



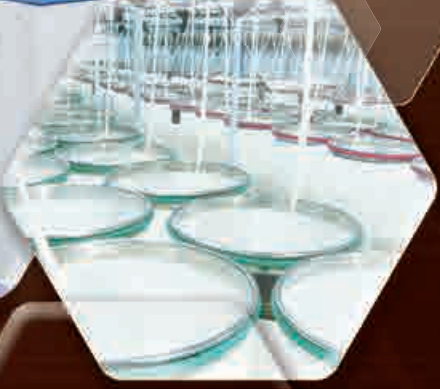
GOLDEN SHIELD  
Holdings (Industrial) Limited

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

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立的有限公司)

Stock Code 股份代號 : 2123



Interim Report  
中期報告  
**2013**

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# Corporate Information

## 公司資料

### BOARD OF DIRECTORS

#### Executive Directors:

Mr. Chen Binghui (*Chairman*) ("Mr. Chen")  
Mr. Chen Zhifeng  
Mr. Wu Shoumin  
Mr. Qiu Jianfa (Re-designated as executive director from non-executive director on 25 March 2013) ("Mr. Qiu")

#### Non-executive Director:

Mr. Lin Shuqing (Deceased on 4 March 2013)

#### Independent non-executive Directors:

Mr. Kwong Kwan Tong  
Ms. Xue Fang  
Ms. Tong Jinzhi

### AUDIT COMMITTEE

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

### REMUNERATION COMMITTEE

Ms. Tong Jinzhi (*Chairwoman*)  
Mr. Kwong Kwan Tong  
Ms. Xue Fang

### NOMINATION COMMITTEE

Ms. Xue Fang (*Chairwoman*)  
Mr. Kwong Kwan Tong  
Ms. Tong Jinzhi

### COMPANY SECRETARY

Mr. Yao Yan Ping Francis, *CPA (Practising), FCCA*  
(Resigned on 1 March 2013)  
Mr. Loo Koon Tung James, *HKICPA, CPA (Aust)*  
(Appointed on 1 March 2013)

### REGISTERED OFFICE

Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

### 董事會

#### 執行董事：

陳秉輝先生 (主席) (「陳先生」)  
陳志峰先生  
吳守民先生  
邱建法先生 (於二零一三年三月二十五日  
由非執行董事調任為執行董事) (「邱先生」)

#### 非執行董事：

林樹青先生 (於二零一三年三月四日身故)

#### 獨立非執行董事：

鄭焜堂先生  
薛芳女士  
童錦治女士

### 審核委員會

鄭焜堂先生 (主席)  
薛芳女士  
童錦治女士

### 薪酬委員會

童錦治女士 (主席)  
鄭焜堂先生  
薛芳女士

### 提名委員會

薛芳女士 (主席)  
鄭焜堂先生  
童錦治女士

### 公司秘書

姚恩平先生, *CPA (Practising), FCCA*  
(於二零一三年三月一日辭任)  
盧貫東先生, 香港會計師公會註冊會計師  
澳洲註冊會計師  
(於二零一三年三月一日獲委任)

### 註冊辦事處

Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

## Corporate Information (Continued) 公司資料(續)

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

### HEAD OFFICE IN THE PRC

Wenyi Road  
Jing Yang County  
Xianyang City  
Shaanxi Province  
PRC

### LEGAL ADVISERS TO THE COMPANY

*As to Hong Kong Law*  
Angela Ho & Associates

*As to Bermuda Law*  
Conyers Dill & Pearman

*As to PRC Law*  
Dacheng Law Offices

### AUDITORS

Martin C.K. Pong & Company

### HONG KONG SHARE REGISTRAR

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

### PRINCIPAL BANKERS

Standard Chartered Bank (Hong Kong) Limited

### Stock Code

2123

### Company Website

[www.goldenshield.com.cn](http://www.goldenshield.com.cn)  
[www.goldenshield.com.hk](http://www.goldenshield.com.hk)

### 香港主要營業地點

香港  
蘇杭街69號  
10樓1003室

### 中國總辦事處

中國  
陝西省  
咸陽市  
涇陽縣  
文藝路

### 本公司法律顧問

*有關香港法例*  
何文琪律師事務所

*有關百慕達法例*  
Conyers Dill & Pearman

*有關中國法例*  
大成律師事務所

### 核數師

龐志鈞會計師行

### 香港證券登記處

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

### 主要往來銀行

渣打銀行(香港)有限公司

### 股份代號

2123

### 公司網址

[www.goldenshield.com.cn](http://www.goldenshield.com.cn)  
[www.goldenshield.com.hk](http://www.goldenshield.com.hk)

# Financial Highlights

## 財務摘要

- Revenue was approximately RMB440.0 million, representing a decrease of approximately 9.0% over the corresponding period of last year.
- Gross profit was approximately RMB45.4 million, representing a decrease of approximately 40.0% over the corresponding period of last year.
- Gross profit margin was approximately 10.3%, representing a decrease of 5.3 percentage points as compared with the gross profit margin of approximately 15.6% for the corresponding period of last year.
- Profit attributable to owners of the Company was approximately RMB4.6 million, representing a decrease of approximately 86.1% over the corresponding period of last year.
- Net profit margin decreased 5.7 percentage points from approximately 6.8% for the six months ended 30 June 2012 to approximately 1.1% for the six months ended 30 June 2013.
- Basic earnings per share was approximately RMB0.49 cents representing a decrease of approximately 86% over the same period of last year.
- The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2013.
- 收益較去年同期下降約9.0%，約為人民幣440,000,000元。
- 毛利較去年同期下降約40.0%，約為人民幣45,400,000元。
- 毛利率約為10.3%，較去年同期的毛利率約15.6%下降5.3個百分點。
- 本公司擁有人應佔溢利較去年同期下降約86.1%，約為人民幣4,600,000元。
- 純利率由截至二零一二年六月三十日止六個月的約6.8%下降5.7個百分點至截至二零一三年六月三十日止六個月的約1.1%。
- 每股基本盈利約為人民幣0.49分，較去年同期下降約86%。
- 董事會不建議就截至二零一三年六月三十日止六個月派發任何中期股息。

# Management Discussion and Analysis

## 管理層討論與分析

The board of directors (the “Board”) of the Company is pleased to announce the unaudited interim results of the Group for the six months ended 30 June 2013 (the “Period Under Review”) together with comparative figures for the corresponding period in 2012.

本公司董事會(「董事會」)欣然宣佈本集團於截至二零一三年六月三十日止六個月(「回顧期間」)之未經審核中期業績連同二零一二年同期之比較數字。

### INDUSTRY REVIEW

China is experiencing a slowdown in economic growth. According to the National Bureau of Statistics of China, the country’s gross domestic product (“GDP”) slipped from 7.9% in the final quarter of 2012 to 7.7% in the first quarter of 2013, and further contracted to 7.5% in the second quarter of 2013. Such figures clearly suggest that China’s economy is facing downward pressure.

During the Period Under Review, China’s textile industry mimicked the modest pace of growth that the local economy was experiencing. Compounding matters was the high price of Chinese cotton, rising operating costs and appreciation of the Renminbi, which made the business environment highly challenging. However, with a clear understanding of market sentiment, the Group will be able to grasp opportunities arising from market consolidation; hence, it remains confident in its ability to overcome current volatility.

### 市場回顧

中國經濟增長正在放緩。根據中國國家統計局的資料，中國國內生產總值(「國內生產總值」)由二零一二年第四季的7.9%下降至二零一三年第一季的7.7%，並於二零一三年第二季進一步縮減至7.5%。這些數字清楚顯示中國經濟正面臨下行壓力。

於回顧期間，中國紡織行業隨當地經濟的溫和增長步伐發展。然而，中國棉花價格高企、經營成本上漲及人民幣升值，均導致營商環境日益艱巨。然而，本集團洞悉市場情緒，將可把握市場整合所帶來的商機，因此，深信有能力克服目前的動盪環境。

### BUSINESS REVIEW

The Group is one of the key cotton textile suppliers in north-western China, offering a variety of cotton yarns and grey fabrics to customers in 12 provinces and municipalities in the southern and eastern parts of the country.

During the Period Under Review, the Group adopted a flexible sales strategy that allowed for the more effective use of operations — electing not to be overly concern about gaining market share. As a result, revenue decreased by 9.0% to RMB440.0 million.

Facing a surge in supply, deteriorating demand for cotton yarn and grey fabric and production risk exposure, the Group strategically downsized its cotton yarn business and grey fabric business, while actively expanded its lint cotton trading business — a segment that has been less volatile — in response to current market conditions. However, since the lint cotton trading business yields lower margin than the cotton yarn and grey fabric businesses, this inevitably affected the Group’s profitability.

### 業務回顧

本集團為中國西北地區的主要棉紡織品供應商之一，向客戶供應各種棉紗及坯布，行銷華南和華東地區十二個省市。

於回顧期間，本集團採取可更有效善用營運的靈活銷售策略，不會過度專注增加市場份額。因此，收益下降9.0%至人民幣440,000,000元。

面對供應量激增、棉紗及坯布的需求下跌及生產帶來之風險，本集團策略性地縮減棉紗業務和坯布業務，同時積極擴大較為穩定的皮棉買賣業務分部以回應現時的市況。然而，由於皮棉買賣業務的毛利率較棉紗業務和坯布業務低，故本集團的盈利能力無可避免受到影響。

## Management Discussion and Analysis (Continued)

### 管理層討論與分析(續)

By business segments, the cotton yarn business, grey fabrics business, and lint cotton accounted trading business for approximately 30.4%, 7.1% and 62.5% of the Group's total revenue respectively. For the Period Under Review, the total sales volume of the Group's cotton yarns, grey fabrics and lint cotton were 5,346 tonnes, 6,950 kilometres and 15,596 tonnes respectively.

#### Cotton Yarn Business

The cotton yarn business was adversely affected by weak domestic demand. In order to mitigate the impact of difficult market conditions, the Group scaled down the production of cotton yarn. Specifically, it temporarily suspended the operation of the Yinhe production plant to minimise production overheads and consolidated production of combed cotton yarn at the Yongle production plant.

For the Period Under Review, revenue from the cotton yarn business decreased by approximately 54.9% to approximately RMB133.9 million (six months ended 30 June 2012: approximately RMB296.9 million), accounting for approximately 30.4% (six months ended 30 June 2012: 61.4%) of the Group's total revenue. Gross profit margin of the cotton yarn business slipped from approximately 18.3% in the six months ended 30 June 2012 to approximately 10.5% in the six months ended 30 June 2013, owing to the drop in average selling price of cotton yarn.

#### Grey Fabric Business

For the Period Under Review, turnover from the grey fabric business amounted to approximately RMB30.9 million (six months ended 30 June 2012: approximately RMB37.2 million), which accounted for approximately 7.1% of the Group's total revenue (six months ended 30 June 2012: approximately 7.7%). Gross profit decreased from approximately RMB8.4 million for the six months ended 30 June 2012 to approximately RMB4.2 million for the corresponding period of 2013, representing a decline of approximately 50.0%. Gross profit margin slid from approximately 22.6% as at the same period of 2012 to approximately 13.6% as at the 30 June 2013.

按業務分部分析，棉紗業務、坯布業務及皮棉買賣業務分別佔本集團總收益約30.4%、7.1%及62.5%。於回顧期間，本集團的棉紗、坯布及皮棉總銷量分別為5,346噸、6,950千米及15,596噸。

#### 棉紗業務

棉紗業務受到內需疲弱的不利影響。為了舒緩困難市況所造成的影響，本集團縮減棉紗的生產。尤其是，本集團透過暫時停止銀河生產廠的營運來將生產支出減至最低，並整合永樂生產廠的精梳棉紗生產。

於回顧期間，棉紗業務的收益減少約54.9%至約人民幣133,900,000元(截至二零一二年六月三十日止六個月：約人民幣296,900,000元)，佔本集團總收益約30.4%(截至二零一二年六月三十日止六個月：61.4%)。由於棉紗的平均售價下跌，截至二零一三年六月三十日止六個月，棉紗業務的毛利率由截至二零一二年六月三十日止六個月的約18.3%下跌至約10.5%。

#### 坯布業務

於回顧期間，坯布業務之營業額約為人民幣30,900,000元(截至二零一二年六月三十日止六個月：約人民幣37,200,000元)，佔本集團總收益約7.1%(截至二零一二年六月三十日止六個月：約7.7%)。毛利從截至二零一二年六月三十日止六個月約人民幣8,400,000元下降至二零一三年同期的約人民幣4,200,000元，跌幅約為50.0%。毛利率由二零一二年同期的約22.6%下滑至二零一三年六月三十日的約13.6%。

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

### Lint Cotton Trading Business

To overcome the tough market conditions, the Group temporarily shifted its business focus, electing to strategically expand the lint cotton trading business. This will minimise production overheads while concurrently reserve the necessary resources for future development. For the Period Under Review, revenue of the lint cotton trading business amounted to approximately RMB275.1 million (six months ended 30 June 2012: approximately RMB149.5 million), accounting for approximately 62.5% of the Group's total revenue (six months ended 30 June 2012: approximately 30.9%). Gross profit increased from approximately RMB12.9 million for the six months ended 30 June 2012 to approximately RMB27.1 million, representing an increase of approximately 110.1%, while gross profit margin increased from approximately 8.6% in the same period of 2012 to approximately 9.9% as at 30 June 2013.

### PROSPECTS

Looking ahead, the upcoming financial period is expected to remain challenging for China, owing to weak consumption, compounded by rising labour and operating costs.

In view of the factors mentioned, the Group will closely monitor the market and adjust its business strategies accordingly. Among the measures to be considered include further expansion of its lint cotton trading business in the short run. With extensive experience in the industry, the Group's management team has established a good supplier network in Xinjiang to ensure a steady supply of high quality lint cotton. A thorough review of the Group's financial position will be made as well, which will allow the management to determine the most appropriate cost-saving measures to adopt.

The Group was informed by the local government that Jinghe New Town, which is where the Yongle Production Plant is located, will undergo town planning. Consequently, the Group has elected to postpone construction work until the said process is finalised since it is unable to assess the level of impact that the town planning will have on plans to expand the Yongle Production Plant.

### 皮棉買賣業務

為克服嚴峻市況，本集團暫時轉移其業務重點，選擇策略性地擴大皮棉買賣業務。此舉將生產開支減至最低，同時保留未來發展所需的資源。於回顧期間，皮棉買賣業務的收益為約人民幣275,100,000元(截至二零一二年六月三十日止六個月：約人民幣149,500,000元)，佔本集團總收益約62.5%(截至二零一二年六月三十日止六個月：約30.9%)。毛利由截至二零一二年六月三十日止六個月的約人民幣12,900,000元增加至約人民幣27,100,000元，增幅約110.1%，而毛利率則由二零一二年同期的約8.6%增加至二零一三年六月三十日的約9.9%。

### 展望

展望前景，由於消費疲弱，加上勞工及營運成本上漲，預期中國於下一財政期間仍充滿挑戰。

鑑於上述因素，本集團將密切監察市場，並相應調整其業務策略。本集團所考慮採取的措施包括短期內進一步擴大其皮棉買賣業務。本集團的管理團隊具備豐富的行業經驗，已在新疆建立良好的供應商網絡，確保有穩定且高質素的皮棉供應。此外，本集團將全面審查財務狀況，以便管理層釐定將採納的最合適節約成本措施。

本集團獲當地政府通知，永樂生產廠所在之涇河新城現將進行城市規劃工作。最後，本集團選擇推遲建設工程，直至上述工作落實為止，原因是無法評估城市規劃工作對擴展永樂生產廠的影響程度。



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

With the economic outlook remaining unclear, the management believes that taking a cautious yet farsighted approach towards business development will be essential. In this regard, the Group will continue to develop new products and adjust the product mix to cater for the trends and demands of the textile market. In addition, the Group will continue to develop the cotton yarn business, especially the combed cotton yarn business, which is in line with its long-term strategy. The management believes these strategies will help enhance the Group's development in north-western China and allow it to grasp opportunities that emerge, once the market rebounds.

在經濟前景仍然不明朗下，管理層相信，採取審慎而有遠見的措施對業務發展至關重要。為此，本集團將繼續開發新產品及調整產品組合，以應對紡織市場的發展趨勢及需求。此外，本集團將繼續發展棉紗業務，尤其是符合其長期策略的精梳棉紗業務。管理層相信，此等策略將有助於提升本集團於中國西北地區的發展，並可把握市場復甦時出現的商機。

## FINANCIAL REVIEW

### Revenue

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

### 財務回顧

### 收益

下表為於回顧期間主要產品類別之收益分析：

		For the six months ended 30 June 2013 截至二零一三年 六月三十日止六個月 RMB'000 人民幣千元		For the six months ended 30 June 2012 截至二零一二年 六月三十日止六個月 RMB'000 人民幣千元	
			%		%
Cotton yarn	棉紗	133,943	30.4	296,937	61.4
Grey fabric	坯布	30,911	7.1	37,153	7.7
Sales of lint cotton	皮棉銷售	275,119	62.5	149,528	30.9
Total	總計	439,973	100	483,618	100

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

### Cotton Yarn Products

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

### 棉紗產品

下表載列本集團於回顧期間按提供之主要棉紗類別分類之收益分析：

Product category 產品類別				For the six months ended 30 June 2013 截至二零一三年 六月三十日止六個月		For the six months ended 30 June 2012 截至二零一二年 六月三十日止六個月	
				RMB'000 人民幣千元	%	RMB'000 人民幣千元	%
A. Carded cotton yarns A. 普梳棉紗							
Medium-count yarns	中支紗	19 to 28	19支至28支	7,578	5.6	15,572	5.2
Fine-count yarns	細支紗	29 to 58	29支至58支	84,079	62.8	137,535	46.4
High-count yarns	高支紗	60 or above	60支或以上	1,761	1.3	29,743	10.0
Sub-total 小計				93,418	69.7	182,850	61.6
B. Combed cotton yarns B. 精梳棉紗							
Fine-count yarns	細支紗	29 to 58	29支至58支	40,525	30.3	114,087	38.4
Sub-total 小計				40,525	30.3	114,087	38.4
Total 總計				133,943	100	296,937	100

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

### Grey Fabric Products

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

### 坯布產品

下表載列本集團於回顧期間按提供之主要坯布類別分類之收益分析：

Product category 產品類別	Tex No. 紡織線數目	For the six months ended 30 June 2013 截至二零一三年 六月三十日止六個月 RMB'000 人民幣千元		For the six months ended 30 June 2012 截至二零一二年 六月三十日止六個月 RMB'000 人民幣千元	
			%		%
Fine-count fabrics 細支布料	11 to 20 11條至20條	30,911	100	37,153	100
Total 總計		30,911	100	37,153	100

Remarks:

- (1) Medium-count fabric 21 to 30 tex (19 count to 28 count)
- (2) Fine-count fabric 11 to 20 tex (29 count to 58 count)

備註：

- (1) 中支布料由21條至30條紡織線(19支至28支)織成
- (2) 細支布料由11條至20條紡織線(29支至58支)織成

### Sales volume and average selling price

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

### 銷量及平均售價

下表載列本集團於回顧期間之棉紗、坯布及皮棉之銷量及平均售價：

		For the six months ended 30 June 2013 截至二零一三年 六月三十日止六個月		For the six months ended 30 June 2012 截至二零一二年 六月三十日止六個月	
		Total sales volume 總銷量	Average selling price (Note) 平均售價 (附註) RMB 人民幣	Total sales volume 總銷量	Average selling price (Note) 平均售價 (附註) RMB 人民幣
Cotton yarn (tonnes) 棉紗(噸)		5,346	25,054	10,896	27,251
Grey fabric (kilometres) 坯布(千米)		6,950	4.45	7,688	4.83
Lint cotton yarn (tonnes) 皮棉(噸)		15,596	17,640	8,861	16,875

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

附註：平均售價為期內營業額除以期內之總銷量

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

### Cotton Yarn Products

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

### 棉紗產品

下表載列本集團於回顧期間按主要棉紗類別分類之銷量分析：

Product category 產品類別				For the six months ended 30 June 2013 截至二零一三年 六月三十日止六個月		For the six months ended 30 June 2012 截至二零一二年 六月三十日止六個月	
				tonnes 噸	%	tonnes 噸	%
A. Carded cotton yarns A. 普梳棉紗							
Medium-count yarns	中支紗	19 to 28	19支至28支	358	6.7	706	6.5
Fine-count yarns	細支紗	29 to 58	29支至58支	3,571	66.8	5,532	50.8
High-count yarns	高支紗	60 or above	60支或以上	61	1.1	993	9.1
Sub-total 小計				3,990	74.6	7,231	66.4
B. Combed cotton yarns B. 精梳棉紗							
Fine-count yarns	細支紗	29 to 58	29支至58支	1,356	25.4	3,665	33.6
Sub-total 小計				1,356	25.4	3,665	33.6
Total 總計				5,346	100	10,896	100

### Grey Fabric Products

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

### 坯布產品

下表載列本集團於回顧期間按主要坯布類別分類之銷量分析：

Product category 產品類別				For the six months ended 30 June 2013 截至二零一三年 六月三十日止六個月		For the six months ended 30 June 2012 截至二零一二年 六月三十日止六個月	
				kilometres 千米	%	kilometres 千米	%
Fine-count fabrics	細支布料	11 to 20	11條至20條	6,950	100	7,688	100
Total 總計				6,950	100	7,688	100

## Management Discussion and Analysis (Continued)

### 管理層討論與分析(續)

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

下表載列本集團於回顧期間按主要棉紗類別及主要坯布類別分類之平均售價分析：

#### Cotton Yarn Products

#### 棉紗產品

Product category		Count No.		For the six months ended 30 June 2013 截至 二零一三年 六月三十日止 六個月 RMB/ton 人民幣/噸	For the six months ended 30 June 2012 截至 二零一二年 六月三十日止 六個月 RMB/ton 人民幣/噸
產品類別		支數			
A. Carded cotton yarns	A. 普梳棉紗				
Medium-count yarns	中支紗	19 to 28	19支至28支	21,175	22,058
Fine-count yarns	細支紗	29 to 58	29支至58支	23,546	24,863
High-count yarns	高支紗	60 or above	60支或以上	28,718	29,950
Average price of carded cotton yarns	普梳棉紗之 平均價格			23,413	25,288
B. Combed cotton yarns	B. 精梳棉紗				
Fine-count yarns	細支紗	29 to 58	29支至58支	29,884	31,125
Average price of combed cotton yarns	精梳棉紗之 平均價格			29,884	31,125
Average price of cotton yarns	棉紗之平均價格			25,054	27,251

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

### Grey Fabric Products

### 坯布產品

Product category 產品類別	Tex No. 紡織線數目	For the six months ended 30 June 2013 截至 二零一三年 六月三十日止 六個月 RMB/metre 人民幣/米	For the six months ended 30 June 2012 截至 二零一二年 六月三十日止 六個月 RMB/metre 人民幣/米	
Fine-count fabrics	細支布料	11 to 20 11條至20條	4.45	4.83
Average price of grey fabrics 坯布之平均價格		4.45	4.83	

The revenue decreased by approximately 9.0% to RMB440.0 million for the Period Under Review from RMB483.6 million for the six months ended 30 June 2012.

回顧期間之收益由截至二零一二年六月三十日止六個月的人民幣483,600,000元下降約9.0%至人民幣440,000,000元。

### Cotton yarn products

The revenue derived from the sales of cotton yarns decreased by approximately 54.9% to approximately RMB133.9 million for the Period Under Review from approximately RMB296.9 million for the six months ended 30 June 2012. The decrease in revenue was primarily due to the decrease in quantity and average selling price of cotton yarns.

### 棉紗產品

棉紗銷售所產生之收益由截至二零一二年六月三十日止六個月之約人民幣296,900,000元下降至回顧期間之約人民幣133,900,000元，下降幅度約為54.9%。收益下降主要由於棉紗之數量及平均售價有所下降所致。

The sales volume of cotton yarn decreased to approximately 5,346 tonnes from approximately 10,896 tonnes, representing a drop of approximately 50.9% for the Period Under Review. The average selling price of cotton yarns for the Period Under Review decreased by approximately 8.1% to approximately RMB25,054 per ton from approximately RMB27,251 per ton for the six month ended 30 June 2012. The decrease in the average selling price was driven by the weak domestic demand and competition.

回顧期間，棉紗之銷量由約10,896噸下跌至約5,346噸，跌幅約為50.9%。回顧期間棉紗之平均售價由截至二零一二年六月三十日止六個月之每噸約人民幣27,251元降至每噸約人民幣25,054元，下降約8.1%。平均售價下降乃因內需疲弱及競爭所致。

## Management Discussion and Analysis (Continued)

### 管理層討論與分析(續)

#### Grey Fabric Products

The revenue derived from the sales of grey fabric decreased by approximately 16.8% to approximately RMB30.9 million for the Period Under Review from approximately RMB37.2 million for the six months ended 30 June 2012. The decrease in revenue was attributed to the drop of the sales volume of grey fabrics from approximately 7,688 kilometres to approximately 6,950 kilometres and due to change in demand and supply balance for the Group's grey fabric products as the Group experienced decline in demand for its current product models, in particular the fine count class products, that can be offered by the Group since 2012.

The decline in demand for the Group's grey fabrics can be directly attributed to an increase in supply of higher density grey fabrics from competing manufacturers. As these manufacturers are able to utilize automated weaving equipment to produce grey fabrics with a warp-weft density of over 100 yarns per inch, compared with grey fabrics with a warp-weft density of below 100 yarns per inch produced by the Group, this has led to both a decline in prices and demand for the Group's products.

#### Lint Cotton Trading

The revenue derived from the sales of lint cotton trading increased by approximately 84.0% to approximately RMB275.1 million for the Period Under Review from approximately RMB149.5 million for the six months ended 30 ended 2012. Such increment was due to the Group's ability to offer better quality of lint cotton and offer better credit terms to our customers. The expansion of lint cotton trading business can maximize our market opportunity during the weak domestic demand. The directors of the Company believe this is a short term strategy for the Group as it can minimize our operating scale during the weak market environment.

#### 坯布產品

坯布銷售所產生之收益由截至二零一二年六月三十日止六個月之約人民幣37,200,000元減少至回顧期間之約人民幣30,900,000元，減少幅度約為16.8%。收益減少乃由於坯布銷量由約7,688千米減少至約6,950千米及自二零一二年起，市場對本集團目前可提供之產品式樣需求下降，尤其是細支布料產品，令本集團坯布產品供求平衡有變。

本集團的坯布需求下跌可直接歸因於競爭製造商增加較高密度的坯布供應量所致。由於該等製造商能利用自動化織布設備生產經緯密度超過每吋100支紗的坯布，而本集團則生產經緯密度低於每吋100支紗的坯布，導致本集團的產品價格及需求均有所下跌。

#### 皮棉買賣

皮棉買賣業務的銷售收益於截至二零一二年六月三十日止六個月之約人民幣149,500,000元增加約84.0%至回顧期間的約人民幣275,100,000元。增加的原因是本集團有能力向客戶提供質素較佳之皮棉及較好之信貸條款。皮棉買賣業務的拓展可於內需疲弱的環境下盡量增加本集團的商機。本公司董事相信，這是短期的策略，可於疲弱市場環境下盡量縮減本集團之經營規模。

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

### Cost Of Sales

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

### 銷售成本

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

		For the six months ended 30 June 2013 截至二零一三年 六月三十日止六個月 RMB'000 人民幣千元		For the six months ended 30 June 2012 截至二零一二年 六月三十日止六個月 RMB'000 人民幣千元	
			%		%
Lint cotton	皮棉	356,510	90.4	351,064	86.1
Direct labour costs	直接勞工成本	16,219	4.1	26,061	6.4
Electricity	電力	10,571	2.7	17,481	4.3
Depreciation	折舊	4,197	1.0	4,340	1.0
Other	其他	7,965	2.0	14,961	3.7
Total production costs	總生產成本	395,462	100.2	413,907	101.5
Finished goods movement	製成品變動	(879)	(0.2)	(5,967)	(1.5)
Cost of sales	銷售成本	394,583	100	407,940	100

The cost of sales decreased by approximately 3.3% to RMB394.6 million for the Period Under Review from approximately RMB407.9 million for the six months ended 30 June 2012. This was due to decrease in production quantity and rental expense.

銷售成本由截至二零一二年六月三十日止六個月約人民幣407,900,000元減少約3.3%至回顧期間之人民幣394,600,000元，原因是產量及租金開支減少所致。



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

### Gross Profit and Gross Profit Margin

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

### 毛利及毛利率

下表載列本集團於回顧期間之毛利率分析：

		For the six months ended 30 June 2013 截至二零一三年 六月三十日止六個月		For the six months ended 30 June 2012 截至二零一二年 六月三十日止六個月	
		Gross profit margin 毛利 毛利率 RMB'000 人民幣千元	Gross profit margin 毛利 毛利率 RMB'000 人民幣千元	Gross profit margin 毛利 毛利率 RMB'000 人民幣千元	Gross profit margin 毛利 毛利率 RMB'000 人民幣千元
Cotton yarn	棉紗	14,100	10.5	54,421	18.3
Grey fabric	坯布	4,195	13.6	8,407	22.6
Sales of lint cotton	皮棉銷售	27,095	9.9	12,850	8.6
Total	合計	45,390	10.3	75,678	15.6

### Cotton Yarn Products

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

### 棉紗產品

下表載列本集團於回顧期間所提供之主要棉紗類別分類的毛利及毛利率分析：

Product category 產品類別	Count No. 支數	For the six months ended 30 June 2013 截至二零一三年 六月三十日止六個月		For the six months ended 30 June 2012 截至二零一二年 六月三十日止六個月		
		Gross profit margin 毛利 毛利率 RMB'000 人民幣千元	Gross profit margin 毛利 毛利率 RMB'000 人民幣千元	Gross profit margin 毛利 毛利率 RMB'000 人民幣千元	Gross profit margin 毛利 毛利率 RMB'000 人民幣千元	
A. Carded cotton yarns	A. 普梳棉紗					
Medium-count yarns	中支紗 19 to 28	19支至28支	652	8.6	2,850	18.3
Fine-count yarns	細支紗 29 to 58	29支至58支	7,053	8.4	26,259	19.1
High-count yarns	高支紗 60 or above	60支或以上	155	8.7	5,112	17.2
Sub-total	小計		7,860	8.4	34,221	18.7
B. Combed cotton yarns	B. 精梳棉紗					
Fine-count yarns	細支紗 29 to 58	29支至58支	6,240	15.4	20,200	17.7
Sub-total	小計		6,240	15.4	20,200	17.7
Total	總計		14,100	10.5	54,421	18.3

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

### Grey Fabric Products

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

### 坯布產品

下表載列本集團於回顧期間所供應之主要坯布類別分類之毛利及毛利率分析：

Product category 產品類別	Tex No. 紡織線數目	For the six months ended 30 June 2013 截至二零一三年 六月三十日止六個月		For the six months ended 30 June 2012 截至二零一二年 六月三十日止六個月	
		Gross profit margin 毛利 毛利率 RMB'000 人民幣千元	Gross profit margin 毛利 毛利率 RMB'000 人民幣千元	Gross profit margin 毛利 毛利率 RMB'000 人民幣千元	Gross profit margin 毛利 毛利率 RMB'000 人民幣千元
Fine-count fabrics 細支布料	11 to 20 11條至20條	4,195	13.6	8,407	22.6
Total 合計		4,195	13.6	8,407	22.6

The overall gross profit for the Period Under Review was approximately RMB45.4 million, representing a decrease of approximately 40.0% from the six month ended 30 June 2012 whereas the overall gross profit margin for the Period Under Review was approximately 10.3%, representing a decrease of approximately 5.3 percentage points from the approximately 15.6% in the corresponding period in 2012. The decrease in overall gross profit margin and the decreases of gross profits were caused by the decrease in gross profit margin of cotton yarn products and relatively low profit margin of sales of lint cotton business.

於回顧期間之整體毛利約為人民幣45,400,000元，較截至二零一二年六月三十日止六個月下降約40.0%，而回顧期間之整體毛利率則約10.3%，較二零一二年同期約15.6%下降約5.3個百分點。整體毛利率下跌及毛利減少是由於棉紗產品之毛利率下降，以及出售之皮棉買賣業務之利潤率相對較低所致。

### Cotton Yarn Products

The gross profit for the sales of cotton yarns for the Period Under Review was approximately RMB14.1 million, representing a decrease of approximately 74.1% from approximately RMB54.4 million for the six months ended 30 June 2012.

### 棉紗產品

於回顧期間，棉紗銷售之毛利由截至二零一二年六月三十日止六個月約人民幣54,400,000元下降約74.1%至約人民幣14,100,000元。

## Management Discussion and Analysis (Continued)

### 管理層討論與分析(續)

#### Grey Fabric Products

The gross profit for the sales of grey fabrics for the Period Under Review was approximately RMB4.2 million, representing a decrease of approximately 50% from approximately RMB8.4 million for the six months ended 30 June 2012.

The gross profit margin for the sales of grey fabrics for the Period Under Review was approximately 13.6%, representing a decrease of approximately 9 percentage points from approximately 22.6% for the six months ended 30 June 2012.

#### Lint Cotton Trading

The gross profit for the sales of lint cotton trading activities for the Period Under Review was approximately RMB27.1 million, representing an increase of approximately 110.1% from approximately RMB12.9 million for the six months ended 30 June 2012.

The lint cotton trading activities become the major income source because the Group still have competitive advantage for sourcing better quality of lint cotton, and the Group can offer better credit terms to our customers.

#### Other Income

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

Other income increased by approximately 15% to approximately RMB1.10 million for the Period Under Review from approximately RMB0.95 million for the six months ended 30 June 2012. The increase was mainly due to the increase in interest income.

#### Distribution Costs

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

Distribution costs decreased by approximately 41.9% to approximately RMB3.6 million for the six months ended 30 June 2013 from approximately RMB6.2 million for the six months ended 30 June 2012. The decrease was due to the decrease of sales of cotton yarn and grey fabric for the period.

#### 坯布產品

於回顧期間，銷售坯布之毛利約為人民幣4,200,000元，較截至二零一二年六月三十日止六個月約人民幣8,400,000元減少約50%。

於回顧期間，銷售坯布之毛利率約為13.6%，較截至二零一二年六月三十日止六個月約22.6%下降約9個百分點。

#### 皮棉買賣

於回顧期間，皮棉買賣活動之毛利為約人民幣27,100,000元，較截止二零一二年六月三十日止六個月約人民幣12,900,000元上升約110.1%。

皮棉買賣活動成為主要收入來源，原因是本集團仍擁有競爭優勢，可採購質素較好的皮棉，並為本集團之客戶提供較好的信貸條款。

#### 其他收入

其他收入包括利息收入、銷售廢料以及其他雜項收入。

於回顧期間，其他收入由截至二零一二年六月三十日止六個月約人民幣950,000元增加約15%至約人民幣1,100,000元。有關增加主要由於利息收入增加所致。

#### 分銷成本

分銷成本包括運輸及裝卸費用，以及銷售人員的薪金和社會保障基金供款。

分銷成本由截至二零一二年六月三十日止六個月約人民幣6,200,000元減少約41.9%至截至二零一三年六月三十日止六個月之約人民幣3,600,000元。有關減幅乃由於期內銷售棉紗及坯布減少所致。

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

### Administration Expenses

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

Administrative expenses decreased by approximately 2.7% to approximately RMB14.6 million for the Period Under Review from approximately RMB15 million for the six months ended 30 June 2012. The decrease was mainly due to effective control on administrative expense.

### Finance Costs

Finance costs consist of interest on borrowings for purchase of lint cotton and interest on guaranteed senior notes. Finance costs increased by approximately 1.6 times to approximately RMB16.9 million for the six month ended 30 June 2013 from approximately RMB10.6 million for the six months ended 30 June 2012. The increase of finance cost was due to the increase of bank loans and other borrowings from approximately RMB206 million for the six months ended 30 June 2012 to approximately RMB229 million for the six months ended 30 June 2013 and a portion of such bank loans bear a higher rate of interest.

### Income Tax Expense

Income tax expenses decreased by approximately 43.2% to approximately RMB6.7 million for the Period Under Review from approximately RMB11.8 million for the six months ended 30 June 2012. The decrease was mainly due to the decrease in the taxable income for the six months ended 30 June 2013.

### Profit for the Period

As of result of the foregoing, the profit for the Period Under Review decreased by approximately 86.1% to approximately RMB4.6 million from approximately RMB33.1 million for the six months ended 30 June 2012. Due to a decline in gross profit margin of cotton yarn products and the decline of production of grey fabric as mentioned above, the net profit margin decreased to approximately 1.1% for the Period Under Review as compared to approximately 6.8% for the six months ended 30 June 2012.

### 行政開支

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

於回顧期間，行政開支由截至二零一二年六月三十日止六個月約人民幣15,000,000元減少約2.7%至約人民幣14,600,000元。有關跌幅主要由於有效控制行政開支所致。

### 融資成本

融資成本包括購買皮棉之借款利息及擔保優先票據之利息。融資成本由截至二零一二年六月三十日止六個月約人民幣10,600,000元增加約1.6倍至截至二零一三年六月三十日止六個月約人民幣16,900,000元。融資成本增加乃由於銀行貸款及其他借款由截至二零一二年六月三十日止六個月約人民幣206,000,000元增加至截至二零一三年六月三十日止六個月約人民幣229,000,000元，及部分銀行貸款利率較高所致。

### 所得稅開支

所得稅開支由截至二零一二年六月三十日止六個月約人民幣11,800,000元減少約43.2%至回顧期間約人民幣6,700,000元。有關減幅主要由於截至二零一三年六月三十日止六個月之應課稅收入減少所致。

### 期間溢利

由於前文所述，溢利由截至二零一二年六月三十日止六個月約人民幣33,100,000元減少約86.1%至回顧期間之約人民幣4,600,000元。由於棉紗產品之毛利率下降及如前文所述坯布之生產下降，純利率由截至二零一二年六月三十日止六個月約6.8%下降至回顧期間約1.1%。

## Management Discussion and Analysis (Continued)

### 管理層討論與分析(續)

#### Working Capital Management

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

		For the six months ended 30 June 2013 截至 二零一三年 六月三十日 止六個月	For the year ended 31 December 2012 截至 二零一二年 十二月三十一日 止年度
Trade receivables turnover (days) <sup>(1)</sup>	應收貿易賬款週轉日數(日數) <sup>(1)</sup>	103.5	96.0
Trade payables turnover (days) <sup>(2)</sup>	應付貿易賬款週轉日數(日數) <sup>(2)</sup>	6.1	7.7
Inventory turnover (days) <sup>(3)</sup>	存貨週轉日數(日數) <sup>(3)</sup>	41.0	82.0

Notes:

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

Average trade receivables turnover days increased from approximately 96 days for the year ended 31 December 2012 to approximately 103.5 days for the Period Under Review. The increase in trade receivables turnover days throughout the Period Under Review was mainly due to the growth in sales of lint cotton during the Period Under Review.

Average trade payables turnover days slightly decreased from approximately 7.7 days for the year ended 31 December 2012 to approximately 6.1 days for the Period Under Review. The trade payables were relatively stable during the Period Under Review.

#### 營運資金管理

下表載列本集團於回顧期間之經選定經營效益比率：

		For the six months ended 30 June 2013 截至 二零一三年 六月三十日 止六個月	For the year ended 31 December 2012 截至 二零一二年 十二月三十一日 止年度
Trade receivables turnover (days) <sup>(1)</sup>	應收貿易賬款週轉日數(日數) <sup>(1)</sup>	103.5	96.0
Trade payables turnover (days) <sup>(2)</sup>	應付貿易賬款週轉日數(日數) <sup>(2)</sup>	6.1	7.7
Inventory turnover (days) <sup>(3)</sup>	存貨週轉日數(日數) <sup>(3)</sup>	41.0	82.0

附註：

- (1) 應收貿易賬款週轉日數相等於該指定年度開始及結束之應收貿易賬款之平均值除指定年度內收益，然後就六個月期間乘以181日或就一年乘以365日計算。
- (2) 應付貿易賬款週轉日數相等於該指定年度開始及結束之應付貿易賬款之平均值除指定年度內之銷售成本，然後就六個月期間乘以181日或就一年乘以365日。
- (3) 存貨週轉日數相等於該指定年度開始及結束之存貨之平均值除指定年度內銷售成本，然後就六個月期間乘以181日或就一年乘以365日。

應收貿易賬款平均週轉日數由截至二零一二年十二月三十一日止年度約96日增加至回顧期間約103.5日。整段回顧期間之應收貿易賬款週轉日增加主要是由於回顧期間皮棉銷售增長所致。

應付貿易賬款平均週轉日數由截至二零一二年十二月三十一日止年度約7.7日輕微減少至回顧期間約6.1日。應付貿易賬款於回顧期間相對穩定。

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

Average inventory turnover days decreased from approximately 82 days for the year ended 31 December 2012 to approximately 41.0 days for the Period Under Review. The decrease in inventory turnover days throughout the Period Under Review was mainly due to the increase in lint cotton trading.

存貨平均週轉日數由截至二零一二年十二月三十一日止年度約82日減少至回顧期間約41.0日。整段回顧期間之存貨週轉日數減少主要是由於皮棉買賣增加所致。

### Liquidity and Capital Resources

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

### 流動資金及資本資源

下表載列回顧期間之流動資金及資本充足比率：

		As at 30 June 2013 於 二零一三年 六月三十日	As at 31 December 2012 於 二零一二年 十二月三十一日
Gearing <sup>(1)</sup>	資本負債比率 <sup>(1)</sup>	23.8%	26.6%
Debt-to-equity <sup>(2)</sup>	負債權益比率 <sup>(2)</sup>	33.8%	38.9%
Current ratio	流動比率	2.7 times 2.7倍	2.8 times 2.8倍

Notes:

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

附註：

- (1) 以總負債除總資產乘以100%計算。負債之定義包括流動及非流動借款。
- (2) 以總負債除權益乘以100%計算。負債之定義包括流動及非流動借款。

The gearing ratio and the debt-to equity ratio slightly decreased to 23.8% and 33.8% respectively as at 30 June 2013 from 26.6% and 38.9% as at 31 December 2012. The decreases in the gearing ratio and debt-to-equity ratio were principally due to the decrease in the total borrowings.

資本負債比率及負債權益比率分別由二零一二年十二月三十一日之26.6%及38.9%輕微下降至二零一三年六月三十日之23.8%及33.8%。資本負債比率及負債權益比率下降主要由於借款總額減少所致。

The current ratio remained relatively stable as at 31 December 2012 and 30 June 2013. Overall the Group's current ratio still maintain in a high level, as the Group maintained a significant level of cash and cash equivalents throughout the Period Under Review.

流動比率於二零一二年十二月三十一日及二零一三年六月三十日相對穩定。整體而言，由於本集團於整段回顧期間均持有大量現金及現金等價物，故本集團之流動比率仍處於高水平。

## Management Discussion and Analysis (Continued)

### 管理層討論與分析(續)

Net cash used in operating activities for the Period Under Review was approximately RMB26.0 million, whereas net cash generated from operating activities for the six months ended 30 June 2012 was approximately RMB96 million. The decrease in cash flow from operating activities was mainly due to the increase in trade receivables.

Net cash generated in investing activities for the Period Under Review was RMB21.8 million, mainly including a decrease in restrict bank deposits.

Net cash used in financing activities for the Period Under Review was RMB47.5 million, mainly including an increase in interest payment.

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

### Pledge of Assets of the Group

Details of the pledge of assets as at 30 June 2013 are set out in note 25 to the condensed consolidated financial statements.

### Employees and Emolument Policies

As at 30 June 2013, the Group had a workforce of approximately 2,149 employees (30 June 2012: approximately 2,783). Staff cost for the Period Under Review (including Directors' remuneration in the form of salaries and other allowances) was approximately RMB22.3 million (30 June 2012: approximately RMB31.9 million). The decrease was mainly due to decrease in number of employees during the period.

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

### Foreign Exchange Risks

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

於回顧期間經營活動使用的現金淨額為約人民幣26,000,000元，而截至二零一二年六月三十日止六個月經營活動產生之現金淨額為約人民幣96,000,000元。經營活動之現金流量減少乃由於應收貿易賬款增加所致。

於回顧期間投資活動產生的現金淨額為人民幣21,800,000元，主要包括受限制銀行存款減少。

於回顧期間融資活動所用的現金淨額為人民幣47,500,000元，主要包括利息款項增加。

於回顧期間，本集團並無使用任何金融工具作對沖用途。

### 本集團之資產抵押

於二零一三年六月三十日之資產抵押詳情載於簡明綜合財務報表附註25。

### 僱員及薪酬政策

於二零一三年六月三十日，本集團有約2,149名僱員(二零一二年六月三十日：約2,783名)。於回顧期間之員工成本(包括董事以薪金及其他津貼之形式收取之酬金)約為人民幣22,300,000元(二零一二年六月三十日：約人民幣31,900,000元)。減少主要由於期內僱員人數減少所致。

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

### 外匯風險

本集團之業務均位於中國，而大部分交易均以人民幣進行。本集團大部分資產及負債以人民幣計值。因此，人民幣兌外幣的匯率波動對本集團的業績並無重大影響。於回顧期間，本集團並無利用任何金融工具作對沖用途。

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

### Interest Rate Risk

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

### Liquidity Risk

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

### Capital Commitments

Details of the capital commitments of the Group as at 30 June 2013 are set out in note 27 to the condensed consolidated financial statements.

### Contingent Liabilities

As at 30 June 2013, the Group did not have any significant contingent liabilities (31 December 2012: Nil).

### 利率風險

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

### 流動資金風險

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

### 資本承擔

本集團於二零一三年六月三十日之資本承擔詳情載於簡明綜合財務報表附註27。

### 或然負債

於二零一三年六月三十日，本集團並無任何重大或然負債。(二零一二年十二月三十一日：無)。



# Corporate Governance and Other Information

## 企業管治及其他資料

### SUBSTANTIAL SHAREHOLDERS

As at 30 June 2013 as far as was known to any director or chief executive of the Company, the interests and short position of the substantial shareholders in the shares and underlying shares of the Company which were required to be disclosed pursuant to Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the "SFO"), or which were recorded in the register required to be kept by the Company under section 336 of Part XV of the SFO were as follows:

Name of Shareholder 董事名稱	Capacity 身份	Position 持倉	Number of shares of the Company 本公司股份數目	Approximate percentage of shareholding 股權概約百分比 (%)
Tong Fa 通發	Beneficial owner 實益擁有人	Long 好倉	527,464,000	56.0
Wealth Lake Investment Limited Wealth Lake Investment Limited	Beneficial owner 實益擁有人	Long 好倉	56,512,000 (Note 1) (附註 1)	6.0
Mr. Cheung Yung 張勇先生	Interest of controlled corporation 受控制法團權益	Long 好倉	56,512,000 (Note 1) (附註 1)	6.0
Central Huijin Investment Ltd 中央匯金投資有限責任公司	Interest of controlled corporation 受控制法團權益	Long 好倉	527,464,000 (Note 2) (附註 2)	56.0
China Construction Bank Corporation 中國建設銀行股份有限公司	Interest of controlled corporation 受控制法團權益	Long 好倉	527,464,000 (Note 2) (附註 2)	56.0

Notes:

- (1) These shares were owned by Wealth Lake Investment Limited, which is wholly owned by Mr. Cheung Yung.
- (2) Central Huijin Investment Ltd and China Construction Bank Corporation are the ultimate indirect holding company and indirect holding company respectively of Chance Talent Management Limited which is the chargee of 527,464,000 shares charged by Tong Fa as part of the consideration for issuance of senior secured notes of an aggregate principal amount of HK\$120 million as term loan facility by Chance Talent Management Limited to the Company on 16 October 2012.

### 主要股東

於二零一三年六月三十日，就本公司任何董事或主要行政人員所知，主要股東於本公司股份及相關股份中根據香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部第2及第3分部須予披露，或記錄於根據證券及期貨條例第XV部第336條須由本公司存置之登記冊內之權益及淡倉如下：

Name of Shareholder 董事名稱	Capacity 身份	Position 持倉	Number of shares of the Company 本公司股份數目	Approximate percentage of shareholding 股權概約百分比 (%)
Tong Fa 通發	Beneficial owner 實益擁有人	Long 好倉	527,464,000	56.0
Wealth Lake Investment Limited Wealth Lake Investment Limited	Beneficial owner 實益擁有人	Long 好倉	56,512,000 (Note 1) (附註 1)	6.0
Mr. Cheung Yung 張勇先生	Interest of controlled corporation 受控制法團權益	Long 好倉	56,512,000 (Note 1) (附註 1)	6.0
Central Huijin Investment Ltd 中央匯金投資有限責任公司	Interest of controlled corporation 受控制法團權益	Long 好倉	527,464,000 (Note 2) (附註 2)	56.0
China Construction Bank Corporation 中國建設銀行股份有限公司	Interest of controlled corporation 受控制法團權益	Long 好倉	527,464,000 (Note 2) (附註 2)	56.0

附註：

- (1) 該等股份由張勇先生全資擁有之Wealth Lake Investment Limited擁有。
- (2) 中央匯金投資有限責任公司及中國建設銀行股份有限公司分別為Chance Talent Management Limited之最終間接控股公司及間接控股公司。Chance Talent Management Limited為通發所押記之527,464,000股股份之受押人，該等股份乃作為部分代價以供發行本金總額為120,000,000港元之優先有抵押票據，以作為Chance Talent Management Limited於二零一二年十月十六日向本公司授出之定期貸款融資。

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

### DIRECTORS, SUPERVISORS OR THE COMPANY'S CHIEF EXECUTIVE'S INTEREST IN SHARES

### 董事、監事或本公司主要行政人員於股份之權益

As at 30 June 2013 as far as was known to any director or chief executive of the Company, the interests or short position of the directors or chief executive of the Company and their associates in the shares, underlying shares and debentures of the Company or any associated corporation which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests which they were taken or deemed to have under such provisions of the SFO), or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules") (the "Model Code"), to be notified to the Company and the Stock Exchange, were as follows:

於二零一三年六月三十日，就本公司任何董事或主要行政人員所知，本公司董事或主要行政人員及彼等之聯繫人於本公司或任何相聯法團之股份、相關股份及債券證中擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及香港聯合交易所有限公司(「聯交所」)之權益或淡倉(包括根據證券及期貨條例之有關條款被當作或視為由彼等擁有之權益)，或根據證券及期貨條例第352條須記錄於該條文所規定之登記冊之權益或淡倉，或根據聯交所證券上市規則(「上市規則」)附錄十所載《上市發行人董事進行證券交易的標準守則》(「標準守則」)須知會本公司及聯交所之權益或淡倉如下：

Name 名稱	Nature of interest 身份	Position 持倉	Number of Shares of the Company 本公司股份數目	Approximate Percentage of shareholding 股權概約百分比 (%)
Mr. Qiu 邱先生	Interest of controlled corporation 受控制法團權益	Long 好倉	527,464,000 (Note) (附註)	56.0
Mr. Chen 陳先生	Interest of controlled corporation 受控制法團權益	Long 好倉	527,464,000 (Note) (附註)	56.0

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

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

## Corporate Governance and Other Information (Continued)

### 企業管治及其他資料(續)

#### INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the Period Under Review (six months ended 30 June 2012: RMB Nil).

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

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

#### SIGNIFICANT ACQUISITION, DISPOSAL OR INVESTMENT

Save as disclosed in the circular and announcement of the Company dated 28 March and 28 June 2013 respectively, as at 30 June 2013, the Group had no specific material investment target; and the Group did not have any material acquisition or disposal of subsidiaries and affiliated companies, and investment during the Period Under Review.

#### DISCLOSURE OF OTHER INFORMATION

Save as disclosed above, there have been no material changes in the information disclosed in the annual report of the Group for the year ended 31 December 2012 in respect of matters required to be disclosed under paragraph 46(3) of Appendix 16 to the HKEx Listing Rules.

#### 中期股息

董事會不建議就回顧期間派付任何中期股息(截至二零一二年六月三十日止六個月:人民幣零元)。

#### 購買、出售或贖回本公司之上市證券

於回顧期間,本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

#### 重大收購、出售或投資

除日期為二零一三年三月二十八日及六月二十八日之本公司通函及公佈所披露者外,於二零一三年六月三十日,本集團並無特定重大投資目標。於回顧期間,本集團亦無任何重大收購或出售附屬公司及聯屬公司以及進行投資。

#### 披露其他資料

除上文所披露者外,就根據港交所上市規則附錄十六第46(3)段須予披露之事項而言,本集團於截至二零一二年十二月三十一日止年度之年報所披露之資料並無重大變動。

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

### AUDIT COMMITTEE

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

The Audit Committee has reviewed and approved with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters, including the review of the unaudited condensed consolidated results of the Group for the six months ended 30 June 2013.

### REMUNERATION COMMITTEE

The Company established its remuneration committee (“Remuneration Committee”) in July 2011 and has formulated its written terms of reference. The written terms of reference of the Remuneration Committee were revised and adopted on 20 March 2012 in accordance with the CG Code. The Remuneration Committee comprises all the members of independent non-executive directors of the Company, namely, Ms. Tong Jinzhi (chairwoman of the Remuneration Committee), Mr. Kwong Kwan Tong and Ms. Xue Fang. The Remuneration Committee is responsible for reviewing and evaluating the remuneration packages of the directors of the Company and senior management and making recommendations to the Board from time to time.

### 審核委員會

本公司已於二零一一年七月成立一個審核委員會(「審核委員會」)，並根據上市規則附錄十四所載企業管治守則(「企業管治守則」)的條文制訂其書面職權範圍及不時作出修訂。審核委員會成員為本公司三名獨立非執行董事，分別為鄭焜堂先生(審核委員會主席)、薛芳女士及童錦治女士。審核委員會須向董事會負責，而審核委員會的主要職責包括審閱和監察本集團的財務報告系統和內部監控程序、審閱本集團的財務資料和審閱與本公司外聘核數師之關係。

審核委員會已與管理層審閱及批准本集團所採納之會計原則及常規，並討論審核、內部監控及財務報告事宜，其中包括審閱本集團截至二零一三年六月三十日止六個月未經審核簡明綜合業績。

### 薪酬委員會

本公司已於二零一一年七月成立其薪酬委員會(「薪酬委員會」)，並制訂其書面職權範圍。薪酬委員會之書面職權範圍已根據企業管治守則於二零一二年三月二十日修訂及採納。薪酬委員會的所有成員均為本公司獨立非執行董事，包括童錦治女士(薪酬委員會主席)、鄭焜堂先生及薛芳女士。薪酬委員會負責審閱和評估本公司董事及高級管理層之薪酬組合和不時向董事會提供推薦意見。

## Corporate Governance and Other Information (Continued)

### 企業管治及其他資料(續)

#### NOMINATION COMMITTEE

The Company established a nomination committee ("Nomination Committee") in March 2012 with written terms of reference in compliance with the CG Code. The principal duties of the Nomination Committee are to identify individuals suitably qualified to become members of the Board having due regard for the benefits of diversity of the Board and make recommendations to the Board on succession planning for the directors of the Company. The Nomination Committee comprises three independent non-executive directors of the Company, namely, Ms. Xue Fang, Mr. Kwong Kwan Tong and Ms. Tong Jinzhi. Pursuant to a resolution of the Board passed on 20 March 2012, Ms. Xue Fang has been appointed as the chairwoman of the Nomination Committee.

#### BOARD DIVERSITY POLICY

In view of the new amendments of the CG Code in respect of diversity of board members that will come into effect on 1 September 2013, the Board has formulated and adopted its diversity policy on 30 August 2013.

#### CODE ON CORPORATE GOVERNANCE

To the best knowledge of the directors of the Company, other than the deviations stated below, the Company has complied with the code provisions of the CG Code for the six months ended 30 June 2013. Code provision A.2.1 requires that the roles of the chairman and the executive director of the Company shall be separated and not be performed by the same individual. Currently, the Company does not have any officer holding the position of chief executive officer. Mr. Chen is the Chairman and executive director of the Company, and he also performed the responsibilities of the chief executive officer of the Company. The Board is of the opinion that this arrangement will not affect the equilibrium of powers and functions between the Board and the management. The operations of the Board are sufficient to ensure the equilibrium of powers and functions.

#### 提名委員會

本公司於二零一二年三月成立提名委員會(「提名委員會」)，其書面職權範圍符合企業管治守則之規定。提名委員會之主要職責為經適當考慮董事會成員多元化之好處後，物色適合人選成為董事會成員，並就本公司董事之繼任計劃向董事會提出推薦意見。提名委員會由本公司三名獨立非執行董事薛芳女士、鄺焜堂先生及童錦治女士組成。根據董事會於二零一二年三月二十日通過之決議案，薛芳女士已獲委任為提名委員會主席。

#### 董事會成員多元化政策

為配合企業管治守則有關董事會成員多元化之新修訂將於二零一三年九月一日生效，董事會已於二零一三年八月三十日制定及採納其多元化政策。

#### 企業管治守則

就本公司董事所深知，截至二零一三年六月三十日止六個月，除下述偏離外，本公司已遵守企業管治守則的守則條文。守則條文第A.2.1條規定本公司主席與執行董事的角色應有區分，並不應由一人同時兼任。現時，本公司並無任何高級職員擔任行政總裁的職位。陳先生為本公司主席兼執行董事，彼亦履行本公司行政總裁的職責。董事會認為此安排不會影響董事會與管理層之間權力與職責的平衡。透過董事會的運作，足以確保權力與職責取得平衡。

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

Pursuant to code provision A.1.8, issuers should arrange appropriate insurance coverage for Company's directors' liabilities in respect of legal actions against the directors of the Company. As at 30 June 2013, the Group has not yet identified any insurer who would provide insurance service to the Group on satisfactory commercial terms. In July 2013, the Group has arranged appropriate insurance coverage in respect of legal actions against the directors of the Company. Due to changes in the Group's personnel, the above deviations were inadvertently omitted in the annual report of the Group for the year ended 31 December 2012. The said deviation was nonetheless disclosed in the preceding interim report of the Group for the six months ended 30 June 2012.

Save as disclosed above, none of the directors of the Company is aware of any information which would reasonably indicate that the Company is not, or was not for any part of the Period Under Review, in compliance with the code provisions of the CG Code.

### SECURITIES TRANSACTIONS BY DIRECTORS

The Board has adopted the Model Code as the Group's code of conduct regarding Company's directors' securities transactions. All directors of the Company have confirmed that throughout the six months ended 30 June 2013, they have complied with the required standard set out in the Model Code.

守則條文第A.1.8條規定發行人應就本公司董事面對的法律行動責任為本公司之董事作適當投保安排。截至二零一三年六月三十日止，本集團尚未物色到可按本集團滿意的商業條款提供保險服務的保險公司。於二零一三年七月，本集團已就本公司董事面對的法律行動作適當投保安排。由於本集團之人事變動，本集團於截至二零一二年十二月三十一日止年度之年報中並未就以上偏離作出匯報。惟上述偏離已於本集團截至二零一二年六月三十日止六個月之中期報告中披露。

除上述披露者外，概無本公司董事知悉有任何資料足以合理顯示，本公司現時並無或於回顧期間內任何時間並無遵守企業管治守則的守則條文。

### 董事進行證券交易

董事會已採納標準守則作為本集團有關本公司董事進行證券交易之行為守則。本公司全體董事確認，於截至二零一三年六月三十日止六個月整段期間，彼等已遵守標準守則所載列之規定標準。

# Report on Review of Interim Financial Information

## 中期財務資料審閱報告



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

致金盾控股(實業)有限公司董事會  
*(於百慕達註冊成立之有限公司)*

### INTRODUCTION

We have reviewed the interim financial information set out on pages 32 to 60, which comprises the condensed consolidated statement of financial position of Golden Shield Holdings (Industrial) Limited (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”) as at 30 June 2013 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34.

Our responsibility is to express a conclusion on this interim financial information based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

### SCOPE OF REVIEW

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

### 引言

吾等已審閱第32至60頁所載的中期財務資料，當中包括金盾控股(實業)有限公司(「貴公司」)及其附屬公司(以下統稱為「貴集團」)於二零一三年六月三十日之簡明綜合財務狀況報表及截至該日止六個月期間之相關簡明綜合損益及其他全面收益表、權益變動表及現金流量表及若干說明附註。香港聯合交易所有限公司主板證券上市規則規定，中期財務資料報告的編製須符合當中訂明的相關條文，以及由香港會計師公會頒佈的香港會計準則第34號「中期財務報告」(「香港會計準則第34號」)。貴公司董事須負責根據香港會計準則第34號編製及呈報本中期財務資料。

吾等的責任是根據審閱的結果，對本中期財務資料作出結論，並按照雙方所協定的委聘書條款僅向整體董事會報告，除此之外本報告別無其他目的。吾等不會就本報告的內容向任何其他人士負上或承擔任何責任。

### 審閱範圍

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

## Report on Review of Interim Financial Information (Continued) 中期財務資料審閱報告(續)

### CONCLUSION

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

**Martin C. K. Pong & Company**  
*Certified Public Accountants*

16/F., Dah Sing Life Building,  
99 Des Vones Road Central,  
Central,  
Hong Kong

30 August 2013

### 結論

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

**龐志鈞會計師行**  
*執業會計師*

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中環  
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大新人壽大廈16樓

二零一三年八月三十日



# Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

## 簡明綜合損益及其他全面收益表

For the six months ended 30 June 2013  
截至二零一三年六月三十日止六個月

		Six months ended 30 June 截至六月三十日止六個月	
		2013 二零一三年 (Unaudited) (未經審核) RMB'000 人民幣千元	2012 二零一二年 (Unaudited) (未經審核) RMB'000 人民幣千元
		Notes 附註	
Revenue	收益	5	439,973
Cost of sales	銷售成本		(394,583)
Gross profit	毛利		45,390
Other income	其他收入	5	1,090
Distribution costs	分銷成本		(3,623)
Administrative expenses	行政開支		(14,596)
Finance costs	融資成本	6	(16,903)
Profit before income tax	所得稅前溢利	7	11,358
Income tax expenses	所得稅開支	8	(6,725)
Profit for the period	期間溢利		4,633
Other comprehensive income, net of tax	其他全面收益(已扣除稅項)		33,075
Item that may be reclassified subsequently to profit or loss	其後可能重新分類至損益之項目		
Exchange difference on translating foreign operations	換算海外業務之匯兌差額		1,269
Total comprehensive income for the period	期間全面收益總額		5,902
Profit for the period attributable to owners of the Company	本公司擁有人應佔期間溢利		4,633
Total comprehensive income attributable to owners of the Company	本公司擁有人應佔全面收益總額		5,902
Earnings per share attributable to owners of the Company	本公司擁有人應佔每股盈利		
— basic (RMB cents)	— 基本(人民幣分)	10	0.49
			3.51

# Condensed Consolidated Statement of Financial Position

## 簡明綜合財務狀況報表

As at 30 June 2013  
於二零一三年六月三十日

			30 June 2013 二零一三年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2012 二零一二年 十二月三十一日 (Audited) (經審核) RMB'000 人民幣千元
		Notes 附註		
<b>ASSETS AND LIABILITIES</b>	<b>資產及負債</b>			
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	11	100,025	104,823
Prepaid land lease payments	預付土地租賃款項	12	9,043	9,175
Payments for acquisition of property, plant and equipment	購買物業、廠房及設備款項	13	89,843	—
			<b>198,911</b>	<b>113,998</b>
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨	14	31,577	147,250
Trade receivables	應收貿易賬款	15	365,086	138,005
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	16	22,795	98,002
Pledged and restricted bank deposits	已抵押及受限制銀行存款		608	93,056
Cash and cash equivalents	現金及現金等價物		338,430	389,064
			<b>758,496</b>	<b>865,377</b>
<b>Current liabilities</b>	<b>流動負債</b>			
Trade payables	應付貿易賬款	17	6,458	19,977
Accruals and other payables	應計款項及其他應付款項	18	33,884	20,562
Current tax liabilities	即期稅項負債		5,558	1,866
Interest bearing bank borrowings	計息銀行借貸	19	131,000	163,700
Other borrowings	其他借貸	20	97,573	97,178
Provisions	撥備	21	5,918	6,011
			<b>280,391</b>	<b>309,294</b>
<b>Net current assets</b>	<b>流動資產淨值</b>		<b>478,105</b>	<b>556,083</b>
<b>Total assets less current liabilities/Net assets</b>	<b>總資產減流動負債/ 資產淨值</b>		<b>677,016</b>	<b>670,081</b>
<b>EQUITY</b>	<b>權益</b>			
<b>Equity attributable to owners of the Company</b>	<b>本公司擁有人應佔權益</b>			
Share capital	股本	22	77,801	77,801
Reserves	儲備	23	599,215	592,280
<b>Total equity</b>	<b>權益總額</b>		<b>677,016</b>	<b>670,081</b>

# Condensed Consolidated Statement of Changes in Equity

## 簡明綜合權益變動表

For the six-month period ended 30 June 2013

截至二零一三年六月三十日止六個月

		Attributable to owners of the Company 本公司擁有人應佔							Total equity
		Issued Share capital	Share premium	Other reserve	Share-based compensation reserve	Statutory surplus reserve	Foreign currency translation reserve	Retained profits	Total equity
		已發行股本	股份溢價	其他儲備	以股份為基礎之報酬儲備	法定盈餘儲備	外幣匯兌儲備	保留盈利	權益總額
		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
As at 1 January 2013	於二零一三年一月一日	77,801	16,410	51,392	4,498	42,072	(105)	478,013	670,081
Total comprehensive income for the period:	期間全面收益總額：								
Profit for the period	期間溢利	—	—	—	—	—	—	4,633	4,633
Exchange difference on translating foreign operations	換算海外業務之匯兌差額	—	—	—	—	—	1,269	—	1,269
		—	—	—	—	—	1,269	4,633	5,902
Share-based compensation	以股份為基礎的報酬	—	—	—	1,033	—	—	—	1,033
As at 30 June 2013 (Unaudited)	於二零一三年六月三十日 (未經審核)	77,801	16,410	51,392	5,531	42,072	1,164	482,646	677,016
As at 1 January 2012	於二零一二年一月一日	77,801	16,410	51,392	2,417	36,943	—	442,584	627,547
Profit and total comprehensive income for the period	期間溢利及全面收益總額	—	—	—	—	—	—	33,075	33,075
Share-based compensation	以股份為基礎的報酬	—	—	—	1,062	—	—	—	1,062
As at 30 June 2012 (Unaudited)	於二零一二年六月三十日 (未經審核)	77,801	16,410	51,392	3,479	36,943	—	475,659	661,684

# Condensed Consolidated Statement of Cash Flows

## 簡明綜合現金流量表

For the six months ended 30 June 2013  
截至二零一三年六月三十日止六個月

		Six months ended 30 June 截至六月三十日止六個月	
		2013 二零一三年 (Unaudited) (未經審核) RMB'000 人民幣千元	2012 二零一二年 (Unaudited) (未經審核) RMB'000 人民幣千元
<b>Cash flows from operating activities</b>	<b>來自經營活動的現金流量</b>		
Profit before income tax	所得稅前溢利	11,358	44,872
Adjustments for:	以下各項經調整：		
Depreciation and amortisation	折舊及攤銷	4,930	4,914
Share-based compensation	以股份為基礎之報酬	1,033	1,062
Interest expenses	利息開支	16,903	10,561
Interest income	利息收入	(824)	(568)
Decrease in inventories	存貨減少	33,400	60,841
(Increase)/decrease in trade receivables	應收貿易賬款(增加)/減少	115,672	18,119
Decrease/(increase) in prepayments, deposits and other receivables	預付款項、按金及其他應收款項減少/(增加)	(227,081)	30,099
(Decrease)/increase in trade payables	應付貿易賬款(減少)/增加	55,214	(10,748)
Increase in accruals and other payables	應計款項及其他應付款項增加	(13,520)	6,982
Decrease in provisions	撥備減少	13,449	6,472
		(93)	(94)
Cash (used in)/generated from operations	經營活動(使用)/產生的現金	(22,959)	111,671
Income tax paid	已付所得稅	(3,032)	(15,660)
<b>Net cash (used in)/generated from operating activities</b>	<b>經營活動(使用)/產生的現金淨額</b>	<b>(25,991)</b>	<b>96,011</b>
<b>Cash flows from investing activities</b>	<b>來自投資活動的現金流量</b>		
Purchase of property, plant and equipment	購買物業、廠房及設備	—	(2,212)
Payments for acquisition of property, plant and equipment	購買物業、廠房及設備款項	(69,843)	—
Interest received	已收利息	824	568
Decrease in restricted bank deposits	受限制銀行存款減少	90,809	—
<b>Net cash generated from/(used in) investing activities</b>	<b>投資活動產生/(所用)的現金淨額</b>	<b>21,790</b>	<b>(1,644)</b>
<b>Cash flows from financing activities</b>	<b>來自融資活動的現金流量</b>		
Interest paid	已付利息	(14,793)	(10,561)
Proceeds from new bank borrowings	新造銀行借款所得款項	85,000	158,000
Repayment of bank borrowings	償還銀行借款	(117,700)	(151,000)
<b>Net cash used in financing activities</b>	<b>融資活動所用的現金淨額</b>	<b>(47,493)</b>	<b>(3,561)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>現金及現金等價物(減少)/增加淨額</b>	<b>(51,694)</b>	<b>90,806</b>
Cash and cash equivalents at beginning of the period	期初的現金及現金等價物	389,064	143,850
Effect of foreign exchange rate changes, net	外匯匯率變動之淨影響	1,060	—
<b>Cash and cash equivalents at end of the period</b>	<b>期末的現金及現金等價物</b>	<b>338,430</b>	<b>234,656</b>

# Notes to the Condensed Consolidated Interim Financial Statements

## 簡明綜合中期財務報表附註

For the six months ended 30 June 2013  
截至二零一三年六月三十日止六個月

### 1. CORPORATE INFORMATION

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

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

These condensed consolidated interim financial statements have not been audited.

### 2. BASIS OF PREPARATION

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

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

### 3. PRINCIPAL ACCOUNTING POLICIES

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

The accounting policies used and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2013 are the same as those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2012.

### 1. 公司資料

本公司於二零一零年七月二日根據百慕達一九八一年公司法在百慕達註冊成立為一間獲豁免有限公司。本公司的註冊辦事處的地址為Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda。本公司的主要業務為投資控股而本集團主要從事棉紗及坯布生產及銷售以及紡織產品的原材料買賣。

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

本簡明綜合中期財務報表未經審核。

### 2. 呈列基準

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

簡明財務報表乃以人民幣（「人民幣」）呈列，除另有指明外，所有價值均調整至最接近之千元數。

### 3. 主要會計政策

簡明綜合財務報表以歷史成本基準編製。

截至二零一三年六月三十日止六個月之簡明綜合財務報表內所用之會計政策及所用之計算方法與本集團編製截至二零一二年十二月三十一日止年度之年度綜合財務報表所用會計政策及計算方法相同。

## Notes to the Condensed Consolidated Interim Financial Statements (Continued)

### 簡明綜合中期財務報表附註(續)

For the six months ended 30 June 2013  
截至二零一三年六月三十日止六個月

### 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

In the current period, the Group applied for the first time the following new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA, which are relevant to and effective for the Group’s financial statements for the annual financial period beginning on 1 January 2013.

HKFRS 1 (Amendments)	Government Loans
HKFRS 7 (Amendments)	Disclosures — Offsetting Financial Assets and Financial Liabilities
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Transition guidance
HKFRS 13	Fair Value Measurement
Amendments to HKFRSs Issued in June 2012	Annual Improvements to HKFRSs 2009–2011 Cycle
HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income
HKAS 19 (2011)	Employee Benefits
HKAS 27 (2011)	Separate Financial Statements
HKAS 28 (2011)	Investments in Associates and Joint Ventures
HK (IFRIC)-Int 20	Stripping Costs in the Production Phase of a Surface Mine

### 3. 主要會計政策(續)

於本期間，本集團首次應用以下由香港會計師公會頒佈的新訂及經修訂香港財務報告準則(「香港財務報告準則」)，該等準則與本集團於二零一三年一月一日開始的年度財務期間的財務報表有關並適用於該等財務報表。

香港財務報告準則第1號(修訂本)	政府貸款
香港財務報告準則第7號(修訂本)	披露一抵銷金融資產及金融負債
香港財務報告準則第10號	綜合財務報表
香港財務報告準則第11號	共同安排
香港財務報告準則第12號	披露於其他實體之權益
香港財務報告準則第10號、香港財務報告準則第11號及香港財務報告準則第12號之修訂	過渡披露
香港財務報告準則第13號	公平值計量
於二零一二年六月頒佈之修訂香港財務報告準則	香港財務報告準則二零零九至二零一一年週期的年度改進
香港會計準則第1號(修訂本)	其他全面收益項目之呈列
香港會計準則第19號(二零一一年)	僱員福利
香港會計準則第27號(二零一一年)	獨立財務報表
香港會計準則第28號(二零一一年)	於聯營公司及合營企業之投資
香港(國際財務報告詮釋委員會)一詮釋第20號	露天礦場生產階段之剝採成本

## Notes to the Condensed Consolidated Interim Financial Statements (Continued)

### 簡明綜合中期財務報表附註(續)

For the six months ended 30 June 2013

截至二零一三年六月三十日止六個月

### 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

The adoption of these new and revised HKFRSs has had no material effect on the amounts reported in interim financial statements and/or disclosures set out in interim financial statements, except as described below.

#### *Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income*

The amendments to HKAS 1 introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to HKAS 1, the “statement of comprehensive income” is renamed as “statement of profit or loss and other comprehensive income” and “income statement” is renamed as the “statement of profit or loss”. The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis. The amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 does not result in any impact on the financial position or performance.

### 3. 主要會計政策(續)

採納該等新訂及經修訂香港財務報告準則對中期財務報表所呈報的金額及／或中期財務報表所載披露資料並無重大影響，惟以下所述者除外。

#### 香港會計準則第1號(修訂本)－其他全面收益項目之呈列

香港會計準則第1號(修訂本)引入全面收益表及收益表之新術語。根據香港會計準則第1號(修訂本)，全面收益表改名為損益及其他全面收益表，而收益表則改名為損益表。香港會計準則第1號(修訂本)保留以單一或兩個獨立但連續報表呈列損益及其他全面收益之選擇。然而，香港會計準則第1號(修訂本)要求在其他全面收益一節內作出額外披露，使其他全面收益項目歸類成兩個類別：(a) 其後不會重新分類至損益之項目；及(b) 當符合特定條件時，其後可能會重新分類至損益之項目。其他全面收益項目之所得稅須根據相同基礎分配。該等修訂本並無更改以除稅前或扣除稅項後之方式呈列其他全面收益項目之選擇。有關修訂經已追溯運用，因此其他全面收益項目之呈列已經修改以反映有關更改。除上文提及之呈列更改外，應用香港會計準則第1號之修訂並無對財務狀況或表現造成任何影響。

## Notes to the Condensed Consolidated Interim Financial Statements (Continued)

### 簡明綜合中期財務報表附註(續)

For the six months ended 30 June 2013  
截至二零一三年六月三十日止六個月

### 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

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

HKFRS 9	Financial Instruments <sup>(b)</sup>
HKFRS 7 and HKFRS 9 (Amendments)	Mandatory Effective Date of HKFRS 9 and Transition Disclosures <sup>(b)</sup>
HKFRS 10, HKFRS 12 and HKAS 27 (2011) (Amendments)	Investment Entities <sup>(a)</sup>
HKAS 32 (Amendments)	Presentation: Offsetting Financial Assets and Financial Liabilities <sup>(a)</sup>
HKAS 36 (Amendments)	Recoverable Amount Disclosures for Non-Financial Assets <sup>(a)</sup>
HKAS 39 (Amendments)	Novation of Derivatives and Continuation of Hedge Accounting <sup>(a)</sup>
HK(IFRIC)-Int 21	Levies <sup>(a)</sup>

(a) Effective for annual periods beginning on or after 1 January 2014

(b) Effective for annual periods beginning on or after 1 January 2015

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

### 3. 主要會計政策(續)

本集團並無提早採納以下已頒佈但尚未生效的新訂及經修訂準則及修訂。

香港財務報告準則第9號	金融工具 <sup>(b)</sup>
香港財務報告準則第7號及香港財務報告準則第9號(修訂本)	香港財務報告準則第9號的強制生效日期及過渡披露 <sup>(b)</sup>
香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第27號(二零一一年)(修訂本)	投資實體 <sup>(a)</sup>
香港會計準則第32號(修訂本)	呈列 – 抵銷金融資產及金融負債 <sup>(a)</sup>
香港會計準則第36號(修訂本)	非金融資產之可收回金額披露 <sup>(a)</sup>
香港會計準則第39號(修訂本)	更新衍生工具及對沖會計的延續 <sup>(a)</sup>
香港(國際財務報告詮釋委員會) – 詮釋第21號	徵收 <sup>(a)</sup>

(a) 於二零一四年一月一日或之後開始的年度期間生效

(b) 於二零一五年一月一日或之後開始的年度期間生效

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



## Notes to the Condensed Consolidated Interim Financial Statements (Continued)

### 簡明綜合中期財務報表附註(續)

For the six months ended 30 June 2013

截至二零一三年六月三十日止六個月

#### 4. SEGMENT INFORMATION

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

The Group's operating business are organised and managed separately according to the nature of products, which each segment representing a strategic business segment that offers different products in the PRC market. The executive directors considered that the Group's reportable and operating segments are as follows:

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

#### 4. 分部資料

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

本集團的營運業務乃根據產品性質而獨立組成及管理，而分部各代表一種於中國市場提供不同產品的策略性業務分部。執行董事認為，本集團的報告分部及營運分部如下：

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

## Notes to the Condensed Consolidated Interim Financial Statements (Continued)

### 簡明綜合中期財務報表附註(續)

For the six months ended 30 June 2013

截至二零一三年六月三十日止六個月

#### 4. SEGMENT INFORMATION (Continued)

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

#### 4. 分部資料(續)

下列為本集團報告分部之分析。

		Textile Product 紡織產品		Trading Material 買賣材料		Total 總計	
		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	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	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
Segment revenue	分部收益						
Sales to external customers	外部客戶之銷售	164,854	334,090	275,119	149,528	439,973	483,618
Segment results	分部業績	16,551	52,095	23,741	7,355	40,292	59,450
Reconciliation:	對賬:						
Interest income	利息收入					824	568
Corporate and other unallocated expenses	企業及其他未分配開支					(29,758)	(15,146)
Profit before income tax	所得稅前溢利					11,358	44,872
Segment assets	分部資產	260,000	293,016	305,202	182,080	565,202	475,096
Reconciliation:	對賬:						
Corporate and other unallocated assets	企業及其他未分配資產					392,205	446,093
Total assets	總資產					957,407	921,189
Other segment information:	其他分部資料:						
Depreciation and amortisation	折舊及攤銷	4,930	4,914	—	—	4,930	4,914
Additions to non-current assets	非流動資產增加	—	8,370	—	—	—	8,370

There were no inter-segment sales in the six month ended 30 June 2013 (1 January 2012 to 30 June 2012: Nil).

於截至二零一三年六月三十日止六個月並無分部銷售(二零一二年一月一日至二零一二年六月三十日:無)。

#### Geographical Information

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

#### 地區資料

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

## Notes to the Condensed Consolidated Interim Financial Statements (Continued)

### 簡明綜合中期財務報表附註(續)

For the six months ended 30 June 2013

截至二零一三年六月三十日止六個月

## 5. REVENUE AND OTHER INCOME

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

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

		Six months ended 30 June 截至六月三十日止六個月	
		2013 二零一三年 (Unaudited) (未經審核) RMB'000 人民幣千元	2012 二零一二年 (Unaudited) (未經審核) RMB'000 人民幣千元
Revenue	收益		
Sales of goods	銷售貨品	439,973	483,618
Other income	其他收入		
Bank interest income	銀行利息收入	824	568
Gain on sales of scrap materials	出售廢料收益	266	381
		1,090	949

## 6. FINANCE COSTS

An analysis of finance costs is as follows:

		Six months ended 30 June 截至六月三十日止六個月	
		2013 二零一三年 (Unaudited) (未經審核) RMB'000 人民幣千元	2012 二零一二年 (Unaudited) (未經審核) RMB'000 人民幣千元
Interest on bank borrowings wholly repayable within five years	須於五年內悉數償還的銀行 借款利息	7,385	10,561
Interest on other borrowings (note 20)	其他借貸利息(附註20)	9,518	—
		16,903	10,561

## 5. 收益及其他收入

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

本集團的收益及其他收入的分析如下：

## 6. 融資成本

融資成本的分析如下：

## Notes to the Condensed Consolidated Interim Financial Statements (Continued)

### 簡明綜合中期財務報表附註(續)

For the six months ended 30 June 2013

截至二零一三年六月三十日止六個月

## 7. PROFIT BEFORE INCOME TAX

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

## 7. 所得稅前溢利

本集團所得稅前溢利已扣除下列各項：

		Six months ended 30 June 截至六月三十日止六個月	
		2013 二零一三年 (Unaudited) (未經審核) RMB'000 人民幣千元	2012 二零一二年 (Unaudited) (未經審核) RMB'000 人民幣千元
Cost of inventories sold	已售存貨成本	394,583	407,940
Depreciation of property, plant and equipment	物業、廠房及設備折舊	4,798	4,781
Amortisation of prepaid land lease payment	預付土地租賃款項攤銷	132	133
Auditors' remuneration*	核數師酬金*	—	68
Employee benefit expenses (including directors' remuneration)	僱員福利開支(包括董事酬金)		
— Wages and salaries	— 工資及薪金	14,591	23,386
— Share-based compensation	— 以股份為基礎之報酬	1,033	1,062
— Pension scheme contributions	— 退休金計劃供款	4,005	4,260
— Staff welfare and other expenses	— 員工福利及其他開支	2,651	3,241
		22,280	31,949

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

# For identification purpose only

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

## Notes to the Condensed Consolidated Interim Financial Statements (Continued)

### 簡明綜合中期財務報表附註(續)

For the six months ended 30 June 2013

截至二零一三年六月三十日止六個月

## 8. INCOME TAX EXPENSES

## 8. 所得稅開支

		Six months ended 30 June 截至六月三十日止六個月	
		2013 二零一三年 (Unaudited) (未經審核) RMB'000 人民幣千元	2012 二零一二年 (Unaudited) (未經審核) RMB'000 人民幣千元
Current tax – PRC – Current period	即期稅項 – 中國 – 本期間	6,725	11,797

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

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

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

於回顧期間的中國企業所得稅(「企業所得稅」)按估計應課稅溢利25%計算。

## Notes to the Condensed Consolidated Interim Financial Statements (Continued)

### 簡明綜合中期財務報表附註(續)

For the six months ended 30 June 2013

截至二零一三年六月三十日止六個月

#### 8. INCOME TAX EXPENSES (Continued)

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

#### 8. 所得稅開支(續)

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

		Six months ended 30 June 截至六月三十日止六個月	
		2013 二零一三年 (Unaudited) (未經審核) RMB'000 人民幣千元	2012 二零一二年 (Unaudited) (未經審核) RMB'000 人民幣千元
Profit before Income Tax	所得稅前溢利	11,358	44,872
Tax at EIT rate	按企業所得稅稅率計算的稅項	2,839	11,218
Income not subjected to tax	毋須納稅之收入	—	(511)
Expenses not deductible for tax	不可扣稅之開支	3,642	1,090
Tax losses not recognised for the period	期內未確認稅項虧損	244	—
Income tax expenses	所得稅開支	6,725	11,797

## Notes to the Condensed Consolidated Interim Financial Statements (Continued)

### 簡明綜合中期財務報表附註(續)

For the six months ended 30 June 2013

截至二零一三年六月三十日止六個月

#### 8. INCOME TAX EXPENSES (Continued)

The components of unrecognised deductible temporary differences are as follows:

		30 June 2013 二零一三年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2012 二零一二年 十二月三十一日 (Audited) (經審核) RMB'000 人民幣千元
Deductible temporary differences:	可扣稅暫時差額：		
Unutilised tax losses	未運用稅項虧損	976	—

Deductible temporary differences have not been recognised owing to the absence of objective evidence in respect of the availability of sufficient taxable profit of a subsidiary of the Group that are expected to arise to offset against the deductible temporary differences. All unutilised tax losses can be carried forward for maximum five years.

未確認可扣稅暫時差額之部分如下：

	30 June 2013 二零一三年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2012 二零一二年 十二月三十一日 (Audited) (經審核) RMB'000 人民幣千元
Deductible temporary differences:		
Unutilised tax losses	976	—

可扣稅暫時差額因並無客觀證據顯示本集團之附屬公司擁有預期產生以抵銷可扣稅暫時差額之足夠應課稅溢利，因此並無作出確認。所有未運用稅項虧損可結轉最多五年。

#### 9. DIVIDEND

No dividend had been declared by the Company or any of its subsidiaries during the six months ended 30 June 2013 (1 January 2012 to 30 June 2012: RMB Nil).

#### 9. 股息

本公司或其任何附屬公司於截至二零一三年六月三十日止六個月並無宣派股息(二零一二年一月一日至二零一二年六月三十日：人民幣零元)。

#### 10. EARNING PER SHARE

The calculation of basic earnings per share amounts for the six month period ended 30 June 2012 and 2013 are based on the profit for the period attributable to ordinary equity holders of the Company and the number of ordinary shares of 941,900,000 outstanding during the reporting period.

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

#### 10. 每股盈利

截至二零一二年及二零一三年六月三十日止六個月期間之每股基本盈利乃根據期內本公司普通股持有人應佔溢利及於報告期間發行的普通股數目941,900,000股計算。

由於本集團於報告期間並無潛在攤薄性已發行普通股，故並無呈列每股攤薄盈利金額。

## Notes to the Condensed Consolidated Interim Financial Statements (Continued)

### 簡明綜合中期財務報表附註(續)

For the six months ended 30 June 2013  
截至二零一三年六月三十日止六個月

## 11. PROPERTY, PLANT AND EQUIPMENT

## 11. 物業、廠房及設備

		Buildings	Plant and machinery	Furniture, fixtures and office equipment	Motor vehicles	Construction in progress	Total
		樓宇	廠房及機器	辦公室設備傢俬、裝置及	汽車	在建工程	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
<b>Cost:</b>	<b>成本：</b>						
At 1 January 2012	於二零一二年一月一日	70,297	70,172	550	1,885	819	143,723
Additions	添置	85	8,126	—	—	158	8,369
Disposals	出售	—	(260)	—	—	—	(260)
Transfer	轉讓	977	—	—	—	(977)	—
At 31 December 2012 and 30 June 2013	於二零一二年十二月三十一日及二零一三年六月三十日	71,359	78,038	550	1,885	—	151,832
<b>Accumulated depreciation</b>	<b>累計折舊</b>						
At 1 January 2012	於二零一二年一月一日	10,245	26,406	301	598	—	37,550
Provided for the year	年度撥備	2,745	6,717	62	161	—	9,685
Disposals	出售	—	(226)	—	—	—	(226)
At 31 December 2012	於二零一二年十二月三十一日	12,990	32,897	363	759	—	47,009
Provided for the period	期間撥備	1,382	3,307	28	81	—	4,798
At 30 June 2013	於二零一三年六月三十日	14,372	36,204	391	840	—	51,807
<b>Net carrying amount:</b>	<b>賬面淨值：</b>						
At 30 June 2013 (Unaudited)	於二零一三年六月三十日(未經審核)	56,987	41,834	159	1,045	—	100,025
At 31 December 2012 (Audited)	於二零一二年十二月三十一日(經審核)	58,369	45,141	187	1,126	—	104,823

At 30 June 2013 and 31 December 2012, certain bank borrowings of the Group were secured by certain of the Group's property, plant and equipment which had aggregate carrying amounts of approximately RMB32,260,000 and RMB51,406,000 respectively (note 25).

於二零一三年六月三十日及二零一二年十二月三十一日，本集團若干銀行借款以本集團賬面總值分別約人民幣32,260,000元及人民幣51,406,000元的若干物業、廠房及設備作抵押(附註25)。



## Notes to the Condensed Consolidated Interim Financial Statements (Continued)

### 簡明綜合中期財務報表附註(續)

For the six months ended 30 June 2013

截至二零一三年六月三十日止六個月

## 12. PREPAID LAND LEASE PAYMENTS

		30 June 2013 二零一三年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2012 二零一二年 十二月三十一日 (Audited) (經審核) RMB'000 人民幣千元
At beginning of the period/year	期初/年初	9,175	9,440
Amortisation	攤銷	(132)	(265)
At end of the period/year	期末/年末	9,043	9,175

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

At 30 June 2013 and 31 December 2012, certain bank borrowings of the Group were secured by certain of the Group's prepaid land lease payments, which had aggregate carrying amounts of approximately RMB1,971,000 and RMB7,179,000 respectively (note 25).

## 13. PAYMENTS FOR ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT

On 7 February 2013, Weinan Huafu Technology Co., Ltd ("Weinan Huafu") and Golden Shield Textile (Jing Yang) Co., Ltd, both are the subsidiaries of the Company, entered into an agreement with independent third party, Shaanxi Pucheng Yinhe Textile Co., Ltd for the acquisition of certain property, plant and equipment and the related land use rights which are located in the PRC (the "Acquisition"), for a total consideration of RMB198,109,000.

During the six months ended 30 June 2013, the Group paid RMB89,843,000 for the acquisition. Upon the completion of legal title transferred, payments for the acquisition of property, plant and equipment will be transferred to respective categories of property, plant and equipment.

## 12. 預付土地租賃款項

本集團的預付土地租賃款項指就根據中期租賃於中國的土地使用權支付的款項。

於二零一三年六月三十日及二零一二年十二月三十一日，本集團若干銀行借款以本集團賬面總值分別約人民幣1,971,000元及人民幣7,179,000元的若干預付土地租賃款項作抵押(附註25)。

## 13. 購買物業、廠房及設備款項

於二零一三年二月七日，渭南華富科技有限公司(「渭南華富」)及金盾紡織(涇陽)有限公司(兩者均為本公司之附屬公司)與獨立第三方陝西蒲城銀河紡織有限責任公司就收購若干物業、廠房及設備以及位於中國之相關土地使用權(「收購」)訂立協議，總代價為人民幣198,109,000元。

於截至二零一三年六月三十日止六個月期間，本集團就收購支付人民幣89,843,000元。於完成轉讓法定所有權後，收購物業、廠房及設備之付款將轉撥至物業、廠房及設備各自之分類。

## Notes to the Condensed Consolidated Interim Financial Statements (Continued)

### 簡明綜合中期財務報表附註(續)

For the six months ended 30 June 2013

截至二零一三年六月三十日止六個月

## 14. INVENTORIES

		30 June 2013 二零一三年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2012 二零一二年 十二月三十一日 (Audited) (經審核) RMB'000 人民幣千元
Raw materials	原材料	27,392	93,544
Work in progress	在製品	2,533	311
Finished goods	製成品	1,652	773
Goods held for re-sale	持作轉售貨品	—	52,622
		<b>31,577</b>	<b>147,250</b>

## 14. 存貨

## 15. TRADE RECEIVABLES

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

		30 June 2013 二零一三年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2012 二零一二年 十二月三十一日 (Audited) (經審核) RMB'000 人民幣千元
Within 3 months	三個月內	289,722	135,405
4 to 6 months	四至六個月	75,364	2,600
		<b>365,086</b>	<b>138,005</b>

## 15. 應收貿易賬款

於各報告期末按發票日期計算的本集團應收貿易賬款的賬齡分析如下：

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

本集團與客戶的貿易條款主要以信貸形式進行。信貸期一般為90至180天。本集團的應收貿易賬款為免息。

## Notes to the Condensed Consolidated Interim Financial Statements (Continued)

### 簡明綜合中期財務報表附註(續)

For the six months ended 30 June 2013

截至二零一三年六月三十日止六個月

#### 16. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

#### 16. 預付款項、按金及其他應收款項

		30 June 2013 二零一三年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2012 二零一二年 十二月三十一日 (Audited) (經審核) RMB'000 人民幣千元
Prepayment to suppliers	預付供應商款項	12,319	67,823
Other prepayments	其他預付款項	85	151
Deposits	按金	8,040	20,037
Other receivables	其他應收款項	2,351	2,353
Other tax recoverable	其他可收回稅項	—	7,638
		22,795	98,002

#### 17. TRADE PAYABLES

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

#### 17. 應付貿易賬款

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

		30 June 2013 二零一三年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2012 二零一二年 十二月三十一日 (Audited) (經審核) RMB'000 人民幣千元
Within 3 months	三個月內	6,458	19,977

## Notes to the Condensed Consolidated Interim Financial Statements (Continued)

### 簡明綜合中期財務報表附註(續)

For the six months ended 30 June 2013

截至二零一三年六月三十日止六個月

#### 18. ACCRUALS AND OTHER PAYABLES

#### 18. 應計款項及其他應付款項

		30 June 2013 二零一三年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2012 二零一二年 十二月三十一日 (Audited) (經審核) RMB'000 人民幣千元
Accruals and other payables	應計款項及其他應付款項	19,462	14,698
Due to shareholders	應付股東款項	4,509	4,584
Due to a director	應付一名董事款項	973	—
Social insurance contribution payables	應付社會保險供款	1,474	1,280
Other taxes payables	其他應付稅項	7,466	—
		<b>33,884</b>	<b>20,562</b>

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

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

#### 19. INTEREST BEARING BANK BORROWINGS

#### 19. 計息銀行借款

		30 June 2013 二零一三年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2012 二零一二年 十二月三十一日 (Audited) (經審核) RMB'000 人民幣千元
Bank loans:	銀行貸款：		
Repayable on demand or within one year	須按要求或於一年內償還		
— Secured	— 已抵押	131,000	163,700

## Notes to the Condensed Consolidated Interim Financial Statements (Continued)

### 簡明綜合中期財務報表附註(續)

For the six months ended 30 June 2013

截至二零一三年六月三十日止六個月

## 19. INTEREST BEARING BANK BORROWINGS

(Continued)

Fixed rate bank loans of RMB28,000,000 (2012: RMB80,000,000) are bearing interest rate at 7.98% (2012: 7.98% to 8.53%) per annum. Other bank loans of RMB103,000,000 (2012: RMB83,700,000) are bearing at 7.20% (2012: 7.20% to 8.53%) per annum. The weighted average effective interest rate is 7.20% (2012: 7.20% to 8.53%) per annum.

An independent third party, a common director of the Company and Shaanxi Golden Shield Textile Co., Ltd (“Shaanxi Golden Shield”) and a director of the Company have guaranteed the Group’s bank loans as at the end of the reporting period.

Details of the assets pledged to secure the bank borrowings of the Group were disclosed in note 25.

## 19. 計息銀行借款(續)

定息銀行貸款人民幣28,000,000元(二零一二年: 人民幣80,000,000元)按年利率7.98厘(二零一二年: 7.98至8.53厘)計算。其他銀行貸款人民幣103,000,000元(二零一二年: 人民幣83,700,000元)按年利率7.20厘(二零一二年: 7.20至8.53厘)計算。加權平均實際利率為每年7.20厘(二零一二年: 7.20至8.53厘)。

於報告期末, 一名獨立第三方、一名本公司與陝西金盾紡織有限公司(「陝西金盾」)之共同董事及本公司一名董事已擔保本集團之銀行貸款。

就取得本集團銀行借款的已抵押資產詳情, 於附註25披露。

## 20. OTHER BORROWINGS

## 20. 其他借貸

		30 June 2013 二零一三年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2012 二零一二年 十二月三十一日 (Audited) (經審核) RMB'000 人民幣千元
At beginning of the period/year	期初/年初	97,178	—
Issue of the guaranteed senior secured notes (the “Notes”)	發行擔保優先有抵押票據 (「票據」)	—	97,529
Transaction costs for the issue of the Notes	發行票據之交易成本	—	(4,255)
Interest expenses (note 6)	利息開支(附註6)	9,518	4,131
Interest expenses paid	已付利息開支	(7,408)	—
Exchange re-alignment	匯兌重新調整	(1,715)	(227)
At end of the period/year	期末/年末	97,573	97,178

## Notes to the Condensed Consolidated Interim Financial Statements (Continued)

### 簡明綜合中期財務報表附註(續)

For the six months ended 30 June 2013  
截至二零一三年六月三十日止六個月

## 20. OTHER BORROWINGS (Continued)

- (a) On 16 October 2012, the Company issued the Notes totaling HK\$120,000,000 (equivalent to RMB97,529,000) to an independent third party (the "Investor") with a maturity of one year from the date of issue. The maturity date of the Notes is extendible for further one year by mutual consent of both parties with revised coupon rate at 18.50%. The Notes are denominated and settled in HK\$ and bear the coupon interest at 15.50% per annum payable semi-annually in arrears. The effective interest rate on the Notes is 20.99% per annum.
- (b) The original principal terms of the Notes are described below:
- (i) The Notes are secured by pledge of:
- (1) entire equity interests in the Company held by the parent company of the Company, Tong Fa;
  - (2) entire equity interests in Tong Fa held by its shareholders; and
  - (3) entire equity interest in Shaanxi Pucheng Yinhe Textile Co., Ltd (the "Proposed Target"), a limited company established in the PRC, if the Group successfully acquires the Proposed Target.
- (ii) Two directors of the Company have guaranteed the Notes.
- (iii) The proceeds from the issue of the Notes (the "Proceed") are restricted to be used (1) for the payment of the transaction costs of HK\$1,800,000 (equivalent to RMB1,463,000), representing 1.5% of HK\$120,000,000, charged by the Investor and any other transaction costs for the issue of the Notes (the "Transaction costs"); and (2) for the acquisition of the Proposed Target (the "Proposed Acquisition").

## 20. 其他借貸(續)

- (a) 於二零一二年十月十六日，本公司向一名獨立第三方（「投資者」）發行合共120,000,000港元（相等於人民幣97,529,000元）之票據，由發行日期起計為期一年。票據之到期日可經雙方同意下延長一年，而經修訂之息率為18.50%。票據以港元計值及清償，息率為每年15.50%，每半年支付。票據之實際利率為每年20.99%。
- (b) 票據之原主要條款如下：
- (i) 票據以下列作抵押：
- (1) 本公司母公司通發持有之本公司所有股本權益；
  - (2) 由通發股東所持有之通發所有股本權益；及
  - (3) 倘本集團成功收購陝西蒲城銀河紡織有限責任公司（一間於中國成立之有限公司）（「建議目標」），於建議目標之所有股本權益。
- (ii) 本公司兩名董事擔保票據。
- (iii) 發行票據所得款項（「所得款項」）僅限用於(1)支付投資者收取之交易成本1,800,000港元（相等於人民幣1,463,000元），即120,000,000港元之1.5%，以及就發行票據之任何其他交易成本（「交易成本」）；及(2)收購建議目標（「建議收購事項」）。

## Notes to the Condensed Consolidated Interim Financial Statements (Continued)

### 簡明綜合中期財務報表附註(續)

For the six months ended 30 June 2013

截至二零一三年六月三十日止六個月

#### 20. OTHER BORROWINGS (Continued)

- (c) Due to change in the plan of the Proposed Acquisition, on 8 March 2013, a supplemental deed was signed and the original principal terms of the Notes as mentioned in above (b)(i)(3) and (b)(iii) are revised as follows:
- (i) Other than the payment of the Transaction costs as mentioned in (b)(iii) above, the Proceed can only be used for the acquisition of certain land and buildings, production and ancillary facilities for the production of combed cotton yarn which are currently leased by the Group (the "Leased Production Facilities") from the Proposed Target (the "Asset Acquisition") by a subsidiary of the Company, Weinan Huafu.
- (ii) The Notes are also secured by the pledge of entire equity interests in Weinan Huafu instead of the entire equity interests in the Proposed Target if the Asset Acquisition is duly completed.
- (d) The following major covenants in relation to the Notes are imposed by the Investor to the Company:
- (i) amount outstanding under the Notes bear to the market value of pledged Company share shall be maintained at least at 1:1.5 but not lower than 1:1;
- (ii) total assets of the Group bear to the net assets of the Group shall not be more than 2:1;
- (iii) the net assets of the Group shall not be less than RMB550,000,000; and
- (iv) the net worth of Weinan Huafu shall not less than RMB120,000,000 upon the completion of the Asset Acquisition.
- (e) On 23 May 2013, a letter was signed and, among other things, original major covenants in relation to the Notes as mentioned in above (d)(iv) was revised as "the net asset value of Weinan Huafu shall not be less than HK\$120,000,000 upon the completion of the Asset Acquisition."

#### 20. 其他借貸(續)

- (c) 由於建議收購事項之計劃出現變動，於二零一三年三月八日，簽署了一份補充契據，以上(b)(i)(3)及(b)(iii)所述之票據原主要條款修訂如下：
- (i) 除支付上文(b)(iii)所述之交易成本外，所得款項僅可用於收購本公司附屬公司渭南華富生產精梳棉紗之若干土地及樓宇以及生產及配套設施(「資產收購」)，該等設施目前由本集團向建議目標租賃(「租賃生產設施」)。
- (ii) 倘資產收購正式完成，票據亦以於渭南華富之全部股本權益作抵押(而非建議目標之全部股本權益)。
- (d) 投資者向本公司施加以下有關票據之主要契約：
- (i) 票據未償還款額對已抵押本公司股份市場價值之比例須維持最少1:1.5，惟不得低於1:1；
- (ii) 本集團之總資產對本集團之資產淨值比例須不超過2:1；
- (iii) 本集團之資產淨值須不少於人民幣550,000,000元；及
- (iv) 於資產收購完成後，渭南華富之淨值須不少於人民幣120,000,000元。
- (e) 於二零一三年五月二十三日，已簽署一份函件，其中包括有關上文(d)(iv)所述之票據之原主要契約已修訂為「渭南華富之資產淨值於資產收購完成後須不少於120,000,000港元。」

## Notes to the Condensed Consolidated Interim Financial Statements (Continued)

### 簡明綜合中期財務報表附註(續)

For the six months ended 30 June 2013  
截至二零一三年六月三十日止六個月

## 20. OTHER BORROWINGS (Continued)

The evaluation was made considering the Group's compliance with the Notes' covenants and the directors of the Company believe that there were no events of default during the six months ended 30 June 2013 and up to the date of approval of these interim financial statements.

## 20. 其他借貸(續)

有關評估乃經考慮本集團符合票據契約之規定而作出，而本公司董事相信，於截至二零一三年六月三十日止六個月內及截至此等中期財務報表獲批准之日期並無出現違約事件。

## 21. PROVISIONS

## 21. 撥備

		30 June 2013 二零一三年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2012 二零一二年 十二月三十一日 (Audited) (經審核) RMB'000 人民幣千元
At beginning of the period/year	期初/年初	6,011	6,197
Amounts utilised during the period/year	期內/年內已動用金額	(93)	(186)
At end of the period/year	期末/年末	5,918	6,011

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

本集團預期將根據日期為二零零一年九月十四日的收購協議向涇陽縣棉紡織廠的僱員撥備未來可能產生的員工終止聘用福利。有關撥備乃按於各個報告期末對未來可能支付的款項的最佳估計數字計算。

\* For identification purpose only



## Notes to the Condensed Consolidated Interim Financial Statements (Continued)

### 簡明綜合中期財務報表附註(續)

For the six months ended 30 June 2013

截至二零一三年六月三十日止六個月

## 22. SHARE CAPITAL

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

		Number of ordinary shares of HK\$0.10 each 每股面值0.10港元 之普通股數目	Nominal value of ordinary shares 普通股股份面值	
			HK\$'000 千港元	RMB'000 人民幣千元
Authorised:	法定：			
As at 1 January 2012, 31 December 2012 and 30 June 2013	於二零一二年一月一日、 二零一二年十二月三十一日 及二零一三年六月三十日	2,000,000,000	200,000	
Issue and fully paid:	已發行及繳足：			
As at 1 January 2012, 31 December 2012 and 30 June 2013	於二零一二年一月一日、 二零一二年十二月三十一日 及二零一三年六月三十日	941,900,000	94,190	77,801

## 22. 股本

於期間內，法定及已發行股本如下：

## 23. RESERVES

### Other Reserve

The other reserve of the Group represents the difference between the nominal value of shares of the Company and the nominal value of the shares of the subsidiaries acquired pursuant to the Reorganisation (as defined in the Company's prospectus dated 28 June 2011 (the "Prospectus")).

### Share-Based Compensation Reserve

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

## 23. 儲備

### 其他儲備

本集團的其他儲備乃指本公司股份面值與根據重組所收購的附屬公司的股份面值之間的差額(定義見日期為二零一一年六月二十八日本公司之招股章程(「招股章程」))。

### 以股份為基礎之報酬儲備

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

## Notes to the Condensed Consolidated Interim Financial Statements (Continued)

### 簡明綜合中期財務報表附註(續)

For the six months ended 30 June 2013  
截至二零一三年六月三十日止六個月

## 23. RESERVES (Continued)

### Share-Based Compensation Reserve (Continued)

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

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

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

Employee compensation expense of RMB1,033,000 and RMB2,081,000 have been included in the profit or loss for the period ended 30 June 2013 and year ended 31 December 2012 respectively. It gave rise to the share-based compensation reserve. No liabilities were recognised due to equity-settled share-based payment transactions.

### Statutory surplus reserve

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

## 23. 儲備(續)

### 以股份為基礎之報酬儲備(續)

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

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

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

截至二零一三年六月三十日止期間及截至二零一二年十二月三十一日止年度，人民幣1,033,000元及人民幣2,081,000元之僱員報酬開支已分別計入損益內，從而產生以股份為基礎之報酬儲備。概無因按權益結算以股份支付的交易而確認負債。

### 法定盈餘儲備

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

## Notes to the Condensed Consolidated Interim Financial Statements (Continued)

### 簡明綜合中期財務報表附註(續)

For the six months ended 30 June 2013

截至二零一三年六月三十日止六個月

#### 24. CONTINGENT LIABILITIES

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

#### 24. 或然負債

於各報告期末，本集團及本公司均無擁有任何重大或然負債。

#### 25. PLEDGE OF ASSETS

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

#### 25. 資產抵押

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

		30 June 2013 二零一三年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2012 二零一二年 十二月三十一日 (Audited) (經審核) RMB'000 人民幣千元
Prepaid land lease payments (note 12)	預付土地租賃款項(附註12)	1,971	7,179
Plant and machinery (note 11)	廠房及機器(附註11)	27,420	—
Buildings (note 11)	樓宇(附註11)	4,840	51,406
		34,231	58,585

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

除上述資產外，本集團之銀行貸款以其一家關連公司之若干土地及樓宇及機器抵押。

## Notes to the Condensed Consolidated Interim Financial Statements (Continued)

### 簡明綜合中期財務報表附註(續)

For the six months ended 30 June 2013  
截至二零一三年六月三十日止六個月

## 26. OPERATING LEASES

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

		30 June 2013 二零一三年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2012 二零一二年 十二月三十一日 (Audited) (經審核) RMB'000 人民幣千元
No later than 1 year	不超過一年	7,324	22,000
Later than 1 year and no later than 5 years	超過一年但不超過五年	109	—
		<b>7,433</b>	<b>22,000</b>

## 26. 經營租賃

不可撤銷經營租賃下的未來總最低租賃款項如下：

## 27. COMMITMENTS

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

		30 June 2013 二零一三年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2012 二零一二年 十二月三十一日 (Audited) (經審核) RMB'000 人民幣千元
Contracted, but not provided for: Acquisition of property, plant and equipment	已訂約但尚未撥備： 購置物業、廠房及 設備	146,083	37,817

## 27. 承擔

於報告期末，本集團擁有以下資本承擔：

## Notes to the Condensed Consolidated Interim Financial Statements (Continued)

### 簡明綜合中期財務報表附註(續)

For the six months ended 30 June 2013

截至二零一三年六月三十日止六個月

## 28. RELATED PARTY DISCLOSURES

### (a) Balances and Transactions

Other than the related party balances and transactions disclosed in note 18 to 20, the Group had the following material transactions with related parties during the reporting period.

During the six month period ended 30 June 2012 and 2013, the Group used the land and building owned by Shaanxi Golden Shield as its cotton spinning/weaving mills at nil consideration.

### (b) Compensation of Key Management Personnel

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

## 28. 關連方披露

### (a) 結餘及交易

除附註18至20所披露之關連方結餘及交易外，本集團於報告期間與關連方存在下列重大交易。

截至二零一二年及二零一三年六月三十日止六個月期間，本集團無償使用由陝西金盾擁有的土地及樓宇作其棉紡紗／織布廠。

### (b) 主要管理人員的薪酬

於報告期間同時為本集團主要管理人員的董事的酬金載列如下：

		Six months ended 30 June 截至六月三十日止六個月	
		2013 二零一三年 (Unaudited) (未經審核) RMB'000 人民幣千元	2012 二零一二年 (Unaudited) (未經審核) RMB'000 人民幣千元
Fees	袍金	—	—
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	1,015	482
Pension scheme contributions	退休金計劃供款	16	20
Share based compensation	以股份為基礎的報酬	1,033	1,062
Total	總計	2,064	1,564

## 29. APPROVAL OF THE FINANCIAL STATEMENTS

These interim condensed consolidated financial statements were approved and authorised for issue by the board of directors on 30 August 2013.

## 29. 批准財務報表

該等中期簡明綜合財務報表已獲董事會於二零一三年八月三十日批准及授權發行。



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Holdings . Industrial . Limited

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