



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



2012 中期報告 Interim Report

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Corporate Information

公司資料

Board of Directors

Executive Directors:

Mr. Chen Binghui (*Chairman*)
Mr. Chen Zhifeng
Mr. Wu Shoumin

Non-executive Directors:

Mr. Qiu Jianfa
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

Nomination Committee

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

Company Secretary

Mr. Yao Yan Ping Francis, *CPA (Practising), FCCA*

Authorised Representatives

Mr. Chen Binghui
Mr. Yao Yan Ping Francis, *CPA (Practising), FCCA*

Registered Office

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Principal Place of Business in Hong Kong

Unit 1003, 10th Floor
No. 69 Jervois Street
Hong Kong

董事會

執行董事：

陳秉輝先生 (*主席*)
陳志峰先生
吳守民先生

非執行董事：

邱建法先生
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

提名委員會

薛芳女士 (*主席*)
鄭焜堂先生
楊國豪先生

公司秘書

姚恩平先生 · *CPA (Practising) · FCCA*

法定代表

陳秉輝先生
姚恩平先生 · *CPA (Practising) · FCCA*

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

香港主要營業地點

香港
蘇杭街69號
10樓1003室



Corporate Information (Continued)

公司資料(續)

Head Office in the PRC

Wenyi Road
Jing Yang Country
Xianyang City
Shaanxi Province
PRC

中國總辦事處

中國
陝西省
咸陽市
涇陽縣
文藝路

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

本公司法律顧問

有關香港法例
蘇姜業洗律師行

有關百慕達法例
Conyers Dill & Pearman

有關中國法例
大成律師事務所

Auditors

Martin C.K. Pong & Company

核數師

龐志鈞會計師行

Compliance Adviser

South West Capital Limited

合規顧問

西南融資有限公司

Hong Kong Share Registrar

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

香港證券登記處

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

Principal Bankers

Standard Chartered Bank (Hong Kong) Limited

主要往來銀行

渣打銀行(香港)有限公司

Stock Code

2123

股份代號

2123

Company Website

www.goldenshield.com.cn
www.goldenshield.com.hk

公司網址

www.goldenshield.com.cn
www.goldenshield.com.hk



Financial Highlights

財務摘要

- Revenue was approximately RMB484 million, representing an increase of approximately 13.7% over the corresponding period of last year.
- Gross profit was approximately RMB76 million, representing a decrease of approximately 8.4% over the corresponding period of last year.
- Gross profit margin was approximately 15.6%, representing a decrease of 3.8 percentage points as compared with the gross profit margin of approximately 19.4% for the corresponding period of last year.
- Net profit attributable to owners of the Company was approximately RMB33 million, representing a decrease of approximately 32.2% over the corresponding period of last year.
- Net profit margin decreased 4.7 percentage points from approximately 11.5% for the six months ended 30 June 2011 to approximately 6.8% for the six months ended 30 June 2012.
- Basic earnings per Share was approximately RMB3.5 cents representing a decrease of approximately 45.7% 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 2012.
- 收益較去年同期上升約13.7%，約為人民幣484,000,000元。
- 毛利較去年同期下降約8.4%，約為人民幣76,000,000元。
- 毛利率約為15.6%，較去年同期的毛利率約19.4%下降3.8個百分點。
- 本公司擁有人應佔純利較去年同期下降約32.2%，約為人民幣33,000,000元。
- 純利率由截至二零一一年六月三十日止六個月的約11.5%下降4.7個百分點至截至二零一二年六月三十日止六個月的約6.8%。
- 每股基本盈利約為人民幣3.5分，較去年同期下降約45.7%。
- 董事會不建議就截至二零一二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 2012 (the “Period Under Review”) together with comparative figures for the corresponding period in 2011.

本公司董事會(「董事會」)欣然宣佈本集團於截至二零一二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二零一一年同期之比較數字。

Industry Overview

During the Period Under Review, the textile industry in China was significantly affected by the challenging global macroeconomic situation. Factors such as weak demand in both overseas and domestic markets and the decrease in cotton price in both domestic and overseas markets caused a decline in the textile industry in China. As a result, the whole industry saw a slowdown in production growth and domestic sales, and declining earnings.

市場回顧

於回顧期間，中國紡織行業所面臨的全球宏觀經濟形勢嚴峻複雜。受國內外市場需求不足及國內外市場的棉花價格均有所下跌等不利因素的影響，中國紡織行業呈現下滑態勢，具體表現為整個行業的生產增速放緩、內銷增速回落，以及盈利出現下滑。

The market showed signs of slowdown in growth rate for the first half of 2012. According to the statistics released by the National Bureau of Statistics of China, from January to May 2012, sales of apparel, footwear, headwear and knitwear by companies with over RMB20 million in annual revenue in China grew by approximately 6.2% as compared with the corresponding period of 2011, which was approximately 7.3% lower than the growth rate of the corresponding period of last year. Moreover, according to the statistics released by the China National Textile and Apparel Council Statistics Center, during the first five months of 2012, domestic sales value of large textile enterprises in China rose by approximately 13.4%, which was 18.5% lower than the growth rate as compared with the corresponding period of 2011. The proportion of domestic sales increased to approximately 84.2% as compared to approximately 82.7% for the corresponding period of 2011.

市場於二零一二年上半年呈增速放緩的形勢。根據中國國家統計局發佈的數據，二零一二年一至五月，全國企業(年銷售額人民幣20,000,000元以上)商品銷售額中，服裝鞋帽及針紡織品銷售額同比增長約6.2%，增速比去年同期低約7.3%。此外，根據中國紡織工業協會統計中心發佈的數據，二零一二年前五個月，中國大型紡織企業內銷產值增長約13.4%，增速較二零一一年同期下降18.5%；內銷比重由二零一一年同期的約82.7%提高到約84.2%。

In addition, during the Period Under Review, the demand from overseas market shrank to negative growth. According to the China Customs, from January to July 2012, the total export of textile and apparel amounted to USD137 billion, resulting in a year-on-year decline of 0.2% mainly caused by the slowdown of imports in the United States, European Union and the Japanese market. From January to June 2012, China's textile and apparel exports to the United States amounted to approximately USD18 billion, resulting in an increase of only 1.75% which represented 7.44% lower in the growth rate over the same period of 2011. Exports to the European Union amounted to approximately EURO 16 billion, resulting in a decrease of 7.73% which represented 21.24 percentage points lower in the growth rate over the same period of 2011. Exports to Japan amounted to 1 trillion yen, resulting in a 0.48 percent decrease which represented 10.49% lower in the growth rate over the same period of 2011.

此外，於回顧期間，國際市場的需求收縮至負增長。根據中國海關的資料，於二零一二年一月至七月期間，紡織品及服裝的總出口量同比下跌0.2%至137,000,000,000美元，主要由於美國、歐盟及日本市場的進口放緩。二零一二年一月至六月期間，中國出口至美國的紡織品及服裝僅增長1.75%至約18,000,000,000美元，增速較二零一一年同期下降7.44%。出口至歐盟的紡織品及服裝下跌7.73%至約16,000,000,000歐元，增速較二零一一年同期下降21.24個百分點，出口至日本的紡織品及服裝則下跌0.48%至1,000,000,000,000日圓，增速較二零一一年同期下降10.49%。



Management Discussion and Analysis (Continued)

管理層討論與分析(續)

Based on the Cotton A Index in China, the average price of cotton in the first half of 2012 was RMB20,438 per ton, a decline of approximately 29.9% as compared with the corresponding period of 2011. The average price of cotton according to the Cotlook A Index was 95.36 US cents per pound, which was a decline of approximately 49.9% as compared with the corresponding period of 2011. The above showed a continuous decline trend of cotton price in both domestic and overseas markets. Therefore, it was difficult to lift the prices of textile products, which significantly affected the Group's overall profitability.

During the Period Under Review, our revenue was approximately RMB484 million, representing an increase of approximately 13.7% from the corresponding period of 2011. Net profit attributable to owners of the Company was approximately RMB33 million, representing a decrease of approximately 32.2% as compared with the corresponding period of 2011. Earnings per share were RMB3.51. The Group's gross profit margin for the first half of 2012 was approximately 15.6%, 3.8% lower than that in the corresponding period of 2011.

Surging labor and other production costs, funding difficulties in global macroeconomic situation, and other issues are not expected to be resolved in the near future. The movement in the cotton price trends in both domestic and overseas markets remains uncertain. As such, the operating environment in the China textile industry will most likely pose challenge to industry players. However, demand for various middle and high-end textile products and apparel is expected to grow along with the domestic consumption trend. And following recent adjustment in reserve requirement ratio and interest rate cuts, it is expected that more favorable policies will be announced to stabilize the economy, which would relieve the slowdown of the textile industry in China, in the second half of 2012. Hence, despite operating under tough business environment, we believe the industry will show low, but positive growth.

We intend to adhere to our strategy by focusing on high-end products and to take advantage of the industry consolidation to expand our presence. We will also proactively launch new products and optimize our product mix by leveraging our financial resources and market position. With good understanding of the market changes, we will be able to better grasp the opportunities amid the adjustment and are confident in counteracting market volatility.

根據中國棉花價格A指數，棉花價格於二零一二年上半年平均為每噸人民幣20,438元，較二零一一年同期下降約29.9%；而根據Cotlook A指數，棉花價格平均為每磅95.36美分，較二零一一年同期下降約49.9%。上述表示國內外市場的棉花價格繼續呈現下滑的趨勢，故此棉紡織品價格提升難度較大，從而對本集團的整體盈利能力產生較大的負面影響。

於回顧期間內，本集團的收益約為人民幣484,000,000元，較二零一一年同期上升約13.7%。本公司擁有人應佔純利約為人民幣33,000,000元，較二零一一年同期下降約32.2%；每股盈利為人民幣3.51元。二零一二年上半年，本集團的毛利率約為15.6%，較二零一一年同期下降3.8%。

勞工及其他生產成本持續提高、在全球宏觀經濟下融資困難等問題預期於短期內難以徹底改善。國內外棉花價格的走勢仍存在不確定性，因此中國紡織行業經營環境將為業界帶來挑戰。但是，隨著國內消費水平的逐步提高，預期對各類中高檔紡織品及服裝的需求亦將增加；繼存款準備金率近期有所調整和利率下調後，更多穩定經濟的利好政策有望在二零一二年下半年出台，從而紓緩中國紡織行業放緩的情況。因此，儘管於困難的業務環境下經營，但預期行業仍將持續低位增長。

本集團將堅持專注高端產品的戰略，利用行業整合契機擴大市場份額。依托穩健的財務實力以及市場地位，本集團也將積極推出新產品和優化產品品種。通過及時瞭解市場變化，本集團將更好地把握市場調整帶來的機遇。本集團亦有信心抵禦市場波動的风险。



Management Discussion and Analysis (Continued)

管理層討論與分析(續)

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, grey fabrics business, and sales of lint cotton accounted for approximately 61.4%, 7.7% and 30.9% respectively of the Group's total turnover respectively. As at 30 June 2012, the total designed annual production capacity of the Group's cotton yarns and grey fabrics were 36,200 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 decreased by approximately 20.5% to approximately RMB296.9 million (six months ended 30 June 2011: approximately RMB373.3 million), accounting for approximately 61.4% (six months ended 30 June 2011: 87.7%) of the Group's total turnover. Gross profit margin of cotton yarn business declined from approximately 18.9% in the six months ended 30 June 2011 to approximately 18.3% in the Period Under Review due to the decrease in average selling price of cotton yarn.

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 RMB114.1 million, representing an increase of approximately 67.5% from approximately RMB68.1 million for the six months ended 30 June 2011 and accounted approximately 23.6% of the Group's total turnover (six months ended 30 June 2011: approximately 16.0%). Moreover, gross profit of combed cotton yarns increased by approximately 32.0% from approximately RMB15.3 million in the same period in 2011 to approximately RMB20.2 million in the Period Under Review. Gross profit margin of combed cotton yarns in the Period Under Review decreased by 4.7 percentage points when compared with the same period in 2011 to approximately 22.4%.

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，供應十一種棉紗及十九種坯布，行銷中國南部和東部地區十二個省市。按業務分部分析，棉紗業務、坯布業務及皮棉銷售分別佔本集團總營業額約61.4%、7.7%及30.9%。截至二零一二年六月三十日，本集團棉紗及坯布的設計年度總產能分別達36,200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，棉紗業務營業額減少約20.5%至約人民幣296,900,000元(截至二零一一年六月三十日止六個月：約人民幣373,300,000元)，佔本集團總營業額的約61.4%(截至二零一一年六月三十日止六個月：87.7%)。由於棉紗的平均售價下跌，於回顧期間，棉紗業務的毛利率由截至二零一一年六月三十日止六個月的約18.9%下跌至約18.3%。

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114,100,000元，較截至二零一一年六月三十日止六個月之約人民幣68,100,000元上升約67.5%，佔本集團總營業額的約23.6%(截至二零一一年六月三十日止六個月：約16.0%)，另外，精梳棉紗的毛利由二零一一年同期約人民幣15,300,000元增長約32.0%至回顧期間的約人民幣20,200,000元。精梳棉紗的毛利率與二零一一年同期相比下跌4.7個百分點至回顧期間的約22.4%。



Management Discussion and Analysis (Continued)

管理層討論與分析(續)

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.

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 decreased by approximately 40.1% over the corresponding period in 2011 to approximately RMB182.9 million, accounting for approximately 37.8% of the Group's total turnover (six months ended 30 June 2011: approximately 71.7%). Gross profit of carded cotton yarns in the Period Under Review also decreased by approximately 38.2% to approximately RMB34.2 million from approximately RMB55.3 million in the same period in 2011.

Grey Fabric Business

In line with current development strategy, the Group continued to reduce 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 RMB37.2 million (six months ended 30 June 2011: approximately RMB52.1 million), which accounted for approximately 7.7% of the Group's total turnover (six months ended 30 June 2011: approximately 12.3%). Gross profit of grey fabrics decreased from approximately RMB12.0 million for the six months ended 30 June 2011 to approximately RMB8.4 million, representing a decrease of approximately 30.0%, while gross profit margin dropped slightly from approximately 23.0% in the same period of 2011 to approximately 22.6%. The Group currently provides 19 grey fabric models and will adjust the proportion of its businesses according to the changes of the market demands.

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比重，務求提高整體利潤。

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二零一一年同期下跌約40.1%至約人民幣182,900,000元，佔本集團總營業額約37.8%（截至二零一一年六月三十日止六個月：約71.7%）。普梳棉紗的毛利由二零一一年同期的約人民幣55,300,000元下跌約38.2%至回顧期間的約人民幣34,200,000元。

坯布業務

為配合目前的發展策略，本集團於回顧期間繼續減少坯布的銷售，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37,200,000元（截至二零一一年六月三十日止六個月：約人民幣52,100,000元），佔本集團總營業額的約7.7%（截至二零一一年六月三十日止六個月：約12.3%）。坯布的毛利從截至二零一一年六月三十日止六個月約人民幣12,000,000元下降至約人民幣8,400,000元，跌幅約為30.0%；而坯布的毛利率由二零一一年同期的約23.0%微跌至約22.6%。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需求的變化來調整此業務的比重。



Management Discussion and Analysis (Continued)

管理層討論與分析(續)

Prospects

The Group will upgrade its existing production facilities to improve efficiency and product quality.

The Group continued to further optimize its product portfolio to cater to market demand. It also took a more flexible approach to its sales strategy and made other improvements across its value chain, from research and development, to procurement, production and marketing and sales so as to ensure its stable operation. The Group is confident that it will overcome the current challenges and take advantage of opportunities arising from consolidation to further enhance its dominant position in the industry.

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 materials 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.

展望

本集團會升級現有生產設施，提高生產效率及產品質量。

本集團繼續根據市場需求進一步優化產品結構，注重從研發、採購、生產到營銷網絡的完整產業鏈的提升，採取靈活的銷售策略，保證本集團穩定營運。本集團有信心克服現時市場上的挑戰，把握行業整合的契機，進一步鞏固本集團在行業的領先地位。

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，引進更高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採購更多皮棉，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 2012 截至 二零一二年 六月三十日止六個月 RMB'000 人民幣千元		For the six months ended 30 June 2011 截至 二零一一年 六月三十日止六個月 RMB'000 人民幣千元	
			%		%
Cotton yarn	棉紗	296,937	61.4	373,290	87.7
Grey fabric	坯布	37,153	7.7	52,120	12.3
Sales of lint cotton	皮棉銷售	149,528	30.9	—	—
Total	總計	483,618	100	425,410	100

Cotton Yarn Products

Set out below is an 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：

				For the six months ended 30 June 2012 截至 二零一二年 六月三十日止六個月 RMB'000 人民幣千元		For the six months ended 30 June 2011 截至 二零一一年 六月三十日止六個月 RMB'000 人民幣千元	
Product category 產品類別		Count No. 支數			%		%
A. Carded cotton yarns	A. 普梳棉紗						
Medium-count yarns	中支紗	19 to 28	19支至28支	15,572	5.2	18,246	4.9
Fine-count yarns	細支紗	29 to 58	29支至58支	137,535	46.4	214,096	57.4
High-count yarns	高支紗	60 or above	60支或以上	29,743	10.0	72,878	19.5
Sub-total	小計			182,850	61.6	305,220	81.8
B. Combed cotton yarns	B. 精梳棉紗						
Fine-count yarns	細支紗	29 to 58	29支至58支	114,087	38.4	68,070	18.2
Sub-total	小計			114,087	38.4	68,070	18.2
Total	總計			296,937	100	373,290	100



Management Discussion and Analysis (Continued)

管理層討論與分析(續)

Grey Fabric Products

Set out below is an 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 產品類別	Tex No. 紡織線數目	For the six months ended 30 June 2012 截至 二零一二年 六月三十日止六個月 RMB'000 人民幣千元		For the six months ended 30 June 2011 截至 二零一一年 六月三十日止六個月 RMB'000 人民幣千元	
			%		%
Fine-count fabrics 細支布料	11 to 20 11條至20條	37,153	100	52,120	100
Total 總計		37,153	100	52,120	100

Remarks:

- (1) Medium-count fabric 21 to 30 tex (19 count to 28 count)
- (2) Fine-count fabric 11 to 20 tex (29 count to 55 count)

備註：

- (1) 中支布料由21條至30條紡織線(19支至28支)織成
- (2) 細支布料由11條至20條紡織線(29支至55支)織成

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 2012 截至 二零一二年 六月三十日止六個月		For the six months ended 30 June 2011 截至 二零一一年 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)	10,896	27,251	11,275	33,108
Grey fabric (kilometres) 坯布(千米)	7,688	4.83	9,542	5.5

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。



Management Discussion and Analysis (Continued)

管理層討論與分析(續)

Cotton Yarn Products

Set out below is an 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 產品類別	Count No. 支數			For the six months ended 30 June 2012 截至 二零一二年 六月三十日止六個月		For the six months ended 30 June 2011 截至 二零一一年 六月三十日止六個月	
		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	706	6.5	646	5.7		
Fine-count yarns 細支紗	29 to 58 29支至58支	5,532	50.8	6,770	60.0		
High-count yarns 高支紗	60 or above 60支或以上	993	9.1	2,071	18.4		
Sub-total 小計		7,231	66.4	9,487	84.1		
B. Combed cotton yarns B. 精梳棉紗							
Fine-count yarns 細支紗	29 to 58 29支至58支	3,665	33.6	1,788	15.9		
Sub-total 小計		3,665	33.6	1,788	15.9		
Total 總計		10,896	100	11,275	100		

Grey Fabric Products

Set out below is an 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 產品類別	Tex No. 紡織線數目			For the six months ended 30 June 2012 截至 二零一二年 六月三十日止六個月		For the six months ended 30 June 2011 截至 二零一一年 六月三十日止六個月	
		kilometres 千米	%	kilometres 千米	%		
Fine-count fabrics 細支布料	11 to 20 11條至20條	7,688	100	9,542	100		
Total 總計		7,688	100	9,542	100		



Management Discussion and Analysis (Continued)

管理層討論與分析(續)

The following tables 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 產品類別		Count No. 支數		For the six months ended 30 June 2012 截至 二零一二年 六月三十日止 六個月 RMB/ton 人民幣/噸	For the six months ended 30 June 2011 截至 二零一一年 六月三十日止 六個月 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	22,058	28,242
Fine-count yarns	細支紗	29 to 58	29支至58支	24,863	31,624
High-count yarns	高支紗	60 or above	60支或以上	29,950	35,192
Average price of carded cotton yarns	普梳棉紗之平均價格			25,288	32,173
B. Combed cotton yarns	B. 精梳棉紗				
Fine-count yarns	細支紗	29 to 58	29支至58支	31,125	38,074
Average price of combed cotton yarns	精梳棉紗之平均價格			31,125	38,074
Average price of cotton yarns	棉紗之平均價格			27,251	33,108



Management Discussion and Analysis (Continued)

管理層討論與分析(續)

Grey Fabric Products

坯布產品

Product category 產品類別	Tex No. 紡織線數目	For the six months ended 30 June 2012 截至 二零一二年 六月三十日止 六個月		For the six months ended 30 June 2011 截至 二零一一年 六月三十日止 六個月	
		RMB/metre 人民幣/米		RMB/metre 人民幣/米	
Fine-count fabrics 細支布料	11 to 20 11條至20條	4.83		5.5	
Average price of grey fabrics 坯布之平均價格		4.83		5.5	

The revenue increased by approximately 13.7% to RMB483.6 million for the Period Under Review from RMB425.4 million for the six months ended 30 June 2011.

回顧期間之收益由截至二零一一年六月三十日止六個月之人民幣425,400,000元增加約13.7%至人民幣483,600,000元。

Cotton yarn products

The revenue derived from the sales of cotton yarns decreased by approximately 20.5% to approximately RMB296.9 million for the Period Under Review from approximately RMB373.3 million for the six-months ended 30 June 2011. The decrease in revenue was primarily due to the decrease in average selling price of cotton yarns by approximately 17.7%.

棉紗產品

棉紗銷售所產生之收益由截至二零一一年六月三十日止六個月之約人民幣373,300,000元下降至回顧期間之約人民幣296,900,000元，下降幅度約為20.5%。收益下降主要由於棉紗平均售價下降約17.7%。

The average selling price of cotton yarns in the Period Under Review decreased by approximately 17.7% to approximately RMB27,251 per ton for the Period Under Review from approximately RMB33,108 per ton for the six month ended 30 June 2011. The decrease in the average selling price was driven by the decrease in average purchase price of lint cotton by approximately 23.6% as compared with the corresponding period in 2011.

回顧期間棉紗之平均售價由截至二零一一年六月三十日止六個月之每噸約人民幣33,108元降至回顧期間每噸約人民幣27,251元，下降約17.7%。平均售價下降乃因皮棉平均採購價格較二零一一年同期下降約23.6%。



Management Discussion and Analysis (Continued)

管理層討論與分析(續)

Grey fabric products

The revenue derived from the sales of grey fabric decreased by approximately 28.7% to approximately RMB37.2 million for the Period Under Review from approximately RMB52.1 million for the six months ended 30 June 2011. The decrease in revenue was attributed to the drop of the sales volume of grey fabrics from approximately 9,542 kilometres to approximately 7,688 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 2011.

The directors of the Company (the "Directors" and individually a "Director") 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 by other manufacturers 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.

Lint cotton trading

In view of the relatively low cotton price environment from the second half of 2011, the Group commenced lint cotton trading business from the second half of 2011 and the revenue contribution from sales of lint cotton amounted to approximately RMB149.5 million, representing approximately 30.9% of the Group's total revenue for the Period Under Review.

坯布產品

坯布銷售所產生之收益由截至二零一一年六月三十日止六個月之約人民幣52,100,000元減少至回顧期間之約人民幣37,200,000元，減少幅度約為28.7%。收益減少乃由於坯布銷量由約9,542千米減少至約7,688千米及自二零一一年起，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，令本集團坯布產品供求平衡有變。

本公司董事(「董事」)認為市場上對本集團坯布式樣的需求減少，是由於市場上其他生產商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，本集團僅能夠製造經編密度每吋少於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。

皮棉買賣

鑑於自二零一一年下半年棉花價格相對較低的環境，本集團於二零一一年下半年開始皮棉買賣業務，皮棉銷量帶來的收益貢獻約為人民幣149,500,000元，佔本集團回顧期間總收益約30.9%。



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:

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：

		For the six months ended 30 June 2012 截至二零一二年 六月三十日止六個月 RMB'000 人民幣千元		For the six months ended 30 June 2011 截至二零一一年 六月三十日止六個月 RMB'000 人民幣千元	
			%		%
Lint cotton	皮棉	351,064	86.1	280,744	81.9
Subcontracting fee	外包費用	—	—	9,149	2.6
Direct labour costs	直接勞工成本	26,061	6.4	24,572	7.2
Electricity	電力	17,481	4.3	16,007	4.7
Depreciation	折舊	4,340	1.0	4,411	1.3
Other	其他	14,961	3.7	2,668	0.8
Total production costs	總生產成本	413,907	101.5	337,551	98.5
Finished goods movement	製成品變動	(5,967)	(1.5)	5,245	1.5
Cost of sales	銷售成本	407,940	100	342,796	100

The cost of sales increased by approximately 19.0% to RMB407.9 million for the Period Under Review from approximately RMB342.8 million for the six months ended 30 June 2011. This was due to increase in lint cotton purchase for both manufacturing of cotton yarns products and sales of lint cotton by approximately 25.0% over the corresponding period in 2011.

於回顧期間之銷售成本約為人民幣407,900,000元，較截至二零一一年六月三十日止六個月約人民幣342,800,000元增加約19.0%，此乃由於為製造棉紗產品及銷售皮棉而採購之皮棉較二零一一年同期增加約25.0%所致。



Management Discussion and Analysis (Continued)

管理層討論與分析(續)

Gross Profit and Gross Profit Margin

毛利及毛利率

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

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 2012 截至二零一二年 六月三十日止六個月		For the six months ended 30 June 2011 截至二零一一年 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 毛利 RMB'000 人民幣千元	Gross profit margin 毛利率 %
Cotton yarn	棉紗	54,421	18.3	70,601	18.9
Grey fabric	坯布	8,407	22.6	12,013	23.0
Sales of lint cotton	皮棉銷售	12,850	8.6	—	—
Total	合計	75,678	15.6	82,614	19.4

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 產品類別	Count No. 支數	For the six months ended 30 June 2012 截至二零一二年 六月三十日止六個月		For the six months ended 30 June 2011 截至二零一一年 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 毛利 RMB'000 人民幣千元	Gross profit margin 毛利率 %
A. Carded cotton yarns	A. 普梳棉紗				
Medium-count yarns	中支紗 19 to 28 19支至28支	2,850	18.3	3,202	17.6
Fine-count yarns	細支紗 29 to 58 29支至58支	26,259	19.1	40,291	18.8
High-count yarns	高支紗 60 or above 60支或以上	5,112	17.2	11,839	16.2
Sub-total	小計	34,221	18.7	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	20,200	17.7	15,269	22.4
Sub-total	小計	20,200	17.7	15,269	22.4
Total	總計	54,421	18.3	70,601	18.9



Management Discussion and Analysis (Continued)

管理層討論與分析(續)

Grey Fabric Products

Set out below is an 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		For the			
		six months ended		six months ended			
產品類別	紡織線數目	30 June 2012		30 June 2011			
		截至二零一二年		截至二零一一年			
		六月三十日止六個月		六月三十日止六個月			
		Gross profit		Gross profit			
		Gross profit	margin	Gross profit	margin		
		毛利	毛利率	毛利	毛利率		
		RMB'000	%	RMB'000	%		
		人民幣千元		人民幣千元			
Fine-count fabrics	細支布料	11 to 20	11 條至 20 條	8,407	22.6	12,013	23.0
Total	合計			8,407	22.6	12,013	23.0

The overall gross profit for the Period Under Review was approximately RMB75.7 million, representing an decrease of approximately 8.4% from the six month ended 30 June 2011 whereas the overall gross profit margin for the Period Under Review was approximately 15.6%, representing a decrease of approximately 3.8 percentage points from the approximately 19.4% in the corresponding period in 2011. The decrease in overall gross profit margin and the decrease of gross profit were caused by the decrease in gross profit margin of cotton yarn products and relatively low profit margin of sales of lint cotton business.

於回顧期間之整體毛利約為人民幣75,700,000元，較截至二零一一年六月三十日止六個月下降約8.4%，而回顧期間之整體毛利率則約15.6%，較二零一一年同期約19.4%下降約3.8個百分點。整體毛利率下跌及毛利減少是由於棉紗產品之毛利率下降，以及皮棉銷售業務之利潤率相對較低所致。

Cotton yarn products

The gross profit for the sales of cotton yarns for the Period Under Review was approximately RMB54.4 million, representing an decrease of approximately 22.9% from approximately RMB70.6 million for the six months ended 30 June 2011.

棉紗產品

於回顧期間，棉紗銷售之毛利由截至二零一一年六月三十日止六個月約人民幣70,600,000元下降約22.9%至約人民幣54,400,000元。

The gross profit margin of cotton yarns decreased by approximately 0.6 percentage points to 18.3% for the Period Under Review from approximately 18.9% for the same period in 2011. The decrease of gross profit and gross profit margin was mainly caused by the decrease in gross profit margin in combed cotton yarns.

於回顧期間，棉紗之毛利率由二零一一年同期約18.9%下降約0.6個百分點至18.3%。毛利及毛利率下降乃主要由於精梳棉紗之毛利率下降所致。



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 RMB8.4 million, representing a decrease of approximately 30.0% from approximately RMB12.0 million for the six months ended 30 June 2011.

The gross profit margin for the sales of grey fabrics for the Period Under Review was approximately 22.6%, representing a decrease of approximately 0.4 percentage points from approximately 23% for the six months ended 30 June 2011.

Lint cotton trading

The gross profit and gross profit margin from lint cotton trading activities were approximately RMB12.8 million and 8.6% respectively for the Period Under Review.

Other Income

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

Other income increased by approximately 12.8% to approximately RMB0.9 million for the Period Under Review from approximately RMB0.8 million for the six months ended 30 June 2011. The increase was mainly due to the increase in interest 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 25% to approximately RMB6.2 million for the six months ended 30 June 2012 from approximately RMB4.9 million for the six months ended 30 June 2011. The increase was due to the transportation costs incurred for the sales of lint cotton for the period.

坯布產品

於回顧期間，銷售坯布之毛利約為人民幣8,400,000元，較截至二零一一年六月三十日止六個月約人民幣12,000,000元減少約30.0%。

於回顧期間，銷售坯布之毛利率約為22.6%，較截至二零一一年六月三十日止六個月約23%下降約0.4個百分點。

皮棉買賣

於回顧期間，皮棉買賣活動之毛利及毛利率分別約為人民幣12,800,000元及8.6%。

其他收入

其他收入包括利息收入、銷售廢料以及其他雜項收入。

於回顧期間，其他收入由截至二零一一年六月三十日止六個月約人民幣800,000元增加約12.8%至約人民幣900,000元。此增加主要由於利息收入增加所致。

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。

分銷成本由截至二零一一年六月三十日止六個月約人民幣4,900,000元增加約25%至截至二零一二年六月三十日止六個月之約人民幣6,200,000元。此增加乃由於期內銷售皮棉產生運輸成本所致。



Management Discussion and Analysis (Continued)

管理層討論與分析(續)

Administration Expenses

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

Administrative expenses increased by approximately 23.8% to approximately RMB15.0 million for the Period Under Review from approximately RMB12.1 million for the six months ended 30 June 2011. This was mainly due to an increase in addition administrative expenses mainly including salaries and social contribution fund as a result of the full operation of the new Production Plant leased from Shaanxi Pucheng Yinhe Textile Co., Ltd.* (陝西蒲城銀河紡織有限責任公司) compared with the corresponding period in 2011.

Finance Costs

Finance costs consist of interest on borrowings for purchase of lint cotton. Finance costs increased by approximately 57.4 times to approximately RMB10.6 million for the six month ended 30 June 2012 from approximately RMB0.2 million for the six months ended 30 June 2011. The increase of finance cost was due to the increase of bank loans from approximately RMB6.8 million for the six months ended 30 June 2011 to approximately RMB206 million for the six months ended 30 June 2012.

Income Tax Expense

Income tax expenses decrease by approximately 32.4% to approximately RMB11.8 million for the Period Under Review from approximately RMB17.4 million for the six months ended 30 June 2011. The decrease was mainly due to the decrease in the taxable income for the six months ended 30 June 2012. The effective tax rate for the respective period are 26.3% and 26.4%. It was in line with the PRC statutory enterprise income tax rate of 25%.

Profit for the Period

As the result of the foregoing, the profit for the Period Under Review decreased by approximately 32.2% to approximately RMB33.1 million from approximately RMB48.8 million for the six months ended 30 June 2011. 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 administration expenses and finance cost mentioned above, the net profit margin decreased to approximately 6.8% for the Period Under Review as compared to approximately 11.5% for the six months ended 30 June 2011. Accordingly, the net profit growth for the period has also slowed down.

* For identification purpose only

行政開支

行政開支主要包括薪酬開支、社會保障基金供款、應酬開支、水電費用及其他雜項開支。

於回顧期間，行政開支由截至二零一一年六月三十日止六個月約人民幣12,100,000元增加約23.8%至約人民幣15,000,000元。此增加主要由於額外行政開支較二零一一年同期增加，主要包括因向陝西蒲城銀河紡織有限責任公司租賃的新生產點全面營運而產生的薪酬及社會保障基金供款。

融資成本

融資成本包括購買皮棉之借款利息。融資成本由截至二零一一年六月三十日止六個月約人民幣200,000元增加約57.4倍至截至二零一二年六月三十日止六個月約人民幣10,600,000元。融資成本增加乃由於銀行貸款由截至二零一一年六月三十日止六個月約人民幣6,800,000元增加至截至二零一二年六月三十日止六個月約人民幣206,000,000元。

所得稅開支

於回顧期間，所得稅開支由截至二零一一年六月三十日止六個月約人民幣17,400,000元減少約32.4%至約人民幣11,800,000元。此減少主要由於截至二零一二年六月三十日止六個月之應課稅收入減少。相關期間之實際稅率為26.3%及26.4%。此與中國法定企業所得稅稅率25%相若。

期間溢利

由於之前所述，於回顧期間之溢利由截至二零一一年六月三十日止六個月約人民幣48,800,000元減少約32.2%至約人民幣33,100,000元。由於棉紗產品之毛利率下降及如前文所述坯布之生產下降及如上文所述行政開支及融資成本增加，於回顧期間，純利率由截至二零一一年六月三十日止六個月約11.5%下降至約6.8%。因此，期內純利增長亦有所放緩。



Management Discussion and Analysis (Continued)

管理層討論與分析(續)

Working Capital Management

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

營運資金管理

下表載列本集團於回顧期間之經選定經營效益比率：

		For the six months ended 30 June 2012 截至 二零一二年 六月三十日 止六個月	For the year ended 31 December 2011 截至 二零一一年 十二月三十一日 止年度
Trade receivables turnover (days) ⁽¹⁾	應收貿易賬款週轉日數(日數) ⁽¹⁾	91.4	71.5
Trade payables turnover (days) ⁽²⁾	應付貿易賬款週轉日數(日數) ⁽²⁾	4.8	3.7
Inventory turnover (days) ⁽³⁾	存貨週轉日數(日數) ⁽³⁾	58.8	37.2

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.

附註：

- (1) 應收貿易賬款週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) 應付貿易賬款週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) 存貨週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 71.5 days for the year ended 31 December 2011 to approximately 91.4 days for the Period Under Review. The increase in trade receivables turnover days throughout the Period Under Review was mainly due to the growth in sales volume and sales of lint cotton with credit period of 90 days during the Period Under Review.

於回顧期間，平均應收貿易賬款週轉日數由截至二零一一年十二月三十一日止年度約71.5日增加至約91.4日。於整段回顧期間，應收貿易賬款週轉日數上升主要由於回顧期間銷量及信貸期為90日之皮棉銷售增長。

Average trade payables turnover days increased from approximately 3.7 days for the year ended 31 December 2011 to approximately 4.8 days for the Period Under Review. The trade payables were mainly amounts due to suppliers for procurement of lint cotton. The increase in trade payables turnover days throughout the Period Under Review was mainly due to the growth in volume of lint cotton.

於回顧期間，平均應付貿易賬款週轉日數由截至二零一一年十二月三十一日止年度約3.7日增加至約4.8日。應付貿易賬款主要為就採購皮棉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。



Management Discussion and Analysis (Continued)

管理層討論與分析(續)

Average inventory turnover days increased from approximately 37.2 days for the year ended 31 December 2011 to approximately 58.8 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 and sales of lint cotton business for the second half of 2012.

於回顧期間，平均存貨週轉日數由截至二零一一年十二月三十一日止年度約37.2日增加至約58.8日。於整段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二零一二年下半年就落實訂單及皮棉銷售業務而正進行之工作。

Liquidity and Capital Resources

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

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：

		As at 30 June 2012 於 二零一二年 六月三十日	As at 31 December 2011 於 二零一一年 十二月三十一日
Gearing ⁽¹⁾	資本負債比率 ⁽¹⁾	22.4%	22.9%
Debt-to-equity ⁽²⁾	負債權益比率 ⁽²⁾	31.1%	31.7%
Current ratio	流動比率	3.1 times 3.1倍	3.1 times 3.1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.

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。

The gearing ratio and the debt-to equity ratio slightly decreased to 22.4% and 31.1% respectively as at 30 June 2012 from 22.9% and 31.7% as at 31 December 2011. The decreases in the gearing ratio and debt-to-equity ratio were principally due to the increase in the current asset and equity respectively.

資本負債比率及負債權益比率分別由二零一一年十二月三十一日之22.9%及31.7%輕微下降至二零一二年六月三十日之22.4%及31.1%。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。

The current ratio remained constant as at 31 December 2011 and 30 June 2012. Overall the Group's current ratio still maintain in a high level, as the Group maintained a significant level of cash and cash equivalents throughout the Period Under Review.

流動比率於二零一一年十二月三十一日及二零一二年六月三十日維持不變。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。



Management Discussion and Analysis (Continued)

管理層討論與分析(續)

Net cash generated from operation activities for the Period Under Review was approximately RMB96.0 million (six months ended 30 June 2011: approximately RMB52.2 million). Increase in cash generated from operating activities in result of the Group's total cash and cash equivalents amounted to approximately RMB234.7 million (30 June 2011: approximately RMB228.4 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 2012 are set out in note 24 to the condensed consolidated financial statements.

Employees and Emolument Policies

As at 30 June 2012, the Group had a workforce of approximately 2,783 employees (30 June 2011: approximately 2,698). Staff cost for the Period Under Review (including Directors' remuneration in the form of salaries and other allowances) was approximately RMB31.9 million (30 June 2011: approximately RMB29.6 million). The increase was mainly due to increase in number of employees 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.

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.

於回顧期間經營活動產生之現金淨額為約人民幣96,000,000元(截至二零一一年六月三十日止六個月:約人民幣52,200,000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約人民幣234,700,000元(二零一一年六月三十日:約人民幣228,400,000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

於二零一二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

於二零一二年六月三十日,本集團有大約2,783名僱員(二零一一年六月三十日:約2,698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31,900,000元(二零一一年六月三十日:約人民幣29,600,000元)。增加主要由於期內僱員人數增加。

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律及規例之因素而給予彼等不同之薪酬。

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用途。



Management Discussion and Analysis (Continued)

管理層討論與分析(續)

Interest Rate Risk

We are exposed to interest rate risks resulting from our long-term and short-term borrowings. We review the mix of our borrowings regularly to monitor our interest rate exposure, and will consider hedging significant interest rate exposure should the need arise. As our exposure to interest rate risk relates primarily to our interest-bearing bank loans, our policy is to keep our borrowings at variable rates of interest so as to minimize fair value interest rate risk, and to manage our interest rate exposure from all of our interest-bearing loans through the use of a mix of fixed and variable rates.

Liquidity Risk

We have established an appropriate liquidity risk management of our short, medium and long-term funding and liquidity management requirements. We manage the liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate by our management to finance our operations and mitigate the effects of fluctuations in (both actual and forecast) cash flows. Our management also monitors the utilization of bank borrowings and ensures compliance with loan covenants.

Capital Commitments

Details of the capital commitments of the Group as at 30 June 2012 are set out in note 26 to the condensed consolidated financial statements.

Contingent Liabilities

As at 30 June 2012, the Group did not have any significant contingent liabilities (31 December 2011: Nil).

利率風險

我們面臨長期及短期借款所產生的利率風險。我們定期審查借款組合以監控我們的利率風險，並於需要時考慮對沖重大利率風險。由於我們所面臨的利率風險主要與我們的計息銀行貸款有關，我們保持可變利率借款以減低公平值利率風險，並透過使用定息及浮息組合管理來自我們所有計息貸款的利率風險。

流動資金風險

我們已為我們的短期、中期及長期資金以及流動資金管理需要設立恰當的流動資金風險管理系統。我們透過監控及維持管理層認為適當的現金及現金等價物水平以為我們的經營撥充資金及減低現金流量(實際及預測)波動的影響來管理流動資金風險。我們的管理層亦監控銀行借款的運用情況並確保遵守貸款契諾。

資本承擔

本集團於二零一二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

截至二零一二年六月三十日，本集團概無擁有任何重大或然負債(二零一一年十二月三十一日：無)。



Corporate Governance and Other Information

企業管治及其他資料

Substantial Shareholders

As at 30 June 2012 as far as was known to any Director or chief executive of the Company, 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"), or which were recorded in the register required to be kept by the Company under section 336 of Part XV of the SFO were as follows:

主要股東

截至二零一二年六月三十日，就任何董事或本公司主要行政人員所知，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，或記錄於根據證券及期貨條例第XV部第336條須由本公司存置之登記冊內之權益及淡倉如下：

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 (%)
Tong Fa Limited ("Tong Fa") 通發有限公司（「通發」）	Beneficial owner 實益擁有人	527,464,000	56.0
Mr. Qiu Jianfa ("Mr. Qiu") 邱建法先生（「邱先生」）	Corporate (Note 1) 法團（附註1）	527,464,000	56.0
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 2) 法團（附註2）	56,512,000	6.0

Notes:

- These Shares were owned by the Tong Fa, which is owned by Mr. Qiu and Mr. Chen Binghui ("Mr. Chen") as to 79% and 21% respectively.
- These Shares were owned by Wealth Lake Investment Limited, which is wholly owned by Mr. Cheung Yung.

附註：

- 該等股份由通發擁有，而通發由邱先生及陳秉輝先生（「陳先生」）分別擁有79%及21%。
- 該等股份由張勇先生全資擁有之Wealth Lake Investment Limited擁有。



Corporate Governance and Other Information (Continued)

企業管治及其他資料(續)

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

As at 30 June 2012 as far as was known to any Director or chief executive of the Company, the interests or short position of the Directors or chief executive 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:

董事、監事或本公司主要行政人員於股份之權益

截至二零一二年六月三十日，就任何董事或本公司主要行政人員所知，董事或主要行政人員及彼等之聯繫人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 2011: RMB Nil).

中期股息

董事會不建議就回顧期間派付任何中期股息(截至二零一一年六月三十日止六個月:人民幣零元。)

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.

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。

Significant Acquisition, Disposal or Investment

As at 30 June 2012, the Group had 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.

重大收購、出售或投資

於二零一二年六月三十日,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。

Disclosure of Other Information

Save as disclosed above, there have been no material changes in the information disclosed in the annual report of the Group for the year ended 31 December 2011 in respect of matters required to be disclosed under paragraph 46(3) of Appendix 16 to the HKEx Listing Rules.

披露其他資料

除上文所披露者外,就根據港交所上市規則附錄十六第46(3)段須予披露之事項而言,本集團於截至二零一一年十二月三十一日止年度之年報所披露之資料並無重大變動。

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 Former CG Code (as defined below). 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.

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」),並根據前企業管治守則(定義見下文)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。



Corporate Governance and Other Information (Continued)

企業管治及其他資料(續)

The Audit Committee has reviewed and approved 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 2012.

審核委員會已與管理層審閱及批准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二零一二年六月三十日止六個月未經審核簡明綜合業績。

Remuneration Committee

The Company has established a remuneration committee in accordance with the corporate governance requirements of listed companies of the Stock Exchange. The objective of this committee is to make recommendations to the Board on the Company's policy and structure for all Directors and senior management remuneration and on the establishment of a formal and transparent procedure for development of remuneration policy. The remuneration committee is composed of three Directors.

薪酬委員會

本公司已根據聯交所有關上市公司企業管治的要求，成立薪酬委員會，目的是就本公司董事及高級管理人員的全體薪酬政策及架構，及就設立正規而具透明度的程序制訂薪酬政策，向董事會提出建議。薪酬委員會由三名董事組成。

Nomination Committee

The Company has established a nomination committee in accordance with the corporate governance requirements of listed companies of the Stock Exchange. The objective of this committee is to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy; identify individuals suitably qualified to become board members and select or make recommendations to the Board on the selection of individuals nominated for directorship; assess the independence of independent non-executive Directors; and make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman and the chief executive officer.

提名委員會

本公司已根據聯交所有關上市公司企業管治的要求，成立提名委員會，目的是至少每年檢討董事會的架構、人數及組成(包括技能、知識及經驗方面)，並就任何為配合本公司的公司策略而擬對董事會作出的變動提出建議；物色具備合適資格可擔任董事的人士，並挑選提名有關人士出任董事或就此向董事會提出建議；評核獨立非執行董事的獨立性；及就董事委任或重新委任以及董事(尤其是主席及行政總裁)繼任計劃向董事會提出建議。

Code on Corporate Governance Practices

To the best knowledge of the Directors, the Company has complied with the code provisions of the Code on Corporate Governance Practices (the "Former CG Code") contained in Appendix 14 of the Listing Rules during the period from 1 January to 31 March 2012.

企業管治常規守則

就董事所深知，於二零一二年一月一日至三月三十一日期間，本公司已遵守上市規則附錄十四所載的企業管治常規守則(「前企業管治守則」)的守則條文。

On 1 April 2012, the Former CG Code was amended and renamed as the Corporate Governance Code (the "New CG Code"). To the best knowledge of the Directors, other than the deviations stated below, the Company has complied with the code provisions of the New CG Code during the period from 1 April to 30 June 2012. Code provision A.2.1 requires that the roles of the chairman and the executive Director shall be separated and not be performed by the same individual. Currently, the Company does not have any

於二零一二年四月一日，前企業管治守則經已修訂，並易名為企業管治守則(「新企業管治守則」)。就董事所深知，於二零一二年四月一日至六月三十日期間，除下述偏離外，本公司已遵守新企業管治守則的守則條文。守則條文第A.2.1條規定主席與執行董事的角色應有區分，並不應由一人同時兼任。現時，本公司



Corporate Governance and Other Information (Continued)

企業管治及其他資料(續)

officer holding the position of chief executive officer. Mr. Chen is the Chairman and executive Director, and he also performed the responsibilities of the chief executive officer of the Company. The Board is of the opinion that this arrangement will not affect the equilibrium of powers and functions between the Board and the management. The operations of the Board are sufficient to ensure the equilibrium of powers and functions.

Pursuant to code provision A.1.8, issuers should arrange appropriate insurance coverage for Directors' liabilities in respect of legal actions against the Directors. As at 30 June 2012, the Group has not yet identified any insurer who would provide insurance service to the Group on satisfactory commercial terms. As such, the Group has not yet arranged appropriate insurance coverage in respect of legal actions against the Directors. The Directors will endeavour to look for and identify the appropriate insurer who can provide the relevant insurance coverage to the Directors before the end of 2012.

Save as disclosed above, none of the Directors is aware of any information which would reasonably indicate that the Company is not, or was not for any part of the Period Under Review, in compliance with the code provisions of the Former CG Code or the New 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 2012, they have complied with the required standard set out in the Model Code.

並無任何高級職員擔任行政總裁的職位。陳先生為主席兼執行董事，彼亦履行本公司行政總裁的職責。董事會認為此安排不會影響董事會與管理層之間權力與職責的平衡。透過董事會的運作，足以確保權力與職責取得平衡。

守則條文第A.1.8條規定發行人應就董事面對的法律行動責任作適當投保安排。截至二零一二年六月三十日止，本集團尚未物色到可按本集團滿意的商業條款提供保險服務的保險公司，因此本集團尚未就董事面對的法律行動作適當投保安排。董事將致力於二零一二年年底前尋求及物色可向董事提供相關保險保障的適當保險公司。

除上述披露者外，董事並不知悉有任何資料足以合理顯示，本公司於回顧期間內並無，或於該期間內之任何時間並無遵守前企業管治守則或新企業管治守則的守則條文。

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，於截至二零一二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。



Report on Review of Interim Financial Information

中期財務資料審閱報告



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 2012 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.

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.

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」)於二零一二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期間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。

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。



Report on Review of Interim Financial Information (Continued)

中期財務資料審閱報告(續)

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.

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。

Martin C. K. Pong & Company

Certified Public Accountants

16/F, Dah Sing Life Building
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Central
Hong Kong

28 August 2012

龐志鈞會計師行

執業會計師

香港
中環
德輔道中99號
大新人壽大廈16樓

二零一二年八月二十八日



Condensed Consolidated Statement of Comprehensive Income

簡明綜合全面收益表

		Six months ended 30 June 截至六月三十日止六個月	
		2012 二零一二年 (Unaudited) (未經審核) RMB'000 人民幣千元	2011 二零一一年 (Unaudited) (未經審核) RMB'000 人民幣千元
		Notes 附註	
Revenue	收益	5	483,618
Cost of sales	銷售成本		(407,940)
Gross profit	毛利		75,678
Other income	其他收入	5	949
Distribution costs	分銷成本		(6,156)
Administrative expenses	行政開支		(15,038)
Finance costs	融資成本	6	(10,561)
Profit before income tax	所得稅前溢利	7	44,872
Income tax expenses	所得稅開支	8	(11,797)
Profit for the period	期間溢利		33,075
Other comprehensive income	其他全面收益		—
Total comprehensive income for the period	期間全面收益總額		33,075
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		33,075
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	3.51
			6.47



Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況報表

			30 June 2012 二零一二年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2011 二零一一年 十二月三十一日 (Audited) (經審核) RMB'000 人民幣千元
		Notes 附註		
ASSETS AND LIABILITIES	資產及負債			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	11	109,762	106,173
Prepaid land lease payments	預付土地租賃款項	12	9,307	9,440
Deferred tax asset	遞延稅項資產	13	—	—
			119,069	115,613
Current assets	流動資產			
Inventories	存貨	14	123,456	141,575
Trade receivables	應收貿易賬款	15	229,035	259,134
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	16	122,590	117,842
Pledged bank deposits	抵押銀行存款		92,383	92,383
Cash and cash equivalents	現金及現金等價物		234,656	143,850
			802,120	754,784
Current liabilities	流動負債			
Trade payables	應付貿易賬款	17	14,433	7,293
Accruals and other payables	應計款項及其他應付款項	18	26,925	20,453
Current tax liabilities	即期稅項負債		6,044	9,907
Interest bearing bank borrowings	計息銀行借款	19	206,000	199,000
Provisions	撥備	20	6,103	6,197
			259,505	242,850
Net current assets	流動資產淨值		542,615	511,934
Total assets less current liabilities/ Net assets	總資產減流動負債/ 資產淨值		661,684	627,547
EQUITY	權益			
Equity attributable to owners of the Company	本公司擁有人 應佔權益			
Share capital	股本	21	77,801	77,801
Reserves	儲備	22	583,883	549,746
Total equity	權益總額		661,684	627,547



Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

		Attributable to owners of the Company						
		本公司擁有人應佔						
		Issued			Share-based	Statutory	Retained	
		Share	Share	Other	compensation	surplus	profits	Total equity
		capital	premium	reserve	reserve	reserve		
		已發行			以股份	法定		
		股本	股份溢價	其他儲備	為基礎之	盈餘儲備	保留盈利	權益總額
		RMB'000	RMB'000	RMB'000	報酬儲備	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	RMB'000	人民幣千元	人民幣千元	人民幣千元
As at 1 January 2012	於二零一二年一月一日	77,801	16,410	51,392	2,417	36,943	442,584	627,547
Share-based compensation	以股份為基礎的報酬	—	—	—	1,062	—	—	1,062
Profit and total comprehensive income for the period	期間溢利及全面收益總額	—	—	—	—	—	33,075	33,075
As at 30 June 2012 (Unaudited)	於二零一二年六月三十日 (未經審核)	77,801	16,410	51,392	3,479	36,943	475,659	661,684
As at 1 January 2011	於二零一一年一月一日	—	—	51,474	335	25,636	353,324	430,769
Share-based compensation	以股份為基礎的報酬	—	—	—	1,033	—	—	1,033
Profit and total comprehensive income for the period	期間溢利及全面收益總額	—	—	—	—	—	48,761	48,761
Arising on Reorganisation	來自重組	82	—	(82)	—	—	—	—
As at 30 June 2011 (Unaudited)	於二零一一年六月三十日 (未經審核)	82	—	51,392	1,368	25,636	402,085	480,563



Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

Six months ended 30 June
截至六月三十日止六個月

2012
二零一二年
(Unaudited)
(未經審核)
RMB'000
人民幣千元

2011
二零一一年
(Unaudited)
(未經審核)
RMB'000
人民幣千元

Cash flows from operation activities	來自經營活動的現金流量		
Profit before income tax	所得稅前溢利	44,872	66,208
Adjustments for:	以下各項經調整：		
Loss on disposal of property, plant and equipment	出售物業、廠房及設備的虧損	—	199
Depreciation and amortisation	折舊及攤銷	4,914	5,002
Share-based compensation	以股份為基礎的報酬	1,062	1,033
Interest expenses	利息開支	10,561	184
Interest income	利息收入	(568)	(483)
Operating profit before working capital changes	營運資金變化前的經營溢利	60,841	72,143
Decrease/(increase) in inventories	存貨減少/(增加)	18,119	(15,940)
Decrease/(increase) in trade receivables	應收貿易賬款減少/(增加)	30,099	(17,400)
(Increase)/decrease in prepayments, deposits and other receivables	預付款項、按金及其他應收款項(增加)/減少	(10,748)	2,517
Increase in trade payables	應付貿易賬款增加	6,982	24,258
Increase in accruals and other payables	應計款項及其他應付款項增加	6,472	1,814
Decrease in provisions	撥備減少	(94)	(95)
Cash generated from operations	經營活動產生的現金	111,671	67,297
Income tax paid	已付所得稅	(15,660)	(15,088)
Net cash generated from operating activities	經營活動產生的現金淨額	96,011	52,209
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	(2,212)	(8)
Interest received	已收利息	568	483
Net cash (used in)/generated from investing activities	投資活動(所用)/產生現金淨額	(1,644)	475
Cash flows from financing activities	來自融資活動的現金流量		
Interest paid	已付利息	(10,561)	(184)
Proceeds from new bank borrowings	新造銀行借款所得款項	158,000	—
Repayment of bank borrowings	償還銀行借款	(151,000)	—
Net cash used in financing activities	融資活動所用現金淨額	(3,561)	(184)
Net increase in cash and cash equivalents	現金及現金等價物增加淨額	90,806	52,500
Cash and cash equivalents at beginning of the period	期初的現金及現金等價物	143,850	175,892
Cash and cash equivalents at end of the period	期末的現金及現金等價物	234,656	228,392



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 and trading of raw materials for textile products.

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 (“BVI”).

These condensed consolidated interim financial statements have not been audited.

2. Basis of Preparation

The condensed consolidated interim 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 of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”) and with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting”, issued by the HKICPA.

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

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 HM 11, 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以及紡織產品的原材料買賣。

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(「英屬處女群島」)註冊成立的有限公司。

本簡明綜合中期財務報表未經審核。

2. 呈列基準

簡明綜合中期財務報表乃根據香港聯合交易所有限公司(「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之千元數。



Notes to the Condensed Consolidated Interim Financial Statements (Continued)

簡明綜合中期財務報表附註(續)

3. Principal Accounting Policies

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

The accounting policies used and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2012 are the same as those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2011.

In the current period, 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 2012.

HKFRS 1 (Amendments)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
HKFRS 7 (Amendments)	Transfers of Financial Assets
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets

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.

3. 主要會計政策

簡明綜合財務報表以歷史成本基準編製。

截至二零一二年六月三十日止六個月之簡明綜合財務報表內所用之會計政策及所用之計算方法與本集團編製截至二零一一年十二月三十一日止年度之年度綜合財務報表所用會計政策及計算方法相同。

於本期間，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二零一二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)	嚴重通脹及免除首次 採納者之固定日期
香港財務報告準則 第7號(修訂本)	轉讓金融資產
香港會計準則 第12號(修訂本)	遞延稅項： 收回相關資產

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。



Notes to the Condensed Consolidated Interim Financial Statements (Continued)

簡明綜合中期財務報表附註(續)

3. Principal Accounting Policies (Continued)

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

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009–2011 Cycle ^(b)
Amendments to HKFRS 7	Disclosures — Offsetting Financial Assets and Financial Liabilities ^(b) Mandatory Effective Date of HKFRS 9 and Transition Disclosures ^(d)
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statement, Joint Arrangements and Disclosure of Interests In Other Entities: Transition Guidance ^(b)
HKFRS 9	Financial Instruments ^(b)
HKFRS 10	Consolidated Financial Statements ^(b)
HKFRS 11	Joint Arrangements ^(b)
HKFRS 12	Disclosure of Interests in Other Entities ^(b)
HKFRS 13	Fair Value Measurement ^(b)
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income ^(a)
HKAS 19 (2011)	Employee Benefits ^(b)
HKAS 27 (2011)	Separate Financial Statements ^(b)
HKAS 28 (2011)	Investments in Associates and Joint Ventures ^(b)
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities ^(c)
HK(IFRIC)-INT 20	Stripping Costs In The Production Phase of a Surface Mine ^(b)

3. 主要會計政策(續)

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。

修訂香港財務報告準則	香港財務報告準則二零零九至二零一一年週期的年度改進 ^(b)
修訂香港財務報告準則第7號	披露 — 抵銷金融資產及金融負債 ^(b) 香港財務報告準則第9號的強制生效日期及過渡披露 ^(d)
修訂香港財務報告準則第10號、香港財務報告準則第11號及香港財務報告準則第12號	綜合財務報表、共同安排及披露於其他實體之權益：過渡指引 ^(b)
香港財務報告準則第9號	金融工具 ^(b)
香港財務報告準則第10號	綜合財務報表 ^(b)
香港財務報告準則第11號	共同安排 ^(b)
香港財務報告準則第12號	披露於其他實體的權益 ^(b)
香港財務報告準則第13號	公平值計量 ^(b)
修訂香港會計準則第1號	其他全面收益項目之呈列 ^(a)
香港會計準則第19號(二零一一年)	僱員福利 ^(b)
香港會計準則第27號(二零一一年)	獨立財務報表 ^(b)
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 ^(b)
修訂香港會計準則第32號	抵銷金融資產及金融負債 ^(c)
香港(國際財務報告詮釋委員會) — 詮釋第20號	露天礦場生產階段之剝採成本 ^(b)



Notes to the Condensed Consolidated Interim Financial Statements (Continued)

簡明綜合中期財務報表附註(續)

3. Principal Accounting Policies (Continued)

- (a) Effective for annual periods beginning on or after 1 July 2012
- (b) Effective for annual periods beginning on or after 1 January 2013
- (c) Effective for annual periods beginning on or after 1 January 2014
- (d) Effective for annual periods beginning on or after 1 January 2015

The Group is in the process of making an assessment of the impact of these new and revised 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 prepares 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 executive Directors considered that the Group's reportable and operating segments are as follows:

- Textile products segments is the production and sale of cotton yarn and grey fabric; and
- Trading materials segment is trading of raw materials for textile products segments.

3. 主要會計政策(續)

- (a) 於二零一二年七月一日或之後開始的年度期間生效
- (b) 於二零一三年一月一日或之後開始的年度期間生效
- (c) 於二零一四年一月一日或之後開始的年度期間生效
- (d) 於二零一五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之定期內部財務資料，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。於向執行董事報告之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不同產品的策略性業務分部。執行董事認為，本集團的報告分部及營運分部如下：

- 紡織產品分部為棉紗及坯布之生產及銷售；及
- 買賣材料分部為紡織產品分部的原材料買賣。



Notes to the Condensed Consolidated Interim Financial Statements (Continued)

簡明綜合中期財務報表附註(續)

4. Segment Information (Continued)

The following is an analysis of the Group's reportable segments.

4. 分部資料(續)

下列為本集團報告分部之分析。

		Textile Product 紡織產品		Trading Material 買賣材料		Total 總計	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Segment revenue	分部收益						
Sales to external customers	外部客戶之銷售	334,090	425,410	149,528	—	483,618	425,410
Segment results	分部業績	52,095	78,709	7,355	—	59,450	78,709
Reconciliation:	對賬:						
Interest income	利息收入					568	483
Corporate and other unallocated expenses	企業及其他未分配開支					(15,146)	(12,984)
Profit before tax	除稅前溢利					44,872	66,208
Segment assets	分部資產	293,016	321,027	182,080	—	475,096	321,027
Reconciliation:	對賬:						
Corporate and other unallocated assets	企業及其他未分配資產					446,093	238,692
Total assets	總資產					921,189	559,719
Other segment information:	其他分部資料:						
Depreciation and amortization	折舊及攤銷	4,914	5,002	—	—	4,914	5,002
Additions to non-current assets	非流動資產增加	8,370	8	—	—	8,370	8

There were no inter-segment sales in the six months ended 30 June 2012 (six months ended 30 June 2011: Nil).

截至二零一二年六月三十日止六個月並無分部間銷售(截至二零一一年六月三十日止六個月:無)。

Geographical information

The Company is an investment holding company and the principle place of the Group's operations 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.

地區資料

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，本集團視中國為其所在國家。本集團所有收益及非流動資產主要來自中國(為單一地區)。



Notes to the Condensed Consolidated Interim Financial Statements (Continued)

簡明綜合中期財務報表附註(續)

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:

		Six months ended 30 June	
		截至六月三十日止六個月	
		2012	2011
		二零一二年	二零一一年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Revenue	收益		
Sales of goods	銷售貨品	483,618	425,410
Other income	其他收入		
Bank interest income	銀行利息收入	568	483
Gain on sales of scrap materials	出售廢料收益	381	358
		949	841

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. Finance Costs

An analysis of finance costs is as follows:

		Six months ended 30 June	
		截至六月三十日止六個月	
		2012	2011
		二零一二年	二零一一年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		RMB'000	RMB'000
		人民幣千元	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	10,561	184

6. 融資成本

融資成本的分析如下：

		Six months ended 30 June	
		截至六月三十日止六個月	
		2012	2011
		二零一二年	二零一一年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		RMB'000	RMB'000
		人民幣千元	人民幣千元



Notes to the Condensed Consolidated Interim Financial Statements (Continued)

簡明綜合中期財務報表附註(續)

7. Profit Before Income Tax

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

7. 所得稅前溢利

本集團所得稅前溢利已扣除下列各項：

		Six months ended 30 June 截至六月三十日止六個月	
		2012 二零一二年 (Unaudited) (未經審核) RMB'000 人民幣千元	2011 二零一一年 (Unaudited) (未經審核) RMB'000 人民幣千元
Cost of inventories sold	已售存貨成本	407,940	342,796
Depreciation of property, plant and equipment	物業、廠房及設備折舊	4,781	4,870
Amortisation of prepaid land lease payment	預付土地租賃款項攤銷	133	132
Loss on disposal of property, plant and equipment	出售物業、廠房及 設備的虧損	—	199
Auditors' remuneration*	核數師酬金*	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	23,386	21,685
— Share-based compensation	— 以股份為基礎的報酬	1,062	1,033
— Pension scheme contributions	— 退休金計劃供款	4,260	3,773
— Staff welfare and other expenses	— 員工福利及其他開支	3,241	3,122
		31,949	29,613

* 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).

* 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。

For identification purpose only



Notes to the Condensed Consolidated Interim Financial Statements (Continued)

簡明綜合中期財務報表附註(續)

8. Income Tax Expenses

8. 所得稅開支

		Six months ended 30 June 截至六月三十日止六個月	
		2012 二零一二年 (Unaudited) (未經審核) RMB'000 人民幣千元	2011 二零一一年 (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	11,797	17,139
Deferred tax — Current period	遞延稅項 — 本期間	—	308
		11,797	17,447

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 profit before income tax at the statutory tax rate to the income tax expense at the effective tax rate for each of the reporting period is as follows:

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開支(按法定稅率計算)與按實際稅率計算的所得稅開支的對賬如下：

		Six months ended 30 June 截至六月三十日止六個月	
		2012 二零一二年 (Unaudited) (未經審核) RMB'000 人民幣千元	2011 二零一一年 (Unaudited) (未經審核) RMB'000 人民幣千元
Profit before income tax	所得稅前溢利	44,872	66,208
Tax at EIT rate	按企業所得稅稅率計算的稅項	11,218	16,552
Income not subjected to tax	毋須納稅之收入	(511)	—
Expenses not deductible for tax	不可扣稅之開支	1,090	—
Other	其他	—	895
Income tax expense	所得稅開支	11,797	17,447



Notes to the Condensed Consolidated Interim Financial Statements (Continued)

簡明綜合中期財務報表附註(續)

9. Dividend

No dividend had been declared by the Company or any of its subsidiaries during the six months ended 30 June 2012 (six months ended 30 June 2011: RMB Nil).

10. Earning Per Share

The calculation of basic earnings per share amounts for the six months period ended 30 June 2012 is based on the profit for the period attributable to ordinary equity holders of the Company and the number of ordinary shares of 941,900,000 outstanding during the reporting period.

The calculation of basic earnings per share amounts for the six months period ended 30 June 2011 is based on the profit for the period attributable to ordinary equity holders of the Company and the number of ordinary shares of 753,520,000 (being the number of shares of the Company prior to the listing of the Company's shares on the main board of the Stock Exchange in July 2011 (the "Listing")) as if these shares had been issued throughout the reporting period.

No diluted earnings per share amounts are presented as the Group had no dilutive potential shares in issue during the reporting period.

9. 股息

本公司或其任何附屬公司於截至二零一二年六月三十日止六個月並無宣派股息(截至二零一一年六月三十日止六個月：人民幣零元)。

10. 每股盈利

截至二零一二年六月三十日止六個月期間之每股基本盈利乃根據期內本公司普通股持有人應佔溢利及於報告期間發行的普通股數目941,900,000股計算。

截至二零一一年六月三十日止六個月期間之每股基本盈利乃根據期內本公司普通股持有人應佔溢利及普通股數目753,520,000股(即本公司股份於二零一一年七月在聯交所主板上市(「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無潛在攤薄性已發行普通股，故並無呈列每股攤薄盈利金額。



Notes to the Condensed Consolidated Interim Financial Statements (Continued)

簡明綜合中期財務報表附註(續)

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、裝置及辦公室設備	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 2011	於二零一一年一月一日	70,237	67,931	514	1,885	60	140,627
Additions	添置	—	2,800	36	—	819	3,655
Disposals	出售	—	(559)	—	—	—	(559)
Transfer	轉讓	60	—	—	—	(60)	—
At 31 December 2011	於二零一一年十二月三十一日	70,297	70,172	550	1,885	819	143,723
Additions	添置	243	8,127	—	—	—	8,370
Transfer	轉讓	819	—	—	—	(819)	—
At 30 June 2012	於二零一二年六月三十日	71,359	78,299	550	1,885	—	152,093
Accumulated depreciation	累計折舊						
At 1 January 2011	於二零一一年一月一日	7,528	20,160	238	422	—	28,348
Provided for the year	年度撥備	2,717	6,606	63	176	—	9,562
Disposals	出售	—	(360)	—	—	—	(360)
At 31 December 2011	於二零一一年十二月三十一日	10,245	26,406	301	598	—	37,550
Provided for the period	期間撥備	1,363	3,306	32	80	—	4,781
At 30 June 2012	於二零一二年六月三十日	11,608	29,712	333	678	—	42,331
Net carrying amount:	賬面淨值：						
At 30 June 2012 (Unaudited)	於二零一二年六月三十日 (未經審核)	59,751	48,587	217	1,207	—	109,762
At 31 December 2011 (Audited)	於二零一一年十二月三十一日 (經審核)	60,052	43,766	249	1,287	819	106,173

At 30 June 2012 and 31 December 2011, certain bank borrowings of the Group were secured by certain of the Group's property, plant and equipment which had aggregate carrying amounts of approximately RMB57,473,000 and RMB91,438,000 respectively (note 24).

於二零一二年六月三十日及二零一一年十二月三十一日，本集團若干銀行借款以本集團賬面總值分別約人民幣57,473,000元及人民幣91,438,000元的若干物業、廠房及設備作抵押(附註24)。



Notes to the Condensed Consolidated Interim Financial Statements (Continued)

簡明綜合中期財務報表附註(續)

12. Prepaid Land Lease Payments

		30 June 2012 二零一二年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2011 二零一一年 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	9,440	9,704
Amortisation	攤銷	(133)	(264)
At end of the period/year	期末/年末	9,307	9,440

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

At 30 June 2012 and 31 December 2011, 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 RMB9,307,000 and RMB4,639,000 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。

於二零一二年六月三十日及二零一一年十二月三十一日，本集團若干銀行借款以本集團賬面總值分別約人民幣9,307,000元及人民幣4,639,000元的若干預付土地租賃款項作抵押(附註24)。

13. Deferred Tax Assets

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

		30 June 2012 二零一二年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2011 二零一一年 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	—	308
Recognised in comprehensive income	於全面收益中確認	—	(308)
At end of the period/year	期末/年末	—	—

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：



Notes to the Condensed Consolidated Interim Financial Statements (Continued)

簡明綜合中期財務報表附註(續)

14. Inventories

14. 存貨

		30 June 2012 二零一二年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2011 二零一一年 十二月三十一日 (Audited) (經審核) RMB'000 人民幣千元
Raw materials	原材料	46,960	50,708
Work in progress	在製品	5,451	1,361
Finished goods	製成品	8,723	2,756
Goods held for re-sale	持作轉售貨品	62,322	86,750
		123,456	141,575

15. Trade Receivables

15. 應收貿易賬款

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

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：

		30 June 2012 二零一二年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2011 二零一一年 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	161,143	237,045
4 to 6 months	四至六個月	67,892	22,089
		229,035	259,134

The Group's trading terms with customers are mainly on credit. The credit term is generally 90–180 days. The Group's trade receivables are interest-free.

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至180天。本集團的應收貿易賬款為免息。



Notes to the Condensed Consolidated Interim Financial Statements (Continued)

簡明綜合中期財務報表附註(續)

16. Prepayments, Deposits and Other Receivables

16. 預付款項、按金及其他應收款項

		30 June 2012 二零一二年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2011 二零一一年 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	114,063	96,207
Other prepayments	其他預付款項	140	148
Deposits	按金	6,038	18,038
Other receivable	其他應收款項	2,349	2,542
Other tax recoverable	其他可收回稅項	—	907
		122,590	117,842

17. Trade Payables

The trade payables 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：

		30 June 2012 二零一二年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2011 二零一一年 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	14,433	7,293



Notes to the Condensed Consolidated Interim Financial Statements (Continued)

簡明綜合中期財務報表附註(續)

18. Accruals and Other Payables

18. 應計款項及其他應付款項

		30 June 2012 二零一二年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2011 二零一一年 十二月三十一日 (Audited) (經審核) RMB'000 人民幣千元
Accruals and other payables	應計款項及其他應付款項	12,420	11,751
Due to shareholders	應付股東款項	5,837	5,837
Due to a Director	應付一名董事款項	1,287	1,287
Social insurance contribution payables	應付社會保險供款	1,614	1,578
Other taxes payables	其他應付稅項	5,767	—
		26,925	20,453

The amounts due to shareholders mainly represented the Listing expenses paid on behalf of the Group by a shareholder. The amounts due to shareholders and a Director are non-interest bearing, unsecured and have no fixed terms of repayment.

應付股東款項主要指股東代本集團支付之上市開支。應付股東及一名董事款項為免息、無抵押及無固定還款期。



Notes to the Condensed Consolidated Interim Financial Statements (Continued)

簡明綜合中期財務報表附註(續)

19. Interest Bearing Bank Borrowings

19. 計息銀行借款

		30 June 2012 二零一二年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2011 二零一一年 十二月三十一日 (Audited) (經審核) RMB'000 人民幣千元
Bank loans:	銀行貸款：		
Repayable on demand or within one year	須於一年內償還		
— Secured	— 已抵押	206,000	199,000

Fixed rate bank loans of RMB120,000,000 (2011: RMB161,000,000) are bearing interest rate at 7.87% to 8.53% (2011: 7.82% to 7.98%) per annum. Other bank loan of RMB86,000,000 is bearing at 6.89% (2011: 7.32%) per annum. The weighted average effective interest rate is 6.85% (2011: 7.32%) per annum.

定息銀行貸款人民幣120,000,000元(二零一一年：人民幣161,000,000元)按年利率7.87至8.53厘(二零一一年：7.82至7.98厘)計算。其他銀行貸款人民幣86,000,000元按年利率6.89厘(二零一一年：7.32厘)計算。加權平均實際利率為每年6.85厘(二零一一年：7.32厘)。

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

20. 撥備

		30 June 2012 二零一二年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2011 二零一一年 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	6,197	6,384
Amounts utilised during the period/year	期內／年內已動用金額	(94)	(187)
At end of the period/year	期末／年末	6,103	6,197

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.

本集團預期將根據日期為二零零一年九月十四日的收購協議向涇陽縣棉紡織廠的僱員撥備未來可能產生的員工終止聘用福利。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。



Notes to the Condensed Consolidated Interim Financial Statements (Continued)

簡明綜合中期財務報表附註(續)

21. Share Capital

During the period, the movements in authorised and issued share capital were as follows:

21. 股本

於期間內，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	
			HK\$'000 千港元	RMB'000 人民幣千元
Authorised:	法定：			
As at 1 January 2011	於二零一一年一月一日	3,000,000	300	
Increased in authorized capital	法定股本增加	1,997,000,000	199,700	
As at 31 December 2011 and 30 June 2012	於二零一一年十二月三十一日及 於二零一二年六月三十日	2,000,000,000	200,000	
Issue and fully paid:	已發行及繳足：			
As at 1 January 2011	於二零一一年一月一日	100	—	—
Issue of shares in accordance with the Reorganisation for Acquisition of Jade Goal	根據重組發行股份 以收購高翠	999,900	100	82
Placing and public offer of new shares	配售及公开发售新股	188,380,000	18,838	15,561
Capitalisation issue	資本化發行	752,520,000	75,252	62,158
As at 31 December 2011 and 30 June 2012	於二零一一年十二月三十一日及 於二零一二年六月三十日	941,900,000	94,190	77,801



22. Reserves

Other reserve

The other reserve of the Group represents the difference between the nominal value of shares of the Company and the nominal value of the shares of subsidiaries acquired pursuant to the Reorganisation.

Share-based compensation reserve

As mentioned in the Company's prospectus dated 28 June 2011, on 3 November 2010, in recognition of Mr. Chen Binghui's ("Chen") contributions to the Group and to align his interest with the Group's future success, Mr. Qiu Jianfa ("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).

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

22. 儲備

其他儲備

本集團的其他儲備乃指本公司股份面值與根據重組所收購的附屬公司的股份面值之間的差額。

以股份為基礎之報酬儲備

誠如本公司於二零一一年六月二十八日刊發之招股章程所述，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。

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本公司之招股章程內，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。



Notes to the Condensed Consolidated Interim Financial Statements (Continued)

簡明綜合中期財務報表附註(續)

22. Reserves (Continued)

Share-based compensation reserve (Continued)

Employee compensation expense of RMB1,062,000 and RMB2,082,000 has been included in the profit or loss for the period ended 30 June 2012 and year ended 31 December 2011 respectively. It gave rise to the share-based compensation reserve. No liabilities were recognised due to equity-settled share-based payment transactions.

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.

23. Contingent Liabilities

At the end of each reporting period, neither the Group nor the Company had any significant contingent liabilities.

22. 儲備(續)

以股份為基礎之報酬儲備(續)

截至二零一二年六月三十日止期間及截至二零一一年十二月三十一日止年度，人民幣1,062,000元及人民幣2,082,000元之僱員報酬開支已計入損益內，從而產生以股份為基礎之報酬儲備。概無因按權益結算以股份支付的交易而確認負債。

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%根據中國公認會計原則釐定的年度法定除稅後溢利(經抵銷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%。

23. 或然負債

於各報告期末，本集團及本公司均無擁有任何重大或然負債。



Notes to the Condensed Consolidated Interim Financial Statements (Continued)

簡明綜合中期財務報表附註(續)

24. Pledge of Assets

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

		30 June 2012 二零一二年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2011 二零一一年 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)	9,307	4,639
Plant and machinery	廠房及機器	—	32,738
Buildings	樓宇	57,473	58,700
Pledged bank deposit	抵押銀行存款	92,383	92,383
		159,163	188,460

The Group's bank loans are secured by the pledged of, except for the abovementioned assets, certain of land and buildings of a related company of the Group.

於報告期末，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款的抵押(附註19)：

除上述資產外，本集團之銀行貸款以其一家關連公司之若干土地及樓宇抵押。

25. Operating Leases

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

		30 June 2012 二零一二年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2011 二零一一年 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	10,000	22,054
Later than 1 year and no later than 5 years	超過一年但不超過五年	—	—
		10,000	22,054

25. 經營租賃

不可撤銷經營租賃下的未來總最低租賃款項如下：



Notes to the Condensed Consolidated Interim Financial Statements (Continued)

簡明綜合中期財務報表附註(續)

26. Commitments

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

26. 承擔

於報告期末，本集團擁有以下資本承擔：

	30 June 2012 二零一二年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2011 二零一一年 十二月三十一日 (Audited) (經審核) RMB'000 人民幣千元
Contracted, but not provided for: Acquisition of property, plant and equipment	37,817	37,817

27. Related Party Disclosures

(a) Balances 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 reporting period.

During the six-month periods ended 30 June 2011 and 2012, 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) as its cotton spinning/weaving mills at nil consideration. Shaanxi Golden Shield Textile Co., Ltd, a company established in the PRC, was controlled by Mr. Chen, an executive Director, and Mr. Lin Shuqing, a non-executive Director.

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，本集團於報告期間與關連方存在下列重大交易。

截至二零一一年及二零一二年六月三十日止六個月期間，本集團無償使用由陝西金盾紡織有限公司擁有的土地及樓宇作其棉紡紗／織布廠。陝西金盾紡織有限公司為一家於中國成立的公司，由執行董事陳先生及非執行董事林樹青先生控股。

[#] For identification purpose only



Notes to the Condensed Consolidated Interim Financial Statements (Continued)

簡明綜合中期財務報表附註(續)

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：

		Six months ended 30 June 截至六月三十日止六個月	
		2012 二零一二年 (Unaudited) (未經審核) RMB'000 人民幣千元	2011 二零一一年 (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	482	147
Pension scheme contributions	退休金計劃供款	20	22
Share based compensation	以股份為基礎的報酬	1,062	1,033
Total	總計	1,564	1,202

28. Approval of the Interim Consolidated Financial Statements

These interim consolidated financial statements were approved and authorised for issue by the Board on 28 August 2012.

28. 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二零一二年八月二十八日批准及授權發行。



GOLDEN SHIELD
Holdings - Industrial - Limited

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