



中國泰山科技集團控股有限公司

公 開 說 明 書

(參與發行臺灣存託憑證用)

- 一、公司名稱：中國泰山科技集團控股有限公司(China Taisan Technology Group Holdings Limited，以下簡稱「本集團」或「泰山科技集團」)，為新加坡交易所有限公司(以下簡稱「新交所」)之股票上市公司，代號F2X。
- 二、本公開說明書編印目的：係為發行臺灣存託憑證
 - (一)臺灣存託憑證所表彰有價證券來源：本集團發行之普通股新股 125,000 仟股與股東 DB NOMINEES (S) PTE LTD 及 UOB KAY HIAN PTE LTD 所提撥已發行普通股股份 125,000 仟股，合計 250,000 仟股。
 - (二)臺灣存託憑證所表彰有價證券之數量：本集團參與發行 125,000 仟單位臺灣存託憑證，表彰本集團發行之普通股新股 250,000 仟股；**即每一單位臺灣存託憑證表彰本集團發行之普通股二股。**
 - (三)發行單位總數：125,000 仟單位臺灣存託憑證
 - (四)發行總金額：新台幣 1,518,750 仟元。
 - (五)公開承銷比例：100%辦理公開承銷。
 - (六)承銷及配售方式：依「中華民國證券商業同業公會證券商承銷或再行銷售有價證券處理辦法」第四之一條規定，保留承銷之臺灣存託憑證 1 仟單位，供財團法人證券投資人及期貨交易人保護中心認購，其餘除證券承銷商自行認購外，並採詢價圈購及公開申購方式對外公開發售。
 - (七)發行條件：本次臺灣存託憑證每單位發行價格係參酌本案定價日(99年9月29日)之前一、五、十個營業日本公司普通股於新加坡交易所之收盤價每股新加坡幣0.23元、0.23元、0.232元，並以前一個營業日之臺灣銀行之即期匯率收盤價中價23.78換算，及考量每1單位臺灣存託憑證表達2 股本公司普通股，換算每單位存託憑證之參考價格為新台幣10.94、10.94、11.04元，取前十個營業日之平均收盤價新台幣11.04元為參考價，本次每單位臺灣存託憑證發行價格訂為新台幣12.15元，為參考價格之110.05%，溢價率為10.05%，詳第93~96頁。
 - (八)發行計畫：發行計畫請參閱本公開說明書第 48 頁。
- 三、本次資金運用計畫之用途及預計可能產生效益之概要：請參閱本公開說明書第49頁。
- 四、本次發行之相關承銷費用：
 - (一)承銷費用包括承銷手續費約新台幣壹仟貳佰萬元整。
 - (二)其他費用包括律師、會計師、存託機構及其他等費用，約新台幣柒佰伍拾萬元整。
- 五、本公開說明書所載臺灣存託憑證之募集與發行，僅在中華民國境內為之。臺灣存託憑證持有人之權利義務，將依據本集團與兆豐國際商業銀行股份有限公司簽署之存託契約約定之。持有人得依據存託契約及新加坡之證券管理法令，兌回持有本集團之普通股並於新加坡交易所出售該等股份。
- 六、擬購買臺灣存託憑證之投資人，應先向合格之證券商申請開設集中保管帳戶。臺灣存託憑證一律由臺灣集中保管結算所股份有限公司(以下稱「集保公司」)辦理帳戶劃撥，持有人不得申請領回臺灣存託憑證。除存託契約另有約定外，臺灣存託憑證之轉讓應透過集保公司之帳簿劃撥方式辦理交割。
- 七、投資人應詳閱本公開說明書之內容，並應注意本集團之風險事項：風險事項之載明請參閱本公開說明書第5頁。
- 八、本集團註冊地國為新加坡共和國，係外國企業在臺掛牌之公司。
- 九、本集團係投資控股公司，以控股為業務，請投資人特別注意。
- 十、主管機關對於本集團本次參與發行臺灣存託憑證之生效，不得藉以作為證實申報事項或保證證券價值之宣傳。
- 十一、本公開說明書之內容如有虛偽或隱匿之情事者，應由本集團及負責人與其他曾在公開說明書上簽名或蓋章者依法負責。
- 十二、查詢本公開說明書之網址：<http://newmops.twse.com.tw>

中國泰山科技集團控股有限公司 編製

中華民國九十九年九月二十九日刊印

本公司申請參與發行臺灣存託憑證 125,000 仟單位，每單位臺灣存託憑證表彰普通股 2 股上市乙案，業經臺灣證券交易所股份有限公司依據『臺灣證券交易所股份有限公司有價證券上市審查準則』審查後同意俟公開銷售股權分散符合標準後，列為上市股票，並以 99 年 8 月 20 日臺證上字第 0991703277 號函報奉 行政院金融監督管理委員會 99 年 9 月 3 日金管證發字第 0990046021 號函核復准予備查。

一、本次發行前實收資本來源：

單位:人民幣仟元

資 本 來 源		金 額	佔 實 收 資 本 額 比 例
創立資本		新加坡幣 1 元	—
集團重組	發行新股取得子公司	80,268	20.58
	發行新股予非執行董事	730	0.19
現金增資		285,134	73.11
盈餘轉增資		23,885	6.12
合計		390,017	100.00

二、公開說明書之分送計劃：

陳列處所：臺灣證券交易所(股)公司、財團法人中華民國證券櫃檯買賣中心、財團法人中華民國證券暨期貨市場發展基金會、中華民國證券商業同業公會及存託機構。

分送方式：依臺灣證券交易所(股)公司規定辦理。

索取方式：親赴前述陳列處所或上網至公開資訊觀測站(<http://newmops.twse.com.tw>)查詢。

三、股務機構之名稱、地址、網址及電話：

名稱：寶來證券股份有限公司股務代理部

網址：www.polaris.com.tw

地址：臺北市復興北路 420 號 5 樓

電話：(02) 2509-1355

四、存託機構之名稱、地址、網址及電話：

存託機構：兆豐國際商業銀行股份有限公司

網址：www.megabank.com.tw

聯絡地址：臺北市吉林路 100 號

電話：(02) 2563-3156

五、保管機構之名稱、地址、網址及電話：

保管機構：新加坡大華銀行

網址：www.uob.com.sg

地址：80 Raffles Place, UOB Plaza, Singapore 048624

電話：(65) 6533-3266

六、信用評等機構之名稱、地址、網址及電話：無。

七、最近年度財務報告簽證會計師及國內複核會計師姓名、事務所名稱、地址、網址及電話：

簽證會計師：Chang Fook Kay

事務所名稱：Mazars LLP

網址：www.mazars.sg

地址：133 Cecil Street#15-02 Keck Seng Tower Singapore 069535

電話：(65)6224-4022

複核會計師：張祚誠、梁華玲

事務所名稱：資誠聯合會計師事務所

網址：www.pwc.com/tw/zh/index.jhtml

地址：臺北市基隆路一段 333 號 27 樓

電話：(02) 2729-6666

八、發行公司之當地律師姓名、事務所名稱、地址、網址及電話

律師姓名：陳瑞玉律師、林國明律師

事務所名稱：Wong Tan & Molly Lim LLC

網址：www.wtl.com.sg

地址：80 Robinson Road #17-02, Singapore 068898

電話：(65) 6222-8008

發行公司之本地律師姓名、事務所名稱、地址、網址及電話：

律師姓名：黃日燦律師

事務所名稱：眾達國際法律事務所

網址：www.jonesday.com/zh-CHT/firmoverview_lang

地址：臺北市 106 敦化南路二段 2 號 6 樓

電話：(02) 7712-3399

發行公司之中國律師姓名、事務所名稱、地址、網址及電話：

律師姓名：章冬鳴律師、徐彥律師

事務所名稱：廣東恆益律師事務所

網址：www.gfelaw.com

地址：中國廣州市東風東路555號粵海集團大廈18樓

電話：(8620) 8315-1955

九、發言人、代理發言人姓名、職稱、聯絡電話及電子郵件信箱：

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代理發言人：陳煒旭

職稱：執行總裁

職稱：財務總監

電話：(86) 595-8550-7565

電話：(65) 6492-0948

電子信箱：wclin@china-taisan.com

電子信箱：pkam@china-taisan.com

十、公司資料：

名稱：中國泰山科技集團控股有限公司

網址：www.china-taisan.com

地址：80 Robinson Road #17-02 Singapore 068898

電話：(65) 6492-0948

公司在臺灣之訴訟、非訟代理人：

姓名：許麗琴

職稱：訴訟、非訟代理人

地址：臺北縣三峽鎮安溪里 1 鄰中正路一段 108 巷 7 弄 11 號 2 樓之 3

電子信箱：laxu@china-taisan.com

電話：(02) 2673-5710

手機：0920-662-080

十一、臺灣存託憑證所表彰有價證券之上市地國交易資訊及公司財務業務資訊之查詢網址。

網址：www.sgx.com/wps/portal/marketplace/mp-en/home/

中國泰山科技集團控股有限公司

公開說明書目錄

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拾壹、臺灣存託憑證持有人或臺灣存託憑證所表彰之有價證券持有人得行使權利或限制事項	92
拾貳、參與發行臺灣存託憑證供經核定之海外證券市場掛牌交易之外國轉換公司債或附認股權公司債轉換或履行認股義務，其轉換公司債或附認股權公司債之發行辦法	92
拾參、委託經本會核准或認可之信用評等機構進行評等者，應揭露該信用評等機構所出具之評等報告	93
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壹、公司概況

一、公司及集團簡介

(一)設立日期

設立於2007年7月2日

(二)公司地址、電話及傳真

地址：80 Robinson Road #17-02 Singapore 068898

電話：(65)6492-0948

傳真：(65)6492-1152

(三)公司及集團沿革

泰山科技集團百分百持有之子公司晉江連捷紡織印染實業有限公司(以下簡稱連捷公司)於1996年9月11日成立於福建省晉江市東石鎮東垵振東開發區且為註冊資本額300萬美元之外商獨資企業，主要業務為針織紡織品的生產製造以及布料的加工和印染。連捷公司係由本集團非執行主席蔡長江先生透過非關聯第三方臺灣佑吉實業股份有限公司(以下簡稱佑吉公司)的名義單獨投資成立。林文章先生為連捷公司的成立及業務經營的先鋒，且考量其擁有該行業之專業技術及廣泛社交網絡並為連捷公司所做之貢獻，主席蔡長江先生遂同意以連捷公司20%之股權贈與予林文章先生，並請佑吉公司繼續代林文章先生持股。

在1996年連捷公司成立之前，泰山科技集團執行總裁林文章先生在臺灣一家紡織品製造公司擔任高級工程師兼市場部經理。林文章先生在臺灣積累了十多年的紡織及印染的經營經驗並看見中國大陸紡織和印染業的巨大發展潛力。此時，一種絨質絕緣布料-搖粒絨布因其質輕、防水、耐用及柔軟的特點已開始在臺灣、北美和歐洲運動和休閒服飾製造業逐步得到廣泛使用。因此，泰山科技集團子公司-連捷公司成立開始就將搖粒絨布的生產和銷售作為其主要業務。

起初連捷公司主要從臺灣引進生產技術。但在此後的幾年裏，除引進臺灣技術外還採用了具有法國、德國和日本先進技術的設備並不斷提高和擴大產能。連捷公司為了募集營業資金及增購生產設備於1999年將註冊資本額由先前的300萬美元增加至1,100萬美

元。該資金由蔡長江先生透過佑吉公司單獨投資。蔡先生考量林先生擁有該行業之專業技術及廣泛社交網絡並為連捷公司持續所做之貢獻，其遂同意以連捷公司20%之股權贈與予林文章先生，並請佑吉公司繼續代林文章先生持股。我們相信在90年代末，連捷公司已成為中國大陸地區搖粒絨布料最早最大的供應商之一。

以下茲就本集團1996年設立後之重要事件列示如下：

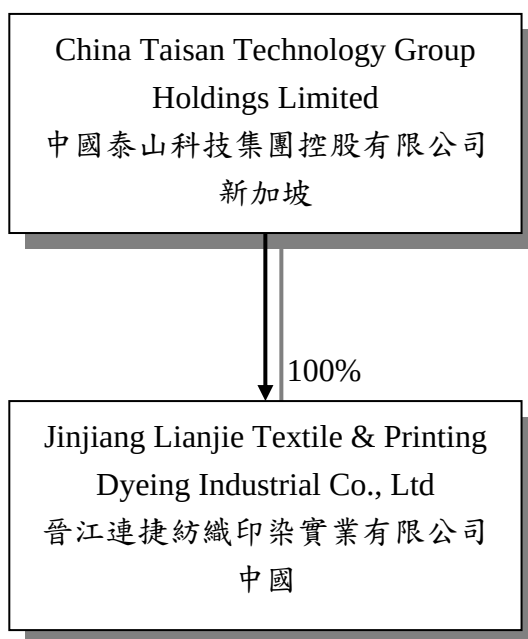
日期	重 要 記 事
1996 年	•本集團子公司晉江連捷紡織印染實業有限公司成立於福建省晉江市東石鎮東埕 振東開發區且為註冊資本額 300 萬美元之外商獨資企業。
1997 年	•本集團獲得兩家國際品牌-Umbro 及 Uniglo 第一張訂單並售予搖粒絨布供其服裝製造。
1998 年	•本集團開始向佐丹奴和堡獅龍提供搖粒絨布。
2001 年	•本集團意識到強大的研發能力對提升競爭優勢的重要性，決定成立研發部並買進英國、臺灣和美國製造的先進實驗設備。研發部的工作重點在於新生產技術研發和現有生產技術改良。在此研發團隊的努力下，連捷公司已能夠及時對市場趨勢作出快速反應並生產品質更高更穩定的布料。
2004 年	•雅典奧運會中國運動員取得了良好的戰績。此時，運動服飾品牌商強烈的市場爭奪戰使中國大眾對功能性布料為原材料的運動服飾更為關注。同時，將運動服飾作為休閒服來穿著也成為了一種時尚。這些趨勢促使執行總裁林文章先生開始調查功能性布料生產之可行性。
2005 年	•本集團在功能性布料這一新領域加緊研發速度，研究生產不同功能性布料所需的化學配方。在本集團技術顧問團的協助下，本集團制訂一套自己專有的技術，研發成功在生產功能性布料過程中助劑使用的特有技術配方。 本集團成為中國國內少數能達到歐洲 Öko-Tex 100 標準認證的紡織品製造商。Öko-Tex 100 標準是紡織品全球性的安全標準和生態保護組織的認證標誌。

日期	重 要 記 事
2006 年	• 本集團從臺灣引進了一系列先進的新型設備，並於同年 9 月連捷公司開始功能布料的商業化生產。功能性布料銷售額迅速成為本集團主要收入來源之一並佔 2006 年營業收入高達 50.4%。
2007 年	• 本集團功能性布料的銷售額進一步提高並佔營業收入達 93.3%。本集團的功能性布料被許多國際與本土知名品牌商用於其運動和休閒服飾生產，如： Nike、Adidas、Reebok、FILA、佐丹奴、安踏、李寧、中國喬丹、361°等。 • 1 月福建省紡織行業協會對本集團為福建省功能性布料技術開發和引進作出的巨大貢獻予以表彰。 • 7 月本集團被該協會評為福建省 2007 上半年度多功能、運動及休閒布料產量前三大製造商之一。 • 為籌備公司上市並根據新加坡公司法規定，本集團於 7 月 2 日在新加坡成立私人有限公司“中國泰山科技集團控股有限公司”並進行重組。 • 11 月本集團在針織布的織造、布的印染及服務業務方面獲得中國檢驗認證集團質量認證有限公司 ISO9001:2000 認證。同年本集團在福建省晉江市東石鎮東埕振東開發區從事的針織布的織造、布的印染及相關的環保管理活動方面亦獲得該認證集團 ISO14001:2004 認證。
2008 年	• 2 月本集團品質測試中心的多數員工獲得 Intertek 之認證。通過該認證，本集團之品質測試中心亦可執行之測試標準包括美國紡織化學與色料工作者協會(AATTC)標準、美國試驗與材料協會(ASTM)標準、國際標準化組織(ISO)標準、德國標準化學會(DIN)標準、英國標準學會(BSI)標準、中華人民共和國國家標準(GB)和日本標準化學會(JIS)標準。我們相信本集團是在中國國內紡織品製造商中少數可達到這種測試能力的製造商之一。 • 4 月 16 本集團為進行公開發行改制為股份有限公司並改用現行公司名稱。 • 6 月 6 日正式於新加坡主板掛牌交易。 • 9 月榮獲「國家運動服裝面料開發基地」證書。

日期	重 要 記 事
2009 年	• 榮獲中國「國家紡織產品開發基地」及「泉州市知名商標」的榮譽稱號。
2010 年	• 本集團成功增加三家國際知名品牌客戶 - Timberland、Tommy Hilfiger、CK及New Balance。

二、集團架構

(一)集團架構

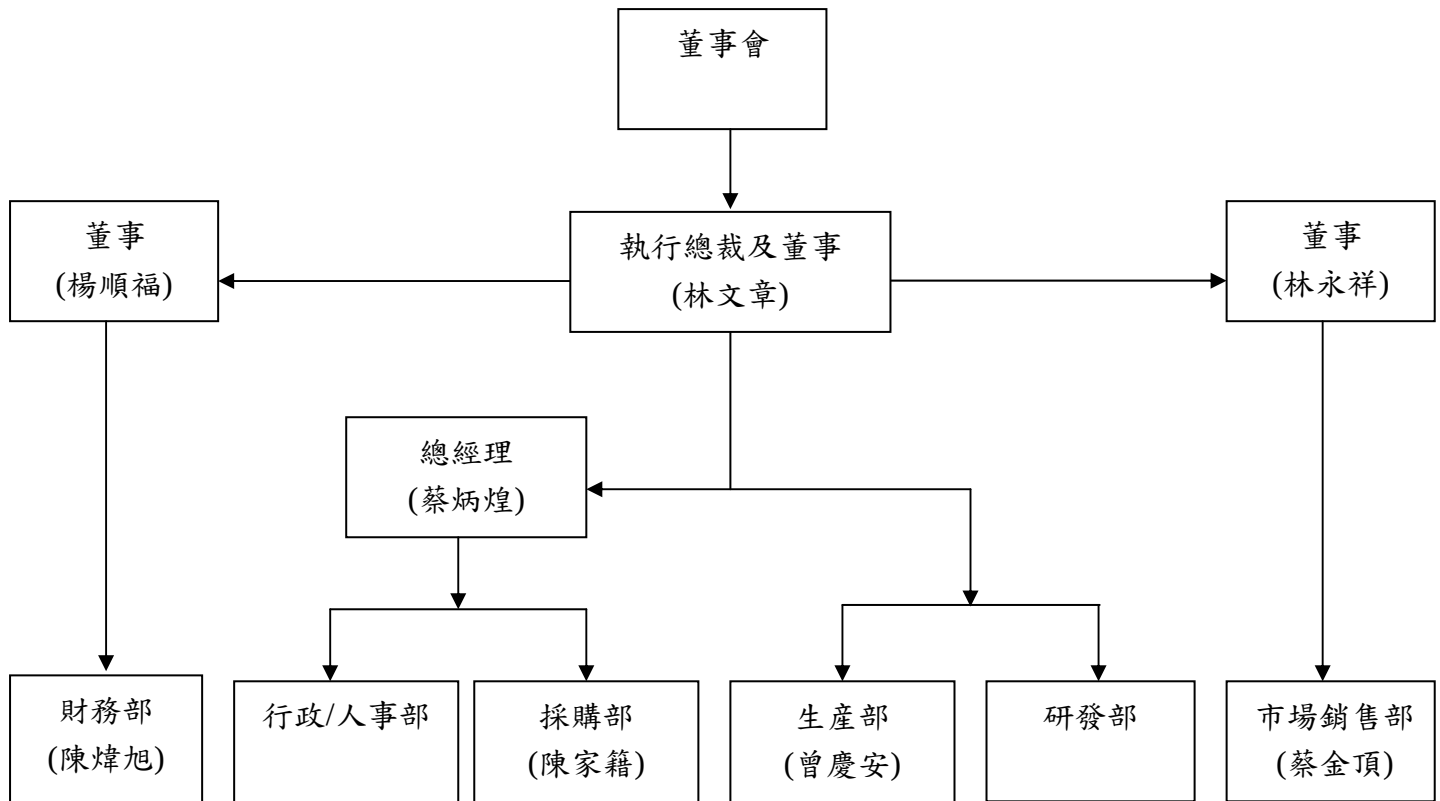


(二)持股情形

日期：2010 年 07 月 20 日
單位：美金仟元

公 司 名 稱	主要 營業項目	所在地	設立日期	投資 年度	實收資本	持股 比例
母公司直接持有						
晉江連捷紡織印染實業有限公司	生產針織布料及印染、從事高品質布料紡織	中國	1996.09.11	2007	11,500	100%

(三)管理報告結構



三、風險事項

(一)有關本集團之風險

1.原料價格波動之風險

本集團生產布料所需之主要原料為紡紗及胚布等，因紡紗及胚布所含有之聚酯或氫綸等成份皆為原油之衍生品，故其市場價格通常隨原油價格之波動而有所漲跌。由於本集團對紡紗及胚布之採購量主要根據客戶訂單以及對客戶需求之預估進行調控，且並未與任何供應商簽訂長期供貨合約，故在市場供需變動或原油價格上漲以致原料採購價格上升時，將使生產成本隨之增加，如若客戶無法接受因原料價格上揚而導致之售價調升，或未能尋求到類似價格之替代性原料，則成本提高將進而影響本集團之整體獲利。

2. 公司成長需著重於運動休閒服飾產業之發展

本集團客戶主要為紡織貿易商及運動休閒服飾製造商，因此公司業績之成長需取決於運動休閒服飾產業之發展，包括其市場競爭情形、消費者喜好、生活方式、服裝流行趨勢與布料之功能性等，並可能受到行業發展減緩及經濟不確定性之影響。故一旦運動休閒服飾產業發展減緩以致消費者對行業產品需求減少，則將連帶對本集團之產品需求減少，進而對本集團業績產生負面影響。

3. 公司之成功主要仰賴特定經營團隊

本集團目前成功之因素主要依賴於公司創始人暨非執行主席蔡長江先生及執行總裁林文章先生之貢獻和技術。林文章先生於紡織印染行業具有20多年之工作經驗，且由於林文章先生於布料製造業界具有豐沛之業務人脈，從而可及早獲得業內最新之市場發展趨勢訊息，故為本集團經營戰略與市場擴展等方面具有卓越之貢獻。因此，本集團之成功與發展皆需依賴於對執行總裁之聘任以及確保本集團具備重要幹部持續為集團效力之能力，若本集團損失任何資深工作人員且又未能及時替補，則將對本集團之經營與競爭能力受到負面之影響。

4. 高度仰賴中國市場之風險

本集團之營業收入及銷貨客戶全數來自中國市場，且進貨廠商及原物料採購亦皆來自於中國，故集團之營運及業績表現皆高度仰賴中國市場。雖然本集團部分產品係藉由下游客戶間接銷往海外，可略為分散最終消費過度集中於中國市場之風險，然倘若中國之政經狀況及消費水準等發生變化，仍將可能對本集團之營利產生不利之影響。

5. 意外事故或生產設備故障之風險

本集團將生產過程中所需之煤炭、染料、化學製劑及添加劑等易燃物儲放於廠房內，故若發生火災，本集團之生產能力可能將受到負面影響；而任何設備故障、工業事故、火災或其他自然災害均可能使本集團生產中斷，致本集團無法按合約日期交貨，從而需向客戶支付損失賠償，並使商譽受到影響；雖然本集團已對相關機器設備及存貨進行投保，惟若事故產生之相關損失超過保險承保範圍或不在保險範圍內，本集團將面臨財務損失，並對公司業務、經營與獲利能力造成負面不利之影響。

6. 對知識產權的保護風險

本集團目前的產品涉及多項知識產權，包括商標及專利。倘該等知識產權權利未有受到適當保護，本集團的業務很可能會受到不利影響。本集團的專業知識可通過為該等商標及專利申請註冊獲得保護。然而，在中國執行保護知識產權權利的措施，並不如在其他已發展國家般明確或有效。如本集團產品被第三者模仿或侵權，或會減低本集團品牌的價值或對本集團的業務及財務表現帶來不利影響。

此外，在過去五年及截至申請日止，本集團未產生任何防止侵犯第三方知識產權行為的法律費用，然而，公司對所生產的產品是否侵犯，或將侵犯第三方現有專利或任何其他知識產權，具有不確定性。

7. 本集團對目前佔用之部分土地及建物尚未取具有效所有權

本集團目前使用之土地31,729平方米及建物36,251.69平方米中，分別有土地15,134平方米(東南廠區4,943平方米，西北廠區10,191平方米)及建物13,654.29平方米(東南廠區12,622.48平方米，西北廠區1,031.81平方米)未取具所有權。本集團針對無證之土地及建物，已向相關政府部門提交所有權申請，惟受限於晉江市政府每年度農地轉為國有化並得以批售予民間企業之總面積有限，因此本集團雖已提出申請，惟迄今尚未取得合法使用權。本集團中國法律顧問認為，儘管相關申請流程取決於政府部門裁決，然最終由本集團獲得該批土地及建物所有權批准之可能性非常高，主要由於(i)晉江市東石鎮人民政府、晉江市東石鎮村鎮建設管理所與晉江市東石鎮東垵村民委員會從使用性質上已確認上述土地符合鎮村建設規劃，且並不存在用地糾紛，顯示本集團現時使用的無證土地符合當地規劃土地用途及建設規劃，故本集團因無證土地而遭受處罰、要求搬遷或拆遷之機率並不大；(ii)本集團自1999年對上述土地及建物使用至今，尚未因無證土地而遭受處罰；(iii)本集團東南廠區4,943平方米土地於2010年2月獲得福建省政府關於土地利用總體規劃修改方案的批准，3月獲得晉江市國土資源局同意為工礦用地，正式土地證目前正在辦理中。

由於本集團有少部分之生產設施位於東南廠區土地4,943平方米上，未來如被要求搬遷，本集團除已有因應措施外，另依本集團中國法律顧問意見，該4,943平方米土地於2010年2月獲得福建省政府關於土地利用總體規劃修改方案的批准，3月獲得晉江市國土資源局同意為工礦用地，該『新批土地』不會被有關中國政府行政主管機關處以罰款、

責令搬遷或者拆除等處罰。

另西北廠區10,191平方米未取得合法土地使用權之區域，96.76%為空置未利用之土地，空地用於堆放配件、機修區、廢品、煤，與未利用池塘等，而僅有一新型備用鍋爐的部分面積位於此區。未來若新型鍋爐遭要求拆遷，本集團舊鍋爐仍符合環保標準依然可運作，亦不致對本集團產能產生重大影響。

另本集團蔡主席及林執行總裁亦對此一事項出具承諾，表示未來如因此遭受罰款或產生相關損失，損及股東權益，蔡主席及林執行總裁將自行承擔，以確保台灣投資人之股東權益不受影響。

(二)有關中國的風險

1.政治、經濟及社會狀況依賴性風險

本集團生產工廠和主要營業地均在中國境內。因此，公司業務將依賴於中國政治、經濟和社會的情況。中國政府任何政策的變化，可能造成匯率和利率的波動、限制資本運作，使公司未來納稅額提高，並影響財務業績和未來增長預期。對公司不利的中國社會、經濟、政治狀況或政府政策變動，可能會對公司在中國的經營和業務產生負面影響，並可能影響到公司整體財務業績。中國自1978年以來，一直進行經濟及政治體制的改革，預期中國會繼續進行該等改革。任何中國政府對政治和經濟政策的變動，可能會對公司與合作方關係和業務產生負面影響。中國政府現行政策是經濟改革的一部分，鼓勵投資並使進一步放鬆了中央對地方經濟的控制力，但對該政策在未來是否會繼續實行具有不確定性，且目前亦無法保證該等改革將不會對本集團造成不利影響。

2.法律因素風險

本集團業務經營應符合相關中國政府頒佈的法律法規的要求，中國司法體制是根據中國憲法制定，並由眾多法律、法規、書面法律通知、指示構成。中國政府仍在努力改善中國司法體制，以滿足外國投資者的需要，並鼓勵其投資行為。由於中國經濟發展步伐快於司法體制改善速度，對現有法律法規在一些事件或環境條件下的應用仍存在一定的不確定性。此外，由於這些法律法規相對較新，缺乏一定實用先例和案例的參考以及其司法解釋，在司法執行方面可能存在一定不

確定性或不一致性，因此，任何變化可能對公司經營會產生負面影響。

3.環境保護法律制約風險

本集團須遵守中國中央和地方政府頒佈的環保法律法規，以及與廢水、化學品、污水排放相關的法定標準。這些法規使監管部門有權對不符合規定的情況處以罰款或吊銷營業執照等。處罰包括警告、行政制裁、暫停營業或停業。監管部門可向法院提訴申請強制性執行。違反環境保護法律法規的個人或單位，可能須承擔民事責任(對損失進行賠償)和/或刑事責任。

此外，中國監管部門對環保相關的要求是否會更加嚴格，在未來具有不確定性。公司可能產生較大的額外資本支出和其他資金以滿足這些法律要求。若未能達到標準或未按法律要求操作，公司經營和財務狀況將受到負面影響。

(三)與臺灣存託憑證募集與發行有關之風險

1.投資人參閱本公開說明書，尚不能完全仰賴摘錄之統計資料及數據

本公開說明書所轉載提及之若干統計資料、數據及其他資料，係參考值得信任之官方資料或非官方資料，雖摘錄時已採合理謹慎方式為之，惟該等資料並非經本集團、參與本次發行臺灣存託憑證成員或顧問編製或獨立核實，且該等資料及數據與其他編製之資料可能有出入，尚不能保證該等資料及數據之完全可靠及正確性，故本公司及參與本次發行臺灣存託憑證之成員對該等事實、統計資料及數據之準確性不做任何聲明或保證，亦建議投資人不應過份依賴該等資料。

2.本公開說明書所載之前瞻性陳述涉及風險及不確定性

本公開說明書所載之前瞻性陳述涉及風險及不確定性，本公開說明書載有關於泰山科技集團及其從屬公司的若干前瞻性陳述及資訊，該陳述及資訊係基於管理階層之看法、假設及當時所掌握之資訊。在本公開說明書中，「預計」、「預期」、「將」、「預估」、「可能」、「應該」、「相信」等類似語句，即指前瞻性陳述。此類陳述反映出本集團管理階層對未來事件、營運、流動資金及資金來源等當前之觀點，其中若干觀點可能不會實現或可能改變。投資人不應過份依賴任何前瞻性陳述。本集團面對的該等風險及不明朗因素可能會影響前瞻

性陳述的準確程度，包括但不限於下列方面：

- 本集團的業務前景；
- 本集團營運的行業及市場的未來發展、趨勢及情況；
- 本集團的策略、計劃、目的和目標；
- 整體經濟狀況；
- 本集團營運的行業及市場的監管及經營環境的改變；
- 本集團降低成本的能力；
- 本集團業務未來發展的潛力；
- 資本市場的發展；及
- 本集團競爭對手的業務行為及發展。

鑑於該等風險及其他風險、不明朗因素及假設，本公開說明書討論的前瞻事件及情況未必以我們所預期的方式發生，甚或不會發生。因此，投資人不應過份依賴任何前瞻性陳述。本聲明適用於本公開說明書所載的所有前瞻性陳述。

四、股本

(一)股份總數

2010年7月20日 單位：股

股份種類	已發行股數	合計
普通股	984,587,735	984,587,735

(二)最近一年度及申請年度股份變動

單位：股

項目/年度	2009 年度	2010 年度		2010 年 7 月 20 日
2009 年期初股份	增減變動	現金增資(註)	盈餘轉增資	股份
927,900,000	0	30,000,000	26,687,735	984,587,735

註：本集團董事會於2010年4月30日決議發行普通股，應募人為Atlantis Investment Management (Singapore) Pte. Ltd.，募股數為30,000,000股。

(三)股利分派

單位：人民幣仟元

項目	現金股利	盈餘配股	資本公積配股
2007 年(2008 年發放)	-	-	-
2008 年(2009 年發放)	75,624	-	-
2009 年(2010 年發放)	9,163	23,885	-

五、董事、監察人、經理人及主要股東

(一)董事名單

職 稱	姓 名	就任日期	主要學經歷
非執行主席	蔡長江	2007.10.08	係泰山科技集團創辦人之一，2007 年 10 月 8 日起受聘於本公司董事會，擔任非執行主席職務。自連捷公司成立以來，蔡先生僅擔任非執行職務且不參與連捷公司日常事務運作。在泰山科技集團成立前，其從事過多種行業包括制傘業、房地產開發及餐飲業，且曾成立過多家公司並擔任執行職務。自 2003 年至今，蔡先生成立贛州磊傑石材有限公司並經營花崗岩開採業務。蔡先生還擔任香港東石同鄉聯誼會副會長及晉江東石商會榮譽主席職務。
執行董事兼執行總裁	林文章	2008.01.14	係泰山科技集團創辦人之一，林先生一直參與連捷公司日常業務並主持生產部、研發部、採購部和行政及人事部工作。2008 年 1 月 14 日受聘於泰山科技集團董事會，擔任執行總裁職務。林先生在紡織業已有 20 多年的工作經驗。1983 年畢業於臺灣的亞東工業專業學校(現為“亞東技術學院”)，獲染整工程證書。在連捷公司成立之前，林先生在臺灣多家布料製造和印染公司工作，曾任職於捷穩染整、南洋染整及遠東紡織印染公司等職務。林先生現在也擔任福建省晉江市台資企業協會榮譽會長。
執行董事	林永祥	2007.10.08	2007 年 3 月加入連捷公司，負責市場銷售部管理工作。2007 年 10 月 8 日受聘於泰山科技集團董事會，擔任執行董事職務。在林先生加入泰山科技集團前，主要從事房地產行銷業務。
執行董事	楊順福	2008.01.14	於 2004 年 10 月加入連捷公司擔任財務部經理。2008 年 1 月 14 日受聘於泰山科技集團董事會，擔任執行董事職務。楊先生 1993 年畢業於泉州市黎明職業大學，獲專科文憑。1997~2004 年擔任晉江市晉紡印染織造有限公司會計經理職務。

職 稱	姓 名	就任日期	主要學經歷
獨立董事	曾兆科	2008.04.14	2008年4月14日受聘於泰山科技集團董事會擔任獨立董事，且其為審計委員會主席。曾先生擁有15年以上的審計經驗，曾效力於香港、北京和新加坡多家會計師事務所，如畢馬威、安永、普華永道等。其目前是新加坡LTC LLP會計事務所的合夥人。同時，他還是新加坡會計師協會從業會員及英國皇家特許公共會計師協會會員。自1997年還作為香港公共會計師協會准會員。1990年畢業於香港Chai Wan Technical Institute會計專業。2003年取得英國University of Warwick MBA學位。2005年取得英國皇家特許公共會計師協會國際財務報告專業文憑。
獨立董事	伍榮偉	2008.04.14	2008年4月14日受聘於泰山科技集團董事會擔任獨立董事，且其為薪酬委員會主席。目前擔任新加坡上市公司Santak Holdings Limited集團財務行政部執行董事。在此之前是新加坡普華永道分處的審計經理。1993年取得新加坡Nanyang Technological University會計(榮譽)學士學位。自1996年與1999年分別成為澳大利亞特許公共會計師協會和新加坡公共會計師協會特許會計師。自2004年成為新加坡董事協會會員。
獨立董事	傅小斌	2008.04.14	2008年4月14日受聘於泰山科技集團董事會擔任獨立董事，且其為提名委員會主席。目前擔任中國普天信息產業上海工業園發展公司總經理助理。1994年獲得西安交通大學技術經濟學學士學位，1997年獲得西安交通大學系統工程碩士學位，2003年獲得西安交通大學管理學博士學位。

(二)董事持股情形

2010年7月20日

職 稱	姓 名	目前持有 本公司股份		配偶及未成 年子女現在 持有本公司 股份		具配偶或二親等以 內關係之其他董事 或經理人	
		股數	持股%	股數	持股%	職稱-姓名	關係
非執行主席	蔡長江	503,342,211	51.12%	-	-	市場銷售部 經理-蔡金頂	兄弟
執行董事 兼執行總裁	林文章	105,388,605	10.70%	-	-	執行董事 -林永祥	兄弟
執行董事	林永祥	-	-	-	-	執行董事兼執 行總裁-林文 章	兄弟
執行董事	楊順福	-	-	-	-	-	-
獨立董事	曾兆科	-	-	-	-	-	-
獨立董事	伍榮偉	-	-	-	-	-	-
獨立董事	傅小斌	-	-	-	-	-	-

註1：蔡長江先生透過CIMB SECURITIES (S'PORE) PTE LTD、UOB KAY HIAN PTE LTD、HSBC (SINGAPORE) NOMINEES PTE LTD 及DB NOMINEES (S) PTE LTD分別持有本公司62,312,926股、155,782,314股、155,782,314股及108,693,682股，共482,571,236股，佔本公司已發行股本的49.01%之股份；蔡長江先生以個人名義直接持有本公司20,770,975股，佔本公司已發行股本2.11%股份。故2010年7月20日，蔡長江先生透過CIMB SECURITIES (S'PORE) PTE LTD、UOB KAY HIAN PTE LTD、HSBC (SINGAPORE) NOMINEES PTE LTD 及DB NOMINEES (S) PTE LTD及個人所持本公司總股數為503,342,211股，佔本公司已發行股份的51.12%。

註2：林文章先生透過DB NOMINEES (S) PTE LTD持有本公司74,232,142股，佔本公司已發行股本的7.54%之股份；林文章先生以個人名義直接持有本公司31,156,463股，佔本公司已發行股本3.16%股份。故2010年7月20日，林文章先生透過DB NOMINEES (S) PTE LTD及個人所持本公司總股數為105,388,605股，佔本公司已發行股份的10.70%。

(三)主要經理人名單

職稱	姓名	到職日期	主要學經歷
總經理	蔡炳煌	1996 年至今	負責管理泰山科技集團行政/人事部及採購部運作。1996 年連捷公司成立以來一直於本公司工作。蔡先生 2010 年 8 月以前協助林永祥先生市場銷售部的工作，負責市場銷

職稱	姓名	到職日期	主要學經歷
			售策略制定、產品推廣、客戶關係維護、售後服務業務、新客戶關係建立以及市場和產業趨勢監控與分析工作。
財務總監	陳煒旭	2008.01	負責泰山科技集團財務與會計、公司理財及投資人關係職務。加入本公司前其為 Deloitte & Touche 審計副理，負責新加坡上市公司及 IPO 審計案件。2000~2006 年其效力於多家會計師事務所，如 Baker Tilly TFWLCL 及 RSM Chio Lim 等。1999 年獲得新加坡南洋理工大學商業學士學位，現為新加坡註冊會計師及特許公認會計師。
廠長兼副總經理	曾慶安	2005 年至今	自 2005 年加入連捷公司，負責監督工廠的整體營運作，特別是印染與後整理這兩個部門。其因有助劑應用之專長亦參與本公司研發團隊。曾先生於紡織產業有 20 年以上之經驗。在加入本集團前，2002~2005 年其曾經於福清宏良染織科技有限公司擔任工廠經理。曾先生於 1985 年畢業於國立台北科技大學應用化學系。
市場銷售部經理	蔡金頂	1996 年至今	負責市場銷售策略制定、產品推廣、客戶關係維護、售後服務業務、新客戶關係建立以及市場和產業趨勢監控與分析工作。自 1996 年連捷公司成立以來一直於本公司工作。1996~2010 年 8 月業務部區域經理。
採購部經理	陳家籍	1996 年至今	自 1996 年連捷公司成立以來一直於本集團工作，負責生產所用的原材料採購事務。

(四)前十大股東持股情形

2010 年 7 月 20 日

排名	前十大股東	持有股數(股)	持有比例
1	HSBC (SINGAPORE) NOMINEES PTE LTD	186,620,863	18.95%
2	DB NOMINEES (S) PTE LTD	183,195,824	18.61%
3	UOB KAY HIAN PTE LTD	160,425,817	16.29%
4	CIMB SECURITIES (S'PORE) PTE LTD	65,903,980	6.69%

排名	前十大股東	持有股數(股)	持有比例
5	DBS VICKERS SECURITIES (S) PTE LTD	59,394,025	6.03%
6	KIM ENG SECURITIES PTE. LTD.	33,648,665	3.42%
7	LIN WEN-CHANG	31,156,463	3.16%
8	CITIBANK NOMINEES SINGAPORE PTE LTD	23,857,785	2.42%
9	CHOI CHEUNG KONG	20,770,975	2.11%
10	ONG KIM HUAT FELIX	16,527,000	1.68%
合計		781,501,397	79.36%

貳、營運概況

一、業務範圍

(一)所營業務之主要內容、目前之商品及其用途或服務項目

1.所營業務之主要內容

泰山科技集團係一家在中國大陸地區具有領先地位的運動和休閒服飾專用針織布料生產製造廠商，產品包括功能性布料和普通布料。本集團所有產品係使用「連捷」品牌銷售。

本集團係國際著名品牌運動及休閒服飾業如Nike、Umbro、Puma、Lotto及中國本土的成功品牌服飾業如李寧、361°、美特斯/邦威、安踏、Kappa、E·Land的認可合格布料供應商之一；同時，本集團生產的布料還被多家國際及中國本土著名服飾業用於其服裝生產，如Adidas、Reebok、FILA、Mizuno、Diadora、New Balance、Erima、堡獅龍、佐丹奴、貴人鳥、特步、中國喬丹、萬傑隆、七匹狼、利郎和勁霸。

泰山科技集團主要業務區分為三大部分，第一部份為生產銷售具有不同功能及特性適用於運動和休閒服飾生產之功能性布料，本集團於其生產過程中增加使布料具有特定屬性或達到某種功能的加工處理程序，且在功能性布料的生產過程中加入一定比例的功能性紡紗也可使布料具有一些特點和功能，如吸濕排汗或抗菌除臭等。主要產品如彈力纖維布、純棉彈力布、三防(防水、防油、防污)搖粒布、彈力搖粒絨布、負離子功能布及珍珠美白功能布等；第二部分為生產銷售普通布料，其生產過程中無額外的加工處理程序，主要產品如普通型的搖粒絨、刷毛布、磨毛布及T/C單面、雙面布料等；第三部分為從事布料加工服務，包括印染加工和後整理加工服務。

本集團最近三年度所營業務佔營收比重如下：

單位：人民幣仟元；%

年度 產品別	2007 年度		2008 年度		2009 年度	
	金額	百分比	金額	百分比	金額	百分比
功能性布料	756,545	93.30%	1,135,454	96.21%	795,256	95.51%
普通布料	2,180	0.27%	1,729	0.15%	-	-
布料加工服務	52,143	6.43%	42,960	3.64%	37,385	4.49%
營業收入合計	810,868	100.00%	1,180,143	100.00%	832,641	100.00%

資料來源：本集團經原上市國會計師查核簽證之財務報告

2.目前之商品及其用途或服務項目

(1)功能性布料

功能性布料可用於多種用途，其功能特性增加針織布料的附加價值，如布料具有吸濕排汗、防紫外線、抗菌除臭、防靜電、防皺免燙、阻燃等功能，這些功能特性使功能性布料特別適於運動及休閒服飾。例如，具有防紫外線和吸濕排汗功能的布料，可阻止紫外線對人體的傷害，維持穿衣者的舒適度，因此適用於高爾夫球衣生產；防蚊功能布料通常適用於登山及室外運動服飾。

本集團生產之功能性布料及其主要功能如下表所示：

產品名稱	主要功能
排汗、抗菌、防紫外線功能布	吸濕排汗、抗菌除臭、抗紫外線
吸濕、排汗功能布	吸濕排汗、抗靜電
彈力纖維布	吸濕排汗、易去汙、抗靜電
三防搖粒布（防水、防油、防汙）	防水、防油、防汙
彈力搖粒絨布	抗起球、防靜電
防蚊芳香功能布	防蚊蟲、防蟎、芳香
中空保暖絨布	保暖、抗靜電
遠紅外線保暖內衣布	促進血液循環、保暖、防蟎、抗菌
混紡提花單面布	防皺、易去汙、吸濕排汗
混紡提花雙面布	防皺、易去汙、吸濕排汗
複合透氣布	防風、透氣排汗、抗靜電
仿鹿皮絨布	透氣、抗靜電、抗菌除臭
T/C 衛衣布	防皺、抗菌除臭、防蟎、抗靜電
純棉彈力布	防皺、抗菌除臭、抗紫外線
耐日光牢度功能布	耐日曬、不變色、抗紫外線
除煙臭功能布	光觸媒除煙臭、抗菌、吸濕排汗
負離子功能布	促進身體新陳代謝、吸濕排汗
蘆薈美白功能布	吸濕排汗、含有蘆薈膠原蛋白能使皮膚美白
珍珠美白功能布	吸濕排汗、含有珍珠粉能使皮膚美白
彈力磨毛布	輕薄、貼身保暖
金屬銀纖維抗菌布	永久性天然抗菌

產品名稱	主要功能
竹碳纖維負離子布	促進身體新陳代謝、吸濕排汗
冰涼感布	保持皮膚感覺涼爽
防風透氣貼合布	防冷風、透濕氣

本集團生產之功能性布料具有的功能/特性說明及用途如下表所列：

功能/特性	功能/特性說明	用途
防紫外線(UV protection)	防止在日光下有害的紫外線輻射	運動、休閒服飾
抗菌除臭 (Anti-bacterial/Anti-odour)	防止或抑制細菌的繁殖	運動、休閒服飾
吸濕排汗 (Moisture management/ Phase change)	布料具有濕度傳送性質 (汗液可透過面料散發)和保持在穿著時舒適體溫的透氣性	運動、休閒服飾
抗氯 (Chlorine resistant)	耐氯漂白，防止含氯物質導致的退色及纖維脆化	游泳、帆板、潛水運動服飾
抗靜電 (Anti-Static)	防止纖維或布料摩擦產生靜電	運動、休閒服飾，尤其是冬季服飾
防起皺防折 (Anti-wrinkle/Crease resistant)	防止布料起皺、起折，可長時間重壓而不變形	運動、休閒服飾
阻燃 (Flame retardant)	防止起燃	摩托賽車服飾及兒童服裝
負離子 (Negative ion)	布料具有使電子獲得負電荷從而釋放負離子的性能，有利於人體健康的改善	運動、休閒服飾
遠紅外線 (Far infra-red)	布料具有釋放 8-14 微米波長的遠紅外光線的能力，遠紅外線具有熱效應，可防止血管擴張並提升血流速度帶走可導致血管硬化和不適的毒素和乳酸	運動、休閒服飾
防蚊 (Anti-mosquito)	可驅除蚊蟲靠近人體	運動、休閒服飾，尤其是登山運動、戶外運動服飾
涼感(Cooling effect)	穿衣者可產生涼爽感	運動、休閒服飾
防水(Water resistant)	防止水分子滲入	運動、休閒服飾
防塵、防油、防汙 (Dust, oil and stain resistant)	防止或阻止粉塵、油質、汙質滲入，便於擦洗	運動、休閒服飾

功能/特性	功能/特性說明	用途
除香煙異味 (Anti-cigarette odour)	可使煙臭不附著於衣服上	休閒服飾
肌膚護理 (Skin care)	布料中含有珍珠粉和蘆薈成分，可使穿衣者皮膚增白	休閒服飾
耐日光牢度 (High colourfastness against exposure to the sun)	布料可保持衣服原有的顏色，防止長時間暴曬而退色	運動、休閒服飾

(2) 普通布料

本集團生產的普通面料主要用於日常服飾生產。其特點取決於原材料自身的性質以及具體的生產加工方法。隨著銷售客戶對其功能性布料的認可度和接受度不斷提高，本集團將著重於功能性布料的生產並降低普通布料的產量。自2009年度起本集團已無生產普通布料。

(3) 布料加工服務

客戶提供胚布予本集團進行加工處理並收取服務費，包括印染加工和後整理加工服務。此服務項目將配合功能性布料生產增加而減少。

(二) 主要原物料之供應狀況、主要商品或業務之銷售地區

1. 主要原物料之供應狀況

本集團深耕針織布料生產製造已十四年，其主要產品為適用於運動和休閒服飾生產之功能性布料，主要產品如彈力纖維布、純棉彈力布、三防(防水、防油、防污)搖粒布、彈力搖粒絨布、負離子功能布及珍珠美白功能布等，其原料均為中國大陸當地採購。本集團2007~2009年度原物料國內採購金額分別為人民幣528,024仟元、774,108仟元及607,375仟元，進貨金額主要係隨其營收變動而變動。

本集團用於生產加工的原物料主要為紗、胚布、染料及助劑，與供應商均維持長期良好之合作關係，供應商長期以來價格、品質均能符合要求且均具有配合本集團產品交期之能力，茲將本集團主要原物料供應商列示如下：

主要原物料	主要供應商
紗	廈門市杏林順興針織有限公司、C02、泉州鴻大織造有限公司、C05
胚布	C02、泉州鴻大織造有限公司、C05、C09、C11、晉江騰翔織造有限公司
染料	廈門得晟貿易有限公司、上虞精聯貿易有限公司、
助劑	浙江省正裕化學工業有限公司、晉江市先鋒精細化工有限公司、石獅信守化工有限公司、泉州市立信化工貿易有限公司、銀響（泉州）貿易有限公司、福清楷祥紡織助劑有限公司

2. 主要商品或業務之銷售地區

本集團使用「連捷」品牌銷售所有產品，並與品牌運動及休閒服飾業共同開發布料，產品再銷售予中國大陸的紡織品貿易商及運動和休閒服飾製造商。紡織品貿易商再將其產品轉售予品牌服飾業之委外代工廠商；運動和休閒服飾製造商多為國際著名品牌運動及休閒服飾業或中國本土的成功品牌服飾業之委外代工廠商或自有品牌服飾業，其將本集團產品用於運動和休閒服飾生產，並將成品銷往中國大陸、歐洲、美國、日本及亞洲其他地區。故本集團直接銷售區域均為中國大陸，本集團2007~2009年度中國大陸銷售金額分別為人民幣811,336仟元、1,180,143仟元及832,641仟元，2008年度銷貨金額較2009年度增加368,807仟元，主係因北京奧運帶動運動和休閒服消費需求；2009年度銷貨金額較2008年度減少347,502仟元，主係因全球金融危機及北京奧運後下游廠商消化2008年度過剩庫存，訂單相對減少所致。

二、競爭策略

本集團擬定下列七項之競爭策略，以確保本集團之競爭優勢：

(一) 眾多國際和中國本土知名品牌商的合格供應商

本集團係國際著名品牌運動及休閒服飾業如Nike、Umbro、Puma、Lotto及中國本土的成功品牌服飾業如李寧、361°、美特斯/邦威、安踏、Kappa、E·Land的認可合格布料供應商之一；同時，

本集團生產的布料還被多家國際及中國本土著名服飾業用於其服裝生產，如Adidas、Reebok、FILA、Mizuno、Diadora、New Balance、Erima、堡獅龍、佐丹奴、貴人鳥、特步、中國喬丹、萬傑隆、七匹狼、利郎和勁霸。始終能滿足這些製造商的嚴格標準要求，係本集團生產能力和產品品質的最佳證明。

(二)擁有強大的研發能力

截至目前為止，本集團擁有12名研發人員，其中大部分人員具有至少10年紡織布料製造產業的工作經驗。本集團研發和產品測試設備配備了先進的測試和分析儀器。我們相信與多家第三方研究機構的合作對現有加工方法和生產技術進行改良及開發新加工方法和生產技術方面將使本集團競爭優勢大大提高。我們相信在高科技研發中的努力和取得的成果將會強化本集團的市場地位，並為現有客戶提供高品質低成本的產品以及爭取更多的新客戶。

(三)具有良好的歷史記錄和聲譽

本集團的主要客戶絕大多數是長年客戶並與其業務往來已有多年。我們相信與品牌商之間長期的客戶關係係建立在良好的歷史記錄和聲譽。因此，我們始終堅持維護和建立本集團在紡織產業良好的市場聲譽和品牌。我們相信與現有客戶建立的長期合作關係足以證明公司在過去已經贏得客戶對產品的信心。

(四)管理團隊經驗豐富

本集團擁有具有豐富行業經驗的管理團隊，由執行長林文章先生領導，其有著20多年的紡織和印染的經營經驗。高階管理人的知識技術、經營經驗和社會關係是公司高價值的資產，對公司的成長有著實質性的意義。在主要管理人員的支持下，本集團執行董事將繼續不斷擴大公司核心產能、銷售地域範圍及社會關係以達到集團的進一步發展。

(五)位於晉江市的地理位置具有戰略性意義

本集團所在地晉江市是中國最大的體育產業基地。運動服飾行業的發展帶動了其他相關行業的發展且促進了整個行業供應鏈的形成。2007年中國國家體育總局將晉江市定位為中國體育產業基地。因此，眾多知名國際和本土品牌運動和休閒服飾製造商雲集晉江。這為本集團提供了降低交通成本、縮短了交付產品時間、進行

頻繁的貿易洽談走訪、可與大量來自國內外運動服飾品牌商進行接洽的機會、與客戶緊密接觸的及進行頻繁的貿易洽談走訪之好處。這好處使本集團更易於收集回饋資訊及展示新產品版樣，進而提高本集團競爭優勢。

(六)生產過程中投入了先進的技術和設備

本集團的機器設備採用了法國、德國、日本和臺灣的先進技術。本集團相信在生產過程中採用先進的設備儀器對生產高品質的布料是相當重要的。先進設備的採用，使公司在生產技術方面的優勢超過了同業競爭者。

(七)本集團的產品達到了多項國際標準

本集團能夠根據歐洲、美國和日本市場具體標準和要求生產布料。本集團於2005年成為中國國內少數可達到歐洲Öko-Tex 100 標準認證的紡織品製造商。達到該標準需通過100多項測試參數(保證紡織品對健康無害)和14所國際知名紡織技術機構及其全球代理，包括歐洲、美國、非洲和亞洲機構的鑒定。

三、業務目標

本集團將利用本身專長及競爭優勢，發展下列業務目標，以維持業績及業務持續增長：

(一)擴大彈性纖維功能布料生產能力

彈性纖維功能性布料利潤率較高，為確保高品質的彈性纖維功能布料產品生產，本集團使用先進的多軌道電子針織機專用於彈性纖維功能布料的針織生產。

(二)本集團將擴大產品種類範圍，引入具有新功能特點和設計的功能性布料生產

本集團將引入具有新功能特點和設計的功能布料，將引入新的生產設備及不同的布料後整理加工方法，進一步提高各類功能性布料的美感。

(三)加強研發能力

本集團將在研發方面進行更多的投資，開發新技術並對現有生產和加工技術進行創新性的改良。本集團一貫堅持與院校機構的密切合作，提高公司研發能力。同時，作為提高研發能力的一部分，

公司將購入更多的先進測試儀器並招聘更多研發人員。

(四)加強市場行銷活動力度

為拓展「連捷」品牌，本集團將進一步擴大其市場行銷的能力，包括 (i)戶外廣告(ii) 在紡織貿易行業雜誌和名錄中投放廣告(iii) 參加紡織貿易展覽，增加曝光頻率(iv)向本集團合作夥伴舉辦新品發佈會和促銷活動。這些公開活動將提高「連捷」 品牌的企業形象和知名度並使大眾對產品有進一步瞭解。

(五)通過收購、合資或其他策略性聯盟的方式擴大企業規模

本集團將尋找合適的機會透過策略性聯盟的方式，如合資或公司收購的方式與合適的合作夥伴建立合作關係。

四、策略及計畫

(一)短期業務發展計畫

1.生產策略

本集團目前產能已達86%，為因應業績之不斷增長，及量多訂單之需求，故擬擴大產能增強生產能力，未來將計劃在原廠區附近工業園區擴廠，並採購法國、德國、日本和台灣等之先進機器設備，提高生產質量，以滿足供應商之需求，及因應公司未來營運成長所需。

2.產品策略

由於知名服裝品牌透過新產品開發、產品種類和品質的不斷革新，以提高其品牌形象並維護客戶對品牌的信賴度。因此知名運動和休閒品牌日益對高檔布料不斷提高和改良的功能和特性加以重視，將提高對功能布料的需求，故本集團未來將持續專注生產具有不同特點和功能的運動和休閒服飾產品的功能布料，包括吸濕排汗快乾、防紫外線、抗菌除臭、防靜電、防皺免燙、阻燃、防蚊蟲、除煙臭、具涼快感等系列產品，以滿足消費者不同的需求，並與領先的消費品牌商建立長期穩定的合作關係。

(二)長期業務發展計畫

1.研發策略

本集團為保持行業領先地位，並滿足不斷變化的市場需求，對於生產方法和技術，以及新產品的積極研發一直以來都非常重視，該公

司未來研發方向主要集中在(i) 對在生產過程中使用的化學製劑和添加劑混合比例制定相應的配方和改良方案，使功能布料達到預期的特點；(ii) 改良現有生產加工方法和生產技術，以滿足客戶不斷變化的需要；(iii) 研發新的加工方法和生產技術。

本集團並曾與台灣工業技術研究院及中國多所院校和研究人員建立技術合作關係，2009年7月25日並與武漢紡織大學簽訂技術開發合同，合同期限為10年，自2009年7月25日起至2019年7月24日止，分二期進行，每期各為5年，第一期合作期滿，本集團再決定是否進行第二期，每期研究經費須支付武漢紡織大學人民幣2,000萬元，總計人民幣4,000萬元，預計每年合作項目不得少於5個實質性的研發項目，此舉亦符合本集團每年有3~5種新產品的策略。

2. 策略聯盟策略

未來考量本集團營運規模日益擴大及因應市場持續成長所產生之行業競爭發展狀況，就長期發展策略上不排除尋找合適的機會，透過戰略聯盟的方式，如合資或收購的方式，與合適合作夥伴建立合作關係，或收購服裝生產商，以進一步增強本集團之長期競爭優勢，並帶給消費品牌商更高的附加價值服務。

五、市場分析

泰山科技集團主要從事運動及休閒方面之多功能布料及一般日常服飾之普通布料之製造及銷售業務。運動服飾 (Sportswear) 主要可分為運動專用服飾 (Active Sportswear)、休閒服飾 (Leisurewear)、街頭服飾 (Streetwear) 及時尚休閒服飾 (Smart casual wear)，但隨著消費者越來越重視運動服飾的時尚感以及不侷限於僅在運動場合才能適穿的需求，運動專用服飾及休閒服飾的範圍認定也日益模糊，例如運動專用服飾中的運動夾克除了可以在運動場合穿著，平日休閒或逛街亦相當合宜。根據美國體育用品製造商協會 (Sporting Goods Manufacturing Association, SGMA) 的定義，將運動專用服飾 (Active Sportswear) 界定為適合於運動用途 (will be used in active sport)，但其他場合亦合宜穿著的服飾，以下介紹全球及中國運動休閒服飾的產業概況與未來發展趨勢。

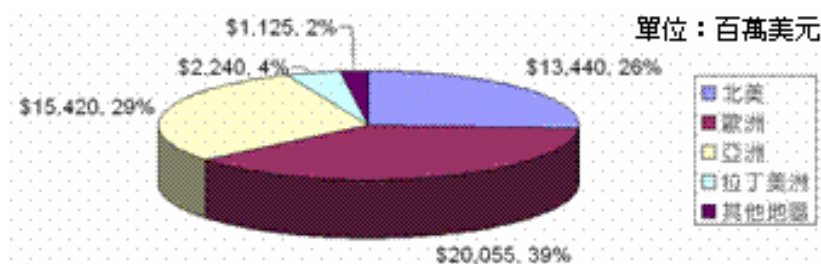
(一)產業概況

1.全球運動休閒服飾產業¹

根據Just-Style的研究報告顯示，2005年全球運動專用服飾市場規模有520億美元，以全球64億的人口來計算，平均每人消費金額為8.11美元。

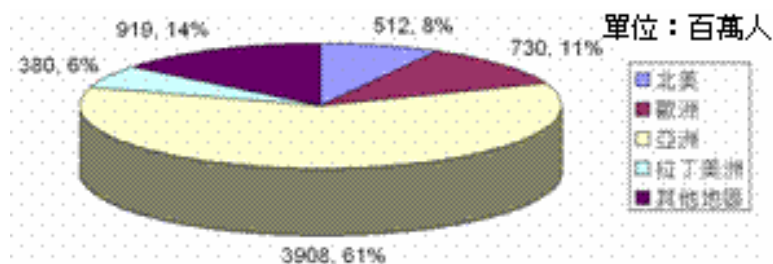
全球運動專用服飾的銷售地區主要以北美及歐洲地區為主，亞洲次之。2005年北美地區運動專用服飾消費金額佔全球的26%，但該地區人口僅佔全球8%；歐洲地區也有類似的情況，歐洲的運動專用服飾消費金額佔全球的39%，但該地區人口僅佔全球14%，反觀亞洲地區人口佔全球的61%，運動服飾消費金額卻僅佔全球的29%（見圖1、圖2）。北美與歐洲地區平均每人消費金額分別為42美元與39美元，但是亞洲地區平均每人消費金額僅為4美元（見圖3），其中日韓兩國平均每人消費金額為40美元，但亞洲其他地區僅1~4美元。

圖 1 2005 年各地區運動服飾花費金額比例



資料來源：Just-Style；紡織所ITIS計畫整理（2007/08）

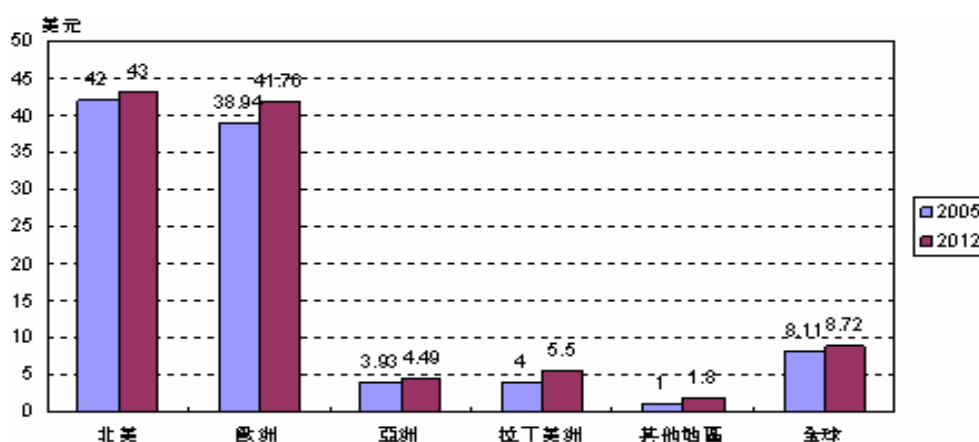
圖 2 2005 年各地區人口數量比例



資料來源：U.S. Census Bureau；紡織所ITIS計畫整理（2007/08）

¹巫佳宜，「全球運動專用服飾產業概況與發展趨勢」，紡織產業綜合研究所 IT IS 計畫

圖 3 2005 及 2012 年各地區平均每人消費運動專用服飾金額



資料來源：Just-Style；紡織所ITIS計畫整理（2007/08）

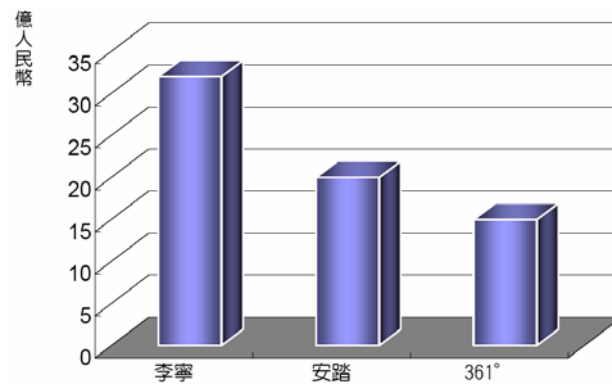
2. 中國運動休閒服飾產業²

中國大陸為全球運動休閒服飾主要OEM國家，Nike、adidas全球銷售的產品中，約65%在中國大陸生產。2006年中國大陸運動休閒服飾銷售額超過1,000億元人民幣，僅有20~25%屬於內銷市場，約為260億人民幣。雖然2006年Nike、adidas、李寧等前三大運動休閒服飾品牌佔了中國大陸整體市場的40%，但產品多在國內生產，進口的比例僅約1成。

另中國大陸在「十一·五」計畫時，即積極推動發展自有品牌政策，其中，又以運動服飾品牌是中國大陸內需品牌市場成長最快的領域。以第一大運動品牌李寧為例，2006年李寧營業額僅約32億人民幣左右（參見圖1），但至2009年時，已飛速成長至83億人民幣，年複合成長率達37%，已和2009年Nike在中國大陸市場的營業額水平不相上下，營業額更首度超越adidas（參見圖2）。

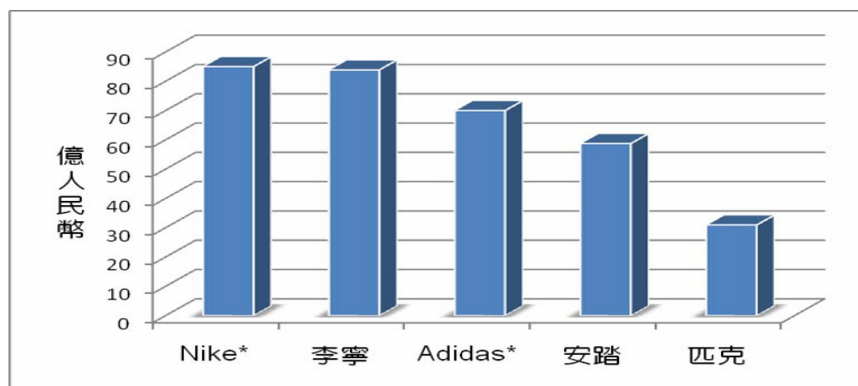
²巫佳宜，「掌握中國大陸運動休閒服飾內需市場的策略與思維」，紡織產業綜合研究所 產業服務及資訊部

圖 1 2006 年中國大陸前三大本土品牌營業額



資料來源：紡織所 ITIS 計畫，2007.11

圖 2 2009 年中國大陸前五大品牌營業額



資料來源：第一財經日報，紡織所 ITIS 計畫整理，2010.04

註：*為預估值

中國大陸本土運動品牌挾中國廣大內需市場，再加上擁有雄厚資金的優勢，品牌已步入國際化的水準。

(二)未來發展趨勢

1.全球運動休閒服飾產業³

運動服飾目前受全球氣候環境的改變、消費者健康意識的提升及樂活興起等因素影響，運動服飾市場受氣候及旅遊市場因素影響程度也隨之提高，主要客群亦不再集中於專業運動族群，而是以舒適、休閒吸引一般消費族群。

此外，運動服飾已逐漸打破性別、年齡、穿著場所限制的趨勢下，產品在「運動」及「休閒」二者界線也日益模糊，消費者採購時除考慮服裝的功能性外，也重視運動服飾的時尚感與內含之美學元素。另外，受2008年下半年金融海嘯的影響之下，消費者除了重視運動服飾

³巫佳宜，「2010 年全球運動服飾市場發展趨勢及未來展望」，紡織產業綜合研究所 產業服務及資訊部

的功能性，對於產品價格及品質的細節也更加在意，因而帶動了「良品廉價」的風潮，各大國際品牌紛紛提出平價的副品牌來吸引一般消費大眾。以下將針對2010年全球運動服飾市場變化、產業發展趨勢及未來展望進行分析。

全球運動服飾（Active Sportswear）市場於2012年成長最快

Just-Style市調公司指出（2009），2009年受金融海嘯的影響，全球運動服飾（Active Sportswear）市場規模縮減至538.7億美元（較2008年減少2.1%）。但展望未來幾年，市場成長率將逐年增加，預估2010年市場規模將微幅成長0.9%，達543.7億美元；2011年市場規模較2010年成長2.3%，達556.3億美元；而至2012年時，受惠於倫敦奧運帶動的市場需求，市場成長率將比2011年成長3.9%，達577.8億美元，居未來三年成長率（2010~2012年）之冠（參見表1、圖1）。

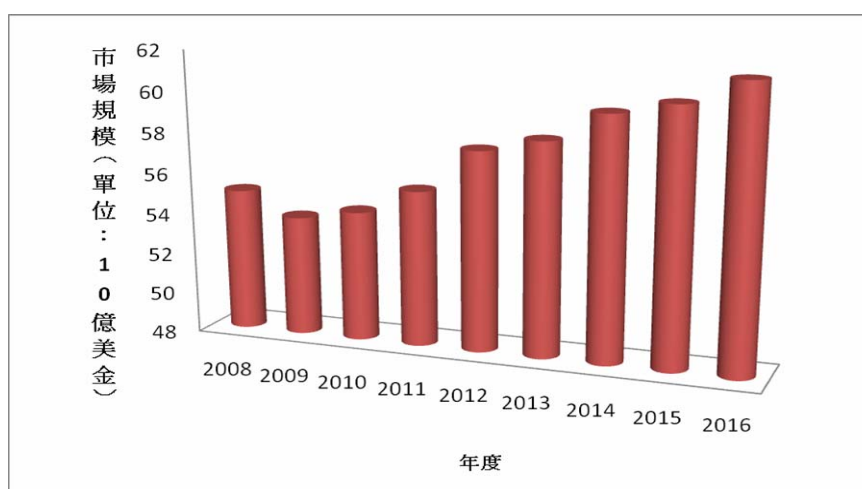
表 1 全球運動服飾市場規模及年成長率

單位：億美元

年度	2008	2009	2010	2011	2012	2013	2014	2015	2016
市場規模	550	538.7	543.7	556.3	577.8	584.3	598.6	604.5	616.6
成長率(%)	-0.9	-2.1	0.9	2.3	3.9	1.1	2.4	1	2

資料來源：Just-style(2009)，紡織所 ITIS 計畫整理，2010.5

圖 1 全球運動休閒服飾（Active Sportswear）市場規模



資料來源：Just-style(2009)，紡織所 ITIS 計畫整理，2010.5

未來歐美運動服飾市場佔有率將微幅減少，亞洲等地將提高

在後金融海嘯時代，2010年北美地區經濟成長率預估將達3%左右，但高失業率問題未完全解除之下，整體消費力尚未完全復甦，消費者消費心態仍舊保守。而歐洲地區更因近期籠罩在主權債務危機之下，預估今明二年經濟成長率將無法突破1%。反之，亞洲地區及新興國家未來經濟成長率將可達到5%以上的水準（日本除外），尤其金磚四國之中的中國大陸及印度，經濟成長率預估分別能達到10%及8%。（參見表2）

全球各大洲運動服飾市場成長空間與當地購買力與景氣狀況息息相關。在歐美地區景氣復甦狀況仍未明朗，以及新興國家經濟快速成長之下，預估未來日韓及其他地區（指中東、印度、俄羅斯、中國、東南亞及太平洋、澳洲及紐西蘭、非洲、中南美洲及加勒比海等）運動服飾市場成長幅度大於歐美地區。根據Just-style(2009)估計，至2012年為止，日韓及其他地區年複合成長率將分別達3.11%及2.95%，高於歐洲的1.76%（參見表3）。尤其其他地區之市場份額，將由2009年的27.7%提升至2012年的28.2%（參見表4）。

表 2 全球經濟成長率預測

	2000-08	2009	2010f	2011f
美國	2.4	-2.4	3.4	2.7
加拿大	2.6	-2.5	3.6	2.7
英國	2.4	-4.9	1.1	1.1
歐元區	1.9	-4.1	0.8	1.0
德國	1.4	-4.9	1.4	1.2
法國	1.9	-2.8	1.3	1.3
義大利	1.0	-5.1	0.4	0.6
日本	1.4	-5.2	1.6	1.2
韓國	4.9	0.2	5.2	4.5
澳洲	3.2	0.8	2.8	3.0
中國大陸	10.1	8.7	10.0	9.0
印度	7.3	6.7	8.0	7.0
巴西	3.3	0.5	6.5	5.0
全球	3.3	-2.0	3.4	3.1

資料來源：Scotiabank Group（2010），紡織所 ITIS 計畫整理，2010.6

表 3 各地區運動服飾市場規模（單位：億美元）

年度	2009	2010	2011	2012	2016	2009-2012 複合成長率(%)	2009-2016 複合成長率(%)
北美	136.0	137.0	139.0	145.0	153.0	2.16	1.70
歐洲及土耳其	186.0	189.0	191.0	196.0	206.0	1.76	1.47
日本及韓國	67.5	69.0	71.0	74.0	81.0	3.11	2.64
其他地區	149.2	148.7	155.3	162.8	176.6	2.95	2.44
全球合計	538.7	543.7	556.3	577.8	616.6	2.36	1.95

資料來源：Just-style(2009)，紡織所 ITIS 計畫整理，2010.6

註：其他地區包括中東、印度、俄羅斯、中國、東南亞及太平洋、澳洲及紐西蘭、非洲、中南美洲及加勒比海

表 4 各地區運動服飾市場佔比

年度	2009	2010	2011	2012	2016
北美	25.2%	25.2%	25.0%	25.1%	24.8%
歐洲及土耳其	34.5%	34.8%	34.3%	33.9%	33.4%
日本及韓國	12.5%	12.7%	12.8%	12.8%	13.1%
其他地區	27.7%	27.3%	27.9%	28.2%	28.6%
全球合計	100%	100%	100%	100%	100%

資料來源：Just-style(2009)，紡織所 ITIS 計畫整理，2010.6

註：其他地區包括中東、印度、俄羅斯、中國、東南亞及太平洋、澳洲及紐西蘭、非洲、中南美洲及加勒比海

隨著全球景氣於2010年開始緩步復甦，再加上2010南非世足賽、2010廣州亞運會、2011深圳大學生運動會、2012倫敦奧運、2014巴西世足賽等國際運動賽事的帶動，未來運動服飾市場前景看好。往後5年內，預估產品發展趨勢將仍舊著重於「生態環保」、「舒適保健」、「穿戴科技（結合資訊科技）」、「時尚休閒」等四方面。未來相關製造業者除繼續專注於研發及創新，並開發設計符合市場流行趨勢及生活形態產品外，尚須朝低碳產品發展，以因應未來全球產品碳足跡時代的來臨。

2. 中國運動休閒服飾產業⁴

中國大陸近期面臨人民幣升值壓力、沿海地區缺工帶動的勞動工資提高等問題，導致國際採購商或貿易商開始逐步將訂單轉向孟加拉、越南、柬埔寨等國。以全球知名貿易商利豐為例，2009年利豐集

⁴巫佳宜，「掌握中國大陸運動休閒服飾內需市場的策略與思維」，紡織產業綜合研究所 產業服務及資訊部

團減少了中國大陸5%的採購量，但在孟加拉增加了20%的採購量（參見表1），這隱含全球紡織成衣價值鏈分工角色正在轉變，也代表中國大陸世界工廠的形象逐漸消失。當今各大國際運動品牌更關注的是如何切入中國大陸這塊擁有13億人口的廣大內需市場。

表 1 2009 年利豐集團採購國變化

排名	採購國	採購量變動率%
1	中國大陸	-5.0
2	越南	1.0
3	印尼	-3.0
4	孟加拉	20.0
5	印度	-1.0
6	土耳其	-31.0
7	柬埔寨	-7.0
8	泰國	-15.0
9	菲律賓	-4.0
10	瓜地馬拉	-18.0

資料來源：Textile Outlook International（2010），No 144；紡織所 ITIS 計畫整理，2010.04

中國運動休閒服飾市場快速成長

隨著中國大陸當地人民所得的提升，再加上2008年北京奧運的加持，快速帶動中國大陸民眾的運動風氣，也衍生出廣大的運動休閒服飾內需市場。根據市調公司Forst & Sullivan（2010）估計，2004年中國大陸運動服飾市場規模約274億人民幣左右，至2008年已達683億人民幣，且預估2013年整體市場規模將會達到1,979億人民幣，平均年複合成長率24.57%。預估今後帶動中國大陸運動服飾市場快速成長的關鍵因素包括：

(1)人口及財富

中國大陸運動休閒市場雖成長快速，但尚未達到完全成熟的市場，且貧富差距的問題仍舊存在，高階管理人與藍領薪資差距高達12.6倍，居全球第二大，僅次於奈及利亞（參見表2）。因而隨著群眾健身及休閒意識的提升，未來3~5年內，運動休閒市場將仍由高收入族群帶動成長，但就長期而言，在中產階級人數快速成長的趨勢下，預估中國大陸運動服飾市場將帶來可觀的市場需求。

表 2 各國高階管理人與藍領薪資差距

購買力排名	高階管理人與藍領薪資差距
卡達	5.4
香港	6.3
巴西	8.1
泰國	11.4
新加坡	5.0
美國	3.8
韓國	4.1
日本	3.4
中國	12.6
英國	3.4
越南	9.8
挪威	2.6

資料來源：天下雜誌 445 期

(2) 政策鼓勵

中國大陸政府於2005年10月的第16屆5中全會明確將「形成一批擁有自主知識產權和知名品牌、國家競爭力較強的優勢企業」作為「十一·五」發展的重要目標之一，因而如中國大陸李寧、安踏等運動品牌受惠於政策補助，參加大型展示會僅需負擔展示品的成本，場地及展館裝修費皆由政府補助。

另外，中國國務院於2010年3月發佈《關於加快發展體育產業的意見》政策，其中可望帶動中國大陸運動服飾市場掀起另一波新熱潮之政策內容包括：

- A. 大力發展體育健身市場：加強城鄉居民基本體育服務的基礎上，積極培育體育健身市場，培養群眾體育健身意識，引導大眾體育消費。
- B. 做大做強體育用品業：加強體育用品產品的認證工作，有效推動體育用品的品牌建設，增強體育用品的國際市場競爭力。打造國際一流的體育用品博覽會。

(3) 戶外運動資源

中國大陸具備世界級的戶外運動自然資源，且適合從事戶外休閒活動（如：登山、溯溪、露營、攀岩等）的場地資源豐富。隨著中國大陸戶外運動市場的逐漸成熟，從事戶外運動群眾對於更專業、更優質的戶外裝備需求必將逐年擴大，未來高端的戶外用品市場也將同步快速成長。

六、生產及銷售概況

(一) 生產概況

1. 生產流程

本集團產品所使用的紡紗主要為聚酯。根據不同物理屬性的需要，聚酯將配以彈性纖維和棉花進行胚布針織，然後加入助劑作特殊處理加工達到所需效果。

本集團針織布料的生產流程概要，列出如下：



(1) 針織

本集團生產針織布料，將紡紗針織成布料是生產的第一步。針織布料與編織布料不同處係針織布料為通過將一套紗線經緯交錯編織的過程製造而成的布料。由於紗線在布料結構中不存在單一直線的狀態，針織面料可從任何方向拉拽且比編織布料更具有彈性。針織布料

因此主要用於運動和休閒服飾的生產。

彈性纖維功能布料針織生產工序通常更為精密，在針織生產過程中，將彈性纖維成分加入功能布料需要更為先進的機器設備。因此，本集團在2006年加裝了電腦化多軌電子管道針織機專門用於此類布料的針織生產。

布料的特性取決於紡紗的鬆緊度和針織機輸送的速度，這些技術參數經過研發部門的研究已經成為本集團的重要技術所在。亦可於針織過程中加入的一小部分功能性紗線也可使布料具有特殊功能，如吸濕排汗或抗菌除臭等特點。

(2) 染色

布料在染色機內在恆定的高溫高壓下通過旋轉帶有染料的滾軸，使染料透過布料達到染色的效果。在生產功能性布料的過程中，在染料中加入所需的化學藥品可達到特殊功能目的，如防紫外線、吸濕排汗和防蚊功能。

化學藥品與添加劑調配比例和相應加工條件的特殊處理方法屬於公司的重要技術，基於這些技術可使布料達到某種所需特性，同時通過自動化和電腦化的設備密切監控和操作使產品品質一致。

(3) 後整理

染色工序完成後進入脫水工序，確保在後整理工序前去除全部濕氣。後整理工序所需的溫度校準和氣流速度控制是公司重要技術的一部分。

非搖粒布布料，僅需後整理熱定型工序。

- A. 熱定型：熱定型可穩定和改善布料質地並可在後續加工過程中保持原有形狀和尺寸，同時也可防止布料在穿用時褶皺且在保養時防止縮水和提高彈性。搖粒布布料(可為功能布料或普通布料，其取決於是否加入具有附加值的特點)，在熱定型之前的後整理工序將取決於客戶需求進行操作。
- B. 刷毛和梳毛：刷毛和梳毛降低布料光澤或形成纖維面並改變布料的手感及紋理。
- C. 剪毛：剪毛工序將使用旋轉刀片將表面纖維剪切。
- D. 搖粒：搖粒工序係將布料通過蒸汽搖粒機產生的蒸汽式熱源，改變布料的手感和質地使其表面“起球”並防止纖維磨損脫落，改善布料的抗磨損性。

(4)測試

在後整理工序完成後，將對布料品質進行批量測試，確保布料符合客戶的要求。

(5)包裝

在通過上述生產階段(即：針織、染色和後整理)和測試後，將對布料品質做檢驗以確保布料品質一致性。通過檢驗的成品將進行包裝和儲存或發貨至客戶。

2.生產據點及營收情形

本集團之主要生產據點及營收如下：

公司名稱	設立時間	設立地點	實收資本	主要營業	2009 年度 營業收入
晉江連捷紡織印染實業有限公司	1996 年 9 月 11 日	中國福建省 晉江市	美金 11,500 仟元	生產及銷售 針織面料及 印染加工等	人民幣 832,641 仟元

3.主要進貨情形

(1)最近三年度之進貨金額前十大客戶列示如下：

單位：人民幣仟元

項目	2007 年度				2008 年度				2009 年度			
	名 稱	金 額	占全年度 進貨淨額 比率(%)	與發行人 關係	名 稱	金 額	占全年度 進貨淨額 比率(%)	與發行人 關係	名 稱	金 額	占全年度 進貨淨額 比率(%)	與發行人 關係
1	廈門市杏林順興針織有限公司	73,374	13.90	無	廈門市杏林順興針織有限公司	123,960	16.01	無	C02	92,395	15.21	無
2	C02	69,628	13.19	無	C02	120,421	15.56	無	廈門市杏林順興針織有限公司	89,641	14.76	無
3	C09	48,312	9.15	無	C05	103,452	13.36	無	C09	86,379	14.22	無
4	C05	46,853	8.87	無	C09	86,799	11.21	無	C05	81,907	13.49	無
5	晉江市先鋒精細化工有限公司	43,866	8.31	無	晉江市先鋒精細化工有限公司	59,454	7.68	無	晉江市先鋒精細化工有限公司	45,683	7.52	無
6	泉州鴻大織造有限公司	32,843	6.22	無	石獅信守化工有限公司	52,910	6.83	無	上虞精聯貿易有限公司	32,741	5.39	無
7	石獅市利佳力服裝織造有限公司	24,340	4.61	無	石獅市利佳力服裝織造有限公司	34,155	4.41	無	銀響(泉州)貿易有限公司	24,218	3.99	無
8	浙江省正裕化學工業有限公司	23,018	4.36	無	泉州市立信化工貿易有限公司	28,775	3.72	無	石獅市利佳力服裝織造有限公司	17,678	2.91	無
9	廈門得晟貿易有限公司	22,995	4.36	無	泉州鴻大織造有限公司	24,557	3.17	無	浙江省正裕化學工業有限公司	11,587	1.91	無
10	晉江騰翔織造有限公司	22,490	4.26	無	浙江省正裕化學工業有限公司	19,903	2.57	無	福清楷祥紡織助劑有限公司	10,126	1.67	無
	其他	120,305	22.78	無	其他	119,722	15.47	無	其他	115,020	18.94	無
	合計	528,024	100.00		合計	774,108	100.00		合計	607,375	100.00	

(2)主要原物料之供應狀況

本集團深耕針織布料生產製造已十四年，其主要產品為適用於運動和休閒服飾生產之功能性布料，主要產品如彈力纖維布、純棉彈力布、三防(防水、防油、防污)搖粒布、彈力搖粒絨布、負離子功能布及珍珠美白功能布等，其原料均為中國大陸當地採購。本集團用於生產加工的原物料主要為紗、胚布、染料及助劑，與供應商均維持長期良好之合作關係，供應商長期以來價格、品質均能符合要求且均具有配合本集團產品交期之能力。

(3)主要供應商變化情形

本集團最近三年度之前十大供應商變化並不大，另主要原料均有兩家以上之供應商以避免發生斷料情事，至於部分進貨比率變動係因考量採購價格或基於供貨品質配合及時間性需求等因素所做之調整，變動原因尚屬正常，最近三年度進貨金額係隨其營收變動而變動。

(4)是否進貨集中之風險

進貨金額佔該期比重達10%以上主要係紗及胚布之供應商，紗及胚布之均有兩家以上之供應商，故並無進貨集中之風險。另本集團除對紗及胚布之供應商進貨金額佔該期比重達10%以上外，本集團其餘主要供應商進貨金額所佔比重皆未達10%，故綜上所述，本集團應無進貨集中之風險。

(二)銷售概況

本集團最近三年度以生產銷售功能性布料為主要營業項目，最近三年度功能性布料的營業收入佔全年度合併營業收入淨額的比例分別為93.30%、96.21%及95.51%，茲就本集團之銷售概況說明如下：

1. 產品別銷售情形

本集團最近三年度所營業務佔營收比重如下：

單位：人民幣仟元；%

年度 產品別	2007 年度		2008 年度		2009 年度	
	金額	百分比	金額	百分比	金額	百分比
功能性布料	756,545	93.30%	1,135,454	96.21%	795,256	95.51%
普通布料	2,180	0.27%	1,729	0.15%	-	-
布料加工服務	52,143	6.43%	42,960	3.64%	37,385	4.49%
營業收入合計	810,868	100.00%	1,180,143	100.00%	832,641	100.00%

資料來源：本集團經原上市國會計師查核簽證之財務報告

本集團主要營業項目包括生產銷售功能性布料、普通布料及布料加工服務，本集團最近三年度以生產銷售功能性布料為主要營業項目，最近三年度功能性布料的營業收入佔全年度合併營業收入淨額的比例分別為93.30%、96.21%及95.51%。隨著銷售客戶對其功能性布料的認可度和接受度不斷提高，本集團著重於功能性布料的生產並降低普通布料的產量，2009年已無銷售普通布料。

2. 地區別銷售情形

單位：人民幣仟元；%

年度 地區別	2007 年度		2008 年度		2009 年	
	金額	百分比	金額	百分比	金額	百分比
中國大陸	810,868	100.00%	1,180,143	100.00%	832,641	100.00%

本集團使用「連捷」品牌銷售所有產品，並與品牌運動及休閒服飾業共同開發布料，產品再銷售予中國大陸的紡織品貿易商及運動和休閒服飾製造商。紡織品貿易商再將其產品轉售予品牌服飾業之委外代工廠商；運動和休閒服飾製造商多為國際著名品牌運動及休閒服飾業或中國本土的成功品牌服飾業之委外代工廠商或自有品牌服飾業，其將本集團產品用於運動和休閒服飾生產，並將成品銷往中國大陸、歐洲、美國、日本及亞洲其他地區。故本集團直接銷售區域均為中國大陸。

3.主要銷貨情形

(1)最近三年度之銷貨金額前十大客戶列示如下：

單位：人民幣仟元

項目	2007 年度				2008 年度				2009 年度			
	名 稱	金 額	占全年度 銷貨淨額 比率(%)	與發 行人 關係	名 稱	金 額	占全年度 銷貨淨額 比率(%)	與發 行人 關係	名 稱	金 額	占全年度 銷貨淨額 比率(%)	與發 行人 關係
1	C01	99,723	12.29	無	C02	102,997	8.73	無	C06	81,556	9.79	無
2	C02	84,012	10.35	無	C01	93,858	7.95	無	C02	80,775	9.70	無
3	C03	74,881	9.23	無	C03	93,427	7.92	無	C05	79,500	9.55	無
4	C04	66,238	8.16	無	C05	88,517	7.50	無	C09	74,326	8.93	無
5	C05	61,534	7.58	無	C06	82,220	6.97	無	C03	73,431	8.82	無
6	C06	52,043	6.41	無	C07	72,472	6.14	無	C07	63,132	7.58	無
7	C07	49,667	6.12	無	C09	71,441	6.05	無	C04	54,496	6.54	無
8	C08	40,835	5.03	無	C04	67,526	5.72	無	C12	48,828	5.86	無
9	C09	36,298	4.47	無	C08	59,003	5.00	無	C10	43,826	5.26	無
10	C10	30,012	3.70	無	C11	56,630	4.80	無	C01	31,262	3.75	無
	其他	216,093	26.63	無	其他	392,052	33.22	無	其他	201,509	24.20	無
	合計	811,336	100.00		合計	1,180,143	100.00		合計	832,641	100.00	

(2)主要銷售客戶變化情形

本集團最近三年度前十大銷貨客戶變化並不大，銷售金額變化其中C02、C03、C04、C05、C06、C07、C08、C09及C10 2008年度銷售金額較2007年度增加，主要係因受惠2008年度中國大陸舉辦北京奧運，使得運動及休閒服市場需求增加，終端下游客戶提早備貨所致；2009年度銷售金額較2008年度減少，主要係因全球金融海嘯及北京奧運後終端下游客戶消化2008年度過剩庫存，訂單相對減少所致。

(3)是否銷貨集中之風險

本集團銷售服務對象主要為紡織品貿易商、品牌服飾業委外代工製造商及自有品牌服飾業，最近三年度前十大銷售客戶除2007年度C01及C02分別占全年銷貨淨額比率12.29%及10.35%，其餘均占全年銷貨淨額比率10%以下，本集團並無過度依賴單一客戶之情形，故應無銷貨過度集中之風險。

七、重要契約

契約性質	契約簽訂日	當事人	主要內容	限制條款
最高額抵押合同	2008.02.21	中國建設銀行股份有限公司晉江支行	連捷公司將其持有的晉房權證東石字第 03-200139 號「房屋所有權證」所載之房屋(建設面積 10835.1 平方米)和晉國用(2005)第 00171 號「國有土地使用證」所載之土地使用權(面積 2150 平方米)抵押於中國建設銀行股份有限公司晉江支行,以擔保連捷公司在 2008 年 2 月 29 日至 2012 年 2 月 29 日期間所產生之債務,擔保責任的最高限額為人民幣 854.55 萬元,契約期間為 2008.02.29~2012.02.29。	無
最高額抵押合同	2008.08.22	中國建設銀行股份有限公司晉江支行	連捷公司將其持有的晉房權證東石字第 03-200013-001 號「房屋所有權證」所載之房屋(建設面積 11762.3 平方米)和晉國用(2006)第 00358 號「國有土地使用證」所載之土地使用權(面積 12469 平方米)抵押於中國建設銀行股份有限公司晉江支行,以擔保連捷公司在 2008 年 8 月 30 日至 2012 年 8 月 30 日期間所產生之債務,擔保責任的最高限額為人民幣 1,100 萬元,契約期間為 2008.08.30~2012.08.30。	無
技術開發合同	2009.07.25	武漢紡織大學(原名湖北省武漢科技學院)	約定連捷公司與武漢科技學院之合作內容為(i)紡織品的科技諮詢及問題解決;(ii)技術開發人員的培訓;(iii)特種技術的研發及技術轉移。連捷公司一次性向武漢科技學院支付研究開發經費	無

契約性質	契約簽訂日	當事人	主要內容	限制條款
			人民幣 4,000 萬元，且在取得研究開發成果並得到連捷公司認可後按照研究開發成果的價值及實際發生的費用，由連捷公司再給予武漢科技學院一次性相應的報酬。雙方亦約定，因履行該合同所產生的研究開發成果及相關知識產權權利歸連捷公司所有，契約期間為 2009.07.25~2019.07.24。	
借款契約	2009.02.27	中國建設銀行股份有限公司晉江支行	總金額共人民幣 550 萬元，年利率 5.841%，契約期間為 2009.02.27~2010.02.27。	
借款契約	2009.03.16	中國建設銀行股份有限公司晉江支行	總金額共人民幣 500 萬元，年利率 5.841%，契約期間為 2009.04.01~2010.04.01。	
借款契約	2009.06.18	中國建設銀行股份有限公司晉江支行	總金額共人民幣 750 萬元，年利率 5.31%，契約期間為 2009.07.01~2010.07.01。	
借款契約	2009.07.28	中國建設銀行股份有限公司晉江支行	總金額共人民幣 400 萬元，年利率 5.31%，契約期間為 2009.07.28~2010.07.28。	
借款契約	2009.08.17	中國建設銀行股份有限公司晉江支行	總金額共人民幣 400 萬元，年利率 5.31%，契約期間為 2009.08.17~2010.08.17。	無
借款契約	2009.09.24	中國建設銀行股份有限公司晉江支行	總金額共人民幣 400 萬元，年利率 5.31%，契約期間為 2009.09.24~2010.09.24。。	無
借款契約	2009.11.23	中國建設銀行股份有限公司晉江支行	總金額共人民幣 750 萬元，年利率 5.31%，契約期間為 2009.11.23~2010.11.23。	無
借款契約	2009.12.27	中國建設銀行股份有限公司晉江支行	總金額共人民幣 750 萬元，年利率 5.31%，契約期間為 2009.12.17~2010.12.17。	無

契約性質	契約簽訂日	當事人	主要內容	限制條款
借款契約	2010.01.06	中國建設銀行股份有限公司晉江支行	總金額共人民幣 550 萬元，年利率 5.31%，契約期間為 2010.01.06~2011.01.06。	無
借款契約	2010.03.23	中國建設銀行股份有限公司晉江支行	總金額共人民幣 500 萬元，年利率 5.31%，契約期間為 2010.03.23~2011.03.23。	無
借款契約	2010.07.01	中國建設銀行股份有限公司晉江支行	總金額共人民幣 750 萬元，年利率 5.31%，契約期間為 2010.07.01~2011.07.01。	無
借款契約	2010.07.22	中國建設銀行股份有限公司晉江支行	總金額共人民幣 400 萬元，年利率 5.31%，契約期間為 2010.07.22~2011.07.22。	無

八、其他必要補充說明事項：無。

參、發行計畫、資金運用計畫及其約定事項

一、發行計畫

中國泰山科技集團有限公司

臺灣存託憑證發行計畫

(一)發行目的

中國泰山科技集團控股有限公司（China Taisan Technology Group Holdings Limited）（以下簡稱「泰山科技」或「本公司」）為新加坡交易所有限公司（以下簡稱「新加坡交易所」）之股票上市公司，為增加籌資管道、提升公司之國際知名度與形象，擬由本公司現金增資發行普通股新股125,000仟股，參與發行本次臺灣存託憑證（以下簡稱「本次存託憑證」）；另為增加股東資產運用管道，協助有意願參與發行之本公司普通股股東（以下簡稱「參與發行股東」）將其所持有之本公司普通股參與發行臺灣存託憑證，以增加其資產運用管道，參與發行股東所提撥之本公司普通股為125,000仟股，以參與發行本次存託憑證，合計本次存託憑證所表彰之有價證券總數為本公司普通股250,000仟股。

(二)本次存託憑證發行條件

1. 發行日期：中國民國99年10月6日。
2. 發行總金額：發行總金額為新台幣1,518,750仟元。
3. 發行單位總數：發行單位總數為125,000仟單位。
4. 本次存託憑證所表彰有價證券之數量

(1) 本次存託憑證每單位所表彰之有價證券為本公司普通股二股。

(2) 本次存託憑證所表彰之有價證券總數預計為本公司普通股250,000仟股。

5. 本次存託憑證每單位發行價格之決定方式

(1) 本次發行臺灣存託憑證每單位之發行價格，依「中華民國證券商業同業公會承銷商會員輔導本公司募集與發行有價證券自律規則」，承銷商輔導外國發行人初次來台參與發行臺灣存託憑證，其發行價格之訂定應參考該臺灣存託憑證所表彰之原有價證券於國外掛牌市場之發行慣例，並考量每單位臺灣存託憑證所表彰原有價證券之數額及原有價證券所用於報價之外幣與新台幣間之匯率。承銷商將參酌本公司目前經營績效、獲利情形與未來發展條件及本公司與主辦承銷商於圈購期間結束後，參考圈購彙總情形及實際定價時市場對臺灣存託憑證之需求狀況協議定之。惟發行價格之折價成數，不得高於本公司之股票於新加坡交易所加權平均價格（該價格依新加坡交易所規定訂之）之百分之二十。其中關於訂價基準日，係本案向中華

民國證券商業同業公會報備承銷案之日，另星幣兌新台幣之匯率則以訂價基準日前一個營業日之臺灣銀行之收盤匯率為依據。

(2)本次存託憑證發行價格經與主辦承銷商協議後訂為新台幣12.15元。

(三)臺灣存託憑證持有人之權利義務

本次存託憑證持有人之權利義務，應依存託契約及中華民國相關法令辦理。存託契約主要約定事項如下：

1.存託憑證表決權行使：

(1)持有人不得自行、直接或個別行使存託股份所表彰之表決權。

(2)本公司應於召開股東會至少30日（通知日及開會日不算）前，將其股東會議之召集事由通知存託機構，由存託機構儘速通知持有人。如本公司未能於召開股東會至少30日（通知日及開會日不算）前，將股東會議之召集事由通知存託機構，以致存託機構於收到本公司通知後無足夠作業時間通知持有人，存託機構仍應出席股東會，但不得就存託股份行使表決權。

(3)存託機構於通知持有人本公司召開股東會時，應同時檢附投票指示書，由持有人在投票指示書上載明其贊成或反對待表決之議案。

(4)如存託機構於其訂定之截止日前已收到代表臺灣存託憑證已發行總數過半數持有人對同一議案為相同之指示（下稱「持有人指示」），存託機構、保管機構或其指定之人，應就存託股份所表彰之所有表決權出席股東會，如本公司股東會係以投票方式表決議案，則存託機構、保管機構或其指定之人就每一持有人持有臺灣存託憑證所表彰存託股份所賦予之表決權數，應依持有人分別寄交投票指示書所載之指示，就相關議案分別填寫投票單進行表決。有關持有人未寄交投票指示書部份之表決權數，存託機構、保管機構或其指定之人不得就相關議案填寫投票單。

(5)如存託機構未於其所訂定之截止日前收到代表臺灣存託憑證已發行總數過半數持有人對同一議案為相同之指示，則存託機構、保管機構或其指定之人應就存託股份所表彰之全部表決權數出具委託書予本公司之董事長或其指定之人，由本公司之董事長或其指定之人自行全權行使存託股份所表彰之所有表決權，但本公司有反對之表示或存託機構依其善良管理人之注意義務認為此授權將重大不利於持有人之利益時，存託機構毋需出席股東會，亦不得就存託股份行使表決權。

(6)如依相關法令，存託機構、保管機構或其指定之人不得就臺灣存託憑證所表彰之存託股份於相關股東會議中依本條規定行使表決權，本公司應

儘速通知存託機構該等情事。存託機構、保管機構或其指定之人毋需出席股東會亦不得在股東會議中依本條規定行使表決權。本公司及存託機構應儘速修改本條規定，使存託機構、保管機構或其指定之人能於其後之股東會議，以符合相關法令之方式，行使存託股份所表彰之表決權。

(7)存託機構應促使並確保保管機構或其指定之人，依本契約規定行使存託股份所表彰之表決權。

2.存託憑證之兌回及出售：

除法令另有規定，且已揭露於公開說明書外，持有人有權按存託契約第六條的規定及存託機構所指定的程序請求兌回臺灣存託憑證所表彰之存託股份，或於新加坡交易所出售該等存託股份。

3.股利之分派：

(1)現金之分派：

存託機構收到本公司就存託財產所分派之任何現金（包括現金股利／紅利及任何因本公司清算所得之金額）時，存託機構應立即依相關法令規定，依本契約第十一條規定將前述金額兌換成新台幣，並於扣除相關稅捐及費用後，將上述金額依持有人於存託機構訂定之基準日時持有臺灣存託憑證所表彰存託股份之比例分配予持有人，但因臺灣存託憑證之發行日期或轉讓或其他情事，致使持有人所持有臺灣存託憑證所表彰之存託股份無法依前述比例全額受配現金分派時，持有人所應得之現金分派應作相對調整。存託機構支付予持有人之任何現金分派應無條件捨去，計至新台幣元為止，任何支付後之餘額視為存託機構之自有財產。

(2)新股之分派：

存託機構於收到本公司無償配發新股時，得洽詢本公司，並於收到相關費用與稅捐後，依(1)中華民國法律規定及按持有人持有臺灣存託憑證所表彰存託股份之比例，透過帳簿劃撥配發臺灣存託憑證之方式增加持有人持有臺灣存託憑證之數額；或(2)調整每一單位臺灣存託憑證所表彰本公司股份之數額。如存託機構因任何原因無法依前述方式分派全部新股（包括但不限於為受配該等新股而需繳納稅捐或其他政府機關之費用，以及為支付存託機構依存託契約第十八條得向持有人收取之報酬及費用，而出售部分新股），存託機構得依存託契約第六條出售上述股份之一部分或全部，並將其餘之股份依前述之方式分派予持有人或將出售股份所得價款的餘款依存託契約第七條以現金分派予持有人。

(3)非以現金或股份所為之分派則依存託契約第九條規定辦理

4.認購新股或其他有價證券：

(1)本公司現金增資發行新股或其他有價證券，而存託機構、保管機構、或其指定之人就存託財產享有優先認購權且存託機構於事前接獲本公司之通知時，存託機構應儘速將此事項通知持有人，該通知並應載明持有人認購截止日、認購方式，及存託機構、保管機構或其指定之人得為持有人行使優先認購權之期限。存託機構並應採取下列任一步驟：

a.如存託機構認為持有人得依相關法令於本公司通知之期限內認購新股或有價證券，則應通知持有人，且於持有人交付新台幣認購價款及其他相關之費用與稅捐後，由存託機構、保管機構或其指定之人為持有人之利益認購新股或有價證券，並透過帳簿劃撥配發臺灣存託憑證之方式增加持有人持有臺灣存託憑證之數額；

b.如存託機構認為持有人無法依相關法令或於本公司通知之期限內行使認購權時（包括但不限於為行使該等權利而需繳納稅捐或費用），存託機構應盡力依相關法令出售該等權利之一部或全部，並將出售該等權利之價款依本契約第七條以現金分派予持有人；或

c.如存託機構依相關法令或實際上無法依前述1.或2.項所載方式行使認購權或處分該等權利，包括但不限於存託機構於接獲本公司通知後，無足夠時間通知持有人或本公司未提供相關法令所要求之許可文件，存託機構得不行使或處分該等新股認購權。

(2)存託機構於決定前述認購是否合法可行時，僅就其故意、重大過失或惡意，對持有人負責。

(四)臺灣存託憑證所表彰之有價證券之來源

本次存託憑證所表彰之有價證券一部份為本公司以現金增資發行之普通股新股，以125,000,000 股參與發行；另一部份本次存託憑證所表彰之有價證券為參與發行股東DB NOMINEES (S) PTE LTD、UOB KAY HIAN PTE LTD，擬提撥其所持有本公司已發行普通股125,000,000股參與發行。本公司非執行主席蔡長江已承諾，若參與發行股東未能如期將足額之出售股份存入本公司指定之保管銀行(新加坡大華銀行)，本公司非執行主席將以其所持有之本公司已發行普通股補足，以確保本次存託憑證所表彰之本公司普通股之來源。

(五)承銷方式及擬掛牌處所

1. 本次存託憑證將以部分詢價圈購及部分公開申購配售方式對外公開銷售。

2. 本次存託憑證擬在台灣證券交易所股份有限公司上市掛牌交易。

(六) 募集資金之用途及預計可能產生之效益

本公司以現金增資發行之普通股新股參與本次存託憑證發行所得款項總額為新台幣759,375仟元，其中新台幣625,440仟元將用於購買新廠所需生產設備，預計將能擴增本公司整體之營運規模及獲利。餘133,935仟元將用於償還銀行借款及充實營運資金，預計將能增進公司整體競爭力。

參與發行股東以持有之本公司普通股股份參與發行本次存託憑證方式籌措資金總額為新台幣759,375仟元，依股東性質為非於臺灣登記註冊之機構法人：DB NOMINEES (S) PTE LTD、UOB KAY HIAN PTE LTD，依其最終受益人指示進行個人理財活動，預計將所籌措資金用於基金管理之再投資，預計能增進轉投資之效益。

(七) 發行及存續期間相關費用之分攤方式

本次存託憑證之發行，無論是否發行完成，本次發行費用包括但不限於所有本公司或擔任銷售計畫之承銷機構、會計師、法律顧問及交易執行機構等所產生之報酬及費用，應由本公司及參與發行股東依其同意出售之普通股股數按比例分攤之；另本次存託憑證存續期間相關費用包括資訊揭露及其他支出，則由本公司依存託契約履行相關費用、稅捐及其他賠償責任之負擔。

(八) 募集期間及逾期未募足之處理方式

本次存託憑證經主管機關申報生效後，擬由證券承銷商承諾以包銷方式依據「中華民國證券商業同業公會證券商承銷或再行銷售有價證券處理辦法」之規定，並依該辦法所規定之承銷期間辦理募集相關事宜，計劃採取部分由證券承銷商自行認購，其餘以部分詢價圈購及部分公開申購配售之方式，由證券承銷商籌組承銷團以餘額包銷方式對外辦理公開銷售，故應無募集不足之情事。

(九) 其他經主管機關規定應記載之事項：無。

二、價格訂定方式

本次發行臺灣存託憑證每股發行價格為新台幣12.15元。承銷價格訂定方式請參見93~96頁。

三、資金運用計畫、預計進度及預計可能產生效益

(一)以現金增資發行之普通股新股參與本次存託憑證

1. 本計畫所需資金總額

本次資金運用計畫所需總額為新台幣625,440仟元，泰山科技集團擬以增資發行普通股125,000仟股參與發行62,500仟單位臺灣存託憑證，每一單位存託憑證表彰二股普通股，每單位發行價格訂為新台幣12.15元，預計募集總額新台幣759,375仟元，100%兌成美元匯回該集團予以支應；餘133,935仟元將做為償還銀行借款及充實營運資金之用。

2. 資金來源

將以募集與發行臺灣存託憑證支應。本次發行臺灣存託憑證每股發行價格為新台幣12.15元。

3. 計畫項目、運用進度及預計可能產生效益

(1)資金運用計畫項目、預計進度

a.本次募集發行台灣存託憑證之資金新台幣625,440仟元，將用於購置新廠所需機器設備：

單位：新台幣仟元

計畫項目	預定完成日期	所需資金總額	2010 年	2011 年		
			第四季	第一季	第二季	第三季
購置機器設備	2011.9.30	625,440	187,632	187,632	187,632	62,544
合 計		625,440	187,632	187,632	187,632	62,544

資料來源：該集團提供

該集團鑑於市場規模持續成長，業務規模持續擴大，但目前產能利用率已接近滿載，如欲再增加接單，則必需擴大產能，因此擬興建廠房並購入機器設備，以擴充產能。

該集團因過去建廠之歷史沿革，係因應訂單增加與產能需要逐步增建，因此廠區各建物樓層不一，且動線規劃也無法直線進行，因此增加運輸及管理之困難。因應其目前主要客戶與國際級新客戶之需求，該集團擬於晉江市東石鎮東石工業園區新建二廠，主要生產與倉儲區域規劃為一層樓，且生產動線規劃以直線進行，以利運輸及管理之便。

該集團已於2010年7月26日與晉江市東石鎮人民政府簽定『新廠區擴建用地框架協議書』，確定新廠廠址，其總佔地為250畝(約為166,750平方米)，總地價人民幣6,250萬元整，並於2010年7月30日支付30%款項(約人民幣1,875萬元)作為定金，預計於2010年第四季獲發土地證後支付其餘70%款

項。

該集團並已洽詢相關專業機構進行廠區規劃設計，依照該集團過去興建廠房之經驗，依規劃進行土木工程及廠房結構之建置，將自2010年第四季開始動工，另將配合工程進度安裝水電消防系統等，預計於2011年完工，並將以自有資金按工程進度支付工程款，預計興建50,000平方米之生產廠房、3,000平方米之辦公樓、8,000平方米之宿舍與2,000平方米之污水處理場。

泰山科技集團本次申報發行臺灣存託憑證，預計於2010年8月上旬向交易所提交申報書件，預計經過主管機關審核及台灣存託憑證公開承銷至投資人繳款程序完成約需二個月時間，因此本計畫預計於2010年第四季資金到位後，用於支付新廠所需之機器設備購置。該集團根據以往購置機器設備之經驗，並評估過去主要生產設備供應商之實績，本次增設生產設備主要將自台灣進口，且多向合作多年之生產設備供應商取得，生產設備之性能、品質及交貨期較容易控制。該集團目前已陸續進行所需設備之報價，預計於2010年底至2011年第三季陸續完成設備之訂購、安裝、試車、驗收及付款作業，2011年第四季第一階段擴廠完成並正式量產。

b.餘133,935仟元將做為償還銀行借款及充實營運資金之用。

(2)預計可能產生效益概要

a.擴建新廠：該集團本次興建新廠，預估新廠可增加之產量、銷量、銷值、毛利及營業淨利如下表，預計回收年限約3.56年，顯示該案之投資回收風險應尚屬合理可接受範圍：

單位：噸；新台幣仟元

年度	產量	銷售量	銷售值	銷貨毛利	營業淨利
2010 年	0	0	0	0	(3,183)
2011 年	451	451	163,839	19,311	(1,238)
2012 年	3,760	3,760	1,365,895	301,336	192,060
2013 年	8,692	8,692	3,157,558	863,822	603,360
合計	12,903	12,903	4,687,292	1,184,469	790,999

資料來源：該集團提供

b.償還銀行貸款及充實營運資金：償還銀行貸款預計每年可減少擬還款金額之5.31%利息支出，另充實營運資金可提升該集團之整體營運效率及競爭力。

(二)參與發行股東以持有之本公司普通股股份參與發行本次存託憑證

將全數作為參與發行股東DB NOMINEES (S) PTE LTD、UOB KAY HIAN PTE LTD之理財資金需求，故不適用。

四、其約定事項：無。

肆、財務概況

一、最近五年度簡明財務資料

(一)簡明資產負債表

單位：人民幣仟元

項目 \ 年度	最近五年度財務資料					
	2005 年	2006年	2007年	2008年	2009年	2010年 第二季
流動資產	91,928	204,952	382,208	817,252	721,356	862,433
固定資產	36,108	29,745	143,880	206,418	290,310	280,866
無形資產	120	118	116	114	111	110
其他資產	—	—	—	—	10,000	20,000
資產總額	128,156	234,815	526,204	1,023,784	1,021,777	1,163,409
流動負債	43,199	112,458	220,772	259,968	226,906	239,950
非流動負債	—	—	50,382	—	—	—
負債總額	43,199	112,458	271,154	259,968	226,906	239,950
股本	80,998	80,998	80,998	337,799	337,799	390,017
合併準備	11,491	11,491	11,491	11,491	11,491	11,491
法定盈餘公積	11,734	17,054	44,207	74,655	80,243	80,243
保留盈餘	(19,266)	12,814	118,354	339,871	356,338	441,708
股東權益總額	84,957	122,357	255,050	763,816	785,871	923,459

資料來源：2005~2009 年度經原上市國會計師查核簽證之合併財務報告及 2010 年第二季自結報表

(二)簡明合併損益表

單位：人民幣仟元；分

項目/年度	2005 年	2006年	2007年	2008年	2009年	2010年 第二季
營業收入	112,475	222,084	810,868	1,180,143	832,641	605,259
營業成本	87,858	167,477	557,196	803,497	670,974	451,917
營業毛利	24,617	54,607	253,672	376,646	161,667	153,342
其他收入	87	117	1,923	2,131	2,006	1,701
配銷成本	336	332	350	1,704	2,159	827
管理費用	2,490	2,572	3,098	11,190	11,714	6,977
其他營業費用	1,540	132	43	19,581	2,329	39
財務成本	1,070	1,167	2,458	3,175	2,691	1,205
稅前純益	19,268	50,521	249,646	343,127	144,780	145,995
稅後純益	14,203	37,400	182,693	251,965	106,679	109,418
每股盈餘(分)	2.02	5.31	25.92	30.28	11.50	11.11

資料來源：2005~2009 年度經原上市國會計師查核簽證之合併財務報告及 2010 年第二季自結報表

二、財務報表

(一)2008 年：詳附錄一

(二)2009 年：詳附錄二

三、財務狀況之檢討分析

(一)流動性情形

在管理流動性風險方面，本集團之管理階層監控並維持營運所需之現金及約當現金在適當水準，以降低現金需求產生巨大變動之可能性，本集團目前正值營運擴展期，目前資金來源係考量營運計畫進度之需求，初期以籌資計畫為主，未來基於資金運用之持續性及靈活性，而採行之資金來源管道應以營運周轉金搭配銀行借款支應。

(二)最近三年度現金流量分析

單位：人民幣仟元

項目	2007 年度	2008 年度	2009 年度
期初現金	31,254	89,399	364,111
營業活動現金流量	103,119	205,047	215,860
投資活動現金流量	(16)	(191,461)	(32,512)
融資活動現金流量	(44,958)	261,126	(127,695)
期末現金	89,399	364,111	419,764

說明：

- 1.2007 年：主要係由於該年度本集團轉型，由生產普通布料轉而以生產多功能布料，成為運動及休閒服飾之布料製造商，因利潤增加致營業活動淨現金流入人民幣 103,119 仟元。又支付股利人民幣 50,000 仟元，造成融資活動淨現金流出人民幣 44,958 仟元，使得期末現金餘額為人民幣 89,399 仟元。
- 2.2008 年：總計該年度本集團來自營業活動、投資活動及融資活動之淨現金計增加人民幣 274,712 仟元。其中營業活動因利潤增加產生淨現金流入人民幣 205,047 仟元；投資活動淨現金流出人民幣 191,461 仟元，主要係購買廠房及設備等計人民幣 79,915 仟元，及購買廠房、設備所支付之保證金人民幣 112,247 仟元；而融資活動淨現金流入人民幣 261,126 仟元，主係因該年度於新加坡證券交易所首次公開發行，發行新股取得人民幣 256,801 仟元所致。
- 3.2009 年：除營業活動產生因利潤增加產生淨現金流入人民幣 215,860 仟元外，投資活動及融資活動皆呈淨現金流出，其中投資活動因購買廠房及設備支出人民幣 32,569 仟元，致投資活動淨現金流出人民幣 32,512 仟元；而融資活動主係因償還銀行借款及關係人借款、並支付股利等，使得融資活動淨現金流出人民幣 127,695 仟元，然總計 2009 年止本集團之淨現金計增加人民幣 55,653 仟元，期末現金餘額為人民幣 419,764 仟元。

(三)影響資金流動之限制規定：無。

(四)最近期財務報表之借款明細

2009年12月31日 單位：人民幣仟元

性質	利率	借款餘額	擔保	限制條款
有擔保銀行借款	5.43%	13,000	以其所租賃之建築物及土地之使用權作為質押	無
有擔保銀行借款		32,000	由非執行董事之親屬所持有之公司提供擔保	無
合計	-	45,000	-	

註：截至公開說明書刊印日止借款餘額為人民幣45,000仟元。

本集團之銀行借款係以人民幣計價，銀行借款之有效年利率為5.43%，所有銀行借款預計於本會計年度結束日後一年內償付。

(五)如違反借款合同將影響公司未來財務狀況或營運之條款及其因應措施

截至公開說明書刊印日止，本集團並無違反借款合同之情事，本集團未來將配合營運計畫之發展，彈性運用適度之籌資計畫，使財務面保持足夠營運資金，以確保本集團財務體質之健全。

(六)財務避險操作：無。

(七)重大資本支出承諾：

- 1.本集團2007~2009年度購買不動產、廠房及設備之資本支出金額分別為人民幣78,269仟元、人民幣130,805仟元及人民幣12,184仟元，上述資本支出之契約金額未表達於合併財務報表中。
- 2.連捷與武漢紡織大學(原武漢科技學院)簽訂研究發展合作契約，約定自2010年起5年內需發表25項研究發展產品，研究發展費共計為人民幣20,000仟元；連捷業已於2009年12月首次支付人民幣10,000仟元予該學術機構，餘款人民幣10,000仟元承諾將於2010年支付。
- 3.截至2009年12月31日止，本集團為租賃新加坡辦公室而承諾於未來一年內應支付之租金為人民幣130仟元，二至五年內應支付之租金為人民幣119仟元。

四、經營結果之檢討分析

(一)最近三年度營業收入變化說明

單位：人民幣仟元

項目	2007 年度		2008 年度		2009 年度	
	金額	%	金額	%	金額	%
多功能布料	756,545	93.30	1,135,454	96.21	795,256	95.51
普通布料	2,180	0.27	1,729	0.15	0	0.00
加工收入	52,143	6.43	42,960	3.64	37,385	4.49
營業收入合計	810,868	100.00	1,180,143	100.00	832,641	100.00

註：加工收入係由客戶提供坯布，委由本集團進行印染加工及後整理加工等服務所產生之營業收入。

本集團為中國大陸具有領先地位的運動及休閒服飾布料製造廠商，集團之主要產品為功能布料及普通布料，同時也提供服裝和布料製造商布料加工之服務。

本集團過去以生產普通布料為主，自 2006 年下半年度起轉型改以生產多功能布料為主，成為運動及休閒服飾之布料製造商。多功能布料每噸平均售價由 2006 年度之人民幣 68.2 仟元上漲至 2007 年度之人民幣 74 仟元，而普通布料每噸平均售價由 2006 年度之人民幣 35.3 仟元下降至 2007 年度之人民幣 34 仟元，可知多功能布料每噸平均售價約為普通布料每噸平均售價之一倍以上，因此成為運動及休閒服飾之布料製造商後，生產多功能布料使本集團 2007 年度營業收入較 2006 年度增加人民幣 588,784 仟元，年成長率 265.12%；2008 年度營業收入較 2007 年度成長 45.54%，主要受惠 2008 年度中國大陸舉辦北京奧運，使得運動及休閒服市場需求增加，下游客戶提早備貨所致；而 2009 年度營業收入較 2008 年度減少 29.45%，主係因下游客戶為消化 2008 年北京奧運過剩庫存，致減少訂單量，再加上 2008 年下半年金融海嘯影響市場需求，故使本集團 2009 年前三季接單狀況不如預期，是以 2009 年度營業收入較 2008 年度減少人民幣 347,502 仟元，惟與 2007 年度維持相當。

(二)最近三年度損益變化說明

單位：人民幣仟元

項目/年度	2007年度	2008年度	2009年度
營業收入	810,868	1,180,143	832,641
營業成本	557,196	803,497	670,974
營業毛利	253,672	376,646	161,667
其他收入	1,923	2,131	2,006
配銷成本	350	1,704	2,159
管理費用	3,098	11,190	11,714
其他營業費用	43	19,581	2,329
財務成本	2,458	3,175	2,691
稅前純益	249,646	343,127	144,780
稅後純益	182,693	251,965	106,679
每股盈餘(分)	25.92	30.28	11.50

2007 年度營業收入人民幣 810,868 仟元，主係因本集團轉型，由生產普通布料轉而生產高單價及高毛利之多功能布料，成為運動及休閒服飾之布料製造商，使得稅前純益及稅後純益分別為人民幣 249,646 仟元及人民幣 182,693 仟元，年成長率分別為 394.14%及 388.48%；2008 年度營業收入人民幣 1,180,143 仟元較 2007 年度成長 45.54%，營業成本及相關費用控管得宜，又本集團為因應上市地及股利支付需求，除人民幣外，尚持有其他貨幣，如新加坡幣及美金等。然因持有其他貨幣，在人民幣升值下，產生兌換損失及認列於合併損益表之上市費用增加，使得稅前純益及稅後純益仍分別為人民幣 343,127 仟元及人民幣 251,965 仟元，年成長率分別為 37.45%及 37.92%；而 2009 年度受到下游客戶消化北京奧運過剩庫存及全球金融海嘯，訂單減少之影響，使得產能利用率下降，因此本集團利用產能空檔進行設備維修，造成營運成本增加，又本集團為提升業績，提高產能利用率，採取降價策略，且主動爭

取毛利率較低之訂單，加上無大型運動賽事，市場對運動服飾需求降低，因此 2009 年度營業收入人民幣 832,641 仟元較 2008 年度減少 29.45%，使得 2009 年度稅前純益為及稅後純益分別為人民幣 144,780 仟元及人民幣 106,679 仟元，年成長率分別為 (57.81)%及(57.66)%。

(三)匯率變動情形

本集團主要係由子公司晉江連捷從事生產，主要營業活動之收支均以人民幣計價，故財務報表貨幣單位為人民幣。集團現金存款為因應上市地及股利支付需求，除人民幣外，尚有其他貨幣，如新加坡幣及美金等。另購置新廠房與機器設備之保證金則以美元計價。因此，除上述原因外，本集團主要營業活動不存在重大匯率變動風險，且未從事衍生性金融商品交易。然本集團目前以平衡境外存款與支出所需為主要政策，在必要時，將對未來外匯匯率波動風險進行避險動作。

五、其他重要事項：無

伍、公司治理情形及其他必要補充說明

一、公司治理情形

(一)董事會運作情形

本公司董事會由三名執行董事、一名非執行主席及三名獨立董事所組成，且為協助董事會運作，本公司尚設置審計委員會、薪酬委員會及提名委員會等。本公司一年至少召開四次董事會，會中將邀請管理團隊列席以提供最即時之營運資訊，而相關交易如重組、併購、重大投資、具重大性之資產取得或處分、公司重要營運策略、每季營運報表揭露、利益關係人交易及股利發放情形等，皆需取得董事會授權後執行。茲列示本公司自 2009 年 1 月 1 日起 5 次董事會之董事出席情形如下：

職稱	姓名	董事會 召開次數	董事出席 次數	出席率
非執行主席	蔡長江 Choi Cheung Kong	5	5	100.00%
執行總裁 暨執行董事	林文章 Lin Wen Chang	5	5	100.00%
執行董事	林永祥 Lin Yung Hsiang	5	3	60.00%
執行董事	楊順福 Yang Shun Fu	5	5	100.00%
獨立董事	曾兆科 Tsang Siu For Thomas	5	5	100.00%
獨立董事	伍榮偉 Ng Weng Wei	5	5	100.00%
獨立董事	傅小斌 Dr. Fu Xiao Bin	5	5	100.00%

(二)審計委員會運作情形或監察人參與董事會運作情形

本公司審計委員會由三名獨立董事所組成，其中曾兆科董事為主席。茲列示本公司自 2009 年 1 月 1 日起 5 次審計委員會之出席情形如下：

職稱	姓名	董事會 召開次數	董事出席 次數	出席率
非執行主席	蔡長江 Choi Cheung Kong	5	5(註1)	—
執行總裁 暨執行董事	林文章 Lin Wen Chang	5	5(註1)	—
執行董事	林永祥 Lin Yung Hsiang	5	3(註1)	—
執行董事	楊順福 Yang Shun Fu	5	5(註1)	—
獨立董事	曾兆科 Tsang Siu For Thomas	5	5	100.00%
獨立董事	伍榮偉 Ng Weng Wei	5	5	100.00%
獨立董事	傅小斌 Dr. Fu Xiao Bin	5	5	100.00%

註 1：係應邀出席

(三)薪酬委員會組成、職責及運作情形

本公司薪酬委員會由獨立董事伍榮偉、傅小斌及非執行主席蔡長江所組成，其中伍榮偉董事為主席。薪酬委員會主要功能係審核董事及重要經理人之薪酬；茲列示本公司自 2009 年 1 月 1 日起 2 次薪酬委員會之出席情形如下：

職稱	姓名	董事會召開次數	董事出席次數	出席率
非執行主席	蔡長江 Choi Cheung Kong	2	2	100.00%
執行總裁 暨執行董事	林文章 Lin Wen Chang	2	2(註1)	—
執行董事	林永祥 Lin Yung Hsiang	2	2(註1)	—
執行董事	楊順福 Yang Shun Fu	2	2(註1)	—
獨立董事	曾兆科 Tsang Siu For Thomas	2	2(註1)	—
獨立董事	伍榮偉 Ng Weng Wei	2	2	100.00%
獨立董事	傅小斌 Dr. Fu Xiao Bin	2	2	100.00%

註 1：係應邀出席

(四)提名委員會組成、職責及運作情形

本公司提名委員會由獨立董事傅小斌、曾兆科及非執行主席蔡長江所組成，其中傅小斌董事為主席。提名委員會主要功能係負責新的執行董事及非執行主席之提名、定期檢視董事會結構、評估董事會成員之任職條件與資格以及評估董事會運作情形及各成員之貢獻等。茲列示本公司自 2009 年 1 月 1 日起 2 次提名委員會之出席情形如下：

職稱	姓名	董事會召開次數	董事出席次數	出席率
非執行主席	蔡長江 Choi Cheung Kong	2	2	100.00%
執行總裁 暨執行董事	林文章 Lin Wen Chang	2	2(註1)	—
執行董事	林永祥 Lin Yung Hsiang	2	2(註1)	—
執行董事	楊順福 Yang Shun Fu	2	2(註1)	—
獨立董事	曾兆科 Tsang Siu For Thomas	2	2	100.00%
獨立董事	伍榮偉 Ng Weng Wei	2	2(註1)	—
獨立董事	傅小斌 Dr. Fu Xiao Bin	2	2	100.00%

註 1：係應邀出席

(五)履行社會責任情形

1.綠色環保

為祈使減緩地球生態環境之危害，本公司配合努力之方向如下：

(1)遵守環保及相關法規與要求。

(2)配合政府宣導，持續工業減廢，加蓋新型環保鍋爐，響應節能減碳。

2.提供當地晉江市東石鎮錦青小學贊助經費。

(六)公司如有訂定公司治理守則及相關規章者，應揭露其查詢方式

本公司主要係依循 2005 年新加坡公司治理委員會(Corporate Governance Committee)新頒布之公司治理守則(Code of Corporate Governance)落實公司治理，相關執行情形及應揭露事項，均按新加坡交易所上市規則(SGX-ST's Listing Rules)及新加坡公司法(Singapore Companies Act Cap. 50)之相關規定，持續經由下列方式向外界揭露：

- 寄送予所有股東之年報
- 每季財務報表及相關營運分析
- 股東常會及股東臨時會通知及相關議事手冊
- 召開記者說明會或經由媒體宣達重大事項
- 公告於新加坡交易所 SGX-ST 網站
- 公告於本公司 <http://www.china-taisan.com> 網站

(七)最近年度及截至公開說明書刊印日止，與財務報告有關人士（包括董事長、總經理、會計主管及內部稽核主管等）辭職解任情形之彙總

本公司最近年度及截至公開說明書刊印日止，並無與財務報告有關人士辭職解任之情形。

(八)其他足以增進對公司治理運作情形之瞭解的重要資訊

1.內部稽核：

本公司將內部稽核功能委外予RSM Nelson Wheeler(簡稱RSM)進行，RSM將針對本公司各內控循環之程序及執行情形進行覆核及稽查，並直接對本公司審計委員會報告。而本公司審計委員會亦將對內控查核程序、查核範圍及查核結果進行審查，並判斷公司是否具備足夠之內部稽核機制。

2.股東常會

本公司鼓勵所有股東參與股東會，使董事有機會面對面與股東進行直接交流。股東會開會通知及議事手冊最晚將於開會前14日寄出，股東的任何問題或提議，均可於開會前或開會當日以正式或非正式之管道提供至本公司，而開會當日，本公司審計委員會、薪酬委員會及提名委員會之主席暨本公司委任之審計會計師皆會列席答覆股東之相關疑義。

3.內部人股票交易

本公司內部人不得於前三季季報公告前二週及年度財務報表公告前一個月買賣本公司股票，此外，內部人應在任何時間點都必需遵守內線交易之相關法規，即使是在許可之交易期間也不例外。

4. 重大合約

除本公司與執行董事簽訂之聘僱合約外，截至2009年12月31日止，本公司及所屬子公司並未簽訂任何涉及董事或大股東利益相關之重大合約。

5. 利益關係人交易(Interested Person Transaction)

本公司業已針對利益關係人交易程序制定相關內部規章，以確保相關交易可及時送達審計委員會並評估其是否按正常商業條件往來，以避免損害本公司及股東之權益。另本公司審計委員會亦將每季針對相關利益關係人交易進行審核，以確保本公司切實遵循新加坡交易所上市手冊第九篇有關利益關係人交易之相關規定。

二、其他必要補充說明：無。

陸、承銷商總結意見

中國泰山科技集團控股有限公司(以下簡稱「該集團」或「泰山科技集團」)本次辦理參與發行臺灣存託憑證125,000仟單位，每一單位臺灣存託憑證表彰泰山科技集團普通股二股，總募集金額預計約為新台幣壹拾貳億伍仟萬元整，依法向行政院金融監督管理委員會提出申報。業經本承銷商採用必要之輔導及評估程序，包括了解泰山科技集團之營運狀況，與公司董事、經理人、及其他相關人員舉行會議，蒐集、整理、查證及比較分析相關資料等，予以審慎評估。特依行政院金融監督管理委員會「外國發行人募集與發行有價證券處理準則」及中華民國證券商業同業公會「外國發行人募集與發行有價證券承銷商評估報告應行記載事項要點」及「外國發行人募集與發行有價證券承銷商評估報告之評估查核程序」規定，出具本承銷商總結意見。

依本承銷商之意見，泰山科技集團本次辦理參與發行臺灣存託憑證符合「外國發行人募集與發行有價證券處理準則」及相關法令之規定，此外，該集團此次參與發行臺灣存託憑證部分所表彰之該集團普通股新股125,000,000 股，其發行計畫具可行性及必要性，其資金用途、進度及預計可能產生效益亦具合理性；部分所表彰之該集團已發行普通股125,000,000 股係由該集團股東DB NOMINEES (S) PTE LTD、UOB KAY HIAN PTE LTD 所提撥，其發行計畫具有可行性。

寶來證券股份有限公司

負責人：黃古彬

承銷部門主管：王永順

中 華 民 國 九 十 九 年 八 月 五 日

柒、律師法律意見書

外國發行人 China Taisan Technology Group Holdings Limited 本次為募集與發行總金額約新台幣 1,250,000,000 元，125,000,000 單位之臺灣存託憑證（表彰 China Taisan Technology Group Holdings Limited 本次增資發行之 125,000,000 普通股以及股東擬出售其持有之 China Taisan Technology Group Holdings Limited 已發行 125,000,000 普通股），向行政院金融監督管理委員會提出申報。經本律師採取必要審核程序，特依「外國發行人募集與發行有價證券處理準則」（下稱「處理準則」）規定，出具本律師法律意見書。

依據 China Taisan Technology Group Holdings Limited 新加坡律師 Wong Tan & Molly Lim LLC 律師事務所於 2010 年 8 月 4 日出具之法律意見、中國大陸律師廣東恒益律師事務所於 2010 年 8 月 4 日出具之法律意見書以及 China Taisan Technology Group Holdings Limited 於 2010 年 8 月 4 日出具之聲明書，依本律師意見，外國發行人 China Taisan Technology Group Holdings Limited 本次向行政院金融監督管理委員會提出之法律事項檢查表所載事項，並未發現有違反上開法令致影響有價證券募集與發行之情事。

本所依據法令及相關律師專業規範僅得就中華民國法律提供意見及法律服務，故於本案中有涉及外國法令或管轄之情形時，均善意依賴外國律師之法律意見及判斷，並謹本於一般常理及實務經驗與外國律師進行討論及溝通，此亦與一般國際通行資本市場法律實務並行不悖，合先敘明。故本所於出具本律師法律意見書及 China Taisan Technology Group Holdings

Limited 法律事項檢查表前，除審閱外國律師各自提供之法律查核意見外，並與進行查核之中國大陸律師廣東恒益律師事務所進行一次會議面談及數次電話討論以了解外國發行人大陸境內子公司在該國的相關法律事務狀況，並就常理判斷及實務經驗與相關外國律師進行討論及溝通。此外，本所亦查閱中國大陸律師提供之相關官方文件影本，例如福建省晉江市之勞動主管機關於 2010 年 7 月 19 日就外國發行人大陸境內子公司出具之勞動守法情況證明，以及福建省泉州市之環境保護主管機關於 2010 年 7 月 19 日就外國發行人大陸境內子公司出具之環境守法情況證明，以確認該大陸律師就該等事項出具之相關法律意見並無重大不實之情形，謹此說明。

此 致

China Taisan Technology Group Holdings Limited

眾達國際法律事務所

黃日燦律師（簽名或蓋章）

中華民國 99 年 8 月 4 日

捌、保管契約及存託契約之主要內容

一、保管契約(中譯)

本契約於西元二〇〇〇年三月十日，由主營業所設於中華民國台灣省台北市吉林路 100 號 11F 之兆豐國際商業銀行信託部〈下稱「存託機構」〉；與

主營業所設於 80 Raffles Place, UOB Plaza, Singapore 048624 之新加坡大華銀行〈下稱「保管機構」〉共同簽訂。

緣存託機構擬在保管機構開立一保管帳戶，委請保管機構持有並保管台灣存託憑證所表彰之一家或一家以上發行公司〈下稱「發行公司」〉之現金及股票；及

保管機構同意依本契約之規定為存託機構開立保管帳戶，為存託機構持有並保管發行公司之現金及股票；及

本存託契約應規範與附件一所載股票有關保管機構及存託機構應有之義務及責任。

雙方茲同意下列條款：

一、定義

本契約所載名詞之定義如下：

契約：指本保管契約。

保管帳戶：由新加坡大華銀行為兆豐國際商業銀行開立，並為存託憑證持有人之利益，而持有現金及股票。

發行公司：指保管機構同意為其擔任保管機構之任何公司發行之一種或一種以上之有價證券。

存託憑證：表彰股票權利之存託憑證。

股票：指存託機構授權保管機構保管之一家或一家以上發行公司之任何種類股票，其明細詳載於附件一。附件一應記載發行公司名稱、股數及股票種類，並得由存託機構及保管機構合意後隨時修正，修正之附件一仍應視為本契約之附件。存託機構瞭解所有股票應已付清全額股款，無質借情形，且能在當地有價證券市場有效交付。

書面通知：指傳真、加押電報、SWIFT或雙方同意之任何通訊方式。

二、保管帳戶

存託機構茲授權保管機構開立現金及有價證券帳戶。保管機構同意依本契約條款規定將股票存入存託機構之帳戶。

保管機構同意本保管帳戶只能由存託機構為存託憑證持有人之利益所使用。保管帳戶內之資產，無論有價證券或現金，應獨立於保管機構自有資產，並由保管機構分開設帳，不應被視為保管機構之資產。

三、存託憑證發行或再發行時之股票存入

為存託憑證發行或再發行向保管銀行交付股票時，應同時提供存託憑證發行後在台北所要收受者之名稱及地址，以及存託憑證過戶名稱。

四、通知存託機構發行或再發行存託憑證

保管機構收到存入之股票後應立即以書面通知（下稱「存入通知」）送達存託機構，並請求發行或再發行存託憑證。前揭通知應包含存入人姓名、本契約第三條規定之資訊、存入編號以及其他相關資訊。在收到存入通知後，存託機構應發行或再發行存託憑證，並將表彰股票權利之存託憑證交付存入通知上指定之人。股票依存託機構之指示，由保管機構為存託機構持有。保管機構將股票之存入通知存託機構後，無需過問存入人之利益。

經雙方合意後，存入通知應為每一種股票依順序編號（下稱「存入編號」），存入編號應能明顯辨別每一公司之股票。

五、存託憑證兌回時之股票釋出

遇有存託憑證兌回情事，存託機構應立即通知保管銀行釋出並交付股票。保管機構交付股票時，應以存託機構指示為之。

存託機構應以書面通知（下稱「釋出通知」）送達保管機構，釋出通知內容應包含股數、發行公司、請求兌回者名稱、收受股票者名稱、釋出編號及其他相關資訊。存託機構使用之釋出編號係為每一種股票依順序編號，且釋出編號應能明顯辨別每一公司之股票。在保管機構交付股票後，保管機構應書面通知存託機構。若保管機構無法完成該項交付，應書面通知存託機構，存託機構會提供保管機構適當指示。

六、每月對帳

保管機構得於最後一個營業日以書面通知方式，將每一家公司之每一種股票股數、保管機構收到之最後一個存入編號及釋出編號通知存託銀行。保管機構得每月提供股票異動明細予存託機構。若有任何歧異，存託機構得確認正確餘額，否則得告知保管機構並請其提供進一步資訊。

七、公告

- (i) 在收到發行公司提供有關股東大會或董事會建議之現金股利、股票股利、現金認股、其他分配、除權日及發放日等資訊後，保管機構得在確認後儘速以書面通知存託機構。

保管銀行在被告知上述日期後，應儘速以書面通知存託機構，俾能讓存託銀行訂定存託憑證基準日。

- (ii) 因股東大會決議而影響股東權益之事項，保管機構得以書面通知存託機構，而保管機構則應依存託機構之指示為之。

- (iii) 在股利除權日當天，保管銀行得以書面通知保管銀行，包括保管機構收到之最後一個存入編號及釋出編號。

八、現金股利

保管機構應代為領取所有現金股利及其他現金分配。在扣除稅款或政府收取之費用後，保管機構應最遲在收到隔天，以存入存託機構設於保管機構帳戶方式，將淨額支付存託機構，並將淨額、毛額及稅款等資訊以書面通知存託機構。

存託機構得提供匯款指令及匯款帳號等資料。

九、扣繳稅款

依據相關法令規定，保管機構得為支付存託機構帳戶之股利申請退稅，若有需要，存託機構同意提供相關資訊予保管機構。

十、投票權

發行公司得提供股東大會通知、年報及其他由發行公司寄給股東之報告或通知予保管機構，保管機構應將上述資料轉交存託機構。保管機構在收到行使投票權之指示後，保管機構應依當地之規定代為行使投票權。若未收到存託機構之指示，保管機構不得行使投票權。

保管機構收到有關行使投票權之指令，若有違反當地法令或有所危害之處，存託機構瞭解保管機構得不依指示投票，惟應儘速通知存託機構。在上述情況中，保管機構應被解除其行使投票權之責，但應盡力協助存託機構安排其他行使投票權方式。

十一、現金增資認股

若有現金增資認股或其他認股權，保管機構應儘速通知存託機構，並等候存託機構之指示，惟保管機構應依法規及市場實務執行指令。

十二、保管費用

存託機構在收到股票異動表後，按季將保管費支付予保管機構，保管費則依雙方同意之費率計算。

十三、注意義務

保管機構應履行本契約所載之義務，及存託機構依本契約規定所寄達書面通知上所載之義務。在不損害前述義務前提下，只要保管機構已善盡與專業保管機構相當之合理及適當之善良管理人職責，其即無須為因依照指示、通知或任何來自於存託機構且被合理認為應屬真實之文件所生之損害負責，亦無須對為遵守政府要求、稅務機關或其他主管機關之要求或規定所為之作為或不作為負責。保管機構對遭變造、偽造或毀損之股票，應依其內部標準程序處理之。

十四、生效日

本契約應自存託機構存入第一筆股票且存託機構收到保管機構之存入通知後生效。

十五、 修改

本契約之修改，得以書面文件或書面通知方式為之並經雙方簽署後始生效。

十六、 契約之終止

本契約得隨時由任意一方以書面通知他方終止。惟契約之終止並不因之解除雙方在契約終止日前已生之責任。契約終止後，在不損害本契約所載權利前提下，保管機構應將股票交付存託機構或存託機構指定之機構或個人。

十七、 損害賠償

因保管機構之過失或蓄意之不當行為所造成之任何損失、責任及費用，保管機構應負損害賠償之責，保管機構支付之賠償金額應以損失、責任及費用發生日為計算基準日，並以新台幣計算並加計自發生日迄付款日止之利息（以存託機構三個月期定存利率計算，該利率應與損失發生時期之市場利率相當）。不論損失、責任、費用或應計利息發生後，匯率及股價是否有所變動，前述台幣金額皆應以台幣支付。無論如何保管機構之責任僅限於於其有過失或蓄意之不當行為。

保管機構因依照存託機構之指示或履行契約中所載之責任或行使權利而生之任何費用、損失或責任，存託機構應負賠償之責。

十八、 準據法

本契約以新加坡法律為準據法，有關本契約產生之糾紛應以新加坡法院為管轄法院。

二、存託契約

本契約係於西元 2010 年 月 日，由

- (1) China Taisan Technology Group Holdings Limited，係依新加坡法律組織設立，主要營業地點及總辦事處地址為 80 Robinson Road #17-02 Singapore 068898 (以下稱「發行公司」)與
- (2) 兆豐國際商業銀行，係依中華民國法律組織設立，其信託部營業所位於中華民國台北市吉林路100號11樓（以下稱「存託機構」，包括發行公司依本契約所指定之其他繼任存託機構）共同簽訂。

按發行公司為股票於新加坡證券交易所上市交易之有限公司，股份代號為F2X。

按發行公司擬參與發行表彰發行公司普通股之臺灣存託憑證，首次存託將由發行公司及其股東以發行公司普通股，作為台灣存託憑證所表彰之原有價證券；台灣存託憑證並得表彰嗣後發行公司或其股東依本契約存託與存託機構之發行公司普通股。

按存託機構同意依本契約與中華民國外國發行人募集與發行有價證券處理準則及其相關規定發行臺灣存託憑證。

按發行公司董事會業已核可發行公司訂立本契約並依本契約參與發行臺灣存託憑證，發行公司並已就其參與發行臺灣存託憑證取得中華民國及新加坡相關法令所需之許可及核准。發行公司首次參與發行 125,000仟 單位臺灣存託憑證，每一單位臺灣存託憑證表彰發行公司普通股 2 股，每一單位臺灣存託憑證發行金額暫訂為新台幣10元，臺灣存託憑證發行總金額暫訂為新台幣1,250,000仟元。爰發行公司與存託機構同意訂定條款如下：

第一條：名詞定義

(一) 除本契約中另有定義外，下列各名詞用語之意義如下：

1. 「臺灣集保公司」應指臺灣集中保管結算所股份有限公司。
2. 「證券存摺」應指持有人向中華民國合格證券商申請開設集中保管帳戶，而由該證券商發給證明臺灣集保公司集中保管持有人所持有臺灣存託憑證數額之證券存摺。

3. 「保管機構」應指位於新加坡之大華銀行，或存託機構另行指定之其他繼任保管存託財產之銀行，且指定繼任保管機構之通知已合法送達持有人。
4. 「保管契約」應指存託機構就存託財產之保管與保管機構所簽訂之保管契約(其格式及內容詳見附件三)及嗣後依保管契約所為之修正。
5. 「存託財產」應指存託機構、保管機構或其指定之人依本契約持有之存託股份及其所表彰或得享有之所有或任何財產及現金與其他權利。
6. 「存託股份」應指依本契約發行之臺灣存託憑證所表彰且登記在存託機構、保管機構或其指定之人名義下之發行公司股份。
7. 「持有人」應指登記在臺灣存託憑證持有人名簿上之人。
8. 「基準日」應指發行公司就任何股東會議，決定分派紅利或股息或其他利益所訂立之基準日。
9. 「臺灣存託憑證持有人名簿」應指本契約第三條（三）項所稱之臺灣存託憑證持有人名簿。
10. 「發行公司股份」應指發行公司普通股，包括發行公司重組、合併或清算，或因存託股份面額改變、分割、合併或重新分類所發行無優先權之各類股份。
11. 「臺灣存託憑證」應指存託機構依本契約所發行且表彰發行公司股份之有價證券，每一單位臺灣存託憑證表彰發行公司股份2 股。
12. 「臺灣存託憑證相關法規」應指中華民國外國發行人募集與發行有價證券處理準則；臺灣證券交易所股份有限公司有價證券上市審查準則及其補充規定；臺灣證券交易所股份有限公司審查外國有價證券上市作業程序；外國發行人募集與發行有價證券應公告及向行政院金融監督管理委員會證券期貨局申報事項一覽表；臺灣證券交易所股份有限公司對第二上市外國有價證券之重大訊息查證暨公開處理程序；臺灣證券交易所股份有限公司對有價證券上市公司及境外指數股票型基金

上市之境外基金機構資訊申報作業辦法；臺灣證券交易所股份有限公司臺灣存託憑證上市契約準則；臺灣證券交易所股份有限公司存託憑證買賣辦法及有關臺灣存託憑證發行、上市、買賣、資訊揭露及匯兌等其他規定。

13. 「營業日」指中華民國台北市及新加坡之銀行營業日。

- (二) 1. 本契約中所指之酬金、費用、或其他支出，包括任何增值稅或其他相關之稅捐。
2. 本契約所指之「新台幣」係指中華民國境內通用之中華民國貨幣。
3. 本契約所指之法律、法規或其條款，包括該等法律、法規或條款之修正、增加或廢除部份，且包括相關之行政命令、或其他相關之行政或立法解釋。
4. 本契約條款之標題不影響本契約之架構及內容。

第二條：存託機構之指定

- (一) 發行公司茲指定兆豐國際商業銀行擔任存託機構，依本契約發行表彰存託股份之臺灣存託憑證，並依本契約條款辦理相關事宜。
- (二) 持有人自購買臺灣存託憑證並繳足全部價金之日起，成為本契約當事人，依本契約條款享受權利及負擔義務。

第三條：臺灣存託憑證之格式、轉讓及所有權之證明

- (一) 臺灣存託憑證應以無實體方式發行。存託機構已向臺灣集保公司申請臺灣存託憑證無實體發行之登錄作業，由臺灣集保公司以帳簿劃撥方式交付無實體臺灣存託憑證。除本契約另有規定外，持有人不得申請領回實體發行之臺灣存託憑證。持有人應被視為已知悉本契約全部條款並受其約束。
- (二) 持有人應於購買臺灣存託憑證前，向中華民國合格之證券商或保管機構申請開設集中保管帳戶，且持有人應遵守臺灣集保公司業務操作辦法與相關規定。除本契約另有規定外，臺灣存託憑證之轉讓應透過臺灣集保公司之帳簿劃撥方式辦理交割。
- (三) 存託機構應備置臺灣存託憑證持有人名簿，其上記載已發行、已兌回及追加

發行臺灣存託憑證之數額、發行日、兌回日及其後轉讓之情形、持有人之姓名、國籍、住址、持有臺灣存託憑證之數額及臺灣存託憑證之設質情形。發行公司得隨時於存託機構之營業時間內請求查閱或抄錄該名簿。

- (四) 臺灣集保公司將持有人之姓名或名稱、住所或居所、所持有臺灣存託憑證之數額及臺灣存託憑證之設質情形通知存託機構時，視為已登載於臺灣存託憑證持有人名簿。持有人持有之臺灣存託憑證數額應以臺灣集保公司參加人帳簿所登載之數額為準。
- (五) 如表彰發行公司股份或其權利之證明文件已依本契約規定交付保管機構，且持有人已將本契約規定證明文件送達存託機構，並由存託機構依本契約第四條接受存託時，本契約中關於存託機構已發行或交付臺灣存託憑證之數額，應包括存託機構為前述目的所調整之臺灣存託憑證數額。
- (六) 如臺灣集保公司因任何理由無法辦理臺灣存託憑證無實體發行之登錄及帳簿劃撥作業逾十四個營業日，發行公司及存託機構應安排其他合格機構辦理臺灣存託憑證無實體發行之登錄及帳簿劃撥作業。如無其他機構得辦理臺灣存託憑證無實體發行之登錄及帳簿劃撥作業，存託機構應印製實體臺灣存託憑證交付予持有人，並以背書轉讓或如當時法令另有規定時，依當時相關法令辦理轉讓交割。實體臺灣存託憑證之轉讓，非將受讓人之姓名或名稱及住所或居所及臺灣存託憑證之數額，記載於臺灣存託憑證持有人名簿，不得以其轉讓對抗存託機構及發行公司。
- (七) 發行公司應負擔中華民國政府就存託機構發行臺灣存託憑證及簽訂本契約所課徵之所有印花稅或其他相關稅捐。

第四條：發行公司股份之存託

- (一) 發行公司股份之存託應經存託機構及發行公司同意並應符合中華民國及新加坡相關法令之規定。存託機構僅在存託股份者完成下列事項並交付相關文件予存託機構及/或保管機構時接受存託：
 1. 交付所擬存託之發行公司股份或表彰其權利之證明文件及為轉讓發行公司股份及其上所有權利予存託機構、保管機構或其指定之人之必備文件、過戶申請書及其他相關文件，包括但不限於繳納新加坡及/或其他國家法令規定交付，轉讓、登記存託股份相關稅捐之證明文件；

2. 交付依中華民國、新加坡或其他國家法令規定，應由該等國家主管機關核准存託股份及／或發行臺灣存託憑證之文件，如該等文件並非以繁體中文製作，並應交付繁體中文譯本；
3. 交付臺灣集保公司所要求之文件及相關之費用及稅捐；及
4. 交付為符合中華民國相關法令與新加坡證券交易所相關規定所要求之其他文件，如該等文件並非以繁體中文製作，並應交付繁體中文譯本。

(二) 除依第四條(一)項規定增加發行臺灣存託憑證外，存託機構僅得於下列情況增加發行臺灣存託憑證：

1. 依發行公司所屬國法令辦理現金增資發行新股而原股東享有優先認購權，存託機構、保管機構或其指定之人就存託股份為持有人利益認購新股；
2. 發行公司就存託股份辦理無償配發新股，包括但不限於發放股票股利，或發行公司因存託股份面額改變、分割、合併或重新分類；及
3. 臺灣存託憑證經兌回註銷後，由持有發行公司股份之人在原發行額度所表彰之股份數額內，交付發行公司股份或表彰其權利之證明文件，請求存託機構再發行臺灣存託憑證。前述「原發行額度」係指存託機構經中華民國證券主管機關核准依本契約發行之臺灣存託憑證數額，加上存託機構依前述1及/或2所增發之臺灣存託憑證數額。

(三) 存託機構聲明並確認，並應促使保管機構為相同之聲明及確認，存託機構、保管機構或其指定之人係為持有人之利益持有存託財產，存託財產並非存託機構、保管機構或其指定之人之自有財產。存託機構、保管機構或其指定之人僅得依本契約為持有人之利益處分、管理存託財產及其收益，並行使所有附隨於存託財產之權利，而不得以自己之名義及為自己之利益，處分存託財產及其收益，或向發行公司主張或請求任何附隨於存託財產之權利。

第五條：發行及交付臺灣存託憑證

(一) 存託機構接受發行公司股份之存託後，應依臺灣集保公司之相關規定洽其辦理以帳簿劃撥方式交付無實體臺灣存託憑證。

- (二) 如臺灣集保公司因任何理由無法辦理臺灣存託憑證無實體發行之登錄作業及帳簿劃撥作業，存託機構應於接受發行公司股份存託及收到本契約第十八條所載之費用後，印製實體臺灣存託憑證，並於簽證後於存託機構信託部在中華民國臺灣台北之營業處所（即台北市吉林路100號11樓）交付予持有人或其指定之人。

第六條：存託財產之出售或兌回

- (一) 發行公司茲聲明及確認，持有人得於臺灣存託憑證所表彰之存託股份未向新加坡證券交易所或新加坡其他主管機關註明登記之前，兌回臺灣存託憑證所表彰之存託股份並於新加坡證券交易所出售該等存託股份。發行公司並承諾，其應隨時依新加坡證券法令之規定辦理相關程序，確使持有人得兌回臺灣存託憑證所表彰之存託股份並得於新加坡證券交易所出售該等存託股份。

- (二) 持有人兌回臺灣存託憑證所表彰之存託股份，並要求出售存託財產：

1. 領有證券存摺之持有人請求出售存託財產應洽其原開設集保帳戶之證券商辦理，並應檢附證券存摺、身份證明文件及經合法簽署之出售通知（其格式詳見附件一）。無證券存摺之持有人請求出售存託財產應洽其原開設集保帳戶之保管機構辦理，並簽署如附件一之出售通知。前述出售通知應載明請求存託機構出售存託財產及要求將所得價款兌換成新台幣，並在扣除依本契約規定之費用、稅捐、規費、成本及支出後，以新台幣支票支付予持有人或以電匯方式匯入持有人本人於中華民國開立之新台幣帳戶。
2. 上述存託財產之出售應依新加坡相關法令與保管契約規定為之，其中屬股票者，應透過存託機構指定之合法證券經紀商於新加坡交易所出售，或依其他法律許可之方式出售。持有人出售存託財產之風險及費用應由持有人負擔。發行公司及存託機構不保證存託財產之出售一定成交，亦不保證成交之時間及價格。尤其當發行公司股份在新加坡證券交易所之交易量不足或價格浮動時。存託機構應在收到出售存託財產之價款後，依相關法令及本契約第十一條規定將價款兌換為新台幣，並依本契約及相關法令規定，扣除因出售及匯兌所產生之費用、稅捐、規費、成本及支出後，將餘額依持有人之指示以新台幣支票支付予持有人，或以電匯方式匯入持有人本人於中華民國開立之新台幣帳戶。

3. 存託機構依善良管理人注意義務認為有必要，或恐違反相關法令、政府機構之命令或本契約之規定時，得拒絕出售或交付存託財產。

(三) 持有人請求兌回存託財產：

1. 領有證券存摺之持有人請求兌回存託財產應洽其原開設集保帳戶之證券商辦理，並應檢附證券存摺、身份證明文件與經合法簽署之兌回通知（其格式詳見附件二）。無證券存摺之持有人請求兌回存託財產應洽其原開設集保帳戶之保管機構辦理，並簽署如附件二之兌回通知。前述兌回通知應載明請求兌回存託財產及要求存託機構將存託財產以法令准許之方式並依保管契約規定交付予持有人。
2. 存託機構在收到持有人前述兌回存託財產之通知及支付本契約第十八條規定之費用及相關稅捐後，應指示保管機構於存託機構收到前述通知及費用與相關稅捐後十個營業日內，透過新加坡證券交易所操作之The Central Depository (Pte) Limited，將以存託機構、保管機構或其指定之人名義登記之存託股份撥入持有人帳戶。

(四) 存託財產兌回之限制：

1. 存託機構於發行公司股東名簿停止過戶期間或發行公司通知存託機構依相關法令不得辦理發行公司股份轉讓登記時，應停止受理存託財產之兌回。
2. 存託財產之兌回應受限於新加坡相關規定與存託機構、保管機構或發行公司為遵守相關法令而認為必須設定之轉讓限制或其他程序。

- (五) 非經存託機構同意，持有人兌回或出售存託財產之請求不得撤回。存託機構僅接受持有人數量為每一單位臺灣存託憑證所表彰發行公司股份數額之整倍數有關存託股份之兌回或出售之請求。如持有人請求兌回或出售之存託股份數額非為每一單位臺灣存託憑證所表彰發行公司股份數額之整倍數，存託機構應指示保管機構交付或出售相當於每一單位臺灣存託憑證所表彰發行公司股份數額之最大整倍數之存託股份或存託財產。

第七條：現金之分派

存託機構收到發行公司就存託財產所分派之任何現金（包括現金股利／紅利及任何

因發行公司清算所得之金額)時，存託機構應立即依相關法令規定，依本契約第十一條規定將前述金額兌換成新台幣，並於扣除相關稅捐及費用後，將上述金額依持有人於存託機構訂定之基準日時持有臺灣存託憑證所表彰存託股份之比例分配予持有人，但

因臺灣存託憑證之發行日期或轉讓或其他情事，致使持有人所持有臺灣存託憑證所表彰之存託股份無法依前述比例全額受配現金分派時，持有人所應得之現金分派應作相對調整。

存託機構支付予持有人之任何現金分派應無條件捨去，計至新台幣元為止，任何支付後之餘額視為存託機構之自有財產。

第八條：新股之分派

存託機構於發行公司無償配發新股時，得洽詢發行公司並於收到持有人繳納之相關費用與稅捐後(1)依中華民國法律規定及持有人持有臺灣存託憑證所表彰存託股份之比例，透過帳簿劃撥配發臺灣存託憑證之方式增加持有人持有臺灣存託憑證之數額；或(2)調整每一單位臺灣存託憑證所表彰發行公司股份之數額。如存託機構因任何原因無法依前述方式分派全部新股(包括但不限於(1)為受配該等新股而需繳納之相關政府機關費用與稅捐及(2)為支付存託機構依本契約第十八條得向持有人收取之報酬及費用，而出售部份新股)，存託機構得依本契約第六條出售上述股份之一部或全部，並將其餘之股份依前述之方式分派予持有人或將出售股份所得價款依本契約第七條以現金分派予持有人。

第九條：非以現金或股份所為之分派

- (一) 存託機構收到發行公司以股票以外之有價證券或其他非現金財產所發放之股利或其他分派時，存託機構得於洽詢發行公司並於收到持有人繳納之相關費用與稅捐後，依其認為適當且符合相關法令之方法，按持有人於存託機構所訂定之基準日時持有臺灣存託憑證所表彰存託股份之比例，分派上述有價證券或其他財產。如存託機構因任何原因無法依前述方式分派上述之有價證券或其他財產(包括但不限於為受配該等分派而需繳納稅捐或其他政府機構之費用而保留部分之有價證券或財產)時，存託機構得依本契約第六條出售該等有價證券或財產之全部或一部，並將剩餘之有價證券或財產分派予持有人，或將賣得價款依本契約第七條以現金分派予持有人。
- (二) 如因發行公司辦理合併、受讓他公司股份，進行收購、分割或分派非現金股利等，致持有人獲配其他外國公司所發行之股份時，如該等外國公司股份已於任何證券交

易所掛牌交易，存託機構於取得外國公司所發行、交付之股份後，將儘速於該等證券交易所出售外國公司之股份，並將出售價金依本契約第七條（扣除相關稅捐與費用後），以現金分派予持有人，惟存託機構不保證出售外國公司股份一定成交，亦不保證成交之時間與價格，且出售價金應依當時相關法令兌換成新台幣。惟如該等外國公司於發行、交付股份予存託機構前，已取具相關主管機構許可獲准以持有人獲配之該外國公司股份參與發行臺灣存託憑證且該外國公司已與存託機構簽署有關參與發行臺灣存託憑證之存託契約，則存託機構將於洽詢該外國公司及收到持有人繳納之相關費用與稅捐後，將按持有人於存託機構所定基準日時持有臺灣存託憑證所表彰存託股份之比例，分配表彰外國公司股份之臺灣存託憑證予持有人。如該外國公司股份於交付予存託機構時未於任何證券交易所掛牌交易，則存託機構將洽詢發行公司與該外國公司有關出售外國公司股份之事宜，但存託機構不保證外國公司股份之出售一定成交，亦不保證成交之時間與價格。

第十條：認購新股或其他有價證券

（一） 發行公司現金增資發行新股或其他有價證券，而存託機構、保管機構、或其指定之人就存託財產享有優先認購權且存託機構於事前接獲發行公司之通知時，存託機構應儘速將此事項通知持有人，該通知並應載明持有人認購截止日、認購方式，及存託機構、保管機構或其指定之人得為持有人行使優先認購權之期限。存託機構並應採取下列任一步驟：

1. 如存託機構認為持有人得依相關法令於發行公司通知之期限內認購新股或有價證券，則應通知持有人，且於持有人交付新台幣認購價款及其他相關之費用與稅捐後，由存託機構、保管機構或其指定之人為持有人之利益認購新股或有價證券，並透過帳簿劃撥配發臺灣存託憑證之方式增加持有人持有臺灣存託憑證之數額；
2. 如存託機構認為持有人無法依相關法令或於發行公司通知之期限內行使認購權時（包括但不限於為行使該等權利而需繳納稅捐或費用），存託機構應盡力依相關法令出售該等權利之一部或全部，並將出售該等權利之價款依本契約第七條以現金分派予持有人；或
3. 如存託機構依相關法令或實際上無法依前述1.或2.項所載方式行使認購權或處分該等權利，包括但不限於存託機構於接獲發行公司通知後，無足夠時間通知持有人或發行公司未提供相關法令所要求之許可文件，存託機構得不行使或處分該等新股認購權。

- (二) 存託機構於決定前述認購是否合法可行時，僅就其故意、重大過失或惡意，對持有人負責。

第十一條：外幣匯兌

存託機構如因分派現金或出售存託財產而取得非新台幣之貨幣時，應立即依相關法令將該貨幣兌換成新台幣並支付予持有人，但存託機構不保證兌換之匯率一定有利於持有人。

第十二條：分配方式與基準日

- (一) 存託機構依本契約第七、八、九、十、或十三條規定所為之分配，應以存託機構所定基準日當日臺灣存託憑證持有人名簿上所載之持有人為分派對象。
- (二) 存託機構為分派收益或其他權利所定之基準日，原則上應與發行公司所定之基準日相同。如此二基準日不一致，存託機構應於徵詢發行公司意見後訂定基準日，且應儘量接近發行公司之基準日。如因存託股份分割而增發臺灣存託憑證時，存託機構得視市場運作實務及實際作業需要，於徵詢發行公司意見後，於法令許可範圍內決定增發臺灣存託憑證之價格調整日（除權日）及增發臺灣存託憑證之帳簿劃撥配發日（即為確定持有人名簿之停止過戶日）。存託機構並應依本契約第二十七條通知持有人相關之基準日。
- (三) 存託機構依本契約第七、八、九、十或十三條所為之現金分配，應以新台幣支票支付予持有人或以電匯方式匯入持有人本人於中華民國開立之新台幣帳戶。存託機構或其代理人得依存託契約或相關法令，在進行前述分派前扣除相關之費用、稅款、手續費、及其他支出。
- (四) 任何應分配予持有人現金以外之其他財產或權利，應依相關法令儘速交付予持有人。如發行公司就存託財產所為之分配已交付予存託機構，持有人對此分配之請求權自存託機構得交付持有人第一天起算十五年時效消滅。存託機構（除因發行公司清算而需暫時保管此項財產外）於時效消滅後，應返還上述分配利益予發行公司，由發行公司依相關法令取得或使用該等收益分配。

第十三條：資本重整

如存託股份或任何存託財產之面額改變、合併、分割，或發行公司發生減資、重整、合併或被併購（但發行公司為存續公司除外）之情事，存託機構應依本契約

第二十七條之規定，將此事項通知持有人，或自行判斷該等事項係屬分配事項，而依本契約第七、八、九或十條或相關之法令規定，以帳簿劃撥配發臺灣存託憑證之方式增加或減少持有人持有臺灣存託憑證之數額。

第十四條：存託股份所賦予表決權之行使

(一) 發行公司同意存託機構、保管機構或其指定之人係為持有人之利益持有臺灣存託憑證所表彰之存託股份。存託機構、保管機構或其指定之人應依新加坡相關法令、發行公司公司章程、內部規則及本契約行使存託股份所表彰之表決權。

(二) 持有人就存託股份所表彰之表決權，應依下列方式行使：

1. 持有人不得自行、直接或個別行使存託股份所表彰之表決權。
2. 發行公司應於召開股東會至少30日前，將其股東會議之召集事由通知存託機構，由存託機構儘速通知持有人。如發行公司未能於召開股東會至少30日前，將股東會議之召集事由通知存託機構，以致存託機構於收到發行公司通知後無足夠作業時間通知持有人，存託機構仍應出席股東會，但不得就存託股份行使表決權。
3. 存託機構於通知持有人發行公司召開股東會時，應同時檢附投票指示書(格式如附件四)，由持有人在投票指示書上載明其贊成或反對待表決之議案。
4. 如存託機構於其訂定之截止日前已收到代表臺灣存託憑證已發行總數過半數持有人對同一議案為相同之指示（下稱「持有人指示」），存託機構、保管機構或其指定之人，應就存託股份所表彰之所有表決權出席股東會，如發行公司股東會係以投票方式表決議案，則存託機構、保管機構或其指定之人就每一持有人持有臺灣存託憑證所表彰存託股份所賦予之表決權數，應依持有人分別寄交投票指示書所載之指示，就相關議案分別填寫投票單進行表決。有關持有人未寄交投票指示書部份之表決權數，存託機構、保管機構或其指定之人不得就相關議案填寫投票單。
5. 如存託機構未於其所訂定之截止日前收到代表臺灣存託憑證已發行總

數過半數持有人對同一議案為相同之指示，則存託機構、保管機構或其指定之人應就存託股份所表彰之全部表決權數出具委託書予發行公司之董事長或其指定之人，由發行公司之董事長或其指定之人自行全權行使存託股份所表彰之所有表決權，但發行公司有反對之表示或存託機構依其善良管理人之注意義務認為此授權將重大不利於持有人之利益時，存託機構毋需出席股東會，亦不得就存託股份行使表決權。

6. 如依相關法令，存託機構、保管機構或其指定之人不得就臺灣存託憑證所表彰之存託股份於相關股東會議中依本條規定行使表決權，發行公司應儘速通知存託機構該等情事。存託機構、保管機構或其指定之人毋需出席股東會亦不得在股東會議中依本條規定行使表決權。發行公司及存託機構應儘速修改本條規定，使存託機構、保管機構或其指定之人能於其後之股東會議，以符合相關法令之方式，行使存託股份所表彰之表決權。
7. 存託機構應促使並確保保管機構或其指定之人，依本契約規定行使存託股份所表彰之表決權。

第十五條：適用法規及稅捐扣繳

- (一) 存託機構應依新加坡及中華民國相關法令規定，促使保管機構及其指定之人皆依該等法令履行本契約。
- (二) 發行公司發放股利及其他因存託股份所生之利益時，如應依新加坡法令辦理稅捐扣繳，存託機構應於接獲發行公司通知後十個營業日內，交付發行公司臺灣存託憑證持有人名簿，其內載明持有人之姓名或名稱、國籍、持有數額及設質情形，與其他相關文件與資訊，供發行公司辦理扣繳。
- (三) 發行公司應於辦理相關稅捐扣繳後儘速提供存託機構稅捐扣繳之證明文件。
- (四) 任何持有人因其居住國與新加坡簽署稅捐減免協定而得享受稅捐減免優惠時，應自行洽相關主管機關辦理。發行公司及存託機構就持有人可能獲得之稅捐減免不負任何責任。

第十六條：義務與責任

- (一) 除本契約另有規定外，存託機構、保管機構、發行公司或任何前述機構所指定之人或代理人、董事或職員皆無需因(1)中華民國或其他國家或相關政府機關之現行或將來頒佈之法規，(2)前述法規之解釋、適用或變更，(3)不可抗力之事由或(4)現行或將來發行公司公司章程或內部規則，禁止或限制上述人員履行本契約義務，而對上述人員中之任何人或持有人負責。上述人員亦毋需就下列原因而對任何持有人負責：(1)因前述原因導致依本契約應履行之義務未履行或遲延履行，(2)因前述原因導致依本契約行使或未行使任何附屬於存託股份之表決權或其他權限。上述人員得信賴其認為真正且經合法簽署或提出之書面通知、要求、指示或其他文件（包括其認為有能力或經授權之人所翻譯之文件）。
- (二) 存託機構得持有、保存本契約或相關之任何收據、文件，或將上述文件存放於從事保管收據文件之任何公司或具知名度之法律事務所。惟存託機構應支付上述所生之費用且應對該等保管文件之公司或事務所之故意或過失所生之損失、賠償及支出負責。
- (三) 存託機構、保管機構、其指定之人及任何代理人，除因其本身或代理人、董事或僱員之故意或過失之行為外，皆無須就其所收受或無效收受之偽造或非真實之股票、臺灣存託憑證、簽名、轉讓證明或指示，對發行公司或持有人負任何責任。
- (四) 存託機構應依一般程序履行本契約第七、八、九、十或十三條之義務，但無須就無法完成上述程序負責，但存託機構無法完成係可歸責於其本身或代理人、董事、或僱員之故意或過失者不在此限。
- (五) 除本契約第二十二條規定外，存託機構無須就任何依本契約所為之修改、棄權、授權或決定所生之結果對持有人負責。
- (六) 存託機構應在合理之負擔及支出情況下，取得中華民國法令規定履行本契約必要之許可、同意或核准。
- (七) 存託機構無須對其依相關法令就存託財產或其收益所代繳稅捐所造成存託財產之短缺，對發行公司及其他任何人負責。
- (八) 存託機構應基於善良管理人注意義務為股東之權益履行任何符合相關法令之行為。存託機構於依其善良管理人注意義務之判斷（必要時得與發行公

司協商)，得拒絕履行任何可能違反相關法令或任何可能使其遭致賠償責任之行為。

- (九) 存託機構於接到發行公司提供之相關繁體中文資訊及繁體中文書面資料後，應依臺灣存託憑證相關法規辦理相關資訊之公告申報。存託機構只對其未依上述程序辦理相關資訊之公告申報產生之後果負責，不對資訊之真實性，繁體中文翻譯內容之正確性或發行公司之遲延通知負責。
- (十) 存託機構得信賴由發行公司合法授權人士簽署文件所表彰之事實為真正。
- (十一) 發行公司應於法令許可範圍內，合理協助存託機構或持有人完成本契約第七、八、九、十及十三條所載之行為。
- (十二) 如發行公司通知存託機構依相關法令，發行公司依本契約第七、八、九、十或十三條發行或分派有價證券或其他財產或權利予持有人，應先完成登記或許可程序時，存託機構應於收到發行公司通知該等登記或許可程序已完成，或已取得豁免登記或許可之核准後再出售、分派此等有價證券或其他財產或權利予持有人。存託機構就未為前述登記或許可程序所生之損害、損失、或費用不負任何責任。
- (十三) 發行公司知悉存託機構依本契約第四條第(三)項所為之聲明事項，如發行公司未依本契約履行其對存託財產所為之責任而對持有人造成損害時，發行公司應賠償持有人因此所生之所有損失與費用。
- (十四) 發行公司與持有人同意並承諾提供並交付予存託機構其為符合中華民國相關法令所需公告、申報之繁體中文資訊與文件。

第十七條：臺灣存託憑證之補發或換發

於法令許可範圍內，遺失、遭竊、殘缺或毀損之實體臺灣存託憑證，得於存託機構信託部在中華民國台北市之營業處所(即台北市吉林路100號11樓)，依存託機構規定之程序申請換發，惟申請人應繳納相關費用及稅捐並提供存託機構所要求之證據及保證。殘缺或毀損之實體臺灣存託憑證應交還予存託機構。存託機構於確認申請人為臺灣存託憑證持有人名簿上合法之持有人後，應於十天內補發實體臺灣存託憑證予該持有人。於相關實體臺灣存託憑證毀損滅失時起至收到補發之實體臺灣存託憑證止，該持有人應享有之權利不受影響。

第十八條：存託機構之報酬與費用

存託機構就本契約所提供之服務，得收取下列之報酬與費用：

(一) 向發行公司收取之報酬與費用：

1. 存託機構依本契約通知持有人，翻譯、印刷、郵寄相關文件，及因發行公司要求而生之其他費用。
2. 存託機構委任股務代理機構處理臺灣存託憑證相關股務事宜所生之費用。
3. 發行公司同意支付予存託機構有關存託機構為發行公司辦理資訊揭露事宜及其他事項之費用（詳附件五）。

(二) 應向持有人收取之報酬與費用：

1. 發行臺灣存託憑證，每一單位臺灣存託憑證計收新台幣 0.05 元(首次發行除外)，惟持有人每筆費用不得低於新台幣 2,500 元。
2. 因兌回或出售存託財產而註銷臺灣存託憑證，每一單位臺灣存託憑證計收新台幣 0.05 元，惟持有人每筆註銷費用不得低於新台幣 2,500 元。
3. 依本契約第七條為現金分派，每一單位臺灣存託憑證以新台幣計收該次分派金額之 1%。
4. 依本契約第八、九或十條所為之分配，每一單位臺灣存託憑證計收新台幣 0.05 元。
5. 依本契約第三條、第五條第二項或第十七條印製或補發實體臺灣存託憑證，每張實體臺灣存託憑證計收新台幣 500 元(每張實體臺灣存託憑證表彰 1000 個臺灣存託憑證單位)。
6. 向持有人收取報酬之方法及時間請詳附件一及二之約定。

(三) 發行公司給付予存託機構之所有費用皆應以新台幣支付，其支付方式及時

間請詳附件五之約定。

- (四) 發行公司應賠償存託機構、保管機構、其指定之人或其代理人因履行本契約或依法為發行公司辦理公告、申報所生之損失及費用，但因存託機構、保管機構、其指定之人或代理人、董事、主管或職員之故意或過失所生之損害不在此限。
- (五) 存託機構應賠償發行公司或持有人因存託機構、保管機構、其指定之人或其代理人、董事、主管或職員之故意或過失履行或不履行本契約而產生之損失與費用。

第十九條：發行公司之承諾事項

發行公司於臺灣存託憑證存續期間承諾並同意下列事項：

- (一) 盡其最大努力維持臺灣存託憑證與存託股份分別在台灣證券交易所上市及新加坡證券交易所上市，或雙方同意之其他證券交易所掛牌交易。發行公司並應依臺灣存託憑證相關法規、新加坡相關法令或相關證券交易所之規定提供繁體中文資訊與文件予存託機構並由存託機構辦理公告及申報。
- (二) 如發行公司終止對存託機構之指定，或於接獲存託機構之辭職通知後，應盡其最大努力，儘速委任依法得從事存託業務之繼任存託機構。
- (三) 除法令禁止外，發行公司應合理協助存託機構為完成本契約第七、八、九、十或十三條所為之分配，所應取得之相關登記或許可文件。

第二十條：保管機構

- (一) 發行公司同意臺灣存託憑證所表彰有價證券總數，交付保管機構保管，存託機構為持有人之利益與保管機構簽訂保管契約或其他文件，存託機構業已盡善良管理人之義務為持有人之利益指定保管機構保管存託財產，並願促使保管機構依本契約及保管契約履行保管義務。
- (二) 除繼任之保管機構為存託機構之分行或關係企業，且保管機構辭職或經存託機構終止指定之通知於存託機構指定繼任保管機構時生效外，保管機構辭職或存託機構終止對保管機構之指定，皆應以九十天前之書面通知為

之。存託機構接獲保管機構辭職或為終止指定保管機構之通知後，應立即與發行公司商議且儘速並於通知期限屆滿前指定繼任保管機構。存託機構並應依本契約第二十七條儘速通知持有人保管機構之變更。

- (三) 存託機構應要求保管機構確認存託股份係以存託機構、保管機構或其指定之人之名義登記之，惟存託機構、保管機構或其指定之人係為持有人之利益持有存託股份。存託機構並應要求保管機構將所有存託財產確實存放在存託機構之帳戶，並與保管機構為他人保管之其他財產，特別是同種類之財產或物品分開保管。保管機構保管存託財產之帳戶應分別獨立且與他人之保管帳戶予以區隔。

第二十一條：代理人

- (一) 存託機構得以發行公司之費用選任一位或多位代理人向持有人為分配行為或代為處理本契約第六、七、八、九、十、十二、十三、十四、十五及二十七條等相關之股務及/或資訊揭露事宜。存託機構於選任前述代理人時應盡善良管理人之注意義務，並應對該代理人之故意或過失履行或不履行本契約所產生之損失及費用負責。
- (二) 任何關於存託機構特定辦公處所及代理人辦公處所之變更，或其委任或免除代理人職務之行為，存託機構應依本契約第二十七條通知持有人。

第二十二條：存託契約之修正

發行公司及存託機構認為適當或必要時，得隨時合意修正本契約。任何本契約之修正（除更正顯然之錯誤外）應由存託機構依本契約第二十七條之規定通知持有人。惟任何增加持有人費用之修正（除本契約另有規定外），或其他存託機構認為會重大損害持有人利益之修正，應於存託機構向主管機關指定之資訊申報網站進行資訊傳輸後第三十日生效。在前述三十日之期間內，任一持有人除存託契約另有規定外，得毋需支付本契約第十八條規定之報酬與費用予存託機構，而請求依本契約第六條之規定出售或兌回存託財產。前述修正生效時，繼續持有臺灣存託憑證之持有人視為已同意上述影響其權利之修正，應受本契約之拘束。任何損及持有人依本契約第六條出售或兌回存託財產權利之修正皆屬無效。

第二十三條：存託機構之辭職及發行公司終止對存託機構之指定

- (一) 如發行公司擬終止對存託機構之指定，應於終止日前九十天書面通知存託機構及保管機構。存託機構於收到上述通知後應依本契約第二十七條通知持有人。發行公司終止對存託機構之指定應以上述書面通知所載之終止日為生效日。存託機構如擬辭職，應於辭職生效日九十天前書面通知發行公司與保管機構，並以前述書面通知所載之終止日為生效日。如發行公司於前述九十天期間屆滿時仍未能指定繼任存託機構時，生效日得再延長九十天，經延長九十天後之生效日於到期時自動生效。
- (二) 存託機構辭職或發行公司終止對存託機構之指定後，存託機構應提供繼任存託機構所有及任何與存託財產有關之資料及記錄，使繼任之存託機構得依本契約履行其義務。存託機構亦須交付依本契約保管之所有財產及現金予繼任之存託機構。存託機構辭職或發行公司終止對存託機構之指定後，保管機構應被視為繼任存託機構之保管機構並為其保管存託財產。除存託機構於辭職或經發行公司終止指定前依相關法令規定或本契約所應負擔之義務外，存託機構於解任後對發行公司或持有人不再負擔任何權利或義務。

第二十四條：存託契約之終止

- (一) 發行公司或存託機構皆得以書面通知他方及保管機構九十天後，逕行終止本契約。如係存託機構擬終止本契約，本契約之終止僅得於發行公司指定繼任存託機構後方得生效。存託機構應於本契約終止日前六十天內依本契約第二十七條通知持有人。
- (二) 存託機構給予持有人上項通知後迄本契約終止之期間內，持有人得依本契約交付相關憑證予存託機構後，依本契約第六條請求出售或兌回其持有臺灣存託憑證所表彰之存託財產，且毋需依本契約第十八條規定給付報酬與費用予存託機構。
- (三) 如本契約終止後，仍有流通在外且尚未註銷之臺灣存託憑證，存託機構除交付持有人出售相關存託財產所得之價款及任何尚未交付持有人所應得之現金外，不得登記轉讓、分發股利、為任何分配或採取任何行動。存託機構於出售此等存託財產後，除了對出售之淨所得及其他構成存託財產之現金（不計算利息）對持有人負責外，存託機構不再依本契約負擔任何責任。

第二十五條：發行核准之撤銷與下市

如(1)中華民國行政院金融監督管理委員會撤銷發行公司參與發行與募集臺灣存託憑證之核准，(2) 台灣證券交易所終止臺灣存託憑證之上市買賣或(3)發行公司股份於新加坡證券交易所下市時，存託契約於該核准撤銷或下市之日終止；存託機構不得再發行臺灣存託憑證，已收取價款但尚未發行之存託憑證，發行公司應於接獲撤銷通知、終止通知之日或下市日起十天內，依法加算利息返還該價款。關於已發行之臺灣存託憑證，存託機構應立即出售存放於保管機構之存託股份及其他財產，扣除必要費用後，將所得之價款返還持有人。

第二十六條：應備置之文件、稅捐及其他費用之返還

存託機構毋需為持有人代墊任何因存託股份或其他存託財產所生之稅捐、規費、手續費或各種支出，且此項費用應由持有人依存託機構之要求，按持有臺灣存託憑證之比例分擔之。存託機構並得自行就存託財產所獲配發之股利或分配中扣除此費用及稅捐。如持有人未繳納前述各項費用及稅捐，存託機構得於新加坡證券交易所或以其他方式出售適當之存託股份，並自出售價款中，扣除上述費用及稅捐後，將剩餘之金額返還予持有人。任何以上之請求皆應依本契約第二十七條通知持有人。

第二十七條：通知

- (一) 所有寄送予發行公司或存託機構之通知、請求，或依本契約所為之同意或確認，應以預付郵費及掛號之方式送達或以傳真、電報或其他電子傳輸方式傳送或以專人方式送達至下列處所：

發行公司：China Taisan Technology Group Holdings Limited
地址：80 Robinson Road #17-02 Singapore 068898
電話：(65) 6492-0948
傳真：(65) 6492-1152

存託機構：兆豐國際商業銀行信託部
地址：中華民國台北市吉林路100號11樓
電話：+886-2-2563-3156
傳真：+886-2-2523-9871

或其他經通知對方之地址；任何經由郵寄之通知應於寄送七天後視為送達；任何通知以傳真、電報或其他電子傳輸方式傳送時，於收受者以電話確認或以電子傳輸方式回傳告知傳送者已收到完整及清晰之通知時視為送達。

存託機構或發行公司接受從持有人或其他任何人所發送之傳真，得依上述規定辦理。

- (二) 如發行公司以郵寄、公告或其他方式對發行公司股東或其他存託財產持有人為通知時，不論該等通知是否與分配股利或其他利益或與召開股東會或延期召開會議有關，發行公司應將上述對股東之繁體中文通知送交存託機構。如發行公司未以繁體中文送達上述通知予存託機構，存託機構得以發行公司之費用，將上述通知翻譯成繁體中文，惟存託機構不對翻譯內容負責。存託機構應在接到上述繁體中文通知或完成上述翻譯後立即將該等繁體中文通知或其中譯文郵寄予持有人，並依相關法規向主管機關指定之資訊申報網站進行資訊傳輸，且於完成資訊傳輸後視為已通知持有人。惟如發行公司未能及時將相關繁體中文通知送交存託機構，致存託機構無法及時將通知之中譯文郵寄予持有人，存託機構得僅以向主管機關指定之資訊申報網站進行資訊傳輸之方式，通知持有人。
- (三) 存託機構於接獲發行公司之財務報表時，如該財務報表未以繁體中文提供，存託機構應以發行公司之費用將該等財務報表翻譯成繁體中文，置於存託機構信託部主營業所供持有人索閱，並上傳至主管機關指定之資訊申報網站，惟存託機構不對翻譯內容負責。存託機構於接獲發行公司依相關法規或依本契約提供之年報時，如該年報未以繁體中文提供，存託機構應以發行公司之費用將該等年報翻譯成繁體中文，置於存託機構信託部主營業所供持有人索閱，並上傳至主管機關指定之資訊申報網站，惟存託機構不對翻譯內容負責。
- (四) 本契約修正時，存託機構應以發行公司之費用將相關修正條文依相關法規向主管機關指定之資訊申報網站進行資訊傳輸，並將修正條文置於存託機構信託部主營業所供持有人索閱。
- (五) 存託機構於接獲發行公司依相關法規所提供對股東權益或證券價格有重大影響之事項時，如該等資料未以繁體中文提供，存託機構應以發行公司之費用，將該等資料翻譯成繁體中文，並依相關法規向主管機關指定之資

訊申報網站進行資訊傳輸，惟存託機構不對翻譯內容負責。

第二十八條：契約之可分性

本契約中之任一部份或條款之無效、不合法或無執行力，並不影響本契約其他部份或條款之效力或執行力。

第二十九條：契約之副本

本契約之副本應保存於存託機構信託部之主營業所，持有人得於正常營業時間內至存託機構信託部之主營業所查閱該等資料。本契約一式多份，每一份皆為正本且均有相等之效力。

第三十條：準據法及管轄法院

- (一) 本契約及臺灣存託憑證以中華民國法律為準據法。
- (二) 如因本契約而涉訟時，以臺灣台北地方法院為管轄法院。
- (三) 發行公司茲指定許麗琴（中華民國國民身份證號C220339436，地址：台北縣三峽鎮安溪里1鄰中正路一段108巷7弄11號二樓之3，聯繫電話：02-2673 5710）為其在中華民國境內之訴訟與非訴訟代理人，並以發行公司在中華民國境內訴訟及非訴訟代理人之身份，代理發行公司收受一切文件及通知之送達。如因其他任何理由，發行公司在中華民國境內無上述代理人時，應指定替代之代理人且應將此情形通知存託機構。

玖、第二上市(櫃)公司註冊地國及上市地國有關外國人證券交易之限制、租稅負擔及繳納處理應注意事項

*本節關於所屬國及上市地國新加坡有關外國人證券交易之限制、租稅負擔及繳納處理應注意事項之說明，係本集團於 2010 年 7 月送件時根據當時新加坡法令自行整理而成；臺灣存託憑證持有人應注意新加坡法令可能隨時會有修正，而可能會與下述說明有不一致之處。擬購買臺灣存託憑證之投資人，應自行諮詢個人之法律或稅務顧問，並以當時新加坡有效的法令規範為準。

一、外國人證券交易之限制及應注意之事項

除訂有外國人持股比例上限之特定行業外，新加坡相關法令並未禁止或限制外國人持有或買賣新加坡公司之股份，惟新加坡公司亦得自行於其章程內訂定外國人持股比例之限制。本集團並不適用前述外國人持股比例限制之相關規定，且本集團章程亦未限制外國人持股。

依新加坡證券法令規定，持有超過新加坡股票發行公司已發行普通股(含取得臺灣存託憑證所表彰之本集團普通股)百分之五之投資人(簡稱「主要投資人」)，應通知股票發行公司俾使本集團向新加坡證券管理委員會申報並公告，嗣後主要投資人持股增加或減少 1%或因持股少於 5%而不再是主要投資人時，亦同。

另，依新加坡證券法令規定，欲透過購買新加坡股票發行公司股份或本集團所發行表彰本集團股份之臺灣存託憑證，致持股將超過 30%以上者；或已持有發行公司持股 30%以上但未滿 50%者，於任一六個月期間欲再取得本集團 1%以上股份或表彰該等股份之臺灣存託憑證時，可能須對本集團之全體股東進行公開收購。

二、外國人租稅負擔及繳納處理應注意之事項

下列敘述為新加坡稅法有關新加坡居民股東稅捐繳納相關規定之摘要說明。

1.股利所得稅

給付予非新加坡居民股東之股利毋需再依新加坡稅法規定課稅。

依新加坡稅法規定，公司於發放股利時，依一般公司稅率繳納稅捐即視為股東繳納稅捐，因此，股東係取得公司已繳稅後之淨股利，不論股東為新加坡居民或非新加坡居民就其所獲發之現金或以其他形式發放之股利，皆毋需扣繳稅款。股東係就股利毛額繳納稅捐(即在發放股利當日，以現金股利總額加上一相等於股利毛額乘以公司所得稅率之扣抵稅額)，公司所繳納之所得稅可用以扣抵股東之所得稅(就其取得之股利毛額)，如公司用以配發股利之公司收入尚未繳稅，且公司亦未即時向新加坡稅務主管機關預先繳納此部份稅款，則公司股東不得享有所得稅之扣抵，非新加坡居民股東應依公司所得稅率繳納股利所得稅。因公司依一般公司所得稅率繳納所得稅即視為股東繳納所得稅，非新加坡居民股東所獲得之淨

股利毋需再繳納其他之新加坡所得稅，且非新加坡居民股東亦不會收到新加坡稅捐主管機關之退稅。

新加坡稅法上之新加坡居民納稅人需繳納自新加坡產生或衍生之所得和在新加坡取得之國外所得之所得稅；非新加坡居民之公司納稅人需繳納新加坡產生或衍生之所得和在新加坡取得之國外所得之所得稅(在某些例外情況下)；非新加坡居民之個人需繳納自新加坡產生或衍生之所得之所得稅(在某些例外情況下)。

任一公司如其業務上之控制及管理均在新加坡(如公司董事會在新加坡召開且在新加坡經營公司業務)，則本集團將被視為新加坡居民；於一課稅年度內在新加坡居留滿 183 天之個人，於新加坡工作之個人(公司董事外)或於新加坡居住之個人皆為新加坡稅法上之新加坡居民。

2.證券交易所所得稅

依現行新加坡稅法，於海外處分股份所得於新加坡毋需課稅，惟如賣方在或被視為在新加坡從事股份買賣者不在此限。

3.印花稅

持有股份及認購新股無需繳納印花稅。

在新加坡取得股份及轉讓者，股份轉讓應依股份市價，按每一新加坡 1,000 元繳納新加坡幣 2 元之印花稅，除雙方另有約定外，印花稅應由買方負擔；股份轉讓及相關轉讓在新加坡境外執行者，就股份之取得毋需繳納印花稅；如轉讓係在新加坡境內執行者，則可能需繳納印花稅；惟，倘透過新加坡中央託管有限公司 CDP(Central Depository Pet Ltd.)進行電子轉讓者，不須繳納印花稅。

4.遺產稅

2008 年 2 月 15 日起，就住所非設於新加坡之自然人之遺產，已取消遺產稅之課徵。

拾、臺灣存託憑證所表彰有價證券在所上市證券交易市場最近六個月之最高、最低及平均市價及截至申報日前一營業日之收盤價。除辦理初次上市、上櫃前公開銷售臺灣存託憑證者外，並應記載上市證券交易市場間前各市價之差異。上市期間未滿六個月者，前載明期間得為其實際上市期間。

一、泰山科技集團最近六個月於新加坡交易所之股價及成交量

單位：新加坡幣元/股

項 目	2010 年 3 月	2010 年 4 月	2010 年 5 月	2010 年 6 月	2010 年 7 月	2010 年 8 月
最高價	0.19	0.22	0.22	0.20	0.22	0.204
最低價	0.17	0.19	0.17	0.17	0.18	0.195
平均市價	0.189	0.193	0.192	0.187	0.198	0.200
平均成交量(股)	937,000	2,795,190	4,086,450	1,192,227	3,248,409	2,685,095

資料來源：Yahoo Finance

二、截至申報日前一營業日之收盤價：每股新加坡幣 0.23 元。

三、除辦理初次上市、上櫃前公開銷售臺灣存託憑證者外，並應記載上市證券交易市場間前各市價之差異。上市期間未滿六個月者，前載明期間得為其實際上市期間。

本集團目前僅於新加坡交易所主板上市，本次係辦理初次上市前公開銷售臺灣存託憑證，故不適用。

拾壹、臺灣存託憑證持有人或臺灣存託憑證所表彰之有價證券持有人得行使之權利或限制事項

臺灣存託憑證一律由臺灣集中保管結算所股份有限公司辦理帳簿劃撥，臺灣存託憑證持有人不得申請領回臺灣存託憑證。臺灣存託憑證持有人應依存託契約之規定行使其權利並受其限制。主要的權利包括有：(1)表彰存託股份之權利；(2)於受本公司通知時之認購新股之權利；(3)請求出售或兌回存託股份之權利；(4)行使存託股份所表彰之表決權；以及(5)股利分派及賦稅方式等。而有關存託契約之主要內容，請參見本公開說明書第捌章第二項之說明。臺灣存託憑證所表彰本公司普通股之持有人，則應依本公司章程、內部規則與新加坡公司法相關規定行使其權利並受其限制。有關臺灣存託憑證持有人兌回及出售本公司普通股之限制，請見本公開說明書第玖章之說明。

拾貳、參與發行臺灣存託憑證供經核定之海外證券市場掛牌交易之外國轉換公司債或附認股權公司債轉換或履行認股義務，其轉換公司債或附認股權公司債之發行辦法

無。

拾參、委託經本會核准或認可之信用評等機構進行評等者，應揭露該信用評等機構所出具之評等報告

無。

拾肆、其他重要約定及應記載之事項

一、對本次公司發行臺灣存託憑證價格發行合理性之評估。

承銷商說明

(一)評價公司簡介

中國泰山科技集團控股有限公司（以下簡稱該集團或泰山科技集團）於2008年6月在新加坡交易所主版上市。目前普通股已發行股數為984,587,735股。主要營業項目為：運動休閒服飾專用之多功能布料生產製造。2007-2009年度財務狀況摘述如下：

單位：新台幣仟元

項目	最近三年度財務資料		
	2007 年度	2008 年度	2009 年度
流動資產	1,674,795	3,303,464	3,148,505
資產總額	2,336,346	4,924,401	4,792,134
流動負債	980,228	1,250,445	1,064,189
負債總額	980,228	1,250,445	1,064,189
股東權益總額	1,132,422	3,673,956	3,727,945
營業收入	3,600,254	5,676,488	3,905,086
營業毛利	1,126,304	1,811,667	759,737
營業損益	1,111,296	1,707,804	693,125
稅前損益	1,108,428	1,650,440	679,017
合併純益	811,157	1,211,951	500,323
每股盈餘(元)	1.15	1.46	0.54

註：依中華民國一般公認會計原則重編後之合併財務複核報告以人民幣兌新台幣之匯率換算，其中2007年度係依據2007年12月31日之人民幣兌新台幣匯率(RMB\$1：4.44)換算，2008年度係依據2008年12月31日之人民幣兌新台幣匯率(RMB\$1：4.81)換算，2009年度係依據2009年12月31日之人民幣兌新台幣匯率(RMB\$1：4.69)換算。

資料來源：2007、2008及2009年度依中華民國一般公認會計原則重編後之合併財務複核報告

(二)承銷價格訂定原則

本次存託憑證每單位發行價格之決定方式，依「中華民國證券商業同業

公會承銷商會員輔導發行公司募集與發行有價證券自律規則」，承銷商輔導外國發行人初次來臺參與發行臺灣存託憑證，其發行價格之訂定應參考該臺灣存託憑證所表彰之原有價證券於國外掛牌市場之發行慣例，故承銷價格之訂定除考量新加坡交易所上市手冊811(1)之規定外，另考量2010年股東會決議，其發行價格之折價成數，不得高於該集團之股票於新加坡證券交易所加權平均交易價格（該價格依新加坡證券交易所規定訂之）之百分之二十之規定，並參酌暫定訂價基準日(9/29)前一個營業日(9/28)、前五個營業日(9/21~9/28)及前十個營業日(9/14~9/28)，該公司之普通股於新加坡交易所收盤價格擇一計算簡單算術平均數做為計算基準，並以2010年09月28日之臺灣銀行新加坡幣兌新臺幣之平均收盤匯率23.78為依據，做為臺灣存託憑證對外詢價圈購及公開申購計算每一單位臺灣存託憑證預計發行價格之參考，同時考量每一單位臺灣存託憑證所表彰該集團普通股二股之數額，同時參酌泰山科技集團目前經營績效、發行市場環境、產業未來營運前景及同業之市場狀況等因素後，參考詢價圈購彙總結果及實際定價市場對臺灣存託憑證之需求狀況協議之。

(三)以同業價格比較法評估發行價格合理性

1.同業選取

泰山科技集團為專業之運動休閒服飾所用之多功能布料生產製造商，經訪談多位泰山科技集團高階主管以及搜尋國內外上市（櫃）公司，目前台灣上市櫃公司中並無與該集團完全經營相同業務之競爭同業；故退而求其次，擬自己上市紡織業中從事相似或上下游產業中尋找可比較公司，惟同時考量前述廠商之經營項目、營運模式、獲利能力、產品用途以及公開資訊取得之可行性等因素後，最後選擇三家同為紡織業之台灣上市公司儒鴻(TSE: 1476)、大統染(TSE:1470)以及昶和(TSE:1468)為同業比較之對象；而其中又以儒鴻之營業項目最為接近，最具可比較性。

單位：新台幣仟元

公司名稱	交易所	主要業務	2009 年 股本	2009 年 營收	2010 年 第二季 營收
泰山科技集團 (F2X)	新加坡 交易所	專業之運動休閒服飾 所用之多功能布料製 造銷售	1,584,277	3,905,086	2,893,138
儒鴻(1476)	臺灣交易所	成衣與彈性針織布之 製造銷售	1,904,804	6,193,893	3,755,041
大統染(1470)	臺灣交易所	染整代工業務； 經編針織布織造； 經編針織布、圓編針 織布成品銷售	857,670	709,451	399,960
昶和(1468)	臺灣交易所	各類纖維、極細及超 極細纖維絲、各種纖	1,604,053	996,423	492,019

		維、極細與超極細布種之織造、染色整理、加工及銷售；各類紡織品之製造加工及買賣			

資料來源：泰山科技集團 2009 年經會計師依中華民國公認會計原則重編之合併財務報表與各公司 2009 年經會計師查核簽證之合併財務報告或財務報告；泰山科技集團 2010 年第二季自結數(人民幣對台幣匯率為 4.78)與各公司 2010 年第二季經會計師核閱之合併財務報告或財務報告

2.本益比法

單位：新台幣元；倍

	2009 年 度稅後 EPS (A)	前十個營業日均 價及本益比 (9/14-9/28)		前五個營業日均 價及本益比 (9/21-9/28)		前一日均價 及本益比 (9/28)	
		均價 (B)	本益比 (B) / (A)	均價 (C)	本益比 (B) / (A)	均價 (D)	本益比 (D) / (A)
儒鴻 (1476)	1.95	40.66	20.85	39.96	20.49	38.45	19.72
大統染(1470)	0.62	11.22	18.10	10.94	17.65	10.55	17.02
昶和 (1468)	(-1.37)	16.95	NA	16.81	NA	16.60	NA
採樣同業平均			19.48		19.07		18.37

資料來源：新加坡交易所

註：新加坡幣兌新台幣之匯率換算，其中 2009 年度係依據 2009 年 12 月 31 日之新加坡兌新台幣匯率 (SGD\$1：22.84)換算。2010/9/28 年度匯率為 2010/9/28 台灣銀行星幣對台幣 23.78 換算

由上表得知，採樣前一個營業日、前五個營業日及前十個營業日同業本益比約介於 18.37 倍～19.48 倍之間。以泰山科技集團 2009 年度依中華民國一般公認會計原則重編後之財務報表每股盈餘為新台幣 0.54 元，若以採樣同業平均本益比 18.37 倍～19.48 倍估算，該集團每股普通股交易價格參考區間為新台幣 9.92 元～10.52 元之間，由於該集團本次擬發行每一單位存託憑證表彰該集團普通股二股，故如以同業本益比法計算，每單位存託憑證交易價格參考區間為新台幣 19.84 元～21.04 元之間。

3.股價淨值比法

單位：新台幣仟元；仟股；元；倍

	2009 年 每股 淨值 (A)	前十個營業日均價 及本益比 (9/14-9/28)		前五個營業日均價 及本益比 (9/21-9/28)		前一日均價 及本益比 (9/28)	
		均價 (B)	股價淨 值比 (B) / (A)	均價 (C)	股價淨 值比 (C) / (A)	均價 (D)	股價淨 值比 (D)/(A)
儒鴻(1476)	15.80	40.66	2.57	39.96	2.53	38.45	2.43
大統染(1470)	9.68	11.22	1.16	10.94	1.13	10.55	1.09
昶和(1468)	10.89	16.95	1.56	16.81	1.54	16.60	1.52
採樣同業平均			1.76		1.73		1.68

資料來源：公開資訊觀測站; Yahoo 股市

由上表得知，採樣前一個營業日、前五個營業日及前十個營業日同業股價淨值比約介於 1.68 倍～1.76 倍之間。以泰山科技集團 2009 年度依中華民國一般公認會計原則重編後之財務報表每股淨值為新台幣 4.02 元，若以採樣同業平均股價淨值比 1.68 倍～1.76 倍估算，該集團每股普通股交易價格參考區間為新台幣 6.75 元～7.08 元之間。

經以同業股價淨值比法推估，該集團普通股每股價格參考區間為新台幣 6.75 元～7.08 元之間。該集團擬發行每一單位臺灣存託憑證表彰該集團普通股 2 股，即每一單位臺灣存託憑證之價格參考區間為新台幣 13.50 元～14.16 元。

(四)承銷價格計算之參考因素及合理性

本次發行臺灣存託憑證係以2010年9月29日為訂價基準日，其前一營業日（9/28）之新加坡幣兌換台幣匯率為1:23.78（臺灣銀行牌告價中價），本次發行價格係參酌訂價基準日前一個營業日、前五個營業日及前十個營業日該集團之普通股於新加坡交易所收盤價格擇一計算簡單算數平均數做為計算基準，經計算泰山科技集團其前一、五、十個營業日之普通股於新加坡交易所收盤價簡單算數平均股價為0.23、0.23及0.232元星幣，換算台幣為5.47、5.47及5.52元（換算每單位存託憑證分別為新台幣10.94、10.94及11.04元），另考量公司未來成長前景、台灣上市同業本益比區間(18.37~19.48倍)及股價淨值比區間(1.68~1.76倍)、該集團近年來之營業績效、獲利情形與未來發展前景，訂定每一單位臺灣存託憑證價格為新台幣12.15元，其承銷價格之訂定尚屬合理。

綜上，該集團本次發行臺灣存託憑證之承銷價格符合「承銷商會員輔導

發行公司募集與發行有價證券自律規則」第四十八條之規定，應屬合理。

二、中國泰山科技集團於中國大陸境內子公司：晉江連捷目前現有生產基地，並未全數取得合法土地使用權與房產證之評估

承銷商說明

該集團子公司晉江連捷目前生產基地情形概述如下：

區域	土地面積		建物面積		用途	土地證申請核發情形	2010年8月4日中國律師意見書
東南區域	已有土地證區域	12,469 平方米	已有房產證區域	11,762.3 平方米	生產廠房,染料倉 半成品倉,成品倉,辦公室,宿舍	-	-
	未取得土地證區域	4,943 平方米 (『新批土地』,詳註2)	未取得房產證區域	5,230.38 平方米 (『房產 II』,詳註3)	主要為生產廠房(刷毛車間,搖粒車間),食堂等	於2010年3月已獲福建省人民政府關於同意增加4,943平方米批准土地利用規劃之批覆,正式土地證目前正在辦理中。	不存在法律障礙且已不會被拆除、搬遷或受到其他行政處罰
				7,353.1 平方米 (『房產 III』)	主要為半成品倉庫、設備零件倉庫等		不存在法律障礙且已不會被拆除、搬遷或受到其他行政處罰
				39 平方米 (『門衛室』)	門衛室		晉江連捷已確認,即使被拆除亦不會對公司經營造成任何影響。
西北區域	已有土地證區域	1,976 平方米	已有房產證區域	鍋爐房(依大陸法規無需房產證)		-	-
		2,150 平方米		10,835.1 平方米	生產廠房,原料(紗)倉,半成品倉,辦公室	-	-
	未取得土地證區域	10,191 平方米 (『無證土地』)	未取得房產證區域	1,031.81 平方米 (『無證簡易建物』,詳註4)	空地,空地用於堆放配件、機修區、廢品、煤,與未利用池塘、新鍋爐等	已於2007年12月提出核發申請,同時2008年1月晉江市東石鎮人民政府,晉江市東石鎮村鎮建	晉江連捷因使用無證土地和無證簡易建築物與構築物被處罰和被拆除或搬遷的可能

						設管理所與晉江市東石鎮東垵村民委員會從使用性質上已確認上述土地符合鎮村建設規劃,且並不存在用地糾紛	性不大
總計	-	31,729 平方米 (註 5)	-	36,251.69 平方米	-	-	-

註 1:根據 2004 年 1 月 10 日由東石鎮東垵村村民委員會發布的聲明所述,連捷公司就目前廠區所有土地已向村民進行了相關補償;而 2007 年 12 月連捷公司就尚未取得土地證區域提出核發土地證申請時,村委會已對連捷公司的土地與財產使用權予以確認。

註 2:東南廠區未取得土地證區域面積為 4,943 平方米(以下稱『新批土地』),其已於 2010 年 2 月獲得福建省政府關於土地利用總體規劃修改方案的批准,3 月獲得晉江市國土資源局同意為工礦用地,正式土地使用權證辦理中。

註 3:『新批土地』上覆蓋主要與生產營運相關之 5,230.38 平方米建物(『房產 II』);晉江市土地管理局東石管理所及晉江市村鎮建設管理所已於 2008 年 1 月出具確認:該『房產 II』之建物原已取得房產證,其後在地目由『國有劃撥用地』變更為『國有出讓用地』時,經過再次丈量,由於測量的“四方”範圍偏向西南方,因此使合法地塊向西南移動,反而變成位於無證土地上,因此於換發房產證時,無法取得。

註 4:關於『無證簡易建物』之面積,於 2008 年度招股書所揭露為 9,757.86 平方米,與上述揭露不同,主要係 2008 年招股書將東南廠區 7,353.1 平方米之『房產三』與 39 平方米之『門衛室』誤植於西北廠區中,且並未扣除西北廠區不需申請房產證之未利用池塘(1,496 平方米)與鍋爐(330.3 平方米),另係西北廠區簡易建築物與構築物內容於此二年內有些微變動,特此說明。而西北廠區之無證簡易建物除前述池塘與鍋爐外,其餘為於空地以磚塊圍圍之煤、廢品、零件等堆放區。

註 5:2008 年 1 月廠區未取得土地證之面積為 16,690 平方米;後因政府周邊道路拓寬計畫,故目前未取得土地證之面積為 15,134 平方米。

該集團就未取得土地證區域之建物可能遭拆遷之因應方案概述如下:

東南廠區

本區未取得土地證之區域於 2010 年 3 月獲得福建省人民政府關於同意增加 4,943 平方米批准土地利用規劃之批覆,正式土地證目前正在辦理中。根據 2010 年 8 月 4 日中國律師意見書:其不存在法律障礙且已不會被拆除、搬遷或受到其他行政處罰。然為讓方案更臻完整,該集團仍提出因應措施如下:

主要與生產直接相關者	目前所在區域情形	因應措施
刷毛車間	目前位於 E 棟第一層,無證區域僅為部份,且設備佔地面積僅為總佔地面積之 58.5%。	1. 將成品倉庫合規部分改作生產車間,並於附近鄰近 500 米處租賃 6,000 平方米合法倉儲地,作為公司新倉庫,用於放置成品與半成品。 2. 因部分成品倉區域位於新批土地上,目前尚未取得房產證;未來如該區域遭拆遷,搬遷步驟為:(i)將第二、三層的成品倉庫搬至外部租賃倉庫(距離工廠現址約 1 公里多,為東石鎮政府空置糧倉),騰出樓層空地。(ii)位於 E 棟第一層刷毛車間之生產設備實際占地約為 1,000 平方米、因第一層有證區域佔地面積為 783.3 平方米,故將保留占地 650 平方米的
搖粒車間	目前位於 D 棟第二、三層,無證區域僅為部份,且設備佔地面積亦為部份。	
半成品倉	目前位於 P 棟第三至六層。	
成品倉	目前位於東南廠區之 E 棟建築物第二、三層樓:E 棟共	

	三層樓，占地面積 1907.86 平方米，有合法土地證面積：783.3 平方米；總建築面積 5803.56 平方米，有合法房產證建物面積：2429.89 平方米，因此，部份成品倉位於新批土地上，但尚未取得房產證。	刷毛設備在 E 棟第一層後，另餘占地 350 平方米的設備搬遷到第二層。(iii)剩餘空間將搖粒生產設備搬入。(iiii) 在將遭拆遷的一面圍牆重新維修。搬遷不會影響生產。 3. 搬遷費用與時間：估計租賃面積為 6,000 平方米，每平方米 6 元，預計每月花費租金人民幣 36,000 元。另生產車間廠房整修與搬遷生產設備將有一次性約人民幣 60 萬元之花費，從搬遷至重新正式運轉所需時間預計為 4 至 6 星期。 4. 假設基礎：租賃面積估算來源：目前半成品倉庫總佔用面積 3,958.6 平方米，成品倉庫總佔用面積 3,815.72 平方米，倉庫利用率為 70%，即半成品需用地 2,771.02 平方米，成品需用地 2,671 平方米，合計為 5,442 平方米。租金計算價格係根據目前當地行情估計，生產車間整修及設備搬遷費用則依公司過去建設廠房與搬遷機器之經驗，及目前當地行情估計。 5. 搬遷期間之停工風險：由於搖粒工序和刷毛工序只是後整理其中一種產品(搖粒布)的工序，並不是公司所有產品都需要，且目前公司搖粒布相關的每月產值和每月稅後利潤平均約為人民幣 600 萬和 100 萬，僅佔公司每月總產值(中國大陸當地定義為產量 X 銷售單價)和總稅後利潤平均約為人民幣 1 億和 1,800 萬之 6%與 5.56%，影響甚微，因此在搬遷期間公司可暫停承接此部份訂單，並無停工風險。如公司因任何原因必須生產搖粒布料，亦可於搬遷期間協請其它工廠代工，代工費及運輸成本約占該項布料產量 X 銷售單價的 5-8%，係根據市場價格計算。
其他少部分區域用途	目前所在區域情形	因應措施
定型	目前共有二個定型車間： (1)位於新批土地上者：D 棟第一層，無證區域僅為部份，且設備佔地面積亦為部份。 (2)另於合法區域者：C 棟第一層亦有定型車間，可以支應公司生產之用。	1. A 棟染色車間於無證區域面積僅 226 平方米，其中染色裝置占地僅約 80 平方米；然染色車間實際於有證區域之占地面積約為 570 平方米，生產設備佔地約 300 平方米，故仍有剩餘 270 平方米無實際用途的空地足夠供搬遷用。 2. D 幢定型車間於無證區域之面積僅 489 平方米，而於有證區域之面積為 1,219 平方米，其中設備實際佔地利用率僅 50%，故仍可騰出 500 平方米作為搬遷用。
染色	目前共有二個染色車間： (1)位於新批土地上者：A 棟第一層，其為較小的染色車間，無證區域僅為部份，且設備佔地面積亦為部份。 (2)另於合法區域者：B 棟整	3. 預計總搬遷費用為人民幣 15 萬元。

	棟為公司主要染色車間，可以支應公司生產之用。	
配布	目前位於 P 棟第一層，設備佔地面積僅為部份。	配布(50 平方米)與檢驗(35 平方米)，由於所占面積甚小，且目前東南廠合法區之定型車間尚有 100 平方米可容納、西北廠區實驗室尚有 80 平方米可容納，因此未來得此二車間挪至合法區域，且搬運均可於一天內完成，公司確認應不會對營運造成影響
檢驗	目前位於 P 棟第二層，設備佔地面積僅為部份。	
東南廠區辦公樓	該集團目前二個辦公樓，一在東南廠區，另一在西北廠區。 東南廠區辦公樓位於 A 棟第二層之部分區域，無證區域僅為部份。	本區辦公人數僅 30 人，由於西北區辦公人數僅 10 人，尚有寬敞空間可容納，因此可移至西北廠，對營運無影響
食堂	目前位於 H 棟第一層，無證區域僅為部份	公司評估將飲食外包，以取代食堂。

西北廠區

區域或主體	如遭拆遷之因應措施																						
空地 區域	如西北區無證土地上物品遭要求遷移，則目前空地用於堆放配件、機修區、廢品、煤等物品將移至合法區域之空地上堆放，或移至外部租賃倉庫空地區堆放。																						
新鍋爐	1.使用舊鍋爐，並將新鍋爐設備妥善儲存以利他日使用。 2.說明如下： - 舊鍋爐雖於 2001 年即正式啟用，會計上的折舊年限為 10 年，但實務上只要每年年檢合格，就可以 24 小時持續使用，並無使用年限限制，且其仍符合年度檢驗所要求之環保標準，因此若新型鍋爐遭要求拆遷，公司轉用舊鍋爐之方案應屬可行，且不會對公司營運有影響。 - 新舊鍋爐比較表： <table border="1"> <thead> <tr> <th></th><th>新鍋爐</th><th>舊鍋爐¹</th></tr> </thead> <tbody> <tr> <td>建造成本 (人民幣)</td><td>設備：3,060 萬 建物：761.3 萬</td><td>設備：202 萬</td></tr> <tr> <td>佔地面積</td><td>330.3 平方米</td><td>1,976 平方米</td></tr> <tr> <td>煤炭使用量</td><td>生產 1 噸布需耗用約 1.1 噸煤</td><td>生產 1 噸布需要耗用約 1.28 噸煤</td></tr> <tr> <td>折舊年限</td><td>10 年</td><td>10 年</td></tr> <tr> <td>蒸氣產量</td><td>1 噸煤大約產生 0.4 立方蒸氣</td><td>1 噸煤大約產生 0.35 立方蒸氣</td></tr> <tr> <td>二氧化硫排放</td><td colspan="2">新鍋爐比舊鍋爐大概減少二氧化硫排放量約 10%</td></tr> </tbody> </table> 資料來源：該集團提供 - 由於新鍋爐不論對環境還是公司成本都有益，公司並不會放棄新鍋爐的使用。萬一新鍋爐被強制拆遷，公司將考慮以下方案： 方案 I.在外部租賃倉庫將新鍋爐暫存，待原址取得合法土地手續再將其遷回(倉儲面積大約需要 1,000 平方米，根據市場行情每平方米月租金人民幣 6 元左右)；			新鍋爐	舊鍋爐 ¹	建造成本 (人民幣)	設備：3,060 萬 建物：761.3 萬	設備：202 萬	佔地面積	330.3 平方米	1,976 平方米	煤炭使用量	生產 1 噸布需耗用約 1.1 噸煤	生產 1 噸布需要耗用約 1.28 噸煤	折舊年限	10 年	10 年	蒸氣產量	1 噸煤大約產生 0.4 立方蒸氣	1 噸煤大約產生 0.35 立方蒸氣	二氧化硫排放	新鍋爐比舊鍋爐大概減少二氧化硫排放量約 10%	
	新鍋爐	舊鍋爐 ¹																					
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折舊年限	10 年	10 年																					
蒸氣產量	1 噸煤大約產生 0.4 立方蒸氣	1 噸煤大約產生 0.35 立方蒸氣																					
二氧化硫排放	新鍋爐比舊鍋爐大概減少二氧化硫排放量約 10%																						

¹ 舊鍋爐屬早年建造，當時物價偏低，因此建造成本遠低於新鍋爐；且因舊鍋爐屬橫式建築，占地面積大；新鍋爐新技術優勢在於立式建築，占地面積小，但因近年大陸物價水準上升外，故建造成本高。

	方案 II.如果被拆遷後預計取得合法土地批准時間過長(例如超過半年)，公司可對原舊鍋爐車間進行改造，在不影響舊鍋爐使用的前提下，將舊鍋爐車間的一部分老舊設施裝置拆除，騰出空間將新型鍋爐遷進舊鍋爐車間，然後使用新型鍋爐，舊鍋爐作為備用，不拆遷： • 一套完整的鍋爐裝備包括了鍋爐及其脫硫裝置。舊鍋爐車間除了鍋爐設備(1,032.5 平方米)，還包括原有配套脫硫裝置(含四周空地 600 平方米)。在建造新鍋爐時，同時也配套安裝了新脫硫裝置(100 平方米)。新脫硫裝置位於有合法土地證的區域上，占地面積小，也可連接舊鍋爐使用。如果新鍋爐遭拆遷，公司可以將舊鍋爐連接新脫硫裝置使用，然後拆掉原有舊脫硫裝置(剩餘價值為零)，拆除後的空地足夠供新鍋爐安置(只需 210 平方米)。 • 預計本方案總需拆遷費和安裝費共計 57 萬元人民幣，工作時間 44 天：拆遷舊脫硫裝置並安裝新脫硫裝置於舊鍋爐之上需要 3 天,拆遷費用 5 萬元，安裝後舊鍋爐即可使用，不影響公司正常生產。另搬遷新鍋爐預計需要 40 天,預計拆遷費和安裝費共計 50 萬元人民幣。在安裝完成新鍋爐後,公司將新脫硫裝置重新安裝至新鍋爐,預計 1 天時間,費用 2 萬元,安裝完成後新鍋爐即可使用，而舊鍋爐留作備用。

該集團於 2010 年 3 月獲發東南廠區 4,943 平方米『新批土地』之額度後，主要與營運直接或間接相關之設備與區域，大多位於有合法土地使用權及房產證建物上，而未取得合法土地使用權之區域，主要是為未利用池塘、空地、空地堆放配件、空地堆放廢品、空地堆放維修機件、空地堆放煤等，其上較具資產價值並與生產相關者為一新型備用鍋爐。

由於中國律師於 99 年度 8 月 4 日出具之律師意見書，確定東南廠區 4,943 平方米上之房產已不會被拆除、搬遷或受到其他行政處罰；而西北廠區亦取得當地主管機關之更新確認，現時使用的無證土地符合當地規劃土地用途及建設規劃，所以該集團因使用無證土地而遭受處罰、要求搬遷或拆遷之機率並不大。且承銷商評估該集團提供之相關因應措施，均尚稱合理。

該集團為使因應方案更臻完全，非執行主席蔡長江先生及執行總裁林文章先生已出具承諾：未來如因為完全取得土地證房產證事項遭受罰款或產生損失，損及股東權益，蔡長江先生及林文章先生將承擔，以確保台灣投資人股東權益不受影響。

綜上，該集團未完全取得土地證與房產證事宜並不會造成營運之重大影響，且亦不會對目前及未來的股東權益造成重大影響。

三、泰山科技集團最近三年度與最近期業績變化說明。

承銷商說明

單位：人民幣仟元；分

項目/年度	2007年	2008年	2009年	2010年第二季
營業收入	810,868	1,180,143	832,641	605,259
營業成本	557,196	803,497	670,974	451,917
營業毛利	253,672	376,646	161,667	153,342
其他收入	1,923	2,131	2,006	1,701
配銷成本	350	1,704	2,159	827
管理費用	3,098	11,190	11,714	6,977
其他營業費用	43	19,581	2,329	39
財務成本	2,458	3,175	2,691	1,205
稅前純益	249,646	343,127	144,780	145,995
稅後純益	182,693	251,965	106,679	109,418
每股盈餘(分)	25.92	30.28	11.50	11.11

資料來源：2005~2009 年度經原上市國會計師查核簽證之合併財務報告及 2010 年第二季自結報表

該集團為中國大陸具有領先地位的運動及休閒服飾布料製造廠商，主要產品為普通布料及多功能布料，同時也提供服裝和布料製造商布料加工之服務。該集團之營運主要係由子公司-晉江連捷紡織印染實業有限公司從事生產針織布及印染等製程，自 2007 年度起轉型改以生產多功能布料，成為運動及休閒服飾之布料製造商，最近三年度與 2010 年上半年度多功能布料營收比重分別為 93.3%、96.21%、95.51%與 96.40%。

營業收入變化說明

該集團最近三年度及 2010 年上半年營業收入分別為人民幣 810,868 仟元、1,180,143 仟元、832,641 仟元及 605,259 仟元，主要收入來自多功能布料。

該集團自 2007 年度起轉型改以生產多功能布料為主，成為運動及休閒服飾之布料製造商。由於多功能布料每噸平均售價由 2006 年度之人民幣 68.2 仟元上漲至 2007 年度之人民幣 74 仟元，而普通布料每噸平均售價由 2006 年度之人民幣 35.3 仟元下降至 2007 年度之人民幣 34 仟元，可知多功能布料每噸平均售價約為普通布料每噸平均售價之一倍以上，因此成為運動及休閒服飾之布料製造商後，生產多功能布料使該集團 2007 年度營業收入較 2006 年度成長 265.12%；2008 年度營業收入較 2007 年度大幅成長，主要受惠 2008 年度中國大陸舉辦北京奧運，使得運動及休閒服市場需求增加，下游客戶提早備貨所致；2009 年度營業收入較 2008 年度減少，主係因下游客戶為消化 2008 年北京奧運過剩庫存，致減少訂單量，再加上 2008 年下半年金融海嘯影響市場需求，故使該集團 2009 年前三季接單狀況不如預期，惟與 2007 年度維持相當。而 2010 年上半年度營業收入較 2009 年上半年度成長 71.95%，主係因 2009 年庫存消化完畢，及全球

金融海嘯已逐漸遠離、全球經濟逐漸復甦，加上於 2010 年度 6 月舉辦世足賽，對運動及休閒服飾需求明顯增加，銷售數量及平均售價與 2009 年上半年度比較，亦由 4,505 公噸及人民幣 74.3 仟元增加至 2010 年上半年度之 7,521 公噸及人民幣 77.5 仟元，故營業收入較 2009 年上半年度增加人民幣 253,262 仟元。

營業毛利變化說明

該集團於 2007 年度轉型成為運動及休閒服飾之布料製造商，推出高單價且高毛利之功能性布料，如防蚊蟲、防皺、吸濕排汗及透氣等布料；2008 年度延續 2007 年度推出之功能性布料，加上推出輕薄及貼身保暖布料，使得 2008 年度之毛利率 31.92%與 2007 年度之 31.28%維持相當；2009 年度則推出竹碳纖維及具冰涼感等功能布料，惟受到下游客戶消化北京奧運過剩庫存及全球金融海嘯，訂單減少之影響，使得產能利用率下降，因此該集團利用產能空檔進行設備維修，造成營運成本增加，又該集團為提升業績，提高產能利用率，採取降價策略，且主動爭取毛利率較低之訂單，是以 2009 年度營業毛利較 2008 年度明顯減少。而 2010 年上半年累計營業毛利較 2009 年同期成長 54.7%，主係因 2009 年下游客戶庫存消化完畢，及全球金融海嘯已逐漸遠離、全球經濟逐漸復甦，加上舉辦世足賽，對運動及休閒服飾需求明顯增加，使得銷售數量及平均售價均上揚，使得 2010 年上半年毛利率回升至 25.33%所致。

綜上所述，該集團最近三年度業績變化，除 2009 年度趨緩外，均呈增加趨勢，其係上述因素所致。而 2010 年度因市場需求回溫，致 2010 年上半年營業收入較 2009 年同期增加。故最近三年度及 2010 年上半年業績變化應無重大異常之情事。

中國泰山科技集團控股有限公司及子公司

民國九十七年度合併財務報表暨
會計師複核報告

(上市之台灣存託憑證用外國公司財務報告)

中國泰山科技集團控股有限公司及子公司
民國九十七年度財務報表暨會計師複核報告
(上市之台灣存託憑證用外國公司財務報告)
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附 件 一

會計師複核報告

中國泰山科技集團控股有限公司 公鑒：

中國泰山科技集團控股有限公司及其子公司依據新加坡財務報導原則編製之民國九十七年十二月三十一日及民國九十六年十二月三十一日之合併資產負債表，暨民國九十七年一月一日至十二月三十一日及民國九十六年一月一日至十二月三十一日之合併損益表、合併股東權益變動表及合併現金流量表(金額以人民幣為單位)，業經 Mazars LLP 查核完竣，並於民國九十八年三月四日及九十七年四月二十五日出具無保留意見之查核報告(詳附件五及附件七)。隨附中國泰山科技集團控股有限公司及其子公司民國九十七年及九十六年度依新台幣換算之合併財務報表(詳附件二)，經本會計師依照「募集與發行台灣存託憑證外國公司財務報告複核要點」，採行必要之複核程序予以複核竣事。由於本會計師並未依照中華民國一般公認審計準則查核，故無法對上開財務報告之整體是否允當表達表示意見。

依本會計師之複核結果，並未發現第一段所述中國泰山科技集團控股有限公司及其子公司按新台幣換算之合併財務報表暨依中華民國一般公認會計原則重編後之合併資產負債表及合併損益表有違反「募集與發行台灣存託憑證外國公司財務報告複核要點」規定而須作大幅修正、調整或再補充揭露之情事。

如附件三所述，中國泰山科技集團控股有限公司及其子公司之合併財務報表格式係依據新加坡財務報導原則及相關法令規定編製，致與中華民國規定部分不同，中國泰山科技集團控股有限公司業已依據中華民國一般公認會計原則及相關法令，重分類其民國九十七年及九十六年度之合併資產負債表及合併損益表。

資 誠 聯 合 會 計 師 事 務 所

張祚誠

會計師：

梁華玲

核准簽證文號：金管證六字第 0950139686 號

前財政部證券暨期貨管理委員會

核准簽證文號：(86)台財證(六)第 83253 號

中華民國 九十九 年 七 月 二十三 日

附 件 二

本公司及子公司原以人民幣編製之合併財務報表，謹依規定匯率編製按新台幣換算之主要財務報表：

- 一、 合併資產負債表。
- 二、 合併損益表。
- 三、 合併股東權益變動表。
- 四、 合併現金流量表。

民國九十七年及民國九十六年度比較報表之所有科目金額，係分別以民國九十七年十二月三十一日之人民幣對新台幣匯率(RMB\$1：NT\$4.81)及民國九十六年十二月三十一日之人民幣對新台幣匯率(RMB\$1：NT\$4.44)換算。

最近三年度人民幣對新台幣匯率最高、最低及平均匯率如下：

	收盤最高	收盤最低	收盤平均
民國九十七年度	RMB\$1：NT\$4.85	RMB\$1：NT\$4.32	RMB\$1：NT\$4.54
民國九十六年度	RMB\$1：NT\$4.44	RMB\$1：NT\$4.21	RMB\$1：NT\$4.32
民國九十五年度	RMB\$1：NT\$4.20	RMB\$1：NT\$3.96	RMB\$1：NT\$4.08

中國泰山科技集團控股有限公司及子公司

合併資產負債表

民國97年及96年12月31日

單位：仟元

	97年12月31日		96年12月31日	
	人民幣	新台幣	人民幣	新台幣
資產				
非流動資產				
房屋、廠房及設備	\$ 206,418	\$ 992,870	\$ 143,880	\$ 638,826
無形資產	114	548	116	515
	<u>206,532</u>	<u>993,418</u>	<u>143,996</u>	<u>639,341</u>
流動資產				
無形資產—流動	2	10	2	9
存貨	51,527	247,845	42,483	188,625
應收帳款及其他應收款	401,612	1,931,754	250,324	1,111,439
現金及約當現金	364,111	1,751,374	89,399	396,932
	<u>817,252</u>	<u>3,930,983</u>	<u>382,208</u>	<u>1,697,005</u>
資產總計	<u>\$ 1,023,784</u>	<u>\$ 4,924,401</u>	<u>\$ 526,204</u>	<u>\$ 2,336,346</u>
負債及股東權益				
股東權益				
股本	\$ 337,799	\$ 1,624,813	\$ 80,998	\$ 359,631
合併準備	11,491	55,272	11,491	51,020
法定盈餘公積	74,655	359,091	44,207	196,279
保留盈餘	339,871	1,634,780	118,354	525,492
股東權益合計	<u>763,816</u>	<u>3,673,956</u>	<u>255,050</u>	<u>1,132,422</u>
非流動負債				
應付關係人款	-	-	50,382	223,696
流動負債				
應付帳款及其他應付款	139,124	669,186	153,951	683,542
應付關係人款	50,382	242,337	1,738	7,717
短期借款	45,000	216,450	37,500	166,500
應付所得稅	25,462	122,472	27,583	122,469
	<u>259,968</u>	<u>1,250,445</u>	<u>220,772</u>	<u>980,228</u>
負債合計	<u>259,968</u>	<u>1,250,445</u>	<u>271,154</u>	<u>1,203,924</u>
股東及負債總計	<u>\$ 1,023,784</u>	<u>\$ 4,924,401</u>	<u>\$ 526,204</u>	<u>\$ 2,336,346</u>

註：

民國97年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國97年12月31日之匯率RMB 1= NTD 4.81換算。

民國96年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國96年12月31日之匯率RMB 1= NTD 4.44換算。

董事長：蔡長江

經理人：林文章

會計主管：陳煒旭

中國泰山科技集團控股有限公司及子公司

合併損益表

民國97年及96年1月1日至12月31日

單位：仟元

(除每股盈餘外)

	97年度		96年度	
	人民幣	新台幣	人民幣	新台幣
收入	\$ 1,180,143	\$ 5,676,488	\$ 810,868	\$ 3,600,254
銷貨成本	(803,497)	(3,864,821)	(557,196)	(2,473,950)
銷貨毛利	376,646	1,811,667	253,672	1,126,304
其他收入	2,131	10,250	1,923	8,538
配銷成本	(1,704)	(8,196)	(350)	(1,554)
管理費用	(11,190)	(53,824)	(3,098)	(13,755)
其他營業費用	(19,581)	(94,185)	(43)	(191)
財務成本	(3,175)	(15,272)	(2,458)	(10,914)
稅前淨利	343,127	1,650,440	249,646	1,108,428
所得稅費用	(91,162)	(438,489)	(66,953)	(297,271)
本期可供分配淨利	251,965	1,211,951	182,693	811,157
其他綜合損益	-	-	-	-
本期綜合損益總額	<u>\$ 251,965</u>	<u>\$ 1,211,951</u>	<u>\$ 182,693</u>	<u>\$ 811,157</u>

每股盈餘(人民幣分/新台幣元)

基本(稀釋)	30.28	1.46	25.92	1.15

註：

民國97年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國97年12月31日之匯率RMB 1= NTD 4.81換算。

民國96年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國96年12月31日之匯率RMB 1= NTD 4.44換算。

董事長：蔡長江

經理人：林文章

會計主管：陳煒旭

中國泰山科技集團控股有限公司及子公司

合併股東權益變動表

民國97年及96年1月1日至12月31日

單位：人民幣仟元

	股本	合併準備	法定盈餘公積	保留盈餘	合計
<u>96 年 度</u>					
96年1月1日	\$ 80,998	\$ 11,491	\$ 17,054	\$ 12,814	\$ 122,357.00
本期淨利	-	-	-	182,693	182,693
股利	-	-	-	(50,000)	(50,000)
提列法定盈餘公積	-	-	27,153	(27,153)	-
96年12月31日	<u>\$ 80,998</u>	<u>\$ 11,491</u>	<u>\$ 44,207</u>	<u>\$ 118,354</u>	<u>\$ 255,050</u>
<u>97 年 度</u>					
97年1月1日	\$ 80,998	\$ 11,491	\$ 44,207	\$ 118,354	\$ 255,050
股本公開發行	256,801	-	-	-	256,801
-扣除發行成本	-	-	-	251,965	251,965
本期綜合淨利	-	-	30,448	(30,448)	-
提列法定盈餘公積	-	-	30,448	(30,448)	-
97年12月31日	<u>\$ 337,799</u>	<u>\$ 11,491</u>	<u>\$ 74,655</u>	<u>\$ 339,871</u>	<u>\$ 763,816</u>

董事長：蔡長江

經理人：林文章

會計主管：陳煒旭

中國泰山科技集團控股有限公司及子公司
合併股東權益變動表（接續上頁）
民國97年及96年1月1日至12月31日

單位：新台幣仟元

	股本	合併準備	法定盈餘公積	保留盈餘	合計
<u>96 年 度</u>					
96年1月1日	359,631	51,020	75,720	56,894	\$ 543,265.00
本期淨利	-	-	-	811,157	811,157
股利	-	-	-	(222,000)	(222,000)
提列法定盈餘公積	-	-	120,559	(120,559)	-
96年12月31日	<u>\$ 359,631</u>	<u>\$ 51,020</u>	<u>\$ 196,279</u>	<u>\$ 525,492</u>	<u>\$ 1,132,422</u>
<u>97 年 度</u>					
97年1月1日	\$ 359,631	\$ 51,020	\$ 196,279	\$ 525,492	\$ 1,132,422
股本公開發行 -扣除發行成本	1,235,213	-	-	-	1,235,213
本期綜合淨利	-	-	-	1,211,951	1,211,951
提列法定盈餘公積	-	-	146,455	(146,455)	-
匯率調整數	29,969	4,252	16,357	43,792	94,370
97年12月31日	<u>\$ 1,624,813</u>	<u>\$ 55,272</u>	<u>\$ 359,091</u>	<u>\$ 1,634,780</u>	<u>\$ 3,673,956</u>

註：

民國97年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國97年12月31日之匯率RMB 1= NTD 4.81換算。
民國96年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國96年12月31日之匯率RMB 1= NTD 4.44換算。

董事長：蔡長江

經理人：林文章

會計主管：陳煒旭

中國泰山科技集團控股有限公司及子公司

合併現金流量表

民國97年及96年12月31日

單位：仟元

	97 年 度		96 年 度	
	人民幣	新台幣	人民幣	新台幣
營業活動之現金流量				
稅前淨利	\$ 343,127	\$ 1,650,440	\$ 249,646	\$ 1,108,428
調整項目：				
房屋、廠房及設備折舊費用	20,756	99,836	10,965	48,685
土地使用權攤銷費用	2	10	2	9
報廢房屋、廠房及設備損失	145	697	42	186
處分房屋、廠房及設備損失	775	3,728	-	-
利息費用	3,175	15,272	2,458	10,914
利息收入	(2,080)	(10,005)	(182)	(808)
不含營運資金變動前之營業活動現金流量	365,900	1,759,978	262,931	1,167,414
營運資金變動：				
存貨	(9,044)	(43,502)	(28,666)	(127,277)
應收帳款及其他應收款	(44,041)	(211,837)	(157,456)	(699,105)
應付帳款及其他應付款	(14,827)	(71,318)	77,601	344,548
應付關係人款-應收	-	-	(2,978)	(13,222)
應付關係人款-非應收	(1,738)	(8,360)	(5,995)	(26,618)
營業活動產生之現金數	296,250	1,424,961	145,437	645,740
利息收現數	2,080	10,005	182	808
所得稅支付數	(93,283)	(448,691)	(42,500)	(188,700)
營業活動之淨現金流入數	205,047	986,275	103,119	457,848
投資活動之現金流量				
處分房屋、廠房及設備損失	(79,915)	(384,391)	(16)	(71)
處份固定資產收現數	701	3,372	-	-
購買固定資產支付之保證金	(112,247)	(539,908)	-	-
投資活動之淨現金流出	(191,461)	(920,927)	(16)	(71)
融資活動之現金流量				
償付銀行借款	-	-	(50,000)	(222,000)
舉借銀行借款	(37,500)	(180,375)	(7,200)	(31,968)
股利支付	45,000	216,450	14,700	65,268
利息支付	(3,175)	(15,272)	(2,458)	(10,914)
發行新股收現數	256,801	1,235,213	-	-
融資活動之淨現金流入(出)數	261,126	1,256,016	(44,958)	(199,614)
本期現金及約當現金增加數	274,712	1,321,365	58,145	258,164
期初現金及約當現金餘額	89,399	430,009	31,254	138,768
期末現金及約當現金餘額	<u>\$ 364,111</u>	<u>\$ 1,751,374</u>	<u>\$ 89,399</u>	<u>\$ 396,932</u>

註：

民國97年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國97年12月31日之匯率RMB 1= NTD 4.81換算。

民國96年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國96年12月31日之匯率RMB 1= NTD 4.44換算。

董事長：蔡長江

經理人：林文章

會計主管：陳煒旭

附 件 三

中國泰山科技集團控股有限公司及子公司

合併資產負債表

(依中華民國會計原則重編)

民國97年及96年12月31日

單位：新台幣仟元

	依中華民國規定編製之金額	
	97年12月31日	96年12月31日
資產		
流動資產		
現金及約當現金	\$ 1,751,374	\$ 396,932
應收帳款	1,303,649	1,081,420
存貨	247,845	188,625
預付款項	596	7,818
流動資產合計	3,303,464	1,674,795
固定資產淨額	1,532,779	661,027
無形資產	558	524
其他資產		
存出保證金	87,600	-
其他資產合計	87,600	-
資產總計	\$ 4,924,401	\$ 2,336,346
負債及股東權益		
流動負債		
短期借款	\$ 216,450	\$ 166,500
應付帳款	620,610	562,730
應付關係人款	242,337	7,717
應付所得稅	122,472	122,469
其他應付款	48,576	120,812
流動負債合計	1,250,445	980,228
非流動負債		
應付關係人款－非流動	-	223,696
股東權益		
股本	1,624,813	359,631
資本公積	55,272	51,020
法定盈餘公積	359,091	196,279
保留盈餘	1,634,780	525,492
股東權益總計	3,673,956	1,132,422
負債及股東權益總計	\$ 4,924,401	\$ 2,336,346

註：

民國97年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國97年12月31日之匯率RMB 1= NTD 4.81換算。

民國96年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國96年12月31日之匯率RMB 1= NTD 4.44換算。

董事長：蔡長江

經理人：林文章

會計主管：陳煒旭

中國泰山科技集團控股有限公司及子公司

合併損益表

(依中華民國會計原則重編)

民國97年及96年1月1日至12月31日

單位：新台幣仟元

(除每股盈餘為元外)

	依中華民國規定編製之金額	
	97年度	96年度
營業收入	\$ 5,676,488	\$ 3,600,254
營業成本	(3,864,821)	(2,473,950)
營業毛利	1,811,667	1,126,304
營業費用	(103,863)	(15,008)
營業利益	1,707,804	1,111,296
營業外收入及利益		
利息收入	10,005	808
備抵呆滯存貨回升利益	-	7,424
營業外收入及利益合計	10,005	8,232
營業外費用及損失		
利息費用	(15,272)	(10,914)
處分固定資產損失	(4,425)	(186)
兌換損失	(47,672)	-
營業外費用及損失合計	(67,369)	(11,100)
繼續營業部門稅前淨利	1,650,440	1,108,428
所得稅費用	(438,489)	(297,271)
本期淨利	\$ 1,211,951	\$ 811,157

普通股每股盈餘

繼續營業部門淨利 1.46 1.15

註：

民國97年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國97年12月31日之匯率RMB 1= NTD 4.81換算。

民國96年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國96年12月31日之匯率RMB 1= NTD 4.44換算。

董事長：蔡長江

經理人：林文章

會計主管：陳煒旭

中國泰山科技集團控股有限公司及子公司
合併資產負債表及損益表暨重編說明
民國九十七及九十六年度
(除另予註明者外，金額係以新台幣仟元為單位)

一、合併財務報表重編原則

中國泰山科技集團控股有限公司及子公司（以下簡稱合併公司）如附件四、六所列之民國九十七及九十六年度財務報告，係包括中國泰山科技集團控股有限公司（以下簡稱本公司）及子公司之合併財務資訊。

合併公司民國九十七及九十六年度依新加坡法令及新加坡財務報告準則（以下簡稱新加坡一般公認會計原則）編製之合併資產負債表及合併損益表，因適用之會計原則不同，與「證券發行人財務報告編製準則」、「商業會計法」、「商業會計處理準則」及「中華民國財務會計準則」（以下簡稱中華民國一般公認會計原則）規定不符，爰依中華民國財政部證券暨期貨管理委員會 82 年 8 月 24 日(82)台財證（六）第 01972 號函「募集與發行台灣存託憑證外國公司財務報告複核要點」規定，就上述合併資產負債表及合併損益表依中華民國一般公認會計原則予以重編（以下簡稱重編合併財務報表）。

惟因適用之會計原則不同對合併公司民國九十七及九十六年度合併損益表之損益影響金額，並未達證券交易法施行細則第六條所訂應重編財務報表之標準，上述重編合併財務報表僅依中華民國一般公認會計原則規定之格式與分類將上述合併資產負債表及合併損益表予以重分類。

二、中華民國一般公認會計原則與新加坡一般公認會計原則之特定重大差異彙總說明

現行已發布生效之中華民國與新加坡一般公認會計原則在特定方面可能有重大差異；其中影響合併公司民國九十七及九十六年度合併資產負債表及合併損益表，進而影響重編合併財務報表之主要差異，彙總說明如下：

	中華民國一般 公認會計原則	新加坡一般 公認會計原則	對重編合併 財務報表之影響
(一) 營業外收入及利益	利息收入及備抵存貨跌價迴轉利益應分類為營業外收入及利益。	利息收入及備抵存貨跌價迴轉利益分類為其他營業收入。	已予重分類 97 年度\$10,005 96 年度\$8,232
(二) 營業外費用及損失	利息費用、處分固定資產損失及兌換損失等應分類為營業外費用及損失。	利息費用、處分固定資產損失及兌換損失等皆分類為其他營業費用。	已予重分類 97 年度\$67,369 96 年度\$11,100
(三) 存出保證金	分類為其他資產下之單獨項目。	分類為應收帳款及其他應收款下之項目。	已予重分類 97 年度\$87,600
(四) 預付機器設備款	分類為固定資產下之項目。	分類為應收帳款及其他應收款下之項目。	已予重分類 97 年度\$539,908 96 年度\$22,200
(五) 預付費用	分類為流動資產。	分類為應收帳款及其他應收款下之項目。	已予重分類 97 年度\$596 96 年度\$7,819
(六) 土地使用權	分類為無形資產下之項目，並無區分流動或非流動。	未來 12 個月內攤銷部份，分類為流動資產下之無形資產項目。	已予重分類 97 年度\$10 96 年度\$9
(七) 其他應付款	因營業發生之應付帳款與非因營業發生之其他應付款，應分別列示。	分類為應付帳款與其他應付款共同列示。	已予重分類 97 年度\$48,576 96 年度\$120,812

附 件 四

本中文財務報告係原以英文出具查核報告之中文譯本，
非為符合中華民國相關證券法規之目的編製。

會計師查核報告

致 中國泰山科技集團控股有限公司

中國泰山科技集團控股有限公司(以下簡稱「該公司」)及其子公司(以下簡稱「集團」)西元 2008 年 12 月 31 日之合併與個別資產負債表，暨截至本年度結束日止之合併損益表、合併股東權益變動表、合併現金流量表及該公司股東權益變動表，以及列示於第 頁到第 頁之重要會計政策與其他附註說明事項，業經本會計師查核竣事。

管理階層的責任

管理階層之責任係確保上開財務報表依照新加坡公司法第 50 章(以下稱「公司法」)與新加坡財務報導準則編製及允當表達。該責任包含：

- (a) 設計與維持內部控制制度以合理確任資產之安全，避免未經授權的使用或處分所產生之損失；交易經適當授權及紀錄以編制正確及公平允當之損益及資產負債科目，並確保資產之可靠性；
- (b) 選擇並採用適當之會計政策；
- (c) 依照實際情況做合理之會計估計。

會計師的責任

本會計師之責任是依據新加坡一般公認審計準則所執行之查核工作，並對上開財務報表表示意見。此準則要求依照職業道德規範，規劃並執行查核工作，以合理確信財務報表有無重大不實表達。

查核工作包括執行查核程序以獲得關於財務報表金額及附註揭露之查核證據。所執行之查核程序係依據會計師之專業判斷所決定，包括評估財務報表因舞弊或錯誤所造成重大誤述之風險。在進行風險評估時，查核人員應考量與該集團財務報表編製及允當表達相關之內部控制，以針對集團之環境，設計適當之查核程序，但會計師並不對其內部控制是否有效表示意見。查核工作也包括評估管理階層所採用之會計政策、及所作會計估計之合理性，暨評估整體財務報表表達之合理性。

本會計師相信所獲取之查核證據可對所表示之意見提供充分適切之依據。

查核意見書

依本會計師之意見

- (a) 該集團之合併財務報表與該公司財務狀況表及股東權益變動表係依照新加坡公司法及新加坡財務報導原則編製，足以允當表達該集團及該公司西元 2008 年 12 月 31 日之合併及個別財務狀況，及截至該日止之經營結果，合併及個別股東權益變動與合併現金流量；且
- (b) 該公司依照新加坡公司法規定須維護之會計及其他紀錄業已適當遵循。

馬賽特許會計師有限責任合夥公司
會計師和註冊會計師

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合夥人

新加坡：西元 2009 年 3 月 4 日

中國泰山科技集團控股有限公司
合併損益表
2008 年度

	附註	集團	
		2008 人民幣' 000	2007 人民幣' 000
收入	3	1,180,143	810,868
銷貨成本		(803,497)	(557,196)
銷貨毛利		376,646	253,672
其他收入	4	2,131	1,923
配銷成本		(1,704)	(350)
管理費用		(11,190)	(3,098)
其他營業費用		(19,581)	(43)
財務成本	5	(3,175)	(2,458)
稅前淨利	6	343,127	249,646
所得稅費用	9	(91,162)	(66,953)
本期可供分配淨利		251,965	182,693
每股盈餘(人民幣分)			
基本(稀釋)	10	30.28	25.92

財務報表附註為本財務報表之一部分，請併同參閱。

中國泰山科技集團控股有限公司
合併財務狀況表
2008年12月31日

		集團		公司	
	附註	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
		人民幣' 000	人民幣' 000	人民幣' 000	人民幣' 000
資產					
非流動資產					
房屋、廠房及設備	11	206,418	143,880	-	-
無形資產	12	114	116	-	-
長期股權投資	13	-	-	80,998	-
		206,532	143,996	80,998	-
流動資產					
無形資產-流動	12	2	2	-	-
存貨	14	51,527	42,483	-	-
應收帳款及其他應收款	15	401,612	250,324	112,247	1,637
應收聯屬公司款	16	-	-	177,512	-
現金及約當現金	17	364,111	89,399	46,934	101
		817,252	382,208	336,693	1,738
資產總計		1,023,784	526,204	417,691	1,738
負債及股東權益					
股東權益					
股本	18	337,799	337,799	337,799	- *
合併準備	19	11,491	11,491	-	-
法定公積	20	74,655	44,207	-	-
保留盈餘	21	339,871	118,354	79,148	-
股東權益合計		763,816	255,050	416,947	- *
非流動性負債					
應付關係人款	22	-	50,382	-	-
		-	50,382	-	-
流動負債					
應付帳款及其他應付款	23	139,124	153,951	744	-
應付關係人款	22	50,382	1,738	-	1,738
應付利息	24	45,000	37,500	-	-
應付所得稅		25,462	27,583	-	-
		259,968	220,772	744	1,738
負債合計		259,968	271,154	744	1,738
股東及負債總計		1,023,784	526,204	417,691	1,738

*此金額小於人民幣 1,000 元

財務報表附註為本財務報表之一部分，請併同參閱。

中國泰山科技集團控股有限公司
合併股東權益變動表
2008 年度

公司	附註	股本	保留盈餘	股東權益合計
		人民幣' 000	人民幣' 000	人民幣' 000
公司成立日及 2007年12月31日		- *	-	- *
2008年1月1日		- *	-	- *
本期淨利		-	79,148	79,148
組織重整股本發行	18(c)	80,998	-	80,998
股本公開發行	18(d)	256,801	-	256,801
-扣除發行成本				
2008年12月31日		337,799	79,148	416,947

*此金額小於人民幣 1,000 元

中國泰山科技集團控股有限公司
合併現金流量表
2008 年度

集團	附註	2008 人民幣' 000	2007 人民幣' 000
營業活動之現金流量			
稅前淨利		343,127	249,646
調整項目：			
不動產、廠房及設備折舊費用		20,756	10,965
土地使用權攤銷費用		2	2
報廢不動產、廠房及設備損失		145	42
處分不動產、廠房及設備損失		775	-
利息費用		3,175	2,458
利息收入		(2,080)	(182)
不含營運資金變動之營業活動現金流量		365,900	262,931
營運資金變動：			
存貨		(9,044)	(28,666)
應收帳款及其他應收款		(44,041)	(157,456)
應付帳款及其他應付款		(14,827)	77,601
應付關係人款-帳款		-	(2,978)
應付關係人款-非銷貨款		(1,738)	(5,995)
營業活動產生之現金數		296,250	145,437
利息收現數		2,080	182
所得稅支付數		(93,283)	(42,500)
營業活動之淨現金流入數		205,047	103,119
投資活動之現金流量			
購置不動產、廠房及設備		(79,915)	(16)
處份不動產、廠房及設備價款		701	-
購買廠房設備支付之保證金	15	(112,247)	-
投資活動之淨現金流出		(191,461)	(16)
融資活動之現金流量			
股利支付	27	-	(50,000)
償還銀行借款		(37,500)	(7,200)
舉借銀行借款		45,000	14,700
利息支付		(3,175)	(2,458)
發行新股收現數	18(d)	256,801	-
融資活動之淨現金流入(出)數		261,126	(44,958)
現金及約當現金淨增加數		274,712	58,145
現金及約當現金期初餘額		89,399	31,254
現金及約當現金期末餘額	17	364,111	89,399

2008 年度中，集團購置廠房及設備成本約人民幣 84,915,000 元，其中人民幣約 5,000,000 元係由以前年度支付之預備保證金所支應，現金支付購置房屋、廠房及設備價款約為人民幣 79,915,000 元。

財務報表附註

財務報表附註為本財務報表之一部分，請併同參閱。

1. 營業地點及營業活動

中國泰山科技集團控股私人有限公司於西元 2007 年 7 月 2 日成立於新加坡，於西元 2008 年 4 月 16 日轉換為公開發行有限公司並更名為中國泰山科技集團控股有限公司(以下稱為本公司)。

本公司登記地址為 80 Robinson Road #17-02, Singapore 068898。本公司主要營業活動為投資控股。本公司之子公司-晉江連捷紡織印染實業有限公司之主要營業活動如本合併財務報表附註 13 所述，其主要營業地址為中華人民共和國福建省晉江市東石鎮東埕振東開發區。

本合併財務報表包含本公司及其子公司(以下稱為本集團)。

集團重整

為使集團組織符合於新加坡交易證券公司上市之規範，故進行下列組織重整活動：

- (i) 本公司發行 99,998 股以美元 \$11,000,000 (人民幣 80,268,100 元) 以取得晉江連捷紡織印染實業有限公司之全部股東權益，使其成為 100% 持股之子公司。
- (ii) 本公司以美元 \$100,000 (人民幣 729,710 元) 發行 1 普通股予非執行主席蔡長江先生，其全部金額以現金支付。
- (iii) 上述之股份，以 1 股分割為 7,047 股之方式，使本公司之全體股數由原始之 100,000 股增加為 704,700,000 股。
- (iv) 本公司於西元 2008 年 6 月 6 日於新加坡證券交易所首次公開發行，以每股新加坡幣 \$0.24 發行 223,200,000 股，使公司之全體股數增加為 927,900,000 股。

與集團重整相關之內容請參詳本公司西元 2008 年 5 月 28 日之公開說明書。

2. 重要會計政策彙總

2.1 財務報表編製基礎

編製基準

集團於合併財務報表中進行如附註 1 揭露之組織重整。因參與集團重整之公司在重整前後均被相同之最終股東持有（為共同控制下之組織調整），因此在集團重整之後，最終股東之風險及利益和重整前並無不同。因此本次組織重整涉及合併之企業被視為在共同控制下，故採用權益結合法。在此法之下，於 2007 及 2008 年度之合併報表中，本公司將被視為自始即為其子公司之控股公司。權益結合法之生效日為西元 2007 年 1 月 1 日，即財務資訊可兩期並列比較之第一個會計年度開始日。在權益結合法之下，集團內個體為達會計原則之一致性，資產、負債、收入、費用、及現金流量均經適當調整後合併。需兩年度比較之數據，前一年度之數據係以相似之基礎表達。儘管母子公司之關係於資產負債表日後才於法律上生效，上述之表達方法反應合併個體在相關的會計期間內，其經濟實質為共同控制下之單獨經濟個體。

本公司功能性貨幣之改變

本公司自西元 2008 年度開始日將功能性貨幣自新加坡幣改為中國人民幣。本公司在西元 2007 年 7 月 2 日成立時，至西元 2007 年 12 月 31 日所使用之功能性貨幣為新加坡幣。但本公司之子公司在中華人民共和國之營運活動所產生之收益、發生之費用均以人民幣計價，管理當局認為本公司之功能性貨幣應反映出經營事件及環境之經濟實質。因此，公司管理當局採納與其控股投資活動相關之人民幣作為功能性貨幣。此項改變對於本集團並無重大影響。

合併之財務報表係以人民幣表達，除下列揭露之會計政策外，均遵循新加坡財務報導編製準則（以下簡稱“報導準則”或“FRS”）及歷史成本原則編製。

取得新連捷（泉州）紡織印染實業有限公司（“新連捷”）

西元 2008 年 1 月 21 日，本公司與台灣桃園佑吉實業股份有限公司（“台灣佑吉”）簽定股權買賣合約，以本公司非執行主席蔡長江先生為代表人，依據此合約本公司將以人民幣 1 元之價款向台灣佑吉取得新連捷全部股權。此項股權取得交易須經晉江市商業局核准。截至本報告日，相關主管當局之核准程序仍在進行中。新連捷自成立開始尚未正式營運。在集團重整及合併財務報表之目的下，新連捷尚未包含於 2008 年及 2007 年之合併財務報表表達。

會計原則基礎

自西元 2008 年 1 月 1 日，本集團採用新發布或修正之報導準則及報導準則解釋令（“INT FRS”），相關會計政策已依據 FRS 及 INT FRS 做必要調整。

強制適用之 INT FRS 如下：

INT FRS 104(增補)判斷一項安排是否包含租賃

INT FRS 112 服務特許權協議

INT FRS 114 FRS 19 確定福利資產之限制、最低資金提撥要求及其相互影響

採用上述之 INT FRS 對集團之合併財務報表並不具重大性影響。

依照新加坡財務報導準則編製之合併財務報表要求管理當局針對應用之會計政策、資產及負債與收入及費用之報導金額作判斷、估計及假設。估計及基本假設會持續被檢視。如果此變動只有影響該期間，此估計影響變動將於當期認列，若此估計變動修正將影響當期及未來期間，則在估計變動影響應於當期及未來期間認列之。

重要會計估計、假設及判斷

會計估計、相關假設及判斷將依據歷史經驗及其他條件持續評估，包含對於未來事件之合理預期。除了合併財務報表上揭露之資訊，下列彙總之會計估計及假設可能造成下一會計年度資產負債帳面價值重大調整之風險、及影響採用集團會計政策過程中之重大判斷：

(i) 應收帳款之減損

集團評估應收帳款及其他應收款之可回收性，以估列其備抵減損。當事件或環境改變指出其餘額可能無法收回時，對應收帳款及其他應收款提列備抵。在辨認備抵呆帳時需要專業判斷及估計時，若預期與原始估計有所差異，應收帳款、其他應收款及備抵減損之帳列金額均會於預期估計變動的當年度調整。截至西元 2008 年 12 月 31 日，應收帳款及其他應收款餘額約為人民幣 401,600,000 元(西元 2007 年:人民幣 250,300,000 元)。

(ii) 房屋、廠房及設備之折舊

房屋、廠房及設備在考慮其估計殘值後，依 5~20 年之估計經濟耐用年限，按直線法計提折舊。截至西元 2008 年 12 月 31 日，房屋、廠房及設備帳面價值約人民幣 206,400,000 元(西元 2007 年:人民幣 143,900,000 元)。預期耐用年限可能改變及技術更新，將影響固定資產之經濟耐用年限及殘值，因此可能影響未來折舊之提列。

(iii) 存貨之淨變現價值

存貨之淨變現價值係指在正常情形下，依估計售價減除估計至完工尚需投入之成本及推銷費用。此會計估計係按當時市場環境及銷售類似商品之歷史經驗評估。當產業循環相當嚴峻時，市場競爭者可能對此項估計有重大影響。管理階層於每一會計年度結束日再次評估此估計。截至西元 2008 年 12 月 31 日，集團存貨之帳面價值約為人民幣 51,500,000 元(西元 2007 年:人民幣 42,500,000 元)。

(iv) 所得稅

本集團所得稅受不同地區之當地稅法管轄。估計所得稅時需對資本投資之租稅減免及可扣除之特定費用做出判斷。在正常的商業環境下，許多交易及計算產生之所得稅估計均具有不確定性。本集團對於預期的稅務議題按估計未來將清償之稅額認列所得稅負債。當這些稅務議題的最終結論和原始估計稅額不同時，相關的差異在最終結果確定時認列當年度所得稅費用及遞延所得稅。截至西元 2008 年 12 月 31 日，集團帳列之應付所得稅約為人民幣 25,500,000 元(西元 2007 年:人民幣 27,600,000 元)。

2.2 合併基礎

合併財務報表中包含本公司及受其控制之個體（為子公司）的財務報表。控制係指本公司具有管理企業之財務及營運政策之能力，並從其活動中獲利。

合併損益表包括當年度併購或處分之子公司於併購日起、或至處分日止之經營結果。

合併報表已沖銷集團內部之所有交易、餘額、收入與費用。

本公司之財務報表中，投資子公司之帳列金額為成本減除任何減損後之淨回收價值。

2.3 功能性及表達貨幣

集團各企業之個別財務報表係以其營運所在地主要經濟環境之貨幣（功能性貨幣）衡量及表達。本公司及子公司之功能性貨幣為人民幣，合併財務報表以人民幣表達。除另有註明者外，所有財務報表資訊皆由人民幣仟元表達且四捨五入（“人民幣’000”）。

2.4 外幣交易

外幣交易之匯率計算係採外幣交易發生當日之外幣匯兌準則換算。以外幣計價之貨幣性資產與負債，於財務報告日依外幣匯兌準則換算為人民幣表達。外幣換算所產生之差異將認列為兌換利得或損失。外幣計價且以成本衡量之非貨幣性資產與負債，係以交易日之外幣匯率換算入帳。以外幣計價之公平價值入帳的非貨幣性項目，係以決定該公平價值之日的現時匯率換算為人民幣入帳。

2.5 國外營運機構

國外營運機構之資產及負債將以資產負債表日之匯率換算為人民幣表達；國外營運機構所產生之利得或損失將以交易日之匯率換算成人民幣表達。

因匯率所產生之差異將認列為換算調整數，當國外營運機構被部分或全部處分時，其相關的換算調整數將轉列為處分國外營運機構之利得或損失的一部分。

2.6 國外營運機構之淨投資

本公司實質上對國外營運機構淨投資之貨幣項目產生之匯兌差異認列為本公司之利得或損失；上述之匯兌差異於編製合併財務報表時則重分類至換算調整數。當避險之淨投資被處份時，其合併報表上之累積換算調整數則轉列為利得或損失，作為處分利得或損失之調整。

2.7 收入認列

除未來經濟效益很可能流入集團，及相關收入及成本可以可靠衡量等條件外，收入可認列為當期損益之條件如下：

- (i) 銷售貨品
當貨物已送達客戶營運地點或客戶已於集團營運地點提領貨物，且貨物所有權的相關風險及報酬均已移轉給買方時方可認列收入。
- (ii) 提供勞務
收入於勞務已提供時方得認列，勞務已提供之程度可依據至今已履行之勞務占全部應履行勞務之百分比評估。
- (iii) 利息收入
利息收入之認列係依據有效利率法計算本金流通在外期間之利息。

(iv) 政府補助

集團能合理確信符合相關條件並收到該補助或津貼之前不予認列補助收入。政府補助款係以合理有系統之方法，配合其相關成本之預期發生期間認列為收入。

(v) 股利收入

收取股利之權利成立時認列收入。

2.8 營業租賃

集團因使用營業租賃之資產所支付之租金係以直線法基礎於租賃期間認列為費用。所收取之租賃獎勵視為租賃費用的一部分，在租賃期間內認列損失或利益。營業租賃所產生之或有租金於發生期間認列為當期費用。

2.9 員工福利

本集團係依據營運地點法律規定之國家退休金計畫提撥計畫進行提撥。撥付至國家退休金計畫之成本於員工提供勞務之期間認列費用。於中華人民共和國設立登記之公司依法需提供每位員工退休金福利，退休金之提撥率係依國家法令規定計算，其退休金基金係由政府機關管理，該機關亦負責支付退休金給退休員工。上述福利係依據應計基礎於發生時認列為損益。

本集團參與上述之國家退休金計畫所產生之義務，與參與確定提撥退休金計畫所產生之給付義務相同。

2.10 研究發展成本

研究活動支出係指取得新的科學性或技術性知識與了解的過程，於發生時認列為費用。

發展活動包含對於新型或顯著改良產品、製程之計畫或設計。發展支出需符合下列條件才予以資本化：發展階段之支出能可靠衡量、產品已達技術可行性，使達可供使用或出售、產品極可能有未來經濟效益、集團有意圖且具備充足之技術及其他資源，以完成此項發展專案計畫並有能力使用或出售該產品。可資本化之發展費用包含原料、直接人工及可直接歸屬產品之製造費用。

其他研發支出於發生時認列為費用。資本化之發展支出以成本減累計攤銷及減損損失列帳，依直線法按估計耐用年限5~7年攤銷認列為費用。

2.11 負債準備

因過去發生之事件而使集團有現時義務，很有可能造成經濟利益之流出，且可合理估計其金額時，即應認列負債準備。

2.12 減損

金融資產減損

如有客觀證據顯示，金融資產於原始認列後發生一或多次事件對於該資產估計未來現金流量產生負面影響，則發生減損。以攤銷後成本衡量之金融資產，其減損金額為該資產帳列金額與估計未來現金流量折現值（以原始有效利率折算）之間之差額。

個別重大之金融資產以個別基礎測試減損跡象，其餘金融資產則依據其信用風險相似度分類，採群組合併評估減損。所有減損損失認列為當期損益。

該減損損失認列後，若發生可客觀歸屬於該減損之利益回升事件，則已認列之減損損失應予迴轉。以攤銷後成本衡量之金融資產之減損回升利認列為當期損益。

非金融資產減損

除了存貨外，其他非金融資產之帳面價值於報導期間之年度結束日進行減損測試，以判斷是否有任何跡象顯示此類資產已發生減損損失。如有減損跡象存在，則估計該資產之可回收金額。當資產之帳面價值或其所屬最小現金產生單位之帳面價值大於其可回收金額，則認列減損損失。現金產生單位係產生現金流量且獨立於其他資產或群組外之最小可辨認資產群組。

減損損失認列為當期損失或利益，除非係迴轉先前評價帳列於權益之項目者，在此狀況下則調整原權益科目。當減損發生於現金生產單位，則減損損失之分配先就已分攤至該現金產生單位之商譽，減少其帳面價值，次依該單位各項資產之帳面價值比例分攤至該單位其他資產。

可回收金額計算

資產或現金產生單位的可回收金額係依其「公允價值扣除銷售成本」及「使用價值」孰高者。於評估使用價值時，應以反映當時市場評估貨幣之時間價值及該資產特定風險之稅前折現率計算預期未來現金流量之折現值。若資產無法獨立產生現金流入，則依據此資產所屬之現金產生單位決定可回收金額。

減損迴轉

若用以估計可回收金額之會計估計改變，則減損損失應予迴轉。若減損損失於嗣後迴轉，則應將該資產帳面價值增加至經修訂後之估計可回收金額，但增加後不得超過以往年度未認列減損損失時，該資產減列累積折舊或攤銷後之帳面價值。

2.13 財務支出

利息費用或其他相同支出於發生時認列利益或損失。付息負債之利息費用以有效利率法認列為當期損益。

2.14 所得稅

所得稅包括當期應付所得稅及遞延所得稅之合計數。除了直接歸屬於股東權益項目之相關所得稅應認列於股東權益外，所得稅費用認列為當期損益。

當期所得稅係以於資產負債表日適用或實質適用之稅率（及稅法），及當期課稅所得計算當年度應付所得稅，加上前期應付所得稅之調整計算。

2.15 遞延所得稅

遞延所得稅係採用負債法，以「合併財務報表中資產與負債適用帳面價值」與「計算課稅所得之相對課稅基礎」之間之差額認列。若不影響應課稅所得或會計所得之交易中之資產與負債之原始認列所產生之暫時性差異，或因投資子公司所產生應課稅暫時性差異且該暫時性差異在可預期未來極可能無法迴轉或集團有能力控制該暫時性差異之迴轉時間時，則不認列遞延所得稅資產或負債。遞延所得稅計算，係於資產負債表日，應按預期未來負債清償及資產實現年度之稅率計算。

遞延所得稅資產之所認列，係以未來年度產生獲利極可能足以抵減暫時性差異之情形時。

2.16 房屋、廠房及設備

(a) 自有資產

房屋、廠房及設備以成本扣除累計折舊及可能之減損損失入帳。成本中包含了購買價格及其他可直接歸屬於資產達可供使用目的之成本。

(b) 折舊

房屋、廠房及設備成本減除估計殘值後，依下列估計耐用年限按直線法計提折舊：

<u>年限</u>	
租賃改良物	20 年
廠房及設備	5-10 年
辦公設備	5 年
車輛	10 年

每一財務報表之年度結束日會依據固定資產實際狀況再次檢視其估計耐用年限，殘值和折舊方法是否恰當。

(c) 成本

成本包含所有取得此資產時，可直接歸屬於取得此資產之費用。若某一房屋、廠房及設備中部分項目係採不同之耐用年限時，視為單獨資產項目。更換部分房屋、廠房及設備零件之成本依資產未來可能流入集團之經濟效益及可靠衡量之價值計入資產之帳面價值。房屋、廠房及設備之例行性維修成本於發生時認列為當期損益。

已提足額折舊尚在使用之固定資產仍列入合併財務報表，直至無法使用為止。房屋、廠房及設備之處分及報廢損益之認列係以其出售價格與帳面價值之差異為基礎，認列於當期損益中。

2.17 無形資產

土地使用權

土地使用權之取得成本業已資本化並依其租賃期間 50 年期採直線法攤銷。未來一年內土地使用權應攤銷之部份帳列於流動資產。攤銷費用列示於當期損益中。

2.18 存貨

存貨係依成本及淨變現價值孰低評價。存貨成本採加權平均成本計算，其成本包含進貨成本、加工成本及其他使存貨達可供銷售狀況及地點之成本。淨變現價值係依一般交易條件下之估計售價，減除估計完工成本及估計銷售之必要成本計算。

當存貨出售時，其存貨之帳面價值將於認列銷貨收入之同期認列為費用。任何存貨之淨變現價值跌價及其他存貨相關之損失將於發生當期認列為費用。任何已沖銷之存貨成本若因淨變現價值回升時，將於當期認列回升損益。

2.19 應收帳款及其他應收款

應收帳款、其他應收款及應收子公司款分類為借款及金融資產，以原始公平價值認列入帳，並於存續期間內依有效利率攤銷後成本並減除減損損失列帳。

2.20 現金及約當現金

現金及約當現金分類為借款及金融資產，包含手存現金及銀行存款。現金及約當現金皆具短期、高流動性、隨時可轉換成已知金額之現金、價值變動風險極小及到期日一般均短於三個月之性質。

2.21 股本

普通股認列為股東權益項目。可直接歸屬於發行股本之發行成本，依稅後淨額作為之股本科目之減項。

2.22 合併準備

依權益結合法，在相同控制下之個體財務報表於合併時將現有集團組織架構視為本公司成立日即已存在。相同控制下之企業個體之營業成果及現金流量應包含於綜合淨利表及現金流量表中。財務狀況表中之資產及負債則以其帳面值入帳。資本公積及股本取得之差異則於股東權益中調整為合併準備。

2.23 法定公積

集團之法定公積分為以下兩種：

(a) 法定盈餘公積：

依照中華人民共和國之相關規定，其子公司需由淨利中提列法定盈餘公積直到法定盈餘公積餘額達到註冊資本之 50%。法定盈餘公積需於分派股利予股東前提列。

法定盈餘公積只能用於彌補虧損或增加子公司之資本。若其子公司欲將法定盈餘公積撥充資本時，撥充資本後之法定盈餘公積餘額不得低於註冊資本之 25%。

(b) 法定公益金

依據中華人民共和國相關法令規定，子公司得由其淨利中提列法定公益金。

2.24 負債及附息負債

應付帳款、其他應付款及應付關係人款認列為以攤銷後成本衡量之金融負債，其依原始公平價值入帳，並於存續期間內以有效利率法之攤銷後成本衡量。附息負債則依原始成本減相關交易成本認列入帳。附息負債於原始入帳後，在存

續期間內依有效利率法攤銷後成本衡量，並調整其成本及贖回值間差異於借款期間內認列為損益之金額。

2.25 金融商品

金融資產

金融資產係 FRS39「金融商品：認列與衡量」所規範之金融商品，其認列及衡量方式依金融資產之分類而不同，其分類包含公平價值變動列入損益、借款及應收款、持有至到期日、備供出售金融資產。當集團成為某項金融商品合約規定中之一方時，金融資產則需認列於財務狀況表中。

金融資產認列入帳後，將依公平價值衡量，而非依公平價值衡量之金融資產，則以原始交易成本衡量。

金融資產於原始認列後，集團需將其分類並於每期期末重新衡量其指定之類別。若依合約規定集團對金融資產相關之現金流量權到期時，或集團將金融資產移轉給第三方且放棄對其之控制，或將資產相關之風險及報酬全部移轉後，則此金融資產應予除列。

所有一般性之金融資產購買及出售於交易日認列，即集團承諾購買或出售金融資產之日。一般性之金融資產購買及出售需根據交易所建立之規則及慣例交付資產。

放款及應收款

應收帳款及其他應收款，係指無活絡市場之公開報價，且具固定或可決定收取金額之非衍生性金融資產。放款及應收款之衡量方式係以有效利率法之攤銷後成本扣除減損列帳。當放款及應收款被除列或發生減損，以及依有效利率法攤銷時，相關利得及損失均計入當期損益。

金融負債

在 FRS 39 之規範之下，金融負債被分類為以攤銷後成本衡量之金融負債，例如：付息負債以及應付帳款、其他應付款，或是公平價值變動列入損益之金融負債。

當金融負債於合約到期、失效或取消合約，使本集團之合約義務終止時於帳上除列。

有效利率法

有效利率法係一種計算金融資產及負債之攤銷成本及分攤利息收入或費用於相關期間之方法。有效利率法之利率係用來估計金融商品預期存續期間、或較短之合理期間內未來現金流量之折現率(包含所有來自於依有效利率計算支付或

收取時之手續費、交易成本及折溢價)。除公平價值變動列入損益之金融負債商品外，金融負債係依有效利率法認列相關損益。

2.26 營運部門

報告型式

集團報導部門資訊之主要型式為業務部門，其中每一部門即代表一產品線。業務部門係一運用資產和從事營運活動之組織，其供應之產品風險和報酬均不同於其他業務部門。該集團由下列兩個業務部門組成：

(a) 紡織品製造與銷售

製造一般和性能紡織品，製程包含編織、染布到紡織品製成。

(b) 紡織品加工服務

根據顧客需求提供染布、加工製成等服務。

2.27 關係人

符合以下條件之對象為集團之關係人：

- (a) 間接或直接對集團具有控制能力、聯合控制或重大影響力之企業個體
- (b) 集團之聯屬公司
- (c) 該企業個體為集團與第三者之合資企業
- (d) 該個體為集團或其母公司之主要管理階層
- (e) 該個體為情況(a)或(d)所稱關係人之近親
- (f) 該企業個體被情況(d)或(e)之個體直接或間接持有，而具有控制能力、聯合控制或重要影響力
- (g) 專為集團或集團之關係人員工提供退休福利計劃之機構。

應收、應付關係人款以攤銷後成本分類為應收款、應付款及金融負債。

主要管理階層為集團中具有規劃、領導及控制營運活動之權利與責任之角色。

2. 28 FRS 將來之修正

在本財務報表決議之日，已發佈惟尚未開始適用之相關之報導準則及報導準則之解釋令(INT FRSs)如下：

<u>編號</u>	<u>名稱</u>	<u>適用開始日</u>
FRS 1(修正)	財務報表之表達	2009.1.1
FRS 1	FRS 32金融商品之表達及FRS 1財務報表表達-可賣回金融工具及清算所產生之義務之修正	2009.1.1
FRS 23(修正)	借款成本	2009.1.1
FRS 27	FRs 101 首次採用FRS及FRS27 個別及合併財務報表-投資子公司、聯合控制個體或關聯企業之成本之修正	2009.1.1
FRS 32	FRS 32 金融商品表達及FRS 1財務報表表達-可賣回金融工具及清算所產生之義務之修正	2009.1.1
FRS 39	FRS 39 金融商品之認列及衡量及FRS 107金融商品：金融資產之分類與揭露之修正	2008.7.1
FRS 39	FRS 39 金融商品之認列及衡量-合格被避險項目之修正	2009.7.1
FRS 101	首次採用FRS 及 FRS 27 別及合併財務報表-投資子公司、聯合控制個體或關聯企業之成本	2009.1.1
FRS 102	既得條件及取消之修正	2009.1.1
FRS 107	FRS 39 金融商品之認列及衡量及FRS 107金融商品：金融資產之分類與揭露之修正	2008.7.1

<u>編號</u>	<u>名稱</u>	<u>適用開始日</u>
FRS 108	營運部門	2009.1.1
INT FRS 101	現有除役、復原及類似負債之變動	2009.1.1
INT FRS 112(修正)	服務特許權協議	2009.1.1
INT FRS 113	客戶忠誠計畫	2008.7.1
INT FRS 116	國外營運機構淨投資之避險	2008.10.1
INT FRS 117	分配非現金資產予業主	2009.7.1
FRS改善之一般修正		
FRS 1	財務報表之表達	2009.1.1
FRS 8	會計政策，會計估計及錯誤之變動	2009.1.1
FRS 10	報導期間後事項	2009.1.1
FRS 16	不動產、廠房及設備	2009.1.1
FRS 18	收入	2009.1.1
FRS 19	員工福利	2009.1.1
FRS 20	政府補助之會計及政府補助之揭露	2009.1.1
FRS 23	借款成本	2009.1.1
FRS 27	合併及單獨財務報表	2009.1.1
FRS 28	投資關聯企業及FRS 31合資權益	2009.1.1
FRS 29	高度通貨膨脹經濟下之財務報導	2009.1.1
FRS 31	合資權益	2009.1.1
FRS 34	期中財務報導	2009.1.1
FRS 36	資產減損	2009.1.1
FRS 38	無形資產	2009.1.1
FRS 39	金融商品：認列及衡量	2009.1.1
FRS 40	投資性不動產	2009.1.1
FRS 41	農業	2009.1.1
FRS 105	待出售之非流動資產及停業部門	2009.7.1
FRS 107	金融商品揭露	2009.7.1

公司之管理階層預期公司於未來期間內採用上述 FRSs、INT FRSs 及修正之 FRS 對集團之合併財務報表將不會產生重大影響。

3. 收入

	<u>集團</u>	
	<u>2008</u>	<u>2007</u>
	人民幣' 000	人民幣' 000
性能纖維製造及銷貨收入	1,135,454	756,545
一般纖維製造及銷貨收入	1,729	2,180
纖維加工服務收入	42,960	52,143
	<u>1,180,143</u>	<u>810,868</u>

4. 其他收入

	<u>集團</u>	
	<u>2008</u>	<u>2007</u>
	人民幣' 000	人民幣' 000
銀行利息收入	2,080	182
政府補助款	51	69
下腳收入	-	1,672
	<u>2,131</u>	<u>1,923</u>

政府補助款內容為中華人民共和國政府提供之環境污染預防及控制獎勵金。

5. 財務支出

	<u>集團</u>	
	<u>2008</u>	<u>2007</u>
	人民幣' 000	人民幣' 000
以攤銷成本法計算之銀行借款利息	<u>3,175</u>	<u>2,458</u>

2008 年銀行借款有效年利率為 7.36% ，2007 年為 6.98%。

6. 稅前收益

計入損益使達成稅前淨利之項目如下：

	附註	集團	
		2008 人民幣' 000	2007 人民幣' 000
迴轉存貨備抵呆滯準備		-	(1,672)
土地使用權攤銷	12	2	2
存貨成本認列為費用		745,013	500,923
房屋、廠房及設備折舊費用	11	20,756	10,965
董事服務費-母公司董事		320	-
董事酬勞	8	1,735	283
兌換損失(淨額)		9,911	-
政府補助款	4	(51)	(69)
房屋、廠房及設備折舊費用		775	-
房屋、廠房及設備報廢	11	145	42
廠房及設備、辦公設備、非執行主席運輸設備之租賃	25(a)	-	4,800
員工費用	7	21,917	21,069
母公司支付會計師非審計公費*		2,206	-
認列於合併損益表之上市費用		8,750	-

*支付會計師之非審計公費金額約人民幣 2,206,000 元，西元 2008 年因其擔任本公司於新加坡證券交易所首次公開募資之財務報告會計師，所支付之服務費。其中人民幣 531,000 元認列為發行股本之減項，剩餘款項人民幣 1,675,000 元視為公開發行前之相關費用，認列於損益表。

7. 員工費用

	附註	集團	
		2008 人民幣' 000	2007 人民幣' 000
薪資及獎金(不包含董事酬勞)		15,302	13,859
員工福利		6,049	7,103
		21,351	20,962
員工費用-主要管理階層	8	566	107
		21,917	21,069

薪資及獎金包含撥付確定提撥退休金計畫(國家退休金計畫)約人民幣 1,488,000 元(2007 年：人民幣 1,206,000 元)。

8. 主要管理階層報酬

主要管理階層包含本公司及子公司董事、子公司財務長及行銷經理。其薪資列示如下：

	<u>集團</u>	
	<u>2008</u>	<u>2007</u>
	人民幣' 000	人民幣' 000
<u>董事報酬</u>		
本公司董事		
薪資及獎金	1,581	171
	<u>1,581</u>	<u>171</u>
子公司董事		
薪資及獎金	152	110
確定提撥計畫退休金費用	2	2
	<u>154</u>	<u>112</u>
董事報酬	<u>1,735</u>	<u>283</u>
<u>其他主要管理階層報酬</u>		
其他主要管理階層		
薪資及獎金	528	104
確定提撥計畫退休金費用	38	3
	<u>566</u>	<u>107</u>
	<u>2,391</u>	<u>390</u>

9. 所得稅費用

	<u>集團</u>	
	<u>2008</u>	<u>2007</u>
	人民幣' 000	人民幣' 000
當期所得稅費用		
當期費用	91,162	66,953
所得稅費用	<u>91,162</u>	<u>66,953</u>

帳列所得稅費用與稅前損益依國家規定稅率計算結果之差異列示如下：

	<u>集團</u>	
	<u>2008</u> 人民幣' 000	<u>2007</u> 人民幣' 000
稅前損益	<u>343,128</u>	<u>249,646</u>
依據2008年PRC所得稅稅率25%計算(2007年稅率27%)	85,782	67,404
所得稅影響數：		
免稅項目	-	(451)
不可扣除項目	3,920	-
其他地區所得稅率差異影響數*	1,460	-
所得稅費用	<u>91,162</u>	<u>66,953</u>

*本公司營運地區之所得稅率較低

2007 年度，根據中華人民共和國稅法相關規定，子公司為百分之百由國外持有之企業(“WFOE”)，依據中華人民共和國適用於振東開發區之法定稅率為：國家稅法-24%、地方稅法-3%。

於西元 2007 年 3 月 16 日公佈、並於西元 2008 年 1 月 1 日起適用之中華人民共和國企業所得稅法規定，原國外投資企業及國外企業之所得稅規定自西元 2008 年 1 月 1 日起廢止，並與國內企業同樣適用 25%之所得稅率。惟對目前適用稅務相關機構提供租稅優惠之企業，訂定過渡期間之規定。如企業所得稅率低於 25%者，可於新法令適用日起之五年內採用舊有稅率，並於期間內逐漸轉為新制稅率。適用標準稅率且在固定期間享有免稅或可扣除額之企業，可持續使用其扣除額至期滿為止。

依據西元 2008 年 2 月 22 日公佈之中華人民共和國企業所得稅法，中華人民共和國之企業發放西元 2008 年 1 月 1 日前產生淨利之股利，無須扣繳稅款，西元 2008 年 1 月 1 日後淨利分配之股利則需扣繳 5%之稅款。

於本報告年度結束日，子公司之未分配盈餘產生之暫時性差異為人民幣 260.7 百萬元(2007-人民幣 118.4 百萬元)並未認列遞延所得稅負債。本期未認列此暫時性差異相關之負債，係因集團可控制該暫時性差異迴轉時點，且在可預見之未來皆不會迴轉此暫時性差異。

10. 每股盈餘

基本每股盈餘計算基礎如下：

	<u>集團</u>	
	<u>2008</u>	<u>2007</u>
	人民幣' 000	人民幣' 000
(i) 本公司可分配盈餘	251,965	182,693

	<u>集團</u>	
	<u>2008</u>	<u>2007</u>
	股數' 000	股數' 000
(ii) 加權平均普通股數	832,156	704,700

截至本報告結束日止(西元 2008 年 12 月 31 日及西元 2007 年 12 月 31 日)，並無發行潛在稀釋之商品流通在外，故無稀釋每股盈餘。

基本每股盈餘係將可分配盈餘除以當年度加權平均流通在外股數計算而得。

2007 年度之基本每股盈餘係依據本公司可分配盈餘：人民幣 182,693,000 元及公開發行前之普通股股數 704,700,000 計算，公開發行前之股數 704,700,000 係假設發行後全年流通在外。

11. 房屋、廠房及設備

<u>集團</u>	<u>租賃建築物</u>	<u>廠房與設備</u>	<u>辦公設備</u>	<u>運輸設備</u>	<u>合計</u>
<u>2008年</u>	人民幣' 000	人民幣' 000	人民幣' 000	人民幣' 000	人民幣' 000
成本					
2008年1月1日餘額	23,563	177,327	1,001	1,425	203,316
本期增添	632	82,512	–	1,771	84,915
本期報廢	–	–	–	(230)	(230)
本期處分	–	(7,587)	–	–	(7,587)
2008年12月31日餘額	24,195	252,252	1,001	2,966	280,414

累計折舊					
2008年1月1日餘額	11,778	47,556	64	38	59,436
本期提列折舊	1,120	19,090	189	357	20,756
本期報廢	–	–	–	(85)	(85)
本期處分	–	(6,111)	–	–	(6,111)
2008年12月31日餘額	12,898	60,535	253	310	73,996

帳面價值					
2008年12月31日餘額	11,297	191,717	748	2,656	206,418

<u>集團</u>	<u>租賃建築物</u>	<u>廠房與設備</u>	<u>辦公設備</u>	<u>運輸設備</u>	<u>合計</u>
<u>2007年</u>	人民幣' 000	人民幣' 000	人民幣' 000	人民幣' 000	人民幣' 000
成本					
2007年1月1日餘額	23,563	54,653	–	–	78,216
本期增添	–	122,716	1,001	1,425	125,142
本期報廢	–	(42)	–	–	(42)
2007年12月31日餘額	23,563	177,327	1,001	1,425	203,316

累計折舊					
2007年1月1日餘額	10,659	37,812	–	–	48,471
本期提列折舊	1,119	9,744	64	38	10,965
2007年12月31日餘額	11,778	47,556	64	38	59,436

帳面價值					
2007年12月31日餘額	11,785	129,771	937	1,387	143,880

以上集團持有之房屋、廠房及設備均位於中華人民共和國福建省晉江東石鎮東埕振東開發區。

集團已將房屋、廠房及設備設定為銀行借款(請詳附註 24)之質押，質押帳面價值約為人民幣 6,075,000 元 (2007 年：人民幣 6,723,000 元)。

集團正於中華人民共和國之相關機構申請其子公司租賃建築之所有權證，申請標的之總帳面價值約為人民幣 4,262,000 元(2007 年：人民幣 4,702,000 元)。

截至 2008 年 12 月 31 日，向中華人民共和國相關機構申請房屋所有權證及土地使用權之估列成本(請詳財務報表附註 15)分別為人民幣 5,000 元及人民幣 4.2 百萬元。

12. 無形資產

	<u>集團</u>		<u>本公司</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	人民幣' 000	人民幣' 000	人民幣' 000	人民幣' 000
土地使用權				
期初餘額	118	120	-	-
本期攤銷	(2)	(2)	-	-
期末餘額	<u>116</u>	<u>118</u>	<u>-</u>	<u>-</u>
攤銷費用：				
未來12個月-流動	2	2	-	-
未來12個月後-非流動	114	116	-	-
	<u>116</u>	<u>118</u>	<u>-</u>	<u>-</u>

土地使用權為中華人民共和國土地之中度租用期使用權，業已作為銀行借款之質押(請詳附註 24)。此使用權之攤銷期間為 50 年。

13. 子公司投資

	<u>本公司</u>	
	<u>2008</u>	<u>2007</u>
	人民幣' 000	人民幣' 000
無公開報價股權投資成本	<u>80,998</u>	<u>-</u>

以下為子公司相關資訊：

<u>公司名稱</u>	<u>主要營運活動</u>	<u>公司 所在地</u>	<u>持股比例</u>		<u>投資成本</u>	
			<u>2008</u> %	<u>2007</u> %	<u>2008</u> 人民幣' 000	<u>2007</u> 人民幣' 000
晉江連捷紡織印 染實業有限公司*	製造紡織 品、印染纖 維，並從事 高品質纖維	中華 人民 共和 國	100	- **	80,998	-

*列示於集團合併報表之財務資訊係由 Mazars LLP, Singapore 查核

**西元 2007 年比較財務資訊係依照本公司之財務報表表達，編製該財務報表時，尚在進行組織重整，未完全取得子公司之股份（請詳財報附註揭露 1）。

14. 存貨

	<u>集團</u>		<u>本公司</u>	
	<u>2008</u> 人民幣' 000	<u>2007</u> 人民幣' 000	<u>2008</u> 人民幣' 000	<u>2007</u> 人民幣' 000
製成品	20,645	17,044	-	-
原料	29,143	23,034	-	-
在製品	1,739	2,405	-	-
	<u>51,527</u>	<u>42,483</u>	<u>-</u>	<u>-</u>

15. 應收帳款及其他應收款

	<u>集團</u>		<u>本公司</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	人民幣' 000	人民幣' 000	人民幣' 000	人民幣' 000
應收帳款-非關係人	271,029	243,563	-	-
其他應收款	18,336	1,761	-	1,637
存出保證金	112,247	5,000	112,247	-
	<u>401,612</u>	<u>250,324</u>	<u>112,247</u>	<u>1,637</u>

依外幣評價之應收帳款及其他應收款列示如下：

	<u>集團</u>		<u>本公司</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	人民幣' 000	人民幣' 000	人民幣' 000	人民幣' 000
新加坡幣	-	1,637	-	1,637
美金	<u>112,247</u>	<u>-</u>	<u>112,247</u>	<u>-</u>

應收帳款屬不附息之帳款，收款期間為 90 天。所有應收帳款皆以人民幣計價。

其他應收款包含支付子公司取得使用土地之土地使用權約人民幣 124,000 元 (2007 年：人民幣 124,000 元)，及於 2007 年預付公司執行上市相關活動之勞務費，約人民幣 1,637,000 元。集團正在進行向中華人民共和國之相關機構申請此土地使用權之程序。

存出保證金為集團為取得新廠房及設備之預備款，約人民幣 112,247,000 元 (2007 年：人民幣 5,000,000 元)。(請詳附註 26)

減損損失

應收帳款之期末帳齡列示如下：

<u>集團</u>	帳款總額	減損損失	帳款總額	減損損失
	<u>2008</u>	<u>2008</u>	<u>2007</u>	<u>2007</u>
	人民幣' 000	人民幣' 000	人民幣' 000	人民幣' 000
未逾收款期限款項	271,029	-	238,378	-
逾期0-90天款項	-	-	2,192	-
逾期90天以上之款項	-	-	2,993	-
	<u>271,029</u>	<u>-</u>	<u>243,563</u>	<u>-</u>

根據以往收款經驗，集團認為款項逾期之客戶以往收款情形皆有良好之還債紀錄，故評估無需提列備抵減損損失。

16. 應收子公司款項

	<u>集團</u>		<u>本公司</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	人民幣' 000	人民幣' 000	人民幣' 000	人民幣' 000
代墊款	-	-	77,512	-
應收股利	-	-	100,000	-
	-	-	177,512	-

以上應收子公司款項係以人民幣計價，無擔保、不付息，且隨時可要求對方償還。

17. 現金及約當現金

	<u>集團</u>		<u>本公司</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	人民幣' 000	人民幣' 000	人民幣' 000	人民幣' 000
現金	114	20	- *	- *
銀行存款	363,997	89,379	46,934	46,934
合併現金流量表揭露之 現金及約當現金	364,111	89,399	46,934	46,934

*金額低於人民幣1,000元

銀行存款有效年利率為0.71%（2007年：0.72%）。

期末依外幣計價之現金及銀行存款列示如下：

	<u>集團</u>		<u>本公司</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	人民幣' 000	人民幣' 000	人民幣' 000	人民幣' 000
新加坡幣	46,934	101	46,934	101

人民幣不可自由轉換為外國貨幣。根據中華人民共和國外匯管理條例及結匯、售匯及付匯管理規定，集團僅可向經中華人民共和國政府授權可進行外匯交易之銀行，將人民幣兌換為外國貨幣。

18. 資本

	集團及本公司			
	2008		2007	
	股數	人民幣' 000	股數	人民幣' 000
<u>原始發行及支付數</u>				
2008年1月1日及				
2007年7月2日(本公司成立日)	1	- *	1	- *
與集團重組相關				
發行新股以取得相同控制下之子公司(a)	99,998	80,268	-	-
發行新股予非執行董事(b)	1	730	-	-
集團重組後	100,000	80,998	1	- *
2008年4月14日股票分(每股分割為7,040股)(c)	704,700,000	80,998	-	-
首次公開發行之新股(扣除相關費用)(d)	223,200,000	256,801	-	-
期末餘額(12月31)	927,900,000	337,799	-	- *

*係金額小於人民幣 1,000 元

(a)本公司於西元 2008 年 1 月 14 日以美元\$11,000,000(人民幣 80,268,100 元)發行 99,998 股以取得晉江連捷紡織印染實業有限公司之全部股東權益，使其成為 100%持股之子公司。

(b)公司於西元 2008 年 1 月 14 日以美元\$100,000(人民幣 729,710 元)發行 1 股予非執行主席蔡長江先生，其全部發行金額以現金支付。

(c)上述之股份，以 1 股分割為 7,047 股之方式，使公司之全體股數由原始之 100,000 股增加為 704,700,000 股。

(d)本公司於西元 2008 年 6 月 6 日於新加坡證券交易所首次公開發行，以每股新加坡幣\$0.24 發行 223,200,000 股，使公司之全體股數增加為 927,900,000 股。其發行股票之費用約為人民幣 13,471,000 元(2007 年：無)。與集團重組相關之內容請參詳西元 2008 年 5 月 28 日之公開說明書。

所有原始發行之股份皆已收到股款，其原始發行股數皆無面值。原始股份之持有者皆享有股利分配，及參與公司股東會投票之權（一股享有一投票權）。

19. 合併準備

合併準備係指本公司股本及依權益結合法取得子公司之股本之差異，並且追溯表達於本集團合併財務報表之權益項下。

20 法定公積

法定公積係依中華人民共和國法律規定，子公司於完納稅捐後，由淨利所撥充之金額。

21. 保留盈餘

	附註	<u>集團</u>		<u>本公司</u>	
		<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
		人民幣' 000	人民幣' 000	人民幣' 000	人民幣' 000
期初餘額					
當期淨利		118,354	-	-	-
執行重整	(a)	251,965	182,693	79,148	-
股利	27	-	12,814	-	-
法定盈餘公積		-	(50,000)	-	-
期末餘額	20	(30,448)	(27,153)	-	-
		<u>339,871</u>	<u>118,354</u>	<u>79,148</u>	<u>-</u>

附註(a) 執行重整係因取得共同控制下之子公司產生，請詳財務報表附註1：集團重整之說明。

22 關係人借款

附註	集團		本公司	
	2008 人民幣' 000	2007 人民幣' 000	2008 人民幣' 000	2007 人民幣' 000
一年內到期				
借款對象：				
股東 - 非營業交易 (a)	50,382	1,738	-	1,738
一年以上到期				
借款對象：				
股東 - 非營業交易 (b)	-	50,382	-	-

(a) 該非營業交易之借款係與非執行主席借款，其金額為無擔保、無計息即可隨時要求於財務報告表年度結束日 12 個月內償還。

(b) 該非營業交易之借款係與非執行主席借款，其非流動部分金額是無擔保、無計息且無固定償還日期。

23 應付帳款及其他應付款

	集團		本公司	
	2008 人民幣' 000	2007 人民幣' 000	2008 人民幣' 000	2007 人民幣' 000
應付帳款	129,025	126,741	-	-
應付營業費用	3,986	5,348	744	-
應付增值型營業稅	6,113	21,862	-	-
	139,124	153,951	744	-

應付帳款為無計息，一般授信期間約為 60 天到 90 天。

以外國貨幣計價之應付營業費用期末餘額如下：

	集團		本公司	
	2008 人民幣' 000	2007 人民幣' 000	2008 人民幣' 000	2007 人民幣' 000
新加坡幣	1,218	-	744	-

24 利息費用-付息之負債

	集團		本公司	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	人民幣' 000	人民幣' 000	人民幣' 000	人民幣' 000
銀行借款-有擔保	45,000	37,500	-	-

銀行借款係以其所租賃之建築物及土地之使用權作為質押，建築物及土地使用權帳面價值各為人民幣 6,075,000 元及人民幣 116,000 元(2007：人民幣 6,723,000 元及人民幣 118,000 元)，並由非執行主席之親屬所持有之公司提供擔保。

其銀行借款因將於短期內到期，故其帳面值接近其公平價值。集團之銀行借款係以人民幣計價。銀行借款之有效年利率為 7.36%(2007 年：6.98%)。所有銀行借款皆於年度結束日後一年內償付。

25 重大關係人交易

除了揭露於本合併財務報表其他附註者外，以下係集團間依據雙方同意條件進行之重大關係人交易：

	<u>附註</u>	集團		本公司	
		<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
		人民幣' 000	人民幣' 000	人民幣' 000	人民幣' 000
向執行主席出租廠房設備、辦公設備及運輸設備	(a)	-	4,800	-	-
向非執行主席購置廠房設備、辦公設備及運輸設備	(b)	-	125,126	-	-
銷貨予關係人	(c)	-	1,191	-	-
向關係人進貨	(d)	-	22,995	-	-
應收關係人往來	(e)	15,800	10,000	-	-
支付顧問費予關係人	(f)	180	-	-	-

附註(a) 係向非執行主席出租廠房、機器及辦公設備與運輸設備之租金費用。

附註(b) 晉江連捷紡織印染實業有限公司於 2007 年 9 月 1 日向非執行主席協議取得用於製造生產設備之廠房、機器及辦公設備與交通設備。其購置金額約為人民幣 125,126,000 元，其合約價款係由福建閩才資產評估有限公司西元 2007 年 9 月 5 日之評價報告所決定。

附註(c) 其銷貨係依常規交易之基礎執行，交易之雙方係為子公司及非執行主席之親屬所持有之公司。前述關係人已於西元 2007 年 12 月 6 日處分對該公司之持股。

附註(d) 其進貨係依常規交易之基礎執行，交易之雙方係為子公司及非執行主席之親屬為法定代表人之公司，而其代表人係為非關係人之第三人所提名。前述關係人已於西元 2007 年 12 月 6 日處分對該公司之持股。

附註(e) 西元 2008 年間，子公司向非執行董事之親屬所投資之公司借款人民幣 6,000,000 元(2007 年：人民幣 10,000,000 元)，另向特定之管理階層人員亦為非執行董事之親屬融資借款人民幣 9,800,000 元(2007 年：無)。此借款皆為無擔保，不付息，且可隨時要求償付。此借款業已於西元 2008 年 12 月 31 日償還。

附註(f) 於西元 2008 年間，集團聘任非執行主席之兄弟蔡長敬先生為管理顧問，每年並支付顧問費人民幣 180,000 元。

26. 資本承諾

	<u>集團</u>		<u>本公司</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	人民幣	人民幣	人民幣	人民幣
	'000	'000	'000	'000
未表達於合併財務報表中之資本支出契約：				
購買不動產、廠房及設備之承諾	130,805	78,269	-	-

子公司存出人民幣約 112,200,000 元(西元 2007 年：人民幣 5,000,000 元)作為取得新廠房及機器之保證金。

27. 股利

	<u>集團</u>		<u>本公司</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	人民幣	人民幣	人民幣	人民幣
	'000	'000	'000	'000
子公司支付股東之股利	-	50,000	-	-

西元 2007 年 11 月 15 日宣告並發放人民幣 50,000,000 元之期中股利予非執行主席、執行長及執行董事，皆為中華人民共和國子公司之前股東。

西元 2009 年 2 月 27 日，集團提議每股普通股可分配人民幣 0.0815 元(免稅)之股利，股利發放金額約為人民幣 75,600,000 元，即約當 2008 年集團利潤之 30%。股利發放之提議案需於年度股東常會中經公司之股東同意。

28. 部門別資訊

部門資訊係以該集團在根據集團內部管理報導架構的基礎上設立之營運部門而編製。

該集團全部的收入皆來自於中華人民共和國，且集團內大部分的資產皆在中華人民共和國中運作使用。因此，該集團決定在一地區別部門營運，故在報導期間不會有其他地區別部門被報導，截至西元 2008 年 12 月 31 日與西元 2007 年 12 月 31 日，在中華人民共和國以外的國家使用之部門資產分別約為人民幣 159,181,000 元與人民幣 1,738,000 元。

部門損益及資產負債，包含可直接歸屬於部門、及可依合理基礎被分配之項目。未分配項目包括公司層級之資產與費用、利息收入、財務成本以及相關的資產負債。

部門的資本支出，即取得房屋、廠房及設備，與取得除了商譽外的無形資產所發生的全部成本。

業務部門

集團主要的業務部門為：

製造與銷售部門	- 性能紡織品
	- 一般紡織品
紡織品加工服務	- 提供紡織品染色與加工處理

集團
2008

	<u>製造與銷售性</u> <u>能紡織品</u> 人民幣' 000	<u>製造與銷售一</u> <u>般紡織品</u> 人民幣' 000	<u>紡織品加工服</u> <u>務</u> 人民幣' 000	<u>總營運金額</u> 人民幣' 000
<u>收入與費用</u>				
外部顧客收入	1,135,454	1,729	42,960	1,180,143
總收入	<u>1,135,454</u>	<u>1,729</u>	<u>42,960</u>	<u>1,180,143</u>
部門損益	346,179	374	9,250	355,803
未分配公司費用				(11,581)
營業利潤				344,222
利息收入				2,080
財務成本				(3,175)
所得稅費用				(91,162)
稅後淨利				<u>\$ 251,965</u>

集團

2008

	製造與銷售性 能紡織品 人民幣' 000	製造與銷售一 般紡織品 人民幣' 000	紡織品加工服 務 人民幣' 000	總營運金額 人民幣' 000
資產與負債				
部門資產：				
未分配資產(註)				<u>1, 023, 784</u>
總資產				<u><u>1, 023, 784</u></u>
部門負債：				
未分配負債(註)				<u>259, 968</u>
總負債				<u><u>259, 968</u></u>
其他部門資訊(註)				
資本支出				84, 915
折舊費用				20, 756
土地使用權攤銷費用				2
除折舊與攤銷外非現金支出：				
不動產、廠房及設備報廢				<u><u>145</u></u>

集團

2007

	製造與銷售性 能紡織品 人民幣' 000	製造與銷售一 般紡織品 人民幣' 000	紡織品加工服 務 人民幣' 000	總營運金額 人民幣' 000
收入與費用				
外部顧客收入	<u>756, 545</u>	<u>2, 180</u>	<u>52, 143</u>	<u>810, 868</u>
總收入	<u><u>756, 545</u></u>	<u><u>2, 180</u></u>	<u><u>52, 143</u></u>	<u><u>810, 868</u></u>
部門損益	239, 820	499	11, 603	251, 922
利息收入				182
財務成本				(2, 458)
所得稅費用				(<u>66, 953</u>)
稅後淨利				<u><u>182, 693</u></u>

集團
2007

	製造與銷售性 能紡織品 人民幣' 000	製造與銷售一 般紡織品 人民幣' 000	紡織品加工服 務 人民幣' 000	總營運金額 人民幣' 000
資產與負債				
部門資產：				
未分配資產(註)				526, 204
總資產				<u>526, 204</u>
部門負債：				
未分配負債(註)				271, 154
總負債				<u>271, 154</u>
其他部門資訊(註)				
資本支出				125, 142
折舊費用				10, 965
土地使用權攤銷費用				2
除折舊與攤銷外非現金支出：				
備抵存貨呆滯損失迴轉				(1, 672)
不動產、廠房及設備報廢				<u>42</u>

註：集團無法將同時使用於製造與銷售性能和一般紡織品部門以及紡織品加工服務部門的資產負債分配至各業務部門，因此包含其他部門資訊之資產與負債無法分配至集團中各業務部門。

29. 財務風險管理目的與政策

風險管理係集團整體業務所不可或缺的一環，該集團設有一系列的控制措施以建立風險發生成本與風險管理成本間可接受的平衡點，管理當局亦持續的監督集團風險管理流程，以確保風險與控制間適當的平衡之達成。

流動性風險

集團監控其流動性風險，並維持適當現金及約當現金水準以供管理當局營運所需，且降低現金流量波動之影響。集團定期針對其核心業務進行現金流量的預測，以盡可能確保其有足夠之流動資金可因應到期負債的償還，此外，該集團可取得外部借款(附註 24)。

下表為根據合約未折現現金流量分析集團與公司負債之到期狀況：

<u>集團</u>	短於一年之 流動負債 人民幣' 000	介於一年至兩年 之長期負債 人民幣' 000
2008年12月31日		
應付帳款及其他應付款	\$ 139,124	\$ -
應付關係人款	50,382	-
附息負債	45,000	-
	<u>234,506</u>	<u>-</u>
2007年12月31日		
應付帳款及其他應付款	153,951	-
應付關係人款	1,738	50,382
附息負債	37,500	-
	<u>\$ 193,189</u>	<u>\$ 50,382</u>
<u>本公司</u>		短於一年之 流動負債
2008年12月31日		
應付帳款及其他應付款		744
		<u>744</u>
2007年12月31日		
應付關係人款		1,738
		<u>1,738</u>

信用風險

信用風險是指當交易對象於契約到期時，未能履行與該集團約定契約中的義務而造成經濟損失的潛在財務風險。

該集團已建立起客戶信用額度並監控其餘額，現金被存放於銀行或是受規範的財務機構。該集團堅持與合作關係悠久且信用良好之顧客進行交易以減少暴露於信用風險下。

截至西元 2008 年 12 月 31 日止，該集團之應收帳款結構係由 9 大各別佔該集團整體應收帳款 5%以上的銷貨對象組成(2007 年為 7 大銷貨對象)，由於該集團有許多不同的顧客，故主要歸屬於應收帳款的信用風險是有限的。而這些顧客係從事大範圍的分銷、製造活動以及銷售至各式終端市場。

信用風險揭露

財務報表上金融資產之帳面值代表信用風險暴險的最大值，於期末相關揭露請詳下：

	<u>集團</u>		<u>本公司</u>	
	2008	2007	2008	2007
	人民幣' 000	人民幣' 000	人民幣' 000	人民幣' 000
應收帳款與其他應收款	\$ 401,612	\$ 250,324	\$ 112,247	\$ 1,637
應收聯屬公司款	-	-	177,512	-
現金與約當現金	364,111	89,399	46,934	101
	<u>\$ 765,723</u>	<u>\$ 339,723</u>	<u>\$ 336,693</u>	<u>\$ 1,738</u>

該集團估計了應收帳款與其他應收款可能發生之呆帳損失，於備抵呆帳科目中適當地表達，而該備抵科目主要組成內容有特定損失與集體損失，前者係與單獨揭露之重大財務資訊有關；後者則為集團中同質的資產已發生但尚未明確辨認的損失。其中，備抵集體損失係根據統計同質的金融資產付款狀況的歷史數據而建立，而此兩種損失準備皆非根據以往的經驗進行提列。

市場風險

市場風險係指因市場價格(如：國際匯率與市場利率)等系統因素的變動而造成集團收入與持有金融資產價值產生減損的風險。而市場風險管理的目的，在於控制管理暴露於市場風險在可接受的範圍內，並將風險收益極大化。

外幣風險

外幣風險產生係因交易使用了企業所定義之功能性貨幣以外的外幣。該集團之外幣風險為購置新廠房與機器設備之保證金係以美元計價，而其主要現金存款則為新加坡幣。

目前，該集團尚未制定正式的政策對暴露於外幣風險的情況採取保護措施。以下為外幣之貨幣性資產及負債揭露之期末帳面價值金額：

	<u>集團</u>		<u>本公司</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	人民幣' 000	人民幣' 000	人民幣' 000	人民幣' 000
<u>資產</u>				
新加坡幣	46,934	1,738	46,934	1,738
美元	112,247	-	112,247	-
<u>負債</u>				
新加坡幣	1,218	-	744	-

當外幣兌換人民幣以調降或上漲 10%幅度為變動考量時，其中所有變動因子包含稅率均以固定不變為基礎，此時淨資產/負債之情形對於集團稅後淨利及股本增加(減少)之情況將如下所示：

	<u>2008</u>		<u>2007</u>	
	<u>稅後淨利</u>	<u>股東權益</u>	<u>稅後淨利</u>	<u>股東權益</u>
	人民幣' 000	人民幣' 000	人民幣' 000	人民幣' 000
<u>集團</u>				
美元：人民幣				
增值	11,225	11,225	-	-
貶值	(11,225)	(11,225)	-	-
新加坡幣：人民幣				
增值	4,583	4,583	174	174
貶值	(4,583)	(4,583)	(174)	(174)

	<u>2008</u>		<u>2007</u>	
	<u>稅後淨利</u>	<u>股東權益</u>	<u>稅後淨利</u>	<u>股東權益</u>
	人民幣' 000	人民幣' 000	人民幣' 000	人民幣' 000
<u>本公司</u>				
美元：人民幣				
增值	11,225	11,225	—	—
貶值	(11,225)	(11,225)	—	—
新加坡幣：人民幣				
增值	4,619	4,619	174	174
貶值	(4,619)	(4,619)	(174)	(174)

公平價值

金融資產及金融負債之公平價值及於財務狀況表列示之帳面價值，如下表所示：

	<u>集團</u>		<u>2007</u>	
	<u>2008</u>		<u>2007</u>	
	面值	公平價值	面值	公平價值
	人民幣' 000	人民幣' 000	人民幣' 000	人民幣' 000
應收帳款與其他應收款	401,612	401,612	250,324	250,324
現金與約當現金	364,111	364,111	89,399	89,399
附息負債	45,000	45,000	37,500	37,500
應付帳款與其他應付款	139,124	139,124	153,951	153,951
應付關係人款				
— 流動	50,382	50,382	1,738	1,738
— 非流動(註)	—	—	50,382	50,382
<u>本公司</u>				
	<u>2008</u>		<u>2007</u>	
	面值	公平價值	面值	公平價值
	人民幣' 000	人民幣' 000	人民幣' 000	人民幣' 000
應收帳款與其他應收款	112,247	112,247	1,637	1,637
應收聯屬公司款	177,512	177,512	—	—
現金與約當現金	46,934	46,934	101	101
應付帳款與其他應付款	744	744	—	—
應付關係人款	—	—	1,738	1,738

(包括應收帳款及其他應收款，應收關係人款，現金及約當現金以及應付帳款及其他應付款)，其帳面值約當為期公平價值。

註：西元 2007 年 12 月 31 日時，該應付非執行主席之非流動部分之餘額因尚未決定其未來現金流量的時點，因關係人的性質而約有人民幣\$50,382,000 尚無法合理被決定其公平價值，然而，管理當局相信於資產負債表日紀錄之帳面價值反映了其相對之公平價值。

利率風險

本集團之利率風險係受附息金融負債利率改變影響所致。本集團政策係將所有借款維持以固定利率為基準。

以下表格將集團之金融商品以到期日之帳面價值表達，以考慮利率風險所帶來的影響，請詳下表所示：

<u>集團</u>	<u>2008年12月31日</u>	<u>2007年12月31日</u>
	人民幣' 000	人民幣' 000
<u>一年內到期</u>		
固定利率		
銀行借款	<u>45,000</u>	<u>37,500</u>

金融商品之利率係屬固定利率，其利率係依合約規定每一年變動一次。金融商品之利率直到到期日前均為固定利率。至於集團之其餘金融商品利率風險不重大。

針對固定利率之附息負債，每一百基準點(bp)變動將會增加/減少稅後淨利及股本影響，如下表所示：

	淨利(損)增加(減少)	
	100bp 增加	100bp 減少
<u>2008年12月31日</u>	人民幣' 000	人民幣' 000
附息負債	<u>(338)</u>	<u>338</u>
<u>2007年12月31日</u>		
附息負債	<u>(274)</u>	<u>274</u>

資本管理

該集團對資本控管的目的在於維護集團繼續經營的能力，以提供股東及利益相關者報酬，並維持最適的資本結構以減少資產成本。

依據經濟環境的改變，管理當局複核其資本結構並作出調整。該目的係為在整體資本結構上反映合理及最佳的長短期股東權益報酬率。在此複核中，管理當局考量資本成本與各類資本相關之風險。根據此複核結果，該集團將會透過支付股利、發行新股及購買庫藏股及舉借/償付負債以平衡其整體資本結構。

於本年度，該集團改變其資本管理方式，其監督資本從以資產負債比率為基準改以股東權益報酬率為基準。股東權益資金報酬之計算方式為係以歸屬於公司股本持有者之淨利除以平均股東權益而來。西元 2008 年及 2007 年之股東權益資金報酬分別為 49.5% 及 96.8%。

本集團於西元 2008 年及 2007 年並未受任何外部資本要求限制。

30. 比較資訊

如同合併財務報表附註 2.1 提到，集團前期的比較財務資訊已根據權益結合法重新表達。為了會計使用上的目的，權益結合法於西元 2007 年 1 月 1 日生效，即比較財務資訊列示之第一個會計年度，如同集團在 2007 年 1 月 1 日前就已在相同控制下。

本公司之比較財務資訊係根據西元 2007 年 7 月 2 日(公司成立日)至西元 2007 年 12 月 31 日之財務報表編製。

如附註 2.1 提到，對合併財務報表而言，當年度該公司將其功能性貨幣從新加坡幣變更為人民幣，並以人民幣於財務報表上進行揭露。為了編製該公司上一年度之比較資訊，係用附註 2.2 及 2.3 合併財務報表所敘述之會計政策，將其截至西元 2007 年 12 月 31 日以新加坡幣表達之資產負債表轉換為以人民幣表達。

附 件 五

CHINA TAISAN TECHNOLOGY GROUP HOLDINGS LIMITED
Company Registration No. 200711863D
(Incorporated in Singapore)
AND ITS SUBSIDIARY

**REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

CHINA TAISAN TECHNOLOGY GROUP HOLDINGS LIMITED
Company Registration No. 200711863D
(Incorporated in Singapore)
AND ITS SUBSIDIARY

**REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

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CHINA TAISAN TECHNOLOGY GROUP HOLDINGS LIMITED
 Company Registration No. 200711863D
 (Incorporated in Singapore)
AND ITS SUBSIDIARY

REPORT OF THE DIRECTORS

We are pleased to present this annual report to the members of the Company together with the audited financial statements of the company and consolidated financial statements of the Company and its subsidiary (the "Group") for the financial year ended 31 December 2008.

DIRECTORS

The directors in office at the date of this report are as follows:

Choi Cheung Kong	(Non-executive Chairman)	
Lin Wen Chang	(Chief Executive Officer and Executive Director)	(Appointed on 14/01/2008)
Lin Yung Hsiang	(Executive Director)	
Yang Shun Fu	(Executive Director)	(Appointed on 14/01/2008)
Tsang Siu For Thomas	(Independent Director)	(Appointed on 14/04/2008)
Ng Weng Wei	(Independent Director)	(Appointed on 14/04/2008)
Fu Xiao Bin	(Independent Director)	(Appointed on 14/04/2008)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings kept by the Company for the purposes of Section 164 of the Singapore Companies Act, Cap. 50, the directors of the Company holding office at the end of the financial year (including those held by their spouses and infant children) had an interest in shares of the Company and in related corporations (other than wholly-owned subsidiary) as detailed below:

Name of the company and director in which interests are held	<u>Held in the name of the Directors or nominees</u>		
	<u>At beginning of the year or date of appointment, if later</u>	<u>At end of the year</u>	<u>At 21 days after end of the year</u>
<u>The Company</u>			
<i>Ordinary share</i>			
Choi Cheung Kong	1	518,659,200	518,659,200
Lin Wen Chang	20,000	101,476,800	101,476,800

By virtue of Section 7 of the Singapore Companies Act, Cap. 50, Mr. Choi Cheung Kong and Mr. Lin Wen Chang are deemed to have interests in the wholly-owned subsidiary of the Company at the beginning of the financial year or date of appointment, if later, and at the end of the financial year.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit which is required to be disclosed by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, except as disclosed in the accompanying financial statements. Certain directors received remuneration from a related corporation in their capacity as directors and/or executives of the related corporation.

CHINA TAISAN TECHNOLOGY GROUP HOLDINGS LIMITED
Company Registration No. 200711863D
(Incorporated in Singapore)
AND ITS SUBSIDIARY

REPORT OF THE DIRECTORS

DIRECTORS' INTERESTS (CONT'D)

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares or options of the Company or of related corporations either at the beginning of the financial year, or date of appointment, if later, or at the end of the financial year.

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object is to enable the directors to acquire benefits through the acquisition of shares in or debentures of the Company or any other body corporate.

SHARE OPTIONS

- (a) No options were granted by the Company or any of its subsidiary during the financial year to subscribe for unissued shares of the Company or its subsidiary.
- (b) No shares were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiary.
- (c) There were no unissued shares of the Company or its subsidiary under option at the end of the financial year.

AUDIT COMMITTEE

The Audit Committee of the Company, consisting all Non-executive directors, is chaired by Mr. Tsang Siu For Thomas, an independent director, and includes Mr. Ng Weng Wei, an independent director and Dr. Fu Xiao Bin, an independent director. The Audit Committee has met four times following the initial public offering of the Company on the Singapore Exchange Securities Trading Limited on 6 June 2008 and has reviewed the following, where relevant, with the directors and independent auditors of the Company:

- (a) the audit plans and results of the independent auditors' examination and evaluation of the Group's systems of internal accounting controls;
- (b) the Group's financial and operating results and accounting policies;
- (c) the financial statements of the Company and the consolidated financial statements of the Group before their submission to the directors of the Company and independent auditors' report on those financial statements;
- (d) quarterly and annual announcements as well as the related press releases on the results and financial position of the Company and the Group;
- (e) the co-operation and assistance given by the management to the Group's independent auditors; and
- (f) the re-appointment of the independent auditors of the Group.

CHINA TAISAN TECHNOLOGY GROUP HOLDINGS LIMITED
Company Registration No. 200711863D
(Incorporated in Singapore)
AND ITS SUBSIDIARY

REPORT OF THE DIRECTORS

AUDIT COMMITTEE (CONT'D)

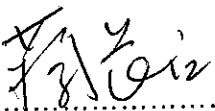
The Audit Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external auditors have unrestricted access to the Audit Committee.

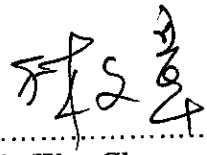
The Audit Committee is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, Mazars LLP, Public Accountants and Certified Public Accountants, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

AUDITORS

Mazars LLP (formerly known as Mazars Moores Rowland LLP), Public Accountants and Certified Public Accountants, have expressed their willingness to accept re-appointment. Mazars Moores Rowland LLP changed its name to Mazars LLP with effect from 3 January 2009.

On behalf of the Board of Directors


.....
Choi Cheung Kong
Director


.....
Lin Wen Chang
Director

4 March 2009

CHINA TAISAN TECHNOLOGY GROUP HOLDINGS LIMITED
Company Registration No. 200711863D
(Incorporated in Singapore)
AND ITS SUBSIDIARY

STATEMENT BY THE DIRECTORS

In our opinion,

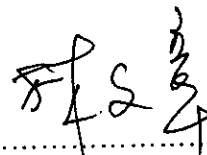
- (a) the balance sheet and statement of changes in equity of the Company and the consolidated financial statements of the Group as set out on pages 7 to 54 are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2008 and of the results of the business, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Cap. 50 and Singapore Financial Reporting Standards; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

On Behalf of the Board of Directors



.....
Choi Cheung Kong
Director



.....
Lin Wen Chang
Director

4 March 2009

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
CHINA TAISAN TECHNOLOGY GROUP HOLDINGS LIMITED**

Company Registration No. 200711863D

(Incorporated in Singapore)

AND ITS SUBSIDIARY

We have audited the accompanying financial statements of **CHINA TAISAN TECHNOLOGY GROUP HOLDINGS LIMITED** (the "Company") and its subsidiary (the "Group") which comprise the balance sheets of the Company and the Group as at 31 December 2008, the consolidated income statement, consolidated statement of changes in equity and the consolidated statement of cash flows of the Group and statement of changes in equity of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 7 to 54.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes:

- (a) devising and maintaining a system of internal accounting controls sufficient to provide reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair income statement and balance sheets and to maintain accountability of assets;
- (b) selecting and applying appropriate accounting policies; and
- (c) making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal controls relevant to the Group's preparation and fair presentation of the financial statements 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 Group's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
CHINA TAISAN TECHNOLOGY GROUP HOLDINGS LIMITED**

Company Registration No. 200711863D
(Incorporated in Singapore)
AND ITS SUBSIDIARY

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:-

- (a) the balance sheet and statement of changes in equity of the Company and the consolidated financial statements of the Group are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2008 and of the results, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date; and
- (b) the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.



.....
MAZARS LLP
PUBLIC ACCOUNTANTS AND
CERTIFIED PUBLIC ACCOUNTANTS

Singapore: 4 March 2009

CHINA TAISAN TECHNOLOGY GROUP HOLDINGS LIMITED

Company Registration No. 200711863D

(Incorporated in Singapore)

AND ITS SUBSIDIARY**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008**

	<u>Note</u>	<u>Group</u> <u>2008</u> RMB'000	<u>2007</u> RMB'000
Revenue	3	1,180,143	810,868
Cost of sales		<u>(803,497)</u>	<u>(557,196)</u>
Gross profit		376,646	253,672
Other income	4	2,131	1,923
Distribution costs		(1,704)	(350)
Administrative expenses		(11,190)	(3,098)
Other operating expenses		(19,581)	(43)
Finance costs	5	<u>(3,175)</u>	<u>(2,458)</u>
Profit before income tax	6	343,127	249,646
Income tax expense	9	<u>(91,162)</u>	<u>(66,953)</u>
Profit after income tax and attributable to equity holders of the Company		<u>251,965</u>	<u>182,693</u>
Earnings per share for profit attributable to the equity holders of the Company (RMB cents)			
- Basic and diluted	10	<u>30.28</u>	<u>25.92</u>

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

CHINA TAISAN TECHNOLOGY GROUP HOLDINGS LIMITED

Company Registration No. 200711863D

(Incorporated in Singapore)

AND ITS SUBSIDIARY

BALANCE SHEETS AS AT 31 DECEMBER 2008

		<u>Group</u>		<u>Company</u>	
	<u>Note</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
		RMB'000	RMB'000	RMB'000	RMB'000
Assets					
Non-current assets					
Property, plant and equipment	11	206,418	143,880	-	-
Intangible assets	12	114	116	-	-
Investment in a subsidiary	13	-	-	80,998	-
		<u>206,532</u>	<u>143,996</u>	<u>80,998</u>	<u>-</u>
Current assets					
Intangible assets – current portion	12	2	2	-	-
Inventories	14	51,527	42,483	-	-
Trade and other receivables	15	401,612	250,324	112,247	1,637
Amounts owing by subsidiary	16	-	-	177,512	-
Cash and cash equivalents	17	364,111	89,399	46,934	101
		<u>817,252</u>	<u>382,208</u>	<u>336,693</u>	<u>1,738</u>
Total assets		<u>1,023,784</u>	<u>526,204</u>	<u>417,691</u>	<u>1,738</u>
Equity and liabilities					
Capital and reserves attributable to equity holders of the Company					
Share capital	18	337,799	80,998	337,799	-*
Merger reserve	19	11,491	11,491	-	-
Statutory reserves	20	74,655	44,207	-	-
Accumulated profits	21	339,871	118,354	79,148	-
Total equity		<u>763,816</u>	<u>255,050</u>	<u>416,947</u>	<u>-*</u>
Non-current liability					
Amount owing to a related party	22	-	50,382	-	-
		<u>-</u>	<u>50,382</u>	<u>-</u>	<u>-</u>
Current liabilities					
Trade and other payables	23	139,124	153,951	744	-
Amounts owing to a related party	22	50,382	1,738	-	1,738
Interest-bearing liabilities	24	45,000	37,500	-	-
Provision for taxation		25,462	27,583	-	-
		<u>259,968</u>	<u>220,772</u>	<u>744</u>	<u>1,738</u>
Total liabilities		<u>259,968</u>	<u>271,154</u>	<u>744</u>	<u>1,738</u>
Total equity and liabilities		<u>1,023,784</u>	<u>526,204</u>	<u>417,691</u>	<u>1,738</u>

* The amount is less than RMB1,000.

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

CHINA TAISAN TECHNOLOGY GROUP HOLDINGS LIMITED

Company Registration No. 200711863D

(Incorporated in Singapore)

AND ITS SUBSIDIARY

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2008**

<u>Group</u>	<u>Note</u>	<u>Share Capital</u> RMB'000	<u>Merger Reserve</u> RMB'000	<u>Statutory Reserves</u> RMB'000	<u>Accumulated Profits</u> RMB'000	<u>Total Equity</u> RMB'000
At date of incorporation		-*	-	-	-	-*
Profit for the year		-	-	-	182,693	182,693
Total recognised income and expenses		-	-	-	182,693	182,693
Due to restructuring exercise	18,19,21	80,998	11,491	17,054	12,814	122,357
Dividends	27	-	-	-	(50,000)	(50,000)
Transfer from accumulated profits to statutory reserves	20	-	-	27,153	(27,153)	-
At 31 December 2007		80,998	11,491	44,207	118,354	255,050
At 1 January 2008		80,998	11,491	44,207	118,354	255,050
Profit for the year		-	-	-	251,965	251,965
Total recognised income and expenses		-	-	-	251,965	251,965
Allotment of shares pursuant to initial public offering, net of expenses	18(d)	256,801	-	-	-	256,801
Transfer from accumulated profits to statutory reserves	20	-	-	30,448	(30,448)	-
At 31 December 2008		337,799	11,491	74,655	339,871	763,816

*: Amount less than RMB 1,000.

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

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**STATEMENT OF CHANGES IN EQUITY OF THE COMPANY
FOR THE YEAR ENDED 31 DECEMBER 2008**

<u>Company</u>	<u>Note</u>	<u>Share Capital</u> RMB'000	<u>Accumulated Profits</u> RMB'000	<u>Total Equity</u> RMB'000
At date of incorporation and at 31 December 2007		-*	-	-*
At 1 January 2008		-*	-	-*
Profit for the year		-	79,148	79,148
Total recognised income and expenses		-	79,148	79,148
Due to restructuring exercise	18(c)	80,998	-	80,998
Allotment of shares pursuant to initial public offering, net of expenses	18(d)	256,801	-	256,801
At 31 December 2008		337,799	79,148	416,947

*: Amount less than RMB 1,000.

The accompanying notes form an integral part of these financial statements

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**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2008**

	<u>Note</u>	<u>2008</u> RMB'000	<u>Group</u> <u>2007</u> RMB'000
Operating activities			
Profit before income tax		343,127	249,646
Adjustments for:			
Depreciation of property, plant and equipment		20,756	10,965
Amortisation of land use rights		2	2
Property, plant and equipment written off		145	42
Loss from disposal of property, plant and equipment		775	-
Interest expense		3,175	2,458
Interest income		(2,080)	(182)
Operating profit before working capital changes		365,900	262,931
Changes in working capital:			
Inventories		(9,044)	(28,666)
Trade and other receivables		(44,041)	(157,456)
Trade and other payables		(14,827)	77,601
Amount owing to a related party – trade		-	(2,978)
Amount owing to related parties – non-trade		(1,738)	(5,995)
Cash generated from operations		296,250	145,437
Interest received		2,080	182
Income taxes paid		(93,283)	(42,500)
Cash flows generated from operating activities		<u>205,047</u>	<u>103,119</u>
Investing activities			
Purchases of property, plant and equipment		(79,915)	(16)
Proceeds from disposal of property, plant and equipment		701	-
Deposits paid for purchase of plant and equipment	15	(112,247)	-
Cash flows used in investing activities		<u>(191,461)</u>	<u>(16)</u>
Financing activities			
Dividends paid	27	-	(50,000)
Repayment of bank loans		(37,500)	(7,200)
Proceeds from bank loans		45,000	14,700
Interest paid		(3,175)	(2,458)
Net proceeds from issue of shares	18(d)	256,801	-
Cash flows generated from/ (used in) financing activities		<u>261,126</u>	<u>(44,958)</u>
Net increase in cash and cash equivalents		274,712	58,145
Cash and cash equivalents at the beginning of the year		89,399	31,254
Cash and cash equivalents at the end of the year	17	<u>364,111</u>	<u>89,399</u>

During the financial year ended 31 December 2008, the Group acquired property, plant and equipment with an aggregate cost of approximately RMB 84,915,000 of which plant and machinery was acquired by utilising deposits of RMB 5,000,000 paid in previous year. Cash payments of approximately RMB 79,915,000 were made to purchase property, plant and equipment.

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

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These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. DOMICILE AND ACTIVITIES

China Taisan Technology Group Holdings Pte. Ltd., was incorporated in the Republic of Singapore on 2 July 2007. On 16 April 2008, the Company was converted into a public limited company and changed its name to China Taisan Technology Group Holdings Limited (the "Company") from that date.

The Company's registered office is at 80 Robinson Road #17-02, Singapore 068898. The principal activity of the Company is that of investment holding. The principal activity of its subsidiary, Jinjiang Lianjie Textile & Printing Dyeing Industrial Co., Ltd (晋江连捷纺织印染实业有限公司), is set out in Note 13 to the consolidated financial statements. The principal place of business of the subsidiary is at Zhendong Development Area, Dongcheng, Dongshi Town, Jinjiang City, Fujian Province, People's Republic of China ("PRC") (福建省晋江市东石镇东埕振东开发区).

The consolidated financial statements relate to the Company and its subsidiary (herein referred to as the "Group").

Group Restructuring ("Group Restructuring")

Pursuant to a restructuring exercise to rationalise the structure of the Group in preparation for the listing of the Company's shares on the Singapore Exchange Securities Trading Limited, the following took place:

- (i) The Company issued 99,998 shares for US\$11.0 million (Chinese Renminbi ("RMB") 80,268,100) to acquire the entire equity interest in Jinjiang Linjie Textile & Printing Dyeing Industrial Co., Ltd (晋江连捷纺织印染实业有限公司), which became a wholly-owned subsidiary of the Group.
- (ii) The paid-up share capital of the Company was increased by the issue of 1 ordinary share for US\$100,000 (RMB 729,710) to Mr. Choi Cheung Kong, an Non-executive chairmen, fully paid in cash.
- (iii) Following the above, the ordinary shares of the Company were increased to 704,700,000 ordinary shares through the sub-division of every one ordinary share in the Company into 7,047 ordinary shares.
- (iv) The ordinary shares of the Company were further increased to 927,900,000 by the issue of 223,200,000 new ordinary shares at S\$0.24 each at its initial public offering ("IPO") and the shares were listed on the Singapore Exchange Securities Trading Limited on 6 June 2008.

Further details of the Group Restructuring can be found in the Prospectus of the Company dated 28 May 2008.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

Basis of presentation

The Group undertook a Group Restructuring as disclosed in Note 1 to the consolidated financial statements. The Group Restructuring involved companies which are under common control since all entities which took part in the Group Restructuring were controlled by the same ultimate shareholders before and immediately after the Group Restructuring. Consequently, immediately after the Group Restructuring, there was a continuation of the risks and benefits to the ultimate shareholders that existed prior to the Group Restructuring. Accordingly, the formation of the Group pursuant to the Group Restructuring is regarded as a business combination involving entities under common control. The pooling-of-interest method has therefore been adopted, under which the Company has been treated as the holding company of its subsidiary for all periods presented in the consolidated financial statements for the years ended 31 December 2007 and 2008. The effective date of the pooling-of-interest for accounting purposes predates 1 January 2007, the beginning of the financial year for which the comparative figures are presented, as the same members of the Group exists prior to 1 January 2007. Under pooling-of-interest, the assets, liabilities, revenue, expenses and cash flows of all the entities within the Group are combined after making such adjustments as are necessary to achieve consistency of accounting policies. The comparative figures for the preceding financial years have been presented on similar basis. This manner of presentation reflects the economic substance of the combining entities, which were under common control throughout the relevant period, as a single economic enterprise, although the legal parent-subsidiary relationships were not established until after the balance sheet date.

Change in functional currency of the Company

The Company has changed its functional currency from Singapore dollar to Chinese Renminbi for the financial year beginning 1 January 2008. Previously, the Company adopted the Singapore dollar as its functional currency for the period from 2 July 2007 (date of incorporation) to 31 December 2007. As the economic activities of the Company's subsidiary are conducted in the PRC deriving income and incurring expenses in RMB, the directors are of the view that the functional currency of the Company should reflect the economic substance of the underlying events and circumstances relevant to the Company. Accordingly, the directors are of the view that the adoption of the RMB as its functional currency is relevant to its principal activity as an investment holding company. There is no significant impact on the Group arising from the change in functional currency of the Company.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (Cont'd)

Change in functional currency of the Company (Cont'd)

The consolidated financial statements presented in RMB, have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") and under the historical cost convention, except as disclosed in the significant accounting policies set out below.

Acquisition of Xinlianjie (Quanzhou) Textile & Printing Dyeing Co., Ltd ("Xinlianjie")

On 21 January 2008, the Company entered into a sale and purchase agreement with Taiwan Taoyuan Youji Co., Ltd ("Taiwan Youji"), which is acting as nominee for Mr Choi Cheung Kong, a Non-executive Chairman, whereby the Company will acquire from Taiwan Youji, the entire equity interest of Xinlianjie for a consideration of RMB 1.00. The approval of the Bureau of Commerce of Jinjiang City is required for such acquisition. As the date of this report, the approval from the relevant authorities is still in progress. Xinlianjie has been dormant since incorporation. For the purpose of the Group Restructuring and the consolidated financial statements, Xinlianjie has not been included as part of the Group for the periods presented in the consolidated financial statements for the financial year ended 31 December 2008 and 2007.

Basis of accounting

On 1 January 2008, the Group adopted new or revised FRSs and Interpretations to FRSs ("INT FRS") that are mandatory for application from that date. Changes to the Group's accounting policies have been made as required, in accordance with the relevant transitional provisions in the respective FRS and INT FRS.

The following are the INT FRSs that are mandatory for application:

INT FRS 104 (Amendment)	<i>Determining whether an Arrangement contains a Lease</i>
INT FRS 112	<i>Service Concession Arrangements</i>
INT FRS 114	<i>FRS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction</i>

The adoption of the above INT FRSs did not have a significant impact to the Group's consolidated financial statements.

The preparation of consolidated financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (Cont'd)

Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Apart from information disclosed elsewhere in these consolidated financial statements, the following summarises estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year and significant judgements made in the process of applying the Group's accounting policies:-

(i) Impairment of receivables

The Group makes allowance for impairment based on an assessment of the recoverability of trade and other receivables. Allowance is applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of doubtful receivables requires the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying amount of trade and other receivables and the allowance for impairment in the financial year in which such estimate has been changed. The carrying amount of the Group's trade and other receivables as at 31 December 2008 was approximately RMB 401.6 million (2007: RMB 250.3 million).

(ii) Depreciation of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight-line basis over their economic useful lives estimated to be within 5-20 years, net of residual value. The carrying amount of the Group's property, plant and equipment as at 31 December 2008 was approximately RMB 206.4 million (2007: RMB 143.9 million). Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation could be revised.

(iii) Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. These estimates are based on the current market condition and the historical experience of selling products of similar nature. It could change significantly as a result of competitor actions in response to severe industry cycles. Management will reassess the estimations at the balance sheet date. The carrying amount of the Group's inventories as at 31 December 2008 was approximately RMB 51.5 million (2007: RMB 42.5 million).

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of accounting (Cont'd)

Critical accounting estimates, assumptions and judgements (Cont'd)

(iv) Income taxes

The Group is subject to income taxes in different jurisdictions. Significant judgment is required in determining the capital allowance and deductibility of certain expenses during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax issues based on estimation of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the year in which such determination is made. The carrying amount of the Group's provision for taxation as of 31 December 2008 was approximately RMB 25.5 million (2007: RMB 27.6 million).

2.2 Basis of consolidation

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

The results of the subsidiary acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

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

In the Company's financial statements, investment in subsidiary is carried at cost less any impairment loss.

2.3 Functional and presentation currency

The individual financial statements of each entity within the Group are presented in the currency of the primary economic environment in which the entity operates (the functional currency). The functional currency of the Company, and the subsidiary is the RMB and the consolidated financial statements are presented in RMB. All financial information presented in RMB has been rounded to the nearest thousand ("RMB'000") unless otherwise stated.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Foreign currencies transactions

Transactions in foreign currencies are translated at foreign exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into RMB at foreign exchange rates ruling at that date.

Foreign exchange differences arising from translation are recognised in the income statement. Non-monetary assets and liabilities measured at cost in a foreign currency are translated using exchange rates at the date of the transaction. Non-monetary assets and liabilities measured at fair value in foreign currencies are translated to RMB at foreign exchange rates ruling at the dates the fair value was determined.

2.5 Foreign operations

The assets and liabilities of foreign operations are translated to RMB at exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated to RMB at exchange rates prevailing at the dates of the transactions.

Foreign currency differences are recognised in the foreign currency translation reserves. When a foreign operation is disposed of, in part or in full, the relevant amount in the foreign currency translation reserves is transferred to the income statement.

2.6 Net investment in foreign operations

Exchange differences arising from monetary items that in substance form part of the Company's net investment in foreign operations are recognised in the Company's income statement. Such exchange differences are reclassified to equity in the financial statements. When the hedged net investment is disposed of, the cumulative amount in equity is transferred to the income statement as an adjustment to the income statements arising on disposal.

2.7 Revenue recognition

Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in the income statement as follows:

(i) Sale of goods

Revenue is recognised when goods are delivered at the customers' premises or collected by the customers at the Group's premises which is taken to be the point in time when the customer has accepted the goods and the related risks and rewards of ownership.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Revenue recognition (Cont'd)

(ii) Rendering of services

Revenue is recognised when services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual services provided as a proportion of the total services to be performed.

(iii) Interest income

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

(iv) Government grant

Government grants are not recognised until there is reasonable assurance that the grants will be received and that the Group will comply with conditions applying to them. Grants are recognised in the income statement on a systematic basis matching them with the related costs for which the grants are intended to compensate.

(v) Dividend income

Dividend income is recognised when the right to receive payments is established.

2.8 Operating leases

Where the Group has the use of assets under operating leases, payments made under the leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease payments made. Contingent rentals are charged to the income statement in the accounting period in which they are incurred.

2.9 Employee benefits

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. Contributions to national pension schemes are recognised as an expense in the period in which the related service is performed. Companies incorporated in the PRC are required to provide certain staff pension benefits for their employees under existing PRC legislation. Pension contributions are provided at rates stipulated by the PRC legislation and are contributed to a pension fund managed by government agencies, which are responsible for paying pensions to the retired employees. These benefits are accounted for on an accrual basis and charged to the income statement when incurred.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Employee benefits (Cont'd)

These national pension schemes are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

2.10 Research and development costs

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the income statement as an expense when it is incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the products or processes are technically and commercially feasible, future economic benefit are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of material, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use.

Other development expenditure is recognised in the income statement as an expense when it is incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses. Amortisation is charged to the income statement using the straight – line method over estimated useful lives of 5 to 7 years.

2.11 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event where it is probable that it will result in an outflow of economic benefits that can be reasonably estimated.

2.12 Impairment

Impairment of financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognised in the income statement.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 Impairment (Cont'd)

Impairment of financial assets (Cont'd)

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in the income statement.

Impairment - non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups.

Impairment losses are recognised in the income statement unless they reverse a previous revaluation, credited to equity, in which case it is charged to equity. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

Calculations of recoverable amount

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of accumulated depreciation or amortisation, if no impairment loss had been recognised.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.13 Finance costs

Interest expense and similar charges are expensed to the income statement in the period in which they are incurred.

The interest component of interest-bearing liabilities is recognised in the income statements using the effective interest method.

2.14 Income tax

Income tax on the results for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

2.15 Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets or liabilities and their carrying amounts in the consolidated financial statements. Deferred tax is, however, not recognised on temporary differences arising from the initial recognition of assets or liabilities that affect neither accounting nor taxable profit and differences relating to investment in subsidiary to the extent that it is probable that they will not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets or liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2.16 Property, plant and equipment

(a) Owned assets

Items of property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to the present location and condition for its intended use.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.16 Property, plant and equipment (Cont'd)

(b) Depreciation

Depreciation is provided on the straight-line basis so as to write off the cost of property, plant and equipment over their estimated useful lives net of estimated residual value on the cost of the asset as follows:

Leasehold buildings	20 years
Plant and machinery	5 - 10 years
Office equipment	5 years
Motor vehicles	10 years

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

(c) Cost

Cost includes expenditure that is directly attributable to the acquisition of the asset. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement as incurred.

Fully depreciated assets are retained in the consolidated financial statements until they are no longer in use. The gain or loss on disposal or retirement of an item of property, plant and equipment recognised in the income statement is the difference between the net sale proceeds and the carrying amount of the relevant asset.

2.17 Intangible assets

Land use rights

The cost of acquisition of land use rights is capitalised and amortised on a straight-line basis over the lease terms of the land of 50 years. The portion of the land use rights to be amortised over the next 12 months is reflected as current assets. The amortisation expense is recognised in the income statement.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.18 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined on the weighted average formula and comprises all cost of purchases, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised in the income statement in the period in which the reversal occurs.

2.19 Trade and other receivables

Trade and other receivables are classified as loans and receivables financial assets, and are recognised initially at fair value and subsequently at amortised cost using the effective interest method, less any impairment losses.

2.20 Cash and cash equivalents

Cash and cash equivalents are classified as loans and receivables financial assets, and comprise cash on hand and bank balances with financial institutions. Cash and cash equivalent are short-term, highly liquid investments readily convertible to known amounts of cash and subject to an insignificant risk of changes in value and have a short-maturity of generally within three months when acquired.

2.21 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

2.22 Merger reserve

In applying the pooling-of-interest method, the financial statements of the entities under common control are consolidated as if the current structure of the Group has been in existence since date of incorporation of the Company. The income statement and statement of cash flows include the results of operations and cash flows of the entities under common control. The assets and liabilities are brought into the balance sheets at their existing carrying amounts. Any difference between the paid-up capital of the Company and the amount of share capital acquired is adjusted against equity.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.23 Statutory reserves

The statutory reserves of the Group comprise the following:

(a) *Statutory common reserve*

In accordance with relevant PRC regulations, the subsidiary is required to transfer a portion of its net profit to the statutory common reserve until the reserve reaches 50% of its registered capital. The transfer to this reserve must be made before the payment of dividends to shareholders.

The statutory common reserve can only be used to set off against losses or to increase the capital of the subsidiary. The subsidiary may convert its statutory common reserve into share capital provided that the remaining balance of such reserve is not less than 25% of the registered capital of the subsidiary.

(b) *Statutory welfare reserve*

In accordance with relevant PRC regulations, the subsidiary is encouraged to transfer a portion of its net profit to the statutory welfare reserve.

2.24 Liabilities and interest-bearing liabilities

Trade and other payables are classified as financial liabilities measured at amortised cost, and are recognised initially at fair value and subsequently at amortised cost using the effective interest method. Interest-bearing liabilities are recognised initially at cost less attributable transaction costs. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on effective interest basis.

2.25 Financial instruments

Financial assets

Financial assets within the scope of FRS 39 Financial Instruments: Recognition and Measurement ("FRS 39") are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets, as appropriate. Financial assets are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.25 Financial instruments (Cont'd)

Financial assets (Cont'd)

The Group determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each year-end. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or transfers substantially all the risks and rewards of the asset.

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Group commits to purchase the asset 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 concerned.

Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Financial liabilities

Financial liabilities within the scope of FRS 39 are classified as either financial liabilities measured at amortised cost such as interest-bearing liabilities and trade and other payables, or financial liabilities designated at fair value through profit or loss.

Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instruments or where appropriate, a shorter period. Income and expense is recognised on an effective interest basis for debt instruments other than those financial instruments "at fair value through profit or loss".

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.26 Segment information

Business segments

Reporting format

The Group's primary format for reporting segment information is business segments, with each segment representing a product line. A business segment is a group of assets and operations engaged in providing products that are subject to risks and returns that are different from those of other business segments. The Group is organised into two business segments, namely:

(a) Manufacturing and sale of fabrics

Manufacture of normal and performance fabrics, which involves the process of knitting, dyeing and finishing of fabrics.

(b) Fabric processing services

Provision of fabrics processing services such as dyeing and finishing, in accordance with the customers' requirements.

2.27 Related parties

A party is related to the Group if:

- (a) directly, or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the Group; or has an interest in the Group that gives it significant influence over the Group; or has joint control over the Group;
- (b) the party is an associate of the Group;
- (c) the party is a joint venture in which the Group is a venturer;
- (d) the party is a member of the key management personnel of the Group or its parent;
- (e) the party is a close member of the family of any individual referred to in (a) or (d);
- (f) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or
- (g) the party is a post-employment benefit plan for the benefit of employees of the Group, or of any entity that is a related party of the Group.

Amounts owing by/(to) related parties are classified as loans and receivables, and financial liabilities respectively at amortised cost.

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.28 Future changes in FRS

At the date of authorisation of these consolidated financial statements, the following FRSs and INT FRSs that are relevant to the Group were issued but not effective are as follows:

<u>FRS No.</u>	<u>Title</u>	<u>Effective date for period beginning on or after</u>
FRS 1 (Amendment)	Presentation of Financial Statements	1.1.2009
FRS 1	Amendments to FRS 32 Financial Instruments: Presentation and FRS 1 Presentation of Financial Statements-Putable Financial Instruments and Obligations Arising on Liquidation	1.1.2009
FRS 23 (Amendment)	Borrowing Costs	1.1.2009
FRS 27	Amendments to FRS 101 First-time Adoption of Financial Reporting Standards and FRS 27 Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1.1.2009
FRS 32	Amendments to FRS 32 Financial Instruments: Presentation and FRS 1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation	1.1.2009
FRS 39	Amendments to FRS 39 Financial Instruments: Recognition and Measurement and FRS 107 Financial Instruments: Disclosures-Reclassification of Financial Assets	1.7.2008
FRS 39	Amendments to FRS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items	1.7.2009
FRS 101	Amendments to FRS 101 First-time Adoption of Financial Reporting Standards and FRS 27 Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1.1.2009
FRS 102	Amendments relating to vesting conditions and cancellations	1.1.2009
FRS 107	Amendments to FRS 39 Financial Instruments: Recognition and Measurement and FRS 107 Financial Instruments: Disclosures-Reclassification of Financial Assets	1.7.2008

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.28 Future changes in FRS (Cont'd)

<u>FRS No.</u>	<u>Title</u>	<u>Effective date for period beginning on or after</u>
FRS 108	Operating Segments	1.1.2009
INT FRS 101	Changes in Existing Decommissioning, Restoration and Similar Liabilities	1.1.2009
INT FRS 112 (Amendment)	Service Concession Arrangements	1.1.2009
INT FRS 113	Customer Loyalty Programmes	1.7.2008
INT FRS 116	Hedges of a Net Investment in a Foreign Operation	1.10.2008
INT FRS 117	Distributions of Non-cash Assets to Owners	1.7.2009
General amendments Improvements to FRSs		
FRS 1	Presentation of Financial Statements	1.1.2009
FRS 8	Accounting Policies, Changes in Accounting Estimates and Errors	1.1.2009
FRS 10	Events after the Reporting Period	1.1.2009
FRS 16	Property, Plant and Equipment	1.1.2009
FRS 18	Revenue	1.1.2009
FRS 19	Employee Benefits	1.1.2009
FRS 20	Accounting for Government Grants and Disclosure of Government Assistance	1.1.2009
FRS 23	Borrowing Costs	1.1.2009
FRS 27	Consolidated and Separate Financial Statements	1.1.2009
FRS 28	Investments in Associates and FRS 31 Interests in Joint Ventures	1.1.2009
FRS 29	Financial Reporting in Hyperinflationary Economies	1.1.2009
FRS 31	Interests in Joint Ventures	1.1.2009
FRS 34	Interim Financial Reporting	1.1.2009
FRS 36	Impairment of Assets	1.1.2009
FRS 38	Intangible Assets	1.1.2009
FRS 39	Financial Instruments: Recognition and Measurement	1.1.2009
FRS 40	Investment Property	1.1.2009
FRS 41	Agriculture	1.1.2009
FRS 105	Non-current Assets Held for Sale and Discontinued Operations	1.7.2009
FRS 107	Financial Instruments: Disclosures	1.7.2009

The directors of the Company anticipate that the application of these standards or interpretations will have no material impact on the consolidated financial statements of the Group.

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3. REVENUE

	<u>Group</u>
	<u>2008</u> <u>2007</u>
	<u>RMB'000</u> <u>RMB'000</u>
Manufacturing and sale of performance fabrics	1,135,454 756,545
Manufacturing and sale of normal fabrics	1,729 2,180
Fabric processing services	42,960 52,143
	<u>1,180,143</u> <u>810,868</u>

4. OTHER INCOME

	<u>Group</u>
	<u>2008</u> <u>2007</u>
	<u>RMB'000</u> <u>RMB'000</u>
Interest income from financial assets at amortised cost	2,080 182
Government grants	51 69
Allowance for slow moving inventories written back	- 1,672
	<u>2,131</u> <u>1,923</u>

Government grants relate to monetary incentives received from governmental agencies in the PRC as incentives for pollution prevention and control measures.

5. FINANCE COSTS

	<u>Group</u>
	<u>2008</u> <u>2007</u>
	<u>RMB'000</u> <u>RMB'000</u>
Interest expense on bank loans at amortised cost	<u>3,175</u> <u>2,458</u>

The effective interest rate of the bank loans was 7.36% (2007: 6.98 %) per annum.

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6. PROFIT BEFORE INCOME TAX

The following items have been charged / (credited) in arriving at profit before income tax:

	<u>Note</u>	<u>Group</u> <u>2008</u> <u>RMB'000</u>	<u>2007</u> <u>RMB'000</u>
Allowance for slow moving inventories written back		-	(1,672)
Amortisation of land use rights	12	2	2
Cost of inventories recognised as expenses		745,013	500,923
Depreciation of property, plant and equipment	11	20,756	10,965
Directors' fee – directors of the Company		320	-
Directors' remuneration	8	1,735	283
Exchange loss (net)		9,911	-
Government grants	4	(51)	(69)
Loss from disposal of property, plant and equipment		775	-
Property, plant and equipment written off	11	145	42
Rental of plant and machinery, office equipment and motor vehicles from Non-executive Chairman	25(a)	-	4,800
Staff costs	7	21,917	21,069
Non-audit fee paid to independent auditors of the Company *		2,206	-
Listing expenses recognised in consolidated income statement		<u>8,750</u>	<u>-</u>

* The independent auditors received non-audit fees of approximately RMB 2,206,000 for acting as the reporting accountants in respect of the preparation of the initial public offering of the Company's shares on the Singapore Exchange Securities Trading Limited during the year ended 31 December 2008. The amount of RMB 531,000 was recognised against the share capital account. The remaining balance of RMB 1,675,000 was charged to income statement as it is related to common cost allocated to the pre-invitation shares in issue.

7. STAFF COSTS

	<u>Note</u>	<u>Group</u> <u>2008</u> <u>RMB'000</u>	<u>2007</u> <u>RMB'000</u>
Salaries and bonus (excluding directors' remuneration)		15,302	13,859
Staff welfare		<u>6,049</u>	<u>7,103</u>
		21,351	20,962
Staff costs – key management personnel	8	<u>566</u>	<u>107</u>
		<u>21,917</u>	<u>21,069</u>

Salaries and bonus include payment to defined contribution plan (national pension schemes) amounting to approximately RMB 1,488,000 (2007: RMB 1,206,000).

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8. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel consist of the directors of the Company and its subsidiary, financial controller and sales & marketing manager of the subsidiary, and their remuneration are disclosed as follows:

	Group	
	2008	2007
	RMB'000	RMB'000
<i><u>Directors' remuneration</u></i>		
Directors' of the Company		
- Salaries and bonuses	1,581	171
	<u>1,581</u>	<u>171</u>
Directors' of the subsidiary		
- Salaries and bonuses	152	110
- Defined contribution plan	2	2
	<u>154</u>	<u>112</u>
Directors' remuneration	<u>1,735</u>	<u>283</u>
<i><u>Other key management personnel compensation</u></i>		
Other key management personnel		
- Salaries and bonuses	528	104
- Defined contribution plan	38	3
	<u>566</u>	<u>107</u>
	<u>2,301</u>	<u>390</u>

9. INCOME TAX EXPENSE

	Group	
	2008	2007
	RMB'000	RMB'000
<i><u>Current tax expense</u></i>		
Current year	91,162	66,953
Total income tax expense	<u>91,162</u>	<u>66,953</u>

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9. INCOME TAX EXPENSE (CONT'D)

The tax expense on the results for the financial years differs from the amount of income tax determined by applying statutory income tax rates of the respective countries to profit before income tax as a result of the following:

	<u>2008</u>	<u>Group</u> <u>2007</u>
	<u>RMB'000</u>	<u>RMB'000</u>
Profit before income tax	343,128	249,646
Tax using the PRC tax rate of 25% (2007: 27%)	85,782	67,404
Tax effect of:		
-Non-taxable items	-	(451)
-Non-deductible item	3,920	-
Effect of different tax rate in other country *	1,460	-
Income tax expense	91,162	66,953

* The Company operates in a tax jurisdiction with lower tax rates.

In 2007, in accordance with PRC tax laws and regulations, the subsidiary, which is a Wholly Foreign-Owned Enterprise ("WFOE"), was subject to PRC's statutory tax rate for Zhendong Development Area's (振东开发区) statutory tax rate of 24% ("国家税法") and 3% local tax rate ("地方税法").

Pursuant to the PRC Enterprise Income Tax Law (中华人民共和国企业所得税法) which was promulgated on 16 March 2007 and went into effect on 1 January 2008, the income tax law of the PRC on foreign-invested enterprises and foreign enterprises was abolished and the income tax for both domestic and foreign-invested enterprise will be unified at 25% effective from 1 January 2008. However, there will be a transition period for enterprises that currently receive preferential tax treatments granted by the tax authorities. Enterprises that are subject to an enterprise income tax rate lower than 25% may continue to enjoy the lower rate and gradually transfer to the new tax rate within five years after the effective date of the new enterprise income tax law. Enterprises that are currently entitled to exemptions or reductions from the standard income tax rate for a fixed term may continue to enjoy such treatment until the fixed term expires.

Pursuant to the PRC Enterprise Income Tax Law (中华人民共和国企业所得税法) which was promulgated on 22 February 2008, dividends distributed by PRC entities for profits generated before 1 January 2008 are exempt from withholding tax. Dividend paid in respect of profits generated on or after 1 January 2008 will be subject to a withholding tax of 5%.

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9. INCOME TAX EXPENSE (CONT'D)

At the balance sheet date, the aggregate amount of temporary differences associated with the undistributed earnings of the subsidiary for which deferred tax liabilities have not been recognised is approximately RMB 260.7 million (2007: RMB 118.4 million). No liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

10. EARNINGS PER SHARE

	<u>Group</u>	
	<u>2008</u>	<u>2007</u>
	RMB'000	RMB'000
Basic earnings per share is based on:		
(i) Net profit attributable to equity holders of the Company	<u>251,965</u>	<u>182,693</u>
	<u>Group</u>	
	<u>2008</u>	<u>2007</u>
	No. of	No. of
	shares	shares
	'000	'000
(ii) Weighted average number of ordinary shares	<u>832,156</u>	<u>704,700</u>

No diluted earnings per share are presented as there is no dilutive instrument issued as at the end of the financial years ended 31 December 2008 and 2007.

The basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

Basic earnings per share for the year ended 31 December 2007 was prepared based on the net profit attributable to equity holders of the Company of RMB 182,693,000 and pre-invitation issued share capital of 704,700,000 ordinary shares for illustrative purposes. The pre-invitation of share capital of 704,700,000 shares were assumed to be in issue throughout the entire period presented.

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11. PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold	Plant and	Office	Motor	
2008	buildings	machinery	equipment	vehicles	Total
Cost	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2008	23,563	177,327	1,001	1,425	203,316
Additions	632	82,512	-	1,771	84,915
Written off	-	-	-	(230)	(230)
Disposal	-	(7,587)	-	-	(7,587)
At 31 December 2008	24,195	252,252	1,001	2,966	280,414
Accumulated Depreciation					
At 1 January 2008	11,778	47,556	64	38	59,436
Depreciation for the year	1,120	19,090	189	357	20,756
Written off	-	-	-	(85)	(85)
Disposal	-	(6,111)	-	-	(6,111)
At 31 December 2008	12,898	60,535	253	310	73,996
Net Carrying Value					
At 31 December 2008	11,297	191,717	748	2,656	206,418
Group	Leasehold	Plant and	Office	Motor	
2007	buildings	machinery	equipment	vehicles	Total
Cost	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2007	23,563	54,653	-	-	78,216
Additions	-	122,716	1,001	1,425	125,142
Written off	-	(42)	-	-	(42)
At 31 December 2007	23,563	177,327	1,001	1,425	203,316
Accumulated Depreciation					
At 1 January 2007	10,659	37,812	-	-	48,471
Depreciation for the year	1,119	9,744	64	38	10,965
At 31 December 2007	11,778	47,556	64	38	59,436
Net Carrying Value					
At 31 December 2007	11,785	129,771	937	1,387	143,880

All items of property, plant and equipment held by the Group are located at Zhendong Development Area, Dongcheng, Dongshi Town, Jinjiang City, Fujian Province, PRC (福建省晋江市东石镇东埕振东开发区).

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11. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group has pledged property, plant and equipment having net carrying value of approximately RMB 6,075,000 (2007: RMB 6,723,000) to secure borrowings granted to the Group (Note 24).

The Group is in the process of applying for the property ownership certificate in respect of certain leasehold buildings of the subsidiary from the relevant PRC authorities with an aggregated carrying amount of approximately RMB 4,262,000 (2007: RMB 4,702,000).

As at 31 December 2008, the estimated costs of applying for the property ownership certificate and land use rights (Refer to Note 15 to the financial statements) from the PRC authorities is RMB 5,000 and RMB 4.2 million respectively.

12. INTANGIBLE ASSETS

	<u>Group</u>		<u>Company</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
Land use rights				
At beginning of the year	118	120	-	-
Amortisation	(2)	(2)	-	-
At end of the year	<u>116</u>	<u>118</u>	<u>-</u>	<u>-</u>
Amortisation due within:				
Next 12 months – current portion	2	2	-	-
More than 12 months				
– non-current portion	<u>114</u>	<u>116</u>	<u>-</u>	<u>-</u>
	<u>116</u>	<u>118</u>	<u>-</u>	<u>-</u>

The land use rights represent medium-term land use rights situated in the PRC. The Group has pledged its land use rights to secure borrowings granted to the Group (Note 24). Amortisation is provided to write off the land use rights over a period of 50 years.

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13. INVESTMENT IN A SUBSIDIARY

	<u>Company</u>	
	<u>2008</u>	<u>2007</u>
	<u>RMB'000</u>	<u>RMB'000</u>
Unquoted shares, at cost	80,998	-

The following information relates to the subsidiary:

<u>Name of Company</u>	<u>Principal activities</u>	<u>Place of business/ Country of Incorporation</u>	<u>Percentage of equity held</u>		<u>Cost of investment</u>	
			<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
			<u>%</u>	<u>%</u>	<u>RMB'000</u>	<u>RMB'000</u>
Jinjang Lianjie Textile & Printing Dyeing Industrial Co., Ltd *	Manufacture of knitted textile, printing and dyeing of fabrics and engaged in the knitting and weaving of high quality fabrics	PRC	100%	- **	80,998	-

*: Audited by Mazars LLP, Singapore for inclusion in the consolidated financial statements of the Group.

** : For the period ended 31 December 2007, the comparative figures as at that date were based on the statutory financial statements of the Company which were completed prior to the acquisition of the subsidiary as part of the Restructuring Exercise (Refer to Note 1 to the financial statements).

14. INVENTORIES

	<u>Group</u>		<u>Company</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
Finished goods	20,645	17,044	-	-
Raw materials	29,143	23,034	-	-
Work-in-progress	1,739	2,405	-	-
	<u>51,527</u>	<u>42,483</u>	<u>-</u>	<u>-</u>

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15. TRADE AND OTHER RECEIVABLES

	<u>Group</u>		<u>Company</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables – third parties	271,029	243,563	-	-
Other receivables	18,336	1,761	-	1,637
Deposits	112,247	5,000	112,247	-
	<u>401,612</u>	<u>250,324</u>	<u>112,247</u>	<u>1,637</u>

Trade and other receivables that are denominated in foreign currencies at the balance sheet date are as follows:

	<u>Group</u>		<u>Company</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	RMB'000	RMB'000	RMB'000	RMB'000
Singapore dollar	-	1,637	-	1,637
US dollar	<u>112,247</u>	<u>-</u>	<u>112,247</u>	<u>-</u>

Trade receivables are non-interest bearing and are generally up to 90 days' credit term. All trade receivables are denominated in RMB.

Other receivable consists of a payment to obtain land use rights for land occupied by the subsidiary amounting to approximately RMB 124,000 (2007: RMB 124,000), and professional fees paid in advance amounting to approximately RMB Nil (2007: RMB 1,637,000) in relation to the Company's listing exercise. The Group is in the process of obtaining the land use rights from the relevant PRC authorities.

Deposits relate to amounts placed by the Group to acquire new plant and machinery amounting to approximately RMB 112,247,000 (2007: RMB 5,000,000) (Note 26).

Impairment losses

The ageing of trade receivables at the balance sheet date was:

<u>Group</u>	<u>Gross</u> <u>2008</u>	<u>Impairment</u> <u>2008</u>	<u>Gross</u> <u>2007</u>	<u>Impairment</u> <u>2007</u>
	RMB'000	RMB'000	RMB'000	RMB'000
Not past due	271,029	-	238,378	-
Past due 0 – 90 days	-	-	2,192	-
More than 90 days	-	-	2,993	-
	<u>271,029</u>	<u>-</u>	<u>243,563</u>	<u>-</u>

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15. TRADE AND OTHER RECEIVABLES (CONT'D)

Based on historical default experience, the Group believes that no impairment allowance is necessary in respect of the trade receivables that are past due to the good track records of its customers.

16. AMOUNTS OWING BY SUBSIDIARY

	<u>Group</u>		<u>Company</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	RMB'000	RMB'000	RMB'000	RMB'000
Advance payment	-	-	77,512	-
Dividend receivables	-	-	100,000	-
	<u>-</u>	<u>-</u>	<u>177,512</u>	<u>-</u>

The amount owing by subsidiary is denominated in RMB and is unsecured, interest-free and repayable on demand.

17. CASH AND CASH EQUIVALENTS

	<u>Group</u>		<u>Company</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	RMB'000	RMB'000	RMB'000	RMB'000
Cash on hand	114	20	-	-
Cash with banks	363,997	89,379	46,934	101
Cash and cash equivalents as per consolidated statement of cash flows	<u>364,111</u>	<u>89,399</u>	<u>46,934</u>	<u>101</u>

*The amount is less than RMB1,000.

Bank balances bear effective interest rate of 0.71% (2007: 0.72%) per annum.

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17. CASH AND CASH EQUIVALENTS (CONT'D)

Cash and bank balances that are denominated in foreign currencies at the balance sheet date are as follows:

	<u>Group</u>		<u>Company</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
Singapore dollar	<u>46,934</u>	<u>101</u>	<u>46,934</u>	<u>101</u>

The RMB is not freely convertible into foreign currencies. Under the PRC Foreign Exchange Control Regulations and Administration of Settlement, Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through banks that are authorised to conduct foreign exchange business.

18. SHARE CAPITAL

	<u>Group and Company</u>			
	<u>2008</u>		<u>2007</u>	
	<u>No. of</u>	<u>RMB'000</u>	<u>No. of</u>	<u>RMB'000</u>
	<u>shares</u>		<u>shares</u>	
Issued and fully paid up:				
At 1 January 2008 / at 2 July 2007 (date of incorporation)	1	-*	1	-*
Effect of Group Restructuring				
-issue of shares to acquire a subsidiary under common control (a)	99,998	80,268	-	-
-issue of share to Non-executive Chairman (b)	1	730	-	-
After Group Restructuring	<u>100,000</u>	<u>80,998</u>	<u>1</u>	<u>-*</u>
Sub-division on 14 April 2008 (of every one ordinary share into 7,047 ordinary shares) (c)	704,700,000	80,998	-	-
Issue of new shares on initial public offering, net of expenses (d)	<u>223,200,000</u>	<u>256,801</u>	<u>-</u>	<u>-</u>
At 31 December	<u>927,900,000</u>	<u>337,799</u>	<u>1</u>	<u>-*</u>

* Amount less than RMB 1,000.

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18. SHARE CAPITAL (CONT'D)

- (a) On 14 January 2008, the Company issued 99,998 shares for US\$11.0 million (RMB 80,268,100) to acquire the entire equity interest in Jinjiang Lianjie Textile & Printing Industrial Co., Ltd (晋江连捷纺织印染实业有限公司), which became a wholly-owned subsidiary of the Company.
- (b) On 14 January 2008, the Company issued 1 ordinary share for US\$100,000 (RMB 729,710) to Mr. Choi Cheung Kong, an Non-executive Chairman, fully paid in cash.
- (c) Following the above, the ordinary shares of the Company were increased to 704,700,000 ordinary shares through the sub-division of every one ordinary share in the Company into 7,047 ordinary shares.
- (d) The ordinary shares of the Company were further increased to 927,900,000 by the issue of 223,200,000 new ordinary shares at S\$0.24 each at its initial public offering ("IPO") and the shares were listed on the Singapore Exchange Securities Trading Limited on 6 June 2008. The share issue expenses recognised in equity were approximately RMB 13,471,000 (2007: Nil). Further details of the Group Restructuring can be found in the Prospectus of the Company dated 28 May 2008.

All issued ordinary shares are fully paid. There is no par value for these ordinary shares. 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 meetings of the Company.

19. MERGER RESERVE

The merger reserve represents the difference between the paid-up share capital of the Company and the share capital of the subsidiary acquired under the pooling-of-interests method of accounting, and is reflected in equity retrospectively in the consolidated financial statements of the Group.

20. STATUTORY RESERVES

The statutory reserves represent amounts transferred from profit after tax of the subsidiary established in the PRC under the PRC laws and regulations.

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21. ACCUMULATED PROFITS

		<u>Group</u>		<u>Company</u>	
	<u>Note</u>	<u>2008</u> RMB'000	<u>2007</u> RMB'000	<u>2008</u> RMB'000	<u>2007</u> RMB'000
At beginning of the year		118,354	-	-	-
Profit for the year		251,965	182,693	79,148	-
Due to restructuring exercise	(a)	-	12,814	-	-
Dividends	27	-	(50,000)	-	-
Transfer from accumulated profits to statutory reserves	20	<u>(30,448)</u>	<u>(27,153)</u>	-	-
At year of the year		<u>339,871</u>	<u>118,354</u>	<u>79,148</u>	

Note (a) Due to restructuring exercise arising from the acquisition of the subsidiary under common control, refer to Note 1 to the financial statements for details of the Group Restructuring.

22. AMOUNTS OWING TO A RELATED PARTY

		<u>Group</u>		<u>Company</u>	
	<u>Note</u>	<u>2008</u> RMB'000	<u>2007</u> RMB'000	<u>2008</u> RMB'000	<u>2007</u> RMB'000
<i>Due within 12 months</i>					
Amounts owing to:					
- A shareholder – non-trade	(a)	<u>50,382</u>	<u>1,738</u>	<u>-</u>	<u>1,738</u>
<i>Due after 12 months</i>					
Amounts owing to:					
- A shareholder – non-trade	(b)	<u>-</u>	<u>50,382</u>	<u>-</u>	<u>-</u>

(a) This relates to non-trade amounts owing to the Non-executive Chairman which is unsecured, interest-free and is repayable on demand within 12 months from the balance sheet date.

(b) This relates to non-trade amounts owing to the Non-executive Chairman. The non-current portion owing to this shareholder is unsecured, interest-free and has no fixed terms of repayment.

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22. AMOUNTS OWING TO A RELATED PARTY (CONT'D)

Amounts owing to a related party that are denominated in foreign currencies at the balance sheet date are as follows:

	<u>Group</u>		<u>Company</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	RMB'000	RMB'000	RMB'000	RMB'000
Singapore dollar	<u>-</u>	<u>1,738</u>	<u>-</u>	<u>1,738</u>

23. TRADE AND OTHER PAYABLES

	<u>Group</u>		<u>Company</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables	129,025	126,741	-	-
Accrued operating expenses	3,986	5,348	744	-
Value-added tax payable	6,113	21,862	-	-
	<u>139,124</u>	<u>153,951</u>	<u>744</u>	<u>-</u>

Trade payables are non-interest bearing and are normally settled on 60 to 90 days' credit term.

Accrued operating expenses that are denominated in foreign currencies at the balance sheet date are as follows:

	<u>Group</u>		<u>Company</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	RMB'000	RMB'000	RMB'000	RMB'000
Singapore dollar	<u>1,218</u>	<u>-</u>	<u>744</u>	<u>-</u>

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24. INTEREST-BEARING LIABILITIES

	<u>Group</u>		<u>Company</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	RMB'000	RMB'000	RMB'000	RMB'000
Bank loans – secured	<u>45,000</u>	<u>37,500</u>	<u>-</u>	<u>-</u>

The bank loans were secured by a legal mortgage over certain leasehold buildings and land use rights with a net carrying value of RMB 6,075,000 and RMB 116,000 (2007: RMB 6,723,000 and RMB 118,000) respectively, and guaranteed by a company owned by a relative of the Non-executive Chairman.

The carrying amounts of the bank loans approximate their fair values due to the relative short term to maturity. The Group's bank loans are denominated in RMB. The effective interest rate for the bank loans is 7.36% (2007: 6.98%) per annum. All bank loans are repayable within one year from balance sheet date.

25. SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to disclosures made elsewhere in the consolidated financial statements, the following significant transactions were carried out between the Group and its related parties on terms agreed between the parties as follows:

	<u>Note</u>	<u>Group</u>		<u>Company</u>	
		<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
		RMB'000	RMB'000	RMB'000	RMB'000
Rental of plant and machinery, office equipment and motor vehicles from the Non-executive Chairman	(a)	-	4,800	-	-
Acquisition of plant and machinery, office equipment and motor vehicles from the Non-executive Chairman	(b)	-	125,126	-	-
Sales to a related party	(c)	-	1,191	-	-
Purchases from a related party	(d)	-	22,995	-	-
Advance to related parties	(e)	15,800	10,000	-	-
Payment of consultancy fee to a related party	(f)	<u>180</u>	<u>-</u>	<u>-</u>	<u>-</u>

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25. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

- Note (a)* Rental of plant and machinery, office equipment and motor vehicles from the Non-executive Chairman.
- Note (b)* On 1 September 2007, Jinjiang Lianjie Textile & Printing Dyeing Industrial Co. Ltd (晋江连捷纺织印染实业有限公司) entered into an agreement with the Non-executive Chairman to acquire certain plant and machinery, office equipment and motor vehicles used in the manufacturing facilities for a consideration of approximately RMB 125,126,000. The consideration was determined based on the valuation report dated 5 September 2007 conducted by Fujian Min Cai Certified Public Accountants Limited Co. (福建闽才资产评估有限公司).
- Note (c)* The sales were conducted on an arm's length basis and were entered into between the subsidiary and a company owned by a relative of the Non-executive Chairman. On 6 December 2007, the said relative had disposed of its equity interest in that company.
- Note (d)* The purchases were conducted on an arm's length basis and were entered into between the subsidiary and a company in which a relative of the Non-executive Chairman is a legal representative in that company as nominee for an unrelated third party. On 6 December 2007, the said relative had disposed of its equity interest in that company.
- Note (e)* During 2008, the subsidiary made advances amounting to RMB 6,000,000 (2007: RMB10,000,000) to a company owned by a relative of the Non-executive Chairman and advances amounting to RMB 9,800,000 (2007: Nil) to certain management staffs who are relatives of the Non-executive Chairman. The advances were unsecured, interest-free and are repayable on demand. The advances have been repaid as at 31 December 2008 and 2007 respectively.
- Note (f)* During 2008, the Group engaged Mr. Cai Chang Jing, brother of Non-executive Chairman, as a management consultant and paid him a consultancy fee of RMB 180,000 annually.

26. CAPITAL COMMITMENTS

	<u>Group</u>		<u>Company</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	RMB'000	RMB'000	RMB'000	RMB'000
Capital expenditure contracted but not provided for in the consolidated financial statements:				
- Commitments in respect of the purchase of property, plant and equipment *	130,805	78,269	-	-

- * The deposits placed by the subsidiary as a commitment to acquire new plant and machinery were approximately RMB 112.2 million (2007: RMB 5 million) (Note 15).

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	<u>Group</u>		<u>Company</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	RMB'000	RMB'000	RMB'000	RMB'000
Dividend paid by subsidiary to its shareholders	-	50,000	-	-

On 15 November 2007, an interim dividend of RMB 50,000,000 was declared and paid to the Non-executive Chairman and the CEO and Executive Director who were the previous shareholders of the PRC subsidiary.

On 27 February 2009, the Group proposed a final tax exempt (one-tier) dividend of 8.15 RMB cents per ordinary share, approximately RMB 75.6 million, which is approximately 30% of the Group's profit for the financial year ended 31 December 2008. The proposed dividend is subject to approval by shareholders of Company at its Annual General Meeting.

28. SEGMENT INFORMATION

Segment information is presented in respect of the Group's business segment which is based on the Group's management and internal reporting structure.

All the revenue of the Group is generated in the PRC and the majority of the assets of the Group are employed in PRC. Hence, the Group determined that it operates within one geographical segment. Accordingly, no separate geographical segment has been presented for the periods under review. As at 31 December 2008, segment assets employed by the Group in a country other than the PRC was approximately RMB 159,181,000 (2007: RMB 1,738,000).

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise corporate assets and expenses, interest income, finance costs and related assets and liabilities.

Segment capital expenditure is the total cost incurred to acquire property, plant and equipment, and intangible assets other than goodwill.

Business Segments

The main business segments of the Group are:

Manufacturing and sales	- Performance fabrics
	- Normal fabrics
Fabric processing services	- Provision of fabrics dyeing and treatment processing

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28. SEGMENT INFORMATION (CONT'D)

<u>Group</u> <u>2008</u>	Manufacturing and sales of Performance Fabrics RMB'000	Manufacturing and sales of Normal Fabrics RMB'000	Fabric Processing Services RMB'000	Total Operations RMB'000
<u>Revenue and expenses</u>				
Total revenue from external customers	1,135,454	1,729	42,960	1,180,143
Total revenue	<u>1,135,454</u>	<u>1,729</u>	<u>42,960</u>	<u>1,180,143</u>
Segment results	346,179	374	9,250	355,803
Unallocated corporate expenses				(11,581)
Operating profits				344,222
Interest income				2,080
Finance costs				(3,175)
Income tax expense				(91,162)
Profit after income tax				<u>251,965</u>
<u>Assets and liabilities</u>				
Segment assets:				
Unallocated assets*				1,023,784
Total assets				<u>1,023,784</u>
Segment liabilities:				
Unallocated liabilities*				259,968
Total liabilities				<u>259,968</u>
<u>Other segment information*</u>				
Capital expenditure				84,915
Depreciation of property, plant and equipment				20,756
Amortisation of land use rights				2
Non-cash expenses other than depreciation and amortisation				
- Property, plant and equipment written off				145

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28. SEGMENT INFORMATION (CONT'D)

<u>Group</u> <u>2007</u>	Manufacturing and sales Performance <u>Fabrics</u> RMB'000	Manufacturing and sales Normal <u>Fabrics</u> RMB'000	Fabric Processing <u>Services</u> RMB'000	Total <u>Operations</u> RMB'000
<u>Revenue and expenses</u>				
Total revenue from external customers	756,545	2,180	52,143	810,868
Total revenue	<u>756,545</u>	<u>2,180</u>	<u>52,143</u>	<u>810,868</u>
Segment results	239,820	499	11,603	251,922
Interest income				182
Finance costs				(2,458)
Income tax expense				<u>(66,953)</u>
Profit after income tax				<u>182,693</u>
<u>Assets and liabilities</u>				
Segment assets:				
Unallocated assets*				<u>526,204</u>
Total assets				<u>526,204</u>
Segment liabilities:				
Unallocated liabilities*				<u>271,154</u>
Total liabilities				<u>271,154</u>
<u>Other segment information*</u>				
Capital expenditure				125,142
Depreciation of property, plant and equipment				10,965
Amortisation of land use rights				2
Non-cash expenses other than depreciation and amortisation				
- Allowance for slow moving inventories written back				(1,672)
- Property, plant and equipment written off				<u>42</u>

* The Group is unable to allocate its assets and liabilities to the respective business segments as the same assets and liabilities were used/incurred in the manufacturing and sale of performance and normal fabrics, and fabric processing services. Accordingly, assets and liabilities including other segment information were not allocated to the respective segments of the Group.

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29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. The Group prepares cash flows projections on a regular basis for its core operations to ensure as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. In addition, the Group has access to external borrowings (Note 24).

The table below analyses the maturity profile of the Group's and Company's financial liabilities based on contractual undiscounted cash flows as follows:

	Less than <u>1 year</u> RMB'000	Between <u>1 and 2 years</u> RMB'000
<u>Group</u>		
At 31 December 2008		
Trade and other payables	139,124	-
Amount owing to a related party	50,382	-
Interest-bearing liabilities	45,000	-
	<u>234,506</u>	<u>-</u>
	Less than <u>1 year</u> RMB'000	Between <u>1 and 2 years</u> RMB'000
<u>Group</u>		
At 31 December 2007		
Trade and other payables	153,951	-
Amount owing to a related party	1,738	50,382
Interest-bearing liabilities	37,500	-
	<u>193,189</u>	<u>50,382</u>
		Less than <u>1 year</u> RMB'000
<u>Company</u>		
At 31 December 2008		
Trade and other payables		744
		<u>744</u>
		Less than <u>1 year</u> RMB'000
<u>Company</u>		
At 31 December 2007		
Amount owing to a related party		1,738
		<u>1,738</u>

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Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Group, as and when they fall due.

The Group has established credit limits for customers and monitors their balances. Cash are placed with banks and financial institutions which are regulated. The Group minimises its credit risk exposure by trading with established and credit-worthy customers.

As at 31 December 2008, the Group's trade receivables comprise 9 debtors (2007: 7 debtors) that individually represented more than 5% of trade receivables. The Group's primary exposure to credit risk arises relating to trade receivables is limited due to the Group's many varied customers. These customers are engaged in a wide spectrum of distribution and manufacturing activities, and sell in a variety of end markets.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the balance sheet date was:

	<u>Group</u>		<u>Company</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	RMB'000	RMB'000	RMB'000	RMB'000
Trade and other receivables	401,612	250,324	112,247	1,637
Amount owing by subsidiary	-	-	177,512	-
Cash and bank balances	364,111	89,399	46,934	101
	<u>765,723</u>	<u>339,723</u>	<u>336,693</u>	<u>1,738</u>

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets. No allowance for specific or collective impairment was made based on past experience.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

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29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Currency risk

Currency risk arises when transactions are denominated in currencies other than entities' functional currencies ("foreign currency"). The Group is exposed to currency risk on its deposits denominated in US dollar relate to amounts placed to acquire new plant and machinery and cash deposits denominated in Singapore dollar.

At present, the Group does not have any formal policy for hedging against exchange exposure.

The carrying amounts of foreign currency denominated monetary assets and monetary liabilities at the balance sheet date are as follows:

	<u>Group</u>		<u>Company</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
<u>Assets</u>				
Singapore dollar	46,934	1,738	46,934	1,738
US dollar	<u>112,247</u>	<u>-</u>	<u>112,247</u>	<u>-</u>
<u>Liabilities</u>				
Singapore dollar	<u>1,218</u>	<u>-</u>	<u>744</u>	<u>-</u>

If the foreign currency changes against the RMB by 10% with all other variables including tax rate being held constant, the increase/(decrease) in profit after tax and equity of the Group arising from the net financial liability/asset position will be as follows:

	<u>2008</u>	<u>2008</u>	<u>2007</u>	<u>2007</u>
	<u>Profit</u>	<u>Equity</u>	<u>Profit</u>	<u>Equity</u>
	<u>after tax</u>	<u>RMB'000</u>	<u>after tax</u>	<u>RMB'000</u>
	<u>RMB'000</u>		<u>RMB'000</u>	
<u>Group</u>				
US dollar against RMB				
- strengthened	11,225	11,225	-	-
- weakened	<u>(11,225)</u>	<u>(11,225)</u>	<u>-</u>	<u>-</u>
Singapore dollar against RMB				
- strengthened	4,583	4,583	174	174
- weakened	<u>(4,583)</u>	<u>(4,583)</u>	<u>(174)</u>	<u>(174)</u>

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Company Registration No. 200711863D

(Incorporated in Singapore)

AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2008

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Currency risk (cont'd)

	<u>2008</u> <u>Profit</u> <u>after tax</u> <u>RMB'000</u>	<u>2008</u> <u>Equity</u> <u>RMB'000</u>	<u>2007</u> <u>Profit</u> <u>after tax</u> <u>RMB'000</u>	<u>2007</u> <u>Equity</u> <u>RMB'000</u>
<u>Company</u>				
US dollar against RMB				
- strengthened	11,225	11,225	-	-
- weakened	(11,225)	(11,225)	-	-
Singapore dollar against RMB				
- strengthened	4,619	4,619	174	174
- weakened	(4,619)	(4,619)	(174)	(174)

Fair values

The fair values of financial assets and financial liabilities, together with the carrying amounts shown in the balance sheets, are as follows:

	<u>Group</u> <u>2008</u> <u>RMB'000</u>		<u>Group</u> <u>2007</u> <u>RMB'000</u>	
	<u>Carrying</u> <u>amounts</u>	<u>Fair</u> <u>values</u>	<u>Carrying</u> <u>amounts</u>	<u>Fair</u> <u>values</u>
Trade and other receivables	401,612	401,612	250,324	250,324
Cash and cash equivalents	364,111	364,111	89,399	89,399
Interest-bearing liabilities	45,000	45,000	37,500	37,500
Trade and other payables	139,124	139,124	153,951	153,951
Amounts owing to a related party				
- current	50,382	50,382	1,738	1,738
- non-current*	-	-	50,382	50,382

	<u>Company</u> <u>2008</u> <u>RMB'000</u>		<u>Company</u> <u>2007</u> <u>RMB'000</u>	
	<u>Carrying</u> <u>amounts</u>	<u>Fair</u> <u>values</u>	<u>Carrying</u> <u>amounts</u>	<u>Fair</u> <u>values</u>
Trade and other receivables	112,247	112,247	1,637	1,637
Amounts owing by subsidiary	177,512	177,512	-	-
Cash and cash equivalents	46,934	46,934	101	101
Trade and other payables	744	744	-	-
Amounts owing to a related party	-	-	1,738	1,738

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31 DECEMBER 2008

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Fair values (cont'd)

The notional amounts of financial assets and financial liabilities with a maturity of less than one year (including trade and other receivables, amount owing by/to subsidiary, cash and cash equivalents, and trade and other payables) are assumed to approximate their fair value.

* As at 31 December 2007, the fair value of the non-current portion of the amounts owing to the Non-executive Chairman have not been determined as the timing of the expected cash flows of this balance amounting to approximately RMB 50,382,000 cannot be reasonably determined due to its related party nature. However, management believes that the carrying amounts recorded at the balance sheet date reflect the corresponding fair value.

Interest rate risk

The Group is exposed to interest rate risk through the impact of interest rate changes on interest-bearing financial liabilities. The Group's policy is to maintain all its borrowings in fixed rate instruments.

The following table sets out the carrying amount, by maturity, of the Group's financial instruments that are exposed to interest rate risk.

<u>Group</u>	<u>2008</u>	<u>2007</u>
As at 31 December	RMB'000	RMB'000
<u>Within 1 year</u>		
<u>Fixed rate</u>		
Bank loans	<u>45,000</u>	<u>37,500</u>

Interest on financial instruments subject to fixed interest rates is contractually repriced at intervals of 12 months. Interest on financial instruments at fixed rates is fixed until the maturity of the instrument. The other financial instruments of the Group are not subjected to significant interest rate risks.

CHINA TAISAN TECHNOLOGY GROUP HOLDINGS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2008

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Interest rate risk (cont'd)

For its fixed rate interest-bearing liabilities, a change in 100 basis points ("bp") in interest rate at the balance sheet date would increase / (decrease) profit after tax and equity by the amount shown below:

	Increase or (decrease) in Profit or loss / equity	
	100bp increase	100bp decrease
	RMB'000	RMB'000
<u>Year ended 31 December 2008</u>		
Interest-bearing liabilities	<u>(338)</u>	<u>338</u>
<u>Year ended 31 December 2007</u>		
Interest-bearing liabilities	<u>(274)</u>	<u>274</u>

Capital management

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

The management reviews the capital structure and makes adjustments to it, in light of changes in economic conditions. The objective is to ensure that the overall capital structure delivers an adequate short-term and optimal long term return on equity to the shareholder. As a part of this review, the management considers the cost of capital and the risks associated with each class of capital. Based on the reviews, the Group will balance its overall capital structure through the payment of dividends, and new share issues as well as the issue of new debts or the redemption of existing debts.

During the year, the Group changed its approach to capital management from monitoring capital on the basis of gearing ratio to that of monitoring capital on the basis of return on shareholders' fund. The return on shareholders' fund is calculated by taking net profit attributable to the equity holders of the Company divided by average shareholders' equity. The return on shareholders' fund was 49.5% for current financial year ended 31 December 2008 (2007: 96.8%).

The Group is not subject to any externally imposed capital requirements for the financial year ended 31 December 2008 and 2007.

CHINA TAISAN TECHNOLOGY GROUP HOLDINGS LIMITED
Company Registration No. 200711863D
(Incorporated in Singapore)
AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2008

30. COMPARATIVE FIGURES

As described in Note 2.1 to the consolidated financial statements, the comparative figures of the Group for the preceding financial year have been presented under pooling-of-interest manner. The effective date of the pooling-of-interest for accounting purposes predates 1 January 2007, the beginning of the financial year for which the comparative figures are presented, as the Group have been under common control prior to 1 January 2007.

The comparative figures of the Company presented are based on the statutory financial statements for the financial period from 2 July 2007 (date of incorporation) to 31 December 2007.

As described in Note 2.1 to the consolidated financial statements, during the year, the Company changed its functional currency from Singapore dollar to RMB and presented its financial statements in RMB. For the purpose of presenting the comparative figures of the Company for the previous financial year, the Company's balance sheet previously presented in Singapore dollar for the period ended 31 December 2007 was translated into RMB using the accounting policy set out in Notes 2.2 and 2.3 to the consolidated financial statements.

CHINA TAISAN TECHNOLOGY GROUP HOLDINGS LIMITED

Company Registration No. 200711863D
(Incorporated in Singapore)

THE ACCOMPANYING DETAILED INCOME STATEMENT

HAS BEEN PREPARED FOR MANAGEMENT PURPOSES ONLY

AND DOES NOT FORM PART OF THE AUDITED FINANCIAL STATEMENTS

CHINA TAISAN TECHNOLOGY GROUP HOLDINGS LIMITED

Company Registration No. 200711863D

(Incorporated in Singapore)

**DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008**

	<u>Company</u>	
	<u>2008</u>	<u>2007</u>
	<u>RMB</u>	<u>RMB</u>
REVENUE		
Dividend income	100,000,000	-
Interest income	640,074	-
	<u>100,640,074</u>	<u>-</u>
ADMINISTRATIVE EXPENSES		
Auditors' remuneration	47,416	-
Bank charges	9,221	-
CPF	35,386	-
Director's fee	320,057	-
Entertainment	243,121	-
Insurance	98,409	-
Investor relation expense	531,949	-
Listing expense	239,851	-
Shareholder/board meeting expense	37,839	-
Office expenses	4,650	-
Professional fee	211,964	-
Salaries and bonus	376,570	-
Share registrar expense	36,358	-
Sponsor fee	179,418	-
Telephone, mobile and internet charge	7,459	-
Training	13,279	-
Transport expense	10,404	-
Travelling expense	427,930	-
	<u>2,831,230</u>	<u>-</u>
OTHER OPERATING EXPENSES		-
Net exchange loss	9,911,718	-
Share issue expenses	8,749,486	-
	<u>18,661,204</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	<u>79,147,589</u>	<u>-</u>

附 件 六

本中文財務報告係原以英文出具查核報告之中文譯本，
非為符合中華民國相關證券法規之目的編製。

會計師查核報告

西元 2008 年 4 月 25 日

致 中國泰山科技集團控股有限公司董事會：

中國泰山科技集團控股有限公司(“本公司”)及其子公司(“集團”)西元 2005、2006 及 2007 年 12 月 31 日止之合併財務報表以及列示於 頁到 頁之重要會計政策與其他附註說明事項，業經本會計師查核竣事。

管理階層的責任

管理階層之責任係依照新加坡財務報導準則編製允當表達上開財務報表。該責任包含設計與維持內部會計控制制度以合理確認資產之安全，避免未經授權的使用或處分所產生之損失；交易經適當授權及紀錄以編製正確及公平允當之損益及資產負債科目，並確保資產之可靠性；選擇並採用適當之會計政策；依照實際情況做合理之會計估計。

會計師的責任

本會計師之責任是依據新加坡一般公認審計準則所執行之查核工作對上開合併財務報表表示意見。此準則要求依照職業道德規範，規劃並執行查核工作，以合理確信合併財務報表有無重大不實表達。

此項查核工作係執行查核程序以獲得關於財務報表金額及揭露事項之查核證據。

查核人員依專業判斷選用查核程序，包括評估因舞弊或錯誤產生重大誤述之風險；在設計查核程序時會考量與合併財務報表有關之內部控制，惟會計師並不對企業之內部控制是否有效表示意見。查核工作也包括評估管理階層所採用之會計政策及所作之會計估計合理性，暨評估整體財務報表表達之合理性。

本會計師相信所獲取之查核證據可對所表示之意見提供充分適切之依據。

查核意見書

依本會計師之意見

該集團之合併財務報表係依照新加坡財務報導準則編製，足以允當表達該集團西元 2005、2006 及 2007 年 12 月 31 日之財務狀況，及各年度截至該日止之經營結果，合併股東權益變動與合併現金流量。

本報告之編製，係為包含於該公司西元 2008 年 5 月 28 日之首次公開發行之公開說明書中。

馬賽特許會計師有限責任合夥公司
新加坡註冊會計師

張福基
合夥人

中國泰山科技集團控股有限公司及其子公司
合併損益表
2005, 2006 及 2007 年度

	附註	<u>2005</u> 人民幣' 000	<u>2006</u> 人民幣' 000	<u>2007</u> 人民幣' 000
收入	5	112,475	222,084	810,868
銷貨成本		(87,858)	(167,477)	(557,196)
銷貨毛利		24,617	54,607	253,672
其他收入	6	87	117	1,923
配銷成本		(336)	(332)	(350)
管理費用		(2,490)	(2,572)	(3,098)
其他營業費用	8	(1,540)	(132)	(43)
財務成本	7	(1,070)	(1,167)	(2,458)
稅前淨利	8	19,268	50,521	249,646
所得稅費用	11	(5,065)	(13,121)	(66,953)
本期淨利		<u>14,203</u>	<u>37,400</u>	<u>182,693</u>
本期淨利應分攤至：				
本公司股東		<u>14,203</u>	<u>37,400</u>	<u>182,693</u>
每股盈餘(人民幣分)				
基本	12	<u>2.02</u>	<u>5.31</u>	<u>25.92</u>

財務報表附註為本財務報表之一部分，請併同參閱。

中國泰山科技集團控股有限公司及其子公司
合併財務狀況表
2005, 2006 及 2007 年 12 月 31 日

	附註	<u>2005</u> 人民幣' 000	<u>2006</u> 人民幣' 000	<u>2007</u> 人民幣' 000
資產				
非流動資產				
房屋、廠房及設備	13	36,108	29,745	143,880
無形資產	14	120	118	116
		<u>36,228</u>	<u>29,863</u>	<u>143,996</u>
流動資產				
無形資產-流動部份	14	2	2	2
存貨	15	8,900	13,817	42,483
應收帳款及其他應收款	16	28,039	92,868	250,324
應收關係人款	17	40,147	67,011	-
現金及約當現金	18	14,840	31,254	89,399
		<u>91,928</u>	<u>204,952</u>	<u>382,208</u>
資產總計		<u>128,156</u>	<u>234,815</u>	<u>526,204</u>
負債及股東權益				
股東權益				
股本	19	80,998	80,998	80,998
合併儲備	20	11,491	11,491	11,491
法定盈餘公積	21	11,734	17,054	44,207
保留盈餘(累計虧損)		(19,266)	12,814	118,354
股東權益合計		<u>84,957</u>	<u>122,357</u>	<u>255,050</u>
非流動性負債				
應付關係人款	17	-	-	50,382
		<u>-</u>	<u>-</u>	<u>50,382</u>
流動負債				
應付帳款及其他應付款	22	20,338	76,350	153,951
應付關係人款	17	2,702	2,978	1,738
短期借款	23	19,000	30,000	37,500
應付所得稅		1,159	3,130	27,583
		<u>43,199</u>	<u>112,458</u>	<u>220,772</u>
負債合計		<u>43,199</u>	<u>112,458</u>	<u>271,154</u>
股東及負債總計		<u>128,156</u>	<u>234,815</u>	<u>526,204</u>

財務報表附註為本財務報表之一部分，請併同參閱。

中國泰山科技集團控股有限公司及其子公司
合併股東權益變動表
2005, 2006 及 2007 年度

	股本	合併儲備	法定盈餘公積	保留盈餘	股東權益合計
附註	人民幣' 000	人民幣' 000	人民幣' 000	人民幣' 000	人民幣' 000
2005年1月1日	80,998	11,491	9,679 (	31,414)	70,754
本期淨利	-	-	-	14,203	14,203
本期認列之收入與費用	-	-	-	14,203	14,203
提列法定盈餘公積	-	-	2,055 (	2,055)	-
2005年12月31日	<u>80,998</u>	<u>11,491</u>	<u>11,734 (</u>	<u>19,266)</u>	<u>84,957</u>
2006年1月1日	80,998	11,491	11,734 (	19,266)	84,957
本期淨利	-	-	-	37,400	37,400
本期認列之收入與費用	-	-	-	37,400	37,400
提列法定盈餘公積	-	-	5,320 (	5,320)	-
2006年12月31日	<u>80,998</u>	<u>11,491</u>	<u>17,054</u>	<u>12,814</u>	<u>122,357</u>
2007年1月1日	80,998	11,491	17,054	12,814	122,357
本期淨利	-	-	-	182,693	182,693
本期認列之收入與費用	-	-	-	182,693	182,693
股利	26	-	-	(50,000) (	(50,000)
提列法定盈餘公積	-	-	27,153 (	27,153)	-
2007年12月31日	<u>80,998</u>	<u>11,491</u>	<u>44,207</u>	<u>118,354</u>	<u>255,050</u>

財務報表附註為本財務報表之一部分，請併同參閱。

合併現金流量表
2005, 2006 及 2007 年度

	附註	<u>2005</u> 人民幣' 000	<u>2006</u> 人民幣' 000	<u>2007</u> 人民幣' 000
營業活動之現金流量				
稅前淨利		19,268	50,521	249,646
調整項目：				
房屋、廠房及設備折舊費用		6,405	6,405	10,965
土地使用權攤銷費用		2	2	2
報廢房屋、廠房及設備損失		-	-	42
利息費用		1,070	1,167	2,458
利息收入		(37)	(11)	(182)
營運資金變動前之營業活動現金流量		26,708	58,084	262,931
營運資金變動：				
存貨		1,162	(4,917)	(28,666)
應收帳款及其他應收款		(4,687)	(64,829)	(157,456)
應付帳款及其他應付款		(5,051)	56,012	77,601
應收關係人款		(55)	55	-
應付關係人款		2,702	276	(2,978)
預付關係人款-非營業交易		(22,126)	(26,919)	(5,995)
營業活動產生之現金數		(1,347)	17,762	145,437
利息收現數		37	11	182
所得稅支付數		(4,406)	(11,150)	(42,500)
營業活動之淨現金流入(出)數		(5,716)	6,623	103,119
投資活動之現金流量				
購置房屋、廠房及設備		(270)	(42)	(16)
投資活動之淨現金流出		(270)	(42)	(16)
融資活動之現金流量				
股利支付	26	-	-	(50,000)
償付銀行借款		(19,000)	(19,000)	(7,200)
舉借銀行借款		19,000	30,000	14,700
利息支付		(1,070)	(1,167)	(2,458)
融資活動之淨現金流入(出)數		(1,070)	9,833	(44,958)
本期現金及約當現金淨增加數		(7,056)	16,414	58,145
期初現金及約當現金餘額		21,896	14,840	31,254
期末現金及約當現金餘額	18	14,840	31,254	89,399

於西元 2007、2006 及 2005 年，合併集團分別以人民幣約 125,142,000 元、42,000 元、270,000 元購置房屋、廠房及設備，並因此於西元 2007 年向關係人借款人民幣 125,126,000 元(西元 2006 年及 2005 年：無)。購置房屋、廠房及設備之付現數約為人民幣 16,000 元(西元 2006 年：人民幣 42,000 元；西元 2005 年：人民幣 270,000 元)。

於西元 2007、2006 及 2005 年，合併集團以人民幣 0 元(西元 2006 年：人民幣 0 元；西元 2005 年：人民幣 124,000 元)取得無形資產-土地使用權，並因此產生應付關係人人民幣 0 元(西元 2006 年：人民幣 0 元；西元 2005 年：人民幣 124,000 元)。

財務報表附註為本財務報表之一部分，請併同參閱。

附錄 A-會計師查核報告暨西元 2005, 2006, 2007 年 12 月 31 日之合併財務報表資訊
中國泰山科技集團控股有限公司及其子公司
合併財務報表附註-西元 2005, 2006, 2007 年 12 月 31 日

1. 公司資訊

中國泰山科技集團控股私人有限公司(以下稱為本公司)(公司登記號碼為 200711863D)於西元 2007 年 7 月 2 日成立於新加坡，於西元 2008 年 4 月 16 日轉換為公開發行公司，並更名為中國泰山科技集團控股有限公司。

本公司登記地址為 80 Robinson Road, #17-02, Singapore 068898。本公司主要營業活動為投資控股。本公司之子公司-晉江連捷紡織印染實業有限公司之主要營業活動如本合併財務報表附註 2 所述，其主要營業地址為中華人民共和國福建省晉江市東石鎮東埕振東開發區。

合併財務報表包含本公司及其子公司(以下稱為“合併集團”)。

本合併財務報表之編製僅供包含於中國泰山科技集團控股有限公司於新加坡證券交易所首次公開發行之公開說明書。

2. 重組活動

中國泰山科技集團控股有限公司於西元 2007 年 7 月 2 日成立於新加坡，以每股新加坡幣\$1 發行普通股，本公司為準備於新加坡交易證券市場上市，故進行組織重組。

執行重組之前，合併集團之非執行主席蔡長江先生(以下稱非執行主席)、執行長及執行董事林文章先生(以下稱執行長及執行董事)透過台灣桃園佑吉實業股份有限公司(以下稱之台灣佑吉)實質持有晉江連捷紡織印染實業有限公司 100%股份。台灣佑吉成立於台灣，其主要營業活動為紡織品買賣，由非執行主席及執行長及執行董事以外之第三人擁有。此外，非執行主席及執行長及執行董事與台灣佑吉之執行長、股東及關係人並無關連。

重組之一部分，係本公司與台灣佑吉於西元 2007 年 9 月 7 日達成銷售與購買協議並於西元 2007 年 12 月 21 日達成修正之補充協議，本公司以美金 \$11,000,000(人民幣 80,268,100 元)向台灣佑吉購買晉江連捷紡織印染實業有限公司 100%股權。此購買價金是以銷售與購買協議日晉江連捷紡織印染實業有限公司之登記資本為基礎。此價金之支付方式係以發行 99,998 股本公司新股予蔡長江與林文章先生。

此外，公司在西元 2008 年 1 月 14 日以每股 100,000 美金(人民幣 729,710)發行普通股與蔡長江先生，該股款係以現金支付。基於重組之目的，上述股份在合併財務報表之表達將被視為係於西元 2005 年即發行。

首次公開發行前之投資者

依據西元 2007 年 7 月 3 日蔡長江先生及林文章先生與其他首次公開發行前之投資者所簽訂之投資協議，蔡長江先生及林文章先生各自移轉名下之部分股份給首次上市前之投資者。移轉之股數(係調整股票分割後)(1)，以及首次公開發行前之投資者所支付之對價如下所示：

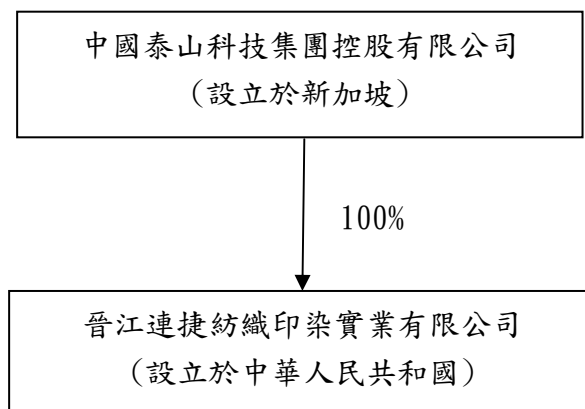
首次公開發行前投資者	持有股數	持股比例%	對價 (新加坡幣)
First Wealth Investment Limited	52,852,500	7.5	4,629,973
Visionary Capital International Ltd	31,711,500	4.5	2,777,984

重組之詳細資訊詳載於公司首次公開發行之公開說明書。

(1) 本公司每股普通股分割為 7,074 股，請詳公開說明書中之股本說明。

集團結構

重組後之合併集團結構如下：



集團結構(續前頁)

集團重組完成後，本公司將持有以下子公司(以下與本公司併同簡稱為合併集團)：

公司名稱	主要營運項目	設立地點 及日期	合併集團 之持股比例	股本
晉江連捷紡織 印染實業有限 公司	生產針織布及 印染，從事高 檔織面料的織 造	西元1996年9月 11日，中華人 民共和國	100%	人民幣92,488,441 (美金11,099,970)

合併集團之合併財務報表係以子公司晉江連捷紡織印染實業有限公司及本公司之財務報表表達。

在西元2007年12月31日後，本公司簽訂一銷售買賣合約，向蔡長江先生取得新連捷(泉州)紡織印染有限公司之全部股權。基於重組及合併集團之合併財務報表表達，西元2005、2006及2007之合併集團合併財務報表並無將新連捷納入一併表達，相關說明請詳期後事項(附註30)。

合併集團之合併財務報表由公司董事負責。本合併財務報表業於西元2008年5月28日經董事會決議通過並發佈。

3. 合併財務資訊之編製基礎

參與集團重組之公司在重組前後均屬於同一最終股東持有，因此本次組織重整涉及合併之企業被視為在共同控制下。合併財務報表之目的，係為了呈現附註2所述之合併集團於西元2005年1月1日就以權益結合法合併之歷史財務資訊。

此項表達係反映共同控制下合併公司於西元2005、2006及2007年(“攸關會計期間”)之經濟實際狀況，儘管母子公司係於資產負債表日後在法律上生效，仍將其合併公司視為一個單獨經濟個體。

合併財務報表之準備係為了包含於公司首次公開發行之公開說明書中。合併財務報表包含：

- (i) 經會計師查核之西元2005、2006及2007年之合併損益表。
- (ii) 經會計師查核之西元2005、2006及2007年12月31日之合併資產負債表。
- (iii) 經會計師查核之西元2005、2006及2007之合併股東權益變動表。
- (iv) 經會計師查核之西元2005、2006及2007之合併現金流量表。

合併財務資訊之表達

西元 2005、2006 及 2007 之合併財務報表之表達係根據以下基準：

- (i) 公開說明書登記日之集團架構追溯至西元 2005 年 1 月 1 日之前提下，合併集團截至西元 2005、2006 及 2007 年 12 月 31 日止之各年度經營結果。
- (ii) 公開說明書登記日之集團架構追溯至西元 2005 年 1 月 1 日之前提下，合併集團西元 2005、2006 及 2007 年 12 月 31 日當日之財務狀況。
- (iii) 公開說明書登記日之集團架構追溯至西元 2005 年 1 月 1 日之前提下，合併集團西元 2005、2006 及 2007 之合併股東權益變動情形。
- (iv) 公開說明書登記日之集團架構追溯至西元 2005 年 1 月 1 日之前提下，合併集團西元 2005、2006 及 2007 之合併現金流量。

下列合併財務報表所採用之會計政策於所有會計期間一致採用，並用以編製新加坡財務報導準則(“FRS”)之西元 2005 年 1 月 1 日開帳資產負債表。合併集團之會計政策具一致性。

4. 重要會計政策彙總

會計基礎

合併財務報表係以人民幣表達，除下列揭露之會計政策外，均遵循新加坡財務報導準則(以下簡稱”報導準則”或”FRS”)及歷史成本原則編製。

本合併集團在準備合併財務報表時，已採用所有與營運具相關性、並於攸關會計期間具有有效性之報導準則及報導準則解釋令(“INT FRS”)。

於合併財務報表核准日，以下 FRSs, INT FRS 及 FRS 修正案已公告，但對於合併集團之攸關會計期間尚不適用：

FRS 23	借款成本	自西元 2009 年 1 月 1 日生效
FRS 108	營運部門	自西元 2009 年 1 月 1 日生效
INT FRS 111	FRS 102-集團 與庫藏股交易	自西元 2007 年 1 月 1 日生效
INT FRS 1132	服務特許權協議	自西元 2009 年 1 月 1 日生效

為了攸關會計期間之合併財務報表編製，合併集團已提早適用 FRS 107 金融商品:金融資產之分類與揭露之修正，及 FRS1(修正條文)「財務報表之表達(股本揭露)」。FRS 107 導入了新的之金融商品揭露原則，此準則對合併集團之金融商品之分類及評價並無重大影響。FRS1(修正條文)「財務報表之表達(股本揭露)」要求企業個體必須揭露能夠使財務報表使用者可評價合併集團之目的、政策及管理資本流程之相關資訊。

公司董事預期這些基準之採用對合併集團之合併財務報表並無重大影響。

依照新加坡財務報導準則編製之合併財務報表要求管理當局針對應用之會計政策、資產及負債與收入及費用之報導金額作判斷、估計及假設。會計估計、相關假設係依據歷史經驗及其他合理因素為基礎，當缺乏其他明顯之資訊來源時，用以判斷資產負債之入帳金額。

會計估計、相關假設及判斷將被持續評估。如果估計變動只影響該期間，此估計變動影響於當期認列，若此估計變動影響當期及未來期間，則在估計變動影響應於當期及未來期間認列之。

重要會計估計、假設及判斷

會計估計、相關假設及判斷將依據歷史經驗及其他條件持續評估，包含對於未來事件之合理預期。除了合併財務報表上揭露之資訊，下列彙總之會計估計及假設可能造成下一會計年度資產負債帳面價值重大調整之風險、及影響採用集團會計政策過程中之重大判斷：

(i) 應收帳款之減損

集團評估應收帳款及其他應收款之可回收性，以估列其備抵減損。當事件或環境改變指出其餘額可能無法收回時，對應收帳款及其他應收款提列備抵。在辨認備抵呆帳時需要專業判斷及估計時，若預期與原始估計有所差異，應收帳款、其他應收款及備抵減損之帳列金額均會於預期估計變動的當年度調整。

(ii) 房屋、廠房及設備之折舊

房屋、廠房及設備在考慮其估計殘值後，依 5~20 年之估計經濟耐用年限，按直線法計提折舊。截至西元 2005 年 12 月 31 日、西元 2006 年 12 月 31 日及西元 2007 年 12 月 31 日，此合併集團之房屋、廠房及設備帳面價值分別為人民幣 36,108,000 元、人民幣 29,745,000 元及人民幣 143,880,000 元。預期耐用年限及技術更新之改變可能影響這些資產之經濟耐用年限及殘值，因此可能影響未來折舊之提列。

(iii) 存貨之淨變現價值

存貨之淨變現價值係指在正常情形下，依估計售價減除估計至完工尚需投入之成本及推銷費用。此會計估計係按當時市場環境及銷售類似商品之歷史經驗評估。當產業循環相當嚴峻時，市場競爭者應對可能對此項估計有重大影響。管理階層於每一會計年度結束日重新評估此估計。

(iv) 所得稅

本集團所得稅受不同地區之當地稅法管轄。估計所得稅時，需對資本投資之租稅減免及可扣除之特定費用做出判斷。在正常的商業環境下，許多交易及計算產生之所得稅估計均具有不確定性。本集團對於預期的稅務議題按估計未來將清償之稅額認列所得稅負債。當這些稅務議題的最終結論和原始估計稅額不同時，相關的差異在最終結果確定時認列當年度所得稅費用及遞延所得稅。

功能性貨幣

合併集團下各企業之個別財務報表係以其營運所在地主要經濟環境之貨幣（功能性貨幣）衡量及表達。合併財務報表以人民幣仟元表達，人民幣同時也是合併集團子公司之功能性貨幣，以及合併財務報表之表達貨幣。

外幣交易

外幣交易之匯率計算係採外幣交易發生當日之外幣匯兌準則換算。以外幣表達之貨幣性資產與負債於合併報告日將依外幣匯兌準則換算以人民幣表達。外幣換算所產生之差異將認列為匯率利得(損失)。外幣計價且以成本衡量之非貨幣性資產與負債，係以交易日之外幣匯率換算入帳。外幣計價之以公平價值衡量之非貨幣性資產與負債，係以決定該公平價值之日的現時匯率換算為人民幣入帳。

除集團實質上對國外營運機構淨投資所產生之外幣轉換差異外，重新轉換所產生之外幣差異將認列為利得或損失，

國外營運機構

國外營運機構之資產及負債將以合併資產負債表日之匯率換算為人民幣表達。國外營運機構所產生之利得或損失係以交易日之匯率換算成人民幣表達。

因匯率所產生之差異認列為換算調整數，當國外營運機構被部分或全部處分時，其相關的換算調整數將轉列為處分國外營運機構之利得或損失的一部分。

國外營運機構之淨投資

本公司實質上對國外營運機構淨投資之貨幣項目產生之匯兌差異認列為本公司之利得或損失；上述之匯兌差異於編製合併財務報表時則重分類至換算調整數。當避險之淨投資被處份時，其合併報表上之累積之換算調整數則轉列為利得或損失，作為處分利得或損失之調整。

收入認列

除未來經濟效益很可能流入集團，及相關收入及成本可以可靠衡量等條件外，收入可認列為當期損益之條件如下：

- (i) 銷售貨品
當貨物已送達客戶營運地點或客戶已於集團營運地點提領貨物，且貨物所有權的相關風險及報酬均已移轉給買方時方可認列收入。
- (ii) 提供服務
收入於勞務已提供時方得認列，勞務已提供之程度可依據至今已履行之勞務占全部應履行勞務之百分比評估。
- (iii) 利息收入
利息收入之認列係依據有效利率法計算本金流通在外期間之利息。
- (iv) 政府補助
政府補助於合理確保合併集團能符合相關條件並收到該補助或津貼之前不予認列。政府補助係以合理有系統之方法，配合其相關成本之預期發生期間認列為收入。

員工福利

本合併集團係依據營運地點法律規定之國家退休金計畫提撥計畫進行提撥。撥付至國家退休金計畫之成本於員工提供勞務之年度認列為費用。於中華人民共和國設立登記之公司依法均需提供每位員工退休金福利，退休金之提撥率係依國家法令規定計算，其退休金基金係由政府機關管理，該機關亦負責支付退休金給退休員工。上述福利係依據應計基礎於發生時認列為損益。

本集團參與上述之國家退休金計畫所產生之義務，與參與確定提撥退休金計畫所產生之給付義務相同。

營業租賃

集團因使用營業租賃之資產所支付之租金係以直線法基礎於租賃期間認列為費用。所收取之租賃獎勵視為租賃費用的一部分，在租賃期間內認列損失或利益。營業租賃所產生之或有租金於發生期間認列為當期費用。

研究發展成本

研究活動支出係指取得新的科學性或技術性知識與了解的過程，於發生時認列為費用。

發展活動包含對於新型或顯著改良產品、製程之計畫或設計。發展支出需符合下列條件才予以資本化：發展階段之支出能可靠衡量、產品已達技術可行

性，使達可供使用或出售、產品極可能有未來經濟效益、集團有意圖且具備充足之技術及其他資源，以完成此項發展專案計畫並有能力使用或出售該產品。可資本化之發展費用包含原料、直接人工及可直接歸屬產品之製造費用。

其他研發支出於發生時認列為費用。資本化之發展支出以成本減累計攤銷及減損損失列帳，依直線法按估計耐用年限 5~7 年攤銷認列為費用。

負債準備

因過去發生之事件而使集團有現時義務，很有可能造成經濟利益之流出，且可合理估計其金額時，即應認列負債準備。

金融資產與非金融資產減損

金融資產減損

如有客觀證據顯示，金融資產於原始認列後發生一或多次事件對於該資產估計未來現金流量產生負面影響，則發生減損。以攤銷後成本衡量之金融資產，其減損金額為該資產帳列金額與估計未來現金流量折現值（以原始有效利率折算）之間之差額。

個別重大之金融資產以個別基礎測試減損跡象，其餘金融資產則依據其信用風險相似度分類，採群組合併評估減損。所有減損損失認列為當期損益。

該減損損失認列後，若發生可客觀歸屬於該減損之利益回升事件，則已認列之減損損失應予迴轉。以攤銷後成本衡量之金融資產之減損回升利認列為當期損益。

非金融資產減損

除了存貨外，其他非金融資產之帳面價值於報導期間之年度結束日進行減損測試，以判斷是否有任何跡象顯示此類資產已發生減損損失。如有減損跡象存在，則估計該資產之可回收金額。當資產之帳面價值或其所屬最小現金產生單位之帳面價值大於其可回收金額，則認列減損損失。現金產生單位係產生現金流量且獨立於其他資產或群組外之最小可辨認資產群組。

減損損失認列為當期損失或利益，除非係迴轉先前評價帳列於權益之項目者，在此狀況下則調整原權益科目。當減損發生於現金產生單位，則減損損失之分配先就已分攤至該現金產生單位之商譽，減少其帳面價值，次依該單位各項資產之帳面價值比例分攤至該單位其他資產。資產或現金產生單位的可回收金額係「公平價值扣除銷售成本」及「使用價值」孰高者。

於評估使用價值時，應以反映當時市場評估貨幣之時間價值及該資產或現金產生單位特定風險之稅前折現率計算預期未來現金流量之折現值。

商譽及不確定耐用年數之無形資產，應每年或當減損跡象可辨識時執行減損測試。

商譽之減損損失不可迴轉。其他無形資產認列於以前年度之減損損失，於各年度報告日評估其減損損失是否已有減少或不再存在之跡象。若可回收金額之估計金額改變，則減損損失可迴轉。若減損損失於嗣後迴轉，則應將該資產帳面價值增加至經修訂後之估計可回收金額，但增加後不得超過以往年度未認列減損損失時，該資產減列累積折舊或攤銷後之帳面價值。

財務支出

利息費用或其他相同支出於發生時認列利益或損失，除了直接歸屬於需要適當期間始能被使用或出售之資產取得、建設或製造之利息資本化情形外。

附息負債之利息費用以有效利率法認列損益。

所得稅

所得稅包括當期應付所得稅及遞延所得稅之合計數。除了直接歸屬於股東權益項目之相關所得稅應認列於股東權益外，所得稅費用認列為當期損益。當期所得稅係以於資產負債表日適用或實質適用之稅率（及稅法），及當期課稅所得計算當年度應付所得稅，加上前期應付所得稅之調整計算。

遞延所得稅

遞延所得稅係採用負債法，以「合併財務報表中資產與負債適用帳面價值」與「計算課稅所得之相對課稅基礎」之間之差額認列。若不影響應課稅所得或會計所得之交易中之資產與負債原始認列所產生之暫時性差異，或因投資子公司所產生應課稅暫時性差異且該暫時性差異在可預期未來極可能無法迴轉或集團有能力控制該暫時性差異之迴轉時間時，則不認列遞延所得稅資產或負債。遞延所得稅計算，係於資產負債表日按預期未來負債清償及資產實現年度之稅率計算。

遞延所得稅資產所之認列，係以未來年度產生獲利極可能足以抵減暫時性差異之情形時。

房屋、廠房及設備

(a) 自有資產

房屋、廠房及設備以成本扣除累計折舊及可能之減損損失入帳。成本中包含了購買價格及其他可直接歸屬於資產達可供使用目的之成本。

(b) 折舊

房屋、廠房及設備成本減除估計殘值後，依下列估計耐用年限按直線法計提折舊：

年限	
租賃改良物	20 年
廠房及設備	5-10 年
辦公設備	5 年
車輛	10 年

每一財務報表之年度結束日會依據固定資產實際狀況再次檢視其估計耐用年限，殘值和折舊方法是否恰當。

(c) 成本

成本包含所有取得此資產時，可直接歸屬於取得此資產之費用。某一房屋、廠房及設備中部分項目係採不同之耐用年限時，視為單獨資產項目。更換部分房屋、廠房及設備零件之成本依資產未來可能流入集團之經濟效益及可靠衡量之價值計入資產之帳面價值。房屋、廠房及設備之例行性維修成本於發生時認列為當期損益。

已提足額折舊尚在使用之固定資產仍列入合併財務報表，直至無法使用為止。房屋、廠房及設備之處分及報廢損益之認列係以其出售價格與帳面價值之差異為基礎，認列於當期損益中。

無形資產

商譽

併購子公司及其業務所產生之商譽，係指其取得之成本超過集團對於該子公司或其業務之可辨識淨資產公平價值的部分。商譽以成本扣除累計減損損失列帳。併購子公司所產生之商譽(除共同控制下之企業股權合併外)，以無形資產表達，每年進行減損測試。合併集團於西元 2005 年、2006 年及 2007 年 12 月 31 日無任何無形資產之商譽。

土地使用權

土地使用權之取得成本業已資本化並依其租賃期間 50 年期採直線法攤銷。未來一年土地使用權攤銷之部份帳列於流動資產。攤銷費用列示於損益中。

子公司

子公司係合併集團具有直接或間接管理企業之財務及營運政策之能力，並從其活動中獲益之個體。自母公司取得控制能力起，合併財務報表係包含子公司之財務報表，直至控制能力喪失為止。合併報表編製時，已沖銷集團內部交易餘額、及由集團內部產生之任何已實現或未實現收入及費用。

存貨

存貨係依成本及淨變現價值孰低評價。存貨成本採加權平均成本計算，其成本包含進貨成本、加工成本及其他使存貨達可供銷售狀況及地點之成本。淨變現價值係依估計原始售價減除估計完工成本及估計可銷售之必要成本計算。

當存貨出售時，其存貨之帳面值將與認列之銷貨收入同期認列為費用。任何存貨之淨變現價值跌價及其他關於存貨之損失將於發生當期認列為費用或損失。任何已沖銷之存貨成本若因淨變現價值回升時，將於當期認列回升損益。

應收帳款及其他應收款

應收帳款、其他應收款及應收子公司款分類為借款及金融資產，以原始公平價值認列入帳，並於存續期間內依有效利率攤銷後成本並減除減損損失列帳。

現金及約當現金

現金及約當現金分類為借款及金融資產，包含手存現金及銀行存款。為了現金流量表之表達，現金及約當現金以減列償還銀行透支之淨額表達，並視為合併集團現金管理之一部分。

股本

普通股認列為股東權益項目。可直接歸屬於發行股本之發行成本，依稅後淨額作為之股本科目之減項。

合併準備

依權益結合法，在相同控制下之個體財務報表於合併時將現有集團組織架構視為本公司成立日即已存在。相同控制下之企業個體之營業成果及現金流量應包含於綜合淨利表及現金流量表中。財務狀況表中之資產及負債則以其帳面值入帳。資本公積及股本取得之差異則於股東權益中調整為合併準備。

法定盈餘公積

集團之法定盈餘公積分為以下兩種：

(a) 法定盈餘公積：

依照中華人民共和國之相關法律規定，其子公司需由淨利中提列法定盈餘公積直到法定盈餘公積餘額達到註冊資本之 50%。法定盈餘公積需於分派股利予股東前提列。

法定盈餘公積只能用於彌補虧損或增加子公司之資本。若其子公司欲將法定盈餘公積撥充資本時，撥充資本後之法定盈餘公積餘額不得低於註冊資本之 25%。

(b) 法定公益金

依據中華人民共和國規定，子公司得由其淨利中提列法定公益金。

負債及附息負債

應付帳款、其他應付款及應付關係人款認列為已攤銷後成本衡量之金融負債，其依原始公平價值認列，並於存續期間內以有效利率法之攤銷後成本衡量。附息負債則依原始成本減相關交易成本認列。附息負債於原始入帳後，在存續期間內依有效利率法攤銷後成本衡量，並調整其成本及贖回值間差異於借款期間內認列為損益之金額。

金融商品

金融資產

金融資產係 FRS39「金融商品：認列與衡量」所規範之金融商品，其認列及衡量方式依金融資產之分類而不同，其分類包含公平價值變動列入損益、借款及應收款、持有至到期日、備供出售金融資產。當集團成為某項金融商品合約規定中之一方時，金融資產則需認列於財務狀況表中。

金融資產於原始認列後，集團需將其分類並於每期期末重新衡量其指定之類別。若依合約規定集團對金融資產相關之現金流量權到期時，或集團將金融資產移轉給第三方且放棄對其之控制，或將資產相關之風險及報酬全部移轉後，則此金融資產應予除列。

所有一般性之金融資產購買及出售於交易日認列，如：集團承諾購買或出售金融資產之日。一般性之金融資產購買及出售需根據交易市場所建立之規則及慣例交付資產。

公平市價變動列入損益之金融資產

交易目的金融資產係屬公平市價變動列入損益之金融資產。交易目的金融資產係在特定期間內以出售為目的之金融資產。衍生性金融商品亦歸為交易目的，除非是被指定之有效避險工具。交易目的金融資產之損益認列於合併損益表。任何有效避險工具之損益則以公平市價變動為基礎，並直接以活絡市場交易作參考。

在資產負債表結束日，投資之公平市價在有組織的財務市場是以公開市價為參考。本集團並無指定任何以公平市價變動列入損益為衡量之備供出售之金融資產。

持有至到期日之投資

非衍生性金融資產具有固定或可決定之收取金額及固定到期日，且集團有積極意圖及能力持有至到期日者，分類為持有至到期日投資。有意圖持有至不特定期間之投資並不包含於此。以攤銷成本衡量之投資，當投資有除列或減損時，損益認列於合併損益表中，於攤銷過程中亦然。合併集團近期並無持有任何持有至到期日之金融資產。

放款及應收款

無活絡市場之公開報價，且具固定或可決定收取金額之非衍生性金融資產被分類成“放款及應收款”。放款及應收款之衡量方式，係以有效利率法之攤銷後成本扣除減損。當放款或應收款有除列或減損時，損益認列於合併損益表中，於攤銷過程中亦然。

備供出售金融資產

備供出售金融資產係指被歸類為備供出售之非衍生性金融商品，或是不屬於前三項分類者。原始認列後，備供出售金融資產係以公平價值衡量並認列於權益項下，當資產除列或該投資減損時，其以往認列在權益項下之公平價值調整轉入當期損益中。經授權之金融市場交易之投資市價，係以資產負債表日相似交易之市場買方買價所決定。投資不屬於活絡市場者，其公平市價將以評價工具衡量。

這類評價工具藉由公平市場交易來衡量，包含參考其他金融商品之現值、現金流量折現分析以及選擇權訂價模式。目前合併集團並無持有分類為備供出售金融資產之金融資產。

金融負債

在 FRS 39 之規範之下，金融負債被分類為以攤銷後成本衡量之金融負債，例如：附息負債以及應付帳款、其他應付款，或是公平價值變動列入損益之金融負債。

當金融負債於合約到期、失效或取消合約，使本集團之合約義務終止時於帳上除列。

關係人

符合以下條件之對象為合併集團之關係人：

- (a) 間接或直接對合併集團具有控制能力、聯合控制或重大影響力之企業個體
- (b) 合併集團之聯屬公司
- (c) 該企業個體為合併集團與第三者之合資企業
- (d) 該個體為合併集團或其母公司之主要管理階層
- (e) 該個體為情況(a)或(d)所稱關係人之近親
- (f) 該企業個體被情況(d)或(e)之個體直接或間接持有，而具有控制能力、聯合控制或重要影響力
- (g) 專為合併集團或合併集團之關係人員工提供退休福利計劃之機構。

應收、應付關係人款以攤銷後成本分類為應收款、應付款及金融負債。
主要管理階層為合併集團中具有規劃、領導及控制營運活動之權利與責任之角色。

部門資訊

業務部門

報告型式

集團報導部門資訊之主要型式為業務部門，其中每一部門即代表一產品線。業務部門係一運用資產和從事營運活動之組織，其供應之產品風險和報酬均不同於其他業務部門。該合併集團由下列兩個業務部門組成：

(a) 紡織品製造與銷售

製造一般和性能紡織品，製程包含編織、染布到紡織品製成。

(b) 紡織品加工服務

根據顧客需求提供染布、加工製成等服務。

5. 收入

	<u>2005</u>	<u>2006</u>	<u>2007</u>
	人民幣 ' 000	人民幣 ' 000	人民幣 ' 000
性能纖維製造及銷貨收入	-	111,858	756,545
一般纖維製造及銷貨收入	57,455	61,904	2,180
纖維加工服務收入	55,020	48,322	52,143
	<u>112,475</u>	<u>222,084</u>	<u>810,868</u>

6. 其他收入

	<u>2005</u>	<u>2006</u>	<u>2007</u>
	人民幣 ' 000	人民幣 ' 000	人民幣 ' 000
金融商品攤銷利息收入	37	11	182
政府補助款	50	106	69
存貨備抵呆滯提列迴轉數	-	-	1,672
	<u>87</u>	<u>117</u>	<u>1,923</u>

政府補助款內容為中華人民共和國政府提供之環境污染預防及控制獎勵金。

7. 融資成本

	<u>2005</u>	<u>2006</u>	<u>2007</u>
	人民幣 ' 000	人民幣 ' 000	人民幣 ' 000
銀行借款攤銷利息成本	<u>1,070</u>	<u>1,167</u>	<u>2,458</u>

西元 2007 年銀行借款有效年利率為 6.98%，西元 2006 年及 2005 年則分別為 6.27% 及 4.82%。

8. 稅前利益

計入損益使達成稅前淨利之項目如下：

	附註	<u>2005</u> 人民幣' 000	<u>2006</u> 人民幣' 000	<u>2007</u> 人民幣' 000
存貨成本認列為費用(a)		61,041	131,822	500,923
不動產、廠房及設備折舊費用(b)	13	6,405	6,405	10,965
不動產、廠房及設備報廢利益(d)	13	-	-	42
董監事酬勞	10	122	222	283
存貨備抵呆滯提列損失(d)		1,540	132	-
廠房及設備、辦公設備、前任股東 運輸設備之租賃	24	120	2,400	4,800
員工費用(c)	9	12,614	17,097	21,069
土地使用權攤銷費用	14	<u>2</u>	<u>2</u>	<u>2</u>

(a) 存貨成本認列為費用之金額包含研究及發展費用約人民幣 426,000 元
(西元 2006 年：人民幣 257,000 元，西元 2005 年：人民幣 322,000 元)。

(b) 房屋、廠房及設備折舊費用金額包含專為研究發展使用之廠房、設備之折
舊金額約人民幣 2,466,000 元(西元 2006 年：人民幣 806,000 元，西元
2005 年：無)。

(c) 員工費用包含研究及發展人員之費用約人民幣 148,000 元(西元 2006 年：
人民幣 144,000 元，西元 2005 年：人民幣 132,000 元)

(d) 包含於其他營業費用。

9. 員工費用

	<u>2005</u> 人民幣' 000	<u>2006</u> 人民幣' 000	<u>2007</u> 人民幣' 000
一般員工費用			
薪資及獎金(不包含董監事酬勞)	10,665	11,471	13,859
員工福利	<u>1,823</u>	<u>5,499</u>	<u>7,103</u>
	12,488	16,970	20,962
主要管理階層員工費用	<u>126</u>	<u>127</u>	<u>107</u>
	<u>12,614</u>	<u>17,097</u>	<u>21,069</u>

薪資及獎金包含撥付至確定提撥退休金計畫(國家退休金計畫)約人民幣 1,206,000 元(西元 2006 年：人民幣 1,193,000 元，西元 2005 年：人民幣 953,000 元)。

10. 主要管理階層報酬

	<u>2005</u> 人民幣' 000	<u>2006</u> 人民幣' 000	<u>2007</u> 人民幣' 000
主要管理階層			
本公司董事			
薪資及獎金	—	100	171
	—	100	171
子公司董事			
薪資及獎金	120	120	110
確定提撥計畫退休金費用	2	2	2
	122	122	112
	122	222	283
主要管理階層薪資	123	123	104
確定提撥計畫退休金費用	3	4	3
	126	127	107
	248	349	390

主要管理階層包括子公司之總經理及採購經理。

11. 所得稅

	<u>2005</u> 人民幣' 000	<u>2006</u> 人民幣' 000	<u>2007</u> 人民幣' 000
當期所得稅費用			
本年度	5,065	13,121	66,953
所得稅費用	5,065	13,121	66,953

帳列所得稅費用與稅前損益依中華人民共和國法律規定"振東開發區"之稅率計算結果之差異列示如下：

	<u>2005</u> 人民幣' 000	<u>2006</u> 人民幣' 000	<u>2007</u> 人民幣' 000
稅前損益	19,268	50,521	249,646
所得稅依子公司所得稅率27%計算	5,202	13,641	67,404
所得稅影響數：			
免稅項目	(137)	(520)	(451)
所得稅費用	5,065	13,121	66,953

根據中華人民共和國企業所得稅法規定，子公司為百分之百由國外持有之企業(“WFOE”)，依據中華人民共和國之法令，振東開發區適用之所得稅率為：國家稅法-24%、地方稅法-3%。

12. 每股盈餘

基本每股盈餘係依據可分配盈餘及公開發行前之股數 704,700,000 股計算，假設所有股數於全年均流通在外。

截至本報告結束日止(西元 2007 年 12 月 31 日、西元 2006 年 12 月 31 日及西元 2005 年 12 月 31 日)，各年度並無發行潛在稀釋性之普通股流通在外，故無稀釋每股盈餘。

13. 房屋、廠房及設備

	租賃建築物	廠房與設備	辦公設備	運輸設備	合計
	人民幣' 000	人民幣' 000	人民幣' 000	人民幣' 000	人民幣' 000
成本					
2005年1月1日餘額	23,563	54,341	—	—	77,904
本期增添	—	270	—	—	270
2005年12月31日餘額	23,563	54,611	—	—	78,174
2006年1月1日餘額	23,563	54,611	—	—	78,174
本期增添	—	42	—	—	42
2006年12月31日餘額	23,563	54,653	—	—	78,216
2007年1月1日餘額	23,563	54,653	—	—	78,216
本期增添	—	122,716	1,001	1,425	125,142
本期報廢	—	(42)	—	—	(42)
2007年12月31日餘額	23,563	177,327	1,001	1,425	203,316
	租賃建築物	廠房與設備	辦公設備	運輸設備	合計
	人民幣' 000	人民幣' 000	人民幣' 000	人民幣' 000	人民幣' 000
累計折舊及減損損失					
2005年1月1日餘額	8,421	27,240	—	—	35,661
本期提列折舊	1,119	5,286	—	—	6,405
2005年12月31日餘額	9,540	32,526	—	—	42,066
2006年1月1日餘額	9,540	32,526	—	—	42,066
本期提列折舊	1,119	5,286	—	—	6,405
2006年12月31日餘額	10,659	37,812	—	—	48,471
2007年1月1日餘額	10,659	37,812	—	—	48,471
本期提列折舊	1,119	9,744	64	38	10,965
2007年12月31日餘額	11,778	47,556	64	38	59,436
	租賃建築物	廠房與設備	辦公設備	運輸設備	合計
	人民幣' 000	人民幣' 000	人民幣' 000	人民幣' 000	人民幣' 000
帳面淨值					
2005年12月31日餘額	14,023	22,085	—	—	36,108
2006年12月31日餘額	12,904	16,841	—	—	29,745
2007年12月31日餘額	11,785	129,771	937	1,387	143,880

所有合併集團持有之房屋、廠房及設備，均位於中華人民共和國福建省晉江東石鎮東埕振東開發區。

合併集團之房屋、廠房及設備由銀行借款融資取得之帳面淨值約為人民幣 3,306,000 元(西元 2006 年：人民幣 7,756,000 元，西元 2005 年：人民幣 30,127,000 元)(請詳附註 23)。

合併集團正於中華人民共和國之相關機構申請其租賃改良建築之房屋所有權證之程序中，申請標的之總帳面價值約為人民幣 4,702,000 元(西元 2006 年：人民幣 5,142,000 元，西元 2005 年：人民幣 5,582,000 元)。

14. 無形資產

	截至12月31日止之餘額		
	2005 人民幣' 000	2006 人民幣' 000	2007 人民幣' 000
土地使用權			
期初餘額	—	122	120
本期增添	124	—	—
本期攤銷	(2)	(2)	(2)
期末餘額	122	120	118
依攤銷期間區分：			
未來12個月內-流動	2	2	2
未來12個月後-非流動	120	118	116
	122	120	118

土地使用權為中華人民共和國土地之中度租用期使用權，業已列為合併集團銀行借款之質押(請詳附註 23)。

此土地使用權帳列成本依據其租期 50 年攤銷。

15. 存貨

	截至12月31日止之餘額		
	2005 人民幣' 000	2006 人民幣' 000	2007 人民幣' 000
製成品	387	1,556	17,044
	387	1,556	17,044
原料	10,041	10,933	23,034
減：備抵存貨呆滯準備	(1,540)	(1,672)	—
	8,501	9,261	23,034
在製品成本	12	—	2,405
	12	—	2,405
合計	8,900	10,817	42,483

16. 應收帳款及其他應收款

	截至12月31日止之餘額		
	<u>2005</u>	<u>2006</u>	<u>2007</u>
	人民幣' 000	人民幣' 000	人民幣' 000
應收帳款-非關係人	27,915	92,744	243,563
其他應收款	124	124	1,761
存出保證金	-	-	5,000
	<u>28,039</u>	<u>92,868</u>	<u>250,324</u>

應收帳款屬不付息之帳款，收款期間約為 90 天。

應收帳款及其他應收款之帳面價值皆約當於公平價值，且所有應收帳款皆以人民幣計價。

存出保證金係合併集團為取得新廠房及設備之保證金，相關資產價值約人民幣 83,269,000 元(請詳附註 25)。

其他應收款包含支付子公司取得其使用土地之土地使用權約人民幣 124,000 元(西元 2006 年及 2005 年皆為人民幣 124,000)，及西元 2007 年預付公司上市作業相關活動之勞務費，約人民幣 1,637,000 元。合併集團正向中華人民共和國之相關機構申請上述土地使用權之程序中。

減損損失

應收帳款之期末帳齡列示如下：

	總額 查核數	減損損失 查核數	總額 查核數	減損損失 查核數	總額 查核數	減損損失 查核數
	2005. 12. 31	2005. 12. 31	2006. 12. 31	2006. 12. 31	2007. 12. 31	2007. 12. 31
	人民幣' 000	人民幣' 000	人民幣' 000	人民幣' 000	人民幣' 000	人民幣' 000
未逾收款 期限款項	24,803	-	90,189	-	238,378	-
逾期0-90 天款項	2,313	-	2,555	-	2,192	-
逾期90天 以上之款 項	799	-	-	-	2,993	-
合計	27,915	-	92,744	-	243,563	-

根據以往收款經驗，合併集團認為款項逾期之客戶以往收款情形皆良好，故評估無需提列備抵減損損失。

17. 應收(付)關係人款

截至12月31日止之餘額			
附註	2005	2006	2007
	人民幣' 000	人民幣' 000	人民幣' 000
未來12個月內到期 應收款項			
應收帳款-關係人	(a) 55	-	-
其他應收款-股東	(b) 24,545	50,545	-
其他應收款-關係人	(c) 15,547	16,466	-
	40,147	67,011	-
未來12個月內到期 應付款項			
應付帳款-關係人	(a) 2,702	2,978	-
其他應付款-股東(流動)	(d) -	-	1,738
	2,702	2,978	1,738
未來12月後到期 應付款項			
其他應付款-股東	(d) -	-	50,382

- (a) 應收(付)關係人帳款之對象為非執行主席親屬所持有之公司。
- (b) 此其他應收款項之對象為非執行主席與執行長及執業董事。
- (c) 此其他應收款之對象為非執行主席之親屬。
- (d) 此其他應付款項對象為非執行主席。對股東之非流動其他應付款為無擔保、無付息且無特定償付日期。

依外幣計價之應收(付)關係人款列示如下：

	截至12月31日止之餘額		
	<u>2005</u>	<u>2006</u>	<u>2007</u>
	人民幣' 000	人民幣' 000	人民幣' 000
新加坡幣	-	-	1,738

18. 現金及約當現金

	截至12月31日止之餘額		
	<u>2005</u>	<u>2006</u>	<u>2007</u>
	人民幣' 000	人民幣' 000	人民幣' 000
現金	167	176	20
銀行存款	14,673	31,078	89,379
合併現金流量表揭露之 現金及約當現金	14,840	31,254	89,399

上列銀行存款於攸關會計期間之有效年利率均為 0.72%。

依外幣計價之期末現金及銀行存款列示如下：

	截至12月31日止之餘額		
	<u>2005</u>	<u>2006</u>	<u>2007</u>
	人民幣' 000	人民幣' 000	人民幣' 000
新加坡幣	-	-	101

19. 資本

	<u>2005</u>	<u>2006</u>	<u>2007</u>
	人民幣' 000	人民幣' 000	人民幣' 000
發行及實收股本			
於年度開始日及年度結束日餘額	80,998	80,998	80,998

基於合併財務報表編製之目的，攸關會計期間之股本已依據本公司於重組執行階段之發行及實收股本重新表達，請詳合併財務報表附註二。

原始股份之持有者皆享有股利分配，及參與公司股東會投票之權（一股享有一投票權）。

本公司股本之相關細節請詳本公司首次公開發行公開說明書之“股本”章節。

20. 合併準備

合併準備係依據權益結合法會計處理，本公司之實收資本與取得子公司股本之差異，追溯表達於合併集團合併財務報表之權益項下。

21. 法定公積

法定公積係依中華人民共和國法律規定，子公司於完納稅捐後，由淨利所撥充之金額。

22. 應付帳款及其他應付款

	截至12月31日止		
	<u>2005</u>	<u>2006</u>	<u>2007</u>
	人民幣' 000	人民幣' 000	人民幣' 000
應付帳款	15,400	63,190	126,741
應付營業費用	2,434	4,240	5,348
其他應付款	246	212	-
應付增值型營業稅	1,563	7,204	21,862
預收款	695	1,504	-
	<u>20,338</u>	<u>76,350</u>	<u>153,951</u>

應付帳款為不計息，一般授信期間約 60 天到 90 天。

預收款係向客戶收取之紡織品加工服務無擔保、不付息預收款。合併集團之應付款及其他應付款交易以人民幣計價。

23. 付息之負債

	截至12月31日止		
	<u>2005</u>	<u>2006</u>	<u>2007</u>
	人民幣' 000	人民幣' 000	人民幣' 000
銀行借款-有擔保	19,000	30,000	37,500

西元 2005 年銀行借款係以其廠房設備及租賃建築物之使用權作為抵押，而廠房機器及建築物之使用權帳面價值分別約為人民幣 21,707,000 元及 8,420,000 元。

西元 2006 年之銀行借款係以其租賃建築物及土地使用權作為抵押，相關建築物及土地之使用權帳面價值於西元 2006 年 12 月 31 日分別為人民幣 7,756,000 元及 120,000 元，該借款並由非執行主席之親屬及其所持有之公司提供擔保。

西元 2007 年之銀行借款係以其租賃建築物及土地使用權作為抵押，相關建築物及土地之使用權帳面價值於西元 2007 年 12 月 31 日分別為人民幣 3,306,000 元及 118,000 元，該借款並由非執行業務董事之親屬所持有之公司為擔保。

其銀行借款因將於短期內到期，故其帳面值約當其公平價值。合併集團之銀行借款係以人民幣計價舉借。銀行借款之有效年利率為 6.98%(西元 2006 年：6.27%，西元 2005 年：4.82%)。所有銀行借款皆於會計年度結束日後一年內償付。

24. 重大關係人交易

除了其他合併財務報表之揭露外，以下係集團間依據雙方同意條件進行之重大關係人交易：

	附註	<u>2005</u>	<u>2006</u>	<u>2007</u>
		人民幣' 000	人民幣' 000	人民幣' 000
向執行主席租賃廠房設備、辦公設備及運輸設備	(a)	120	2,400	4,800
向非執行主席購置廠房設備、辦公設備及運輸設備	(b)	-	-	125,126
銷貨予關係人	(c)	47	642	1,191
向關係人進貨	(d)	5,764	6,456	22,995
應付關係人借款	(e)	-	-	10,000

附註(a)此租金係向非執行主席租賃廠房、機器及辦公設備與交通設備。

附註(b)晉江連捷紡織印染實業有限公司於西元2007年9月1日向非執行主席協議取得用於製造生產設備之廠房、機器及辦公設備與交通設備。其購置金額約為人民幣125,126,000元，其合約價款係依據福建閩才資產評估有限公司西元2007年9月5日之評價報告所決定。

附註(c)其銷貨係依常規交易之基礎執行，交易之雙方係為子公司及非執行主席之親屬所持有之公司。前述關係人已於西元2007年12月6日處分對該公司之持股。

附註(d)其進貨係依常規交易之基礎執行，交易之雙方係為子公司及非執行主席之親屬為法定代表人之公司，而其代表人係為非關係人之第三人所提名。前述關係人已於西元2007年12月6日處分對該公司之持股。

附註(e)於西元2007年間，其子公司向非執行主席之親屬所投資之公司借款。此借款為無擔保，不附息，且無償付期間限制。前述借款業已於西元2007年12月31日償還。

25. 資本承諾

	截至12月31日止		
	<u>2005</u>	<u>2006</u>	<u>2007</u>
	人民幣' 000	人民幣' 000	人民幣' 000
資本支出之契約未表達於合併財務報表中：			
購買不動產、設備及廠房承諾	-	-	78,269

子公司依合約已存出一筆保證金，以取得新廠房及機器設備價值約人民幣 83,269,000 元。(請詳附註 16)

26. 股利

	<u>2005</u>	<u>2006</u>	<u>2007</u>
	人民幣' 000	人民幣' 000	人民幣' 000
子公司支付股利支出	-	-	50,000

西元 2007 年 11 月 15 日，子公司宣告並發放股利人民幣 50,000,000 元予非執行主席、執行長及執行董事。

27. 部門別資訊

部門資訊係以合併集團根據合併後的集團內部管理報導架構的基礎上設立之營運部門而編製。

合併集團全部的收入皆來自於中華人民共和國，且合併集團內大部分的資產皆在中華人民共和國運作使用。因此，合併集團決定其營運為單一地區別部門，故在複核期間不會有另外之地區別部門被報導。

部門損益及資產負債，包含可直接歸屬於部門、及可依合理基礎被分配之項目。未分配項目包括公司層級之資產與費用、利息收入、財務成本以及相關的資產負債。

部門的資本支出，為攸關會計期間內取得房屋、廠房及設備，與取得除了商譽外的無形資產所發生的全部成本。

業務部門

該集團主要的業務部門為：

- 製造與銷售部門
 - 性能紡織品
 - 一般紡織品

紡織品加工服務

- 提供紡織品染色與加工處理

<u>集團</u>	<u>製造與銷售 性能紡織品</u> 人民幣' 000	<u>製造與銷售 一般紡織品</u> 人民幣' 000	<u>紡織品 加工服務</u> 人民幣' 000	<u>總營運金額</u> 人民幣' 000
<u>2007年12月31日</u>				
收入與費用				
外部顧客收入	<u>756,545</u>	<u>2,180</u>	<u>52,143</u>	<u>810,868</u>
總收入	<u>756,545</u>	<u>2,180</u>	<u>52,143</u>	<u>810,868</u>
部門業績	239,820	499	11,603	251,922
利息收入				182
財務成本				(2,458)
所得稅費用				(66,953)
稅後淨利				<u>\$ 182,693</u>
資產與負債				
部門資產：				
未分配資產(註)				<u>526,204</u>
總資產				<u>526,204</u>
部門負債				
未分配負債(註)				<u>271,154</u>
總負債				<u>271,154</u>
其他部門資訊(註)				
資本支出				125,142
折舊費用				<u>10,965</u>
土地使用權攤銷費用				<u>2</u>

<u>集團</u>	<u>製造與銷售</u> <u>性能紡織品</u> 人民幣' 000	<u>製造與銷售</u> <u>一般紡織品</u> 人民幣' 000	<u>紡織品</u> <u>加工服務</u> 人民幣' 000	<u>總營運金額</u> 人民幣' 000
<u>2006年12月31日</u>				
收入與費用				
外部顧客收入	111,858	1,904	48,322	222,084
總收入	<u>111,858</u>	<u>1,904</u>	<u>48,322</u>	<u>222,084</u>
部門業績	29,963	14,541	7,173	51,677
利息收入				11
財務成本				(1,167)
所得稅費用				(13,121)
稅後淨利				<u>\$ 37,400</u>
資產負債				
部門資產：				
未分配資產(註)				<u>234,815</u>
總資產				<u>234,815</u>
部門負債				
未分配負債(註)				<u>112,458</u>
總負債				<u>112,458</u>
其他部門資訊(註)				
資本支出				42
折舊費用				<u>6,405</u>
土地使用權攤銷費用				<u>2</u>

註：合併集團無法將同時使用於製造與銷售性能和一般紡織品部門以及紡織品加工服務部門的資產負債分配至各業務部門，因此包含於其他部門資訊之資產與負債無法分配至該合併集團中各業務部門。

28. 財務風險管理目的與政策

風險管理係集團整體業務所不可或缺的一環，該集團設有一系列的控制措施以建立風險發生成本與風險管理成本間可接受的平衡點，管理當局亦持續的監督集團風險管理流程，以確保風險與控制間適當的平衡之達成。

流動性風險

集團監控其流動性風險，並維持適當現金及約當現金水準以供管理當局營運所需，且降低現金流量波動之影響。

集團定期針對其核心業務進行現金流量的預測，以盡可能確保其有足夠之流動資金可因應到期負債的償還，此外，該集團可取得外部借款(附註 23)。

信用風險

信用風險是指當交易對象於契約到期時，未能履行與該集團約定契約中的義務而造成經濟損失的潛在財務風險。

該集團已建立起客戶信用額度並監控其餘額，現金被存放於銀行或是受規範的財務機構。該集團堅持與合作關係悠久且信用良好之顧客進行交易，以減少暴露於信用風險下。

該集團之應收帳款結構係由 7 大各別佔該集團整體應收帳款 5%以上的銷貨對象組成(西元 2006 年為 7 大銷貨對象、西元 2005 年為 9 大銷貨對象)。

信用風險揭露

財務報表上金融資產之帳面值代表信用風險暴險的最大值，於期末相關揭露請詳下：

	12月31日		
	2005	2006	2007
	人民幣' 000	人民幣' 000	人民幣' 000
應收帳款與其他應收款	\$ 28,039	\$ 92,868	\$ 250,324
應收聯屬公司款	40,147	67,011	-
現金與約當現金	14,840	31,254	89,399
	<u>\$ 83,026</u>	<u>\$ 191,133</u>	<u>\$ 339,723</u>

合併集團估計了應收帳款與其他應收款可能發生之呆帳損失，於備抵呆帳科目中適當地表達，而該備抵科目主要組成內容有特定損失與集體損失，前者係與單獨揭露之重大財務資訊有關；後者則為集團中同質的資產已發生但尚未明確辨認的損失。其中，備抵集體損失係根據統計同質的金融資產付款狀況的歷史數據而建立，而此兩種損失準備皆非根據以往的經驗進行提列。

市場風險

市場風險係指因市場價格(如：國際匯率與市場利率)等因素的變動而影響集團收入、或其持有金融資產價值的風險。而市場風險管理的目的在於管理並控制曝險程度在可接受的範圍內，同時極大化風險下之收益。

外幣風險

因集團大部分交易及餘額係以人民幣計價，故並無暴露於重大外幣風險之下。目前，該集團尚未制定正式的政策對暴露於外幣風險的情況採取保護措施。集團確信外幣依即期匯率買進賣出以解決短期內不平衡之情況，可將淨曝險維持在可接受的程度內。

公平價值

金融資產及金融負債之公平價值及表達於合併資產負債表上之帳面價值，如下表所示：

	2005		12月31日 2006		2007	
	帳面價值	公平價值	帳面價值	公平價值	帳面價值	公平價值
應收帳款與其他應收款	28,039	28,039	92,868	92,868	250,324	250,324
應收聯屬公司款	40,147	40,147	67,011	67,011	-	-
現金與約當現金	14,840	14,840	31,254	31,254	89,399	89,399
計息負債	19,000	19,000	30,000	30,000	37,500	37,500
應付帳款與其他應付款	20,338	20,338	76,350	76,350	153,951	153,951
應付關係人款	2,702	2,702	2,978	2,978	1,738	1,738

非執行主席之股東借款於非流動部分，因無法確定預期現金流量，故無法決定其公平價值，相關餘額約為人民幣 50,382,000 元(西元 2006: 無, 西元 2005: 無)。惟，管理當局相信資產負債表日之帳面價值可反應其公平市價。

利率風險

集團之利率風險係受附息金融負債利率改變影響所致。集團之政策係維持所有借款以固定利率為基準。

集團暴露在利率風險下之金融商品之帳面價值依到期日表達，請詳下表所示：

	12月31日		
	2005 人民幣' 000	2006 人民幣' 000	2007 人民幣' 000
一年內到期			
固定利率之銀行借款	19,000	30,000	37,500

金融商品之利率係屬固定利率者，其利率係依合約規定每一年重新訂定。金融商品之利率直到到期日前均為固定利率。合併集團之其餘金融商品利率風險並不重大。

針對固定利率之付息負債，每一百基準點(bp)變動將會增加/減少稅前淨利及股本影響，如下表所示：

	<u>淨利(損)增加(減少)</u>	
	<u>100 bp</u> <u>增加</u>	<u>100bp</u> <u>減少</u>
2007年度		
付息負債	(375)	375
2006年度		
付息負債	(300)	300
2005年度		
付息負債	(190)	190

資本管理

本集團資本管理之目標係確保集團能夠繼續經營、替股東帶來報酬並維持最適資本結構以減少資金成本。

管理當局以槓桿比率監控資本結構，該比率係以淨負債除以總資本計算而得。淨負債係以總借款(包含付息負債、應付關係人款、應付帳款及其他應付款，不包含應付所得稅)減現金及約當現金衡量。總資本係指資產負債表中之股東權益合計數加淨負債。

西元 2005、2006 及 2007 年度間，依集團一貫之資本管理目標，槓桿比率皆小於 1，西元 2005、2006 及 2007 年之槓桿比率列示如下：

集團			
12月31日	<u>2005</u>	<u>2006</u>	<u>2007</u>
	人民幣' 000	人民幣' 000	人民幣' 000
總借款	42,040	109,328	243,571
減：現金及約當現金	14,820	31,254	89,399
淨負債	27,220	78,074	154,172
總股東權益	84,957	122,357	255,050
總資本	112,177	200,431	409,222
負債比率	0.24	0.39	0.38

本集團於攸關期間內皆符合外部資本要求。

29. 或有負債

於西元 2007 年 12 月 31 日集團無任何重大或有負債。

30. 期後事項

除前述合併報表之附註外，以下事項皆發生於西元 2007 年 12 月 31 日之後。

(a) 取得新連捷公司

本公司於西元 2008 年 1 月 21 日與臺灣佑吉公司簽署購買合約，並為蔡長江先生名義人，本公司以人民幣一元從台灣佑吉公司取得新連捷公司全部股權。此交易需晉江市商務局核准，本合併集團目前正申請核准中。新連捷公司於西元 1999 年 12 月 14 日在中華人民共和國註冊為零實繳資本外商投資企業，於註冊後一直處於歇業狀態。新連捷公司主要經營生產合成纖維、印染、處理及製成。根據中華人民共和國稅務法規新連捷公司享有五年稅收減讓（前兩年免徵稅並於第三年開始減讓 50% 企業所得稅）起始於首次獲利年度（外商投資企業稅法）。依據全國人民代表大會於西元 2007 年 3 月 16 日頒布新所得稅法將於西元 2008 年 1 月 1 日生效。新連捷因尚未享用其稅收減讓故於西元 2008 年 1 月 1 日可享有 5 年稅收減讓。

購買合約簽署完成後，新連捷公司將成為本公司 100% 持有之子公司。新連捷西元 2005/12/31、西元 2006/12/31 及西元 2007/12/31 之財務報表並未包含於集團之合併報表，自西元 2008 年合併起，集團可享有新連捷公司之稅收減讓優惠。

(b) 全國人民代表大會於西元 2007 年 3 月 16 日頒布中華人民共和國企業所得稅法，規定企業所得稅率將調至 25%。此變更將於西元 2008 年 1 月 1 日生效，並適用於子公司-晉江連捷紡織印染實業有限公司。

(c) 本公司股東於西元 2008 年 4 月 14 日之股東臨時會議中，產生以下與財務報表相關之決議：

(i) 本公司變更為“公開發行有限公司”，並更名為“中國泰山科技集團控股有限公司”。

(ii) 新版公司章程開始適用。

(iii) 進行股份分割，每 1 股分為 7,047 股。

(iv) 本公司依據公開發行公司規定所發行之股份所享有之權益與現有之股份相同。

- (v) 經董事會核准之公司章程第 161 段，公司可依情況、目的或董事視情形裁量隨時分配及發行新股，這些股票或可轉換證券(附轉換權之股票最大發行股數係由發行當時決定)之總股數經決議不得超過本公司已發行股本之 50%，其可依本公司股東權益之比例基礎增加發行股票或可轉換證券，惟其股數不得超過本公司已發行股本之 20%(已發行股本係包含任何存在之可轉換證券、員工認股權、酬勞員工認股權及其後之股票合併或分割)。除經股東會重新決議或修改，此項決議將持續有效直到下次股東常會所作之決議或若依法律需更早舉行股東常會所作之決議。

- (d) 西元 2007 年 12 月 31 日之期後事項，子公司以人民幣約 1,470,000 元現金購買運輸工具。

董事聲明

合併集團之西元 2005/12/31、西元 2006/12/31 及西元 2007/12/31 之合併財務報表，由本公司之董事負責編制。

依董事之意見，A-3 至 A-43 之合併財務報表係真實且允當表達西元 2005、2006 及 2007 年合併集團之營業結果、股東權益及現金流量變動，其可合理確信合併集團有能力支付公司未來到期之負債。

董事會代表

董事

蔡長江

林文章

2008/5/28

附 件 七

25 April 2008

The Board of Directors
China Taisan Technology Group Holdings Limited
80 Robinson Road #17-02
Singapore 068898

Dear Sirs

We have audited the accompanying combined financial statements of China Taisan Technology Group Holdings Limited (the "Company") and its subsidiary (collectively, the "Combined Group") as set out on pages A-2 to A-48 for the financial years ended 31 December 2005, 2006 and 2007.

Directors' Responsibility for the Combined Financial Statements

The Company's directors are responsible for the preparation and fair presentation of these combined financial statements in accordance with Singapore Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the combined financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal controls relevant to the entity's preparation and fair presentation of the combined financial statements 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by directors, as well as evaluating the overall presentation of the combined financial statements.

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

In our opinion, the accompanying combined financial statements of the Combined Group are properly drawn up in accordance with Singapore Financial Reporting Standards so as to present fairly, in all material respects, the state of affairs of the Combined Group as at 31 December 2005, 2006 and 2007 and of the results, changes in equity and cash flows of the Combined Group for the financial years ended on those dates.

This Report has been prepared for inclusion in the preliminary prospectus dated 25 April 2008 (the "Prospectus") in connection with the initial public offering of the ordinary shares of the Company.

Yours faithfully



Mazars Moores Rowland LLP
Certified Public Accountants
Singapore

Chang Fook Kay
Partner-in-charge

MAZARS MOORES ROWLAND LLP
马赛摩斯伦特许会计师有限责任公司
CERTIFIED PUBLIC ACCOUNTANTS

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China Taisan Technology Group Holdings Limited and its subsidiary

Combined Income Statements

For the Financial Years ended 31 December 2005, 2006 and 2007

	<u>Note</u>	<u>2005</u> RMB'000	<u>2006</u> RMB'000	<u>2007</u> RMB'000
Revenue	5	112,475	222,084	810,868
Cost of sales		(87,858)	(167,477)	(557,196)
Gross profit		24,617	54,607	253,672
Other income	6	87	117	1,923
Distribution costs		(336)	(332)	(350)
Administrative expenses		(2,490)	(2,572)	(3,098)
Other operating expenses	8	(1,540)	(132)	(43)
Finance costs	7	(1,070)	(1,167)	(2,458)
Profit before taxation	8	19,268	50,521	249,646
Taxation	11	(5,065)	(13,121)	(66,953)
Profit after taxation		14,203	37,400	182,693
Attributable to :				
Equity holders of the Company		14,203	37,400	182,693
Earnings per share for profit attributable to the equity holders of the Company during the year (RMB cents)				
- Basic	12	2.02	5.31	25.92

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

China Taisan Technology Group Holdings Limited and its subsidiary

Combined Balance Sheets

As at 31 December 2005, 2006 and 2007

		As at 31 December		
	<u>Note</u>	<u>2005</u> RMB'000	<u>2006</u> RMB'000	<u>2007</u> RMB'000
ASSETS				
Non-current assets				
Property, plant and equipment	13	36,108	29,745	143,880
Intangible assets	14	120	118	116
		<u>36,228</u>	<u>29,863</u>	<u>143,996</u>
Current assets				
Intangible assets – current portion	14	2	2	2
Inventories	15	8,900	13,817	42,483
Trade and other receivables	16	28,039	92,868	250,324
Amounts owing by related parties	17	40,147	67,011	-
Cash and bank balances	18	14,840	31,254	89,399
		<u>91,928</u>	<u>204,952</u>	<u>382,208</u>
TOTAL ASSETS		<u>128,156</u>	<u>234,815</u>	<u>526,204</u>
EQUITY AND LIABILITIES				
Capital and reserves attributable to equity holders of the Company				
Share capital	19	80,998	80,998	80,998
Merger reserve	20	11,491	11,491	11,491
Statutory reserves	21	11,734	17,054	44,207
Accumulated (losses)/profits		(19,266)	12,814	118,354
Total equity		<u>84,957</u>	<u>122,357</u>	<u>255,050</u>
Non-current liability				
Amounts owing to a related party	17	-	-	50,382
		<u>-</u>	<u>-</u>	<u>50,382</u>
Current liabilities				
Trade and other payables	22	20,338	76,350	153,951
Amounts owing to related parties	17	2,702	2,978	1,738
Interest-bearing liabilities	23	19,000	30,000	37,500
Provision for taxation		1,159	3,130	27,583
		<u>43,199</u>	<u>112,458</u>	<u>220,772</u>
TOTAL LIABILITIES		<u>43,199</u>	<u>112,458</u>	<u>271,154</u>
TOTAL EQUITY AND LIABILITIES		<u>128,156</u>	<u>234,815</u>	<u>526,204</u>

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

China Taisan Technology Group Holdings Limited and its subsidiary

Combined Statements of Changes in Equity

For the Financial Years ended 31 December 2005, 2006 and 2007

	<u>Note</u>	<u>Share Capital</u> RMB'000	<u>Merger Reserve</u> RMB'000	<u>Statutory Reserves</u> RMB'000	<u>Accumulated (Losses)/Profits</u> RMB'000	<u>Total Equity</u> RMB'000
At 1 January 2005		80,998	11,491	9,679	(31,414)	70,754
Profit for the year		-	-	-	14,203	14,203
Total recognised income and expenses for the year		-	-	-	14,203	14,203
Transfer to statutory reserves		-	-	2,055	(2,055)	-
At 31 December 2005		80,998	11,491	11,734	(19,266)	84,957
At 1 January 2006		80,998	11,491	11,734	(19,266)	84,957
Profit for the year		-	-	-	37,400	37,400
Total recognised income and expenses for the year		-	-	-	37,400	37,400
Transfer to statutory reserves		-	-	5,320	(5,320)	-
At 31 December 2006		80,998	11,491	17,054	12,814	122,357
At 1 January 2007		80,998	11,491	17,054	12,814	122,357
Profit for the year		-	-	-	182,693	182,693
Total recognised income and expenses for the year		-	-	-	182,693	182,693
Dividends	26	-	-	-	(50,000)	(50,000)
Transfer to statutory reserves		-	-	27,153	(27,153)	-
At 31 December 2007		80,998	11,491	44,207	118,354	255,050

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

China Taisan Technology Group Holdings Limited and its subsidiary

Combined Statements of Cash Flows

For the Financial Years ended 31 December 2005, 2006 and 2007

	Note	Years ended 31 December		
		2005	2006	2007
		RMB'000	RMB'000	RMB'000
Operating activities				
Profit before taxation		19,268	50,521	249,646
Adjustments for:				
Depreciation of property, plant and equipment		6,405	6,405	10,965
Amortisation of land use rights		2	2	2
Property, plant and equipment written off		-	-	42
Interest expense		1,070	1,167	2,458
Interest income		(37)	(11)	(182)
Operating profit before working capital changes		26,708	58,084	262,931
Changes in working capital:				
Inventories		1,162	(4,917)	(28,666)
Trade and other receivables		(4,687)	(64,829)	(157,456)
Trade and other payables		(5,051)	56,012	77,601
Amount owing by a related party - trade		(55)	55	-
Amount owing to a related party - trade		2,702	276	(2,978)
Advances to related parties - non-trade		(22,126)	(26,919)	(5,995)
Cash (used in)/generated from operations		(1,347)	17,762	145,437
Interest received		37	11	182
Income taxes paid		(4,406)	(11,150)	(42,500)
Cash flows from operating activities		(5,716)	6,623	103,119
Investing activities				
Purchase of property, plant and equipment		(270)	(42)	(16)
Cash flows from investing activities		(270)	(42)	(16)
Financing activities				
Dividends paid	26	-	-	(50,000)
Repayment of bank loans		(19,000)	(19,000)	(7,200)
Proceeds from bank loans		19,000	30,000	14,700
Interest paid		(1,070)	(1,167)	(2,458)
Cash flows from financing activities		(1,070)	9,833	(44,958)
Net (decrease) / increase in cash and cash equivalents		(7,056)	16,414	58,145
Cash and cash equivalents at the beginning of the year		21,896	14,840	31,254
Cash and cash equivalents at the end of the year	18	14,840	31,254	89,399

China Taisan Technology Group Holdings Limited and its subsidiary

Combined Statements of Cash Flows (Cont'd)

For the Financial Years ended 31 December 2005, 2006 and 2007

For the financial years ended 31 December 2005, 2006 and 2007, the Combined Group acquired property, plant and equipment with an aggregate cost of approximately RMB 125,142,000 (2006: RMB 42,000 and 2005: RMB 270,000) of which plant and machinery was acquired by means of amounts owing to a related party of RMB 125,126,000 (2006: RMB NIL and 2005: RMB: NIL). Cash payments of approximately RMB 16,000 (2006: RMB 42,000 and 2005: RMB 270,000) were made to purchase property, plant and equipment.

For the financial years ended 31 December 2005, 2006 and 2007, the Combined Group acquired intangible assets with an aggregate cost of approximately RMB NIL (2006: RMB NIL and 2005: RMB 124,000) of which land use rights were acquired by means of amounts owing to a related party of RMB NIL (2006: RMB NIL and 2005: RMB 124,000).

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

These notes form an integral part of and should be read in conjunction with the accompanying combined financial statements.

1. CORPORATE INFORMATION

China Taisan Technology Group Holdings Pte. Ltd., (the “Company”) (Company registration number 200711863D) was incorporated in the Republic of Singapore on 2 July 2007. On 16 April 2008, the Company was converted into a public limited company and changed its name to China Taisan Technology Group Holdings Limited.

The Company’s registered office is located at 80 Robinson Road #17-02 Singapore 068898. The principal activity of the Company is investment holding. The principal activity of its subsidiary, Jinjiang Lianjie Textile & Printing Dyeing Industrial Co., Ltd (晋江连捷纺织印染实业有限公司), is set out in Note 2 to the combined financial statements. The principal place of business of the subsidiary is located at Zhendong Development Area, Dongcheng, Dongshi Town, Jinjiang City, Fujian Province, People’s Republic of China (“PRC”) (福建省晋江市东石镇东埕振东开发区).

The combined financial statements relate to the Company and its subsidiary (herein referred to as the Combined Group).

The combined financial statements have been prepared solely for inclusion in the prospectus of China Taisan Technology Group Holdings Limited, in connection with its intended initial public offering on the Singapore Exchange Securities Trading Limited.

2. RESTRUCTURING EXERCISE

The Company was incorporated in the Republic of Singapore 2 July 2007 with an issued and paid up share capital of 1 ordinary share for S\$1. The Company carried out a restructuring exercise (the “Restructuring Exercise”) in preparation for the Company’s listing on the Singapore Exchange Securities Trading Limited.

Prior to the Restructuring Exercise, 100% of the equity interests of Jinjiang Lianjie Textile & Printing Dyeing Industrial Co., Ltd (晋江连捷纺织印染实业有限公司) were beneficially held by Mr Choi Cheung Kong (蔡长江), Non-Executive Chairman of the Combined Group (“Non-Executive Chairman”) and Mr Lin Wen Chang (林文章), Chief Executive Officer and Executive Director of the Combined Group (“CEO and Executive Director”), through Taiwan Taoyuan Youji Co., Ltd. (台湾桃园佑吉股份实业有限公司) (“Taiwan Youji”). Taiwan Youji is a company incorporated in Taiwan and its principal activity is the trading of textile. It is owned by third parties unrelated to the Non-Executive Chairman and the CEO and Executive Director of the Combined Group. In addition, the Non-Executive Chairman and the CEO and Executive Director, both, do not have any relationship with Taiwan Youji, its directors and its shareholders and its respective associates.

2. RESTRUCTURING EXERCISE (CONT'D)

As part of the Restructuring Exercise, the Company and Taiwan Youji entered into a sale and purchase agreement ("S&P") dated 7 September 2007 as amended by a supplemental agreement dated 21 December 2007, whereby the Company acquired 100% of the equity interests of Jinjiang Lianjie Textile & Printing Dyeing Industrial Co., Ltd (晋江连捷纺织印染实业有限公司) from Taiwan Youji the sum of US\$11.0 million (RMB 80,268,100). The consideration was based on the registered capital of Jinjiang Lianjie Textile & Printing Dyeing Industrial Co., Ltd (晋江连捷纺织印染实业有限公司) as at the date of the S&P. The consideration was satisfied by the issue of an aggregate of 99,998 new ordinary shares in the capital of the Company, credited as fully paid, to Mr Choi Cheung Kong (蔡长江) and Mr Lin Wen Chang (林文章).

In addition, on 14 January 2008, the Company issued 1 ordinary share for US\$100,000 (RMB 729,710) to Mr Choi Cheung Kong fully paid in cash. For the purpose of the Restructuring Exercise, the above share issues were accounted for as if these share issues had occurred at the beginning of the financial year ended 31 December 2005 in the combined financial statements.

Pre-IPO Investors

Pursuant to the investment agreements dated 3 July 2007 entered into between Mr Choi Cheung Kong (蔡长江) and Mr Lin Wen Chang (林文章), and each of the Pre-IPO Investors, Mr Choi Cheung Kong (蔡长江) and Mr Lin Wen Chang (林文章) transferred part of their shares in the Company to the Pre-IPO Investors. The number of shares (after adjusting for the Sub-division)⁽¹⁾ transferred to the Pre-IPO Investors and the consideration paid by them are as follows:—

<u>Pre-IPO Investors</u>	<u>Number of Shares</u>	<u>Pre- Invitation Share Capital (%)</u>	<u>Consideration (S\$)</u>
First Wealth Investment Limited	52,852,500	7.50	4,629,973
Visionary Capital International Ltd	31,711,500	4.50	2,777,984

Details of the Restructuring Exercise are set out in the Prospectus (the "Prospectus") in connection with the initial public offering of the ordinary shares of the Company.

⁽¹⁾ Sub-division of each ordinary share in the Company into 7,047 shares as described in the share capital section of the Prospectus

2. RESTRUCTURING EXERCISE (CONT'D)

GROUP STRUCTURE

The relationship of the entities in the Combined Group after the Restructuring Exercise is as follows:



Upon completion of the Restructuring Exercise, the Company has the following subsidiary (referred to collectively with the Company as the "Combined Group"):

<u>Name of company</u>	<u>Principal activities</u>	<u>Date and place of incorporation</u>	<u>Percentage of equity interest held by the Combined Group 31/12/2007</u> %	<u>Paid-up Capital</u>
Jinjiang Lianjie Textile & Printing Dyeing Industrial Co., Ltd (晋江连捷纺织印染实业有限公司)	Manufacture of knitted textile, printing and dyeing of fabrics and engaged in the knitting and weaving of high quality fabrics (生产针织布及印染, 从事高档织物面料的织造)	11 September 1996 PRC	100	RMB92,488,441 (US\$11,099,970)

The combined financial statements of the Combined Group have been prepared based on the financial statements of the subsidiary, Jinjiang Lianjie Textile & Printing Dyeing Industrial Co., Ltd (晋江连捷纺织印染实业有限公司) and the Company.

2. RESTRUCTURING EXERCISE (CONT'D)

GROUP STRUCTURE (CONT'D)

Subsequent to 31 December 2007, the Company entered into a sale and purchase agreement to acquire the entire equity interest in Xinlianjie (Quanzhou) Textile & Printing Dyeing Co., Ltd (新连捷(泉州)纺织印染有限公司) ("Xinlianjie") from Mr Choi Cheung Kong (蔡长江). For the purpose of the Restructuring Exercise and the Combined financial statements of the Combined Group, Xinlianjie has been excluded from the combined financial statements of the Combined Group for the financial years ended 31 December 2005, 2006 and 2007. Refer to Note 30 (a) on Subsequent Events for further details.

The directors of the Company are responsible for the preparation of the combined financial statements of the Combined Group. These combined financial statements were authorised for issue by the directors of the Company on 25 April 2008.

3. BASIS OF PRESENTATION OF THE COMBINED FINANCIAL INFORMATION

The Restructuring Exercise involved companies which are under common control since all the entities which took part in the Restructuring Exercise were controlled by the same ultimate shareholders before and immediately after the Restructuring Exercise. The objective of the combined financial statements is to show what the historical information might have been had the Combined Group as described in Note 2 above and after the Restructuring Exercise had been in place since 1 January 2005 under the "pooling-of-interest" method.

Such manner of presentation reflects the economic substance of the combining companies, which were under common control ("common control") throughout the financial years ended 31 December 2005, 2006 and 2007 (the "Relevant Periods") presented, as a single economic enterprise, although the legal parent-subsidiary relationships were not established as at respective balance sheet dates.

The combined financial statements have been prepared for inclusion in the Prospectus (the "Prospectus") in connection with the initial public offering of the ordinary shares of the Company. These combined financial statements comprise:

- (i) the audited Combined Income Statements for the financial years ended 31 December 2005, 2006 and 2007;
- (ii) the audited Combined Balance Sheets as at 31 December 2005, 2006 and 2007;
- (iii) the audited Combined Statements of Changes in Equity for the financial years ended 31 December 2005, 2006 and 2007; and
- (iv) the audited Combined Statements of Cash Flows for the financial years ended 31 December 2005, 2006 and 2007.

3. BASIS OF PRESENTATION OF THE COMBINED FINANCIAL INFORMATION (CONT'D)

Basis of preparation of the Combined Financial Information

The combined financial statements for the financial years ended 31 December 2005, 2006 and 2007 are based on the following:

- (i) the financial results of the Combined Group for the financial years ended 31 December 2005, 2006 and 2007 as if the group structure as of the date of registration of the Prospectus had been in place since 1 January 2005;
- (ii) the financial positions of the Combined Group as at 31 December 2005, 2006 and 2007 as if the group structure as of the date of registration of the Prospectus had been in place since 1 January 2005;
- (iii) the changes in equity of the Combined Group for the financial years ended 31 December 2005, 2006 and 2007 as if the group structure as of the date of registration of the Prospectus had been in place since 1 January 2005; and
- (iv) the cash flows of the Combined Group for the financial years ended 31 December 2005, 2006 and 2007 as if the group structure as of the date of registration of the Prospectus had been in place since 1 January 2005.

The accounting policies set out below have been applied consistently to all periods presented in these combined financial statements and in preparing an opening Singapore Financial Reporting Standards ("FRS") balance sheet at 1 January 2005 based on FRS. The accounting policies have been applied consistently by the Combined Group.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The combined financial statements, expressed in Chinese Renminbi ("RMB"), are prepared in accordance with FRS under the historical cost convention, except as disclosed in the significant accounting policies set out below.

In the preparation of the combined financial statements, the Combined Group has adopted all the FRSs and Interpretation to FRS ("INT FRS") that are relevant to its operations and effective for the Relevant Periods presented in the combined financial statements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Basis of accounting (Cont'd)

At the date of authorisation of these financial statements, the following FRSs, INT FRSs and amendments to FRS that are relevant to the Combined Group were issued but not effective for the Relevant Periods are as follows:

FRS 23	Borrowing Costs	Effective for financial period beginning 1 January 2009
FRS 108	Operating Segments	Effective for financial period beginning 1 January 2009
INT FRS 111	FRS 102 – Group and Treasury Share Transactions	Effective for financial period beginning 1 March 2007
INT FRS 112	Service Concession Arrangements	Effective for financial period beginning 1 January 2009

The Combined Group has early adopted FRS 107 Financial Instruments: Disclosures, and FRS 1 (Amendment) Presentation of Financial Statements (Capital Disclosures) for the purpose of the preparation of the combined financial statements for the Relevant Periods. FRS 107 introduces new disclosures relating to financial instruments. This standard does not have any impact on the classification and valuation of the Combined Group's financial instruments. FRS 1 (Amendment) Presentation of Financial Statements (Capital Disclosures) requires an entity to disclose information that enables users of its financial statements to evaluate the Combined Group's objectives, policies and processes for managing capital.

The directors of the Company anticipate that the application of these standards will have no material impact on the combined financial statements of the Combined Group.

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Basis of accounting (Cont'd)

Critical accounting estimates and judgements

Estimates and judgements are currently evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Apart from information disclosed elsewhere in these combined financial statements, the following summarises estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year and significant judgements made in the process of applying the Combined Group's accounting policies:-

(i) **Impairment of receivables**

The Combined Group makes allowance for impairment based on an assessment of the recoverability of trade and other receivables. Allowance is applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of doubtful receivables requires the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying amount of trade and other receivables and the allowance for impairment in the financial year in which such estimate has been changed.

(ii) **Depreciation of property, plant and equipment**

The cost of property, plant and equipment is depreciated on a straight-line basis over their economic useful lives estimated to be within 5-20 years, net of residual value. The carrying amount of the these assets of the Combined Group was approximately RMB 36,108,000, RMB 29,745,000 and RMB 143,880,000 as at 31 December 2005, 2006 and 2007 respectively. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation could be revised.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D))

Critical accounting estimates and judgements (Cont'd)

(iii) Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. These estimates are based on the current market condition and the historical experience of selling products of similar nature. It could change significantly as a result of competitor actions in response to severe industry cycles. Management will reassess the estimations at the balance sheet date.

(iv) Income taxes

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

Functional currency

The individual financial statements of each entity within the Combined Group are presented in the currency of the primary economic environment in which the entity operates (the functional currency). The combined financial statements are presented in RMB, which is the functional currency of the subsidiary of the Combined Group, and the presentation currency for the combined financial statements.

Foreign currencies

Transactions in foreign currencies are translated at foreign exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into RMB at foreign exchange rates ruling at that date. Foreign exchange differences arising from translation are recognised in the combined income statements. Non-monetary assets and liabilities measured at cost in a foreign currency are translated using exchange rates at the date of the transaction. Non-monetary assets and liabilities measured at fair value in foreign currencies are translated to RMB at foreign exchange rates ruling at the dates the fair value was determined.

Foreign currency differences arising on retranslation are recognised in the combined income statements, except for differences arising on the retranslation of monetary items that in substance form part of the Combined Group's net investment in a foreign operation.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Foreign operations

The assets and liabilities of foreign operations are translated to RMB at exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated to RMB at exchange rates prevailing at the dates of the transactions.

Foreign currency differences are recognised in the foreign currency translation reserves. When a foreign operation is disposed of, in part or in full, the relevant amount in the foreign currency translation reserves is transferred to the combined income statements.

Net investment in foreign operations

Exchange differences arising from monetary items that in substance form part of the Company's net investment in foreign operations are recognised in the Company's income statement. Such exchange differences are reclassified to equity in the combined financial statements. When the hedged net investment is disposed of, the cumulative amount in equity is transferred to the combined income statements as an adjustment to the combined income statements arising on disposal.

Revenue recognition

Provided it is probable that the economic benefits will flow to the Combined Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in the combined income statements as follows:

(i) Sale of goods

Revenue is recognised when goods are delivered at the customers' premises or collected by the customers at the Combined Group's premises which is taken to be the point in time when the customer has accepted the goods/services and the related risks and rewards of ownership.

(ii) Rendering of services

Revenue is recognised when services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual services provided as a proportion of the total services to be performed.

(iii) Interest income

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Revenue recognition (Cont'd)

(iv) Government grant

Government grants are not recognised until there is reasonable assurance that the grants will be received and that the Combined Group will comply with conditions applying to them. Grants are recognised in the combined income statements on a systematic basis matching them with the related costs for which the grants are intended to compensate.

Employee benefits

The Combined Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. Contributions to national pension schemes are recognised as an expense in the period in which the related service is performed. Companies incorporated in the PRC are required to provide certain staff pension benefits for their employees under existing PRC legislation. Pension contributions are provided at rates stipulated by the PRC legislation and are contributed to a pension fund managed by government agencies, which are responsible for paying pensions to the retired employees. These benefits are accounted for on an accrual basis and charged to the combined income statements when incurred.

These national pension schemes are dealt with as payments to defined contribution plans where the Combined Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

Operating leases

Where the Combined Group has the use of assets under operating leases, payments made under the leases are recognised in the combined income statements on a straight-line basis over the term of the lease. Lease incentives received are recognised in the combined income statements as an integral part of the total lease payments made. Contingent rentals are charged to the combined income statements in the accounting period in which they are incurred.

Research and development costs

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the combined income statements as an expense when it is incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the products or processes are technically and commercially feasible, future economic benefit are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of material, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Research and development costs (Cont'd)

Other development expenditure is recognised in the combined income statements as an expense when it is incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses. Amortisation is charged to the combined income statements using the straight –line method over estimated useful lives of 5 to 7 years.

Provisions

Provisions are recognised when the Combined Group has a present obligation as a result of a past event where it is probable that it will result in an outflow of economic benefits that can be reasonably estimated.

Impairment of financial and non-financial assets

Impairment of financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognised in the combined income statements.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in the combined income statements.

Impairment – non-financial assets

The carrying amounts of the Combined Group's non-financial assets, other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups.

Impairment losses are recognised in the combined income statements unless they reverse a previous revaluation, credited to equity, in which case it is charged to equity. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Impairment of financial and non-financial assets (Cont'd)

Impairment – non-financial assets (Cont'd)

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 or cash-generating unit.

Goodwill and intangible assets with indefinite useful lives are tested for impairment annually and as and when indicators of impairment are identified.

An impairment loss in respect of goodwill is not reversed. In respect of impairment of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of accumulated depreciation or amortisation, if no impairment loss had been recognised.

Finance costs

Interest expense and similar charges are expensed to the combined income statements in the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale.

The interest component of interest-bearing liabilities is recognised in the combined income statements using the effective interest method.

Income tax

Income tax on the results for the year comprises current and deferred tax. Income tax is recognised in the combined income statements except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the combined financial statements. Deferred tax is, however, not recognised on temporary differences arising from the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Deferred tax (Cont'd)

A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Property, plant and equipment

(a) *Owned assets*

Items of property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to the location and condition for its intended use.

(b) *Depreciation*

Depreciation is provided on the straight-line basis so as to write off the cost of property, plant and equipment over their estimated useful lives as follows:

Leasehold buildings	20 years
Plant and machinery	5 – 10 years
Office equipment	5 years
Motor vehicles	10 years

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

(c) *Cost*

Cost includes expenditure that is directly attributable to the acquisition of the asset. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Combined Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the combined income statements as incurred.

Fully depreciated assets are retained in the combined financial statements until they are no longer in use. The gain or loss on disposal or retirement of an item of property, plant and equipment recognised in the combined income statements is the difference between the net sale proceeds and the carrying amount of the relevant asset.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Intangible assets

Goodwill

Goodwill in a business combination represents the excess of the cost of acquisition over the fair value of the Combined Group's share of the identifiable net assets acquired. Goodwill is stated at cost less impairment losses. Goodwill on the acquisition of subsidiaries (other than business combinations under common control) is presented as intangible assets and is tested for impairment on an annual basis. The Combined Group does not have any goodwill as intangible assets for the financial years ended 31 December 2005, 2006 and 2007.

Land use rights

The cost of acquisition of land use rights is capitalised and amortised on a straight-line basis over the lease terms of the land of 50 years. The portion of the land use rights to be amortised over the next 12 months is reflected as current assets. The amortisation expense is recognised in the combined income statements.

Subsidiaries

A subsidiary is an entity in which the Combined Group, directly or indirectly, has the power to govern the financial and operating policies so as to obtain benefits from its activities. Subsidiaries are consolidated from the date on which control is transferred to the Combined Group. They are deconsolidated from the date on which control ceases. In preparing the combined financial statements of the Combined Group, transactions, balances and unrealised gains on transactions between group companies are eliminated.

Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined on the weighted average formula and comprises all cost of purchases, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised in the combined income statements in the period in which the reversal occurs.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Trade and other receivables

Trade and other receivables are classified as loans and receivables financial assets, and are recognised initially at fair value and subsequently at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents are classified as loans and receivables financial assets, and comprise cash on hand and bank balances with financial institutions. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts which are repayable on demand and which form an integral part of the Combined Group's cash management.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

Merger reserve

In applying the pooling of interests method, the financial statements of the entities under common control are combined as if the current structure of the Combined Group has been in existence throughout the Relevant Periods. The combined income statements and statements of cash flows include the results of operations and cash flows of the entities under common control. The assets and liabilities are brought into the combined balance sheets at their existing carrying amounts. Any difference between the paid-up capital of the Company and the amount of share capital acquired is adjusted against equity.

Statutory reserves

The statutory reserves of the Combined Group comprise the following:

(a) Statutory common reserve

In accordance with relevant PRC regulations, the subsidiary is required to transfer a portion of its net profit to the statutory common reserve until the reserve reaches 50% of its registered capital. The transfer to this reserve must be made before the payment of dividends to shareholders.

The statutory common reserve can only be used to set off against losses or to increase the capital of the subsidiary. The subsidiary may convert its statutory common reserve into share capital provided that the remaining balance of such reserve is not less than 25% of the registered capital of the subsidiary.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Statutory reserves (Cont'd)

(b) Statutory welfare reserve

In accordance with relevant PRC regulations, the subsidiary is encouraged to transfer a portion of its net profit to the statutory welfare reserve.

Liabilities and interest-bearing liabilities

Trade and other payables are classified as financial liabilities measured at amortised cost, and are recognised initially at fair value and subsequently at amortised cost using the effective interest method. Interest-bearing liabilities are recognised initially at cost less attributable transaction costs. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in the combined income statements over the period of the borrowings on effective interest basis.

Financial instruments

Financial assets

Financial assets within the scope of FRS 39 Financial Instruments: Recognition and Measurement ("FRS 39") are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets, as appropriate. Financial assets are recognised on the balance sheet when, and only when, the Combined Group becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs. The Combined Group determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each year-end. Financial assets are derecognised if the Combined Group's contractual rights to the cash flows from the financial assets expire or if the Combined Group transfers the financial asset to another party without retaining control or transfers substantially all the risks and rewards of the asset.

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Combined Group commits to purchase the asset 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 concerned.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial instruments (Cont'd)

Financial assets at fair value through profit or loss

Financial assets classified as held for trading are included in the category 'financial assets at fair value through profit or loss'. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivative financial instruments are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognised in the combined income statements. Any gain or loss arising from derivative financial instruments is based on changes in fair value, which is determined by direct reference to active market transactions.

The fair values of investments that are actively traded in organised financial markets is determined by reference to quoted market prices at the close of business on the balance sheet date. The Combined Group does not designate any financial assets as held for trading and measured at fair value through profit or loss.

Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity investment when the Combined Group has the positive intention and ability to hold the assets to maturity. Investments intended to be held for an undefined period are not included in this classification. For investments carried at amortised cost, gains and losses are recognised in the combined income statements when the investments are derecognised or impaired, as well as through the amortisation process. The Combined Group does not currently have any financial assets that are classified as held-to-maturity investments.

Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in combined income statements when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Available-for-sale financial assets

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale or are not classified in any of the three preceding categories. After initial recognition, available-for-sale financial assets are measured at fair value with gains or losses being recognised in the fair value adjustment reserve in equity until the investment is derecognised or until the investment is determined to be impaired at which time the cumulative gain or loss previously reported in equity is included in the combined income statements. The fair value of investments that are actively traded in organised financial markets is determined by reference to the relevant Exchange's quoted market bid prices at the close of business on the balance sheet date. For investments where there is no active market, fair value is determined using valuation techniques.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial instruments (Cont'd)

Available-for-sale financial assets (Cont'd)

Such techniques include using recent arm's length market transactions by reference to the current market value of another instrument, discounted cash flow analysis and option pricing models. The Combined Group does not currently have any financial assets that are classified as available-for-sale financial assets.

Financial liabilities

Financial liabilities within the scope of FRS 39 are classified as either financial liabilities measured at amortised cost such as interest-bearing liabilities and trade and other payables, or financial liabilities designated at fair value through profit or loss.

Financial liabilities are derecognised if the Combined Group's obligations specified in the contract expire or are discharged or cancelled.

Related parties

A party is related to the Combined Group if:

- (a) directly, or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the Combined Group; or has an interest in the Combined Group that gives it significant influence over the Combined Group; or has joint control over the Combined Group;
- (b) the party is an associate of the Combined Group;
- (c) the party is a joint venture in which the Combined Group is a venturer;
- (d) the party is a member of the key management personnel of the Combined Group or its parent;
- (e) the party is a close member of the family of any individual referred to in (a) or (d);
- (f) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or
- (g) the party is a post-employment benefit plan for the benefit of employees of the Combined Group, or of any entity that is a related party of the Combined Group.

Amounts owing by/(to) related parties are classified as loans and receivables, and financial liabilities respectively at amortised cost.

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Combined Group.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Segment information

Business segments

Reporting format

The Combined Group's primary format for reporting segment information is business segments, with each segment representing a product line. A business segment is a group of assets and operations engaged in providing products that are subject to risks and returns that are different from those of other business segments. The Combined Group is organised into two business segments, namely:

(a) **Manufacturing and sale of fabrics**

Manufacture of normal and performance fabrics, which involves the process of knitting, dyeing and finishing of fabrics.

(b) **Fabric processing services**

Provision of fabrics processing services such as dyeing and finishing, in accordance with the customers' requirements.

5. REVENUE

	Years ended 31 December		
	<u>2005</u>	<u>2006</u>	<u>2007</u>
	RMB'000	RMB'000	RMB'000
Manufacturing and sale			
– performance fabrics	-	111,858	756,545
Manufacturing and sale			
– normal fabrics	57,455	61,904	2,180
Fabric processing services	55,020	48,322	52,143
	<u>112,475</u>	<u>222,084</u>	<u>810,868</u>

6. OTHER INCOME

	Years ended 31 December		
	<u>2005</u>	<u>2006</u>	<u>2007</u>
	RMB'000	RMB'000	RMB'000
Interest income from financial			
assets at amortised cost	37	11	182
Government grants	50	106	69
Provision for slow moving			
inventories written back	-	-	1,672
	<u>87</u>	<u>117</u>	<u>1,923</u>

Government grants relate to monetary incentives received from governmental agencies as incentives for pollution prevention and control measures.

7. FINANCE COSTS

	Years ended 31 December		
	<u>2005</u> RMB'000	<u>2006</u> RMB'000	<u>2007</u> RMB'000
Interest expense on bank loans at amortised cost	1,070	1,167	2,458

The effective interest rate of the bank loans was 6.98% (2006: 6.27% and 2005: 4.82%) per annum.

8. PROFIT BEFORE TAXATION

The following items have been included in arriving at profit before taxation:

	<u>Note</u>	Years ended 31 December		
		<u>2005</u> RMB'000	<u>2006</u> RMB'000	<u>2007</u> RMB'000
Cost of inventories recognised as expenses ^(a)		61,041	131,822	500,923
Depreciation of property, plant and equipment ^(b)	13	6,405	6,405	10,965
Property, plant and equipment written off ^(d)	13	-	-	42
Directors' remuneration	10	122	222	283
Provision for slow moving inventories ^(d)		1,540	132	-
Rental of plant and machinery, office equipment and motor vehicles from a former shareholder	24	120	2,400	4,800
Staff costs ^(c)	9	12,614	17,097	21,069
Amortisation of land use rights	14	2	2	2

(a) The cost of inventories recognised as expenses include inventories used for research and development amounting to approximately RMB 426,000 (2006: RMB 257,000 and 2005: RMB 322,000).

(b) The depreciation of property, plant and equipment include depreciation expenses for certain plant and machinery used for research and development amounting to approximately RMB 2,466,000 (2006: RMB 806,000 and 2005: RMB Nil).

(c) Staff costs include staff expenses incurred for research and development amounting to approximately RMB 148,000 (2006: RMB 144,000 and 2005: RMB 132,000).

(d) Included in other operating expenses.

9. STAFF COSTS

	Years ended 31 December		
	<u>2005</u>	<u>2006</u>	<u>2007</u>
	RMB'000	RMB'000	RMB'000
Staff costs			
Salaries and bonus (excluding directors' remuneration)	10,665	11,471	13,859
Staff welfare	1,823	5,499	7,103
	<u>12,488</u>	<u>16,970</u>	<u>20,962</u>
Staff costs			
– key management personnel	126	127	107
	<u>12,614</u>	<u>17,097</u>	<u>21,069</u>

Salaries and bonus include payment to defined contribution plan (national pension schemes) amounting to approximately RMB 1,206,000 (2006: RMB 1,193,000 and 2005: RMB 953,000).

10. KEY MANAGEMENT PERSONNEL COMPENSATION

	Years ended 31 December		
	<u>2005</u>	<u>2006</u>	<u>2007</u>
	RMB'000	RMB'000	RMB'000
Key management personnel			
- Directors' of the Company			
- Salaries and bonuses	-	100	171
	<u>-</u>	<u>100</u>	<u>171</u>
- Directors' of the subsidiary			
- Salaries and bonuses	120	120	110
- Defined contribution plan	2	2	2
	<u>122</u>	<u>122</u>	<u>112</u>
	<u>122</u>	<u>222</u>	<u>283</u>
- Salaries of key management personnel	123	123	104
- Defined contribution plan	3	4	3
	<u>126</u>	<u>127</u>	<u>107</u>
Total	<u>248</u>	<u>349</u>	<u>390</u>

The key management personnel comprise the General Manager and the Purchasing Manager of the subsidiary.

11. TAXATION

	Years ended 31 December		
	<u>2005</u>	<u>2006</u>	<u>2007</u>
	RMB'000	RMB'000	RMB'000
Current tax expense			
Current year	5,065	13,121	66,953
Total tax expense	5,065	13,121	66,953

The tax expense on the results for the financial years differs from the amount of income tax determined by applying the PRC's statutory tax rate for Zhendong Development Area's (振东开发区) statutory tax rate of income tax on the Combined Group's combined profit as a result of the following:

	Years ended 31 December		
	<u>2005</u>	<u>2006</u>	<u>2007</u>
	RMB'000	RMB'000	RMB'000
Profit before taxation	19,268	50,521	249,646
Tax using the subsidiary's tax rate of 27%	5,202	13,641	67,404
Tax effect of:			
- Non-taxable items	(137)	(520)	(451)
Tax expense	5,065	13,121	66,953

In accordance with PRC tax laws and regulations, the subsidiary, which is a Wholly Foreign-Owned Enterprise ("WFOE"), is subject to PRC's statutory tax rate for Zhendong Development Area's (振东开发区) statutory tax rate of 24% ("国家税法") and 3% local tax rate ("地方税法").

12. EARNINGS PER SHARE

Basic earnings per share are calculated based on the profit attributable to equity holders of the Company and the pre-Invitation share capital of the Company. The Company's pre-Invitation share capital of 704,700,000 shares was assumed to be in issue throughout the entire period presented.

Diluted earnings per share for financial years ended 31 December 2005, 2006 and 2007 are not presented because there is no potential dilutive ordinary share existing during the financial years.

13. PROPERTY, PLANT AND EQUIPMENT

	<u>Leasehold buildings</u> RMB'000	<u>Plant and machinery</u> RMB'000	<u>Office equipment</u> RMB'000	<u>Motor vehicles</u> RMB'000	<u>Total</u> RMB'000
<u>At Cost</u>					
At 1 January 2005	23,563	54,341	-	-	77,904
Additions	-	270	-	-	270
At 31 December 2005	23,563	54,611	-	-	78,174
At 1 January 2006	23,563	54,611	-	-	78,174
Additions	-	42	-	-	42
At 31 December 2006	23,563	54,653	-	-	78,216
At 1 January 2007	23,563	54,653	-	-	78,216
Additions	-	122,716	1,001	1,425	125,142
Write off	-	(42)	-	-	(42)
At 31 December 2007	23,563	177,327	1,001	1,425	203,316

	<u>Leasehold buildings</u> RMB'000	<u>Plant and machinery</u> RMB'000	<u>Office equipment</u> RMB'000	<u>Motor vehicles</u> RMB'000	<u>Total</u> RMB'000
<u>Accumulated Depreciation and Impairment Losses</u>					
At 1 January 2005	8,421	27,240	-	-	35,661
Depreciation charge	1,119	5,286	-	-	6,405
At 31 December 2005	9,540	32,526	-	-	42,066
At 1 January 2006	9,540	32,526	-	-	42,066
Depreciation charge	1,119	5,286	-	-	6,405
At 31 December 2006	10,659	37,812	-	-	48,471
At 1 January 2007	10,659	37,812	-	-	48,471
Depreciation charge	1,119	9,744	64	38	10,965
At 31 December 2007	11,778	47,556	64	38	59,436

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	<u>Leasehold buildings</u> RMB'000	<u>Plant and machinery</u> RMB'000	<u>Office equipment</u> RMB'000	<u>Motor vehicles</u> RMB'000	<u>Total</u> RMB'000
Net Book Value					
At 31 December 2005	14,023	22,085	-	-	36,108
At 31 December 2006	12,904	16,841	-	-	29,745
At 31 December 2007	11,785	129,771	937	1,387	143,880

All items of property, plant and equipment held by the Combined Group are located at Zhendong Development Area, Dongcheng, Dongshi Town, Jinjiang City, Fujian Province, PRC (福建省晋江市东石镇东埕振东开发区).

The net book value of property, plant and equipment of the Combined Group includes an amount of approximately RMB 3,306,000 (2006: RMB 7,756,000 and 2005: RMB 30,127,000) financed by bank loans (Note 23).

The Combined Group is in the process of applying for the property ownership certificate in respect of certain leasehold buildings from the relevant PRC authorities with an aggregated carrying amount of approximately RMB 4,702,000 (2006: RMB 5,142,000 and 2005: RMB 5,582,000).

14. INTANGIBLE ASSETS

	As at 31 December		
	2005 RMB'000	2006 RMB'000	2007 RMB'000
Land use rights			
Balance at beginning of the year	-	122	120
Additions	124	-	-
Amortisation	(2)	(2)	(2)
Balance at end of the year	122	120	118
Amortisation due within:			
Next 12 months – current portion	2	2	2
More than 12 months – non-current portion	120	118	116
	122	120	118

The land use rights represent medium-term land use rights situated in the PRC. The Group has pledged its land use rights to secure borrowings of the Group (Note 23).

Amortisation is provided to write off the land use rights over a period of 50 years.

15. INVENTORIES

	As at 31 December		
	<u>2005</u> RMB'000	<u>2006</u> RMB'000	<u>2007</u> RMB'000
Finished goods, cost	387	4,556	17,044
	<u>387</u>	<u>4,556</u>	<u>17,044</u>
Raw materials	10,041	10,933	23,034
Less: Allowance for slow moving inventories	(1,540)	(1,672)	-
	<u>8,501</u>	<u>9,261</u>	<u>23,034</u>
Work-in-progress, at cost	12	-	2,405
	<u>12</u>	<u>-</u>	<u>2,405</u>
Total	<u>8,900</u>	<u>13,817</u>	<u>42,483</u>

16. TRADE AND OTHER RECEIVABLES

	As at 31 December		
	<u>2005</u> RMB'000	<u>2006</u> RMB'000	<u>2007</u> RMB'000
Trade receivables – third parties	27,915	92,744	243,563
Other receivable	124	124	1,761
Deposit	-	-	5,000
	<u>28,039</u>	<u>92,868</u>	<u>250,324</u>

Trade receivables are non-interest bearing and are generally up to 90 days' credit term.

The carrying amounts of trade and other receivables approximate their fair values. All trade receivables are denominated in RMB.

Deposit relates to amounts placed by the subsidiary as a commitment to acquire new plant and machinery amounting to approximately RMB 83,269,000 (Note 25).

Other receivable consists of a payment to obtain land use rights for land occupied by the subsidiary amounting to approximately RMB 124,000 (2006: RMB 124,000 and 2005: RMB 124,000), and professional fees paid in advance amounting to approximately RMB 1,637,000 (2006: NIL and 2005: NIL) in relation to the Company's listing exercise. The Combined Group is in the process of obtaining the land use rights from the relevant PRC authorities.

16. TRADE AND OTHER RECEIVABLES (CONT'D)

Impairment losses

The ageing of trade receivables at the reporting date was:

	Audited Gross 31.12. 2005 RMB'000	Audited Impair- ment 31.12. 2005 RMB'000	Audited Gross 31.12. 2006 RMB'000	Audited Impair- ment 31.12. 2006 RMB'000	Audited Gross 31.12. 2007 RMB'000	Audited Impair- ment 31.12. 2007 RMB'000
Not past due	24,803	-	90,189	-	238,378	-
Past due 0 – 90 days	2,313	-	2,555	-	2,192	-
More than 90 days	799	-	-	-	2,993	-
Total	27,915	-	92,744	-	243,563	-

Based on historical default experience, the Combined Group believes that no impairment allowance is necessary in respect of the trade receivables that are past due to the good track records of its customers.

17. AMOUNTS OWING BY/ (TO) RELATED PARTIES

		As at 31 December		
	<u>Note</u>	<u>2005</u> RMB'000	<u>2006</u> RMB'000	<u>2007</u> RMB'000
<i>Due within 12 months</i>				
Amounts owing by:				
- Related party – trade	(a)	55	-	-
- Shareholders – non-trade	(b)	24,545	50,545	-
- Related party – non-trade	(c)	15,547	16,466	-
		40,147	67,011	-
<i>Due within 12 months</i>				
Amounts owing to:				
- Related party – trade	(a)	2,702	2,978	-
- A shareholder – non-trade (current-portion)	(d)	-	-	1,738
		2,702	2,978	1,738
<i>Due after 12 months</i>				
Amounts owing to:				
- A shareholder – non-trade	(d)	-	-	50,382

- (a) This relates to trade amounts owing by/(to) companies owned by a relative of the Non-Executive Chairman.
- (b) This relates to non-trade amounts owing by the Non-Executive Chairman and the CEO and Executive Director.
- (c) This relates to non-trade amounts owing by a relative of the Non-Executive Chairman.
- (d) This relates to non-trade amounts owing to the Non-Executive Chairman. The non-current portion owing to this shareholder is unsecured, interest-free and has no fixed terms of repayment.

Except as disclosed above, the non-trade amounts owing by/(to) related parties are unsecured, interest-free and are repayable on demand.

Amounts owing by /(to) related parties denominated in foreign currencies at balance sheet date are as follows:

	As at 31 December		
	<u>2005</u> RMB'000	<u>2006</u> RMB'000	<u>2007</u> RMB'000
<u>Amounts owing to related parties:</u>			
Singapore dollar	-	-	1,738

18. CASH AND BANK BALANCES

	As at 31 December		
	<u>2005</u>	<u>2006</u>	<u>2007</u>
	RMB'000	RMB'000	RMB'000
Cash on hand	167	176	20
Cash with banks	14,673	31,078	89,379
Cash and cash equivalents as per combined statements of cash flows	14,840	31,254	89,399

Bank balances bear effective interest rate of 0.72% per annum throughout the Relevant Periods under review.

Cash and bank balances denominated in foreign currencies at balance sheet date are as follows:

	As at 31 December		
	<u>2005</u>	<u>2006</u>	<u>2007</u>
	RMB'000	RMB'000	RMB'000
Singapore dollar	-	-	101

19. SHARE CAPITAL

	As at 31 December		
	<u>2005</u>	<u>2006</u>	<u>2007</u>
	RMB'000	RMB'000	RMB'000
Issued and paid-up share capital			
At the beginning and end of the year	<u>80,998</u>	<u>80,998</u>	<u>80,998</u>

For the purpose of the combined financial statements of the Combined Group, the share capital for the Relevant Periods is represented by the issued and paid-up share capital of the Company under the Restructuring Exercise referred to in Note 2 to the combined financial statements.

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 meetings of the Company.

Further details of the share capital of the Company are set out in the "Share Capital" section of the Prospectus in connection with the initial public offering of the ordinary shares of the Company.

20. MERGER RESERVE

The merger reserve represents the difference between the paid-up share capital of the Company and the share capital of the subsidiary acquired under the pooling of interests method of accounting, and is reflected in equity retrospectively in the combined financial statements of the Combined Group.

21. STATUTORY RESERVES

The statutory reserves represent amounts transferred from profit after tax of the subsidiary established in the PRC under the PRC laws and regulations.

22. TRADE AND OTHER PAYABLES

	As at 31 December		
	<u>2005</u>	<u>2006</u>	<u>2007</u>
	RMB'000	RMB'000	RMB'000
Trade payables	15,400	63,190	126,741
Accrued operating expenses	2,434	4,240	5,348
Other payables	246	212	-
Value-added tax payable	1,563	7,204	21,862
Cash advances from customers	695	1,504	-
	<u>20,338</u>	<u>76,350</u>	<u>153,951</u>

Trade payables are non-interest bearing and are normally settled on 60 to 90 days' credit term.

Cash advances from customers are related to advances received for fabrics processing services, and are unsecured and interest-free. The Combined Group's trade and other payables are denominated in RMB.

23. INTEREST-BEARING LIABILITIES

	As at 31 December		
	<u>2005</u>	<u>2006</u>	<u>2007</u>
	RMB'000	RMB'000	RMB'000
Bank loans – secured	<u>19,000</u>	<u>30,000</u>	<u>37,500</u>

The bank loans in 2005 were secured by a legal mortgage over certain plant and machinery and leasehold buildings with a carrying amount of approximately RMB 21,707,000 and RMB 8,420,000 respectively.

In 2006, the bank loans were secured by a legal mortgage over certain leasehold buildings and land use rights with a carrying amount of RMB 7,756,000 and RMB 120,000 respectively as at 31 December 2006, and guaranteed by a relative of the Non-Executive Chairman and a company owned by a relative of Non-Executive Chairman.

In 2007, the bank loans were secured by a legal mortgage over certain leasehold buildings and land use rights with a carrying amount of RMB 3,306,000 and RMB 118,000 respectively as at 31 December 2007, and guaranteed by a company owned by a relative of the Non-Executive Chairman.

The carrying amounts of the bank loans approximate their fair values due to the relative short term to maturity. The Combined Group's bank loans are denominated in RMB. The effective interest rate for the bank loans is 6.98% (2006: 6.27% and 2005: 4.82%) per annum. All bank loans are repayable within one year from balance sheet date.

24. SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to disclosures made elsewhere in the combined financial statements, the following significant transactions were carried out between the Combined Group and its related parties on terms agreed between the parties as follows:

	<u>Note</u>	Years ended 31 December		
		<u>2005</u> RMB'000	<u>2006</u> RMB'000	<u>2007</u> RMB'000
Rental of plant and machinery, office equipment and motor vehicles from the Non-Executive Chairman	(a)	120	2,400	4,800
Acquisition of plant and machinery, office equipment and motor vehicles from the Non-Executive Chairman	(b)	-	-	125,126
Sales to a related party	(c)	47	642	1,191
Purchases from a related party	(d)	5,764	6,456	22,995
Advance to a related party	(e)	-	-	10,000

Note (a) Rental of plant and machinery, office equipment and motor vehicles from the Non-Executive Chairman.

Note (b) On 1 September 2007, Jinjiang Lianjie Textile & Printing Dyeing Industrial Co. Ltd (晋江连捷纺织印染实业有限公司) entered into an agreement with the Non-Executive Chairman to acquire certain plant and machinery, office equipment and motor vehicles used in the manufacturing facilities for a consideration of approximately RMB 125,126,000. The consideration was determined based on the valuation report dated 5 September 2007 conducted by Fujian Min Cai Certified Public Accountants Limited Co. (福建闽才资产评估有限公司).

Note (c) The sales were conducted on an arm's length basis and were entered into between the subsidiary and a company owned by a relative of the Non-Executive Chairman. On 6 December 2007, the said relative had disposed of its equity interest in that company.

Note (d) The purchases were conducted on an arm's length basis and were entered into between the subsidiary and a company in which a relative of the Non-Executive Chairman is a legal representative in that company as nominee for an unrelated third party. On 6 December 2007, the said relative had disposed of its equity interest in that company.

24. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

Note (e) In 2007, the subsidiary made advances to a company owned by a relative of the Non-Executive Chairman. The advances were unsecured, interest-free and are repayable on demand. The advances have been repaid as at 31 December 2007.

25. CAPITAL COMMITMENTS

	As at 31 December		
	<u>2005</u>	<u>2006</u>	<u>2007</u>
	RMB'000	RMB'000	RMB'000
Capital expenditure contracted but not provided for in the combined financial statements:			
- Commitments in respect of the purchase of property, plant and equipment *	-	-	78,269

* A deposit was placed by the subsidiary as a commitment to acquire new plant and machinery amounting to approximately RMB 83,269,000 (Note 16).

26. DIVIDENDS

	Years ended 31 December		
	<u>2005</u>	<u>2006</u>	<u>2007</u>
	RMB'000	RMB'000	RMB'000
Dividend paid by subsidiary to its shareholders	-	-	50,000

On 15 November 2007, the subsidiary declared and paid an interim dividend of RMB 50,000,000 to the Non-Executive Chairman and the CEO and Executive Director.

27. SEGMENT INFORMATION

Segment information is presented in respect of the Combined Group's business segment which is based on the Combined Group's management and internal reporting structure.

All the revenue of the Combined Group is generated in the PRC and the majority of the assets of the Combined Group are employed in PRC. Hence, the Combined Group determined that it operates within one geographical segment. Accordingly, no separate geographical segment has been presented for the periods under review.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise corporate assets and expenses, interest income, finance costs and related assets and liabilities.

Segment capital expenditure is the total cost incurred during the Relevant Periods to acquire property, plant and equipment, and intangible assets other than goodwill.

27. SEGMENT INFORMATION (CONT'D))

Business Segments

The main business segments of the Combined Group are:

- Manufacturing and sales
 - Performance fabrics
 - Normal fabrics
- Fabric processing services
 - Provision of fabrics dyeing and treatment processing

Year ended 31 December 2007	Manufacturing and sales Performance Fabrics RMB'000	Manufacturing and sales Normal Fabrics RMB'000	Fabric Processing services RMB'000	Total operations RMB'000

Revenue and expenses

Total revenue from external customers	756,545	2,180	52,143	810,868
Total revenue	756,545	2,180	52,143	810,868

Segment results	239,820	499	11,603	251,922

Interest income				182
Finance costs				(2,458)
Taxation				(66,953)
Profit after taxation				<u>182,693</u>

Assets and liabilities

Segment assets:				
Unallocated assets*				526,204
Total assets				<u>526,204</u>

Segment liabilities:				
Unallocated liabilities*				271,154
Total liabilities				<u>271,154</u>

Other segment information*

Capital expenditure				125,142
Depreciation of property, plant and equipment				10,965
Amortisation of land use rights				<u>2</u>

27. SEGMENT INFORMATION (CONT'D)

Year ended 31 December 2006	Manufacturing and sales Performance <u>Fabrics</u> RMB'000	Manufacturing and sales Normal <u>Fabrics</u> RMB'000	Fabric Processing <u>services</u> RMB'000	Total <u>Operations</u> RMB'000
<u>Revenue and expenses</u>				
Total revenue from external customers	111,858	61,904	48,322	222,084
Total revenue	111,858	61,904	48,322	222,084
Segment results	29,963	14,541	7,173	51,677
Interest income				11
Finance costs				(1,167)
Taxation				(13,121)
Profit after taxation				37,400
<u>Assets and liabilities</u>				
Segment assets:				
Unallocated assets*				234,815
Total assets				234,815
Segment liabilities:				
Unallocated liabilities*				112,458
Total liabilities				112,458
<u>Other segment information*</u>				
Capital expenditure				42
Depreciation of property, plant and equipment				6,405
Amortisation of land use rights				2

27. SEGMENT INFORMATION (CONT'D)

Year ended 31 December 2005	Manufacturing and sales Performance Fabrics RMB'000	Manufacturing and sales Normal Fabrics RMB'000	Fabric Processing services RMB'000	Total Operations RMB'000
<u>Revenue and expenses</u>				
Total revenue from external customers	-	57,455	55,020	112,475
Total revenue	-	57,455	55,020	112,475
Segment results	-	13,607	6,694	20,301
Interest income				37
Finance costs				(1,070)
Taxation				(5,065)
Profit after taxation				14,203
<u>Assets and liabilities</u>				
Segment assets:				
Unallocated assets*				128,156
Total assets				128,156
Segment liabilities:				
Unallocated liabilities*				43,199
Total liabilities				43,199
<u>Other segment information*</u>				
Capital expenditure				270
Intangible assets-land use rights				124
Depreciation of property, plant and equipment				6,405
Amortisation of land use rights				2

* The Combined Group is unable to allocate its assets and liabilities to the respective business segments as the same assets and liabilities were used/incurred in the manufacturing and sale of performance and normal fabrics, and fabric processing services for the Relevant Periods. Accordingly, assets and liabilities including other segment information were not allocated to the respective segments of the Combined Group.

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Risk management is integral to the whole business of the Combined Group. The Combined Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Combined Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Liquidity risk

The Combined Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Combined Group's operations and to mitigate the effects of fluctuations in cash flows.

The Combined Group prepares cash flows projections on a regular basis for its core operations to ensure as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. In addition, the Combined Group has access to external borrowings (Note 23).

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Combined Group, as and when they fall due.

The Combined Group has established credit limits for customers and monitors their balances. Cash are placed with banks and financial institutions which are regulated. The Combined Group minimises its credit risk exposure by trading with established and credit-worthy customers.

The Combined Group's trade receivables comprise 7 debtors (2006: 8 debtors and 2005: 9 debtors) that individually represented more than 5% of trade receivables.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	As at 31 December		
	<u>2005</u>	<u>2006</u>	<u>2007</u>
	RMB'000	RMB'000	RMB'000
Trade and other receivables	28,039	92,868	250,324
Amount owing by related parties	40,147	67,011	-
Cash and bank balances	14,840	31,254	89,399
	<u>83,026</u>	<u>191,133</u>	<u>339,723</u>

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

The Combined Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets. No allowance for specific or collective impairment was made based on past experience.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Combined Group's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Currency risk

The Combined Group is not exposed to any significant foreign currency risks as most of its transactions and balances are denominated in the Chinese Renminbi. At present, the Combined Group does not have any formal policy for hedging against exchange exposure. The Combined Group ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates, where necessary, to address short term imbalances.

Fair values

The fair values of financial assets and liabilities, together with the carrying amounts shown in the combined balance sheets, are as follows:

	2005		As at 31 December 2006		2007	
	RMB'000		RMB'000		RMB'000	
	Carrying amounts	Fair values	Carrying amounts	Fair values	Carrying amounts	Fair Values
Trade and other receivables	28,039	28,039	92,868	92,868	250,324	250,324
Amounts owing by related parties	40,147	40,147	67,011	67,011	-	-
Cash and cash equivalents	14,840	14,840	31,254	31,254	89,399	89,399
Interest-bearing liabilities	19,000	19,000	30,000	30,000	37,500	37,500
Trade and other payables	20,338	20,338	76,350	76,350	153,951	153,951
Amounts owing to related parties	2,702	2,702	2,978	2,978	1,738	1,738

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Fair values (Cont'd)

The fair value of the non-current portion of the amounts owing to the Non-Executive Chairman have not been determined as the timing of the expected cash flows of this balance amounting to approximately RMB 50,382,000 (2006: Nil and 2005: Nil) cannot be reasonably determined. However, management believes that the carrying amounts recorded at the balance sheet date reflect the corresponding fair value.

Interest rate risk

The Combined Group is exposed to interest rate risk through the impact of interest rate changes on interest-bearing financial liabilities. The Combined Group's policy is to maintain all its borrowings in fixed rate instruments.

The following table sets out the carrying amount, by maturity, of the Combined Group's financial instruments that are exposed to interest rate risk.

As at 31 December	Within 1 year RMB'000	Total RMB'000
2007		
<i>Fixed rate</i>		
Bank loans	37,500	37,500
2006		
<i>Fixed rate</i>		
Bank loans	30,000	30,000
2005		
<i>Fixed rate</i>		
Bank loans	19,000	19,000

Interest on financial instruments subject to fixed interest rates is contractually repriced at intervals of 12 months. Interest on financial instruments at fixed rates is fixed until the maturity of the instrument. The other financial instruments of the Combined Group are not subjected to significant interest rate risks.

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Interest rate risk (Cont'd)

For its fixed rate interest-bearing liabilities, a change in 100 basis points ("bp") in interest rate at the reporting date would increase/(decrease) profit or loss before tax by the amount shown below:

	Increase or (decrease) in Profit or loss	
	100bp increase RMB'000	100bp decrease RMB'000
Year ended 31 December 2007		
Interest-bearing liabilities	<u>(375)</u>	<u>375</u>
Year ended 31 December 2006		
Interest-bearing liabilities	<u>(300)</u>	<u>300</u>
Year ended 31 December 2005		
Interest-bearing liabilities	<u>(190)</u>	<u>190</u>

Capital management

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

The Combined Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including interest-bearing liabilities, amounts owing to related parties and trade and other payables, excluding provision for taxation as shown in the balance sheets) less cash and equivalents. Total capital is calculated as total equity, as shown in the balance sheets, plus net debts.

During the financial years ended 31 December 2005, 2006 and 2007, the Combined Group's strategy, which was unchanged from 31 December 2005 and 2006, was to maintain a gearing ratio of less than one. The gearing ratios at 31 December 2005, 2006 and 2007 were as follows:

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Capital management (Cont'd)

	As at 31 December		
	<u>2005</u>	<u>2006</u>	<u>2007</u>
	RMB'000	RMB'000	RMB'000
Total borrowings	42,040	109,328	243,571
Less: cash and cash equivalents	14,840	31,254	89,399
Net debt	27,200	78,074	154,172
Total equity	84,957	122,357	255,050
Total capital	112,157	200,431	409,222
Gearing ratio	0.24	0.39	0.38

The Combined Group is in compliance with externally imposed capital requirements for the Relevant Periods.

29. CONTINGENT LIABILITY

The Combined Group did not have any significant contingent liabilities as at 31 December 2007.

30. SUBSEQUENT EVENTS

Other than the events disclosed in the relevant notes to the combined financial statements, the following events took place subsequent to 31 December 2007:

(a) Acquisition of Xinlianjie

On 21 January 2008, the Company entered into a sale and purchase agreement with Taiwan Youji, which is acting as nominee for Mr Choi Cheung Kong (蔡长江), whereby the Company will acquire from Taiwan Youji, the entire equity interest of Xinlianjie for a consideration of RMB 1.00. The approval of the Bureau of Commerce of Jinjiang City (晋江市商务局) is required for such transaction which the Combined Group is currently in the process of obtaining such approval. Xinlianjie is a company incorporated in the PRC on 14 December 1999 with nil paid-up capital, as a foreign investment enterprise ("FIE") and has been dormant since incorporation. The principal activities of Xinlianjie are the production of synthetic fabric, printing and dyeing, finishing and processing. Xinlianjie is entitled to enjoy a five-year tax concession under PRC tax laws (tax exemption for two years and a 50% relief from PRC enterprise income tax for three years thereafter) commencing from the first profitable year of operations (the "FIE Tax Law"). Pursuant to the PRC Corporate Income Tax Law (中华人民共和国企业所得税法) promulgated by the National People's Congress ("NPC") on 16 March 2007 ("New Income Tax Law") which came into effect on 1 January 2008, Xinlianjie, which has not commenced reaping the benefits of such tax concession, would be able to enjoy a five-year tax concession under PRC tax laws commencing from 1 January 2008.

30. SUBSEQUENT EVENTS (CONT'D)

(a) Acquisition of Xinlianjie (Cont'd)

Following the completion of the sale and purchase, Xinlianjie will become a wholly-owned subsidiary of the Company. For the purpose of the Restructuring Exercise and the combined financial statements, Xinlianjie has not been included as part of the Combined Group for the financial years ended 31 December 2005, 2006 and 2007 as the sole purpose of the proposed acquisition is to avoid a conflict of interests as well as to allow the Combined Group to reap the benefit of the tax concessions which Xinlianjie enjoys arising from Mr Choi Cheung Kong's interest in Xinlianjie.

(b) On 16 March 2007, the NPC of the PRC promulgated the PRC Corporate Income Tax Law (中华人民共和国企业所得税法) which stipulates that the corporate income tax rate will be changed to 25%. This change will take effect from 1 January 2008 and will apply to the subsidiary, Jinjiang Lianjie Textile & Printing Dyeing Industrial Co., Ltd (晋江连捷纺织印染实业有限公司) from that date.

(c) At an extraordinary general meeting held on 14 April 2008, the shareholders of the Company approved, *inter alia*, the following:

- (i) the conversion of the Company into a public limited company and the change of the Company's name to China Taisan Technology Group Holdings Limited;**
- (ii) the adoption of a new set of Articles of Association of the Company;**
- (iii) the sub-division of each existing ordinary share in issued and paid-up share capital of the Company into 7,047 ordinary shares;**
- (iv) the issuance of the new ordinary shares of the Company pursuant to the initial public offering of the Company, which when allotted and fully-paid, will rank *pari passu* in all respects with the existing issued shares; and**
- (v) the authority for the Directors, pursuant to Section 161 of the Act and the Articles of Association, to allot and issue in addition to the new shares, such further shares and/or convertible securities (where the maximum number of shares to be issued upon conversion can be determined at the time of issue of such convertible securities) from time to time (whether by way of rights, bonus or otherwise) and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit, provided that the aggregate number of shares and/or convertible securities which may be issued pursuant to such authority shall not exceed 50% of the issued share capital of the Company, of which the aggregate number of shares and/or convertible securities which may be issued other than on a *pro rata* basis to the existing shareholders of the Company shall not exceed 20% of the issued share capital of the**

30. SUBSEQUENT EVENTS (CONT'D)

- (c) At an extraordinary general meeting held on 14 April 2008, the shareholders of the Company approved, *inter alia*, the following (Cont'd):
 - (v) Company (the percentage of issued share capital being based on the post-Invitation issued share capital of the Company after adjusting for new shares arising from the conversion or exercise of any convertible securities or employee share options or vesting of share awards on issue at the time such authority is given and any subsequent consolidation or sub-division of shares) and, unless revoked or varied by the Company in general meeting, such authority shall continue in force until the conclusion of the next annual general meeting of the Company or on the date by which the next annual general meeting is required by law to be held, whichever is earlier.
- (d) Subsequent to the financial year ended 31 December 2007, the subsidiary purchased a motor vehicle amounting to approximately RMB 1,470,000, which was fully paid for by cash.

中國泰山科技集團控股有限公司及子公司

民國九十八年度合併財務報表暨
會計師複核報告

(上市之台灣存託憑證用外國公司財務報告)

中國泰山科技集團控股有限公司及子公司
民國九十八年度財務報表暨會計師複核報告
(上市之台灣存託憑證用外國公司財務報告)
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附 件 一

會計師複核報告

中國泰山科技集團控股有限公司 公鑒：

中國泰山科技集團控股有限公司及其子公司依據新加坡財務報導原則編製之民國九十八年十二月三十一日，暨民國九十八年一月一日至十二月三十一日合併損益表、合併股東權益變動表及合併現金流量表(金額以人民幣為單位)，業經新加坡 Mazars LLP 查核完竣，並於民國九十九年三月二十二日出具無保留意見之查核報告(詳附件五)。隨附中國泰山科技集團控股有限公司及其子公司民國九十八年依新台幣換算之合併財務報表(詳附件二)，經本會計師依照「募集與發行台灣存託憑證外國公司財務報告複核要點」，採行必要之複核程序予以複核竣事。由於本會計師並未依照中華民國一般公認審計準則查核，故無法對上開財務報告之整體是否允當表達表示意見。

依本會計師之複核結果，並未發現第一段所述中國泰山科技集團控股有限公司及其子公司按新台幣換算之合併財務報表暨依中華民國一般公認會計原則重編後之合併資產負債表及合併損益表有違反「募集與發行台灣存託憑證外國公司財務報告複核要點」規定而須作大幅修正、調整或再補充揭露之情事。

如附件三所述，中國泰山科技集團控股有限公司及其子公司之合併財務報表格式係依據新加坡財務報導原則及相關法令規定編製，致與中華民國規定部分不同，中國泰山科技集團控股有限公司業已依據中華民國一般公認會計原則及相關法令，重分類其民國九十八年之合併資產負債表及合併損益表。

資 誠 聯 合 會 計 師 事 務 所

張祚誠

會計師：

梁華玲

核准簽證文號：金管證六字第 0950139686 號
前財政部證券暨期貨管理委員會
核准簽證文號：(86)台財證(六)第 83253 號

中華民國 九十九 年 七 月 二十三日

附 件 二

本公司及子公司原以人民幣編製之合併財務報表，謹依規定匯率編製按新台幣換算之主要財務報表：

一、 合併資產負債表。

二、 合併損益表。

三、 合併股東權益變動表。

四、 合併現金流量表。

民國九十八年及民國九十七年度比較報表之所有科目金額，係分別以民國九十八年十二月三十一日之人民幣對新台幣匯率(RMB\$1：NT\$4.69)及民國九十七年十二月三十一日之人民幣對新台幣匯率(RMB\$1：NT\$4.81)換算。

最近三年度人民幣對新台幣匯率最高、最低及平均匯率如下：

	收盤最高	收盤最低	收盤平均
民國九十八年度	RMB\$1：NT\$5.02	RMB\$1：NT\$4.69	RMB\$1：NT\$4.84
民國九十七年度	RMB\$1：NT\$4.85	RMB\$1：NT\$4.32	RMB\$1：NT\$4.54
民國九十六年度	RMB\$1：NT\$4.44	RMB\$1：NT\$4.21	RMB\$1：NT\$4.32

中國泰山科技集團控股有限公司及子公司

合併資產負債表

民國98年及97年12月31日

單位：仟元

	98年12月31日		97年12月31日	
	人民幣	新台幣	人民幣	新台幣
資產				
非流動資產				
房屋、廠房及設備	\$ 290,310	\$ 1,361,553	\$ 206,418	\$ 992,870
無形資產	111	521	114	548
其他資產	10,000	46,900	-	-
	<u>300,421</u>	<u>1,408,974</u>	<u>206,532</u>	<u>993,418</u>
流動資產				
無形資產—流動	2	9	2	10
存貨	54,937	257,655	51,527	247,845
應收帳款及其他應收款	246,653	1,156,803	401,612	1,931,754
現金及約當現金	419,764	1,968,693	364,111	1,751,374
	<u>721,356</u>	<u>3,383,160</u>	<u>817,252</u>	<u>3,930,983</u>
資產總計	<u>\$ 1,021,777</u>	<u>\$ 4,792,134</u>	<u>\$ 1,023,784</u>	<u>\$ 4,924,401</u>
負債及股東權益				
股東權益				
股本	\$ 337,799	\$ 1,584,277	\$ 337,799	\$ 1,624,813
合併準備	11,491	53,893	11,491	55,272
法定盈餘公積	80,243	376,340	74,655	359,091
保留盈餘	365,338	1,713,435	339,871	1,634,780
股東權益合計	<u>794,871</u>	<u>3,727,945</u>	<u>763,816</u>	<u>3,673,956</u>
流動負債				
應付帳款及其他應付款	159,253	746,897	139,124	669,186
應付關係人款	1,002	4,699	50,382	242,337
短期借款	45,000	211,050	45,000	216,450
應付所得稅	21,651	101,543	25,462	122,472
負債合計	<u>226,906</u>	<u>1,064,189</u>	<u>259,968</u>	<u>1,250,445</u>
股東及負債總計	<u>\$ 1,021,777</u>	<u>\$ 4,792,134</u>	<u>\$ 1,023,784</u>	<u>\$ 4,924,401</u>

註：

民國98年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國98年12月31日之匯率RMB 1= NTD 4.69換算。

民國97年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國97年12月31日之匯率RMB 1= NTD 4.81換算。

董事長：蔡長江

經理人：林文章

會計主管：陳煒旭

中國泰山科技集團控股有限公司及子公司

合併損益表

民國98年及97年1月1日至12月31日

單位：仟元

(除每股盈餘外)

	98年度		97年度	
	人民幣	新台幣	人民幣	新台幣
收入	\$ 832,641	\$ 3,905,086	\$ 1,180,143	\$ 5,676,488
銷貨成本	(670,974)	(3,146,868)	(803,497)	(3,864,821)
銷貨毛利	161,667	758,218	376,646	1,811,667
其他收入	2,006	9,408	2,131	10,250
配銷成本	(2,159)	(10,126)	(1,704)	(8,196)
管理費用	(11,714)	(54,939)	(11,190)	(53,824)
其他營業費用	(2,329)	(10,923)	(19,581)	(94,185)
財務成本	(2,691)	(12,621)	(3,175)	(15,272)
稅前淨利	144,780	679,017	343,127	1,650,440
所得稅費用	(38,101)	(178,694)	(91,162)	(438,489)
本期可供分配淨利	106,679	500,323	251,965	1,211,951
其他綜合損益	-	-	-	-
本期綜合損益總額	<u>\$ 106,679</u>	<u>\$ 500,323</u>	<u>\$ 251,965</u>	<u>\$ 1,211,951</u>

每股盈餘(人民幣分/新台幣元)

基本(稀釋)	11.50	0.54	30.28	1.46

註：

民國98年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國98年12月31日之匯率RMB 1= NTD 4.69換算。

民國97年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國97年12月31日之匯率RMB 1= NTD 4.81換算。

董事長：蔡長江

經理人：林文章

會計主管：陳煒旭

中國泰山科技集團控股有限公司及子公司

合併股東權益變動表

民國98年及97年1月1日至12月31日

單位：人民幣仟元

	股本	合併準備	法定盈餘公積	保留盈餘	合計
<u>97 年 度</u>					
97年1月1日	\$ 80,998	\$ 11,491	\$ 44,207	\$ 118,354	\$ 255,050
本期綜合淨利	-	-	-	251,965	251,965
股本公開發行	256,801	-	-	-	256,801
-扣除發行成本	-	-	30,448	(30,448)	-
提列法定盈餘公積	-	-	-	-	-
97年12月31日	<u>\$ 337,799</u>	<u>\$ 11,491</u>	<u>\$ 74,655</u>	<u>\$ 339,871</u>	<u>\$ 763,816</u>
<u>98 年 度</u>					
98年1月1日	\$ 337,799	\$ 11,491	\$ 74,655	\$ 339,871	\$ 763,816
本期綜合淨利	-	-	-	106,679	106,679
股利	-	-	-	(75,624)	(75,624)
提列法定盈餘公積	-	-	5,588	(5,588)	-
98年12月31日	<u>\$ 337,799</u>	<u>\$ 11,491</u>	<u>\$ 80,243</u>	<u>\$ 365,338</u>	<u>\$ 794,871</u>

董事長：蔡長江

經理人：林文章

會計主管：陳煒旭

中國泰山科技集團控股有限公司及子公司

合併股東權益變動表(接續上頁)

民國98年及97年1月1日至12月31日

單位：新台幣仟元

	股本	合併準備	法定盈餘公積	保留盈餘	合計
<u>97 年 度</u>					
97年1月1日	\$ 359,631	\$ 51,020	\$ 196,279	\$ 525,492	\$ 1,132,422
本期綜合淨利	-	-	-	1,211,951	1,211,951
股本公開發行	1,235,213	-	-	-	1,235,213
-扣除發行成本	-	-	146,455	(146,455)	-
提列法定盈餘公積	29,969	4,252	16,357	43,792	94,370
匯率調整數	<u>\$ 1,624,813</u>	<u>\$ 55,272</u>	<u>\$ 359,091</u>	<u>\$ 1,634,780</u>	<u>\$ 3,673,956</u>
97年12月31日					
<u>98 年 度</u>					
98年1月1日	\$ 1,624,813	\$ 55,272	\$ 359,091	\$ 1,634,780	\$ 3,673,956
本期綜合淨利	-	-	-	500,323	500,323
股利	-	-	-	(354,677)	(354,677)
提列法定盈餘公積	-	-	26,208	(26,208)	-
匯率調整數	(40,536)	(1,379)	(8,959)	(40,783)	(91,657)
98年12月31日	<u>\$ 1,584,277</u>	<u>\$ 53,893</u>	<u>\$ 376,340</u>	<u>\$ 1,713,435</u>	<u>\$ 3,727,945</u>

註：

民國98年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國98年12月31日之匯率RMB 1= NTD 4.69換算。

民國97年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國97年12月31日之匯率RMB 1= NTD 4.81換算。

董事長：蔡長江

經理人：林文章

會計主管：陳煒旭

中國泰山科技集團控股有限公司及子公司

合併現金流量表

民國98年及97年12月31日

單位：仟元

	98 年 度		97 年 度	
	人民幣	新台幣	人民幣	新台幣
營業活動之現金流量				
稅前淨利	\$ 144,780	\$ 679,017	\$ 343,127	\$ 1,650,440
調整項目：				
房屋、廠房及設備折舊費用	30,501	143,050	20,756	99,836
土地使用權攤銷費用	3	14	2	10
報廢房屋、廠房及設備損失	-	-	145	697
壞帳沖銷數	346	1,623	-	-
處分房屋、廠房及設備損失	630	2,955	775	3,728
利息費用	2,691	12,621	3,175	15,272
利息收入	(1,651)	(7,743)	(2,080)	(10,005)
不含營運資金變動前之營業活動現金流量	177,300	831,537	365,900	1,759,978
營運資金變動：				
存貨	(3,410)	(15,993)	(9,044)	(43,502)
應收帳款及其他應收款	72,102	338,158	(44,041)	(211,837)
應付帳款及其他應付款	20,129	94,405	(14,827)	(71,318)
應付關係人款-非應收	-	-	(1,738)	(8,360)
其他資產	(10,000)	(46,900)	-	-
營業活動產生之現金數	256,121	1,201,207	296,250	1,424,961
利息收現數	1,651	7,743	2,080	10,005
所得稅支付數	(41,912)	(196,567)	(93,283)	(448,691)
營業活動之淨現金流入數	215,860	1,012,383	205,047	986,275
投資活動之現金流量				
購置房屋、廠房及設備	(32,569)	(152,749)	(79,915)	(384,391)
處份房屋、廠房及設備價款	57	267	701	3,372
購買固定資產支付之保證金	-	-	(112,247)	(539,908)
投資活動之淨現金流出數	(32,512)	(152,482)	(191,461)	(920,927)
融資活動之現金流量				
償付銀行借款	(75,624)	(354,677)	-	-
舉借銀行借款	(45,000)	(211,050)	(37,500)	(180,375)
償付應付關係人借款	45,000	211,050	45,000	216,450
股利支付	(49,380)	(231,592)	-	-
利息支付	(2,691)	(12,621)	(3,175)	(15,272)
發行新股收現數	-	-	256,801	1,235,213
融資活動之淨現金流(出)入數	(127,695)	(598,890)	261,126	1,256,016
本期現金及約當現金增加數	55,653	261,012	274,712	1,321,365
期初現金及約當現金餘額	364,111	1,707,681	89,399	430,009
期末現金及約當現金餘額	\$ 419,764	\$ 1,968,693	\$ 364,111	\$ 1,751,374

註：

民國98年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國98年12月31日之匯率RMB 1= NTD 4.69換算。

民國97年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國97年12月31日之匯率RMB 1= NTD 4.81換算。

董事長：蔡長江

經理人：林文章

會計主管：陳煒旭

附 件 三

中國泰山科技集團控股有限公司及子公司

合併資產負債表

(依中華民國會計原則重編)

民國98及97年12月31日

單位：新台幣仟元

	<u>依中華民國規定編製之金額</u>	
	<u>98年12月31日</u>	<u>97年12月31日</u>
資產		
流動資產		
現金及約當現金	\$ 1,968,693	\$ 1,751,374
應收帳款	922,157	1,303,649
存貨	257,655	247,845
預付款項	-	596
流動資產合計	<u>3,148,505</u>	<u>3,303,464</u>
固定資產淨額	<u>1,501,016</u>	<u>1,532,779</u>
無形資產	<u>530</u>	<u>558</u>
其他資產		
存出保證金	95,183	87,600
其他資產	<u>46,900</u>	<u>-</u>
其他資產合計	<u>142,083</u>	<u>87,600</u>
資產總計	<u><u>\$ 4,792,134</u></u>	<u><u>\$ 4,924,401</u></u>
負債及股東權益		
流動負債		
短期借款	\$ 211,050	\$ 216,450
應付帳款	669,718	620,610
應付關係人款	4,699	242,337
應付所得稅	101,543	122,472
其他應付款	<u>77,179</u>	<u>48,576</u>
流動負債合計	<u>1,064,189</u>	<u>1,250,445</u>
股東權益		
股本	1,584,277	1,624,813
資本公積	53,893	55,272
法定盈餘公積	376,340	359,091
保留盈餘	<u>1,713,435</u>	<u>1,634,780</u>
股東權益總計	<u>3,727,945</u>	<u>3,673,956</u>
負債及股東權益總計	<u><u>\$ 4,792,134</u></u>	<u><u>\$ 4,924,401</u></u>

註：

民國98年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國98年12月31日之匯率RMB 1= NTD 4.69換算。

民國97年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國97年12月31日之匯率RMB 1= NTD 4.81換算。

董事長：蔡長江

經理人：林文章

會計主管：陳煒旭

中國泰山科技集團控股有限公司及子公司

合併損益表

(依中華民國會計原則重編)

民國98及97年1月1日至12月31日

單位：新台幣仟元
(除每股盈餘為元外)

	依中華民國規定編製之金額	
	98年度	97年度
營業收入	\$ 3,905,086	\$ 5,676,488
營業成本	(3,145,349)	(3,864,821)
營業毛利	759,737	1,811,667
營業費用	(66,612)	(103,863)
營業利益	693,125	1,707,804
營業外收入及利益		
利息收入	7,743	10,005
營業外收入及利益合計	7,743	10,005
營業外費用及損失		
利息費用	(12,621)	(15,272)
處分固定資產損失	(2,955)	(4,425)
兌換損失	(6,275)	(47,672)
營業外費用及損失合計	(21,851)	(67,369)
繼續營業部門稅前淨利	679,017	1,650,440
所得稅費用	(178,694)	(438,489)
本期淨利	\$ 500,323	\$ 1,211,951

普通股每股盈餘

繼續營業部門淨利 0.54 1.46

註：

民國98年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國98年12月31日之匯率RMB 1= NTD 4.69換算。

民國97年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國97年12月31日之匯率RMB 1= NTD 4.81換算。

董事長：蔡長江

經理人：林文章

會計主管：陳煒旭

中國泰山科技集團控股有限公司及子公司
合併資產負債表及損益表暨重編說明
民國九十八及九十七年度
(除另予註明者外，金額係以新台幣仟元為單位)

一、合併財務報表重編原則

中國泰山科技集團控股有限公司及子公司（以下簡稱合併公司）如附件四、六所列之民國九十八及九十七年度財務報告，係包括中國泰山科技集團控股有限公司（以下簡稱本公司）及子公司之合併財務資訊。

合併公司民國九十八及九十七年度依新加坡法令及新加坡財務報告準則（以下簡稱新加坡一般公認會計原則）編製之合併資產負債表及合併損益表，因適用之會計原則不同，與「證券發行人財務報告編製準則」、「商業會計法」、「商業會計處理準則」及「中華民國財務會計準則」（以下簡稱中華民國一般公認會計原則）規定不符，爰依中華民國財政部證券暨期貨管理委員會 82 年 8 月 24 日(82)台財證（六）第 01972 號函「募集與發行台灣存託憑證外國公司財務報告複核要點」規定，就上述合併資產負債表及合併損益表依中華民國一般公認會計原則予以重編（以下簡稱重編合併財務報表）。

惟因適用之會計原則不同對合併公司民國九十八及九十七年度合併損益表之損益影響金額，並未達證券交易法施行細則第六條所訂應重編財務報表之標準，上述重編合併財務報表僅依中華民國一般公認會計原則規定之格式與分類將上述合併資產負債表及合併損益表予以重分類。

二、中華民國一般公認會計原則與新加坡一般公認會計原則之特定重大差異彙總說明

現行已發布生效之中華民國與新加坡一般公認會計原則在特定方面可能有重大差異；其中影響合併公司民國九十八及九十七年度合併資產負債表及合併損益表，進而影響重編合併財務報表之主要差異，彙總說明如下：

	中華民國一般 公認會計原則	新加坡一般 公認會計原則	對重編合併 財務報表之影響
(一) 營業外收入及利益	利息收入應分類為營業外收入及利益。	利息收入分類為其他營業收入。	已予重分類 98 年度\$7,743 97 年度\$10,005
(二) 營業外費用及損失	利息費用、處分固定資產損失及兌換損失等應分類為營業外費用及損失。	利息費用、處分固定資產損失及兌換損失等皆分類為其他營業費用。	已予重分類 98 年度\$21,851 97 年度\$67,369
(三) 出售下腳收入	分類為銷貨成本減項。	分類為其他營業收入。	已予重分類 98 年度\$1,519 97 年度\$0
(四) 存出保證金	分類為其他資產下之單獨項目。	分類為應收帳款及其他應收款下之項目。	已予重分類 98 年度\$95,184 97 年度\$87,600
(五) 預付機器設備款	分類為固定資產下之項目。	分類為應收帳款及其他應收款下之項目。	已予重分類 98 年度\$139,462 97 年度\$539,908
(六) 預付費用	分類為流動資產。	分類為應收帳款及其他應收款下之項目。	已予重分類 97 年度\$596
(七) 土地使用權	分類為無形資產下之項目，並無區分流動或非流動。	未來 12 個月內攤銷部份，分類為流動資產下之無形資產項目。	已予重分類 98 年度\$9 97 年度\$10
(八) 其他應付款	因營業發生之應付帳款與非因營業發生之其他應付款，應分別列示。	分類為應付帳款與其他應付款共同列示。	已予重分類 98 年度\$77,179 97 年度\$48,576

附 件 四

本中文財務報告係原以英文出具查核報告之中文譯本，
非為符合中華民國相關證券法規之目的編製。

會計師查核報告

致 中國泰山科技集團控股有限公司

中國泰山科技集團控股有限公司（以下簡稱「該公司」）及其子公司（以下簡稱「集團」）於西元 2009 年 12 月 31 日之合併與個別財務狀況表，暨截至該日止之合併綜合損益表、合併股東權益變動表、合併現金流量表及該公司股東權益變動表，以及列示於第 到第 頁之重要會計政策與其他附註說明事項，業經本會計師查核竣事。

管理階層的責任

管理階層之責任係確保上開財務報表依照新加坡公司法第 50 章（以下稱「公司法」）與新加坡財務報導準則編製及允當表達。該責任包含：

- (a) 設計與維持內部控制制度以合理確任資產之安全，避免未經授權的使用或處分所產生之損失；交易經適當授權及紀錄以編制正確及公平允當之損益及資產負債科目，並確保資產之可靠性；
- (b) 選擇並採用適當之會計政策；
- (c) 依照實際情況做合理之會計估計。

會計師的責任

本會計師之責任是依據新加坡一般公認審計準則所執行之查核工作，並對上開財務報表表示意見。此準則要求依照職業道德規範，規劃並執行查核工作，以合理確信財務報表有無重大不實表達。

查核工作包括執行查核程序以獲得關於財務報表金額及附註揭露之查核證據。所執行之查核程序係依據會計師之專業判斷所決定，包括評估財務報表因舞弊或錯誤所造成重大誤述之風險。在進行風險評估時，查核人員應考量與該集團財務報表編製及允當表達相關之內部控制，以針對集團之環境，設計適當之查核程序，但會計師並不對其內部控制是否有效表示意見。查核工作也包括評估管理階層所採用之會計政策、及所作會計估計之合理性，暨評估整體財務報表表達之合理性。

本會計師相信所獲取之查核證據可對所表示之意見提供充分適切之依據。

查核意見書

依本會計師之意見：

- (a) 該集團之合併財務報表與該公司財務狀況表及股東權益變動表係依照新加坡公司法及新加坡財務報導原則編製，足以允當表達該集團及該公司西元 2009 年 12 月 31 日之合併及個別財務狀況，及截至該日止之經營結果，合併及個別股東權益變動與合併現金流量；且
- (b) 該公司業已適當遵循新加坡公司法規定，適當維護會計及其他紀錄。

馬賽特許會計師有限責任合夥公司
會計師和註冊會計師

張福基
合夥人

新加坡：西元 2010 年 3 月 22 日

中國泰山科技集團控股有限公司
合併綜合損益表
2009 年度

	附註	<u>集團</u>	
		<u>2009</u> 人民幣' 000	<u>2008</u> 人民幣' 000
收入	3	832,641	1,180,143
銷貨成本		(670,974)	(803,497)
銷貨毛利		161,667	376,646
其他收入	4	2,006	2,131
配銷成本		(2,159)	(1,704)
管理費用		(11,714)	(11,190)
其他營業費用		(2,329)	(19,581)
財務成本	5	(2,691)	(3,175)
稅前淨利	6	144,780	343,127
所得稅費用	9	(38,101)	(91,162)
本期可供分配淨利		106,679	251,965
其他綜合損益		-	-
本期綜合損益總額		<u>106,679</u>	<u>251,965</u>
每股盈餘 (人民幣分)			
基本(稀釋)	10	<u>11.50</u>	<u>30.28</u>

財務報表附註為本財務報表之一部分，請併同參閱。

中國泰山科技集團控股有限公司
合併財務狀況表
2009年12月31日

	附註	<u>集團</u>			<u>公司</u>		
		<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
		人民幣' 000	人民幣' 000	人民幣' 000	人民幣' 000	人民幣' 000	人民幣' 000
資產							
非流動資產							
房屋、廠房及設備	11	290,310	206,418	143,880	22	-	-
無形資產	12	111	114	116	-	-	-
長期股權投資	13	-	-	-	80,998	80,998	-
其他資產	14	10,000	-	-	-	-	-
		<u>300,421</u>	<u>206,532</u>	<u>143,996</u>	<u>81,020</u>	<u>80,998</u>	<u>-</u>
流動資產							
無形資產- 流動	12	2	2	2	-	-	-
存貨	15	54,937	51,527	42,483	-	-	-
應收帳款及其他應收款	16	246,653	401,612	250,324	29,969	112,247	1,637
應收聯屬公司款	17	-	-	-	261,443	177,512	-
現金及約當現金	18	419,764	364,111	89,399	1,293	46,934	101
		<u>721,356</u>	<u>817,252</u>	<u>382,208</u>	<u>292,705</u>	<u>336,693</u>	<u>1,738</u>
資產總計		<u>1,021,777</u>	<u>1,023,784</u>	<u>526,204</u>	<u>373,725</u>	<u>417,691</u>	<u>1,738</u>
負債及股東權益							
股東權益							
股本	19	337,799	337,799	80,998	337,799	337,799	- *
合併準備	20	11,491	11,491	11,491	-	-	-
法定盈餘公積	21	80,243	74,655	44,207	-	-	-
保留盈餘		365,338	339,871	118,354	34,151	79,148	-
股東權益合計		<u>794,871</u>	<u>763,816</u>	<u>255,050</u>	<u>371,950</u>	<u>416,947</u>	<u>- *</u>
非流動性負債							
應付關係人款	22	-	-	50,382	-	-	-
		<u>-</u>	<u>-</u>	<u>50,382</u>	<u>-</u>	<u>-</u>	<u>-</u>
流動負債							
應付帳款及其他應付款	23	159,253	139,124	153,951	720	744	-
應付關係人款	22	1,002	50,382	1,738	1,002	-	1,738
應付利息	24	45,000	45,000	37,500	-	-	-
應付所得稅		21,651	25,462	27,583	53	-	-
		<u>226,906</u>	<u>259,968</u>	<u>220,772</u>	<u>1,775</u>	<u>744</u>	<u>1,738</u>
負債合計		<u>226,906</u>	<u>259,968</u>	<u>271,154</u>	<u>1,775</u>	<u>744</u>	<u>1,738</u>
股東及負債總計		<u>1,021,777</u>	<u>1,023,784</u>	<u>526,204</u>	<u>373,725</u>	<u>417,691</u>	<u>1,738</u>

*此金額小於人民幣 1,000 元

財務報表附註為本財務報表之一部分，請併同參閱。

中國泰山科技集團控股有限公司
合併股東權益變動表
2009 年度

集團	附註	股本 人民幣' 000	合併準備 人民幣' 000	法定盈餘公積 人民幣' 000	保留盈餘 人民幣' 000	股東權益合計 人民幣' 000
2008年1月1日		80,998	11,491	44,207	118,354	255,050
本期綜合淨利					251,965	251,965
股本公開發行						
-扣除發行成本	19(d)	256,801	-	-	-	256,801
提列法定盈餘公積	21	-	-	30,448	(30,448)	-
2008年12月31日		337,799	11,491	74,655	339,871	763,816
2009年1月1日		337,799	11,491	74,655	339,871	763,816
本期綜合淨利		-	-	-	106,679	106,679
股利分配	28	-	-	-	(75,624)	(75,624)
提列法定盈餘公積	21	-	-	5,588	(5,588)	-
2009年12月31日		337,799	11,491	80,243	365,338	794,871

財務報表附註為本財務報表之一部分，請併同參閱。

中國泰山科技集團控股有限公司
股東權益變動表
2009 年度

公司	附註	股本 人民幣' 000	保留盈餘 人民幣' 000	股東權益合計 人民幣' 000
2008年1月1日		- *	-	- *
本期綜合淨利		-	79,148	79,148
執行組織重整	19(c)	80,998	-	80,998
股本公開發行 -扣除發行成本	19(d)	256,801	-	256,801
2008年12月31日		<u>337,799</u>	<u>79,148</u>	<u>416,947</u>
2009年1月1日		337,799	79,148	416,947
本期綜合淨利		-	30,627	30,627
股利	28	-	(75,624) (	75,624)
2009年12月31日		<u>337,799</u>	<u>34,151</u>	<u>371,950</u>

*此金額小於人民幣 1,000 元

財務報表附註為本財務報表之一部分，請併同參閱。

中國泰山科技集團控股有限公司
合併現金流量表
2009 年度

集團	附註	2009 人民幣' 000	2008 人民幣' 000
營業活動之現金流量			
稅前淨利		144,780	343,127
調整項目：			
不動產、廠房及設備折舊費用	11	30,501	20,756
土地使用權攤銷費用	12	3	2
報廢不動產、廠房及設備損失	6	-	145
壞帳沖銷數	6	346	-
處分不動產、廠房及設備損失	6	630	775
利息費用	5	2,691	3,175
利息收入	4	(1,651)	(2,080)
不含營運資金變動之營業活動現金流量		177,300	365,900
營運資金變動：			
存貨		(3,410)	(9,044)
應收帳款及其他應收款		72,102	(44,041)
應付帳款及其他應付款		20,129	(14,827)
應付關係人款		-	(1,738)
其他資產	14	(10,000)	-
營業活動產生之現金數		256,121	296,250
利息收現數		1,651	2,080
所得稅支付數		(41,912)	(93,283)
營業活動之淨現金流入數		215,860	205,047
投資活動之現金流量			
購置不動產、廠房及設備		(32,569)	(79,915)
處份不動產、廠房及設備價款		57	701
購買廠房設備支付之保證金	16	-	(112,247)
投資活動之淨現金流出		(32,512)	(191,461)
融資活動之現金流量			
償還銀行借款		(45,000)	(37,500)
舉借銀行借款		45,000	45,000
償付應付關係人款		(49,380)	-
股利支付	28	(75,624)	-
利息支付		(2,691)	(3,175)
發行新股收現數	19(d)	-	256,801
融資活動之淨現金流入(出)數		(127,695)	261,126
本期現金及約當現金增加數		55,653	274,712
期初現金及約當現金餘額		364,111	89,399
期末現金及約當現金餘額	18	419,764	364,111

2009 年度，集團購置廠房及設備成本約人民幣 115,080,000 元(2008 年：人民幣 84,915,000 元)，其中人民幣 82,511,000 元係由以前年度支付之預備保證金人民幣 112,247,000 元 (2008 年：人民幣 5,000,000 元)所支應。

財務報表附註

財務報表附註為本財務報表之一部分，請併同參閱。財務報表業於西元 2010 年 3 月 22 日經董事會決議通過並發佈。

1. 營業地點及營業活動

中國泰山科技集團控股私人有限公司於西元 2007 年 7 月 2 日成立於新加坡，於西元 2008 年 4 月 16 日轉換為公開發行有限公司並更名為中國泰山科技集團控股有限公司(以下稱為本公司)。

本公司登記地址為 80 Robinson Road #17-02, Singapore 068898。本公司主要營業活動為投資控股。本公司之子公司-晉江連捷紡織印染實業有限公司之主要營業活動如本合併財務報表附註 13 所述，其主要營業地址為中華人民共和國福建省晉江市東石鎮東埕振東開發區。

本合併財務報表包含本公司及其子公司(以下稱為本集團)。

2. 重要會計政策彙總

2.1 財務報表編製基礎

除下列所揭露之會計政策外，本財務報表係依照新加坡財務報導編製準則(以下簡稱“報導準則”或“FRS”)及歷史成本原則編製。

採用新發布與修訂之報導準則

自西元 2009 年 1 月 1 日起，本集團及本公司已採用新發布且於該會計年度生效之報導準則及其解釋令。採用此新發布與修訂之報導準則及其解釋令對集團及本公司財務報表並無重大影響。於西元 2009 年 1 月 1 日開始執行且生效之重大報導準則及解釋令之改變，與集團及本公司有關者附列如下。

FRS 1 (修訂版) - 財務報表表達

報導準則第一號(修訂版)於西元 2009 年 1 月 1 日生效，要求股東權益變動表之表達揭露，應包含所有股東權益的改變。所有非股東權益之改變(即綜合淨利表)應表達於一張綜合損益表或分別表達於損益表及綜合淨利表。股東權益變動表應不包含綜合淨利之項目。為了與修訂之報導準則一致，比較資訊已再次表達。集團已採用單一表達綜合損益表，但此會計原則變動僅影響表達方式，不影響每股盈餘。

FRS 107 (修訂版) - 改善金融工具之揭露

報導準則第一零七號(修訂版)於西元 2009 年 1 月 1 日生效，此修訂準則要求增加公平價值衡量及流動性風險之揭露。此修訂準則特別要求依公平價值之衡量層級揭露公平價值。採用 FRS 107(修訂版)僅影響額外之揭露，不影響會計政策及財務報表之衡量。

FRS 108 – 營運部門

FRS108 於西元 2009 年 1 月 1 日生效，此準則要求營運部門應依據集團組成之內部報導基礎定義，此內部報導基礎係主要營運決策者定期覆核，以作為分配資源及評量績效之用。反之，舊準則(FRS 14 部門別報導)要求企業需以風險及報酬法並以內部管理者使用為主所採用內部財務報導方式定義兩部門資訊(產業別及地區別)。因此，FRS 108 之採用，使集團的部門別辨認已有所變動(附註 29)。

重要會計估計、假設及判斷

依照新加坡財務報導原則編製之合併財務報表要求管理當局針對應用之會計政策、資產及負債與收入及費用之報導金額作判斷、估計及假設。估計及基本假設會持續被檢視。如果此估計變動只影響該期間，此估計變動影響於當期認列，若此估計變動影響當期及未來期間，則在估計變動影響於當期及未來期間認列之。

會計估計、相關假設及判斷將依據歷史經驗及其他條件持續評估，包含對於未來事件之合理預期。除了合併財務報表上揭露之資訊，下列彙總之會計估計及假設可能造成下一會計年度資產負債帳面價值重大調整之風險、及影響採用集團會計政策過程中之重大判斷：

(i) 應收帳款之減損

集團評估應收帳款及其他應收款之可回收性，以估列其備抵減損。當事件或環境改變指出其餘額可能無法收回時，則對應收帳款及其他應收款提列備抵。在辨認備抵呆帳時需要專業判斷及估計時，若預期與原始估計有所差異，應收帳款、其他應收款及備抵減損之帳列金額均會於預期估計變動的當年度調整。截至西元 2009 年 12 月 31 日，應收帳款及其他應收款之餘額約為人民幣 246,653,000 元(西元 2008 年：人民幣 401,612,000 元)。

(ii) 房屋、廠房及設備之折舊

房屋、廠房及設備在考慮其估計殘值後，依 5~20 年之估計經濟耐用年限，按直線法計提折舊。截至西元 2009 年 12 月 31 日，該集團之房屋、廠房及設備帳面價值約為人民幣 290,310,000 元(西元 2008 年：人民幣 206,418,000 元)。預期耐用年限改變及科技發展可能影響固定資產之經濟耐用年限及殘值，因此可能影響未來折舊之提列。

(iii) 存貨之淨變現價值

存貨之淨變現價值係指在正常情形下，依估計售價減除估計至完工尚需投入之成本及推銷費用。此會計估計係按當時市場環境及銷售類似商品之歷史經驗評估。當產業循環相當嚴峻時，市場競爭者可能對此項估計有重大影響。管理階層於每一會計年度結束日重新評估此估計。截至西元 2009 年 12 月 31 日，集團之存貨之帳面價值約為人民幣 54,937,000 元(西元 2008 年:人民幣 51,527,000 元)。

(iv) 所得稅

本集團所得稅受不同地區之當地稅法管轄。估計所得稅時，需對資本投資之租稅減免及可扣除之特定費用做出判斷。在正常的商業環境下，許多交易及計算產生之所得稅估計均具有不確定性。本集團對於預期的稅務議題按估計未來將清償之稅額認列所得稅負債。當這些稅務議題的最終結論和原始估計稅額不同時，相關的差異在最終結果確定時認列當年度所得稅費用及遞延所得稅。截至西元 2009 年 12 月 31 日，集團帳列之應付所得稅約為人民幣 21,651,000 元(西元 2008 年:人民幣 25,462,000 元)。

2.2 合併基礎

企業合併之會計處理係採購買法。收購成本係以所取得資產、所承擔債務，以及集團以交換被收購企業控制權所發行權益工具，於交換日之公平價值，加上可直接歸屬於企業合併所產生之成本衡量。當集團對已認列之可辨認資產、負債與或有負債淨公平價值之權益超過企業合併成本，即超過部份認列利益或損失於損益表。

子公司

子公司係由本公司所控制。控制係指本公司具有直接或間接管理企業之財務及營運政策之能力，並從其營業活動中獲益。本公司具有接控制能力係指當直接或間持有子公司 50%以上有表決權之股份、或有權主導超過半數投票權或有權任免董事會之成員。用以編製合併財務報表之子公司財務報表採用與本公司相同之會計期間，對於相似環境下類似交易或事件採用相同之會計政策。自母公司取得控制能力起，子公司之財務報表即包含於合併財務報表內，直至控制能力喪失為止。

合併日交易沖銷

合併財務報表編製時已沖銷集團內部交易科目餘額，及任何由集團內部交易所產生之已實現或未實現收入或費用。

本公司對子公司之會計處理

本公司之財務報表中，投資子公司係以財務報表日之成本減除減損後之淨可回收價值入帳。

2.3 功能性及表達貨幣

本集團下各個體之個別財務報表係以其營運所在地主要經濟環境之貨幣（功能性貨幣）表達。本公司及子公司之功能性貨幣為人民幣，合併財務報表以人民幣表達。除另有註明者外，所有財務報表資訊皆由人民幣仟元整表達且四捨五入（“RMB’ 000”）。

2.4 外幣交易

外幣交易之匯率計算係採外幣交易發生當日之外幣匯率換算。以外幣計價之貨幣性資產與負債於財務報告日依當日外幣匯兌準則重新換算以人民幣表達。外幣換算所產生之差異將認列為兌換利得或損失。外幣計價且以成本衡量之非貨幣性資產與負債，係以交易日之外幣匯率換算入帳。以外幣計價之公平價值入帳之非貨幣性項目係以決定該公平價值之日的現時匯率換算為人民幣入帳。

除集團實質上對國外營運機構淨投資所產生之外幣轉換差異外，重新轉換所產生之外幣差異將認列為利得或損失。

2.5 國外營運機構

國外營運機構之資產及負債以會計期間結束日之匯率換算為人民幣表達；國外營運機構所產生之利得或損失以交易日之匯率換算成人民幣表達。

因匯率所產生之差異將認列為換算調整數，當國外營運機構被部分或全部處分時，其相關的換算調整數將轉列為處分國外營運機構之利得或損失的一部分。

2.6 國外營運機構之淨投資

本公司實質上對國外營運機構淨投資之貨幣項目產生之匯兌差異認列為本公司之利得或損失；上述之匯兌差異於編製合併財務報表時重分類至換算調整數。當避險之淨投資處份時，其合併報表上之累積之換算調整數轉列為利得或損失，作為處分利得或損失之調整。

2.7 收入認列

除未來經濟效益很可能流入集團，及相關收入及成本可以可靠衡量等條件外，收入可認列為當期損益之條件如下：

(i) 銷售貨品

當貨物已送達客戶營運地點或客戶已於集團營運地點提領貨物，且貨物所有權的相關風險及報酬均已移轉給買方時方可認列收入。

(ii) 提供勞務

收入於勞務已提供時方得認列，勞務已提供之程度可依據至今已履行之勞務占全部應履行勞務之百分比評估。

(iii) 利息收入

利息收入之認列係依據有效利率法計算本金流通在外期間之利息。

(iv) 政府補助

集團能合理確信符合相關條件並收到該補助或津貼之前不予認列補助收入。政府補助款係以合理有系統之方法，配合其相關成本之預期發生期間認列為收入。

2.8 營業租賃

集團因使用營業租賃之資產所支付之租金係以直線法基礎於租賃期間認列為費用。所收取之租賃獎勵視為租賃費用的一部分，在租賃期間內認列損失或利益。營業租賃所產生之或有租金於發生期間認列為當期費用。

2.9 員工福利

提存至確定提撥計畫(包含公積金部份)之退休金於發生時即認列為費用。

短期福利

工資、薪資、補助金、獎金及社會福利金於員工提供勞務予集團之年度認列為費用。短期累積性休假給付(如:年假)係於員工提供勞務且因此獲得未來給付權利時認列為費用；而非累積性休假給付則於實際發生時認列費用(如:病假)。非貨幣性福利如醫療給付及其他相關員工費用則於實際發生時認列損益。

確定提撥計畫

本集團係依據營運地點法律規定之國家退休金計畫提撥計畫進行提撥。撥付至國家退休金計畫之成本於員工提供勞務之期間認列費用。於中華人民共和國設立登記之公司依法均需提供每位員工退休金福利，退休金之提撥率係依國家法令規定計算，其退休金基金係由政府機關管理，該機關亦負責支付退休金給退休員工。上述福利係依據應計基礎於發生時認列為損益。

本集團參與上述之國家退休金計畫所產生之義務，與參與確定提撥退休金計畫所產生之給付義務相同。

2.10 研究發展成本

研究活動支出係指取得新的科學性或技術性知識與了解的過程，於發生時認列為費用。

發展活動包含對於新型或顯著改良產品、製程之計畫或設計。發展支出需符合下列條件才予以資本化：發展階段之支出能可靠衡量、產品已達技術可行性，使達可供使用或出售、產品極可能有未來經濟效益、集團有意圖且具備充足之技術及其他資源，以完成此項發展專案計畫並有能力使用或出售該產品。可資本化之發展費用包含原料、直接人工及可直接歸屬產品之製造費用。

其他研發支出於發生時認列為費用。資本化之發展支出以成本減累計攤銷及減損損失列帳，依直線法攤銷認列為費用。

2.11 負債準備

因過去發生之事件而使集團有現時義務，很有可能造成經濟利益之流出，且可合理估計其金額時，即應認列負債準備。

2.12 減損

金融資產減損

如有客觀證據顯示，金融資產於原始認列後發生一或多次事件對於該資產估計未來現金流量產生負面影響，則發生減損。以攤銷後成本衡量之金融資產，其減損金額為該資產帳列金額與估計未來現金流量折現值（以原始有效利率折算）之間之差額。

個別重大之金融資產以個別基礎測試減損跡象，其餘金融資產則依據其信用風險相似度分類，採群組合併評估減損。所有減損損失認列為當期損益。

該減損損失認列後，若發生可客觀歸屬於該減損之利益回升事件，則已認列之減損損失應予迴轉。以攤銷後成本衡量之金融資產之減損回升利認列為當期損益。

非金融資產減損

除了存貨外，其他非金融資產之帳面價值於報導期間之年度結束日進行減損測試，以判斷是否有任何跡象顯示此類資產已發生減損損失。如有減損跡象存在，則估計該資產之可回收金額。當資產之帳面價值或其所屬最小現金產生單位之

帳面價值大於其可回收金額，則認列減損損失。現金產生單位係產生現金流量且獨立於其他資產或群組外之最小可辨認資產群組。

減損損失認列為當期損益，除非係迴轉先前評價帳列於權益之項目者，在此狀況下則調整原權益科目。當減損發生於現金產生單位，則減損損失之分配先就已分攤至該現金產生單位之商譽，減少其帳面價值，次依該單位各項資產之帳面價值比例分攤至該單位其他資產。

可回收金額計算

資產或現金產生單位的可回收金額係依其「公平價值扣除銷售成本」及「使用價值」孰高者。於評估使用價值時，應以反映當時市場評估貨幣之時間價值及該資產特定風險之稅前折現率計算預期未來現金流量之折現值。若資產無法獨立產生現金流入，則依據此資產所屬之現金產生單位決定可回收金額。

減損迴轉

若用以估計可回收金額之會計估計改變，則減損損失應予迴轉。若減損損失於嗣後迴轉，則應將該資產帳面價值增加至經修訂後之估計可回收金額，但增加後不得超過以往年度未認列減損損失時，該資產減列累積折舊或攤銷後之帳面價值。

2.13 財務支出

利息費用或其他相同支出於發生時認列利益或損失。付息負債之利息費用以有效利率法認列為當期損益。

2.14 所得稅

所得稅包括當期應付所得稅及遞延所得稅之合計數。除了直接歸屬於股東權益項目之相關所得稅應認列於股東權益外，所得稅費用認列為當期損益。

當期所得稅係以於資產負債表日適用或實質適用之稅率（及稅法），及當期課稅所得計算當年度應付所得稅，加上前期應付所得稅之調整計算。

2.15 遞延所得稅

遞延所得稅係採用負債法，以「合併財務報表中資產與負債適用帳面價值」與「計算課稅所得之相對課稅基礎」之間之差額認列。若不影響應課稅所得或會計所得之交易中之資產與負債原始認列所產生之暫時性差異，或因投資子公司所產生應課稅暫時性差異且該暫時性差異在可預期未來極可能無法迴轉或集團有能力控制該暫時性差異之迴轉時間時，則不認列遞延所得稅資產或負債。遞延所得稅計算，係於資產負債表日按預期未來負債清償及資產實現年度之稅率計算。

遞延所得稅資產所認列，係以未來年度產生獲利極可能足以抵減暫時性差異之情形時。

2.16 房屋、廠房及設備

(a) 自有資產

房屋、廠房及設備以成本扣除累計折舊及可能之減損損失入帳。成本中包含了購買價格及其他可直接歸屬於資產達可供使用目的之成本。

(b) 折舊

房屋、廠房及設備成本減除估計殘值後，依下列估計耐用年限按直線法計提折舊：

年限	
租賃改良物	20 年
廠房及設備	5-10 年
辦公設備	5 年
車輛	10 年

每一財務報表之年度結束日會依據固定資產實際狀況再次檢視其估計耐用年限，殘值和折舊方法是否恰當。

(c) 成本

成本包含所有取得此資產時，可直接歸屬於取得此資產之費用。若某一房屋、廠房及設備中部分項目係採不同之耐用年限時，視為單獨資產項目。更換部分房屋、廠房及設備零件之成本依資產未來可能流入集團之經濟效益及可靠衡量之價值計入資產之帳面價值。房屋、廠房及設備之例行性維修成本於發生時認列為當期損益。

已提足額折舊尚在使用之固定資產仍列入合併財務報表，直至無法使用為止。房屋、廠房及設備之處分及報廢損益之認列係以其出售價格與帳面價值之差異為基礎，認列於當期損益中。

2.17 無形資產

土地使用權

土地使用權之取得成本業已資本化並依其租賃期間 50 年期採直線法攤銷。未來一年內土地使用權應攤銷之部份帳列於流動資產。攤銷費用列示於當期損益中。

2.18 存貨

存貨係依成本及淨變現價值孰低評價。存貨成本採加權平均成本計算，其成本包含進貨成本、加工成本及其他使存貨達可供銷售狀況及地點之成本。淨變現價值係依一般交易條件下之估計售價，減除估計完工成本及估計銷售之必要成本計算。

當存貨出售時，其存貨之帳面價值將於認列銷貨收入之同期認列為費用。任何存貨之淨變現價值跌價及其他存貨相關之損失將於發生當期認列為費用。任何已沖銷之存貨成本若因淨變現價值回升時，將於當期認列回升損益。

2.19 應收帳款及其他應收款

應收帳款、其他應收款及應收子公司款分類為借款及金融資產，以原始公平價值認列入帳，並於存續期間內依有效利率攤銷後成本並減除減損損失列帳。

2.20 現金及約當現金

現金及約當現金分類為借款及金融資產，包含手存現金及銀行存款。現金及約當現金皆具短期、高流動性、隨時可轉換成已知金額之現金、價值變動風險極小及到期日一般均短於三個月之性質。

2.21 股本

普通股認列為股東權益項目。可直接歸屬於發行股本之發行成本，依稅後淨額作為之股本科目之減項。

2.22 合併準備

依權益結合法，在相同控制下之個體財務報表於合併時將現有集團組織架構視為本公司成立日即已存在。相同控制下之企業個體之營業成果及現金流量應包含於綜合淨利表及現金流量表中。財務狀況表中之資產及負債則以帳面價值入帳。資本公積及股本取得之差異則於股東權益中調整為合併準備。

2.23 法定公積

集團之法定公積分為以下兩種：

(a) 法定盈餘公積：

依照中華人民共和國之相關規定，其子公司需由淨利中提列法定盈餘公積直到法定盈餘公積餘額達到註冊資本之 50%。法定盈餘公積需於分派股利予股東前提列。

法定盈餘公積只能用於彌補虧損或增加子公司之資本。若其子公司欲將法定盈餘公積撥充資本時，撥充資本後之法定盈餘公積餘額不得低於註冊資本之25%。

(b) 法定公益金

依據中華人民共和國相關法令規定，子公司得由其淨利中提列法定公益金。

2.24 負債及附息負債

應付帳款、其他應付款及應付關係人款認列為以攤銷後成本衡量之金融負債，其依原始公平價值入帳，並於存續期間內以有效利率法之攤銷後成本衡量。附息負債則依原始成本減相關交易成本認列入帳。附息負債於原始入帳後，在存續期間內依有效利率法攤銷後成本衡量，並調整其成本及贖回值間差異於借款期間內認列為損益之金額。

2.25 金融商品

金融資產

金融資產係FRS39「金融商品：認列與衡量」所規範之金融商品，其認列及衡量方式依金融資產之分類而不同，其分類包含公平價值變動列入損益、借款及應收款、持有至到期日、備供出售金融資產。當集團成為某項金融商品合約規定中之一方時，金融資產則需認列於財務狀況表中。

金融資產認列入帳後，將依公平價值衡量，而非依公平價值衡量之金融資產，則以原始交易成本衡量。

金融資產於原始認列後，集團需將其分類並於每期期末重新衡量其指定之類別。若依合約規定集團對金融資產相關之現金流量權到期時，或集團將金融資產移轉給第三方且放棄對其之控制，或將資產相關之風險及報酬全部移轉後，則此金融資產應予除列。

所有一般性之金融資產購買及出售於交易日認列，即集團承諾購買或出售金融資產之日。一般性之金融資產購買及出售需根據交易市場所建立之規則及慣例交付資產。

有效利率法

有效利率法係一種計算金融商品之攤銷成本，及於相關期間內分攤利息收入或費用之方法。有效利率法之利率係用來估計金融商品預期存續期間、或較短之合理期間內未來現金流量之折現率(包含所有來自於依有效利率計算支付或收取時之手續費、交易成本及折溢價)。除公平價值變動列入損益之金融負債商品外，金融負債係依有效利率法認列相關損益。

2.26 營運部門

營運部門為集團中從事經營活動產生獲得收入並發生費用(包括與企業內其他組成單位間交易所產生之收入與費用)之單位。營運部門之營運成果定期由集團之主要營運決策者-執行長覆核，以制定該部門資源分配之決策，並評估該部門之績效。該部門具個別之財務資訊。

2.27 關係人

符合以下條件之對象為集團之關係人：

- (a) 間接或直接對集團具有控制能力、聯合控制或重大影響力之企業個體
- (b) 集團之聯屬公司
- (c) 該企業個體為集團與第三者之合資企業
- (d) 該個體為集團或其母公司之主要管理階層
- (e) 該個體為情況(a)或(d)所稱關係人之近親
- (f) 該企業個體被情況(d)或(e)之個體直接或間接持有，而具有控制能力、聯合控制或重要影響力
- (g) 專為集團或集團之關係人員工提供退休福利計劃之機構。

主要管理階層為集團中具有規劃、領導及控制營運活動之權利與責任之角色。

2.28 FRS 未來之修正

在本財務報表決議之日，已發佈惟尚未開始適用之相關之報導準則、報導準則之解釋令(INT FRSS)及修正案如下：

編號	名稱	適用開始日
FRS 27(修正)	個別及合併財務報表	2009.7.1
FRS 39(修正)	金融商品：認列及衡量-避險商品	2009.7.1
FRS 101(修正)	首次採用FRS	2009.7.1
FRS 109(修正)	INT FRS 109及FRS 39-衍生性商品之修正	2009.6.30
INT FRS 117	非現金資產之分配	2009.7.1
INT FRS 119	金融負債與權益之區別	2010.7.1

修訂之報導準則：

編號	名稱	適用開始日
FRS 1	財務報表之表達	2010.1.1
FRS 7	現金流量表	2010.1.1
FRS 17	租賃	2010.1.1
FRS 24	關係人揭露	2011.1.1
FRS 32	發行權益之分類	2010.2.1
FRS 36	資產減損	2010.1.1
FRS 38	無形資產	2009.7.1
FRS 39	金融商品：認列及衡量	2010.1.1
FRS 102	股份基礎給付	2009.7.1
FRS 105	待出售之非流動資產及停業部門	2010.1.1
FRS 108	營運部門	2010.1.1
INT FRS 109	衍生性商品之重新評價	2009.7.1
INT FRS 114	預付之最低資金提撥要求	2011.1.1
INT FRS 116	國外營運機構淨投資之避險	2009.7.1

管理階層預期集團及公司於未來期間採用上述報導準則、報導準則之解釋令及修正案，對集團及公司之財報將不會產生重大影響。

3. 收入

	集團	
	2009 人民幣' 000	2008 人民幣' 000
性能纖維製造及銷貨收入	795,256	1,135,454
一般纖維製造及銷貨收入	-	1,729
纖維加工服務收入	37,385	42,960
	<u>832,641</u>	<u>1,180,143</u>

4. 其他收入

	集團	
	2009 人民幣' 000	2008 人民幣' 000
銀行利息收入	1,651	2,080
政府補助款	31	51
下腳收入	324	-
	<u>2,006</u>	<u>2,131</u>

政府補助款內容為(i)中華人民共和國政府提供之環境污染預防及控制獎勵金，(ii)新加坡政府給予之就業補助方案。

5. 財務支出

	<u>集團</u>	
	<u>2009</u>	<u>2008</u>
	人民幣' 000	人民幣' 000
以攤銷成本法計算之銀行借款利息	2,691	3,175

2009 年銀行借款有效年利率為 5.98%，2008 年為 7.36%。

6. 稅前利益

計入損益使達成稅前淨利之項目如下：

		<u>集團</u>	
	附註	<u>2009</u>	<u>2008</u>
		人民幣' 000	人民幣' 000
土地使用權攤銷	12	3	2
壞帳沖銷		346	-
存貨成本認列為費用		583,616	745,013
不動產、廠房及設備折舊費用	11	30,501	20,756
董事服務費-母公司董事		415	320
董事酬勞	8	1,748	1,735
兌換損失(淨額)		1,338	9,911
政府補助款	4	(31)	(51)
房屋、廠房及設備處分損失		630	775
營業租賃費用		16	-
房屋、廠房及設備報廢	11	-	145
員工費用	7	15,581	21,917
母公司支付會計師非審計公費*		-	2,206
認列於合併綜合損益表之上市費用		-	8,750

* 支付會計師之非審計公費金額約人民幣 2,206,000 元，係西元 2008 年度因其擔任本公司於新加坡證券交易公司首次公開募資之財務報告會計師，所支付之服務費。

7. 員工費用

	附註	<u>集團</u>	
		<u>2009</u> 人民幣' 000	<u>2008</u> 人民幣' 000
薪資及獎金(不包含董事酬勞)		13,256	15,302
員工福利		1,461	6,049
		<u>14,717</u>	<u>21,351</u>
員工費用-主要管理階層	8	864	566
		<u>15,581</u>	<u>21,917</u>

薪資及獎金包含撥付至確定提撥之退休金計畫(國家退休金計畫)約人民幣1,651,000元(2008年：人民幣1,488,000元)。

8. 主要管理階層報酬

主要管理階層包含本公司及子公司董事、子公司財務長及行銷經理。其薪資列示如下：

	<u>集團</u>	
	<u>2009</u> 人民幣' 000	<u>2008</u> 人民幣' 000
<u>董事酬勞</u>		
本公司董事		
薪資及獎金	1,745	1,581
確定提撥計畫退休金費用	3	-
	<u>1,748</u>	<u>1,581</u>
子公司董事		
薪資及獎金	-	152
確定提撥計畫退休金費用	-	2
	<u>-</u>	<u>154</u>
董事酬勞	<u>1,748</u>	<u>1,735</u>
其他主要管理階層報酬		
<u>其他主要管理階層</u>		
薪資及獎金	816	528
確定提撥計畫退休金費用	48	38
	<u>864</u>	<u>566</u>
	<u>2,612</u>	<u>2,301</u>

9. 所得稅費用

	<u>集團</u>	
	<u>2009</u>	<u>2008</u>
	人民幣' 000	人民幣' 000
當期所得稅費用		
當期費用	38,048	91,162
前期低估費用	53	-
所得稅費用	<u>38,101</u>	<u>91,162</u>

帳列所得稅費用與稅前損益依國家規定稅率計算結果之差異列示如下：

	<u>集團</u>	
	<u>2009</u>	<u>2008</u>
	人民幣' 000	人民幣' 000
稅前損益	<u>144,780</u>	<u>343,128</u>
所得稅(PRC稅率：2009-25%，2008-25%)	36,195	85,782

	<u>集團</u>	
	<u>2009</u>	<u>2008</u>
	人民幣' 000	人民幣' 000
所得稅(PRC稅率：2009-25%，2008-25%)	36,195	85,782
所得稅影響數：		
不可扣除項目	1,060	3,920
前期所得稅低估數	53	-
其他地區所得稅率差異影響數*	793	1,460
所得稅費用	<u>38,101</u>	<u>91,162</u>

*本公司營運地區之所得稅率較低

於西元 2007 年 3 月 16 日公佈並於西元 2008 年 1 月 1 日起適用之中華人民共和國企業所得稅法規定，原國外投資企業及國外企業之所得稅規定自西元 2008 年 1 月 1 日起廢止，並與國內企業同樣適用 25%之所得稅率。惟對目前適用稅務相關機構提供租稅優惠之企業，訂定過渡期間之規定。如企業所得稅率低於 25%之者，可於新法令適用日起之五年內採用舊有稅率，並於期間內逐漸轉為新制稅率。適用標準稅率且在固定期間享有免稅或可扣除額之企業，可持續使用其扣除額至期滿為止。

依據西元 2008 年 2 月 22 日公佈之中華人民共和國企業所得稅法，中華人民共和國之企業發放西元 2008 年 1 月 1 日前產生淨利之股利，無須扣繳稅款，西元 2008 年 1 月 1 日後淨利分配之股利則需扣繳 5%之稅款。

於本報告年度結束日，子公司之未分配盈餘產生之暫時性差異為人民幣 331.2 百萬元(2008-人民幣 260.7 百萬元)並未認列遞延所得稅負債。本期未認列此暫時性差異相關之負債，係因集團可控制該暫時性差異迴轉時點，且在可預見之未來皆不會迴轉此暫時性差異。

10. 每股盈餘

基本每股盈餘計算基礎如下：

	<u>集團</u>	
	<u>2009</u>	<u>2008</u>
	人民幣' 000	人民幣' 000
(i)本公司可分配盈餘	<u>106,679</u>	<u>251,965</u>
	<u>集團</u>	
	<u>2009</u>	<u>2008</u>
	股數' 000	股數' 000
(ii)加權平均普通股數	<u>927,900</u>	<u>832,156</u>

截至本報告結束日止(西元 2009 年 12 月 31 日及西元 2008 年 12 月 31 日)，並無發行潛在稀釋之商品流通在外，故無稀釋每股盈餘。

基本每股盈餘係將可分配盈餘除以當年度加權平均流通在外股數計算而得。

11. 房屋、廠房及設備

<u>集團</u>	<u>租賃建築物</u> 人民幣' 000	<u>廠房與設備</u> 人民幣' 000	<u>辦公設備</u> 人民幣' 000	<u>運輸設備</u> 人民幣' 000	<u>合計</u> 人民幣' 000
<u>2009年</u>					
成本					
2009年1月1日餘額	24,195	252,252	1,001	2,966	280,414
本期增添	7,590	107,465	25	-	115,080
本期處分	- (	840)	-	- (	840)
2009年12月31日餘額	31,785	358,877	1,026	2,966	394,654
累計折舊					
2009年1月1日餘額	12,898	60,535	253	310	73,996
本期提列折舊	1,239	28,483	364	415	30,501
本期處分	- (	153)	-	- (	153)
2009年12月31日餘額	14,137	88,865	617	725	104,344
帳面價值					
2009年12月31日餘額	17,648	270,012	409	2,241	290,310

11. 房屋、廠房及設備(續接前頁)

集團	租賃建築物 人民幣' 000	廠房與設備 人民幣' 000	辦公設備 人民幣' 000	運輸設備 人民幣' 000	總和 人民幣' 000
<u>2008年</u>					
成本					
2008年1月1日餘額	23,563	177,327	1,001	1,425	203,316
本期增添	632	82,512	-	1,771	84,915
本期報廢	-	-	-	(230)	(230)
本期處分	-	(7,587)	-	-	(7,587)
2008年12月31日餘額	24,195	252,252	1,001	2,966	280,414
累計折舊					
2008年1月1日餘額	11,778	47,556	64	38	59,436
本期提列折舊	1,120	19,090	189	357	20,756
本期報廢	-	-	-	(85)	(85)
本期處分	-	(6,111)	-	-	(6,111)
2008年12月31日餘額	12,898	60,535	253	310	73,996
帳面價值					
2008年12月31日餘額	11,297	191,717	748	2,656	206,418
<u>本公司</u>					<u>辦公設備 人民幣' 000</u>
<u>2009年</u>					
成本					
本期增添及2009年12月31日餘額					25
累計折舊					
本期提列折舊及2009年12月31日餘額					3
帳面價值					
2009年12月31日餘額					22

以上除了辦公設備為本公司持有，其餘集團持有之房屋、廠房及設備均位於中華人民共和國福建省晉江東石鎮東埕振東開發區。

集團已將房屋、廠房及設備設定為銀行借款(請詳附註24)之質押，質押資產帳面價值約為人民幣5,863,000元(2008年-人民幣6,075,000元)。

集團正於中華人民共和國之相關機構申請其子公司租賃建築之所有權證，申請標的之總帳面價值約為人民幣20,894,000元(2008年-人民幣4,262,000元)。

截至 2009 年 12 月 31 日，向中華人民共和國相關機構申請不動產所有權證及土地使用權之估列成本(請詳財務報表附註 16)為人民幣 5,000 元 (2008 年-人民幣 5,000 元)及人民幣 20,894,000 元 (2008 年-人民幣 4,262,000 元)。

12. 無形資產

	<u>集團</u>		<u>本公司</u>	
	<u>2009</u> 人民幣' 000	<u>2008</u> 人民幣' 000	<u>2009</u> 人民幣' 000	<u>2008</u> 人民幣' 000
土地使用權				
期初餘額	116	118	-	-
本期攤銷	(3)	(2)	-	-
期末餘額	<u>113</u>	<u>116</u>	<u>-</u>	<u>-</u>
攤銷費用：				
未來12個月-流動	2	2	-	-
12個月後-非流動	<u>111</u>	<u>114</u>	<u>-</u>	<u>-</u>
	<u>113</u>	<u>116</u>	<u>-</u>	<u>-</u>

土地使用權為中華人民共和國土地之中度租用期使用權，業已作為銀行借款之質押(請詳附註 24)。此使用權之攤銷期間為 50 年。

13. 子公司投資

	<u>本公司</u>	
	<u>2009</u> 人民幣' 000	<u>2008</u> 人民幣' 000
無公開報價股權投資成本	<u>80,998</u>	<u>80,998</u>

以下為子公司相關資訊：

<u>公司名稱</u>	<u>主要營運活動</u>	<u>公 司 所在地</u>	<u>持股比例</u>		<u>投資成本</u>	
			<u>2009</u> %	<u>2008</u> %	<u>2009</u> 人民幣' 000	<u>2008</u> 人民幣' 000
晉江連捷紡織印染實業有限公司*	製造紡織品、 印染纖維，並 從事高品質纖 維紡織	中華人 民共和 國	100	100	80,998	80,998

*列示於集團合併報表之財務資訊係由Mazars LLP, Singapore查核。

14. 其他資產

	<u>集團</u>		<u>本公司</u>	
	<u>2009</u> 人民幣' 000	<u>2008</u> 人民幣' 000	<u>2009</u> 人民幣' 000	<u>2008</u> 人民幣' 000
預付共同研究發展費用	10,000	-	-	-

子公司與中華人民共和國之大學簽訂一研究發展合作契約，約定自西元2010年起五年內需發表25項研究發展產品，研究發展費為人民幣20,000,000。子公司業已於西元2009年12月首次支付人民幣10,000,000予該合作大學，餘款(人民幣10,000,000元)計畫於西元2010年支付。

15. 存貨

	<u>集團</u>		<u>本公司</u>	
	<u>2009</u> 人民幣' 000	<u>2008</u> 人民幣' 000	<u>2009</u> 人民幣' 000	<u>2008</u> 人民幣' 000
製成品	33,789	20,645	-	-
原料	18,870	29,143	-	-
在製品	2,278	1,739	-	-
	54,937	51,527	-	-

16. 應收帳款及其他應收款

	<u>集團</u>		<u>本公司</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
	人民幣' 000	人民幣' 000	人民幣' 000	人民幣' 000
應收帳款-非關係人	196,622	271,029	-	-
其他應收款	20,295	18,336	233	-
存出保證金	29,736	112,247	29,736	112,247
	<u>246,653</u>	<u>401,612</u>	<u>29,969</u>	<u>112,247</u>

期末依外幣評價之應收帳款及其他應收款列示如下：

	<u>集團</u>		<u>本公司</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
	人民幣' 000	人民幣' 000	人民幣' 000	人民幣' 000
新加坡幣	233	-	233	-
美金	<u>29,736</u>	<u>112,247</u>	<u>29,736</u>	<u>112,247</u>

應收帳款屬不付息之帳款，收款期間約為 90 天。所有應收帳款皆以人民幣計價。其他應收款包含支付子公司取得使用土地之使用權費用約人民幣 124,000 元（2008 年-人民幣 124,000 元）。集團正在進行向中華人民共和國之相關機構申請此土地使用權之程序。

存出保證金係集團為取得新廠房設備之預備款，金額約人民幣 29,736,000 元（2008：人民幣 112,247,000 元）。（請詳附註 26）

減損損失

應收帳款之期末帳齡列示如下：

	<u>帳款總額</u>	<u>減損損失</u>	<u>帳款總額</u>	<u>減損損失</u>
<u>集團</u>	<u>2009</u>	<u>2009</u>	<u>2008</u>	<u>2008</u>
	人民幣' 000	人民幣' 000	人民幣' 000	人民幣' 000
未逾收款期限款項	<u>196,622</u>	<u>-</u>	<u>271,029</u>	<u>-</u>

根據以往收款經驗，集團認為截至報告結束日止無逾期帳款，故無需提列應收帳款之備抵減損損失。

17. 應收聯屬公司款項

	<u>本公司</u>	
	<u>2009</u>	<u>2008</u>
	人民幣' 000	人民幣' 000
代墊款	160,023	77,512
資本運用準備	1,002	-
應收股利	100,418	100,000
	<u>261,443</u>	<u>177,512</u>

以上應收聯屬公司款項無擔保、不付息，且隨時可要求償還。

期末依外幣計價之應收聯屬公司款列示如下：

	<u>本公司</u>	
	<u>2009</u>	<u>2008</u>
	人民幣' 000	人民幣' 000
新加坡幣	<u>16,752</u>	-

18. 現金及約當現金

	<u>集團</u>		<u>本公司</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
	人民幣' 000	人民幣' 000	人民幣' 000	人民幣' 000
現金	135	114	- *	- *
銀行存款	419,629	363,997	1,293	46,934
	<u>419,764</u>	<u>364,111</u>	<u>1,293</u>	<u>46,934</u>

*金額低於人民幣1,000

銀行存款有效年利率為1.17% (2008-0.71%)。

依外幣計價之現金及銀行存款列示如下：

	<u>集團</u>		<u>本公司</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
	人民幣' 000	人民幣' 000	人民幣' 000	人民幣' 000
新加坡幣	<u>1,293</u>	<u>46,934</u>	<u>1,293</u>	<u>46,934</u>

人民幣不可自由轉換為外國貨幣。根據中華人民共和國外匯管理條例及結匯、售匯及付匯管理規定，集團僅可向經中華人民共和國政府授權可進行外匯交易之銀行，將人民幣兌換為外國貨幣。

19. 資本

	<u>集團及本公司</u>			
	<u>2009</u>		<u>2008</u>	
	<u>股數</u>	<u>金額</u> 人民幣' 000	<u>股數</u>	<u>金額</u> 人民幣' 000
原始發行及支付普通股數 (無面值)				
期初餘額(1月1日)	927,900,000	337,799	1	- *
與集團重組相關				
發行新股以取得相同控制下之子公司(a)	-	-	99,998	80,268
發行新股予非執行董事(b)	-	-	1	730
集團重組後	927,900,000	337,799	100,000	80,998
2008年4月14日之股票分割 (每股分割為7,040股)(c)	-	-	704,700,000	80,998
首次公開發行之新股(扣除相關費用)(d)	-	-	223,200,000	256,801
期末餘額(12月31日)	927,900,000	337,799	927,900,000	337,799

(a) 本公司於2008年1月14日以美元\$11,000,000(人民幣80,268,100元)發行99,998股以取得晉江連捷紡織印染實業有限公司之全部股東權益，使其成為100%持股之子公司。

(b) 公司於2008年1月14日以美元\$100,000(人民幣729,710元)發行1股予非執行主席蔡長江先生，其全部發行金額以現金支付。

(c) 上述之股份，以 1 股分割為 7,047 股之方式，使公司之全部股數由原始之 100,000 股增加為 704,700,000 股。

(d) 本公司於 2008 年 6 月 6 日於新加坡證券交易公司首次公開發行，以每股新加坡幣\$0.24 發行 223,200,000 股，使公司之全體股數增加為 927,900,000 股。其發行股票之費用約為人民幣 13,471,000 元(2007 年：無)。與集團重組相關之內容請參詳 2008 年 5 月 28 日之公開說明書。

所有原始發行之股份皆已收到股款，其原始發行股數皆無面值。原始股份之持有者皆擁有股利分配，及享有參與公司股東會投票之權（一股享有一投票權）。

20. 合併準備

合併準備係本公司之資本公積減除西元 2007 年採權益結合法取得聯屬公司股本之餘額。

21. 法定公積

法定公積係依中華人民共和國法律規定，子公司於完納稅捐後，由淨利撥充之金額。

22. 關係人借款

附註	<u>集團</u>		<u>本公司</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
	人民幣'000	人民幣'000	人民幣'000	人民幣'000
12個月內到期				
借款對象：				
股東 - 非營業交易 (a)	1,002	50,382	1,002	-

(a) 該非營業交易之借款是向非執行業務主席以人民幣作借貸，該金額是無擔保、無利息及可隨時要求於財務報表年度結束日 12 個月內償還。

23. 應付帳款及其他應付款

	<u>集團</u>		<u>本公司</u>	
	<u>2009</u> 人民幣' 000	<u>2008</u> 人民幣' 000	<u>2009</u> 人民幣' 000	<u>2008</u> 人民幣' 000
應付帳款	142,797	129,025	-	-
應付營業費用	6,879	3,986	720	744
加值型營業稅	9,577	6,113	-	-
	<u>159,253</u>	<u>139,124</u>	<u>720</u>	<u>744</u>

應付帳款採不計息，一般授信期間為 30 天到 60 天。

以外國貨幣計價之應付營業費用餘額如下：

	<u>集團</u>		<u>本公司</u>	
	<u>2009</u> 人民幣' 000	<u>2008</u> 人民幣' 000	<u>2009</u> 人民幣' 000	<u>2008</u> 人民幣' 000
新加坡幣	988	1,218	720	744

24. 利息費用-附息之負債

	<u>集團</u>		<u>本公司</u>	
	<u>2009</u> 人民幣' 000	<u>2008</u> 人民幣' 000	<u>2009</u> 人民幣' 000	<u>2008</u> 人民幣' 000
銀行借款-有擔保	45,000	45,000	-	-

銀行借款係以其所租賃之建築物及土地之使用權作為質押，建築物及土地使用權帳面價值各為人民幣 5,863,000 元及人民幣 113,000 元(2008：人民幣 6,075,000 元及人民幣 116,000 元)，並由非執行主席之親屬所持有之公司提供擔保。

該銀行借款因將於短期內到期，故其帳面值接近其公平價值。集團之銀行借款係以人民幣計價。銀行借款之有效年利率為 5.43%(2008：7.36%)。所有銀行借款皆於本會計年度結束日後一年內償付。

25. 重大關係人交易

除了揭露於本合併財務報表其他附註者外，以下係集團間之重大關係人交易：

	附註	<u>集團</u>		<u>本公司</u>	
		<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
		人民幣	人民幣	人民幣	人民幣
		' 000	' 000	' 000	' 000
關係人借款	(a)	-	15,800	-	-
支付顧問費予關係人	(b)	180	180	-	-

附註(a) 2008 年間，子公司對非執行董事之親屬所投資之公司借款人民幣 6,000,000 元(2007 年：人民幣 10,000,000 元)，另對特定之管理階層人員亦為非執行董事之親屬融資借款人民幣 9,800,000 元(2007 年：無)。此借款皆為無擔保，不付息，且可隨時要求償付。此借款業已於西元 2008 年 12 月 31 日償還。

附註(b) 於 2008 年及 2009 年，集團聘任非執行主席之兄弟蔡長敬先生為管理顧問，每年並支付其人民幣 180,000 元為顧問費。

26. 資本承諾

除了財報之揭露外，集團及公司之資本承諾如下：

	<u>集團</u>		<u>本公司</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
	人民幣' 000	人民幣' 000	人民幣' 000	人民幣' 000
資本支出之契約未表達於合併財務報表中：				
購買不動產、廠房及設備之承諾	12,184	130,805	-	-

本公司承諾於西元 2010 年支付人民幣 10,000,000 元投入於研究及發展之合作資金中。(請詳附註 14)

27. 營業租賃約定

截至會計年度結束日，集團對外之不可取消營業租賃承諾如下：

	<u>集團</u>	
	<u>2009</u>	<u>2008</u>
	人民幣' 000	人民幣' 000
1年內	130	-
2到5年	119	-
	<u>249</u>	<u>-</u>

其營業租賃合約之標的係集團之新加坡辦公室。其租賃之各期租金相同，惟平均每兩年可調整一次。

28. 股利

	<u>集團</u>		<u>本公司</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
	人民幣' 000	人民幣' 000	人民幣' 000	人民幣' 000
最終股利支付數	<u>75,624</u>	<u>-</u>	<u>75,624</u>	<u>-</u>

2008 年每股普通股最終股利為人民幣 0.0815 元(免稅)。

截至西元 2010 年 2 月 16 日，集團提議每普通股分配人民幣 0.0345 元股利(免稅)，其股利金額約為人民幣 32,013,000 元，即約為 2009 年集團利潤率之 30%。集團提議之股利發放案需於年度股東常會中經公司之股東同意。財務報表並未反應此預估股利，將表達於 2010 年度股東權益表中之保留盈餘分配項目。

29. 營運部門

在以往年度，根據 FRS14-部門別報導，部門別資訊係以企業提供之商品與勞務為基礎而編制與揭露。

而於本會計年度，該集團已改採年度結束日為西元 2009 年 12 月 31 日起生效之 FRS108 - 營運部門。FRS 108 要求營運部門需要依據關於集團組成之內部報導基礎定義，此基礎為定期由主要營運決策者複核，以制定分配予該部門資源之決策，並評估該部門之績效。該集團之營運活動主要為製造與銷售高性能紡織品，與提供紡織品加工服務。

雖然銷售性能紡織品或紡織品加工服務皆可從中取得各別的財務資訊，而集團執行長通常並不利用紡織品加工服務的財務資訊進行資源分配並評估其績效，這是因為執行長認為紡織品加工服務對製造與銷售性能紡織品來說是不可或缺的一部分，同一顧客購買性能紡織品亦會同時使用該集團提供之紡織品加工服務，相同地，製造與銷售性能紡織品給外部顧客亦須經過同樣的加工處理。紡織品加工服務收入通常佔集團整體收入比率低於 5%，故此類服務之提供不算是該集團業務的主軸。此外，集團對這兩個收入來源損益的衡量、收入與費用以及資產與負債採用相同的會計政策。財務長認為紡織品加工服務的提供與性能紡織品的製造銷售對其經濟效益扮演著相同重要的角色。在 FRS108 營運部門的定義下，該集團本質上係屬於單一營運部門，故並無編制各別的部門資訊，而在 FRS108 中所要求應報導部門之財務資訊應與財務報表金額相調節，當僅有單一的營運部門時即無法適用，相對的以往所報導各營運部門間比較性資訊亦不適用於當前會計年度所採用的單一營運部門。

可應用於該單一營運部門的揭露資訊如下：

- 集團全部的收入皆來自居住於中華人民共和國的外部客戶
- 集團內大部分的資產在中華人民共和國運作使用
- 截至西元 2009 年 12 月 31 日，在中華人民共和國以外的國家使用之部門資產大約 RMB31,287,000 元（2008 年時為 RMB159,181,000 元），並無非流動性資產在中華人民共和國以外的國家使用
- 至 2008 年及 2009 年 12 月 31 日為止，並無單一客戶產生之收入佔集團整體收入 10% 以上

依據過渡性條款 FRS108 以及修正版的 FRS1 適用期間，最早的可比較期間即西元 2007 年 12 月 31 日已表達於財務狀況表。

30. 財務風險管理之目的與政策

風險管理係集團整體業務所不可或缺的一環，該集團設有一系列的控制措施以建立風險發生成本與風險管理成本間可接受的平衡點，管理當局亦持續的監督集團風險管理流程，以確保風險與控制間適當的平衡之達成。

流動性風險

集團監控其流動性風險，並維持適當現金及約當現金水準以供管理當局營運所需，且降低現金流量波動之影響。集團定期針對其核心業務進行現金流量的預測，以盡可能確保其有足夠之流動資金可因應到期負債的償還，此外，該集團可取得外部借款（附註 24）。

下表為根據合約未折現現金流量分析集團與公司負債之到期狀況：

	<u>流動負債(RMB' 000)</u>			
	<u>集團</u>		<u>本公司</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
應付帳款與其他應付款	\$ 159,253	\$ 139,124	\$ 720	\$ 744
應付關係人款	1,002	50,382	1,002	-
付息負債	45,000	45,000	-	-
12月31日	<u>\$ 205,255</u>	<u>\$ 234,506</u>	<u>\$ 1,722</u>	<u>\$ 744</u>

信用風險

信用風險是指當交易對象於契約到期時，未能履行與該集團約定契約中的義務而造成經濟損失的潛在財務風險。

集團已建立起客戶信用額度並監控其餘額，現金被存放於銀行或是受規範的財務機構。該集團堅持與合作關係悠久且信用良好之顧客進行交易，以減少暴露於信用風險下。

截至西元2009年12月31日止，該集團之應收帳款結構係由10大(2008年：9大)各別佔該集團整體應收帳款5%以上的銷貨對象組成，由於集團有許多不同的顧客，故主要歸屬於應收帳款的信用風險是有限的。而這些顧客係從事大範圍的分銷、製造活動以及銷售至各式終端市場。

信用風險揭露

財務報表上金融資產之帳面值代表信用風險暴險的最大值，於期末相關揭露請詳下：

	<u>集團</u>		<u>本公司</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
	人民幣' 000	人民幣' 000	人民幣' 000	人民幣' 000
應收帳款與其他應收款	246,653	401,612	29,969	112,247
應收聯屬公司款	-	-	261,443	177,512
現金與約當現金	419,764	364,111	1,293	46,934
	<u>666,417</u>	<u>765,723</u>	<u>292,705</u>	<u>336,693</u>

該集團估計了應收帳款與其他應收款可能發生之呆帳損失，於備抵呆帳科目中適當地表達，而該備抵科目主要組成內容有特定損失與集體損失，前者係與單獨揭露之重大財務資訊有關；後者則為集團中同質的資產已發生但尚未明確辨認的損失。其中，備抵集體損失係根據統計同質的金融資產付款狀況的歷史數據而建立，而此兩種損失準備皆非根據以往的經驗進行提列。

市場風險

市場風險係指因市場價格(如：國際匯率與市場利率)等系統因素的變動而造成集團收入與持有金融資產價值產生減損的風險。而市場風險管理的目的，在於控制管理暴露於市場風險在可接受的範圍內，並極大化風險收益。

外幣風險

外幣風險產生係因交易使用了企業所定義之功能性貨幣以外的外幣。該集團之外幣風險為購置新廠房與機器設備之保證金係以美元計價，而其主要現金存款則為新加坡幣。

目前，該集團尚未制定正式的政策對暴露於外幣風險的情況採取保護措施。期末帳面值為外幣計價之貨幣性資產及負債金額揭露如下：

	<u>集團</u>			
	<u>2009</u>		<u>2008</u>	
	<u>新加坡幣</u>	<u>美元</u>	<u>新加坡幣</u>	<u>美元</u>
	人民幣' 000	人民幣' 000	人民幣' 000	人民幣' 000
應收帳款與其他應收款	233	29,736	-	112,247
現金與約當現金	1,293	-	46,934	-
應付帳款與其他應付款 (	988)	-	(1,218)	-
	<u>538</u>	<u>29,736</u>	<u>45,716</u>	<u>112,247</u>

	<u>本公司</u>			
	<u>2009</u>		<u>2008</u>	
	<u>新加坡幣</u>	<u>美元</u>	<u>新加坡幣</u>	<u>美元</u>
	人民幣' 000	人民幣' 000	人民幣' 000	人民幣' 000
應收帳款與其他應收款	233	29,736	-	112,247
應收聯屬公司款	16,752	-	-	-
現金與約當現金	1,293	-	46,934	-
應付帳款與其他應付款 (	720)	-	(744)	-
	<u>17,558</u>	<u>29,736</u>	<u>46,190</u>	<u>112,247</u>

當外幣兌換人民幣以調降或上漲 10%幅度為變動考量時，其中所有變動因子包含稅率均以固定不變為基礎，此時淨資產/負債之情形對於集團稅後淨利及股本增加/減少之情況將如下所示：

	<u>2009</u> <u>稅後淨利</u> 人民幣' 000	<u>2009</u> <u>股東權益</u> 人民幣' 000	<u>2008</u> <u>稅後淨利</u> 人民幣' 000	<u>2008</u> <u>股東權益</u> 人民幣' 000
集團				
美金：人民幣				
增值	2,974	2,974	11,225	11,225
貶值	(2,974)	(2,974)	(11,225)	(11,225)
新加坡幣：人民幣				
增值	54	54	4,572	4,572
貶值	(54)	(54)	(4,572)	(4,572)
	<u>2009</u> <u>稅後淨利</u> 人民幣' 000	<u>2009</u> <u>股東權益</u> 人民幣' 000	<u>2008</u> <u>稅後淨利</u> 人民幣' 000	<u>2008</u> <u>股東權益</u> 人民幣' 000
本公司				
美金：人民幣				
增值	2,974	2,974	11,225	11,225
貶值	(2,974)	(2,974)	(11,225)	(11,225)
新加坡幣：人民幣				
增值	1,756	1,756	4,619	4,619
貶值	(1,756)	(1,756)	(4,619)	(4,619)

公平價值

金融資產及金融負債之公平價值及於財務狀況表列示之帳面價值，如下表所示：

	<u>集團</u>		<u>集團</u>	
	<u>2009</u>		<u>2008</u>	
	<u>帳面價值</u>	<u>公平價值</u>	<u>帳面價值</u>	<u>公平價值</u>
	人民幣' 000	人民幣' 000	人民幣' 000	人民幣' 000
應收帳款及其他應收款	246,653	246,653	401,612	401,612
現金及約當現金	419,764	419,764	364,111	364,111
付息負債	45,000	45,000	45,000	45,000
應付票據及其他應付款	159,253	159,253	139,124	139,124
應付關係人款-流動	1,002	1,002	50,382	50,382

	<u>本公司</u>		<u>本公司</u>	
	<u>2009</u>		<u>2008</u>	
	<u>帳面價值</u>	<u>公平價值</u>	<u>帳面價值</u>	<u>公平價值</u>
	人民幣' 000	人民幣' 000	人民幣' 000	人民幣' 000
應收帳款及其他應收款	29,969	29,969	112,247	112,247
應收子公司款	261,443	261,443	177,512	177,512
現金及約當現金	1,293	1,293	46,934	46,934
應付票據及其他應付款	720	720	744	744
應付關係人款	1,002	1,002	-	-

到期日短於一年之金融資產及負債（包括應收帳款及其他應收款，應收關係人款，現金及約當現金以及應付帳款及其他應付款），其帳面值約當為期公平價值。

本集團並無持有需以公平價值表達或評價之金融商品資產/負債、衍生性金融資產及負債；因此 FRS 107 金融商品揭露對於公平價值等級(Level 1, 2, &3)之揭露要求並不適用。

利率風險

本集團之利率風險係受付息金融負債利率改變影響所致。本集團政策係維持所有借款為固定利率商品。

下表將集團暴露於利率風險之金融商品以到期日之帳面價值表達：

(以人民幣千元表達)		
集團		
12月31日	2009	2008
一年內		
固定利率		
銀行借款	45,000	45,000

金融商品之利率係屬固定利率，其利率係依合約規定每一年變動一次。金融商品之利率直到到期日前均為固定利率。集團之其餘金融商品利率風險並不重大。

針對固定利率之付息負債，每一百基準點(bp)變動將會增加/減少稅後淨利及股本影響，如下表所示：

	當期損益/股東權益增加(減少)	
	100 bp	100bp
	<u>增加</u>	<u>減少</u>
西元2009年12月31日		
付息負債	(338)	338
西元2008年12月31日		
付息負債	(338)	338

資本管理

該集團對資本控管的目的在於維護集團繼續經營的能力，以提供股東及利益相關者報酬，並維持最適的資本結構以減少資產成本。

依據經濟環境的改變，管理當局複核其資本結構並作出調整。該目的係為在整體資本結構上反映合理及最佳的長短期股東權益報酬率。在此複核中，管理當局考量資本成本與各類資本相關之風險。根據此複核結果，該集團將會透過支付股利、發行新股及購買庫藏股及舉借/償付負債以平衡其整體資本結構。

管理當局監控資本係以股東權益資金報酬為基準。股東權益資金報酬之計算方式為係以歸屬於公司股本持有者之淨利除以平均股東權益而來。西元2009年及2008年之股東權益資金報酬分別為14%及49.5%。

本集團於2009年及2008年並未受任何外部資本要求限制。

附 件 五

CHINA TAISAN TECHNOLOGY GROUP HOLDINGS LIMITED

Company Registration No. 200711863D
(Incorporated in Singapore)

AND ITS SUBSIDIARY

**REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

CHINA TAISAN TECHNOLOGY GROUP HOLDINGS LIMITED
Company Registration No. 200711863D
(Incorporated in Singapore)
AND ITS SUBSIDIARY

**REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

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CHINA TAISAN TECHNOLOGY GROUP HOLDINGS LIMITED
 Company Registration No. 200711863D
 (Incorporated in Singapore)
AND ITS SUBSIDIARY

REPORT OF THE DIRECTORS

We are pleased to present this annual report to the members of the Company together with the audited financial statements of the Company and consolidated financial statements of the Company and its subsidiary (the "Group") for the financial year ended 31 December 2009.

DIRECTORS

The directors in office at the date of this report are as follows:

Choi Cheung Kong	(Non-executive Chairman)
Lin Wen Chang	(Chief Executive Officer and Executive Director)
Lin Yung Hsiang	(Executive Director)
Yang Shun Fu	(Executive Director)
Tsang Siu For Thomas	(Independent Director)
Ng Weng Wei	(Independent Director)
Dr. Fu Xiao Bin	(Independent Director)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings kept by the Company for the purposes of Section 164 of the Singapore Companies Act, Cap. 50, the directors of the Company who held office at the end of the financial year (including those held by their spouses and infant children) had an interest in shares of the Company and in related corporations (other than wholly-owned subsidiary) as detailed below:

<u>Name of the company and director in which interests are held</u>	<u>Held in the name of the Directors or nominees</u>		
	<u>At beginning of the year</u>	<u>At end of the year</u>	<u>At 21 days after end of the year</u>
<u>The Company</u>			
<i>Ordinary share with no par value</i>			
Choi Cheung Kong	518,659,200	484,659,200	484,659,200
Lin Wen Chang	101,476,800	101,476,800	101,476,800

By virtue of Section 7 of the Singapore Companies Act, Cap. 50, Mr. Choi Cheung Kong is deemed to have interests in the wholly-owned subsidiary of the Company at the beginning and at the end of the financial year.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit which is required to be disclosed by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, except as disclosed in the accompanying financial statements. Certain directors received remuneration from a related corporation in their capacity as directors and/or executives of the related corporation.

CHINA TAISAN TECHNOLOGY GROUP HOLDINGS LIMITED
Company Registration No. 200711863D
(Incorporated in Singapore)
AND ITS SUBSIDIARY

REPORT OF THE DIRECTORS

DIRECTORS' INTERESTS (CONT'D)

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares or options of the Company or of related corporations either at the beginning or at the end of the financial year.

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objective is, to enable the directors of the company to acquire benefits through the acquisition of shares in or debentures of the Company or any other body corporate.

SHARE OPTIONS

- (a) No options were granted by the Company or any of its subsidiary during the financial year to subscribe for unissued shares of the Company or its subsidiary.
- (b) No shares were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiary.
- (c) There were no unissued shares of the Company or its subsidiary under option at the end of the financial year.

AUDIT COMMITTEE

The Audit Committee of the Company, consisting all non-executive directors, is chaired by Mr. Tsang Siu For Thomas, an independent director, and includes Mr. Ng Weng Wei, an independent director and Dr. Fu Xiao Bin, an independent director. The Audit Committee performs the functions specified in Section 201B of the Act, the SGX listing manual and the Code of Corporate Governance. The Audit Committee has met four times since the last Annual General Meeting ("AGM") and has reviewed the following, where relevant, with the directors and external and internal auditors of the Company:

- (a) the audit plans and results of the internal auditors' examination and evaluation of the Group's systems of internal accounting controls;
- (b) the Group's financial and operating results and accounting policies;
- (c) the financial statements of the Company and the consolidated financial statements of the Group before their submission to the directors of the Company and internal auditors' report on those financial statements;
- (d) quarterly and annual announcements as well as the related press releases on the results and financial position of the Company and the Group;
- (e) the co-operation and assistance given by the management to the Group's independent auditors;

CHINA TAISAN TECHNOLOGY GROUP HOLDINGS LIMITED
Company Registration No. 200711863D
(Incorporated in Singapore)
AND ITS SUBSIDIARY

REPORT OF THE DIRECTORS

AUDIT COMMITTEE (CONT'D)

- (f) the re-appointment of the external auditors of the Group; and
- (g) interested person transactions (as defined in Chapter 9 of the SGX listing manual).

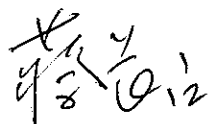
The Audit Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

The Audit Committee is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, Mazars LLP, Public Accountants and Certified Public Accountants, be nominated for re-appointment as external auditors at the forthcoming AGM of the Company.

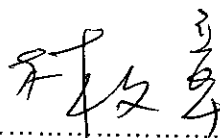
INDEPENDENT AUDITORS

Mazars LLP, Public Accountants and Certified Public Accountants, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors



.....
Choi Cheung Kong
Director



.....
Lin Wen Chang
Director

22 March 2010

CHINA TAISAN TECHNOLOGY GROUP HOLDINGS LIMITED
Company Registration No. 200711863D
(Incorporated in Singapore)
AND ITS SUBSIDIARY

STATEMENT BY THE DIRECTORS

In our opinion,

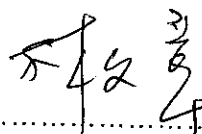
- (a) the accompanying financial statements are drawn up so as to give a true and fair view of the state of affairs of Group and of the Company as at 31 December 2009 and of the results of the business, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Board of Directors



.....
Choi Cheung Kong
Director



.....
Lin Wen Chang
Director

22 March 2010

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
CHINA TAISAN TECHNOLOGY GROUP HOLDINGS LIMITED**

Company Registration No. 200711863D

(Incorporated in Singapore)

AND ITS SUBSIDIARY

We have audited the accompanying financial statements of **CHINA TAISAN TECHNOLOGY GROUP HOLDINGS LIMITED** (the "Company") and its subsidiary (the "Group") which comprise the statements of financial position of the Company and the Group as at 31 December 2009, the consolidated statement of comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows of the Group and statement of changes in equity of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 7 to 51.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes:

- (a) devising and maintaining a system of internal accounting controls sufficient to provide reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets;
- (b) selecting and applying appropriate accounting policies; and
- (c) making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal controls relevant to the Group's preparation and fair presentation of the financial statements 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 Group's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



MAZARS

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
CHINA TAISAN TECHNOLOGY GROUP HOLDINGS LIMITED**

Company Registration No. 200711863D

(Incorporated in Singapore)

AND ITS SUBSIDIARY

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:-

- (a) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2009 and of the results, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date; and
- (b) the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

MAZARS LLP
PUBLIC ACCOUNTANTS AND
CERTIFIED PUBLIC ACCOUNTANTS

Chang Fook Kay
Partner-in-charge

Singapore: 22 March 2010

CHINA TAISAN TECHNOLOGY GROUP HOLDINGS LIMITED
 Company Registration No. 200711863D
 (Incorporated in Singapore)
AND ITS SUBSIDIARY

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2009

	<u>Note</u>	<u>Group</u> <u>2009</u> RMB'000	<u>2008</u> RMB'000
Revenue	3	832,641	1,180,143
Cost of sales		<u>(670,974)</u>	<u>(803,497)</u>
Gross profit		161,667	376,646
Other income	4	2,006	2,131
Distribution costs		(2,159)	(1,704)
Administrative expenses		(11,714)	(11,190)
Other operating expenses		(2,329)	(19,581)
Finance costs	5	<u>(2,691)</u>	<u>(3,175)</u>
Profit before income tax	6	144,780	343,127
Income tax expense	9	<u>(38,101)</u>	<u>(91,162)</u>
Profit for the year attributable to equity holders of the Company		106,679	251,965
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>106,679</u>	<u>251,965</u>
Earnings per share for profit attributable to equity holders of the Company (RMB cents)			
- Basic and diluted	10	<u>11.50</u>	<u>30.28</u>

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

CHINA TAISAN TECHNOLOGY GROUP HOLDINGS LIMITED
 Company Registration No. 200711863D
 (Incorporated in Singapore)
AND ITS SUBSIDIARY

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2009

	<u>Note</u>	<u>2009</u> RMB'000	<u>Group</u> <u>2008</u> RMB'000	<u>2007</u> RMB'000	<u>2009</u> RMB'000	<u>Company</u> <u>2008</u> RMB'000	<u>2007</u> RMB'000
Assets							
Non-current assets							
Property, plant and equipment	11	290,310	206,418	143,880	22	—	—
Intangible assets	12	111	114	116	—	—	—
Investment in a subsidiary	13	—	—	—	80,998	80,998	—
Other asset	14	10,000	—	—	—	—	—
		<u>300,421</u>	<u>206,532</u>	<u>143,996</u>	<u>81,020</u>	<u>80,998</u>	<u>—</u>
Current assets							
Intangible assets - current portion	12	2	2	2	—	—	—
Inventories	15	54,937	51,527	42,483	—	—	—
Trade and other receivables	16	246,653	401,612	250,324	29,969	112,247	1,637
Amounts owing by subsidiary	17	—	—	—	261,443	177,512	—
Cash and cash equivalents	18	419,764	364,111	89,399	1,293	46,934	101
		<u>721,356</u>	<u>817,252</u>	<u>382,208</u>	<u>292,705</u>	<u>336,693</u>	<u>1,738</u>
Total assets		<u>1,021,777</u>	<u>1,023,784</u>	<u>526,204</u>	<u>373,725</u>	<u>417,691</u>	<u>1,738</u>
Equity and liabilities							
Equity							
Share capital	19	337,799	337,799	80,998	337,799	337,799	— *
Merger reserve	20	11,491	11,491	11,491	—	—	—
Statutory reserves	21	80,243	74,655	44,207	—	—	—
Accumulated profits		365,338	339,871	118,354	34,151	79,148	—
Total equity attributable to equity holders of the Company		<u>794,871</u>	<u>763,816</u>	<u>255,050</u>	<u>371,950</u>	<u>416,947</u>	<u>— *</u>
Non-current liability							
Amount owing to a related party	22	—	—	50,382	—	—	—
		<u>—</u>	<u>—</u>	<u>50,382</u>	<u>—</u>	<u>—</u>	<u>—</u>
Current liabilities							
Trade and other payables	23	159,253	139,124	153,951	720	744	—
Amount owing to a related party	22	1,002	50,382	1,738	1,002	—	1,738
Interest-bearing liabilities	24	45,000	45,000	37,500	—	—	—
Provision for taxation		21,651	25,462	27,583	53	—	—
		<u>226,906</u>	<u>259,968</u>	<u>220,772</u>	<u>1,775</u>	<u>744</u>	<u>1,738</u>
Total liabilities		<u>226,906</u>	<u>259,968</u>	<u>271,154</u>	<u>1,775</u>	<u>744</u>	<u>1,738</u>
Total equity and liabilities		<u>1,021,777</u>	<u>1,023,784</u>	<u>526,204</u>	<u>373,725</u>	<u>417,691</u>	<u>1,738</u>

* The amount is less than RMB1,000.

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

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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 31 DECEMBER 2009**

<u>Group</u>	<u>Note</u>	Attributable to equity holders of the Company				
		<u>Share Capital</u> RMB'000	<u>Merger Reserve</u> RMB'000	<u>Statutory Reserves</u> RMB'000	<u>Accumulated Profits</u> RMB'000	<u>Total Equity</u> RMB'000
At 1 January 2008		80,998	11,491	44,207	118,354	255,050
Total comprehensive income for the year		—	—	—	251,965	251,965
Allotment of shares pursuant to initial public offering, net of expenses	19(d)	256,801	—	—	—	256,801
Transfer from accumulated profits to statutory reserves	21	—	—	30,448	(30,448)	—
At 31 December 2008		<u>337,799</u>	<u>11,491</u>	<u>74,655</u>	<u>339,871</u>	<u>763,816</u>
At 1 January 2009		337,799	11,491	74,655	339,871	763,816
Total comprehensive income for the year		—	—	—	106,679	106,679
Dividend paid	28	—	—	—	(75,624)	(75,624)
Transfer from accumulated profits to statutory reserves	21	—	—	5,588	(5,588)	—
At 31 December 2009		<u>337,799</u>	<u>11,491</u>	<u>80,243</u>	<u>365,338</u>	<u>794,871</u>

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

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**STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 31 DECEMBER 2009**

<u>Company</u>	<u>Note</u>	<u>Share Capital</u> RMB'000	<u>Accumulated Profits</u> RMB'000	<u>Total Equity</u> RMB'000
At 1 January 2008		—*	—	—*
Total comprehensive for the year		—	79,148	79,148
Due to restructuring exercise	19(c)	80,998	—	80,998
Allotment of shares pursuant to initial public offering, net of expenses	19(d)	256,801	—	256,801
At 31 December 2008		337,799	79,148	416,947
At 1 January 2009		337,799	79,148	416,947
Total comprehensive for the year		—	30,627	30,627
Dividend paid	28	—	(75,624)	(75,624)
At 31 December 2009		337,799	34,151	371,950

* Amount less than RMB1,000.

The accompanying notes form an integral part of these financial statements

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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2009

	<u>Note</u>	<u>Group</u> 2009 RMB'000	2008 RMB'000
Operating activities			
Profit before income tax		144,780	343,127
Adjustments for:			
Depreciation of property, plant and equipment	11	30,501	20,756
Amortisation of land use rights	12	3	2
Property, plant and equipment written off	6	—	145
Bad debts written off	6	346	—
Loss from disposal of property, plant and equipment	6	630	775
Interest expense	5	2,691	3,175
Interest income	4	(1,651)	(2,080)
Operating profit before working capital changes		<u>177,300</u>	<u>365,900</u>
<i>Changes in working capital:</i>			
Inventories		(3,410)	(9,044)
Trade and other receivables		72,102	(44,041)
Trade and other payables		20,129	(14,827)
Amount owing to related parties – non-trade		—	(1,738)
Other asset	14	<u>(10,000)</u>	<u>—</u>
Cash generated from operations		256,121	296,250
Interest received		1,651	2,080
Income taxes paid		<u>(41,912)</u>	<u>(93,283)</u>
Cash flows generated from operating activities		<u>215,860</u>	<u>205,047</u>
Investing activities			
Purchases of property, plant and equipment		(32,569)	(79,915)
Proceeds from disposal of property, plant and equipment		57	701
Deposits paid for purchase of plant and equipment	16	<u>—</u>	<u>(112,247)</u>
Cash flows used in investing activities		<u>(32,512)</u>	<u>(191,461)</u>
Financing activities			
Repayment of bank loans		(45,000)	(37,500)
Proceeds from bank loans		45,000	45,000
Payment of amount owing to a related party		(49,380)	—
Dividend paid	28	(75,624)	—
Interest paid		(2,691)	(3,175)
Net proceeds from issue of shares	19(d)	<u>—</u>	<u>256,801</u>
Cash flows (used in)/ generated from financing activities		<u>(127,695)</u>	<u>261,126</u>
Net increase in cash and cash equivalents		55,653	274,712
Cash and cash equivalents at the beginning of the year		364,111	89,399
Cash and cash equivalents at the end of the year	18	<u>419,764</u>	<u>364,111</u>

During the financial year ended 31 December 2009, the Group acquired plant and equipment with an aggregate cost of approximately RMB115,080,000 (2008: RMB84,915,000) by utilising RMB82,511,000 (2008: RMB5,000,000) of the deposits of RMB112,247,000 (2008: RMB5,000,000) paid in the previous financial year.

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

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NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009

These notes form an integral part of and should be read in conjunction with the accompanying financial statements. The board of directors has authorised the financial statements for issue on 22 March 2010.

1. DOMICILE AND ACTIVITIES

China Taisan Technology Group Holdings Pte. Ltd., is incorporated in the Republic of Singapore on 2 July 2007. On 16 April 2008, the Company was converted into a public limited company and changed its name to China Taisan Technology Group Holdings Limited (the "Company") from that date.

The Company's registered office is at 80 Robinson Road #17-02, Singapore 068898. The principal activity of the Company is that of investment holding. The principal activity of its subsidiary, Jinjiang Lianjie Textile & Printing Dyeing Industrial Co., Ltd (晋江连捷纺织印染实业有限公司), is set out in Note 13 to the consolidated financial statements. The principal place of business of the subsidiary is at Zhendong Development Area, Dongcheng, Dongshi Town, Jinjiang City, Fujian Province, People's Republic of China ("PRC") (福建省晋江市东石镇东埕振东开发区).

The consolidated financial statements relate to the Company and its subsidiary (herein referred to as the "Group").

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards (FRS). The financial statements have been prepared on a historical cost basis except as disclosed in the significant accounting policies set out below.

Adoption of new and revised standards

On 1 January 2009, the Group and the Company adopted the new FRS and Interpretation to FRS ("INT FRS") which is effective for the year ended 31 December 2009. The adoption of the new FRS and INT FRS did not have a significant impact to the financial statements of the Group and the Company. The significant changes in FRS and INT FRS that have been implemented and are effective from 1 January 2009 and relevant to the Group and the Company are discussed below.

FRS 1 – Presentation of Financial Statements (Revised) which became effective as of 1 January 2009 requires an entity to present, in a statement of changes in equity, all owner changes in equity. All non-owner changes in equity (i.e. statement of comprehensive income) are required to be presented in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). Components of comprehensive income are not permitted to be presented in the statement of changes in equity. Comparative information has been re-presented so that it also is in conformity with the revised standard. The Group has adopted the single statement of comprehensive income for its presentation. There is no impact on earnings per share as the change in accounting policy only impacts presentation aspects.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (Cont'd)

Adoption of new and revised standards (Cont'd)

FRS 107 (amendment) Improving disclosures about financial instruments which became effective as of 1 January 2009 requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. There is no impact on the accounting policies and measurement on the financial statements as the adoption of the amendment results only in additional disclosures.

FRS 108 – Operating Segments which became effective from 1 January, 2009. FRS 108 requires operating segments to be identified on the basis of internal reports about components of the group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. In contrast, the predecessor Standard (FRS 14 *Segment Reporting*) required an entity to identify two sets of segments (Business and Geographical), using a risks and rewards approach, with the entity's system of internal financial reporting to key management personnel serving only as the starting point for the identification of such segments. As a result, following the adoption of FRS 108, the identification of the group's operating segments has changed (Note 29).

Critical accounting estimates, assumptions and judgements

The preparation of consolidated financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Apart from information disclosed elsewhere in these consolidated financial statements, the following summarises estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year and significant judgements made in the process of applying the Group's accounting policies:-

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (Cont'd)

Critical accounting estimates, assumptions and judgements (Cont'd)

(i) *Impairment of receivables*

The Group makes allowance for impairment based on an assessment of the recoverability of trade and other receivables. Allowance is applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of doubtful receivables requires the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying amount of trade and other receivables and the allowance for impairment in the financial year in which such estimate has been changed. The carrying amount of the Group's trade and other receivables as at 31 December 2009 was approximately RMB 246,653,000 (2008: RMB 401,612,000).

(ii) *Depreciation of property, plant and equipment*

The cost of property, plant and equipment is depreciated on a straight-line basis over their economic useful lives estimated to be within 5-20 years, net of residual value. The carrying amount of the Group's property, plant and equipment as at 31 December 2009 was approximately RMB 290,310,000 (2008: RMB 206,418,000). Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation could be revised.

(iii) *Net realisable value of inventories*

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. These estimates are based on the current market condition and the historical experience of selling products of similar nature. It could change significantly as a result of competitor actions in response to severe industry cycles. Management will reassess the estimations at the end of the reporting period. The carrying amount of the Group's inventories as at 31 December 2009 was approximately RMB 54,937,000 (2008: RMB 51,527,000).

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of accounting (Cont'd)

Critical accounting estimates, assumptions and judgements (Cont'd)

(iv) *Income taxes*

The Group is subject to income taxes in different jurisdictions. Significant judgement is required in determining the capital allowance and deductibility of certain expenses during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax issues based on estimation of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the year in which such determination is made. The carrying amount of the Group's provision for taxation as of 31 December 2009 was approximately RMB 21,651,000 (2008: RMB 25,462,000).

2.2 Basis of consolidation

Business combinations are accounted for under the purchase method. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. The excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is credited to profit or loss in the period of the acquisition.

Subsidiary

A subsidiary is a company controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of a company so as to obtain benefits from its activities. The Company generally has such power when it directly or indirectly, holds more than 50% of the issued share capital, or controls more than half of the voting power, or controls the composition of the Board of Directors. The financial statements of the subsidiary used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances. The financial statements of subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Basis of consolidation (Cont'd)

Transactions eliminated on consolidation

Intra-group balance and transactions, and any realised and unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Accounting for subsidiary by the Company

Investments in subsidiary are stated in the Company's reporting date at cost less impairment losses.

2.3 Functional and presentation currency

The individual financial statements of each entity within the Group are presented in the currency of the primary economic environment in which the entity operates (the functional currency). The functional currency of the Company, and the subsidiary is the RMB and the consolidated financial statements are presented in RMB. All financial information presented in RMB has been rounded to the nearest thousand ("RMB'000") unless otherwise stated.

2.4 Foreign currencies transactions

Transactions in foreign currencies are translated at foreign exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into RMB at foreign exchange rates ruling at that date. Foreign exchange differences arising from translation are recognised in profit or loss. Non-monetary assets and liabilities measured at cost in a foreign currency are translated using exchange rates at the date of the transaction. Non-monetary assets and liabilities measured at fair value in foreign currencies are translated to RMB at foreign exchange rates ruling at the dates the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of monetary items that in substance form part of the Group's net investment in foreign operations (refer to Note 2.6).

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Foreign operations

The assets and liabilities of foreign operations are translated to RMB at exchange rates prevailing at the end of the reporting period. The income and expenses of foreign operations are translated to RMB at exchange rates prevailing at the dates of the transactions.

Foreign currency differences are recognised in the foreign currency translation reserves. When a foreign operation is disposed of, in part or in full, the relevant amount in the foreign currency translation reserves is transferred to profit or loss as part of the gain or loss on disposal of the foreign operation.

2.6 Net investment in foreign operations

Exchange differences arising from monetary items that in substance form part of the Company's net investment in foreign operations are recognised in the Company's profit or loss. Such exchange differences are reclassified to the foreign currency translation reserve on consolidation in the financial statements. When the hedged net investment is disposed of, the cumulative amount in the foreign currency translation reserve on consolidation is transferred to profit or loss as an adjustment to profit or loss arising on disposal.

2.7 Revenue recognition

Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

(i) Sale of goods

Revenue is recognised when goods are delivered at the customers' premises or collected by the customers at the Group's premises which is taken to be the point in time when the customer has accepted the goods and the related risks and rewards of ownership.

(ii) Rendering of services

Revenue is recognised when services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual services provided as a proportion of the total services to be performed.

(iii) Interest income

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

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Revenue recognition (Cont'd)

(iv) Government grant

Government grants are not recognised until there is reasonable assurance that the grants will be received and that the Group will comply with conditions applying to them. Grants are recognised in profit or loss on a systematic basis matching them with the related costs for which the grants are intended to compensate.

2.8 Operating leases

Where the Group has the use of assets under operating leases, payments made under the leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

2.9 Employee benefits

Contributions to defined contribution plans including Central Provident Fund ("CPF") contributions are recognised as an expense in profit or loss as incurred.

Short term benefits

Salaries, wages, allowances, bonuses and social security contributions are recognised as an expense in the financial year in which the services are rendered by the employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlements to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur. Non-monetary benefits such as medical care and other staff related expenses are charged to profit or loss as and when incurred.

Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. Contributions to national pension schemes are recognised as an expense in the period in which the related service is performed. Companies incorporated in the PRC are required to provide certain staff pension benefits for their employees under existing PRC legislation. Pension contributions are provided at rates stipulated by the PRC legislation and are contributed to a pension fund managed by government agencies, which are responsible for paying pensions to the retired employees. These benefits are accounted for on an accrual basis and charged to profit or loss when incurred.

These national pension schemes are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Research and development costs

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss as an expense when it is incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the products or processes are technically and commercially feasible, future economic benefit are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of material, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use.

Other development expenditure is recognised in profit or loss as an expense when it is incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses. Amortisation is charged to profit or loss using the straight – line method.

2.11 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event where it is probable that it will result in an outflow of economic benefits that can be reasonably estimated.

2.12 Impairment

Impairment of financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognised in profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in profit or loss.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 Impairment (Cont'd)

Impairment - non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories are reviewed at each end of the reporting period to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups.

Impairment losses are recognised in profit or loss unless they reverse a previous revaluation, credited to equity, in which case it is charged to equity. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

Calculations of recoverable amount

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generated largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of accumulated depreciation or amortisation, if no impairment loss had been recognised.

2.13 Finance costs

Interest expense and similar charges are expensed to profit or loss in the period in which they are incurred.

The interest component of interest-bearing liabilities is recognised in profit or loss using the effective interest method.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 Income tax

Income tax on the results for the year comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

2.15 Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets or liabilities and their carrying amounts in the consolidated financial statements. Deferred tax is, however, not recognised on temporary differences arising from the initial recognition of assets or liabilities that affect neither accounting nor taxable profit and differences relating to investment in subsidiary to the extent that it is probable that they will not reverse in the foreseeable future and the timing of reversal of the temporary differences can be controlled by the Group. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets or liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2.16 Property, plant and equipment

(a) Owned assets

Items of property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to the present location and condition for its intended use.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.16 Property, plant and equipment (Cont'd)

(b) Depreciation

Depreciation is provided on the straight-line basis so as to write off the cost of property, plant and equipment over their estimated useful lives net of estimated residual value on the cost of the asset as follows:

Leasehold buildings	20 years
Plant and machinery	5 - 10 years
Office equipment	5 years
Motor vehicles	10 years

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at the end of each reporting period.

(c) Cost

Cost includes expenditure that is directly attributable to the acquisition of the asset. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Fully depreciated assets are retained in the consolidated financial statements until they are no longer in use. The gain or loss on disposal or retirement of an item of property, plant and equipment recognised in profit or loss is the difference between the net sale proceeds and the carrying amount of the relevant asset.

2.17 Intangible assets

Land use rights

The cost of acquisition of land use rights is capitalised and amortised on a straight-line basis over the lease terms of the land of 50 years. The portion of the land use rights to be amortised over the next 12 months is reflected as current assets. The amortisation expense is recognised in profit or loss.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.18 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined on the weighted average formula and comprises all cost of purchases, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised in profit or loss in the period in which the reversal occurs.

2.19 Trade and other receivables

Trade and other receivables and amounts owing by subsidiary are classified as loans and receivables financial assets, and are recognised initially at fair value and subsequently at amortised cost using the effective interest method, less any impairment loss.

2.20 Cash and cash equivalents

Cash and cash equivalents are classified as loans and receivables financial assets, and comprise cash on hand and bank balances with financial institutions. Cash and cash equivalent are short-term, highly liquid investments readily convertible to known amounts of cash and subject to an insignificant risk of changes in value and have a short-maturity of generally within three months when acquired.

2.21 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from the share capital account, net of any tax effects.

2.22 Merger reserve

In applying the pooling-of-interest method, the financial statements of the entities under common control are consolidated as if the current structure of the Group has been in existence since date of incorporation of the Company. The statement of comprehensive income and statement of cash flows include the results of operations and cash flows of the entities under common control. The assets and liabilities are brought into the statements of financial position at their existing carrying amounts. Any difference between the paid-up capital of the Company and the amount of share capital acquired is adjusted against equity as a merger reserve.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.23 Statutory reserves

The statutory reserves of the Group comprise the following:

(a) Statutory common reserve

In accordance with relevant PRC regulations, the subsidiary is required to transfer a portion of its net profit to the statutory common reserve until the reserve reaches 50% of its registered capital. The transfer to this reserve must be made before the payment of dividends to shareholders.

The statutory common reserve can only be used to set off against losses or to increase the capital of the subsidiary. The subsidiary may convert its statutory common reserve into share capital provided that the remaining balance of such reserve is not less than 25% of the registered capital of the subsidiary.

(b) Statutory welfare reserve

In accordance with relevant PRC regulations, the subsidiary is encouraged to transfer a portion of its net profit to the statutory welfare reserve.

2.24 Liabilities and interest-bearing liabilities

Trade and other payables and amounts owing to a related party are classified as financial liabilities measured at amortised cost, and are recognised initially at fair value and subsequently at amortised cost using the effective interest method. Interest-bearing liabilities are recognised initially at cost less attributable transaction costs. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on effective interest basis.

2.25 Financial instruments

Financial assets

Financial assets within the scope of FRS 39 Financial Instruments: Recognition and Measurement ("FRS 39") are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets, as appropriate. Financial assets are recognised on the statements of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.25 Financial instruments (Cont'd)

Financial assets (Cont'd)

The Group determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each year-end. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or transfers substantially all the risks and rewards of the asset.

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Group commits to purchase the asset 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 concerned.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instruments or where appropriate, a shorter period. Income and expense is recognised on an effective interest basis for debt instruments other than those financial instruments "at fair value through profit or loss".

2.26 Operating segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses relate to transaction with any of the Group's other component. Operating results from operating segments are reviewed regularly by the Group's Chief Executive Officer, who is the chief operating decision maker, to make decision about resources to be allocated and assess its performance, and for which discrete financial information is available.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.27 Related parties

A party is related to the Group if:

- (a) directly, or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the Group; or has an interest in the Group that gives it significant influence over the Group; or has joint control over the Group;
- (b) the party is an associate of the Group;
- (c) the party is a joint venture in which the Group is a venturer;
- (d) the party is a member of the key management personnel of the Group or its parent;
- (e) the party is a close member of the family of any individual referred to in (a) or (d);
- (f) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or
- (g) the party is a post-employment benefit plan for the benefit of employees of the Group, or of any entity that is a related party of the Group.

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group.

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AND ITS SUBSIDIARY**NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2009****2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****2.28 Future changes in FRS**

At the date of authorisation of these financial statements, the following FRSs, INT FRSs and amendments to FRS that were issued but not effective:

<u>FRS No.</u>	<u>Title</u>	<u>Effective date for the period beginning on or after</u>
FRS 27 (Amendment)	Consolidated and Separate Financial Statements	1.7.2009
FRS 39 (Amendment)	Financial Instruments: Recognition and Measurement – Eligible Hedged Item	1.7.2009
FRS 101 (Amendment)	First-Time Adoption of Financial Reporting Standards	1.7.2009
FRS 109 (Amendment)	Amendments to INT FRS 109 and FRS 39 – Embedded Derivatives	30.6.2009
INT FRS 117	Distributions of Non-cash Assets to Owners	1.7.2009
INT FRS 119	Extinguishing Financial Liabilities with Equity Instruments	1.7.2010

Improvements to FRSs

<u>FRS No.</u>	<u>Title</u>	<u>Effective date for the period beginning on or after</u>
FRS 1	Presentation of Financial Statements	1.1.2010
FRS 7	Statement of Cash Flows	1.1.2010
FRS 17	Leases	1.1.2010
FRS 24	Related Party Disclosures	1.1.2011
FRS 32	Classification of Right Issues	1.2.2010
FRS 36	Impairment of Assets	1.1.2010
FRS 38	Intangible Assets	1.7.2009
FRS 39	Financial Instruments: Recognition and Measurement	1.1.2010
FRS 102	Share-based Payment	1.7.2009
FRS 105	Non-current Assets Held for Sale and Discontinued Operations	1.1.2010
FRS 108	Operating Segments	1.1.2010
INT FRS 109	Reassessment of Embedded Derivatives	1.7.2009
INT FRS 114	Prepayment of a Minimum Funding Requirement	1.1.2011
INT FRS 116	Hedges of a Net Investment in a Foreign Operation	1.7.2009

The management anticipates that the adoption of the above FRSs, INT FRSs and amendments to FRS relevant to the Group and the Company in future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption.

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3. REVENUE

	<u>Group</u>
	<u>2009</u> <u>2008</u>
	<u>RMB'000</u> <u>RMB'000</u>
Manufacturing and sale of performance fabrics	795,256 1,135,454
Manufacturing and sale of normal fabrics	— 1,729
Fabric processing services	37,385 42,960
	<u>832,641</u> <u>1,180,143</u>

4. OTHER INCOME

	<u>Group</u>
	<u>2009</u> <u>2008</u>
	<u>RMB'000</u> <u>RMB'000</u>
Interest income from cash with banks	1,651 2,080
Government grants	31 51
Sales of scrap	324 —
	<u>2,006</u> <u>2,131</u>

Government grants relate to (i) monetary incentives received from governmental agencies in the PRC as incentives for pollution prevention and control measures and, (ii) amount received under the jobs credit scheme in Singapore.

5. FINANCE COSTS

	<u>Group</u>
	<u>2009</u> <u>2008</u>
	<u>RMB'000</u> <u>RMB'000</u>
Interest expense on bank loans at amortised cost	<u>2,691</u> <u>3,175</u>

The effective interest rate of the bank loans was 5.98% (2008: 7.36%) per annum.

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6. PROFIT BEFORE INCOME TAX

The following items have been charged / (credited) in arriving at profit before income tax:

	<u>Note</u>	<u>Group</u> <u>2009</u> RMB'000	<u>2008</u> RMB'000
Amortisation of land use rights	12	3	2
Bad debts written off		346	—
Cost of inventories recognised as expenses		583,616	745,013
Depreciation of property, plant and equipment	11	30,501	20,756
Directors' fee – directors of the Company		415	320
Directors' remuneration	8	1,748	1,735
Exchange loss (net)		1,338	9,911
Government grants	4	(31)	(51)
Loss from disposal of property, plant and equipment		630	775
Operating lease expense		16	—
Property, plant and equipment written off	11	—	145
Staff costs	7	15,581	21,917
Non-audit fee paid to independent auditors of the Company *		—	2,206
Listing expenses recognised in consolidated statement of comprehensive income		—	8,750
		<u>—</u>	<u>8,750</u>

* The independent auditors received non – audit fees of approximately RMB2,206,000 for acting as the reporting accountant in respect of the preparation of the initial public offering of the Company's shares on the Singapore Exchange Securities Trading Limited during the year ended 31 December 2008.

7. STAFF COSTS

	<u>Note</u>	<u>Group</u> <u>2009</u> RMB'000	<u>2008</u> RMB'000
Salaries and bonus (excluding directors' remuneration)		13,256	15,302
Staff welfare		1,461	6,049
		<u>14,717</u>	<u>21,351</u>
Staff costs – key management personnel	8	864	566
		<u>15,581</u>	<u>21,917</u>

Salaries and bonus include payment to defined contribution plan (national pension schemes) amounting to approximately RMB1,651,000 (2008: RMB1,488,000).

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8. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel consist of the directors of the Company and its subsidiary, financial controller and sales & marketing manager of the subsidiary, and their remuneration are disclosed as follows:

	<u>Group</u>	
	<u>2009</u> RMB'000	<u>2008</u> RMB'000
<i><u>Directors' remuneration</u></i>		
Directors' of the Company		
- Salaries and bonuses	1,745	1,581
- Defined contribution plan	3	—
	<u>1,748</u>	<u>1,581</u>
Directors' of the subsidiary		
- Salaries and bonuses	—	152
- Defined contribution plan	—	2
	<u>—</u>	<u>154</u>
Directors' remuneration	<u>1,748</u>	<u>1,735</u>
<i><u>Other key management personnel compensation</u></i>		
Other key management personnel		
- Salaries and bonuses	816	528
- Defined contribution plan	48	38
	<u>864</u>	<u>566</u>
	<u>2,612</u>	<u>2,301</u>

9. INCOME TAX EXPENSE

	<u>Group</u>	
	<u>2009</u> RMB'000	<u>2008</u> RMB'000
<i><u>Current tax expense</u></i>		
Current year	38,048	91,162
Under-provision in prior year	53	—
Total income tax expense	<u>38,101</u>	<u>91,162</u>

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9. INCOME TAX EXPENSE (CONT'D)

The tax expense on the results for the financial years differs from the amount of income tax determined by applying statutory income tax rates of the respective countries to profit before income tax as a result of the following:

	<u>2009</u> <u>RMB'000</u>	<u>Group</u> <u>2008</u> <u>RMB'000</u>
Profit before income tax	144,780	343,128
Tax using the PRC tax rate of 25% (2008: 25%)	36,195	85,782
Tax effect of:		
Non-deductible item	1,060	3,920
Under-provision in prior year	53	—
Effect of different tax rate in other country *	793	1,460
Income tax expense	38,101	91,162

* The Company operates in a tax jurisdiction with lower tax rates.

Pursuant to the PRC Enterprise Income Tax Law (中华人民共和国企业所得税法) which was promulgated on 16 March 2007 and went into effect on 1 January 2008, the income tax law of the PRC on foreign-invested enterprises and foreign enterprises was abolished and the income tax for both domestic and foreign-invested enterprise will be unified at 25% effective from 1 January 2008. However, there will be a transition period for enterprises that currently receive preferential tax treatments granted by the tax authorities. Enterprises that are subject to an enterprise income tax rate lower than 25% may continue to enjoy the lower rate and gradually transfer to the new tax rate within five years after the effective date of the new enterprise income tax law. Enterprises that are currently entitled to exemptions or reductions from the standard income tax rate for a fixed term may continue to enjoy such treatment until the fixed term expires.

Pursuant to the PRC Enterprise Income Tax Law (中华人民共和国企业所得税法) which was promulgated on 22 February 2008, dividends distributed by PRC entities for profits generated before 1 January 2008 are exempt from withholding tax. Dividend paid in respect of profits generated on or after 1 January 2008 will be subject to a withholding tax of 5%.

At the end of the reporting period, the aggregate amount of temporary differences associated with the undistributed earnings of the subsidiary for which deferred tax liabilities have not been recognised is approximately RMB331.2 million (2008: RMB260.7 million). No liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

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10. EARNINGS PER SHARE

	<u>Group</u> <u>2009</u> RMB'000	<u>2008</u> RMB'000
Basic earnings per share is based on:		
(i) Net profit attributable to equity holders of the Company	<u>106,679</u>	<u>251,965</u>
	<u>Group</u> <u>2009</u> No. of shares '000	<u>2008</u> No. of shares '000
(ii) Weighted average number of ordinary shares	<u>927,900</u>	<u>832,156</u>

No diluted earnings per share are presented as there is no dilutive instrument issued as at the end of the financial years ended 31 December 2009 and 2008.

The basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

11. PROPERTY, PLANT AND EQUIPMENT

<u>Group</u> <u>2009</u>	<u>Leasehold</u> <u>buildings</u> RMB'000	<u>Plant and</u> <u>machinery</u> RMB'000	<u>Office</u> <u>equipment</u> RMB'000	<u>Motor</u> <u>vehicles</u> RMB'000	<u>Total</u> RMB'000
Cost					
At 1 January 2009	24,195	252,252	1,001	2,966	280,414
Additions	7,590	107,465	25	—	115,080
Disposal	—	(840)	—	—	(840)
At 31 December 2009	<u>31,785</u>	<u>358,877</u>	<u>1,026</u>	<u>2,966</u>	<u>394,654</u>
Accumulated Depreciation					
At 1 January 2009	12,898	60,535	253	310	73,996
Depreciation for the year	1,239	28,483	364	415	30,501
Disposal	—	(153)	—	—	(153)
At 31 December 2009	<u>14,137</u>	<u>88,865</u>	<u>617</u>	<u>725</u>	<u>104,344</u>
Net Carrying Value					
At 31 December 2009	<u>17,648</u>	<u>270,012</u>	<u>409</u>	<u>2,241</u>	<u>290,310</u>

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11. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group 2008	Leasehold buildings RMB'000	Plant and machinery RMB'000	Office equipment RMB'000	Motor vehicles RMB'000	Total RMB'000
Cost					
At 1 January 2008	23,563	177,327	1,001	1,425	203,316
Additions	632	82,512	—	1,771	84,915
Written off	—	—	—	(230)	(230)
Disposal	—	(7,587)	—	—	(7,587)
At 31 December 2008	24,195	252,252	1,001	2,966	280,414
Accumulated Depreciation					
At 1 January 2008	11,778	47,556	64	38	59,436
Depreciation for the year	1,120	19,090	189	357	20,756
Written off	—	—	—	(85)	(85)
Disposal	—	(6,111)	—	—	(6,111)
At 31 December 2008	12,898	60,535	253	310	73,996
Net Carrying Value					
At 31 December 2008	11,297	191,717	748	2,656	206,418

Company 2009	Office equipment RMB'000
Cost	
Additions during the year and balance at 31 December 2009	25
Accumulated Depreciation	
Depreciation for the year and balance at 31 December 2009	3
Net Carrying Value	
At 31 December 2009	22

Other than office equipment held by the Company, all items of property, plant and equipment held by the Group are located at Zhendong Development Area, Dongcheng, Dongshi Town, Jinjiang City, Fujian Province, PRC (福建省晋江市东石镇东埕振东开发区).

The Group has pledged property, plant and equipment having net carrying value of approximately RMB5,863,000 (2008: RMB6,075,000) to secure borrowings granted to the Group (Note 24).

The Group is in the process of applying for the property ownership certificate in respect of certain leasehold buildings of the subsidiary from the relevant PRC authorities with an aggregated carrying amount of approximately RMB20,894,000 (2008: RMB4,262,000).

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11. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

As at 31 December 2009, the estimated costs of applying for the property ownership certificate and land use rights (Refer to Note 16 to the financial statements) from the PRC authorities is RMB5,000 (2008: RMB5,000) and RMB20,894,000 (2008: RMB4,262,000) respectively.

12. INTANGIBLE ASSETS

	<u>Group</u>		<u>Company</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Land use rights	RMB'000	RMB'000	RMB'000	RMB'000
At beginning of the year	116	118	—	—
Amortisation	(3)	(2)	—	—
At end of the year	<u>113</u>	<u>116</u>	<u>—</u>	<u>—</u>
Amortisation due within:				
Next 12 months – current portion	2	2	—	—
More than 12 months				
– non-current portion	<u>111</u>	<u>114</u>	<u>—</u>	<u>—</u>
	<u>113</u>	<u>116</u>	<u>—</u>	<u>—</u>

The land use rights represent medium-term land use rights situated in the PRC. The Group has pledged its land use rights to secure borrowings granted to the Group (Note 24). Amortisation is provided to write off the land use rights over a period of 50 years.

13. INVESTMENT IN A SUBSIDIARY

	<u>Company</u>	
	<u>2009</u>	<u>2008</u>
	RMB'000	RMB'000
Unquoted shares, at cost	<u>80,998</u>	<u>80,998</u>

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13. INVESTMENT IN A SUBSIDIARY (CONT'D)

The following information relates to the subsidiary:

<u>Name of Company</u>	<u>Principal activities</u>	<u>Place of business/ Country of Incorporation</u>	<u>Percentage of equity held</u>		<u>Cost of investment</u>	
			<u>2009</u> %	<u>2008</u> %	<u>2009</u> RMB'000	<u>2008</u> RMB'000
Jinjang Lianjie Textile & Printing Dyeing Industrial Co., Ltd * (晋江连捷纺织印染实业有限公司)	Manufacture of knitted textile, printing and dyeing of fabrics and engaged in the knitting and weaving of high quality fabrics	PRC	100	100	80,998	80,998

* Audited by Mazars LLP, Singapore for inclusion in the consolidated financial statements of the Group.

14. OTHER ASSET

	<u>Group</u>		<u>Company</u>	
	<u>2009</u> RMB'000	<u>2008</u> RMB'000	<u>2009</u> RMB'000	<u>2008</u> RMB'000
Prepayment for research and development collaboration fee	10,000	—	—	—

The subsidiary has entered into an agreement with a PRC university to embark on a research and development collaboration from 2010 onwards whereby the university would deliver 25 product research and development results over a period of at least 5 years for a total fee of RMB20,000,000. The subsidiary has made its first payment of RMB10,000,000 to the university in December 2009 with the remaining RMB10,000,000 to be paid in financial year 2010.

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15. INVENTORIES

	<u>Group</u>		<u>Company</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
Finished goods	33,789	20,645	—	—
Raw materials	18,870	29,143	—	—
Work-in-progress	2,278	1,739	—	—
	<u>54,937</u>	<u>51,527</u>	<u>—</u>	<u>—</u>

16. TRADE AND OTHER RECEIVABLES

	<u>Group</u>		<u>Company</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
Trade receivables – third parties	196,622	271,029	—	—
Other receivables	20,295	18,336	233	—
Deposits	29,736	112,247	29,736	112,247
	<u>246,653</u>	<u>401,612</u>	<u>29,969</u>	<u>112,247</u>

Trade and other receivables that are denominated in foreign currencies at end of the reporting period are as follows:

	<u>Group</u>		<u>Company</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
Singapore dollar	233	—	233	—
US dollar	<u>29,736</u>	<u>112,247</u>	<u>29,736</u>	<u>112,247</u>

Trade receivables are non-interest bearing and are generally up to 90 days' credit term. All trade receivables are denominated in RMB.

Other receivable consists of a payment to obtain land use rights for land occupied by the subsidiary amounting to approximately RMB124,000 (2008: RMB124,000). The Group is in the process of obtaining the land use rights from the relevant PRC authorities.

Deposits relate to amounts placed by the Group to acquire new plant and machinery amounting to approximately RMB29,736,000 (2008: RMB112,247,000) (Note 26).

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16. TRADE AND OTHER RECEIVABLES (CONT'D)

Impairment losses

The ageing of trade receivables at the end of the reporting period was:

<u>Group</u>	<u>Gross</u> <u>2009</u> <u>RMB'000</u>	<u>Impairment</u> <u>2009</u> <u>RMB'000</u>	<u>Gross</u> <u>2008</u> <u>RMB'000</u>	<u>Impairment</u> <u>2008</u> <u>RMB'000</u>
Not past due	196,622	—	271,029	—

Based on historical default experience, the Group believes that no impairment allowance is necessary in respect of the trade receivables as there are no receivables that are past due.

17. AMOUNTS OWING BY SUBSIDIARY

	<u>2009</u> <u>RMB'000</u>	<u>Company</u> <u>2008</u> <u>RMB'000</u>
Advance payment	160,023	77,512
Deposit for capital application	1,002	—
Dividend receivables	100,418	100,000
	<u>261,443</u>	<u>177,512</u>

The amount owing by subsidiary is unsecured, interest-free and repayable on demand.

Amount owing by subsidiary that are denominated in foreign currencies at the end of the reporting period are as follows:

	<u>2009</u> <u>RMB'000</u>	<u>Company</u> <u>2008</u> <u>RMB'000</u>
Singapore dollar	<u>16,752</u>	<u>—</u>

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18. CASH AND CASH EQUIVALENTS

	<u>Group</u>		<u>Company</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
Cash on hand	135	114	— *	— *
Cash with banks	<u>419,629</u>	<u>363,997</u>	<u>1,293</u>	<u>46,934</u>
	<u>419,764</u>	<u>364,111</u>	<u>1,293</u>	<u>46,934</u>

* The amount is less than RMB 1,000.

Bank balances bear effective interest rate of 1.17% (2008: 0.71%) per annum.

Cash and bank balances that are denominated in foreign currencies at the end of the reporting period are as follows:

	<u>Group</u>		<u>Company</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
Singapore dollar	<u>1,293</u>	<u>46,934</u>	<u>1,293</u>	<u>46,934</u>

The RMB is not freely convertible into foreign currencies. Under the PRC Foreign Exchange Control Regulations and Administration of Settlement, Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through banks that are authorised to conduct foreign exchange business.

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19. SHARE CAPITAL

	Group and Company			
	2009		2008	
	No. of shares	RMB'000	No. of shares	RMB'000
Issued and fully paid up ordinary share with no par value:				
At 1 January	927,900,000	337,799	1	-*
Effect of Group Restructuring				
-issue of shares to acquire a subsidiary under common control (a)	-	-	99,998	80,268
-issue of share to Non-executive Chairman (b)	-	-	1	730
After Group Restructuring	<u>927,900,000</u>	<u>337,799</u>	<u>100,000</u>	<u>80,998</u>
Sub-division on 14 April 2008 (of every one ordinary share into 7,047 ordinary shares) (c)	-	-	704,700,000	80,998
Issue of new shares on initial public offering, net of expenses (d)	-	-	223,200,000	256,801
At 31 December	<u>927,900,000</u>	<u>337,799</u>	<u>927,900,000</u>	<u>337,799</u>

* Amount less than RMB1,000.

- (a) On 14 January 2008, the Company issued 99,998 shares for US\$11.0 million (RMB80,268,100) to acquire the entire equity interest in Jinjiang Lianjie Textile & Printing Industrial Co., Ltd (晋江连捷纺织印染实业有限公司), which became a wholly-owned subsidiary of the Company.
- (b) On 14 January 2008, the Company issued 1 ordinary share for US\$100,000 (RMB 729,710) to Mr. Choi Cheung Kong, an Non-executive Chairman, fully paid in cash.
- (c) Following the above, the ordinary shares of the Company were increased to 704,700,000 ordinary shares through the sub-division of every one ordinary share in the Company into 7,047 ordinary shares.
- (d) The ordinary shares of the Company were further increased to 927,900,000 by the issue of 223,200,000 new ordinary shares at S\$0.24 each at its initial public offering ("IPO") and the shares were listed on the Singapore Exchange Securities Trading Limited on 6 June 2008. The share issue expenses recognised in equity were approximately RMB13,471,000 (2007: Nil). Further details of the Group Restructuring can be found in the Prospectus of the Company dated 28 May 2008.

All issued ordinary shares are fully paid. There is no par value for these ordinary shares. 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 general meetings of the Company.

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20. MERGER RESERVE

The merger reserve represents the difference between the paid-up share capital of the Company and the share capital of the subsidiary acquired in financial year 2007 under the pooling-of-interests method of accounting.

21. STATUTORY RESERVES

The statutory reserves represent amounts transferred from profit after tax of the subsidiary established in the PRC under the PRC laws and regulations.

22. AMOUNT OWING TO A RELATED PARTY

	<u>Note</u>	<u>Group</u> <u>2009</u> RMB'000	<u>2008</u> RMB'000	<u>Company</u> <u>2009</u> RMB'000	<u>2008</u> RMB'000
<i>Due within 12 months</i>					
Amounts owing to:					
- A shareholder – non-trade	(a)	1,002	50,382	1,002	—

(a) This relates to non-trade amounts owing to the Non-executive Chairman which is denominated in RMB, unsecured, interest-free and is repayable on demand within 12 months from the end of the reporting period.

23. TRADE AND OTHER PAYABLES

	<u>Group</u> <u>2009</u> RMB'000	<u>2008</u> RMB'000	<u>Company</u> <u>2009</u> RMB'000	<u>2008</u> RMB'000
Trade payables	142,797	129,025	—	—
Accrued operating expenses	6,879	3,986	720	744
Value-added tax payable	9,577	6,113	—	—
	<u>159,253</u>	<u>139,124</u>	<u>720</u>	<u>744</u>

Trade payables are non-interest bearing and are normally settled on 60 to 90 days' credit term.

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23. TRADE AND OTHER PAYABLES (CONT'D)

Accrued operating expenses that are denominated in foreign currencies at the end of the reporting period are as follows:

	<u>Group</u>		<u>Company</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
Singapore dollar	<u>988</u>	<u>1,218</u>	<u>720</u>	<u>744</u>

24. INTEREST-BEARING LIABILITIES

	<u>Group</u>		<u>Company</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
Bank loans – secured	<u>45,000</u>	<u>45,000</u>	<u>—</u>	<u>—</u>

The bank loans are secured by a legal mortgage over certain leasehold buildings and land use rights with a net carrying value of RMB5,863,000 and RMB113,000 (2008: RMB6,075,000 and RMB116,000) respectively, and guaranteed by a company owned by a relative of the Non-executive Chairman.

The carrying amounts of the bank loans approximate their fair values due to the relative short term to maturity. The Group's bank loans are denominated in RMB. The effective interest rate for the bank loans is 5.43% (2008: 7.36%) per annum. All bank loans are repayable within one year from end of the reporting period.

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25. SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to disclosures made elsewhere in the consolidated financial statements, the following significant transactions were carried out between the Group and its related parties on terms agreed between the parties as follows:

	<u>Note</u>	<u>Group</u>		<u>Company</u>	
		<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
		RMB'000	RMB'000	RMB'000	RMB'000
Advance to related parties	(a)	—	15,800	—	—
Payment of consultancy fee to a related party	(b)	<u>180</u>	<u>180</u>	<u>—</u>	<u>—</u>

Note (a) During 2008, the subsidiary made advances amounting to RMB6.0 million (2007: RMB10.0 million) to a company owned by a relative of the Non-executive Chairman and advances amounting to RMB 9.8 million (2007: Nil) to certain management staffs who are relatives of the Non-executive Chairman. The advances were unsecured, interest-free and are repayable on demand. The advances have been repaid as at 31 December 2008.

Note (b) During 2008 and 2009, the Group engaged Mr. Cai Chang Jing, brother of Non-executive Chairman, as a management consultant and paid him a consultancy fee of RMB180,000 annually.

26. CAPITAL COMMITMENTS

Except as disclosed in this report, the capital commitments of the Group and the Company are as follow:

	<u>Group</u>		<u>Company</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
	RMB'000	RMB'000	RMB'000	RMB'000
Capital expenditure contracted but not provided for in the consolidated financial statements:				
- Commitments in respect of the purchase of property, plant and equipment *	<u>12,184</u>	<u>130,805</u>	<u>—</u>	<u>—</u>

The Company has committed to pay RMB10,000,000 relating to research and development collaboration fee in financial year 2010 (Note 14).

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27. OPERATING LEASE ARRANGEMENT

At the end of the reporting period, the Group has outstanding commitments under non-cancellable operating leases, which fall due as follows:

	<u>Group</u>	
	<u>2009</u>	<u>2008</u>
	RMB'000	RMB'000
Within one year	130	—
Within two to five years	119	—
	<u>249</u>	<u>—</u>

Operating lease payments represent rental payable by the Group for its Singapore office. Lease is negotiable for an average term of two years and rental is fixed for the same period.

28. DIVIDENDS

	<u>Group</u>		<u>Company</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
	RMB'000	RMB'000	RMB'000	RMB'000
Final dividend paid	<u>75,624</u>	<u>—</u>	<u>75,624</u>	<u>—</u>

Final dividend was paid in respect of the year ended 31 December 2008 of 8.15 RMB cents per ordinary share, tax exempt.

On 26 February 2010, the Group proposed a final tax exempt (one-tier) dividend of 3.45 RMB cents per ordinary share or approximately RMB32,013,000, or 30% of the Group's profit for the financial year ended 31 December 2009. The proposed dividend is subject to approval by shareholders of Company at its Annual General Meeting. The financial statements do not reflect the proposed dividend, which will be accounted for in the shareholders' equity as an appropriation of retained earnings for the financial year ending 31 December 2010.

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29. OPERATING SEGMENT

In prior years, segment information reported externally was prepared and presented on the basis of the goods supplied and services provided by the Group in accordance with FRS 14 Segment Reporting.

During the financial year, the Group has adopted FRS 108 Operating Segments which became effective for the year ended 31 December 2009 which requires segment reporting to be made on the basis of internal reports that are regularly reviewed by the entity's chief operating decision maker (CEO of the Group) in order to allocate resources to the segment and assess its performance. The Group has been involved in manufacturing and sales of performance fabrics and the provision of fabric processing services.

Whilst discrete financial information is available from the sales of performance fabrics and provision of fabric processing services, the chief operating decision maker (CEO) does not ordinarily make use of the information from the provision of fabric processing services separately from the sales of performance fabrics to allocate resources and assess its performance. This is because the CEO considers the provision of fabric processing services to be an integral part of the manufacturing and sales of performance fabrics; the same customer also buys performance fabrics and utilizes the provision of fabric processing services from the Group, and the manufacturing and sales of performance fabrics also undergo the same fabric processing treatment as for its external customers. In addition, the revenue from the provision of fabric processing services is typically less than 5% of the Group's total revenue and the provision of such services is not considered the main stream business of the Group. Additionally, the Group uses the same accounting policy in the measurement of profit or loss, revenue and expense, and assets and related liabilities of the business from these two revenue streams. The CEO considers that the provision of fabric processing services bear similar economic characteristics as that of the manufacturing and sales of performance fabrics, and accordingly, the Group is essentially a single operating segment by itself under FRS108 Operating Segments, and no separate segment information is presented. As there is only one single operating segment, information on the reconciliation of the reportable segment as required under FRS 108 does not apply. Comparative information on the operating segments previously reported on is not applicable with the single operating segment being adopted in the current financial year.

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29. OPERATING SEGMENT (CONT'D)

The entity-wide disclosures applicable to a single operating segment are as follows:

- all the revenue of the Group are from external customers who are domiciled in the PRC.
- the majority of the assets of the Group are employed in PRC.
- segment assets employed by the Group in a country other than the PRC as at 31 December 2009 was approximately RMB31,287,000 (2008: RMB159,181,000). There are no non-current assets deployed outside of the PRC.
- no single external customer accounted for 10% or more of the Group's revenue for the years ended 31 December 2008 and 2009.

In accordance with the transitional provisions of FRS 108 and the revised FRS 1, the statement of financial position as at the earliest of the comparative period i.e. 31 December 2007, has been presented on the Statements of Financial Positions.

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. The Group prepares cash flows projections on a regular basis for its core operations to ensure as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. In addition, the Group has access to external borrowings (Note 24).

The table below analyses the maturity profile of the Group's and Company's financial liabilities based on contractual undiscounted cash flows as follows:

<u>Group</u>	Less than 1 year RMB'000
At 31 December 2009	
Trade and other payables	159,253
Amount owing to a related party	1,002
Interest-bearing liabilities	45,000
	205,255

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30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

	Less than 1 year RMB'000
<u>Group</u>	
At 31 December 2008	
Trade and other payables	139,124
Amount owing to a related party	50,382
Interest-bearing liabilities	45,000
	<u>234,506</u>
	Less than 1 year RMB'000
<u>Company</u>	
At 31 December 2009	
Trade and other payables	720
Amount owing to a related party	1,002
	<u>1,722</u>
	Less than 1 year RMB'000
<u>Company</u>	
At 31 December 2008	
Trade and other payables	744
	<u>744</u>

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group, as and when they fall due.

The Group has established credit limits for customers and monitors their balances. Cash are placed with banks and financial institutions which are regulated. The Group minimises its credit risk exposure by trading with established and credit-worthy customers.

As at 31 December 2009, the Group's trade receivables comprise 10 debtors (2008: 9 debtors) that individually represented more than 5% of trade receivables. The Group's primary exposure to credit risk arises relating to trade receivables is limited due to the Group's many varied customers. These customers are engaged in a wide spectrum of distribution and manufacturing activities, and sell in a variety of end markets.

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30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the end of the reporting period was:

	<u>Group</u>		<u>Company</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
Trade and other receivables	246,653	401,612	29,969	112,247
Amounts owing by subsidiary	—	—	261,443	177,512
Cash and cash equivalents	419,764	364,111	1,293	46,934
	<u>666,417</u>	<u>765,723</u>	<u>292,705</u>	<u>336,693</u>

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets. No allowance for specific or collective impairment was made based on past experience.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Currency risk

Currency risk arises when transactions are denominated in currencies other than entities' functional currencies ("foreign currency"). The Group is exposed to currency risk on its deposits denominated in US dollar relate to amounts placed to acquire new plant and machinery and cash deposits denominated in Singapore dollar.

At present, the Group does not have any formal policy for hedging against exchange exposure.

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30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

The carrying amounts of foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	<u>Group</u>		<u>2008</u>	
	<u>2009</u>			
	<u>Singapore</u>	<u>US dollar</u>	<u>Singapore</u>	<u>US dollar</u>
	<u>dollar</u>	<u>RMB'000</u>	<u>dollar</u>	<u>RMB'000</u>
	<u>RMB'000</u>		<u>RMB'000</u>	
Trade and other receivables	233	29,736	—	112,247
Cash and cash equivalent	1,293	—	46,934	—
Trade and other payables	(988)	—	(1,218)	—
	<u>538</u>	<u>29,736</u>	<u>45,716</u>	<u>112,247</u>

	<u>Company</u>		<u>2008</u>	
	<u>2009</u>			
	<u>Singapore</u>	<u>US dollar</u>	<u>Singapore</u>	<u>US dollar</u>
	<u>dollar</u>	<u>RMB'000</u>	<u>dollar</u>	<u>RMB'000</u>
	<u>RMB'000</u>		<u>RMB'000</u>	
Trade and other receivables	233	29,736	—	112,247
Amounts owing by subsidiary	16,752	—	—	—
Cash and cash equivalent	1,293	—	46,934	—
Trade and other payables	(720)	—	(744)	—
	<u>17,558</u>	<u>29,736</u>	<u>46,190</u>	<u>112,247</u>

If the foreign currency changes against the RMB by 10% with all other variables including tax rate being held constant, the increase/(decrease) in profit after tax and equity of the Group arising from the net financial liability/asset position will be as follows:

	<u>2009</u>	<u>2009</u>	<u>2008</u>	<u>2008</u>
	<u>Profit</u>	<u>Equity</u>	<u>Profit</u>	<u>Equity</u>
	<u>after tax</u>	<u>RMB'000</u>	<u>after tax</u>	<u>RMB'000</u>
	<u>RMB'000</u>		<u>RMB'000</u>	
<u>Group</u>				
US dollar against RMB				
- strengthened	2,974	2,974	11,225	11,225
- weakened	(2,974)	(2,974)	(11,225)	(11,225)
Singapore dollar against RMB				
- strengthened	54	54	4,572	4,572
- weakened	(54)	(54)	(4,572)	(4,572)

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30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

	<u>2009</u> <u>Profit</u> <u>after tax</u> <u>RMB'000</u>	<u>2009</u> <u>Equity</u> <u>RMB'000</u>	<u>2008</u> <u>Profit</u> <u>after tax</u> <u>RMB'000</u>	<u>2008</u> <u>Equity</u> <u>RMB'000</u>
<u>Company</u>				
US dollar against RMB				
- strengthened	2,974	2,974	11,225	11,225
- weakened	(2,974)	(2,974)	(11,225)	(11,225)
Singapore dollar against RMB				
- strengthened	1,756	1,756	4,619	4,619
- weakened	<u>(1,756)</u>	<u>(1,756)</u>	<u>(4,619)</u>	<u>(4,619)</u>

Fair values

The fair values of financial assets and financial liabilities, together with the carrying amounts shown in the statements of financial position, are as follows:

	<u>Group</u> <u>2009</u> <u>RMB'000</u>		<u>Group</u> <u>2008</u> <u>RMB'000</u>	
	<u>Carrying</u> <u>amounts</u>	<u>Fair</u> <u>values</u>	<u>Carrying</u> <u>amounts</u>	<u>Fair</u> <u>values</u>
Trade and other receivables	246,653	246,653	401,612	401,612
Cash and cash equivalents	419,764	419,764	364,111	364,111
Interest-bearing liabilities	45,000	45,000	45,000	45,000
Trade and other payables	159,253	159,253	139,124	139,124
Amount owing to a related party				
- current	<u>1,002</u>	<u>1,002</u>	<u>50,382</u>	<u>50,382</u>

	<u>Company</u> <u>2009</u> <u>RMB'000</u>		<u>Company</u> <u>2008</u> <u>RMB'000</u>	
	<u>Carrying</u> <u>amounts</u>	<u>Fair</u> <u>values</u>	<u>Carrying</u> <u>amounts</u>	<u>Fair</u> <u>values</u>
Trade and other receivables	29,969	29,969	112,247	112,247
Amounts owing by subsidiary	261,443	261,443	177,512	177,512
Cash and cash equivalents	1,293	1,293	46,934	46,934
Trade and other payables	720	720	744	744
Amount owing to a related party	<u>1,002</u>	<u>1,002</u>	<u>—</u>	<u>—</u>

CHINA TAISAN TECHNOLOGY GROUP HOLDINGS LIMITED
 Company Registration No. 200711863D
 (Incorporated in Singapore)
AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Fair values (Cont'd)

The notional amounts of financial assets and financial liabilities with a maturity of less than one year (including trade and other receivables, amount owing by subsidiary, cash and cash equivalents, and trade and other payables) are assumed to approximate their fair value.

The Group does not hold financial assets nor derivative asset or liabilities carried at fair value or at valuation. Accordingly, the disclosure requirement of the fair value hierarchy (Levels 1, 2 & 3) under FRS 107 Financial Instruments Disclosures does not apply.

Interest rate risk

The Group is exposed to interest rate risk through the impact of interest rate changes on interest-bearing financial liabilities. The Group's policy is to maintain all its borrowings in fixed rate instruments.

The following table sets out the carrying amount, by maturity, of the Group's financial instruments that are exposed to interest rate risk.

<u>Group</u>	<u>2009</u>	<u>2008</u>
As at 31 December	RMB'000	RMB'000
<u>Within 1 year</u>		
<i>Fixed rate</i>		
Bank loans	45,000	45,000

Interest on financial instruments subject to fixed interest rates is contractually repriced at intervals of 12 months. Interest on financial instruments at fixed rates is fixed until the maturity of the instrument. The other financial instruments of the Group are not subjected to significant interest rate risks.

For its fixed rate interest-bearing liabilities, a change in 100 basis points ("bp") in interest rate at the end of the reporting period would increase / (decrease) profit after tax and equity by the amount shown below:

	Increase or (decrease) in	
	Profit or loss / equity	
	100bp	100bp
	<u>increase</u>	<u>decrease</u>
	RMB'000	RMB'000
Year ended 31 December 2009		
Interest-bearing liabilities	(338)	338
Year ended 31 December 2008		
Interest-bearing liabilities	(338)	338

CHINA TAISAN TECHNOLOGY GROUP HOLDINGS LIMITED
Company Registration No. 200711863D
(Incorporated in Singapore)
AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Capital management

The Group's objectives when managing capital are to ensure the Group's ability to continue as a going concern and to maintain an overall capital structure that delivers adequate short-term and optimal long term return on equity to the shareholders. The Group considers the cost of capital and the risks associated with each class of capital and balance its overall capital structure through the payment of dividends, new share issues and buy back of issued shares as well as the issue of new debts or the redemption of existing debts.

Management monitors capital based on the return on shareholders' fund. The return on shareholders' fund is calculated by taking net profit attributable to the equity holders of the Company divided by average shareholders' equity. The return on shareholders' fund was 14.0% for current financial year ended 31 December 2009 (2008: 49.5%).

The Group is not subject to any externally imposed capital requirements for the financial year ended 31 December 2009 and 2008.

CHINA TAISAN TECHNOLOGY GROUP HOLDINGS LIMITED
Company Registration No. 200711863D
(Incorporated in Singapore)

THE ACCOMPANYING DETAILED STATEMENT OF COMPREHENSIVE INCOME

HAS BEEN PREPARED FOR MANAGEMENT PURPOSES ONLY

AND DOES NOT FORM PART OF THE AUDITED FINANCIAL STATEMENTS

CHINA TAISAN TECHNOLOGY GROUP HOLDINGS LIMITED

Company Registration No. 200711863D

(Incorporated in Singapore)

**DETAILED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2009**

	<u>Company</u>	
	<u>2009</u>	<u>2008</u>
	<u>RMB</u>	<u>RMB</u>
REVENUE		
Dividend income	35,000,000	100,000,000
Government grant	16,971	—
Interest income	50,524	640,074
	<u>35,067,495</u>	<u>100,640,074</u>
ADMINISTRATIVE EXPENSES		
Auditors' remuneration	117,813	47,416
Bank charges	1,899	9,221
CPF	52,703	35,386
Director's fee	414,751	320,057
Depreciation	3,231	—
Entertainment	—	243,121
Insurance	12,950	98,409
Investor relation expense	512,789	531,949
Listing expense	131,499	239,851
Shareholder/board meeting expense	116,267	37,839
Office expenses	13,124	4,650
Office rental	16,406	—
Professional fee	262,503	211,964
Salaries and bonus	646,112	376,570
Staff welfare	3,059	—
Share registrar expense	89,969	36,358
Sponsor fee	237,601	179,418
Telephone, mobile and internet charge	11,113	7,459
Training	—	13,279
Transport expense	7,102	10,404
Travelling expense	189,608	427,930
	<u>2,840,499</u>	<u>2,831,230</u>
OTHER OPERATING EXPENSES		
Net exchange loss	754,517	9,911,718
Share issue expenses	—	8,749,486
	<u>754,517</u>	<u>18,661,204</u>
PROFIT BEFORE INCOME TAX	<u>31,475,539</u>	<u>79,147,589</u>

附 件 六

本中文財務報告係原以英文出具查核報告之中文譯本，
非為符合中華民國相關證券法規之目的編製。

會計師查核報告

致 中國泰山科技集團控股有限公司

中國泰山科技集團控股有限公司(以下簡稱「該公司」)及其子公司(以下簡稱「集團」)西元 2008 年 12 月 31 日之合併與個別資產負債表，暨截至本年度結束日止之合併損益表、合併股東權益變動表、合併現金流量表及該公司股東權益變動表，以及列示於第 8 頁到第 47 頁之重要會計政策與其他附註說明事項，業經本會計師查核竣事。

管理階層的責任

管理階層之責任係確保上開財務報表依照新加坡公司法第 50 章(以下稱「公司法」)與新加坡財務報導準則編製及允當表達。該責任包含：

- (a) 設計與維持內部控制制度以合理確任資產之安全，避免未經授權的使用或處分所產生之損失；交易經適當授權及紀錄以編制正確及公平允當之損益及資產負債科目，並確保資產之可靠性；
- (b) 選擇並採用適當之會計政策；
- (c) 依照實際情況做合理之會計估計。

會計師的責任

本會計師之責任是依據新加坡一般公認審計準則所執行之查核工作，並對上開財務報表表示意見。此準則要求依照職業道德規範，規劃並執行查核工作，以合理確信財務報表有無重大不實表達。

查核工作包括執行查核程序以獲得關於財務報表金額及附註揭露之查核證據。所執行之查核程序係依據會計師之專業判斷所決定，包括評估財務報表因舞弊或錯誤所造成重大誤述之風險。在進行風險評估時，查核人員應考量與該集團財務報表編製及允當表達相關之內部控制，以針對集團之環境，設計適當之查核程序，但會計師並不對其內部控制是否有效表示意見。查核工作也包括評估管理階層所採用之會計政策、及所作會計估計之合理性，暨評估整體財務報表表達之合理性。

本會計師相信所獲取之查核證據可對所表示之意見提供充分適切之依據。

查核意見書

依本會計師之意見

- (a) 該集團之合併財務報表與該公司財務狀況表及股東權益變動表係依照新加坡公司法及新加坡財務報導原則編製，足以允當表達該集團及該公司西元 2008 年 12 月 31 日之合併及個別財務狀況，及截至該日止之經營結果，合併及個別股東權益變動與合併現金流量；且
- (b) 該公司依照新加坡公司法規定須維護之會計及其他紀錄業已適當遵循。

馬賽特許會計師有限責任合夥公司
會計師和註冊會計師

張福基
合夥人

新加坡：西元 2009 年 3 月 4 日

中國泰山科技集團控股有限公司
合併損益表
2008 年度

	附註	集團	
		2008 人民幣' 000	2007 人民幣' 000
收入	3	1,180,143	810,868
銷貨成本		(803,497)	(557,196)
銷貨毛利		376,646	253,672
其他收入	4	2,131	1,923
配銷成本		(1,704)	(350)
管理費用		(11,190)	(3,098)
其他營業費用		(19,581)	(43)
財務成本	5	(3,175)	(2,458)
稅前淨利	6	343,127	249,646
所得稅費用	9	(91,162)	(66,953)
本期可供分配淨利		251,965	182,693
每股盈餘(人民幣分)			
基本(稀釋)	10	30.28	25.92

財務報表附註為本財務報表之一部分，請併同參閱。

中國泰山科技集團控股有限公司
合併財務狀況表
2008年12月31日

		集團		公司	
	附註	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
		人民幣' 000	人民幣' 000	人民幣' 000	人民幣' 000
資產					
非流動資產					
房屋、廠房及設備	11	206,418	143,880	-	-
無形資產	12	114	116	-	-
長期股權投資	13	-	-	80,998	-
		206,532	143,996	80,998	-
流動資產					
無形資產-流動	12	2	2	-	-
存貨	14	51,527	42,483	-	-
應收帳款及其他應收款	15	401,612	250,324	112,247	1,637
應收聯屬公司款	16	-	-	177,512	-
現金及約當現金	17	364,111	89,399	46,934	101
		817,252	382,208	336,693	1,738
資產總計		1,023,784	526,204	417,691	1,738
負債及股東權益					
股東權益					
股本	18	337,799	337,799	337,799	- *
合併準備	19	11,491	11,491	-	-
法定公積	20	74,655	44,207	-	-
保留盈餘	21	339,871	118,354	79,148	-
股東權益合計		763,816	255,050	416,947	- *
非流動性負債					
應付關係人款	22	-	50,382	-	-
		-	50,382	-	-
流動負債					
應付帳款及其他應付款	23	139,124	153,951	744	-
應付關係人款	22	50,382	1,738	-	1,738
應付利息	24	45,000	37,500	-	-
應付所得稅		25,462	27,583	-	-
		259,968	220,772	744	1,738
負債合計		259,968	271,154	744	1,738
股東及負債總計		1,023,784	526,204	417,691	1,738

*此金額小於人民幣 1,000 元

財務報表附註為本財務報表之一部分，請併同參閱。

中國泰山科技集團控股有限公司
合併股東權益變動表
2008 年度

公司	附註	股本	保留盈餘	股東權益合計
		人民幣' 000	人民幣' 000	人民幣' 000
公司成立日及 2007年12月31日		- *	-	- *
2008年1月1日		- *	-	- *
本期淨利		-	79,148	79,148
組織重整股本發行	18(c)	80,998	-	80,998
股本公開發行	18(d)	256,801	-	256,801
-扣除發行成本				
2008年12月31日		337,799	79,148	416,947

*此金額小於人民幣 1,000 元

中國泰山科技集團控股有限公司
合併現金流量表
2008 年度

集團	附註	2008 人民幣' 000	2007 人民幣' 000
營業活動之現金流量			
稅前淨利		343,127	249,646
調整項目：			
不動產、廠房及設備折舊費用		20,756	10,965
土地使用權攤銷費用		2	2
報廢不動產、廠房及設備損失		145	42
處分不動產、廠房及設備損失		775	-
利息費用		3,175	2,458
利息收入		(2,080)	(182)
不含營運資金變動之營業活動現金流量		365,900	262,931
營運資金變動：			
存貨		(9,044)	(28,666)
應收帳款及其他應收款		(44,041)	(157,456)
應付帳款及其他應付款		(14,827)	77,601
應付關係人款-帳款		-	(2,978)
應付關係人款-非銷貨款		(1,738)	(5,995)
營業活動產生之現金數		296,250	145,437
利息收現數		2,080	182
所得稅支付數		(93,283)	(42,500)
營業活動之淨現金流入數		205,047	103,119
投資活動之現金流量			
購置不動產、廠房及設備		(79,915)	(16)
處份不動產、廠房及設備價款		701	-
購買廠房設備支付之保證金	15	(112,247)	-
投資活動之淨現金流出		(191,461)	(16)
融資活動之現金流量			
股利支付	27	-	(50,000)
償還銀行借款		(37,500)	(7,200)
舉借銀行借款		45,000	14,700
利息支付		(3,175)	(2,458)
發行新股收現數	18(d)	256,801	-
融資活動之淨現金流入(出)數		261,126	(44,958)
現金及約當現金淨增加數		274,712	58,145
現金及約當現金期初餘額		89,399	31,254
現金及約當現金期末餘額	17	364,111	89,399

2008 年度中，集團購置廠房及設備成本約人民幣 84,915,000 元，其中人民幣約 5,000,000 元係由以前年度支付之預備保證金所支應，現金支付購置房屋、廠房及設備價款約為人民幣 79,915,000 元。

財務報表附註

財務報表附註為本財務報表之一部分，請併同參閱。

1. 營業地點及營業活動

中國泰山科技集團控股私人有限公司於西元 2007 年 7 月 2 日成立於新加坡，於西元 2008 年 4 月 16 日轉換為公開發行有限公司並更名為中國泰山科技集團控股有限公司(以下稱為本公司)。

本公司登記地址為 80 Robinson Road #17-02, Singapore 068898。本公司主要營業活動為投資控股。本公司之子公司-晉江連捷紡織印染實業有限公司之主要營業活動如本合併財務報表附註 13 所述，其主要營業地址為中華人民共和國福建省晉江市東石鎮東埕振東開發區。

本合併財務報表包含本公司及其子公司(以下稱為本集團)。

集團重整

為使集團組織符合於新加坡交易證券公司上市之規範，故進行下列組織重整活動：

- (i) 本公司發行 99,998 股以美元 \$11,000,000 (人民幣 80,268,100 元) 以取得晉江連捷紡織印染實業有限公司之全部股東權益，使其成為 100% 持股之子公司。
- (ii) 本公司以美元 \$100,000 (人民幣 729,710 元) 發行 1 普通股予非執行主席蔡長江先生，其全部金額以現金支付。
- (iii) 上述之股份，以 1 股分割為 7,047 股之方式，使本公司之全體股數由原始之 100,000 股增加為 704,700,000 股。
- (iv) 本公司於西元 2008 年 6 月 6 日於新加坡證券交易所首次公開發行，以每股新加坡幣 \$0.24 發行 223,200,000 股，使公司之全體股數增加為 927,900,000 股。

與集團重整相關之內容請參詳本公司西元 2008 年 5 月 28 日之公開說明書。

2. 重要會計政策彙總

2.1 財務報表編製基礎

編製基準

集團於合併財務報表中進行如附註 1 揭露之組織重整。因參與集團重整之公司在重整前後均被相同之最終股東持有（為共同控制下之組織調整），因此在集團重整之後，最終股東之風險及利益和重整前並無不同。因此本次組織重整涉及合併之企業被視為在共同控制下，故採用權益結合法。在此法之下，於 2007 及 2008 年度之合併報表中，本公司將被視為自始即為其子公司之控股公司。權益結合法之生效日為西元 2007 年 1 月 1 日，即財務資訊可兩期並列比較之第一個會計年度開始日。在權益結合法之下，集團內個體為達會計原則之一致性，資產、負債、收入、費用、及現金流量均經適當調整後合併。需兩年度比較之數據，前一年度之數據係以相似之基礎表達。儘管母子公司之關係於資產負債表日後才於法律上生效，上述之表達方法反應合併個體在相關的會計期間內，其經濟實質為共同控制下之單獨經濟個體。

本公司功能性貨幣之改變

本公司自西元 2008 年度開始日將功能性貨幣自新加坡幣改為中國人民幣。本公司在西元 2007 年 7 月 2 日成立時，至西元 2007 年 12 月 31 日所使用之功能性貨幣為新加坡幣。但本公司之子公司在中華人民共和國之營運活動所產生之收益、發生之費用均以人民幣計價，管理當局認為本公司之功能性貨幣應反映出經營事件及環境之經濟實質。因此，公司管理當局採納與其控股投資活動相關之人民幣作為功能性貨幣。此項改變對於本集團並無重大影響。

合併之財務報表係以人民幣表達，除下列揭露之會計政策外，均遵循新加坡財務報導編製準則（以下簡稱“報導準則”或“FRS”）及歷史成本原則編製。

取得新連捷（泉州）紡織印染實業有限公司（“新連捷”）

西元 2008 年 1 月 21 日，本公司與台灣桃園佑吉實業股份有限公司（“台灣佑吉”）簽定股權買賣合約，以本公司非執行主席蔡長江先生為代表人，依據此合約本公司將以人民幣 1 元之價款向台灣佑吉取得新連捷全部股權。此項股權取得交易須經晉江市商業局核准。截至本報告日，相關主管當局之核准程序仍在進行中。新連捷自成立開始尚未正式營運。在集團重整及合併財務報表之目的下，新連捷尚未包含於 2008 年及 2007 年之合併財務報表表達。

會計原則基礎

自西元 2008 年 1 月 1 日，本集團採用新發布或修正之報導準則及報導準則解釋令（“INT FRS”），相關會計政策已依據 FRS 及 INT FRS 做必要調整。

強制適用之 INT FRS 如下：

INT FRS 104(增補)判斷一項安排是否包含租賃

INT FRS 112 服務特許權協議

INT FRS 114 FRS 19 確定福利資產之限制、最低資金提撥要求及其相互影響

採用上述之 INT FRS 對集團之合併財務報表並不具重大性影響。

依照新加坡財務報導準則編製之合併財務報表要求管理當局針對應用之會計政策、資產及負債與收入及費用之報導金額作判斷、估計及假設。估計及基本假設會持續被檢視。如果此變動只有影響該期間，此估計影響變動將於當期認列，若此估計變動修正將影響當期及未來期間，則在估計變動影響應於當期及未來期間認列之。

重要會計估計、假設及判斷

會計估計、相關假設及判斷將依據歷史經驗及其他條件持續評估，包含對於未來事件之合理預期。除了合併財務報表上揭露之資訊，下列彙總之會計估計及假設可能造成下一會計年度資產負債帳面價值重大調整之風險、及影響採用集團會計政策過程中之重大判斷：

(i) 應收帳款之減損

集團評估應收帳款及其他應收款之可回收性，以估列其備抵減損。當事件或環境改變指出其餘額可能無法收回時，對應收帳款及其他應收款提列備抵。在辨認備抵呆帳時需要專業判斷及估計時，若預期與原始估計有所差異，應收帳款、其他應收款及備抵減損之帳列金額均會於預期估計變動的當年度調整。截至西元 2008 年 12 月 31 日，應收帳款及其他應收款餘額約為人民幣 401,600,000 元(西元 2007 年:人民幣 250,300,000 元)。

(ii) 房屋、廠房及設備之折舊

房屋、廠房及設備在考慮其估計殘值後，依 5~20 年之估計經濟耐用年限，按直線法計提折舊。截至西元 2008 年 12 月 31 日，房屋、廠房及設備帳面價值約人民幣 206,400,000 元(西元 2007 年:人民幣 143,900,000 元)。預期耐用年限可能改變及技術更新，將影響固定資產之經濟耐用年限及殘值，因此可能影響未來折舊之提列。

(iii) 存貨之淨變現價值

存貨之淨變現價值係指在正常情形下，依估計售價減除估計至完工尚需投入之成本及推銷費用。此會計估計係按當時市場環境及銷售類似商品之歷史經驗評估。當產業循環相當嚴峻時，市場競爭者可能對此項估計有重大影響。管理階層於每一會計年度結束日再次評估此估計。截至西元 2008 年 12 月 31 日，集團存貨之帳面價值約為人民幣 51,500,000 元(西元 2007 年:人民幣 42,500,000 元)。

(iv) 所得稅

本集團所得稅受不同地區之當地稅法管轄。估計所得稅時需對資本投資之租稅減免及可扣除之特定費用做出判斷。在正常的商業環境下，許多交易及計算產生之所得稅估計均具有不確定性。本集團對於預期的稅務議題按估計未來將清償之稅額認列所得稅負債。當這些稅務議題的最終結論和原始估計稅額不同時，相關的差異在最終結果確定時認列當年度所得稅費用及遞延所得稅。截至西元 2008 年 12 月 31 日，集團帳列之應付所得稅約為人民幣 25,500,000 元(西元 2007 年:人民幣 27,600,000 元)。

2.2 合併基礎

合併財務報表中包含本公司及受其控制之個體（為子公司）的財務報表。控制係指本公司具有管理企業之財務及營運政策之能力，並從其活動中獲利。

合併損益表包括當年度併購或處分之子公司於併購日起、或至處分日止之經營結果。

合併報表已沖銷集團內部之所有交易、餘額、收入與費用。

本公司之財務報表中，投資子公司之帳列金額為成本減除任何減損後之淨回收價值。

2.3 功能性及表達貨幣

集團各企業之個別財務報表係以其營運所在地主要經濟環境之貨幣（功能性貨幣）衡量及表達。本公司及子公司之功能性貨幣為人民幣，合併財務報表以人民幣表達。除另有註明者外，所有財務報表資訊皆由人民幣仟元表達且四捨五入（“人民幣’000”）。

2.4 外幣交易

外幣交易之匯率計算係採外幣交易發生當日之外幣匯兌準則換算。以外幣計價之貨幣性資產與負債，於財務報告日依外幣匯兌準則換算為人民幣表達。外幣換算所產生之差異將認列為兌換利得或損失。外幣計價且以成本衡量之非貨幣性資產與負債，係以交易日之外幣匯率換算入帳。以外幣計價之公平價值入帳的非貨幣性項目，係以決定該公平價值之日的現時匯率換算為人民幣入帳。

2.5 國外營運機構

國外營運機構之資產及負債將以資產負債表日之匯率換算為人民幣表達；國外營運機構所產生之利得或損失將以交易日之匯率換算成人民幣表達。

因匯率所產生之差異將認列為換算調整數，當國外營運機構被部分或全部處分時，其相關的換算調整數將轉列為處分國外營運機構之利得或損失的一部分。

2.6 國外營運機構之淨投資

本公司實質上對國外營運機構淨投資之貨幣項目產生之匯兌差異認列為本公司之利得或損失；上述之匯兌差異於編製合併財務報表時則重分類至換算調整數。當避險之淨投資被處份時，其合併報表上之累積換算調整數則轉列為利得或損失，作為處分利得或損失之調整。

2.7 收入認列

除未來經濟效益很可能流入集團，及相關收入及成本可以可靠衡量等條件外，收入可認列為當期損益之條件如下：

- (i) 銷售貨品
當貨物已送達客戶營運地點或客戶已於集團營運地點提領貨物，且貨物所有權的相關風險及報酬均已移轉給買方時方可認列收入。
- (ii) 提供勞務
收入於勞務已提供時方得認列，勞務已提供之程度可依據至今已履行之勞務占全部應履行勞務之百分比評估。
- (iii) 利息收入
利息收入之認列係依據有效利率法計算本金流通在外期間之利息。

(iv) 政府補助

集團能合理確信符合相關條件並收到該補助或津貼之前不予認列補助收入。政府補助款係以合理有系統之方法，配合其相關成本之預期發生期間認列為收入。

(v) 股利收入

收取股利之權利成立時認列收入。

2.8 營業租賃

集團因使用營業租賃之資產所支付之租金係以直線法基礎於租賃期間認列為費用。所收取之租賃獎勵視為租賃費用的一部分，在租賃期間內認列損失或利益。營業租賃所產生之或有租金於發生期間認列為當期費用。

2.9 員工福利

本集團係依據營運地點法律規定之國家退休金計畫提撥計畫進行提撥。撥付至國家退休金計畫之成本於員工提供勞務之期間認列費用。於中華人民共和國設立登記之公司依法需提供每位員工退休金福利，退休金之提撥率係依國家法令規定計算，其退休金基金係由政府機關管理，該機關亦負責支付退休金給退休員工。上述福利係依據應計基礎於發生時認列為損益。

本集團參與上述之國家退休金計畫所產生之義務，與參與確定提撥退休金計畫所產生之給付義務相同。

2.10 研究發展成本

研究活動支出係指取得新的科學性或技術性知識與了解的過程，於發生時認列為費用。

發展活動包含對於新型或顯著改良產品、製程之計畫或設計。發展支出需符合下列條件才予以資本化：發展階段之支出能可靠衡量、產品已達技術可行性，使達可供使用或出售、產品極可能有未來經濟效益、集團有意圖且具備充足之技術及其他資源，以完成此項發展專案計畫並有能力使用或出售該產品。可資本化之發展費用包含原料、直接人工及可直接歸屬產品之製造費用。

其他研發支出於發生時認列為費用。資本化之發展支出以成本減累計攤銷及減損損失列帳，依直線法按估計耐用年限5~7年攤銷認列為費用。

2.11 負債準備

因過去發生之事件而使集團有現時義務，很有可能造成經濟利益之流出，且可合理估計其金額時，即應認列負債準備。

2.12 減損

金融資產減損

如有客觀證據顯示，金融資產於原始認列後發生一或多次事件對於該資產估計未來現金流量產生負面影響，則發生減損。以攤銷後成本衡量之金融資產，其減損金額為該資產帳列金額與估計未來現金流量折現值（以原始有效利率折算）之間之差額。

個別重大之金融資產以個別基礎測試減損跡象，其餘金融資產則依據其信用風險相似度分類，採群組合併評估減損。所有減損損失認列為當期損益。

該減損損失認列後，若發生可客觀歸屬於該減損之利益回升事件，則已認列之減損損失應予迴轉。以攤銷後成本衡量之金融資產之減損回升利認列為當期損益。

非金融資產減損

除了存貨外，其他非金融資產之帳面價值於報導期間之年度結束日進行減損測試，以判斷是否有任何跡象顯示此類資產已發生減損損失。如有減損跡象存在，則估計該資產之可回收金額。當資產之帳面價值或其所屬最小現金產生單位之帳面價值大於其可回收金額，則認列減損損失。現金產生單位係產生現金流量且獨立於其他資產或群組外之最小可辨認資產群組。

減損損失認列為當期損失或利益，除非係迴轉先前評價帳列於權益之項目者，在此狀況下則調整原權益科目。當減損發生於現金生產單位，則減損損失之分配先就已分攤至該現金產生單位之商譽，減少其帳面價值，次依該單位各項資產之帳面價值比例分攤至該單位其他資產。

可回收金額計算

資產或現金產生單位的可回收金額係依其「公允價值扣除銷售成本」及「使用價值」孰高者。於評估使用價值時，應以反映當時市場評估貨幣之時間價值及該資產特定風險之稅前折現率計算預期未來現金流量之折現值。若資產無法獨立產生現金流入，則依據此資產所屬之現金產生單位決定可回收金額。

減損迴轉

若用以估計可回收金額之會計估計改變，則減損損失應予迴轉。若減損損失於嗣後迴轉，則應將該資產帳面價值增加至經修訂後之估計可回收金額，但增加後不得超過以往年度未認列減損損失時，該資產減列累積折舊或攤銷後之帳面價值。

2.13 財務支出

利息費用或其他相同支出於發生時認列利益或損失。付息負債之利息費用以有效利率法認列為當期損益。

2.14 所得稅

所得稅包括當期應付所得稅及遞延所得稅之合計數。除了直接歸屬於股東權益項目之相關所得稅應認列於股東權益外，所得稅費用認列為當期損益。

當期所得稅係以於資產負債表日適用或實質適用之稅率（及稅法），及當期課稅所得計算當年度應付所得稅，加上前期應付所得稅之調整計算。

2.15 遞延所得稅

遞延所得稅係採用負債法，以「合併財務報表中資產與負債適用帳面價值」與「計算課稅所得之相對課稅基礎」之間之差額認列。若不影響應課稅所得或會計所得之交易中之資產與負債之原始認列所產生之暫時性差異，或因投資子公司所產生應課稅暫時性差異且該暫時性差異在可預期未來極可能無法迴轉或集團有能力控制該暫時性差異之迴轉時間時，則不認列遞延所得稅資產或負債。遞延所得稅計算，係於資產負債表日，應按預期未來負債清償及資產實現年度之稅率計算。

遞延所得稅資產之所認列，係以未來年度產生獲利極可能足以抵減暫時性差異之情形時。

2.16 房屋、廠房及設備

(a) 自有資產

房屋、廠房及設備以成本扣除累計折舊及可能之減損損失入帳。成本中包含了購買價格及其他可直接歸屬於資產達可供使用目的之成本。

(b) 折舊

房屋、廠房及設備成本減除估計殘值後，依下列估計耐用年限按直線法計提折舊：

<u>年限</u>	
租賃改良物	20 年
廠房及設備	5-10 年
辦公設備	5 年
車輛	10 年

每一財務報表之年度結束日會依據固定資產實際狀況再次檢視其估計耐用年限，殘值和折舊方法是否恰當。

(c) 成本

成本包含所有取得此資產時，可直接歸屬於取得此資產之費用。若某一房屋、廠房及設備中部分項目係採不同之耐用年限時，視為單獨資產項目。更換部分房屋、廠房及設備零件之成本依資產未來可能流入集團之經濟效益及可靠衡量之價值計入資產之帳面價值。房屋、廠房及設備之例行性維修成本於發生時認列為當期損益。

已提足額折舊尚在使用之固定資產仍列入合併財務報表，直至無法使用為止。房屋、廠房及設備之處分及報廢損益之認列係以其出售價格與帳面價值之差異為基礎，認列於當期損益中。

2.17 無形資產

土地使用權

土地使用權之取得成本業已資本化並依其租賃期間 50 年期採直線法攤銷。未來一年內土地使用權應攤銷之部份帳列於流動資產。攤銷費用列示於當期損益中。

2.18 存貨

存貨係依成本及淨變現價值孰低評價。存貨成本採加權平均成本計算，其成本包含進貨成本、加工成本及其他使存貨達可供銷售狀況及地點之成本。淨變現價值係依一般交易條件下之估計售價，減除估計完工成本及估計銷售之必要成本計算。

當存貨出售時，其存貨之帳面價值將於認列銷貨收入之同期認列為費用。任何存貨之淨變現價值跌價及其他存貨相關之損失將於發生當期認列為費用。任何已沖銷之存貨成本若因淨變現價值回升時，將於當期認列回升損益。

2.19 應收帳款及其他應收款

應收帳款、其他應收款及應收子公司款分類為借款及金融資產，以原始公平價值認列入帳，並於存續期間內依有效利率攤銷後成本並減除減損損失列帳。

2.20 現金及約當現金

現金及約當現金分類為借款及金融資產，包含手存現金及銀行存款。現金及約當現金皆具短期、高流動性、隨時可轉換成已知金額之現金、價值變動風險極小及到期日一般均短於三個月之性質。

2.21 股本

普通股認列為股東權益項目。可直接歸屬於發行股本之發行成本，依稅後淨額作為之股本科目之減項。

2.22 合併準備

依權益結合法，在相同控制下之個體財務報表於合併時將現有集團組織架構視為本公司成立日即已存在。相同控制下之企業個體之營業成果及現金流量應包含於綜合淨利表及現金流量表中。財務狀況表中之資產及負債則以其帳面值入帳。資本公積及股本取得之差異則於股東權益中調整為合併準備。

2.23 法定公積

集團之法定公積分為以下兩種：

(a) 法定盈餘公積：

依照中華人民共和國之相關規定，其子公司需由淨利中提列法定盈餘公積直到法定盈餘公積餘額達到註冊資本之 50%。法定盈餘公積需於分派股利予股東前提列。

法定盈餘公積只能用於彌補虧損或增加子公司之資本。若其子公司欲將法定盈餘公積撥充資本時，撥充資本後之法定盈餘公積餘額不得低於註冊資本之 25%。

(b) 法定公益金

依據中華人民共和國相關法令規定，子公司得由其淨利中提列法定公益金。

2.24 負債及附息負債

應付帳款、其他應付款及應付關係人款認列為以攤銷後成本衡量之金融負債，其依原始公平價值入帳，並於存續期間內以有效利率法之攤銷後成本衡量。附息負債則依原始成本減相關交易成本認列入帳。附息負債於原始入帳後，在存

續期間內依有效利率法攤銷後成本衡量，並調整其成本及贖回值間差異於借款期間內認列為損益之金額。

2.25 金融商品

金融資產

金融資產係 FRS39「金融商品：認列與衡量」所規範之金融商品，其認列及衡量方式依金融資產之分類而不同，其分類包含公平價值變動列入損益、借款及應收款、持有至到期日、備供出售金融資產。當集團成為某項金融商品合約規定中之一方時，金融資產則需認列於財務狀況表中。

金融資產認列入帳後，將依公平價值衡量，而非依公平價值衡量之金融資產，則以原始交易成本衡量。

金融資產於原始認列後，集團需將其分類並於每期期末重新衡量其指定之類別。若依合約規定集團對金融資產相關之現金流量權到期時，或集團將金融資產移轉給第三方且放棄對其之控制，或將資產相關之風險及報酬全部移轉後，則此金融資產應予除列。

所有一般性之金融資產購買及出售於交易日認列，即集團承諾購買或出售金融資產之日。一般性之金融資產購買及出售需根據交易所建立之規則及慣例交付資產。

放款及應收款

應收帳款及其他應收款，係指無活絡市場之公開報價，且具固定或可決定收取金額之非衍生性金融資產。放款及應收款之衡量方式係以有效利率法之攤銷後成本扣除減損列帳。當放款及應收款被除列或發生減損，以及依有效利率法攤銷時，相關利得及損失均計入當期損益。

金融負債

在 FRS 39 之規範之下，金融負債被分類為以攤銷後成本衡量之金融負債，例如：付息負債以及應付帳款、其他應付款，或是公平價值變動列入損益之金融負債。

當金融負債於合約到期、失效或取消合約，使本集團之合約義務終止時於帳上除列。

有效利率法

有效利率法係一種計算金融資產及負債之攤銷成本及分攤利息收入或費用於相關期間之方法。有效利率法之利率係用來估計金融商品預期存續期間、或較短之合理期間內未來現金流量之折現率(包含所有來自於依有效利率計算支付或

收取時之手續費、交易成本及折溢價)。除公平價值變動列入損益之金融負債商品外，金融負債係依有效利率法認列相關損益。

2.26 營運部門

報告型式

集團報導部門資訊之主要型式為業務部門，其中每一部門即代表一產品線。業務部門係一運用資產和從事營運活動之組織，其供應之產品風險和報酬均不同於其他業務部門。該集團由下列兩個業務部門組成：

(a) 紡織品製造與銷售

製造一般和性能紡織品，製程包含編織、染布到紡織品製成。

(b) 紡織品加工服務

根據顧客需求提供染布、加工製成等服務。

2.27 關係人

符合以下條件之對象為集團之關係人：

- (a) 間接或直接對集團具有控制能力、聯合控制或重大影響力之企業個體
- (b) 集團之聯屬公司
- (c) 該企業個體為集團與第三者之合資企業
- (d) 該個體為集團或其母公司之主要管理階層
- (e) 該個體為情況(a)或(d)所稱關係人之近親
- (f) 該企業個體被情況(d)或(e)之個體直接或間接持有，而具有控制能力、聯合控制或重要影響力
- (g) 專為集團或集團之關係人員工提供退休福利計劃之機構。

應收、應付關係人款以攤銷後成本分類為應收款、應付款及金融負債。

主要管理階層為集團中具有規劃、領導及控制營運活動之權利與責任之角色。

2. 28 FRS 將來之修正

在本財務報表決議之日，已發佈惟尚未開始適用之相關之報導準則及報導準則之解釋令(INT FRSs)如下：

<u>編號</u>	<u>名稱</u>	<u>適用開始日</u>
FRS 1(修正)	財務報表之表達	2009. 1. 1
FRS 1	FRS 32金融商品之表達及FRS 1財務報表表達-可賣回金融工具及清算所產生之義務之修正	2009. 1. 1
FRS 23(修正)	借款成本	2009. 1. 1
FRS 27	FRs 101 首次採用FRS及FRS27 個別及合併財務報表-投資子公司、聯合控制個體或關聯企業之成本之修正	2009. 1. 1
FRS 32	FRS 32 金融商品表達及FRS 1財務報表表達-可賣回金融工具及清算所產生之義務之修正	2009. 1. 1
FRS 39	FRS 39 金融商品之認列及衡量及FRS 107金融商品：金融資產之分類與揭露之修正	2008. 7. 1
FRS 39	FRS 39 金融商品之認列及衡量-合格被避險項目之修正	2009. 7. 1
FRS 101	首次採用FRS 及 FRS 27 別及合併財務報表-投資子公司、聯合控制個體或關聯企業之成本	2009. 1. 1
FRS 102	既得條件及取消之修正	2009. 1. 1
FRS 107	FRS 39 金融商品之認列及衡量及FRS 107金融商品：金融資產之分類與揭露之修正	2008. 7. 1

<u>編號</u>	<u>名稱</u>	<u>適用開始日</u>
FRS 108	營運部門	2009.1.1
INT FRS 101	現有除役、復原及類似負債之變動	2009.1.1
INT FRS 112(修正)	服務特許權協議	2009.1.1
INT FRS 113	客戶忠誠計畫	2008.7.1
INT FRS 116	國外營運機構淨投資之避險	2008.10.1
INT FRS 117	分配非現金資產予業主	2009.7.1
FRS改善之一般修正		
FRS 1	財務報表之表達	2009.1.1
FRS 8	會計政策，會計估計及錯誤之變動	2009.1.1
FRS 10	報導期間後事項	2009.1.1
FRS 16	不動產、廠房及設備	2009.1.1
FRS 18	收入	2009.1.1
FRS 19	員工福利	2009.1.1
FRS 20	政府補助之會計及政府補助之揭露	2009.1.1
FRS 23	借款成本	2009.1.1
FRS 27	合併及單獨財務報表	2009.1.1
FRS 28	投資關聯企業及FRS 31合資權益	2009.1.1
FRS 29	高度通貨膨脹經濟下之財務報導	2009.1.1
FRS 31	合資權益	2009.1.1
FRS 34	期中財務報導	2009.1.1
FRS 36	資產減損	2009.1.1
FRS 38	無形資產	2009.1.1
FRS 39	金融商品：認列及衡量	2009.1.1
FRS 40	投資性不動產	2009.1.1
FRS 41	農業	2009.1.1
FRS 105	待出售之非流動資產及停業部門	2009.7.1
FRS 107	金融商品揭露	2009.7.1

公司之管理階層預期公司於未來期間內採用上述 FRSs、INT FRSs 及修正之 FRS 對集團之合併財務報表將不會產生重大影響。

3. 收入

	<u>集團</u>	
	<u>2008</u>	<u>2007</u>
	人民幣' 000	人民幣' 000
性能纖維製造及銷貨收入	1,135,454	756,545
一般纖維製造及銷貨收入	1,729	2,180
纖維加工服務收入	42,960	52,143
	<u>1,180,143</u>	<u>810,868</u>

4. 其他收入

	<u>集團</u>	
	<u>2008</u>	<u>2007</u>
	人民幣' 000	人民幣' 000
銀行利息收入	2,080	182
政府補助款	51	69
下腳收入	-	1,672
	<u>2,131</u>	<u>1,923</u>

政府補助款內容為中華人民共和國政府提供之環境污染預防及控制獎勵金。

5. 財務支出

	<u>集團</u>	
	<u>2008</u>	<u>2007</u>
	人民幣' 000	人民幣' 000
以攤銷成本法計算之銀行借款利息	<u>3,175</u>	<u>2,458</u>

2008 年銀行借款有效年利率為 7.36% ，2007 年為 6.98%。

6. 稅前收益

計入損益使達成稅前淨利之項目如下：

	<u>附註</u>	<u>集團</u>	
		<u>2008</u>	<u>2007</u>
		人民幣' 000	人民幣' 000
迴轉存貨備抵呆滯準備		-	(1,672)
土地使用權攤銷	12	2	2
存貨成本認列為費用		745,013	500,923
房屋、廠房及設備折舊費用	11	20,756	10,965
董事服務費-母公司董事		320	-
董事酬勞	8	1,735	283
兌換損失(淨額)		9,911	-
政府補助款	4	(51)	(69)
房屋、廠房及設備折舊費用		775	-
房屋、廠房及設備報廢	11	145	42
廠房及設備、辦公設備、非執行主席運輸設備之租賃	25(a)	-	4,800
員工費用	7	21,917	21,069
母公司支付會計師非審計公費*		2,206	-
認列於合併損益表之上市費用		<u>8,750</u>	<u>-</u>

*支付會計師之非審計公費金額約人民幣 2,206,000 元，西元 2008 年因其擔任本公司於新加坡證券交易所首次公開募資之財務報告會計師，所支付之服務費。其中人民幣 531,000 元認列為發行股本之減項，剩餘款項人民幣 1,675,000 元視為公開發行前之相關費用，認列於損益表。

7. 員工費用

	<u>附註</u>	<u>集團</u>	
		<u>2008</u>	<u>2007</u>
		人民幣' 000	人民幣' 000
薪資及獎金(不包含董事酬勞)		15,302	13,859
員工福利		6,049	7,103
		<u>21,351</u>	<u>20,962</u>
員工費用-主要管理階層	8	566	107
		<u>21,917</u>	<u>21,069</u>

薪資及獎金包含撥付確定提撥退休金計畫(國家退休金計畫)約人民幣 1,488,000 元(2007 年：人民幣 1,206,000 元)。

8. 主要管理階層報酬

主要管理階層包含本公司及子公司董事、子公司財務長及行銷經理。其薪資列示如下：

	<u>集團</u>	
	<u>2008</u> 人民幣' 000	<u>2007</u> 人民幣' 000
<u>董事報酬</u>		
本公司董事		
薪資及獎金	1,581	171
	<u>1,581</u>	<u>171</u>
子公司董事		
薪資及獎金	152	110
確定提撥計畫退休金費用	2	2
	<u>154</u>	<u>112</u>
董事報酬	<u>1,735</u>	<u>283</u>
<u>其他主要管理階層報酬</u>		
其他主要管理階層		
薪資及獎金	528	104
確定提撥計畫退休金費用	38	3
	<u>566</u>	<u>107</u>
	<u>2,391</u>	<u>390</u>

9. 所得稅費用

	<u>集團</u>	
	<u>2008</u> 人民幣' 000	<u>2007</u> 人民幣' 000
當期所得稅費用		
當期費用	91,162	66,953
所得稅費用	<u>91,162</u>	<u>66,953</u>

帳列所得稅費用與稅前損益依國家規定稅率計算結果之差異列示如下：

	<u>集團</u>	
	<u>2008</u> 人民幣' 000	<u>2007</u> 人民幣' 000
稅前損益	343,128	249,646
依據2008年PRC所得稅稅率25%計算(2007年稅率27%)	85,782	67,404
所得稅影響數：		
免稅項目	-	(451)
不可扣除項目	3,920	-
其他地區所得稅率差異影響數*	1,460	-
所得稅費用	91,162	66,953

*本公司營運地區之所得稅率較低

2007 年度，根據中華人民共和國稅法相關規定，子公司為百分之百由國外持有之企業(“WFOE”)，依據中華人民共和國適用於振東開發區之法定稅率為：國家稅法-24%、地方稅法-3%。

於西元 2007 年 3 月 16 日公佈、並於西元 2008 年 1 月 1 日起適用之中華人民共和國企業所得稅法規定，原國外投資企業及國外企業之所得稅規定自西元 2008 年 1 月 1 日起廢止，並與國內企業同樣適用 25%之所得稅率。惟對目前適用稅務相關機構提供租稅優惠之企業，訂定過渡期間之規定。如企業所得稅率低於 25%者，可於新法令適用日起之五年內採用舊有稅率，並於期間內逐漸轉為新制稅率。適用標準稅率且在固定期間享有免稅或可扣除額之企業，可持續使用其扣除額至期滿為止。

依據西元 2008 年 2 月 22 日公佈之中華人民共和國企業所得稅法，中華人民共和國之企業發放西元 2008 年 1 月 1 日前產生淨利之股利，無須扣繳稅款，西元 2008 年 1 月 1 日後淨利分配之股利則需扣繳 5%之稅款。

於本報告年度結束日，子公司之未分配盈餘產生之暫時性差異為人民幣 260.7 百萬元(2007-人民幣 118.4 百萬元)並未認列遞延所得稅負債。本期未認列此暫時性差異相關之負債，係因集團可控制該暫時性差異迴轉時點，且在可預見之未來皆不會迴轉此暫時性差異。

10. 每股盈餘

基本每股盈餘計算基礎如下：

	<u>集團</u>	
	<u>2008</u>	<u>2007</u>
	人民幣' 000	人民幣' 000
(i) 本公司可分配盈餘	<u>251,965</u>	<u>182,693</u>
	<u>集團</u>	
	<u>2008</u>	<u>2007</u>
	股數' 000	股數' 000
(ii) 加權平均普通股數	<u>832,156</u>	<u>704,700</u>

截至本報告結束日止(西元 2008 年 12 月 31 日及西元 2007 年 12 月 31 日)，並無發行潛在稀釋之商品流通在外，故無稀釋每股盈餘。

基本每股盈餘係將可分配盈餘除以當年度加權平均流通在外股數計算而得。

2007 年度之基本每股盈餘係依據本公司可分配盈餘：人民幣 182,693,000 元及公開發行前之普通股股數 704,700,000 計算，公開發行前之股數 704,700,000 係假設發行後全年流通在外。

11. 房屋、廠房及設備

<u>集團</u>	<u>租賃建築物</u>	<u>廠房與設備</u>	<u>辦公設備</u>	<u>運輸設備</u>	<u>合計</u>
<u>2008年</u>	<u>人民幣' 000</u>	<u>人民幣' 000</u>	<u>人民幣' 000</u>	<u>人民幣' 000</u>	<u>人民幣' 000</u>
成本					
2008年1月1日餘額	23,563	177,327	1,001	1,425	203,316
本期增添	632	82,512	–	1,771	84,915
本期報廢	–	–	–	(230)	(230)
本期處分	–	(7,587)	–	–	(7,587)
2008年12月31日餘額	24,195	252,252	1,001	2,966	280,414

累計折舊					
2008年1月1日餘額	11,778	47,556	64	38	59,436
本期提列折舊	1,120	19,090	189	357	20,756
本期報廢	–	–	–	(85)	(85)
本期處分	–	(6,111)	–	–	(6,111)
2008年12月31日餘額	12,898	60,535	253	310	73,996

帳面價值					
2008年12月31日餘額	11,297	191,717	748	2,656	206,418

<u>集團</u>	<u>租賃建築物</u>	<u>廠房與設備</u>	<u>辦公設備</u>	<u>運輸設備</u>	<u>合計</u>
<u>2007年</u>	<u>人民幣' 000</u>	<u>人民幣' 000</u>	<u>人民幣' 000</u>	<u>人民幣' 000</u>	<u>人民幣' 000</u>
成本					
2007年1月1日餘額	23,563	54,653	–	–	78,216
本期增添	–	122,716	1,001	1,425	125,142
本期報廢	–	(42)	–	–	(42)
2007年12月31日餘額	23,563	177,327	1,001	1,425	203,316

累計折舊					
2007年1月1日餘額	10,659	37,812	–	–	48,471
本期提列折舊	1,119	9,744	64	38	10,965
2007年12月31日餘額	11,778	47,556	64	38	59,436

帳面價值					
2007年12月31日餘額	11,785	129,771	937	1,387	143,880

以上集團持有之房屋、廠房及設備均位於中華人民共和國福建省晉江東石鎮東埕振東開發區。

集團已將房屋、廠房及設備設定為銀行借款(請詳附註 24)之質押，質押帳面價值約為人民幣 6,075,000 元 (2007 年：人民幣 6,723,000 元)。

集團正於中華人民共和國之相關機構申請其子公司租賃建築之所有權證，申請標的之總帳面價值約為人民幣 4,262,000 元(2007 年：人民幣 4,702,000 元)。

截至 2008 年 12 月 31 日，向中華人民共和國相關機構申請房屋所有權證及土地使用權之估列成本(請詳財務報表附註 15)分別為人民幣 5,000 元及人民幣 4.2 百萬元。

12. 無形資產

	<u>集團</u>		<u>本公司</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	人民幣' 000	人民幣' 000	人民幣' 000	人民幣' 000
土地使用權				
期初餘額	118	120	-	-
本期攤銷	(2)	(2)	-	-
期末餘額	116	118	-	-
攤銷費用：				
未來12個月-流動	2	2	-	-
未來12個月後-非流動	114	116	-	-
	116	118	-	-

土地使用權為中華人民共和國土地之中度租用期使用權，業已作為銀行借款之質押(請詳附註 24)。此使用權之攤銷期間為 50 年。

13. 子公司投資

	<u>本公司</u>	
	<u>2008</u>	<u>2007</u>
	人民幣' 000	人民幣' 000
無公開報價股權投資成本	80,998	-

以下為子公司相關資訊：

<u>公司名稱</u>	<u>主要營運活動</u>	<u>公司 所在地</u>	<u>持股比例</u>		<u>投資成本</u>	
			<u>2008</u> %	<u>2007</u> %	<u>2008</u> 人民幣' 000	<u>2007</u> 人民幣' 000
晉江連捷紡織印 染實業有限公司*	製造紡織 品、印染纖 維，並從事 高品質纖維	中華 人民 共和 國	100	- **	80,998	-

*列示於集團合併報表之財務資訊係由 Mazars LLP, Singapore 查核。

**西元 2007 年比較財務資訊係依照本公司之財務報表表達，編製該財務報表時，尚在進行組織重整，未完全取得子公司之股份（請詳財報附註揭露 1）。

14. 存貨

	<u>集團</u>		<u>本公司</u>	
	<u>2008</u> 人民幣' 000	<u>2007</u> 人民幣' 000	<u>2008</u> 人民幣' 000	<u>2007</u> 人民幣' 000
製成品	20,645	17,044	-	-
原料	29,143	23,034	-	-
在製品	1,739	2,405	-	-
	<u>51,527</u>	<u>42,483</u>	<u>-</u>	<u>-</u>

15. 應收帳款及其他應收款

	<u>集團</u>		<u>本公司</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	人民幣' 000	人民幣' 000	人民幣' 000	人民幣' 000
應收帳款-非關係人	271,029	243,563	-	-
其他應收款	18,336	1,761	-	1,637
存出保證金	112,247	5,000	112,247	-
	<u>401,612</u>	<u>250,324</u>	<u>112,247</u>	<u>1,637</u>

依外幣評價之應收帳款及其他應收款列示如下：

	<u>集團</u>		<u>本公司</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	人民幣' 000	人民幣' 000	人民幣' 000	人民幣' 000
新加坡幣	-	1,637	-	1,637
美金	<u>112,247</u>	<u>-</u>	<u>112,247</u>	<u>-</u>

應收帳款屬不付息之帳款，收款期間為 90 天。所有應收帳款皆以人民幣計價。

其他應收款包含支付子公司取得使用土地之土地使用權約人民幣 124,000 元 (2007 年：人民幣 124,000 元)，及於 2007 年預付公司執行上市相關活動之勞務費，約人民幣 1,637,000 元。集團正在進行向中華人民共和國之相關機構申請此土地使用權之程序。

存出保證金為集團為取得新廠房及設備之預備款，約人民幣 112,247,000 元 (2007 年：人民幣 5,000,000 元)。(請詳附註 26)

減損損失

應收帳款之期末帳齡列示如下：

	帳款總額	減損損失	帳款總額	減損損失
<u>集團</u>	<u>2008</u>	<u>2008</u>	<u>2007</u>	<u>2007</u>
	人民幣' 000	人民幣' 000	人民幣' 000	人民幣' 000
未逾收款期限款項	271,029	-	238,378	-
逾期0-90天款項	-	-	2,192	-
逾期90天以上之款項	-	-	2,993	-
	<u>271,029</u>	<u>-</u>	<u>243,563</u>	<u>-</u>

根據以往收款經驗，集團認為款項逾期之客戶以往收款情形皆有良好之還債紀錄，故評估無需提列備抵減損損失。

16. 應收子公司款項

	<u>集團</u>		<u>本公司</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	人民幣' 000	人民幣' 000	人民幣' 000	人民幣' 000
代墊款	-	-	77,512	-
應收股利	-	-	100,000	-
	-	-	177,512	-

以上應收子公司款項係以人民幣計價，無擔保、不付息，且隨時可要求對方償還。

17. 現金及約當現金

	<u>集團</u>		<u>本公司</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	人民幣' 000	人民幣' 000	人民幣' 000	人民幣' 000
現金	114	20	- *	- *
銀行存款	363,997	89,379	46,934	46,934
合併現金流量表揭露之現金及約當現金	364,111	89,399	46,934	46,934

*金額低於人民幣1,000元

銀行存款有效年利率為0.71%（2007年：0.72%）。

期末依外幣計價之現金及銀行存款列示如下：

	<u>集團</u>		<u>本公司</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	人民幣' 000	人民幣' 000	人民幣' 000	人民幣' 000
新加坡幣	46,934	101	46,934	101

人民幣不可自由轉換為外國貨幣。根據中華人民共和國外匯管理條例及結匯、售匯及付匯管理規定，集團僅可向經中華人民共和國政府授權可進行外匯交易之銀行，將人民幣兌換為外國貨幣。

18. 資本

	集團及本公司			
	2008		2007	
	股數	人民幣' 000	股數	人民幣' 000
<u>原始發行及支付數</u>				
2008年1月1日及 2007年7月2日(本公司 成立日)	1	- *	1	- *
與集團重組相關				
發行新股以取得相同控 制下之子公司(a)	99,998	80,268	-	-
發行新股予非執行董事 (b)	1	730	-	-
集團重組後	100,000	80,998	1	- *
2008年4月14日股票 分割後 (每股分割為7,040 股)(c)	704,700,000	80,998	-	-
首次公開發行之新股 (扣除相關費用)(d)	223,200,000	256,801	-	-
期末餘額(12月31日)	927,900,000	337,799	-	- *

*係金額小於人民幣 1,000 元

(a) 本公司於西元 2008 年 1 月 14 日以美元\$11,000,000(人民幣 80,268,100 元)發行 99,998 股以取得晉江連捷紡織印染實業有限公司之全部股東權益，使其成為 100%持股之子公司。

(b) 公司於西元 2008 年 1 月 14 日以美元\$100,000(人民幣 729,710 元)發行 1 股予非執行主席蔡長江先生，其全部發行金額以現金支付。

(c) 上述之股份，以 1 股分割為 7,047 股之方式，使公司之全體股數由原始之 100,000 股增加為 704,700,000 股。

(d) 本公司於西元 2008 年 6 月 6 日於新加坡證券交易所首次公開發行，以每股新加坡幣\$0.24 發行 223,200,000 股，使公司之全體股數增加為 927,900,000 股。其發行股票之費用約為人民幣 13,471,000 元(2007 年：無)。與集團重組相關之內容請參詳西元 2008 年 5 月 28 日之公開說明書。

所有原始發行之股份皆已收到股款，其原始發行股數皆無面值。原始股份之持有者皆享有股利分配，及參與公司股東會投票之權（一股享有一投票權）。

19. 合併準備

合併準備係指本公司股本及依權益結合法取得子公司之股本之差異，並且追溯表達於本集團合併財務報表之權益項下。

20 法定公積

法定公積係依中華人民共和國法律規定，子公司於完納稅捐後，由淨利所撥充之金額。

21. 保留盈餘

附註	集團		本公司	
	2008	2007	2008	2007
	人民幣' 000	人民幣' 000	人民幣' 000	人民幣' 000
期初餘額				
當期淨利	118,354	-	-	-
執行重整	(a) 251,965	182,693	79,148	-
股利	27 -	12,814	-	-
法定盈餘公積	-	(50,000)	-	-
期末餘額	20 (30,448)	(27,153)	-	-
	<u>339,871</u>	<u>118,354</u>	<u>79,148</u>	<u>-</u>

附註(a) 執行重整係因取得共同控制下之子公司產生，請詳財務報表附註 1：集團重整之說明。

22 關係人借款

附註	集團		本公司	
	2008	2007	2008	2007
	人民幣' 000	人民幣' 000	人民幣' 000	人民幣' 000
一年內到期				
借款對象：				
股東 - 非營業交易 (a)	50,382	1,738	-	1,738
一年以上到期				
借款對象：				
股東 - 非營業交易 (b)	-	50,382	-	-

(a) 該非營業交易之借款係與非執行主席借款，其金額為無擔保、無計息即可隨時要求於財務報告表年度結束日 12 個月內償還。

(b) 該非營業交易之借款係與非執行主席借款，其非流動部分金額是無擔保、無計息且無固定償還日期。

23 應付帳款及其他應付款

	集團		本公司	
	2008	2007	2008	2007
	人民幣' 000	人民幣' 000	人民幣' 000	人民幣' 000
應付帳款	129,025	126,741	-	-
應付營業費用	3,986	5,348	744	-
應付增值型營業稅	6,113	21,862	-	-
	139,124	153,951	744	-

應付帳款為無計息，一般授信期間約為 60 天到 90 天。

以外國貨幣計價之應付營業費用期末餘額如下：

	集團		本公司	
	2008	2007	2008	2007
	人民幣' 000	人民幣' 000	人民幣' 000	人民幣' 000
新加坡幣	1,218	-	744	-

24 利息費用-附息之負債

	<u>集團</u>		<u>本公司</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	人民幣' 000	人民幣' 000	人民幣' 000	人民幣' 000
銀行借款-有擔保	45,000	37,500	-	-

銀行借款係以其所租賃之建築物及土地之使用權作為質押，建築物及土地使用權帳面價值各為人民幣 6,075,000 元及人民幣 116,000 元(2007：人民幣 6,723,000 元及人民幣 118,000 元)，並由非執行主席之親屬所持有之公司提供擔保。

其銀行借款因將於短期內到期，故其帳面值接近其公平價值。集團之銀行借款係以人民幣計價。銀行借款之有效年利率為 7.36%(2007 年：6.98%)。所有銀行借款皆於年度結束日後一年內償付。

25 重大關係人交易

除了揭露於本合併財務報表其他附註者外，以下係集團間依據雙方同意條件進行之重大關係人交易：

	<u>附註</u>	<u>集團</u>		<u>本公司</u>	
		<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
		人民幣' 000	人民幣' 000	人民幣' 000	人民幣' 000
向執行主席出租廠房設備、	(a)	-	4,800	-	-
向非執行主席購置廠房設備、辦公設備及運輸設備	(b)	-	125,126	-	-
銷貨予關係人	(c)	-	1,191	-	-
向關係人進貨	(d)	-	22,995	-	-
應收關係人往來	(e)	15,800	10,000	-	-
支付顧問費予關係人	(f)	180	-	-	-

附註(a) 係向非執行主席出租廠房、機器及辦公設備與運輸設備之租金費用。

附註(b) 晉江連捷紡織印染實業有限公司於 2007 年 9 月 1 日向非執行主席協議取得用於製造生產設備之廠房、機器及辦公設備與交通設備。其購置金額約為人民幣 125,126,000 元，其合約價款係由福建閩才資產評估有限公司西元 2007 年 9 月 5 日之評價報告所決定。

附註(c) 其銷貨係依常規交易之基礎執行，交易之雙方係為子公司及非執行主席之親屬所持有之公司。前述關係人已於西元 2007 年 12 月 6 日處分對該公司之持股。

附註(d) 其進貨係依常規交易之基礎執行，交易之雙方係為子公司及非執行主席之親屬為法定代表人之公司，而其代表人係為非關係人之第三人所提名。前述關係人已於西元 2007 年 12 月 6 日處分對該公司之持股。

附註(e) 西元 2008 年間，子公司向非執行董事之親屬所投資之公司借款人民幣 6,000,000 元(2007 年：人民幣 10,000,000 元)，另向特定之管理階層人員亦為非執行董事之親屬融資借款人民幣 9,800,000 元(2007 年：無)。此借款皆為無擔保，不付息，且可隨時要求償付。此借款業已於西元 2008 年 12 月 31 日償還。

附註(f) 於西元 2008 年間，集團聘任非執行主席之兄弟蔡長敬先生為管理顧問，每年並支付顧問費人民幣 180,000 元。

26. 資本承諾

	<u>集團</u>		<u>本公司</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	人民幣'000	人民幣'000	人民幣'000	人民幣'000
未表達於合併財務報表中之資本支出契約：				
購買不動產、廠房及設備之承諾	130,805	78,269	-	-

子公司存出人民幣約 112,200,000 元(西元 2007 年：人民幣 5,000,000 元)作為取得新廠房及機器之保證金。

27. 股利

	<u>集團</u>		<u>本公司</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	人民幣'000	人民幣'000	人民幣'000	人民幣'000
子公司支付股東之股利	-	50,000	-	-

西元 2007 年 11 月 15 日宣告並發放人民幣 50,000,000 元之期中股利予非執行主席、執行長及執行董事，皆為中華人民共和國子公司之前股東。

西元 2009 年 2 月 27 日，集團提議每股普通股可分配人民幣 0.0815 元(免稅)之股利，股利發放金額約為人民幣 75,600,000 元，即約當 2008 年集團利潤之 30%。股利發放之提議案需於年度股東常會中經公司之股東同意。

28. 部門別資訊

部門資訊係以該集團在根據集團內部管理報導架構的基礎上設立之營運部門而編製。

該集團全部的收入皆來自於中華人民共和國，且集團內大部分的資產皆在中華人民共和國運作使用。因此，該集團決定在一地區別部門營運，故在報導期間不會有其他地區別部門被報導，截至西元 2008 年 12 月 31 日與西元 2007 年 12 月 31 日，在中華人民共和國以外的國家使用之部門資產分別約為人民幣 159,181,000 元與人民幣 1,738,000 元。

部門損益及資產負債，包含可直接歸屬於部門、及可依合理基礎被分配之項目。未分配項目包括公司層級之資產與費用、利息收入、財務成本以及相關的資產負債。

部門的資本支出，即取得房屋、廠房及設備，與取得除了商譽外的無形資產所發生的全部成本。

業務部門

集團主要的業務部門為：

製造與銷售部門	- 性能紡織品
	- 一般紡織品
紡織品加工服務	- 提供紡織品染色與加工處理

集團
2008

	<u>製造與銷售性 能紡織品</u> 人民幣' 000	<u>製造與銷售一 般紡織品</u> 人民幣' 000	<u>紡織品加工服 務</u> 人民幣' 000	<u>總營運金額</u> 人民幣' 000
<u>收入與費用</u>				
外部顧客收入	1, 135, 454	1, 729	42, 960	1, 180, 143
總收入	<u>1, 135, 454</u>	<u>1, 729</u>	<u>42, 960</u>	<u>1, 180, 143</u>
部門損益	346, 179	374	9, 250	355, 803
未分配公司費用				(11, 581)
營業利潤				344, 222
利息收入				2, 080
財務成本				(3, 175)
所得稅費用				(91, 162)
稅後淨利				<u>\$ 251, 965</u>

集團

2008

	製造與銷售性 能紡織品 人民幣' 000	製造與銷售一 般紡織品 人民幣' 000	紡織品加工服 務 人民幣' 000	總營運金額 人民幣' 000
資產與負債				
部門資產：				
未分配資產(註)				<u>1,023,784</u>
總資產				<u><u>1,023,784</u></u>
部門負債：				
未分配負債(註)				<u>259,968</u>
總負債				<u><u>259,968</u></u>
其他部門資訊(註)				
資本支出				84,915
折舊費用				20,756
土地使用權攤銷費用				2
除折舊與攤銷外非現金支出：				
不動產、廠房及設備報廢				<u><u>145</u></u>

集團

2007

	製造與銷售性 能紡織品 人民幣' 000	製造與銷售一 般紡織品 人民幣' 000	紡織品加工服 務 人民幣' 000	總營運金額 人民幣' 000
收入與費用				
外部顧客收入	<u>756,545</u>	<u>2,180</u>	<u>52,143</u>	<u>810,868</u>
總收入	<u><u>756,545</u></u>	<u><u>2,180</u></u>	<u><u>52,143</u></u>	<u><u>810,868</u></u>
部門損益	239,820	499	11,603	251,922
利息收入				182
財務成本				(2,458)
所得稅費用				(<u>66,953</u>)
稅後淨利				<u><u>182,693</u></u>

集團
2007

	製造與銷售性 能紡織品 人民幣' 000	製造與銷售一 般紡織品 人民幣' 000	紡織品加工服 務 人民幣' 000	總營運金額 人民幣' 000
資產與負債				
部門資產：				
未分配資產(註)				526, 204
總資產				<u>526, 204</u>
部門負債：				
未分配負債(註)				271, 154
總負債				<u>271, 154</u>
其他部門資訊(註)				
資本支出				125, 142
折舊費用				10, 965
土地使用權攤銷費用				2
除折舊與攤銷外非現金支出：				
備抵存貨呆滯損失迴轉				(1, 672)
不動產、廠房及設備報廢				<u>42</u>

註：集團無法將同時使用於製造與銷售性能和一般紡織品部門以及紡織品加工服務部門的資產負債分配至各業務部門，因此包含其他部門資訊之資產與負債無法分配至集團中各業務部門。

29. 財務風險管理目的與政策

風險管理係集團整體業務所不可或缺的一環，該集團設有一系列的控制措施以建立風險發生成本與風險管理成本間可接受的平衡點，管理當局亦持續的監督集團風險管理流程，以確保風險與控制間適當的平衡之達成。

流動性風險

集團監控其流動性風險，並維持適當現金及約當現金水準以供管理當局營運所需，且降低現金流量波動之影響。集團定期針對其核心業務進行現金流量的預測，以盡可能確保其有足夠之流動資金可因應到期負債的償還，此外，該集團可取得外部借款(附註 24)。

下表為根據合約未折現現金流量分析集團與公司負債之到期狀況：

<u>集團</u>	短於一年之 流動負債 人民幣' 000	介於一年至兩年 之長期負債 人民幣' 000
2008年12月31日		
應付帳款及其他應付款	\$ 139,124	\$ -
應付關係人款	50,382	-
付息負債	45,000	-
	<u>234,506</u>	<u>-</u>
2007年12月31日		
應付帳款及其他應付款	153,951	-
應付關係人款	1,738	50,382
付息負債	37,500	-
	<u>\$ 193,189</u>	<u>\$ 50,382</u>
<u>本公司</u>		短於一年之 流動負債
2008年12月31日		
應付帳款及其他應付款		744
		<u>744</u>
2007年12月31日		
應付關係人款		1,738
		<u>1,738</u>

信用風險

信用風險是指當交易對象於契約到期時，未能履行與該集團約定契約中的義務而造成經濟損失的潛在財務風險。

該集團已建立起客戶信用額度並監控其餘額，現金被存放於銀行或是受規範的財務機構。該集團堅持與合作關係悠久且信用良好之顧客進行交易以減少暴露於信用風險下。

截至西元 2008 年 12 月 31 日止，該集團之應收帳款結構係由 9 大各別佔該集團整體應收帳款 5%以上的銷貨對象組成(2007 年為 7 大銷貨對象)，由於該集團有許多不同的顧客，故主要歸屬於應收帳款的信用風險是有限的。而這些顧客係從事大範圍的分銷、製造活動以及銷售至各式終端市場。

信用風險揭露

財務報表上金融資產之帳面值代表信用風險暴險的最大值，於期末相關揭露請詳下：

	集團		本公司	
	2008	2007	2008	2007
	人民幣' 000	人民幣' 000	人民幣' 000	人民幣' 000
應收帳款與其他應收款	\$ 401,612	\$ 250,324	\$ 112,247	\$ 1,637
應收聯屬公司款	-	-	177,512	-
現金與約當現金	364,111	89,399	46,934	101
	<u>\$ 765,723</u>	<u>\$ 339,723</u>	<u>\$ 336,693</u>	<u>\$ 1,738</u>

該集團估計了應收帳款與其他應收款可能發生之呆帳損失，於備抵呆帳科目中適當地表達，而該備抵科目主要組成內容有特定損失與集體損失，前者係與單獨揭露之重大財務資訊有關；後者則為集團中同質的資產已發生但尚未明確辨認的損失。其中，備抵集體損失係根據統計同質的金融資產付款狀況的歷史數據而建立，而此兩種損失準備皆非根據以往的經驗進行提列。

市場風險

市場風險係指因市場價格(如：國際匯率與市場利率)等系統因素的變動而造成集團收入與持有金融資產價值產生減損的風險。而市場風險管理的目的，在於控制管理暴露於市場風險在可接受的範圍內，並將風險收益極大化。

外幣風險

外幣風險產生係因交易使用了企業所定義之功能性貨幣以外的外幣。該集團之外幣風險為購置新廠房與機器設備之保證金係以美元計價，而其主要現金存款則為新加坡幣。

目前，該集團尚未制定正式的政策對暴露於外幣風險的情況採取保護措施。
以下為外幣之貨幣性資產及負債揭露之期末帳面價值金額：

	<u>集團</u>		<u>本公司</u>	
	<u>2008</u> 人民幣' 000	<u>2007</u> 人民幣' 000	<u>2008</u> 人民幣' 000	<u>2007</u> 人民幣' 000
<u>資產</u>				
新加坡幣	46,934	1,738	46,934	1,738
美元	112,247	-	112,247	-
<u>負債</u>				
新加坡幣	1,218	-	744	-

當外幣兌換人民幣以調降或上漲 10%幅度為變動考量時，其中所有變動因子包含稅率均以固定不變為基礎，此時淨資產/負債之情形對於集團稅後淨利及股本增加(減少)之情況將如下所示：

	<u>2008</u>		<u>2007</u>	
	<u>稅後淨利</u> 人民幣' 000	<u>股東權益</u> 人民幣' 000	<u>稅後淨利</u> 人民幣' 000	<u>股東權益</u> 人民幣' 000
<u>集團</u>				
美元：人民幣				
增值	11,225	11,225	-	-
貶值	(11,225)	(11,225)	-	-
新加坡幣：人民幣				
增值	4,583	4,583	174	174
貶值	(4,583)	(4,583)	(174)	(174)

	<u>2008</u>		<u>2007</u>	
	<u>稅後淨利</u> 人民幣' 000	<u>股東權益</u> 人民幣' 000	<u>稅後淨利</u> 人民幣' 000	<u>股東權益</u> 人民幣' 000
<u>本公司</u>				
美元：人民幣				
增值	11,225	11,225	-	-
貶值	(11,225)	(11,225)	-	-
新加坡幣：人民幣				
增值	4,619	4,619	174	174
貶值	(4,619)	(4,619)	(174)	(174)

公平價值

金融資產及金融負債之公平價值及於財務狀況表列示之帳面價值，如下表所示：

	集團			
	2008		2007	
	面值 人民幣' 000	公平價值 人民幣' 000	面值 人民幣' 000	公平價值 人民幣' 000
應收帳款與其他應收款	401,612	401,612	250,324	250,324
現金與約當現金	364,111	364,111	89,399	89,399
附息負債	45,000	45,000	37,500	37,500
應付帳款與其他應付款	139,124	139,124	153,951	153,951
應付關係人款				
- 流動	50,382	50,382	1,738	1,738
- 非流動(註)	-	-	50,382	50,382

	本公司			
	2008		2007	
	面值 人民幣' 000	公平價值 人民幣' 000	面值 人民幣' 000	公平價值 人民幣' 000
應收帳款與其他應收款	112,247	112,247	1,637	1,637
應收聯屬公司款	177,512	177,512	-	-
現金與約當現金	46,934	46,934	101	101
應付帳款與其他應付款	744	744	-	-
應付關係人款	-	-	1,738	1,738

(包括應收帳款及其他應收款，應收關係人款，現金及約當現金以及應付帳款及其他應付款)，其帳面值約當為期公平價值。

註：西元 2007 年 12 月 31 日時，該應付非執行主席之非流動部分之餘額因尚未決定其未來現金流量的時點，因關係人的性質而約有人民幣\$50,382,000 尚無法合理被決定其公平價值，然而，管理當局相信於資產負債表日紀錄之帳面價值反映了其相對之公平價值。

利率風險

本集團之利率風險係受附息金融負債利率改變影響所致。本集團政策係將所有借款維持以固定利率為基準。

以下表格將集團之金融商品以到期日之帳面價值表達，以考慮利率風險所帶來的影響，請詳下表所示：

<u>集團</u>	<u>2008年12月31日</u>	<u>2007年12月31日</u>
	人民幣' 000	人民幣' 000
<u>一年內到期</u>		
固定利率		
銀行借款	45,000	37,500

金融商品之利率係屬固定利率，其利率係依合約規定每一年變動一次。金融商品之利率直到到期日前均為固定利率。至於集團之其餘金融商品利率風險不重大。

針對固定利率之付息負債，每一百基準點(bp)變動將會增加/減少稅後淨利及股本影響，如下表所示：

	淨利(損)增加(減少)	
	100bp 增加	100bp 減少
<u>2008年12月31日</u>	人民幣' 000	人民幣' 000
付息負債	(<u>338</u>)	<u>338</u>
<u>2007年12月31日</u>		
付息負債	(<u>274</u>)	<u>274</u>

資本管理

該集團對資本控管的目的在於維護集團繼續經營的能力，以提供股東及利益相關者報酬，並維持最適的資本結構以減少資產成本。

依據經濟環境的改變，管理當局複核其資本結構並作出調整。該目的係為在整體資本結構上反映合理及最佳的長短期股東權益報酬率。在此複核中，管理當局考量資本成本與各類資本相關之風險。根據此複核結果，該集團將會透過支付股利、發行新股及購買庫藏股及舉借/償付負債以平衡其整體資本結構。

於本年度，該集團改變其資本管理方式，其監督資本從以資產負債比率為基準改以股東權益報酬率為基準。股東權益資金報酬之計算方式為係以歸屬於公司股本持有者之淨利除以平均股東權益而來。西元 2008 年及 2007 年之股東權益資金報酬分別為 49.5%及 96.8%。

本集團於西元 2008 年及 2007 年並未受任何外部資本要求限制。

30. 比較資訊

如同合併財務報表附註 2.1 提到，集團前期的比較財務資訊已根據權益結合法重新表達。為了會計使用上的目的，權益結合法於西元 2007 年 1 月 1 日生效，即比較財務資訊列示之第一個會計年度，如同集團在 2007 年 1 月 1 日前就已在相同控制下。

本公司之比較財務資訊係根據西元 2007 年 7 月 2 日(公司成立日)至西元 2007 年 12 月 31 日之財務報表編製。

如附註 2.1 提到，對合併財務報表而言，當年度該公司將其功能性貨幣從新加坡幣變更為人民幣，並以人民幣於財務報表上進行揭露。為了編製該公司上一年度之比較資訊，係用附註 2.2 及 2.3 合併財務報表所敘述之會計政策，將其截至西元 2007 年 12 月 31 日以新加坡幣表達之資產負債表轉換為以人民幣表達。

附 件 七

CHINA TAISAN TECHNOLOGY GROUP HOLDINGS LIMITED
Company Registration No. 200711863D
(Incorporated in Singapore)
AND ITS SUBSIDIARY

**REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

CHINA TAISAN TECHNOLOGY GROUP HOLDINGS LIMITED
Company Registration No. 200711863D
(Incorporated in Singapore)
AND ITS SUBSIDIARY

**REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

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CHINA TAISAN TECHNOLOGY GROUP HOLDINGS LIMITED
 Company Registration No. 200711863D
 (Incorporated in Singapore)
AND ITS SUBSIDIARY

REPORT OF THE DIRECTORS

We are pleased to present this annual report to the members of the Company together with the audited financial statements of the company and consolidated financial statements of the Company and its subsidiary (the "Group") for the financial year ended 31 December 2008.

DIRECTORS

The directors in office at the date of this report are as follows:

Choi Cheung Kong	(Non-executive Chairman)	
Lin Wen Chang	(Chief Executive Officer and Executive Director)	(Appointed on 14/01/2008)
Lin Yung Hsiang	(Executive Director)	
Yang Shun Fu	(Executive Director)	(Appointed on 14/01/2008)
Tsang Siu For Thomas	(Independent Director)	(Appointed on 14/04/2008)
Ng Weng Wei	(Independent Director)	(Appointed on 14/04/2008)
Fu Xiao Bin	(Independent Director)	(Appointed on 14/04/2008)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings kept by the Company for the purposes of Section 164 of the Singapore Companies Act, Cap. 50, the directors of the Company holding office at the end of the financial year (including those held by their spouses and infant children) had an interest in shares of the Company and in related corporations (other than wholly-owned subsidiary) as detailed below:

<u>Name of the company and director in which interests are held</u>	<u>Held in the name of the Directors or nominees</u>		
	<u>At beginning of the year or date of appointment, if later</u>	<u>At end of the year</u>	<u>At 21 days after end of the year</u>
<u>The Company</u>			
<i>Ordinary share</i>			
Choi Cheung Kong	1	518,659,200	518,659,200
Lin Wen Chang	20,000	101,476,800	101,476,800

By virtue of Section 7 of the Singapore Companies Act, Cap. 50, Mr. Choi Cheung Kong and Mr. Lin Wen Chang are deemed to have interests in the wholly-owned subsidiary of the Company at the beginning of the financial year or date of appointment, if later, and at the end of the financial year.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit which is required to be disclosed by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, except as disclosed in the accompanying financial statements. Certain directors received remuneration from a related corporation in their capacity as directors and/or executives of the related corporation.

CHINA TAISAN TECHNOLOGY GROUP HOLDINGS LIMITED
Company Registration No. 200711863D
(Incorporated in Singapore)
AND ITS SUBSIDIARY

REPORT OF THE DIRECTORS

DIRECTORS' INTERESTS (CONT'D)

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares or options of the Company or of related corporations either at the beginning of the financial year, or date of appointment, if later, or at the end of the financial year.

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object is to enable the directors to acquire benefits through the acquisition of shares in or debentures of the Company or any other body corporate.

SHARE OPTIONS

- (a) No options were granted by the Company or any of its subsidiary during the financial year to subscribe for unissued shares of the Company or its subsidiary.
- (b) No shares were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiary.
- (c) There were no unissued shares of the Company or its subsidiary under option at the end of the financial year.

AUDIT COMMITTEE

The Audit Committee of the Company, consisting all Non-executive directors, is chaired by Mr. Tsang Siu For Thomas, an independent director, and includes Mr. Ng Weng Wei, an independent director and Dr. Fu Xiao Bin, an independent director. The Audit Committee has met four times following the initial public offering of the Company on the Singapore Exchange Securities Trading Limited on 6 June 2008 and has reviewed the following, where relevant, with the directors and independent auditors of the Company:

- (a) the audit plans and results of the independent auditors' examination and evaluation of the Group's systems of internal accounting controls;
- (b) the Group's financial and operating results and accounting policies;
- (c) the financial statements of the Company and the consolidated financial statements of the Group before their submission to the directors of the Company and independent auditors' report on those financial statements;
- (d) quarterly and annual announcements as well as the related press releases on the results and financial position of the Company and the Group;
- (e) the co-operation and assistance given by the management to the Group's independent auditors; and
- (f) the re-appointment of the independent auditors of the Group.

CHINA TAISAN TECHNOLOGY GROUP HOLDINGS LIMITED
Company Registration No. 200711863D
(Incorporated in Singapore)
AND ITS SUBSIDIARY

REPORT OF THE DIRECTORS

AUDIT COMMITTEE (CONT'D)

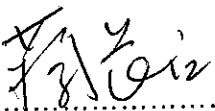
The Audit Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external auditors have unrestricted access to the Audit Committee.

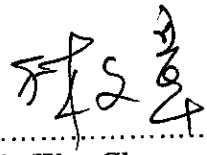
The Audit Committee is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, Mazars LLP, Public Accountants and Certified Public Accountants, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

AUDITORS

Mazars LLP (formerly known as Mazars Moores Rowland LLP), Public Accountants and Certified Public Accountants, have expressed their willingness to accept re-appointment. Mazars Moores Rowland LLP changed its name to Mazars LLP with effect from 3 January 2009.

On behalf of the Board of Directors


.....
Choi Cheung Kong
Director


.....
Lin Wen Chang
Director

4 March 2009

CHINA TAISAN TECHNOLOGY GROUP HOLDINGS LIMITED
Company Registration No. 200711863D
(Incorporated in Singapore)
AND ITS SUBSIDIARY

STATEMENT BY THE DIRECTORS

In our opinion,

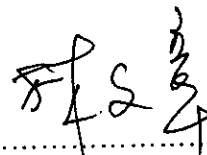
- (a) the balance sheet and statement of changes in equity of the Company and the consolidated financial statements of the Group as set out on pages 7 to 54 are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2008 and of the results of the business, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Cap. 50 and Singapore Financial Reporting Standards; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

On Behalf of the Board of Directors



.....
Choi Cheung Kong
Director



.....
Lin Wen Chang
Director

4 March 2009

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
CHINA TAISAN TECHNOLOGY GROUP HOLDINGS LIMITED**

Company Registration No. 200711863D

(Incorporated in Singapore)

AND ITS SUBSIDIARY

We have audited the accompanying financial statements of **CHINA TAISAN TECHNOLOGY GROUP HOLDINGS LIMITED** (the "Company") and its subsidiary (the "Group") which comprise the balance sheets of the Company and the Group as at 31 December 2008, the consolidated income statement, consolidated statement of changes in equity and the consolidated statement of cash flows of the Group and statement of changes in equity of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 7 to 54.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes:

- (a) devising and maintaining a system of internal accounting controls sufficient to provide reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair income statement and balance sheets and to maintain accountability of assets;
- (b) selecting and applying appropriate accounting policies; and
- (c) making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal controls relevant to the Group's preparation and fair presentation of the financial statements 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 Group's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
CHINA TAISAN TECHNOLOGY GROUP HOLDINGS LIMITED**

Company Registration No. 200711863D
(Incorporated in Singapore)
AND ITS SUBSIDIARY

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:-

- (a) the balance sheet and statement of changes in equity of the Company and the consolidated financial statements of the Group are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2008 and of the results, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date; and
- (b) the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.



.....
**MAZARS LLP
PUBLIC ACCOUNTANTS AND
CERTIFIED PUBLIC ACCOUNTANTS**

Singapore: 4 March 2009

CHINA TAISAN TECHNOLOGY GROUP HOLDINGS LIMITED

Company Registration No. 200711863D

(Incorporated in Singapore)

AND ITS SUBSIDIARY**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008**

	<u>Note</u>	<u>Group</u> <u>2008</u> RMB'000	<u>2007</u> RMB'000
Revenue	3	1,180,143	810,868
Cost of sales		<u>(803,497)</u>	<u>(557,196)</u>
Gross profit		376,646	253,672
Other income	4	2,131	1,923
Distribution costs		(1,704)	(350)
Administrative expenses		(11,190)	(3,098)
Other operating expenses		(19,581)	(43)
Finance costs	5	<u>(3,175)</u>	<u>(2,458)</u>
Profit before income tax	6	343,127	249,646
Income tax expense	9	<u>(91,162)</u>	<u>(66,953)</u>
Profit after income tax and attributable to equity holders of the Company		<u>251,965</u>	<u>182,693</u>
Earnings per share for profit attributable to the equity holders of the Company (RMB cents)			
- Basic and diluted	10	<u>30.28</u>	<u>25.92</u>

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

CHINA TAISAN TECHNOLOGY GROUP HOLDINGS LIMITED

Company Registration No. 200711863D

(Incorporated in Singapore)

AND ITS SUBSIDIARY

BALANCE SHEETS AS AT 31 DECEMBER 2008

	<u>Note</u>	<u>Group</u>		<u>Company</u>	
		<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
		RMB'000	RMB'000	RMB'000	RMB'000
Assets					
Non-current assets					
Property, plant and equipment	11	206,418	143,880	-	-
Intangible assets	12	114	116	-	-
Investment in a subsidiary	13	-	-	80,998	-
		<u>206,532</u>	<u>143,996</u>	<u>80,998</u>	<u>-</u>
Current assets					
Intangible assets – current portion	12	2	2	-	-
Inventories	14	51,527	42,483	-	-
Trade and other receivables	15	401,612	250,324	112,247	1,637
Amounts owing by subsidiary	16	-	-	177,512	-
Cash and cash equivalents	17	364,111	89,399	46,934	101
		<u>817,252</u>	<u>382,208</u>	<u>336,693</u>	<u>1,738</u>
Total assets		<u>1,023,784</u>	<u>526,204</u>	<u>417,691</u>	<u>1,738</u>
Equity and liabilities					
Capital and reserves attributable to equity holders of the Company					
Share capital	18	337,799	80,998	337,799	-*
Merger reserve	19	11,491	11,491	-	-
Statutory reserves	20	74,655	44,207	-	-
Accumulated profits	21	339,871	118,354	79,148	-
Total equity		<u>763,816</u>	<u>255,050</u>	<u>416,947</u>	<u>-*</u>
Non-current liability					
Amount owing to a related party	22	-	50,382	-	-
		<u>-</u>	<u>50,382</u>	<u>-</u>	<u>-</u>
Current liabilities					
Trade and other payables	23	139,124	153,951	744	-
Amounts owing to a related party	22	50,382	1,738	-	1,738
Interest-bearing liabilities	24	45,000	37,500	-	-
Provision for taxation		25,462	27,583	-	-
		<u>259,968</u>	<u>220,772</u>	<u>744</u>	<u>1,738</u>
Total liabilities		<u>259,968</u>	<u>271,154</u>	<u>744</u>	<u>1,738</u>
Total equity and liabilities		<u>1,023,784</u>	<u>526,204</u>	<u>417,691</u>	<u>1,738</u>

* The amount is less than RMB1,000.

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

CHINA TAISAN TECHNOLOGY GROUP HOLDINGS LIMITED

Company Registration No. 200711863D

(Incorporated in Singapore)

AND ITS SUBSIDIARY

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2008**

<u>Group</u>	<u>Note</u>	<u>Share Capital</u> RMB'000	<u>Merger Reserve</u> RMB'000	<u>Statutory Reserves</u> RMB'000	<u>Accumulated Profits</u> RMB'000	<u>Total Equity</u> RMB'000
At date of incorporation		-*	-	-	-	-*
Profit for the year		-	-	-	182,693	182,693
Total recognised income and expenses		-	-	-	182,693	182,693
Due to restructuring exercise	18,19,21	80,998	11,491	17,054	12,814	122,357
Dividends	27	-	-	-	(50,000)	(50,000)
Transfer from accumulated profits to statutory reserves	20	-	-	27,153	(27,153)	-
At 31 December 2007		80,998	11,491	44,207	118,354	255,050
At 1 January 2008		80,998	11,491	44,207	118,354	255,050
Profit for the year		-	-	-	251,965	251,965
Total recognised income and expenses		-	-	-	251,965	251,965
Allotment of shares pursuant to initial public offering, net of expenses	18(d)	256,801	-	-	-	256,801
Transfer from accumulated profits to statutory reserves	20	-	-	30,448	(30,448)	-
At 31 December 2008		337,799	11,491	74,655	339,871	763,816

*: Amount less than RMB 1,000.

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

CHINA TAISAN TECHNOLOGY GROUP HOLDINGS LIMITED

Company Registration No. 200711863D

(Incorporated in Singapore)

AND ITS SUBSIDIARY

**STATEMENT OF CHANGES IN EQUITY OF THE COMPANY
FOR THE YEAR ENDED 31 DECEMBER 2008**

<u>Company</u>	<u>Note</u>	<u>Share Capital</u> RMB'000	<u>Accumulated Profits</u> RMB'000	<u>Total Equity</u> RMB'000
At date of incorporation and at 31 December 2007		-*	-	-*
At 1 January 2008		-*	-	-*
Profit for the year		-	79,148	79,148
Total recognised income and expenses		-	79,148	79,148
Due to restructuring exercise	18(c)	80,998	-	80,998
Allotment of shares pursuant to initial public offering, net of expenses	18(d)	256,801	-	256,801
At 31 December 2008		337,799	79,148	416,947

*: Amount less than RMB 1,000.

The accompanying notes form an integral part of these financial statements

CHINA TAISAN TECHNOLOGY GROUP HOLDINGS LIMITED

Company Registration No. 200711863D

(Incorporated in Singapore)

AND ITS SUBSIDIARY

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2008**

	<u>Note</u>	<u>2008</u> RMB'000	<u>Group</u> <u>2007</u> RMB'000
Operating activities			
Profit before income tax		343,127	249,646
Adjustments for:			
Depreciation of property, plant and equipment		20,756	10,965
Amortisation of land use rights		2	2
Property, plant and equipment written off		145	42
Loss from disposal of property, plant and equipment		775	-
Interest expense		3,175	2,458
Interest income		(2,080)	(182)
Operating profit before working capital changes		365,900	262,931
Changes in working capital:			
Inventories		(9,044)	(28,666)
Trade and other receivables		(44,041)	(157,456)
Trade and other payables		(14,827)	77,601
Amount owing to a related party – trade		-	(2,978)
Amount owing to related parties – non-trade		(1,738)	(5,995)
Cash generated from operations		296,250	145,437
Interest received		2,080	182
Income taxes paid		(93,283)	(42,500)
Cash flows generated from operating activities		<u>205,047</u>	<u>103,119</u>
Investing activities			
Purchases of property, plant and equipment		(79,915)	(16)
Proceeds from disposal of property, plant and equipment		701	-
Deposits paid for purchase of plant and equipment	15	(112,247)	-
Cash flows used in investing activities		<u>(191,461)</u>	<u>(16)</u>
Financing activities			
Dividends paid	27	-	(50,000)
Repayment of bank loans		(37,500)	(7,200)
Proceeds from bank loans		45,000	14,700
Interest paid		(3,175)	(2,458)
Net proceeds from issue of shares	18(d)	256,801	-
Cash flows generated from/ (used in) financing activities		<u>261,126</u>	<u>(44,958)</u>
Net increase in cash and cash equivalents		274,712	58,145
Cash and cash equivalents at the beginning of the year		89,399	31,254
Cash and cash equivalents at the end of the year	17	<u>364,111</u>	<u>89,399</u>

During the financial year ended 31 December 2008, the Group acquired property, plant and equipment with an aggregate cost of approximately RMB 84,915,000 of which plant and machinery was acquired by utilising deposits of RMB 5,000,000 paid in previous year. Cash payments of approximately RMB 79,915,000 were made to purchase property, plant and equipment.

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

CHINA TAISAN TECHNOLOGY GROUP HOLDINGS LIMITED

Company Registration No. 200711863D

(Incorporated in Singapore)

AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2008

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. DOMICILE AND ACTIVITIES

China Taisan Technology Group Holdings Pte. Ltd., was incorporated in the Republic of Singapore on 2 July 2007. On 16 April 2008, the Company was converted into a public limited company and changed its name to China Taisan Technology Group Holdings Limited (the "Company") from that date.

The Company's registered office is at 80 Robinson Road #17-02, Singapore 068898. The principal activity of the Company is that of investment holding. The principal activity of its subsidiary, Jinjiang Lianjie Textile & Printing Dyeing Industrial Co., Ltd (晋江连捷纺织印染实业有限公司), is set out in Note 13 to the consolidated financial statements. The principal place of business of the subsidiary is at Zhendong Development Area, Dongcheng, Dongshi Town, Jinjiang City, Fujian Province, People's Republic of China ("PRC") (福建省晋江市东石镇东埕振东开发区).

The consolidated financial statements relate to the Company and its subsidiary (herein referred to as the "Group").

Group Restructuring ("Group Restructuring")

Pursuant to a restructuring exercise to rationalise the structure of the Group in preparation for the listing of the Company's shares on the Singapore Exchange Securities Trading Limited, the following took place:

- (i) The Company issued 99,998 shares for US\$11.0 million (Chinese Renminbi ("RMB") 80,268,100) to acquire the entire equity interest in Jinjiang Linjie Textile & Printing Dyeing Industrial Co., Ltd (晋江连捷纺织印染实业有限公司), which became a wholly-owned subsidiary of the Group.
- (ii) The paid-up share capital of the Company was increased by the issue of 1 ordinary share for US\$100,000 (RMB 729,710) to Mr. Choi Cheung Kong, an Non-executive chairmen, fully paid in cash.
- (iii) Following the above, the ordinary shares of the Company were increased to 704,700,000 ordinary shares through the sub-division of every one ordinary share in the Company into 7,047 ordinary shares.
- (iv) The ordinary shares of the Company were further increased to 927,900,000 by the issue of 223,200,000 new ordinary shares at S\$0.24 each at its initial public offering ("IPO") and the shares were listed on the Singapore Exchange Securities Trading Limited on 6 June 2008.

Further details of the Group Restructuring can be found in the Prospectus of the Company dated 28 May 2008.

CHINA TAISAN TECHNOLOGY GROUP HOLDINGS LIMITED

Company Registration No. 200711863D

(Incorporated in Singapore)

AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2008

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

Basis of presentation

The Group undertook a Group Restructuring as disclosed in Note 1 to the consolidated financial statements. The Group Restructuring involved companies which are under common control since all entities which took part in the Group Restructuring were controlled by the same ultimate shareholders before and immediately after the Group Restructuring. Consequently, immediately after the Group Restructuring, there was a continuation of the risks and benefits to the ultimate shareholders that existed prior to the Group Restructuring. Accordingly, the formation of the Group pursuant to the Group Restructuring is regarded as a business combination involving entities under common control. The pooling-of-interest method has therefore been adopted, under which the Company has been treated as the holding company of its subsidiary for all periods presented in the consolidated financial statements for the years ended 31 December 2007 and 2008. The effective date of the pooling-of-interest for accounting purposes predates 1 January 2007, the beginning of the financial year for which the comparative figures are presented, as the same members of the Group exists prior to 1 January 2007. Under pooling-of-interest, the assets, liabilities, revenue, expenses and cash flows of all the entities within the Group are combined after making such adjustments as are necessary to achieve consistency of accounting policies. The comparative figures for the preceding financial years have been presented on similar basis. This manner of presentation reflects the economic substance of the combining entities, which were under common control throughout the relevant period, as a single economic enterprise, although the legal parent-subsidiary relationships were not established until after the balance sheet date.

Change in functional currency of the Company

The Company has changed its functional currency from Singapore dollar to Chinese Renminbi for the financial year beginning 1 January 2008. Previously, the Company adopted the Singapore dollar as its functional currency for the period from 2 July 2007 (date of incorporation) to 31 December 2007. As the economic activities of the Company's subsidiary are conducted in the PRC deriving income and incurring expenses in RMB, the directors are of the view that the functional currency of the Company should reflect the economic substance of the underlying events and circumstances relevant to the Company. Accordingly, the directors are of the view that the adoption of the RMB as its functional currency is relevant to its principal activity as an investment holding company. There is no significant impact on the Group arising from the change in functional currency of the Company.

CHINA TAISAN TECHNOLOGY GROUP HOLDINGS LIMITED

Company Registration No. 200711863D

(Incorporated in Singapore)

AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2008

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (Cont'd)

Change in functional currency of the Company (Cont'd)

The consolidated financial statements presented in RMB, have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") and under the historical cost convention, except as disclosed in the significant accounting policies set out below.

Acquisition of Xinlianjie (Quanzhou) Textile & Printing Dyeing Co., Ltd ("Xinlianjie")

On 21 January 2008, the Company entered into a sale and purchase agreement with Taiwan Taoyuan Youji Co., Ltd ("Taiwan Youji"), which is acting as nominee for Mr Choi Cheung Kong, a Non-executive Chairman, whereby the Company will acquire from Taiwan Youji, the entire equity interest of Xinlianjie for a consideration of RMB 1.00. The approval of the Bureau of Commerce of Jinjiang City is required for such acquisition. As the date of this report, the approval from the relevant authorities is still in progress. Xinlianjie has been dormant since incorporation. For the purpose of the Group Restructuring and the consolidated financial statements, Xinlianjie has not been included as part of the Group for the periods presented in the consolidated financial statements for the financial year ended 31 December 2008 and 2007.

Basis of accounting

On 1 January 2008, the Group adopted new or revised FRSs and Interpretations to FRSs ("INT FRS") that are mandatory for application from that date. Changes to the Group's accounting policies have been made as required, in accordance with the relevant transitional provisions in the respective FRS and INT FRS.

The following are the INT FRSs that are mandatory for application:

INT FRS 104 (Amendment)	<i>Determining whether an Arrangement contains a Lease</i>
INT FRS 112	<i>Service Concession Arrangements</i>
INT FRS 114	<i>FRS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction</i>

The adoption of the above INT FRSs did not have a significant impact to the Group's consolidated financial statements.

The preparation of consolidated financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

CHINA TAISAN TECHNOLOGY GROUP HOLDINGS LIMITED

Company Registration No. 200711863D

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NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2008

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (Cont'd)

Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Apart from information disclosed elsewhere in these consolidated financial statements, the following summarises estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year and significant judgements made in the process of applying the Group's accounting policies:-

(i) Impairment of receivables

The Group makes allowance for impairment based on an assessment of the recoverability of trade and other receivables. Allowance is applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of doubtful receivables requires the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying amount of trade and other receivables and the allowance for impairment in the financial year in which such estimate has been changed. The carrying amount of the Group's trade and other receivables as at 31 December 2008 was approximately RMB 401.6 million (2007: RMB 250.3 million).

(ii) Depreciation of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight-line basis over their economic useful lives estimated to be within 5-20 years, net of residual value. The carrying amount of the Group's property, plant and equipment as at 31 December 2008 was approximately RMB 206.4 million (2007: RMB 143.9 million). Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation could be revised.

(iii) Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. These estimates are based on the current market condition and the historical experience of selling products of similar nature. It could change significantly as a result of competitor actions in response to severe industry cycles. Management will reassess the estimations at the balance sheet date. The carrying amount of the Group's inventories as at 31 December 2008 was approximately RMB 51.5 million (2007: RMB 42.5 million).

CHINA TAISAN TECHNOLOGY GROUP HOLDINGS LIMITED

Company Registration No. 200711863D

(Incorporated in Singapore)

AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2008

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of accounting (Cont'd)

Critical accounting estimates, assumptions and judgements (Cont'd)

(iv) Income taxes

The Group is subject to income taxes in different jurisdictions. Significant judgment is required in determining the capital allowance and deductibility of certain expenses during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax issues based on estimation of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the year in which such determination is made. The carrying amount of the Group's provision for taxation as of 31 December 2008 was approximately RMB 25.5 million (2007: RMB 27.6 million).

2.2 Basis of consolidation

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

The results of the subsidiary acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

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

In the Company's financial statements, investment in subsidiary is carried at cost less any impairment loss.

2.3 Functional and presentation currency

The individual financial statements of each entity within the Group are presented in the currency of the primary economic environment in which the entity operates (the functional currency). The functional currency of the Company, and the subsidiary is the RMB and the consolidated financial statements are presented in RMB. All financial information presented in RMB has been rounded to the nearest thousand ("RMB'000") unless otherwise stated.

CHINA TAISAN TECHNOLOGY GROUP HOLDINGS LIMITED

Company Registration No. 200711863D

(Incorporated in Singapore)

AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2008

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Foreign currencies transactions

Transactions in foreign currencies are translated at foreign exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into RMB at foreign exchange rates ruling at that date.

Foreign exchange differences arising from translation are recognised in the income statement. Non-monetary assets and liabilities measured at cost in a foreign currency are translated using exchange rates at the date of the transaction. Non-monetary assets and liabilities measured at fair value in foreign currencies are translated to RMB at foreign exchange rates ruling at the dates the fair value was determined.

2.5 Foreign operations

The assets and liabilities of foreign operations are translated to RMB at exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated to RMB at exchange rates prevailing at the dates of the transactions.

Foreign currency differences are recognised in the foreign currency translation reserves. When a foreign operation is disposed of, in part or in full, the relevant amount in the foreign currency translation reserves is transferred to the income statement.

2.6 Net investment in foreign operations

Exchange differences arising from monetary items that in substance form part of the Company's net investment in foreign operations are recognised in the Company's income statement. Such exchange differences are reclassified to equity in the financial statements. When the hedged net investment is disposed of, the cumulative amount in equity is transferred to the income statement as an adjustment to the income statements arising on disposal.

2.7 Revenue recognition

Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in the income statement as follows:

(i) Sale of goods

Revenue is recognised when goods are delivered at the customers' premises or collected by the customers at the Group's premises which is taken to be the point in time when the customer has accepted the goods and the related risks and rewards of ownership.

CHINA TAISAN TECHNOLOGY GROUP HOLDINGS LIMITED
Company Registration No. 200711863D
(Incorporated in Singapore)
AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2008

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Revenue recognition (Cont'd)

(ii) Rendering of services

Revenue is recognised when services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual services provided as a proportion of the total services to be performed.

(iii) Interest income

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

(iv) Government grant

Government grants are not recognised until there is reasonable assurance that the grants will be received and that the Group will comply with conditions applying to them. Grants are recognised in the income statement on a systematic basis matching them with the related costs for which the grants are intended to compensate.

(v) Dividend income

Dividend income is recognised when the right to receive payments is established.

2.8 Operating leases

Where the Group has the use of assets under operating leases, payments made under the leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease payments made. Contingent rentals are charged to the income statement in the accounting period in which they are incurred.

2.9 Employee benefits

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. Contributions to national pension schemes are recognised as an expense in the period in which the related service is performed. Companies incorporated in the PRC are required to provide certain staff pension benefits for their employees under existing PRC legislation. Pension contributions are provided at rates stipulated by the PRC legislation and are contributed to a pension fund managed by government agencies, which are responsible for paying pensions to the retired employees. These benefits are accounted for on an accrual basis and charged to the income statement when incurred.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Employee benefits (Cont'd)

These national pension schemes are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

2.10 Research and development costs

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the income statement as an expense when it is incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the products or processes are technically and commercially feasible, future economic benefit are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of material, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use.

Other development expenditure is recognised in the income statement as an expense when it is incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses. Amortisation is charged to the income statement using the straight – line method over estimated useful lives of 5 to 7 years.

2.11 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event where it is probable that it will result in an outflow of economic benefits that can be reasonably estimated.

2.12 Impairment

Impairment of financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognised in the income statement.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 Impairment (Cont'd)

Impairment of financial assets (Cont'd)

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in the income statement.

Impairment - non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups.

Impairment losses are recognised in the income statement unless they reverse a previous revaluation, credited to equity, in which case it is charged to equity. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

Calculations of recoverable amount

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of accumulated depreciation or amortisation, if no impairment loss had been recognised.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.13 Finance costs

Interest expense and similar charges are expensed to the income statement in the period in which they are incurred.

The interest component of interest-bearing liabilities is recognised in the income statements using the effective interest method.

2.14 Income tax

Income tax on the results for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

2.15 Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets or liabilities and their carrying amounts in the consolidated financial statements. Deferred tax is, however, not recognised on temporary differences arising from the initial recognition of assets or liabilities that affect neither accounting nor taxable profit and differences relating to investment in subsidiary to the extent that it is probable that they will not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets or liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2.16 Property, plant and equipment

(a) Owned assets

Items of property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to the present location and condition for its intended use.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.16 Property, plant and equipment (Cont'd)

(b) Depreciation

Depreciation is provided on the straight-line basis so as to write off the cost of property, plant and equipment over their estimated useful lives net of estimated residual value on the cost of the asset as follows:

Leasehold buildings	20 years
Plant and machinery	5 - 10 years
Office equipment	5 years
Motor vehicles	10 years

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

(c) Cost

Cost includes expenditure that is directly attributable to the acquisition of the asset. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement as incurred.

Fully depreciated assets are retained in the consolidated financial statements until they are no longer in use. The gain or loss on disposal or retirement of an item of property, plant and equipment recognised in the income statement is the difference between the net sale proceeds and the carrying amount of the relevant asset.

2.17 Intangible assets

Land use rights

The cost of acquisition of land use rights is capitalised and amortised on a straight-line basis over the lease terms of the land of 50 years. The portion of the land use rights to be amortised over the next 12 months is reflected as current assets. The amortisation expense is recognised in the income statement.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.18 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined on the weighted average formula and comprises all cost of purchases, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised in the income statement in the period in which the reversal occurs.

2.19 Trade and other receivables

Trade and other receivables are classified as loans and receivables financial assets, and are recognised initially at fair value and subsequently at amortised cost using the effective interest method, less any impairment losses.

2.20 Cash and cash equivalents

Cash and cash equivalents are classified as loans and receivables financial assets, and comprise cash on hand and bank balances with financial institutions. Cash and cash equivalent are short-term, highly liquid investments readily convertible to known amounts of cash and subject to an insignificant risk of changes in value and have a short-maturity of generally within three months when acquired.

2.21 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

2.22 Merger reserve

In applying the pooling-of-interest method, the financial statements of the entities under common control are consolidated as if the current structure of the Group has been in existence since date of incorporation of the Company. The income statement and statement of cash flows include the results of operations and cash flows of the entities under common control. The assets and liabilities are brought into the balance sheets at their existing carrying amounts. Any difference between the paid-up capital of the Company and the amount of share capital acquired is adjusted against equity.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.23 Statutory reserves

The statutory reserves of the Group comprise the following:

(a) *Statutory common reserve*

In accordance with relevant PRC regulations, the subsidiary is required to transfer a portion of its net profit to the statutory common reserve until the reserve reaches 50% of its registered capital. The transfer to this reserve must be made before the payment of dividends to shareholders.

The statutory common reserve can only be used to set off against losses or to increase the capital of the subsidiary. The subsidiary may convert its statutory common reserve into share capital provided that the remaining balance of such reserve is not less than 25% of the registered capital of the subsidiary.

(b) *Statutory welfare reserve*

In accordance with relevant PRC regulations, the subsidiary is encouraged to transfer a portion of its net profit to the statutory welfare reserve.

2.24 Liabilities and interest-bearing liabilities

Trade and other payables are classified as financial liabilities measured at amortised cost, and are recognised initially at fair value and subsequently at amortised cost using the effective interest method. Interest-bearing liabilities are recognised initially at cost less attributable transaction costs. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on effective interest basis.

2.25 Financial instruments

Financial assets

Financial assets within the scope of FRS 39 Financial Instruments: Recognition and Measurement ("FRS 39") are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets, as appropriate. Financial assets are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.25 Financial instruments (Cont'd)

Financial assets (Cont'd)

The Group determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each year-end. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or transfers substantially all the risks and rewards of the asset.

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Group commits to purchase the asset 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 concerned.

Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Financial liabilities

Financial liabilities within the scope of FRS 39 are classified as either financial liabilities measured at amortised cost such as interest-bearing liabilities and trade and other payables, or financial liabilities designated at fair value through profit or loss.

Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instruments or where appropriate, a shorter period. Income and expense is recognised on an effective interest basis for debt instruments other than those financial instruments "at fair value through profit or loss".

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.26 Segment information

Business segments

Reporting format

The Group's primary format for reporting segment information is business segments, with each segment representing a product line. A business segment is a group of assets and operations engaged in providing products that are subject to risks and returns that are different from those of other business segments. The Group is organised into two business segments, namely:

(a) Manufacturing and sale of fabrics

Manufacture of normal and performance fabrics, which involves the process of knitting, dyeing and finishing of fabrics.

(b) Fabric processing services

Provision of fabrics processing services such as dyeing and finishing, in accordance with the customers' requirements.

2.27 Related parties

A party is related to the Group if:

- (a) directly, or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the Group; or has an interest in the Group that gives it significant influence over the Group; or has joint control over the Group;
- (b) the party is an associate of the Group;
- (c) the party is a joint venture in which the Group is a venturer;
- (d) the party is a member of the key management personnel of the Group or its parent;
- (e) the party is a close member of the family of any individual referred to in (a) or (d);
- (f) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or
- (g) the party is a post-employment benefit plan for the benefit of employees of the Group, or of any entity that is a related party of the Group.

Amounts owing by/(to) related parties are classified as loans and receivables, and financial liabilities respectively at amortised cost.

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.28 Future changes in FRS

At the date of authorisation of these consolidated financial statements, the following FRSs and INT FRSs that are relevant to the Group were issued but not effective are as follows:

<u>FRS No.</u>	<u>Title</u>	<u>Effective date for period beginning on or after</u>
FRS 1 (Amendment)	Presentation of Financial Statements	1.1.2009
FRS 1	Amendments to FRS 32 Financial Instruments: Presentation and FRS 1 Presentation of Financial Statements-Putable Financial Instruments and Obligations Arising on Liquidation	1.1.2009
FRS 23 (Amendment)	Borrowing Costs	1.1.2009
FRS 27	Amendments to FRS 101 First-time Adoption of Financial Reporting Standards and FRS 27 Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1.1.2009
FRS 32	Amendments to FRS 32 Financial Instruments: Presentation and FRS 1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation	1.1.2009
FRS 39	Amendments to FRS 39 Financial Instruments: Recognition and Measurement and FRS 107 Financial Instruments: Disclosures-Reclassification of Financial Assets	1.7.2008
FRS 39	Amendments to FRS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items	1.7.2009
FRS 101	Amendments to FRS 101 First-time Adoption of Financial Reporting Standards and FRS 27 Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1.1.2009
FRS 102	Amendments relating to vesting conditions and cancellations	1.1.2009
FRS 107	Amendments to FRS 39 Financial Instruments: Recognition and Measurement and FRS 107 Financial Instruments: Disclosures-Reclassification of Financial Assets	1.7.2008

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.28 Future changes in FRS (Cont'd)

<u>FRS No.</u>	<u>Title</u>	<u>Effective date for period beginning on or after</u>
FRS 108	Operating Segments	1.1.2009
INT FRS 101	Changes in Existing Decommissioning, Restoration and Similar Liabilities	1.1.2009
INT FRS 112 (Amendment)	Service Concession Arrangements	1.1.2009
INT FRS 113	Customer Loyalty Programmes	1.7.2008
INT FRS 116	Hedges of a Net Investment in a Foreign Operation	1.10.2008
INT FRS 117	Distributions of Non-cash Assets to Owners	1.7.2009
General amendments Improvements to FRSs		
FRS 1	Presentation of Financial Statements	1.1.2009
FRS 8	Accounting Policies, Changes in Accounting Estimates and Errors	1.1.2009
FRS 10	Events after the Reporting Period	1.1.2009
FRS 16	Property, Plant and Equipment	1.1.2009
FRS 18	Revenue	1.1.2009
FRS 19	Employee Benefits	1.1.2009
FRS 20	Accounting for Government Grants and Disclosure of Government Assistance	1.1.2009
FRS 23	Borrowing Costs	1.1.2009
FRS 27	Consolidated and Separate Financial Statements	1.1.2009
FRS 28	Investments in Associates and FRS 31 Interests in Joint Ventures	1.1.2009
FRS 29	Financial Reporting in Hyperinflationary Economies	1.1.2009
FRS 31	Interests in Joint Ventures	1.1.2009
FRS 34	Interim Financial Reporting	1.1.2009
FRS 36	Impairment of Assets	1.1.2009
FRS 38	Intangible Assets	1.1.2009
FRS 39	Financial Instruments: Recognition and Measurement	1.1.2009
FRS 40	Investment Property	1.1.2009
FRS 41	Agriculture	1.1.2009
FRS 105	Non-current Assets Held for Sale and Discontinued Operations	1.7.2009
FRS 107	Financial Instruments: Disclosures	1.7.2009

The directors of the Company anticipate that the application of these standards or interpretations will have no material impact on the consolidated financial statements of the Group.

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3. REVENUE

	<u>Group</u>
	<u>2008</u> <u>2007</u>
	<u>RMB'000</u> <u>RMB'000</u>
Manufacturing and sale of performance fabrics	1,135,454 756,545
Manufacturing and sale of normal fabrics	1,729 2,180
Fabric processing services	42,960 52,143
	<u>1,180,143</u> <u>810,868</u>

4. OTHER INCOME

	<u>Group</u>
	<u>2008</u> <u>2007</u>
	<u>RMB'000</u> <u>RMB'000</u>
Interest income from financial assets at amortised cost	2,080 182
Government grants	51 69
Allowance for slow moving inventories written back	- 1,672
	<u>2,131</u> <u>1,923</u>

Government grants relate to monetary incentives received from governmental agencies in the PRC as incentives for pollution prevention and control measures.

5. FINANCE COSTS

	<u>Group</u>
	<u>2008</u> <u>2007</u>
	<u>RMB'000</u> <u>RMB'000</u>
Interest expense on bank loans at amortised cost	<u>3,175</u> <u>2,458</u>

The effective interest rate of the bank loans was 7.36% (2007: 6.98 %) per annum.

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6. PROFIT BEFORE INCOME TAX

The following items have been charged / (credited) in arriving at profit before income tax:

	<u>Note</u>	<u>Group</u> <u>2008</u> <u>RMB'000</u>	<u>2007</u> <u>RMB'000</u>
Allowance for slow moving inventories written back		-	(1,672)
Amortisation of land use rights	12	2	2
Cost of inventories recognised as expenses		745,013	500,923
Depreciation of property, plant and equipment	11	20,756	10,965
Directors' fee – directors of the Company		320	-
Directors' remuneration	8	1,735	283
Exchange loss (net)		9,911	-
Government grants	4	(51)	(69)
Loss from disposal of property, plant and equipment		775	-
Property, plant and equipment written off	11	145	42
Rental of plant and machinery, office equipment and motor vehicles from Non-executive Chairman	25(a)	-	4,800
Staff costs	7	21,917	21,069
Non-audit fee paid to independent auditors of the Company *		2,206	-
Listing expenses recognised in consolidated income statement		<u>8,750</u>	<u>-</u>

* The independent auditors received non-audit fees of approximately RMB 2,206,000 for acting as the reporting accountants in respect of the preparation of the initial public offering of the Company's shares on the Singapore Exchange Securities Trading Limited during the year ended 31 December 2008. The amount of RMB 531,000 was recognised against the share capital account. The remaining balance of RMB 1,675,000 was charged to income statement as it is related to common cost allocated to the pre-invitation shares in issue.

7. STAFF COSTS

	<u>Note</u>	<u>Group</u> <u>2008</u> <u>RMB'000</u>	<u>2007</u> <u>RMB'000</u>
Salaries and bonus (excluding directors' remuneration)		15,302	13,859
Staff welfare		<u>6,049</u>	<u>7,103</u>
		21,351	20,962
Staff costs – key management personnel	8	<u>566</u>	<u>107</u>
		<u>21,917</u>	<u>21,069</u>

Salaries and bonus include payment to defined contribution plan (national pension schemes) amounting to approximately RMB 1,488,000 (2007: RMB 1,206,000).

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8. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel consist of the directors of the Company and its subsidiary, financial controller and sales & marketing manager of the subsidiary, and their remuneration are disclosed as follows:

	Group	
	2008	2007
	RMB'000	RMB'000
<i><u>Directors' remuneration</u></i>		
Directors' of the Company		
- Salaries and bonuses	1,581	171
	<u>1,581</u>	<u>171</u>
Directors' of the subsidiary		
- Salaries and bonuses	152	110
- Defined contribution plan	2	2
	<u>154</u>	<u>112</u>
Directors' remuneration	<u>1,735</u>	<u>283</u>
<i><u>Other key management personnel compensation</u></i>		
Other key management personnel		
- Salaries and bonuses	528	104
- Defined contribution plan	38	3
	<u>566</u>	<u>107</u>
	<u>2,301</u>	<u>390</u>

9. INCOME TAX EXPENSE

	Group	
	2008	2007
	RMB'000	RMB'000
<i>Current tax expense</i>		
Current year	<u>91,162</u>	<u>66,953</u>
Total income tax expense	<u>91,162</u>	<u>66,953</u>

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9. INCOME TAX EXPENSE (CONT'D)

The tax expense on the results for the financial years differs from the amount of income tax determined by applying statutory income tax rates of the respective countries to profit before income tax as a result of the following:

	<u>2008</u> RMB'000	<u>Group</u> <u>2007</u> RMB'000
Profit before income tax	343,128	249,646
Tax using the PRC tax rate of 25% (2007: 27%)	85,782	67,404
Tax effect of:		
-Non-taxable items	-	(451)
-Non-deductible item	3,920	-
Effect of different tax rate in other country *	1,460	-
Income tax expense	91,162	66,953

* The Company operates in a tax jurisdiction with lower tax rates.

In 2007, in accordance with PRC tax laws and regulations, the subsidiary, which is a Wholly Foreign-Owned Enterprise ("WFOE"), was subject to PRC's statutory tax rate for Zhendong Development Area's (振东开发区) statutory tax rate of 24% ("国家税法") and 3% local tax rate ("地方税法").

Pursuant to the PRC Enterprise Income Tax Law (中华人民共和国企业所得税法) which was promulgated on 16 March 2007 and went into effect on 1 January 2008, the income tax law of the PRC on foreign-invested enterprises and foreign enterprises was abolished and the income tax for both domestic and foreign-invested enterprise will be unified at 25% effective from 1 January 2008. However, there will be a transition period for enterprises that currently receive preferential tax treatments granted by the tax authorities. Enterprises that are subject to an enterprise income tax rate lower than 25% may continue to enjoy the lower rate and gradually transfer to the new tax rate within five years after the effective date of the new enterprise income tax law. Enterprises that are currently entitled to exemptions or reductions from the standard income tax rate for a fixed term may continue to enjoy such treatment until the fixed term expires.

Pursuant to the PRC Enterprise Income Tax Law (中华人民共和国企业所得税法) which was promulgated on 22 February 2008, dividends distributed by PRC entities for profits generated before 1 January 2008 are exempt from withholding tax. Dividend paid in respect of profits generated on or after 1 January 2008 will be subject to a withholding tax of 5%.

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9. INCOME TAX EXPENSE (CONT'D)

At the balance sheet date, the aggregate amount of temporary differences associated with the undistributed earnings of the subsidiary for which deferred tax liabilities have not been recognised is approximately RMB 260.7 million (2007: RMB 118.4 million). No liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

10. EARNINGS PER SHARE

	<u>Group</u>	
	<u>2008</u>	<u>2007</u>
	RMB'000	RMB'000
Basic earnings per share is based on:		
(i) Net profit attributable to equity holders of the Company	<u>251,965</u>	<u>182,693</u>
	<u>Group</u>	
	<u>2008</u>	<u>2007</u>
	No. of	No. of
	shares	shares
	'000	'000
(ii) Weighted average number of ordinary shares	<u>832,156</u>	<u>704,700</u>

No diluted earnings per share are presented as there is no dilutive instrument issued as at the end of the financial years ended 31 December 2008 and 2007.

The basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

Basic earnings per share for the year ended 31 December 2007 was prepared based on the net profit attributable to equity holders of the Company of RMB 182,693,000 and pre-invitation issued share capital of 704,700,000 ordinary shares for illustrative purposes. The pre-invitation of share capital of 704,700,000 shares were assumed to be in issue throughout the entire period presented.

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11. PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold	Plant and	Office	Motor	
2008	buildings	machinery	equipment	vehicles	Total
Cost	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2008	23,563	177,327	1,001	1,425	203,316
Additions	632	82,512	-	1,771	84,915
Written off	-	-	-	(230)	(230)
Disposal	-	(7,587)	-	-	(7,587)
At 31 December 2008	24,195	252,252	1,001	2,966	280,414
Accumulated Depreciation					
At 1 January 2008	11,778	47,556	64	38	59,436
Depreciation for the year	1,120	19,090	189	357	20,756
Written off	-	-	-	(85)	(85)
Disposal	-	(6,111)	-	-	(6,111)
At 31 December 2008	12,898	60,535	253	310	73,996
Net Carrying Value					
At 31 December 2008	11,297	191,717	748	2,656	206,418
Group	Leasehold	Plant and	Office	Motor	
2007	buildings	machinery	equipment	vehicles	Total
Cost	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2007	23,563	54,653	-	-	78,216
Additions	-	122,716	1,001	1,425	125,142
Written off	-	(42)	-	-	(42)
At 31 December 2007	23,563	177,327	1,001	1,425	203,316
Accumulated Depreciation					
At 1 January 2007	10,659	37,812	-	-	48,471
Depreciation for the year	1,119	9,744	64	38	10,965
At 31 December 2007	11,778	47,556	64	38	59,436
Net Carrying Value					
At 31 December 2007	11,785	129,771	937	1,387	143,880

All items of property, plant and equipment held by the Group are located at Zhendong Development Area, Dongcheng, Dongshi Town, Jinjiang City, Fujian Province, PRC (福建省晋江市东石镇东埕振东开发区).

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The Group has pledged property, plant and equipment having net carrying value of approximately RMB 6,075,000 (2007: RMB 6,723,000) to secure borrowings granted to the Group (Note 24).

The Group is in the process of applying for the property ownership certificate in respect of certain leasehold buildings of the subsidiary from the relevant PRC authorities with an aggregated carrying amount of approximately RMB 4,262,000 (2007: RMB 4,702,000).

As at 31 December 2008, the estimated costs of applying for the property ownership certificate and land use rights (Refer to Note 15 to the financial statements) from the PRC authorities is RMB 5,000 and RMB 4.2 million respectively.

12. INTANGIBLE ASSETS

	<u>Group</u>		<u>Company</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
Land use rights				
At beginning of the year	118	120	-	-
Amortisation	(2)	(2)	-	-
At end of the year	<u>116</u>	<u>118</u>	<u>-</u>	<u>-</u>
Amortisation due within:				
Next 12 months – current portion	2	2	-	-
More than 12 months				
– non-current portion	<u>114</u>	<u>116</u>	<u>-</u>	<u>-</u>
	<u>116</u>	<u>118</u>	<u>-</u>	<u>-</u>

The land use rights represent medium-term land use rights situated in the PRC. The Group has pledged its land use rights to secure borrowings granted to the Group (Note 24). Amortisation is provided to write off the land use rights over a period of 50 years.

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13. INVESTMENT IN A SUBSIDIARY

	<u>Company</u>	
	<u>2008</u>	<u>2007</u>
	<u>RMB'000</u>	<u>RMB'000</u>
Unquoted shares, at cost	80,998	-

The following information relates to the subsidiary:

<u>Name of Company</u>	<u>Principal activities</u>	<u>Place of business/ Country of Incorporation</u>	<u>Percentage of equity held</u>		<u>Cost of investment</u>	
			<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
			<u>%</u>	<u>%</u>	<u>RMB'000</u>	<u>RMB'000</u>
Jinjang Lianjie Textile & Printing Dyeing Industrial Co., Ltd *	Manufacture of knitted textile, printing and dyeing of fabrics and engaged in the knitting and weaving of high quality fabrics	PRC	100%	- **	80,998	-

*: Audited by Mazars LLP, Singapore for inclusion in the consolidated financial statements of the Group.

** : For the period ended 31 December 2007, the comparative figures as at that date were based on the statutory financial statements of the Company which were completed prior to the acquisition of the subsidiary as part of the Restructuring Exercise (Refer to Note 1 to the financial statements).

14. INVENTORIES

	<u>Group</u>		<u>Company</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
Finished goods	20,645	17,044	-	-
Raw materials	29,143	23,034	-	-
Work-in-progress	1,739	2,405	-	-
	<u>51,527</u>	<u>42,483</u>	<u>-</u>	<u>-</u>

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15. TRADE AND OTHER RECEIVABLES

	<u>Group</u>		<u>Company</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables – third parties	271,029	243,563	-	-
Other receivables	18,336	1,761	-	1,637
Deposits	112,247	5,000	112,247	-
	<u>401,612</u>	<u>250,324</u>	<u>112,247</u>	<u>1,637</u>

Trade and other receivables that are denominated in foreign currencies at the balance sheet date are as follows:

	<u>Group</u>		<u>Company</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	RMB'000	RMB'000	RMB'000	RMB'000
Singapore dollar	-	1,637	-	1,637
US dollar	<u>112,247</u>	<u>-</u>	<u>112,247</u>	<u>-</u>

Trade receivables are non-interest bearing and are generally up to 90 days' credit term. All trade receivables are denominated in RMB.

Other receivable consists of a payment to obtain land use rights for land occupied by the subsidiary amounting to approximately RMB 124,000 (2007: RMB 124,000), and professional fees paid in advance amounting to approximately RMB Nil (2007: RMB 1,637,000) in relation to the Company's listing exercise. The Group is in the process of obtaining the land use rights from the relevant PRC authorities.

Deposits relate to amounts placed by the Group to acquire new plant and machinery amounting to approximately RMB 112,247,000 (2007: RMB 5,000,000) (Note 26).

Impairment losses

The ageing of trade receivables at the balance sheet date was:

<u>Group</u>	<u>Gross</u> <u>2008</u>	<u>Impairment</u> <u>2008</u>	<u>Gross</u> <u>2007</u>	<u>Impairment</u> <u>2007</u>
	RMB'000	RMB'000	RMB'000	RMB'000
Not past due	271,029	-	238,378	-
Past due 0 – 90 days	-	-	2,192	-
More than 90 days	-	-	2,993	-
	<u>271,029</u>	<u>-</u>	<u>243,563</u>	<u>-</u>

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15. TRADE AND OTHER RECEIVABLES (CONT'D)

Based on historical default experience, the Group believes that no impairment allowance is necessary in respect of the trade receivables that are past due to the good track records of its customers.

16. AMOUNTS OWING BY SUBSIDIARY

	<u>Group</u>		<u>Company</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	RMB'000	RMB'000	RMB'000	RMB'000
Advance payment	-	-	77,512	-
Dividend receivables	-	-	100,000	-
	<u>-</u>	<u>-</u>	<u>177,512</u>	<u>-</u>

The amount owing by subsidiary is denominated in RMB and is unsecured, interest-free and repayable on demand.

17. CASH AND CASH EQUIVALENTS

	<u>Group</u>		<u>Company</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	RMB'000	RMB'000	RMB'000	RMB'000
Cash on hand	114	20	-	-
Cash with banks	363,997	89,379	46,934	101
Cash and cash equivalents as per consolidated statement of cash flows	<u>364,111</u>	<u>89,399</u>	<u>46,934</u>	<u>101</u>

*The amount is less than RMB1,000.

Bank balances bear effective interest rate of 0.71% (2007: 0.72%) per annum.

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17. CASH AND CASH EQUIVALENTS (CONT'D)

Cash and bank balances that are denominated in foreign currencies at the balance sheet date are as follows:

	<u>Group</u>		<u>Company</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
Singapore dollar	<u>46,934</u>	<u>101</u>	<u>46,934</u>	<u>101</u>

The RMB is not freely convertible into foreign currencies. Under the PRC Foreign Exchange Control Regulations and Administration of Settlement, Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through banks that are authorised to conduct foreign exchange business.

18. SHARE CAPITAL

	<u>Group and Company</u>			
	<u>2008</u>		<u>2007</u>	
	<u>No. of</u>	<u>RMB'000</u>	<u>No. of</u>	<u>RMB'000</u>
	<u>shares</u>		<u>shares</u>	
Issued and fully paid up:				
At 1 January 2008 / at 2 July 2007 (date of incorporation)	1	-*	1	-*
Effect of Group Restructuring				
-issue of shares to acquire a subsidiary under common control (a)	99,998	80,268	-	-
-issue of share to Non-executive Chairman (b)	1	730	-	-
After Group Restructuring	<u>100,000</u>	<u>80,998</u>	<u>1</u>	<u>-*</u>
Sub-division on 14 April 2008 (of every one ordinary share into 7,047 ordinary shares) (c)	704,700,000	80,998	-	-
Issue of new shares on initial public offering, net of expenses (d)	<u>223,200,000</u>	<u>256,801</u>	<u>-</u>	<u>-</u>
At 31 December	<u>927,900,000</u>	<u>337,799</u>	<u>1</u>	<u>-*</u>

* Amount less than RMB 1,000.

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18. SHARE CAPITAL (CONT'D)

- (a) On 14 January 2008, the Company issued 99,998 shares for US\$11.0 million (RMB 80,268,100) to acquire the entire equity interest in Jinjiang Lianjie Textile & Printing Industrial Co., Ltd (晋江连捷纺织印染实业有限公司), which became a wholly-owned subsidiary of the Company.
- (b) On 14 January 2008, the Company issued 1 ordinary share for US\$100,000 (RMB 729,710) to Mr. Choi Cheung Kong, an Non-executive Chairman, fully paid in cash.
- (c) Following the above, the ordinary shares of the Company were increased to 704,700,000 ordinary shares through the sub-division of every one ordinary share in the Company into 7,047 ordinary shares.
- (d) The ordinary shares of the Company were further increased to 927,900,000 by the issue of 223,200,000 new ordinary shares at S\$0.24 each at its initial public offering ("IPO") and the shares were listed on the Singapore Exchange Securities Trading Limited on 6 June 2008. The share issue expenses recognised in equity were approximately RMB 13,471,000 (2007: Nil). Further details of the Group Restructuring can be found in the Prospectus of the Company dated 28 May 2008.

All issued ordinary shares are fully paid. There is no par value for these ordinary shares. 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 meetings of the Company.

19. MERGER RESERVE

The merger reserve represents the difference between the paid-up share capital of the Company and the share capital of the subsidiary acquired under the pooling-of-interests method of accounting, and is reflected in equity retrospectively in the consolidated financial statements of the Group.

20. STATUTORY RESERVES

The statutory reserves represent amounts transferred from profit after tax of the subsidiary established in the PRC under the PRC laws and regulations.

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21. ACCUMULATED PROFITS

	<u>Note</u>	<u>Group</u>		<u>Company</u>	
		<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
		RMB'000	RMB'000	RMB'000	RMB'000
At beginning of the year		118,354	-	-	-
Profit for the year		251,965	182,693	79,148	-
Due to restructuring exercise	(a)	-	12,814	-	-
Dividends	27	-	(50,000)	-	-
Transfer from accumulated profits to statutory reserves	20	(30,448)	(27,153)	-	-
At year of the year		<u>339,871</u>	<u>118,354</u>	<u>79,148</u>	<u>-</u>

Note (a) Due to restructuring exercise arising from the acquisition of the subsidiary under common control, refer to Note 1 to the financial statements for details of the Group Restructuring.

22. AMOUNTS OWING TO A RELATED PARTY

	<u>Note</u>	<u>Group</u>		<u>Company</u>	
		<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
		RMB'000	RMB'000	RMB'000	RMB'000
<i>Due within 12 months</i>					
Amounts owing to:					
- A shareholder – non-trade	(a)	<u>50,382</u>	<u>1,738</u>	<u>-</u>	<u>1,738</u>
<i>Due after 12 months</i>					
Amounts owing to:					
- A shareholder – non-trade	(b)	<u>-</u>	<u>50,382</u>	<u>-</u>	<u>-</u>

(a) This relates to non-trade amounts owing to the Non-executive Chairman which is unsecured, interest-free and is repayable on demand within 12 months from the balance sheet date.

(b) This relates to non-trade amounts owing to the Non-executive Chairman. The non-current portion owing to this shareholder is unsecured, interest-free and has no fixed terms of repayment.

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22. AMOUNTS OWING TO A RELATED PARTY (CONT'D)

Amounts owing to a related party that are denominated in foreign currencies at the balance sheet date are as follows:

	<u>Group</u>		<u>Company</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	RMB'000	RMB'000	RMB'000	RMB'000
Singapore dollar	<u>-</u>	<u>1,738</u>	<u>-</u>	<u>1,738</u>

23. TRADE AND OTHER PAYABLES

	<u>Group</u>		<u>Company</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables	129,025	126,741	-	-
Accrued operating expenses	3,986	5,348	744	-
Value-added tax payable	6,113	21,862	-	-
	<u>139,124</u>	<u>153,951</u>	<u>744</u>	<u>-</u>

Trade payables are non-interest bearing and are normally settled on 60 to 90 days' credit term.

Accrued operating expenses that are denominated in foreign currencies at the balance sheet date are as follows:

	<u>Group</u>		<u>Company</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	RMB'000	RMB'000	RMB'000	RMB'000
Singapore dollar	<u>1,218</u>	<u>-</u>	<u>744</u>	<u>-</u>

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24. INTEREST-BEARING LIABILITIES

	<u>Group</u>		<u>Company</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	RMB'000	RMB'000	RMB'000	RMB'000
Bank loans – secured	<u>45,000</u>	<u>37,500</u>	<u>-</u>	<u>-</u>

The bank loans were secured by a legal mortgage over certain leasehold buildings and land use rights with a net carrying value of RMB 6,075,000 and RMB 116,000 (2007: RMB 6,723,000 and RMB 118,000) respectively, and guaranteed by a company owned by a relative of the Non-executive Chairman.

The carrying amounts of the bank loans approximate their fair values due to the relative short term to maturity. The Group's bank loans are denominated in RMB. The effective interest rate for the bank loans is 7.36% (2007: 6.98%) per annum. All bank loans are repayable within one year from balance sheet date.

25. SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to disclosures made elsewhere in the consolidated financial statements, the following significant transactions were carried out between the Group and its related parties on terms agreed between the parties as follows:

	<u>Note</u>	<u>Group</u>		<u>Company</u>	
		<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
		RMB'000	RMB'000	RMB'000	RMB'000
Rental of plant and machinery, office equipment and motor vehicles from the Non-executive Chairman	(a)	-	4,800	-	-
Acquisition of plant and machinery, office equipment and motor vehicles from the Non-executive Chairman	(b)	-	125,126	-	-
Sales to a related party	(c)	-	1,191	-	-
Purchases from a related party	(d)	-	22,995	-	-
Advance to related parties	(e)	15,800	10,000	-	-
Payment of consultancy fee to a related party	(f)	<u>180</u>	<u>-</u>	<u>-</u>	<u>-</u>

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25. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

- Note (a)* Rental of plant and machinery, office equipment and motor vehicles from the Non-executive Chairman.
- Note (b)* On 1 September 2007, Jinjiang Lianjie Textile & Printing Dyeing Industrial Co. Ltd (晋江连捷纺织印染实业有限公司) entered into an agreement with the Non-executive Chairman to acquire certain plant and machinery, office equipment and motor vehicles used in the manufacturing facilities for a consideration of approximately RMB 125,126,000. The consideration was determined based on the valuation report dated 5 September 2007 conducted by Fujian Min Cai Certified Public Accountants Limited Co. (福建闽才资产评估有限公司).
- Note (c)* The sales were conducted on an arm's length basis and were entered into between the subsidiary and a company owned by a relative of the Non-executive Chairman. On 6 December 2007, the said relative had disposed of its equity interest in that company.
- Note (d)* The purchases were conducted on an arm's length basis and were entered into between the subsidiary and a company in which a relative of the Non-executive Chairman is a legal representative in that company as nominee for an unrelated third party. On 6 December 2007, the said relative had disposed of its equity interest in that company.
- Note (e)* During 2008, the subsidiary made advances amounting to RMB 6,000,000 (2007: RMB10,000,000) to a company owned by a relative of the Non-executive Chairman and advances amounting to RMB 9,800,000 (2007: Nil) to certain management staffs who are relatives of the Non-executive Chairman. The advances were unsecured, interest-free and are repayable on demand. The advances have been repaid as at 31 December 2008 and 2007 respectively.
- Note (f)* During 2008, the Group engaged Mr. Cai Chang Jing, brother of Non-executive Chairman, as a management consultant and paid him a consultancy fee of RMB 180,000 annually.

26. CAPITAL COMMITMENTS

	<u>Group</u>		<u>Company</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	RMB'000	RMB'000	RMB'000	RMB'000
Capital expenditure contracted but not provided for in the consolidated financial statements:				
- Commitments in respect of the purchase of property, plant and equipment *	130,805	78,269	-	-

- * The deposits placed by the subsidiary as a commitment to acquire new plant and machinery were approximately RMB 112.2 million (2007: RMB 5 million) (Note 15).

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	<u>Group</u>		<u>Company</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	RMB'000	RMB'000	RMB'000	RMB'000
Dividend paid by subsidiary to its shareholders	-	50,000	-	-

On 15 November 2007, an interim dividend of RMB 50,000,000 was declared and paid to the Non-executive Chairman and the CEO and Executive Director who were the previous shareholders of the PRC subsidiary.

On 27 February 2009, the Group proposed a final tax exempt (one-tier) dividend of 8.15 RMB cents per ordinary share, approximately RMB 75.6 million, which is approximately 30% of the Group's profit for the financial year ended 31 December 2008. The proposed dividend is subject to approval by shareholders of Company at its Annual General Meeting.

28. SEGMENT INFORMATION

Segment information is presented in respect of the Group's business segment which is based on the Group's management and internal reporting structure.

All the revenue of the Group is generated in the PRC and the majority of the assets of the Group are employed in PRC. Hence, the Group determined that it operates within one geographical segment. Accordingly, no separate geographical segment has been presented for the periods under review. As at 31 December 2008, segment assets employed by the Group in a country other than the PRC was approximately RMB 159,181,000 (2007: RMB 1,738,000).

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise corporate assets and expenses, interest income, finance costs and related assets and liabilities.

Segment capital expenditure is the total cost incurred to acquire property, plant and equipment, and intangible assets other than goodwill.

Business Segments

The main business segments of the Group are:

Manufacturing and sales	- Performance fabrics
	- Normal fabrics
Fabric processing services	- Provision of fabrics dyeing and treatment processing

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28. SEGMENT INFORMATION (CONT'D)

<u>Group</u> <u>2008</u>	Manufacturing and sales of Performance Fabrics RMB'000	Manufacturing and sales of Normal Fabrics RMB'000	Fabric Processing Services RMB'000	Total Operations RMB'000
<u>Revenue and expenses</u>				
Total revenue from external customers	1,135,454	1,729	42,960	1,180,143
Total revenue	<u>1,135,454</u>	<u>1,729</u>	<u>42,960</u>	<u>1,180,143</u>
Segment results	346,179	374	9,250	355,803
Unallocated corporate expenses				(11,581)
Operating profits				344,222
Interest income				2,080
Finance costs				(3,175)
Income tax expense				(91,162)
Profit after income tax				<u>251,965</u>
<u>Assets and liabilities</u>				
Segment assets:				
Unallocated assets*				1,023,784
Total assets				<u>1,023,784</u>
Segment liabilities:				
Unallocated liabilities*				259,968
Total liabilities				<u>259,968</u>
<u>Other segment information*</u>				
Capital expenditure				84,915
Depreciation of property, plant and equipment				20,756
Amortisation of land use rights				2
Non-cash expenses other than depreciation and amortisation - Property, plant and equipment written off				<u>145</u>

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28. SEGMENT INFORMATION (CONT'D)

<u>Group</u> <u>2007</u>	<u>Manufacturing</u> <u>and sales</u> <u>Performance</u> <u>Fabrics</u> <u>RMB'000</u>	<u>Manufacturing</u> <u>and sales</u> <u>Normal</u> <u>Fabrics</u> <u>RMB'000</u>	<u>Fabric</u> <u>Processing</u> <u>Services</u> <u>RMB'000</u>	<u>Total</u> <u>Operations</u> <u>RMB'000</u>
<u>Revenue and expenses</u>				
Total revenue from external customers	756,545	2,180	52,143	810,868
Total revenue	<u>756,545</u>	<u>2,180</u>	<u>52,143</u>	<u>810,868</u>
Segment results	239,820	499	11,603	251,922
Interest income				182
Finance costs				(2,458)
Income tax expense				(66,953)
Profit after income tax				<u>182,693</u>
<u>Assets and liabilities</u>				
Segment assets:				
Unallocated assets*				<u>526,204</u>
Total assets				<u>526,204</u>
Segment liabilities:				
Unallocated liabilities*				<u>271,154</u>
Total liabilities				<u>271,154</u>
<u>Other segment information*</u>				
Capital expenditure				125,142
Depreciation of property, plant and equipment				10,965
Amortisation of land use rights				2
Non-cash expenses other than depreciation and amortisation				
- Allowance for slow moving inventories written back				(1,672)
- Property, plant and equipment written off				<u>42</u>

* The Group is unable to allocate its assets and liabilities to the respective business segments as the same assets and liabilities were used/incurred in the manufacturing and sale of performance and normal fabrics, and fabric processing services. Accordingly, assets and liabilities including other segment information were not allocated to the respective segments of the Group.

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29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. The Group prepares cash flows projections on a regular basis for its core operations to ensure as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. In addition, the Group has access to external borrowings (Note 24).

The table below analyses the maturity profile of the Group's and Company's financial liabilities based on contractual undiscounted cash flows as follows:

	Less than <u>1 year</u> RMB'000	Between <u>1 and 2 years</u> RMB'000
<u>Group</u>		
At 31 December 2008		
Trade and other payables	139,124	-
Amount owing to a related party	50,382	-
Interest-bearing liabilities	45,000	-
	<u>234,506</u>	<u>-</u>
	Less than <u>1 year</u> RMB'000	Between <u>1 and 2 years</u> RMB'000
<u>Group</u>		
At 31 December 2007		
Trade and other payables	153,951	-
Amount owing to a related party	1,738	50,382
Interest-bearing liabilities	37,500	-
	<u>193,189</u>	<u>50,382</u>
		Less than <u>1 year</u> RMB'000
<u>Company</u>		
At 31 December 2008		
Trade and other payables		744
		<u>744</u>
		Less than <u>1 year</u> RMB'000
<u>Company</u>		
At 31 December 2007		
Amount owing to a related party		1,738
		<u>1,738</u>

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29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Group, as and when they fall due.

The Group has established credit limits for customers and monitors their balances. Cash are placed with banks and financial institutions which are regulated. The Group minimises its credit risk exposure by trading with established and credit-worthy customers.

As at 31 December 2008, the Group's trade receivables comprise 9 debtors (2007: 7 debtors) that individually represented more than 5% of trade receivables. The Group's primary exposure to credit risk arises relating to trade receivables is limited due to the Group's many varied customers. These customers are engaged in a wide spectrum of distribution and manufacturing activities, and sell in a variety of end markets.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the balance sheet date was:

	<u>Group</u>		<u>Company</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	RMB'000	RMB'000	RMB'000	RMB'000
Trade and other receivables	401,612	250,324	112,247	1,637
Amount owing by subsidiary	-	-	177,512	-
Cash and bank balances	364,111	89,399	46,934	101
	<u>765,723</u>	<u>339,723</u>	<u>336,693</u>	<u>1,738</u>

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets. No allowance for specific or collective impairment was made based on past experience.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

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29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Currency risk

Currency risk arises when transactions are denominated in currencies other than entities' functional currencies ("foreign currency"). The Group is exposed to currency risk on its deposits denominated in US dollar relate to amounts placed to acquire new plant and machinery and cash deposits denominated in Singapore dollar.

At present, the Group does not have any formal policy for hedging against exchange exposure.

The carrying amounts of foreign currency denominated monetary assets and monetary liabilities at the balance sheet date are as follows:

	<u>Group</u>		<u>Company</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
<u>Assets</u>				
Singapore dollar	46,934	1,738	46,934	1,738
US dollar	<u>112,247</u>	<u>-</u>	<u>112,247</u>	<u>-</u>
<u>Liabilities</u>				
Singapore dollar	<u>1,218</u>	<u>-</u>	<u>744</u>	<u>-</u>

If the foreign currency changes against the RMB by 10% with all other variables including tax rate being held constant, the increase/(decrease) in profit after tax and equity of the Group arising from the net financial liability/asset position will be as follows:

	<u>2008</u>	<u>2008</u>	<u>2007</u>	<u>2007</u>
	<u>Profit</u>	<u>Equity</u>	<u>Profit</u>	<u>Equity</u>
	<u>after tax</u>	<u>RMB'000</u>	<u>after tax</u>	<u>RMB'000</u>
	<u>RMB'000</u>		<u>RMB'000</u>	
<u>Group</u>				
US dollar against RMB				
- strengthened	11,225	11,225	-	-
- weakened	<u>(11,225)</u>	<u>(11,225)</u>	-	-
Singapore dollar against RMB				
- strengthened	4,583	4,583	174	174
- weakened	<u>(4,583)</u>	<u>(4,583)</u>	<u>(174)</u>	<u>(174)</u>

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29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Currency risk (cont'd)

	<u>2008</u> <u>Profit</u> <u>after tax</u> <u>RMB'000</u>	<u>2008</u> <u>Equity</u> <u>RMB'000</u>	<u>2007</u> <u>Profit</u> <u>after tax</u> <u>RMB'000</u>	<u>2007</u> <u>Equity</u> <u>RMB'000</u>
<u>Company</u>				
US dollar against RMB				
- strengthened	11,225	11,225	-	-
- weakened	(11,225)	(11,225)	-	-
Singapore dollar against RMB				
- strengthened	4,619	4,619	174	174
- weakened	(4,619)	(4,619)	(174)	(174)

Fair values

The fair values of financial assets and financial liabilities, together with the carrying amounts shown in the balance sheets, are as follows:

	<u>Group</u> <u>2008</u> <u>RMB'000</u>		<u>Group</u> <u>2007</u> <u>RMB'000</u>	
	<u>Carrying</u> <u>amounts</u>	<u>Fair</u> <u>values</u>	<u>Carrying</u> <u>amounts</u>	<u>Fair</u> <u>values</u>
Trade and other receivables	401,612	401,612	250,324	250,324
Cash and cash equivalents	364,111	364,111	89,399	89,399
Interest-bearing liabilities	45,000	45,000	37,500	37,500
Trade and other payables	139,124	139,124	153,951	153,951
Amounts owing to a related party				
- current	50,382	50,382	1,738	1,738
- non-current*	-	-	50,382	50,382

	<u>Company</u> <u>2008</u> <u>RMB'000</u>		<u>Company</u> <u>2007</u> <u>RMB'000</u>	
	<u>Carrying</u> <u>amounts</u>	<u>Fair</u> <u>values</u>	<u>Carrying</u> <u>amounts</u>	<u>Fair</u> <u>values</u>
Trade and other receivables	112,247	112,247	1,637	1,637
Amounts owing by subsidiary	177,512	177,512	-	-
Cash and cash equivalents	46,934	46,934	101	101
Trade and other payables	744	744	-	-
Amounts owing to a related party	-	-	1,738	1,738

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29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Fair values (cont'd)

The notional amounts of financial assets and financial liabilities with a maturity of less than one year (including trade and other receivables, amount owing by/to subsidiary, cash and cash equivalents, and trade and other payables) are assumed to approximate their fair value.

* As at 31 December 2007, the fair value of the non-current portion of the amounts owing to the Non-executive Chairman have not been determined as the timing of the expected cash flows of this balance amounting to approximately RMB 50,382,000 cannot be reasonably determined due to its related party nature. However, management believes that the carrying amounts recorded at the balance sheet date reflect the corresponding fair value.

Interest rate risk

The Group is exposed to interest rate risk through the impact of interest rate changes on interest-bearing financial liabilities. The Group's policy is to maintain all its borrowings in fixed rate instruments.

The following table sets out the carrying amount, by maturity, of the Group's financial instruments that are exposed to interest rate risk.

<u>Group</u>	<u>2008</u>	<u>2007</u>
As at 31 December	RMB'000	RMB'000
<u>Within 1 year</u>		
<i>Fixed rate</i>		
Bank loans	<u>45,000</u>	<u>37,500</u>

Interest on financial instruments subject to fixed interest rates is contractually repriced at intervals of 12 months. Interest on financial instruments at fixed rates is fixed until the maturity of the instrument. The other financial instruments of the Group are not subjected to significant interest rate risks.

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29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Interest rate risk (cont'd)

For its fixed rate interest-bearing liabilities, a change in 100 basis points ("bp") in interest rate at the balance sheet date would increase / (decrease) profit after tax and equity by the amount shown below:

	Increase or (decrease) in Profit or loss / equity 100bp	
	<u>increase</u>	<u>decrease</u>
	RMB'000	RMB'000
<u>Year ended 31 December 2008</u>		
Interest-bearing liabilities	<u>(338)</u>	<u>338</u>
<u>Year ended 31 December 2007</u>		
Interest-bearing liabilities	<u>(274)</u>	<u>274</u>

Capital management

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

The management reviews the capital structure and makes adjustments to it, in light of changes in economic conditions. The objective is to ensure that the overall capital structure delivers an adequate short-term and optimal long term return on equity to the shareholder. As a part of this review, the management considers the cost of capital and the risks associated with each class of capital. Based on the reviews, the Group will balance its overall capital structure through the payment of dividends, and new share issues as well as the issue of new debts or the redemption of existing debts.

During the year, the Group changed its approach to capital management from monitoring capital on the basis of gearing ratio to that of monitoring capital on the basis of return on shareholders' fund. The return on shareholders' fund is calculated by taking net profit attributable to the equity holders of the Company divided by average shareholders' equity. The return on shareholders' fund was 49.5% for current financial year ended 31 December 2008 (2007: 96.8%).

The Group is not subject to any externally imposed capital requirements for the financial year ended 31 December 2008 and 2007.

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NOTES TO THE FINANCIAL STATEMENTS
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30. COMPARATIVE FIGURES

As described in Note 2.1 to the consolidated financial statements, the comparative figures of the Group for the preceding financial year have been presented under pooling-of-interest manner. The effective date of the pooling-of-interest for accounting purposes predates 1 January 2007, the beginning of the financial year for which the comparative figures are presented, as the Group have been under common control prior to 1 January 2007.

The comparative figures of the Company presented are based on the statutory financial statements for the financial period from 2 July 2007 (date of incorporation) to 31 December 2007.

As described in Note 2.1 to the consolidated financial statements, during the year, the Company changed its functional currency from Singapore dollar to RMB and presented its financial statements in RMB. For the purpose of presenting the comparative figures of the Company for the previous financial year, the Company's balance sheet previously presented in Singapore dollar for the period ended 31 December 2007 was translated into RMB using the accounting policy set out in Notes 2.2 and 2.3 to the consolidated financial statements.

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THE ACCOMPANYING DETAILED INCOME STATEMENT

HAS BEEN PREPARED FOR MANAGEMENT PURPOSES ONLY

AND DOES NOT FORM PART OF THE AUDITED FINANCIAL STATEMENTS

CHINA TAISAN TECHNOLOGY GROUP HOLDINGS LIMITED

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(Incorporated in Singapore)

**DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008**

	<u>Company</u>	
	<u>2008</u>	<u>2007</u>
	<u>RMB</u>	<u>RMB</u>
REVENUE		
Dividend income	100,000,000	-
Interest income	640,074	-
	<u>100,640,074</u>	<u>-</u>
ADMINISTRATIVE EXPENSES		
Auditors' remuneration	47,416	-
Bank charges	9,221	-
CPF	35,386	-
Director's fee	320,057	-
Entertainment	243,121	-
Insurance	98,409	-
Investor relation expense	531,949	-
Listing expense	239,851	-
Shareholder/board meeting expense	37,839	-
Office expenses	4,650	-
Professional fee	211,964	-
Salaries and bonus	376,570	-
Share registrar expense	36,358	-
Sponsor fee	179,418	-
Telephone, mobile and internet charge	7,459	-
Training	13,279	-
Transport expense	10,404	-
Travelling expense	427,930	-
	<u>2,831,230</u>	<u>-</u>
OTHER OPERATING EXPENSES		-
Net exchange loss	9,911,718	-
Share issue expenses	8,749,486	-
	<u>18,661,204</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	<u>79,147,589</u>	<u>-</u>

中國泰山科技集團控股有限公司

China Taisan Technology Group Holdings Limited

非 執 行 主 席 : 蔡 長 江

執 行 總 裁

 暨 : 林 文 章

執 行 董 事

執 行 董 事 : 林 永 祥

執 行 董 事 : 楊 順 福

中 華 民 國 九 十 九 年 月 日