



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

Interim Report 2019
中期報告

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公司資料

CORPORATE INFORMATION

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

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Tsuen Wan

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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

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荃灣

海盛路9號

有線電視大樓

37樓3室

註冊辦事處

Cricket Square

Hutchins Drive, PO Box 2681

Grand Cayman KY1-1111

Cayman Islands

公司資料

CORPORATE INFORMATION

PRINCIPAL BANKS

Bank of China (Hong Kong)
Hongkong and Shanghai Banking Corporation
Standard Chartered Bank
Sumitomo Mitsui Banking Corporation
Citibank (China) Co., Ltd.
Agricultural Development Bank of China
Australia and New Zealand Banking Group Limited
Crédit Agricole Corporate & Investment Bank
Chiyu Bank
Hang Seng Bank Limited
China Merchants Bank
BNP Paribas
ICBC China
China Construction Bank (Asia)

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

STOCK CODE

2678

主要往來銀行

中國銀行(香港)
匯豐銀行
渣打銀行
三井住友銀行
花旗銀行(中國)有限公司
中國農業發展銀行
澳新銀行
東方匯理銀行
集友銀行
恒生銀行
招商銀行
法國巴黎銀行
工商銀行
中國建設銀行(亞洲)

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
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21樓
2103B

互聯網址

www.texhong.com

股份編號

2678

簡明綜合資產負債表

CONDENSED CONSOLIDATED BALANCE SHEET

			Unaudited 未經審核 30 June 2019 二零一九年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
		Note 附註		
ASSETS	資產			
Non-current assets	非流動資產			
Freehold land and land use rights	永久產權土地及土地使用权	7	168,878	1,011,183
Property, plant and equipment	物業、廠房及設備	8	8,905,632	7,716,921
Right-of-use assets	使用權資產	3(a)(i)	1,238,432	–
Intangible assets	無形資產	9	68,897	70,728
Investments accounted for using the equity method	使用權益法入賬之投資	10	204,967	204,707
Deferred income tax assets	遞延所得稅資產		106,741	96,391
Other non-current assets	其他非流動資產		–	236,102
Total non-current assets	非流動資產總值		10,693,547	9,336,032
Current assets	流動資產			
Inventories	存貨	11	5,700,179	5,211,292
Properties under development	發展中物業	11	227,096	226,058
Trade and bills receivables	應收貿易及票據款項	12	1,633,931	1,783,774
Prepayments, deposits and other receivables	預付款項、按金及其他應收賬款	13	787,423	867,899
Derivative financial instruments	衍生金融工具	17	170,809	145,220
Pledged bank deposits	已抵押銀行存款		45,802	145,019
Cash and cash equivalents	現金及現金等值物		1,920,127	1,054,721
Total current assets	流動資產總值		10,485,367	9,433,983
Total assets	資產總值		21,178,914	18,770,015

簡明綜合資產負債表

CONDENSED CONSOLIDATED BALANCE SHEET

			Unaudited 未經審核 30 June 2019 二零一九年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
EQUITY	權益			
Equity attributable to owners of the Company	本公司擁有人應佔權益			
Share capital: nominal value	股本：賬面值	20	96,709	96,709
Share premium	股份溢價	20	433,777	433,777
Other reserves	其他儲備		691,065	712,893
Retained earnings	保留溢利		5,809,438	5,495,258
			7,030,989	6,738,637
Non-controlling interests	非控制性權益		602,179	98,185
Total equity	權益總額		7,633,168	6,836,822
LIABILITIES	負債			
Non-current liabilities	非流動負債			
Borrowings	借貸	16	5,058,761	4,875,187
Lease liabilities	租賃負債	3(a)(i)	132,753	-
Deferred income tax liabilities	遞延所得稅負債		249,435	161,690
Long-term payables	長期應付款項	19	199,240	122,893
Total non-current liabilities	非流動負債總值		5,640,189	5,159,770

簡明綜合資產負債表

CONDENSED CONSOLIDATED BALANCE SHEET

			Unaudited 未經審核 30 June 2019 二零一九年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
Current liabilities	流動負債			
Trade and bills payables	應付貿易及票據款項	14	4,054,039	3,522,714
Contract liabilities	合約負債		128,472	88,272
Accruals and other payables	預提費用及其他應付款項	15	706,149	727,219
Current income tax liabilities	當期所得稅負債		69,847	70,077
Borrowings	借貸	16	2,761,400	2,252,547
Derivative financial instruments	衍生金融工具	17	94,120	89,468
Lease liabilities	租賃負債	3(a)(i)	33,289	-
Finance lease obligations	融資租賃承擔	18	-	831
Long-term payables due within 1 year	1年內到期的長期 應付賬款	19	58,241	22,295
Total current liabilities	流動負債總值		7,905,557	6,773,423
Total liabilities	負債總值		13,545,746	11,933,193
Total equity and liabilities	總權益及負債		21,178,914	18,770,015

The notes on pages 14 to 76 form an integral part of these condensed consolidated financial statements.

第14至76頁之附註為此簡明綜合財務報表之一部分。

簡明綜合收益表

CONDENSED CONSOLIDATED INCOME STATEMENT

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
	Note 附註		
Revenue	6	10,191,466	8,811,520
Cost of sales	23	(8,810,615)	(7,334,468)
Gross profit		1,380,851	1,477,052
Selling and distribution costs	23	(384,493)	(322,125)
General and administrative expenses	23	(432,809)	(323,167)
Net (accrual)/reversal of impairment losses on financial assets		(2,717)	2,506
Other income	22	70,300	93,032
Other gains/(losses) — net	22	170,271	(45,052)
Operating profit		801,403	882,246
Finance income	24	17,781	5,802
Finance costs	24	(254,342)	(201,572)
Finance costs — net	24	(236,561)	(195,770)
Share of profits less losses of investments accounted for using the equity method	10	260	8,704
Profit before income tax		565,102	695,180
Income tax expense	25	(78,777)	(88,782)
Profit for the period		486,325	606,398

簡明綜合收益表

CONDENSED CONSOLIDATED INCOME STATEMENT

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
		Note 附註	
Attributable to:	以下各方應佔：		
Owners of the Company	本公司擁有人		471,042
Non-controlling interests	非控制性權益		602,411
			15,283
			3,987
			486,325
			606,398
Earnings per share for profit attributable to owners of the Company	本公司擁有人應佔溢利之每股盈利	26	
— Basic earnings per share	— 每股基本盈利		RMB0.51 人民幣 0.51 元
			RMB0.66 人民幣 0.66 元
— Diluted earnings per share	— 每股攤薄盈利		RMB0.51 人民幣 0.51 元
			RMB0.66 人民幣 0.66 元

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簡明綜合全面收益表

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Profit for the period	期內溢利	486,325	606,398
Other comprehensive income/(losses)	其他全面收益／(虧損)		
<i>Items 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		
Currency translation differences	貨幣兌換差額	(2,780)	(3,702)
Total comprehensive income for the period	期內全面收益總額	483,545	602,696
Attributable to:	以下各方應佔：		
Owners of the Company	本公司擁有人	468,262	598,709
Non-controlling interests	非控制性權益	15,283	3,987
		483,545	602,696

The notes on pages 14 to 76 form an integral part of these condensed consolidated financial statements.

第 14 至 76 頁之附註為此簡明綜合財務報表之一部分。

簡明綜合權益變動表

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

		Unaudited 未經審核					
		Attributable to owners of the Company 本公司擁有人應佔				Non-	Total
		Share capital	Share premium	Other reserves	Retained earnings	controlling interests 非控制性 權益	equity
		股本 RMB'000 人民幣千元	股份溢價 RMB'000 人民幣千元	其他儲備 RMB'000 人民幣千元	保留溢利 RMB'000 人民幣千元	權益 RMB'000 人民幣千元	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	由重估儲備轉撥至保留溢利						
— 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

簡明綜合權益變動表

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

		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
		股本 RMB'000 人民幣千元	股份溢價 RMB'000 人民幣千元	其他儲備 RMB'000 人民幣千元	保留溢利 RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Balance at 1 January 2019	於二零一九年一月一日的結餘	96,709	433,777	712,893	5,495,258	98,185	6,836,822
Comprehensive income	全面收益						
Profit for the period	期間溢利	-	-	-	471,042	15,283	486,325
Other comprehensive loss:	其他全面虧損：						
Currency translation differences	貨幣匯兌差額	-	-	(2,780)	-	-	(2,780)
Total comprehensive income for the six months ended 30 June 2019	截至二零一九年六月三十日止六個月全面收益總額	-	-	(2,780)	471,042	15,283	483,545
Transactions with owners	與股權持有人之交易						
Non-controlling interests arising on business combination	業務合併產生的非控制性權益	-	-	-	-	477,315	477,315
Excess of consideration paid recognised in the transactions with non-controlling interests reserve within equity	權益內非控制性權益儲備交易中確認已付代價差額	-	-	(17,120)	-	11,396	(5,724)
Dividends relating to 2018 paid in May 2019	於二零一九年五月派付有關二零一八年之股息	-	-	-	(158,936)	-	(158,936)
Employee share option scheme	僱員購股權計劃	-	-	146	-	-	146
Transfer from revaluation reserve to retained earnings	由重估儲備轉撥至保留溢利						
— gross	— 總額	-	-	(3,180)	3,180	-	-
— deferred income tax	— 遞延所得稅	-	-	1,106	(1,106)	-	-
Total transactions with owners	與股權持有人之交易總額	-	-	(19,048)	(156,862)	488,711	312,801
Balance at 30 June 2019	於二零一九年六月三十日的結餘	96,709	433,777	691,065	5,809,438	602,179	7,633,168

The notes on pages 14 to 76 form an integral part of these condensed consolidated financial statements.

第14至76頁之附註為此簡明綜合財務報表之一部分。

簡明綜合現金流量表

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Cash flows from operating activities	來自經營活動的現金流量		
Cash generated from operations	經營所產生之現金	1,678,712	549,024
Interest received	已收利息	17,781	5,802
Income tax paid	已付所得稅	(105,365)	(49,946)
Net cash flows generated from operating activities	來自經營活動的現金流量淨額	1,591,128	504,880
Cash flows from investing activities	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	(971,242)	(507,519)
Purchases of land use rights	購買土地使用權	(2,559)	(87,085)
Purchases of freehold land	購買永久產權土地	(34,740)	-
Proceeds from sale of property, plant and equipment	出售物業、廠房及設備所得款項	1,097	17,308
Net proceeds from/(payments on) settlement of financial instruments	變現金融工具的所得款項/(付款)淨額	4,056	(37,108)
Purchases of financial instruments	購買金融工具	(55,180)	(1,428)
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	(25,409)	-
Deposits for acquisition of subsidiaries	收購附屬公司之按金	-	(53,291)
Net cash flows used in investing activities	用於投資活動的現金流量淨額	(1,083,977)	(669,123)

簡明綜合現金流量表

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Cash flows from financing activities	來自融資活動的現金流量		
Proceeds from borrowings	借貸所得款項	3,743,069	3,761,427
Repayments of borrowings	償還借貸	(3,081,420)	(3,241,052)
Principal elements of lease payments	租賃付款之本金部分	(17,225)	–
Interest paid	已付利息	(226,450)	(150,016)
Dividends paid	已付股息	(158,936)	(156,160)
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)
Decrease/(increase) in pledged bank deposits	已抵押銀行存款減少/(增加)	99,217	(239,173)
Net cash flows generated from/ (used in) financing activities	來自/(用於)融資活動的現金流量淨額	358,255	(38,943)
Net increase/(decrease) in cash and cash equivalents	現金及現金等值物增加/(減少)淨額	865,406	(203,186)
Cash and cash equivalents at the beginning of the period	期初之現金及現金等值物	1,054,721	1,466,718
Cash and cash equivalents at end of the period	期末之現金及現金等值物	1,920,127	1,263,532

The notes on pages 14 to 76 form an integral part of these condensed consolidated financial statements.

第14至76頁之附註為此簡明綜合財務報表之一部分。

1. GENERAL INFORMATION

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

These condensed consolidated financial statements are presented in Chinese Renminbi (“RMB”), unless otherwise stated.

These condensed consolidated financial statements have been approved and authorised for issue by the board (“Board”) of directors (“Directors”) of the Company on 23 August 2019.

These condensed consolidated financial statements have not been audited.

2. BASIS OF PREPARATION

These condensed consolidated financial statements for the six months ended 30 June 2019 have been prepared in accordance with HKAS 34, ‘Interim Financial Reporting’. The condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements of the Company for the year ended 31 December 2018, 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，本簡明綜合財務報表以中國人民幣(「人民幣」)呈列。

於二零一九年八月二十三日，本簡明綜合財務報表已獲本公司董事(「董事」)會(「董事會」)批准及授權刊發。

此簡明綜合財務報表乃未經審核。

2. 編製基準

截至二零一九年六月三十日止六個月之簡明綜合財務報表，乃按香港會計準則第34號「中期財務報告」編製。此簡明綜合財務報表應與本公司截至二零一八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 for the preparation of these condensed consolidated financial statements are consistent with those of the annual financial statements for the year ended 31 December 2018, 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 2019.

(a) New standard, amendments and interpretation of HKFRSs adopted by the Group in the first half of 2019

A number of new standard, amendments and interpretation to existing standards became applicable for the current reporting period and the Group had to change its accounting policies as a result of adopting HKFRS 16 'Leases'. The other new amendments and interpretation did not give rise to any significant impact on the Group's financial statements. The impact of the adoption of the leasing standard and the new accounting policies are set out below:

(i) HKFRS 16 'Leases'

The Group has adopted HKFRS 16 'Leases' from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the simplified transition approach in the standard. The reclassifications and the adjustments arising from the new leasing standard are therefore recognised in the opening balance sheet on 1 January 2019.

3. 會計政策

編製本簡明綜合財務報表所採納之會計政策與截至二零一八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、修訂及詮釋於截至二零一九年十二月三十一日止財政年度生效。

(a) 本集團於二零一九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因採納香港財務報告準則第16號「租賃」更改其會計政策。其他新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。採納租賃準則及新會計政策的影響載列如下：

(i) 香港財務報告準則第16號「租賃」

本集團於二零一九年一月一日起採納香港財務報告準則第16號「租賃」，惟按該準則的簡化過渡方法所允許者，並無重列二零一八年報告期間之比較資料。因此，該等新租賃準則所導致的重新分類及調整於二零一九年一月一日的資產負債表確認。

3. ACCOUNTING POLICIES (Continued)

(a) New standard, amendments and interpretation of HKFRSs adopted by the Group in the first half of 2019 (Continued)

(i) HKFRS 16 'Leases' (Continued)

Adjustments recognised on adoption

On adoption of HKFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of HKAS 17 'Leases'. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 3.67%.

For leases previously classified as finance leases the Group recognised the carrying amount of the lease assets of RMB17,409,000 and finance lease obligations of RMB831,000 immediately before transition as the carrying amount of the right-of-use asset and the lease liability at the date of initial application. The measurement principles of HKFRS 16 are only applied after that date. The remeasurements to the lease liabilities were recognised as adjustments to the related right-of-use assets immediately after the date of initial application.

3. 會計政策 (續)

(a) 本集團於二零一九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16號「租賃」(續)

採納時確認的調整

採納香港財務報告準則第16號時，本集團就先前根據香港會計準則第17號「租賃」的原則被分類為「經營租賃」的租賃確認了租賃負債。該等負債按餘下租賃款項的現值計量，並使用承租人截至二零一九年一月一日的遞增借款利率貼現。承租人於二零一九年一月一日應用於租賃負債的加權平均增量借款利率為3.67%。

先前分類為融資租賃的租約，本集團已於首次應用日將其人民幣17,409,000元的租賃資產及人民幣831,000元的融資租賃承擔過渡前的賬面值確認為使用權資產及租賃負債的賬面值。香港財務報告準則第16號的計量原則僅於該日期後適用。租賃負債的重新計量在初始申請日後立即確認為對相關使用權資產的調整。

3. ACCOUNTING POLICIES (Continued)

(a) New standard, amendments and interpretation of HKFRSs adopted by the Group in the first half of 2019 (Continued)

(i) HKFRS 16 'Leases' (Continued)

Adjustments recognised on adoption
(Continued)

Operating lease commitments (excluding leases relating to land use rights) disclosed as at 31 December 2018

Less:

Short-term leases to be recognised on a straight-line basis as expenses

Low-value leases to be recognised on a straight-line basis as expenses

Discounted using the lessee's incremental borrowing rate at the date of initial application, representing additional lease liabilities recognised as at 1 January 2019

Add:

Reclassification of lease assets recorded under property, plant and equipment in relation to finance lease obligations

Reclassification of land use rights

Right-of-use assets recognised as at 1 January 2019

3. 會計政策(續)

(a) 本集團於二零一九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16號「租賃」(續)

採納時確認的調整(續)

於二零一八年十二月三十一日披露之經營租賃承擔(不包括與土地使用權相關之租賃)

減:

按直線法確認為開支的短期租賃

按直線法確認為開支的低價值租賃

於初始應用日期採用承租人的增量借貸利率進行的貼現，相當於二零一九年一月一日確認的額外租賃負債

加:

與融資租賃承擔相關於物業、廠房及設備項下入賬的租賃資產的重新分類

土地使用權的重新分類

截至二零一九年一月一日確認的使用權資產

2019
二零一九年
RMB'000
人民幣千元

206,511

(3,333)

(614)

202,564

182,630

17,409

877,045

1,077,084

3. ACCOUNTING POLICIES (Continued)

(a) New standard, amendments and interpretation of HKFRSs adopted by the Group in the first half of 2019 (Continued)

(i) HKFRS 16 'Leases' (Continued)

Adjustments recognised on adoption (Continued)

The right-of-use assets were measured at the amount equal to the lease liabilities, adjusted by the amount of any prepaid rental expenses relating to that lease recognised in the balance sheet as at 1 January 2019. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

Movements in right-of-use assets are analysed as follows:

Right-of-use assets recognised as at 1 January 2019	於二零一九年一月一日 確認之使用權資產
Additions arising from acquisition of subsidiaries	收購附屬公司產生的添置
Other additions	其他添置
Disposals	出售
Amortisation	攤銷
Currency translation differences	貨幣匯兌差額
Closing net book amount as at 30 June 2019	於二零一九年六月三十日 之期末賬面淨值

3. 會計政策(續)

(a) 本集團於二零一九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16號「租賃」(續)

採納時確認的調整(續)

使用權資產乃按相當於租賃負債的金額計量，並經由於二零一九年一月一日在資產負債表確認之租賃有關的任何預付租金費用的款項進行調整。於初始應用日期，概無虧損性租賃合約需要對使用權資產進行調整。

使用權資產變動分析如下：

2019 二零一九年 RMB'000 人民幣千元
1,077,084
191,842
3,992
(2,393)
(31,819)
(274)
1,238,432

3. ACCOUNTING POLICIES (Continued)

(a) New standard, amendments and interpretation of HKFRSs adopted by the Group in the first half of 2019 (Continued)

(i) HKFRS 16 'Leases' (Continued)

Adjustments recognised on adoption
(Continued)

The recognised right-of-use assets relate to the following types of assets:

Land use rights	土地使用權
Buildings and warehouses	樓宇及倉庫
Equipment and others	設備及其他
Total right-of-use assets	使用權資產總值
Current lease liabilities	流動租賃負債
Non-current lease liabilities	非流動租賃負債
Total lease liabilities	租賃負債總額
Representing:	代表：
Additional lease liabilities recognised	已確認的額外租賃負債
Reclassification of finance lease obligations to lease liabilities	融資租賃承擔重新分類至租賃負債

3. 會計政策(續)

(a) 本集團於二零一九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16號「租賃」(續)

採納時確認的調整(續)

已確認的使用權資產與以下類別資產有關：

	30 June 2019 二零一九年 六月三十日 RMB'000 人民幣千元	1 January 2019 二零一九年 一月一日 RMB'000 人民幣千元
	1,057,989	877,045
	128,427	142,020
	52,016	58,019
	1,238,432	1,077,084
	33,289	34,309
	132,753	149,152
	166,042	183,461
		182,630
		831
		183,461

3. ACCOUNTING POLICIES (Continued)

(a) New standard, amendments and interpretation of HKFRSs adopted by the Group in the first half of 2019 (Continued)

(i) HKFRS 16 'Leases' (Continued)

Adjustments recognised on adoption (Continued)

The change in accounting policy affected the following items in the balance sheet on 1 January 2019:

- property, plant and equipment — decrease by RMB17,409,000
- freehold land and land use rights — decrease by RMB877,045,000
- right-of-use assets — increase by RMB1,077,084,000
- finance lease obligations — decrease by RMB831,000
- lease liabilities (current portion) — increase by RMB34,309,000
- lease liabilities (non-current portion) — increase by RMB149,152,000

There was no impact on retained earnings on 1 January 2019.

3. 會計政策 (續)

(a) 本集團於二零一九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16號「租賃」 (續)

採納時確認的調整 (續)

於二零一九年一月一日，會計政策變動影響下列資產負債表的項目：

- 物業、廠房及設備 — 減少人民幣17,409,000元
- 永久產權土地及土地使用權 — 減少人民幣877,045,000元
- 使用權資產 — 增加人民幣1,077,084,000元
- 融資租賃承擔 — 減少人民幣831,000元
- 租賃負債(即期部分) — 增加人民幣34,309,000元
- 租賃負債(非即期部分) — 增加人民幣149,152,000元

於二零一九年一月一日的保留盈利並無受到任何影響。

3. ACCOUNTING POLICIES (Continued)

(a) New standard, amendments and interpretation of HKFRSs adopted by the Group in the first half of 2019 (Continued)

(i) HKFRS 16 'Leases' (Continued)

Impact on segment disclosures and profit

Total segment profit for the six months ended 30 June 2019, total segment assets and total segment liabilities as at 30 June 2019 all changed as a result of the change in accounting policy. The following segments were affected by the change in policy and the respective operating profit, segment assets and segment liabilities were increased/ (decreased) by:

Yarns	紗線
Garment fabrics and Garments	面料和服裝

3. 會計政策(續)

(a) 本集團於二零一九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16號「租賃」(續)

對分類披露資料及溢利的影響

截至二零一九年六月三十日止六個月的分類溢利總額、於二零一九年六月三十日的分類資產總額及分類負債總額均因會計政策變動而有所變化。以下分類受政策變動的影響及有關經營溢利、分類資產及分類負債增加/(減少)：

Operating profit	Segment assets	Segment liabilities
經營溢利	分類資產	分類負債
RMB'000	RMB'000	RMB'000
人民幣千元	人民幣千元	人民幣千元
(1,391)	129,386	130,436
(308)	35,336	35,606
(1,699)	164,722	166,042

3. ACCOUNTING POLICIES (Continued)

(a) New standard, amendments and interpretation of HKFRSs adopted by the Group in the first half of 2019 (Continued)

(i) HKFRS 16 'Leases' (Continued)

Practical expedients applied

In applying HKFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- reliance on previous assessments on whether leases are onerous;
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases;
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying HKAS 17 'Leases' and HK (IFRIC) 4 'Determining whether an Arrangement contains a Lease'.

3. 會計政策 (續)

(a) 本集團於二零一九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16號「租賃」(續)

所應用的可行權宜方法

於首次採納香港財務報告準則第16號時，本集團已使用以下該準則所允許的可行權宜方法：

- 對具有合理相似特徵的租賃組合使用單一貼現率；
- 依賴先前關於租賃是否虧損的評估；
- 對於二零一九年一月一日剩餘租期少於十二個月的經營租賃的會計處理為短期租賃；
- 在首次應用日期排除初始直接成本以計量使用權資產；及
- 當合約包含延長或終止租約的選擇時，以事後分析結果確定租期。

本集團亦已選擇不重新評估合約在首次應用日期是否或包含租賃。相反，對於在過渡日期之前訂立的合約，本集團依據其應用香港會計準則第17號「租賃」及香港(財務報告詮釋委員會詮釋)第4號釐定安排是否包括租賃作出的評估。

3. ACCOUNTING POLICIES (Continued)

(a) New standard, amendments and interpretation of HKFRSs adopted by the Group in the first half of 2019 (Continued)

(i) HKFRS 16 ‘Leases’ (Continued)

The Group’s leasing activities and how these are accounted for

The Group leases various offices, warehouses and equipment. Rental contracts are typically made for fixed periods. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Until the 2018 financial year, leases of property, plant and equipment were classified as either finance or operating leases. Payments made under operating leases were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset’s useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of fixed payments (including in-substance fixed payments).

3. 會計政策(續)

(a) 本集團於二零一九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16號「租賃」(續)

本集團的租賃活動及其會計方法

本集團租賃各種辦公室、倉庫及設備。租約一般為固定期。租賃條款按個別基準協商且包含多種不同條款及條件。租賃協議並無施加任何條款，惟租賃資產不得用作借款的擔保品。

截至二零一八年財政年度，物業、廠房及設備租賃分類為融資租賃或經營租賃。根據經營租賃作出的付款於租賃期內以直線法自損益扣除。

自二零一九年一月一日起，租賃於租賃資產可供本集團使用之日確認為使用權資產及相應負債。每筆租賃付款分配至負債及融資成本。融資成本於租期內自損益扣除，藉此制定各期間負債結餘的固定週期利率。使用權資產按資產可使用年期或租期(以較短者為準)以直線法折舊。

租賃產生的資產及負債初步按現值計量。租賃負債包括固定付款(包括實質固定付款)的淨現值

3. ACCOUNTING POLICIES (Continued)

(a) New standard, amendments and interpretation of HKFRSs adopted by the Group in the first half of 2019 (Continued)

(i) HKFRS 16 'Leases' (Continued)

The Group's leasing activities and how these are accounted for (Continued)

The lease payments are discounted using incremental borrowing rate of the Group which the Group would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liabilities;
- any lease payments made at or before the commencement date.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small items of office furniture.

Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor. None of the extension option was exercised in the six months ended 30 June 2019.

3. 會計政策 (續)

(a) 本集團於二零一九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16號「租賃」(續)

本集團的租賃活動及其會計方法 (續)

租賃付款使用本集團的增量借貸利率予以貼現，即本集團以類似條款及條件在類似經濟環境中借入獲得類似價值資產所需資金所必須支付的利率。

使用權資產按成本計量，包括以下各項：

- 租賃負債的初步計量金額；
- 於開始日期或之前所作的任何租賃付款。

與短期租賃及低價值資產租賃相關的付款以直線法於損益確認為開支。短期租賃指租賃期為12個月或以下的租賃。低價值資產包括小型辦公傢俬。

延期及終止選擇權

本集團的若干物業及設備租賃包含延期及終止選擇權。該等條款乃用於就管理合約令經營靈活性最大化。所持有的大部分延期及終止選擇權僅可由本集團行使，惟不得由有關出租人行使。截至二零一九年六月三十日止六個月，概無行使任何延期期權。

3. ACCOUNTING POLICIES (Continued)

(a) New standard, amendments and interpretation of HKFRSs adopted by the Group in the first half of 2019 (Continued)

(ii) Annual Improvements to HKFRSs 2015–2017 Cycle which were finalised in December 2017:

- HKFRS 3 'Business Combinations' — clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages.
- HKFRS 11 'Joint Arrangements' — clarified that the party obtaining joint control of a business that is a joint operation should not remeasure its previously held interest in the joint operation.
- HKAS 12 'Disclosure of Interests in Other Entities' — clarified that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.
- HKAS 23 'Borrowing Costs' — clarified that, if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

3. 會計政策(續)

(a) 本集團於二零一九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) 二零一七年十二月完成的香港財務報告準則二零一五年至二零一七年週期年度改進：

- 香港財務報告準則第3號「業務合併」— 澄清了取得合營業務控制權乃分階段進行之業務合併。
- 香港財務報告準則第11號「合營安排」— 澄清取得屬共同經營的業務的控制權一方毋須重新計量其先前於該共同經營中持有的權益。
- 香港會計準則第12號「披露其他實體的權益」— 澄清了分類為權益之金融工具之股息所得稅影響應根據過去產生可分配溢利之交易或事件確認時確認。
- 香港會計準則第23號「借貸成本」— 澄清，倘特定借貸於相關合資格資產可用於其擬定用途或銷售後仍未清償，則成為一般借貸之一部分。

3. ACCOUNTING POLICIES (Continued)

(a) New standard, amendments and interpretation of HKFRSs adopted by the Group in the first half of 2019 (Continued)

(iii) HK (IFRIC) 23 'Uncertainty over Income Tax Treatments', explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

- how to determine the appropriate unit of account, and that each uncertain tax treatment should be considered separately or together as a group, depending on which approach better predicts the resolution of the uncertainty;
- that the entity should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, i.e. that detection risk should be ignored;
- that the entity should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment;
- that the impact of the uncertainty should be measured using either the most likely amount or the expected value method, depending on which method better predicts the resolution of the uncertainty; and
- that the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.

While there are no new disclosure requirements, entities are reminded of the general requirement to provide information about judgements and estimates made in preparing the financial statements.

3. 會計政策 (續)

(a) 本集團於二零一九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)

(iii) 香港 (國際財務報告詮釋委員會) 詮釋第 23 號「所得稅處理之不確定性」，闡述在存在稅務處理不確定性的情況下遞延及當期所得稅資產的確認及計量方法。具體而言，其就以下各項進行討論：

- 如何確定適當的賬戶單位，及須釐定獨立或集中考慮各項不確定稅項處理，取決於更佳預測不確定性之解決方法；
- 實體應假設稅務機關將檢查不確定的稅務處理並充分了解所有相關資料，即應忽略檢測風險；
- 當稅務機關不太可能接受處理時，實體應反映其所得稅會計中不確定性的影響；
- 應使用最可能發生的金額或期望值法來衡量不確定性的影響，具體取決於何種方法可最佳預測不確定性的解決方案，及
- 無論何時發生情況變化或有新的資料影響判決，均須重新評估所做出的判斷及估計。

儘管並無新的披露規定，各實體須注意提供有關編製財務報表時作出的判斷及估計資料的一般要求。

3. ACCOUNTING POLICIES (Continued)

(a) New standard, amendments and interpretation of HKFRSs adopted by the Group in the first half of 2019 (Continued)

(iv) Amendments to HKFRS 9 regarding prepayment features with negative compensation, enable entities to measure certain prepayable financial assets with negative compensation at amortised cost. These assets, which include some loan and debt securities, would otherwise have to be measured at fair value through profit or loss.

To qualify for amortised cost measurement, the negative compensation must be 'reasonable compensation for early termination of the contract' and the asset must be held within a 'held to collect' business model.

(v) Amendments to HKAS 28 regarding long-term interests in associates and joint ventures, clarify the accounting for long-term interests in an associate or joint venture, which in substance form part of the net investment in the associate or joint venture, but to which equity accounting is not applied. Entities must account for such interests under HKFRS 9 'Financial Instruments' before applying the loss allocation and impairment requirements in HKAS 28 'Investments in Associates and Joint Ventures'.

3. 會計政策(續)

(a) 本集團於二零一九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9號關於具有負補償的提前還款特性之修訂，以便實體按攤銷成本計量有負賠償的若干可預付金融資產。該等包括若干貸款及債務證券的資產則按公平值計入損益計量。

負賠償必須為「對提前終止合同的合理賠償」及資產的業務模式必須為「持有以收取」，僅符合以攤銷成本計量的資格。

(v) 香港會計準則第28號「於聯營公司及合營企業的長期權益」之修訂，澄清了在聯營公司或合營企業中擁有長期利益，實質上構成部分淨投資但未採用權益法核算的會計處理。實體必須在採用香港會計準則第28號「於聯營公司及合營企業的投資」規定的損失及減值的要求前，先採用香港財務報告準則第9號「金融工具」。

3. ACCOUNTING POLICIES (Continued)

(a) New standard, amendments and interpretation of HKFRSs adopted by the Group in the first half of 2019 (Continued)

(vi) Amendments to HKAS 19 regarding plan amendment, curtailment or settlement, clarify the accounting for defined benefit plan amendments, curtailments and settlements. They confirm that entities must:

- calculate the current service cost and net interest for the remainder of the reporting period after a plan amendment, curtailment or settlement by using the updated assumptions from the date of the change;
- recognise any reduction in a surplus immediately in profit or loss, either as part of past service cost or as a gain or loss on settlement. In other words, a reduction in a surplus must be recognised in profit or loss even if that surplus was not previously recognised because of the impact of the asset ceiling;
- separately recognise any changes in the asset ceiling through other comprehensive income.

3. 會計政策(續)

(a) 本集團於二零一九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)

(vi) 香港會計準則第19號關於計劃修改、縮減或結算之修訂，澄清了對界定受益計劃修改、縮減及結算的會計核算。本次修改要求實體：

- 在計劃修改、縮減或結算後，使用自更改日期起的更新後假設來計算報告期剩餘期間的當期服務成本及淨利息；
- 在損益中確認盈餘減少，作為過往服務成本的一部分或作為結算盈利或虧損，即使由於資產上限的影響之前並未確認，盈餘減少亦必須於損益中確認；
- 通過其他綜合收益單獨確認資產上限的任何變化。

3. ACCOUNTING POLICIES (Continued)

(b) The following new standard and amendments of HKFRSs have been issued but are not effective for the financial year beginning on 1 January 2019 and have not been early adopted by the Group:

- (i) HKFRS 17 'Insurance Contracts', effective for annual periods beginning on or after 1 January 2021.
- (ii) Amendments to HKAS 1 and HKAS 8 regarding definition of material, effective for annual periods beginning on or after 1 January 2020.
- (iii) Amendments to HKFRS 3 regarding definition of a business, effective for annual periods beginning on or after 1 January 2020.
- (iv) Revised Conceptual Framework for Financial Reporting, effective for annual periods beginning on or after 1 January 2020.
- (v) Amendments to HKFRS 10 and HKAS 28 regarding sale or contribution of assets between an investor and its associate or joint venture, originally intended to be effective for annual periods beginning on or after 1 January 2016. The effective date has now been deferred/removed.

4. ESTIMATES

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

In preparing these condensed consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2018.

3. 會計政策(續)

(b) 以下香港財務報告準則之新訂準則及修訂已頒佈但尚未於二零一九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17號「保險合約」，自二零二一年一月一日或之後起年度期間生效。
- (ii) 香港會計準則第1號及香港會計準則第8號有關重大定義之修訂，自二零二零年一月一日或之後起年度期間生效。
- (iii) 香港財務報告準則第3號有關業務之修訂，自二零二零年一月一日或之後起年度期間生效。
- (iv) 財務報告之經修訂概念框架，自二零二零年一月一日或之後起年度期間生效。
- (v) 香港財務報告準則第10號及香港會計準則第28號關於投資者與其聯營公司或合營企業之間的資產出售或注資之修訂，原訂於二零一六年一月一日或之後開始之年度期間生效。有關生效日期現已押後／刪除。

4. 估計

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

於編製此簡明綜合財務報表時，管理層於應用本集團會計政策及有關不明朗估計的主要來源時作出的主要判斷，與編製截至二零一八年十二月三十一日止年度的綜合財務報表時所用者一致。

5. FINANCIAL RISK MANAGEMENT

5.1 Financial risk factors

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

The condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2018.

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.

5.3 Fair value estimation

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

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

5. 財務風險管理

5.1 財務風險因素

本集團的業務面對多種財務風險(包括外匯風險、價格風險、現金流量及公平值利率風險)、信貸風險及流動資金風險。

簡明綜合財務報表並不包括年度財務報表所需的所有財務風險管理資料及披露,並應與本集團截至二零一八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。

5.3 公平值估計

下表以估值法分析按公平值列賬之金融工具,各等級分析如下:

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

5. FINANCIAL RISK MANAGEMENT (Continued)

5.3 Fair value estimation (Continued)

The following table presents the Group's financial assets and liabilities that are measured at fair value at 30 June 2019 and 31 December 2018.

At 30 June 2019 於二零一九年六月三十日

Assets 資產

Derivative financial instruments 衍生金融工具

Liabilities 負債

Derivative financial instruments 衍生金融工具

At 31 December 2018 於二零一八年十二月三十一日

Assets 資產

Derivative financial instruments 衍生金融工具

Liabilities 負債

Derivative financial instruments 衍生金融工具

5. 財務風險管理(續)

5.3 公平值估計(續)

下表載列本集團於二零一九年六月三十日及二零一八年十二月三十一日按公平值計量之財務資產與負債。

Level 1 第一級 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
-	170,809	-	170,809
-	94,120	-	94,120
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
-	145,220	-	145,220
-	89,468	-	89,468

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 swap contracts 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. 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 chief operating decision-maker has been identified as the Committee of Executive Directors of the Company. 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)。

主要經營決策者被視為本公司執行董事委員會。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 SEGMENTAL INFORMATION

(Continued)

The Committee of Executive Directors considers the business from both a product and geographical perspective. From a product perspective, 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, Turkey, Macao, Cambodia, Nicaragua and North America.

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 2019 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角度分類，管理層從產品角度評估紗線、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、土耳其、澳門、柬埔寨、尼加拉瓜及北美洲)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。

截至二零一九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 2019 截至二零一九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		Vietnam	Turkey	Macao	Mainland China and Hong Kong 中國大陸及香港		Cambodia	Vietnam	Nicaragua	Macao	North America 北美洲	Mainland China and Hong Kong 中國大陸及香港	Vietnam	Macao	
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	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	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	6,677,827	3,940,806	14,887	6,445,252	1,739,892	71,878	321,548	16,280	50,331	451,990	338,075	255,197	175,774	20,499,537		
Inter-segment revenue	分拆間收入	(327,832)	(3,671,655)	-	(5,348,878)	(98,928)	(71,810)	(296,113)	(16,280)	(48,328)	-	-	-	(255,143)	(172,906)	(10,308,071)	
Revenue (from external customers)	收入(來自外部客戶)	6,349,795	268,951	14,887	1,096,376	1,640,964	68	25,435	-	2,003	451,990	338,075	54	2,868	10,191,466		
Timing of revenue recognition — At a point in time	收入確認之時間 — 於某一個時間點	6,349,795	268,951	14,887	1,096,376	1,640,964	68	25,435	-	2,003	451,990	338,075	54	2,868	10,191,466		
Segment results	分類業績	243,772	342,890	(9,847)	(63,978)	53,501	(1,289)	(15,273)	(4,179)	324	7,160	14,674	17,419	1,361	986,535		
Unallocated profits	未分配溢利														214,868		
Operating profit	經營溢利																801,403
Finance income	財務收入																17,781
Finance costs	財務費用																(254,342)
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																
Income tax expense	減虧損 所得稅開支																260
Profit for the period	期內溢利																(78,777)
Depreciation and amortisation	折舊及攤銷	(175,794)	(161,303)	(1,253)	(240)	(32,072)	(8,488)	(22,680)	(3,579)	-	(5,490)	(6,527)	(12,978)	-	(430,405)		

6. REVENUE AND SEGMENTAL INFORMATION

(Continued)

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

6. 收益及分類資料(續)

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		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 越南	Macao 澳門	Macao 澳門	Macao 澳門	Cambodia 柬埔寨	Vietnam 越南	Nicaragua 尼加拉瓜	Nicaragua 尼加拉瓜	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	
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)	(3,248,799)	(5,525,088)	-	(19,631)	(66,042)	(212,811)	(15,273)	-	(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 At a point in time	收入確認之時間 於某一個時間點	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	396,597	236,080	216,261	(3,791)	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 accounted for using the equity method	分佔使用權益法 入賬之投資溢利 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 SEGMENTAL INFORMATION

(Continued)

The segment assets and liabilities as at 30 June 2019 are as follows:

6. 收益及分類資料(續)

於二零一九年六月三十日之分類資產及負債如下：

		Unaudited 未經審核													Total 總額		
		As at 30 June 2019 於二零一九年六月三十日															
		Yarn 紗線				Garment fabrics and Garments 面料及服裝						Grey fabrics 坯布					
		North America				Sub-total		Mainland China and Hong Kong		Vietnam		Macao		North America			
		Hong Kong	Vietnam	Macao	Turkey	North America	Sub-total	Hong Kong	Cambodia	Vietnam	Nicaragua	Macao	North America	Hong Kong	Vietnam	Macao	
		及香港	越南	澳門	土耳其	北美洲	小計	及香港	柬埔寨	越南	尼加拉瓜	澳門	北美洲	及香港	越南	澳門	
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	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	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	8,920,887	5,528,485	378,519	233,971	71,448	15,133,310	3,214,655	231,420	623,651	241,645	1,691	378,107	335,174	577,081	2,555	20,739,299
Unallocated assets	未分配資產																439,615
Total assets of the Group	本集團總資產																21,178,914
Total segment liabilities	分類總負債						(6,350,349)	(1,884,445)	(62,975)	(437,594)	(138,830)	-	(228,047)	(60,254)	(357,830)	-	(9,518,324)
Unallocated liabilities	未分配負債																(4,027,422)
Total liabilities of the Group	本集團總負債																(13,545,746)
Addition to non-current assets	添置非流動資產	479,791	81,089	1,426	134,167	71,206	767,679	39,456	543	25,240	132,242	-	366	3,272	153,226	-	1,122,024

6. REVENUE AND SEGMENTAL INFORMATION

(Continued)

The segment assets and liabilities as at 31 December 2018 are as follows:

6. 收益及分類資料(續)

於二零一八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 2018															
		於二零一八年十二月三十一日															
		Yam 紗纜				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			Vietnam 越南	Macao 澳門	Sub-total 小計	Mainland China and Hong Kong 中國大陸 及香港			Cambodia 柬埔寨	Vietnam 越南	Nicaragua 尼加拉瓜	North America 北美洲	Mainland China and Hong Kong 中國大陸 及香港		Vietnam 越南
		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	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Total segment assets	分類總資產	8,639,123	5,575,259	227,768	14,442,150	1,599,261	220,583	548,605	143,851	359,266	362,660	440,756	18,117,132				652,883
Unallocated assets	未分配資產																
Total assets of the Group	本集團總資產																18,770,015
Total segment liabilities	分類總負債				(6,148,063)	(667,929)	(28,243)	(402,800)	(1,867)	(219,895)	(36,505)	(345,396)	(8,070,718)				(3,862,475)
Unallocated liabilities	未分配負債																
Total liabilities of the Group	本集團總負債																(11,933,193)
Addition to non-current assets	添置非流動資產	995,553	695,662	8	1,691,223	42,813	7,401	85,491	41,126	3,083	20,684	111,594	2,003,415				

The Group planned to develop real estate and has purchased relevant land use rights with lease terms of 40 to 70 years of RMB227,096,000 (31 December 2018: RMB226,058,000). No construction had started till 30 June 2019, such land use rights were recognised in unallocated assets.

本集團計劃開發房地產並已購買租約為40年至70年的相關土地使用權人民幣227,096,000元(二零一八年十二月三十一日：人民幣226,058,000元)。截至二零一九年六月三十日尚未開始施工，故而該土地使用權於未分配資產內確認。

7. FREEHOLD LAND AND LAND USE RIGHTS

7. 永久產權土地及土地使用權

		Unaudited 未經審核 RMB'000 人民幣千元
Six months ended 30 June 2018	截至二零一八年六月三十日 止六個月	
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
Closing net book amount as at 30 June 2018	於二零一八年六月三十日 之期末賬面淨值	974,343
Six months ended 30 June 2019	截至二零一九年六月三十日 止六個月	
Opening net book amount as at 1 January 2019	於二零一九年一月一日之 期初賬面淨值	1,011,183
Adjustment for change in accounting policy (Note 3(a(i)))	有關會計政策變動之調整 (附註3(a(i)))	(877,045)
Restated opening net book amount	重列期初賬面淨值	134,138
Additions	添置	34,740
Closing net book amount as at 30 June 2019	於二零一九年六月三十日之 期末賬面淨值	168,878

8. PROPERTY, PLANT AND EQUIPMENT

8. 物業、廠房及設備

		Unaudited
		未經審核
		RMB'000
		人民幣千元
Six months ended 30 June 2018	截至二零一八年六月三十日止六個月	
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
		<hr/>
Closing net book amount as at 30 June 2018	於二零一八年六月三十日 之期末賬面淨值	6,969,647
		<hr/>
Six months ended 30 June 2019	截至二零一九年六月三十日止六個月	
Opening net book amount as at 1 January 2019	於二零一九年一月一日之 期初賬面淨值	7,716,921
Adjustment for change in accounting policy (Note 3(a(i)))	有關會計政策變動之調整 (附註3(a(i)))	(17,409)
		<hr/>
Restated opening net book amount	重列期初賬面淨值	7,699,512
Acquisition of subsidiaries	收購附屬公司	527,148
Additions	添置	1,083,292
Disposals	出售	(5,656)
Depreciation	折舊	(396,755)
Currency translation differences	貨幣匯兌差額	(1,909)
		<hr/>
Closing net book amount as at 30 June 2019	於二零一九年六月三十日 之期末賬面淨值	8,905,632
		<hr/>

As at 30 June 2019, property, plant and equipment with a total net book amount of RMB763,872,000 (31 December 2018: RMB834,894,000) were pledged as collateral for the Group's bank borrowings (Note 16).

於二零一九年六月三十日，賬面淨值總額為人民幣763,872,000元之物業、廠房及設備(二零一八年十二月三十一日：人民幣834,894,000元)已抵押作為本集團取得銀行融資之抵押品(附註16)。

During the six months ended 30 June 2019, no finance cost was capitalised as part of property, plant and equipment (for the six months ended 30 June 2018: nil).

於截至二零一九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(截至二零一八年六月三十日止六個月：零)。

9. INTANGIBLE ASSETS

9. 無形資產

		Unaudited 未經審核 RMB'000 人民幣千元
Six months ended 30 June 2018	截至二零一八年六月三十日 止六個月	
Opening and closing net book amount for the six months ended 30 June 2018	截至二零一八年六月三十日止六個月 的期初及期末賬面淨值	—
Six months ended 30 June 2019	截至二零一九年六月三十日止六個月	
Opening net book amount as at 1 January 2019	於二零一九年一月一日 的期初賬面淨值	70,728
Amortisation charges	攤銷費用	(1,831)
Closing net book amount as at 30 June 2019	於二零一九年六月三十日 的期末賬面淨值	68,897

10. 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

10. 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 2019 二零一九年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
200,415	200,831
4,552	3,876
204,967	204,707

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

Associates	聯營公司
Joint ventures	合營企業

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 2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
(416)	8,245
676	459
260	8,704

10. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

Investments in associates

Share of net assets of unlisted associates
Goodwill

分佔非上市聯營公司
資產淨值
商譽

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

Opening amount
Share of (losses)/profits based on equity held

期初金額
根據所持的權益應佔
(虧損)/溢利

Closing amount

期末金額

Set out below are the associates of the Group as at 30 June 2019 which, in the opinion of the directors, are individually immaterial 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.

10. 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 2019 二零一九年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
200,224	200,640
191	191
200,415	200,831

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 2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
200,640	179,392
(416)	8,245
200,224	187,637

以下為於二零一九年六月三十日，董事認為對本集團並非個別重大之本集團聯營公司。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。

10. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

10. 使用權益法入賬之投資 (續)

Investments in associates (Continued)

Nature of investments in associates as at 30 June 2019:

於聯營公司的投資 (續)

於二零一九年六月三十日，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，二零二零年九月十一日，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	48%
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	45%
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	於香港進行投資控股	100 港元	45%
— 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	45%

10. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

Investments in associates (Continued)

Aggregate carrying amount of individually immaterial associates	不屬於個別重大的聯營公司的總賬面值
Aggregate amounts of the Group's share of: (Losses)/profits from continuing operations	本集團分佔以下各項的總金額： 持續經營業務產生的(虧損)/溢利
Other comprehensive income	其他全面收益
Total comprehensive (loss)/income	其他全面(虧損)/收益總額

Investments in joint ventures

Opening amount	期初金額
Share of profits based on equity held	根據所持的權益應佔溢利
Closing amount	期末金額

10. 使用權益法入賬之投資(續)

於聯營公司的投資(續)

Unaudited 未經審核	
Six months ended 30 June 截至六月三十日止六個月	
2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
200,415	187,828
(416)	8,245
-	-
(416)	8,245

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	
2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
3,876	3,206
676	459
4,552	3,665

10. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

Investments in joint ventures (Continued)

Set out below is the joint venture of the Group as at 30 June 2019 which, in the opinion of the directors, is immaterial to the Group. The joint venture listed below has share capital consisting solely of ordinary shares, which is held directly by the Group; the country of incorporation or registration is also its principal place of business.

Nature of investment in a joint venture as at 30 June 2019:

10. 使用權益法入賬之投資(續)

於合營企業的投資(續)

以下為於二零一九年六月三十日，董事認為對本集團並不重要之本集團合營企業。下列合營企業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。

於二零一九年六月三十日，於合營企業的投資性質如下：

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	50%

Texhong Tan Cang Logistics Joint Stock Company is a private company and there is no quoted market price available for its shares.

天虹新港物流股份公司乃一家私營公司，其股份並無市場報價。

10. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

Investments in joint ventures (Continued)

Carrying amount of the immaterial joint venture	不屬於重大的合營企業的賬面值		
The Group's share of:	本集團分佔以下各項：		
Profit from continuing operations	持續經營業務產生的溢利	676	459
Other comprehensive income	其他全面收益	—	—
Total comprehensive income	全面收益總額	676	459

10. 使用權益法入賬之投資 (續)

於合營企業的投資 (續)

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
		4,552	3,665
		676	459
		—	—
		676	459

11. INVENTORIES AND PROPERTIES UNDER DEVELOPMENT

Inventories

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

11. 存貨及發展中物業

存貨

		Unaudited 未經審核		Audited 經審核	
		30 June 2019 二零一九年 六月三十日		31 December 2018 二零一八年 十二月三十一日	
		RMB'000 人民幣千元		RMB'000 人民幣千元	
		3,562,414		3,473,769	
		409,828		338,350	
		1,727,937		1,399,173	
		5,700,179		5,211,292	

As at 30 June 2019, inventories with a total net book amount of RMB2,740,000 were pledged as collateral for the Group's bank borrowings (31 December 2018: nil) (Note 16).

於二零一九年六月三十日，賬面淨值總額為人民幣2,740,000元之存貨已抵押作本集團銀行借貸的抵押品(二零一八年十二月三十一日：零)(附註16)。

11. INVENTORIES AND PROPERTIES UNDER DEVELOPMENT (Continued)

Properties under development

Land use rights

土地使用權

As at 30 June 2019, land use rights of RMB227,096,000 (31 December 2018: RMB226,058,000) were in Mainland China with lease terms of 40 to 70 years.

As at 30 June 2019, no construction had started yet, and no finance cost was capitalized as part of properties under development (31 December 2018: nil).

11. 存貨及發展中物業(續)

發展中物業

Unaudited 未經審核 30 June 2019 二零一九年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
227,096	226,058

於二零一九年六月三十日，在中國大陸的土地使用權為人民幣227,096,000元(二零一八年十二月三十一日：人民幣226,058,000元)，租賃期限為40年至70年。

於二零一九年六月三十日，尚未開始施工，概無財務費用(二零一八年十二月三十一日：無)資本化為發展中物業之一部分。

12. 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

As at 30 June 2019, no amount due from related parties was included in the trade receivables (31 December 2018: RMB5,131,000) (Note 30).

The fair values of trade and bills receivables approximate their carrying amounts.

As at 30 June 2019, no bills receivable was pledged as collateral for the Group's bank borrowings (31 December 2018: RMB97,526,000) (Note 16).

12. 應收貿易及票據款項

Unaudited 未經審核 30 June 2019 二零一九年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
879,324	787,107
(9,303)	(6,588)
870,021	780,519
763,910	1,003,255
1,633,931	1,783,774

於二零一九年六月三十日，應收貿易款項中並無包含應收關聯方的款項（二零一八年十二月三十一日：人民幣5,131,000元）（附註30）。

應收貿易及票據款項的公平值與其賬面值相若。

於二零一九年六月三十日，概無應收票據作為本集團銀行借貸的抵押品（二零一八年十二月三十一日：人民幣97,526,000元）（附註16）。

12. TRADE AND BILLS RECEIVABLES (Continued)

The Group generally grants credit terms 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 (including amounts due from related parties of trading in nature) based on 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 — net	應收貿易及票據款項 — 淨額

There is no concentration of credit risk with respect to trade and bills receivables, as the Group has a large number of customers.

12. 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(包括貿易性質的應收關聯方款項)根據發票日期的賬齡分析如下：

Unaudited 未經審核 30 June 2019 二零一九年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
1,065,371	1,099,220
456,876	592,707
86,885	82,290
23,727	11,414
10,375	4,731
1,643,234 (9,303)	1,790,362 (6,588)
1,633,931	1,783,774

由於本集團擁有大批客戶，故應收貿易及票據款項無集中的信貸風險。

13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

		Unaudited 未經審核 30 June 2019 二零一九年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
Value-added tax recoverable	應退增值稅	386,381	363,802
Prepayments for purchase of raw materials	購買原材料的預付款項	339,845	401,836
Prepaid expenses	預付開支	33,224	51,418
Deposits for operation	業務按金	16,846	12,082
Prepaid income tax	預付所得稅	6,792	9,878
Compensation receivables	應收補償金	-	27,235
Other receivables	其他應收款項	4,335	1,648
		787,423	867,899

14. TRADE AND BILLS PAYABLES

		Unaudited 未經審核 30 June 2019 二零一九年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
Trade payables	應付貿易款項	730,871	693,210
Bills payable	應付票據款項	3,323,168	2,829,504
		4,054,039	3,522,714

As at 30 June 2019, included in the trade payables were amounts due to related parties of RMB16,128,000 (31 December 2018: RMB5,871,000) (Note 30).

The fair values of trade and bills payables approximate their carrying amounts.

13. 預付款項、按金及其他應收賬款

14. 應付貿易及票據款項

於二零一九年六月三十日，應付貿易款項包括應付關聯方款項人民幣16,128,000元(二零一八年十二月三十一日：人民幣5,871,000元)(附註30)。

應付貿易及票據款項的公平值與其賬面值相若。

14. 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

14. 應付貿易及票據款項(續)

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

Unaudited 未經審核 30 June 2019 二零一九年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
2,544,931	2,356,142
1,474,198	1,155,029
26,582	8,003
8,328	3,540
4,054,039	3,522,714

15. ACCRUALS AND OTHER PAYABLES

Accrued wages and salaries	應計工資及薪金
Payables for purchase of property, plant and equipment	購買物業、廠房及設備 應付賬款
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

15. 預提費用及其他應付款項

Unaudited 未經審核 30 June 2019 二零一九年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
296,036	281,152
136,528	208,821
116,427	142,682
69,520	32,907
9,820	9,820
8,283	11,169
69,535	40,668
706,149	727,219

16. BORROWINGS

16. 借貸

		Unaudited 未經審核 30 June 2019 二零一九年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
Current	即期		
Unsecured bank borrowings	無抵押銀行借貸	1,125,977	436,273
Secured bank borrowings (Note (a))	有抵押銀行借貸(附註(a))	125,421	414,138
Other bank borrowings (Note (b))	其他銀行借貸(附註(b))	1,510,002	1,402,136
		2,761,400	2,252,547
Non-current	非即期		
Unsecured bank borrowings	無抵押銀行借貸	537,758	1,164,630
Secured bank borrowings (Note (a))	有抵押銀行借貸(附註(a))	398,989	463,266
Other bank borrowings (Note (b))	其他銀行借貸(附註(b))	4,122,014	3,247,291
		5,058,761	4,875,187
Total borrowings	借貸總額	7,820,161	7,127,734

Notes:

附註：

(a) As at 30 June 2019, bank borrowings of RMB524,410,000 (31 December 2018: RMB877,404,000) were secured by the pledge of the Group's property, plant and equipment with a net book amount of approximately RMB763,872,000 (31 December 2018: RMB834,894,000) (Note 8); inventories with a total amount of RMB2,740,000 (31 December 2018: nil)(Note 11); no bills receivable (31 December 2018: RMB97,526,000)(Note 12) and no pledged bank deposits (31 December 2018: RMB68,450,000).

(a) 於二零一九年六月三十日，人民幣524,410,000元的銀行借貸(二零一八年十二月三十一日：人民幣877,404,000元)以本集團賬面淨值約人民幣763,872,000元(二零一八年十二月三十一日：人民幣834,894,000元)的物業、廠房及設備(附註8)及總額為人民幣2,740,000元(二零一八年十二月三十一日：零)的存貨(附註11)作抵押，概無應收票據(二零一八年十二月三十一日：人民幣97,526,000元)(附註12)及已抵押銀行存款(二零一八年十二月三十一日：人民幣68,450,000元)。

(b) As at 30 June 2019, other bank borrowings of RMB5,632,016,000 (31 December 2018: RMB4,649,427,000) were secured by cross corporate guarantees provided by certain subsidiaries of the Group.

(b) 於二零一九年六月三十日，其他銀行借貸人民幣5,632,016,000元(二零一八年十二月三十一日：人民幣4,649,427,000元)以本集團若干附屬公司提供的交叉公司擔保作抵押。

16. BORROWINGS (Continued)

Movements in borrowings are analysed as follows:

16. 借貸(續)

借貸變動分析如下：

		Unaudited 未經審核 RMB'000 人民幣千元
Six months ended 30 June 2018	截至二零一八年六月三十日止六個月	
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/>
Closing amount as at 30 June 2018	於二零一八年六月三十日 之期末金額	6,120,417
		<hr/>
Six months ended 30 June 2019	截至二零一九年六月三十日止六個月	
Opening amount as at 1 January 2019	於二零一九年一月一日的期初金額	7,127,734
Proceeds from borrowings	借貸所得款項	3,743,069
Repayments of borrowings	償還借貸	(3,081,420)
Exchange losses on borrowings	借貸匯兌虧損	30,778
		<hr/>
Closing amount as at 30 June 2019	於二零一九年六月三十日之期末金額	7,820,161
		<hr/>

16. 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 2019 was 3.85% (31 December 2018: 3.67%).

As at 30 June 2019, the Group has undrawn floating rates borrowing facilities of approximately RMB2,731,708,000 (31 December 2018: RMB2,967,823,000) which will be expired within one year.

16. 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 2019 二零一九年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
1,681,733	1,860,122
5,020,757	3,911,405
1,117,671	1,356,207
7,820,161	7,127,734

於二零一九年六月三十日之加權平均實際年利率為3.85% (二零一八年十二月三十一日：3.67%)。

於二零一九年六月三十日，本集團未動用之浮動息率借貸融資約人民幣2,731,708,000元 (二零一八年十二月三十一日：人民幣2,967,823,000元) 將於一年內到期。

17. DERIVATIVE FINANCIAL INSTRUMENTS

17. 衍生金融工具

		Unaudited 未經審核 30 June 2019 二零一九年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2018 二零一八年 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))	149,089	125,609
Cross currency swap contracts (Note (b))	交叉貨幣掉期合約 (附註(b))	21,720	17,946
Cotton future contracts (Note (c))	棉花期貨合約(附註(c))	-	1,665
		170,809	145,220
Liabilities:	負債：		
Forward foreign exchange contracts (Note (a))	遠期外匯合約 (附註(a))	6,682	18,562
Cross currency swap contracts (Note (b))	交叉貨幣掉期合約 (附註(b))	70,155	68,235
Cotton future contracts (Note (c))	棉花期貨合約 (附註(c))	17,283	2,671
		94,120	89,468

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。

17. DERIVATIVE FINANCIAL INSTRUMENTS

(Continued)

Notes:

- (a) The forward foreign exchange contracts as at 30 June 2019 comprised twenty-three contracts with notional principal amounts totalling RMB5,085,903,000 (31 December 2018: thirty-one contracts with notional principal amounts totalling RMB5,292,117,000).
- (b) The cross currency swap contracts as at 30 June 2019 comprised thirty-five contracts with notional principal amounts totalling RMB5,687,130,000 (31 December 2018: twenty-six contracts with notional principal amounts totalling RMB4,622,139,000).
- (c) The cotton future contracts as at 30 June 2019 comprised four contracts with notional principal amounts totalling USD9,234,000 (31 December 2018: eleven contracts with notional principal amounts totalling USD24,263,000).

18. 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.

Finance lease obligations were reclassified to lease liabilities on 1 January 2019 in the process of adopting the new leasing standard. See Note 3(a(i)) for further information about the change in accounting policy for leases.

17. 衍生金融工具 (續)

附註：

- (a) 於二零一九年六月三十日，遠期外匯合約包括二十三份合約，名義本金總計為人民幣5,085,903,000元(二零一八年十二月三十一日：三十一份合約，名義本金總計為人民幣5,292,117,000元)。
- (b) 於二零一九年六月三十日，交叉貨幣掉期合約包括三十五份合約，名義本金總計為人民幣5,687,130,000元(二零一八年十二月三十一日：二十六份合約，名義本金總計為人民幣4,622,139,000元)。
- (c) 於二零一九年六月三十日，棉花期貨合約包括四份合約，名義本金總計為9,234,000美元(二零一八年十二月三十一日：十一份合約，名義本金總計為24,263,000美元)。

18. 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。

在採用新租賃標準的過程中，融資租賃負債於二零一九年一月一日重新分類為租賃負債。有關租賃會計政策變動的進一步資料，請參見附註3(a(i))。

18. FINANCE LEASE OBLIGATIONS (Continued)

18. 融資租賃承擔 (續)

		Unaudited 未經審核 30 June 2019 二零一九年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
Gross finance lease liabilities — minimum lease payments	融資租賃負債總額 — 最低租賃付款		
No later than 1 year	一年內	—	885
Later than 1 year and no later than 5 years	一年後至五年內	—	—
Less: future finance charges on finance leases	減：融資租賃之 未來融資費用	—	(54)
		—	831
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	—	831
Later than 1 year and no later than 5 years	一年後至五年內	—	—
		—	831

19. LONG-TERM PAYABLES

19. 長期應付賬款

		Unaudited 未經審核 30 June 2019 二零一九年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
No later than 1 year	一年內	70,398	29,329
Later than 1 year and no later than 5 years	一年後至五年內	211,054	130,678
Less: future finance charges on long-term payables	減：長期應付賬款之 未來融資費用	(23,971)	(14,819)
		257,481	145,188
The present value of long- term payables is as follows:	長期應付賬款之 現值如下：		
No later than 1 year	一年內	58,241	22,295
Later than 1 year and no later than 5 years	一年後至五年內	199,240	122,893
		257,481	145,188

As at 30 June 2019, included in the long-term payables were amounts due to third parties for purchasing machinery and equipment with a carrying amount of RMB257,481,000 (31 December 2018: RMB145,188,000).

於二零一九年六月三十日，列入長期應付賬款的款項指就購買賬面值為人民幣257,481,000元(二零一八年十二月三十一日：人民幣145,188,000元)的機械及設備應付第三方的款項。

20.SHARE CAPITAL AND SHARE PREMIUM

20.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：		
Ordinary shares of Hong Kong Dollars ("HKD") 0.1 each	每股面值 0.1 港元 (「港元」) 之普通股		
At 31 December 2018 and 30 June 2019	於二零一八年十二月三十一日及二零一九年六月三十日	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：				
Ordinary shares of HKD0.1 each	每股面值 0.1 港元之普通股				
At 31 December 2018 and 30 June 2019	於二零一八年十二月三十一日及二零一九年六月三十日	915,000	96,709	433,777	530,486

21. 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.

21. 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%。

21. 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 2019.

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 to the administrative expenses for the six months ended 30 June 2019 (for the six months ended 30 June 2018: nil).

21. 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。自授出日期至二零一九年六月三十日，概無購股權獲行使。

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%。此等購股權之公平值總額為人民幣17,154,000元，而於截至二零一九年六月三十日止六個月並無自行政開支扣除的款項（截至二零一八年六月三十日止六個月：零）。

21. SHARE OPTION SCHEME (Continued)

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 RMB146,000 was charged to administrative expenses for the six months ended 30 June 2019 (for the six months ended 30 June 2018: RMB241,000).

21. 購股權計劃(續)

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146,000元已於截至二零一九年六月三十日止六個月之行政開支扣除(截至二零一八年六月三十日止六個月：人民幣241,000元)。

22. OTHER INCOME AND OTHER GAINS/(LOSSES) — NET

22. 其他收入及其他收益/(虧損) — 淨額

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Other income	其他收入		
Subsidy income (a)	補貼收入(a)	70,300	93,032
Other gains/(losses)	其他收益/(虧損)		
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	— 已變現虧損	(58,130)	(46,566)
— Unrealised profits	— 未變現溢利	28,475	21,064
Net foreign exchange losses	匯兌虧損淨額	(14,130)	(30,865)
Gains on disposal of joint ventures	出售合營企業之收益	—	200
Gains on acquisition of subsidiaries	收購附屬公司之收益	209,019	—
Others	其他	5,037	11,115
Total other gains/(losses)	其他收益/(虧損)總額	170,271	(45,052)

(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。

23. 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 condensed consolidated income statement.

23. 開支 (按性質分類)

下列開支項目已於簡明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	
		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Cost of inventories	存貨成本	6,834,196	5,702,474
Employment benefit expenses	僱員福利開支	1,290,163	1,051,672
Utilities	動力及燃料	599,362	473,865
Depreciation and amortisation	折舊及攤銷	430,405	359,159
Transportation	運輸	240,024	202,424

24. FINANCE INCOME AND COSTS

24. 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	
		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Interest expenses	利息開支		
— borrowings	— 借貸	220,409	151,005
— lease liabilities	— 租賃負債	3,155	—
— finance lease obligations	— 融資租賃承擔	—	123
		223,564	151,128
Net exchange losses on financing activities	融資活動所得匯兌虧損淨額	30,778	50,444
Finance costs	財務費用	254,342	201,572
Finance income — interest income on bank deposits	財務收入 — 銀行存款利息收入	(17,781)	(5,802)
Net finance costs	財務費用淨額	236,561	195,770

25. INCOME TAX EXPENSE

25. 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	
		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Current tax on profits for the period	本期間溢利即期稅項	84,179	100,646
Deferred income tax	遞延所得稅	(5,402)	(11,864)
		78,777	88,782

(i) Hong Kong profits tax

Subsidiaries established in Hong Kong are subject to profits tax at rate of 16.5% (2018: 16.5%).

(i) 香港利得稅

於香港成立的附屬公司須按 16.5% (二零一八年：16.5%) 之稅率繳付利得稅。

(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% (2018: 25%).

(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% (二零一八年：25%) 之稅率繳付企業所得稅。

As approved by the relevant tax bureau in Mainland China, two subsidiaries established in Changzhou and Zhanjiang are entitled to a preferential tax rate of 15% effective till 31 December 2020. A subsidiary established in Xuzhou is entitled to a preferential tax rate of 15% effective till 31 December 2019.

經中國大陸有關稅務局批准，在常州及湛江成立的兩家附屬公司有權享有 15% 的優惠稅率，有效期至二零二零年十二月三十一日。一家在徐州成立的附屬公司有權享受 15% 的優惠稅率，有效期至二零一九年十二月三十一日。

25. INCOME TAX EXPENSE (Continued)

(iii) Vietnam income tax

The income tax for the major subsidiaries in Vietnam are as below:

As approved by the relevant tax bureau in Vietnam, Texhong Renze Textile Joint Stock Company established in Vietnam in 2006 should separately calculate income tax on its initial 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% (2018: 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% (2018: 20%).

As approved by the relevant tax bureau in Vietnam, Texhong Yinlong Technology Ltd., Texhong Galaxy Technology Limited and Texhong United Technology Vietnam Company Limited established in Vietnam in 2014, 2016 and 2018, respectively are entitled to four years' exemption for 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.

The applicable tax rates for all subsidiaries in Vietnam range from nil to 20% during the period (2018: nil to 20%).

25. 所得稅開支(續)

(iii) 越南所得稅

越南主要附屬公司的所得稅如下：

經越南的相關稅務局批准，天虹仁澤紡織股份有限公司於二零零六年於越南成立，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%（二零一八年：20%）的所得稅稅率，可獲所得稅減半優惠。該附屬公司的第二項補充投資有權免繳所得稅兩年，其後五年根據20%（二零一八年：20%）的所得稅稅率，可獲所得稅減半優惠。

經越南的相關稅務局批准，於二零一四年、二零一六年及二零一八年分別在越南成立的天虹銀龍科技有限公司、天虹銀河科技有限公司及天虹聯合科技越南有限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，其後九年則可獲稅率減半優惠，並有權由業務產生收入之首個年度起享受優惠所得稅稅率10%達十五年。

期內，於越南之所有附屬公司之適用稅率介乎零至20%（二零一八年：零至20%）。

25. INCOME TAX EXPENSE (Continued)

(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 rate of 12% (2018: 12%). No provision for Macao profits tax has been made as the Group had no assessable profit arising in or derived from Macao during the period (2018: nil).

The Company's subsidiary established in Uruguay is subject to income tax rate of 25% (2018: 25%). No provision for Uruguay profits tax has been made as the Group had no assessable profit arising in or derived from Uruguay during the period (2018: nil).

The Company's subsidiary established in Turkey is subject to income tax at the rate of 22% (2018: 22%). No provision for Turkey profits tax has been made as the Group had no assessable profit arising in or derived from Turkey during the period (2018: nil).

The Company's subsidiary acquired in Cambodia in 2017 is subject to income tax at the rate of 20% (2018: 20%). No provision for Cambodia profits tax has been made as the Group had no assessable profit arising in or derived from Cambodia during the period (2018: nil).

25. 所得稅開支(續)

(iv) 其他所得稅

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。

本公司於澳門成立之附屬公司須按12% (二零一八年：12%)之稅率繳付所得稅。由於本集團於期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(二零一八年：零)。

本公司於烏拉圭成立之附屬公司須按25% (二零一八年：25%)之稅率繳付所得稅。概無就烏拉圭利得稅計提撥備，因為本集團於期內並無於烏拉圭產生或獲得應課稅溢利(二零一八年：零)。

本公司於土耳其成立之附屬公司須按22% (二零一八年：22%)之稅率繳付所得稅。由於本集團於期內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(二零一八年：零)。

本公司於二零一七年在柬埔寨收購之附屬公司須按20%之稅率繳付所得稅(二零一八年：20%)。由於本集團期內並無由柬埔寨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(二零一八年：零)。

25. INCOME TAX EXPENSE (Continued)

(iv) Other income tax (Continued)

The Company's subsidiary acquired in Nicaragua in 2017 is subject to income tax at the rate of 30% (2018: 30%). As approved by relevant tax bureau in Nicaragua, the subsidiary is entitled to exemption from profits tax during the period (2018: exempted) and effective till 31 December 2020.

The Company's subsidiaries acquired in Samoa in 2017 are exempted from profits tax during the period (2018: exempted).

The Company's subsidiaries acquired in the USA in 2018 are subject to income tax rate within the range from 27.5% to 30% (2018: 27.5% to 30%).

The Company's subsidiaries acquired or established in Mexico in 2018 and 2019 are subject to income tax at the rate of 30% (2018: 30%).

26. 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.

25. 所得稅開支(續)

(iv) 其他所得稅(續)

本集團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(二零一八年: 30%)。經尼加拉瓜有關稅務局批准, 該附屬公司有權於期內(二零一八年: 豁免)豁免繳付利得稅, 有效期至二零二零年十二月三十一日。

本公司於二零一七年在薩摩亞收購之附屬公司於期內豁免繳付利得稅(二零一八年: 豁免)。

於二零一八年在美國所收購的本公司附屬公司須按介乎27.5%至30%之所得稅稅率繳稅(二零一八年: 27.5%至30%)。

本公司於二零一八年及二零一九年在墨西哥所收購或成立的附屬公司須按30%的所得稅稅率繳稅(二零一八年: 30%)。

26. 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	
		2019 二零一九年	2018 二零一八年
Profit attributable to owners of the Company (RMB'000)	本公司擁有人應佔溢利 (人民幣千元)	471,042	602,411
Weighted average number of ordinary shares in issue (thousands)	已發行普通股加權 平均數(以千計)	915,000	915,000
Basic earnings per share (RMB per share)	每股基本盈利 (每股人民幣元)	0.51	0.66

26. EARNINGS PER SHARE (Continued)

(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.

26. 每股盈利(續)

(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，已發行的股份數目比較。

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2019 二零一九年	2018 二零一八年
Profit attributable to owners of the Company (RMB'000)	本公司擁有人應佔溢利 (人民幣千元)	471,042	602,411
Weighted average number of ordinary shares in issue (thousands)	已發行普通股加權 平均數(以千計)	915,000	915,000
Adjustments for:	調整：		
— Share options (thousands)	— 購股權(以千計)	3,969	1,911
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)	918,969	916,911
Diluted earnings per share (RMB per share)	每股攤薄盈利 (每股人民幣元)	0.51	0.66

27. DIVIDENDS

A final dividend of RMB158,936,000 that is related to the year ended 31 December 2018 was paid in May 2019 (2018: RMB156,160,000).

In addition, an interim dividend of HKD0.18 per share (2018: HKD0.23 per share) was proposed by the board of directors on 23 August 2019. It will be payable on or about 11 October 2019 to shareholders whose names are on the register on 25 September 2019. This interim dividend, amounting to RMB144,887,000 (2018: RMB184,102,000), has not been recognised as a liability in these financial statements. It will be recognised in shareholders' equity in the financial statements of the Company for the year ending 31 December 2019.

28. BUSINESS COMBINATIONS

On 1 April 2019, the Group acquired and eventually held the 80% interests of bundled companies from Winnitex Group Limited and Winnitex China Holdings Limited (the "Vendors"). The Group firstly acquired the 100% interests of Winnitex Holdings Limited, Winnitex Limited and Zhejiang Qing Mao Weaving, Dyeing & Printing Co., Ltd (the "Target Group") from the Vendors for a total consideration of RMB1,122,940,000 and then contributed the Target Group, together with the injection of the garment fabric business in Vietnam and Nicaragua of the Group into the enlarged garment fabric business (the "Enlarged Garment Fabric Business") held by Texhong Winnitex Holdings Limited ("Texhong Winnitex"). In the meantime, the Vendors injected capital of RMB416,165,000 into Texhong Winnitex to acquire the 20% interests of the Enlarged Garment Fabric Business.

27. 股息

於二零一九年五月，已支付與截至二零一八年十二月三十一日止年度相關的末期股息人民幣158,936,000元（二零一八年：人民幣156,160,000元）。

此外，董事會於二零一九年八月二十三日建議派付中期股息每股0.18港元（二零一八年：每股0.23港元）。有關股息將於二零一九年十月十一日或前後向於二零一九年九月二十五日名列股東名冊的股東支付。中期股息人民幣144,887,000元（二零一八年：人民幣184,102,000元）尚未於此財務報表確認為負債。該股息將於本公司截至二零一九年十二月三十一日止年度之財務報表確認為股東權益。

28. 業務合併

於二零一九年四月一日，本集團向 Winnitex Group Limited 及慶業中國控股有限公司（「賣方」）收購及最終持有一組公司的80%權益。本集團首先以人民幣1,122,940,000元之總代價向賣方收購慶業控股有限公司、Winnitex Limited 及浙江慶茂紡織印染有限公司（「目標集團」）的全部權益，且其後將目標集團連同已協定之本集團越南及尼加拉瓜面料業務併入由天虹慶業控股有限公司（「天虹慶業」）持有之擴大面料業務（「擴大面料業務」）。同時，賣方向天虹慶業注入人民幣416,165,000元資金以收購擴大面料業務之20%權益。

28. BUSINESS COMBINATIONS (Continued)

The particulars of the Target Group are set out as follows:

Name of companies 公司名稱	Place of incorporation 註冊成立地點
Winnitex Holdings Limited 慶業控股有限公司	BVI 英屬處女群島
Winnitex Limited Winnitex Limited	Hong Kong 香港
Zhejiang Qing Mao Weaving, Dyeing & Printing Co., Ltd.	Mainland China
浙江慶茂紡織印染有限公司	中國內地

With the acquisition of the Target Group, the Board believes that the Group will be able to increase its annual production capacity in woven garment fabric. This combination will allow quality-driven flexibility to the fast-paced apparel and technical workwear businesses and will create synergy benefits for the Group by leveraging on the well-established customer base and brand reputation of the Target Group. The Group's capability to produce high quality woven garment fabrics in the PRC, Vietnam and Nicaragua and its profitability will be significantly enhanced.

The Group recognized gains of RMB209,019,000 from the acquisition primarily arising from fair value gains on the underlying land and buildings and the gains are included in 'other gains/(losses) - net' in the consolidated income statement for the six months ended 30 June 2019.

28. 業務合併(續)

有關目標集團的詳情載列如下：

Principal activities 主要業務
Investment holding company 投資控股公司
Sales of woven garment fabrics 銷售梭織面料
Manufacturing of cotton and cotton blend yarns, greige, dyed and finished woven fabrics 製造純棉以及混棉紗線、坯布、 染整梭織面料

隨著收購目標集團，董事會相信本集團梭織面料之年產能將會增加。以上種種因素有助我們具備以品質為主之靈活彈性應對步伐急速之服裝及技術工作服業務，並藉著目標集團之龐大客戶群及品牌聲譽，為本集團帶來協同效益。本集團於中國、越南及尼加拉瓜生產高質素梭織面料之能力及其盈利能力將會顯著上升。

本集團自該等收購事項確認收益人民幣209,019,000元，主要來自相關土地及樓宇之公平值收益，有關收益已計入截至二零一九年六月三十日止六個月之綜合收益表「其他收益／(虧損)淨額」內。

28. BUSINESS COMBINATIONS (Continued)

The details of the fair value of assets acquired, liabilities assumed at the acquisition date of the acquisition is summarized on an aggregate basis as follows:

28. 業務合併(續)

於該收購事項之收購日期，已收購資產及所承擔負債公平值總數之詳情概述如下：

		Fair value at acquisition date 於收購日期 之公平值 RMB'000 人民幣千元
Total consideration:	總代價：	
— Cash	— 現金	1,122,940
— 20% interests of Vietnam and Nicaragua business	— 越南及尼加拉瓜業務的 20% 權益	110,881
		1,233,821
Recognised amounts of identifiable assets acquired and liabilities assumed (100% of Target Group)	所收購可識別資產及 所承擔負債之已確認金額 (目標集團100%權益)	
Cash and cash equivalents	現金及現金等值物	446,154
Property, plant and equipment (Note 8)	物業、廠房及設備(附註8)	527,148
Right-of-use assets (Note 3(a(i)))	使用權資產(附註3(a(i)))	191,842
Deferred income tax assets	遞延所得稅資產	894
Inventories	存貨	441,191
Trade and bills receivables	應收貿易及票據款項	143,314
Prepayments, deposits and other receivables	預付款項、按金及 其他應收款項	41,102
Trade and bills payables	應付貿易及票據款項	(89,939)
Accruals and other payables	預提費用及其他應付款項	(197,203)
Income tax payables	應付所得稅	(24,042)
Contract liabilities	合約負債	(8,673)
Lease liabilities	租賃負債	(7,112)
Deferred income tax liabilities	遞延所得稅負債	(83,691)
		1,387,385
Total identifiable net assets	可識別資產總額淨值	1,387,385
Capital injection from non-controlling shareholders	非控股股東注資	416,165
		1,803,550
Non-controlling interests' 20% share Gains on acquisition (Note 22)	非控制性權益的20%份額 收購產生的收益(附註22)	(360,710) (209,019)
		1,233,821

28. BUSINESS COMBINATIONS (Continued)

28. 業務合併(續)

		Fair value at acquisition date 於收購日期 之公平值 RMB'000 人民幣千元
Cash and cash equivalents in subsidiaries acquired	於所收購附屬公司之現金及現金等值物	446,154
Capital injection in cash from non-controlling shareholders	非控股股東的現金注資	416,165
Consideration for acquisition settled in cash	收購事項以現金結付之代價	(1,122,940)
Cash paid on acquisition	就收購事項支付之現金	(260,621)

Acquisition related costs of RMB890,000 have been charged to administrative expenses in the condensed consolidated income statement for the six months ended 30 June 2019.

收購事項相關成本人民幣890,000元已於截至二零一九年六月三十日止六個月的簡明綜合收益表之行政開支中扣除。

The revenue included in the condensed consolidated income statement from 1 April 2019 to 30 June 2019 contributed by the bundled companies was RMB452,676,000. The bundled companies also made profit of RMB66,163,000 over the same period.

自二零一九年四月一日至二零一九年六月三十日，由該組公司所貢獻之已計入簡明綜合收益表的收入為人民幣452,676,000元。該組公司亦於同期錄得利潤人民幣66,163,000元。

Had the bundled companies been consolidated from 1 January 2019, the condensed consolidated income statement would show pro-forma revenue of RMB10,570,280,000 and profit of RMB537,615,000.

倘該組公司自二零一九年一月一日起綜合入賬本集團，簡明綜合收益表將錄得備考收入人民幣10,570,280,000元及溢利人民幣537,615,000元。

29.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
Total capital commitments	資本承擔總額

29.承擔

於結算日的資本開支(但未產生)如下：

Unaudited 未經審核 30 June 2019 二零一九年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
–	780,177
636,249	591,010
636,249	1,371,187

30.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.

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

Name of related party
關聯方名稱

Nantong Textile Group Co., Ltd.
南通紡織控股集團紡織染有限公司
Hualida (Vietnam) Garments Limited Company
華利達(越南)服裝責任有限公司
Texhong Tan Cang Logistics Joint Stock Company
天虹新港物流股份公司
Texhong Industrial Park Vietnam Limited
天虹工業園區越南有限公司

30.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。

與本集團進行交易的關聯方如下：

Relationship with the Group
與本集團的關係

Associated company
聯營公司
Associated company
聯營公司
Joint venture
合營企業
A company controlled by the chairman of the Group
由本集團主席所控制之公司

30. RELATED-PARTY TRANSACTIONS (Continued)

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

(a) Transactions with related parties

30. 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	
		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Sales of goods	銷售貨品		
— Hualida (Vietnam) Garments Limited Company	— 華利達(越南)服裝責任有限公司	4	4
— Nantong Textile Group Co., Ltd.	— 南通紡織控股集團紡織染有限公司	—	5,085
		4	5,089
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	—	68,589
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	4,442	10,448
— Hualida (Vietnam) Garments Limited Company	— 華利達(越南)服裝責任有限公司	714	454
		5,156	10,902

30. RELATED-PARTY TRANSACTIONS (Continued)

(a) Transactions with related parties (Continued)

30. 與關聯方的交易 (續)

(a) 與關聯方的交易 (續)

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Purchases of water	購買用水		
— Texhong Industrial Park Vietnam Limited	— 天虹工業園區越南有限公司	1,980	976
Purchases of electricity	購買電力		
— Texhong Industrial Park Vietnam Limited	— 天虹工業園區越南有限公司	71,419	43,266
Purchases of steam	購買蒸氣		
— Texhong Industrial Park Vietnam Limited	— 天虹工業園區越南有限公司	9,480	7,157
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	2,990	1,859
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	646	412
Purchases of services	購買服務		
— Texhong Tan Cang Logistics Joint Stock Company	— 天虹新港物流股份公司	30,682	34,453

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

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

30. RELATED-PARTY TRANSACTIONS (Continued)

(b) Balances with related parties

30. 與關聯方的交易 (續)

(b) 與關聯方的結餘

		Unaudited 未經審核 30 June 2019 二零一九年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
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	—	3,147
— Hualida (Vietnam) Garments Limited Company	— 華利達(越南)服裝 責任有限公司	—	1,984
		—	5,131
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	13,718	3,751
— Texhong Tan Cang Logistics Joint Stock Company	— 天虹新港物流 股份公司	1,677	2,106
— Nantong Textile Group Co., Ltd.	— 南通紡織控股集團 紡織染有限公司	733	—
— Hualida (Vietnam) Garments Limited Company	— 華利達(越南)服裝 責任有限公司	—	14
		16,128	5,871

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

與關聯方的結餘為無抵押、不計息及須於一年內償還。

30. RELATED-PARTY TRANSACTIONS (Continued)

(c) Key management compensation

30. 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	
		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Salaries, wages and bonuses	薪金、工資及花紅	6,313	4,482
Pension costs (defined contribution plan)	退休金成本 (界定供款計劃)	310	293
Other benefits	其他福利	34	38
		6,657	4,813

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 2019 (the "Review Period") to the shareholders of the Company (the "Shareholders"). During the Review Period, except for a decrease in external sales of grey fabrics due to an increase in grey fabrics used in production of our garment fabrics, the other business segments recorded revenue growth. The Group's revenue increased by approximately 15.7% to approximately RMB10.19 billion, as compared with that for the corresponding period last year. However, profit attributable to equity holders for the Review Period decreased by approximately 21.8% to RMB471 million, as compared with that for the corresponding period last year. Earnings per share also decreased from RMB0.66 to RMB0.51 for the corresponding period last year. The year-on-year decrease in profit attributable to equity holders was primarily attributable to our response to the market demand affected by the trade friction between China and the United States, during which the Group's profitability was affected by its realignment of the product mix to maintain the utilization rate and sales volume during the Review Period. In particular, the gross profit margin of yarns fell to approximately 14.1% during the Review Period from approximately 18.3% for the corresponding period last year.

INDUSTRY REVIEW

As referred to in the sub-section headed "Management Discussion and Analysis — Industry Review" set out in the annual report of the Group for the financial year 2018, the trade friction between China and the United States have culminated uncertainties that have completely dominated the market demand and sentiment of the Chinese textile industry during the Review Period.

綜覽

本公司董事欣然向本公司股東（「股東」）報告本集團截至二零一九年六月三十日止六個月（「回顧期」）的未經審核綜合財務業績。在回顧期內，除用於生產面料的坯布增加導致坯布對外銷售減少，其他業務板塊均錄得增長，本集團之收入較去年同期上升約15.7%至約人民幣101.9億元。但於回顧期內，權益持有人應佔溢利較去年同期減少約21.8%至人民幣4.71億元。每股盈利亦由去年同期的人民幣0.66元減少至人民幣0.51元。股權持有人應佔溢利同比下降主要因為應對中美貿易糾紛影響的市場需求，本集團需要在回顧期內調整產品組合以保障產能使用率及銷售量，因而影響了盈利能力所致，特別是紗線的毛利率從去年同期的約18.3%回落至回顧期內的約14.1%。

行業回顧

正如於二零一八年財政年度本集團年報中「管理層討論及分析 — 行業回顧」分節中提及，中美貿易摩擦為中國紡織市場帶來的不確定性，完全支配了回顧期內的市場需求及氣氛。

INDUSTRY REVIEW (Continued)

According to the statistics from the National Bureau of Statistics of the PRC, between January and June 2019, enterprises with a sizeable capacity in the textile industry recorded an aggregate revenue of RMB1,235.44 billion from their principal activities, representing a year-on-year growth of 2.7%. Total profit for the industry amounted to RMB48.37 billion, representing year-on-year decrease of 0.1%. From January to June 2019, fixed asset investments in the textile industry in the PRC amounted to RMB314.0 billion, representing a year-on-year decrease of 0.3%.

According to the statistics from the General Administration of Customs of the PRC, between January and June 2019, the aggregate export of textiles and garments was US\$124.231 billion, representing a decrease of 2.37%. Among these exports, US\$58.620 billion was attributable to textiles and US\$65.611 billion to garments, representing an increase of 0.66% and a decrease of 4.93% respectively. With respect to production volume, between January and June 2019, yarns, fabrics and synthetic fibre production amounted to 13.430 million tonnes, 22.80 billion metres and 28.037 million tonnes respectively, representing a year-on-year decrease of 19.76%, decrease of 14.67% and increase of 13.92% respectively.

According to the statistics from Vietnam Customs, between January and June 2019, the export volume of yarns and staple fibre manufactured in Vietnam increased by 9.3% to 795,000 tonnes, representing a growth of 1.9% in revenue to US\$2.029 billion, while garments exports increased by 10.3% to US\$15.092 billion.

行業回顧(續)

根據中國國家統計局的數據顯示，二零一九年一月至六月，紡織業規模企業累計錄得主營業務收入人民幣12,354.4億元，同比增長2.7%；行業實現利潤總額人民幣483.7億元，同比減少0.1%。中國紡織業在二零一九年一月至六月固定資產投資人民幣3,140億元，同比降低0.3%。

根據中國海關總署發佈的統計數據顯示，二零一九年一月至六月，紡織品服裝累計出口1,242.31億美元，下降2.37%，其中紡織品出口586.20億美元，上升0.66%，服裝出口656.11億美元，下降4.93%。產量方面，二零一九年一月至六月紗線1,343.0萬噸，同比降低19.76%，布產量228.0億米，同比減少14.67%，化纖產量2,803.7萬噸，同比增長13.92%。

根據越南海關統計數據顯示，二零一九年一月至六月產自越南紗線及短纖出口量增加9.3%至795,000噸，出口額增加1.9%至20.29億美元；服裝出口額增加10.3%至150.92億美元。

BUSINESS REVIEW

Currently, the Group's revenue is mainly derived from sales of yarns, the percentage of which as of the Group's total revenue decreased in contrast to the development of the midstream and downstream business segments. During the Review Period, revenue from sales of yarns increased by approximately 5.7% to approximately RMB7.73 billion, however its percentage of the total revenue of the Group declined to approximately 75.8% from approximately 83.0% for the corresponding period last year. As for the midstream and downstream business segments, sales of woven fabrics witnessed the fastest growth with sales revenue exceeding RMB1.2 billion, representing a year-on-year increase of 2.9 times. This is mainly attributable to the acquisition of the trading business of fabrics in North America in the second half of 2018, as well as the business consolidation that took place in April 2019 following completion of the acquisition of Winnitex Limited and Zhejiang Qing Mao Weaving Dyeing & Printing Co., Ltd. (collectively "Winnitex Group") by the Group. Despite a satisfactory growth in the midstream and downstream business segments of the Group, there remains room for further improvement in sales and profitability.

Yarn operation

During the Review Period, the Group's production volume and sales volume of yarns amounted to approximately 366,000 tonnes and approximately 335,000 tonnes, respectively, representing an increase of 7.97% and 5.91% respectively as compared with the corresponding period last year. Due to the trade friction between China and the United States, the yarn market sentiment witnessed significant fluctuations during the Review Period, which required the Group to realign its product mix in a timely manner to accommodate market demands and therefore we are unable to implement the original production plan with the ideal product mix. This has not only affected the production volume and sales volume, but also affected the profit margin. During the Review Period, the gross profit margin of yarns was only 14.1%, down by 4.2 percentage points as compared with that of last year.

業務回顧

本集團收入目前仍然以紗線銷售為主，惟佔本集團總收入的比例已隨著中下游業務發展漸漸下降，在回顧期內紗線銷售收入約人民幣77.3億元，增長約5.7%，佔集團總收入從去年同期約83.0%下降至約75.8%。中下游業務中以梭織面料銷售增長最快，銷售收入超過人民幣12億元，同比增長2.9倍，主要由於本集團二零一八年下半年收購北美面料貿易業務以及二零一九年四月本集團完成收購了慶業有限公司及浙江慶茂紡織印染有限公司（統稱「慶業集團」）並開始合併有關業務所致。本集團中下游業務雖然錄得不錯的增長但銷售及盈利水平還有待進一步改進。

紗線方面

在回顧期內本集團紗線產量及銷量分別約36.6萬噸及約33.5萬噸，比去年同期分別增長7.97%及5.91%。受到中美貿易糾紛影響，紗線市場氣氛在回顧期內高低起伏幅度巨大，本集團需要適時調整產品組合以適應市場需求，導致我們無法以理想產品組合實施原有生產計劃，影響產量及銷量之餘還影響了利潤率，在回顧期內紗線的毛利率僅為14.1%，比去年下降4.2個百分點。

BUSINESS REVIEW (Continued)

Grey fabrics operation

During the Review Period, the Group's sales volume of grey fabrics amounted to approximately 37.5 million metres, representing a decrease of approximately 15.2% as compared with the corresponding period last year. The decrease in sales volume was mainly attributable to an increase in usage of grey fabrics for production of our garment fabrics to approximately 13.6 million metres during the Review Period from approximately 7.8 million metres for the corresponding period last year. However, the impact of the trade friction between China and the United States also caused grey fabrics to drop in both external sales volume and profit margin. During the Review Period, the gross profit margin slightly decreased to approximately 15.3% from approximately 15.6% for the corresponding period last year.

Woven fabrics operation

Due to the acquisition of the trading business of fabrics in North America in the second half of 2018, as well as the business consolidation in April 2019 following completion of its acquisition of the woven fabrics business of Winnitex Group, the sales volume of self-produced and trading woven fabrics amounted to approximately 41.3 million metres and 21.7 million metres respectively. The sales revenue of woven fabrics has exceeded RMB1.2 billion, representing an increase of approximately 2.9 times as compared with the corresponding period last year. The gross profit margin substantially increased to 13.1% for the Review Period as compared with 2.8% for the corresponding period last year, mainly driven by a higher gross profit margin in the business operations of Winnitex Group. Despite the overhanging trade friction between China and the United States, there was no significant impact on the sales volume and profit of Winnitex Group resulting from its development of premium garment fabrics and strong vertically integrated production capacity. In terms of stability, this business segment has significantly outperformed other business segments of the Group.

業務回顧(續)

坯布方面

在回顧期內本集團坯布銷量約3,750萬米，比去年同期下降約15.2%，銷量下降主要是自用於面料生產的坯布比去年同期有所提升，從去年同期約780萬米增加至回顧期內約1,360萬米，但中美貿易糾紛亦引致坯布對外銷售量及利潤率有所下降，毛利率從去年同期約15.6%稍微下降至回顧期內約15.3%。

梭織面料方面

由於二零一八年下半年收購北美面料貿易業務以及於二零一九年四月完成收購慶業集團的梭織面料業務後開始業務合併所致，梭織面料自產及貿易銷售量分別約4,130萬米及2,170萬米，梭織面料銷售收入超過人民幣12億元，較去年同期增加約2.9倍。毛利率從去年同期的2.8%大幅增長至回顧期內的13.1%，主要由高毛利率的慶業集團業務所拉動，雖然受到中美貿易糾紛陰霾籠罩，慶業集團憑著優質的面料開發及垂直一體化生產能力，銷售量及利潤並無重大影響，業務穩定性比本集團其他板塊相對優勝得多。

BUSINESS REVIEW (Continued)

Knitted fabrics operation

Growth in orders received for knitted fabrics slowed down due to unsatisfactory sales orders and performance at the PRC factory, during which, the gross profit margin also faced pressure. During the Review Period, sales revenue amounted to approximately RMB402 million, representing an increase of 2.8% as compared with the corresponding period last year, while the gross profit margin weakened to approximately 10.8% from approximately 14.5% for the corresponding period last year.

Jeanswear operation

The revenue of the jeanswear business grew to approximately RMB511 million, representing an increase of 30.4% as compared with that for the corresponding period last year, with an increase in terms of sales volume and product selling prices. The gross profit margin rose to approximately 7.1% during the Review Period from 2.8% for the corresponding period last year. However, the quality of orders and the production efficiency have to be further improved.

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

業務回顧 (續)

針織面料方面

針織面料由於接單及中國工廠生產不順暢導致訂單增長緩慢，毛利率也同時受壓，回顧期內銷售收入約人民幣4.02億元，比去年同期僅增加2.8%，毛利率則從去年同期約14.5%轉弱至約10.8%。

牛仔服裝方面

牛仔服裝業務收入對比去年同期增長30.4%至約人民幣5.11億元，就銷售量及產品銷售價格而言均有所提升，毛利率從去年同期的2.8%增加至回顧期內約7.1%，但訂單的質量及生產效率還有待提升。

本集團產品的經營數據如下：

		Revenue from January to June 2019 二零一九年一月至六月的收入 RMB'000 人民幣千元	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 change 收入變動
Stretchable core-spun yarns	彈力包芯紗線	3,885,272	3,866,900	0.5%
Other yarns	其他紗線	3,844,737	3,447,004	11.5%
Stretchable grey fabrics	彈力坯布	277,274	306,082	-9.4%
Other grey fabrics	其他坯布	63,723	99,040	-35.7%
Woven garment fabrics	梭織面料	1,207,246	309,232	290.4%
Knitted garment fabrics	針織面料	401,947	391,052	2.8%
Jeans	牛仔褲	511,267	392,210	30.4%
Total	總計	10,191,466	8,811,520	15.7%

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 2019 二零一九年 一至六月	January to June 2018 二零一八年 一至六月	January to June 2019 二零一九年 一至六月	January to June 2018 二零一八年 一至六月	January to June 2019 二零一九年 一至六月	January to June 2018 二零一八年 一至六月	
Stretchable core-spun yarns (Tonne/RMB per Tonne)	彈力包芯紗線 (噸/人民幣每噸)	163,617	162,659	23,746	23,773	14.8%	18.4%
Other yarns (Tonne/RMB per Tonne)	其他紗線(噸/人民幣每噸)	171,717	153,958	22,390	22,389	13.4%	18.2%
Stretchable grey fabrics (Million metres/RMB per metre)	彈力坯布 (百萬米/人民幣每米)	29.3	31.8	9.5	9.6	15.0%	14.2%
Other grey fabrics (Million metres/RMB per metre)	其他坯布 (百萬米/人民幣每米)	8.2	12.4	7.8	8.0	16.9%	19.9%
Woven garment fabrics (Million metres/RMB per metre)	梭織面料 (百萬米/人民幣每米)	63.0	21.2	19.2	14.6	13.1%	2.8%
Knitted Garment fabrics (Tonne/RMB per Tonne)	針織面料 (噸/人民幣每噸)	8,376	8,406	47,988	46,521	10.8%	14.5%
Jeans (Million pairs/RMB per pair)	牛仔褲(百萬條/人民幣每條)	9.1	8.4	56.2	46.7	7.1%	2.8%

The overall gross profit margin of the Group decreased from 16.8% for the six months ended 30 June 2018 to 13.5% for the six months ended 30 June 2019. The decrease of gross profit margin was mainly due to the decrease of the gross profit margin of the yarn business.

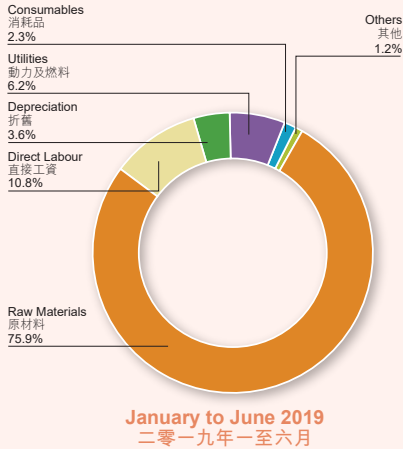
Cost of sales increased by 20.1% to RMB8.81 billion when compared with the corresponding period last year mainly due to the increase in sales of yarns and garments fabrics. The cost of raw materials accounted for about 75.9% of the total cost of sales for the six months ended 30 June 2019. Cotton is one of the Group's major raw materials, accounting for about 56.8% of the total raw material costs.

截至二零一九年六月三十日止六個月，本集團之整體毛利率由截至二零一八年六月三十日止六個月的16.8%減少至13.5%。毛利率減少主要由紗線業務的毛利率減少所致。

銷售成本較去年同期上升20.1%至人民幣88.1億元，主要是紗線和面料產品銷售增長所致。截至二零一九年六月三十日止六個月，原材料成本佔銷售成本總額的約75.9%。棉花為本集團的主要原材料之一，佔原材料成本總額約56.8%。

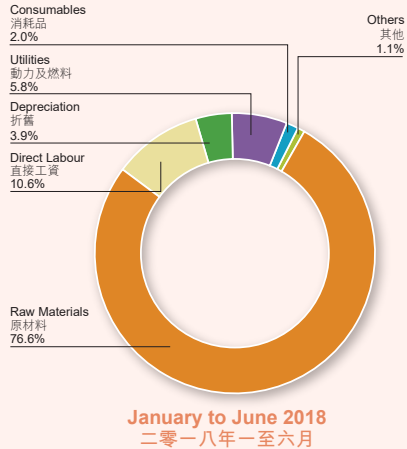
BUSINESS REVIEW (Continued)

The breakdown of the Group's cost of sales for the six months ended 30 June 2019 as compared with the cost of sales for the six months ended 30 June 2018 is shown below:



業務回顧 (續)

截至二零一九年六月三十日止六個月本集團銷售成本與截至二零一八年六月三十日止六個月的銷售成本比較的明細列示如下：



The Group will continue to implement its established corporate strategies, optimise its product mix and develop new products that address market trends and needs. In addition, 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.

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。此外，本集團將加強各業務板塊垂直整合的力度，促使業務向多元化發展以進一步改善本集團的財務表現。

BUSINESS REVIEW (Continued)

The Group has continued to strengthen cooperation with Lenzing Fibers, the manufacturer of TENCEL® lyocell fibre and Modal® fibre in order to build a long-standing strategic partnership, 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 addition, in response to market demand, the Group's yarn research and development centre in Xuzhou and the fabric development team of Winnitex Group have been raising product quality and continue to develop products in order to maintain its leading position in the industry, as well as satisfying customers' demand for diversified and high-end products.

The Chinese textile market has been the major market for the Group, accounting for 69.2% of total sales for the six months ended 30 June 2019. The percentage of Group's exports has experienced noticeable growth due to acquisition of textile trading companies in North America in the second half of 2018, as well as incorporation of the original export operation of Winnitex Group to the Group in 2019. The ten largest customers of the Group for the six months ended 30 June 2019 accounted for 15.3% of the total revenue.

PROSPECTS

As at 30 June 2019, the Group had an aggregate of approximately 2.22 million spindles and 1.47 million spindles located inside and outside of China (mainly located in Vietnam), respectively. In addition, approximately 380,000 spindles are under construction, among which, approximately 240,000 spindles are located in China, while the remaining approximately 140,000 spindles are located in Vietnam, Turkey, Mexico, and Nicaragua. As the process and outcome of the trade negotiations between China and the United States would both have an impact on the Chinese textile market, it is expected that the annual sales of yarns for 2019 will remain within the volume of 720,000 tonnes anticipated at the beginning of the year despite the Group's continued expansion of the yarn production capacity during the second half of 2019.

業務回顧(續)

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。此外，本集團位於徐州的紗線研發中心以及慶業集團的面料研發團隊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。

中國紡織市場為本集團的主要市場，佔本集團截至二零一九年六月三十日止六個月總銷售額的**69.2%**。在二零一八年下半年收購位於北美的紡織品貿易公司以及二零一九年納入本集團的慶業集團原有的出口業務的推動下，本集團出口比例增加明顯。截至二零一九年六月三十日止六個月，本集團的十大客戶佔總收入的**15.3%**。

前景

於二零一九年六月三十日，本集團在中國及海外(主要位於越南)的紗錠總數分別約**222萬錠**及**147萬錠**，另外還有約**38萬紗錠**正在建設中，其中約**24萬錠**在中國，餘下約**14萬錠**將分布在越南、土耳其、墨西哥及尼加拉瓜。由於中美貿易談判的過程及結果均對中國紡織市場造成影響，縱使本集團紗線產能在二零一九年下半年持續擴張，預計二零一九年紗線全年銷售量將還是維持在年初預計的**72萬噸**範圍之內。

PROSPECTS (Continued)

In response to uncertainties brought by the trade friction between China and the United States, the Group will persist in the development of internationalisation and vertical integration. Yarn production facilities to be constructed outside China will directly cater for the overseas market. Fabrics facilities integrated with the production processes of spinning, weaving and dyeing will be completed in Vietnam and Nicaragua. These initiatives will effectively mitigate or avert the impact brought by the trade friction between China and the United States, while vertically integrated production of fabrics, or even including garment production, will uplift the overall profit margin and further stabilise profitability, diminishing the impact from the pricing fluctuation of the raw materials. Furthermore, the Group will increase use of synthetic fibers commensurate with the growing market demand, in which case, use of cotton will decrease thereby reducing the impact brought by the pricing fluctuation of cotton on profitability. In the second half of 2019, the Group will also restructure the knitted fabrics management team to enhance the business efficiency and capacity so as to fully utilise domestic production capacity to boost sales revenue and profit of knitted fabrics in the domestic market, as well as preparing for the expansion of its knitted fabrics operation in Vietnam.

On 12 July 2019, the Group was again named among the “Fortune 500 Chinese Companies 2019,” and ranked third by the China Cotton Textile Association among cotton textile enterprises in terms of competitiveness, a strong endorsement of its continuously expanding business and proven business model. The Group will continue to work tirelessly, putting forth its best effort, to bring long term and sustainable returns to Shareholders.

前景(續)

為應對中美貿易摩擦所帶來的不確定性，本集團將堅持國際化及產業鏈垂直一體化的發展方向，於中國以外地區建設紗線生產基地直接面對海外市場，以及在越南及尼加拉瓜完成建設紡織染三合一的面料生產流程基地，一方面有效減輕或規避中美貿易摩擦所帶來的影響，另一方面透過垂直一體化的面料甚至於服裝的生產，帶動整體利潤率上升以及進一步穩定利潤，減輕受原材料價格波動的影響。另外，本集團的人造纖維使用比例也將隨著市場需求增長而增加，也相對減輕了集團的棉花使用比例從而減低受棉花價格波動對利潤率帶來的影響。本集團亦將於二零一九年下半年重整針織面料管理團隊，以提高效率並加強業務能力，以充分利用國內產能提升中國國內針織面料的銷售收入及利潤，並為在越南擴充針織面料業務做好準備。

於二零一九年七月十二日，本集團繼續名列國際知名雜誌——《財富雜誌》之二零一九年中國500強排行榜，足以證明本集團不斷成長並獲得廣泛認同。本集團也在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，致力為股東帶來長遠可持續的回報。

FINANCIAL REVIEW

Liquidity and financial resources

As at 30 June 2019, the Group's bank and cash balances (including pledged bank deposits) amounted to RMB1,966 million (as at 31 December 2018: RMB1,200 million). The decrease in pledged deposits was mainly attributable to the decrease in borrowings for financing the raw materials purchases.

As at 30 June 2019, the Group's inventories increased by RMB488.9 million to RMB5,700.2 million (as at 31 December 2018: RMB5,211.3 million), and trade and bills receivables decreased by RMB149.8 million to RMB1,633.9 million (as at 31 December 2018: RMB1,783.8 million). The inventory turnover days and trade and bills receivables turnover days were 111 days and 30 days for the Review Period respectively, as compared to 101 days and 32 days for the year ended 31 December 2018 respectively. The increase in inventory turnover days was mainly due to an increase in the closing amount of inventories caused by the acquisition of Winnitex Group. The trade and bills receivables turnover days was slightly lower than that of the corresponding period last year. Trade and bills payables increased to RMB4,054.0 million (as at 31 December 2018: RMB3,522.7 million). The increase was mainly due to increase in purchase of raw materials and equipment.

As at 30 June 2019, the Group's borrowings increased by RMB692.4 million to RMB7,820.2 million (as at 31 December 2018: RMB7,127.7 million), which were mainly due to the financing for increased capital expenditures for the new production capacity.

財務回顧

流動資金及財務資源

於二零一九年六月三十日，本集團之銀行及現金結餘(包括已抵押銀行存款)為人民幣19.66億元(於二零一八年十二月三十一日：人民幣12.00億元)。已抵押存款的減少主要由於提供資金作原材料採購的借款減少所致。

於二零一九年六月三十日，本集團存貨增加人民幣4.889億元至人民幣57.002億元(於二零一八年十二月三十一日：人民幣52.113億元)，以及應收貿易及票據款項減少人民幣1.498億元至人民幣16.339億元(於二零一八年十二月三十一日：人民幣17.838億元)。存貨周轉天數及應收貿易及票據款項周轉天數於回顧期分別為111天及30天，而於截至二零一八年十二月三十一日止年度則分別為101天和32天。存貨周轉天數增加主要是因為收購慶業集團導致存貨期末金額增加所致。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40.540億元(於二零一八年十二月三十一日：人民幣35.227億元)，主要由於原材料及設備採購增加所致。

於二零一九年六月三十日，本集團之借貸增加人民幣6.924億元至人民幣78.202億元(於二零一八年十二月三十一日：人民幣71.277億元)，乃主要由於為新增產能增加的資本開支而融資所致。

FINANCIAL REVIEW (Continued)

Liquidity and financial resources (Continued)

As at 30 June 2019 and 31 December 2018, the Group's key financial ratios were as follows:

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

¹ Based on total borrowings over total equity attributable to shareholders

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

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.

財務回顧(續)

流動資金及財務資源(續)

於二零一九年六月三十日及二零一八年十二月三十一日，本集團之主要財務比率如下：

	As at 30 June 2019 於二零一九年 六月三十日	As at 31 December 2018 於二零一八年 十二月三十一日
Current ratio	1.33	1.39
Debt to equity ratio ¹	1.11	1.06
Net debt to equity ratio ²	0.83	0.88

¹ 總借貸除股東應佔權益總額

² 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總額

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貨款。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。

FINANCIAL REVIEW (Continued)

Foreign exchange risk (Continued)

To mitigate the depreciation risk of RMB, the Group has purchased a suitable amount of currency option contracts and currency swap contracts so that the currency exposure is hedged against. As at 30 June 2019, as bills payable represent the liabilities due within six months and the amount keep changing over time, the relevant currency exposure was partially hedged by the foreign currency option contracts, while the unhedged exposure amounted to approximately US\$37.5 million. As for the currency option contracts entered into for the loans, contracts of approximately US\$78 million were hedged at a upper limit exchange rate of US\$1 to RMB7.0, while there was no upper limit for the remaining contracts. As for contracts with a upper limit exchange rate, where depreciation of RMB exceeds the maximum level, the Group continues to account for the related foreign exchange risks. The Group will continue to enter into the relevant currency option and swap option contracts so that the currency exposure arising from borrowings denominated in foreign currencies can be minimized.

Capital expenditure

For the six months ended 30 June 2019, the capital expenditure of the Group amounted to approximately RMB1,122 million (for the six months ended 30 June 2018: RMB794 million), which was mainly related to the production capacity of yarns and fabrics under construction in the PRC, Vietnam, Nicaragua and Turkey during the Review Period.

Gain on acquisition of subsidiaries

For the Review Period, the Group recorded a gain on the acquisition of subsidiaries of approximately RMB209.0 million in relation to the acquisition of Winnitex Group which the completion took place in April 2019. Please refer to the announcement of the Company dated 10 December 2018 for further details.

財務回顧(續)

外匯風險(續)

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同及貨幣掉期合同以控制外幣敞口。於二零一九年六月三十日，應付票據由於是少於6個月內的負債而且金額不停變動，有關外幣敞口只有部分受到外幣期權合約保護，沒有保護的敞口約3,750萬美元。而應對貸款所訂立的貨幣期權合約中，除約7,800萬美元合約所提供的上限保障匯率為1美元兌人民幣7.0元，其他均為無匯率上限的合約。就有匯率上限保障的合約而言，當人民幣貶值超過該水平，本集團仍需負擔有關外匯風險。本集團將繼續訂立有關貨幣期權及掉期合約，以降低外幣借款所產生的外幣風險。

資本開支

截至二零一九年六月三十日止六個月，本集團之資本開支約為人民幣11.22億元(截至二零一八年六月三十日止六個月：人民幣7.94億元)，主要與回顧期內於中國、越南、尼加拉瓜及土耳其在建的紗線及面料產能相關。

收購附屬公司之收益

於回顧期間，本集團於收購慶業集團時錄得收購附屬公司之收益約人民幣2.090億元，該收購於二零一九年四月完成。有關進一步詳情請參閱本公司日期為二零一八年十二月十日的公告。

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 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 2019, the Group’s machinery and equipment with a net book amount of RMB763.9 million (as at 31 December 2018: RMB834.9 million) and inventories with a total amount of RMB2.74 million (as at 31 December 2018: nil) were pledged to secure for bank borrowings for the purposes of the capital expenditure and working capital respectively. No bills receivable and bank deposits has been pledged as at 30 June 2019 (as at 31 December 2018: RMB97.5 million and RMB68.5 million respectively were pledged).

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

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

於二零一九年六月三十日，本集團的賬面淨值為人民幣7.639億元(於二零一八年十二月三十一日：人民幣8.349億元)的機器及設備及總額為人民幣274萬元(於二零一八年十二月三十一日：零)的存貨已作為銀行借款(分別作資本開支及營運資金用途)的抵押。於二零一九年六月三十日，概無抵押本集團所擁有的應收票據和銀行存款(於二零一八年十二月三十一日：分別抵押人民幣9,750萬元及人民幣6,850萬元)。

FINANCIAL REVIEW (Continued)

Human resources

As at 30 June 2019, the Group had a total workforce of 43,018 employees (as at 31 December 2018: 38,076 employees), of whom 21,048 employees were based in the regional headquarters in Shanghai and our manufacturing plants in Mainland China. The remaining 21,970 employees were stationed in regions outside Mainland China including Vietnam, Cambodia, Nicaragua, North America, 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 18 HK cents per share for the six months ended 30 June 2019 to Shareholders whose names appear on the register of shareholders of the Company in Hong Kong on 25 September 2019.

Closure of register of members

The register of members of the Company will be closed from 23 September 2019 to 25 September 2019, 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 11 October 2019), Shareholders must ensure that all transfer documents accompanied by the relevant share certificates are lodged with the Hong Kong branch share registrars 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 20 September 2019.

財務回顧(續)

人力資源

於二零一九年六月三十日，本集團員工合共43,018名(於二零一八年十二月三十一日：38,076名員工)，其中21,048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21,970名員工駐於中國大陸以外地區(包括越南、柬埔寨、尼加拉瓜、北美、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。董事會議決就截至二零一九年六月三十日止六個月向於二零一九年九月二十五日名列本公司於香港股東名冊之股東宣派每股18港仙之中期股息。

暫停辦理股份過戶登記手續

本公司於二零一九年九月二十三日至二零一九年九月二十五日(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(將於二零一九年十月十一日或前後派發)，股東必須確保所有過戶文件連同相關股票，於二零一九年九月二十日下午四時三十分前，送交本公司之香港股份過戶登記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 2019.

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.

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.

財務回顧(續)

購買、出售或贖回本公司之上市證券

截至二零一九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%。

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%。

FINANCIAL REVIEW (Continued)

Share options (Continued)

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)

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之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。

管理層討論及分析 MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW (Continued)

Share options (Continued)

During the six months ended 30 June 2019, movements of the share options granted under the Share Option Scheme are summarised as follows:

財務回顧(續)

購股權(續)

於截至二零一九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	Closing price per Share immediately before the date of grant	Exercise price per share	Number of share options 購股權數目					
					Outstanding as at 1 January 2019	Granted during the six months ended 30 June 2019	Exercised during the six months ended 30 June 2019	Lapsed during the six months ended 30 June 2019	Cancelled during the six months ended 30 June 2019	Outstanding as at 30 June 2019
			緊接授出日期前之每股收市價 HK\$ 港元	每股行使價 HK\$ 港元	於二零一九年一月一日未行使	於截至二零一九年六月三十日止六個月授出	於截至二零一九年六月三十日止六個月行使	於截至二零一九年六月三十日止六個月失效	於截至二零一九年六月三十日止六個月註銷	於二零一九年六月三十日未行使
承授人名單	授出日期(附註)	行使期								
Directors										
董事										
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
Total 總計					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開始為止。

其他資料

ADDITIONAL INFORMATION

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 2019, 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

於二零一九年六月三十日，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 spouse 配偶權益	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%

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

Notes:

1. The letter "L" denotes the person's long position in the Shares.
2. Among these 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.
3. 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 Ms. Zhao Zhiyang 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 Ms. Zhao Zhiyang through Wisdom Grace Investments Limited. Mr. Zhu Yongxiang is the spouse of Ms. Zhao Zhiyang. Under the SFO, Mr. Zhu Yongxiang is deemed to be interested in the same number of shares in which Ms. Zhao Zhiyang is interested. Mr. Zhu Yongxiang is a director of Wisdom Grace Investments Limited and Trade Partner Investments Limited.
4. These interests include 2,000,000 share options granted to Mr. Tang Daoping pursuant to the share option scheme of the Company.
5. These interests represent the share options granted to Mr. Hui Tsz Wai pursuant to the share option scheme of the Company.

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：

1. 「L」代表該人士於股份之好倉。
2. 該等544,742,400股股份中392,842,400股以New Green Group Limited(其全部已發行股本由Texhong Group Holdings Limited實益擁有，洪天祝先生實益擁有後者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本的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。
3. 該等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趙志揚女士實益擁有)名義及作為實益擁有人登記；151,900,000股以Trade Partner Investments Limited(趙志揚女士透過Wisdom Grace Investments Limited實益擁有其全部已發行股本的42.56%權益)名義及作為實益擁有人登記。朱永祥先生為趙志揚女士之配偶。根據證券及期貨條例，朱永祥先生被視為於趙志揚女士佔有權益之同樣數目股份中佔有權益。朱永祥先生為Wisdom Grace Investments Limited及Trade Partner Investments Limited之董事。
4. 該等權益包括根據本公司購股權計劃授予湯道平先生的2,000,000份購股權。
5. 該等權益代表根據本公司購股權計劃授予許子慧先生的購股權。

其他資料

ADDITIONAL INFORMATION

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 2019, 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，於二零一九年六月三十日，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%

其他資料

ADDITIONAL INFORMATION

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 controlled corporation(s) 所控制法人權益	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.
 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.
 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 Ms. Zhao Zhiyang through Wisdom Grace Investments Limited. Under the SFO, each of Mr. Hong Tianzhu, Ms. Zhao Zhiyang, New Green Group Limited and Wisdom Grace Investments Limited is deemed to be interested in all the Shares held by Trade Partner Investments Limited.
1. 「L」代表該人士於股份之好倉。
 2. 該等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. 該等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)及趙志揚女士(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、趙志揚女士、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)

- 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 Ms. Zhao Zhiyang. Under the SFO, Ms. Zhao Zhiyang is deemed to be interested in all the Shares held by Wisdom Grace Investments Limited.
- Ms. Ke Luping is the spouse of Mr. Hong Tianzhu. Under the SFO, Ms. Ke Luping is deemed to be interested in the same number of Shares in which Mr. Hong Tianzhu is interested.
- 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 Ms. Zhao Zhiyang 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 Ms. Zhao Zhiyang through Wisdom Grace Investments Limited.
- 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 Review 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)

- 該等68,000,000股股份以 Wisdom Grace Investments Limited (其全部已發行股本由趙志揚女士實益擁有) 名義及作為實益擁有人登記。根據證券及期貨條例，趙志揚女士被視為於 Wisdom Grace Investments Limited 持有之所有股份佔有權益。
- 柯綠萍女士為洪天祝先生之配偶。根據證券及期貨條例，柯綠萍女士被視為於洪天祝先生佔有權益同樣數目之股份佔有權益。
- 該等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趙志揚女士實益擁有) 名義及作為實益擁有人登記；及151,900,000股以 Trade Partner Investments Limited (趙志揚女士透過 Wisdom Grace Investments Limited 實益擁有其全部已發行股本的42.56%權益) 名義及作為實益擁有人登記。
- 該等55,058,000股股份以 Event Star Limited 之名義及作為實益擁有人登記，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》」)。本公司於回顧期內已遵守《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 this interim report and the unaudited condensed consolidated financial statements of the Company for the six months ended 30 June 2019.

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中期報告及本公司截至二零一九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、陶肖明教授及程隆棣教授組成。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, 23 August 2019

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、陶肖明教授及程隆棟教授組成。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，二零一九年八月二十三日

