

KINGDOM

KINGDOM HOLDINGS LIMITED

金達控股有限公司

(Incorporated in the Cayman Islands with limited liability and carrying on business in Hong Kong as "Kingdom (Cayman) Limited")

(於開曼群島註冊成立的有限公司，以「金達(開曼)有限公司」的名稱於香港經營業務)

(Stock Code 股份代號：528)



INTERIM REPORT 2019
中期報告



Contents 目錄

Corporate Information 公司資料	2
Financial Highlights 財務摘要	4
Management Discussion and Analysis 管理層討論及分析	5
Disclosure of Interests 權益披露	16
Corporate Governance and Other Information 企業管治及其他資料	19
Interim Condensed Consolidated Statement of Profit or Loss 中期簡明合併損益表	25
Interim Condensed Consolidated Statement of Comprehensive Income 中期簡明合併全面收益表	26
Interim Condensed Consolidated Statement of Financial Position 中期簡明合併財務狀況表	27
Interim Condensed Consolidated Statement of Changes in Equity 中期簡明合併權益變動表	29
Interim Condensed Consolidated Statement of Cash Flows 中期簡明合併現金流量表	30
Notes to Interim Condensed Consolidated Financial Statements 中期簡明合併財務報表附註	32

Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors:

Mr. Ren Weiming (*Chairman*)
Mr. Shen Yueming
Mr. Zhang Hongwen
Ms. Shen Hong

Non-executive Director:

Mr. Ngan Kam Wai Albert

Independent non-executive Directors:

Mr. Lau Ying Kit
Mr. Lo Kwong Shun Wilson
Mr. Yan Jianmiao

AUDIT COMMITTEE

Mr. Lau Ying Kit (*Chairman*)
Mr. Yan Jianmiao
Mr. Lo Kwong Shun Wilson

REMUNERATION COMMITTEE

Mr. Yan Jianmiao (*Chairman*)
Mr. Zhang Hongwen
Mr. Lo Kwong Shun Wilson

NOMINATION COMMITTEE

Mr. Lo Kwong Shun Wilson (*Chairman*)
Mr. Lau Ying Kit
Mr. Shen Yueming

COMPANY SECRETARY

Mr. Chan Yan Kwan Andy

LEGAL ADVISERS TO THE COMPANY AS TO HONG KONG LAW

Sidley Austin

AUDITORS

Ernst & Young

AUTHORISED REPRESENTATIVES

Mr. Ren Weiming
Mr. Chan Yan Kwan Andy

董事會

執行董事：

任維明先生 (主席)
沈躍明先生
張鴻文先生
沈鴻女士

非執行董事：

顏金煒先生

獨立非執行董事：

劉英傑先生
羅廣信先生
嚴建苗先生

審核委員會

劉英傑先生 (主席)
嚴建苗先生
羅廣信先生

薪酬委員會

嚴建苗先生 (主席)
張鴻文先生
羅廣信先生

提名委員會

羅廣信先生 (主席)
劉英傑先生
沈躍明先生

公司秘書

陳仁君先生

本公司有關香港法律之法律顧問

盛德律師事務所

核數師

安永會計師事務所

授權代表

任維明先生
陳仁君先生

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681 GT
Grand Cayman KY1-1111
Cayman Islands

HEADQUARTERS IN CHINA

Henggang Town
Haiyan County
Zhejiang Province
China

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Level 54
Hopewell Centre
183 Queen's Road East
Hong Kong

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 KY-1110
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

PRINCIPAL BANKERS

Bank of China, Rugao Branch
Bank of China, Haiyan Branch

STOCK CODE

00528

COMPANY WEBSITE

<http://www.kingdom-china.com>

INVESTOR RELATIONS CONTACT

Email: ir@kingdom-china.com

註冊辦事處

Cricket Square
Hutchins Drive
P.O. Box 2681 GT
Grand Cayman KY1-1111
Cayman Islands

中國總辦事處

中國
浙江省
海鹽縣
橫港鎮

香港主要營業地點

香港
皇后大道東183號
合和中心
54樓

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 KY-1110
Cayman Islands

香港股份過戶登記分處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心54樓

主要往來銀行

中國銀行如皋支行
中國銀行海鹽支行

股份代號

00528

公司網站

<http://www.kingdom-china.com>

投資者關係聯繫方式

電郵: ir@kingdom-china.com

Financial Highlights

財務摘要

The board of directors (the “**Board**”) of Kingdom Holdings Limited (the “**Company**”) is pleased to present the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2019 (the “**Review Period**”):

金達控股有限公司(「**本公司**」)董事會(「**董事會**」)欣然提呈本公司及其附屬公司(統稱「**本集團**」)截至二零一九年六月三十日止六個月(「**回顧期間**」)的未經審核合併中期業績：

- * Revenue increased by approximately 42.4% to approximately RMB731,167,000 for the six months ended 30 June 2019 from approximately RMB513,401,000 for the six months ended 30 June 2018.
- * The Group accounted for over 40% of the total pure linen yarn exports from China by volume during the Review Period.
- * Gross profit margin increased by approximately 10.6 percentage points to approximately 26.6% for the six months ended 30 June 2019 from approximately 16.0% for the six months ended 30 June 2018 as a result of the improvement in the selling price of linen yarn throughout the Review Period.
- * Profit for the Review Period increased by 303.6% to approximately RMB90,729,000 for the six months ended 30 June 2019 from approximately RMB22,481,000 for the six months ended 30 June 2018.
- * Profit attributable to the owners of the parent surged by approximately 280.2% to approximately RMB87,814,000 for the six months ended 30 June 2019 from approximately RMB23,099,000 for the six months ended 30 June 2018.
- * Basic earnings per share grew approximately 2.5 times to approximately RMB0.14 for the six months ended 30 June 2019 compared to approximately RMB0.04 for the six months ended 30 June 2018.
- * 收入由截至二零一八年六月三十日止六個月約人民幣513,401,000元增加約42.4%至截至二零一九年六月三十日止六個月約人民幣731,167,000元。
- * 本集團於回顧期間內佔中國純亞麻紗出口總量40%以上。
- * 因亞麻紗售價於整個回顧期間有所增長，毛利率由截至二零一八年六月三十日止六個月約16.0%上升約10.6個百分點至截至二零一九年六月三十日止六個月約26.6%。
- * 回顧期間溢利由截至二零一八年六月三十日止六個月約人民幣22,481,000元上升303.6%至截至二零一九年六月三十日止六個月約人民幣90,729,000元。
- * 母公司擁有人應佔溢利由截至二零一八年六月三十日止六個月約人民幣23,099,000元飆升約280.2%至截至二零一九年六月三十日止六個月約人民幣87,814,000元。
- * 截至二零一九年六月三十日止六個月的每股基本盈利增加約2.5倍至約人民幣0.14元，而截至二零一八年六月三十日止六個月則約為人民幣0.04元。

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW

In the midst of the rising protectionism of certain countries and punitive tariffs on products made in or exported from China, especially the threat of the trade war between the United States and China during the Review Period, the global trade environment has become volatile.

According to the General Administration of Customs of the People's Republic of China, the total value of all yarn and textile products exports from China only grew by approximately 0.7% on a year-on-year basis during the Review Period.

Whilst China's pure linen yarn exports by volume recorded a drop by approximately 31.5% year-on-year during the Review Period, the Group's pure linen yarn exports by volume only decreased by 13.7%.

There has been an increasing trend of environmental-friendliness and use of natural fibers. Linen yarn continues to benefit from this trend as it is one of the most environmentally-friendly fibers. In addition, from the market's perspective, consumers of fast fashion brands in Asian countries like China and India are increasingly accepting linen products in their stores and a linen consumption pattern has been established. Linen products have gained more and more recognition from the consumers, and the market consumption volume has gradually recovered and expanded.

The Group was well-managed during the Review Period. The Group continued to account for more than 40% of the total pure linen yarn exports from China by volume during the Review Period. The growth was contributed by the capacity expansion in Heilongjiang and improvement in the selling price of linen yarn during the Review Period.

During the Review Period, revenue of the Group increased by approximately 42.4% on a year-on-year basis to RMB731,167,000. The increase in revenue was mainly attributable to strong growth in sales in the China market and the improvement of the selling price of linen yarn during the Review Period.

業務回顧

於回顧期間，由於若干國家貿易保護主義抬頭，加上對中國製造或出口產品徵收懲罰性關稅，尤其中美貿易戰一觸即發，全球貿易環境動盪不穩。

據中華人民共和國海關總署資料顯示，回顧期間的中國所有紗線及紡織品出口總值按年僅增長約0.7%。

儘管回顧期間中國的純亞麻紗出口量按年下降約31.5%，本集團的純亞麻紗出口量僅下降13.7%。

推動環保及使用天然纖維已成趨勢。亞麻紗為最環保的纖維之一，繼續受惠於此趨勢。此外，從市場角度來看，在中國及印度等亞洲國家，亞麻消費逐漸形成，越來越多消費者通過該等快速時尚品牌的店鋪接受亞麻產品。亞麻產品已贏得越來越多消費者的認可，且市場消費量已逐步恢復並擴大。

於回顧期間，本集團經營狀況良好。本集團於回顧期間內繼續佔中國純亞麻紗出口總量40%以上。其增長乃受益於回顧期間黑龍江的產能擴張及亞麻紗售價提高。

於回顧期間，本集團的收入按年增加約42.4%至人民幣731,167,000元。收入增加主要是由於回顧期間中國市場亞麻紗銷售增長強勁及售價提高所致。

Management Discussion and Analysis

管理層討論及分析

Major Markets and Customers

By implementing an international sales strategy, the Group has a sales network covering approximately 20 countries and regions around the world. During the Review Period, the Group's domestic sales, which contributed to approximately 42.2% of the Group's total revenue, recorded an increase of approximately 90.0% as compared to the same period last year, while the Group's overseas sales, which contributed to approximately 57.8% of the Group's total revenue, recorded a growth of approximately 20.4% on a year-on-year basis. In particular, total sales to European Union countries reported a strong growth of 35.0% on a year-on-year basis during the Review Period. Key European Union countries that the Group sold its products to include Italy, Portugal and Lithuania. The Group also constantly maintains stable and amicable collaborations with international fashion brands. Meanwhile, the Group will also persist in developing the domestic market and secure more cooperation with target customers in China.

The Department of Commerce, Government of India has imposed definitive anti-dumping duty for five years ranging from USD0.5 to USD4.83 per kilogram of "flax yarn" of below 70 Lea Count (or below 42 Nm) originating in or exported from China. The Group's linen yarn are subject to USD2.42/kg of such definitive antidumping duty for exports to India from 2019 onwards. As a result, the sale to India has dropped by approximately 36.6% to 1,127 tonnes during the Review Period as compared to the same period last year.

Raw Material Procurement

The Group mainly sources its fibre flax, the major raw material of linen yarn, from well-established suppliers such as those in France, Belgium and the Netherlands. Being one of the largest buyers in these regions, the Group has developed long term business relationships with its suppliers. During the Review Period, the Group procured approximately 14,734 tonnes (2018: 14,173 tonnes) of raw materials abroad, representing a year-on-year increase of approximately 4.0%. The average procurement unit price was approximately RMB25,928 per tonne, representing an annual increase of approximately 28.0% from approximately RMB20,253 for the same period last year. The Group is cautiously optimistic about the future of the linen textile industry and it is the corporate procurement strategy of the Group to maintain its production scale and to secure a steady volume of production going forward.

主要市場及客戶

本集團實行國際化的銷售策略，銷售網絡遍佈全球約20個國家及地區。於回顧期間內，本集團的國內銷售為本集團總收入貢獻約42.2%，較去年同期增加約90.0%；本集團海外銷售則為本集團總收入貢獻約57.8%，按年增加約20.4%。尤其是，於回顧期間內，歐盟國的銷售總額按年強勁增長35.0%。本集團產品出口的主要歐盟國包括意大利、葡萄牙及立陶宛。本集團亦與國際時裝品牌不斷維持穩定良好的合作關係。同時，本集團亦將繼續拓展國內市場，爭取與更多中國目標客戶合作。

印度政府商務部已對原產於或進口自中國的低於70縷紗織數（或低於42公支）的「亞麻紗」徵收五年介乎每公斤0.5美元至4.83美元的明確反傾銷稅。本集團出口至印度的亞麻紗自二零一九年起須按2.42美元／公斤繳納該等明確反傾銷稅。因此，於回顧期間內本集團向印度的銷售額較去年同期減少約36.6%至1,127噸。

原材料採購

本集團亞麻紗的主要原材料—亞麻纖維—主要從法國、比利時和荷蘭等優質亞麻產地的供應商進口。本集團是以上產地最大的採購商之一，與供應商建立了長期的業務關係。於回顧期間內，本集團在海外採購約14,734噸（二零一八年：14,173噸）原材料，按年增加約4.0%。採購平均單位價格約為每噸人民幣25,928元，較去年同期約人民幣20,253元按年增加約28.0%。本集團對亞麻紡織業的未來持審慎樂觀態度，且本集團的企業採購策略為維持生產規模及確保未來產量穩定。

Management Discussion and Analysis

管理層討論及分析

Production Capacity

As at 30 June 2019, the Group had four production bases. The production bases in (1) Haiyan County, Zhejiang Province (1st Phase of the Haiyan Plant); (2) Rugao in Jiangsu Province; (3) Haiyan County, Zhejiang Province (2nd Phase of the Haiyan Plant); and (4) Qinggang in Heilongjiang Province have designed annual production capacities of 7,000 tonnes, 6,000 tonnes, 5,000 tonnes, and 4,000 tonnes, respectively, resulting in the Group's aggregate annual production capacity reaching 22,000 tonnes based on the 24 nm standard specification. The Group is equipped with advanced equipment for its unique spinning technique, namely wet spinning and long and short spinning, and can manufacture products with multiple specifications from 3nm to 75nm, thereby broadening its customers' choices and achieving higher satisfaction from them at the same time.

A total of 10,030 tonnes of linen and hemp yarn under various specifications was produced during the Review Period. The Group owns 72.73% of the equity interest of the Heilongjiang venture and this is the Group's maiden attempt to explore the hemp yarn market. The Group believes that hemp will grow rapidly in the next few years due to the national policy in China to promote the planting of hemp in the Heilongjiang region and the use of the hemp textile products. There were 415 tonnes of hemp yarn produced during the Review Period.

Apart from China, the Group has also committed to investing in Ethiopia. The investment is expected to help the Group outcompete its competitors not only by helping the Group save land cost, labour cost, energy cost and tax expenses, but also by enabling the Group to benefit from the favourable treatment under the African Growth and Opportunity Act (AGOA), a legislation approved by the U.S. Congress which allows eligible apparel articles made in qualifying sub-Saharan African countries, including Ethiopia, to be imported without duty and quota. The Group also expects the investment to benefit from the Everything but Arms (EBA) initiative of the European Union for least developed countries (LDCs), which grants duty-free and quota-free access for all products into European Union countries, except for arms and ammunitions. The first phase of the Ethiopia project, with a designed annual production capacity of 5,000 tonnes, is expected to commence trial production in early 2020.

產能

於二零一九年六月三十日，本集團設有四個生產基地，位於(1)浙江省海鹽縣(海鹽一期廠房)；(2)江蘇省如皋市；(3)浙江省海鹽縣(海鹽二期廠房)；及(4)黑龍江省青岡縣，設計年產能分別為7,000噸、6,000噸、5,000噸及4,000噸，令本集團的年產能合共達到22,000噸(按標準24公支規格計)。本集團擁有採用行業獨有的紡紗工藝—濕紡及長紡和短紡工藝的先進設備，並可生產3公支至75公支多種規格產品，為客戶提供更多產品選擇，更能滿足彼等的需求。

於回顧期間內，合共生產多規格亞麻及漢麻紗10,030噸。本集團擁有黑龍江合資公司的72.73%股權。此項投資為本集團進軍漢麻紗市場的首項舉措。本集團相信，受惠於中國推動黑龍江地區漢麻種植及漢麻紡織品使用的國策，漢麻將於未來數年急速增長。於回顧期間內，已生產415噸漢麻紗。

除中國外，本集團亦致力投資於埃塞俄比亞。預期該項投資不僅有助本集團節省土地成本、勞工成本、能源成本及稅項開支，更可讓本集團受惠於非洲成長暨機會法案(AGOA)下的優惠待遇，因而使本集團較競爭對手更勝一籌。AGOA為美國國會批准的一項法例，准許以無關稅及無配額形式進口撒哈拉以南的合資格非洲國家(包括埃塞俄比亞)所生產的合資格服裝產品。本集團亦預計投資將從歐盟就最不發達國家採納「除武器外一切都行(EBA)」的倡議中獲益，給予所有進入歐盟國家的產品(武器及彈藥除外)免關稅及無配額的優惠待遇。設計年產能為5,000噸的埃塞俄比亞項目的第一期工程，預期將於二零二零年年初開始試產。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW

Revenue

For the Review Period, the Group's revenue increased by approximately 42.4% to approximately RMB731,167,000 (six months ended 30 June 2018: RMB513,401,000). The increase of revenue was mainly attributable to (i) the capacity expansion in Heilongjiang and (ii) the improved average selling price of linen yarn during the Review Period. There were approximately 13.3% more in quantity and resulting in 9,340 tonnes of linen yarn sold during the Review Period (six months ended 30 June 2018: 8,243 tonnes). Sales to all regions had year-on-year improvement, in particular, each of domestic, European Union and non-European Union regions grew approximately 90.0%, 35.0% and 10.9%, respectively, during the Review Period.

The breakdown of revenue by sales regions is as follows:

China	中國
European Union Countries	歐盟國
Non-European Union Countries	非歐盟國

財務回顧

收入

於回顧期間內，本集團的收入增加約42.4%至約人民幣731,167,000元（截至二零一八年六月三十日止六個月：人民幣513,401,000元）。收入增加主要是由於回顧期間內(i)黑龍江的產能擴張及(ii)亞麻紗的平均售價提高所致。於回顧期間內，數量上增加約13.3%以上，銷售亞麻紗9,340噸（截至二零一八年六月三十日止六個月：8,243噸）。於回顧期間內，所有地區的銷售額按年增加，尤其是國內、歐盟及非歐盟地區的銷售額各自分別增加約90.0%、35.0%及10.9%。

按銷售地區劃分的收入明細如下：

For the six months ended 30 June 截至六月三十日止六個月

2019 二零一九年 (Unaudited) (未經審核) RMB'000 人民幣千元	2018 二零一八年 (Unaudited) (未經審核) RMB'000 人民幣千元
308,887	162,603
185,638	137,479
236,642	213,319
731,167	513,401

Management Discussion and Analysis

管理層討論及分析

Gross Profit and Gross Profit Margin

The Group's gross profit for the Review Period increased by approximately 136.9% to approximately RMB194,835,000 (six months ended 30 June 2018: approximately RMB82,245,000). Gross profit margin for the Review Period improved by approximately 10.6 percentage points to approximately 26.6% (six months ended 30 June 2018: approximately 16.0%) mainly due to the improvement of selling prices of linen yarn and the capacity expansion in Heilongjiang during the Review Period.

Other Income and Gains

Other income and gains for the Review Period mainly comprises of government grants and subsidies of approximately RMB6,177,000 (six months ended 30 June 2018: approximately RMB865,000) and interest income of approximately RMB201,000 (six months ended 30 June 2018: approximately RMB326,000) and a net exchange gain of RMB2,221,000 (six months ended 30 June 2018: a net exchange loss of approximately RMB3,793,000 recorded in Other Expenses). There was no fair value gain on derivative instruments during the Review Period (six months ended 30 June 2018: approximately RMB5,474,000). There was an increase of government grants and subsidies in the amount of RMB5,312,000 for the Review Period mainly due to government rebates of profits tax and social securities contribution paid, in a series of measures to cut costs for businesses by the Chinese government.

Selling and Distribution Costs

The Group's selling and distribution costs for the Review Period amounted to approximately RMB23,070,000 (six months ended 30 June 2018: approximately RMB21,227,000), which accounted for approximately 3.2% (six months ended 30 June 2018: approximately 4.1%) of the Group's total revenue. The decrease in selling costs as a percentage of revenue during the Review Period was mainly due to a higher percentage of domestic sales in China resulting in a lower percentage of freight and custom clearance fee incurred to sales.

Administrative Expenses

The Group's administrative expenses for the Review Period amounted to approximately RMB36,461,000 (six months ended 30 June 2018: approximately RMB29,993,000), representing an increase of approximately 21.6% as compared with the corresponding period last year. The increase in the Group's administrative expenses was mainly due to additional research and development (R&D) costs of RMB2,430,000, additional staff costs of RMB1,776,000, consulting fee of RMB820,000 and share award plan expenses of RMB901,000, respectively.

毛利及毛利率

本集團於回顧期間內的毛利上升約136.9%至約人民幣194,835,000元(截至二零一八年六月三十日止六個月:約人民幣82,245,000元)。回顧期間的毛利率上升約10.6個百分點至約26.6%(截至二零一八年六月三十日止六個月:約16.0%)。主要是由於回顧期間黑龍江的產能擴張及亞麻紗的售價提高所致。

其他收益及得益

回顧期間的其他收益及得益主要包括政府補助及補貼約人民幣6,177,000元(截至二零一八年六月三十日止六個月:約人民幣865,000元)及利息收入約人民幣201,000元(截至二零一八年六月三十日止六個月:約人民幣326,000元)以及匯兌得益淨額人民幣2,221,000元(截至二零一八年六月三十日止六個月:於其他開支項下錄得匯兌虧損淨額約人民幣3,793,000元)。回顧期間並無衍生金融工具的公允價值得益(截至二零一八年六月三十日止六個月:約人民幣5,474,000元)。於回顧期間內,政府補助及補貼增加人民幣5,312,000元,主要由於中央政府出台一系列措施削減營商費用,政府退回利得稅及已付社會保障供款所致。

銷售及分銷成本

本集團於回顧期間內的銷售及分銷成本約為人民幣23,070,000元(截至二零一八年六月三十日止六個月:約人民幣21,227,000元),佔本集團總收入約3.2%(截至二零一八年六月三十日止六個月:約4.1%)。回顧期間內的銷售成本佔收入百分比減少,主要是由於中國內銷百分比增加,令銷售產生的運費及報關費比例減少所致。

行政開支

本集團於回顧期間內的行政開支約為人民幣36,461,000元(截至二零一八年六月三十日止六個月:約人民幣29,993,000元),較去年同期增加約21.6%。本集團的行政開支增加主要是由於額外研發成本人民幣2,430,000元、額外員工成本人民幣1,776,000元、諮詢費用人民幣820,000元及股份獎勵計劃開支人民幣901,000元。

Management Discussion and Analysis

管理層討論及分析

Other Expenses

Other expenses mainly comprises of impairment provisions of RMB6,173,000 for certain machinery for production of colour yarn being left idle during the Review Period (six months ended 30 June 2018: Nil), asset disposal losses of RMB1,331,000 (six months ended 30 June 2018: RMB335,000), and compensation expenses of RMB1,160,000 (six months ended 30 June 2018: Nil). Other expenses in the same period last year mainly comprised of a net exchange loss of approximately RMB3,793,000.

Finance Costs

Net finance costs for the Review Period amounted to approximately RMB9,275,000 (six months ended 30 June 2018: approximately RMB9,253,000). Net finance costs represent the total interest expense on bank loans less amount capitalized attributable to capital assets. An interest expense of approximately RMB3,962,000 was capitalized during the Review Period (six months ended 30 June 2018: approximately RMB1,742,000).

Income Tax Expense

Income tax expense for the Review Period amounted to approximately RMB35,550,000 (six months ended 30 June 2018: approximately RMB2,099,000). The effective tax rate for the Review Period and the corresponding period in 2018 was approximately 28.2% and 8.5% respectively. The relatively high effective tax rate was due to the fact that the Company had been accruing the provision of dividend withholding tax using the standard rate of 10% but the relevant tax authorities had been charging at 5% in previous years.

Minority interests

The minority interests of approximately RMB2,915,000 represents the share of the net profit of certain subsidiaries of the Group attributable to the minority shareholders during the Review Period (six months ended 30 June 2018: share of net loss of approximately RMB618,000). The increase was mainly attributable to the close to full operation of our factory in the Heilongjiang Province in China.

其他開支

其他開支主要包括於回顧期間若干閒置色紗生產機器的減值撥備人民幣6,173,000元(截至二零一八年六月三十日止六個月:零)、資產出售虧損人民幣1,331,000元(截至二零一八年六月三十日止六個月:人民幣335,000元)及補償開支人民幣1,160,000元(截至二零一八年六月三十日止六個月:零)。去年同期的其他開支主要包括匯兌虧損淨額約人民幣3,793,000元。

財務成本

回顧期間的財務成本淨額約為人民幣9,275,000元(截至二零一八年六月三十日止六個月:約人民幣9,253,000元)。財務成本淨額指銀行貸款的利息開支總額減資本資產應佔的已撥充資本金額。於回顧期間內撥充資本的利息開支約為人民幣3,962,000元(截至二零一八年六月三十日止六個月:約人民幣1,742,000元)。

所得稅開支

回顧期間的所得稅開支約為人民幣35,550,000元(截至二零一八年六月三十日止六個月:約人民幣2,099,000元)。回顧期間內及二零一八年同期的實際稅率分別為約28.2%及8.5%。實際稅率相對較高乃由於本公司一直按10%的標準稅率計提股息預扣稅,而相關稅務機構於過往年度只按5%稅率徵收。

少數股東權益

約人民幣2,915,000元的少數股東權益指於回顧期間內少數股東應佔本集團若干附屬公司所佔溢利淨額(截至二零一八年六月三十日止六個月:分佔虧損淨額約人民幣618,000元)。有關增加主要由於我們位於中國黑龍江省的工廠達致接近全面營運所致。

Management Discussion and Analysis

管理層討論及分析

Profit Attributable to Owners of the Parent

As a result of the aforesaid, the Group recorded a profit attributable to owners of the parent for the Review Period of approximately RMB87,814,000 (six months ended 30 June 2018: RMB23,099,000), representing an increase of approximately 280.2% as compared with the corresponding period last year.

Liquidity and Financial Resources

As at 30 June 2019, the Group had net current assets of approximately RMB267,909,000 (as at 31 December 2018: approximately RMB314,058,000). The Group financed its operations with internally generated resources and bank loans during the Review Period.

As at 30 June 2019, the Group had cash and cash equivalents of approximately RMB219,724,000 (as at 31 December 2018: approximately RMB241,826,000). The liquidity ratio of the Group as at 30 June 2019 was approximately 124.5% (as at 31 December 2018: approximately 134.5%).

Total equity of the Group as at 30 June 2019 was approximately RMB1,212,115,000 (as at 31 December 2018: approximately RMB1,153,509,000). As at 30 June 2019, the Group had interest-bearing bank and other borrowings repayable within 12 months from the date of the statement of financial position of approximately RMB631,739,000 (as at 31 December 2018: approximately RMB508,984,000) and long-term interest-bearing bank and other borrowings of approximately RMB39,282,000 (as at 31 December 2018: approximately RMB50,400,000). Together they represented a gross debt gearing ratio (i.e. total borrowings/total equity) amounted to approximately 55.4% (as at 31 December 2018: approximately 48.5%).

The Board believes that the Group's existing financial resources (even without capital financing) would be sufficient for the Group's capital expenditure requirements in the remaining period of 2019. In the event that additional financing is required for the Ethiopia project, the Group may also consider other financing methods, including capital raising in the capital market as and when appropriate, with an objective to maintain the Group's gearing ratio at a healthy level.

The Group's cash and cash equivalents as well as borrowings are mainly denominated in Renminbi, United States Dollars, Euro and Hong Kong Dollars.

母公司擁有人應佔溢利

由於上文所述，於回顧期間內，本集團錄得母公司擁有人應佔溢利約人民幣87,814,000元（截至二零一八年六月三十日止六個月：人民幣23,099,000元），較去年同期增加約280.2%。

流動資金及財務資源

於二零一九年六月三十日，本集團的流動資產淨值約為人民幣267,909,000元（於二零一八年十二月三十一日：約人民幣314,058,000元）。本集團於回顧期間內以內部產生的資源及銀行貸款為營運提供資金。

於二零一九年六月三十日，本集團的現金及現金等價物約為人民幣219,724,000元（於二零一八年十二月三十一日：約人民幣241,826,000元）。本集團於二零一九年六月三十日的流動比率約為124.5%（於二零一八年十二月三十一日：約134.5%）。

本集團於二零一九年六月三十日的權益總額約為人民幣1,212,115,000元（於二零一八年十二月三十一日：約人民幣1,153,509,000元）。於二零一九年六月三十日，本集團須於由財務狀況表日期起計十二個月內償還的計息銀行及其他借貸約為人民幣631,739,000元（於二零一八年十二月三十一日：約人民幣508,984,000元），並有長期計息銀行及其他借貸約人民幣39,282,000元（於二零一八年十二月三十一日：約人民幣50,400,000元）。兩者反映的總資本負債率（即總借貸／權益總額）約為55.4%（於二零一八年十二月三十一日：約48.5%）。

董事會相信，即使在無資本融資的情況下，本集團現有的財務資源足以應付本集團於二零一九年餘下期間的資本開支需要。倘埃塞俄比亞項目須額外資金，本集團亦可考慮其他融資方法，包括於適當時在資本市場進行集資，旨在使本集團的資本負債率維持在穩健水平。

本集團的現金及現金等價物以及借貸主要以人民幣、美元、歐元及港元計值。

Management Discussion and Analysis

管理層討論及分析

CAPITAL COMMITMENTS

As at 30 June 2019, outstanding contractual capital commitments of the Group in respect of the purchase of property, plant and equipment not provided for in the interim condensed consolidated financial statements amounted to approximately RMB159,411,000 (as at 31 December 2018: approximately RMB146,431,000). As at 30 June 2019, there was no capital commitment authorised but not contracted for (as at 31 December 2018: Nil).

CONTINGENT LIABILITIES

As at 30 June 2019, the Group did not have any contingent liabilities.

CHARGE ON ASSETS

As at 30 June 2019, the current interest-bearing bank loans with a carrying amount of RMB296,985,000 were secured by certain property, plant and equipment, prepaid land lease payments, inventories and pledged deposits with carrying amounts of approximately RMB128,187,000 (31 December 2018: approximately RMB80,992,000), approximately RMB39,656,000 (31 December 2018: approximately RMB43,806,000), approximately RMB40,000,000 (31 December 2018: Nil) and approximately RMB31,386,000 (31 December 2018: Nil) respectively.

As at 30 June 2019, the non-current interest-bearing bank borrowings with a carrying amount of RMB37,800,000 were secured by certain property, plant and equipment, prepaid land lease payments, of the Group with carrying amounts of RMB72,879,000 (31 December 2018: approximately RMB74,962,000) and RMB16,521,000 (31 December 2018: approximately RMB15,102,000), respectively.

資本承擔

於二零一九年六月三十日，本集團就購買物業、廠房及設備未在中期簡明合併財務報表內計提的未償還合約資本承擔約為人民幣159,411,000元（於二零一八年十二月三十一日：約人民幣146,431,000元）。於二零一九年六月三十日，本集團並無已授權但尚未訂約的資本承擔（於二零一八年十二月三十一日：無）。

或有負債

於二零一九年六月三十日，本集團並無任何或有負債。

資產押記

於二零一九年六月三十日，賬面金額為人民幣296,985,000元的即期計息銀行貸款以賬面金額分別約人民幣128,187,000元（二零一八年十二月三十一日：約人民幣80,992,000元）、約人民幣39,656,000元（二零一八年十二月三十一日：約人民幣43,806,000元）、約人民幣40,000,000元（二零一八年十二月三十一日：零）及約人民幣31,386,000元（二零一八年十二月三十一日：零）的若干物業、廠房及設備、土地租賃預付款項、存貨及已抵押存款作抵押。

於二零一九年六月三十日，賬面金額為人民幣37,800,000元的非即期計息銀行借貸以本集團賬面金額分別為人民幣72,879,000元（二零一八年十二月三十一日：約人民幣74,962,000元）及人民幣16,521,000元（二零一八年十二月三十一日：約人民幣15,102,000元）的若干物業、廠房及設備及土地租賃預付款項作抵押。

Management Discussion and Analysis

管理層討論及分析

MATERIAL ACQUISITION AND DISPOSAL

On 28 January 2019, Zhejiang Jinyuan, an indirect wholly-owned subsidiary of the Company, entered into equipment purchase agreement with Zhejiang Golden Eagle, pursuant to which Zhejiang Jinyuan agreed to purchase and Zhejiang Golden Eagle agreed to sell the 2019 Equipment at a consideration of RMB24,470,000 for the Group's project in Ethiopia. Please refer to the Company's announcement dated 28 January 2019 for further details.

On 24 May 2019, Heilongjiang Jinda, a 72.73% indirectly owned subsidiary of the Company, entered into an equity transfer agreement with Heilongjiang Kangyuan, pursuant to which Heilongjiang Jinda agreed to dispose and Heilongjiang Kangyuan agreed to acquire, the 75% equity interest of Kangyuan Seed at the consideration of RMB7,500,000. Please refer to the Company's announcement dated 24 May 2019 for further details.

Saved for disclosed above, the Group did not have any material acquisition or disposal during the Review Period.

FOREIGN CURRENCY EXPOSURE

The Group's transactions are mainly denominated in Renminbi, United States Dollars, Euros and Hong Kong Dollars. The exchange rate changes of such currencies are monitored regularly and managed appropriately. Currently, the Company has also entered into certain foreign currency forward contracts and derivative financial instruments by utilising its credit line, and derivative financial instruments with a current liabilities of approximately RMB222,000 was recognized as at 30 June 2019 (as at 31 December 2018: approximately RMB3,438,000).

重大收購及出售

於二零一九年一月二十八日，浙江金元（本公司的間接全資附屬公司）與浙江金鷹訂立設備購買協議，據此，浙江金元同意購買而浙江金鷹同意出售二零一九年設備，代價為人民幣24,470,000元，以用於本集團於埃塞俄比亞的項目。更多詳情請參閱本公司日期為二零一九年一月二十八日的公告。

於二零一九年五月二十四日，本公司間接擁有72.73%股權的附屬公司黑龍江金達與黑龍江康源訂立股權轉讓協議，據此，黑龍江金達同意出售而黑龍江康源同意收購康源種業的75%股權，代價為人民幣7,500,000元。更多詳情請參閱本公司日期為二零一九年五月二十四日的公告。

除上文所披露者外，於回顧期間內，本集團並無任何重大收購或出售。

外幣風險

本集團的交易主要以人民幣、美元、歐元及港元計值。本集團定期監察並妥善管理該等貨幣之間的匯率變動。目前，本公司亦運用信貸額訂立了若干外幣遠期合約及衍生金融工具，而於二零一九年六月三十日，衍生金融工具確認流動負債約人民幣222,000元（於二零一八年十二月三十一日：約人民幣3,438,000元）。

Management Discussion and Analysis

管理層討論及分析

REMUNERATION POLICY

As at 30 June 2019, the Group had a total of 3,169 employees (30 June 2018: 3,125 employees). Total staff costs incurred for the Review Period amounted to approximately RMB107,516,000 (six months ended 30 June 2018: RMB96,029,000).

The Group offers comprehensive and competitive remuneration, retirement scheme and benefit packages to its employees. The Group is required to make contributions to a social security scheme in China. Moreover, the Group and its employees in China are each required to make contributions to fund pension insurance and unemployment insurance at rates specified in the relevant laws and regulations in China.

The remuneration policy for the employees of the Group is formulated by the Board with reference to the employee's respective qualification, experience, responsibilities and contributions to the Group, as well as the prevailing market rate of remuneration for a similar position. The remuneration of the directors of the Company (the "Directors") are determined by the Board and the remuneration committee of the Company with the mandate given by the shareholders at the annual general meeting having regard to the Group's operating results, individual performance and comparable market statistics. The Group also provides both internal and external training programmes for its employees from time to time.

The Group has also adopted share option schemes and a share award plan for the purpose of providing incentives and rewards to the Directors, including independent non-executive Directors, and other employees of the Group who have contributed to the success of the Group's operations.

The Board will constantly review and determine at its absolute discretion such number of awarded Shares to be awarded to the selected persons under the Share Award Plan with such vesting conditions as the Board may deem appropriate.

薪酬政策

於二零一九年六月三十日，本集團合共聘有3,169名僱員（二零一八年六月三十日：3,125名僱員）。回顧期間內產生的員工總成本約為人民幣107,516,000元（截至二零一八年六月三十日止六個月：人民幣96,029,000元）。

本集團為其僱員提供全面及具競爭力的薪酬、退休計劃及福利待遇。本集團須向中國社會保障計劃供款。此外，本集團及其中國僱員須各自按有關中國法律及法規訂明的水平向養老保險及失業保險作出供款。

本集團僱員的薪酬政策由董事會參照各僱員的資歷、經驗、所承擔責任、對本集團的貢獻及類似職位的現行市場薪酬水平制定。董事會及本公司薪酬委員會獲股東於股東週年大會上授權，根據本集團經營業績、本公司董事（「董事」）個別表現及可比較市場數字釐定董事薪酬。本集團亦不時為其僱員提供內部及外部培訓課程。

本集團亦已採納購股權計劃及股份獎勵計劃，目的為向對本集團業務的成功作出貢獻的董事（包括獨立非執行董事）及本集團的其他僱員提供激勵及獎勵。

董事會將不斷檢討及全權酌情釐定根據股份獎勵計劃按董事會可能視為合適的有關歸屬條件將向獲選人士授出的有關獎勵股份數目。

Management Discussion and Analysis

管理層討論及分析

PRINCIPAL RISKS AND UNCERTAINTIES FACING THE GROUP

The Group is principally engaged in the manufacturing of linen yarn and the sale of the products to over 20 countries. Overseas sales are invoiced in United States Dollars, except sales by the Group's subsidiary in Italy which are invoiced in Euros. Domestic sales in China are invoiced in Renminbi. Raw materials (fiber flax) are imported from Europe. The principal risks and uncertainties facing the Group include the demand for linen yarn, protectionism of certain countries and possible punitive tariffs of products made in China, stable supplies of raw materials, continuous decline in cotton price, depreciation of United States Dollars against Renminbi, and the execution risks of the new expansion project in Ethiopia.

OUTLOOK AND PLANS

Politically, the rise in sentiment of protectionism and unilateralism led by the United States has been severely affecting global free trade in almost every sector and it is expected that such unilateral actions by individual countries will continue in the foreseeable future.

The trend of environmental-friendliness and the use of natural fibers has been set. Linen yarn will surely benefit from this trend as it is one of the most environmentally-friendly fibers. In addition, China has become one of the largest consumer markets for linen textile products. The Company is confident in the sustainable demand for linen yarn in the coming years, as the Chinese government encourages domestic consumption for its GDP growth and transformation of its economy to lessen the reliance on exports.

Having said that, the price of cotton in China has dropped over 20% since May 2019. As such, the demand of linen yarn has also started to see signs of a slowing momentum in recent months and the operating environment of the whole textile industry has also become more challenging. The Group will cautiously monitor the situation and react to the market accordingly.

The Ethiopia project will not only help the Group in saving land cost, labour cost, energy cost and tax expenses, but will also enable the Group to benefit from the favourable treatment under the African Growth and Opportunity Act (AGOA) of United States and the Everything but Arms (EBA) initiative of the European Union for least developed countries (LDCs), which grants duty-free quota-free access to all products into these countries, to counter the threats of protectionism and unilateralism. The Ethiopia factory is expected to commence trial production in early 2020.

本集團面對的主要風險及不明朗因素

本集團主要從事亞麻紗生產，並向超過20個國家銷售產品。海外銷售的發票以美元為單位，惟意大利附屬公司進行銷售的發票則以歐元為單位。中國內地銷售的發票以人民幣為單位。原材料（亞麻纖維）從歐洲進口。本集團面對的主要風險及不明朗因素包括對亞麻紗的需求、若干國家的貿易保護主義及可能對中國製產品徵收懲罰性關稅、穩定的原材料供應、棉花價格持續下跌、美元兌人民幣貶值及埃塞俄比亞新擴充項目的執行風險。

前景及計劃

政治方面，以美國為首的保護主義及單邊主義情緒抬頭，嚴重影響全球自由貿易的幾乎所有層面，預期個別國家的單方面行為於可見未來仍將持續。

推動環保及使用天然纖維已成趨勢。亞麻紗為最環保的纖維之一，必然受惠於此趨勢。此外，中國已成為亞麻紡織產品的最大消費者市場之一。由於中國政府鼓勵國內消費以拉動GDP增長並進行經濟轉型以減少出口依賴，本公司對未來數年的亞麻紗持續需求充滿信心。

儘管如此，中國棉花價格自二零一九年五月份以來已下跌超過20%。因此，亞麻紗的需求亦於最近數月開始呈現緩慢上升趨勢，紡織業的整體經營環境仍然挑戰重重。本集團將謹慎監督市場環境，及對市場變化作出及時反應。

埃塞俄比亞項目將不僅有助本集團減省土地成本、勞工成本、能源成本及稅項開支，更可讓本集團受惠於美國非洲成長暨機會法案(AGOA)下的優惠待遇及從歐盟就最不發達國家採納「除武器外一切都行(EBA)」的倡議中獲益，給予所有進入該等國家的產品免關稅、無配額的優惠待遇，以應對保護主義及單邊主義的威脅。埃塞俄比亞工廠預期將於二零二零年年初試產。

Disclosure of Interests

權益披露

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2019, the Directors and their associates had the following interests in the Shares of the Company (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")), or which were recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"):

Long positions in Shares

董事及最高行政人員於股份、相關股份及債券擁有的權益及淡倉

於二零一九年六月三十日，董事及彼等的聯繫人於本公司股份（「股份」）、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）的相關股份及債券中擁有，或已記入證券及期貨條例第352條規定存置的登記冊的權益，或按照香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十所載的上市發行人董事進行證券交易的標準守則（「標準守則」）須另行知會本公司及香港聯合交易所有限公司（「聯交所」）的權益如下：

股份的好倉

Ordinary Shares of HK\$ 0.01 each 每股面值0.01港元的普通股

Name of Director	董事姓名	Personal interests (Note 1)	Corporate interests	Total number of Shares held	Approximately percentage of issued share capital (%)
		個人權益 (附註1)	集團權益	所持股份總數	佔已發行股本 概約百分比(%)
Mr. Ren Weiming	任維明先生	12,072,000	302,800,000 (Note 2) (附註2)	314,872,000	50.01
Mr. Ngan Kam Wai Albert	顏金煒先生	418,000	67,000,000 (Note 3) (附註3)	67,418,000	10.71
Ms. Shen Hong	沈鴻女士	480,000	-	480,000	0.08

Notes:

附註：

1. The Shares are registered under the names of the Directors who are the beneficial Shareholders.

1. 該等股份以作為實益股東的董事的名義登記。

Disclosure of Interests 權益披露

2. Mr. Ren Weiming holds approximately 76.38% of the issued share capital of Kingdom Investment (BVI) (as defined below). Mr. Ren therefore holds a controlling interest in Kingdom Investment (BVI) and is deemed under the SFO to be interested in the Shares held by Kingdom Investment (BVI).
2. Kingdom Investment (BVI) (定義見下文)由任維明先生持有約76.38%的已發行股本。因此，任先生對Kingdom Investment (BVI)持有控制權益。根據證券及期貨條例，任先生因而被視為於由Kingdom Investment (BVI)持有的股份中擁有權益。
3. Mr. Ngan Kam Wai Albert and Ms. Ngan Chan Kattie Sau Kat, the spouse of Mr. Ngan, holds approximately 51.00% and 23.00% of the issued share capital of Millionfull International (as defined below) and 57.98% and 29.76% of the issued share capital of Millionfull Company Limited, respectively. Mr. Ngan therefore holds controlling interests in both Millionfull International and Millionfull Company Limited and is deemed under the SFO to be interested in 64,800,000 Shares, i.e. 10.29%, held by Millionfull International and 2,200,000 Shares, i.e. 0.35%, held by Millionfull Company Limited.
3. Millionfull International (定義見下文)由顏金煒先生及顏陳秀吉女士(顏先生的配偶)分別持有約51.00%及23.00%的已發行股本，而億裕有限公司則由彼等分別持有57.98%及29.76%的已發行股本。因此，顏先生對Millionfull International及億裕有限公司持有控制權益。根據證券及期貨條例，顏先生因而被視為於由Millionfull International持有的64,800,000股股份(即10.29%)及由億裕有限公司持有的2,200,000股股份(即0.35%)中擁有權益。

Share options

As at 30 June 2019, no share options were granted to the Directors or any of their associates.

Save as disclosed above, as at 30 June 2019, none of the Directors or their associates had or were deemed to have any interests or short positions in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Save as disclosed above, at no time during the Review Period was the Company or any of its subsidiary companies a party or parties to any arrangement to enable the Directors to acquire benefits by means of acquisition of Shares in or debentures of the Company or any other body corporate.

購股權

於二零一九年六月三十日，並無授出購股權予董事或彼等任何的聯繫人。

除以上所披露者外，於二零一九年六月三十日，概無董事或彼等的聯繫人於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份及債券中擁有或被視為擁有已記入證券及期貨條例第352條規定存置的登記冊，或按照標準守則已另行知會本公司及聯交所的任何權益或淡倉。

除以上所披露者外，本公司或其任何附屬公司於回顧期間任何時候均無訂立任何安排，使董事以收購本公司或任何其他法人團體的股份或債券的方式獲得利益。

Disclosure of Interests

權益披露

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

So far as it is known to the Directors, as at 30 June 2019, the following persons, other than a Director or chief executive of the Company, had interests or short positions in the Shares or underlying shares of the Company which were recorded in the register required to be kept under Section 336 of the SFO:

Long positions in Shares

Name of Shareholder	Capacity	Number of Shares	Approximately percentage of issued share capital (%) 佔已發行股本概約百分比(%)
股東名稱	身份	股份數目	
Kingdom Investment Holdings Limited ("Kingdom Investment (BVI)") (Note 1)	Beneficial owner	302,800,000	48.09
Kingdom Investment Holdings Limited ("Kingdom Investment (BVI)") (附註1)	實益擁有人		
Millionfull International Co., Ltd. ("Millionfull International") (Note 2)	Beneficial owner	64,800,000	10.29
Millionfull International Co., Ltd. ("Millionfull International") (附註2)	實益擁有人		

Notes:

- Kingdom Investment (BVI) is owned as to 76.38% by Mr. Ren Weiming, an executive Director and substantial Shareholder of the Company.
- Millionfull International is owned as to 51.00% by Mr. Ngan Kam Wai Albert, a non-executive Director, and 23.00% by Ms. Ngan Chan Kattie Sau Kat, the spouse of Mr. Ngan.

Save as disclosed above, as at 30 June 2019, the Company had not been notified by any person, other than a Director or chief executive of the Company, who had interests or short positions in the Shares or underlying shares of the Company which were recorded in the register required to be kept by the Company under section 336 of the SFO.

主要股東的權益及淡倉

就董事目前所知，於二零一九年六月三十日，以下人士（董事或本公司最高行政人員除外）於本公司股份或相關股份中擁有已記入證券及期貨條例第336條規定存置的登記冊的權益或淡倉：

股份好倉

附註：

- 本公司執行董事兼主要股東任維明先生擁有 Kingdom Investment (BVI) 76.38% 的權益。
- 非執行董事顏金煒先生及顏陳秀吉女士（顏先生的配偶）分別擁有 Millionfull International 51.00% 及 23.00% 的權益。

除以上所披露者外，於二零一九年六月三十日，本公司並無獲任何人士（董事或本公司最高行政人員除外）知會，其於本公司的股份或相關股份中擁有已記入證券及期貨條例第336條規定由本公司存置的登記冊的權益或淡倉。

Corporate Governance and Other Information 企業管治及其他資料

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

The Company or any of its subsidiaries did not purchase, sell or redeem any of the Company's listed securities during the Review Period.

CORPORATE STRATEGY AND LONG TERM BUSINESS MODEL

The primary objective of the Group is to enhance long-term total return for Shareholders. The strategy of the Group is to deliver sustainable returns with solid financial fundamentals. To achieve this objective, the Company strives to be one of the largest linen yarn manufacturers in the world through its commitment to sustainable development and technical innovation, developing proprietary intellectual property rights, branding of products and pursuing advanced management for lean management and excellent performance to generate or preserve value over a longer term.

The management discussion and analysis contains discussions and analyses of the performance of the Group and the basis on which the Group generates or preserves value over the longer term and the strategy for delivering the objective of the Group.

INTERIM DIVIDEND

The Board has resolved not to recommend any interim dividend for the six months ended 30 June 2019 (30 June 2018: Nil).

購買、出售或贖回本公司上市股份

本公司或其任何附屬公司於回顧期間內概無購買、出售或贖回本公司任何上市證券。

企業策略及長期業務模式

本集團的主要目標為提升股東長遠回報總額。本集團的策略為打造堅實的財務基礎，落實持續回報。為實現此目標，本公司致力於可持續發展及技術創新，開發自主知識產權，產品品牌營銷，追求卓越管理從而達致精益管理及優秀表現，銳意成為全球最大型亞麻紗製造商之一，長期創造或維持價值。

管理層討論及分析載有本集團表現的討論及分析，本集團長遠取得或維持有關價值的基礎，以及實現本集團目標的策略。

中期股息

董事會議決不建議就截至二零一九年六月三十日止六個月宣派任何中期股息（二零一八年六月三十日：無）。

Corporate Governance and Other Information

企業管治及其他資料

SHARE OPTION SCHEMES

Pursuant to the written resolutions of the sole Shareholder of the Company passed on 15 November 2006, the Company adopted a share option scheme (the “**Old Scheme**”). The Old Scheme expired in 2016.

A new share option scheme (the “**New Scheme**”) with Shareholders’ approval at the annual general meeting held on 30 May 2016 was adopted on the same date.

Subject to the terms of the Old Scheme and the New Scheme, the Board may at its discretion grant options to: (i) any Director, employee, consultant, customer, supplier, agent, partner or adviser of or contractor to the Group or a company in which the Group holds an interest or a subsidiary of such company (“**Affiliate**”); or (ii) the trustee of any trust the beneficiary of which or any discretionary trust the discretionary objects of which include any Director, employee, consultant, professional, customer, supplier, agent, partner or adviser of or contractor to the Group or an Affiliate; or (iii) a company beneficially owned by any Director, employee, consultant, professional, customer, supplier, agent, partner, adviser of or contractor to the Group or an Affiliate.

The overall limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Scheme and any other schemes must not exceed 30% of the Shares in issue from time to time. Subject to the aforesaid limit, the total number of Shares available for issue under options which may be granted under the New Scheme and any other schemes must not, in aggregate, exceed 62,967,800 Shares, being 10% of the number of issued Shares of the Company as at 30 May 2016, the date of adoption of the New Scheme, unless separate Shareholders’ approval has been obtained.

購股權計劃

根據本公司唯一股東於二零零六年十一月十五日通過的書面決議案，本公司採納一項購股權計劃（「**舊計劃**」）。舊計劃於二零一六年屆滿。

本公司於二零一六年五月三十日舉行的股東週年大會上經股東批准，於同日採納一項新購股權計劃（「**新計劃**」）。

在舊計劃及新計劃條款的規限下，董事會可自行酌情向下列人士授出購股權：(i)本集團或本集團持有權益的公司或該公司的附屬公司（「**關聯公司**」）任何董事、僱員、顧問、客戶、供應商、代理、業務夥伴或諮詢人或承辦商；或(ii)以本集團或關聯公司任何董事、僱員、顧問、專業人士、客戶、供應商、代理、業務夥伴或諮詢人或承辦商為受益人或酌情對象的信託或酌情信託的受託人；或(iii)本集團或關聯公司任何董事、僱員、顧問、專業人士、客戶、供應商、代理、業務夥伴、諮詢人或承辦商實益擁有的公司。

因行使根據新計劃及任何其他計劃授出而尚未行使的所有發行在外購股權可發行的股份數目整體上限，不得超過不時已發行股份的30%。根據上述的上限，因行使根據新計劃及任何其他計劃可授出購股權所涉及可供發行的股份總數，合共不得超過62,967,800股股份（即於新計劃採納日期二零一六年五月三十日本公司已發行股份數目的10%），惟獲得股東另行批准則除外。

Corporate Governance and Other Information 企業管治及其他資料

The maximum entitlement for any one participant under the New Scheme shall not in any 12-month period up to the date of grant exceed 1% of the issued share capital of the Company as at the date of grant.

The period within which the options must be exercised will be specified by the Board at the time of the grant, and must expire no later than 10 years from the date of grant of the options.

The subscription price for any Share shall not be less than the highest of (i) the closing price of a Share as stated in the Stock Exchange's daily quotations sheet on the date of grant of the relevant option, which must be a business day, (ii) an amount equivalent to the average closing price of a Share as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant of the relevant option and (iii) the nominal value of a Share.

Options carrying rights to subscribe for a maximum of 22,250,000 Shares were granted on 24 August 2015 (the "Date of Grant") pursuant to the Old Scheme and 16,250,000 options remained outstanding under the Old Scheme as at 30 June 2019, representing approximately 2.58% of the Shares of the Company in issue as at 30 June 2019, with details as follows:

新計劃的任何一名參與者於直至授出日期止的任何十二個月期間的最高利益不得超過本公司於授出日期已發行股本的1%。

購股權須行使的期間將由董事會於授出時指定，且最遲須於由授出購股權當日起計十年時屆滿。

任何股份的認購價不得低於以下的最高者：(i)於授出有關購股權日期聯交所每日報價表所列股份收市價，且該日必須為營業日，(ii)相等於緊接授出有關購股權日期前五個營業日聯交所每日報價表所列股份平均收市價的金額及(iii)股份面值。

附帶權利可認購最多22,250,000股股份的購股權已於二零一五年八月二十四日（「授出日期」）根據舊計劃授出，而於二零一九年六月三十日，舊計劃項下仍有16,250,000份尚未行使的購股權，佔本公司於二零一九年六月三十日已發行股份約2.58%，有關詳情如下：

Number of Shares issuable under the options
購股權涉及的可發行股份數目

Grantees	Date of Grant	Exercise price per Share	As at 1/1/2019		Granted during the period	Exercised during the period	Forfeited during the period	Cancelled during the period	As at 30/06/2019		Exercise period
			於二零一九年一月一日	於二零一九年六月三十日					於二零一九年六月三十日	於二零一九年六月三十日	
承授人	授出日期	每股行使價 HK\$ 港元			期內授出	期內行使	期內沒收	期內註銷			行使期
Employees of the Group in aggregate	24/08/2015	2.0	5,750,000		-	-	-	-	5,750,000		Note 1
本集團僱員總計	二零一五年八月二十四日										附註1
Supplier	24/08/2015	2.0	2,500,000		-	-	-	-	2,500,000		Note 1
供應商	二零一五年八月二十四日										附註1
Sales agents	24/08/2015	2.0	8,000,000		-	-	-	-	8,000,000		Note 1
銷售代理	二零一五年八月二十四日										附註1
Total 合計			<u>16,250,000</u>						<u>16,250,000</u>		

Corporate Governance and Other Information

企業管治及其他資料

Note 1:

Subject to the Old Scheme, the share options (the “Share Options”) granted to the grantees are valid for a period of four years commencing on the Date of Grant and shall be exercisable during the following periods:

- (i) up to 30% of the Share Options granted shall be vested and exercisable at any time after the expiration of six (6) months from the Date of Grant; and
- (ii) the remaining Share Options granted shall be vested and exercisable at any time after the expiration of twenty-four (24) months from the Date of Grant.

Of which, Share Options carrying rights to subscribe for 16,250,000 Shares (representing approximately 2.58% of the Company’s issued Shares as at the date of this interim report) have been vested and become exercisable at an exercise price of HK\$2.00 per Share.

No Share Option under the Old Scheme was exercised during the Review Period. No option was granted under the New Scheme during the Review Period.

SHARE AWARD PLAN

The Company has adopted a share award plan (the “Share Award Plan”) on 26 August 2016. The purpose of the Share Award Plan is to incentivise, recognize and reward eligible persons for their contribution to the Group, attract and retain personnel, and align the interests of award holders with that of the Shareholders to promote the long-term development and financial performance of the Company.

The Board may, from time to time and at its sole discretion, select any eligible person to participate in the Share Award Plan and determine the number of Shares to be awarded and the terms and conditions of the awards. Awards shall be satisfied by Shares acquired in the market at the prevailing market price and no new Shares will be allotted and issued under the Share Award Plan. The trustee of the Share Award Plan (the “Trustee”) shall hold the awarded Shares on trust for the award holders until the awarded Shares are vested in the relevant award holders according to the Share Award Plan rules. Upon vesting, the Trustee shall either transfer the vested awarded Shares at no cost to such award holders or sell the vested awarded Shares at the then prevailing market price by way of market order and remit the net proceeds to the award holders in accordance with the direction given by such award holders.

附註1：

在舊計劃的規限下，向承授人授出的該等購股權（「該等購股權」）的有效期為由授出日期起計四年，並可於下列期間行使：

- (i) 所獲授該等購股權的最多30%於由授出日期起計六(6)個月屆滿後歸屬，並可隨時行使；及
- (ii) 所獲授的其餘該等購股權於由授出日期起計二十四(24)個月屆滿後歸屬，並可隨時行使。

其中，附帶權利可認購16,250,000股股份（佔本公司於本中報日期已發行股份約2.58%）的該等購股權已經歸屬，可按行使價每股2.00港元行使。

於回顧期間內，概無購股權根據舊計劃獲行使。於回顧期間內，概無購股權根據新計劃獲授出。

股份獎勵計劃

本公司已於二零一六年八月二十六日採納股份獎勵計劃（「股份獎勵計劃」）。股份獎勵計劃之目的為激勵、認可及獎勵合資格人士為本集團作出的貢獻、吸引及挽留人員以及使獎勵持有人與股東利益一致，以推動本公司長期發展及提升本公司財務表現。

董事會可不時按其全權酌情決定選擇任何合資格人士參與股份獎勵計劃及釐定將授予的股份數目以及獎勵的條款及條件。獎勵將以按當時市價於市場上購買的股份撥付而概不會根據股份獎勵計劃配發及發行任何新股份。股份獎勵計劃的受託人（「受託人」）應以信託方式為獎勵持有人持有獎勵股份，直至獎勵股份根據股份獎勵計劃規則歸屬予有關獎勵持有人為止。於歸屬後，受託人須按照該等獎勵持有人作出的指示，將已歸屬之獎勵股份免費轉讓予該等獎勵持有人，或於市場上按當時現行之市價盤出售已歸屬之獎勵股份並將所得款項淨額匯付予獎勵持有人。

Corporate Governance and Other Information

企業管治及其他資料

The Trustee had purchased an aggregate of 19,400,000 Shares on the market in 2017 to hold on trust for the selected persons pursuant to the terms and conditions of the rules of the Share Award Plan and the trust deed. No Share was purchased by the Trustee during the Review Period.

On 25 May 2018, 19,400,000 Shares have been awarded to selected persons of which 19,370,000 Shares have been accepted pursuant to the Share Award Plan.

The Board will constantly review and determine at its absolute discretion such number of awarded Shares to be awarded to the selected persons under the Share Award Plan with such vesting conditions as the Board may deem appropriate.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules regarding securities transactions by Directors on terms no less exacting than the required standard as set out in the Model Code. Having made specific enquiries with all Directors, all Directors have confirmed that they have complied with the required standards as set out in the Model Code and the Company's code of conduct regarding Directors' securities transactions for the Review Period and up to the publication date of the interim results on 21 August 2019.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE OF THE LISTING RULES

The Company is committed to the establishment of good corporate governance practices and procedures with a view to being a transparent and responsible organisation which is open and accountable to the Company's Shareholders. The Directors believe that good corporate governance practices are increasingly important for maintaining and promoting investor confidence. In the opinion of the Directors, save for the deviation to code provision A.2.1 of the Corporate Governance Code (the "Code") contained in Appendix 14 of the Listing Rules as disclosed below, the Company has complied with the code provisions set out in the Code throughout the Review Period.

於二零一七年，受託人已根據股份獎勵計劃規則及信託契約的條款及條件，於市場上購買合共19,400,000股股份，並以信託方式為獲選人士持有該等股份。受託人於回顧期間概無購買股份。

於二零一八年五月二十五日，已根據股份獎勵計劃向獲選人士授出19,400,000股股份，其中，19,370,000股股份已獲接納。

董事會將不斷檢討及全權酌情釐定根據股份獎勵計劃按董事會可能視為合適的有關歸屬條件將向獲選人士授出的有關獎勵股份數目。

董事進行證券交易的標準守則

本公司已就董事進行證券交易採納上市規則附錄十所載的標準守則，其條款不遜於標準守則所載的規定標準。經向全體董事作出特定查詢後，全體董事已確認於回顧期間及直至中期業績之刊發日期二零一九年八月二十一日，彼等一直遵守標準守則所載的規定標準及本公司有關董事進行證券交易的操守守則。

遵守上市規則企業管治守則

本公司致力建立良好企業管治常規及程序，以成為具透明度及負責任的組織，並對本公司股東公開及負責。董事相信，良好企業管治常規對維持及提升投資者信心日益重要。董事認為，除下文所披露的偏離上市規則附錄十四所載企業管治守則（「守則」）之守則條文第A.2.1條的情況外，本公司於整個回顧期間一直遵守守則所載的守則條文。

Corporate Governance and Other Information

企業管治及其他資料

Code Provision A.2.1

Under code provision A.2.1 of the Code, the roles of the chairman and chief executive officer of the Company should be separated and should not be performed by the same individual. The Company does not have any officer with the title of “chief executive officer”. Mr. Ren Weiming, who acts as the chairman of the Company, is also responsible for overseeing the general operations of the Group. The Board meets regularly to consider major matters affecting the operations of the Group. Given the nature and extent of the Group’s operation and Mr. Ren’s extensive experience in the industry, the Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Company and is conducive to strong and consistent leadership, enabling the Company to operate efficiently.

AUDIT COMMITTEE AND REVIEW OF INTERIM RESULTS

The audit committee of the Company (the “**Audit Committee**”) was established in compliance with Rules 3.21 and 3.22 of the Listing Rules and with written terms of reference in compliance with the Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process, risk management and internal control system of the Group and to provide advice and comments to the Board. The Audit Committee comprises three members who are all independent non-executive Directors, namely, Mr. Lau Ying Kit, Mr. Yan Jianmiao and Mr. Lo Kwong Shun Wilson. Mr. Lau Ying Kit, who has appropriate professional qualifications and experience in accounting matters, was appointed as the chairman of the Audit Committee. The interim results of the Group for the Review Period have been reviewed with no disagreement by the Audit Committee.

APPRECIATION

The chairman of the Company would like to take this opportunity to thank his fellow Directors for their invaluable advice and guidance, and to each and every one of the staff of the Group for their hard work and loyalty to the Group.

守則條文第A.2.1條

根據守則的守則條文第A.2.1條，本公司主席及行政總裁應有職責分工，兩職不應由同一人士擔任。本公司並無任何高級職員擁有「行政總裁」職銜。任維明先生為本公司主席，亦負責監察本集團一般營運。董事會定期舉行會議，以考慮影響本集團營運的主要事宜。基於本集團業務性質及規模，以及任先生於業內的豐富經驗，董事會認為此架構將不會損害董事會與本公司管理層之間的權力及職權平衡，且有助於建立有力而穩定的領導層，使本公司能有效營運。

審核委員會及中期業績審閱

本公司已遵照上市規則第3.21及3.22條成立審核委員會（「**審核委員會**」），並訂出符合守則的書面職權範圍。審核委員會的主要職責為檢討及監察本集團財務申報程序、風險管理及內部監控制度，並向董事會提供意見及評議。審核委員會由三名屬獨立非執行董事的成員組成，分別為劉英傑先生、嚴建苗先生及羅廣信先生，而於會計事宜擁有適當專業資格及經驗的劉英傑先生獲委任為審核委員會主席。本集團於回顧期間的中期業績已由審核委員會審閱，並無不同意之處。

致謝

本公司主席希望藉此機會感謝眾位董事給予寶貴意見及指導，以及本集團各員工為本集團勤奮工作及忠誠服務。

Interim Condensed Consolidated Statement of Profit or Loss 中期簡明合併損益表

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

		For the 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 (Unaudited) (未經審核)	2018 二零一八年 RMB'000 人民幣千元 (Unaudited) (未經審核)
		Notes 附註	
REVENUE FROM CONTRACTS WITH CUSTOMERS	客戶合約收入	4	731,167
Cost of sales	銷售成本		513,401
Gross profit	毛利		<u>731,167</u>
Other income and gains	其他收益及得益	4	(536,332)
Selling and distribution expenses	銷售及分銷開支		(431,156)
Administrative expenses	行政開支		<u>194,835</u>
Other expenses	其他開支		194,835
Finance costs	財務成本	5	9,480
Gain on disposal of a subsidiary	出售一家附屬公司的得益		7,199
PROFIT BEFORE TAX	除稅前溢利	6	(23,070)
Income tax expense	所得稅開支	7	(36,461)
PROFIT FOR THE PERIOD	期內溢利		(9,465)
Attributable to:	由下列項目應佔：		(9,275)
Owners of the parent	母公司擁有人		235
Non-controlling interests	非控制性權益		-
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	母公司普通股權益持有人應佔每股盈利		<u>126,279</u>
Basic	基本	9	24,580
Diluted	攤薄	9	(35,550)
			<u>90,729</u>
			<u>22,481</u>
			<u>87,814</u>
			<u>2,915</u>
			<u>90,729</u>
			<u>22,481</u>
			<u>87,814</u>
			<u>2,915</u>
			<u>90,729</u>
			<u>22,481</u>

Interim Condensed Consolidated Statement of Comprehensive Income

中期簡明合併全面收益表

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

		For the 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 (Unaudited) (未經審核)	2018 二零一八年 RMB'000 人民幣千元 (Unaudited) (未經審核)
PROFIT FOR THE PERIOD	期內溢利	90,729	22,481
Other comprehensive income to be reclassified to profit or loss in subsequent periods:	將於往後期間重新分類至損益的其他全面收益：		
Exchange differences on translation of foreign operations	換算海外業務的匯兌差額	(59)	(255)
TOTAL COMPREHENSIVE INCOME, FOR THE PERIOD	期內全面收益總額	90,670	22,226
Attributable to:	由下列項目應佔：		
Owners of the parent	母公司擁有人	87,755	22,844
Non-controlling interests	非控制性權益	2,915	(618)
		90,670	22,226

Interim Condensed Consolidated Statement of Financial Position

中期簡明合併財務狀況表

As at 30 June 2019 於二零一九年六月三十日

			30 June 2019 二零一九年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
	<i>Notes</i>			
	<i>附註</i>			
NON-CURRENT ASSETS		非流動資產		
Property, plant and equipment		物業、廠房及設備	891,440	803,778
Investment property		投資物業	6,629	6,929
Right-of-use assets		使用權資產	2,654	–
Prepaid land lease payments		土地租賃預付款項	63,651	63,062
Other intangible assets		其他無形資產	4,975	7,248
Prepayments for equipment		設備預付款項	30,775	17,139
Other non-current assets		其他非流動資產	407	407
Deferred tax assets		遞延稅項資產	5,209	5,596
Total non-current assets		非流動資產總值	1,005,740	904,159
CURRENT ASSETS		流動資產		
Inventories		存貨	609,157	557,087
Trade and notes receivables		應收貿易賬款及應收票據	299,667	295,115
Prepayments, deposits and other receivables		預付款、押金及其他應收款項	80,969	60,704
Pledged deposits		已抵押存款	153,183	68,857
Cash and cash equivalents		現金及現金等價物	219,724	241,826
Total current assets		流動資產總值	1,362,700	1,223,589
CURRENT LIABILITIES		流動負債		
Trade and notes payables		應付貿易賬款及應付票據	295,419	245,675
Other payables and accruals		其他應付款項及預提費用	111,850	123,300
Interest-bearing bank and other borrowings		計息銀行及其他借貸	631,739	508,984
Derivative financial instruments		衍生金融工具	222	3,438
Dividend payable		應付股息	33,235	1
Tax payable		應付稅項	22,326	28,133
Total current liabilities		流動負債總額	1,094,791	909,531
NET CURRENT ASSETS		流動資產淨值	267,909	314,058
TOTAL ASSETS LESS CURRENT LIABILITIES		資產總值減流動負債	1,273,649	1,218,217

Interim Condensed Consolidated Statement of Financial Position

中期簡明合併財務狀況表

As at 30 June 2019 於二零一九年六月三十日

		Notes 附註	30 June 2019 二零一九年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		1,273,649	1,218,217
NON-CURRENT LIABILITIES	非流動負債			
Deferred tax liabilities	遞延稅項負債		22,252	14,308
Interest-bearing bank and other borrowings	計息銀行及其他借貸	15	39,282	50,400
Total non-current liabilities	非流動負債總額		<u>61,534</u>	<u>64,708</u>
Net assets	資產淨值		<u>1,212,115</u>	<u>1,153,509</u>
EQUITY	權益			
Equity attributable to owners of the parent	母公司擁有人應佔權益			
Share capital	股本	16	6,329	6,329
Treasury shares	庫存股份	17	(18,493)	(19,508)
Reserves	儲備		1,182,576	1,126,068
			<u>1,170,412</u>	<u>1,112,889</u>
Non-controlling interests	非控制性權益		41,703	40,620
Total equity	權益總額		<u>1,212,115</u>	<u>1,153,509</u>

Interim Condensed Consolidated Statement of Changes in Equity

中期簡明合併權益變動表

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

		Attributable to owners of the parent 母公司擁有人應佔											
		Issued capital 已發行股本	Share premium 股份溢價	Treasury shares 庫存股份	Merger reserve 合併儲備	Statutory reserve 法定儲備	Share option reserve 購股權儲備	Share award reserve 股份獎勵儲備	Exchange reserve 匯兌儲備	Retained profits 保留溢利	Total 總計	Non-controlling interests 非控制性權益	Total equity 權益總額
Notes 附註		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	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
At 31 December 2018 (audited)	於二零一八年十二月三十一日 (經審核)	6,329	271,388	(19,508)	196,816	114,215	2,207	3,567	(18,935)	556,810	1,112,889	40,620	1,153,509
Effect of adoption of IFRS 16	採納《國際財務報告準則》第16號的影響	-	-	-	-	-	-	-	-	(117)	(117)	-	(117)
At 1 January 2019 (restated)	於二零一九年一月一日 (經重列)	6,329	271,388	(19,508)	196,816	114,215	2,207	3,567	(18,935)	556,693	1,112,772	40,620	1,153,392
Profit for the period	期內溢利	-	-	-	-	-	-	-	-	87,814	87,814	2,915	90,729
Exchange differences on translation of foreign operations	換算海外業務的匯兌差額	-	-	-	-	-	-	-	(59)	-	(59)	-	(59)
Total comprehensive income for the period	期內全面收益總額	-	-	-	-	-	-	-	(59)	87,814	87,755	2,915	90,670
Disposal of a subsidiary	出售一家附屬公司	-	-	-	-	-	-	-	-	-	-	(1,832)	(1,832)
Equity-settled share awards plan	以權益結算股份獎勵計劃	-	-	-	-	-	-	2,988	-	-	2,988	-	2,988
Transfer of share award plan reserve upon the vesting	於歸屬時轉撥股份獎勵計劃儲備	-	(218)	1,015	-	-	-	(797)	-	-	-	-	-
Final 2018 dividend declared	已宣派二零一八年末期股息	-	-	-	-	-	-	-	-	(33,103)	(33,103)	-	(33,103)
At 30 June 2019 (unaudited)	於二零一九年六月三十日(未經審核)	<u>6,329</u>	<u>271,170</u>	<u>(18,493)</u>	<u>196,816</u>	<u>114,215</u>	<u>2,207</u>	<u>5,758</u>	<u>(18,994)</u>	<u>611,404</u>	<u>1,170,412</u>	<u>41,703</u>	<u>1,212,115</u>
At 1 January 2018 (audited)	於二零一八年一月一日 (經審核)	6,329	271,388	(19,508)	196,816	114,215	2,207	-	(19,021)	465,331	1,017,757	32,439	1,050,196
Profit for the period	期內溢利	-	-	-	-	-	-	-	-	23,099	23,099	(618)	22,481
Exchange differences on translation of foreign operations	換算海外業務的匯兌差額	-	-	-	-	-	-	-	(255)	-	(255)	-	(255)
Total comprehensive income for the period	期內全面收益總額	-	-	-	-	-	-	-	(255)	23,099	22,844	(618)	22,226
Capital injection	注資	-	-	-	-	-	-	-	-	-	-	7,000	7,000
Equity-settled share awards plan	以權益結算股份獎勵計劃	-	-	-	-	-	-	510	-	-	510	-	510
Final 2017 dividend declared	已宣派二零一七年末期股息	-	-	-	-	-	-	-	-	(10,527)	(10,527)	-	(10,527)
At 30 June 2018 (unaudited)	於二零一八年六月三十日 (未經審核)	<u>6,329</u>	<u>271,388</u>	<u>(19,508)</u>	<u>196,816</u>	<u>114,215</u>	<u>2,207</u>	<u>510</u>	<u>(19,276)</u>	<u>477,903</u>	<u>1,030,584</u>	<u>38,821</u>	<u>1,069,405</u>

Interim Condensed Consolidated Statement of Cash Flows

中期簡明合併現金流量表

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

For the 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 (Unaudited) (未經審核)	2018 二零一八年 RMB'000 人民幣千元 (Unaudited) (未經審核)
CASH FLOWS FROM OPERATING ACTIVITIES	經營活動的現金流量		
Profit before tax	除稅前溢利	126,279	24,580
Adjustments for:	調整項目：		
Fair value loss/(gains) on derivative financial instruments transactions not qualifying as hedges	不合資格作對沖的衍生金融工具交易的公允價值虧損／(得益)	211	(5,474)
Equity-settled share award expenses	以權益結算股份獎勵開支	2,988	510
Depreciation	折舊	35,602	37,151
Depreciation of right-of-use assets	使用權資產折舊	775	-
Amortisation of prepaid land lease payments	土地租賃預付款項攤銷	918	866
Amortisation of intangible assets	無形資產攤銷	273	278
Provision for/(Reversal of) impairment of inventories	存貨減值撥備／(轉回)	5,507	(2,519)
Losses on disposal of items of property, plant and equipment	出售物業、廠房及設備項目虧損	1,331	335
Provision for/(Reversal of) impairment of trade and notes receivables	應收貿易賬款及應收票據減值撥備／(轉回)	422	(8)
Provision for impairment of property, plant and equipment	物業、廠房及設備減值撥備	6,173	-
Gain on disposal of a subsidiary	出售一家附屬公司的得益	(235)	-
Finance costs	財務成本	9,275	9,253
Exchange (gains)/losses, net	匯兌(得益) / 虧損淨額	(2,221)	95
Bank interest income	銀行利息收入	(201)	(326)
		187,097	64,741
(Increase)/Decrease in inventories	存貨(增加)／減少	(57,577)	2,365
(Increase)/Decrease in trade and notes receivables	應收貿易賬款及應收票據(增加)／減少	(5,622)	35,542
(Increase)/Decrease in prepayments, deposits and other receivables	預付款、押金及其他應收款項(增加)／減少	(22,922)	3,582
Proceeds from pledged deposits	已抵押存款的所得款項	66,972	77,538
New pledged deposits	新造已抵押存款	(113,423)	(79,183)
Decrease in derivative financial instruments	衍生金融工具減少	(1,075)	(3,235)
Increase/(Decrease) in trade and notes payables	應付貿易賬款及應付票據增加／(減少)	49,744	(38,488)
(Decrease)/Increase in other payables and accruals	其他應付款項及預提費用(減少)／增加	(9,139)	8,413
Cash generated from operations	經營產生的現金	94,055	71,275
Interest received	已收利息	201	326
Income tax paid	已付所得稅	(33,460)	(968)
Net cash flows generated from operating activities	經營活動產生的現金流量淨額	60,796	70,633

Interim Condensed Consolidated Statement of Cash Flows

中期簡明合併現金流量表

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

		For the 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 (Unaudited) (未經審核)	2018 二零一八年 RMB'000 人民幣千元 (Unaudited) (未經審核)
		Notes 附註	
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動的現金流量		
Purchases of items of property, plant and equipment	購置物業、廠房及設備項目	(115,890)	(47,046)
Prepayments for equipment	設備預付款項	(30,775)	(10,582)
Proceeds from disposal of items of property, plant and equipment and other intangible assets	出售物業、廠房及設備項目及 其他無形資產所得款項	1,342	32
Disposal of a subsidiary	出售一家附屬公司	5,505	–
Net cash flows used in investing activities	投資活動所用的現金流量淨額	(139,818)	(57,596)
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動的現金流量		
Capital injection from non-controlling shareholders	非控股股東注資	–	5,000
New bank loans	新造銀行貸款	567,015	525,387
Repayment of bank loans	償還銀行貸款	(478,310)	(523,555)
New related party loans	新關連方貸款	20,000	–
Interest paid	已付利息	(12,907)	(11,301)
Payment of lease liabilities	租賃負債付款	(944)	–
Proceeds from pledged deposits	已抵押存款的所得款項	44,094	33,669
New pledged deposits	新造已抵押存款	(81,969)	(82,554)
Net cash flows generated from/(used in) financing activities	融資活動產生/(所用)的 現金流量淨額	56,979	(53,354)
NET DECREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物減少淨額	(22,043)	(40,317)
Cash and cash equivalents at beginning of period	期初現金及現金等價物	241,826	173,824
Effect of foreign exchange rate changes, net	匯率變動影響淨額	(59)	(255)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	期末現金及現金等價物	219,724	133,252
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等價物結餘分析		
Cash and bank balances	現金及銀行結餘	219,724	133,252
Cash and cash equivalents as stated in the statement of financial position	財務狀況表所列的現金及 現金等價物	219,724	133,252

Notes to Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

1. CORPORATE AND GROUP INFORMATION

Kingdom Holdings Limited (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability on 21 July 2006. The Company’s shares were listed on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 12 December 2006.

The Group is principally engaged in the manufacture and sale of linen yarns.

The Company’s registered office address is Cricket Square, Hutchins Drive, P.O. Box 2681 GT, Grand Cayman KY1-1111, Cayman Islands; and the principal place of business is located at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong.

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial statements for the six months ended 30 June 2019 have been prepared in accordance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting”.

The interim condensed consolidated financial statements do not include all the 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.

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and basis of preparation adopted in the preparation of the interim condensed consolidated financial statements for the six months ended 30 June 2019 are consistent with those used in the preparation of the Group’s annual financial statements for the year ended 31 December 2018, except in relation to the new and revised International Financial Reporting Standards (“IFRSs”, which also include IASs and interpretations) as set out in note 2.3 that are adopted for the first time for the current period’s unaudited interim condensed consolidated financial statements, the adoption of these new and revised IFRSs has had no significant impact on the results and the financial position of the Group.

1. 公司及集團資料

金達控股有限公司(「本公司」)於二零零六年七月二十一日在開曼群島註冊成立為獲豁免有限公司。本公司股份於二零零六年十二月十二日在香港聯合交易所有限公司(「聯交所」)上市。

本集團主要從事生產及銷售亞麻紗。

本公司的註冊辦事處地址為Cricket Square, Hutchins Drive, P.O. Box 2681 GT, Grand Cayman KY1-1111, Cayman Islands; 其主要營業地點則位於香港皇后大道東183號合和中心54樓。

2.1 編製基準

截至二零一九年六月三十日止六個月的中期簡明合併財務報表乃按照《國際會計準則》(「《國際會計準則》」)第34號「中期財務報告」編製。

本中期簡明合併財務報表並不包括全年財務報表所要求的全部資料及披露，故應與本集團截至二零一八年十二月三十一日止年度的全年財務報表一併閱覽。

2.2 主要會計政策概要

編製截至二零一九年六月三十日止六個月的中期簡明合併財務報表所採納的會計政策及編製基準與編製本集團截至二零一八年十二月三十一日止年度的全年財務報表所使用者一致，惟有關附註2.3所載，就本期間的未經審核中期簡明合併財務報表首次採納的新訂及經修訂《國際財務報告準則》(「《國際財務報告準則》」，當中亦包括《國際會計準則》及詮釋)除外，採納該等新訂及經修訂《國際財務報告準則》對本集團的業績及財務狀況並無重大影響。

Notes to Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

2.3 ADOPTION OF NEW AND REVISED IFRSs

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2018, except for the adoption of new standards and interpretations effective as of 1 January 2019. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

All of the new and revised IFRSs adopted for the first time in these interim condensed consolidated financial statements are listed below.

<i>IFRS 16</i>	<i>Leases</i>
<i>IFRIC Interpretation 23</i>	<i>Uncertainty over Income Tax Treatments</i>
<i>Annual Improvements 2015-2017 Cycle</i>	<i>Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23</i>

IFRS 16 Leases

IFRS 16 replaces IAS 17 Leases, IFRIC Interpretation 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases – Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model. Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have any financial impact on leases where the Group is the lessor.

2.3 採納新訂及經修訂《國際財務報告準則》

編製本中期簡明合併財務報表所採納的會計政策與編製本集團截至二零一八年十二月三十一日止年度的全年合併財務報表所遵循者一致，惟採納於二零一九年一月一日生效的新訂準則及詮釋除外。本集團並無提早採納已頒佈但尚未生效的任何其他準則、詮釋或修訂。

該等中期簡明合併財務報表首次採納的所有新訂及經修訂《國際財務報告準則》如下。

《國際財務報告準則》第16號	租賃
《國際財務報告詮釋委員會》詮釋第23號	所得稅處理的不確定性
年度改進 二零一五年至 二零一七年週期	《國際財務報告準則》第3號、《國際財務報告準則》第11號、《國際會計準則》第12號及《國際會計準則》第23號的修訂本

《國際財務報告準則》第16號租賃

《國際財務報告準則》第16號取代《國際會計準則》第17號「租賃」、《國際財務報告詮釋委員會》詮釋第4號「釐定安排是否包含租賃」、《常務詮釋委員會詮釋公告》第15號「經營租賃－獎勵」及《常務詮釋委員會詮釋公告》第27號「評估涉及租賃法律形式的交易本質」。該準則載列確認、計量、呈列及披露租賃的原則，並要求承租人以單一資產負債表內模型對所有租賃進行會計處理。《國際財務報告準則》第16號大致沿用《國際會計準則》第17號內出租人的會計處理。出租人將繼續使用與《國際會計準則》第17號相同的分類原則將租賃分類為經營租賃或融資租賃。因此，《國際財務報告準則》第16號對本集團為出租人的租賃並無造成任何重大財務影響。

Notes to Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

2.3 ADOPTION OF NEW AND REVISED IFRSs (continued)

IFRS 16 Leases (continued)

The Group adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initial adoption as an adjustment to the opening balance of retained earnings at 1 January 2019, and the comparative information for 2018 was not restated and continues to be reported under IAS 17.

New definition of a lease

Under IFRS 16, a contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 and IFRIC Interpretation 4 at the date of initial application. Contracts that were not identified as leases under IAS 17 and IFRIC Interpretation 4 were not reassessed. Therefore, the definition of a lease under IFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their standard-alone prices. A practical expedient is available to a lessee, which the Group has adopted, not to separate non-lease components and to account for the lease and the associated non-lease components (e.g., property management services for leases of properties) as a single lease component.

2.3 採納新訂及經修訂《國際財務報告準則》(續)

《國際財務報告準則》第16號租賃(續)

本集團使用經修改回溯性採納方法採納《國際財務報告準則》第16號，初次應用日期為二零一九年一月一日。根據該方法，該準則予以回溯性應用，而初次採納的累計影響確認為對二零一九年一月一日保留盈利年初結餘的調整，且二零一八年的比較數字不予重列，而繼續根據《國際會計準則》第17號呈報。

租賃的新定義

根據《國際財務報告準則》第16號，倘合約授予一段期間內控制已識別資產使用的權利以換取代價，則該合約屬租賃或包含租賃。倘客戶有權享有因使用已識別資產所產生的絕大部分經濟利益及有權指示已識別資產的使用，則資產控制權已轉移予客戶。本集團已選擇採用過渡性可行權宜方法，可僅對於首次應用日期根據《國際會計準則》第17號及《國際財務報告詮釋委員會》詮釋第4號先前被識別為租賃的合約應用該準則。根據《國際會計準則》第17號及《國際財務報告詮釋委員會》詮釋第4號並非被識別為租賃的合約並無進行重新評估。因此，《國際財務報告準則》第16號項下租賃的定義僅應用於二零一九年一月一日或之後訂立或變更的合約。

於包含租賃部分的合約生效或重估時，本集團根據各部分的單獨價格將合約代價分配至各租賃及非租賃部分。承租人可採用可行權宜方法（本集團已採納該方法），不將非租賃部分區分開來，而將租賃及相關非租賃部分（如物業租賃的物業管理服務）入賬列為單一租賃部分。

Notes to Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

2.3 ADOPTION OF NEW AND REVISED IFRSs (continued)

IFRS 16 Leases (continued)

As a lessee – Leases previously classified as operating leases
Nature of the effect of adoption of IFRS 16

The Group has lease contracts for various items of property and vehicles. As a lessee, the Group previously classified leases as either finance leases or operating leases based on the assessment of whether the lease transferred substantially all the rewards and risks of ownership of assets to the Group. Under IFRS 16, the Group applies a single approach to recognise and measure right-of-use assets and lease liabilities for all leases, except for short-term leases (elected by class of underlying asset). The Group has elected not to recognise right-of-use assets and lease liabilities for leases, that at the commencement date, have a lease term of 12 months or less. Instead, the Group recognises the lease payments associated with those leases as an expense on a straight-line basis over the lease term.

Impacts on transition

Lease liabilities at 1 January 2019 were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at 1 January 2019 and included in interest-bearing bank and other borrowings.

The right-of-use assets were measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position immediately before 1 January 2019. All these assets were assessed for any impairment based on IAS 36 on that date. The Group elected to present the right-of-use assets separately in the statement of financial position.

For the leasehold buildings previously included in investment properties and accounted for using the cost model, the Group has continued to include them as investment properties at 1 January 2019. They continue to be accounted for using the cost model applying IAS 40.

The Group has used the following elective practical expedients when applying IFRS 16 at 1 January 2019:

- Applied the short-term lease exemptions to leases with a lease term that ends within 12 months from the date of initial application

2.3 採納新訂及經修訂《國際財務報告準則》(續)

《國際財務報告準則》第16號租賃(續)

作為承租人—先前分類為經營租賃的租賃
採納《國際財務報告準則》第16號所產生影響的性質

本集團就多項物業及汽車訂立租賃合約。作為承租人，本集團先前根據租賃是否將資產擁有權的絕大部分回報及風險轉移予本集團的評估將租賃分類為融資租賃或經營租賃。根據《國際財務報告準則》第16號，本集團應用單一方法以確認及計量所有租賃的使用權資產及租賃負債，惟短期租賃（按相關資產類別選擇）除外。本集團已選擇不就於開始日期時租期為12個月或以下的租賃確認使用權資產及租賃負債。相反，本集團於租期內按直線基準將該等租賃相關的租賃付款確認為開支。

過渡影響

於二零一九年一月一日的租賃負債乃按餘下租賃付款採用於二零一九年一月一日的增量借款利率貼現的現值確認，並計入計息銀行及其他借貸。

使用權資產按租賃負債金額計量，並按緊接二零一九年一月一日前在財務狀況表中確認與租賃相關的任何預付或應計租賃付款金額進行調整。於該日根據《國際會計準則》第36號評估所有該等資產有否出現任何減值。本集團選擇將使用權資產於財務狀況表中單獨呈報。

就先前計入投資物業並採用成本模型入賬的租賃樓宇而言，本集團於二零一九年一月一日繼續將有關樓宇入賬列為投資物業，並繼續應用《國際會計準則》第40號採用成本模型入賬。

於二零一九年一月一日應用《國際財務報告準則》第16號時，本集團已採用以下可選擇可行權宜方法：

- 就租期自首次應用之日起計不足12個月的租賃應用短期租賃豁免

Notes to Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

2.3 ADOPTION OF NEW AND REVISED IFRSs (continued) 2.3 採納新訂及經修訂《國際財務報告準則》(續)

IFRS 16 Leases (continued)

As a lessee – Leases previously classified as operating leases (continued)

Impacts on transition (continued)

The impacts arising from the adoption of IFRS 16 as at 1 January 2019 are as follows:

《國際財務報告準則》第16號租賃(續)

作為承租人—先前分類為經營租賃的租賃(續)

過渡影響(續)

於二零一九年一月一日採用《國際財務報告準則》第16號的影響如下：

	Increase/ (decrease) 增加/(減少)
	RMB'000 人民幣千元 (Unaudited) (未經審核)
Assets	
Increase in right-of-use assets	3,224
Liabilities	
Increase in interest-bearing bank and other borrowings	3,341
Decrease in retained earnings	(117)

The lease liabilities as at 1 January 2019 reconciled to the operating lease commitments as at 31 December 2018 is as follows:

於二零一九年一月一日的租賃負債與於二零一八年十二月三十一日的經營租賃承擔對賬如下：

	RMB'000 人民幣千元 (Unaudited) (未經審核)
Operating lease commitments as at 31 December 2018	
Weighted average incremental borrowing rate as at 1 January 2019	4.41%
Discounted operating lease commitments as at 1 January 2019	4,100
Less: Commitments relating to short-term leases	759
Lease liabilities as at 1 January 2019	3,341

Notes to Interim Condensed Consolidated Financial Statements 中期簡明合併財務報表附註

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

2.3 ADOPTION OF NEW AND REVISED IFRSs (continued)

IFRS 16 Leases (continued)

Summary of new accounting policies

The accounting policy for leases as disclosed in the annual financial statements for the year ended 31 December 2018 is replaced with the following new accounting policies upon adoption of IFRS 16 from 1 January 2019:

Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of the estimated useful life and the lease term.

Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

2.3 採納新訂及經修訂《國際財務報告準則》(續)

《國際財務報告準則》第16號租賃(續)

新會計政策概要

於二零一九年一月一日起採納《國際財務報告準則》第16號後，截至二零一八年十二月三十一日止年度的年度財務報表所披露有關租賃的會計政策由以下新會計政策取代：

使用權資產

使用權資產乃於租賃開始日期予以確認。使用權資產按成本減任何累計折舊及任何減值虧損計量，並就租賃負債的任何重新計量作出調整。使用權資產成本包括已確認租賃負債金額、已產生的初始直接成本，及於開始日期或之前所作出租賃付款減已收取的任何租賃優惠。除非本集團合理確定可於租期屆滿時取得租賃資產的擁有權，否則已確認所有權資產乃按估計可使用年期及租期（以較短者為準）以直線基準折舊。

租賃負債

租賃負債於租賃開始日期按租期內將予支付租賃付款的現值確認。租賃付款包括固定付款（包括實質固定付款）減任何應收租賃優惠、取決於指數或利率的可變租賃付款，以及剩餘價值擔保項下預期支付款項。租賃付款亦包括合理確定本集團將予行使的購買選擇權的行使價及終止租賃的罰款付款（倘租賃條款反映本集團行使該項選擇權終止租約）。並非取決於指數或利率的可變租賃付款，於發生引致有關付款的事件或情況的期間確認為開支。

Notes to Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

2.3 ADOPTION OF NEW AND REVISED IFRSs (continued)

IFRS 16 Leases (continued)

Summary of new accounting policies (continued)

Lease liabilities (continued)

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in-substance fixed lease payments or a change in assessment to purchase the underlying asset.

Amounts recognised in the interim condensed consolidated statement of financial position and profit or loss

The carrying amounts of the Group's right-of-use assets and lease liabilities (included within 'interest-bearing bank and other borrowings'), and the movement during the period are as follow:

		Right-of-use asset 使用權資產			
		Plant and buildings 廠房及樓宇 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Sub- total 小計 RMB'000 人民幣千元	Lease liabilities 租賃負債 RMB'000 人民幣千元
As at 1 January 2019	於二零一九年一月一日	1,776	1,448	3,224	(3,341)
Additions	添置	205	-	205	(205)
Depreciation charge	折舊費用	(680)	(95)	(775)	-
Interest expense	利息開支	-	-	-	(70)
Payments	付款	-	-	-	944
As at 30 June 2019	於二零一九年六月三十日	1,301	1,353	2,654	(2,672)

The Group recognised rental expenses from short-term leases of RMB500,326 for the six months ended 30 June 2019.

2.3 採納新訂及經修訂《國際財務報告準則》(續)

《國際財務報告準則》第16號租賃(續)

新會計政策概要(續)

租賃負債(續)

於計算租賃付款現值時，倘租賃中的內含利率不易確定，則本集團採用於租賃開始日期的增量借款利率。於開始日期後，租賃負債金額將予調增以反映利息累積並就已付租賃付款作出調減。此外，如有修改、日後租賃付款因指數或利率變動而出現變動、租賃年期有所變動、實質固定租賃付款出現變動或購買相關資產的評估有所變動，則會重新計量租賃負債的賬面值。

於中期簡明合併財務狀況表及損益表確認的金額

本集團使用權資產及租賃負債(計入「計息銀行及其他借貸」)的賬面值及期間變動載列如下：

截至二零一九年六月三十日止六個月，本集團確認短期租賃租金開支人民幣500,326元。

Notes to Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

2.3 ADOPTION OF NEW AND REVISED IFRSs (continued)

IFRIC Interpretation 23

The Interpretation addresses the accounting for income taxes (current and deferred) when tax treatments involve uncertainty that affects the application of IAS 12 (often referred to as “uncertain tax positions”). The interpretation does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses (i) whether an entity considers uncertain tax treatments separately; (ii) the assumptions an entity makes about the examination of tax treatments by taxation authorities; (iii) how an entity determines taxable profits or tax losses, tax bases, unused tax losses, unused tax credits and tax rates; and (iv) how an entity considers changes in facts and circumstances. The interpretation did not have any significant impact on the Group’s interim condensed consolidated financial information.

3. OPERATING SEGMENT

For management purposes, the Group is organised into one single business unit that includes primarily the manufacture and sale of linen yarns. Management reviews the consolidated results when making decisions about allocating resources and assessing performance of the Group. Accordingly, no segmental analysis is presented.

2.3 採納新訂及經修訂《國際財務報告準則》(續)

《國際財務報告詮釋委員會》詮釋第23號該詮釋處理有關當稅務處理涉及會影響《國際會計準則》第12號應用的不確定性因素(常稱為「不確定課稅情況」)時,如何將所得稅(即期或遞延)入賬。該詮釋並不適用於《國際會計準則》第12號範疇以外的稅項或徵費,亦無載列與不確定稅務處理有關的利息及罰款之特定要求。詮釋具體處理(i)實體有否單獨考慮不確定稅務處理;(ii)稅務當局調查稅務處理時,實體作出的假設;(iii)實體如何釐定應課稅溢利或稅務虧損、稅基、未動用稅務虧損、未動用稅務抵免及稅率;以及(iv)實體如何考慮事實及情況變動。該詮釋並無對本集團的中期簡明合併財務資料產生任何重大影響。

3. 經營分部

為方便管理,本集團已組織成一個單一業務單位,主要包括生產及銷售亞麻紗。管理層於就分配本集團資源及評估表現作出決定時會審閱合併業績。因此,本集團並無呈列分部分析。

Notes to Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

3. OPERATING SEGMENT (continued)

Geographical information

- (a) Revenue from contracts with customers

An analysis of the Group's geographical information on revenue attributed to the regions on the basis of the customers' locations for the six months ended 30 June 2019 is set out in the following table:

Mainland China	中國大陸
European Union Countries	歐盟國
Non-European Union Countries	非歐盟國
Total	總額

3. 經營分部 (續)

地理資料

- (a) 客戶合約收入

下表載列本集團於截至二零一九年六月三十日止六個月按客戶所在地劃分的地區應佔收入的地理資料分析：

**Revenue from contracts
with customers
客戶合約收入
For the 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 (Unaudited) (未經審核)	2018 二零一八年 RMB'000 人民幣千元 (Audited) (經審核)
308,887	162,603
185,638	137,479
236,642	213,319
731,167	513,401

Notes to Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

3. OPERATING SEGMENT (continued)

Geographical information (continued)

(b) Non-current assets

Mainland China	中國大陸
Ethiopia	埃塞俄比亞

Information about a major customer

No revenue amounting to 10 percent or more of the Group's total revenue was derived from sales to a single customer for the six months ended 30 June 2019 (six months ended 30 June 2018: Nil).

3. 經營分部 (續)

地理資料 (續)

(b) 非流動資產

30 June 2019 二零一九年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
792,741	780,140
205,136	118,423
997,877	898,563

有關主要客戶的資料

於截至二零一九年六月三十日止六個月，並無向單一客戶進行的銷售收入佔本集團總收入10%或以上（截至二零一八年六月三十日止六個月：無）。

Notes to Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

4. REVENUE FROM CONTRACTS WITH CUSTOMERS, OTHER INCOME AND GAINS

Revenue from contracts with customers, which is also the Group's turnover, represents the sales value of linen yarn, hemp yarn and scraps, net of sales tax and deduction of any sales discounts and returns.

An analysis of revenue from contracts with customers, other income and gains is as follows:

4. 客戶合約收入、其他收益及得益

客戶合約收入（亦即本集團營業額）指亞麻紗、漢麻紗及廢料的銷售價值，經扣除銷售稅及扣減任何銷售折扣及退還。

客戶合約收入、其他收益及得益分析如下：

		For the 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 (Unaudited) (未經審核)	2018 二零一八年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Type of goods or services	貨品或服務類型		
Sales of linen yarn, hemp yarn and scraps	銷售亞麻紗、漢麻紗及廢料	<u>731,167</u>	<u>513,401</u>
Timing of revenue recognition	收入確認時間		
Goods transferred at a point in time	於某一時點轉讓的貨品	<u>731,167</u>	<u>513,401</u>
Other income	其他收益		
Bank interest income	銀行利息收入	201	326
Government grants	政府補助	6,177	865
Foreign exchange gains, net	外匯得益淨額	2,221	-
Others	其他	881	534
		<u>9,480</u>	<u>1,725</u>
Gains	得益		
Fair value gains on derivative financial instruments, net	衍生金融工具的公允價值得益淨額	-	5,474
		<u>9,480</u>	<u>7,199</u>

Notes to Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

5. FINANCE COSTS

5. 財務成本

		For the 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 (Unaudited) (未經審核)	2018 二零一八年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Interest on bank loans	銀行貸款的利息	13,237	10,995
Less: interest capitalised	減：資本化利息	(3,962)	(1,742)
		<u>9,275</u>	<u>9,253</u>

Notes to Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/
(crediting):

6. 除稅前溢利

本集團除稅前溢利於扣除／(計入)下列各項後得出：

		For the 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 (Unaudited) (未經審核)	2018 二零一八年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Cost of inventories sold	出售存貨成本	536,332	431,156
Depreciation	折舊	35,602	37,151
Depreciation of right-of-use asset	使用權資產折舊	775	–
Amortisation of prepaid land lease payments	土地租賃預付款項攤銷	918	866
Amortisation of intangible assets	無形資產攤銷	273	278
Research and development (“R&D”) expenses	研究及開發(「研發」)開支	5,846	3,378
Auditors' remuneration	核數師酬金	975	979
Employee benefit expense (including directors' and chief executive's remuneration):	僱員福利開支 (包括董事及最高行政人員薪酬):		
Wages, salaries and other benefits	工資、薪金及其他福利	99,511	89,764
Pension scheme contributions	退休金計劃供款	5,017	5,755
Equity-settled share award expense	以權益結算股份獎勵開支	2,988	510
		107,516	96,029
Foreign exchange (gains)/loss, net	外匯(得益)／虧損淨額	(2,221)	3,793
Fair value loss/(gains) on derivative financial instruments	衍生金融工具的公允價值虧損／(得益)		
– transactions not qualifying as hedges	– 不合資格作對沖的交易	211	(5,474)
Provision for/(Reversal of) inventories to net realisable value	存貨撥備／(轉回)至可變現淨值	5,507	(2,519)
Provision for/(Reversal of provision for) impairment of trade and notes receivables	應收貿易賬款及應收票據減值撥備／(撥備轉回)	422	(8)
Provision for impairment of property, plant and equipment	物業、廠房及設備減值撥備	6,173	–
Finance costs	財務成本	9,275	9,253
Bank interest income	銀行利息收入	(201)	(326)

Notes to Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

7. INCOME TAX EXPENSE

Major components of the Group's income tax expense for the period are as follows:

Current charge/(credit) for the period	即期期內支出／(抵免)
Deferred	遞延
Total tax charge for the period	期內稅項支出總額

- (i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands or the British Virgin Islands.
- (ii) In accordance with the PRC Corporate Income Tax Law which was approved and became effective on 1 January 2008, the provision for Mainland China current income tax has been based on a statutory rate of 25% of the assessable profits of the Company for the year except for Zhaosu Jindi Flax Co., Ltd. ("Zhaosu Jindi"), one indirect wholly-owned subsidiaries of the Group. Zhaosu Jindi is engaged in the preliminary processing of agriculture products and is exempted from PRC income tax.
- (iii) Hong Kong profits tax has been provided at the rate of 8.25% on the estimated assessable profits arising in Hong Kong up to HK\$2 million. The assessable profits over HK\$2 million are subject to a tax rate of 16.5%.
- (iv) Pursuant to the rules and regulations of Italy, the Group is subject to tax at an income tax rate of 28.82%, which comprises the Italy Corporate Income Tax at 24% and the Italy Regional Income Tax at 4.82%.

7. 所得稅開支

本集團於期內的所得稅開支主要項目如下：

For the 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 (Unaudited) (未經審核)	2018 二零一八年 RMB'000 人民幣千元 (Unaudited) (未經審核)
27,653	(2,854)
7,897	4,953
35,550	2,099

- (i) 根據開曼群島及英屬處女群島規則及法規，本集團毋須繳納開曼群島或英屬處女群島任何所得稅。
- (ii) 根據已通過並於二零零八年一月一日生效的《中國企業所得稅法》，中國大陸即期所得稅撥備已根據年內本公司的應課稅溢利按25%法定稅率計算，惟本集團的一家間接全資附屬公司昭蘇金地亞麻有限公司（「昭蘇金地」）除外。昭蘇金地從事農產品的初加工業務，獲豁免繳付中國所得稅。
- (iii) 香港利得稅按於香港產生的至多2百萬港元估計應課稅溢利以8.25%稅率計提撥備。超過2百萬港元的應課稅溢利須按16.5%的稅率繳稅。
- (iv) 根據意大利規則及法規，本集團須按28.82%稅率繳納所得稅，當中包括按24%稅率計算的意大利企業所得稅及按4.82%稅率計算的意大利地區所得稅。

Notes to Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

8. DIVIDEND

The board has resolved not to declare any interim dividend in respect of the six months ended 30 June 2019 (six months ended 30 June 2018: Nil).

9. BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares of 610,474,000 (six months ended 30 June 2018: 629,678,000) in issue during the reporting period.

The calculation of the diluted earnings per share amount is based on the profit for the reporting period attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the reporting period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings per share are based on:

8. 股息

董事會議決不宣派截至二零一九年六月三十日止六個月的任何中期股息(截至二零一八年六月三十日止六個月:無)。

9. 母公司普通股權益持有人應佔每股基本及攤薄盈利

每股基本盈利金額乃根據母公司普通股權益持有人應佔期內溢利及報告期內已發行普通股加權平均數610,474,000股(截至二零一八年六月三十日止六個月:629,678,000股)計算。

每股攤薄盈利金額乃根據母公司普通股權益持有人應佔報告期內溢利計算。計算時使用的普通股加權平均數乃報告期內已發行普通股數目(與計算每股基本盈利所使用者相同),以及假設全部攤薄潛在普通股被視為獲行使或兌換為普通股後無償發行的普通股加權平均數。

每股基本及攤薄盈利的計算方式如下:

For the 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 (Unaudited) (未經審核)	2018 二零一八年 RMB'000 人民幣千元 (Unaudited) (未經審核)
87,814	23,099

Earnings

Profit attributable to ordinary equity holders of the parent used in the basic earnings per share calculation

盈利

用作計算每股基本盈利的母公司普通股權益持有人應佔溢利

Notes to Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

9. BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (continued)

9. 母公司普通股權益持有人應佔每股基本及攤薄盈利(續)

		Number of shares 股份數目	
		2019 二零一九年 '000 千股	2018 二零一八年 '000 千股
Shares	股份		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	用作計算每股基本盈利的期內已發行普通股加權平均數	610,474	629,678
Effect of dilution – weighted average number of ordinary shares:	攤薄影響 – 普通股加權平均數：		
Share award plan	股份獎勵計劃	19,174	–
Share options	購股權	16,250	16,250
		645,898*	645,928

* Because the exercise price of share options is higher than the market price, the share options were ignored in the calculation of diluted earnings per share. Therefore, the diluted earnings per share amount is based on the earnings for the year of RMB87,814,000 and the weighted average number of ordinary shares of 629,648,000 in issue during the period.

* 由於購股權的行使價高於市價，故於計算每股攤薄盈利時已忽略購股權。因此，每股攤薄盈利的數額乃依照年內盈利人民幣87,814,000元及期內已發行普通股加權平均數629,648,000股計算。

Notes to Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

10. PROPERTY, PLANT AND EQUIPMENT

10. 物業、廠房及設備

		Plant and buildings 廠房及建築物 RMB'000 人民幣千元	Machinery 機器 RMB'000 人民幣千元	Office equipment 辦公室設備 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Leasehold improvements 租賃物業裝修 RMB'000 人民幣千元	Construction in progress 在建工程 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 31 December 2018 and at 1 January 2019:	於二零一八年十二月三十一日 及於二零一九年一月一日:							
Cost	成本	391,982	703,113	119,345	10,847	24,385	153,822	1,403,494
Accumulated depreciation	累計折舊	(116,280)	(408,825)	(47,836)	(10,171)	(16,604)	-	(599,716)
Net carrying amount	賬面淨額	<u>275,702</u>	<u>294,288</u>	<u>71,509</u>	<u>676</u>	<u>7,781</u>	<u>153,822</u>	<u>803,778</u>
At 1 January 2019, net of accumulated depreciation	於二零一九年一月一日， 扣除累計折舊	275,702	294,288	71,509	676	7,781	153,822	803,778
Additions	添置	5,008	6,396	452	1,616	757	122,762	136,991
Depreciation provided during the period	期內折舊撥備	(9,571)	(17,592)	(5,410)	(114)	(2,615)	-	(35,302)
Transfers	轉撥	-	-	509	-	-	(509)	-
Disposals	出售	(200)	(1,036)	(1,049)	-	(10)	(378)	(2,673)
Disposal of a subsidiary	出售附屬公司	(3,735)	-	(121)	-	-	(1,325)	(5,181)
Impairment provision	減值撥備	-	(6,173)	-	-	-	-	(6,173)
Exchange realignment	匯兌調整	-	1	(1)	-	-	-	-
At 30 June 2019, net of accumulated depreciation	於二零一九年六月三十日， 扣除累計折舊	<u>267,204</u>	<u>275,884</u>	<u>65,889</u>	<u>2,178</u>	<u>5,913</u>	<u>274,372</u>	<u>891,440</u>
At 30 June 2019:	於二零一九年六月三十日:							
Cost	成本	392,547	699,649	113,312	11,344	16,072	274,372	1,507,296
Accumulated depreciation	累計折舊	(125,343)	(417,592)	(47,423)	(9,166)	(10,159)	-	(609,683)
Impairment provision	減值撥備	-	(6,173)	-	-	-	-	(6,173)
Net carrying amount	賬面淨額	<u>267,204</u>	<u>275,884</u>	<u>65,889</u>	<u>2,178</u>	<u>5,913</u>	<u>274,372</u>	<u>891,440</u>

As at 30 June 2019, the Group's property, plant and equipment with a net carrying amount of approximately RMB201,066,000 (31 December 2018: RMB155,954,000) were pledged to secure bank loans granted to the Group as set out in note 15(i) and (ii).

如附註15(i)及(ii)所載，於二零一九年六月三十日，本集團賬面淨額約人民幣201,066,000元(二零一八年十二月三十一日：人民幣155,954,000元)的物業、廠房及設備已予質押，作為本集團獲授銀行貸款的擔保。

Notes to Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

11. OTHER INTANGIBLE ASSETS

		Patents and licences 專利及牌照 RMB'000 人民幣千元	Certified emission rights 認證排放權 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2019, net of accumulated amortisation	於二零一九年一月一日， 扣除累計攤銷	2,000	5,248	7,248
Disposal of a subsidiary	出售一家附屬公司	(2,000)	–	(2,000)
Amortisation provided during the period	期內攤銷撥備	–	(273)	(273)
At 30 June 2019, net of accumulated amortisation (Unaudited)	於二零一九年六月三十日， 扣除累計攤銷 (未經審核)	–	4,975	4,975
At 30 June 2019:	於二零一九年六月三十日：			
Cost	成本	–	9,853	9,853
Accumulated amortisation	累計攤銷	–	(4,878)	(4,878)
Net carrying amount	賬面淨額	–	4,975	4,975

11. 其他無形資產

12. INVENTORIES

		30 June 2019 二零一九年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Raw materials	原材料	355,852	362,836
Work in progress	在製品	46,380	38,451
Finished goods	製成品	206,925	155,800
		609,157	557,087

12. 存貨

As at 30 June 2019, inventories with a carrying amount of RMB40,000,000 (31 December 2018: Nil) were pledged to secure bank loans granted to the Group as set out in note 15(i).

於二零一九年六月三十日，如附註15(i)所載，賬面金額為人民幣40,000,000元(二零一八年十二月三十一日：零)的存貨已予質押，作為本集團獲授銀行貸款的擔保。

Notes to Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

13. TRADE AND NOTES RECEIVABLES

Trade receivables	應收貿易賬款
Notes receivable	應收票據
Impairment	減值

Customers are normally granted credit terms ranging from 30 days to 150 days depending on the creditworthiness of the individual customers. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. Trade receivables are non-interest-bearing.

The Group's notes receivables were all aged within six months and were neither past due nor impaired.

13. 應收貿易賬款及應收票據

30 June 2019 二零一九年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
252,957	234,075
47,857	61,765
(1,147)	(725)
299,667	295,115

客戶一般獲授予信貸期30天至150天，視乎個別客戶的信譽而定。本集團力求持續嚴格控制未收回的應收款項，並設有信貸控制部以將信貸風險減至最低。高級管理層定期審閱逾期結餘。應收貿易賬款並不計息。

本集團的應收票據賬齡均為六個月內，並無逾期亦無減值。

Notes to Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

13. TRADE AND NOTES RECEIVABLES (continued)

An aged analysis of the Group's trade receivables as at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

Within 1 month	一個月內
1 to 2 months	一個月至兩個月
2 to 3 months	兩個月至三個月
Over 3 months	三個月以上

13. 應收貿易賬款及應收票據(續)

於報告期末，本集團的應收貿易賬款按發票日分類並扣減撥備的賬齡分析如下：

30 June 2019 二零一九年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
107,690	127,962
69,267	46,125
53,328	36,677
21,525	22,586
251,810	233,350

14. TRADE AND NOTES PAYABLES

An aged analysis of the trade and notes payables as at 30 June 2019, based on the payment due date, is as follows:

Due within 1 month or on demand	一個月內到期或於要求時償還
Due after 1 month but within 3 months	一個月以後但三個月內到期

14. 應付貿易賬款及應付票據

於二零一九年六月三十日，按付款到期日分類的應付貿易賬款及應付票據賬齡分析如下：

30 June 2019 二零一九年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
95,233	157,645
200,186	88,030
295,419	245,675

The above balances are unsecured and non-interest-bearing. The carrying amount of trade and notes payables at the end of each reporting period approximates to their fair value due to their short term maturity.

上述結餘為無抵押及不計息。於各報告期末，由於短期內到期，故應付貿易賬款及應付票據的賬面金額與其公允價值相若。

Notes to Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

15. INTEREST-BEARING BANK AND OTHER BORROWINGS

15. 計息銀行及其他借貸

		Notes 附註	30 June 2019 二零一九年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Current	即期			
Secured bank loans	有抵押銀行貸款	(i)	296,985	267,056
Unsecured bank loans	無抵押銀行貸款		313,236	241,928
Unsecured related party loan	無抵押關連方貸款	22(a)(v)	20,330	–
Lease liability	租賃負債		1,188	–
Subtotal	小計		631,739	508,984
Non-current	非即期			
Secured bank loans	有抵押銀行貸款	(ii)	37,800	50,400
Lease liability	租賃負債		1,482	–
Subtotal	小計		39,282	50,400
Total	總計		671,021	559,384

Notes:

- (i) As at 30 June 2019, the current interest-bearing bank loans with a carrying amount of RMB296,985,000 were secured by certain property, plant and equipment, prepaid land lease payments, inventories and pledged deposits with carrying amounts of approximately RMB128,187,000 (31 December 2018: approximately RMB80,992,000), approximately RMB39,656,000 (31 December 2018: approximately RMB43,806,000), approximately RMB40,000,000 (31 December 2018: Nil) and approximately RMB31,386,000 (31 December 2018: Nil) respectively.
- (ii) As at 30 June 2019, the non-current interest-bearing bank borrowings with a carrying amount of RMB37,800,000 were secured by certain property, plant and equipment, prepaid land lease payments, of the Group with carrying amounts of RMB72,879,000 (31 December 2018: approximately RMB74,962,000) and RMB16,521,000 (31 December 2018: approximately RMB15,102,000), respectively.
- (iii) The bank borrowings bear interest at rates ranging from 1.20% to 5.22% per annum (31 December 2018: 2.48% to 5.22% per annum).

附註:

- (i) 於二零一九年六月三十日，賬面金額為人民幣296,985,000元的即期計息銀行貸款以賬面金額分別約人民幣128,187,000元（二零一八年十二月三十一日：約人民幣80,992,000元）、約人民幣39,656,000元（二零一八年十二月三十一日：約人民幣43,806,000元）、約人民幣40,000,000元（二零一八年十二月三十一日：零）及約人民幣31,386,000元（二零一八年十二月三十一日：零）的若干物業、廠房及設備、土地租賃預付款項、存貨及已抵押存款作抵押。
- (ii) 於二零一九年六月三十日，賬面金額為人民幣37,800,000元的非即期計息銀行借貸以本集團賬面金額分別為人民幣72,879,000元（二零一八年十二月三十一日：約人民幣74,962,000元）及人民幣16,521,000元（二零一八年十二月三十一日：約人民幣15,102,000元）的若干物業、廠房及設備及土地租賃預付款項作抵押。
- (iii) 銀行借貸按年利率1.20%至5.22%（二零一八年十二月三十一日：年利率2.48%至5.22%）計息。

Notes to Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

15. INTEREST-BEARING BANK AND OTHER BORROWINGS (continued)

The carrying amount of the current interest-bearing bank loans of the Group approximates to their fair value due to their short-term maturity.

The fair values of the non-current interest-bearing bank borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for interest-bearing bank borrowings as at 30 June 2019 was assessed to be insignificant. Management has assessed that the carrying amount of the non-current interest-bearing bank loans of the Group approximates to the fair value due to their floating interest rate.

16. SHARE CAPITAL

Authorised:

Ordinary shares of HK\$0.01 each 每股0.01港元普通股

Issued and fully paid:

At the beginning and the end

於期初及期末

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		
Number of shares 股份數目	Amount 金額		Number of shares 股份數目	Amount 金額	
	HK\$'000 千港元	RMB'000 equivalent 人民幣千元等值		HK\$'000 千港元	RMB'000 equivalent 人民幣千元等值
(Unaudited) (未經審核)	(Unaudited) (未經審核)	(Unaudited) (未經審核)	(Audited) (經審核)	(Audited) (經審核)	(Audited) (經審核)
	<u>629,678,000</u>	<u>6,297</u>	<u>629,678,000</u>	<u>6,297</u>	<u>6,329</u>

15. 計息銀行及其他借貸 (續)

由於短期內到期，故本集團即期計息銀行貸款的賬面金額與其公允價值相若。

非即期計息銀行借貸的公允價值按適用於具有類似條款、信貸風險及剩餘年期的工具的現行利率折現預期未來現金流量計算。於二零一九年六月三十日，本集團本身對計息銀行借貸的不履約風險被評定為並不重大。按管理層的評估，本集團的非即期計息銀行貸款由於按浮動利率計息，故其賬面金額與其公允價值相若。

16. 股本

法定：

已發行及繳足：

Notes to Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

17. TREASURY SHARES

17. 庫存股份

		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		
		Amount 金額			Amount 金額		
		Number of shares	HK\$'000	RMB'000 equivalent	Number of shares	HK\$'000	RMB'000 equivalent
		股份數目	千港元	人民幣千元 等值	股份數目	千港元	人民幣千元 等值
		(Unaudited) (未經審核)	(Unaudited) (未經審核)	(Unaudited) (未經審核)	(Audited) (經審核)	(Audited) (經審核)	(Audited) (經審核)
At the beginning	於期初	19,400,000	22,160	19,508	19,400,000	22,160	19,508
Vested shares transferred	已轉讓的歸屬股份	(1,010,000)	(1,154)	(1,015)	-	-	-
At the end	於期末	<u>18,390,000</u>	<u>21,006</u>	<u>18,493</u>	<u>19,400,000</u>	<u>22,160</u>	<u>19,508</u>

On 26 August 2016, the Company adopted a share award plan, which is not subject to the provisions of Chapter 17 of the Listing Rules (the "Share Award Plan"). The board of directors may, at their discretion, grants shares of the Company to eligible participants. The Company has appointed a trustee for administration of the Share Award Plan (the "Trustee"). The principal activity of the Trustee is administrating and holding the Company's shares for the Share Award Plan for the benefit of the Company's award holders. The Company's shares will be purchased by the Trustee in the market with cash paid by the Company and held in the trust for relevant award holders until such shares are vested in accordance with the provisions of the Share Award Plan. Upon vesting, the Trustee shall either transfer the vested awarded shares at no cost to such award holders or sell the vested awarded shares at the then prevailing market price by way of market order and remit the net proceeds to the award holders in accordance with the direction given by such award holders. The total number of the Company's shares purchased by the Trustee under the Share Award Plan will not exceed 5% of the total issued shares of the Company at the beginning of fiscal year. During the year ended 31 December 2017, the Trustee purchased 19,400,000 shares of the Company at a total consideration of approximately RMB19,508,000. At the end of the reporting period, 19,370,000 shares were granted under the Share Award Plan and 1,010,000 vested shares were transferred to award holders.

於二零一六年八月二十六日，本公司採納一項股份獎勵計劃（「股份獎勵計劃」），該計劃不受上市規則第十七章條文所規限。董事會可酌情向合資格參與人授出本公司股份。本公司已委聘受託人（「受託人」）管理股份獎勵計劃。受託人的主要活動乃為本公司獎勵持有人的利益就股份獎勵計劃管理及持有本公司股份。本公司之股份將由受託人於市場上使用本公司支付之現金購入並以信託方式為相關獎勵持有人而持有，直至有關股份根據股份獎勵計劃條文予以歸屬為止。於歸屬後，受託人須按照該等獎勵持有人作出的指示，將已歸屬之獎勵股份免費轉讓予該等獎勵持有人，或於市場上按當時現行之市價盤出售已歸屬之獎勵股份並將所得款項淨額匯付予獎勵持有人。於財政年度初，受託人根據股份獎勵計劃購入的本公司股份總數將不會超過本公司已發行股份總數的5%。截至二零一七年十二月三十一日止年度，受託人以總代價約人民幣19,508,000元購入本公司19,400,000股股份。於報告期末，19,370,000股股份已根據股份獎勵計劃獲授出及1,010,000股歸屬股份已轉讓予獎勵持有人。

Notes to Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

18. DISPOSAL OF A SUBSIDIARY

18. 出售一家附屬公司

		For the six months ended 30 June 2019 截至 二零一九年 六月三十日 止六個月 RMB'000 人民幣千元 (Unaudited) (未經審核)
Net assets disposed of:	出售的淨資產：	
Property, plant and equipment	物業、廠房及設備	5,181
Other intangible assets	其他無形資產	2,000
Deferred tax assets	遞延稅項資產	434
Cash and bank balances	現金及銀行結餘	1,995
Trade receivables	應收貿易賬款	648
Prepayments and other receivables	預付款及其他應收款項	1,150
Accruals and other payables	預提費用及其他應付款項	(2,311)
Non-controlling interests	非控制性權益	(1,832)
		<hr/> 7,265
Gain on disposal of a subsidiary	出售一家附屬公司的得益	235
		<hr/> 7,500
Satisfied by:	支付方式：	
Cash	現金	<hr/> <hr/> 7,500

Notes to Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

18. DISPOSAL OF A SUBSIDIARY (continued)

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of a subsidiary is as follows:

18. 出售一家附屬公司 (續)

出售一家附屬公司的現金及現金等價物流入淨額分析如下：

		For the six months ended 30 June 2019 截至 二零一九年 六月三十日 止六個月 RMB'000 人民幣千元 (Unaudited) (未經審核)
Cash consideration	現金代價	7,500
Cash and bank balances disposed of	出售的現金及銀行結餘	(1,995)
		<hr/>
Net inflow of cash and cash equivalents in respect of the disposal of a subsidiary	出售一家附屬公司的現金及 現金等價物流入淨額	<u>5,505</u>

Notes to Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

19. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

19. 按類別分類的金融工具

於報告期末，各類別金融工具的賬面金額如下：

Financial assets	金融資產	Financial assets at amortised cost 按攤銷成本列賬的金融資產 RMB'000 人民幣千元 (Unaudited) (未經審核)
As at 30 June 2019	於二零一九年六月三十日	
Trade and notes receivables	應收貿易賬款及應收票據	299,667
Financial assets included in deposits and other receivables	計入押金及其他應收款項的金融資產	61,789
Cash and cash equivalents	現金及現金等價物	219,724
Pledged deposits	已抵押存款	153,183
		<u>734,363</u>
		Financial assets at amortised cost 按攤銷成本列賬的金融資產 RMB'000 人民幣千元 (Audited) (經審核)
As at 31 December 2018	於二零一八年十二月三十一日	
Trade and notes receivables	應收貿易賬款及應收票據	295,115
Financial assets included in deposits and other receivables	計入押金及其他應收款項的金融資產	12,302
Cash and cash equivalents	現金及現金等價物	241,826
Pledged deposits	已抵押存款	68,857
		<u>618,100</u>

Notes to Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

19. FINANCIAL INSTRUMENTS BY CATEGORY

(continued)

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

(continued)

As at 30 June 2019	於二零一九年六月三十日
Interest-bearing bank and other borrowings	計息銀行及其他借貸
Financial liabilities included in other payables	計入其他應付款項的金融負債
Derivative financial instruments	衍生金融工具
Dividend payable	應付股息
Trade and notes payables	應付貿易賬款及應付票據

19. 按類別分類的金融工具(續)

於報告期末，各類別金融工具的賬面金額如下：(續)

Financial liabilities at amortised cost 按攤銷成本列賬的金融負債 RMB'000 人民幣千元 (Unaudited) (未經審核)	Financial liabilities at fair value through profit or loss 按公允價值計入損益的金融負債 RMB'000 人民幣千元 (Unaudited) (未經審核)	Total 總計 RMB'000 人民幣千元 (Unaudited) (未經審核)
671,021	–	671,021
85,533	–	85,533
–	222	222
33,235	–	33,235
295,419	–	295,419
1,085,208	222	1,085,430

As at 31 December 2018	於二零一八年十二月三十一日
Interest-bearing bank and other borrowings	計息銀行及其他借貸
Financial liabilities included in other payables	計入其他應付款項的金融負債
Derivative financial instruments	衍生金融工具
Trade and notes payables	應付貿易賬款及應付票據

Financial liabilities at amortised cost 按攤銷成本列賬的金融負債 RMB'000 人民幣千元 (Audited) (經審核)	Financial liabilities at fair value through profit or loss 按公允價值計入損益的金融負債 RMB'000 人民幣千元 (Audited) (經審核)	Total 總計 RMB'000 人民幣千元 (Audited) (經審核)
559,384	–	559,384
73,147	–	73,147
–	3,438	3,438
245,675	–	245,675
878,206	3,438	881,644

Notes to Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

20. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Set out below is a comparison of the carrying amounts and fair values of financial instruments as at 30 June 2019:

20. 金融工具的公允價值及公允價值等級架構

下文載列於二零一九年六月三十日金融工具賬面金額及公允價值的比較：

		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	
		Carrying amount 賬面金額 RMB'000 人民幣千元 (Unaudited) (未經審核)	Fair value 公允價值 RMB'000 人民幣千元 (Unaudited) (未經審核)	Carrying amount 賬面金額 RMB'000 人民幣千元 (Audited) (經審核)	Fair value 公允價值 RMB'000 人民幣千元 (Audited) (經審核)
Financial liabilities:	金融負債：				
Derivative financial instruments	衍生金融工具	222	222	3,438	3,438

Management has assessed that the fair values of cash and cash equivalents, trade and notes receivables, financial assets included in prepayments, deposits and other receivables, pledged deposits, current interest-bearing bank and other borrowings, trade and notes payables, dividend payable, financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short term maturities of these instruments. The carrying amount of the non-current interest-bearing bank and other borrowings of the Group approximates to their fair value because the loans have a floating interest rate.

按管理層的評估，現金及現金等價物、應收貿易賬款及應收票據、計入預付款、押金及其他應收款項的金融資產、已抵押存款、即期計息銀行及其他借貸、應付貿易賬款及應付票據、應付股息以及計入其他應付款項及預提費用的金融負債的公允價值與其賬面金額相若，主要由於該等工具於短期內到期所致。本集團的非即期計息銀行及其他借貸由於按浮動利率計息，故其賬面金額與其公允價值相若。

Notes to Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

20. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer and the audit committee. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Group enters into derivative financial instruments with various counterparties, principally financial institutions with AAA credit ratings. Derivative financial instruments, including forward currency contracts and cross-currency swap, are measured using valuation techniques similar to forward pricing and swap models, using present value calculations. The models incorporate various market observable inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves. The carrying amounts of forward currency contracts are the same as their fair values.

As at 30 June 2019, the marked to market value of the derivative asset position is net of a debt valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the financial instruments recognised at fair value.

20. 金融工具的公允價值及公允價值等級架構 (續)

以本集團財務經理為首的財務部負責釐定金融工具公允價值計量的政策及程序。財務經理直接向財務總監及審核委員會匯報。於各報告日期，財務部分析金融工具的價值變動並釐定估值所採用的主要輸入值。估值由財務總監審閱及批准。審核委員會每年討論估值過程及結果兩次以進行中期及年度財務呈報。

金融資產及負債的公允價值按當前交易（強制或清算出售除外）中雙方自願交換工具的金額入賬。

本集團與多個對手方（主要為具AAA信貸評級的金融機構）訂立衍生金融工具。衍生金融工具（包括遠期貨幣合約及換匯換利掉期）乃採用與遠期定價及掉期模型類似的估值技巧計量（採用現值計算）。該等模型納入了多項不同的市場可觀察輸入值，包括對手方的信貸素質、外匯即期及遠期匯率與利率曲線。遠期貨幣合約的賬面金額與其公允價值相同。

於二零一九年六月三十日，按市值標價的衍生資產頭寸已扣除涉及衍生工具對手方違約風險應估的債務評估調整。對手方信貸風險的變動對按公允價值確認的金融工具並無重大影響。

Notes to Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

20. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Liabilities measured at fair value:

Financial liabilities at fair value through profit or loss – foreign exchange forward contracts and cross-currency swap

按公允價值計入損益的金融負債—外匯遠期合約及換匯換利掉期

(222)

Financial liabilities at fair value through profit or loss – foreign exchange forward contracts and cross-currency swap

按公允價值計入損益的金融負債—外匯遠期合約及換匯換利掉期

(3,438)

During the six month ended 30 June 2019, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements (2018: Nil).

20. 金融工具的公允價值及公允價值等級架構 (續)

公允價值等級架構

下表顯示本集團金融工具的公允價值計量等級架構：

按公允價值計量的負債：

Fair value measurement using
採用以下項目進行的公允價值計量

	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3
	於活躍市場的報價	重大可觀察輸入值	重大不可觀察輸入值
	第一層	第二層	第三層
	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元
	(Unaudited)	(Unaudited)	(Unaudited)
	(未經審核)	(未經審核)	(未經審核)
30 June 2019			
二零一九年六月三十日			
RMB'000			
人民幣千元			
(Unaudited)			
(未經審核)			
	(222)	(222)	-

Fair value measurement using
採用以下項目進行的公允價值計量

	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3
	於活躍市場的報價	重大可觀察輸入值	重大不可觀察輸入值
	第一層	第二層	第三層
	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元
	(Audited)	(Audited)	(Audited)
	(經審核)	(經審核)	(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			
(Audited)			
(經審核)			
	(3,438)	(3,438)	-

於截至二零一九年六月三十日止六個月，公允價值計量在第一層及第二層之間概無轉移，亦無公允價值計量轉入第三層或自第三層轉出(二零一八年：無)。

Notes to Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

21. COMMITMENTS

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

Contracted, but not provided for: 已訂約但未撥備：
Plant and machinery 廠房及機器

22. RELATED PARTY TRANSACTIONS

(a) Transactions with companies controlled by a Company's director

- (i) During the six months ended 30 June 2019, the Group leased an office located in Mainland China from Zhejiang Kingdom Creative Co., Ltd. ("Kingdom Creative") and incurred operating lease charges of RMB250,000 (six months ended 30 June 2018: RMB238,000). Mr. Ren Weiming has a controlling equity interest in Kingdom Creative. The lease expenses were made according to published prices and conditions offered by the lessor to its major customers.
- (ii) During the six months ended 30 June 2019, the Group bought electricity from Zhejiang Yuyuan Solar Co., Ltd. and incurred electricity expenses of RMB1,196,000 (six months ended 30 June 2018: RMB1,146,000). Mr. Ren Weiming has a controlling equity interest in this company. The electricity purchase was made according to published prices and conditions offered by the supplier to its major customers.

21. 承擔

於報告期末，本集團的資本承擔如下：

30 June 2019 二零一九年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
159,411	146,431

22. 關連方交易

(a) 與由本公司一名董事控制的公司進行的交易

- (i) 於截至二零一九年六月三十日止六個月，本集團向浙江金達創業股份有限公司（「金達創業」）租用一家位於中國大陸的辦公室，所產生的經營租賃費用為人民幣250,000元（截至二零一八年六月三十日止六個月：人民幣238,000元）。任維明先生擁有金達創業的控股權益。租賃費用乃根據由出租人向其主要客戶提供的已公佈價格及條件作出。
- (ii) 於截至二零一九年六月三十日止六個月，本集團向浙江昱源光伏有限公司購電，所產生的電費為人民幣1,196,000元（截至二零一八年六月三十日止六個月：人民幣1,146,000元）。任維明先生擁有該公司的控股權益。購電乃根據由供應商向其主要客戶提供的已公佈價格及條件作出。

Notes to Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

22. RELATED PARTY TRANSACTIONS (continued)

(a) Transactions with companies controlled by a Company's director (continued)

- (iii) During the six months ended 30 June 2019, the Group purchased raw materials from Zhejiang Jinxiu Jiangnan Silk Co., Ltd. with an amount of RMB1,225,000 (six months ended 30 June 2018: Nil). Mr. Ren Weiming has a significant influence on this company. The raw material purchase was made according to published prices and conditions offered by the supplier to its major customers.
- (iv) During the six months ended 30 June 2019, the Group leased a car from and leased an office to Huitong Financial Leasing (Shanghai) Co., Ltd, which incurred lease charges of RMB138,000 (six months ended 30 June 2018: Nil) and lease income of RMB210,000 (six months ended 30 June 2018: RMB210,000). Mr. Ren Weiming has a controlling equity interest in Huitong Financial Leasing (Shanghai) Co., Ltd.'s parent company, Kingdom Creative. The lease prices were made according to published prices and conditions offered by the lessor to its major customers.
- (v) During the six months ended 30 June 2019, the Group borrowed a short-term loan from Kingdom Creative with an amount of RMB20,000,000, which incurred interest expenses of RMB330,000 (six months ended 30 June 2018: Nil). Mr. Ren Weiming has a controlling equity interest in Kingdom Creative. The short-term loan bears interest at rate 4.90% per annum.
- (vi) During the period, the Group disposed a subsidiary, Heilongjiang Kangyuan Seed Industry Co., Ltd., to a subsidiary of Kingdom Creative at a consideration of RMB7,500,000, based on an internal valuation of the business performed by the directors of the Group. Further details of the transaction are included in note 18 to the financial information.

22. 關連方交易 (續)

(a) 與由本公司一名董事控制的公司進行的交易 (續)

- (iii) 於截至二零一九年六月三十日止六個月，本集團向浙江錦繡江南絲綢有限公司購買金額為人民幣1,225,000元（截至二零一八年六月三十日止六個月：零）的原材料。任維明先生對該公司有重大影響力。原材料採購乃根據由供應商向其主要客戶提供的已公佈價格及條件作出。
- (iv) 於截至二零一九年六月三十日止六個月，本集團自滙通融資租賃（上海）有限公司租賃汽車，並向該公司出租辦公室，產生租賃費用人民幣138,000元（截至二零一八年六月三十日止六個月：零）及租賃收入人民幣210,000元（截至二零一八年六月三十日止六個月：人民幣210,000元）。任維明先生擁有滙通融資租賃（上海）有限公司的母公司金達創業的控股權益。租賃價格乃根據由出租人向其主要客戶提供的已公佈價格及條件作出。
- (v) 截至二零一九年六月三十日止六個月，本集團自金達創業借入人民幣20,000,000元的短期貸款，產生利息開支人民幣330,000元（截至二零一八年六月三十日止六個月：零）。任維明先生擁有金達創業的控股權益。短期貸款按4.90%的年利率計息。
- (vi) 期內，本集團根據本集團董事對業務的內部評估，向金達創業的附屬公司出售一家附屬公司黑龍江康源種業有限公司，代價為人民幣7,500,000元。有關交易的進一步詳情載於財務資料附註18內。

Notes to Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

22. RELATED PARTY TRANSACTIONS (continued)

(b) Compensation of key management personnel of the Group

Short-term employee benefits	短期僱員福利
Post-employment benefits	離職後福利
Share award plan	股份獎勵計劃

22. 關連方交易 (續)

(b) 本集團主要管理人員的補償

For the 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 (Unaudited) (未經審核)	2018 二零一八年 RMB'000 人民幣千元 (Unaudited) (未經審核)
2,450	2,430
70	64
101	8
2,621	2,502

23. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The unaudited interim condensed consolidated financial statements were approved and authorised for issue by the board of directors on 21 August 2019.

23. 批准中期簡明合併財務報表

董事會已於二零一九年八月二十一日批准及授權刊發未經審核中期簡明合併財務報表。



地址：中國浙江省海鹽縣橫港集鎮
Add : Henggang Town, Haiyan County, Zhejiang Province, China
E-mail: ir@kingdom-china.com

www.kingdom-china.com

