



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

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號 : 2678

2014

INTERIM REPORT 中期報告

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EXECUTIVE DIRECTORS

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

INDEPENDENT NON-EXECUTIVE DIRECTORS AND AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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 ACA FTIHK FHKIoD (*Chairman*)
 Mr. Hong Tianzhu
 Ms. Tao Xiaoming
 Professor Cheng Longdi

NOMINATION COMMITTEE

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

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Ms. Sze Fung Ting

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 陶肖明女士
 程隆棣教授

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公司秘書

施鳳婷女士

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PRINCIPAL BANKS

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

AUDITORS

PricewaterhouseCoopers

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 HONG KONG LAW**

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**HONG KONG BRANCH SHARE REGISTRAR
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WEBSITE

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STOCK CODE

2678

主要往來銀行

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

核數師

羅兵咸永道會計師事務所

法律顧問(香港法律)

趙不渝·馬國強律師事務所

主要股份過戶登記處

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股份編號

2678

			Unaudited 未經審核 30 June 2014 二零一四年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2013 二零一三年 十二月三十一日 RMB'000 人民幣千元
ASSETS	資產			
Non-current assets	非流動資產			
Freehold land and land use rights	永久產權土地及土地使用權	7	391,136	395,299
Property, plant and equipment	物業、廠房及設備	8	4,272,650	3,804,005
Investment in an associate	聯營公司之投資		56,726	55,526
Deferred income tax assets	遞延所得稅資產		153,224	134,758
Total non-current assets	非流動資產總值		4,873,736	4,389,588
Current assets	流動資產			
Inventories	存貨	9	2,585,937	2,280,471
Trade and bills receivables	應收貿易及票據款項	10	1,063,196	963,080
Prepayments, deposits and other receivables	預付款項、按金及其他應收賬款	11	361,964	352,092
Derivative financial instruments	衍生金融工具	15	3,179	13,333
Pledged bank deposits	已抵押銀行存款		52,156	26,644
Cash and cash equivalents	現金及現金等值物		1,053,166	919,107
Total current assets	流動資產總值		5,119,598	4,554,727
Total assets	資產總值		9,993,334	8,944,315
EQUITY	權益			
Equity attributable to owners of the Company	本公司擁有人應佔權益			
Share capital	股本	17	94,064	94,064
Other reserves	其他儲備		667,873	670,922
Retained profits	保留溢利		2,546,832	2,615,432
Total equity	權益總額		3,308,769	3,380,418

Note
附註

			Unaudited 未經審核 30 June 2014 二零一四年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2013 二零一三年 十二月三十一日 RMB'000 人民幣千元
LIABILITIES	負債			
Non-current liabilities	非流動負債			
Borrowings	借貸	14	2,872,998	2,623,433
Deferred income tax liabilities	遞延所得稅負債		76,094	75,774
Finance lease obligations	融資租賃承擔	16	398,712	178,705
Total non-current liabilities	非流動負債總值		3,347,804	2,877,912
Current liabilities	流動負債			
Trade and bills payables	應付貿易及票據 款項	12	2,532,570	2,009,599
Accruals and other payables	預提費用及其他 應付賬款	13	433,422	395,402
Current income tax liabilities	當期所得稅負債		14,246	17,306
Borrowings	借貸	14	204,981	166,089
Derivative financial instruments	衍生金融工具	15	34,524	42,603
Finance lease obligations	融資租賃承擔	16	117,018	54,986
Total current liabilities	流動負債總值		3,336,761	2,685,985
Total liabilities	負債總值		6,684,565	5,563,897
Total equity and liabilities	總權益及負債		9,993,334	8,944,315
Net current assets	流動資產淨值		1,782,837	1,868,742
Total assets less current liabilities	總資產減流動負債		6,656,573	6,258,330

The notes on pages 11 to 47 form an integral part of this interim consolidated financial information.

第 11 至 47 頁之附註為此中期綜合財務資料之一部分。

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

		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Revenue	收入	6	3,608,698
Cost of sales	銷售成本	20	(2,837,939)
Gross profit	毛利	603,474	770,759
Selling and distribution costs	銷售及分銷開支	20	(98,935)
General and administrative expenses	一般及行政開支	20	(141,832)
Other income	其他收入	19	1,830
Other (losses)/gains – net	其他(虧損)/收益 – 淨額	19	11,620
Operating profit	經營溢利	277,207	543,442
Finance income	財務收入	21	4,054
Finance costs	財務費用	21	(47,056)
Share of profit of an associate	分佔聯營公司溢利		1,831
Profit before income tax	除所得稅前溢利	134,654	502,271
Income tax expense	所得稅開支	22	(55,697)
Profit for the period	期內溢利	125,036	446,574
Profit for the period attributable to:	以下各方應佔期內溢利：		
– Owners of the Company	– 本公司擁有人	125,036	446,572
– Non-controlling interests	– 非控制性權益	–	2
		125,036	446,574
Earnings per share attributable to owners of the Company (expressed in RMB per share)	本公司擁有人應佔之每股盈利 (以每股人民幣表示)	23	
Basic earnings per share	每股基本盈利		0.141
Diluted earnings per share	每股攤薄盈利		0.505
Dividends	股息	24	35,113
			133,900

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

		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Profit for the period	期內溢利	125,036	446,574
Other comprehensive income <i>Item that may be reclassified to profit or loss</i>	其他全面收益 其後可能會重新分類至 損益之項目		
Currency translation differences	匯兌差異	(77)	-
Total comprehensive income for the period	期內全面收益總額	124,959	446,574
Total comprehensive income for the period attributable to:	以下各方應佔期內 全面收益總額：		
Owners of the Company	本公司擁有人	124,959	446,572
Non-controlling interests	非控制性權益	-	2
		124,959	446,574

The notes on pages 11 to 47 form an integral part of this interim consolidated financial information.

第 11 至 47 頁之附註為此中期綜合財務資料之一部分。

		Unaudited 未經審核					
		Attributable to owners of the Company 本公司擁有人應佔				Non- controlling interests 非控制性 權益	Total equity 權益總額
		Share capital 股本 RMB'000 人民幣千元	Other reserves 其他儲備 RMB'000 人民幣千元	Retained profits 保留溢利 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Balance at 1 January 2013	於二零一三年一月一日的結餘	94,064	632,791	1,831,491	2,558,346	(137)	2,558,209
Profit for the period	期間溢利	-	-	446,572	446,572	2	446,574
Other comprehensive income	其他全面收益						
- Transfer from revaluation reserve to retained profits	- 由重估儲備轉撥至保留溢利						
- gross	- 總額	-	(2,497)	2,497	-	-	-
- deferred income tax	- 遞延所得稅	-	676	(676)	-	-	-
Total comprehensive income for the period ended 30 June 2013	截至二零一三年六月三十日止期間全面收益總額	-	(1,821)	448,393	446,572	2	446,574
Transactions with owners	與股權持有人之交易						
Dividends relating to 2012 paid in April 2013	於二零一三年四月派付有關二零一二年之股息	-	-	(192,142)	(192,142)	-	(192,142)
Balance at 30 June 2013	於二零一三年六月三十日的結餘	94,064	630,970	2,087,742	2,812,776	(135)	2,812,641
Balance at 1 January 2014	於二零一四年一月一日的結餘	94,064	670,922	2,615,432	3,380,418	-	3,380,418
Profit for the period	期間溢利	-	-	125,036	125,036	-	125,036
Other comprehensive income	其他全面收益						
- Transfer from revaluation reserve to retained profits	- 由重估儲備轉撥至保留溢利						
- gross	- 總額	-	(4,055)	4,055	-	-	-
- deferred income tax	- 遞延所得稅	-	1,083	(1,083)	-	-	-
Currency translation differences	匯兌差額	-	(77)	-	(77)	-	(77)
Total comprehensive income for the period ended 30 June 2014	截至二零一四年六月三十日止期間全面收益總額	-	(3,049)	128,008	124,959	-	124,959
Transactions with owners	與股權持有人之交易						
Dividends relating to 2013 paid in April 2014	於二零一四年四月派付有關二零一三年之股息	-	-	(196,608)	(196,608)	-	(196,608)
Balance at 30 June 2014	於二零一四年六月三十日的結餘	94,064	667,873	2,546,832	3,308,769	-	3,308,769

The notes on pages 11 to 47 form an integral part of this interim consolidated financial information.

第 11 至 47 頁之附註為此中期綜合財務資料之一部分。

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

		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Cash flows from operating activities	來自經營活動的現金流量		
Cash generated from operations	經營所產生之現金	623,732	234,877
Interest received	已收利息	1,578	4,054
Income tax paid	已付所得稅	(30,824)	(41,779)
Cash flows from operating activities – net	來自經營活動的現金流量 – 淨額	594,486	197,152
Cash flows from investing activities	來自投資活動的現金流量		
Purchases of property, plant and equipment and land use rights	購買物業、廠房及設備以及土地使用權	(378,889)	(674,339)
Proceeds on disposal of property, plant and equipment	出售物業、廠房及設備所得款項	1,150	5,218
Cash flows from investing activities – net	來自投資活動的現金流量 – 淨額	(377,739)	(669,121)
Cash flows from financing activities	來自融資活動的現金流量		
Proceeds from borrowings	借貸所得款項	366,487	1,280,826
Repayments of borrowings	償還借貸	(103,822)	(104,143)
Interest paid	已付利息	(123,233)	(61,594)
Dividend paid	已付股息	(196,608)	(192,142)
Increase in pledged bank deposits	已抵押銀行存款增加	(25,512)	(23,719)
Cash flows from financing activities – net	來自融資活動的現金流量 – 淨額	(82,688)	899,228
Net increase in cash and cash equivalents	現金及現金等值物增加淨額	134,059	427,259
Cash and cash equivalents at the beginning of the period	期初之現金及現金等值物	919,107	530,296
Cash and cash equivalents at end of the period	期末之現金及現金等值物	1,053,166	957,555

The notes on pages 11 to 47 form an integral part of this interim consolidated financial information.

第 11 至 47 頁之附註為此中期綜合財務資料之一部分。

1. GENERAL INFORMATION

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

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

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

This condensed consolidated interim financial information is presented in Chinese Renminbi (“RMB”), unless otherwise stated. This condensed consolidated interim financial information was approved for issue on 11 August 2014.

This condensed consolidated interim financial information has not been audited.

2. BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2014 has been prepared in accordance with HKAS 34, ‘Interim financial reporting’. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2013, which have been prepared in accordance with HKFRSs.

1. 一般資料

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

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

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

除非另有指明，本簡明綜合中期財務資料以中國人民幣(「人民幣」)呈列。於二零一四年八月十一日，本簡明綜合中期財務資料已獲批准刊發。

此簡明綜合中期財務資料乃未經審核。

2. 編製基準

截至二零一四年六月三十日止六個月之簡明綜合中期財務資料，乃按香港會計準則第34號「中期財務報告」編製。此簡明綜合中期財務資料應與截至二零一三年十二月三十一日止年度之年度財務報表(乃按香港財務報告準則編製)一併閱讀。

3. ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2013, as described in those annual financial statements.

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

(a) New and amended standards adopted by the Group

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 January 2014.

- Amendment to HKAS 32 'Financial instruments: Presentation – on assets and liability offsetting' is effective for annual periods beginning on or after 1 January 2014. It clarifies some of the requirements for offsetting financial assets and financial liabilities on the balance sheet. It is not expected to have any significant impact on the Group's financial statements.

3. 會計政策

除下文所述外，所採納之會計政策與截至二零一三年十二月三十一日止年度之年度財務報表一致（如該等年度財務報表所述）。

中期期間之所得稅乃採用適用於預期年度總收益之稅率計算。

(a) 本集團採納之新訂及經修訂準則

以下新訂準則及準則修訂於二零一四年一月一日起之財政年度首次強制生效。

- 香港會計準則第32號（修訂本）「金融工具：呈列 – 抵銷資產及負債」於二零一四年一月一日或之後之年度期間起生效，澄清於資產負債表中抵銷金融資產及金融負債的部分規定。此項修訂預期不會對本集團之財務報表造成任何重大影響。

3. ACCOUNTING POLICIES (Continued)

(a) New and amended standards adopted by the Group (Continued)

- Amendments to HKFRS 10, 12 and HKAS 27 'Consolidation for investment entities' are effective for annual periods beginning on or after 1 January 2014. These amendments mean that many funds and similar entities will be exempt from consolidating most of their subsidiaries. Instead, they will measure them at fair value through profit or loss. The amendments give an exception to entities that meet an 'investment entity' definition and which display particular characteristics. Changes have also been made HKFRS 12 to introduce disclosures that an investment entity needs to make. It is not expected to have any significant impact on the Group's financial statements.
- Amendment to HKAS 36, 'Impairment of assets' on recoverable amount disclosures is effective for annual periods beginning on or after 1 January 2014. It addresses the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. It is not expected to have any significant impact on the Group's financial statements.

3. 會計政策(續)

(a) 本集團採納之新訂及經修訂準則(續)

- 香港財務報告準則第10號、第12號及香港會計準則第27號(修訂本)「投資實體合併入賬」於二零一四年一月一日或之後之年度期間起生效。此等修訂表明眾多基金和類似實體將被免除對其絕大多數附屬公司進行合併入賬，而是以按公平值計入損益的方式計量。此等修訂對符合「投資實體」定義並具備指定特性的實體作出豁免。香港財務報告準則第12號亦已作出修改以加入投資實體須予作出的披露。此等修訂預期不會對本集團之財務報表造成任何重大影響。
- 香港會計準則第36號(修訂本)「資產減值」可收回金額披露，於二零一四年一月一日或之後之年度期間起生效。此項修訂是關於披露減值資產的可收回金額的資料，惟有關金額乃基於公平值減出售成本。此項修訂預期不會對本集團之財務報表造成任何重大影響。

3. ACCOUNTING POLICIES (Continued)

(a) New and amended standards adopted by the Group (Continued)

- Amendment to HKAS 39 'Financial Instruments: Recognition and Measurement' is effective for annual periods beginning on or after 1 January 2014. It provides relief from discontinuing hedge accounting when novation of a hedging instrument to a central counterparty meets specified criteria. It is not expected to have any significant impact on the Group's financial statements.
- HK(IFRIC) 21 'Levies' is effective for annual periods beginning on or after 1 January 2014. It is an interpretation of HKAS 37 'Provisions, contingent liabilities and contingent assets'. HKAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. It is not expected to have any significant impact on the Group's financial statements.

3. 會計政策(續)

(a) 本集團採納之新訂及經修訂準則(續)

- 香港會計準則第39號(修訂本)「金融工具：確認及計量」於二零一四年一月一日或之後之年度期間起生效。此項修訂闡明在對沖工具更替至中央對手時倘符合特定的準則，可毋須放棄繼續使用對沖會計法。此項修訂預期不會對本集團之財務報表造成任何重大影響。
- 香港(國際財務報告詮釋委員會)第21號「徵費」於二零一四年一月一日或之後之年度期間起生效，乃對香港會計準則第37號「撥備、或然負債及或然資產」的詮釋。香港會計準則第37號載有確認負債的標準，其中一項即要求實體承擔過往事件所產生的責任(即責任事件)。詮釋澄清因用於支付徵費的負債而產生的責任事件為引致支付徵費的相關立法所述的活動。此項詮釋預期不會對本集團財務報表造成任何重大影響。

3. ACCOUNTING POLICIES (Continued)

(b) The following new standards and amendments to standards and interpretations have been issued but are not effective for the financial year beginning 1 January 2014 and have not been early adopted

- Amendment to HKAS 19 regarding defined benefit plans, effective for annual periods beginning on or after 1 July 2014.
- HKFRS 14 'Regulatory Deferral Accounts', effective for annual periods beginning on or after 1 January 2016.
- Amendment to HKFRS 11 on accounting for acquisitions of interests in joint operation, effective for annual periods beginning on or after 1 January 2016.
- Amendments to HKAS 16 and HKAS 38 on clarification of acceptable methods of depreciation and amortisation, effective for annual periods beginning on or after 1 January 2016.
- HKFRS 15 'Revenue from Contracts with Customers', effective for annual periods beginning on or after 1 January 2017.
- HKFRS 9 'Financial Instruments'.

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

3. 會計政策(續)

(b) 以下新訂準則以及準則及詮釋修訂於二零一四年一月一日起之財政年度已頒佈但尚未生效，且未獲提前採納

- 香港會計準則第19號(修訂本)界定福利計劃，於二零一四年七月一日或之後之年度期間起生效。
- 香港財務報告準則第14號「監管遞延賬目」於二零一六年一月一日或之後之年度期間起生效。
- 香港財務報告準則第11號(修訂本)有關收購合營權益，於二零一六年一月一日或之後之年度期間起生效。
- 香港會計準則第16號及香港會計準則第38號(修訂本)澄清折舊及攤銷之可接受方法，於二零一六年一月一日或之後之年度期間起生效。
- 香港財務報告準則第15號「客戶合約收益」於二零一七年一月一日或之後之年度期間起生效。
- 香港財務報告準則第9號「金融工具」。

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

4. ESTIMATES

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

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial information for the year ended 31 December 2013, with the exception of changes in estimates that are required in determining the provision for income taxes (Note 22).

5. FINANCIAL RISK MANAGEMENT

5.1 Financial risk factors

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

The interim condensed consolidated financial information do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2013.

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

5.2 Liquidity risk

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

4. 估計

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

於編製此簡明綜合中期財務資料時，管理層於應用本集團會計政策及有關不明朗估計的主要來源時作出的主要判斷，與編製截至二零一三年十二月三十一日止年度的綜合財務資料時所應用者一致，惟釐定所得稅撥備時所需的估計之變動除外(附註22)。

5. 財務風險管理

5.1 財務風險因素

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

簡明綜合中期財務資料並不包括年度財務報表所需的所有財務風險管理資料及披露，並應與本集團截至二零一三年十二月三十一日的年度財務報表一併閱讀。

財務風險部或風險管理政策自年末以來並無變動。

5.2 流動資金風險

與年末相比，財務負債的未折現合約現金外流並無重大變動。

5. FINANCIAL RISK MANAGEMENT

(Continued)

5.3 Fair value estimation

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

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

The following table presents the Group's financial assets and liabilities that are measured at fair value at 30 June 2014 and 31 December 2013.

At 30 June 2014	於二零一四年 六月三十日
Assets	資產
Derivative financial instruments	衍生金融工具
Liabilities	負債
Derivative financial instruments	衍生金融工具

5. 財務風險管理(續)

5.3 公平值估計

下表以估值法分析按公平值列賬之金融工具，各等級分析如下：

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

下表載列本集團於二零一四年六月三十日及二零一三年十二月三十一日按公平值計量之財務資產與負債。

	Level 1 第一級	Level 2 第二級	Level 3 第三級	Total 總計
Assets	-	3,179	-	3,179
Liabilities	-	34,524	-	34,524

5. FINANCIAL RISK MANAGEMENT (Continued)

5.3 Fair value estimation (Continued)

At 31 December 2013 於二零一三年
十二月三十一日

Assets 資產
Derivative financial instruments 衍生金融工具

Liabilities 負債
Derivative financial instruments 衍生金融工具

5. 財務風險管理(續)

5.3 公平值估計(續)

Level 1 第一級	Level 2 第二級	Level 3 第三級	Total 總計
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-	13,333	-	13,333
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-	42,603	-	42,603
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5.4 Valuation techniques used to derive Level 2 fair values

Level 2 trading and hedging derivatives comprise forward foreign exchange contracts and interest rate swaps. These forward foreign exchange contracts have been fair valued using forward exchange rates that are quoted in an active market. Interest rate swaps are fair valued using forward interest rates extracted from observable yield curves. The effects of discounting are generally insignificant for Level 2 derivatives.

Level 2 debt investments are fair valued using a discounted cash flow approach, which discounts the contractual cash flows using discount rates derived from observable market prices of other quoted debt instruments of the counterparties.

5.4 得出第二級公平值所用之估值方法

第二級持作買賣及對沖之衍生工具包括遠期外匯合約及利率掉期。該等遠期外匯合約已透過於活躍市場有報價之遠期外匯匯率按公平值計量。利率掉期按從可觀察收益率曲線中推斷之遠期利率計算公平值。第二級衍生工具之折現影響一般而言並不重大。

第二級債務投資採用折現現金流量法計算公平值，折現現金流量法乃採用對手方其他報價債務工具之可觀察市價所產生之折現率對合約現金流量進行折現。

6. REVENUE AND SEGMENTAL INFORMATION

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

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

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

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

6. 收益及分類資料

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

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

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

執行董事委員會根據收益及經營利潤評估經營分類之業績。

6. REVENUE AND SEGMENTAL INFORMATION (Continued)

The segment information for the six months ended 30 June 2014 is as follows:

6. 收益及分類資料(續)

截至二零一四年六月三十日止六個月之分類資料如下：

		Unaudited 未經審核										
		Six months ended 30 June 2014 截至二零一四年六月三十日止六個月										
		Yarn 紗線				Grey fabrics 坯布		Garment fabrics 面料	Total 總額			
		Mainland China 中國大陸		Vietnam 越南	Macao 澳門	Hong Kong 香港		Uruguay 烏拉圭	Turkey 土耳其	Mainland China 中國大陸	Mainland China 中國大陸	RMB'000 人民幣千元
Total revenue	總收入	3,359,603	1,921,097	4,109,302	51,245	-	-	325,137	66,759	9,833,143		
Inter-segment revenue	分類間收入	(268,554)	(1,862,964)	(3,087,261)	(48,320)	-	-	-	-	(5,267,099)		
Revenue (from external customers)	收入(來自外部客戶)	3,091,049	58,133	1,022,041	2,925	-	-	325,137	66,759	4,566,044		
Segment results	分類業績	(14,329)	61,046	227,261	4	(459)	(780)	2,569	2,708	278,020		
Unallocated expenses	未分配費用									(813)		
Operating results	經營業績									277,207		
Finance income	財務收入										1,578	
Finance costs	財務費用										(145,331)	
Share of profit of an associate	分佔聯營公司溢利										1,200	
Income tax expense	所得稅開支										(9,618)	
Profit for the period	期內溢利										125,036	
Depreciation and amortisation	折舊及攤銷	(84,933)	(89,297)	(34)	(61)	-	(32)	(9,332)	(833)	(184,522)		

6. REVENUE AND SEGMENTAL INFORMATION (Continued)

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

6. 收益及分類資料(續)

截至二零一三年六月三十日止六個月之分類資料如下：

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

6. REVENUE AND SEGMENTAL INFORMATION (Continued)

The segment assets and liabilities as at 30 June 2014 are as follows:

6. 收益及分類資料(續)

於二零一四年六月三十日之分類資產及負債如下：

		Unaudited 未經審核 As at 30 June 2014 於二零一四年六月三十日									
		Yarn 紗線					Grey fabrics 坯布		Garment fabrics 面料		Total 總額
		Hong Kong					Mainland China		Mainland China		
		China 中國大陸	Vietnam 越南	Macao 澳門	Kong 香港	Uruguay 烏拉圭	Turkey 土耳其	Sub-total 小計	China 中國大陸	China 中國大陸	
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Total segment assets	分類總資產	5,120,956	3,714,648	358,124	3,977	9,939	36,646	9,244,290	559,114	131,692	9,935,096
Unallocated assets	未分配資產										58,238
Total assets of the Group	本集團總資產										9,993,334
Total segment liabilities	分類總負債							(4,078,985)	(114,028)	(8,346)	(4,201,359)
Unallocated liabilities	未分配負債										(2,483,206)
Total liabilities of the Group	本集團總負債										(6,684,565)
Capital expenditure	資本開支	95,699	552,165	4	25	-	899	648,792	2,329	-	651,121

6. REVENUE AND SEGMENTAL INFORMATION (Continued)

The segment assets and liabilities as at 31 December 2013 are as follows:

6. 收益及分類資料(續)

於二零一三年十二月三十一日之分類資產及負債如下：

		Audited 經審核 As at 31 December 2013 於二零一三年十二月三十一日									
		Yarn 紗線					Grey fabrics 坯布		Garment fabrics 面料		Total 總額
		Mainland China 中國大陸	Vietnam 越南	Macao 澳門	Hong Kong 香港	Uruguay 烏拉圭	Turkey 土耳其	Sub-total 小計	Mainland China 中國大陸	Mainland China 中國大陸	
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Total segment assets	分類總資產	4,900,651	2,891,692	346,171	3,540	10,188	25,505	8,177,747	567,962	124,292	8,870,001
Unallocated assets	未分配資產										74,314
Total assets of the Group	本集團總資產										8,944,315
Total segment liabilities	分類總負債							(3,068,775)	(67,652)	(10,602)	(3,147,029)
Unallocated liabilities	未分配負債										(2,416,868)
Total liabilities of the Group	本集團總負債										(5,563,897)
Capital expenditure	資本開支	662,251	778,622	14	12	-	24,111	1,465,010	4,205	10	1,469,225

7. FREEHOLD LAND AND LAND USE RIGHTS

7. 永久產權土地及土地使用權

		Unaudited 未經審核 RMB'000 人民幣千元
Six months ended 30 June 2013	截至二零一三年六月三十日 止六個月	
Opening net book amount as at 1 January 2013	於二零一三年一月一日之 期初賬面淨值	265,470
Additions	添置	14,792
Amortisation	攤銷	<u>(2,232)</u>
Closing net book amount as at 30 June 2013	於二零一三年六月三十日之 期末賬面淨值	<u>278,030</u>
Six months ended 30 June 2014	截至二零一四年六月三十日 止六個月	
Opening net book amount as at 1 January 2014	於二零一四年一月一日之 期初賬面淨值	395,299
Amortisation	攤銷	<u>(4,163)</u>
Closing net book amount as at 30 June 2014	於二零一四年六月三十日之 期末賬面淨值	<u>391,136</u>

As at 30 June 2014, land use rights with a net book amount of RMB19,170,000 (31 December 2013: RMB19,381,000) was pledged as collateral of the Group's bank borrowings (Note 14).

於二零一四年六月三十日，賬面淨值約為人民幣19,170,000元（二零一三年十二月三十一日：人民幣19,381,000元）之土地使用權已作抵押，以作為本集團取得銀行融資之抵押品（附註14）。

8. PROPERTY, PLANT AND EQUIPMENT

8. 物業、廠房及設備

		Unaudited 未經審核 RMB'000 人民幣千元
Six months ended 30 June 2013	截至二零一三年六月三十日 止六個月	
Opening net book amount as at 1 January 2013	於二零一三年一月一日之 期初賬面淨值	2,228,930
Additions	添置	1,018,963
Disposals	出售	(10,278)
Depreciation	折舊	(100,627)
Closing net book amount as at 30 June 2013	於二零一三年六月三十日之 期末賬面淨值	3,136,988
Six months ended 30 June 2014	截至二零一四年六月三十日 止六個月	
Opening net book amount as at 1 January 2014	於二零一四年一月一日之 期初賬面淨值	3,804,005
Additions	添置	651,121
Disposals	出售	(2,117)
Depreciation	折舊	(180,359)
Closing net book amount as at 30 June 2014	於二零一四年六月三十日之 期末賬面淨值	4,272,650

As at 30 June 2014, property, plant and equipment of approximately RMB272,260,000 (31 December 2013: RMB287,610,000) were pledged as collateral of the Group's bank borrowings (Note 14).

於二零一四年六月三十日，約為人民幣272,260,000元(二零一三年十二月三十一日：人民幣287,610,000元)之物業、廠房及設備已作抵押，以作為本集團取得銀行融資之抵押品(附註14)。

During the six months ended 30 June 2014, finance cost of RMB4,033,000 (for the six months ended 30 June 2013: nil) was capitalized as part of property, plant and equipment at a rate of 5.8% (for the six months ended 30 June 2013: nil) per annum.

於截至二零一四年六月三十日止六個月，財務費用人民幣4,033,000元(截至二零一三年六月三十日止六個月：無)已按年利率5.8%(截至二零一三年六月三十日止六個月：無)資本化為物業、廠房及設備的一部分。

8. PROPERTY, PLANT AND EQUIPMENT
(Continued)

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

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

8. 物業、廠房及設備(續)

機器及設備包括以下款項，根據一項融資租賃，本集團為承租人：

Unaudited 未經審核 30 June 2014 二零一四年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2013 二零一三年 十二月三十一日 RMB'000 人民幣千元
828,744	378,124
(45,848)	(25,208)
782,896	352,916

9. INVENTORIES

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

9. 存貨

Unaudited 未經審核 30 June 2014 二零一四年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2013 二零一三年 十二月三十一日 RMB'000 人民幣千元
1,482,467	1,298,555
97,207	69,534
1,006,263	912,382
2,585,937	2,280,471

10. TRADE AND BILLS RECEIVABLES

10. 應收貿易及票據款項

		Unaudited 未經審核 30 June 2014 二零一四年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2013 二零一三年 十二月三十一日 RMB'000 人民幣千元
Trade receivables	應收貿易款項	255,145	255,454
Less: provision for impairment	減：減值撥備	(1,569)	(1,569)
		253,576	253,885
Bills receivables	應收票據款項	809,620	709,195
		1,063,196	963,080

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

本集團授予其客戶的信貸期一般為90日內。應收貿易及票據款項的賬齡分析如下：

		Unaudited 未經審核 30 June 2014 二零一四年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2013 二零一三年 十二月三十一日 RMB'000 人民幣千元
Within 30 days	30日以內	709,016	636,895
31 to 90 days	31日至90日	231,436	256,190
91 to 180 days	91日至180日	105,814	67,471
181 days to 1 year	181日至1年	17,137	3,113
Over 1 year	1年以上	1,362	980
		1,064,765	964,649
Less: provision for impairment	減：減值撥備	(1,569)	(1,569)
Trade and bills receivables – net	應收貿易及票據款項 – 淨額	1,063,196	963,080

11. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

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

11. 預付款項、按金及其他應收賬款

Unaudited 未經審核 30 June 2014 二零一四年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2013 二零一三年 十二月三十一日 RMB'000 人民幣千元
187,768	259,121
157,939	82,247
7,943	4,408
3,470	5,445
4,844	871
361,964	352,092

12. TRADE AND BILLS PAYABLES

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

12. 應付貿易及票據款項

Unaudited 未經審核 30 June 2014 二零一四年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2013 二零一三年 十二月三十一日 RMB'000 人民幣千元
567,771	424,156
1,964,799	1,585,443
2,532,570	2,009,599

As at 30 June 2014, included in the trade payables was an amount due to a related party of RMB 292,000 (31 December 2013: RMB288,000) (Note 26).

於二零一四年六月三十日，應付貿易款項包括應付一名關聯方款項人民幣292,000元(二零一三年十二月三十一日：人民幣288,000元)(附註26)。

12. TRADE AND BILLS PAYABLES (Continued)

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

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

12. 應付貿易及票據款項(續)

應付貿易及票據款項的賬齡分析如下：

Unaudited 未經審核 30 June 2014 二零一四年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2013 二零一三年 十二月三十一日 RMB'000 人民幣千元
1,738,573	1,801,815
499,810	201,045
291,312	4,209
2,875	2,530
2,532,570	2,009,599

13. ACCRUALS AND OTHER PAYABLES

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

13. 預提費用及其他應付款項

Unaudited 未經審核 30 June 2014 二零一四年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2013 二零一三年 十二月三十一日 RMB'000 人民幣千元
90,544	52,443
87,746	102,568
85,098	86,514
50,245	52,706
48,028	56,545
17,057	22,060
54,704	22,566
433,422	395,402

14. BORROWINGS

14. 借貸

		Unaudited 未經審核 30 June 2014 二零一四年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2013 二零一三年 十二月三十一日 RMB'000 人民幣千元
Current	即期		
Secured bank borrowings (Note (a))	有抵押銀行借貸 (附註(a))	97,419	84,349
Other bank borrowings (Note (b))	其他銀行借貸 (附註(b))	107,562	81,740
		204,981	166,089
Non-current	非即期		
Secured bank borrowings (Note (a))	有抵押銀行借貸 (附註(a))	338,952	268,346
Other bank borrowings (Note (b))	其他銀行借貸 (附註(b))	169,118	15,000
Notes payable (Note (c))	應付票據款項 (附註(c))	2,364,928	2,340,087
		2,872,998	2,623,433
Total borrowings	借貸總額	3,077,979	2,789,522

14. BORROWINGS (Continued)

Notes:

(a) Bank borrowings of RMB436,371,000 (31 December 2013: RMB352,695,000) were secured by the pledge of the Group's land use rights with a net book amount of RMB19,170,000 as at 30 June 2014 (31 December 2013: RMB19,381,000) (Note 7); and property, plant and equipment with a net book amount of approximately RMB272,260,000 as at 30 June 2014 (31 December 2013: RMB287,610,000) (Note 8).

(b) Other bank borrowings were secured by cross corporate guarantees provided by certain subsidiaries of the Group in the amount of RMB276,680,000 as at 30 June 2014 (31 December 2013: RMB96,740,000).

(c) The notes payable as at 30 June 2014 comprised two senior notes:

US\$188 million senior notes ("Singapore Notes") (31 December 2013: US\$188 million) were issued in January 2011, with a principal amount of US\$200 million, interest bearing at a fixed rate of 7.625% per annum and listed on the Singapore Exchange Securities Trading Limited. The Singapore Notes will be repayable in whole on 19 January 2016. The Group repurchased and cancelled the Singapore Notes with a principle amount of US\$12 million up to 30 June 2014.

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

14. 借貸(續)

附註：

(a) 人民幣436,371,000元(二零一三年十二月三十一日：人民幣352,695,000元)的銀行借貸已以本集團於二零一四年六月三十日賬面淨值為人民幣19,170,000元(二零一三年十二月三十一日：人民幣19,381,000元)的土地使用權(附註7)及賬面淨值約為人民幣272,260,000元(二零一三年十二月三十一日：人民幣287,610,000元)的物業、廠房及設備作抵押(附註8)。

(b) 其他銀行借貸以本集團若干附屬公司提供的於二零一四年六月三十日數額為人民幣276,680,000元(二零一三年十二月三十一日：人民幣96,740,000元)的交叉公司擔保作抵押。

(c) 二零一四年六月三十日之應付票據由兩份優先票據組成：

1.88億美元優先票據(「新加坡票據」)(二零一三年十二月三十一日：1.88億美元)於二零一一年一月發行，本金額為2億美元，按每年7.625%之固定利率計息，並於新加坡證券交易所有限公司上市。新加坡票據將於二零一六年一月十九日悉數償還。本集團截至二零一四年六月三十日回購並註銷本金額1,200萬美元之新加坡票據。

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

14. BORROWINGS (Continued)

Movements in borrowings are analysed as follows:

14. 借貸(續)

借貸變動分析如下：

		RMB'000 人民幣千元
Six months ended 30 June 2013	截至二零一三年六月三十日	
	止六個月	
Opening amount 1 January 2013	於二零一三年一月一日之 期初金額	1,770,200
Proceeds from borrowings	借貸所得款項	1,280,826
Repayments of borrowings	償還借貸	(104,143)
Exchange gains on borrowings	借貸匯兌收益	(39,509)
Closing amount as at 30 June 2013	於二零一三年六月三十日之 期末金額	2,907,374
Six months ended 30 June 2014	截至二零一四年六月三十日	
	止六個月	
Opening amount 1 January 2014	於二零一四年一月一日之 期初金額	2,789,522
Proceeds from borrowings	借貸所得款項	366,487
Repayments of borrowings	償還借貸	(103,822)
Exchange losses on borrowings	借貸匯兌虧損	25,792
Closing amount as at 30 June 2014	於二零一四年六月三十日之 期末金額	3,077,979

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

本集團借貸的賬面值按以下貨幣計值：

		30 June 2014 二零一四年 六月三十日 RMB'000 人民幣千元	31 December 2013 二零一三年 十二月三十一日 RMB'000 人民幣千元
RMB	人民幣	95,000	95,000
United States Dollars ("USD")	美元	2,982,179	2,692,782
Hong Kong Dollars ("HKD")	港元	800	1,740
		3,077,979	2,789,522

The weighted average effective interest rate per annum at period ended 30 June 2014 was 6.4% (31 December 2013: 6.7%).

截至二零一四年六月三十日止期間之加權平均實際年利率為6.4%(二零一三年十二月三十一日：6.7%)。

14. BORROWINGS (Continued)

Interest expense on borrowings for the six months ended 30 June 2014 was RMB121,817,000 (2013: RMB86,565,000).

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

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

14. 借貸(續)

截至二零一四年六月三十日止六個月之借貸利息開支為人民幣121,817,000元(二零一三年：人民幣86,565,000元)。

本集團於資產負債表日未動用之借貸融資如下：

30 June 2014 二零一四年 六月三十日 RMB'000 人民幣千元	31 December 2013 二零一三年 十二月三十一日 RMB'000 人民幣千元
878,438	1,072,281

15. DERIVATIVE FINANCIAL INSTRUMENTS

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

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

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

The forward foreign exchange contracts as at 30 June 2014 comprised two contracts with notional principal amounts totalling RMB 92,292,000 (2013: three contracts with notional principal amounts totalling RMB304,845,000).

15. 衍生金融工具

Unaudited 未經審核 30 June 2014 二零一四年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2013 二零一三年 十二月三十一日 RMB'000 人民幣千元
3,179	13,333
34,524	42,603

非對沖衍生工具分類為流動資產或負債。

於二零一四年六月三十日，遠期外匯合約由兩份合約組成，名義本金額合共為人民幣92,292,000元(二零一三年：由三份合約組成，名義本金額合共為人民幣304,845,000元)。

15. DERIVATIVE FINANCIAL INSTRUMENTS

(Continued)

The interest rate swap contracts as at 30 June 2014 comprised four contracts with notional principal amounts totalling RMB1,645,874,000 (2013: four contracts with notional principal amounts totalling RMB1,640,066,000).

16. FINANCE LEASE OBLIGATIONS

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

15. 衍生金融工具(續)

於二零一四年六月三十日，利率掉期合約由四份合約組成，名義本金額合共為人民幣1,645,874,000元(二零一三年：由四份合約組成，名義本金額合共為人民幣1,640,066,000元)。

16. 融資租賃承擔

倘本集團拖欠租賃負債，則租賃資產之權利將歸還出租人。

		Unaudited 未經審核 30 June 2014 二零一四年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2013 二零一三年 十二月三十一日 RMB'000 人民幣千元
Gross finance lease liabilities	融資租賃負債總額		
– minimum lease payments	– 最低租賃付款		
No later than 1 year	一年內	130,998	61,398
Later than 1 year and no later than 5 years	一年後至五年內	360,816	188,130
Later than 5 years	五年以上	63,395	–
Less: future finance charges on finance leases	減：融資租賃之未來 融資費用	(39,479)	(15,837)
Present value of finance lease liabilities	融資租賃負債現值	515,730	233,691
The present value of finance lease liabilities is as follows:	融資租賃負債之 現值如下：		
No later than 1 year	一年內	117,018	54,986
Later than 1 year and no later than 5 years	一年後至五年內	337,182	178,705
Later than 5 years	五年以上	61,530	–
		515,730	233,691

17. SHARE CAPITAL

Authorised:	法定：
Ordinary shares of HKD0.1 each	每股面值0.1港元之普通股
At 31 December 2013 and 30 June 2014	於二零一三年十二月三十一日及二零一四年六月三十日

Number of shares
股份數目
(thousands)
(千股)

Ordinary shares
普通股
HK\$'000
千港元

4,000,000

400,000

Issued and fully paid:	已發行及繳足：
Ordinary shares of HKD0.1 each	每股面值0.1港元之普通股
At 31 December 2013 and 30 June 2014	於二零一三年十二月三十一日及二零一四年六月三十日

Number of shares
股份數目
(thousands)
(千股)

Ordinary shares
普通股
RMB'000
人民幣千元

94,064

94,064

18. SHARE OPTION SCHEME

Pursuant to a shareholders' resolution passed on 7 April 2014, the Company terminated the share option adopted on 21 November 2004 (the "Old Share Option Scheme") and adopted a share option scheme ("the Share Option Scheme"), which will remain in force for a period of 10 years up to April 2024. Under the Share Option Scheme, the Company's directors may, at their sole discretion, grant to any employee, director, supplier of goods or services, customer, person or entity that provides research, development or other technological support to the Group, shareholder and adviser or consultant of the Group to subscribe for shares in the Company at a price of not less than the higher of (i) the closing price of shares as stated in the daily quotation sheet of the Stock Exchange on the date of the offer of grant; or (ii) the average closing price of shares as stated in the daily quotation sheets of the Stock Exchange for the five trading days immediately preceding the date of the offer of grant; and (iii) the nominal value of the share. A nominal consideration of HK\$1 is payable on acceptance of the grant of an option. The maximum number of shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme adopted by the Group from time to time must not in aggregate exceed 30% of the share capital of the Company in issued from time to time. At 30 June 2014, no options had been granted under this Share Option Scheme and the Old Share Option Scheme (31 December 2013: nil).

18. 購股權計劃

根據本公司於二零一四年四月七日通過之股東決議案，本公司已終止於二零零四年十一月二十一日採納之購股權計劃（「舊購股權計劃」），並採納一項購股權計劃（「購股權計劃」），於截至二零二四年四月止十年期間將仍屬有效。根據購股權計劃，本公司董事可全權酌情向任何僱員、董事、貨品或服務供應商、客戶、為本集團提供研究、發展或其他技術支援的個人或實體、股東及本集團顧問或諮詢人授出購股權，以認購本公司股份，惟價格不低於下列較高者：(i) 於授出要約日期在聯交所每日報價表所列出的股份收市價；或(ii) 於緊接授出要約日期前五個交易日的聯交所每日報價表所列出的股份平均收市價；及(iii) 股份的面值。1港元的名義代價於接納授出購股權要約時支付。在購股權計劃及本集團不時採納的任何其他購股權計劃以下所有授出有待行使購股權獲行使時最高可予發行的股份數目合計不得超過本公司不時已發行股本的30%。於二零一四年六月三十日，概無購股權根據本購股權計劃及舊購股權計劃授出（二零一三年十二月三十一日：無）。

19. OTHER INCOME AND OTHER (LOSSES)/GAINS – NET
19. 其他收入及其他(虧損)/收益—淨額

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Other income	其他收入		
Subsidy income	補貼收入	2,593	1,830
Other (losses)/gains – net	其他(虧損)/收益—淨額		
Derivative financial instruments at fair value through profit or loss:	按公平值計入損益之衍生金融工具：		
– Realised profit	– 已實現溢利	886	–
– Unrealised (losses)/profit	– 未實現(虧損)/溢利	(228)	3,364
Net foreign exchange (losses)/gains	匯兌(虧損)/收益淨額	(18,673)	6,934
Others	其他	3,810	1,322
Total other (losses)/gains – net	其他(虧損)/收益總額—淨額	(14,205)	11,620

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

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

20. EXPENSES BY NATURE

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

20. 開支(按性質分類)

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

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2014 二零一四年 <i>RMB'000</i> 人民幣千元	2013 二零一三年 <i>RMB'000</i> 人民幣千元
Cost of inventories	存貨成本	3,155,051	2,289,788
Employment costs	僱員成本	461,131	305,787
Utilities	動力及燃料	283,952	180,351
Depreciation and amortisation	折舊及攤銷	184,522	102,859
Transportation	運輸	103,076	62,693
Reversal of provision for decline in the value of inventories	撥回存貨價值減少撥備	-	(5,526)

21. FINANCE INCOME AND COSTS

21. 財務收入及費用

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Interest expense	利息開支		
– borrowings wholly repayable within five years	– 須於五年內悉數償還之借貸	116,319	84,928
– borrowings wholly repayable after five years	– 須於五年後悉數償還之借貸	261	–
– finance lease obligations	– 融資租賃承擔	5,237	1,637
		121,817	86,565
Exchange losses/(gains) on financing activities	融資活動所得匯兌虧損/(收益)	27,547	(39,509)
Less: amount capitalized in property, plant and equipment	減：物業、廠房及設備資本化款項	(4,033)	–
Finance costs – net	財務費用淨額	145,331	47,056
Finance income – interest income on bank deposits	財務收入 – 銀行存款利息收入	(1,578)	(4,054)
Net finance costs	財務費用淨額	143,753	43,002

22. INCOME TAX EXPENSES

22. 所得稅開支

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

		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Current income tax	即期所得稅		
– Mainland China and Vietnam enterprise income tax	– 中國大陸及越南企業所得稅		
Deferred income tax	遞延所得稅		
		27,764	44,939
		(18,146)	10,758
		9,618	55,697

(i) **Hong Kong profits tax**
Subsidiaries established in Hong Kong are subject to income tax at rate of 16.5% (2013:16.5%).

(ii) **Mainland China enterprise income tax**
Subsidiaries established in Mainland China are subject to enterprise income tax ("EIT") at rate of 25 % during the period (2013: 25%).

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

(i) **香港利得稅**
於香港成立的附屬公司須按 16.5% (二零一三年：16.5%) 之稅率繳付所得稅。

(ii) **中國大陸企業所得稅**
於中國大陸成立的附屬公司於本期間須按 25% (二零一三年：25%) 之稅率繳付企業所得稅 (「企業所得稅」)。

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

22. INCOME TAX EXPENSE (Continued)

(ii) Mainland China enterprise income tax (Continued)

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

(iii) Vietnam income tax

Subsidiaries established in Vietnam are subject to income tax at rate of 25% (2013: 25%).

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

22. 所得稅開支(續)

(ii) 中國大陸企業所得稅(續)

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

(iii) 越南所得稅

於越南成立之附屬公司須按25%(二零一三年:25%)之稅率繳付所得稅。

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

22. INCOME TAX EXPENSE (Continued)

(iii) Vietnam income tax (Continued)

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

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

The applicable tax rates for the subsidiaries in Vietnam range from nil to 25% during the period (2013: nil to 25%).

(iv) Other income tax

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

The subsidiary established in Macao is subject to income tax at the rate of 9% (2013: 9%). No provision for Macao profits tax has been made as the Group had no assessable profit arising in or derived from Macao during the period (2013: nil).

22. 所得稅開支(續)

(iii) 越南所得稅(續)

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

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

期內，於越南之附屬公司之適用稅率為無至25%（二零一三年：無至25%）。

(iv) 其他所得稅

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

於澳門成立之附屬公司須按9%（二零一三年：9%）之稅率繳付所得稅。由於本集團於本期間內概無在澳門或從澳門賺取應課稅溢利，故概無就澳門利得稅作出撥備（二零一三年：無）。

22. INCOME TAX EXPENSE (Continued)

(iv) Other income tax (Continued)

The subsidiary established in Uruguay is subject to income tax at the rate of 25% (2013: 25%). No provision for Uruguay profits tax has been made as the Group had no assessable profit arising in or derived from Uruguay during the period (2013: nil).

The subsidiary established in Turkey is subject to income tax at the rate of 20% (2013: 20%). No provision for Turkey profits tax has been made as the Group had no assessable profit arising in or derived from Turkey during the period (2013: nil).

23. EARNINGS PER SHARE

(a) Basic

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

22. 所得稅開支(續)

(iv) 其他所得稅(續)

於烏拉圭成立的附屬公司須按稅率25%繳付所得稅(二零一三年: 25%)。由於本集團於期內並無在烏拉圭產生或來自烏拉圭的應課稅溢利, 故並未就烏拉圭利得稅計提撥備(二零一三年: 無)。

於土耳其成立的附屬公司須按稅率20%繳付所得稅(二零一三年: 20%)。由於本集團於期內並無在土耳其產生或來自土耳其的應課稅溢利, 故並未就土耳其利得稅計提撥備(二零一三年: 無)。

23. 每股盈利

(a) 基本

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

Unaudited 未經審核

Six months ended 30 June 截至六月三十日止六個月

	2014 二零一四年	2013 二零一三年
Profit attributable to equity holders of the Company (RMB'000)	125,036	446,572
Weighted average number of ordinary shares in issue (thousands)	884,681	884,681
Basic earnings per share (RMB per share)	0.141	0.505

(b) Diluted

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

(b) 攤薄

由於本公司並無具攤薄影響之股份, 每股攤薄盈利與每股基本盈利相同。

24. DIVIDENDS

A dividend of RMB196,608,000 that related to the year ended 31 December 2013 was paid in April 2014 (2013: RMB192,142,000).

In addition, an interim dividend of HKD0.05 per share (2013: HKD0.19 per share) was proposed by the board of directors on 11 August 2014. It will be payable on or about 10 September 2014 to shareholders whose names are on the register on 29 August 2014. This interim dividend, amounting to RMB35,113,000 (2013: RMB133,900,000), has not been recognised as a liability in this interim financial information. It will be recognised in shareholders' equity in the financial statements of the Company for the year ending 31 December 2014.

25. COMMITMENTS

(a) Capital commitments

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

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

24. 股息

於二零一四年四月，已支付與截至二零一三年十二月三十一日止年度相關的股息人民幣196,608,000元(二零一三年：人民幣192,142,000元)。

此外，董事會於二零一四年八月十一日建議派付中期股息每股0.05港元(二零一三年：每股0.19港元)。有關股息將於二零一四年九月十日或前後向於二零一四年八月二十九日名列股東名冊的股東支付。中期股息人民幣35,113,000元(二零一三年：人民幣133,900,000元)尚未於本中期財務資料確認為負債。該股息將於本公司截至二零一四年十二月三十一日止年度之財務報表確認為股東權益。

25. 承擔

(a) 資本承擔

於結算日的資本開支(但未產生)如下：

Unaudited 未經審核 30 June 2014 二零一四年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2013 二零一三年 十二月三十一日 RMB'000 人民幣千元
184,584	365,814
23,507	483,610
208,091	849,424
50,924	50,461
259,015	899,885

25. COMMITMENTS (Continued)

(b) Operating leases commitments

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

25. 承擔(續)

(b) 經營租賃承擔

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

		Unaudited 未經審核 30 June 2014 二零一四年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2013 二零一三年 十二月三十一日 RMB'000 人民幣千元
No later than 1 year	一年內	18,316	32,786
Later than 1 year and no later than 5 years	一年後至五年內	40,310	44,528
Later than 5 years	五年後	23,552	24,700
		82,178	102,014
Representing:	指：		
Land use right	土地使用權	23,349	23,436
Property, plant and equipment	物業、廠房及 設備	58,829	78,578
		82,178	102,014

26. RELATED-PARTY TRANSACTIONS

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

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

Name of related party

關聯方名稱

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

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

(a) Transactions with the related party

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

26. 與關聯方的交易

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

與本集團進行交易的關聯方如下：

Relationship with the Group

與本集團的關係

Associate company
聯營公司

本集團與其關聯方進行的重大交易及結餘如下：

(a) 與關聯方的交易

Unaudited

未經審核

Six months ended 30 June

截至六月三十日止六個月

2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
2,484	4,480

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

26. RELATED-PARTY TRANSACTIONS
(Continued)

(b) Balance with the related party

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

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

(c) Key management compensation

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

26. 與關聯方的交易(續)

(b) 與關聯方的結餘

Unaudited 未經審核 30 June 2014 二零一四年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2013 二零一三年 十二月三十一日 RMB'000 人民幣千元
292	288

與關連方的結餘為無抵押、不計息及須於一年內償還。

(c) 主要管理層薪酬

Unaudited 未經審核 Six months ended 30 June 截至六月三十日止六個月	
2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
3,429	3,872
95	88
366	473
3,890	4,433

OVERVIEW

We are pleased to present the results of the Group for the six months ended 30 June 2014 to our shareholders. During the period under review, the Group's turnover increased by 26.5% to RMB4,566 million when compared to the corresponding period last year. The increase was mainly attributable to the growth in yarn's sales volume. Profit attributable to equity holders for the six months ended 30 June 2014 decreased by 72.0% to RMB125 million when compared to the corresponding period last year. Earnings per share also decreased to RMB0.141 from RMB0.505 for the corresponding period last year. The decline in the profit attributable to equity holders was mainly due to the weak yarn selling prices of the Group in the PRC market and the depreciation of RMB in the first half of the year.

INDUSTRY REVIEW

In the first half of 2014, the Chinese cotton textile industry saw an overall downward trend in market price and decelerating overall production, with the import and export trade performance of the cotton textiles sector clearly demonstrating a period of sluggish growth right underway. As indicated by the information provided by China National Textile And Apparel Council, the accumulated industrial output value realized by the textile enterprises with certain economies of scale in China from January to June 2014 was RMB3,103.85 billion, representing an increase of 8.51% over the figure of the corresponding period last year. According to the statistics from the General Administration of Customs, the accumulated amount of export of textiles and garment products from China from January to June 2014 was US\$132.48 billion, representing an increase of 4.1% over the figure of the corresponding period last year. Additional investments in fixed assets of RMB454.4 billion were made by the textile industry in China from January to June 2014, representing an increase of 16.06% over those of the corresponding period last year. However, the number of new projects and the number of completed projects only increased by 0.08% and 0.51% over those of the corresponding period last year respectively.

綜覽

我們欣然向股東報告本集團截至二零一四年六月三十日止六個月的業績。在回顧期內，主要由於紗線銷量上升，本集團之營業額較去年同期上升26.5%至人民幣45.66億元。截至二零一四年六月三十日止六個月，股權持有人應佔溢利較去年同期減少72.0%至人民幣1.25億元。每股盈利亦由去年同期人民幣0.505元降低至人民幣0.141元。股權持有人應佔溢利同比下降的主要原因是本集團在中國市場所售紗線的售價偏軟及上半年人民幣貶值。

行業回顧

二零一四年上半年，我國棉紡織行業整體呈現市場價格弱勢下行，生產總體放緩，棉紡織品進出口貿易增速明顯放緩的趨勢。如中國紡織工業聯合會所提供的資料顯示，二零一四年一至六月，具若干經濟規模的紡織企業累計實現工業總產值人民幣31,038.5億元，較去年同期上升8.51%。根據中國海關總署的統計顯示，二零一四年一至六月自中國出口的紡織品及成衣產品累計總額為1,324.8億美元，較去年同期數據增加4.1%。中國紡織行業在二零一四年一至六月新增固定資產投資人民幣4,544億元，比去年同期增加16.06%，但新開工項目數量和施工項目數量分別比去年同期僅增加0.08%和0.51%。

BUSINESS REVIEW

For the period under review, the turnover of the Group was RMB4,566 million, representing an increase of 26.5% when compared to the corresponding period last year. Turnover of our Group comprises sales of yarns, grey fabrics and garment fabrics. Yarns continued to be the major products of the Group, which contributed to a turnover of RMB4,174 million during the six months ended 30 June 2014, accounting for 91.4% of the Group's total turnover. The increase was mainly driven by sales volume growth. Additional production capacities built into the Group's production plants in Mainland China and Vietnam during the second half of 2013 were commissioned to full production with high efficiency in the first half of 2014. New capacity of approximately 258,000 spindles for the second phase of the Northern Vietnam production plant has been installed and commenced trial operation progressively during the second quarter of 2014. Driven by production expansion, the Group's yarn sales volume increased by 53.8% to a record high of about 183,000 tonnes for the six months ended 30 June 2014. The Group has been constantly focusing on stretchable core-spun yarn and denim yarn markets in China and exploring markets for differentiated and high value-added yarn products. The operating data of our products is set out below:

業務回顧

於回顧期內，本集團的營業額為人民幣45.66億元，較去年同期上升26.5%。本集團營業額包括紗線、坯布及面料的銷售。紗線繼續為本集團的重點產品，截至二零一四年六月三十日止六個月營業額達到人民幣41.74億元，佔本集團總營業額的91.4%，上升主要由銷量增長帶動。二零一三年下半年本集團大陸和越南生產廠房新增的產能已於二零一四年上半年全面高效運轉，另外，越南北部二期約25.8萬紗錠的新增產能也於二零一四年第二季度全部完成安裝，陸續開始試運行。產能的擴張直接帶動了銷量的增加，截至二零一四年六月三十日止六個月，本集團紗線銷量大幅增加53.8%至約183,000噸，打破歷年銷量紀錄。本集團持續主攻中國的彈力包芯紗線及牛仔紗線市場，開拓差異化高增值紗線產品市場。本集團產品的經營數據如下：

		January to June 2014	Gross profit margin	January to June 2013	Gross profit margin	Turnover change between 2014 and 2013	Margin change between 2014 and 2013
		二零一四年一月至六月	毛利率	二零一三年一月至六月	毛利率	二零一四年營業額對比二零一三年之轉變	二零一四年毛利率對比二零一三年之轉變
		RMB'000 人民幣千元		RMB'000 人民幣千元			Percentage points 百分點
Stretchable core-spun yarns	彈力包芯紗線						
- Cotton	- 棉紗	1,435,243	14.6%	1,354,926	25.7%	5.9%	-11.1
- Denim	- 牛仔	605,119	18.1%	597,353	26.9%	1.3%	-8.8
- Synthetic Fiber	- 人造纖維	329,413	15.8%	338,083	17.0%	-2.6%	-1.2
Other yarns	其他紗線						
- Cotton	- 棉紗	751,258	8.1%	242,800	14.5%	209.4%	-6.4
- Denim	- 牛仔	587,006	13.1%	292,195	22.8%	100.9%	-9.7
- Synthetic Fiber	- 人造纖維	466,109	13.4%	289,126	20.4%	61.2%	-7.0
Fabrics	坯布及面料						
- Stretchable grey fabrics	- 彈力坯布	244,914	7.7%	352,120	8.0%	-30.4%	-0.3
- Other grey fabrics	- 其他坯布	80,223	1.7%	68,910	5.3%	16.4%	-3.6
- Garment fabrics	- 面料	66,759	17.6%	73,185	15.7%	-8.8%	1.9
Total	總計	4,566,044	13.2%	3,608,698	21.4%	26.5%	-8.2

BUSINESS REVIEW (Continued)

業務回顧(續)

	Sales Volume		Sales Volume change between 2014 and 2013	Selling price		Selling price change between 2014 and 2013
	銷量	銷量	銷量對比	售價	售價	售價對比
	January to June 2014	January to June 2013	二零一四年 二零一三年 一月至六月 之轉變	January to June 2014	January to June 2013	二零一四年 二零一三年 一月至六月 之轉變
Stretchable core-spun yarns (Ton/RMB per ton)	彈力包芯紗線 (噸/人民幣每噸)					
- Cotton	58,082	47,932	21.2%	24,711	28,268	-12.6%
- Denim	24,871	23,451	6.1%	24,330	25,472	-4.5%
- Synthetic Fiber	14,536	13,855	4.9%	22,662	24,402	-7.1%
Other yarns (Ton/RMB per ton)	其他紗線 (噸/人民幣每噸)					
- Cotton	34,371	9,947	245.5%	21,857	24,409	-10.5%
- Denim	28,809	12,757	125.8%	20,376	22,905	-11.0%
- Synthetic Fiber	22,241	11,004	102.1%	20,957	26,275	-20.2%
Fabrics (Million meters/RMB per meter)	坯布及面料(百萬米/人民幣每米)					
- Stretchable grey fabrics	22.7	33.1	-31.4%	10.8	10.6	1.9%
- Other grey fabrics	10.6	7.3	45.2%	7.6	9.4	-19.1%
- Garment fabrics	3.4	3.8	-10.5%	19.6	19.3	1.6%

The overall gross profit margin of the Group's products decreased from 21.4% for the corresponding period last year to 13.2% for the six months ended 30 June 2014. Decrease in gross profit margin was mainly attributable to the selling price decrease in the yarn market in China. The yarn selling price in the Chinese market had been sluggish this year due to the uncertainties in the policy reform on cotton purchase or subsidy by the Chinese government. In particular, following the Chinese government cutting the auction price of the national cotton reserve in April this year, the yarn market prices in China had further declined.

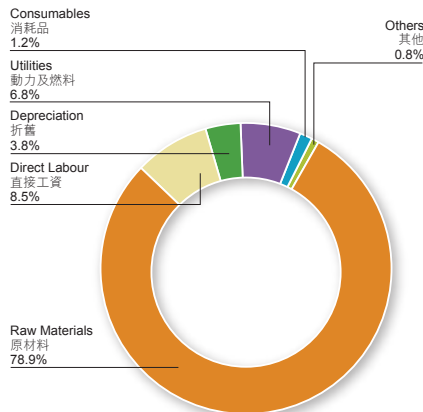
Cost of sales increased by 39.6% to RMB3,963 million when compared to the corresponding period last year. Raw material cost accounted for about 78.9% of the total cost of sales for the six months ended 30 June 2014. Cotton is our major raw material.

截至二零一四年六月三十日止六個月，本集團產品之整體毛利率由去年同期的21.4%減少至13.2%。毛利率的下跌主要是因為中國市場的紗線售價下跌所致。受中國政府棉花收購或補貼政策改革的不確定因素影響，今年中國市場紗線價格低迷。特別是今年四月份，中國政府調低了國儲棉的競拍底價，這直接導致中國紗線市場價格進一步下跌。

銷售成本較去年同期上升39.6%至人民幣39.63億元。原材料成本佔截至二零一四年六月三十日止六個月的銷售成本總額約78.9%。棉花為本集團的主要原材料。

BUSINESS REVIEW (Continued)

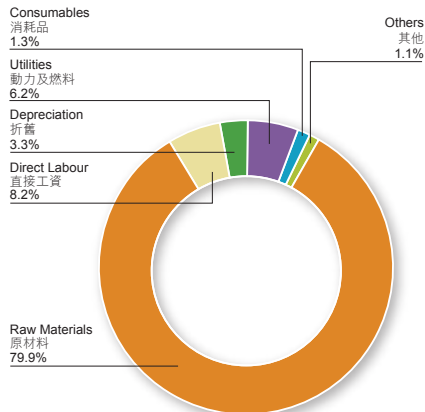
The breakdown of our cost of sales is shown below:



January to June 2014
二零一四年一至六月

業務回顧(續)

銷售成本的明細列示如下：



January to June 2013
二零一三年一至六月

The Group will continue to implement our established corporate strategies, optimize product mix and develop new products that meet the market trends and needs. We will further improve our financial performance by taking full advantage of the existing international presence of our production operation. On one hand, with the gap between Chinese and overseas cotton prices narrowing down, the Group will adjust its product mix in production plants in Mainland China and Vietnam where necessary. On the other hand, with strong market demand for synthetic fibre yarns, the Group will gradually increase the proportion of synthetic fibre yarns sales and effectively reduce the impact of fluctuation in cotton price on the Group's financial performance.

The Group has also further strengthened the strategic cooperation with INVISTA North America S.à.r.l. ("Invista") and Lenzing Fibers (Shanghai) Co., Ltd. ("Lenzing"). At the same time, the Group has continued to produce different high-end products using the Tencel® fibre, Modal® fibre, Cordura® fibre and viscose fibre supplied by Lenzing. The Group has further reinforced cooperative relationship with Toray of Japan. Our research and development centre in Changzhou has been developing products and improving product quality in reaction to market demand, in order to maintain a leading position in the industry and to meet the demand of quality customers for different high-end products.

本集團將繼續執行既有企業策略，優化產品組合，開發迎合市場趨勢及需要的新產品，充分利用現有國際化的生產佈局優勢，進一步改善本集團的財務表現。一方面，考慮到中國與海外棉花價格的價差在逐步縮小，本集團將適時調整位於中國大陸工廠和越南廠房的产品品種佈局；另一方面，考慮到人造纖維紗線的龐大市場需求，本集團將逐步增加人造纖維紗線的銷售佔比，以有效降低棉花價格波動對本集團財務表現的影響。

本集團繼續與 INVISTA North America S.à.r.l. (「Invista」) 及蘭精纖維(上海)有限公司(「蘭精」)緊密合作，同時也繼續著力生產由蘭精供應的 Tencel®、Modal®、Cordura® 及粘膠等纖維所製造的高檔產品。本集團進一步強化與日本東麗公司的合作關係。本集團位於常州的研發中心也不斷因應市場需求而開發及改良產品質素，銳意在業界保持領先地位，並主攻在不同高端產品領域上最優質的客戶群。

BUSINESS REVIEW (Continued)

The Chinese textile market has been the major market for the Group. The ten largest customers of the Group for the six months ended 30 June 2014, which accounted for 19.8% of the total turnover of the Group, are as follows:

Zhejiang Jiaermei Textile Co., Ltd.
 Toray International, Inc.
 Ningbo Daqian Textile Co., Ltd.
 Yixing Lucky G And L Denim Co., Ltd.
 Zhejiang Limayunshan Textile Co., Ltd.
 Shaoguan Shunchang Weaving Factory Co., Ltd.
 Conba Group Co., Ltd.
 Guangdong Qianjin Jeans Co., Ltd.
 Zengcheng Xinchangjing Textile Co., Ltd.
 Zhejiang Xiangjia Textile Co., Ltd.

PROSPECT

Following the cancellation of the Chinese government's cotton purchase policy which had been implemented for the past three years, the cotton price in the Chinese market is expected to become more market-oriented. We expect the price trend of domestic cotton will gradually become clearer upon the introduction of the detailed regulations of direct subsidy policy for domestic cotton by the Chinese government, and the prices of yarn to be stabilized after the new crop cotton of this season is available in the market.

In view of such conditions, the Group will, on one hand, fully utilize its production capacities to consume a significant portion of its cotton reserve in order to increase its production volume and expand its market share. The Group will, on the other hand, focus on increasing its profitability by improving existing profile of products and developing new products that meet market demand.

業務回顧(續)

中國紡織市場為本集團的主要市場，截至二零一四年六月三十日止六個月，本集團十大客戶佔本集團總營業額的19.8%，為：

浙江佳而美紡織有限公司
 Toray International, Inc.
 寧波大千紡織品有限公司
 宜興樂威牛仔布有限公司
 浙江立馬雲山紡織股份有限公司
 韶關市順昌布廠有限公司
 康恩貝集團有限公司
 廣東前進牛仔布有限公司
 增城市新昌景紡織品有限公司
 浙江祥嘉紡織有限公司

前景

中國政府已實施三年的棉花收購政策今年取消，中國市場棉花價格未來預計將更趨於市場化。我們預計國內棉花價格將在中國棉花直補政策細則出臺後逐步明朗，紗線價格也有望在本季新棉花上市後趨於穩定。

有鑑於此，本集團下半年一方面將充分利用產能，大量消耗庫存棉花，提高產量，佔領市場；另一方面透過改良現有產品結構和開發迎合市場需求的新產品，著力提升盈利能力。

PROSPECT (Continued)

As for the purchases of raw materials, the Group will closely monitor the fluctuation in prices of raw materials and actively adjust its sourcing strategy in order to minimize the negative impacts of market uncertainties on our gross profit margin.

With regard to the Group's expansion plans for 2014, the second phase of our northern Vietnam project with approximately 258,000 spindles commenced production in July 2014. The annual yarn production volume in 2014 is expected to reach a record high of 440,000 tonnes. Further, the construction of the Turkey project with approximately 60,000 spindles will begin this year and the operation is expected to commence in 2015. The Group will then own the equivalent of 2,220,000 spindles in aggregate, and the estimated annual yarn production volume will reach 500,000 tonnes based on the calculation of optimal product mix.

As for the operation of grey fabrics and garment fabrics, the Group plans to further strengthen the competitiveness of its products in the market by integrating existing resources and developing new products, as well as exploring the feasibility of expanding into the downstream business.

On 16 July 2013, the Group was listed as one of the "Top 500 Companies in China 2013" by Fortune, an internationally renowned magazine, which proved that the Group's continuing expansion and its mode of business successfully gained broad recognition. On 11 December 2013, the Group was awarded the "2013 CNTAC Innovation Award on Textiles Development" at the "2013 China Textile Innovation Conference" hosted by China National Textile and Apparel Council ("CNTAC") for its outstanding performance in respect of its strategies of product differentiation, results of research and development in a market-oriented new fibre yarn, leading edges in textile technology and its commitment and contribution to social responsibility. The Group will dedicate its unremitting efforts to striving for even better operating results in order to bring long term and sustainable return for the shareholders.

前景(續)

在原材料採購方面，本集團將持續密切關注原料價格波動，積極調整原料採購策略，盡可能的降低市場不確定性對本集團毛利率帶來的負面影響。

就本集團二零一四年的拓展計劃，越南北部第二期項目約25.8萬紗錠已於二零一四年七月全面投產，本集團二零一四年的全年紗線產量預計將達到44萬噸的歷史新高。另外，土耳其的約6萬紗錠的項目也會在年內動工，預計二零一五年投產，屆時本集團將擁有共等同於222萬紗錠，按理想的產品組合推算，年紗線產量可達50萬噸水平。

在坯布和面料經營方面，本集團計劃通過整合現有資源、開發新產品等措施進一步提升產品在市場上的競爭力，同時繼續探索拓展下游業務的可行性。

於二零一三年七月十六日，天虹集團晉身為國際知名雜誌——《財富雜誌》之「2013年中國500強排行榜」，足以證明天虹紡織的企業規模不斷壯大，業務模式獲得廣泛認同。於二零一三年十二月十一日，在由中國紡織工業聯合會主辦的「2013中國紡織創新年會」上，天虹集團因其在產品差異化策略，以市場為導向的新型纖維紗線研發成果，紡紗技術上的領先優勢以及社會責任和貢獻等方面的突出表現，榮獲「2013年度中國紡織工業聯合會產品開發貢獻獎」。本集團將繼續努力不懈，全力為股東帶來長遠及可持續的回報。

FINANCIAL REVIEW

Liquidity and financial resources

As at 30 June 2014, the Group's bank and cash balances (including pledged bank deposits) amounted to RMB1,105.3 million (as at 31 December 2013: RMB945.8 million).

As at 30 June 2014, the Group's inventories increased by RMB305.4 million to RMB2,585.9 million (as at 31 December 2013: RMB2,280.5 million), and trade and bills receivables increased by RMB100.1 million to RMB1,063.2 million (as at 31 December 2013: RMB963.1million). The inventory turnover days and trade and bills receivable turnover days were 111 days and 40 days respectively, as compared to 100 days and 39 days respectively as at 31 December 2013. Increase in inventory turnover days was mainly due to the production facilities expansion and addition in raw materials which were prepared for the production of the second phase of our Northern Vietnam project. However, the tonnage of our yarn inventory kept at a similar level as that of the end of last year resulting in a comparative improvement in its turnover days given the current sales volume. Trade and bills receivable turnover days were similar to the level in 2013. Trade and bills payable increased to RMB2,532.6 million (as at 31 December 2013: RMB2,009.6 million). The increase was mainly due to financing of the increase in raw material purchases.

The Group's borrowings increased by RMB288.5 million to RMB3,078.0 million, mainly due to the new long-term bank borrowings in Vietnam and Mainland China, which were used in payment for related capital expenditure (as at 31 December 2013: RMB2,789.5 million).

財務回顧

流動資金及財務資源

於二零一四年六月三十日，本集團之銀行及現金結餘(包括已抵押銀行存款)為人民幣11.053億元(於二零一三年十二月三十一日：人民幣9.458億元)。

於二零一四年六月三十日，本集團之存貨增加人民幣3.054億元至人民幣25.859億元(於二零一三年十二月三十一日：人民幣22.805億元)，以及應收貿易及票據款項增加人民幣1.001億元至人民幣10.632億元(於二零一三年十二月三十一日：人民幣9.631億元)。存貨周轉日數及應收貿易及票據款項周轉日數分別為111日及40日，而二零一三年十二月三十一日則分別為100日和39日。存貨周轉天數增加主要是由於生產設施擴建及為越南北部第二期項目全面投產準備的原材料增加所致；而紗線庫存量基本維持去年底水平，相較當前銷量周轉天數已有改善。應收貿易及票據款項周轉日維持於與去年類似的水平。應付貿易及票據款項增加至人民幣25.326億元(於二零一三年十二月三十一日：人民幣20.096億元)，主要由於增購原材料所需資金所致。

本集團之借貸增加人民幣2.885億元至人民幣30.780億元，主要源於越南及中國內地之新增長期銀行借貸，有關款項已用於有關新增資本開支之付款(於二零一三年十二月三十一日：人民幣27.895億元)。

FINANCIAL REVIEW (Continued)

Liquidity and financial resources (Continued)

As at 30 June 2014, the Group's financial ratios were as follows:

Current ratio	流動比率	1.53	1.70
Debt to equity ratio ¹	負債權益比率 ¹	0.93	0.83
Net debt to equity ratio ²	負債淨額權益比率 ²	0.60	0.55

¹ Based on total borrowings over total equity

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

Foreign exchange risk

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

Capital expenditure

For the six months ended 30 June 2014, the capital expenditure of the Group amounted to approximately RMB651 million (for the six months ended 30 June 2013: RMB1,034 million), which was mainly related to the investments in newly added production capacity in Mainland China and Vietnam.

財務回顧(續)

流動資金及財務資源(續)

於二零一四年六月三十日，本集團之財務比率如下：

	30 June 2014 二零一四年 六月三十日	31 December 2013 二零一三年 十二月三十一日
Current ratio	1.53	1.70
Debt to equity ratio ¹	0.93	0.83
Net debt to equity ratio ²	0.60	0.55

¹ 總借貸除總權益

² 總借貸減現金及現金等值物及已抵押銀行存款除總權益

外匯風險

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

資本開支

截至二零一四年六月三十日止六個月，本集團之資本開支約為人民幣6.51億元(截至二零一三年六月三十日止六個月：人民幣10.34億元)，主要與中國大陸及越南的新增產能投資有關。

FINANCIAL REVIEW (Continued)

Disclosure pursuant to Rule 13.18 of the Rules (the “Listing Rules”) Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”)

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

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

財務回顧(續)

根據香港聯合交易所有限公司證券上市規則(「上市規則」)第13.18條作出之披露

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

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

FINANCIAL REVIEW (Continued)

Disclosure pursuant to Rule 13.18 of the Rules (the “Listing Rules”) Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (Continued)

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

財務回顧(續)

根據香港聯合交易所有限公司證券上市規則(「上市規則」)第13.18條作出之披露(續)

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

FINANCIAL REVIEW (Continued)

Disclosure pursuant to Rule 13.18 of the Rules (the “Listing Rules”) Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (Continued)

As announced by the Company on 18 March 2014, by a master lease agreement dated 18 March 2014 (“Master Lease Agreement”) entered into between Australia And New Zealand Banking Group Limited (“Lessor”) as lessor, the Company as lessee and certain subsidiaries of the Company as guarantors, the Lessor shall from time to time lease and the Company shall take on lease various textile equipment (“Equipment”) with not more than five individual leases entered into under the Master Lease Agreement. The leases shall be for a maximum term of 84 months commencing from the date of the Master Lease Agreement for Equipment at the principal lease amount not exceeding US\$50 million. In addition and as one of the conditions precedent for the Lessor to purchase the Equipment and lease the Equipment to the Company, the Company shall also pay the difference between the purchase price of the Equipment and the principal lease amount as advance rental payments, which is expected to amount to approximately US\$23.2 million, together with interest on the lease payment and other fees payable to the Lessor.

The Master Lease Agreement contains an undertaking that the Company shall ensure and procure that Mr. Hong Tianzhu, shall remain the chairman of the Company. A breach of such requirement will constitute an event of default under the Master Lease Agreement, and as a result, the Lessor shall have the right to, among others, cancel and terminate the Master Lease Agreement and any lease thereunder, demand that the Equipment be returned to the Lessor and declare that all amounts accrued or outstanding under the Master Lease Agreement to be immediately due and payable. The occurrence of such circumstance may also trigger the cross default provisions of other banking/credit facilities available to the Group and, as a possible consequence, these other facilities may also be declared to be immediately due and payable.

財務回顧(續)

根據香港聯合交易所有限公司證券上市規則(「上市規則」)第13.18條作出之披露(續)

誠如本公司於二零一四年三月十八日公佈，藉著澳盛銀行集團股份有限公司(「出租人」)(作為出租人)、本公司(作為承租人)及本公司若干附屬公司(作為擔保人)訂立日期為二零一四年三月十八日的總租賃協議(「總租賃協議」)，出租人將不時出租，而本公司將承租各種紡織設備(「設備」)，惟在總租賃協議下，不可訂立超過五份獨立租約。租期最長由紡織設備總租賃協議日期起計為期八十四個月，總租賃額不超過50,000,000美元。此外，作為出租人購買設備及出租設備予本公司的先決條件之一，本公司亦須支付設備購買價與總租賃額的差額作為租金預付款，金額預期約為23,200,000美元，連同租金付款的利息及應付出租人其他費用。

總租賃協議載有承諾，內容有關本公司將確保及促使洪天祝先生留任本公司主席。違反該項規定將構成總租賃協議項下之違約事項，因此出租人有權(其中包括)撤銷及終止總租賃協議以及其項下任何租約、要求向出租人退還設備以及宣佈總租賃協議項下所有累計或尚未償還之款項即時到期及須予支付。出現該情況亦可能觸發本集團其他適用銀行／信貸融資之交叉違約條文，及(作為可能產生的後果)該等其他融資亦可能即時宣佈為到期或須予支付。

FINANCIAL REVIEW (Continued)

Disclosure pursuant to Rule 13.18 of the Rules (the “Listing Rules”) Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (Continued)

As at the date of this interim report, the Company is in compliance with the Indentures, the Facility Agreement and the Master Lease Agreement. As of 30 June 2014, the Company repurchased and cancelled notional amount of US\$12 million of the 2011 Notes.

Pledge of assets

As at 30 June 2014, the Group’s land use rights and buildings, machinery and equipment with an aggregate net book value of approximately RMB291 million were pledged to secure for banking facilities for the purposes of working capital and purchases of fixed assets for the Group (as at 31 December 2013: RMB307 million).

Human resources

As at 30 June 2014, the Group had a total workforce of 22,380 employees, representing an increase of 11.0% mainly due to expansion in production facilities when compared with that at the end of last year (as at 31 December 2013: 20,171 employees), of whom 12,769 employees were based in the regional headquarters in Shanghai and our manufacturing plants in Mainland China. The remaining 9,611 employees stationed in regions outside Mainland China including Vietnam, Hong Kong and Macao. The Group will continuously optimize the workforce structure and offer its staff with competitive remuneration schemes. The Group is committed to nurturing a learning and sharing culture in the organisation. Heavy emphasis is placed on the training and development of individual staff and team building, as the Group’s success depends on the contributions of our skilled and motivated staff in all our functional divisions.

Dividend policy

The Board intends to maintain a long term dividend payout ratio, representing about 30% of the Group’s net profit for the year, with a view to providing our shareholders with reasonable returns. The Board has resolved to declare an interim dividend of 5 HK cents per share for the six months ended 30 June 2014 to shareholders whose names appear on the register of shareholders of the Company in Hong Kong on 29 August 2014.

財務回顧(續)

根據香港聯合交易所有限公司證券上市規則(「上市規則」)第13.18條作出之披露(續)

於本中期報告日期，本公司遵守契約、信貸協議及總租賃協議。截至二零一四年六月三十日止，本公司購回及註銷面值為1,200萬美元二零一一年票據。

資產抵押

於二零一四年六月三十日，本集團總賬面淨值約為人民幣2.91億元之土地使用權以及樓宇、機器及設備已作抵押，以為本集團的營運資金及購買固定資產取得銀行融資。(於二零一三年十二月三十一日：人民幣3.07億元)。

人力資源

於二零一四年六月三十日，本集團員工合共22,380名，比去年底增加11.0%，主要因擴充生產設施所致(於二零一三年十二月三十一日：20,171名員工)，其中12,769名員工駐於上海地區總部及本集團在中國大陸的廠房。其餘9,611名員工駐於中國大陸以外地區(包括越南、香港及澳門)。本集團仍會不斷優化人力架構，同時向其員工提供具競爭力的酬金計劃。本集團之成功有賴由技巧純熟且士氣高昂的員工組成各職能部門，故此本集團致力於集團內孕育學習與分享的文化，重視員工之個人培訓及發展，以及建立團隊。

股息政策

董事會有意維持長期穩定的派息率，即本集團年內淨利潤約30%，為股東提供合理回報。董事會議決就截至二零一四年六月三十日止六個月向於二零一四年八月二十九日名列本公司於香港股東名冊之股東宣派每股5港仙之中期股息。

FINANCIAL REVIEW (Continued)

Closure of register of members

The register of members of the Company will be closed from 28 August 2014 to 29 August 2014, both days inclusive, during which no transfer of shares can be registered. To qualify for the interim dividend (which will be payable on or about 10 September 2014), shareholders must ensure that all transfer documents accompanied by the relevant share certificates are lodged with the Hong Kong branch share registrar and transfer office of the Company, Boardroom Share Registrars (HK) Limited at 31st Floor, 148 Electric Road, North Point, Hong Kong no later than 4:30 p.m. on 27 August 2014.

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

During the six months ended 30 June 2014, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

財務回顧(續)

暫停辦理股份過戶登記手續

本公司於二零一四年八月二十八日至二零一四年八月二十九日(包括首尾兩日)期間，暫停辦理股份過戶登記手續，期間不會登記任何股份轉讓。為符合資格領取中期股息(將於二零一四年九月十日或前後派發)，股東必須確保所有過戶文件連同相關股票，於二零一四年八月二十七日下午四時三十分前，送交本公司之香港股份過戶登記分處寶德隆證券登記有限公司，地址為香港北角電氣道148號31樓。

購買、出售及贖回本公司之上市證券

截至二零一四年六月三十日止六個月，本公司或其任何附屬公司並無購買、出售或贖回本公司任何上市證券。

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

At 30 June 2014, the interests and short positions of each Director and chief executive of the Company in the Shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong (the "SFO")), as recorded in the register maintained by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, were as follows:

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

於二零一四年六月三十日，本公司各董事及行政總裁於本公司及其相聯法團（定義見香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部）股份、相關股份及債權證中擁有根據證券及期貨條例第352條，記錄於本公司須予存置之登記冊內之權益及淡倉，或其他根據上市規則所載上市公司董事進行證券交易標準守則規定須通知本公司及聯交所之權益及淡倉如下：

Name of directors of the Company 本公司董事姓名	Name of Group member/ associated corporation 本集團成員公司/ 相聯法團名稱	Nature of interests 權益性質	Number of ordinary shares (Note 1) 普通股數目 (附註1)	Percentage 百分比
Mr. Hong Tianzhu 洪天祝先生	the Company 本公司	Interest of controlled corporation(s) 所控制法人的權益	531,942,400 (L) (Note 2) (附註2)	60.13%
	the Company 本公司	Beneficial owner 實益擁有人	5,400,000 (L)	0.61%
Mr. Zhu Yongxiang 朱永祥先生	the Company 本公司	Interest of controlled corporation(s) 所控制法人的權益	222,600,000 (L) (Note 3) (附註3)	25.16%
Mr. Gong Zhao 龔照先生	the Company 本公司	Beneficial owner 實益擁有人	60,000 (L)	0.01%

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

Notes:

1. The letter "L" denotes the person's long position in the Shares.
2. Among these 531,942,400 Shares, as to 377,342,400 Shares are registered in the name of and beneficially owned by New Green Group Limited, the entire issued share capital of which is beneficially owned by Texhong Group Holdings Limited, a company wholly owned by Mr. Hong Tianzhu and as to 154,600,000 Shares are registered in the name of and beneficially owned by Trade Partner Investments Limited, the entire issued share capital of which is beneficially owned as to 56.44% by Mr. Hong Tianzhu through New Green Group Limited. Under the SFO, Mr. Hong Tianzhu is deemed to be interested in all the Shares held by New Green Group Limited and Trade Partner Investments Limited.
3. Among these 222,600,000 Shares, as to 68,000,000 Shares are registered in the name of and beneficially owned by Wisdom Grace Investments Limited, the entire issued share capital of which is beneficially owned by Mr. Zhu Yongxiang and as to 154,600,000 Shares are registered in the name of and beneficially owned by Trade Partner Investments Limited, the entire issued share capital of which is beneficially owned as to 41.81% by Mr. Zhu Yongxiang through Wisdom Grace Investments Limited. Under the SFO, Mr. Zhu Yongxiang is deemed to be interested in all the Shares held by Wisdom Grace Investments Limited and Trade Partner Investments Limited.

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

附註：

1. 「L」代表該人士於股份之好倉。
2. 該531,942,400股股份中377,342,400股以New Green Group Limited（其全部已發行股本由Texhong Group Holdings Limited實益擁有，洪天祝先生擁有該公司全部權益）名義及作為實益擁有人登記；154,600,000股以Trade Partner Investments Limited（洪天祝先生透過New Green Group Limited實益擁有全部已發行股本的56.44%權益）名義及作為實益擁有人登記。根據證券及期貨條例，洪天祝先生被視為於New Green Group Limited及Trade Partner Investments Limited持有之所有股份佔有權益。
3. 該222,600,000股股份中68,000,000股以Wisdom Grace Investments Limited（其全部已發行股本由朱永祥先生實益擁有）名義及作為實益擁有人登記；154,600,000股以Trade Partner Investments Limited（朱永祥先生透過Wisdom Grace Investments Limited實益擁有全部已發行股本的41.81%權益）名義及作為實益擁有人登記。根據證券及期貨條例，朱永祥先生被視為於Wisdom Grace Investments Limited及Trade Partner Investments Limited持有之所有股份佔有權益。

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

So far as the Directors are aware, as at 30 June 2014, the interests or short position of the persons other than a Director or chief executive of the Company in the Shares or underlying shares or debentures of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

Ordinary Shares of the Company:

主要股東在本公司股份、相關股份及債權證之權益及淡倉

就董事所知悉，於二零一四年六月三十日，根據證券及期貨條例第336條本公司須予存置之登記冊內所示，於本公司股份或相關股份或債權證中擁有權益或淡倉的人士（惟本公司董事或主要行政人員除外）如下：

本公司之普通股：

Name of substantial shareholders 本公司主要股東	Nature of interests 權益性質	Number of ordinary shares (Note 1) 普通股數目 (附註1)	Percentage 百分比
New Green Group Limited	Beneficial owner 實益擁有人	377,342,400 (L) (Note 2) (附註2)	42.65%
	Interest of controlled corporation(s) 所控制法人的權益	154,600,000 (L) (Note 3) (附註3)	17.48%
Trade Partner Investments Limited	Beneficial owner 實益擁有人	154,600,000 (L) (Note 3) (附註3)	17.48%
Wisdom Grace Investments Limited	Beneficial owner 實益擁有人	68,000,000 (L) (Note 4) (附註4)	7.69%
	Interest of controlled corporation(s) 所控制法人的權益	154,600,000 (L) (Note 3) (附註3)	17.48%
Texhong Group Holdings Limited	Interest of controlled corporation(s) 所控制法人的權益	531,942,400 (L) (Notes 2 and 3) (附註2及3)	60.13%
Ms. Ke Luping 柯綠萍女士	Interest of spouse 配偶權益	537,342,400 (L) (Note 5) (附註5)	60.74%
Ms. Zhao Zhiyang 趙志揚女士	Interest of spouse 配偶權益	222,600,000 (L) (Note 6) (附註6)	25.16%

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

Notes:

- The letter "L" denotes the person's long position in the Shares.
- These 377,342,400 Shares are registered in the name of and beneficially owned by New Green Group Limited, the entire issued share capital of which is beneficially owned by Texhong Group Holdings Limited, a company wholly owned by Mr. Hong Tianzhu. Under the SFO, each of Texhong Group Holdings Limited and Mr. Hong Tianzhu is deemed to be interested in all the Shares held by New Green Group Limited.
- These 154,600,000 Shares are registered in the name of and beneficially owned by Trade Partner Investments Limited, the entire issued share capital of which is beneficially owned as to 56.44% by Mr. Hong Tianzhu through New Green Group Limited, 41.81% by Mr. Zhu Yongxiang through Wisdom Grace Investments Limited, 1.10% by Mr. Tang Daoping and 0.65% by Mr. Hu Zhiping. Under the SFO, each of New Green Group Limited, Wisdom Grace Investments Limited, Mr. Hong Tianzhu and Mr. Zhu Yongxiang is deemed to be interested in all the Shares held by Trade Partner Investments Limited.
- These 68,000,000 Shares are registered in the name of and beneficially owned by Wisdom Grace Investments Limited, the entire issued share capital of which is beneficially owned by Mr. Zhu Yongxiang. Under the SFO, Mr. Zhu Yongxiang is deemed to be interested in all the Shares held by Wisdom Grace Investments Limited.
- Ms. Ke Luping is the spouse of Mr. Hong Tianzhu. Under the SFO, Ms. Ke Luping is deemed to be interested in the same number of Shares in which Mr. Hong Tianzhu is interested.
- Ms. Zhao Zhiyang is the spouse of Mr. Zhu Yongxiang. Under the SFO, Ms. Zhao Zhiyang is deemed to be interested in the same number of Shares in which Mr. Zhu Yongxiang is interested.

主要股東在本公司股份、相關股份及債權證之權益及淡倉(續)

附註：

- [L] 代表該人士於股份之好倉。
- 該 377,342,400 股股份以 New Green Group Limited (其全部已發行股本由 Texhong Group Holdings Limited 實益擁有，洪天祝先生則擁有後者全部權益) 名義及作為實益擁有人登記。根據證券及期貨條例，Texhong Group Holdings Limited 及洪天祝先生均被視為於 New Green Group Limited 持有之所有股份佔有權益。
- 該 154,600,000 股股份以 Trade Partner Investments Limited (其全部已發行股本由洪天祝先生(透過 New Green Group Limited)、朱永祥先生(透過 Wisdom Grace Investments Limited)、湯道平先生及胡志平先生分別實益擁有 56.44%、41.81%、1.10% 及 0.65%) 名義及作為實益擁有人登記。根據證券及期貨條例，New Green Group Limited、Wisdom Grace Investments Limited、洪天祝先生及朱永祥先生分別被視為於 Trade Partner Investments Limited 持有之所有股份佔有權益。
- 該 68,000,000 股股份以 Wisdom Grace Investments Limited (其全部已發行股本由朱永祥先生實益擁有) 名義及作為實益擁有人登記。根據證券及期貨條例，朱永祥先生被視為於 Wisdom Grace Investments Limited 持有之所有股份佔有權益。
- 柯綠萍女士為洪天祝先生之配偶。根據證券及期貨條例，柯綠萍女士被視為於洪天祝先生佔有權益同樣數目之股份佔有權益。
- 趙志揚女士為朱永祥先生之配偶。根據證券及期貨條例，趙志揚女士被視為於朱永祥先生佔有權益同樣數目之股份佔有權益。

CORPORATE GOVERNANCE

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

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

企業管治

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

董事會由三名執行董事及三名獨立非執行董事組成。董事會已採納載於聯交所上市規則附錄十四之企業管治守則內的守則條文（「《守則條文》」）。本公司於報告期內已遵守《守則條文》。

董事進行證券交易的標準守則

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

AUDIT COMMITTEE

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

The audit committee has discussed with management and reviewed the unaudited condensed consolidated financial statements of the Company for the six months ended 30 June 2014.

REMUNERATION COMMITTEE

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

審核委員會

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

審核委員會已與管理層商討並審閱本公司截至二零一四年六月三十日止六個月之未經審核簡明綜合財務報表。

薪酬委員會

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

NOMINATION COMMITTEE

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

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

Hong Kong, 11 August 2014

提名委員會

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

承董事會命
天虹紡織集團有限公司
主席
洪天祝

香港，二零一四年八月十一日

