



GOLDEN SHIELD
Holdings . Industrial . Limited

金盾控股(實業)有限公司
Golden Shield Holdings (Industrial) Limited

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立的有限公司)

Stock Code 股份代號 : 2123

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Corporate Information 公司資料

Board of Directors

Executive Directors:

Mr. Chen Binghui
Mr. Chen Zhifeng
Mr. Wu Shoumin

Non-executive Directors:

Mr. Qiu Jianfa (*Chairman*)
Mr. Lin Shuqing

Independent non-executive Directors:

Mr. Yang Guohao
Mr. Kwong Kwan Tong
Ms. Xue Fang

Audit Committee

Mr. Kwong Kwan Tong (*Chairman*)
Mr. Yang Guohao
Ms. Xue Fang

Remuneration Committee

Mr. Yang Guohao (*Chairman*)
Mr. Kwong Kwan Tong
Ms. Xue Fang

Joint Company Secretaries

Mr. Chan Cho Chak, *CPA (Practising), FCCA*
Ms. Cheung Wing Yin Winnie, *ACCA*

Authorised Representatives

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Ms. Cheung Wing Yin Winnie

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董事會

執行董事：

陳秉輝先生
陳志峰先生
吳守民先生

非執行董事：

邱建法先生 (*主席*)
林樹青先生

獨立非執行董事：

楊國豪先生
鄭焜堂先生
薛芳女士

審核委員會

鄭焜堂先生 (*主席*)
楊國豪先生
薛芳女士

薪酬委員會

楊國豪先生 (*主席*)
鄭焜堂先生
薛芳女士

聯席公司秘書

陳祖澤先生，*CPA (Practising) · FCCA*
張穎賢女士，*ACCA*

法定代表

陳秉輝先生
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Legal Advisers to the Company

As to Hong Kong Law
So Keung Yip & Sin

As to Bermuda Law
Conyers Dill & Pearman

As to PRC Law
Dacheng Law Offices

Auditors

Martin C.K. Pong & Company

Compliance Adviser

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Standard Chartered Bank (Hong Kong) Limited

Stock Code

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Company Website

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中國總辦事處

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本公司法律顧問

有關香港法例
蘇姜葉浣律師行

有關百慕達法例
Conyers Dill & Pearman

有關中國法例
大成律師事務所

核數師

龐志鈞會計師行

合規顧問

國泰君安融資有限公司

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渣打銀行(香港)有限公司

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Corporate Profile

公司簡介

Based in Shaanxi Province of the PRC, Golden Shield Holdings (Industrial) Limited (the “Company”) and its subsidiaries (the “Group”) is principally engaged in the production and sale of cotton yarn and grey fabric in the PRC. With production facilities located at Jing Yang County (涇陽縣) and Dali County (大荔縣) in Shaanxi Province, the Group presently has installed approximately 156,300 spindles for cotton yarn production and approximately 1,039 units of shuttle loom for grey fabrics production.

Currently the Group offers 11 types of cotton yarns and 19 types of grey fabrics to its customers. The Group’s products have difference applications in textile and garment products such as beddings and clothings. The existing customer group includes fabric weaving mills, dyeing factories, textile and garment manufacturers and the customer base of the Group has spread across 12 provinces and municipalities in the southern and eastern regions of the PRC including major garment and textile production bases such as Jiangsu, Zhejiang, Fujian, Guangdong and Shaanxi provinces.

In order to capture the market demand and enjoy the benefit derived from economies of scale, with the management’s extensive experience in the textile industry, the Group has acquired production facilities and factory premises of insolvent state-owned enterprises from local governments in the PRC in open tenders, which are enhanced to meet the Group’s production needs. Since the commencement of acquiring insolvent factories in 2001, the Group has successfully acquired and enhanced production facilities of three bankrupt state-owned cotton textile factories. The Directors consider that this expansion approach allows the acquired production facilities to start operation within a shorter time frame when compared to establishing a new production plant.

To maintain the competitiveness of the Group, the Directors have put significant emphasis on product introduction and production technology development. A new production plant of the Group at Yongle Town, Jing Yang County, Shaanxi Province, the PRC (the “Yongle Production Plant”), commenced trial run in January 2010, and was in commercial-scale operation in March 2010. Yongle Production Plant is equipped with automated facilities and is capable of producing a variety of combed cotton yarn products to cater for different needs of the customers. For the year ended 31 December 2010, Yongle Production Plant generated revenue by sale of combed cotton yarn products of approximately RMB70.84 million, representing approximately 10.0% of the Group’s revenue for the year.

With quality lint cotton supply from Xinjiang, the Group is able to deliver its products in good quality and at competitive pricing and develop itself as one of the key cotton textile product suppliers in the north-west region of the PRC.

金盾控股(實業)有限公司(「本公司」)及其附屬公司(「本集團」)以中國陝西省為基地，主要在中國從事生產及銷售棉紗和坯布。本集團的生產設施位於陝西省涇陽縣和大荔縣，現裝設約156,300個用作生產棉紗的紡錠及擁有約1,039台用作生產坯布的織布機。

現時本集團向其客戶提供11種棉紗及19種坯布。本集團的產品於紡織及成衣產品中有不同用途，例如寢具和衣服。現有客戶群包括織布廠、印染廠、紡織及成衣製造商等，本集團的客戶基礎遍及中國南部和東部地區十二個省市，包括主要的成衣和紡織生產基地，例如江蘇、浙江、福建、廣東及陝西省。

為把握市場需求及從規模經濟中獲益，本集團憑著管理層在紡織行業的廣泛經驗，透過公開招標拍賣向中國地方政府收購破產的國有企業的生產設施和工廠物業，而該等生產設施及工廠物業經過改良後將能配合本集團的生產需要。自二零零一年展開收購資不抵債的廠房以來，本集團成功收購和改良三家破產國有棉紡廠的生產設施。董事認為，與成立新生產廠房比較，此擴張方法可讓被收購生產設施於短時間內開始營運。

為維持本集團的競爭力，董事十分注重產品推出和生產技術發展。本集團位於中國陝西省涇陽縣永樂鎮的新生產點(「永樂生產點」)於二零一零年一月展開試產，並於二零一零年三月開始商業規模營運。永樂生產點配備自動化的設施，有能力生產各種精梳棉紗產品，迎合客戶的不同需要。截至二零一零年十二月三十一日止年度，永樂生產點透過銷售精梳棉紗產品賺取收益約人民幣70,840,000元，佔本集團年內收益約10.0%。

由於在新疆取得優質的皮棉供應，本集團有能力以按具競爭力的價格交付良好品質的產品，並發展成為中國西北地區的主要棉紡織產品供應商之一。

Financial Highlights 財務摘要

- The Group was successfully listed on the main board of the Stock Exchange on 14 July 2011.
- Revenue was approximately RMB425.4 million, representing an increase of approximately 26.3% over the same period of last year.
- Gross profit was approximately RMB82.6 million, representing an increase of approximately 9.0% over the same period of last year.
- Net profit attributable to equity holders of the Company was approximately RMB48.8 million, representing an increase of approximately 2.9% over the same period of last year.
- Net profit margin decreased 2.6 percentage points from approximately 14.1% for the six months ended 30 June 2010 to approximately 11.5% for the six months ended 30 June 2011.
- Basic earnings per Share was approximately RMB6.5 cents representing an increase of approximately 2.9% over the same period of last year.
- The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2011.
- 本集團於二零一一年七月十四日成功於聯交所主板上市。
- 收益約為人民幣425,400,000元，較去年同時上升約26.3%。
- 毛利約為人民幣82,600,000元，較去年同期上升約9.0%。
- 本公司權益持有人應佔純利約為人民幣48,800,000元，較去年同期上升約2.9%。
- 純利率由截至二零一零年六月三十日止六個月的約14.1%下降2.6個百分點至截至二零一一年六月三十日止六個月的約11.5%。
- 每股基本盈利約為人民幣6.5分，較去年同期增加約2.9%。
- 董事會不建議就截至二零一一年六月三十日止六個月派發任何中期股息。

Management Discussion and Analysis

管理層討論與分析

The board of directors (the “Board”) of the Company is pleased to announce the unaudited interim results of the Group for the six months ended 30 June 2011 (the “Period Under Review”) together with comparative figures for the corresponding period in 2010. This is the Group’s first results report issued publicly after the Listing on 14 July 2011.

Industry Overview

Compared with the corresponding period in 2010, there was improvement in the PRC economy in terms of domestic demand for the Period Under Review. According to the National Bureau of Statistics, for the first half of 2011, an actual rise of 9.8% was recorded for urban residents’ per capita disposable income, while total retail sales grew to RMB8,583 billion, thus benefitting many industries including the textile industry.

Textile industry is recognized as one of the “pillar industries” in the PRC. For the Period Under Review, total industrial output generated by enterprises above scale in the textile industry amounted to RMB2,394 billion, representing approximately 11.7% of the GDP in the PRC for the same period. Cotton textile industry remains one of the key sectors within the textile industry in the PRC.

During the Period Under Review, the domestic cotton price exhibited an upward trend from January 2011 to March 2011. Since then, the monthly average cotton prices (CC Index 328) exhibited a downward trend and decreased to approximately RMB19,500 per ton in August 2011. During the Period Under Review, there were increases in prices for cotton, being the main raw material for the Group, and other necessary costs such as energy and labour compared with the corresponding period in 2010. To manage such changes, the Group had a set of raw material procurement strategies in order to optimize the procurement cost.

本公司董事會(「董事會」)欣然宣佈本集團於截至二零一一年六月三十日止六個月(「回顧期間」)之未經審核中期業績連同二零一零年同期之比較數字。此乃本集團自二零一一年七月十四日上市以來，首份公開刊發之業績報告。

市場回顧

與二零一零年同期相比，於回顧期間，體現在內需方面的中國經濟環境良好。根據國家統計局資料，於二零一一年上半年，城鎮居民之人均可支配收入實際增長9.8%，而消費零售總額增長至人民幣85,830億元，令包括紡織等多個行業均相繼受惠。

紡織行業為中國的「支柱產業」之一，於回顧期間紡織行業具規模的企業所產生的總工業產量達人民幣23,940億元，佔同期中國的國內生產總值約11.7%。棉紡織品行業仍為中國紡織行業內的重要分部之一。

於回顧期間，國內棉花價格由二零一一年一月到二零一一年三月呈現上升走勢。自此，每月平均棉價(CC指數328級)呈現下跌走勢及於二零一一年八月下跌至約每噸人民幣19,500元。於回顧期間，本集團的主要原材料棉花的價格較二零一零年同期上升，能源及勞動力的其他必要成本都有所上升。為管理該等轉變，本集團備有原材料採購策略，務求優化採購成本。

Business Review

The Group is one of the key cotton textile suppliers in north-western China offering 11 types of cotton yarns and 19 types of grey fabrics to customers spread across 12 provinces and municipalities in the southern and eastern regions of China. By business segments, the cotton yarn business and grey fabrics business accounted for approximately 87.7% and approximately 12.3% of the Group's total turnover respectively. As at 30 June 2011, the total designed annual production capacity of the Group's cotton yarns and grey fabrics were 23,000 tonnes and 57,000 kilometers respectively.

Cotton yarn business

The Group continued to shift its focus to its cotton yarn business, which remained the major revenue contributor during the Period Under Review. For the Period Under Review, turnover of the cotton yarn business increased by approximately 96.6% to approximately RMB373.3 million (six months ended 30 June 2010: approximately RMB189.9 million), accounting for approximately 87.7% (six months ended 30 June 2010: 56.4%) of the Group's total turnover. Gross profit margin of cotton yarn business declined from approximately 21.1% in the six months ended 30 June 2010 to approximately 18.9% in the Period Under Review due to the increase in average purchase price of lint cotton.

Combed cotton yarns

To enhance product mix and improve profit margin, the Group has been focusing on expanding its business in recent years, especially for the combed cotton yarn business, which offered a higher profit margin than carded cotton yarn business. During the Period Under Review, turnover of combed cotton yarns was approximately RMB68.1 million, representing an increase of approximately 198.3% from approximately RMB22.8 million for the six months ended 30 June 2010 and accounted approximately 16.0% of the Group's total sales (six months ended 30 June 2010: approximately 6.8%). Moreover, gross profit of combed cotton yarns increased by approximately 150.1% from approximately RMB6.1 million in the same period in 2010 to approximately RMB15.3 million in the Period Under Review. Gross profit margin of combed cotton yarns in the Period Under Review decreased by 4.3 percentage points when compared with the same period in 2010 to approximately 22.4%.

Currently, the Group offers four combed cotton yarn products to its customers, including, 32 counts, 40 counts, 50 counts and 60 counts. As combed cotton yarn products boast higher profits, the Group will gradually increase the proportion of this business segment in the future to enhance overall profitability.

業務回顧

本集團為中國西北地方其中一名主要的棉紡織品供應商，供應11種棉紗及19種坯布，行銷中國南部和東部地區十二個省市。按業務類別分析，棉紗業務及坯布業務分別佔本集團總營業額的約87.7%及約12.3%。截至二零一一年六月三十日，本集團棉紗及坯布的設計年度總產能分別達23,000噸及57,000千米。

棉紗業務

本集團繼續將業務重點轉移至棉紗業務，使該業務於回顧期間繼續成為主要收入來源。於回顧期間，棉紗業務營業額增加約96.6%至約人民幣373,300,000元(截至二零一零年六月三十日止六個月：約人民幣189,900,000元)，佔本集團整體營業額的約87.7%(截至二零一零年六月三十日止六個月：56.4%)。由於皮棉的平均採購價上升，於回顧期間，棉紗業務的毛利率由截至二零一零年六月三十日止六個月的約21.1%下跌至約18.9%。

精梳棉紗

為增加產品品種及改善利潤率，本集團近年成功專注擴大業務發展，尤其是利潤率較普通梳棉紗業務高的精梳棉紗業務。於回顧期間，精梳棉紗業務的營業額約為人民幣68,100,000元，較截至二零一零年六月三十日止六個月之約人民幣22,800,000元上升約198.3%，佔本集團總銷售額的約16.0%(截至二零一零年六月三十日止六個月：約6.8%)，另外，精梳棉紗的毛利由二零一零年同期約人民幣6,100,000元增長約150.1%至回顧期間的約人民幣15,300,000元。精梳棉紗的毛利率與二零一零年同期相比下跌4.3個百分點至回顧期間的約22.4%。

現時，本集團向其客戶供應4種精梳棉紗產品，包括32支、40支、50支及60支。由於精梳棉紗產品的利潤較高，本集團未來將會逐步提升此業務分部的佔比，務求提高整體利潤。

Management Discussion and Analysis (continued)

管理層討論與分析(續)

Carded cotton yarns

Currently, the Group provides seven carded cotton yarns ranging from 19 counts to 60 counts. During the Period Under Review, turnover from carded cotton yarns increased by approximately 82.7% over the corresponding period in 2010 to approximately RMB305.2 million, accounting for approximately 71.7% of the Group's total sales (six months ended 30 June 2010: approximately 49.6%). Gross profit of carded cotton yarns in the Period Under Review also increased by approximately 63.4% to approximately RMB55.3 million from approximately RMB33.9 million in the same period in 2010.

Grey Fabric Business

To cater for the market trend, the Group reduced the sale of grey fabrics during the Period Under Review to direct its resources toward developing the greater potential combed cotton yarn business. For the Period Under Review, turnover of the grey fabric business amounted approximately RMB52.1 million (six months ended 30 June 2010: approximately RMB146.9 million), which accounted for approximately 12.3% of the Group's total turnover (six months ended 30 June 2010: approximately 43.6%). Gross profit of grey fabrics fell from approximately RMB35.8 million for the six months ended 30 June 2010 to approximately RMB12.0 million, representing a decrease of approximately 66.4%, while gross profit margin dropped from approximately 24.4% in the same period of 2010 to approximately 23.0%. The Group currently provides 19 grey fabric models and will adjust the proportion of its businesses according to the changes of the market demands.

Prospects

The Group was listed on the main board of the Stock Exchange on 14 July 2011, which marked a milestone in its history. The Listing not only provided a solid financing platform for the Group, but also enhanced its business scale and corporate governance, and will facilitate its long-term steady development.

China has a continuous robust demand for high quality cotton yarn products, which will support the growth of the cotton textile market. To meet customers' needs, the Group will build new cotton spinning production lines with supplementary facilities at the second phase of the Yongle Production Plant. After 32,700 spindles are added, the production capacity of cotton yarns will be doubled. Construction will commence in the third quarter of 2011, and is scheduled to be completed within 12 to 14 months.

普梳棉紗

現時本集團供應7種普梳棉紗產品，介乎19至60支。於回顧期間，普梳棉紗的營業額較二零一零年同期上升約82.7%至約人民幣305,200,000元，佔本集團總銷售額約71.7%（截至二零一零年六月三十日止六個月：約49.6%）。普梳棉紗的毛利由二零一零年同期的約人民幣33,900,000元上升約63.4%至回顧期間的約人民幣55,300,000元。

坯布業務

為迎合市場趨勢，本集團於回顧期間減少坯布的銷售，以集中資源發展市場潛力更優厚的精梳棉紗業務。於回顧期間，坯布業務之營業額約為人民幣52,100,000元（截至二零一零年六月三十日止六個月：約人民幣146,900,000元），佔本集團整體營業額的約12.3%（截至二零一零年六月三十日止六個月：約43.6%）。坯布的毛利從截至二零一零年六月三十日止六個月約人民幣35,800,000元下降至約人民幣12,000,000元，跌幅約為66.4%；而坯布的毛利率由二零一零年同期的約24.4%下跌至約23.0%。現時本集團向客戶提供19種坯布產品，未來本集團將根據市場的需求的變化來調整此業務的比重。

展望

本集團於二零一一年七月十四日於聯交所主板成功上市，標誌著本集團的發展邁向另一新里程。今次上市除為本集團提供了穩固的融資平台，壯大了的業務規模外，同時亦提升了本集團的管治水平，大大促進了本集團的長遠穩健的發展。

中國對優質棉紗產品的需求持續殷切，這將支持棉紡織品市場之增長。為滿足客戶的需求，本集團將於永樂生產點的第二期工程中興建新棉紡紗生產線及配套設施。增加32,700個紡錠後，棉紗產能將增加一倍。工程將於二零一一年第三季展開，並預計於十二至十四個月內完成。

At the same time, the Group will also upgrade its existing production facilities to improve efficiency and product quality. It plans to upgrade the carded cotton yarn production facilities at the Guang Hua Plant (as defined in the Prospectus) for production of combed cotton yarn products. Construction will begin in the third quarter of 2012, and will be completed in three months' time.

To expand the product range and diversification, the Group plans to focus on developing higher count combed pure cotton yarn products with count number ranging from 80 to 120, which will expand products combination and enhance profitability. As cotton yarn is a raw material used in the production of grey fabrics, the introduction of higher count combed pure cotton yarn products can also provide new material choices for developing new grey fabric products, thus enlarging the grey fabrics' series. Also, the Group plans to set up a testing laboratory at the Yongle Production Plant to facilitate future development and improve quality control over commercial production.

As for the supply of raw materials, the Group has been purchasing lint cotton from large cotton processing factories in China. As these factories have direct connection with cotton farmers and plantations, and the storage of central lint cotton warehouses, the Group will direct more financial resources toward maintaining a reasonable inventory of lint cotton, thus have more effective control over cost and products quality. Capitalising on its expertise and years of experience, the Group will strategically control the inventory level of cotton and will purchase more lint cotton when the cost is low and transfer part of the increased cost onto consumers reasonably, thus retaining its competitiveness.

Through the aforementioned measures, the Group is set to retain its position as one of the leading cotton yarn suppliers in north-western China. It will also continue to enhance its market presence in order to maximise returns to shareholders.

同時，本集團亦會升級現有生產設施，提高生產效率及產品質量。本集團計劃將光華生產點(定義見招股章程)的普梳棉紗生產設施升級作精梳棉紗生產。該工程將在二零一二年第三季度展開，並將於三個月內完成。

在拓闊產品供應及多元化方面，本集團計劃集中發展支數介乎80支至120支等更高支紗的精梳純棉紗產品，以增加產品組合和提升盈利能力。由於棉紗為生產坯布的原料，引進更多支紗的精梳純棉紗產品，也同時為開發新坯布產品提供新的材料選擇，從而擴大坯布產品系列。同時，本集團計劃在永樂生產點設立測試實驗室以方便未來發展和改善對商業生產的質素控制。

至於原材料供應方面，本集團一直從中國具規模的棉花加工廠購買皮棉。由於該等加工廠具備連接棉花種植農戶及種植園的直接網絡，再加上中央皮棉倉庫之儲存量，本集團將投入更多財務資源以維持合理存貨水平的皮棉，致使能更有效地控制成本及產品質量。本集團憑藉其專業知識及多年的行業經驗，將策略性地控制棉花的存貨水平，採取趁低吸納之方案，並把部份成本增幅合理地轉嫁至消費者，以維持競爭力。

憑藉以上種種措施，本集團已準備就緒，保持其作為中國西北地區其中一家領先的棉紗產品供應商之優勢，並將不斷努力提升其市場地位，務求為股東帶來最大價值。

Management Discussion and Analysis (continued)
管理層討論與分析(續)

Financial Review

Revenue

The following is an analysis of the revenue by major product categories during the Period Under Review:

財務回顧

收益

下表為回顧期間主要產品類別之收益分析：

		For the six months ended 30 June 2011 截至二零一一年 六月三十日止六個月		For the six months ended 30 June 2010 截至二零一零年 六月三十日止六個月	
		RMB'000 人民幣千元	%	RMB'000 人民幣千元	%
Cotton yarns	棉紗	373,290	87.7	189,857	56.4
Grey fabrics	坯布	52,120	12.3	146,938	43.6
Total	總計	425,410	100	336,795	100

Cotton Yarn Products

Set out below are analysis of revenue by major cotton yarn categories offered by the Group during the Period Under Review:

棉紗產品

下表載列本集團於回顧期間按提供之主要棉紗類別分類之收益分析：

Product category		Count No.		For the six months ended 30 June 2011 截至二零一一年 六月三十日止六個月		For the six months ended 30 June 2010 截至二零一零年 六月三十日止六個月	
產品類別		支數		RMB'000 人民幣千元	%	RMB'000 人民幣千元	%
A. Carded cotton yarns		A. 普梳棉紗					
Medium-count yarns	中支紗	19 to 28	19支至28支	18,246	4.9	15,450	8.1
Fine-count yarns	細支紗	29 to 58	29支至58支	214,096	57.4	115,211	60.7
High-count yarns	高支紗	60 or above	60支或以上	72,878	19.5	36,374	19.2
Sub-total	小計			305,220	81.8	167,035	88.0
B. Combed cotton yarns		B. 精梳棉紗					
Fine-count yarns	細支紗	29 to 58	29支至58支	68,070	18.2	22,822	12.0
Sub-total	小計			68,070	18.2	22,822	12.0
Total	總計			373,290	100	189,857	100

Management Discussion and Analysis (continued)
管理層討論與分析(續)

Grey Fabric Products

Set out below are analysis of revenue by major grey fabric categories offered by the Group during the Period Under Review:

坯布產品

下表載列本集團於回顧期間按提供之主要坯布類別分類之收益分析：

Product category		Tex No.		For the six months ended 30 June 2011 截至二零一一年 六月三十日止六個月		For the six months ended 30 June 2010 截至二零一零年 六月三十日止六個月	
產品類別		紡織線數目		RMB'000 人民幣千元	%	RMB'000 人民幣千元	%
Medium-count fabrics	中支布料	21 to 30	21 條至30 條	—	—	1,657	1.1
Fine-count fabrics	細支布料	11 to 20	11 條至20 條	52,120	100	145,281	98.9
Total	總計			52,120	100	146,938	100

Remarks:

- (1) Coarse-count fabric 31 tex or above (18 count or below)
- (2) Medium-count fabric 21 to 30 tex (19 count to 28 count)
- (3) Fine-count fabric 11 to 20 tex (29 count to 55 count)

備註：

- (1) 粗支布料由31條或以上條紡織線(18支或以下)織成
- (2) 中支布料由21條至30條紡織線(19支至28支)織成
- (3) 細支布料由11條至20條紡織線(29支至55支)織成

Management Discussion and Analysis (continued)
管理層討論與分析(續)

Sales volume and average selling price

The following table sets out the sales volume and the average selling prices of the Group's cotton yarns and grey fabrics during the Period Under Review:

銷量及平均售價

下表載列於回顧期間本集團棉紗及坯布之銷量及平均售價：

		For the six months ended 30 June 2011 截至二零一一年 六月三十日止六個月		For the six months ended 30 June 2010 截至二零一零年 六月三十日止六個月	
		Total sales volume 總銷量	Average selling price (Note) 平均售價 (附註) RMB 人民幣	Total sales volume 總銷量	Average selling price (Note) 平均售價 (附註) RMB 人民幣
Cotton yarn (tonnes)	棉紗(噸)	11,275	33,108	8,395	22,615
Grey fabric (kilometres)	坯布(千米)	9,542	5.5	41,556	3.5

Note: Average selling prices represent the turnover for the period divided by the total sales volume for the period.

附註：平均售價為期間營業額除以期間之總銷量。

Cotton Yarn Products

Set out below are analysis of sales volume by major cotton yarn categories by the Group during the Period Under Review:

棉紗產品

下表載列本集團於回顧期間按主要棉紗類別分類之銷量分析：

Product category				For the six months ended 30 June 2011 截至二零一一年 六月三十日止六個月		For the six months ended 30 June 2010 截至二零一零年 六月三十日止六個月	
Count No.				tonnes 噸	%	tonnes 噸	%
A. Carded cotton yarns	A. 普梳棉紗						
Medium-count yarns	中支紗	19 to 28	19支至28支	646	5.7	799	9.5
Fine-count yarns	細支紗	29 to 58	29支至58支	6,770	60.0	5,436	64.8
High-count yarns	高支紗	60 or above	60支或以上	2,071	18.4	1,374	16.3
Sub-total	小計			9,487	84.1	7,609	90.6
B. Combed cotton yarns	B. 精梳棉紗						
Fine-count yarns	細支紗	29 to 58	29支至58支	1,788	15.9	786	9.4
High-count yarns	高支紗	60 or above	60支或以上	—	—	—	—
Sub-total	小計			1,788	15.9	786	9.4
Total	總計			11,275	100	8,395	100

Grey Fabric Products

Set out below are analysis of sales volume by major grey fabric categories by the Group during the Period Under Review:

坯布產品

下表載列本集團於回顧期間按主要坯布類別分類之銷量分析：

Product category	Tex No.	For the six months ended 30 June 2011 截至二零一一年 六月三十日止六個月		For the six months ended 30 June 2010 截至二零一零年 六月三十日止六個月	
		kilometres 千米	%	kilometres 千米	%
Medium-count fabrics	中支布料	21 to 30	21 條至30 條	—	—
Fine-count fabrics	細支布料	11 to 20	11 條至20 條	9,542	100
Total	總計			9,542	100

The following table set out the analysis of the average selling prices by major cotton yarn categories and major grey fabric categories by the Group during the Period Under Review:

下表載列本集團於回顧期間按主要棉紗類別分類及主要坯布類別分類之平均售價分析：

Cotton Yarns Products

棉紗產品

Product category	Count No.	For the six months ended 30 June 2011 截至二零一一年 六月三十日止 六個月		For the six months ended 30 June 2010 截至二零一零年 六月三十日止 六個月	
		RMB/ton 人民幣/噸	RMB/ton 人民幣/噸	RMB/ton 人民幣/噸	RMB/ton 人民幣/噸
A. Carded cotton yarns	A. 普梳棉紗				
Medium-count yarns	中支紗	19 to 28	19 支至28 支	28,242	19,340
Fine-count yarns	細支紗	29 to 58	29 支至58 支	31,624	21,192
High-count yarns	高支紗	60 or above	60 支或以上	35,192	26,479
Average price of carded cotton yarns	普梳棉紗之平均價格			32,173	21,952
B. Combed cotton yarns	B. 精梳棉紗				
Fine-count yarns	細支紗	29 to 58	29 支至58 支	38,074	29,037
High-count yarns	高支紗	60 or above	60 支或以上	—	—
Average price of combed cotton yarns	精梳棉紗之平均價格			38,074	29,037
Average price of cotton yarns	棉紗之平均價格			33,108	22,615

Management Discussion and Analysis (continued) 管理層討論與分析(續)

Grey Fabric Products

坯布產品

Product category	Tex No.			For the six months ended 30 June 2011	For the six months ended 30 June 2010
				RMB/metre	RMB/metre
產品類別	紡織線數目			人民幣/米	人民幣/米
Medium-count fabrics	中支布料	21 to 30	21 條至30 條	—	3.9
Fine-count fabrics	細支布料	11 to 20	11 條至20 條	5.5	3.5
Average price of grey fabrics	坯布之平均價格			5.5	3.5

The revenue increased by approximately 26.3% to RMB425.4 million for the Period Under Review from RMB336.8 million for the six months ended 30 June 2010.

回顧期間之收益由截至二零一零年六月三十日止六個月之人民幣336,800,000元增加約26.3%至人民幣425,400,000元。

Cotton yarn products

The revenue derived from the sales of cotton yarns increased by approximately 96.6% to approximately RMB373.3 million for the Period Under Review from approximately RMB189.9 million for the six months ended 30 June 2010. The increase in revenue was primarily due to the increase in sales volume of cotton yarns by approximately 34.3% for the following reasons. First, the sales volume of fine-count combed yarns produced in the fully operated Yongle Production Plant grew by approximately 127.5% to approximately 1,788 tonnes for the Period Under Review from approximately 786 tonnes for the six months ended 30 June 2010, where Yongle Production Plant just commenced its operation in the first quarter of 2010. Second, due to the relatively shorter production cycle of cotton yarns compared to grey fabrics, the management decided to increase the sales volume of cotton yarns to improve the Group's inventory turnover rate and thus enhanced the overall operating and financial conditions. In general, the production cycle for the single cotton yarn product is approximately 4 days where the production cycle for a single grey fabric product is approximately 7 days on top of cotton yarn production. Hence, during the Period Under Review, the Group was shifting production mix to more cotton yarn products in order to accelerate the inventory turnover.

棉紗產品

棉紗銷售所產生之收益由截至二零一零年六月三十日止六個月之約人民幣189,900,000元上升至回顧期間之約人民幣373,300,000元，上升幅度約為96.6%。收益上升主要由於棉紗銷量增加約34.3%，原因如下：第一，全面營運之永樂生產點之細號精梳棉紗銷量由截至二零一零年六月三十日止六個月之約786噸增長約127.5%至回顧期間約1,788噸，而永樂生產點僅於二零一零年第一季始開始其營運。第二，由於棉紗之生產週期相較坯布短，因此，管理層決定提高棉紗之銷量，以改善本集團之存貨週轉情況，從而改善整體經營及財務狀況。一般而言，每一件棉紗產品生產週期約為四天，而一件坯布產品之生產週期則較棉紗生產多約七天，因此，於回顧期間，本集團側重生產更多棉紗產品以加快存貨週轉。

The average selling price of cotton yarns in the Period Under Review increased by approximately 46.4% to approximately RMB33,108 per ton for the Period Under Review from approximately RMB22,615 per ton for the six months ended 30 June 2010. The increase in the average selling price was driven by the increase in average purchase price of lint cotton by approximately 61.8% as compared with the corresponding period in 2010.

Grey fabric products

The revenue derived from the sales of grey fabric decreased by approximately 64.5% to approximately RMB52.1 million for the Period Under Review from approximately RMB146.9 million for the six months ended 30 June 2010. The decrease in revenue was attributed to the drop of the sales volume of grey fabrics from approximately 41,556 kilometres to approximately 9,542 kilometres and due to change in demand and supply balance for the Group's grey fabric products as the Group experienced decline in demand for its current product models, in particular the fine count class products, that can be offered by the Group since the fourth quarter of 2009.

The Directors considered that the decline in demand for the Group's grey fabric models was due to the increase in supply of higher density grey fabric products in the market. With automated weaving equipment, other manufacturers are able to introduce more grey fabric products with warp-weft density over 100 yarns per inch in the market. On the other hand, the Group is only able to produce grey fabric products with warp-weft density below 100 yarns per inch. The competition from these higher density products led to the decrease in both demand and prices of the Group's grey fabric products. Hence, as mentioned in the previous paragraph, the Group shifted the production mix to more cotton yarns to accelerate the inventory turnover resulting in lower sales volume of grey fabric products for the Period Under Review.

回顧期間棉紗之平均售價由截至二零一零年六月三十日止六個月之每噸約人民幣22,615元升至回顧期間約每噸人民幣33,108元，增長約46.4%。平均售價上升因皮棉平均售價較二零一零年同期增加約61.8%。

坯布產品

坯布銷售所產生之收益由截至二零一零年六月三十日止六個月之約人民幣146,900,000元減少至回顧期間之約人民幣52,100,000元，減少幅度約為64.5%。收益減少乃由於坯布銷量由約41,556千米減少至9,542千米及自二零零九年第四季起，市場對本集團目前可提供之產品式樣需求下降，尤其是細支布料產品，令本集團坯布供求平衡有變。

董事認為市場上對本集團坯布樣式的需求減少，是由於市場上的高密度坯布產品的供應增加所致。其他生產商擁有自動化的紡織設施，故能夠於市場上引入經編密度每吋超過100紗的坯布產品。另一方面，本集團僅能夠製造編織密度每吋少於100紗的坯布產品。該等較高密度產品的競爭則導致本集團坯布產品的需求及價格下跌。因此，如上段所述，本集團轉移生產組合至更多棉紗，加快存貨週轉，令回顧期間的坯布產品銷售量下跌。

Management Discussion and Analysis (continued)

管理層討論與分析(續)

Cost of sales

The cost of sales is mainly represented by lint cotton cost, direct staff costs and production overhead including depreciation and electricity costs. The following table sets out a breakdown of the Group's cost of sales by cost of production during the Period Under Review:

		For the six months ended 30 June 2011 截至二零一一年六月三十日 止六個月		For the six months ended 30 June 2010 截至二零一零年六月三十日 止六個月	
		RMB'000 人民幣千元	% 佔總額之%	RMB'000 人民幣千元	% 佔總額之%
Lint cotton	皮棉	280,744	81.9	183,556	70.3
Subcontracting fee	外包費用	9,149	2.6	5,554	2.1
Direct labour costs	直接勞工成本	24,572	7.2	29,141	11.2
Electricity	電力	16,007	4.7	32,651	12.5
Depreciation	折舊	4,411	1.3	4,242	1.6
Other	其他	2,668	0.8	4,596	1.8
Total production costs	總生產成本	337,551	98.5	259,740	99.5
Finished goods movement	製成品變動	5,245	1.5	1,294	0.5
Cost of sales	銷售成本	342,796	100	261,034	100

銷售成本

銷售成本主要為皮棉成本、直接員工成本及間接生產支出(包括折舊及電力成本)。下表載列本集團於回顧期間按生產成本劃分之銷售成本分析：

The cost of sales increased by approximately 31.3% to RMB342.8 million for the Period Under Review from approximately RMB261.0 million for the six months ended 30 June 2010. This was due to a growth in consumption of lint cotton as a result of increase in the production volume of cotton yarns and increase in lint cotton average purchase price by approximately 61.8% over the corresponding period in 2010.

In addition, direct labour costs for the Period Under Review decreased by approximately 15.7% as compared to the six months ended 30 June 2010. The decrease was due to the decrease in production of grey fabrics and the change of salary calculations basis from monthly basis to quantity basis over the Period Under Review. Since the production volume of grey fabrics in the Group's production plants for the Period Under Review significantly decreased compared to the same period in 2010, the use of quantity basis for salary calculation result in proportional decrease in direct labour costs for grey fabrics and hence decrease in overall direct labour costs over the period.

於回顧期間之銷售成本約為人民幣342,800,000元，較截至二零一零年六月三十日止六個月約人民幣261,000,000元增加約31.3%，此乃由於皮棉消耗量增加所致，原因是棉紗之生產量提升，以及皮棉之平均採購價格較二零一零年同期上升約61.8%。

此外，於回顧期間，直接勞工成本亦比截至二零一零年六月三十日止六個月減少約15.7%。此減少乃由於坯布之產量減少及於回顧期間員工由月薪制轉為件工制。由於本集團的生產點於回顧期間的坯布產量較二零一零年同期大幅減少，採取件工制的薪酬計算方法導致坯布的直接勞動成本按比例減少，亦因此令本期間之整體直接勞動成本減少。

Electricity charges for the Period Under Review also decreased by approximately 51.0% as compared to the six months ended 30 June 2010. The decrease of electricity charges was due to the lower production volume of grey fabric products. As mentioned in the previous paragraph, the production process of cotton yarn is faster than the production of grey fabric. Thus, less electricity was used in the Group's overall production which led to the decrease in the electricity charges.

與截至二零一零年六月三十日止六個月相比，於回顧期間之電費亦下降約51.0%。電費下降乃由於坯布產品的產量減少。如前段所述，棉紗的生產程序較坯布快。因此，本集團整體生產所用的電量下降。

Gross Profit and Gross Profit Margin

The following table sets out the analysis of the Group's gross profit margin during the Period Under Review:

毛利及毛利率

下表載列本集團於回顧期間之毛利率分析：

		For the six months ended 30 June 2011 截至二零一一年六月三十日 止六個月		For the six months ended 30 June 2010 截至二零一零年六月三十日 止六個月	
		Gross profit Gross profit 毛利 RMB'000 人民幣千元	margin margin 毛利率 %	Gross profit Gross profit 毛利 RMB'000 人民幣千元	margin margin 毛利率 %
Cotton yarns	棉紗	70,601	18.9	39,975	21.1
Grey fabrics	坯布	12,013	23.0	35,786	24.4
Total	合計	82,614	19.4	75,761	22.5

Management Discussion and Analysis (continued)

管理層討論與分析(續)

Cotton yarn products

Set out below are analysis of gross profit and gross profit margin by major cotton yarn categories offered by the Group during the Period Under Review:

棉紗產品

下表載列本集團於回顧期間按提供之主要棉紗類別分類的毛利及毛利率分析：

Product category	Count No.	For the six months ended 30 June 2011 截至二零一一年 六月三十日止六個月		For the six months ended 30 June 2010 截至二零一零年 六月三十日止六個月	
		Gross profit margin RMB'000 人民幣千元	Gross profit margin %	Gross profit margin RMB'000 人民幣千元	Gross profit margin %
A. Carded cotton yarns	A. 普梳棉紗				
Medium-count yarns	中支紗	19 to 28	19支至28支	3,202	17.6
Fine-count yarns	細支紗	29 to 58	29支至58支	40,291	18.8
High-count yarns	高支紗	60 or above	60支或以上	11,839	16.2
Sub-total	小計			55,332	18.1
B. Combed cotton yarns	B. 精梳棉紗				
Fine-count yarns	細支紗	29 to 58	29支至58支	15,269	22.4
Sub-total	小計			15,269	22.4
Total	總計			70,601	18.9

Grey Fabric Products

Set out below are analysis of gross profit and gross profit margin by major grey fabric categories offered by the Group during the Period Under Review:

坯布產品

下表載列本集團於回顧期間按提供之主要坯布類別分類的毛利及毛利率分析：

Product category	Tex No.	For the six months ended 30 June 2011 截至二零一一年 六月三十日止六個月		For the six months ended 30 June 2010 截至二零一零年 六月三十日止六個月			
		Gross profit margin 毛利 RMB'000 人民幣千元	Gross profit margin 毛利率 %	Gross profit margin 毛利 RMB'000 人民幣千元	Gross profit margin 毛利率 %		
Medium-count fabrics	中支布料	21 to 30	21 條至30 條	—	—	469	28.3
Fine-count fabrics	細支布料	11 to 20	11 條至20 條	12,013	23.0	35,317	24.3
Total	合計			12,013	23.0	35,786	24.4

The overall gross profit for the Period Under Review was approximately RMB82.6 million, representing an increase of approximately 9.0% from the six months ended 30 June 2010 whereas the overall gross profit margin for the Period Under Review was approximately 19.4%, representing a decrease of approximately 3.1 percentage points from the approximately 22.5% in the corresponding period in 2010. The decrease in overall gross profit margin and the slowdown of gross profit growth were caused by decrease in gross profit margin of cotton yarn products.

於回顧期間之整體毛利約為人民幣82,600,000元，較截至二零一零年六月三十日止六個月增加約9.0%，而回顧期間之整體毛利率則約19.4%，較二零一零年同期約22.5%下降約3.1個百分點。整體毛利率下跌及毛利增長減慢是由於棉紗產品之毛利率下降所致。

Cotton yarn products

The gross profit for the sales of cotton yarns for the Period Under Review was approximately RMB70.6 million, representing an increase of approximately 76.6% from approximately RMB40.0 million for the six months ended 30 June 2010. The increase of gross profit was due to the increase in sales volume of cotton yarns by approximately 34.3%, which comprises of the increase in sales volume of combed cotton yarns of approximately 127.5% and increase in sales volume of carded cotton yarn of approximately 24.7%.

棉紗產品

於回顧期間，棉紗銷售之毛利由截至二零一零年六月三十日止六個月約人民幣40,000,000元增加約76.6%至約人民幣70,600,000元。毛利增加乃由於棉紗銷量增加約34.3%，其中包括精梳棉紗銷量增加約127.5%及普梳棉紗銷量增加約24.7%。

The gross profit margin of cotton yarns decreased by approximately 2.2 percentage points to 18.9% for the Period Under Review from approximately 21.1% for the same period in 2010.

於回顧期間，棉紗之毛利率由二零一零年同期約21.1%下降約2.2個百分點至18.9%。

The decrease in gross profit margin of cotton yarn products for the Period Under Review was mainly caused by the increase in the average purchase price of lint cotton over the period compared with the same period in 2010.

棉紗產品於回顧期間之毛利率下降主要由於期內皮棉之平均採購價較二零一零年同期上升。

Management Discussion and Analysis (continued)

管理層討論與分析(續)

Grey fabric products

The gross profit for the sales of grey fabrics for the Period Under Review was approximately RMB12.0 million, representing a decrease of approximately 66.4% from approximately RMB35.8 million for the six months ended 30 June 2010.

The gross profit margin for the sales of grey fabrics for the Period Under Review was approximately 23.0%, representing a decrease of approximately 1.4 percentage points from approximately 24.4% for the six months ended 30 June 2010.

The decrease in gross profit margin of grey fabric products for the Period Under Review was mainly due to (i) the decrease in sales volume of grey fabrics by approximately 77.0% over the six months ended 30 June 2010; and (ii) the increase in the average purchase price of lint cotton over the Period Under Review compared with the same period in 2010.

Other Income

Other income comprises interest incomes, sale of scraps and other sundry income.

Other income decreased by approximately 13.4% to approximately RMB0.8 million for the Period Under Review from approximately RMB1.0 million for the six months ended 30 June 2010. The decrease was mainly due to the decrease in sundry income.

Distribution Costs

Distribution costs comprise mainly freights and loading charges, plus salary and social insurance contributions for sales personnel.

Distribution costs increased by approximately 3.3% to approximately RMB4.9 million for the Period Under Review from approximately RMB4.8 million for the six months ended 30 June 2010. The increase was due to the higher transportation costs for the year/period incurred as a result of increase in sales volume and increase in sales personnel in Yongle Production Plant.

坯布產品

於回顧期間，銷售坯布之毛利約為人民幣12,000,000元，較截至二零一零年六月三十日止六個月約人民幣35,800,000元減少約66.4%。

於回顧期間，銷售坯布之毛利率約為23.0%，較截至二零一零年六月三十日止六個月約24.4%下降約1.4個百分點。

坯布產品於回顧期間之毛利率下降主要由於(i) 坯布之銷量較截至二零一零年六月三十日止六個月減少約77.0%；及(ii)於回顧期間，皮棉之平均採購價較二零一零年同期上升。

其他收入

其他收入包括利息收入、銷售廢料以及雜項收入。

於回顧期間，其他收入由截至二零一零年六月三十日止六個月約人民幣1,000,000元減少約13.4%至約人民幣800,000元。此減少主要由於雜項收入減少。

分銷成本

分銷成本包括運輸及裝卸費用，以及銷售人員的薪金和社會保障基金供款。

分銷成本由截至二零一零年六月三十日止六個月約人民幣4,800,000元增加約3.3%至回顧期間之約人民幣4,900,000元。此增加乃由於銷量增加而令年/期內運輸成本增加及永樂生產點的銷售人員人數增加。

General and Administration Expenses

Administrative expenses comprise mainly salary expenses, social insurance contributions, entertainment expenses, utilities changes and other sundry items.

Administrative expenses increased by approximately 45.4% to approximately RMB12.1 million for the Period Under Review from approximately RMB8.4 million for the six months ended 30 June 2010. This was mainly due to an increase in addition administrative expenses including depreciation, salaries, social contribution fund, entertainment and utilities as a result of the full operation of Yongle Production Plant compared with the corresponding period in 2010. In addition, as a result of the transferring of 21% interest in Tong Fa Limited (通發有限公司) (“Tong Fa”) as gift from Mr. Qiu Jianfa (“Mr. Qiu”) to Mr. Chen Binghui (“Mr. Chen”) in recognition of Mr. Chen’s past contribution to the Group and to align his interest with the Group’s future success, a share-based compensation of approximately RMB1,033,000 was incurred for the Period Under Review.

Finance Costs

Finance costs consist of interest on borrowings for purchase of lint cotton. Finance costs decreased by approximately 74.7% to approximately RMB0.2 million for the Period Under Review from approximately RMB0.7 million for the six months ended 30 June 2010. The decrease of finance cost was due to the decrease of bank loans from approximately RMB30 million for the six months ended 30 June 2010 to approximately RMB6.8 million for the Period Under Review.

Income Tax Expense

Income tax expenses increased by approximately 12.7% to approximately RMB17.4 million for the Period Under Review from approximately RMB15.5 million for the six months ended 30 June 2010. The increase was mainly due to an increase in the taxable income for the Period Under Review. The effective tax rate for the respective period are 26.4% and 24.6%. It was in line with the PRC statutory enterprise income tax rate of 25%.

一般及行政開支

行政開支主要包括薪酬開支、社保基金供款、應酬開支、水電費用及其他雜項開支。

於回顧期間，行政開支由截至二零一零年六月三十日止六個月約人民幣8,400,000元增加約45.4%至約人民幣12,100,000元。此增加主要由於額外行政開支較二零一零年同期增加，其中包括因永樂生產點全面營運而產生的折舊、薪酬、社保基金供款、應酬及水電費用。此外，由於邱建法先生(「邱先生」)向陳秉輝先生(「陳先生」)轉讓通發有限公司(「通發」)之21%權益，以作為表揚陳先生過往對本集團作出之貢獻之饋贈及將其利益與本集團未來的成功掛鉤，故於回顧期間產生以股份為基礎之報酬約人民幣1,033,000元。

融資成本

融資成本包括購買皮棉之借款利息。融資成本由截至二零一零年六月三十日止六個月約人民幣700,000元減少約74.7%至回顧期間約人民幣200,000元。融資成本減少乃由於銀行貸款由截至二零一零年六月三十日止六個月約人民幣30,000,000元減少至回顧期間約人民幣6,800,000元。

所得稅開支

於回顧期間，所得稅開支由截至二零一零年六月三十日止六個月約人民幣15,500,000元增加約12.7%至約人民幣17,400,000元。此增加主要由於回顧期間之應課稅收入增加。相關期間之實際稅率為26.4%及24.6%。此與中國法定企業所得稅稅率25%相符。

Management Discussion and Analysis (continued) 管理層討論與分析(續)

Profit for the Period

As the result of the foregoing, the profit for the Period Under Review increased by approximately 2.9% to approximately RMB48.8 million from approximately RMB47.4 million for the six months ended 30 June 2010. Due to a decline in gross profit margin of cotton yarn products and the decline of production of grey fabric as mentioned above, also the increase in General and Administration Expenses mentioned above, the net profit margin decreased to approximately 11.5% for the Period Under Review as compared to approximately 14.1% for the six months ended 30 June 2010. Accordingly, the net profit growth for the period has also slowed down.

Working Capital Management

The following table sets forth selected operating efficiency ratios for the Group for the Period Under Review:

		For the six months ended 30 June 2011 截至二零一一年六月三十日止六個月	For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度
Trade receivables turnover (days) ⁽¹⁾	應收貿易賬款周轉日數(日數) ⁽¹⁾	58.7	55.9
Trade payables turnover (days) ⁽²⁾	應付貿易賬款周轉日數(日數) ⁽²⁾	11.3	7.9
Inventory turnover (days) ⁽³⁾	存貨周轉日數(日數) ⁽³⁾	17.3	14.4

Notes:

- (1) Trade receivables turnover days equals to the average of beginning and closing trade receivables for the given year divided by the revenue during the given year and then multiplied by 181 days for a six-month period or by 365 days for a year.
- (2) Trade payables turnover days equal to the average of beginning and closing trade payables for the given year divided by the cost of sales during the given year and then multiplied by 181 days for a six-month period or by 365 days for a year.
- (3) Inventory turnover days equals to the average of beginning and closing inventory for the given year divided by cost of sales during the given year and then multiplied by 181 days for a six-month period or by 365 days for a year.

期間溢利

由於之前所述，於回顧期間之溢利由截至二零一零年六月三十日止六個月約人民幣47,400,000元增加約2.9%至約人民幣48,800,000元。由於棉紗產品之毛利率下降及如前所述坯布之生產下降及如上所述一般及行政開支增加，於回顧期間，純利率由截至二零一零年六月三十日止六個月約14.1%下降至約11.5%。因此，期內純利增長亦有所放緩。

營運資金管理

下表載列本集團於回顧期間之節選營運效率比率：

	For the six months ended 30 June 2011 截至二零一一年六月三十日止六個月	For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度
Trade receivables turnover (days) ⁽¹⁾	58.7	55.9
Trade payables turnover (days) ⁽²⁾	11.3	7.9
Inventory turnover (days) ⁽³⁾	17.3	14.4

附註：

- (1) 應收貿易賬款周轉日數相等於某年度年初及年末的平均應收貿易賬款除以該年度的收益，然後就六個月期間乘以181日或就一年乘以365日。
- (2) 應付貿易賬款周轉日數相等於某年度年初及年末的平均應付貿易賬款除以該年度的銷售成本，然後就六個月期間乘以181日或就一年乘以365日。
- (3) 存貨周轉日數相等於某年度年初及年末的平均存貨除以該年度的銷售成本，然後就六個月期間乘以181日或就一年乘以365日。

Average trade receivables turnover days increased from approximately 55.9 days for the year ended 31 December 2010 to approximately 58.7 days for the Period Under Review. The trade receivables turnover days during the reporting period were significantly below the normal credit period of 90 days. The increase in trade receivables turnover days throughout the Period Under Review was mainly due to the growth in sales volume during the period.

Average trade payables turnover days increased from approximately 7.9 days for the year ended 31 December 2010 to approximately 11.3 days for the Period Under Review. The trade payables were mainly amounts due to suppliers for procurement of lint cotton and outsourcing of production work. The increase in trade payables turnover days throughout the Period Under Review was mainly due to the growth in volume of lint cotton.

Average inventory turnover days increased from approximately 14.4 days for the year ended 31 December 2010 to approximately 17.3 days for the Period Under Review. The increase in inventory turnover days throughout the Period Under Review was mainly due to the increase in inventory level of cotton yarns and work in progress for the confirmed order for the second half of 2011.

Liquidity and Capital Resources

The following table sets forth liquidity and capital adequacy ratios for the Period Under Review:

		As at 30 June 2011 於二零一一年 六月三十日	As at 31 December 2010 於二零一零年 十二月三十一日
Gearing ⁽¹⁾	資本負債比率 ⁽¹⁾	1.2%	1.4%
Debt-to-equity ⁽²⁾	負債權益比率 ⁽²⁾	1.4%	1.6%
Current ratio	流動比率	5.6 times 5.6倍	7.0 times 7.0倍

Notes:

- (1) Calculated as the total debts, divided by total assets and multiplied by 100%. Debts are defined to include current and non-current borrowings.
- (2) Calculated as the total debts, divided by the equity and multiplied by 100%. Debts are defined to include current and non-current borrowings.

於回顧期間，平均應收貿易賬款週轉日數由截至二零一零年十二月三十一日止年度約55.9日增加至約58.7日。於報告期間，應收貿易賬款週轉日數大大低於90日的正常信貸期。於整段回顧期間，應收貿易賬款週轉日數上升主要由於期內銷量增長。

於回顧期間，平均應付貿易賬款週轉日數由截至二零一零年十二月三十一日止年度約7.9日增加至約11.3日。應付貿易賬款主要為就採購皮棉及外包生產工作而應付供應商之款項。於整段回顧期間，應付貿易賬款週轉日數上升主要由於皮棉的數量增長。

於回顧期間，平均存貨週轉日數由截至二零一零年十二月三十一日止年度約14.4日增加至約17.3日。於回顧期間之存貨週轉日數上升主要由於棉紗之存貨水平上升及於二零一一年下半年就落實訂單而正進行之工作。

流動資金及資本資源

下表載列回顧期間之流動資金及資本充足比率：

附註：

- (1) 以總負債除以總資產乘100%計算。負債界定為包括流動及非流動借款。
- (2) 以總負債除以權益乘100%計算。負債界定為包括流動及非流動借款。

Management Discussion and Analysis (continued)

管理層討論與分析(續)

The gearing ratio and the debt-to-equity ratio decreased to 1.2% and 1.4% respectively as at 30 June 2011 from 1.4% and 1.6% as at 31 December 2010. The decreases in the gearing ratio and debt-to-equity ratio were principally due to the increase in the current asset and equity respectively.

The current ratio dropped from 7.0 times as at 31 December 2010 to 5.6 times as at 30 June 2011. Overall, the Group's current ratio still maintain at a high level, as the Group maintained a significant level of cash and cash equivalents throughout the Period Under Review.

Net cash generated from operation activities for the Period Under Review was RMB52.2 million (six months ended 30 June 2010: RMB42.2 million). Cash generated from operating activities increased as a result of the Group's total cash and cash equivalents amounted to RMB228.4 million (30 June 2010: RMB136.9 million).

During the Period Under Review, the Group did not use any financial instrument for hedging purposes.

Pledge of Assets of the Group

Details of the pledge of assets as at 30 June 2011 are set out in note 24 to the condensed consolidated financial statements.

Employees and Emolument Policies

As at 30 June 2011, the Group had a workforce of approximately 2,698 employees (30 June 2010: approximately 2,594). Staff cost for the Period Under Review (including Directors' remuneration in the form of salaries and other allowances) was approximately RMB29.6 million (30 June 2010: approximately RMB32.9 million). The decrease was mainly due to change of salary calculation basis from monthly basis to quantity basis during the period.

The remuneration of the employees of the Group includes salaries, bonus and other fringe benefits. The Group has different rates of remuneration for different employees to be determined based on their performance, experience, position and other factors in compliance with the relevant PRC laws and regulations.

資本負債比率及負債權益比率分別由二零一零年十二月三十一日之1.4%及1.6%下降至二零一一年六月三十日之1.2%及1.4%。資本負債比率及負債權益比率下降主要由於流動資產及權益分別增加。

流動比率由二零一零年十二月三十一日之7.0倍下降至二零一一年六月三十日之5.6倍。整體而言，由於本集團於整段回顧期間均持有大量現金及現金等價物，故本集團之流動比率仍處於高水平。

於回顧期間經營活動產生之現金淨額為人民幣52,200,000元(截至二零一零年六月三十日止六個月：人民幣42,200,000元)。經營活動產生之現金增加乃由於本集團之現金及現金等價物總額達人民幣228,400,000元(二零一零年六月三十日：人民幣136,900,000元)。

於回顧期間，本集團並無使用任何金融工具作對沖用途。

本集團之資產抵押

於二零一一年六月三十日之資產抵押詳情載於簡明綜合財務報表附註24。

僱員及薪酬政策

於二零一一年六月三十日，本集團有大約2,698名僱員(二零一零年六月三十日：約2,594名)。於回顧期間之員工成本(包括董事以薪金及其他津貼之形式收取之酬金)約為人民幣29,600,000元(二零一零年六月三十日：約人民幣32,900,000元)。減少主要由於期內薪金計算基準由月薪計算改為件工計算。

本集團之僱員酬金包括薪金、花紅及其他附帶福利。本集團根據不同僱員之表現、經驗、職位及其他符合相關中國法例及規例之因素而給予彼等不同之薪酬。

Foreign Exchange Risks

The Group's businesses are located in the PRC and most of the transactions are conducted in RMB. Most of the Group's assets and liabilities are denominated in RMB. Accordingly, fluctuations of the exchange rate of RMB against foreign currencies do not have significant effect on the Group's results. The Group has not used any financial instruments for hedging purposes during the Period Under Review.

Capital Commitments

Details of the capital commitments of the Group as at 30 June 2011 are set out in note 26 to the condensed consolidated financial statements.

Contingent Liabilities

As at 30 June 2011, the Group did not have any significant contingent liabilities (31 December 2010: Nil).

外匯風險

本集團之業務位於中國，而大部分交易亦以人民幣進行。本集團大部分資產及負債以人民幣計值。因此，人民幣兌外幣之匯率波動對本集團業績並無重大影響。於回顧期間，本集團並無利用任何金融工具作對沖。

資本承擔

本集團於二零一一年六月三十日之資本承擔詳情載於簡明綜合財務報表附註26。

或然負債

截止二零一一年六月三十日，本集團概無擁有任何重大或然負債(二零一零年十二月三十一日：無)。

Corporate Governance and Other Information

企業管治及其他資料

Substantial Shareholders

Immediately upon the Listing, the interests and short position of the substantial shareholders in the shares and underlying shares of the Company which were required to be disclosed pursuant to Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the "SFO") were as follows:

Name 名稱	Nature of interest 權益性質	Number of Shares of the Company 本公司股份數目	Approximate Percentage of shareholding 股權概約百分比 (%)
Tong Fa 通發	Beneficial owner 實益擁有人	527,464,000	56.0
Mr. Qiu 邱先生	Corporate (Note 1) 法團(附註1)	527,464,000	56.0
Hai Xin Capital Group Limited 海信資本集團有限公司	Beneficial owner 實益擁有人	73,468,000	7.8
Mr. Kung Shih Kun 龔詩焜先生	Corporate (Note 2) 法團(附註2)	73,468,000	7.8
Wealth Lake Investment Limited	Beneficial owner 實益擁有人	56,512,000	6.0
Mr. Cheung Yung 張勇先生	Corporate (Note 3) 法團(附註3)	56,512,000	6.0

Notes:

1. These Shares were owned by the Tong Fa, which is owned by Mr. Qiu and Mr. Chen as to 79% and 21% respectively.
2. These Shares were owned by Hai Xin Capital Group Limited, which is wholly owned by Mr. Kung Shih Kun.
3. These Shares were owned by Wealth Lake Investment Limited, which is wholly owned by Mr. Cheung Yung.

主要股東

緊隨上市後，主要股東於本公司股份及相關股份中根據香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部第2及第3分部須予披露之權益及淡倉如下：

附註：

1. 該等股份由通發擁有，而通發分別由邱先生及陳先生分別擁有79%及21%。
2. 該等股份由龔詩焜先生全資擁有之海信資本集團有限公司擁有。
3. 該等股份由張勇先生全資擁有之Wealth Lake Investment Limited擁有。

Directors, Supervisors or the Company's Chief Executive's Interest in Shares

董事、監事或本公司主要行政人員於股份之權益

Immediately upon the Listing, the interests or short position of the Directors and their associates in the shares, underlying shares and debentures of the Company or any associated corporation which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests which they were taken or deemed to have under such provisions of the SFO), or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules (the "Model Code"), to be notified to the Company and the Stock Exchange, were as follows:

緊隨上市後，董事及彼等之聯繫人士於本公司或其任何相聯法團之股份、相關股份及債券證中擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所之權益或淡倉（包括根據證券及期貨條例之有關條款被當作或視為由彼等擁有之權益），或根據證券及期貨條例第352條須記錄於該條文所規定之登記冊之權益或淡倉，或根據上市規則附錄十所載《上市發行人董事進行證券交易的標準守則》（「標準守則」）須予知會本公司及聯交所之權益或淡倉如下：

Name 名稱	Nature of interest 權益性質	Number of Shares of the Company 本公司股份數目	Approximate Percentage of shareholding 股權概約百分比 (%)
Mr. Qiu 邱先生	Corporate (Note) 法團(附註)	527,464,000	56.0
Mr. Chen 陳先生	Corporate (Note) 法團(附註)	527,464,000	56.0

Note: These Shares were owned by Tong Fa, which is owned by Mr. Qiu and Mr. Chen as to 79% and 21% respectively. Mr. Qiu is the sole director of Tong Fa. So far as the Directors are aware, Tong Fa, Mr. Qiu and Mr. Chen collectively are entitled to exercise or control the exercise of 30% or more of the voting power at the general meetings of the Company and are therefore regarded as controlling shareholders of the Company under the Listing Rules.

附註：該等股份由通發擁有，而通發由邱先生及陳先生分別擁有79%及21%。邱先生為通發之唯一董事。就董事所知，通發、邱先生與陳先生共同有權行使或控制行使本公司股東大會上30%或以上投票權，故根據上市規則被視為本公司之控股股東。

Corporate Governance and Other Information (continued) 企業管治及其他資料(續)

Interim Dividend

The Board does not recommend the payment of any interim dividend for the Period Under Review (six months ended 30 June 2010: RMB Nil).

Purchase, Sale or Redemption of Listed Securities of the Company

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

Significant Acquisition, Disposal or Investment

As at 30 June 2011, the Group has no specific material investment target. The Group did not have any material acquisition or disposal of subsidiaries and affiliated companies, and investment during the Period Under Review.

Audit Committee

The Company established the audit committee (the "Audit Committee") in July 2011 and has formulated its written terms of reference, which may from time to time be modified, in accordance with the provisions set out in the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules (the "CG Code"). The Audit Committee comprises three independent non-executive Directors, namely, Mr. Kwong Kwan Tong (chairman of the Audit Committee), Mr. Yang Guohao and Ms. Xue Fang. The Audit Committee is accountable to the Board and the principal duties of the Audit Committee include the review and supervision of the Group's financial reporting system and internal control procedures, review of the Group's financial information and review of the relationship with the external auditor of the Company.

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters, including the review of the unaudited condensed consolidated results of the Group for the six months ended 30 June 2011.

中期股息

董事會不建議就回顧期間派付任何中期股息(截至二零一零年六月三十日止六個月：人民幣零元。)

購買、出售或贖回本公司之上市證券

於回顧期間，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

重大收購、出售或投資

於二零一一年六月三十日，本集團並無特定重大投資目標。於回顧期間，本集團亦無任何重大收購或出售附屬公司及聯屬公司以及進行投資。

審核委員會

本公司已於二零一一年七月成立一個審核委員會(「審核委員會」)，並根據上市規則附錄十四企業管治常規守則(「企業管治守則」)的條文制訂其書面職權範圍及不時作出修訂。審核委員會成員為三名獨立非執行董事，分別為鄭焜堂先生(審核委員會主席)、楊國豪先生及薛芳女士。審核委員會須向董事會負責，而審核委員會的主要職責包括審閱和監察本集團的財務報告系統和內部監控程序、審閱本集團的財務資料和審閱與本公司外聘核數師之關係。

審核委員會已與管理層審閱本集團所採納之會計原則及常規，並討論審核、內部監控及財務報告事宜，其中包括審閱本集團截至二零一一年六月三十日止六個月未經審核簡明綜合業績。

Remuneration Committee

In accordance with the CG Code, the Company established its remuneration committee (the “Remuneration Committee”) in July 2011 with all the members thereof being independent non-executive Directors. The Remuneration Committee comprises Mr. Yang Guohao (chairman of the Remuneration Committee), Mr. Kwong Kwan Tong and Ms. Xue Fang. The Remuneration Committee is responsible for reviewing and evaluating the remuneration packages of the Directors and senior management and making recommendations to the Board from time to time.

Code on Corporate Governance Practices

The Group has adopted the CG Code as its own code to govern its corporate governance practices. The Board also reviews and monitors the practices of the Group from time to time with an aim to maintaining and improving a high standard of corporate governance practices.

The Group places high value on its corporate governance practice and the Board firmly believes that a good corporate governance practice can improve accountability and transparency for the benefit of its shareholders.

None of the Directors is aware of information that would reasonably indicate that the Company is not, or was not for any part of the period throughout the six months ended 30 June 2011, in compliance with the CG Code.

Securities Transactions by Directors

The Board has adopted the Model Code as the Group’s code of conduct regarding Directors’ securities transactions. All Directors have confirmed that throughout the six months ended 30 June 2011, they have complied with the required standard set out in the Model Code.

Use of Proceeds from the Listing

The Shares were listed on the main board of the Stock Exchange on 14 July 2011. As at 30 June 2011, the Company had not accomplished the Listing. The Company currently does not have any intention to change its plan for use of proceeds as stated in the Prospectus.

薪酬委員會

本公司已根據企業管治守則於二零一一年七月成立其薪酬委員會(「薪酬委員會」)，其所有成員均為獨立非執行董事。薪酬委員會成員包括楊國豪先生(薪酬委員會主席)、鄺焜堂先生及薛芳女士。薪酬委員會負責審閱和評估董事及高級管理層之薪酬組合和不時向董事會提供推薦意見。

企業管治常規守則

本集團採納企業管治守則為其本身規管其企業管治常規之守則。董事會亦不時審閱和監察本集團之常規，以維持和改善高標準之企業管治常規。

本集團極度重視其企業管治常規，董事會堅信，良好的企業管治常規可改善問責性和透明度，為其股東帶來裨益。

董事並未注意到任何資料合理顯示本公司現時或過去於截至二零一一年六月三十日止六個月整段期間之任何一段期間並未遵守企業管治守則。

董事進行證券交易

董事會已採納標準守則作為本集團有關董事進行證券交易之行為守則。全體董事確認，於截至二零一一年六月三十日止六個月整段期間，彼等已遵守標準守則所載列之規定標準。

上市之所得款項用途

股份於二零一一年七月十四日於聯交所主板上市。截至二零一一年六月三十日，本公司並未完成上市。本公司目前無意改變招股章程所載之所得款項用途。

Report on Review of Interim Financial Information

中期財務資料審閱報告

龐志鈞會計師行

Martin C. K. Pong & Company

TO THE BOARD OF DIRECTORS OF
GOLDEN SHIELD HOLDINGS (INDUSTRIAL) LIMITED
(Incorporated in the Bermuda with limited liability)

致金盾控股(實業)有限公司董事會
(於百慕達註冊成立之有限公司)

Introduction

We have reviewed the interim financial information set out on pages 32 to 56, which comprises the condensed consolidated statement of financial position of Golden Shield Holdings (Industrial) Limited (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”) as at 30 June 2011 and the related condensed consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

引言

吾等已審閱第32至56頁所載的中期財務資料，當中包括金盾控股(實業)有限公司(「貴公司」)及其附屬公司(以下統稱為「貴集團」)於二零一一年六月三十日之簡明綜合財務狀況表及截至該日止六個月之相關簡明綜合全面收益表、權益變動表及現金流量表及若干說明附註。香港聯合交易所有限公司主板證券上市規則規定，中期財務資料報告的編製須符合當中訂明的相關條文，以及由香港會計師公會頒布的香港會計準則第34號「中期財務報告」(「香港會計準則第34號」)。貴公司董事須負責根據香港會計準則第34號編製及呈報本中期財務資料。吾等的責任是根據審閱的結果，對本中期財務資料作出結論，並按照雙方所協定的委聘書條款僅向整體董事會報告，除此之外本報告別無其他目的。吾等不會就本報告的內容向任何其他人士負上或承擔任何責任。

Scope of review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

審閱範圍

吾等依據香港會計師公會頒布的香港審閱委聘準則第2410號「由實體獨立核數師審閱中期財務資料」進行吾等的審閱工作。審閱中期財務資料主要包括向負責財務和會計事務之人員作出查詢，以及進行分析性和其他審閱程序。由於審閱的範圍遠較根據香港審計準則進行審核的範圍為小，故不足以令吾等保證吾等將會察覺在審核中可能發現的所有重大事項。因此，吾等不會發表審核意見。

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

Without qualifying our review conclusion, we draw attention to the fact that the comparative condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six-month period ended 30 June 2010 and the relevant explanatory notes disclosed in the interim financial information have not been reviewed in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

Martin C. K. Pong & Company

Certified Public Accountants

Unit 1807, 18/F, Wing On House
71 Des Voeux Road Central
Central
Hong Kong

26 August 2011

結論

根據吾等的審閱，吾等並無發現任何事項，令吾等相信中期財務資料在各重大方面未有根據香港會計準則第34號編製。

雖沒有出具保留審閱結論，吾等謹請閣下留意，中期財務資料所披露的截至二零一零年六月三十日止六個月期間的可資比較簡明綜合全面收益表、簡明綜合權益變動表及簡明綜合現金流量表以及其相關解釋附註並無根據香港審閱委聘準則第2410號「由實體獨立核數師審閱中期財務資料」予以審閱。

龐志鈞會計師行

執業會計師

香港
中環
德輔道中71號
永安集團大廈18樓1807室

二零一一年八月二十六日

Condensed Consolidated Statement of Comprehensive Income

簡明綜合全面收益表

For the six months ended
30 June
截至六月三十日止六個月

		Notes 附註	2011 二零一一年 (Unaudited) (未經審核) RMB'000 人民幣千元	2010 二零一零年 (Unaudited) (未經審核) RMB'000 人民幣千元
Revenue	收益	5	425,410	336,795
Cost of sales	銷售成本		(342,796)	(261,034)
Gross profits	毛利		82,614	75,761
Other income	其他收入	5	841	971
Distribution costs	分銷成本		(4,919)	(4,762)
Administrative expenses	行政開支		(12,144)	(8,351)
Finance costs	融資成本	6	(184)	(726)
Profit before income tax	除所得稅前溢利	7	66,208	62,893
Income tax expense	所得稅開支	8	(17,447)	(15,485)
Profit for the period	期間溢利		48,761	47,408
Other comprehensive income	其他全面收益		—	—
Total comprehensive income for the period	期間全面收益總額		48,761	47,408
Profit and total comprehensive income attributable to owners of the Company	本公司擁有人應佔溢利及全面收益總額		48,761	47,408
Earnings per share attributable to owners of the Company — basic (RMB cents)	本公司擁有人應佔每股盈利 — 基本(人民幣分)	10	6.47	6.29

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況報表

		Notes	As at 30 June 2011 於二零一一年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	As at 31 December 2010 於二零一零年 十二月三十一日 (Audited) (經審核) RMB'000 人民幣千元
ASSETS AND LIABILITIES				
Non-current assets				
Property, plant and equipment	物業、廠房及設備	11	107,218	112,279
Prepaid land lease payments	預付土地租賃款項	12	9,572	9,704
Deferred tax asset	遞延稅項資產	13	—	308
			116,790	122,291
Current assets				
Inventories	存貨	14	40,878	24,938
Trade receivables	應收貿易賬款	15	146,605	129,205
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	16	27,054	29,571
Cash and cash equivalents	現金及現金等價物		228,392	175,892
			442,929	359,606
Current liabilities				
Trade payables	應付貿易賬款	17	33,710	9,452
Accruals and other payables	應計款項及其他應付款項	18	23,456	21,642
Current tax liabilities	即期稅項負債		8,851	6,800
Bank borrowings	銀行借款	19	6,850	6,850
Provisions	撥備	20	6,289	6,384
			79,156	51,128
Net current assets	流動資產淨值		363,773	308,478
Total assets less current liabilities/ Net assets	總資產減流動負債/ 資產淨值		480,563	430,769
EQUITY				
Equity attributable to owners of the Company				
Share capital	股本	21	83	—
Reserves	儲備	22	480,480	430,769
Total equity	權益總額		480,563	430,769

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

		Issued Share capital 已發行 股本 RMB'000 人民幣千元	Statutory surplus reserve 法定盈餘 儲備 RMB'000 人民幣千元	Merger reserve 合併儲備 RMB'000 人民幣千元	Share-based compensation reserve 以股份為基礎 的報酬儲備 RMB'000 人民幣千元	Retained profits 保留盈利 RMB'000 人民幣千元	Total equity 權益總額 RMB'000 人民幣千元
As at 1 January 2011	於二零一一年一月一日	—	25,636	51,474	335	353,324	430,769
Share-based compensation	以股份為基礎 的報酬	—	—	—	1,033	—	1,033
Profit and total for comprehensive income for the period	期間溢利及 全面收益 總額	—	—	—	—	48,761	48,761
Merger reserve arising from exchange of shares upon group reorganisation	來自於集團重組時 轉換股份的 合併儲備	83	—	(83)	—	—	—
As at 30 June 2011 (Unaudited)	於二零一一年六月三十日 (未經審核)	83	25,636	51,391	1,368	402,085	480,563
As at 1 January 2010	於二零一零年一月一日	—	14,267	24,915	—	267,276	306,458
Profit and total for comprehensive income for the period	期間溢利及 全面收益 總額	—	—	—	—	47,408	47,408
As at 30 June 2010 (Unaudited)	於二零一零年六月三十日 (未經審核)	—	14,267	24,915	—	314,684	353,866

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

For the six months ended
30 June
截至六月三十日止六個月

		2011 二零一一年 (Unaudited) (未經審核) RMB'000 人民幣千元	2010 二零一零年 (Unaudited) (未經審核) RMB'000 人民幣千元
Cash flows from operating activities	來自經營活動的現金流量		
Profit before income tax	除所得稅前溢利	66,208	62,893
Adjustments for:	以下各項經調整：		
Property, plant and equipment written off	物業、廠房及設備的撇銷	199	—
Loss on disposal of property, plant and equipment	出售物業、廠房及設備的虧損	—	105
Depreciation and amortisation	折舊及攤銷	5,002	4,926
Share-based compensation	以股份為基礎的報酬	1,033	—
Interest expenses	利息開支	184	726
Interest income	利息收入	(483)	(242)
Operation profit before working capital changes	營運資金變化前的經營溢利	72,143	68,408
(Increase)/decrease in inventories	存貨(增加)/減少	(15,940)	2,132
(Increase)/decrease in trade receivables	應收貿易賬款(增加)/減少	(17,400)	57
Decrease/(increase) in prepayments, deposits and other receivables	預付款項、按金及其他應收款項減少/(增加)	2,517	(2,683)
Increase/(decrease) in trade payables	應付貿易賬款增加/(減少)	24,258	(3,581)
Increase/(decrease) in accruals and other payables	應計款項及其他應付款項增加/(減少)	1,814	(3,784)
Decrease in provisions	撥備減少	(95)	(110)
Cash generated from operations activities	經營活動產生的現金	67,297	60,439
Income tax paid	已付所得稅	(15,088)	(18,201)
Net cash generated from operating activities	經營活動產生的現金淨額	52,209	42,238
Cash flows from investing activities	來自投資活動的現金流量		
Purchase of property, plant and equipment	購買物業、廠房及設備	(8)	(19,746)
Deposit payments for purchase of property, plant and equipment	就購買物業、廠房及設備支付按金	—	(919)
Settlement of other payables for purchase of property, plant and equipment	清償就購買物業、廠房及設備的其他應付款項	—	(15,779)
Decrease in pledged bank deposits	抵押銀行存款減少	—	1,500
Interest received	已收利息	483	242
Net cash generated from/(used in) investing activities	投資活動產生/(所用)現金淨額	475	(34,702)
Cash flows from financing activities	來自融資活動的現金流量		
Interest paid	已付利息	(184)	(726)
Repayment of bank borrowings	償還銀行借款	—	(30,000)
Net cash used in financing activities	融資活動所用現金淨額	(184)	(30,726)
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物增加/(減少)淨額	52,500	(23,190)
Cash and cash equivalents at beginning of the period	期初的現金及現金等價物	175,892	160,080
Cash and cash equivalents at end of the period	期末的現金及現金等價物	228,392	136,890

Notes to the Condensed Consolidated Interim Financial Statements

簡明綜合中期財務報表附註

1. Corporate Information

The Company was incorporated as an exempted company with limited liability in Bermuda on 2 July 2010 under the Companies Act 1981 of Bermuda. The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The principle activity of the company is investment holding and the Group is principally engaged in the production and sale of cotton yarns and grey fabric.

Pursuant to a group reorganisation (the “Reorganisation”) of the Company and its subsidiaries to rationalise the structure of the Group in preparation for the listing of the Company’s shares on the main board of the Stock Exchange (the “Listing”), the Company became the holding company of the Group on 21 June 2011. Details of the Reorganisation were set out in the prospectus of the Company dated 28 June 2011 (the “Prospectus”).

The shares of HK\$0.1 each in the Company (the “Shares”) have been listed on the Stock Exchange since 14 July 2011.

The Group resulting from the Reorganisation is regarded as a continuing entity under common control. Accordingly, for the purpose of this report, the consolidated financial statements of the Group have been prepared using principles of merger accounting. The interim information of the Group for the six-months ended 30 June 2010 shown as comparatives in this report have been prepared as if the current group structure had been in existence throughout both periods presented, or since the respective dates of incorporation or establishment of the companies in the Group, rather than from the date when the Company became the holding company of the Group pursuant to the Reorganisation.

In the opinion of the directors of the Company (the “Directors”), the ultimate holding company of the Company is Tong Fa Limited (通發有限公司) (“Tong Fa”), a limited liability company incorporated in the British Virgin Islands.

1. 公司資料

本公司於二零一零年七月二日根據百慕達一九八一年公司法在百慕達註冊成立為一間獲豁免有限公司。本公司的註冊辦事處的地址為Clarendon House, 2 Church Street, Hamilton HM11, Bermuda。本公司的主要業務為投資控股而本集團主要從事棉紗及坯布生產及銷售。

根據為籌備本公司股份於聯交所主板上市(「上市」)而精簡本集團架構所進行的本公司及其附屬公司的集團重組(「重組」)，本公司於二零一一年六月二十一日成為本集團的控股公司。有關重組的詳情載於本公司日期為二零一一年六月二十八日的招股章程(「招股章程」)。

本公司每股面值0.1港元之股份(「股份」)自二零一一年七月十四日起於聯交所上市。

本集團因進行重組而被視為在共同控制下的持續實體。因此，就本報告而言，本集團的綜合財務報表採用合併會計原則編製。於本報告中，本集團截至二零一零年六月三十日止六個月之中期資料列示為比較數字，於編製該等資料時假設現行集團架構於所呈列的兩個期間或自集團旗下公司註冊成立或成立有關日期起一直存在，而並非由本公司根據重組成為本集團的控股公司日期起存在。

本公司董事(「董事」)認為，本公司的最終控股公司為通發有限公司(「通發」)，其為一間於英屬處女群島註冊成立的有限公司。

2. Basis of Preparation

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting”, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The condensed financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except where otherwise indicated.

3. Principal Accounting Policies

The condensed consolidated financial statements have been prepared on the historical cost basis.

In the Period Under Review, the Group applied for the first time the following new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA, which are relevant to and effective for the Group’s financial statements for the annual financial period beginning on 1 January 2011.

HKFRS 1 Amendment	Amendment to HKFRS 1 First-time Adoption of Hong Kong Financial Reporting Standards – Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters
HKAS 24 (Revised)	Related Party Disclosures
HKAS 32 Amendment	Amendment to HKAS 32 Financial Instruments: Presentation – Classification of Rights Issues
HK(IFRIC)-Int 14 Amendments	Amendments to HK(IFRIC)-Int 14 Prepayments of a Minimum Funding Requirement
HK(IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments

2. 呈列基準

簡明綜合財務報表乃根據聯交所證券上市規則(「上市規則」)附錄十六的適用披露規定及香港會計師公會(「香港會計師公會」)頒佈的香港會計準則(「香港會計準則」)第34號「中期財務報告」編製。

簡明財務報表乃以人民幣(「人民幣」)呈列，除另有指明外，所有價值均調整至最接近的千元數。

3. 主要會計政策

簡明綜合財務報表以歷史成本基準編製。

於回顧期間，本集團首次應用以下由香港會計師公會頒佈的新訂及經修訂香港財務報告準則(「香港財務報告準則」)，該等準則與本集團於二零一一年一月一日開始的年度財務期間的財務報表有關並適用於該等財務報表。

香港財務報告準則 第1號(修訂本)	修訂香港財務報告準則第1號首次採納香港財務報告準則—首次採納者有關香港財務報告準則第7號比較披露資料的有限豁免
香港會計準則 第24號(經修訂)	關連方披露
香港會計準則 第32號(修訂本)	修訂香港會計準則第32號金融工具：呈列—供股分類
香港(國際財務 報告詮釋委員會) 詮釋第14號 (修訂本)	修訂香港(國際財務報告詮釋委員會)詮釋第14號最低資金要求的預付款項
香港(國際財務 報告詮釋委員會) 詮釋第19號	以股權工具抵銷金融負債

3. Principal Accounting Policies (Continued)

Apart from the above, the Group has also adopted Improvement to HKFRSs 2010 which sets out amendments to a number of HKFRSs.

The adoption of these new and revised HKFRSs has had no material effect on the interim financial statements and there have been no significant changes to the accounting policies applied in these financial statements.

The Group has not early adopted the following new and revised standards and amendments that have been issued but are not yet effective.

HKFRS 1 Amendments	Amendment to HKFRS 1 First-time Adoption of Hong Kong Financial Reporting Standards — Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters ^(a)
HKFRS 7 Amendments	Amendments to HKFRS 7 Financial Instruments; Disclosures — Transfers of Financial Assets ^(a)
HKFRS 9	Financial Instruments ^(a)
HKFRS 10	Consolidated Financial Statements ^(a)
HKFRS 11	Joint Arrangements ^(a)
HKFRS 12	Disclosure of Interests in Other Entities ^(a)
HKFRS 13	Fair Value Measurement ^(a)
HKAS 1 (Revised)	Presentation of Financial Statements ^(a)
HKAS 12 Amendments	Amendments to HKAS 12 Income Taxes — Deferred Tax: Recovery of Underlying Assets ^(b)
HKAS 19 (2011)	Employee Benefits ^(a)
HKAS 27 (2011)	Separate Financial Statements ^(a)
HKAS 28 (2011)	Investments in Associates and Joint Ventures ^(a)

3. 主要會計政策(續)

除上文所述者外，本集團亦已採納二零一零年香港財務報告準則的改進，其中載列多項香港財務報告準則的修訂。

採納該等新訂及經修訂香港財務報告準則對中期財務報表並無重大影響，於該等財務報表應用的會計政策亦無重大變動。

本集團並無提早採納以下已頒佈但尚未生效的新訂及經修訂準則及修訂。

香港財務報告準則第1號(修訂本)	修訂香港財務報告準則第1號首次採納香港財務報告準則一嚴重通脹及免除首次採納者的固定日期 ^(a)
香港財務報告準則第7號(修訂本)	修訂香港財務報告準則第7號金融工具：披露一轉讓金融資產 ^(a)
香港財務報告準則第9號	金融工具 ^(a)
香港財務報告準則第10號	綜合財務報表 ^(a)
香港財務報告準則第11號	共同安排 ^(a)
香港財務報告準則第12號	披露於其他實體的權益 ^(a)
香港財務報告準則第13號	公平值計量 ^(a)
香港會計準則第1號(經修訂)	財務報表的呈列 ^(a)
香港會計準則第12號(修訂本)	修訂香港會計準則第12號所得稅一遞延稅項：收回相關資產 ^(b)
香港會計準則第19號(二零一一年)	僱員福利 ^(a)
香港會計準則第27號(二零一一年)	獨立財務報表 ^(a)
香港會計準則第28號(二零一一年)	於聯營公司及合營企業的投資 ^(a)

3. Principal Accounting Policies (Continued)

- (a) Effective for annual periods beginning on or after 1 July 2011
- (b) Effective for annual periods beginning on or after 1 January 2012
- (c) Effective for annual periods beginning on or after 1 July 2012
- (d) Effective for annual periods beginning on or after 1 January 2013

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

4. Segment Information

The Group identifies operating segments and prepare segment information based on the regular internal financial information reported to the executive directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's major operations.

The Group's operating business are organised and managed separately according to the nature of products, which each segment representing a strategic business segment that offers different products in the PRC market. The Company's executive Directors considered that all of the Group's revenue, operating results and assets and liabilities for the Period Under Review was mainly derived from its production and sales of textile products.

The Company is an investment holding company and the principle place of the Group's operation is in the PRC. For the purpose of segment information disclosures under HKFRS 8, the Group regards the PRC as its country of domicile. All the Group's revenue and non-current assets are principally attributable to the PRC, being the single geographical region.

3. 主要會計政策(續)

- (a) 於二零一一年七月一日或之後開始的年度期間生效
- (b) 於二零一二年一月一日或之後開始的年度期間生效
- (c) 於二零一二年七月一日或之後開始的年度期間生效
- (d) 於二零一三年一月一日或之後開始的年度期間生效

本集團正評估首次應用該等新訂及經修訂香港財務報告準則的影響，本集團相信，該等新訂及經修訂香港財務報告準則應不會對本集團的經營業績及財務狀況造成重大影響。

4. 分部資料

本集團乃根據向執行董事報告的定期內部財務資料，確認營運分部及編製分部資料以便彼等就分配資源至本集團業務部分作出決定及審核該等部分的表現。於向執行董事報告的內部財務資料中的業務部分乃根據本集團的主要業務而釐定。

本集團的營運業務乃根據產品性質而獨立組成及管理，而分部各代表一種於中國市場提供的不同產品的策略性業務分部。本公司的執行董事認為，本集團於回顧期間所有的收益、經營業績以及資產及負債主要來自紡織產品的生產及銷售。

本公司為一家投資控股公司，而本集團營運的主要地點位於中國。就根據香港財務報告準則第8號披露分部資料而言，本集團認為中國為其所在國家。本集團所有收益及非流動資產主要來自中國(為單一地區)。

5. Revenue and Other Income

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts (net of value-added tax) during the Period Under Review.

An analysis of the Group's revenue and other income is as follows:

		For the six months ended 30 June 截至六月三十日止六個月	
		2011 二零一一年 (Unaudited) (未經審核) RMB'000 人民幣千元	2010 二零一零年 (Unaudited) (未經審核) RMB'000 人民幣千元
Revenue	收益		
Sale of goods	銷售貨品	425,410	336,795
Other income	其他收入		
Bank interest income	銀行利息收入	483	242
Gain on sale of scrap materials	出售廢料收益	358	189
Others	其他	—	540
		841	971

6. Finance Costs

An analysis of finance costs is as follows:

		For the six months ended 30 June 截至六月三十日止六個月	
		2011 二零一一年 (Unaudited) (未經審核) RMB'000 人民幣千元	2010 二零一零年 (Unaudited) (未經審核) RMB'000 人民幣千元
Interest on bank borrowings wholly repayable within five year	須於五年內悉數償還的 銀行借款利息	184	726

5. 收益及其他收入

收益亦即本集團的營業額，指於回顧期間售出貨品的發票淨值，並經扣除退貨撥備及貿易折扣(扣除增值稅)。

本集團的收益及其他收入的分析如下：

6. 融資成本

融資成本的分析如下：

7. Profit before Income Tax

The Group's profit before income tax is arrived at after charging:

7. 除所得稅前溢利

本集團除所得稅前溢利已扣除下列各項：

		For the six months ended 30 June 截至六月三十日止六個月	
		2011 二零一一年 (Unaudited) (未經審核) RMB'000 人民幣千元	2010 二零一零年 (Unaudited) (未經審核) RMB'000 人民幣千元
Cost of inventories sold	已售存貨成本	342,796	261,034
Depreciation of property, plant and equipment	物業、廠房及設備折舊	4,870	4,797
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	132	129
Property, plant and equipment written off	物業、廠房及設備的撇銷	199	—
Loss on disposal of property, plant and equipment	出售物業、廠房及設備的虧損	—	105
Auditors' remuneration (Note)	核數師酬金(附註)	68	68
Employee benefit expenses (including directors' remuneration)	僱員福利開支(包括董事酬金)		
Wages and salaries	工資及薪金	21,685	27,348
Share-based compensation	以股份為基礎的報酬	1,033	—
Pension scheme contributions	退休金計劃供款	3,773	3,289
Staff welfare and other expenses	員工福利及其他開支	3,122	2,228
		29,613	32,865

Note: Auditors' remuneration was related to the fee for statutory audit service paid to the PRC local auditors of the Group's major subsidiary, Golden Shield Textile (Jing Yang) Co., Ltd* (金盾紡織(涇陽)有限公司)

附註：核數師酬金與向本集團主要附屬公司金盾紡織(涇陽)有限公司的中國當地核數師就法定審核服務而支付的費用有關。

8. Income Tax Expense

		2011 二零一一年 (Unaudited) (未經審核) RMB'000 人民幣千元	2010 二零一零年 (Unaudited) (未經審核) RMB'000 人民幣千元
Current tax — PRC — Current period	即期稅項 — 中國 — 本期間	17,139	16,871
Deferred tax — Current period	遞延稅項 — 本期間	308	(1,386)
		17,447	15,485

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operated. No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the Period Under Review.

Enterprise income tax ("EIT") arising from the PRC for the Period Under Review is calculated at 25% of the estimated assessable profits.

A reconciliation of the income tax expense applicable to profits before income tax at the statutory tax rate to the income tax expense at the effective tax rate for each of the reporting periods is as follows:

8. 所得稅開支

For the six months ended 30 June
截至六月三十日止六個月

2011 二零一一年 (Unaudited) (未經審核) RMB'000 人民幣千元	2010 二零一零年 (Unaudited) (未經審核) RMB'000 人民幣千元
17,139	16,871
308	(1,386)
17,447	15,485

本集團須就本集團成員公司所處及經營的司法權區所產生或賺取的溢利，按實體基準支付所得稅。由於本集團於回顧期間並無在香港產生任何應課稅溢利，故此並無作出香港利得稅撥備。

回顧期間的中國企業所得稅(「企業所得稅」)按估計應課稅溢利25%計算。

於各報告期間適用於計算除所得稅前溢利的所得稅項開支(按法定稅率計算)與按實際稅率計算的所得稅項開支的對賬如下：

		2011 二零一一年 (Unaudited) (未經審核) RMB'000 人民幣千元	2010 二零一零年 (Unaudited) (未經審核) RMB'000 人民幣千元
Profit before income tax	除所得稅前溢利	66,208	62,893
Tax at EIT rate	按企業所得稅稅率計算的稅項	16,552	15,723
Others	其他	895	(238)
Income tax expense	所得稅開支	17,447	15,485

9. Dividends

No dividend had been declared by the Company or any of its subsidiaries during the Period Under Review (six months ended 30 June 2010: RMB Nil).

10. Earnings Per Share

The calculations of basic earnings per share for the six months ended 30 June 2011 and 2010 are based on the profit attributable to owners of the Company of approximately, RMB48.8 million and RMB47.4 million respectively, and on the 753,520,000 ordinary Shares issuable (being the number of shares of the Company prior to the Listing) as if these Shares had been issued throughout the reporting periods. No diluted earnings per Share is presented as the Group has no dilutive potential shares during the reporting periods.

9. 股息

本公司或其任何附屬公司於回顧期間並無宣派股息(截至二零一零年六月三十日止六個月:人民幣零元)。

10. 每股盈利

截至二零一一年及二零一零年六月三十日止六個月的每股基本盈利乃根據本公司擁有人應佔溢利分別約人民幣48,800,000元及人民幣47,400,000元,以及753,520,000股可發行普通股股(即上市前本公司的股份數目)計算,猶如該等股份於報告期間已經發行。由於本集團於報告期間並潛在攤薄性股份,故並無呈列每股攤薄盈利。

11. Property, Plant and Equipment

11. 物業、廠房及設備

		Buildings	Plant and machinery	Furniture, fixtures and office equipment	Motor vehicles	Construction in progress	Total
		樓宇	廠房及機器	傢俬、辦公室設備及裝置	汽車	在建工程	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Cost:	成本：						
At 1 January 2010	於二零一零年一月一日	25,495	25,882	359	1,885	58,019	111,640
Additions	添置	9	2,657	155	—	27,272	30,093
Disposals	出售	—	(992)	—	—	(114)	(1,106)
Transfer	轉讓	44,733	40,384	—	—	(85,117)	—
At 31 December 2010	於二零一零年十二月三十一日	70,237	67,931	514	1,885	60	140,627
Additions	添置	—	—	8	—	—	8
Written off	撇銷	—	(559)	—	—	—	(559)
Transfer	轉讓	60	—	—	—	(60)	—
At 30 June 2011	於二零一一年六月三十日	70,297	67,372	522	1,885	—	140,076
Accumulated depreciation	累計折舊						
At 1 January 2010	於二零一零年一月一日	5,124	13,722	185	231	—	19,262
Provided for the year	年度撥備	2,404	7,122	53	191	—	9,770
Disposals	出售	—	(684)	—	—	—	(684)
At 31 December 2010	於二零一零年十二月三十一日	7,528	20,160	238	422	—	28,348
Provided for the period	期間撥備	1,358	3,382	34	96	—	4,870
Written off	撇銷	—	(360)	—	—	—	(360)
At 30 June 2011	於二零一一年六月三十日	8,886	23,182	272	518	—	32,858
Net carrying amount:	賬面淨值：						
At 30 June 2011 (Unaudited)	於二零一一年六月三十日 (未經審核)	61,411	44,190	250	1,367	—	107,218
At 31 December 2010 (Audited)	於二零一零年十二月三十一日 (經審核)	62,709	47,771	276	1,463	60	112,279

12. Prepaid Land Lease Payments

		At 30 June 2011 於二零一一年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	At 31 December 2010 於二零一零年 十二月三十一日 (Audited) (經審核) RMB'000 人民幣千元
At beginning of the period/year	期初/年初	9,704	9,874
Additions	添置	—	90
Amortisation	攤銷	(132)	(260)
At end of the period/year	期末/年末	9,572	9,704

The Group's prepaid land lease payments represent payments for land use rights in the PRC under medium term leases.

As at 30 June 2011 and 31 December 2010, certain bank borrowings of the Group were secured by certain of the Group's prepaid land lease payments, which had aggregate carrying amounts of approximately RMB4,875,000 and RMB4,948,000 respectively (Note 24).

12. 預付土地租賃款項

本集團的預付土地租賃款項指就根據中期租賃於中國的土地使用權支付的款項。

截至二零一一年六月三十日及二零一零年十二月三十一日，本集團若干銀行借貸以本集團賬面總值分別約人民幣4,875,000元及人民幣4,948,000元的若干預付土地租賃款項作抵押(附註24)。

13. Deferred Tax Asset

The movements in deferred tax asset in relation to provision of social insurance contributions fund during the period/year are as follows:

		At 30 June 2011 於二零一一年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	At 31 December 2010 於二零一零年 十二月三十一日 (Audited) (經審核) RMB'000 人民幣千元
At beginning for the period/year	期初/年初	308	3,438
Recognised in profits or loss (Note 8)	於損益中確認(附註8)	(308)	(3,130)
At end of the period/year	期末/年末	—	308

13. 遞延稅項資產

於期間/年度與社會保險供款基金撥備有關的遞延稅項資產的變動如下：

14. Inventories

		At 30 June 2011 於二零一一年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	At 31 December 2010 於二零一零年 十二月三十一日 (Audited) (經審核) RMB'000 人民幣千元
Raw materials	原材料	22,992	12,611
Work in progress	在製品	11,455	651
Finished goods	製成品	6,431	11,676
		40,878	24,938

14. 存貨

15. Trade Receivables

As ageing analysis of trade receivables of the Group at the end of each reporting period, based on the invoice date, is as follows:

		At 30 June 2011 於二零一一年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	At 31 December 2010 於二零一零年 十二月三十一日 (Audited) (經審核) RMB'000 人民幣千元
Within 3 months	三個月內	146,605	129,205

The Group's trading terms with customers are mainly on credit. The credit term is generally 90 days. The Group's trade receivable are interest-free.

15. 應收貿易賬款

於各報告期末按發票日期計算的本集團應收貿易賬款的賬齡分析如下：

本集團與客戶的貿易條款主要以信貸形式進行。信貸期一般為90天。本集團的應收貿易賬款為免息。

16. Prepayments, Deposits and Other Receivables

16. 預付款項、按金及其他應收款項

		At 30 June 2011 於二零一一年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	At 31 December 2010 於二零一零年 十二月三十一日 (Audited) (經審核) RMB'000 人民幣千元
Prepayment to suppliers	預付供應商款項	16,478	16,363
Deposits	按金	140	140
Prepaid expenses	預付開支	5,505	5,408
Other receivables	其他應收款項	4,931	7,660
		27,054	29,571

17. Trade Payables

The trade payable are interest-free. Generally, the credit period is approximately 90 days. An ageing analysis of the trade payables of the Group as at the end of each reporting period, based on the invoice date, is as follows:

17. 應付貿易賬款

應付貿易賬款為不計息。一般而言，信貸期約為90日。於各報告期間末按發票日期計算的本集團應付貿易賬款的賬齡分析如下：

		At 30 June 2011 於二零一一年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	At 31 December 2010 於二零一零年 十二月三十一日 (Audited) (經審核) RMB'000 人民幣千元
Within 3 months	三個月內	33,710	9,452

18. Accruals and Other Payables

		At 30 June 2011 於二零一一年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	At 31 December 2010 於二零一零年 十二月三十一日 (Audited) (經審核) RMB'000 人民幣千元
Accruals and other payables (Note)	應計款項及其他應付款項(附註)	16,824	14,966
Social insurance contribution payables	應付社會保險供款	1,564	1,232
Other taxes payables	其他應付稅項	5,068	5,444
		23,456	21,642

Note: As at 30 June 2011 and 31 December 2010, accrual and other payables included amounts due to shareholders of approximately RMB7,124,000 and RMB5,786,000 respectively which represented the Listing expenses paid on behalf of the Group. The Directors consider that the amounts due to shareholders will be settled from the proceeds of the Listing.

附註：於二零一一年六月三十日及二零一零年十二月三十一日，應計款項及其他應付款項包括應付股東金額約人民幣7,124,000元及人民幣5,786,000元，即代本集團支付的上市開支。董事認為應付該名股東金額將會以上市所得款項支付。

19. Bank Borrowings

		At 30 June 2011 於二零一一年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	At 31 December 2010 於二零一零年 十二月三十一日 (Audited) (經審核) RMB'000 人民幣千元
Bank loans repayable within one year — Secured	須於一年內償還的銀行貸款 — 已抵押	6,850	6,850

The fixed interest rate of the Group's borrowing during the period from 31 December 2010 to 30 June 2011 is 5.31%.

於二零一零年十二月三十一日至二零一一年六月三十日期間，本集團借款的固定利率為5.31%。

Details of the assets pledged to secure the bank borrowings of the Group were disclosed in Note 24.

就取得本集團銀行借款的已抵押資產詳情，於附註24披露。

20. Provisions

		At 30 June 2011 於二零一一年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	At 31 December 2010 於二零一零年 十二月三十一日 (Audited) (經審核) RMB'000 人民幣千元
At beginning of the period/year	期初/年初	6,384	6,582
Amounts utilised during the period/year	期內/年內已動用金額	(95)	(198)
At end of the period/year	期末/年末	6,289	6,384

The Group provides for probable future staff termination benefits expected to be made to employees of Jing Yang Spinning Mill* (涇陽縣棉紡織廠) under the acquisition agreement dated 14 September 2001. The provision is based on the best estimate of the probable future payments at the end of each reporting date.

* For identification purpose only

20. 撥備

本集團就預期將根據日期為二零零一年九月十四日的收購協議而於未來可能向涇陽縣棉紡織廠的僱員提供的員工終止聘用福利作出撥備。有關撥備乃按於各個報告期末對未來可能支付的款項的最佳估計數字計算。

21. Share Capital

During the Period Under Review, the movements in authorised and issued share capital were as follows:

			Number of ordinary Shares of HK\$0.10 each 每股面值0.10港元之普通股數目		Nominal value of ordinary shares 普通股股份面值 HK\$'000 RMB'000 千港元 人民幣千元	
Authorised:	法定：					
On incorporation, and at 31 December 2010	於註冊成立日期及於二零一零年十二月三十一日	(i)	3,000,000	300		
Increase in authorised capital	法定股本增加	(ii)	1,997,000,000	199,700		
As at 30 June 2011	於二零一一年六月三十日		2,000,000,000	200,000		
Issue and fully paid:	已發行及繳足：					
On incorporation, and at 31 December 2010	於註冊成立日期及於二零一零年十二月三十一日		100	—	—	
Issue of share for the Reorganisation	發行股份以進行重組		999,900	100	83	
As at 30 June 2011	於二零一一年六月三十日		1,000,000	100	83	

(i) The Company was incorporated in Bermuda on 2 July 2010 with an authorised share capital of HK\$300,000 divided into 3,000,000 ordinary Shares, 100 ordinary Shares were issued nil paid on 26 July 2010.

(ii) Pursuant to a written resolution of the shareholders dated 24 June 2011, the authorised share capital of the Company was increased from HK\$300,000 to HK\$200,000,000 by the creation of an additional of 1,997,000,000 Shares of HK\$0.01 each.

The share capital at 30 June 2011 as shown in the condensed consolidated statement of financial position represented the aggregate issued share capital of the companies now comprising the Group.

21. 股本

於回顧期間，法定及已發行股本變動如下：

			Number of ordinary Shares of HK\$0.10 each 每股面值0.10港元之普通股數目		Nominal value of ordinary shares 普通股股份面值 HK\$'000 RMB'000 千港元 人民幣千元	
Authorised:	法定：					
On incorporation, and at 31 December 2010	於註冊成立日期及於二零一零年十二月三十一日	(i)	3,000,000	300		
Increase in authorised capital	法定股本增加	(ii)	1,997,000,000	199,700		
As at 30 June 2011	於二零一一年六月三十日		2,000,000,000	200,000		
Issue and fully paid:	已發行及繳足：					
On incorporation, and at 31 December 2010	於註冊成立日期及於二零一零年十二月三十一日		100	—	—	
Issue of share for the Reorganisation	發行股份以進行重組		999,900	100	83	
As at 30 June 2011	於二零一一年六月三十日		1,000,000	100	83	

(i) 本公司於二零一零年七月二日於百慕達註冊成立，法定股本為300,000港元，分為3,000,000股普通股份，其中100股普通股份已於二零一零年七月二十六日以未繳股款形式發行。

(ii) 根據股東於二零一一年六月二十四日通過之書面決議案，本公司之法定股本透過增設額外1,997,000,000股每股面值0.01港元的股份由300,000港元增加至200,000,000港元。

簡明綜合財務狀況表所示於二零一一年六月三十日的股本指現時組成本集團的公司的總已發行股本。

22. Reserves

Statutory surplus reserve

In accordance with the Company Law of the PRC, the Company's subsidiary registered in the PRC is required to appropriate 10% of the annual statutory profit after tax (after offsetting any prior years' losses) determined in accordance with generally accepted accounting principles in the PRC to the statutory reserve until the balance of the reserve fund reaches 50% of the entity's registered capital. The statutory reserve can be utilised to offset prior years' losses or to increase capital, provided the remaining balance of the statutory reserve is not less than 25% of registered capital.

Merger reserve

The merger reserve of the Group arose as a result of the Reorganisation which was partially completed on 21 June 2011 and represented the difference between the consideration under the Reorganisation and the nominal value of the share capital of the subsidiary then acquired.

Share-based compensation reserve

As mentioned in the Prospectus, on 3 November 2010, in recognition of Mr. Chen Binghui's ("Mr. Chen") contributions to the Group and to align his interest with the Group's future success, Mr. Qiu Jianfa ("Mr. Qiu") assigned 21 shares in Tong Fa (the "Chen Shares") as gift to Mr. Chen. Pursuant to requirements of HKFRS 2, transfers of equity interests by shareholders to parties that have supplied services to an entity are share-based payments. This also applied to transfers of equity instruments in an entity's parent to parties that have supplied services to an entity.

All employee services received in exchange for the grant of any share-based compensation are measured at their fair values. These are indirectly determined by reference to the equity instruments awarded. Their value is appraised at the grant date and excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets).

22. 儲備

法定盈餘儲備

根據中國公司法，本公司於中國註冊的附屬公司須劃撥10%根據中國公認會計準則釐定的年度法定除稅後溢利(經扣除任何過往年度虧損後)至法定儲備，直至儲備金結餘達到該實體註冊資本的50%為止。該法定儲備可用於抵銷過往年度虧損或用於增資，惟法定儲備的餘下結餘不少於註冊資本的25%。

合併儲備

本集團的合併儲備乃因部分已於二零一一年六月二十一日完成的重組而產生，乃指重組的代價與當時已收購的附屬公司的股本面值之間的差額。

以股份為基礎的報酬儲備

誠如招股章程所述，於二零一零年十一月三日，為表揚陳秉輝先生(「陳先生」)對本集團作出之貢獻及將其利益與本集團未來的成功掛鉤，邱建法先生(「邱先生」)轉讓21股通發股份(「陳先生股份」)予陳先生作為饋贈。根據香港財務報告準則第2號之規定，股東向曾向實體提供服務之人士轉讓股本權益屬以股份為基礎之付款。此亦適用於向曾向實體提供服務之人士轉讓於實體母公司之股本工具。

所有已收取以換取授出任何以股份為基礎報酬之僱員服務乃按彼等之公平值計量。此乃間接以參考所授出之股本工具而釐定。彼等之價值乃於授出日期估值及不包括任何非市場歸屬條件(例如盈利能力及銷售增長目標)之影響。

22. RESERVES (Continued)

Share-based compensation reserve (Continued)

As no quoted price is available for the Chen Shares granted to Mr. Chen, the Directors use their judgement in selecting an appropriate valuation technique. Discounted cash flow model is applied to measure the fair value of the Chen Shares. The growth rates applied in the discounted cash flow model reflect the long-term average growth rates for the Group. The discount rates used are pre-tax and reflect specific risk relating to the Group.

Details of the Mr. Chen's undertakings were set out in the Prospectus and the vesting period of the Chen Shares commenced on 3 November 2010 and end on 2 November 2025.

Employee compensation expense of RMB1,033,000 and RMB335,000 has been included in the profit or loss for the period ended 30 June 2011 and year ended 31 December 2010 respectively. It gave rise to the share-based compensation reserve. No liabilities were recognised due to equity-settled share-based payment transactions.

23. CONTINGENT LIABILITIES

As at 30 June 2011, the Group did not have any significant contingent liabilities (31 December 2010: Nil).

22. 儲備(續)

以股份為基礎的報酬儲備(續)

由於授予陳先生之陳先生股份並無提供報價，故董事依靠其判斷選擇適合之估值方法。已貼現現金流量法已應用於計量陳先生股份之公平值。應用於已貼現現金流量法之增長率反映本集團之長期平均增長率。所用之貼現率為除稅前及反映與本集團有關之特定風險。

有關陳先生之承諾詳情已載於招股章程內，陳先生股份之歸屬期由二零一零年十一月三日開始，至二零二五年十一月二日屆滿。

截至二零一一年六月三十日止期間及截至二零一零年十二月三十一日止年度，人民幣1,033,000元及人民幣335,000元之僱員報酬開支已計入損益內，而此產生以股份為基礎報酬儲備。概無因按權益結算以股份支付之交易而確認負債。

23. 或然負債

截至二零一一年六月三十日，本集團概無擁有任何重大或然負債(二零一零年十二月三十一日：無)。

24. PLEDGE OF ASSETS

At the end of each reporting period, the following assets of the Group were pledged to certain banks for securing the bank borrowings (Note 19) granted to the Group:

	At 30 June 2011 於二零一一年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	At 31 December 2010 於二零一零年 十二月三十一日 (Audited) (經審核) RMB'000 人民幣千元
Prepaid land lease payments (Note 12) 預付土地租賃款項(附註12)	4,875	4,948

24. 資產抵押

於各報告期末，本集團以下資產已抵押予若干銀行，以作為授予本集團的銀行借貸的抵押(附註19)：

25. OPERATING LEASES

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

	At 30 June 2011 於二零一一年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	At 31 December 2010 於二零一零年 十二月三十一日 (Audited) (經審核) RMB'000 人民幣千元
No later than 1 year 不超過一年	100	—
Later than 1 year and no later than 5 years 超過一年但不超過五年	—	—
	100	—

25. 經營租賃

不可撤銷經營租賃下的未來總最低租金如下：

26. COMMITMENTS

The Group had the following capital commitments at the end of each reporting period:

		At 30 June 2011 於二零一一年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	At 31 December 2010 於二零一零年 十二月三十一日 (Audited) (經審核) RMB'000 人民幣千元
Contracted, but not provided for:	已訂約但尚未撥備：		
Acquisition of property, plant and equipment	購置物業、廠房及設備	37,817	37,817

26. 承擔

於各報告期末，本集團擁有以下資本承擔：

27. RELATED PARTY DISCLOSURES

(a) Balance and transactions

Other than the related party balances and transaction disclosed in Note 18, the Group had the following material transactions with related parties during the Period Under Review.

During the six months ended 30 June 2010 and 2011, the Group used the land and building owned by Shaanxi Golden Shield Textile Co., Ltd*(陝西金盾紡織有限公司) ("Shaanxi Golden Shield") as its cotton spinning/weaving mills at nil consideration. Shaanxi Golden Shield, a company established in the PRC, was controlled by Mr. Chen, an executive Director, and Mr. Lin Shuqing, a non-executive Director.

* For identification purpose only

27. 關連方披露

(a) 結餘及交易

除附註18所披露之關連方結餘及交易外，本集團於回顧期間與關連方存在下列重大交易。

截至二零一零年及二零一一年六月三十日止六個月，本集團無償使用由陝西金盾紡織有限公司(「陝西金盾」)擁有的土地及樓宇作其棉紡紗／織布廠。陝西金盾為於中國成立之公司，由執行董事陳先生及非執行董事林樹青控制。

27. RELATED PARTY DISCLOSURES (Continued)

(b) Compensation of key management personnel

The emoluments of Directors who are also identified as members of key management of the Group during the reporting period are set out as follows:

27. 關連方披露(續)

(b) 主要管理人員的薪酬

於報告期間同時為本集團主要管理人員的董事的酬金載列如下：

		For the six months ended 30 June 截至六月三十日止六個月	
		2011 二零一一年 (Unaudited) (未經審核) RMB'000 人民幣千元	2010 二零一零年 (Unaudited) (未經審核) RMB'000 人民幣千元
Fees	袍金	—	—
Salaries allowances and benefits in kind	薪金、津貼及實物福利	147	173
Pension scheme contributions	退休金計劃供款	22	9
Share based compensation	以股份為基礎的報酬	1,033	—
Total	總計	1,202	182

28. EVENT AFTER REPORTING PERIOD

- (1) In preparing for the Listing, the companies now comprising the Group underwent the Reorganisation to rationalise the group structure. As a result of the Reorganisation, the Company became the holding company of the Group on 21 June 2011. Details of the Reorganisation and other changes are set out in the paragraph “Corporate Reorganisation” in Appendix VI to the Prospectus.
- (2) On 14 July 2011, the Company allotted and issued 752,520,000 ordinary Shares as fully paid to the then existing shareholders by the capitalisation of an amount of HK\$75,252,000 (equivalent to approximately RMB62,459,000) in the share premium account of the Company.
- (3) On 14 July 2011, the Company issued 188,380,000 new ordinary Shares for cash pursuant to the Company’s initial public offering and placing at a price HK\$0.7 per Share to the public for the Listing. Net proceeds from such issue amounted to HK\$119,200,000 (approximately RMB98,936,000).

29. APPROVAL OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

These interim consolidated financial statements were approved and authorised for issue by the Board on 26 August 2011.

28. 報告期後事項

- (1) 為準備上市，現時組成本集團之公司進行重組以理順集團架構。由於進行重組，本公司於二零一一年六月二十一日成為本集團的控股公司。重組及其他變動詳情載列於招股章程附錄六「公司重組」一段。
- (2) 於二零一一年七月十四日，本公司透過將本公司股份溢價賬中75,252,000港元(相等於約人民幣62,459,000元)資本化而向其時現有股東配發及發行752,520,000股繳足普通股。
- (3) 於二零一一年七月十四日，本公司就上市透過本公司首次公開發售及配售按每股0.7港元的價格向公眾發行188,380,000股普通股以換取現金。該發行的所得款項淨額為119,200,000港元(約人民幣98,936,000元)。

29. 批准中期綜合財務報表

該等中期綜合財務報表已獲董事會於二零一一年八月二十六日批准及授權發行。



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Holdings Industrial Limited

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