



(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號 : 2678

INTERIM REPORT 中期報告 2013



天虹紡織 **TEXHONG TEXTILE** Dệt Texhong

Texhong **TEXTIL** **TEXHONG** **TEKSTIL** 天虹紡織

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Dệt Texhong **TEXHONG** **TEXTILE**

TABLE OF CONTENTS

目錄

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

EXECUTIVE DIRECTORS

Mr. Hong Tianzhu (*Chairman and chief executive officer*)
 Mr. Zhu Yongxiang (*Co-chief executive officer*)
 Mr. Tang Daoping
 Mr. Gong Zhao

INDEPENDENT NON-EXECUTIVE DIRECTORS AND AUDIT COMMITTEE

Mr. Ting Leung Huel, Stephen
 MH FCCA FCPA (Practising)
 ACA FTIHK FHKIoD
 (*Chairman of the audit committee*)
 Ms. Zhu Beina
 Professor Cheng Longdi

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

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Mr. Hui Tsz Wai

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 Mr. Hui Tsz Wai

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執行董事

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 湯道平先生
 龔照先生

獨立非執行董事及審核委員會

丁良輝先生
 MH FCCA FCPA (Practising)
 ACA FTIHK FHKIoD (審核委員會主席)
 朱北娜女士
 程隆棣教授

薪酬委員會

丁良輝先生
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 ACA FTIHK FHKIoD (主席)
 洪天祝先生
 朱北娜女士
 程隆棣教授

提名委員會

洪天祝先生 (主席)
 丁良輝先生
 MH FCCA FCPA (Practising)
 ACA FTIHK FHKIoD
 朱北娜女士
 程隆棣教授

公司秘書

許子慧先生

授權代表

洪天祝先生
 許子慧先生

總辦事處

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註冊辦事處

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 Cayman Islands

PRINCIPAL BANKERS

Bank of China (Hong Kong)
Standard Chartered Bank
Deutsche Bank AG, Hong Kong Branch
Citibank (China) Co., Ltd. Shanghai Branch
Australia and New Zealand Banking Group Limited
BNP Paribas
Credit Agricole CIB
Industrial and Commercial Bank of China
Bank of China
China Merchants Bank
Bank of Jiangsu

AUDITORS

PricewaterhouseCoopers

LEGAL ADVISORS AS TO HONG KONG LAW

Chiu & Partners

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Boardroom Share Registrars (HK) Limited
31st Floor, 148 Electric Road
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Hong Kong

WEBSITE

www.texhong.com

STOCK CODE

2678

主要往來銀行

中國銀行(香港)
渣打銀行
德意志銀行香港分行
花旗銀行(中國)有限公司上海分行
澳新銀行
法國巴黎銀行
東方滙理銀行
中國工商銀行
中國銀行
招商銀行
江蘇銀行

核數師

羅兵咸永道會計師事務所

法律顧問(香港法律)

趙不渝·馬國強律師事務所

主要股份過戶登記處

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

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股份編號

2678

			Unaudited 未經審核 30 June 2013 二零一三年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2012 二零一二年 十二月三十一日 RMB'000 人民幣千元
ASSETS	資產			
Non-current assets	非流動資產			
Freehold land and land use rights	永久產權土地及土地使用權	7	278,030	265,470
Property, plant and equipment	物業、廠房及設備	8	3,136,988	2,228,930
Investment in an associate	聯營公司之投資		52,669	50,838
Deferred income tax assets	遞延所得稅資產		51,468	56,805
Total non-current assets	非流動資產總值		3,519,155	2,602,043
Current assets	流動資產			
Inventories	存貨	9	2,149,634	1,421,525
Trade and bills receivables	應收貿易及票據款項	10	590,575	812,409
Prepayments, deposits and other receivables	預付款項、按金及其他應收賬款	11	343,441	236,763
Derivative financial instruments	衍生金融工具	15	3,007	-
Pledged bank deposits	已抵押銀行存款		45,708	21,989
Cash and cash equivalents	現金及現金等值物		957,555	530,296
Total current assets	流動資產總值		4,089,920	3,022,982
Total assets	資產總值		7,609,075	5,625,025
EQUITY	權益			
Equity attributable to owners of the Company	本公司擁有人應佔權益			
Share capital	股本	17	94,064	94,064
Other reserves	其他儲備		630,970	632,791
Retained profits	保留溢利		2,087,742	1,831,491
			2,812,776	2,558,346
Non-controlling interests	非控制性權益		(135)	(137)
Total equity	權益總額		2,812,641	2,558,209

Note
附註

			Unaudited 未經審核 30 June 2013 二零一三年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2012 二零一二年 十二月三十一日 RMB'000 人民幣千元
LIABILITIES	負債			
Non-current liabilities	非流動負債			
Borrowings	借貸	14	2,684,948	1,564,058
Deferred income tax liabilities	遞延所得稅負債		64,428	59,007
Finance lease obligations	融資租賃承擔	16	208,963	—
Total non-current liabilities	非流動負債總值		2,958,339	1,623,065
Current liabilities	流動負債			
Trade and bills payables	應付貿易及票據款項	12	1,199,730	864,735
Accruals and other payables	預提費用及 其他應付賬款	13	304,008	308,975
Current income tax liabilities	當期所得稅負債		5,732	2,572
Borrowings	借貸	14	222,426	206,142
Derivative financial instruments	衍生金融工具	15	50,475	61,327
Finance lease obligations	融資租賃承擔	16	55,724	—
Total current liabilities	流動負債總值		1,838,095	1,443,751
Total liabilities	負債總值		4,796,434	3,066,816
Total equity and liabilities	權益總額及負債		7,609,075	5,625,025
Net current assets	流動資產淨值		2,251,825	1,579,231
Total assets less current liabilities	總資產減流動負債		5,770,980	4,181,274

The notes on pages 10 to 45 form an integral part of these interim consolidated financial statements.

第 10 至 45 頁之附註為此等中期綜合財務報表之一部分。

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
	Note 附註		
Revenue	6	3,608,698	3,325,184
Cost of sales	20	(2,837,939)	(2,879,246)
Gross profit		770,759	445,938
Selling and distribution costs	20	(98,935)	(89,592)
General and administrative expenses	20	(141,832)	(110,926)
Other income	19	1,830	2,624
Other gains/(losses) – net	19	11,620	(10,795)
Operating profit		543,442	237,249
Finance income	21	4,054	6,367
Finance costs	21	(47,056)	(80,745)
Share of profit of an associate		1,831	1,888
Profit before income tax		502,271	164,759
Income tax expense	22	(55,697)	(19,852)
Profit for the period		446,574	144,907
Other comprehensive income		–	–
Total comprehensive income for the period		446,574	144,907
Total comprehensive income for the period attributable to:			
– Owners of the Company		446,572	145,083
– Non-controlling interests		2	(176)
		446,574	144,907
Earnings per share attributable to owners of the Company (expressed in RMB per share)	23		
Basic earnings per share		0.505	0.164
Diluted earnings per share		0.505	0.164
Dividends	24	133,900	–

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第10至45頁之附註為此等中期綜合財務報表之一部分。

		Unaudited 未經審核					
		Attributable to owners of the Company 本公司擁有人應佔					
		Share capital	Other reserves	Retained profits	Total	Non- controlling interests 非控制性 權益	Total equity
		股本 RMB'000 人民幣千元	其他儲備 RMB'000 人民幣千元	保留溢利 RMB'000 人民幣千元	總計 RMB'000 人民幣千元	RMB'000 人民幣千元	權益總額 RMB'000 人民幣千元
Balance at 1 January 2012	於二零一二年 一月一日的結餘	94,064	613,071	1,364,673	2,071,808	95	2,071,903
Profit for the period	期間溢利	-	-	145,083	145,083	(176)	144,907
Other comprehensive income	其他全面收益						
- Transfer from revaluation reserve to retained profits	- 由重估儲備轉撥至 保留溢利						
- gross	- 總額	-	(2,497)	2,497	-	-	-
- deferred income tax	- 遞延所得稅	-	676	(676)	-	-	-
Total comprehensive income for the period ended 30 June 2012	截至二零一二年 六月三十日止期間 全面收益總額	-	(1,821)	146,904	145,083	(176)	144,907
Balance at 30 June 2012	於二零一二年 六月三十日的結餘	94,064	611,250	1,511,577	2,216,891	(81)	2,216,810
Balance at 1 January 2013	於二零一三年 一月一日的結餘	94,064	632,791	1,831,491	2,558,346	(137)	2,558,209
Profit for the period	期間溢利	-	-	446,572	446,572	2	446,574
Other comprehensive income	其他全面收益						
- Transfer from revaluation reserve to retained profits	- 由重估儲備轉撥至 保留溢利						
- gross	- 總額	-	(2,497)	2,497	-	-	-
- deferred income tax	- 遞延所得稅	-	676	(676)	-	-	-
Total comprehensive income for the period ended 30 June 2013	截至二零一三年 六月三十日止期間 全面收益總額	-	(1,821)	448,393	446,572	2	446,574
Transactions with owners	與股權持有人之交易						
Dividends relating to 2012 paid in April 2013	於二零一三年四月 派付有關二零一二年 之股息	-	-	(192,142)	(192,142)	-	(192,142)
Balance at 30 June 2013	於二零一三年 六月三十日的結餘	94,064	630,970	2,087,742	2,812,776	(135)	2,812,641

The notes on pages 10 to 45 form an integral part of these interim consolidated financial statements.

第 10 至 45 頁之附註為此等中期綜合財務報表之一部分。

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

		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
Cash flows from operating activities	來自經營活動的現金流量		
Cash generated from operations	經營所產生之現金	234,877	452,583
Interest received	已收利息	4,054	6,367
Income tax paid	已付所得稅	(41,779)	(14,599)
Cash flows from operating activities – net	來自經營活動的現金流量 – 淨額	197,152	444,351
Cash flows from investing activities	來自投資活動的現金流量		
Purchases of property, plant and equipment and land use rights	購買物業、廠房及設備以及土地使用權	(674,339)	(179,690)
Proceeds on disposal of property, plant and equipment	出售物業、廠房及設備所得款項	5,218	2,378
Cash flows from investing activities – net	來自投資活動的現金流量 – 淨額	(669,121)	(177,312)
Cash flows from financing activities	來自融資活動的現金流量		
Proceeds from borrowings	借貸所得款項	1,280,826	–
Repayments of borrowings	償還借貸	(104,143)	(99,034)
Interest paid	已付利息	(61,594)	(74,553)
Dividend paid	已付股息	(192,142)	–
Increase in pledged bank deposits	已抵押銀行存款增加	(23,719)	(23,543)
Cash flows from financing activities – net	來自融資活動的現金流量 – 淨額	899,228	(197,130)
Net increase in cash and cash equivalents	現金及現金等值物增加淨額	427,259	69,909
Cash and cash equivalents at the beginning of the period	期初之現金及現金等值物	530,296	463,407
Cash and cash equivalents at end of the period	期末之現金及現金等值物	957,555	533,316

The notes on pages 10 to 45 form an integral part of these interim consolidated financial statements.

第 10 至 45 頁之附註為此等中期綜合財務報表之一部分。

1. GENERAL INFORMATION

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

The Company was incorporated in the Cayman Islands on 12 July 2004 as an exempted company with limited liability under the Companies Law of Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company’s shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 9 December 2004.

This condensed consolidated interim financial information is presented in Chinese Renminbi (“RMB”), unless otherwise stated. This condensed consolidated interim financial information was approved for issue on 5 August 2013.

These condensed consolidated interim financial statements have not been audited.

2. BASIS OF PREPARATION

These condensed consolidated interim financial statements for the six months ended 30 June 2013 have been prepared in accordance with HKAS 34, ‘Interim financial reporting’. The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2012, which have been prepared in accordance with HKFRSs.

1. 一般資料

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

本公司乃於二零零四年七月十二日在開曼群島根據開曼群島公司法註冊成立為一家獲豁免有限公司。其註冊辦事處之地址為 Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands。

自從二零零四年十二月九日起，本公司股份已經在香港聯合交易所有限公司(「聯交所」)主板上市。

除非另有指明，本簡明綜合中期財務資料以中國人民幣(「人民幣」)呈列。於二零一三年八月五日，本簡明綜合中期財務資料已獲批准刊發。

此等簡明綜合中期財務報表乃未經審核。

2. 編製基準

截至二零一三年六月三十日止六個月之簡明綜合中期財務報表，乃按香港會計準則第34號「中期財務報告」編製。此等簡明綜合中期財務報表應與截至二零一二年十二月三十一日止年度之年度財務報表(乃按香港財務報告準則編製)一併閱讀。

3. ACCOUNTING POLICIES

Except for the accounting policy for finance leases, which is effective for the first time for this interim period as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2012, as described in those annual financial statements.

Finance Lease (as the Lessee)

Leases of assets where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the commencement of the lease at the lower of the fair value of the leased assets and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in current and non-current liabilities. The interest element of the finance cost is recognized in the consolidated income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Assets held under finance leases are depreciated over the shorter of their estimated useful lives or the lease periods.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

There are no amended standards or interpretations that are effective for the first time for this interim period that could be expected to have a material impact on this Group.

3. 會計政策

除於本中期間首次生效的融資租賃會計政策(如下文所述), 所採納之會計政策與截至二零一二年十二月三十一日止年度之年度財務報表一致(如該等年度財務報表所述)。

融資租賃(作為承租人)

本集團擁有絕大部分擁有權風險及回報之資產租賃均分類為融資租賃。融資租賃於租賃開始時資本化, 金額為租賃資產之公平值與最低租賃款項之現值之較低者。每期租金均分攤為負債及財務費用, 並藉此制定對未償還融資結餘之穩定利率。相應之租金責任(扣除融資開支)乃計入流動及非流動負債。融資成本之利息部份將在有關租賃年期於綜合收益表中確認, 並藉此制定每個期間對負債餘額之穩定定期利率。

根據融資租賃持有之資產乃按估計可使用年期或租賃期間(以較短者為準)折舊。

中期間之所得稅乃採用適用於預期年度總收益之稅率計算。

概無於本中期間首次生效的經修訂準則或詮釋預期會對本集團產生重大影響。

3. ACCOUNTING POLICIES (Continued)

The following new standards and amendments to standards have been issued but are not effective for the financial year beginning 1 January 2013 and have not been early adopted:

- HKFRS 9 'Financial instruments' addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2015 but is available for early adoption. When adopted, the standard will affect in particular the Group's accounting for its available-for-sale financial assets, as HKFRS 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. Fair value gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in profit or loss.

There will be no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss, and the Group does not have any such liabilities. The derecognition rules have been transferred from HKAS 39 'Financial instruments: Recognition and measurement' and have not been changed.

There are no other HKFRSs or HK(IFRIC) interpretations that are not yet effective that would be expected to have a material impact on the Group.

3. 會計政策(續)

下列新準則及準則修訂於二零一三年一月一日開始之財政年度已頒佈但尚未生效，且並未獲提前採納：

- 香港財務報告準則第9號「金融工具」關於金融資產及金融負債的分類、計量及終止確認。此準則於二零一五年一月一日方始生效，惟可供提早採納。採納此準則時，準則將特別影響本集團對可供出售金融資產之會計處理，原因為若可供出售金融資產與非持作交易的權益投資有關，香港財務報告準則第9號僅容許於其他全面收益確認公平值收益及虧損。例如，可供出售債務投資之公平值收益及虧損將因此於損益直接確認。

該準則對本集團有關金融負債之會計處理並無影響，原因是新規定僅影響指定為按公平值計入損益之金融負債之會計處理，而本集團並無任何有關負債。終止確認之規定轉錄自香港會計準則第39號「金融工具：確認及計量」，且並無變動。

概無其他尚未生效之香港財務報告準則或香港(國際財務報告詮釋委員會)詮釋預期會對本集團產生重大影響。

4. ESTIMATES

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2012, with the exception of changes in estimates that are required in determining the provision for income taxes (Note 22).

5. FINANCIAL RISK MANAGEMENT

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The interim condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2012.

There have been no changes in the risk management department since year end or in any risk management policies.

4. 估計

編製中期財務報表需要管理層作出判斷、估計及假設，該等判斷、估計及假設會影響會計政策的應用及資產、負債、收入及開支的所呈報金額。實際業績可能有別於該等估計。

於編製該等簡明綜合中期財務報表時，管理層於應用本集團會計政策及有關不明朗估計的主要來源時作出的主要判斷，與編製截至二零一二年十二月三十一日止年度的綜合財務報表時所應用者一致，惟釐定所得稅撥備時所需的估計之變動除外(附註22)。

5. 財務風險管理

5.1 財務風險因素

本集團業務須面對各種財務風險：市場風險(包括貨幣風險、公平值利率風險、現金流利率風險及價格風險)、信貸風險及流動資金風險。

簡明綜合中期財務報表並不包括年度財務報表所需的所有財務風險管理資料及披露，並應與本集團截至二零一二年十二月三十一日止年度的年度財務報表一併閱讀。

財務風險部或風險管理政策自年末以來並無變動。

5. FINANCIAL RISK MANAGEMENT

(Continued)

5.2 Liquidity risk

Compared to year end, there was no material change in the contractual undiscounted cash out flows for financial liabilities.

5.3 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

5. 財務風險管理(續)

5.2 流動資金風險

與年末相比，財務負債的未折現金合約現金外流並無重大變動。

5.3 公平值估計

下表以估值法分析按公平值列賬之金融工具，各等級分析如下：

- 相同資產或負債之活躍市場報價(未經調整)(第一級)。
- 除所報價格(計入第一級)外，資產或負債之直接(如價格)或間接(如源自價格者)可觀察輸入資料(第二級)。
- 並非根據可觀察市場數據釐定之資產或負債輸入資料(即不可觀察輸入資料)(第三級)。

5. FINANCIAL RISK MANAGEMENT

(Continued)

5.3 Fair value estimation (Continued)

The following table presents the Group's financial assets and liabilities that are measured at fair value at 30 June 2013 and 31 December 2012.

5. 財務風險管理(續)

5.3 公平值估計(續)

下表載列本集團於二零一三年六月三十日及二零一二年十二月三十一日按公平值計量之財務資產與負債。

		Level 1 第一級	Level 2 第二級	Level 3 第三級	Total 總計
At 30 June 2013	於二零一三年六月三十日				
Assets	資產				
Derivative financial instruments	衍生金融工具	-	3,007	-	3,007
Liabilities	負債				
Derivative financial instruments	衍生金融工具	-	50,475	-	50,475
		Level 1 第一級	Level 2 第二級	Level 3 第三級	Total 總計
At 31 December 2012	於二零一二年十二月三十一日				
Liabilities	負債				
Derivative financial instruments	衍生金融工具	-	61,327	-	61,327

6. REVENUE AND SEGMENTAL INFORMATION

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

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

The Committee of Executive Directors considers the business from both a product and geographical perspectives. From a product perspective, management assesses the performance from sales of yarn, grey fabrics and garment fabrics. The operations are further evaluated on a geographic basis including Mainland China, Vietnam, Macao, Hong Kong, Uruguay and Turkey.

The Committee of Executive Directors assesses the performance of the operating segments based on revenue and operating profit.

6. 收益及分類資料

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

執行董事委員會為本集團之主要經營決策者。經營分類以向主要經營決策者提供內部呈報一致的形式呈報。執行董事委員會審閱本集團之內部申報，以評估表現及分配資源。管理層已根據該等報告釐定經營分類。

執行董事委員會認為業務可按產品及地區前景分類。就產品前景而言，管理層評估紗線、坯布及面料之銷售表現。業務以地區基準(包括中國大陸、越南、澳門、香港、烏拉圭及土耳其)作進一步評估。

執行董事委員會根據收益及經營利潤評估經營分類之業績。

6. REVENUE AND SEGMENTAL INFORMATION (Continued)

The segment information for the six months ended 30 June 2013 is as follows:

6. 收益及分類資料(續)

截至二零一三年六月三十日止六個月之分類資料如下：

		Unaudited 未經審核								
		Six months ended 30 June 2013 截至二零一三年六月三十日止六個月								
		Yarn 紗線				Grey fabrics 坯布		Garment fabrics 面料		Total 總額
		Mainland		Hong Kong		Mainland		Mainland		
		China	Vietnam	Macao	China	Uruguay	Turkey	China	China	
		中國大陸	越南	澳門	香港	烏拉圭	土耳其	中國大陸	中國大陸	
		RMB'000	RMB'000	RMB'000	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	人民幣千元	人民幣千元	人民幣千元
Total revenue	總收入	2,739,999	1,136,226	3,172,758	145,511	-	-	421,030	73,185	7,688,709
Inter-segment revenue	分類間收入	(303,920)	(1,049,579)	(2,587,828)	(138,684)	-	-	-	-	(4,080,011)
Revenue (from external customers)	收入(來自外部客戶)	2,436,079	86,647	584,930	6,827	-	-	421,030	73,185	3,608,698
Segment results	分類業績	213,905	60,927	299,228	6,440	(983)	-	2,689	1,226	583,432
Unallocated expenses	未分配費用									(39,990)
Operating results	經營業績									543,442
Finance income	財務收入									4,054
Finance costs	財務費用									(47,056)
Share of profit of an associate	分佔聯營公司溢利									1,831
Income tax expense	所得稅開支									(55,697)
Profit for the period	期內溢利									446,574
Depreciation and amortisation	折舊及攤銷	(41,875)	(50,926)	(14)	(28)	-	-	(9,158)	(858)	(102,859)

6. REVENUE AND SEGMENTAL INFORMATION (Continued)

The segment information for the six months ended 30 June 2012 is as follows:

6. 收益及分類資料(續)

截至二零一二年六月三十日止六個月之分類資料如下：

		Unaudited 未經審核						
		Six months ended 30 June 2012 截至二零一二年六月三十日止六個月						
		Yarn 紗線				Grey fabrics 坯布	Garment fabrics 面料	Total 總額
		Mainland China 中國大陸	Vietnam 越南	Macao 澳門	Hong Kong 香港	Mainland China 中國大陸	Mainland China 中國大陸	
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Total revenue	總收入	2,423,096	1,159,381	2,641,315	169,098	473,214	91,694	6,957,798
Inter-segment revenue	分類間收入	(238,743)	(1,069,251)	(2,155,522)	(169,098)	-	-	(3,632,614)
Revenue (from external customers)	收入(來自 外部客戶)	2,184,353	90,130	485,793	-	473,214	91,694	3,325,184
Segment results	分類業績	138,716	78,112	4,634	10,683	5,308	7,303	244,756
Unallocated expenses	未分配費用							(7,507)
Operating results	經營業績							237,249
Finance income	財務收入							6,367
Finance costs	財務費用							(80,745)
Share of profit of an associate	分佔聯營公司 溢利							1,888
Income tax expense	所得稅開支							(19,852)
Profit for the period	期內溢利							144,907
Depreciation and amortisation	折舊及攤銷	(40,721)	(43,588)	(28)	(11)	(11,034)	(1,632)	(97,014)

6. REVENUE AND SEGMENTAL INFORMATION (Continued)

The segment assets and liabilities as at 30 June 2013 are as follows:

6. 收益及分類資料(續)

於二零一三年六月三十日之分類資產及負債如下：

		Unaudited 未經審核 As at 30 June 2013 於二零一三年六月三十日									
		Yarn 紗線					Grey fabrics 坯布		Garment fabrics 面料		Total 總額
		Mainland			Hong Kong			Mainland		Mainland	
		China	Vietnam	Macao	Kong	Uruguay	Turkey	Sub-total	China	China	
		中國大陸	越南	澳門	香港	烏拉圭	土耳其	小計	中國大陸	中國大陸	
		RMB'000	RMB'000	RMB'000	RMB'000	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	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Total segment assets	分類總資產	3,502,761	3,053,339	349,329	6,149	10,174	8,779	6,930,531	510,678	73,138	7,514,347
Unallocated assets	未分配資產										94,728
Total assets of the Group	本集團總資產										7,609,075
Total segment liabilities	分類總負債							(1,794,736)	(125,021)	(9,010)	(1,928,767)
Unallocated liabilities	未分配負債										(2,867,667)
Total liabilities of the Group	本集團總負債										(4,796,434)
Capital expenditure	資本開支	455,488	566,194	11	-	-	8,779	1,030,472	3,278	5	1,033,755

6. REVENUE AND SEGMENTAL INFORMATION (Continued)

The segment assets and liabilities as at 31 December 2012 are as follows:

6. 收益及分類資料(續)

於二零一二年十二月三十一日之分類資產及負債如下：

		Audited 經審核								As at 31 December 2012 於二零一二年十二月三十一日	
		Yarn 紗線					Grey fabrics 坯布	Garment fabrics 面料	Total 總額		
		Mainland China 中國大陸	Vietnam 越南	Macao 澳門	Hong Kong 香港	Uruguay 烏拉圭	Sub-total 小計	Mainland China 中國大陸	Mainland China 中國大陸	RMB'000 人民幣千元	
Total segment assets	分類總資產	2,887,149	1,707,636	232,396	2,396	10,176	4,839,753	573,138	120,540	5,533,431	
Unallocated assets	未分配資產									91,594	
Total assets of the Group	本集團總資產									5,625,025	
Total segment liabilities	分類總負債						(1,673,257)	(98,746)	(12,318)	(1,784,321)	
Unallocated liabilities	未分配負債									(1,282,495)	
Total liabilities of the Group	本集團總負債									(3,066,816)	
Capital expenditure	資本開支	149,005	371,127	123	-	10,073	530,328	6,014	86	536,428	

7. FREEHOLD LAND AND LAND USE RIGHTS

7. 永久產權土地及土地使用權

		Unaudited 未經審核 RMB'000 人民幣千元
Six months ended 30 June 2012	截至二零一二年六月三十日 止六個月	
Opening net book amount as at 1 January 2012	於二零一二年一月一日之 期初賬面淨值	185,711
Additions	添置	41,876
Amortisation	攤銷	(2,132)
Closing net book amount as at 30 June 2012	於二零一二年六月三十日之 期末賬面淨值	225,455
Six months ended 30 June 2013	截至二零一三年六月三十日 止六個月	
Opening net book amount as at 1 January 2013	於二零一三年一月一日之 期初賬面淨值	265,470
Additions	添置	14,792
Amortisation	攤銷	(2,232)
Closing net book amount as at 30 June 2013	於二零一三年六月三十日之 期末賬面淨值	278,030

As at 30 June 2013, land use rights with a net book amount of RMB19,381,000 (31 December 2012: RMB19,804,000) was pledged as collateral of the Group's bank borrowings (Note 14).

於二零一三年六月三十日，賬面淨值約為人民幣19,381,000元(二零一二年十二月三十一日：人民幣19,804,000元)之土地使用權已作抵押，以作為本集團取得銀行融資之抵押品(附註14)。

8. PROPERTY, PLANT AND EQUIPMENT

8. 物業、廠房及設備

Unaudited
未經審核
RMB'000
人民幣千元

Six months ended 30 June 2012	截至二零一二年六月三十日 止六個月	
Opening net book amount as at 1 January 2012	於二零一二年一月一日之 期初賬面淨值	1,991,777
Additions	添置	29,086
Disposals	出售	(4,909)
Depreciation	折舊	(94,882)
Closing net book amount as at 30 June 2012	於二零一二年六月三十日之 期末賬面淨值	1,921,072
Six months ended 30 June 2013	截至二零一三年六月三十日 止六個月	
Opening net book amount as at 1 January 2013	於二零一三年一月一日之 期初賬面淨值	2,228,930
Additions	添置	1,018,963
Disposals	出售	(10,278)
Depreciation	折舊	(100,627)
Closing net book amount as at 30 June 2013	於二零一三年六月三十日之 期末賬面淨值	3,136,988

As at 30 June 2013, property, plant and equipment of approximately RMB300,916,000 (31 December 2012: RMB352,491,000) were pledged as collateral of the Group's bank borrowings (Note 14).

於二零一三年六月三十日，約為人民幣300,916,000元(二零一二年十二月三十一日：人民幣352,491,000元)之物業、廠房及設備已作抵押，以作為本集團取得銀行融資之抵押品(附註14)。

8. PROPERTY, PLANT AND EQUIPMENT

(Continued)

Machinery and equipment include the following amounts where the Group is a lessee under a finance lease:

Cost – capitalised finance leases	成本 – 資本化融資租賃
Accumulated depreciation	累計折舊
Net book amount	賬面淨值

8. 物業、廠房及設備(續)

機器及設備包括以下款項，根據一項融資租賃，本集團為承租人：

Unaudited 未經審核 30 June 2013 二零一三年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2012 二零一二年 十二月三十一日 RMB'000 人民幣千元
378,124	—
(6,302)	—
371,822	—

9. INVENTORIES

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

9. 存貨

Unaudited 未經審核 30 June 2013 二零一三年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2012 二零一二年 十二月三十一日 RMB'000 人民幣千元
1,639,847	875,101
48,266	32,457
461,521	513,967
2,149,634	1,421,525

10. TRADE AND BILLS RECEIVABLES

Trade receivables 應收貿易款項
Less: provision for impairment 減：減值撥備

Bills receivables 應收票據款項

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

Within 30 days	30日以內	451,427	211,775
31 to 90 days	31日至90日	110,020	228,682
91 to 180 days	91日至180日	17,725	370,549
181 days to 1 year	181日至1年	11,914	1,452
Over 1 year	1年以上	1,089	828
Less: provision for impairment	減：減值撥備	592,175 (1,600)	813,286 (877)
Trade and bills receivables – net	應收貿易及票據款項 – 淨額	590,575	812,409

10. 應收貿易及票據款項

Unaudited 未經審核 30 June 2013 二零一三年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2012 二零一二年 十二月三十一日 RMB'000 人民幣千元
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254,288 (1,600)	181,418 (877)
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252,688 337,887	180,541 631,868
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590,575	812,409
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本集團授予其客戶的信貸期一般為90日內。應收貿易及票據款項的賬齡分析如下：

Unaudited 未經審核 30 June 2013 二零一三年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2012 二零一二年 十二月三十一日 RMB'000 人民幣千元
--	---

451,427	211,775
110,020	228,682
17,725	370,549
11,914	1,452
1,089	828

592,175 (1,600)	813,286 (877)
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590,575	812,409
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11. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

Prepayments for purchase of raw materials	購買原材料的預付款項
Value-added tax recoverable	應退增值稅
Prepaid expenses	預付開支
Other receivables	其他應收款項
Deposits	按金

11. 預付款項、按金及其他應收賬款

Unaudited 未經審核 30 June 2013 二零一三年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2012 二零一二年 十二月三十一日 RMB'000 人民幣千元
243,570	182,864
80,210	46,235
6,740	2,772
2,091	1,745
10,830	3,147
343,441	236,763

12. TRADE AND BILLS PAYABLES

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

12. 應付貿易及票據款項

Unaudited 未經審核 30 June 2013 二零一三年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2012 二零一二年 十二月三十一日 RMB'000 人民幣千元
322,508	252,001
877,222	612,734
1,199,730	864,735

As at 30 June 2013, included in the trade payables was an amount due to an associate of RMB1,889,000 (31 December 2012: nil) (Note 26).

於二零一三年六月三十日，應付貿易款項包括應付一間聯營公司款項人民幣1,889,000元(二零一二年十二月三十一日：無)(附註26)。

12. TRADE AND BILLS PAYABLES (Continued)

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

Within 90 days	90日以內
91 to 180 days	91日至180日
181 days to 1 year	181日至1年
Over 1 year	1年以上

12. 應付貿易及票據款項(續)

應付貿易及票據款項的賬齡分析如下：

Unaudited 未經審核 30 June 2013 二零一三年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2012 二零一二年 十二月三十一日 RMB'000 人民幣千元
1,129,950	654,111
66,498	112,787
1,714	95,761
1,568	2,076
1,199,730	864,735

13. ACCRUALS AND OTHER PAYABLES

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

13. 預提費用及其他應付款項

Unaudited 未經審核 30 June 2013 二零一三年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2012 二零一二年 十二月三十一日 RMB'000 人民幣千元
61,970	85,839
67,306	72,013
39,933	42,929
69,887	44,916
41,361	26,450
11,096	21,109
12,455	15,719
304,008	308,975

14. BORROWINGS

14. 借貸

		Unaudited 未經審核 30 June 2013 二零一三年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2012 二零一二年 十二月三十一日 RMB'000 人民幣千元
Current	即期		
Secured bank borrowings (Note (a))	有抵押銀行借貸 (附註(a))	85,472	134,196
Other bank borrowings (Note (b))	其他銀行借貸 (附註(b))	136,954	71,946
		222,426	206,142
Non-current	非即期		
Secured bank borrowings (Note (a))	有抵押銀行借貸 (附註(a))	316,150	365,020
Other bank borrowings (Note (b))	其他銀行借貸 (附註(b))	807	26,795
Notes payable (Note (c))	應付票據款項 (附註(c))	2,367,991	1,172,243
		2,684,948	1,564,058
Total borrowings	借貸總額	2,907,374	1,770,200

14. BORROWINGS (Continued)

Notes:

(a) Bank borrowings of RMB401,622,000 (31 December 2012: RMB499,216,000) were secured by the pledge of the Group's land use rights with a net book amount of RMB19,381,000 as at 30 June 2013 (31 December 2012: RMB19,804,000) (Note 7); and property, plant and equipment with a net book amount of approximately RMB300,916,000 as at 30 June 2013 (31 December 2012: RMB352,491,000) (Note 8).

(b) Other bank borrowings were secured by cross corporate guarantees provided by certain subsidiaries of the Group in the amount of RMB137,761,000 as at 30 June 2013 (31 December 2012: RMB98,741,000).

(c) The notes payable as at 30 June 2013 comprised two senior notes:

US\$188 million senior notes ("Singapore Notes") (31 December 2012: US\$188 million) were issued in January 2011, with a principle amount of US\$200 million, interest bearing at a fixed rate of 7.625% per annum and listed on the Singapore Exchange Securities Trading Limited. The Singapore Notes will be repayable in whole on 19 January 2016. The Group repurchased and cancelled the Singapore Notes with a principal amount of US\$12 million as at 30 June 2013.

US\$200 million senior notes ("Hong Kong Notes") (31 December 2012: Nil) were issued in April 2013, with a principal amount of US\$200 million, interest bearing at a fixed rate of 6.5% per annum and listed on the Stock Exchange. The Hong Kong Notes will be repayable in whole on 18 January 2019.

14. 借貸(續)

附註：

(a) 人民幣401,622,000元(二零一二年十二月三十一日：人民幣499,216,000元)的銀行借貸已以本集團於二零一三年六月三十日賬面淨值為人民幣19,381,000元(二零一二年十二月三十一日：人民幣19,804,000元)的土地使用權(附註7)及賬面淨值約為人民幣300,916,000元(二零一二年十二月三十一日：人民幣352,491,000元)的物業、廠房及設備作抵押(附註8)。

(b) 其他銀行借貸以本集團若干附屬公司提供的於二零一三年六月三十日數額為人民幣137,761,000元(二零一二年十二月三十一日：人民幣98,741,000元)的交叉公司擔保作抵押。

(c) 二零一三年六月三十日之應付票據由兩份優先票據組成：

1.88億美元優先票據(「新加坡票據」)(二零一二年十二月三十一日：1.88億美元)於二零一一年一月發行，本金額為2億美元，按每年7.625%之固定利率計息，並於新加坡證券交易所有限公司上市。新加坡票據將於二零一六年一月十九日悉數償還。本集團已於二零一三年六月三十日回購並註銷本金額1,200萬美元之新加坡票據。

2億美元優先票據(「香港票據」)(二零一二年十二月三十一日：無)於二零一三年四月發行，本金額為2億美元，按每年6.5%之固定利率計息，並於聯交所上市。香港票據將於二零一九年一月十八日悉數償還。

14. BORROWINGS (Continued)

Movements in borrowings are analysed as follows:

14. 借貸(續)

借貸變動分析如下：

		RMB'000 人民幣千元
Six months ended 30 June 2012	截至二零一二年六月三十日 止六個月	
Opening amount 1 January 2012	於二零一二年一月一日之 期初金額	1,855,794
Repayments of borrowings	償還借貸	(99,034)
Gain from Singapore Notes repurchases (Note 19)	回購新加坡票據的收益 (附註 19)	(5,836)
Exchange losses on borrowings	借貸匯兌虧損	6,447
Closing amount as at 30 June 2012	於二零一二年六月三十日之 期末金額	1,757,371
Six months ended 30 June 2013	截至二零一三年六月三十日 止六個月	
Opening amount 1 January 2013	於二零一三年一月一日之 期初金額	1,770,200
Proceeds from borrowings	借貸所得款項	1,280,826
Repayments of borrowings	償還借貸	(104,143)
Exchange gains on borrowings	借貸匯兌收益	(39,509)
Closing amount as at 30 June 2013	於二零一三年六月三十日 之期末金額	2,907,374

The carrying amounts of the borrowings of the Group are denominated in the following currencies:

本集團借貸的賬面值按以下貨幣計值：

		30 June 2013 二零一三年 六月三十日 RMB'000 人民幣千元	31 December 2012 二零一二年 十二月三十一日 RMB'000 人民幣千元
RMB	人民幣	110,000	95,000
USD	美元	2,794,655	1,671,460
HKD	港元	2,719	3,740
		2,907,374	1,770,200

14. BORROWINGS (Continued)

The weighted average effective interest rate per annum at period ended 30 June 2013 was 6.6% (31 December 2012: 6.6%).

Interest expense on borrowings for the six months ended 30 June 2013 was RMB84,928,000 (2012: RMB74,298,000).

The Group has the following undrawn borrowing facilities as at the balance sheet date:

Floating rate:	浮動息率：
– expiring within one year	– 於一年內到期

15. DERIVATIVE FINANCIAL INSTRUMENTS

Assets:	資產：
Forward foreign exchange contracts	遠期外匯合約

Liabilities:	負債：
Interest rate swap contracts	利率掉期合約

Non-hedging derivatives are classified as a current asset or liability.

The forward foreign exchange contracts as at 30 June 2013 comprised three contracts with notional principal amounts totalling RMB308,935,000 (2012: Nil).

The interest rate swap contracts as at 30 June 2013 comprised four contracts with notional principal amounts totalling RMB1,671,338,000 (2012: RMB1,709,070,000).

14. 借貸(續)

截至二零一三年六月三十日止期間之加權平均實際年利率為6.6%(二零一二年十二月三十一日：6.6%)。

截至二零一三年六月三十日止六個月之借貸利息開支為人民幣84,928,000元(二零一二年：人民幣74,298,000元)。

本集團於資產負債表日未動用之借貸融資如下：

30 June 2013 二零一三年 六月三十日 RMB'000 人民幣千元	31 December 2012 二零一二年 十二月三十一日 RMB'000 人民幣千元
407,192	360,284

15. 衍生金融工具

Unaudited 未經審核 30 June 2013 二零一三年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2012 二零一二年 十二月三十一日 RMB'000 人民幣千元
3,007	–
50,475	61,327

非對沖衍生工具分類為流動資產或負債。

於二零一三年六月三十日，遠期外匯合約由三份合約組成，名義本金額合共為人民幣308,935,000元(二零一二年：零)。

於二零一三年六月三十日，利率掉期合約由四份合約組成，名義本金額合共為人民幣1,671,338,000元(二零一二年：人民幣1,709,070,000元)。

16. FINANCE LEASE OBLIGATIONS

The rights to the leased assets are reverted to the lessor in the event of default of the lease liabilities by the Group.

16. 融資租賃承擔

倘本集團拖欠租賃負債，則租賃資產之權利將歸還出租人。

		Unaudited 未經審核 30 June 2013 二零一三年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2012 二零一二年 十二月三十一日 RMB'000 人民幣千元
Gross finance lease liabilities	融資租賃負債總額		
– minimum lease payments	– 最低租賃付款		
No later than 1 year	一年內	63,005	–
Later than 1 year and no later than 5 years	一年後至五年內	221,649	–
Less: future finance charges on finance leases	減：融資租賃之未來 融資費用	(19,967)	–
Present value of finance lease liabilities	融資租賃負債現值	264,687	–
The present value of finance lease liabilities is as follows:	融資租賃負債之 現值如下：		
No later than 1 year	一年內	55,724	–
Later than 1 year and no later than 5 years	一年後至五年內	208,963	–
		264,687	–

17. SHARE CAPITAL

Authorised:	法定：
Ordinary shares of HKD0.1 each At 31 December 2012 and 30 June 2013	每股面值0.1港元之 普通股 於二零一二年 十二月三十一日 及二零一三年 六月三十日

Issued and fully paid:	已發行及繳足：
Ordinary shares of HKD0.1 each At 31 December 2012 and 30 June 2013	每股面值0.1港元之 普通股 於二零一二年 十二月三十一日 及二零一三年 六月三十日

17. 股本

Number of shares 股份數目 (thousands) (千股)	Ordinary shares 普通股 HK\$'000 千港元
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4,000,000	400,000
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Number of shares 股份數目 (thousands) (千股)	Ordinary shares 普通股 RMB'000 千港元
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884,681	94,064
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18. SHARE OPTION SCHEME

Pursuant to a shareholders' resolution passed on 21 November 2004, the Company adopted a share option scheme ("the Share Option Scheme"), which will remain in force for a period of 10 years up to November 2014. Under the Share Option Scheme, the Company's directors may, at their sole discretion, grant to any employee, director, supplier of goods or services, customer, person or entity that provides research, development or other technological support to the Group, shareholder and adviser or consultant of the Group to subscribe for shares in the Company at a price of not less than the higher of (i) the closing price of shares as stated in the daily quotation sheet of the Stock Exchange on the date of the offer of grant; or (ii) the average closing price of shares as stated in the daily quotation sheets of the Stock Exchange for the five trading days immediately preceding the date of the offer of grant; and (iii) the nominal value of the share. A nominal consideration of HK\$1 is payable on acceptance of the grant of an option. The maximum number of shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme adopted by the Group from time to time must not in aggregate exceed 30% of the share capital of the Company in issued from time to time. At 30 June 2013, no options had been granted under this Share Option Scheme (31 December 2012: Nil).

18. 購股權計劃

根據本公司於二零零四年十一月二十一日通過之股東決議案，本公司已採納一項購股權計劃（「購股權計劃」），於截至二零一四年十一月止十年期間將仍屬有效。根據購股權計劃，本公司董事可全權酌情向任何僱員、董事、貨品或服務供應商、客戶、為本集團提供研究、發展或其他技術支援的個人或實體、股東及本集團顧問或諮詢人授出購股權，以認購本公司股份，惟價格不低於下列較高者：(i) 於授出要約日期在聯交所每日報價表所列出的股份收市價；或(ii) 於緊接授出要約日期前五個交易日的聯交所每日報價表所列出的股份平均收市價；及(iii) 股份的面值。1港元的名義代價於接納授出購股權要約時支付。在購股權計劃及本集團不時採納的任何其他購股權計劃以下所有授出有待行使購股權獲行使時最高可予發行的股份數目合計不得超過本公司不時已發行股本的30%。於二零一三年六月三十日，概無購股權根據本購股權計劃授出(二零一二年十二月三十一日：無)。

**19. OTHER INCOME AND OTHER GAINS/
(LOSSES) – NET**

**19. 其他收入及其他收益／(虧損)
淨額**

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
Other income	其他收入		
Subsidy income	補貼收入	1,830	2,624
Other gains/(losses) – net	其他收益／(虧損) – 淨額		
Derivative financial instruments at fair value through profit or loss: – Unrealised profit/(losses)	按公平值計入損益 之衍生金融 工具： – 未實現 溢利／(虧損)	3,364	(10,749)
Gain from Singapore Notes repurchases	回購新加坡票據 收益	–	5,836
Net foreign exchange gains/ (losses)	匯兌收益／(虧損) 淨額	6,934	(9,479)
Others	其他	1,322	3,597
Total other gains/(losses) – net	其他收益／(虧損) 總額 – 淨額	11,620	(10,795)

The subsidy income represented grants provided by municipal governments based on the amounts of value added tax and income tax paid. The Group received all the subsidiary income in the same period and there was no future obligation related to these subsidiary income.

補貼收入指市政府根據已付增值稅及所得稅金額授出之津貼。本集團於相同期間獲得所有補貼收入，而該等補貼收入沒有任何未來責任。

20. EXPENSES BY NATURE

The following expenses items have been included in cost of sales, selling and distribution costs and general and administrative expenses in the statement of comprehensive income.

Cost of inventories	存貨成本
Employment costs	僱員成本
Utilities	動力及燃料
Depreciation and amortisation	折舊及攤銷
Reversal of provision for decline in the value of inventories	撥回存貨價值減少撥備
Transportation	運輸

20. 開支(按性質分類)

下列開支項目已於全面收益表中計入銷售成本、銷售及分銷成本，以及一般及行政開支。

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

2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
2,289,788	2,474,959
305,787	240,313
180,351	167,020
102,859	97,014
(5,526)	(72,635)
62,693	63,151

21. FINANCE INCOME AND COSTS

Interest expense	利息開支
– bank borrowings wholly repayable within five years	– 須於五年內悉數償還之銀行借貸
– finance lease obligations	– 融資租賃承擔
Exchange (gains)/losses on financing activities	融資活動所得匯兌(收益)/虧損
Finance costs – net	財務費用 – 淨額
Finance income – interest income on bank deposits	財務收入 – 銀行存款利息收入
Net finance costs	財務費用淨額

21. 財務收入及費用

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

2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
84,928	74,298
1,637	–
86,565	74,298
(39,509)	6,447
47,056	80,745
(4,054)	(6,367)
43,002	74,378

22. INCOME TAX EXPENSE

Current income tax	即期所得稅
– Mainland China and Vietnam enterprise income tax	– 中國大陸及越南企業所得稅
Deferred income tax	遞延所得稅

- (i) **Hong Kong profits tax**
Subsidiaries established in Hong Kong are subject to income tax at rate of 16.5% (2012:16.5%).
- (ii) **Mainland China enterprise income tax**
Subsidiaries established in Mainland China are subject to enterprise income tax (“EIT”) at rate of 25% during the period (2012: 25%).

Effective from 1 January 2008, the subsidiaries established in Mainland China are required to determine and pay the EIT in accordance with the Corporate Income Tax Law of the PRC (the “New CIT Law”) as approved by the National People’s congress on 16 March 2007 and Detailed Implementations Regulations of the New CIT Law (the “DIR”) as approved by the State Council on 6 December 2007.

22. 所得稅開支

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

2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
44,939	30,524
10,758	(10,672)
55,697	19,852

- (i) **香港利得稅**
於香港成立的附屬公司須按 16.5% (二零一二年：16.5%) 之稅率繳付所得稅。
- (ii) **中國大陸企業所得稅**
於中國大陸成立的附屬公司於本期間須按 25% (二零一二年：25%) 之稅率繳付企業所得稅 (「企業所得稅」)。

由二零零八年一月一日起，於中國大陸成立的附屬公司需要根據全國人大於二零零七年三月十六日批准的中國企業所得稅法 (「新企業所得稅法」) 及國務院於二零零七年十二月六日批准的新企業所得稅法實施條例 (「實施條例」) 釐定及支付企業所得稅。

22. INCOME TAX EXPENSE (Continued)

(ii) Mainland China enterprise income tax (Continued)

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

(iii) Vietnam income tax

Subsidiaries established in Vietnam are subject to income tax at rate of 25% (2012: 25%).

As approved by the relevant Tax Bureau in Vietnam, the subsidiaries established in Vietnam in 2012 and 2011 are entitled to four years' exemption from income taxes followed by nine years of a 50% tax reduction, commencing from the first profitable year after offsetting the losses carried forward from the previous years, and are entitled to a preferential income tax rate of 10% for 15 years, commencing from the first year generating income from the operation.

22. 所得稅開支(續)

(ii) 中國大陸企業所得稅(續)

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

(iii) 越南所得稅

於越南成立之附屬公司須按25%(二零一二年：25%)之稅率繳付所得稅。

經越南的相關稅務局批准，於二零一二年及二零一一年在越南成立的附屬公司，有權於抵銷過往年度結轉的虧損後首個獲利年度起，免繳所得稅四年，其後九年則獲稅務減半優惠，並由業務產生收入的首個年度起，有權享受優惠所得稅稅率10%達十五年。

22. INCOME TAX EXPENSE (Continued)

(iii) Vietnam income tax (Continued)

As approved by the relevant Tax Bureau in Vietnam, the subsidiary established in Vietnam in 2006 should separately calculate income tax on its supplementary investments. The initial investment of the subsidiary is entitled to three years' exemption from income taxes followed by seven years of a 50% tax reduction and is entitled to a preferential income tax rate of 15% for 12 years. The first supplementary investment of the subsidiary is entitled to three years' exemption from income taxes followed by five years of a 50% tax reduction based on the income tax rate of 25%.

As approved by the relevant Tax Bureau in Vietnam, the other subsidiary in Vietnam should separately calculate income tax on its supplementary investments. The initial investment of the subsidiary is entitled to a tax rate of 15%. The supplementary investment of the subsidiary is entitled to a tax rate of 25%.

The applicable tax rates for the subsidiaries in Vietnam range from nil to 25% during the period (2012: Nil to 25%).

(iv) Other income tax

The Company, incorporated in the Cayman Islands, and the Company's subsidiaries established in the British Virgin Islands are exempted from payment of income tax in the countries of jurisdiction.

The subsidiary established in Macao is subject to income tax at rate of 9% (2012: 9%). No provision for Macao profits tax has been made as the Group had no assessable profit arising in or derived from Macao during the period (2012: Nil).

22. 所得稅開支(續)

(iii) 越南所得稅(續)

經越南的相關稅務局批准，一家於二零零六年於越南成立的附屬公司，可就其補充投資獨立計算所得稅。該附屬公司的初步投資有權免繳所得稅三年，其後七年則獲稅務減半優惠，並有權享受優惠所得稅稅率15%達十二年。該附屬公司的首項補充投資有權免繳所得稅三年，其後五年根據25%的所得稅稅率，可獲所得稅減半優惠。

經越南有關稅務局批准，於越南的其他附屬公司可就其補充投資獨立計算所得稅。該附屬公司的初步投資有權享有15%之稅率。該附屬公司的補充投資有權享有25%之稅率。

期內，於越南之附屬公司之適用稅率為無至25%（二零一二年：無至25%）。

(iv) 其他所得稅

於開曼群島註冊成立的本公司，及於英屬處女群島註冊成立的本公司附屬公司，均享有在具司法管轄權的國家免繳所得稅。

於澳門成立之附屬公司須按9%（二零一二年：9%）之稅率繳付所得稅。由於本集團於本期間內概無在澳門或從澳門賺取應課稅溢利，故概無就澳門利得稅作出撥備（二零一二年：無）。

22. INCOME TAX EXPENSE (Continued)

(iv) Other income tax (Continued)

The subsidiary established in Uruguay is subject to income tax at rate of 25% (2012: 25%). No provision for Uruguay profits tax has been made as the Group had no assessable profit arising in or derived from Uruguay during the period (2012: Nil).

The subsidiary established in Turkey is subject to income tax at rate of 20%. No provision for Turkey profits tax has been made as the Group had no assessable profit arising in or derived from Turkey during the period.

23. EARNINGS PER SHARE

(a) Basic

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

22. 所得稅開支(續)

(iv) 其他所得稅(續)

於烏拉圭成立的附屬公司須按稅率25%繳付所得稅(二零一二年: 25%)。由於本集團於期內並無在烏拉圭產生或來自烏拉圭的應課稅溢利, 故並未就烏拉圭利得稅計提撥備(二零一二年: 無)。

於土耳其成立的附屬公司須按稅率20%繳付所得稅。由於本集團於期內並無在土耳其產生或來自土耳其的應課稅溢利, 故並未就土耳其利得稅計提撥備。

23. 每股盈利

(a) 基本

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

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2013 二零一三年	2012 二零一二年
Profit attributable to equity holders of the Company (RMB'000)	本公司股權持有人應佔溢利(人民幣千元)	446,572	145,083
Weighted average number of ordinary shares in issue (thousands)	已發行普通股加權平均數(以千計)	884,681	884,681
Basic earnings per share (RMB per share)	每股基本盈利(每股人民幣元)	0.505	0.164

23. EARNINGS PER SHARE (Continued)

(b) Diluted

Diluted earnings per share are the same as the basic earnings per share since the Company does not have dilutive shares.

24. DIVIDENDS

A final dividend of RMB192,142,000 that relates to the year ended 31 December 2012 was paid in April 2013 (2012: Nil).

In addition, an interim dividend of HKD0.19 per share (2012: Nil) was proposed by the board of directors on 5 August 2013. It will be payable on or about 28 August 2013 to shareholders who are on the register on 21 August 2013. This interim dividend, amounting to RMB133,900,000 (2012: Nil), has not been recognised as a liability in this interim financial information. It will be recognised in shareholders' equity in the financial statements of the Company for the year ending 31 December 2013.

23. 每股盈利(續)

(b) 攤薄

由於本公司並無具攤薄影響之股份，每股攤薄盈利與每股基本盈利相同。

24. 股息

於二零一三年四月，已支付與截至二零一二年十二月三十一日止年度相關的末期股息人民幣192,142,000元(二零一二年：無)。

此外，董事會於二零一三年八月五日建議派付中期股息每股0.19港元(二零一二年：零)。有關股息將於二零一三年八月二十八日或前後向於二零一三年八月二十一日名列股東名冊的股東支付。中期股息人民幣133,900,000元(二零一二年：零)尚未於本中期財務資料確認為負債。該股息將於本公司截至二零一三年十二月三十一日止年度之財務報表確認為股東權益。

25. COMMITMENTS

(a) Capital commitments

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

Property, plant and equipment	物業、廠房及設備
Authorized but not contracted for	已授權但未訂約
Contracted but not provided for	已訂約但未撥付
Land use rights	土地使用權
Contracted but not provided for	已訂約但未撥付
Total capital commitments	資本承擔總額

25. 承擔

(a) 資本承擔

於結算日的資本開支(但未產生)如下:

Unaudited 未經審核 30 June 2013 二零一三年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2012 二零一二年 十二月三十一日 RMB'000 人民幣千元
575,475	—
45,976	813,424
621,451	813,424
68,696	59,833
690,147	873,257

25. COMMITMENTS (Continued)

(b) Operating leases commitments

The Group leases various land, offices and warehouses under non-cancellable operating lease agreements. The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

No later than 1 year	一年內
Later than 1 year and no later than 5 years	一年後至五年內
Later than 5 years	五年後

Representing:	指：
Land use right	土地使用權
Property, plant and equipment	物業、廠房及 設備

25. 承擔(續)

(b) 經營租賃承擔

本集團根據不可撤銷經營租賃協議而租賃不同的土地、辦公室及倉庫。根據不可撤銷經營租賃之未來最低租賃款項總額如下：

Unaudited 未經審核 30 June 2013 二零一三年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2012 二零一二年 十二月三十一日 RMB'000 人民幣千元
3,041	2,640
8,368	8,340
25,208	26,933
36,617	37,913
23,749	24,774
12,868	13,139
36,617	37,913

26. RELATED-PARTY TRANSACTIONS

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

The related party that had transactions with the Group is as follows:

Name of related party 關聯方名稱

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

The Group had the following significant transactions and balances with the related parties:

(a) Transactions with the related party

Purchases of goods 購買貨品

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

26. 與關聯方的交易

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

與本集團進行交易的關聯方如下：

Relationship with the Group 與本集團的關係

Associate company
聯營公司

本集團與其關聯方進行的重大交易及結餘如下：

(a) 與關聯方的交易

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

2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
4,480	3,339

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

26. RELATED-PARTY TRANSACTIONS
(Continued)

(b) Balance with the related party

Trade payable to a related party 應付關連方的貿易款項

The balances with related parties are unsecured, non-interest bearing and are repayable within one year.

(c) Key management compensation

Salaries and bonuses 薪金及花紅
Pension cost (defined contribution plan) 退休金成本(界定供款計劃)
Other benefits 其他福利

26. 與關聯方的交易(續)

(b) 與關聯方的結餘

Unaudited 未經審核 30 June 2013 二零一三年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2012 二零一二年 十二月三十一日 RMB'000 人民幣千元
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1,889 **—**

與關連方的結餘為無抵押、不計息及須於一年內償還。

(c) 主要管理層薪酬

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

2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
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3,872 2,220

88 60

473 452

4,433 2,732

27. OTHER MATTER

On 20 June 2013, the Group entered into a framework agreement for the acquisition of the entire equity interest of Shandong Morigin Textile Factory Co., Ltd. ("Morigin"), which owns a yarn factory in Shandong, the Peoples' Republic of China. An equity transfer agreement will be entered into by the Group with Yunsheng Holdings Group Co., Ltd. ("Yunsheng"), Hui Yuan (Hong Kong) Company Limited and Bondex Investment Limited, the shareholders of Morigin on the date on which the necessary registration procedures regarding the increase in registered capital of Morigin are completed and the revised business licence of Morigin is obtained to give effect to the acquisition of the entire equity interest of Morigin by the Group. The consideration of the acquisition of the entire equity interest of Morigin is RMB3.

The Group also entered into a yarn procurement agreement with Morigin on 20 June 2013 for the procurement of yarn by the Group from Morigin. The amount of the procurement of yarn is RMB339.24 million, which equal to the then balance of the outstanding shareholder's loan owed by Morigin to Yunsheng, and Morigin shall use such amount to repay the remaining shareholders' loan due to Yunsheng. Under the yarn procurement agreement, a commercial acceptance bill in the amount of RMB245.32 million (which shall be exchanged with a bank acceptance bill with the same amount within five business days after completion of the necessary procedures regarding the increase of the registered capital of Morigin) and a bank acceptance bill in the amount of RMB60 million have been placed in a safety box jointly opened by the designated persons of Yunsheng and the Company upon signing of the yarn procurement agreement as at 30 June 2013. In addition, a bank acceptance bill in the amount of RMB33.92 million shall be delivered by the Group to Morigin within five business days after completion of the equity transfer agreement. All the above acceptance bills shall be released or delivered to Yunsheng for repayment of the outstanding shareholder's loan within five business days after completion of the equity transfer agreement.

27. 其他事宜

於二零一三年六月二十日，本集團訂立框架協議，收購山東德源紗廠有限公司（「德源」）的全部股權，其於中華人民共和國山東省擁有一間紗線廠。德源完成辦理增加註冊股本所需的登記程序及德源取得經修訂的商業牌照當日，本集團與韻升控股集團有限公司（「韻升」）、滙源（香港）有限公司及邦達投資有限公司（德源之股東）將訂立股本轉讓協議，使本集團收購德源的全部股權生效。收購德源全部股權的代價為人民幣3元。

於二零一三年六月二十日，本集團亦與德源訂立紗線採購協議，據此本集團向德源採購紗線。紗線採購款項為人民幣339,240,000元，金額等同於德源結欠韻升之未償還股東貸款於其時之結餘，而德源須使用該筆款項償還結欠韻升之餘下股東貸款。根據紗線採購協議，金額為人民幣245,320,000元之商業承兌匯票，（將於完成辦理德源註冊股本增資的必須手續後五個營業日內，交換為同等金額的銀行承兌匯票），以及金額為人民幣60,000,000元之銀行承兌匯票，已於二零一三年六月三十日，簽立紗線採購協議後寄存於韻升與本公司之指定人士共同開設的保險箱。此外，金額為人民幣33,920,000元之銀行承兌匯票將由本集團於股本轉讓協議完成後五個營業日內交予德源。所有上述承兌匯票將於股本轉讓協議完成日期後的五個營業日內發予韻升，以償還部分未償還的股東貸款。

OVERVIEW

We are pleased to present the results of the Group for the six months ended 30 June 2013 to our shareholders. During the period under review, the Group's turnover increased by 8.5% to RMB3,609 million when compared to the corresponding period last year. The increase was mainly attributable to the growth in sales volume. Profit attributable to equity holders for the six months ended 30 June 2013 tripled to RMB447 million when compared to the corresponding period last year. Earnings per share also tripled to RMB0.505 from RMB0.164 for the corresponding period last year. The surge in profit attributable to equity holders on a year-on-year basis was mainly due to the fact that the Group had just achieved a turnaround in the first half of 2012 and that its business operations in 2013 had basically followed a trend as that of the second half of the previous year driven by the continued robust demand for the Group's products. The increase was also attributable to low international cotton prices, which effectively facilitate a reduction in our production costs. Although these advantages were partly offset by the low selling prices of yarns in the China market, armed with relatively adequate cotton purchase orders and inventory, our financial performance in the first half of 2013 was still better than that in the second half of the preceding year.

綜覽

我們欣然向股東報告本集團截至二零一三年六月三十日止六個月的業績。在回顧期內，主要由於銷量上升，本集團之營業額較去年同期上升8.5%至人民幣36.09億元。截至二零一三年六月三十日止六個月，股權持有人應佔溢利達去年同期的三倍至人民幣4.47億元。每股盈利亦達去年同期人民幣0.164元的三倍至人民幣0.505元。同比股權持有人應佔溢利上升乃主要由於二零一二年上半年本集團剛轉虧為盈，而二零一三年之業務營運基本上延續去年下半年的態勢，由市場對本集團的產品需求持續強勁所致，加上國際棉花價格低迷，有效促進減低生產成本，雖然這優勢因中國市場紗線銷售價格低走而被抵消了一部份，由於我們具有充足的棉花訂貨及存量，致本集團財務表現於二零一三年上半年仍比去年下半年優勝。

INDUSTRY REVIEW

Although the Chinese cotton textile industry has faced tough challenges due to the huge gap between international and Chinese cotton prices since 2012, we have seen the statistics from different authorities showing a relatively stable overall market environment. As indicated by the information provided by China National Textile And Apparel Council, the accumulated industrial output value realized by the textile enterprises with certain economies of scale in China from January to May 2013 was RMB2,370.92 billion, representing an increase of 13.95% over the figure of the corresponding period last year. According to the statistics from the General Administration of Customs, the accumulated amount of export of textiles and garment products from China from January to June 2013 was US\$127.21 billion, representing an increase of 12% over the figure of the corresponding period last year. Additional investments in fixed assets of RMB296.5 billion were made by the textile industry in China from January to May 2013, representing an increase of 13.62% over those of the corresponding period last year. However, the number of new projects and the number of completed projects only increased by 7.35% and 2.97% over those of the corresponding period last year respectively.

行業回顧

自二零一二年以來，儘管國際與中國棉花價格差距巨大，導致中國棉紡織業面對限苦挑戰，但我們從各個機關的統計數字得知，整體市場環境仍然相對穩定。如中國紡織工業聯合會所提供的資料顯示，二零一三年一至五月，具若干經濟規模的紡織企業累計實現工業總產值人民幣**23,709.2**億元，較去年同期上升**13.95%**。根據中國海關總署的統計顯示，二零一三年一至六月自中國出口的紡織品及成衣產品累計總額為**1,272.1**億美元，較去年同期數據增加**12%**。中國紡織行業在二零一三年一至五月新增固定資產投資人民幣**2,965**億元，比去年同期增加**13.62%**，但新開工項目數量和竣工項目數量分別僅比去年同期增加**7.35%**和**2.97%**。

BUSINESS REVIEW

For the period under review, the turnover of the Group was RMB3,609 million, representing an increase of 8.5% when compared to the corresponding period last year. Turnover of our Group comprises sales of yarns, grey fabrics and garment fabrics. Yarns continued to be the major products of the Group, which contributed to a turnover of RMB3,114 million during the six months ended 30 June 2013, accounting for 86.3% of the Group's total turnover. The increase was mainly driven by sales volume growth. However, as the Group has already reached full capacity of yarn production and has yet to complete the trial production of the newly added capacity in mainland China and Vietnam this year, there was only a slight growth in sales volume of 9.0% to about 119,000 tonnes for the six months ended 30 June 2013 when compared to the corresponding period last year. The Group has been constantly focusing on stretchable core-spun yarn and denim yarn markets in China and exploring markets for differentiated and high value-added yarn products. The operating data of our products is set out below:

業務回顧

於回顧期內，本集團的營業額為人民幣36.09億元，較去年同期上升8.5%。本集團營業額包括紗線、坯布及面料的銷售。紗線繼續為本集團的重點產品，截至二零一三年六月三十日止六個月營業額達到人民幣31.14億元，佔本集團總營業額的86.3%，上升主要由銷量增長帶動，但由於本集團的紗線產能早已滿負荷，本年中國大陸及越南廠房的新增產能又還沒完成試產階段，截至二零一三年六月三十日止六個月，紗線銷量較去年同期小幅增加9.0%至約119,000噸。本集團持續主攻中國的彈力包芯紗線及牛仔紗線市場，開拓差異化高增值紗線產品市場。本集團產品的經營數據如下：

		January to June 2013	Gross profit margin	January to June 2012	Gross profit margin	Turnover change between 2013 and 2012 二零一三年 營業額對比 二零一二年 之轉變	Margin change between 2013 and 2012 二零一三年 毛利率對比 二零一二年 之轉變
		二零一三年 一月至六月	毛利率	二零一二年 一月至六月	毛利率	Percentage points 百分點	
		RMB'000 人民幣千元		RMB'000 人民幣千元			
Stretchable core-spun yarns	彈力包芯紗線						
- Cotton	- 棉紗	1,354,926	25.7%	1,243,257	14.6%	9.0%	11.1
- Denim	- 牛仔	597,353	26.9%	365,687	21.4%	63.4%	5.5
- Synthetic fiber	- 化纖	338,083	17.0%	326,603	10.7%	3.5%	6.3
Other yarns	其他紗線						
- Cotton	- 棉紗	242,800	14.5%	164,677	13.1%	47.4%	1.4
- Denim	- 牛仔	292,195	22.8%	391,104	11.8%	-25.3%	11.0
- Synthetic fiber	- 化纖	289,126	20.4%	268,948	12.9%	7.5%	7.5
Fabrics	坯布及面料						
- Stretchable grey fabrics	- 彈力坯布	352,120	8.0%	368,380	9.1%	-4.4%	-1.1
- Other grey fabrics	- 其他坯布	68,910	5.3%	104,834	1.7%	-34.3%	3.6
- Garment fabrics	- 面料	73,185	15.7%	91,694	15.5%	-20.2%	0.2
Total	總計	3,608,698	21.4%	3,325,184	13.4%	8.5%	8.0

BUSINESS REVIEW (Continued)

業務回顧(續)

	Sales Volume		Sales Volume change between 2013 and 2012	Selling price		Selling price change between 2013 and 2012
	銷量			售價		
	January to June 2013	January to June 2012		January to June 2013	January to June 2012	
	二零一三年一月至六月	二零一二年一月至六月	二零一三年銷量對比二零一二年之轉變	二零一三年一月至六月	二零一二年一月至六月	二零一三年售價對比二零一二年之轉變
Stretchable core-spun yarns (Ton/RMB per ton)	彈力包芯紗線 (噸/人民幣每噸)					
- Cotton	47,932	44,238	8.4%	28,268	28,104	0.6%
- Denim	23,451	14,364	63.3%	25,472	25,459	0.1%
- Synthetic fiber	13,855	13,713	1.0%	24,402	23,817	2.5%
Other yarns (Ton/RMB per ton)	其他紗線(噸/人民幣每噸)					
- Cotton	9,947	6,847	45.3%	24,409	24,051	1.5%
- Denim	12,757	17,892	-28.7%	22,905	21,859	4.8%
- Synthetic fiber	11,004	12,066	-8.8%	26,275	22,290	17.9%
Fabrics (Million meters/RMB per meter)	坯布及面料(百萬米/人民幣每米)					
- Stretchable grey fabrics	33.1	30.7	7.8%	10.6	12.0	-11.7%
- Other grey fabrics	7.3	9.5	-23.2%	9.4	11.1	-15.3%
- Garment fabrics	3.8	4.7	-19.1%	19.3	19.6	-1.5%

The overall gross profit margin of the Group's products increased from 13.4% for the corresponding period last year to 21.4% for the six months ended 30 June 2013. During the period under review, the fall in international cotton prices had helped reduce the overall production costs of cotton yarns. Affected by huge differences between China and international cotton prices, cotton yarn prices in the China market had stood at low levels for a prolonged period. However, with the narrower price differences in the first half of 2013, yarn prices in the China market had rebounded slightly. Moreover, with relatively adequate cotton purchase orders and inventory at the end of last year, the Group managed to achieve a higher overall gross profit margin.

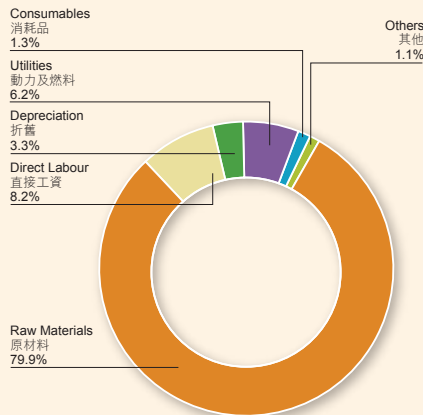
Cost of sales decreased by 1.4% to RMB2,837.9 million when compared to the corresponding period last year. Raw material cost accounted for about 79.9% of the total cost of sales for the six months ended 30 June 2013. Cotton is our major raw material.

截至二零一三年六月三十日止六個月，本集團產品之整體毛利率由去年同期的13.4%增加至21.4%。於回顧期間，國際棉花價格低迷有助減低棉類紗線整體生產成本，中國市場棉類紗線價格受中國與國際棉花巨大差價影響長期不振，然而二零一三年上半年該差價有所收窄，亦幫助中國市場紗線價格輕微反彈，加上本集團去年底具有充足的棉花訂貨及存量，因此本集團能取得較高的整體毛利率。

銷售成本較去年同期下跌1.4%至人民幣2,837,900,000元。原材料成本佔截至二零一三年六月三十日止六個月的銷售成本總額約79.9%。棉花為本集團的主要原材料。

BUSINESS REVIEW (Continued)

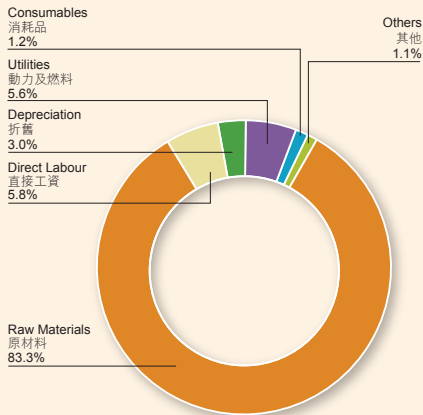
The breakdown of our cost of sales is shown below:



January to June 2013
二零一三年一至六月

業務回顧(續)

銷售成本的明細列示如下：



January to June 2012
二零一二年一至六月

The Group will continue to adhere to its established business strategy of optimizing product mix, developing new products that cater for market trend and demand and fully leveraging the cost advantage of the production base in Vietnam, thereby further improving the Group's financial performance. Currently, the international market prices of cotton have become lower than those in China which will benefit the Group's manufacturing operations in Vietnam. The Group will continue to uphold its procurement strategy of maintaining cotton orders and inventory at adequate levels that can meet its needs for about five months. This strategy will be adjusted when the differences in cotton prices between China and international market have been narrowed or international cotton prices have rebounded.

While developing a wide range of differentiated products, the Group continues to explore opportunities to produce different types of yarns, including knitted yarns. We continue to tie up close relationship with special fiber manufacturers, such as Toray Group of Japan, Lenzing Fibers in Europe and INVISTA in the United States. Our research and development centre in Changzhou has been developing and improving a wide variety of diversified products based on the market demand in order to carve out a leading niche in the industry and meet the demand for different high-end products from quality customers.

本集團將繼續執行既有企業策略，優化產品組合、開發迎合市場趨勢及需要的新產品及充分發揮越南生產基地的成本優勢，進一步改善本集團之財務表現。目前國際市場的棉花價格低於中國，將有利於本集團於越南的生產業務，本集團繼續維持棉花訂貨及庫存足夠約五個月使用的採購策略，並將將在中國及國際市場的棉花差價有所收窄或國際棉花價格反彈時調整棉花採購策略。

於開發各類型產品之同時，本集團不斷發掘機會，生產不同類型之紗線，當中包括針織紗線。我們繼續與特殊纖維製造商維持緊密關係(例如日本東麗集團、歐洲蘭精纖維及美國英威達)。我們設於常州之研發中心，一直因應市場之需求，開發及改善本集團旗下多元化之產品，務求鞏固本集團於業界之領導地位，以及就各類型高端產品，迎合優質客戶之需求。

BUSINESS REVIEW (Continued)

The Chinese textile market has been the major market for the Group. The ten largest customers of the Group for the six months ended 30 June 2013, which accounted for 22.7% of the total turnover of the Group, are as follows:

Toray International, Inc.
 Zhejiang Limayunshan Textile Co., Ltd.
 Zhejiang Jiaermei Textile Co., Ltd.
 Yixing Lucky G And L Denim Co., Ltd.
 Shaoguan Shunchang Weaving Factory Co., Ltd.
 Guangdong Qianjin Jeans Co., Ltd.
 Ningbo Daqian Textile Co., Ltd.
 Conba Group Co., Ltd.
 Yixing Lucky G And L Dyeing And Finishing Co., Ltd.
 Foshan Seazon Textile & Garment Co., Ltd.

ACQUISITION OF A SUBSIDIARY

As announced by the Company on 20 June 2013, the Company entered into a framework agreement (“Framework Agreement”) in relation to the acquisition of the entire equity interest of Shandong Morigin Textile Factory Co., Ltd. (“Morigin”) and the arrangement for the repayment of shareholders’ loan due by Morigin to one of its shareholders, namely, Yunsheng Holdings Group Co., Ltd (“Yunsheng”).

The Group also entered into a yarn procurement agreement (“Yarn Procurement Agreement”) with Morigin on 20 June 2013 for the procurement of yarn by the Group from Morigin at the consideration of RMB339.24 million. Under the Framework Agreement, Yunsheng shall inject additional registered capital to Morigin and an equity transfer agreement (“Equity Transfer Agreement”) will be entered into by the Group on the date on which the necessary registration procedures regarding the increase in registered capital of Morigin are completed and the revised business licence of Morigin is obtained to give effect to the acquisition of the entire equity interest of Morigin by the Group. The consideration for the transfer of the equity interest of Morigin shall be RMB3. As at the date of this report, the Equity Transfer Agreement has not yet been entered into between the parties.

Upon completion of the above acquisition, Morigin will become a wholly owned subsidiary of the Company.

業務回顧(續)

中國紡織市場為本集團的主要市場，截至二零一三年六月三十日止六個月，本集團十大客戶佔本集團總營業額的22.7%，為：

Toray International, Inc.
 浙江立馬雲山紡織股份有限公司
 浙江佳而美紡織有限公司
 宜興樂威牛仔布有限公司
 韶關市順昌布廠有限公司
 廣東前進牛仔布有限公司
 寧波大千紡織品有限公司
 康恩貝集團有限公司
 宜興新樂祺紡織印染有限公司
 佛山市致興紡織服裝有限公司

收購一間附屬公司

誠如本公司於二零一三年六月二十日公佈，本公司訂立一份框架協議（「框架協議」），內容有關收購山東德源紗廠有限公司（「德源」）的全部股權及安排償還德源結欠韵升控股集團有限公司（「韵升」，德源股東之一）之股東貸款。

本集團於二零一三年六月二十日，亦與德源訂立一份紗線採購協議（「紗線採購協議」），據此本集團向德源採購紗線，代價為人民幣339,240,000元。根據框架協議，韵升將向德源注入額外註冊資本，而當德源完成辦理註冊股本增資所需的登記程序及德源取得經修訂的營業執照當日，本集團將訂立股權轉讓協議（「股權轉讓協議」），使本集團收購德源的全部股權生效。轉讓德源股權之代價將為人民幣3元。於本報告日期，訂約各方尚未訂立股權轉讓協議。

上述收購事項完成後，德源將成為本公司的全資附屬公司。

FUTURE OUTLOOK

Most of our expansion plans for the current year were carried out according to the original schedules. At present, the first phase of the northern Vietnam project of about 170,000 spindles and 30 sets of open-end spinning machines was successfully put into full production in July 2013 at high efficiency. Our newly expanded capacity in other places including Vietnam and China of about 600,000 spindles in aggregate is expected to be put into full operation on a gradual basis in the third quarter of 2013. By then, the Group will be equipped with production facilities of approximately 1.77 million spindles and 30 sets of open-end spinning machines, representing an increase of about 84% over one million spindles at the beginning of the year. On the assumption that there is no material change in product mix, we will reach an annual production capacity of yarns of about 440,000 tonnes. In view of the strong demand for our products from customers, orders from some customers such as Toray Group of Japan and others in Fujian of the PRC are expected to be doubled. The proportion of yarn products in synthetic fiber and knitting categories will be enhanced. This will help us effectively mitigate the impact of fluctuations in cotton prices on the financial results of the Group. This is also a testimony to our consolidated leadership in stretchable core-spun yarn markets, as well as to our notable breakthrough in terms of sales volume and recognition from customers in the aspect of other differentiated products. We are well poised for sustained and stable growth in the future.

前景

本集團今年的擴產計劃大部分按原定時間表進行，目前越南北部第一期項目約17萬個紗錠及30台氣流紡紗機順利於二零一三年七月全面高效投產。本集團其他包括在越南以及國內的新增產能共約60萬個紗錠預計在二零一三年第三季度陸續全面投產，屆時本集團將擁有約177萬個紗錠及30台氣流紡紗機的生產設施，比年初100萬個紗錠增加約84%，假定產品組合沒有重大變化，年紗線產能將達到約44萬噸。由於客戶對本集團的產品需求強勁，部分客戶如日本東麗集團及中國福建的其他客戶的訂單預期將翻倍，化纖類及針織類紗線產品的比例將有所提升，有效減低棉花價格波動對本集團財務業績的影響，並證明本集團除繼續鞏固彈力包芯紗市場的領導地位以外，已逐步在其他差異化產品上有明顯的銷售量突破並得到客戶認同，為未來持續穩定增長打造穩固的基礎。

FUTURE OUTLOOK (Continued)

For the expansion plan in 2014, it is expected that production facilities equivalent to about 520,000 spindles will be built and are expected to be completed in the second half of 2014. The total investment will be about RMB1.35 billion. This will include the second phase of our northern Vietnam project with about 230,000 spindles, expansion in our newly acquired production facilities in Shandong with about 120,000 spindles, the first phase of our Turkey project with about 60,000 spindles and the first phase of our Uruguay project with about 54 sets of vortex and open-end spinning machines. The estimated annual output of the new production facilities will be about 120,000 tonnes subject to the final product mix. In relation to the proposed expansion in Shandong, it may start earlier in 2013, depending on the completion date of the equity transfer.

In the foreseeable future, as the Group's major sales market is still in China and its products are mainly related to cotton textiles, the performance of the Group will be mainly influenced by cotton prices, especially cotton prices in China. In addition, price differences between the China and international cotton markets will also exert significant impact on the profitability of the Group's products produced in Vietnam. Nevertheless, the market demand for textiles in China remains huge. With a determined commitment to the manufacture and sale of high-quality yarn products, the Group is confident of its sales growth in the future.

On 16 July this year, Texhong Textile was rated among the "Top 500 Companies in China in 2013" as compiled by the internationally renowned Fortune magazine. This marked the first time that the Group has been included in the list and the honour reflects the expanding scale of its business and the widespread recognition of its business model. The Group will continue to strive its utmost to bring long term and sustainable returns to shareholders.

前景(續)

就二零一四年之擴展計劃，預期將建造等同於約520,000紗錠的生產設施及預期將於二零一四年下半年完工。總投資額將約為人民幣13.5億元，將包括越南北部項目第二期(約230,000個紗錠)、擴充新購入之山東生產設施(約120,000個紗錠)、土耳其項目第一期(約54台渦流及氣流紡紗機)。視乎最終產品組合，新生產設施之估計年產量將約達120,000噸。山東擴展方案或會提早於二零一三年展開，惟將視乎其完成股權轉讓之日期而定。

在可見將來，由於本集團主要銷售市場在中國本土而產品還是主要為棉紡織品，因此本集團的業績將主要受到棉花價格影響，特別是中國本土的棉花價格。此外，中國與國際市場的棉花價格差異，也會嚴重影響本集團越南生產產品的盈利能力。儘管如此，中國紡織品市場需求還是非常龐大，本集團在致力生產及銷售優質紗線產品的方針下，對未來的銷量增長還是充滿信心。

於今年七月十六日，天虹紡織首次晉身國際知名雜誌—《財富雜誌》之「2013年中國500強排行榜」，足證天虹紡織的企業規模不斷壯大，業務模式獲得廣泛認同。集團會繼續努力不懈，全力為股東帶來長遠及可持續的回報。

FINANCIAL REVIEW

Liquidity and financial resources

As at 30 June 2013, the Group's bank and cash balances (including pledged bank deposits) amounted to RMB1,003 million (as at 31 December 2012: RMB552.3 million).

As at 30 June 2013, the Group's inventories increased by RMB728.1 million to RMB2,149.6 million (as at 31 December 2012: RMB1,421.5 million), and trade and bills receivables decreased by RMB221.8 million to RMB590.6 million (as at 31 December 2012: RMB812.4 million). The inventory turnover days and trade and bills receivable turnover days were 113 days and 35 days respectively, as compared to 78 days and 36 days respectively as at 31 December 2012. During the period, when compared to that of last year, the increase in inventory turnover days was mainly due to the increase in advance purchases of overseas cotton. As at 30 June 2013, cotton inventory amounted to about RMB1.25 billion (approximately 100,000 tonnes). Trade and bills receivable turnover days were similar to the level in 2012. The trade and bills payable increased to RMB1,199.7 million (as at 31 December 2012: RMB864.7 million). The increase was mainly due to financing of the increase in cotton purchases.

The Group's borrowings increased to RMB2,907.4 million, mainly as a result of the new issue of preferential notes of US\$200 million (as at 31 December 2012: RMB1,770.2 million).

財務回顧

流動資金及財務資源

於二零一三年六月三十日，本集團之銀行及現金結餘(包括已抵押銀行存款)為人民幣10.03億元(於二零一二年十二月三十一日：人民幣5.523億元)。

於二零一三年六月三十日，本集團之存貨增加人民幣7.281億元至人民幣21.496億元(於二零一二年十二月三十一日：人民幣14.215億元)，以及應收貿易及票據款項減少人民幣2.218億元至人民幣5.906億元(於二零一二年十二月三十一日：人民幣8.124億元)。存貨周轉日數及應收貿易及票據款項周轉日數分別為113日及35日，而二零一二年十二月三十一日則分別為78日和36日。期內存貨周轉日較去年上升，主要由於集團增加預訂海外棉花所致。於二零一三年六月三十日，棉花庫存約為100,000噸，總值約人民幣12.5億元。應收貿易及票據款項周轉日維持於與去年類似的水平。應付貿易及票據款項增加至人民幣11.997億元(於二零一二年十二月三十一日：人民幣8.647億元)，主要由於增購棉花所需資金所致。

本集團之借貸主要由於新發行2億美元優先票據而增加至人民幣29.074億元(於二零一二年十二月三十一日：人民幣17.702億元)。

FINANCIAL REVIEW (Continued)

Liquidity and financial resources (Continued)

As at 30 June 2013, the Group's financial ratios were as follows:

Current ratio	流動比率	2.23	2.09
Debt to equity ratio ¹	負債權益比率 ¹	1.03	0.69
Net debt to equity ratio ²	負債淨額權益比率 ²	0.68	0.48

¹ Based on total borrowings over total equity

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

Foreign exchange risk

The Group mainly operates in mainland China and Vietnam. Most of the Group's transactions, assets and liabilities are denominated in RMB and USD, among which, significant amount of the sales revenue are denominated in RMB, while certain costs and liabilities are denominated in USD. Depreciation of RMB against USD will be unfavourable to the Group. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities, and net investments in foreign operations. The Group manages its foreign exchange risks by performing regular reviews and monitoring its foreign exchange exposures.

Capital expenditure

For the six months ended 30 June 2013, the capital expenditure of the Group amounted to approximately RMB1,034 million (for the six months ended 30 June 2012: RMB70.96 million), which was mainly related to the investments in newly added capacity in China and Vietnam.

財務回顧(續)

流動資金及財務資源(續)

於二零一三年六月三十日，本集團之財務比率如下：

	30 June 2013 二零一三年 六月三十日	31 December 2012 二零一二年 十二月三十一日
Current ratio	2.23	2.09
Debt to equity ratio ¹	1.03	0.69
Net debt to equity ratio ²	0.68	0.48

¹ 總借貸除總權益

² 總借貸減現金及現金等值物及已抵押銀行存款除總權益

外匯風險

本集團主要在中國內地及越南營運。本集團大部份交易、資產及負債以人民幣及美元計值，其中大部份銷售收入以人民幣計值，若干成本及負債以美元計值。人民幣兌美元貶值將不利於本集團。外匯風險為來自於未來海外營運中的商業貿易、已確認資產及負債以及投資淨額。本集團進行定期檢討及監察其外匯風險以管理其外匯風險。

資本開支

截至二零一三年六月三十日止六個月，本集團之資本開支約為人民幣10.34億元(截至二零一二年六月三十日止六個月：人民幣7,096萬元)，主要與中國大陸及越南的新增產能投資有關。

FINANCIAL REVIEW (Continued)

Disclosure pursuant to Rule 13.18 of the Listing Rules

As announced by the Company on 12 January 2011 and 12 April 2013, the Company and certain of its subsidiaries entered into (i) a purchase agreement with Deutsche Bank AG, Singapore Branch, in connection with the issue of US\$200 million 7.625% senior notes ("2011 Notes") due 2016; and (ii) a purchase agreement with Deutsche Bank AG, Singapore Branch, J.P. Morgan Securities plc and Standard Chartered Bank in connection with the issue of US\$200 million 6.500% senior notes ("2013 Notes", together with the 2011 Notes, the "Notes") due 2019. The respective indenture (collectively, the "Indentures") governing the Notes provides that upon the occurrence of a change of control triggering event, the Company will make an offer to purchase all outstanding Notes at a purchase price equal to 101% of their principal amount plus accrued and unpaid interest, if any, to (but not including) the offer to purchase payment date.

A change of control under the Indentures includes, among others, any transaction that results in either (i) the Permitted Holders (as defined below), which include Mr. Hong Tianzhu, the controlling shareholder of the Company and companies controlled by him, being the beneficial owners (as such term is used in the Indentures) of less than 50.1% of the total voting power of the voting stock of the Company; or (ii) any person or group (as such terms are used in the Indentures) is or becomes the beneficial owner, directly or indirectly, of total voting power of the voting stock of the Company greater than such total voting power held beneficially by the Permitted Holders. "Permitted Holders" means any or all of (1) Messrs. Hong Tianzhu and Zhu Yongxiang; (2) any affiliate of the persons specified in paragraph (1); and (3) any person both the capital stock and the voting stock of which (or in the case of a trust, the beneficial interests in which) are owned 80% by persons specified in paragraphs (1) and (2) above.

財務回顧(續)

根據上市規則第13.18條作出之披露

誠如本公司於二零一一年一月十二日及二零一三年四月十二日所公佈，本公司及其若干附屬公司(i)與德意志銀行新加坡分行訂立購買協議，內容有關發行於二零一六年到期的200,000,000美元7.625%優先票據(「二零一一年票據」)；及(ii)與德意志銀行新加坡分行、摩根大通及渣打銀行訂立購買協議，內容有關發行於二零一九年到期的200,000,000美元6.500%優先票據(「二零一三年票據」，連同二零一一年票據統稱「票據」)。監管票據的各份契約(統稱「契約」)訂明在發生觸發控制權變動之事件之情況下，本公司將按相等於本金額之101%之購買價另加計至購買付款日期(惟不包括當日)之應計及未付利息(如有)，提出購買所有未償還票據。

契約內所指的控制權變動包括(其中包括)引致以下後果的任何交易：(i)許可持有人(定義見下文)(包括本公司控股股東洪天祝先生及彼控制的公司)成為本公司具投票權股份中總投票權少於50.1%的實益擁有人(按該等詞條用於契約中的涵義)；或(ii)任何人士或組別(按該等詞條用於契約中的涵義)為或成為直接或間接擁有超過許可持有人實益持有的該等總投票權的本公司具投票權股份中總投票權的實益擁有人。「許可持有人」指下列任何或全部人士：(1)洪天祝先生及朱永祥先生；(2)(1)段指明之人士之任何聯屬人士；及(3)其股本及具投票權股份均(或如為信託，則當中之實益權益)由上文(1)及(2)段指明之人士擁有80%之任何人士。

FINANCIAL REVIEW (Continued)

Disclosure pursuant to Rule 13.18 of the Listing Rules (Continued)

As announced by the Company on 14 July 2012, by an agreement dated 13 July 2011 (“Facility Agreement”) entered into by, among others, a wholly-owned subsidiary of the Company as borrower and a syndicate of banks and financial institutions as lenders, the lenders have agreed to grant a loan facility (“Facility”) of up to the aggregate principal amount of US\$60,000,000 for our expansion of the Phase III project in Vietnam. The Facility shall be fully repayable in July 2018 and is secured by a mortgage of equipment and machinery. The Facility Agreement contains the usual cross default provisions and a further requirement that Mr. Hong Tianzhu shall remain the Chief Executive Officer of the Group and the Company’s single largest shareholder and own, directly or indirectly, more than 25% of the total issued share capital of the Company. A breach of such requirement will constitute an event of default under the Facility Agreement, and as a result, the Facility is liable to be declared immediately due and repayable. The occurrence of such circumstance may trigger the cross default provisions of other banking/credit facilities available to the Group and as a possible consequence, these other facilities may also be declared to be immediately due and repayable.

As at the date of this report, the Company is in compliance with the Indentures and the Facility Agreement. As of 30 June 2013, the Company repurchased and cancelled notional amount of US\$12 million of the 2011 Notes.

Pledge of assets

As at 30 June 2013, the Group’s land use rights and buildings, machinery and equipment with an aggregate net book value of approximately RMB320 million were pledged to secure for banking facilities for the purposes of working capital and purchases of fixed assets for the Group (as at 31 December 2012: RMB372 million).

財務回顧(續)

根據上市規則第13.18條作出之披露(續)

如本公司於二零一二年七月十四日所公佈，根據由(其中包括)本公司全資附屬公司(作為借款人)及由銀行及金融機構組成之銀團(作為貸款人)於二零一一年七月十三日訂立之協議(「信貸協議」)，貸款人同意授出信貸融資(「信貸融資」)，本金總額達6,000萬美元，以供本集團擴展越南的第三期項目。信貸融資須於二零一八年七月悉數償還，並以設備及機器的抵押為擔保。信貸協議載有一般交叉違約條文，以及另一項有關洪天祝先生須繼續為本集團行政總裁兼本公司最大單一股東之規定，而其直接或間接擁有超過本公司已發行總股本25%。違反有關規定將構成信貸協議之違約事項，並因此信貸融資須即時宣佈為到期及償還。發生有關情況可能導致觸發本集團其他銀行／信貸融資額度之交叉違約條文，並因此該等其他信貸額度亦可能即時宣佈為到期及償還。

於本報告日期，本公司遵守契約及信貸協議。截至二零一三年六月三十日止，本公司購回及註銷二零一一年票據面值為1,200萬美元。

資產抵押

於二零一三年六月三十日，本集團總賬面淨值約為人民幣3.2億元之土地使用權以及樓宇、機器及設備已作抵押，以為本集團的營運資金及購買固定資產取得銀行融資。(於二零一二年十二月三十一日：人民幣3.72億元)。

FINANCIAL REVIEW (Continued)

Human resources

As at 30 June 2013, the Group had a total workforce of 16,823 employees, representing an increase of 31.6% mainly due to expansion in production facilities when compared with that at the end of last year (as at 31 December 2012: 12,779 employees), of whom 9,731 employees were based in the regional headquarters in Shanghai and our manufacturing plants in mainland China. The remaining 7,092 employees stationed in regions outside mainland China including Vietnam, Hong Kong and Macao. The Group will continuously optimize the workforce structure and offer its staff with competitive remuneration schemes. The Group is committed to nurturing a learning and sharing culture in the organisation. Heavy emphasis is placed on the training and development of individual staff and team building, as the Group's success depends on the contributions of our skilled and motivated staff in all our functional divisions.

Dividend policy

The Board intends to maintain a long term dividend payout ratio, representing about 30% of the Group's net profit for the year, with a view to providing our shareholders with reasonable returns. The Board has resolved to declare an interim dividend of 19 HK cents per share for the six months ended 30 June 2013 to shareholders whose names appear on the register of shareholders of the Company in Hong Kong on 21 August 2013.

Closure of register of members

The register of members of the Company will be closed from 20 August 2013 to 21 August 2013, both days inclusive, during which no transfer of shares can be registered. To qualify for the interim dividend (which will be payable on or about 28 August 2013), shareholders must ensure that all transfer documents accompanied by the relevant share certificates are lodged with the Hong Kong branch share registrar and transfer office of the Company, Boardroom Share Registrars (HK) Limited at 31st Floor, 148 Electric Road, North Point, Hong Kong no later than 4:30 p.m. on 19 August 2013.

Purchase, sale and redemption of the listed securities of the Company

For the six months ended 30 June 2013, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

財務回顧(續)

人力資源

於二零一三年六月三十日，本集團員工合共16,823名，比去年底增加31.6%，主要因擴充生產設施所致（於二零一二年十二月三十一日：12,779名員工），其中9,731名員工駐於上海地區總部及本集團在中國大陸的廠房。其餘7,092名員工駐於中國大陸以外地區（包括越南、香港及澳門）。本集團仍會不斷優化人力架構，同時向其員工提供具競爭力的酬金計劃。本集團之成功有賴由技巧純熟且士氣高昂的員工組成各職能部門，故此本集團致力於集團內孕育學習與分享的文化，重視員工之個人培訓及發展，以及建立團隊。

股息政策

董事會有意維持長期穩定的派息率，即本集團年內淨利潤約30%，為股東提供合理回報。董事會議決就截至二零一三年六月三十日止六個月向於二零一三年八月三十一日名列本公司於香港股東名冊之股東宣派每股19港仙之中期股息。

暫停辦理股份過戶登記手續

本公司於二零一三年八月二十日至二零一三年八月二十一日（包括首尾兩日）期間，暫停辦理股份過戶登記手續，期間不會登記任何股份轉讓。為符合資格領取中期股息（將於二零一三年八月二十八日或前後派發），股東必須確保所有過戶文件連同相關股票，於二零一三年八月十九日下午四時三十分前，送交本公司之香港股份過戶登記分處寶德隆證券登記有限公司，地址為香港北角電氣道148號31樓。

購買、出售及贖回本公司之上市證券

截至二零一三年六月三十日止六個月，本公司或其任何附屬公司並無購買、出售或贖回本公司任何上市證券。

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

At 30 June 2013, the interests and short positions of each Director and chief executive of the Company in the Shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong (the "SFO")), as recorded in the register maintained by the Company under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, were as follows:

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

於二零一三年六月三十日，本公司各董事及行政總裁於本公司及其相聯法團（定義見香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部）股份、相關股份及債權證中擁有根據證券及期貨條例第352條，記錄於本公司須予存置之登記冊內之權益及淡倉，或其他根據上市規則所載上市公司董事進行證券交易標準守則規定須通知本公司及香港聯合交易所有限公司（「聯交所」）之權益及淡倉如下：

Name of directors of the Company 本公司董事姓名	Name of Group member/ associated corporation 本集團成員公司/ 相聯法團名稱	Nature of interests 權益性質	Number of ordinary shares (Note 1) 普通股數目 (附註1)	Percentage 百分比
Mr. Hong Tianzhu 洪天祝先生	the Company 本公司	Interest of controlled corporation(s) 所控制法人的權益	538,959,173 (L) (Note 2) (附註2)	60.92%
	the Company 本公司	Beneficial owner 實益擁有人	5,400,000 (L)	0.61%
Mr. Zhu Yongxiang 朱永祥先生	the Company 本公司	Interest of controlled corporation(s) 所控制法人的權益	231,500,000 (L) (Note 3) (附註3)	26.17%
Mr. Gong Zhao 龔照先生	the Company 本公司	Beneficial owner 實益擁有人	60,000 (L)	0.01%

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

Notes:

1. The letter "L" denotes the person's long position in the Shares.
2. Among these 538,959,173 Shares, as to 375,459,173 Shares are registered in the name of and beneficially owned by New Green Group Limited, the entire issued share capital of which is beneficially owned by Texhong Group Holdings Limited, a company wholly owned by Mr. Hong Tianzhu and as to 163,500,000 Shares are registered in the name of and beneficially owned by Trade Partner Investments Limited, the entire issued share capital of which is beneficially owned as to 51.36% by Mr. Hong Tianzhu. Under the SFO, Mr. Hong Tianzhu is deemed to be interested in all the Shares held by New Green Group Limited and Trade Partner Investments Limited.
3. Among these 231,500,000 Shares, as to 68,000,000 Shares are registered in the name of and beneficially owned by Wisdom Grace Investments Limited, the entire issued share capital of which is beneficially owned by Mr. Zhu Yongxiang and as to 163,500,000 Shares are registered in the name of and beneficially owned by Trade Partner Investments Limited, the entire issued share capital of which is beneficially owned as to 41.36% by Mr. Zhu Yongxiang. Under the SFO, Mr. Zhu Yongxiang is deemed to be interested in all the Shares held by Wisdom Grace Investments Limited and Trade Partner Investments Limited.

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

附註：

1. 「L」代表該人士於股份之好倉。
2. 該538,959,173股股份中375,459,173股以New Green Group Limited（其全部已發行股本由Texhong Group Holdings Limited實益擁有，洪天祝先生擁有該公司全部權益）名義及作為實益擁有人登記；163,500,000股以Trade Partner Investments Limited（洪天祝先生實益擁有全部已發行股本的51.36%權益）名義及作為實益擁有人登記。根據證券及期貨條例，洪天祝先生被視為於New Green Group Limited及Trade Partner Investments Limited持有之所有股份佔有權益。
3. 該231,500,000股股份中68,000,000股以Wisdom Grace Investments Limited（其全部已發行股本由朱永祥先生實益擁有）名義及作為實益擁有人登記；163,500,000股以Trade Partner Investments Limited（朱永祥先生實益擁有全部已發行股本的41.36%權益）名義及作為實益擁有人登記。根據證券及期貨條例，朱永祥先生被視為於Wisdom Grace Investments Limited及Trade Partner Investments Limited持有之所有股份佔有權益。

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

So far as the Directors are aware, as at 30 June 2013, the interests or short position of the persons other than a Director or chief executive of the Company in the Shares or underlying shares or debenture of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

Ordinary Shares of the Company:

主要股東在本公司股份、相關股份及債權證之權益及淡倉

就董事所知悉，於二零一三年六月三十日，根據證券及期貨條例第336條本公司須予存置之登記冊內所示，於本公司股份或相關股份或債權證中擁有權益或淡倉的人士（惟本公司董事或主要行政人員除外）如下：

本公司之普通股：

Name of substantial shareholder 本公司主要股東	Nature of interests 權益性質	Number of ordinary shares (Note 1) 普通股數目 (附註1)	Percentage 百分比
New Green Group Limited	Beneficial owner 實益擁有人	375,459,173 (L) (Note 2) (附註2)	42.44%
Trade Partner Investments Limited	Beneficial owner 實益擁有人	163,500,000 (L) (Note 3) (附註3)	18.48%
Wisdom Grace Investments Limited	Beneficial owner 實益擁有人	68,000,000 (L) (Note 4) (附註4)	7.69%
Texhong Group Holdings Limited	Interest of controlled corporation(s) 所控制法人的權益	375,459,173 (L) (Note 2) (附註2)	42.44%
Ms. Ke Luping 柯綠萍女士	Interest of spouse 配偶權益	544,359,173 (L) (Note 5) (附註5)	61.53%
Ms. Zhao Zhiyang 趙志揚女士	Interest of spouse 配偶權益	231,500,000 (L) (Note 6) (附註6)	26.17%

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

Notes:

1. The letter "L" denotes the person's long position in the Shares.
2. These 375,459,173 Shares are registered in the name of and beneficially owned by New Green Group Limited, the entire issued share capital of which is beneficially owned by Texhong Group Holdings Limited, a company wholly owned by Mr. Hong Tianzhu. Under the SFO, each of Texhong Group Holdings Limited and Mr. Hong Tianzhu is deemed to be interested in all the Shares held by New Green Group Limited.
3. These 163,500,000 Shares are registered in the name of and beneficially owned by Trade Partner Investments Limited, the entire issued share capital of which is beneficially owned as to 51.36% by Mr. Hong Tianzhu, 41.36% by Mr. Zhu Yongxiang, 2.24%, 1.68%, 1.68% and 1.68%, by Mr. Sha Tao, Mr. Tang Daoping, Mr. Gong Zhao and Mr. Hu Zhiping. Under the SFO, each of Mr. Hong Tianzhu and Mr. Zhu Yongxiang is deemed to be interested in all the Shares held by Trade Partner Investments Limited.
4. These 68,000,000 Shares are registered in the name of and beneficially owned by Wisdom Grace Investments Limited, the entire issued share capital of which is beneficially owned by Mr. Zhu Yongxiang. Under the SFO, Mr. Zhu Yongxiang is deemed to be interested in all the Shares held by Wisdom Grace Investments Limited.
5. Ms. Ke Luping is the spouse of Mr. Hong Tianzhu. Under the SFO, Ms. Ke Luping is deemed to be interested in the same number of Shares in which Mr. Hong Tianzhu is interested.
6. Ms. Zhao Zhiyang is the spouse of Mr. Zhu Yongxiang. Under the SFO, Ms. Zhao Zhiyang is deemed to be interested in the same number of Shares in which Mr. Zhu Yongxiang is interested.

主要股東在本公司股份、相關股份及債權證之權益及淡倉(續)

附註：

1. 「L」代表該人士於股份之好倉。
2. 該375,459,173股股份以New Green Group Limited（其全部已發行股本由Texhong Group Holdings Limited實益擁有，洪天祝先生則擁有後者全部權益）名義及作為實益擁有人登記。根據證券及期貨條例，Texhong Group Holdings Limited及洪天祝先生均被視為於New Green Group Limited持有之所有股份佔有權益。
3. 該163,500,000股股份以Trade Partner Investments Limited（其全部已發行股本由洪天祝先生、朱永祥先生、沙陶先生、湯道平先生、龔照先生及胡志平先生分別實益擁有51.36%、41.36%、2.24%、1.68%、1.68%及1.68%）名義及作為實益擁有人登記。根據證券及期貨條例，洪天祝先生及朱永祥先生分別被視為於Trade Partner Investments Limited持有之所有股份佔有權益。
4. 該68,000,000股股份以Wisdom Grace Investments Limited（其全部已發行股本由朱永祥先生實益擁有）名義及作為實益擁有人登記。根據證券及期貨條例，朱永祥先生被視為於Wisdom Grace Investments Limited持有之所有股份佔有權益。
5. 柯綠萍女士為洪天祝先生之配偶。根據證券及期貨條例，柯綠萍女士被視為於洪天祝先生佔有權益同樣數目之股份佔有權益。
6. 趙志揚女士為朱永祥先生之配偶。根據證券及期貨條例，趙志揚女士被視為於朱永祥先生佔有權益同樣數目之股份佔有權益。

CORPORATE GOVERNANCE

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

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

企業管治

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

董事會由四名執行董事及三名獨立非執行董事組成。董事會已採納載於聯交所證券上市規則(「《上市規則》」)附錄十四之企業管治守則內的守則條文(「《守則條文》」)。本公司於報告期內已遵守《守則條文》。

董事進行證券交易的標準守則

本公司已採納一套嚴格程度不遜於《上市規則》附錄十上市公司董事進行證券交易的標準守則(「《標準守則》」)所載有關董事證券交易規定準則的行為守則，經本公司特別查詢後，全體董事確認彼等在報告期內已遵守《標準守則》內所載的規定準則及有關董事證券交易的行為守則。

AUDIT COMMITTEE

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

The audit committee has discussed with management and reviewed the unaudited condensed consolidated financial statements of the Company for the six months ended 30 June 2013.

REMUNERATION COMMITTEE

The remuneration committee of the Board comprises the chairman and executive Director, Mr. Hong Tianzhu, and three independent non-executive Directors, namely Mr. Ting Leung Huel, Stephen, Ms. Zhu Beina and Professor Cheng Longdi. Mr. Ting Leung Huel, Stephen is the chairman of the remuneration committee. The terms of reference of the remuneration committee comply with the Code Provisions. The remuneration committee is principally responsible for formulating the Group's policy and structure for all remuneration of the Directors and senior management and providing advice and recommendations to the Board.

審核委員會

本公司已成立審核委員會，該委員會由三名獨立非執行董事組成，即丁良輝先生、朱北娜女士及程隆棣教授。丁良輝先生為審核委員會主席。審核委員會所採納的職權範圍符合《守則條文》。審核委員會負責審閱及監督本集團之財務匯報程序及內部監控制度，並向董事會提供意見及推薦建議。

審核委員會已與管理層商討並審閱本公司截至二零一三年六月三十日止六個月之未經審核簡明綜合財務報表。

薪酬委員會

董事會薪酬委員會由主席兼執行董事洪天祝先生及三名獨立非執行董事丁良輝先生、朱北娜女士、程隆棣先生組成。丁良輝先生為薪酬委員會主席。薪酬委員會的職權範圍符合守則條文。薪酬委員會主要負責擬訂本集團董事及高級管理層的所有酬金政策及架構，向董事會提供意見及推薦建議。

NOMINATION COMMITTEE

The nomination committee of the Board comprises the chairman and executive Director, Mr. Hong Tianzhu, and three independent non-executive Directors, namely Mr. Ting Leung Huel, Stephen, Ms. Zhu Beina and Professor Cheng Longdi. Mr. Hong Tianzhu is the chairman of the nomination committee. The terms of reference of the nomination committee comply with the Code Provisions. The nomination committee is principally responsible for reviewing the structure, size and composition of the Board, identifying individuals suitably qualified to become Board members, assessing the independence of independent non-executive Directors, and making recommendations to the Board on the appointment and re-appointment of Directors and succession planning for Directors.

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

Hong Kong, 5 August 2013

提名委員會

董事會提名委員會由主席兼執行董事洪天祝先生及三名獨立非執行董事丁良輝先生、朱北娜女士、程隆棣教授組成。洪天祝先生為提名委員會的主席。提名委員會的職權範圍符合守則條文。提名委員會主要負責檢討董事會的架構、規模及組成、物色具合適資格加入成為董事會成員的個別人士，並評估獨立非執行董事人選的獨立性，及就委任或重新委任董事以及董事繼任計劃向董事會提出建議。

承董事會命
天虹紡織集團有限公司
主席
洪天祝

香港，二零一三年八月五日

