



# Yongsheng Advanced Materials Company Limited 永盛新材料有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號 : 3608



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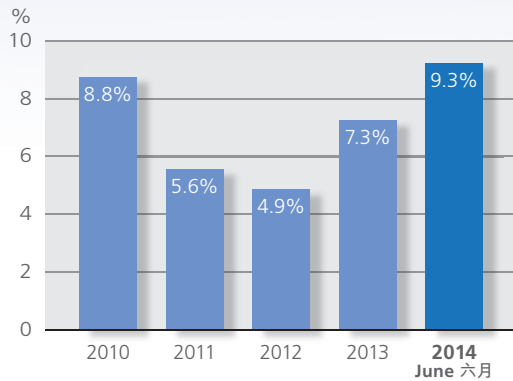
# Financial Highlights

## 財務摘要

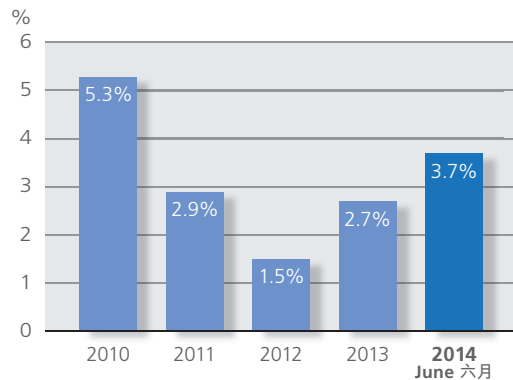
Statement of Comprehensive Income	綜合收益表	For the six months ended 30 June			Changes
		截至六月三十日止六個月			
		RMB million			
		人民幣百萬元			
		2014	2013		
		二零一四年	二零一三年	變動	
Revenue	收益	<b>685.6</b>	1,110.8	-38.3%	
Gross profit	毛利	<b>63.6</b>	61.2	3.9%	
Operating profit	經營溢利	<b>35.9</b>	34.7	3.4%	
Profit before income tax	除所得稅前溢利	<b>33.1</b>	25.0	32.5%	
Net profit for the period	期間溢利	<b>25.1</b>	19.3	30.2%	
Net profit excluding investment income and listing expenses	扣除投資收入及上市開支的純利	<b>25.1</b>	23.5	6.9%	
Profit attributable to shareholders of the Company	本公司股東應佔溢利	<b>21.3</b>	15.5	37.9%	
Profit attributable to shareholders of the Company, excluding investment income and listing expenses	扣除投資收入及上市開支的本公司股東應佔溢利	<b>21.3</b>	19.6	8.3%	
Earnings per share (RMB)	每股盈利 (人民幣)	<b>0.05</b>	0.05	-	

Balance Sheet	資產負債表	As at			Changes
		於			
		RMB million			
		人民幣百萬元			
		30 June	31 December		
		2014	2013		
		二零一四年	二零一三年	變動	
		六月三十日	十二月三十一日		
Non-current assets	非流動資產	<b>172.5</b>	178.4	-3.3%	
Current assets	流動資產	<b>381.6</b>	545.0	-30.0%	
Current liabilities	流動負債	<b>(202.8)</b>	(368.2)	-44.9%	
Net current assets	流動資產淨值	<b>178.8</b>	176.9	1.1%	
Non-current liabilities	非流動負債	<b>(12.7)</b>	(38.1)	-66.6%	
Net assets	淨資產	<b>338.5</b>	317.1	6.7%	

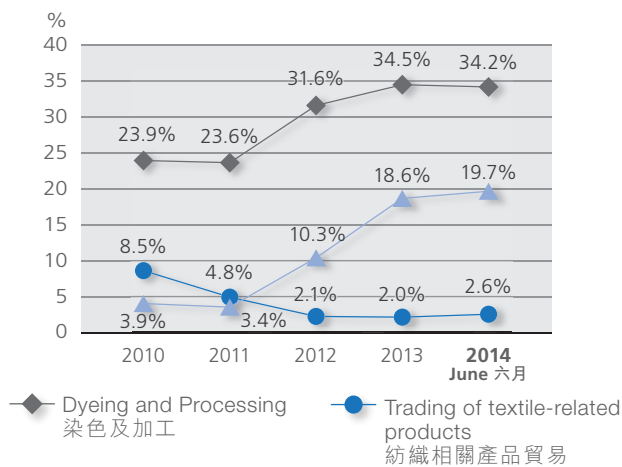
**Gross Profit Margin of the Group**  
集團毛利率



**Net Profit Margin of the Group**  
集團純利率



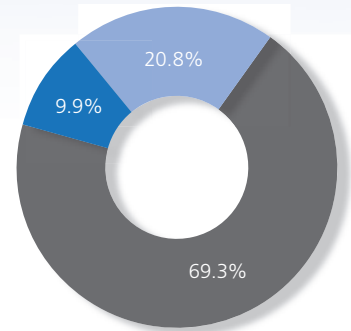
**Gross Profit Margin by Business Segment**  
毛利率按業務分部



- ◆ Dyeing and Processing  
染色及加工
- Trading of textile-related products  
紡織相關產品貿易
- ▲ Polyester filament yarn production  
滌綸長絲生產

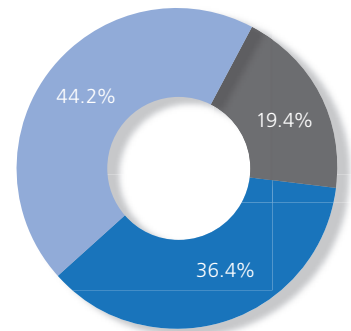
**Revenue by Business Segment**  
業務分部收益佔比

For the six months ended 30 June 2014  
截至二零一四年六月三十日止六個月



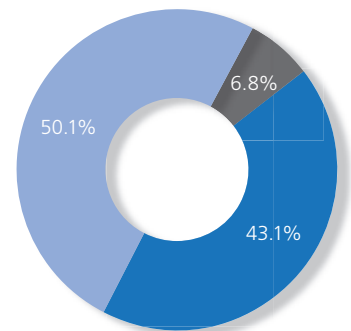
**Gross Profit by Business Segment**  
業務分部毛利佔比

For the six months ended 30 June 2014  
截至二零一四年六月三十日止六個月



**Operating Profit by Business Segment**  
業務分部經營溢利佔比

For the six months ended 30 June 2014  
截至二零一四年六月三十日止六個月



- Trading of textile-related products  
紡織相關產品貿易
- Dyeing and processing  
染色及加工
- Polyester filament yarn production  
滌綸長絲生產

# Corporate Information

## 公司資料

### Board of Directors

#### Executive Directors

Mr. Li Cheng (*Chairman*)  
Mr. Zhao Jidong (*Chief Executive Officer*)  
Mr. Li Conghua  
Mr. Ma Qinghai

#### Independent Non-executive Directors

Ms. Wong Wai Ling  
Mr. Shiping James Wang  
Dr. Wang Huaping (appointed on 19 August 2014)  
Mr. Duan Xiaoping (resigned on 19 August 2014)

#### Audit Committee

Ms. Wong Wai Ling (*Chairlady*)  
Mr. Shiping James Wang  
Dr. Wang Huaping (appointed on 19 August 2014)  
Mr. Duan Xiaoping (resigned on 19 August 2014)

#### Remuneration Committee

Ms. Wong Wai Ling (*Chairlady*)  
Mr. Zhao Jidong  
Dr. Wang Huaping (appointed on 19 August 2014)  
Mr. Duan Xiaoping (resigned on 19 August 2014)

#### Nomination Committee

Mr. Li Cheng (*Chairman*)  
Mr. Shiping James Wang  
Dr. Wang Huaping (appointed on 19 August 2014)  
Mr. Duan Xiaoping (resigned on 19 August 2014)

#### Authorised Representatives

Mr. Li Cheng  
Mr. Leung Ho Yan, Julian

#### Company Secretary

Mr. Leung Ho Yan, Julian

#### Qualified Accountant

Mr. Leung Ho Yan, Julian

#### Auditors

PricewaterhouseCoopers

### 董事會

#### 執行董事

李誠先生 (*主席*)  
趙繼東先生 (*行政總裁*)  
李聰華先生  
馬青海先生

#### 獨立非執行董事

黃慧玲女士  
王世平先生  
王華平博士 (於二零一四年八月十九日獲委任)  
端小平先生 (於二零一四年八月十九日辭任)

#### 審核委員會

黃慧玲女士 (*主席*)  
王世平先生  
王華平博士 (於二零一四年八月十九日獲委任)  
端小平先生 (於二零一四年八月十九日辭任)

#### 薪酬委員會

黃慧玲女士 (*主席*)  
趙繼東先生  
王華平博士 (於二零一四年八月十九日獲委任)  
端小平先生 (於二零一四年八月十九日辭任)

#### 提名委員會

李誠先生 (*主席*)  
王世平先生  
王華平博士 (於二零一四年八月十九日獲委任)  
端小平先生 (於二零一四年八月十九日辭任)

#### 授權代表

李誠先生  
梁浩仁先生

#### 公司秘書

梁浩仁先生

#### 合資格會計師

梁浩仁先生

#### 核數師

羅兵咸永道會計師事務所

### Compliance Adviser

Haitong International Capital Limited

### Legal Adviser as to Hong Kong Laws

Loong & Yeung Solicitors

### Legal Adviser as to PRC Laws

Tianyuan Law Firm

### Registered Office

Clifton House, 75 Fort Street, PO Box 1350,  
Grand Cayman, KY1-1108, Cayman Islands

### Headquarter and Principal Place of Business in Hong Kong

Office 1616, 16th Floor, Tower Two Lippo Centre,  
No. 89 Queensway, Hong Kong

### Company's Website

Website: [www.chinaysgroup.com](http://www.chinaysgroup.com)

### Stock Code

3608

### Principal Share Registrar and Transfer Office in the Cayman Islands

Appleby Trust (Cayman) Ltd.  
Clifton House, 75 Fort Street, PO Box 1350  
Grand Cayman, KY1-1108, Cayman Islands

### Hong Kong Branch Share Registrar and Transfer Office

Tricor Investor Services Limited  
Level 22, Hopewell Centre  
183 Queen's Road East  
Hong Kong

### Principal Bankers

Bank of China  
The Agricultural Bank of China  
China CITIC Bank

### 合規顧問

海通國際資本有限公司

### 關於香港法律之法律顧問

龍炳坤、楊永安律師行

### 關於中國法律之法律顧問

北京市天元律師事務所

### 註冊辦事處

Clifton House, 75 Fort Street, PO Box 1350,  
Grand Cayman, KY1-1108, Cayman Islands

### 香港總辦事處及主要營業地點

香港金鐘道89號  
力寶中心2座16樓1616室

### 本公司網址

網址：[www.chinaysgroup.com](http://www.chinaysgroup.com)

### 股份代號

3608

### 開曼群島股份過戶登記總處

Appleby Trust (Cayman) Ltd.  
Clifton House, 75 Fort Street, PO Box 1350  
Grand Cayman, KY1-1108, Cayman Islands

### 香港股份過戶登記分處

卓佳證券登記有限公司  
香港  
皇后大道東183號  
合和中心22樓

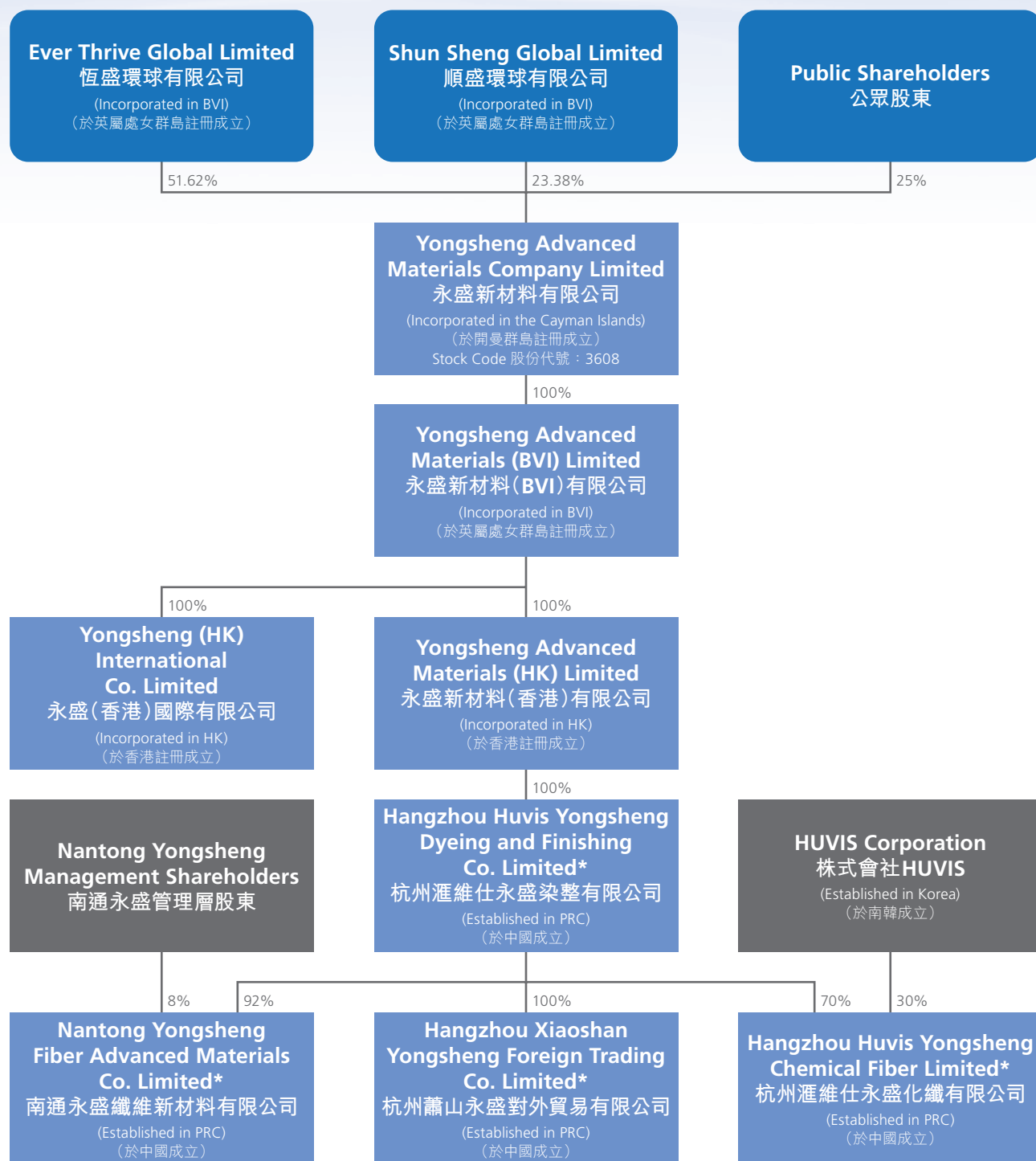
### 主要往來銀行

中國銀行  
中國農業銀行  
中信銀行

# Group Structure

## 集團架構圖

As at 30 June 2014 於二零一四年六月三十日



\* For identification purposes only

\* 僅供識別

# Interim Financial Information

## 中期財務資料

### UNAUDITED CONSOLIDATED BALANCE SHEET

As at 30 June 2014

### 未經審核合併資產負債表

於二零一四年六月三十日

		(audited) (經審核)	
		As at 30 June 2014 於二零一四年 六月三十日	As at 31 December 2013 於二零一三年 十二月三十一日
		RMB'000 人民幣千元	RMB'000 人民幣千元
	Note 附註		
<b>ASSETS</b>			
<b>Non-current assets</b>			
Land use rights		<b>31,647</b>	31,781
Property, plant and equipment		<b>127,281</b>	131,063
Intangible assets		<b>6,281</b>	7,006
Deferred income tax assets		<b>7,252</b>	8,573
		<b>172,461</b>	178,423
<b>Current assets</b>			
Inventories	6	<b>93,925</b>	113,162
Trade and bills receivables	7	<b>110,698</b>	126,105
Prepayments, deposits and other receivables	8	<b>44,690</b>	20,058
Amount due from related party	19	<b>323</b>	-
Financial assets at fair value through profit or loss		<b>697</b>	757
Restricted cash		<b>47,567</b>	118,387
Cash and cash equivalents		<b>83,696</b>	166,559
		<b>381,596</b>	545,028
<b>Total assets</b>		<b>554,057</b>	723,451



## Interim Financial Information (Continued)

中期財務資料(續)

## UNAUDITED CONSOLIDATED BALANCE SHEET (Continued)

As at 30 June 2014

## 未經審核合併資產負債表(續)

於二零一四年六月三十日

			As at 30 June 2014 於二零一四年 六月三十日 RMB'000 人民幣千元	(audited) (經審核) As at 31 December 2013 於二零一三年 十二月三十一日 RMB'000 人民幣千元
		Note 附註		
<b>EQUITY</b>	<b>權益</b>			
Share capital	股本		3,165	3,165
Share premium	股份溢價		235,512	235,512
Other reserves	其他儲備		(33,976)	(33,680)
Retained earnings	保留盈利		108,824	87,510
Equity attributable to shareholders of the Company	本公司股東應佔權益		313,525	292,507
Non-controlling interests	非控股權益		24,984	24,634
<b>Total equity</b>	<b>權益總額</b>		<b>338,509</b>	317,141
<b>LIABILITIES</b>	<b>負債</b>			
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Borrowings	借款	11	-	25,000
Other non-current liabilities	其他非流動負債		12,729	13,132
			12,729	38,132
<b>Current liabilities</b>	<b>流動負債</b>			
Trade and bills payables	貿易應付款項及應付票據	9	94,657	116,829
Advances from customers	客戶墊款		18,081	8,084
Accruals and other current liabilities	應計款項及其他流動負債	10	18,082	27,278
Current portion of other non-current liabilities	其他非流動負債之即期部份		807	807
Amounts due to related parties	應付關連方款項	19	5,559	7,513
Current income tax liabilities	即期所得稅負債		7,558	11,096
Borrowings	借款	11	58,075	196,571
			202,819	368,178
<b>Total liabilities</b>	<b>負債總額</b>		<b>215,548</b>	406,310
<b>Total equity and liabilities</b>	<b>權益及負債總額</b>		<b>554,057</b>	723,451
<b>Net current assets</b>	<b>流動資產淨值</b>		<b>178,777</b>	176,850
<b>Total assets less current liabilities</b>	<b>資產總值減流動負債</b>		<b>351,238</b>	355,273

**UNAUDITED CONSOLIDATED STATEMENT  
 OF COMPREHENSIVE INCOME**

For the six months ended 30 June 2014

**未經審核合併綜合收益表**

截至二零一四年六月三十日止六個月

		Note	2014 二零一四年 RMB'000 人民幣千元	(audited) (經審核) 2013 二零一三年 RMB'000 人民幣千元
		附註		
Revenue	收益	4	685,615	1,110,842
Cost of sales	銷售成本	13	(621,992)	(1,049,615)
<b>Gross profit</b>	<b>毛利</b>		<b>63,623</b>	61,227
Other (losses)/gains, net	其他(虧損)/收益淨額	12	(25)	1,807
Selling expenses	銷售開支		(7,956)	(9,706)
Administrative expenses	行政開支		(19,736)	(18,598)
<b>Operating profit</b>	<b>經營溢利</b>		<b>35,906</b>	34,730
Finance income	融資收入	14	2,471	5,205
Finance costs	融資成本	14	(5,248)	(14,938)
Finance costs, net	融資成本淨額	14	(2,777)	(9,733)
<b>Profit before income tax</b>	<b>除所得稅前溢利</b>	13	<b>33,129</b>	24,997
Income tax expense	所得稅開支	15	(7,990)	(5,696)
<b>Profit for the period</b>	<b>期間溢利</b>		<b>25,139</b>	19,301
<b>Other comprehensive income:</b>	<b>其他全面收入:</b>			
Items that may be reclassified to profit or loss	可能重新分類至損益之項目			
- Currency translation differences	- 貨幣換算差額		(171)	(321)
<b>Other comprehensive income for the period, net of tax</b>	<b>期間其他全面收益 (扣除稅項)</b>		<b>(171)</b>	(321)
<b>Total comprehensive income for the period</b>	<b>期間全面收益總額</b>		<b>24,968</b>	18,980

Interim Financial Information (Continued)

中期財務資料 (續)

**UNAUDITED CONSOLIDATED STATEMENT  
OF COMPREHENSIVE INCOME (Continued)**

For the six months ended 30 June 2014

**未經審核合併綜合收益表 (續)**

截至二零一四年六月三十日止六個月

		Note	2014	(audited)
		附註	二零一四年	(經審核)
			RMB'000	2013
			人民幣千元	二零一三年
				RMB'000
				人民幣千元
<b>Profit attributable to:</b>	以下應佔溢利:			
Shareholders of the Company	本公司股東		<b>21,314</b>	15,461
Non-controlling interests	非控股權益		<b>3,825</b>	3,840
			<b>25,139</b>	19,301
<b>Total comprehensive income attributable to:</b>	以下應佔全面收益總額:			
Shareholders of the Company	本公司股東		<b>21,143</b>	15,140
Non-controlling interests	非控股權益		<b>3,825</b>	3,840
			<b>24,968</b>	18,980
			2014	(restated)
			二零一四年	(經重列)
			RMB	2013
			人民幣	二零一三年
				RMB
				人民幣
<b>Earnings per share for profit attributable to the shareholders of the Company</b>	本公司股東應佔溢利之每股盈利			
- Basic	— 基本	17(a)	<b>0.05</b>	0.05
- Diluted	— 攤薄	17(b)	<b>0.05</b>	0.05
			2014	(audited)
			二零一四年	(經審核)
			RMB'000	2013
			人民幣千元	二零一三年
				RMB'000
				人民幣千元
<b>Dividends (paid and proposed)</b>	股息 (已付及擬派)	18	—	—

**UNAUDITED CONSOLIDATED STATEMENT  
 OF CHANGES IN EQUITY**

For the six months ended 30 June 2014

**未經審核合併權益變動表**

截至二零一四年六月三十日止六個月

		Attributable to shareholders of the Company 本公司股東應佔					Non- controlling interests	Total equity
		Share capital and Share premium	Other Reserves	Retained earnings	Total			
Note		股本及 股份溢價	其他儲備	保留盈利	總計	非控股權益	權益總額	
附註		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	
Balance at 31 December 2013	於二零一三年 十二月三十一日的結餘	238,677	(33,680)	87,510	292,507	24,634	317,141	
Comprehensive income Profit for the period	全面收入 期間溢利	-	-	21,314	21,314	3,825	25,139	
Other comprehensive income Currency translation differences	其他全面收入 貨幣換算差額	-	(171)	-	(171)	-	(171)	
Total comprehensive income	全面收入總額	-	(171)	21,314	21,143	3,825	24,968	
Transactions with equity holders Acquisition of non-controlling interests	與權益持有人的交易 收購非控股權益	-	(125)	-	(125)	(475)	(600)	
Dividends paid to non-controlling interests	已付非控股權益的股息	-	-	-	-	(3,000)	(3,000)	
Total transactions with equity holders	與權益持有人的交易總額	-	(125)	-	(125)	(3,475)	(3,600)	
Balance at 30 June 2014	於二零一四年 六月三十日的結餘	238,677	(33,976)	108,824	313,525	24,984	338,509	
Audited: Balance at 31 December 2012	經審核： 於二零一二年 十二月三十一日的結餘	160,413	(34,815)	49,601	175,199	16,133	191,332	
Comprehensive income Profit for the period	全面收入 期間溢利	-	-	15,461	15,461	3,840	19,301	
Other comprehensive income Currency translation differences	其他全面收入 貨幣換算差額	-	(321)	-	(321)	-	(321)	
Total comprehensive income	全面收入總額	-	(321)	15,461	15,140	3,840	18,980	
Transactions with equity holders Issuance of new shares	與權益持有人的交易 發行新股份	5	-	-	5	-	5	
Total transactions with equity holders	與權益持有人的交易總額	5	-	-	5	-	5	
Balance at 30 June 2013	於二零一三年 六月三十日的結餘	160,418	(35,136)	65,062	190,344	19,973	210,317	

Interim Financial Information (Continued)

中期財務資料 (續)

**UNAUDITED CONDENSED CONSOLIDATED  
CASH FLOW STATEMENT**

For the six months ended 30 June 2014

**未經審核簡明合併現金流量表**

截至二零一四年六月三十日止六個月

		(audited) (經審核)	
		2014	2013
		30 June	30 June
		二零一四年 六月三十日	二零一三年 六月三十日
Note 附註		RMB'000 人民幣千元	RMB'000 人民幣千元
Net cash generated from/(used in) operating activities	經營活動所得／(所用)現金淨額	<b>19,372</b>	(94,096)
Net cash generated from investing activities	投資活動所得現金淨額	<b>69,794</b>	236,715
Net cash used in financing activities	融資活動所用現金淨額	<b>(172,344)</b>	(206,046)
Net decrease in cash and cash equivalents	現金及現金等值物減少淨額	<b>(83,178)</b>	(63,427)
Cash and cash equivalents at beginning of the period	期初現金及現金等值物	<b>166,559</b>	75,700
Effect of foreign exchange rate changes on cash and cash equivalents	現金及現金等值物外匯匯率變動影響	<b>315</b>	(287)
Cash and cash equivalents at end of the period	期末現金及現金等值物	<b>83,696</b>	11,986

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(Expressed in Renminbi unless otherwise indicated)

### 1. General information

Yongsheng Advanced Materials Company Limited (the “Company”) was incorporated in the Cayman Islands on 19 April 2012 as an exempted company with limited liability under the Companies Law (2010 Revision) of the Cayman Islands. The address of the Company’s registered office is Clifton House, 75 Fort Street, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands.

The Company and its subsidiaries (the “Group”) are principally engaged in the developing and manufacturing of polyester filament yarns, the provision of dyeing services of differentiated polyester filament fabric and trading of textile raw materials and products in the People’s Republic of China (the “PRC”) (the “Listing Businesses”). The directors consider the ultimate holding company of the Company is Ever Thrive Global Limited (“Ever Thrive”), a company incorporated in the BVI and controlled by Mr. Li Cheng (the “Controlling Shareholder”).

The Company’s shares have been listed on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 27 November 2013.

These condensed consolidated interim financial information is presented in Renminbi (“RMB”), unless otherwise stated.

These condensed consolidated interim financial information has been approved for issue by the Company’s Board of Directors on 27 August 2014.

The Group’s condensed consolidated interim financial information is unaudited, but has been reviewed by the Company’s Audit Committee.

## 未經審核簡明合併中期財務資料附註

(除另有說明外，以人民幣計值)

### 1. 一般資料

永盛新材料有限公司(「本公司」)於二零一二年四月十九日根據開曼群島公司法(二零一零年修訂本)在開曼群島註冊成立為獲豁免有限公司。本公司之註冊辦事處地址為Clifton House, 75 Fort Street, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands。

本公司及其附屬公司(「本集團」)主要在中華人民共和國(「中國」)從事開發及製造滌綸長絲、提供差別化滌綸面料染色服務及紡織原材料及產品貿易(「上市業務」)。董事認為本公司之最終控股公司為恆盛環球有限公司(「恆盛」)(一間在英屬處女群島註冊成立並由李誠先生(「控股股東」)控制之公司)。

本公司股份自二零一三年十一月二十七日起於香港聯合交易所有限公司(「聯交所」)上市。

除另有指明外，此等簡明合併中期財務資料乃以人民幣(「人民幣」)呈列。

此等簡明合併中期財務資料已由本公司董事會於二零一四年八月二十七日批准刊發。

本集團之簡明合併中期財務資料乃未經審核，惟已由本公司之審核委員會審閱。

## 2. Basis of preparation

The unaudited condensed consolidated interim financial information for the six months ended 30 June 2014 has been prepared in accordance with International Accounting Standard (“IAS”) 34, “Interim financial reporting”, issued by the International Accounting Standards Board (“IASB”).

The preparation of the unaudited condensed consolidated interim financial information in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year-to-date basis. Actual results may differ from these estimates.

The unaudited condensed consolidated interim financial information includes the financial information of the Company and its subsidiaries, Yongsheng Advanced Materials (BVI) Limited, Yongsheng Advanced Materials (HK) Limited, Hangzhou Xiaoshan Yongsheng Foreign Trading Company Limited (“Hangzhou Yongsheng Trading”), Nantong Yongsheng Fiber Advanced Materials Company Limited (“Nantong Yongsheng”), Hangzhou Huvis Yongsheng Chemical Fiber Company Limited (“Yongsheng Chemical Fiber”), Hangzhou Huvis Yongsheng Dyeing and Finishing Company Limited (“Yongsheng Dyeing”) and Yongsheng (HK) International Co., Limited (“Yongsheng Trading (HK)”). Except as disclosed in note 21, the direct/indirect percentage holding remain the same with the Group’s financial statements for the year ended 31 December 2013.

The unaudited condensed consolidated interim financial information should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2013. The Group’s policies on financial risk management were set out in the financial statements included in the Company’s 2013 Annual Report and there have been no significant changes in the financial risk management policies for the six months ended 30 June 2014.

## 2. 編製基準

截至二零一四年六月三十日止六個月之未經審核簡明合併中期財務資料乃根據國際會計準則委員會(「國際會計準則委員會」)所頒佈的國際會計準則(「國際會計準則」)第34號「中期財務報告」編製。

編製符合國際會計準則第34號之未經審核簡明合併中期財務資料要求管理層作出會影響政策應用以及年內迄今資產與負債、收入與開支的申報金額的判斷、估計及假設。實際結果可能與此等估計有所不同。

未經審核簡明合併中期財務資料包括本公司及其附屬公司永盛新材料(BVI)有限公司、永盛新材料(香港)有限公司、杭州蕭山永盛對外貿易有限公司(「杭州永盛貿易」)、南通永盛纖維新材料有限公司(「南通永盛」)、杭州滙維仕永盛化纖有限公司(「永盛化纖」)、杭州滙維仕永盛染整有限公司(「永盛染整」)及永盛(香港)國際有限公司(「永盛貿易(香港)」)之財務資料。除附註21所披露者外，直接／間接持股比例與本集團截至二零一三年十二月三十一日止年度之財務報表相同。

本未經審核簡明合併中期財務資料應結合本集團截至二零一三年十二月三十一日止年度的年度財務報表一併閱讀。本集團的財務風險管理政策已載列於本公司二零一三年年報所載的財務報表內，而截至二零一四年六月三十日止六個月，財務風險管理政策並無重大改變。

## 2. Basis of preparation (Continued)

The Group's unaudited consolidated interim financial information contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the annual financial statements for the year ended 31 December 2013. The unaudited condensed consolidated interim financial information and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with International Financial Reporting Standards ("IFRSs").

## 3. Significant accounting policies

Except as described below, the accounting policies applied in the preparation of this unaudited condensed consolidated interim financial information are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2013.

The following new and amended standards are mandatory for the first time for the financial year beginning 1 January 2014 and are applicable for the Group:

- IAS 32 (Amendment) Financial instruments: Presentation – Offsetting financial assets and financial liabilities
- IFRS 10, IFRS 12 and IAS 27 (Amendment) – Investment entities
- IAS 36 (Amendment) Impairment of assets – Recoverable amount disclosures for non-financial assets
- IAS 39 (Amendment) Financial instruments: Recognition and measurement
- IFRIC 21 Levies

The group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

The adoption of the above new and amended standards did not have any significant impact on the Group's unaudited condensed consolidated interim financial information.

## 2. 編製基準 (續)

本集團之未經審核合併中期財務資料包括簡明合併財務報表及經選定的解釋附註。附註載有對理解本集團截至二零一三年十二月三十一日止年度財務報表以來的財務狀況及表現變動有重大意義的事項及交易的解釋。未經審核簡明合併中期財務資料及其附註並不包括根據國際財務報告準則(「國際財務報告準則」)編製整套財務報表要求的所有資料。

## 3. 主要會計政策

除下列所述外，編製本未經審核簡明合併中期財務資料採用之會計政策與截至二零一三年十二月三十一日止年度的年度財務報表所採用之會計政策一致。

下列新準則和經修訂的準則於二零一四年一月一日起財政年度首次強制執行且適用於本集團：

- 國際會計準則第32號(修訂本)金融工具：呈列－抵銷金融資產及金融負債
- 國際財務報告準則第10號、國際財務報告準則第12號及國際會計準則第27號(修訂本)－投資實體
- 國際會計準則第36號(修訂本)資產減值－非金融資產可收回金額披露
- 國際會計準則第39號(修訂本)金融工具：確認及計量
- 國際財務報告詮釋委員會第21號 徵費

本集團並無應用任何於本會計期間尚未生效之新訂準則或詮釋。

採納上述新準則和經修訂的準則並無對本集團的未經審核簡明合併中期財務資料造成任何重大影響。



### 3. Significant accounting policies (Continued)

#### **Amendments to IAS 32, Offsetting financial assets and financial liabilities**

The amendments to IAS 32 clarify the offsetting criteria in IAS 32. The amendments do not have an impact on the group's interim financial report as they are consistent with the policies already adopted by the group.

#### **Amendments to IFRS 10, IFRS 12 and IAS 27, Investment entities**

The amendments provide consolidation relief to those parents which qualify to be an investment entity as defined in the amended HKFRS 10. Investment entities are required to measure their subsidiaries at fair value through profit or loss. These amendments do not have an impact on the group's interim financial report as the Company does not qualify to be an investment entity.

#### **Amendments to HKAS 36, Recoverable amount disclosures for non-financial assets**

The amendments to HKAS 36 modify the disclosure requirements for impaired non-financial assets. Among them, the amendments expand the disclosures required for an impaired asset or CGU whose recoverable amount is based on fair value less costs of disposal. These amendments do not have an impact on the group's interim financial report as they are consistent with the policies already adopted by the group.

#### **Amendments to IAS 39, Novation of derivatives and continuation of hedge accounting**

The amendments to IAS 39 provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. The amendments do not have an impact on the group's interim financial report as the group has not novated any of its derivatives.

### 3. 主要會計政策 (續)

#### **國際會計準則第32號「對銷金融資產及負債」之修訂**

國際會計準則第32號之修訂釐清國際會計準則第32號中之對銷條件。由於其與本集團採納之政策一致，故此修訂對本集團中期財務報告並無影響。

#### **國際財務報告準則第10號、國際財務報告準則第12號及國際會計準則第27號「投資實體」之修訂**

此等修訂對具資格成為投資實體（經修訂香港財務報告準則第10號所定義）的該等母公司提供合併寬免。投資實體被要求以公平值透過損益計量其附屬公司。由於本公司並無資格成為投資實體，故此修訂對本集團中期財務報告並無影響。

#### **香港會計準則第36號「非金融資產可收回金額披露」之修訂**

香港會計準則第36號之修訂修改已減值非金融資產的披露要求，其中此等修訂擴大對已減值資產或現金產生單位（其可收回金額乃根據公平值減出售費用計算）的披露要求。由於其與本集團採納之政策一致，故此等修訂對本集團中期財務報告並無影響。

#### **國際會計準則第39號「衍生工具的約務更替及對沖會計法的延續」之修訂**

國際會計準則第39號之修訂為指定為對沖工具之衍生工具之約務更替符合若干條件時，提供對終止對沖會計法的寬免。由於本集團並無約務更替其任何衍生工具，故此等修訂對本集團中期財務報告並無影響。

### 3. Significant accounting policies (Continued)

#### IFRIC 21, Levies

The Interpretation provides guidance on when a liability to pay a levy imposed by a government should be recognised. The amendments do not have an impact on the group's interim financial report as the guidance is consistent with the group's existing accounting policies.

In addition, the IASB also published a number of new standards, amendments to standards and interpretations which are effective for the financial year beginning after 1 January 2014 and have not been early adopted by the Group. Management is assessing the impact of such new standards, amendments to standards and interpretations and will adopt the relevant standards, amendments to standards and interpretations in the subsequent periods as required.

### 4. Revenue and segment information

#### (i) Revenue

Revenue comprises the fair value of the consideration received or receivable for the sales of goods and services in the ordinary course of the Group's activities. Sales are shown, net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below. The Group bases its estimates of return on historical results, the type of transaction and the specifics of each arrangement.

Sales of goods and materials are recognised on the transfer of the significant risks and rewards of ownership, which generally coincides with the time when the Group has delivered goods to the customers and collectability of the related receivables is reasonably assured.

### 3. 主要會計政策 (續)

#### 國際財務報告詮釋委員會第21號「徵費」

該詮釋為何時確認政府徵稅為負債提供指引，由於該指引與本公司之現有會計政策一致，故此修訂對本集團中期財務報告並無影響。

另外，國際會計標準委員會亦發表若干新準則、準則之修訂及詮釋，並於二零一四年一月一日後開始之財政年度生效及未被本集團提早採納。管理層正在評估有關新準則、準則之修訂及詮釋的影響，並將在隨後期間於需要時採納相關準則、準則之修訂及詮釋。

### 4. 收益及分部資料

#### (i) 收益

收益包括本集團於日常業務中出售貨品及服務之已收或應收代價之公平值。所示銷售額已扣除增值稅、退貨、回扣及折扣，並已抵銷本集團之內部銷售額。

當收益金額能夠可靠計量；未來經濟利益將可能流入實體；及本集團每項活動均符合具體條件時（如下文所述），本集團便會確認收益。本集團會根據往績、交易類別及每項安排之特點作出回報估計。

貨品及材料之銷售額於轉移擁有權之重大風險及回報時（一般為本集團已將貨品交付予客戶且有關應收款項之收回可合理保證時）確認。

#### 4. Revenue and segment information (Continued)

##### (ii) Segment reporting

The chief operating decision-makers have been identified as the executive directors. The decision-maker reviews the Group's internal reporting in order to assess performance and allocate resources. Directors have determined the operating segment based on these reports.

Directors consider the business from a business perspective, and assesses the performance of the business segment based on profit before income tax without allocation of finance income/(costs).

The amount provided to directors with respect to total assets is measured in a manner consistent with that of the consolidated financial statements. These assets are allocated based on the operations of segment.

The Group's operations are mainly organised under the following business segments:

- Trading: Trading of textile raw materials and products;
- Production: Production of polyester filament yarns;
- Processing: The dyeing processing of differentiated polyester filament yarn.

Segment assets consist primarily of land use rights, property, plant and equipment, intangible assets, inventories, trade and bills receivables, prepayments, deposits and other receivables, other financial asset, amounts due from related parties, restricted cash, cash and cash equivalents. Unallocated assets mainly comprise corporate cash and amounts due from related parties.

#### 4. 收益及分部資料 (續)

##### (ii) 分部資料

主要經營決策人已獲確認為執行董事。決策人審閱本集團之內部報告程序，以評估表現及分配資源。董事已根據該等報告釐定經營分部。

董事從商業角度考慮業務，並根據除所得稅前溢利及未分配融資收入／（成本）前評估業務分部之表現。

就資產總值向董事提供之金額按與合併財務報表一致之方式計量。該等資產根據分部經營分配。

本集團之經營主要根據以下業務分部設立：

- 貿易： 買賣紡織原材料及產品；
- 生產： 生產滌綸長絲；
- 加工： 差別化滌綸長絲染色加工。

分部資產主要包括土地使用權、物業、廠房及設備、無形資產、存貨、貿易應收款項及應收票據、預付款項、按金及其他應收款項、其他金融資產、應收關連方款項、受限制現金、現金及現金等值物。未分配資產主要包括公司現金及應收關連方款項。

#### 4. Revenue and segment information (Continued)

Segment liabilities mainly comprise operating liabilities, amounts due to related parties and borrowings. Unallocated liabilities mainly comprise accruals and amounts due to related parties.

##### (a) Revenue

#### 4. 收益及分部資料(續)

分部負債主要包括經營負債、應付關連方款項及借款。未分配負債主要包括應計款項及應付關連方款項。

##### (a) 收益

		<b>Six months ended</b>	
		截至下列日期止六個月	
		<b>30 June</b>	30 June
		<b>2014</b>	2013
		二零一四年	二零一三年
		六月三十日	六月三十日
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
Trading	貿易	<b>465,602</b>	890,940
Production	生產	<b>152,271</b>	160,034
Processing	加工	<b>67,742</b>	59,868
		<b>685,615</b>	1,110,842

## Interim Financial Information (Continued)

中期財務資料 (續)

### 4. Revenue and segment information (Continued)

#### (b) Segment information

The segment information provided to directors for the reportable segments for the six months ended 30 June 2014 is as follows:

Business segment 業務分部		For the six months ended 30 June 2014 截至二零一四年六月三十日止六個月			
		Trading 貿易 RMB'000 人民幣千元	Production 生產 RMB'000 人民幣千元	Processing 加工 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>Revenue</b>	<b>收益</b>				
Sales of products	產品銷售	615,850	142,560	67,742	826,152
Sales of raw materials	原材料銷售	-	9,711	-	9,711
Inter-segment sales	分部間銷售	(150,248)	-	-	(150,248)
Revenue from external customers	來自外界客戶之收益	465,602	152,271	67,742	685,615
<b>Results</b>	<b>業績</b>				
Segment gross profit	分部毛利	11,763	28,678	23,183	63,624
Segment operating profit	分部經營溢利	2,863	21,178	18,187	42,228
Unallocated expense	未分配開支				(6,322)
Total operating profit	經營溢利總額				35,906
Finance income	融資收入				2,471
Finance costs	融資成本				(5,248)
Profit before income tax	除所得稅前溢利				33,129

Business segment 業務分部		As at 30 June 2014 於二零一四年六月三十日			
		Trading 貿易 RMB'000 人民幣千元	Production 生產 RMB'000 人民幣千元	Processing 加工 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Segment assets	分部資產	216,628	184,445	236,755	637,828
Unallocated assets	未分配資產				61,494
Inter-segment elimination	分部間對銷				(145,265)
Total assets	資產總值				554,057
Segment liabilities	分部負債	176,781	119,923	63,109	359,813
Unallocated liabilities	未分配負債				1,000
Inter-segment elimination	分部間對銷				(145,265)
Total liabilities	負債總額				215,548

### 4. 收益及分部資料 (續)

#### (b) 分部資料

截至二零一四年六月三十日止六個月，向董事提供有關可報告分部之分部資料如下：

#### 4. Revenue and segment information (Continued)

##### (b) Segment information (Continued)

The segment information provided to directors for the reportable segments for 2013 is as follows:

#### 4. 收益及分部資料 (續)

##### (b) 分部資料 (續)

於二零一三年向董事提供有關可報告分部的分部資料如下：

		For the six months ended 30 June 2013 截至二零一三年六月三十日止六個月			
Business segment 業務分部		Trading 貿易 RMB'000 人民幣千元	Production 生產 RMB'000 人民幣千元	Processing 加工 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>Revenue</b>		<b>收益</b>			
Sales of products	產品銷售	1,078,194	156,675	59,868	1,294,737
Sales of raw materials	原材料銷售	-	4,342	-	4,342
Inter-segment sales	分部間銷售	(187,254)	(983)	-	(188,237)
Revenue from external customers	來自外界客戶之收益	890,940	160,034	59,868	1,110,842
<b>Results</b>		<b>業績</b>			
Segment gross profit	分部毛利	14,159	26,685	20,383	61,227
Segment operating profit	分部經營溢利	4,491	20,666	15,151	40,308
Unallocated expense	未分配開支				(5,578)
Total operating profit	經營溢利總額				34,730
Finance income	融資收入				5,205
Finance costs	融資成本				(14,938)
Profit before income tax	除所得稅前溢利				24,997

## Interim Financial Information (Continued)

中期財務資料 (續)

### 4. Revenue and segment information (Continued)

#### (b) Segment information (Continued)

		As at 31 December 2013 於二零一三年十二月三十一日			
Business segment 業務分部		Trading 貿易 RMB'000 人民幣千元	Production 生產 RMB'000 人民幣千元	Processing 加工 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Segment assets	分部資產	312,617	257,675	234,978	805,270
Unallocated assets	未分配資產				87,903
Inter-segment elimination	分部間對銷				(169,722)
Total assets	資產總值				723,451
Segment liabilities	分部負債	268,976	160,631	140,406	570,013
Unallocated liabilities	未分配負債				6,019
Inter-segment elimination	分部間對銷				(169,722)
Total liabilities	負債總額				406,310

### 5. Property, plant and equipment

#### (a) Acquisition of property, plant and equipment

During the six months ended 30 June 2014, the Group acquired items of property, plant and equipment with a cost of RMB1,224,000 (for the six months ended 30 June 2013: RMB2,317,000).

#### (b) Disposal of property, plant and equipment

Property, plant and equipment with a net book value of RMB292,000 were disposed during the six months ended 30 June 2014 (for the six months ended 30 June 2013: RMB1,699,000).

### 4. 收益及分部資料 (續)

#### (b) 分部資料 (續)

		As at 31 December 2013 於二零一三年十二月三十一日			
Business segment 業務分部		Trading 貿易 RMB'000 人民幣千元	Production 生產 RMB'000 人民幣千元	Processing 加工 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Segment assets	分部資產	312,617	257,675	234,978	805,270
Unallocated assets	未分配資產				87,903
Inter-segment elimination	分部間對銷				(169,722)
Total assets	資產總值				723,451
Segment liabilities	分部負債	268,976	160,631	140,406	570,013
Unallocated liabilities	未分配負債				6,019
Inter-segment elimination	分部間對銷				(169,722)
Total liabilities	負債總額				406,310

### 5. 物業、廠房及設備

#### (a) 收購物業、廠房及設備

截至二零一四年六月三十日止六個月，本集團以成本人民幣1,224,000元（截至二零一三年六月三十日止六個月：人民幣2,317,000元）收購物業、廠房及設備項目。

#### (b) 出售物業、廠房及設備

賬面淨值為人民幣292,000元之物業、廠房及設備已於截至二零一四年六月三十日止六個月出售（截至二零一三年六月三十日止六個月：人民幣1,699,000元）。

## 6. Inventories

## 6. 存貨

		<b>As at 30 June 2014</b>	As at 31 December 2013
		於二零一四年 六月三十日	於二零一三年 十二月三十一日
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
Finished goods	製成品	<b>76,368</b>	104,361
Raw materials	原材料	<b>22,935</b>	11,752
Work in progress	在製品	<b>2,738</b>	3,044
Less: provision	減：撥備	<b>(8,116)</b>	(5,995)
		<b>93,925</b>	113,162

For the six months ended 30 June 2014, the cost of inventories recognised as cost of sales amounted to approximately RMB572,342,000 (for the six months ended 30 June 2013: RMB1,047,196,000).

For the six months ended 30 June 2014, the Group has recognised losses of approximately RMB2,204,000, for the write-down of inventories to their net realisable value. For the six months ended 30 June 2013, the Group realised provision for inventory write-down of approximately RMB940,000. These amounts have been included in the cost of sales in the consolidated statement of comprehensive income.

截至二零一四年六月三十日止六個月，已確認為銷售成本之存貨成本約為人民幣572,342,000元（截至二零一三年六月三十日止六個月：人民幣1,047,196,000元）。

截至二零一四年六月三十日止六個月，本集團已就存貨撇減至其可變現淨值確認虧損約人民幣2,204,000元。截至二零一三年六月三十日止六個月，本集團已變現之存貨撇減撥備約為人民幣940,000元。該等金額已於合併綜合收益表列作銷售成本。

## 7. Trade and bills receivables

## 7. 貿易應收款項及應收票據

		<b>As at 30 June 2014</b>	As at 31 December 2013
		於二零一四年 六月三十日	於二零一三年 十二月三十一日
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
Trade receivables	貿易應收款項	<b>64,778</b>	94,006
Bills receivable	應收票據	<b>51,468</b>	37,207
		<b>116,246</b>	131,213
Less: Provision for impairment	減：減值撥備	<b>(5,548)</b>	(5,108)
Trade receivables – net	貿易應收款項淨額	<b>110,698</b>	126,105



## Interim Financial Information (Continued)

中期財務資料 (續)

### 7. Trade and bills receivables (Continued)

The Group's sales are normally made on credit terms of 30-90 days. Ageing analysis of trade receivables based on invoice date was as follows:

		As at 30 June 2014 於二零一四年 六月三十日 RMB'000 人民幣千元	As at 31 December 2013 於二零一三年 十二月三十一日 RMB'000 人民幣千元
Trade receivables:	貿易應收款項:		
Less than 3 months	少於三個月	22,625	71,694
3 months to 6 months	三個月至六個月	34,045	10,546
6 months to 1 year	六個月至一年	1,112	5,451
More than 1 year	超過一年	5,939	6,315
		<b>63,721</b>	94,006

### 7. 貿易應收款項及應收票據 (續)

本集團一般按介乎30至90日之信貸期進行銷售。貿易應收款項按發票日期之賬齡分析如下：

### 8. Prepayments, deposits and other receivables

		As at 30 June 2014 於二零一四年 六月三十日 RMB'000 人民幣千元	As at 31 December 2013 於二零一三年 十二月三十一日 RMB'000 人民幣千元
Prepayment to suppliers	向供應商支付之預付款項	39,689	13,609
Deposits and other receivables	按金及其他應收款項	4,127	3,179
Interest receivables	應收利息	594	2,841
Prepaid expense	預付開支	482	766
		<b>44,892</b>	20,395
Less: provision for impairment	減：減值撥備	(202)	(337)
Prepayments, deposits and other receivables – net	預付款項、按金及其他應收款項淨額	<b>44,690</b>	20,058

### 8. 預付款項、按金及其他應收款項

## 9. Trade and bills payables

## 9. 貿易應付款項及應付票據

		<b>As at 30 June 2014</b>	As at 31 December 2013
		於二零一四年 六月三十日	於二零一三年 十二月三十一日
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
Trade payables	貿易應付款項	<b>81,753</b>	116,829
Bills payable	應付票據	<b>12,904</b>	-
		<b>94,657</b>	116,829

As at 30 June 2014, bills payables represented bank acceptance notes issued by the Group with maturity within six months.

於二零一四年六月三十日，應付票據指本集團發行之於六個月內到期之銀行承兌票據。

Ageing analysis of trade and bills payables based on invoice date was as follows:

貿易應付款項及應付票據根據發票日期之賬齡分析如下：

		<b>As at 30 June 2014</b>	As at 31 December 2013
		於二零一四年 六月三十日	於二零一三年 十二月三十一日
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
Less than 6 months	少於六個月	<b>90,607</b>	109,898
6 months to 1 year	六個月至一年	<b>501</b>	5,104
More than 1 year	超過一年	<b>3,549</b>	1,827
		<b>94,657</b>	116,829

## Interim Financial Information (Continued)

中期財務資料(續)

## 10. Accruals and other current liabilities

## 10. 應計款項及其他流動負債

		As at 30 June 2014 於二零一四年 六月三十日 RMB'000 人民幣千元	As at 31 December 2013 於二零一三年 十二月三十一日 RMB'000 人民幣千元
Accruals	應計款項	3,282	8,860
Accrued payroll	應計工資	5,094	6,001
Value-added and other taxes payable	應付增值稅及其他稅項	4,224	5,838
Pension and other social welfare payables	應付退休金及其他社會福利	5,015	5,033
Payables for purchase of property, plant and equipment	購買物業、廠房及設備之 應付款項	-	674
Deposits	按金	463	244
Others	其他	4	628
		<b>18,082</b>	<b>27,278</b>

## 11. Borrowings

## 11. 借款

		As at 30 June 2014 於二零一四年 六月三十日 RMB'000 人民幣千元	As at 31 December 2013 於二零一三年 十二月三十一日 RMB'000 人民幣千元
<b>Non-current</b>	<b>非即期</b>		
Non-current portion of long-term bank borrowings	長期銀行借款之非即期部份	-	25,000
<b>Current</b>	<b>即期</b>		
Current portion of long-term bank borrowings	長期銀行借款之即期部份	-	46,000
Short-term bank borrowings	短期銀行借款	58,075	150,571
		<b>58,075</b>	<b>196,571</b>
<b>Total borrowings</b>	<b>借款總額</b>	<b>58,075</b>	<b>221,571</b>
Representing:	指:		
Unsecured	無抵押	21,075	41,395
Pledged (i)	已質押(i)	37,000	180,176
		<b>58,075</b>	<b>221,571</b>

## 11. Borrowings (Continued)

- (i) As at 30 June 2014, bank borrowings of RMB37,000,000 were pledged by buildings with net book value of RMB35,730,000 and land use rights with net book value of RMB12,480,000.

As at 31 December 2013, bank borrowings of RMB86,471,000 were pledged by restricted bank deposits of RMB91,273,000, bank borrowings of RMB5,705,000 were pledged by restricted cash and bills receivable of RMB6,430,000 and RMB200,000 respectively and bank borrowings of RMB88,000,000 were pledged by buildings with net book value of RMB43,903,000 and land use rights with net book value of RMB27,137,000.

## 11. 借款(續)

- (i) 於二零一四年六月三十日，人民幣37,000,000元的銀行借款乃以賬面淨值為人民幣35,730,000元的樓宇及賬面淨值為人民幣12,480,000元的土地使用權作抵押。

於二零一三年十二月三十一日，人民幣86,471,000元之銀行借款以人民幣91,273,000元之受限制銀行存款作質押，而人民幣5,705,000元之銀行借款則分別為人民幣6,430,000元及人民幣200,000元之受限制現金及應收票據作質押，及人民幣88,000,000元之銀行借款以賬面淨值人民幣43,903,000元之樓宇及賬面淨值人民幣27,137,000元之土地使用權作質押。

## 12. Other (losses)/gains, net

## 12. 其他(虧損)/收益淨額

		Six months ended	
		截至下列日期止六個月	
		30 June	30 June
		2014	2013
		二零一四年	二零一三年
		六月三十日	六月三十日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Subsidy income (a)	補貼收入(a)	-	258
Rental income	租金收入	578	-
Foreign exchange (losses)/gains (Note 16)	外匯(虧損)/收益(附註16)	(786)	411
Government grant	政府資助	554	341
Commission income	佣金收入	93	551
(Losses)/gains on disposal of property, plant and equipment, net	出售物業、廠房及設備之(虧損)/收益淨額	(94)	106
Fair value (losses)/gains on financial assets at fair value through profit or loss	按公平值計入損益的金融資產之公平值(虧損)/收益	(60)	18
Losses on disposal of financial assets at fair value through profit or loss	出售按公平值計入損益之金融資產之虧損	-	(382)
Others	其他	(310)	504
Other (losses)/gains, net	其他(虧損)/收益淨額	(25)	1,807

- (a) Subsidy income primarily represents tax refund by local Taxation Bureau to encourage the Group's business growth and other subsidies granted by the Bureau of Finance in Hangzhou and Nantong, the PRC.

- (a) 補貼收入主要指地方稅務局鼓勵本集團業務增長之退稅及中國杭州及南通財政局發放之其他補貼。

## Interim Financial Information (Continued)

中期財務資料 (續)

### 13. Profit before income tax

Profit before income tax is arrived at after changing/(crediting):

### 13. 除所得稅前溢利

除所得稅前溢利已扣除／(計入)下列各項：

		<b>Six months ended</b>	
		截至下列日期止六個月	
		<b>30 June</b>	30 June
		<b>2014</b>	2013
		二零一四年	二零一三年
		六月三十日	六月三十日
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
Changes in inventories of finished goods and work in progress	製成品及在製品之存貨變動	<b>28,299</b>	44,562
Raw materials consumed and consumable used	所耗用原材料及所採用消耗品	<b>561,158</b>	976,855
Employee benefit expenses, including directors' emoluments	僱員福利開支(包括董事酬金)		
Salaries, bonus and other welfares	薪金、花紅及其他福利	<b>19,778</b>	16,811
Defined contribution plans	界定供款計劃	<b>884</b>	879
Social Security insurance	社會保障保險	<b>1,995</b>	1,291
		<b>22,657</b>	18,981
Depreciation and amortisation	折舊及攤銷	<b>5,573</b>	6,396
Provision for impairment of receivables	應收款項減值撥備	<b>305</b>	13
Office rental (operating leases in respect of land and buildings)	辦公室租金(有關土地及樓宇之經營租賃)	<b>686</b>	796
Listing expenses	上市開支	-	4,306
Provision for/(Realisation of) write-down of inventories	存貨撇減撥備／(變現)	<b>2,204</b>	(940)

#### 14. Finance costs, net

#### 14. 融資成本淨額

		<b>Six months ended</b>	
		截至下列日期止六個月	
		<b>30 June</b>	30 June
		<b>2014</b>	2013
		二零一四年	二零一三年
		六月三十日	六月三十日
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
Interest expenses on bank borrowings	銀行借款利息開支	<b>4,752</b>	15,057
Net exchange losses/(gains) on financing activities (Note 16)	融資活動匯兌虧損/(收益)淨額 (附註16)	<b>496</b>	(119)
<b>Total finance cost</b>	<b>融資成本總額</b>	<b>5,248</b>	14,938
Interest income from cash and cash equivalents, restricted cash deposits and other financial asset	現金及現金等值物、受限制現金存款及其他金融資產之利息收入	<b>(2,471)</b>	(5,205)
<b>Total finance income</b>	<b>融資收入總額</b>	<b>(2,471)</b>	(5,205)
<b>Net finance cost</b>	<b>融資成本淨額</b>	<b>2,777</b>	9,733

#### 15. Income tax expense

#### 15. 所得稅開支

		<b>Six months ended</b>	
		截至下列日期止六個月	
		<b>30 June</b>	30 June
		<b>2014</b>	2013
		二零一四年	二零一三年
		六月三十日	六月三十日
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
Current income tax – Enterprise income tax	即期所得稅 – 企業所得稅	<b>6,669</b>	6,473
Deferred income tax	遞延所得稅	<b>1,321</b>	(777)
		<b>7,990</b>	5,696

## 15. Income tax expense (Continued)

### (a) Cayman Islands income tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Company Law of Cayman Islands and, accordingly, is exempted from payment of Cayman Islands income tax.

### (b) Hong Kong profits tax

Enterprises incorporated in Hong Kong are subject to profits tax rates of 16.5% (2013: 16.5%).

### (c) PRC corporate income tax

Enterprises incorporated in the PRC are generally subject to income tax rates of 25% (2013: 25%) except for enterprises with approval for preferential rate (Note (d) below).

The income tax provision of the Group in respect of its operations in the PRC has been calculated at the applicable tax rate on the estimated assessable profits based on existing legislations, interpretations and practices.

Since the deferred income tax assets and liabilities shall be measured at the tax rates that are expected to apply to the year when the assets is realised or the liability is settled, the change in the applicable tax rate will affect the determination of the carrying values of deferred tax assets and liabilities of the Group's subsidiaries located in the PRC.

### (d) Tax effect of reduced tax rate

Certain subsidiaries of the Group enjoyed preferential income tax rates and have obtained approvals from the relevant tax authorities in the PRC. Hangzhou Huvis Yongsheng Dyeing and Finishing Company Limited obtained the certificate of qualifying as "advanced technology company" in 2012 and is subject to 15% corporate income tax rate for three years from 2012 to 2014.

## 15. 所得稅開支 (續)

### (a) 開曼群島所得稅

本公司於開曼群島根據開曼群島公司法註冊成立為獲豁免有限公司，因此獲豁免繳納開曼群島所得稅。

### (b) 香港利得稅

於香港註冊成立之企業須按利得稅率 16.5% (二零一三年：16.5%) 繳稅。

### (c) 中國企業所得稅

於中國註冊成立之企業一般按所得稅率 25% (二零一三年：25%) 繳稅，惟獲批享受優惠稅率之企業則除外 (見下文附註(d))。

本集團就其於中國之經營作出之所得稅撥備乃根據現有法例、詮釋及慣例基於估計應課稅溢利按適用稅率計算。

由於遞延所得稅資產及負債應按預期適用於變現資產或清償負債年度之稅率計量，適用稅率的變動將影響本集團位於中國之附屬公司之遞延稅項資產及負債賬面值的釐定。

### (d) 稅率減低的稅務影響

本集團若干附屬公司享有優惠所得稅率，並已取得中國有關稅務機關之批准。杭州匯維仕永盛染整有限公司於二零一二年獲得「高新技術企業」資格證書，並自二零一二年至二零一四年三年間按 15% 之企業所得稅率繳稅。

**15. Income tax expense (Continued)****(d) Tax effect of reduced tax rate (Continued)**

The effective corporate income tax rate for the companies with tax preferential treatment are as follows:

		<b>Six months ended</b>	
		<b>截至下列日期止六個月</b>	
		<b>30 June</b>	<b>30 June</b>
		<b>2014</b>	<b>2013</b>
		<b>二零一四年</b>	<b>二零一三年</b>
		<b>六月三十日</b>	<b>六月三十日</b>
Hangzhou Huvis Yongsheng Dyeing and Finishing Company Limited	杭州匯維仕永盛染整有限公司	<b>15%</b>	15%

No tax reductions and exemptions were granted to the other subsidiaries of the Company in the PRC for the six months ended 30 June 2014 and 30 June 2013.

**(e) PRC withholding income tax**

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on the dividends declared to foreign investors from the foreign investment enterprises established in the PRC. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between the PRC and the jurisdiction of the foreign investors. The Group is therefore liable to withholding taxes on dividends distributed by those subsidiaries established in the PRC in respect of their earnings generated from the date when these subsidiaries became foreign owned enterprises in the PRC. As at 30 June 2014, deferred tax liabilities of approximately RMB6,054,000 (2013: RMB4,836,000) has not been recognized for withholding tax that would be payable on the unremitted earnings of the Group's subsidiaries in the PRC, as the directors do not intend to declare any dividends out of these unremitted earnings for the subsidiaries.

**15. 所得稅開支(續)****(d) 稅率減低的稅務影響(續)**

享有優惠待遇的公司的實際企業所得稅率如下：

		<b>Six months ended</b>	
		<b>截至下列日期止六個月</b>	
		<b>30 June</b>	<b>30 June</b>
		<b>2014</b>	<b>2013</b>
		<b>二零一四年</b>	<b>二零一三年</b>
		<b>六月三十日</b>	<b>六月三十日</b>
		<b>15%</b>	15%

本公司在中國的其他附屬公司於截至二零一四年六月三十日及二零一三年六月三十日止六個月概無獲授予稅項寬減及豁免。

**(e) 中國預扣所得稅**

根據中國企業所得稅法，在中國成立的外資企業向海外投資者宣派的股息須繳納10%預扣稅。有關規定由二零零八年一月一日起生效，適用於二零零七年十二月三十一日後的盈利。倘中國與海外投資者的司法權區訂有稅務條約，則可能適用較低的預扣稅率。本集團因而有可能須就該等在中國成立的附屬公司就彼等成為中國境內的外商投資企業當日起賺取的盈利所派發的股息繳納預扣稅。於二零一四年六月三十日，並未就本集團於中國之附屬公司之未匯付盈利將予支付之預扣稅確認遞延稅項負債約人民幣6,054,000元(二零一三年：人民幣4,836,000元)，原因為董事並不擬從附屬公司之該等未匯付盈利中宣派任何股息。



## Interim Financial Information (Continued)

中期財務資料 (續)

### 16. Net foreign exchange (losses)/gains

The exchange differences (charged)/credited in the consolidated statement of comprehensive income are included as follows:

### 16. 外匯(虧損)/收益淨額

(扣除)/計入合併全面收益表的匯兌差額如下:

		Six months ended	
		截至下列日期止六個月	
		30 June	30 June
		2014	2013
		二零一四年	二零一三年
		六月三十日	六月三十日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Other (losses)/gains, net (Note 12)	其他(虧損)/收益·淨額 (附註12)	(786)	411
Net exchange (losses)/gains on financing activities (Note 14)	融資活動之外匯(虧損)/ 收益淨額(附註14)	(496)	119
		(1,282)	530

### 17. Earnings per share

#### (a) Basic

Basic earnings per share for the six months ended 30 June 2014 is calculated by dividing the profit attributable to the owners of the Company by the weighted average number of ordinary shares in issue. In determining the weighted average number of ordinary shares in issue during the six months ended 30 June 2013, the 297,327,010 shares issued and allotted through capitalisation of the share premium account of the Company upon Listing on 27 November 2013 have been regarded as if these shares were in issue since 1 January 2012.

### 17. 每股盈利

#### (a) 基本

截至二零一四年六月三十日止六個月之每股基本盈利乃以本公司擁有人應佔溢利除以已發行普通股之加權平均數計算。於釐定截至二零一三年六月三十日止六個月內之已發行普通股加權平均數時，已計及於二零一三年十一月二十七日上市後透過資本化本公司股份溢價賬所發行及配發之297,327,010股股份，猶如該等股份自二零一二年一月一日起已予以發行。

## 17. Earnings per share (Continued)

### (a) Basic (Continued)

		<b>Six months ended</b>	
		截至下列日期止六個月	
		<b>30 June</b>	30 June
		<b>2014</b>	2013
		二零一四年	二零一三年
		六月三十日	六月三十日
Profit attributable to the shareholders of the Company (RMB'000)	本公司股東應佔溢利 (人民幣千元)	<b>21,314</b>	15,461
Weighted average number of ordinary shares in issue (2013 as restated)	已發行普通股加權平均數 (二零一三年經重列)	<b>400,000,000</b>	300,000,000
Basic earnings per share (RMB per share) (2013 as restated)	每股基本盈利 (每股人民幣) (二零一三年經重列)	<b>0.05</b>	0.05

### (b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

The fully diluted earnings per share for the six months ended 30 June 2014 and 2013 are the same as the basic earnings per share as there are no dilutive potential ordinary shares.

## 18. Dividends

The Directors have resolved not to declare payment of interim dividend for six months ended 30 June 2014.

No dividends has been paid or declared by the Company for the six months ended 30 June 2013.

## 17. 每股盈利 (續)

### (a) 基本 (續)

		<b>Six months ended</b>	
		截至下列日期止六個月	
		<b>30 June</b>	30 June
		<b>2014</b>	2013
		二零一四年	二零一三年
		六月三十日	六月三十日

Profit attributable to the shareholders of the Company (RMB'000)	本公司股東應佔溢利 (人民幣千元)	<b>21,314</b>	15,461
Weighted average number of ordinary shares in issue (2013 as restated)	已發行普通股加權平均數 (二零一三年經重列)	<b>400,000,000</b>	300,000,000
Basic earnings per share (RMB per share) (2013 as restated)	每股基本盈利 (每股人民幣) (二零一三年經重列)	<b>0.05</b>	0.05

### (b) 攤薄

每股攤薄盈利按調整發行在外普通股加權平均數以假設已轉換所有攤薄性潛在普通股而計算。

由於截至二零一四年及二零一三年六月三十日止六個月並無攤薄性潛在普通股，因此每股全數攤薄盈利與每股基本盈利相同。

## 18. 股息

董事議決不派付截至二零一四年六月三十日止六個月之中期股息。

本公司並無就截至二零一三年六月三十日止六個月支付或派發股息。

## Interim Financial Information (Continued)

中期財務資料 (續)

### 19. Related party transactions

The Directors are of the view that the following companies are related parties of the Group:

Name	Relationship with the Group
Hangzhou Yongsheng Group Limited ("Yongsheng Group")	Controlled by the Controlling Shareholders
HUVIS Corporation and its subsidiary	Joint venture partner and its subsidiary
Hangzhou Xiaoshan HongChang Chemical Fiber Co.,Ltd.	Controlled by Mr. Li Zhihong, one of the individual shareholders of the Group

The Group had the following significant transactions with related parties:

#### (a) Transactions with related parties

(i) Purchase of goods

### 19. 關連方交易

董事認為以下公司為本集團的關連方：

名稱	與本集團的關係
杭州永盛集團有限公司 ("永盛集團")	由控股股東控制
株式會社HUVIS及其附屬公司	合資企業夥伴及其附屬公司
杭州蕭山宏昌化纖有限公司	由本集團的其中一名個人股東李志洪先生控制

本集團與關連方進行以下重大交易：

#### (a) 與關連方的交易

(i) 採購貨品

		Six months ended 截至下列日期止六個月	
		30 June 2014 二零一四年 六月三十日 RMB'000 人民幣千元	30 June 2013 二零一三年 六月三十日 RMB'000 人民幣千元
HUVIS Corporation and its subsidiary	株式會社HUVIS及其附屬公司	21,129	29,039
Hangzhou Xiaoshan HongChang Chemical Fiber Co.,Ltd.	杭州蕭山宏昌化纖有限公司	-	4,174
		<b>21,129</b>	<b>33,213</b>

19. Related party transactions (Continued)

(a) Transactions with related parties (Continued)

(ii) Rental income

		Six months ended	
		截至下列日期止六個月	
		30 June	30 June
		2014	2013
		二零一四年	二零一三年
		六月三十日	六月三十日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Yongsheng Group	永盛集團	323	440

(iii) Storage fee paid to related parties

		Six months ended	
		截至下列日期止六個月	
		30 June	30 June
		2014	2013
		二零一四年	二零一三年
		六月三十日	六月三十日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Yongsheng Group	永盛集團	62	211

(iv) Purchase of property, plant and equipment from related parties

		Six months ended	
		截至下列日期止六個月	
		30 June	30 June
		2014	2013
		二零一四年	二零一三年
		六月三十日	六月三十日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Yongsheng Group	永盛集團	353	-

19. 關連方交易 (續)

(a) 與關連方的交易 (續)

(ii) 租金收入

		Six months ended	
		截至下列日期止六個月	
		30 June	30 June
		2014	2013
		二零一四年	二零一三年
		六月三十日	六月三十日
		RMB'000	RMB'000
		人民幣千元	人民幣千元

(iii) 向關連方支付的儲存費用

		Six months ended	
		截至下列日期止六個月	
		30 June	30 June
		2014	2013
		二零一四年	二零一三年
		六月三十日	六月三十日
		RMB'000	RMB'000
		人民幣千元	人民幣千元

(iv) 向關連方購買物業、廠房及設備

		Six months ended	
		截至下列日期止六個月	
		30 June	30 June
		2014	2013
		二零一四年	二零一三年
		六月三十日	六月三十日
		RMB'000	RMB'000
		人民幣千元	人民幣千元

**19. Related party transactions (Continued)****(b) Period end balances arising from related party transactions**

		<b>As at 30 June 2014 於二零一四年 六月三十日 RMB'000 人民幣千元</b>	As at 31 December 2013 於二零一三年 十二月三十一日 RMB'000 人民幣千元
Due from related parties	應收關連方款項		
Non-trade:	非貿易:		
Yongsheng Group	永盛集團	<b>323</b>	-
Due to related parties	應付關連方款項		
Trade:	貿易:		
HUVIS Corporation	株式會社HUVIS	<b>5,559</b>	7,513

All trade balances with related parties are unsecured and bear no interest.

All non-trade balances with related parties are unsecured, repayable on demand and bear no interest.

所有與關連方的貿易結餘為無抵押及免息。

所有與關連方的非貿易結餘為無抵押、須按要求償還及免息。

**20. Fair values**

All financial instruments are carried at amounts not materially different from their fair values at the balance sheet dates.

**20. 公平值**

所有金融工具均按與該等工具於結算日之公平值並無重大差異之金額列賬。

## 21. Business combination

On 1 March 2014, Yongsheng Dyeing further acquired 2% equity interests of Nantong Yongsheng from a management team member of Nantong Yongsheng at a cash consideration of RMB600,000 immediately before his resignation. The unaudited carrying amount of the non-controlling interests on the date of acquisition amounted to RMB475,000. The difference between the consideration paid and the acquired non-controlling interests amounting to RMB125,000 was credited into other reserve. Upon completion of the acquisition, the Group's indirect interest in Nantong Yongsheng has increased from 90% to 92%.

## 22. Commitments

### Operating lease commitments

The Group leases certain office premises under non-cancellable operating lease agreements.

The Group's future aggregate minimum lease payments to be paid under non-cancellable operating leases were as follows:

		As at 30 June 2014 於二零一四年 六月三十日 RMB'000 人民幣千元	As at 31 December 2013 於二零一三年 十二月三十一日 RMB'000 人民幣千元
Not later than 1 year	不遲於一年	1,126	1,066
1 – 2 years	一年至兩年	1,027	596
2 – 3 years	兩年至三年	136	399
		<b>2,289</b>	2,061

## 21. 業務合併

於二零一四年三月一日，永盛染整於緊接南通永盛之一名管理團隊成員辭任前按現金代價人民幣600,000元進一步向該成員收購南通永盛之2%股權。於收購日期之非控股權益之未經審核賬面值為人民幣475,000元。已付代價與已收購非控股權益之差額人民幣125,000元已計入其他儲備。於完成該收購後，本集團於南通永盛之間接權益已由90%增加至92%。

## 22. 承擔

### 經營租賃承擔

本集團根據不可取消經營租賃協議租用若干辦公室物業。

本集團根據不可取消經營租賃將予支付之未來最低租賃付款總額載列如下：

# Management Discussion and Analysis

## 管理層討論及分析

### I. BUSINESS REVIEW AND PROSPECTS

The board (the “Board”) of directors (the “Directors”) of Yongsheng Advanced Materials Company Limited (the “Company” and its subsidiaries, the “Group” or “Yongsheng Advanced Materials”) is pleased to present the unaudited interim results of the Group for the six months ended 30 June 2014 (the “Period under Review”).

#### Business Review

During the first half of 2014, despite instability persisted in the macro-economy, major developed economies gradually showed signs of slow recovery under the stimulation of various policies. At the same time, the PRC economy also maintained a stable and medium growth. According to the data of National Bureau of Statistics of China, from January to June 2014, the GDP of China represented a year-on-year growth of 7.4% and even a 7.5% growth in the second quarter, a year-on-year growth rate that outperformed market expectation. On the other hand, as affected by the rising domestic production costs and weak market demand, the international competitiveness of the PRC textile industry reduced significantly. The operating environment was difficult and it dragged down the overall sales of the Group with some adjustments. However, utilising its excellent research and development capabilities and the sales strategy of focusing on products with higher gross profit margin, the Group recorded a stable growth in terms of gross profit margin of each business segment, hence the significant improvement in profit of the Group during the Period under Review.

For the Period under Review, total revenue of the Group was RMB685.6 million, representing a decrease of 38.3% from RMB1,110.8 million of the same period of last year. During the Period under Review, the Group continued to develop its two business segments with higher gross profit margin – the production of polyester filament yarn and the dyeing or processing of differentiated polyester filament fabric. Overall gross profit increased by 3.9% to RMB63.6 million as compared with the same period in 2013. Overall gross profit margin increased by 3.8 percentage points to 9.3% from 5.5% in the first half of 2013. Among which, gross profit margin of polyester filament yarn production business and dyeing and processing business amounted to 19.7% and 34.2% respectively, increased by 2.5 percentage points and 0.2 percentage points respectively as compared with the same period of last year. Profit for the period amounted to RMB25.1 million, representing an increase of 30.2% from RMB19.3 million in the same period in 2013. Profit attributable to shareholders of the Company grew significantly by 37.9% to RMB21.3

### I. 業務回顧及前景

永盛新材料有限公司（「本公司」）及其附屬公司（「本集團」或「永盛新材料」）董事會（「董事會」或「董事」），欣然提呈本集團截至二零一四年六月三十日止六個月（「回顧期內」）之未經審核之中期業績。

#### 業務回顧

二零一四年上半年，儘管宏觀經濟仍存在著不穩定因素，主要發達經濟體系已在多項政策刺激下逐步呈現緩慢復甦，中國經濟亦維持穩健中速增長。根據中國國家統計局數據，二零一四年一月至六月，中國國內生產總值同比增長7.4%，第二季度同比增長更達7.5%，增速勝於市場預期。另一方面，受到國內生產成本不斷上漲及市場需求疲弱所影響，中國紡織業的國際競爭力明顯下降；行業經營環境艱困，拖累本集團的整體銷售有所調整。然而，憑藉本集團的超卓研發能力及專注於毛利率較高的產品銷售策略，本集團各業務分部毛利率仍然錄得穩健增長，拉動本集團的期內溢利顯著上升。

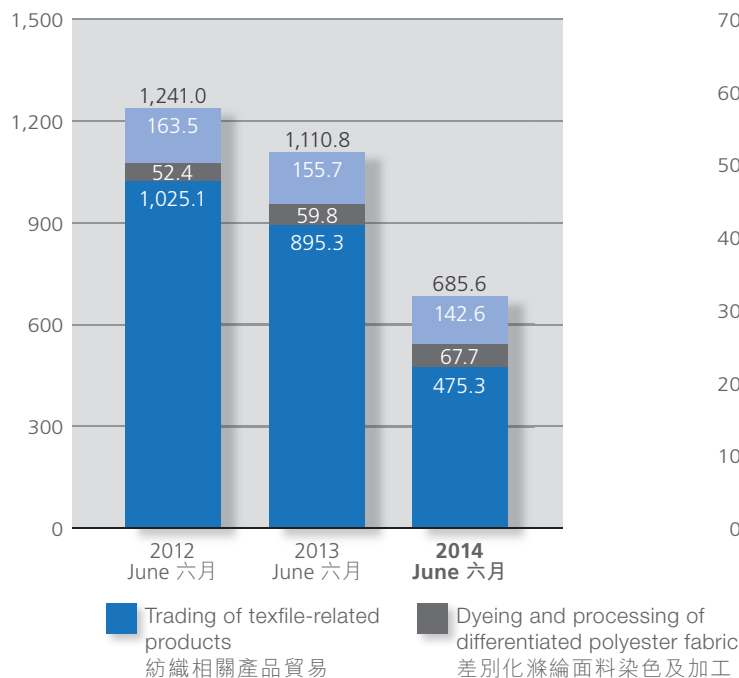
截至二零一四年六月三十日止六個月，本集團的整體收益為人民幣685.6百萬元，較去年同期的人民幣1,110.8百萬元下降38.3%。回顧期內，本集團持續發展滌綸長絲生產，以及差別化滌綸面料染色或加工兩大毛利率較高的業務分部。整體毛利較二零一三年同期增加3.9%至人民幣63.6百萬元，整體毛利率較二零一三年上半年5.5%上升3.8個百分點至9.3%。其中，滌綸長絲生產業務以及染色及加工業務的毛利率分別為19.7%及34.2%，分別較去年同期增加2.5個百分點及0.2個百分點。期內溢利為人民幣25.1百萬元，較二零一三年同期的人民幣19.3百萬元增加30.2%。本公司股東應佔溢利達人民幣21.3百萬元，較二零一三年同期的人民幣15.5百萬元大幅

million as compared with RMB15.5 million in the same period in 2013. The increase in profit was mainly attributable to the decrease in net finance cost and the increase in overall gross profit of the Group (which was mainly attributable to the increase in gross profit of dyeing and processing of differentiated polyester fabric business and polyester filament yarn production business). During the Period under Review, revenue from the development and production of polyester filament yarn, the dyeing and processing of polyester filament fabric and trading of textile-related products accounted for 20.8%, 9.9% and 69.3% of the Group's total revenue respectively. Operating profit of these business segments accounted for 50.1%, 43.1% and 6.8% of the Group's total operating profit respectively.

上升37.9%。溢利之增幅乃主要由於本集團融資成本淨額減少，及整體毛利增加（主要由於差別化滌綸面料染色及加工業務與滌綸長絲生產業務之毛利增加）所致。回顧期內，本集團滌綸長絲開發及製造、滌綸面料染色及加工和紡織相關產品貿易之收益分別佔本集團總收益的20.8%、9.9%和69.3%；分部經營溢利分別佔本集團的總經營溢利的50.1%、43.1%和6.8%。

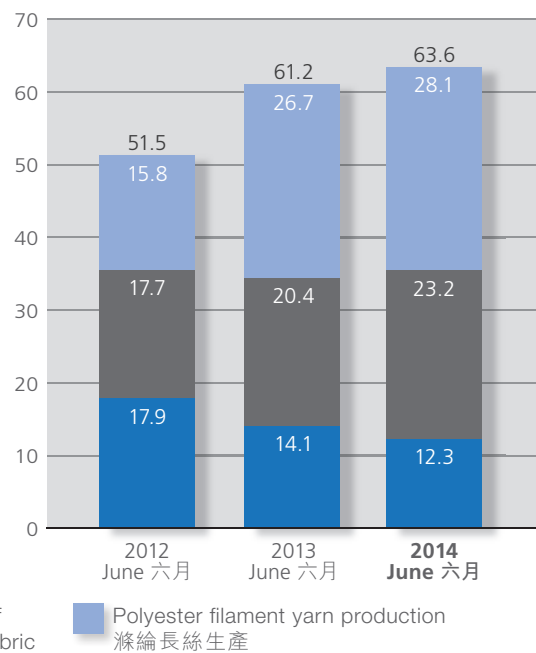
### REVENUE BY BUSINESS SEGMENTS 收益按業務分部

RMB million  
人民幣百萬元



### GROSS PROFIT BY BUSINESS SEGMENTS 毛利按業務分部

RMB million  
人民幣百萬元





## Production of Polyester Filament Yarn

The Group is a developer and manufacturer of regular and differentiated polyester filament yarn in the PRC, and it gradually began to focus on the production and sales on differentiated polyester filament yarn products since 2013. Differentiated polyester filament yarn is generally custom-made for specific textures or qualities, with higher gross profit margin than regular products. For the Period under Review, segment revenue of the Group's polyester filament yarn production decreased by 8.4% to RMB28.1 million as compared with the same period of last year. It was mainly attributable to the Group's downward adjustment to the price of differentiated products in order to gain larger market share and the decrease in sales of regular products. The aforesaid reason was consistent with the Group's strategy of focusing on differentiated products with higher gross profit margin. Percentage of segment revenue of differentiated polyester filament yarn products during the Period under Review increased to 82.4%, and revenue from regular products decreased to 17.6% accordingly. Gross profit margin of the Group's differentiated products reached 22.1%. Coupled with the increase in sales of higher-margin regular polyester filament yarn products, segment profit increased by 5.2% to RMB28.1 million from the same period in 2013, and gross profit margin increased by 2.5 percentage points to 19.7% as compared with the same period of last year.

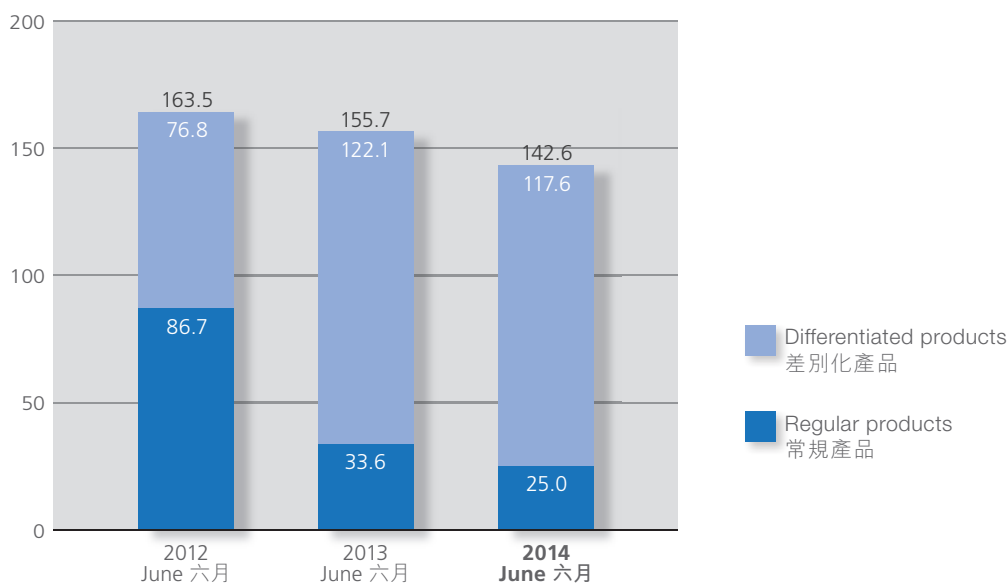
## 滌綸長絲生產

本集團為中國常規及差別化滌綸長絲開發商及製造商，並自二零一三年開始逐步專注於生產及銷售差別化滌綸長絲產品。差別化滌綸長絲一般為替客戶度身定制而具有特定質地或質量的產品，毛利率較常規產品高。截至二零一四年六月三十日止六個月，本集團分部收益較去年同期下跌8.4%至人民幣28.1百萬元，主要是由於本集團下調差別化產品的價格以爭取更大的市場份額，以及常規產品的銷售額減少所致。上述原因與本集團專注於毛利率較高的差別化產品的策略一致：差別化滌綸長絲產品於回顧期內的分部收益佔比調高至82.4%，常規產品收益因此減少至17.6%。本集團差別化產品的毛利率達22.1%，加上本集團增加銷售毛利率較高的常規滌綸長絲產品，分部毛利較二零一三年同期增加5.2%至人民幣28.1百萬元，毛利率同比上升2.5個百分點至19.7%。

## REVENUE ANALYSIS: POLYESTER FILAMENT YARN PRODUCTION

### 滌綸長絲生產分部的收入分析

RMB million  
人民幣百萬元



## Dyeing and Processing of Differentiated Polyester Fabric

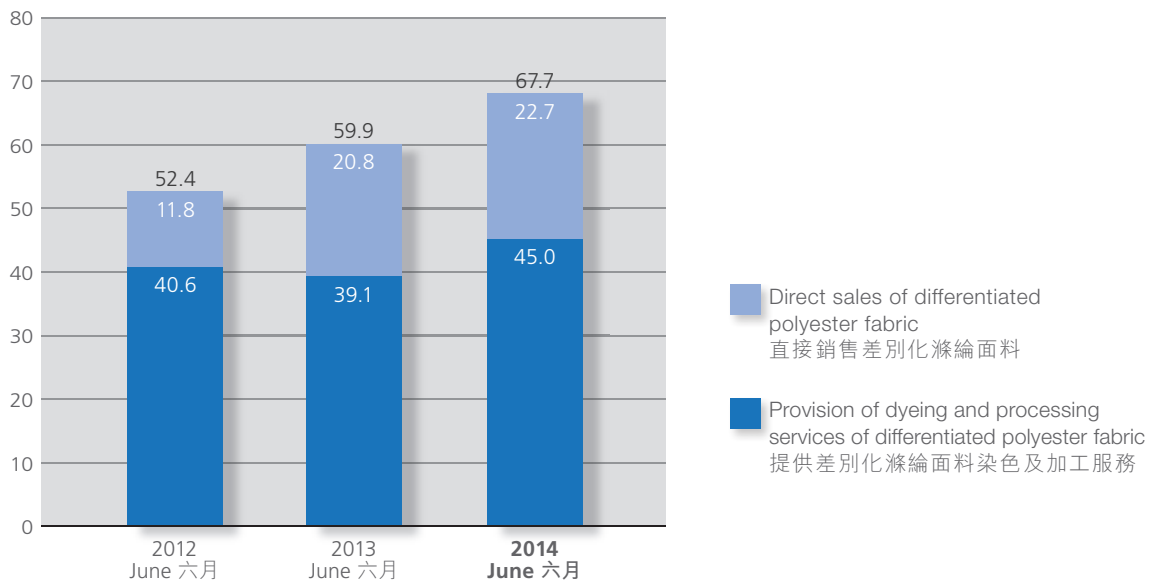
The Group mainly provides fabric dyeing and processing services to customers in the textile-processing segment, or makes use of the differentiated polyester fabric sourced by the Group for further dyeing and processing products, including various types of synthetic chamois leather. To capture the opportunities from industry consolidation, the Group has continued to improve the processing and dyeing technology during the Period under Review. The Group improved the dyeing quality of differentiated polyester fabric, and further increased the market share of the products successfully. For the Period under Review, revenue from the dyeing and processing business increased by 13.2% to RMB67.7 million, which offset the decrease in revenue from production of polyester filament yarn and textile-related products trading business. Processing volume in dyeing and processing activity increased by 2.6% to 17.3 million meters from the same period of last year. Benefiting from the decrease in plant operation scale and the production costs of the dyeing and processing service, segment gross profit margin was stabilized at 34.2%.

## 差別化滌綸面料染色及加工

本集團主要向加工客戶提供面料染色及加工服務，或利用本集團所採購的差別化滌綸面料進行進一步染色及加工，產品包括多種仿麂皮。為了抓緊行業整合機會，本集團於回顧期內持續改善加工及染色技術，提升了差別化滌綸面料染色效果，並且成功進一步增加產品市場份額。截至二零一四年六月三十日止六個月，染色及加工業務收益增加13.2%至人民幣67.7百萬元，抵銷了滌綸長絲生產及紡織相關產品貿易業務的收益減少。染色及加工活動的加工量較去年同期增加2.6%至17.3百萬米。受惠於染色及加工服務的廠房營運規模及生產成本的減少，分部毛利率穩定在34.2%的水平。

## REVENUE ANALYSIS: DYEING AND PROCESSING 染色及加工分部的收入分析

RMB million  
人民幣百萬元



## Trading of Textile-Related Products

The Group mainly trades textile-related products, including cotton, wood pulp, cotton pulp, fabrics and cotton yarn, PET/Nylon chips, PTA, MEG, as well as chemical fiber materials like polyester filament yarn and staple fibers. During the Period under Review, influenced by the continuous sluggish domestic trading environment and weak prices in trading products, revenue of the trading segment of the Group amounted to RMB475.3 million, an 46.9% decrease from the same period in 2013. However, the Group implemented the trading risk control measures in 2014, such as the reduction of low margin trading and lowered trading volume, as well as shortened inventory turnover period. These measures enabled segment profit margin to increase slightly by 1.0 percentage points to 2.6% from the same period in 2013. During the first half of 2014, the textile producers increased the demand for premium grade polyester filament yarns, thereby boosting the trading volume of polyester filament yarn. Gross profit margin of the trading of chemical fiber materials of the Group (including polyester filament yarn and staple fibers) also increased by 1.6 percentage points to 5.3% as compared with the same period in 2013.

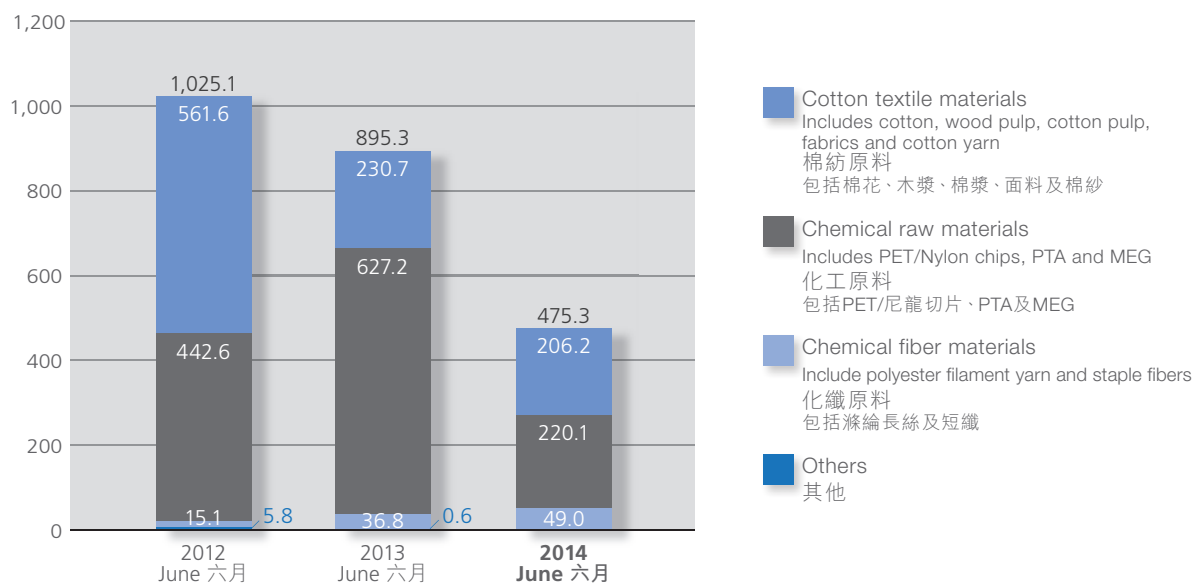
## 紡織相關產品貿易

本集團的貿易產品主要為紡織相關產品，包括棉花、木漿、棉漿、面料及棉紗、PET/尼龍切片、PTA、MEG，以及滌綸長絲及短纖等化纖原料。回顧期內，由於國內貿易環境持續不振，貿易產品價格疲弱，本集團貿易分部收益較二零一三年同期下跌46.9%至人民幣475.3百萬元。然而，本集團於二零一四年開始實施貿易風險管制措施，包括減少邊際利潤低的貿易，減少貿易量和縮短存貨周轉期，使分部毛利率較二零一三年同期輕微上升1.0個百分點至2.6%。二零一四年上半年，紡織生產商對於特級滌綸長絲的需求增加，帶動滌綸長絲的貿易量上升，集團化纖原料貿易（包括滌綸長絲及短纖）毛利率亦較二零一三年同期上升1.6個百分點至5.3%。

## REVENUE ANALYSIS: TRADING OF TEXTILE-RELATED PRODUCTS

### 紡織相關產品貿易分部的收入分析

RMB million  
人民幣百萬元



## Prospects

The year 2014 is the “Year of Reform” in China, its domestic economy is going through an adjustment phase. While facing factors like continuous increase in labour costs, downward price pressure and intensified international competition, the PRC textile industry development is migrating towards high-quality and high-efficiency. According to the data of Ministry of Industry and Information Technology, from January to June 2014, the industrial value-added of enterprises above designated size represented a year-on-year growth of 6.9%. Although there was a slowdown in the growth rate, the industry’s profitability remained stable. Along with the accelerated pace of urbanization development, income of urban and rural residents also maintained a steady growth, and consumers’ pursuance for high-quality life has boomed the demand for mid to high-end textile products. These are all beneficial to the stable and progressive development of the PRC textile industry in the second half of the year.

In the second half of 2014, the Group remains prudently optimistic on the outlook of the industry development. The Group will carry out practical development strategies to actively seize development opportunities to meet market challenges. Amongst which, the Group has implemented a sewage treatment project in its dyeing facilities in Hangzhou, Zhejiang Province, which is expected to be completed by the end of 2014. The implementation of the project is going to improve the energy-saving and water circulation measures of the existing plant in the future, thereby reducing the production costs of the Group. In the future, the Group will continue to focus on the development of two advantageous businesses – polyester filament yarn production and the dyeing and processing of differentiated polyester filament fabric. The Group will capitalize on the core technological advantages of differentiated products, enhance the research and development of products and technology to improve product competitiveness and secure market share, in order to broaden its business coverage and improve profitability.

## 展望

二零一四年是中國的「改革年」，國內經濟現正處於調整階段。面對勞動力成本持續上升、價格下行壓力及國際競爭加劇等因素，中國紡織行業發展正朝向高質量、高效益的結構調整和轉型升級。工信部數據顯示，二零一四年一月至六月紡織業規模以上企業的工業增加值同比增長6.9%；雖然增速有所放緩，但行業盈利能力仍然穩定。而隨著城鎮化發展進程加快，城鄉居民收入亦保持平穩增長，消費者對高品質生活的追求帶動了中、高檔紡織品的需求日益增加。這些都有利於下半年中國紡織業維持穩中向好發展。

展望下半年，本集團對行業發展前景仍然審慎樂觀。本集團將貫徹務實的發展方針，積極抓緊發展機遇以應對市場挑戰。其中，本集團現已在浙江省杭州市的染色設施內實施污水處理工程項目，預計此項目可於今年年底完成建設。本集團預期此項目完成後可有效改善現有廠房的節能及水循環措施，減省本集團的生產成本。未來，本集團將繼續專注發展滌綸長絲生產，以及差別化滌綸面料染色及加工兩大優勢業務。本集團將發揮差異化產品的核心技術優勢，加強產品及技術的研發力度，以提升產品競爭力及鞏固市場份額，務求擴大本集團的業務基礎及提升本集團的盈利能力。

## II. FINANCIAL REVIEW

### Revenue and gross profit

The following table sets forth a breakdown of the Group's revenue and gross profit by our business segment for the Period under Review:

		Six months ended 30 June 截至六月三十日止六個月			
Revenue	收益	2014 二零一四年 RMB'000 人民幣千元	Percentage of sales 佔銷售額的 百分比	2013 二零一三年 RMB'000 人民幣千元	Percentage of sales 佔銷售額的 百分比
1) Textile-related products trading (Note)	1) 紡織相關產品貿易 (附註)	475,313	69.3%	895,282	80.6%
2) Polyester filament yarn production (Note)	2) 滌綸長絲生產 (附註)	142,560	20.8%	155,692	14.0%
– Differentiated	– 差別化	117,529	17.2%	122,065	11.0%
– Regular	– 常規	25,031	3.6%	33,627	3.0%
3) Dyeing and processing	3) 染色及加工	67,742	9.9%	59,868	5.4%
		<b>685,615</b>	<b>100.0%</b>	1,110,842	100.0%

Note: Revenue of trading business included sales of raw materials in the polyester filament yarn production business of RMB9,711,000 (2013: RMB4,342,000).

Revenue of the Group in 2014 was RMB685.6 million, representing a decrease of 38.3% in revenue. The decrease was mainly contributed by the decrease in revenue of RMB420.0 million in our textile-related products trading business, decrease in revenue of polyester filament yarn production business of RMB13.1 million, offset by an increase in dyeing and processing revenue business by RMB7.9 million. Details of the fluctuations of revenue in each business segment are discussed separately in the section below.

## II. 財務回顧

### 收益及毛利

下表載列本集團於回顧期內按業務分部劃分的收益及毛利明細：

		Six months ended 30 June 截至六月三十日止六個月			
Revenue	收益	2014 二零一四年 RMB'000 人民幣千元	Percentage of sales 佔銷售額的 百分比	2013 二零一三年 RMB'000 人民幣千元	Percentage of sales 佔銷售額的 百分比
1) Textile-related products trading (Note)	1) 紡織相關產品貿易 (附註)	475,313	69.3%	895,282	80.6%
2) Polyester filament yarn production (Note)	2) 滌綸長絲生產 (附註)	142,560	20.8%	155,692	14.0%
– Differentiated	– 差別化	117,529	17.2%	122,065	11.0%
– Regular	– 常規	25,031	3.6%	33,627	3.0%
3) Dyeing and processing	3) 染色及加工	67,742	9.9%	59,868	5.4%
		<b>685,615</b>	<b>100.0%</b>	1,110,842	100.0%

附註：貿易業務的收益包括滌綸長絲生產業務的原材料銷售額人民幣9,711,000元（二零一三年：人民幣4,342,000元）。

本集團於二零一四年的收益為人民幣685,600,000元，收益減少38.3%。減少主要因我們的紡織相關產品貿易業務的收益減少人民幣420,000,000元、滌綸長絲生產業務的收益減少人民幣13,100,000元所致，而該減少被染色及加工業務收益增加人民幣7,900,000元所抵銷。各業務分部的收益變動詳情於下節分開討論。

		Six months ended 30 June 截至六月三十日止六個月			
Gross profit	毛利	2014 二零一四年 RMB'000 人民幣千元	Gross Profit Margin 毛利率	2013 二零一三年 RMB'000 人民幣千元	Gross Profit Margin 毛利率
1) Textile-related products trading	1) 紡織相關產品貿易	12,341	2.6%	14,136	1.6%
2) Polyester filament yarn production	2) 滌綸長絲生產	28,100	19.7%	26,708	17.2%
– Differentiated	– 差別化	25,998	22.1%	26,009	21.3%
– Regular	– 常規	2,102	8.4%	699	2.1%
3) Dyeing and processing	3) 染色及加工	23,183	34.2%	20,383	34.0%
		<b>63,624</b>	<b>9.3%</b>	61,227	5.5%

Gross profit of the Group in 2014 was RMB63.6 million, representing an increase of 3.9%, mainly contributed by the increase in gross profit of RMB1.4 million and RMB2.8 million in our polyester filament yarn production business and dyeing and processing business respectively, offset by a decrease in gross profit of RMB1.8 million in our textile-related products trading business. Details of the fluctuations of gross profit in each business segment are discussed separately in the section below.

本集團於二零一四年的毛利為人民幣63,600,000元，增加3.9%，乃主要因我們的滌綸長絲生產業務以及染色及加工業務的毛利分別增加人民幣1,400,000元及人民幣2,800,000元所致，而有關增加被我們的紡織相關產品貿易業務的毛利減少人民幣1,800,000元所抵銷。各業務分部的毛利變動詳情於下節分開討論。

### 1) Trading business

### 1) 貿易業務

		Six months ended 30 June 截至六月三十日止六個月			
Revenue	收益	2014 二零一四年 RMB'000 人民幣千元	Percentage of sales 佔銷售額的 百分比	2013 二零一三年 RMB'000 人民幣千元	Percentage of sales 佔銷售額的 百分比
a) Cotton textile materials (Note i)	a) 棉紡原料 (附註i)	206,214	43.4%	230,676	25.8%
b) Chemical raw materials (Note ii)	b) 化工原料 (附註ii)	220,148	46.3%	627,210	70.0%
c) Chemical fiber materials (Note iii)	c) 化纖原料 (附註iii)	48,951	10.3%	36,810	4.1%
d) Others	d) 其他	-	-	586	0.1%
		475,313	100%	895,282	100%

		Six months ended 30 June 截至六月三十日止六個月			
Gross Profit	毛利	2014 二零一四年 RMB'000 人民幣千元	Gross Profit Margin 毛利率	2013 二零一三年 RMB'000 人民幣千元	Gross Profit Margin 毛利率
a) Cotton textile materials (Note i)	a) 棉紡原料 (附註i)	7,773	3.8%	9,993	4.3%
b) Chemical raw materials (Note ii)	b) 化工原料 (附註ii)	1,994	0.9%	2,759	0.4%
c) Chemical fiber materials (Note iii)	c) 化纖原料 (附註iii)	2,574	5.3%	1,352	3.7%
d) Others	d) 其他	-	-	32	5.5%
		12,341	2.6%	14,136	1.6%

Note i: Cotton textile materials include cotton, wood pulp, cotton pulp, fabrics and cotton yarn.

附註i：棉紡原料包括棉花、木漿、棉漿、面料及棉紗。

Note ii: Chemical raw materials include PET/Nylon chips, PTA and MEG.

附註ii：化工原料包括PET/尼龍切片、PTA及MEG。

Note iii: Chemical fiber materials include polyester filament yarn and staple fibers.

附註iii：化纖原料包括滌綸長絲及短纖。

## Management Discussion and Analysis (Continued)

### 管理層討論及分析 (續)

Revenue and gross profit of textile-related products trading business in 2014 were RMB475.3 million and RMB12.3 million respectively, representing a decrease of 46.9% and 12.7% respectively, mainly comprise of the following:

- i) Sales volume in cotton textile materials decreased from approximately 19,800 tonnes to 15,800 tonnes and the average selling price increased from approximately RMB11,700/tonne to RMB13,100/tonne. We observed fewer trading opportunities of cotton in the market during 2014 as compared to 2013 due to the effect of the cotton reserve policy to maintain stability of cotton price. We maintained a stable gross profit margin of 3.8% in 2014 as compared to 4.3% in 2013 in the trading of cotton textile materials.
- ii) Sales volume in a chemical raw materials decreased from approximately 76,900 tonnes to 38,000 tonnes and the average selling price decreased from approximately RMB8,200/tonne to RMB5,800/tonne. We observed fewer trading opportunities in PET/Nylon chips and PTA in the market during 2014 as compared with 2013. We recorded a gross profit margin of 0.9% as compared to 0.4% in 2013 in the trading of chemical raw materials.
- iii) Sales volume in chemical fiber materials increased from approximately 1,300 tonnes to 2,400 tonnes and the average selling price decreased from approximately RMB27,700/tonne to RMB20,500/tonne. Due to the increase in demand for premium grade polyester filament yarns for production, trading volume for polyester filament yarn increased in 2014. We recorded a gross profit margin of 5.3% as compared to 3.7% in 2013 in the trading of chemical fiber materials.

紡織相關產品貿易業務於二零一四年的收益及毛利分別為人民幣475,300,000元及人民幣12,300,000元，分別減少46.9%及12.7%，主要包括以下各項：

- i) 棉紡原料的銷量由約19,800公噸減少至15,800公噸，而平均售價由約人民幣11,700元／公噸增至人民幣13,100元／公噸。我們觀察到，由於為維持棉花價格穩定之棉花儲備政策之影響，於二零一四年內市場上的棉花買賣商機較二零一三年減少。我們於二零一四年的棉紡原料貿易維持穩定毛利率3.8%，而二零一三年則為4.3%。
- ii) 化工原料的銷量由約76,900公噸減少至38,000公噸，而平均售價由約人民幣8,200元／公噸減少至人民幣5,800元／公噸。我們觀察到，於二零一四年內市場上的PET／尼龍切片及PTA商機較二零一三年減少。我們的化工原料貿易錄得毛利率0.9%，而二零一三年則為0.4%。
- iii) 化纖原料的銷量由約1,300公噸增加至2,400公噸，而平均售價由約人民幣27,700元／公噸減少至人民幣20,500元／公噸。由於供生產的特級滌綸長絲的需求增加，滌綸長絲的貿易量於二零一四年均有所增加。我們的化纖原料貿易錄得毛利率5.3%，而二零一三年則為3.7%。

## 2) Polyester filament yarn production business

## 2) 滌綸長絲生產業務

		Six months ended 30 June 截至六月三十日止六個月			
		2014	Percentage of sales	2013	Percentage of sales
Revenue	收益	RMB'000 人民幣千元	佔銷售額的 百分比	RMB'000 人民幣千元	佔銷售額的 百分比
Differentiated	差別化	117,529	82.4%	122,065	78.4%
Regular	常規	25,031	17.6%	33,627	21.6%
		142,560	100%	155,692	100%

		Six months ended 30 June 截至六月三十日止六個月			
		2014	Gross Profit Margin	2013	Gross Profit Margin
Gross Profit	毛利	RMB'000 人民幣千元	毛利率	RMB'000 人民幣千元	毛利率
Differentiated	差別化	25,998	22.1%	26,009	21.3%
Regular	常規	2,102	8.4%	699	2.1%
		28,100	19.7%	26,708	17.2%

Revenue and gross profit of polyester filament yarn production business in 2014 were RMB142.6 million and RMB28.1 million respectively, representing a decrease of 8.4% and increase of 5.2% respectively, mainly comprise of the following:

The decrease in polyester filament yarns sales by RMB13.1 million was mainly attributable to the decrease in sales of regular products of RMB8.6 million. Consistent with our strategy to focus on differentiated products with higher gross profit margin, the percentage of the revenue derived from sales of differentiated polyester filament yarn increased from 78.4% for 2013 to 82.4% for 2014. As a result, our gross profit margin increased from 17.2% in 2013 to 19.7% in 2014.

滌綸長絲生產業務於二零一四年的收益及毛利分別為人民幣142,600,000元及人民幣28,100,000元，分別減少8.4%及增加5.2%，主要包括以下各項：

滌綸長絲銷售額減少人民幣13,100,000元乃主要由於常規產品的銷售額減少人民幣8,600,000元。與我們專注於毛利率較高的差別化產品的策略一致，銷售差別化滌綸長絲產生的收益百分比由二零一三年的78.4%增加至二零一四年的82.4%。因此，我們的毛利率由二零一三年的17.2%增加至二零一四年的19.7%。



## Management Discussion and Analysis (Continued)

### 管理層討論及分析 (續)

- i) Sales volume in differentiated polyester filament yarn increased 6.6% from approximately 6,100 tonnes to 6,500 tonnes. The average selling price decreased from approximately RMB19,900/tonne to RMB18,000/tonne as we lower the price of differentiated products in order to earn more market share. Due to the above reason, the revenue for differentiated polyester filament yarn decreased in 2014. Despite the decrease in revenue, we also launched new products during the 1st half of 2014. Since a significant portion of cost of sales represented raw materials costs for PET/Nylon chips and POY, the general decrease in raw materials price benefit our production. We maintained a stable gross profit margin of 22.1% as compared to 21.3% in 2013 in differentiated polyester filament yarn.
- ii) Sales volume in regular polyester filament yarn decreased 20.7% from approximately 2,900 tonnes to 2,300 tonnes. Consistent with our strategy to focus on differentiated products, we sold less regular products during the year 2014. We produced and sold regular products mainly for the purpose of utilizing our production facilities to keep the plant and machineries at the best working status and to share manufacturing fixed costs such as depreciation of plant and equipment. We maintained a gross profit margin of 8.4% as compared to 2.1% in 2013 in the regular polyester filament yarn mainly because we focused production and sales of certain types of regular polyester filament yarn which have higher gross profit margin.
- i) 差別化滌綸長絲的銷量由約6,100公噸增加6.6%至6,500公噸，平均售價由約人民幣19,900元／公噸減少至人民幣18,000元／公噸，原因為我們下調差別化產品的價格以爭取更大的市場份額。由於上述原因，差別化滌綸長絲的收益於二零一四年有所減少。儘管收益減少，我們於二零一四年上半年亦推出新產品。由於大部分銷售成本為PET／尼龍切片及POY的原材料成本，故原材料價格普遍下降對我們的生產有利。我們的差別化滌綸長絲維持穩定毛利率22.1%，而二零一三年則為21.3%。
- ii) 常規滌綸長絲的銷量由約2,900公噸減少20.7%至2,300公噸。與我們專注於差別化產品的策略一致，我們於二零一四年年內銷售的常規產品減少。我們生產及銷售常規產品主要為利用我們的生產設施，以使廠房及機器處於最佳工作狀態，並分攤生產固定成本（例如廠房及設備折舊）。我們的常規滌綸長絲維持毛利率8.4%，而二零一三年則為2.1%，主要原因是我們專注於生產及銷售若干種類毛利率較高的常規滌綸長絲。

### 3) Dyeing and processing business

### 3) 染色及加工業務

		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	Percentage of sales 佔銷售額的 百分比	2013 二零一三年 RMB'000 人民幣千元	Percentage of sales 佔銷售額的 百分比
Revenue	收益				
Processing activity	加工活動	44,979	66.4%	39,072	65.3%
Direct sales	直接銷售	22,763	33.6%	20,796	34.7%
		67,742	100%	59,868	100%

		Six months ended 30 June 截至六月三十日止六個月			
		2014 二零一四年	Gross Profit Margin	2013 二零一三年	Gross Profit Margin
Gross Profit	毛利	RMB'000 人民幣千元	毛利率	RMB'000 人民幣千元	毛利率
Processing activity	加工活動	19,065	42.4%	14,964	38.3%
Direct sales	直接銷售	4,118	18.1%	5,419	26.1%
		23,183	34.2%	20,383	34.0%

Revenue and gross profit of dyeing and processing business in 2014 were RMB67.7 million and RMB23.2 million respectively, representing an increase of 13.2% and 13.7%, respectively mainly comprise of the following:

- i) Processing volume in dyeing and processing activity increased 2.6% from approximately 16,874,000 meters to approximately 17,305,000 meters. The average processing income remained stable at RMB2.6/meter in 2014 as compared to RMB2.3/meter in 2013. We achieved a gross profit margin of 42.4% as compared to 38.3% in 2013 in the processing activity because of the economy of scale in operation of the plant and decrease in costs of production as part of the energy savings and water recycle initiatives.
- ii) Sales volume in direct sale remain stable at approximately 1,989,000 meters in 2014 as compared to approximately 1,930,000 meters in 2013. The average selling price for direct sale remained stable at RMB11.4/meter in 2014 as compared to RMB10.8/meter in 2013. We achieved a gross profit margin of 18.1% as compared to 26.1% in 2013 for direct sales mainly due to the increase in unit cost of fabric.

染色及加工業務於二零一四年的收益及毛利分別為人民幣67,700,000元及人民幣23,200,000元，分別增加13.2%及13.7%，主要包括以下各項：

- i) 染色及加工活動的加工量由約16,874,000米增加2.6%至約17,305,000米。平均加工收入於二零一四年維持穩定於人民幣2.6元/米，而二零一三年則為人民幣2.3元/米。由於廠房營運的規模經濟及生產成本減少（作為節能及水循環措施的一部分），我們的加工活動錄得毛利率42.4%，而二零一三年則為38.3%。
- ii) 直接銷售的銷量於二零一四年維持穩定於約1,989,000米，而二零一三年則為約1,930,000米。直接銷售的平均售價於二零一四年維持穩定於人民幣11.4元/米，而二零一三年則為人民幣10.8元/米。我們的直接銷售錄得毛利率18.1%，而二零一三年則為26.1%，乃主要由於面料的單位成本增加所致。

## Other (losses)/gains, net

Other net (losses)/gains decreased by RMB1.8 million from gains of RMB1.8 million for 2013 to losses of RMB0.03 million for 2014, primarily due to (1) the marking of foreign exchange losses on our accounts receivables and payables not denominated in RMB (mainly in USD) mainly related to our trading activities of RMB0.8 million for 2014 as compared to foreign exchange gain for 2013 of RMB0.4 million mainly as a result of (a) the company records net trade payables denominated in USD on average for 2014, and (b) the depreciation of RMB, our functional currency, against USD during 2014, leading to foreign exchange losses resulted from net trade payables in USD; and (2) a decrease in commission income of RMB0.5 million received in 2014.

## Selling expenses

Selling expenses decreased by RMB1.8 million, or 18.0% from RMB9.7 million for 2013 to RMB8.0 million for 2014, primarily attribute to decrease in transportation and storage cost as we conducted more intermediary trade during 2014 in which we purchased goods from overseas and then sold to our customers outside the PRC, and on average we incurred less transportation and storage costs by conducting intermediary trading than importing or trading within the PRC.

## Administrative expenses

## 其他(虧損)/收益淨額

其他(虧損)/收益淨額由二零一三年的收益人民幣1,800,000元減少人民幣1,800,000元至二零一四年的虧損人民幣30,000元,主要由於(1)於二零一四年,就主要於貿易活動中產生的並非以人民幣(主要以美元)計值的應收賬款及應付賬款錄得外匯虧損人民幣800,000元,而二零一三年錄得外匯收益人民幣400,000元,主要由於(a)本公司於二零一四年錄得以美元計值的貿易應付款項淨額,及(b)於二零一四年,我們的功能貨幣人民幣兌美元貶值,導致以美元計值的貿易應付款項淨額產生外匯虧損;及(2)於二零一四年所收取之佣金收入減少人民幣500,000元。

## 銷售開支

### Six months ended 30 June

截至六月三十日止六個月

2014	2013
二零一四年	二零一三年
RMB'000	RMB'000
人民幣千元	人民幣千元

Selling expenses total	銷售開支總額	7,956	9,706
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銷售開支由二零一三年的人人民幣9,700,000元減少人民幣1,800,000元或18.0%至二零一四年的人人民幣8,000,000元,主要由於運輸及儲存開支減少,主要因我們於二零一四年進行的轉口貿易增加,於轉口貿易中,我們自海外採購貨物並將其出售予我們的國外客戶,而平均而言,我們進行轉口貿易產生的運輸及儲存成本較進口或國內貿易的運輸及儲存成本低。

## 行政開支

### Six months ended 30 June

截至六月三十日止六個月

2014	2013
二零一四年	二零一三年
RMB'000	RMB'000
人民幣千元	人民幣千元

Administrative expenses total	行政開支總額	19,736	18,598
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Administrative expenses increased by RMB1.1 million, or 6.1% from RMB18.6 million for 2013 to RMB19.7 million for 2014 primarily due to (i) the increase in staff costs to reward employees as a result of the improvement in profitability of the Group for 2014, and (ii) increase in professional fees and auditors' remuneration of RMB1.4 million, offset by the decrease in listing expenses of RMB4.3 million.

### Finance costs, net

Net finance costs decreased significantly by RMB6.9 million, or 71.6% from RMB9.7 million for 2013 to RMB2.8 million for 2014, primarily due to decrease in interest expenses on bank borrowings by RMB10.3 million, mainly as a result of the decrease in bank borrowings of RMB163.5 million from 31 December 2013 to 30 June 2014 according to our strategy to repay bank borrowings with excess cash balances during 2014, offset by a decrease in interest income from cash and cash equivalents and restricted cash deposits of RMB2.7 million mainly as a result of decrease in the aggregate balance by RMB153.7 million from 31 December 2013 to 30 June 2014.

### Profit before income tax

Profit before income tax increased from RMB25.0 million for 2013 to RMB33.1 million for 2014 by RMB8.1 million or 32.5%, which was mainly due to (1) decrease in net finance costs by RMB6.9 million, and (2) increase in gross profit by RMB2.4 million.

### Income tax expenses

Income tax expense increased by 40.3% from 2013 to 2014, which was larger than the increase of profit before income tax of 33.1% due to the accrual for withholding income tax for 2014.

### Total comprehensive income

As a result of the foregoing, our total comprehensive income increased by RMB6.0 million, or 31.5% from RMB19.0 million for 2013 to RMB25.0 million for 2014. Our net profit margin before interest and tax and net profit margin increased from 3.1% and 1.7% respectively for 2013 to 5.2% and 3.7% respectively for 2014, mainly as a result of decrease in net finance costs and our increased gross profit margin from 5.5% to 9.3% due to the improvement of gross profit margin of production activities.

行政開支由二零一三年的人民幣18,600,000元增加人民幣1,100,000元或6.1%至二零一四年的人民幣19,700,000元，主要由於(i)基於本集團於二零一四年的盈利改善，為獎勵僱員，員工成本增加，及(ii)專業費用及核數師酬金增加人民幣1,400,000元，乃經上市開支減少人民幣4,300,000元抵銷所致。

### 融資成本淨額

融資成本淨額由二零一三年的人民幣9,700,000元大幅減少人民幣6,900,000元或71.6%至二零一四年的人民幣2,800,000元，主要由於銀行借款利息開支減少人民幣10,300,000元，主要因為根據本集團於二零一四年內實行以額外現金結餘償還銀行借款之策略令銀行借款由二零一三年十二月三十一日至二零一四年六月三十日減少人民幣163,500,000元，惟被主要由於由二零一三年十二月三十一日至二零一四年六月三十日，結餘總額減少人民幣153,700,000元，現金及現金等值物及受限制現金存款之利息收入減少人民幣2,700,000元所抵銷。

### 除所得稅前溢利

除所得稅前溢利由二零一三年的人民幣25,000,000元增加人民幣8,100,000元或32.5%至二零一四年的人民幣33,100,000元，主要由於(1)融資成本淨額減少人民幣6,900,000元；及(2)毛利增加人民幣2,400,000元所致。

### 所得稅開支

所得稅開支由二零一三年至二零一四年增加40.3%，高於除所得稅前溢利的增幅33.1%，乃由於二零一四年的預扣所得稅應計款項所致。

### 綜合收益總額

由於上述原因，我們的綜合收益總額由二零一三年的人民幣19,000,000元增加人民幣6,000,000元或31.5%至二零一四年的人民幣25,000,000元。我們的除利息及稅項前純利率及純利率分別由二零一三年的3.1%及1.7%上升至二零一四年的5.2%及3.7%，主要由於融資成本淨額減少以及我們的毛利率因生產活動的毛利率改善由5.5%上升至9.3%所致。

## Management Discussion and Analysis (Continued)

管理層討論及分析 (續)

### Property, plant and equipment

Property, plant and equipment as at 30 June 2014 decreased by RMB3.8 million, or 2.9% as compared to 31 December 2013, mainly attributable to depreciation of RMB4.7 million offset by additions of RMB1.2 million, mainly for plant and machinery for production.

### Inventories

		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
Trading inventories	貿易類存貨	60,311	84,268
Finished goods	製成品	16,057	20,093
Raw materials	原材料	22,935	11,752
Work in progress	在製品	2,738	3,044
		<b>102,041</b>	119,157
Less: provision	減:撥備	<b>(8,116)</b>	(5,995)
		<b>93,925</b>	113,162
Inventory turnover days (Note)	存貨周轉日數(附註)	<b>27 days</b> 日	27 days 日

Note: Inventory turnover days equals to the average of beginning and ending inventory balances of the period divided by revenue of the year and multiplied by the total number of days for the respective period.

Inventories as at 30 June 2014 decreased by RMB19.2 million, or 17.0% as compared to 31 December 2013, mainly due to decrease in trading inventories by RMB24.0 million as a result of decrease in trading revenue by RMB420.5 million for 2014 as compared to 2013.

Inventory turnover days remain stable at 27 days for six months ended 30 June 2014 and 27 days for year ended 31 December 2013.

### 物業、廠房及設備

於二零一四年六月三十日的物業、廠房及設備較二零一三年十二月三十一日減少人民幣3,800,000元或2.9%，主要由於折舊人民幣4,700,000元被添置主要用於生產的廠房及機器人民幣1,200,000元所抵銷所致。

### 存貨

附註：存貨周轉日數相等於期初及期末存貨結餘的平均數除以年內收益再乘以各期間的總天數。

於二零一四年六月三十日的存貨較二零一三年十二月三十一日減少人民幣19,200,000元或17.0%，主要由於貿易類存貨因二零一四年的貿易收益較二零一三年減少人民幣420,500,000元而減少人民幣24,000,000元所致。

於截至二零一四年六月三十日止六個月，存貨周轉日數穩定維持於27日，而截至二零一三年十二月三十一日止年度則為27日。

## Trade and bills receivables

## 貿易應收款項及應收票據

		<b>30 June 2014</b>	31 December 2013
		二零一四年 六月三十日	二零一三年 十二月三十一日
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
Trade receivables	貿易應收款項	<b>64,778</b>	94,006
Bills receivable	應收票據	<b>51,468</b>	37,207
		<b>116,246</b>	131,213
Less: Provision for impairment	減：減值撥備	<b>(5,548)</b>	(5,108)
Trade and bills receivables – net	貿易應收款項及應收票據－淨額	<b>110,698</b>	126,105
Debtors' turnover days (Note)	應收賬款周轉日數(附註)	<b>20 days 日</b>	32 days 日

Note: Debtors' turnover days equals to the average of the beginning and ending trade receivable balances of the period divided by revenue and multiplied by the total number of days for the respective period.

Trade and bills receivable as at 30 June 2014 decreased by RMB15.4 million, or 12.2% as compared to 31 December 2013, mainly attributable to the decline in revenue by RMB425.2 million for the six months ended 30 June 2014 as compared to the six months ended 30 June 2013 as a result of decrease in trading revenue.

Debtors' turnover days decreased from 32 days for year ended 31 December 2013 to 20 days for six months ended 30 June 2014 mainly due to the decrease in trade receivable by approximately 33.4% due to changes in method of settlement by bills receivable, offset by decline in revenue for the first half of 2014 by approximately 38.3%.

附註：應收賬款周轉日數相等於期初及期末貿易應收款項結餘的平均數除以收益再乘以各期間的總日數。

於二零一四年六月三十日的貿易應收款項及應收票據較二零一三年十二月三十一日減少人民幣15,400,000元或12.2%，主要由於截至二零一四年六月三十日止六個月的收益因貿易收益減少而較截至二零一三年六月三十日止六個月減少人民幣425,200,000元所致。

應收賬款周轉日數由截至二零一三年十二月三十一日止年度之32日下降至截至二零一四年六月三十日止六個月之20日，主要由於應收貿易款項因以應收票據結算之方式變動而減少約33.4%，並被於二零一四年上半年收入減少約38.3%所抵銷所致。

## Trade and bills payables

## 貿易應付款項及應付票據

		<b>30 June 2014 二零一四年 六月三十日 RMB'000 人民幣千元</b>	31 December 2013 二零一三年 十二月三十一日 RMB'000 人民幣千元
Trade payables	貿易應付款項	<b>81,753</b>	116,829
Bills payable	應付票據	<b>12,904</b>	-
		<b>94,657</b>	116,829
Creditors' turnover days (Note)	應付賬款周轉日數 (附註)	<b>31 days 日</b>	43 days 日

Note: Creditors' turnover days equal to the average of the beginning and ending trade payable and amounts due to related parties balances of the period divided by cost of sales and multiplied by the actual number of days in respective period.

附註：應付賬款周轉日數相等於期初及期末貿易應付款項及應付關連方款項結餘的平均數除以銷售成本再乘以各期間的實際日數。

Trade and bills payable as at 30 June 2014 decreased by RMB22.2 million, or 19.0% as compared to 31 December 2013, mainly attributable to the decline in revenue by RMB425.2 million for the six months ended 30 June 2014 as compared to the six months ended 30 June 2013 as a result of decrease in trading revenue.

於二零一四年六月三十日的貿易應付款項及應付票據較二零一三年十二月三十一日減少人民幣22,200,000元或19.0%，主要由於截至二零一四年六月三十日止六個月的收益因貿易收益減少而較截至二零一三年六月三十日止六個月減少人民幣425,200,000元所致。

Creditors' turnover days decreased from 43 days in 2013 to 31 days in 2014, mainly due to decrease in trading revenue during period resulted in the decrease in trade payable by 30.0%, offset by decline in cost of sales for the period ended 2014 by approximately 40.7%.

應付賬款周轉日數由二零一三年之43日減少至二零一四年之31日，主要由於期間內貿易收益減少導致貿易應付款項減少30.0%，惟被截至二零一四年止期間之銷售成本下降約40.7%所抵銷所致。

## Prepayments, deposits and other receivables

## 預付款項、按金及其他應收款項

Prepayments, deposits and other receivables increased from RMB20.1 million in 2013 to RMB44.7 million in 2014 due to: (i) increase in prepayment to suppliers of RMB21.5 million by Hangzhou Yongsheng Trading, mainly for chemical fiber products; and (ii) prepaid construction costs for the new production facilities in Nantong Yongsheng amounted to RMB4.9 million.

預付款項、按金及其他應收款項由二零一三年之人民幣20,100,000元增加至二零一四年之人民幣44,700,000元，乃由於：(i) 杭州永盛貿易主要就化纖產品向供應商支付的預付款項增加人民幣21,500,000元；及(ii) 就南通永盛的新生產設施預付之建造成本人民幣4,900,000元所致。

### Advances from customers

Advances from customers increased from RMB8.1 million as at 31 December 2013 to RMB18.1 million as at 30 June 2014 by RMB10.0 million mainly as increase in advances from customers for sales of chemical fiber products in 2014 where we received letter of credit from customers and converted part of them into cash before the completion of sales, which also contributed to increase in advances from customers.

### Capital structure

The Company's issued share capital as at 30 June 2014 is HK\$4,000,000 divided into 400,000,000 shares of HK\$0.01 each.

The Group adopts a prudent treasury policy, and its debt to equity ratio (calculated by dividing the total interest-bearing borrowings by total equity) as at 30 June 2014 was approximately 21.0% (31 December 2013: approximately 69.9%). The current ratio (calculated as current assets divided by current liabilities) as at 30 June 2014 was approximately 1.86 times (31 December 2013: approximately 1.48 times).

### 客戶墊款

客戶墊款由二零一三年十二月三十一日的人民幣8,100,000元增加人民幣10,000,000元至二零一四年六月三十日的人民幣18,100,000元，主要由於於二零一四年客戶就銷售化纖產品的墊款增加，而我們於銷售中自客戶收取信用證並於銷售完成前將其部分兌換為現金，此亦導致客戶墊款增加。

### 資本架構

本公司於二零一四年六月三十日的已發行股本為4,000,000港元，分為400,000,000股每股面值0.01港元的股份。

本集團採取審慎的庫務政策，而其於二零一四年六月三十日的負債與權益比率（按計息借款總額除以權益總額計算）約為21.0%（二零一三年十二月三十一日：約69.9%）。於二零一四年六月三十日的流動比率（按流動資產除以流動負債計算）約為1.86倍（二零一三年十二月三十一日：約1.48倍）。



## Liquidity, financial resources, and use of the IPO proceeds

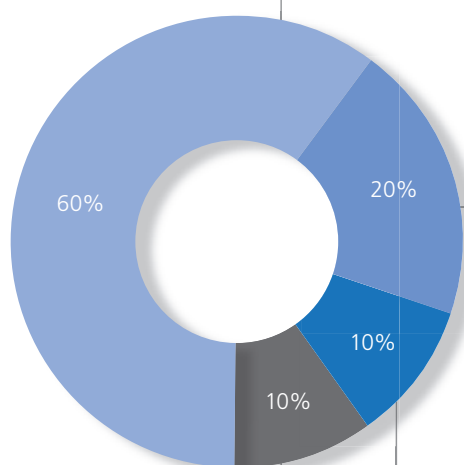
As at 30 June 2014, the total amount of the borrowings by the Group was RMB58.1 million (31 December 2013: RMB221.6 million). All bank borrowings were at fixed interest rates (31 December 2013: RMB47.0 million were at fixed interest rates). The Group settled borrowings in the amount of approximately RMB163.5 million for the six months ended 30 June 2014. The Group's cash and bank balances, including restricted cash, amounted to RMB131.3 million (31 December 2013: RMB284.9 million). The Group has received net proceeds of HK\$81.5 million (approximately RMB63.7 million) from issuance of ordinary shares under the share offer on 27 November 2013. The Group has utilised approximately RMB23.4 million of the net proceeds as at 30 June 2014 and intends to apply the remaining net proceeds in the manner consistent with that disclosed in the announcement of the Company dated 26 November 2013 in respect of the share offer.

## 流動資金、財務資源及首次公開發售所得款項用途

於二零一四年六月三十日，本集團的借款總額為人民幣58,100,000元（二零一三年十二月三十一日：人民幣221,600,000元）。所有銀行借款均為按固定利率計息（二零一三年十二月三十一日：人民幣47,000,000元為按固定利率計息）。本集團截至二零一四年六月三十日止六個月償還借款約人民幣163,500,000元。本集團的現金及銀行結餘（包括受限現金）為人民幣131,300,000元（二零一三年十二月三十一日：人民幣284,900,000元）。本集團已於二零一三年十一月二十七日收到根據股份發售發行普通股的所得款項淨額81,500,000港元（約人民幣63,700,000元）。本集團於二零一四年六月三十日已動用所得款項淨額約人民幣23,400,000元，並擬按與日期為二零一三年十一月二十六日的有關股份發售之公佈所披露者一致的方式動用餘下所得款項淨額。

## USE OF IPO PROCEEDS

### 上市所得款項用途



#### Expansion of the production capacity of differentiated polyester filament yarn (Nantong Yongsheng)

- Will be used for building of additional production lines and acquiring the production equipment and machines in order to increase the production capacity of our Nantong production facilities, mainly used for the production of differentiated polyester filament yarn

#### 擴大差別化滌綸長絲產能（南通永盛）

- 將用於興建額外生產線及購入生產設備及機器，以增加南通生產設施的產能（主要用於生產差別化滌綸長絲）

#### Increasing the processing capacity and improving the waste water treatment system and energy savings system (Yongsheng Dyeing)

- Will be used for increasing the processing capacity and improving the waste water treatment system and energy savings system

#### 提高加工能力及改善染色設施的污水處理系統及節能系統（永盛染整）

- 將用於提高加工能力及改善污水處理系統及節能系統

#### Strengthen our research and analysis capabilities and business development capabilities in textile-related products trading business

- Will be used to recruit more research analysts to research on the market price trend of textile-related products. We also have plan to send our staff members to seek out potential suppliers and customers for our trading business

#### 加強紡織相關產品貿易業務的研究、分析及業務發展能力

- 將用於雇用更多研究分析員以研究紡織相關產品的市價趨勢，亦計劃派遣員工為貿易業務物色潛在供貨商及客戶

#### General working capital and other general corporate purposes

- Will be used for general working capital and other general corporate purposes of our Group

#### 一般營運資金及其他一般公司用途

- 將用作本公司一般營運資金及用於其他一般公司用途

## Pledge of Group's assets

As at 30 June 2014, bank borrowings of RMB37,000,000 were pledged by buildings with net book value of RMB35,730,000 and land use rights with net book value of RMB12,480,000.

## Operating lease commitments

The Group's future aggregate minimum lease payments to be paid under non-cancellable operating leases were as follows:

		<b>As at 30 June 2014</b>	As at 31 December 2013
		於二零一四年 六月三十日	於二零一三年 十二月三十一日
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
Not later than 1 year	不遲於一年	<b>1,126</b>	1,066
1 – 2 years	一年至兩年	<b>1,027</b>	596
2 – 3 years	兩年至三年	<b>136</b>	399
		<b>2,289</b>	2,061

## Capital commitments and contingent liabilities

As at 30 June 2014, the Group has no material capital commitments or contingent liabilities.

## Material acquisition and disposals

Save as disclosed in note 21 of the interim financial information, the Group did not have any material acquisition or disposal of subsidiaries or associates during the Period under Review.

## Exposure to fluctuations in exchange rates and related hedge

Most transactions of the Group are settled in Renminbi ("RMB") since the operations of the Group are mainly carried out in the PRC, and the major subsidiaries of the Group are operating in a RMB environment and the functional currency of the major subsidiaries is RMB. The reporting currency of the Group is RMB. The Group carried on trading of textile products from overseas and most of the transactions were settled in United States Dollars.

## 集團資產抵押

於二零一四年六月三十日，人民幣37,000,000元的銀行借款乃以賬面淨值為人民幣35,730,000元的樓宇及賬面淨值為人民幣12,480,000元的土地使用權作抵押。

## 經營租約承擔

本集團根據不可註銷經營租約將予支付的未來最低租賃付款總額如下：

## 資本承擔及或然負債

於二零一四年六月三十日，本集團並無重大資本承擔或或然負債。

## 重大收購及出售

除中期財務資料附註21所披露者外，本集團於回顧期內並無進行任何附屬公司或聯營公司之重大收購或出售。

## 匯率波動風險及有關對沖

由於本集團主要在中國境內經營業務及本集團之主要附屬公司於人民幣（「人民幣」）環境下營運，而主要附屬公司之功能貨幣為人民幣，故本集團大部分交易以人民幣結算。本集團之呈報貨幣為人民幣。本集團從事來自海外之紡織產品貿易及大部份交易以美元結算。

## Management Discussion and Analysis (Continued)

### 管理層討論及分析 (續)

The Group's cash and bank deposits are predominantly in RMB. The Company will pay dividends in Hong Kong Dollars if dividends are declared. The Directors are of the view that RMB is relatively stable against the other currencies and the Group will closely monitor the fluctuations in exchange rates, and that hedging by means of derivative instruments is therefore not necessary. RMB is currently not a freely convertible currency. A portion of the Group's RMB revenue or profit may be converted into other currencies to meet foreign currency obligations of the Group such as the payment of dividends, if declared.

### Employee benefits and remuneration policies

As at 30 June 2014, the Group had a total of 539 employees (31 December 2013: 504). The employees of the Group were remunerated based on their experience, qualifications, the Group's performance and the prevailing market conditions. During the Period under Review, staff costs (including Directors' remunerations) amounted to RMB22.7 million (30 June 2013: RMB19.0 million). Moreover, the share option scheme of the Company (the "Scheme") was adopted on 7 November 2013 to retain staff members who have made contributions to the success of the Group. During the Period under Review, no share options were granted to any persons including Directors or employees of the Group under the Scheme. As "Learning" is part of our corporate motto, we organized periodic internal and external trainings to our employees.

As required by the PRC regulations on social insurance, the Group participates in the social insurance schemes operated by the relevant local government authorities which include retirement pension, medical insurance, unemployment insurance, industrial injuries insurance and maternity insurance.

### Significant investments held

There were no significant investments held by the Company as at 30 June 2014.

### Dividend policy

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2014. The Board intends to commence paying appropriate dividends in subsequent financial periods on the condition that the Company's business operations, financial and cashflow position, capital expenditures and other related considerations are appropriate. In particular, the Company must be assured that financial resources available at that time will be sufficient to achieve sustained and favourable long-term growth and completed investment projects that will create shareholder value.

本集團現金及銀行存款主要以人民幣計值。倘宣派股息，本公司將以港元派付股息。董事認為人民幣與其他貨幣之匯率相對穩定，且本集團將密切留意匯率波動之情況，因此並無必要採用衍生工具進行對沖。人民幣目前為不可自由兌換貨幣。本集團部分人民幣收入或溢利可兌換為其他貨幣，以履行本集團之外匯責任，例如派付股息（如有宣派）。

### 僱員福利及酬金政策

於二零一四年六月三十日，本集團共聘用539名僱員（二零一三年十二月三十一日：504名）。本集團僱員之薪酬根據其經驗、資格、本集團表現及現行市況釐定。於回顧期內，員工成本（包括董事酬金）為人民幣22,700,000元（二零一三年六月三十日：人民幣19,000,000元）。此外，本公司之購股權計劃（「該計劃」）已於二零一三年十一月七日獲採納，以挽留為本集團之成功作出貢獻之員工。於回顧期內，概無根據該計劃向任何人士（包括董事或本集團僱員）授出購股權。由於「學習」為我們的企業理念之一部分，我們定期為僱員組織內部及外部培訓。

根據中國社保法規所規定，本集團參與相關地方政府部門營運之社保計劃，涵蓋退休金、醫療保險、失業保障、工傷保險及分娩保險。

### 所持有重大投資

於二零一四年六月三十日，本集團概無持有重大投資。

### 股息政策

董事會不建議派付截至二零一四年六月三十日止六個月的中期股息。在本公司業務經營、財務及現金流狀況、資本開支及其他相關因素合適的條件下，董事會擬於隨後的財政期間開始派付適量的股息。特別是，本公司須確保屆時將有足夠的財務資源可實現業務的長期持續良好發展及完成將可為股東創造價值的投資項目。

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

There was no purchase, sale or redemption of the Company's listed shares by the Company or its subsidiaries during the Period under Review.

## CORPORATE GOVERNANCE CODE

The Board has adopted and has complied with all the code provisions of the Corporate Governance Code (the "Code Provisions") set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") during the Period under Review.

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules (the "Model Code") as its code of conduct regarding securities transactions by the Directors. After specific enquiry made by the Company, all of the Directors confirmed that they had complied with the required standards as set out in the Model Code during the Period under Review.

## AUDIT COMMITTEE

The Audit Committee currently comprises three independent non-executive directors, namely Ms. Wong Wai Ling (Chairlady), Mr. Shiping James Wang and Dr. Wang Huaping. The Audit Committee has reviewed the unaudited interim results and this interim report of the Group for the Period under Review and discussed internal controls and financial reporting matters with management. The Audit Committee was of the opinion that the preparation of the unaudited interim results complied with the applicable accounting standard and requirements and the adequate disclosures have been made.

## 購買、出售及贖回本公司上市證券

於回顧期內，本公司或其附屬公司概無購買、出售或贖回本公司上市股份。

## 企業管治守則

於回顧期內，董事會已採納並遵守聯交所證券上市規則（「上市規則」）附錄十四所載的企業管治守則的所有守則條文（「守則條文」）。

## 董事進行證券交易的標準守則

本公司已採納上市規則附錄十所載的上市發行人董事進行證券交易的標準守則（「標準守則」）作為有關董事進行證券交易的行為守則。經本公司作出特定查詢後，所有董事均確認彼等於回顧期內已遵守標準守則內所載的規定標準。

## 審核委員會

審核委員會現時由三名獨立非執行董事即黃慧玲女士（主席）、Shiping James Wang先生及王華平博士組成。審核委員會已審閱本集團於回顧期內的未經審核中期業績及本中期報告，並與管理層討論內部監控及財務報告事項。審核委員會認為，未經審核中期業績乃遵守適用會計準則及規定編製並作出充足之披露。

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2014, interests or short positions in the shares of the Company (the "Shares"), underlying Shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) held by the Directors and chief executive of the Company which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO) or have been entered in the register maintained by the Company pursuant to section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to the Model Code are as follows:

### (A) Long position in the Shares

Name of Director	Capacity/Nature	Number of Shares held/ interested 所持／擁有 權益股份數目	Percentage of shareholding 股權百分比
董事姓名	身份／性質		
Mr. Li Cheng ("Mr. Li") (Note) 李誠先生 (「李先生」) (附註)	Interest in controlled corporations 受控法團權益	300,000,000	75%

Note: Mr. Li beneficially owns approximately 79.61% of the issued share capital of Ever Thrive Global Limited which in turn, beneficially holds 206,471,700 Shares. Therefore, Mr. Li is deemed or taken to be interested in all the Shares held by Ever Thrive Global Limited for the purposes of the SFO. Mr. Li is the sole director of Shun Sheng Global Limited and Shun Sheng Global Limited is accordingly accustomed to act in accordance with Mr. Li's directions. Therefore, Mr. Li is deemed or taken to be interested in all the Shares held by Shun Sheng Global Limited for the purposes of the SFO. Mr. Li is also the sole director of Ever Thrive Global Limited.

## 董事及最高行政人員於股份、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，董事及本公司的最高行政人員於本公司股份（「股份」）、本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）相關股份及債權證中，持有已根據證券及期貨條例第XV部第7及8分部知會本公司及聯交所的權益或淡倉（包括根據證券及期貨條例有關條文彼等被當作或視為擁有的權益及淡倉），或列入本公司遵照證券及期貨條例第352條保存的登記冊內的權益或淡倉，或根據標準守則已知會本公司及聯交所的權益或淡倉如下：

### (A) 於股份之好倉

附註：李先生實益擁有恆盛環球有限公司約79.61%的已發行股本，而恆盛環球有限公司實益持有206,471,700股股份。因此，根據證券及期貨條例，李先生被視為或當作於恆盛環球有限公司持有的全部股份中擁有權益。李先生為順盛環球有限公司的唯一董事，故順盛環球有限公司一向按李先生的指示行事。因此，就證券及期貨條例而言，李先生被視為或當作於順盛環球有限公司持有的全部股份中擁有權益。李先生亦為恆盛環球有限公司的唯一董事。

**(B) Long position in shares of associated corporation**

**(B) 於相聯法團股份之好倉**

Name of Director	Name of Associated Corporation	Capacity/Nature	Number of shares held/ interested	Approximate percentage of shareholding
董事姓名	相聯法團名稱	身份／性質	所持／擁有權益股份數目	股權概約百分比
Mr. Li 李先生	Ever Thrive Global Limited 恆盛環球有限公司	Beneficial owner 實益擁有人	371	79.61%

Apart from those disclosed herein, as at 30 June 2014, none of the directors nor the chief executive of the Company had any interests or short positions in any of the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of the SFO) that is required to be recorded and kept in the register in accordance with section 352 of the SFO or any interests required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

除本文所披露者外，於二零一四年六月三十日，董事或本公司的最高行政人員並無於本公司或其任何相聯法團（定義見證券及期貨條例）的股份、相關股份或債權證中擁有根據證券及期貨條例第352條須記入該條所述的登記冊內的任何權益或淡倉，或根據標準守則須知會本公司及聯交所的任何權益。

## Other Information (Continued)

其他資料 (續)

### SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2014, so far as is known to the Directors, the following persons (other than a Director or chief executive of the Company) had or were deemed or taken to have an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO:

### 主要股東及其他人士於股份及相關股份之權益及淡倉

於二零一四年六月三十日，據董事所知，以下人士（董事或本公司的最高行政人員除外）擁有或被視為或當作於股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部的條文須向本公司及聯交所披露的權益或淡倉：

Name of shareholder	Capacity/Nature	Number of Shares held/ interested	Approximate percentage of shareholding
股東名稱	身份／性質	所持／擁有權益股份數目	股權概約百分比
Ever Thrive Global Limited 恆盛環球有限公司	Beneficial owner 實益擁有人	206,471,700	51.62%
Shun Sheng Global Limited 順盛環球有限公司	Beneficial owner 實益擁有人	93,528,300	23.38%
Ms. Chen Fangqin (Note) 陳芳芹女士（附註）	Interest of Spouse 配偶之權益	300,000,000	75%
Nice Investments Limited 麗思投資有限公司	Beneficial owner 實益擁有人	32,000,000	8%

Note: Ms. Chen Fangqin is the spouse of Mr. Li. Therefore, Ms. Chen Fangqin was deemed, or taken to be interested in all the Shares which are interested by Mr. Li for the purposes of the SFO.

附註：陳芳芹女士為李先生的配偶，因此，就證券及期貨條例而言，陳芳芹女士被視為或當作於李先生擁有權益的全部股份中擁有權益。

## SUBSTANTIAL SHAREHOLDERS OF THE COMPANY'S SUBSIDIARIES

Huvis Corporation holds 30% of the equity interest in Hangzhou Huvis Yongsheng Chemical Fiber Limited as at 30 June 2014. For details, please refer to the paragraph headed "Yongsheng Chemical Fiber" set out in the section headed "History and development" of the prospectus of the Company dated 15 November 2013 (the "Prospectus").

## SHARE OPTION SCHEME OF THE COMPANY

The Company adopted a share option scheme (the "Scheme") on 7 November 2013 as to attract and retain the best available personnel and to provide additional incentive to the eligible participants under the Scheme. Pursuant to the Scheme, the Board is authorised, at its absolute discretion and subject to the terms of the Scheme, to grant options to subscribe the Shares to any employees (full-time or part-time), directors, consultants or advisor of the Group, or any substantial shareholder of the Group, or any distributor, contractor, supplier, agent, customer, business partner or service provider of the Group. The Scheme shall be valid and effective for a period of ten years commencing on 7 November 2013, subject to early termination provisions contained in the Scheme.

An offer for the grant of options must be accepted within seven days inclusive of the day on which such offer was made. The amount payable by the grantee of an option to the Company on acceptance of the offer for the grant of an option is HK\$1.00. The subscription price of a Share in respect of any particular option granted under the Scheme shall be a price solely determined by the Board and notified to a participant and shall be at least the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date on which an option is offered to a participant; (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the date on which an option is offered to a participant; and (iii) the nominal value of a Share on the date on which an option is offered to a participant.

## 本公司附屬公司的主要股東

株式會社Huvis於二零一四年六月三十日持有杭州匯維仕永盛化纖有限公司30%股權，詳情請參閱本公司日期為二零一三年十一月十五日之招股章程（「招股章程」）「歷史及發展」一節所載「永盛化纖」一段。

## 本公司的購股權計劃

本公司於二零一三年十一月七日採納一項購股權計劃（「該計劃」），旨在吸引及挽留最稱職人員及向該計劃項下合資格參與者提供額外獎勵。根據該計劃，董事會獲授權全權酌情及按該計劃之條款向本集團任何僱員（全職或兼職）、董事、諮詢人員或顧問、或本集團任何主要股東、或任何分銷商、承包商、供貨商、代理、客戶、商業夥伴或服務供貨商授出購股權以認購股份。該計劃將自二零一三年十一月七日起十年期有效及具效力，惟受該計劃的提早終止條文所規限。

授出購股權的建議須於發出有關建議日期（包括當日）起計七日內接納。購股權承授人須於接納購股權建議時就每份購股權向本公司支付1.00港元。就根據該計劃授出的任何指定購股權的股份認購價，將完全由董事會釐定並通知參與者，但不得低於下列較高者：(i)聯交所每日報價表所報股份在授予參與者購股權當日的收市價；(ii)聯交所每日報價表所報股份於緊接授予參與者購股權前五個交易日的平均收市價；及(iii)授予參與者購股權日期的股份面值。



## Other Information (Continued)

### 其他資料 (續)

The Company shall be entitled to issue options, provided that the total number of Shares which may be issued upon exercise of all options to be granted under the Scheme and any other share option schemes of the Company must not exceed 10% of the shares in issue on the listing date of the Shares on 27 November 2013. The Company may at any time refresh such limit, subject to the shareholders' approval and issue of a circular in compliance with the Listing Rules, provided that the total number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under all the share option schemes of the Company does not exceed 30% of the Shares in issue from time to time. The total number of Shares issued and to be issued upon exercise of the options granted to each participant (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the Shares in issue unless approved by the shareholders of the Company and issue of a circular and all other information in compliance with the Listing Rules.

An option may be exercised in accordance with the terms of the Scheme at any time during a period as the Board may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof. As at 30 June 2014, the total number of securities available for issuance under the Scheme was 40,000,000 Shares, which represented 10% of the issued share capital of the Company. From 1 January 2014 to 30 June 2014, no share option was granted, exercised, cancelled or lapsed and there was no outstanding share option under the Scheme as at 30 June 2014.

## APPOINTMENT AND RESIGNATION OF DIRECTORS

With effect from 19 August 2014, Mr. Duan Xiaoping resigned as the independent non-executive Director, the member of the audit committee, remuneration committee and nomination committee of the Company. Details of the resignation are set out in the Company's announcement dated 19 August 2014.

With effect from 19 August 2014, Mr. Wang Huaping was appointed as the independent non-executive Director and member of the audit committee, remuneration committee and nomination committee of the Company. Detail of the appointment are set out in the Company's announcement dated 19 August 2014.

本公司將有權發行購股權，惟將根據該計劃及本公司任何其他購股權計劃授出的所有購股權獲行使時將予發行的股份總數，不得超過股份於二零一三年十一月二十七日上市日期已發行股份的10%。本公司可於取得股東批准及根據上市規則發出通函後隨時更新該限額，惟根據本公司所有購股權計劃已授出但尚未行使的所有購股權獲行使時將予發行的股份總數不得超過不時已發行股份之30%。於任何12個月期間內，授予各參與者的購股權（包括已行使及尚未行使購股權）獲行使時已發行及將予發行的股份總數不得超過已發行股份之1%，除非獲本公司股東批准及根據上市規則發出通函及所有其他資料者除外。

購股權可根據該計劃條款於董事會釐定的期間內隨時行使，惟有關年期不得超出購股權授出日期起計十年，並須受該計劃的提早終止條文所規限。於二零一四年六月三十日，根據該計劃可予發行的證券總數為40,000,000股股份，相當於本公司已發行股本10%。自二零一四年一月一日至二零一四年六月三十日止，概無購股權獲授出、行使、註銷或失效及於二零一四年六月三十日概無該計劃項下的尚未行使購股權。

## 董事之委任及辭任

自二零一四年八月十九日起，端小平先生辭任本公司之獨立非執行董事、審核委員會、薪酬委員會及提名委員會成員。有關辭任之詳情載於本公司日期為二零一四年八月十九日之公佈。

自二零一四年八月十九日起，王華平先生獲委任為本公司之獨立非執行董事及審核委員會、薪酬委員會及提名委員會成員。有關委任之詳情載於本公司日期為二零一四年八月十九日之公佈。



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