vacancies on the Board, assessing the independence of independent non-executive Directors and making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors. The nomination committee comprises one executive Director, namely Mr. Zhuang Yuejin (chairman of the nomination committee), and two independent non-executive Directors, namely Mr. Mak Wai Ho and Mr. Feng Xueben.

本公司於二零一零年九月十三日成立提名委員會，並以書面列明符合守則的職權範圍。提名委員會的主要職責包括檢討董事會的架構、人數及組成、就填補董事會空缺的候選人向董事會提出建議、評核獨立非執行董事的獨立性及就委任或重新委任董事及董事繼任計劃向董事會提出建議。提名委員會目前由一名執行董事莊躍進先生(提名委員會主席)，及兩名獨立非執行董事麥偉豪先生及馮學本先生組成。

During the year, one meeting was held by the nomination committee to, among other things, review the structure, size and composition of the board and assess the independence of each of the independent non-executive Directors. The following table shows the attendance of individual members at the meeting held during the year:

於年內，提名委員會舉行一次會議檢討(其中包括)董事會的架構、人數及組成，以及評估各獨立非執行董事的獨立性。下表載列年內各成員於會議之出席率：

Members	No. of Attendance	成員	出席次數
<i>Executive Director</i>		<i>執行董事</i>	
Mr. Zhuang Yuejin	1/1	莊躍進先生	1/1
<i>Independent non-executive Directors</i>		<i>獨立非執行董事</i>	
Mr. Mak Wai Ho	1/1	麥偉豪先生	1/1
Mr. Feng Xueben	0/1	馮學本先生	0/1

AUDIT COMMITTEE

The Company established an audit committee on 13 September 2010 in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules. Written terms of reference in compliance with Code provision C.3.3 have been adopted. The primary duties of the audit committee are, among other things, to review and supervise the financial reporting process and internal control system of the Group. The audit committee comprises three independent non-executive Directors, namely Mr. Mak Wai Ho (chairman of the audit committee), Dr. Tang Yanfei and Mr. Feng Xueben.

During the year, four meetings were held by the audit committee, two of which was with the attendance of external auditors. The following table shows the attendance of individual members at the meetings held during the year:

Members	No. of Attendance
<i>Independent non-executive Directors</i>	
Mr. Mak Wai Ho	4/4
Dr. Tang Yanfei	4/4
Mr. Feng Xueben	4/4

During the year, the audit committee, among other things, reviewed the quarterly, interim and annual reports as well as result announcements before submission to the Board. The audit committee focuses not only on the impact of the changes in accounting policies and practices but also on the compliance with accounting standards, the GEM Listing Rules and the legal requirements in review of the Company's quarterly, interim and annual reports as well as result announcements. The audit committee also reviewed the Company's financial controls, internal control and risk management systems and make recommendation to the Board on the re-appointment of the external auditors.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the functions set out in the Code provision D.3.1.

The Board reviewed the Company's corporate governance policies and practices, continuous professional development of Directors, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the GEM Listing Rules, and the Company's compliance with the Code and disclosure in this Corporate Governance Report.

審核委員會

本公司根據創業板上市規則第5.28至5.33條於二零一零年九月十三日成立審核委員會，符合守則條文第C.3.3條的書面職權範圍已獲採納。審核委員會的主要職責為(其中包括)審閱及監察本集團的財務申報程序及內部監控。本公司審核委員會目前由三位獨立非執行董事組成，分別為麥偉豪先生(審核委員會主席)、湯炎非博士及馮學本先生。

於年內，審核委員會舉行四次會議，外聘核數師已出席其中兩次會議。下表為年內各成員於會議之出席率：

成員	出席次數
<i>獨立非執行董事</i>	
麥偉豪先生	4/4
湯炎非博士	4/4
馮學本先生	4/4

年內，審核委員會於季度、中期、年度報告以及業績公告提呈董事會前(其中包括)審閱該等報告。審核委員會不僅注視會計政策及常規變動的影響，於審閱本公司季度、中期、年度報告以及業績公告時亦會關注是否符合會計準則、創業板上市規則及相關法律規定。審核委員會亦檢討本公司的財務監控、內部監控及風險管理系統，並就續聘外聘核數師向董事會提出建議。

企業管治職能

董事會負責履行守則條文第D.3.1條所載職能。

董事會已檢討本公司的企業管治政策及常規、董事的持續專業發展、本公司在遵守法律及監管規定方面的政策及常規、遵守《創業板上市規則》的情況，以及本公司遵守守則的情況及在本企業管治報告內的披露。

AUDITORS' REMUNERATION

The audit committee is responsible for considering the appointment of the external auditors and also reviews any non-audit functions performed by the external auditors for the Group, including whether such non-audit functions could lead to any potential material adverse effect on the Group. During the year, the auditors performed the work of statutory work of statutory audit for the year of 2012 and were also involved in non-audit assignment of two open offers in May and September 2012. For the year ended 31 December 2012, the remuneration payable and paid to the auditors, HLB Hodgson Impey Cheng were as follows:

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Audit services	審核服務	580	580
Non-audit services	非審核服務	787	—

The accounts for the year were audited by HLB Hodgson Impey Cheng whose term of office will expire upon the forthcoming annual general meeting. In March 2012, the practice of HLB Hodgson Impey Cheng was reorganised as HLB Hodgson Impey Cheng Limited. The Audit Committee has recommended to the Board that HLB Hodgson Impey Cheng Limited be nominated for appointment as the auditors of the Company at the forthcoming annual general meeting.

INTERNAL CONTROL

The Board recognises the importance of maintaining an adequate and effective internal control system to safeguard the Company's assets against unauthorised use or disposition, and to protect the interests of shareholders of the Company.

The audit committee assumes the overall responsibility for reviewing the adequacy and integrity of the Group's internal control system.

During the year, the Board has discussed and reviewed the relevant proposals made by senior management in order to ensure an adequate and effective system of internal control. The Board, through the audit committee, has conducted a review of the effectiveness of the internal control system of the Company and its subsidiaries for the year ended 31 December 2012, which covers all material controls, including financial, operational and compliance controls functions.

COMPANY SECRETARY

The company secretary of the Company assists the Board by ensuring good information flow within the Board and that Board policy and procedures are followed. The company secretary is also responsible for advising the Board on governance matters. As an employee of the Company, Mr. Wong Ho Yin, the company secretary of the Company, has undertaken not less than 15 hours of relevant professional training to update his skills and knowledge in 2012.

核數師薪酬

審核委員會負責考慮委任外聘核數師及檢討外聘核數師為本集團所執行之任何非核數職能，包括該等非核數職能會否對本集團構成任何潛在重大不利影響。年內，核數師已執行二零一二年年度之法定審核之法定工作，亦於二零一二年五月及九月參與兩次公開發售之非審核工作。截至二零一二年十二月三十一日止年度，應付及已付予核數師國衛會計師事務所的款項如下：

	2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
審核服務	580	580
非審核服務	787	—

年度賬目由國衛會計師事務所審核，其任期將於應屆股東週年大會後屆滿。於二零一二年三月，國衛會計師事務所重組為國衛會計師事務所有限公司。審核委員會已向董事會建議，於應屆股東週年大會上提呈委任國衛會計師事務所有限公司為本公司之核數師。

內部監控

董事會認同維持充分及有效內部監控系統甚為重要，此能防止本公司的資產在未經授權情況下遭動用或出售，並保障本公司股東權益。

審核委員會檢討本集團內部監控系統的充足及可靠性，並對此負上全部責任。

年內，董事會已討論及審閱高級管理層提出的相關建議方案，以確保內部監控系統充足及有效。董事會已透過審核委員會就本公司及其附屬公司於截至二零一二年十二月三十一日止年度之內部監控制度成效進行檢討，內容涵蓋所有重要監控，包括財務、營運、及合規監控功能。

公司秘書

本公司之公司秘書確保董事會成員間有效交流資訊及遵照董事會政策及程序，以協助董事會。公司秘書亦負責就管治事宜向董事會提出建議。作為本公司僱員，本公司之公司秘書黃浩然先生已於二零一二年接受不少於15小時之相關專業培訓，以更新其技能及知識。

SHAREHOLDERS' RIGHTS

Procedure for nominating a new Director

Pursuant to Article 83(2) of the articles and association of the Company (the "Articles"), subject to the Articles and the Companies Law of the Cayman Islands, the Company may by ordinary resolution elect any person to be a Director either to fill a casual vacancy on the Board, or as an addition to the existing Board.

Procedure for convening an extraordinary general meeting

Pursuant to Article 58 of the Articles, any one or more shareholder holding, at the date of deposit of the requisition, not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition and such meeting shall be held within 2 months from the date of deposit of the requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Procedure for sending enquires to the Board

Shareholders may send written enquiries or requests in respect of their rights to the principal place of business of the Company in Hong Kong and for the attention of the Company Secretary.

INVESTOR RELATIONS AND COMMUNICATION WITH SHAREHOLDERS

The Company has established a range of communication channels between itself and its shareholders, and investors. These include the publication of annual, interim and quarterly reports, notices, announcements, circulars and constitutional documents, the Company's website at www.joystar.com.hk and meetings with investors and analysts.

The Company encourages all shareholders to attend the annual general meetings to stay informed of the Group's strategy and goals. It provides an opportunity for direct communication between the Board and its shareholders. The chairman of the meeting explains the detailed procedures for conducting a poll and then answers any questions from shareholders. The poll results are published on the websites of the Company and the Stock Exchange.

股東的權利

提名一名新董事的程序

根據本公司組織章程細則(「細則」)細則第83(2)條，在細則及開曼群島公司法規限下，本公司可透過普通決議案選出任何人士出任董事，以填補董事會臨時空缺或出任現任董事會新增成員。

召開股東特別大會的程序

根據細則的細則第58條，任何一位或以上於提請要求當日持有不少於本公司繳足股本(賦予權利在本公司股東大會投票)十分之一的股東，可隨時向本公司董事會發出書面要求，要求董事會召開股東特別大會，以處理有關要求所指明的事項，且有關大會須於提請該要求起計兩個月內舉行。倘提請後二十一(21)日內董事會未有召開大會，則提請要求的人士可自行以相同方式召開大會，而本公司須向提請要求的人士補償因董事會未有召開大會而產生的所有合理開支。

向董事會發送查詢的程序

股東可將有關彼等權利的書面查詢或要求發送至本公司香港主要營業地點，收件人為公司秘書。

投資者關係及與股東之溝通

本公司已於其與股東及投資者之間設立多種溝通渠道。當中包括刊發年度、中期及季度報告、通告、公告、通函及憲章文件，本公司網站www.joystar.com.hk及與投資者及分析員會晤。

本公司鼓勵所有股東出席股東週年大會，了解本集團之最新策略及目標。股東週年大會提供機會讓董事會與其股東直接溝通。大會主席會解釋以投票方式進行表決的詳細程序，然後回答股東的任何提問。投票結果刊登於本公司及聯交所之網站。

CONSTITUTIONAL DOCUMENTS

The Board does not aware of any changes in the Company's constitutional documents during the year.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledged their responsibility for the preparation of the financial statements for the year ended 31 December 2012, which give a true and fair view of the financial position of the Group. The auditors of the Company is responsible to form an independent opinion based on the audit, on the financial statements prepared by the Directors and report the opinion solely to the shareholders of the Company.

憲章文件

董事會並不知悉年內本公司的憲章文件出現任何變動。

董事就財務報表須承擔的責任

董事確認彼等須負責編製的截至二零一二年十二月三十一日止年度的財務報表，有關報表應真實而公平地反映本集團的財務狀況。本公司核數師負責根據其審核工作的結果，就董事編製的財務報表作出獨立意見，並僅向本公司股東匯報其意見。

DIRECTORS' REPORT

董事會報告

The Directors have pleasure in presenting their report and the audited consolidated financial statements of the Group for the year ended 31 December 2012 (the "Year").

PRINCIPAL ACTIVITIES

The Group is principally engaged in the manufacture and trading of nonwoven fabric products used in automotive interior decoration parts and infrastructure and trading of rubber.

RESULTS AND FINANCIAL POSITION

The Group's results for the Year are set out in the consolidated income statement and the consolidated statement of comprehensive income on page 41 and 42.

The state of affairs of the Group and of the Company at 31 December 2012 are set out in the consolidated statement of financial position and the statement of financial position on pages 43 to 45 respectively.

SHARE CAPITAL

Details of the movements in the share capital of the Company are set out in Note 26 to the consolidated financial statements.

SUBSIDIARIES

Particulars of the Company's subsidiaries are set out in Note 20 to the consolidated financial statements.

SUMMARY OF FINANCIAL INFORMATION

A summary of financial results and of the assets and liabilities of the Group are set out in the section headed "Summary of Financial Information" on page 120 in this report.

RESERVES

The movements in the reserves of the Group during the Year are set out in the consolidated statement of comprehensive income and the consolidated statement of changes in equity. The movements in the reserves of the Company during the Year are set out in Note 28 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

At 31 December 2012, the Company's reserve available for distribution to owners of the Company comprising share premium account amounted to approximately RMB4,215,000 (2011: RMB10,328,000).

董事會欣然呈列其報告及本集團截至二零一二年十二月三十一日止年度(「本年度」)的經審核綜合財務報表。

主要業務

本集團主要從事製造及銷售用於汽車內飾件及基建的無紡布產品，以及買賣橡膠。

業績及財務狀況

本集團於本年度的業績載於第41頁及第42頁之綜合收益表及綜合全面收益表。

本集團及本公司於二零一二年十二月三十一日的業務狀況分別載於第43頁至第45頁之綜合財務狀況表及財務狀況表。

股本

本公司的股本變動詳情載於綜合財務報表附註26。

附屬公司

有關本公司附屬公司之詳情載於綜合財務報表附註20。

財務資料概要

本集團之財務業績及資產和負債概要載於本報告第120頁之「財務資料概要」一節。

儲備

本集團於本年度的儲備變動載於綜合全面收益表及綜合權益變動表。本公司於本年度的儲備變動載於綜合財務報表附註28。

可供分派儲備

於二零一二年十二月三十一日，本公司可供分派予本公司擁有人的儲備包括股份溢價賬約人民幣4,215,000元(二零一一年：人民幣10,328,000元)。

DIRECTORS' REPORT (Continued)

董事會報告(續)

DIVIDENDS

The Directors do not recommend the payment of any dividend for the year.

Property, Plant and Equipment

Details of the movements in the property, plant and equipment of the Group are set out in Note 18 to the consolidated financial statements.

Major Customers and Suppliers

In the year, sales to the Group's five largest customers in aggregate accounted for approximately 64.8% (2011: 64.4%) of the total sales for the year and sales to the largest customer accounted for approximately 22.3% (2011: 19.4%) of total sales. Purchases from the Group's five largest suppliers in aggregate accounted for approximately 55.7% (2011: 67.1%) of the total purchases for the year and purchases from the largest supplier accounted for approximately 14.5% (2011: 22.8%) of total purchases.

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

DIRECTORS

The Directors of the Company during the year and up to the date of this report were:

Executive Directors:

Mr. Zhuang Yuejin
Mr. Pak Ping
Ms. Ruan Bixia
Mr. Wong Ho Yin

Independent non-executive Directors:

Mr. Mak Wai Ho
Dr. Tang Yanfei
Mr. Feng Xueben

Pursuant to Article 84(1) of the Company's articles of association, Ms. Ruan Bixia, Mr. Wong Ho Yin and Dr. Tang Yanfei shall retire by rotation at the forthcoming annual general meeting. All the retiring Directors are eligible for re-elections.

股息

董事並不建議派付本年度的末期股息。

物業、廠房及設備

本集團的物業、廠房及設備變動詳情載於綜合財務報表附註18。

主要客戶及供應商

本年度內，售予本集團五大客戶的銷量合共佔本年度總銷量約64.8%（二零一一年：64.4%），而售予最大客戶的銷量佔總銷量約22.3%（二零一一年：19.4%）。本集團五大供應商的採購合共佔本年度採購總額約55.7%（二零一一年：67.1%），而最大供應商的採購佔總採購約14.5%（二零一一年：22.8%）。

本年度內，概無董事、彼等之聯繫人士或任何本公司股東（據董事所深知，擁有本公司已發行股本5%或以上）於本集團的五大客戶及供應商擁有任何權益。

董事

本公司於本年度及截至本報告日期的董事為：

執行董事：

莊躍進先生
白平先生
阮碧霞女士
黃浩然先生

獨立非執行董事：

麥偉豪先生
湯炎非博士
馮學本先生

根據本公司組織章程細則第84(1)條，阮碧霞女士、黃浩然先生及湯炎非博士須於應屆股東週年大會輪值退任。所有退任董事均合資格膺選連任。

DIRECTORS' REPORT (Continued)

董事會報告(續)

DIRECTORS' AND SENIOR MANAGEMENT

Biographical information of the Directors and senior management of the Group are set out on pages 16 to 19 of this report.

DIRECTORS' SERVICE CONTRACTS

None of the Directors, including those proposed for re-election at the forthcoming annual general meeting, has a service agreement which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the Board on the basis of their experience, qualifications and competence.

The emoluments of the Directors of the Company are reviewed by the remuneration committee of the Company and approved by the Board, having regard to the relevant Director's experience, responsibility, workload and the time devoted to the Group; the Company's operating results and comparable market statistics.

The Company has adopted a share option scheme (the "Scheme") on 13 September 2010 to which the Directors and eligible employees, among others are entitled to participate in. The Company operates the Scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Details of the Scheme are set out in paragraph "Share Option Scheme" below.

REMUNERATION OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors and the five highest paid individuals in the Group are set out in Notes 14 and 15 to the consolidated financial statements.

董事及高級管理層

本集團董事及高級管理層的履歷資料載於本報告第16頁至第19頁。

董事服務合約

概無董事(包括該等提呈於應屆股東週年大會膺選連任的董事)訂有不可由本公司於一年內免付賠償而終止(法定賠償除外)之服務協議。

薪酬政策

本集團僱員之薪酬政策乃由董事會制定，以僱員之經驗、資歷及能力為基準釐定。

本公司的董事酬金由本公司的薪酬委員會審核，並由董事會審批，有關酬金乃經計及有關董事的經驗、責任、工作量、為本集團貢獻的時間、本公司的經營業績及可資比較的市場統計數據後釐定。

本公司於二零一零年九月十三日採納購股權計劃(「該計劃」)，董事及合資格僱員均有權參與該計劃。本公司採納該計劃旨在激勵及獎勵為本集團之成功營運作出貢獻的合資格參與者。有關該計劃的詳情載於下文購股權計劃一段。

董事及五名最高酬金人士的薪酬

本集團之董事及五名最高酬金人士的薪酬詳情載於綜合財務報表附註14及15。

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES, UNDERLYING SHARES AND DEBENTURES

So far as known to the Directors, at 31 December 2012, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions of which they were taken or deemed to have under such provisions of SFO) or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or otherwise required to be notified to the Company and the Stock Exchange pursuant to the Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Long positions in shares of the Company

董事及最高行政人員於證券、相關股份及債權證的權益

據董事所知，於二零一二年十二月三十一日，本公司董事及最高行政人員於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）的股份、相關股份及債權證中，擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益及淡倉（包括根據證券及期貨條例有關條文彼等被當作或被視為擁有的任何權益及／或淡倉），或根據證券及期貨條例第352條登記於本公司所需存置登記冊內的權益及淡倉，或根據創業板上市規則第5.46至5.67條須知會本公司及聯交所的權益及淡倉如下：

於本公司股份之好倉

Name	Capacity and nature of interest	Number of issued ordinary shares held	Approximate percentage of shareholding in the Company
姓名	身份及權益的性質	所持已發行普通股數目	佔本公司股權之概約百分比
Directors:			
董事：			
Mr. Zhuang Yuejin	Beneficial owner	359,370,000	33.28%
莊躍進先生	實益擁有人		
Ms. Ruan Bixia*	Interest of spouse	359,370,000	33.28%
阮碧霞女士*	配偶權益		
Mr. Pak Ping	Beneficial owner	14,910,000	1.38%
白平先生	實益擁有人		

* Ms. Ruan Bixia is the spouse of Mr. Zhuang Yuejin and is deemed to be interested in all shares held by Mr. Zhuang Yuejin under the SFO.

* 阮碧霞女士為莊躍進先生之配偶。因此，在證券及期貨條例下，阮碧霞被視為擁有莊躍進先生所持全部股份之權益。

Save as disclosed above, at 31 December 2012, none of the Directors or chief executives of the Company had any interests or short positions in the shares or underlying shares or debentures of the Company or any of its associated corporations as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

除上文披露者外，於二零一二年十二月三十一日，概無本公司董事或最高行政人員於本公司或其任何相聯法團的股份、相關股份及債權證中，擁有根據證券及期貨條例第352條登記於本公司所需存置登記冊內的權益或淡倉，或根據創業板上市規則第5.46至5.67條須知會本公司及聯交所的權益及淡倉。

DIRECTORS' REPORT (Continued)

董事會報告(續)

Save as disclosed above, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company or of any other body corporate granted to any Directors or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company, its holding company or any of its subsidiaries a party to any arrangements to enable the Directors, their respective spouse or children under 18 years of age to acquire such rights in the Company or any body corporate.

除上文所披露者外，於本年度之任何時間內概無授予任何董事或彼等各自之配偶或未滿十八歲子女可透過收購本公司或任何其他法人團體之股份或債權證而獲益的權利，該等權利亦無獲其行使；本公司、其控股公司或其任何附屬公司亦無參與訂立任何安排致使董事、彼等各自之配偶或未滿十八歲子女獲得於本公司或任何法人團體之該等權利。

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS OR SHORT POSITIONS IN THE SHARES OR UNDERLYING SHARES OF THE COMPANY

At 31 December 2012, so far as known to the Directors, the persons (other than the Directors or chief executives of the Company), who had, or was deemed to have interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company in accordance with the provision of Divisions 2 and 3 of Part XV of the SFO, or which would be recorded in the register maintained by the Company, pursuant to Section 336 of the SFO, were as follows:

主要股東及其他人士於本公司之股份或相關股份中的權益或淡倉

於二零一二年十二月三十一日，就董事所知，以下人士(本公司董事及最高行政人員除外)於股份或相關股份中擁有或被視為擁有根據證券及期貨條例第XV部之第2及第3分部須向本公司披露，或根據證券及期貨條例第336條本公司須存置於登記冊的權益或淡倉：

Long positions in shares of the Company

於本公司股份之好倉

Name	Capacity and nature of interest	Number of issued ordinary shares held	Approximate percentage of shareholding in the Company
姓名	身份及權益的性質	所持已發行普通股數目	佔本公司股權之概約百分比
Avant Capital Management (HK) Limited 翹騰投資管理(香港)有限公司	Beneficial owner 實益擁有人	107,443,000	9.95%
Longlife Group Holdings Limited 朗力福集團控股有限公司	Interest in a controlled corporation* 於受控制法團的權益*	59,996,000	5.56%

* According to the Corporate Substantial Shareholder Notice filed by Longlife Group Holdings Limited on 7 September 2012, Longlife Group Holdings Limited is deemed to be interested in the said shares of the Company as it has 100% control in Splendid Rich Holdings Limited which was reported to be interested in such shares.

* 根據朗力福集團控股有限公司於二零一二年九月七日送交存檔的法團大股東通知，朗力福集團控股有限公司因擁有 Splendid Rich Holdings Limited (其獲呈報擁有本公司上述股份權益)的100%控制權而被視為於該等股份中擁有權益。

DIRECTORS' REPORT (Continued)

董事會報告(續)

Save as disclosed above and under the section "Directors' and Chief Executives' Interest in Securities, Underlying Shares and Debentures" on page 33 of this report, at 31 December 2012, the Directors of the Company were not aware of any persons who had, or was deemed to have, interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company in accordance with the provisions of Divisions 2 and 3 of Part XV of the SFO; or be recorded in the register required to be kept under Section 336 of the SFO.

DIRECTORS' INTERESTS IN CONTRACTS

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

DIRECTOR'S INTEREST IN COMPETING INTERESTS

The Directors are not aware of any business or interest of the Directors, the controlling shareholder and their respective associates (as defined under the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group during the year.

PURCHASE, REDEMPTION OR SALE OF THE LISTED SECURITIES OF THE COMPANY

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

INTEREST OF THE COMPLIANCE ADVISER

At 31 December 2012, except for the compliance adviser's agreement and two underwriting agreements entered into between the Company and Tanrich Capital Limited, the Company's compliance adviser, on 19 August 2011, 23 March 2012 and 5 July 2012 respectively, neither the Company's compliance adviser nor its directors, employees or associates had any interest in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities) as notified by the Company's compliance adviser.

DIRECTORS' RIGHTS TO ACQUIRE SHARES AND DEBENTURES

Save as disclosed in section "Directors' and Chief Executives' Interest in Securities, Underlying Shares and Debentures" on page 33 of this report, at no time during the year was the Company, or its subsidiaries, or its fellow subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of the Company or any other body corporate.

除上文及本報告第33頁「董事及最高行政人員於證券、相關股份及債權證的權益」一節所披露者外，於二零一二年十二月三十一日，本公司董事概不知悉任何人士已經或被視為於股份或相關股份中擁有根據證券及期貨條例第XV部之第2及第3分部須向本公司披露，或根據證券及期貨條例第336條登記於須予存置登記冊的權益或淡倉。

董事於合約的權益

於年終或本年度內任何時間，概無董事於本公司或其任何附屬公司訂立對本集團業務而言屬重要之任何合約中直接或間接擁有重大權益。

董事於競爭業務的權益

本年度內，董事概不知悉任何董事、控股股東及彼等各自的聯繫人士(定義見創業板證券上市規則)的任何業務或權益與本集團的業務出現或可能出現競爭，亦不知悉該等人士會或可能會與本集團出現任何其他利益衝突。

購買、贖回或出售本公司的上市證券

本公司及其任何附屬公司於本年度內概無購買、出售或贖回本公司任何上市證券。

合規顧問的權益

據本公司合規顧問告知，於二零一二年十二月三十一日，除本公司分別於二零一一年八月十九日、二零一二年三月二十三日及二零一二年七月五日與敦沛融資有限公司(本公司合規顧問)訂立的合規顧問協議及兩份包銷協議外，本公司合規顧問或其董事、僱員或聯繫人士概無於本公司或本集團任何成員公司的股本中擁有任何權益(包括可認購有關證券的購股權或權利)。

董事購入股份及債權證的權益

除本報告第33頁「董事及最高行政人員於證券、/」一節所披露者外，本公司或其附屬公司或其同系附屬公司於本年度內任何時間概無訂立任何安排，致使董事可藉購入本公司或任何其他法團的股份或債權證而獲益。

DIRECTORS' REPORT (Continued)

董事會報告(續)

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the latest practicable date prior to issue of this report, the Company has maintained the sufficient public float under the GEM Listing Rules.

RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTIONS

During the year, except for those disclosed in Note 39 to the consolidated financial statements, the Group had no transactions with its related parties.

The Directors conducted review of the related party transactions of the Group during the year and were not aware any transaction requiring disclosure of connected transactions in accordance with the requirements of the GEM Listing Rules.

BANK BORROWINGS

Particulars of bank borrowings of the Group at 31 December 2012 are set out in Note 31 to the consolidated financial statements.

RETIREMENT BENEFIT SCHEME

Particulars of the retirement benefit scheme of the Group are set out in Note 38 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

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

SHARE OPTION SCHEME

The Company adopted the Scheme on 13 September 2010 which will remain in force for a period of 10 years from the effective date of the Scheme and will expire on 29 September 2020.

Under the Scheme, the Directors may at their discretion grant options to (i) any employee of any member of the Group or any entity in which any member of the Group holds any equity interest (the "Invested Entity"); (ii) any executive and non-executive Directors of any member of the Group or any Invested Entity; (iii) any supplier and customer of any member of the Group or any Invested Entity; (iv) any person or entity that provides research, development or other technological support to any member of the Group or any Invested Entity; (v) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued or proposed to be issued by any member of the Group or any Invested Entity; or (vi) any adviser or consultant of any member of the Group or any Invested Entity to subscribe for the shares of the Company.

足夠公眾持股量

按照本公司公開可得之資料及就董事所知，於本報告刊發前的最後實際可行日期，本公司根據創業板上市規則已維持足夠之公眾持股量。

關連方交易及關連交易

本年度內，除綜合財務報表附註39所披露者外，本集團概無與關連方進行任何交易。

董事已對本集團年內的關連方交易進行審閱，且並不知悉任何根據創業板上市規則規定須作關連交易披露的交易。

銀行借款

本集團截至二零一二年十二月三十一日的銀行借款詳情載於綜合財務報表附註31。

退休福利計劃

本集團的退休福利計劃詳情載於綜合財務報表附註38。

優先購股權

本公司的組織章程細則或開曼群島法律並無有關優先購股權的規定，致使本公司須按比例基準向現有股東發售新股份。

購股權計劃

本公司於二零一零年九月十三日採納該計劃，該計劃自生效日期起十年內有效，而屆滿日期將為二零二零年九月二十九日。

根據該計劃，董事可酌情向以下人士授出購股權，以認購本公司之股份：(i)本集團成員或本集團任何成員持有股權的任何實體(「投資實體」)的任何僱員；(ii)本集團任何成員或任何投資實體的任何執行及非執行董事；(iii)本集團任何成員或任何投資實體的任何供應商及客戶；(iv)向本集團任何成員或任何投資實體提供研發或其他技術支援的人士或實體；(v)本集團任何成員或任何投資實體的股東或已獲或將獲本集團任何成員或任何投資實體發行的任何證券之持有人；或(vi)本集團任何成員或任何投資實體的任何顧問或諮詢顧問。

DIRECTORS' REPORT (Continued)

董事會報告(續)

The maximum number of shares in respect to which options may be granted under the Scheme shall not exceed 10% of the issued share capital of the Company on the date of adopting the Scheme. The limit may be refreshed at any time provided that the new limit must not be in aggregate exceed 10% of the issued share capital of the Company as at the date of the shareholders' approval in general meeting. However, the total number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other scheme of the Company must not in aggregate exceed 30% of the shares in issue from time to time. The limit of the Scheme was refreshed at a general meeting held on 10 August 2012. At 31 December 2012, the total number of shares available for issued under the Scheme was 36,000,000 (2011: 20,000,000) shares, which represented approximately 10% of the issued share capital of the Company at that day of refreshment. The maximum number of shares in respect of which options may be granted to any individual in any 12-month period shall not exceed 1% of the shares in issue on the last date of such 12-month period unless approval of the shareholders of the Company has been obtained in accordance with the GEM Listing Rules. A nominal consideration of HK\$1 is payable on acceptance of the grant of an option.

Options may be exercised at any time from the date of grant of the option to the 10th anniversary of the date of grant as may be determined by the Directors. The exercise price is determined by the Directors, and will not be less than the highest of (i) the closing price per share as stated in the Stock Exchange's daily quotations sheets on the date of the grant of the options; (ii) the average closing price per share as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of the grant of the options; or (iii) the nominal value of a share.

During the year, no share option was granted, exercised, expired or lapsed and there is no outstanding share option under the Scheme.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry with all Directors, the Company confirmed that all Directors have complied with the code of conduct and the required standard of dealings concerning securities transactions by the Directors during the year.

根據該計劃授出之購股權獲行使時，可予發行之股份數目最多不超過本公司於採納該計劃當日之已發行股本10%。該上限可隨時更新，惟新限額不得超過股東於股東大會批准當日，本公司之已發行股本之10%。然而，根據該計劃及本公司任何其他計劃已授出但尚未行使之全部購股權獲行使時，可予發行之股份數目不得超過不時已發行股份之30%。該計劃上限已於二零一二年八月十日舉行的股東大會上獲更新。於二零一二年十二月三十一日，根據該計劃可供發行的股份總數為36,000,000股(二零一一年：20,000,000股)股份，相當於本公司於更新當日已發行股本約10%。於任何十二個月期間內，向任何個別人士授出之購股權獲行使時，可予發行之股份總數不得超過該十二個月期間最後一天本公司之已發行股份之1%，除非按照創業板上市規則經由本公司股東批准則作別論。面值代價1港元須於接納授出購股權時支付。

購股權可於授出購股權日期起計，直至授出日期十週年的任何時間內行使，而期限由董事決定。行使價則由董事釐定，並將不會低於以下之較高者：(i) 於購股權授出日期股份在聯交所每日報價表所報之收市價；(ii) 緊接購股權授出日期前五個營業日股份在聯交所每日報價表所報之平均收市價；或(iii) 股份面值。

本年度內，概無任何購股權已獲授出、行使、到期或失效，且該計劃項下概無任何尚未行使之購股權。

有關董事進行證券交易之行為守則

本公司已採納有關董事進行證券交易之行為守則，其條款並不遜於創業板上市規則第5.48至5.67條所載之交易必守準則。經向全體董事作出特定查詢後，本公司確認全體董事於本年度內均一直遵守行為守則及有關董事進行證券交易之交易必守準則。

DIRECTORS' REPORT (Continued)

董事會報告(續)

EVENTS AFTER THE REPORTING PERIOD

Details of the significant events after the reporting period of the Group are set out in Note 40 to the consolidated financial statements.

AUDITORS

The accounts for the year were audited by HLB Hodgson Impey Cheng whose term of office will expire upon the forthcoming annual general meeting. In March 2012, the practice of HLB Hodgson Impey Cheng was reorganised as HLB Hodgson Impey Cheng Limited. A resolution for the appointment of HLB Hodgson Impey Cheng Limited as the auditors of the Company for the subsequent year is to be proposed at the forthcoming annual general meeting.

On behalf of the Board

Zhuang Yuejin

Chairman and Chief Executive Officer

Hong Kong, 28 March 2013

報告期後事項

本集團的報告期後重大事項詳情載於綜合財務報表附註40。

核數師

年度賬目由國衛會計師事務所審核，其任期將於應屆股東週年大會後屆滿。於二零一二年三月，國衛會計師事務所重組為國衛會計師事務所有限公司。委任國衛會計師事務所有限公司為下年度本公司核數師之決議案將於應屆股東週年大會上提呈。

承董事會命

莊躍進

主席兼行政總裁

香港，二零一三年三月二十八日

INDEPENDENT AUDITORS' REPORT

獨立核數師報告



Chartered Accountants
Certified Public Accountants

TO THE SHAREHOLDERS OF CHINA AUTOMOTIVE INTERIOR DECORATION HOLDINGS LIMITED *(Incorporated in the Cayman Islands with limited liability)*

We have audited the consolidated financial statements of China Automotive Interior Decoration Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 41 to 119, which comprise the consolidated and Company statements of financial position as at 31 December 2012, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITORS' 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.

致

中國汽車內飾集團有限公司股東
(於開曼群島註冊成立的有限公司)

本核數師已審核載於第41至第119頁中國汽車內飾集團有限公司(「貴公司」)及其附屬公司(統稱為「貴集團」)的綜合財務報表，當中載有於二零一二年十二月三十一日的綜合及公司財務狀況表、截至該日止年度的綜合收益表、綜合全面收益表、綜合權益變動表及綜合現金流量表，以及重大會計政策概要及其他說明資料。

董事就綜合財務報表須承擔的責任

貴公司董事負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定，編製表達真實且公平意見的綜合財務報表，以及維持董事認為必要的有關內部控制，以確保編製綜合財務報表時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

本核數師的責任是根據本核數師的審核對該等綜合財務報表表達意見，並僅向整體股東報告本核數師的意見，除此之外，本報告別無其他目的。本核數師概不會就本報告內容向任何其他人士負責或承擔責任。本核數師乃根據香港會計師公會頒佈的香港核數準則進行審核。按該等準則的要求，本核數師須遵守道德操守規定，以及計劃及進行審核，以合理確定綜合財務報表是否不存有任何重大錯誤陳述。

INDEPENDENT AUDITORS' REPORT (Continued)

獨立核數師報告(續)

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 auditors' 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 auditors consider internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

OPINION

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

HLB Hodgson Impey Cheng

Chartered Accountants
Certified Public Accountants

Hong Kong, 28 March 2013

審核包括執行情序以取得與綜合財務報表所載金額及披露事項有關的審核憑證。所選用的程序取決於核數師的判斷，包括評估有關綜合財務報表存在重大錯誤陳述(不論是因欺詐或錯誤而起)的風險。在作出該等風險評估時，核數師會考慮與公司編製並真實公平地呈報綜合報財務報表相關的內部監控，但目的只在於按具體情況設計適當的審核程序，而並非要對公司的內部監控有效與否表達意見。審核亦包括評核董事所採用的會計政策是否恰當以及其所作的會計估算是否合理，以及評核綜合財務報表的整體呈報方式。

本核數師相信，本核數師已取得充分且恰當的審核憑證，足以為本核數師的審核意見提供基礎。

意見

本核數師認為，綜合財務報表已按香港財務報告準則真實而公平地反映 貴公司及 貴集團於二零一二年十二月三十一日的事務狀況及 貴集團截至該日止年度的溢利及現金流量，並已根據香港公司條例的披露規定妥善編製。

國衛會計師事務所

英國特許會計師
香港執業會計師

香港，二零一三年三月二十八日

CONSOLIDATED INCOME STATEMENT

綜合收益表

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

		Note 附註	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Revenue	收入	8	166,906	156,476
Cost of sales	銷售成本		(138,500)	(114,470)
Gross profit	毛利		28,406	42,006
Other income	其他收入	9	4,776	998
Selling and distribution costs	銷售及分銷成本		(7,316)	(7,749)
Administrative expenses	行政開支		(11,840)	(11,290)
Profit from operations	經營溢利	10	14,026	23,965
Finance costs	融資成本	11	(1,731)	(1,490)
Profit before tax	除稅前溢利		12,295	22,475
Income tax expense	所得稅開支	12	(1,497)	(3,624)
Profit for the year attributable to the owners of the Company	本公司擁有人應佔年度溢利		10,798	18,851
Earnings per share	每股盈利		RMB 人民幣	RMB 人民幣
— Basic	— 基本	13	2.0 cents 分	9.1 cents 分
— Diluted	— 攤薄	13	2.0 cents 分	9.1 cents 分

The accompanying notes form an integral part of these consolidated financial statements.
隨附的附註構成此等綜合財務報表的一部分。

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

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

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Profit for the year	年度溢利	10,798	18,851
Other comprehensive loss, net of income tax:	其他全面虧損，扣除所得稅後：		
Exchange differences on translating foreign operations	換算海外業務之匯兌差額	<u>(85)</u>	<u>(33)</u>
Total comprehensive income for the year attributable to the owners of the Company	本公司擁有人應佔年度全面收益總額	<u>10,713</u>	<u>18,818</u>

The accompanying notes form an integral part of these consolidated financial statements.
隨附的附註構成此等綜合財務報表的一部分。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 December 2012
於二零一二年十二月三十一日

			2012	2011
		Note	二零一二年	二零一一年
		附註	RMB'000	RMB'000
			人民幣千元	人民幣千元
ASSETS	資產			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	18	40,146	42,253
Prepaid land lease payments	預付土地租賃款項	19	2,917	2,990
Deferred tax assets	遞延稅項資產	33	1,036	854
			<u>44,099</u>	<u>46,097</u>
Current assets	流動資產			
Prepaid land lease payments	預付土地租賃款項	19	73	73
Inventories	存貨	21	15,555	13,806
Trade receivables	應收貿易款項	22	64,678	60,109
Note receivables	應收票據		8,730	3,400
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	23	21,184	15,258
Held-for-trading investments	持作買賣投資	24	4,405	—
Cash and bank balances	現金及銀行結餘	25	82,132	16,387
			<u>196,757</u>	<u>109,033</u>
Total assets	資產總額		<u>240,856</u>	<u>155,130</u>
EQUITY	權益			
Capital and reserves attributable to the owners of the Company	本公司擁有人應佔資本及儲備			
Share capital	股本	26	89,086	20,552
Reserves	儲備	28	98,908	92,022
Total equity	權益總額		<u>187,994</u>	<u>112,574</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

綜合財務狀況表(續)

At 31 December 2012
於二零一二年十二月三十一日

			2012	2011
		Note	二零一二年	二零一一年
		附註	RMB'000	RMB'000
			人民幣千元	人民幣千元
LIABILITIES	負債			
Current liabilities	流動負債			
Trade payables	應付貿易款項	29	17,410	10,374
Accruals and other payables	應計費用及其他應付款項	30	5,397	4,950
Borrowings	借款	31	29,500	25,000
Finance lease payables	應付融資租賃款項	32	—	209
Tax payable	應付稅項		555	2,023
			<hr/>	<hr/>
Total liabilities	總負債		52,862	42,556
			<hr/>	<hr/>
Total equity and liabilities	權益及負債總額		240,856	155,130
			<hr/>	<hr/>
Net current assets	流動資產淨額		143,895	66,477
			<hr/>	<hr/>
Total assets less current liabilities	總資產減流動負債		187,994	112,574
			<hr/>	<hr/>

Approved by the Board of Directors on 28 March 2013 and signed on its behalf by:

於二零一三年三月二十八日由董事會批准並由下列人士代表簽署：

Zhuang Yuejin
莊躍進
Director
董事

Pak Ping
白平
Director
董事

The accompanying notes form an integral part of these consolidated financial statements.
隨附的附註構成此等綜合財務報表的一部分。

STATEMENT OF FINANCIAL POSITION

財務狀況表

At 31 December 2012
於二零一二年十二月三十一日

		Note 附註	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
ASSETS	資產			
Non-current assets	非流動資產			
Investments in subsidiaries	於附屬公司的投資	20	<u>17,872</u>	<u>17,872</u>
Current assets	流動資產			
Prepayments and deposits	預付款項及按金	23	<u>675</u>	<u>82</u>
Amounts due from subsidiaries	應收附屬公司款項	20	<u>37,729</u>	<u>23,492</u>
Cash and bank balances	現金及銀行結餘	25	<u>53,124</u>	<u>5,874</u>
			<u>91,528</u>	<u>29,448</u>
Total assets	資產總額		<u>109,400</u>	<u>47,320</u>
EQUITY	權益			
Capital and reserves attributable to the owners of the Company	本公司擁有人應佔資本及儲備			
Share capital	股本	26	<u>89,086</u>	<u>20,552</u>
Reserves	儲備	28	<u>19,760</u>	<u>26,108</u>
Total equity	權益總額		<u>108,846</u>	<u>46,660</u>
LIABILITIES	負債			
Current liabilities	流動負債			
Accruals and other payables	應計費用及其他應付款項	30	<u>554</u>	<u>350</u>
Amounts due to subsidiaries	應付附屬公司款項	20	<u>—</u>	<u>310</u>
Total liabilities	負債總額		<u>554</u>	<u>660</u>
Total equity and liabilities	權益及負債總額		<u>109,400</u>	<u>47,320</u>
Net current assets	流動資產淨額		<u>90,974</u>	<u>28,788</u>
Total assets less current liabilities	總資產減流動負債		<u>108,846</u>	<u>46,660</u>

Approved by the Board of Directors on 28 March 2013 and signed on its behalf by:
於二零一三年三月二十八日由董事會批准並由下列人士代表簽署：

Zhuang Yuejin
莊躍進
Director
董事

Pak Ping
白平
Director
董事

The accompanying notes form an integral part of these financial statements.
隨附的附註構成此等綜合財務報表的一部分。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

		Share capital	Share premium	Merger reserve	Foreign currency translation reserve	Statutory reserve	Retained profits	Total equity
		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
At 1 January 2011	於二零一一年一月一日	17,275	18,565	5,992	2,690	5,464	36,364	86,350
Profit for the year	年度溢利	—	—	—	—	—	18,851	18,851
Other comprehensive loss for the year, net of income tax:	年度其他全面虧損， 扣除所得稅後：							
Exchange differences on translating foreign operations	換算海外業務之匯兌差額	—	—	—	(33)	—	—	(33)
Total comprehensive (loss)/income for the year	年度全面(虧損)/收益總額	—	—	—	(33)	—	18,851	18,818
Placing of shares	配售股份	3,277	4,915	—	—	—	—	8,192
Share issue expenses	股份發行開支	—	(786)	—	—	—	—	(786)
Transfer to statutory reserve	轉撥至法定儲備	—	—	—	—	2,217	(2,217)	—
At 31 December 2011 and 1 January 2012	於二零一一年 十二月三十一日及 二零一二年一月一日	20,552	22,694	5,992	2,657	7,681	52,998	112,574
Profit for the year	年度溢利	—	—	—	—	—	10,798	10,798
Other comprehensive loss for the year, net of income tax:	年度其他全面虧損， 扣除所得稅後：							
Exchange differences on translating foreign operations	換算海外業務之匯兌差額	—	—	—	(85)	—	—	(85)
Total comprehensive (loss)/income for the year	年度全面(虧損)/收益總額	—	—	—	(85)	—	10,798	10,713
Open offer of shares	公開發售股份	68,534	—	—	—	—	—	68,534
Share issue expenses	股份發行開支	—	(3,827)	—	—	—	—	(3,827)
Transfer to statutory reserve	轉撥至法定儲備	—	—	—	—	746	(746)	—
At 31 December 2012	於二零一二年十二月三十一日	89,086	18,867	5,992	2,572	8,427	63,050	187,994

The accompanying notes form an integral part of these consolidated financial statements.
隨附的附註構成此等綜合財務報表的一部分。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2012
截至二零一二年三月三十一日止年度

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
CASH FLOWS FROM OPERATING ACTIVITIES	經營活動產生的現金流量		
Profit before tax	除稅前溢利	12,295	22,475
Adjustments for:	就以下各項作出調整：		
Interest expenses	利息開支	1,724	1,464
Finance lease charges	融資租賃費用	7	26
Interest income	利息收入	(28)	(24)
Impairment loss recognised on trade receivables	就應收貿易款項確認的減值虧損	117	246
Inventories written off	存貨撇銷	410	294
Depreciation of property, plant and equipment	物業、廠房及設備折舊	4,479	3,415
Realised gain on held-for-trading investments	持作買賣投資的已變現收益	(1,122)	—
Unrealised gain on held-for-trading investments	持作買賣投資的未變現收益	(1,725)	—
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	73	73
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	34	47
		<hr/>	<hr/>
Operating profit before working capital changes	營運資金變動前之經營溢利	16,264	28,016
Increase in inventories	存貨增加	(2,159)	(4,163)
Increase in trade receivables	應收貿易款項增加	(4,686)	(13,389)
(Increase)/decrease in note receivables	應收票據(增加)/減少	(5,330)	2,640
(Increase)/decrease in prepayments, deposits and other receivables	預付款項、按金及其他應收款項(增加)/減少	(5,926)	6,323
Increase/(decrease) in trade payables	應付貿易款項增加/(減少)	7,036	(5,098)
Increase/(decrease) in accruals and other payables	應計費用及其他應付款項增加/(減少)	447	(4,695)
		<hr/>	<hr/>
Net cash generated from operations	經營所得現金淨額	5,646	9,634
Interest paid	已付利息	(1,724)	(1,464)
Finance lease charges paid	已付融資租賃費用	(7)	(26)
Tax refund	退稅	283	341
Income taxes paid	已付所得稅	(3,430)	(3,897)
		<hr/>	<hr/>
Net cash generated from operating activities	經營活動所得現金淨額	768	4,588
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動產生的現金流量		
Repayment of loan receivables	償還應收貸款	—	118
Interest received	已收利息	28	24
Purchase of property, plant and equipment	購置物業、廠房及設備	(264)	(1,912)
Addition of construction in progress	在建工程添置	(2,342)	(15,751)
Purchase of held-for-trading investments	購買持作買賣投資	(7,899)	—
Proceeds from disposal of held-for-trading investments	出售持作買賣投資所得款項	6,341	—
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	200	23
		<hr/>	<hr/>
Net cash used in investing activities	投資活動所用現金淨額	(3,936)	(17,498)

CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

綜合現金流量表(續)

For the year ended 31 December 2012

截至二零一二年三月三十一日止年度

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動產生的現金流量		
Proceeds from short-term bank loans	短期銀行貸款所得款項	48,900	30,000
Repayment of short-term bank loans	償還短期銀行貸款	(44,400)	(26,000)
Repayment of finance lease payables	償還應付融資租賃款項	(209)	(234)
Repayment of amount due from a director	償還應收一名董事款項	—	38
Repayment of amounts due to shareholders	償還應付股東款項	—	(22)
Repayment to an unrelated party	償還一名非關連方	—	(848)
Proceeds from open offer of shares	公開發售股份所得款項	68,534	—
Proceeds from issue of shares	發行股份所得款項	—	8,192
Share issuing expense	股份發行開支	(3,827)	(786)
Net cash generated from financing activities	融資活動所得現金淨額	<u>68,998</u>	<u>10,340</u>
Net increase/(decrease) in cash and cash equivalents	現金及現金等值物增加/(減少)淨額	65,830	(2,570)
Cash and cash equivalents at the beginning of the year	於年初的現金及現金等值物	16,387	18,990
Effect of foreign currency exchange rate changes	外幣匯率變動的影響	(85)	(33)
Cash and cash equivalents at the end of the year	於年終的現金及現金等值物	<u>82,132</u>	<u>16,387</u>
Analysis of the balances of cash and cash equivalents	現金及現金等值物結餘分析		
Cash and bank balances	現金及銀行結餘	<u>82,132</u>	<u>16,387</u>

The accompanying notes form an integral part of these consolidated financial statements.

隨附的附註構成此等綜合財務報表一部分。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 9 December 2009 with limited liability. The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The address of the Group's principal place of business is located at No. 28 Xinfeng Road, Xinfeng Industrial Park, Fangqian Town, New District, Wuxi City, Jiangsu Province, the People's Republic of China (the "PRC").

The principal activity of the Company is investment holding. The Group is principally engaged in the manufacture and sale of nonwoven fabric products used in automotive interior decoration parts and infrastructure and trading of rubber.

The consolidated financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousands, except when otherwise indicated.

The shares of the Company were listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 29 September 2010 (the "Listing Date").

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

In the current year, the Group has adopted all of the new and revised standards, amendments and interpretations ("new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2012.

HKFRS 1 (Amendments)	First-time Adoption of Hong Kong Financial Reporting Standards — Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
HKFRS 7 (Amendments)	Financial Instruments: Disclosures — Transfers of Financial Assets
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets

The Directors anticipate that the application of these new HKFRSs has no material impact on the results and the financial position of the Group.

1. 一般資料

本公司於二零零九年十二月九日於開曼群島註冊成立為有限公司。本公司註冊辦事處位於CricketSquare, Hutchins Drive, P.O. Box 2681, GrandCayman, KY1-1111, Cayman Islands。本集團的主要營業地點位於中華人民共和國(「中國」)江蘇省無錫市新區坊前鎮新豐工業園新風路28號。

本公司主要業務為投資控股。本集團主要從事製造及銷售用於汽車內飾件及基建的無紡布產品以及買賣橡膠。

除另有註明者外，綜合財務報表以人民幣(「人民幣」)呈列，而所有價值均調至最接近的千元。

本公司股份於二零一零年九月二十九日(「上市日期」)在香港聯合交易所有限公司(「聯交所」)創業板上市。

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)

於本年度，本集團已採納與其業務有關並於二零一二年一月一日或之後開始的年度期間生效，且由香港會計師公會(「香港會計師公會」)頒佈的所有新訂及經修訂準則、修訂本及詮釋(「新香港財務報告準則」)。

香港財務報告準則第1號(修訂本)	首次採納香港財務報告準則 — 嚴重高通脹及剔除首次採納者的固定日期
香港財務報告準則第7號(修訂本)	金融工具：披露 — 轉讓金融資產
香港會計準則第12號(修訂本)	遞延稅項：收回相關資產

董事預計，應用此等新訂香港財務報告準則不會對本集團的業績及財務狀況造成重大影響。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

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

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

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

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

本集團並無於此等綜合財務報表應用下列已發佈但尚未生效的新訂及經修訂香港財務報告準則：

香港財務報告準則第1號(修訂本)	政府貸款 ²
香港財務報告準則第9號	金融工具 ⁴
香港財務報告準則第10號	綜合財務報表 ²
香港財務報告準則第11號	合營安排 ²
香港財務報告準則第12號	披露於其他實體的權益 ²
香港財務報告準則第13號	公平值計量 ²
香港財務報告準則第9號及香港財務報告準則第7號(修訂本)	香港財務報告準則第9號的強制生效日期及過渡披露 ⁴ 披露 — 抵銷金融資產及金融負債 ²
香港財務報告準則第10號、香港財務報告準則第11號及香港財務報告準則第12號(修訂本)	綜合財務報表、合營安排及披露於其他實體的權益：過渡指引 ²
香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第27號(修訂本)	投資實體 ³
香港會計準則第19號(二零一一年經修訂)	僱員福利 ²
香港會計準則第27號(二零一一年經修訂)	獨立財務報表 ²
香港會計準則第28號(二零一一年經修訂)	於聯營公司及合營企業的投資 ²
香港會計準則第1號(修訂本)	其他全面收益項目的呈列 ¹
香港會計準則第32號(修訂本)	抵銷金融資產及金融負債 ³
香港財務報告準則(修訂本)	二零零九年至二零一一年週期香港財務報告準則的年度改進 ²
香港(國際財務報告詮釋委員會) — 詮釋第20號	露天礦場生產階段的剝採成本 ²

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

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

- ¹ effective for annual periods beginning on or after 1 July 2012
- ² effective for annual periods beginning on or after 1 January 2013
- ³ effective for annual periods beginning on or after 1 January 2014
- ⁴ effective for annual periods beginning on or after 1 January 2015

HKFRS 9 Financial Instruments

HKFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. HKFRS 9 was amended in November 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of HKFRS 9 are described below:

- All recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent reporting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.
- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

- ¹ 於二零一二年七月一日或之後開始的年度期間生效
- ² 於二零一三年一月一日或之後開始的年度期間生效
- ³ 於二零一四年一月一日或之後開始的年度期間生效
- ⁴ 於二零一五年一月一日或之後開始的年度期間生效

香港財務報告準則第9號金融工具

於二零零九年十一月頒佈的香港財務報告準則第9號引入有關金融資產分類及計量的新規定。香港財務報告準則第9號於二零一零年十一月經修訂以引入有關金融負債分類及計量以及取消確認的新規定。

香港財務報告準則第9號的主要規定如下：

- 香港會計準則第39號金融工具：確認及計量範圍內的所有已確認金融資產其後均須按攤銷成本或公平值計量。具體情況是，於目的為收集合約現金流量的業務模式內所持有，及合約現金流量僅為支付本金及尚未償還本金的利息的債務投資，均一般於其後會計期末按攤銷成本計量。所有其他債務投資及股本投資均於其後會計期末按公平值計量。此外，根據香港財務報告準則第9號，實體可以不可撤回地選擇於其他全面收益呈列股本投資(並非持作買賣)的公平值變動，僅股息收入一般於損益確認。
- 就計量指定為按公平值於損益列賬的金融負債而言，香港財務報告準則第9號規定，除非於其他全面收益中確認負債信貸風險變動的影響，將會於損益中產生或擴大會計錯配，否則因金融負債的信貸風險變動而引致有關負債公平值變動的金額，乃於其他全面收益中呈列。金融負債信貸風險應佔公平值變動其後不會重新分類至損益。過往，根據香港會計準則第39號，指定為按公平值於損益列賬的金融負債的全部公平值變動款額均於損益中呈列。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

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

HKFRS 9 Financial Instruments (Continued)

HKFRS 9 is effective for annual periods beginning on or after 1 January 2015, with earlier application permitted.

The directors anticipate that the adoption of HKFRS 9 in the future may have a significant impact on the amounts reported in respect of the Group's financial assets and financial liabilities (e.g. the Group's available-for-sale investments may have to be measured at fair value at the end of subsequent reporting periods, with changes in the fair value being recognised in profit or loss). Regarding the Group's financial assets, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

New and revised standards on consolidation, joint arrangements, associates and disclosures

In June 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued, including HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (as revised in 2011) and HKAS 28 (as revised in 2011).

Key requirements of these five standards are described below.

HKFRS 10 replaces the parts of HKAS 27 *Consolidated and Separate Financial Statements* that deal with consolidated financial statements. HK (SIC)-Int 12 Consolidation — Special Purpose Entities will be withdrawn upon the effective date of HKFRS 10. Under HKFRS 10, there is only one basis for consolidation, that is, control. In addition, HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

香港財務報告準則第9號金融工具(續)

香港財務報告準則第9號於二零一五年一月一日或之後開始的年度期間生效，並獲准提早應用。

董事預計，日後採納香港財務報告準則第9號可能會對就本集團的金融資產及金融負債的所呈報金額造成重大影響(如本集團的可供出售投資可能須於其後報告期末按公平值計量，其公平值變動將於損益確認)。就本集團的金融資產而言，直至完成詳細檢討前，提供有關影響的合理估計並不可行。

有關綜合賬目、合營安排、聯營公司以及披露的新訂及經修訂準則

於二零一一年六月已頒佈有關綜合賬目、合營安排、聯營公司以及披露的五項準則組合，包括香港財務報告準則第10號、香港財務報告準則第11號、香港財務報告準則第12號、香港會計準則第27號(二零一一年經修訂)及香港會計準則第28號(二零一一年經修訂)。

此等五項準則的主要規定說明如下。

香港財務報告準則第10號取代香港會計準則第27號綜合及獨立財務報表內處理綜合財務報表的部分。香港(常設詮釋委員會) — 詮釋第12號綜合 — 特殊目的實體將於香港財務報告準則第10號生效日期予以撤銷。根據香港財務報告準則第10號，僅有一個綜合賬目基準，即控制權。此外，香港財務報告準則第10號包含控制權的新定義，其中包括三個元素：(a)有權控制被投資公司；(b)自參與被投資公司營運所得浮動回報的承擔或權利；及(c)能夠運用其對被投資公司的權力以影響投資者回報金額。香港財務報告準則第10號已就複雜情況的處理方法加入詳細指引。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

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

New and revised standards on consolidation, joint arrangements, associates and disclosures (Continued)

HKFRS 11 replaces HKAS 31 Interests in Joint Ventures. HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. HK (SIC)-Int 13 Jointly Controlled Entities — Non-monetary Contributions by Venturers will be withdrawn upon the effective date of HKFRS 11. Under HKFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under HKAS 31, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations. In addition, joint ventures under HKFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under HKAS 31 can be accounted for using the equity method of accounting or proportionate consolidation.

HKFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in HKFRS 12 are more extensive than those in the current standards.

In July 2012, the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 were issued to clarify certain transitional guidance on the application of these five HKFRSs for the first time.

These five standards, together with the amendments relating to the transitional guidance, are effective for annual periods beginning on or after 1 January 2013 with earlier application permitted provided all of these standards are applied at the same time.

The directors anticipate that the application of these five standards will have no impact to the Group's consolidated financial statements.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

有關綜合賬目、合營安排、聯營公司以及披露的新訂及經修訂準則(續)

香港財務報告準則第11號取代香港會計準則第31號於合營企業的權益。香港財務報告準則第11號訂明由兩方或以上擁有共同控制權的合營安排應如何分類。香港(常設詮釋委員會) — 詮釋第13號共同控制實體 — 合營企業的非貨幣性投入將於香港財務報告準則第11號生效日期予以撤銷。根據香港財務報告準則第11號，合營安排歸類為合營業務或合營企業，具體視乎各方於該等安排下的權利及責任而定。相反，根據香港會計準則第31號，合營安排分為三類：共同控制實體、共同控制資產及共同控制業務。此外，根據香港財務報告準則第11號，合營企業須採用權益會計法入賬，但根據香港會計準則第31號，共同控制實體可採用權益會計法或比例綜合法入賬。

香港財務報告準則第12號為一項披露準則，適用於附屬公司、合營安排、聯營公司及／或未綜合結構實體擁有權益的實體。整體而言，香港財務報告準則第12號所載披露規定較現行準則所規定者更為全面。

於二零一二年七月，香港財務報告準則第10號、香港財務報告準則第11號及香港財務報告準則第12號修訂本獲頒佈以釐清首次採用該五項香港財務報告準則的若干過渡指引。

此等五項準則連同有關過渡指引的修訂本將於二零一三年一月一日或之後開始的年度期間生效，並可提早應用，惟此等準則須全部同時應用。

董事預計應用該五項準則將不會對本集團的綜合財務報表造成影響。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

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

HKFRS 13 Fair Value Measurement

HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of HKFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in HKFRS 13 are more extensive than those in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under HKFRS 7 Financial Instruments: Disclosures will be extended by HKFRS 13 to cover all assets and liabilities within its scope.

HKFRS 13 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The directors anticipate that the application of the new standard may affect certain amounts reported in the consolidated financial statements and result in more extensive disclosures in the consolidated financial statements.

HKFRS 7 and HKAS 32 (Amendments) Offsetting Financial Assets and Financial Liabilities and the related disclosures

The amendments to HKAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of "currently has a legally enforceable right of set-off" and "simultaneous realisation and settlement".

The amendments to HKFRS 7 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

香港財務報告準則第13號公平值計量

香港財務報告準則第13號確立有關公平值計量及披露公平值計量資料的單一指引。該準則界定公平值，確立計量公平值的框架，並要求披露公平值計量。香港財務報告準則第13號的範圍寬廣；適用於其他香港財務報告準則規定或允許公平值計量及披露公平值計量資料的金融工具項目及非金融工具項目，惟特定情況除外。整體而言，香港財務報告準則第13號所載披露規定較現行準則的規定更為全面。例如，現時僅規限香港財務報告準則第7號金融工具：披露所述金融工具的三個公平值等級的定量及定性披露資料將藉香港財務報告準則第13號加以擴展，以涵蓋其範圍內的所有資產及負債。

香港財務報告準則第13號將於二零一三年一月一日或之後開始的年度期間生效，並可提早應用。

董事預計應用新訂準則可能會影響綜合財務報表內所呈報的若干金額，及導致於綜合財務報表內作出更全面的披露。

香港財務報告準則第7號及香港會計準則第32號(修訂本)抵銷金融資產及金融負債及相關披露

香港會計準則第32號修訂本釐清現行有關抵銷金融資產及金融負債要求的應用事宜。具體而言，修訂本釐清「目前有法律上可執行的抵銷權利」及「同時變現與清償」的意思。

香港財務報告準則第7號修訂本要求實體披露有關金融工具在執行總淨額計算協議或類似安排下的抵銷權及相關安排(例如抵押品過賬規定)的資料。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

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

HKFRS 7 and HKAS 32 (Amendments) Offsetting Financial Assets and Financial Liabilities and the related disclosures (Continued)

The amendments to HKFRS 7 are effective for annual periods beginning on or after 1 January 2013 and interim periods within those annual periods. The disclosures should be provided retrospectively for all comparative periods. However, the amendments to HKAS 32 are not effective until annual periods beginning on or after 1 January 2014, with retrospective application required.

The directors anticipate that the application of these amendments to HKAS 32 and HKFRS 7 may result in more disclosures being made with regard to offsetting financial assets and financial liabilities in the future.

HKAS 1 (Amendments) Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to HKAS 1, a statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income and an income statement is renamed as a statement of profit or loss. The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require items of other comprehensive income to be grouped into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis. The amendments do not change the option to present items of other comprehensive income either before tax or net of tax.

The amendments to HKAS 1 are effective for annual periods beginning on or after 1 July 2012. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in the future accounting periods.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

香港財務報告準則第7號及香港會計準則第32號(修訂本)抵銷金融資產及金融負債及相關披露(續)

香港財務報告準則第7號修訂本於二零一三年一月一日或以後開始的年度期間及該年度期間內的中期期間生效。所有比較期間的披露事項均須追溯提供。然而，香港會計準則第32號修訂本直至二零一四年一月一日或之後開始的年度期間方會生效，屆時亦須追溯應用。

董事預計應用香港會計準則第32號及香港財務報告準則第7號的修訂本可能導致日後就抵銷金融資產及金融負債作出更多披露。

香港會計準則第1號(修訂本)其他全面收益項目的呈列

香港會計準則第1號修訂本引入全面收益表及收益表的新專門用語。根據香港會計準則第1號修訂本，全面收益表更名為損益及其他全面收益表，而收益表則更名為損益表。香港會計準則第1號修訂本保留可按一個單一報表或於兩個獨立而連續的報表呈列損益及其他全面收益的選擇權。然而，香港會計準則第1號修訂本規定其他全面收益項目將組合成兩類：(a) 其後將不會重新分類至損益的項目；及(b) 於符合特定條件後可重新分類至損益的項目。其他全面收益項目的所得稅須按相同基準分配。該修訂本並無更改以除稅前或扣除稅項後的方式呈列其他全面收益項目的選擇權。

香港會計準則第1號修訂本於二零一二年七月一日或之後開始的年度期間生效。呈列其他全面收益項目將於該修訂應用於未來會計期間時相應作出修改。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

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

Annual Improvements to HKFRSs 2009-2011 Cycle issued in June 2012

The Annual Improvements to HKFRSs 2009-2011 Cycle include a number of amendments to various HKFRSs. The amendments are effective for annual periods beginning on or after 1 January 2013. Amendments to HKFRSs include:

- amendments to HKAS 1 Presentation of Financial Statements;
- amendments to HKAS 16 Property, Plant and Equipment; and
- amendments to HKAS 32 Financial Instruments: Presentation.

HKAS 1 (Amendments)

HKAS 1 requires an entity that changes accounting policies retrospectively, or makes a retrospective restatement or reclassification to present a statement of financial position as at the beginning of the preceding period (third statement of financial position). The amendments to HKAS 1 clarify that an entity is required to present a third statement of financial position only when the retrospective application, restatement or reclassification has a material effect on the information in the third statement of financial position and that related notes are not required to accompany the third statement of financial position.

HKAS 16 (Amendments)

The amendments to HKAS 16 clarify that spare parts, stand-by equipment and servicing equipment should be classified as property, plant and equipment when they meet the definition of property, plant and equipment in HKAS 16 and as inventory otherwise. The directors do not anticipate that the amendments to HKAS 16 will have a significant effect on the Group's consolidated financial statements.

HKAS 32 (Amendments)

The amendments to HKAS 32 clarify that income tax on distributions to holders of an equity instrument and transaction costs of an equity transaction should be accounted for in accordance with HKAS 12 Income Taxes. The directors anticipate that the amendments to HKAS 32 will have no effect on the Group's consolidated financial statements.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

於二零一二年六月頒佈的二零零九年至二零一一年週期香港財務報告準則的年度改進

二零零九年至二零一一年週期香港財務報告準則的年度改進包括不同香港財務報告準則的多項修訂。該等修訂本於二零一三年一月一日或之後開始的年度期間生效。香港財務報告準則的修訂本包括：

- 香港會計準則第1號修訂本財務報表的呈列；
- 香港會計準則第16號修訂本物業、廠房及設備；及
- 香港會計準則第32號修訂本金融工具：呈列。

香港會計準則第1號(修訂本)

香港會計準則第1號規定，曾追溯更改會計政策或曾作出追溯重列或重新分類的實體，須呈列上一個期間開始時的財務狀況表(第三份財務狀況表)。香港會計準則第1號修訂本釐清實體僅於追溯應用、重列或重新分類對第三份財務狀況表的資料有重大影響時方須呈列第三份財務狀況表，且第三份財務狀況表毋須隨附相關附註。

香港會計準則第16號(修訂本)

香港會計準則第16號修訂本釐清當零件、備用設備和服務設備等項目符合香港會計準則第16號對物業、廠房及設備的定義時，須分類為物業、廠房及設備，否則分類為存貨。董事並不預計香港會計準則第16號修訂本會對本集團的綜合財務報表造成重大影響。

香港會計準則第32號(修訂本)

香港會計準則第32號修訂本釐清向股本工具持有人作出分派及股本交易的交易成本的所得稅，應根據香港會計準則第12號所得稅入賬。董事預計，香港會計準則第32號修訂本將不會對本集團的綜合財務報表造成影響。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

The 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.

Basis of preparation

The consolidated financial statements have been prepared in accordance with all applicable HKFRSs, which is a collective term that includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations (the “Interpretations”) issued by the HKICPA and accounting principles generally accepted in Hong Kong, in addition, the consolidated financial statements include applicable disclosures required by the Hong Kong Companies Ordinance and by the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (the “GEM Listing Rules”).

The consolidated financial statements have been prepared on the historical cost basis, except certain financial instruments are stated at their fair values. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The preparation of consolidated financial statements in conformity with HKFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of HKFRSs that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in Note 4 to the consolidated financial statements.

3. 主要會計政策

編製該等綜合財務報表應用之主要會計政策載列如下。除另有註明者外，該等政策在所呈列之所有年度內貫徹應用。

編製基準

綜合財務報表根據所有適用香港財務報告準則編製，該準則為包括所有適用個別香港財務報告準則、由香港會計師公會頒佈的香港會計準則(「香港會計準則」)及詮釋(「詮釋」)以及香港公認會計原則。此外，綜合財務報表包括香港公司條例及聯交所創業板證券上市規則(「創業板上市規則」)的適用披露規定。

除若干金融工具按其公平值呈列外，綜合財務報表按歷史成本基準編製。歷史成本一般以換取資產所付代價的公平值為基準。

編製符合香港財務報告準則的綜合財務報表需要管理層作出影響政策應用以及資產、負債及收支呈報金額的判斷、估計及假設。該等估計及相關假設均按以往經驗及其他在有關情況下被認為合適的因素為依據。倘並無其他現成數據可供參考，則會採用該等估計及假設作為判斷有關資產及負債賬面值的基礎。實際結果可能與該等估計不同。

該等估計及其相關假設會作持續檢討。倘修訂會計估計僅會影響修訂估計的期間，則有關修訂於該期間確認；倘修訂會影響當前及未來的期間，則會在作出修訂及未來的期間確認。

管理層在應用香港財務報告準則時作出對財務報表及估計造成重大影響，且很大機會導致下個年度作出重大調整的判斷，於綜合財務報表附註4討論。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES 3. 主要會計政策(續)

(Continued)

Basis of consolidation

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

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests have a deficit balance.

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

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

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

綜合賬目基準

綜合財務報表載入本公司及本公司(其附屬公司)控制之實體(包括特殊目的實體)之財務報表。倘本公司擁有支配一間實體之財務及經營政策以從其業務中獲取利益的權力，則本公司已取得控制權。

年內所收購或出售附屬公司之收入及開支自收購生效日期起至出售生效日期(倘適用)止在綜合收益表列賬。附屬公司之全面收益總額歸本公司擁有人及非控股權益所有，即使此舉導致非控股權益結餘出現虧損。

如有需要，本集團會對附屬公司之財務報表作出調整，使其會計政策與本集團其他成員公司所採用者一致。

所有集團內交易、結餘、收入及開支於綜合賬目時悉數對銷。

本集團於現有附屬公司之擁有人權益變動

並無導致本集團失去附屬公司控制權之本集團於附屬公司之擁有人權益變動，按權益交易入賬。本集團之權益及非控股權益的賬面值經調整以反映其於附屬公司相關權益之變動。非控股權益數額的調整額與已付或已收代價之公平值兩者間之差額，直接於權益確認，歸本公司擁有人所有。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Basis of consolidation (Continued)

Changes in the Group's ownership interests in existing subsidiaries (Continued)

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Where certain assets of the subsidiary are measured at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Company had directly disposed of the related assets (i.e. reclassified to profit or loss or transferred directly to retained earnings). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

Business combination

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 Income Taxes and HKAS 19 Employee Benefits respectively;

3. 主要會計政策(續)

綜合賬目基準(續)

本集團於現有附屬公司之擁有人權益變動(續)

當本集團失去附屬公司的控制權時，出售損益計算為(i)所收取代價及任何保留權益的公平值總額與(ii)附屬公司資產(包括商譽)及負債以及任何非控股權益的先前賬面值之間的差額。倘附屬公司若干資產乃按重估金額或公平值計量，而相關的累計損益已於其他全面收益確認及於權益累計，則先前於其他全面收益確認及於權益累計的金額，應如同本公司已直接出售該相關資產入賬處理，即重新分類至損益或直接轉撥至保留盈利。在前附屬公司中保留的任何投資於失去控制權當日的公平值應被視作按照香港會計準則第39號金融工具：確認及計量初始確認時的公平值，或(倘適用)作為在聯營公司或共同控制實體中的投資的初始確認成本。

業務合併

業務收購採用收購法入賬。於業務合併轉讓的代價按公平值計量，而計算方法為本集團所轉讓的資產、本集團對被收購方原擁有人產生的負債及本集團於交換被收購方的控制權所發行的股權於收購日期的公平值的總和。與收購事項有關的成本一般於產生時在損益確認。

於收購日期，所收購的可識別資產及所承擔的負債按其公平值確認，惟下列情況除外：

- 遞延稅項資產或負債，以及有關僱員福利安排的資產或負債，乃分別於收購日期根據香港會計準則第12號所得稅及香港會計準則第19號僱員福利確認及計量；

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES 3. 主要會計政策(續)

(Continued)

Business combination (Continued)

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 Share-based Payment at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value or, when applicable, on the basis specified in another HKFRS.

業務合併(續)

- 有關被收購方以股份支付的安排或訂立以取代被收購方以股份支付的安排的本集團以股份支付的安排的負債或股本工具，乃於收購日期根據香港財務報告準則第2號以股份支付的款項計量；及
- 根據香港財務報告準則第5號持作出售非流動資產及已終止業務分類為持作出售的資產(或出售組別)乃根據該準則計量。

商譽乃按所轉讓代價、於被收購方的任何非控股權益的金額及收購方先前所持有被收購方股權(如有)的公平值總和超出所收購的可識別資產及所承擔負債於收購日期的淨額的部分計量。倘經重新評估後，於所收購的可識別資產及所承擔負債於收購日期的淨額超出所轉讓代價、於被收購方任何非控股權益的金額及收購方先前持有被收購方權益(如有)的公平值總和，則差額即時於損益中確認為議價收購收益。

屬現時擁有權權益且於清盤時讓持有人有權按比例攤佔實體淨資產的非控股權益，可初步按公平值或非控股權益應佔被收購方可識別淨資產的已確認金額比例計量。計量基準視乎每項交易而作出選擇。其他類型的非控股權益乃按其公平值或(如適用)另一項香港財務報告準則規定的基準計量。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES 3. 主要會計政策(續)

(Continued)

Business combination (Continued)

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with HKAS 39, or HKAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

Subsidiaries

A subsidiary is a company in which the Company, directly or indirectly, controls more than one half of the voting power; has the power to govern the financial and operating policies; to appoint or remove the majority of the members of the board of directors; or to cast majority of votes at the meetings of the board of directors.

Investments in subsidiaries are included in the Company's statement of financial position at cost less any impairment loss. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

業務合併(續)

當本集團於業務合併中轉讓的代價包括或然代價安排產生的資產或負債，或然代價按其收購日期公平值計量並計入於業務合併中所轉讓代價的一部份。或然代價的公平值變動如適用符合計量期間調整，則作出追溯調整，並對商譽作出相應調整。計量期間調整為於「計量期間」（不得超過收購日期起計一年）就於收購日期存在的事實及情況獲得的其他資料產生的調整。

或然代價公平值變動如不適用計量期間調整，則其後的會計處理取決於或然代價如何分類。分類為權益的或然代價不會於其後呈報日期重新計量，而其後結算於權益內入賬。分類為資產或負債的或然代價根據香港會計準則第39號或香港會計準則第37號撥備、或然負債及或然資產(如適用)於其後呈報日期重新計量，而相應的盈虧於損益內確認。

附屬公司

附屬公司指由本公司直接或間接控制過半數投票權、擁有支配其財務及經營政策、委任或罷免大部分董事會成員或以多數票在董事會會議上投票的權力的公司。

於附屬公司之投資按成本扣除任何減值虧損於本公司之財務狀況表列賬。該等附屬公司之業績乃按本公司已收及應收股息列賬。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Revenue recognition

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

Revenue from sales of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyers, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold.

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

Technical support income is recognised when the technical support services are rendered.

Leasing

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

The Group as lessee

Assets held under finance assets are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the consolidated income statement.

Rental payable under operating leases are charged to the consolidated income statement on a straight-line basis over the terms of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

3. 主要會計政策(續)

收入確認

收入按已收或應收代價之公平值計量，及指在日常業務過程中出售貨品之應收款項(扣除折扣及銷售相關稅項)。

銷售貨品的收入於貨品所有權的重大風險及回報轉移至買方時確認，惟本集團既不參與一般與所有權相關的管理權，亦無實際控制所出售貨品。

利息收入採用實際利息法按時間比例基準確認。

技術支援收入於提供技術支援服務時確認。

租賃

凡租賃條款將擁有權的絕大部分風險及回報轉移予承租人之租賃，均列作融資租賃。所有其他租賃則列作經營租賃。

本集團作為承租人

於融資資產項下持有之資產在租賃開始時按公平值或最低租賃款項現值(以較低者為準)確認為本集團資產。欠付出租人之相應債務於綜合財務狀況表中計入融資租賃承擔。租賃款項於財務費用及租賃承擔減額間分配，以在債務結餘得出統一利率。財務費用直接在綜合收益表內扣除。

經營租賃下之應付租金於相關租賃期內以直線法在綜合收益表內扣除。作為訂立經營租賃獎勵金之已收及應收利益於租賃期內以直線法確認為租金開支減額。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES 3. 主要會計政策(續)

(Continued)

Leasehold land for own use

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as "prepaid land lease payments" in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as property, plant and equipment.

Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the consolidated income statement in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the property, plant and equipment, the expenditure is capitalised as an additional cost of that asset.

自用租賃土地

當租賃包括土地及樓宇部分，除非顯然兩部分均為經營租賃(在該情況下，整項租賃分類為經營租賃)，否則本集團根據對各部分的擁有權所承擔的絕大部份風險及回報是否已轉移本集團進行的評估，獨立評估各部分分類為融資或經營租賃。具體而言，最低租賃款項(包括任何一次性預付款)乃按租賃開始時租賃的土地部分及樓宇部分中租賃權益的相對公平值比例，在土地及樓宇部分之間作出分配。

倘能可靠地分配租賃費用，則列作經營租賃的租賃土地的權益將作為「預付土地租賃款項」於綜合財務狀況表列賬，並按租賃年期以直線法攤銷。倘不能可靠地分配土地及樓宇部分的租賃款項，整項租賃一般分類為融資租賃，並作為物業、廠房及設備列賬。

物業、廠房及設備

所有物業、廠房及設備按成本減累計折舊及減值虧損列賬。

資產的成本包括購買價格及任何令資產達致其運作狀況及運往現址作擬定用途的直接成本。物業、廠房及設備投入運作後產生的開支，例如維修及保養開支，一般於產生期間自綜合收益表中扣除。倘可清楚顯示該項支出會導致預期日後使用物業、廠房及設備所得的經濟利益增加，則該項支出將被資本化為該資產的附加成本。物業、廠房及設備之折舊就其估計可使用年期使用直線法計提撥備，以撇銷其成本。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES 3. 主要會計政策(續)

(Continued)

Property, plant and equipment (Continued)

Depreciation is provided to write off the cost of property, plant and equipment, using the straight line method, over their estimated useful lives. The principal useful lives are as follows:

Building	30 years
Plant and machinery	12 years
Motor vehicles	8 years
Furniture, fixtures and equipment	6 years
Leasehold improvements	5 years

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

Construction in progress represents leasehold improvements under construction and plant and machinery pending installation, and is stated at cost less impairment losses. Depreciation begins when the relevant asset are available for use.

The gain or loss arising from disposal of an asset is determined as the difference between the net sale proceeds and the carrying amount of the relevant asset and is recognised in the consolidated income statement.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average basis. The cost of finished goods and work in progress comprises raw materials, direct labour and an appropriate proportion of all production overhead expenditure, and where appropriate, subcontracting charges. Net realisable value represents the estimated selling price in the ordinary course of business less all estimated costs necessary to make the sale.

物業、廠房及設備(續)

物業、廠房及設備之折舊就其估計可使用年期使用直線法計提撥備，以撇銷其成本。主要可使用年期如下：

樓宇	30年
廠房及機器	12年
汽車	8年
傢俬、裝置及設備	6年
租賃物業裝修	5年

可使用年期及折舊方法於各報告期末進行檢討及調整(如適用)。

在建工程指在建租賃物業裝修以及待安裝之廠房及機器，按成本減減值虧損列賬。有關資產於可供使用時方計算折舊。

出售資產所產生之收益或虧損釐定為出售所得款項淨額與有關資產賬面值兩者間之差額，及於綜合收益表確認。

存貨

存貨按成本與可變現淨值兩者之較低者列賬。成本以加權平均基準計算。製成品及在製品之成本包括原材料、直接勞工及所有生產經常性開支之適當部分以及(如適用)承包費。可變現淨值按日常業務之估計售價減所有進行銷售估計所需之成本計算。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES 3. 主要會計政策(續)

(Continued)

Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the receivables' carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate computed at initial recognition. The amount of the allowance is recognised in profit or loss.

Impairment losses are reversed in subsequent periods and recognised in profit or loss when an increase in the receivables' recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the receivables at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

Impairment of assets (other than goodwill, intangible assets with indefinite lives)

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

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

貿易及其他應收款項

貿易及其他應收款項為附有固定或可釐定支付款項，且並無在活躍市場報價之非衍生金融資產，並於初始確認時按公平值入賬，其後使用實際利息法按攤銷成本減去減值撥備釐定。倘有客觀證據顯示本集團將不能根據應收款項的原有期限收取所有到期金額，則會就貿易及其他應收款項作出減值撥備。撥備金額乃應收款項賬面值與估計未來現金流量現值的差額，按初始確認時計算之實際利率貼現。撥備金額於損益內確認入賬。

於往後期間，倘應收款項之可收回金額增加可與確認減值後所發生之事件客觀相連，則撥回減值虧損並於損益內確認，惟於撥回減值當日之應收款項賬面值不得超過倘並無確認減值之攤銷成本。

資產減值(商譽及具無限年期之無形資產除外)

於各報告期末，本集團均會審閱其有形及無形資產的賬面值，以釐定資產是否出現減值虧損跡象。倘估計資產的可收回金額少於其賬面值，則資產賬面值減少至其可收回金額。減值虧損即時確認為開支。'

倘減值虧損其後撥回，則資產的賬面值增加至經修訂的估計可收回金額，惟所增加的賬面值不得超過倘資產於過往年度並無確認減值虧損而釐定的賬面值。所撥回的減值虧損即時確認為收入。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES 3. 主要會計政策(續)

(Continued)

Taxation

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

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

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

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference will not reverse in the foreseeable future.

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to consolidated income statement except when it relates to items charged or credited directly or equity, in which case the deferred tax is also dealt with in equity.

稅項

所得稅開支指應付即期稅項及遞延稅項的總和。

應付即期稅項乃按年內應課稅溢利計算。由於應課稅溢利不包括其他年度應課稅或可扣稅收入或開支，且不包括非應課稅及可扣稅的項目，故與綜合收益表所呈報的溢利有所不同。本集團的即期稅項負債乃按報告期末已頒佈或實際上已頒佈的稅率計算。

遞延稅項乃按財務報表內資產及負債賬面值與計算應課稅溢利所用的相應稅基的差額予以確認，並採用資產負債表負債法入賬。遞延稅項負債一般會就所有應課稅暫時差額確認，而遞延稅項資產乃於可能出現應課稅溢利，以致出現可扣稅暫時差額時確認，而遞延稅項資產乃於可能出現應課稅溢利，以致可扣稅暫時差額可予動用時確認。若於一項交易中，因商譽或初步確認(業務合併時除外)其他資產及負債而引致的暫時差額不影響應課稅溢利或會計溢利，則不會確認該等資產及負債。

遞延稅項負債乃就於附屬公司的投資所產生的應課稅暫時差額確認，惟倘本集團能夠控制暫時差額的撥回將不會於可見將來撥回則作別論。

遞延稅項資產的賬面值於各報告期末作檢討，並於不再可能有足夠應課稅溢利收回全部或部分資產時作調減。

遞延稅項乃按預期於負債清償或資產變現期間應用的稅率計算。遞延稅項乃於綜合收益表扣除或計入，惟有關直接扣除或計入之項目或權益的遞延稅項則除外，在此情況下，遞延稅項亦會於權益中處理。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Taxation (Continued)

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the entity intends to settle its current tax assets and liabilities on a net basis.

Financial instruments

Financial assets and financial liabilities are recognised on the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

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

Financial assets

The Group's financial assets are classified into loans and receivables and financial assets at fair value through profit or loss ("FVTPL"). The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

3. 主要會計政策(續)

稅項(續)

遞延稅項資產及負債於其有關同一稅務機關所徵收的所得稅且實體擬以淨額償付其即期稅項資產及負債時予以抵銷。

金融工具

當本集團成為有關工具合約規定之一方時，金融資產及金融負債於綜合財務狀況表內確認。

金融資產及金融負債按公平值初步計量。收購或發行金融資產及金融負債(按公平值於損益列賬之金融資產及金融負債除外)直接應佔的交易成本乃於初始確認時加入金融資產或金融負債的公平值或自金融資產或金融負債的公平值內扣除(視適用情況而定)。收購按公平值於損益列賬的金融資產或金融負債直接應佔的交易成本即時於綜合收益表確認。

金融資產

本集團之金融資產分類為貸款及應收款項以及按公平值於損益列賬(「按公平值於損益列賬」)的金融資產。有關分類乃取決於金融資產的性質及目的，並會於初步確認時釐定。所有一般購買或出售之金融資產乃按交易日基準確認及取消確認。一般購買或出售指對須按市場所在地規則或慣例所確定時限內交付資產之金融資產之購買或出售。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES 3. 主要會計政策(續)

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Effective interest method

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

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

金融工具(續)

金融資產(續)

實際利息法

實際利息法乃計算債務工具攤銷成本以及於相關期間分配利息收入的方法。實際利率乃在債務工具的預計年期或(如適用)較短期間內，將估計未來現金收入(包括構成實際利率部分的所有已付或已收費用及利率差價、交易成本及其他溢價或折讓)準確貼現至初步確認時的賬面淨值的利率。

除分類為按公平值於損益列賬的金融資產外，債務工具的收入乃按實際利息基準確認。

按公平值於損益列賬的金融資產

當金融資產為持作買賣或指定為按公平值於損益列賬，則分類為按公平值於損益列賬。

金融資產於下列情況下分類為持作買賣：

- 其主要用作於近期內出售而購入；或
- 於初步確認時，其為本集團共同管理的已識別金融工具組合的一部分及具有最近的短期盈利實際模式；或
- 其為非指定及用作對沖工具的衍生工具。

金融資產(持作買賣金融資產除外)可於下列情況下於初步確認時指定為按公平值於損益列賬：

- 該指定消除或大幅減少可能會出現的計量或確認方面的一致性；或
- 該金融資產構成根據本集團制定的風險管理或投資策略管理及以公平值基準評估表現的一組金融資產或金融負債或金融資產及金融負債組合的一部分，而且有關分組的資料乃按該基準向內部提供；或

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets at FVTPL (Continued)

- if forms part of a contract containing one or more embedded derivatives, and HKAS 39 Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the "other income".

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At the end of each reporting period subsequent to initial recognition, loans and receivables are carried at amortised cost using the effective interest method, less any identified impairment losses.

An impairment loss is recognised in consolidated income statement when there is objective evidence that the asset is impaired, and is measured as the difference between the assets' carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment losses were recognised, subject to a restriction that the carrying amount of the asset at the date the impairment losses reversed do not exceed what the amortised cost would have been had the impairment losses not been recognised.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

- 其構成包含一項或多項內含衍生工具的合約的一部分，而香港會計準則第39號金融工具：確認及計量允許將整個組合合約(資產或負債)指定為按公平值於損益列賬。

按公平值於損益列賬的金融資產乃按公平值列賬，而重新計量產生的任何盈虧則於損益確認。於損益確認的盈虧淨額包括就金融資產所賺取的任何股息或利息，並列入「其他收益」項下。

貸款及應收款項

貸款及應收款項為具有固定或可釐定付款而並無在活躍市場報價的非衍生金融資產。於初始確認後各報告期末，貸款及應收款項使用實際利息法按攤銷成本減任何已識別減值虧損列賬。

當有客觀證據證明資產已減值，減值虧損於綜合收益表內確認，且計量為資產賬面值與按原實際利率貼現之估計未來現金流量現值間之差額。於往後期間，倘資產的可收回金額增加可與確認減值後所發生之事件客觀相連，則撥回減值虧損，惟於撥回減值虧損當日之資產賬面值不得超過倘並無確認減值虧損之攤銷成本。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES 3. 主要會計政策(續)

(Continued)

Financial instruments (Continued)

Financial liabilities and equity

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The Group's financial liabilities are generally classified into other financial liabilities. The accounting policies adopted in respect of financial liabilities and equity instruments are set out below.

Other financial liabilities

Other financial liabilities are subsequently measured at amortised cost, using the effective interest method.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognised directly in equity is recognised in consolidated income statement.

Financial liabilities are removed from the Group's consolidated statement of financial position when the obligation specified in the relevant contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid or payable is recognised in consolidated income statement.

金融工具(續)

金融負債及權益

集團實體發行的金融負債及股本工具乃根據所訂立合約安排的內容以及金融負債及股本工具的定義分類。

股本工具乃證明本集團扣除其所有負債後的資產中擁有剩餘權益的任何合約。本集團的金融負債一般分類為其他金融負債。下文載列就金融負債及股本工具採納的會計政策。

其他金融負債

其他金融負債其後採用實際利息法按攤銷成本計量。

股本工具

本公司發行的股本工具經扣除直接發行成本後按已收所得款項入賬。

取消確認

倘從資產收取現金流量之權利屆滿，或金融資產已轉讓及本集團轉讓金融資產擁有權之絕大部分風險及回報，則金融資產將取消確認。於取消確認金融資產時，資產賬面值與已收代價及已直接於權益確認之累計損益兩者總和間之差額將於綜合收益表確認。

就金融負債而言，於有關合約之特定責任獲解除、取消或到期時，金融負債將自本集團的綜合財務狀況表移除。取消確認之金融負債賬面值與已付或應付代價兩者間之差額於綜合收益表確認。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Current assets and liabilities

Current assets are expected to be realised within twelve months of the end of the reporting period or in the normal course of the Group's operating cycle. Current liabilities are expected to be settled within twelve months of the end of the reporting period or in the normal course of the Group's operating cycle.

Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably. A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that outflow is probable, they will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. A contingent asset is not recognised but is disclosed in the notes to the financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

Foreign currencies

i. Functional and presentation currency

Items included in the financial statements of each of the companies now comprising the Group are measured using the currency of the primary economic environment in which the company operates (the "functional currency"). The consolidated financial statements are presented in Renminbi, which is the Company's presentation currency and the functional currency of the principal operating subsidiary of the Group. The functional currency of the Company is Hong Kong dollars. The directors consider that choosing Renminbi as the presentation currency best suits the needs of the shareholders and investors.

3. 主要會計政策(續)

流動資產及負債

流動資產預期於報告期末起計十二個月內或於本集團營運週期之一般過程中變現。流動負債預期於報告期末起計十二個月內或於本集團營運週期之一般過程中償付。

或然負債及或然資產

或然負債指因過往事件而可能引起的責任，該等責任須就某宗或多宗本集團不能完全控制的事件會否於日後發生方予以確認。或然負債亦可能因過往事件引致現有責任，惟由於可能不需要經濟資源流出，或責任金額不能可靠地計量而未有確認。或然負債不會被確認，惟會在財務報表附註內披露。倘資源流出的可能性改變而導致可能出現資源流出時，則該等負債將確認為撥備。

或然資產指因過往事件而可能產生的資產，該等資產須就某宗或多宗本集團不能完全控制的事件會否於日後發生方予以確認。或然資產不會被確認，惟會於經濟利益可能流入時在財務報表附註內披露。倘可實質確認流入，該等資產將予以確認。

外幣

i. 功能及呈列貨幣

現時組成本集團各公司之財務報表所含項目乃按公司經營之主要經濟環境的貨幣(「功能貨幣」)計量。綜合財務報表以港元呈列，而人民幣為本公司之呈列貨幣以及本集團主要經營附屬公司之功能貨幣。本公司的功能貨幣是港元。董事認為，選擇人民幣作為呈列貨幣乃最為符合股東及投資者的需求。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES 3. 主要會計政策(續)

(Continued)

Foreign currencies (Continued)

ii. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. 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.

Translation differences on non-monetary financial assets and liabilities are reported as part of their fair value gain or loss.

iii. Group companies

The results and financial positions of all the companies now comprising the Group (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:

- (a) Assets and liabilities are translated at the closing rate;
- (b) Income and expenses are translated at average exchange rates; and
- (c) All resulting exchange differences are recognised as a separate component of equity.

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 owners' equity. When a foreign operation is sold, exchange differences that were recorded in equity are recognised in the consolidated statement of comprehensive income as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

外幣(續)

ii. 交易及結餘

外幣交易以交易日期現行匯率換算為功能貨幣。來自償付該等交易及按年末匯率換算以外幣計值之貨幣資產及負債之外匯收益及虧損於綜合收益表確認。

非貨幣金融資產及負債之換算差額按部分公平值收益或虧損入賬。

iii. 集團公司

功能貨幣與呈列貨幣不同之現時組成本集團所有公司(當中並無嚴重通脹經濟地區之貨幣)之業績及財務狀況乃按下列方式換算為呈列貨幣：

- (a) 資產及負債按收市匯率換算；
- (b) 收入及開支按平均匯率換算；及
- (c) 所有因此而產生之匯兌差額確認為獨立權益部分。

於綜合賬目時，換算海外業務投資淨值以及借款及指定為對沖該等投資之其他貨幣工具產生之匯兌差額納入擁有人權益。出售海外業務時，於權益記錄的匯兌差額於綜合全面收益表確認為出售之部分收益或虧損。

收購海外實體產生之商譽及公平值調整視為海外實體之資產及負債，並按收市匯率換算。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

Cash and cash equivalents

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

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3. 主要會計政策(續)

研究及開發支出

研究活動支出於其產生之有關期間確認為開支。

現金及現金等值物

就綜合現金流量表而言，現金及現金等值物包括手頭現金、活期存款以及可隨時兌換為已知數額的現金及存在非重大價值變動風險而期限（一般在購入後三個月內）較短的短期高流通性投資，扣除須按要求償還並構成本集團現金管理一部分的銀行透支。

撥備

倘本集團因過往事件負上現有責任（法律或推定）而可能需要本集團支付負債，及能就負債金額作出可靠估計時，則會就負債確認撥備。

作為撥備確認之金額乃對於報告期末償付現有負債所需代價之最佳估計，並經考慮負債相關之風險及不確定因素。倘使用估計償付現有負債之現金流量計量撥備，則其賬面值即為該等現金流量之現值（倘貨幣之時間價值影響重大）。

當預期用作償付撥備所需部分或全部經濟利益可從第三方收回，如可實際確認可以收回且應收款項之金額能可靠計量，則應收款項確認為資產。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES 3. 主要會計政策(續)

(Continued)

Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(ii) Pension obligations

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Group to the funds.

As stipulated by the rules and regulations of the PRC, the Company's subsidiaries registered in the PRC are required to contribute to a state-sponsored retirement plan for all its PRC employees at certain percentages of the basic salaries predetermined by the local governments. The state-sponsored retirement plan is responsible for the entire retirement benefit obligations payable to retired employees and the Group has no further obligations for the actual retirement benefit payments or other post-retirement benefits beyond the annual contributions.

(iii) Termination benefits

Termination benefits are recognised when, and only when, the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

僱員福利

(i) 僱員應享假期

僱員的年假及長期服務假於僱員應享有時予以確認。截至報告期末止，因僱員所提供的服務而產生的年假及長期服務假的估計負債已計提撥備。

僱員的病假及產假於僱員休假時方會確認。

(ii) 養老金責任

本集團為所有僱員提供定額供款退休計劃。本集團及僱員對計劃的供款乃按僱員的基本薪金的百分比計算。自損益內扣除的退休福利計劃成本乃指本集團應付該等基金的供款。

根據中國之規則及法規，本公司在中國註冊之附屬公司須按當地政府預定之基本薪金若干百分比為所有中國僱員向國家管理之退休計劃供款。國家管理之退休計劃負責向退休僱員支付退休福利之一切責任，除每年供款外，本集團在實際退休福利付款或其他退休後福利方面並無進一步責任。

(iii) 終止僱用福利

終止僱用福利僅於本集團具備正式而詳細且不可撤回方案的情況下，明確顯示終止聘用或因採取自願離職措施而提供福利時，方予確認。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Borrowing costs

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

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants that become receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type of class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3. 主要會計政策(續)

借款成本

直接用作收購、建造或生產合資格資產(即需要相當長期間以達致其擬定用途或銷售的資產)的借款成本資本化為該等資產的部分成本，直至該等資產大致用作其擬定用途或銷售。

用於合資格資產的特定借款在其尚未支銷時用作暫時投資所賺取的投資收入，乃於合資格資本化的借款成本內扣除。

所有其他借款成本於產生期間在損益內確認。

政府補助金

政府補助金於可合理確定本集團將遵守該等補助金附帶之條件及收取補助金時方予確認。

作為開支或已產生虧損的補償金或向本集團提供即時財務援助而成為應收款項(並無日後相關成本)的政府補助金，乃於其成為應收款項的期間在損益內確認。

分部報告

經營分部及財務報表所呈報各分部項目的金額，乃從為向本集團各項業務及地理位置分配資源及評估其表現而定期向本集團最高行政管理層提供的財務資料中識別。

個別重大經營分部不會合計以供財務報告之用，惟倘該等分部的產品及服務性質、生產工序性質、客戶階層類別、分銷產品或提供服務的方法以及監管環境的性質等經濟特性均屬類似，則作別論。個別不重大經營分部倘符合以上大部分條件，則可予以合計。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES 3. 主要會計政策(續)

(Continued)

Impairment of financial assets

Financial assets, other than those at financial assets at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been impacted.

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

For all other financial assets, objective evidence of impairment could include:

- (a) significant financial difficulty of the issuer or counterparty; or
- (b) default or delinquency in interest or principal payments; or
- (c) it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- (d) the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, observable changes in national or local economic conditions that correlate with default on receivables.

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

金融資產減值

除按公平值於損益列賬的金融資產外，金融資產於各報告期末評估減值跡象。倘有客觀證據證明因金融資產初始確認後發生的一項或多項事件使金融資產的估計未來現金流量受影響，則金融資產被視為已減值。

就可供出售股本投資而言，倘投資之公平值大幅或持續下降至低於其成本，則該下降視為減值之客觀證據。

所有其他金融資產之減值客觀證據可包括：

- (a) 發行人或對手方出現嚴重財政困難；或
- (b) 逾期支付或拖欠利息或本金；或
- (c) 貸款人有可能破產或進行財務重組；或
- (d) 因財政困難而導致該金融資產的活躍市場消失。

就若干類別之金融資產(如應收貿易款項)而言，獲評估為不會個別減值之資產其後將整體作減值評估。應收款項組合出現減值之客觀證據包括本集團過往收款經驗，以及與逾期支付應收款項有關之國家或地方經濟狀況出現明顯變動。

就按攤銷成本列賬之金融資產而言，減值虧損於有客觀證據證明資產出現減值時方在損益確認，並按資產賬面值與以原實際利率貼現估計未來現金流量現值兩者間之差額計量。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES 3. 主要會計政策(續)

(Continued)

Impairment of financial assets (Continued)

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

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

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

Impairment losses on available-for-sale equity investments will not be reversed in profit or loss in subsequent periods. Any increase in fair value subsequent to impairment loss is recognised directly in equity. For available-for-sale debt investments, impairment losses are subsequently reversed if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

金融資產減值(續)

就按成本列賬之金融資產而言，減值虧損金額按資產賬面值與以類似金融資產現時市場回報率貼現估計未來現金流量現值兩者間之差額計量。該減值虧損不會於往後期間撥回。

金融資產之賬面值直接透過所有金融資產之減值虧損減少，惟應收貿易款項除外，賬面值透過使用撥備賬減少。撥備賬賬面值的變動於損益確認。倘應收貿易款項被認為不可收回，則於撥備賬撇銷。其後所收回先前撇銷的數額計入損益。

就按攤銷成本計量之金融資產而言，於往後期間，倘減值虧損之金額減少，而該減少可與確認減值虧損後發生之事件客觀相連，則先前確認之減值虧損會透過損益撥回，惟於撥回減值當日資產之賬面值不得超過倘並無確認減值之攤銷成本。

可供出售股本投資之減值虧損不會於往後期間撥回損益。確認減值虧損後之公平值之任何增加直接於權益確認。就可供出售債務投資而言，倘投資公平值增加可客觀地與確認減值虧損後出現之事件有關，則減值虧損可於其後撥回。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES 3. 主要會計政策(續)

(Continued)

Share-based payment arrangements

For grants of share options that are conditional upon satisfying specified vesting conditions, the fair value of services received is determined by reference to the fair value of share options granted at the date of grant and is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share options reserve).

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share options reserve.

For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

When share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to retained earnings.

Related parties

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

- (1) A person or a close member of that person's family is related to the Group if that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group.

以股份支付的安排

就授出須達成指定歸屬條件的購股權而言，已收取服務的公平值乃參考授出當日已授出購股權的公平值而釐定，於歸屬期內以直線法確認為開支，並於權益(購股權儲備)中作出相應增加。

於報告期末，本集團修訂其對預期最終將予歸屬的購股權數目的估計。修訂原先估計的影響(如有)在損益確認，致使累積支出反映經修訂估計，並對購股權儲備作出相應調整。

就於授出日期即時歸屬的購股權而言，所授出購股權的公平值即時在損益內支銷。

當購股權獲行使，過往於購股權儲備確認的金額將轉撥至股份溢價。當購股權於歸屬日期後被沒收或於屆滿日期仍未行使，則過往於購股權儲備確認的金額將轉撥至保留盈利。

關連方

任何一方如屬以下情況，即視為本集團的關連方：

- (1) 下列人士或其家族與本集團有關連之近親：
 - (i) 其控制或共同控制本集團；
 - (ii) 其對本集團有重大影響力；或
 - (iii) 其為本集團或本集團母公司的主要管理層人員的成員。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Related parties (Continued)

- (2) An entity is related to the Group if any of the following conditions applies:
- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (1).
 - (vii) A person identified in (1)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

3. 主要會計政策(續)

關連方(續)

- (2) 在下列任何情況下，一間實體被視為與本集團有關連：
- (i) 實體與本集團為同一集團成員，即母公司、附屬公司及同系附屬公司各自彼此相互關連。
 - (ii) 某一實體為另一實體之聯營公司或合營公司，或為另一實體所屬集團成員之聯營公司或合營公司。
 - (iii) 實體均為同一第三方之合營公司。
 - (iv) 實體為第三方實體之合營公司，而另一實體為第三方實體之聯營公司。
 - (v) 實體乃為本集團或與本集團有關之實體的僱員福利所設離職後福利計劃。倘本集團本身設有計劃，則僱主亦與本集團有關連。
 - (vi) 實體受(1)所界定人士控制或共同控制。
 - (vii) (1)(i)所界定人士對實體擁有重大影響力或為實體或該實體母公司之主要管理層人員。

倘關連方之間轉移資源或責任，則該交易被視為關連方交易。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

In the application of the Group's accounting policies which are described in Note 3, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

Impairment of trade receivables

The Group makes impairment of trade receivables based on assessments of the recoverability of the trade receivables, including the current creditworthiness and the past collection history of each debtor. Impairment arises where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgment and estimates. Where the actual result is different from the original estimate, such difference will impact the carrying value of the trade receivables and doubtful debt expenses in the reporting period in which such estimate has been changed. During the year, the Group has provided impairment loss of approximately RMB117,000 for trade receivables (2011: RMB246,000).

Useful lives of property, plant and equipment

The Group's management determines the estimated useful lives and related depreciation charges for the Group's 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. The Group will revise the depreciation charge where useful lives are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

4. 主要會計估計及判斷

於應用本集團之會計政策(其於附註3內闡述)時,本公司之董事須作出有關未能從其他來源輕易獲得之資產及負債賬面值之判斷、估計及假設。估計及相關假設乃基於過往經驗及被認為有關之其他因素。實際業績可能不同於該等估計。

估計及相關假設乃按持續經營基準予以檢討。倘會計估計之修訂僅影響估計獲修訂之期間,則會計估計之修訂於該期間予以確認,倘若修訂影響現時及未來期間,則會計估計之修訂於現時及未來期間內予以確認。

下列為有關未來之主要假設及於報告期末時估計不確定因素之其他主要來源(其擁有導致下一個財政年度之資產及負債之賬面值出現大幅調整之重大風險)。

應收貿易款項減值

本集團根據對應收貿易款項的可收回程度所作的評估(包括每個債務方的現時信貸及過往的收取記錄)就應收貿易款項作出減值。倘事件或情況變動顯示餘款或會無法收回,則會出現減值。確認呆壞賬須作出判斷及估計。倘實際結果與原有估計存在差異,則相關差異將影響相關估計出現變動之報告期的應收貿易款項的賬面值及呆壞賬開支。年內,本集團已就應收貿易款項計提減值虧損約人民幣117,000元(二零一一年:人民幣246,000元)。

物業、廠房及設備及折舊

本集團的管理層釐定本集團物業、廠房及設備的估計可使用年期及相關折舊開支。該估計乃以同類性質及功能的物業、廠房及設備的實際可使用年期的過往經驗為基準。倘可使用年期與先前估計不同,本集團將修訂折舊開支,或撇銷或撇減已廢棄或出售的技術上已過時或非策略性的資產。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

Income taxes and deferred taxation

The Group is subject to income taxes in different jurisdictions. Significant judgment is required in determining the provision for income tax. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. 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 to be probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The outcome of their actual utilisation may be different.

Impairment of non-current assets

If a triggering event occurs indicating that the carrying amount of an asset may not be recoverable, an assessment of the carrying amount of that asset will be performed. Triggering events include significant adverse changes in the market value of an asset, changes in the business or regulatory environment, or certain legal events. The interpretation of such events requires judgment from management with respect to whether such an event has occurred. Upon the occurrence of triggering events, the carrying amounts of non-current assets are reviewed to assess whether their recoverable amounts have declined below their carrying amounts. The recoverable amount is the present value of estimated net future cash flows which the Group expects to generate from the future use of the asset, plus the assets residual value on disposal. Where the recoverable amount of non-current assets is less than its carrying value, an impairment loss is recognised to write the assets down to its recoverable amount.

4. 主要會計估計及判斷(續)

所得稅及遞延稅項

本集團須繳納若干司法權區的所得稅。於釐定所得稅撥備時，須作出重大估計。於日常業務過程中存在很多交易及計算，而最終稅項的釐定具有不確定性。倘該等事件的最終稅項結果與初始記錄的金額存在差異，則相關差異將影響作出有關釐定的報告期的所得稅及遞延稅項撥備。

倘管理層認為未來應課稅溢利將抵銷其暫時差額或稅項虧損時，有關若干暫時差額之遞延稅項資產及稅項虧損可予確認。但實際應用結果可能有所不同。

非流動資產減值

如發生觸發事件，顯示資產之賬面值可能無法收回，本集團將評估該資產之賬面值。觸發事件包括資產市值有重大不利變動、營商或規管環境轉變，或若干法律事件。管理層詮釋此等事件前，須判斷有關事件是否已經發生。如發生觸發事件，本集團將評估非流動資產之賬面值，以評估其可收回金額是否已跌至低於其賬面值。可收回金額為本集團預期日後使用該資產估計產生之未來現金流量淨額現值，加出售該資產之剩餘價值。如非流動資產之可收回金額低於其賬面值，本集團將確認減值虧損，將資產值撇減至相等於其可收回金額。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

5. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

Financial assets:	金融資產：
Held-for-trading investments	持作買賣投資
Loans and receivables	貸款及應收款項
(including cash and cash equivalents)	(包括現金及現金等值物)
Financial liabilities:	金融負債：
Amortised cost	攤銷成本

(b) Financial risk management objectives and policies

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, fair value interest rate risks and other price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Management regularly manages the financial risks of the Group. Because of the simplicity of the financial structure and the current operations of the Group, no major hedging activities are undertaken by management.

There has been no change to the types of the Group's exposure in respect of financial instruments or the manner in which it manages and measures the risks.

5. 金融工具

(a) 金融工具分類

The Group 本集團		The Company 本公司	
2012	2011	2012	2011
二零一二年	二零一一年	二零一二年	二零一一年
RMB'000	RMB'000	RMB'000	RMB'000
人民幣千元	人民幣千元	人民幣千元	人民幣千元
4,405	—	—	—
157,994	86,530	90,853	29,366
52,307	40,533	554	660

(b) 財務風險管理目標及政策

本集團業務活動令其面臨多項財務風險：市場風險(包括外幣風險、公平值利率風險及其他價格風險)、信貸風險及流動資金風險。本集團的整體風險管理項目專注於金融市場的不可預測性及尋求降低本集團財務表現的潛在不利影響。

管理層定期管理本集團之財務風險。由於本集團之財務架構及現時營運並不複雜，管理層並無進行重大對沖活動。

本集團就金融工具承擔的風險類別或其管理與計量有關風險的方式並無任何改變。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

5. FINANCIAL INSTRUMENTS (Continued)

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

Market risk

Foreign currency risk

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of the respective subsidiaries. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

Interest rate risk

(i) Exposure to interest rate risk

The Group's exposure to the risk of changes in market interest rate relates primarily to its bank deposits and interest-bearing bank borrowings. Interest-bearing bank borrowings at floating rates expose the Group to interest rate risk.

The Group has not used any interest rate swaps to hedge its exposure to interest rate risk. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

(ii) Sensitivity analysis

At 31 December 2012, if interest rates at the date had been 100 basis points higher/lower with all other variables held constant, the Group's profit for the year would decrease/increase by approximately RMB16,000 (2011: RMB14,000). This is mainly attributable to the Group's exposure as result of increase/decrease interest expense on short-term bank loans net off with interest income from bank deposits.

Other price risk

The Group is exposed to equity price risk mainly through its investment. The Group currently does not have a hedging policy in respect of the risk exposure. In addition, the management of the Group would monitor the price risk and will consider hedging the risk exposure should the need arise.

5. 金融工具(續)

(b) 財務風險管理目標及政策(續)

市場風險

外幣風險

本集團的外幣風險甚微，此乃由於其大部分業務交易、資產及負債主要以相關附屬公司的功能貨幣計值。本集團現時並無就外幣交易、資產及負債設立外幣對沖政策。本集團將密切監控外幣風險，並於必要時考慮對沖重大外幣風險。

利率風險

(i) 承受利率風險

本集團所面對的市場利率變動風險，主要與本集團的銀行存款及計息銀行借款有關。浮息銀行借款使本集團面對利率風險。

本集團並無使用任何利率掉期對沖利率風險。然而，管理層監控利率風險，並於必要時考慮對沖重大利率風險。

(ii) 敏感度分析

於二零一二年十二月三十一日，倘於該日之利率上升/下跌100個基點而所有其他變數維持不變，則本集團之年度溢利將下降/上升約人民幣16,000元(二零一一年：人民幣14,000元)，乃主要由於短期銀行貸款利息支出抵銷來自短期銀行存款利息收入之金額增加/減少產生之本集團風險所致。

其他價格風險

本集團主要透過其投資而面對股權價格風險。本集團現時並無有關風險之對沖政策。此外，本集團管理層會監察價格風險及於有需要時考慮對沖有關風險。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

5. FINANCIAL INSTRUMENTS (Continued)

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

Market risk (Continued)

Other price risk (Continued)

Sensitivity analysis on change in fair value of held-for-trading investments

The sensitivity analyses below have been determined based on the exposure to price risk at the end of the reporting period. If prices had been 10% higher/lower, profit for the year ended 31 December 2012 would increase/decrease by approximately HK\$368,000 (2011: Nil). This is mainly due to the changes in fair value of held-for-trading investments.

Credit risk

The carrying amount of the cash and bank balances, trade receivables included in the consolidated statements of financial position represents the Group's maximum exposure to credit risk in relation to the Group's financial assets.

The Group has certain exposure to credit risk as the trade receivables from the five largest customers as at 31 December 2012 represented 69% (2011: 58%) of total trade receivables, while 20% (2011: 17%) of the total trade receivables were due from the largest single customer. It has policies in place to ensure that sales are made to customers with an appropriate credit history.

The credit risk on cash and bank balances is limited because the counterparties are international and state-owned banks with good reputation.

The Group does not hold any collateral or other credit enhancements to cover its credit risk associated with its financial assets.

Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term. The Group manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables below have been drawn up based on the contractual maturities of the undiscounted financial liabilities including interest that will accrue to those liabilities except where the Group are entitled and intends to repay the liability before its maturity.

5. 金融工具(續)

(b) 財務風險管理目標及政策(續)

市場風險(續)

其他價格風險(續)

持作買賣投資公平值變動之敏感度分析

下述之敏感度分析乃按報告期末所面對之價格風險釐定。倘價格上升/下跌10%，則截至二零一二年十二月三十一日止年度之溢利將增加/減少約368,000港元(二零一一年：無)。此乃主要由於持作買賣投資之公平值變動所致。

信貸風險

計入綜合財務狀況表的現金及銀行結餘、應收貿易款項的賬面值指與本集團的金融資產有關的最高信貸風險。

本集團面臨若干信貸風險，因五大客戶於二零一二年十二月三十一日的應收貿易款項佔應收貿易款項總額69% (二零一一年：58%)，而最大單一客戶的應收貿易款項佔應收貿易款項總額20% (二零一一年：17%)。其已實行政策以確保銷售對象為合理信貸記錄的客戶。

由於交易對方為信譽良好的國際及國有銀行，故現金及銀行結餘之風險有限。

本集團並無持有任何抵押品或其他信貸增強措施以為其金融資產相關之信貸風險提供保障。

流動資金風險

本集團政策為定期監控現有及預期流動資金需求，以確保其擁有充裕現金儲備應付短期及長期流動資金需求。本集團透過保持充足之儲備，持續對預測及實際現金流量進行監察，並配對金融資產及負債之到期情況，藉以管理流動資金風險。

下表詳細列明本公司非衍生金融負債的餘下合約到期情況。該表根據未貼現金融負債合約期限編製，包括該等負債的應計利息(本集團有權及有意在到期前清償者除外)。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

5. FINANCIAL INSTRUMENTS (Continued)

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

Liquidity risk (Continued)

At 31 December 2012

The Group

		Weighted average effective interest rate	On demand or within 1 year	Over 1 year	Total undiscounted cash flow	Total carrying amount
		加權平均 實際利率 %	應要求或 少於一年 RMB'000 人民幣千元	一年以上 RMB'000 人民幣千元	未貼現現金 流量總額 RMB'000 人民幣千元	賬面總值 RMB'000 人民幣千元
Non-derivative financial liabilities	非衍生金融負債					
Trade payables	應付貿易款項	—	17,410	—	17,410	17,410
Accruals and other payables	應計費用及其他應付款項	—	5,397	—	5,397	5,397
Borrowings	借款	6.4%	30,445	—	30,445	29,500
			53,252	—	53,252	52,307

The Company

本公司

		Weighted average effective interest rate	On demand or within 1 year	Over 1 year	Total undiscounted cash flow	Total carrying amount
		加權平均 實際利率 %	應要求或 少於一年 RMB'000 人民幣千元	一年以上 RMB'000 人民幣千元	未貼現現金 流量總額 RMB'000 人民幣千元	賬面總值 RMB'000 人民幣千元
Non-derivative financial liabilities	非衍生金融負債					
Accruals and other payables	應計費用及其他應付款項	—	554	—	554	554

5. 金融工具(續)

(b) 財務風險管理目標及政策(續)

流動資金風險(續)

於二零一二年十二月三十一日

本集團

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

5. FINANCIAL INSTRUMENTS (Continued)

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

Liquidity risk (Continued)

At 31 December 2011

The Group

		Weighted average effective interest rate	On demand or within 1 year	Over 1 year	Total undiscounted cash flow	Total carrying amount
		加權平均 實際利率 %	應要求或 少於一年 RMB'000 人民幣千元	一年以上 RMB'000 人民幣千元	未貼現現金 流量總額 RMB'000 人民幣千元	賬面總值 RMB'000 人民幣千元
Non-derivative financial liabilities	非衍生金融負債					
Trade payables	應付貿易款項	—	10,374	—	10,374	10,374
Accruals and other payables	應計費用及其他應付款項	—	4,950	—	4,950	4,950
Borrowings	借款	6.5%	25,805	—	25,805	25,000
Finance lease payables	應付融資租賃款項	7.6%	216	—	216	209
			<u>41,345</u>	<u>—</u>	<u>41,345</u>	<u>40,533</u>

The Company

		Weighted average effective interest rate	On demand or within 1 year	Over 1 year	Total undiscounted cash flow	Total carrying amount
		加權平均 實際利率 %	應要求或 少於一年 RMB'000 人民幣千元	一年以上 RMB'000 人民幣千元	未貼現現金 流量總額 RMB'000 人民幣千元	賬面總值 RMB'000 人民幣千元
Non-derivative financial liabilities	非衍生金融負債					
Accruals and other payables	應計費用及其他應付款項	—	350	—	350	350
Amounts due to subsidiaries	應付附屬公司款項	—	310	—	310	310
			<u>660</u>	<u>—</u>	<u>660</u>	<u>660</u>

5. 金融工具(續)

(b) 財務風險管理目標及政策(續)

流動資金風險(續)

於二零一一年十二月三十一日

本集團

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

5. FINANCIAL INSTRUMENTS (Continued)

(c) Fair value of financial instruments

The fair value of financial assets and financial liabilities are determined as follows:

- (i) the fair value of financial assets and financial liabilities (including derivative instruments) with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices and ask prices respectively;
- (ii) the fair values of derivative instruments are calculated using quoted prices. Where such prices are not available, a discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives.
- (iii) the fair value of other financial assets and financial liabilities (excluding those described above) are determined in accordance with generally pricing models based on discounted cash flow analysis.

The directors consider that the carrying amounts of financial assets and financial liabilities recorded in the consolidated financial statements approximate to their fair values.

Fair value measurements recognised in the consolidated statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

1. Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
2. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

5. 金融工具(續)

(c) 金融工具之公平值

金融資產及金融負債之公平值乃按以下釐定：

- (i) 具有標準條款及條件及於活躍流動市場買賣的金融資產及金融負債(包括衍生工具)，乃分別參考所報市場買入價及賣出價釐定公平值；
- (ii) 衍生工具的公平值按所報價格計算。倘未能獲得有關價格，則按非期權衍生工具之年期使用適用孳息曲線釐定貼現現金流分析。
- (iii) 其他金融資產及金融負債的公平值(以上所述者除外)乃基於貼現現金流分析根據一般定價模式釐定。

董事認為於綜合財務報表中的金融資產與金融負債賬面值與其公平值相若。

於綜合財務狀況表確認之公平值計量

下表提供初步確認後按公平值計量的金融工具分析，乃根據公平值可觀察程度分為級別一至三：

1. 級別一公平值計量由相同資產或負債在活躍市場之報價(未經調整)得出；
2. 級別二公平值計量由級別一所載報價以外之可觀察資產或負債數據直接(即價格)或間接(即衍生自價格)得出；及

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

5. FINANCIAL INSTRUMENTS (Continued)

(c) Fair value of financial instruments (Continued)

Fair value measurements recognised in the consolidated statement of financial position (Continued)

3. Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At 31 December 2012
The Group

Financial assets

Held-for-trading investments

金融資產

持作買賣投資

Level 1 級別一 RMB'000 人民幣千元	Level 2 級別二 RMB'000 人民幣千元	Level 3 級別三 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
------------------------------------	------------------------------------	------------------------------------	---------------------------------

4,405

—

—

4,405

There was no financial assets and liabilities measured at fair value under levels 1, 2 and 3 as at 31 December 2011.

There were no transfers between levels 1, 2 and 3 in both years.

No analysis is disclosed since the Group has no financial assets and liabilities measured under level 2 and 3 during the years ended 31 December 2011 and 2012.

5. 金融工具(續)

(c) 金融工具之公平值(續)

於綜合財務狀況表確認之公平值計量(續)

3. 級別三公平值計量由包括並非基於可觀察市場數據(不可觀察數據)之資產或負債數據之估值技術衍生。

於二零一二年十二月三十一日
本集團

於二零一一年十二月三十一日，概無金融資產及負債根據級別一、級別二及級別三按公平值計量。

於兩個年度內，級別一、級別二及級別三之間概無轉撥。

截至二零一一年及二零一二年十二月三十一日止年度內，由於本集團並無金融資產及負債根據級別二及三計量，故並無披露有關分析。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

6. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2011.

The capital structure of the Group consists of debt (which includes borrowings and finance lease payables) and equity attributable to owners of the Company, comprising issued capital and reserves. The directors of the Company review the capital structure on a continuous basis. As part of this review, the directors consider the cost of capital and the risks associated with capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the issuance of new shares as well as the addition of new borrowings.

Gearing ratio

The gearing ratio at 31 December 2012 and 2011 was as follows:

Debt	負債
Total equity	權益總額
Gearing ratio	資本負債比率

6. 資本風險管理

本集團管理其資本，以確保本集團內各實體能夠持續經營，同時亦透過優化債項與權益之平衡，為股東爭取最高回報。自二零一一年起，本集團整體策略保持不變。

本集團之資本架構包括債項(包括借款及應付融資租賃款項)以及本公司擁有人應佔權益(包括已發行資本及儲備)。本公司董事不斷檢討資本架構。作為檢討一部分，董事考慮資本成本及資本相關風險。本集團將根據董事之意見透過發行新股及新增借款，平衡其整體資本結構。

資本負債比率

於二零一二年及二零一一年十二月三十一日資本負債比率如下：

	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Debt	29,500	25,209
Total equity	187,994	112,574
Gearing ratio	15.7%	22.4%

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

7. SEGMENT INFORMATION

Information reported to the directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. During the year ended 31 December 2011, the executive directors have identified the Group's operating is regarded as a single business segment, which is the manufacture and sale of nonwoven fabric products used in automotive interior decoration parts and infrastructure. During the year ended 31 December 2012, the Group has entered into a new operating segment "supply and procurement operation".

The Group's operating and reportable segments are as follows:

- (i) the manufacture and sale of nonwoven fabric products used in automotive interior decoration parts and infrastructure; and
- (ii) the supply and procurement operation segment including trading of rubber.

Segment revenue and results

	Supply and procurement operation 供應及採購經營		Manufacture and sale of nonwoven fabric products 製造及銷售無紡布產品		Total 合計	
	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Segment revenue:	分部收入：					
Sales to external customers	銷售予外部客戶					
	6,673	—	160,233	156,476	166,906	156,476
Segment results	分部業績					
	5	(13)	14,036	27,631	14,041	27,618
Unallocated corporate income	未分配公司收入				2,875	43
Unallocated corporate expenses	未分配公司開支				(2,890)	(3,696)
Finance costs	融資成本				14,026	23,965
					(1,731)	(1,490)
Profit before tax	除稅前溢利				12,295	22,475

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales for the years ended 31 December 2011 and 2012.

7. 分部資料

向本集團董事(即主要經營決策者)呈報以分配資源及評估分部表現的資料,著重所付運貨品或提供服務的類別。於截至二零一一年十二月三十一日止年度,執行董事確認本集團營運乃被視作單一業務分部,即製造及銷售用於汽車內飾件及基建的無紡布產品。於截至二零一二年十二月三十一日止年度,本集團已進軍「供應及採購營運」新經營分部。

本集團的經營及可呈報分部如下:

- (i) 製造及銷售用於汽車內飾件及基建的無紡布產品;及
- (ii) 供應及採購經營分部(包括買賣橡膠)。

分部收入及業績

以上呈報的分部收入乃來自外部客戶的收入。截至二零一一年及二零一二年十二月三十一日止年度並無分部間收入。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

7. SEGMENT INFORMATION (Continued)

Segment revenue and results (Continued)

The accounting policies of the operating segments are the same as the Group's accounting policies described in Note 3. Segment results represents the profit/(loss) from each segment without allocation of bank interest income, realised gain on held-for-trading investments, unrealised gain on held-for-trading investments, central operating expenses including staff costs, finance costs and income tax expense. This is the measure reported to the chief operating decision marker for the purpose of resource allocation and assessment of segment performance.

Segment assets and liabilities

		Supply and procurement operation 供應及採購營運		Manufacture and sale of nonwoven fabric products 製造及銷售無紡布產品		Total 合計	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
ASSETS	資產：						
Segment assets	分部資產	8,157	3	170,414	149,169	178,571	149,172
Unallocated corporate assets	未分配公司資產					62,285	5,958
Total assets	資產總值					240,856	155,130
LIABILITIES	負債						
Segment liabilities	分部負債	—	—	52,308	42,205	52,308	42,205
Unallocated corporate liabilities	未分配公司負債					554	351
Total liabilities	負債總額					52,862	42,556

For the purpose of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segment other than held-for-trading investments and corporate financial assets including cash and bank balance.
- all liabilities are allocated to reportable segments other than corporate financial liabilities including accruals and other payables.

7. 分部資料(續)

分部收入及業績(續)

經營分部的會計政策與附註3所述的本集團會計政策相同。分部業績指於並無分配銀行利息收入、持作買賣投資的已變現收益、持作買賣投資的未變現收益、中央行政費用(包括員工成本、融資成本及所得稅開支)情況下各分部的溢利/(虧損)。此乃向主要經營決策者呈報以分配資源及評估分部表現的衡量基準。

分部資產及負債

為監察分部表現及於分部間分配資源：

- 除持作買賣投資及公司金融資產(包括現金及銀行結餘)外，所有資產均分配至可呈報分部。
- 除公司金融負債(包括應計費用及其他應付款項)外，所有負債均分配至可呈報分部。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

7. SEGMENT INFORMATION (Continued)

Other segment information

The following is analysis of the Group's other segment information:

		Supply and procurement operation 供應及採購營運		Manufacture and sale of nonwoven fabric products 製造及銷售無紡布產品		Total 合計	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Capital expenditure	資本支出	—	—	2,606	17,663	2,606	17,663
Depreciation of property, plant and equipment	物業、廠房及設備折舊	—	—	4,479	3,415	4,479	3,415
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	—	—	73	73	73	73
Inventories written off	撇銷存貨	—	—	410	294	410	294
Impairment loss recognised in respect of trade receivables	已確認應收貿易款項減值虧損	—	—	117	246	117	246

Revenue from major products and services

Information about product is set out in Note 8.

Geographical information

The Group's operation are located in Hong Kong and the PRC.

The Group's revenue from external customers and information about its non-current by geographical location are detailed below.

7. 分部資料(續)

其他分部資料

以下為本集團的其他分部資料分析：

來自主要產品及服務的收入

有關產品的資料載於附註8。

地區資料

本集團的營運地點位於香港及中國。

以下詳述本集團來自外部客戶的收入及有關按地區劃分的非流動資產的資料。

		Revenue from external customers 來自外部客戶的收入		Non-current assets* 非流動資產*	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
The PRC	中國	160,233	156,476	43,029	45,243
Hong Kong	香港	6,673	—	34	—
		166,906	156,476	43,063	45,243

* Non-current assets excluding deferred tax assets.

* 非流動資產不包括遞延稅項資產。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

7. SEGMENT INFORMATION (Continued)

Information about major customers

For the year ended 31 December 2012, revenue generated from three (2011: four) customers of the Group amounting to RMB79,046,000 (2011: RMB92,295,000) has individually accounted for over 10% of the Group's total revenue. No other single customer contributed 10% or more to the Group's revenue for both years ended 31 December 2012 and 2011.

Revenue from major customers, each of them amounted to 10% or more of the Group's revenue, are set out below:

Customer A	客戶 A
Customer B	客戶 B
Customer C	客戶 C
Customer D	客戶 D

8. REVENUE

The Group's revenue represents sales of nonwoven fabric products used in automotive interior decoration parts and in infrastructure and sales of rubber.

An analysis of revenue is as follows:

Nonwoven fabric for use in automobiles	用於汽車的無紡布
— Sale of automotive floor carpets	— 汽車地毯的銷售
— Sale of other automotive parts	— 其他汽車配件的銷售
Nonwoven fabric for use in infrastructure	用於基建的無紡布
Sales of rubber	橡膠的銷售

7. 分部資料(續)

有關主要客戶的資料

截至二零一二年十二月三十一日止年度，自本集團三名客戶(二零一一年：四名)產生的收入人民幣79,046,000元(二零一一年：人民幣92,295,000元)各自佔本集團總收入超過10%。至二零一二年及二零一一年十二月三十一日止兩個年度，概無其他單一客戶佔本集團的收入10%或以上。

主要客戶的收入(各佔本集團收入的10%或以上)載列如下：

	2012	2011
	二零一二年	二零一一年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
	37,255	30,376
	23,031	22,124
	18,760	17,059
	—	22,736

8. 收入

本集團收入指用於汽車內飾件和基建的無紡布產品的銷售及橡膠銷售。

收入的分析如下：

	2012	2011
	二零一二年	二零一一年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
	90,234	96,771
	69,999	56,121
	—	3,584
	6,673	—

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

9. OTHER INCOME

Bank interest income	銀行利息收入
Technical support income	技術支援收入
Realised gain on held-for-trading investments	持作買賣投資的已變現收益
Unrealised gain on held-for-trading investments	持作買賣投資的未變現收益
Others	其他

9. 其他收入

2012	2011
二零一二年	二零一一年
RMB'000	RMB'000
人民幣千元	人民幣千元
28	24
1,426	600
1,122	—
1,725	—
475	374
4,776	998

10. PROFIT FROM OPERATIONS

The Group's profit from operations is stated after charging the following:

Auditors' remuneration	核數師酬金
Amortisation of prepaid land lease payments	攤銷預付土地租賃款項
Depreciation of property, plant and equipment	物業、廠房及設備折舊
Operating lease rentals in respect of rented premises	有關租賃物業的經營租賃費用
Staff costs (including directors' remuneration) (Note 14):	員工成本(包括董事薪酬)(附註14):
— Salaries and other benefits	— 薪金及其他福利
— Retirement benefits scheme contributions	— 退休福利計劃供款
Cost of inventories recognised as cost of sales	確認為銷售成本的已售存貨成本
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損
Inventories written off	存貨撇銷
Impairment loss recognised on trade receivables	就應收貿易款項確認減值虧損
Research and development expenditure (Note)	研究及開發支出(附註)

10. 經營溢利

本集團的經營溢利已扣除下列各項：

2012	2011
二零一二年	二零一一年
RMB'000	RMB'000
人民幣千元	人民幣千元
473	482
73	73
4,479	3,415
137	942
9,388	10,666
2,815	2,654
116,347	89,446
34	47
410	294
117	246
6,470	4,973

Note:

The amount included in cost of sales for the year amounted to approximately RMB6,470,000 (2011: RMB4,973,000).

附註：

年內入賬為銷售成本的金額約為人民幣6,470,000元(二零一一年：人民幣4,973,000元)。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

11. FINANCE COSTS

Interest expenses on the bank borrowings wholly repayable within five years
Finance lease charges

須於五年內悉數清還的銀行借款的利息費用
融資租賃費用

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

1,724	1,464
7	26
1,731	1,490

12. INCOME TAX EXPENSE

Current tax
Hong Kong
PRC enterprise income tax ("EIT")

即期稅項
香港
中國企業所得稅
(「中國企業所得稅」)

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

398	—
1,564	4,056
1,962	4,056

Over provision in previous years
PRC EIT

過往年度超額撥備
中國企業所得稅

(283)	(341)
-------	-------

Deferred tax
Current year

遞延稅項
本年度

(182)	(91)
1,497	3,624

Pursuant to the rules and regulations of the Cayman Islands and British Virgin Islands ("BVI"), the Group is not subject to any income tax in the Cayman Islands and BVI.

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the year ended 31 December 2012. No provision for Hong Kong Profits Tax is required since the Group has no assessable profit in Hong Kong during the year ended 31 December 2011.

PRC EIT is calculated at the applicable rates based on estimated taxable income earned by the PRC subsidiary of the Group with certain tax preference, based on existing legislation, interpretation and practice in respect thereof.

Pursuant to the enterprise income tax rules and regulations of the PRC, the applicable PRC EIT rate of the Group's PRC subsidiary is 25%.

根據開曼群島及英屬維爾京群島(「英屬維爾京群島」)規例及法規，本集團於開曼群島及英屬維爾京群島毋須繳納任何所得稅。

截至二零一二年十二月三十一日止年度，香港利得稅按估計應課稅溢利16.5%計算。由於本集團於截至二零一一年十二月三十一日止年度在香港並無產生任何應課稅溢利，故並無就香港利得稅作出撥備。

中國企業所得稅根據現行法例、詮釋及其相關慣例，按享有若干稅項優惠的本集團的中國附屬公司所賺取估計應課稅收入，以適用稅率計算。

根據中國企業所得稅規例及法規，本集團的中國附屬公司的適用中國企業所得稅率為25%。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

12. INCOME TAX EXPENSE (Continued)

Pursuant to PRC Enterprise Income Tax Law, an innovative and high-end technology enterprise may enjoy a preferential enterprise income tax rate of 15% ("IHT Enterprise Rate"). On 22 December 2009, Joystar Wuxi obtained the "Certificate of Innovative and High-end Technology Enterprise" with validity period of three years. The IHT Enterprise Rate enjoyed by Joystar Wuxi was expired in December 2012. Joystar Wuxi has obtained the Certificate of Innovative and High-end Technology Enterprise in November 2012 and Joystar Wuxi also was in progress to apply the IHT Enterprise Rate. Consequently, the applicable income tax rate of Joystar Wuxi for the year ended 31 December 2012 is 15% (2011: 15%).

The reconciliation between the income tax expense and the profit before tax multiplied by the PRC enterprise income tax rate is as follows:

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Profit before tax	除稅前溢利	12,295	22,475
Tax at the PRC enterprise income tax rate of 25% (2011: 25%)	按中國企業所得稅稅率25% 計算(二零一一年: 25%)	3,074	5,619
Tax effect of expenses that are not deductible	不可扣減開支的稅務影響	182	91
Tax effect of income that are not taxable	毋須課稅收入的稅務影響	(885)	(168)
Over provision in previous years	過往年度超額撥備	(283)	(341)
Tax effect of tax preferential period	稅項優惠期的稅務影響	(856)	(2,579)
Effect of different tax rates of subsidiaries	附屬公司不同稅率的影響	(53)	341
Tax loss not recognised	未確認稅項虧損	318	661
Income tax expenses	所得稅開支	1,497	3,624

Under the New Tax Law, from 1 January 2008, non-resident enterprises without an establishment or place of business in the PRC or which have an establishment or place of business in the PRC but whose relevant income is not effectively connected with the establishment or a place of business in the PRC, will be subject to withholding tax at the rate of 10% (unless reduced by treaty) on various types of passive income such as dividends derived from sources within the PRC.

According to the notice Caishui 2008 No. 1 released by the Ministry of Finance and the State Administration of Taxation, distributions of the pre-2008 retained profits of a foreign-invested enterprise to a foreign investor in 2008 or after are exempt from corporate income tax. Accordingly, the retained profits as at 31 December 2007 in the Group's PRC subsidiaries will not be subject to 10% withholding tax on future distributions.

12. 所得稅開支(續)

根據中國企業所得稅法，高新技術企業可享有企業所得稅優惠稅率15%（「高新技術企業稅率」）。於二零零九年十二月二十二日，怡星（無錫）取得「高新技術企業證書」，有效期為三年。怡星（無錫）享有高新技術企業稅率已於二零一二年十二月屆滿。怡星（無錫）已於二零一二年十一月取得高新技術企業證書，怡星（無錫）亦正申請高新技術企業稅率。因此，怡星（無錫）於截至二零一二年十二月三十一日止年度之適用所得稅率為15%（二零一一年：15%）。

所得稅開支與除稅前溢利乘以中國企業所得稅稅率計算所得的對賬如下：

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Profit before tax	除稅前溢利	12,295	22,475
Tax at the PRC enterprise income tax rate of 25% (2011: 25%)	按中國企業所得稅稅率25% 計算(二零一一年: 25%)	3,074	5,619
Tax effect of expenses that are not deductible	不可扣減開支的稅務影響	182	91
Tax effect of income that are not taxable	毋須課稅收入的稅務影響	(885)	(168)
Over provision in previous years	過往年度超額撥備	(283)	(341)
Tax effect of tax preferential period	稅項優惠期的稅務影響	(856)	(2,579)
Effect of different tax rates of subsidiaries	附屬公司不同稅率的影響	(53)	341
Tax loss not recognised	未確認稅項虧損	318	661
Income tax expenses	所得稅開支	1,497	3,624

根據新稅法，由二零零八年一月一日起，並非在中國成立或在中國設有經營地點，或在中國成立或在中國設有經營地點，惟有關收入實際上並非與中國成立或在中國設有經營地點有關之非居民企業，將須就多項被動收入（如源於中國之股息）按稅率10%（除非按條約減免）繳付預繳稅。

根據財政部及國家稅務局發佈之財稅2008第1號通知，外商投資企業在二零零八年或之後向外國投資者分派二零零八年前之保留溢利，均可獲豁免繳納企業所得稅。因此，於將來作出分派時，本集團之中國附屬公司於二零零七年十二月三十一日之保留溢利將毋須繳納10%之預提稅。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

12. INCOME TAX EXPENSE (Continued)

According to the EIT law, starting from 1 January 2008, 10% withholding income tax will be imposed on dividend relating to profits earned by the companies established in the PRC in the calendar year 2008 onwards to their foreign shareholders. For investors incorporated in Hong Kong which hold at least 25% of equity interest of those PRC companies, a preferential rate of 5% will be applied. The Group has applied the preferential rate of 5% as the Group's subsidiaries in the PRC are directly held by an investment holding company incorporated in Hong Kong. No deferred tax has been provided for in respect of the temporary differences attributable to such profits as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

13. EARNINGS PER SHARE

Basic earnings per share

The calculation of basic earnings per share attributable to owners of the Company is based on the profit for the year attributable to owners of the Company of approximately RMB10,798,000 (2011: RMB18,851,000) and the weighted average number of ordinary shares of 532,131,148 (2011: 206,356,164) in issue during the year.

Diluted earnings per share

For the years ended 31 December 2012 and 2011, diluted earnings per share are the same as the basic earnings per share as the Company did not have any dilutive potential ordinary shares during the years ended 31 December 2012 and 2011.

12. 所得稅開支(續)

根據企業所得稅法，由二零零八年一月一日起，將對就在中國成立的公司自二零零八年曆年起賺取的溢利支付其境外股東的股息徵收10%的預扣所得稅。對於在香港註冊成立且持有該等中國公司至少25%股權的投資者，將實施5%的優惠稅率。由於本集團中國附屬公司均由一間在香港註冊成立的投資控股公司直接持有，故本集團按5%的優惠稅率繳納稅項。本公司並未就該等溢利之臨時差額而作出遞延稅項撥備，因為本集團足以掌控臨時差額撥回之時間，而臨時差額很可能不會於可見將來撥回。

13. 每股盈利

每股基本盈利

本公司擁有人應佔每股基本盈利的基準乃根據本公司擁有人應佔年度溢利約人民幣10,798,000元(二零一一年：人民幣18,851,000元)及年內已發行的普通股之加權平均數為532,131,148股(二零一一年：206,356,164股)計算得出。

每股攤薄盈利

由於本公司於截至二零一二年及二零一一年十二月三十一日止年度並無任何攤薄潛在普通股，故截至二零一二年及二零一一年十二月三十一日止年度，每股攤薄盈利與每股基本盈利相同。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

14. DIRECTORS' REMUNERATION

Details of remuneration of the directors of the Company for the year, disclosed pursuant to the Listing Rules and Section 161 of the Hong Kong Companies Ordinance, are as follows:

14. 董事薪酬

根據上市規則及香港公司條例第161條披露本年度本公司董事薪酬的詳情如下：

Name of director	董事姓名	Fees		Salaries and allowances		Retirement benefit scheme contributions		Total		
		袍金		薪金及補貼		退休福利計劃供款		合計		
		2012	2011	2012	2011	2012	2011	2012	2011	
		二零一二年	二零一一年	二零一二年	二零一一年	二零一二年	二零一一年	二零一二年	二零一一年	
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
Executive director										
Zhuang Yuejin	莊躍進	367	561	144	145	46	41	557	747	
Pak Ping ("Mr. Pak")	白平(「白先生」)	147	225	—	—	7	12	154	237	
Wong Hsiao Hung (removed on 10 October 2011)	黃小紅(於二零一一年十月十日被罷免)	—	564	—	—	—	10	—	574	
Chen Xianping (resigned on 2 December 2011)	陳顯平(於二零一一年十二月二日辭任)	—	213	—	145	—	41	—	399	
Ruan Bixia	阮碧霞	98	149	—	—	—	—	98	149	
Wong Ho Yin (appointed on 30 June 2011)	黃浩然(於二零一一年六月三十日獲委任)	293	151	—	—	11	7	304	158	
Independent non-executive director										
Law Tze Lun (resigned on 9 September 2011)	羅子璘 (於二零一一年九月九日辭任)	—	59	—	—	—	—	—	59	
Tang Yanfei	湯炎非	49	50	—	—	—	—	49	50	
Feng Xueben	馮學本	49	50	—	—	—	—	49	50	
Mak Wai Ho (appointed on 9 September 2011)	麥偉豪(於二零一一年九月九日獲委任)	98	31	—	—	—	—	98	31	
		1,101	2,053	144	290	64	111	1,309	2,454	

During the years ended 31 December 2012 and 2011, no emoluments were paid by the Group to the directors as a discretionary bonus or an inducement to join or upon joining the Group or as compensation for loss of office. There was no arrangement under which a director waived or agreed to waive any emoluments during the years ended 31 December 2012 and 2011.

During the years ended 31 December 2012 and 2011, the executive director of the Company, Mr. Zhuang Yuejin, was also the chief executive officer of the Company.

截至二零一二年及二零一一年十二月三十一日止年度內，本集團概無向任何董事支付酬金，作為促使加入本集團或加入本集團後的酌情花紅或獎勵，或作為離職補償。截至二零一二年及二零一一年十二月三十一日止年度內，概無董事放棄或同意放棄任何酬金的安排。

截至二零一二年及二零一一年十二月三十一日止年度，本公司執行董事莊躍進先生亦為本公司之行政總裁。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

15. FIVE HIGHEST PAID EMPLOYEES

The five highest paid individuals in the Group during the year included 3 (2011: 4) directors, details of whose remuneration set out in Note 14 above. The emoluments of the remaining 2 (2011: 1) individuals are set out below:

Basic salaries and allowances	基本薪金及津貼
Retirement benefits scheme contributions	退休福利計劃供款

The emoluments fell within the following band:

Nil to RMB815,000 (equivalent to approximately HK\$1,000,000)	零至人民幣815,000元 (相等於約1,000,000港元)
---	------------------------------------

During the year ended 31 December 2012 and 2011, no remuneration was paid by the Group to the non-directors, highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office. None of the non-director and highest paid employees waived or agreed to waive any emoluments during the years ended 31 December 2012 and 2011.

16. PROFIT FOR THE YEAR ATTRIBUTABLE TO THE OWNERS OF THE COMPANY

The profit for the year attributable to the owners of the Company included a loss of approximately RMB2,286,000 (2011: RMB3,651,000) which has been dealt with in the financial statements of the Company.

17. DIVIDEND

The directors do not recommend the payments of any dividend in respect of the year ended 31 December 2012 (2011: Nil).

15. 五名最高酬金僱員

本集團於本年度內五位最高薪酬人士包括三名(二零一一年：四名)董事，酬金詳情載列於上文附註14。餘下兩名最高薪酬人士(二零一一年：一名)的薪酬載列如下：

2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
248	166
57	5
305	171

酬金介乎以下範圍內：

Number of individuals 人士數目	
2012 二零一二年	2011 二零一一年
2	1

截至二零一二年及二零一一年十二月三十一日止年度內，本集團概無向非執行董事、最高薪酬僱員支付酬金，作為促使加入本集團或加入本集團後的獎勵，或作為離職補償。截至二零一二年及二零一一年十二月三十一日止年度內，概無非執行董事及最高酬金僱員放棄或同意放棄任何酬金。

16. 本公司擁有人應佔年度溢利

本公司擁有人應佔年度溢利包括已於本公司財務報表處理的虧損約人民幣2,286,000元(二零一一年：人民幣3,651,000元)。

17. 股息

董事不建議就截至二零一二年十二月三十一日止年度派付任何股息(二零一一年：無)。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

18. PROPERTY, PLANT AND EQUIPMENT

The Group

18. 物業、廠房及設備

本集團

		Buildings	Plant and machinery	Motor vehicles	Furniture and fixtures	Leasehold improvement	Construction in progress	Total
		樓宇	廠房及機械	汽車	傢俬及裝置	租賃物業裝修	在建工程	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Cost	成本							
At 1 January 2011	二零一一年一月一日	9,640	29,678	2,317	915	1,818	1,350	45,718
Additions	添置	—	1,338	135	16	423	15,751	17,663
Transfer from construction in progress	在建工程轉入	376	16,725	—	—	—	(17,101)	—
Disposals	出售	—	(6,881)	(69)	—	—	—	(6,950)
At 31 December 2011 and 1 January 2012	於二零一一年十二月三十一日 及二零一二年一月一日	10,016	40,860	2,383	931	2,241	—	56,431
Additions	添置	51	81	—	132	—	2,342	2,606
Transfer from construction in progress	在建工程轉入	—	1,479	—	—	—	(1,479)	—
Disposals	出售	—	(555)	—	—	—	—	(555)
At 31 December 2012	於二零一二年十二月三十一日	10,067	41,865	2,383	1,063	2,241	863	58,482
Accumulated depreciation and impairment	累計折舊及減值							
At 1 January 2011	於二零一一年一月一日	1,861	8,917	589	512	1,001	—	12,880
Charge for the year	年度支出	327	2,453	289	117	229	—	3,415
Disposals	出售	—	(2,062)	(55)	—	—	—	(2,117)
At 31 December 2011 and 1 January 2012	於二零一一年十二月三十一日 及二零一二年一月一日	2,188	9,308	823	629	1,230	—	14,178
Charge for the year	年度支出	337	3,484	289	92	277	—	4,479
Disposals	出售	—	(321)	—	—	—	—	(321)
At 31 December 2012	於二零一二年十二月三十一日	2,525	12,471	1,112	721	1,507	—	18,336
Net book value	賬面淨值							
At 31 December 2012	於二零一二年十二月三十一日	7,542	29,394	1,271	342	734	863	40,146
At 31 December 2011	於二零一一年十二月三十一日	7,828	31,552	1,560	302	1,011	—	42,253

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

18. PROPERTY, PLANT AND EQUIPMENT

(Continued)

At 31 December 2012, the carrying amount of buildings of the Group pledged as security for the Group's borrowings amounted to approximately RMB7,542,000 (2011: RMB7,828,000).

At 31 December 2011, the carrying amount of motor vehicles held by the Group under finance lease payable amounted to approximately RMB785,000.

19. PREPAID LAND LEASE PAYMENTS

Current assets	流動資產
Non-current assets	非流動資產

Analysed for reporting purposes as:

At the beginning of the year	於年初
Amortisation for the year	年度攤銷
At the end of the year	於年底

The Group's prepaid land lease payments represent payment for land use rights outside Hong Kong under medium term leases.

At 31 December 2012, the carrying amount of prepaid land lease payments pledged as security for the Group's borrowings amounted to approximately RMB2,990,000 (2011: RMB3,063,000).

18. 物業、廠房及設備(續)

於二零一二年十二月三十一日，本集團質押賬面值約為人民幣7,542,000元(二零一一年：人民幣7,828,000元)的樓宇作為其借款的抵押品。

於二零一一年十二月三十一日，本集團於應付融資租賃項下所持汽車的賬面值約為人民幣785,000元。

19. 預付土地租賃款項

The Group	
本集團	
2012	2011
二零一二年	二零一一年
RMB'000	RMB'000
人民幣千元	人民幣千元
73	73
2,917	2,990
2,990	3,063

就報告而言之分析：

2012	2011
二零一二年	二零一一年
RMB'000	RMB'000
人民幣千元	人民幣千元
3,063	3,136
(73)	(73)
2,990	3,063

本集團的預付土地租賃款項指有關屬中期租約在香港以外地區的土地使用權支付款項。

於二零一二年十二月三十一日，本集團質押賬面值約為人民幣2,990,000元(二零一一年：人民幣3,063,000元)的預付土地租賃款項作為其借款的抵押品。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

20. INVESTMENTS IN SUBSIDIARIES

20. 於附屬公司之投資

		The Company	
		本公司	
		2012	2011
		二零一二年	二零一一年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Unlisted shares, at costs	非上市股份，按成本	17,872	17,872
Amounts due from subsidiaries	應收附屬公司款項	37,729	23,492
Amounts due to subsidiaries	應付附屬公司款項	—	310

The amounts due from/to subsidiaries are unsecured, interest free and recoverable/repayable on demand.

應收／付附屬公司款項乃為無抵押、免息且可收回／按要求償還。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

20. INVESTMENTS IN SUBSIDIARIES (Continued)

Particulars of the subsidiaries of the Company as at 31 December 2012 were as follows:

Name of Company 公司名稱	Place of incorporation and kind of legal entity 註冊成立地點及法律實體類別	Issued and paid up capital 已發行及繳足股本	Percentage of equity attributable to the Company 本公司應佔權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Joystar (BVI) Automotive Interior Decoration Limited	British Virgin Islands ("BVI"), limited liability company 英屬維爾京群島 (「英屬維爾京群島」), 有限公司	USD1 1 美元	100%	—	Investment holding 投資控股
Joystar (BVI) Auto Inter-parts Limited	BVI, limited liability company 英屬維爾京群島, 有限公司	USD1 1 美元	100%	—	Investment holding 投資控股
Joystar International Investment Limited 怡星國際投資有限公司	Hong Kong, limited liability company 香港, 有限公司	HK\$1,170,177 1,170,177 港元	—	100%	Trading nonwoven fabric products used in automotive interior decoration parts and others 買賣用於汽車內飾件及基建的無紡布產品
Joystar China Investment Limited 怡星中國投資有限公司	Hong Kong, limited liability company 香港, 有限公司	HK\$1 1 港元	—	100%	Trading of rubber 買賣橡膠
Joystar Wuxi 怡星(無錫)	PRC, limited liability company 中國, 有限公司	USD7,477,172 7,477,172 美元	—	100%	Manufacturing of nonwoven fabric products used in decoration parts and infrastructure 製造用於汽車內飾件及基建的無紡布產品
Link Excellent Limited	BVI, limited liability company 英屬維爾京群島, 有限公司	USD50,000 50,000 美元	100%	—	Investment holding 投資控股
Link Sharp International Limited	Hong Kong, limited liability company 香港, 有限公司	HK\$10,000 10,000 港元	—	100%	Dormant 暫無營業

20. 於附屬公司之投資(續)

於二零一二年十二月三十一日, 有關本公司附屬公司的詳情載列如下:

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

21. INVENTORIES

Raw materials	原材料
Work in progress	在製品
Finished goods	製成品

21. 存貨

		The Group 本集團	
		2012	2011
		二零一二年	二零一一年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		6,207	6,257
		1,695	1,195
		7,653	6,354
		<u>15,555</u>	<u>13,806</u>

22. TRADE RECEIVABLES

Trade receivables	應收貿易款項
Allowance for doubtful debts	呆賬撥備

22. 應收貿易款項

		The Group 本集團	
		2012	2011
		二零一二年	二零一一年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		65,297	60,611
		(619)	(502)
		<u>64,678</u>	<u>60,109</u>

The aging analysis of trade receivables, based on the invoice date, and net of allowance for doubtful debts, is as follows:

根據發票日期，應收貿易款項的賬齡分析(經扣除呆賬撥備)如下：

0 to 90 days	0至90日
91 to 180 days	91至180日
181 to 365 days	181至365日

		The Group 本集團	
		2012	2011
		二零一二年	二零一一年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		53,581	49,203
		7,327	10,733
		3,770	173
		<u>64,678</u>	<u>60,109</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

22. TRADE RECEIVABLES (Continued)

The Group's trading terms with customers are mainly on credit. The credit terms generally ranging from 30 to 120 days (2011: ranging from 30 days to 120 days), depending on the creditworthiness of customers and the existing relationship with the Group. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. Trade receivables are non-interest bearing.

At 31 December 2012, the carrying amounts of the Group's trade receivables were denominated in Renminbi and Hong Kong dollars of approximately RMB58,386,000 and RMB6,292,000 respectively.

At 31 December 2011, the carrying amounts of the Group's trade receivables were denominated in Renminbi.

At 31 December 2011, approximately RMB7,437,000 of trade receivables were pledged to a bank to secure short-term bank loans as set out in Note 31 to the consolidated financial statements.

At 31 December 2012, trade receivables of approximately RMB15,678,000 (2011: RMB17,491,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The Group does not hold any collateral over these balances.

The aging analysis of these trade receivables is as follows:

Overdue by:	逾期:
1 to 90 days	1至90日
91 to 180 days	91至180日

During the year ended 31 December 2012, an allowance was made for estimated irrecoverable trade receivables of approximately RMB117,000 (2011: 246,000). The impaired trade receivables related to customers that were in financial difficulties and management assessed that the receivables were not recoverable. The Group does not hold any collateral over these balances.

22. 應收貿易款項(續)

本集團與客戶的貿易條款主要為信貸。根據客戶信貸級別及與本集團的現有關係，信貸期一般介乎30至120日(二零一一年：介乎30至120日)。本集團致力嚴謹監控未付之應收款項。逾期未付之結餘由高級管理層定期審閱。應收貿易款項為免息款項。

於二零一二年十二月三十一日，本集團的應收貿易款項之賬面值乃以人民幣及港元計值，分別約為人民幣58,386,000元及人民幣6,292,000元。

於二零一一年十二月三十一日，本集團的應收貿易款項之賬面值乃以人民幣計值。

於二零一一年十二月三十一日，應收貿易款項約人民幣7,437,000元(二零一零年：人民幣6,401,000元)已向銀行抵押作為短期銀行貸款(載於綜合財務報表附註31)之擔保。

於二零一二年十二月三十一日，應收貿易款項約人民幣15,678,000元(二零一一年：人民幣17,491,000元)已逾期但未減值。該等款項涉及若干無近期拖欠記錄的獨立客戶。本集團現時並無就該等結餘持有任何抵押品。

該等應收貿易款項的賬齡分析如下：

2012	2011
二零一二年	二零一一年
RMB'000	RMB'000
人民幣千元	人民幣千元
15,664	17,482
14	9
15,678	17,491

截至二零一二年十二月三十一日止年度，已就估計不可收回應收貿易款項約人民幣117,000元(二零一一年：人民幣246,000元)作出撥備。已減值應收款項與處於財政困難的客戶有關，管理層評估該等應收款項乃為不可收回。本集團現時並無就該等結餘持有任何抵押品。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

22. TRADE RECEIVABLES (Continued)

The aged analysis of the Group's trade receivables which are impaired is presented as follows:

Overdue by:	逾期：
181 to 365 days	181 至 365 日
Over 365 days	超過 365 日

22. 應收貿易款項(續)

本集團已減值應收貿易款項的賬齡分析如下：

	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
	117	222
	502	280
	619	502

Movement in the allowance for doubtful debts:

呆賬撥備變動：

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
At 1 January	於一月一日	502	256
Impairment loss recognised on trade receivables	確認為應收貿易款項之減值虧損	117	246
At 31 December	於十二月三十一日	619	502

23. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

23. 預付款項、按金及其他應收款項

		The Group 本集團	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Trade deposits	貿易按金	9,916	6,959
Prepayments	預付款項	8,814	1,665
Receivables from disposal of property, plant and equipment	出售物業、廠房及設備的應收款項	—	5,361
Others	其他	2,454	1,273
		21,184	15,258

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

23. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (Continued)

		The Company 本公司	
		2012	2011
		二零一二年	二零一一年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Prepayments and deposits	預付款項及按金	675	82

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

上述資產概無逾期或減值。上述結餘載列的金融資產與近期並無拖欠記錄的應收款項有關。

24. HELD-FOR-TRADING INVESTMENTS

Held-for-trading investments include:

		The Group 本集團	
		2012	2011
		二零一二年	二零一一年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Listed securities:	上市證券：		
Equity securities listed in Hong Kong, at fair value	在香港上市的股本證券，按 公平值計量	4,405	—

Fair values are determined with reference to quoted market bid prices.

公平值乃參考所報市場買入價而釐定。

25. CASH AND BANK BALANCES

At 31 December 2012, cash and bank balances are denominated in the following currencies:

		The Group 本集團	
		2012	2011
		二零一二年	二零一一年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Renminbi	人民幣	10,527	10,380
Hong Kong dollars	港元	64,931	6,006
United States dollars	美元	6,674	1
		82,132	16,387

24. 持作買賣投資

持作買賣投資包括：

25. 現金及銀行結餘

於二零一二年十二月三十一日，現金及銀行結餘按以下貨幣計值：

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

25. CASH AND BANK BALANCES (Continued)

Renminbi	人民幣
Hong Kong dollars	港元

At 31 December 2012, the bank balances of the Group denominated in Renminbi amounted to approximately RMB10,500,000 (2011: RMB10,368,000) were kept in banks in the PRC. Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

25. 現金及銀行結餘(續)

The Company 本公司	
2012	2011
二零一二年	二零一一年
RMB'000	RMB'000
人民幣千元	人民幣千元
2	2
53,122	5,872
53,124	5,874

於二零一二年十二月三十一日，本集團以人民幣計值並存放於中國境內銀行之銀行結餘約為人民幣10,500,000元(二零一一年：人民幣10,368,000元)。人民幣兌換成外幣須遵守中國外匯管理條例及結匯、售匯及付款外匯管理規定。

26. SHARE CAPITAL

Authorised:	法定：
Ordinary shares of HK\$0.1 each	每股面值0.1港元之普通股
At 1 January 2011, 31 December 2011, 1 January 2012 and 31 December 2012	於二零一一年一月一日、二零一一年十二月三十一日、二零一二年一月一日及二零一二年十二月三十一日

Issued and fully paid:	已發行及繳足：
Ordinary shares of HK\$0.1 each	每股面值0.1港元之普通股
At 1 January 2011	於二零一一年一月一日

Issue of shares by way of placing	以配售方式發行股份	(a)
-----------------------------------	-----------	-----

At 31 December 2011 and 1 January 2012	於二零一一年十二月三十一日及二零一二年一月一日	
Issue of shares by way of open offer	以公開發售方式發行股份	(b)

At 31 December 2012	於二零一二年十二月三十一日
----------------------------	----------------------

Note:

(a) On 3 November 2011, the Company issued 40,000,000 shares of HK\$0.1 each at the price of HK\$0.25 each by way of placing.

(b) On 14 May 2012, the Company raised 120,000,000 offer shares of HK\$0.1 each by way of open offer on the basis of one offer share for every two existing shares held on the record date.

On 12 September 2012, the Company raised 720,000,000 offer shares of HK\$0.1 each by way of open offer on the basis of two offer shares for every one existing share held on the record date.

26. 股本

	Number of shares 股份數目	Amount 金額 HK\$'000 港幣千元	Amount 金額 RMB'000 人民幣千元
	10,000,000,000	1,000,000	863,495
	200,000,000	20,000	17,275
	40,000,000	4,000	3,277
	240,000,000	24,000	20,552
	840,000,000	84,000	68,534
	1,080,000,000	108,000	89,086

附註：

(a) 於二零一一年十一月三日，本公司透過配售按每股0.25港元的價格發行40,000,000股每股面值0.1港元的股份。

(b) 於二零一二年五月十四日，本公司透過公開發售按於記錄日期每持有兩股現有股份獲發一股發售股份的基準籌得120,000,000股每股面值0.1港元的發售股份。

於二零一二年九月十二日，本公司透過公開發售按於記錄日期每持有兩股現有股份獲發一股發售股份的基準籌得720,000,000股每股面值0.1港元的發售股份。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

27. SHARE OPTION SCHEME

The Company adopted the scheme ("Scheme") on 13 September 2010 which will remain in force for a period of 10 years from the effective date of the Scheme and will expire on 29 September 2020.

Under the Scheme, the directors may at their discretion grant options to (i) any employee of any member of the Group or any entity in which any member of the Group holds any equity interest (the "Invested Entity"); (ii) any executive and non-executive Directors of any member of the Group or any Invested Entity; (iii) any supplier and customer of any member of the Group or any Invested Entity; (iv) any person or entity that provides research, development or other technological support to any member of the Group or any Invested Entity; (v) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued or proposed to be issued by any member of the Group or any Invested Entity; or (vi) any adviser or consultant of any member of the Group or any Invested Entity to subscribe for the shares of the Company.

The maximum number of shares in respect to which options may be granted under the Scheme shall not exceed 10% of the issued share capital of the Company on the date of adopting the Scheme. The limit may be refreshed at any time provided that the new limit must not be in aggregate exceed 10% of the issued share capital of the Company as at the date of the shareholders' approval in general meeting. However, the total number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other scheme of the Company must not in aggregate exceed 30% of the shares in issue from time to time. The limit of the Scheme was refreshed at a general meeting held on 10 August 2012. At 31 December 2012, the total number of shares available for issued under the Scheme was 36,000,000 (2011: 20,000,000) shares, which represented approximately 10% of the issued share capital of the Company at that day of refreshment. The maximum number of shares in respect of which options may be granted to any individual in any 12-month period shall not exceed 1% of the shares in issue on the last date of such 12-month period unless approval of the shareholders of the Company has been obtained in accordance with the GEM Listing Rules. A nominal consideration of HK\$1 is payable on acceptance of the grant of an option.

Options may be exercised at any time from the date of grant of the option to the 10th anniversary of the date of grant as may be determined by the directors. The exercise price is determined by the directors, and will not be less than the highest of (i) the closing price per share as stated in the Stock Exchange's daily quotations sheets on the date of the grant of the options; (ii) the average closing price per share as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of the grant of the options; or (iii) the nominal value of a share.

During the years ended 31 December 2012 and 2011, no share option was granted, exercised, expired or lapsed and there is no outstanding share option under the Scheme.

27. 購股權計劃

本公司於二零一零年九月十三日採納計劃(「該計劃」)，該計劃自生效日期起十年內有效，而屆滿日期將為二零二零年九月二十九日。

根據該計劃，董事可酌情向以下人士授出購股權，以認購本公司之股份：(i) 本集團成員或本集團任何成員持有股權的任何實體(「投資實體」)的任何僱員；(ii) 本集團任何成員或任何投資實體的任何執行及非執行董事；(iii) 本集團任何成員或任何投資實體的任何供應商及客戶；(iv) 向本集團任何成員或任何投資實體提供研發或其他技術支援的人士或實體；(v) 本集團任何成員或任何投資實體的股東或已獲或將獲本集團任何成員或任何投資實體發行的任何證券之持有人；或(vi) 本集團任何成員或任何投資實體的任何顧問或諮詢顧問。

根據該計劃授出之購股權獲行使時，可予發行之股份數目最多不超過本公司於採納該計劃當日之已發行股本10%。該上限可隨時更新，惟新限額不得超過股東於股東大會批准當日，本公司之已發行股本之10%。然而，根據該計劃及本公司任何其他計劃已授出但尚未行使之全部購股權獲行使時，可予發行之股份數目不得超過不時已發行股份之30%。該計劃上限已於二零一二年八月十日舉行的股東大會上獲更新。於二零一二年十二月三十一日，根據該計劃可供發行的股份總數為36,000,000股(二零一一年：20,000,000股)股份，相當於本公司於更新當日已發行股本約10%。於任何十二個月期間內，向任何個別人士授出之購股權獲行使時，可予發行之股份總數不得超過該十二個月期間最後一天本公司之已發行股份之1%，除非按照創業板上市規則經由本公司股東批准則作別論。面值代價1港元須於接納授出購股權時支付。

購股權可於授出購股權日期起計，直至授出日期十週年的任何時間內行使，而期限由董事決定。行使價則由董事釐定，並將不會低於以下之較高者：(i) 於購股權授出日期股份在聯交所每日報價表所報之收市價；(ii) 緊接購股權授出日期前五個營業日股份在聯交所每日報價表所報之平均收市價；或(iii) 股份面值。

於截至二零一二年及二零一一年十二月三十一日止年度，概無任何購股權已獲授出、行使、到期或失效，且該計劃項下概無任何尚未行使之購股權。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

28. RESERVES

The Group

The amounts of the Group's reserves and movements therein for the current and prior year and presented in the consolidated statement of changes in equity.

The Company

28. 儲備

本集團

本集團目前及過往年度之儲備金額及其變動於綜合權益變動表內呈列。

本公司

		Share premium 股份溢價 RMB'000 人民幣千元	Contributed surplus 繳入盈餘 RMB'000 人民幣千元	Foreign currency translation reserve 外幣換算儲備 RMB'000 人民幣千元	Accumulated losses 累計虧損 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2011	於二零一一年一月一日	18,565	17,219	(516)	(8,715)	26,553
Loss for the year	年度虧損	—	—	—	(3,651)	(3,651)
Other comprehensive loss for the year, net of income tax:	年度其他全面虧損， 扣除所得稅後：					
Exchange differences on translating foreign currency	換算外幣之匯兌差額	—	—	(923)	—	(923)
Total comprehensive loss for the year	年度全面虧損總額	—	—	(923)	(3,651)	(4,574)
Placing of shares	配售股份	4,915	—	—	—	4,915
Share issue expenses	股份發行開支	(786)	—	—	—	(786)
At 31 December 2011 and 1 January 2012	於二零一一年十二月三十一日及 二零一二年一月一日	22,694	17,219	(1,439)	(12,366)	26,108
Loss for the year	年度虧損	—	—	—	(2,286)	(2,286)
Other comprehensive loss for the year, net of income tax:	年度其他全面虧損， 扣除所得稅後：					
Exchange differences on translating foreign currency	換算外幣之匯兌差額	—	—	(235)	—	(235)
Total comprehensive loss for the year	年度全面虧損總額	—	—	(235)	(2,286)	(2,521)
Share issue expenses	股份發行開支	(3,827)	—	—	—	(3,827)
At 31 December 2012	於二零一二年十二月三十一日	18,867	17,219	(1,674)	(14,652)	19,760

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

28. RESERVES (Continued)

Note:

Share premium

Under the Companies Law of the Cayman Islands, the funds in the share premium of the Company are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

Share premium represents premium arising from the issue of shares at a price in excess of their par value per share and after deduction of capitalisation issue and issuance costs of placing of shares.

Contributed surplus

Contributed surplus of the Company represented the difference between the net assets value of the subsidiary acquired and the nominal value of the share capital of the Company issued in exchange thereof pursuant to the reorganisation during the year ended 31 December 2010.

Merger reserve

The merger reserve of the Group arose as a result of the Group reorganisation implemented in preparation for the listing of the Company's shares in 2010 and represented the difference between the nominal value of the aggregate share capital of the subsidiaries acquired under the reorganisation scheme, over the nominal value of the share capital of the Company issued in exchange therefore.

Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in Note 3 to the consolidated financial statements.

Statutory reserve

Subsidiaries of the Company established in the PRC shall appropriate 10% of its annual statutory net profit (after offsetting any prior year's losses) to the statutory reserve fund account in accordance with the PRC Company Law. When the balance of such reserve fund reaches 50% of the entity's share capital, any further appropriation is optional. The statutory reserve fund can be utilised to offset prior year's losses or to increase capital after proper approval.

28. 儲備(續)

附註：

股份溢價

根據開曼群島公司法，本公司股份溢價賬內的資金可供分配予本公司股東，惟緊隨建議派付股息日期後，本公司將仍有能力於日常業務過程中償還到期的債務。

股份溢價指按超過股份每股面值之價格發行股份及於扣除資本化發行及配售股份發行成本後產生的溢價。

繳入盈餘

本公司之繳入盈餘指所收購之附屬公司資產淨值與根據截至二零一零年十二月三十一日止年度重組於其中進行交換時之本公司股本面值之差額。

合併儲備

本集團之合併儲備產生於二零一零年籌備本公司股份上市而所進行的重組，指根據重組計劃收購的附屬公司股本總額的面值與高於本公司據此發行以作交換的股本面值間的差額。

外幣換算儲備

外幣換算儲備包括換算海外業務財務報表而產生的所有外匯差額。該儲備乃按綜合財務報表附註3所載列的會計政策處理。

法定儲備

根據中國公司法，本公司於中國成立之附屬公司須將其年度法定純利(經扣除過往年度虧損後)約10%撥往法定儲備金賬戶。倘該儲備金之結餘達該實體股本之50%，則可選擇是否作任何進一步分派。於獲得適當批准後，法定儲備金可用作抵銷過往年度虧損或增資。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

29. TRADE PAYABLES

The aging analysis of trade payables, based on the invoice dates, is as follows:

0 to 90 days	0至90日
91 to 180 days	91至180日
181 to 365 days	181至365日
Over 365 days	超過365日

Trade payables generally have credit terms ranging from 10 days to 60 days (2011: ranging from 10 days to 60 days).

At 31 December 2012, trade payables are denominated in Renminbi and Hong Kong dollars of approximately RMB12,410,000 and RMB5,000,000 respectively.

At 31 December 2011, all trade payables were denominated in Renminbi.

30. ACCRUALS AND OTHER PAYABLES

Advance from customers	客戶墊款
Accruals of staff costs	應計員工成本
Accruals of operating expenses	應計經營開支
VAT payables	應付增值稅
Others	其他

Accruals of operating expenses

應計經營開支

29. 應付貿易款項

根據發票日期，應付貿易款項的賬齡分析如下：

The Group 本集團	
2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
13,881	8,256
1,677	561
1,604	1,138
248	419
17,410	10,374

應付貿易款項的信貸期一般介乎10日至60日(二零一一年：介乎10日至60日)。

於二零一二年十二月三十一日，應付貿易款項以人民幣及港元計值，分別約為人民幣12,410,000元及人民幣5,000,000元。

於二零一一年十二月三十一日，所有應付貿易款項均以人民幣計值。

30. 應計費用及其他應付款項

The Group 本集團	
2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
296	609
3,067	3,026
872	594
744	87
418	634
5,397	4,950

The Company 本公司	
2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
554	350

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

31. BORROWINGS

31. 借款

		The Group 本集團	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Current	流動		
Short-term bank loans, secured	短期銀行貸款，有抵押	29,500	25,000
The maturities of the above borrowings are as follows:		上述借款到期日如下：	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Carrying amount repayable:	應償還款項賬面值：		
On demand or within one year	按要求償還或於一年內	29,500	25,000
Less: Amounts shown under current liabilities	減：於流動負債項下顯示的款項	(29,500)	(25,000)
Amount due after one year	於一年後應付的款項	—	—

At 31 December 2012, the short-term bank loans were secured by charges over the Group's buildings, prepaid land lease payments of approximately RMB7,542,000, RMB2,990,000 respectively and corporate guaranteed by an independent third party. The weighted average effective interest rate on the short-term bank loans is 6.40% per annum.

At 31 December 2011, the short-term bank loans were secured by charges over the Group's buildings, prepaid land lease payments and trade receivables of approximately RMB7,828,000, RMB3,063,000 and RMB7,437,000 respectively. The weighted average effective interest rate on the short-term bank loans is 6.49% per annum.

At 31 December 2012 and 2011, the carrying amounts of all the Group's borrowings are denominated in Renminbi.

於二零一二年十二月三十一日，短期銀行貸款由本集團樓宇及預付土地租賃款項分別約人民幣7,542,000元及人民幣2,990,000元以及一名獨立第三方的公司擔保作抵押。短期銀行貸款之加權平均實際利率為每年6.40厘。

於二零一一年十二月三十一日，短期銀行貸款由本集團樓宇、預付土地租賃款項及應收貿易款項分別約人民幣7,828,000元、人民幣3,063,000元及人民幣7,437,000元作抵押。短期銀行貸款之加權平均實際利率為每年6.49厘。

於二零一二年及二零一一年十二月三十一日，本集團全部借款之賬面值均以人民幣計值。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

32. FINANCE LEASE PAYABLES

32. 應付融資租賃款項

		The Group 本集團			
		Minimum lease payments 最低租賃付款		Present value of minimum lease payments 最低租賃付款現值	
		2012	2011	2012	2011
		二零一二年	二零一一年	二零一二年	二零一一年
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Amounts payable under finance leases:	融資租賃應付款項：				
Within one year	一年內	—	216	—	209
More than one year and not more than five years	超過一年但少於五年	—	—	—	—
		—	216	—	209
Less: future finance charges	減：未來融資支出	—	(7)	—	N/A 不適用
Present value of lease obligations	租賃承擔現值	—	209	—	209
Less: amount due for settlement within 12 months (shown under current liabilities)	減：流動負債項下所列須於12個月內償還的款項			—	(209)
Amount due for settlement after 12 months	於12個月後償還的款項			—	—

The Group leased certain of its property, plant and equipment under finance leases. At 31 December 2011, the average effective interest rate was 7.6%, with remaining lease term of 0.83 years. Interest rates are fixed at the contract dates and all leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

At 31 December 2011, all finance lease payables were denominated in Renminbi.

The Group's finance lease payables were secured by the lessor's title to the leased assets and personal guarantee executed by a director and shareholder of the Company, and a director of Joystar Wuxi.

本集團以融資租賃的方式租賃若干物業、廠房及設備。於二零一一年十二月三十一日，平均實際借貸利率為7.6厘，而餘下租賃期限為0.83年。利率於訂約日期已經釐定，且所有租賃均屬固定償還形式及並無就或然租金作出安排。

於二零一一年十二月三十一日，所有應付融資租賃款項均以人民幣計值。

本集團的應付融資租賃款項均以租賃資產的出租人業權及個人擔保(由本公司之董事及股東以及怡星(無錫)之一名董事簽立)作為抵押。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

33. DEFERRED TAX ASSETS

The Group

The following are the major deferred tax assets recognised and movements thereon during the current and prior years:

		Amortisation of prepaid land lease payments 攤銷預付土地 租賃款項 RMB'000 人民幣千元	Decelerated tax depreciation 減速稅項折舊 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
At 1 January 2011	於二零一一年一月一日	35	728	763
Credit to profit or loss for the year	計入年度損益	—	91	91
At 31 December 2011 and 1 January 2012	於二零一一年十二月三十一日及二零一二年一月一日	35	819	854
Credit to profit or loss for the year	計入年度損益	—	182	182
At 31 December 2012	於二零一二年十二月三十一日	35	1,001	1,036

Note:

At the end of the reporting period, the Group did not has unused tax losses (2011: Nil) available for offset against future profits that may be carried forward indefinitely.

33. 遞延稅項資產

本集團

本集團於本年度及過往年度確認的主要遞延稅項資產及其變動如下：

		Amortisation of prepaid land lease payments 攤銷預付土地 租賃款項 RMB'000 人民幣千元	Decelerated tax depreciation 減速稅項折舊 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
At 1 January 2011	於二零一一年一月一日	35	728	763
Credit to profit or loss for the year	計入年度損益	—	91	91
At 31 December 2011 and 1 January 2012	於二零一一年十二月三十一日及二零一二年一月一日	35	819	854
Credit to profit or loss for the year	計入年度損益	—	182	182
At 31 December 2012	於二零一二年十二月三十一日	35	1,001	1,036

附註：

於報告期末，本集團並無擁有任何可用作抵銷未來溢利並可無限期結轉的尚未動用稅項虧損(二零一一年：無)。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

34. OPERATING LEASE COMMITMENT

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

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

Operating lease payments represent rentals payable by the Group for its warehouse, factory and office premises. Leases are negotiated for a range from 1 to 5 years (2011: 1 to 6 years) and rentals are fixed over the lease terms and do not include contingent rentals. The Group does not have an option to purchase the leased asset at the expiry of the lease period.

35. CAPITAL COMMITMENT

The Group's capital commitments at the end of the reporting period are as follows:

Acquisition of prepaid land lease payments	收購預付租賃款項
Contracted but not provided for	已訂約但未撥備
Property, plant and equipment	物業、廠房及設備
Contracted but not provided for	已訂約但未撥備

36. CONTINGENT LIABILITIES

At 31 December 2012, the Group and the Company did not have any significant contingent liabilities (2011: Nil).

34. 經營租賃承擔資產

於報告期末，本集團之不可撤銷經營租賃在下列期間屆滿的未來最低租賃款項承擔如下：

The Group	
本集團	
2012	2011
二零一二年	二零一一年
RMB'000	RMB'000
人民幣千元	人民幣千元
549	484
1,543	1,620
—	304
2,092	2,408

經營租賃款項指本集團就倉庫、工廠及辦公室物業應付的租金。租期議定為介乎一至五年(二零一一年：一至六年)，而租金按租賃條款釐定，不包括或然租金。本集團並無於租期屆滿時購買租賃資產之選擇權。

35. 資本承擔

於報告期末，本集團的資本承擔如下：

The Group	
本集團	
2012	2011
二零一二年	二零一一年
RMB'000	RMB'000
人民幣千元	人民幣千元
13,347	13,347
2,750	2,358
16,097	15,705

36. 或然負債

於二零一二年十二月三十一日，本集團及本公司並無任何重大或然負債(二零一一年：無)。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

37. PLEDGE OF ASSETS

At 31 December 2012, certain property, plant and equipment (Note 18) and prepaid land lease payments (Note 19) of the Group were pledged as collateral for secured bank loans granted to the Group.

At 31 December 2011, certain property, plant and equipment (Note 18) and prepaid land lease payments (Note 19) and trade receivables (Note 22) of the Group were pledged as collateral for secured bank borrowings and finance lease payables granted to the Group.

At 31 December 2012 and 2011, the Company did not pledge any assets at the end of the reporting period.

38. RETIREMENT BENEFITS SCHEME

The Group operates a mandatory provident fund scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for all qualifying employees in Hong Kong. The Group's contributions to the MPF Scheme are calculated at 5% of the salaries and wages subject to a monthly maximum amount of contribution of HK\$1,250 per employee and vest fully with employees when contributed into the MPF Scheme.

The employees of the Group's subsidiary established in the PRC are members of a central pension scheme operated by the local municipal government. This subsidiary is required to contribute certain percentage of the employees' basic salaries and wages to the central pension scheme to fund the retirement benefits. The local municipal government undertakes to assume the retirement benefits obligations of all existing and future retired employees of this subsidiary. The only obligation of this subsidiary with respect to the central pension scheme is to meet the required contributions under the scheme.

37. 資產抵押

於二零一二年十二月三十一日，本集團若干物業、廠房及設備(附註18)及預付土地租賃款項(附註19)已作為授予本集團抵押銀行貸款之抵押品進行抵押。

於二零一一年十二月三十一日，本集團若干物業、廠房及設備(附註18)、預付土地租賃款項(附註19)及應收貿易款項(附註22)已作為授予本集團抵押銀行貸款及應付融資款項之抵押品進行抵押。

於二零一二年及二零一一年十二月三十一日，本公司並無於報告期末抵押任何資產。

38. 退休福利計劃

本集團根據香港強制性公積金計劃條例為香港所有合資格僱員設立強制性公積金計劃(「強積金計劃」)。本集團向強積金計劃之供款乃按照僱員薪金及工資之5%計算，每名僱員每月供款上限為1,250港元。當已向強積金計劃作出供款後，即盡歸僱員所有。

於中國成立之本集團附屬公司之僱員為地方市政府營運之中央退休金計劃成員。該附屬公司須就僱員基本薪金及工資之若干百分比向中央退休金計劃供款，作為退休福利之資金。地方市政府承諾承擔該附屬公司所有現有及未來退休僱員之退休福利責任。該附屬公司就中央退休金計劃之唯一責任是根據計劃作出所需供款。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

39. MATERIAL RELATED PARTY TRANSACTIONS

In addition to the transactions and balances as disclosed elsewhere in the consolidated financial statements, the Group entered into the following material transaction with related parties during the year.

(a) Transactions with related parties

Salary received by a shareholder

一名股東已收薪金

(b) Compensation of key management personnel

Compensation for key management personnel, including amount paid to the Company's directors is as follows:

Salaries and other short-term benefits
Employer contribution to pension scheme

薪金及其他短期利益
退休金計劃僱主供款

39. 重大關連方交易

除綜合財務報表內其他地方披露的交易及結餘外，年內本集團與其關連方訂有以下重大交易。

(a) 與關連方之交易

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

—	48
---	----

(b) 主要管理人員之補償

主要管理人員之補償，包括已付本公司董事金額如下：

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

1,245	2,343
64	111

1,309	2,454
--------------	--------------

40. EVENTS AFTER THE REPORTING PERIOD

- (a) On 26 June 2012, the Group entered into a non-legally binding memorandum of understanding (the "MOU") with an intention to acquire the patent rights of the brandname of "Capella" and technology know-how in the manufacturing of baby carriages and strollers ("Potential Acquisition"). The Group has resolved that will not further proceed with the Potential Acquisition and has resolved to change the proposed use of the total proceeds from the open offers for future possible acquisition activities. For details, please refer to the Company's announcement dated on 10 January 2013.

40. 報告期後事項

- (a) 於二零一二年六月二十六日，本集團就擬收購「Capella」品牌名稱的專利權以及製造嬰兒車及摺疊式嬰兒車的技術知識（「潛在收購」）訂立無法律約束力的諒解備忘錄（「諒解備忘錄」）。本集團已議決不會進一步進行潛在收購，並已議決將公開發售的所得款項總額的建議用途改為用作未來可能收購活動。詳情請參閱本公司日期為二零一三年一月十日的公告。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

For the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

40. EVENTS AFTER THE REPORTING PERIOD

(Continued)

- (b) On 11 March 2013, the Group entered into a joint venture agreement with Qindao Qingfeng Nonwoven Technology Co. Ltd (“Qingdao Qingfeng”) for the establishment of a joint venture company (“JV Company”) to engage in the production and sale of environmental-friendly interior decoration materials and filtering materials for using in automobiles in the PRC. The registered capital of the JV will be RMB60,000,000, in which the Group shall contribute RMB18,000,000, representing 30% of the registered capital of JV Company and Qindao Qingfeng shall contribute RMB42,000,000, representing 70% of the registered capital of the JV Company. For details, please refer to the Company’s announcement dated on 11 March 2013.
- (c) The Company has submitted a formal application to the Stock Exchange on 23 November 2012 for the proposed transfer of the listing of the shares from the Growth Enterprises Market of the Stock Exchange (“GEM”) to Main Board of the Stock Exchange (“Main Board”) pursuant to the provisions of the GEM listing rules and the Main Board listing rules. On 1 March 2013, the Company received a letter from the Stock Exchange which stated that the listing committee of the Stock Exchange decided to reject the application of transfer of listing. For details, please refer to the Company’s announcement dated on 23 November 2012, 1 March 2013 and 5 March 2013.
- (d) On 26 March 2013, the Group entered into a sales and purchase agreement to acquire the entire issued share capital of Sinogate Energy Limited, a company incorporate in the British Virgin Islands with limited liability for a consideration of HK\$28 million. For details, please refer to the Company’s announcement dated on 26 March 2013.

41. AUTHORISATION FOR ISSUE OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 28 March 2013.

40. 報告期後事項(續)

- (b) 於二零一三年三月十一日，本集團與青島青鋒無紡科技有限公司(「青島青鋒」)訂立合營協議，以成立合營公司(「合營公司」)，在中國從事生產及銷售用於汽車的環保內飾物料及過濾物料。合營公司的註冊資本將為人民幣60,000,000元，其中本集團須出資人民幣18,000,000元，佔合營公司的註冊資本的30%，而青島青鋒須出資人民幣42,000,000元，佔合營公司的註冊資本的70%。詳情請參閱本公司日期為二零一三年三月十一日的公告。
- (c) 本公司已於二零一二年十一月二十三日向聯交所遞交正式申請，以根據聯交所創業板(「創業板」)上市規則及聯交所主板(「主板」)上市規則的相關條文由創業板轉至主板。於二零一三年三月一日，本公司接獲聯交所函件，當中指明聯交所上市委員會決定駁回轉板申請。詳情請參閱本公司日期為二零一二年十一月二十三日、二零一三年三月一日及二零一三年三月五日的公告。
- (d) 於二零一三年三月二十六日，本集團訂立買賣協議，以代價28,000,000港元收購Sinogate Energy Limited(於英屬維爾京群島註冊成立的有限公司)的全部已發行股本。詳情請參閱本公司於二零一三年三月二十六日刊發的公告。

41. 授權刊發綜合財務報表

綜合財務報表已於二零一三年三月二十八日獲董事會批准及授權刊發。

SUMMARY OF FINANCIAL INFORMATION

財務資料概要

The following is a summary of the published results and of the assets and liabilities of the Group prepared on the bases set out in the note below:

以下為本集團按下列附註所載基準編製之已刊發業績與資產及負債概要：

		Year ended 31 December 截至十二月三十一日止年度				
		2008	2009	2010	2011	2012
		二零零八年	二零零九年	二零一零年	二零一一年	二零一二年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Revenue	收入	66,852	87,363	123,090	156,476	166,906
Gross profit	毛利	15,632	27,058	29,316	42,006	28,406
Profit before tax	除稅前溢利	5,414	14,160	18,480	22,475	12,295
Profit for the year attributable to owners of the Company	本公司擁有人應佔年度溢利	4,352	12,084	14,497	18,851	10,798
Basic earnings per share (RMB cents)	每股基本盈利 (人民幣分)	<u>2.9</u>	<u>8.1</u>	<u>8.9</u>	<u>9.1</u>	<u>2.0</u>
		As at 31 December 於十二月三十一日				
		2008	2009	2010	2011	2012
		二零零八年	二零零九年	二零一零年	二零一一年	二零一二年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Non-current assets	非流動資產	28,555	34,558	36,782	46,097	44,099
Current assets	流動資產	51,311	65,329	98,862	109,033	196,757
Current liabilities	流動負債	60,723	68,155	49,085	42,556	52,862
Net assets	淨資產	<u>18,951</u>	<u>31,042</u>	<u>86,350</u>	<u>112,574</u>	<u>187,994</u>



Website 網址: <http://www.joystar.com.hk>