

**KINGDOM**

**ANNUAL REPORT**

**2012**  
年報



**金達控股有限公司**

(於開曼群島註冊成立的有限公司)  
(股份代號 : 528)

**KINGDOM HOLDINGS LIMITED**

(incorporated in the Cayman Islands with limited liability)  
(Stock code : 528)



# Contents 目錄

Corporate Information 公司資料	2
Chairman's Statement 主席報告	4
Financial Summary 財務摘要	10
Management Discussion and Analysis 管理層討論及分析	11
Directors and Senior Management 董事及高級管理層	26
Report of the Directors 董事會報告	30
Corporate Governance Report 企業管治報告	46
Independent Auditor's Report 獨立核數師報告	58
Consolidated Income Statement 合併損益表	60
Consolidated Statement of Comprehensive Income 合併全面收益表	61
Consolidated Statement of Financial Position 合併財務狀況表	62
Consolidated Statement of Changes in Equity 合併權益變動表	64
Consolidated Statement of Cash Flows 合併現金流量表	65
Statement of Financial Position 財務狀況表	67
Notes to the Consolidated Financial Statements 合併財務報表附註	68

# Corporate Information

## 公司資料

### BOARD OF DIRECTORS

#### Executive Directors:

Mr. Ren Wei Ming (*Chairman*)  
Mr. Shen Yueming  
Mr. Zhang Hong Wen

#### Non-executive Directors:

Mr. Ngan Kam Wai Albert  
Mr. Tse Chau Shing Mark

#### Independent and non-executive Directors:

Mr. Yang Donghui  
Mr. Lau Ying Kit  
Mr. Lo Kwong Shun Wilson

### AUDIT COMMITTEE

Mr. Lau Ying Kit (*Chairman*)  
Mr. Yang Donghui  
Mr. Lo Kwong Shun Wilson

### REMUNERATION COMMITTEE

Mr. Yang Donghui (*Chairman*)  
Mr. Zhang Hong Wen  
Mr. Lo Kwong Shun Wilson

### NOMINATION COMMITTEE

Mr. Lo Kwong Shun Wilson (*Chairman*)  
Mr. Lau Ying Kit  
Mr. Shen Yueming

### COMPANY SECRETARY

Ms. Chan Ching Yi

### LEGAL ADVISERS TO THE COMPANY

Sidley Austin

### AUDITORS

Ernst & Young

### AUTHORISED REPRESENTATIVES

Mr. Ren Wei Ming  
Ms. Chan Ching Yi

### 董事會

#### 執行董事：

任維明先生 (*主席*)  
沈躍明先生  
張鴻文先生

#### 非執行董事：

顏金煒先生  
謝宙勝先生

#### 獨立非執行董事：

楊東輝先生  
劉英傑先生  
羅廣信先生

### 審核委員會

劉英傑先生 (*主席*)  
楊東輝先生  
羅廣信先生

### 薪酬委員會

楊東輝先生 (*主席*)  
張鴻文先生  
羅廣信先生

### 提名委員會

羅廣信先生 (*主席*)  
劉英傑先生  
沈躍明先生

### 公司秘書

陳靜儀女士

### 本公司法律顧問

盛德律師事務所

### 核數師

安永會計師事務所

### 授權代表

任維明先生  
陳靜儀女士

#### REGISTERED OFFICE

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

#### HEADQUARTER IN CHINA

Henggang Town  
Haiyan County  
Zhejiang Province  
China

#### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Level 28  
Three Pacific Place  
1 Queen's Road East  
Hong Kong

#### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

#### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

#### PRINCIPAL BANKERS

Bank of China, Rugao Branch  
Bank of China, Haiyan Branch

#### STOCK CODE

0528

#### COMPANY WEBSITE ADDRESS

<http://www.kingdom-china.com>

#### INVESTOR RELATIONS CONTACT

Email: [kingdom@kingdom-china.com](mailto:kingdom@kingdom-china.com)

#### 註冊辦事處

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

#### 中國總辦事處

中國  
浙江省  
海鹽縣  
橫港鎮

#### 香港主要營業地點

香港  
皇后大道東1號  
太古廣場三座  
28樓

#### 主要股份過戶登記處

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

#### 香港股份過戶登記分處

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

中國銀行如皋支行  
中國銀行海鹽支行

#### 股份代號

0528

#### 公司網站

<http://www.kingdom-china.com>

#### 投資者聯繫方式

電郵: [kingdom@kingdom-china.com](mailto:kingdom@kingdom-china.com)

## Chairman's Statement 主席報告

2012 was a year of consolidation and strategic moves for Kingdom Holdings Limited (the "Company"). Plagued by uncertainties about the global economy, shrinking retail demand and stockpile of inventory in the garment industry, the textile industry saw a significant slowdown in general. Facing such challenging operating environment, the Company and its subsidiaries ("Kingdom" or the "Group") focused on the positives and has taken a three-pronged approach in implementing its operation strategies. By setting foot in emerging markets, consolidating its existing businesses and developing new products, the Group managed to achieve satisfactory performance. According to the statistics of China Bast and Leaf Fibers Textile Association, Kingdom's export of linen yarn in 2012 increased by 10.3% as compared with last year and accounted for 30.3% of the total exports from the People's Republic of China ("China" or the "PRC"). Both export sales and volume of the Group topped the industry, and the Group held on to its leading position as the largest linen yarn exporter in China for the tenth consecutive year. Moreover, the Group was awarded "National Innovative and Hi-tech Enterprise of the Linen Industry" from China Bast and Leaf Fibers Textile Association in 2012, further proving its leading position in the Chinese linen yarn market.

During the year ended 31 December 2012 (the "Period"), the Group furthered its expansion into emerging markets of linen yarn such as Portugal, Turkey and Japan, and a stable growth of overall turnover of 1.1% to RMB718,912,000 (2011: RMB710,960,000). Nevertheless, the 8% increase in staff cost during the Period resulted in a slight drop in profit attributable to the owners of the parent of 8.7% to RMB94,180,000 as compared with 2011. In order to allow shareholders to share the success of the Group, the board of directors of the Company (the "Board") is pleased to announce that the Board has recommended the payment of a final dividend of HK7 cents per ordinary share for the year ended 31 December 2012 (2011: HK7 cents per ordinary share). The proposed final dividend is subject to the approval of the shareholders at the forthcoming annual general meeting of the Company.

二零一二年是金達控股有限公司(「本公司」)「鞏固基礎、穩守突擊」的一年。受到全球經濟環境不明朗、零售需求下滑及服裝行業庫存積壓等負面因素的影響，整體紡織業發展出現了明顯放緩。在充滿挑戰的經營環境下，本公司及其附屬公司(「金達」或「本集團」)更以積極的態度應對，採取了開拓新興市場，鞏固現有業務關係及推出新產品三線並行的經營策略並取得了令人滿意的成績。根據中國麻紡行業協會的統計，二零一二年金達出口亞麻紗比上年增長10.3%，佔中華人民共和國(「中國」)出口總量的30.3%，出口金額及出口數量均為行業之冠。這已經是本集團第十年蟬聯中國最大的亞麻紗出口企業。與此同時，我們在二零一二年，獲得中國麻紡行業協會授予「全國麻紡織行業技術創新先進企業」的稱號，進一步證明本集團在中國亞麻紗行業的龍頭地位。


截至二零一二年十二月三十一日止年度(「本期間」)內，進一步開拓葡萄牙、土耳其及日本等新興亞麻紗市場，整體營業額平穩上升1.1%至718,912,000人民幣(二零一一年：710,960,000人民幣)。然而，受到本期間內工資成本上升8%的影響，母公司擁有人應佔溢利較二零一一年輕微下降8.7%至94,180,000人民幣。為了與所有股東分享本集團的成果，本公司董事會(「董事會」)欣然宣佈，待股東於本公司應屆股東週年大會上批准後，董事會建議派發截至二零一二年十二月三十一日止年度每股普通股7港仙的末期股息(二零一一年：每股普通股7港仙)。

Compared to cotton and chemical fiber, linen offers supreme moisture absorption, ventilation, anti-bacterial quality and UV protection, and is characterized by environmental friendliness, naturalness and comfort. It was used mainly by high-end fashion brands in the past due to its relatively high price and limited supply. With the consumers' rising demand for comfort and function of textile products, the increasing production of linen and the introduction of many new and blended fibers, linen fabric is drawing the attention of more and more international fashion brands and home textiles brands, and this has contributed to the growing consumption of linen yarn every year. On the other hand, as the rate of import tariff on linen raw material has been lowered by the Chinese government from 6% to 1% in the past two years, the Group believes that the price of linen yarn will become more competitive, and it will facilitate wider application of linen yarn and contribute to a better prospect of the linen industry.

As a leader in linen yarn production, Kingdom possesses ample resources and capabilities in grasping market opportunities. It will promote greater application of linen yarn and boost its market share by developing various new products and expanding its production capacity. The Group's new product, linen dope-dyed fiber, was launched in January 2013, which supplements the single-colored linen fabric. None of the large-scale producers in the market currently offer this product. The Group's product not only fills the market niche, but also allows wider application of linen yarn. It is expected that it will become a star product contributing to profit growth as well as boosting overall gross profit margin. In terms of production, the current capacity of the Group no longer satisfies the ever-growing demand, and thus, the construction of the Group's third production base, located in Haiyan County, Zhejiang Province, is in progress and it is anticipated that it will commence production in the first quarter of 2014. At that time, the annual production capacity of the Group will increase by 38% from 13,000 tonnes now to 18,000 tonnes, and this will lay a solid groundwork for the Group to capture greater market share.

亞麻纖維與棉和化纖等相比，具有優良的吸濕、透氣、抗菌和防紫外線等性能，兼具環保、天然和舒適等優點。過去，由於其價格相對較高，亞麻產量較少等因素的制約，多年來一直主要為高端服飾品牌使用。但隨著消費者對紡織品舒適性和功能性的要求不斷提高，亞麻產量的增加，以及各式新型／混紡面料的推出，亞麻面料受到越來越多國際流行服飾品牌和家用紡織品牌的青睞，進而推動亞麻紗的消費量逐年攀升。隨著中國進口亞麻原材料關稅在近兩年從6%逐步下調至1%，我們相信這將使亞麻紗的價格更具市場競爭力，同時也更有利於拓展亞麻紗的應用和市場前景。

金達作為亞麻紗生產的龍頭企業，具備充足的資源和能力抓住面前的市場機遇。我們將以一系列新產品研發和產能擴張計劃拓寬亞麻紗的應用範圍和進一步增加市場份額。本集團的新產品亞麻色紡紗已二零一三年一月推出，解決了亞麻面料色彩過於單一的問題。目前，市場上尚未有具規模的生產商供應此項產品，因此，我們的產品不僅填補了市場上的供應缺口，也同時拓寬亞麻紗的應用基礎，相信將成為本集團新的盈利增長亮點，帶動整體毛利率提升。在產能方面，本集團的產能已經達到供不應求的狀態，因此，我們正積極建設在浙江省海鹽縣的第三個生產基地，預計將在二零一四年一季度正式投產。屆時，本集團年產能將由目前的13,000噸提升38%至18,000噸，為爭取更大市場份額打下堅實基礎。



## Chairman's Statement 主席報告


Linen textiles consumption is still in its development stage as it concentrates in the United States, European countries and Japan with greater consumption power. However, linen textiles are gaining acceptance in some Asian countries and emerging economies such as Korea, India and Turkey, where the development of local linen textile industry is flourishing. According to the statistics of the customs of China, China's export of linen yarn to India and Turkey in 2012 rose year-on-year by 15.1% and 38.7% respectively. Kingdom took the initiative in the development of emerging markets and appointed brand agencies in those three markets for making preparations for the establishment of sales channels and brand reputation and the expansion of market share. Besides overseas markets, the Group also set its sights on the Chinese market in the long run and aims at promoting the acceptance and development of linen textile products in China. In 2010, the Group set up the China Linen Market with, among others, China National Chemical Fiber Corp., aiming at providing a fair and transparent online transaction platform for linen enterprises so as to promote the development of the whole linen industry. Looking forward, the Group will bring its existing advantage of being a industry leader to the full and actively foster wider application of linen yarn and potential of linen textiles by organizing large product fairs and technology conferences, and working closely with textile associations.

The Group considers that future challenges mainly come from the pressure of rising staff cost and energy cost. As such, the Group will continue to improve its production equipment through technological upgrade and machinery automation in order to enhance production efficiency and hence reduce costs. Capitalizing on its production scale and techniques which are ahead of industry peers, Kingdom enjoys greater power in passing extra costs and thus is more capable of maintaining market competitiveness. With excellent capabilities on research and development, a solid clientele, agile marketing strategies and an established production capacity, Kingdom is well-equipped and is poised to seize any opportunities arisen in the development of the linen textile industry in a timely manner and create better return for the shareholders.

目前，亞麻紡織品的消費市場仍處於發展階段，主要集中在美國、歐洲和日本等具備高端消費能力的國家，但是我們已經看到一些亞洲市場和新興經濟體如韓國、印度和土耳其等對亞麻紡織品的接受程度越來越高，也同時帶動當地亞麻紡織業的發展。根據中國海關統計，二零一二年，中國出口至印度和土耳其的亞麻紗線同比上升15.1%和38.7%。金達把握新興市場的發展機遇，率先在以上三個國家委任品牌代理，為打開銷售管道、建立品牌聲望和爭取市場份額做好準備。除了海外市場，我們的長遠目標是開拓中國市場，促進中國的亞麻紡織產品的普及與發展。早在二零一零年，金達已與中國化纖總公司等共同成立了「中國亞麻交易市場」，為亞麻企業提供公平透明的網絡交易平台，促進亞麻行業的集體發展。未來，我們將繼續發揮行業龍頭的影響力，透過大型產品展覽會、技術交流會、以及與紡織專業協會等的緊密合作，積極推動亞麻紗的應用以及亞麻紡織品的普及。

我們認為，集團在未來將主要面對來自工資成本及能源成本的上升壓力，因此，集團將繼續透過產業升級和機械智能化以優化生產設備，提升生產效率以達到節約成本的目的。而金達無論在生產規模還是生產工藝，均處於行業領先水平，因此，具備較佳的成本轉嫁能力，保持市場競爭力。憑藉我們出色的研發實力、堅實的客戶基礎、靈活的市場策略和具規模的生產能力，金達將能準確把握亞麻紡織產業發展的機遇，為股東創造更佳回報。





## Chairman's Statement 主席報告

On behalf of the Board, I would like to express my sincere gratitude to the management team and the staff for their contributions in the past year. I would also like to thank the shareholders and business partners for their staunch support and trust. I believe that our mutual efforts will help to bring the results of Kingdom for 2013 to new heights.

**Ren Wei Ming**  
*Chairman*

Haiyan County, Zhejiang Province, the PRC, 15 March 2013

本人謹代表董事會，感謝管理團隊和全體員工在過去一年所作出的貢獻。同時，我也向鼎力支持和信任本集團的股東和業務夥伴致以衷心的感謝。相信在我們共同的努力下，二零一三年金達的業績將更上一層樓。

主席  
任維明

中國浙江省海鹽縣，二零一三年三月十五日





# Financial Summary

## 財務摘要

A summary of the results and of the assets and liabilities of the Group for the last five financial years, as extracted from the published audited financial statements and restated/reclassified as appropriate, is set out below.

本集團最近五個財政年度的業績以及資產及負債摘要（摘錄自己刊發經審核財務報表，並經重列／重新分類（如適用））載列如下。

		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	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
REVENUE	收入	718,912	710,960	628,718	491,165	448,231
Cost of sales	銷售成本	(509,612)	(482,957)	(462,876)	(435,148)	(393,916)
Gross profit	毛利	209,300	228,003	165,842	56,017	54,315
Other income and gains	其他收益及得益	8,320	9,403	13,806	6,374	9,380
Selling and distribution costs	銷售及分銷成本	(34,358)	(30,268)	(32,125)	(18,625)	(17,700)
Administrative expenses	行政開支	(39,821)	(39,191)	(31,914)	(34,597)	(38,292)
Other expenses	其他開支	(3,544)	(8,165)	(3,637)	(6,163)	(4,874)
Finance costs	財務成本	(12,848)	(14,720)	(15,152)	(19,325)	(27,432)
Share of profits and losses of an associate	應佔一間聯營公司溢利及虧損	(285)	17	652	-	-
PROFIT/(LOSS) BEFORE TAX	除稅前溢利／（虧損）	126,764	145,079	97,472	(16,319)	(24,603)
Income tax (expense)/credit	所得稅（開支）／抵免	(32,584)	(41,940)	(29,541)	(1,837)	1,776
PROFIT/(LOSS) FOR THE YEAR	年內溢利／（虧損）	94,180	103,139	67,931	(18,156)	(22,827)
Attributable to:	應佔：					
Owners of the parent	母公司擁有人	94,180	103,139	67,931	(18,156)	(22,827)

## ASSETS AND LIABILITIES

## 資產及負債

		As at 31 December 於十二月三十一日				
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
TOTAL ASSETS	資產總值	1,149,187	1,046,094	1,151,756	1,097,359	1,161,723
TOTAL LIABILITIES	負債總值	(326,308)	(284,231)	(466,786)	(480,457)	(526,814)
NET ASSETS	資產淨值	822,879	761,863	684,970	616,902	634,909

# Management Discussion and Analysis

## 管理層討論及分析

### BUSINESS REVIEW

The linen yarn industry has gone through thick and thin in 2012, struggled through the hard times at the beginning to good times at the end of the year. In the first half of the year, the retail market in Europe, a key market for linen products, was affected by the sprawling debt crisis and continued to be suppressed. Furthermore, economic growth in China slowed down and the stockpile of inventory in the garment industry was rising. All these factors have restrained the overall demand for linen yarn. Fortunately, as the other key market for linen products, namely the United States, recovered steadily in the second half of the year while demand from emerging markets such as Turkey and India were on the rise, the overall market started to revive in the fourth quarter.

In 2012, the Group held on to its leading position as the largest linen yarn exporter in China for the tenth consecutive year. According to the statistics of China Bast and Leaf Fibers Textile Association, the Group's export of linen yarn in 2012 was up by 10.3% as compared with the corresponding period last year and accounted for 30.3% of the total exports from China. Both export sales and volume of the Group topped the industry. In 2012, the Group's turnover increased by 1.1% as compared with the corresponding period last year to RMB718,900,000. During the period under review, despite the weak demand from major textile markets, the demand for linen yarn showed a stable increasing trend. The Group has been actively exploring new markets such as Portugal, Turkey and India, and the demand from these countries were on the rise, the Group's sales volume as a whole was able to improve. As the Company has adopted a prudent strategy in adjusting the price of linen yarn, the effect of the rise in sales volume on the Group's overall turnover was offset.

Impacted by the year-on-year rises in raw material and labor costs, the Group's gross profit for the year dipped by 8.2% to RMB209,300,000 and the gross profit margin also dropped by 3 percentage points to 29.1%. The Group has taken measures to optimize its production equipment with a view to improving production efficiency and reducing costs. In the meanwhile, the Group has also introduced dope-dyed fiber in the fourth quarter of 2012 so as to capitalize on the market recovery. This initiation was well-received by the market. It is believed that the Group will be able to bring its overall gross profit margin to new heights in 2013.

### 業務回顧

二零一二年亞麻紗行業的經營環境動盪，市場經歷了先苦後甜的一年。上半年，亞麻紡織品的主要市場歐洲受到債務危機蔓延的影響，零售業持續疲弱，加上中國經濟增長減速，服裝行業庫存積壓等因素的影響，亞麻紗整體需求放緩。所幸，隨著亞麻紡織品的另一主要市場美國在下半年穩步復甦以及新興市場如土耳其和印度等需求增長，整體市場狀況在第四季度出現曙光。

二零一二年本集團第十年蟬聯成為中國最大的亞麻紗出口商。根據中國麻紡行業協會的統計，二零一二年本集團出口亞麻紗同比上升10.3%，佔中國出口總量的30.3%，出口金額及出口數量均為行業之冠。二零一二年，本集團的營業額較去年同期上升1.1%，達到人民幣718,900,000元。回顧期內，大紡織市場需求疲軟，但亞麻紗需求依然保持平穩略有上升，本集團積極開拓的新市場如葡萄牙、土耳其和印度等需求持續增長，帶動整體銷售量的提升。由於本公司採用審慎的亞麻紗價格調整策略，因此，整體營業額未能反映銷售量上升的優勢。

年內，受到原材料及工資成本同比上升的影響，本集團的毛利同比下降8.2%至人民幣209,300,000元，而毛利率也同比下降3.0百分點至29.1%。本集團已經採取措施優化生產設備以提升生產效率，節約成本。與此同時，二零一二年第四季度，本集團抓緊在市場復甦階段推出亞麻纖維色紡紗產品，並立即得到市場認同。相信將可帶動整體毛利率在二零一三年提升。

# Management Discussion and Analysis

## 管理層討論及分析

### Major Markets and Customers

With operations in over 20 countries and regions around the world, the Group balances its sales strategy between domestic and overseas markets. In 2012, sales to the domestic market accounted for approximately 33% of the total turnover, representing a 6% decrease as compared with the corresponding period last year, while sales to the overseas markets accounted for approximately 67% of the total turnover, representing a 6% increase as compared with the corresponding period last year. In the past, high-end textiles markets in Europe, such as Italy, have been the most important overseas market for the Group. However, in view of the recovery of the manufacturing industries in Europe and the United States in the past years, the Group has noted the unique position of Portugal as an emerging textile base in Europe. It firstly appointed a brand agency in this market in 2011 in order to establish a foothold in this market. To offer the fastest and most-comprehensive services to high-end fabric and garment manufacturers in Europe and Asia, the Group has now appointed four brand agencies in major linen yarn consuming countries and regions in Europe and Asia in addition to the branch company established in Italy.

While exploring new markets, the Group also attaches great importance to the enhancement of cooperation with existing customers. In September 2012, the Group organized Kingdom's first overseas forum on the linen industry with the Group's sole agency in Istanbul, Turkey. More than 30 key customers of the Group as well as major purchasers were invited and attended this forum. This forum provided a platform for the participants to share their production technologies, marketing information and latest products, and also enhanced the communication, trust and confidence between the Group and its customers. The Group also grasped the opportunity to improve the quality of its services and demonstrate its edge over its competitors.

### 主要市場及客戶

本集團實行國內海外市場並行的銷售策略，業務分佈全球20多個國家與地區。二零一二年，國內市場的銷售約佔本集團總營業額33%，同比下降6%。海外市場的銷售約佔本集團總營業額67%，同比上升6%。以往，本集團的最主要海外市場為歐洲的高端紡織品銷售基地如意大利等，而隨着過去數年製造業回流歐美，本集團瞄準了葡萄牙作為歐洲新興紡織基地的特殊地位，在二零一一年率先在該地區委任了品牌代理，為搶佔市場建立基礎。目前，本集團已在歐洲、亞洲主要亞麻紗消費國家及地區委任四家品牌代理，並在意大利設立了分公司，以便為歐、亞洲的高端面料和服飾生產商提供最快捷全面的服務。

在進一步開拓新市場的同時，我們也注重鞏固與現有客戶的合作關係。二零一二年九月，本集團與其獨家代理合作在土耳其伊斯坦布爾舉行了「金達控股第一屆海外亞麻研討會」，邀請本集團逾30多家主要客戶及相關大型買家共同參與。此次會議既提供了生產技術、市場銷售及新產品開發的信息交流平台，又加強了本集團與客戶的溝通，增加彼此的信任，從而提升本集團的服務質量並進一步突顯我們在同業之間的競爭優勢。

# Management Discussion and Analysis

## 管理層討論及分析

### Purchases of Raw Materials and Related Strategies

Linen fiber, the raw material of linen yarn, is mainly imported from European origins such as France, Belgium and Holland. Being one of the largest purchasers in these producing countries, the Group enjoys better bargaining power over its competitors and is capable of purchasing in bulk, and, therefore, has a cost advantage. On the other hand, the Group intends to set up an office in France in 2013 for raw materials procurement in order to secure a timely and sufficient supply of quality raw materials, thereby enhancing its competitive edge.

The Group's raw material base in Xinjiang with a current annual production capacity of approximately 1,200 tonnes has produced 908 tonnes of organic linen in 2012.

### Production Bases and Productivity

As at 31 December 2012, the Group has two production bases in Haiyan County, Zhejiang Province and Rugao City, Jiangsu Province, respectively, with an aggregate annual production capacity of 13,000 tonnes. In 2012, the Group has optimized its production efficiency, enhanced its productivity and reduced its costs by implementing various technological overhaul, including machinery automation such as introducing combined linen hackling and spreading machine (亞麻櫛成一體機). The Group's production lines have reached saturation point. To take advantage of the rising demand for linen yarn, the Group has started the construction of the third production base, which is scheduled to commence production in the first quarter of 2014. This production base located in Haiyan County, Zhejiang Province will have a planned production capacity of 5,000 tonnes mainly in high-value added linen dope-dyed fiber. At that time, the annual production capacity of the Group will increase significantly by 38% from 13,000 tonnes now to 18,000 tonnes. This production base will be equipped with the latest technologies and equipment. Compared with the two existing bases, this new base will command higher production efficiency, reduce more energy and water, and help the Group to further reduce costs and fight in the current operating environment against the ever rising energy and water prices.

### 原材料採購及策略

亞麻紗的原材料亞麻纖維主要從歐洲產地如法國、比利時和荷蘭等進口。本集團是目前以上產地最大採購商之一，與同業相比擁有較強議價能力並能大量採購，因此，為我們帶來一定成本優勢。本集團並計劃於二零一三年在法國設立原料採購辦事處，更好地在時間上，數量上，質量上保證原料的供應，進一步提升本集團的競爭優勢。

本集團在新疆原材料生產基地，目前年產能約為1,200噸，二零一二年生產有機亞麻908噸。

### 生產基地及產能

截至二零一二年十二月三十一日，本集團擁有兩個生產基地，分別位於浙江省海鹽縣和江蘇省如皋市，年產能合共為13,000噸。本集團於二零一二年進行技術改革，引入機械智能化設備亞麻櫛成一體機以優化生產效率，提升產能和節約成本。目前，本集團的生產線已接近飽和，為把握亞麻紗需求上升的機遇，本集團的第三個生產基地已投入建設，計劃將在二零一四年第一季度正式投產。本生產基地位於浙江省海鹽縣，其計劃產能達5,000噸，主要生產高附加值的亞麻色紡紗。屆時，本集團的年產能將從目前的13,000噸大幅提升38%至18,000噸。新生產基地引進了最新技術設備，與現有兩個基地相比，生產效率更高，更節省能源和用水，在目前能源和水價不斷上升的經營環境下能進一步節約成本。

# Management Discussion and Analysis

## 管理層討論及分析

		Major products	Annual production capacity for 2012 二零一二年 年產能 (tonnes) (噸)	Utilization rate 產能利用率 (%)
1st Phase of production base in Haiyan County, Zhejiang Province	浙江省海鹽縣一期生產基地	Linen yarn 亞麻紗	7,000	100
Production base in Rugao City, Jiangsu Province	江蘇省如皋市生產基地	Linen yarn 亞麻紗	6,000	100
Total	共計		<u>13,000</u>	<u>100</u>

### Achievements and Awards in Research and Development

The Group is always committed to innovation on technology and technique as well as new product development. In 2012, the Company achieved various new technological breakthroughs and developed high-value added dope-dyed fiber, thereby further expanding the proportion of high-margin products. During the year, the Group applied for a total of 13 patents, including 5 invention patents, 6 utility patents and 2 design patents. As at 31 December 2012, the Group has obtained 34 patents.

In 2012, the Group received various awards which have proven its well-recognized leading position in the linen yarn market.

- “National Innovative and Hi-tech Enterprise of the Linen Industry” from China Bast and Leaf Fibers Textile Association
- 2011-2012 Top 500 Competitive China Textile and Garment Enterprises
- 2011-2012 Top 10 Competitive China Linen Knitting Enterprises
- 2011-2012 Top 100 China Textile and Garment Exporters
- 2012 Major Exporting Industrial Enterprises in Haiyan County

### 研發成果和獎項

本集團一直致力於技術創新、工藝改造和新產品的研發。二零一二年，本公司各項技術有了新突破，成功開發了高附加值產品色紡紗，進一步提高了本集團高毛利產品的比例。全年，本集團共申報專利13項，其中發明專利5項，實用新型專利6項，外觀專利2項。截至二零一二年十二月三十一日，本集團已取得34項授權專利。

二零一二年，本集團獲得多項榮譽，證明了我們在亞麻紗市場無可爭議的龍頭地位。

- 中國麻紡行業協會授予「全國麻紡織行業技術創新先進企業」的稱號
- 二零一一至二零一二年度中國紡織服裝企業競爭力500強
- 二零一一至二零一二年度中國麻紡行業競爭力10強
- 二零一一至二零一二年度中國紡織服裝行業出口百強
- 海鹽縣二零一二年重點出口工業企業



# Management Discussion and Analysis

## 管理層討論及分析

### FINANCIAL REVIEW

#### Turnover

For the year ended 31 December 2012, the Group's turnover increased to RMB718,912,000, representing an increase of approximately 1.1% year-on-year (2011: RMB710,960,000). Despite a slight drop in average selling price of the Group due to the weak textile market in 2012, the Group recorded a positive growth in turnover with the increased sales volume as compared with the corresponding period last year.

Breakdown of turnover by sales regions:

#### Sales regions:

Mainland China  
European Union  
Non-European Union

Total

#### 銷售地區：

中國大陸  
歐盟  
非歐盟

總額

### 財務回顧

#### 營業額

截至二零一二年十二月三十一日止年度，本集團之營業額上升至人民幣718,912,000元，同比上升約1.1%（二零一一年：人民幣710,960,000元）。雖然受到二零一二年大紡織市場疲軟影響，本集團的平均售價方面稍有下降，但銷售量較去年同期有所增加，故本集團營業額仍錄得正增長。

按銷售地區分佈之營業額：

		For the year ended	
		31 December	
		截至	
		十二月三十一日止年度	
		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
	中國大陸	237,860	274,939
	歐盟	246,520	225,979
	非歐盟	234,532	210,042
		<hr/>	<hr/>
	總額	<b>718,912</b>	<b>710,960</b>
		<hr/> <hr/>	<hr/> <hr/>

# Management Discussion and Analysis

## 管理層討論及分析

### Gross Profit and Gross Profit Margin

For the year ended 31 December 2012, in light of the reviving sales of linen yarn products and rising raw material prices, the Group's gross profit recorded a year-on-year decrease to RMB209,300,000 (for the year ended 31 December 2011: RMB228,003,000). Gross profit margin for the year ended 31 December 2012 dropped to approximately 29.1% (gross profit margin for the year ended 31 December 2011: 32.1%), mainly attributable to the adoption of a prudent strategy in adjusting the selling prices to transfer costs in view of the waning condition of the overall textile market.

In order to secure its supply for the whole year, the Group purchased a large amount of linen materials in early 2012 as a strategic move, thereby successfully avoiding the adverse impact brought by the increase in raw material prices in the second half of 2012. The Group also engaged an external professional audit firm to audit the Company's infrastructure projects, and continued to implement the sub-contractors appraisal system. Internally, the Group has strengthened internal cost assessment so as to ensure its cost advantage. Greater efforts have also been made by the Group not only in consolidating its domestic market, but also in developing overseas markets.

### Other Income and Gains

For the year ended 31 December 2012, the Group recorded government grants of approximately RMB6,023,000 (for the year ended 31 December 2011: RMB4,510,000).

### Selling and Distribution Costs

For the year ended 31 December 2012, the Group's selling and distribution costs amounted to approximately RMB34,358,000 (for the year ended 31 December 2011: RMB30,268,000), which accounted for approximately 4.8% of its turnover (for the year ended 31 December 2011: 4.3%). The increase in selling costs was mainly due to the rise in marketing expenses arising from increased marketing effort during the period, as well as the surge in transportation costs brought by increases in export and shipping fees.

### 毛利及毛利率

截至二零一二年十二月三十一日止年度，亞麻紗產品銷售回升，加上原材料價格上漲，本集團毛利同比下降至人民幣209,300,000元（截至二零一一年十二月三十一日止年度：人民幣228,003,000元）。截至二零一二年十二月三十一日止年度，毛利率下降至約29.1%（截至二零一一年十二月三十一日止年度毛利率：32.1%），主要因為受大紡織市場疲軟影響，公司在成本轉移上採用審慎的銷售價格調整策略。

為確保全年供應穩定，不受二零一二年下半年原材料價格上漲影響，本集團在二零一二年年初策略性大批量採購亞麻原材料。同時本集團並聘請外部專業審計機構對本公司基建項目進行審計，繼續執行分供方評審，並且加強內部成本考核，從而保證成本優勢。本集團於年內除穩固國內市場之份額，亦積極開拓海外市場。

### 其他收益及得益

截至二零一二年十二月三十一日止年度，本集團錄得政府補助約人民幣6,023,000元（截至二零一一年十二月三十一日止年度：人民幣4,510,000元）。

### 銷售及分銷成本

截至二零一二年十二月三十一日止年度，本集團之銷售及分銷成本約為人民幣34,358,000元（截至二零一一年十二月三十一日止年度：人民幣30,268,000元），佔營業額約4.8%（截至二零一一年十二月三十一日止年度：4.3%）。銷售成本增加主要由於本集團期內加大市場推廣力度，增加市場推廣費，以及出口量增加、海運費上漲導致運費支出增加。

# Management Discussion and Analysis

## 管理層討論及分析

### Administrative Expenses

For the year ended 31 December 2012, the Group's administrative expenses amounted to approximately RMB39,821,000 (for the year ended 31 December 2011: RMB39,191,000), representing an increase of approximately 1.6% as compared to the corresponding period last year. Administrative expenses increased mainly due to the increase in staff salaries.

### Finance Costs

For the year ended 31 December 2012, finance costs were approximately RMB12,848,000 (for the year ended 31 December 2011: RMB14,720,000), representing a decrease of approximately 12.7%. The decrease in finance costs was mainly due to the decrease in average bank loans as compared to last year.

### Share of Profits and Losses of an Associate

For the year ended 31 December 2012, share of losses of Huaning Flax Electronic Business (Zhejiang) Co., Ltd. (浙江華凝亞麻電子商務有限公司), an associate established on 28 December 2009 in China principally engaging in sale of linen yarn products and provision of transaction services, was approximately RMB285,000 (for the year ended 31 December 2011: share of profits RMB17,000).

### Profit Attributable to Owners of the Parent

For the year ended 31 December 2012, the Group recorded a profit attributable to owners of the parent of approximately RMB94,180,000 (for the year ended 31 December 2011: RMB103,139,000), representing a decrease of 8.7% as compared with the corresponding period last year. The decrease was primarily attributable to decrease in overall gross profit margin.

### 行政開支

截至二零一二年十二月三十一日止年度，本集團之行政開支約為人民幣39,821,000元（截至二零一一年十二月三十一日止年度：人民幣39,191,000元），較去年同期增加約1.6%，主要由於職工薪金增加所致。

### 財務成本

截至二零一二年十二月三十一日止年度，財務成本約為人民幣12,848,000元（截至二零一一年十二月三十一日止年度：人民幣14,720,000元），下降約12.7%。財務成本減少主要由於平均銀行貸款金額相比去年減少所致。

### 應佔一間聯營公司溢利及虧損

截至二零一二年十二月三十一日止年度，應佔聯營公司浙江華凝亞麻電子商務有限公司虧損約為人民幣285,000元（截至二零一一年十二月三十一日止年度：應佔溢利人民幣17,000元）。該聯營公司於二零零九年十二月二十八日於中國成立，主要業務為銷售亞麻紗產品及提供交易服務。

### 母公司擁有人應佔溢利

截至二零一二年十二月三十一日止年度，本集團之母公司擁有人應佔溢利對比去年同期下降8.7%至約人民幣94,180,000元（截至二零一一年十二月三十一日止年度：人民幣103,139,000元），主要因為整體毛利率下跌。

# Management Discussion and Analysis

## 管理層討論及分析

### Intangible Assets

As at 31 December 2012, the Group's intangible assets were sewage rights granted during the year for a term of 20 years, which amounted to RMB10,818,000 (31 December 2011: RMB11,323,000). Intangible assets are subject to amortization based on their useful lives. For the year ended 31 December 2012, amortization of intangible assets was approximately RMB599,000 (for the year ended 31 December 2011: RMB596,000).

### Trade and Notes Receivables

As at 31 December 2012, trade and notes receivables of the Group increased by 46.0% to RMB218,077,000 (31 December 2011: RMB149,338,000). The significant increase in trade receivable was mainly attributable to the increase in sales in the fourth quarter of 2012 as compared to the corresponding period last year. Furthermore, with the tightening liquidity of domestic customers due to the slowdown of PRC economy, notes receivables of the Group increased sharply.

### Trade Payables

As at 31 December 2012, trade payables of the Group were approximately RMB43,186,000 (31 December 2011: RMB58,349,000), representing a significant drop of 26.0%. Such decrease was mainly due to the Group's fewer purchases of raw materials in the fourth quarter of 2012 as compared to the corresponding period last year.

### Interest-bearing Bank Loans

As at 31 December 2012, the Group's interest-bearing bank loans amounted to approximately RMB215,684,000 (31 December 2011: RMB164,100,000), representing a significant increase of 31.4%, mainly reflecting the Company's normal requirement for working capital.

### 無形資產

於二零一二年十二月三十一日，本集團之無形資產為於年內獲取為期20年之排污權，金額為人民幣10,818,000元（二零一一年十二月三十一日：人民幣11,323,000元）。無形資產按其可使用年期作攤銷。截至二零一二年十二月三十一日止年度，無形資產攤銷約為人民幣599,000元（截至二零一一年十二月三十一日止年度：人民幣596,000元）。

### 應收貿易賬款及應收票據

於二零一二年十二月三十一日，本集團之應收貿易賬款及應收票據增加46.0%至人民幣218,077,000元（二零一一年十二月三十一日：人民幣149,338,000元）。應收貿易賬款大幅增加主要是由於二零一二年第四季之銷售額較去年同期上升所致。再者，鑑於中國經濟增長放緩，國內客戶之資金流通量收緊，令本集團之應收票據金額急增。

### 應付貿易賬款

於二零一二年十二月三十一日，本集團之應付貿易賬款大幅下降26.0%至約人民幣43,186,000元（二零一一年十二月三十一日：人民幣58,349,000元），主要因為本集團於二零一二年第四季度採購原材料同比下降。

### 計息銀行貸款

於二零一二年十二月三十一日，本集團之計息銀行貸款顯著增加31.4%至約人民幣215,684,000元（二零一一年十二月三十一日：人民幣164,100,000元），主要反映公司的正常營運資金所需。

# Management Discussion and Analysis

## 管理層討論及分析

### Liquidity and Financial Resources

As at 31 December 2012, the Group had net current assets of approximately RMB385,792,000 (31 December 2011: RMB333,629,000). The Group financed its operations with internally generated resources and bank loans during the year ended 31 December 2012. As at 31 December 2012, the Group had cash and bank deposits of approximately RMB163,643,000 (31 December 2011: RMB163,502,000). The liquidity ratio of the Group as at 31 December 2012 was approximately 222.1% (31 December 2011: 221.0%). Shareholders' fund of the Group as at 31 December 2012 was approximately RMB822,879,000 (31 December 2011: RMB761,863,000).

As at 31 December 2012, the Group had bank loans repayable within 12 months from the statement of financial position date of approximately RMB215,684,000 (31 December 2011: RMB164,100,000) and no long-term loans (31 December 2011: Nil). Together they represented a gross debt gearing (i.e. total borrowings/shareholders' funds) of approximately 19.9% (31 December 2011: 21.5%).

### CAPITAL COMMITMENTS

As at 31 December 2012, outstanding contractual capital commitments of the Group in respect of purchase of property, plant and equipment not provided for in the annual financial statements amounted to approximately RMB80,526,000 (31 December 2011: RMB977,000).

### CONTINGENT LIABILITIES

As at 31 December 2012, the Group did not have any contingent liabilities.

### 流動資金及財務資源

於二零一二年十二月三十一日，本集團之流動資產淨值約為人民幣385,792,000元（二零一一年十二月三十一日：333,629,000元）。本集團於截至二零一二年十二月三十一日止年度透過內部資源及銀行貸款為其營運提供資金。於二零一二年十二月三十一日，本集團之現金及銀行存款約為人民幣163,643,000元（二零一一年十二月三十一日：人民幣163,502,000元）。本集團於二零一二年十二月三十一日之流動比率約為222.1%（二零一一年十二月三十一日：221.0%）。本集團於二零一二年十二月三十一日之股東資金約為人民幣822,879,000元（二零一一年十二月三十一日：人民幣761,863,000元）。

於二零一二年十二月三十一日，本集團須於結算日起計十二個月內償還之銀行貸款約為人民幣215,684,000元（二零一一年十二月三十一日：人民幣164,100,000元），並無長期貸款（二零一一年十二月三十一日：無）。兩者反映之總資本負債比率（即總借貸／股東資金）約為19.9%（二零一一年十二月三十一日：21.5%）。

### 資本承擔

於二零一二年十二月三十一日，本集團未在全年財務報表內計提就購買物業、廠房及設備之未償還合約資本承擔約為人民幣80,526,000元（二零一一年十二月三十一日：人民幣977,000元）。

### 或有負債

於二零一二年十二月三十一日，本集團並無或有負債。

# Management Discussion and Analysis

## 管理層討論及分析

### CHARGE OF ASSETS

As at 31 December 2012, the interest-bearing bank loans were secured by certain property, plant and equipment, prepaid land lease payments, inventories and pledged deposits of the Group with carrying amounts of RMB43,770,000 (2011: RMB48,470,000), RMB28,031,000 (2011: RMB28,738,000), RMB52,302,000 (2011: RMB40,000,000) and RMB35,900,000 (2011: RMB37,600,000), respectively.

### MATERIAL INVESTMENTS

During the year ended 31 December 2012, the Group made an investment of RMB45 million for the establishment of Zhejiang Jinda Flax Co., Ltd. (浙江金達亞麻有限公司), an indirect wholly-owned subsidiary of the Company.

### FOREIGN CURRENCY RISK

The Group's transactions are mainly denominated in RMB, United States Dollars, Euro and Hong Kong Dollars. The exchange rate changes of such currencies were monitored regularly and managed appropriately. Currently, the Company also has certain foreign currency forward contracts entered into by utilizing its credit line, and derivative financial instruments of approximately RMB68,000 (31 December 2011: RMB1,033,000) was recognized by the Group as assets as at 31 December 2012.

### 資產抵押

於二零一二年十二月三十一日，計息銀行貸款以本集團賬面金額分別人民幣43,770,000元（二零一一年：人民幣48,470,000元）、人民幣28,031,000元（二零一一年：人民幣28,738,000元）、人民幣52,302,000元（二零一一年：人民幣40,000,000元）及人民幣35,900,000元（二零一一年：人民幣37,600,000元）之若干物業、廠房及設備、土地租賃預付款項、存貨及已抵押存款作抵押。

### 重大投資

截至二零一二年十二月三十一日止年度，本集團投資設立浙江金達亞麻有限公司（本公司之間接全資附屬公司）已投入資金人民幣45,000,000元。

### 外幣風險

本集團之交易主要以人民幣、美元、歐元及港元為單位。本集團定期監察該等貨幣之間的匯率變動，並作出妥善管理。目前，本公司亦運用信貸額訂立了部分外幣遠期合約，而於二零一二年十二月三十一日，本集團已確認之衍生金融工具資產約為人民幣68,000元（二零一一年十二月三十一日：人民幣1,033,000元）。

# Management Discussion and Analysis

## 管理層討論及分析

### REMUNERATION POLICY AND SHARE OPTION SCHEME

As at 31 December 2012, the Group had a total of 2,150 employees (31 December 2011: 2,237 employees). Total staff costs incurred for the year ended 31 December 2012 amounted to RMB102,195,000 (for the year ended 31 December 2011: RMB101,039,000), representing an increase of 1.1%, which was mainly because of the rise in the Group's remuneration, offset by the decrease in the number of staff during the year.

The Group offers comprehensive and competitive remuneration, retirement scheme and benefit packages to its employees. The Group is required to make contributions to a social security scheme in China. Moreover, the Group and its employees in China are each required to make contributions to fund pension insurance and unemployment insurance at rates specified in the relevant laws and regulations in China.

The remuneration policy for the employees of the Group is formulated by the Board with reference to the employee's respective qualification, experience, responsibilities and contributions to the Group, as well as the prevailing market rate of remuneration for a similar position. The remunerations of the directors of the Company (the "Directors") are determined by the Board and the remuneration committee of the Company (the "Remuneration Committee") with the mandate given by the shareholders at the annual general meeting having regard to the Group's operating results, individual performance and comparable market statistics. The Group also provides both internal and external training programmes for its employees from time to time.

The Group has also adopted a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to the Directors, including independent non-executive Directors, and other employees of the Group who have contributed to the success of the Group's operations.

### 薪酬政策及購股權計劃

於二零一二年十二月三十一日，本集團合共聘有2,150名僱員（二零一一年十二月三十一日：2,237名僱員）。截至二零一二年十二月三十一日止年度產生之僱員總成本達人民幣102,195,000元（截至二零一一年十二月三十一日止年度：人民幣101,039,000元），上升1.1%，主要原因為本集團薪酬上升，而升幅為年內員工人數減少所抵銷。

本集團為其僱員提供全面及具吸引力之薪酬、退休計劃及福利。本集團須向中國社會保障計劃供款。此外，本集團及其中國僱員須各自按有關中國法例及法規訂明之水平向養老保險及失業保險作出供款。

本集團僱員之薪酬政策由董事會參照各僱員的資歷、經驗、所承擔責任、對本集團之貢獻及類似職位之現行市場薪酬水平而釐定。董事會及本公司薪酬委員會（「薪酬委員會」）獲股東於股東週年大會上授權，根據本集團經營業績、本公司董事（「董事」）個別表現及可比較市場數據而釐定董事薪酬。本集團亦不時為其僱員提供內部及外部培訓課程。

本集團亦設有購股權計劃（「計劃」），目的為向對本集團業務之成功作出貢獻之董事（包括獨立非執行董事）及本集團之其他僱員提供激勵及獎勵。

## Management Discussion and Analysis 管理層討論及分析

The Company granted 9,100,000 share options under the Scheme on 9 July 2010. The Group recognized a share option expense of HK\$948,000, equivalent to approximately RMB771,000 (2011: RMB1,028,000) during the year ended 31 December 2012. The 3,640,000 share options exercised during the year resulted in the issue of 3,640,000 ordinary shares of the Company and new share capital of HK\$36,400 equivalent to approximately RMB29,000 and share premium of HK\$2,596,000 equivalent to approximately RMB2,180,000.

As at 31 December 2012, the Company had 5,460,000 share options outstanding under the Scheme which represented approximately 0.87% of the Company's shares in issue, outstanding under the Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, results in the issue of 5,460,000 additional ordinary shares of the Company and additional share capital of HK\$54,600, equivalent to approximately RMB44,000, and share premium of HK\$2,129,400, equivalent to approximately RMB1,732,000 (before issue expenses).

### PROSPECTS

#### Prospects and Plans

Recognized for offering supreme ventilation, moisture absorption, anti-bacterial quality and comfort, linen textiles are emerging under the spotlight of large fashion and household textile brands. Apart from traditional uses in woven textiles, the Group has also noted the increasing application of linen yarn in knitted fabrics, and believes that knitted fabric will become a key growth driver in the next few years. As a result of the development and growth of the linen textile industry, many new and blended fibers were introduced into the market. The Group believes that this trend will promote the expansion of linen yarn use as well as the steady growth of the linen yarn market. Being a leader in the linen yarn industry, the Group has always endeavored to promote the use of linen yarn. Through persistent development of new products and expansion in the domestic and overseas markets, the Group is poised to seize any opportunity and surmount any challenge in the future.

本公司於二零一零年七月九日根據計劃授出9,100,000份購股權。截至二零一二年十二月三十一日止年度，本集團已確認購股權開支948,000港元，相等於約人民幣771,000元（二零一一年：人民幣1,028,000元）。3,640,000份購股權於年內獲行使，導致發行3,640,000股本公司普通股，並產生新股本36,400港元（相等於約人民幣29,000元）及股份溢價2,596,000港元（相等於約人民幣2,180,000元）。

於二零一二年十二月三十一日，本公司計劃項下有5,460,000份尚未行使購股權，佔本公司已發行股份約0.87%。按照本公司現時的資本架構，尚未行使購股權獲全數行使將導致發行5,460,000股本公司額外普通股，並產生額外股本54,600港元（相等於約人民幣44,000元）及股份溢價2,129,400港元（相等於約人民幣1,732,000元）（未計發行開支）。

### 展望

#### 前景及計劃

亞麻紡織品以其優良的透氣、吸濕、抗菌和舒適等特點正逐漸受到大型流行服飾品牌和家用紡織品牌的關注。除了傳統上用於梳織面料，本集團注意到亞麻紗在針織面料的應用上也越加廣泛，相信將成為未來數年的一大增長動力。與此同時，隨着亞麻紡織業的發展與壯大，各色新型／混紡面料相繼推出，我們相信，這將有利於拓寬亞麻紗的應用基礎，推動亞麻紗市場穩步成長。本集團作為亞麻紗行業的龍頭，一直致力推動亞麻紗的應用和推廣。透過不斷研發新產品和努力開發國內外市場，我們積極裝備自己以迎接未來的機遇和挑戰。



## Management Discussion and Analysis 管理層討論及分析

Dope-dyed fiber, another high-value added product of the Group, has been introduced in January 2013. Dope-dyed fiber is produced by adding a dyeing process to the original spinning procedures so as to adapt the single-colored linen yarn to be used in the production of a wider selection of fabrics for better uses in the fashion industry. None of the large-scale producers in China currently offer this product. Therefore, the Group is the pioneer in this market and will aggressively market dope-dyed fiber. It plans to use 1/4 of its production capacity to produce this product. In the future, the Group will focus on the high-end market and accelerate the commercialization of new technologies in order to get an edge in the competition. The Group will also expand its production capacity in tandem with product innovation with the aim of equipping itself for greater market share. The third production base of the Group will commence production in the first quarter of 2014 and bring the Group's total production capacity to 18,000 tonnes. At the same time, the Group is actively exploring opportunities in the Yangtze River Delta region for better resources consolidation and core business enhancement.

The Chinese government has lowered the rate of import tariff on linen raw material from 6% to 1% since 2010 which has boosted the competitiveness of Chinese linen yarn producers. The Group is fully committed to the development and promotion of applications and uses of linen yarn in the overseas market with its position as the leader in the industry. In addition to the existing markets, the Group will also set foot in the promising markets in Eastern Europe, such as Belarus, Lithuania and Ukraine. The Group has made the first move in 2012 and visited and studied the linen textile industry in Belarus. It will actively explore the markets in Eastern Europe with a view to establishing new sales channels before all else. Leveraging its established production capacity, advanced manufacturing techniques and comprehensive sales network, the Group will continue to develop applications of linen yarn and lead the global linen yarn market.

本集團的另一項高附加值產品色紡紗已經於二零一三年一月推出。色紡紗是在原有的紡紗程序上加上染色步驟，使原本色彩單一的亞麻紗產品能更廣泛的應用於生產各種面料，更適應流行服飾的要求。目前，中國市場上尚未有具規模的生產商供應此項產品，而本集團已取得市場先機，將大力推動色紡紗的銷售並計劃將產能的1/4用於生產此項產品。未來，本集團將集中開發高端產品市場，加快新技術成果轉化利用，進一步擴大競爭優勢。配合產品創新的步伐，本集團也將擴張產能，為搶佔市場份額作好準備。我們的第三個生產基地將在二零一四年第一季度投產，提升總產能至18,000噸。與此同時本公司在長三角地區積極尋找機會進行資源整合，做強主業。

二零一零年至今，中國政府逐步將亞麻原材料的進口關稅從6%下調至1%，為中國的亞麻紗生產企業營造更具競爭力的經營環境。本集團作為行業龍頭，更應該發揮影響力，積極開拓海外市場，從而推廣亞麻紗的應用與發展。除了目前已開發的市場外，本集團也將眼光放在極具潛力的東歐市場如白俄羅斯、立陶宛和烏克蘭等。二零一二年，我們已經邁出第一步，前往白俄羅斯考察當地的亞麻紡織市場。未來我們將積極與其它東歐市場接觸，力求爭得先機，進一步進駐開拓銷售管道。借助本集團的具規模的生產能力、優秀的生產工藝、完善的銷售網絡，我們將繼續拓寬亞麻紗的應用領域，領導全球亞麻紗市場的發展。





## Directors and Senior Management 董事及高級管理層

### DIRECTORS

#### Executive Directors

**Mr. Ren Wei Ming** (任維明), aged 53, is the chairman of the Group and an executive Director. Mr. Ren is responsible for the overall management of the Group and making decisions on the business development strategy of the Group. Mr. Ren has worked in the silk and textiles industry since 1979. He has been the chairman and general manager of Zhejiang Kingdom Creative Co., Ltd. ("Kingdom Creative") since 2000. Mr. Ren started to engage in the linen yarn manufacturing business through Haiyan Ziwei Flax Co., Ltd. ("Haiyan Ziwei") in December 2001 as its director. He joined the Group in March 2003 when the first operating member of the Group, Zhejiang Jinyuan Flax Co., Ltd. ("Zhejiang Jinyuan") was established. He obtained various awards including National Township Entrepreneur awarded by the Ministry of Agriculture of the PRC. Mr. Ren is currently the vice-president of China Bast and Leaf Fibers Textile Association, National Excellent Young Factory Manager, Zhejiang Provincial Excellent Entrepreneur, the vice-president of The Hong Kong General Chamber of Textiles Ltd. and Representative of the 9th and 10th National People's Congress of Zhejiang Province. He is also a director of Kingdom Investment Holdings Limited with discloseable interests in the shares of the Company under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (the "SFO"). For further details, please refer to pages 33 to 36 of this annual report.

**Mr. Shen Yueming** (沈躍明), aged 51, is an executive Director. He is also a director and general manager of Zhejiang Jinyuan and a director and general manager of Jiangsu Jinyuan Flax Co. Ltd. ("Jiangsu Jinyuan"). Mr. Shen is responsible for the day-to-day operations and management of the Group and also takes part in the decision making of the Group. He has been a director of Kingdom Creative since April 2000. He was then appointed as director of Haiyan Ziwei in December 2001, before joining the Group in March 2003.

**Mr. Zhang Hong Wen** (張鴻文), aged 46, is an executive Director. Mr. Zhang is the director and financial controller of Zhejiang Jinyuan and Jiangsu Jinyuan. Before joining the Group in 2003, Mr. Zhang was the assistant to the general manager and the head of capital clearing division of Kingdom Creative from 2000 to 2002.

### 董事

#### 執行董事

**任維明先生**，現年五十三歲，本集團主席兼執行董事。任先生負責本集團一切管理事宜，並為本集團業務發展計劃的決策人。任先生自一九七九年起投身絲綢及紡織行業。彼自二零零零年起擔任浙江金達創業股份有限公司（「金達創業」）主席兼總經理。藉擔任海鹽紫薇亞麻有限公司（「海鹽紫薇」）的董事，任先生於二零零一年十二月開始從事製造亞麻紗業務。彼於二零零三年三月（即本集團首間營運成員公司浙江金元亞麻有限公司（「浙江金元」）成立之時）加入本集團。彼曾獲得許多獎項，包括「中國農業部全國鄉鎮企業家」。任先生現為中國麻紡行業協會副會長、全國優秀青年廠長、浙江省優秀企業經營者、香港紡織商會副會長及浙江省第九屆、十屆人民代表大會代表。彼亦擔任Kingdom Investment Holdings Limited的董事，該公司於本公司股份中擁有根據證券及期貨條例（「證券及期貨條例」）第XV部第2及第3分部條文須予披露的權益。更多詳情請參閱本年報第33頁至第36頁。

**沈躍明先生**，現年五十一歲，執行董事。彼亦為浙江金元及江蘇金元亞麻有限公司（「江蘇金元」）的董事及總經理。沈先生負責本集團日常營運及管理事宜，亦參與本集團決策。彼自二零零零年四月起擔任金達創業的董事。於二零零三年三月加入本集團前，彼於二零零一年十二月獲委任為海鹽紫薇的董事。

**張鴻文先生**，現年四十六歲，執行董事。張先生為浙江金元及江蘇金元的董事及財務總監。於二零零三年加入本集團之前，張先生於二零零零年至二零零二年為金達創業的總經理助理兼資金結算部的主管。

## Directors and Senior Management 董事及高級管理層

### Non-executive Directors

**Mr. Ngan Kam Wai Albert** (顏金煒), aged 63, is a non-executive Director. Mr. Ngan is the chairman of Millionfull Company Limited, a company incorporated in Hong Kong engaged in the trading of linen and linen blend textiles. Mr. Ngan has been a member of the 9th and 10th Fujian Provincial People's Political Consultative Conference since 2003 and vice-chairman of Po Leung Kuk from April 2010 to March 2012. He was the president of The Hong Kong General Chamber of Textiles Ltd. from September 2009 to August 2011 and has been appointed permanent honorary chairman of The Hong Kong General Chamber of Textiles Ltd. in September 2011 and a director of HuaQiao University in 2002. On 22 November 2011, he became a member of the Election Committee of the Chief Executive Election of the Hong Kong Special Administrative Region. He joined the Group in September 2004. He is also chairman of the board of directors of Millionfull International Co., Ltd which has disclosable interests in the shares of the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO. For further details, please refer to pages 33 to 36 of this annual report.

**Mr. Tse Chau Shing Mark** (謝宙勝), aged 60, is a non-executive Director. Mr. Tse joined the Group in May 2009. He is currently an independent business consultant and investor. Mr. Tse was previously employed under various banking titles at The First National Bank of Chicago (now part of JP Morgan Chase, a company listed on the New York Stock Exchange) from 1975 to 1980, and subsequently as a director of Hill Samuel Merchant Bank (now part of Lloyds Bank plc, a company quoted on the London Stock Exchange) till 1987. He was appointed as the managing director of Tractebel Pacific Limited in 1987 and remained full time in this position until 1993. Since 1994, Mr. Tse has worked as an independent business consultant for over 20 multinational companies on different assignments. He has 20 years of experience in advising European and US companies on joint ventures in China and South East Asia. Among his various duties, Mr. Tse is also senior advisor of Caledonia Investments plc, a company listed on the London Stock Exchange and a shareholder of the Company. He obtained bachelor and master degrees in Engineering from University of Cambridge and a master degree in Business Administration from University of Chicago. Mr. Tse has disclosable personal interests in the shares of the Company under the provisions of Division 3 of Part XV of the SFO. For further details, please refer to page 33 to 36 of this annual report.

### 非執行董事

**顏金煒先生**，現年六十三歲，非執行董事。顏先生擔任億裕有限公司主席。該公司在香港註冊成立，從事亞麻及亞麻混合纖維紡織品買賣。顏先生自二零零三年起為中國人民政治協商會議福建省第九屆及第十屆委員會成員及自二零一零年四月起至二零一二年三月為香港保良局副主席。彼於二零零九年九月至二零一一年八月期間出任香港紡織商會會長，並於二零一一年九月獲委任為香港紡織商會永遠榮譽會長及於二零零二年獲委任為華僑大學的理事。彼於二零一一年十一月二十二日當選為香港特別行政區行政長官選舉委員會委員。彼於二零零四年九月加入本集團。彼亦為Millionfull International Co., Ltd的董事會主席，該公司於本公司股份中擁有根據證券及期貨條例第XV部第2及第3分部條文須予披露的權益。更多詳情請參閱本年報第33頁至第36頁。

**謝宙勝先生**，現年六十歲，非執行董事。謝先生於二零零九年五月加入本集團。彼現為獨立商業顧問兼投資者。謝先生過往曾受聘出任多間銀行的不同職位。於一九七五年至一九八零年期間，彼於The First National Bank of Chicago (現為紐約證券交易所上市的公司JP Morgan Chase的分部)任職，其後，彼出任Hill Samuel Merchant Bank (現為倫敦證券交易所報價的公司Lloyds Bank plc的分部)的董事，直至一九八七年。於一九八七年，彼獲委任為Tractebel Pacific Limited的董事總經理，並全職擔任此職位直至一九九三年。自一九九四年起，謝先生已替超過20家跨國公司就不同項目擔任獨立商業顧問。謝先生擁有20年向歐洲及美國公司提供有關中國及東南亞合營企業意見的經驗。在眾多職位中，謝先生亦擔任Caledonia Investments plc (一間在倫敦證券交易所上市的公司，並為本公司股東)的高級顧問。謝先生取得劍橋大學工程學士學位及工程碩士學位，並取得芝加哥大學工商管理碩士學位。謝先生於本公司股份中擁有根據證券及期貨條例第XV部第3分部條文須予披露的個人權益。更多詳情請參閱本年報第33頁至第36頁。

## Directors and Senior Management 董事及高級管理層

### Independent non-executive Directors

**Mr. Yang Donghui** (楊東輝), aged 67, is an independent non-executive Director. Mr. Yang has been working in the China National Textile & Apparel Council (formerly known as the China Textile Industry Department and China Textile General Chambers) since 1977 and is currently the vice president of this organisation. He has been the president of the National Association of Domestic Textile Products Industry since 1999. He has been an independent non-executive director of Luolai Home Textile Co., Ltd. (Stock Code: 002293), a company listed on the Main Board of the Shenzhen Stock Exchange ("SZSE"), since 7 July 2007, Hunan Mendale Hometextile Co., Ltd. (Stock Code: 002397), a company listed on the Main Board of the SZSE, since 5 March 2007 and Zhejiang Golden Eagle Co., Ltd. (Stock Code: 600232), a company listed on the Main Board of the Shanghai Stock Exchange, since June 2008. Mr. Yang joined the Group in November 2006. He graduated from Department of Chemical Engineering of Tsinghua University in 1970.

**Mr. Lau Ying Kit** (劉英傑), aged 40, is an independent non-executive Director. Mr. Lau is currently the chief financial officer and company secretary of Great Harvest Maeta Group Holdings Limited (Stock Code: 03683), a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and a director of Adex Mining Inc. (Stock Code: ade), a listed company listed on the TSX Venture Exchange in Canada. Mr. Lau is a fellow member of the Hong Kong Institute of Certified Public Accountants and holds a Master's Degree in Finance from the City University of Hong Kong. He has more than 14 years of experience in financial and accounting in China and Hong Kong. He joined the Group in November 2006.

**Mr. Lo Kwong Shun Wilson** (羅廣信), aged 39, is an independent non-executive Director. Mr. Lo has more than 10 years of working experience in investment banking and advising on corporate finance. Mr. Lo is currently an executive director and a deputy general manager of Guotai Junan Capital Limited. Mr. Lo also had three years of experience in the field of auditing and accounting. Mr. Lo is a member of the American Institute of CPA and a member of the Hong Kong Institute of Certified Public Accountants. He obtained his bachelor degree in commerce from University of British Columbia in 1995. He joined the Group in May 2010.

### 獨立非執行董事

**楊東輝先生**，現年六十七歲，獨立非執行董事。楊先生自一九七七年加入中國紡織工業協會（前為中國紡織工業部及中國紡織總會），現時為此組織的副會長。自一九九九年，彼擔任中國家用紡織品行業協會的會長。楊先生自二零零七年七月七日起擔任羅萊家紡股份有限公司（股份代號：002293，一間在深圳證券交易所（「深交所」）主板上市的公司）的獨立非執行董事，自二零零七年三月五日起擔任湖南夢潔家紡股份有限公司（股份代號：002397，一間在深交所主板上市的公司）的獨立非執行董事，自二零零八年六月起擔任浙江金鷹股份有限公司（股份代號：600232，一間在上海證券交易所主板上市的公司）的獨立非執行董事。楊先生於二零零六年十一月加入本集團。楊先生於一九七零年畢業於清華大學工程化學系。

**劉英傑先生**，現年四十歲，獨立非執行董事。劉先生現為榮豐聯合控股有限公司（股份代號：03683，一間在香港聯合交易所有限公司（「聯交所」）主板上市的公司）的首席財務官兼公司秘書，同時也擔任Adex Mining Inc.（股份代號：ade，一間於加拿大多倫多創業交易所上市的公司）的董事。劉先生是香港會計師公會資深會員，並持有香港城市大學金融學碩士學位。彼於中國和香港擁有超過14年金融及會計經驗。彼於二零零六年十一月加入本集團。

**羅廣信先生**，現年三十九歲，獨立非執行董事。羅先生於投資銀行及企業融資顧問方面擁有超過十年經驗。羅先生現時為國泰君安融資有限公司之執行董事及副總經理。羅先生亦擁有三年核數及會計經驗。羅先生為美國會計師公會及香港會計師公會會員。彼於一九九五年獲取英屬哥倫比亞大學商科學士學位。彼於二零一零年五月加入本集團。



## Directors and Senior Management 董事及高級管理層

### COMPANY SECRETARY

**Ms. Chan Ching Yi** (陳靜儀), aged 38, is the company secretary of the Company. Ms. Chan is a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. She has over 16 years of experience in auditing, accounting and finance in an international accounting firm and listed companies. She is currently the company secretary of Zheda Lande Scitech Limited (Stock Code: 8106), a company listed on the Growth Enterprise Market of the Stock Exchange and the company secretary of ShiFang Holding Limited (Stock Code: 1831), a company listed on the Main Board of the Stock Exchange. Ms. Chan joined the Group in August 2010.

### SENIOR MANAGEMENT

**Ms. Shen Hong** (沈鴻), aged 46, is the internal audit controller of the Group. She completed her professional accounting studies at Zhejiang Long March Finance School and has more than 16 years of experience in finance. Before joining the Group in March 2003, she worked in Kingdom Creative as the head of finance management department.

### 公司秘書

**陳靜儀女士**，現年三十八歲，本公司的公司秘書。陳女士為香港會計師公會會員，並為英國特許公認會計師公會資深會員。彼於一間國際會計師行及多間上市公司累積逾16年審計、會計及財務經驗。彼現為浙江浙大網新蘭德科技股份有限公司（股份代號：8106，一間在聯交所創業板上市的公司）的公司秘書，並為十方控股有限公司（股份代號：1831，一間在聯交所主板上市的公司）的公司秘書。陳女士於二零一零年八月加入本集團。

### 高級管理層

**沈鴻女士**，現年四十六歲，本集團的內部核數總監。沈女士於浙江長征財經進修學院完成會計專業課程並擁有逾16年的財經經驗。於二零零三年三月加入本集團之前，彼在金達創業工作，任職財務管理部門主管。

# Report of the Directors

## 董事會報告

It is the Board's pleasure in presenting their annual report on the affairs of the Group together with the audited financial statements for the year ended 31 December 2012.

### PRINCIPAL ACTIVITIES

The Company is an investment holding company. The activities of its principal subsidiaries are set out in note 17 to the financial statements.

### RESULTS

The results of the Group for the year are set out in the consolidated income statement on page 60.

### DIVIDEND

At a meeting of the Board held on 15 March 2013, the Board recommended the payment of a final dividend of HK7 cents per ordinary share of the Company for the year ended 31 December 2012. The proposed final dividend, if approved by the shareholders at the forthcoming annual general meeting of the Company, will be paid to the shareholders whose names appear on the register of members of the Company on 17 June 2013.

### RESERVES

Movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity on page 64.

### DISTRIBUTABLE RESERVES

As at 31 December 2012, the Company's distributable reserves calculated under the Companies Law of the Cayman Islands amounted to RMB640,394,000 (31 December 2011: RMB639,470,000).

### DONATIONS

Charitable and other donations made by the Group during the year ended 31 December 2012 amounted to approximately RMB754,300 (31 December 2011: RMB742,800).

董事會欣然提呈本集團截至二零一二年十二月三十一日止年度有關其事務的年報連同經審核財務報表。

### 主要業務

本公司是一家投資控股公司，其主要附屬公司的業務載於財務報表附註17。

### 業績

本集團年度業績載於第60頁的合併損益表。

### 股息

於二零一三年三月十五日舉行之董事會會議上，董事會建議派發截至二零一二年十二月三十一日止年度末期股息每股本公司普通股7港仙。如股東於本公司應屆股東週年大會上批准，建議末期股息將向於二零一三年六月十七日名列本公司股東名冊之股東派付。

### 儲備

本集團於年內的儲備變動載於第64頁的合併權益變動表。

### 可分派儲備

於二零一二年十二月三十一日，本公司根據開曼群島公司法計算的可分派儲備達人民幣640,394,000元（二零一一年十二月三十一日：人民幣639,470,000元）。

### 捐款

本集團於截至二零一二年十二月三十一日止年度作出的慈善及其他捐款約人民幣754,300元（二零一一年十二月三十一日：人民幣742,800元）。



## SHARE CAPITAL

Details of the movements in the share capital of the Group are set out in note 30 to the financial statements.

## FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 10.

## PROPERTY, PLANT AND EQUIPMENT

During the financial year ended 31 December 2012, the Group acquired property, plant and equipment of approximately RMB37,970,000. Details of the movements are set out in note 14 to the financial statements.

## DIRECTORS

During the year ended 31 December 2012 and up to the date of this report, the Directors were:

### Executive Directors

Mr. Ren Wei Ming (*Chairman*)  
Mr. Shen Yueming  
Mr. Zhang Hong Wen

### Non-executive Directors

Mr. Ngan Kam Wai Albert  
Mr. Tse Chau Shing Mark

### Independent non-executive Directors

Mr. Yang Donghui  
Mr. Lau Ying Kit  
Mr. Lo Kwong Shun Wilson

## 股本

本集團股本的變動詳情載於財務報表附註30。

## 財務摘要

本集團在過去五個財政年度的業績及資產和負債的概要載於第10頁。

## 物業、廠房及設備

截至二零一二年十二月三十一日止財政年度，本集團增加約人民幣37,970,000元的物業、廠房及設備，變動詳情載於財務報表附註14。

## 董事

於截至二零一二年十二月三十一日止年度內及直至本報告日期的董事如下：

### 執行董事

任維明先生 (*主席*)  
沈躍明先生  
張鴻文先生

### 非執行董事

顏金煒先生  
謝宙勝先生

### 獨立非執行董事

楊東輝先生  
劉英傑先生  
羅廣信先生

# Report of the Directors

## 董事會報告

Pursuant to article 87 of the articles of association of the Company (the "Articles"), one-third of the Directors for the time being (or, if their number is not a multiple of three, then the number nearest to but not less than one-third) shall retire from office by rotation at each annual general meeting of the Company provided that every Director shall be subject to retirement at least once every three years and being eligible offer themselves for re-election. In accordance with article 87 of the Articles, Mr. Zhang Hong Wen, Mr. Ngan Kam Wai Albert and Mr. Lo Kwong Shun Wilson shall retire from office by rotation at the forthcoming annual general meeting. The three retiring Directors, being eligible, will offer themselves for re-election as Directors at the forthcoming annual general meeting.

### DIRECTORS' SERVICE CONTRACTS

None of the Directors who are proposed to be re-elected at the forthcoming annual general meeting has a service contract with the Group which is not determinable within one year without payment of compensation, other than statutory compensation.

### DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contracts of significance in relation to the Group's business to which the Company or its subsidiaries was a party to and in which a Director had a material interest in, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 December 2012 except as disclosed under the section headed "Connected Transactions" below and note 35 to the financial statements.

### INDEPENDENCE OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of its independent non-executive Directors, a confirmation of his independence pursuant to Rule 3.13 of the Rules Governing the Listing of the Stock Exchange (the "Listing Rules") and the Board considers all of the independent non-executive Directors are independent in accordance with Rule 3.13 of the Listing Rules.

### REMUNERATION POLICY

The Remuneration Committee considers and recommends to the Board the remuneration and other benefits paid by the Company to the Directors and senior management. The remuneration of all Directors and senior management is subject to regular monitoring by the Remuneration Committee to ensure that the levels of their remuneration and compensation are appropriate.

Details of Directors' remuneration are set out in note 8 to the financial statements.

根據本公司組織章程細則（「細則」）第87條，於本公司每屆股東週年大會上，當時在任之董事中三分之一（或倘彼等之數目並非三的倍數，則取最接近但不少於三分之一的數目）須輪席退任，惟每名董事須至少每三年退任一次，並可膺選連任。根據細則第87條，張鴻文先生、顏金煒先生及羅廣信先生須於應屆股東週年大會上輪席退任。三名退任董事合資格並願意於應屆股東週年大會上膺選連任為董事。

### 董事的服務合約

擬於應屆股東週年大會上連任的董事概無與本集團訂立不可無須作出賠償（法定賠償除外）而於一年內終止的服務合約。

### 董事於重大合約的權益

於本年度終結時或於截至二零一二年十二月三十一日止年度任何時間，本公司或其附屬公司概無訂立有關本集團業務而董事直接或間接擁有重大權益的重大合約，惟根據以下「關連交易」一節及財務報表附註35所披露者除外。

### 獨立非執行董事的獨立性

本公司已獲各獨立非執行董事根據聯交所證券上市規則（「上市規則」）第3.13條確認其獨立性，董事會認為，根據上市規則第3.13條，全體獨立非執行董事均為獨立人士。

### 薪酬政策

薪酬委員會考慮及向董事會建議本公司支付予董事及高級管理層的薪酬及其他福利。薪酬委員會定期監察所有董事及高級管理層的薪酬，以確保彼等的薪酬及補償水平為合適。

董事酬金的詳情載於財務報表附註8。

# Report of the Directors 董事會報告

The remunerations of the senior management of the Company, during the year ended 31 December 2012 fall within the following bands:

於截至二零一二年十二月三十一日止年度，已付本公司高級管理層的薪酬介乎下列幅度：

RMB0 – RMB500,000                      人民幣0元至人民幣500,000元

Number of senior  
management  
高級管理層人數

2012  
二零一二年

2

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical details of the Directors and senior management are set out on pages 26 to 29.

## 董事及高級管理層的履歷詳情

董事及高級管理層履歷詳情載於第26頁至第29頁。

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2012, the Directors and their associates had the following interests in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of the SFO, which were recorded or required to be recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules:

## 董事及主要行政人員於股份、相關股份及債券擁有的權益及淡倉

於二零一二年十二月三十一日，董事及彼等的聯繫人於本公司及其相聯法團（定義見證券及期貨條例）的股份、相關股份及債券中，擁有根據證券及期貨條例第352條已記入或須記入該條規定存置的登記冊或按照上市規則附錄十所載的上市發行人董事進行證券交易的標準守則（「標準守則」）須知會本公司及聯交所的權益如下：

### Long positions in shares of the Company (the "Shares")

### 本公司股份（「股份」）的好倉

Name of Director	董事姓名	Ordinary shares of HK\$0.01 each 每股面值0.01港元普通股			Approximately percentage of issued share capital (%)
		Personal interests (Note 1)	Corporate interests	Total number of Shares held	
		個人權益 (附註1)	集團權益	所持股份總數	佔已發行股本 概約百分比(%)
Mr. Ren Wei Ming	任維明先生	12,072,000	279,200,000 (Note 2) (附註2)	291,272,000	46.52
Mr. Ngan Kam Wai Albert	顏金煒先生	-	67,000,000 (Note 3) (附註3)	67,000,000	10.70
Mr. Tse Chau Shing Mark	謝宙勝先生	17,550,000	-	17,550,000	2.80

# Report of the Directors

## 董事會報告

### Notes:

1. The Shares are registered under the names of the Directors who are the beneficial shareholders.
2. Mr. Ren Wei Ming holds approximately 76.38% of the issued share capital of Kingdom Investment (BVI) (as defined below). Mr. Ren therefore holds a controlling interest in Kingdom Investment (BVI) and is deemed under the SFO to be interested in the Shares held by Kingdom Investment (BVI).
3. Mr. Ngan Kam Wai Albert and Ms. Ngan Chan Kattie Sau Kat, the spouse of Mr. Ngan, holds approximately 51.00% and 23.00% of the issued share capital of Millionfull International (as defined below) and 50.22% and 22.33% of the issued share capital of Millionfull Company Limited, respectively. Mr. Ngan therefore holds controlling interests in both Millionfull International and Millionfull Company Limited and is deemed under the SFO to be interested in 64,800,000 Shares, i.e. 10.41%, held by Millionfull International and 2,200,000 Shares, i.e. 0.35%, held by Millionfull Company Limited.

### Share options

During the year ended 31 December 2012, no share options were granted to the Directors or any of their associates.

Save as disclosed above, as at 31 December 2012, none of the Directors or their associates had or were deemed to have any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were recorded or required to be recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

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

### 附註：

1. 該等股份以作為受益股東的董事的名義登記。
2. Kingdom Investment (BVI) (定義見下文)由任維明先生持有約76.38%的已發行股本。因此，任先生對Kingdom Investment (BVI)持有控制權益。根據證券及期貨條例，任先生因而被視為於由Kingdom Investment (BVI)持有的股份中擁有權益。
3. Millionfull International (定義見下文)由顏金煒先生及Ngan Chan Kattie Sau Kat女士(顏先生的配偶)分別持有約51.00%及23.00%的已發行股本，而億裕有限公司則由彼等分別持有50.22%及22.33%的已發行股本。因此，顏先生對Millionfull International及億裕有限公司持有控制權益。根據證券及期貨條例，顏先生因而被視為於由Millionfull International持有的64,800,000股股份(即10.41%)及由億裕有限公司持有的2,200,000股股份(即0.35%)中擁有權益。

### 購股權

截至二零一二年十二月三十一日止年度，並無授出購股權予董事或彼等任何的聯繫人。

除以上所披露者外，於二零一二年十二月三十一日，概無董事或彼等的聯繫人於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份及債券中，擁有或被視為擁有根據證券及期貨條例第352條已記入或須記入該條規定存置的登記冊或按照標準守則須知會本公司及聯交所的任何權益或淡倉。

除以上所披露者外，本公司或其任何附屬公司於年內任何時候均無訂立任何安排，使董事以收購本公司或任何其他法人團體的股份或債券的方式獲得利益。

## INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

So far as is known to any Director, as at 31 December 2012, the following persons, other than a Director or chief executive of the Company, had interests or short positions in the shares or underlying shares of the Company which were recorded or required to be recorded in the register required to be kept under Section 336 of the SFO:

### Long positions in Shares

Name of Shareholder	Capacity	Number of Shares	Approximately percentage of issued share capital (%) 佔已發行股本概約百分比(%)
股東名稱	身份	股份數目	
Kingdom Investment Holdings Limited ("Kingdom Investment (BVI)") (Note 1)	Beneficial owner	279,200,000	44.59
Kingdom Investment Holdings Limited ("Kingdom Investment (BVI)") (附註1)	實益擁有人		
Millionfull International Co., Ltd. ("Millionfull International") (Note 2)	Beneficial owner	64,800,000	10.35
Millionfull International Co., Ltd. ("Millionfull International") (附註2)	實益擁有人		
Caledonia Investments plc	Beneficial owner	66,825,000	10.67
Caledonia Investments plc	實益擁有人		

## 主要股東的權益及淡倉

就任何董事目前所知，於二零一二年十二月三十一日，以下人士（本公司董事或主要行政人員除外）於本公司股份或相關股份擁有根據證券及期貨條例第336條已記入或須記入該條規定存置的登記冊的權益或淡倉：

### 股份好倉

# Report of the Directors

## 董事會報告

### Notes:

1. Kingdom Investment (BVI) is owned as to 76.38% by Mr. Ren Wei Ming, an executive Director and substantial shareholder of the Company.
2. Millionfull International is owned as to 51.00% by Mr. Ngan Kam Wai Albert, a non-executive Director, and 23.00% by Ms. Ngan Chan Kattie Sau Kat, the spouse of Mr. Ngan.

Save as disclosed above, as at 31 December 2012, the Company had not been notified by any person, other than a Director or chief executive of the Company, who had interests or short positions in the shares or underlying shares of the Company which were recorded or required to be recorded in the register required to be kept by the Company under section 336 of the SFO.

### SHARE OPTION SCHEME

Pursuant to the written resolutions of the sole shareholder of the Company passed on 15 November 2006, the Company adopted a share option scheme (the "Scheme").

Subject to the terms of the Scheme, the Board may at its discretion grant options to: (i) any Director, employee, consultant, customer, supplier, agent, partner or adviser of or contractor to the Group or a company in which the Group holds an interest or a subsidiary of such company ("Affiliate"); or (ii) the trustee of any trust the beneficiary of which or any discretionary trust the discretionary objects of which include any Director, employee, consultant, professional, customer, supplier, agent, partner or adviser of or contractor to the Group or an Affiliate; or (iii) a company beneficially owned by any Director, employee, consultant, professional, customer, supplier, agent, partner, adviser of or contractor to the Group or an Affiliate.

### 附註:

1. 本公司執行董事兼主要股東任維明先生擁有 Kingdom Investment (BVI) 76.38%的權益。
2. 非執行董事顏金煒先生及Ngan Chan Kattie Sau Kat女士(顏先生的配偶)分別擁有Millionfull International 51.00%及23.00%的權益。

除以上所披露者外,於二零一二年十二月三十一日,本公司並無獲任何人士(本公司董事或主要行政人員除外)知會,其於本公司的股份或相關股份中擁有任何根據證券及期貨條例第336條已記入或須記入該條規定由本公司存置的登記冊的權益或淡倉。

### 購股權計劃

根據本公司唯一股東於二零零六年十一月十五日通過的書面決議案,本公司採納購股權計劃(「計劃」)。

視乎計劃的條款,董事會可自行酌情向下列人士授出購股權:(i)本集團或本集團擁有權益的公司或該等公司的附屬公司(「關聯人士」)任何董事、僱員、顧問、客戶、供應商、代理、業務夥伴或諮詢人或承辦商;或(ii)以本集團或關聯人士任何董事、僱員、顧問、專業人士、客戶、供應商、代理、業務夥伴、諮詢人或承辦商為受益人或酌情對象的信託或酌情信託的受託人;或(iii)本集團或關聯人士任何董事、僱員、顧問、專業人士、客戶、供應商、代理、業務夥伴、諮詢人或承辦商實益擁有的公司。

The overall limit on the 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 schemes must not exceed 30% of the Shares in issue from time to time. Subject to the aforesaid limit, the total number of Shares available for issue under options which may be granted under the Scheme and any other schemes must not, in aggregate, exceed 60,000,000 Shares, being 10% of the issued share capital of the Company as at 12 December 2006, the date of listing of the Shares, unless separate shareholders' approval has been obtained.

The maximum entitlement for any one participant under the Scheme shall not in any 12-month period up to the date of grant exceed 1% of the issued share capital of the Company from time to time.

The period within which the options must be exercised will be specified by the Board at the time of the grant, and must expire no later than 10 years from the effective date of the Scheme.

The subscription price for any Share shall not be less than the highest of (i) the closing price of a share as stated in the Stock Exchange's daily quotations sheet on the date of grant of the relevant option, which must be a business day, (ii) an amount equivalent to the average closing price of a share as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant of the relevant option and (iii) the nominal value of a share.

The Company granted 9,100,000 share options under the Scheme on 9 July 2010. 3,640,000 share options were exercised during the year ended 31 December 2012. As at the date of this report, the Company had 5,460,000 share options outstanding under the Scheme, which represented approximately 0.87% of the Company's Shares in issue.

因行使根據計劃及任何其他計劃授出而尚未行使的所有購股權可發行的股份數目整體上限，合共不得超過不時的已發行股份30%。根據上述的上限，因行使根據計劃及任何其他計劃所授出購股權而可能發行的股份總數，合共不得超過60,000,000股股份（即本公司股份於二零零六年十二月十二日上市當日本公司已發行股本10%），惟獲得股東另行批准則除外。

計劃的任何一名參與者於直至授出日期止的十二個月期間的最高利益不得超過本公司不時已發行股本的1%。

購股權須行使的期間將由董事會於授出時指定，且不得遲於計劃生效日期起10年屆滿。

任何股份的認購價不得低於以下的最高者：(i)授出有關購股權日期聯交所每日報價表所列股份收市價，且該日必須為營業日；(ii)相等於緊接授出有關購股權日期前五個營業日聯交所每日報價表所列股份平均收市價的金額；及(iii)股份面值。

本公司於二零一零年七月九日根據計劃授出9,100,000份購股權。截至二零一二年十二月三十一日止年度內行使之購股權數目為3,640,000份。於本報告日期，本公司計劃項下有5,460,000份尚未行使購股權，佔本公司已發行股份約0.87%。

# Report of the Directors

## 董事會報告

### CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACT OF SIGNIFICANCE

No contracts of significance have been entered into between the Company or any of its subsidiaries and any controlling shareholder or any of its subsidiaries during the year ended 31 December 2012.

### MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 December 2012.

### MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 December 2012, sales to the Group's five largest customers accounted for approximately 22.85% of the Group's total sales for the year and sales to the Group's largest customer amounted to approximately 6.34%. Purchases from the Group's five largest suppliers accounted for approximately 48.82% of the total purchases for the year and purchase from the Group's largest supplier amounted to approximately 11.90%.

None of the Directors, their associates or any shareholder of the Company (which to the knowledge of the Directors own more than 5% of the Company's issued shares) had any interests in the Group's five largest customers or suppliers noted above.

### CONNECTED TRANSACTIONS

#### Continuing connected transactions

During the year ended 31 December 2012, the Group entered into the following continuing connected transactions with its connected persons. The transactions constituted "continuing connected transactions" for the Company under the Listing Rules.

### 控股股東於重大合約的權益

本公司或其任何附屬公司與任何控股股東或其任何附屬公司於截至二零一二年十二月三十一日止年度並無訂立任何重大合約。

### 管理層合約

於截至二零一二年十二月三十一日止年度，並未訂立或存在有關本公司業務全部或任何重大部分的管理及行政的合約。

### 主要客戶及供應商

於截至二零一二年十二月三十一日止年度，銷售予本集團五大客戶的銷售額佔本集團年度總銷售額約22.85%，而銷售予本集團最大客戶佔約6.34%。從本集團五大供應商處採購的金額佔本集團年度總採購額約48.82%，而從本集團最大供應商的採購額約佔11.90%。

概無本公司董事、其聯繫人或任何股東（就董事所知擁有本公司已發行股份5%以上）於上述本集團五大客戶或供應商中有任何權益。

### 關連交易

#### 持續關連交易

於截至二零一二年十二月三十一日止年度，本集團與關連人士訂立下列持續關連交易。根據上市規則，該等交易構成本公司的「持續關連交易」。



## Lease agreement

On 30 December 2011, a lease agreement was entered into by Zhejiang Jinyuan with Kingdom Creative pursuant to which Zhejiang Jinyuan has leased a property located at Building 13 to 16, Henggang Xing Heng Road, Haiyan County, Zhejiang Province, the PRC, from Kingdom Create as one of the Group's office, for a term commencing from 1 January 2012 to 31 December 2014 at an annual rental of RMB200,000. Kingdom Creative is an associate of Mr. Ren Wei Ming and hence a connected person of the Company. Rental and other terms for this lease arrangement was negotiated between the parties on arm's length basis with reference to the then prevailing market rates. As each of the percentage ratios for such lease agreement is less than 0.1%, the transaction under this lease agreement is exempted from all reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The independent non-executive Directors have reviewed the above continuing connected transaction and confirmed that the transactions has been entered into:

- (i) in the ordinary and usual course of the business of the Company;
- (ii) either (a) on normal commercial terms; or (b) where there is no available comparable terms, on terms no less favorable to the Company than terms available to or from independent third parties; and
- (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

Save as disclosed in note 35 to the financial statements, there was no other transaction which needs to be disclosed as a connected transaction in accordance with the requirements of the Listing Rules during the year ended 31 December 2012.

## 租賃協議

於二零一一年十二月三十日，浙江金元與金達創業訂立租賃協議，據此，浙江金元向金達創業租用位於中國浙江省海鹽縣橫港興橫路13至16號樓之物業，作為本集團其中一個辦事處，年期由二零一二年一月一日開始至二零一四年十二月三十一日止，每年租金為人民幣200,000元。金達創業為任維明先生的聯繫人，因此為本公司的關連人士。該租賃安排的租金及其他條款乃按訂約各方參照當時現行的市場價格後公平磋商釐定。由於該租賃協議各個百分比率低於0.1%，故該租賃協議項下的交易獲豁免上市規則第14A章項下的所有申報、公告及獨立股東批准的規定。

獨立非執行董事已審閱上述持續關連交易，並確認交易乃按下列訂立：

- (i) 於本公司的一般及日常業務過程中進行；
- (ii) (a)按正常商業條款；或(b)如無可供比較的條款，按不遜於本公司向獨立第三方提供或從獨立第三方取得的條款進行；及
- (iii) 按照監管交易的有關協議，按公平合理及符合本公司股東的整體利益的條款進行。

除於財務報表附註35所披露者外，於截至二零一二年十二月三十一日止年度，並無其他交易須要根據上市規則之規定披露為關連交易。

# Report of the Directors

## 董事會報告

### BANK LOANS AND OTHER BORROWINGS

Particulars of bank loans and other borrowings of the Group as at 31 December 2012 are set out in note 29 to the financial statements.

### PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

The Company has not redeemed any of its listed shares during the year ended 31 December 2012. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed shares during the year ended 31 December 2012.

### PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles and the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.

### PENSION SCHEMES

Details of the Group's pension scheme are set out in note 2.4 and note 7 to the financial statements.

### SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31 December 2012.

### DIRECTORS' INTERESTS IN COMPETING BUSINESS

Set out below is information disclosed pursuant to Rule 8.10(2) of the Listing Rules:

As at 31 December 2012, none of the Directors nor their respective associates had interests in businesses which compete or are likely to compete, either directly or indirectly, with the business of the Group pursuant to the Listing Rules, except for Mr. Ren Wei Ming ("Mr. Ren"), who holds directorships and/or interests respectively, either directly and/or through Kingdom Investment (BVI) (a controlling shareholder of the Company), in certain private companies (the "Private Companies").

### 銀行貸款及其他借貸

本集團截至二零一二年十二月三十一日的銀行貸款及其他借貸詳情載於財務報表附註29。

### 購買、出售或贖回本公司上市股份

本公司於截至二零一二年十二月三十一日止年度內並無贖回其任何上市股份。本公司或其任何附屬公司於截至二零一二年十二月三十一日止年度內亦無購買或出售本公司任何上市股份。

### 優先購買權

細則及開曼群島公司法第22章（一九六一年法例三，經合併及修訂）並無優先購買權的條文。

### 退休金計劃

本集團退休金計劃詳情載於財務報表附註2.4及附註7。

### 足夠公眾流通量

本公司於截至二零一二年十二月三十一日止整個年度內保持足夠公眾流通量。

### 董事於競爭業務中的權益

以下所載乃根據上市規則第8.10(2)條披露的資料：

於二零一二年十二月三十一日，概無董事或其各自的聯繫人於根據上市規則於與本集團業務直接或間接構成競爭或可能構成競爭的業務中擁有權益，惟直接及／或透過本公司的控股股東Kingdom Investment (BVI)分別於若干私人公司（「私人公司」）出任董事及／或持有權益的任維明先生（「任先生」）除外。

The Private Companies are engaged in the silk and/or silk products manufacturing and/or trading industry (the “Excluded Business”), which are fundamentally different from the products manufactured by the Group.

Mr. Ren undertakes, subject to the exceptions mentioned in the Prospectus, that he will not, and will procure that his associates will not (a) either on his own account or in conjunction with or on behalf of any person, firm or company, directly or indirectly be interested or involved or engaged in or acquire or hold an interest (in each case whether as a shareholder, partner, agent, consultant, employee or otherwise and whether for profit, reward or otherwise) in any business which is or is about to be engaged in any business which competes or is likely to compete directly or indirectly with the Group’s business, those other businesses of the Group as set out in the Prospectus, in Hong Kong, the PRC and any other country or jurisdiction to which the Group markets or sells its products and/or in which any member of the Group carries on business mentioned above from time to time (“Restricted Activity”), or (b) either on his own account or in conjunction with or on behalf of any person, firm or company, or as a principal, shareholder, partner, agent, consultant, employee or otherwise and whether for profit, reward or otherwise, directly or indirectly, solicit, interfere with or endeavour to entice away from any member in the Group any person, firm, company or organization who to its or his knowledge is now or has been a customer, supplier or employee of any member in the Group.

By reasons of the fact that the Excluded Business does not pose any direct or indirect actual competition with the Group’s business and that Mr. Ren has already given an undertaking as above referred to, the Group is therefore capable of carrying on its business independently of, and at arms’ length from, the Excluded Business as described above.

該等私人公司從事製造絲綢及／或絲質產品及／或貿易行業（「除外業務」），基本上與本集團製造的產品不同。

在招股章程所述的例外情況規限下，任先生承擔彼將不會並促使其聯繫人將不會(a)就其本身或聯同或代表任何人士、商號或公司直接或間接擁有或參與或從事或收購或持有任何業務之權益（於各情況下不論以股東、合夥人、代理、顧問、僱員或其他方式，亦不論為取得利益、回報或其他目的），而上述業務會或很可能會從事於香港、中國及本集團不時推銷或銷售其產品及／或本集團任何成員公司不時進行上述業務之任何其他國家或司法權區與本集團業務、招股章程所載的本集團其他業務直接或間接構成競爭或很可能競爭的任何業務（「受限制活動」），或(b)就其本身或聯同或代表任何人士、商號或公司或以主事人、股東、合夥人、代理、顧問、僱員或其他身份，亦不論為取得利益、回報或其他目的，直接或間接招攬、干預或設法誘使據其所知現時或曾經為本集團任何成員公司客戶、供應商或僱員之任何人士、商號、公司或組織離開本集團任何成員公司。

由於除外業務不會對本集團業務構成任何直接或間接實際競爭，及任先生已作出上述承諾，故本集團業務能夠從上述的除外業務中獨立出來及按公平協商原則進行業務。

# Report of the Directors

## 董事會報告

Presently, Mr. Ren has no plans to inject the aforesaid Excluded Business into the Group.

The Company has received from Kingdom Investment (BVI) and Mr. Ren an annual confirmation that it/he has fully complied with its/his obligations under the deed of non-competition in favour of the Company dated 27 November 2006 during the year ended 31 December 2012.

### CORPORATE GOVERNANCE

The Group's principal corporate governance practices are set out on pages 46 to 55.

### CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 16 May 2013 to 20 May 2013, both days inclusive, during which period no transfer of shares will be effected. In order to determine who are entitled to attend and vote at the forthcoming annual general meeting of the Company, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registrations not later than 4:30 p.m. on 15 May 2013.

The register of members of the Company will be closed from 13 June 2013 to 17 June 2013, both days inclusive, during which period no transfer of shares will be effected. In order to determine who are entitled to the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 11 June 2013. The proposed final dividend, subject to shareholders' approval at the forthcoming annual general meeting, will be paid to shareholders whose names appear on the register of members of the Company on 17 June 2013.

目前任先生並無計劃將上述除外業務注入本集團。

截至二零一二年十二月三十一日止年度，本公司已收到Kingdom Investment (BVI)及任先生的年度確認書，其已全面遵從有利於本公司日期為二零零六年十一月二十七日的不競爭契諾所載的義務。

### 企業管治

本集團的主要企業管治常規載於第46頁至第55頁。

### 暫停股份過戶登記手續

本公司將於二零一三年五月十六日至二零一三年五月二十日（包括首尾兩日）暫停辦理股份過戶登記手續，於該期間將不會辦理股份過戶登記手續。為釐定出席本公司應屆股東週年大會並於會上投票之權利，所有過戶文件連同相關股票必須不遲於二零一三年五月十五日下午四時三十分交回本公司之香港股份過戶登記分處卓佳證券登記有限公司，地址為香港灣仔皇后大道東28號金鐘匯中心26樓，以辦理登記手續。

本公司將於二零一三年六月十三日至二零一三年六月十七日（包括首尾兩日）暫停辦理股份過戶登記手續，於該期間將不會辦理股份過戶登記手續。為釐定享有建議末期股息之權利，所有過戶文件連同相關股票必須不遲於二零一三年六月十一日下午四時三十分交回本公司之香港股份過戶登記分處卓佳證券登記有限公司，地址為香港灣仔皇后大道東28號金鐘匯中心26樓，以辦理登記手續。待股東於應屆股東週年大會上批准後，建議末期股息將向於二零一三年六月十七日名列本公司股東名冊之股東派付。

### AUDITORS

Ernst & Young will retire and a resolution for their re-appointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board

**Ren Wei Ming**

*Chairman*

Haiyan County, PRC, 15 March 2013

### 核數師

安永會計師事務所將於應屆股東週年大會上退任，而會上將提呈續聘安永會計師事務所為本公司核數師的決議案。

代表董事會

*主席*

**任維明**

中國海鹽縣，二零一三年三月十五日





# Corporate Governance Report 企業管治報告

## COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES OF THE LISTING RULES

The Company is committed to the establishment of good corporate governance practices and procedures with a view to being a transparent and responsible organization which is open and accountable to the Company's shareholders. The Directors believe that good corporate governance practices are increasingly important for maintaining and promoting investor confidence. In the past, the Board and the management of the Company have been continually reviewing and enhancing its corporate governance practices. The Group's corporate governance principles emphasize the importance of a quality Board, effective internal controls and accountability to all the shareholders of the Company. The Company has applied the principles as set out in the Corporate Governance Code (the "Code") and Corporate Governance Report contained in Appendix 14 of the Listing Rules. In the opinion of the Directors, save as disclosed below, the Company has complied with the code provisions as set out in the Code for the year ended 31 December 2012.

### Code Provision A.2.1

Under Code Provision A.2.1 of the Code, the roles of the chairman and chief executive officer should be separated and should not be performed by the same individual.

During the year ended 31 December 2012, the Company did not have any officer with the title of "chief executive officer". Mr. Ren Wei Ming, who acts as the chairman of the Company, is also responsible for overseeing the general operations of the Group. The Board will meet regularly to consider major matters affecting the operations of the Company. The Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Company and is conducive to strong and consistent leadership, enabling the Company to operate efficiently.

## MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code regarding securities transactions by Directors on terms no less exacting than the required standard set out in the Model Code. Having made specific enquiries with all Directors, all the Directors have confirmed that they have complied with the provisions of the Model Code and the Company's code of conduct regarding Directors' securities transactions for the year ended 31 December 2012 and up to the date of the Company's announcement of annual results for the year ended 31 December 2012.

## 遵守上市規則企業管治常規守則

本公司致力建立良好企業管治常規及程序，以成為具透明度及負責任之組織，並對本公司股東公開及負責。董事相信，良好企業管治常規對維持及提升投資者信心日益重要。董事會及本公司管理層過往一直持續檢討及加強企業管治常規。本集團之企業管治原則着重優質董事會、有效內部監控及對本公司全體股東問責之重要性。本公司已應用上市規則附錄十四所載企業管治守則（「守則」）及企業管治報告內之原則。董事認為，除下文所披露者外，本公司於截至二零一二年十二月三十一日止年度一直遵守守則內之守則條文。

### 守則條文第A.2.1條

根據守則之守則條文第A.2.1條，主席及行政總裁應有清晰之職責分工，兩職不應由同一人士擔任。

截至二零一二年十二月三十一日止年度，本公司並無任何高級職員擁有「行政總裁」職銜。任維明先生為本公司主席，亦負責監察本集團一般營運。董事會將定期舉行會議，以考慮影響本公司營運之主要事宜。董事會認為此架構將不會損害董事會及本公司管理層之間的權力及職權平衡，且有助於建立有力而穩定之領導層，使本公司能有效營運。

## 董事進行證券交易的標準守則

本公司已就董事進行證券交易採納標準守則，其條款不遜於標準守則所載之規定標準。經向全體董事作出特定查詢後，所有董事已確認於截至二零一二年十二月三十一日止年度及直至截至二零一二年十二月三十一日止年度的本公司年度業績公佈日期，彼等一直遵守標準守則之條文及本公司有關董事進行證券交易之行為守則。



### THE BOARD

The Board consists of 8 Directors, 3 of whom are executive Directors, 2 of whom are non-executive Directors and 3 of whom are independent non-executive Directors. The functions and duties conferred on the Board include: convening shareholders' meetings and reporting on the work of the Board to the shareholders at shareholders' meetings as may be required by the applicable laws, implementing resolutions passed at shareholders' meetings, determining the Company's business plans and investment plans, formulating the Company's annual budget and final accounts, formulating the Company's proposals for dividend and bonus distributions as well as exercising other powers, functions and duties as conferred on it by the Articles and the applicable laws. The senior management is delegated the authority and responsibilities by the Board for the day-to-day management and operations of the Group.

The Board meets regularly to review the financial and operating performance of the Company, and considers and approves the overall strategies and policies of the Company.

The composition of the Board and attendance of individual Directors at meetings of the Board, Remuneration Committee and Audit Committee during the period under review, was as follows:

### 董事會

董事會由八名董事組成，其中三名為執行董事、兩名為非執行董事及三名為獨立非執行董事。董事會的職能及職責包括：召開股東大會及按適用法例要求於股東大會上向股東匯報董事會的工作、執行於股東大會通過的決議案、釐定本公司的業務計劃及投資計劃、制定本公司的年度預算及期末賬目、制定本公司股息和分紅的建議以及行使細則及適用法律所賦予的其他權力、職能及職責。高級管理層獲董事會授予權力及責任以處理本集團日常管理及營運。

董事會定期舉行會議審閱本公司的財務及營運表現，並考慮及批准本公司整體策略及政策。

於回顧期內，董事會組成部分及個別董事出席董事會、薪酬委員會及審核委員會會議的情況如下：

		Meetings Attended/Held			
		Board	Remuneration	Audit	Nomination
		董事會	薪酬委員會	審核委員會	提名委員會
<b>Directors</b>	<b>董事</b>				
<b>Executive Directors</b>	<b>執行董事</b>				
Mr. Ren Wei Ming (Chairman of the Board)	任維明先生 (董事會主席)	4			
Mr. Shen Yueming	沈躍明先生	4			1
Mr. Zhang Hong Wen	張鴻文先生	4	1		
<b>Non-executive Directors</b>	<b>非執行董事</b>				
Mr. Ngan Kam Wai Albert	顏金煒先生	4			
Mr. Tse Chau Shing Mark	謝宙勝先生	3			
<b>Independent non-executive Directors</b>	<b>獨立非執行董事</b>				
Mr. Yang Donghui (Chairman of the Remuneration Committee)	楊東輝先生 (薪酬委員會主席)	4	1	2	
Mr. Lau Ying Kit (Chairman of the Audit Committee)	劉英傑先生 (審核委員會主席)	2		2	1
Mr. Lo Kwong Shun Wilson (Chairman of the Nomination Committee)	羅廣信先生 (提名委員會主席)	4	1	2	1

# Corporate Governance Report

## 企業管治報告

The biographical details of the current Board members are set out under the section headed “Directors and Senior Management” on pages 26 to 29 of this annual report.

The list of Directors (by category) is also disclosed in all corporate communications issued by the Company pursuant to the Listing Rules from time to time. The independent non-executive Directors are expressly identified in all corporate communications pursuant to the Listing Rules.

During the year ended 31 December 2012, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one independent non-executive Director possessing appropriate professional qualifications or accounting or related financial management expertise, and the independent non-executive directors represented over one-third of the Board.

The Company has received from each of its independent non-executive Directors, a confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and the Board considers all of the independent non-executive Directors are independent in accordance with Rule 3.13 of the Listing Rules.

All Board members have separate and independent access to the Company’s senior management to fulfil their duties and, upon reasonable request, to seek independent professional advice in appropriate circumstances, at the Company’s expense. All Directors also have access to the company secretary who is responsible for ensuring that the Board procedures, and all applicable rules and regulations, are followed. An agenda and accompanying Board/committee papers are distributed to the Directors/Board committee members with reasonable notice in advance of the meetings. Minutes of Board meetings and meetings of Board committees, which records in sufficient detail the matters considered by the Board and decisions reached, including any concerns raised by Directors or dissenting views expressed, are kept by the company secretary and are available for inspection by the Directors.

Pursuant to article 87 of the Articles, one-third of the Directors for the time being (or, if their number is not a multiple of three, then the number nearest to but not less than one-third) shall retire from office by rotation at each annual general meeting of the Company provided that every Director shall be subject to retirement at least once every three years and being eligible for re-election.

董事會現時成員之履歷詳情載於本年報第26頁至第29頁之「董事及高級管理層」一節。

董事名單(按分類表示)亦於本公司根據上市規則不時刊發之所有公司通訊內披露。獨立非執行董事亦根據上市規則在所有公司通訊中有明確識別。

上市規則規定須委任至少三名獨立非執行董事，其中至少一名獨立非執行董事必須具備適當專業資格，或具備適當會計或相關財務管理專長，且獨立非執行董事必須佔董事會成員人數至少三分之一。於截至二零一二年十二月三十一日止年度，董事會於任何時候均符合此項規定。

本公司已接獲各獨立非執行董事根據上市規則第3.13條發出之獨立性確認書，而董事會認為按照上市規則第3.13條，全體獨立非執行董事均為獨立人士。

所有董事會成員有個別及獨立接觸本公司高級管理層的機會，以履行他們的職責，及在適當的情況下根據合理的要求尋求獨立專業的意見，費用由本公司承擔。所有董事亦可接觸公司秘書，彼負責確保董事會程序及所有適用規則及法規皆獲遵守。議程及隨附的董事會／委員會文件會在會議舉行之前的合理時間內通知發送董事／委員會成員。記錄了董事會考慮及達成決策的事宜詳情(包括任何董事提出的議案或反對意見)的董事會會議及董事委員會會議的會議記錄，由公司秘書保存及可由董事查閱。

根據細則第87條，於本公司每屆股東週年大會上，當時在任之董事中三分之一(或倘彼等之數目並非三的倍數，則取最接近但不少於三分之一的數目)須輪席退任，惟每名董事須最少每三年退任一次，並可膺選連任。

## DIRECTORS' RESPONSIBILITY

The following statement, which sets out the responsibilities of the Directors in relation to the financial statements, should be read in conjunction with, but be distinguished from, the Independent Auditors' Report on pages 58 to 59 which states the reporting responsibilities of the Group's auditors.

### Annual Report and Accounts

The Directors acknowledge their responsibilities to prepare financial statements for each financial year which gives a true and fair view of the state of affairs of the Group.

### Accounting Policies

The Directors consider that in preparing the financial statements, the Group has used appropriate accounting policies that are consistently applied, and that all applicable accounting standards have been followed.

### Accounting Records

The Directors are responsible for ensuring that the Group keeps accounting records which disclose with reasonable accuracy the financial position of the Group and which enable the preparation of financial statements in accordance with the disclosure requirements of the Hong Kong Companies Ordinance and the applicable accounting standards.

### Safeguarding Assets

The Directors are responsible for taking all reasonable and necessary steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

## CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Under code provision A.2.1 of the Code, the roles of the chairman and chief executive officer should be separated and should not be performed by the same individual.

The Company does not have any officer with the title of "chief executive officer". Mr. Ren Wei Ming, who acts as the Chairman of the Company, is also responsible for overseeing the general operations of the Group. The Board will meet regularly to consider major matters affecting the operations of the Company. The Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Company and is conducive to strong and consistent leadership, enabling the Company to operate efficiently.

## 董事職責

以下聲明列出董事對財務報表的責任，它必須連同第58頁至第59頁的獨立核數師報告一起閱讀，但兩者又必須區別開來。獨立核數師報告列明本集團核數師之報告責任。

### 年報及賬目

董事確認其有責任於每個財政年度編製真實而公允地反映本集團財務狀況的財務報表。

### 會計政策

董事認為在編製財務報表時，本集團持續採用適當的會計政策，並遵從所有適用之會計準則。

### 會計記錄

董事負責確保本集團保存之會計紀錄能合理準確地披露本集團的財務狀況，從而根據香港《公司條例》的披露規定及適用之會計準則來編製財務報表。

### 保障資產

董事負責採取一切合理及所需的步驟以保障本集團的資產，並防止及查察欺詐及其他違法行為。

## 主席及行政總裁

根據守則之守則條文第A.2.1條，主席及行政總裁應有清晰之職責分工，兩職不應由同一人士擔任。

本公司目前並無任何高級職員擁有「行政總裁」職銜。任維明先生為本公司主席，亦負責監察本集團一般營運。董事會將定期舉行會議，以考慮影響本公司營運之主要事宜。董事會認為此架構將不會損害董事會與本公司管理層之間的權力及職權平衡，且有助於建立有力而穩定之領導層，使本公司能有效營運。

# Corporate Governance Report

## 企業管治報告

### NON-EXECUTIVE DIRECTORS

Each of the non-executive Directors has entered into a service agreement with the Company for an initial term of three years commencing from 1 January 2013, whereas each of the independent non-executive Directors has entered into a letter of appointment with the Company and is appointed for an initial term of 3 years commencing from 1 January 2013.

### DIRECTORS' CONTINUOUS TRAINING AND DEVELOPMENT

During the year ended 31 December 2012, the Directors are provided with regular updates on the Company's performance, position and prospects to enable the Board as a whole and each Director to discharge their duties. In addition, all Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Company updates the Directors on the latest development regarding the Listing Rules and other applicable regulatory requirements from time to time, to ensure compliance and enhance their awareness of good corporate governance practices. During the year ended 31 December 2012, the Company has also organized a briefing sessions conducted by Messrs. Sidley Austin for all the Directors covering the topics on directors' responsibilities, corporate governance practices and disclosure requirements under the Listing Rules and the SFO. All the Directors have attended such briefing session and have been provided with training material for reference.

### DIRECTORS' AND OFFICERS' LIABILITY INSURANCE AND INDEMNITY

The Company has arranged liability insurance to indemnify its Directors and officers in respect of legal actions against the Directors. During the year ended 31 December 2012, no claim had been made against the Directors and officers of the Company.

### COMPANY SECRETARY

During the year ended 31 December 2012, the Company Secretary attended relevant professional training for not less than 15 hours.

### REMUNERATION COMMITTEE

The Remuneration Committee considers and recommends to the Board the remuneration and other benefits paid by the Company to the Directors and senior management. The remuneration of all Directors and senior management is subject to regular monitoring by the Remuneration Committee to ensure that the levels of their remuneration and compensation are appropriate. In compliance with the amendments to the Listing Rules which became effective on 1 April 2012, Mr. Yang Donghui, an existing member of the Remuneration Committee and an independent non-executive Director, was appointed as the chairman of the Remuneration Committee of the Company in place of Mr. Zhang Hong Wen, an executive Director, with effect from 16 March 2012. Mr. Zhang Hong Wen, together with Mr. Lo Kwong Shun Wilson, an independent non-executive Director remain as members of the Remuneration Committee. In the meantime, the Board adopted revised terms of reference for the Remuneration Committee on 16 March 2012.

### 非執行董事

各非執行董事已與本公司訂立服務協議，任期由二零一三年一月一日開始，初步為期三年，而各獨立非執行董事已與本公司訂立委任函件，而任期由二零一三年一月一日開始，初步為期三年。

### 董事持續培訓及發展

截至二零一二年十二月三十一日止年度，董事定期獲知會本公司的最近期表現、狀況及前景，使董事會整體及各董事能履行彼等的職責。此外，本集團鼓勵全體董事參與持續專業發展，發展及增進知識及技能。本公司不時為董事提供有關上市規則及其他適用監管規定之最新發展，確保彼等遵守及知悉良好的企業管治常規。截至二零一二年十二月三十一日止年度，本公司亦安排由盛德律師事務所為全體董事舉辦簡介會，介紹董事責任、企業管治常規以及上市規則及證券及期貨條例之披露規定等多個範疇之資料。全體董事均已出席是次簡介會，並收到培訓資料作參考用途。

### 董事及高級職員之責任保險及彌償保險

本公司已安排適當責任保險，以就針對董事的法律訴訟向董事及高級職員作出彌償。截至二零一二年十二月三十一日止年度，並無任何人士向本公司董事及高級職員提出索償。

### 公司秘書

截至二零一二年十二月三十一日止年度，公司秘書已出席不少於15小時之相關專業培訓。

### 薪酬委員會

薪酬委員會考慮及向董事會建議本公司支付予董事及高級管理層的薪酬及其他福利。薪酬委員會定期監察所有董事及高級管理層的薪酬，以確保彼等的薪酬及補償水平為適合。為遵守上市規則於二零一二年四月一日生效的修訂，現任薪酬委員會成員及獨立非執行董事楊東輝先生已獲委任為本公司薪酬委員會主席，以代替執行董事張鴻文先生，自二零一二年三月十六日起生效。張鴻文先生連同獨立非執行董事羅廣信先生仍為薪酬委員會成員。同時，董事會已於二零一二年三月十六日採納經修訂之薪酬委員會職權範圍。

# Corporate Governance Report

## 企業管治報告

The Remuneration Committee shall meet at least once every year to review the remuneration policy and structure and determination of the annual remuneration packages of the executive Directors and the senior executives and other related matters. The Remuneration Committee shall make recommendations to the Board on the Company's policy and structure for all Directors' and senior management remuneration.

One meeting was held during the year ended 31 December 2012. At the meeting, the Remuneration Committee reviewed the remuneration policies of the Directors and the senior management.

### NOMINATION COMMITTEE

The Nomination Committee was established by the Board on 16 March 2012 with written terms of reference in compliance with the Code with effect from 16 March 2012. The primary functions of the Nomination Committee are to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, based on skills, knowledge and experience, to complement the Company's corporate strategy. The Nomination Committee comprises one executive Director and two independent non-executive Directors, namely Mr. Shen Yueming, Mr. Lau Ying Kit and Mr. Lo Kwong Shun Wilson (Chairman of the Nomination Committee).

One meeting was held during the year ended 31 December 2012. At the meeting, the Nomination Committee reviewed the structure, size and composition of the Board. The Nomination Committee also determined the policy for the nomination of Directors and the nomination procedures and the process and criteria adopted by the Nomination Committee to select and recommend candidates for directorship during the year.

### AUDITORS' REMUNERATION

During the year ended 31 December 2012, the remuneration paid to the Company's external auditors, Ernst & Young, is set out as follows:

#### Services rendered

#### 提供的服務

Fee paid  
已付費用  
RMB'000  
人民幣千元

Audit services

審核服務

1,500

The responsibilities of the external auditors with respect to the 2012 financial statements are set out in the section headed "Independent Auditors' Report" on pages 58 to 59. Save as disclosed above and in the section headed "Independent Auditors' Report", the Company did not engage Ernst & Young for any non-audit services during the year under review.

薪酬委員會須最少每年舉行一次會議，審閱薪酬政策及架構，並釐定執行董事及高級行政人員的年度薪酬組合及其他有關事宜。薪酬委員會應就本公司全體董事及高級管理層的薪酬政策及架構向董事會提供建議。

於截至二零一二年十二月三十一日止年度舉行了一次會議。於會議上，薪酬委員會審閱董事及高級管理層的薪酬政策。

### 提名委員會

董事會已於二零一二年三月十六日成立提名委員會，並訂出符合守則之書面職權範圍，由二零一二年三月十六日起生效。提名委員會之主要職能為配合本公司之公司策略而根據董事之技能、知識及經驗，就委任或續任董事及董事繼任計劃向董事會提供推薦建議。提名委員會包括一名執行董事沈躍明先生以及兩名獨立非執行董事劉英傑先生及羅廣信先生（提名委員會主席）。

於截至二零一二年十二月三十一日止年度舉行了一次會議。於會議上，提名委員會檢討董事會的架構、規模及成員。年內，提名委員會已制定董事提名政策及提名程序，亦已採納甄選及建議董事人選的程序及準則。

### 核數師薪酬

截至二零一二年十二月三十一日止年度，支付予本公司外部核數師安永會計師事務所的薪酬載列如下：

外部核數師就二零一二年財務報表的責任載於第58頁至第59頁的「獨立核數師報告」一節。除以上及「獨立核數師報告」一節所披露者外，本公司於回顧年度內並無委聘安永會計師事務所作任何其他非審核服務。

# Corporate Governance Report 企業管治報告

## AUDIT COMMITTEE

The Audit Committee was established in compliance with Rules 3.21 and 3.22 of the Listing Rules and with written terms of reference in compliance with the Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control systems of the Group and to provide advice and comments to the Board.

The Audit Committee is responsible for determining the policy for the corporate governance of the Company performing the corporate governance duties as below:

- to develop and review the Group's policies and practices on corporate governance and make recommendations;
- to review and monitor the training and continuous professional development of the directors and senior management;
- to review and monitor the Group's policies and practices on compliance with all legal and regulatory requirements (where applicable);
- to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors of the Group; and
- to review the Group's compliance with the CG Code and disclosure requirements in the Corporate Governance Report.

The Audit Committee consists of three members, namely Mr. Lau Ying Kit, Mr. Yang Donghui and Mr. Lo Kwong Shun Wilson, of which are all independent non-executive Directors. Mr. Lau Ying Kit, who has appropriate professional qualifications and experience in accounting matters, was appointed as the Chairman of the Audit Committee.

In compliance with the amendments to the Listing Rules which became effective on 1 April 2012, the Board adopted revised terms of reference for the Audit Committee on 16 March 2012.

During the year ended 31 December 2012, the Audit Committee held two meetings. At the meetings, the Audit Committee reviewed the interim and the final results for 2012 with the external auditors and also the effectiveness of the Group's internal control functions. The Audit Committee also reviewed the Company's progress in implementing the corporate governance requirements as set out in the Code.

## 審核委員會

審核委員會遵照上市規則第3.21及3.22條成立，並遵照守則訂出書面職權範圍。審核委員會的主要職責為審閱及監察本集團財務申報程序及內部監控制度，並向董事會提供意見及評議。

審核委員會負責釐定本公司之企業管治政策，並履行下列企業管治職責：

- 制訂及檢討本集團有關企業管治之政策及常規，並提出推薦建議；
- 檢討及監察董事及高級管理層之培訓及持續專業發展；
- 檢討及監察本集團遵守所有法律及監管規定（如適用）之政策及常規；
- 制訂、檢討及監察適用於本集團僱員及董事之行為守則及遵例手冊（如有）；及
- 檢討本集團於企業管治報告內遵守企業管治守則及披露規定之情況。

審核委員會由均為獨立非執行董事的劉英傑先生、楊東輝先生及羅廣信先生三名成員組成，而於會計事宜擁有適當專業資格及經驗的劉英傑先生獲委任為審核委員會主席。

為遵守上市規則於二零一二年四月一日生效的修訂，董事會已於二零一二年三月十六日採納經修訂之審核委員會職權範圍。

於截至二零一二年十二月三十一日止年度，審核委員會共舉行兩次會議。於會議上，審核委員會與外部核數師共同審閱二零一二年的中期和末期業績，以及本集團的內部監控職能的成效。審核委員會亦審閱本公司根據守則執行企業管治規定的進度。

The Directors are collectively responsible for preparing the consolidated financial statements of the Group which have been prepared on a going concern basis, and complies with the requirements of the Listing Rules. There has been no disagreement between the Directors and the Audit Committee regarding the selection and appointment of the external auditors.

### INTERNAL CONTROL

The Company has in place sound and effective internal controls to safeguard shareholders' investment and assets of the Company and its subsidiaries. The Board is responsible for monitoring the effectiveness of the Company's internal control and risk management systems on a regular basis so as to ensure that the internal control and risk management systems in place are adequate.

The Company has established written policies and procedures applicable to all operating units to ensure the effectiveness of internal controls. The Company also has a process for identifying, evaluating, and managing the significant risks to the achievement of its operational objective. This process is subject to continuous improvement and was in place throughout 2012 and up to the date of this report. The day-to-day operation is entrusted to the individual department, which is accountable for its own conduct and performance, and is required to strictly adhere to the policies set by the Board. The Company carries out reviews on the effectiveness of the internal control systems from time to time in order to ensure that they are able to meet and deal with the dynamic and ever changing business environment.

The Board has conducted a review and assessment of the effectiveness of the Company's internal control systems including financial, operational and compliance controls and risk management during the year ended 31 December 2012. The assessment was made after discussions with the management of the Company, its internal auditors, and its internal control adviser and a review performed by the Audit Committee. The Board is of the view that the existing internal control system is adequate and effective.

董事共同負責按持續經營基準，並遵照上市規則的規定編製本集團的合併財務報表。就遴選及委任外部核數師一事，董事及審核委員會之間並無分歧。

### 內部監控

本公司採納良好及有效的內部監控，保障股東投資以及本公司及其附屬公司的資產。董事會負責定期監察本公司內部監控及風險管理系統的成效，從而確保施行足夠的內部監控及風險管理系統。

本公司已制定適用於所有營運單位的書面政策及程序，確保內部監控的成效。本公司亦有識別、評估及管理重大風險的程序以達成其營運目標。該程序須不斷改善，並在二零一二年整個年度及直至本報告日期仍然採用。日常營運則委託個別部門，對其本身部門的行為及表現進行問責，並須嚴格遵守董事會制定的政策。本公司不時檢討內部監控系統成效，確保其能夠符合及應對靈活及不時轉變的經營環境。

於截至二零一二年十二月三十一日止年度，董事會對本公司的內部監控系統成效進行審閱及評估，包括財務、經營、合規監控及風險管理。評估乃於董事會與本公司管理層、內部核數師以及內部監控顧問討論，以及考慮審核委員會進行的審閱後達成。董事會認為現時之內部監控系統為足夠及有效。

## SHAREHOLDERS' RIGHTS

### (i) Procedures for shareholders to convene an extraordinary general meeting (the "EGM") (including making proposals/moving a resolution at the EGM to be called by the Board)

- Any one or more shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company (the "Eligible Shareholder(s)") shall at all times have the right, by written requisition to the Board or the company secretary of the Company (the "Company Secretary"), to require an EGM to be called by the Board for the transaction of any business specified in such requisition, including putting forward proposals or moving a resolution at the EGM.
- Eligible Shareholders who wish to require an EGM to be called by the Board for the purpose of making proposals or moving a resolution at the EGM must deposit a written requisition (the "Requisition") signed by the Eligible Shareholder(s) concerned to the principal place of business of the Company in Hong Kong at 28th Floor, Three Pacific Place, No. 1 Queen's Road East, Hong Kong, for the attention of the Company Secretary.
- The Requisition must state clearly the name of the Eligible Shareholder(s) concerned, his/her/their shareholding in the Company, the reason(s) to convene an EGM, the agenda of the EGM including the details of the business(es) proposed to be transacted at the EGM, signed by the Eligible Shareholder(s) concerned.
- The Company will check the Requisition and the identity and the shareholding of the Eligible Shareholder will be verified with the Company's branch share registrar. If the Requisition is found to be proper and in order, the Company Secretary will ask the Board to convene an EGM within 2 months and/or include the proposal or the resolution proposed by the Eligible Shareholder at the EGM after the deposit of the Requisition. On the contrary, if the Requisition has been verified as not in order, the Eligible Shareholder(s) concerned will be advised of this outcome and accordingly, the Board will not convene an EGM and/or include the proposal or the resolution proposed by the Eligible Shareholder at the EGM.
- If within 21 days of the deposit of the Requisition, the Board has not advised the Eligible Shareholders of any outcome to the contrary and fails to proceed to convene such EGM, the Eligible Shareholder(s) himself/herself/themselves may do so in accordance with the M&A, and all reasonable expenses incurred by the Eligible Shareholder(s) concerned as a result of the failure of the Board shall be reimbursed to the Eligible Shareholder(s) concerned by the Company.

## 股東權利

### (i) 股東召開股東特別大會(「股東特別大會」)的程序(包括於董事會召開的股東特別大會提呈建議/動議決議案)

- 任何一位或以上於遞呈要求日期持有不少於本公司實繳股本(賦有本公司股東大會上投票權)十分之一的股東(「合資格股東」)於任何時候有權透過向本公司董事會或秘書(「公司秘書」)發出書面要求,要求董事會召開股東特別大會,以處理有關要求中指明的任何事項,包括於股東特別大會上提呈建議或動議決議案。
- 有意要求董事會召開股東特別大會以於會上提呈建議或動議決議案的合資格股東,必須將經由合資格股東簽署的書面要求(「要求」)遞呈至本公司的香港主要營業地點香港皇后大道東1號太古廣場三座28樓,收件人應註明為公司秘書。
- 要求必須清楚列明合資格股東的姓名、其於本公司的股權、召開股東特別大會的理由、股東特別大會的議程(包括建議於股東特別大會上處理的事項詳情),並經由合資格股東簽署。
- 本公司將檢視要求,並向本公司的股份過戶登記分處驗證合資格股東的身份及股權。倘要求被認為恰當及完整,則公司秘書將要求董事會於遞呈要求後2個月內召開股東特別大會及/或於股東特別大會中載列合資格股東提呈的建議或決議案。與之相反,倘要求被驗證為不完整,則合資格股東將獲告知有關結論,而董事會據此不會召開股東特別大會及/或於股東特別大會中載列合資格股東提呈的建議或決議案。
- 倘遞呈要求後21日內,董事會未有將任何否定的結論告知合資格股東或召開股東特別大會,則合資格股東可自行根據組織章程大綱及細則召開股東特別大會,而有關合資格股東因董事會未有召開大會而合理產生的所有開支應由本公司向有關合資格股東作出償付。



## (ii) Procedures for sending enquiries to the board

Shareholders of the Company may send their enquiries and concerns to the Board by addressing them to the principal place of business of the Company in Hong Kong at 28th Floor, Three Pacific Place, No. 1 Queen's Road East, Hong Kong by post or email to kingdom@kingdom-china.com for the attention of the investors relation department of the Company.

## INVESTOR RELATIONS

The Group firmly believes the importance of communicating with the investment community and the shareholders in attaining a high level of transparency. Since its listing, the Group has maintained various communication channels with analysts and fund managers such as one-to-one meetings, telephone communications, and press releases. The general meetings of the Company provide a platform for communication between the shareholders and the Board. The Chairman of the Board as well as Chairmen of the Remuneration Committee, Nomination Committee and Audit Committee or if, in their absence, other members of the respective committees, and where applicable, the independent board committee, are available to answer questions at the shareholders' meetings. The Company endeavours to provide timely and accurate information to the investors to enhance the understanding of the investors about the linen industry, as well as the business development strategy and direction of the Group.

The Group will continue to maintain a close relationship with investors and develop greater understanding about the Group for international investors, to enhance investors' confidence in the Group.

There is no change in the Articles during the year ended 31 December 2012.

## DISCLAIMER

The contents of the section headed "Shareholders' Rights" are for reference and disclosure compliance purposes only. The information does not represent and should not be regarded as legal or other professional advice from the Company to the shareholders. Shareholders should seek their own independent legal or other professional advice as to their rights as shareholders of the Company. The Company disclaims all liabilities and losses incurred by its shareholders in reliance on any contents of this section headed "Shareholders' Rights".

## (ii) 向董事會提問的程序

本公司股東可將向董事會作出的提問及疑問以郵遞方式遞呈至本公司的香港主要營業地點香港皇后大道東1號太古廣場三座28樓，收件人應註明為董事會，或電郵至 kingdom@kingdom-china.com，收件人應註明為本公司投資者關係部。

## 投資者關係

本集團深信與投資者及股東保持有效的溝通，有助於保持本集團高度透明。本集團自上市以來，以多種渠道與分析員及基金經理聯繫，如透過一對一會議、電話交流及發放新聞稿。本公司的股東大會提供一個股東與董事會之間溝通的平台。董事會主席、薪酬委員會主席、提名委員會主席及審核委員會主席，或（如上述人士未克出席）其他各相關委員會的其他成員，以及獨立董事委員會（如適用），將可於股東大會上回答問題。本公司致力為投資者提供準確、及時訊息，以進一步提升投資者對亞麻行業、本集團業務發展策略和動向的了解。

本集團將繼續維持與投資者緊密的關係，及加強國際投資者對本集團的認識，以增強投資者對本集團之信心。

細則於截至二零一二年十二月三十一日止年度並無任何變動。

## 免責聲明

「股東權利」一節所載內容僅供參考，並僅為遵守披露規定而提供。有關資料並不表示且不應被視為本公司給予股東之法律或其他專業意見。股東務請就彼等作為本公司股東享有之權利尋求獨立法律或其他專業意見。本公司概不就其股東因倚賴本節「股東權利」任何內容而產生之任何責任及損失承擔責任。





# Independent Auditors' Report

## 獨立核數師報告

**To the shareholders of Kingdom Holdings Limited**  
(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Kingdom Holdings Limited (“the Company”) and its subsidiaries (together, “the Group”) set out on pages 60 to 152, 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 International Financial Reporting Standards issued by the International Accounting Standards Board 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. Our report is made solely to you, as a body, the accordance with Section 141 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

**致金達控股有限公司股東**  
(於開曼群島註冊成立的有限公司)

我們已審核列載於第60頁至第152頁金達控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的合併財務報表，該等合併財務報表包括於二零一二年十二月三十一日的合併和公司財務狀況表與截至該日止年度的合併損益表、合併全面收益表、合併權益變動表和合併現金流量表，以及主要會計政策概要及其他詮釋資料。

### 董事就合併財務報表須承擔的責任

貴公司董事須負責根據國際會計準則委員會頒佈的《國際財務報告準則》規定和香港《公司條例》的披露規定編製真實且公允地反映情況的合併財務報表，以及就董事釐訂所須的內部監控負責，以使編製的合併財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

### 核數師的責任

我們的責任是根據我們的審核對該等合併財務報表發表意見。我們按照香港《公司條例》第141條僅向整體股東報告，除此之外，我們的報告不可作其他用途。我們概不就本報告的內容對任何其他人士負責或承擔法律責任。

我們是按照香港會計師公會頒佈的《香港核數準則》進行審核工作。這些準則要求我們遵守相關道德規範，並規劃及執行審核，以合理確定該等合併財務報表是否不存有任何重大錯誤陳述。

## Independent Auditors' Report 獨立核數師報告

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, 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 International Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

**Ernst & Young**  
*Certified Public Accountants*  
22/F, CITIC Tower  
1 Tim Mei Avenue  
Central, Hong Kong

15 March 2013

審核涉及執行程序以獲取有關合併財務報表所載金額及披露資料的審核證據。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致該等合併財務報表存有重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製真實且公允地反映情況的合併財務報表相關的內部監控，以設計適當的審核程序，但並非為對公司的內部監控的效能發表意見。審核亦包括評價董事所採用的會計政策的合適性及所作出的會計估計的合理性，以及評價合併財務報表的整體呈列方式。

我們相信，我們所獲得的審核證據是充分適當的，已為我們的審核意見建立基礎。

### 意見

我們認為，該等合併財務報表已按照《國際財務報告準則》真實且公允地反映了貴公司及貴集團於二零一二年十二月三十一日的財務狀況及貴集團截至該日止年度的溢利及現金流量，並已按照香港《公司條例》的披露規定適當編製。

**安永會計師事務所**  
執業會計師  
香港中環  
添美道1號  
中信大廈22樓

二零一三年三月十五日

# Consolidated Income Statement

## 合併損益表

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	5	718,912	710,960
Cost of sales	銷售成本		(509,612)	(482,957)
Gross profit	毛利		209,300	228,003
Other income and gains	其他收益及得益	5	8,320	9,403
Selling and distribution expenses	銷售及分銷開支		(34,358)	(30,268)
Administrative expenses	行政開支		(39,821)	(39,191)
Other expenses	其他開支		(3,544)	(8,165)
Finance costs	財務成本	6	(12,848)	(14,720)
Share of profits and losses of an associate	應佔一間聯營公司 溢利及虧損	18	(285)	17
PROFIT BEFORE TAX	除稅前溢利	7	126,764	145,079
Income tax expense	所得稅開支	10	(32,584)	(41,940)
PROFIT FOR THE YEAR	年內溢利		94,180	103,139
Attributable to:	應佔:			
Owners of the parent	母公司擁有人	11	94,180	103,139
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	母公司普通股權益持有人 應佔每股盈利			
Basic	基本	13	人民幣0.15元	人民幣0.17元
Diluted	攤薄	13	人民幣0.15元	人民幣0.17元

Details of the dividends payable and proposed for the year are disclosed in note 12 to the financial statements.

年內應付及擬派股息詳情於財務報表附註12披露。

# Consolidated Statement of Comprehensive Income

## 合併全面收益表

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	年內溢利	<u>94,180</u>	<u>103,139</u>
Exchange differences on translation of foreign operations	海外業務折算的匯兌差額	<u>210</u>	<u>(786)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	年內全面收益總額	<u>94,390</u>	<u>102,353</u>
Attributable to:	應佔：		
Owners of the parent	母公司擁有人	<u>94,390</u>	<u>102,353</u>

# Consolidated Statement of Financial Position

## 合併財務狀況表

As at 31 December 2012 於二零一二年十二月三十一日

		Notes 附註	31 December 2012 二零一二年 十二月 三十一日 RMB'000 人民幣千元	31 December 2011 二零一一年 十二月 三十一日 RMB'000 人民幣千元
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	14	366,033	378,226
Prepaid land lease payments	土地租賃預付款項	15	56,579	34,032
Intangible asset	無形資產	16	10,818	11,323
Investment in an associate	於一間聯營公司的投資	18	5,784	6,069
Deferred tax assets	遞延稅項資產	19	8,322	7,004
Total non-current assets	非流動資產總值		447,536	436,654
CURRENT ASSETS	流動資產			
Inventories	存貨	20	240,570	235,995
Trade and notes receivables	應收貿易賬款及應收票據	21	218,077	149,338
Prepayments, deposits and other receivables	預付款、押金及其他應收款項	22	43,393	21,972
Derivative financial instruments	衍生金融工具	25	68	1,033
Pledged deposits	已抵押存款	26	35,900	37,600
Cash and cash equivalents	現金及現金等價物	26	163,643	163,502
Total current assets	流動資產總值		701,651	609,440
CURRENT LIABILITIES	流動負債			
Trade payables	應付貿易賬款	27	43,186	58,349
Other payables and accruals	其他應付款項及預提費用	28	43,506	30,947
Interest-bearing bank loans	計息銀行貸款	29	215,684	164,100
Amount due to a related company	應付一間關連公司款項	23	55	–
Tax payable	應付稅項		13,428	22,415
Total current liabilities	流動負債總值		315,859	275,811
NET CURRENT ASSETS	流動資產淨值		385,792	333,629
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		833,328	770,283



# Consolidated Statement of Financial Position 合併財務狀況表

As at 31 December 2012 於二零一二年十二月三十一日

			<b>31 December 2012 二零一二年 十二月 三十一日 RMB'000 人民幣千元</b>	31 December 2011 二零一一年 十二月 三十一日 RMB'000 人民幣千元
NON-CURRENT LIABILITIES	<b>非流動負債</b>			
Deferred tax liabilities	遞延稅項負債	19	<b>10,449</b>	8,420
Total non-current liabilities	非流動負債總值		<b>10,449</b>	8,420
Net assets	資產淨值		<b>822,879</b>	761,863
EQUITY	<b>權益</b>			
Equity attributable to owners of the parent	母公司擁有人應佔權益			
Issued capital	已發行股本	30	<b>6,301</b>	6,272
Reserves	儲備	32	<b>781,041</b>	720,265
Proposed final dividend	建議末期股息	12	<b>35,537</b>	35,326
Total equity	權益總額		<b>822,879</b>	761,863

**Ren Wei Ming**  
任維明  
Director  
董事

**Shen Yueming**  
沈躍明  
Director  
董事

# Consolidated Statement of Changes in Equity

## 合併權益變動表

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

		Attributable to owners of the parent 母公司擁有人應佔								
		Issued capital	Share premium	Merger reserve	Statutory reserve	Share option reserve 購股權 儲備	Exchange reserve 匯兌儲備	Proposed final dividend 建議 末期股息	Retained profits 保留溢利	Total
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	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
		(note 30) (附註30)	(note 32) (附註32)	(note 32) (附註32)	(note 32) (附註32)	(note 32) (附註32)	(note 32) (附註32)			
At 1 January 2011	於二零一一年一月一日	6,272	268,001	196,816	44,511	514	(1,155)	26,488	143,523	684,970
Profit for the year	年內溢利	-	-	-	-	-	-	-	103,139	103,139
Exchange differences on translation of foreign operations	海外業務折算的匯兌差額	-	-	-	-	-	(786)	-	-	(786)
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	-	(786)	-	103,139	102,353
Final 2010 dividend declared	已宣派二零一零年末期股息	-	-	-	-	-	-	(26,488)	-	(26,488)
Proposed final 2011 dividend	建議二零一一年末期股息	-	-	-	-	-	-	35,326	(35,326)	-
Transfer from retained profits	轉撥自保留溢利	-	-	-	14,505	-	-	-	(14,505)	-
Equity-settled share option arrangement	以權益結算購股權安排	-	-	-	-	1,028	-	-	-	1,028
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	<u>6,272</u>	<u>268,001*</u>	<u>196,816*</u>	<u>59,016*</u>	<u>1,542*</u>	<u>(1,941)*</u>	<u>35,326</u>	<u>196,831*</u>	<u>761,863</u>
Profit for the year	年內溢利	-	-	-	-	-	-	-	94,180	94,180
Exchange differences on translation of foreign operations	海外業務折算的匯兌差額	-	-	-	-	-	210	-	-	210
Issue of share capital	發行股本	29	2,180	-	-	(1,028)	-	-	-	1,181
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	-	-	-	-	-
Final 2011 dividend declared	已宣派二零一一年末期股息	-	-	-	-	-	-	(35,326)	-	(35,326)
Proposed final 2012 dividend	建議二零一二年末期股息	-	-	-	-	-	-	35,537	(35,537)	-
Transfer from retained profits	轉撥自保留溢利	-	-	-	12,242	-	-	-	(12,242)	-
Equity-settled share option arrangement	以權益結算購股權安排	-	-	-	-	771	-	-	-	771
At 31 December 2012	於二零一二年十二月三十一日	<u>6,301</u>	<u>270,181*</u>	<u>196,816*</u>	<u>71,258*</u>	<u>1,285*</u>	<u>(1,731)*</u>	<u>35,537</u>	<u>243,232*</u>	<u>822,879</u>

\* These reserve accounts comprise the consolidated reserves of RMB781,041,000 (2011: RMB720,265,000) in the consolidated statement of financial position.

\* 該等儲備賬包括合併財務狀況表之合併儲備人民幣781,041,000元(二零一一年:人民幣720,265,000元)。

# Consolidated Statement of Cash Flows

## 合併現金流量表

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
CASH FLOWS FROM OPERATING ACTIVITIES	經營活動的現金流量		
Profit before tax	除稅前溢利	126,764	145,079
Adjustments for:	調整項目：		
Share of profits and losses of an associate	應佔一間聯營公司溢利及虧損	285	(17)
Fair value gains on derivative instruments – transactions not qualifying as hedges	不合資格作對沖之衍生工具 交易之公允價值得益	(68)	2,680
Equity-settled share option expense	以權益結算購股權開支	771	1,028
Depreciation	折舊	49,644	47,704
Amortization of prepaid land lease payments	土地租賃預付款項攤銷	859	867
Amortization of an intangible asset	無形資產攤銷	599	596
Reversal of provision against inventories	存貨撥備轉回	(178)	(3,225)
Loss on disposal of items of property, plant and equipment	出售物業、廠房及設備項目 虧損	33	1,350
Provision for doubtful debts	呆賬撥備	26	979
Finance costs	財務成本	12,848	14,720
Bank interest income	銀行利息收入	(1,546)	(2,787)
		<b>190,037</b>	208,974
(Increase)/decrease in inventories	存貨(增加)/減少	(4,397)	46,664
Increase in trade and notes receivables	應收貿易賬款及應收票據增加	(68,765)	(29,883)
(Increase)/decrease in prepayments, deposits and other receivables	預付款、押金及其他應收款項 (增加)/減少	(21,421)	13,053
Decrease in derivative financial instruments	衍生金融工具減少	1,033	–
Decrease in trade payables	應付貿易賬款減少	(15,163)	(59,463)
Increase in other payables and accruals	其他應付款項及預提費用增加	12,559	3,355
Decrease in an amount due from a related party	應收一名關連方款項減少	–	52
Increase in an amount due to a related party	應付一名關連方款項增加	55	–
Cash generated from operations	經營活動產生的現金	<b>93,938</b>	182,752
Income tax paid	已付所得稅	(40,860)	(33,517)
Net cash flows from operating activities	經營活動的現金流量淨額	<b>53,078</b>	149,235

# Consolidated Statement of Cash Flows

## 合併現金流量表

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
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動的現金流量		
Purchases of items of property, plant and equipment	購置物業、廠房及設備項目	(37,314)	(44,331)
Purchases of an item of intangible asset	購置無形資產項目	(94)	(11,919)
Purchases of prepaid land lease payments	購置土地租賃預付款項	(23,398)	-
Proceeds from disposal of items of property, plant and equipment	出售物業、廠房及設備項目所得款項	494	474
Interest received	已收利息	1,546	2,787
Decrease in pledged deposits	已抵押存款減少	1,700	24,457
Net cash flows used in investing activities	投資活動所用的現金流量淨額	<u>(57,066)</u>	<u>(28,532)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動的現金流量		
Paid-in capital received	已收繳足資本	1,181	-
New bank loans	新造銀行貸款	330,916	300,864
Repayment of bank loans	償還銀行貸款	(279,332)	(439,545)
Dividends and interest paid	已付股息及利息	(48,838)	(41,208)
Net cash flows generated from/(used in) financing activities	融資活動產生/(所用)的現金流量淨額	<u>3,927</u>	<u>(179,889)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物減少淨額	(61)	(59,186)
Cash and cash equivalents at beginning of year	年初現金及現金等價物	163,502	223,464
Effect of foreign exchange rates changes, net	匯率變動影響淨額	202	(776)
CASH AND CASH EQUIVALENTS AT END OF YEAR	年末現金及現金等價物	<u>163,643</u>	<u>163,502</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等價物結餘分析		
Cash and bank balances	現金及銀行結餘	163,643	163,502
Non-pledged time deposits with original maturity of less than three months when acquired	獲得時原定到期日少於三個月的無抵押定期存款	-	-
Cash and cash equivalents as stated in the statement of financial position	財務狀況表所列的現金及現金等價物	<u>163,643</u>	<u>163,502</u>

# Statement of Financial Position

## 財務狀況表

As at 31 December 2012 於二零一二年十二月三十一日

		Notes 附註	31 December 2012 二零一二年 十二月三十一日 RMB'000 人民幣千元	31 December 2011 二零一一年 十二月三十一日 RMB'000 人民幣千元
NON-CURRENT ASSETS	非流動資產			
Investments in subsidiaries	於附屬公司的投資	17	372,534	371,249
Total non-current assets	非流動資產總值		372,534	371,249
CURRENT ASSETS	流動資產			
Amounts due from subsidiaries	應收附屬公司款項	24	283,153	278,195
Cash and cash equivalents	現金及現金等價物	26	2,064	1,870
Total current assets	流動資產總值		285,217	280,065
CURRENT LIABILITIES	流動負債			
Other payables	其他應付款項	28	–	230
Amount due to a subsidiary	應付一間附屬公司款項	24	6,716	3,800
Total current liabilities	流動負債總值		6,716	4,030
NET CURRENT ASSETS	流動資產淨值		278,501	276,035
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		651,035	647,284
Net assets	資產淨值		651,035	647,284
EQUITY	權益			
Issued capital	已發行股本	30	6,301	6,272
Reserves	儲備	32	609,197	605,686
Proposed final dividend	建議末期股息	12	35,537	35,326
Total equity	權益總額		651,035	647,284

Ren Wei Ming  
任維明  
Director  
董事

Shen Yueming  
沈躍明  
Director  
董事

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

### 1. CORPORATE INFORMATION

Kingdom Holdings Limited was incorporated in the Cayman Islands as an exempted company with limited liability on 21 July 2006. The Company's shares were listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 12 December 2006.

The Group is principally engaged in the manufacture and sale of linen yarns.

The Company's registered office address is Cricket Square, Hutchins Drive, P.O. Box 2681 GT, Grand Cayman KY1-1111, Cayman Islands; and the principal place of business is located at Level 28, Three Pacific Place, 1 Queen's Road East, Hong Kong.

#### 2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") (which include all International Financial Reporting Standards, International Accounting Standards ("IASs") and Interpretations) issued by the International Accounting Standards Board and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for derivative financial instruments which have been measured at fair value. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand (RMB'000), except when otherwise indicated.

### 1. 公司資料

金達控股有限公司於二零零六年七月二十一日在開曼群島註冊成立為獲豁免有限公司。本公司股份於二零零六年十二月十二日在香港聯合交易所有限公司（「聯交所」）上市。

本集團主要從事生產及銷售亞麻紗。

本公司的註冊辦事處地址為Cricket Square, Hutchins Drive, P.O. Box 2681 GT, Grand Cayman KY1-1111, Cayman Islands，而其主要營業地點則位於香港皇后大道東1號太古廣場三座28樓。

#### 2.1 編製基準

該等財務報表乃按照國際會計準則委員會頒佈的《國際財務報告準則》（「《國際財務報告準則》」）（包括所有《國際財務報告準則》、《國際會計準則》（「《國際會計準則》」）及詮釋）及香港《公司條例》的披露規定編製。除衍生金融工具採用公允價值計量外，財務報表乃根據歷史成本慣例編製。除非另有標明，否則該等財務報表以人民幣（「人民幣」）呈列，而所有價值已調整至最接近的千位數（人民幣千元）。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

### 2.1 BASIS OF PREPARATION (continued)

#### Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2012. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated on consolidation in full.

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

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

### 2.1 編製基準 (續)

#### 合併基準

合併財務報表包括本公司及其附屬公司(統稱為「本集團」)截至二零一二年十二月三十一日止年度之財務報表。附屬公司與本公司的財務報表的報告期間相同，並採用一致會計政策編製。附屬公司的業績由收購日期(即本集團取得控制權的日期)起合併入賬，並繼續合併入賬直至該等控制權終止日期為止。所有公司間結餘、交易、公司間交易所引致的未變現盈虧及股息均於合併賬目時全數抵銷。

附屬公司擁有權權益的變動(並無失去控制權)按權益交易入賬。

倘本集團失去對附屬公司的控制權，需終止確認(i)該附屬公司的資產(包括商譽)及負債、(ii)任何非控制性權益的賬面值及(iii)於權益內記錄的累計折算差額；及確認(i)所收代價的公允價值、(ii)任何保留投資的公允價值及(iii)損益中任何因此產生的盈餘或虧損。過往於其他全面收益內確認的本集團應佔部分重新分類至損益或保留溢利(如適用)。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

### 2.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

The Group has adopted the following revised IFRSs for the first time for the current year's financial statements.

IFRS 1 Amendments	Amendments to IFRS 1 <i>First-time Adoption of International Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters</i>
IFRS 7 Amendments	Amendments to IFRS 7 <i>Financial Instruments – Disclosures: Transfers of Financial Assets</i>
IAS 12 Amendments	Amendments to IAS 12 <i>Income Taxes – Deferred Taxes: Recovery of Underlying Assets</i>

Other than as further explained below regarding the impact of IFRS 7, the adoption of the above revised IFRSs does not have significant impact on these financial statements.

The principal effects of amendments to IFRS 7 are as follows:

The amendments require additional disclosures about financial assets that have been transferred but not derecognized to enable users of the Group's consolidated financial statements to understand the relationship with those assets that have not been derecognized and their associated liabilities. In addition, the amendments require disclosures about the entity's continuing involvement in derecognized assets to enable users to evaluate the nature of, and risks associated with, such involvement. The amendments are effective for annual periods beginning on or after 1 July 2011. Details of the relevant disclosures are included in note 21 to the consolidated financial statements.

### 2.2 會計政策及披露的變動

本集團已就本年度之財務報表首次採納下列經修訂《國際財務報告準則》。

《國際財務報告準則》第1號之修訂本	《國際財務報告準則》第1號之修訂首次採納《國際財務報告準則》—嚴重高通脹及剔除首次採納者的固定日期
《國際財務報告準則》第7號之修訂本	《國際財務報告準則》第7號之修訂金融工具：披露—轉讓金融資產
《國際會計準則》第12號之修訂本	《國際會計準則》第12號之修訂所得稅—遞延稅項：收回相關資產

除於下文就《國際財務報告準則》第7號之影響所進一步說明外，採納上述經修訂《國際財務報告準則》對該等財務報表並無重大影響。

《國際財務報告準則》第7號之修訂本之主要影響如下：

該等修訂本規定額外披露已轉讓但尚未終止確認的金融資產，使本集團合併財務報表的使用者能了解該等尚未終止確認資產與其相關負債的關係。此外，該等修訂本規定披露實體持續參與該等尚未終止確認資產情況，讓使用者可評估有關參與情況的性質及相關風險。該等修訂本於二零一一年七月一日或之後開始的年度期間生效。相關披露事項詳情載於合併財務報表附註21。



# Notes to Financial Statements 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

## 2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

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

IFRS 1 Amendments	Amendments to IFRS 1 <i>First-time Adoption of International Financial Reporting Standards – Government Loans</i> <sup>1</sup>
IFRS 7 Amendments	Amendments to IFRS 7 <i>Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities</i> <sup>1</sup>
IFRS 9	<i>Financial Instruments</i> <sup>3</sup>
IFRS 10	<i>Consolidated Financial Statements</i> <sup>1</sup>
IFRS 11	<i>Joint Arrangements</i> <sup>1</sup>
IFRS 12	<i>Disclosure of Interests in Other Entities</i> <sup>1</sup>
IFRS 13	<i>Fair Value Measurement</i> <sup>1</sup>
IFRS 10, IFRS 11 and IFRS 12 Amendments	Amendments to IFRS 10, IFRS 11 and IFRS 12 – <i>Transition Guidance</i> <sup>1</sup>
IFRS 10, IFRS 12, Amendments and IAS 27 (Revised)	Amendments to IFRS 10, IFRS 12 and IAS 27 (Revised) – <i>Investment Entities</i> <sup>2</sup>

## 2.3 已頒佈但尚未生效之《國際財務報告準則》

本集團並無於該等財務報表應用以下已頒佈但尚未生效之新訂及經修訂《國際財務報告準則》。

《國際財務報告準則》第1號之修訂本	《國際財務報告準則》第1號之修訂首次採納《國際財務報告準則》—政府貸款 <sup>1</sup>
《國際財務報告準則》第7號之修訂本	《國際財務報告準則》第7號之修訂金融工具：披露—對銷金融資產及金融負債 <sup>1</sup>
《國際財務報告準則》第9號	金融工具 <sup>3</sup>
《國際財務報告準則》第10號	合併財務報表 <sup>1</sup>
《國際財務報告準則》第11號	聯合安排 <sup>1</sup>
《國際財務報告準則》第12號	披露於其他實體之權益 <sup>1</sup>
《國際財務報告準則》第13號	公允價值計量 <sup>1</sup>
《國際財務報告準則》第10號、《國際財務報告準則》第11號及《國際財務報告準則》第12號之修訂本	《國際財務報告準則》第10號、《國際財務報告準則》第11號及《國際財務報告準則》第12號之修訂—過渡指引 <sup>1</sup>
《國際財務報告準則》第10號、《國際財務報告準則》第12號之修訂本及《國際會計準則》第27號（經修訂）	《國際財務報告準則》第10號及《國際財務報告準則》第12號之修訂及《國際會計準則》第27號（經修訂）—投資實體 <sup>2</sup>

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

### 2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

IAS 1 Amendments	Amendments to IAS 1 <i>Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income</i> <sup>1</sup>
IAS 19 Amendments	Amendments to IAS 19 <i>Employee Benefits</i> <sup>1</sup>
IAS 27 (Revised)	<i>Separate Financial Statements</i> <sup>1</sup>
IAS 28 (Revised)	<i>Investments in Associates and Joint Ventures</i> <sup>1</sup>
IAS 32 Amendments	Amendments to IAS 32 <i>Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities</i> <sup>1</sup>
IFRIC 20	<i>Stripping Costs in the Production Phase of a Surface Mine</i> <sup>1</sup>
Annual Improvements 2009 – 2011 Cycle	Amendments to a number of IFRSs issued in June 2012 <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2013

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2014

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2015

The Group is in the process of making an assessment of the impact of these new and revised IFRSs upon initial application. So far, the Group considers that these new and revised IFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

### 2.3 已頒佈但尚未生效之《國際財務報告準則》(續)

《國際會計準則》 第1號之修訂本	《國際會計準則》 第1號之修訂呈列財務報表—呈列其他全面收益項目 <sup>1</sup>
《國際會計準則》 第19號之修訂本	《國際會計準則》 第19號之修訂僱員福利 <sup>1</sup>
《國際會計準則》 第27號(經修訂)	獨立財務報表 <sup>1</sup>
《國際會計準則》 第28號(經修訂)	於聯營公司及合營公司之投資 <sup>1</sup>
《國際會計準則》 第32號之修訂本	《國際會計準則》 第32號之修訂金融工具:呈列一對銷金融資產及金融負債 <sup>1</sup>
國際財務報告 詮釋委員會 —詮釋第20號 年度改進 二零零九年至 二零一一年週期	露天礦場生產階段之 剝採成本 <sup>1</sup>  於二零一二年六月 頒佈之多項《國際 財務報告準則》之 修訂 <sup>1</sup>

<sup>1</sup> 於二零一三年一月一日或之後開始之年度期間生效

<sup>2</sup> 於二零一四年一月一日或之後開始之年度期間生效

<sup>3</sup> 於二零一五年一月一日或之後開始之年度期間生效

本集團正評估首次應用該等新訂及經修訂《國際財務報告準則》之影響。至今,本集團認為該等新訂及經修訂《國際財務報告準則》不大可能對本集團經營業績及財務狀況造成重大影響。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Subsidiaries

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

The results of subsidiaries are included in the Company's income statement to the extent of dividends received and receivable. The Company's investments in subsidiaries are stated at cost less any impairment losses.

#### Joint venture

A joint venture is an entity set up by contractual arrangement, whereby the Group and other parties undertake an economic activity. The joint venture operates as a separate entity in which the Group and the other parties have an interest.

The joint venture agreement between the venturers stipulates the capital contributions of the joint venture parties, the duration of the joint venture and the basis on which the assets are to be realised upon its dissolution. The profits or losses from the joint venture's operations and any distributions of surplus assets are shared by the venturers, either in proportion to their respective capital contributions, or in accordance with the terms of the joint venture agreement.

A joint venture is treated as:

- (a) a subsidiary, if the Group/Company has unilateral control, directly or indirectly, over the joint venture;
- (b) a jointly-controlled entity, if the Group/Company does not have unilateral control, but has joint control, directly or indirectly, over the joint venture;
- (c) an associate, if the Group/Company does not have unilateral or joint control, but holds, directly or indirectly, generally not less than 20% of the joint venture's registered capital and is in a position to exercise significant influence over the joint venture; or
- (d) an equity investment accounted for in accordance with IAS 39, if the Group/Company holds, directly or indirectly, less than 20% of the joint venture's registered capital and has neither joint control of, nor is in a position to exercise significant influence over, the joint venture.

### 2.4 主要會計政策概要

#### 附屬公司

附屬公司為本公司可直接或間接控制其金融及營運政策以從其業務獲益的實體。

附屬公司的業績以已收及應收股息為限計入本公司損益表內。本公司於附屬公司的投資按成本減任何減值虧損入賬。

#### 合營公司

合營公司指根據合約安排成立的實體，據此，本集團與其他人士進行經濟活動。合營公司作為一個獨立實體營運，本集團與其他人士均擁有權益。

合營各方訂立的合營協議訂明合營各方的注資、合營公司的期限及合營公司解散時變現資產的基準。合營公司業務的盈虧及盈餘資產的任何分派均由合營各方按其各自的出資額或根據合營協議的條款分佔。

合營公司被視為：

- (a) 附屬公司，倘本集團／本公司直接或間接單方面控制合營公司；
- (b) 共同控制實體，倘本集團／本公司不可直接或間接單方面控制，但可共同控制合營公司；
- (c) 聯營公司，倘本集團／本公司並無單方面或共同控制權，但直接或間接持有一般不少於合營公司的20%註冊資本，並可對該合營公司施以重大影響；或
- (d) 根據《國際會計準則》第39號記賬的股權投資，倘本集團／本公司直接或間接持有合營公司少於20%的註冊資本，且對該合營公司並無共同控制權亦不可施以重大影響。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Associate

An associate is an entity, not being a subsidiary or a jointly-controlled entity, in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence.

The Group's investment in an associate is stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. The Group's share of the post-acquisition results and reserves of an associate is included in the consolidated income statement and consolidated reserves, respectively. Unrealised gains and losses resulting from transactions between the Group and its associate are eliminated to the extent of the Group's investment in the associate, except where unrealised losses provide evidence of an impairment of the asset transferred.

The results of an associate are included in the Company's income statement to the extent of dividends received and receivable. The Company's investment in an associate is treated as a non-current asset and is stated at cost less any impairment losses.

When an investment in an associate is classified as held for sale, it is accounted for in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

#### Impairment of non-financial assets

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

### 2.4 主要會計政策概要 (續)

#### 聯營公司

聯營公司(非附屬公司或共同控制實體)為本集團一般持有其不少於20%表決權的長期權益的實體,並可對其施以重大影響。

本集團於聯營公司的投資乃按權益會計法核算,在本集團的合併財務狀況表中,按本集團應佔的資產淨值扣除減值虧損呈列。本集團應佔聯營公司收購後業績及儲備份額分別計入合併損益表及合併儲備中。本集團與聯營公司交易所產生的未實現盈虧,均按本集團於聯營公司的投資為限進行抵銷,除非未實現虧損顯示已轉讓資產出現減值。

聯營公司的業績以已收及應收股息為限計入本公司損益表內。本公司於聯營公司的投資作為非流動資產處理,按成本扣除減值虧損列賬。

當於聯營公司的投資分類為持作出售,則根據《國際財務報告準則》第5號持作出售非流動資產及終止經營業務入賬。

#### 非金融資產減值

倘若一項資產(存貨、遞延稅項資產、金融資產及非流動資產除外)存在減值跡象,或需要進行年度減值測試,則估計資產的可收回價值。一項資產的可收回價值是指資產或現金產出單元的使用價值與其公允價值扣除銷售成本二者之中的較高者。除非該資產因主要依附於其他資產或一組資產產生現金流入而按該資產所屬現金產出單元釐定可收回價值,否則可收回價值以單個資產項目釐定。

# Notes to Financial Statements 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Impairment of non-financial assets (continued)

An impairment loss is recognized only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the income statement in the period in which it arises in those expense categories consistent with the function of the impaired asset.

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

### Related parties

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

- (a) the party is a person or a close member of that person's family and that person (i) has control or joint control over the Group; (ii) has significant influence over the Group; or (iii) is a member of the key management personnel of the Group or a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
  - (i) the entity and the Group are members of the same group;

## 2.4 主要會計政策概要 (續)

### 非金融資產減值 (續)

僅當資產的賬面值超過其可收回價值時，才確認減值虧損。對使用價值進行評估時，預期未來現金流量以反映當前市場評定的貨幣時間價值以及資產特有風險的稅前折現率折現至當前價值。減值虧損於產生期內自損益表與減值資產職能一致的開支類別扣除。

在每個報告期末需評估是否有跡象表明以往確認的減值虧損可能不復存在或有所減少。若有此跡象存在，則估計可收回價值。僅當釐定該項資產的可收回價值的估計有所改變時，以往就該項資產（除商譽外）已確認的減值虧損才可轉回，惟轉回後的數額不能高於該項資產以前年度沒有確認減值虧損時的賬面值（減去折舊／攤銷後）。該等減值虧損轉回應於產生期內計入損益表，除非該項資產是以重估值入賬，則該等減值虧損轉回應按重估資產的相關會計政策入賬。

### 關連方

在下列情況下，一方將被視為與本集團有關：

- (a) 該方或其直系親屬：(i)控制或共同控制本集團；(ii)可對本集團發揮重大影響力；或(iii)為本集團或其母公司的主要管理層成員；

或

- (b) 該方為符合下列任何一項條件的實體：
  - (i) 該實體與本集團為同一集團的成員；

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Related parties (continued)

- (b) (continued)
- (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
  - (iii) the entity and the Group are joint ventures of the same third party;
  - (iv) one entity is a joint venture of a third party and the other entity is an associate of the third entity;
  - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
  - (vi) the entity is controlled or jointly controlled by a person identified in (a); and
  - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

#### Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with IFRS 5. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

### 2.4 主要會計政策概要 (續)

#### 關連方 (續)

- (b) (續)
- (ii) 某一實體為另一實體 (或其母公司、附屬公司或同系附屬公司) 的聯營公司或合資企業;
  - (iii) 該實體與本集團為同一名第三方的合資企業;
  - (iv) 某一實體為一名第三方的合資企業, 而另一實體為該名第三方的聯營公司;
  - (v) 該實體乃為本集團或與其有關連的任何實體的僱員福利而設的受僱後福利計劃;
  - (vi) 該實體受(a)項所指人士控制或共同控制; 及
  - (vii) (a)(i)項所指人士可對該實體發揮重大影響力或為該實體 (或該實體的母公司) 的主要管理層成員。

#### 物業、廠房及設備及折舊

物業、廠房及設備 (在建工程除外) 乃以成本減累計折舊及任何減值虧損列示。當一項物業、廠房及設備分類為持作出售或當其為組成分類為持作出售的處置組合一部分時, 無須折舊並根據《國際財務報告準則》第5號入賬。一項物業、廠房及設備的成本包括其購買價格及將資產運抵指定地點並使其達到預定可使用狀態的任何直接可歸屬成本。

# Notes to Financial Statements 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Property, plant and equipment and depreciation (continued)

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the income statement in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalized in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Plant and buildings	4.5%
Machinery	9.0%
Office equipment	18.0%
Motor vehicles	22.5%
Leasehold improvements	Over the lease terms

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

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

## 2.4 主要會計政策概要 (續)

### 物業、廠房及設備及折舊 (續)

物業、廠房及設備項目投入運作後產生的支出，如維修保養等，一般於產生期間的損益表中扣除。如符合確認條件，則主要修理開支於資產賬面值資本化為重置。當物業、廠房及設備的重大部分於期間需要替換，本集團確認該部分為有個別可使用年期的個別資產並將之折舊。

折舊乃按物業、廠房及設備各項目的估計可使用年期以直線法計算，將其成本撇銷至其剩餘價值。用作此用途的主要年折舊率如下：

廠房及樓宇	4.5%
機器	9.0%
辦公室設備	18.0%
汽車	22.5%
租賃物業裝修	租賃期內

倘物業、廠房及設備項目的不同部分的可使用年期有別，該項目的成本乃按合理基準分配至不同部分且個別進行折舊。至少須於各財政年度末檢討及調整（如適用）剩餘價值、可使用年期及折舊方法。

物業、廠房及設備項目包括初始確認的任何重大部分，於出售時或預期於日後使用或出售該項目將不會產生任何經濟利益時終止確認。於資產終止確認的年度，因出售或報銷而於損益表確認的任何盈虧，乃有關資產的出售所得款項淨額與賬面值之間的差額。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Property, plant and equipment and depreciation (continued)

Construction in progress represents a building under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

#### Intangible asset

Intangible assets acquired separately are measured on initial recognition at cost. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end. The useful life of the intangible asset of the Group is 20 years.

#### Research and development costs

All research costs are charged to the income statement as incurred.

Expenditure incurred on projects to develop new products is capitalized and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Deferred development costs are stated at cost less any impairment losses and are amortized using the straight-line basis over the commercial lives of the underlying products not exceeding five to seven years, commencing from the date when the products are put into commercial production.

### 2.4 主要會計政策概要 (續)

#### 物業、廠房及設備及折舊 (續)

在建工程指興建中的樓宇，並以成本值減任何減值虧損列賬，且不予折舊。成本包括建築期間的直接建築成本。在建工程於竣工及可投入使用时重新分類為合適的物業、廠房及設備類別。

#### 無形資產

單獨購買的無形資產初始確認時按成本計量。無形資產的可使用年期評估為有限或無限。年期有限的無形資產隨後於可使用經濟年期內攤銷，並於有跡象顯示無形資產出現減值時進行減值評估。可使用年期有限的無形資產的攤銷年期及攤銷方法至少於各財政年度結束時檢討一次。本集團無形資產的可使用年期為20年。

#### 研發成本

所有研究成本均於產生時在損益表內扣除。

開發新產品項目所產生的開支只會在下列情況下資本化並作遞延處理：本集團可確定完成該項無形資產以作使用或出售用途在技術上為可行；本集團有意完成該項無形資產，並能夠使用或出售該項資產；該項資產日後將如何產生經濟利益；完成該項目的可用資源量及是否有能力可靠地計量在開發過程中所需開支。不符合此等標準的產品開發開支在產生時支銷。

遞延開發成本以成本減任何減值虧損列賬，並以直線法在相關產品的商業年期（自其投入商業生產日期起計，不超過五至七年）內攤銷。



# Notes to Financial Statements 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalized at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalized finance leases, including prepaid land lease payments and finance leases, are included in property, plant and equipment, and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to the income statement so as to provide a constant periodic rate of charge over the lease terms.

Assets acquired through hire purchase contracts of a financing nature are accounted for as finance leases, but are depreciated over their estimated useful lives.

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to the income statement on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under the operating leases net of any incentive received from the lessor are charged to the income statement on the straight-line basis over the lease terms.

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

## 2.4 主要會計政策概要 (續)

### 租賃

凡資產擁有權的絕大部分回報及風險（不包括法定所有權）轉歸本集團所有的租賃，均列作融資租賃。於融資租賃開始時，租賃資產的成本乃按最低租賃付款的現值撥充資本，並連同債務（不包括利息部分）一併入賬，藉以反映購買與融資情況。根據已資本化的融資租賃持有的資產（包括土地租賃預付款項及融資租賃）納入物業、廠房及設備內，並按租賃期或資產的估計可使用年期兩者中的較短者折舊。有關租賃的融資成本乃於損益表扣除，從而提供租賃期內的固定週期支出比率。

透過融資性質租購合約所獲得的資產入賬為融資租賃，惟按其估計可使用年期折舊。

資產擁有權絕大部分回報及風險仍然由出租人擁有的租賃列為經營租賃。倘本集團為出租人，由本集團按經營租賃租出的資產包括在非流動資產內，而根據經營租賃應予收取的租金於租賃期按直線法計入損益表。倘本集團為承租人，根據經營租賃應予支付的租金扣除從出租人收取的任何優惠於租賃期按直線法於損益表扣除。

經營租賃所涉及的土地租賃預付款項初步按成本列賬，其後於租賃期內按直線基準確認。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Investments and other financial assets

##### Initial recognition and measurement

Financial assets of the Group within the scope of IAS 39 are classified as financial assets at fair value through profit or loss and loans and receivables, as appropriate. The Group determines the classification of its financial assets at initial recognition. When financial assets are recognized initially, they are measured at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss.

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

##### Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

##### *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by IAS 39.

### 2.4 主要會計政策概要 (續)

#### 投資及其他金融資產

##### 初始確認及計量

本集團在《國際會計準則》第39號範圍內的金融資產乃歸類為按公允價值計入損益的金融資產，或貸款及應收款項（如適用）。本集團金融資產在初始確認時確定歸類。金融資產初始確認時，乃按公允價值另加交易成本計量，惟按公允價值計入損益的金融資產除外。

所有以一般方式購買及出售的金融資產於交易日（即本集團承諾購買或出售資產當日）予以確認入賬。一般方式購買及出售為須在市場規例或慣例一般規定的期間內將資產交付的金融資產購買或出售。

##### 後續計量

金融資產的後續計量根據其分類如下：

##### *按公允價值計入損益的金融資產*

按公允價值計入損益的金融資產包括持作買賣金融資產及於初始確認時指定按公允價值計入損益的金融資產。倘金融資產收購作短期出售用途，該等金融資產乃歸類為持作買賣。衍生工具（包括獨立的內含衍生工具）亦被歸類為持作買賣，除非根據《國際會計準則》第39條的定義被指定為實際對沖工具。

# Notes to Financial Statements 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Investments and other financial assets (continued)

Subsequent measurement (continued)

*Financial assets at fair value through profit or loss (continued)*

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with positive net changes in fair value presented as other income and gains and negative net changes in fair value presents as finance costs in the income statement. These net fair value changes do not include any dividends or interest earned on these financial assets, which are recognized in accordance with the policies set out for "Revenue recognition" below.

Financial assets designated upon initial recognition at fair value through profit or loss are designated at the date of initial recognition and only if the criteria under IAS 39 are satisfied.

The Group evaluates its financial assets at fair value through profit or loss (held for trading) to assess whether the intent to sell them in the near term is still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets and management's intent to sell them in the foreseeable future significantly changes, the Group may elect to reclassify them. The reclassification from financial assets at fair value through profit or loss to loans and receivables depends on the nature of the assets. This evaluation does not affect any financial assets designated at fair value through profit or loss using the fair value option at designation, as these instruments cannot be reclassified after initial recognition.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognized in the income statement. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

## 2.4 主要會計政策概要 (續)

### 投資及其他金融資產 (續)

後續計量 (續)

*按公允價值計入損益的金融資產 (續)*

按公允價值計入損益的金融資產於財務狀況表按公允價值入賬，淨公允價值正數變動則於損益表內呈列為其他收益及得益，而淨公允價值負數變動則呈列為財務成本。淨公允價值變動不包括該等金融資產賺取的任何股息或利息，該等股息或利息根據下文「收益確認」所載的政策確認。

金融資產只會於符合《國際會計準則》第39號的條件時於初始確認當日指定為於初始確認時指定按公允價值計入損益的金融資產。

本集團估計其按公允價值計入損益（持作買賣）的金融資產的公允價值，以評估於近期出售資產的意向是否繼續適當。倘於罕見情況下，本集團由於市場不活躍無法買賣該等金融資產，而管理層於可預見的將來出售該等金融資產的意向發生重大變化，本集團可以選擇重新將金融資產分類。按公允價值計入損益的金融資產重新分類為貸款及應收款項取決於資產的性質。該估計並不影響於指定按公允價值計入損益時選擇使用公允價值選項的金融資產，原因為該等工具於初始確認後不得重新分類。

倘主合約的內含衍生工具的經濟特徵及風險與主合約所述者並無密切關係，而主合約並非持作買賣用途或指定按公允價值計入損益，則衍生工具以個別衍生工具入賬並按公允價值記錄。此等內含衍生工具按公允價值計量，而其公允價值變動於損益表內確認。倘合約條款變動大幅改變原有現金流量，方會作出重新評估。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Investments and other financial assets (continued)

##### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortized cost using the effective interest rate method less any allowance for impairment. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included in other income and gains in the income statement. The loss arising from impairment is recognized in the income statement in finance costs for loans or other expenses for receivables.

#### Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

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

### 2.4 主要會計政策概要 (續)

#### 投資及其他金融資產 (續)

##### 貸款及應收賬款

貸款及應收款項乃具有固定或可釐定付款額及並非於活躍市場報價的非衍生金融資產。於初始計量後，有關資產其後以實際利率法按攤銷成本減任何減值撥備計量。攤銷成本的計算乃計及任何收購折讓或溢價，並包括構成實際利率整體一部分的費用或成本。實際利率攤銷列入損益表的其他收益及得益。減值產生的虧損於損益表確認為貸款的財務成本或應收款項的其他開支。

#### 終止確認金融資產

一項金融資產（或（如適用）一項金融資產的一部分或一組類似金融資產的一部分）在以下情形被終止確認：

- 從資產取得現金流量的權利已過期；
- 本集團已轉移其從資產取得現金流量的權利或已根據「轉付」安排承擔將取得的現金流量全部向第三方支付義務，且不得有重大延誤；及(a)本集團已轉移該資產的絕大部分風險及回報，或(b)本集團既沒有轉移也沒有保留該資產的絕大部分風險及回報，但是已轉移該資產的控制權。

# Notes to Financial Statements 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Derecognition of financial assets (continued)

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

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

### Impairment of financial assets

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

## 2.4 主要會計政策概要 (續)

### 終止確認金融資產 (續)

倘本集團已轉移其從資產取得現金流量的權利或已訂立轉付安排，則會評估保留資產所有權風險與報酬的情況。倘沒有轉移也沒有保留資產的絕大部分風險與報酬，也沒有轉移資產的控制權，則資產乃按本集團於資產的持續參與程度確認。在此情況下，本集團亦確認一項關連債務。被轉移資產及關連債務乃基於反映本集團保留的權利與義務的基礎計量。

以擔保的形式持續參與被轉移資產，乃按資產原列賬面金額及本集團可能被要求償還的最高代價金額的較低者計量。

### 金融資產減值

本集團於每個報告期末評估是否有任何客觀跡象顯示一項金融資產或一組金融資產已減值。一項金融資產或一組金融資產僅在減值的客觀跡象來自資產初始確認後發生的一項或多項事件（已發生的「虧損事件」），且虧損事件對該項金融資產或該組金融資產的估計未來現金流量產生的影響，而有關影響能可靠估計的情況下被視為減值。減值跡象可以包括一名債務人或一組債務人正經歷嚴重財務困難、利息或本金款項違約或被拖欠的跡象、彼等可能將進入破產或其他財務重組及可見數據表示估計未來現金流量出現一個可計量的減少，比如與拖欠相關聯的未付清款項或經濟狀況的變化。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Impairment of financial assets (continued)

Financial assets carried at amortized cost

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

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

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

### 2.4 主要會計政策概要 (續)

#### 金融資產減值 (續)

按攤銷成本列賬的金融資產

就按攤銷成本列賬的金融資產而言，本集團首先單獨評估每項個別重大的金融資產減值的客觀跡象，或合併評估個別不重大的金融資產減值的客觀跡象。倘本集團確認一項單獨評估的金融資產沒有減值的客觀跡象出現，則不論重大與否，均會連同一組有類似信貸風險特徵的金融資產合併評估減值。被單獨評估減值且減值虧損已被確認或持續被確認的資產不包括於減值合併評估。

倘有客觀證據顯示已出現減值，虧損金額乃按資產的賬面值及估計現金流量（不包括未產生的未來信貸虧損）現值兩者之間的差額計量。估計未來現金流量現值按金融資產原本實際利率（即於初始確認時計算的實際利率）折現。倘一項貸款具浮動利率，則計量任何減值虧損的折現率為現行實際利率。

資產賬面值透過使用撥備賬扣減，虧損金額在損益表內確認。利息收入被持續計入減少的賬面值上，利率為就計量減值虧損對未來現金流量進行折現的利率。貸款及應收款項及任何相關撥備於沒有未來可回收的實際預期，而全部抵押品均已變現或轉移至本集團時被撇銷。

# Notes to Financial Statements 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Impairment of financial assets (continued)

Financial assets carried at amortized cost (continued)

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

### Financial liabilities

Initial recognition and measurement

Financial liabilities of the Group within the scope of IAS 39 are loans and borrowings. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include interest-bearing bank loans, trade payables, an amount due to a related party and other payables.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

#### *Loans and borrowings*

After initial recognition, interest-bearing bank loans are subsequently measured at amortized cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognized in the income statement when the liabilities are derecognized as well as through the effective interest rate amortization process.

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

## 2.4 主要會計政策概要 (續)

### 金融資產減值 (續)

按攤銷成本列賬的金融資產 (續)

倘於後續期間，減值虧損的估計數額增加或減少，而增加或減少的原因乃與減值確認後發生的事件相關，則先前確認的減值虧損會通過調整撥備賬予以增加或減少。倘一項未來的撇銷於後來收回，則該收回於損益表計入其他開支。

### 金融負債

初始確認及計量

本集團符合《國際會計準則》第39號範圍的金融負債為貸款及借貸。本集團在初始確認時確定其金融負債的分類。

所有金融負債初始時均按公允價值確認，如屬貸款與借貸，則減去直接應佔交易成本。

本集團的金融負債包括計息銀行貸款、應付貿易賬款、應付一名關連方款項及其他應付款項。

後續計量

金融負債的後續計量根據其分類如下：

#### *貸款及借貸*

初始確認後，計息銀行貸款其後使用實際利率法按攤銷成本計量，惟倘折現的影響不重要，則按成本列賬。當終止確認負債及於使用實際利率法進行攤銷時，於損益表確認盈虧。

攤銷成本的計算已考慮任何收購折讓或溢價，及構成實際利率整體一部分的費用或成本。實際利率攤銷列入損益表的財務成本。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Derecognition of financial liabilities

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

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

#### Offsetting of financial instruments

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

#### Fair value of financial instruments

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

### 2.4 主要會計政策概要 (續)

#### 終止確認金融負債

當金融負債的責任被解除或取消或屆滿時，金融負債將被終止確認。

倘現有金融負債由同一放債人以條款極為不同的負債所取代，或現有負債的條款作出重大修訂，該等交換或修訂乃視為終止確認原負債及確認新負債處理，有關賬面值的差額於損益表確認。

#### 對銷金融工具

僅在有現行可強制執行的法律權利對銷已確認的數額且有意向以淨值為基礎結算，或變賣資產與解除負債同時進行的情況下，金融資產與金融負債方會相互對銷，而淨值列入財務狀況表。

#### 金融工具的公允價值

在活躍市場交易的金融工具的公允價值參考市場報價或交易商報價（長倉的買盤價及短倉的賣出價）釐定，當中不會扣除任何交易費用。如屬沒有活躍市場的金融工具，則使用適當估值技巧釐定公允價值。該等技巧包括使用近期按公平磋商的市場交易；參考其他大致相同的工具的現時市場價值；現金流量折現分析；及期權定價模型。



# Notes to Financial Statements

## 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Derivative financial instruments

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risk. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are taken directly to the income statement, except for the effective portion of cash flow hedges, which is recognized in other comprehensive income.

#### Inventories

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

#### Cash and cash equivalents

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

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

### 2.4 主要會計政策概要 (續)

#### 衍生金融工具

初始確認及後續計量

本集團使用衍生金融工具(如遠期貨幣合約)對沖其外幣風險。該等衍生金融工具於初始時按訂立衍生合約當日的公允價值確認,其後再按公允價值重新計量。衍生工具在公允價值為正數時以資產列賬,而於公允價值為負數時則按負債列賬。

衍生工具公允價值變動產生的任何盈虧乃直接計入損益表,惟現金流量對沖的實際部分於其他全面收益中確認。

#### 存貨

存貨以其成本與可變現淨值兩者中的較低者列賬。成本按加權平均計算法釐定,而在製品及製成品則包括直接物料、直接勞工及適當比例的間接成本。可變現淨值按估計售價減去估計完工及出售將予產生的成本釐定。

#### 現金及現金等價物

就合併現金流量表而言,現金及現金等價物包括手頭現金、活期存款及可隨時轉換為已知數額現金並於購入後一般在三個月內到期,且沒有重大價值變動風險的短期高流通量投資,再扣除在催繳時須償還及構成本集團現金管理整體一部分的銀行透支。

就財務狀況表而言,現金及現金等價物包括手頭及銀行現金(包括定期存款),以及近似現金性質而其用途不受限制的資產。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognized outside profit or loss is recognized outside profit or loss, either in other comprehensive income or directly in equity.

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

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

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

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

### 2.4 主要會計政策概要 (續)

#### 所得稅

所得稅包括即期及遞延稅項。有關於損益外確認的項目的所得稅於損益以外的其他全面收益或直接於權益確認。

本期間及過往期間的即期稅項資產及負債乃於計及本集團經營所在國家的當前詮釋及慣例後，根據於報告期末已頒佈或實質上已頒佈的稅率（及稅務法例），按預期可向稅務機關收回或支付予稅務機關數額計算。

遞延稅項就於報告期末資產及負債的稅項基準及其於財務報告中的賬面值的所有暫時性差額以負債法撥備。

所有應課稅暫時性差額均被確認為遞延稅項負債，惟下列情況除外：

- 倘若遞延稅項負債的起因，是由於在一宗非屬業務合併的交易中初始確認商譽或資產或負債，而且在交易時，對會計溢利或應課稅溢利或虧損均無影響；及
- 就於附屬公司及聯營公司的投資的應課稅暫時性差額而言，倘若撥回暫時性差額的時間可以控制，以及暫時性差額不大可能在可見將來撥回。

# Notes to Financial Statements 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Income tax (continued)

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

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

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

## 2.4 主要會計政策概要 (續)

### 所得稅 (續)

對於所有可扣減暫時性差額、結轉的未動用稅項抵免及未動用稅項虧損，若日後有可能出現應課稅溢利，可用以抵扣該等可扣減暫時性差額、結轉的未動用稅項抵免及未動用稅項虧損，則遞延稅項資產一律確認入賬，惟下列情況除外：

- 倘若有關可扣減暫時性差額的遞延稅項資產的起因，是由於在一宗非屬業務合併的交易中初始確認資產或負債，而且在交易時，對會計溢利或應課稅溢利或虧損均無影響；及
- 就於附屬公司及聯營公司的投資的可扣減暫時性差額而言，只有在暫時性差額有可能在可見將來撥回，而且日後有可能出現應課稅溢利，可用以抵扣該等暫時性差額時，方會確認遞延稅項資產。

遞延稅項資產的賬面值在每個報告期末予以檢討。若不再可能有足夠應課稅溢利用以抵扣全部或部分遞延稅項資產，則扣減遞延稅項資產賬面值。過往未確認的遞延稅項資產於每個報告期末重新評估，並於有充足應課稅溢利有可能用以抵扣將收回的全部或部分遞延稅項資產時確認。

# Notes to Financial Statements 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Income tax (continued)

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

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

### Government grants

Government grants are recognized at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the income statement over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the income statement by way of a reduced depreciation charge.

### Revenue recognition

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

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

## 2.4 主要會計政策概要 (續)

### 所得稅 (續)

遞延稅項資產及負債乃根據於報告期末已頒佈或實質上已頒佈的稅率(及稅務法例), 以資產被變現或負債被清還期間預期的適用稅率計算。

倘存在可合法強制執行權利, 可以即期稅項資產抵銷即期稅項負債, 及倘遞延稅項與同一課稅實體及同一稅務機關有關, 則遞延稅項資產及遞延稅項負債可互相對銷。

### 政府補助

如能就收取政府補助及將可符合該補助所有附帶條件作出合理保證, 該補助乃按公允價值予以確認。若有關補助涉及某一開支項目, 則須按有系統方式於其擬補償的成本支銷期間確認為收入。

若有關補助與某一資產有關, 則公允價值計入遞延收入賬, 並在有關資產的預計可使用年內逐年按等額分期撥入損益表, 或自資產的賬面值扣減並以扣減折舊開支的方式撥入損益表。

### 收入確認

當經濟利益極有可能歸本集團所有及收益數額能可靠計算時, 收入方被確認, 其基準如下:

- (a) 貨品銷售在附於擁有權的主要風險及回報已轉移至買方, 且本集團並無保留通常視為與擁有權相關程度的管理權或已售貨品的有效控制權時確認; 及
- (b) 利息收入按應計基準以實際利率法使用可在金融工具預計年期將估計未來現金收入折現至金融資產賬面淨值的利率確認。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Share-based payments

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial tree model, further details of which are given in note 31 to the financial statements.

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

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

The Company grants the share options to its subsidiaries' employees to exchange for their services provided to the subsidiaries. Accordingly, in the Company's statement of financial position, the equity-settled share option expense, which is recognized in the consolidated financial statements, is treated as part of the "investments in subsidiaries".

### 2.4 主要會計政策概要 (續)

#### 以股份付款

本公司設有一項購股權計劃，為所有對本集團業務成功作出貢獻的合資格參與人提供激勵及獎賞。本集團的僱員（包括董事）會以股份付款形式收取酬金，而僱員會提供服務作為權益工具的代價（「以權益結算交易」）。

與僱員進行以權益結算交易的成本，乃參照授出日期的公允價值計量。公允價值乃由外聘估值師以二項式樹狀模型釐定，有關進一步詳情載於財務報表附註31。

以權益結算交易的成本連同權益相應增加部分在表現及／或服務條件獲履行的期間確認。在歸屬日期前的每個報告期末就以權益結算交易所確認的累計開支，乃反映歸屬期屆滿之程度及本集團對將最終歸屬的權益工具數目的最佳估計。某一期間內在損益表內的扣除或進賬，乃反映已確認累計開支於該期初與該期終時的變動。

對於最終未歸屬的獎勵，不會確認任何開支，惟視乎市場或非歸屬條件而決定歸屬與否的以權益結算交易則除外，只要所有其他表現及／或服務條件已獲達成，則不論市場或非歸屬條件是否獲達成，均會被視為已歸屬。

本公司向其附屬公司僱員授予購股權以換取其向附屬公司提供的服務。據此，於合併財務報表確認的以權益結算購股權開支於本公司財務狀況表確認為「於附屬公司的投資」一部分。

# Notes to Financial Statements 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Share-based payments (continued)

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

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

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

### Retirement benefits

Pursuant to the relevant regulations, the Group has participated in a local municipal government retirement benefit scheme (the "Scheme"), whereby the Group is required to contribute a certain percentage of the basic salaries of its employees to the Scheme to fund the retirement benefits. The local municipal government undertakes to assume the retirement benefit obligations of all existing and future retired employees of the Group. The only obligation of the Group with respect to the Scheme is to pay the ongoing required contributions under the Scheme mentioned above. Contributions under the Scheme are charged to profit or loss as incurred. There are no provisions under the Scheme whereby forfeited contributions may be used to reduce future contributions.

## 2.4 主要會計政策概要 (續)

### 以股份付款 (續)

倘以權益結算的獎勵的條款有所變更，惟已符合獎勵的原先條款，則所確認的開支最少須達到猶如條款並無任何變更的水平。此外，倘按變更日期的計量，任何變更導致以股份支付的款項的總公允價值有所增加，或對僱員帶來其他利益，則應就該等變更確認開支。

倘以權益結算的獎勵被註銷，應被視為已於註銷日期歸屬，而任何尚未確認的獎勵開支會立刻確認。此包括未符合屬本集團或僱員控制範圍內的非歸屬條件的任何獎勵。然而，若新獎勵代替已註銷的獎勵，並於授出日期指定為替代獎勵，則已註銷的獎勵及新獎勵均應被視為原獎勵的變更，一如前段所述。

未行使購股權的攤薄影響已於計算每股盈利時反映為額外股份攤薄。

### 退休福利

根據有關規例，本集團已參與地方市政府的退休福利計劃（「計劃」），為撥支提供僱員的退休福利，本集團須將僱員的基本薪金的若干百分比作為計劃供款。地方政府承擔本集團現在及未來全部退休僱員的退休福利責任。如上所述，根據計劃，本集團唯一責任為持續作出所需供款。計劃供款於產生時於損益扣除。計劃並無規定沒收供款可用作減少未來供款。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalized as part of the cost of those assets. The capitalization of such borrowing costs ceases when 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 capitalized. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

#### Dividends

Final dividends proposed by the directors are classified as a separate allocation of retained profits within the equity section of the statement of financial position, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognized as a liability.

#### Foreign currencies

These financial statements are presented in RMB, which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognized in the income statement.

### 2.4 主要會計政策概要 (續)

#### 借貸成本

如借貸成本直接歸屬於收購、興建或生產合資格資產（即須經一段相當長時間作準備方可作擬定用途或銷售的資產），則撥充資本作為該等資產成本的一部分。當有關資產大致可作擬定用途或銷售時，即終止將該等借貸成本撥充資本。將待用於合資格資產開支的指定借貸進行臨時投資所賺取的投資收入，則從資本化借貸成本中扣除。所有其他借貸成本均於其產生期間支銷。借貸成本包括利息及與公司因借取資金而產生的其他成本。

#### 股息

於財務狀況表內的權益項下，董事建議派付的末期股息被分類為保留溢利的獨立分配，直至建議末期股息於股東大會上獲股東批准為止。當該等股息獲股東批准及宣派後，將會被確認為一項負債。

#### 外幣

此等財務報表以人民幣呈列，即本公司的功能及呈列貨幣。本集團內的實體各自決定其功能貨幣，各實體的財務報表項目均以所定功能貨幣計量。本集團內的實體的外幣交易初始按有關功能貨幣於交易當日的匯率換算入賬。以外幣計值的貨幣資產及負債，按有關功能貨幣於報告期末的匯率重新換算。因結算或換算貨幣項目而產生的差額於損益表內確認。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Foreign currencies (continued)

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on retranslation of a non-monetary item is treated in line with the recognition of the gain or loss on change in fair value of the item measured at fair value (i.e., translation differences on the items those fair value gain or loss is recognized in other comprehensive income or profit or loss are also recognized in other comprehensive income or profit or loss, respectively).

The functional currencies of certain overseas subsidiaries are currencies other than RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into the presentation currency of the Group at the exchange rates prevailing at the end of the reporting period and their income statements are translated into RMB at the weighted average exchange rates for the year.

The resulting exchange differences are recognized in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognized in the income statement.

### 2.4 主要會計政策概要 (續)

#### 外幣 (續)

按歷史成本列賬、以外幣計量的非貨幣項目，採用初始交易日期的匯率換算。按公允價值列賬、以外幣計量的非貨幣項目，採用釐定公允價值日期的匯率換算。重新換算非貨幣項目所產生的盈虧的處理方法與確認按公允價值計量的項目公允價值變動的盈虧者一致（換言之，於其他全面收益或損益確認公允價值盈虧的項目的匯兌差額，亦分別於其他全面收益或損益確認）。

若干海外附屬公司使用人民幣以外貨幣作為功能貨幣。於報告期末，該等實體的資產與負債按報告期末的匯率換算為本集團的呈列貨幣，其損益表則按年內的加權平均匯率換算為人民幣。

因此而產生的匯兌差額於其他全面收益確認並於匯兌波動儲備累計。出售海外業務時，有關該項海外業務的其他全面收益部分在損益表內確認。



# Notes to Financial Statements

## 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

#### Judgements

There is no significant effect on the amounts recognized in the financial statements arising from the judgements, apart from those involving estimations, made by management in the process of applying the Group's accounting policies.

#### Estimation uncertainty

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

- (a) Deferred tax assets
- Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period, and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

The Group's management determines the deferred tax assets based on the enacted or substantively enacted tax rates and laws and best knowledge of profit projections of the Group for coming years during which the deferred tax assets are expected to be utilised. Management will revise the assumptions and profit projections at the end of the reporting period.

### 3. 重大會計判斷及估計

管理層在編製本集團財務報表時須作出判斷、估計及假設，而有關判斷、估計及假設會對收入、開支、資產及負債所申報的金額及其隨附披露以及對或然負債的披露造成影響。該等假設及估計的不確定性或引致須對在未來受影響的資產及負債的賬面值進行重大調整。

#### 判斷

除在本集團應用會計政策的過程中由管理層作出的估計外，財務報表內沒有其他因判斷而對確認數額發生顯著影響。

#### 估計不確定性

於報告期末，存在對下一個財政年度資產及負債的賬面值作出重大調整的重大風險且關於未來的主要假設及估計不確定性的其他主要來源如下。

- (a) 遞延稅項資產
- 遞延稅項採用於報告期末已頒佈或實質上已頒佈，並預期於變現相關遞延稅項資產或清還遞延稅項負債時應用的稅率（及稅法）釐定。遞延稅項資產會於未來可獲得應課稅溢利以動用暫時性差額時方會確認。

本集團管理層根據已頒佈或實質上已頒佈的稅率及稅法，以及本集團就預期動用遞延稅項資產的未來年度的溢利預測的最佳認識釐定遞延稅項資產。管理層將於報告期末修訂該等假設及溢利預測。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

#### Estimation uncertainty (continued)

- (b) Impairment of trade and notes receivables and other receivables  
Impairment of trade and notes receivables and other receivables is made based on assessment of the recoverability of trade and notes receivables and other receivables. The identification of bad and doubtful receivables requires management judgement and estimates. Provision is made when there is objective evidence that the Group will not be able to collect the debts. Where the actual outcome or expectation in future is different from the original estimate, the differences will impact the carrying value of the receivables and related asset impairment charge or write-back in the period in which the estimate has been changed.
- (c) Useful lives of property, plant and equipment  
The Group's management determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. It could change significantly as a result of technical innovations and competitor actions in response to severe industry cycles. Management will increase the depreciation charge where useful lives are less than previously estimated lives or management will write off or write down technically obsolete or non-strategic assets that have been abandoned.

### 3. 重大會計判斷及估計 (續)

#### 估計不確定性 (續)

- (b) 應收貿易賬款及應收票據以及其他應收款項減值  
應收貿易賬款及應收票據以及其他應收款項減值按對應收貿易賬款及應收票據以及其他應收款項的可收回程度的評估釐定。識別應收款項呆壞賬需要管理層作出判斷及估計。倘有客觀證據顯示本集團將不能收回債務時則進行撥備。倘實際結果或未來的預算與原定估計不同，則有關差異將影響應收款項的賬面值及有關資產減值開支，或於該估計已變更期間內的撥回。
- (c) 物業、廠房及設備的可使用年期  
本集團管理層釐定其物業、廠房及設備的估計可使用年期及相關折舊費用。該項估計乃根據類似性質及功能的物業、廠房及設備的實際可使用年期的過往經驗而釐定，並可能因技術創新及競爭者對嚴峻行業週期的反應而有重大改變。當可使用年期較之前估計年期短，管理層將增加折舊費用，或將撇銷或撇減技術上過時或非策略性的已報廢資產。

# Notes to Financial Statements 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

## 4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into one single business unit that includes primarily the manufacture and sale of linen yarns. Management reviews the consolidated results when making decisions about allocating resources and assessing the performance of the Group. Accordingly, no segment analysis is presented.

### Geographical information

- (a) Revenue from external customers  
An analysis of the Group's geographical information on revenue attributed to the region on the basis of the customer's location for the year ended 31 December 2012 is set out in the following table:

Mainland China	中國大陸
European Union	歐盟國
Non-European Union	非歐盟國
Total	總額

- (b) Non-current assets  
Since the principal non-current assets, other than deferred tax assets, employed by the Group are located in Mainland China, no geographical information for non-current assets is presented.

### Information about a major customer

No revenue amounting to 10 percent or more of the Group's total revenue was derived from sales to a single customer for the year ended 31 December 2012 (2011: Nil).

## 4. 經營分部資料

為方便管理，本集團被識定為一項單一業務單位，主要包括生產及銷售亞麻紗。管理層就分配本集團資源及評估本集團表現作出決定時會審閱合併業績。因此，本集團不會呈列分部分析。

### 地理資料

- (a) 來自外部客戶收入  
下表載列本集團於截至二零一二年十二月三十一日止年度按客戶所在地劃分的地區應佔收入的地理資料：

Revenue from external customers 來自外部客戶收入	
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
237,860	274,939
246,520	225,979
234,532	210,042
<b>718,912</b>	<b>710,960</b>

- (b) 非流動資產  
由於本集團使用的主要非流動資產（遞延稅項資產除外）位於中國大陸，故並無呈列非流動資產的地理資料。

### 有關主要客戶的資料

於截至二零一二年十二月三十一日止年度，並無向單一客戶進行的銷售佔本集團總收入10%或以上（二零一一年：無）。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

### 5. REVENUE, OTHER INCOME AND GAINS

Revenue represents the sales value of linen yarns, net of sales tax and deduction of any sales discounts and returns.

An analysis of revenue, other income and gains is as follows:

#### Revenue

Sale of linen yarns

#### Other income

Bank interest income

Government grants

Exchange gain

Others

#### Gain

Fair value gains on derivative instruments  
– transactions not qualifying as hedges

#### 收入

銷售亞麻紗

#### 其他收益

銀行利息收入

政府補助

外匯得益

其他

#### 得益

不合資格作對沖之衍生工具交易之  
公允價值得益

### 5. 收入、其他收益及得益

收入指亞麻紗的銷售價值，經扣除銷售稅及扣減任何銷售折扣及退還。

收入、其他收益及得益分析如下：

	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
	<b>718,912</b>	710,960
	<b>1,546</b>	2,787
	<b>6,023</b>	4,510
	<b>50</b>	–
	<b>633</b>	131
	<b>8,252</b>	7,428
	<b>68</b>	1,975
	<b>8,320</b>	9,403

### 6. FINANCE COSTS

Interest on bank loans,  
wholly repayable within five years  
Less: interest capitalized

須於五年內全數償還的  
銀行貸款的利息  
減：資本化利息

### 6. 財務成本

	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
	<b>13,512</b>	15,436
	<b>(664)</b>	(716)
	<b>12,848</b>	14,720

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

### 7. PROFIT BEFORE INCOME TAX EXPENSE

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

### 7. 除所得稅開支前溢利

本集團除所得稅開支前溢利於扣除／（計入）下列各項後得出：

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Cost of inventories sold	出售存貨成本	509,612	482,957
Depreciation	折舊	49,644	47,704
Amortization of prepaid land lease payments	土地租賃預付款項攤銷	859	867
Amortization of an intangible asset	無形資產攤銷	599	596
Research and development ("R&D") expenses	研究及開發（「研發」）開支	5,512	5,308
Minimum lease payments under operating leases:	經營租賃項下的最低租賃款項：		
Land and buildings	土地及樓宇	1,065	989
Auditors' remuneration	核數師酬金	1,500	1,500
Employee benefit expense (including directors' and chief executive's remuneration):	僱員福利開支（包括董事及主要行政人員酬金）：		
Wages, salaries and other benefits	薪金、工資及其他福利	95,382	94,435
Pension scheme contributions	退休金計劃供款	6,042	5,576
Equity-settled share option expense	以權益結算購股權開支	771	1,028
		<b>102,195</b>	<b>101,039</b>
Foreign exchange differences, net	外匯差額淨額	(50)	2,677
Fair value gains on derivative instruments – transactions not qualifying as hedges	不合資格作對沖之衍生工具交易之公允價值得益	(68)	(1,975)
Loss on disposal of items of property, plant and equipment	出售物業、廠房及設備虧損	33	1,350
(Reversal of impairment provision against inventories)/write-down of inventories to net realisable value	（存貨減值撥備轉回）／撇減存貨至可變現淨值	(178)	(3,225)
Provision for doubtful debts	呆賬撥備	26	979
Finance costs	財務成本	12,848	14,720
Bank interest income	銀行利息收入	(1,546)	(2,787)

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

### 8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

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

	袍金	
Fees		
Other emoluments:	其他酬金：	
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	
Pension scheme contributions	退休金計劃供款	

- (a) Independent non-executive directors  
The fees paid to independent non-executive directors during the year were as follows:

Mr. Yang Donghui	楊東輝先生
Mr. Lau Ying Kit	劉英傑先生
Mr. Lo Kwong Shun Wilson	羅廣信先生

There were no other emoluments payable to the independent non-executive directors during the year (2011: Nil).

### 8. 董事及主要行政人員酬金

年內，根據上市規則及香港《公司條例》第161條披露的董事及主要行政人員酬金如下：

	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Fees	504	516
Other emoluments:		
Salaries, allowances and benefits in kind	2,862	2,650
Pension scheme contributions	66	66
	<b>3,432</b>	<b>3,232</b>

- (a) 獨立非執行董事  
年內向獨立非執行董事支付之袍金如下：

	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Mr. Yang Donghui	96	96
Mr. Lau Ying Kit	117	120
Mr. Lo Kwong Shun Wilson	97	100
	<b>310</b>	<b>316</b>

年內並無應付獨立非執行董事之其他酬金（二零一一年：無）。

# Notes to Financial Statements 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

## 8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

(b) Executive directors, and non-executive directors and chief executive

2012 二零一二年

Executive directors 執行董事  
Mr. Ren Weiming 任維明先生  
Mr. Shen Yueming 沈躍明先生  
Mr. Zhang Hongwen 張鴻文先生

Non-executive directors 非執行董事  
Mr. Ngan Kam Wai Albert 顏金煒先生  
Mr. Tse Chau Shing Mark 謝宙勝先生

## 8. 董事及主要行政人員酬金 (續)

(b) 執行董事、非執行董事及主要行政人員

	Fees	Salaries	Pension scheme contributions	Total remuneration
	袍金	薪金	退休金計劃供款	酬金總額
	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
Executive directors				
Mr. Ren Weiming	-	1,350	22	1,372
Mr. Shen Yueming	-	810	22	832
Mr. Zhang Hongwen	-	702	22	724
	-	2,862	66	2,928
Non-executive directors				
Mr. Ngan Kam Wai Albert	97	-	-	97
Mr. Tse Chau Shing Mark	97	-	-	97
	194	-	-	194
	194	2,862	66	3,122

2011 二零一一年

Executive directors 執行董事  
Mr. Ren Weiming 任維明先生  
Mr. Shen Yueming 沈躍明先生  
Mr. Zhang Hongwen 張鴻文先生

Non-executive directors 非執行董事  
Mr. Ngan Kam Wai Albert 顏金煒先生  
Mr. Tse Chau Shing Mark 謝宙勝先生

	Fees	Salaries	Pension scheme contributions	Total remuneration
	袍金	薪金	退休金計劃供款	酬金總額
	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
Executive directors				
Mr. Ren Weiming	-	1,250	22	1,272
Mr. Shen Yueming	-	750	22	772
Mr. Zhang Hongwen	-	650	22	672
	-	2,650	66	2,716
Non-executive directors				
Mr. Ngan Kam Wai Albert	100	-	-	100
Mr. Tse Chau Shing Mark	100	-	-	100
	200	-	-	200
	200	2,650	66	2,916

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

### 9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included three (2011: three) directors and the chief executive, details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of the remaining two (2011: two), highest paid employees who are neither a director nor chief executive of the Company are as follows:

Salaries	薪金
Pension scheme contributions	退休金計劃供款
Equity-settled share option expense	以權益結算購股權開支

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

Nil to RMB1,000,000	人民幣零元至人民幣1,000,000元
---------------------	---------------------

During the year ended 31 December 2012, no directors and chief executive, or any of the non-director and non-chief executive, highest paid employees waived or agreed to waive any remuneration (2011: None). None of the directors and chief executive, or any of the non-director and non-chief executive, highest paid employees was paid by the Group as an inducement to join or upon joining the Group or as compensation for loss of office (2011: None).

### 9. 五名最高薪酬僱員

年內，五名最高薪酬僱員包括三名（二零一一年：三名）董事及主要行政人員，其酬金詳情載於上文附註8。年內，餘下兩名（二零一一年：兩名）非本公司董事或主要行政人員的最高薪酬僱員的酬金詳情如下：

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
646	604
62	22
25	34
<b>733</b>	<b>660</b>

酬金處於以下範圍的最高薪酬非董事及非主要行政人員的僱員人數如下：

Number of employees 僱員數目	
2012 二零一二年	2011 二零一一年
<b>2</b>	<b>2</b>

於截至二零一二年十二月三十一日止年度，概無董事及主要行政人員或任何最高薪酬非董事及非主要行政人員的僱員放棄或同意放棄任何酬金（二零一一年：無）。本集團並無向董事及主要行政人員或任何最高薪酬非董事及非主要行政人員的僱員支付酬金以吸引其加入本集團或於加入本集團時作為獎勵或作為離職補償（二零一一年：無）。



# Notes to Financial Statements 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

## 9. FIVE HIGHEST PAID EMPLOYEES (continued)

During the year and in prior years, share options were granted to a non-director and non-chief executive highest paid employee in respect of his services to the Group, further details of which are included in the disclosures in note 31 to the financial statements. The fair value of such options, which has been recognised in the income statement over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above non-director and non-chief executive highest paid employees' remuneration disclosures.

## 10. INCOME TAX EXPENSE

Major components of the Group's income tax expense for the year are as follows:

Current – Mainland China	即期－中國大陸
– Charge for the year	– 一年內支出
– Under provision in respect of prior years	– 過往年度撥備不足
Current – Hong Kong	即期－香港
Current – Italy	即期－意大利
Deferred	遞延
Total tax charge for the year	年內稅項支出總額

- (i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands or the British Virgin Islands.
- (ii) The provision for Mainland China income tax is based on the respective corporate income tax rates applicable to the subsidiaries located in Mainland China as determined in accordance with the relevant income tax rules and regulations of the People's Republic of China ("the PRC").

## 9. 五名最高薪酬僱員 (續)

於本年度及過往年度，一名非董事及非主要行政人員的最高薪酬僱員因其對本集團所提供的服務而獲授購股權，進一步詳情載於財務報表附註31的披露資料內。該等購股權的公允價值已於歸屬期內在損益表確認，公允價值乃於購股權授出日期釐定，而計入本年度財務報表內的金額已計入上述非董事及非主要行政人員的最高薪酬僱員的酬金披露資料內。

## 10. 所得稅開支

本集團於年內的所得稅開支主要項目如下：

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
30,486	39,587
824	460
28	–
535	1,058
711	835
<b>32,584</b>	<b>41,940</b>

- (i) 根據開曼群島及英屬處女群島規則及法規，本集團毋須繳納開曼群島或英屬處女群島所得稅。
- (ii) 中國大陸所得稅撥備是根據位於中國大陸的附屬公司所適用，按中華人民共和國（「中國」）有關所得稅規則及法規所釐定的各企業所得稅率而作出。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

### 10. INCOME TAX EXPENSE (continued)

(ii) (continued)

Pursuant to the income tax rules and regulations of the PRC ("FEIT Law"), certain subsidiaries located in Mainland China ("Mainland China subsidiaries") including Zhejiang Jinyuan Flax Co., Ltd. ("Zhejiang Jinyuan"), Jiangsu Jinyuan Flax Co., Ltd. ("Jiangsu Jinyuan") and Jiangsu Ziwei Flax Co., Ltd. ("Jiangsu Ziwei") are entitled to a tax holiday of a tax-free period for two years from their first profit-making years of operations and thereafter, they are subject to PRC enterprise income tax at 50% of the applicable income tax rate for the following three years ("Tax Holidays"). The years of 2003, 2005 and 2008 are the first profit-making years for Zhejiang Jinyuan, Jiangsu Jinyuan and Jiangsu Ziwei, respectively.

During the Fifth Session of the Tenth National People's Congress, which was concluded on 16 March 2007, the PRC Corporate Income Tax Law (the "Corporate Income Tax Law") was approved and became effective on 1 January 2008. According to the Corporate Income Tax Law, the applicable tax rates of the Group's subsidiaries in Mainland China are unified at 25% with effect from 1 January 2008 except Zhaosu Jindi Flax Co., Ltd. ("Zhaosu Jindi") which is engaged in the preliminary processing of agriculture products and is exempted from PRC income tax. Pursuant to the transitional arrangement under the Corporate Income Tax Law, Jiangsu Ziwei will continue to enjoy a 50% reduction on the applicable income tax rate under the Corporate Income Tax Law until the expiry of the Tax Holidays previously granted under the FEIT Law as at 31 December 2012, and thereafter will be subject to the unified rate of 25%.

- (iii) Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the year.
- (iv) Pursuant to the rules and regulations of Italy, the Group is subject to an income tax rate at 31.4%, which comprises Italy Corporate Income Tax at 27.5% and Italy Regional Income Tax at 3.9%.

### 10. 所得稅開支(續)

(ii) (續)

根據中國的所得稅規則和法規(「外商稅法」)規定,若干位於中國大陸的附屬公司(「中國大陸附屬公司」,包括浙江金元亞麻有限公司(「浙江金元」)、江蘇金元亞麻有限公司(「江蘇金元」)及江蘇紫薇亞麻有限公司(「江蘇紫薇」))可享有由其經營的首個獲利年度起兩年免徵企業所得稅,而後三年按適用所得稅稅率的50%繳納中國企業所得稅之稅收優惠(「稅收優惠期」)。浙江金元、江蘇金元及江蘇紫薇之首個獲利年度分別為二零零三年、二零零五年及二零零八年。

第十屆全國人民代表大會第五次會議已於二零零七年三月十六日結束,當中通過了《中國企業所得稅法》(「企業所得稅法」),並於二零零八年一月一日生效。根據企業所得稅法規定,自二零零八年一月一日起,本集團中國大陸附屬公司的適用稅率將統一為25%,惟昭蘇金地亞麻有限公司(「昭蘇金地」)除外,該公司從事農產品的初加工業務,獲豁免繳付中國所得稅。根據企業所得稅法的過渡安排,江蘇紫薇將根據企業所得稅法繼續享有適用所得稅減半優惠,直至之前根據外商稅法獲授的稅收優惠期於二零一二年十二月三十一日期滿為止,其後則按統一稅率25%繳納。

- (iii) 香港利得稅按年內於香港產生的估計應課稅溢利以16.5%稅率計提撥備。
- (iv) 根據意大利規則及法規,本集團須按31.4%稅率繳納所得稅,當中包括按27.5%稅率計算之意大利企業所得稅及按3.9%稅率計算之意大利地區所得稅。

# Notes to Financial Statements 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

## 10. INCOME TAX EXPENSE (continued)

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

Profit before tax	除稅前溢利
Tax at an applicable tax rate of 25%	按適用的25%稅率計算的稅項
Effect of different tax rates	稅率差異影響
Under provision in respect of prior years	過往年度撥備不足
Share of profits and losses of an associate	應佔一間聯營公司的溢利及虧損
Income not subject to tax	不需課稅的收入
Expenses not deductible for tax	不可扣稅的開支
Tax credit arising from additional deduction of R&D expenditures of a PRC subsidiary	中國大陸附屬公司研發開支加計扣除產生的稅項抵免
Tax losses utilised from prior years	動用過往年度的稅項虧損
Tax effect of unused tax losses and deductible temporary differences not recognized	未確認未動用稅項虧損及可抵扣暫時差異的稅務影響
Deferred tax liability on withholding tax	預扣稅產生的遞延稅項負債
Total charge for the year	年內支出總額

## 10. 所得稅開支(續)

按本公司及其附屬公司位處的司法管轄權區的法定稅率計算適用於除稅前溢利的稅項開支，與按實際稅率計算的稅項開支的調節如下：

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
126,764	145,079
31,691	36,270
(5,279)	(4,059)
824	460
71	(4)
(31)	–
479	2,700
(403)	(662)
–	(716)
–	2,221
5,232	5,730
32,584	41,940

## 11. PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT

The consolidated profit attributable to owners of the parent for the year ended 31 December 2012 includes a loss of RMB2,007,000 (2011: loss of RMB1,408,000) which has been dealt with in the financial statements of the Company (note 32(b)). The loss excluded dividends from subsidiaries attributable to previous years' profits.

## 11. 母公司擁有人應佔溢利

截至二零一二年十二月三十一日止年度，母公司擁有人應佔合併溢利包括已於本公司財務報表列賬的虧損人民幣2,007,000元（二零一一年：虧損人民幣1,408,000元）（附註32(b)）。該項虧損並無包括源自附屬公司應佔過往年度溢利的股息。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

### 12. DIVIDEND

Proposed final – HK7 cents  
(2011: HK7 cents) per ordinary share

建議末期股息—每股普通股7港仙  
(二零一一年：7港仙)

At a meeting of the Board held on 15 March 2013, the Board recommend the payment of a final dividend of HK7 cents per ordinary share totalling approximately RMB35,537,000 for the year ended 31 December 2012, which is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

### 13. BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of basic earnings per share is based on the profit for the year attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares of 623,107,000 (2011: 622,500,000) in issue during the year, as adjusted to reflect the rights issue during the year.

The calculation of diluted earnings per share is based on the profit for the year attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

### 12. 股息

2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
35,537	35,326
<b>35,537</b>	<b>35,326</b>

於二零一三年三月十五日舉行之董事會會議上，董事會建議派發截至二零一二年十二月三十一日止年度末期股息每股普通股7港仙，合共約人民幣35,537,000元，須待本公司股東於應屆股東週年大會上批准，方可作實。

### 13. 母公司普通股權益持有人應佔每股基本及攤薄盈利

每股基本盈利乃根據母公司普通股權益持有人應佔年內溢利及年內已發行普通股加權平均數623,107,000股（二零一一年：622,500,000股）計算，並就年內進行之供股作出調整。

每股攤薄盈利乃根據母公司普通股權益持有人應佔年內溢利計算。計算使用之普通股加權平均數乃年內已發行普通股數目（與計算每股基本盈利所使用者相同），以及假設全部攤薄潛在普通股被視為獲行使或兌換為普通股後無償發行之普通股加權平均數。

# Notes to Financial Statements 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

## 13. BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (continued)

The calculations of basic and diluted earnings per share are based on:

## 13. 母公司普通股權益持有人應佔每股 基本及攤薄盈利 (續)

每股基本及攤薄盈利的計算如下：

		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
<b>Earnings</b>			
Profit attributable to ordinary equity holders of the parent used in the basic and diluted earnings per share calculations	盈利 用作計算每股基本及攤薄盈利的母公司普通股權益持有人應佔溢利	<u>94,180</u>	<u>103,139</u>
<b>Shares</b>			
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	股份 用作計算每股基本盈利的年內已發行普通股加權平均數	<b>623,107</b>	622,500
Effect of dilution – weighted average number of ordinary shares:	攤薄影響 – 普通股加權平均數：		
Share options	購股權	<b>2,043</b>	1,997
		<u><b>625,150</b></u>	<u>624,497</u>

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

### 14. PROPERTY, PLANT AND EQUIPMENT

### 14. 物業、廠房及設備

		Plant and buildings 廠房及建築物 RMB'000 人民幣千元	Machinery 機器 RMB'000 人民幣千元	Office equipment 辦公室設備 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Leasehold improvements 租賃物業裝修 RMB'000 人民幣千元	Construction in progress 在建工程 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
31 December 2012	二零一二年 十二月三十一日							
At 31 December 2011 and at 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:							
Cost	成本	170,698	412,856	16,471	7,768	8,307	10,817	626,917
Accumulated depreciation	累計折舊	(42,554)	(190,715)	(9,940)	(3,311)	(2,171)	-	(248,691)
Net carrying amount	賬面淨值	<u>128,144</u>	<u>222,141</u>	<u>6,531</u>	<u>4,457</u>	<u>6,136</u>	<u>10,817</u>	<u>378,226</u>
At 1 January 2012, net of accumulated depreciation	於二零一二年一月一日， 扣除累計折舊	128,144	222,141	6,531	4,457	6,136	10,817	378,226
Additions	添置	2,450	5,229	2,723	171	1,947	25,450	37,970
Depreciation provided during the year	年內折舊撥備	(9,011)	(36,791)	(1,585)	(1,220)	(1,037)	-	(49,644)
Transfers	轉撥	-	19,161	344	-	677	(20,182)	-
Disposals	出售	-	(12)	(353)	(159)	(3)	-	(527)
Exchange realignment	匯兌調整	-	2	2	-	4	-	8
At 31 December 2012, net of accumulated depreciation	於二零一二年 十二月三十一日， 扣除累計折舊	<u>121,583</u>	<u>209,730</u>	<u>7,662</u>	<u>3,249</u>	<u>7,724</u>	<u>16,085</u>	<u>366,033</u>
At 31 December 2012:	於二零一二年 十二月三十一日:							
Cost	成本	173,149	435,877	19,179	7,632	10,935	16,085	662,857
Accumulated depreciation	累計折舊	(51,566)	(226,147)	(11,517)	(4,383)	(3,211)	-	(296,824)
Net carrying amount	賬面淨值	<u>121,583</u>	<u>209,730</u>	<u>7,662</u>	<u>3,249</u>	<u>7,724</u>	<u>16,085</u>	<u>366,033</u>

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

### 14. PROPERTY, PLANT AND EQUIPMENT (continued)

### 14. 物業、廠房及設備 (續)

		Plant and buildings 廠房及建築物 RMB'000 人民幣千元	Machinery 機器 RMB'000 人民幣千元	Office equipment 辦公室設備 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Leasehold improvements 租賃物業裝修 RMB'000 人民幣千元	Construction in progress 在建工程 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
31 December 2011	二零一一年 十二月三十一日							
At 31 December 2010 and at 1 January 2011:	於二零一零年 十二月三十一日及 二零一一年一月一日:							
Cost	成本	156,381	379,816	13,826	6,099	7,448	22,714	586,284
Accumulated depreciation	累計折舊	(34,219)	(156,721)	(8,528)	(2,003)	(1,380)	-	(202,851)
Net carrying amount	賬面淨值	<u>122,162</u>	<u>223,095</u>	<u>5,298</u>	<u>4,096</u>	<u>6,068</u>	<u>22,714</u>	<u>383,433</u>
At 1 January 2011, net of accumulated depreciation	於二零一一年一月一日， 扣除累計折舊	122,162	223,095	5,298	4,096	6,068	22,714	383,433
Additions	添置	6,003	6,882	1,114	1,169	860	28,303	44,331
Depreciation provided during the year	年內折舊撥備	(8,415)	(35,515)	(1,674)	(1,308)	(792)	-	(47,704)
Transfers	轉撥	8,526	29,338	1,836	500	-	(40,200)	-
Disposals	出售	(132)	(1,655)	(37)	-	-	-	(1,824)
Exchange realignment	匯兌調整	-	(4)	(6)	-	-	-	(10)
At 31 December 2011, net of accumulated depreciation	於二零一一年 十二月三十一日， 扣除累計折舊	<u>128,144</u>	<u>222,141</u>	<u>6,531</u>	<u>4,457</u>	<u>6,136</u>	<u>10,817</u>	<u>378,226</u>
At 31 December 2011:	於二零一一年 十二月三十一日:							
Cost	成本	170,698	412,856	16,471	7,768	8,307	10,817	626,917
Accumulated depreciation	累計折舊	(42,554)	(190,715)	(9,940)	(3,311)	(2,171)	-	(248,691)
Net carrying amount	賬面淨值	<u>128,144</u>	<u>222,141</u>	<u>6,531</u>	<u>4,457</u>	<u>6,136</u>	<u>10,817</u>	<u>378,226</u>

As at 31 December 2012, the Group's property, plant and equipment with a net carrying amount of approximately RMB43,770,000 (2011: RMB48,470,000) were pledged to secure bank loans granted to the Group as set out in note 29(i).

如附註29(i)所載，於二零一二年十二月三十一日，本集團賬面淨值約人民幣43,770,000元（二零一一年：人民幣48,470,000元）的物業、廠房及設備已予抵押，作為本集團獲授銀行貸款的擔保。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

### 15. PREPAID LAND LEASE PAYMENTS

Cost:	成本：
At beginning and end of year	年初及年末
Additions	新增
At end of year	年末
Accumulated amortization:	累計攤銷：
At beginning of year	年初
Charge for the year	年內攤銷
At end of year	年末
Carrying amount at end of year	年末賬面值
Current portion included in prepayments, deposits and other receivables	計入預付款、押金及其他應收款項的流動部分
Non-current portion	非流動部分

As at 31 December 2012, the Group's prepaid land lease payments with a net carrying amount of approximately RMB28,031,000 (2011: RMB28,738,000) were pledged to secure bank loans granted to the Group as set out in note 29(i).

Lease prepayments represent costs paid to the PRC land bureau in obtaining land use rights in respect of land located in Mainland China with a lease period of 50 years when granted.

### 15. 土地租賃預付款項

31 December 2012 二零一二年 十二月三十一日 RMB'000 人民幣千元	31 December 2011 二零一一年 十二月三十一日 RMB'000 人民幣千元
40,408	40,408
23,398	–
<b>63,806</b>	40,408
(5,509)	(4,642)
(859)	(867)
<b>(6,368)</b>	(5,509)
57,438	34,899
(859)	(867)
<b>56,579</b>	34,032

如附註29(i)所載，於二零一二年十二月三十一日，本集團賬面淨值約人民幣28,031,000元（二零一一年：人民幣28,738,000元）的土地租賃預付款項已予抵押，作為本集團獲授銀行貸款的擔保。

租賃預付款項指向中國土地管理局支付以取得位於中國大陸的土地的土地使用權的成本，獲授時的租賃期為50年。



# Notes to Financial Statements 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

## 16. INTANGIBLE ASSET

## 16. 無形資產

		<b>Certified emission rights 認證排放權 RMB'000 人民幣千元</b>
At 1 January 2012, net of accumulated amortization	於二零一二年一月一日， 扣除累計攤銷	11,323
Additions	新增	94
Amortization provided during the year	年內攤銷撥備	(599)
At 31 December 2012, net of accumulated amortization	於二零一二年十二月三十一日， 扣除累計攤銷	<u>10,818</u>
At 31 December 2012:	於二零一二年十二月三十一日：	
Cost	成本	12,013
Accumulated amortization	累計攤銷	(1,195)
Net carrying amount	賬面淨值	<u>10,818</u>

## 17. INVESTMENTS IN SUBSIDIARIES Company

## 17. 於附屬公司的投資 本公司

		<b>31 December 2012 二零一二年 十二月三十一日 RMB'000 人民幣千元</b>	31 December 2011 二零一一年 十二月三十一日 RMB'000 人民幣千元
Unlisted shares, at cost	非上市股份，按成本	<b>371,249</b>	370,221
Capital contribution in respect of employee share-based compensation	有關僱員以股份付款補償的 出資	<b>1,285</b>	1,028
		<u><b>372,534</b></u>	<u>371,249</u>

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

### 17. INVESTMENTS IN SUBSIDIARIES (continued)

Particulars of the principal subsidiaries as at 31 December 2012 are as follows:

Name of company 公司名稱	Place and date of incorporation/ establishment 註冊成立／成立地點及日期	Nominal value of issued ordinary/ registered share capital 已發行普通股／ 註冊股本面值	Percentage of equity attributable to the Company		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Overseas Kingdom Limited	British Virgin Islands ("BVI") 26 July 2006	HK\$0.01/HK\$500	100%	–	Investment holding
Overseas Kingdom Limited	英屬處女群島 ("BVI") 二零零六年七月二十六日	0.01港元／500港元	100%	–	投資控股
Kingdom Group Holdings Limited ("Hong Kong Kingdom") 金達集團控股有限公司 (「香港金達」)	Hong Kong, China 10 September 2004 中國香港 二零零四年九月十日	HK\$1,250,000 1,250,000港元	–	100%	Investment holding and trading 投資控股及貿易
Asia Harvest Enterprises Limited 遠豐企業有限公司	Hong Kong, China 10 November 2005 中國香港 二零零五年十一月十日	HK\$1/HK\$10,000 1港元／10,000港元	–	100%	Trading 貿易
Zhejiang Jinyuan Flax Co., Ltd. 浙江金元亞麻有限公司	PRC 18 March 2003 中國 二零零三年三月十八日	US\$36,320,000 36,320,000美元	–	100%	Manufacture and sale of linen yarns 生產及銷售亞麻紗
Jiangsu Jinyuan Flax Co., Ltd. 江蘇金元亞麻有限公司	PRC 17 October 2003 中國 二零零三年十月十七日	US\$18,500,000 18,500,000美元	–	100%	Manufacture and sale of linen yarns 生產及銷售亞麻紗
Jiangsu Ziwei Flax Co., Ltd. 江蘇紫薇亞麻有限公司	PRC 26 October 2006 中國 二零零六年十月二十六日	US\$10,000,000 10,000,000美元	–	100%	Manufacture and sale of linen yarns 生產及銷售亞麻紗
Zhejiang Jinda Flax Co., Ltd. 浙江金達亞麻有限公司	PRC 28 May 2012 中國 二零一二年五月二十八日	RMB50,000,000 人民幣50,000,000元	–	100%	Manufacture and sale of linen yarns 生產及銷售亞麻紗
Zhejiang Jinlainuo Fiber Co., Ltd. 浙江金萊諾纖維有限公司	PRC 28 February 2012 中國 二零一二年二月二十八日	RMB10,000,000 人民幣10,000,000元	–	100%	Manufacture and sale of linen fiber 生產及銷售亞麻纖維
Zhaosu Jindi Flax Co., Ltd. 昭蘇金地亞麻有限公司	PRC 23 May 2007 中國 二零零七年五月二十三日	RMB30,000,000 人民幣30,000,000元	–	100%	Manufacture and sale of linen yarns 生產及銷售亞麻紗
Kingdom Europe S.R.L. Kingdom Europe S.R.L.	Italy 7 September 2007 意大利 二零零七年九月七日	EUR502,646 502,646歐元	–	100%	Trading 貿易

### 17. 於附屬公司的投資 (續)

於二零一二年十二月三十一日的主要附屬公司詳情如下：

# Notes to Financial Statements 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

## 18. INVESTMENT IN AN ASSOCIATE

## 18. 於一間聯營公司的投資

Share of net assets 應佔資產淨值

31 December 2012 二零一二年 十二月三十一日 RMB'000 人民幣千元	31 December 2011 二零一一年 十二月三十一日 RMB'000 人民幣千元
<b>5,784</b>	<b>6,069</b>

The Group holds an 18% equity interest in an associate, namely Huaning Flax Electronic Business (Zhejiang) Co., Ltd., which was established on 28 December 2009 in the PRC with registered capital of RMB30,000,000. The principal business of the associate is the sale of linen yarn products and the provision of transaction services. Although the Group holds less than 20% of the voting power of the associate, the Group exercises significant influence as a member of its board of directors.

本集團持有聯營公司浙江華凝亞麻電子商務有限公司18%的股權，其於二零零九年十二月二十八日於中國成立，註冊資本為人民幣30,000,000元。該聯營公司的主要業務為銷售亞麻紗產品及提供交易服務。儘管本集團持有該聯營公司的投票權不足20%，惟本集團作為其董事會成員可行使重大影響力。

Particulars of the principal associate are as follows:

該主要聯營公司的詳情如下：

Name	Particulars of issued shares held	Place of establishment	Percentage of ownership interest attributable to the Group 本集團應佔 擁有權益 百分比	Principal activities
名稱	所持已發行 股份詳情	成立地點		主要業務
Zhejiang Huaning Flax Electronic Business Co., Ltd. ("Huaning Flax")	RMB30,000,000	PRC	18%	Sale of linen yarn products and provision of transaction services
浙江華凝亞麻電子商務有限公司 （「華凝亞麻」）	人民幣 30,000,000元	中國	18%	銷售亞麻紗產品及 提供交易服務

The financial statements of this company for the year ended 31 December 2012 were not audited by Ernst & Young, Hong Kong or another member firm of the Ernst & Young global network.

該公司截至二零一二年十二月三十一日止年度的財務報表並非由香港安永會計師事務所或安永全球網絡其他成員公司審核。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

### 18. INVESTMENT IN AN ASSOCIATE (continued)

The following table illustrates the summarised financial information of the Group's associate extracted from its financial statements:

Assets	資產
Liabilities	負債
Revenue	收入
Profit	溢利

### 18. 於一間聯營公司的投資(續)

下表顯示本集團聯營公司的財務資料概要，乃摘錄自其財務報表：

	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
	31,735	33,438
	394	275
	357	12,880
	(1,584)	92

### 19. DEFERRED TAX

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

#### Deferred tax assets:

		Loss available for offsetting against future taxable profit 可用作對銷未來應課稅溢利的虧損 RMB'000 人民幣千元	Accruals 預提費用 RMB'000 人民幣千元	Allowance for doubtful debts 呆賬撥備 RMB'000 人民幣千元	Provision against inventories 存貨撥備 RMB'000 人民幣千元	Elimination of unrealised profits 抵銷未變現溢利 RMB'000 人民幣千元	Depreciation in excess of related depreciation allowance 折舊超出有關折舊撥備的金額 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	438	1,886	28	368	1,026	375	4,121
Deferred tax credited/(charged) to the income statement during the year	年內計入損益表/(自損益表扣除)的遞延稅項	(438)	1,607	470	649	498	355	3,141
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	-	3,493	498	1,017	1,524	730	7,262
Deferred tax credited/(charged) to the income statement during the year	年內計入損益表/(自損益表扣除)的遞延稅項	-	405	(153)	186	450	189	1,077
At 31 December 2012	於二零一二年十二月三十一日	-	3,898	345	1,203	1,974	919	8,339

### 19. 遞延稅項

本集團遞延稅項資產及負債於年內的變動如下：

#### 遞延稅項資產：

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

### 19. DEFERRED TAX (continued)

#### Deferred tax liabilities:

### 19. 遞延稅項 (續)

#### 遞延稅項負債：

		Withholding tax on undistributed profits of the Mainland China subsidiaries 中國大陸 附屬公司 未分派 溢利的 預扣稅 RMB'000 人民幣千元	Fair value gains on derivative financial instruments 衍生金融 工具 公允價值 得益 RMB'000 人民幣千元	Depreciation allowance in excess of related depreciation 折舊撥備 超出有關 折舊的 金額 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	3,774	928	-	4,702
Deferred tax charged/(credited) to the income statement during the year	年內自損益表扣除/ (計入損益表) 的遞延稅項	4,103	(670)	543	3,976
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	7,877	258	543	8,678
Deferred tax charged/(credited) to the income statement during the year	年內自損益表扣除/ (計入損益表) 的遞延稅項	1,898	(241)	131	1,788
At 31 December 2012	於二零一二年 十二月三十一日	9,775	17	674	10,466

Pursuant to the Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings generated after 31 December 2007.

根據企業所得稅法，在中國大陸境內成立的外商投資企業宣派予外國投資者的股息須徵收10%的預扣稅。該規定自二零零八年一月一日起生效，並適用於二零零七年十二月三十一日後產生的盈利。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

### 19. DEFERRED TAX (continued)

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

Deferred tax of the Group as at 31 December 2012 and 2011 relates to the following:

Deferred tax assets arising from:	下列各項產生的 遞延稅項資產：
– Allowance for doubtful debts	– 呆賬撥備
– Provision against inventories	– 存貨撥備
– Elimination of unrealized profits	– 抵銷未變現溢利
– Accruals	– 預提費用
– Depreciation in excess of related depreciation allowance	– 折舊超出有關折舊 撥備的金額

### 19. 遞延稅項 (續)

為作呈列之用，若干遞延稅項資產及負債已於財務狀況表內對銷。為作財務呈報之用，本集團的遞延稅項結餘分析如下：

本集團於二零一二年及二零一一年十二月三十一日的遞延稅項與下列各項有關：

31 December 2012 二零一二年 十二月三十一日 RMB'000 人民幣千元	31 December 2011 二零一一年 十二月三十一日 RMB'000 人民幣千元
345	498
1,203	1,017
1,974	1,524
3,898	3,493
919	730
<b>8,339</b>	<b>7,262</b>

# Notes to Financial Statements 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

## 19. DEFERRED TAX (continued)

## 19. 遞延稅項 (續)

		31 December 2012 二零一二年 十二月三十一日 RMB'000 人民幣千元	31 December 2011 二零一一年 十二月三十一日 RMB'000 人民幣千元
Deferred tax liabilities arising from:	下列各項產生的遞延稅項負債：		
– Withholding tax on undistributed profits of Mainland China subsidiaries	– 中國大陸附屬公司未分派溢利的預扣稅	(9,775)	(7,877)
– Depreciation allowance in excess of related depreciation	– 折舊撥備超出有關折舊的金額	(674)	(543)
– Fair value gains on derivative financial instruments	– 衍生金融工具的公允價值得益	(17)	(258)
		<u>(10,466)</u>	<u>(8,678)</u>
Deferred tax, net	遞延稅項淨額	<u>(2,127)</u>	<u>(1,416)</u>
Reflected in the consolidated statement of financial position:	於合併財務狀況表內反映：		
– Deferred tax assets	– 遞延稅項資產	8,322	7,004
– Deferred tax liabilities	– 遞延稅項負債	<u>(10,449)</u>	<u>(8,420)</u>

As at 31 December 2012, other than the amount recognized in the consolidated financial statements, deferred tax has not been recognized for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in Mainland China. In the opinion of the directors, it is not probable that these subsidiaries will distribute such unremitted earnings in the foreseeable future. The aggregate amount of temporary differences associated with investments in subsidiaries in Mainland China for which deferred tax liabilities have not been recognized totalled approximately RMB163,889,000 at 31 December 2012 (2011: RMB94,713,000).

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

於二零一二年十二月三十一日，除合併財務報表內已確認的金額外，並無就本集團在中國大陸成立的附屬公司須繳納預扣稅的未匯出盈利所應付的預扣稅確認遞延稅項。董事認為，該等附屬公司於可預見將來不大可能分派該等未匯出盈利。於二零一二年十二月三十一日，與於中國大陸附屬公司的投資有關而並無就此確認遞延稅項負債的暫時差額總值合共約為人民幣163,889,000元（二零一一年：人民幣94,713,000元）。

本公司向其股東派付股息並無附帶所得稅稅務後果。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

### 20. INVENTORIES

Raw materials	原材料
Work in progress	在製品
Finished goods	製成品

As at 31 December 2012, inventories with a carrying amount of RMB52,302,000 (2011: RMB40,000,000) were pledged to secure bank loans granted to the Group as set out in note 29(i).

### 21. TRADE AND NOTES RECEIVABLES

Trade receivables	應收貿易賬款
Notes receivables	應收票據
Impairment	減值

### 20. 存貨

31 December 2012 二零一二年 十二月三十一日 RMB'000 人民幣千元	31 December 2011 二零一一年 十二月三十一日 RMB'000 人民幣千元
120,760	137,192
14,413	20,811
105,397	77,992
<b>240,570</b>	<b>235,995</b>

如附註29(i)所載，於二零一二年十二月三十一日，賬面值為人民幣52,302,000元（二零一一年：人民幣40,000,000元）的存貨已予抵押，作為授予本集團的銀行貸款的擔保。

### 21. 應收貿易賬款及應收票據

31 December 2012 二零一二年 十二月三十一日 RMB'000 人民幣千元	31 December 2011 二零一一年 十二月三十一日 RMB'000 人民幣千元
145,896	117,827
73,561	33,125
(1,380)	(1,614)
<b>218,077</b>	<b>149,338</b>



# Notes to Financial Statements

## 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

### 21. TRADE AND NOTES RECEIVABLES (continued)

Customers are normally granted credit terms ranging from 30 days to 150 days depending on the creditworthiness of the individual customers. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. Trade receivables are non-interest-bearing.

The Group's notes receivables were all aged within six months and were neither past due nor impaired.

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

Within 1 month	一個月內
1 to 2 months	一個月至兩個月
2 to 3 months	兩個月至三個月
Over 3 months	三個月以上

### 21. 應收貿易賬款及應收票據 (續)

客戶一般獲授予信貸期30天至150天，視乎個別客戶的信譽而定。本集團一直嚴格控制未收回應收款項，並設有信貸控制部以將信貸風險減至最低。高級管理層定期審閱逾期結餘。應收貿易賬款並不計息。

本集團的應收票據賬齡均為六個月內，並無逾期亦無減值。

於報告期末，本集團的應收貿易賬款按發票日分類並扣減撥備的賬齡分析如下：

31 December 2012 二零一二年 十二月三十一日 RMB'000 人民幣千元	31 December 2011 二零一一年 十二月三十一日 RMB'000 人民幣千元
81,511	92,115
30,565	10,985
16,871	5,640
15,569	7,473
<b>144,516</b>	<b>116,213</b>

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

### 21. TRADE AND NOTES RECEIVABLES (continued)

The movements in the provision for impairment of trade receivables are as follows:

At 1 January	於一月一日	
Impairment losses recognized	確認減值虧損	
Amount written off as uncollectible	不可收回款項轉銷額	
Impairment losses reversed	減值虧損轉回	

Included in the above provision for impairment of trade receivables is a provision for individually impaired trade receivables of RMB1,380,000 (2011: RMB1,614,000) with a carrying amount before provision of RMB2,951,000 (2011: RMB1,614,000).

The impaired trade receivables relate to customers that were in financial difficulties and only a portion of the receivables is expected to be recovered.

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

Neither past due nor impaired	未逾期及未減值	
Less than 1 month past due	已逾期不超過一個月	
1 to 3 months past due	已逾期一個月至三個月	
Over 3 months past due	已逾期三個月以上	

### 21. 應收貿易賬款及應收票據 (續)

應收貿易賬款減值撥備變動如下:

31 December 2012 二零一二年 十二月三十一日 RMB'000 人民幣千元	31 December 2011 二零一一年 十二月三十一日 RMB'000 人民幣千元
1,614	1,297
31	1,206
(260)	(662)
(5)	(227)
<b>1,380</b>	<b>1,614</b>

上述應收貿易賬款減值撥備包括個別減值的應收貿易賬款撥備人民幣1,380,000元(二零一一年:人民幣1,614,000元),撥備前賬面值為人民幣2,951,000元(二零一一年:人民幣1,614,000元)。

已減值應收貿易賬款與陷入財務困難的客戶有關,預計僅可收回部分應收款項。

並非個別或集體視為減值的應收貿易賬款的賬齡分析如下:

31 December 2012 二零一二年 十二月三十一日 RMB'000 人民幣千元	31 December 2011 二零一一年 十二月三十一日 RMB'000 人民幣千元
133,884	105,181
5,406	4,046
2,272	6,199
2,954	787
<b>144,516</b>	<b>116,213</b>

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

### 21. TRADE AND NOTES RECEIVABLES (continued)

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

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

The carrying amount of the trade and notes receivables approximates to their fair value due to their short term maturity.

#### Notes receivables that are not derecognized in their entirety

At 31 December 2012, the Group endorsed certain notes receivables accepted by banks in the PRC (the "Endorsed Notes") with a carrying amount of RMB10,996,000 to certain of its suppliers in order to settle the trade payables due to such suppliers (the "Endorsement"). In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Notes, and accordingly, it continued to recognize the full carrying amounts of the Endorsed Notes and the associated trade payables settled. Subsequent to the endorsement, the Group does not retain any rights on the use of the Endorsed Notes, including sale, transfer or pledge of the Endorsed Notes to any other third parties. The aggregate carrying amount of the trade payables settled by the Endorsed Notes during the year to which the suppliers have recourse is RMB10,996,000 as at 31 December 2012.

### 21. 應收貿易賬款及應收票據 (續)

既未逾期也未減值的應收貿易賬款與數目眾多的多元化客戶有關，該等客戶近期沒有違約歷史。

已逾期但未減值的應收貿易賬款與多名獨立客戶有關，該等客戶與本集團有良好的過往記錄。根據以往經驗，本公司董事認為無需對該等結餘作減值撥備，因為信貸質素無顯著變化且該等結餘仍被認為可以全部收回。

由於到期日短，故應收貿易賬款及應收票據的賬面值與其公允價值相若。

#### 並無全數終止確認的應收票據

於二零一二年十二月三十一日，本集團向其若干供應商背書若干由中國的銀行接納的應收票據（「經背書票據」），賬面金額為人民幣10,996,000元，以結清應付該等供應商的應付貿易賬款（「背書」）。董事認為，本集團仍保留重大風險及回報，包括有關該等經背書票據的違約風險，故本集團繼續確認經背書票據及相關已結清應付貿易賬款的全部賬面金額。於背書後，本集團並無保留任何使用經背書票據的權利，包括向任何其他第三方出售、轉讓或質押經背書票據。年內，以供應商具有追索權的經背書票據結清的應付貿易賬款於二零一二年十二月三十一日的賬面總額為人民幣10,996,000元。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

### 22. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

Prepayments	預付款
Prepaid land lease payment due within one year	於一年內到期的土地租賃預付款項
Deposits and other receivables	押金及其他應收款項

The above balances are unsecured and non-interest-bearing and have no fixed terms of repayment.

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.

The carrying amount of prepayments, deposits and other receivables approximates to their fair value due to their short term maturity.

### 22. 預付款、押金及其他應收款項

31 December 2012 二零一二年 十二月三十一日 RMB'000 人民幣千元	31 December 2011 二零一一年 十二月三十一日 RMB'000 人民幣千元
25,577	14,634
859	867
16,957	6,471
<b>43,393</b>	<b>21,972</b>

上述結餘為無抵押、不計息及無固定還款期。

上述資產既未逾期亦無減值。計入上述結餘的金融資產與近期並無拖欠記錄的應收款項有關。

由於到期日短，故預付款、押金及其他應收款項的賬面值與其公允價值相若。

# Notes to Financial Statements 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

## 23. AMOUNT DUE TO A RELATED COMPANY

Huaning Flax 華凝亞麻

## 23. 應付一間關連公司款項

31 December 2012 二零一二年 十二月三十一日 RMB'000 人民幣千元	31 December 2011 二零一一年 十二月三十一日 RMB'000 人民幣千元
<u>55</u>	<u>—</u>

## 24. AMOUNTS DUE FROM/(TO) SUBSIDIARIES

The balances with subsidiaries as at each year end are non-trade in nature, unsecured, repayable on demand and interest-free, and their carrying amount approximates to their fair value.

## 24. 應收／（應付）附屬公司款項

於各年年底，與附屬公司的結餘屬非貿易性質，為無抵押、按要求償還及免息，且其賬面值與其公允價值相若。

## 25. DERIVATIVE FINANCIAL INSTRUMENTS

Assets: 資產：  
Foreign exchange forward contracts 外匯遠期合約—即期  
– current

The Group uses forward currency contracts to manage some of its transaction exposures. These currency forward contracts are not designated as cash flow, fair value or net investment hedges and are entered into for periods consistent with currency transaction exposures, generally from one to twelve months. These contracts will mature within 2013.

The derivatives are measured at fair value as at 31 December 2012.

## 25. 衍生金融工具

31 December 2012 二零一二年 十二月三十一日 RMB'000 人民幣千元	31 December 2011 二零一一年 十二月三十一日 RMB'000 人民幣千元
<u>68</u>	<u>1,033</u>

本集團使用遠期外匯合約管理其部分交易風險。該等遠期外匯合約未指定為現金流量、公允價值或淨投資對沖，而訂立的期間與貨幣交易風險一致（一般為一至十二個月）。該等合約將於二零一三年內到期。

於二零一二年十二月三十一日，衍生工具按公允價值計量。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

### 26. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

### 26. 現金及現金等價物以及已抵押存款

		Group 本集團		Company 本公司	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Cash and bank balances	現金及銀行結餘	199,543	201,102	2,064	1,870
Time deposits	定期存款	-	-	-	-
		<b>199,543</b>	201,102	<b>2,064</b>	1,870
Less: Pledged deposits for bank loans	減：已就銀行貸款抵押的存款	(35,900)	(37,600)	-	-
Cash and cash equivalents	現金及現金等價物	<b>163,643</b>	163,502	<b>2,064</b>	1,870

At 31 December 2012, the Group's pledged deposits with a net carrying amount of approximately RMB35,900,000 (2011: RMB37,600,000) were pledged to secure bank loans granted to the Group as set out in note 29(i).

如附註29(i)所載，於二零一二年十二月三十一日，本集團賬面淨值約人民幣35,900,000元（二零一一年：人民幣37,600,000元）的已抵押存款已予抵押，作為授予本集團的銀行貸款的擔保。

### 27. TRADE PAYABLES

An aged analysis of the trade payables as at 31 December 2012, based on the payment due date, is as follows:

### 27. 應付貿易賬款

於二零一二年十二月三十一日，按付款到期日分類的應付貿易賬款賬齡分析如下：

		31 December 2012 二零一二年 十二月三十一日 RMB'000 人民幣千元	31 December 2011 二零一一年 十二月三十一日 RMB'000 人民幣千元
Due within 1 month or on demand	一個月內到期或於要求時償還	30,001	43,669
Due after 1 month but within 3 months	一個月以後但三個月內到期	10,597	6,484
Due after 3 months but within 6 months	三個月以後但六個月內到期	2,588	8,196
		<b>43,186</b>	<b>58,349</b>

The above balances are unsecured and non-interest-bearing. The carrying amount of trade payables at the end of each reporting period approximates to their fair value due to their short term maturity.

上述結餘為無抵押及不計息。於各報告期末，由於到期日短，故應付貿易賬款的賬面值與其公允價值相若。

# Notes to Financial Statements 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

## 28. OTHER PAYABLES AND ACCRUALS

## 28. 其他應付款項及預提費用

		<b>Group</b> 本集團	
		<b>31 December</b> <b>2012</b> 二零一二年 十二月三十一日 <b>RMB'000</b> 人民幣千元	31 December 2011 二零一一年 十二月三十一日 RMB'000 人民幣千元
Advances from customers	客戶墊款	5,027	5,267
Accruals	預提費用	2,274	1,923
Other payables	其他應付款項	36,205	23,757
		<b>43,506</b>	<b>30,947</b>

		<b>Company</b> 本公司	
		<b>31 December</b> <b>2012</b> 二零一二年 十二月三十一日 <b>RMB'000</b> 人民幣千元	31 December 2011 二零一一年 十二月三十一日 RMB'000 人民幣千元
Other payables	其他應付款項	-	230

The above balances are unsecured and non-interest-bearing. The carrying amount of other payables and accruals at the end of each reporting period approximates to their fair value due to their short term maturity.

上述結餘為無抵押及不計息。於各報告期末，由於到期日短，故其他應付款項及預提費用的賬面值與其公允價值相若。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

### 29. INTEREST-BEARING BANK LOANS

Current	即期
Secured bank loans	有抵押銀行貸款
Unsecured bank loans	無抵押銀行貸款
Total	總計

Note:

- (i) As at 31 December 2012, the interest-bearing bank loans were secured by certain property, plant and equipment, prepaid land lease payments, inventories and pledged deposits of the Group with carrying amounts of RMB43,770,000 (2011: RMB48,470,000), RMB28,031,000 (2011: RMB28,738,000), RMB52,302,000 (2011: 40,000,000) and RMB35,900,000 (2011: RMB37,600,000), respectively.
- (ii) The bank loans bear interest at rates ranging from 3.82% to 6.72% per annum (2011: 5.65% to 6.56% per annum).

The carrying amount of the interest-bearing bank loans of the Group approximates to their fair value due to their short term maturity.

### 29. 計息銀行貸款

Note 附註	31 December 2012 二零一二年 十二月三十一日 RMB'000 人民幣千元	31 December 2011 二零一一年 十二月三十一日 RMB'000 人民幣千元
	(i)	<b>199,100</b>
	<b>16,584</b>	5,000
	<b>215,684</b>	<b>164,100</b>

附註：

- (i) 於二零一二年十二月三十一日，計息銀行貸款以本集團賬面值分別為人民幣43,770,000元（二零一一年：人民幣48,470,000元）、人民幣28,031,000元（二零一一年：人民幣28,738,000元）、人民幣52,302,000元（二零一一年：人民幣40,000,000元）及人民幣35,900,000元（二零一一年：人民幣37,600,000元）的若干物業、廠房及設備、土地租賃預付款項、存貨及已抵押存款作抵押。
- (ii) 銀行貸款按年利率3.82%至6.72%（二零一一年：5.65%至6.56%）計息。

由於到期日短，故本集團計息銀行貸款的賬面值與其公允價值相若。



# Notes to Financial Statements 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

## 30. ISSUED CAPITAL Group and Company

## 30. 已發行股本 本集團及本公司

### The Group and the Company 本集團及本公司

	2012 二零一二年		2011 二零一一年	
	Number of shares 股份數目	Amount HK\$'000 金額 千港元	Number of shares 股份數目	Amount HK\$'000 金額 千港元
<b>Authorised:</b>				
Ordinary shares of HK\$0.01 each	3,000,000,000	30,000	3,000,000,000	30,000
<b>法定:</b>				
每股面值0.01港元的普通股	3,000,000,000	30,000	3,000,000,000	30,000

### Issued and fully paid:

### 已發行及繳足:

	2012 二零一二年			2011 二零一一年		
	Number of shares 股份數目	Amount 金額		Number of shares 股份數目	Amount 金額	
		HK\$'000 千港元	RMB'000 equivalent 人民幣千元 (等值)		HK\$'000 千港元	RMB'000 equivalent 人民幣千元 (等值)
At 1 January and 31 December	626,140,000	6,261	6,301	622,500,000	6,225	6,272
於一月一日及十二月三十一日	626,140,000	6,261	6,301	622,500,000	6,225	6,272

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

普通股持有人有權收取不時宣派的股息及有權於本公司股東大會上按每股一票的比例投票。所有普通股於本公司剩餘資產方面享有同等地位。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

### 31. SHARE OPTION SCHEME

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Scheme include the Company's directors, including independent non-executive directors, and other employees of the Group in the Company's subsidiaries. The Scheme became effective on 15 November 2006 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of unexercised share options currently permitted to be granted under the Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors.

The offer of a grant of share options may be accepted within 21 days from the date of offer, upon payment of a nominal consideration of HK\$0.01 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and commences after a vesting period of one to three years and ends on a date which is not later than five years from the date of offer of the share options or the expiry date of the Scheme, if earlier.

### 31. 購股權計劃

本公司設有一項購股權計劃（「計劃」），乃為對本集團業務成功作出貢獻的合資格參與人提供激勵及獎賞而設。計劃的合資格參與人包括本公司董事（包括獨立非執行董事）及隸屬於本公司附屬公司的本集團其他僱員。計劃自二零零六年十一月十五日起生效，除非被取消或修訂，否則將自該日起計十年有效。

根據計劃現時獲准授出的未行使購股權的最高數目，數額於行使時相等於本公司於任何時間已發行股份的10%。根據計劃內每名合資格參與人獲授的購股權而可予發行的最高股份數目，於任何十二個月期間內不可超過本公司於任何時間已發行股份的1%。授出超過此限的購股權須經股東於股東大會上批准。

授予本公司董事、主要行政人員或主要股東或彼等任何聯繫人的購股權須經獨立非執行董事事先批准。

授出購股權的要約可於提呈日期起計21日內由承授人支付名義代價合共0.01港元接納。授出的購股權的行使期由董事決定，並於一至三年歸屬期後開始，且於不遲於提呈購股權日期起五年內任何日子或計劃屆滿日期終止（以較早者為準）。

# Notes to Financial Statements 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

## 31. SHARE OPTION SCHEME (continued)

The exercise price of share options is determinable by the directors, but may not be less than the highest of (i) the Stock Exchange closing price of the Company's shares on the date of offer of the share options; and (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of offer; and (iii) the nominal value of the share.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

The following share options were outstanding under the Scheme during the year:

At 1 January	於一月一日
Exercised during the year	年內行使
At 31 December	於十二月三十一日

The weighted average share price at the date of exercise for share options exercised during the year was HK\$0.750 per share (2011: No share options were exercised).

## 31. 購股權計劃 (續)

購股權行使價由董事釐定，惟不能低於下列各項的最高者：(i)於提呈購股權日期本公司股份於聯交所的收市價；及(ii)緊接提呈日期前五個交易日本公司股份於聯交所的平均收市價；及(iii)股份面值。

購股權並無賦予持有人收取股息或於股東大會上投票的權利。

年內，計劃項下尚未行使的購股權如下：

2012 二零一二年		2011 二零一一年	
Weighted average exercise price 加權平均行使價 HK\$ per share 每股港元	Number of options 購股權數目 '000 千份	Weighted average exercise price 加權平均行使價 HK\$ per share 每股港元	Number of options 購股權數目 '000 千份
0.400	9,100	0.400	9,100
0.400	(3,640)	-	-
0.400	5,460	0.400	9,100

年內已行使購股權於行使日期的加權平均股價為每股0.750港元（二零一一年：並無購股權獲行使）。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

### 31. SHARE OPTION SCHEME (continued)

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

2012

Number of options 購股權數目	Exercise price 行使價
'000 千份	HK\$ per share 每股港元
5,460	0.400
<u>5,460</u>	

2011

Number of options 購股權數目	Exercise price 行使價
'000 千份	HK\$ per share 每股港元
3,640	0.400
5,460	0.400
<u>9,100</u>	

No share options were granted during the year (2011: Nil). The Group recognized a share option expense of HK\$948,000, equivalent to RMB771,000 (2011: RMB1,028,000) during the year ended 31 December 2012.

### 31. 購股權計劃 (續)

於報告期末尚未行使購股權的行使價及行使期如下：

二零一二年

Exercise period 行使期
9 July 2013 to 8 July 2015 二零一三年七月九日至二零一五年七月八日

二零一一年

Exercise period 行使期
9 July 2012 to 8 July 2015 二零一二年七月九日至二零一五年七月八日
9 July 2013 to 8 July 2015 二零一三年七月九日至二零一五年七月八日

年內並無授出任何購股權(二零一一年：無)。截至二零一二年十二月三十一日止年度，本集團已確認購股權開支948,000港元，相等於人民幣771,000元(二零一一年：人民幣1,028,000元)。

# Notes to Financial Statements 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

## 31. SHARE OPTION SCHEME (continued)

The fair value of equity-settled share options granted was estimated as at the date of grant, using a binomial tree model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

	Share options granted on 17 August 2010
Dividend yield (%)	2.1
Spot stock price (HK\$ per share)	0.57
Historical volatility (%)	69.32
Risk-free interest rate (%)	1.01
Exercise multiple	2.5
Weighted average share price (HK\$ per share)	0.400

No other feature of the options granted was incorporated into the measurement of fair value.

The 3,640,000 share options exercised during the year resulted in the issue of 3,640,000 ordinary shares of the Company and new share capital of HK\$36,400, equivalent to RMB29,000, and share premium of HK\$2,596,000, equivalent to RMB2,180,000 (before issue expenses), as further detailed in notes 30 and 32 to the financial statements.

At the end of the reporting period, the Company had 5,460,000 share options outstanding under the Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 5,460,000 additional ordinary shares of the Company and additional share capital of HK\$54,600, equivalent to RMB44,000, and share premium of HK\$2,129,400, equivalent to RMB1,732,000 (before issue expenses).

At the date of approval of these financial statements, the Company had 5,460,000 share options outstanding under the Scheme, which represented approximately 0.87% of the Company's shares in issue as at that date.

## 31. 購股權計劃 (續)

已授出的以權益結算購股權的公允價值乃於授出日期利用二項式樹狀模型估計，當中已考慮授出購股權的條款及條件。下表列出所用模型的輸入項目：

	於二零一零年 八月十七日 授出的購股權
股息率 (%)	2.1
現貨股價 (每股港元)	0.57
歷史波幅 (%)	69.32
無風險利率 (%)	1.01
行使倍數	2.5
加權平均股價 (每股港元)	0.400

於計算公允價值時並無計及已授出購股權的其他特性。

3,640,000份購股權於年內獲行使，導致發行3,640,000股本公司普通股，並產生新股本36,400港元（相等於人民幣29,000元）及股份溢價2,596,000港元（相等於人民幣2,180,000元）（未計發行開支），進一步詳情載於財務報表附註30及32。

於報告期末，本公司共有5,460,000份尚未根據計劃行使的購股權。按照本公司現時的資本架構，未行使購股權獲全數行使將導致發行5,460,000股本公司額外普通股，並產生額外股本54,600港元（相等於人民幣44,000元）及股份溢價2,129,400港元（相等於人民幣1,732,000元）（未計發行開支）。

於該等財務報表獲批准日期，本公司共有5,460,000份尚未根據計劃行使的購股權，佔本公司於該日已發行股份約0.87%。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

### 32. RESERVES

#### (a) Group

The changes in the reserves of the Group during the year have been disclosed in the consolidated statement of changes in equity of the Group.

#### Merger reserve

Merger reserve represents the difference between the then shareholders' total capital contributions to Hong Kong Kingdom over the nominal value of the shares issued by the Company in exchange thereof as at the date of a reorganization (the "Reorganization") of the Group to rationalize the group structure in preparation for the listing of the Company's shares on the Stock Exchange. Details of the Reorganization are set out in the prospectus of the Company dated 30 November 2006.

#### PRC statutory reserve

#### *General reserve fund*

The subsidiaries in Mainland China are required to transfer at least 10% of their profit after taxation, as determined under the PRC accounting regulations, to the general reserve fund until the reserve balance reaches 50% of their respective registered capital. The transfer to this reserve must be made before the distribution of dividends to shareholders.

The general reserve fund can be used to make good losses and convert into share capital by the issue of new shares to shareholders in proportion to their existing equity holdings.

### 32. 儲備

#### (a) 本集團

年內本集團儲備變動已於本集團合併權益變動表內披露。

#### 合併儲備

合併儲備指為籌備本公司股份於聯交所上市，本集團進行重組（「重組」）以精簡集團架構當日，香港金達當時的股東出資總額與本公司為交換而發行的股份面值的差額。重組詳情載於本公司日期為二零零六年十一月三十日的招股章程內。

#### 中國法定儲備

#### *一般儲備金*

中國大陸的附屬公司須提撥其按中國會計規章釐定的除稅後溢利最少10%至一般儲備金，直至儲備結餘達到其各自註冊資本的50%為止。提撥此儲備須於分派股息予股東前進行。

一般儲備金可用作補償虧損及以按股東現有持股比例向其發行新股份的方式轉換為股本。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

### 32. RESERVES (continued)

#### (a) Group (continued)

##### Enterprise expansion fund

The transfers from retained profits to the enterprise expansion fund were made in accordance with the relevant PRC rules and regulations and the articles of association of the Company's subsidiaries and were approved by the respective boards of directors.

The enterprise expansion fund can be used to convert into share capital, to acquire fixed assets and to increase current assets.

##### Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of overseas subsidiaries.

##### Share option reserve

Details of the Company's share option scheme and the share options issued under the Scheme are included in note 31 to the financial statements.

##### Share premium

The application of the share premium account is governed by the Companies Law of the Cayman Islands. Under the Companies Law of the Cayman Islands, the funds in share premium account are distributable to 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.

### 32. 儲備 (續)

#### (a) 本集團 (續)

##### 企業發展基金

保留溢利根據中國相關規則及法規以及本公司各附屬公司的組織章程細則提撥至企業發展基金，並經相關董事會的批准。

企業發展基金可用於轉換為股本、收購固定資產及增加流動資產。

##### 匯兌儲備

匯兌儲備包括折算海外附屬公司財務報表所產生的所有匯兌差額。

##### 購股權儲備

本公司購股權計劃及根據計劃發行的購股權的詳情載於財務報表附註31。

##### 股份溢價

股份溢價賬的應用受開曼群島公司法監管。根據開曼群島公司法，倘緊隨建議分派股息日期後，本公司能夠於日常業務過程中清還到期債務，則股份溢價賬中的基金可分派予本公司股東。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

### 32. RESERVES (continued)

#### (b) Company

### 32. 儲備 (續)

#### (b) 本公司

		Share premium	Contributed surplus	Share option reserve	(Accumulated losses)/ retained profits	Total
		RMB'000	RMB'000	RMB'000	(累計虧損)/ 保留溢利	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
At 1 January 2011	於二零一一年一月一日	268,001	370,213	514	(34,535)	604,193
Profit for the year	年內溢利	-	-	-	35,791	35,791
Equity-settled share option arrangements	以權益結算購股權安排	-	-	1,028	-	1,028
Proposed final 2011 dividend	建議二零一一年末期股息	-	-	-	(35,326)	(35,326)
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	268,001	370,213	1,542	(34,070)	605,686
Issue of share capital	發行股本	2,180	-	(1,028)	-	1,152
Profit for the year	年內溢利	-	-	-	37,125	37,125
Equity-settled share option arrangements	以權益結算購股權安排	-	-	771	-	771
Proposed final 2012 dividend	建議二零一二年末期股息	-	-	-	(35,537)	(35,537)
At 31 December 2012	於二零一二年十二月三十一日	<u>270,181</u>	<u>370,213</u>	<u>1,285</u>	<u>(32,482)</u>	<u>609,197</u>

#### Contributed surplus

Contributed surplus represents the excess of the fair value of the shares of Kingdom Group Holdings Limited at the date of the Reorganization over the nominal value of the shares issued by the Company in exchange thereof.

#### 繳入盈餘

繳入盈餘指於重組日期金達集團控股有限公司股份的公允價值超出本公司為交換而發行的股份面值的數額。



# Notes to Financial Statements 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

### 33. OPERATING LEASE COMMITMENTS

Non-cancellable operating lease rentals were payable as follows:

Less than one year	一年內
Between one and five years	一年後但五年內

The Group leases certain properties located in Mainland China and Italy as the Group's offices. The leases run for an initial period of three to six years.

### 34. CAPITAL COMMITMENTS

Capital commitments in respect of the purchase of property, plant and equipment outstanding as at 31 December but not provided for in the financial statements were as follows:

Contracted for	已訂約
Authorised but not contracted for	已授權但未訂約

### 33. 經營租賃承擔

不可撤銷經營租賃租金付款金額如下：

31 December 2012 二零一二年 十二月三十一日 RMB'000 人民幣千元	31 December 2011 二零一一年 十二月三十一日 RMB'000 人民幣千元
1,981	1,681
200	1,207
<b>2,181</b>	<b>2,888</b>

本集團在中國大陸及意大利租用若干物業作為本集團的辦公室，初始租賃期為三至六年。

### 34. 資本承擔

有關購置物業、廠房及設備於十二月三十一日尚未支付但並未在財務報表內提撥準備的資本承擔如下：

31 December 2012 二零一二年 十二月三十一日 RMB'000 人民幣千元	31 December 2011 二零一一年 十二月三十一日 RMB'000 人民幣千元
80,526	977
-	-
<b>80,526</b>	<b>977</b>

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

### 35. RELATED PARTY TRANSACTIONS

**(a) Transactions with the company controlled by the controlling shareholders of the Company's ultimate holding company and the company controlled by one of the Company's directors**

- (i) During the year ended 31 December 2012, the Group leased an office located in Mainland China from Zhejiang Kingdom Creative Co., Ltd. ("Kingdom Creative") and incurred operating lease charges of RMB200,000 (2011: RMB200,000). Mr. Ren Wei Ming, who ultimately controls the Group, also has a controlling equity interest over Kingdom Creative.
- (ii) During the year ended 31 December 2012, the Group paid commission expenses to Huaning Flax totalling RMB16,000 (2011: RMB116,000) and a warehouse rental fee of RMB55,000 (2011: Nil). Huaning Flax is an associate of the Group and Mr. Ren Wei Ming, who ultimately controls the Group, also has an equity interest over Huaning Flax.

The lease, commission expenses and sales were made according to published prices and conditions offered by the lessor, the service provider or to the major customers of the Group.

### 35. 關連方交易

**(a) 與由本公司最終控股公司的控股股東控制的公司以及與由本公司一名董事控制的公司進行的交易**

- (i) 於截至二零一二年十二月三十一日止年度，本集團向浙江金達創業股份有限公司（「金達創業」）租用一個位於中國大陸的辦公室，所產生的經營租賃費用為人民幣200,000元（二零一一年：人民幣200,000元）。任維明先生為本集團的最終控股股東，彼亦擁有金達創業的控股權。
- (ii) 於截至二零一二年十二月三十一日止年度，本集團向華凝亞麻支付佣金費用合共人民幣16,000元（二零一一年：人民幣116,000元）及倉庫租金費用人民幣55,000元（二零一一年：無）。華凝亞麻為本集團的聯營公司，而任維明先生為本集團的最終控股股東，彼亦擁有華凝亞麻的股權。

租賃、佣金費用及銷售根據由出租人及服務供應商提供或向本集團主要客戶提供的已公佈價格及條件進行。

# Notes to Financial Statements 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

## 35. RELATED PARTY TRANSACTIONS (continued)

### (b) Compensation of key management personnel of the Group

Short term employee benefits	短期僱員福利
Post-employment benefits	離職後福利
Equity-settled share option expense	以權益結算購股權開支

Further details of directors' and the chief executive's emoluments are included in note 8 to the financial statements.

The related party transactions in respect of note (a) above also constitute connected transactions as defined in Chapter 14A of the Listing Rules.

## 35. 關連方交易 (續)

### (b) 本集團主要管理人員的補償

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
3,397	3,441
90	110
51	68
<b>3,538</b>	<b>3,619</b>

董事及主要行政人員酬金的進一步詳情載於財務報表附註8。

上文附註(a)涉及的關連方交易亦構成關連交易(定義見上市規則第14A章)。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

### 36. FINANCIAL INSTRUMENTS BY CATEGORY

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

2012

#### Financial assets

#### 金融資產

Trade and notes receivables	應收貿易賬款及應收票據
Financial assets included in prepayments, deposits and other receivables	金融資產(計入預付款、押金及其他應收款項)
Cash and cash equivalents	現金及現金等價物
Pledged deposits	已抵押存款
Financial assets at fair value through profit or loss	按公允價值計入損益的金融資產

#### Financial liabilities

#### 金融負債

Interest-bearing bank loans	計息銀行貸款
Trade payables	應付貿易賬款
Amount due to a related company	應付一間關連公司款項
Financial liabilities included in other payables and accruals	金融負債(計入其他應付款項及預提費用)

### 36. 按類別分類的金融工具

於報告期末，各類別金融工具的賬面值如下：

二零一二年

Loans and receivables	Group 本集團 Financial assets at fair value through profit or loss 按公允價值 計入損益的 金融資產	Total
RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
218,077	–	218,077
16,957	–	16,957
163,643	–	163,643
35,900	–	35,900
–	68	68
<b>434,577</b>	<b>68</b>	<b>434,645</b>

Group 本集團 Financial liabilities at amortized cost 按攤銷成本入賬的 金融負債
RMB'000 人民幣千元
215,684
43,186
55
<b>36,205</b>
<b>295,130</b>

# Notes to Financial Statements 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

## 36. FINANCIAL INSTRUMENTS BY CATEGORY (continued) 2011

## 36. 按類別分類的金融工具(續) 二零一一年

Financial assets	金融資產	Loans and receivables RMB'000 人民幣千元	Group 本集團 Financial assets at fair value through profit or loss 按公允價值計入損益的金融資產 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Trade and notes receivables	應收貿易賬款及應收票據	149,338	–	149,338
Financial assets included in prepayments, deposits and other receivables	金融資產(計入預付款、押金及其他應收款項)	6,471	–	6,471
Cash and cash equivalents	現金及現金等價物	163,502	–	163,502
Pledged deposits	已抵押存款	37,600	–	37,600
Financial assets at fair value through profit or loss	按公允價值計入損益的金融資產	–	1,033	1,033
		<u>356,911</u>	<u>1,033</u>	<u>357,944</u>
Financial liabilities	金融負債		Group 本集團 Financial liabilities at amortized cost 按攤銷成本入賬的金融負債 RMB'000 人民幣千元	
Interest-bearing bank loans	計息銀行貸款		164,100	
Trade payables	應付貿易賬款		58,349	
Financial liabilities included in other payables and accruals	金融負債(計入其他應付款項及預提費用)		23,757	
			<u>246,206</u>	

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

### 36. FINANCIAL INSTRUMENTS BY CATEGORY (continued) 2012

### 36. 按類別分類的金融工具(續) 二零一二年

#### Financial assets

#### 金融資產

Amounts due from subsidiaries  
Cash and cash equivalents

應收附屬公司款項  
現金及現金等價物

Company  
本公司  
Loans and  
receivables  
貸款及應收款項  
RMB'000  
人民幣千元

283,153

2,064

285,217

#### Financial liabilities

#### 金融負債

Amount due to a subsidiary

應付一間附屬公司款項

Company  
本公司  
Financial liabilities  
at amortized cost  
按攤銷成本入賬的  
金融負債  
RMB'000  
人民幣千元

6,716

6,716

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

36. FINANCIAL INSTRUMENTS BY CATEGORY (continued) 2011	36. 按類別分類的金融工具(續) 二零一一年	
Financial assets	金融資產	Company 本公司 Loans and receivables 貸款及應收款項 RMB'000 人民幣千元
Amounts due from subsidiaries	應收附屬公司款項	278,195
Cash and cash equivalents	現金及現金等價物	1,870
		<u>280,065</u>
Financial liabilities	金融負債	Company 本公司 Financial liabilities at amortized cost 按攤銷成本入賬的 金融負債 RMB'000 人民幣千元
Other payables	其他應付款項	230
Amount due to a subsidiary	應付一間附屬公司款項	3,800
		<u>4,030</u>

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

### 37. FAIR VALUE AND FAIR VALUE HIERARCHY

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments:

- Level 1: fair values measured based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: fair values measured based on valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level 3: fair values measured based on valuation techniques for which any inputs which have a significant effect on the recorded fair value are not based on observable market data (unobservable inputs).

#### Assets measured at fair value: Group

Financial assets at fair value through profit or loss  
– foreign exchange forward contracts

按公允價值計入損益的金融資產  
– 外匯遠期合約

Financial assets at fair value through profit or loss  
– foreign exchange forward contracts

按公允價值計入損益的金融資產  
– 外匯遠期合約

During the year ended 31 December 2012, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

### 37. 公允價值及公允價值等級架構

本集團使用以下等級架構釐定及披露金融工具的公允價值：

- 第一層：按同等資產或負債於活躍市場上的報價（未經調整）計算的公允價值；
- 第二層：按估值技巧計算的公允價值，而該等估值技巧的所有輸入值為可直接或間接觀察的數據，並對已入賬公允價值具有重大影響；及
- 第三層：按估值技巧計算的公允價值，而該等估值技巧的任何輸入值並非依據可觀察市場數據（不可觀察輸入值）得出，並對已入賬公允價值具有重大影響。

#### 按公允價值計量的資產： 本集團

31 December 2012 二零一二年 十二月 三十一日 RMB'000 人民幣千元	Level 1 第一層 RMB'000 人民幣千元	Level 2 第二層 RMB'000 人民幣千元	Level 3 第三層 RMB'000 人民幣千元
68	–	68	–

31 December 2011 二零一一年 十二月 三十一日 RMB'000 人民幣千元	Level 1 第一層 RMB'000 人民幣千元	Level 2 第二層 RMB'000 人民幣千元	Level 3 第三層 RMB'000 人民幣千元
1,033	–	1,033	–

於截至二零一二年十二月三十一日止年度，第一層及第二層之間並無轉移公允價值計量，亦無轉入及轉出第三層公允價值計量。



# Notes to Financial Statements

## 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

### 38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities other than derivatives comprise interest-bearing bank loans, trade payables, an amount due to a related company and other payables. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has various financial assets such as trade and notes receivables, prepayments, deposits and other receivables, pledged deposits and cash and cash equivalents that arise directly from its operations.

The Group also enters into derivative transactions, including principally forward currency contracts. The purpose is to manage the currency risks arising from the Group's operations and its sources of finance.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks which are summarised below. The Group's accounting policies in relation to derivatives are set out in note 2.4 to the financial statements.

#### Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's interest-bearing bank loans with floating interest rates. The Group does not use derivative financial instruments to hedge its interest rate risk.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax for the year (through the impact on the floating rate borrowings). The change in interest rates has no impact on the Group's and Company's equity excluding retained profits.

### 38. 財務風險管理目標及政策

本集團的主要金融負債(衍生工具除外)包括計息銀行貸款、應付貿易賬款、應付一間關連公司款項及其他應付款項。該等金融負債主要目的是為本集團提供經營業務所需資金。本集團擁有多種不同的金融資產,如應收貿易賬款及應收票據、預付款、押金及其他應收款項、已抵押存款以及現金及現金等價物,乃直接因經營業務而產生。

本集團亦訂立衍生交易,主要包括遠期外匯合約,旨在管理本集團營運及其融資來源產生的貨幣風險。

本集團的金融工具產生的主要風險為利率風險、外幣風險、信貸風險及流動性風險。董事會檢討並同意下文概述管理各風險的政策。本集團有關衍生工具的會計政策載於財務報表附註2.4。

#### 利率風險

本集團的市場利率變動風險主要與本集團按浮動利率計息的銀行貸款有關。本集團並未使用衍生金融工具對沖其利率風險。

下表顯示當所有其他變數不變,本集團年內除稅前溢利對利率合理可能變動的敏感度(透過對浮動利率借款的影響)。利率變動對本集團及本公司的權益(不包括保留溢利)並無影響。

# Notes to Financial Statements 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

## 38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued) Interest rate risk (continued)

2012	二零一二年
RMB	人民幣
RMB	人民幣
2011	二零一一年
RMB	人民幣
RMB	人民幣

### Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has foreign currency sales and purchases and certain trade receivables, payables and bank balances that are denominated in US\$, Euros and HK\$ other than the functional currency of the Group, which expose the Group to foreign currency risk.

The Group manages its foreign currency risk by entering into foreign currency forward contracts to hedge its exposure to fluctuations on the translation into RMB of its foreign operations of sales in US\$ and Euros, as described in note 25. It is the Group's policy to ensure that the net exposure is kept to an acceptable level by buying or selling foreign currencies at a fixed rate where necessary to address short term imbalances. The management will continue to monitor foreign exchange exposure and will continue to consider hedging significant foreign currency exposure by using financial instruments such as foreign currency forward contracts.

## 38. 財務風險管理目標及政策 (續)

### 利率風險 (續)

Increase/ (decrease) in basis points 基點 增加/(減少)	Increase/ (decrease) in profit before tax 除稅前溢利 增加/(減少) RMB'000 人民幣千元
---	---

(100)	84
<u>100</u>	<u>(84)</u>
(100)	64
<u>100</u>	<u>(64)</u>

### 外幣風險

外幣風險為因外幣匯率變動而導致金融工具的公允價值或未來現金流量波動的風險。本集團的外幣買賣、若干應收貿易賬款、應付款項及銀行結餘並非以本集團的功能貨幣列值，而以美元、歐元及港元列值，使本集團面對外幣風險。

如附註25所述，本集團透過訂立外匯遠期合約對沖其將海外業務以美元及歐元列值的銷售換算為人民幣時波動的風險，從而管理其外幣風險。本集團的政策為於有需要時透過按固定匯率買入或賣出外幣解決短期失衡，以確保風險淨額保持於可接受水平。管理層將繼續監控外匯風險，並繼續考慮透過使用金融工具（如外匯遠期合約）對沖重大外幣風險。

# Notes to Financial Statements 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

## 38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

### Foreign currency risk (continued)

The following table demonstrates the sensitivity to a reasonably possible change in the US\$, Euros and HK\$ exchange rate, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities including foreign currency derivatives). The change in foreign currency exchange rate has no impact on the equity excluding retained profits.

## 38. 財務風險管理目標及政策 (續)

### 外幣風險 (續)

下表顯示當所有其他變數不變，本集團除稅前溢利對美元、歐元及港元匯率合理可能變動的敏感度（由於貨幣資產及負債（包括外幣衍生工具）的公允價值變動）。外幣匯率變動對權益（不包括保留溢利）並無影響。

Year ended 31 December 2012

截至二零一二年  
十二月三十一日止年度

If RMB weakens against US\$

如人民幣兌美元轉弱

If RMB strengthens against US\$

如人民幣兌美元轉強

Increase/ (decrease) in foreign currency rate 外幣匯率 上升／（下跌） %	Increase/ (decrease) in profit before tax 除稅前溢利 增加／（減少） RMB'000 人民幣千元
5	5,596
(5)	(5,596)

Year ended 31 December 2011

截至二零一一年  
十二月三十一日止年度

If RMB weakens against US\$

如人民幣兌美元轉弱

If RMB strengthens against US\$

如人民幣兌美元轉強

Increase/ (decrease) in foreign currency rate 外幣匯率 上升／（下跌） %	Increase/ (decrease) in profit before tax 除稅前溢利 增加／（減少） RMB'000 人民幣千元
5	3,677
(5)	(3,677)

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

### 38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### Foreign currency risk (continued)

Year ended 31 December 2012

If RMB weakens against EUR

If RMB strengthens against EUR

截至二零一二年

十二月三十一日止年度

如人民幣兌歐元轉弱

如人民幣兌歐元轉強

### 38. 財務風險管理目標及政策 (續)

#### 外幣風險 (續)

Increase/ (decrease) in foreign currency rate 外幣匯率 上升/(下跌) %	Increase/ (decrease) in profit before tax 除稅前溢利 增加/(減少) RMB'000 人民幣千元
5	1,497
(5)	(1,497)

Increase/ (decrease) in foreign currency rate 外幣匯率 上升/(下跌) %	Increase/ (decrease) in profit before tax 除稅前溢利 增加/(減少) RMB'000 人民幣千元
5	1,232
(5)	(1,232)

Year ended 31 December 2011

If RMB weakens against EUR

If RMB strengthens against EUR

截至二零一一年

十二月三十一日止年度

如人民幣兌歐元轉弱

如人民幣兌歐元轉強

# Notes to Financial Statements 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

## 38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

### Foreign currency risk (continued)

Year ended 31 December 2012

If RMB weakens against HK\$

If RMB strengthens against HK\$

截至二零一二年

十二月三十一日止年度

如人民幣兌港元轉弱

如人民幣兌港元轉強

Increase/ (decrease) in foreign currency rate 外幣匯率 上升/(下跌) %	Increase/ (decrease) in profit before tax 除稅前溢利 增加/(減少) RMB'000 人民幣千元
5	129
(5)	(129)

Year ended 31 December 2011

If RMB weakens against HK\$

If RMB strengthens against HK\$

截至二零一一年

十二月三十一日止年度

如人民幣兌港元轉弱

如人民幣兌港元轉強

Increase/ (decrease) in foreign currency rate 外幣匯率 上升/(下跌) %	Increase/ (decrease) in profit before tax 除稅前溢利 增加/(減少) RMB'000 人民幣千元
5	1,092
(5)	(1,092)

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

### 38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group's credit risk is primarily attributable to trade and notes receivables and deposits and other receivables. Management has a credit policy in place and the exposures to credit risks are monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount.

Customer credit risk is managed subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of the customer is assessed through credit verification procedures.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, pledged deposits with a maximum exposure equal to the carrying amounts of these instruments.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade and notes receivables are disclosed in note 21 to the financial statements.

### 38. 財務風險管理目標及政策 (續)

#### 信貸風險

信貸風險乃指因對手方將未能履行其於金融工具或客戶合約項下的責任而導致財務損失的風險。本集團的信貸風險主要來自應收貿易賬款及應收票據以及押金及其他應收款項。管理層已制訂信貸政策，並持續監控信貸風險。本集團對要求信貸高於若干金額的所有客戶進行信貸評估。

客戶信貸風險按本集團有關客戶信貸風險管理的既定政策、程序及監控進行管理。客戶的信貸質素透過信用核實程序進行評估。

本集團其他金融資產（包括現金及現金等價物、已抵押存款）最高的信貸風險相等於該等工具的賬面值。

有關本集團就所面對來自應收貿易賬款及應收票據的信貸風險的進一步量化數據於財務報表附註21披露。

# Notes to Financial Statements 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

## 38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

### Liquidity risk

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

#### Group

Interest-bearing bank loans	計息銀行貸款	-	23,015	201,095	-	-	224,110
Trade payables	應付貿易賬款	30,001	10,597	2,588	-	-	43,186
Amount due to a related company	應付一間關連公司款項	55	-	-	-	-	55
Other payables	其他應付款項	36,205	-	-	-	-	36,205
		<b>66,261</b>	<b>33,612</b>	<b>203,683</b>	<b>-</b>	<b>-</b>	<b>303,556</b>

## 38. 財務風險管理目標及政策 (續)

### 流動性風險

下列為本集團於報告期末的金融負債到期情況(按合約未貼現付款)：

#### 本集團

	As at 31 December 2012 於二零一二年十二月三十一日					Total 合計
	On demand 按要求	Less than 3 months 少於三個月	3 to 12 months 三至十二個月	1 to 5 years 一至五年	More than 5 years 多於五年	
	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
Interest-bearing bank loans	-	23,015	201,095	-	-	224,110
Trade payables	30,001	10,597	2,588	-	-	43,186
Amount due to a related company	55	-	-	-	-	55
Other payables	36,205	-	-	-	-	36,205
	<b>66,261</b>	<b>33,612</b>	<b>203,683</b>	<b>-</b>	<b>-</b>	<b>303,556</b>

	As at 31 December 2011 於二零一一年十二月三十一日					Total 合計
	On demand 按要求	Less than 3 months 少於三個月	3 to 12 months 三至十二個月	1 to 5 years 一至五年	More than 5 years 多於五年	
	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
Interest-bearing bank loans	-	32,424	138,120	-	-	170,544
Trade payables	43,669	6,484	8,196	-	-	58,349
Other payables	23,757	-	-	-	-	23,757
	<b>67,426</b>	<b>38,908</b>	<b>146,316</b>	<b>-</b>	<b>-</b>	<b>252,650</b>

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

### 38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### Liquidity risk (continued) Company

Amount due to a subsidiary 應付一間附屬公司款項

	As at 31 December 2012					Total
	於二零一二年十二月三十一日					
On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years		
按要求	少於三個月	三至十二個月	一至五年	多於五年	合計	
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
Amount due to a subsidiary	6,716	-	-	-	-	6,716
	<u>6,716</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,716</u>

Other payables 其他應付款項  
Amount due to a subsidiary 應付一間附屬公司款項

	As at 31 December 2011					Total
	於二零一一年十二月三十一日					
On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years		
按要求	少於三個月	三至十二個月	一至五年	多於五年	合計	
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
Other payables	230	-	-	-	-	230
Amount due to a subsidiary	3,800	-	-	-	-	3,800
	<u>4,030</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,030</u>

#### Capital management

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

The Group manages its capital structure and makes adjustment to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the Group's objectives, policies or processes for managing capital during the years ended 31 December 2012 and 31 December 2011.

### 38. 財務風險管理目標及政策 (續)

#### 流動性風險 (續) 本公司

#### 資本管理

本集團資本管理的首要目標為保障本集團持續經營的能力，並維持穩健的資本比率，以支持其業務及為股東爭取最大價值。

本集團管理其資本架構，並視乎經濟狀況的變動作出調整。為維持或調整資本架構，本集團可調整向股東派付的股息、向股東退還資本或發行新股份。於截至二零一二年十二月三十一日及二零一一年十二月三十一日止年度，本集團並無對資本管理的目標、政策或程序作出改變。



# Notes to Financial Statements 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

## 38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

### Capital management (continued)

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt includes interest-bearing bank loans, trade payables and other payables and accruals less cash and cash equivalents. Capital includes equity attributable to the owners of the parent. The gearing ratios as at the end of the reporting periods was as follows:

Interest-bearing bank loans	計息銀行貸款
Trade payables	應付貿易賬款
Amount due to a related company	應付一間關連公司款項
Other payables and accruals	其他應付款項及預提費用
Less: Cash and cash equivalents	減：現金及現金等價物
Net debt	債務淨額
Total equity	權益總額
Capital and net debt	資本及債務淨額
Gearing ratio	負債比率

## 38. 財務風險管理目標及政策 (續)

### 資本管理 (續)

本集團使用負債比率監控資本，負債比率界定為債務淨值除以資本總額加債務淨額。負債淨額包括計息銀行貸款、應付貿易賬款以及其他應付款項及預提費用，減去現金及現金等價物。資本包括母公司擁有人應佔權益。於報告期末的負債比率如下：

31 December 2012 二零一二年 十二月三十一日 RMB'000 人民幣千元	31 December 2011 二零一一年 十二月三十一日 RMB'000 人民幣千元
215,684	164,100
43,186	58,349
55	–
43,506	30,947
(163,643)	(163,502)
<b>138,788</b>	89,894
<b>822,879</b>	761,863
<b>961,667</b>	851,757
<b>14%</b>	11%

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2012 於二零一二年十二月三十一日

### 39. EVENTS AFTER THE REPORTING PERIOD

On 15 March 2013, the board of directors of the Company proposed a final dividend of HK7 cents per ordinary share totalling approximately RMB35,537,000 for the year ended 31 December 2012, which is subject to the approval of the Company's shareholders at the forthcoming annual general meeting (*note 12*).

### 40. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the board of directors on 15 March 2013.

### 39. 報告期後事項

於二零一三年三月十五日，本公司董事會建議就截至二零一二年十二月三十一日止年度派發每股普通股港幣7仙的末期股息，合共約人民幣35,537,000元。股息須經本公司股東於應屆股東週年大會上批准（附註12）。

### 40. 批准合併財務報表

董事會已於二零一三年三月十五日批准及授權刊發本合併財務報表。



地址: 中國浙江省海鹽縣橫港集鎮

Add : HengGang Town, HaiYan County, ZheJiang Province, China

E-mail: Kingdom@Kingdom-china.com

[www.kingdom-china.com](http://www.kingdom-china.com)

