



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

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

**Stock Code 股份代號 : 2678**

2018

INTERIM REPORT

中期報告



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### EXECUTIVE DIRECTORS

Mr. Hong Tianzhu (*Chairman*)  
 Mr. Zhu Yongxiang  
 (*Vice chairman and chief executive officer*)  
 Mr. Tang Daoping  
 Mr. Hui Tsz Wai  
 Mr. Ji Zhongliang

### INDEPENDENT NON-EXECUTIVE DIRECTORS AND AUDIT COMMITTEE

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

### REMUNERATION COMMITTEE

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

### NOMINATION COMMITTEE

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

### COMPANY SECRETARY

Mr. Hui Tsz Wai

### AUTHORISED REPRESENTATIVES

Mr. Hong Tianzhu  
 Mr. Hui Tsz Wai

### HEAD OFFICE

Unit 18, 7th Floor  
 Lippo Sun Plaza,  
 28 Canton Road,  
 Tsim Sha Tsui, Kowloon

### REGISTERED OFFICE

Cricket Square  
 Hutchins Drive, PO Box 2681  
 Grand Cayman KY1-1111  
 Cayman Islands

### 執行董事

洪天祝先生 (主席)  
 朱永祥先生 (副主席兼行政總裁)

湯道平先生  
 許子慧先生  
 吉忠良先生

### 獨立非執行董事 及審核委員會

丁良輝先生  
 MH FCCA FCPA (Practising)  
 ACA FTIHK FHKIoD  
 (*審核委員會主席*)  
 陶肖明教授  
 程隆棣教授

### 薪酬委員會

丁良輝先生  
 MH FCCA FCPA (Practising)  
 ACA FTIHK FHKIoD (*主席*)  
 洪天祝先生  
 陶肖明教授  
 程隆棣教授

### 提名委員會

洪天祝先生 (主席)  
 丁良輝先生  
 MH FCCA FCPA (Practising)  
 ACA FTIHK FHKIoD  
 陶肖明教授  
 程隆棣教授

### 公司秘書

許子慧先生

### 授權代表

洪天祝先生  
 許子慧先生

### 總辦事處

九龍尖沙咀  
 廣東道 28 號  
 力寶太陽廣場  
 7樓 18室

### 註冊辦事處

Cricket Square  
 Hutchins Drive, PO Box 2681  
 Grand Cayman KY1-1111  
 Cayman Islands

### PRINCIPAL BANKS

Bank of China (Hong Kong)  
Sumitomo Mitsui Banking Corporation  
Hong Kong Branch  
The Hongkong and Shanghai Banking Corporation  
Limited  
Citibank (China) Co., Ltd. Shanghai Branch  
Australia and New Zealand Banking Group Limited  
Standard Chartered Bank  
Chiyu Banking Corporation Limited  
Deutsche Bank AG, Hong Kong Branch  
Crédit Agricole CIB  
BNP Paribas  
Bank of China  
China Merchants Bank  
Hang Seng Bank Limited  
Export-Import Bank of China

### AUDITOR

PricewaterhouseCoopers

### LEGAL ADVISORS AS TO HONG KONG LAW

Chiu & Partners

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Boardroom Share Registrars (HK) Limited  
2103B  
21st Floor  
148 Electric Road  
North Point  
Hong Kong

### WEBSITE

[www.texhong.com](http://www.texhong.com)

### STOCK CODE

2678

### 主要往來銀行

中國銀行(香港)  
三井住友銀行香港分行

滙豐銀行

花旗銀行(中國)有限公司上海分行  
澳新銀行  
渣打銀行  
集友銀行  
德意志銀行香港分行  
東方滙理銀行  
法國巴黎銀行  
中國銀行  
招商銀行  
恒生銀行有限公司  
中國進出口銀行

### 核數師

羅兵咸永道會計師事務所

### 法律顧問(香港法律)

趙不渝·馬國強律師事務所

### 主要股份過戶登記處

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

### 香港股份過戶登記分處

寶德隆證券登記有限公司  
香港  
北角  
電氣道 148 號  
21 樓  
2103B

### 互聯網址

[www.texhong.com](http://www.texhong.com)

### 股份編號

2678

			Unaudited 未經審核 30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
<b>ASSETS</b>	<b>資產</b>			
<b>Non-current assets</b>	<b>非流動資產</b>			
Freehold land and land use rights	永久產權土地及土地使用權	7	974,343	863,083
Property, plant and equipment	物業、廠房及設備	8	6,969,647	6,660,122
Investments accounted for using the equity method	使用權益法入賬之投資	9	191,493	182,789
Deferred income tax assets	遞延所得稅資產		118,540	107,558
<b>Total non-current assets</b>	<b>非流動資產總值</b>		<b>8,254,023</b>	<b>7,813,552</b>
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨	10	4,522,847	3,764,189
Trade and bills receivables	應收貿易及票據款項	11	1,818,504	1,630,144
Prepayments, deposits and other receivables	預付款項、按金及其他應收賬款	12	1,244,971	637,229
Derivative financial instruments	衍生金融工具	16	98,105	134,350
Pledged bank deposits	已抵押銀行存款		327,422	88,249
Cash and cash equivalents	現金及現金等值物		1,263,532	1,466,718
<b>Total current assets</b>	<b>流動資產總值</b>		<b>9,275,381</b>	<b>7,720,879</b>
<b>Total assets</b>	<b>資產總值</b>		<b>17,529,404</b>	<b>15,534,431</b>
<b>EQUITY</b>	<b>權益</b>			
<b>Equity attributable to owners of the Company</b>	<b>本公司擁有人應佔權益</b>			
Share capital: nominal value	股本：賬面值	18	96,709	96,709
Share premium	股份溢價	18	433,777	433,777
Other reserves	其他儲備		610,896	616,374
Retained earnings	保留溢利		5,211,535	4,763,267
<b>Non-controlling interests</b>	<b>非控制性權益</b>		<b>6,352,917</b>	<b>5,910,127</b>
			<b>55,604</b>	<b>65,586</b>
<b>Total equity</b>	<b>權益總額</b>		<b>6,408,521</b>	<b>5,975,713</b>

Note  
附註

			Unaudited 未經審核 30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
<b>LIABILITIES</b>	<b>負債</b>			
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Borrowings	借貸	15	3,111,439	2,987,229
Deferred income tax liabilities	遞延所得稅負債		148,290	149,172
Finance lease obligations	融資租賃承擔	17	203	1,587
<b>Total non-current liabilities</b>	<b>非流動負債總值</b>		<b>3,259,932</b>	<b>3,137,988</b>
<b>Current liabilities</b>	<b>流動負債</b>			
Trade and bills payables	應付貿易及票據款項	13	3,858,089	2,961,729
Accruals and other payables	預提費用及其他 應付款項	14	861,180	741,451
Current income tax liabilities	當期所得稅負債		64,789	36,562
Borrowings	借貸	15	3,008,978	2,562,369
Derivative financial instruments	衍生金融工具	16	64,955	112,996
Finance lease obligations	融資租賃承擔	17	2,960	5,623
<b>Total current liabilities</b>	<b>流動負債總值</b>		<b>7,860,951</b>	<b>6,420,730</b>
<b>Total liabilities</b>	<b>負債總值</b>		<b>11,120,883</b>	<b>9,558,718</b>
<b>Total equity and liabilities</b>	<b>總權益及負債</b>		<b>17,529,404</b>	<b>15,534,431</b>

The notes on pages 12 to 72 form an integral part of this condensed consolidated interim financial information.

第12至72頁之附註為此簡明綜合中期財務資料之一部分。



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

		Note	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Revenue	收入	6	8,811,520	7,448,497
Cost of sales	銷售成本	21	(7,334,468)	(6,301,884)
<b>Gross profit</b>	<b>毛利</b>		<b>1,477,052</b>	1,146,613
Selling and distribution costs	銷售及分銷開支	21	(322,125)	(263,867)
General and administrative expenses	一般及行政開支	21	(323,167)	(247,447)
Net reversal of impairment losses on financial assets	撥回金融資產減值虧損淨額		2,506	—
Other income	其他收入	20	93,032	114,447
Other (losses)/gains – net	其他(虧損)/收益淨額	20	(45,052)	51,632
<b>Operating profit</b>	<b>經營溢利</b>		<b>882,246</b>	801,378
Finance income	財務收入	22	5,802	4,263
Finance costs	財務費用	22	(201,572)	(57,242)
Share of profits less losses of investments accounted for using the equity method	分佔使用權益法入賬之投資溢利減虧損	9	8,704	6,267
<b>Profit before income tax</b>	<b>除所得稅前溢利</b>		<b>695,180</b>	754,666
Income tax expense	所得稅開支	23	(88,782)	(104,672)
<b>Profit for the period</b>	<b>期內溢利</b>		<b>606,398</b>	649,994
<b>Attributable to:</b>	<b>以下各方應佔：</b>			
Owners of the Company	本公司擁有人		602,411	644,740
Non-controlling interests	非控制性權益		3,987	5,254
			<b>606,398</b>	649,994
<b>Earnings per share for profit attributable to owners of the Company</b>	<b>本公司擁有人應佔溢利之每股盈利</b>	24		
– Basic earnings per share	— 每股基本盈利		<b>RMB0.66</b> 人民幣 0.66 元	RMB0.70 人民幣 0.70 元
– Diluted earnings per share	— 每股攤薄盈利		<b>RMB0.66</b> 人民幣 0.66 元	RMB0.70 人民幣 0.70 元

The notes on pages 12 to 72 form an integral part of this condensed consolidated interim financial information.

第 12 至 72 頁之附註為此簡明綜合中期財務資料之一部分。



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

		<b>2018</b> 二零一八年 <b>RMB'000</b> 人民幣千元	2017 二零一七年 <b>RMB'000</b> 人民幣千元
<b>Profit for the period</b>	期內溢利	<b>606,398</b>	649,994
<b>Other comprehensive income/ (losses)</b>	其他全面收益／(虧損)		
<i>Item that may be reclassified subsequently to profit or loss</i>	其後可能會重新分類至損益之項目		
Share of other comprehensive income of investments accounted for using the equity method	分佔以權益法入賬之投資之其他全面收益		
– Share of currency translation reserve	一分佔貨幣兌換儲備	–	5,021
Currency translation differences	貨幣兌換差額	<b>(3,702)</b>	(1,883)
<b>Total comprehensive income for the period</b>	期內全面收益總額	<b>602,696</b>	653,132
<b>Attributable to:</b>	以下各方應佔：		
Owners of the Company	本公司擁有人	<b>598,709</b>	648,074
Non-controlling interests	非控制性權益	<b>3,987</b>	5,058
		<b>602,696</b>	653,132

The notes on pages 12 to 72 form an integral part of this condensed consolidated interim financial information.

第12至72頁之附註為此簡明綜合中期財務資料之一部分。

		Unaudited 未經審核					
		Attributable to owners of the Company 本公司擁有人應佔					
		Share capital	Share premium	Other reserves	Retained earnings	Non- controlling interests 非控制性 權益	Total equity 權益總額
		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
<b>Balance at 1 January 2017</b>	於二零一七年一月一日的結餘	96,709	433,777	566,590	4,051,645	42,723	5,191,444
<b>Comprehensive income</b>	<b>全面收益</b>						
Profit for the period	期間溢利	-	-	-	644,740	5,254	649,994
Other comprehensive income/(loss):	其他全面收益/(虧損):						
Share of other comprehensive income of investments accounted for using the equity method	分佔以權益法入賬之投資之其他全面收益						
- Share of currency translation reserve	一分佔貨幣匯兌儲備	-	-	5,021	-	-	5,021
Currency translation differences	貨幣匯兌差額	-	-	(1,687)	-	(196)	(1,883)
<b>Total comprehensive income for the six months ended 30 June 2017</b>	截至二零一七年六月三十日止六個月全面收益總額	-	-	3,334	644,740	5,058	653,132
<b>Transactions with owners</b>	<b>與股權持有人之交易</b>						
Changes in ownership interests in subsidiaries without change of control	不導致控制權改變之附屬公司所有者權益變動	-	-	(2,062)	-	2,062	-
Dividends relating to 2016 paid in May 2017	於二零一七年五月派付有關二零一六年之股息	-	-	-	(210,137)	-	(210,137)
Employee share option scheme	僱員購股權計劃	-	-	1,784	-	-	1,784
Transfer from revaluation reserve to retained earnings	由重估儲備轉撥至保留溢利						
- gross	一總額	-	-	(3,181)	3,181	-	-
- deferred income tax	一遞延所得稅	-	-	1,164	(1,164)	-	-
<b>Total transactions with owners</b>	<b>與股權持有人之交易總額</b>	-	-	(2,295)	(208,120)	2,062	(208,353)
<b>Balance at 30 June 2017</b>	於二零一七年六月三十日的結餘	96,709	433,777	567,629	4,488,265	49,843	5,636,223

		Unaudited 未經審核					
		Attributable to owners of the Company 本公司擁有人應佔					
		Share capital 股本 RMB'000 人民幣千元	Share premium 股份溢價 RMB'000 人民幣千元	Other reserves 其他儲備 RMB'000 人民幣千元	Retained earnings 保留溢利 RMB'000 人民幣千元	Non-controlling interests 非控制性權益 RMB'000 人民幣千元	Total equity 權益總額 RMB'000 人民幣千元
Balance at 1 January 2018	於二零一八年一月一日的結餘	96,709	433,777	616,374	4,763,267	65,586	5,975,713
Comprehensive income	全面收益						
Profit for the period	期間溢利	-	-	-	602,411	3,987	606,398
Other comprehensive loss:	其他全面虧損：						
Currency translation differences	貨幣匯兌差額	-	-	(3,702)	-	-	(3,702)
Total comprehensive income for the six months ended 30 June 2018	截至二零一八年六月三十日止六個月全面收益總額	-	-	(3,702)	602,411	3,987	602,696
Transactions with owners	與股權持有人之交易						
Dividend paid to non-controlling interests	向非控制性權益派付之股息	-	-	-	-	(6,469)	(6,469)
Disposal of a subsidiary	處置一間附屬公司	-	-	-	-	(7,500)	(7,500)
Dividends relating to 2017 paid in May 2018	於二零一八年五月派付有關二零一七年之股息	-	-	-	(156,160)	-	(156,160)
Employee share option scheme	僱員購股權計劃	-	-	241	-	-	241
Transfer from revaluation reserve to retained earnings	由重估儲備轉發至保留溢利						
- gross	— 總額	-	-	(3,181)	3,181	-	-
- deferred income tax	— 遞延所得稅	-	-	1,164	(1,164)	-	-
Total transactions with owners	與股權持有人之交易總額	-	-	(1,776)	(154,143)	(13,969)	(169,888)
Balance at 30 June 2018	於二零一八年六月三十日的結餘	96,709	433,777	610,896	5,211,535	55,604	6,408,521

The notes on pages 12 to 72 form an integral part of this condensed consolidated interim financial information.

第 12 至 72 頁之附註為此簡明綜合中期財務資料之一部分。

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

		<b>2018</b> 二零一八年 <i>RMB'000</i> 人民幣千元	2017 二零一七年 <i>RMB'000</i> 人民幣千元
<b>Cash flows from operating activities</b>	來自經營活動的現金		
Cash generated from operations	經營所產生之現金	<b>549,024</b>	1,314,781
Interest received	已收利息	<b>5,802</b>	4,263
Income tax paid	已付所得稅	<b>(49,946)</b>	(111,839)
Net cash flows generated from operating activities	來自經營活動的現金 流量淨額	<b>504,880</b>	1,207,205
<b>Cash flows from investing activities</b>	來自投資活動的現金 流量		
Purchases of property, plant and equipment	購買物業、廠房及 設備	<b>(507,519)</b>	(429,811)
Purchases of land use rights	購買土地使用權	<b>(87,085)</b>	(11,285)
Proceeds from sale of property, plant and equipment	出售物業、廠房及 設備所得款項	<b>17,308</b>	2,620
Proceeds from sale of freehold land	出售永久產權土地 所得款項	-	16,580
Net (payments on)/proceeds from settlement of financial instruments	變現金融工具的付款 淨額	<b>(37,108)</b>	39,955
Purchases of financial instruments	購買金融工具	<b>(1,428)</b>	-
Payments on acquisition of subsidiaries, net of cash and cash equivalents acquired	收購附屬公司付款， 扣除已收購現金及 現金等值物	-	(355,816)
Deposits for acquisition of subsidiaries	收購附屬公司之按金	<b>(53,291)</b>	-
Net cash flows used in investing activities	用於投資活動的現金 流量淨額	<b>(669,123)</b>	(737,757)

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

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
<b>Cash flows from financing activities</b>	來自融資活動的現金流量		
Proceeds from borrowings	借貸所得款項	3,761,427	3,908,646
Repayments of borrowings	償還借貸	(3,241,052)	(4,740,685)
Interest paid	已付利息	(150,016)	(184,618)
Dividends paid	已付股息	(156,160)	(210,137)
Dividends paid to non-controlling interests	向非控制性權益派付之股息	(6,469)	-
Payments to non-controlling interests due to disposal of a subsidiary	因處置一間附屬公司而向非控制性權益支付之款項	(7,500)	-
(Increase)/decrease in pledged bank deposits	已抵押銀行存款(增加)/減少	(239,173)	77
Net cash flows used in financing activities	用於融資活動的現金流量淨額	(38,943)	(1,226,717)
<b>Net decrease in cash and cash equivalents</b>	現金及現金等值物減少淨額	(203,186)	(757,269)
Cash and cash equivalents at the beginning of the period	期初之現金及現金等值物	1,466,718	1,813,208
<b>Cash and cash equivalents at end of the period</b>	期末之現金及現金等值物	1,263,532	1,055,939

The notes on pages 12 to 72 form an integral part of this condensed consolidated interim financial information.

第12至72頁之附註為此簡明綜合中期財務資料之一部分。

## 1. GENERAL INFORMATION

Texhong Textile Group Limited (the “Company”) and its subsidiaries (together, the “Group”) are principally engaged in the manufacturing and sales of yarns, grey fabrics and garment fabrics as well as garments.

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

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

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

This condensed consolidated interim financial information has been approved and authorised for issue by the board (“Board”) of directors (“Directors”) of the Company on 13 August 2018.

This condensed consolidated interim financial information has not been audited.

## 2. BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2018 has been prepared in accordance with HKAS 34, ‘Interim Financial Reporting’. The condensed consolidated interim financial information should be read in conjunction with the annual consolidated financial statements of the Company for the year ended 31 December 2017, which have been prepared in accordance with HKFRSs.

## 1. 一般資料

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

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

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

除非另有指明，本簡明綜合中期財務資料以中國人民幣(「人民幣」)呈列。

於二零一八年八月十三日，本簡明綜合中期財務資料已獲本公司董事(「董事」)會(「董事會」)批准及授權刊發。

此簡明綜合中期財務資料乃未經審核。

## 2. 編製基準

截至二零一八年六月三十日止六個月之簡明綜合中期財務資料，乃按香港會計準則第34號「中期財務報告」編製。此簡明綜合中期財務資料應與本公司截至二零一七年十二月三十一日止年度之年度綜合財務報表(乃按香港財務報告準則編製)一併閱讀。

### 3. ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2017, as described in those annual financial statements, except for the estimation of income tax using the tax rate that would be applicable to expected total annual earnings and the adoption of new standards, amendments and interpretation of HKFRSs effective for the financial year ending 31 December 2018.

(a) **New standards, amendments and interpretation of HKFRSs adopted by the Group in the first half of 2018**

A number of new standards, amendments and interpretation to existing standards became applicable for the current reporting period and the Group had to change its accounting policies. The adoption of these new standards, amendments and interpretation did not give rise to any significant impact on the Group's financial statements. These new standards, amendments and interpretation are set out below:

(i) **HKFRS 9 'Financial Instruments'**

*Impact of adoption*

HKFRS 9 replaces the provisions of HKAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

There is no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities which are subject to HKFRS 9.

### 3. 會計政策

所採納之會計政策與截至二零一七年十二月三十一日止年度之年度財務報表一致(如該等年度財務報表所述)，惟採用適用於預期年度總收益稅率之所得稅估算除外，而採納香港財務報告準則之新訂準則、修訂及詮釋於截至二零一八年十二月三十一日止財政年度生效。

(a) 本集團於二零一八年上半年採納之香港財務報告準則之新訂準則、修訂以及詮釋多項新訂準則、現有準則的修訂以及詮釋適用於現時報告期並且本集團已更改其會計政策。採納上述之新訂準則、修訂以及詮釋並無對本集團的財務報表產生任何重大影響。該等新訂準則、修訂以及詮釋列示如下：

(i) **香港財務報告準則第9號「金融工具」**

*採納準則之影響*

香港財務報告準則第9號取代香港會計準則第39號之條款有關金融資產及金融負債之確認、分類及計量、金融工具之終止確認、金融資產之減值及對沖會計。

本集團金融負債之會計處理將不受影響，原因為新規定只影響指定為按公平值計量且其變動計入損益之金融負債之會計處理，而本集團並無任何受香港財務報告準則第9號影響之負債。



### 3. ACCOUNTING POLICIES (Continued)

#### (a) New standards, amendments and interpretation of HKFRSs adopted by the Group in the first half of 2018 (Continued)

- (i) **HKFRS 9 'Financial Instruments' (Continued)**  
*Impact of adoption (Continued)*  
 The adoption of HKFRS 9 'Financial Instruments' from 1 January 2018 resulted in changes in accounting policies as below. In accordance with the transitional provisions in HKFRS 9(7.2.15) and (7.2.26), comparative figures have not been restated as the Group does not have any hedge instrument. As a result, the adjustment arising from the new impairment rules is not reflected in the balance sheet as at 31 December 2017, however, the financial impact of the new impairment rules is immaterial and is not recognised in the opening balance sheet as at 1 January 2018.

The Group has trade receivables for sales of products that are subject to HKFRS 9's new expected credit loss model, and the Group was required to revise its impairment methodology under HKFRS 9 for these receivables.

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables from initial recognition. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the ageing days. On that basis, the loss allowance as at 1 January 2018 was determined as follows for trade receivables:

### 3. 會計政策(續)

#### (a) 本集團於二零一八年上半年採納之香港財務報告準則之新訂準則、修訂以及詮釋(續)

- (i) **香港財務報告準則第9號「金融工具」(續)**  
*採納準則之影響(續)*  
 自二零一八年一月一日起採納香港財務報告準則第9號「金融工具」對會計政策產生的變更如下。根據香港財務報告準則第9號(7.2.15)及(7.2.26)的過渡條文，由於本集團並無任何對沖工具，因此並無重列比較數字。因此，因新減值規則引起的調整並無於二零一七年十二月三十一日的資產負債表反映，惟新減值規定的財務影響微不足道，故並無於二零一八年一月一日的期初資產負債表中確認。

本集團有須遵守香港財務報告準則第9號的新預期信貸虧損模式的產品銷售貿易應收賬款，及本集團須根據香港財務報告準則第9號就該等應收賬款修訂其減值方法。

本集團採用香港財務報告準則第9號簡化方法計量預期信貸虧損，於初步確認時，為所有貿易應收賬款撥備整個存續期內的預期虧損。為計量預期信貸虧損，貿易應收賬款已根據攤佔信貸風險特點及賬齡分類。按此基準，於二零一八年一月一日的貿易應收賬款虧損撥備乃釐定如下：

### 3. ACCOUNTING POLICIES (Continued)

#### (a) New standards, amendments and interpretation of HKFRSs adopted by the Group in the first half of 2018 (Continued)

##### (i) HKFRS 9 'Financial Instruments' (Continued) Impact of adoption (Continued)

		Within 180 days 180日以內 RMB'000 人民幣千元	181 days to 1 year 181日至1年 RMB'000 人民幣千元	Over 1 year 超過1年 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
1 January 2018	二零一八年一月一日				
Gross carrying amount	賬面總值	535,000	11,200	5,157	551,357
Expected loss rate	預期虧損率	0.05%	25%	75%	1.26%
Loss allowance	虧損撥備	268	2,800	3,868	6,936

The Group has performed the assessment and concluded that no material financial impact exists, and therefore no adjustment to the opening balance of equity at 1 January 2018 was recognised.

The loss allowances decreased by RMB2,506,000 for trade receivables on a net basis during the six months ended 30 June 2018. The decrease would have been HK\$972,000 lower under the incurred loss model of HKAS 39.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period greater than 180 days.

### 3. 會計政策 (續)

#### (a) 本集團於二零一八年上半年採納之香港財務報告準則之新訂準則、修訂以及詮釋 (續)

##### (i) 香港財務報告準則第9號「金融工具」(續) 採納準則之影響 (續)

本集團已進行評估並認為概無存在重大財務影響，故並無確認對二零一八年一月一日期初權益結餘所作之調整。

於截至二零一八年六月三十日止六個月，貿易應收賬款(按淨額計)虧損撥備減少人民幣2,506,000元。按香港會計準則第39號的已發生損失模型，則撥備的減幅將少972,000港元。

當不存在可收回的合理預期時，本集團會撇銷貿易應收賬款。不存在可收回的合理預期的指標包括(其中包括)債務人無法與本集團達成還款計劃及無法就逾期超過180日的賬款作出合約付款。

### 3. ACCOUNTING POLICIES (Continued)

#### (a) New standards, amendments and interpretation of HKFRSs adopted by the Group in the first half of 2018 (Continued)

##### (i) HKFRS 9 'Financial Instruments' (Continued)

###### Impact of adoption (Continued)

While cash and cash equivalents are also subject to the impairment requirements of HKFRS 9, no impairment loss was identified.

###### Accounting policy

###### Classification

From 1 January 2018, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

### 3. 會計政策 (續)

#### (a) 本集團於二零一八年上半年採納之香港財務報告準則之新訂準則、修訂以及詮釋 (續)

##### (i) 香港財務報告準則第9號「金融工具」(續)

###### 採納準則之影響 (續)

儘管現金及現金等價物亦須遵守香港財務報告準則第9號的減值規定，惟並無識別出減值虧損。

###### 會計政策

###### 分類

自二零一八年一月一日起，本集團將其金融資產分類為以下計量類別：

- 其後按公平值(不論計入全面收益或計入損益)計量及
- 按攤餘成本計量。

該分類取決於主體管理金融資產的業務模式以及該資產的合同現金流量特徵。

就按公平值計量之資產而言，收益及虧損將記入損益或其他全面收益。就並非持作買賣之於權益工具之投資而言，將視乎本集團是否於初步確認時作出不可撤回選擇，以按公平值計入其他全面收益將股權投資入賬。

當且僅當管理債務投資的業務模式發生變動時，本集團方將該等資產重新分類。

### 3. ACCOUNTING POLICIES (Continued)

#### (a) New standards, amendments and interpretation of HKFRSs adopted by the Group in the first half of 2018 (Continued)

##### (i) HKFRS 9 'Financial Instruments' (Continued) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

##### Impairment

From 1 January 2018, the Group assesses the expected credit losses associated with its financial assets on a forward looking basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

### 3. 會計政策(續)

#### (a) 本集團於二零一八年上半年採納之香港財務報告準則之新訂準則、修訂以及詮釋(續)

##### (i) 香港財務報告準則第9號「金融工具」(續) 計量

於初始確認時，本集團按公平值加(倘為並非按公平值計入損益表之財務資產)收購財務資產直接應佔之交易成本計算財務資產。按公平值計入損益列賬之財務資產交易成本於損益表支銷。

對於包含嵌入式衍生工具之金融資產，本集團對整個合同考慮其現金流量是否僅代表對本金和利息之支付。

##### 減值

自二零一八年一月一日起，本集團按展望基準評估與其金融資產相關的預期信貸虧損。所採用的減值法視乎信貸風險是否大幅增加。

就貿易應收賬款而言，本集團採用香港財務報告準則第9號允許的簡化方法，規定自初步確認應收賬款起確認整個存續期內的預期虧損。

### 3. ACCOUNTING POLICIES (Continued)

(a) **New standards, amendments and interpretation of HKFRSs adopted by the Group in the first half of 2018**  
(Continued)

(ii) **HKFRS 15 ‘Revenue from Contracts with Customers’**

*Impact of adoption*

The Group has adopted HKFRS 15 “Revenue from Contracts with Customers” from 1 January 2018 which resulted in changes in accounting policies. The Group adopted HKFRS 15 using the modified retrospective approach which means that the cumulative impact of the adoption (if any) will be recognised in retained earnings as of 1 January 2018 and that comparatives will not be restated.

The Group manufactures and sells yarns, grey fabrics and garment fabrics as well as garments in the market.

### 3. 會計政策 (續)

(a) 本集團於二零一八年上半年採納之香港財務報告準則之新訂準則、修訂以及詮釋 (續)

(ii) **香港財務報告準則第15號「客戶合約收益」**

*採納準則之影響*

自二零一八年一月一日起，本集團已採納香港財務報告準則第15號「客戶合約收益」，導致會計政策變更。本集團以經修改追溯方式採納香港財務報告準則第15號，即採納的累積影響（如有）將於二零一八年一月一日在保留盈利確認且比較將不予重列。

本集團製造及於市場銷售紗線、坯布、面料及服裝。

### 3. ACCOUNTING POLICIES (Continued)

#### (a) New standards, amendments and interpretation of HKFRSs adopted by the Group in the first half of 2018 (Continued)

##### (ii) HKFRS 15 'Revenue from Contracts with Customers' (Continued)

###### *Impact of adoption (Continued)*

The Group rarely sold products at discount. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated discounts. Accumulated experience is used to estimate and provide for the discounts, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A refund liability (included in trade and other payables) is recognised for expected volume discounts payable to customers in relation to sales made. No element of financing is deemed present as the sales are made with a credit term of less than 90 days to its customers in Mainland China and 120 days to its customers in other countries, which is consistent with market practice. A receivable is recognized when the goods are delivered and the customers has inspected and accepted the products as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. The accounting treatments are the same before and after adopting the HKFRS 15.

### 3. 會計政策 (續)

#### (a) 本集團於二零一八年上半年採納之香港財務報告準則之新訂準則、修訂以及詮釋 (續)

##### (ii) 香港財務報告準則第15號「客戶合約收益」(續)

###### *採納準則之影響 (續)*

本集團甚少以折扣出售產品。該等銷售的收入乃基於合約規定的價格，經扣除估計折扣後確認。本公司使用累積的經驗估計及提供折扣，且收益僅於重大撥回極大可能不會產生時確認。當預期向客戶應付有關銷售的批量折扣時確認退款責任(包括在貿易及其他應付賬款內)。由於如予中國大陸客戶的銷售之信貸期少於90日，其他國家客戶則為120日，符合市場慣例，故並不存在融資因素。應收賬款於貨品交付及客戶已驗收產品時確認，因從那一刻開始，付款之到期僅須時間的流逝，故收取代價成為無條件。採納香港財務報告準則第15號之前及之後的會計處理方法相同。

3. ACCOUNTING POLICIES (Continued)

(a) **New standards, amendments and interpretation of HKFRSs adopted by the Group in the first half of 2018**  
(Continued)

(ii) **HKFRS 15 'Revenue from Contracts with Customers'**  
(Continued)

*Impact of adoption (Continued)*

The Group's obligations to provide a refund for faulty products are under the standard warranty terms. Accumulated experience is used to estimate such returns at the time of sale. Because of the large size and low value of each individual product, the amount of products returned were immaterial. It is highly probable that a significant reversal in the cumulative revenue recognised will not occur. Therefore, no refund liability for goods return was recognized. The validity of this assumption and the estimated amount of returns are reassessed at each reporting date. As a result, there is no accounting impact for refunds while applying HKFRS 15.

3. 會計政策 (續)

(a) 本集團於二零一八年上半年採納之香港財務報告準則之新訂準則、修訂以及詮釋 (續)

(ii) **香港財務報告準則第15號「客戶合約收益」**(續)

*採納準則之影響(續)*

本集團有責任向質保期內的瑕疵產品提供退款。本集團於銷售時使用累積經驗估計有關退款。因產品規模大及單個產品價值低，故退貨量並不重大。已確認累積收益之重大撥回極大可能不會產生。因此，概無就退貨確認退款負債。本集團於各報告日期重新評估上述假設之有效性及對退款金額的估計。因此，應用香港財務報告準則第15號對退款並無會計影響。



### 3. ACCOUNTING POLICIES (Continued)

#### (a) New standards, amendments and interpretation of HKFRSs adopted by the Group in the first half of 2018 (Continued)

##### (ii) HKFRS 15 'Revenue from Contracts with Customers' (Continued)

###### Impact of adoption (Continued)

The Group did not introduce any customer loyalty program which is likely to be affected by the HKFRS 15.

The Group does not expect to have any contracts where the period between the transfer of the promised goods to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

No additional cost occurs to fulfill the contract was identified.

As a result, the adoption of HKFRS 15 did not result in any impact to the financial statements as the timing of revenue recognition on sales of products is not changed.

### 3. 會計政策(續)

#### (a) 本集團於二零一八年上半年採納之香港財務報告準則之新訂準則、修訂以及詮釋(續)

##### (ii) 香港財務報告準則第15號「客戶合約收益」(續)

###### 採納準則之影響(續)

本集團並無引入任何可能會受到香港財務報告準則第15號影響的客戶忠誠度計劃。

本集團預計並無自所承諾貨品轉讓予客戶至客戶付款期限超過一年的合約。因此，本集團並無就貨幣時間價值調整任何交易價格。

未發現履行有關合約須產生的額外成本。

因此，因對產品銷售確認收益的時間不變，故採用香港財務報告準則第15號並無對財務報表產生任何影響。

3. ACCOUNTING POLICIES (Continued)

(a) **New standards, amendments and interpretation of HKFRSs adopted by the Group in the first half of 2018**  
 (Continued)

(ii) **HKFRS 15 'Revenue from Contracts with Customers'**  
 (Continued)

*Accounting policy*

The Group manufactures and sells yarns, grey fabrics and garment fabrics as well as garments in the market. Sales are recognised when control of the products has transferred, being when the products are delivered and the customers have inspected and accepted the products. Delivery occurs when the products have been shipped to the specific location. The risks of obsolescence and loss have been transferred to the customers when either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

(iii) Amendments to HKFRS 2 regarding classification and measurement of share-based payment transactions clarify the measurement basis for cash-settled share-based payments and the accounting for modification from cash-settled awards to equity-settled awards. It also introduces an exception to the principles in HKFRS 2 that requires an award to be treated as if it is wholly equity-settled, where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority.

3. 會計政策 (續)

(a) 本集團於二零一八年上半年採納之香港財務報告準則之新訂準則、修訂以及詮釋 (續)

(ii) 香港財務報告準則第15號「客戶合約收益」(續)

*會計政策*

本集團製造及在市場銷售紗線、坯布、面料及服裝。銷售於產品的控制權轉移時(即產品交付且客戶已驗收產品時)確認。當產品運送到指定地點時交付即告完成。當客戶按照銷售合約接納產品或本集團有客觀證據證明所有接納標準均已達成時,產品毀損及遺失之風險轉由客戶承擔。

(iii) 香港財務報告準則第2號「股份支付交易的分類及計量」之修訂澄清了現金結算的股份支付的計量基礎,以及從現金結算獎金轉到權益結算獎勵的修改之會計方法。此亦引入了香港財務報告準則第2號的原則豁免,如果僱主有義務扣起與股份支付相關的僱員稅款金額及支付予稅務機關,此獎勵可以全部以權益結算。

### 3. ACCOUNTING POLICIES (Continued)

#### (a) New standards, amendments and interpretation of HKFRSs adopted by the Group in the first half of 2018 (Continued)

(iv) Amendments to HKFRS 4 'Insurance Contracts' provide two optional approaches to deal with the mismatched effective dates of HKFRS 9 and the new insurance contracts standard to replace HKFRS 4:

(a) The overlay approach: all companies that issue insurance contracts have the option to recognise in other comprehensive income, rather than profit or loss, the volatility that could arise when HKFRS 9 is applied before the new insurance contracts standard is issued; and

(b) The deferral approach: companies whose activities are predominantly connected with insurance have an optional temporary exemption from applying HKFRS 9 until 2021. Entities that defer the application of HKFRS 9 will continue to apply HKAS 39 "Financial Instruments: Recognition and Measurement".

### 3. 會計政策(續)

#### (a) 本集團於二零一八年上半年採納之香港財務報告準則之新訂準則、修訂以及詮釋(續)

(iv) 香港財務報告準則第4號「保險合約」之修訂為香港財務報告準則第9號與新保險合約準則(取代香港財務報告準則第4號)兩者的生效日期差異提供兩種選擇處理方法：

(a) 重疊法：所有簽發保險合約的公司均可選擇在其他全面收益表確認而非在損益確認在新保險合約準則發佈前而應用香港財務報告準則第9號時可能產生的波動性；及

(b) 遞延法：為主要從事保險合約活動的公司提供臨時豁免權，可在二零二一年之前豁免應用香港財務報告準則第9號。推遲應用香港財務報告準則第9號之實體將繼續應用香港會計準則第39號「金融工具：確認及計量」。

### 3. ACCOUNTING POLICIES (Continued)

(a) **New standards, amendments and interpretation of HKFRSs adopted by the Group in the first half of 2018 (Continued)**

(v) Amendment to HKFRS 1 'First Time Adoption of HKFRS', is a part of the annual improvements to HKFRSs 2014-2016 Cycle. This deletes the short-term exemptions covering transition provisions of HKFRS 7, HKAS 19, and HKFRS 10. These transition provisions were available to entities for passed reporting periods and are therefore no longer applicable.

(vi) Amendment to HKAS 28 'Investments in Associates and Joint Ventures', is a part of the annual improvements to HKFRSs 2014-2016 Cycle. This allows venture capital organisations, mutual funds, unit trusts and similar entities to elect measuring their investments in associates or joint ventures at fair value through profit or loss (FVTPL). This election should be made separately for each associate or joint venture at initial recognition.

### 3. 會計政策(續)

(a) **本集團於二零一八年上半年採納之香港財務報告準則之新訂準則、修訂以及詮釋(續)**

(v) 香港財務報告準則第1號「首次採納香港財務報告準則」之修訂此修訂為香港財務報告準則二零一四年至二零一六年週期之年度改進的一部份。該修訂刪除了香港財務報告準則第7號、香港會計準則第19號及香港財務報告準則第10號中涵蓋之過渡性條文短期豁免。該等過渡性條文可供實體於過往報告期間使用，因此不再適用。

(vi) 香港會計準則第28號「於聯營公司及合營企業的投資」之修訂為香港財務報告準則二零一四年至二零一六年週期年度改進計劃的一部份。香港會計準則第28號容許創新資本企業、互惠基金、單位信託基金和類似的主體，可選擇按以公平值計量且其變動計入損益的方式，計量主體在聯營或合營企業的投資。此項選擇須在初始確認時，對每個聯營或合營企業分別確定。

### 3. ACCOUNTING POLICIES (Continued)

#### (a) New standards, amendments and interpretation of HKFRSs adopted by the Group in the first half of 2018 (Continued)

(vii) Amendments to HKAS 40 regarding transfers of investment property, clarify that to transfer to, or from, investment properties there must be a change in use. To conclude if a property has changed use there should be an assessment of whether the property meets the definition. This change must be supported by evidence. A change in intention, in isolation, is not enough to support a transfer.

(viii) HK (IFRIC) 22 'Foreign Currency Transactions and Advance Consideration', clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency.

### 3. 會計政策 (續)

#### (a) 本集團於二零一八年上半年採納之香港財務報告準則之新訂準則、修訂以及詮釋 (續)

(vii) 香港會計準則第40號「投資物業轉讓」之修訂澄清了由非投資性房地產轉為投資性房地產或者由投資性房地產轉為非投資性房地產的前提必須是使用用途的改變。如果某種資產改變了使用用途，我們需要評估其是否滿足使用用途改變的定義。使用用途的改變必須有支持性證據證明。解釋公告委員會聲明，使用意圖的改變本身並不足以支持投資性房地產的轉換。

(viii) 香港(國際財務報告詮釋委員會)一詮釋第22號「外幣交易及預付代價」澄清了為確定用於相關資產初始確認的匯率、實體以外幣預收或預付代價產生的開支或收入的交易日。

3. ACCOUNTING POLICIES (Continued)

(b) The following new standard, amendments and interpretation of HKFRSs have been issued but are not effective for the financial year beginning on 1 January 2018 and have not been early adopted by the Group:

(i) **HKFRS 16 'Leases'**

HKFRS 16 was issued in January 2016. It will result in almost all leases being recognized on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognized. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change.

The standard will affect primarily the accounting for the Group's operating leases. As at 30 June 2018, the Group has non-cancellable operating lease commitments of RMB221 million. However, the Group has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows.

3. 會計政策(續)

(b) 以下香港財務報告準則之新訂準則、修訂以及詮釋已頒佈但尚未於二零一八年一月一日起之財政年度生效，且未獲本集團提前採納：

(i) **香港財務報告準則第16號「租賃」**

香港財務報告準則第16號於二零一六年一月頒佈後，絕大部分租賃將於資產負債表確認，原因為經營租賃與融資租賃的劃分被刪除。在新準則下，資產(使用租賃項目之權利)及支付租金之金融負債已獲確認。唯一例外情況為短期低價值之租約。

對於出租人之會計處理將不會出現重大變動。

此準則將主要影響本集團經營租賃之會計處理。於二零一八年六月三十日，本集團有人民幣2.21億元之不可撤銷經營租賃承擔。然而，本集團尚未釐定此等承擔將會導致確認資產與就未來付款之負債程度，以及對於本集團溢利及現金流量分類的影響。

### 3. ACCOUNTING POLICIES (Continued)

(b) The following new standard, amendments and interpretation of HKFRSs have been issued but are not effective for the financial year beginning on 1 January 2018 and have not been early adopted by the Group: (Continued)

(i) **HKFRS 16 'Leases'** (Continued)

However, the Group has not yet assessed what other adjustments, if any, are necessary for example because of the change in the definition of the lease term and the different treatment of variable lease payments and of extension and termination options. It is therefore not yet possible to estimate the amount of right-of-use assets and lease liabilities that will have to be recognised on adoption of the new standard and how this may affect the Group's profit or loss and classification of cash flows going forward.

The standard is mandatory for first interim periods within annual reporting periods beginning on or after 1 January 2019. At this stage, the Group does not intend to adopt the standard before its effective date.

(ii) HK (IFRIC) 23 'Uncertainty over Income Tax Treatments', effective for annual periods beginning on or after 1 January 2019.

### 3. 會計政策 (續)

(b) 以下香港財務報告準則之新訂準則、修訂以及詮釋已頒佈但尚未於二零一八年一月一日起之財政年度生效，且未獲本集團提前採納：(續)

(i) **香港財務報告準則第16號「租賃」**(續)

然而，本集團尚未評估是否需要就(例如)租期界定的變動及對可變動租賃款項及延長及終止選項的不同處理方法而作出其他調整(如有)。因此，仍不能估計在採納新準則時將予確認的使用權資產及租賃負債的金額，以及其後如何影響本集團的收益或損失及現金流量的分類。

此準則將於二零一九年一月一日或之後開始之年度報告期間內的首個中期期間強制生效。本集團現階段不擬於生效日期前採納此準則。

(ii) 香港(國際財務報告詮釋委員會)詮釋第23號「稅務處理的不確定性」於二零一九年一月一日或之後開始之年度期間生效。



**3. ACCOUNTING POLICIES (Continued)**

**(b) The following new standard, amendments and interpretation of HKFRSs have been issued but are not effective for the financial year beginning on 1 January 2018 and have not been early adopted by the Group: (Continued)**

- (iii)** Amendments to HKAS 28 'Investments in Associates or Joint Ventures', originally intended to be effective for annual periods beginning on or after 1 January 2016, now the effective date is to be determined. There are some new amendments issued in January 2018 which are effective for annual periods beginning on or after 1 January 2019.
- (iv)** Amendments to HKFRS 3 'Business Combinations', effective for annual periods beginning on or after 1 January 2019.
- (v)** Amendments to HKFRS 11 'Joint Arrangements', effective for annual periods beginning on or after 1 January 2019.
- (vi)** Amendments to HKAS 12 'Income Taxes', effective for annual periods beginning on or after 1 January 2019.
- (vii)** Amendments to HKAS 23 'Borrowing Costs', effective for annual periods beginning on or after 1 January 2019.
- (viii)** Amendments to HKAS 19 'Employee Benefits', effective for annual periods beginning on or after 1 January 2019.

**3. 會計政策(續)**

**(b) 以下香港財務報告準則之新訂準則、修訂以及詮釋已頒佈但尚未於二零一八年一月一日起之財政年度生效，且未獲本集團提前採納：(續)**

- (iii)** 香港會計準則第28號「於聯營公司及合營企業的投資」之修訂原訂於二零一六年一月一日或之後開始之年度期間生效，現生效日期為待定。於二零一八年一月頒佈若干新修訂，於二零一九年一月一日或之後開始之年度期間生效。
- (iv)** 香港財務報告準則第3號「業務合併」之修訂於二零一九年一月一日或之後開始之年度期間生效。
- (v)** 香港財務報告準則第11號「合營安排」之修訂於二零一九年一月一日或之後開始之年度期間生效。
- (vi)** 香港會計準則第12號「所得稅」之修訂於二零一九年一月一日或之後開始之年度期間生效。
- (vii)** 香港會計準則第23號「借貸成本」之修訂於二零一九年一月一日或之後開始之年度期間生效。
- (viii)** 香港會計準則第19號「僱員福利」之修訂於二零一九年一月一日或之後開始之年度期間生效。

#### 4. ESTIMATES

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

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2017, with the exception of changes in estimates that are required in determining the provision for income taxes (Note 23).

#### 5. FINANCIAL RISK MANAGEMENT

##### 5.1 Financial risk factors

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

The condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2017.

There have been no changes in the risk management policies since last year end.

##### 5.2 Liquidity risk

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

#### 4. 估計

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

於編製此簡明綜合中期財務資料時，管理層於應用本集團會計政策及有關不明朗估計的主要來源時作出的主要判斷，與編製截至二零一七年十二月三十一日止年度的綜合財務報表時所用者一致，惟釐定所得稅撥備時所需的估計變動除外(附註23)。

#### 5. 財務風險管理

##### 5.1 財務風險因素

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

簡明綜合中期財務資料並不包括年度財務報表所需的所有財務風險管理資料及披露，並應與本集團截至二零一七年十二月三十一日止年度財務報表一併閱讀。

風險管理政策自上年度末以來並無變動。

##### 5.2 流動資金風險

與上年度末相比，財務負債的未折現合約現金外流並無重大變動。

## 5. FINANCIAL RISK MANAGEMENT (Continued)

### 5.3 Fair value estimation

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

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

The following table presents the Group's financial assets and liabilities that are measured at fair value at 30 June 2018 and 31 December 2017.

		Level 1 第一級 RMB'000 人民幣千元	Level 2 第二級 RMB'000 人民幣千元	Level 3 第三級 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>At 30 June 2018</b>	於二零一八年六月三十日				
<b>Assets</b>	<b>資產</b>				
Derivative financial instruments	衍生金融工具	-	98,105	-	98,105
<b>Liabilities</b>	<b>負債</b>				
Derivative financial instruments	衍生金融工具	-	64,955	-	64,955
		Level 1 第一級 RMB'000 人民幣千元	Level 2 第二級 RMB'000 人民幣千元	Level 3 第三級 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>At 31 December 2017</b>	於二零一七年十二月三十一日				
<b>Assets</b>	<b>資產</b>				
Derivative financial instruments	衍生金融工具	-	134,350	-	134,350
<b>Liabilities</b>	<b>負債</b>				
Derivative financial instruments	衍生金融工具	-	112,996	-	112,996

## 5. 財務風險管理(續)

### 5.3 公平值估計

計下表以估值法分析按公平值列賬之金融工具，各等級分析如下：

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

下表載列本集團於二零一八年六月三十日及二零一七年十二月三十一日按公平值計量之財務資產與負債。

## 5. FINANCIAL RISK MANAGEMENT (Continued)

### 5.4 Valuation techniques used to derive Level 2 fair values

Level 2 trading derivatives comprise forward foreign exchange contracts, cross currency swaps and cotton future contracts. These forward foreign exchange contracts have been fair valued using forward exchange rates that are quoted in an active market. Cross currency swaps are fair valued using forward exchange rates that are quoted in an active market and interest rates extracted from observable yield curves. The cotton future contracts are fair valued using forward cotton price that are quoted in an active market. The effects of discounting are generally insignificant for Level 2 derivatives.

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

## 6. REVENUE AND SEGMENT INFORMATION

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

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

## 5. 財務風險管理(續)

### 5.4 得出第二級公平值所用之估值方法

第二級貿易衍生工具包括遠期外匯合約、換匯換利合約及棉花期貨合約。該等遠期外匯合約已利用活躍市場所報遠期匯率評估公平值。換匯換利合約利用活躍市場所報遠期匯率及從可觀察收益曲線摘取之利率評估公平值。棉花期貨合約利用活躍市場所報遠期棉花價評估公平值。貼現普遍不會對第二級衍生工具造成重大影響。

第二級債務投資利用貼現現金流量法評估公平值，其使用對手方其他所報債務工具的可觀察市價所得貼現率將合約現金流量貼現。

## 6. 收益及分類資料

本集團主要從事製造及銷售紗線、坯布及面料以及服裝。於期內確認之收入指貨品銷售(扣除增值稅)。

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

## 6. REVENUE AND SEGMENT INFORMATION (Continued)

The Committee of Executive Directors considers the business from both a product and geographical perspectives, management assesses the performance from sales of yarns, grey fabrics and garment fabrics as well as garments. The operations are further evaluated on a geographic basis including Mainland China (and Hong Kong), Vietnam, Macao, Cambodia and Nicaragua.

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

The segment information for the six months ended 30 June 2018 is as follows:

## 6. 收益及分類資料(續)

執行董事委員會認為業務可按產品及地區前景分類，管理層評估紗線、坯布及面料以及服裝之銷售表現。業務以地區基準(包括中國大陸(及香港)、越南、澳門、柬埔寨及尼加拉瓜)作進一步評估。

執行董事委員會根據收益及經營利潤評估經營分類之業績。

截至二零一八年六月三十日止六個月之分類資料如下：

		Unaudited 未經審核											
		Six months ended 30 June 2018 截至二零一八年六月三十日止六個月											
		Yarns 紗線			Garment fabrics and Garments 面料及服裝					Grey fabrics 坯布			Total 總額
		Mainland China and Hong Kong 中國大陸及香港		Mainland China and Hong Kong 中國大陸及香港		Macao 澳門			Mainland China and Hong Kong 中國大陸及香港		Vietnam 越南	Macao 澳門	
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Total revenue	總收入	6,182,663	3,431,328	6,750,324	1,081,836	19,631	68,544	220,967	15,273	384,449	255,741	180,922	18,591,678
Inter-segment revenue	分類間收入	(276,524)	(3,246,799)	(5,525,088)	-	(19,631)	(66,042)	(212,811)	(16,273)	-	(255,724)	(160,266)	(9,780,158)
Revenue (from external customers)	收入 (來自外部客戶)	5,906,139	182,529	1,225,236	1,081,836	-	2,502	8,156	-	384,449	17	20,656	8,811,520
Timing of revenue recognition	收入確認之時間												
At a point in time	於某一時間點	5,906,139	182,529	1,225,236	1,081,836	-	2,502	8,156	-	384,449	17	20,656	8,811,520
Segment results	分類業績	396,587	236,080	216,261	(3,781)	105	(3,412)	(14,412)	(198)	18,449	27,596	1,051	874,326
Unallocated profit	未分配溢利												7,920
Operating profit	經營溢利												882,246
Finance income	財務收入												5,802
Finance costs	財務費用												(201,572)
Share of profits less losses of investments	分佔使用權益法 入賬之投資溢利												
accounted for using the equity method	減虧損												8,704
Income tax expense	所得稅開支												(88,782)
Profit for the period	期內溢利												606,398
Depreciation and amortisation	折舊及攤銷	(141,053)	(154,109)	(8)	(10,105)	-	(11,928)	(19,993)	(4,177)	(6,312)	(11,474)	-	(359,159)

**6. REVENUE AND SEGMENT INFORMATION**  
 (Continued)

The segment information for the six months ended 30 June 2017 is as follows:

**6. 收益及分類資料(續)**

截至二零一七年六月三十日止六個月之分類資料如下：

		Unaudited 未經審核									
		Six months ended 30 June 2017 截至二零一七年六月三十日止六個月									
		Yarns 紗線			Garment fabrics and Garments 面料及服裝				Grey fabrics 坯布		Total 總額
		Mainland China and Hong Kong 中國大陸及		Macao	Mainland China and Hong Kong 中國大陸及		Nicaragua		Mainland China 中國大陸		
		Vietnam	Vietnam	澳門	Cambodia	Vietnam	Nicaragua	China	Vietnam		
		香港	越南	澳門	香港	柬埔寨	越南	尼加拉瓜	中國大陸	越南	
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Total revenue	總收入	5,499,031	3,326,540	6,087,794	209,212	89,717	98,530	29,622	267,892	2,677	15,611,015
Inter-segment revenue	分類間收入	(196,677)	(3,160,085)	(4,803,079)	-	-	-	-	-	(2,677)	(8,162,518)
<b>Revenue (from external customers)</b>	<b>收入 (來自外部客戶)</b>	5,302,354	166,455	1,284,715	209,212	89,717	98,530	29,622	267,892	-	7,448,497
Timing of revenue recognition	收入確認之時間										
At a point in time	於某一時間點	5,302,354	166,455	1,284,715	209,212	89,717	98,530	29,622	267,892	-	7,448,497
<b>Segment results</b>	<b>分類業績</b>										
Unallocated profit	未分配溢利	378,974	233,382	43,020	27,899	(13,009)	6,771	590	9,073	(4,246)	682,454
											118,924
<b>Operating profit</b>	<b>經營溢利</b>										801,378
Finance income	財務收入										4,263
Finance costs	財務費用										(57,242)
Share of profits less losses of investments accounted for using the equity method	分佔使用權益法入賬之投資溢利減虧損										6,267
Income tax expense	所得稅開支										(104,672)
<b>Profit for the period</b>	<b>期內溢利</b>										649,994
Depreciation and amortisation	折舊及攤銷	(138,751)	(153,244)	(62)	(3,471)	(3,861)	(3,488)	(1,096)	(5,542)	(4,520)	(314,035)

## 6. REVENUE AND SEGMENT INFORMATION (Continued)

The segment assets and liabilities as at 30 June 2018 are as follows:

## 6. 收益及分類資料(續)

於二零一八年六月三十日之分類資產及負債如下：

		Unaudited 未經審核										
		As at 30 June 2018 於二零一八年六月三十日										
		Yarns 紗線			Garment fabrics and Garments 面料及服裝				Grey fabrics 坯布		Total 總額	
		Mainland China and Hong Kong 中國大陸 及香港			Mainland China and Hong Kong 中國大陸 及香港				Mainland China and Hong Kong 中國大陸 及香港			
		Vietnam	Macao	Sub-total	Hong Kong	Cambodia	Vietnam	Nicaragua	Vietnam			
		越南	澳門	小計	及香港	柬埔寨	越南	尼加拉瓜	及香港	越南		
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
Total segment assets	分類總資產	9,115,519	4,961,026	332,229	14,408,774	1,313,270	216,728	593,453	81,986	371,983	380,598	17,366,792
Unallocated assets	未分配資產											162,612
Total assets of the Group	本集團總資產											17,529,404
Total segment liabilities	分類總負債				(7,050,871)	(831,514)	(15,052)	(418,653)	(6,310)	(74,040)	(270,190)	(8,666,630)
Unallocated liabilities	未分配負債											(2,454,253)
Total liabilities of the Group	本集團總負債											(11,120,883)
Capital expenditure	資本開支	373,491	320,050	8	693,549	14,742	2,700	28,583	497	28,926	25,115	794,112



**6. REVENUE AND SEGMENT INFORMATION**

(Continued)

The segment assets and liabilities as at 31 December 2017 are as follows:

**6. 收益及分類資料(續)**

於二零一七年十二月三十一日之分類資產及負債如下：

		Audited 經審核										
		As at 31 December 2017 於二零一七年十二月三十一日										
		Yarns 紗線			Garment fabrics and Garments 面料及服裝				Grey fabrics 坯布		Total 總額	
		Mainland China and Hong Kong 中國大陸 及香港		Macao 澳門	Sub-total	Mainland China and Hong Kong 中國大陸 及香港		Cambodia 柬埔寨	Vietnam 越南	Nicaragua 尼加拉瓜	Mainland China 中國大陸 及越南	
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
<b>Total segment assets</b>	<b>分類總資產</b>	7,972,965	3,910,724	495,216	12,378,905	926,361	315,363	607,633	157,145	463,002	399,216	15,247,625
Unallocated assets	未分配資產											286,806
<b>Total assets of the Group</b>	<b>本集團總資產</b>											15,534,431
<b>Total segment liabilities</b>	<b>分類總負債</b>				(5,712,077)	(446,224)	(59,609)	(403,504)	(12,922)	(69,802)	(297,927)	(7,002,065)
Unallocated liabilities	未分配負債											(2,556,653)
<b>Total liabilities of the Group</b>	<b>本集團總負債</b>											(9,558,718)
<b>Capital expenditure</b>	<b>資本開支</b>	427,333	82,819	-	510,152	7,601	27,203	55,251	-	70,281	53,841	724,329

**7. FREEHOLD LAND AND LAND USE RIGHTS**

**7. 永久產權土地及土地使用權**

**Unaudited**  
未經審核  
RMB'000  
人民幣千元

<b>Six months ended 30 June 2017</b>	<b>截至二零一七年六月三十日 止六個月</b>	
Opening net book amount as at 1 January 2017	二零一七年一月一日之 期初賬面淨值	695,184
Additions	添置	11,285
Acquisition of subsidiaries	收購附屬公司	162,900
Amortisation	攤銷	(8,240)
Disposals	出售	(16,580)
Currency translation differences	貨幣匯兌差額	(2,794)
		841,755
<b>Closing net book amount as at 30 June 2017</b>	<b>二零一七年六月三十日 之期末賬面淨值</b>	
<b>Six months ended 30 June 2018</b>	<b>截至二零一八年六月三十日 止六個月</b>	
Opening net book amount as at 1 January 2018	於二零一八年一月一日 之期初賬面淨值	863,083
Additions	添置	118,634
Amortisation	攤銷	(8,955)
Currency translation differences	貨幣匯兌差額	1,581
		974,343
<b>Closing net book amount as at 30 June 2018</b>	<b>於二零一八年六月三十日 之期末賬面淨值</b>	

As at 30 June 2018, no land use right (31 December 2017: land use rights with a total net book amount of RMB26,687,000) was pledged as collateral for the Group's bank borrowings (Note 15).

於二零一八年六月三十日，並無抵押土地使用權(二零一七年十二月三十一日：賬面淨值總額為人民幣26,687,000元之土地使用權)，已作為本集團取得銀行融資之抵押品(附註15)。

## 8. PROPERTY, PLANT AND EQUIPMENT

## 8. 物業、廠房及設備

		<b>Unaudited</b> 未經審核 RMB'000 人民幣千元
<b>Six months ended 30 June 2017</b>	<b>截至二零一七年六月三十日</b>	
	<b>止六個月</b>	
Opening net book amount as at 1 January 2017	二零一七年一月一日之 期初賬面淨值	6,231,119
Additions	添置	283,552
Acquisition of subsidiaries	收購附屬公司	269,638
Disposals	出售	(3,841)
Depreciation	折舊	(305,795)
Currency translation differences	貨幣匯兌差額	(5,970)
<b>Closing net book amount as at 30 June 2017</b>	<b>二零一七年六月三十日</b> <b>之期末賬面淨值</b>	<b>6,468,703</b>
<b>Six months ended 30 June 2018</b>	<b>截至二零一八年六月三十日</b>	
	<b>止六個月</b>	
Opening net book amount as at 1 January 2018	於二零一八年一月一日 之期初賬面淨值	6,660,122
Additions	添置	675,478
Disposals	出售	(18,717)
Depreciation	折舊	(350,204)
Currency translation differences	貨幣匯兌差額	2,968
<b>Closing net book amount as at 30 June 2018</b>	<b>於二零一八年六月三十日</b> <b>之期末賬面淨值</b>	<b>6,969,647</b>

As at 30 June 2018, property, plant and equipment with a total net book amount of RMB434,512,000 (31 December 2017: RMB180,915,000) was pledged as collateral for the Group's bank borrowings (Note 15).

於二零一八年六月三十日，賬面淨值總額為人民幣434,512,000元之物業、廠房及設備(二零一七年十二月三十一日：人民幣180,915,000元)已抵押作為本集團取得銀行融資之抵押品(附註15)。

During the six months ended 30 June 2018, no finance cost was capitalised as part of property, plant and equipment (for the six months ended 30 June 2017: nil).

於截至二零一八年六月三十日止六個月，概無財務費用資本化為物業、廠房及設備的一部分(截至二零一七年六月三十日止六個月：零)。

### 9. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The amounts recognised in the consolidated balance sheet are as follows:

Associates	聯營公司
Joint ventures	合營企業

The amounts recognised in the consolidated income statement are as follows:

Associates	聯營公司
Joint ventures	合營企業

### 9. 使用權益法入賬之投資

以下為已於綜合資產負債表確認的金額：

Unaudited 未經審核 30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
187,828	179,583
3,665	3,206
<b>191,493</b>	<b>182,789</b>

以下為已於綜合收益表確認的金額：

Unaudited 未經審核 Six months ended 30 June 截至六月三十日止六個月	
2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
8,245	9,222
459	(2,955)
<b>8,704</b>	<b>6,267</b>

**9. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)**  
**Investments in associates**

Share of net assets of unlisted associates	分佔非上市聯營公司資產淨值
Goodwill	商譽

Movements of shares of net assets attributable to the Group are as follows:

Opening amount	期初金額
Share of profits based on equity held	根據所持的權益應佔溢利
Share of other comprehensive income based on equity held	根據所持的權益應佔其他全面收益
Closing amount	期末金額

Set out below are the associates of the Group as at 30 June 2018 which, in the opinion of the directors, are not material to the Group. The associates as listed below have share capital consisting solely of ordinary shares, which are held directly by the Group; the country of incorporation or registration is also their principal place of business.

**9. 使用權益法入賬之投資(續)**  
**於聯營公司的投資**

Unaudited 未經審核 30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
187,637	179,392
191	191
<b>187,828</b>	<b>179,583</b>

本集團應佔資產淨值變動如下：

Unaudited 未經審核 Six months ended 30 June 截至六月三十日止六個月 2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
179,392	87,570
8,245	9,222
—	4,904
<b>187,637</b>	<b>101,696</b>

以下為於二零一八年六月三十日，董事認為對本集團並不重要之本集團聯營公司。下列聯營公司之股本僅由普通股組成，並由本集團直接持有；其註冊成立或註冊國家亦為其主要營業地點。

**9. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)**

**Investments in associates (Continued)**  
Nature of investments in associates as at 30 June 2018:

**9. 使用權益法入賬之投資(續)**

於聯營公司的投資(續)  
於二零一八年六月三十日，聯營公司的投資性質如下：

Name of associate	Place and date of incorporation and form of legal entity 註冊成立地點及日期以及法律實體類別	Principal activities	Particulars of issued share capital	Interest held
聯營公司名稱		主要業務	已發行股本詳情	所持權益
Nantong Textile Group Co., Ltd.	Nantong, Mainland China, 11 September 2002 limited liability company	Manufacturing and sales of top-grade textile knitting products and garments	RMB116,375,000	48%
南通紡織控股集團紡織染有限公司	中國大陸南通，二零零二年九月十一日，有限責任公司	製造及銷售高級紡織產品及成衣	人民幣116,375,000元	
Hongyan Vietnam Holdings Limited	British Virgin Islands, 2 July 2015, limited liability company	Investment holding in British Virgin Islands	RMB166,167,000	45%
鴻雁越南控股有限公司	英屬處女群島，二零一五年七月二日，有限責任公司	於英屬處女群島進行投資控股	人民幣166,167,000元	
Subsidiaries of Hongyan Vietnam Holdings Limited 鴻雁越南控股有限公司之附屬公司				
- Lanyan Denim Garment Vietnam Holdings Limited	Hong Kong, 2 June 2015, limited liability company	Investment holding in Hong Kong	HKD100	45%
- 蘭雁牛仔服裝越南控股有限公司	香港，二零一五年六月二日，有限責任公司	於英屬處女群島進行投資控股	100港元	
- Hualida (Vietnam) Garments Limited Company	Vietnam, January 2016, limited liability company	Manufacturing of garments in Vietnam	VND39,870,000,000	45%
- 華利達(越南)服裝責任有限公司	越南，二零一六年一月，有限責任公司	於越南製造成衣	39,870,000,000越南盾	

**9. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)**
**Investments in associates (Continued)**

The Group's share of revenue of the associates, which is not included in the Group's revenue, and the Group's share of profit for the period, other comprehensive income for the period, assets and liabilities of the associates, which have been included in the consolidated income statement, statement of comprehensive income and balance sheet using equity method, are as follows:

**9. 使用權益法入賬之投資(續)**
**於聯營公司的投資(續)**

本集團應佔聯營公司的收入(不計入本集團收入)、及本集團期內應佔溢利、期內其他全面收益、聯營公司的資產及負債(均已採用權益法計入綜合收益表、全面收益表及資產負債表)如下:

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Revenue	收入	483,270	318,239
Profits for the period	期內溢利	8,245	9,222
Other comprehensive income for the period	期內其他全面收益	-	4,904

		Unaudited 未經審核 30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
Non-current assets	非流動資產	286,424	295,670
Current assets	流動資產	234,925	225,448
Current liabilities	流動負債	(263,498)	(259,658)
Non-current liabilities	非流動負債	(70,214)	(82,068)
Net assets value	資產淨值	187,637	179,392

**9. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)**  
**Investments in joint ventures**

Opening amount	期初金額
Share of profits/(losses) based on equity held	根據所持的權益應佔溢利/(虧損)
Share of other comprehensive income based on equity held	根據所持的權益應佔其他全面收益
Closing amount	期末金額

On 15 March 2018, the Group sold all 50% interest of Shelink Limited and its subsidiary, a group engaged in manufacturing and sale of knitted, dyed and finished top-grade textile products in China and Hong Kong, for a consideration of RMB200,000.

The joint venture listed below has issued share capital consisting solely of ordinary shares, which is held directly by the Group.

**9. 使用權益法入賬之投資(續)**  
**於合營企業的投資**

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

<b>2018</b>	<b>2017</b>
<b>二零一八年</b>	<b>二零一七年</b>
<b>RMB'000</b>	<b>RMB'000</b>
<b>人民幣千元</b>	<b>人民幣千元</b>
<b>3,206</b>	11,588
<b>459</b>	(2,955)
<b>—</b>	117
<b>3,665</b>	8,750

於二零一八年三月十五日，本集團出售兆光有限公司及其附屬公司(一家於中國及香港從事針織、染色及頂級面料製成品的集團)的全部50%權益，代價為人民幣200,000元。

下文所列合營企業已發行的股本僅包括普通股，由本集團直接持有。



**9. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)**
**Investments in joint ventures (Continued)**

Nature of investment in a joint venture as at 30 June 2018:

Name of joint venture	Place and date of incorporation and form of legal entity 註冊成立地點及日期以及法律實體類別	Principal activities	Particulars of issued share capital	Interest held
合營企業名稱		主要業務	已發行股本詳情	所持權益
Texhong Tan Cang Logistics Joint Stock Company	Vietnam, 30 June 2016, limited liability company	Cargo transportation by land and sea; other assistant services; cargo landing-over, storage, management consulting	VND20,000,000,000	50%
天虹新港物流股份公司	越南，二零一六年六月三十日，有限責任公司	海陸貨物運輸；其他輔助服務；貨物卸運、儲存、管理諮詢	20,000,000,000 越南盾	

**9. 使用權益法入賬之投資 (續)**
**於合營企業的投資 (續)**

於二零一八年六月三十日，於合營企業的投資性質如下：

**9. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)**

**Investments in joint ventures (Continued)**

The Group's share of revenue of the joint ventures, which is not included in the Group's revenue, and the Group's share of profits/(losses) for the period, other comprehensive income for the period, assets and liabilities of the joint ventures, which have been included in the consolidated income statement, statement of comprehensive income and balance sheet using equity method, are as follows:

Revenue	收入
Profits/(losses) for the period	期內溢利/(虧損)
Other comprehensive income for the period	期內其他全面收益
Non-current assets	非流動資產
Current assets	流動資產
Current liabilities	流動負債
Non-current liabilities	非流動負債
Net assets value	資產淨值

**9. 使用權益法入賬之投資(續)**

**於合營企業的投資(續)**

本集團應佔合營企業的收入(不計入本集團收入)、及本集團應佔合營企業的期內溢利/(虧損)、期內其他全面收入、資產及負債(均已採用權益法計入綜合收益表、全面收益表及資產負債表)如下:

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

<b>2018</b> 二零一八年 <b>RMB'000</b> 人民幣千元	2017 二零一七年 <b>RMB'000</b> 人民幣千元
<b>24,943</b>	9,678
<b>459</b>	(2,955)
<b>-</b>	117

<b>Unaudited 未經審核 30 June 2018 二零一八年 六月三十日 <b>RMB'000</b> 人民幣千元</b>	<b>Audited 經審核 31 December 2017 二零一七年 十二月三十一日 <b>RMB'000</b> 人民幣千元</b>
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<b>147</b>	6,145
<b>9,614</b>	36,770
<b>(6,092)</b>	(34,165)
<b>(4)</b>	-
<b>3,665</b>	8,750

## 10. INVENTORIES

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

As at 30 June 2018, inventories with a total net book amount of RMB112,540,000 (31 December 2017: RMB261,236,000) were pledged as collateral for the Group's bank borrowings (Note 15).

## 11. TRADE AND BILLS RECEIVABLES

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

Bills receivable	應收票據款項
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## 10. 存貨

Unaudited 未經審核 30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
3,303,064	2,600,507
264,306	279,705
955,477	883,977
<b>4,522,847</b>	<b>3,764,189</b>

於二零一八年六月三十日，賬面淨值總額為人民幣112,540,000元之存貨已抵押作本集團銀行借貸的抵押品(二零一七年十二月三十一日：人民幣261,236,000元)(附註15)。

## 11. 應收貿易及票據款項

Unaudited 未經審核 30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
582,106	551,357
(4,635)	(7,141)
<b>577,471</b>	<b>544,216</b>
<b>1,241,033</b>	<b>1,085,928</b>
<b>1,818,504</b>	<b>1,630,144</b>

## 11. TRADE AND BILLS RECEIVABLES

(Continued)

The Group generally grants a credit term of less than 90 days to its customers in Mainland China and 120 days to its customers in other countries. The ageing analysis of the trade and bills receivables by invoice date is as follows:

Within 30 days	30日以內
31 to 90 days	31日至90日
91 to 180 days	91日至180日
181 days to 1 year	181日至1年
Over 1 year	1年以上

Less: provision for impairment 減：減值撥備

Trade and bills receivables 應收貿易及票據款項  
– net 淨額

As at 30 June 2018, included in the trade receivables were amounts due from related parties of RMB7,354,000 (31 December 2017: RMB3,019,000) (Note 27).

As at 30 June 2018, bills receivable with a total net book amount of RMB95,026,000 were pledged as collateral for the Group's bank borrowings (31 December 2017: nil) (Note 15).

## 11. 應收貿易及票據款項(續)

本集團授予其中國大陸客戶之信貸期一般為90日內，而授予其他國家客戶之信貸期為120日內。應收貿易及票據款項根據發票日期的賬齡分析如下：

Unaudited 未經審核 30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
1,084,237	1,171,995
452,066	364,234
277,229	84,699
3,770	11,200
5,837	5,157
<b>1,823,139</b> <b>(4,635)</b>	<b>1,637,285</b> <b>(7,141)</b>
<b>1,818,504</b>	<b>1,630,144</b>

於二零一八年六月三十日，應收款項包括應收關聯方款項人民幣7,354,000元(二零一七年十二月三十一日：人民幣3,019,000元)(附註27)。

於二零一八年六月三十日，賬面淨值總額為人民幣95,026,000元之應收票據作為本集團銀行借貸的抵押品(二零一七年十二月三十一日：無)(附註15)。

**12. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES**

Prepayments for purchase of raw materials	購買原材料的預付款項
Value-added tax recoverable	應退增值稅
Prepaid expenses	預付開支
Deposits for acquisition of subsidiaries	收購附屬公司之按金
Deposits for operation	業務按金
Prepaid income tax	預付所得稅
Other receivables	其他應收款項

**12. 預付款項、按金及其他應收賬款**

Unaudited 未經審核 30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
<b>928,181</b>	387,838
<b>180,217</b>	181,279
<b>57,185</b>	21,775
<b>53,291</b>	-
<b>11,052</b>	14,373
<b>8,261</b>	30,734
<b>6,784</b>	1,230
<b>1,244,971</b>	637,229

**13. TRADE AND BILLS PAYABLES**

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

**13. 應付貿易及票據款項**

Unaudited 未經審核 30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
<b>419,027</b>	507,749
<b>3,439,062</b>	2,453,980
<b>3,858,089</b>	2,961,729

As at 30 June 2018, included in the trade payables were amounts due to related parties of RMB10,078,000 (31 December 2017: RMB4,557,000) (Note 27).

於二零一八年六月三十日，應付貿易款項包括應付關聯方款項人民幣10,078,000元(二零一七年十二月三十一日：人民幣4,557,000元)(附註27)。

### 13. TRADE AND BILLS PAYABLES (Continued)

The ageing analysis of the trade and bills payables (including amounts due to related parties of trading in nature) based on invoice date is as follows:

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

### 13. 應付貿易及票據款項(續)

應付貿易及票據款項(包括應付關連方之貿易性質款項)根據發票日期的賬齡分析如下:

Unaudited 未經審核 30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
3,214,866	1,900,496
617,497	1,021,831
14,469	31,981
11,257	7,421
<b>3,858,089</b>	<b>2,961,729</b>

### 14. ACCRUALS AND OTHER PAYABLES

Payables for purchases of land use rights and property, plant and equipment	購買土地使用權及物業、廠房及設備應付賬款
Accrued wages and salaries	應計工資及薪金
Deposits from customers	客戶按金
Accrual of operating expenses	應計經營開支
Tax payables other than enterprise income tax	應付稅項(企業所得稅除外)
Payables for acquisition of subsidiaries	收購附屬公司應付款項
Interest payable	應付利息
Other payables	其他應付賬款

### 14. 預提費用及其他應付款項

Unaudited 未經審核 30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
294,481	116,381
229,138	247,548
105,674	95,677
88,658	130,236
37,030	60,544
31,749	31,749
6,275	5,163
68,175	54,153
<b>861,180</b>	<b>741,451</b>

## 15. BORROWINGS

## 15. 借貸

		Unaudited 未經審核 30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
<b>Current</b>	<b>即期</b>		
Unsecured bank borrowings	無抵押銀行借貸	677,883	583,814
Secured bank borrowings (Note (a))	有抵押銀行借貸 (附註 (a))	416,649	464,674
Other bank borrowings (Note (b))	其他銀行借貸(附註 (b))	1,914,446	1,513,881
		<b>3,008,978</b>	<b>2,562,369</b>
<b>Non-current</b>	<b>非即期</b>		
Unsecured bank borrowings	無抵押銀行借貸	980,166	1,359,688
Secured bank borrowings (Note (a))	有抵押銀行借貸 (附註 (a))	232,374	-
Other bank borrowings (Note (b))	其他銀行借貸 (附註 (b))	1,898,899	1,627,541
		<b>3,111,439</b>	<b>2,987,229</b>
<b>Total borrowings</b>	<b>借貸總額</b>	<b>6,120,417</b>	<b>5,549,598</b>

Notes:

- (a) As at 30 June 2018, bank borrowings of RMB649,023,000 (31 December 2017: RMB464,674,000) were secured by the pledge of the Group's property, plant and equipment with a net book amount of approximately RMB434,512,000 (31 December 2017: RMB180,915,000)(Note 8); bills receivable with a total amount of RMB95,026,000 (31 December 2017: nil) (Note 11); inventories with a total amount of RMB112,540,000 (31 December 2017: RMB261,236,000)(Note 10); pledged bank deposits with a total amount of RMB186,487,000 (31 December 2017: nil); and no land use rights (31 December 2017: RMB26,687,000)(Note 7) was pledged, as at 30 June 2018.

附註:

- (a) 於二零一八年六月三十日，人民幣649,023,000元的銀行借貸(二零一七年十二月三十一日：人民幣464,674,000元)以本集團於二零一八年六月三十日的以下各項作抵押：賬面淨值約人民幣434,512,000元(二零一七年十二月三十一日：人民幣180,915,000元)的物業、廠房及設備(附註8)；總額為人民幣95,026,000元(二零一七年十二月三十一日：零)的應收票據(附註11)；總額為人民幣112,540,000元(二零一七年十二月三十一日：人民幣261,236,000元)的存貨(附註10)；總額為人民幣186,487,000元(二零一七年十二月三十一日：零)的已抵押銀行存款；及概無土地使用權(二零一七年十二月三十一日：人民幣26,687,000元)(附註7)已抵押。

## 15. BORROWINGS (Continued)

Notes: (Continued)

- (b) As at 30 June 2018, other bank borrowings of RMB3,813,345,000 (31 December 2017: RMB3,141,422,000) were secured by cross corporate guarantees provided by certain subsidiaries of the Group.

Movements in borrowings are analysed as follows:

## 15. 借貸(續)

附註：(續)

- (b) 於二零一八年六月三十日，其他銀行借貸人民幣3,813,345,000元(二零一七年十二月三十一日：人民幣3,141,422,000元)以本集團若干附屬公司提供的交叉公司擔保作抵押。

借貸變動分析如下：

		<b>Unaudited</b>
		未經審核
		RMB'000
		人民幣千元
<b>Six months ended 30 June 2017</b>	<b>截至二零一七年六月三十日</b>	
	<b>止六個月</b>	
Opening amount as at 1 January 2017	於二零一七年一月一日之	
	期初金額	6,109,294
Proceeds from borrowings	借貸所得款項	3,908,646
Repayments of borrowings	償還借貸	(4,740,685)
Exchange gains on borrowings	借貸匯兌收益	(85,317)
		<hr/>
<b>Closing amount as at 30 June 2017</b>	<b>於二零一七年六月三十日</b>	
	<b>期末金額</b>	<b>5,191,938</b>
		<hr/>
<b>Six months ended 30 June 2018</b>	<b>截至二零一八年六月三十日</b>	
	<b>止六個月</b>	
Opening amount as at 1 January 2018	於二零一八年一月一日之	
	期初金額	5,549,598
Proceeds from borrowings	借貸所得款項	3,761,427
Repayments of borrowings	償還借貸	(3,241,052)
Exchange losses on borrowings	借貸匯兌虧損	50,444
		<hr/>
<b>Closing amount as at 30 June 2018</b>	<b>於二零一八年六月三十日之</b>	
	<b>期末金額</b>	<b>6,120,417</b>
		<hr/>



**15. BORROWINGS (Continued)**

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

RMB	人民幣
HKD	港元
USD	美元

The weighted average effective interest rate per annum at 30 June 2018 was 3.86% (31 December 2017: 3.71%).

As at 30 June 2018, the Group has undrawn floating rates borrowing facilities of approximately RMB1,380,500,000 (31 December 2017: RMB1,182,007,000) which will be expired within one year.

**15. 借貸(續)**

本集團借貸的賬面值按以下貨幣計值：

Unaudited 未經審核 30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
<b>2,338,316</b>	2,298,080
<b>2,400,795</b>	2,241,191
<b>1,381,306</b>	1,010,327
<b>6,120,417</b>	5,549,598

於二零一八年六月三十日之加權平均實際年利率為3.86% (二零一七年十二月三十一日：3.71%)。

於二零一八年六月三十日，本集團未動用之浮動息率借貸融資約人民幣1,380,500,000 (二零一七年十二月三十一日：人民幣1,182,007,000) 將於一年內到期。

16. DERIVATIVE FINANCIAL INSTRUMENTS

16. 衍生金融工具

		Unaudited 未經審核 30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
Assets:	資產：		
Forward foreign exchange contracts (Note (a))	遠期外匯合約(附註(a))	69,854	117,580
Cross currency swap contracts (Note (b))	交叉貨幣掉期合約(附註(b))	6,966	324
Cotton future contracts (Note (c))	棉花期貨合約(附註(c))	21,285	16,446
		<b>98,105</b>	<b>134,350</b>
Liabilities:	負債：		
Forward foreign exchange contracts (Note (a))	遠期外匯合約(附註(a))	6,420	50,282
Cross currency swap contracts (Note (b))	交叉貨幣掉期合約(附註(b))	58,535	62,714
		<b>64,955</b>	<b>112,996</b>

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

非對沖衍生工具分類為流動資產或負債。

Notes:

附註：

- (a) The forward foreign exchange contracts as at 30 June 2018 comprised fourteen contracts with notional principal amounts totalling RMB3,175,968,000 (31 December 2017: thirty-one contracts with notional principal amounts totalling RMB3,861,712,000).
- (b) The cross currency swap contracts as at 30 June 2018 comprised fifteen contracts with notional principal amounts totalling RMB1,997,196,000 (31 December 2017: thirteen contracts with notional principal amounts totalling RMB1,630,025,000).

- (a) 於二零一八年六月三十日，遠期外匯合約包括十四份合約，名義本金總計為人民幣3,175,968,000元(二零一七年十二月三十一日：三十一份合約，名義本金總計為人民幣3,861,712,000元)。
- (b) 於二零一八年六月三十日，交叉貨幣掉期合約包括十五份合約，名義本金總計為人民幣1,997,196,000元(二零一七年十二月三十一日：十三份合約，名義本金總計為人民幣1,630,025,000元)。

## 16. DERIVATIVE FINANCIAL INSTRUMENTS

(Continued)

Notes: (Continued)

- (c) The cotton future contracts as at 30 June 2018 comprised nine contracts with notional principal amounts totalling USD14,640,000 (31 December 2017: four contracts with notional principal amounts totalling USD7,103,000).

## 17. FINANCE LEASE OBLIGATIONS

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

## 16. 衍生金融工具(續)

附註：(續)

- (c) 於二零一八年六月三十日，棉花期貨合約包括九份合約，名義本金額總計為14,640,000美元(二零一七年十二月三十一日：四份合約，名義本金額總計為7,103,000美元)。

## 17. 融資租賃承擔

倘本集團拖欠租賃負債，則租賃資產之權利將歸還出租人。

		Unaudited 未經審核 30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
Gross finance lease liabilities	融資租賃負債總額		
— minimum lease payments	— 最低租賃付款		
No later than 1 year	一年內	3,076	5,886
Later than 1 year and no later than 5 years	一年後至五年內	210	1,628
Less: future finance charges on finance leases	減：融資租賃之未來融資費用	(123)	(304)
		<b>3,163</b>	<b>7,210</b>
The present value of finance lease liabilities is as follows:	融資租賃負債之現值如下：		
No later than 1 year	一年內	2,960	5,623
Later than 1 year and no later than 5 years	一年後至五年內	203	1,587
		<b>3,163</b>	<b>7,210</b>

18. SHARE CAPITAL AND SHARE PREMIUM

18. 股本及股份溢價

		Number of shares 股份數目 (thousands) (千股)	Ordinary shares 普通股 HKD'000 千港元
Authorised:	法定：		
<b>Ordinary shares of Hong Kong Dollars ("HKD") 0.1 each</b>	<b>每股面值 0.1 港元 (「港元」) 之普通股</b>		
<b>At 31 December 2017 and 30 June 2018</b>	<b>於二零一七年十二月三十一日及二零一八年六月三十日</b>	4,000,000	400,000

		Number of shares 股份數目 (thousands) (千股)	Ordinary shares 普通股 RMB'000 人民幣千元	Share premium 股份溢價 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Issued and fully paid:	已發行及繳足：				
<b>Ordinary shares of HKD0.1 each</b>	<b>每股面值 0.1 港元之普通股</b>				
<b>At 31 December 2017 and 30 June 2018</b>	<b>於二零一七年十二月三十一日及二零一八年六月三十日</b>	915,000	96,709	433,777	530,486

## 19. SHARE OPTION SCHEME

Pursuant to a shareholders' resolution passed on 7 April 2014, the Company adopted a share option scheme ("the Share Option Scheme"), which will remain in force for a period of 10 years up to April 2024. Under the Share Option Scheme, the Company's directors may, at their sole discretion, grant to any employee, director, supplier of goods or services, customer, person or entity that provides research, development or other technological support to the Group, shareholder and adviser or consultant of the Group to subscribe for shares in the Company at a price of not less than the higher of (i) the closing price of shares as stated in the daily quotation sheet of the Stock Exchange on the date of the offer of grant; or (ii) the average closing price of shares as stated in the daily quotation sheets of the Stock Exchange for the five trading days immediately preceding the date of the offer of grant; and (iii) the nominal value of the share. A nominal consideration of HKD1 is payable on acceptance of the grant of an option. The maximum number of shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme adopted by the Group from time to time must not in aggregate exceed 30% of the share capital of the Company in issued from time to time.

## 19. 購股權計劃

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

### 19. SHARE OPTION SCHEME (Continued)

Pursuant to the Share Option Scheme, share options to subscribe for an aggregate of 5,000,000 ordinary shares of the Company were granted to two executive directors of the Company on 23 March 2015. The subscription price is HKD8.7 per share. 1,670,000 share options are exercisable over the period from 1 January 2016 to 22 March 2025, 1,670,000 share options are exercisable over the period from 1 January 2017 to 22 March 2025 and 1,660,000 share options are exercisable from 1 January 2018 to 22 March 2025. On 28 December 2015, Share options to subscribe for an aggregate of 1,500,000 ordinary share of the Company were granted to one executive director of the Company. The subscription price is HKD5.7 per share. 300,000 share options are exercisable over the period from 1 January 2017 to 27 December 2025, 300,000 share options are exercisable over the period from 1 January 2018 to 27 December 2025, 300,000 share options are exercisable over the period from 1 January 2019 to 27 December 2025, 300,000 share options are exercisable over the period from 1 January 2020 to 27 December 2025 and 300,000 share options are exercisable over the period from 1 January 2021 to 27 December 2025. The Group has no legal or constructive obligation to repurchase or settle the above options in cash. No options have been exercised since the date of grant to 30 June 2018.

### 19. 購股權計劃(續)

根據購股權計劃，本公司於二零一五年三月二十三日向兩名執行董事授出合共可認購5,000,000股本公司普通股的購股權。認購價為每股8.7港元。1,670,000份購股權可於二零一六年一月一日至二零二五年三月二十二日期間行使；1,670,000份購股權可於二零一七年一月一日至二零二五年三月二十二日期間行使；及1,660,000份購股權可於二零一八年一月一日至二零二五年三月二十二日期間行使。本公司於二零一五年十二月二十八日向一名執行董事授出合共可認購1,500,000股本公司普通股的購股權。認購價為每股5.7港元。300,000份購股權可於二零一七年一月一日至二零二五年十二月二十七日期間行使；300,000份購股權可於二零一八年一月一日至二零二五年十二月二十七日期間行使；300,000份購股權可於二零一九年一月一日至二零二五年十二月二十七日期間行使；300,000份購股權可於二零二零年一月一日至二零二五年十二月二十七日期間行使；及300,000份購股權可於二零二一年一月一日至二零二五年十二月二十七日期間行使。本集團並無法定或推定責任以現金購回或結算有關購股權。自授出日期至二零一七年六月三十日，概無購股權獲行使。

#### 19. SHARE OPTION SCHEME (Continued)

The fair value of options granted on 23 March 2015 was determined using the Binomial Option-Pricing Model. The significant inputs into the model included the share price of HKD8.7 per share at the grant date, exercise price shown above, expected annual risk-free interest rate of 1.582%, expected dividend yield of 1.45% and volatility of 49.8%. The total fair value of these options was RMB17,154,000 and there was no charge for the six months ended 30 June 2018 (for the six months ended 30 June 2017: RMB1,303,000).

The fair value of options granted on 28 December 2015 was determined using the Binomial Option-Pricing Model. The significant inputs into the model included the share price of HKD5.7 per share at the grant date, exercise price shown above, expected annual risk-free interest rate of 1.623%, expected dividend yield of 3.42% and volatility of 50.94%. The total fair value of these options was RMB3,171,000 and RMB241,000 was charged to administrative expenses for the six months ended 30 June 2018 (for the six months ended 30 June 2017: RMB481,000).

#### 19. 購股權計劃(續)

於二零一五年三月二十三日授出之購股權之公平值乃採用二項式期權定價模式釐定。該模式之重大輸入數據包括於授出日期之股價每股8.7港元、上述行使價、預期年度無風險利率1.582%、預期股息率1.45%及波幅49.8%。購股權之公平值總額為人民幣17,154,000元，而於截至二零一八年六月三十日止六個月概無費用列支(截至二零一七年六月三十日止六個月：人民幣1,303,000元)。

於二零一五年十二月二十八日授出之購股權之公平值乃採用二項式期權定價模式釐定。該模式之重大輸入數據包括於授出日期之股價每股5.7港元、上述行使價、預期年度無風險利率1.623%、預期股息率3.42%及波幅50.94%。此等購股權之公平值總額為人民幣3,171,000元，而人民幣241,000元已於截至二零一八年六月三十日止六個月之行政開支扣除(截至二零一七年六月三十日止六個月：人民幣481,000元)。

**20. OTHER INCOME AND OTHER (LOSSES)/ GAINS — NET**

**20. 其他收入及其他(虧損)/收益 — 淨額**

**Unaudited  
未經審核**

**Six months ended 30 June  
截至六月三十日止六個月**

		<b>2018</b> 二零一八年 <b>RMB'000</b> 人民幣千元	2017 二零一七年 <b>RMB'000</b> 人民幣千元
Other income	其他收入		
Subsidy income (a)	補貼收入(a)	<b>93,032</b>	114,447
Other (losses)/gains	其他(虧損)/收益		
Derivative financial instruments at fair value through profit or loss:	按公平值計入損益之衍生金融工具：		
– Realised (losses)/profits	– 已變現(虧損)/溢利	<b>(46,566)</b>	39,955
– Unrealised profits/(losses)	– 未變現溢利/(虧損)	<b>21,064</b>	(127,190)
Net foreign exchange losses	匯兌虧損淨額	<b>(30,865)</b>	(7,256)
Gains on disposal of joint ventures	出售合營企業之收益	<b>200</b>	–
Gains on acquisition of subsidiaries	收購聯營公司之收益	<b>–</b>	146,578
Others	其他	<b>11,115</b>	(455)
<b>Total other (losses)/gains</b>	<b>其他(虧損)/收益總額</b>	<b>(45,052)</b>	51,632

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

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



## 21. EXPENSES BY NATURE

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

Cost of inventories	存貨成本
Employment benefit expenses	僱員福利開支
Utilities	動力及燃料
Depreciation and amortisation	折舊及攤銷
Transportation	運輸

## 21. 開支(按性質分類)

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

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

2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
<b>5,702,474</b>	4,925,711
<b>1,051,672</b>	849,579
<b>473,865</b>	409,094
<b>359,159</b>	314,035
<b>202,424</b>	184,656

## 22. FINANCE INCOME AND COSTS

Interest expenses	利息開支
– borrowings	– 借貸
– finance lease obligations	– 融資租賃承擔
Net exchange losses/(gains) on financing activities	融資活動所得匯兌虧損/(收益)淨額
Finance costs	財務費用
Finance income — interest income on bank deposits	財務收入 — 銀行存款利息收入
Net finance costs	財務費用淨額

## 22. 財務收入及費用

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

2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
<b>151,005</b>	142,559
<b>123</b>	–
<b>151,128</b>	142,559
<b>50,444</b>	(85,317)
<b>201,572</b>	57,242
<b>(5,802)</b>	(4,263)
<b>195,770</b>	52,979

### 23. INCOME TAX EXPENSE

Current income tax	即期所得稅
– Hong Kong, Mainland China, Vietnam and Taiwan enterprise income tax	– 香港、中國大陸、越南及台灣企業所得稅
Deferred income tax	遞延所得稅

### 23. 所得稅開支

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

2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
100,646	84,359
(11,864)	20,313
<b>88,782</b>	<b>104,672</b>

- (i) **Hong Kong profits tax**  
Subsidiaries established in Hong Kong are subject to profits tax at rate of 16.5% (2017: 16.5%).
- (ii) **Mainland China enterprise income tax (“EIT”)**  
Effective from 1 January 2008, the subsidiaries established in Mainland China are required to determine and pay the EIT in accordance with the Corporate Income Tax Law of the PRC (the “New CIT Law”) as approved by the National People’s congress on 16 March 2007 and Detailed Implementations Regulations of the New CIT Law (the “DIR”) as approved by the State Council on 6 December 2007. According to the New CIT Law and DIR, subsidiaries established in Mainland China are subject to EIT at rate of 25% (2017: 25%).

- (i) **香港利得稅**  
於香港成立的附屬公司須按 16.5% (二零一七年：16.5%) 之稅率繳付利得稅。
- (ii) **中國大陸企業所得稅 (「企業所得稅」)**  
由二零零八年一月一日起，於中國大陸成立的附屬公司需要根據全國人大於二零零七年三月十六日批准的中國企業所得稅法 (「新企業所得稅法」) 及國務院於二零零七年十二月六日批准的新企業所得稅法實施條例 (「實施條例」) 釐定及支付企業所得稅。根據新企業所得稅法實施條例，於中國大陸成立的附屬公司須按 25% (二零一七年：25%) 之稅率繳付企業所得稅。

### 23. INCOME TAX EXPENSE (Continued)

#### (iii) Vietnam income tax

Subsidiaries established in Vietnam are subject to income tax at rate of 20% (2017: 20%).

As approved by the relevant Tax Bureau in Vietnam, the subsidiary acquired in Vietnam in 2017 is entitled to a preferential tax rate of 7.5% during the six months ended 30 June 2018 and effective till 31 December 2018.

As approved by the relevant Tax Bureau in Vietnam, the subsidiaries established in Vietnam in 2016, 2014, 2013 and 2011 are entitled to four years' exemption from income taxes followed by nine years of a 50% tax reduction, commencing from the first profitable year after offsetting the losses carried forward from the previous years, and are entitled to a preferential income tax rate of 10% for 15 years, commencing from the first year generating income from the operation.

As approved by the relevant Tax Bureau in Vietnam, the subsidiary established in Vietnam in 2006, should separately calculate income tax on its supplementary investments. The initial investment of the subsidiary is entitled to three years' exemption from income taxes followed by seven years of a 50% tax reduction and is entitled to a preferential income tax rate of 15% for 12 years. The first supplementary investment of the subsidiary is entitled to three years' exemption from income taxes followed by five years of a 50% tax reduction based on the income tax rate of 20% (2017: 20%). The second supplementary investment of the subsidiary is entitled to two years' exemption from income taxes followed by four years of a 50% tax reduction based on the income tax rate of 20% (2017: 20%).

### 23. 所得稅開支(續)

#### (iii) 越南所得稅

於越南成立之附屬公司須按20% (二零一七年: 20%)之稅率繳付所得稅。

經越南的相關稅務局批准, 於二零一七年在越南收購的附屬公司, 有權於截至二零一八年六月三十日止六個月享受優惠稅率7.5%, 有效期至二零一八年十二月三十一日。

經越南的相關稅務局批准, 於二零一六年、二零一四年、二零一三年及二零一一年在越南成立的附屬公司, 有權於抵銷過往年度結轉的虧損後首個獲利年度起, 免繳所得稅四年, 其後九年則獲稅務減半優惠, 並由業務產生收入的首個年度起, 有權享受優惠所得稅稅率10%達十五年。

經越南的相關稅務局批准, 一家於二零零六年於越南成立的附屬公司, 可就其補充投資獨立計算所得稅。該附屬公司的初步投資有權免繳所得稅三年, 其後七年則獲稅務減半優惠, 並有權享受優惠所得稅稅率15%達十二年。該附屬公司的首項補充投資有權免繳所得稅三年, 其後五年根據20% (二零一七年: 20%)的所得稅稅率, 可獲所得稅減半優惠。該附屬公司的首項補充投資有權免繳所得稅兩年, 其後五年根據20% (二零一七年: 20%)的所得稅稅率, 可獲所得稅減半優惠。

**23. INCOME TAX EXPENSE (Continued)**

**(iii) Vietnam income tax (Continued)**

As approved by the relevant Tax Bureau in Vietnam, the other subsidiary established in Vietnam should separately calculate income tax on its supplementary investments. The initial investment of the subsidiary is entitled to a tax rate of 15%. The supplementary investment of the subsidiary is entitled to a tax rate of 20% (2017: 20%).

The applicable tax rates for the subsidiaries in Vietnam range from nil to 20% during the six months ended 30 June 2018 (2017: 20%).

**(iv) Other income tax**

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

The Company's subsidiaries established in the British Virgin Islands were incorporated under the International Business Companies Acts or the Business Companies Acts, 2004 of the British Virgin Islands and, accordingly, are exempted from payment of British Virgin Islands income tax.

The Company's subsidiary established in Macao is subject to income tax at the rate of 9% (2017: 9%). No provision for Macao profits tax has been made as the Group had no assessable profit arising in or derived from Macao during the six months ended 30 June 2018 (2017: nil).

**23. 所得稅開支(續)**

**(iii) 越南所得稅(續)**

經越南有關稅務局批准，於越南成立的另一家附屬公司可就其補充投資獨立計算所得稅。該附屬公司的初步投資有權享有15%之稅率。該附屬公司的補充投資有權享有20%（二零一七年：20%）之稅率。

於截至二零一八年六月三十日止六個月，於越南之附屬公司之適用稅率為無至20%（二零一七年：20%）。

**(iv) 其他所得稅或利得稅**

本公司根據開曼群島公司法於開曼群島註冊成立為獲豁免有限公司，因此獲免繳開曼群島所得稅。

本公司於英屬處女群島成立之附屬公司乃根據英屬處女群島國際商業公司法或二零零四年商業公司法註冊成立，因此獲免繳英屬處女群島所得稅。

於澳門成立之附屬公司須按9%（二零一七年：9%）之稅率繳付所得稅。由於本集團於二零一八年六月三十日止六個月內概無在澳門產生或從澳門賺取應課稅溢利，故概無就澳門利得稅作出撥備（二零一七年：零）。

### 23. INCOME TAX EXPENSE (Continued)

#### (iv) Other income tax (Continued)

The subsidiary established in Uruguay is subject to income tax at the rate of 25% (2017: 25%). No provision for Uruguay profits tax has been made as the Group had no assessable profit arising in or derived from Uruguay during the six months ended 30 June 2018 (2017: nil).

The subsidiary established in Turkey is subject to income tax at the rate of 20% (2017: 20%). No provision for Turkey profits tax has been made as the Group had no assessable profit arising in or derived from Turkey during the six months ended 30 June 2018 (2017: nil).

The subsidiaries acquired in Cambodia in 2017 and 2015 are subject to income tax at the rate of 20%. No provision for Cambodia profits tax has been made as the Group had no assessable profit arising in or derived from these subsidiaries during the six months ended 30 June 2018 (2017: nil).

The subsidiary acquired in Nicaragua in 2017 is subject to income tax at the rate of 30%. As approved by relevant Tax Bureau in Nicaragua, the subsidiary is entitled to exemption from profits tax during the six months ended 30 June 2018 and effective till 31 December 2020.

The subsidiary established in Taiwan in 2017 is subject to income tax at the rate of 17%. Taxable income under NTD120,000 is exempted from income tax (2017: nil).

The subsidiaries acquired in Samoa in 2017 are exempted from profits tax during the six months ended 30 June 2018 (2017: nil).

### 23. 所得稅開支(續)

#### (iv) 其他所得稅或利得稅(續)

於烏拉圭成立之附屬公司須按25% (二零一七年：25%)之稅率繳付所得稅。概無就烏拉圭利得稅計提撥備，因為本集團於截至二零一八年六月三十日止六個月並無於烏拉圭產生或獲得應課稅溢利(二零一七年：零)。

於土耳其成立之附屬公司須按20% (二零一七年：20%)之稅率繳付所得稅。由於本集團於截至二零一八年六月三十日止六個月概無在土耳其產生或從土耳其賺取應課稅溢利，故概無就土耳其利得稅作出撥備(二零一七年：零)。

於二零一七年及二零一五年在柬埔寨收購之附屬公司須按20%之稅率繳付所得稅。由於本集團截至二零一八年六月三十日止六個月並無由該等附屬公司產生或衍生的應課稅溢利，故概無就柬埔寨利得稅作出撥備(二零一七年：無)。

於二零一七年在尼加拉瓜收購之附屬公司須按30%之稅率繳付所得稅。經尼加拉瓜有關稅務局批准，該附屬公司有權於截至二零一八年六月三十日止六個月豁免繳付利得稅，有效期至二零二零年十二月三十一日。

於二零一七年在台灣成立之附屬公司須按17%之稅率繳付所得稅。應課稅收入不足新台幣120,000元豁免繳付所得稅(二零一七年：零)。

於二零一七年在薩摩亞收購之附屬公司於截至二零一八年六月三十日止六個月豁免繳付利得稅(二零一七年：零)。

## 24. EARNINGS PER SHARE

### (a) Basic

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

Profit attributable to owners of the Company (RMB'000)	本公司擁有人應佔溢利(人民幣千元)	<b>602,411</b>	644,740
Weighted average number of ordinary shares in issue (thousands)	已發行普通股加權平均數(以千計)	<b>915,000</b>	915,000
Basic earnings per share (RMB per share)	每股基本盈利(每股人民幣)	<b>0.66</b>	0.70

### (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. For the Company's share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

## 24. 每股盈利

### (a) 基本

每股基本盈利以本公司擁有人應佔溢利除以期內已發行普通股的加權平均數計算。

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

2018 二零一八年	2017 二零一七年
<b>602,411</b>	644,740
<b>915,000</b>	915,000
<b>0.66</b>	0.70

### (b) 攤薄

每股攤薄盈利乃透過調整發行在外的普通股加權平均數計算，以假設所有具攤薄影響之潛在普通股獲轉換。就本公司之購股權而言，本公司已根據未行使購股權附帶之認購權之幣值，計算能夠按公平值(釐定為本公司股份之平均年度市價)收購的股份數目。上述計算所得之股份數目與假設購股權獲行使的情況下，已發行的股份數目比較。

**24. EARNINGS PER SHARE (Continued)**

**(b) Diluted (Continued)**

**24. 每股盈利(續)**

**(b) 攤薄(續)**

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年	2017 二零一七年
Profit attributable to owners of the Company (RMB'000)	本公司擁有人應佔溢利(人民幣千元)	<b>602,411</b>	644,740
<b>Weighted average number of ordinary shares in issue (thousands)</b>	已發行普通股加權平均數(以千計)	<b>915,000</b>	915,000
Adjustments for: – Share options (thousands)	調整： – 購股權(以千計)	<b>1,911</b>	1,442
Weighted average number of ordinary shares for diluted earnings per share (thousands)	每股攤薄盈利所用之普通股加權平均數(以千計)	<b>916,911</b>	916,442
Diluted earnings per share (RMB per share)	每股攤薄盈利(每股人民幣)	<b>0.66</b>	0.70

## 25. DIVIDENDS

A final dividend of RMB156,160,000 that is related to the year ended 31 December 2017 was paid in May 2018 (2017: RMB210,137,000).

In addition, an interim dividend of HKD0.23 per share (2017: HKD0.24 per share) was proposed by the board of directors on 13 August 2018. It will be payable on or about 24 September 2018 to shareholders whose names are on the register on 12 September 2018. This interim dividend, amounting to RMB177,430,000 (2017: RMB185,935,000), has not been recognised as a liability in this interim financial information. It will be recognised in shareholders' equity in the financial statements of the Company for the year ending 31 December 2018.

## 26. COMMITMENTS

### (a) Capital expenditures commitments

Capital expenditures at the balance sheet date that have not been incurred are as follows:

Property, plant and equipment:	物業、廠房及設備：
Authorised but not contracted for	已授權但未訂約
Contracted but not provided for	已訂約但未撥備
<b>Total capital commitments</b>	<b>資本承擔總額</b>

## 25. 股息

於二零一八年五月，已支付與截至二零一七年十二月三十一日止年度相關的末期股息人民幣156,160,000元(二零一七年：人民幣210,137,000元)。

此外，董事會於二零一八年八月十三日建議派付中期股息每股0.23港元(二零一七年：每股0.24港元)。有關股息將於二零一八年九月二十四日或前後向於二零一八年九月十二日名列股東名冊的股東支付。中期股息人民幣177,430,000元(二零一七年：人民幣185,935,000元)尚未於本中期財務資料確認為負債。該股息將於本公司截至二零一八年十二月三十一日止年度之財務報表確認為股東權益。

## 26. 承擔

### (a) 資本開支承擔

於結算日的資本開支(但未產生)如下：

Unaudited 未經審核 30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
880,173	1,601,311
1,050,740	148,954
<b>1,930,913</b>	<b>1,750,265</b>



## 26. COMMITMENTS (Continued)

### (b) Operating leases commitments

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

No later than 1 year	一年內
Later than 1 year and no later than 5 years	一年後至五年內
Later than 5 years	超過五年

Relating to:	關於：
Land use rights	土地使用權
Property, plant and equipment	物業、廠房及設備

## 27. RELATED-PARTY TRANSACTIONS

Related parties are those as defined under Hong Kong Accounting Standard 24 and include key management of the Group. General speaking, parties are considered to be related if one party has the ability, directly or indirectly, control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control.

## 26. 承擔(續)

### (b) 經營租賃承擔

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

Unaudited 未經審核 30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
29,647	27,248
93,812	59,325
98,010	106,820
<b>221,469</b>	<b>193,393</b>
19,222	22,818
202,247	170,575
<b>221,469</b>	<b>193,393</b>

## 27. 與關聯方的交易

關聯方為香港會計準則第24號所定義者，並且包括本集團主要管理層。大致而言，倘其中一方能直接或間接控制另一方或在財務及營運決定方面對另一方行使重大影響力，則被視為關聯方。倘彼等受共同控制，亦被視為關聯方。

## 27. RELATED-PARTY TRANSACTIONS

(Continued)

The related parties that had transactions with the Group are as follows:

## 27. 與關聯方的交易(續)

與本集團進行交易的關聯方如下：

Name of related party 關聯方名稱	Relationship with the Group 與本集團的關係
Nantong Textile Group Co., Ltd. 南通紡織控股集團紡織染有限公司	Associate company 聯營公司
Hualida (Vietnam) Garments Limited Company 華利達(越南)服裝責任有限公司	Associate company 聯營公司
Wah Fung Knitters Co., Ltd. 華峰針織有限公司	Associate company up to 30 December 2017 (i) 二零一七年十二月三十日前為聯營公司(i)
Taltex (Zhuhai) Co., Ltd. 聯業織染(珠海)有限公司	Associate company up to 30 December 2017 (i) 二零一七年十二月三十日前為聯營公司(i)
Texhong Tan Cang Logistics Joint Stock Company 天虹新港物流股份公司	Joint venture 合營企業
Foshan Zhao Yue Textile Co., Ltd. 佛山市兆越紡織有限公司	Joint venture up to 14 March 2018 (ii) 二零一八年三月十四日前為合營企業(ii)
Texhong Industrial Park Vietnam Limited 天虹工業園區越南有限公司	A company controlled by the chairman of the Group 由本集團主席所控制之公司
(i) On 31 December 2017, the Group acquired the rest 51% interest of Hang Chi Enterprise Co., Ltd. and its subsidiaries, including Taltex (Zhuhai) Co., Ltd. and Wah Fung Knitters Co., Ltd..	(i) 於二零一七年十二月三十一日，本集團收購恒志企業有限公司及其附屬公司其餘51%權益，包括聯業織染(珠海)有限公司及華峰針織有限公司。
(ii) On 15 March 2018, the Group sold all 50% interest of Shellink Limited and its subsidiary, Foshan Zhao Yue Textile Co., Ltd..	(ii) 於二零一八年三月十五日，本集團出售兆光有限公司及其附屬公司佛山市兆越紡織有限公司的全部50%權益。

## 27. RELATED-PARTY TRANSACTIONS

(Continued)

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

### (a) Transactions with related parties

Sales of goods	銷售貨品
- Nantong Textile Group Co., Ltd.	- 南通紡織控股集團 紡織染有限公司
- Hualida (Vietnam) Garments Limited Company	- 華利達(越南)服裝 責任有限公司
- Taltex (Zhuhai) Co., Ltd.	- 聯業織染(珠海) 有限公司
- Wah Fung Knitters Co., Ltd.	- 華峰針織有限公司
- Foshan Zhao Yue Textile Co., Ltd.	- 佛山市兆越紡織 有限公司
Purchases of land use rights	購買土地使用權
- Texhong Industrial Park Vietnam Limited	- 天虹工業園區越南 有限公司
Purchases of goods	購買貨品
- Nantong Textile Group Co., Ltd.	- 南通紡織控股集團 紡織染有限公司
- Hualida (Vietnam) Garments Limited Company	- 華利達(越南)服裝 責任有限公司
- Foshan Zhao Yue Textile Co., Ltd.	- 佛山市兆越紡織 有限公司
Purchases of water	購買用水
- Texhong Industrial Park Vietnam Limited	- 天虹工業園區越南 有限公司
- Foshan Zhao Yue Textile Co., Ltd.	- 佛山市兆越紡織 有限公司

## 27. 與關聯方的交易(續)

本集團與其關聯方進行的重大交易及結餘如下：

### (a) 與關聯方的交易

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

2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
<b>5,085</b>	-
<b>4</b>	-
-	56,060
-	13,081
-	1,602
<b>5,089</b>	70,743
<b>68,589</b>	-
<b>10,448</b>	5,242
<b>454</b>	-
-	8
<b>10,902</b>	5,250
<b>976</b>	-
-	45
<b>976</b>	45

**27. RELATED-PARTY TRANSACTIONS**

*(Continued)*

**(a) Transactions with related parties**  
*(Continued)*

**27. 與關聯方的交易 (續)**

**(a) 與關聯方的交易 (續)**

		<b>Unaudited</b>	
		未經審核	
		<b>Six months ended 30 June</b>	
		截至六月三十日止六個月	
		<b>2018</b>	2017
		二零一八年	二零一七年
		<b>RMB'000</b>	<b>RMB'000</b>
		人民幣千元	人民幣千元
Purchases of electricity	購買電力		
- Texhong Industrial Park Vietnam Limited	- 天虹工業園區越南有限公司	<b>43,266</b>	33,770
Purchases of steam	購買蒸氣		
- Texhong Industrial Park Vietnam Limited	- 天虹工業園區越南有限公司	<b>7,157</b>	-
Purchases of wastewater treatment service	購買污水處理服務		
- Texhong Industrial Park Vietnam Limited	- 天虹工業園區越南有限公司	<b>1,859</b>	-
Purchases of petroleum gas	購買石油氣		
- Texhong Industrial Park Vietnam Limited	- 天虹工業園區越南有限公司	<b>412</b>	-
Purchases of services	購買服務		
- Texhong Tan Cang Logistics Joint Stock Company	- 天虹新港物流股份公司	<b>34,453</b>	6,075
- Foshan Zhao Yue Textile Co., Ltd.	- 佛山市兆越紡織有限公司	-	791
		<b>34,453</b>	6,866

## 27. RELATED-PARTY TRANSACTIONS

(Continued)

### (a) Transactions with related parties

(Continued)

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

### (b) Balances with related parties

Trade receivables	應收貿易款項
– Nantong Textile Group Co., Ltd.	– 南通紡織控股集團 紡織染有限公司
– Hualida (Vietnam) Garments Limited Company	– 華利達(越南)服裝 責任有限公司
Trade payables	應付貿易款項
– Texhong Industrial Park Vietnam Limited	– 天虹工業園區越南 有限公司
– Texhong Tan Cang Logistics Joint Stock Company	– 天虹新港物流 股份公司
– Nantong Textile Group Co., Ltd.	– 南通紡織控股集團 紡織染有限公司

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

## 27. 與關聯方的交易(續)

### (a) 與關聯方的交易(續)

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

### (b) 與關聯方的結餘

Unaudited 未經審核 30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
7,348	2,366
6	653
<b>7,354</b>	<b>3,019</b>
5,399	4,066
4,524	–
155	491
<b>10,078</b>	<b>4,557</b>

與關連方的結餘為無抵押、不計息及須於一年內償還。

27. RELATED-PARTY TRANSACTIONS

(Continued)

(c) Key management compensation

Salaries, wages and bonuses	薪金、工資及花紅
Pension costs (defined contribution plan)	退休金成本 (界定供款計劃)
Other benefits	其他福利

27. 與關聯方的交易(續)

(c) 主要管理層薪酬

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

2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
4,482	8,890
293	337
38	122
<b>4,813</b>	<b>9,349</b>

## OVERVIEW

The board of directors of the Company is pleased to present the unaudited consolidated financial results of the Group for the six months ended 30 June 2018 to our shareholders. During the period under review, the Group's revenue increased by 18.3% to RMB8.81 billion when compared with the corresponding period last year. The increase was mainly attributable to the growth in all of the Group's major business segments. However, profit attributable to equity holders for the six months ended 30 June 2018 decreased by 6.6% to RMB602 million when compared with the corresponding period last year. Earnings per share also decreased from RMB0.70 to RMB0.66 for the corresponding period last year. The year-on-year decrease in profit attributable to equity holders was mainly due to the one-off gain of RMB147 million arising from the acquisition of the jeanswear business recorded in the corresponding period last year while there was no such gain in the review period. Excluding the above one-off gain, profit attributable to shareholders for the review period would have increased by 20.9% of approximately RMB104 million when compared with the corresponding period last year, mainly attributable to the fact that the gross profit margin from the sales of yarn returned to a normal level during the review period.

## INDUSTRY REVIEW

In the first half of 2018, there was a continuous strong demand for differentiated products from the PRC market. However in the trade dispute, the PRC and the US have threatened to impose additional tariffs on each other's products, which brings uncertainty to the PRC's textile exports. If such uncertainty continues, it would have a negative impact on the textile industry of the PRC.

According to the statistics from National Bureau of Statistics of the PRC, between January and June 2018, enterprises with a sizeable capacity in the textile industry recorded an aggregate revenue of RMB1,538.44 billion from their principal activities, representing year-on-year growth of 1.1%. Total profit for the industry amounted to RMB65.13 billion, representing year-on-year decrease of 1.1%. From January to June 2018, fixed asset investments in the textile industry in the PRC amounted to RMB314.9 billion, representing a year-on-year growth of 0.8%.

## 綜覽

本公司董事欣然向股東報告本集團截至二零一八年六月三十日止六個月的未經審核綜合財務業績。在回顧期內，主要由於本集團各主要業務板塊均錄得增長，本集團之收入較去年同期上升18.3%至人民幣88.1億元。但截至二零一八年六月三十日止六個月，股權持有人應佔溢利較去年同期減少6.6%至人民幣6.02億元。每股盈利亦由去年同期的人民幣0.70元減少至人民幣0.66元。股權持有人應佔溢利同比下降的主要原因是由於去年同期收購牛仔服裝業務產生的一次性收益約人民幣1.47億元而回顧期內沒有有關收益。若把以上一次性收益排除，回顧期內股東應佔溢利實際上比去年同期上升20.9%約人民幣1.04億元，主要由於紗線銷售的毛利率在回顧期內回復到正常水平所致。

## 行業回顧

二零一八年上半年，中國市場持續對於差異化的產品需求殷切。但中美之間因貿易糾紛進而威脅向對方的產品徵收額外關稅，這為中國紡織品出口帶來不確定性，這種不確定性延續下去將對中國紡織行業帶來負面影響。

根據中國國家統計局的數據顯示，二零一八年一月至六月，紡織業規模企業累計錄得主營業務收入人民幣15,384.4億元，同比增長1.1%；行業實現利潤總額651.3億元，同比減少1.1%。中國紡織業在二零一八年一月至六月固定資產投資人民幣3,149億元，同比增長0.8%。

### INDUSTRY REVIEW (Continued)

According to the statistics from General Administration of Customs of the PRC, between January and June 2018, the aggregate export of textiles and garments was US\$127.524 billion, representing an increase of 3.24%. Among these exports, US\$58.332 billion was attributable to textiles and US\$69.192 billion to garments, representing an increase of 10.28% and a decrease of 2.03% respectively. With respect to production volume, between January and June 2018, yarns, fabrics and synthetic fiber production amounted to 16.738 million tonnes, 26.72 billion meters and 24.611 million tonnes respectively, representing a year-on-year growth of 1.4%, 2.0% and 8.4% respectively.

According to the statistics from Vietnam Customs, between January and June 2018, sales of yarns and short fiber manufactured in Vietnam increased by 14.9% to 720,000 tonnes, representing a growth of 17.7% in revenue to US\$1.968 billion, while garments exports increased by 13.8% to US\$13.415 billion.

### BUSINESS REVIEW

Currently, revenue of the Group is mainly derived from the sales of yarn. Its sales accounted for approximately 83.0% of the Group's total revenue and contributed RMB7.31 billion during the period under review. With the diversification of businesses, the Group's sales of the grey fabrics, garment fabrics and garments have increased significantly during the period, accounting for 17.0% of the Group's total revenue. Such businesses are still in the development stage and there is room for profit improvement. As the businesses involve the concept of vertical integration in the industry chain, it is expected that the profit level of the midstream and downstream businesses should surpass that of the yarn business in the foreseeable future, and accordingly the Group's overall profitability and stability should be improved.

### 行業回顧(續)

根據中國海關總署發佈的數據顯示，二零一八年一月至六月，紡織品服裝累計出口1,275.24億美元，上升3.24%，其中紡織品出口583.32億美元，上升10.28%，服裝出口691.92億美元，下降2.03%。產量方面，二零一八年一月至六月紗線1,673.8萬噸，同比增長1.4%，布產量267.2億米，同比增長2.0%，化纖產量2,461.1萬噸，同比增長8.4%。

根據越南海關數據顯示，二零一八年一月至六月產自越南紗線及短纖銷售量增加14.9%至720,000噸，銷售額增加17.7%至19.68億美元；服裝出口額增加13.8%至134.15億美元。

### 業務回顧

本集團收入目前以紗線銷售為主，紗線銷售於回顧期內佔本集團的總收入約83.0%，達到人民幣73.1億元。隨著業務多元化發展，本集團的坯布、面料及服裝的銷售在期內已經有明顯的增長，已佔集團總收入的17.0%，雖然有關業務還在培育發展階段，盈利水平有待提升，但各業務均具備產業鏈中的垂直整合概念，預期在可見將來各中下游業務的利潤水平應能超越紗線業務，可以提升集團整體的盈利水平以及穩定性。



### BUSINESS REVIEW (Continued)

For the six months ended 30 June 2018, the production volume of yarn was 340,000 tonnes. The Group's new yarn production capacity can serve the external demand only after first satisfying its internal demand. As some of the yarn was supplied to the Group's weaving factory for its own use, the external sales volume of yarns slightly increased by 5.1% to approximately 317,000 tonnes. As an abnormal market demand occurred in the corresponding period last year but was not repeated during the period under review this year, the gross profit margin of yarn returned to a normal range at 18.3%.

### Grey Fabric

The grey fabric factory in northern Vietnam commenced trial production in the second half of 2017. Although the production capacity was still in the adjustment phase during the period under review, the Group's sales volume of grey fabric surged by 58.4% compared with the same period of last year to over 44 million meters. Thanks to the partial vertical integration of the weaving factory and yarn mill in Vietnam, the gross profit margin of grey fabrics also increased significantly to 15.6%. With the more effective vertical integration of the factories in Vietnam and the enhancement in the product value, the gross profit margin of the grey fabric still has room for improvement in the future.

### 業務回顧(續)

截至二零一八年六月三十日止六個月，本集團紗線產量為34萬噸，本集團新增紗線產僅能在滿足內部需求後才能應付外部需求。由於部分紗線為集團內織布工廠自用，對外銷售紗線數量輕微增加5.1%至約317,000噸。由於去年同期的市場需求異常的情況在本年回顧期內並沒有出現，紗線的毛利率遂恢復到18.3%的正常範圍。

### 坯布

在二零一七年下半年越南北部的坯布工廠開始試生產後，雖然在本年回顧期內產能還是在調整階段，本集團的坯布銷量比去年同期大幅增加約58.4%至逾4,400萬米，得益於越南布廠與紗廠的局部垂直整合，坯布的毛利率也顯著提升至15.6%。隨著越南工廠更有效的垂直整合以及產品價值的提升，坯布的毛利率未來仍有提升的空間。

## BUSINESS REVIEW (Continued)

### Garment Fabrics

The woven garment fabric factory in Northern Vietnam has commenced trial production in the second half last year. In May 2017, the acquisition of the woven garment fabric factory in Nicaragua, which was included in the Asian denim business of Taiwan's Nien Hsing Group was completed. At the end of last year, the acquisition of 51% equity interest of an associate engaged in the knitting and dyeing business was completed, which became a wholly owned subsidiary of the Company. The sales of garment fabrics amounted to approximately RMB700 million during the period under review, which was more than triple from that of last year. The sales volume of self-produced woven garment fabrics and knitted garment fabrics were 19.3 million metres and 7,425 tonnes respectively and the sales volume of garment fabrics trading were 1.9 million meters and 981 tonnes respectively. As the woven garment fabric business is still in its infancy, the gross profit margin is currently only a low single digit. On the contrary, knitted garment fabric is a mature business acquired, and woven garment fabric trading is the existing business of the Group. The woven garment fabric business lowered the overall gross profit margin of the garment fabric business to 9.3%. The gross profit margin of self-produced knitted garment fabric during the period under review was 15.8%. Since the knitted garment fabric factory only became wholly-owned by the Group this year, after taking measures to improve the production and order efficiency through internal rectification and increasing the use of the yarns produced by the Group to enhance vertical integration, the profitability is expected to achieve a higher level in the future.

### 業務回顧(續)

#### 面料

在去年下半年越南北部的梭織面料工廠開始試生產後，及於二零一七年五月完成收購向台灣年興集團的亞洲牛仔業務時包含的位於尼加拉瓜的梭織面料廠以及年底完成收購從事針織及染整業務的聯營公司的51%股權而成為本公司全資控股附屬公司後，面料銷售收入在回顧期內達到約人民幣7.0億元，比去年增長超過2倍，其中銷售自產梭織面料1,930萬米及針織面料7,425噸，面料貿易銷售量為190萬米及981噸。由於梭織面料業務還在起步階段，毛利率目前只是低單位數，反之針織面料為收購回來的成熟業務，而梭織面料貿易則為本集團既有業務，梭織面料業務將整體面料業務的毛利率拉低至9.3%。自產針織面料在回顧期內的毛利率為15.8%，由於針織面料工廠是今年才由本集團全資擁有，在內部整頓提高生產及接單效率後，加上再提高使用本集團生產之紗線以深化垂直整合，盈利能力在未來有望提升至更佳水平。

## BUSINESS REVIEW (Continued)

### Jeanswear Business

With the completion of the acquisition of the jeanswear business on 1 May 2017, combined with the existing production base in Shandong, the PRC, during the period under review this year, the sales of jeanswear amounted to approximately RMB392 million. This marked a 75% increase compared to the corresponding period last year and the sales volume exceeded 8.40 million pairs. However, as the enhancement of business orders was slightly slower than expected, the current gross profit level still remained low. It is estimated that gross profit would gradually improve after the adjustment in the second half of 2018.

The operating data of the Group's products is set out below:

### 業務回顧(續)

#### 牛仔服裝業務

由於收購牛仔服裝業務於去年5月1日完成，在今年回顧期內，連同原來在中國山東的生產基地，牛仔服裝銷售金額約人民幣3.92億元，比去年同期增長75%，銷量超過840萬條。可是業務接單的優化比預期中稍為緩慢，目前毛利水平還是偏低，估計在二零一八下半年調整完畢後將逐步好轉。

本集團產品的經營數據如下：

		Revenue from January to June 2018 二零一八年 一月至六月 的收入 RMB'000 人民幣千元	Revenue from January to June 2017 二零一七年 一月至六月 的收入 RMB'000 人民幣千元	Revenue change 收入 變動
Stretchable core-spun yarns	彈力包芯紗線	3,866,900	3,700,820	4.5%
Other yarns	其他紗線	3,447,004	3,052,704	12.9%
Stretchable grey fabrics	彈力坯布	306,082	228,318	34.1%
Other grey fabrics	其他坯布	99,040	39,574	150.3%
Woven garment fabrics	梭織面料	309,232	203,292	52.1%
Knitted garment fabrics	針織面料	391,052	-	-
Jeans	牛仔褲	392,210	223,789	75.3%
Total	總計	8,811,520	7,448,497	18.3%

## BUSINESS REVIEW (Continued)

## 業務回顧(續)

		Sales Volume 銷量		Selling price 售價		Gross profit margin 毛利率	
		January to June 2018 二零一八年 一至六月	January to June 2017 二零一七年 一至六月	January to June 2018 二零一八年 一至六月	January to June 2017 二零一七年 一至六月	January to June 2018 二零一八年 一至六月	January to June 2017 二零一七年 一至六月
Stretchable core-spun yarns (Ton/RMB per ton)	彈力包芯紗線 (噸/人民幣每噸)	<b>162,659</b>	157,911	<b>23,773</b>	23,436	<b>18.4%</b>	17.3%
Other yarns (Ton/RMB per ton)	其他紗線(噸/人民幣每噸)	<b>153,958</b>	143,420	<b>22,389</b>	21,285	<b>18.2%</b>	15.0%
Stretchable grey fabrics (Million meters/RMB per meter)	彈力坯布 (百萬米/人民幣每米)	<b>31.8</b>	22.5	<b>9.6</b>	10.1	<b>14.2%</b>	8.3%
Other grey fabrics (Million meters/RMB per meter)	其他坯布 (百萬米/人民幣每米)	<b>12.4</b>	5.4	<b>8.0</b>	7.3	<b>19.9%</b>	3.3%
Woven garment fabrics (Million meters/RMB per meter)	梭織面料 (百萬米/人民幣每米)	<b>21.2</b>	12.9	<b>14.6</b>	15.8	<b>2.8%</b>	10.0%
Knitted Garment fabrics (Ton/RMB per ton)	針織面料 (噸/人民幣每噸)	<b>8,406</b>	-	<b>46,521</b>	-	<b>14.5%</b>	-
Jeans (Million pairs/RMB per pair)	牛仔褲(百萬條/人民幣每條)	<b>8.4</b>	4.5	<b>46.7</b>	49.7	<b>2.8%</b>	3.3%

The overall gross profit margin of the Group rebounded from 15.4% for the six months ended 30 June 2017 to 16.8% for the six months ended 30 June 2018. The rebound of gross profit margin was mainly driven by the return of the gross profit margin of yarn business to a normal level during the period under review.

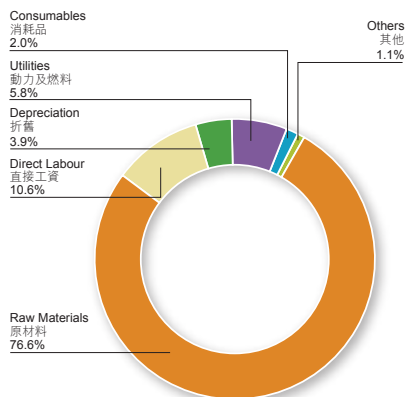
Cost of sales increased by 16.4% to RMB7.33 billion when compared to the corresponding period last year due to the increase in sales of various products. The cost of raw materials accounted for about 76.6% of the total cost of sales for the six months ended 30 June 2018. Cotton is one of the Group's major raw materials, accounting for about 60.9% of the total raw material cost.

截至二零一八年六月三十日止六個月，本集團之整體毛利率由截至二零一七年六月三十日止六個月的15.4%反彈回升至16.8%。毛利率回升主要由紗線業務的毛利率恢復到正常水平所帶動。

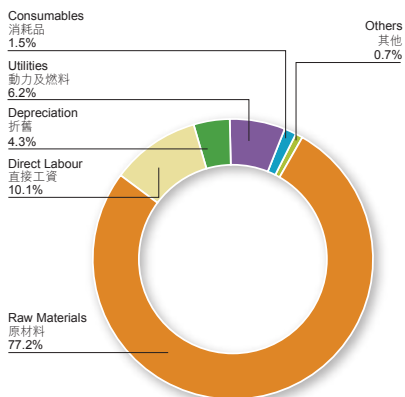
銷售成本較去年同期上升16.4%至人民幣73.3億元，原因是各類產品銷售都在增長所致。截至二零一八年六月三十日止六個月，原材料成本佔銷售成本總額的約76.6%。棉花為本集團的主要原材料之一，佔原材料成本總額約60.9%。

## BUSINESS REVIEW (Continued)

The breakdown of our cost of sales for the six months ended 30 June 2018 as compared to the cost of sales for the six months ended 30 June 2017 is shown below:



January to June 2018  
二零一八年一至六月



January to June 2017  
二零一七年一至六月

The Group will continue to implement its established corporate strategies, optimise its product mix and develop new products that address market trends and needs. The Group will also enhance the level of vertical integration among the various business segments, promote diversified business development and further improve its financial performance.

The Group has continued to strengthen cooperation with Lenzing Fibers, the manufacturer of TENCEL® lyocell fibre and Modal® fibre in order to build long-standing strategic partnerships, using innovative fibre technologies to produce trendy functional yarns to tap the differentiated high-end market. The Group has reinforced its cooperative relationship with Toray International, Inc. of Japan, with the aim of expanding the cooperation from the yarn business to its denim garment business. In response to market demand, the Group's research and development centre in Xuzhou has been raising product quality and developing products in order to maintain its leading position in the industry, as well as satisfying customers' demand for diversified and high-end products.

## 業務回顧(續)

截至二零一八年六月三十日止六個月銷售成本與截至二零一七年六月三十日止六個月的銷售成本比較的明細列示如下：

本集團將繼續執行既有企業策略，優化產品組合，開發迎合市場趨勢及需要的新產品。本集團將加強各業務板塊垂直整合的程度，業務向多元化發展以進一步改善本集團的財務表現。

本集團持續與纖維素纖維「天絲®」、「木代爾®」纖維品牌製造商「蘭精纖維」深入合作，建立了戰略合作夥伴關係，使用創新科技纖維生產時尚耐用的功能紗線，迎合差異化高端市場的開發。本集團強化與日本東麗國際的合作關係，將從紗線業務擴展到牛仔服裝業務。本集團位於徐州的研發中心也不斷應市場需求而改良產品質素及開發新產品，銳意在業界保持領先地位，並主攻客戶對多元及高端產品的需求。

## BUSINESS REVIEW (Continued)

The Chinese textile market has been the major market for the Group, accounting for 79.9% of total sales for the six months ended 30 June 2018. The ten largest customers of the Group for the six months ended 30 June 2018, which accounted for 17.9% of the total revenue, are as follows:

Toray International, Inc.  
 Shaoguan Shunchang Weaving Factory Co., Ltd.  
 Guangdong Qianjin Jeans Co., Ltd.  
 Ningbo Daqian Textile Co., Ltd.  
 American Eagle Outfitters, Inc.  
 Yixing Magnolia Garment Co., Ltd.  
 Baijia Dyeing Factory Ltd.  
 Chintex Enterprises Ltd.  
 XinChangJing Textiles Co., Ltd.  
 Haining Denim Weaving Co., Ltd.

## PROSPECTS

As at 30 June 2018, the Group has an aggregate of 1.88 million spindles and 1.25 million spindles in the PRC and Vietnam respectively. In light of the strong demand for quick delivery and customised differentiated products, the Group intends to expand production capacity of 520,000 spindles and 220,000 spindles in the PRC and Vietnam respectively, totaling about 740,000 spindles, through building and acquiring production facilities, which are expected to commence trial operation successively from the fourth quarter of the year to the first half next year. Given the greater-than-expected amount of yarns for self-use and the slower-than-expected increase in production capacity, the target sales volumes of yarn for 2018 were adjusted to about 700,000 tonnes. The actual sales volume will depend on the product mix in the corresponding period.

On 1 July 2018, we completed the acquisition of a textile product sales group which has an established customer base and sales force in the US and Mexico. As a result, the Group's ability to conduct overseas sales of its products manufactured in Vietnam and Nicaragua has been greatly improved. The related products are expected to gradually be upgraded as well.

## 業務回顧(續)

中國紡織市場為本集團的主要市場，佔本集團截至二零一八年六月三十日止六個月總銷售額的79.9%。截至二零一八年六月三十日止六個月，本集團十大客戶佔總收入的17.9%，為：

Toray International, Inc.  
 韶關市順昌布廠有限公司  
 廣東前進牛仔布有限公司  
 寧波大千紡織品有限公司  
 American Eagle Outfitters, Inc.  
 宜興熹黑白玉蘭服裝有限公司  
 中山國泰染整有限公司  
 台巨紡織(上海)有限公司  
 增城市新昌景紡織品有限公司  
 海寧牛仔織造有限公司

## 前景

於二零一八年六月三十日，本集團於中國及越南的紗錠總數分別為188萬錠及125萬錠。由於快速交付及定制差異化訂單產品需求殷切，本集團計劃透過新建及收購生產設施以分別在中國擴充52萬紗錠及在越南擴充22萬紗錠，共計約74萬錠，預計本年第4季度至明年上半年陸續進入試運轉階段，由於自用紗線比預期的高以及紗錠增加進度比預期稍慢，二零一八年紗線銷售目標調整為約70萬噸，實際銷量將取決於同期的產品組合。

在二零一八年七月一日，我們完成收購於美國及墨西哥有成熟客戶基礎及銷售隊伍的紡織品銷售集團，大大提升本集團在越南及尼加拉瓜的生產基地的產品在海外銷售的能力，預期有關產品的檔次也會被逐步提升。

## PROSPECTS (Continued)

For the midstream and downstream businesses other than the yarn business, we will continue to promote the concept of industrial chain integration where practical. Varying degrees of vertical integration will be implemented for different products. The greater the degree of vertical integration, the higher and more stable the gross profit margin that may be generated. It is true that due to the differing maturity of the various midstream and downstream businesses of the Group, the formation of the respective management teams is still in progress. The Group will continue to seek possible acquisition targets in the market, similar to its acquisition of the jeanswear and knitting and dyeing businesses last year, in order to accelerate the development of its midstream and downstream business and production teams to enhance the profitability of related businesses and prepare for the subsequent rapid expansion in Vietnam.

The Group retained its place among the ranks of internationally renowned Fortune “Top 500 Companies in China 2018” announced on 19 July 2018, signifying broad recognition for its success in continuing to expand and develop its mode of business. According to the China National Textile and Apparel Council, the Group ranked third in terms of competitiveness among yarn and cotton enterprises. We will make every effort to achieve even better operating results in order to deliver long-term and sustainable returns to its shareholders.

## FINANCIAL REVIEW

### Liquidity and financial resources

As at 30 June 2018, the Group’s bank and cash balances (including pledged bank deposits) amounted to RMB1,591 million (as at 31 December 2017: RMB1,555 million). The increase in pledged deposits was mainly attributable to the increase in borrowings for financing the raw materials purchases.

## 前景(續)

在紗線業務以外的中下游業務中，我們將持續推動產業鏈一體化概念，不同的產品將有不同程度的垂直整合，垂直整合的程度越高，可能體現出來的毛利率就越高、越穩定。誠然，由於本集團各中下游業務的發展成熟度不一，相關的管理團隊還在建設當中，本集團將繼續在市場尋找可能的收購對象，類似於我們去年收購牛仔服裝業務以及針織染整業務，以加快讓建設本集團的中下游業務及其生產隊伍以提升有關業務的盈利能力，為後續快速在越南擴充做好準備。

於二零一八年七月十九日，本集團繼續名列國際知名雜誌—《財富雜誌》之「二零一八年中國500強排行榜」，足以證明我們的企業不斷壯大，業務模式獲得廣泛認同。本集團也榮獲中國紡織協會棉紡企業競爭力排名全國第三名，我們將繼續努力不懈，全力為股東帶來長遠及可持續的回報。

## 財務回顧

### 流動資金及財務資源

於二零一八年六月三十日，本集團之銀行及現金結餘(包括已抵押銀行存款)為人民幣15.91億元(於二零一七年十二月三十一日：人民幣15.55億元)。已抵押存款的增加主要由於提供資金作原材料採購的借款增加所致。

## FINANCIAL REVIEW (Continued)

### Liquidity and financial resources (Continued)

As at 30 June 2018, the Group's inventories increased by RMB758.6 million to RMB4,522.8 million (as at 31 December 2017: RMB3,764.2 million), and trade and bills receivables increased by RMB188 million to RMB1,818.5 million (as at 31 December 2017: RMB1,630.1 million). The inventory turnover days and trade and bills receivables turnover days were 102 days and 35 days respectively, as compared to 87 days and 36 days respectively as at 31 December 2017. The increase in inventory turnover days was mainly due to the increase of cotton inventory level prepared for new capacity. The trade and bills receivables turnover days was slightly lower than that of the corresponding period last year. Trade and bills payables increased to RMB3,858.1 million (as at 31 December 2017: RMB2,961.7 million). The increase was mainly due to increased purchases of raw materials and equipment.

As at 30 June 2018, the Group's borrowings increased by RMB570.8 million to RMB6,120.4 million (as at 31 December 2017: RMB5,549.6 million), which were mainly due to the financing for increased capital expenditures and raw material procurement for the planned new capacity.

As at 30 June 2018 and 31 December 2017, the Group's financial ratios were as follows:

Current ratio	流動比率
Debt to equity ratio <sup>1</sup>	負債權益比率 <sup>1</sup>
Net debt to equity ratio <sup>2</sup>	負債淨額權益比率 <sup>2</sup>

<sup>1</sup> Based on total borrowings over equity attributable to shareholders

<sup>2</sup> Based on total borrowings net of cash and cash equivalents and pledged bank deposits over equity attributable to shareholders

### 財務回顧(續)

#### 流動資金及財務資源(續)

於二零一八年六月三十日，本集團存貨增加人民幣7.586億元至人民幣45,228億元(於二零一七年十二月三十一日：人民幣37,642億元)，以及應收貿易及票據款項增加人民幣1.88億元至人民幣18,185億元(於二零一七年十二月三十一日：人民幣16,301億元)。存貨周轉天數及應收貿易及票據款項周轉天數分別為102天及35天，而二零一七年十二月三十一日則分別為87天和36天。存貨周轉天數增加主要是因為為新增產能增加棉花存貨水平。應收貿易及票據款項周轉天數略低於其去年同期水平。應付貿易及票據款項增加至人民幣38,581億元(於二零一七年十二月三十一日：人民幣29,617億元)，主要由於原材料及設備採購增加所致。

於二零一八年六月三十日，本集團之借貸增加人民幣5,708億元至人民幣61,204億元(於二零一七年十二月三十一日：人民幣55,496億元)，乃主要由於為計劃的新增產能增加的資本開支及原料採購支出增加銀行融資所致。

於二零一八年六月三十日及二零一七年十二月三十一日，本集團之財務比率如下：

	30 June 2018 二零一八年 六月三十日	31 December 2017 二零一七年 十二月三十一日
	1.18	1.20
	0.96	0.94
	0.71	0.68

<sup>1</sup> 總借貸除股東應佔權益

<sup>2</sup> 總借貸減現金及現金等值物及已抵押銀行存款除股東應佔權益



## FINANCIAL REVIEW (Continued)

### Foreign exchange risk

The Group mainly operates in the PRC and Vietnam. Most of the Group's transactions, assets and liabilities are denominated in Renminbi and US dollar. Foreign exchange risk may arise from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. The Group's exposure to foreign exchange risk is mainly attributable to its bank borrowings and raw material procurement denominated in US dollar and Hong Kong dollar. The Group manages its foreign exchange risks by performing regular reviews and closely monitoring its foreign exchange exposures.

To mitigate the risk of depreciation of Renminbi, the Group has taken steps to control its foreign currency exposure by purchasing a suitable amount of currency option contracts. As at 30 June 2018, other than bills payable, which fall due within 6 months and its exposure was reduced partially by purchasing a number of foreign currency option contracts, the Group also had exposure in borrowings of HK\$1,200 million and US\$15.50 million pending for entering into option contracts. The protection offered by some of the currency option contracts entered is only to the extent of USD1 to RMB7.6. In the event that Renminbi depreciates beyond that level, the Group will be required to bear the relevant foreign exchange risk. The Group will continue to enter into option contracts to reduce the foreign currency exposure arising from the borrowings.

### Capital expenditure

For the six months ended 30 June 2018, the capital expenditure of the Group amounted to approximately RMB794 million (for the six months ended 30 June 2017: RMB295 million), which was mainly related to the production capacity of yarns under construction in Vietnam and in the PRC during the period.

## 財務回顧(續)

### 外匯風險

本集團主要在中國及越南營運。本集團大部分交易、資產及負債以人民幣及美元計值。外匯風險可能來自於未來海外業務中的商業貿易、已確認資產及負債及投資淨額。本集團所面對的外匯風險主要來自其以美元及港元計值的銀行借貸及原料採購貸款。本集團進行定期檢討及密切關注其外匯風險程度以管理其外匯風險。

為應對人民幣貶值風險，本集團透過購入適量的貨幣期權合約以控制外幣敞口。於二零一八年六月三十日，除應付票據由於是少於6個月內的負債而只有局部購買外幣期權合約部分減少敞口外，本集團還有12億港元以及1,550萬美元的借款敞口尚未訂立期權合約。而已訂立的貨幣期權合約中，有部份合約所提供的保障僅限於一美元兌人民幣7.6元之內。當人民幣貶值超過該水平，本集團仍需負擔有關外匯風險。本集團將繼續訂立期權合約，以減低借款所產生之外幣風險。

### 資本開支

截至二零一八年六月三十日止六個月，本集團之資本開支約為人民幣7.94億元(截至二零一七年六月三十日止六個月：人民幣2.95億元)，主要與期內在越南及中國在建的紗線產能相關。

## FINANCIAL REVIEW (Continued)

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

As announced by the Company on 18 May 2015, by an agreement dated 18 May 2015 (“2015 Facility Agreement”) entered into by, among others, the Company as borrower and a syndicate of banks and financial institutions as lenders, the lenders have agreed to grant a term loan facility (“2015 Facility”) of up to the aggregate principal amount of US\$110 million. The purpose is for all amounts borrowed under the 2015 Facility to be applied towards any refinancing, repayment, redemption, purchase or repurchase of the 2011 Notes due in January 2016 issued by the Company, in whole or part, at or before their maturity. The 2015 Facility shall be fully repaid in May 2018 and is guaranteed by certain subsidiaries of the Company. The 2015 Facility Agreement contains the usual cross default provisions and a further requirement that Mr. Hong Tianzhu shall be and continue to be the chairman of the Board, directly or indirectly beneficially own not less than 25% of the total voting shares issued by the Company, and be and remain the single largest holder of the voting shares issued by the Company. A breach of such requirement will constitute an event of default under the 2015 Facility Agreement, and as a result, the 2015 Facility is liable to be declared immediately due and payable. The occurrence of such circumstance may trigger the cross default provisions of other banking/credit facilities available to the Group and, as a possible consequence, these other facilities may also be declared to be immediately due and payable. The 2015 Facility was fully repaid by the Company in January 2018.

## 財務回顧(續)

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

如本公司於二零一五年五月十八日所公佈，根據由(其中包括)本公司(作為借款人)及由銀行及金融機構構成之銀團(作為貸款人)於二零一五年五月十八日訂立之協議(「二零一五年信貸協議」)，貸款人同意授出有期信貸融資(「二零一五年信貸融資」)，本金總額達110,000,000美元。目的是將於二零一五年信貸融資項下借入的所有款項應用於任何再融資、在本公司所發行於二零一六年一月到期之二零一一年票據到期前償還、贖回、購買或購回有關票據。二零一五年信貸融資須於二零一八年五月悉數償還，並以本公司若干附屬公司作擔保。二零一五年信貸協議載有一般交叉違約條文，以及另一項有關洪天祝先生須繼續為董事會主席之規定，而其直接或間接擁有不少於本公司已發行表決股本總額25%，並將繼續為本公司已發行表決股份之單一最大持有人。違反有關規定將構成二零一五年信貸協議之違約事項，並因此二零一五年信貸融資須即時宣佈為到期及償還。發生有關情況可能導致觸發本集團其他銀行／信貸融資額度之交叉違約條文，並因此該等其他信貸額度亦可能即時宣佈為到期及償還。本公司已於二零一八年一月悉數償還二零一五年信貸融資。

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

As announced by the Company on 20 April 2016, by an agreement dated 20 April 2016 (“2016 Facility Agreement”) entered into by, among others, Texhong Galaxy Technology Limited (“Texhong Galaxy”), a wholly-owned subsidiary of the Company, as borrower and a syndicate of banks and financial institutions as lenders, the lenders have agreed to grant a facility (“2016 Facility”) in the aggregate principal amount of up to US\$103,000,000 to finance the development of Texhong Galaxy’s production plant in Haiha District, Quang Ninh Province, Vietnam. The 2016 Facility shall be fully repaid in April 2023 and is guaranteed by the Company.

The 2016 Facility Agreement contains a requirement that Mr. Hong Tianzhu shall maintain, directly or indirectly, the status of the largest individual shareholder of the Company and maintain the position of chairman of the Group. A breach of such requirement will constitute an event of default under the 2016 Facility Agreement, and as a result, the 2016 Facility is liable to be declared immediately due and payable. The occurrence of such circumstance may trigger the cross default provisions of other banking/credit facilities available to the Group and, as a possible consequence, these other facilities may also be declared to be immediately due and payable.

As at the date of this interim report, the Company is in compliance with the 2016 Facility Agreement.

**Pledge of assets**

As at 30 June 2018, the Group’s machinery and equipment with a net book amount of RMB434.5 million (as at 31 December 2017: RMB180.9 million), bills receivable with a total amount of RMB95.0 million (as at 31 December 2017: nil), inventories with a total amount of RMB112.5 million (as at 31 December 2017: RMB261.2 million) and bank deposits with a total amount of RMB186.5 million (as at 31 December 2017: nil) were pledged to secure for bank borrowings for the purposes of the capital expenditure and working capital respectively. No land use rights owned by the Group has been pledged as at 30 June 2018 (as at 31 December 2017: RMB26.7 million).

**財務回顧 (續)**

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

誠如本公司於二零一六年四月二十日所公佈，藉著本公司全資附屬公司天虹銀河科技有限公司(「天虹銀河」)(作為借款人)與由多間銀行及財務機構組成之銀團(作為貸款人)所訂立日期為二零一六年四月二十日之協議(「二零一六年信貸協議」)，貸款人同意授出一項本金總額最多為103,000,000美元的融資(「二零一六年信貸融資」)，以撥付天虹銀河於越南廣寧省海河區生產廠房之發展。二零一六年信貸融資須於二零二三年四月全數償還，並由本公司作擔保。

二零一六年信貸協議規定洪天祝先生須繼續(直接或間接)維持本公司最大個人股東的地位及繼續擔任本集團主席一職。違反有關規定將構成二零一六年信貸協議項下之違約事項，並因此二零一六年信貸融資須即時宣佈為到期及應付。發生有關情況可能導致觸發本集團其他銀行／信貸融資額度之交叉違約條文，因此，該等其他信貸額度亦可能即時宣佈為到期及應付。

於本中期報告日，本公司遵守二零一六年信貸協議。

**資產抵押**

於二零一八年六月三十日，本集團的賬面淨值為人民幣4,345億元(於二零一七年十二月三十一日：人民幣1,809億元)的機器及設備、總額為人民幣9,500萬元(於二零一七年十二月三十一日：零)的應收票據、總額為人民幣1,125億元(於二零一七年十二月三十一日：人民幣2,612億元)的存貨及總額為人民幣1,865億元(於二零一七年十二月三十一日：零)的銀行存款已作為銀行借款(分別作資本開支及營運資金用途)的抵押。於二零一八年六月三十日，概無抵押本集團所擁有的土地使用權(於二零一七年十二月三十一日：人民幣2,670萬元)。

## FINANCIAL REVIEW (Continued)

### Human resources

As at 30 June 2018, the Group had a total workforce of 38,781 employees (as at 31 December 2017: 38,024 employees), of whom 17,914 employees were based in the regional headquarters in Shanghai and our manufacturing plants in Mainland China. The remaining 20,867 employees were stationed in regions outside Mainland China including Vietnam, Cambodia, Nicaragua, Taiwan, Hong Kong and Macao. The Group will continuously optimize the workforce structure and offer its staff with competitive remuneration schemes. The Group is committed to promote a learning and knowledge sharing culture within the organisation. Heavy emphasis is placed on the training and development of individual staff and team building, as the Group's success depends on the contributions of our skilled and motivated staff in all our functional divisions.

### Dividend policy

The Board intends to maintain a long term, stable dividend payout ratio of about 30% of the Group's net profit for the year attributable to owners of the Company, providing our shareholders with reasonable returns. The Board has resolved to declare an interim dividend of 23 HK cents per share for the six months ended 30 June 2018 to shareholders whose names appear on the register of shareholders of the Company in Hong Kong on 12 September 2018.

### Closure of register of members

The register of members of the Company will be closed from 8 September 2018 to 12 September 2018, both days inclusive, during which no transfer of shares can be registered. To qualify for the interim dividend (which will be payable on or about 24 September 2018), shareholders must ensure that all transfer documents accompanied by the relevant share certificates are lodged with the Hong Kong branch share registrar and transfer office of the Company, Boardroom Share Registrars (HK) Limited at 2103B, 21st Floor, 148 Electric Road, North Point, Hong Kong no later than 4:30 p.m. on 7 September 2018.

## 財務回顧(續)

### 人力資源

於二零一八年六月三十日，本集團員工合共38,781名(於二零一七年十二月三十一日：38,024名員工)，其中17,914名員工駐於上海地區總部及本集團在中國大陸的工廠。其餘20,867名員工駐於中國大陸以外地區(包括越南、柬埔寨、尼加拉瓜、台灣、香港及澳門)。本集團仍會不斷優化人力架構，同時向其員工提供具競爭力的酬金計劃。本集團之成功有賴由技巧純熟且士氣高昂的員工組成各職能部門，故此本集團致力於集團內孕育學習與知識分享的文化，重視員工之個人培訓及發展，以及建立團隊。

### 股息政策

董事會有意維持長期穩定的派息率，即本集團年內本公司擁有人應佔淨利潤約30%，為股東提供合理回報。董事會議決就截至二零一八年六月三十日止六個月向於二零一八年九月十二日名列本公司於香港股東名冊之股東宣派每股23港仙之中期股息。

### 暫停辦理股份過戶登記手續

本公司於二零一八年九月八日至二零一八年九月十二日(包括首尾兩日)期間，暫停辦理股份過戶登記手續，期間不會登記任何股份轉讓。為符合資格領取中期股息(將於二零一八年九月二十四日或前後派發)，股東必須確保所有過戶文件連同相關股票，於二零一八年九月七日下午四時三十分前，送交本公司之香港股份過戶登記分處寶德隆證券登記有限公司，地址為香港北角電氣道148號21樓2103B。

## FINANCIAL REVIEW (Continued)

### Purchase, sale or redemption of the listed securities of the Company

There was no purchase, sale or redemption of the Company's listed securities by the Company or its subsidiaries during the six months ended 30 June 2018.

### Share options

A share Option Scheme ("Share Option Scheme") was adopted by the shareholders of the Company at the annual general meeting on 7 April 2014 ("Adoption Date"). The purpose of the Share Option Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their contributions to the Group. All directors, employees, suppliers of goods or services, customers, persons or entities that provide research, development or other technological support to the Group, shareholders of any member of the Group, advisers or consultants of the Group and any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement and growth of the Group are eligible to participate in the Share Option Scheme. The Share Option Scheme will remain in force for a period of 10 years after the Adoption Date.

The total number of share(s) of HK\$0.10 each in the share capital of the Company ("Share(s)") which may be allotted and issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme adopted by the Group must not in aggregate exceed 10% of the Shares in issue on the Adoption Date ("General Scheme Limit"). The Company may renew the General Scheme Limit with shareholders' approval provided that each such renewal may not exceed 10% of the Shares in issue as at the date of the shareholders' approval.

## 財務回顧(續)

### 購買、出售或贖回本公司之上市證券

截至二零一八年六月三十日止六個月，本公司或其任何附屬公司並無購買、出售或贖回本公司任何上市證券。

### 購股權

本公司股東於二零一四年四月七日(「採納日期」)之股東週年大會上採納一項購股權計劃(「購股權計劃」)。購股權計劃之目的乃讓本集團向指定參與者授予購股權，作為向此等人士對本集團作出之貢獻予以嘉獎或酬謝。所有董事、僱員、貨物或服務供應商、客戶、向本集團提供研究、發展或其他技術支援之人士或實體、本集團任何成員公司之股東、本集團之顧問或專業顧問及任何其他對本集團之發展曾作出貢獻或可透過合營企業、業務聯盟或其他業務安排作出貢獻之團體或類別之參與者均合資格參與現有購股權計劃。購股權計劃自採納日期後十年內有效。

於購股權計劃及獲本集團採納日期採納之任何其他購股權計劃項下授出之全部購股權倘獲行使而可予配發及發行之本公司股本中每股面值0.10港元之股份(「股份」)總數不得超過採納日期已發行股份之10%(「一般計劃上限」)。本公司可於獲得股東批准下重訂該一般計劃上限，惟該重訂不得超過於獲股東通過之日已發行股份之10%。

## FINANCIAL REVIEW (Continued)

### Share options (Continued)

The maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme adopted by the Group must not in aggregate exceed 30% of the Shares in issue from time to time.

Unless approved by shareholders of the Company, the total number of Shares issued and to be issued upon exercise of the options granted under the Share Option Scheme and any other share option scheme of the Group (including both exercised or outstanding options) to each participant in any 12-months period shall not exceed 1% of the issued share capital of the Company for the time being ("Individual Limit").

An option may be accepted by a participant within 21 days from the date of the offer of grant of the option. A nominal consideration of HK\$1 is payable on acceptance of the grant of an option. An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the Board to each grantee, which period may commence on a day after the date upon which the offer for the grant of options is made but shall end in any event not later than 10 years from the date of grant of the option, subject to the provisions for early termination thereof. Unless otherwise determined by the Directors and stated in the offer of the grant of options to a grantee, there is no minimum period required under the Share Option Scheme for the holding of an option before it can be exercised.

The subscription price for the Shares under the Share Option Scheme will be a price determined by the Directors, but shall not be less than the highest of (i) the closing price of Shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant, which must be a business day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations for the five trading days immediately preceding the date of the offer of grant; and (iii) the nominal value of the Shares.

## 財務回顧(續)

### 購股權(續)

於購股權計劃及獲本集團採納之任何其他購股權計劃項下發行在外而尚未行使之全部購股權倘獲行使而可予發行之股份數目不得超過當時已發行股份之30%。

除獲得本公司股東批准外，於購股權計劃及本集團之任何其他購股權計劃項下於任何十二個月內向各參與者授出之購股權(包括已行使或尚未行使者)倘獲行使而發行或可予發行之股份總數不得超過當時本公司已發行股份之1%(「個人上限」)。

參與者可於授出購股權要約日期起二十一日內接納購股權。於接納授出之購股權時，須繳付1港元之象徵代價。購股權可按照購股權計劃之條款於董事會釐定及通知各承授人之期限(期限由授出購股權要約當日之後一日開始，惟無論如何不得遲於購股權授出日期起計十年結束，並受購股權有關提早終止之條文限制)內隨時行使。除董事另有釐定並於向承授人發出之要約函件註明外，購股權計劃並無規定其行使前必須持有之最短時限。

根據購股權計劃，股份之認購價將由董事釐定，惟不得少於(以較高者為準)  
(i) 授出購股權要約日期(須為營業日)在聯交所每日報價表上所示股份之收市價；(ii) 緊接授出購股權要約日期前五個交易日在聯交所每日報價表上所示股份之平均收市價；及(iii) 股份之面值。



## FINANCIAL REVIEW (Continued)

### Share options (Continued)

During the six months ended 30 June 2018, movements of the share options granted under the Share Option Scheme are summarised as follows:

## 財務回顧(續)

### 購股權(續)

於截至二零一八年六月三十日止六個月，根據購股權計劃授出的購股權的變動概述如下：

List of grantees	Date of grant (Note)	Exercise period	Number of share options 購股權數目						Outstanding as at 30 June 2018	
			Closing price per Share immediately before the date of grant	Exercise price per share	Outstanding as at 1 January 2018	Granted during the six months ended 30 June 2018	Exercised during the six months ended 30 June 2018	Lapsed during the six months ended 30 June 2018		Cancelled during the six months ended 30 June 2018
<b>Directors</b>										
<b>董事</b>										
Mr. Tang Daoping 湯道平先生	23 March 2015 二零一五年三月二十三日	1 January 2016 to 22 March 2025 二零一六年一月一日至二零二五年三月二十二日	8.27	8.70	670,000	-	-	-	-	670,000
	23 March 2015 二零一五年三月二十三日	1 January 2017 to 22 March 2025 二零一七年一月一日至二零二五年三月二十二日	8.27	8.70	670,000	-	-	-	-	670,000
	23 March 2015 二零一五年三月二十三日	1 January 2018 to 22 March 2025 二零一八年一月一日至二零二五年三月二十二日	8.27	8.70	660,000	-	-	-	-	660,000
					2,000,000	-	-	-	-	2,000,000
Mr. Hui Tsz Wai 許子慧先生	23 March 2015 二零一五年三月二十三日	1 January 2016 to 22 March 2025 二零一六年一月一日至二零二五年三月二十二日	8.27	8.70	1,000,000	-	-	-	-	1,000,000
	23 March 2015 二零一五年三月二十三日	1 January 2017 to 22 March 2025 二零一七年一月一日至二零二五年三月二十二日	8.27	8.70	1,000,000	-	-	-	-	1,000,000
	23 March 2015 二零一五年三月二十三日	1 January 2018 to 22 March 2025 二零一八年一月一日至二零二五年三月二十二日	8.27	8.70	1,000,000	-	-	-	-	1,000,000
	28 December 2015 二零一五年十二月二十八日	1 January 2017 to 27 December 2025 二零一七年一月一日至二零二五年十二月二十七日	5.84	5.70	300,000	-	-	-	-	300,000
	28 December 2015 二零一五年十二月二十八日	1 January 2018 to 27 December 2025 二零一八年一月一日至二零二五年十二月二十七日	5.84	5.70	300,000	-	-	-	-	300,000
	28 December 2015 二零一五年十二月二十八日	1 January 2019 to 27 December 2025 二零一九年一月一日至二零二五年十二月二十七日	5.84	5.70	300,000	-	-	-	-	300,000
	28 December 2015 二零一五年十二月二十八日	1 January 2020 to 27 December 2025 二零二零年一月一日至二零二五年十二月二十七日	5.84	5.70	300,000	-	-	-	-	300,000
	28 December 2015 二零一五年十二月二十八日	1 January 2021 to 27 December 2025 二零二一年一月一日至二零二五年十二月二十七日	5.84	5.70	300,000	-	-	-	-	300,000
					4,500,000	-	-	-	-	4,500,000
<b>Total</b>					6,500,000	-	-	-	-	6,500,000

Note: The vesting period of the share options is from the date of grant until the commencement of the exercise period.

附註：購股權之歸屬期由授出日期起直至行使期間開始為止。

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

As at 30 June 2018, the interests and short positions of each Director and chief executive of the Company in the Shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong (the "SFO")), as recorded in the register maintained by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, were as follows:

董事及行政總裁於本公司或任何相聯法團之股份、相關股份及債權證之權益及淡倉

於二零一八年六月三十日，本公司各董事及行政總裁於本公司及其相聯法團（定義見香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部）股份、相關股份及債權證中擁有根據證券及期貨條例第352條，記錄於本公司須予存置之登記冊內之權益及淡倉，或其他根據上市規則所載上市公司董事進行證券交易標準守則規定須通知本公司及聯交所之權益及淡倉如下：

Name of directors of the Company 本公司董事姓名	Name of Group member/ associated corporation 本集團成員公司/ 相聯法團名稱	Nature of interest 權益性質	Number of ordinary shares (Note 1) 普通股數目 (附註1)	Approximate percentage of shareholdings 概約股權百分比
Mr. Hong Tianzhu 洪天祝先生	the Company 本公司	Interest of controlled corporation(s) 所控制法人的權益	544,742,400(L) (Note 2) (附註2)	59.53%
	the Company 本公司	Beneficial owner 實益擁有人	5,400,000(L)	0.59%
Mr. Zhu Yongxiang 朱永祥先生	the Company 本公司	Interest of controlled corporation(s) 所控制法人的權益	219,900,000(L) (Note 3) (附註3)	24.03%
Mr. Tang Daoping 湯道平先生	the Company 本公司	Beneficial owner 實益擁有人	2,580,000(L) (Note 4) (附註4)	0.28%
Mr. Hui Tsz Wai 許子慧先生	the Company 本公司	Beneficial owner 實益擁有人	4,500,000(L) (Note 5) (附註5)	0.49%
Mr. Ji Zhongliang 吉忠良先生	Celestial Ease Holdings Limited 天逸控股有限公司	Interest of controlled corporation(s) 所控制法人的權益	750(L) (Note 6) (附註6)	9.80%



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

Notes:

- The letter "L" denotes the person's long position in the Shares.
- Among these 544,742,400 Shares, as to 392,842,400 Shares are registered in the name of and beneficially owned by New Green Group Limited, the entire issued share capital of which is beneficially owned by Texhong Group Holdings Limited, a company wholly owned by Mr. Hong Tianzhu and as to 151,900,000 Shares are registered in the name of and beneficially owned by Trade Partner Investments Limited, the entire issued share capital of which is beneficially owned as to 57.44% by Mr. Hong Tianzhu through New Green Group Limited. Under the SFO, Mr. Hong Tianzhu is deemed to be interested in all the Shares held by New Green Group Limited and Trade Partner Investments Limited. Mr. Hong Tianzhu is a director of Texhong Group Holdings Limited, New Green Group Limited and Trade Partner Investments Limited.
- Among these 219,900,000 Shares, as to 68,000,000 Shares are registered in the name of and beneficially owned by Wisdom Grace Investments Limited, the entire issued share capital of which is beneficially owned by Mr. Zhu Yongxiang and as to 151,900,000 Shares are registered in the name of and beneficially owned by Trade Partner Investments Limited, the entire issued share capital of which is beneficially owned as to 42.56% by Mr. Zhu Yongxiang through Wisdom Grace Investments Limited. Under the SFO, Mr. Zhu Yongxiang is deemed to be interested in all the Shares held by Wisdom Grace Investments Limited and Trade Partner Investments Limited.
- Among these interests, 2,000,000 Shares of which are underlying shares comprised in the options granted to Mr. Tang Daoping pursuant to the Share Option Scheme.
- These interests are underlying shares comprised in the options granted to Mr. Hui Tsz Wai pursuant to the Share Option Scheme.
- These 750 shares are registered in the name of and beneficially owned by Welde Global Limited, the entire issued share capital of which is beneficially owned by Mr. Ji Zhongliang. Under the SFO, Mr. Ji Zhongliang is deemed to be interested in all the shares held by Welde Global Limited.

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

附註：

- [L] 代表該人士於股份之好倉。
- 該 544,742,400 股股份中 392,842,400 股以 New Green Group Limited 全部已發行股本由 Texhong Group Holdings Limited 實益擁有，洪天祝先生實益擁有後者 100% 權益) 名義及作為實益擁有人登記；151,900,000 股以 Trade Partner Investments Limited (洪天祝先生透過 New Green Group Limited 實益擁有其全部已發行股份的 57.44% 權益) 名義及作為實益擁有人登記。根據證券及期貨條例，洪天祝先生被視為於 New Green Group Limited 及 Trade Partner Investments Limited 持有之所有股份佔有權益。洪天祝先生為 Texhong Group Holdings Limited、New Green Group Limited 及 Trade Partner Investments Limited 之董事。
- 該 219,900,000 股股份中 68,000,000 股以 Wisdom Grace Investments Limited (其全部已發行股本由朱永祥先生實益擁有) 名義及作為實益擁有人登記；151,900,000 股以 Trade Partner Investments Limited (朱永祥先生透過 Wisdom Grace Investments Limited 實益擁有其全部已發行股份的 42.56% 權益) 名義及作為實益擁有人登記。根據證券及期貨條例，朱永祥先生被視為於 Wisdom Grace Investments Limited 及 Trade Partner Investments Limited 持有之所有股份佔有權益。朱永祥先生為 Wisdom Grace Investments Limited 及 Trade Partner Investments Limited 之董事。
- 該等權益當中，2,000,000 股股份為根據購股權計劃授予湯道平先生的購股權內的相關股份。
- 該等權益為根據購股權計劃授予許子慧先生的購股權內的相關股份。
- 該等 750 股股份以偉德環球有限公司之名義登記及由其擁有，而該公司之全部已發行股本由吉忠良先生實益擁有。根據證券及期貨條例，吉忠良先生被視為於偉德環球有限公司持有之所有股份中擁有權益。

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

So far as the Directors are aware, as at 30 June 2018, the interests or short position of the persons other than a Director or chief executive of the Company in the Shares or underlying shares of the Company which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

Ordinary Shares of the Company:

主要股東在本公司股份、相關股份及債權證之權益及淡倉

就董事所知悉，於二零一八年六月三十日，於本公司股份或相關股份中擁有根據證券及期貨條例第336條紀錄於本公司須予存置之登記冊內之權益或淡倉的人士(惟本公司之董事或行政總裁除外)如下：

本公司之普通股：

Name of the substantial shareholders 主要股東姓名／名稱	Nature of interests 權益性質	Number of ordinary shares (Note 1) 普通股數目 (附註1)	Approximate percentage of shareholding 概約股權百分比
New Green Group Limited	Beneficial owner 實益擁有人	392,842,400(L) (Note 2) (附註2)	42.93%
	Interest of controlled corporation(s) 所控制法人權益	151,900,000(L) (Note 3) (附註3)	16.60%
Trade Partner Investments Limited	Beneficial owner 實益擁有人	151,900,000(L) (Note 3) (附註3)	16.60%
Wisdom Grace Investments Limited	Beneficial owner 實益擁有人	68,000,000(L) (Note 4) (附註4)	7.43%
	Interest of controlled corporation(s) 所控制法人權益	151,900,000(L) (Note 3) (附註3)	16.60%
Texhong Group Holdings Limited	Interest of controlled corporation(s) 所控制法人權益	544,742,400(L) (Note 2 and 3) (附註2及3)	59.53%
Ms. Ke Luping 柯綠萍女士	Interest of spouse 配偶權益	550,142,400(L) (Note 5) (附註5)	60.12%

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

主要股東在本公司股份、相關股份及  
債權證之權益及淡倉(續)

Name of the substantial shareholders 主要股東姓名／名稱	Nature of interests 權益性質	Number of ordinary shares (Note 1) 普通股數目 (附註1)	Approximate percentage of shareholding 概約股權百分比
Ms. Zhao Zhiyang 趙志揚女士	Interest of spouse 配偶權益	219,900,000(L) (Note 6) (附註6)	24.03%
Mr. Hui Ching Lau 許清流先生	Interest of controlled corporation(s) 所控制法人權益	55,058,000(L) (Note 7) (附註7)	6.02%
Event Star Limited	Beneficial owner 實益擁有人	55,058,000(L) (Note 7) (附註7)	6.02%

Notes:

附註:

- |    |  |    |  |
|----|--|----|--|
| 1. | The letter "L" denotes the person's long position in the Shares.   | 1. | 「L」代表該人士於股份之好倉。  |
| 2. | These 392,842,400 Shares are registered in the name of and beneficially owned by New Green Group Limited, the entire issued share capital of which is beneficially owned by Texhong Group Holdings Limited, a company wholly beneficially owned by Mr. Hong Tianzhu. Under the SFO, each of Texhong Group Holdings Limited and Mr. Hong Tianzhu is deemed to be interested in all the Shares held by New Green Group Limited.  | 2. | 該392,842,400股股份以New Green Group Limited(其全部已發行股本由Texhong Group Holdings Limited實益擁有, 洪天祝先生則實益擁有後者全部權益)名義及作為實益擁有人登記。根據證券及期貨條例, Texhong Group Holdings Limited及洪天祝先生均被視為於New Green Group Limited持有之所有股份佔有權益。   |
| 3. | These 151,900,000 Shares are registered in the name of and beneficially owned by Trade Partner Investments Limited, the entire issued share capital of which is beneficially owned as to 57.44% by Mr. Hong Tianzhu through New Green Group Limited and 42.56% by Mr. Zhu Yongxiang through Wisdom Grace Investments Limited. Under the SFO, each of Mr. Hong Tianzhu, Mr. Zhu Yongxiang, New Green Group Limited and Wisdom Grace Investments Limited is deemed to be interested in all the Shares held by Trade Partner Investments Limited. | 3. | 該151,900,000股股份以Trade Partner Investments Limited(其全部已發行股本由洪天祝先生(透過New Green Group Limited)及朱永祥先生(透過Wisdom Grace Investments Limited)分別實益擁有57.44%及42.56%)名義及作為實益擁有人登記。根據證券及期貨條例, 洪天祝先生、朱永祥先生、New Green Group Limited及Wisdom Grace Investments Limited分別被視為於Trade Partner Investments Limited持有之所有股份佔有權益。 |

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

Notes: (Continued)

4. These 68,000,000 Shares are registered in the name of and beneficially owned by Wisdom Grace Investments Limited, the entire issued share capital of which is beneficially owned by Mr. Zhu Yongxiang. Under the SFO, Mr. Zhu Yongxiang is deemed to be interested in all the Shares held by Wisdom Grace Investments Limited.
5. Ms. Ke Luping is the spouse of Mr. Hong Tianzhu. Under the SFO, Ms. Ke Luping is deemed to be interested in the same number of Shares in which Mr. Hong Tianzhu is interested.
6. Ms. Zhao Zhiyang is the spouse of Mr. Zhu Yongxiang. Under the SFO, Ms. Zhao Zhiyang is deemed to be interested in the same number of Shares in which Mr. Zhu Yongxiang is interested.
7. These 55,058,000 Shares are registered in the name of and beneficially owned by Event Star Limited, a company which is 100% controlled by Mr. Hui Ching Lau. Under the SFO, Mr. Hui Ching Lau is deemed to be interested in all the Shares held by Event Star Limited.

## CORPORATE GOVERNANCE

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

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

## 主要股東在本公司股份、相關股份及債權證之權益及淡倉(續)

附註：(續)

4. 該68,000,000股股份以Wisdom Grace Investments Limited(其全部已發行股本由朱永祥先生實益擁有)名義及作為實益擁有人登記。根據證券及期貨條例，朱永祥先生被視為於Wisdom Grace Investments Limited持有之所有股份佔有權益。
5. 柯綠萍女士為洪天祝先生之配偶。根據證券及期貨條例，柯綠萍女士被視為於洪天祝先生佔有權益同樣數目之股份佔有權益。
6. 趙志揚女士為朱永祥先生之配偶。根據證券及期貨條例，趙志揚女士被視為於朱永祥先生佔有權益同樣數目之股份佔有權益。
7. 該等55,058,000股股份以Event Star Limited之名義登記及由其擁有，而該公司由許清流先生100%控制。根據證券及期貨條例，許清流先生被視為於Event Star Limited持有之所有股份中擁有權益。

## 企業管治

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

董事會由五名執行董事及三名獨立非執行董事組成。董事會已採納載於聯交所上市規則附錄十四之企業管治守則內的守則條文(「守則條文」)。本公司於報告期內已遵守《守則條文》。

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

## AUDIT COMMITTEE

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

The audit committee has discussed with management and reviewed the unaudited condensed consolidated financial statements of the Company for the six months ended 30 June 2018.

## REMUNERATION COMMITTEE

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

## 董事進行證券交易的標準守則

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

## 審核委員會

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

審核委員會已與管理層商討並審閱本公司截至二零一八年六月三十日止六個月之未經審核簡明綜合財務報表。

## 薪酬委員會

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

### NOMINATION COMMITTEE

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

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

Hong Kong, 13 August 2018

### 提名委員會

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

承董事會命  
**天虹紡織集團有限公司**  
 主席  
 洪天祝

香港，二零一八年八月十三日



