



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

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號 : 2678

Interim Report 中期報告 2009





# TABLE OF CONTENTS

## 目錄

- |    |   |
|----|---|
| 03 | Corporate Information<br>公司資料   |
| 05 | Condensed Consolidated Balance Sheet<br>簡明綜合資產負債表                       |
| 07 | Condensed Consolidated Income Statement<br>簡明綜合損益表                      |
| 08 | Condensed Consolidated Statement of Comprehensive Income<br>簡明綜合全面收益表   |
| 09 | Condensed Consolidated Statement of Changes in Equity<br>簡明綜合權益變動表      |
| 10 | Condensed Consolidated Cash Flow Statement<br>簡明綜合現金流量表                 |
| 11 | Notes to the Condensed Consolidated Financial Information<br>簡明綜合財務資料附註 |
| 44 | Management Discussion and Analysis<br>管理層討論及分析                          |
| 53 | Additional Information<br>其他資料  |

### EXECUTIVE DIRECTORS

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

### 執行董事

洪天祝先生(主席)  
朱永祥先生  
湯道平先生  
龔照先生

### INDEPENDENT NON-EXECUTIVE DIRECTORS AND AUDIT COMMITTEE

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

### 獨立非執行董事 及審核委員會

丁良輝先生  
MH FCCA FCPA (Practising)  
ACA FTIHK FHKIoD  
朱蘭芬女士  
程隆棣教授

### REMUNERATION COMMITTEE

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

### 薪酬委員會

丁良輝先生  
MH FCCA FCPA (Practising)  
ACA FTIHK FHKIoD  
洪天祝先生  
朱蘭芬女士  
程隆棣教授

### COMPANY SECRETARY

Mr. Cheng Chi Ming (resigned on 28 August 2009)  
  
Mr. Hui Tsz Wai (appointed on 28 August 2009)

### 公司秘書

鄭志明先生  
(於二零零九年八月二十八日辭任)  
許子慧先生  
(於二零零九年八月二十八日獲委任)

### AUTHORISED REPRESENTATIVES

Mr. Hong Tianzhu  
Mr. Cheng Chi Ming (resigned on 28 August 2009)  
  
Mr. Hui Tsz Wai (appointed on 28 August 2009)

### 授權代表

洪天祝先生  
鄭志明先生  
(於二零零九年八月二十八日辭任)  
許子慧先生  
(於二零零九年八月二十八日獲委任)

### HEAD OFFICE

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

### 總辦事處

香港  
新界葵芳  
興芳路223號  
新都會廣場第一座  
18樓1818室

**REGISTERED OFFICE**

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

**PRINCIPAL BANKERS**

Citibank (China) Co., Ltd. Shanghai Branch  
ABN AMRO (China) Bank N.V. (formerly known as  
ABN AMRO Bank N.V., Shanghai Branch)  
Deutsche Bank AG, Hong Kong Branch  
Industrial and Commercial Bank of China  
Bank of China  
Bank of Communications  
China Merchants Bank  
Bank of Jiangsu

**AUDITORS**

PricewaterhouseCoopers

**LEGAL ADVISORS AS TO  
HONG KONG LAW**

Chiu & Partners

**PRINCIPAL SHARE REGISTRAR AND  
TRANSFER OFFICE**

Butterfield Fulcrum Group (Cayman) Limited  
Butterfield House, 68 Fort Street  
P.O. Box 609, Grand Cayman KY1-1107  
Cayman Islands

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

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

**WEBSITE**

[www.texhong.com](http://www.texhong.com)

**STOCK CODE**

2678

**註冊辦事處**

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

**主要往來銀行**

花旗銀行(中國)有限公司上海分行  
荷蘭銀行(中國)有限公司  
(前稱荷蘭銀行有限公司上海分行)  
德意志銀行香港分行  
中國工商銀行  
中國銀行  
中國交通銀行  
招商銀行  
江蘇銀行

**核數師**

羅兵咸永道會計師事務所

**法律顧問(香港法律)**

趙不渝·馬國強律師事務所

**主要股份過戶登記處**

Butterfield Fulcrum Group (Cayman) Limited  
Butterfield House, 68 Fort Street  
P.O. Box 609, Grand Cayman KY1-1107  
Cayman Islands

**香港股份過戶登記分處**

香港中央證券登記有限公司  
香港  
灣仔  
皇后大道東183號  
合和中心  
17樓1712–1716舖

**互聯網址**

[www.texhong.com](http://www.texhong.com)

**股份編號**

2678

			Unaudited 未經審核 As at <b>30 June</b> <b>2009</b> 於二零零九年 六月三十日 <b>RMB'000</b> 人民幣千元	Audited 經審核 As at 31 December 2008 於二零零八年 十二月三十一日 <b>RMB'000</b> 人民幣千元
<b>ASSETS</b>	<b>資產</b>			
<b>Non-current assets</b>	<b>非流動資產</b>			
Land use rights	土地使用權	5	115,570	116,482
Property, plant and equipment	物業、廠房及設備	6	1,441,777	1,467,211
Investment in an associate	聯營公司之投資		32,198	34,572
Deferred income tax assets	遞延所得稅資產		4,373	4,855
			<b>1,593,918</b>	<b>1,623,120</b>
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨		629,783	690,026
Trade receivables	應收貿易款項	7	158,396	78,124
Bill receivables	應收票據款項	7	221,387	385,989
Prepayments, deposits and other receivables	預付款項、按金及其他應收賬款	8	160,755	87,351
Pledged bank deposits	已抵押銀行存款		286,178	21,570
Cash and cash equivalents	現金及現金等值物		231,436	313,012
			<b>1,687,935</b>	<b>1,576,072</b>
<b>Current liabilities</b>	<b>流動負債</b>			
Trade and bill payables	應付貿易及票據款項	9	690,911	631,068
Accruals and other payables	預提費用及其他應付賬款	10	197,213	226,762
Current income tax liabilities	當期所得稅負債		2,563	8,018
Borrowings	借貸	11	761,052	522,607
Derivative financial instruments	衍生金融工具	12	4,694	7,915
			<b>1,656,433</b>	<b>1,396,370</b>
<b>Net current assets</b>	<b>流動資產淨值</b>		<b>31,502</b>	<b>179,702</b>
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		<b>1,625,420</b>	<b>1,802,822</b>

 Note  
附註

		Note 附註	Unaudited 未經審核 As at 30 June 2009 於二零零九年 六月三十日 RMB'000 人民幣千元	Audited 經審核 As at 31 December 2008 於二零零八年 十二月三十一日 RMB'000 人民幣千元
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Borrowings	借貸	11	319,207	554,267
Deferred income tax liabilities	遞延所得稅負債		21,836	20,173
			<b>341,043</b>	<b>574,440</b>
<b>Net assets</b>	<b>資產淨值</b>		<b>1,284,377</b>	<b>1,228,382</b>
<b>EQUITY</b>	<b>股東權益</b>			
<b>Capital and reserves attributable to the Company's equity holders</b>	<b>本公司股權持有人應佔股本及儲備</b>			
Share capital	股本	13	94,064	94,064
Reserves	儲備		1,190,313	1,134,318
<b>Total equity</b>	<b>股東權益總額</b>		<b>1,284,377</b>	<b>1,228,382</b>

The accompanying notes are an integral part of these condensed consolidated financial information.

附註為此簡明綜合財務資料的一部份。

**Unaudited**  
未經審核  
**Six months ended 30 June**  
截至六月三十日止六個月

			2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Sales	營業額	4, 15	1,712,654	1,824,086
Cost of sales	銷售成本		(1,513,190)	(1,600,077)
<b>Gross profit</b>	<b>毛利</b>		<b>199,464</b>	<b>224,009</b>
Selling and distribution costs	銷售及分銷開支		(54,923)	(43,984)
General and administrative expenses	一般及行政開支		(61,199)	(89,847)
Other income	其他收入	16	7,891	43,921
Other (losses)/gains – net	其他虧損／(收益) – 淨額	16	(338)	456
<b>Operating profit</b>	<b>經營溢利</b>		<b>90,895</b>	<b>134,555</b>
Finance income	財務收入		1,242	36,685
Finance costs	財務費用		(23,235)	(35,066)
Finance (costs)/income – net	財務(費用)／收入 – 淨額	18	(21,993)	1,619
Share of loss of an associate	分佔聯營公司虧損		(2,374)	(1,483)
<b>Profit before income tax</b>	<b>除所得稅前溢利</b>		<b>66,528</b>	<b>134,691</b>
Income tax expense	所得稅開支	19	(10,533)	(16,521)
Profit for the period, attributable to equity holders of the Company	期內本公司股權持有人應佔溢利		<b>55,995</b>	<b>118,170</b>
<b>Earnings per share for profit attributable to the Company's equity holders during the period (expressed in RMB per share)</b>	<b>期內本公司股權持有人應佔溢利之每股盈利(以每股人民幣表示)</b>			
– Basic	– 基本	20	<b>0.063</b>	0.134
– Diluted	– 攤薄	20	<b>0.063</b>	0.134
<b>Dividends</b>	<b>股息</b>	21	<b>27,295</b>	–

The accompanying notes are an integral part of these condensed consolidated financial information.

附註為此簡明綜合財務資料的一部份。



**Unaudited**  
 未經審核  
**Six months ended 30 June**  
 截至六月三十日止六個月

		<b>2009</b>	2008
		二零零九年	二零零八年
		<b>RMB'000</b>	<b>RMB'000</b>
		人民幣千元	人民幣千元
<b>Profit for the period</b>	期內溢利	<b>55,995</b>	118,170
<b>Other comprehensive income</b>	其他全面收益		
Currency translation differences	匯兌差額	-	(41,085)
<b>Total comprehensive income for the period, attributable to equity holders of the Company</b>	本公司股權持有人應佔期內全面收益總額	<b>55,995</b>	77,085

		Unaudited 未經審核			
		Share capital 股本	Other reserves 其他儲備	Retained earnings 保留溢利	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Note 附註					
<b>Balance at 1 January 2008</b>	於二零零八年 一月一日的結餘	93,990	488,559	493,202	1,075,751
Profit for the period	期間溢利	-	-	118,170	118,170
Other comprehensive income	其他全面收益				
- Currency translation differences	- 匯兌差額	-	(41,085)	-	(41,085)
- Transfer from revaluation reserve to retained earnings	- 由重估儲備轉撥至 保留溢利				
- gross	- 總額	-	(1,328)	1,328	-
- deferred income tax	- 遞延所得稅	-	361	(361)	-
Total comprehensive income for the period ended 30 June 2008	截至二零零八年六月三十日止 期間全面收益總額	-	(42,052)	119,137	77,085
Dividend relating to 2007	有關二零零七年之股息	-	-	(62,073)	(62,073)
Issue of shares upon exercise of share options	行使購股權後發行股份	74	437	-	511
<b>Balance at 30 June 2008</b>	於二零零八年 六月三十日的結餘	94,064	446,944	550,266	1,091,274
<b>Balance at 1 January 2009</b>	於二零零九年 一月一日的結餘	94,064	510,434	623,884	1,228,382
Profit for the period, total comprehensive income for the period ended 30 June 2009	期內溢利，截至二零零九年 六月三十日止期間 全面收益總額	-	-	55,995	55,995
Other comprehensive income	其他全面收益				
- Transfer from revaluation reserve to retained earnings	- 由重估儲備轉撥至 保留溢利				
- gross	- 總額	-	(1,330)	1,330	-
- deferred income tax	- 遞延所得稅	-	393	(393)	-
Total comprehensive income for the period ended 30 June 2009	截至二零零九年六月三十日止 期間全面收益總額	-	(937)	56,932	55,995
<b>Balance at 30 June 2009</b>	於二零零九年 六月三十日的結餘	94,064	509,497	680,816	1,284,377

The accompanying notes are an integral part of these condensed consolidated financial information.

附註為此簡明綜合財務資料的一部份。

Unaudited  
未經審核  
Six months ended 30 June  
截至六月三十日止六個月

		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
<b>Cash flows from operating activities</b>	來自經營活動的現金流量	<b>237,677</b>	36,621
<b>Cash flows from investing activities</b>	來自投資活動的現金流量		
– investment in an associate	– 於聯營公司投資	–	(7,740)
– purchases of property, plant and equipment	– 購買物業、廠房及設備	<b>(31,344)</b>	(232,303)
– proceeds from disposal of property, plant and equipment	– 出售物業、廠房及設備所得款項	<b>1,052</b>	1,089
– proceeds from disposal of land use rights	– 出售土地使用權所得款項	–	12,255
– increase in pledged bank deposits	– 已抵押銀行存款增加	<b>(264,608)</b>	(43,908)
<b>Net cash used in investing activities</b>	投資活動所耗現金淨額	<b>(294,900)</b>	(270,607)
<b>Cash flows from financing activities</b>	來自融資活動的現金流量		
– proceeds from borrowings	– 借貸所得款項	<b>357,849</b>	470,586
– repayments of borrowings	– 償還借貸	<b>(354,138)</b>	(194,286)
– proceeds from issuance of shares	– 發行股份所得款項	–	511
– Interest paid	– 已付利息	<b>(28,064)</b>	(32,636)
<b>Net cash (used in)/generated from financing activities</b>	融資活動(所耗)/所得現金淨額	<b>(24,353)</b>	244,175
<b>Net (decrease)/increase in cash and cash equivalents</b>	現金及現金等值物(減少)/增加淨額	<b>(81,576)</b>	10,189
Cash and cash equivalents at 1 January	於一月一日之現金及現金等值物	<b>313,012</b>	199,615
<b>Cash and cash equivalents at 30 June</b>	於六月三十日之現金及現金等值物	<b>231,436</b>	209,804

### 1. GENERAL INFORMATION

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

The Company was incorporated in the Cayman Islands on 12 July 2004 as an exempted company with limited liability under the Companies Law of the Cayman Islands. The Company’s shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 9 December 2004.

The condensed consolidated financial information for the six months end 30 June 2009 was approved for issue by the Board on 28 August 2009.

### 2. BASIS OF PREPARATION

This condensed consolidated financial information for the six months ended 30 June 2009 has been prepared in accordance with Hong Kong Accounting Standard 34, ‘Interim financial reporting’. It should be read in conjunction with the annual financial statements for the year ended 31 December 2008, which have been prepared in accordance with Hong Kong Financial Reporting Standards.

### 3. ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2008, as described therein.

### 1. 一般資料及編製基準

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

本公司乃於二零零四年七月十二日在開曼群島根據開曼群島公司法註冊成立為一家獲豁免有限公司。自從二零零四年十二月九日起，本公司股份已經在香港聯合交易所有限公司主板上市。

截至二零零九年六月三十日止六個月簡明綜合財務資料於二零零九年八月二十八日經董事會批准刊發。

### 2. 編製基準

截至二零零九年六月三十日止六個月之簡明綜合財務資料，乃按香港會計準則第34號「中期財務報告」編製。務請與截至二零零八年十二月三十一日止年度之年度財務報表(乃按香港財務報告準則編製)一併閱讀簡明綜合財務資料。

### 3. 會計政策

除下文所述者外，所採納之會計政策與截至二零零八年十二月三十一日止年度之年度財務報表所述者一致。

### 3. ACCOUNTING POLICIES (Continued)

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 January 2009:

- HKAS 1 (revised), 'Presentation of financial statements'. The revised standard prohibits the presentation of items of income and expenses (i.e. 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All 'non-owner changes in equity' are required to be shown in a performance statement.

Entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). The Group has elected to present two statements: an income statement and a statement of comprehensive income. The interim financial statements have been prepared under the revised disclosure requirements.

### 3. 會計政策(續)

下列新準則及對準則之修訂於二零零九年一月一日開始之財政年度首次強制生效：

- 香港會計準則第1號(經修訂)「財務報表之呈列」。該項經修訂準則禁止在權益變動表內呈列收支項目(即「非擁有人權益變動」)，要求「非擁有人權益變動」與擁有人權益變動作獨立呈列。所有「非擁有人權益變動」將須在表現報表內列示。

實體可選擇呈列一份表現報表(全面收益表)或兩份報表(損益表及全面收益表)。本集團已選擇呈列兩份報表：一份損益表及一份全面收益表。本中期財務報表乃按經修訂披露要求編製。

### 3. ACCOUNTING POLICIES (Continued)

- HKFRS 8, 'Operating segments'. HKFRS 8 replaces HKAS 14, 'Segment reporting'. It requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. This has resulted in an increase in the number of reportable segments presented.
- Amendment to HKFRS 7, 'Financial instruments: disclosures'. The amendment increases the disclosure requirements about fair value measurement and amends the disclosure about liquidity risk. The amendment introduces a three-level hierarchy for fair value measurement disclosures about financial instruments and requires some specific quantitative disclosures for those instruments classified in the lowest level in the hierarchy. These disclosures will help to improve comparability between entities about the effects of fair value measurements. In addition, the amendment clarifies and enhances the existing requirements for the disclosure of liquidity risk primarily requiring a separate liquidity risk analysis for derivative and non-derivative financial liabilities. It also requires a maturity analysis for financial assets where the information is needed to understand the nature and context of liquidity risk. The Group will make relevant additional disclosures in its financial statements ending 31 December 2009.

### 3. 會計政策(續)

- 香港財務報告準則第8號「經營分部」。香港財務報告準則第8號取代了香港會計準則第14號「分部報告」。此項準則要求採用「管理方法」，即分部資料須按照與內部報告所採用之相同基準呈報，導致申報分類之數目有所增加。
- 對香港財務報告準則第7號「金融工具：披露」之修訂。該修訂增加了公平值計量之披露規定並且修訂了流動性風險披露。該修訂引入了對金融工具公平值計量披露之三個層次並且要求對歸類在最低層次中的工具進行某些具體之量化披露。該等披露將有助提高實體間有關公平值計量之影響之可比性。此外，該修訂澄清並強調對披露流動性風險之現有規定，主要要求對衍生金融負債及非衍生金融負債需進行單獨之流動性風險分析。該修訂亦規定尚需要資料了解流動性風險之性質及背景，須對金融資產進行到期日分析。本集團將於截至二零零九年十二月三十一日止之財務報表內作出相關額外披露。

### 3. ACCOUNTING POLICIES (Continued)

- Amendment to HKAS 23, 'Borrowing costs'. The amendment requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs will be removed. The amendment has no impact on the Group's accounting policies as the Group's existing accounting policy on borrowing costs comply with the amended requirements.

The following new standards, amendments to standards and interpretations are mandatory for the first time for the financial year beginning 1 January 2009, but currently are not relevant for the Group:

- HKFRS 2 (amendment), 'Share-based payment'.
- HKAS 32 (amendment), 'Financial instruments: presentation'.
- HK(IFRIC) 9 (amendment), 'Reassessment of embedded derivatives' and HKAS 39 (amendment), 'Financial instruments: Recognition and measurement'.
- HK(IFRIC) 13, 'Customer loyalty programmes'.
- HK(IFRIC) 15, 'Agreements for the construction of real estate'.
- HK(IFRIC) 16, 'Hedges of a net investment in a foreign operation'.

### 3. 會計政策(續)

- 對香港會計準則第23號「借貸成本」之修訂。該修訂要求實體將收購、興建或生產一項合資格資產(即需要頗長時間籌備作使用或出售之資產)直接應佔之借貸成本資本化,作為該資產之部份成本。將該等借貸成本即時作費用支銷之選擇將被刪去。由於本集團目前有關借貸成本之會計政策與經修訂之要求一致,故修訂對本集團之會計政策並無影響。

下列新準則、準則之修訂以及詮釋必須於自二零零九年一月一日開始之財政年度首次採用,惟目前與本集團無關。

- 香港財務報告準則第2號(修訂本)「以股份為基礎之付款」。
- 香港會計準則第32號(修訂本)「金融工具:呈列」。
- 香港(國際財務報告詮釋委員會)一詮釋第9號(修訂本)「重新評估內含衍生工具」及香港會計準則第39號(修訂本)「金融工具:確認及計量」。
- 香港(國際財務報告詮釋委員會)一詮釋第13號「客戶忠誠計劃」。
- 香港(國際財務報告詮釋委員會)一詮釋第15號「房地產建造協議」。
- 香港(國際財務報告詮釋委員會)一詮釋第16號「境外業務淨投資對沖」。

### 3. ACCOUNTING POLICIES (Continued)

Standards, amendments to standards and interpretations have been issued, but are not effective for the periods on or after 1 January 2009 and have not been early adopted by the Group

- Amendment to HKAS 39, “Financial instruments: Recognition and measurement” on eligible hedged items.
- HKFRS 3 (Revised), “Business combinations” and consequential amendments to HKAS 27, “Consolidated and separate financial statements”, HKAS 28, “Investments in associates” and HKAS 31, “Interests in joint ventures”
- HK(IFRIC) 17, “Distributions of non-cash assets to owners”
- HK(IFRIC) 18, “Transfers of assets from customers”

### 3. 會計政策(續)

下列準則、準則之修訂以及詮釋已頒佈，但於二零零九年一月一日或之後期間尚未生效，本集團並無提早予以採納：

- 對香港會計準則第39號之修訂，符合條件的對沖項目—「金融工具：確認及計量」
- 香港財務報告準則第3號(經修訂)「業務合併」及因而對香港會計準則第27號「綜合及獨立財務報表」、香港會計準則第28號「於聯營公司之投資」及香港會計準則第31號「於合營企業之權益」作出之修訂
- 香港(國際財務報告詮釋委員會)第17號「將非現金資產分配予擁有人」
- 香港(國際財務報告詮釋委員會)第18號「自客戶轉移資產」



### 3. ACCOUNTING POLICIES (Continued) HKICPA's improvement to HKFRS published in May 2009

HKICPA's improvements to HKFRS have been published in May 2009, which have introduced certain amendments to those standards set out below. These amendments are not effective for the financial year beginning 1 January 2009 and have not been early adopted. The Group is assessing the impact of these amendments and will apply these amendments from 1 January 2010.

- HKFRS 2 "Share-based payments"
- HKFRS 5 "Non-current assets held for sale and discontinued operations"
- HKFRS 8 "Operating segments"
- HKAS 1 "Presentation of financial statements"
- HKAS 7 "Statement of cash flows"
- HKAS 17 "Leases"
- HKAS 36 "Impairment of assets"
- HKAS 38 "Intangible assets"
- HKAS 39 "Financial instruments: Recognition and measurement"
- HK(IFRIC) 9 "Reassessment of embedded derivatives"
- HK(IFRIC) 16 "Hedges of a net investment in a foreign operation"

### 3. 會計政策(續) 香港會計師公會對於二零零九年五月已頒佈之香港財務報告準則作出之改善

香港會計師公會已對於二零零九年五月已頒佈之香港財務報告準則作出之改善載列如下，其中包括對該等準則作出若干修訂。該等修訂於自二零零九年一月一日開始之財政年度尚未生效及尚未被提早採納。本集團正評估該等修訂之影響，並將自二零一零年一月一日起應用該等修訂。

- 香港財務報告準則第2號「以股份為基礎之付款」
- 香港財務報告準則第5號「持作銷售之非流動資產及已終止業務」
- 香港財務報告準則第8號「經營分部」
- 香港會計準則第1號「呈報財務報表」
- 香港會計準則第7號「現金流量報表」
- 香港會計準則第17號「租賃」
- 香港會計準則第36號「資產減值」
- 香港會計準則第38號「無形資產」
- 香港會計準則第39號「財務工具：確認及計量」
- 香港(國際財務報告詮釋委員會)第9號「內嵌衍生工具之重新評估」
- 香港(國際財務報告詮釋委員會)第16號「對於海外營運之淨投資之對沖」

#### 4. SEGMENTAL INFORMATION

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

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

The Board of Directors of the Company assesses the performance of the operating segments based on sales and net profit.

#### 4. 分類資料

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

本公司董事會認為業務可按產品及地區前景分類。就產品前景而言，管理層評估紗線、坯布及面料之營業額表現。業務以地區基準(包括中國大陸、越南及其他地區)作進一步評估。

本公司董事會根據營業額及純利評估經營分部之業績。

#### 4. SEGMENTAL INFORMATION (Continued)

The segment results for the six months ended June 30, 2008 and 2009 are as follows:

#### 4. 分類資料(續)

截至二零零八年及二零零九年六月三十日止六個月之分類業績如下：

		Yarn 紗線		Other in territories	Grey	Garment	Total
		Mainland China	Vietnam		fabrics China	fabrics China	
		中國大陸	越南	其他地區	中國大陸 坯布	中國大陸 面料	總額
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
<b>Six months ended 30 June 2009</b>	<b>截至二零零九年 六月三十日 止六個月</b>						
Total sales	營業總額	1,270,970	130,438	30,456	336,203	48,269	1,816,336
Inter-segment sales	分類間營業額	(74,510)	(963)	(28,209)	-	-	(103,682)
Revenue (from external customers)	營業額(來自 外部客戶)	1,196,460	129,475	2,247	336,203	48,269	1,712,654
Segment results	分類業績	59,336	25,150	(5,992)	8,531	3,870	90,895
Finance income	財務收入	620	406	30	177	9	1,242
Finance costs	財務費用	(13,518)	(7,096)	-	(2,435)	(186)	(23,235)
Share of loss of an associate	分佔聯營公司 虧損	-	-	-	-	(2,374)	(2,374)
Income tax expense	所得稅開支	(6,924)	-	-	(3,176)	(433)	(10,533)
Profit for the period	期內溢利	39,514	18,460	(5,962)	3,097	886	55,995
Depreciation and amortisation	折舊及攤銷	(26,248)	(18,730)	(123)	(10,616)	(1,447)	(57,164)

## 4. SEGMENTAL INFORMATION (Continued)

## 4. 分類資料(續)

		Yarn 紗線			Grey fabrics	Garment fabrics	Total
		Mainland China	Vietnam	Other territories	in Mainland China	in Mainland China	
		中國大陸	越南	其他地區	坯布	面料	總額
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
<b>Six months ended 30 June 2008</b>	<b>截至二零零八年 六月三十日 止六個月</b>						
Total sales	營業總額	1,296,839	99,645	16,454	447,072	64,152	1,924,162
Inter-segment sales	分類間營業額	(76,774)	(13,088)	(10,214)	-	-	(100,076)
Revenue (from external customers)	營業額(來自 外部客戶)	1,220,065	86,557	6,240	447,072	64,152	1,824,086
Segment results	分類業績	117,890	7,560	(11,169)	12,954	7,320	134,555
Finance income	財務收入	17,670	11,677	355	6,475	508	36,685
Finance costs	財務費用	(17,811)	(11,528)	-	(5,373)	(354)	(35,066)
Share of loss of an associate	分佔聯營公司 虧損	-	-	-	-	(1,483)	(1,483)
Income tax expense	所得稅開支	(13,601)	-	-	(2,600)	(320)	(16,521)
Profit for the period	期內溢利	104,148	7,709	(10,814)	11,456	5,671	118,170
Depreciation and amortisation	折舊及攤銷	(26,196)	(7,773)	(122)	(10,963)	(1,551)	(46,605)

**4. SEGMENTAL INFORMATION (Continued)**

The segment assets as at 30 June 2009 and capital expenditure for the six months then ended are as follows:

		Yarn 紗線			Grey fabrics in Mainland China 中國大陸 坯布 RMB'000 人民幣千元	Garment fabrics in Mainland China 中國大陸 面料 RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
		Mainland China 中國大陸 RMB'000 人民幣千元	Vietnam 越南 RMB'000 人民幣千元	Other territories 其他地區 RMB'000 人民幣千元			
<b>As at 30 June 2009</b>	於二零零九年 六月三十日						
Total assets	總資產	1,576,815	967,475	58,552	589,534	89,477	3,281,853
Total assets including:	總資產包括：						
– investment in an associate	– 於聯營公司 之投資	-	-	-	-	32,198	32,198
Capital expenditure	資本開支	14,941	15,097	5	2,099	572	32,714

The segment assets as at 31 December 2008 and capital expenditure for the year are as follows:

		Yarn 紗線			Grey fabrics in Mainland China 中國大陸 坯布 RMB'000 人民幣千元	Garment fabrics in Mainland China 中國大陸 面料 RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
		Mainland China 中國大陸 RMB'000 人民幣千元	Vietnam 越南 RMB'000 人民幣千元	Other territories 其他地區 RMB'000 人民幣千元			
<b>As at 31 December 2008</b>	於二零零八年 十二月三十一日						
Total assets	總資產	1,516,892	1,008,154	50,518	543,023	80,605	3,199,192
Total assets including:	總資產包括：						
– investment in an associate	– 於聯營公司 之投資	-	-	-	-	34,572	34,572
Capital expenditure	資本開支	106,446	303,389	-	5,419	699	415,953

**4. 分類資料(續)**

於二零零九年六月三十日之分類資產以及截至該日止六個月之資本開支如下：

於二零零八年十二月三十一日之分類資產及年內資本開支如下：

5. LAND USE RIGHTS

5. 土地使用權

		<i>RMB'000</i> 人民幣千元
<b>Six months ended 30 June 2008</b>	<b>截至二零零八年 六月三十日止六個月</b>	
Opening net book amount as at 1 January 2008	於二零零八年一月一日 之期初賬面淨值	104,622
Disposals	出售	(12,255)
Amortisation	攤銷	(843)
Exchange difference	匯兌差額	(1,883)
<b>Closing net book amount as at 30 June 2008</b>	<b>於二零零八年六月三十日 之期末賬面淨值</b>	<b>89,641</b>
<b>Six months ended 30 June 2009</b>	<b>截至二零零九年 六月三十日止六個月</b>	
Opening net book amount as at 1 January 2009	於二零零九年一月一日 之期初賬面淨值	116,482
Amortisation	攤銷	(912)
<b>Closing net book amount as at 30 June 2009</b>	<b>於二零零九年六月三十日 之期末賬面淨值</b>	<b>115,570</b>

## 6. PROPERTY, PLANT AND EQUIPMENT

## 6. 物業、廠房及設備

RMB'000  
人民幣千元

<b>Six months ended 30 June 2008</b>	<b>截至二零零八年 六月三十日止六個月</b>	
Opening net book amount as at 1 January 2008	於二零零八年一月一日 之期初賬面淨值	1,187,543
Additions	添置	342,768
Disposals	出售	(1,625)
Depreciation	折舊	(45,762)
Exchange difference	匯兌差額	(29,343)
<b>Closing net book amount as at 30 June 2008</b>	<b>於二零零八年六月三十日 之期末賬面淨值</b>	<b>1,453,581</b>
<b>Six months ended 30 June 2009</b>	<b>截至二零零九年 六月三十日止六個月</b>	
Opening net book amount as at 1 January 2009	於二零零九年一月一日 之期初賬面淨值	1,467,211
Additions	添置	32,714
Disposals	出售	(1,896)
Depreciation	折舊	(56,252)
<b>Closing net book amount as at 30 June 2009</b>	<b>於二零零九年六月三十日 之期末賬面淨值</b>	<b>1,441,777</b>

During the six months ended 30 June 2009, finance cost of RMB1,569,000 (For the six months ended 30 June 2008: RMB1,563,000) was capitalised as part of property, plant and equipment at a rate of 4.8% (For the six months ended 30 June 2008: 6.1%) per annum.

截至二零零九年六月三十日止六個月，人民幣1,569,000元(截至二零零八年六月三十日止六個月：人民幣1,563,000元)之融資成本按4.8%之年率(截至二零零八年六月三十日止六個月：6.1%)資本化為物業、廠房及設備之一部份。

## 7. TRADE AND BILL RECEIVABLES

## 7. 應收貿易及票據款項

		As at 於	
		30 June 2009 二零零九年 六月三十日 RMB'000 人民幣千元	31 December 2008 二零零八年 十二月三十一日 RMB'000 人民幣千元
Trade receivables	應收貿易款項	164,649	85,354
Less: provision for impairment	減：減值撥備	(6,253)	(7,230)
		<b>158,396</b>	78,124
Bill receivables	應收票據款項	<b>221,387</b>	385,989
		<b>379,783</b>	464,113

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

應收貿易及票據款項的公平值與其賬面值相若。

The Group generally grants credit terms of less than 90 days to its customers. The ageing analysis of the trade and bill receivables was as follows:

本集團授予其客戶的信貸期一般為90日內。應收貿易及票據款項的賬齡分析如下：

		As at 於	
		30 June 2009 二零零九年 六月三十日 RMB'000 人民幣千元	31 December 2008 二零零八年 十二月三十一日 RMB'000 人民幣千元
0 to 30 days	0日至30日	241,749	281,255
31 to 90 days	31日至90日	101,207	107,647
91 to 180 days	91日至180日	37,416	75,692
181 days to 1 year	181日至1年	929	1,551
Over 1 year	1年以上	4,735	5,198
		<b>386,036</b>	471,343
Less: provision for impairment	減：減值撥備	(6,253)	(7,230)
		<b>379,783</b>	464,113



8. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

Prepayments for purchase of raw materials	購買原材料的預付款項
Deposit for acquisition of land use right	收購土地使用權之按金
Staff advances	員工墊款
Value-added tax recoverable	應退增值稅
Prepaid expenses	預付開支
Deposits	按金
Other receivables	其他應收款項

8. 預付款項、按金及其他應收賬款

As at 於		30 June 2009 二零零九年六月三十日 RMB'000 人民幣千元	31 December 2008 二零零八年十二月三十一日 RMB'000 人民幣千元
		140,484	69,418
		11,000	11,000
		680	752
		1,845	169
		2,912	645
		415	1,062
		3,419	4,305
		<b>160,755</b>	<b>87,351</b>

9. TRADE AND BILL PAYABLES

Trade payables	應付貿易款項
Bill payables	應付票據款項

9. 應付貿易及票據款項

As at 於		30 June 2009 二零零九年六月三十日 RMB'000 人民幣千元	31 December 2008 二零零八年十二月三十一日 RMB'000 人民幣千元
		349,521	537,927
		341,390	93,141
		<b>690,911</b>	<b>631,068</b>

As at 30 June 2009, bill payables of RMB257,389,000 were secured by pledge of the Group's bank deposits of RMB257,410,000 (31 December 2008: nil).

於二零零九年六月三十日，應付票據款項人民幣257,389,000元由本集團賬面淨值人民幣257,410,000元(二零零八年十二月三十一日：無)的銀行存款作抵押。

**9. TRADE AND BILL PAYABLES (Continued)**

The ageing analysis of the trade and bill payables was as follows:

0 to 90 days	0日至90日
91 to 180 days	91日至180日
181 days to 1 year	181日至1年
Over 1 year	1年以上

**9. 應付貿易及票據款項(續)**

應付貿易及票據款項的賬齡分析如下：

		As at 於	
		30 June 2009 二零零九年 六月三十日 RMB'000 人民幣千元	31 December 2008 二零零八年 十二月三十一日 RMB'000 人民幣千元
		483,788	205,966
		197,971	211,575
		8,675	208,952
		477	4,575
		<b>690,911</b>	<b>631,068</b>

**10. ACCRUALS AND OTHER PAYABLES**

Accrued wages and salaries	應計工資及薪酬
Accrual of operating expenses	應計經營開支
Interest payable	應付利息
Deposits from customers	客戶按金
Other deposits	其他按金
Payables for purchase of property, plant and equipment	購買物業、廠房及設備
Other payables	應付賬款
Tax payables other than Mainland China enterprise income tax	其他應付賬款
	應付稅項(中國大陸企業所得稅除外)

**10. 預提費用及其他應付賬款**

		As at 於	
		30 June 2009 二零零九年 六月三十日 RMB'000 人民幣千元	31 December 2008 二零零八年 十二月三十一日 RMB'000 人民幣千元
		31,486	34,263
		31,681	20,262
		1,187	4,447
		14,611	34,352
		4,643	3,951
		100,309	100,508
		11,546	21,513
		1,750	7,466
		<b>197,213</b>	<b>226,762</b>

11. BORROWINGS

11. 借貸

		As at 於	
		30 June 2009 二零零九年 六月三十日 RMB'000 人民幣千元	31 December 2008 二零零八年 十二月三十一日 RMB'000 人民幣千元
<b>Current</b>	<b>即期</b>		
– unsecured bank borrowings	– 無抵押銀行 借貸	<b>357,393</b>	189,234
– secured bank borrowings (Note (a))	– 有抵押銀行 借貸 (附註(a))	<b>150,859</b>	88,460
– other bank borrowings (Note (b))	– 其他銀行 借貸 (附註(b))	<b>252,800</b>	244,913
		<b>761,052</b>	522,607
<b>Non-current</b>	<b>非即期</b>		
– unsecured bank borrowings	– 無抵押銀行 借貸	–	211,511
– secured bank borrowings (Note (a))	– 有抵押銀行 借貸 (附註(a))	<b>95,840</b>	113,050
– other bank borrowings (Note (b))	– 其他銀行 借貸 (附註(b))	<b>52,570</b>	58,840
– notes payable (Note (c))	– 應付債券款項 (附註(c))	<b>170,797</b>	170,866
		<b>319,207</b>	554,267
<b>Total borrowings</b>	<b>借貸總額</b>	<b>1,080,259</b>	1,076,874

## 11. BORROWINGS (Continued)

As at 30 June 2009, bank borrowings bore interest at rates ranging from 1.7% to 7.9% per annum (2008: 4.1% to 7.9%).

- (a) Bank borrowings of RMB246,699,000 as at 30 June 2009 (31 December 2008: RMB201,510,000) were secured by the followings:
- (i) pledge of the Group's property, plant and equipment with a net book amount of approximately RMB409,416,000 as at 30 June 2009 (31 December 2008: RMB311,700,000);
  - (ii) floating charges over the Group's inventories with a net book amount of RMB47,752,000 as at 30 June 2009 (31 December 2008: RMB47,752,000).
- (b) Other bank borrowings were secured by cross corporate guarantees provided by certain subsidiaries totalling of RMB305,370,000 as at 30 June 2009 (31 December 2008: RMB303,753,000).

In addition, Mr. Hong Tianzhu, chairman and an executive director, has undertaken to maintain at least 30% equity interest in the Company unless otherwise agreed by the relevant bank in respect of the provision of the other bank borrowings of RMB37,374,000 (31 December 2008: RMB43,642,000).

## 11. 借貸(續)

於二零零九年六月三十日，銀行借貸的年利率介乎1.7%至7.9%（二零零八年：4.1%至7.9%）。

- (a) 於二零零九年六月三十日，人民幣246,699,000元（二零零八年十二月三十一日：人民幣201,510,000元）的銀行借貸以下列項目作抵押：
- (i) 本集團於二零零九年六月三十日的物業、廠房及設備賬面淨值約為人民幣409,416,000元（二零零八年十二月三十一日：人民幣311,700,000元）的抵押；
  - (ii) 本集團於二零零九年六月三十日的存貨賬面淨值為人民幣47,752,000元（二零零八年十二月三十一日：人民幣47,752,000元）的浮動抵押。
- (b) 其他銀行借貸以若干附屬公司提供的交叉公司擔保（於二零零九年六月三十日的總額為人民幣305,370,000元（二零零八年十二月三十一日：人民幣303,753,000元））作抵押。

此外，主席兼執行董事洪天祝先生已承諾除非得到有關銀行同意，否則其將就其他銀行借貸人民幣37,374,000元（二零零八年十二月三十一日：人民幣43,642,000元）的提供最少維持持有本公司股本權益30%。

## 11. BORROWINGS (Continued)

- (c) As at 30 June 2009, notes payable represents US\$25 million guaranteed notes, maturing in 2012. The notes payable bears interest (i) at fixed rate of 6.8% per annum from July 2007 to June 2008 and (ii) with reference to Deutsche Bank Municipal Forward Rate Bias Index from July 2008 till maturity.

In respect of the Group's borrowings totalling of RMB528,190,000 (2008: RMB571,611,000), the Group has to comply with certain restrictive financial covenants, including, among others the following:

- (i) maintain a multiple of consolidated earnings before income tax (EBIT), as defined by banks, to consolidated interest expense of at least 4 times (2008: 4 times);
- (ii) maintain total equity of more than RMB1,000,000,000 (2008: RMB1,000,000,000); and
- (iii) maintain total borrowings of less than 3 times (2008: 3 times) of earnings before income tax, depreciation and amortisation (EBITDA), as defined by banks, and such total borrowings have to be less than the total equity.

In addition, certain subsidiaries of the Group have to comply with restrictive financial covenants based on the financial position and operating results of the subsidiaries.

## 11. 借貸(續)

- (c) 於二零零九年六月三十日，應付債券款項指25,000,000美元二零一二年到期有擔保債券。應付債券款項(i)於二零零七年七月至二零零八年六月按固定年利率6.8%計息及；(ii)於二零零八年七月至到期日參考Deutsche Bank Municipal Forward Rate Bias Index計息。

就本集團合共人民幣528,190,000元(二零零八年：人民幣571,611,000元)的借貸而言，本集團須遵守若干限制性財務契諾，包括(其中包括)下列各項：

- (i) 維持綜合除所得稅前盈利(EBIT)(由銀行釐定)比率對綜合利息開支倍數於最少4倍(二零零八年：4倍)；
- (ii) 維持超過人民幣1,000,000,000元(二零零八年：人民幣1,000,000,000元)的權益總額；
- (iii) 維持借貸總額少於除所得稅、折舊及攤銷前盈利(EBITDA)(由銀行釐定)的3倍(二零零八年：3倍)，此外，借貸總額必須少於權益總額。

此外，本集團若干附屬公司須遵守若干以附屬公司的財務狀況及營運業績為本的限制性財務契諾。

### 11. BORROWINGS (Continued)

As at 30 June 2009, the Group did not comply with the covenant listed in (iii) above relating to a bank loan amounting to RMB357,393,000, which was included under current liabilities. Subsequent to 30 June 2009, the Group has obtained an one-time waiver for the compliance of such covenant from the relevant bank.

### 12. DERIVATIVE FINANCIAL INSTRUMENTS

Interest rate swap and forward foreign exchange contract	利率掉期及遠期外匯合約
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Non-hedging derivative is classified as a current asset or liability.

The notional principal amount of the outstanding interest rate swap and forward foreign exchange contract at 30 June 2009 was RMB28,694,000 (31 December 2008: RMB57,411,000). At 30 June 2009, the fixed interest rate was 3.98% (31 December 2008: 3.98%) and the forward USD/RMB exchange rate was 7.917 (2008: 7.917), and the main floating rate is LIBOR. Gains and losses recognised in the other (losses)/gains – net (Note 16) in the condensed consolidated income statement.

### 11. 借貸(續)

於二零零九年六月三十日，本集團並無就一筆計入流動負債為數人民幣357,393,000元之貸款遵守上文(iii)所列契諾。於二零零九年六月三十日後，本集團已向有關銀行取得遵守該等契諾之一次性豁免。

### 12. 衍生金融工具

非對沖衍生工具分類為流動資產

As at 於	
30 June 2009 二零零九年 六月三十日 RMB'000 人民幣千元	31 December 2008 二零零八年 十二月三十一日 RMB'000 人民幣千元
<b>4,694</b>	<b>7,915</b>

或負債。

於二零零九年六月三十日，未結算利率掉期及外匯合約之名義本金額為人民幣28,694,000元(二零零八年十二月三十一日：人民幣57,411,000元)。於二零零九年六月三十日，固定利率為3.98%(二零零八年十二月三十一日：3.98%)，而遠期美元／人民幣匯率為7.917(二零零八年：7.917)，主要浮動息率為倫敦銀行同業拆息。盈虧在簡明綜合損益表中其他(虧損)／收益－淨額(附註16)確認。

### 13. SHARE CAPITAL

<i>Authorised:</i>	法定：
At 31 December 2008 and 30 June 2009	於二零零八年 十二月三十一日 及二零零九年 六月三十日
<i>Issued and fully paid:</i>	已發行及繳足：
<b>At 1 January 2008</b>	於二零零八年 一月一日
Issue of shares upon exercise of share options	行使購股權後 發行股份
<b>At 30 June 2008</b>	於二零零八年 六月三十日
<b>At 1 January 2009 and 30 June 2009</b>	於二零零九年 一月一日及 二零零九年 六月三十日

### 13. 股本

Note 附註	Ordinary shares of HK\$0.1 each 每股面值0.1港元的普通股		
	Number of shares 股份數目	HK\$'000 千港元	RMB'000 人民幣千元
	'000 千股		
	4,000,000	400,000	
	883,855	88,386	93,990
14(i)	826	83	74
	884,681	88,469	94,064
	884,681	88,469	94,064

### 14. SHARE OPTIONS

- (i) **Pre-IPO Share Option Scheme**  
On 21 November 2004, the Company granted 4,342,000 options to certain senior management of the Group under a Pre-IPO Share Option Scheme to subscribe for shares in the Company at HK\$0.69 per share, exercisable over the period from 9 June 2005 to 8 June 2008. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

### 14. 購股權

- (i) **首次公開發售前購股權計劃**  
於二零零四年十一月二十一日，本公司根據首次公開發售前購股權計劃向若干本集團高級管理層授出4,342,000份購股權，以按每股0.69港元之價格認購本公司之股份，此等購股權可於二零零五年六月九日至二零零八年六月八日期間行使。本集團並無法律或推定責任以現金購回或清償購股權。

#### 14. SHARE OPTIONS (Continued)

##### (i) Pre-IPO Share Option Scheme (Continued)

The fair value of options determined using the Black-Scholes valuation model was RMB433,000. The significant inputs into the model were share price of HK\$0.69 per share at the grant date, exercise price shown above, standard deviation of expected share price returns of 30%, expected life of options of 0.5 year, expected dividend paid out rate of zero and annual risk-free interest rate of 2.88%. The volatility measured at the standard deviation of expected share price returns is based on expected share prices over the year after the Group's initial public offering.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

#### 14. 購股權(續)

##### (i) 首次公開發售前購股權計劃(續)

由柏力克一舒爾斯定價模式確定的購股權公平值為人民幣433,000元。該模型的主要參數為：於授出日股價每股0.69港元、上述行使價、預期股價回報標準差30%、預期購股權年期0.5年、預期派息率零及每年零風險利率2.88%。預期股價回報標準差的波幅乃按本公司首次公開發售後年內的預期股價分析計算。

尚未行使購股權數目及其相應加權平均行使價的變動如下：

		Six months ended 30 June 截至六月三十日止六個月			
		2009 二零零九年		2008 二零零八年	
		Average exercise price in HK dollar per share 平均行使價 (每股港元)	Options (thousands) 購股權 (千份)	Average exercise price in HK dollar per share 平均行使價 (每股港元)	Options (thousands) 購股權 (千份)
Beginning of period	期初	-	-	0.69	3,142
Exercised	已行使	-	-	0.69	(826)
Expired	到期	-	-	0.69	(2,316)
End of period	期末	-	-	-	-



#### 14. SHARE OPTIONS (Continued)

##### (ii) Post-IPO Share Option Scheme

Pursuant to a shareholders' resolution passed on 21 November 2004, the Company adopted a share option scheme ("the Share Option Scheme"), which will remain in force for a period of 10 years up to November 2014. Under the Share Option Scheme, the Company's directors may, at their sole discretion, grant to any employee, director, supplier of goods or services, customer, person or entity that provides research, development or other technological support to the Group, shareholder and adviser or consultant of the Group to subscribe for shares in the Company at a price of not less than the higher of (i) the closing price of shares as stated in the daily quotation sheet of the Stock Exchange on the date of the offer of grant; or (ii) the average closing price of shares as stated in the daily quotation sheets of the Stock Exchange for the five trading days immediately preceding the date of the offer of grant; (iii) the nominal value of a share. A nominal consideration of HK\$1 is payable on acceptance of the grant of an option. The maximum number of shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme adopted by the Group from time to time must not in aggregate exceed 30% of the share capital of the Company in issued from time to time.

At 30 June 2009, no options had been granted under the Share Option Scheme (31 December 2008: Nil).

#### 14. 購股權(續)

##### (ii) 首次公開發售後購股權計劃

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

於二零零九年六月三十日，概無購股權根據購股權計劃授出（二零零八年十二月三十一日：無）。

## 15. REVENUE

The Group is principally engaged in the manufacturing and sales of yarns, grey fabrics and garment fabrics. Revenues recognised for the period ended represented sales of goods, net of value-added tax.

## 15. 收益

本集團主要從事製造及銷售紗線、坯布及面料。於期末確認之收益指貨品銷售(扣除增值稅)。

## 16. OTHER INCOME AND OTHER (LOSSES)/ GAINS, NET

## 16. 其他收入及其他(虧損)/收益, 淨額

		<b>Six months ended 30 June</b> 截至六月三十日止六個月	
		<b>2009</b> 二零零九年 <b>RMB'000</b> 人民幣千元	<b>2008</b> 二零零八年 <b>RMB'000</b> 人民幣千元
Other income	其他收入		
Subsidy income (Note (i))	補貼收入(附註(i))	<b>6,908</b>	43,157
Return of income tax relating to re-investment	有關再投資之 所得稅退稅	<b>983</b>	764
		<b>7,891</b>	43,921
Other (losses)/gains – net	其他(虧損)/收益 – 淨額		
Derivative financial liability at fair value through profit or loss – unrealised loss	按公平值計入 損益之衍生 金融負債： – 未實現 虧損	<b>(1,542)</b>	(14,560)
Net foreign exchange gains	匯兌收益淨額	<b>662</b>	14,650
Others	其他	<b>542</b>	366
Total other (losses)/gains – net	其他(虧損)/收益 – 淨額	<b>(338)</b>	456

Note:

- (i) Subsidy income mainly related to incentives for development in Xuzhou, Mainland China and grants provided by municipal governments based on the amounts of value added tax and income tax.

附註：

- (i) 補貼收入主要與於中國大陸徐州發展所獲得的優惠及市政府根據已付增值稅及所得稅金額授出之津貼有關。

## 17. EXPENSES BY NATURE

Cost of inventories	存貨開支
Employment costs	僱員成本
Depreciation and amortisation	折舊及攤銷
Transportation	運輸
Utilities	動力及燃料

## 17. 開支(按性質分類)

### Six months ended 30 June 截至六月三十日止六個月

2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
1,246,857	1,304,173
151,403	159,825
57,164	46,605
39,485	34,503
102,242	100,894

## 18. FINANCE INCOME AND COSTS

Finance income	財務收入
Exchange gain on financing activities	融資活動所得匯兌收益
Interest income on short-term bank deposits	短期銀行存款利息收入

Finance costs	財務開支
Interest on borrowings wholly repayable within five years	須於五年內悉數償還的借貸利息
Less: amount capitalised in property, plant and equipment	減：物業、廠房及設備資本化金額

Net finance (costs)/income	財務(開支)/收入淨額
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## 18. 財務收入及開支

### Six months ended 30 June 截至六月三十日止六個月

2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
326	36,001
916	684
1,242	36,685
(24,804)	(36,629)
1,569	1,563
(23,235)	(35,066)
(21,993)	1,619

## 19. INCOME TAX EXPENSE

## 19. 所得稅開支

		Six months ended 30 June 截至六月三十日止六個月	
		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Current income tax	即期所得稅		
– Mainland China enterprise income tax	– 中國大陸企業所得稅	8,385	14,721
Deferred income tax	遞延所得稅	2,148	1,800
		<b>10,533</b>	<b>16,521</b>

- (i) **Hong Kong profits tax**  
Hong Kong profits tax has been provided at the rate of 16.5% (2008: 16.5%) on the estimated assessable profit for the period.
- (ii) **Mainland China enterprise income tax**  
Subsidiaries established in mainland China are subject to Mainland China Enterprise Income Tax ("CIT") at rates ranging from 20% to 25% during the period (2008: 18% to 25%).

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

- (i) **香港利得稅**  
香港利得稅根據期內估計應課稅溢利按16.5% (二零零八年：16.5%)之稅率作出撥備。
- (ii) **中國大陸企業所得稅**  
於中國大陸成立的附屬公司須於期內按中國大陸企業所得稅(「企業所得稅」)稅率20%至25% (二零零八年：18%至25%)繳納企業所得稅。

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

## 19. INCOME TAX EXPENSE (Continued)

### (iii) Vietnam income tax

The subsidiary established in Vietnam is subject to income tax rate of 10% (2008: 10%). As approved by the relevant Tax Bureau in Vietnam, the subsidiary established in Vietnam is entitled to four years' exemption from income taxes followed by nine years of a 50% tax reduction, commencing in the first profitable year after offsetting the losses carried forward from the previous years. The Group is exempted from Vietnam income tax during the period (2008: nil) as year 2009 is the second profit making year after offsetting prior years' losses.

### (iv) Other income tax

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

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

No provision for Macao profits tax has been made as the Group had no assessable profit arising in or derived from Macao during the period (2008: Nil).

## 19. 所得稅開支(續)

### (iii) 越南所得稅

於越南成立的附屬公司須按10%(二零零八年:10%)之稅率繳付所得稅。於越南成立的附屬公司已獲越南的相關稅務局批准,有權於抵銷所有過往年度結轉虧損後首個獲利年度起,免繳所得稅四年,其後九年則獲稅率減半優惠。由於二零零九年為越南附屬公司抵銷過往年度結轉的虧損後第二個獲利年度,故本集團於期內獲免繳越南所得稅(二零零八年:無)。

### (iv) 其他所得稅

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

本公司於英屬處女群島成立的附屬公司按英屬處女群島國際商業公司法或二零零四年公司法註冊成立,因此獲豁免繳納英屬處女群島所得稅。

由於本集團於期內並無在澳門產生或源自澳門之應課稅溢利(二零零八年:無),故概無就澳門利得稅作出撥備。

## 20. EARNING PER SHARE

### (a) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

Profit attributable to equity holders of the Company (RMB'000) 本公司股權持有人應佔溢利 (人民幣千元)

Weighted average number of ordinary shares in issue (thousands) 已發行普通股加權平均數(以千計)

Basic earnings per share (RMB per share) 每股基本盈利 (每股人民幣元)

### (b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all share options. A calculation is made in order to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

## 20. 每股盈利

### (a) 基本

每股基本盈利以本公司股權持有人應佔溢利除以年內已發行普通股的加權平均數計算。

### Six months ended 30 June

截至六月三十日止六個月

	2009 二零零九年	2008 二零零八年
Profit attributable to equity holders of the Company (RMB'000)	55,995	118,170
Weighted average number of ordinary shares in issue (thousands)	884,681	884,176
Basic earnings per share (RMB per share)	0.063	0.134

### (b) 攤薄

每股攤薄盈利乃按調整已發行普通股的加權平均數計算，並假設所有購股權獲得轉換。本公司將按尚未行使購股權所附認購權的貨幣價值為基準計算以釐定可按公平值(以本公司股份平均年度市場股價計算)收購的股份數目。並將上述計算所得的股份數目與應已發行的股份數目(假設購股權已獲行使)作出比較。

## 20. EARNINGS PER SHARE (Continued)

### (b) Diluted (Continued)

Profit attributable to equity holders of the Company (RMB'000)	本公司股權持有人應佔溢利 (人民幣千元)
Weighted average number of ordinary shares in issue (thousands)	已發行普通股加權平均數(以千計)
Adjustments for share options (thousands)	就購股權作出的調整(以千計)
Weighted average number of ordinary shares for diluted earnings per share (thousands)	用作計算每股攤薄盈利的普通股加權平均數(以千計)
Diluted earnings per share (RMB per share)	每股攤薄溢利 (每股人民幣元)

## 20. 每股盈利(續)

### (b) 攤薄(續)

Six months ended 30 June  
截至六月三十日止六個月

2009 二零零九年	2008 二零零八年
55,995	118,170
884,681	884,176
—	804
884,681	884,980
0.063	0.134

## 21. DIVIDENDS

An interim dividend of HKD0.035 per ordinary share (2008: nil) was declared by the board of directors on 28 August 2009. It will be payable on or about 5 October 2009 to shareholders who are on the register at 24 September 2009. This interim dividend, amounting to RMB27,295,000 (2008: nil), has not been recognised as a liability in the condensed consolidated balance sheet. It will be recognised in shareholders' equity in the year ending 31 December 2009.

## 21. 股息

董事會於二零零九年八月二十八日宣派每股普通股0.035港元(二零零八年：零)之中期股息，並將於二零零九年十月五日或前後派付予於二零零九年九月二十四日名列股東名冊之股東。此中期股息之金額為人民幣27,295,000元(二零零八年：零)，且並未於簡明綜合資產負債表中確認為負債，並將於截至二零零九年十二月三十一日止年度於股東權益中確認。

## 22. COMMITMENTS

### (a) Capital commitments

Capital expenditure at the balance sheet date but not yet incurred is as follows:

		As at 於	
		30 June 2009 二零零九年 六月三十日 RMB'000 人民幣千元	31 December 2008 二零零八年 十二月三十一日 RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備		
Contracted but not provided for	已訂約但未撥備	2,312	22,804
Land use rights	土地使用權		
Authorised but not contracted for	已授權但未訂約	20,000	20,000
Total capital commitments	資本承擔總額	22,312	42,804

### (b) Operating leases commitments

The Group leases various land, offices and warehouses under non-cancellable operating lease agreements.

## 22. 承擔

### (a) 資本承擔

於結算日的資本開支(但未產生)如下:

		As at 於	
		30 June 2009 二零零九年 六月三十日 RMB'000 人民幣千元	31 December 2008 二零零八年 十二月三十一日 RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備		
Contracted but not provided for	已訂約但未撥備	2,312	22,804
Land use rights	土地使用權		
Authorised but not contracted for	已授權但未訂約	20,000	20,000
Total capital commitments	資本承擔總額	22,312	42,804

### (b) 經營租賃承擔

本集團根據不可撤銷經營租賃協議而租賃不同的土地、辦公室及倉庫。



## 22. COMMITMENTS (Continued)

### (b) Operating leases commitments (Continued)

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

No later than 1 year	一年內
Later than 1 year and no later than 5 years	一年後至五年內
Later than 5 years	五年後
Representing:	指：
Land use right	土地使用權
Property, plant and equipment	物業、廠房及設備

## 22. 承擔(續)

### (b) 經營租賃承擔(續)

根據不可撤銷經營租賃之未來最低租賃款項總額如下：

		As at 於	
		30 June 2009 二零零九年 六月三十日 RMB'000 人民幣千元	31 December 2008 二零零八年 十二月三十一日 RMB'000 人民幣千元
		2,701	4,995
		9,179	8,858
		74,339	75,276
		<b>86,219</b>	<b>89,129</b>
		84,506	85,708
		1,713	3,421
		<b>86,219</b>	<b>89,129</b>

## 23. RELATED-PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control.

## 23. 與關聯方的交易

倘其中一方能直接或間接控制另一方或在財務及營運決定方面對另一方行使重大影響力，則被視為關聯方。倘彼等受共同控制，亦被視為關聯方。

### 23. RELATED-PARTY TRANSACTIONS (Continued)

The Company's directors and the Group's management are of the view that the following company is a related party of the Group:

**Name of related party**  
關聯方名稱

**Relationship with the Group**  
與本集團的關係

Nantong Textile Group Co., Ltd.  
南通紡織控股集團紡織染有限公司

Associate company  
聯營公司

The Group had the following significant transactions with its related party, as follows:

本公司董事及本集團的管理層認為下列公司為本集團的關聯方：

本集團與其關聯方進行下列重大交易如下：

#### (a) Sales/purchase of goods

#### (a) 銷售／購買貨品

Nantong Textile Group Co., Ltd.  
南通紡織控股集團紡織染有限公司

- Purchase of goods                      – 購買貨品
- Sales of goods                              – 銷售貨品

In the opinion of the Company's directors and the Group's management, the above related party transactions were carried out in the ordinary course of business, and in accordance with the terms of the underlying agreements and/or the invoices issued by the respective parties.

#### Six months ended 30 June 截至六月三十日止六個月

2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
<b>14,804</b>	6,589
<b>3,395</b>	13,065

本公司董事及本集團的管理層認為上述與關聯方的交易乃於日常業務過程並且根據相關協議的條款及／或由有關各方發出的發票進行。

**23. RELATED-PARTY TRANSACTIONS**  
(Continued)

**(b) Balance with related parties**

The Group had the following significant balances with the related party:

**23. 與關聯方的交易(續)**

**(b) 與關聯方的結餘**

本集團與關聯方的重大結餘如下：

		As at 於	
		30 June 2009 二零零九年 六月三十日 RMB'000 人民幣千元	31 December 2008 二零零八年 十二月三十一日 RMB'000 人民幣千元
Trade receivables from the related party – Nantong Textile Group Co., Ltd.	應收關聯方的貿易款項 – 南通紡織控股集團紡織染有限公司	789	–
Deposits to the related party – Nantong Textile Group Co., Ltd.	來自關聯方的訂金 – 南通紡織控股集團紡織染有限公司	–	4,122
Trade payable to the related party – Nantong Textile Group Co., Ltd.	應付關聯方的貿易款項 – 南通紡織控股集團紡織染有限公司	3,248	8,161

23. RELATED-PARTY TRANSACTIONS

(Continued)

(c) Key management compensation

23. 與關聯方的交易(續)

(c) 主要管理層薪酬

		Six months ended 30 June 截至六月三十日止六個月	
		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Salaries and bonuses	薪金及花紅	1,107	1,858
Pension cost (defined contribution plan)	退休金成本(界定供款計劃)	455	460
Other benefits	其他福利	26	22
		<b>1,588</b>	<b>2,340</b>

## OVERVIEW

We are pleased to report to the shareholders the results of the Group for the six months ended 30 June 2009. During the period under review, due to the tremendous efforts of the entire staff, the Group's turnover decreased only by 6.1% from the corresponding period last year to RMB1.71 billion. Profit attributable to shareholders decreased by 52.6% from the corresponding period last year to RMB56.0 million. Earnings per share for the half year were RMB0.063, decreased by 53.0% compared to RMB0.134 for the corresponding period last year. The decrease in the profit attributable to shareholders exceeded the decrease in turnover was mainly due to the recognition of government subsidies of RMB43.2 million mainly relating to the relocation of our subsidiaries and the foreign exchange gain of RMB36 million on borrowings denominated in United States Dollar in the corresponding period last year. While there was a large decrease in these non-recurring income during the period under review, the profitability of our core business actually has not been seriously affected by the global financial crisis.

## INDUSTRY REVIEW

Since the beginning of 2009, the performance of the global economy was rather weak. While the macro-environment and domestic demand in China have been improving, China's textile industry is facing the challenge of a sluggish foreign demand. In addition to the favourable effect of the continuous growth of the domestic market on the textile industry, the textile industry is also one of the supported industries stated in the Supporting Plan for Ten Industries promulgated by the State Council of the PRC. The export tax rebate rate for textiles has also increased gradually to 16% on 1 April, 2009. It has been witnessed that the China's textile industry has reached its bottom in January and February, and resumed its growth since March this year.

## 綜覽

我們欣然向股東報告截至二零零九年六月三十日止六個月本集團的業績。在回顧期內，在本集團全體人員共同努力下，本集團之營業額較去年同期僅下跌6.1%至人民幣17.1億元。股東應佔溢利較去年同期下跌52.6%至人民幣5,600萬元。半年度之每股盈利為人民幣0.063元，下跌53.0%，去年同期則為人民幣0.134元。股東應佔溢利下跌比營業額下跌為多，主因是去年同期本集團獲得政府補貼人民幣4,320萬元(主要為子公司拆遷補償)及美元貸款匯兌收益人民幣3,600萬元，這些非經常性收入在回顧期內大幅減少，導致股東應佔溢利較去年同期大幅下降，實際上本集團的核心業務盈利能力並沒有受到全球金融風暴太大影響。

## 行業回顧

二零零九年以來，在全球經濟環境表現疲弱、中國宏觀環境及內需趨暖回升的作用下，中國紡織行業也經歷了外需市場持續低迷的考驗。除了中國國內市場持續增長為紡織行業運行提供了穩定的市場保障外，紡織行業位列在中國國務院出台的十大行業調整振興規劃。加上紡織品出口退稅率逐步提高至二零零九年四月一日的16%。目前來看，中國紡織行業總體已從今年一月至二月谷底走出，三月份以來呈逐月企穩回升之勢。

### INDUSTRY REVIEW (Continued)

According to the statistics of the Statistics Centre of China National Textile and Apparel Council, domestic sales of the Chinese textile enterprises from January to June 2009 was RMB1,338.4 billion, representing a 10.72% increase compared with the corresponding period last year. Such growth rate increased by 1.3 percentage points compared to the growth rate for the first five months of 2009. The total export sales of Chinese textile products dropped by 10.88% to USD74.7 billion compared with the corresponding period last year, and represented a decrease of 0.25 percentage points compared with the accumulated drop of 11.13% from January to May this year. Despite the contraction of the global export market, China's textile industry has continued to maintain its export market share. From January to May 2009, the amount of textile products imported by the US decreased by 14.12%, in which imports from China accounted for only 3.72%. The above data revealed that the drop in the export sales of China was alleviating. It is expected that the rising momentum of domestic demand can compensate the adverse effect of the drop in demand for textile products exported by China.

### 行業回顧(續)

根據中國紡織工業協會統計中心報告，二零零九年一月至六月，中國紡織企業累計實現內銷產值人民幣13,384億元，同比增長10.72%，比二零零九年一月至五月增速繼續回升了1.3個百分點。中國紡織品服裝累計出口額747億美元，同比下降了10.88%，累計降幅較一月至五月的11.13%收窄了0.25個百分點。而在全球出口負增長的情況下，中國紡織行業在國際市場繼續保持了一定的出口份額。二零零九年一月至五月，美國從全球進口紡織品服裝額同比下降了14.12%，其中從中國進口額只下降了3.72%。以上說明中國紡織品服裝出口跌幅正逐步收窄，而中國國內市場拉動力穩步提升，彌補出口疲弱對中國紡織行業的影響。

## BUSINESS REVIEW

For the six months ended 30 June 2009, the Group achieved a turnover of RMB1.71 billion, representing a decrease of 6.1% compared with the same period last year. The turnover comprises the sales of yarns, grey fabrics and garment fabrics. Yarns have continued to be the Group's key products with sales amounting to RMB1.31 billion and accounting for 76.6% of our total sales. The sales volume increased by 24.4% to 73,000 tones, mainly due to the contribution of the 140,000 spindles from our phase II production plant in Vietnam which has started commercial production in January 2009. We have continued to expand customer base of yarns. The sales amount of grey fabrics reached RMB0.34 billion and accounted for 19.9% of our total sales. Starting from the end of 2008, we have been restructuring our grey fabrics business such that economically inefficient air-jet looms temporarily stopped operation or being modified, leading to a drop in sales volume of 11.2% to 42 million meters. Management expects that the restructuring of our grey fabrics business will be accomplished by the end of 2009.

## 業務回顧

截至二零零九年六月三十日止六個月，本集團的營業額為人民幣17.1億元，比去年同期下降6.1%。營業額包括紗線、坯布及面料的銷售。紗線繼續為本集團的重點產品，營業額達到人民幣13.1億元，佔集團總營業額的76.6%，與去年同期比較，銷量增加24.4%至73,000噸，主要由越南擴充計畫第二期的14萬個紗錠在二零零九年一月份開始投產所帶動。本集團也繼續擴大紗線的客戶基礎。坯布的營業額為人民幣3.4億元，佔集團總營業額的19.9%。從二零零八年下半年本集團開始重組坯布業務，停用或改造不具備經濟效益的噴氣織機，導致銷量比去年同期下跌11.2%至4,200萬米，管理層預計在二零零九年內完成整個坯布業務的重組工作。

### BUSINESS REVIEW (Continued)

The overall gross margin of the Group's products dropped from 12.3% in the corresponding period last year to 11.6%. As affected by the global financial crisis, the Group experienced the hardest time at the beginning of 2009. Both the demand and the average selling prices of our products have dropped to the lowest level of recent years. Starting from March 2009, both the demand and average selling prices of our products reached the bottom and rebounded gradually. The overall gross margin also started to improve due to lower major raw material costs. The low purchasing and production cost achieved by our Vietnam production plant has enhanced our strength and helped to maintain our gross margin such that the overall gross margin only decreased by 0.7 percentage points compared with the corresponding period last year. The management believes that the Group's overall gross margin will improve in the second half of this year because the market demand has stabilized and our Vietnam production plant will continue to enjoy the advantage of lower production cost.

### 業務回顧(續)

本集團產品的整體邊際利潤由去年同期的12.3%下降至11.6%。受到全球金融風暴影響，二零零九年初是企業經營最困難的時刻，產品需求及平均售價跌至近年低點。隨著產品需求及平均售價陸續在二零零九年三月份回升，也受惠於較低的主要原料價格，本集團的整體邊際利潤也逐步回升，其中越南廠房實現了預期的低採購成本及製造費用優勢，讓本集團的整體邊際利潤僅比去年同期下降0.7個百分點。管理層相信，隨著市場需求開始穩定及本集團繼續保持越南廠房的生產優勢，本集團的整體邊際利潤在二零零九年下半年將比上半年有所提升。



### BUSINESS REVIEW (Continued)

The Group has further strengthened the strategic cooperation with Dow Chemical and Lenzing Fibers (Shanghai) Co., Ltd. In 2009, the Group has successfully applied the second generation olefin-based XLA™ fiber technology invented by Dow Chemical to the production of elastic yarn and grey fabrics for making high-end yarn-dyed fabrics, high-end denim fabrics, high-end casual wear fabrics and high-end uniform fabrics. Under the strategic cooperation with Lenzing Fibers (Shanghai) Co., Ltd, the Group also produced different high-end non-spandex core-spun elastic yarns, high-end denim yarn and high-end knitted yarn using the cellulose-based Tencel® fiber, Modal® fiber and viscose fiber materials supplied by Lenzing Fibers. These unique products have received overwhelming market response and success, and have helped our Group to gain more international prestigious customers, such as cooperation with Toray of Japan to produce high-end knitted yarn. Our research and development centre in Changzhou has been developing and improving a wide variety of products in order to meet the demand of quality customers for different high-end products.

### FUTURE OUTLOOK

The first quarter of 2009 has been very challenging. Looking ahead to the second half of 2009, given the expectation on the continuous growth in the domestic demand in the PRC, the gradual recovery of the textile export market, and the stabilizing global market sentiment, the management believes that the Chinese textile industry will recover and resume growth. Since more and more Chinese people demand for high quality textile fabrics, the upgrade of quality of consumption will lead to higher demand for high value added core-spun yarns. In the foreseeable future, the management believes that the demand of our core products will continue to increase steadily.

### 業務回顧(續)

本集團繼續與陶氏化學及蘭精纖維(上海)有限公司緊密合作。在二零零九年，本集團已成功採用陶氏化學發明的第二代olefin-based XLA™，出品的彈力紗線及坯布應用在高檔色織面料、高檔牛仔面料、高檔休閒面料及高檔工裝制服面料。因應與蘭精纖維(上海)有限公司緊密合作，本集團也著力生產由蘭精纖維供應的cellulose-based Tencel®、Modal®及粘膠製造高檔機織紗、牛仔紗及高檔針織用紗。這些特色產品帶動本集團取得更多與國際知名客戶的合作機會，如同日本東麗(Toray)公司合作開發多組份高檔針織用紗。本集團位於常州的研發中心也不斷因應市場需求開發及改良產品，主攻在不同產品領域上優質的客戶群。

### 前景

二零零九年第一季度是極具挑戰性的時期，展望二零零九年下半年，在中國內需市場持續增長、紡織品服裝出口慢慢恢復及環球市場氣氛穩定下來的預期下，管理層相信中國國內紡織行業應處於企穩回升階段。由於中國人民追求高品質的服裝面料，中國對高附加值棉包芯紗的需求伴隨消費升級擴張，在可見將來，管理層相信本集團的重點產品需求將持續穩步上升。

## FUTURE OUTLOOK (Continued)

Our Group has been awarded by the China National Textile & Apparel Council as one of the top 20 most competitive cotton textile manufacturers in China for the year 2008-2009 on 10 August 2009. Looking ahead, the Group will enhance the product mix, develop new products to suit the market needs and make use of the advantage of lower cost of production of our Vietnam production plant to improve our profitability. Together with appropriate expansion of production capability, our target is to achieve a higher growth rate in profit than sales and maintain our competitiveness in cotton textile industry.

## FINANCIAL REVIEW

### Liquidity and financial resources

As at 30 June 2009, the Group's bank and cash balances (including pledged bank deposits) amounted to RMB517.6 million (As at 31 December 2008: RMB334.6 million).

The Group's inventories and trade and bill receivables decreased by RMB60.2 million and by RMB84.3 million to RMB629.8 million and RMB379.8 million respectively (As at 31 December 2008: RMB690.0 million and RMB464.1 million). The inventory turnover days and trade receivable turnover days were 78 days and 44 days respectively, compared to 75 days and 41 days respectively as at 31 December 2008. The increase in both inventory turnover days and account receivable turnover days were due to the decrease in both cost of goods sold and sales during the period compared to that of last year.

As at 30 June 2009, the Group's bill receivable amounted to RMB221.4 million (As at 31 December 2008: RMB386.0 million). The bill receivable is in the form of bank acceptance drafts, which the banks assume full responsibility for ultimate payment to the Group at the due dates of the drafts. The drafts can be endorsed, transferred and discounted.

## 前景(續)

本集團於二零零九年八月十日獲中國紡織工業協會評定為二零零八／二零零九年度中國棉紡(色)織行業競爭力20強企業。展望未來，管理層將透過改良現有產品結構、開發迎合市場需要的新產品及利用越南生產基地的採購及成本優勢提高獲利能力，加上適度的擴充產能，目標做到利潤增長率比營業額增長率高，在業界始終保持競爭力。

## 財務回顧

### 流動資金及財務資源

於二零零九年六月三十日，本集團之銀行及現金結餘(包括已抵押銀行存款)為人民幣517,614,000元(於二零零八年十二月三十一日：人民幣334,582,000元)。

本集團的存貨和應收貿易及票據款項分別減少人民幣60,243,000元及人民幣84,330,000元至人民幣629,783,000元及人民幣379,783,000元(於二零零八年十二月三十一日：人民幣690,026,000元及人民幣464,113,000元)。存貨周轉日數及應收貿易款項周轉日數分別為78日及44日，於二零零八年十二月三十一日分別為75日和41日。期內存貨週轉日及應收貿易款項周轉日較去年上升，原因是銷售成本及銷售額下跌。

於二零零九年六月三十日，本集團之應收票據款項為人民幣221,387,000元(於二零零八年十二月三十一日：人民幣385,989,000元)。有關之應收票據乃屬於銀行承兌匯票，銀行有責任在匯票到期時承兌予本集團。有關之票據可以隨時背書予第三方、轉讓或貼現。

## FINANCIAL REVIEW (Continued)

### Liquidity and financial resources (Continued)

The Group's bank borrowings remained almost unchanged with a slight increase of RMB3.4 million to RMB1,080.3 million (As at 31 December 2008: RMB1,076.9 million).

As at 30 June 2009, the Group did not comply with a financial covenant relating to a bank loan amounting to RMB357.4 million. Subsequent to 30 June 2009, the Group has obtained an one-time waiver for such non-compliance from the relevant banks.

As at 30 June 2009, the Group's financial ratios were as follows:

Current ratio	1.02
Debt to equity ratio <sup>1</sup>	0.84
Net debt to equity ratio <sup>2</sup>	0.44

- 1 Based on total borrowings over total equity
- 2 Based on total borrowings net of cash and cash equivalents and pledged bank deposits over total equity

## 財務回顧(續)

### 流動資金及財務資源(續)

本集團之銀行借貸大致維持不變，僅輕微增加人民幣3,385,000元至人民幣1,080,259,000元(於二零零八年十二月三十一日：人民幣1,076,874,000元)。

於二零零九年六月三十日，本集團違反一項有關金額為人民幣357,400,000元之銀行貸款之財務契諾。於二零零九年六月三十日後，本集團已就該違反事件獲相關銀行授予一次性豁免。

於二零零九年六月三十日，本集團之財務比率如下：

	30 June 2009 二零零九年 六月三十日	31 December 2008 二零零八年 十二月三十一日
Current ratio	1.02	1.13
Debt to equity ratio <sup>1</sup>	0.84	0.88
Net debt to equity ratio <sup>2</sup>	0.44	0.60

- 1 總借貸除總權益
- 2 總借貸減現金及現金等值物及已抵押銀行存款除總權益

### FOREIGN EXCHANGE RISK

The Group mainly operated in mainland China and Vietnam. Most of the Group's transactions, assets and liabilities are dominated in RMB and USD. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities, and net investments in foreign operations. The Group manages its foreign exchange risks by performing regular reviews and monitoring its foreign exchange exposures. The Group's exposure to foreign exchange risk is mainly attributable to its bank borrowings denominated in USD. In order to mitigate interest rate risk and foreign exchange risk in respect of the repayment of the US\$21 million syndicated loan, the Group has entered into an interest rate swap with ABN AMRO. Except for the above, the Group did not engage in any other hedging activities during the period under review.

### CAPITAL EXPENDITURE

For the six months ended 30 June 2009, the capital expenditure of the Group amounted to approximately RMB32.7 million (For the year ended 31 December 2008: RMB416.0 million). It represents additions to plants and equipment for our production plants in Vietnam and China.

### PLEDGE OF ASSETS

As at 30 June 2009, the Group's bank deposits, inventories, land use rights and buildings, machinery and equipment with an aggregated net book value of approximately RMB743.4 million were pledged to secure working capital for the Group.

### 外匯風險

本集團主要在中國內地及越南營運。本集團大部份交易、資產及負債以人民幣及美元計值。外匯風險為來自於未來海外營運中的商業貿易、已確認資產及負債及投資淨額。本集團進行定期檢討及監察其外匯風險程度以管理其外匯風險。本集團所面對的外匯風險主要來自其以美元計值的銀行借貸。為減低有關償還21,000,000美元銀團貸款之利率風險及外匯風險，本集團與荷蘭銀行訂立了利率掉期合約。除此，本集團於回顧期內並無涉及任何其他對沖活動。

### 資本開支

截至二零零九年六月三十日止六個月，本集團之資本開支約為人民幣32,700,000元（截至二零零八年十二月三十一日止年度：人民幣416,000,000元），包括就越南及中國廠房添置廠房及設備。

### 資產抵押

於二零零九年六月三十日，本集團共有總賬面淨值約為人民幣743,346,000元之銀行存款、存貨、土地使用權以及樓宇、機器及設備已作抵押，作本集團的營運資金管理。

## HUMAN RESOURCES

As at 30 June 2009, the Group had a total workforce of 13,907, representing an increase of 5.3% compared with that at the end of last year (As at 31 December 2008: 13,207), of whom 10,968 were based in the regional headquarters in Shanghai and our manufacturing plants in mainland China. The remaining 2,939 were located in regions outside mainland China including Vietnam, Hong Kong and Macau. The Group will continuously optimize the workforce structure and offer its staff competitive remuneration schemes. The Group is committed to nurturing a learning and sharing culture in the organisation. Heavy emphasis is placed on the training and development of individual staff and team building, as the Group's success depends on the contributions of our skilled and motivated staff in all our functional divisions.

## DIVIDEND POLICY

The Board intends to maintain a long term dividend payout ratio providing shareholders with an equitable return. The Board has resolved to declare an interim dividend of 3.5 HK cents per share in respect of the six months ended 30 June 2009 to shareholders whose names appeared on the register of members on 24 September 2009.

## PURCHASE, SALE AND REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

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

## 人力資源

於二零零九年六月三十日，本集團員工合共13,907名，比去年底增加了5.3%（於二零零八年十二月三十一日：13,207名），其中10,968名駐於上海地區總部及本集團在中國大陸的廠房。其餘2,939名駐於中國大陸以外地區（包括越南、香港及澳門）。本集團仍會不斷優化人力架構，同時向其員工提供具競爭力的酬金計劃。本集團之成功有賴由技巧純熟且士氣高昂的員工組成各職能部門，故此本集團致力於集團內孕育學習與分享的文化，重視員工之個人培訓及發展，以及建立團隊。

## 股息政策

董事會擬維持長遠派息率，務求為股東帶來合理的回報。董事會議決就截至二零零九年六月三十日止六個月向於二零零九年九月二十四日名列股東名冊之股東宣派每股3.5港仙之中期股息。

## 購買、出售及贖回本公司之上市證券

於報告期內，本公司或其任何附屬公司並無購買、出售及贖回本公司任何上市證券。

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

At 30 June 2009, the interests and short positions of each Director and chief executive of the Company in the Shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong (the "SFO")), as recorded in the register maintained by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, were as follows:

董事及行政總裁持有之本公司或任何相聯法團之股份、相關股份及債權證之權益及淡倉

於二零零九年六月三十日，本公司各董事及行政總裁於本公司及其相聯法團（定義見香港法例第571章證券及期貨條例第十五部（「證券及期貨條例」））股份、相關股份及債權證中擁有根據證券及期貨條例第352條，記錄於本公司須予存置之登記冊內之權益及淡倉，或其他根據上市規則所載上市公司董事進行證券交易標準守則規定須通知本公司及聯交所之權益及淡倉如下：

Name of directors of the Company 本公司董事姓名	Name of Group member/ associated corporation 本集團成員公司／ 聯營法團名稱	Nature of interests 權益性質	Number of shares held 持有股份數目	
			Number of ordinary shares (Note 1) 普通股份數目 (附註1)	Percentage 百分比
Mr. Hong Tianzhu 洪天祝先生	the Company 本公司	Interest of controlled corporation(s) 所控制法人的權益	558,959,173 (L) (Note 2) (附註2)	63.18%
	the Company 本公司	Beneficiary owner 實益擁有人	4,400,000(L)	0.50%
Mr. Zhu Yongxiang 朱永祥先生	the Company 本公司	Interest of controlled corporation(s) 所控制法人的權益	251,716,000 (L) (Note 3) (附註3)	28.45%

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

Notes:

1. The letter "L" denotes the person's long position in the Shares.
2. Among these 558,959,173 Shares, as to 395,459,173 Shares are registered in the name of and beneficially owned by New Green Group Limited, the entire issued share capital of which is beneficially owned by Hong Kong Tin Hong Industrial Limited, a company 100% owned by Mr. Hong Tianzhu and as to 163,500,000 Shares are registered in the name of and beneficially owned by Trade Partner Investments Limited, the entire issued share capital of which is beneficially owned as to 51.36% by Mr. Hong Tianzhu. Under the SFO, Mr. Hong Tianzhu is deemed to be interested in all the Shares held by New Green Group Limited and Trade Partner Investments Limited.
3. Among these 251,716,000 Shares, as to 88,216,000 Shares are registered in the name of and beneficially owned by Wisdom Grace Investments Limited, the entire issued share capital of which is beneficially owned by Mr. Zhu Yongxiang and as to 163,500,000 Shares are registered in the name of and beneficially owned by Trade Partner Investments Limited, the entire issued share capital of which is beneficially owned as to 41.36% by Mr. Zhu Yongxiang. Under the SFO, Mr. Zhu Yongxiang is deemed to be interested in all the Shares held by Wisdom Grace Investments Limited and Trade Partner Investments Limited.

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

附註：

1. 「L」代表該人士於股份之好倉。
2. 該558,959,173股股份中395,459,173股以New Green Group Limited(其全部已發行股本由香港天虹實業有限公司實益擁有，洪天祝先生擁有該公司100%權益)名義及作為實益擁有人登記；163,500,000股以Trade Partner Investments Limited(洪天祝先生實益擁有全部已發行股本的51.36%權益)名義及作為實益擁有人登記。根據證券及期貨條例，洪天祝先生被視為於New Green Group Limited及Trade Partner Investments Limited持有之所有股份佔有權益。
3. 該251,716,000股股份中88,216,000股以Wisdom Grace Investments Limited(其全部已發行股本由朱永祥先生實益擁有)名義及作為實益擁有人登記；163,500,000股以Trade Partner Investments Limited(朱永祥先生實益擁有全部已發行股本的41.36%權益)名義及作為實益擁有人登記。根據證券及期貨條例，朱永祥先生被視為於Wisdom Grace Investments Limited及Trade Partner Investments Limited持有之所有股份佔有權益。

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

So far as the Directors are aware, as at 30 June 2009, the interests or short position of the persons other than a Director or chief executive of the Company in the Shares or underlying shares or debenture of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

主要股東持有之本公司股份、相關股份及債權證之權益及淡倉

就董事所知悉，於二零零九年六月三十日，根據證券及期貨條例第336節本公司須予存置之登記冊內所示，於本公司股份或相關股份或債權證中擁有權益或淡倉的人士（惟本公司之一名董事或主要行政人員除外）如下：

Ordinary Shares of the Company:

本公司之普通股：

Name of substantial shareholder 本公司主要股東	Nature of interests 權益性質	Number of shares held 持有股份數目	
		Number of ordinary shares (Note 1) 普通股股份數目 (附註1)	Percentage 百分比
New Green Group Limited	Beneficial owner 實益擁有人	395,459,173 (L) (Note 2) (附註2)	44.70%
Trade Partner Investments Limited	Beneficial owner 實益擁有人	163,500,000 (L) (Note 3) (附註3)	18.48%
Wisdom Grace Investments Limited	Beneficial owner 實益擁有人	88,216,000 (L) (Note 4) (附註4)	9.97%
Hong Kong Tin Hong Industrial Limited 香港天虹實業有限公司	Interest of controlled corporation(s) 所控制法人的權益	395,459,173 (L) (Note 2) (附註2)	44.70%
Ms. Ke Luping 柯綠萍女士	Interest of spouse 配偶權益	563,359,173 (L) (Note 5) (附註5)	63.68%
Ms. Zhao Zhiyang 趙志揚女士	Interest of spouse 配偶權益	251,716,000 (L) (Note 6) (附註6)	28.45%
Mr. Cheah Cheng Hye 謝清海先生	Founder of a discretionary trust 全權信託基金創辦人	44,368,000 (L) (Note 7) (附註7)	5.01%
Value Partners Limited 惠理基金管理公司	Investment manager 投資經理	44,368,000 (L) (Note 7) (附註7)	5.01%



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

Notes:

1. The letter "L" denotes the person's long position in the Shares.
2. These 395,459,173 Shares are registered in the name of and beneficially owned by New Green Group Limited, the entire issued share capital of which is beneficially owned by Hong Kong Tin Hong Industrial Limited, a company 100% beneficially owned by Mr. Hong Tianzhu. Under the SFO, each of Hong Kong Tin Hong Industrial Limited and Mr. Hong Tianzhu is deemed to be interested in all the Shares held by New Green Group Limited.
3. These 163,500,000 Shares are registered in the name of and beneficially owned by Trade Partner Investments Limited, the entire issued share capital of which is beneficially owned as to 51.36% by Mr. Hong Tianzhu, 41.36% by Mr. Zhu Yongxiang, 2.24%, 1.68%, 1.68% and 1.68%, by Mr. Sha Tao, Mr. Tang Daoping, Mr. Gong Zhao and Mr. Hu Zhiping. Under the SFO, each of Mr. Hong Tianzhu and Mr. Zhu Yongxiang is deemed to be interested in all the Shares held by Trade Partner Investments Limited.
4. These 88,216,000 Shares are registered in the name of and beneficially owned by Wisdom Grace Investments Limited, the entire issued share capital of which is beneficially owned by Mr. Zhu Yongxiang. Under the SFO, Mr. Zhu Yongxiang is deemed to be interested in all the Shares held by Wisdom Grace Investments Limited.
5. Ms. Ke Luping is the spouse of Mr. Hong Tianzhu. Under the SFO, Ms. Ke Luping is taken to be interested in the same number of Shares in which Mr. Hong Tianzhu are interested.
6. Ms. Zhao Zhiyang is the spouse of Mr. Zhu Yongxiang. Under the SFO, Ms. Zhao Zhiyang is taken to be interested in the same number of Shares in which Mr. Zhu Yongxiang are interested.

**主要股東持有之本公司股份、相關股份及債權證之權益及淡倉(續)**

附註：

1. 「L」代表該人士於股份之好倉。
2. 該 395,459,173 股股份以 New Green Group Limited(其全部已發行股本由香港天虹實業有限公司實益擁有，洪天祝先生實益擁有後者100%權益)名義及作為實益擁有人登記。根據證券及期貨條例，香港天虹實業有限公司及洪天祝先生均被視為於New Green Group Limited持有之所有股份佔有權益。
3. 該 163,500,000 股股份以 Trade Partner Investments Limited(其全部已發行股本由洪天祝先生、朱永祥先生、沙陶先生、湯道平先生、龔照先生及胡志平先生分別實益擁有 51.36%、41.36%、2.24%、1.68%、1.68%及1.68%)名義及作為實益擁有人登記。根據證券及期貨條例，洪天祝先生及朱永祥先生分別被視為於Trade Partner Investments Limited持有之所有股份佔有權益。
4. 該88,216,000股股份以Wisdom Grace Investments Limited(其全部已發行股本由朱永祥先生實益擁有)名義及作為實益擁有人登記。根據證券及期貨條例，朱永祥先生被視為於Wisdom Grace Investments Limited持有之所有股份佔有權益。
5. 柯綠萍女士為洪天祝先生之配偶。根據證券及期貨條例，柯綠萍女士被視為於洪天祝先生佔有權益同樣數目之股份佔有權益。
6. 趙志揚女士為朱永祥先生之配偶。根據證券及期貨條例，趙志揚女士被視為於朱永祥先生佔有權益同樣數目之股份佔有權益。

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

7. These Shares refer to the same parcel of Shares. Based on the disclosure of interest forms filed by Value Partners Limited, Value Partners Group Limited, Cheah Capital Management Limited, Cheah Company Limited, Hang Seng Bank Trustee International Limited, Mr. Cheah Cheng Hye and To Hau Yin on 5 May 2009, these 44,368,000 Shares are registered in the name of Value Partners Limited. Under the SFO, Mr. Cheah Cheng Hye is deemed to be interested in all these Shares as founder of a discretionary trust; Value Partners Group Limited, Cheah Capital Management Limited and Cheah Company Limited are deemed to be interested in these Shares as interest of controlled corporation; Hang Seng Bank Trustee International Limited is deemed to be interested in these Shares as trustee and To Hau Yin is deemed to be interested in these Shares as spouse.

## CORPORATE GOVERNANCE

The Group was committed to maintaining high level of corporate governance and has steered its development and protected the interests of its shareholders in an enlightened and open manner.

The Board comprises four executive Directors and three independent non-executive Directors. The Board has adopted the code provisions of the Code of Corporate Governance Practices ("Code Provisions") set out in Appendix 14 to the Rules Governing the Listing of Securities ("Listing Rules") on the Stock Exchange. During the reporting period, the Company had complied with the Code Provisions except for the following deviations:

## 主要股東持有之本公司股份、相關股份及債權證之權益及淡倉(續)

7. 該等股份指同一批股份。根據由惠理基金管理公司、惠理集團有限公司、Cheah Capital Management Limited、Cheah Company Limited、Hang Seng Bank Trustee International Limited、謝清海先生及杜巧賢於二零零九年五月五日存檔的權益披露表格，該44,368,000股股份乃以惠理基金管理公司的名義登記。根據證券及期貨條例，謝清海先生作為全權信託基金的創辦人，被視為於該等股份中擁有權益；惠理集團有限公司、Cheah Capital Management Limited及Cheah Company Limited作為擁有所控制法人的權益，被視為於該等股份中擁有權益；Hang Seng Bank Trustee International Limited作為信託人，被視為於該等股份中擁有權益；以及杜巧賢作為配偶，被視為於該等股份中擁有權益。

## 企業管治

本集團一直致力維持高水平企業管治，以開明和開放的理念維護本集團的發展及保障股東們的權益。

董事會由四名執行董事及三名獨立非執行董事組成。董事會已採納載於聯交所證券上市規則(「《上市規則》」)附錄14之企業管治常規守則內的守則條文(「《守則條文》」)。除以下偏離情況外，本公司於報告期內已遵守《守則條文》：

## CORPORATE GOVERNANCE (Continued)

### Code A.2.1

Code A.2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Hong Tianzhu is the chairman and chief executive officer of the Company. The Board considers that this structure will not impair the balance of power and authority is ensured by the operations of the Board, which comprises experienced and high caliber individuals and meets regularly every three months to discuss issues affecting operations of the Company. The Board believes that this structure is conducive to strong and consistent leadership, enabling the Group to make and implement decisions promptly and efficiently. The Board has full confidence in Mr. Hong Tianzhu and believes that his appointment to the posts of chairman and chief executive officer is beneficial to the business prospects of the Company.

### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding the Directors' securities transactions on terms not less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules ("Model Code"). After specific enquiry made by the Company, all of the Directors confirmed that they had complied with the required standard set out in the Model Code and the code of conduct regarding the Directors' securities transactions during the reporting period.

## 企業管治(續)

### 守則A.2.1

守則A.2.1規定主席與行政總裁的角色應有區分，並不應由一人同時兼任。洪天祝先生為本公司的主席兼行政總裁。董事會認為此架構不會影響董事會與本公司管理層兩者之間權力和職權的平衡。董事會由極具經驗和才幹的成員組成，並定期每三個月開會，以商討影響本公司運作的事項。透過董事會的運作，足以確保權力和職權得到平衡。董事會相信此架構有助於建立穩健而一致的領導權，使本集團能夠迅速及有效地作出及實施各項決定。董事會對洪天祝先生充滿信心，相信委任彼出任主席兼行政總裁之職，有利於本公司的業務發展。

### 董事進行證券交易的標準守則

本公司已就董事證券交易採納一套行為守則，其條款之嚴格程度不遜於《上市規則》附錄10所載上市公司董事進行證券交易的標準守則（「《標準守則》」）。經本公司特別查詢後，全體董事確認彼等在報告期內一直遵守《標準守則》所載規定準則及有關董事證券交易的行為守則。

## AUDIT COMMITTEE

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

The audit committee has discussed with management and reviewed the unaudited consolidated accounts for the six months ended 30 June 2009.

## REMUNERATION COMMITTEE

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

By order of the Board  
**Texhong Textile Group Limited**  
**Hong Tianzhu**  
*Chairman*

Hong Kong

28 August 2009

## 審核委員會

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

審核委員會已与管理層商討並已審閱截至二零零九年六月三十日止六個月之未經審核綜合賬目。

## 薪酬委員會

董事薪酬委員會由三名獨立非執行董事丁良輝先生、朱蘭芬女士、程隆棣先生及主席兼執行董事洪天祝先生組成。丁良輝先生為薪酬委員會主席。薪酬委員會之職權及職責範圍與《守則條文》一致。薪酬委員會主要負責擬訂本集團有關董事及高級管理層所有酬金政策及結構，並向董事會提供意見及推薦建議。

承董事會命  
**天虹紡織集團有限公司**  
*主席*  
洪天祝

香港

二零零九年八月二十八日

