



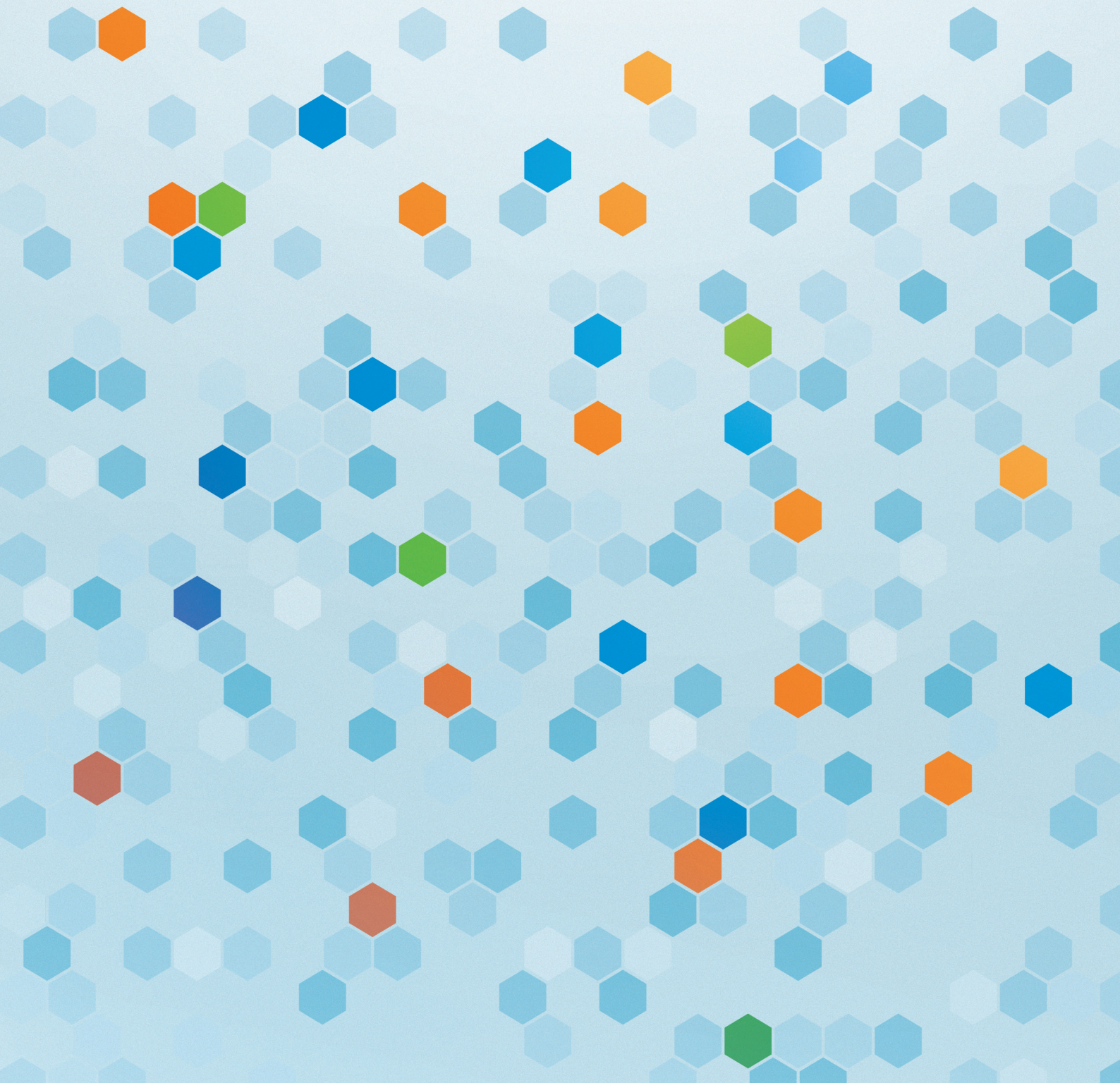
# 天虹紡織集團有限公司 TEXHONG TEXTILE GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號 : 2678

Annual Report  
年報 **2021**





# TABLE OF CONTENTS

## 目錄

<b>2</b>	Financial Highlights 財務摘要
<b>3</b>	Corporate Profile and Structure 企業簡介及架構
<b>4</b>	Chairman's Statement 主席報告書
<b>7</b>	Management Discussion and Analysis 管理層討論及分析
<b>27</b>	Corporate Governance Report 企業管治報告
<b>52</b>	Directors and Senior Management 董事及高級管理層
<b>56</b>	Corporate Information 公司資料
<b>58</b>	Report of the Directors 董事會報告
<b>79</b>	Environmental, Social and Governance Report 環境、社會及管治報告
<b>144</b>	Independent Auditor's Report 獨立核數師報告
<b>151</b>	Consolidated Balance Sheet 綜合資產負債表
<b>153</b>	Consolidated Income Statement 綜合收益表
<b>154</b>	Consolidated Statement of Comprehensive Income 綜合全面收益表
<b>155</b>	Consolidated Statement of Changes in Equity 綜合權益變動表
<b>157</b>	Consolidated Cash Flow Statement 綜合現金流量表
<b>159</b>	Notes to the Consolidated Financial Statements 綜合財務報表附註

# 財務摘要

## FINANCIAL HIGHLIGHTS

### OPERATING PERFORMANCE DATA

### 經營表現數據

		2021	2020		2019	2018	2017
		二零二一年	二零二零年		二零一九年	二零一八年	二零一七年
		RMB'000	RMB'000	Change	RMB'000	RMB'000	RMB'000
For the year ended 31 December		人民幣千元	人民幣千元	變動	人民幣千元	人民幣千元	人民幣千元
截至十二月三十一日止年度		人民幣千元	人民幣千元	變動	人民幣千元	人民幣千元	人民幣千元
Revenue	收入	26,521,193	19,576,938	35.5%	22,002,943	19,155,709	16,306,375
Gross profit	毛利	5,851,971	2,707,118	116.2%	2,993,437	3,145,825	2,439,959
Profit for the year	年度溢利	2,741,616	530,354	416.9%	922,749	1,167,943	1,174,725
Profit attributable to shareholders	股東應佔溢利	2,685,170	517,065	419.3%	883,726	1,163,092	1,151,862
Earnings per share	每股盈利						
— Basic	— 基本	RMB 人民幣 2.93 元	RMB 人民幣 0.57 元	414.0%	RMB 人民幣 0.97 元	RMB 人民幣 1.27 元	RMB 人民幣 1.26 元
— Diluted	— 攤薄	RMB 人民幣 2.93 元	RMB 人民幣 0.56 元	423.2%	RMB 人民幣 0.97 元	RMB 人民幣 1.27 元	RMB 人民幣 1.26 元

### FINANCIAL POSITION DATA

### 財務狀況數據

		2021	2020		2019	2018	2017
		二零二一年	二零二零年		二零一九年	二零一八年	二零一七年
		RMB'000	RMB'000	Change	RMB'000	RMB'000	RMB'000
As at 31 December		人民幣千元	人民幣千元	變動	人民幣千元	人民幣千元	人民幣千元
於十二月三十一日		人民幣千元	人民幣千元	變動	人民幣千元	人民幣千元	人民幣千元
Total assets	總資產	24,442,884	20,157,279	21.3%	21,174,661	18,770,015	15,534,431
Non-current assets	非流動資產	11,394,265	10,829,540	5.2%	11,374,054	9,336,032	7,813,552
Current assets	流動資產	13,048,619	9,327,739	39.9%	9,800,607	9,433,983	7,720,879
Total liabilities	總負債	13,841,932	11,684,541	18.5%	13,075,286	11,933,193	9,558,718
Current liabilities	流動負債	10,089,446	8,011,160	25.9%	7,583,220	6,773,423	6,420,730
Non-current liabilities	非流動負債	3,752,486	3,673,381	2.2%	5,492,066	5,159,770	3,137,988
Net current assets	流動資產淨值	2,959,173	1,316,579	124.8%	2,217,387	2,660,560	1,300,149
Net assets	資產淨值	10,600,952	8,472,738	25.1%	8,099,375	6,836,822	5,975,713
Equity attributable to shareholders	股東應佔權益	10,038,270	7,863,267	27.7%	7,473,456	6,738,637	5,910,127

### FINANCIAL INDICATORS

### 財務指標

		2021	2020	2019	2018	2017
		二零二一年	二零二零年	二零一九年	二零一八年	二零一七年
For the year ended 31 December						
截至十二月三十一日止年度						
Inventory turnover days	存貨周轉天數	95	95	98	101	87
Trade and bill receivables turnover days	應收貿易及票據款項周轉天數	25	30	27	32	36
Trade and bill payables turnover days	應付貿易及票據款項周轉天數	63	61	62	73	78
Current ratio	流動比率	1.3	1.2	1.3	1.4	1.2
Net debt to equity ratio (Note 1)	負債淨額權益比率 (附註1)	0.45	0.52	0.86	0.88	0.68
Return on equity (Note 2)	權益回報率 (附註2)	30%	7%	12%	18%	21%

Note 1: Based on total borrowings net of cash and cash equivalents and pledged bank deposits over equity attributable to shareholders at each year end.

附註1：根據各年終時的借貸總額扣除現金及現金等值物以及已抵押銀行存款除以股東應佔權益計算得出。

Note 2: Based on each year's profit attributable to shareholders over the average of the equity attributable to shareholders at the beginning and ending of the financial year.

附註2：根據各年的股東應佔溢利除以該財政年度年初及年終股東應佔權益之平均數計算得出。

## 企業簡介及架構

### CORPORATE PROFILE AND STRUCTURE

#### CORPORATE PROFILE

Texhong Textile Group Limited (the “Company”, together with its subsidiaries, the “Group”) (stock code: 2678) is one of the global largest cotton textile manufacturers and is a leading textile enterprise focusing on manufacturing high value-added core-spun textile products. The Group is principally engaged in the manufacture and distribution of quality yarns, grey fabrics, garment fabrics as well as garments. Since 1997, the Group has grown rapidly and has over 5,000 customers in the People’s Republic of China (“China” or “the PRC”) and overseas, with its sales network spanning across the PRC, Vietnam, North America, Europe, Brazil, Turkey, Bangladesh, Japan and South Korea. With its sales headquarter established in Shanghai, the Group has production bases in operation in the PRC, Vietnam, Turkey, the Americas respectively, with major production facilities comprising about 3.87 million spindles and 1,900 weaving and knitting machines and the related dyeing equipment as of 31 December 2021.

#### 企業簡介

天虹紡織集團有限公司(「本公司」，連同其附屬公司統稱「本集團」)(股份代號：2678)是全球最大的棉紡織品製造商之一，更是領先的高附加值包芯紡織產品生產企業。本集團的主要業務為製造及銷售優質紗線、坯布、面料和服裝。自一九九七年始，本集團業務發展迅速，更擁有超過5,000個國內外客戶，銷售網絡遍及中華人民共和國(「中國」)、越南、北美、歐洲、巴西、土耳其、孟加拉、日本及南韓。本集團以上海為銷售總部，於中國、越南、土耳其、美洲均有運行中的生產基地，截至二零二一年十二月三十一日，主要生產設施包括大約387萬紗錠、1,900台梭織及針織機及對應的染整設備。

主席報告書  
CHAIRMAN'S STATEMENT



**Hong Tianzhu 洪天祝**  
Chairman 主席

On behalf of the Company's board of directors (the "Board"), I am pleased to present the annual results of the Group for the year ended 31 December 2021 to the shareholders of the Company.

本人謹代表本公司董事會（「董事會」），欣然向本公司股東呈列本集團截至二零二一年十二月三十一日止年度的全年業績。

## 主席報告書(續) CHAIRMAN'S STATEMENT (CONTINUED)

### RESULTS

2021 was the year in which the global COVID-19 pandemic became normalized, and Chinese enterprises continued to be deeply affected by the evolving relations between the PRC and the United States. At the same time, domestic macro policies promoted many industrial reforms and strategic adjustments. Despite the complex and harsh external environment, the textile industry basically recovered from the impact of the pandemic due to the effective prevention and control measures adopted in the PRC. Moreover, the textile industry was able to achieve stable and positive development under the influence of factors such as strong demand in the first half of 2021, return of overseas orders, and the increase in product selling prices, thus paving the way for a favourable start to the development plan for the industry in the PRC in the next few years.

With respect to the Group, the adjustments made to internal business structure along with a series of management system optimization measures that were conducted during 2020, were fully reflected in the financial results this year and provided conditions for further development and expansion of business and production capacity. During 2021, as business sectors along the industrial chain gradually returned to normal, the Group strategically directed its focus on strengthening the core competitiveness and capacity layout of its yarn business, as well as invested in the construction of textile projects in different regions. The continuous rise in both domestic and overseas cotton raw material prices, which reached recent highs for the past ten years in 2021, provided strong support to the gross profit margin of the Group's yarn business. Even though the downstream business along the industrial chain faced pressure, the Group's overall performance was exceptional. For the year ended 31 December 2021, the annual sales volume of yarns reached over 810,000 tonnes, hence stable growth was achieved when compared with last year. In addition, revenue from the sale of yarns increased significantly by 34%, with gross profit margin rising by 9.9 percentage points to 23.3% as compared with last year. Revenue derived from the garment fabrics also increased significantly, climbing by 51.7% to RMB3.61 billion. The Group's overall revenue reached a record high of RMB26.5 billion in 2021, or a year-on-year increase of 35.5%.

### 業績

二零二一年是全球新型冠狀病毒肺炎疫情常態化以及中國企業繼續受到中美關係演變深遠影響的一年。同時，國內宏觀政策推動多項行業改革及戰略調整。儘管外部環境複雜嚴峻，由於中國採取有效的防控措施，紡織業基本從疫情影響中復甦。此外，在二零二一年上半年需求旺盛、海外訂單回流、產品銷售價格上漲等因素影響下，紡織業能實現穩定向好發展，為未來數年中國紡織業發展規劃開好局。

就本集團而言，二零二零年對內部業務結構進行的調整，以及實施的一系列管理體系優化措施，均在今年的財務業績上得到充分體現，為業務及產能進一步發展與擴大提供條件。於二零二一年，隨著產業鏈各業務板塊逐漸恢復正常，本集團有策略地專注於加強紗線業務的核心競爭力及產能佈局，並投資於不同地區的紡織項目建設。國內外棉花原材料價格持續上漲，二零二一年創過去十年來新高，為本集團紗線業務的毛利率提供有力支撐。儘管產業鏈下游業務面臨壓力，惟本集團的整體表現仍十分出色。截至二零二一年十二月三十一日止年度，紗線年銷量超過81萬噸，較去年實現穩定增長。此外，紗線銷售收入大幅增加34%，毛利率較去年上升9.9個百分點至23.3%。來自面料的收入亦大幅增加，攀升51.7%至人民幣36.1億元。二零二一年，本集團整體收入創紀錄新高，為人民幣265億元，同比增長35.5%。

# 主席報告書(續) CHAIRMAN'S STATEMENT (CONTINUED)

## OUTLOOK

As a number of projects planned and constructed by the Group are set to commence operation successively, it is expected that the overall scale of the Group will reach a new high. In a rapidly changing market, this scale will not only facilitate new strategies and opportunities, but also bring challenges to the Group's operation and management capabilities. How to make the elephant dance will therefore be a key concern for us. At the same time, driven by the recovery from the pandemic and tensions between the PRC and the United States, the market has placed increasing importance on the speed of response, information transparency and granularity in management, and other aspects pertaining to the supply chain. As a consequence, the connection between upstream and downstream enterprises has reached an unprecedented level. Whether it be for internal expansion or external influences, comprehensive digital management and inter-connection of enterprises along the entire supply chain are matters of great urgency. Consequently, we have established an implementation framework for such matters and conducted relevant discussions with a number of important business partners.

Looking ahead to upcoming year, against the backdrop of high raw material prices and exchange rate fluctuations resulting from policies in the United States, we will remain vigilant and steadfast in our efforts to strengthen the Group's capabilities, and will proactively adopt risk management and preventive measures to achieve progress while maintaining stability.

## APPRECIATION

Lastly, on behalf of the Board, I would like to express my sincere gratitude to all of our shareholders for their unwavering support and trust in the Group over the years.

**Hong Tianzhu**

*Chairman*

16 March 2022

## 展望

隨著本集團規劃建設的多個項目即將陸續投產，預期本集團整體規模將達到新高。在瞬息萬變的市場中，此規模不僅將帶來新的戰略思考及機遇，亦將為本集團的營運及管理帶來挑戰。因此，如何做到讓大象跳舞將會是本公司重點關注的問題。同時，在疫情常態化及中美關係緊張局勢的推動下，市場日益看重有關回應速度、信息透明度及管理精細度以及與供應鏈相關之其他方面。上下游企業之間聯繫已達到前所未有之水平。無論內部擴張所需或外部影響所迫，全供應鏈之全面數字化管理及企業間互聯互通均刻不容緩。因此，本公司已就該等事宜設立實施框架，並與多名重要業務合作夥伴進行相關討論。

展望新一年，在原材料價格高企及美國政策導致匯率波動的背景，本公司將保持警惕，堅定不移地加強本集團能力，並將積極採取風險管理及預防措施，穩中求進。

## 鳴謝

最後，本人謹代表董事會衷心感謝全體股東多年來對本集團堅定支持及信任。

**洪天祝**

*主席*

二零二二年三月十六日



# 管理層討論及分析

## MANAGEMENT DISCUSSION AND ANALYSIS

### OVERVIEW

We are pleased to report the annual results of the Group for the year ended 31 December 2021 (the “Year”) to our shareholders. During the Year, revenue of the Group substantially increased by 35.5% to approximately RMB26.5 billion when compared with the previous year. Profit attributable to shareholders of the Company also soared, rising to approximately RMB2.69 billion, or a fourfold increase over the preceding year. Both revenue and profit attributable to shareholders hit record high. Basic earnings per share have also increased to RMB2.93 from RMB0.57 last year.

### INDUSTRY REVIEW

According to statistics from the National Bureau of Statistics of the PRC, the aggregate sales achieved by sizeable textile enterprises amounted to RMB2,571.4 billion in 2021, representing a 10% increase year-on-year, with profit totalling RMB120.3 billion, up by 4.1% year-on-year. Sizeable garment and apparel enterprises recorded total sales of RMB1,482.3 billion, representing a year-on-year increase of 6.5%, with net profit at RMB76.78 billion, up by 14.4% year-on-year. According to data from the General Administration of Customs of the PRC, textile products amounted to US\$145.2 billion were exported from the PRC in 2021, representing a year-on-year decrease of 5.6%. Conversely, the value of garments exported reached US\$170.3 billion, or a year-on-year increase of 24%.

According to statistics from Vietnam Customs, the export volume of yarns and staple fibre manufactured in Vietnam grew by 8.9% to 1.893 million tonnes in 2021, generating US\$5,612 million in revenue, up 50.2% when compared with 2020. Moreover, garments exports increased by 9.9% year-on-year to US\$32.75 billion in 2021.

### 概覽

本公司欣然向股東報告本集團截至二零二一年十二月三十一日止年度(「本年度」)之年度業績。於本年度，本集團收入較去年大幅增加35.5%至約人民幣265億元。本公司股東應佔溢利亦飆升至約人民幣26.9億元，較去年增長四倍。收入及股東應佔溢利同創紀錄新高。每股基本盈利亦由去年人民幣0.57元增加至人民幣2.93元。

### 行業回顧

根據中國國家統計局的數據顯示，二零二一年，紡織業規模企業累計實現營業收入人民幣25,714億元，同比增長10%；實現利潤總額人民幣1,203億元，同比增長4.1%。紡織服裝及服飾業規模企業錄得銷售總額人民幣14,823億元，同比增長6.5%；淨利潤人民幣767.8億元，同比增長14.4%。根據中國海關總署發布的數據顯示，二零二一年，中國出口紡織品總額為1,452億美元，同比減少5.6%；服裝出口1,703億美元，同比增長24%。

根據越南海關數據顯示，二零二一年於越南生產的紗線及短纖出口量增加8.9%至189.3萬噸，收入較二零二零年增長50.2%至56.12億美元。於二零二一年，服裝出口額增長9.9%至327.5億美元。

### BUSINESS REVIEW

Although the COVID-19 variants have continued to affect the economies of various nations and people from all walks of life, with vaccination and different measures adopted across the world, the global economy has improved when compared with 2020. In respect of the Group, our revenue for 2021 rose by 35.5% to RMB26.5 billion when compared with last year, and the momentum of our recovery has been maintained since the six months ended 30 June 2021. During the Year, the Group principally derived revenue from the sale of yarns, grey fabrics, garment fabrics and garments, which covered the entire industrial chain. Revenue from the sale of yarns remained to be the primary source of revenue, accounting for approximately 76.9% of our total revenue for the Year. Revenue from yarn sales amounted to approximately RMB20.4 billion, representing a substantial increase of 34.2% when compared with the previous year, and was attributable to the rise in selling prices and volume. Revenue from garment fabrics also significantly improved and reached RMB3.61 billion, or a sizable increase of 51.7% when compared with 2020.

In 2021, the global economy was gradually recovering when countries had adapted to the impact of the pandemic, and the textile market also recovered, following the gradual return of normal life. Even though the global supply chain had not fully recover from the disruptions that resulted from the pandemic last year, amid a sustained demand recovery, better-established enterprises were able to prevail. Besides, inflation is expected to boost commodity prices, which, together with higher processing fee income, will be helpful to the selling prices of yarns when demand rises. The sales volume of yarns already increased by approximately 70,000 tonnes to 818,000 tonnes when compared with the previous year, despite of the reduction in production capacity of factories in southern Vietnam in the middle of the year as the pandemic raged, and the sale of a spinning mill in the PRC by the Group in November, the annual revenue of yarns surged by 34.2%, driven by soaring product prices. The gross profit margin of yarns has also risen sharply, reaching 23.3%, which is up 9.9 percentage points when compared with the preceding year.

As for grey fabrics, following the development of our own garment fabrics business, internal use of grey fabrics produced by the Group has increased, while the sales volume for the sales to external customers has continued to decrease from approximately 66 million meters last year to nearly 53.80 million meters in 2021. Moreover, the gross profit margin of grey fabrics has increased to 29.7%, due to the use of yarns produced by the Group.

### 業務回顧

儘管新型冠狀病毒肺炎變種病毒繼續影響各國經濟及民生，隨著疫苗接種以及全球採取不同措施，全球經濟較二零二零年有所改善。就本集團而言，二零二一年收入較去年增長35.5%至人民幣265億元，自截至二零二一年六月三十日止六個月以來，本公司一直保持復甦勢頭。於本年度，本集團收入主要來自銷售紗線、坯布、面料及服裝，涵蓋整個產業鏈。紗線銷售收入仍為主要收入來源，佔本年度總收入約76.9%。紗線銷售收入約為人民幣204億元，較去年大幅增加34.2%，主要由於售價及銷量增加所致。面料收入亦大幅提升，達人民幣36.1億元，較二零二零年大幅增加51.7%。

二零二一年，隨著各國適應疫情影響，全球經濟逐漸復甦，紡織市場亦隨著正常生活逐漸恢復而恢復。儘管全球供應鏈未能從去年疫情造成之干擾中完全恢復，惟在需求持續復甦的情況下，實力較佳之企業能夠脫穎而出。此外，通脹預期將提高商品價格，加上加工費收入較高，將有利於需求上升時紗線之售價。儘管疫情肆虐令越南南部工廠產能於年中下降以及本集團於十一月出售一家位於中國的紡紗廠，惟紗線銷量較去年增加約70,000噸至818,000噸，而在產品價格飆升帶動下，紗線之年度收入飆升34.2%。紗線毛利率亦大幅增加至23.3%，較去年上升9.9個百分點。

坯布方面，隨著本集團自身面料業務發展，本集團自產坯布內部使用量增加，對外銷售量持續減少，由去年的約6,600萬米減少至二零二一年的近5,380萬米。此外，坯布之毛利率因使用本集團生產之紗線而增加至29.7%。

## 管理層討論及分析(續)

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### BUSINESS REVIEW (Continued)

For woven garment fabrics, a number of factors contributed to its performance upturn. These factors included the recovery of major overseas markets and demand, and brand customers' gradual acceptance of higher prices for woven garment fabrics following adjustments made in the middle of the year. Consequently, the sales volume increased from approximately 88 million meters last year to approximately 137 million meters in 2021, while gross profit margin further climbed to 23.1%.

As a result of the delay in trial production at the new factory in Vietnam near the year end, sales volume of knitted garment fabrics for the Year was only approximately 18,000 tonnes, or a modest increase of approximately 1,800 tonnes over the previous year. The gross profit margin was mainly affected by the higher cost of yarns purchased from external suppliers, consequently recorded at approximately 16% for the Year. The sales volume and the gross profit margin are expected to increase following the completion of the trial production of the new Vietnam factory in 2022.

Gross profit margin of the jeanswear business increased to approximately 13.3%. To enable the garment business to achieve greater profitability, the Group has reached an agreement with the joint venture partner of our existing garment company, to sell our majority interest in the Vietnam jeanswear production plant to the joint venture partner at the end of 2021. The arrangement will facilitate greater profitability at the Vietnam jeanswear production plant and enable the Group to focus more on developing the garment fabric business.

With respect to the trading business, revenue has increased from RMB830 million for last year to RMB1.125 billion in 2021, with the gross profit margin at approximately 8.2%. Our development of the trading business mainly aims at helping expand the sales channels for self-produced products to facilitate their business growth. Meanwhile, the non-woven fabrics business is currently at a market development stage, hence the gross profit margin is anticipated to improve in due course.

Based on the aforementioned analysis, the overall gross profit margin of the Group was driven by the sales of yarns and woven garment fabrics. Excluding the impact of the pandemic on the global market as compared with last year, the overall gross margin has increased significantly by 8.3 percentage points from 13.8% last year to 22.1% for the Year. Profit attributable to shareholders for the Year was RMB2.69 billion, and basic earnings per share was RMB2.93, representing a fourfold increase, respectively, over last year. Save for the impact of weaker than expected performance of knitted garment fabrics during the Year, which will gradually improve in 2022, we believe that profit will stabilize and the overall profit level of the Group will continue to increase in tandem with the expansion of the garment fabrics business.

### 業務回顧(續)

就梭織面料而言，若干因素導致業績好轉。該等因素包括主要海外市場及需求復甦以及品牌客戶於年中梭織面料價格調整後逐漸接受較高價格。因此，銷量由去年約8,800萬米增加至二零二一年約1.37億米，而毛利率進一步攀升至23.1%。

受越南新工廠接近年末時試生產延遲影響，年內針織面料銷量僅約18,000噸，較去年溫和增長約1,800噸。毛利率主要因向外來供應商採購之紗線成本增加而受到影響，因此於本年度錄得約16%。隨著越南新工廠於二零二二年完成試產，預期銷量及毛利率將會提升。

牛仔服裝業務之毛利率增加至約13.3%。為使服裝業務實現更高盈利能力，本集團已與現有服裝公司合營夥伴達成協議，於二零二一年底將於越南牛仔服裝生產工廠之大多數權益出售予合營伙伴。該安排將促進越南牛仔服裝生產工廠之盈利能力提升，並使本集團能更專注於發展面料業務。

貿易業務方面，收入由去年人民幣8.3億元增加至二零二一年人民幣11.25億元，毛利率約為8.2%。發展貿易業務主要旨在幫助擴大自產產品之銷售渠道，以促進其業務增長。同時，無紡布業務目前處於市場發展階段，因此預期毛利率將適時改善。

基於上述分析，本集團整體毛利率由紗線及梭織面料銷售帶動，擺脫了去年疫情對全球市場的影響，整體毛利率由去年13.8%大幅增加8.3個百分點至22.1%。本年度股東應佔溢利為人民幣26.9億元，每股基本盈利為人民幣2.93元，分別較去年增長四倍。除了本年度針織面料業績未如理想造成影響，惟有關情況於二零二二年將逐步改善，我們相信本集團利潤的穩定性及總體利潤水準將隨著面料業務的擴大而持續提高。

## 管理層討論及分析(續)

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### PROSPECTS

Our major production facilities consist of approximately 3.87 million spindles, over 1,900 weaving and knitting machines and related dyeing equipment as of 31 December 2021, out of which 2.15 million spindles were in the PRC and 1.72 million spindles were located overseas. The global textile market is currently experiencing strong demand, but the tension in the supply chain remains. This has been beneficial to maintaining higher product processing fee income in recent years. In addition, inflation is expected to continuously drive up product selling prices. It is expected that larger textile enterprises will continue to enjoy the favourable operating environment in 2022.

Following two years of rest and recuperation, the Group will accelerate its pace of investment and production expansion in 2022 by restructuring and expanding production facilities for yarns to about 4.5 million spindles as well as by raising production capacity for garment fabrics. After deducting the restructuring of production capacity and the sale of certain fixed assets, as well as the return of funds as compensation from the government for demolition and relocation, the total net investment in fixed assets will be approximately RMB2.0 billion in 2022. Based on current market conditions, and excluding the sales volume of the trading business, the Group targets to sell 880,000 tonnes of yarns, 180 million meters of woven garment fabrics and 28,000 tonnes of knitted garment fabrics in 2022.

On 20 July 2021, the Group was again included on the “Fortune 500 Chinese Companies 2021” list. In addition, the Group was ranked by the China Cotton Textile Association as the second largest among cotton textile enterprises in the PRC, based on revenue. Such achievements testify to the ongoing growth of the Group, as well as the ability of our business model to achieve continuous and widespread recognition. The Group will continue to work tirelessly to bring long-term and sustainable returns to its shareholders.

In order to better manage the overseas operations of the Group in the midstream and downstream business as well as outside of the PRC and Vietnam, the Group has been exploring different management restructuring options, including the possibility of spin-off and separate listing of the overseas yarns operations of the Group (excluding China and Vietnam) together with the vertically integrated garment fabrics and trading businesses. As at the date of this annual report, the details of such management restructuring options have yet been determined. If the Company proceeds with any spin-off and separate listing, it will be subject to, among others, approval from the relevant regulatory authorities. The Company will make further announcement(s) as and when appropriate in accordance with the Listing Rules.

### 前景

截至二零二一年十二月三十一日，本公司的主要生產設施包括約387萬紗錠、逾1,900台梭織及針織織機及對應的染整設備，其中215萬紗錠位於中國及172萬紗錠位於海外。目前全球紡織市場需求旺盛，但供應鏈仍然緊張。這有利於近年來維持較高的產品加工費收入。此外，通脹預期將繼續推動產品價格上升，預期大型紡織企業於二零二二年將繼續享有有利經營環境。

經過兩年的休養生息，本集團將於二零二二年通過重組及增加紗線生產設備至約450萬紗錠，以及提高面料產能加快投資及生產擴張的步伐。扣除產能重組及出售若干固定資產，以及作為政府拆遷補償的資金返還後，於二零二二年，固定資產的總投資淨額將約為人民幣20億元。根據目前市況，撇除貿易業務的銷量，本集團計劃於二零二二年銷售88萬噸紗線、1.8億米梭織面料及28,000噸針織面料。

於二零二一年七月二十日，本集團再次入選《財富》雜誌二零二一年中國企業500強名單。此外，中國棉紡織行業協會將本集團列為中國棉紡織企業按收入計排名第二。該等成就證明本集團的持續增長，以及本公司的業務模式獲得持續及廣泛認可的能力。本集團將繼續努力不懈，為股東帶來長遠及可持續的回報。

為更妥善管理本集團在中下游業務以及中國及越南以外的海外業務，本集團一直探索不同的管理重組方案，當中包括將本集團的海外紗線業務（中國及越南除外）及垂直整合後的面料業務與貿易業務分拆並使其獨立上市的可能性。於本年報日期，有關管理重組方案的詳情尚未確定。倘本公司進行分拆及獨立上市，則有關事宜須經（其中包括）相關監管機構批准。本公司將根據上市規則適時另行公佈。

FINANCIAL REVIEW

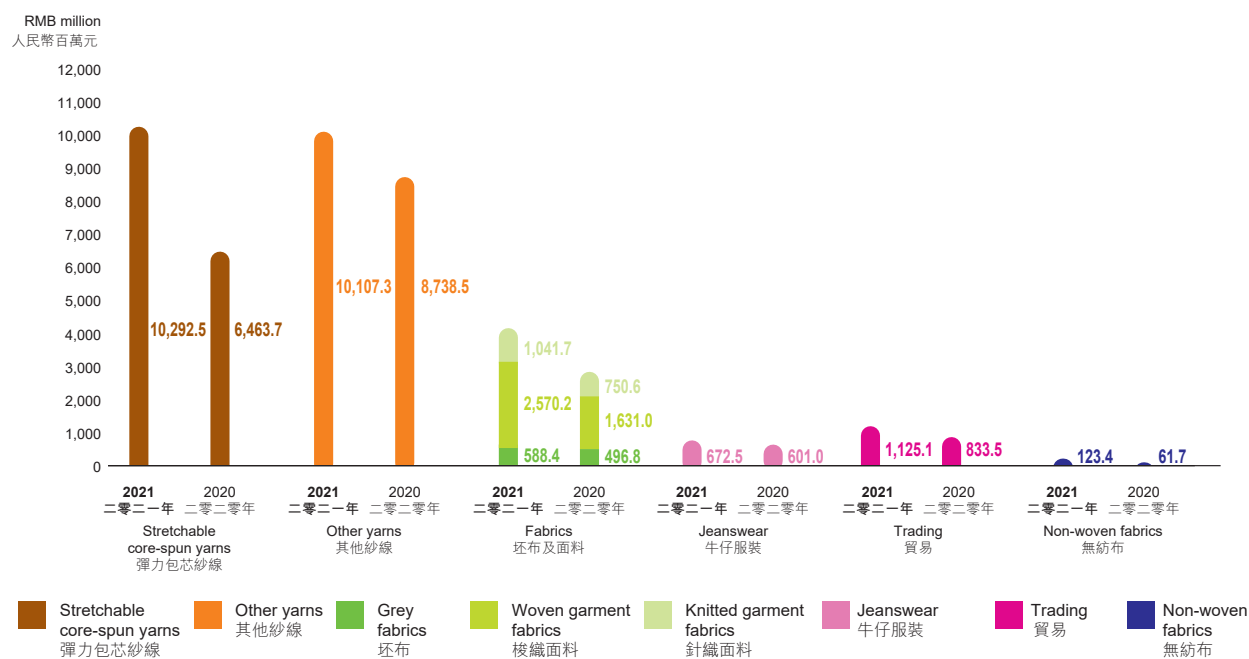
Sales

During the Year, the sales of the Group mainly comprised the sales of yarns, grey fabrics, non-woven fabrics, garment fabrics, as well as jeanswear. Yarns continued to be the Group's major product. Having benefited from the increase in sales price and sales volume of yarns, the sales of yarns increased by about 34.2% in 2021 as compared to that of 2020. Sales analyses of the Group by products are shown below.

財務回顧

銷售

年內，本集團的銷售主要來自銷售紗線、坯布、無紡布、面料與牛仔服裝。紗線繼續為本集團的主要產品。受益於紗線銷售價格及銷售數量的增加，二零二一年本集團紗線銷售額較二零二零年上升約34.2%。下列為本集團各種產品的銷售分析。



		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元	Revenue change 收入變動
Stretchable core-spun yarns	彈力包芯紗線	10,292,499	6,463,724	59.2%
Other yarns	其他紗線	10,107,339	8,738,517	15.7%
Grey fabrics	坯布	588,442	496,801	18.4%
Woven garment fabrics	梭織面料	2,570,170	1,631,042	57.6%
Knitted garment fabrics	針織面料	1,041,746	750,647	38.8%
Jeanswear	牛仔服裝	672,485	601,002	11.9%
Trading	貿易	1,125,067	833,497	35.0%
Non-woven fabrics	無紡布	123,445	61,708	100.0%
<b>Total</b>	<b>總計</b>	<b>26,521,193</b>	<b>19,576,938</b>	<b>35.5%</b>

# 管理層討論及分析(續) MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

## FINANCIAL REVIEW (Continued)

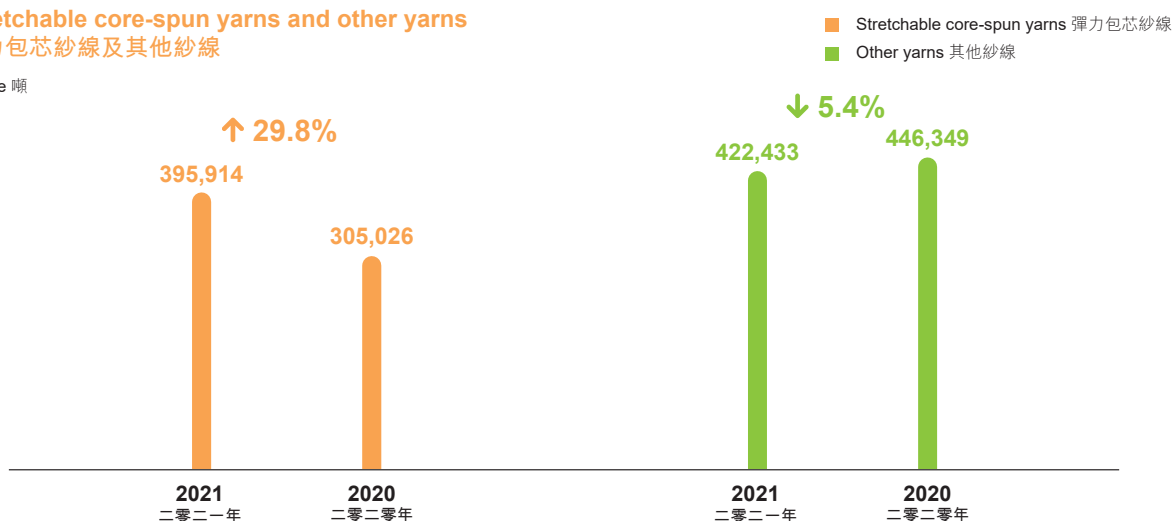
### Sales (Continued)

#### Sales Volume

##### 銷量

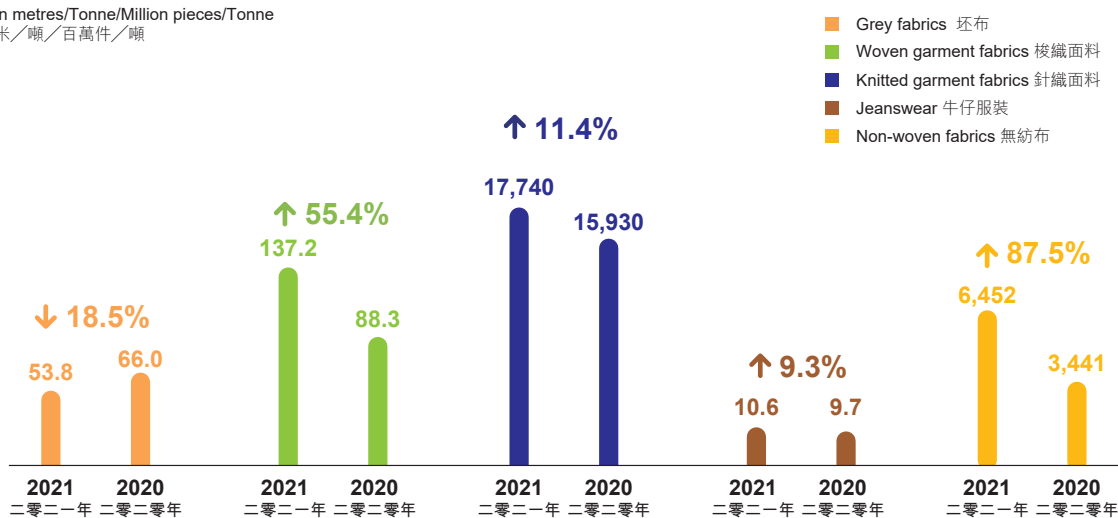
#### Stretchable core-spun yarns and other yarns 彈力包芯紗線及其他紗線

Tonne 噸



#### Grey fabrics, Woven garment fabrics, Knitted garment fabrics, Jeanswear and Non-woven fabrics 坯布、梭織面料、針織面料、牛仔服裝及無紡布

Million metres/Tonne/Million pieces/Tonne  
百萬米/噸/百萬件/噸



## 管理層討論及分析(續) MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### FINANCIAL REVIEW (Continued)

#### Sales (Continued)

### 財務回顧(續)

#### 銷售(續)

	Sales volume 銷量		Selling price 售價		Gross profit margin 毛利率		
	2021	2020	2021	2020	2021	2020	
	二零二一年	二零二零年	二零二一年	二零二零年	二零二一年	二零二零年	
Stretchable core-spun yarns (Tonne/RMB per tonne)	彈力包芯紗線(噸/ 人民幣每噸)	395,914	305,026	25,997	21,191	22.6%	16.8%
Other yarns (Tonne/RMB per tonne)	其他紗線(噸/ 人民幣每噸)	422,433	446,349	23,926	19,578	24.0%	10.8%
Grey fabrics (Million metres/ RMB per metre)	坯布(百萬米/ 人民幣每米)	53.8	66.0	10.9	7.5	29.7%	12.9%
Woven garment fabrics (Million metres/RMB per metre)	梭織面料(百萬米/ 人民幣每米)	137.2	88.3	18.7	18.5	23.1%	19.3%
Knitted Garment fabrics (Tonne/RMB per tonne)	針織面料(噸/ 人民幣每噸)	17,740	15,930	58,723	47,122	16.0%	18.6%
Jeanswear (Million pieces/ RMB per piece)	牛仔服裝(百萬件/ 人民幣每件)	10.6	9.7	63.4	62.0	13.3%	9.4%
Non-woven fabrics (Tonne/ RMB per tonne)	無紡布(噸/ 人民幣每噸)	6,452	3,441	19,133	17,933	-12.4%	3.3%

The Chinese textile market is the Group's major market, accounted for 66.0% of our total sales of 2021. Having been affected by the global pandemic in 2020, our export represented a smaller proportion. With the gradual recovery of overseas markets from the impact of the pandemic, the percentage for our overseas sales has increased in 2021.

As at the date of this annual report, the Group has more than 5,000 customers. As the Group produces differentiated products, the Group does not rely on orders from a particular customer. The ten largest customers of the Group only accounted for 13.6% of the total sales of the Group for the year ended 31 December 2021.

#### Gross profit and gross margin

For the year ended 31 December 2021, gross profit of the Group more than doubled, which increased from RMB2.71 billion for 2020 to RMB5.85 billion for 2021. The overall gross profit margin increased by 8.3 percentage points to 22.1% as compared to that of 2020, mainly as a result of the increase in the gross profit of the yarn and woven garment fabrics business.

中國紡織市場是本集團的主要市場，佔本集團二零二一年總銷售額的66.0%。二零二零年受全球疫情影響，本集團出口比例較低。二零二一年，隨着海外市場從疫情影響中逐步回暖，本集團海外銷售比例有所增加。

於本年報日期，本集團擁有客戶逾5,000家。由於本集團以生產差異化產品為重點，且本集團並不依賴單一客戶的訂單，截至二零二一年十二月三十一日止年度本集團十大客戶僅佔本集團總銷售額的13.6%。

#### 毛利及毛利率

截至二零二一年十二月三十一日止年度，本集團的毛利翻倍，由二零二零年人民幣27.1億元增加至二零二一年的人幣58.5億元。整體毛利率較二零二零年上升8.3個百分點至22.1%，主要是受紗線和梭織面料業務毛利上升所致。

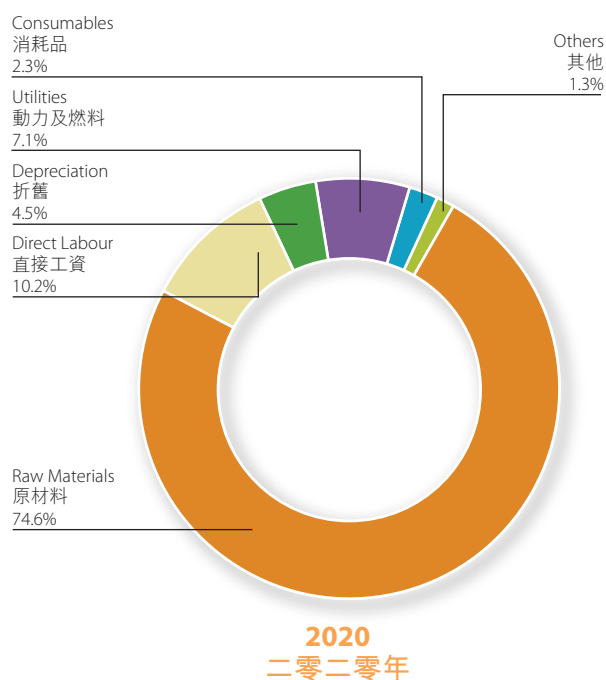
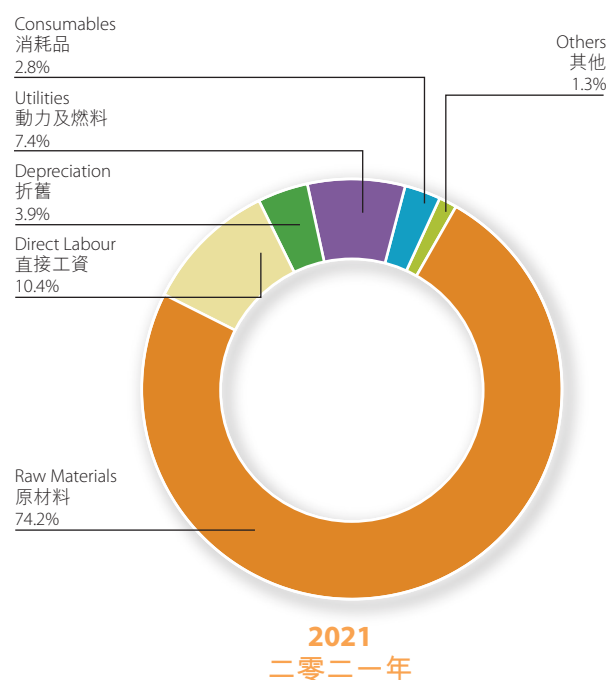
## 管理層討論及分析(續) MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### FINANCIAL REVIEW (Continued)

#### Cost structure

For the year ended 31 December 2021, cost of sales rose by 22.5% to RMB20.7 billion when compared with 2020, which was in line with the surge in sales revenue. Raw materials cost accounted for about 74.2% of the total cost of sales of 2021. Cotton is our major raw material.

The breakdown of our cost of sales in 2020 and 2021 is shown below:



### 財務回顧(續)

#### 成本架構

截至二零二一年十二月三十一日止年度，伴隨著銷售收入大幅增加，銷售成本較二零二零年上升22.5%至人民幣207億元。於二零二一年之原材料成本佔總銷售成本約74.2%。棉花為我們的主要原材料。

下列為本集團於二零二零年及二零二一年的銷售成本明細：

#### Selling and distribution costs

For the year ended 31 December 2021, the Group's selling and distribution costs amounted to RMB956.3 million, representing an increase of 27.1% when compared to that of 2020. It was mainly due to an increase in the costs of freight and customs declaration expenses as a result of the significant increase in sales volume of products.

#### General and administrative expenses

For the year ended 31 December 2021, the Group's general and administrative expenses amounted to RMB1,451.7 million, which represented an increase of 40.4% when compared with 2020, and accounted for 5.5% of the Group's revenue. The increase was mainly due to the increase in research and development expenses and salaries of management personnel.

#### 銷售及分銷開支

截至二零二一年十二月三十一日止年度，本集團之銷售及分銷開支較二零二零年上升27.1%至人民幣9.563億元。主要是由於各類產品銷售量大幅增加，導致運費和報關商檢費用增加所致。

#### 一般及行政開支

截至二零二一年十二月三十一日止年度，本集團之一般及行政開支為人民幣14.517億元，較二零二零年增加40.4%，佔本集團收入的5.5%。增幅乃主要由於研發費用及管理人員薪資增加所致。



## 管理層討論及分析(續)

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### FINANCIAL REVIEW (Continued)

#### Cash flows

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Net cash generated from operating activities	經營活動所得現金淨額	2,441,604	3,300,785
Net cash used in investing activities	投資活動所耗現金淨額	(2,362,774)	(577,713)
Net cash used in financing activities	融資活動所耗現金淨額	(257,036)	(1,870,318)
Cash and cash equivalents at end of the year	於年末的現金及現金等值物	2,505,407	2,683,613

For the year ended 31 December 2021, net cash generated from operating activities of the Group amounted to RMB2,441.6 million, which represents a decrease comparing with 2020 mainly due to the increase in the purchase volume and the unit price of raw materials in the second half of 2021. Net cash used in investing activities amounted to RMB2,362.8 million, which was mainly used for the payment of the new production capacity and equipment renovation of yarns and garment fabrics in China, Vietnam and the Americas during the period under review. During the Year, net cash used in financing activities amounted to RMB257.0 million, representing a sharp decrease comparing with 2020, which was mainly due to early partial repayment of bank borrowings by the Group due to the improved operating environment in the second half of 2020.

#### Liquidity and financial resources

As at 31 December 2021, the Group's bank and cash balances (including pledged bank deposits) amounted to RMB2,695.7 million (as at 31 December 2020: RMB2,944.2 million). As at 31 December 2021, inventories and trade and bills receivables of the Group increased by RMB3,355.9 million to RMB7,151.7 million and by RMB284.1 million to RMB2,019.7 million respectively (as at 31 December 2020: RMB3,795.7 million and RMB1,735.6 million respectively). Turnover days for inventories and trade and bills receivables were 95 days and 25 days respectively, compared to 95 days and 30 days in 2020 respectively. The inventory turnover days were the same as last year. The turnover days for trade and bills receivables were lower than that of the previous year, which was mainly because the impact of the COVID-19 epidemic in overseas markets eased this year and the collection of trade receivables from some overseas customers returned to normal.

Trade and bills payables of the Group increased by RMB1,923.7 million to RMB4,576.3 million as at 31 December 2021 (as at 31 December 2020: RMB2,652.7 million), the payable turnover days was 63 days, compared to 61 days in 2020. The number of turnover days for accounts payables was slightly higher than that of the previous year. The increase in trade and bills payables was mainly attributable to the increase in the purchase volume and the unit price of raw materials in the second half of 2021.

### 財務回顧(續)

#### 現金流量

截至二零二一年十二月三十一日止年度，本集團錄得經營活動所得現金淨額人民幣24.416億元，相較二零二零年有所降低，主要是由於二零二一年下半年原材料採購量及採購單價上升導致。投資活動所耗現金淨額為人民幣23.628億元，主要用於回顧期內中國、越南及美洲新增的紗線和面料產能及設備更新改造之付款。年內，融資活動所耗現金淨額為人民幣2.570億元，相較去年大幅降低，主要由於二零二零年下半年經營情況有所改善，本集團提前償還部分銀行借貸。

#### 流動資金及財務資源

於二零二一年十二月三十一日，本集團的銀行及現金結餘(包括已抵押銀行存款)為人民幣26.957億元(於二零二零年十二月三十一日：人民幣29.442億元)。本集團於二零二一年十二月三十一日的存貨及應收貿易及票據款項分別增加人民幣33.559億元至人民幣71.517億元及增加人民幣2.841億元至人民幣20.197億元(於二零二零年十二月三十一日：分別為人民幣37.957億元及人民幣17.356億元)。存貨周轉天數及應收貿易及票據款項周轉天數分別為95天及25天，而二零二零年則分別為95天及30天。存貨周轉天數與去年持平。應收貿易及票據款項周轉天數低於去年水平，主要是因為本年海外市場受新型冠狀病毒肺炎疫情影響緩解，部分海外客戶應收賬款回款恢復正常。

於二零二一年十二月三十一日，本集團的應付貿易及票據款項增加人民幣19.237億元至人民幣45.763億元(於二零二零年十二月三十一日：人民幣26.527億元)，其應付款項周轉天數為63天，而二零二零年則為61天。應付款項周轉天數略高於去年。應付貿易及票據款項增加主要是因為二零二一年下半年原材料採購量及採購單價上漲所致。

## 管理層討論及分析(續) MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### FINANCIAL REVIEW (Continued)

#### Liquidity and financial resources (Continued)

The total bank borrowings of the Group increased by RMB151.9 million to RMB7,215.0 million as at 31 December 2021. Current bank borrowings decreased by RMB5.8 million to RMB3,831.7 million while non-current bank borrowings increased by RMB157.8 million to RMB3,383.4 million. The increase in non-current bank borrowings was mainly due to the restructuring of bank borrowings portfolio by the Group.

As at 31 December 2021 and 2020, the key financial ratios of the Group were as follows:

		2021 二零二一年	2020 二零二零年
Current ratio	流動比率	1.29	1.16
Debt to equity ratio <sup>1</sup>	負債權益比率 <sup>1</sup>	0.72	0.90
Net debt to equity ratio <sup>2</sup>	負債淨額權益比率 <sup>2</sup>	0.45	0.52
Gearing ratio <sup>3</sup>	資產負債比率 <sup>3</sup>	0.57	0.58

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

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

<sup>3</sup> Based on total liabilities over total assets

### 財務回顧(續)

#### 流動資金及財務資源(續)

於二零二一年十二月三十一日，本集團的銀行借貸總額增加人民幣1.519億元至人民幣72.150億元。流動銀行借貸減少人民幣580萬元至人民幣38.317億元，而非流動銀行借貸則增加人民幣1.578億元至人民幣33.834億元。非流動銀行借貸增加主要是因為集團調整銀行借貸結構所致。

於二零二一年及二零二零年十二月三十一日，本集團之主要財務比率如下：

<sup>1</sup> 根據總借貸除以股東應佔權益計算

<sup>2</sup> 根據總借貸(減去現金及現金等值物及已抵押銀行存款)除以股東應佔權益計算

<sup>3</sup> 根據負債總值除以資產總值計算

#### Borrowings

As at 31 December 2021, the Group's total bank borrowings amounted to RMB7,215.0 million, among which RMB2,274.6 million (31.5%) was denominated in Renminbi, RMB1,897.2 million (26.3%) was denominated in United States dollars ("US\$" or "USD") and RMB3,043.2 million (42.2%) was denominated in Hong Kong dollars ("HK\$" or "HKD"). These bank borrowings have borne interest rates ranging from 0.8% to 5.05% per annum (2020: 1.0% to 5.1%).

As at 31 December 2021, the Group had outstanding current bank borrowings of RMB3,831.7 million (2020: RMB3,837.5 million). The decrease in current bank borrowings was mainly because of the increase in the proportion of long-term borrowings as a result of the restructuring of bank borrowings portfolio by the Group.

In respect of the Group's borrowings, the Group has to comply with certain restrictive financial covenants.

As at 31 December 2021, bank borrowings of RMB40.0 million were secured by the Group's buildings with a net book amount of RMB164.4 million and land use rights with a net book amount of RMB34.4 million.

As at 31 December 2020, bank borrowings of RMB353.6 million were secured by bills receivable with a net book amount of RMB160.0 million and bank deposits with a net book amount of RMB200.0 million.

#### 借貸

於二零二一年十二月三十一日，本集團的銀行借貸總額為人民幣72.150億元，其中人民幣22.746億元(31.5%)以人民幣計值，及人民幣18.972億元(26.3%)以美元(「美元」)計值以及人民幣30.432億元(42.2%)則以港元(「港元」)計值。該等銀行借貸按年利率0.8%至5.05%(二零二零年：1.0%至5.1%)計息。

於二零二一年十二月三十一日，本集團之未償還流動銀行借貸為人民幣38.317億元(二零二零年：人民幣38.375億元)。流動銀行借貸減少主要是因為集團調整銀行借貸結構，增加了長期借款的比例。

本集團須就其借貸遵守若干財務限制條款。

於二零二一年十二月三十一日，人民幣4,000萬元的銀行借貸以賬面淨值為人民幣1.644億元的房屋建築物以及賬面淨值為人民幣3,440萬元的土地使用權作抵押。

於二零二零年十二月三十一日，人民幣3.536億元的銀行借貸以賬面淨值為人民幣1.600億元的應收票據以及賬面淨值為人民幣2.000億元的銀行存單作抵押。

## 管理層討論及分析(續)

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### FINANCIAL REVIEW (Continued)

#### Foreign exchange risk

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

To mitigate the depreciation risk of RMB, the Group has purchased certain amount of currency option contracts and currency swap contracts so that about half of its foreign currency exposure is hedged.

#### Capital expenditure

For the year ended 31 December 2021, the capital expenditure of the Group amounted to RMB2,346.6 million (2020: RMB539.8 million). It mainly related to the new production capacity of yarns and garment fabrics and equipment renovation in China, Vietnam and the Americas during the period under review.

#### Contingent liabilities

As at 31 December 2021, the Group had no material contingent liabilities.

#### Disclosure pursuant to Rules 13.18 and 13.21 of the Rules (the "Listing Rules") Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Stock Exchange")

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

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

The 2016 Facility was repaid in full in advance on 20 October 2021.

### 財務回顧(續)

#### 外匯風險

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

為應對人民幣貶值風險，本集團透過購入若干的貨幣期權合同及貨幣掉期合同以令大約一半的外幣敞口得以對沖。

#### 資本開支

截至二零二一年十二月三十一日止年度，本集團之資本開支為人民幣23.466億元(二零二零年：人民幣5.398億元)，主要與回顧期內於中國、越南、美洲新增的紗線和面料產能及設備更新改造相關。

#### 或然負債

於二零二一年十二月三十一日，本集團並無重大或然負債。

#### 根據香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)第13.18條和第13.21條作出之披露

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

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

二零一六年信貸融資已於二零二一年十月二十日提前全數償還。

## 管理層討論及分析(續) MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### FINANCIAL REVIEW (Continued)

#### Human resources

As at 31 December 2021, the Group had a total workforce of 33,639 employees (as at 31 December 2020: 38,545), of whom 18,474 employees were located in the sales headquarters and our manufacturing plants in Mainland China. The remaining 15,165 employees were stationed in regions outside Mainland China, including Vietnam, Cambodia, Turkey, the Americas, Hong Kong of China and Macao of China. Affected by the sales of a spinning mill in the PRC and our majority interest in a jeanswear production plant in Vietnam by the Group in the Year, which were not included in the employee headcount of the Group at the end of 2021, the number of employees of the Group at the end of 2021 was lower than that at the end of 2020. The Group will continue to optimize its human resources structure and offer a competitive remuneration package to its employees making reference to factors including the prevailing market conditions and the performance of the Group and the merits of the employees regardless of their gender, race, age or creed. As the Group's success is dependent on the contribution of a group of skillful and motivated employees who form functional departments, the Group is committed to creating a learning and sharing culture in the organization, placing strong emphasis on the training and development of individual staff and team building.

#### Dividend policy

The Board intends to maintain a long term, stable dividend payout ratio of about 30% of the Group's net profit for the year attributable to owners of the Company, providing shareholders with an equitable return. The Board has resolved to distribute a final dividend of 57 HK cents per ordinary share for the year ended 31 December 2021 to shareholders whose names appear on the register of members on 18 May 2022 and it will be payable on or about 1 June 2022, subject to the approval by the shareholders at the forthcoming annual general meeting of the Company on 6 May 2022. An interim dividend of 50 HK cents per ordinary share was paid on 8 October 2021.

### MATERIAL RISKS OF THE GROUP

The following are the key risks that the Group considers to be of great significance to the Group in its current status. These risks may have adverse effect on the Group's business.

For the possible impact of each risk on the Group should it occur, we have made a detail description and set down corresponding control measures and mitigation plan to manage the risk.

### 財務回顧(續)

#### 人力資源

於二零二一年十二月三十一日，本集團擁有合共33,639名僱員(於二零二零年十二月三十一日：38,545名)，其中18,474名僱員位於中國內地之銷售總部及生產工廠。其餘15,165名僱員駐於中國內地境外地區，包括越南、柬埔寨、土耳其、美洲、中國香港及中國澳門。本集團於年內出售了一家位於中國內地的紗線工廠，以及一家越南牛仔服裝工廠的多數權益，二零二一年年末本集團僱員人數統計不包括這兩家工廠。受此影響，二零二一年年底集團員工人數較二零二零年年底有所下降。本集團將繼續優化人力資源結構，並參考現行市況及本集團表現及僱員之優點等因素而不論性別、種族、年齡或信仰向僱員提供具競爭力的薪酬待遇。本集團的成功有賴由技巧純熟且士氣高昂的員工組成各職能部門，故此本集團致力於組織內建立學習及分享文化，重視員工的個人培訓及發展，以及建立團隊。

#### 股息政策

董事會旨在維持長期、穩定的派息率，即本集團年內歸屬於本司擁有人淨利潤約30%，為股東提供合理回報。董事會已決議分派截至二零二一年十二月三十一日止年度之末期股息每股普通股57港仙，予名列二零二二年五月十八日股東名冊內之股東，並將於二零二二年六月一日或前後派發，惟須得到股東於二零二二年五月六日本公司應屆股東週年大會上批准後，方可作實。本公司於二零二一年十月八日派付每股普通股50港仙之中期股息。

### 本集團的重大風險

以下為我們認為對本集團就其現狀而言意義重大的主要風險。該等風險可能會對本集團的業務造成不利影響。

對於每一類風險發生時可能對本集團產生的影響，我們都作了詳細描述，並制訂了相應的監控措施和對策來管理該等風險。

## 管理層討論及分析(續)

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### MATERIAL RISKS OF THE GROUP (Continued)

The impact of risk relating to the business of the Group will change over time. The size, complexity and coverage of our business and the changing environment in which the Group operates also mean that the list cannot be an exhaustive list of all material risks that could affect the Group.

### 本集團的重大風險(續)

與本集團業務有關的風險的影響將隨時間推移。我們業務的規模、複雜程度和覆蓋範圍以及經營環境的不斷變化也意味著此列表不可能包含所有影響本集團的重大風險。

<b>Risks description</b> 風險描述	<b>Major control measures and risk mitigation</b> 主要監控措施及風險對策	<b>Changes of risk level from last year</b> 風險水平較上年變化
<b>Business concentration</b> 業務集中	<ul style="list-style-type: none"><li>Enhance customer communication with an outstanding marketing team which thoroughly and promptly understands the requirements of customers</li><li>Step up cooperation with raw material suppliers and monitor the market trend of change in new textile materials</li><li>Boost input for research and development team and improve product functionality and develop new products in response to market demands</li><li>Explore downstream industries and increase the contribution of downstream products</li><li>Facilitate the development of import and export business continuously to tap into overseas markets</li><li>Promote diversified development in the industry so as to survive under adverse macro-environment, in view of the fact that the textile industry is large in scale despite its vulnerability to the economic and social environment</li></ul>	<p>↑</p> <p>Causes of the trend:</p> <ul style="list-style-type: none"><li>Global outbreak of COVID-19 still affects the textile retail industry in certain countries. As the Group's business is concentrated in the textile industry, it is difficult to completely avoid the operational risks brought about by such circumstance.</li><li>The uncertainty of the U.S. policies towards China may affect the textile industry in China. The Mainland China is still the major market of the Group, which brings certain operating risks.</li></ul>
<p>產品集中：本集團已在市場建立其作為高附加值包芯紡織產品製造商的地位，包芯紗線為本集團主要盈利點。倘若時裝潮流有任何變化，客戶日後可能偏好其他紡織物料，又或者該市場的競爭突然變得更激烈，如果本集團未能迅速及有效回應變動，本集團的盈利能力或會受不利影響。</p>	<ul style="list-style-type: none"><li>透過優秀的市場營銷團隊，加強與客戶溝通，充分及時瞭解客戶需求</li><li>加強與原料供應商的合作，關注市場新紡織物料變動趨勢</li><li>加大研發團隊投入，應市場需求改善產品功能及開發新產品</li><li>拓展下游產業，增加下游產品的比重</li><li>不斷加強進出口業務的開發，開拓海外市場</li><li>雖然紡織行業容易受到經濟及社會環境影響，但由於其規模龐大，透過在行業內多元化發展將有利於企業在不利的宏觀環境中生存</li></ul>	<p>↑</p> <p>形成趨勢的原因：</p> <ul style="list-style-type: none"><li>全球新型冠狀病毒肺炎疫情仍然影響若干國家的紡織零售業，本集團業務集中在紡織行業，難以完全規避由此帶來的運營風險。</li><li>美國對華政策的不確定性可能影響中國紡織行業，中國內地仍為本集團主要市場，由此帶來一定的經營風險。</li></ul>
<p>地域集中：本集團在中國內地擁有多個生產基地，並且中國內地為本集團主要市場，因此本集團受到中國經濟、政治和社會狀況以及本集團產品於中國國內需求的改變的影響。</p>		

## 管理層討論及分析(續) MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### MATERIAL RISKS OF THE GROUP (Continued)

### 本集團的重大風險(續)

Risks description 風險描述	Major control measures and risk mitigation 主要監控措施及風險對策	Changes of risk level from last year 風險水平較上年變化
<p><b>Risk of fluctuation of cotton prices</b> 棉花價格波動風險</p> <p>Cotton is the major production material of the Group and the fluctuation of cotton prices may not align with fluctuation of end-product prices at all times. In the event of intense fluctuation of cotton prices, the gross profit margin of the Group will be heavily affected.</p> <p>棉花是本集團主要的生產原料，棉花價格的波動幅度不一定與終端產品的價格波動完全同步。倘若棉花價格劇烈波動，將會對本集團毛利率造成巨大影響。</p>	<ul style="list-style-type: none"> <li>Closely monitor the dynamics of cotton futures and supply and demand balance and correlation in the spot market and hedge risks mainly through measures like maintaining stable procurement and inventory strategies</li> <li>Diversify the development of the synthetic fiber category and reduce the Group's reliance on the cotton category</li> </ul>	<p>↔ Unchanged</p>
<p><b>Foreign exchange and interest risk</b> 外匯及利率風險</p> <p>Fluctuation of exchange rate may result in material losses on foreign currency and affect the raw material procurement costs and financing costs of the Group. In the event of intensified fluctuation of the exchange rate of USD/RMB, the profitability of the Group may be subject to material uncertainties.</p> <p>In the event of increase in prevailing interest rates of banks, liabilities at floating rates may cause an increase in financing costs of the Group.</p>	<ul style="list-style-type: none"> <li>Foster communication with financial institutions and market analysis institutions to interpret the dynamics of financial market and make specific adjustments to financing structure</li> <li>Increase loans in RMB to reduce the ratio of loans in USD to directly mitigate risks</li> <li>Lock up exposure of liabilities in foreign currencies, including foreign liabilities arising from daily operation and financing, using foreign exchange financial products, such as forward contracts and options</li> <li>Closely monitor various important economic data published by the People's Bank of China and the Federal Reserve and keep abreast with its interest rate policy</li> <li>Obtain quotations for interest rate swap from financial institutions regularly and utilize financial instruments in a timely manner to switch from floating to fixed interest rate</li> </ul>	<p>↑ Causes of the trend:</p> <ul style="list-style-type: none"> <li>The United States has entered the cycle of raising interest rate and started to tighten monetary policy</li> </ul>
<p>匯率波動可能導致重大外幣損失，影響本集團的原料採購成本以及融資成本。倘若美元／人民幣的匯率波動加劇，本集團的盈利能力可能將面臨重大不確定性。</p> <p>倘若銀行現行利率上升，浮動計息的負債或會導致本集團融資成本增加。</p>	<ul style="list-style-type: none"> <li>加強與金融機構及市場分析機構的溝通，瞭解金融市場動向，針對性的調整融資結構</li> <li>增加人民幣貸款以減低美元貸款比例，直接降低風險</li> <li>利用遠期合約、期權等外匯金融產品來鎖定外幣負債敞口，包括日常經營的外幣負債及融資性外幣負債</li> <li>密切關注中國人民銀行及美聯儲的各項重要經濟數據，對其利率政策持續關注</li> <li>與金融機構保持常規利率掉期報價，適時利用金融工具將浮動利率變為固定利率</li> </ul>	<p>↑ 形成趨勢的原因：</p> <ul style="list-style-type: none"> <li>美國進入加息週期及開始收緊貨幣政策</li> </ul>

## 管理層討論及分析(續) MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### MATERIAL RISKS OF THE GROUP (Continued)

### 本集團的重大風險(續)

Risks description 風險描述	Major control measures and risk mitigation 主要監控措施及風險對策	Changes of risk level from last year 風險水平較上年變化
<p><b>Financing risk</b> 融資風險</p> <p>The business scale of the Group is relatively large, but it also seizes the opportunities to increase its investment with higher financing needs. In the event that the financial institutions which provide the existing facilities cease to offer such financing to the Group or banking facilities on similar terms and the Group fails to obtain alternatives, the Group may not have sufficient funds for its commitment of capital projects and may restrict or hinder the business operation of the Group. In the event that the operating environment deteriorates, it may even affect the operation of the existing business of the Group.</p>	<ul style="list-style-type: none"> <li>Enhance the transparency of the Group's operation for banks' understanding and maintain good working relationship between the Group and financial institutions</li> <li>Monitor various financing indicators in real-time and provide timely alerts to ensure compliance in respect of various indicators</li> <li>Diversify the portfolio of financial institutions and financing products</li> <li>Devise a reasonable spread for financing with different terms to strike a balance between financing costs and risks</li> </ul>	<p>↔ Unchanged</p>
<p>本集團業務規模較大，同時也會抓住一些機會增加投資，有較高的融資需要。倘若提供現有融資的金融機構停止向本集團提供有關融資或類似條款的銀行融資，而本集團亦未能另覓新的融資，則本集團或不能獲得足夠的資金用於資本項目投入，因而可能限制或阻礙本集團的業務營運。若經營環境惡化，甚至可能影響到本集團現有業務的營運。</p>	<ul style="list-style-type: none"> <li>增強銀行對於集團運行狀況瞭解的透明度，維護好本集團與融資機構的合作關係</li> <li>實時監控各項融資指標，及時預警，確保各項指標不違約</li> <li>增加融資機構和融資產品組合的多樣性</li> <li>合理配置不同期限的融資，兼顧融資成本及融資風險</li> </ul>	<p>↔ 無變動</p>

## 管理層討論及分析(續) MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### MATERIAL RISKS OF THE GROUP (Continued)

### 本集團的重大風險(續)

Risks description 風險描述	Major control measures and risk mitigation 主要監控措施及風險對策	Changes of risk level from last year 風險水平較上年變化
<p><b>Customer credit management risk</b> 客戶信用管理風險</p> <p>The Group focuses on producing a wide range of products and does not rely on a particular individual customer. The Group works with more than 5,000 customers from an enormous and widespread portfolio. Increasing business volume and business type lead to increasing total receivables</p>	<ul style="list-style-type: none"> <li>• Monitor and evaluate credit terms granted to customers regularly</li> <li>• Monitor the collectability of receivables in real-time and provide alerts and warnings for amount overdue and customers with abnormal business operation</li> <li>• Closely monitor market dynamics and operation of customers to devise plan for customer visit and collect the latest information of customers</li> <li>• Enhance customer reconciliation system</li> <li>• Adopt collectability of receivables as a criterion of staff performance assessment to promote staff members' awareness of payment demand</li> <li>• Arrange export credit insurance for all overseas customers with newly established relationship</li> </ul>	<p>↑</p> <p>Causes of the trend:</p> <ul style="list-style-type: none"> <li>• Increasing business volume and business type lead to increasing total receivables</li> <li>• Tougher policies implemented by foreign governments on China spurs operation risk for Chinese manufacturers</li> </ul>
<p>本集團以生產各式各樣的產品為重點，不依賴於某單一客戶。本集團擁有客戶逾5,000家，客戶眾多且地區分布分散。業務量及業務類型的不斷增加導致應收款總額增加。</p>	<ul style="list-style-type: none"> <li>• 監察及定期評估客戶的賬期</li> <li>• 實時監督應收款情況，對超期以及業務營運異常的客戶的應收賬款進行預警提示</li> <li>• 密切關注市場動態和客戶經營情況，制定客戶拜訪的計劃，瞭解客戶最新信息</li> <li>• 改善客戶對賬機制</li> <li>• 將應收款的回收情況納入業務員績效考核，增強業務人員的催款意識</li> <li>• 對於所有剛剛合作的海外客戶均辦理出口信用保險</li> </ul>	<p>↑</p> <p>形成趨勢的原因：</p> <ul style="list-style-type: none"> <li>• 業務量及業務類型的不斷增加導致應收款總額增加</li> <li>• 中國廠商因外國政府對華政策轉趨強硬導致經營風險增加</li> </ul>



MATERIAL RISKS OF THE GROUP (Continued)

本集團的重大風險(續)

Risks description 風險描述	Major control measures and risk mitigation 主要監控措施及風險對策	Changes of risk level from last year 風險水平較上年變化
<p><b>Product liability risk</b> 產品責任風險</p>	<ul style="list-style-type: none"> <li>• Increase efforts on quality control and devise improvement solutions for quality fluctuation</li> <li>• Control production process using state-of-the-art measurement equipment and online quality control system</li> <li>• Improve production technology training for staff members and cultivate responsibility awareness of plant production staff and management members at each level</li> <li>• Actively reach out to customers for product liability incidents and coordinate for resolution and hold relevant staff accountable internally</li> </ul>	<p>↔ Unchanged</p>
<p>本集團產品品種繁多，且新品種日益增加，對本集團產品責任帶來了巨大的風險。雖然本集團尚未因產品責任導致任何重大損失，但是存在客戶對於產品質量的個別索賠事件。</p>	<ul style="list-style-type: none"> <li>• 加大質量監控力度並針對出現的質量波動進行改進攻關</li> <li>• 利用先進的檢測儀器及在綫質量控制系統，對產品生產的過程進行控制</li> <li>• 增加員工生產技術的培訓，提高工廠生產人員及各級管理人員的責任意識</li> <li>• 就產品責任事件與客戶積極溝通，協調處理，對內追究相關人員責任</li> </ul>	<p>↔ 無變動</p>
<p><b>Tax risk</b> 稅務風險</p>	<ul style="list-style-type: none"> <li>• Engage financial officers familiar with local tax policies and regulations to conduct tax audit and handle tax examination of the government</li> <li>• Engage professional local tax consultation institutions for consultations on tax compliance advices, tax incentive policies and tax preparation solutions</li> <li>• Liaise with local tax authority frequently to have thorough understanding of change in tax policies and policy interpretation, thereby reducing risks of tax non-compliance and enforcement of tax administration</li> </ul>	<p>↑ Causes of the trend:</p> <ul style="list-style-type: none"> <li>• Intensifying tax regulations in different countries</li> <li>• Increasing international coverage of operation presence, resulting in mounting overseas tax risk</li> <li>• The requested implementation of the minimum tax rate jointly by the OECD countries around the world will increase our tax burdens and risks</li> </ul>
<p>本集團目前經營區域涵蓋中國內地、香港、澳門、越南、土耳其及美洲等多個國家和地區，在稅務籌劃及日常運營過程中，我們面臨以下稅務風險：</p> <ul style="list-style-type: none"> <li>• 對地區性稅務政策理解有誤而產生的稅務違規風險；</li> <li>• 稅務政策解讀與稅務籌劃的合法性需要得到稅務行政部門的確認。在這一確認過程中，稅務行政執法可能出現偏差。</li> </ul>	<ul style="list-style-type: none"> <li>• 聘請熟悉當地稅務政策法規的財務人員進行稅務核算，應對政府稅務檢查</li> <li>• 聘請當地專業的稅務諮詢機構進行稅務合規建議、稅務優惠政策以及稅務籌劃方案諮詢</li> <li>• 與當地稅務機關緊密溝通，全面掌握稅務政策變動及政策解讀，減少稅務違規風險以及稅務行政執法風險。</li> </ul>	<p>↑ 形成趨勢的原因：</p> <ul style="list-style-type: none"> <li>• 各國稅收監管不斷增加</li> <li>• 經營區域日益國際化，凸顯海外稅務風險</li> <li>• 全球OECD國家聯合倡議最低稅率的實施，有關要求將增加稅務負擔及風險</li> </ul>

## 管理層討論及分析(續)

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### MATERIAL RISKS OF THE GROUP (Continued)

### 本集團的重大風險(續)

Risks description 風險描述	Major control measures and risk mitigation 主要監控措施及風險對策	Changes of risk level from last year 風險水平較上年變化
<b>Legal and other regulatory risk</b> 法律及其他監管風險		
<p>As a listed company on the Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the Group must comply with the "Securities and Futures Ordinance" and the "Listing Rules" of the Stock Exchange as well as the laws and regulations in places which the Group operates in. As social and economic environment evolves, many countries and relevant authorities continue to promulgate laws and rules to update economic matters, such as corporate governance, foreign investment, commerce, tax and trade. The introduction or amendments of these laws and regulations may adversely affect the business and prospects of the Group.</p>	<ul style="list-style-type: none"><li>Engage qualified legal advisors or consultation institutions to review and provide advices on relevant documents to ensure legal compliance</li><li>The company secretary is responsible for offering advices to the board of directors and board committees in respect of the latest legal, regulatory and governance matters and ensuring their awareness of such matters</li></ul>	 Unchanged
<p>本集團作為一所於香港聯合交易所有限公司(「聯交所」)上市公司，必須遵守《證券及期貨條例》和聯交所《上市規則》以及本集團經營所在地的法律及法規。隨著社會經濟環境的變化，各國以及相關機構會不斷頒布更新公司管治、海外投資、商業、稅務及貿易等經濟事務的法律及規例。這些法律及法規的新增或變更均可能對本集團業務及前景造成負面影響。</p>	<ul style="list-style-type: none"><li>聘請合資格的法律顧問或諮詢機構審閱相關文書並提出意見，確保遵從法律合規要求</li><li>公司秘書負責向董事會及董事委員會就最新的法律、監管及管治事宜提供意見及確保他們得悉該等事宜</li></ul>	 無變動
<b>Energy supply risk</b> 能源供應風險		
<p>Electricity consumption of the Group's production process is huge and electricity shortage may adversely affect the operation of production facilities of the Group.</p>	<ul style="list-style-type: none"><li>Equip production factories subject to potential electricity shortage with generators to minimize the duration of electricity shortage</li><li>Conduct technological renovation on equipment to reduce energy consumption</li><li>Liaise with the government to seek permit for uninterrupted electricity supply</li></ul>	 Causes of the trend: <ul style="list-style-type: none"><li>Rises in energy material prices lead to a significant increase in power generation costs and thus short supply of power in some areas</li></ul>
<p>本集團於製造過程中耗用大量的電力，電力供應短缺可能對本集團生產設施的運轉造成不利影響。</p>	<ul style="list-style-type: none"><li>為可能出現電力短缺的生產工廠配備發電機，盡可能縮短電力供應短缺的時間</li><li>對設備進行技術改造，降低能源消耗</li><li>與政府溝通，盡可能獲取持續供應電力的許可</li></ul>	 形成趨勢的原因： <ul style="list-style-type: none"><li>能源材料價格上漲導致發電成本大幅上升，部分地區電力供應緊張</li></ul>

## 管理層討論及分析(續) MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### MATERIAL RISKS OF THE GROUP (Continued)

### 本集團的重大風險(續)

Risks description 風險描述	Major control measures and risk mitigation 主要監控措施及風險對策	Changes of risk level from last year 風險水平較上年變化
<p><b>Human resources risk</b> 人力資源風險</p> <p>The Group operates in a labour-intensive industry. While our new plant, with more advanced production facilities, has helped to reduce our deployment of labour force to a certain extent, our need in manpower remains relatively high compared to some other industrial segments. If we experience any labour shortage or technical inadequacy of its labour force, the efficiency in utilization of our production facilities will be impaired, and our profitability will be affected as a result.</p> <p>The Group has been expanding its operation abroad. The cultural difference between our foreign and Chinese employees may bring risk to the regular and normal operation of our Company.</p> <p>本集團所處行業為勞動密集型行業，雖然新工廠配備了更為先進的生產設施，在一定程度上降低了勞工，但是相比其他行業，對於勞工的需求依然較高。若人員不足或人員生產技能不佳將導致生產設施利用效率降低，進而影響本集團的盈利能力。</p> <p>本集團海外規模不斷擴大，海外員工與中國籍員工的文化差異可能為企業的正常運轉帶來風險。</p>	<ul style="list-style-type: none"> <li>Commence effective performance-based unit count in recognition of the principle of 'better reward comes with greater contribution'</li> <li>Expand the scope of staff training to create a highly efficient and capable workforce</li> <li>Prepare and work further ahead on any decisions related to employees and that any issue which may arise will be promptly dealt with</li> <li>Address issue concerning the conditions of our canteen and staff quarters, enhance the quality of our employees' livelihood, and improve our backup supporting service</li> <li>Train up and enhance the management capability of our management staff, roll out skill and capability reinforcement programme, strengthen the sense of belonging and honour of our staff</li> <li>Improve staff retention through maintaining and expanding our presence in the locality</li> </ul> <ul style="list-style-type: none"> <li>高效開展績效計件，體現「多勞多得」的原則</li> <li>擴大員工培訓範疇，使得每個員工都具備高效的工作能力</li> <li>關係到員工方面的決策需提前做好預案，出現問題及時解決</li> <li>改善食堂、宿舍問題，提高員工生活質素，做好後勤保障服務</li> <li>培訓提升管理人員的管理水平，開展活動提升員工的質素，增強員工對企業的認同感、榮譽感</li> <li>為提升員工保有率，維護並擴大公司在當地的影響力</li> </ul>	<p>↑</p> <p>Causes of the trend:</p> <ul style="list-style-type: none"> <li>The COVID-19 epidemic has reduced the movement of people and increased the risk of understaffing</li> </ul> <p>↑</p> <p>形成趨勢的原因：</p> <ul style="list-style-type: none"> <li>新型冠狀病毒肺炎疫情減少了人員流動，人員不足的風險增加</li> </ul>

## 管理層討論及分析(續) MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### MATERIAL RISKS OF THE GROUP (Continued)

### 本集團的重大風險(續)

Risks description 風險描述	Major control measures and risk mitigation 主要監控措施及風險對策	Changes of risk level from last year 風險水平較上年變化
<p><b>Environmental protection compliance risk</b> 環保合規風險</p>	<ul style="list-style-type: none"> <li>• Selectively pick our suppliers, enter into purchase agreements with suppliers which guarantee the raw materials supplied are in compliance with environmental protection standard (in particular dyestuff and chemicals)</li> <li>• Establish a factory internal check system and procedure in compliance with product-wise regular core environmental protection standard, set up a highly regulated control system and strictly implement it</li> <li>• Pay attention to news about development in environmental regulations, cause new factories to operate in strict compliance with any new regulations and existing factories to transform and upgrade their facilities in order to meet with environmental protection standard</li> </ul>	<p>↑</p> <p>Causes of the trend:</p> <ul style="list-style-type: none"> <li>• Increase in number of dyeing factories and higher risk in environmental governance</li> <li>• Governments of different countries tighten its control over environmental protection, which may affect the production operation of business enterprises</li> </ul>
<p>Changes in existing environmental protection laws and regulations may require the Group to incur substantial expenditure to upgrade its existing environmental protection facilities and the profitability of the Group may be adversely affected.</p>	<ul style="list-style-type: none"> <li>• 優選供應商，與供應商簽訂保證原料環保達標的供貨協議，尤其是染化料及化學品方面</li> <li>• 建立產品常規核心環保指標的工廠自檢系統與流程，建立嚴格規範的管理制度並嚴格執行</li> <li>• 關注環境法規方面的變動信息，對於新建工廠嚴格按照新法規執行，對於老工廠積極進行改造及設施升級，以達到新的環保合規標準</li> </ul>	<p>↑</p> <p>形成趨勢的原因：</p> <ul style="list-style-type: none"> <li>• 染廠項目增加，環境治理風險增加</li> <li>• 各國政府對環保方面的管制力度增加，或對企業的生產業務產生影響</li> </ul>
<p>The Group's production process is subject to a wide range of the environmental protection laws and regulations in various countries and territories. The Group has not been subject to any fines or penalties concerning environmental pollution in the past. However, there can be no assurance that governments of any countries and territories will not introduce new laws and regulations to impose stricter control on environmental pollution in the future. Additionally, the risk faced by the Group may also increase as a result of investments in downstream sectors.</p>	<p>本集團生產過程須遵守各國或地區的環境保護法律及條例。本集團在過去並無因環境污染而被罰款或予以處罰，但是並不保證各國或地區政府不會於日後引入更嚴厲控制環境污染的新法律及條例。另外，本集團也因對下游產業投資而可能增加有關風險。</p> <p>現有環保法律及條例出現轉變，可能令本集團產生龐大的開支，以提升其現有環境保護設施的環保等級，本集團的盈利能力可能受不利影響。</p>	

# 企業管治報告

## CORPORATE GOVERNANCE REPORT

The Group is committed to maintaining a high level of corporate governance with an emphasis on the principles of transparency, accountability and independence. The Board believes that good corporate governance is essential to the success of the Group and the enhancement of shareholders' value.

### CORPORATE GOVERNANCE CODE (THE "CG CODE")

The Company is committed to maintaining high level of corporate governance and has steered its development and protected the interests of its shareholders in an enlightened and open manner. The Board currently comprises four executive Directors and three independent non-executive Directors. The Board has adopted the code provisions of the Corporate Governance Code set out in Appendix 14 to the Listing Rules. During the year ended 31 December 2021 (the "Year"), the Company had complied with the then applicable code provisions of the Corporate Governance Code Provisions.

### THE BOARD

The Board currently comprises seven Directors and its composition is set out as follows:

#### Executive Directors:

Hong Tianzhu (*Chairman*)  
Zhu Yongxiang (*Vice Chairman and Chief Executive Officer*)  
Tang Daoping (*Chief Operation Officer*)  
Hui Tsz Wai (resignation effective on 31 March 2022)  
Ji Zhongliang (retired on 3 May 2021)

#### Independent non-executive Directors ("INEDs"):

Tao Xiaoming  
Cheng Longdi  
Ting Leung Huel, Stephen MH, FCCA, FCPA  
(PRACTISING), ACA, CTA(HK), FHKIoD

The brief biographical details of the Directors are set out in the "Directors and Senior Management" section on pages 52 to 54. There was no relationship (including financial, business, family or other material/relevant relationship) among members of the Board.

The Company has three INEDs representing more than one-third of the Board. At least one of the INEDs has appropriate professional qualifications or accounting or related financial management expertise under Rule 3.10 of the Listing Rules. The Board has received from each of the INED an annual confirmation of his independence and considers that all the INEDs are independent under the guidelines set out in Rule 3.13 of the Listing Rules.

本集團致力維持高水平之企業管治，以強調高透明度、問責性及獨立性為原則。董事會相信優良之企業管治對本集團之成功及提升股東價值至為重要。

### 企業管治守則(「企業管治守則」)

本公司一直致力保持高水平企業管治，以開明和開放的理念維護本集團的發展及保障股東們的權益。董事會現由四名執行董事及三名獨立非執行董事組成。董事會已採納載於上市規則附錄十四內企業管治守則的守則條文。截至二零二一年十二月三十一日止年度(「年內」)，本公司已遵守當時適用的企業管治守則的守則條文。

### 董事會

董事會目前由七名董事組成，其成員載列如下：

#### 執行董事：

洪天祝(主席)  
朱永祥(副主席兼行政總裁)

湯道平(營運總裁)  
許子慧(於二零二二年三月三十一日辭任)  
吉忠良(於二零二一年五月三日退任)

#### 獨立非執行董事(「獨立非執行董事」)：

陶肖明  
程隆棣  
丁良輝 MH, FCCA, FCPA  
(PRACTISING), ACA, CTA(HK), FHKIoD

董事之履歷詳情載於第52至54頁之「董事及高級管理層」一節內。董事會成員間概無任何關係(包括財務、業務、家庭或其他重大／相關關係)。

本公司之三名獨立非執行董事佔董事會人數多於三分之一。根據上市規則第3.10條，至少一名獨立非執行董事必須具備適當之專業資格或會計或相關財務管理專業知識。董事會已接獲每名獨立非執行董事有關其獨立性之年度確認書，並認為所有獨立非執行董事均具備上市規則第3.13條所載之指引下之獨立性。

## 企業管治報告(續) CORPORATE GOVERNANCE REPORT (CONTINUED)

### THE BOARD (Continued)

The Board meets regularly to discuss the overall strategy as well as the operation and financial performance of the Group, and to review and approve the Group's annual and interim results. During the Year, four Board meetings and one general meeting were held and attendance of each Director at the Board meetings and the general meeting is set out as follows:

### 董事會(續)

董事會定期召開會議，討論本集團之整體策略以及營運及財政表現，並審閱及批准本集團之全年及中期業績。於年內，已舉行四次董事會會議及一次股東大會，各董事出席董事會會議及股東大會之情況如下：

		Number of Board meetings attended/held 出席／ 舉行董事會 會議次數	Number of General meetings attended/held 出席／ 舉行股東 大會次數
<b>Executive Directors:</b>	<b>執行董事：</b>		
Hong Tianzhu (Chairman)	洪天祝(主席)	4/4	1/1
Zhu Yongxiang (Vice Chairman and Chief Executive Officer)	朱永祥(副主席兼行政總裁)	4/4	0/1
Tang Daoping (Chief Operation Officer)	湯道平(營運總裁)	4/4	0/1
Hui Tsz Wai (resignation effective on 31 March 2022)	許子慧(於二零二二年三月三十一日辭任)	4/4	1/1
Ji Zhongliang (retired on 3 May 2021)	吉忠良(於二零二一年五月三日退任)	1/4	0/1
<b>Independent Non-Executive Directors:</b>	<b>獨立非執行董事：</b>		
Cheng Longdi	程隆棟	4/4	1/1
Ting Leung Huel, Stephen MH, FCCA, FCPA (PRACTISING), ACA, CTA(HK), FHKIoD	丁良輝 MH, FCCA, FCPA (PRACTISING), ACA, CTA(HK), FHKIoD	4/4	1/1
Tao Xiaoming	陶肖明	4/4	1/1

The Board is responsible for considering and decision making for matters covering mainly the Group's overall strategy, investment plans, annual and interim results, recommendations on Directors' appointment or reappointment, material contracts and transactions as well as other significant policies and financial matters. The Board has delegated the day-to-day responsibility to the senior management under the supervision of the Board.

董事會負責考慮和決策之事宜包括本集團整體策略、投資計劃、全年及中期業績、董事委任或重新委任之建議、重大合約及交易，以及其他重大政策及財務等事宜。董事會已將日常職責委派予高級管理層，並由董事會監督。

Board meetings are scheduled to be held at approximately quarterly intervals and as required by business needs. At least 14 days' notice of a Board meeting is normally given to all Directors who are given an opportunity to include matters for discussion in the agenda. The company secretary assists the chairman of the Board in preparing the agenda for meetings and ensures that all applicable rules and regulations are complied with. The agenda and the accompanying Board papers are normally sent to all Directors at least three days before the intended date of a regular Board meeting (and so far as practicable for other Board meetings). Draft minutes of each Board meeting are circulated to all Directors for their comment before the same will be tabled at the following Board meeting for approval. All minutes are kept by the company secretary and are open for inspection at any reasonable time on reasonable notice by any Director.

董事會會議預定為約每季及按業務需要而舉行。召開董事會會議一般會給予全體董事至少十四天之通知，以便彼等皆有機會提出商討事項列入會議議程。公司秘書協助董事會主席編製會議議程，以及確保已遵守所有適用規則及規例。議程及隨附之董事會文件一般在舉行定期董事會會議(及就可行情況下，其他董事會會議)前至少三天發呈全體董事。每份董事會會議記錄之初稿於提交下一次董事會會議審批前，先供全體董事傳閱並提出意見。所有會議記錄均由公司秘書保存，並供任何董事於發出合理通知時，於任何合理時間內查閱。

## 企業管治報告(續) CORPORATE GOVERNANCE REPORT (CONTINUED)

### THE BOARD (Continued)

Every Director is entitled to have access to Board papers and related materials and has access to the advice and services of the company secretary. The Board and each Director also have separate and independent access to the Company's senior management. Directors will be continuously updated on the major development of the Listing Rules and other applicable regulatory requirements to ensure compliance and upkeep of good corporate governance practices.

### DIRECTORS' CONTINUOUS PROFESSIONAL DEVELOPMENT

To ensure the Directors' contribution to the Board remains informed and relevant and in compliance with code provision A.6.5 of the CG Code, the Company would arrange and fund suitable continuous professional development for the Directors to participate in order to develop and refresh their knowledge and skills.

During the Year, the Company had provided all the Directors with regular updates regarding the Company's performance as well as updates on latest amendments and developments to the Listing Rules and other relevant legal and regulatory requirements from time to time.

### DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct ("the Securities Code") regarding securities transactions by Directors and officers on terms no less exacting than the required standard set out in the Model Code ("Model Code") for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules.

A copy of the Securities Code has been sent to each Director of the Company first on his/her appointment and thereafter twice annually, 30 days and 60 days before the date of the Board meetings to approve the Company's interim results and annual results respectively, with a reminder that the Director cannot deal in the securities and derivatives of the Company until after such results have been published, and that all his dealings must be conducted in accordance with the Securities Code.

Under the Securities Code, the Directors are required to notify Mr. Hong Tianzhu or Mr. Zhu Yongxiang or a Director (other than himself/herself) designated by the Board for the specific purpose (the "Designated Director") and receive a dated written acknowledgement from such Designated Director before dealing in the securities and derivatives of the Company.

During the Year, the Company, having made specific enquiry on all the Directors, confirms that all the Directors have complied with the required standard set out in the Securities Code and the Model Code.

### 董事會(續)

每名董事有權查閱董事會文件及相關資料，及可向公司秘書尋求意見及服務。董事會及各董事亦可個別及獨立地接觸本公司之高級管理層。董事將獲持續提供上市規則及其他適用監管規定之最新發展之資料，以確保彼等遵守及秉持優秀企業管治常規。

### 董事之持續專業發展

為確保董事在具備全面資訊及切合所需之情況下對董事會作出貢獻，符合企業管治守則第A.6.5條的規定，本集團為董事安排及出資支持適合之持續專業發展項目，供學習及更新知識及技能。

年內，本公司向全體董事提供有關本公司表現之定期更新，亦不時向全體董事提供有關上市規則以及其他相關法律及監管規定之最新修訂及發展的最新資料。

### 董事進行之證券交易

本公司已就有關董事及主要人員進行之證券交易採納一套操守守則(「《證券守則》」)，條款不遜於上市規則附錄十上市發行人董事進行證券交易的標準守則(「《標準守則》」)所載之要求標準。

《證券守則》之副本已於本公司每名董事首次獲委任時，及其後每年兩次(分別於批准本公司中期業績及全年業績而召開之董事會會議日期起30天及60天前)送交各董事，連同之備忘錄列明，在有關業績刊發前，董事不得買賣本公司證券及衍生工具，而一切買賣均須根據《證券守則》進行。

根據《證券守則》，董事在買賣本公司之證券及衍生工具前，須知會洪天祝先生或朱永祥先生或董事會就特定目的而指定之一名董事(「指定董事」)(除該董事本身外)，並接獲該指定董事發出具有日期之書面確認。

年內，本公司經向全體董事作出特定查詢後，確認所有董事已一直遵守《證券守則》及《標準守則》所載之標準。

## 企業管治報告(續) CORPORATE GOVERNANCE REPORT (CONTINUED)

### ROLES OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Code provision A.2.1 stipulates that the roles of chairman and chief executive officer should be separated and should not be performed by the same individual.

Mr. Hong Tianzhu is the chairman of the Company. Mr. Zhu Yongxiang is the vice chairman and the chief executive officer of the Company.

### TERM OF APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

Each of Mr. Ting Leung Huel Stephen, Professor Cheng Longdi, Professor Tao Xiaoming has been appointed as an independent non-executive Director for an initial term of one year commencing from their respective date of appointment as an INED renewable automatically for successive term of one year each commencing from the next day after the expiry of the then current term of appointment, unless terminated by not less than three months' notice in writing served by either the independent non-executive Director or the Company expiring at the end of the initial term or at any time thereafter. The Company has paid an annual director's fee of HKD300,000 to Mr. Ting Leung Huel Stephen, HKD150,000 to Professor Cheng Longdi, and HKD180,000 to Professor Tao Xiaoming for the year ended 31 December 2021. Save for the above directors' fees, none of the independent non-executive Directors has received any other remuneration for holding their office as an independent non-executive Director.

### BOARD COMMITTEES

The Board has established a remuneration committee (the "Remuneration Committee"), an audit committee (the "Audit Committee"), a nomination committee (the "Nomination Committee") and an environmental, social and governance committee (the "ESG Committee"), each of which has its specific written terms of reference. Copies of minutes of all meetings and resolutions of the committees, which are kept by the company secretary, are circulated to all Board members and the committees are required to report back to the Board on their decision and recommendations where appropriate. The procedures and arrangements for a Board meeting, as mentioned on page 28 in the section "The Board" above, have been adopted for the committee meetings so far as practicable.

### 主席及行政總裁之角色

守則條文第A.2.1條規定主席與行政總裁的角色應有區分，並不應由一人同時兼任。

洪天祝先生為本公司的主席。朱永祥先生為本公司的副主席兼行政總裁。

### 獨立非執行董事之委任任期

丁良輝先生、程隆棣教授及陶肖明教授已獲委任為獨立非執行董事，首任年期為一年，由彼等各自獲委任為獨立非執行董事之日期開始，自當時委任任期屆滿翌日起自動連任一年，惟獨立非執行董事或本公司於首任到期時或之後任何時間以不少於三個月書面通知終止委任除外。本公司已就截至二零二一年十二月三十一日止年度分別向丁良輝先生、程隆棣教授及陶肖明教授支付年度董事袍金300,000港元、150,000港元及180,000港元。除上述董事袍金外，並無任何獨立非執行董事預期可就擔任其獨立非執行董事的職位收取任何其他酬金。

### 董事委員會

董事會已成立薪酬委員會(「薪酬委員會」)、審核委員會(「審核委員會」)、提名委員會(「提名委員會」)以及環境、社會及管治委員會(「ESG委員會」)，並以書面具體列明其職權範圍。所有委員會之會議記錄及決議案均由公司秘書保存，並提供副本予全體董事會成員傳閱，而各委員會需按其決定及建議(倘適合)向董事會匯報。董事會會議之程序及安排(於上文第28頁「董事會」一節提述)已按可行情況在每次委員會會議上採納。



### BOARD COMMITTEES (Continued)

#### Remuneration Committee

The Company has established the Remuneration Committee since November 2004, which currently comprises three independent non-executive Directors of the Company, namely Mr. Ting Leung Huel, Stephen, Professor Tao Xiaoming and Professor Cheng Longdi. The chairman of the Remuneration Committee is Mr. Ting Leung Huel, Stephen. The Remuneration Committee has adopted terms of reference which are in line with the code provisions of the CG Code. The Remuneration Committee is provided with sufficient resources to discharge its duties and has access to independent professional advice in accordance with the Company's policy if considered necessary.

The major roles and functions of the Remuneration Committee are:

- (a) to make recommendations to the Board on the Company's policy and structure for all directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
- (b) to review and approve the management's remuneration proposals with reference to the board's corporate goals and objectives;
- (c) to make recommendations to the board on the remuneration packages of individual executive Directors and senior management, this should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
- (d) to make recommendations to the Board on the remuneration of non-executive Directors;
- (e) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
- (f) to review and approve compensation payable to executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;
- (g) to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate; and
- (h) to ensure that no director or any of his associates is involved in deciding his own remuneration.

### 董事委員會(續)

#### 薪酬委員會

本公司自二零零四年十一月起已成立薪酬委員會，現時該委員會由本公司三名獨立非執行董事組成，即丁良輝先生、陶肖明教授及程隆棣教授。薪酬委員會主席為丁良輝先生。薪酬委員會已採納符合企業管治守則守則條文的職權範圍。薪酬委員會獲提供充裕資源以履行其職務，並可按本公司政策在有需要時尋求獨立專業意見。

薪酬委員會之主要角色及職能如下：

- (a) 就本公司全體董事及高級管理人員的薪酬政策及架構，及就設立正規而具透明度的程序制訂薪酬政策，向董事會提出建議；
- (b) 因應董事會所訂企業方針及目標而檢討及批准管理層的薪酬建議；
- (c) 就個別執行董事及高級管理人員的薪酬待遇向董事會提供推薦建議。此應包括非金錢利益、退休金權利及賠償金額(包括喪失或終止職務或委任的賠償)；
- (d) 就非執行董事的薪酬向董事會提出建議；
- (e) 考慮同類公司支付的薪酬、須付出的時間及職責以及本集團內其他職位的僱用條件；
- (f) 檢討及批准向執行董事及高級管理人員就其喪失或終止職位或委任而須支付的賠償，以確保該等賠償與合約條款一致；若未能與合約條款一致，賠償亦須公平合理，不致過多；
- (g) 檢討及批准因董事行為失當而解僱或罷免有關董事所涉及的賠償安排，以確保該等安排與合約條款一致；若未能與合約條款一致，有關賠償亦須合理適當；及
- (h) 確保任何董事或其任何聯繫人不得參與釐定他自己的薪酬。

## 企業管治報告(續) CORPORATE GOVERNANCE REPORT (CONTINUED)

### BOARD COMMITTEES (Continued)

#### Remuneration Committee (Continued)

The Remuneration Committee shall meet at least once a year. One committee meeting was held during the Year to review and discuss the existing policy and structure for the remuneration of Directors, the remuneration packages of both the executive and non-executive Directors and the attendance of each member is set out as follows:

Committee member	委員會成員	Number of committee meeting attended/held 出席/舉行委員會會議之次數
Ting Leung Huel, Stephen	丁良輝	1/1
Hong Tianzhu (ceased to be a member on 23 August 2021)	洪天祝(於二零二一年八月二十三日起不再為成員)	1/1
Tao Xiaoming	陶肖明	1/1
Cheng Longdi	程隆棣	1/1

In addition to the Committee meetings, the Remuneration Committee also dealt with matters by way of circulation during the Year. The remuneration payable to Directors will depend on their respective contractual terms under their employment or service contracts as approved by the Board on the recommendation of the Remuneration Committee.

In order to attract, retain and motivate the senior executives and key employees of the Group, including the executive Directors, the Company adopted a share option scheme (the "Share Option Scheme") in April 2014 for a term of ten years. Details of the share option scheme are set out in the Directors' Report on pages 60 to 62 and note 17 to the financial statements.

#### Audit Committee

The Audit Committee has been established since November 2004, the current members of the Audit Committee are Mr. Ting Leung Huel, Stephen, Professor Tao Xiaoming and Professor Cheng Longdi. The chairman of the Audit Committee is Mr. Ting Leung Huel, Stephen. To retain independence and objectivity, the Audit Committee has been chaired by an INED with appropriate professional qualifications or accounting or related financial management expertise. The Audit Committee has adopted terms of reference, which are in line with the code provisions of the CG Code. The Audit Committee is provided with sufficient resources to discharge its duties and has access to independent professional advice according to the Company's policy if considered necessary.

### 董事委員會(續)

#### 薪酬委員會(續)

薪酬委員會每年須至少召開一次會議。年內已舉行一次委員會會議，以審議及討論董事之現行薪酬政策及架構，執行董事及非執行董事之薪酬待遇，而各成員之出席情況如下：

除委員會會議外，薪酬委員會亦於年內透過傳閱方式處理事宜。應付董事之薪酬將視乎薪酬委員會向董事會提供之建議獲批准後，並按各自之僱傭或服務合約內之條款而釐定。

本公司已於二零一四年四月採納一項購股權計劃(「購股權計劃」)以吸引、延攬及推動本集團高級行政人員及主要僱員(包括執行董事)，為期十年。購股權計劃詳情載於董事會報告第60至62頁及財務報表附註17。

#### 審核委員會

審核委員會自二零零四年十一月成立，現有成員為丁良輝先生、陶肖明教授及程隆棣教授。審核委員會主席為丁良輝先生。為保持獨立性及客觀性，審核委員會由一名具備合適專業資格或會計或相關財務管理專業知識之獨立非執行董事擔任主席。審核委員會已採納符合企業管治守則守則條文的職權範圍。審核委員會獲提供充裕資源以履行其職務，並可按本公司之政策在有需要時尋求獨立專業意見。

### BOARD COMMITTEES (Continued)

#### Audit Committee (Continued)

The major roles and functions of the Audit Committee are:

- (a) to be primarily responsible for making recommendation to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of resignation or dismissal of that auditor;
- (b) to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standard;
- (c) to develop and implement policy on the engagement of an external auditor to supply non-audit services;
- (d) to monitor integrity of financial statements of the Company and the Company's annual report and accounts, half-year report and, if prepared for publication, quarterly reports, and to review significant financial reporting judgments contained in them, and to review the Company's annual report and accounts, half-year report and, if prepared for publication, quarterly reports before submission to the Board;
- (e) to discuss problems and reservations arising from the interim and final audits, and any matters the auditors may wish to discuss;
- (f) to review the Company's financial controls, risk management and internal control systems;
- (g) to discuss with the management the risk management and internal control systems and ensure that management has discharged its duty to have effective systems;
- (h) to consider any findings of major investigations of risk management and internal control matters as delegated by the Board or on its own initiative and management's response;
- (i) to review the Group's financial and accounting policies and practices; and
- (j) to review the external auditor's management letter, any material queries raised by the auditor to management in respect of the accounting records, financial accounts or systems of control and management's response.

### 董事委員會(續)

#### 審核委員會(續)

審核委員會之主要角色及職能：

- (a) 主要負責向董事會就委任、重新委任及罷免外聘核數師提出建議，以及批准外聘核數師之薪酬及聘用條款，並處理任何有關該核數師辭任或辭退該核數師之問題；
- (b) 根據適用準則檢討及監察外聘核數師之獨立性及客觀性及審核程序之效率；
- (c) 研究及實施委任外聘核數師提供非審核服務的政策；
- (d) 監察本公司財務報表及本公司年度報告及賬目、中期報告及季度報告(倘編製供刊發之用)的完整性，並審核其中的重大財務報告判斷，及於本公司的年度報告及賬目、中期報告及季度報告(倘編製供刊發之用)呈交董事會之前先行審核；
- (e) 商議就中期審核及年終審核而產生之任何問題及保留事項，及核數師擬商討之任何事宜；
- (f) 檢討本公司之財務監控、風險管理及內部監控系統；
- (g) 與管理層討論風險管理及內部監控系統及確保管理層已盡其職責以達至有效之系統；
- (h) 考慮董事會授予或自發進行之風險管理內部監控事項之主要調查之任何結果以及管理層之回應；
- (i) 審核本集團的財務及會計政策及常規；及
- (j) 審核外聘核數師的管理函件、核數師就會計記錄、財務賬目或控制系統向管理層提出的任何重大提問，及管理層的回應。

# 企業管治報告(續)

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### BOARD COMMITTEES (Continued)

#### Audit Committee (Continued)

The Audit Committee shall meet at least twice a year. Two committee meetings were held during the Year and the attendance of each member is set out as follows:

Committee member	委員會成員	Number of committee meeting attended/held 出席/舉行委員會會議之次數
Ting Leung Huel, Stephen	丁良輝	2/2
Tao Xiaoming	陶肖明	2/2
Cheng Longdi	程隆棣	2/2

During the meetings held in the Year, the Audit Committee had performed the work as summarised below:

- reviewed and approved the audit scope and fees proposed by the external auditor regarding the final audit of the Group for the year ended 31 December 2020 (the "2020 Final Audit");
- reviewed the external auditor's report of findings in relation to the 2020 Final Audit;
- reviewed the financial reports for the year ended 31 December 2020 and for the six months ended 30 June 2021; and
- reviewed the effectiveness of internal control system of the Group including financial, operational and compliance control and risk management functions of the Group.

There was no disagreement between the Board and the Audit Committee on the selection, appointment, resignation or dismissal of the external auditors.

#### Nomination Committee

On 19 March 2012, the Board has approved the establishment of the Nomination Committee which became effective on 1 April 2012. The current members of Nomination Committee comprises an executive Director and the chairman of the Company, Mr. Hong Tianzhu and three independent non-executive Directors, namely Professor Tao Xiaoming, Professor Cheng Longdi and Mr. Ting Leung Huel, Stephen. The chairman of the Nomination Committee is Mr. Hong Tianzhu. The Nomination Committee has adopted terms of reference which are in line with the code provisions of the CG Code. The Nomination Committee is provided with sufficient resources to discharge its duties and has access to independent professional advice in accordance with the Company's policy if considered necessary.

### 董事委員會(續)

#### 審核委員會(續)

審核委員會每年須至少召開兩次會議。年內已舉行兩次委員會會議，而各成員之出席情況如下：

年內舉行之會議，審核委員會已履行之工作概述如下：

- 檢討及批准外聘核數師建議之本集團截至二零二零年十二月三十一日止年度之年終審核(「二零二零年年終審核」)之核數範圍及費用；
- 檢討外聘核數師之二零二零年年終審核結果之報告；
- 檢討截至二零二零年十二月三十一日止年度及截至二零二一年六月三十日止六個月之財務報告；及
- 檢討本集團內部監控制度，包括本集團的財務、營運及合規控制情況及風險管理功能的有效性。

董事會及審核委員會就甄選、委聘、退任或罷免外聘核數師並無意見分歧。

#### 提名委員會

於二零一二年三月十九日，董事會批准成立提名委員會，於二零一二年四月一日生效。提名委員會現任成員包括執行董事兼本公司主席洪天祝先生，及三名獨立非執行董事，即陶肖明教授、程隆棣教授及丁良輝先生。提名委員會主席為洪天祝先生。提名委員會已採納與企業管治守則的守則條文一致的職權範圍。提名委員會獲提供足夠資源履行職務，並已考慮在適當情況下，根據本公司政策尋求獨立專業意見。

### BOARD COMMITTEES (Continued)

#### Nomination Committee (Continued)

The major roles and functions of the Nomination Committee are:

- (a) to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the board to complement the Company's corporate strategy;
- (b) to identify individuals suitably qualified to become members of the Board and select or make recommendations to the Board on the selection of individuals nominated for directorships;
- (c) to assess the independence of the independent non-executive Directors;
- (d) to make recommendations to the Board on:
  - (i) the role, responsibilities, capabilities, skills, knowledge and experience required from members of the Board;
  - (ii) the policy on the terms of employment of non-executive Directors;
  - (iii) the composition of the Audit Committee, Remuneration Committee and other board committees of the Company;
  - (iv) proposed changes to the structure, size and composition of the Board;
  - (v) candidates suitably qualified to become members of the Board;
  - (vi) the selection of individuals nominated for directorship;
  - (vii) the re-election by shareholders of the Company of any Directors who are to retire by rotation having regard to their performance and ability to continue to contribute to the Board;
  - (viii) the continuation (or not) in service of any independent non-executive Director serving more than nine years and to provide recommendation to the shareholders of the Company as to how to vote in the resolution approving the re-election of such independent non-executive Director;
  - (ix) the appointment or re-appointment of Directors;
  - (x) succession planning for Directors in particular the chairman and the chief executive; and
  - (xi) the policy concerning diversity of Board members;

### 董事委員會(續)

#### 提名委員會(續)

提名委員會的主要職位及功能如下：

- (a) 至少每年檢討董事會的架構、人數及組成(包括技能、知識及經驗方面)，並為配合本公司的企業策略而擬對董事會作出調整向董事會提出建議；
- (b) 物色具備合適資格可擔任董事的人士，並挑選提名有關人士出任董事或就此向董事會提供意見；
- (c) 評估獨立非執行董事的獨立性；
- (d) 向董事會就下列事宜作出推薦建議：
  - (i) 作為董事會成員所應有的角色、責任、能力、技能、知識及經驗；
  - (ii) 委聘非執行董事條件的政策；
  - (iii) 本公司審核委員會、薪酬委員會及其他董事委員會的組成；
  - (iv) 董事會的架構、人數及組成擬作出的變動；
  - (v) 具備合適資格擔任董事的候選人；
  - (vi) 挑選被提名人士出任董事；
  - (vii) 由本公司股東重新委任輪流退任董事，於此，須考慮其工作表現及對董事會繼續作出貢獻的能力；
  - (viii) 在任多於九年的獨立非執行董事的去留問題，並就是否贊成批准該等獨立非執行董事連任的決議案向本公司股東提供建議；
  - (ix) 委任或重新委任董事；
  - (x) 董事接替計劃(尤其是主席及行政總裁)；及
  - (xi) 有關董事會成員多元化的政策；

## 企業管治報告(續) CORPORATE GOVERNANCE REPORT (CONTINUED)

### BOARD COMMITTEES (Continued)

#### Nomination Committee (Continued)

- (e) to give full consideration to the following in the discharge of its duties as mentioned above or elsewhere in these terms of reference:
- (i) succession planning of Directors;
  - (ii) leadership needs of the Group with a view of maintaining or fostering the competitive edge of the Group over others;
  - (iii) changes in market environment and commercial needs of the market in which the Group operates;
  - (iv) the skills and expertise required from members of the Board;
  - (v) the Board's policy concerning diversity of Board members adopted from time to time; and
  - (vi) the relevant requirements of the Listing Rules with regard to directors of a listed issuer;
- (f) in respect of any proposed service contracts to be entered into by any members of the Group with its director or proposed director, which require the prior approval of the shareholders of the Company at general meeting under rule 13.68 of the Listing Rules, to review and provide recommendations to the shareholders of the Company (other than shareholders who are directors with a material interest in the relevant service contracts and their respective associates) as to whether the terms of the service contracts are fair and reasonable and whether such service contracts are in the interests of the Company and the shareholders as a whole, and to advise shareholders on how to vote;
- (g) to ensure upon the appointment to the Board, non- executive Directors receive a formal letter of appointment setting out what is expected of them in terms of time commitment, committee service and involvement outside meetings of the Board;
- (h) to conduct interviews with any Director upon their resignation in order to ascertain the reasons for his departure; and
- (i) to consider other matters, as defined or assigned by the Board from time to time.

### 董事委員會(續)

#### 提名委員會(續)

- (e) 在履行上述責任或本職權範圍項下的其他責任，對下列各項給予充分考慮：
- (i) 董事繼任計劃；
  - (ii) 本集團為保持或加強本集團的競爭優勢所需要的領導才能；
  - (iii) 市場環境的轉變及本集團營運市場的商業需要；
  - (iv) 董事會成員所須具備的技能及專才；
  - (v) 董事會不時採納有關董事會成員多元化的政策；及
  - (vi) 上市規則對上市發行人的董事的相關要求；
- (f) 檢討及就所有按上市規則第13.68條須事先取得本公司股東於股東大會上批准的現董事或建議委任董事與本集團任何成員的擬定服務合同，就該議定服務合同條款的公平及合理性、服務合同對本公司及股東而言是否整體有利及本公司股東應怎樣作出表決，向本公司股東(而身為董事並在該等服務合同中有重大利益的股東和彼等各自聯繫人除外)提呈建議；
- (g) 確保非執行董事獲邀加入董事會時收到正式的聘書，其中列明公司期望非執行董事投入的時間、應盡的服務和在董事會會議以外的參與；
- (h) 會見辭去董事職責的董事並了解其離職原因；及
- (i) 考慮董事會不時確定或委派的其他事項。

## 企業管治報告(續) CORPORATE GOVERNANCE REPORT (CONTINUED)

### BOARD COMMITTEES (Continued)

#### Nomination Committee (Continued)

The Nomination Committee shall meet at least once a year. One committee meeting was held during the Year to review the structure and composition of the Board and the re-election of the retiring Directors and the attendance of each member is set out as follows:

Committee member	委員會成員	Number of committee meeting attended/held 出席／舉行委員會會議之次數
Hong Tianzhu	洪天祝	1/1
Tao Xiaoming	陶肖明	1/1
Cheng Longdi	程隆棟	1/1
Ting Leung Huel, Stephen	丁良輝	1/1

#### Environmental, Social and Governance Committee

The Company has established the ESG Committee since 23 August 2021, which currently comprises two executive Directors of the Company, namely Mr. Tang Daoping and Mr. Hui Tsz Wai (shall cease to be a member on 31 March 2022), and three independent non-executive Directors of the Company, namely Mr. Ting Leung Huel, Stephen, Professor Tao Xiaoming and Professor Cheng Longdi. The chairman of the ESG Committee is Mr. Tang Daoping and the vice chairman of the ESG Committee is Mr. Hui Tsz Wai (shall cease to be a member on 31 March 2022). The ESG Committee has adopted written terms of reference. The ESG Committee is provided with sufficient resources to discharge its duties and has access to independent professional advice in accordance with the Company's policy if considered necessary.

The major roles and functions of the ESG Committee are:

- (i) to formulate and review the Company's concepts, strategies, frameworks, principles and policies in respect of environmental protection, corporate governance and corporate social responsibility, make relevant recommendations to the Board and implement the environmental protection, corporate governance and corporate social responsibility policies formulated by the Board;
- (ii) to review and monitor the Company's environmental protection, corporate governance and corporate social responsibility policies and practices to ensure compliance with legal and regulatory requirements;
- (iii) to take measures to promote the Company's environmental protection, corporate governance and corporate social responsibility, and formulate corporate objectives, goals, key performance indicators and measures to ensure performance in response to the areas of environmental protection, corporate governance and corporate social responsibility (as appropriate);

### 董事委員會(續)

#### 提名委員會(續)

提名委員會每年須至少召開一次會議。年內已舉行一次委員會會議，以檢討董事會的架構及組織，以及重選退任董事，而各成員之出席情況如下：

Committee member	委員會成員	Number of committee meeting attended/held 出席／舉行委員會會議之次數
Hong Tianzhu	洪天祝	1/1
Tao Xiaoming	陶肖明	1/1
Cheng Longdi	程隆棟	1/1
Ting Leung Huel, Stephen	丁良輝	1/1

#### 環境、社會及管治委員會

本公司已於二零二一年八月二十三日成立 ESG 委員會，其目前由本公司兩名執行董事湯道平先生及許子慧先生(於二零二二年三月三十一日起不再為成員)以及本公司三名獨立非執行董事丁良輝先生、陶肖明教授及程隆棟教授組成。ESG 委員會主席為湯道平先生，而 ESG 委員會副主席為許子慧先生(於二零二二年三月三十一日不再為成員)。ESG 委員會已採納書面職權範圍。ESG 委員會獲提供足夠資源履行職務，並在適當情況下，可根據本公司政策尋求獨立專業意見。

ESG 委員會的主要角色及職能為：

- (i) 制定及檢討本公司在環境保護、企業管治及企業社會責任方面的理念、策略、框架、原則及政策，向董事會提出相關推薦建議，並執行董事會制定的環境保護、企業管治及企業社會責任政策；
- (ii) 檢討及監察本公司的環境保護、企業管治及企業社會責任政策及常規，以確保遵守法律及監管規定；
- (iii) 採取措施促進本公司的環境保護、企業管治及企業社會責任，並制定企業方針、目標、關鍵績效指標及措施，以確保在環境保護、企業管治及企業社會責任(如適用)方面的表現；

## 企業管治報告(續) CORPORATE GOVERNANCE REPORT (CONTINUED)

### BOARD COMMITTEES (Continued)

#### Environmental, Social and Governance Committee (Continued)

- (iv) to monitor expenditures arising from Company's environmental protection, corporate governance and corporate social responsibility work; and
- (v) to review the annual "Environmental, Social and Governance Report" and make recommendations to the Board for approval.

The ESG Committee shall meet at least once a year. Since the ESG Committee was newly established in August 2021, no committee meeting was held during the Year.

### DIRECTOR NOMINATION POLICY

The director nomination policy (the "Director Nomination Policy") of Company aims to set out the criteria and process in the nomination and appointment of directors of the Company; ensure that the board (the "Board") of directors of the Company has a balance of skills, experience and diversity of perspectives appropriate to the Company; and ensure the Board continuity and appropriate leadership at Board level.

#### Criteria for nomination and appointment of Directors

The criteria for selecting any candidate for directorship are set out as follows:

- bringing an independent view and judgment and make constructive recommendation on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conducts;
- taking the lead where potential conflicts of interests arise;
- serving on the Audit Committee, and the Remuneration Committee and the Nomination Committee (in the case of candidate for Non-Executive Director) and other relevant Board Committees, if invited;
- devoting sufficient time to the Board and/or any Committee(s) on which he or she serves so as to allow them to benefit from his or her skills, expertise, and varied backgrounds and qualifications and diversity through attendance and participation in the Board;
- scrutinising the Company's performance in achieving agreed corporate goals and objectives, and monitoring the reporting of performance;
- ensuring the Nomination Committees on which he or she serves to perform their powers and functions conferred on them by the Board; and
- conforming to any requirement, direction and regulation that may from time to time be prescribed by the Board or contained in the constitutional documents of the Company or imposed by legislation or the Listing Rules, where appropriate.

### 董事委員會(續)

#### 環境、社會及管治委員會(續)

- (iv) 監察本公司環境保護、企業管治及企業社會責任工作產生的開支；及
- (v) 審閱年度《環境、社會及管治報告》，並向董事會提出推薦建議供其批准。

ESG委員會每年須至少舉行一次會議。由於ESG委員會於二零二一年八月新成立，故於本年度並無舉行委員會會議。

### 董事提名政策

本公司董事提名政策(「董事提名政策」)旨在載列本公司提名及委任董事的準則及程序；確保本公司的董事會(「董事會」)成員具備切合本公司業務所需的技能、經驗及多元觀點；及確保董事會的持續性及維持其領導角色。

#### 董事提名及委任標準

甄選董事候選人的標準如下：

- 就策略、政策、表現、職責、資源、主要委任及操守準則等事項作出獨立的觀點和判斷及提供建設性建議；
- 於發生潛在利益衝突時發揮領導作用；
- 服務於審核委員會、薪酬委員會及提名委員會(如為非執行董事候選人)以及其他相關董事委員會(如獲邀請)；
- 對董事會及／或所服務的任何委員會投入充足時間，從而透過出席及參與董事會而令董事會及任何委員會受惠於其技能、專長、各種背景及資格以及多元觀點；
- 監察本公司在達致議定企業宗旨及目標方面的表現以及監督相關表現的申報情況；
- 確保所服務的提名委員會履行董事會授予的權力及職能；及
- 遵守董事會不時訂定或本公司章程文件不時所載或法例或上市規則不時施加的任何規定、指示及規例(如適用)。



## 企業管治報告(續) CORPORATE GOVERNANCE REPORT (CONTINUED)

### DIRECTOR NOMINATION POLICY (Continued)

If the candidate is proposed to be appointed as an INED, his or her independence shall be assessed in accordance with, among other things, the factors as set out in Rule 3.13 of the Listing Rules, subject to any amendments as may be made by the Stock Exchange from time to time. Where applicable, the totality of the candidate's education, qualifications and experience shall also be evaluated to consider whether he or she has the appropriate professional qualifications or accounting or related financial management expertise for filling the office of an INED with such qualifications or expertise as required under Rule 3.10(2) of the Listing Rules.

### Nomination process

#### (a) Appointment of New Director

- (i) The Nomination Committee and/or the Board should, upon receipt of the proposal on appointment of new director and the biographical information (or relevant details) of the candidate, evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.
- (ii) If the process yields one or more desirable candidates, the Nomination Committee and/or the Board should rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable).
- (iii) The Nomination Committee should then recommend to the Board to appoint the appropriate candidate for directorship, as applicable.
- (iv) For any person that is nominated by a shareholder for election as a director at the general meeting of the Company, the Nomination Committee and/or the Board should evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.

Where appropriate, the Nomination Committee and/or the Board should make recommendation to shareholders in respect of the proposed election of director at the general meeting.

### 董事提名政策(續)

如建議委任候選人為獨立非執行董事，則須根據(其中包括)上市規則第3.13條(經聯交所可能不時作出修訂)所載的因素評估其獨立性。如適用，則亦須評估該候選人的學歷、資格及經驗等整體情況，以考慮其是否具備合適的專業資格或會計或相關財務管理專長(即上市規則第3.10(2)條所規定的相關資格或專長)以擔任獨立非執行董事。

### 提名程序

#### (a) 委任新董事

- (i) 提名委員會及/或董事會應在收到委任新董事的建議及候選人的履歷資料(或相關詳情)後，依據上述準則評估該候選人，以判斷該候選人是否合資格擔任董事。
- (ii) 如過程涉及一個或多個合意的候選人，提名委員會及/或董事會應根據本公司的需要及各候選人的證明審查(如適用)排列彼等的優先次序。
- (iii) 提名委員會隨後應就委任合適人選擔任董事一事向董事會提出推薦意見(如適用)。
- (iv) 就任何經由股東提名於本公司股東大會上選舉為董事的人士，提名委員會及/或董事會應依據上述準則評估該候選人，以判斷該候選人是否合資格擔任董事。

倘適合，提名委員會及/或董事會應就於股東大會上選舉董事的提案向股東提出推薦意見。

# 企業管治報告(續) CORPORATE GOVERNANCE REPORT (CONTINUED)

## DIRECTOR NOMINATION POLICY (Continued)

### Nomination process (Continued)

#### (b) Re-election of Director at General Meeting

- (i) The Nomination Committee and/or the Board should review the overall contribution and service to the Company of the retiring director and the level of participation and performance on the Board.
- (ii) The Nomination Committee and/or the Board should also review and determine whether the retiring director continues to meet the criteria as set out above.
- (iii) The Nomination Committee and/or the Board should then make recommendation to shareholders in respect of the proposed re-election of director at the general meeting.

Where the Board proposes a resolution to elect or re-elect a candidate as director at the general meeting, the relevant information of the candidate will be disclosed in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting in accordance with the Listing Rules and/or applicable laws and regulations.

#### (c) Re-election of INED at General Meeting

Where the Board proposes a resolution to elect an individual as an INED at the general meeting, it should set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting:

- (i) the process used for identifying the individual and why the Board believes the individual should be elected and the reasons why it considers the individual to be independent;
- (ii) if the proposed INED will be holding their seventh (or more) listed company directorship, why the Board believes the individual would still be able to devote sufficient time to the Board;
- (iii) the perspectives, skills and experience that the individual can bring to the Board; and
- (iv) how the individual contributes to diversity (including gender diversity) of the Board.

The Nomination Committee will conduct regular review on the structure, size and composition of the Board and the Director Nomination Policy and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy and business needs, to comply with all applicable laws and regulations from time to time and maintain good corporate governance practice.

## 董事提名政策(續)

### 提名程序(續)

#### (b) 於股東大會上重選董事

- (i) 提名委員會及／或董事會應檢討退任董事對本公司的整體貢獻及服務，以及在董事會的參與程度及表現。
- (ii) 提名委員會及／或董事會亦應檢討及確定退任董事是否仍然符合上文所載標準。
- (iii) 提名委員會及／或董事會其後應就於股東大會上重選董事的提案向股東提出推薦意見。

若董事會擬於股東大會上提呈決議案選舉或重選某候選人為董事，隨附有關股東大會通告的致股東通函及／或說明函件中，將會按上市規則及／或適用法律及法規要求披露候選人的相關資料。

#### (c) 於股東大會上重選獨立非執行董事

倘董事會提呈一項決議案於股東大會上選任某人士為獨立非執行董事，則須於相關股東大會通告隨附的致股東通函及／或說明函件內載明：

- (i) 用以物色該名人士的流程，董事會認為應選任該名人士的理由以及認為該名人士屬獨立人士的原因；
- (ii) 如建議獨立非執行董事將出任第七家(或以上)上市公司的董事，董事會認為該名人士仍可投入足夠時間履行董事責任的原因；
- (iii) 該名人士可為董事會帶來的觀點與角度、技能及經驗；及
- (iv) 該名人士如何促進董事會成員多元化(包括性別多元化)。

提名委員會將會定期為董事會的架構、規模及組成及董事提名政策舉行檢討，並在有需要時向董事會提出修訂建議，以完善本公司的企業策略及切合本公司的業務需要，以不時遵守所有適用的法律及法規以及維持良好企業管治常規。

### DIRECTOR NOMINATION POLICY (Continued)

On 5 August 2013, the Board adopted a board diversity policy (the "Board Diversity Policy") which aims to set out the approach to achieve diversity on the Board. All Board appointments will be based on merit while taking into account diversity including gender diversity. The Nomination Committee will regularly review the measurable objectives to ensure its effectiveness to achieve diversity on the Board. The following measurable objectives have been set for implementing the Board Diversity Policy:

- inclusion of candidates for Board members with overseas working experience (outside of PRC);
- ensuring that there is no limitation on gender on selection of Directors and there shall be at least one female member on the Board;
- inclusion of candidates for Board members with working experience in other industries; and
- inclusion of candidates for Board members with knowledge and skills in different aspects.

As at the date of this annual report, the above objectives have been achieved. 6 out of 7 members of the Board have overseas working experience and 2 out of 7 members of the Board have accounting or other professional qualifications. The Board is also a mixed-gender board with female representation brought by Professor Tao Xiaoming, an independent non-executive Director. The Board recognises the importance and benefits of gender diversity at Board level and shall continue to take initiatives to identify suitable female candidates for board succession planning and enhancement of gender diversity in the Board.

The Nomination Committee has adopted a written nomination procedure (the "Nomination Procedure") specifying the process and criteria for the selection and recommendation of candidates for directorship of the Company. The Nomination Committee shall, based on those criteria as set out in the Nomination Procedure (such as appropriate experience, personal skills and time commitment etc.), identify and recommend the proposed candidate to the Board for approval of an appointment.

### 董事提名政策(續)

董事會於二零一三年八月五日採納董事會成員多元化政策(「董事會多元化政策」)，旨在羅列達成董事會成員多元化的方法。董事會內任命的原則是任人唯才，亦考慮到多元性，包括性別多元。提名委員會將定期審閱可計量目標，確保有效達成董事會多元化。已就執行董事會多元化政策而訂立以下可計量目標：

- 董事會的候選董事應包括具備海外(中國境外)工作經驗者；
- 應確保不限性別地選任董事，且董事會應至少有一名女性成員；
- 董事會的候選董事應包括具備其他行業工作經驗者；及
- 董事會的候選董事應具備不同領域的知識及技術。

於本年報日期，上述目標已達成。7名董事會成員中有6名具備海外工作經驗及7名董事會成員中有2名具備會計或其他專業資格。董事會成員亦由兩種性別組成，女性代表為獨立非執行董事陶肖明教授。董事會明白董事會層面性別多元化的重要性及好處，並將繼續採取措施物色合適的女性人選，作董事會繼任計劃用途，亦用以提升董事會性別多元化。

提名委員會已採納一套以書面列載之提名程序(「提名程序」)，具體列明本公司董事候選人之挑選及推薦程序及準則。提名委員會會根據提名程序所載之該等準則(如恰當資歷、個人專長及投放時間等)向董事會物色及建議人選以予批准委任。

## 企業管治報告(續) CORPORATE GOVERNANCE REPORT (CONTINUED)

### DIRECTOR NOMINATION POLICY *(Continued)*

New Directors, on appointment, will be given an induction package containing all key legal and Listing Rules' requirements as well as guidelines on the responsibilities and obligations to be observed by a Director. The package will also include the latest published financial reports of the Company and the documentation for the corporate governance practices adopted by the Board. The senior management will subsequently conduct such briefing as is necessary to give the new Directors more detailed information on the Group's businesses and activities.

### CORPORATE GOVERNANCE PRACTICES AND ESG COMMITTEE

The Board is mainly responsible for keeping the effectiveness of the corporate governance and system of internal non-financial controls of the Group. The Board shall introduce and propose relevant principles concerning corporate governance and to review and determine the corporate governance policy, so as to enhance and to ensure a high standard of corporate governance practices in the Group.

During the Year, the Board regularly reviewed and monitored the training and continuous professional development of the Directors, and the Company's policies and practices on compliance with legal and regulatory requirements. In August 2021, the Company established the ESG Committee to oversee and report to the Board on matters relating to environmental, social and governance ("ESG") practices of the Group and to ensure compliance with legal and regulatory requirements on ESG including corporate governance principles applicable to the Company. For details, please refer to the paragraph headed "Board Committees" above.

### 董事提名政策(續)

新董事在獲委任後將會取得一套入職資料文件，載有所有主要法律及上市規則規定，以及有關董事應遵守之責任及義務之指引。資料文件亦包括本公司最新公佈之財務報告及董事會採納之企業管治常規文件。高級管理層其後將於有需要時提供說明，並為新董事提供本集團業務及活動之詳細資料。

### 企業管治常規及 ESG 委員會

董事會主要負責維持本集團的企業管治及內部非財務監控系統的有效性。董事會將就企業管治引用及建議相關守則，並審閱及釐定企業管治政策，以提高及確保本集團的高標準企業管治常規。

年內，董事會定期檢討並監察董事的培訓及持續專業發展，以及本公司遵行法定及監管要求的政策及常規。於二零二一年八月，本公司成立 ESG 委員會，以監督並向董事會報告有關本集團環境、社會及管治（「ESG」）常規的事宜，並確保遵守 ESG 方面的法律及監管規定，當中包括適用於本公司的企業管治原則。有關詳情，請參閱上文「董事委員會」一段。

### ACCOUNTABILITY AND AUDIT

#### Financial Reporting

The Directors acknowledge their responsibility for preparing, with the support from finance department, the financial statements of the Group. In preparing the financial statements for the Year, the requirements of the Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure requirements of the Listing Rules and the Companies Ordinance were complied with.

The reporting responsibilities of the Company's external auditor, Messrs. PricewaterhouseCoopers, are set out in the Auditor's Report on pages 144 to 150.

#### Risk Management and Internal Control

##### Framework

The risk management and internal controls system will assist the Group to fully achieve its strategic objective by identifying and assessing all the risk exposure of the Group and setting down corresponding control measures, with a view to attain the long-term vision of the Group. We believe that effective risk management and internal controls system will enhance shareholders' value in the long term. The risk faced by the Group directly relates to its control measures and mitigation plan.

### 問責及核數

#### 財務匯報

於財務部之協助下，董事確認彼等編製本集團財務報表之責任。年內之財務報表已按照香港會計師公會頒佈之香港財務報告準則、香港會計準則及詮釋，以及上市規則及公司條例之適用披露規定而編製。

本公司外聘核數師羅兵咸永道會計師事務所之匯報責任載於第144至150頁之核數師報告。

#### 風險管理及內部監控

##### 框架

風險管理及內部監控系統藉著識別和評估本集團所面臨的各項風險，並制定相關的監控措施，協助本集團全面實現戰略目標，進而達成本集團的長期願景。我們相信有效的風險管理及內部監控系統能提升長遠的股東價值。本集團所面對的風險與其監控措施及對策有直接關聯。

# 企業管治報告(續) CORPORATE GOVERNANCE REPORT (CONTINUED)

## ACCOUNTABILITY AND AUDIT (Continued)

### Risk Management and Internal Control (Continued)

#### Framework (Continued)

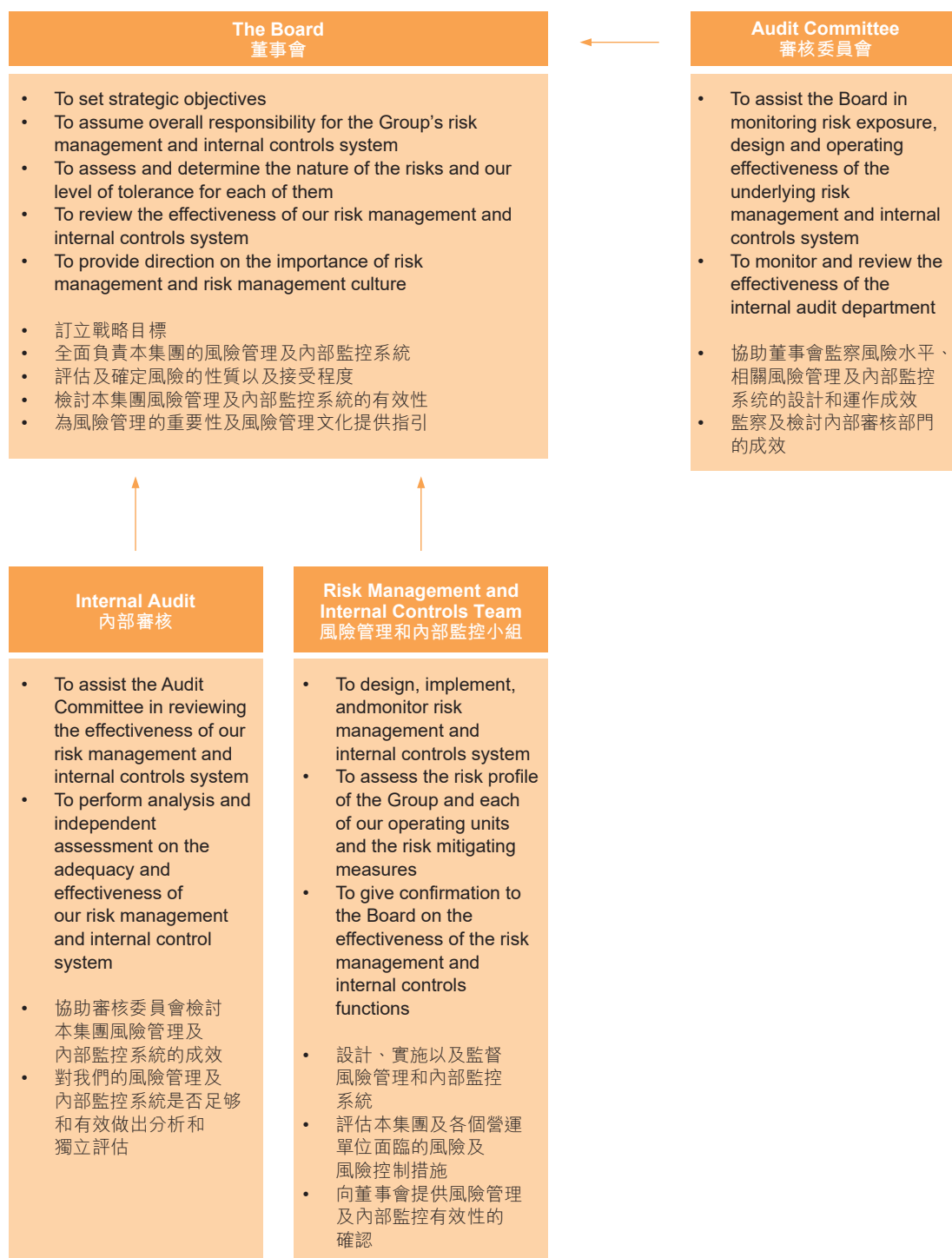
Accordingly, the risk management and internal controls framework of our Group is as follows:

## 問責及核數(續)

### 風險管理及內部監控(續)

#### 框架(續)

由此，本集團的風險管理及內部監控框架如下：



## 企業管治報告(續) CORPORATE GOVERNANCE REPORT (CONTINUED)

### ACCOUNTABILITY AND AUDIT (Continued)

#### Risk Management and Internal Control (Continued)

##### Framework (Continued)

The operating model of the Group's risk management and internal control framework conforms to the internal controls framework of COSO (the Committee of Sponsoring Organizations of the Treadway Commission) in the following five aspects:

- **Control Environment**

The Group has established a clear organization structure and delegated powers necessary to perform different business functions to management at different levels but it is subject to the limit set by the Board. The Board meets regularly to discuss and approve the business strategies and working plans set by each operating units. The Group will report our financial performance to the Board on monthly basis.

Our governance rules and requirements are very transparent to employees. We hope to build up risk awareness and internal controls responsibility in our corporate culture by creating an internal organizational environment driven by the management operating philosophy, risk awareness, integrity and ethical values.

- **Risk Assessment**

The Group identifies, assesses and grades the risks that are most relevant to the success of the Group based on the possibility of occurrence and the impact on the financial result of the risk. Risk management and internal controls team is responsible for setting the appropriate tone from the top, performing risk assessment, as well as taking care of the design, implementation and maintenance of internal controls. Meanwhile, it requires department heads from each of the operating units to identify operating risks from the bottom in order to determine the major risks and the risk levels of the Group.

- **Control Activities**

The Group has policy and procedure in place for all business functions, including authorization, approval and audit, recommendation, performance review, asset protection and division of duty, to ensure effective execution of organization objectives and mitigation of risk activities.

- **Information and Communication**

The risk management and internal controls team performs risk assessment and prepare the Annual Report of Risk Management on a semi-annual basis, which sets out the identified risks and related control procedures. The report will be submitted to the Board and reviewed by the Audit Committee annually.

### 問責及核數(續)

#### 風險管理及內部監控(續)

##### 框架(續)

本集團風險管理及內部監控框架運作方式與COSO委員會(the Committee of Sponsoring Organizations of the Treadway Commission)內部監控框架一致，包括下列五方面內容：

- **監控環境**

本集團已建立清晰的組織架構，授予各級管理層經營不同業務職能所需的權力，惟其權力範圍受到董事會設定的限制。董事會定期開會討論及通過各營運單位所制定的業務策略及工作計劃。本集團的財務表現亦會每月向董事會報告。

公司管治守則及制度規定對僱員均非常透明，我們希望在企業文化中建立風險意識及內部監控責任感，營造以管理運作理念、風險意識、誠信及道德價值驅動的內部組織環境。

- **風險評估**

本集團識別、評估、並就與本集團成功與否最為有關的風險進行評級(根據該等風險發生的可能性及其對財務結果的影響)。風險管理及內部監控小組負責「自上而下」為監控定調、風險評估及設計、執行、維護內部控制，同時「自下而上」要求各營運單位主管參與識別營運風險，從而釐定本集團的主要風險及風險等級。

- **監控活動**

本集團為各業務功能設定政策及程序，包括授權、批准及審核、建議、表現檢討、資產保障及職責分工，確保有效執行組織目標及減低風險活動。

- **資訊及溝通**

風險管理及內部監控小組每半年進行一次風險評估工作，編制《風險管理年度報告》，載明所識別的風險及其相關監控程序，報告將提交董事會，並由審核委員會每年審閱。

# 企業管治報告(續) CORPORATE GOVERNANCE REPORT (CONTINUED)

## ACCOUNTABILITY AND AUDIT (Continued)

### Risk Management and Internal Control (Continued)

#### Framework (Continued)

##### • Monitoring

The Group self-assesses its controls and risks by internal review and circulating major control procedures to its employees to maintain continuous monitoring of the internal control procedures. Rectification will be made according to findings of the control procedures in order to improve internal monitoring.

#### Risk Management and Internal Controls Team

##### Composition

A risk management and internal controls team has been set up by the Group in 2016, which comprises Mr. Tang Daoping (executive Director and chief operation officer), Mr. Hui Tsz Wai (executive Director, who shall cease to be a Director and remain as the company secretary with effect from 31 March 2022) and Mr. Ji Zhongliang (executive Director, retired on 3 May 2021), and members including general manager and department head from each of our operating units, and general managers and department head of finance and human resources department of our subsidiaries. Mr. Hong Tianzhu, an executive Director and chairman of the Group and Mr. Zhu Yongxiang, an executive Director and vice chairman and chief executive officer of the Group act as advisors of the working team.

##### Major Tasks

Set out below are the major responsibilities of our risk management and internal control team:

- The team shall formulate proposal and plan for building and promotion of corporate culture in risk awareness and to lead in providing risk management training.
- The team shall prepare and conduct annual and interim reviews on risk profile and formulate mitigating measures.
- The team shall summarize and analyze the findings of the review exercise, to advise any modification to the risk management strategy, to lead and assist relevant departments in formulating counter measures in addressing any material risks.
- It shall conduct annual internal evaluation on its own risk management function, to lead and mobilize the establishment and modification of risk management and internal controls system, to give guidance to subsidiaries on initiation of setting up of risk management system.
- It shall prepare the annual report on Risk Management and submit the same to our Audit Committee for review and approval.
- It shall be responsible to formulate or modify the relevant risk management and internal controls system and to oversee its implementation, to give guidance and assist the subsidiaries on setting up and optimizing their risk management practical measures.

## 問責及核數(續)

### 風險管理及內部監控(續)

#### 框架(續)

##### • 監察工作

本集團實行自我評估監控及風險，透過內部評審及向僱員傳達關鍵的監控程序，以持續監控內部控制流程。因應監控過程的結果作出修正，以改善內部監控活動。

#### 風險管理和內部監控小組

##### 成員構成

本集團於二零一六年成立風險管理和內部監控小組，小組包括執行董事兼營運總裁湯道平先生、執行董事許子慧先生(自二零二二年三月三十一日起不再為董事並繼續為公司秘書)和於二零二一年五月三日退任的執行董事吉忠良先生，小組成員包括各營運單位總經理及主要負責人、各附屬公司總經理以及財務和人事部門主要負責人。本集團執行董事兼主席洪天祝先生和執行董事兼副主席及行政總裁朱永祥先生出任工作小組顧問。

##### 主要工作內容

下列載風險管理及內部監控團隊之主要職責：

- 制定公司風險文化培育與宣貫工作方案和計劃，組織風險管理培訓。
- 組織開展年度或階段性風險評估及應對工作。
- 對評估結果匯總分析，提出風險管理策略調整建議，組織並協助相關部門制定重大風險應對方案。
- 對年度風險管理工作情況進行自評估，組織推動風險管理及內部監控體系的建設和改進提升，指導附屬公司開展風險管理體系建設。
- 編制《風險管理年度報告》，並提交本集團審核委員會審核。
- 負責擬定或修訂風險管理及內部監控相關制度並監督落實，指導和協助附屬公司制定完善具體風險的管理辦法。



### ACCOUNTABILITY AND AUDIT (Continued)

#### Risk Management and Internal Control (Continued)

#### Risk Management and Internal Controls Team (Continued)

##### Major Tasks (Continued)

- It shall be responsible for the organization, compiling of minutes and oversight of implementation of relevant resolutions concerning the risk management function in the meetings of the Audit Committee and Board meetings.
- It shall strictly comply its plan to counter risks by implementing the measures stipulated therein and to monitor the work rate and efficiency of such implementation on an ongoing basis, and advise on remedy in a timely manner.
- It shall monitor the status and development of any risk events and formulate and devise contingency plan in a timely manner, to forthwith report or inform the Audit Committee on such matters.

##### Work Accomplished in 2021

Our risk management and internal controls team held two meetings in 2021, and reported twice to the Audit Committee and the Board on the annual risk assessment and findings of internal controls review. The team accomplished the following work in 2021:

1. issued relevant documents on risk assessment and internal controls within the Group to enhance its risk management culture;
2. performed a general review on the major risk exposure of the Group, especially in areas relating to raw material purchase, foreign exchange and exchange rate, credit management and taxation;
3. discussed the possible risk and impact on operating result with department heads from each of our operating units;
4. reviewed and improved corresponding internal controls measure;
5. prepared and submitted the annual report on risk assessment and internal controls to the Audit Committee and the Board.

Details of the major risks of the Group are set out in the "Management Discussion and Analysis" section on pages 18 to 26.

##### Review of Internal Controls Effectiveness

The Board is responsible for the risk management and internal control systems and reviewing their effectiveness. For the Year, our Board had reviewed the representations made by the management in respect of risk management and internal controls, and considered that our Group's risk management and internal controls system effective and adequate. No significant areas of weaknesses and deficiency that might have affected the financial, operational, compliance controls and risk management functions of the Group were identified. The Board is of the view that the resources, qualification and experience of staff of the Group's accounting, internal audit and financial reporting functions, and their training and budget are adequate.

### 問責及核數(續)

#### 風險管理及內部監控(續)

#### 風險管理和內部監控小組(續)

##### 主要工作內容(續)

- 負責審核委員會會議及董事會會議有關風險管理部分的組織、會議紀要的整理和決議事項的督促落實。
- 嚴格根據風險應對計劃，實施應對措施，並持續監控應對計劃的執行效率和效果，及時提請修正。
- 監控風險事件的變化狀態，適時制定和啟動應急預案，並及時向審核委員會通報或備案。

##### 二零二一年已完成工作

風險管理和內部監控小組於二零二一年舉行了兩次會議，並就年度風險評估及內部監控檢討結果向審核委員會和董事會匯報兩次。該小組於二零二一年已完成工作包括：

1. 本集團內部下刊發風險評估及內部監控相關文件，增強了本集團的風險管理文化；
2. 全面審視本集團面對的重大風險，尤其是有關原料採購、外匯及匯率、信用管理及稅務方面所涉及的風險；
3. 與各營運單位主管討論風險發生的可能性及對經營結果的影響；
4. 檢討及完善相應的內部監控措施；
5. 編制風險評估及內部監控年度報告，提報審核委員會及董事會。

有關本集團主要風險的詳情載列於第18至26頁之「管理層討論及分析」一節內。

##### 檢討內部監控成效

董事會負責風險管理及內部監控系統並檢討其有效性。年內，董事會已檢討管理層關於風險管理及內部監控有效性的聲明，認為本集團風險管理及內部監控系統有效及足夠，未發現任何可能影響集團財務監控、運作監控、合規監控以及風險管理職能的重要風險監控缺失事項。董事會認為本集團會計、內部審核及財務匯報職能方面的資源、員工資歷及經驗，以及員工所接受的培訓及預算是足夠的。

## 企業管治報告(續) CORPORATE GOVERNANCE REPORT (CONTINUED)

### ACCOUNTABILITY AND AUDIT (Continued)

#### Risk Management and Internal Control (Continued)

##### Review of Internal Controls Effectiveness (Continued)

The risk management and internal controls system is designed to manage rather than eliminate the risk of failure to achieve our business objectives. Like all other systems, it could not entirely eliminate the impact of all unforeseeable risks and events beyond our control that might emerge and occur during the course of our operation. Consequently, the Board may only provide reasonable, but not absolute, assurance that there was no significant misrepresentation or deficiency as to the completeness and effectiveness of our Group's risk management and internal controls.

##### Disclosure of Inside Information

Regarding procedures and measures of internal controls for the handling and dissemination of inside information, the Group:

1. is aware of its obligation under the Securities and Futures Ordinance, the Listing Rules and the overriding principle that inside information should be announced on a timely manner;
2. conducts its affairs in strict compliance with the applicable laws and regulations prevailing in Hong Kong;
3. has implemented and disclosed its policy on fair disclosure by pursuing broad, non-exclusive distribution of information to the public through channels such as financial reporting, announcements and its website;
4. has included in the Code of Conduct a strict prohibition on the unauthorized use of non-public or inside information;
5. has communicated to all relevant staff regarding the implementation of the Continuous Disclosures Policy and relevant trainings are also provided.

### 問責及核數(續)

#### 風險管理及內部監控(續)

##### 檢討內部監控成效(續)

風險管理及內部監控系統旨在管理而非消除未能達成業務目標的風險。與所有其他系統一樣，該系統並不能完全排除經營過程中遇到的不可預測風險及不可控事件等因素的影響。因此，董事會只能對本集團風險管理及內部監控的完整及有效性不會有重大的失實陳述或損失作出合理而非絕對的保證。

##### 內幕消息的披露

有關處理及發佈內幕消息的程序及內部監控措施，本集團：

1. 知悉根據證券及期貨條例、上市規則以及首要原則，其有責任及時公佈內幕消息；
2. 嚴格遵照香港現行適用法律及法規執行本公司事務；
3. 透過財務報告、公佈及其網站等途徑，向公眾廣泛及非獨家地披露資料，以實施及披露其公平披露政策；
4. 已將嚴格禁止非授權使用保密及內幕消息的規定納入其行為操守守則；
5. 已向所有相關人員傳達有關實施持續披露政策的執行情況並提供相關培訓。

## 企業管治報告(續) CORPORATE GOVERNANCE REPORT (CONTINUED)

### ACCOUNTABILITY AND AUDIT (Continued)

#### External Auditor's Remuneration

During the Year, the remuneration paid and payable to the Company's external auditor, Messrs. PricewaterhouseCoopers, is set out as follows:

### 問責及核數(續)

#### 外聘核數師之酬金

於年內，已付及應付本公司外聘核數師羅兵咸永道會計師事務所之酬金載列如下：

Services rendered to the Group	向本集團提供之服務	Paid/Payable 已付／應付費用 RMB'000 人民幣千元
Annual audit service	年度審核服務	4,300
Non-audit services (including consulting service for transfer pricing and environmental, social and governance report, agreed-upon procedures for selected financial information of the Group, and preliminary announcement of results)	非審核服務(包括轉移定價和環境、社會及管治報告的顧問服務及本集團特選財務資料及初步業績公佈的協定程序)	780
Total:	合計：	5,080

### COMMUNICATION WITH SHAREHOLDERS

The Board recognizes the importance of good communication with shareholders. Information in relation to the Group is disseminated to shareholders in a timely manner through a number of formal channels, which include interim and annual reports, announcements and circulars that are posted on the websites of the Company and the Stock Exchange.

The Company's annual general meeting (the "AGM") is a valuable forum for the Board to communicate directly with the shareholders. The chairman actively participated in the AGM held during the year and personally chaired the meeting to answer any questions from the shareholders. A separate resolution had been proposed by the chairman in respect of each issue to be considered at the AGM. An AGM circular and AGM notice had been distributed to all shareholders in accordance with the requirements of the articles of association of the Company and the Listing Rules, setting out details of each proposed resolution, voting procedures and other relevant information. The chairman explained the procedures for conducting a poll at the beginning of the AGM, and answered any questions from shareholders regarding voting by way of poll.

### 與股東之溝通

董事會了解與股東保持良好聯繫之重要性。有關本集團之資料乃按時透過多種正式途徑向股東傳達，包括於本公司及聯交所網站登載之中期報告及年報、公佈及通函。

本公司股東週年大會(「股東週年大會」)乃董事會直接與股東聯繫之寶貴機會。主席於年內舉行之股東週年大會上積極回應任何股東之查詢。主席已就每項在股東週年大會上審議之議題提呈個別之決議案。股東週年大會通函及通告已根據本公司組織章程細則及上市規則之規定發送予全體股東，該通函及通告載列每項擬提呈決議案之詳情、投票程序及其他相關資料。主席於股東週年大會開始時，已解釋以投票方式進行表決之程序，已回答股東就按股數投票之任何提問。

## 企業管治報告(續) CORPORATE GOVERNANCE REPORT (CONTINUED)

### SHAREHOLDERS' RIGHTS

#### Procedures for shareholders to convene an extraordinary general meeting

The following procedures for shareholders (the "Shareholders", each a "Shareholder") of the Company to convene an extraordinary general meeting (the "EGM") of the Company are prepared in accordance with Article 64 of the articles of association of the Company:

1. One or more Shareholders (the "Requisitionist(s)") holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings shall have the right, by written notice (the "Requisition"), to require an EGM to be called by the Directors for the transaction of any business specified therein.
2. Such Requisition shall be made in writing to the Board or the company secretary of the Company via email at the email address of the Company at main@texhong.com.
3. The EGM shall be held within two months after the deposit of such Requisition.
4. If the Directors fail to proceed to convene such meeting within 21 days of the deposit of such Requisition, the Requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the Requisitionist(s) as a result of the failure of the Directors shall be reimbursed to the Requisitionist(s) by the Company.

#### Procedures for raising enquiries

1. Shareholders should direct their questions about their shareholdings, share transfer, registration and payment of dividend to the Company's branch share registrar in Hong Kong, details of which are set out in the section headed "Corporate Information" of this annual report.
2. Shareholders may at any time raise any enquiry in respect of the Company via email at the email address of the Company at main@texhong.com.
3. Shareholders are reminded to lodge their questions together with their detailed contact information for the prompt response from the Company if it deems appropriate.

### 股東權利

#### 股東召開股東特別大會之程序

下列本公司股東(「股東」, 各為一名「股東」)召開股東特別大會(「股東特別大會」)之程序, 乃根據本公司組織章程細節第64條所編製:

1. 於遞呈要求日期持有不少於本公司繳足股本十分之一的任何一名或多名有權於股東大會上投票的股東(「呈請人」)通過書面通知有權要求董事會召開股東特別大會(「呈請」), 以處理有關要求中指明的任何事項。
2. 有關呈請須以書面形式並透過發送電郵至本公司電郵地址 main@texhong.com 向本公司董事會或公司秘書提出。
3. 股東特別大會將於遞呈呈請後兩個月內召開。
4. 倘董事未能在呈請遞交後21天內召開股東特別大會, 則呈請人以同樣方式可自行召開股東特別大會, 而因董事未能召開該大會令呈請人產生的所有合理費用, 本公司須向呈請人進行償付。

#### 提出查詢的程序

1. 股東如對名下股權、股份轉讓、登記及派付股息有任何疑問, 應向本公司香港股份過戶登記分處提出, 其詳情載於本年報「公司資料」一節內。
2. 股東可隨時透過發送電郵本公司電郵地址 main@texhong.com 提出任何有關本公司的查詢。
3. 倘股東提出問題時, 務請留下彼等詳細聯絡資料以便本公司適時迅速回應。

### SHAREHOLDERS' RIGHTS (Continued)

#### Procedures and contact details for putting forward proposals at shareholders' meetings

1. To put forward proposals at a general meeting of the Company, a Shareholder should lodge a written notice of his/her/its proposal (the "Proposal") with his/her/its detailed contact information via email at the email address of the Company at main@texhong.com.
2. The identity of the Shareholder and his/her/its request will be verified with the Company's branch share registrar in Hong Kong and upon confirmation by the branch share registrar that the request is proper and in order and made by a Shareholder, the Board will include the Proposal in the agenda for the general meeting.
3. The notice period to be given to all the Shareholders for consideration of the Proposal raised by the Shareholder concerned at the general meeting varies according to the nature of the Proposal as follows:
  - (i) Notice of not less than 21 days in writing if the Proposal requires approval by way of an ordinary resolution in an annual general meeting or a special resolution of the Company;
  - (ii) Notice of not less than 14 days in writing if the Proposal requires approval in meeting other than an annual general meeting or approval by way of a special resolution of the Company.

### CORPORATE GOVERNANCE ENHANCEMENT

Enhancing corporate governance is not simply a matter of applying and complying with the CG Code but about promoting and developing an ethical and healthy corporate culture. Through the communication with Shareholders via various channels, the Board was able to receive invaluable feedback and opinion from Shareholders. The Board reviewed the implementation and effectiveness of the above shareholders' communication policy during the Year and concluded that it was effective. We will continue to review and, where appropriate, improve our current practices on the basis of our experience, regulatory changes and development. Any views and suggestions from our Shareholders are also welcome to enhance our transparency.

On behalf of the Board

**Hong Tianzhu**  
Chairman

Hong Kong, 16 March 2022

### 股東權利(續)

#### 於股東大會提呈建議的程序及詳細聯絡資料

1. 為於本公司股東大會上提呈建議，股東須以書面提交該建議(「建議」)，連同詳細聯絡資料，透過電郵傳送至本公司電郵地址 main@texhong.com。
2. 本公司會向本公司之香港股份過戶登記分處核實股東身份及其要求，於獲得股份過戶登記分處確認股東作出的要求為恰當及適當後，董事會將在股東大會的議程內加入建議。
3. 就上述股東提出於股東大會考慮之建議而向全體股東發出通告之通知期因應建議之性質有所不同，詳情如下：
  - (i) 倘建議須於本公司股東週年大會上以普通決議案方式獲得批准或以特別決議案方式獲得批准，則須不少於21日之書面通知；
  - (ii) 倘建議須於本公司大會而非於股東週年大會上獲得批准，或以本公司特別決議案方式獲得批准，則須不少於14日之書面通知。

### 提升企業管治水平

提升企業管治水平並非只為應用及遵守企業管治守則，乃為推動及建立道德與健全之企業文化為依歸。董事會能透過多渠道與股東溝通，獲得股東寶貴之反饋及意見。董事會於本年度檢討上述股東溝通政策之執行情況及有效性，總括認為其有效。吾等將不斷檢討並按經驗、監管變動及發展，於適當時候改善現行常規。本公司歡迎股東提供任何意見及建議以提高本公司之透明度。

代表董事會

**洪天祝**  
主席

香港，二零二二年三月十六日

## 董事及高級管理層 DIRECTORS AND SENIOR MANAGEMENT

### DIRECTORS

#### Executive Directors

**Mr. Hong Tianzhu**, aged 54, is an executive Director and chairman of the Group. He is the founder of the Group. He is responsible for the strategic development and strategic deployment, project investment and decision-making for major issues, leadership and policy decision-making for establishment of corporate culture of the Group. He has over 20 years of experience in the textile industry. Prior to establishing the Group, Mr. Hong was a vice general manager of 晉江藝豐服裝織造有限公司 (Jinjiang Yifeng Garment Weaving Company Limited). Mr. Hong's interest in the shares of HK\$0.10 each in the share capital of the Company ("Shares") is disclosed under the paragraph headed "Report of the Directors — Directors' and chief executive's interests and short positions in the Shares, underlying shares and debentures of the Company or any associated corporations" in this annual report.

**Mr. Zhu Yongxiang**, aged 55, is an executive Director, vice Chairman and chief executive officer of the Group. He is responsible for the strategy implementation, operational planning and decision-making, decision-making for major issues and organizational implementation of the Group. Mr. Zhu graduated from the 南通紡織工學院 (Nantong Textile Industry College) in 1987. Prior to joining the Group in 1997, Mr. Zhu was an assistant to the general manager of 南通第二棉紡織廠 (Nantong No. 2 Cotton Textile Factory). Mr. Zhu's interest in the Shares of the Company is disclosed under the paragraph headed "Report of the Directors — Directors' and chief executive's interests and short positions in the Shares, underlying Shares and debentures of the Company or any associated corporations" in this annual report.

**Mr. Tang Daoping**, aged 56, is an executive Director and chief operation officer of the Group. He is responsible for the operation management of the Group. Mr. Tang graduated from 徐州廣播電視大學 (Xuzhou Radio and TV University) in 1996 majoring in accounting and administrative management. Mr. Tang has over 30 years of experience in the textile industry. He was a workshop manager of 睢寧棉紡織廠 (Suining Cotton Textile Factory) prior to joining the Group in 1998 as a vice general manager. Mr. Tang was promoted and became a director of Jiangsu Century Texhong in September 2002. Mr. Tang's interest in the Shares of the Company is disclosed under the paragraph headed "Report of the Directors — Directors' and chief executive's interests and short positions in the Shares, underlying Shares and debentures of the Company or any associated corporations" in this annual report.

### 董事

#### 執行董事

**洪天祝先生**，54歲，本集團的執行董事及主席。洪先生是本集團創始人，負責本集團的戰略發展和戰略布局、項目投資和重要工作決策、企業文化建設的引領和決策。彼於紡織業擁有逾二十年經驗，在成立本集團前，彼曾任晉江藝豐服裝織造有限公司的副總經理。洪先生於本公司股本中每股面值0.10港元之股份（「股份」）之權益在本年報「董事會報告—董事及行政總裁於本公司或任何相聯法團之股份、相關股份及債權證之權益及淡倉」一段披露。

**朱永祥先生**，55歲，本集團的執行董事、副主席兼行政總裁。彼負責本集團的戰略實施、營運策劃布局 and 決策、重要工作決策與組織實施。朱先生於一九八七年畢業於南通紡織工學院。於一九九七年加入本集團前，朱先生曾任南通第二棉紡織廠的總經理助理。朱先生於本公司的股份權益在本年報「董事會報告—董事及行政總裁於本公司或任何相聯法團之股份、相關股份及債權證之權益及淡倉」一段披露。

**湯道平先生**，56歲，本集團執行董事兼營運總裁。彼負責本集團的營運管理。湯先生於一九九六年畢業於徐州廣播電視大學，主修會計及行政管理，並於紡織業擁有逾三十年經驗。彼曾於睢寧棉紡織廠出任工廠經理，後於一九九八年加入本集團為副總經理。湯先生於二零零二年九月晉升為江蘇世紀天虹的董事。湯先生於本公司的股份權益在本年報「董事會報告—董事及行政總裁於本公司或任何相聯法團之股份、相關股份及債權證之權益及淡倉」一段披露。

## 董事及高級管理層(續)

## DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

### DIRECTORS (Continued)

#### Executive Directors (Continued)

**Mr. Hui Tsz Wai**, aged 48, is an executive Director and company secretary. He is responsible for the management of finance and treasury management of the Group. With effect from 31 March 2022, Mr. Hui shall cease to be an executive Director and remain as the company secretary. Mr. Hui graduated from the Chinese University of Hong Kong with a bachelor of business administration (honours) degree. He is a fellow member of the Association of Chartered Certified Accountants and a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants. He has more than 20 years working experience in finance related area. Prior to first joining the Group in November 2004, Mr. Hui had been working at one of the big four international accounting firms for about nine years. Mr. Hui had been the chief financial officer of the Group. Mr. Hui's interest in the Shares of the Company is disclosed under the paragraph headed "Report of the Directors — Directors' and chief executive's interests and short positions in the Shares, underlying Shares and debentures of the Company or any associated corporations" in this annual report.

#### Independent Non-executive Directors

**Professor Tao Xiaoming**, aged 64, was appointed as an independent non-executive Director on 3 March 2014. Professor Tao is an elected fellow of The Textile Institute, the American Society of Mechanical Engineers, the Royal Academy of Arts and Design and Commerce of the United Kingdom, and has been the chair professor in Textile Technology at the Institute of Textiles and Clothing of the Hong Kong Polytechnic University since April 2002. She was elected as the world president of The Textile Institute for a tenure of three years from May 2007. Professor Tao received a bachelor's degree in textile engineering from China Textile University (中國紡織大學) (currently known as Donghua University (東華大學)) of the PRC in January 1982 and a doctorate degree in textile physics from University of New South Wales in August 1987. From September 1987 to September 1988 and from October 1990 to September 1994, she had been a scientist of the Commonwealth Scientific and Industrial Research Organisation of Australia. From October 1988 to January 1990, she had been a lecturer of Donghua University. Professor Tao was a recipient of prestigious individual awards of the field: the honorary fellowship of the Textile Institute in 2010, the founder award of the Fiber Society of the United States in 2013, and Guanghua Engineering Scientific and Technological Award of Chinese Academy of Engineering in 2020. With seven academic monographs, over 800 research papers published and over 41 patents granted, she has been internationally recognised in particular for her pioneering work on smart textiles and clothing and textile engineering such as low-twist yarns, solospun yarns and fabric sensing technology which have been widely applied in the textile industry.

### 董事(續)

#### 執行董事(續)

**許子慧先生**，48歲，執行董事及公司秘書。彼負責本集團財務和資金的管理。自二零二二年三月三十一日起，許先生不再為執行董事，並繼續為公司秘書。許先生畢業於香港中文大學，獲頒工商管理(榮譽)學士學位。彼為英國特許公認會計師公會資深會員及香港會計師公會執業會計師。彼於財務相關領域擁有逾二十年工作經驗。許先生於二零零四年十一月首次加盟本集團前，一直於其中一家四大國際會計師行任職約九年。許先生曾任本集團財務總監。許先生於本公司的股份權益在本年報「董事會報告—董事及行政總裁於本公司或任何相聯法團之股份、相關股份及債權證之權益及淡倉」一段披露。

#### 獨立非執行董事

**陶肖明教授**，64歲，於二零一四年三月三日獲委任為獨立非執行董事。陶教授為國際紡織學會會士、美國機械工程師學會會士以及英國皇家藝術、設計及商業研究院(Royal Academy of Arts and Design and Commerce of the United Kingdom)會士，並由二零零二年四月起，擔任香港理工大學紡織及製衣學系紡織技術講座教授。自二零零七年五月起，陶教授獲選為國際紡織學會世界會長，任期三年。陶教授於一九八二年一月獲中國紡織大學(現稱為東華大學)頒授紡織工程學士學位，並於一九八七年八月獲頒新南威爾士大學紡織物理學博士學位。由一九八七年九月至一九八八年九月，以及由一九九零年十月至一九九四年九月，彼為澳洲聯邦科學及工業研究組織之科研人員。由一九八八年十月至一九九零年一月期間，陶教授為東華大學講師。陶教授曾獲頒授業內多個地位崇高的個人獎項：於二零一零年獲國際紡織學會頒授榮譽會士、二零一三年獲美國纖維學會頒授奠基者獎、及二零二零年獲中國工程院頒授光華工程科技獎。陶教授曾出版七部學術專著，發表超過800篇研究論文，並獲得超過41項專利，成就廣受國際認同，尤其以其於智能紡織品及服裝與纖維工程方面的創舉(例如低捻紗、分束紡紗及織物傳感技術)最為突出，而該等技術已廣泛應用於紡織業內。

## 董事及高級管理層(續)

### DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

#### DIRECTORS (Continued)

##### Independent Non-executive Directors (Continued)

**Professor Cheng Longdi**, aged 62, was appointed as an independent non-executive Director on 21 November 2004. Professor Cheng obtained his doctorate degree in textile engineering from Donghua University in 2002 and has obtained the membership of the China Textile Engineering Society. He is currently a professor (2nd grade) in College of Textiles and a deputy director of the Key Laboratory of Textile Science and Technology of Donghua University. Professor Cheng is a member of the expert committee of each of the following institutions: the China Cotton Textile Association of New Technology (as a deputy director), the China Knitting Industrial Association, the China Bast and Leaf Fibers Textile Association and the China Textile Machinery Association. Professor Cheng was an engineer of the China Textile Academy (formerly known as Textile Academy of Textile Ministry). Professor Cheng is currently an independent director of Hengli Petrochemical Co., Ltd. (stock code: 600346) which is a company listed on the Shanghai Stock Exchange.

**Mr. Ting Leung Huel, Stephen**, MH, FCCA, FCPA (PRACTISING), ACA, CTA (HK), FHKIoD, aged 68, was appointed as independent non-executive Director of the Company on 21 November 2004. Mr. Ting is an accountant in public practice and has more than 30 years' experience in this field. Currently he is a partner and director of Messrs Ting Ho Kwan & Chan, Certified Public Accountants (Practising) and Ting Ho Kwan & Chan CPA Limited respectively. He is currently an independent non-executive director of six other listed companies in Hong Kong, namely China SCE Group Holdings Limited (stock code: 01966), Computer and Technologies Holdings Limited (stock code: 00046), Dongyue Group Limited (stock code: 00189), New Silkroad Culturaltainment Limited (stock code: 00472), Tong Ren Tang Technologies Co., Ltd. (stock code: 01666) and Tongda Group Holdings Limited (stock code: 00698) respectively. He is also a non-executive director of Chow Sang Sang Holdings International Limited (stock code: 00116).

#### 董事(續)

##### 獨立非執行董事(續)

**程隆棟教授**，62歲，於二零零四年十一月二十一日獲委任為獨立非執行董事。程教授於二零零二年取得東華大學的紡織工程博士學位，另取得中國紡織工程學會會士，現為東華大學紡織學院二級教授、紡織面料技術教育部重點實驗室常務副主任。程教授為中國棉紡織行業協會新技術專家委員會副主任委員、中國針織行業協會專家委員會委員、中國麻紡織行業協會專家委員會委員、中國紡織機械與器材行業協會專家委員會委員等。程教授曾為中國紡織科學研究院(前稱紡織工業部紡織科學研究院)的工程師。程教授現為上海證券交易所上市公司恒力石化股份有限公司(股份代號：600346)之獨立董事。

**丁良輝先生**，MH, FCCA, FCPA (PRACTISING), ACA, CTA (HK), FHKIoD, 68歲，於二零零四年十一月二十一日獲委任為本公司之獨立非執行董事。丁先生為執業會計師，於該行業積逾三十年經驗。彼現為丁何關陳會計師行及丁何關陳會計師事務所有限公司之合夥人及董事。現為其他六家香港上市公司之獨立非執行董事，分別為中駿集團控股有限公司(股份代號：01966)、科聯系統集團有限公司(股份代號：00046)、東岳集團有限公司(股份代號：00189)、新絲路文旅有限公司(股份代號：00472)、北京同仁堂科技發展股份有限公司(股份代號：01666)及通達集團控股有限公司(股份代號：00698)。彼亦擔任周生生集團國際有限公司(股份代號：00116)之非執行董事。



## 董事及高級管理層(續)

## DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

### SENIOR MANAGEMENT

**Mr. Sha Tao**, aged 56, is a vice president of the Group and director of our grey fabric production and management center. Mr. Sha obtained his bachelor's degree in textile from 無錫輕工業學院 (Wuxi Light Industry University) in 1986. Mr. Sha has over 30 years of experience in the textile industry. Prior to joining the Group in 1998, he was a factory manager of one of the factories of 南通第二棉紡織廠 (Nantong No. 2 Cotton Textile Factory).

**Mr. Hu Zhiping**, aged 58, is a vice president of the Group and general manager of Taizhou business segment. Mr. Hu graduated from 無錫職業大學 (Wuxi Professional University) in textile in 1984. Mr. Hu has over 30 years of experience in the textile industry. He was a vice general manager of 無錫協達織造有限公司 (Wuxi Xieda Weaving Company Limited) prior to joining the Group in 1998.

**Mr. Cao Youchang**, aged 53, is a vice president of the Group and director of the yarn production and management center of the Group. He is responsible for the yarn production of the Group. Mr. Cao graduated from 南通紡織工學院 (Nantong Textile Industry College) with a bachelor's degree in textile engineering in 1994. Mr. Cao has over 26 years of experience in the textile industry. He joined the Group in 2000, and served as the director of yarn technology of the Group.

### 高級管理層

**沙淘先生**，56歲，本集團的副總裁兼坯布生產管理中心總監。沙先生於一九八六年畢業自無錫輕工業學院紡工系，並取得學士學位。沙先生於紡織業擁有逾三十年經驗。彼於一九九八年加入本集團前，曾出任南通第二棉紡織廠其中一家廠房的廠長。

**胡志平先生**，58歲，本集團副總裁兼泰州業務部總經理。胡先生於一九八四年自無錫職業大學紡織系畢業。彼於紡織業擁有逾三十年經驗。於一九九八年加入本集團前，胡先生曾出任無錫協達織造有限公司的副總經理。

**曹友常先生**，53歲，本集團的副總裁兼集團紗線生產管理中心總監並負責本集團的紗線生產。曹先生於一九九四年畢業自南通紡織工學院紡織工程系，並取得學士學位。曹先生於紡織業擁有逾二十六年經驗。彼於二零零零年加入本集團，曾出任本集團紗線技術總監。

## 公司資料 CORPORATE INFORMATION

### EXECUTIVE DIRECTORS

Mr. Hong Tianzhu (*Chairman*)  
Mr. Zhu Yongxiang (*Vice chairman and chief executive officer*)  
Mr. Tang Daoping (*Chief operation officer*)  
Mr. Hui Tsz Wai (resignation effective on 31 March 2022)  
Mr. Ji Zhongliang (retired on 3 May 2021)

### INDEPENDENT NON-EXECUTIVE DIRECTORS AND AUDIT COMMITTEE

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

### REMUNERATION COMMITTEE

Mr. Ting Leung Huel, Stephen MH, FCCA, FCPA (PRACTISING),  
ACA, FTIHK, FHKIoD (*Chairman*)  
Mr. Hong Tianzhu  
(ceased to be a member on 23 August 2021)  
Professor Tao Xiaoming  
Professor Cheng Longdi

### NOMINATION COMMITTEE

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

### ESG COMMITTEE

Mr. Tang Daoping (*Chairman*)  
Mr. Hui Tsz Wai (*Vice chairman*) (shall cease on 31 March 2022)  
Professor Tao Xiaoming  
Professor Cheng Longdi  
Mr. Ting Leung Huel, Stephen MH, FCCA, FCPA (PRACTISING),  
ACA, FTIHK, FHKIoD

### COMPANY SECRETARY

Mr. Hui Tsz Wai

### AUTHORISED REPRESENTATIVES

Mr. Hong Tianzhu  
Mr. Hui Tsz Wai

### HEAD OFFICE

Room 03, 37/F,  
Cable TV Tower  
9 Hoi Shing Road  
Tsuen Wan  
Hong Kong

### 執行董事

洪天祝先生 (*主席*)  
朱永祥先生 (*副主席兼行政總裁*)  
湯道平先生 (*營運總裁*)  
許子慧先生 (於二零二二年三月三十一日辭任)  
吉忠良先生 (於二零二一年五月三日退任)

### 獨立非執行董事及審核委員會

丁良輝先生 MH, FCCA, FCPA (PRACTISING),  
ACA, FTIHK, FHKIoD (*主席*)  
陶肖明教授  
程隆棣教授

### 薪酬委員會

丁良輝先生 MH, FCCA, FCPA (PRACTISING),  
ACA, FTIHK, FHKIoD (*主席*)  
洪天祝先生  
(於二零二一年八月二十三日起不再為成員)  
陶肖明教授  
程隆棣教授

### 提名委員會

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

### ESG 委員會

湯道平先生 (*主席*)  
許子慧先生 (*副主席*) (於二零二二年三月三十一日停任)  
陶肖明教授  
程隆棣教授  
丁良輝先生 MH, FCCA, FCPA (PRACTISING),  
ACA, FTIHK, FHKIoD

### 公司秘書

許子慧先生

### 授權代表

洪天祝先生  
許子慧先生

### 總辦事處

香港  
荃灣  
海盛路9號  
有線電視大樓  
37樓03室

## 公司資料(續) CORPORATE INFORMATION (CONTINUED)

### REGISTERED OFFICE

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

### PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited  
Sumitomo Mitsui Banking Corporation  
The Hongkong and Shanghai Banking Corporation Limited  
Standard Chartered Bank  
Industrial And Commercial Bank of China  
Crédit Agricole Corporate & Investment Bank  
China Merchants Bank  
Bank of Communications  
United Overseas Bank Limited  
Hang Seng Bank Limited

### AUDITOR

PricewaterhouseCoopers  
Certified Public Accountants and Registered PIE Auditor

### LEGAL ADVISORS AS TO HONG KONG LAW

Chiu & Partners

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Suntera (Cayman) Limited  
Suite 3204, Unit 2A  
Block 3, Building D  
P.O. Box 1586  
Gardenia Court  
Camana Bay  
Grand Cayman, KY1-1100  
Cayman Islands

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

### WEBSITE

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

### STOCK CODE

2678

### 註冊辦事處

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

### 主要往來銀行

中國銀行(香港)有限公司  
三井住友銀行  
滙豐銀行  
渣打銀行  
中國工商銀行  
東方滙理銀行  
招商銀行  
交通銀行  
大華銀行有限公司  
恒生銀行有限公司

### 核數師

羅兵咸永道會計師事務所  
執業會計師及認可公眾利益實體核數師

### 法律顧問(香港法律)

趙不渝馬國強律師事務所

### 主要股份過戶登記處

Suntera (Cayman) Limited  
Suite 3204, Unit 2A  
Block 3, Building D  
P.O. Box 1586  
Gardenia Court  
Camana Bay  
Grand Cayman, KY1-1100  
Cayman Islands

### 香港股份過戶登記分處

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

### 互聯網址

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

### 股份代號

2678

## 董事會報告

### REPORT OF THE DIRECTORS

The Board of Directors of the Company is pleased to submit their report together with the audited financial statements of the Company for the year ended 31 December 2021.

#### PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The Company is an investment holding company. The Group is principally engaged in the manufacture and sale of yarns, grey fabrics, non-woven fabrics and garment fabrics as well as garments. The principal activities of the principal subsidiaries of the Company are set out in note 39 to the accompanying financial statements.

##### Business segments

The Group is engaged in the manufacturing and sale of yarns, grey fabrics, non-woven fabrics and garment fabrics as well as garments. Business analysis of revenue, segment results, total assets and capital expenditure are set out in note 5 to the accompanying financial statements.

##### Geographical segments

The Group mainly operates its business in China, Southeast Asia and the Americas. Geographical analysis of revenue, segment results, total assets, and capital expenditure are set out in note 5 to the accompanying financial statements.

#### BUSINESS REVIEW

For details of business review in relation to the development, performance or position of the Company's business, please refer to the section headed "Management Discussion and Analysis" of this annual report.

The Group recognises the importance of compliance with rules and regulations and the impact of non-compliance of such rules and regulations on the business. During the year ended 31 December 2021, to the best knowledge of the Directors, the Group has complied with all the relevant laws and regulations that have a significant impact on the Group in relation to its business including health and safety, workplace conditions, employment and the environment.

As a responsible corporation, the Group is committed to maintaining the highest environmental and social standards to ensure sustainable development of its business. The Group understands that a better future depends on everyone's participation and contribution in environmental protection. All employees are encouraged to participate in environmental and social activities which benefit the community as a whole.

本公司董事會同寅欣然將其截至二零二一年十二月三十一日止年度之報告連同經已審核之本公司財務報表呈覽。

#### 主要業務及營運地區分析

本公司為一間投資控股公司。本集團主要從事生產及銷售紗線、坯布、無紡布及面料和服裝。本公司主要附屬公司之主要業務活動載於隨附之財務報表附註39。

##### 業務分類

本集團從事製造及銷售紗線、坯布、無紡布及面料和服裝。收入、分部業績、資產總額及資本開支之業務分析載於隨附之財務報表附註5。

##### 地區分類

本集團主要於中國、東南亞及美洲等地區經營業務。收入、分部業績、資產總額及資本開支之地區分析載於隨附之財務報表附註5。

##### 業務回顧

關於本公司業務發展、表現或狀況之業務回顧詳情，請參閱本年報「管理層討論及分析」一節。

本集團知悉遵守規則及法規之重要性及不遵守該等規則及法規對業務之影響。於截至二零二一年十二月三十一日止年度，據董事所知本集團已遵守所有與其業務有關有重大影響的相關法例及法規，包括健康及安全、工作環境條件、就業及環境。

作為一間具社會責任的企業，本集團致力維持最高要求之環境及社會標準，以確保其業務可持續發展。本集團明白有賴所有人的參與及貢獻才能成就美好將來，亦鼓勵所有僱員參與環境及社會活動，惠及整個社區。

# 董事會報告(續)

## REPORT OF THE DIRECTORS (CONTINUED)

### BUSINESS REVIEW (Continued)

The Group advocates cleaner production and pursues both environmental and economic benefits through means such as reducing pollutant emissions, improving energy efficiency and reducing material consumption. The Group also advocated conservation of resources in office and encouraged employees to develop good habits, conserve resources and energy to build a green and comfortable office environment.

Details of the Environmental, Social and Governance Report of the Group are set out on pages 79 to 143 of this annual report.

### RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2021 are set out in the consolidated income statement on page 153 of this annual report.

The board recommended the payment of a final dividend of HK\$0.57 per share in respect of the financial year ended 31 December 2021.

### RESERVES

Details of movements in the reserves of the Group during the year ended 31 December 2021 are set out in note 18 to the accompanying financial statements.

### PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group during the year ended 31 December 2021 are set out in note 7 to the accompanying financial statements.

### SHARE CAPITAL

Details of the movements in share capital of the Company are set out in note 16 to the accompanying financial statements.

### DISTRIBUTABLE RESERVES

The Company's distributable reserves as at 31 December 2021 is set out in note 37 to the accompanying financial statements.

### PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's articles of association and the laws of the Cayman Islands, which would oblige the Company to offer new Shares on a pro-rata basis to its existing shareholders.

### 業務回顧(續)

本集團主張清潔生產，通過減少污染物排放、提高能源利用率、減少物料消耗等手段，追求環境與經濟雙收益。本集團亦引導各項辦公室減耗措施，鼓勵員工養成良好習慣，節約資源和能源，建設綠色舒適的辦公環境。

本集團環境、社會及管治報告詳情載於本年報第79至143頁。

### 業績及分派

本集團於截至二零二一年十二月三十一日止年度之業績載列於本年報第153頁之綜合收益表。

董事會建議派發截至二零二一年十二月三十一日止財政年度之末期股息每股0.57港元。

### 儲備

本集團截至二零二一年十二月三十一日止年度之儲備變動詳情載於隨附之財務報表附註18。

### 物業、廠房及設備

本集團截至二零二一年十二月三十一日止年度之物業、廠房及設備變動詳情載於隨附之財務報表附註7。

### 股本

本公司之股本變動詳情載於隨附之財務報表附註16。

### 可供分派儲備

本公司於二零二一年十二月三十一日之可供分派儲備詳情載於隨附之財務報表附註37。

### 優先購買權

本公司組織章程細則中並無優先購股權之條文，而開曼群島之法例亦無規定本公司須按比例向現有股東發售新股的限制。

## 董事會報告(續) REPORT OF THE DIRECTORS (CONTINUED)

### TAX RELIEF

The Company is not aware of any tax relief or exemption available to the shareholders of the Company by reason of their holding of the Company's securities.

### FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 2 of this annual report.

### PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2021.

### SHARE OPTIONS

The Share Option Scheme was adopted by the shareholders of the Company at the annual general meeting on 7 April 2014 (the "Adoption Date").

The purpose of the Share Option Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their contributions to the Group. All directors, employees, suppliers of goods or services, customers, persons or entities that provide research, development or other technological support to the Group, shareholders of any member of the Group, advisers or consultants of the Group and any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement and growth of the Group are eligible to participate in the Share Option Scheme.

The Share Option Scheme will remain in force for a period of 10 years commencing on the Adoption Date.

The total number of Shares which may be allotted and issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme adopted by the Group must not in aggregate exceed 88,468,117 Shares, representing 10% of the Shares in issue on the Adoption Date and 9.64% of the Shares in issue as at the date of this annual report respectively (the "General Scheme Limit"). The Company may renew the General Scheme Limit with shareholders' approval provided that each such renewal may not exceed 10% of the Shares in the Company in issue as at the date of the shareholders' approval.

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

### 稅務減免

本公司並不知悉任何因持有本公司證券而提供予本公司股東之稅務寬減或減免。

### 財務概要

本集團過去五個財政年度之業績及資產負債摘要載於本年報第2頁。

### 購買、出售或購回上市證券

截至二零二一年十二月三十一日止年度，本公司或其附屬公司概無購買、出售或購回本公司上市證券。

### 購股權

購股權計劃於二零一四年四月七日(「採納日期」)舉行之股東週年大會獲本公司採納。

購股權計劃之目的乃讓本集團向指定參與者授予購股權，作為向此等人士對本集團作出之貢獻予以嘉獎或酬謝。所有董事、僱員、貨物或服務供應商、客戶、向本集團提供研究、發展或其他技術支援之人士或實體、本集團任何成員公司之股東、本集團之顧問或專業顧問及任何其他對本集團之發展曾作出貢獻或可透過合營企業、業務聯盟或其他業務安排作出貢獻之團體或類別之參與者均合資格參與購股權計劃。

購股權計劃自採納日期起十年內有效。

於購股權計劃及獲本集團採納之任何其他購股權計劃項下授出之全部購股權倘獲行使而可予配發及發行之股份總數不得超過88,468,117股股份，即採納日期已發行股份之10%及於本年報日期已發行股份9.64%(「一般計劃上限」)。本公司可於獲得股東批准下重訂該一般計劃上限，惟該重訂不得超過於獲股東通過之日本公司已發行股份之10%。

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

## 董事會報告(續) REPORT OF THE DIRECTORS (CONTINUED)

### SHARE OPTIONS (Continued)

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

An option may be accepted by a participant within 21 days from the date of the offer of grant of the option. A nominal consideration of HK\$1 is payable on acceptance of the grant of an option.

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

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

Further details of the Share Option Scheme as to the fair value of the share options granted are disclosed in note 17 to the financial statements. The fair values of share options calculated using the binomial model are subject to certain fundamental limitations, due to the subjective nature of and uncertainty relating to a number of assumptions of the expected future performance input to the model, and certain inherent limitations of the model itself. The fair value of an option varies with different variables of certain subjective assumptions. Any change to the variables used may materially affect the estimation of the fair value of an option.

### 購股權(續)

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

參與者可於授出購股權要約日期起二十一日內接納購股權。於接納授出之購股權時，須繳付1港元之象徵代價。

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

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

購股權計劃有關所授出購股權公平值的進一步詳情於財務報表附註17披露。由於模型的預期未來表現輸入數據之多項假設的主觀性質及不確定性，以及模型本身的若干固有限制使然，使用二項式模型計算的購股權公平值受若干基本限制所規限。購股權公平值隨若干主觀假設的不同變量而變化。所使用變量出現任何變動均可能對購股權公平值估計產生重大影響。

# 董事會報告(續)

## REPORT OF THE DIRECTORS (CONTINUED)

### SHARE OPTIONS (Continued)

Movements of the share options granted under the Share Option Scheme during the year ended 31 December 2021 are summarised as follows and details of which are set out in note 17 to the consolidated financial statements:

### 購股權(續)

於截至二零二一年十二月三十一日止年度，根據購股權計劃授出之購股權之變動之概要如下，詳情載於綜合財務報表附註17：

List of grantees	Date of grant (Note)	Exercise period	Closing price per Share immediately before the date of grant	Exercise price per share	Number of share options				Outstanding as at 31 December 2021	Weighted average closing price immediately before the date(s) of exercise	
					Outstanding as at 1 January 2021	Granted during the year	Exercised during the year	Lapsed during the year			Cancelled during the year
承授人名單	授出日期(附註)	行使期	緊接授出日期前之每股收市價 HK\$ 港元	每股行使價 HK\$ 港元	於二零二一年一月一日未行使	於年內授出	於年內行使	於年內失效	於年內註銷	於二零二一年十二月三十一日未行使	緊接行使日期前加權平均收市價 HK\$ 港元
<b>Directors</b>											
<b>董事</b>											
Mr. Tang Daoping 湯道平先生	23 March 2015 二零一五年三月二十三日	1 January 2016 to 22 March 2025 二零一六年一月一日至 二零二五年三月二十二日	8.27	8.70	670,000	-	670,000	-	-	-	11.76
	23 March 2015 二零一五年三月二十三日	1 January 2017 to 22 March 2025 二零一七年一月一日至 二零二五年三月二十二日	8.27	8.70	670,000	-	670,000	-	-	-	11.73
	23 March 2015 二零一五年三月二十三日	1 January 2018 to 22 March 2025 二零一八年一月一日至 二零二五年三月二十二日	8.27	8.70	660,000	-	660,000	-	-	-	11.70
					2,000,000	-	2,000,000	-	-	-	
Mr. Hui Tsz Wai 許子慧先生	23 March 2015 二零一五年三月二十三日	1 January 2016 to 22 March 2025 二零一六年一月一日至 二零二五年三月二十二日	8.27	8.70	1,000,000	-	-	-	-	1,000,000	-
	23 March 2015 二零一五年三月二十三日	1 January 2017 to 22 March 2025 二零一七年一月一日至 二零二五年三月二十二日	8.27	8.70	1,000,000	-	-	-	-	1,000,000	-
	23 March 2015 二零一五年三月二十三日	1 January 2018 to 22 March 2025 二零一八年一月一日至 二零二五年三月二十二日	8.27	8.70	1,000,000	-	-	-	-	1,000,000	-
	28 December 2015 二零一五年十二月二十八日	1 January 2017 to 27 December 2025 二零一七年一月一日至 二零二五年十二月二十七日	5.84	5.70	300,000	-	300,000	-	-	-	11.33
	28 December 2015 二零一五年十二月二十八日	1 January 2018 to 27 December 2025 二零一八年一月一日至 二零二五年十二月二十七日	5.84	5.70	300,000	-	300,000	-	-	-	11.18
	28 December 2015 二零一五年十二月二十八日	1 January 2019 to 27 December 2025 二零一九年一月一日至 二零二五年十二月二十七日	5.84	5.70	300,000	-	300,000	-	-	-	12.10
	28 December 2015 二零一五年十二月二十八日	1 January 2020 to 27 December 2025 二零二零年一月一日至 二零二五年十二月二十七日	5.84	5.70	300,000	-	100,000	-	-	200,000	12.10
	28 December 2015 二零一五年十二月二十八日	1 January 2021 to 27 December 2025 二零二一年一月一日至 二零二五年十二月二十七日	5.84	5.70	300,000	-	-	-	-	300,000	-
					4,500,000	-	1,000,000	-	-	3,500,000	
<b>Total</b> <b>總計</b>					6,500,000	-	3,000,000	-	-	3,500,000	

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

附註：購股權之歸屬期由授出日期起直至行使期間開始為止。



## 董事會報告(續) REPORT OF THE DIRECTORS (CONTINUED)

### DIRECTORS

The Directors during the year ended 31 December 2021 and up to the date of this report were:

Mr. Hong Tianzhu  
Mr. Zhu Yongxiang  
Mr. Tang Daoping  
Mr. Hui Tsz Wai (resignation effective on 31 March 2022)  
Mr. Ji Zhongliang (retired on 3 May 2021)  
Mr. Ting Leung Huel, Stephen\*  
Professor Cheng Longdi\*  
Professor Tao Xiaoming\*

\* Independent non-executive Directors

In accordance with articles 108(A) and 108(B) of the articles of association of the Company, Mr. Tang Daoping and Professor Cheng Longdi will retire as Directors by rotation and they, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

### DIRECTORS' SERVICE CONTRACTS

Each of Mr. Hong Tianzhu, Mr. Zhu Yongxiang and Mr. Tang Daoping, all being executive Directors, has entered into a service contract with the Company for an initial term of one year commencing from 21 November 2015, and will continue thereafter for successive terms of one year until terminated by not less than three months' notice in writing served by either party on the other expiring at the end of the initial term or at any time thereafter. Mr. Hui Tsz Wai (resignation effective on 31 March 2022) and Mr. Ji Zhongliang (retired on 3 May 2021), both being executive Directors, has entered into a service contract with the Company for an initial term of three years commencing from their respective dates of appointment as an executive Director, and will continue thereafter for successive term of one year until terminated by not less than three month's notice in writing served by either party on the other expiring at the end of the initial term or at any time thereafter.

Each of Mr. Ting Leung Huel, Stephen, Professor Tao Xiaoming and Professor Cheng Longdi, all being independent non-executive directors, has been appointed for an initial term of one year commencing from their respective dates of appointment as an INED renewable automatically for a successive term of one year each commencing from the next day after the expiry of the then current term, unless terminated by not less than three months' notice in writing at the end of the initial term or at any time thereafter.

None of the Directors has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

### 董事

截至二零二一年十二月三十一日止年度及直至本報告日期，在任之董事如下：

洪天祝先生  
朱永祥先生  
湯道平先生  
許子慧先生(於二零二二年三月三十一日辭任)  
吉忠良先生(於二零二一年五月三日退任)  
丁良輝先生\*  
程隆棣教授\*  
陶肖明教授\*

\* 獨立非執行董事

根據本公司組織章程細則第108(A)及108(B)條，湯道平先生和程隆棣教授將輪值退任董事職務，彼等符合資格並願意於應屆股東週年大會上重選連任。

### 董事服務合約

執行董事洪天祝先生、朱永祥先生及湯道平先生已各自與本公司訂立服務合約，由二零一五年十一月二十一日起計，初步為期一年，將其後將繼續續期一年，直至於初始期間結束時或其後任何時間，其中一方方向另一方發出不少於三個月之書面通知終止為止。於二零二二年三月三十一日辭任之許子慧先生及於二零二一年五月三日退任之吉忠良先生(均為執行董事)已各自與本公司訂立服務合約，自彼等各自獲委任為執行董事之日期起計，初步為期三年，其後按年續約，直至任何一方於初步年期屆滿前或其後任何時間向另一方發出不少於三個月之書面通知終止合約。

丁良輝先生、陶肖明教授及程隆棣教授均為獨立非執行董事，分別獲委以一年初步任期，由獲委任為獨立非執行董事之日期起計，可於現有委任期屆滿後翌日自動續約一年，直至任何一方於初步年期屆滿前或其後任何時間向另一方發出不少於三個月之書面通知終止合約。

概無董事與本公司或其任何附屬公司訂立服務合同，而有關服務合同在未有支付法定賠償以外之賠償則不得由本集團於一年內予以終止。

## 董事會報告(續) REPORT OF THE DIRECTORS (CONTINUED)

### PERMITTED INDEMNITY PROVISION

The service contracts entered into by the Company with each of the Directors, which are currently in force and were in force during the year ended 31 December 2021, contain indemnity provisions which are permitted indemnity provisions under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) subject to the limitations specified in sections 468 and 469 thereof, for the benefit of the executive Directors. Pursuant to such provisions, the Company shall indemnify and hold harmless any Directors on demand from and against any and all losses, claims, damages, liabilities, and expenses, including without limitation, any proceedings brought against such Directors, arising from the performance of his duties pursuant to or his appointment under the service contracts, so far as permitted by law, except in any case where the matter in respect of which indemnification is sought was caused by the default, neglect, omission or fraud of the executive Directors. The Company has also taken out and maintained appropriate insurance cover to indemnify the Directors for liabilities that may arise out of corporate activities. The insurance coverage is reviewed on an annual basis. During the year ended 31 December 2021, no claims were made against the Directors.

### INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of its independent non-executive Directors confirmation of his independence and the Company considers that each of them to be independent based on the guidelines set out in Rule 3.13 of the Listing Rules.

### EMOLUMENTS OF DIRECTORS, FIVE HIGHEST PAID DIRECTORS/EMPLOYEES AND SENIOR MANAGEMENT

Details of the emoluments of the Directors on a named basis during the year ended 31 December 2021 are set out in note 38 to the accompanying financial statements.

Details of the five highest paid individuals during the year ended 31 December 2021 are set out in note 27 to the accompanying financial statements.

During the year ended 31 December 2021, the remuneration of the senior management by band is set out as follows:

### 獲准許的彌償條文

本公司與各董事訂立之服務合約(目前生效及於截至二零二一年十二月三十一日止年度生效)載有的彌償條文,屬香港法例第622章公司條例的獲准許彌償條文,惟受當中第468及469條列明的若干限制所限,並以董事為受益人。根據該等條文,本公司應就任何董事在法律允許情況下,根據服務合約下的委任履行職務所產生的任何及所有損失、申索、損害、責任及開支,包括但不限於向該董事提出的任何訴訟,向該董事作出彌償及應要求使該董事免受其損害,惟倘因執行董事違約、疏忽、遺漏或欺詐而索取彌償的任何情況,則作別論。本公司亦已投購及維持適當保險,保障董事不承擔公司活動可能產生的責任。保險保障獲每年檢討。於截至二零二一年十二月三十一日止年度,概無對董事作出申索。

### 獨立非執行董事之獨立性

本公司已獲得各獨立非執行董事確認其獨立性,而根據上市規則第3.13條所載指引,本公司認為其各人均為獨立。

### 董事、五位最高薪之董事/僱員及高級管理層之酬金

截至二零二一年十二月三十一日止年度內根據指名基準之董事酬金詳情載於隨附之財務報表附註38。

截至二零二一年十二月三十一日止年度內之五位最高薪人士之詳情載於隨附之財務報表附註27。

以下為截至二零二一年十二月三十一日止年度高級管理層之薪酬範圍分析:

Remuneration bands 薪酬範圍		Number of senior management 高級管理層人數
Below RMB1,000,000	人民幣 1,000,000 元以下	0
RMB1,000,001 to RMB2,000,000	人民幣 1,000,001 元至人民幣 2,000,000 元	2
RMB2,000,001 to RMB3,000,000	人民幣 2,000,001 元至人民幣 3,000,000 元	0
RMB3,000,001 to RMB4,000,000	人民幣 3,000,001 元至人民幣 4,000,000 元	0
RMB4,000,001 to RMB5,000,000	人民幣 4,000,001 元至人民幣 5,000,000 元	0
Above RMB5,000,000	人民幣 5,000,000 元以上	1

## 董事會報告(續) REPORT OF THE DIRECTORS (CONTINUED)

### REMUNERATION POLICY

Remuneration policy of the Group is reviewed regularly, making reference to the legal framework, market condition and performance of the Group and individual staff including the Directors. The remuneration policy and remuneration packages of the executive Directors and the senior management of the Group are reviewed by the Remuneration Committee, which are contained in the paragraph headed "Remuneration Committee" under the section headed "Corporate Governance Report" of this annual report.

### RETIREMENT BENEFIT SCHEMES

Particulars of the Group's retirement benefit schemes are set out in note 27 to the accompanying financial statements.

All of the Group's retirement benefit schemes are defined contribution schemes. All contributions are vested immediately when contributed and no contribution may be forfeited to reduce the existing levels of contributions by the Group.

### BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical details of the Directors and senior management as at the date of this annual report are set out on pages 52 to 55 of this annual report.

### 薪酬政策

本集團參考法定架構、市場狀況及本集團及個別員工(包括董事)之表現,定期檢討其薪酬政策。薪酬委員會負責檢討本集團執行董事及高級管理層之薪酬政策及薪酬組合,詳情載於本年度報告「企業管治報告」一節「薪酬委員會」一段內。

### 退休福利計劃

本集團退休福利計劃之詳情載於隨附之財務報表附註27。

本集團所有退休福利計劃均為界定供款計劃。所有供款在供款時即時歸屬,不得就降低本集團現有供款水平放棄供款。

### 董事及高級管理人員之個人簡歷

董事及高級管理人員於本年報日期之個人簡歷載於本年報第52至55頁。

## 董事會報告(續) REPORT OF THE DIRECTORS (CONTINUED)

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

As at 31 December 2021, the interests and short positions of each Director and chief executive of the Company in the Shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong (the "SFO")), as recorded in the register maintained by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code contained in the Listing Rules, were as follows:

### 董事及主要行政人員於本公司或任何相聯法團之股份、相關股份及債權證之權益及淡倉

於二零二一年十二月三十一日，本公司各董事及主要行政人員於本公司及其相聯法團(定義見香港法例第571章證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份及債權證中擁有根據證券及期貨條例第352條，紀錄於本公司須予存置之登記冊內之權益及淡倉，或根據上市規則所載的標準守則規定須以其他方式通知本公司及聯交所之權益及淡倉如下：

Name of directors of the Company 本公司董事姓名	Name of Group member/ associated corporation 本集團成員公司/ 相聯法團名稱	Nature of interest 權益性質	Number of ordinary shares (Note 1) 普通股數目 (附註1)	Percentage 百分比
Mr. Hong Tianzhu 洪天祝先生	the Company 本公司	Interest of controlled corporation(s) 所控制法人權益	544,742,400 (L) (Note 2) (附註2)	59.34%
	the Company 本公司	Beneficial owner 實益擁有人	5,400,000 (L)	0.59%
Mr. Zhu Yongxiang 朱永祥先生	the Company 本公司	Interest of controlled corporation(s) 所控制法人權益	219,900,000 (L) (Note 3) (附註3)	23.95%
Mr. Tang Daoping 湯道平先生	the Company 本公司	Beneficial owner 實益擁有人	1,253,000 (L)	0.14%
Mr. Hui Tsz Wai 許子慧先生	the Company 本公司	Beneficial owner 實益擁有人	4,040,000 (L) (Note 4) (附註4)	0.44%

Notes:

- The letter "L" denotes the person's long position in the Shares.
- Among these 544,742,400 Shares, as to 392,842,400 Shares are registered in the name of and beneficially owned by New Green Group Limited, the entire issued share capital of which is beneficially owned by Texhong Group Holdings Limited, a company wholly owned by Mr. Hong Tianzhu and as to 151,900,000 Shares are registered in the name of and beneficially owned by Trade Partner Investments Limited, the entire issued share capital of which is beneficially owned as to 57.44% by Mr. Hong Tianzhu through New Green Group Limited. Under the SFO, Mr. Hong Tianzhu is deemed to be interested in all the Shares held by New Green Group Limited and Trade Partner Investments Limited. Mr. Hong Tianzhu is a director of Texhong Group Holdings Limited, New Green Group Limited and Trade Partner Investments Limited.
- Among these 219,900,000 Shares, as to 68,000,000 Shares are registered in the name of and beneficially owned by Wisdom Grace Investments Limited, the entire issued share capital of which is beneficially owned by Mr. Zhu Yongxiang and as to 151,900,000 Shares are registered in the name of and beneficially owned by Trade Partner Investments Limited, the entire issued share capital of which is beneficially owned as to 42.56% by Mr. Zhu Yongxiang through Wisdom Grace Investments Limited. Mr. Zhu Yongxiang is a director of Wisdom Grace Investments Limited and Trade Partner Investments Limited.
- These interests includes 3,500,000 share options granted to Mr. Hui Tsz Wai pursuant to the Share Option Scheme.

附註：

- 「L」代表該人士於股份之好倉。
- 該等544,742,400股股份中392,842,400股以New Green Group Limited(其全部已發行股本由Texhong Group Holdings Limited實益擁有，洪天祝先生實益擁有後者100%權益)名義及作為實益擁有人登記；151,900,000股以Trade Partner Investments Limited(洪天祝先生透過New Green Group Limited實益擁有其全部已發行股份的57.44%權益)名義及作為實益擁有人登記。根據證券及期貨條例，洪天祝先生被視為於New Green Group Limited及Trade Partner Investments Limited持有之所有股份佔有權益。洪天祝先生為Texhong Group Holdings Limited、New Green Group Limited及Trade Partner Investments Limited之董事。
- 該等219,900,000股股份中68,000,000股以Wisdom Grace Investments Limited(其全部已發行股本由朱永祥先生實益擁有)名義及作為實益擁有人登記；151,900,000股以Trade Partner Investments Limited(朱永祥先生透過Wisdom Grace Investments Limited實益擁有其全部已發行股份的42.56%權益)名義及作為實益擁有人登記。朱永祥先生為Wisdom Grace Investments Limited及Trade Partner Investments Limited之董事。
- 該等權益包括根據購股權計劃授予許子慧先生的3,500,000份購股權。

## 董事會報告(續) REPORT OF THE DIRECTORS (CONTINUED)

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

So far as the Directors are aware, as at 31 December 2021, the interests or short position of the persons other than a Director or chief executive of the Company in the Shares, underlying shares or debentures of the Company or its associated corporations which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

Ordinary Shares of the Company:

### 主要股東在本公司股份、相關股份及債權證之權益及淡倉

就董事所知悉，於二零二一年十二月三十一日，於本公司或其相聯法團股份、相關股份或債權證中擁有根據證券及期貨條例第336條紀錄於本公司須予存置之登記冊內之權益或淡倉的人士(惟本公司之董事或行政總裁除外)如下：

本公司之普通股：

Name of the substantial shareholders 主要股東姓名／名稱	Nature of interests 權益性質	Number of ordinary shares (Note 1) 普通股數目 (附註1)	Percentage 百分比
New Green Group Limited	Beneficial owner 實益擁有人	392,842,400 (L) (Note 2) (附註2)	42.79%
	Interest of controlled corporation(s) 所控制法人權益	151,900,000 (L) (Note 3) (附註3)	16.55%
Trade Partner Investments Limited	Beneficial owner 實益擁有人	151,900,000 (L) (Note 3) (附註3)	16.55%
Wisdom Grace Investments Limited	Beneficial owner 實益擁有人	68,000,000 (L) (Note 4) (附註4)	7.41%
	Interest of controlled corporation(s) 所控制法人權益	151,900,000 (L) (Note 3) (附註3)	16.55%
Texhong Group Holdings Limited	Interest of controlled corporation(s) 所控制法人權益	544,742,400 (L) (Notes 2 and 3) (附註2及3)	59.34%
Ms. Ke Luping 柯綠萍女士	Interest of spouse 配偶權益	550,142,400 (L) (Note 5) (附註5)	59.93%
Ms. Zhao Zhiyang 趙志楊女士	Interest of spouse 配偶權益	219,900,000 (L) (Note 6) (附註6)	23.95%
Mr. Hui Ching Lau 許清流先生	Interest of controlled corporation(s) 所控制法人權益	64,200,000 (L) (Note 7) (附註7)	6.99%
Event Star Limited	Beneficial owner 實益擁有人	64,200,000 (L) (Note 7) (附註7)	6.99%

## 董事會報告(續) REPORT OF THE DIRECTORS (CONTINUED)

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

(Continued)

Notes:

1. The letter "L" denotes the person's long position in the Shares.
2. These 392,842,400 Shares are registered in the name of and beneficially owned by New Green Group Limited, the entire issued share capital of which is beneficially owned by Texhong Group Holdings Limited, a company wholly beneficially owned by Mr. Hong Tianzhu. Under the SFO, each of Texhong Group Holdings Limited and Mr. Hong Tianzhu is deemed to be interested in all the Shares held by New Green Group Limited.
3. These 151,900,000 Shares are registered in the name of and beneficially owned by Trade Partner Investments Limited, the entire issued share capital of which is beneficially owned as to 57.44% by Mr. Hong Tianzhu through New Green Group Limited and 42.56% by Mr. Zhu Yongxiang through Wisdom Grace Investments Limited. Under the SFO, each of Mr. Hong Tianzhu, Texhong Group Holdings Limited, Mr. Zhu Yongxiang, New Green Group Limited and Wisdom Grace Investments Limited is deemed to be interested in all the Shares held by Trade Partner Investments Limited.
4. These 68,000,000 Shares are registered in the name of and beneficially owned by Wisdom Grace Investments Limited, the entire issued share capital of which is beneficially owned by Mr. Zhu Yongxiang. Under the SFO, Mr. Zhu Yongxiang is deemed to be interested in all the Shares held by Wisdom Grace Investments Limited.
5. Ms. Ke Luping is the spouse of Mr. Hong Tianzhu. Under the SFO, Ms. Ke Luping is deemed to be interested in the same number of Shares in which Mr. Hong Tianzhu is interested.
6. Among these 219,900,000 Shares, as to 68,000,000 Shares are registered in the name of and beneficially owned by Wisdom Grace Investments Limited, the entire issued share capital of which is beneficially owned by Mr. Zhu Yongxiang and as to 151,900,000 Shares are registered in the name of and beneficially owned by Trade Partner Investments Limited, the entire issued share capital of which is beneficially owned as to 42.56% by Mr. Zhu Yongxiang through Wisdom Grace Investments Limited. Ms. Zhao Zhiyang is the spouse of Mr. Zhu Yongxiang. Under the SFO, Ms. Zhao Zhiyang is deemed to be interested in the same number of shares in which Mr. Zhu Yongxiang is interested.
7. These 64,200,000 Shares are registered in the name of and beneficially owned by Event Star Limited, a company which is 100% controlled by Mr. Hui Ching Lau. Under the SFO, Mr. Hui Ching Lau is deemed to be interested in all the Shares held by Event Star Limited.

### 主要股東在本公司股份、相關股份及債權證之權益及淡倉(續)

附註：

1. 「L」代表該人士於股份之好倉。
2. 該等392,842,400股股份以New Green Group Limited(其全部已發行股本由Texhong Group Holdings Limited實益擁有,洪天祝先生實益擁有後者100%權益)名義及作為實益擁有人登記。根據證券及期貨條例, Texhong Group Holdings Limited及洪天祝先生均被視為於New Green Group Limited持有之所有股份佔有權益。
3. 該等151,900,000股股份以Trade Partner Investments Limited(其全部已發行股本由洪天祝先生(透過New Green Group Limited)及朱永祥先生(透過Wisdom Grace Investments Limited)分別實益擁有57.44%及42.56%)名義及作為實益擁有人登記。根據證券及期貨條例,洪天祝先生、Texhong Group Holdings Limited、朱永祥先生、New Green Group Limited及Wisdom Grace Investments Limited分別被視為於Trade Partner Investments Limited持有之所有股份佔有權益。
4. 該等68,000,000股股份以Wisdom Grace Investments Limited(其全部已發行股本由朱永祥先生實益擁有)名義及作為實益擁有人登記。根據證券及期貨條例,朱永祥先生被視為於Wisdom Grace Investments Limited持有之所有股份佔有權益。
5. 柯綠萍女士為洪天祝先生之配偶。根據證券及期貨條例,柯綠萍女士被視為於洪天祝先生佔有權益之同樣數目股份佔有權益。
6. 該219,900,000股股份中68,000,000股以Wisdom Grace Investments Limited(其全部已發行股本由朱永祥先生實益擁有)名義及作為實益擁有人登記;151,900,000股以Trade Partner Investments Limited(朱永祥先生透過Wisdom Grace Investments Limited實益擁有其全部已發行股份的42.56%權益)名義及作為實益擁有人登記。趙志揚女士為朱永祥先生之配偶。根據證券及期貨條例,趙志揚女士被視為於朱永祥先生佔有權益之同樣數目股份佔有權益。
7. 該等64,200,000股股份以Event Star Limited之名義登記及由其實益擁有,而該公司完全由許清流先生控制。根據證券及期貨條例,許清流先生被視為於Event Star Limited持有之所有股份中擁有權益。

## 董事會報告(續)

### REPORT OF THE DIRECTORS (CONTINUED)

#### ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed under the section headed “Share Options” above, at no time during the year ended 31 December 2021 was the Company, its holding company or its subsidiaries a party to any arrangements which enabled the Directors (including their spouses or children under 18 years of age), to acquire benefits by means of acquisition of Shares in or debenture of the Company or any other body corporate.

#### CONTRACTS OF SIGNIFICANCE

Save as disclosed in the related party transactions as set out in note 36 of the financial statements and in the section headed “Connected transactions” in this annual report, no Director nor an entity connected with such director had a material interest, whether directly or indirectly, in any transaction, arrangement or contract of significance in relation to the Group’s business to which the Company or any of its subsidiaries was a party, subsisting at the end of the year or at any time during the year.

Save as disclosed in the related party transactions as set out in note 36 of the financial statements and in the section headed “Connected transactions” in this annual report, no contract of significance has been entered into between the Company or any of its subsidiaries and the controlling shareholder (as defined in the Listing Rules) of the Company or any of its subsidiaries.

#### MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company which were not contracts of service with any Director or any person engaged in full time employment of the Company were entered into or subsisted during the year.

#### MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 December 2021, the percentages of purchases and sales attributable to the Group’s major suppliers and customers are as follows:

Purchases	
— the largest supplier	12.0%
— five largest suppliers combined	26.5%
Sales	
— the largest customer	2.4%
— five largest customers combined	9.1%

None of the Directors, their close associates or any shareholder (which to the knowledge of the Directors owns more than 5% of the Company’s share capital) had an interest in the major suppliers or customers of the Group noted above.

#### 購買股份或債權證之安排

除上述「購股權」一節披露者外，截至二零二一年十二月三十一日止年度，本公司、其控股公司或其附屬公司概無參與訂立安排讓董事(包括其配偶或未滿十八歲之子女)以透過收購本公司或任何其他法人團體之股份或債權證之方法獲得利益。

#### 重大合約

除本年報財務報表附註36及「關連交易」一節所載之關連方交易所披露之外，概無董事或與該董事有關連之實體於任何就本集團業務而言屬重大且本公司或其任何附屬公司為訂約方並於年終或年內任何時間存在的交易、安排或合約中擁有重大權益(不論直接或間接)。

除本年報財務報表附註36及「關連交易」一節所載之關連方交易所披露之外，本公司或其任何附屬公司及本公司或其任何附屬公司之控股股東(定義見上市規則)之間概無訂立重大合約。

#### 管理層合約

概無有關本公司整體或任何重大部分業務之管理及行政之合約(並非與任何董事或獲本公司委聘擔任全職工作之任何人士)獲訂立或存續。

#### 主要客戶及供應商

截至二零二一年十二月三十一日止年度，本集團主要供應商及客戶佔本年度之採購額及銷售額百分比如下：

採購額	
— 最大供應商	12.0%
— 五位最大供應商合計	26.5%
銷售額	
— 最大客戶	2.4%
— 五位最大客戶合計	9.1%

董事、彼等之緊密聯繫人或任何股東(指據董事所知擁有本公司5%以上股本權益之股東)並無於上述之本集團主要供應商或客戶中擁有任何權益。

## 董事會報告(續) REPORT OF THE DIRECTORS (CONTINUED)

### CONNECTED TRANSACTIONS

During the year ended 31 December 2021, the Group had conducted the following connected transactions which were required to be disclosed pursuant to Rule 14A.71 of the Listing Rules:

#### Continuing connected transactions — Utilities Master Supply and Service Agreements

- (1) Reference is made to (i) the announcement of the Company dated 23 May 2017 in relation to the supply of utilities and wastewater treatment services by Texhong Industrial Park Vietnam Limited (“Texhong Industrial Park”) to each of Texhong Galaxy Technology Limited (“Texhong Galaxy”) for its uses on the Texhong Galaxy Land (as defined below) and Texhong Dyeing And Printing Vietnam Limited (Currently known as Texhong Winnitex Vietnam Limited) (“Texhong Dyeing”) for its uses on the Texhong Dyeing Land (as defined below); and (ii) the announcement of the Company dated 20 October 2017 in relation to supply of gas by Texhong Industrial Park to Texhong Dyeing Land; and (iii) the announcement of the Company dated 10 May 2019 and the supplemental announcement of the Company dated 17 May 2019.

On 10 May 2019, Texhong Galaxy, as customer, had entered into the following renewal agreements with Texhong Industrial Park, as supplier, for its uses on two parcels of industrial land located at Texhong Industrial Park, Hai Ha District, Quang Ninh Province, Vietnam with a site area of approximately 225,000 square metres and 215,000 square metres, respectively, and the infrastructure erected thereon (“Texhong Galaxy Land”) with effect from 1 January 2020 to 31 December 2021:

1. the power master supply agreement in relation to the provision and supply of electricity (“Texhong Galaxy Power Master Supply Agreement”);
2. the steam master supply agreement in relation to the provision and supply of steam (“Texhong Galaxy Steam Master Supply Agreement”);
3. the wastewater treatment service agreement in relation to the provision and supply of wastewater treatment service (“Texhong Galaxy Wastewater Treatment Service Agreement”); and
4. the water master supply agreement in relation to the provision and supply of water (“Texhong Galaxy Water Master Supply Agreement”).

(collectively, “Texhong Galaxy Agreements”)

### 關連交易

於截至二零二一年十二月三十一日止年度，本集團已進行以下關連交易，須根據上市規則第14A.71條披露：

#### 持續關連交易 — 水電供應及服務總協議

- (1) 茲提述(i)本公司日期為二零一七年五月二十三日之公佈，內容有關天虹工業園越南有限公司(「天虹工業園區」)分別向天虹銀河科技有限公司(「天虹銀河」)天虹銀河地塊(定義見下文)及越南天虹染整責任有限公司(現更名為天虹慶業越南有限公司)(「天虹染整」)天虹染整地塊(定義見下文)供應水電及提供污水處理服務；及(ii)本公司日期為二零一七年十月二十日之公佈，內容有關天虹工業園向天虹染整地塊供應燃氣；及(iii)本公司日期為二零一九年五月十日之公佈及本公司日期為二零一九年五月十七日之補充公佈。

於二零一九年五月十日，天虹銀河(作為客戶)與天虹工業園(作為供應商)就其使用位於越南廣寧省海河區天虹工業園兩幅地盤面積分別約為225,000平方米及215,000平方米之工業用地以及其上所建基建(「天虹銀河地塊」)訂立如下續期協議，有效期自二零二零年一月一日起至二零二一年十二月三十一日止：

1. 有關電力供應的供電總協議(「天虹銀河供電總協議」)；
2. 有關蒸氣供應的蒸汽供應總協議(「天虹銀河蒸汽供應總協議」)；
3. 有關提供廢水處理服務的污水處理服務協議(「天虹銀河污水處理服務協議」)；及
4. 有關水供應的供水總協議(「天虹銀河供水總協議」)。

(統稱為「天虹銀河協議」)



## 董事會報告(續)

### REPORT OF THE DIRECTORS (CONTINUED)

#### CONNECTED TRANSACTIONS (Continued)

##### Continuing connected transactions — Utilities Master Supply and Service Agreements (Continued)

(2) On 10 May 2019, Texhong Dyeing, as customer, had entered into the following renewal agreements with Texhong Industrial Park, as supplier, for its uses on a parcel of industrial land located at Texhong Industrial Park, Hai Ha District, Quang Ninh Province, Vietnam with a site area of approximately 123,228 square metres and the infrastructure erected thereon (“Texhong Dyeing Land”) with effect from 1 January 2020 to 31 December 2021:

1. the power master supply agreement in relation to the provision and supply of electricity (“Texhong Dyeing Power Master Supply Agreement”);
2. the steam master supply agreement in relation to the provision and supply of steam (“Texhong Dyeing Steam Master Supply Agreement”);
3. the wastewater treatment service agreement in relation to the provision and supply of wastewater treatment service (“Texhong Dyeing Wastewater Treatment Service Agreement”);
4. the water master supply agreement in relation to the provision and supply of water (“Texhong Dyeing Water Master Supply Agreement”); and
5. the provision and supply of liquefied petroleum gas (“Texhong Dyeing Gas Supply Agreement”).

(collectively, “Texhong Dyeing Agreements”)

#### 關連交易(續)

##### 持續關連交易 — 水電供應及服務總協議(續)

(2) 於二零一九年五月十日，天虹染整(作為客戶)與天虹工業園(作為供應商)就其使用位於越南廣寧省海河區天虹工業園一幅地盤面積約為123,228平方米之工業用地以及其上所建基建(「天虹染整地塊」)訂立如下續期協議，有效期自二零二零年一月一日起至二零二一年十二月三十一日止：

1. 有關電力供應的供電總協議(「天虹染整供電總協議」)；
2. 有關蒸氣供應的蒸汽供應總協議(「天虹染整蒸汽供應總協議」)；
3. 有關提供廢水處理服務的污水處理服務協議(「天虹染整污水處理服務協議」)；
4. 有關水供應的供水總協議(「天虹染整供水總協議」)；及
5. 提供及供應液態石油氣(「天虹染整燃氣供應協議」)。

(統稱為「天虹染整協議」)

## 董事會報告(續) REPORT OF THE DIRECTORS (CONTINUED)

### CONNECTED TRANSACTIONS (Continued)

#### Continuing connected transactions — Utilities Master Supply and Service Agreements (Continued)

(3) On 10 May 2019, Texhong United Technology Vietnam Company Limited (“United Technology Vietnam”), had entered into the following agreements with Texhong Industrial Park, as supplier, for its uses on a parcel of industrial land located at Texhong Industrial Park, Hai Ha District, Quang Ninh Province, Vietnam with a site area of approximately 269,748.5 square meters and the infrastructure erected thereon (“United Technology Vietnam Land”) with effect from 1 June 2019 to 31 December 2021:

1. the power master supply agreement in relation to the provision and supply of electricity (“United Technology Vietnam Power Master Supply Agreement”);
2. the steam master supply agreement in relation to the provision and supply of steam (“United Technology Vietnam Steam Master Supply Agreement”);
3. the wastewater treatment service agreement in relation to the provision and supply of wastewater treatment service (“United Technology Vietnam Wastewater Treatment Service Agreement”); and
4. the water master supply agreement in relation to the provision and supply of water (“United Technology Vietnam Water Master Supply Agreement”).

(collectively, “United Technology Vietnam Agreements”)

Please refer to the announcement of the Company dated 10 May 2019 for further details of the Texhong Galaxy Agreements, Texhong Dyeing Agreements and United Technology Vietnam Agreements.

On 25 August 2021, Texhong Industrial Park and the Company entered into the master supply agreement pursuant to which Texhong Industrial Park shall provide and supply utilities, wastewater treatment service and administrative services to the Group for its uses at the production facilities operated by the Group at Texhong Industrial Park with effect from 1 January 2022 to 31 December 2022. Please refer to the announcement of the Company dated 25 August 2021 for further details.

### 關連交易(續)

#### 持續關連交易 — 水電供應及服務總協議(續)

(3) 於二零一九年五月十日，天虹聯合科技越南有限公司(「聯合科技越南」)與天虹工業園(作為供應商)就其使用位於越南廣寧省海河區天虹工業園一幅地盤面積約為269,748.5平方米之工業用地以及其上所建基建(「聯合科技越南地塊」)訂立如下協議，有效期自二零一九年六月一日起至二零二一年十二月三十一日止：

1. 有關電力供應的供電總協議(「聯合科技越南供電總協議」)；
2. 有關蒸氣供應的蒸汽供應總協議(「聯合科技越南蒸汽供應總協議」)；
3. 有關提供廢水處理服務的污水處理服務協議(「聯合科技越南污水處理服務協議」)；及
4. 有關水供應的供水總協議(「聯合科技越南供水總協議」)。

(統稱為「聯合科技越南協議」)

有關天虹銀河協議、天虹染整協議及越南聯合科技協議的進一步詳情，請參閱本公司日期為二零一九年五月十日的公佈。

於二零二一年八月二十五日，天虹工業園與本公司訂立供應總協議，據此，天虹工業園須向本集團提供並供應水電、廢水處理服務及行政服務，於二零二二年一月一日至二零二二年十二月三十一日期間供本集團於天虹工業園所營運生產設施使用。進一步詳情請參閱本公司日期為二零二一年八月二十五日的公佈。

## 董事會報告(續) REPORT OF THE DIRECTORS (CONTINUED)

### CONNECTED TRANSACTIONS (Continued)

#### Continuing connected transactions — Utilities Master Supply and Service Agreements (Continued)

The tables below set out the actual transaction amount and the annual caps for the year ended 31 December 2021 for each of the Texhong Dyeing Agreements, Texhong Galaxy Agreements and United Technology Vietnam Agreements.

### 關連交易(續)

#### 持續關連交易 — 水電供應及服務總協議(續)

下表載列天虹染整協議、天虹銀河協議及聯合科技越南協議各自截至二零二一年十二月三十一日止年度之實際交易金額及年度上限。

		<b>For the year ended 31 December 2021</b> 截至二零二一年 十二月三十一日 止年度
<b>Texhong Dyeing Agreements</b>		
<b>天虹染整協議</b>		
Texhong Dyeing Power Master Supply Agreement 天虹染整供電總協議	Actual transaction amount 實際交易金額	RMB5.843 million 人民幣 5,843,000 元
	Existing annual caps 現有年度上限	RMB15.061 million 人民幣 15,061,000 元
Texhong Dyeing Water Master Supply Agreement 天虹染整供水總協議	Actual transaction amount 實際交易金額	RMB2.095 million 人民幣 2,095,000 元
	Existing annual caps 現有年度上限	RMB6.410 million 人民幣 6,410,000 元
Texhong Dyeing Steam Master Supply Agreement 天虹染整蒸汽供應總協議	Actual transaction amount 實際交易金額	RMB27.336 million 人民幣 27,336,000 元
	Existing annual caps 現有年度上限	RMB49.037 million 人民幣 49,037,000 元
Texhong Dyeing Wastewater Treatment Service Agreement 天虹染整污水處理服務協議	Actual transaction amount 實際交易金額	RMB2.826 million 人民幣 2,826,000 元
	Existing annual caps 現有年度上限	RMB8.395 million 人民幣 8,395,000 元
Texhong Dyeing Gas Supply Agreement 天虹染整燃氣供應協議	Actual transaction amount 實際交易金額	RMB4.277 million 人民幣 4,277,000 元
	Existing annual caps 先前年度上限	RMB12.244 million 人民幣 12,244,000 元

# 董事會報告(續)

## REPORT OF THE DIRECTORS (CONTINUED)

### CONNECTED TRANSACTIONS (Continued)

### 關連交易(續)

**For the year  
ended  
31 December  
2021**

截至二零二一年  
十二月三十一日  
止年度

#### Texhong Galaxy Agreements

##### 天虹銀河協議

Texhong Galaxy Power Master Supply Agreement 天虹銀河供電總協議	Actual transaction amount 實際交易金額	RMB174.908 million 人民幣 174,908,000 元
	Existing annual caps 現有年度上限	RMB208.981 million 人民幣 208,981,000 元
Texhong Galaxy Water Master Supply Agreement 天虹銀河供水總協議	Actual transaction amount 實際交易金額	RMB2.504 million 人民幣 2,504,000 元
	Existing annual caps 現有年度上限	RMB5.098 million 人民幣 5,098,000 元
Texhong Galaxy Steam Master Supply Agreement 天虹銀河蒸汽供應總協議	Actual transaction amount 實際交易金額	RMB20.378 million 人民幣 20,378,000 元
	Existing annual caps 現有年度上限	RMB33.987 million 人民幣 33,987,000 元
Texhong Galaxy Wastewater Treatment Service Agreement 天虹銀河污水處理服務協議	Actual transaction amount 實際交易金額	RMB3.574 million 人民幣 3,574,000 元
	Existing annual caps 現有年度上限	RMB 6.598 million 人民幣 6,598,000 元

#### United Technology Vietnam Agreements

##### 聯合科技越南協議

United Technology Vietnam Power Master Supply Agreement 聯合科技越南供電總協議	Actual transaction amount 實際交易金額	RMB9.674 million 人民幣 9,674,000 元
	Existing annual caps 現有年度上限	RMB23.245 million 人民幣 23,245,000 元
United Technology Vietnam Steam Master Supply Agreement 聯合科技越南蒸汽供應總協議	Actual transaction amount 實際交易金額	RMB5.320 million 人民幣 5,320,000 元
	Existing annual caps 現有年度上限	RMB18.943 million 人民幣 18,943,000 元

## 董事會報告(續) REPORT OF THE DIRECTORS (CONTINUED)

### CONNECTED TRANSACTIONS (Continued)

### 關連交易(續)

		For the year ended 31 December 2021 截至二零二一年 十二月三十一日 止年度
United Technology Vietnam Wastewater Treatment Service Agreement 聯合科技越南污水處理服務協議	Actual transaction amount 實際交易金額	RMB1.483 million 人民幣 1,483,000 元
	Existing annual caps 現有年度上限	RMB8.739 million 人民幣 8,739,000 元
United Technology Vietnam Water Master Supply Agreement 聯合科技越南供水總協議	Actual transaction amount 實際交易金額	RMB1.111 million 人民幣 1,111,000 元
	Existing annual caps 現有年度上限	RMB4.767 million 人民幣 4,767,000 元

#### Listing Rules implications

Texhong Industrial Park is a connected person of the Company by virtue of its being an associate of Mr. Hong Tianzhu, the chairman of the Company and an executive Director and Mr. Zhu Yongxiang, the chief executive officer of the Group and an executive Director. Therefore, the transactions contemplated under the Texhong Dyeing Agreements, the Texhong Galaxy Agreements and United Technology Vietnam Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The independent non-executive Directors have, for the purpose of Rule 14A.55 of the Listing Rules, reviewed and confirmed that the aforementioned continuing connected transactions undertaken by the Group were entered into (i) in the ordinary and usual course of business of the Group; (ii) either on normal commercial terms or better; and (iii) in accordance with the relevant agreements governing the transactions on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole. PricewaterhouseCoopers, the auditors of the Company, has issued a letter to the Company to confirm the matters stated in Rule 14A.56 of the Listing Rules.

#### Connected transaction — lease of land in Haiha Industrial Park

On 7 December 2021, Haiha Industrial Park as landlord entered into a lease agreement (the "Lease Agreement") with Texhong Galaxy as tenant in relation to the lease of a parcel of industrial land located at Texhong Haiha Industrial Park, Hai Ha District, Quang Ninh Province, Vietnam with a site area of approximately 383,822.15 square meters and the infrastructure erected thereon for a term commencing from 7 December 2021 until 24 April 2064.

#### 上市規則之涵義

天虹工業園為本公司主席兼執行董事洪天祝先生及本集團行政總裁兼執行董事朱永祥先生之聯繫人，故屬本公司之關連人士。因此，天虹染整協議、天虹銀河協議及聯合科技越南協議項下擬進行交易構成上市規則第 14A 章項下本公司之持續關連交易。

就上市規則第 14A.55 條而言，獨立非執行董事已檢討及確認本集團上述持續關連交易 (i) 乃於本集團日常及一般業務過程中；(ii) 按正常或更佳商業條款；及 (iii) 根據規範交易的相關協議按公平合理條款訂立，符合本公司股東整體利益。本公司核數師羅兵咸永道會計師事務所已向本公司發出函件，確認上市規則第 14A.56 條所述事項。

#### 關連交易 — 海河工業園土地租賃

於二零二一年十二月七日，海河工業園(作為業主)與天虹銀河(作為租戶)就租賃位於越南廣寧省海河區天虹海河工業園一幅地盤面積約為 383,822.15 平方米之工業用地以及其上所建基建訂立租賃協議(「租賃協議」)，租期自二零二一年十二月七日起至二零六四年四月二十四日止。

## 董事會報告(續) REPORT OF THE DIRECTORS (CONTINUED)

### CONNECTED TRANSACTIONS (Continued)

#### Connected transaction — lease of land in Haiha Industrial Park (Continued)

The total rent for the lease of the land shall be VND808,680,646,300 (equivalent to approximately RMB228.5 million), which was calculated based on VND2,106,915 (equivalent to approximately RMB595) per square meter of the land. The rent under the Lease Agreement was determined after arm's length negotiation between Haiha Industrial Park and Texhong Galaxy with reference to the prevailing market rent for similar land in different industrial zones in Quang Ninh Province, Vietnam, the government fee payable for the lease of the land and the latest land cost per square meter of Haiha Industrial Park.

Haiha Industrial Park is a connected person of the Company by virtue of it being an associate of Mr. Hong Tianzhu, the chairman of the Group and an executive Director and Mr. Zhu Yongxiang, the chief executive officer of the Group and an executive Director. The entering into of the Lease Agreement between Haiha Industrial Park and Texhong Galaxy therefore constituted a connected transaction of the Company under Chapter 14A of the Listing Rules.

Related-party transactions disclosed in note 36 to the consolidated financial statements constitute connected transactions or continuing connected transactions under Chapter 14A of the Listing Rules. The Company has complied with the applicable disclosure requirements in accordance with Chapter 14A of the Listing Rules.

### MATERIAL ACQUISITION AND DISPOSAL

On 5 November 2021, a legally binding framework agreement dated 5 November 2021 entered into between, among others, the Company as the seller and Sinowin Holding (H.K.) Limited (the "Purchaser") as the purchaser for the sale and purchase of the entire issued share capital of Great Triumph Investments Limited, a direct wholly owned subsidiary of the Company, and assignment of loan and dividend payable at the total consideration of RMB810,387,000 (the "Disposal").

The consideration for the Disposal was determined after arm's length negotiations between the Company and the Purchaser on normal commercial terms with reference to the non-current net asset value of the Target Company and its subsidiaries (the "Target Group") and adjusted by amount of bank borrowings which are secured by the non-current assets of the Target Group, other payables relating to the non-current assets of the Target Group as of 30 September 2021 plus a premium negotiated and agreed between the parties. Please refer to the announcement of the Company dated 5 November 2021 for further details. The Target Group holds the only plant of the Group in Xinjiang, the PRC.

Save as disclosed above, there was no material acquisition and disposal of subsidiaries or, associates and joint ventures by the Company during the year ended 31 December 2021.

### 關連交易(續)

#### 關連交易 — 海河工業園土地租賃(續)

按每平方米土地2,106,915越南盾(相當於約人民幣595元)計算,有關土地租賃總租金為808,680,646,300越南盾(相當於約人民幣228,500,000元)。租賃協議項下租金由海河工業園與天虹銀河參考越南廣寧省不同工業區類似土地現行市場租金、土地租賃應付政府費用及海河工業園最近期每平方米土地成本後,公平磋商釐定。

海河工業園乃本集團主席兼執行董事洪天祝先生及本集團行政總裁兼執行董事朱永祥先生之聯繫人,故屬本公司之關連人士。因此,海河工業園與天虹銀河訂立租賃協議構成上市規則第14A章項下本公司關連交易。

綜合財務報表附註36披露的關聯方交易構成上市規則第14A章項下關連交易或持續關連交易。本公司已根據上市規則第14A章遵守適用的披露規定。

### 重大收購及出售事項

於二零二一年十一月五日,由(其中包括)本公司作為賣方與通晟控股(香港)有限公司作為買方(「買方」)就按總代價人民幣810,387,000元買賣本公司直接全資附屬公司豐捷投資有限公司全部已發行股本以及轉讓應付貸款及股息(「出售事項」)訂立日期為二零二一年十一月五日之具法律約束力框架協議。

出售事項之代價由本公司與買方按一般商業條款公平磋商後釐定,並已參考目標公司及其附屬公司(「目標集團」)之非流動資產淨值,並按以目標集團非流動資產抵押之銀行借貸、截至二零二一年九月三十日與目標集團非流動資產有關之其他應付賬款加訂約方磋商協定之溢價金額調整。進一步詳情請參閱本公司日期為二零二一年十一月五日之公佈。目標集團持有本集團唯一一間位於中國新疆的工廠。

除上文披露者外,本公司於截至二零二一年十二月三十一日止年度無重大收購及出售附屬公司或聯營公司和合營公司事項。

## 董事會報告(續)

### REPORT OF THE DIRECTORS (CONTINUED)

#### SIGNIFICANT INVESTMENTS HELD AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

There were no significant investments held during the year ended 31 December 2021, and the Company does not have any future plan for material investments or capital assets as at the date of this report.

#### PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors at the latest practicable date prior to the issue of this annual report, there was sufficient prescribed public float of the issued shares of the Company under the Listing Rules at any time during the financial year ended 31 December 2021.

#### AUDIT COMMITTEE

The Company has established the Audit Committee pursuant to a resolution of the Directors passed on 21 November 2004. The Audit Committee comprises three independent non-executive Directors, namely Mr. Ting Leung Huel, Stephen, Professor Tao Xiaoming and Professor Cheng Longdi. Mr. Ting Leung Huel, Stephen is the chairman of the Audit Committee. The rights and duties of the Audit Committee comply with the code provisions of the CG Code. The Audit Committee is responsible for reviewing and supervising the Group's financial reporting process and internal control system and providing advice and recommendations to the Board.

The Audit Committee had reviewed the audited results of the Group for the year ended 31 December 2021.

#### NOMINATION COMMITTEE

The Company has established the Nomination Committee pursuant to a resolution of the Directors passed on 19 March 2012. The Nomination Committee comprises an executive Director and the chairman of the Company, Mr. Hong Tianzhu and three independent non-executive Directors, namely Professor Tao Xiaoming, Professor Cheng Longdi and Mr. Ting Leung Huel, Stephen. The chairman of the Nomination Committee is Mr. Hong Tianzhu. The Nomination Committee has adopted terms of reference which are in line with the code provisions of the CG Code. The Nomination Committee is provided with sufficient resources to discharge its duties and has access to independent professional advice in accordance with the Company's policy if considered necessary.

#### REMUNERATION COMMITTEE

The Company has established the Remuneration Committee pursuant to a resolution of the Directors passed on 21 November 2004. The Remuneration Committee comprises three independent non-executive Directors, namely Mr. Ting Leung Huel, Stephen, Professor Tao Xiaoming and Professor Cheng Longdi and the chairman and executive Director, namely Mr. Hong Tianzhu (ceased to be a member on 23 August 2021). Mr. Ting Leung Huel, Stephen is the chairman of the Remuneration Committee. The Remuneration Committee has rights and duties consistent with those set out in the code provisions of the CG Code. The Remuneration Committee is principally responsible for formulating the Group's policy and structure for all remunerations of the Directors and senior management and providing advice and recommendations to the Board.

#### 所持重大投資及有關重大投資或資本資產的未來計劃

截至二零二一年十二月三十一日止年度並無重大投資，於本報告日期，本公司並無有關重大投資或資本資產的未來計劃。

#### 公眾持股量

根據於本年報刊發前之最後實際可行日期本公司獲得之公開資料及據董事所知，本公司於截至二零二一年十二月三十一日止財政年度任何時間已發行股份均有充分之指定公眾持股量，符合上市規則。

#### 審核委員會

根據董事於二零零四年十一月二十一日通過的一項決議案，本公司已成立審核委員會。審核委員會由三名獨立非執行董事組成，包括丁良輝先生、陶肖明教授及程隆棟教授，丁良輝先生為審核委員會主席。審核委員會所採納的權力及職責符合企業管治守則之守則條文。審核委員會負責審閱及監督本集團之財務匯報程序及內部監控制度，並向董事會提供意見及推薦建議。

審核委員會已審閱本集團截至二零二一年十二月三十一日止年度之經審核業績。

#### 提名委員會

根據董事於二零一二年三月十九日通過的一項決議案，本公司已成立提名委員會。提名委員會由執行董事兼本公司主席洪天祝先生及三名獨立非執行董事組成，該三名獨立非執行董事分別為陶肖明教授、程隆棟教授及丁良輝先生。洪天祝先生為提名委員會主席。提名委員會所採納的職權範圍符合企業管治守則之守則條文。提名委員會獲提供充分資源以履行其職務，並可按本公司政策在有需要時尋求獨立專業意見。

#### 薪酬委員會

根據董事於二零零四年十一月二十一日通過的一項決議案，本公司已成立薪酬委員會。薪酬委員會由三名獨立非執行董事丁良輝先生、陶肖明教授、程隆棟教授及主席兼執行董事洪天祝先生(於二零二一年八月二十三日起不再為成員)組成。丁良輝先生為薪酬委員會主席。薪酬委員會已採納與企業管治守則之守則條文一致的權力及職責。薪酬委員會主要負責擬訂本集團董事及高級管理層的所有酬金政策及架構，向董事會提供意見及建議。

## 董事會報告(續) REPORT OF THE DIRECTORS (CONTINUED)

### ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

The Company has established the ESG Committee on 23 August 2021. The ESG Committee comprises five members, namely, Mr. Tang Daoping (chairman), Mr. Hui Tsz Wai (vice chairman, shall cease to be a member on 31 March 2022), Prof. Tao Xiaoming, Prof. Cheng Longdi and Mr. Ting Leung Huel, Stephen. The ESG Committee is mainly responsible for overseeing and reporting to the Board on matters relating to ESG of the Group and ensuring compliance with legal and regulatory requirements on ESG including corporate governance principles applicable to the Company.

### CHARITABLE CONTRIBUTIONS

During the year ended 31 December 2021, the Group made charitable contributions amounted to approximately RMB915,000.

### LITIGATION

Neither the Company nor any of its subsidiaries is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against the Company or any of its subsidiaries that would have a material adverse effect on the financial condition or results of operation of the Group during the year ended 31 December 2021.

### AUDITOR

The financial statements have been audited by PricewaterhouseCoopers who will retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting.

On behalf of the Board

**Hong Tianzhu**

Chairman

Hong Kong, 16 March 2022

### 環境、社會及管治委員會

本公司於二零二一年八月二十三日成立ESG委員會。ESG委員會由五名成員組成，分別為湯道平先生(主席)、於二零二二年三月三十一日起不再為成員之許子慧先生(副主席)、陶肖明教授、程隆棟教授及丁良輝先生。ESG委員會主要負責監督並向董事會彙報與本集團ESG有關之事宜，並負責確保遵守包括適用於本公司企業管治原則在內有關ESG之法律及監管規定。

### 慈善捐款

截至二零二一年十二月三十一日止年度，本集團作出慈善捐款約人民幣915,000元。

### 訴訟

於截至二零二一年十二月三十一日止年度，本公司或其任何附屬公司概無牽涉於任何重大訴訟或仲裁，而據董事所知，本公司或其任何附屬公司並無涉及任何會對本集團財務狀況或經營業績構成重大不利影響之待決或面臨威脅之重大訴訟或索償。

### 核數師

財務報表已經由羅兵咸永道會計師事務所審核。該核數師將任滿告退，其合資格並願意於即將舉行的股東週年大會上獲續聘。

承董事會命

**洪天祝**

主席

香港，二零二二年三月十六日



## ABOUT THE REPORT

Texhong Textile Group Limited (the “Group”, stock code: 2678) has prepared this “Environmental, Social and Governance Report” (the “ESG Report” or the “Report”) in accordance with the requirements under the “Environmental, Social and Governance Reporting Guide” (the “ESG Reporting Guide”) set out in Appendix 27 to the “Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited”, which discloses the practice and performance of the Group on various ESG issues last year. This is the sixth annual ESG report published by the Group. Based on the Report, the Group strengthens our communication with all stakeholders and the public, so that people from all walks of life can understand the ESG activities of the Group and their related effects.

## REPORTING SCOPE

The Report covers the major business segments of the Group including yarns, grey fabrics, garment fabrics and garments, and includes the key performance indicators (KPIs) in the environmental and social aspects of our twenty-one production subsidiaries in the Mainland China, Vietnam and Nicaragua throughout the entire financial year ended 31 December 2021. Compared to the ESG Report set out in the 2020 annual report published on 26 March 2021, there is no significant change in the scope of disclosure in the Report.

## REPORTING STANDARD

The Group has conducted an assessment over the relevant aspects and KPIs in terms of applicability and materiality in accordance with the “ESG Reporting Guide”. In full compliance with the disclosure requirement of “comply or explain”, the Report provides explanations as to why certain disclosure rules do not apply to the Group, thereby satisfying the reporting principles of the “ESG Reporting Guide”:

- “Materiality”: The Group determines material ESG issues by the engagement of stakeholders and our materiality assessment;
- “Quantitative”: The Report discloses quantitative KPIs applicable to the environmental and social aspects of the Group, with explanation, purpose and impact of the quantitative data, as well as properly comparable data;
- “Consistency”: There is no change in the relevant methodology for disclosure and statistics in the Report, and the disclosure standards are consistent with those of the previous years.

## ACCESSIBILITY

The Report is published in electronic version, which can be accessed or downloaded from the official website of the Company ([www.texhong.com](http://www.texhong.com)) and the “HKEXnews” website of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>).

## 關於本報告

天虹紡織集團有限公司(「本集團」，股份代號：2678)根據《香港聯合交易所有限公司證券上市規則》附錄27《環境、社會及管治報告指引》(簡稱「ESG報告指引」)要求編制本《環境、社會及管治報告》(簡稱「ESG報告」或「本報告」)，披露本集團於過去一年在各ESG議題上的實踐和績效。這是本集團第六次發佈年度ESG報告。本集團以本報告為基礎，與所有利益相關方和社會公眾加強溝通，讓各界人士瞭解本集團的ESG活動及相關影響。

## 報告範圍

本報告覆蓋本集團的紗線、坯布、面料及服裝等主要業務板塊，並包括截至二零二一年十二月三十一日止整個財政年度本集團位於中國大陸、越南和尼加拉瓜的二十一家附屬生產公司的環境及社會範疇關鍵績效指標。相較於二零二一年三月二十六日發佈的二零二零年年報所載ESG報告，本報告的披露範圍未發生重大變化。

## 報告準則

本集團根據《ESG報告指引》對相關層面和關鍵績效指標進行了適用性及實質性評估。本報告完全符合「不遵守就解釋」披露要求，報告中對不適用於本集團的披露規則進行瞭解釋，遵守《ESG報告指引》彙報原則：

- 「重要性」原則：本集團通過利益相關方參與及實質性評估，確定重要環境、社會及管治議題；
- 「量化」原則：本報告定量彙報了本集團環境及社會範疇的適用關鍵績效指標，附帶量化數據說明，闡述其目的和影響，並提供適當的比較數據；
- 「一致性」原則：本報告相關披露統計方法沒有發生變化，披露口徑和此前年度保持一致。

## 獲取方式

本報告以電子版形式發佈，可在本公司官網([www.texhong.com](http://www.texhong.com))及香港聯交所「披露易」網站(<http://www.hkexnews.hk>)查詢或下載。

### 1. ESG GOVERNANCE

The Group adheres to the path of sustainability with the concept of "Respect for nature and love for mankind", and practically integrates the sustainability concept into our strategic planning and operational decision-making.

#### 1.1 Sustainable strategy and objectives

The Group explores and implements 3R principles (Reduce, Reuse and Recycle) in all aspects, including procurement, transportation, production and sales, striving to become a sustainable textile manufacturer.

The main business of the Group includes the yarn business and the industrial chain business, where the production and sales of the yarn business account for more than 75%. During the production process, purchased electricity, which is the main source of energy consumption and carbon emissions of the Group is mainly used. The yarn business mainly involves physical production processes, uses eco-friendly raw materials as much as possible to satisfy demand from the customers, and does not involve the use of chemicals or dyeing agents or the discharge of sewage from printing and dyeing. Therefore, its environmental impact is limited; the production of the industrial chain business involves water consumption, sewage discharge and chemical use. We have also formulated comprehensive sustainability goals and plans accordingly to reduce its environmental impact. In 2021, the Group formulated environmental and social objectives to provide a clear direction for future sustainability.

### 1. ESG 管治

本集團堅持可持續發展道路，「敬天愛人，自利利他」，將永續理念切實融入到公司戰略規劃與運營決策過程當中。

#### 1.1 永續戰略與目標

本集團在採購、運輸、生產、銷售等所有環節探索和實踐3R原則：減量化(reduce)、再利用(reuse)和再循環(recycle)，以努力成為能代表可持續發展的紡織製造商。

本集團業務主要包含紗線業務及產業鏈業務，其中紗線業務的生產銷售佔比超過75%，生產過程主要使用外購電力，是本集團能源消耗和碳排放的主要來源。紗線業務主要涉及物理工藝，配合客戶需求儘量使用環保原材料，且不涉及化學品、染劑的使用以及印染污水的排放，環境影響較有限；而產業鏈業務的生產涉及耗水、排污和化學品使用，我們亦就此制定了全面的可持續發展目標及計劃，以減少其環境影響。二零二一年，本集團制定了環境及社會目標，為未來可持續發展工作指明方向。

1. ESG GOVERNANCE (Continued)

1.1 Sustainable strategy and objectives (Continued)

1. ESG 管治(續)

1.1 永續戰略與目標(續)

<b>Environmental Commitment</b> 環境承諾	<b>Environmental Objectives</b> 環境目標
<ul style="list-style-type: none"> <li>• Introduce more sustainable raw materials such as organic, recycled, degradable and reusable materials in the production process</li> <li>• Continue to reduce energy and water consumption by using more energy-saving and water conservation technologies and equipment</li> <li>• Comprehensive control of waste water, waste gas and solid waste generated during the production process to continuously reduce the environmental impact caused by pollution and emissions</li> </ul> <ul style="list-style-type: none"> <li>• 在生產過程中引入更多可持續原料，例如有機、再生、可降解、回用物質</li> <li>• 通過使用更多節能節水技術及設備，持續降低能源及水資源消耗</li> <li>• 對生產過程中產生的廢水、廢氣和固體廢棄物進行全面控制，持續減少污染排放所造成的環境影響</li> </ul>	<ul style="list-style-type: none"> <li>• Reduce the greenhouse gas (GHG) emission intensity of Texhong yarn business by 5% in 2025 compared to 2020</li> <li>• Reduce the emission intensity of hazardous waste in the industrial chain business of Texhong by 5% in 2025 compared to 2020</li> <li>• Reduce water consumption intensity of the industrial chain business of Texhong by 10% in 2025 compared to 2020</li> <li>• Reduce wastewater discharge intensity of the industrial chain business of Texhong by 10% in 2025 compared to 2020</li> </ul> <ul style="list-style-type: none"> <li>• 二零二五年天虹紗線業務溫室氣體排放強度較二零二零年減少5%</li> <li>• 二零二五年天虹產業鏈業務有害廢棄物排放強度較二零二零年減少5%</li> <li>• 二零二五年天虹產業鏈業務用水強度較二零二零年減少10%</li> <li>• 二零二五年天虹產業鏈業務廢水排放強度較二零二零年減少10%</li> </ul>
<b>Social Commitments</b> 社會承諾	
<ul style="list-style-type: none"> <li>• No major safety incidents</li> <li>• Continue to provide training and development opportunities for employees</li> <li>• Provide an equal, healthy and safe working environment</li> </ul> <ul style="list-style-type: none"> <li>• 無重大安全責任事故發生</li> <li>• 持續為雇員提供培訓與發展的機會</li> <li>• 提供平等、健康及安全的工作環境</li> </ul>	

### 1. ESG GOVERNANCE (Continued)

#### 1.2 Comprehensive Governance Structure

The Group is well aware of the importance of improving its own environmental and social performance to the sustainable operation of the Group. Therefore, we have established an ESG management organization and structure composed of the Board, the ESG Committee, the management and the ESG working group, which incorporates ESG-related risks and opportunities into the business strategy of the Group to guide our daily business operations:

- The Board is the highest governing body of the Group as to ESG matters, assumes full responsibility for the ESG strategy and reporting of the Group, provides support to the Group for our commitment of fulfilling ESG responsibilities, and is responsible for leading and supervising the Group on ESG strategic decisions and performance;
- The ESG Committee was established on 23 August 2021. The majority of its members are independent non-executive Directors and meets at least once a year. The ESG Committee is responsible for reviewing the ESG performance of the Group, identifying, evaluating and managing important ESG-related matters, reviewing ESG goals, monitoring the progress of ESG goals and approving the annual ESG Report;
- The management is responsible for evaluating and determining the ESG-related risks of the Group, ensuring that the Group has established appropriate and effective ESG risk management and internal control systems, reporting to the ESG Committee on ESG-related risks and opportunities and the progress of achieving ESG goals and providing confirmation on the effectiveness of the ESG system;
- The ESG working group is composed of major departments of the Group. The heads of each department are directly involved, when there are persons in charge of the ESG management and reporting and reporting to the management of the Group on the progress of ESG management and reporting.

### 1. ESG 管治(續)

#### 1.2 全面管治架構

本集團深知提升自身環境與社會績效對集團可持續化運營的重要性，由此，我們建立起由董事會、ESG委員會、管理層與ESG工作組構成的ESG管理組織架構，將影響ESG的風險與機遇因素納入集團經營戰略中，指導日常業務運營：

- 董事會是本集團ESG事宜最高管治機構，對本集團的ESG策略及彙報承擔全部責任，支持本集團對於履行ESG責任所作的承諾，並負責領導及監督本集團的ESG戰略決策和表現；
- ESG委員會於二零二一年八月二十三日成立，委員會大部分成員為獨立非執行董事，每年至少開會一次。ESG委員會負責審閱集團的ESG表現，識別、評估並管理重要的ESG相關事宜，檢討ESG目標，監督ESG目標達成進度，並審批年度ESG報告；
- 管理層負責評估及釐定本集團有關ESG的風險，確保本集團設立合適及有效的ESG風險管理及內部控制系統，向ESG委員會彙報ESG相關的風險與機遇及ESG目標達成進展，並提供有關ESG系統是否有效的確認；
- ESG工作組由集團主要部門組成。各部門負責人直接參與，並指定專人負責開展ESG管理和報告的工作，向本集團管理層彙報ESG管理和報告的工作進度。

# 環境、社會及管治報告(續) ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

## 1. ESG GOVERNANCE (Continued)

### 1.2 Comprehensive Governance Structure (Continued)



In order to promote the development of top-down ESG work, the Group has clarified the requirements on directors in terms of ensuring ESG compliance, improving the quality of ESG reports and optimizing ESG work in the performance appraisal of directors. The compliance level of various ESG indicators will be used as a factor for determining the year-end bonus of directors. The Group has also established relevant penalty mechanisms. In the event of any negative ESG incidents, corresponding level of penalties will be imposed according to the severity of the incidents.

We have fully realized the ESG governance of the Group in accordance with the “ESG Guide”, and reviewed the levels of establishment and achievement of ESG objectives and the effectiveness of our ESG risk management and internal control systems. For details of the governance structure, please refer to the section headed “Comprehensive Governance Framework” in the Report. In addition, the Board has participated in the assessment, prioritisation and management of ESG issues. For details, please refer to the sections headed “Response to Internal and External Requests” and “Assessment of Material Issues”.

The Report discloses in detail the progress and effectiveness of the ESG work of the Group in 2021, approved at the meeting of the Board after their consideration on 16 March 2022.

## 1. ESG 管治(續)

### 1.2 全面管治架構(續)

為自上而下推動ESG工作的開展，本集團在董事績效考核中明確董事在確保ESG合規、提升ESG報告質量、優化ESG工作方面的要求，各項ESG指標的達標情況將作為董事的年終獎金額加減項。本集團亦建立相關處罰機制，倘若出現ESG負面事故，按照事故的嚴重程度採取相應級別的處罰措施。

我們已遵循「ESG指引」全面落實本集團ESG管治，審閱了ESG目標的設立及落實情況與ESG風險管理及內部監控系統的有效性，關於管治架構的具體內容可以參考本報告「全面管治框架」章節。此外，董事會已參與對ESG事宜的評估、優次排序及管理，詳情見「回應內外訴求」及「重要議題評估」章節。

本報告詳盡披露本集團二零二一年ESG工作的進展與成效，於二零二二年三月十六日經董事會會議審議通過。

1. ESG GOVERNANCE (Continued)

1.3 Response to internal and external requests

Understanding, expectations and participation of stakeholders for the sustainability of Texhong are the cornerstones for the Group to effectively conduct ESG work. The Group provides various communication channels to the government, shareholders/investors, customers, employees, partners and the society so as to understand the requests from stakeholders as well as actively and effectively respond to their concerns. We also accept the supervision of stakeholders.

1. ESG 管治(續)

1.3 回應內外訴求

利益相關方對天虹可持續發展的理解、期望與參與是本集團有效推進 ESG 工作的基石。本集團為政府、股東／投資者、客戶、員工、合作夥伴和社會等提供了多種溝通渠道，瞭解利益相關方的訴求並積極有效地回應利益相關方的關注，接受利益相關方的監督。

Stakeholders 利益相關方	Communication Mechanism 溝通機制	Communication Frequency 溝通頻率	Expectations of Stakeholders 利益相關方期望
Government 政府	<ul style="list-style-type: none"> <li>Daily supervision</li> <li>Official correspondence</li> <li>Meetings and communications</li> </ul>	Many times a year 一年多次	<ul style="list-style-type: none"> <li>Compliance of laws and regulations</li> <li>Tax payment in accordance with laws</li> <li>Rights of labour</li> <li>Environment protection</li> <li>遵紀守法</li> <li>依法納稅</li> <li>勞工權益</li> <li>環境保護</li> </ul>
Shareholders/Investors 股東／投資者	<ul style="list-style-type: none"> <li>General Meeting</li> <li>Company website</li> <li>Mail, telephone and fax</li> <li>Investor relation activities</li> <li>Website of the Stock Exchange</li> <li>股東大會</li> <li>公司網站</li> <li>郵件、電話、傳真</li> <li>投資者關係活動</li> <li>聯交所網站</li> </ul>	Many times a year 一年多次	<ul style="list-style-type: none"> <li>Information disclosure</li> <li>Return on investment</li> <li>Corporate governance</li> <li>Risk control</li> <li>Sustainability</li> <li>信息披露</li> <li>投資回報</li> <li>公司治理</li> <li>風險控制</li> <li>可持續發展</li> </ul>
Employees 員工	<ul style="list-style-type: none"> <li>Complaint email and telephone</li> <li>Annual meetings, regular meetings, etc.</li> <li>Internal publications (Texhong News)</li> <li>Activities for employees</li> <li>申訴電子郵箱及電話</li> <li>年會、日常會議等</li> <li>內部刊物(天虹報)</li> <li>員工活動</li> </ul>	Daily 每天	<ul style="list-style-type: none"> <li>Salaries and benefits</li> <li>Occupational health and safety</li> <li>Training and development opportunities</li> <li>Democratic communication and human right protection</li> <li>工資及福利</li> <li>職業健康與安全</li> <li>培訓與發展機會</li> <li>民主溝通與人權保障</li> </ul>

1. ESG GOVERNANCE (Continued)

1.3 Response to internal and external requests  
(Continued)

1. ESG 管治(續)

1.3 回應內外訴求(續)

Stakeholders 利益相關方	Communication Mechanism 溝通機制	Communication Frequency 溝通頻率	Expectations of Stakeholders 利益相關方期望
Customers 客戶	<ul style="list-style-type: none"> <li>Survey on satisfaction of customers</li> <li>Customer visits</li> <li>Customer complaint handling</li> </ul>	Many times a month 每月多次	<ul style="list-style-type: none"> <li>Product quality and safety</li> <li>Quality Service</li> <li>Product innovation</li> <li>Sustainability</li> <li>產品質量與安全</li> <li>優質服務</li> <li>產品創新</li> <li>可持續發展</li> </ul>
Partners 合作夥伴	<ul style="list-style-type: none"> <li>Negotiation for project cooperation</li> <li>Supplier visits</li> <li>Quality communication</li> <li>項目合作談判</li> <li>供應商走訪</li> <li>質量溝通</li> </ul>	Many times a year 一年多次	<ul style="list-style-type: none"> <li>Supply chain management</li> <li>Responsible procurement</li> <li>Quality and price</li> <li>Integrity and compliance</li> <li>供應鏈管理</li> <li>責任採購</li> <li>質量與價格</li> <li>誠信合規</li> </ul>
Society 社會	<ul style="list-style-type: none"> <li>Charitable donations</li> <li>Volunteer service</li> <li>慈善捐贈</li> <li>志願者服務</li> </ul>	Many times a year 一年多次	<ul style="list-style-type: none"> <li>Promoting local employment</li> <li>Promoting social harmony</li> <li>Supporting epidemic prevention and control</li> <li>促進當地就業</li> <li>促進社會和諧</li> <li>助力疫情防控</li> </ul>
Environment 環境	<ul style="list-style-type: none"> <li>Supervision and inspection results by regulatory authorities</li> <li>Testing results of third-party testing institutions</li> <li>ESG report</li> <li>ESG rating</li> <li>監管機構監督檢查結果</li> <li>第三方檢測機構檢測結果</li> <li>ESG 報告</li> <li>ESG 評級</li> </ul>	Many times a year 一年多次	<ul style="list-style-type: none"> <li>Reducing waste emissions</li> <li>Clean energy</li> <li>Forest conservation</li> <li>Response to climate change</li> <li>減少廢棄物排放</li> <li>清潔能源</li> <li>保護森林</li> <li>應對氣候變化</li> </ul>

1. ESG GOVERNANCE (Continued)

1.4 Assessment of material issues

The Group has built an ESG materiality analysis model and regularly conducts ESG materiality assessment to identify environmental and social issues that have significant impact on the Group and stakeholders. We also guide the development of ESG work and the preparation of reports in order to improve the quality of disclosure.

- Identification of issues: ESG issues related to the Group and its stakeholders were identified by taking into account factors such as the current situation, industry overview, risks and opportunities of the Group;
- Questionnaires: Online and offline questionnaires were designed and distributed to internal and external stakeholders such as the management, employees, customers and suppliers respectively on the identified topics. The questionnaires were summarized and materiality analysis was conducted to obtain preliminary materiality assessment results;
- Confirmation of results: The preliminary results were discussed and verified by the ESG Committee, senior management and the ESG working group, and finally confirmed by the Board, such that the results of the materiality assessment could be obtained.

In 2021, considering the global trend of low-carbon development, the industry focus and the expectations from external stakeholders such as consumers and investors, we made adjustment on the substantive issues of the Group, and raised the materiality levels of issues such as “energy management”, “responsible procurement” and “response to climate change”.

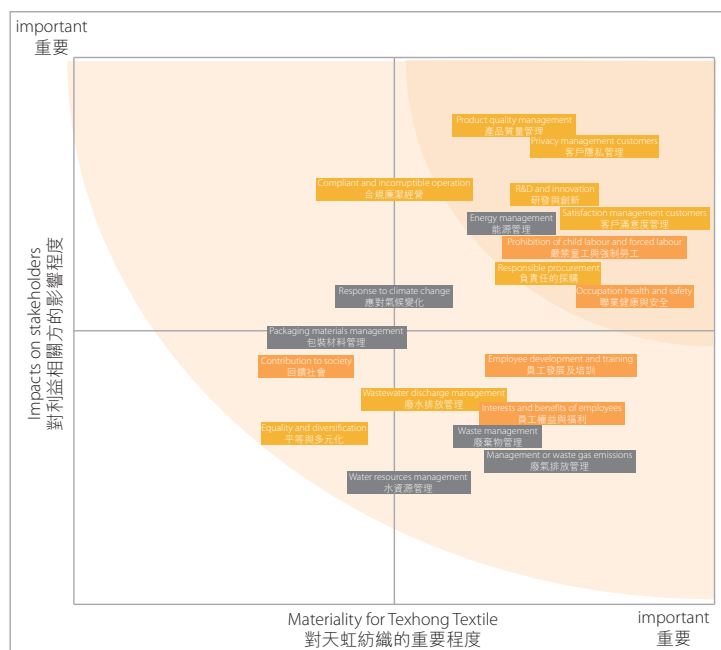
1. ESG 管治(續)

1.4 重要議題評估

本集團構建了ESG實質性分析模型，並定期開展ESG實質性評估，以確定對本集團和利益相關方具有重要影響的環境與社會議題，指導ESG工作的開展和報告的編制，提高披露內容的質量。

- 議題識別：綜合考慮集團現狀、行業概況、面臨風險和機遇等因素，識別出與集團及其利益相關方相關的ESG議題；
- 問卷調研：針對識別出的議題分別對管理層、員工、客戶和供應商等內、外部利益相關方設計和發放線上和線下調研問卷，並對問卷進行匯總和實質性分析，得出初步實質性評估結果；
- 結果確認：初步結果由ESG委員會、高級管理層與ESG工作小組進行討論、驗證，最終由董事會確認，得到實質性評估結果。

二零二一年，考慮到全球低碳發展趨勢、行業關注焦點以及消費者、投資者等外部利益相關方的期望，我們對本集團的實質性議題進行了調整，提升了「能源管理」、「負責任的採購」及「應對氣候變化」等議題的重要性。





## 2. GREEN DEVELOPMENT

Promoting green development and facilitating the harmonious coexistence of human and nature are the long-term goals of the country as well as us. As one of the top ten competitive enterprises in the textile industry in the PRC, the Group takes the establishment of a sound green and low-carbon circular development as its long-term work focus and actively realizes the environmental sustainability. In 2021, the Group set the environmental targets for 2025 and steadily made progress for related work.

### 2.1 Response to climate change

Under the global trend of tackling climate change, achieving the goals of “carbon peaking” and “carbon neutrality” is imperative and a milestone for the future, with industrial emission reduction exceptionally urgent. The Group well understands that the textile sector is an integral part of industry and plays an important role in tackling climate change, and has incorporated risks in relation to climate change into our corporate risk management. In 2021, the Group participated in the “30-60 China Fashion Brand Carbon Neutrality Acceleration Plan” of the China National Textile & Apparel Council to assist in the establishment of full life cycle management for textiles, promote the implementation of design, development and evaluation standards for sustainable textiles, and strengthen the collaboration among sectors and industries.

The ESG Committee of the Group is the responsible organization for climate change management. The Board is the final decision maker for climate change management. The ESG Committee reports to the Board on climate change risks and measures as well as the results of implementation every year.

## 2. 綠色發展

推動綠色發展、促進人與自然和諧共生是國家也是企業的遠景目標。作為中國紡織行業競爭力前十強企業，本集團以建立健全綠色低碳循環發展作為長期工作重點，積極踐行環境可持續發展。二零二一年，本集團設定了二零二五年的環境目標，穩步推進相關工作。

### 2.1 應對氣候變化

在全球應對氣候變化的趨勢下，實現「碳达峰」、「碳中和」目標勢在必行且任重道遠，工業減排尤為迫切。本集團深知，紡織業是工業的重要組成部分，在應對氣候變化中扮演著重要角色，已將氣候變化相關風險納入企業風險管理範疇。二零二一年，本集團參與中國紡織工業聯合會「30-60中國時尚品牌碳中和加速計劃」，助力紡織品全生命週期管理建設，推進可持續紡織品設計、開發、評價標準規範實施，強化產業鏈與工業鏈協作。

本集團ESG委員會是氣候變化管理的責任組織，董事會是氣候變化管理的最高決策機構，每年由ESG委員會向董事會報告氣候變化風險與應對措施，以及工作執行成果。



2. GREEN DEVELOPMENT (Continued)

2.1 Response to climate change (Continued)

In compliance with the existing internal objectives on climate change management of the Group, we have identified significant risks and opportunities based on materiality assessment questionnaires and interviews to assess their potential operational and financial impacts on the Group:

2. 綠色發展(續)

2.1 應對氣候變化(續)

根據本集團內部現有的氣候變化管理目標，我們依照實質性評估問卷調查及訪談識別了重大風險與機會，評估其對集團帶來的潛在營運和財務衝擊：

Type 類型	Climate-related Risks 氣候相關風險	Possible Financial Effects 潛在財務影響
Transformation 轉型	Policies and Laws 政策和法律	The increasingly stringent requirements for low-carbon environmental policies and regulations will lead to increased investment costs. The energy cost increases as a result of energy structure adjustment and tariff reform engendering a rise in tariff. 低碳環保政策形勢和法規需求日益嚴苛，導致投入成本增加。能源結構調整和電價改革導致電費上漲，能源成本增加。
	Technology 技術	Increasing level of automation, investment in fixed assets and relative increase in electricity consumption will lead to higher operating costs 自動化程度不斷提高，固定資產的投入和用電量的相對上升，導致營運成本上升。
	Market 市場	Failure to meet the demand from customers for product quality and environment protection will lead to a decline in revenue. 不能滿足客戶對產品質量及環保性的需求，使營收下降。
	Reputation 聲譽	Branded customers may change to prefer green products which are sustainable, recyclable or with other environmental features for their own reputation, resulting in a decline in our revenue. 品牌客戶為聲譽而轉向可持續、可回收等綠色環保產品，導致營收下降。
Entity 實體	Flood and Typhoon 水災及颱風	Damages to our plants and machinery, inability of employees to work as usual, interruption of transportation and supply chain, damage to goods and other situations so inflicted may affect our production and operation, resulting in an increase in operating costs and a decrease in revenue. 造成廠房機器損壞、員工無法如常上班、運輸及供應鏈中斷、貨物受損等情況，影響生產作業，導致運營成本上升，營收下降。
	Rising temperature 氣溫上升	Increased electricity consumption may lead to higher operating costs. Revenue may decrease as sales volume of thermal products may decrease. 增加用電量，導致營運成本上升。 保暖產品銷售量減少，導致營收減少。
	Rising sea level 海平面上升	Plants and machinery, when flooded, may affect our production, resulting in an increase in operating costs and a decrease in revenue. 廠房機器淹水，影響生產作業，導致運營成本上升，營收下降。

## 2. GREEN DEVELOPMENT (Continued)

### 2.1 Response to climate change (Continued)

The Group uses the TCFD framework to identify climate risks and opportunities. Each responsible department identifies, determines and evaluates annual material climate risks, and the discussion results will be confirmed by the ESG Committee and the Board. Based on the assessment results on climate change risk, the Group formulates targets and the following corresponding risk mitigation measures, and regularly monitors, evaluates and reviews the policies, management, performance and progress of relevant targets related to climate change issues.

Targets: Reduce the GHG emission intensity of our yarn business by 5% by 2025 as compared to 2020.

- **Carbon Footprint Management**

The Group has established a management team for carbon footprint in each of the yarn business and the industrial chain business, which is responsible for supervising the energy use in and environmental impact on the production process, setting energy conservation targets and implementing energy conservation and emission reduction projects.

The Group has been working with the Social Responsibility Office of the China National Textile & Apparel Council for our yarn business to complete the carbon emission measurement for the production process of key products such as Tencel through the full life cycle assessment (LCA) model, and provide corresponding carbon emission reports according to the requirements of customers. In 2021, we shall further collaborate with upstream and downstream enterprises for our yarn segment to complete the whole-process assessment of carbon emission for the main products of the Group such as Tencel and Modal.

## 2. 綠色發展(續)

### 2.1 應對氣候變化(續)

本集團利用TCFD架構識別氣候風險與機會，由各責任部門識別、釐定和評估年度重大氣候風險，討論結果由ESG委員會和董事會確認。本集團依據氣候變化風險評估結果制定目標和以下相應風險減緩措施，並定期對氣候變化事宜相關政策、管理、表現及相關目標進度進行監督、評核及檢討。

目標：二零二五年紗線業務溫室氣體排放強度較二零二零年減少5%。

- **碳足跡管理**

本集團已在紗線業務及產業鏈業務分別成立碳足跡管理小組，負責監督生產過程中的能源使用情況及環境影響，制定節能目標並實施節能減排項目。

本集團紗線業務已與中國紡織工業聯合會社會責任辦公室合作，通過全生命週期評價(LCA)模型完成天絲等關鍵產品的生產過程碳排放測定工作，並根據客戶要求提供相應的碳排放報告。二零二一年，紗線板塊進一步與上下游企業合作，完成天絲、莫代爾等本集團主要產品的全流程碳排放評價工作。

2. GREEN DEVELOPMENT (Continued)

2.1 Response to climate change (Continued)

• Carbon Footprint Management (Continued)

The Group assesses the impact of carbon emissions in our production process for our industrial chain business through HIGG Index FEM 3.0, a third-party platform, every year, and the self-assessment results of the Group are reviewed and scored by a third-party company. The assessment indicators include environment management system, the management on energy and GHG, exhaust gas, water, wastewater and waste and the management on chemicals, etc. Based on the assessment results, the Group formulates relevant solutions to reduce the social and environmental impacts of the production process.

2. 綠色發展(續)

2.1 應對氣候變化(續)

• 碳足跡管理(續)

本集團產業鏈業務每年通過第三方平台 HIGG Index FEM 3.0 來評估生產過程中的碳排放影響，並由第三方公司對本集團的自評結果進行審核和打分。評估指標包括環境管理系統、能源和溫室氣體、廢氣、用水、廢水、廢物管理、化學品管理等。基於評估結果，本集團制定相應的解決方法，減少生產過程對社會和環境所產生的影響。



HIGG Index FEM 3.0 self-assessment result (example)

HIGG Index FEM 3.0 自評結果示例

### 2. GREEN DEVELOPMENT (Continued)

#### 2.1 Response to climate change (Continued)

##### • Carbon Reduction Measures

The Group actively responds to a series of medium and long-term goals and plans for coping with climate change such as carbon peaking and carbon neutrality, and continues to pay attention to and reduce the impact of carbon emissions at different stages such as raw material procurement, transportation and logistics and production and operation. During the reporting year, in addition to energy conservation and emission reduction in production and operation, the Group also continued to reduce the carbon footprint of its products and the related environmental impacts through measures such as eco-friendly material procurement, carbon footprint management on suppliers, carbon emission management for logistics and environmental certification for products.

##### • Using eco-friendly materials

The procurement department and technical department of the Group regularly obtain market information in relation to sustainable materials and give priority to low-carbon eco-friendly materials in the selection of raw materials, including natural sustainable fibers, recycled fibers and degradable fibers. Meanwhile, we further reduce the carbon emissions generated during the production process with advanced production technology.

### 2. 綠色發展(續)

#### 2.1 應對氣候變化(續)

##### • 減碳措施

本集團積極響應碳達峰、碳中和等一系列應對氣候變化的中長期目標和規劃，持續關注並降低原材料採購、運輸物流、生產運營等不同階段的碳排放影響。報告年度，除在生產運營環節開展節能減排外，本集團還通過環保物料採購、供應商碳足跡管理、物流碳排放管理、產品環保認證等措施，持續減少本集團產品的碳足跡及相關環境影響。

##### • 採用環保物料

本集團的採購部和技術部門定期獲取市場有關可持續性物料的信息，在原材料的選擇上優先選用低碳環保物料，包括天然可持續纖維、再生纖維、可降解纖維等。同時，我們配合先進生產技術，進一步降低生產過程中所產生的碳排放。

### 2. GREEN DEVELOPMENT (Continued)

#### 2.1 Response to climate change (Continued)

##### • Carbon Reduction Measures (Continued)

##### • Carbon Emission Management on Suppliers

We give priority to suppliers and partners with outstanding sustainability performance, encourage suppliers to use clean energy, improve production efficiency, use sustainable raw materials, and support verified global projects on carbon emission reduction to achieve carbon emission reduction and elimination. For example, our major cellulose fiber suppliers have been approved for science-based targets (SBT) for carbon and have signed the "Fashion Industry Charter for Climate Action of the United Nations" with a set target of net zero carbon dioxide emissions by 2050. The Group has purchased a variety of zero-carbon products from the cellulose fiber supplier, including Lyocell and Modal fibers, to reduce the carbon footprint of our products from the beginning.



##### • Reduction of carbon emissions in logistics

The Group has set up textile factories in the PRC, Vietnam, Turkey, the Americas and other countries to directly reduce carbon emissions during transportation through global capacity layout, local procurement and local sales. For example, the dyeing factory of the Group in the Americas actively uses chemical products produced in the surrounding areas, which not only reduces carbon emissions from long-distance transportation from the PRC, but also drives the development of local economy and technology.

Concurrently, the Group continues to optimize its logistics channels and encourages centralized procurement to reduce the increased costs and carbon emissions from transportation in batches.

### 2. 綠色發展(續)

#### 2.1 應對氣候變化(續)

##### • 減碳措施(續)

##### • 供應商碳排放管理

我們優先選擇可持續發展表現突出的供應商及合作夥伴，鼓勵供應商使用清潔能源、提高生產效率、使用可持續原材料、支持已獲得驗證的全球碳減排項目，以實現碳排放的減少及抵銷。例如，我們的主要纖維素纖維供應商已獲批准科學碳目標(SBT)且已簽署《聯合國時尚業氣候行動憲章》，設定二零五零年實現二氧化碳淨零排放的目標。本集團已從該纖維素纖維供應商處購買多款零碳產品，包括萊賽爾、莫代爾纖維等，以從源頭上減少本集團產品的碳足跡。

##### • 減少物流碳排放

本集團在中國、越南、土耳其、美洲等國家設立紡織工廠，通過全球的產能佈局、就近採購、就近銷售的方式，直接減少在運輸過程中的碳排放。例如，本集團位於美洲的染整廠積極使用當地周邊地區生產的化工產品，既能減少從中國長途運輸所帶來的碳排放，也能帶動當地經濟和技術的發展。

同時，本集團不斷優化物流途徑，鼓勵集中採購以減少分批運輸所增加的費用和碳排放。

2. GREEN DEVELOPMENT (Continued)

2.1 Response to climate change (Continued)

• Carbon Reduction Measures (Continued)

• Reduction of carbon emissions in logistics (Continued)

The Group has also added certain clauses related to environmental and social sustainability requirements in the new or renewed contracts to set restrictions on the companies in collaboration. Certain provisions related to environmental and social sustainability (refined and quantified contract sustainability requirements) are added to the existing appraisal system for transportation companies as a normalized management tool.

• Zero carbon products

Since 2006, the Group has together with suppliers integrated the concept of environment protection into products from the perspective of green sustainability, so as to create green products with zero carbon, low carbon and comfort. For example, for the Texhong series products of zero-carbon yarns, we cooperate with Lenzing. Adhering to the design concept of low carbon, environment protection, softness and comfort, we further encourage the industry to move towards green fashion under the premise of green materials and green production and through technological innovation and technological breakthroughs, with which Tencel TM fibers are given better functions for apparels.

2. 綠色發展(續)

2.1 應對氣候變化(續)

• 減碳措施(續)

• 減少物流碳排放(續)

本集團還在新簽或續簽的雙方合同中增加與環境和社會可持續發展要求有關的若干條款，對合作的公司進行約束。在現有對運輸公司的考核制度中補充若干與環境和社會可持續發展相關的條款(細化量化合同的要求)，作為常態化管理工具。

• 零碳產品

自二零零六年起，本集團便攜手供應商，從綠色可持續發展的角度，將環保理念融於產品，打造零碳、低碳、舒適的綠色產品，如天虹零碳紗系列產品携手蘭精，秉持低碳、環保、柔軟、舒適的設計理念，在綠色取材、綠色生產的前提下，通過技術創新和技術攻關賦予了天絲TM纖維更好的服用性能，進一步推動行業向綠色時尚邁進。



Products of the Texhong series  
天虹系列產品



Products of  
the Texhong Clean Yarn series  
天虹潔淨紗系列產品



Products of the Texhong Zero Carbon  
Home Textile series  
天虹零碳家紡系列產品

## 2. GREEN DEVELOPMENT (Continued)

### 2.2 Reducing resource consumption

Focusing on the green operation goal of “improving the utilization efficiency of energy and water resources”, the Group continues to improve the energy management system and mechanism, strengthen the management of energy and water resources, and effectively improve the utilization efficiency of resources.

- **Energy saving in production process**

The Group pays attention to energy management in the production process and has set five-year energy-saving targets and plans to reduce GHG emissions by lowering energy consumption level and promoting clean energy.

- **Energy management**

The Group has established a management network for energy consumption and improved the system for energy quota management and energy inspection, analysis and implementation. Each subsidiary actively complies with laws and regulations in countries and implements the internal systems of the Group, revises their system policies every year, and promotes environmental management. The Group sets energy objectives and energy consumption standards, and has started conducting assessment on energy consumption index; strengthens the efficiency analysis of energy-consuming equipment to improve the operating efficiency of the equipment; and has also started conducting energy use analysis to identify deficiencies in the energy management in a timely manner for improving our energy management level. The Group also pays attention to enriching the energy conservation workforce and strengthening our effort on energy conservation training in order to enhance the energy conservation awareness of our employees.

In 2021, seven subsidiaries of the Group obtained the certification on environmental management system, and four subsidiaries started to carry out energy audit.

## 2. 綠色發展(續)

### 2.2 降低資源消耗

本集團圍繞「提高能源和水資源的利用效率」這一綠色運營目標，持續完善能源管理制度和體制，加強能源和水資源管理，有效提升資源利用率。

- **生產過程節能**

本集團關注生產過程的能源管理，並設定了五年節能目標及計劃，通過減少能源消耗和推廣清潔能源，減少溫室氣體排放。

- **能源管理**

本集團建立了能耗管理網絡，健全能源定額管理和能源檢查、分析和落實制度；各子公司積極落實各國家法律法規及集團內部制度，每年修訂制度政策，推動環境管理工作。本集團設立能源目標及能耗標準，並開展能耗指標考核；加強用能設備的效率分析工作，以提高設備運行效率；並開展能源利用狀況分析，及時發現能源管理過程中的不足，以提高能源管理水平。本集團還注重充實節能工作隊伍，加強節能培訓的力度，以提高員工節能意識。

二零二一年，本集團共有七家子公司通過環境管理體系認證，四家子公司開展了能源審計。



2. GREEN DEVELOPMENT (Continued)

2.2 Reducing resource consumption (Continued)

• Energy management (Continued)

During the reporting year, the Group actively started our energy-saving plans for our yarn business and industrial chain business:

The Group has installed rooftop photovoltaic systems in two factories for our yarn business, with actual photovoltaic power generation of approximately 23.68 million kWh for 2021, all of which has been used in the production process. Shandong Texhong Textile Co., Ltd. (“Shandong Texhong”) started the following energy conservation and consumption reduction projects in 2021, including:

2. 綠色發展(續)

2.2 降低資源消耗(續)

• 能源管理(續)

報告年內，本集團紗線業務和產業鏈業務積極開展節能計劃：

本集團紗線業務已在兩個工廠安裝屋頂光伏，二零二一年度光伏實際發電量約2,368萬度，全部用於生產過程；山東天虹紡織有限公司(「山東天虹」)在二零二一年開展了以下節能降耗項目，包括：

Item 項目	Specific Measures 具體措施	Effect 效果
Converters are added to cotton suction fans of combers	By adding converters, according to the negative pressure required under equipment standards, the operating frequency of motors is reasonably adjusted.	The operating frequency after the installation of converters is 39HZ with the a current of 10A, and the power saving rate has reached 26%.
精梳機吸棉風機加裝變頻器	通過增加變頻器，根據設備標準要求負壓，合理調整電機運行頻率。	增加變頻器後運行頻率為39HZ，電流為10A，節電率達26%。
Change to intermittent operation of cotton suction fans of combers	By understanding the lap changing process of equipment reel, the smaller-sized PLC programmes are adopted, such that converters can only work during the change of lap, thereby achieving the goal of energy saving.	The actual record of the meters before the change was 3.6 kWh/hour. After the change, the actual record is 0.8 kWh/hour, representing a reduction of 25,000 kWh of electricity consumption and 78% of energy.
精梳機吸棉風機改間歇運行	通過瞭解設備換卷流程，利用內存較小的PLC編程，使得變頻器只有在換卷時才工作，達到節電的目的。	改造前掛表實測為3.6度/小時；改造後掛表實測為0.8度/小時，年節約用電2.5萬度，節電78%。

2. GREEN DEVELOPMENT (Continued)

2.2 Reducing resource consumption (Continued)

• Energy management (Continued)

Jiangsu Century Texhong Textile Co., Ltd. ("Jiangsu Texhong") has transformed the cotton suction fans in the air-conditioning room from three pieces a set originally to two pieces. Good results have been scored in the operation tests for 2 sets of cotton suction fans transformed, and it is predicted that about 250,000 kWh of electricity can be saved every year when all 6 sets are transformed. In addition, the Company has also transformed the air passages in the automatic winding air-conditioning room, with which approximately 500 kWh of electricity can be conserved per day after the transformation, compared to the power consumption tests before the transformation.

Xuzhou Texhong Yinfeng Textile Co., Ltd. ("Texhong Yinfeng") replaced the original T5 fluorescent tubes with light sources of LED, a new energy, with an annual power conservation of 200,000 kWh. In terms of street lamp lighting, the Company has tried to replace 250w sodium lamps with 100w LED lamps, saving 4,000 kWh of electricity per month and approximately 47,500 kWh annually at a power saving rate of 60%. In terms of warehouse lighting, 110 traditional ordinary lamps were transformed into 60w energy-saving LED lamps, with 4,200 kWh of electricity saved per month and approximately 50,000 kWh of electricity per year.

2. 綠色發展(續)

2.2 降低資源消耗(續)

• 能源管理(續)

江蘇世紀天虹紡織有限公司(「江蘇天虹」)對空調室吸棉風機進行改造，由原來的每套三節改造為兩節。現已改造完成的2套吸棉風機運行試驗效果良好，預測6套全部改造完成時每年可節約用電約25萬度。此外，公司也進行了自絡空調室風道改造，改造後耗電量測算對比改造之前，每天可節約500度電左右。

徐州天虹銀豐紡織有限公司(「天虹銀豐」)將原先使用的T5型日光燈管改為新能源LED光源，年節電量可達20萬kWh。路燈照明方面，試採用100wLED燈取代250w鈉燈，月節約4,000度電，年節約4.75萬度，節電率高達60%。倉庫照明方面，將110盞老式普通照明燈改造為60w節能的LED燈，月節約用電4,200度，年節約用電約5萬度。

2. GREEN DEVELOPMENT (Continued)

2.2 Reducing resource consumption (Continued)

• Energy management (Continued)

For the industrial chain business, the Group started the following energy-saving and consumption reduction projects in 2021:

Item 項目	Starting Date 起始日期	Completion Date 完成日期	Energy Saving 節省能源
Install MES energy monitoring system to automatically calculate the actual energy consumption per processing order; 安裝MES能源監控系統，自動計算每張加工單的實際能耗使用；	October 2021 二零二一年十月	June 2022 二零二二年六月	Steam of 3,000 tonnes/year 蒸汽3,000噸/年
Replace open water tanks to reduce steam consumption; 更換開式水箱，減少蒸汽使用量；	October 2021 二零二一年十月	June 2022 二零二二年六月	Steam of 8,000 tonnes/year 蒸汽8,000噸/年
Use the wet-on-wet mercerising process to reduce steam consumption for drying; 使用濕絲光工藝，減少烘乾的蒸汽使用量；	October 2021 二零二一年十月	June 2022 二零二二年六月	Steam of 1,400 tonnes/year 蒸汽1,400噸/年
Use nitrogen to replace steam for fire extinguishment to reduce steam consumption; 採用氮氣滅火代替蒸汽滅火，減少蒸汽使用量；	January 2021 二零二一年一月	July 2021 二零二一年七月	Standard coal of 1,300 tonnes/year 1,300噸標準煤/年
Energy-saving technology transformation project for the continuous flat bleaching process of knits 針織物連續平漂工藝節能技術改造項目	January 2021 二零二一年一月	June 2021 二零二一年六月	Standard coal of 330 tonnes/year 330噸標準煤/年

In daily operations, the Group advocates green office and truly integrates energy conservation into the daily work and life of employees to make the energy conservation practice a conscious action. In 2021, the Group and its subsidiaries continued to improve the energy systems, and actively spread the concept of energy conservation through training and education, energy utilization analysis meetings and other methods to improve the energy conservation awareness of employees.

日常運營中，本集團主張綠色辦公，將節能真正融入到員工日常工作和生活中，使節能實踐變為自覺行動。二零二一年，本集團及各子公司不斷完善能源制度，並通過培訓教育、能源利用分析會等形式積極傳播節能理念，提高員工節能意識。

2. 綠色發展(續)

2.2 降低資源消耗(續)

• 能源管理(續)

本集團產業鏈業務在二零二一年開展了以下節能降耗項目：

2. GREEN DEVELOPMENT (Continued)

2.2 Reducing resource consumption (Continued)

• Water resources management

The Group's water consumption mainly comes from production and domestic use. Most of the Group's water is sourced from municipal water, and a few subsidiaries have obtained water from river, underground water and reservoir water in compliance with laws and regulations, so as to ensure access to sufficient and appropriate water sources. During the Year, there was no issue in sourcing water that is fit for purpose. The Group actively creates a water conservation atmosphere, encourages employees to develop water conservation habits, and has formulated a five-year water conservation target to become an enterprise upholding water conservation:

- Use water conservation products and implement water recycling;
- Request timely turn-off of taps after use;
- Check the water pipes regularly to avoid water leakage to prevent any unintended use of water; and
- Install separate water meters in office, living areas, production areas and plants, and assign persons in charge of recording monthly water consumption from each segment and conducting data analysis based on the records.

Target: By 2025, the water consumption intensity of Texhong industrial chain business would decrease by 10% compared to that in 2020.

In 2021, subsidiaries of the Group widely adopted measures including fixed water use standards, installation of water conservation equipment, technical transformation, self-inspection and mutual inspection, training and education, with remarkable results:

Chung Charm Textiles Limited ("Chung Charm Textiles"): Installation of pipelines to divert water from the fire pool to the grassland instead of using tap water for planting to reduce the use of tap water.

2. 綠色發展(續)

2.2 降低資源消耗(續)

• 水資源管理

本集團的水資源消耗主要是生產和生活用水，取水大部分來自市政用水，少數子公司合法合規取用河水、地下水以及水庫水，故在取得充足適用的水源上有所保障。年內，在採購適合用水方面並無問題。本集團積極營造節水氛圍，鼓勵員工養成節水習慣，並制定了五年節水目標，打造節水型企業：

- 使用節水型產品，實施水資源的重複利用；
- 要求用水完畢後，及時關閉水龍頭；
- 定期檢查水管，避免漏水情況，杜絕長流水現象發生；
- 辦公區、生活區、生產區和施工現場各設獨立水錶，由專人負責進行登記，每月根據各部門用水量的記錄進行數據分析。

目標：二零二五年天虹產業鏈業務用水強度較二零二零年減少10%。

二零二一年，集團各子公司廣泛採取包括固定用水標準、安裝節水設備、技術改造、自查互查、培訓教育等措施，效果顯著：

湛江中湛紡織有限公司(「中湛紡織」)：安裝管路，將消防池積水引至草地代替自來水淋花，以減少自來水使用。



Divert water from the fire pool to the grassland for planting  
引消防池積水至草地淋花

2. GREEN DEVELOPMENT (Continued)

2.2 Reducing resource consumption (Continued)

• Water resources management (Continued)

Winnitex Vietnam Textile Limited (“Winnitex Vietnam”): The cooling water discharged from the workshop equipment is recycled to the water storage tank for flushes, with approximately 36,000 tonnes of water saved each year. The cooling water discharged by the shrinking machine and the setting machine of other equipment is recycled to the self-produced water tank of the rinsing machine through the water pump, and, together with the cooling water discharged for rinsing, is exclusively used for the rinsing machine, with approximately 146,000 tonnes of water saved per year.

2. 綠色發展(續)

2.2 降低資源消耗(續)

• 水資源管理(續)

慶業越南紡織印染有限公司(「慶業越南」): 將車間設備排放的冷卻水回收到儲水罐, 利用其來沖洗廁所, 每年節約用水約3.6萬噸; 將其他設備預縮機、定型機排放的冷卻水通過水泵回收到水洗機自製水箱裡, 與水洗排放的冷卻水結合供水洗機專用, 每年節約用水約14.6萬噸。



Recycle the cooling water discharged from the equipment  
回收設備排放的冷卻水

• Packaging management

The Group continuously monitors the amount of packaging materials used, and reasonably recycles and reuses them to improve the utilization efficiency of packaging materials. In 2021, the Group and its subsidiaries continued to explore the room for reusing packaging materials and strove to reduce consumption; Nantong Century Texhong Textile Co., Ltd. (“Nantong Texhong”) reused packaging bags for raw materials to reduce packaging consumption; and Texhong Yinlong adopted the pallets and rubber joints that could be reused many times for delivery. These have effectively reduced the use of materials such as outer packaging and inner packaging.

• 包裝管理

集團持續監控包裝材料的用量, 對其進行合理的回收與再利用, 提高包裝材料使用效率。二零二一年, 本集團及各子公司繼續挖掘包裝材料循環利用的空間, 努力減少消耗量: 南通世紀天虹紡織有限公司(「南通天虹」)重複利用原料包裝袋, 以減少包裝用量; 天虹銀龍採用可多次循環使用的托盤、橡膠墊進行送貨, 有效減少了外包裝和內包裝等材料的使用。

## 2. GREEN DEVELOPMENT (Continued)

### 2.3 Promoting clean production

The Group and its subsidiaries strictly comply with relevant local laws and regulations, such as the "Environmental Protection Law of the People's Republic of China", the "Water Pollution Prevention and Control Law of the People's Republic of China" and the "Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste", and actively adopts emission reduction measures, strengthens pollution prevention from sources, process control and terminal treatment, and reduces the environmental impact caused by emissions such as wastewater, exhaust gas and waste.

The Group has not violated any environmental regulation for the past three years.

#### • Wastewater management

The Group requires separate treatment for production effluent and domestic sewage:

- Production effluent is reused or, if not reusable, directly discharged to the sewage pipelines of factory area and discharged when reaching the standard after passing through the sewage treatment device;
- Domestic sewage is processed by the biochemical treatment facility in the plant area and discharged into the sewage pipelines of the factory area after reaching the first grade emission standard, and finally discharged into the municipal sewage pipelines for centralized treatment.

Target: By 2025, the wastewater discharge intensity of Texhong industrial chain business would decrease by 10% compared to that in 2020.

## 2. 綠色發展(續)

### 2.3 推動清潔生產

本集團及各子公司嚴格遵守當地的相關法律法規，如《中華人民共和國環境保護法》、《中華人民共和國水污染防治法》和《中華人民共和國固體廢物污染環境防治法》等規定，積極採取減排措施，加強源頭預防、過程控制與末端處理，減少廢水、廢氣和廢棄物等排放物所帶來的環境影響。

本集團近三年內無環保違規行為。

#### • 廢水管理

本集團要求對生產廢水和生活污水進行分別處理：

- 生產廢水循環使用，不能循環使用的直接排入廠區內的污水管道，並經過汙水處理裝置後達標排放；
- 生活污水經廠區內的生化處理裝置處理，達一級排放標準後排入廠區污水管道，最終進入市政污水管網統一處理。

目標：二零二五年天虹產業鏈業務廢水排放強度較二零二零年減少10%。

2. GREEN DEVELOPMENT (Continued)

2.3 Promoting clean production (Continued)

• Wastewater management (Continued)

In 2021, the Group and its subsidiaries have taken a number of measures such as comprehensive emission inspection and facility renovation to strengthen the quality control of sewage and reduce wastewater discharge. For example, Texhong Yinlian built an underground reservoir in the north of the factory area to store and recycle the wastewater generated by the air-conditioning room as a results of the adjustment of the temperature and humidity of the workshop for greening and watering. Jiangsu Texhong carries out water-saving renovation and wastewater recycling, which can save approximately 50,000 cubic meters of water each year.

2. 綠色發展(續)

2.3 推動清潔生產(續)

• 廢水管理(續)

二零二一年，本集團及各子公司採取全面排查、設施改造等多項措施，加強污水質量把關工作，減少廢水排放，如天虹銀聯在廠區北部建造一個地下蓄水池，存儲及回收空調室因調節車間溫濕度而產生的廢水，用於綠化澆灌；江蘇天虹進行節水改造，廢水回收利用，每年可節約用水約5萬立方。



1. Building a wastewater collection tank at the drainage

1. 在排水管道處修建廢水收集池



2. Diverting water into the lime pool for exhaust gas from the original boiler for biochemical and sedimentation

2. 將水引入原鍋爐廢氣石灰池內生化和沉澱



3. The water after sedimentation is used for greening spray in the factory area and as a backup water source for fire fighting

3. 沉澱後的水用於廠區綠化噴淋和消防備用水源

### 2. GREEN DEVELOPMENT (Continued)

#### 2.3 Promoting clean production (Continued)

##### • Exhaust gas management

The exhaust gas generated by the Group during the production process is mainly fiber dust and boiler exhaust gas. In order to avoid the adverse impact of fiber dust on the environment, the Group requires the workshops not to open doors or windows during the production period to achieve closed operations. The Group has also installed dust removal units in every workshop for the elutriation of fiber dusts to reduce exhaust emission.

In 2021, all subsidiaries of the Group actively started technological transformation projects and equipment replacement. In order to further reduce pollutant emissions, Zhejiang Qing Mao Weaving, Dyeing & Printing Co., Ltd (“Zhejiang Qing Mao”) has installed a second-level electrostatic dust removal device for the setting machine equipment to provide effective treatment for the discharged exhaust gas, and conducts exhaust gas testing quarterly to meet the standards of exhaust gas emissions.

##### • Waste management

The major wastes generated in the production process of the Group were waste cotton, office and domestic waste, waste equipment parts and components and oily waste yarn. The Group has set a five-year goal to reduce the emission of hazardous waste, and manages waste in accordance with regulations such as the “Notice on Enhancing Customized Placement of Rubbish Bin and Classified Management” and the “Notice on Enhancing Management and Classified Deposit of Industrial Waste and Domestic Waste”: The classification and management of domestic waste and industrial waste are included in the scope of enterprise management, and the above solid waste is required to be classified and collected, and deposited in temporary deposit zone in the factory by category, where banners are hanged denoting the type, quantity and storage period. Waste from the production process, such as cotton waste, can be reused as raw material, while the remaining scrap cotton and impurities are collected for sale and integrated use. Dangerous waste should undergo detoxification treatment by an entrusted competent organization according to the requirements. General solid waste, such as domestic waste, is collectively handled by the Department of Environment and Hygiene.

Target: By 2025, the emission intensity of hazardous waste of Texhong industrial chain business would decrease by 5% compared to that in 2020.

### 2. 綠色發展(續)

#### 2.3 推動清潔生產(續)

##### • 廢氣管理

本集團在生產過程中產生的廢氣主要為纖維粉塵和鍋爐廢氣。為避免纖維粉塵對環境帶來不利影響，集團要求車間在生產時段不得對外開啟門窗，實現封閉作業。本集團還在各車間安裝除塵機組，淨化處理纖維粉塵，減少廢氣的排放。

二零二一年，集團各子公司積極開展技改項目和設備換新。為進一步減少污染物排放，浙江慶茂紡織印染有限公司(「浙江慶茂」)為定型機設備安裝二級靜電除塵裝置，有效處理排放的廢氣，並每季度進行廢氣檢測，以滿足廢氣排放的標準。

##### • 廢棄物管理

本集團生產過程中主要產生的廢棄物為廢棉、辦公和生活垃圾、設備廢零部件和含油廢棉紗。集團設定了減少有害廢棄物排放的五年目標，並基於《關於加強垃圾桶制定位和分類管理的通知》和《關於加強工業垃圾、生活垃圾管理和歸類放置的通知》等規定對廢棄物進行管理：將生活垃圾和工業垃圾分類管理納入企業管理範疇，要求對上述固體廢物進行分類收集，按照類別存放在廠內臨時存放點，並在暫存點豎立標識，標明種類、數量及存放時期。生產過程中產生的回花等廢料可回用為項目原料，剩餘的廢棉和雜質經收集後進行外售綜合利用；危險廢棄物按照要求委託有資質的單位進行無害化處理；生活垃圾等一般固體廢棄物由環衛處統一進行處理。

目標：二零二五年天虹產業鏈業務有害廢棄物排放強度較二零二零年減少5%。



2. GREEN DEVELOPMENT (Continued)

2.3 Promoting clean production (Continued)

• Waste management (Continued)

In 2021, each subsidiary of the Group reduced waste generation through measures such as reduction of consumables, process transformation, facility renewal, publicity and training. For example, Texhong Renze Textile Joint Stock Company (“Texhong Renze”) strictly required the stringent separation of hazardous waste and non-hazardous waste and independent storage, and concurrently arranged relevant functional units to transport and dispose of them regularly; Texhong Galaxy Technology Limited (“Texhong Galaxy”), “Texhong Yinlong”, Zhejiang Qing Mao and Winnitex Vietnam: Qualified environmental service companies are hired to regularly clean up hazardous waste.

In 2021, the Group obtained external recognition for clean production and resource recycling. For example, in October 2021, Shandong Texhong passed the provincial green factory review in Shandong Province for its eco-friendly production practice in the energy-saving green park.

The following table sets forth the environmental data of the Group in the past three years:

2. 綠色發展(續)

2.3 推動清潔生產(續)

• 廢棄物管理(續)

二零二一年，本集團各子公司通過減少耗材、工藝改造、設施更新、宣傳培訓等措施，減少廢物產生，如天虹仁澤紡織股份有限公司(「天虹仁澤」)嚴格要求把有害廢棄物及無害廢棄物嚴格分開，單獨存放，同時安排有關職能單位定期來公司運輸、處理；天虹銀河科技有限公司(「天虹銀河」)、「天虹銀龍」、浙江慶茂及慶業越南：聘請有資質的環保公司定期清理危險廢棄物。

二零二一年，本集團因清潔生產、資源循環獲得了外界的認可，例如二零二一年十月，山東天虹因創節能綠色園區的環保生產實踐，通過了山東省省級綠色工廠評審。

下表載列本集團近三年的環境類數據：

	2021 二零二一年	2020 二零二零年	2019 二零一九年	Unit 單位
<b>Effluent discharge</b>				
<b>廢水排放</b>				
Total effluent discharge 廢水排放總量	10,084,663	8,908,358	8,431,407	Tonne 噸
Effluent discharge per RMB million sales 每百萬元人民幣銷售額廢水排放量	380.2	455.0	383.2	Tonne 噸
<b>Waste discharge</b>				
<b>廢棄物排放</b>				
Hazardous waste discharge 有害廢棄物排放	8,654	12,685	12,348	Tonne 噸
Hazardous waste discharge per RMB million sales 每百萬元人民幣銷售額有害廢棄物排放量	0.3	0.6	0.6	Tonne 噸
Non-hazardous waste discharge 無害廢棄物排放量	27,071	13,283	14,808	Tonne 噸
Non-hazardous waste discharge per RMB million sales 每百萬元人民幣銷售額無害廢棄物排放量	1.0	0.7	0.7	Tonne 噸

2. GREEN DEVELOPMENT (Continued)

2.3 Promoting clean production (Continued)

• Waste management (Continued)

2. 綠色發展(續)

2.3 推動清潔生產(續)

• 廢棄物管理(續)

	2021 二零二一年	2020 二零二零年	2019 二零一九年	Unit 單位
<b>Greenhouse gas emission</b>				
<b>溫室氣體排放</b>				
Scope 1: direct emissions 範疇一：直接排放	59,682	15,557	26,877	tCO <sub>2</sub> e 噸二氧化碳當量
Scope 2: energy indirect emissions 範疇二：能源間接排放	1,258,719	1,575,409	1,475,908	tCO <sub>2</sub> e 噸二氧化碳當量
Total greenhouse gas emission <sup>2</sup> 溫室氣體排放總量 <sup>2</sup>	1,318,401	1,590,966	1,502,785	tCO <sub>2</sub> e 噸二氧化碳當量
Greenhouse gas emission per RMB million sales 每百萬元人民幣銷售額溫室氣體排放量	49.7	81.3	68.3	tCO <sub>2</sub> e 噸二氧化碳當量
<b>Energy consumption</b>				
<b>能源消耗</b>				
Energy consumption 能源消耗量	2,343,696	2,075,771	2,057,828	MWh 兆瓦時
Energy consumption per RMB million sales 每百萬元人民幣銷售額能源消耗量	88.4	106.0	93.5	MWh 兆瓦時
<b>Water consumption</b>				
<b>水資源消耗</b>				
Total water consumption 總用水量	11,695,913	9,695,932	10,280,314	Tonne 噸
Water consumption per RMB million sales 每百萬元人民幣銷售額用水量	441.0	495.3	467.2	tonne 噸
<b>Packaging material consumption</b>				
<b>包裝材料消耗</b>				
Packaging material used 包裝材料使用量	28,020	26,684	27,988	Tonne 噸
Packaging material used per RMB million sales 每百萬元人民幣銷售額包裝材料使用量	1.06	1.36	1.3	tonne 噸

Note:

1. Due to the policy changes in various regions, the sludge emissions from part of the subsidiaries was divided into non-hazardous wastes category instead of the previous hazardous wastes category. Therefore, in 2021, the emission amount and emission intensity of the hazardous wastes decreased, while those of the non-hazardous wastes increased.

附註：

1. 由於各地政策變化，部分子公司排放的污泥由原本所屬的有害廢棄物被劃分為無害廢棄物，由此，二零二一年有害廢棄物的排放量及排放密度下降，無害廢棄物的排放量及排放密度上升。

## 2. GREEN DEVELOPMENT (Continued)

### 2.3 Promoting clean production (Continued)

- **Waste management (Continued)**

Note: (Continued)

2. The Group primarily produces greenhouse gases due to energy consumption in the production process, which include Scope 1: direct emissions (petrol, diesel oil and natural gas, etc.) and Scope 2: Energy indirect emissions (electricity). Calculations of greenhouse gas of the Group are presented in tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e) and audited in accordance with the "Requirements of the greenhouse gas emissions accounting and reporting — Part 12: Textile and garment Enterprises" published by the National Development and Reform Commission.
3. The Group's operation has no significant impact on the environment and natural resources. Therefore, Aspect A3 (Environment and Natural Resources) and its KPI A3.1 (Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them) are not applicable to the Group and are not disclosed in this ESG report.
4. The total energy consumption of the Group was calculated based on the use of natural gas, gasoline, diesel, and purchased electricity, etc., and the "Requirements of the greenhouse gas emissions accounting and reporting — Part 12: Textile and garment Enterprises" Appendix II Calculation of recommended values for common fuel related parameters published by the National Development and Reform Commission.

## 3. PRODUCT RESPONSIBILITY

The Group adheres to the corporate spirit of "Professionalism and Innovation", creates high-quality products, constantly innovates and promotes industrial upgrading and transformation in the cotton textile field. As of the end of 2021, eight companies of the Group have obtained the ISO9001 certification on quality management system.

### 3.1. Equal emphasis on quality and innovation

- **Research and development and innovation**

Since its inception, the Group has been committed to creating differentiated products and continuously introducing new products to promote industrial upgrading and transformation in the cotton textile field. The Group has invested a large amount of capital in technological innovation and technological transformation, and has successively established the Texhong Education College, the Texhong Group Yarn Research and Development Center, the Jiangsu Post-doctoral Innovation Practice Base, the Texhong Group Retail Products Research and Development Center, etc., and actively started independent research.

## 2. 綠色發展(續)

### 2.3 推動清潔生產(續)

- **廢棄物管理(續)**

註：(續)

2. 本集團的溫室氣體排放主要源於生產過程的能源消耗，包括範疇一：直接排放（汽油、柴油和天然氣等）和範疇二：能源間接排放（電）。本集團的溫室氣體核算按噸二氧化碳當量呈列，並依據國家發展和改革委員會發佈的《溫室氣體排放核算與報告要求第12部分：紡織服裝企業》進行核算。
3. 本集團在經營過程中對環境及天然資源無重大影響，因此，層面A3（環境及天然資源）及其關鍵績效指標A3.1（描述業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動）對於集團不適用，故本ESG報告中不披露。
4. 本集團能源消耗總量根據天然氣、汽油、柴油及外購電等的總使用量，以及國家發展和改革委員會發佈的《溫室氣體排放核算與報告要求第12部分：紡織服裝企業》附表二常用燃料相關參數的推薦值計算。

## 3. 產品責任

本集團秉持「專業、創新」的企業精神，打造高質量產品，不斷推陳出新，在棉紡織領域推動產業升級及變革。截至二零二一年底，本集團共有八家子公司通過ISO9001質量管理體系認證。

### 3.1 質量創新並重

- **研發創新**

本集團從創立之初至今，一直致力於打造差異化產品並不斷的推陳出新，在棉紡織領域推動產業升級及變革。本集團在技術創新和技術改造上投入大量資金，先後建立了天虹教育學院、天虹集團紗線研發中心、江蘇省博士後創新實踐基地、天虹集團零售商品研發中心等，積極開展自主研究。

**3. PRODUCT RESPONSIBILITY** (Continued)

**3.1 Equal emphasis on quality and innovation** (Continued)

• **Research and development and innovation**  
(Continued)

The Group currently enjoys a higher reputation in the industry, attracting the attention and cooperation from many internationally renowned fiber suppliers. Over the years, Texhong has adopted the patented Lycra spandex series from Invista in the United States. The stretch yarn produced has been widely used in garment fabrics for well-known high-end branded apparels. Meanwhile, the Group cooperated with Lengzing from Austria so as to produce high-end woven yarn, denim yarn and high-end yarn for knitting using its Tencel fiber, Modal fiber and viscose. In addition, the Group has started to apply the eco-friendly concept in polyester production and commingled yarns with other fibers, and strengthened the cooperation with Toray from Japan to develop the acrylic warmth yarn for knitting. The Group has dominated the market with our top-notch, superb, premium and advanced products as well as other products, actively explored various functional fibers and new fibers, and spared no effort to promote the application of eco-friendly raw materials, so as to assist in the sustainability of the environment. Application of new garment fabrics is closely connected to the research and development of yarns to quickly achieve industrial upgrading and build an international industrial chain platform. A number of subsidiaries of the Group have obtained the certificate for new high-tech enterprise and established a research institute for textile technology jointly with China Textile Machinery, as a special core-covered yarn textile engineering center in Jiangsu Province.

**3. 產品責任(續)**

**3.1 質量創新並重(續)**

• **研發創新(續)**

本集團目前已在行業中享有較高的聲望，吸引了諸多國際知名纖維供應商的關注與合作。天虹多年來採用美國英威達擁有專利的萊卡氨綸系列，出品的彈力紗線已廣泛應用於知名高檔品牌服裝的面料。同時，本集團與奧地利蘭精公司合作，使用其生產的天絲纖維、莫代爾纖維及粘膠製造高檔機織紗、牛仔紗和高檔針織用紗。此外，本集團開始應用具有環保概念的滌綸生產與其他纖維的混紡紗線，並強化與日本東麗公司的合作，開發腈綸保暖針織用紗。本集團以高、精、尖、新等新產品佔領市場，積極探索多種功能性纖維和新型纖維，不遺餘力推進環保原料的應用，助力環境可持續發展。本集團將新型面料的應用緊密地與紗線研發結合，快速實現產業升級及打造國際化產業鏈平台。本集團多家子公司獲得高新技術企業證書，並聯合中紡機設立紡織技術研究院，是江蘇省特種包芯紗紡織工程中心。

### 3. PRODUCT RESPONSIBILITY (Continued)

#### 3.1 Equal emphasis on quality and innovation (Continued)

- **Research and development and innovation (Continued)**

The Group also attaches great importance to the protection of intellectual property rights, and continues to pay attention to our patents, Logo and trademarks to safeguard our legitimate rights and interests, intellectual property rights and fair competition in the market. The Group strictly complies with relevant local laws and regulations, such as the “Trademark Law of the People’s Republic of China”, the “Patent Law of the People’s Republic of China”, and the “Regulation for the Implementation of Patent Law of the People’s Republic of China”, and follows internal systems including the “Management Policy on Intellectual Property Rights”, the “Management Policy on Transformation of Scientific and Technological Achievements”, the “Incentive Measures on Transformation of Scientific and Technological Achievements” and the “Management Policy on Research and Development Structure”. As of the end of 2021, the Group owned 375 intellectual property rights of various types, including 67 invention patents, 297 utility model patents and 11 software copyrights.

- **Quality Management**

The Group attaches great importance to product quality management and strictly abides by relevant local laws and regulations, such as the “Product Quality Law of the People’s Republic of China”, the “Law of the People’s Republic of China on the Protection of Consumers’ Rights and Interests” and the “National General Safety Technical Code for Textile Products”. The Group has improved its internal systems such as the “Quality assurance structure”, the “Quality work manual”, the “Rules on order assessment and product modification” and the “Rules on product manufacturing and warehousing”.

In order to ensure product quality, the Group has established a quality assurance inspection system to clarify the position and duties of each responsible person, inspection requirements, inspection frequency, etc., and require all inspectors to conduct inspection and supervise rectification for quality assurance, aiming at solving problems and achieving effective control.

### 3. 產品責任(續)

#### 3.1 質量創新並重(續)

- 研發創新(續)

本集團亦注重知識產權保護，持續關注本集團專利、LOGO和商標，維護集團的合法權益和知識產權和市場的公平性競爭。本集團嚴格執行當地的相關法律法規，如《中華人民共和國商標法》、《中華人民共和國專利法》和《中華人民共和國專利法實施細則》等，並遵循包括《知識產權管理制度》、《科技成果轉化管理制度》、《科技成果轉化獎勵辦法》、《研發組織管理制度》等內部制度。截至二零二一年末，本集團擁有各類知識產權375件，其中，發明專利67件，實用新型297件，軟著11件。

- 質量管理

本集團高度重視產品質量管理，嚴格遵守當地的相關法律法規，如《中華人民共和國產品質量法》、《中華人民共和國消費者權益保護法》和《國家紡織產品基本安全技術規範》等，完善內部《質保體系》、《質量工作手冊》、《訂單評審及品種翻改相關規定》、《產品生產、入庫相關規定》等制度體系。

為保證產品質量，本集團搭建了質保檢查體系，明確各責任人崗位職責、檢查要求、檢查頻次等，要求各檢查人以解決問題、實現有效控制為目的檢查，督促整改，保證質量。

### 3. PRODUCT RESPONSIBILITY (Continued)

#### 3.1 Equal emphasis on quality and innovation (Continued)

##### • Quality Management (Continued)

In accordance with the “Quality management and shutdown policy”, the “Rules on quality issue handling” and other regulations, the Group shall immediately stop production when the quality fluctuates and finally reaches the shutdown standard (e.g. raw material inspection fails to meet the internal control standards, etc.), and notify the relevant managers to organize rectification, and start the production only after passing the inspection. Thereafter, the Group will impose economic and administrative penalties on the person in charge of quality assurance according to the “Accountability system for quality issues” and other systems and based on the issue natures. With the occurrence of quality and safety issues of sold products, timely recall will be implemented following recall procedures.

The Group has improved the operating skill level of our employees, strengthened the awareness of standard operation, and improved product quality through monthly quality analysis meetings, internal and external quality training sessions, operation competitions, etc. In 2021, each subsidiary of the Group strengthened their effort on quality control, reinforced the quality assurance team, improved various relevant systems, and implemented quality management throughout the whole production process.

Texhong Renze: In order to enhance the level of quality control in the textile process, in the equipment installation and transformation for various processes, Texhong Renze installed advanced equipment while phasing out old equipment to improve the level of automation and informatization of overall production, so as to carry out the stricter and more systematic control over product quality, thereby promoting the improvement of product quality.

Jiangsu Texhong: In order to ensure the overall quality of product supply, Jiangsu Texhong has formulated a system and measures for tracing and managing yarn defects in divisions in accordance with the type or division under the managers or operation staff of the bleached yarns system to fully implement product quality control. The measures also include a management process for abnormal yarn defects to further ensure the achievement of various standards for the products.

### 3. 產品責任(續)

#### 3.1 質量創新並重(續)

##### • 質量管理(續)

本集團遵循《質量管理關車制度》、《質量問題與措施相關規定》等規定，在質量波動至關車標準時(如原料檢驗達不到內控標準等)，立即停止生產，並通知相關管理員組織整改，驗收合格後方能開車。事後本集團會根據《質量問題責任追究制度》等制度，按不同問題性質對質保負責人進行經濟和行政處罰。若銷售的產品發生質量安全問題，則根據召回程序進行及時召回。

本集團通過月度質量分析會、內外部質量培訓、操作比賽等形式來提升員工的操作技能水平、強化規範操作意識，提高產品質量。二零二一年，本集團各子公司加大質量把關力度，加強質保隊伍建設，梳理各項相關制度，生產全過程落實質量管理工作。

天虹仁澤：為增強紡織過程中質量監控的完善程度，在對各工序設備的安裝改造工作中，天虹仁澤在淘汰老舊設備的同時安裝先進設備，提高整體生產的自動化、信息化程度，以進行對產品質量更加嚴密和系統的把控，從而促進產品質量提升。

江蘇天虹：為確保產品供應的整體質量，江蘇天虹針對白紗體系管理人員和工藝人員所負責的品種和區域劃分，制定了紗疵分區域跟蹤管理制度措施，全面落實產品質量管控。該措施中還包含紗疵的異常管理流程，進一步確保產品各項指標的達成。

**3. PRODUCT RESPONSIBILITY** (Continued)

**3.1 Equal emphasis on quality and innovation** (Continued)

• **Quality Management** (Continued)

In 2021, the Group strictly controlled our product quality and safety, and conducted production with specified materials according to the requirement of customers, to ensure our compliance of laws and regulations in countries. As a result, no product recall occurred because of product safety and health issues.

In the process of product design and production, the Group also fully considers the environmental and health attributes of the products. For example, in August 2021, Shandong Texhong obtained the certification of Sustainable Viscose Chain of Custody (SVCOC), evidencing that our production of eco-friendly yarn products involved environment protection from the source in accordance with the requirements of sustainability.

The following are the international certifications for some products of our yarn business and industrial chain business:

**3. 產品責任(續)**

**3.1 質量創新並重(續)**

• **質量管理(續)**

二零二一年，本集團嚴格把關產品質量與安全，並且按照客戶要求指定用料生產，確保符合各國法規要求，未發生因產品安全與健康問題而引起的產品召回事件。

在產品設計及產品生產過程中，本集團亦充分考慮產品的環境及健康屬性，如二零二一年八月，山東天虹通過可持續粘膠纖維產銷監管鏈(Sustainable Viscose Chain of Custody, SVCOC)認證，按照可持續發展要求從源頭做起，生產環保紗線產品。

以下是本集團部分紗線業務及產業鏈業務產品使用的國際認證：

<p><b>Global Recycled Standard</b> 全球回收標準</p> 	<p><b>Claim Standard for Recycled Content</b> 回收含量聲明標準</p> 
<p><b>Global Organic Textile Standard (GOTS)</b> 全球有機紡織品標準認證 GOTS</p> 	<p><b>Organic Content Standard (OCS)</b> 有機含量標準認證 OCS</p> 
<p><b>FSC</b> 森林認證</p> 	<p><b>SVCOC</b> SVCOC</p> 

3. PRODUCT RESPONSIBILITY (Continued)

3.1 Equal emphasis on quality and innovation (Continued)

• Quality Management (Continued)

In 2021, Texhong Textile participated in the formulation of 8 national standards and textile industry standards, including but not limited to:

**Industry Standards**  
行業標準

“Blended colour yarns with cotton and polyester”

《棉與滌綸混紡色紡紗》

“Blended grey yarns with cotton and polyurethane fibre”

《棉聚醯胺酯纖維混紡本色紗線》

“Blended colour yarns with viscose, cotton and acrylic”

《粘纖棉腈綸混紡色紡紗》

**Group Standards**  
團體標準

“Colour yarns by air-jet spinning and eddy current with cotton”

《噴氣渦流紡棉色紡紗》

“Balanced yarns in grey”

《棉本色平衡紗》

“Colour yarns by air-jet spinning and eddy current with cotton” and “Grey yarns by air-jet spinning and eddy current with cotton”

《噴氣渦流紡棉色紡紗》、《噴氣渦流紡棉本色紗》

3.2. Material Safety Management

Texhong Textile Group strictly complies with the regulations or requirements of relevant local authorities and brand owners on chemicals, and strictly manages chemicals used in each process, such as production and water treatment, including the storage and use of chemicals and the treatment of hazardous waste.

The Group has established a system that fully complies with the European Union’s “Regulation on Registration, Evaluation, Authorisation and Restriction of Chemicals” (REACH). We also refer to stricter chemical management standards such as Zero Discharge of Hazardous Chemicals (ZDHC), and set the Group’s own standards in combination with customer requirements, and are actively committed to reducing and banning substances that cause environmental load in products.

• Chemical management objectives

**Goal**  
目標

100% of chemicals used meet the relevant requirements of REACH  
所使用的化學品 100% 滿足 REACH 的相關要求

Over 65% of chemicals used can reach ZDHC Gateway Level 1 or above

超過 65% 所使用的化學品能達到 ZDHC Gateway Level 1 或以上

Updated the electronic data platform for storing all chemical information to enhance file sharing and transparency in the use of chemicals  
更新儲存所有化學品資料的電子數據平台，以加強文件共享性、化學品使用透明度

**Status**  
狀態

Satisfied  
已滿足

Planned to be completed by the end of 2022  
計劃二零二二年底完成

Planned to be completed in 2022  
計劃二零二二年完成

3. 產品責任(續)

3.1 質量創新並重(續)

• 質量管理(續)

二零二一年，天虹紡織參與制定國家標準、紡織行業標準8項，包括但不限於：

3.2. 物料安全管理

天虹紡織集團嚴格遵守各地有關部門及品牌商關於化學品的法規或要求，對生產、水處理等各環節使用的化學品均進行嚴格管理，包括化學品的儲存、使用和危害廢料的處理等。

本集團已建立了一個完全符合歐盟《關於化學品註冊、評估、許可和限制的法規》(REACH)的體系。我們亦參考有害化學物質零排放(Zero Discharge of Hazardous Chemicals, ZDHC)等更加嚴格的化學品管理標準，並結合客戶要求，設置本集團的自主標準，積極致力於削減和禁用產品中對環境造成負荷的物質。

• 化學品管理目標



3. PRODUCT RESPONSIBILITY (Continued)

3.2 Material Safety Management (Continued)

• Chemical management process

The Group ensures that the chemicals used comply with the standards in a comprehensive way from the source, finished products to waste materials:

1. Regularly check the updates of relevant laws, regulations and standards, and update the procurement standards of the Texhong Textile Group;

1. 定期檢查相關法律法規及標準的更新狀態，並更新天虹紡織集團的採購標準；

2. Provide updated procurement standards simultaneously to suppliers or manufacturers, require them to fill in chemical declaration list and provide documentation such as safety data sheets (SDS);

2. 將更新後的採購標準同步給供應商或生產商，要求其填寫化學品申報清單，並提供安全數據表(SDS)等文件資料；

3. Compile a full list of chemicals based on technical information for the chemicals procured;

3. 根據所採購的化學品的技術資料，製作完整的化學品清單；

4. Upload chemical information to a third-party data platform (such as BVE3 or Clean Chain) monthly to verify its environmental standard level;

4. 每月將化學品資料上傳到第三方的數據平臺(例如BVE3或Clean Chain)，核查其環保標準級別；

5. Regularly send chemicals not registered with ZDHC to third-party institutions for testing of restricted substances to ensure that all chemicals used meet regulatory requirements; and we also conduct tests for restricted substances on finished products as well as sewage and sludge generated during the production process.

5. 對於未在ZDHC註冊的化學品，定期送第三方機構檢測限用物質，確保所有使用的化學品符合規範要求；我們亦對生產的成品以及生產過程中產生的污水、污泥進行限用物質檢測。

3. 產品責任(續)

3.2 物料安全管理(續)

• 化學品管理流程

本集團從源頭、成品到廢料全覆蓋式確保所使用的化學品符合規範：

3. PRODUCT RESPONSIBILITY (Continued)

3.2 Material Safety Management (Continued)

• Chemical use standards

The chemicals we use, either by itself or after normal processing, must meet the following requirements:

3. 產品責任(續)

3.2 物料安全管理(續)

• 化學品使用標準

我們所使用的化學品本身或經正常加工處理後的面料，必須符合以下要求：

Type 種類	Content 內容	Fulfillment of requirements 滿足要求
Chemicals 化學品	REACH SVHC	Must 必須
	REACH SVHC	
	Conflict minerals 衝突礦物 Conflict Minerals	Must 必須
	Manufacturing Restricted Substances List (MRSL) of brands 品牌商生產限用物質清單 (MRSL)	Must 必須
	ZDHC MRSL Level 1 or above ZDHC MRSL Level 1 或以上	Priority 優先
Fabrics 面料	Oeko-Tex's EcoPassport Oeko-Tex 的 EcoPassport	Priority 優先
	GOTS GOTS	Priority 優先
	Oeko-Tex Appendix 4 Class II Oeko-Tex Appendix 4 Class II	Must 必須
	Oeko-Tex Appendix 6 Class II Oeko-Tex Appendix 6 Class II	Priority 優先
	Restricted Substances List (RSL) of American Apparel & Footwear Association (AAFA) 美國服裝鞋履協會 (American Apparel & Footwear Association, AAFA) 限制物質清單 (RSL)	Priority 優先
CA Prop 65 加利福尼亞州 65 號提案 CA Prop 65	Priority 優先	
Brand owner RSL 品牌商 RSL	Priority 優先	

3. PRODUCT RESPONSIBILITY (Continued)

3.2 Material Safety Management (Continued)

• Chemical use standards (Continued)

Jiangsu Texhong: Jiangsu Texhong requires its raw material suppliers to have OEKO-TEX (OEKO) certification, which indicates that its materials have passed the test of the textile inspection institution and are environmentally friendly and pollution-free “confident raw materials” (e.g. polyester is recycled environmental friendly polyester) to ensure that the materials are sustainable from the source.



The Group has established a list of banned chemicals in accordance with ZDHC MRSL, Oeko-Tex Appendix 6 and the brands’ requirements. We require our suppliers to declare the chemicals they use based on this list.

The Group will keep track of updates of laws and regulations in time, and regularly update the list based on customer requirements, and publish it on the official website.

3. 產品責任(續)

3.2 物料安全管理(續)

• 化學品使用標準(續)

江蘇天虹：江蘇天虹要求原料供應商具有OEKO-TEX(OEKO)證書，表明其材料通過紡織檢定機構的測試，是環保無污染的「信心原材料」（比如滌綸是經過再生的環保滌綸），從而從源頭確保材料可持續。

本集團已根據ZDHC MRSL、Oeko-Tex Appendix 6以及品牌商的要求建立了禁用化學品清單。我們要求供應商依據此清單申報其使用的化學品。

本集團會及時跟進法律法規的更新情況，結合客戶要求，定期對此清單進行更新，並於官網進行公佈。

3. PRODUCT RESPONSIBILITY (Continued)

3.2 Material Safety Management (Continued)

• Chemical phase out plan

Item 項目	Commencement time 開始時間	Project status 項目狀態
Reduce the use of fluorocarbon chemicals 減少氟碳類化學品的使用	January 2021 二零二一年一月	Completed 完成
Reduce quinoline in disperse and vat dyes 減少在分散和還原染料中的喹啉	June 2021 二零二一年六月	Completed 完成
Use formaldehyde-free non-iron resin instead of traditional non-iron resin with formaldehyde 使用無甲醛免燙樹脂代替傳統的含甲醛免燙樹脂	May 2021 二零二一年五月	In progress 進行中
Use p-Chloroaniline-free reactive dyes instead of traditional reactive dyes with p-Chloroaniline 使用無對氯苯胺的活性染料代替傳統含對氯苯胺的活性染料	May 2021 二零二一年五月	In progress 進行中

*Reduce amount of formaldehyde in chemicals*

Traditional non-iron and finishing of cotton requires the use of chemicals containing formaldehyde, while the general market requires the amount of formaldehyde in non-iron garment fabrics to be less than 60 ppm. In order to provide consumers with healthier products, Texhong Textile Group has developed formaldehyde-free non-iron resin finishing agents. As of the end of 2021, approximately 17% of the non-iron finishing agents in the Group's Vietnam factory have been replaced with formaldehyde-free resin. The effect can basically achieve the non-iron effect of traditional resins and has been verified by FITI Testing & Research Institute, a third-party testing agency. Methanol substances (less than 16 ppm) are not included in the testing results of garment fabrics.

*Reduce the use of fluorocarbon chemicals*

The European Stockholm Convention only stopped the use of carbon 8 fluorocarbon chemicals in 2020. As early as 2013, the Group has replaced 100% of the use of carbon-8 fluorocarbon chemicals with the use of carbon-4 or carbon-6 fluorocarbon chemicals which are more environmentally friendly.

3. 產品責任(續)

3.2 物料安全管理(續)

• 化學品淘汰計劃

*減少化學品的甲醛含量*

傳統棉的免燙整理需要採用含有甲醛的化學品，而一般市場要求免燙面料的甲醛含量應低於60 ppm。天虹紡織集團為了能給消費者提供更健康的產品，開發出無甲醛免燙樹脂整理劑，截至二零二一年底，本集團越南工廠約17%的免燙整理助劑已替換為無甲醛樹脂。其效果基本能達到傳統樹脂的免燙效果並已通過第三方檢測機構FITI Testing & Research Institute鑒定，面料的檢測結果中不含甲醇物質(低於16 ppm)。

*減少氟碳類化學品的使用*

歐洲斯德哥爾摩公約(Stockholm Convention)在二零二零年才停止使用破八類氟碳化學品。而早在二零一三年，本集團就已經100%排除破八類氟碳化學品的使用，改為使用較為環保的破四或破六類氟碳化學品。

3. PRODUCT RESPONSIBILITY (Continued)

3.2 Material Safety Management (Continued)

• Chemical phase out plan (Continued)

*Reduce the use of fluorocarbon chemicals (Continued)*

At the same time, we carried out research on substitutes for fluorocarbon chemicals such as carbon VI and carbon IV. Since 2014, we have started to use a large amount of non-fluorine chemicals to ensure that their waterproofing effects can fully meet customers' requirements while fulfilling the condition of environmental protection and health. In addition, the Group made unremitting efforts to solve technical difficulties and replaced the non-fluorine hydrophilic easy decontamination finishing materials that meet customers' requirements, further reducing the Group's consumption of fluorocarbon chemicals. In December 2021, the percentage of our perfluorinated-compound-free hydrophilic finishing material has reached 57%. The Group will continue to research and develop new technology and production process for dyestuff to further reduce the use of restricted chemicals.

3. 產品責任(續)

3.2 物料安全管理(續)

• 化學品淘汰計劃(續)

*減少氟碳類化學品的使用(續)*

同時，我們開展對碳六、碳四等氟碳類化學品的代替品的研究。從二零一四年開始，我們開始大量使用非氟化學品，在滿足環保健康的情況下，確保其防水效果能完全達到客戶要求。此外，本集團不懈努力，解決技術難關，改用滿足客戶要求的非氟親水型易去污整理劑，進一步減少本集團的氟碳類化學品用量。二零二一年十二月，本集團不含氟的親水性整理劑佔比已達57%。本集團將繼續研發新型染化料技術和生產工藝，進一步減少限用化學品的使用。

Chemicals 化學品	2020 二零二零年	2021 二零二一年
Perfluorinated-compound-free chemicals use/kg 不含氟化學品使用／千克	39%	57%

3. PRODUCT RESPONSIBILITY (Continued)

3.2 Material Safety Management (Continued)

• Procurement of Green dyeing materials

We use environmentally-friendly dyeing chemicals that have passed Cradle-to-Cradle certification to replace traditional chemicals, so as to reduce the use of chemicals and alleviate the pressure on sewage treatment, which is conducive to the improvement of the water ecological environment:



- dyes made from renewable materials of EarthColors® are used, the raw materials of which came from the waste from the non-edible agricultural or medicinal herbs industry;
- Silicon oil resynthesized from waste silicon hoses are used;
- Cellulase instead of chemical acid and alkali is used in the pretreatment of bio-polishing;
- Catalase instead of the chemical of sodium thiosulphate is used in deoxygenation after boiling and bleaching.

• Improving Consumer Awareness

For products with chemical risks, we will provide our customers with a safety data sheet (SDS) or fabric data sheet, stating the name, amount, risk warning and first aid measures of the chemical.

We have published on our official website the production materials list of the Group's products, including yarns, grey fabrics, dyed fabrics, denim fabrics and garments, etc., and promised that the materials used are in compliance with environmental protection and health standards.

3. 產品責任(續)

3.2 物料安全管理(續)

• 環保染化料採購

我們使用已通過Cradle-to-Cradle認證的環保染化料代替傳統化學品，以減少化學品用量、減輕污水處理壓力，有助於水生生態環境的改善：

- 使用EarthColors®可再生物料合成的染料，其原材料來自非食用農業或草藥工業的廢棄物；
- 使用廢棄矽軟管再合成的矽軟油；
- 在前處理食毛工序，使用纖維素酶代替化學品酸和鹼；
- 在煮漂後除氧環節，使用除氧酶代替化學品硫代硫酸鈉。

• 提高消費者認知

對於存在化學風險的產品，我們將向客戶提供安全數據表(SDS)或面料資料單(Fabric Data Sheet)，註明該化學品的名稱、含量、風險提示及急救措施等相關信息。

我們在官網公佈本集團產品的生產物料表，包括紗線、坯布、色布、牛仔面料及服裝等，承諾所使用材料均符合環保及健康標準。

### 3. PRODUCT RESPONSIBILITY (Continued)

#### 3.3 Customer Service Improvement

The Group regards customer satisfaction as its corporate pursuit and goal. Upholding the quality goal of “consistent product quality to meet customers’ needs”, the Group continues to improve the quality of products and services, so as to provide quality products and services to domestic and overseas customers within the specified time.

The Group assigns specific staff to different customers in order to handle their enquiries in a timely manner, including enquiries on order quality, quantity requirement, delivery schedule and timely response to customer feedback, so as to achieve mutual benefit with our customers, and to improve our image from the perspective of customers. Subsidiaries under the Group conducts visits for the market together with their customers once a month to understand the market demand, and then collaborate with each other to develop new product varieties. With our customers increasing their trust on us, we may timely understand their demand orientation, receive their opinions and suggestions, and continuously improve our service quality. Market intelligence department of the Group conducts biannual satisfaction surveys on major customers who have purchased the Group’s products and invites them to complete “Customer Satisfaction Questionnaire”. In accordance with aftersales quality management requirements, professionals of the Group offer all-rounded services for products sold and have been widely recognized by customers.

The Group strictly adheres to the relevant local laws and regulations, such as “Law of the PRC on the Protection of Consumers’ Rights and Interests” to prepare documents like “Flow chart on the handling of quality feedback from customers on yarns of the Group” to ensure speedy and effective resolution for quality issues reported by customers. Each subsidiary has also established corresponding customer service policies documents. The Group registers and records every enquiry and requirement on quality raised by customers. For handling customer complaints, we meet with relevant staff to analyze the cause and identify responsible department to devise and implement countermeasures. Reply to customer, handling and record will be made within 20 days.

The quality department of the Group categorizes customer feedback and analyzes pending issues, followed by the preparation of after-sales service report. Customer service managers of the Group are responsible for supervising and examining after-sales services and providing monthly and annual report to after-sales service department at the headquarters. Customer visits are arranged for the general manager of the Group, if necessary.

### 3. 產品責任(續)

#### 3.3 客戶服務提升

本集團視客戶的滿意度為企業追求和目標，以「產品質量持續穩定，滿足客戶需要」為質量目標，持續改進產品和服務質量，從而在規定的時間裡為國內及海外客戶提供優質的產品與服務。

本集團針對不同的客戶安排專門的對接人員，及時處理客戶提出的各項問題，包括：訂單質量、數量要求、交期及客戶反饋的及時處理，達成與客戶的互惠互利，提高客戶對企業的好評度。集團子公司每月與客戶共同對市場進行一次走訪以瞭解市場需求，再合作研發新的產品品種。增加與客戶間信任度的同時可以及時瞭解客戶的需求導向、接收客戶的意見與建議，持續提升服務質量。本集團市場信息部每半年對主要客戶進行滿意度調查，邀請客戶填寫《客戶滿意度調查表》。本集團的專業技術人才按照質量售後管理要求，對出售產品進行全方位服務，獲得了客戶的廣泛認可。

本集團嚴格按照當地的相關法律法規，如《中華人民共和國消費者權益保護法》等要求，編制了《集團紗線客戶質量反饋處理流程圖》等流程文件，以保證客戶反饋的質量問題得到及時、有效的解決。各子公司也建立了對應的客戶服務制度文件。本集團對客戶提出的質量問題和要求進行逐條登記，並做好記錄，根據彙報情況，召集有關人員分析原因，確定責任部門，研究處理辦法並予以實施，同時在20日內給予客戶答覆，並處理和記錄。

本集團品質部對收集的客戶反饋信息進行整理分類，分析存在的問題，並編寫售後服務報告。客服經理負責監督檢查售後服務工作，對售後服務工作進行月度小結和年末總結，必要時安排集團總經理進行客戶走訪。

**3. PRODUCT RESPONSIBILITY** (Continued)

**3.3 Customer Service Improvement** (Continued)

Customer information is regarded as confidential information of the company, and it is clearly stipulated in the "Employee Manual" that directors and employees shall not disclose any confidential information of the Group or misuse any information of the Group without authorization. Directors and staff who are authorized to access or manage such data are required to take confidentiality measures at all times to prevent the risk of customer information leakage.

In 2021, the Group did not receive any complaints from customers regarding product quality, service and privacy leakage.

**4. RESPONSIBLE PROCUREMENT**

The Group is fully aware of the effect of its procurement activities on the environment, society and economy and understands its responsibility to manage such effect. We have incorporated environmental, social and governance considerations into our corporate procurement decisions to enhance the overall sustainability and resilience of the supply chain. We expect and require our suppliers to adhere to our standards of business conduct and ethics, human rights and labour standards, employees' health and safety standards and sustainability and environmental responsibility standards.

**3. 產品責任** (續)

**3.3 客戶服務提升** (續)

本集團視客戶信息為公司機密，在《員工手冊》中明確規定，董事及職員未經授權不可洩露本集團任何秘密資料或濫用任何本集團資料。獲授權查閱或管理該等數據的董事及職員，必須時刻採取保密措施，杜絕客戶信息洩露風險。

二零二一年，本集團未收到客戶關於產品質量、服務以及隱私洩露的投訴。

**4. 責任採購**

本集團充分認識到其採購活動對環境、社會及經濟的影響，已將環境、社會及管治考慮因素納入我們的企業採購決策當中，以提升供應鏈的整體可持續性和抗逆性。我們期望並要求供應商遵守我們所秉持的商業行為和道德標準、人權和勞工標準、員工的健康和安全標準以及可持續發展和環境責任標準。



4. RESPONSIBLE PROCUREMENT (Continued)

4.1 Responsible procurement commitment

The Group strictly supervises the supply chain management of the Group in accordance with the “Regulation on the Management of Procurement Operation of Daily Supplies of Subsidiaries” and the “Regulation on the Procurement of Certain Supplies of the Headquarter and Texhong China”. At the same time, the Group adheres to the spirit of environmental and social sustainable development. In 2021, the Group issued the “Sustainable Procurement Policy”, committing to incorporating sustainable development principles into the procurement decision-making process.

The Group considers sustainability as an integral part of the assessment criteria when assessing suppliers and their subcontractors to address sustainability risks and seize opportunities. In the procurement of raw materials, we always consider sustainability and give priority to sustainability issues related to:



4.2 Material supply control

In 2021, the Group formulated the “Supplier Admission Procedures” to strengthen the control over suppliers. The Group categorizes suppliers into five categories, namely strategic suppliers, preferred suppliers, ordinary suppliers, temporary suppliers and blacklisted suppliers, and adopts different cooperation methods for different categories of suppliers. Every year, the Group conducts on-site inspections of suppliers and selects suppliers from multiple aspects such as price, quality, quality assurance and credit. We regularly inspect whether the supplier's supply channels and product quality are up to standard, whether there is any fraud, and give warnings when the products are not up to standard or fail to comply with regulations. If there is a continuous failure, the procurement will be suspended as the case may be and we will order the unqualified suppliers to find out the reasons and improve product quality. We will decide whether to continue to purchase from them if there is any improvement. Cooperation with suppliers who are unable to improve product quality within the time limit will be terminated. At the end of each year, the Group conducts an annual assessment of all suppliers. In addition, the Group also organizes regular supplier exchange meetings to communicate with each other on supply issues, seek reasonable and standardized solutions, and strengthen cooperation.

4. 責任採購(續)

4.1 責任採購承諾

本集團按照《關於集團子公司常用物資採購操作管理的規定》和《集團總部暨天紡中國部分物資的採購規定》等指引嚴格監管集團的供應鏈管理工作。同時，本集團落實環境和社會可持續發展精神，於二零二一年發佈了《可持續採購政策》，承諾將可持續發展原則納入採購決策過程。

本集團在評估供應商及其分包商時，會把可持續當成評估標準的重要組成部分，以解決可持續風險並把握機遇。在採購原材料時，我們始終考慮可持續性，並優先考慮可持續性中與以下方面相關的事務：

4.2 物料供應把關

二零二一年，本集團制定了《供應商准入流程》，加強對供應商的把關。本集團將供應商分為戰略供應商、優先供應商、普通供應商、臨時供應商和黑名單供應商五類供應商，對不同類別的供應商採用不同的合作方式。每年，本集團對供應商進行實地考察，從價格、質量、質保、信用等多方位選用供應商。我們定期抽檢供應商的供應渠道和產品質量是否合格，是否存在欺詐行為，在出現供貨質量不合格產品或不合規操作時提出警告，若出現連續不合格的情況，則視情況暫停向其採購；責令不合格供應商查明原因並提高產品質量，若有所改進，再另行決定是否繼續向其採購；不能在限期內提高產品質量的供應商，則終止與其合作。每年年末，本集團對所有供應商進行年度評估。此外，本集團還定期組織開展供應商交流會，溝通供應上彼此存在的問題，尋求合理規範的解決方式，加強合作。

#### 4. RESPONSIBLE PROCUREMENT (Continued)

##### 4.3 Green materials procurement

The procurement department and the technology department of the Group regularly obtain information regarding sustainable materials in the market, and give priority to more eco-friendly materials with low carbon emission in the selection of raw materials, including recycled materials, reused materials and materials for eco-friendly planting and production. All of the cotton we purchased as well as FSC-certified viscose can be 100% traced for their origins.

- **Cotton**

Cotton is an important basic raw material for the Group's products. We actively purchase cotton from sustainable sources to reduce the impact of the use of chemicals in conventional cotton plantation process on the environment and human health. In consideration of the society and environment, we firmly promise to use only traceable cotton in our supply chain and continue to purchase more sustainable certified cotton in the future. By the end of 2021, 100% of the country of origin of all cotton used by the Group can be traced.

In the process of purchasing cotton, we require our suppliers to provide the country of origin (i.e. the plantation country) of the cotton and relevant specific information and documents to prove that the cotton meets the relevant legal requirements. At the same time, we require suppliers to comply with the relevant provisions of the Group's supplier code of conduct, respect and ensure internationally recognized human rights. The Group also conducts audits or engages third parties to conduct audits in a timely manner to verify whether the suppliers operate in accordance with the above requirements.

#### 4. 責任採購(續)

##### 4.3 環保物料採購

本集團的採購部和技術部定期獲取市場上有關可持續性物料的信息，在原材料的選擇上優先選用低碳排放和更為環保的物料，包括再生、再利用、環保種植和生產的材料。我們採購的所有棉花以及FSC認證粘膠已實現100%產地可追溯。

- **棉花**

棉花是本集團產品的重要基礎原料。我們積極採購可持續來源的棉花，以減少傳統棉花種植過程中化學品的使用對環境和人類健康的影響。出於社會和環境方面的考慮，我們堅定地承諾在供應鏈中只使用可追溯的棉花，且在未來持續採購更多可持續認證的棉花。截至二零二一年底，本集團所使用的所有棉花的原產國100%可追溯。

在採購棉花的過程中，我們要求供應商提供棉花的原產國(即種植國)及相關具體信息和文件，以證明該棉花符合相關法律規定。同時，我們要求供應商必須遵守本集團供應商行為準則相關規定，尊重並確保國際公認的人權。本集團還適時進行審核或聘請第三方進行審核，以驗證供應商是否按照上述要求操作。

4. RESPONSIBLE PROCUREMENT (Continued)

4.3 Green materials procurement (Continued)

• Cotton (Continued)

In 2021, most of the cotton purchased by the Group met the sustainable planting standards, of which:

- Approximately 21% passed the CMIA certification under the African Cotton Program\ Global Organic Textile Standard, GOTS, Organic Content Standard, OCS, etc.;
- Organic cotton accounted for 1.2% of the Group's sustainable cotton purchase volume, and 100% completed organic certifications such as GOTS/OCS; and
- About 59% were from sustainable cotton plantation suppliers in the United States and Australia, which were recognised by the Cotton LEADS project.

• Fiber

In order to promote the circular economy, protect the ecological environment and meet the needs of the world's forests and climate, Texhong gives priority to the use of environmentally friendly and socially friendly fibers:

(1) Natural sustainable fiber

We use GOTS certified organic cotton, as well as hemp and linen, which can reduce carbon emissions by 45% compared to traditional cotton;

(2) Renewable raw fibre

We cooperate with Lenzing AG-Austria to use the fibers produced by it, such as Tencel, Lenzing Refibra, Lenzing EcoVero, Sorona (PTT), etc. Among them, Tencel has passed the Cradle-to-Cradle certification, and the water consumption can be reduced by 95% compared with that of traditional cotton;

4. 責任採購(續)

4.3 環保物料採購(續)

• 棉花(續)

二零二一年，本集團採購的絕大部份的棉花均符合可持續種植標準，其中：

- 約21%已通過非洲棉花計劃CMIA認證\全球有機紡織品標準認證(Global Organic Textile Standard, GOTS)、有機含量標準認證OCS等；
- 有機棉佔本集團可持續棉花採購量1.2%，已100%完成GOTS/OCS等有機認證；及
- 約59%來自經Cotton LEADS項目認可的美國和澳大利亞可持續棉花種植供應商。

• 纖維

為推動循環經濟，保護生態環境，滿足全球的森林和氣候需要，天虹優先使用環境友好型和社會友好型的纖維：

(1) 天然可持續纖維

我們採用經GOTS認證的有機棉，以及漢麻和麻，較傳統棉花可以減少45%的碳排放：

(2) 可再生原料纖維

我們與奧地利蘭精公司合作，使用其生產的Tencel(天絲)、Lenzing Refibra、Lenzing EcoVero、Sorona (PTT)等纖維。其中，天絲已通過Cradle-to-Cradle認證，較傳統棉花，所耗用的水量可以減低95%；

#### 4. RESPONSIBLE PROCUREMENT (Continued)

##### 4.3 Green materials procurement (Continued)

- **Fiber (Continued)**

(3) *Recycled fiber*

We use recycled fiber such as recycled cotton, recycled nylon, recycled spandex and recycled polyester. In 2021, the purchase of recycled polyester of the Group accounted for 40% of the total purchase of polyester. Recycled polyester, such as Repreve and Ecomade, is produced by using the mechanical recycling method of waste plastic bottles. Compared with raw polyester, it can avoid the use of non-renewable petroleum raw materials and reduce carbon emissions by approximately 79%;

(4) *Degradable fiber*

We use Ciclo polyester to reduce the burden of waste disposal and the amount of micro-plastics in the ocean; and

(5) *FSC-certified viscose fibre*

In 2021, Forest Stewardship Council, FSC/ Programme for the Endorsement of Forest Certification Schemes, PEFC certified viscose fibre accounted for 8.2% of the plastics purchased to ensure that certified products come from well-managed forests.

##### 4.4 Sustainable Industry Cooperation

The Group continues to cooperate with suppliers and downstream fabric and garment companies to jointly promote the use of sustainable cotton such as organic cotton, CMIA African cotton and recycled cotton, and has passed the organic certification of factory production, storage, environment and trade standards by third-party certification agencies.

We participated in the brand's environmental protection projects such as Clean-by-design, Climate Roadmap, Real Good, etc. Among them, Clean-by-design, jointly initiated by the Natural Resources Defense Council, NRDC and the Council of Fashion Designers of America, CFDA, hopes to achieve revolutionary changes in the global supply chain by evaluating and implementing economically viable solutions at the factory level to save energy, water and reduce pollution.

#### 4. 責任採購(續)

##### 4.3 環保物料採購(續)

- 纖維(續)

(3) *再生纖維*

我們使用再生棉、再生尼龍、再生氨綸、再生滌綸等再生纖維。二零二一年，本集團再生滌綸採購量佔滌綸總採購量40%。再生滌綸如Repreve, Ecomade等，是利用廢塑料瓶機械回收方法生產，相較原生滌綸，可以避免使用不可再生的石油原材料，減少約79%的碳排放；

(4) *可降解纖維*

我們所使用的Ciclo滌綸可降低廢料堆置所帶來的負擔，同時減少海洋中微塑料產生量；及

(5) *森林認證粘膠纖維*

二零二一年，本集團採購的經FSC森林管理委員會/PEFC森林認證體系認可計劃認證的粘膠纖維佔膠採購量的8.2%，以確保認證產品來自管理良好的森林。

##### 4.4 產業永續合作

本集團與供應商及下游面料、製衣公司持續合作，共同推動有機棉、CMIA非洲棉、再生棉等可持續棉花的使用，並通過第三方認證機構進行工廠生產、存放、環境及交易規範的有機認證。

我們參與了品牌方的Clean-by-design, Climate Roadmap, Real Good等環保項目。其中，Clean-by-design由自然資源保護協會(Natural Resources Defense Council, NRDC)和美國時裝設計師協會(Council of Fashion Designers of America, CFDA)聯合發起的，希望通過在工廠層面評估並實施經濟可行的方案來節能、節水和減少污染，從而最終促成全球供應鏈的革命性變化。

4. RESPONSIBLE PROCUREMENT (Continued)

4.4 Sustainable Industry Cooperation (Continued)

As one of the first members of the Cotton LEADS project jointly established by the cotton industry in Australia and the United States, Texhong Textile Group actively participated in the cotton sustainable certification system.



In addition, the Group also conveys the concepts of environmental protection, energy conservation and sustainable management to suppliers through supplier visits, supplier exchanges and site visits, and encourages suppliers to use environmentally friendly products and use energy efficiently. At the same time, the Group pays attention to the protection of employees' rights and interests of suppliers and continuously improves environmental and social performance.

As of 31 December 2021, the number of suppliers of the Group by country is as follows:

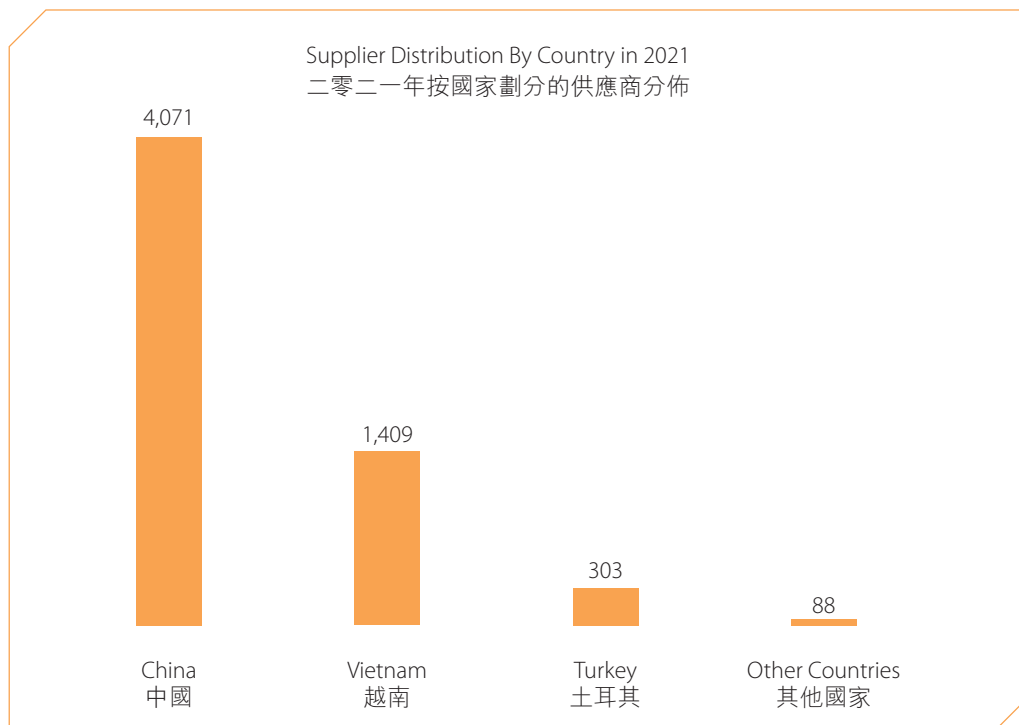
4. 責任採購(續)

4.4 產業永續合作(續)

天虹紡織集團作為澳大利亞和美國棉花行業攜手創立的Cotton LEADS項目的首批會員，積極參與棉花可持續認證體系。

此外，本集團還通過供應商走訪、供應商交流、實地考察等形式，向供應商傳遞環保節能、可持續管理等理念，鼓勵供應商採用環保產品、高效用能，同時關注供應商的員工權益保障，持續提高環境和社會績效。

截至二零二一年十二月三十一日，本集團按國家劃分的供應商數目如下：



### 5. EMPLOYEE WELL-BEING

The Group effectively protects the rights and interests of employees, provides employees with diversified training, comprehensive remuneration and benefits, and promotion systems, and comprehensively guarantees employees' work, life, career development, and health and safety.

#### 5.1 Protecting Employees' Rights and Interests

The Group strictly complies with relevant local laws, regulations and policies, such as "Labour Law of the People's Republic of China" and "Labour Contract Law of the People's Republic of China", and regulates employee management in accordance with "Employee Manual", "Recruitment Management Policy", "Employee Induction and Loss of Office Management Requirement", "Employee Promotion Management Requirement", "Performance Management Measure", "Measures for Job Appraisal of Yarn Marketing Management Department" and other internal rules and regulations. For these rules and regulations that are closely related to the interests of employees, the Group promotes them in various forms to protect their legitimate rights and interests.

The Group enters into written labor contracts with all employees, and shall not dismiss employees at will. Any dismissal of employees shall be in strict compliance with local laws and regulations. We have also established an annual leave system in accordance with the law, complied with the requirements of national laws and regulations on working hours, and arranged overtime work on a voluntary basis.

The Group has established a comprehensive performance incentive policy covering all types of employees: for all management personnel, monthly and year-end comprehensive performance appraisals are mainly adopted. For business personnel, monthly performance appraisal is mainly adopted. For factory workers, monthly piece wages and year-end performance incentives are mainly used.

In order to retain talents, the Group conducts satisfaction surveys with our employees through offline or online questionnaires every year, and conducts surveys on the working environment, salary and benefits, dormitory environment and canteen foods, and makes timely improvements based on the satisfaction survey results.

### 5. 員工福祉

本集團切實保障員工權益，為員工提供多元化培訓、完善的薪酬福利以及晉升制度，全方位保障員工工作、生活、職業發展和健康安全。

#### 5.1 維護員工權益

本集團嚴格執行當地有關法律、法規和政策，如《中華人民共和國勞動法》和《中華人民共和國勞動合同法》等，依據《員工手冊》、《招聘管理制度》、《員工入離職管理規定》、《員工晉升管理規定》、《績效管理辦法》和《紗線營銷管理部職級考評辦法》等內部規章制度，規範員工管理。對於這些與員工利益密切相關的規章制度，本集團通過多種形式向員工宣講，保障員工合法權益。

本集團與所有員工簽訂書面勞動合同，不得隨意解聘員工，解聘任何員工均須嚴格遵照當地法律法規。我們還依法建立年休假制度，並遵守各國家法律、法規關於工作時間的要求，在員工自願的情況下安排加班。

本集團設置了全面的績效激勵政策，並覆蓋所有類型員工：針對所有管理人員，主要採用月度及年終綜合績效考評；針對業務人員，主要採用月度提成績效考評；針對工廠工人，主要採用月度計件工資和年終績效獎勵。

為留住人才，本集團每年通過線下或線上問卷的方式進行員工滿意度調查，對工作環境、薪資待遇、宿舍環境、食堂伙食進行調查，根據滿意度調查結果及時進行改善。

**5. EMPLOYEE WELL-BEING** (Continued)

**5.1 Protecting Employees' Rights and Interests**  
(Continued)

The Group pays attention to the basic human rights of employees and has formulated the "Anti-Discrimination Policy" to advocate equality and diversity. We respect its labor union and collective bargaining rights, and do not discriminate against employees based on gender, age, ethnicity, race, skin color, nationality, religious belief, disability, personal personality, etc. For employees with disabilities, the Group and its subsidiaries provide them with equal employment opportunities and care, so that they can realise their potential in different positions. For ethnic minority employees, the Group and its subsidiaries actively provide jobs and respect their customs and religious beliefs.

The Group prohibits the recruitment of child labour. All job applicants are required to pass the age verification to ensure that their identity documents are true and meet the legal working age. Once it appears that the Human Resource Department does not audit the relevant issue strictly, the responsible person from Human Resource Department will be given a severe warning. The Group complies with the internal "Principles on Prohibition of Forced Labour" and does not allow forced labour, harassment, abuse and corporal punishment. Employees have the right to refuse and report to superior authorities for work arrangements that violate safety regulations and personal safety violations.

During the Reporting Period, the Group did not violate any laws and regulations in respect of violation of labor standards and violation of basic human rights.

In 2021, the Group and its subsidiaries continued to optimize the employment system and safeguard the rights and interests of employees, including but not limited to: in 2021, in order to improve the rationality of salary distribution, Shandong Texhong reorganized the salary management system, and adjusted the salary of employees in equipment lines and operation lines to increase employee income.

**5. 員工福祉(續)**

**5.1 維護員工權益(續)**

本集團關注員工基本人權，制定了《反歧視政策》，主張平等與多元化。我們尊重其工會組織和集體談判權，不因性別、年齡、民族、種族、膚色、國籍、宗教信仰、殘疾、個人性格等原因歧視員工。對於殘疾員工，本集團及各子公司給予他們平等的就業機會和關愛，讓他們在不同的崗位上發揮自己的潛能；對於少數民族員工，本集團及各子公司積極提供工作崗位，尊重他們的風俗習慣和宗教信仰。

本集團禁止招聘童工，所有求職者均須通過年齡審核，確保身份證件真實，且符合法定用工年齡。凡出現人力資源部審核不嚴者，人力資源部經辦者處嚴重警告處分。本集團遵守內部《禁止使用強迫勞動的原則》，絕不允許強迫勞動，禁止騷擾、虐待與體罰，對於上級違反安全規程的工作安排和侵犯人身安全的行為，員工有權拒絕並可越級上報。

本報告期內，本集團未發生違反勞工準則、侵犯基本人權方面的違法違規案件。

二零二一年，本集團及各子公司持續優化僱傭制度體系，維護員工權益，包括但不限於：山東天虹二零二一年為提升薪資發放的合理性，重新梳理了薪酬管理制度，並調整了設備線、運轉線員工的薪資，增加員工收入。

5. EMPLOYEE WELL-BEING (Continued)

5.1 Protecting Employees' Rights and Interests (Continued)

As at 31 December 2021, the total number of employees of the subsidiaries within the scope of the ESG Report was 28,099. The Group sold a spinning mill in the PRC and a majority interest in a jeanswear production plant in Vietnam during the Reporting Period. Therefore, the number of employees of the Group as at the end of 2021 did not include these two factories, resulting in a decrease in the number of employees compared with the end of 2020. Apart from this factor, the number of employees of the Group remained stable.

5. 員工福祉(續)

5.1 維護員工權益(續)

於二零二一年十二月三十一日，本ESG報告範圍內各附屬公司的員工總數為28,099名。本集團於報告期內出售了一家位於中國內地的紗綫工廠以及一家越南牛仔服裝工廠的多數權益，因此，本集團截至二零二一年年末統計的雇員人數不包括這兩家工廠，導致雇員人數較二零二零年年末有所下降。除此因素外，本集團的雇員人數保持穩定。

<b>Gender</b> 按性別	Male 男	14,895	<b>Geography</b> 按地域	domestic 國內	14,990
	Female 女	13,204		overseas 國外	13,109
<b>Age</b> 按年齡	<30	10,451	<b>Employee category</b> 按僱傭類型	full-time 全職	28,099
	30-50	15,242		part-time 兼職	0
	>50	2,406			

During the Reporting Period, the employee turnover rate of each subsidiary within the scope of the ESG Report is as follows:

報告期內，本ESG報告範圍內各附屬公司的員工流失率情況如下：

<b>Age</b> 按年齡	<30	8.6%	<b>Gender</b> 按性別	Male 男	6.2%
	30-50	3.0%		Female 女	3.6%
	>50	1.1%	<b>Geography</b> 按地域	domestic 國內	2.2%
		overseas 國外		1.8%	

1. The employee turnover rate of different categories is represented by the annual mean of monthly employee turnover rate of each category. The calculation formula of monthly employee turnover rate by category is shown as: Monthly employee turnover rate by category=Monthly number of employees leaving by category/Monthly total number of employees by category.

1. 各類別的員工流失率為每月各類別的員工流失率的年度均值。各類別的每月員工流失率計算程式如下：各類別的每月員工流失率=每月各類別離職的員工人數/每月各類別僱員總數。



5. EMPLOYEE WELL-BEING (Continued)

5.2 Pursuing humanistic care

The Group attaches great importance to humanized management and continues to enhance employees' sense of belonging and loyalty to the Company. Coffee klatches are held monthly between general managers, and seminars among workshop heads, chief operators and chief mechanists as well as after-hours meetings among employees are held regularly to help employees maintain a positive work attitude and enhance work enthusiasm.

The Group is well-equipped with activity facilities in workspace and living space, including leisure room, television room, basketball court and badminton court. In 2021, the Group and its subsidiaries held a variety of employee activities to create a positive atmosphere.

5. 員工福祉(續)

5.2 追求人文關懷

本集團注重人性化管理，持續增進員工對公司的歸屬感及忠誠度。本集團每月召開總經理茶話會，定期組織召開車間班組、值班長和機工組長座談會、員工班後會，幫助員工樹立良好的工作心態，提升工作熱情。

本集團在工作區和生活區配備良好活動設施，包括員工娛樂活動室、電視房、籃球場、羽毛球場等。二零二一年，本集團及各子公司舉辦多種多樣的員工活動，營造積極向上的氛圍。



Texhong Yinfeng: "National Day" fun sports  
天虹銀豐：「迎國慶」趣味運動會



Winnitex Vietnam: Staff Sports Day  
慶業越南：員工運動會



Texhong Yinlian: Women's Day activity  
天虹銀聯：三八婦女節活動

**5. EMPLOYEE WELL-BEING** (Continued)

**5.2 Pursuing humanistic care** (Continued)

The Group endeavors to support employees in need and offers relief and condolence to employees in difficulties and their family members. For example, Nantong Texhong visited 17 employees in extreme difficulties in February 2021, and granted gratuity amounting to a total of RMB15,000. In August, a ceremony for the issuance of student grants for employees' children was held. In 2021, Texhong Galaxy donated VND66,413,000 to employees in southern Vietnam who were affected by the pandemic.

The Group has established a smooth and democratic communication mechanism and set up Texhong employee relations committee, which receives opinions and suggestions from employees through complaint mailboxes and complaint email, in order to understand the opinion, identify problems, and actively respond to employee demands to promote harmonious working environment. Management personnel at all levels stay close to the grassroots level to understand employees' opinions and suggestions on the Company's production and life and management through daily observation and reflection, employee discussions, regular employee communication days, questionnaires and other channels, and to solve problems.

The subsidiaries have also adopted various methods to communicate with employees on an ongoing basis. For example, in 2021, the human resources department of Texhong Renze increased its communication with employees in its branch factory during the severe pandemic in Vietnam to understand the mental status of employees. Nantong Texhong has set up a backup committee to conduct ad hoc visits on canteens and dormitories, etc. that involve employees' lives, to handle opinions and feedback from employees, and to urge the management and contractors to improve services.

**5. 員工福祉**(續)

**5.2 追求人文關懷**(續)

本集團還重視困難員工的幫扶，為各困難員工及其家屬送去溫暖和慰問，如南通天虹於二零二一年二月對17名特困員工走訪慰問，共送慰問金人民幣15,000元，並於八月舉行了員工子女助學金頒發儀式；天虹銀河在二零二一年為越南受疫情影響的南部員工捐款66,413,000越南盾。

本集團搭建暢通的民主溝通機制，設立天虹員工關係委員會，通過投訴信箱和投訴郵箱接收員工的相關意見與建議，以瞭解民意，發現問題，並積極回應員工訴求，促進公司和諧發展。各級管理人員深入基層，通過日常觀察與反思、員工座談、定期員工溝通日、問卷調查等途徑瞭解員工對公司生產生活及管理上的意見與建議，並解決問題。

各子公司也採用多種方式與員工進行持續溝通，如二零二一年天虹仁澤人力資源部在越南疫情嚴重期間加強與分廠員工的交談，瞭解員工的心理狀態；南通天虹成立後勤委員會，對涉及員工生活的食堂、宿舍等進行不定期抽查暗訪，對於員工提出的意見和反饋進行協調處理，促使管理人員和承包方改進服務。

5. EMPLOYEE WELL-BEING (Continued)

5.3 Strengthening Talent Cultivation

With the corporate vision of “becoming a blessed enterprise with the ability of continuous learning and growth to create a wonderful life”, the Group builds a learning-oriented organization to provide talents for the development of the Group at all stages and activate the endogenous power of development.

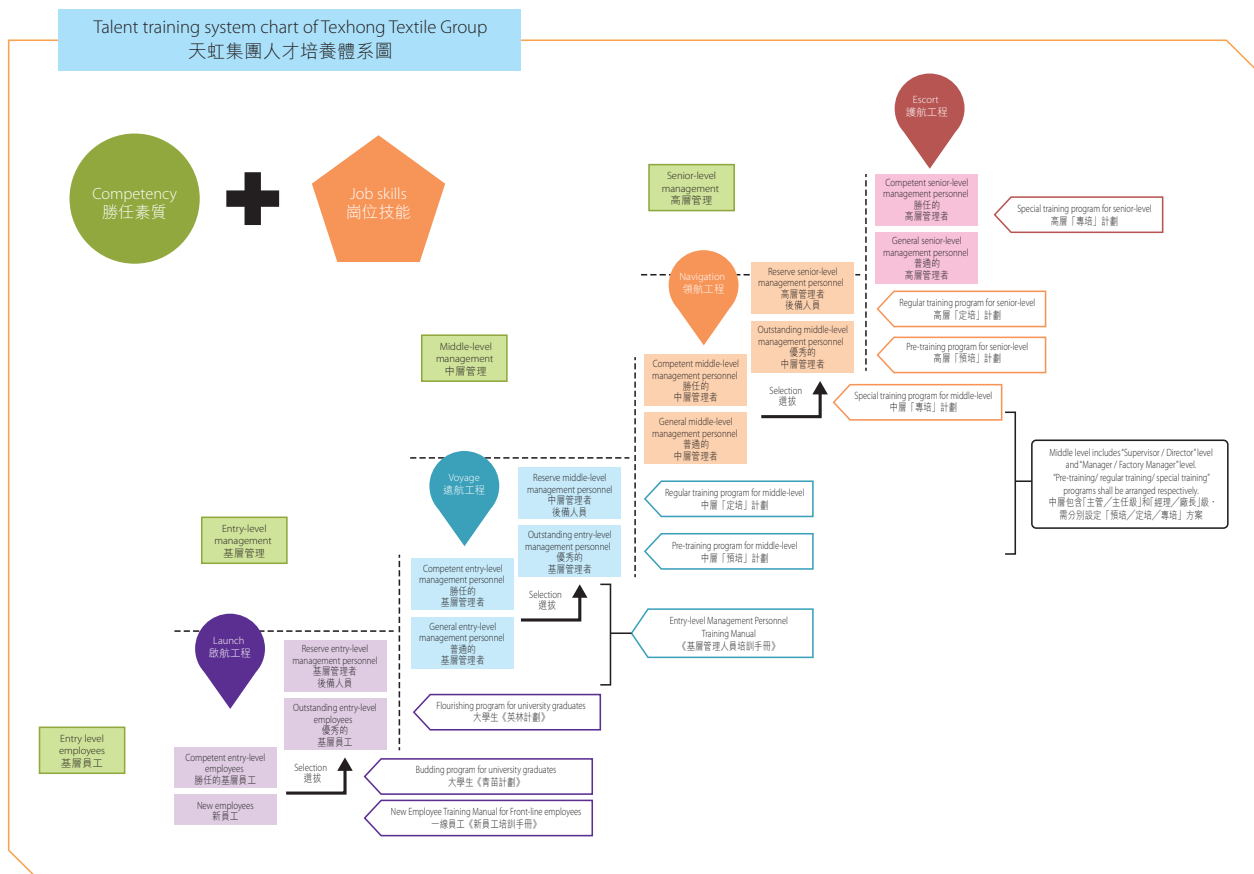
The Group has established a comprehensive talent training system, including professional leadership training covering all management personnel and skill training covering all types of employees. We continued to improve Texhong Education College structure for training, learning course, technician, mechanist/engineer skill assessment, mid-to-entry level training and senior leadership. At the same time, we formulate training plans for each subsidiary every year, and arrange employee training according to the training plans every month, and record the number of training courses, training time, number of trainees and other information.

5. 員工福祉(續)

5.3 加強人才培育

本集團以「致力於成為持續學習成長的幸福企業·創意精彩生活」為企業願景·打造學習型組織·為集團各階段的發展提供人才·激活發展內生力。

本集團已建立完善的人才培養體系·包含覆蓋所有管理人員的專業領導力培訓以及覆蓋所有類型員工的技能培訓。我們持續完善天虹教育學院培訓體系·課程體系及技工技師/工程師技能等級評定體系·中基層訓練營體系以及高層領導力體系。同時·我們每年會針對各子公司制定培訓計劃·每個月會根據培訓計劃安排員工培訓·並對培訓課程數量·培訓時間·培訓完成人次等信息進行記錄。



Talent training system chart of Texhong Textile Group  
天虹集團人才培養體系方案

5. EMPLOYEE WELL-BEING (Continued)

5.3 Strengthening Talent Cultivation (Continued)

The Group has also formulated incentive policies to encourage employees to obtain professional certificates or complete corresponding professional courses:

- Salaries that are in line with the market rates are provided based on the academic background of the employees;
- For employees who have obtained the certificate of electrician, certain amount of allowance is awarded;
- A technician assessment scheme has been formulated for staff who operate equipment and to whom annual appraisal will be provided, when qualified technicians will receive corresponding allowances.

In 2021, each subsidiary of the Group continued to improve its vocational education and training system, explored and formulated a comprehensive talent training plan and talent echelon training plan, and carried out centralized training on management skills and operation training for new employees, grassroots employees and management employees. In 2021, Texhong Yinlian newly formulated the development and training plan for college students to broaden the development channels of employees, stimulate the learning enthusiasm of employees, effectively support the construction of the Group's management and technical talent team, and realize the appreciation of human resources.

5. 員工福祉(續)

5.3 加強人才培育(續)

本集團亦制定激勵政策鼓勵員工獲得專業證書或完成相應的專業課程：

- 根據員工學歷背景，提供符合市場水平的工資；
- 針對拿到電工證的員工，獎勵一定的津貼；
- 針對設備人員制定了技工技師評定方案，並對相關人員進行年度評定，評定合格的技工技師將獲得相應津貼。

二零二一年，本集團各附屬公司持續完善職業教育培訓體系，探索編制複合型人才培養方案和人才梯隊培養方案，為新員工、基層員工及管理員工開展管理技能、操作培訓等多方面的集中培訓。二零二一年，天虹銀聯新制定大學生發展培養計劃，拓寬員工發展通道，激發員工學習熱情，有效支撐了集團管理和技術人才隊伍的建設工作，實現人力資源的增值。



**Texhong Yinfeng: Winter operation sports day**  
天虹銀豐：冬季操作運動會



**Shandong Texhong: Management class**  
山東天虹：管理人員大課堂



**Texhong Renze: Evaluation, recruitment and recognition of technicians activity**  
天虹仁澤：技工技師評聘與表彰活動

5. EMPLOYEE WELL-BEING (Continued)

5.3 Strengthening Talent Cultivation (Continued)

In 2021, the total training hours of employees of the Group were 1,038,548 hours. The average training hours of employees and percentage of employees trained by employee category are as follows:

Training for employees 員工受訓情況		Average training hours 平均受訓時數	Percentage of employees trained 員工受訓百分比
Employee category 按僱員類別	Senior/Middle-level management personnel 高層／中層管理人員	32.2	1.9%
	Basis level/office clerk 基層／部室文員	35.1	7.1%
	Front-line employees 一線員工	30.1	91.0%
Gender 按性別	Male 男性	32.0	49.7%
	Female 女性	26.4	50.3%

5.4 Focus on Safety and Health

In addition to strictly complying with the relevant local laws and regulations regarding employee health and safety, such as the "Work Safety Law of the People's Republic of China", "Law of the People's Republic of China on the Prevention and Control of Occupational Diseases", "Measures for the Supervision and Administration of Occupational Health Surveillance", and "Design Standards for Occupational Safety and Health for Businesses in the Textile Industry", the Group has introduced a series of internal rules and systems to safeguard workplace safety and prevent occupational diseases, strengthens the protection of female employees and devotes its efforts to achieving the balance between work and life of its employees. As of the end of 2021, six subsidiaries of the Group have obtained the three-level safety production standardization certification, and five subsidiaries have obtained the ISO45001 occupational health and safety management system certification.

5. 員工福祉(續)

5.3 加強人才培育(續)

二零二一年，本集團員工總受訓時數為1,038,548小時，按僱員類別劃分的員工平均受訓時數和受訓百分比如下：

5.4 關注安全健康

本集團嚴格遵守當地與員工健康與安全相關的法律法規，如《中華人民共和國安全生產法》《中華人民共和國職業病防治法》《職業健康監護管理辦法》和《紡織工業企業職業安全衛生設計規範》等，通過一系列的內部規章制度來規範公司的安全生產與職業病防護工作，加強女性員工保護，致力於員工工作與生活的平衡。截至二零二一年底，本集團共有六家子公司通過三級安全生產標準化認證，有五家子公司通過ISO 45001職業健康安全管理体系認證。

5. EMPLOYEE WELL-BEING (Continued)

5.4 Focus on Safety and Health (Continued)

• Safety Production

The Group attaches great importance to safety production, establishes a safety management system and implements a top-to-bottom safety management accountability system: the marketing and production department of the Group is responsible for the management and supervision of the production process and sites; each branch factory conducts inspections according to regulations, identifies problems and coordinate and solve them in a timely manner; operators of each process operator operate in accordance with the operating procedures, and regularly conducts self-inspection and mutual inspection.

The Group implemented the safety production accountability system for all subsidiaries, the safety responsibilities of management personnel at all levels and other responsibilities in accordance with the "Safety Production Management System" and other regulations, and clarified the level of safety accidents and corresponding penalties; upheld the principle of "Four prohibition" on incomplete cause investigation, incomplete disciplinary action for responsible staff members, incomplete rectification measures and incomplete training for relevant staff members to improve staff safety education and implement rectifying measures; and continued to promote 6S management and logistics support of the Group and its subsidiaries.

5. 員工福祉(續)

5.4 關注安全健康(續)

• 安全生產

本集團高度關注安全生產，建立安全管理體系，執行自上而下安全管理責任制：本集團營銷生產部負責生產過程和現場管理與監督；各分廠按規定進行巡檢，發現問題，及時協調解決；各工序操作人員按照操作規程操作，並經常進行自檢和互檢。

本集團通過《安全生產管理制度》等制度規定，落實所有子公司的安全生產責任制、各級管理人員的安全等職責，明確安全事故等級及相應處罰；執行落實「四不放過」原則，即事故原因未查清不放過、責任人員未處理不放過、整改措施未落實不放過和有關人員未受到教育不放過，做好人員安全教育及落實整改措施；並持續推進集團及各子公司的6S管理及後勤保障工作。

## 5. EMPLOYEE WELL-BEING (Continued)

### 5.4 Focus on Safety and Health (Continued)

#### • Safety Production (Continued)

In 2021, the Group and its subsidiaries constantly updated and improved the safety management mechanisms and systems:

Changzhou Texhong Textile Co., Ltd. (“Changzhou Texhong”): In accordance with the “Law of the People’s Republic of China on the Prevention and Control of Occupational Diseases”, the “Measures for the Administration of Occupational Health Surveillance” and the “Design Standards for Occupational Safety and Health of Textile Industry Enterprises” and other relevant laws and regulations, Changzhou Texhong has formulated the “Occupational Health and Safety Management System”, the “Work Safety Accountability System at All Levels” and other systems, and sorted out and improved a total of 58 safety production management systems.

Shandong Texhong: The company issued safety production guidelines and target indicators, as well as the 2021 Safety Management Assessment Measures. The “Shandong Texhong Emergency Plan” was re-prepared in accordance with the standards of the new “Safety Production Law”, and the “Safety Production Accountability List for All Employees” was revised to clarify the safety production responsibilities of each position.

In addition, the Group and its subsidiaries have strengthened safety training and provided employees with training and learning courses related to workplace safety, including safety regulations, management systems, hazard identification skills and three-level safety education for new employees. Industrial accident cases of the Group and comparable companies are used for learning and discussion, with reflection on accidents in the form of accident analysis meetings to learn lessons and prevent repeated violations.

## 5. 員工福祉(續)

### 5.4 關注安全健康(續)

#### • 安全生產(續)

二零二一年，本集團及各子公司持續更新、完善安全管理體系和制度：

常州天虹紡織有限公司(「常州天虹」)：按照《中華人民共和國職業病防治法》、《職業健康監護管理辦法》和《紡織工業企業職業安全衛生設計規範》等相關法律法規文件，制定了《職業衛生安全管理制度》、《各級崗位安全生產職責制度》等制度，共計整理完善了58項安全生產管理制度。

山東天虹：下發安全生產方針和目標指標，以及2021年安全生產管理考核辦法。依據新《安全生產法》標準重新編制《山東天虹應急預案》；修訂《全員安全生產責任清單》，明確各崗位安全生產職責。

此外，本集團及各子公司強化安全培訓，為員工提供與工作場所安全有關的培訓及學習課程，內容包含安全規程、管理制度、危險源辨識技能以及新員工三級安全教育等方面；將自身及可比較公司發生的工業事故案件用於學習及討論，以事故分析會的形式進行事故反省，以吸取教訓，杜絕重複違章現象。

5. EMPLOYEE WELL-BEING (Continued)

5.4 Focus on Safety and Health (Continued)

• Safety Production (Continued)

In 2021, all subsidiaries of the Group actively carried out fire drills, flood prevention drills, safety production training and other activities to popularize the knowledge of laws and regulations, strengthen the ability of self-prevention and self-rescue and ensure the Company's production safety.

5. 員工福祉(續)

5.4 關注安全健康(續)

• 安全生產(續)

二零二一年，集團各子公司積極開展消防演習、防汛演練和生產安全培訓等活動，普及法律法規知識，加強自防自救的能力，保障公司生產安全。



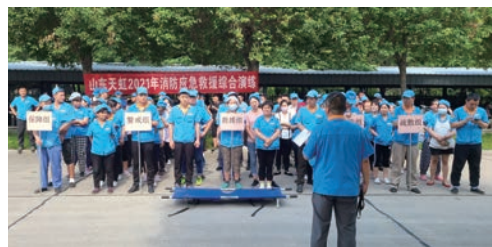
**Jiangsu Texhong: Fire emergency drill**  
江蘇天虹：消防應急演練



**Texhong Yinlong: "Safety Month" Fire Safety Knowledge Competition**  
天虹銀龍：「安全月」安全消防知識競賽



**Nantong Texhong: training on unsafe behaviors during operation**  
南通天虹：作業活動不安全行為培訓



**Shandong Texhong: Comprehensive emergency rescue drill**  
山東天虹：應急救援綜合演練

In 2021, the number of working days lost due to work injury of the Group was 5,115 days; from 2019 to 2021, the number of work-related fatalities of the Group was zero.

二零二一年，本集團因工傷損失工作日數為5,115天；二零一九年至二零二一年，本集團無因工亡故人數。



5. EMPLOYEE WELL-BEING (Continued)

5.4 Focus on Safety and Health (Continued)

• Occupational Health

The Group has established an occupational health and safety production committee, with the general manager as the head, the deputy general manager for production as the deputy head, and the factory managers and department managers of each branch as members. The Group conscientiously implemented systems such as the “Occupational Health and Safety Management System” and the “Distribution and Management of Labour Protection Equipment System” and continued to improve existing mechanisms.

In 2021, the Group and its subsidiaries took various measures to prevent occupational diseases, including:

- Offer health and safety education to employees and provide induction safety training and arrange safety retraining for elder employees;
- Establish and maintain occupational health records and regularly arrange pre-employment and on-the-job health examinations for occupational diseases to prevent occupational diseases effectively;
- Engage third parties to conduct assessments on occupational hazards at workplaces and noise and dust test and issue reports, and post notices and warning signs at workplaces where the occupational hazards exist to raise the employees’ self-protection awareness; and
- Distribute personal protective supplies such as earplugs and masks on a timely basis and provide staff training on the correct use of the supplies.

5. 員工福祉(續)

5.4 關注安全健康(續)

• 職業健康

本集團成立了職業健康安全生產委員會，由總經理擔任組長，生產副總任擔任副組長，各分廠廠長、部門經理為成員。本集團認真執行《職業衛生安全管理制度》、《勞動保護用品發放管理制度》等制度，並持續完善現有體系。

二零二一年，本集團及各子公司採取各種措施預防職業病，包括：

- 對員工進行健康安全教育和實行入職前安全培訓和老員工安全再培訓；
- 建立和維護職業健康檔案，定期開展員工崗前、在崗職業病體檢等職業健康體檢，有效預防職業病的發生；
- 邀請第三方機構對作業場所進行職業危害評價和粉塵、噪聲檢測並出具報告，在車間有職業危害的地方進行告知和警示，提高員工自我防護意識；
- 按時分發耳塞、口罩等勞保用品，並對如何正確佩戴進行員工培訓。



**Shandong Texhong: Occupational health examination**  
山東天虹：職業健康體檢



**Texhong Yinlong: Occupational health examination**  
天虹銀龍：職業健康體檢

5. EMPLOYEE WELL-BEING (Continued)

5.4 Focus on Safety and Health (Continued)

• Protection for Female Employees

The Group is concerned about the problems encountered by female employees in their work and life and constantly improves the working environment and conditions for females. The Group strictly complies with relevant local laws and regulations, such as the “Law of the People’s Republic of China on the Protection of Women’s Rights and Interests”, “Regulations on Labour Protection of Female Employees” and the “Regulations on Healthcare of Female Employees”, to protect the physical and mental health of female employees. The Group and its subsidiaries have put in place a “Three-phase” regulation and regular physical examination system for female employees. For example, Nantong Texhong organizes an individual physical examination for female employees every year to care for the physical and mental health of female employees.

• Epidemic Prevention and Control

With the repeated outbreaks of COVID-19, each subsidiary of the Group has relentlessly engaged in epidemic prevention and control, and organized employees in an orderly manner to receive vaccination with COVID-19 vaccination rate reaching 100%. In 2021, Winnitex Vietnam formulated and improved the “COVID-19 Prevention Measures and Emergency Plan” and established an internal epidemic prevention committee and an epidemic prevention team to carry out epidemic prevention actions more effectively.

5. 員工福祉(續)

5.4 關注安全健康(續)

• 女職工關愛

本集團關注女職工在工作和生活上的問題，不斷改善女性勞動環境和勞動條件。本集團嚴格遵守當地的相關法律法規，如《中華人民共和國婦女權益保障法》、《女職工勞動保護規定》和《女職工保健工作規定》等，以保護女職工的身心健康。本集團及各子公司落實女工「三期」規定及定期體檢制度，如南通天虹每年組織女職工單項身體檢查等，關愛女職工身心健康。

• 疫情防護

疫情反覆，本集團各子公司防疫工作毫不鬆懈，有序組織員工接種疫苗，新冠疫苗接種率達到100%。二零二一年，慶業越南制定和完善了《新冠疫情預防措施及應急方案》，並成立內部防疫委員會、防疫小組，更加有力地開展防疫行動。



Texhong Yinlong: Organized staff to receive vaccination  
天虹銀龍：組織員工接種疫苗

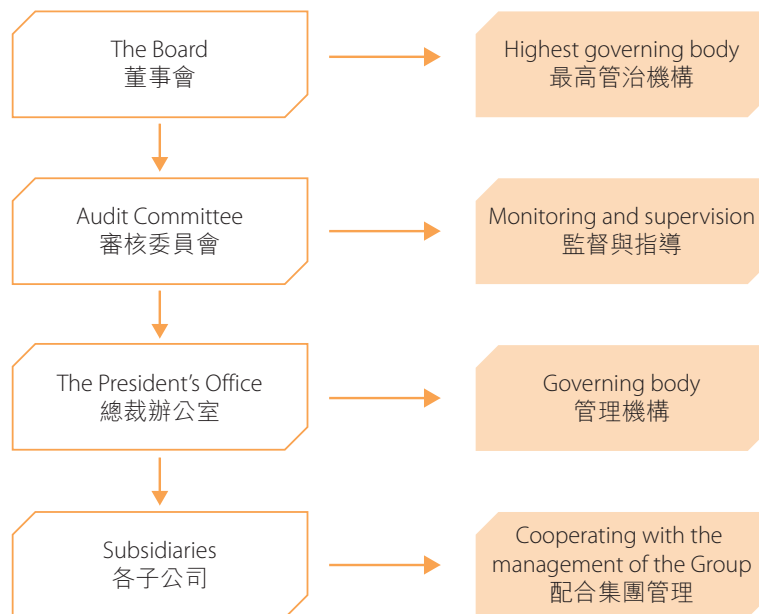
**6. COMPLIANCE AND SELF-DISCIPLINE**

The Group regards “integrity management” as its core value and undertakes to manage the Company with the highest standards. The Group implements the concept of honesty, integrity, fairness and transparency in its daily operations, and has zero tolerance for corruption. It does not allow any bribery, fraud, extortion, abuse, misappropriation of the Company’s assets or acts at the expense of the Company’s interests for personal gain.

The Group strictly abides by the “Company Law of the People’s Republic of China”, the “Bidding Law of the People’s Republic of China”, the “Anti-Unfair Competition Law of the People’s Republic of China” and other laws and regulations, and has issued a series of anti-corruption systems, including “Regulations on Anti-Bribery and Anti-Corruption of Texhong Textile Group”, “Reward Measures for Integrity and Self-discipline of Texhong Textile Group”, “Protection and Reward System for Whistle-blowers of Texhong Textile Group” and a set of ethical standards, including “Code of Conduct for Employees” and “Code of Conduct for Suppliers”, which set out the principles applicable to all employees, contractors and suppliers of the Group to regulate our daily compliance operations.

**6.1. Compliance Governance System**

The Board of the Group is the highest governing body for business ethics management, and the Audit Committee is responsible for monitoring the compliance of rules, standards and policies that guide the Company’s conduct.



**6. 合規自律**

本集團以「誠信經營」為核心價值，承諾以最高標準治理公司，在日常的運營中具體落實誠信正直、公平及透明等理念，對腐敗行為零容忍，不允許任何賄賂、舞弊、勒索、濫用、挪用公司資產或犧牲公司利益以換取個人利益的行為。

本集團嚴格遵守《中華人民共和國公司法》、《中華人民共和國招標投標法》、《中華人民共和國反不正當競爭法》等法律法規，發佈了一系列反腐敗制度，包括《天虹紡織集團反賄賂及反腐敗管理條例》、《天虹紡織集團廉潔自律獎勵辦法》、《天虹紡織集團舉報人保護和獎勵制度》，以及一套道德準則，包括《員工行為準則》、《供應商行為準則》，列出了適用於本集團所有員工、承包商、供應商的原則，以規範我們的日常合規運營。

**6.1 合規管治體系**

本集團董事會為商業道德管理最高管治機構，審核委員會負責監督對指導公司的行為規則、標準和政策的遵守情況。

**6. COMPLIANCE AND SELF-DISCIPLINE** (Continued)

**6.1. Compliance Governance System** (Continued)

The President's Office of the Group is the responsible management body for anti-corruption of the Group and is responsible for:

- Sorting out the work processes of the Group in various fields, identifying corruption points, and formulating specific measures to prevent all kinds of corruption acts;
- Investigating all suspected corruption acts and report the investigation results to the Board in a timely manner;
- For corruption acts that violates the law, submitting the parties concerned to the judicial authority for handling according to law; and
- Urging all departments and subsidiaries to conduct self-inspection on corruption and carrying out anti-corruption and corruption prevention training.

Each subsidiary is responsible for formulating specific measures based on the actual situation to prevent all kinds of corruption acts, and is responsible for investigating or unconditionally cooperating with the President's Office of the Group to investigate and deal with internal corruption acts within the Company.

The Group requires the suppliers, customers and other partners of Texhong to abide by the integrity and honesty and participate in the supervision system of the Group's integrity operation. We take the "Texhong Textile Group Anti-Commercial Bribery Agreement" as an essential appendix for the contract to come into effect, and require all cooperative suppliers to sign the agreement. Since 2019, we have conducted a joint special inspection on the signing of the "Texhong Textile Group Anti-Commercial Bribery Agreement". If the contract does not meet the requirements, the relevant department will be held accountable.

**6. 合規自律** (續)

**6.1 合規管治體系** (續)

集團總裁辦公室為集團反腐敗的歸口管理機構，負責：

- 梳理集團公司各領域工作流程、找出腐敗點，擬訂具體措施預防各種腐敗行為；
- 負責調查一切涉嫌腐敗行為，並將調查結果及時向董事會彙報；
- 對於觸犯法律的腐敗行為，將當事人提交司法機關依法處理；
- 負責督促各部門、各子公司進行腐敗自查，並開展反腐、防腐培訓工作。

各子公司負責根據實際情況擬訂具體措施預防各種腐敗行為，負責調查或無條件配合集團總裁辦公室調查並處理公司內部腐敗行為。

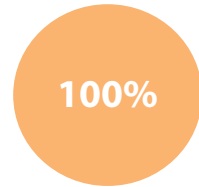
本集團要求天虹的供應商、客戶及其他合作夥伴廉潔守正，參與到本集團誠信經營的監督體系中。我們將《天虹紡織集團反商業賄賂協議書》作為合同生效的必備附件，要求所有合作供應商簽訂，並自二零一九年起針對《天虹紡織集團反商業賄賂協議書》的簽訂進行聯合專項檢查，發現不符合要求的合同，將追究相關部門的責任。

6. COMPLIANCE AND SELF-DISCIPLINE (Continued)

6.1. Compliance Governance System (Continued)

In 2021, the Group established and achieved the annual goal of honest operation:

- Employees in management positions and key positions sign the “Employee Integrity Commitment”  
管理崗位及關鍵崗位員工簽訂《員工廉潔從業承諾書》
- All employees completed the “Integrity Texhong” learning activity  
全體員工完成「廉潔天虹」主題學習活動
- All suppliers sign the “Texhong Textile Group Anti-Commercial Bribery Agreement”  
所有供應商簽訂《天虹紡織集團反商業賄賂協議書》



The internal audit department of the Group cooperates with the president office of the Group to conduct routine business ethics audit on all companies every three years. The audit is carried out in the form of special audit, mainly on the business departments at the group level together with all relevant departments, or independently on subsidiaries.

本集團內審部配合集團總裁辦每三年對所有公司開展例行商業道德審核。審計以專項審計形式開展，主審集團層面業務部門連帶所有相關部門，或獨立審計子公司。

6.2. Effective whistleblowing mechanism

The Group has published an internal anti-corruption system on its official website and reporting channels such as whistle-blowing hotline, email address, letter address, online message on its official website and appointment for visits to encourage internal and external personnel to report corruption. Once the problem is verified, the Group will immediately conduct an investigation and give cash rewards to individual reporting or cooperative units, and at the same time, malicious reporting and accusation are prohibited.

6.2 有效舉報機制

本集團在官網公佈內部反腐制度以及舉報電話、電子郵箱、信函地址、官網在線留言和預約來訪等舉報途徑，鼓勵內外部人員舉報腐敗問題。問題一經核實，本集團立即開展調查，並對個人舉報或合作單位給予現金獎勵，同時禁止惡意舉報和誣告陷害。

By telephone:  
(landline) +86-21-20680206\20680285

電話舉報：  
座機 +86-21-20680206\20680285

By email:  
jubao1@texhong.com; jubao2@texhong.com

電子郵件舉報：  
jubao1@texhong.com; jubao2@texhong.com

By post:  
the President’s Office, 23rd Floor, Tower C, The SOHO Bund,  
88 East Zhongshan No.2 Road, Huangpu District, 200001  
Shanghai, the People’s Republic of China

信函舉報：  
中華人民共和國上海市黃浦區中山東  
二路 88 號外灘 SOHO C 棟 23 樓 郵編  
200001, 總裁辦公室

By official website of the Texhong Textile Group:  
[http://www.texhong.com/home/onlinemsg\\_show.htm](http://www.texhong.com/home/onlinemsg_show.htm)

天虹紡織集團官網：  
[http://www.texhong.com/home/onlinemsg\\_show.htm](http://www.texhong.com/home/onlinemsg_show.htm)

Via visit by appointment

預約來訪舉報

Other forms that the whistleblower deems appropriate

舉報人認為合適的其它形式

**6. COMPLIANCE AND SELF-DISCIPLINE** (Continued)

**6.2. Effective whistleblowing mechanism** (Continued)

The Group protects whistleblowers through a sound ethical management structure and strict protective measures. The President's Office is the only dedicated department authorized by the Audit Committee of Texhong Textile Group to conduct investigation on corruption acts, and reports directly to the Chairman of the Board of Directors, the President or the Audit Committee of Texhong Textile Group to ensure the independence and objectivity of acceptance and investigation of reports. The President's Office gives priority to the confidentiality of whistleblowers, and has a strict control system and process for the acceptance and investigation of reports. The personal information of the whistleblowers and all reported information provided by the whistleblowers are kept strictly confidential.

In particular, the Group has set up a "Special Protection List" for real-name reporting units or individuals, which is managed by a special person from the president's office to ensure strict confidentiality; suppliers, customers and other partners who voluntarily report corruption information will be given multiple protection, and the latter will be granted exemption rights, business development protection rights and additional rewards, etc.

In 2021, no concluded legal case regarding corrupt practices was brought against the Group or its employees.

**6. 合規自律** (續)

**6.2 有效舉報機制** (續)

本集團通過完善的道德管理架構和嚴格的保護措施來落實對舉報人的保護。總裁辦公室是天虹紡織集團審計委員會唯一被授權從事腐敗行為調查的專職部門，直接向天虹紡織集團董事局主席、總裁或審核委員會彙報，保障舉報受理和調查工作的獨立性和客觀性。總裁辦公室將舉報人的保密工作放在首位，對於舉報受理和調查有嚴格的管控制度和流程，對舉報人的個人信息及舉報人提供的所有舉報資料均嚴格保密。

特別針對實名舉報的單位或個人，本集團專門設置秘密的「特別保護名單」，由總裁辦公室專人管理，切實做到嚴格保密；對於主動舉報腐敗信息的供應商、客戶及其他合作夥伴提供多重保障，後者將被給予豁免權和業務發展保障權及額外獎勵等。

二零二一年未發生對本集團或員工提出並已審結的貪污訴訟案件。

**6. COMPLIANCE AND SELF-DISCIPLINE** (Continued)

**6.3. Ethics Standards Training**

The Group formulates a business ethics training plan every year, covering all types of employees including full-time and part-time employees.

We provide employees with training on ethical standards through emails, signing relevant agreements on professional ethics and training on rules and systems. In 2021, we invited the Independent Commission Against Corruption of Hong Kong to conduct an anti-corruption related training for the directors and employees of the Group. Besides, the Group also provided employees with such internal trainings.

In 2021, the Group conducted a special training on the “Sustainability of the Texhong Group” for the management and employees of our subsidiaries in the yarn business center. In addition to introducing items such as sustainability and product responsibility, we have also emphasized integrity operation before our employees, and introduced systems such as integrity operation goal, organization and structure, audit plan, employee code of conduct and supplier code of conduct. The training attendancy for the yarn business center has reached 100%.

**6. 合規自律(續)**

**6.3 道德標準培訓**

本集團每年制定商業道德培訓計劃，覆蓋全職、兼職等所有類型員工。

我們通過郵件宣導、簽署職業道德相關協議、規章制度培訓，對員工進行道德標準培訓。二零二一年，本集團邀請香港廉政公署對本集團董事及員工提供反貪污相關培訓。同時，本集團內部亦為員工開展反貪污相關培訓。

二零二一年，本集團針對集團紗綫業務中心各子公司的管理層及員工，開展了《天虹集團可持續發展》專項培訓，除介紹可持續發展、產品責任等內容外，還向員工強調誠信經營，介紹了誠信經營目標、組織架構、審計計劃、員工行為準則、供應商行為準則等體系制度。紗綫業務中心受訓率達到100%。



**Sustainability training of yarn business center of the Texhong Group**  
天虹集團紗綫業務中心可持續發展培訓

7. COMMUNITY INVESTMENT

The Group has formulated the “Charity and Public Welfare Management System of Texhong Textile Group”, actively organizes and participates in various charitable activities, and is enthusiastic about social public undertakings. We do our best to give back to the society and earnestly fulfill our corporate social responsibilities, so as to become a company that wins social respect.

Supporting Epidemic Areas

In 2021, the COVID-19 pandemic is still raging, touching everyone’s hearts. The Group worked as one and actively donated money and materials to fight against the COVID-19 pandemic together with the people in the affected areas at home and abroad:

- ✓ In April 2021, Shandong Texhong donated money and materials during the epidemic prevention and disaster relief, and was awarded the “Model Enterprise for Epidemic Prevention and Control Charity Donation” by Jining Charity Federation;
- ✓ In May 2021, Texhong Yinlong donated VND3 billion to the Department of Epidemic Prevention of Quang Ninh Province, Vietnam to contribute to local epidemic prevention and control;
- ✓ In 2021, Texhong Galaxy sponsored medical materials related to epidemic prevention to the government of Haihe County, purchased 7,000 nasal swab rapid tests (South Korea), 4,000 PCR reagents, 17,000 cotton vouchers in total for donation to the government of Haihe County, and invested nearly VND600 million to purchase the “COVID-19 Test and Prevention Control System”, playing an important role in the epidemic prevention work in Vietnam; and
- ✓ In 2021, Winnitex Vietnam donated approximately VND7.592 million to employees affected by the pandemic under the call of the Company’s labor union. In addition, the Company donated 1,000 doses of rapid screening reagents to Haihe County, and together with the enterprises in the park, donated a set of PCR detection systems to Haihe County to facilitate its progress in epidemic prevention and control.

7. 社區投資

本集團制定《天虹紡織集團慈善與公益管理制度》，積極組織、參與各種慈善活動，熱心社會公共事業，盡自己所能回饋社會，切實履行企業社會責任，成為一家贏得社會尊重的企業。

馳援疫區

二零二一年新型冠狀病毒肺炎依舊肆虐，疫情牽動著每個人的心。本集團上下齊心，積極捐款捐物，與國內外疫區人民同舟共濟，共同抗擊新冠疫情：

- ✓ 二零二一年四月，山東天虹在防疫抗災中捐款捐物，被濟寧市慈善總會評為「全市疫情防控慈善捐助企業楷模」；
- ✓ 二零二一年五月，天虹銀龍向越南廣寧省防疫部捐贈30億越南盾，為當地疫情防控貢獻自己的力量；
- ✓ 二零二一年，天虹銀河給予海河縣政府防疫工作相關醫療物資的贊助，共購買7,000份鼻拭子快篩（韓國）、4,000份PCR試劑、17,000份棉簽贈送給海河縣政府，並投入近6億越南盾購買《新冠狀病毒檢測防控系統》，在越南防疫工作中發揮了重要作用；及
- ✓ 二零二一年，慶業越南在公司工會的號召下，全體人員為受疫情影響的員工共捐助約759.2萬越南盾。此外，公司向海河縣捐贈快篩試劑1,000劑，並與園區各企業一起，向海河縣捐贈一套PCR檢測系統，助力其疫情防控工作的推進。



**Certificate of Shandong Texhong as Model Enterprise for Epidemic Prevention**  
山東天虹防疫企業楷模證書



**Ribbon cutting ceremony for PCR detection system donation by Texhong Winnitex Vietnam**  
慶業越南PCR檢測系統捐贈剪綵儀式



**7. COMMUNITY INVESTMENT** (Continued)

**Education assistance**

In 2021, Texhong Yinlong sponsored VND50 million for the construction and restoration of Chenghuang temple, Binh Ngoc Village, Mong Cai city, Vietnam, to help local people build homes with our corporate strength.

From March to May 2021, Texhong Renze provided opportunities for visit, exchange and internship bases for 14 students of the Chinese language department from Ho Chi Minh City University of Education, 9 students majoring in textile and 35 students majoring in mechanical engineering from Second Industrial University of Ho Chi Minh City.

**7. 社區投資(續)**

**助建助學**

二零二一年，天虹銀龍為越南省芒街市平玉村城隍廟宇建造和修復贊助5千萬越南盾，盡企業之力，幫助當地人民建設家園。

二零二一年三月到五月，天虹仁澤為胡志明市師範大學14名中文系、胡志明市第二工業大學9名紡織專業、35名機械專業的大學生提供參觀交流、實習基地的機會。



**Texhong Renze: providing bases for visit, exchange and internship**  
天虹仁澤：提供參觀交流實習基地



羅兵咸永道

**To the Shareholders of Texhong Textile Group Limited**  
(incorporated in the Cayman Islands with limited liability)

致天虹紡織集團有限公司全體股東  
(於開曼群島註冊成立的有限公司)

## OPINION

### What we have audited

The consolidated financial statements of Texhong Textile Group Limited (the "Company") and its subsidiaries (the "Group"), which are set out on pages 151 to 270, comprise:

- the consolidated balance sheet as at 31 December 2021;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated cash flow statement for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

## 意見

本核數師(以下簡稱「我們」)已審核:

列載於第151至270頁天虹紡織集團有限公司(「貴公司」)及其附屬公司(「貴集團」)的綜合財務報表,其中包括:

- 於二零二一年十二月三十一日的綜合資產負債表;
- 截至該日止年度的綜合收益表;
- 截至該日止年度的綜合全面收益表;
- 截至該日止年度的綜合權益變動表;
- 截至該日止年度的綜合現金流量表;及
- 綜合財務報表附註,其中包括重要會計政策及其他說明資料。

### Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### 我們的意見

我們認為,綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實而公平地反映貴集團於二零二一年十二月三十一日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量,並已按照香港公司條例的披露規定妥為編製。

## 獨立核數師報告(續)

### INDEPENDENT AUDITOR'S REPORT (CONTINUED)



羅兵咸永道

#### BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code.

#### KEY AUDIT MATTER

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### 意見基準

我們已根據香港會計師公會頒佈的香港審計準則(「香港審計準則」)進行審核。我們於該等準則下的責任於我們的報告的核數師就審核綜合財務報表須承擔的責任一節內詳述。

我們相信，我們所獲得的審核憑證能充分和適當地為我們的意見提供基礎。

#### 獨立性

根據香港會計師公會的「專業會計師道德守則」(「守則」)，我們獨立於貴集團，並已遵循守則履行其他道德責任。

#### 關鍵審核事項

根據我們的專業判斷，關鍵審核事項為我們審核於本期間的綜合財務報表中最重要的事項。我們在審核整體綜合財務報表及就此達致意見時處理此等事項，而不會就此等事項單獨發表意見。

# 獨立核數師報告(續)

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)



羅兵咸永道

A key audit matter identified in our audit is summarised as follows:

我們在審核中識別出關鍵審核事項概述如下：

- Revenue recognition: Sales of goods
- 收入確認：商品銷售

### Key Audit Matter

#### 關鍵審核事項

#### Revenue recognition: Sales of goods

#### 收入確認：商品銷售

Refer to Note 2.27 and Note 5 to the consolidated financial statements

請參閱綜合財務報表附註2.27及附註5

During the year ended 31 December 2021, the Group recognised RMB26,521,193,000 of revenue from sales of goods.

於截至二零二一年十二月三十一日止年度，貴集團已確認商品銷售收入為人民幣26,521,193,000元。

Revenue is recognised when control of the underlying products has been transferred to the customers. 收入於相關產品的控制權已轉嫁予客戶時確認。

We focused on this area due to the huge volume of sales transactions generated in various locations and from decentralised customers, and thus significant audit time and resources were devoted in this area, in particular relating to the occurrence, accuracy and timely recording of such transactions.

由於自不同地區及分散的客戶產生大量銷售交易，故我們著重此方面，並投入大量審核時間與資源到此領域中，尤其是與有關交易的發生、準確性及及時記錄相關的事宜。

### How our audit addressed the Key Audit Matter

#### 我們在審核中的處理關鍵審核事項的方法

We understood, evaluated and validated management's key controls in respect of the Group's process of recognition of sales transactions, including contract approval, recording of sales based on contract terms, and reconciliations with cash receipts and customers' goods receipt notes.

我們就貴集團確認銷售交易之程序，包括合約批准、記錄按合約條款之銷售及已收現金及客戶商品收據對賬，理解、評估及核實管理層之關鍵控制。

We tested the revenue derived from different customers and different locations for selected samples by examination of the relevant supporting documents, including sales orders, invoices, goods delivery notes and customer's receipt notes to revenue recorded. 透過檢查銷售訂單、發票及已記賬收入之送貨單及客戶收據等相關證明文件，我們按經挑選的樣本測試不同客戶及不同地點產生的收入。

We confirmed selected trade receivables balances as at the balance sheet date. The items tested were selected on a sample basis by considering the amount, nature and characteristics of the customers.

我們詢證經挑選的於資產負債表日的應收貿易款項結餘。測試項目經考慮客戶的數額、性質及特點後抽樣選擇。

We tested sales transactions that took place shortly before and after the balance sheet date to assess whether revenue was recognised in the correct reporting periods.

我們測試資產負債表日前後不久發生的銷售交易，以評估收入是否在正確的報告期內確認。

We tested post balance sheet date sales return, on a sample basis, by tracing to the relevant supporting documents of the original sales and the sales return.

我們透過追蹤原始銷售及銷售退貨的相關證明文件，抽樣測試資產負債表日期後的銷售退貨。

Based on our audit procedures, we found the Group's revenue recognition in relation to sales of goods was supported by the relevant evidence that we have gathered.

基於審核程序，我們發現貴集團關於商品銷售的收入確認得到所收集相關證據支持。



### OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The audit committee is responsible for overseeing the Group's financial reporting process.

### 其他資料

貴公司董事須對其他資料承擔責任。其他資料包括載於年報的所有資料(惟不包括綜合財務報表及我們的核數師報告)。

我們對綜合財務報表作出的意見並無涵蓋其他資料，而我們不會並對其他資料發表任何形式的核證結論。

就我們審核綜合財務報表而言，我們的責任為閱讀其他資料，從而考慮其他資料是否與綜合財務報表或我們在審核過程中獲悉的資料存在重大不符，或似乎存在重大錯誤陳述。

倘若我們基於對我們進行的工作認為其他資料出現重大錯誤陳述，我們須報告有關事實。就此，我們毋須作出報告。

### 董事及審核委員會就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及按照香港公司條例的披露規定，編製真實而公平的綜合財務報表，以及董事釐定屬必要的內部監控，以使編製的綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

在編製綜合財務報表時，董事須負責評估貴集團持續經營的能力，並披露與持續經營有關的事項(如適用)及採用以持續經營為基礎的會計法，除非董事擬將貴集團清盤或停止營運，或除此之外並無其他實際可行的辦法則作別論。

審核委員會負責監督貴集團的財務報告流程。

## 獨立核數師報告(續) INDEPENDENT AUDITOR'S REPORT (CONTINUED)



羅兵咸永道

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

### 核數師就審核綜合財務報表須承擔的責任

我們的目標為合理確定綜合財務報表整體而言不會存在由於欺詐或錯誤而導致的重大錯誤陳述，並發出載有我們意見的核數師報告。我們僅向閣下(作為整體)報告，除此以外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。合理確定屬高層次的核證，惟根據香港審計準則進行的審核工作不能保證總能察覺所存在的重大錯誤陳述。錯誤陳述可因欺詐或錯誤產生，倘個別或整體在合理預期情況下可影響使用者根據綜合財務報表作出的經濟決定時，則被視為重大錯誤陳述。

根據香港審計準則進行審計的過程中，我們運用專業判斷，保持專業懷疑態度。我們亦：

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險、設計及執行審計程序以應對該等風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述或凌駕內部監控的情況，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部監控，以設計適當的審計程序，惟並非旨在對貴集團內部監控的有效性發表意見。
- 評估董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。



羅兵咸永道

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

- 對董事採用持續經營會計基礎的恰當性作出結論，並根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。倘我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。倘有關披露不足，則修訂我們意見。我們結論乃基於截至核數師報告日期止所取得的審計憑證。然而，未來事項或情況可能導致貴集團無法持續經營。
- 評估綜合財務報表的整體呈報方式、結構及內容，包括披露資料，以及綜合財務報表是否公平反映相關交易和事項。
- 就貴集團內實體或業務活動的財務資料獲取充足及適當的審計憑證，以便對綜合財務報表發表意見。我們負責集團審計的方向、監督和執行。我們為審核意見承擔全部責任。

我們與審核委員會就(其中包括)審計的計劃範圍、時間安排及重大審計發現溝通，該等發現包括我們在審計過程中識別的內部監控的任何重大缺失。

我們亦向審核委員會作出聲明，指出我們已符合有關獨立性的相關道德要求，並與彼等溝通可能被合理認為會影響我們獨立性的所有關係及其他事宜，以及(如適用)已採取的行動以消除威脅或已應用的防範措施。

## 獨立核數師報告(續) INDEPENDENT AUDITOR'S REPORT (CONTINUED)



From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Dou Wang, Angel.

**PricewaterhouseCoopers**  
*Certified Public Accountants*

Hong Kong, 16 March 2022

羅兵咸永道

從與審核委員會溝通的事項中，我們釐定對本期間綜合財務報表的審計至關重要的事項，因而構成關鍵審核事項。我們在核數師報告中描述該等事項，除非法律或法規不允許公開披露該等事項，或在極端罕見的情況下，倘合理預期在我們報告中溝通某事項造成的負面後果超出產生的公眾利益，則我們決定不應在報告中傳達該事項。

出具本獨立核數師報告的審計合夥人為陶宏。

羅兵咸永道會計師事務所  
執業會計師

香港，二零二二年三月十六日



# 綜合資產負債表

## CONSOLIDATED BALANCE SHEET

As at 31 December 2021  
於二零二一年十二月三十一日

			2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
		Note 附註		
<b>ASSETS</b>	<b>資產</b>			
<b>Non-current assets</b>	<b>非流動資產</b>			
Freehold land	永久產權土地	6	<b>163,957</b>	167,794
Property, plant and equipment	物業、廠房及設備	7	<b>9,229,119</b>	8,894,136
Right-of-use assets	使用權資產	8	<b>1,227,190</b>	1,324,417
Intangible assets	無形資產	9	<b>69,078</b>	63,406
Long-term receivables	長期應收賬款	14	<b>292,000</b>	-
Investments accounted for using the equity method	以權益法入賬之投資	10	<b>320,938</b>	290,075
Deferred income tax assets	遞延所得稅資產	22	<b>91,983</b>	89,712
			<b>11,394,265</b>	10,829,540
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨	12	<b>7,151,667</b>	3,795,718
Properties under development	發展中物業	12	<b>235,113</b>	228,680
Trade and bills receivables	應收貿易及票據款項	13	<b>2,019,660</b>	1,735,593
Prepayments, deposits and other receivables	預付款項、按金及其他應收賬款	14	<b>890,817</b>	512,358
Derivative financial instruments	衍生金融工具	20	<b>55,653</b>	111,167
Pledged bank deposits	已抵押銀行存款	15	<b>190,302</b>	260,610
Cash and cash equivalents	現金及現金等值物	15	<b>2,505,407</b>	2,683,613
			<b>13,048,619</b>	9,327,739
<b>Total assets</b>	<b>資產總值</b>		<b>24,442,884</b>	20,157,279
<b>EQUITY</b>	<b>權益</b>			
<b>Equity attributable to owners of the Company</b>	<b>本公司擁有人應佔權益</b>			
Share capital: nominal value	股本：面值	16	<b>96,958</b>	96,709
Share premium	股份溢價	16	<b>462,059</b>	433,777
Other reserves	其他儲備	18	<b>907,534</b>	942,310
Retained earnings	保留溢利	18	<b>8,571,719</b>	6,390,471
			<b>10,038,270</b>	7,863,267
<b>Non-controlling interests</b>	<b>非控制性權益</b>		<b>562,682</b>	609,471
<b>Total equity</b>	<b>權益總額</b>		<b>10,600,952</b>	8,472,738

## 綜合資產負債表(續) CONSOLIDATED BALANCE SHEET (CONTINUED)

As at 31 December 2021  
於二零二一年十二月三十一日

			2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
	Note 附註			
<b>LIABILITIES</b>		<b>負債</b>		
<b>Non-current liabilities</b>		<b>非流動負債</b>		
Borrowings	19	借貸	3,383,377	3,225,622
Lease liabilities	8	租賃負債	82,627	125,229
Deferred income tax liabilities	22	遞延所得稅負債	286,482	292,659
Long-term payables	21	長期應付賬款	-	29,871
			<b>3,752,486</b>	3,673,381
<b>Current liabilities</b>		<b>流動負債</b>		
Trade and bills payables	23	應付貿易及票據款項	4,576,337	2,652,659
Contract liabilities		合約負債	361,634	220,143
Accruals and other payables	24	預提費用及其他應付賬款	903,579	811,632
Current income tax liabilities		當期所得稅負債	188,766	69,984
Borrowings	19	借貸	3,831,662	3,837,481
Derivative financial instruments	20	衍生金融工具	165,975	234,704
Lease liabilities	8	租賃負債	31,622	60,516
Long-term payables due within 1 year	21	1年內到期之長期應付賬款	29,871	124,041
			<b>10,089,446</b>	8,011,160
<b>Total liabilities</b>		<b>負債總值</b>	<b>13,841,932</b>	11,684,541
<b>Total equity and liabilities</b>		<b>總權益及負債</b>	<b>24,442,884</b>	20,157,279

The notes on pages 159 to 270 are an integral part of these consolidated financial statements.

於第159至270頁之附註為此等綜合財務報表之一部分。

The consolidated financial statements on pages 151 to 270 were approved by the Board of Directors on 16 March 2022 and the consolidated balance sheet was signed on its behalf by:

於第151至270頁之綜合財務報表已於二零二二年三月十六日獲董事會批准，並由下列董事代表董事會簽署其中的綜合資產負債表：

**Hong Tianzhu**  
Director

**Zhu Yongxiang**  
Director

洪天祝  
董事

朱永祥  
董事

## 綜合收益表

### CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2021  
截至二零二一年十二月三十一日止年度

		Year ended 31 December 截至十二月三十一日止年度	
		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
	Note 附註		
Revenue	收入	5	19,576,938
Cost of sales	銷售成本	26	(16,869,820)
<b>Gross profit</b>	<b>毛利</b>		<b>2,707,118</b>
Selling and distribution costs	銷售及分銷開支	26	(752,298)
General and administrative expenses	一般及行政開支	26	(1,034,040)
Net accrual of impairment losses on financial assets	預提金融資產 減值虧損淨額		(4,851)
Other income	其他收入	25	179,106
Other losses — net	其他虧損 — 淨額	25	(239,384)
<b>Operating profit</b>	<b>經營溢利</b>		<b>855,651</b>
Finance income	財務收入	28	50,774
Finance costs	財務費用	28	(270,689)
Finance costs — net	財務費用 — 淨額	28	(219,915)
Share of profits less losses of investments accounted for using the equity method	分佔使用權益法入賬之 投資溢利減虧損	10	45,124
<b>Profit before income tax</b>	<b>除所得稅前溢利</b>		<b>680,860</b>
Income tax expense	所得稅開支	30	(150,506)
<b>Profit for the year</b>	<b>年度溢利</b>		<b>530,354</b>
<b>Attributable to:</b>	<b>由以下各方應佔：</b>		
Owners of the Company	本公司擁有人		517,065
Non-controlling interests	非控制性權益		13,289
			<b>2,741,616</b>
<b>Earnings per share for profit attributable to owners of the Company</b>	<b>本公司擁有人應佔溢利之 每股盈利</b>		
— Basic earnings per share	— 每股基本盈利	31	RMB 人民幣 2.93
— Diluted earnings per share	— 每股攤薄盈利	31	RMB 人民幣 2.93

The notes on pages 159 to 270 are an integral part of these consolidated financial statements.

於第159至270頁之附註為此等綜合財務報表之一部分。

## 綜合全面收益表

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2021

截至二零二一年十二月三十一日止年度

Year ended 31 December  
截至十二月三十一日止年度

			2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
<b>Profit for the year</b>	年度溢利		<b>2,741,616</b>	530,354
<b>Other comprehensive losses</b>	其他全面虧損			
<i>Item that may be reclassified subsequently to profit or loss</i>	其後可能會重新分類至損益 之項目			
Currency translation differences	貨幣兌換差額	18	<b>(1,838)</b>	(2,023)
<b>Total comprehensive income for the year</b>	年度全面收益總額		<b>2,739,778</b>	528,331
<b>Attributable to:</b>	由以下各方應佔：			
Owners of the Company	本公司擁有人		<b>2,683,332</b>	515,042
Non-controlling interests	非控制性權益		<b>56,446</b>	13,289
			<b>2,739,778</b>	528,331

The notes on pages 159 to 270 are an integral part of these consolidated financial statements.

於第159至270頁之附註為此等綜合財務報表之一部分。

## 綜合權益變動表

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2021  
截至二零二一年十二月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔					Non- controlling interests 非控制性 權益	Total equity 權益總額
		Share capital 股本	Share premium 股份溢價	Other reserves 其他儲備	Retained earnings 保留溢利			
		Note 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		
<b>Balance at 1 January 2020</b>	於二零二零年一月一日的結餘		96,709	433,777	905,019	6,037,951	625,919	8,099,375
<b>Comprehensive income</b>	全面收益							
Profit for the year	年度溢利		-	-	-	517,065	13,289	530,354
Other comprehensive income:	其他全面收益：							
Currency translation differences	貨幣兌換差額	18	-	-	(2,023)	-	-	(2,023)
<b>Total comprehensive income for the year</b>	年度全面收益總額		-	-	(2,023)	517,065	13,289	528,331
<b>Transactions with owners</b>	與股權持有人之交易							
Capital injection from non-controlling shareholders of subsidiaries	附屬公司非控股股東注資		-	-	-	-	6	6
Dividend paid for non-controlling interests	向非控制性權益派付之股息		-	-	-	-	(29,743)	(29,743)
Dividend relating to 2019	二零一九年之股息	32	-	-	-	(125,364)	-	(125,364)
Employee share option scheme	僱員購股權計劃	17	-	-	133	-	-	133
Transfer to statutory reserves	轉撥至法定儲備	18	-	-	48,231	(48,231)	-	-
Transfer from revaluation reserve to retained earnings	由重估儲備轉撥至保留溢利							
— gross	— 總額		-	-	(11,530)	11,530	-	-
— deferred income tax	— 遞延所得稅		-	-	2,480	(2,480)	-	-
<b>Total transactions with owners</b>	與股權持有人之交易總額		-	-	39,314	(164,545)	(29,737)	(154,968)
<b>Balance at 31 December 2020</b>	於二零二零年十二月三十一日的結餘		96,709	433,777	942,310	6,390,471	609,471	8,472,738

The notes on pages 159 to 270 are an integral part of these consolidated financial statements.

於第159至270頁之附註為此等綜合財務報表之一部分。

## 綜合權益變動表(續)

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the year ended 31 December 2021

截至二零二一年十二月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔					
		Share capital	Share premium	Other reserves	Retained earnings	Non-controlling interests	Total equity
		股本 RMB'000 人民幣千元	股份溢價 RMB'000 人民幣千元	其他儲備 RMB'000 人民幣千元	保留溢利 RMB'000 人民幣千元	非控制性權益 RMB'000 人民幣千元	權益總額 RMB'000 人民幣千元
<b>Balance at 1 January 2021</b>	於二零二一年一月一日的結餘	96,709	433,777	942,310	6,390,471	609,471	8,472,738
<b>Comprehensive income</b>	全面收益						
Profit for the year	年度溢利	-	-	-	2,685,170	56,446	2,741,616
Other comprehensive income:	其他全面收益：						
Currency translation differences	貨幣兌換差額			(1,838)	-	-	(1,838)
	Note 18						
<b>Total comprehensive income for the year</b>	年度全面收益總額	-	-	(1,838)	2,685,170	56,446	2,739,778
<b>Transactions with owners</b>	與股權持有人之交易						
Shares issued upon exercise of share options	行使購股權時發行股份	249	28,282	(9,284)	-	-	19,247
Capital withdraw from non-controlling shareholders of subsidiaries	附屬公司非控股股東撤資	-	-	-	-	(5,478)	(5,478)
Dividend paid for non-controlling interests	向非控制性權益派付之股息	-	-	-	-	(87,191)	(87,191)
Dividends relating to 2020	二零二零年之股息				(150,461)	-	(150,461)
Dividends relating to 2021	二零二一年之股息				(377,115)	-	(377,115)
Transfer to statutory reserves	轉撥至法定儲備			105,679	(105,679)	-	-
Transfer from revaluation reserve to retained earnings	由重估儲備轉撥至保留溢利						
— gross	— 總額	-	-	(11,279)	11,279	-	-
— deferred income tax	— 遞延所得稅	-	-	2,575	(2,575)	-	-
Disposal of subsidiaries	— 出售附屬公司	-	-	(120,629)	120,629	(10,566)	(10,566)
<b>Total transactions with owners</b>	與股權持有人之交易總額	249	28,282	(32,938)	(503,922)	(103,235)	(611,564)
<b>Balance at 31 December 2021</b>	於二零二一年十二月三十一日的結餘	96,958	462,059	907,534	8,571,719	562,682	10,600,952

The notes on pages 159 to 270 are an integral part of these consolidated financial statements.

於第159至270頁之附註為此等綜合財務報表之一部分。

## 綜合現金流量表

### CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2021  
截至二零二一年十二月三十一日止年度

		Year ended 31 December 截至十二月三十一日止年度	
		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
	Note 附註		
<b>Cash flows from operating activities</b>	<b>來自經營活動的現金流量</b>		
Cash generated from operations	經營所產生之現金	33	2,842,501
Interest received	已收利息		44,589
Income tax paid	已付所得稅		(445,486)
			3,417,862
			50,774
			(167,851)
Net cash generated from operating activities	經營活動所得現金淨額		2,441,604
			3,300,785
<b>Cash flows from investing activities</b>	<b>來自投資活動的現金流量</b>		
Dividends received from associates and joint venture entity	自聯營公司及合營企業實體收取的股息		-
Net proceeds on disposal of subsidiaries	出售附屬公司所得款項淨額		1,318
Investment in associates	投資聯營公司		-
Purchases of property, plant and equipment	購買物業、廠房及設備		(3,000)
Purchases of land use rights	購買土地使用權		(2,340,133)
Proceeds from sale of property under development	出售發展中物業所得款項		(63,738)
Proceeds from sale of property, plant and equipment	出售物業、廠房及設備所得款項	33	934
Proceeds from sale of land use rights	出售土地使用權所得款項		56,877
Inflow of cash to acquire subsidiaries, net of cash acquired	收購附屬公司的現金流入，扣除已收購現金		-
Net (payment on)/proceeds from settlement of financial instruments	金融工具結算(支付)／所得款項淨額		7,854
			(133,302)
Net cash used in investing activities	投資活動所耗現金淨額		(2,362,774)
			70,822
			(577,713)

## 綜合現金流量表(續)

### CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

For the year ended 31 December 2021

截至二零二一年十二月三十一日止年度

		Year ended 31 December 截至十二月三十一日止年度	
		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
	Note 附註		
<b>Cash flows from financing activities</b>	<b>來自融資活動的現金流量</b>		
Proceeds from shares issued under the employee share option scheme	根據僱員購股權計劃發行之股份所得款項	19,247	-
Proceeds from borrowings	借貸所得款項	6,493,800	6,777,463
Repayments of borrowings	償還借貸	(6,083,040)	(7,898,732)
Principal elements of lease payments	租賃付款之本金部分	(56,455)	(48,418)
Dividends paid	已付股息	(527,576)	(125,364)
Capital injection from non-controlling shareholders of subsidiaries	附屬公司非控股股東注資	-	6
Capital withdrawal from non-controlling shareholders of subsidiaries	附屬公司非控股股東撤資	(5,478)	-
Dividend paid to non-controlling interests	向非控制性權益派付之股息	(87,191)	(29,743)
Interest paid	已付利息	(210,343)	(353,531)
Decrease/(Increase) in pledged bank deposits	已抵押銀行存款減少/(增加)	200,000	(191,999)
	15		
Net cash used in financing activities	融資活動所耗現金淨額	(257,036)	(1,870,318)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>現金及現金等值物 (減少)/增加淨額</b>	<b>(178,206)</b>	852,754
Cash and cash equivalents at beginning of the year	年初之現金及現金等值物	2,683,613	1,830,859
	15		
<b>Cash and cash equivalents at end of the year</b>	<b>年終之現金及現金等值物</b>	<b>2,505,407</b>	2,683,613
	15		

The notes on pages 159 to 270 are an integral part of these consolidated financial statements.

於第159至270頁之附註為此等綜合財務報表之一部分。



# 綜合財務報表附註

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021  
截至二零二一年十二月三十一日止年度

### 1. GENERAL INFORMATION

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

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

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

These consolidated financial statements are presented in Chinese Renminbi (“RMB”), unless otherwise stated. These consolidated financial statements have been approved and authorised for issue by the Board of Directors of the Company on 16 March 2022.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 2.1 Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (HKFRSs). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of buildings, financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss, which are carried at fair value.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

### 1. 一般資料

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

本公司乃於二零零四年七月十二日在開曼群島根據開曼群島公司法註冊成立為一間獲豁免有限公司。其註冊辦事處之地址為Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands。

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

除另有說明外，該等綜合財務報表乃以人民幣(「人民幣」)呈報。該等綜合財務報表於二零二二年三月十六日獲董事會批准及授權刊發。

### 2. 重要會計政策概要

編製此等綜合財務報表採用的主要會計政策列載如下。除另有說明外，該等政策在所呈報的所有年度內已被貫徹應用。

#### 2.1 編製基準

本公司之綜合財務報表已根據所用適用香港財務報告準則(「香港財務報告準則」)編製，綜合財務報表按照歷史成本法編製，並就按公平值計入損益之樓宇、金融資產及金融負債(包括衍生工具)的重估(均按公平值列賬)而作出修訂。

編製符合香港財務報告準則之財務報表需要使用若干關鍵會計估算。這亦需要管理層在應用本集團會計政策過程中行使其判斷。涉及高度判斷或複雜性之範疇，或涉及對綜合財務報表屬重大假設和估計之範疇，於附註4披露。

## 綜合財務報表附註(續)

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

截至二零二一年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.1 Basis of preparation (Continued)

#### Changes in accounting policies and disclosures

##### (a) Amendments to HKFRSs adopted by the Group in 2021

A number of amendments to existing standards became applicable for the current reporting period. These amendments to existing standards did not give rise to any significant impact on the Group's financial statements. These amendments are set out below:

- (i) Interest rate benchmark reform — Phase 2 — amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16

In August 2020, the HKICPA made amendments to HKFRS 9, HKAS 39, HKRS 7, HKFRS 4 and HKFRS 16 to address the issues that arise during the reform of an interest rate benchmark rate, including the replacement of one benchmark with an alternative one.

The Phase 2 amendments provide the following reliefs:

- When changing the basis for determining contractual cash flows for financial assets and liabilities (including lease liabilities), the reliefs have the effect that the changes, that are necessary as a direct consequence of IBOR reform and which are considered economically equivalent, will not result in an immediate gain or loss in the income statement.
- The hedge accounting reliefs will allow most HKAS 39 or HKFRS 9 hedge relationships that are directly affected by IBOR reform to continue. However, additional ineffectiveness might need to be recorded.

## 2. 重要會計政策概要(續)

### 2.1 編製基準(續)

#### 會計政策變更及披露

##### (a) 本集團於二零二一年採納之香港財務報告準則修訂

多項現有準則的修訂於本報告期間適用。該等現有準則的修訂並無對本集團的財務報表產生任何重大影響。該等修訂列示如下：

- (i) 利率基準變革 — 第二階段 — 香港財務報告準則第9號、香港會計準則第39號、香港財務報告準則第7號、香港財務報告準則第4號及香港財務報告準則第16號之修訂

於二零二零年八月，香港會計師公會對香港財務報告準則第9號、香港會計準則第39號、香港財務報告準則第7號、香港財務報告準則第4號及香港財務報告準則第16號作出修訂，以處理利率基準利率變革期間出現的問題，包括以另一基準取代某一基準。

第二階段之修訂提供以下緩衝期：

- 在釐定金融資產及負債(包括租賃負債)的合約現金流量的基礎改變時，緩衝期使銀行間拆借利率改革的必然結果或和拆借利率改革在經濟上相當所產生的變化，不會在損益表中立即確認為收益或損失。
- 套期會計的緩衝期將使直接受到銀行間拆借利率改革影響的大多數香港會計準則第39號或港財務報告準則第9號的套期關係得以繼續。然而，此變通可能導致公司需確認更多的無效套期。

## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021  
截至二零二一年十二月三十一日止年度

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.1 Basis of preparation (Continued)

##### Changes in accounting policies and disclosures (Continued)

##### (a) Amendments to HKFRSs adopted by the Group in 2021 (Continued)

- (i) Interest rate benchmark reform — Phase 2 — amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 (Continued)

Affected entities need to disclose information about the nature and extent of risks arising from IBOR reform to which the entity is exposed, how the entity manages those risks, and the entity's progress in completing the transition to alternative benchmark rates and how it is managing that transition.

### 2. 重要會計政策概要(續)

#### 2.1 編製基準(續)

##### 會計政策變更及披露(續)

##### (a) 本集團於二零二一年採納之香港財務報告準則修訂(續)

- (i) 利率基準變革 — 第二階段 — 香港財務報告準則第9號、香港會計準則第39號、香港財務報告準則第7號、香港財務報告準則第4號及香港財務報告準則第16號之修訂(續)

受影響實體須披露有關該實體所面臨的銀行間拆借利率改革所產生的風險的性質及程度、該實體如何管理該等風險，以及該實體完成向替代基準利率過渡的進展及如何管理此過渡的資料。

## 綜合財務報表附註(續)

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

截至二零二一年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.1 Basis of preparation (Continued)

#### Changes in accounting policies and disclosures (Continued)

(b) The following new standard and amendments to HKFRSs have been issued but are not effective for the financial year beginning on 1 January 2021 and have not been early adopted by the Group:

- (i) Amendments to HKAS 16 regarding property, plant and equipment, proceeds before intended use, effective for annual periods beginning on or after 1 January 2022.
- (ii) Amendments to HKAS 37 regarding onerous contracts — cost of fulfilling a contract, effective for annual periods beginning on or after 1 January 2022.
- (iii) Amendments to HKFRS 3 regarding reference to the conceptual framework, effective for annual periods beginning on or after 1 January 2022.
- (iv) Revised to Accounting Guideline 5 regarding merger accounting for common control combinations, effective for annual periods beginning on or after 1 January 2022.
- (v) Amendments to HKAS 1 regarding classification of liabilities as current or non-current, effective for annual periods beginning on or after 1 January 2023.
- (vi) HKFRS 17 'Insurance Contracts', effective for annual periods beginning on or after 1 January 2023.
- (vii) Annual Improvements to HKFRS Standards 2018–2020, effective for annual periods beginning on or after 1 January 2022.

## 2. 重要會計政策概要(續)

### 2.1 編製基準(續)

#### 會計政策變更及披露(續)

(b) 以下已頒佈的香港財務報告準則的新訂準則及修訂但尚未於二零二一年一月一日起之財政年度生效，且未獲本集團提前採納：

- (i) 香港會計準則第16號有關物業、廠房及設備於作擬定用途前之所得款項之修訂，自二零二二年一月一日或之後起年度期間生效。
- (ii) 香港會計準則第37號有關虧損性合約 — 履行合約之成本之修訂，自二零二二年一月一日或之後起年度期間生效。
- (iii) 香港財務報告準則第3號有關概念框架之提述之修訂，自二零二二年一月一日或之後起年度期間生效。
- (iv) 會計指引第5號有關共同控制合併會計法之修訂，自二零二二年一月一日或之後起年度期間生效。
- (v) 香港會計準則第1號有關將負債分類為流動或非流動之修訂，自二零二三年一月一日或之後起年度期間生效。
- (vi) 香港財務報告準則第17號「保險合約」，自二零二三年一月一日或之後起年度期間生效。
- (vii) 香港財務報告準則二零一八年至二零二零年之年度改進，自二零二二年一月一日或之後起年度期間生效。

## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021  
截至二零二一年十二月三十一日止年度

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.1 Basis of preparation (Continued)

##### Changes in accounting policies and disclosures (Continued)

(b) The following new standard and amendments to HKFRSs have been issued but are not effective for the financial year beginning on 1 January 2021 and have not been early adopted by the Group: (Continued)

(viii) Hong Kong Interpretation 5 (2020) regarding presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause, effective for annual periods beginning on or after 1 January 2023.

(ix) Amendments to HKAS 1 and HKFRS Practice Statement 2 regarding disclosure of Accounting Policies, effective for annual periods beginning on or after 1 January 2023.

(x) Amendments to HKAS 8 regarding definition of Accounting Estimates, effective for annual periods beginning on or after 1 January 2023.

(xi) Amendments to HKAS 12 regarding deferred Tax related to Assets and Liabilities arising from a Single Transaction, effective for annual periods beginning on or after 1 January 2023.

(xii) Amendments to HKFRS 10 and HKAS 28 regarding sale or contribution of assets between an investor and its associate or joint venture, originally intended to be effective for annual periods beginning on or after 1 January 2016. The effective date has now been deferred/removed.

### 2. 重要會計政策概要(續)

#### 2.1 編製基準(續)

##### 會計政策變更及披露(續)

(b) 以下已頒佈的香港財務報告準則的新訂準則及修訂但尚未於二零二一年一月一日起之財政年度生效，且未獲本集團提前採納：(續)

(viii) 香港詮釋第5號(二零二零年)有關財務報表之呈列 — 借款人對含有按要求償還條款之定期貸款的分類之修訂，自二零二三年一月一日或之後起年度期間生效。

(ix) 香港會計準則第1號及香港財務報告準則實務報告第2號有關會計政策披露之修訂，自二零二三年一月一日或之後起年度期間生效。

(x) 香港會計準則第8號有關會計估計定義之修訂，自二零二三年一月一日或之後起年度期間生效。

(xi) 香港會計準則第12號有關與單一交易產生的資產及負債相關的遞延稅項之修訂，自二零二三年一月一日或之後起年度期間生效。

(xii) 香港財務報告準則第10號及香港會計準則第28號關於投資者與其聯營公司或合營企業之間的資產出售或注資之修訂，原訂自二零一六年一月一日或之後起年度期間生效。有關生效日期現已押後/刪除。

## 綜合財務報表附註(續)

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

截至二零二一年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.2 Subsidiaries

#### 2.2.1 Consolidation

(a) A subsidiary is an entity (including a structured entity) over which the group has control. The Group controls an entity where the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

#### (b) Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRS.

Acquisition-related costs are expensed as incurred.

## 2. 重要會計政策概要(續)

### 2.2 附屬公司

#### 2.2.1 綜合賬目

(a) 附屬公司指本集團對其有控制權之實體(包括結構實體)。於本集團藉對實體之參與而面臨可變回報之風險或取得可變回報之權利，並藉對該實體行使權力而有能力影響該等回報時，則本集團控制該實體。附屬公司自控制權轉移予本集團當日起綜合入賬，並由控制權終止當日起停止綜合入賬。

#### (b) 業務合併

本集團採用收購法就業務合併入賬。收購附屬公司的轉讓代價為所轉讓資產、對被收購方前擁有人所產生負債及本集團所發行股權的公平值。轉讓代價包括或然代價安排產生的任何資產或負債的公平值。於業務合併時所收購的可識別資產及所承擔的負債及或然負債，初步按收購日的公平值計量。

本集團以逐項收購為基礎，確認於被收購方的任何非控制性權益。屬於現時擁有權權益並賦予持有人在清盤時按比例分佔主體淨資產的被收購方的非控制性權益，可按公平值或現時擁有權權益應佔被收購方可識別淨資產的確認金額比例而計量。非控制性權益的所有其他組成部分按收購日的公平值計量，除非香港財務報告準則規定須以其他計量基準計算。

收購相關成本於產生時支銷。

## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021  
截至二零二一年十二月三十一日止年度

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.2 Subsidiaries (Continued)

##### 2.2.1 Consolidation (Continued)

###### (b) Business combinations (Continued)

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date; any gains or losses arising from such remeasurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with HKAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill (Note 2.9). If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated income statement.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

### 2. 重要會計政策概要(續)

#### 2.2 附屬公司(續)

##### 2.2.1 綜合賬目(續)

###### (b) 業務合併(續)

若業務合併分階段進行，則收購方先前所持被收購方權益於收購日期的賬面值按收購日期公平值重新計量，源於有關重新估值之任何收益或虧損於損益中確認。

本集團所轉讓的任何或然代價於收購日期按公平值確認。或然代價(視作一項資產或負債)公平值的其後變動根據香港會計準則第39號於損益確認，或計作其他全面收益變動。歸類為權益而並無重新計量之或然代價及其後續償付於權益中入賬。

所轉讓代價、被收購方的任何非控制性權益金額及任何先前於被收購方的股權於收購日期的公平值高於所收購可辨認資產淨值的公平值時，其差額以商譽列賬(附註2.9)。就議價購買而言，如轉讓代價、已確認非控制性權益及先前持有的權益計量總額低於所收購附屬公司資產淨值的公平值，其差額將直接在綜合收益表中確認。

集團內部交易、結存及集團內公司間的交易之未變現收益，均予以對銷。除非有關交易提供已轉讓資產減值證據，否則未變現虧損亦予以對銷。如有需要，附屬公司所呈報之金額已經調整，以貫徹本集團之會計政策。

## 綜合財務報表附註(續)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

截至二零二一年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.2 Subsidiaries (Continued)

#### 2.2.1 Consolidation (Continued)

(c) *Changes in ownership interests in subsidiaries without change of control*

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions — that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(d) *Disposal of subsidiaries*

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

## 2. 重要會計政策概要(續)

### 2.2 附屬公司(續)

#### 2.2.1 綜合賬目(續)

(c) *不導致控制權改變之附屬公司所有者權益變動*

不導致失去控制權之非控制性權益交易入賬列作權益交易 — 即以彼等為擁有人之身分與擁有人進行交易。任何已付代價公平值與所收購相關應佔附屬公司資產淨值賬面值之差額於權益入賬。向非控制性權益出售之盈虧亦於權益入賬。

(d) *出售附屬公司*

本集團失去控制權時，於實體之任何保留權益按失去控制權當日之公平值重新計量，有關賬面值變動在損益確認。就其後入賬列作聯營公司、合營企業或金融資產之保留權益，其公平值為初始賬面值。此外，先前於其他全面收益確認與該實體有關之任何金額，按猶如本集團已直接出售有關資產或負債之方式入賬。此可能意味先前在其他全面收益確認之金額重新分類至損益。



## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021  
截至二零二一年十二月三十一日止年度

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.2 Subsidiaries (Continued)

##### 2.2.2 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost also includes direct attributable costs of investment. The results of subsidiaries are accounted for by the company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

Impairment testing of the investments in subsidiaries is also required according to Note 2.10.

#### 2.3 Associates

An associate is an entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carry amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. Upon the acquisition of the ownership interest in an associate, any difference between the cost of the associate and the Group's share of the net fair value of the associate's identifiable assets and liabilities is accounted for as goodwill.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

### 2. 重要會計政策概要(續)

#### 2.2 附屬公司(續)

##### 2.2.2 獨立財務報表

於附屬公司之投資乃按成本扣除減值入賬。成本亦包括投資直接應佔成本。附屬公司業績由本公司按已收及應收股息基準入賬。

倘自附屬公司收取的股息超出宣派股息期間該附屬公司的全面收入總額，或倘獨立財務報表的投資賬面值超出綜合財務報表所示被投資公司資產淨值(包括商譽)的賬面值，則於自該等投資收取股息時須對於該等附屬公司的投資進行減值測試。

根據附註2.10，亦須對於該等附屬公司的投資進行減值測試。

#### 2.3 聯營公司

聯營公司指所有本集團對其有重大影響力而無控制權之實體，通常附帶有20%至50%投票權之股權。聯營公司投資以權益會計法入賬。根據權益法，投資初始以成本確認，而賬面值則予以增加或減少，以確認投資者在收購日期後佔被投資方損益之比例。收購聯營公司之擁有權權益時，聯營公司之成本與本集團應佔聯營公司可識別資產及負債公平淨值間之差額入賬為商譽。

如果對聯營公司的擁有權減少但仍存在重大影響，則先前於其他全面收益確認的金額僅有按比例計算的份額重新分類至損益(如適用)。

## 綜合財務報表附註(續)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

截至二零二一年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.3 Associates (Continued)

The Group's share of post-acquisition profit or loss is recognised in the consolidated income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profits less losses of investments accounted for using the equity method' in the consolidated income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Gains or losses on dilution of equity interests in associates are recognised in the consolidated income statement.

## 2. 重要會計政策概要(續)

### 2.3 聯營公司(續)

本集團收購後應佔的溢利或虧損於綜合收益表內確認，而收購後應佔其他全面收益變動於其他全面收益確認，並就投資賬面值作相應調整。倘本集團應佔聯營公司的虧損等於或超逾所持聯營公司的權益(包括任何其他無抵押應收款項)，除非本集團承擔法定或推定責任或已代聯營公司付款，否則不會確認進一步虧損。

本集團在每個報告日期釐定於聯營公司的投資是否存在客觀減值證據。一旦存在減值證據，本集團會按聯營公司可收回金額與其賬面值之間的差額計算減值金額，並於綜合收益表「分佔使用權益法入賬之投資溢利減虧損」確認有關金額。

本集團及其聯營公司之間之上游及下游交易所產生溢利及虧損於本集團財務報表確認，惟僅以非關連投資者於聯營公司之權益為限。除非有關交易提供已轉讓資產減值證據，否則未變現虧損予以對銷。在必要的時候，聯營公司的會計政策會作出改變，以確保與本集團所採納的政策保持一致。

聯營公司股權被攤薄時之盈虧於綜合收益表確認。

## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021  
截至二零二一年十二月三十一日止年度

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.4 Joint arrangements

The Group has applied HKFRS 11 to all joint arrangements. Under HKFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. The Group's investments in joint ventures include goodwill identified on acquisition. Upon the acquisition of the ownership interest in a joint venture, any difference between the cost of the joint venture and the Group's share of the net fair value of the joint venture's identifiable assets and liabilities is accounted for as goodwill. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

#### 2.5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Committee of Executive Directors of the Company that makes strategic decisions.

### 2. 重要會計政策概要(續)

#### 2.4 合營安排

本集團已對所有合營安排應用香港財務報告準則第11號。根據香港財務報告準則第11號，在合營安排的投資必須分類為共同經營或合營企業，視乎每個投資者的合約權益和責任而定。本集團已評估其合營安排的性質並釐定為合營企業。合營企業按權益法入賬。

根據會計權益法，合營企業權益初步以成本確認，其後經調整以確認本集團分佔的收購後溢利或虧損以及其他全面收益變動的份額。本集團對合營企業的投資包括在收購時已識別的商譽。在收購合營企業的擁有權時，合營企業成本與本集團分佔合營企業可識別資產和負債的公平淨值之差額入賬為商譽。當本集團分佔某一合營企業的虧損超過或相等於在該合營企業的權益(包括任何其他無抵押應收款項)，則本集團不會確認進一步虧損，除非本集團已產生責任或已代合營企業付款。

本集團與其合營企業之間的未變現交易收益按本集團在該等合營企業的權益予以對銷。未變現虧損也予以對銷，除非交易提供證據證明所轉讓的資產出現減值。合營企業的會計政策已於有需要時變更以符合本集團採納的政策。

#### 2.5 分部報告

經營分部以向主要經營決策者提供內部呈報一致的形式呈報。負責分配資源及評估經營分部表現之主要經營決策者已確定為作出策略決策之本公司之執行董事委員會。

## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

截至二零二一年十二月三十一日止年度

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.6 Foreign currency translation

##### (a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in RMB, which is the Company's functional and the Group's presentation currency.

##### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated income statement within 'finance income and costs — net'. All other foreign exchange gains and losses are presented in the consolidated income statement within 'other (losses)/gains — net'.

Changes in the fair value of debt securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in other comprehensive income.

### 2. 重要會計政策概要(續)

#### 2.6 外幣換算

##### (a) 功能及呈報貨幣

本集團旗下每個實體之財務報表所包括之項目，均以該實體之主要營運地區之貨幣(「功能貨幣」)計算。本綜合財務報表乃以人民幣呈報，人民幣為本公司功能貨幣及本集團呈報貨幣。

##### (b) 交易及結餘

外幣交易均按交易當日或估值當日(倘項目再計量)之匯率換算為功能貨幣。此等交易結算以及按年結日之匯率換算外幣資產和負債而產生的匯兌收益及虧損，均於綜合全面收益表內確認。

有關借貸和現金及現金等值物之匯兌收益及虧損於綜合收益表中「財務收入及費用 — 淨額」一項中呈列。所有其他匯兌收益及虧損於綜合收益表中「其他(虧損)/收益 — 淨額」中呈列。

以外幣為單位且分類為可供出售的債務證券的公平值變動，按照證券的攤銷成本變動以及該證券賬面值的其他變動所產生的匯兌差額分析。與攤銷成本變動有關的匯兌差額於損益內確認，而賬面值的其他變動於其他全面收益內確認。

非貨幣金融資產及負債(例如按公平值計入損益之股本)之匯兌差額於損益內確認為公平值盈虧之一部份。非貨幣金融資產(例如分類為可供出售之股本)之匯兌差額計入其他全面收益內。

## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021  
截至二零二一年十二月三十一日止年度

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.6 Foreign currency translation (Continued)

##### (c) Group companies

The results and financial position of all the Group's entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each consolidated income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (iii) all resulting currency translation differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Currency translation differences arising are recognised in other comprehensive income.

### 2. 重要會計政策概要(續)

#### 2.6 外幣換算(續)

##### (c) 集團公司

功能貨幣與呈報貨幣不同的所有本集團內實體(當中沒有嚴重通脹貨幣)的業績和財務狀況按如下方法換算為呈報貨幣:

- (i) 每份呈報的資產負債表內的資產和負債按該資產負債表日期的收市匯率換算;
- (ii) 每份綜合收益表內的收入和費用按平均匯率換算(除非此平均匯率並不代表交易日期匯率的累計影響的合理約數;在此情況下,收支項目按交易日期的匯率換算);及
- (iii) 所有由此產生的貨幣兌換差額於其他全面收益內確認。

綜合入賬時,換算海外實體任何投資淨額以及指定為該等投資之對沖項目的借貸及其他金融工具產生之匯兌差額於其他全面收益確認。於出售境外業務或償還投資淨額的任何借貸時,相關匯兌差額重新分類至損益,作為出售損益之一部分。

收購國外實體產生之商譽及公平值調整,作為國外實體之資產及負債處理,並按收市匯率兌換。所產生之貨幣兌換差額於其他全面收益確認。

## 綜合財務報表附註(續)

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

截至二零二一年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.7 Property, plant and equipment

Buildings comprise mainly factories and offices. Buildings are shown at fair value, based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated income statement during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of buildings are recognised in other comprehensive income. Decreases that offset previous increases of the same asset are charged to other comprehensive income; all other decreases are charged to the consolidated income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the consolidated income statement and depreciation based on the asset's original cost is transferred from 'revaluation reserve' to 'retained earnings'.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their costs or revalued amounts to their residual values over their estimated useful lives, as follows:

— Buildings	15 to 40 years	2.5%–6.7%
— Machinery and equipment	6 to 15 years	6.7%–16.7%
— Furniture and fixtures	3 to 10 years	10.0%–33.3%
— Motor vehicles	5 to 7 years	14.3%–20.0%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

## 2. 重要會計政策概要(續)

### 2.7 物業、廠房及設備

樓宇主要包括工廠和辦公室。樓宇根據外部獨立估值師定期(但最少每三年一次)進行的估值按公平值減其後的折舊列賬。在重估日期的任何累計折舊與資產的賬面值總額對銷，而淨額則重列至資產的重估金額。所有其他物業、廠房及設備按歷史成本減折舊列賬。歷史成本包括收購該等項目直接應佔的開支。

只有在與項目相關的未來經濟效益有可能流入本集團，並能夠可靠地計量項目成本的情況下，本集團才會將其後成本計入為資產賬面值之一部分或確認為獨立資產項目(如適用)。所替換之部分的賬面值乃撇除確認。所有其他維護及保養費用均需於產生時於該財務期間之綜合收益表扣除。

樓宇重估後之賬面增值於其他全面收益確認。與同一資產先前增值對銷的減值部分，於其他全面收益中扣除；餘下之所有減值額則於綜合收益表內扣除。每年，根據於綜合收益表扣除之資產的重估賬面值得出之折舊，與根據資產原來成本得出之折舊的差額乃從「重估儲備」撥轉至「保留溢利」。

物業、廠房及設備的折舊以直線法計算，以分配其成本或重估值至其於估計可使用年期之剩餘價值如下：

— 樓宇	15至40年	2.5%–6.7%
— 機器及設備	6至15年	6.7%–16.7%
— 傢俬及裝置	3至10年	10.0%–33.3%
— 汽車	5至7年	14.3%–20.0%

本集團在各報告期末重檢資產的剩餘價值及可使用年期，並已按適當情況作出調整。

## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021  
截至二零二一年十二月三十一日止年度

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.7 Property, plant and equipment (Continued)

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.10).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other losses — net' in the consolidated income statement.

When revalued assets are sold, the amounts included in revaluation reserve are transferred to retained earnings.

Construction-in-progress, representing buildings on which construction work has not been completed and machinery pending installation, is stated at cost, which includes construction expenditures incurred, cost of machinery, interest capitalised and other direct costs capitalised during the construction and installation period, less accumulated impairment losses, if any. No depreciation is provided in respect of construction-in-progress until the construction and installation work is completed and put into use. On completion, construction-in-progress is transferred to appropriate categories of property, plant and equipment.

#### 2.8 Freehold land

Freehold land is not amortized.

#### 2.9 Intangible assets

##### (i) Goodwill

Goodwill is measured as described in note 2.2.1. Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

### 2. 重要會計政策概要(續)

#### 2.7 物業、廠房及設備(續)

倘資產的賬面值大於其估計可收回金額，資產的賬面值即時撇減至其可收回金額(附註2.10)。

出售之盈利及虧損是按出售所得款項與有關資產賬面值之差額而釐定，並於綜合收益表中「其他虧損—淨額」中確認。

重估資產售出後，重估儲備內的金額轉移至保留溢利。

在建工程指未完成建築工程的樓宇及未安裝的機器，按成本入賬，包括所產生建築開支、機器成本、資本化利息及建築與安裝期間其他直接資本化成本，而扣減累計減值虧損(如有)。於建築及安裝工程完成及投入使用前不會就在建工程作出折舊。當工程完成後，在建工程轉撥至適當物業、廠房及設備類別。

#### 2.8 永久產權土地

永久產權土地並無攤銷。

#### 2.9 無形資產

##### (i) 商譽

商譽按附註2.2.1所述計量。收購附屬公司的商譽列入無形資產。商譽不予攤銷，惟每年進行減值測試，或當有事件出現或情況變動顯示可能出現減值時進行更頻密減值測試，並按成本減去累計減值損失列示。出售實體的收益及虧損包括與出售實體有關的商譽賬面值。

## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

截至二零二一年十二月三十一日止年度

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.9 Intangible assets (Continued)

##### (i) Goodwill (Continued)

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

##### (ii) Customer relationship

Customer relationship acquired in a business combination is recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

##### (iii) Amortisation methods and periods

The Group amortises intangible assets with a limited useful life using the straight-line method over the following periods:

Customer relationship	15 years
-----------------------	----------

#### 2.10 Impairment of investments in subsidiaries, associates, joint ventures and non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

### 2. 重要會計政策概要(續)

#### 2.9 無形資產(續)

##### (i) 商譽(續)

商譽會被分配至現金產生單位以進行減值測試。有關分配乃對預期將從商譽產生的業務合併中獲益的現金產生單位或現金產生單位組別作出。現金產生單位或現金產生單位組別乃就內部管理目的而於監察商譽的最低層次(即經營分部)確認。

##### (ii) 客戶關係

在業務合併中購入的客戶關係按購買日的公平值確認。客戶關係的可用年期有限，隨後按成本減累積攤銷及減值虧損列賬。

##### (iii) 攤銷方法及期間

本集團使用直線法按下列期間對具有限定可使用年期之無形資產予以攤銷：

客戶關係	15年
------	-----

#### 2.10 附屬公司、聯營公司及合營企業的投資及非金融資產減值

可使用年期不確定之資產不予攤銷並每年進行減值測試。當任何事件發生或環境變化預示其賬面值可能無法收回時，會對須予攤銷之資產進行減值測試。若某項資產的賬面值超過其可收回金額時，會就其差額確認減值虧損。資產的可收回金額為公平值減出售成本與其可使用價值中較高者。評估資產減值時，資產按可單獨分辨的最小現金流量(現金產生單位)予以分類。除商譽外減值的非金融資產將於各報告日期檢討撥回減值的可能性。



## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021  
截至二零二一年十二月三十一日止年度

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.11 Financial assets

##### 2.11.1 Classification

The Group classifies its financial assets in the following measurement categories:

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

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

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

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

##### 2.11.2 Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

### 2. 重要會計政策概要(續)

#### 2.11 金融資產

##### 2.11.1 分類

本集團將其金融資產分類為以下計量類別：

- 其後按公平值(不論計入其他全面收益(「其他全面收益」)或計入損益)計量；及
- 按攤餘成本計量。

分類視乎實體管理金融資產及現金流合約年期之業務模式。

就按公平值計量的資產而言，收益及虧損將於損益或其他全面收益列賬。就並非持作買賣的股本工具投資而言，將取決於本集團是否於初始確認時作出不可撤回選擇，將股本投資以按公平值計入其他全面收益計量(「按公平值計入其他全面收益」)入賬。

本集團只限於當管理該等資產的業務模式改變時重新分類債務投資。

##### 2.11.2 確認及終止確認

常規購買及出售的金融資產在交易日確認 — 交易日指本集團承諾購買或出售該資產之日。當從金融資產收取現金流量的權利到期或已轉讓，而本集團已轉讓所有權的絕大部分風險及報酬時，則終止確認金融資產。

## 綜合財務報表附註(續)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

截至二零二一年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.11 Financial assets (Continued)

#### 2.11.3 Measurement

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

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

#### Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

## 2. 重要會計政策概要(續)

### 2.11 金融資產(續)

#### 2.11.3 計量

於初步確認時，本集團按公平值計量金融資產。倘金融資產並非按公平值計入損益(「按公平值計入損益」)記賬，則加上收購該金融資產直接應佔的交易成本。按公平值計入損益列值的金融資產的交易成本於損益中列作開支。

在確定具有嵌入衍生工具的金融資產的現金流量是否純粹為本金及利息付款時，需從金融資產的整體考慮。

#### 債務工具

債務工具的後續計量取決於本集團管理資產之業務模式及該等資產的現金流量特徵。本集團將其債務工具分類為三種計量類別：

- 攤銷成本：倘持有資產旨在收取合約現金流量，而該等資產的現金流量純粹為本金及利息付款，該等資產按攤銷成本計量。該等金融資產的利息收入以實際利率法計入財務收入。終止確認產生任何收益或虧損直接於損益中確認並於其他收益／(虧損)中呈列，連同匯兌收益及虧損。減值虧損於損益表中呈列為獨立項目。

## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021  
截至二零二一年十二月三十一日止年度

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.11 Financial assets (Continued)

##### 2.11.3 Measurement (Continued)

###### Debt instruments (Continued)

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

###### Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other losses in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

### 2. 重要會計政策概要(續)

#### 2.11 金融資產(續)

##### 2.11.3 計量(續)

###### 債務工具(續)

- 按公平值計入其他全面收益：倘持有資產目的為收取合約現金流量及銷售金融資產，且資產的現金流量純粹為本金及利息付款，則按公平值計入其他全面收益計量。賬面值變動計入其他全面收益，惟減值損益、利息收入及匯兌損益於損益中確認。於終止確認金融資產時，先前於其他全面收益確認的累計收益或虧損由權益重新分類至損益並於其他收益/(虧損)確認。該等金融資產所產生利息收入乃使用實際利率法計入財務收入。匯兌收益及虧損於其他收益/(虧損)呈列，而減值開支在收益表中呈列為獨立項目。
- 按公平值計入損益：不符合攤銷成本或按公平值計入其他全面收益標準的資產乃以按公平值計入損益計量。隨後按公平值計入損益的債務投資的損益於其產生期間在損益中確認並在其他收益/(虧損)中呈列為淨值。

###### 股本工具

本集團隨後就所有股本投資按公平值計量。當本集團管理層已選擇於其他全面收益呈列股本投資的公平值收益及虧損，公平值收益及虧損於終止確認投資後不會重新分類至損益。該等投資的股息於本集團收取款項的權利確立時繼續於損益確認為其他收入。

按公平值計入損益的金融資產公平值變動於損益表確認為其他虧損(按適用情況)。按公平值計入其他全面收益計量的股本投資的減值虧損(及減值虧損撥回)不會因公平值其他變動而分開列報。

## 綜合財務報表附註(續)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

截至二零二一年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.11 Financial assets (Continued)

#### 2.11.4 Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see note 13 for further details.

### 2.12 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

### 2.13 Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The method of recognising the resulting gain or loss depends on whether the derivative is designed as a hedging instrument, and if so, the nature of item being hedged. Derivative instruments held by the Group do not qualify for hedge accounting and are accounted for at fair value through profit or loss. Changes in fair value of these derivative instruments that do not qualify for hedge accounting are recognised immediately in the consolidated income statement within 'other losses — net'.

## 2. 重要會計政策概要(續)

### 2.11 金融資產(續)

#### 2.11.4 減值

本集團對有關其按攤銷成本列賬及按公平值計入其他全面收益之債務工具的預期信貸虧損進行前瞻性評估。所應用的減值方法取決於信貸風險是否大幅增加。

就應收貿易款項而言，本集團應用香港財務報告準則第9號允許的簡化方法，其中要求全期預期虧損須自首次確認應收款項時確認，更多詳情請參閱附註13。

### 2.12 抵銷金融工具

當有可合法強制執行權力抵銷已確認金額，並有意圖按淨額基準結算或同時變現資產及結算負債時，金融資產與負債可互相抵銷，並在資產負債表呈報有關淨額。可合法強制執行權利不得取決於未來事件而定，且須在一般業務過程中以及倘本公司或對手方一旦出現拖欠還款、無償債能力或破產時可強制執行。

### 2.13 衍生金融工具

衍生工具最初於訂立衍生工具合同當日按公平值確認，其後於各報告期末重新計量至其公平值。確認所得盈虧方法，取決於衍生工具是否界定為對沖工具及倘屬對沖工具，則取決於被對沖項目性質。本集團持有之衍生工具並不符合對沖會計所指的衍生工具，並透過損益以公平值列賬。任何不符合對沖會計的衍生工具的公平值變動，會即時於綜合收益表中「其他虧損—淨額」確認。

## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021  
截至二零二一年十二月三十一日止年度

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.14 Government grants/subsidies

Grants/subsidies from government authorities are recognised at their fair value where there is a reasonable assurance that the grant/subsidies will be received and the Group will comply with all attached conditions.

Government grants/subsidies relating to assets are presented in the balance sheet by deducting the grant in arriving at the carrying amount of the asset.

Government grants/subsidies relating to compensation for relocation are deferred and recognised in the consolidated income statement over the period when the relocation takes place.

#### 2.15 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

#### 2.16 Properties under development

Properties under development are stated at the lower of cost and net realisable value. Net realisable value takes into account the price ultimately expected to be realised, less applicable variable selling expenses and the anticipated costs to completion.

Development cost of properties comprises cost of land use rights, construction costs, borrowing costs and professional fees incurred during the development period. On completion, the properties are transferred to completed properties held for sale.

Properties under development are classified as current assets unless the construction period of the relevant property development project is expected to complete beyond normal operating cycle.

### 2. 重要會計政策概要(續)

#### 2.14 政府補助／補貼

假若可合理地確定本集團將獲得政府補助／補貼，以及符合所有附帶之條件，政府補助／補貼以公平值確認入賬。

與資產有關之政府補助／補貼乃於扣減補助以得出資產賬面值後在資產負債表呈列。

有關搬遷賠償之政府補助／補貼遞延處理，並於搬遷進行之期間在綜合收益表中確認。

#### 2.15 存貨

存貨以成本及可變現淨值之較低者列賬。成本以加權平均法釐定。產成品及在產品的成本包括原材料、直接勞工、其他直接成本及相關間接生產費用(根據正常經營能力計算)，而不包括借貸費用。可變現淨值為日常業務過程中的估計售價(扣除適用可變銷售費用)。

#### 2.16 發展中物業

發展中物業按成本與可變現淨值之較低者列賬。可變現淨值考慮最終預期將會變現之價格，並扣除適用可變銷售開支及預計完成成本。

物業之發展成本包括於發展期內產生之土地使用權成本、建築成本、借貸成本及專業費用。於落成時，該等物業乃轉撥至已落成待售物業。

發展中物業乃分類為流動資產，除非相關物業發展項目之建築期預期會於正常經營週期之後完成。

## 綜合財務報表附註(續)

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

截至二零二一年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.17 Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade and other receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

### 2.18 Cash and cash equivalents

In the consolidated cash flow statement, cash and cash equivalents include cash in hand and deposits held at call with banks.

### 2.19 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### 2.20 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

## 2. 重要會計政策概要(續)

### 2.17 應收貿易款項及其他應收賬款

應收貿易款項為在日常業務過程中就售出商品或所提供服務應收客戶之款項。倘應收貿易款項及其他應收賬款預期可於一年或之內收款(或倘時間更長,則在業務正常營運周期),則分類為流動資產。倘未能於一年或之內收款,則以非流動資產呈列。

應收貿易款項及其他應收賬款初步按無條件代價金額確認,除非其包含重大融資成分,並按公平值確認。本集團持有應收貿易款項及其他應收賬款,目的是收取合約現金流量,因此以實際利率法按攤銷成本計量。

### 2.18 現金及現金等值物

在綜合現金流量表中,現金及現金等值物包括手頭現金及銀行通知存款。

### 2.19 股本

普通股分類列為權益。

與發行新股或購股權直接有關的增量成本,列入權益作為所得款項的減值(扣除稅項)。

### 2.20 應付貿易款項

應付貿易款項為在日常業務過程中自供應商收購商品或服務之付款責任。倘應付賬款於一年或之內到期(或倘時間更長,則在業務正常營運周期),則分類為流動負債。倘並非於一年或之內到期,則以非流動負債呈列。

應付貿易款項最初按公平值確認,其後以實際利率法按攤銷成本計量。

## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021  
截至二零二一年十二月三十一日止年度

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.21 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

#### 2.22 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

#### 2.23 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

### 2. 重要會計政策概要(續)

#### 2.21 借貸

借貸最初按公平值(扣除已產生之交易成本)確認。借貸其後按攤銷成本列賬,如扣除交易成本後之所得款項及贖回價值出現差額,則於借貸期內以實際利率法在綜合收益表內確認。

除非本集團有權無條件將債務結算日期遞延至報告期末後至少12個月,否則借貸分類為流動負債。

#### 2.22 借貸成本

直接歸屬於購建或生產合資格資產(該等資產需經較長時間方能達至擬定用途或出售狀態)的一般及特定借貸成本,計入該等資產之成本,直至大致達至其擬定用途或出售狀態為止。

在特定借貸撥作合資格資產支出前之暫時投資所賺取之投資收入,須自合資格資本化之借貸成本中扣除。

所有其他借貸成本於其產生期間於損益確認。

#### 2.23 即期及遞延所得稅

期內稅項開支包括即期及遞延稅項。稅項在綜合收益表中確認,除非其涉及其他全面收益或直接在權益中確認之項目。在此情況下,稅項亦分別在其他全面收益或直接在權益中確認。

## 綜合財務報表附註(續)

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

截至二零二一年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.23 Current and deferred income tax (Continued)

#### (a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

#### (b) Deferred income tax

##### *Inside basis differences*

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill and deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

## 2. 重要會計政策概要(續)

### 2.23 即期及遞延所得稅(續)

#### (a) 即期所得稅

即期所得稅費用根據於結算日本公司之附屬公司及聯營公司經營並獲得應課稅收入所在的國家已經頒佈或實際上已頒佈的稅法計算。管理層定期評估適用稅法規定之情況下的納稅申報情況，並且就應付稅務機關的金額作出適當撥備。

#### (b) 遞延所得稅

##### *內在基準差異*

遞延所得稅以負債法就資產及負債的評稅基準與其於綜合財務報表內的賬面值兩者間的暫時差異予以確認。然而，倘遞延稅項負債源自初步確認商譽則不予確認。此外，倘遞延所得稅來自進行交易時初始確認的資產或負債(如屬業務合併則除外)而於進行交易之時並不影響會計或應課稅溢利或虧損，則不確認遞延所得稅。遞延所得稅乃根據於結算日前已頒佈或實際上已頒佈而預期當有關遞延所得稅資產已變現後或遞延所得稅負債已清償後將應用的有關稅率(及法例)釐定。

遞延所得稅資產只會在未來應課稅溢利有可能用作抵銷暫時差異時才會確認。



## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021  
截至二零二一年十二月三十一日止年度

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.23 Current and deferred income tax (Continued)

##### (b) Deferred income tax (Continued)

###### Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates. Only where there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference in the foreseeable future, deferred tax liability in relation to taxable temporary differences arising from associate's undistributed profits is not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries and associates only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

#### 2.24 Employee benefits

##### (a) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date. Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

### 2. 重要會計政策概要(續)

#### 2.23 即期及遞延所得稅(續)

##### (b) 遞延所得稅(續)

###### 外在基準差異

遞延所得稅負債須就投資於附屬公司及聯營公司而引致的應課稅暫時差異作出撥備，惟集團可控制暫時差異會在何時轉回，且暫時差異很可能不會在可見的未來轉回的遞延所得稅負債則除外。本集團一般無法控制聯營公司臨時差異之撥回，僅於可見將來訂立協議賦予本集團能力，可控制臨時差異之撥回，源於聯營公司未分派溢利之應課稅臨時差異之遞延稅項負債不予確認。

僅於暫時差額可能將於日後撥回，且有充足之應課稅溢利而動用暫時差額，方會就於附屬公司及聯營公司投資產生之可扣減暫時差額，確認遞延所得稅資產。

#### 2.24 僱員福利

##### (a) 僱員所享有假期

僱員所享有的年假當僱員可享有時確認，並因應僱員截至結算日所提供服务而就年假的估計承擔金額作出撥備。僱員所享有的病期及產假於休假時方會確認。

## 綜合財務報表附註(續)

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

截至二零二一年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.24 Employee benefits (Continued)

#### (b) Pension obligations (defined contribution plans)

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

#### (c) Bonus plan

The Group recognises a provision for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

### 2.25 Share-based payments

#### Equity-settled share-based payment transactions

The Group operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and

## 2. 重要會計政策概要(續)

### 2.24 僱員福利(續)

#### (b) 退休金承擔(定額供款計劃)

定額供款計劃為一項本集團向一個獨立實體支付固定供款之退休金計劃。倘該基金並無持有足夠資產，向所有僱員就其在當期及以往期間之僱用服務提供福利，則本集團亦無法定或推定責任作出進一步供款。

本集團以強制、合約或自願基準向公營或私營管理的退休保險計劃作出供款。一旦作出供款，本集團並無進一步付款責任。該等供款於到期時確認為僱員福利開支。預繳供款確認為資產，惟須以可獲現金退款或扣減日後供款為限。

#### (c) 花紅計劃

本集團於合同規定或由過往做法產生推定責任時就花紅確認撥備。

### 2.25 以股份為基礎之付款

#### 以權益結算以股份為基礎之付款交易

本集團設有一項以權益結算以股份為基礎之酬金計劃，據此，實體視僱員所提供服務為本集團權益工具(購股權)的代價。僱員就獲授購股權所提供服務的公平值確認為開支。將予支銷總金額參照所授出購股權的公平值而釐定：

- 包括任何市場表現條件，例如實體的股價；
- 不包括任何服務及非市場表現歸屬條件的影響，例如盈利能力、銷售增長目標及在特定時限內留聘實體僱員；及

## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021  
截至二零二一年十二月三十一日止年度

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.25 Share-based payments (Continued)

##### Equity-settled share-based payment transactions (Continued)

- including the impact of any non-vesting conditions (for example, the requirement for employees to save or hold shares for a specified period of time).

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-marketing performance and service conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated income statement, with a corresponding adjustment to equity.

In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (and share premium).

#### 2.26 Provisions

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

### 2. 重要會計政策概要(續)

#### 2.25 以股份為基礎之付款(續)

以權益結算以股份為基礎之付款交易(續)

- 包括任何非歸屬條件的影響，例如在特定時限內規定僱員儲蓄或持有股份。

於各報告期末，本集團根據非市場表現及服務條件修訂對預期歸屬之購股權數目所作之估計，並在綜合收益表確認修訂原來估計產生之影響(如有)，並對權益作出相應調整。

此外，在部分情況下，僱員可在授出日期之前提供服務，故授出日期的公平值就確認服務開始期與授出日期的期間內的開支作出估計。

本公司於購股權獲行使時發行新股份。所收款項(扣除任何直接應計交易成本)會撥入股本(及股份溢價)。

#### 2.26 撥備

倘本集團因過往事件而有現時法律或推定責任，並可能須動用資源履行有關責任，且能可靠估計相關金額，則確認撥備。撥備不就未來營運虧損確認。

如有多項類似責任，其需要在償付中流出資源的可能性根據責任的類別整體考慮。即使同一責任類別所包含的任何一個項目相關的資源流出的可能性極低，仍須確認撥備。

撥備以預期用以償付責任的開支，按反映當時市場對金錢時間價值的評估及該責任的特有風險的稅前費率計算的現值計量。因時間過去而增加的撥備確認為利息開支。

## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

截至二零二一年十二月三十一日止年度

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.27 Revenue recognition

##### (a) Sales of goods

The Group manufactures and sells yarns, grey fabrics, non-woven fabrics and garment fabrics as well as garments in the market. Sales are recognised when control of the products has transferred, being when the customer has inspected and accepted the products. The Group does not expect to have any contracts where the period between the transfer of the promised goods to the customer and payment by the customer exceeds one year. Delivery occurs when the products have been shipped to the specific location.

If discount is granted to customers, revenue from these sales is recognised based on the price specified in the contract, net of the estimated discounts. Accumulated experience is used to estimate and provide for the discounts, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. No significant financing component is deemed present as the sales are made with a credit term of less than 90 days to its customers in Mainland China and 120 days to its customers in other countries, which is consistent with market practice.

A receivable is usually recognised when revenue recognised as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

If the payments exceed the value of the goods sold, a contract liability is recognised.

##### (b) Interest income

Interest income on financial assets at amortised cost calculated using the effective interest method is recognised in the consolidated income statement as part of other income. Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes. Any other interest income is included in other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

### 2. 重要會計政策概要(續)

#### 2.27 收入確認

##### (a) 貨品銷售

本集團製造及在市場銷售紗線、坯布、無紡布和面料及服裝。銷售於產品的控制權轉移時(即客戶已驗收產品時)確認。本集團預期於轉交承諾的產品予客戶時至客戶付款超過一年期間並無任何合約。於產品已運送至指定地點時即屬交付落實。

倘向客戶授予折扣，該等銷售的收入乃基於合約規定的價格，經扣除估計折扣後確認。本公司使用累積的經驗估計及提供折扣，且收入僅於重大撥回極大可能不會產生時確認。由於給予中國內地客戶的銷售之信貸期少於90日，其他國家客戶則為120日，符合市場慣例，故不會被視為存在重大融資成分。

應收款項通常於收入確認時確認，原因是代價於這時間點變為無條件，僅須待時間過去便可收取付款。

倘付款超過所售貨品的價值，則確認合約負債。

##### (b) 利息收入

按實際利率法計算的按攤銷成本列賬的金融資產的利息收入在綜合收益表中確認為其他收入的一部分。利息收入呈列為財務收入，其來自為現金管理目的而持有的金融資產。任何其他利息收入均包括在其他收入中。

利息收入乃對一項金融資產賬面總值應用實際利率予以計算，惟其後出現信貸減值的金融資產除外。就出現信貸減值的金融資產而言，實際利率適用於金融資產的賬面淨值(扣除虧損撥備後)。

## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021  
截至二零二一年十二月三十一日止年度

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.28 Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

The Group leases certain property, plant and equipment. Leases of property, plant and equipment where the Group had substantially all the risks and rewards of ownership were classified as finance leases. Finance leases were capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment was allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, were included in finance lease obligations. The interest element of the finance cost was charged to the consolidated income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases was depreciated over the shorter of the useful life of the asset and the lease term.

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

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

### 2. 重要會計政策概要(續)

#### 2.28 租賃

租賃於租賃資產可供本集團使用之日確認為使用權資產及相應負債。

本集團租賃若干物業、廠房及設備。如本集團大致上承受擁有權的所有風險和回報，則物業、廠房及設備的租賃歸類為融資租賃。融資租賃在租賃開始時，按租賃物業的公平值與最低租賃付款現值兩者之中較低者資本化。每項租金均分攤為負債及財務支出。相應租金責任在扣除財務支出後計入融資租賃承擔。財務成本的利息部分於租賃期內在綜合收益表中支銷，以計算出每期剩餘負債的固定周期利率。根據融資租賃而獲得的物業、廠房及設備按資產的可使用年期與租賃期兩者之中較短者進行折舊。

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

根據合理確定的延期選擇權支付的租賃付款也包括在負債計量中。

租賃付款按照租賃內含利率貼現。如果無法確定該利率(此情況普遍存在於本集團租賃中)，則應採用承租人的增量借貸利率，即個別承租人為在類似經濟環境下獲得價值相近的資產，以類似條款、抵押和條件借入資金而必須支付的利率。

## 綜合財務報表附註(續)

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

截至二零二一年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.28 Leases (Continued)

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing, and
- makes adjustments specific to the lease, eg term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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

- the amount of the initial measurement of lease liability, and
- any lease payments made at or before the commencement date less any lease incentives received

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While the Group revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the Group.

## 2. 重要會計政策概要(續)

### 2.28 租賃(續)

為釐定增量借貸利率，本集團：

- 在可能情況下，使用個別承租人最近獲得的第三方融資為出發點作出調整以反映自獲得第三方融資以來融資條件的變動
- 使用累加法，首先就本集團所持有租賃的信貸風險(最近並無第三方融資)調整無風險利率；及
- 進行特定於租賃的調整，例如期限、國家、貨幣及抵押。

租賃付款於本金及融資成本之間作出分配。融資成本在租賃期間於損益扣除，藉以令各期間的負債餘額的期間利率一致。

使用權資產按成本計量，包括以下各項：

- 租賃負債的初步計量金額；及
- 於開始日期或之前所作的任何租賃付款減任何已收租賃優惠

使用權資產一般按資產的可使用年期與租賃期兩者之中較短者以直線法進行折舊。倘本集團合理確定行使採購選擇權，則使用權資產於相關資產的可使用年期內予以折舊。本集團對物業、廠房及設備中呈列的土地及樓宇進行重估，但對於本集團持有的使用權樓宇則不予重估。

## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021  
截至二零二一年十二月三十一日止年度

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.28 Leases (Continued)

All land in the Mainland China is state-owned and no individual land ownership right exists. The Group acquired the right to use certain land. The premiums paid for such right are treated as prepayment for operating lease and recorded at cost as right-of-use assets, which are depreciated over the lease periods using the straight-line method.

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

#### 2.29 Earnings per share

##### (a) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

##### (b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

### 2. 重要會計政策概要(續)

#### 2.28 租賃(續)

中國內地的所有土地均屬國有，不存在任何個人土地擁有權。本集團取得使用若干土地的權利。就有關權利支付的地價視為經營租賃的預付款項，並以成本列作使用權資產，於租賃期內以直線法折舊。

與設備及汽車短期租賃及低價值資產所有租賃相關的付款以直線法於損益確認為開支。短期租賃指租賃期為12個月或以下的租賃。低價值資產包括資訊科技設備及小型辦公傢俬。

#### 2.29 每股盈利

##### (a) 每股基本盈利

每股基本盈利之計算方法為：

- 歸屬於公司擁有人之溢利，不包括普通股以外之任何支付權益成本除以
- 於財政年度內發行在外普通股之加權平均數，就年內發行之普通股之紅利元素作出調整以及並不包括庫存股份。

##### (b) 每股攤薄盈利

每股攤薄盈利調整釐定每股基本盈利時所使用之數字以計及：

- 與潛在攤薄普通股有關之利息及其他融資成本之除所得稅後影響；及
- 假設所有潛在攤薄普通股換股，則將為發行在外額外普通股加權平均數。

## 綜合財務報表附註(續)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

截至二零二一年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.30 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, when appropriate.

## 3. FINANCIAL RISK MANAGEMENT

### 3.1 Financial risk factors

The Group's activities expose it to a variety of financial risk (including foreign exchange risk, price risk, cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain of its risk exposures on changes in interest rates.

#### (a) Market risk

##### (i) Foreign exchange risk

The Group mainly operates in Mainland China, Hong Kong, Macao and Vietnam. Most of the Group's transactions, assets and liabilities are denominated in RMB or United States dollars ("USD"). Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. The Group is exposed to foreign exchange risk primarily through pledged bank deposits, cash and cash equivalents, trade and bills receivables, trade and bills payables, and borrowings that are denominated in a currency other than the functional currency of the relevant group entity. It manages its foreign exchange risks by performing regular review and monitoring of its foreign exchange exposures and purchase of foreign currency forward contracts (Note 20). In 2021, the Group has entered into the forward foreign exchange contracts and cross currency swap contracts to manage the expected fluctuation of RMB against USD or HKD.

## 2. 重要會計政策概要(續)

### 2.30 股息分派

向本公司股東分派的股息在股息獲本公司股東或董事(倘適用)批准的期間於本集團及本公司的財務報表內確認為負債。

## 3. 財務風險管理

### 3.1 財務風險因素

本集團的業務面對多種財務風險(包括外匯風險、價格風險、現金流量及公平值利率風險)、信貸風險及流動資金風險。本集團的風險管理著重金融市場的不可預計因素,並尋求將可能對本集團財政表現產生負面影響的因素降至最低。本集團利用衍生金融工具以對沖利率變動而產生的若干風險。

#### (a) 市場風險

##### (i) 外匯風險

本集團主要在中國內地、香港、澳門及越南營運。本集團大部分交易、資產及負債以人民幣或美元(「美元」)計值。外匯風險來自於未來海外業務中的商業交易、已確認資產及負債及投資淨額。本集團面對的外匯風險,主要來自已抵押銀行存款、現金及現金等值物、應收貿易及票據款項、應付貿易及票據款項及借貸,因前述各項均以相關集團實體之功能貨幣以外之貨幣結算。本集團進行定期檢討及監察其外匯敞口和購買遠期外匯合約(附註20)以管理其外匯風險。於二零二一年,本集團已簽訂遠期外匯合約及交叉貨幣掉期合約以管理人民幣兌美元或港元的預期波動。



## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021  
截至二零二一年十二月三十一日止年度

### 3. FINANCIAL RISK MANAGEMENT (Continued)

#### 3.1 Financial risk factors (Continued)

##### (a) Market risk (Continued)

###### (i) Foreign exchange risk (Continued)

At 31 December 2021, if RMB had weakened/strengthened by 2.3% (2020: 6.5%) against USD with all other variable held constant, post-tax profit for the year would have been RMB65,944,000 (2020: RMB117,637,000) lower/higher, mainly as a result of the net foreign exchange losses/gains on translation of USD-denominated pledged bank deposits, cash and cash equivalents, trade and bills receivables, trade and bills payables, and borrowings.

At 31 December 2021, if RMB had weakened/strengthened by 2.9% (2020: 6.1%) against HKD with all other variable held constant, post-tax profit for the year would have been RMB84,925,000 (2020: RMB194,982,000) lower/higher, mainly as a result of the net foreign exchange losses/gains on translation of HKD-denominated pledged bank deposits, cash and cash equivalents, trade and bills receivables, trade and bills payables, and borrowings.

###### (ii) Price risk

The Group is exposed to raw material price risk because of the volatility of the price of main raw material, cotton. The management of the Group analyze the trend of raw material price on weekly basis. To manage its price risk, the Group has entered into the cotton future contracts and cotton option contracts and decide to enter long term contracts to mitigate the impact from raw material price changes, and diversify the suppliers if they expect significant fluctuation in the future.

### 3. 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (a) 市場風險(續)

###### (i) 外匯風險(續)

於二零二一年十二月三十一日，倘人民幣兌美元的匯率貶值／升值2.3%(二零二零年：6.5%)，而所有其他可變因素維持不變，則年內稅後溢利將會減少／增加人民幣65,944,000元(二零二零年：人民幣117,637,000元)，主要由於匯兌以美元列示的已抵押銀行存款、現金及現金等值物、應收貿易及票據款項、應付貿易及票據款項以及借貸產生的外匯虧損／收益淨額所致。

於二零二一年十二月三十一日，倘人民幣兌港元的匯率貶值／升值2.9%(二零二零年：6.1%)，而所有其他可變因素維持不變，則年內稅後溢利將會減少／增加人民幣84,925,000元(二零二零年：人民幣194,982,000元)，主要由於匯兌以港元列示的已抵押銀行存款、現金及現金等值物、應收貿易及票據款項、應付貿易及票據款項以及借貸產生的外匯虧損／收益淨額所致。

###### (ii) 價格風險

本集團所面對的原材料價格風險乃由於主要原材料—棉花的價格波動所致。本集團管理層每週分析原材料的價格趨勢。倘彼等預期日後將出現大幅波動，為管理該價格風險，本集團已訂立棉花期貨合約和棉花期權合約並決定訂立長期合約以降低原材料價格變動的影響，以及使供應商多元化以應對未來價格的重大波動。

## 綜合財務報表附註(續)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

截至二零二一年十二月三十一日止年度

### 3. FINANCIAL RISK MANAGEMENT (Continued)

#### 3.1 Financial risk factors (Continued)

##### (a) Market risk (Continued)

##### (iii) Cash flow and fair value interest rate risk

Except for pledged bank deposits, cash at bank (Note 15) and long-term receivables (Note 14), the Group has no significant interest-bearing assets. The Group's income and operating cash flows are substantially independent of changes in market interest rates. Management does not anticipate significant impact resulted from changes in interest rates on interest bearing assets.

The Group's interest rate risk arises from borrowings. Borrowings obtained at variable rates expose the Group to cash flow interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk. As at 31 December 2021, approximately 29% (2020: 28%) of the Group's borrowings were at fixed rates and the remaining were at floating rates.

The Group manages certain of its cash flow and fair value interest rate risk by purchasing cross currency swap contracts. Such cross currency swaps have the economic effect of converting borrowings from floating rates to fixed rates. As at 31 December 2021 and 2020, the Group in substance converted majority of its borrowings from floating rates to fixed rates through purchasing cross currency swap contracts. So there is no significant interest rate risk for the Group.

##### (b) Credit risk

The Group has more than 5,000 customers and does not rely on the orders from certain customers. So the Group has no significant concentration of credit risk. The carrying amounts of pledged bank deposits, cash and cash equivalents, trade and bills receivables and other receivables represent the Group's maximum exposure to credit risk in relation to its financial assets.

### 3. 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (a) 市場風險(續)

##### (iii) 現金流量及公平值利率風險

除已抵押銀行存款、銀行現金(附註15)及長期應收賬款(附註14)外,本集團並無重大計息資產。大部分本集團的收入及經營現金流量均獨立於市場利率變動。管理層預期計息資產的利率變動將不會產生重大影響。

本集團的利率風險來自借貸。按浮息獲取的借貸令本集團面對現金流量利率風險,按定息獲取的借貸則令本集團面對公平值利率風險。於二零二一年十二月三十一日,本集團約29%(二零二零年:28%)之借貸為定息,其餘為浮息。

本集團透過購買交叉貨幣掉期合約而管理其若干現金流量及公平值利率風險。該交叉貨幣掉期之經濟影響為將借貸由浮息轉為定息。於二零二一年及二零二零年十二月三十一日,本集團實質上通過購買交叉貨幣掉期合約將其大多數借貸由浮息轉為定息。因此本集團無重大利率風險。

##### (b) 信貸風險

本集團有超過5,000名客戶,並不倚賴若干客戶的訂單。故此,本集團並無重大集中信貸風險。已抵押銀行存款、現金及現金等值物、應收貿易及票據款項以及其他應收賬款的賬面值指本集團就其金融資產所須面對的最大信貸風險。

## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021  
截至二零二一年十二月三十一日止年度

### 3. FINANCIAL RISK MANAGEMENT (Continued)

#### 3.1 Financial risk factors (Continued)

##### (b) Credit risk (Continued)

The Group generally grants credit terms of less than 90 days to its customers in Mainland China and 120 days to its customers in other countries. The Group's management performs periodic credit evaluations/reviews of its customers and ensure that sales are made to customers with an appropriate credit history. The Group places deposits with major banks in Mainland China and Hong Kong, to limit the amount of credit exposure to any financial institution.

Trade and bills receivables, and other receivables are subject to the expected credit loss model.

To lower the Group's exposure to credit risk, the Group may request 5% deposits from certain of their customers before delivery of goods. In addition, 100% (2020: 100%) of the bills receivable of the Group are endorsed by banks as at 31 December 2021.

### 3. 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (b) 信貸風險(續)

本集團通常授出少於90日的信貸期予中國內地的客戶，以及授出少於120日的信貸期予其他國家的客戶。本集團管理層定期對其客戶進行信貸評估／檢討，並確保向具合適信貸記錄之客戶銷貨。本集團將存款存於中國內地及香港的主要銀行，以限制承擔任何一間金融機構的信貸風險金額。

應收貿易及票據款項及其他應收賬款須遵守預期信貸虧損模式。

為降低本集團所面對之信貸風險，本集團可能在交付貨品前要求若干客戶提供5%之按金。另外，於二零二一年十二月三十一日，100% (二零二零年：100%)之本集團應收票據由銀行背書。

## 綜合財務報表附註(續)

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

截至二零二一年十二月三十一日止年度

#### 3. FINANCIAL RISK MANAGEMENT (Continued)

##### 3.1 Financial risk factors (Continued)

###### (b) Credit risk (Continued)

###### (i) Impairment of trade and bills receivables

The Group has trade and bills receivables from sales of products that are subject to HKFRS 9's new expected credit loss model. The Group applies the HKFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables from initial recognition. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the ageing days. The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 December 2021 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. On that basis, the loss allowance as at 31 December 2021 was determined as follows for trade and bills receivables:

		Within 180 days 180日內 RMB'000 人民幣千元	181 days to 1 year 181日至1年 RMB'000 人民幣千元	1 year to 2 years 1年至2年 RMB'000 人民幣千元	Over 2 years 超過2年 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>At 31 December 2021</b>	<b>於二零二一年 十二月三十一日</b>					
Gross carrying amount	賬面總值	2,006,001	2,034	21,304	1,648	2,030,987
Expected loss rate	預期虧損率	0.10%	4.62%	35.28%	100.00%	0.56%
Loss allowance	虧損撥備	2,070	94	7,515	1,648	11,327

Impairment losses on trade and bills receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

應收貿易及票據款項的減值虧損於經營溢利內呈列為減值虧損淨額。其後收回先前已撇銷的金額則計入同一項目。

#### 3. 財務風險管理(續)

##### 3.1 財務風險因素(續)

###### (b) 信貸風險(續)

###### (i) 應收貿易及票據款項減值

本集團有須遵守香港財務報告準則第9號的新預期信貸虧損模式的產品銷售應收貿易及票據款項。本集團採用香港財務報告準則第9號簡化方法計量預期信貸虧損，於初步確認時，為所有應收貿易款項撥備整個存續期內的預期虧損。為計量預期信貸虧損，應收貿易款項已根據攤佔信貸風險特點及賬齡分類。預期虧損率基於二零二一年十二月三十一日前36個月期間銷售的付款情況及本期間內出現的相應過往信貸虧損。過往虧損率作出調整以反映影響客戶結算應收款項能力的宏觀經濟因素的當前及前瞻性資料。按此基準，於二零二一年十二月三十一日的應收貿易及票據款項虧損撥備乃釐定如下：

## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021  
截至二零二一年十二月三十一日止年度

### 3. FINANCIAL RISK MANAGEMENT (Continued)

#### 3.1 Financial risk factors (Continued)

##### (b) Credit risk (Continued)

##### (ii) Impairment of prepayments, deposits, other receivables and long-term receivables

Prepayments, deposits, other receivables and long-term receivables mainly comprise deposits and other receivables. The Directors of the Company consider the probability of default upon initial recognition of asset and whether there has been significant increase in credit risk on an ongoing basis during the Track Record Period. To assess whether there is a significant increase in credit risk, the Group compares risk of a default occurring on the assets as at the reporting date with the risk of default as at the date of initial recognition. Especially the following indicators are incorporated:

- actual or expected significant adverse changes in business, financial economic conditions that are expected to cause a significant change to the third party's ability to meet its obligations;
- actual or expected significant changes in the operating results of the third party;
- significant changes in the expected performance and behavior of the third party, including changes in the payment status of the third party.

Impairment on prepayments, deposits, other receivables and long-term receivables are measured as either 12-month expected credit losses or lifetime expected credit loss, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

##### *Net impairment losses on financial assets recognised in profit or loss*

During the year, losses of RMB30,873,000(2020: RMB4,851,000) are accrued in net accrual of impairment losses on financial assets.

### 3. 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (b) 信貸風險(續)

##### (ii) 預付款項、按金、其他應收賬款及長期應收賬款減值

預付款項、按金、其他應收賬款及長期應收賬款主要包括按金及其他應收賬款。本公司董事在初始確認資產時考慮違責或然率以及往績記錄期間信貸風險是否持續大幅增加。為評估信貸風險是否大幅增加，本集團比較資產於報告日發生違約的風險及於初始確認日的違約風險。特別是納入以下指標：

- 預期將導致第三方履行義務的能力重大變動的業務、財務經濟狀況的實際或預期重大不利變化；
- 第三方經營業績的實際或預期的重大變動；
- 預期第三方表現及行為重大變動，包括第三方支付款狀態變動。

預付款項、按金、其他應收賬款及長期應收賬款減值按12個月預期信貸虧損或全期預期信貸虧損計量，惟視乎信貸風險自初步確認以來有否大幅增加而定。倘應收賬款項的信貸風險自初步確認以來大幅增加，則減值按全期預期信貸虧損計量。

##### *於損益確認的金融資產減值虧損淨額*

年內，虧損人民幣30,873,000元(二零二零年：人民幣4,851,000元)於預提金融資產減值虧損淨額中累計。

## 綜合財務報表附註(續)

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

截至二零二一年十二月三十一日止年度

#### 3. FINANCIAL RISK MANAGEMENT (Continued)

##### 3.1 Financial risk factors (Continued)

###### (c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Group aims to maintain flexibility in funding by keeping committed credit lines available. Details of the undrawn borrowing facilities available to the Group are disclosed in Note 19 to the consolidated financial statements.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

#### 3. 財務風險管理(續)

##### 3.1 財務風險因素(續)

###### (c) 流動資金風險

本集團採取審慎的流動資金風險管理，透過充裕的已承諾信貸融資保持足夠現金及可動用的資金。本集團旨在透過維持可用的已承諾信貸融資，以保持資金之靈活彈性。有關本集團的未動用借貸融資詳情於綜合財務報表附註19中披露。

下表載列本集團的金融負債分析，此乃按相關到期組別並根據由結算日至合約到期日的剩餘期間進行分析。表內披露的金額為合約性未貼現的現金流量。

		Less than 1 year 少於一年 RMB'000 人民幣千元	Between 1 and 2 years 一年至兩年 RMB'000 人民幣千元	Between 2 and 5 years 兩年至五年 RMB'000 人民幣千元	More than 5 years 五年以上 RMB'000 人民幣千元
<b>At 31 December 2021</b>	<b>於二零二一年 十二月三十一日</b>				
Borrowings	借貸	3,831,662	1,783,962	1,599,415	-
Interest payable on borrowings	借貸應付利息	129,073	71,067	20,881	-
Derivative financial instruments	衍生金融工具	165,975	-	-	-
Trade and bills payables	應付貿易及票據款項	4,576,337	-	-	-
Accruals and other payables (excluding non-financial liabilities)	預提費用及其他 應付賬款(不包括 非金融負債)	413,985	-	-	-
Lease liabilities	租賃負債	34,557	23,378	71,381	15,161
Long-term payables	長期應付賬款	30,726	-	-	-
		<b>9,182,315</b>	<b>1,878,407</b>	<b>1,691,677</b>	<b>15,161</b>
<b>At 31 December 2020</b>	<b>於二零二零年 十二月三十一日</b>				
Borrowings	借貸	3,837,481	1,802,628	1,422,994	-
Interest payable on borrowings	借貸應付利息	128,527	67,128	39,390	-
Derivative financial instruments	衍生金融工具	234,704	-	-	-
Trade and bills payables	應付貿易及票據款項	2,652,659	-	-	-
Accruals and other payables (excluding non-financial liabilities)	預提費用及其他 應付賬款(不包括 非金融負債)	387,587	-	-	-
Lease liabilities	租賃負債	66,683	51,981	51,363	37,879
Long-term payables	長期應付賬款	129,936	30,726	-	-
		<b>7,437,577</b>	<b>1,952,463</b>	<b>1,513,747</b>	<b>37,879</b>

## 綜合財務報表附註(續)

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021  
截至二零二一年十二月三十一日止年度

#### 3. FINANCIAL RISK MANAGEMENT (Continued)

##### 3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or issue new shares.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated balance sheet), lease liabilities and long-term payables less pledged bank deposits and cash and total equivalents. Total capital is calculated as 'total equity' as shown in the consolidated balance sheet less non-controlling interests plus net debt.

The net gearing ratios at 31 December 2021 and 2020 are as follows:

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Total borrowings (Note 19)	借貸總額(附註19)	7,215,039	7,063,103
Lease liabilities (Note 8)	租賃負債(附註8)	114,249	185,745
Long-term payables (Note 21)	長期應付賬款(附註21)	29,871	153,912
Less: pledged bank deposits and cash and cash equivalents (Note 15)	減：已抵押銀行存款及現金及現金等值物(附註15)	(2,695,709)	(2,944,223)
Net debt	負債淨額	4,663,450	4,458,537
Total equity excluding non-controlling interests	總權益，扣除非控制性權益	10,038,270	7,863,267
Total capital	資本總額	14,701,720	12,321,804
Net gearing ratio	淨資產負債比率	32%	36%

#### 3. 財務風險管理(續)

##### 3.2 資金風險管理

本集團管理資金的目標為保障本集團持續經營的能力，為股東帶來回報及為其他權益持有人帶來利益，並維持理想資本結構以減少資本成本。

為維持或調整資本結構，本集團或會調整向股東派付股息金額或發行新股份。

與業內其他公司一樣，本集團利用資產負債比率監察資本。此比率以負債淨額除以資本總額計算。負債淨額以借貸總額(包括綜合資產負債表內列示之「流動及非流動借貸」、租賃負債及長期應付賬款減已抵押銀行存款及現金及現金等值物計算。資本總額以綜合資產負債表內列示之「總權益」扣除非控制性權益加負債淨額計算。

於二零二一年及二零二零年十二月三十一日之淨資產負債比率如下：

## 綜合財務報表附註(續)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

截至二零二一年十二月三十一日止年度

### 3. FINANCIAL RISK MANAGEMENT (Continued)

#### 3.3 Fair value estimation

##### Fair value hierarchy

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

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

As at 31 December 2021 and 2020, the Group held forward foreign exchange contracts, cross currency swap contracts, cotton future contracts and cotton option contracts. These forward foreign exchange contracts have been fair valued using forward exchange rates that are quoted in an active market. Cross currency swaps are fair valued using forward exchange rates that are quoted in an active market and interest rates extracted from observable yield curves. Cotton future contracts and cotton option contracts are fair valued using forward cotton price that are quoted in an active market.

### 3. 財務風險管理(續)

#### 3.3 公平值估計

##### 公平值等級

下表以估值法分析按公平值列賬之金融工具，各等級分析如下：

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

於二零二一年及二零二零年十二月三十一日，本集團持有遠期外匯合約、交叉貨幣掉期合約、棉花期貨合約及棉花期權合約。該等遠期外匯合約以活躍市場報價的遠期匯率計算公平值。交叉貨幣掉期乃使用活躍市場報價的遠期匯率及從可觀察收益曲線摘錄的利率計算公平值。棉花期貨合約及棉花期權合約乃使用活躍市場報價的遠期棉花價格計算公平值。



## 綜合財務報表附註(續)

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021  
截至二零二一年十二月三十一日止年度

#### 3. FINANCIAL RISK MANAGEMENT (Continued)

##### 3.3 Fair value estimation (Continued)

###### Fair value hierarchy (Continued)

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2021 and 2020:

		Level 1 第一級 RMB'000 人民幣千元	Level 2 第二級 RMB'000 人民幣千元	Level 3 第三級 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>At 31 December 2021</b>		於二零二一年十二月三十一日			
<b>Assets</b>		資產			
Derivative financial instruments	衍生金融工具	-	-	55,653	55,653
<b>Liabilities</b>		負債			
Derivative financial instruments	衍生金融工具	-	-	165,975	165,975
<b>At 31 December 2020</b>		於二零二零年十二月三十一日			
<b>Assets</b>		資產			
Derivative financial instruments	衍生金融工具	-	-	111,167	111,167
<b>Liabilities</b>		負債			
Derivative financial instruments	衍生金融工具	-	-	234,704	234,704

#### 3. 財務風險管理(續)

##### 3.3 公平值估計(續)

###### 公平值等級(續)

下表列示本集團的資產及負債，其按二零二一年及二零二零年十二月三十一日的公平值計量：

## 綜合財務報表附註(續)

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

截至二零二一年十二月三十一日止年度

#### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

##### 4.1 Estimated useful lives and residual values of property, plant and equipment

The Group's management determines the estimated useful lives and residual values and consequently the related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. It could change as a result of technical innovations and competitors action in response to severe industry cycles. Management will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write-off or write down technically obsolete or non-strategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives, and actual residual values may differ from estimated residual values. Periodic reviews could result in a change in depreciable lives and residual values and therefore changes in depreciation expenses in the future periods.

##### 4.2 Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. These estimates are based on the current market condition and the historical experience of manufacturing and selling products of similar nature. It could change significantly as a result of technical innovations, changes in customer taste and competitor actions in response to severe industry cycle. Management reassesses these estimates at each balance sheet date.

#### 4. 關鍵會計估計及判斷

各項估計及判斷均持續評估，並根據歷史經驗及其他因素(包括於各種情況下對未來事件被認為合理之預期)評估。

本集團作出有關未來情況的估計及假設，按照定義，會計估計結果一般將不會相等於有關實際結果。估計及假設對於就下一個財政年度內的資產及負債賬面值作出重大調整而構成的重大風險討論如下。

##### 4.1 物業、廠房及設備之估計可使用年期及剩餘價值

本集團之管理層釐定其物業、廠房及設備之估計可使用年期及剩餘價值以及相關折舊費用。該估計乃根據類似性質及功能之物業、廠房及設備之實際可使用年期之過往經驗而釐定，並可能因技術創新及競爭對手為回應嚴峻行業週期採取之行動而有改變。當可使用年期少於先前之估計年期，管理層將增加折舊費用，或將撇銷或撇減已報廢或出售之技術廢舊或非策略性資產。實際經濟年期可能與估計之可使用年期不同，而實際剩餘價值可能與估計之剩餘價值不同。定期檢討可能使可折舊年期及剩餘價值出現變動，因而引致未來期間之折舊開支有變。

##### 4.2 存貨之可變現淨值

存貨之可變現淨值乃經扣除完成之估計成本及銷售開支後之日常業務估計售價。該等估計乃基於現行市況及製造與銷售性質類似產品之過往經驗而定，可能會因技術創新、客戶喜好改變及競爭對手為回應嚴峻行業週期採取之行動而出現重大變動。管理層於各結算日重新評估該等估計。

## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021  
截至二零二一年十二月三十一日止年度

### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

#### 4.3 Impairment of trade and bills receivables

The Group's management determines the provision for impairment of trade and bills receivables based on the expected credit losses which uses a lifetime expected loss allowance for all trade and bills receivables. The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. Management uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Management reassesses the provision at each balance sheet date.

#### 4.4 Estimated impairment of property, plant and equipment

Property, plant and equipment is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts have been determined based on value-in-use calculations or market valuations. These calculations require the use of judgments and estimates.

Management judgment is required in the area of asset impairment particularly in assessing: (i) whether an event has occurred that may indicate that the related assets values may not be recoverable; (ii) whether the carrying value of an asset can be supported by the recoverable amount, being the higher of fair value less costs to sell or net present value of future cash flows which are estimated based upon the continued use of the asset in the business; and (iii) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management in assessing impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value in the impairment test and as a result affect the Group's financial condition and results of operations. If there is a significant adverse change in the projected performance and resulting future cash flow projections, it may be necessary to take an impairment charge to the consolidated statement of comprehensive income.

### 4. 關鍵會計估計及判斷(續)

#### 4.3 應收貿易及票據款項減值

本集團管理層根據預期信貸虧損釐定應收貿易及票據款項減值撥備，而對所有應收貿易及票據款項使用整個存續期的預期虧損撥備。金融資產的虧損撥備基於對違約風險及預期虧損率的假設。於各報告期末，管理層根據本集團過往歷史、當前市場狀況及前瞻性估計，通過判斷作出該等假設及選擇減值計算之輸入數據。管理層於各結算日重新評估撥備。

#### 4.4 物業、廠房及設備估計減值

當有事件出現或情況改變顯示賬面值可能無法收回時，檢討物業、廠房及設備有否減值。可收回金額按使用價值計算法或市值釐定。於該等計算中須作出判斷及估計。

管理層須於檢討資產減值時作出判斷，尤其是在估計下列各項時：(i) 有否顯示有關資產價值可能無法收回的事件出現；(ii) 資產賬面值有否可收回金額，即公平值減銷售成本與假設繼續於業務中使用有關資產而可得的估計未來現金流量現值淨額的較高者；及(iii) 預測現金流量時應用的適當主要假設，包括有關現金流量預測有否根據適當比率貼現。管理層估計減值時選用的假設(包括現金流量預測的貼現率或增長率假設)的變動可能對減值測試中的現值淨額有重大影響，繼而影響本集團財務狀況及經營業績。倘預測表現及相應的未來現金流量預測有重大不利變動，則或須於綜合收益表中列出減值開支。

## 綜合財務報表附註(續)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

截至二零二一年十二月三十一日止年度

## 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

### 4.5 Income taxes and deferred income tax

The Group is subject to income taxes in several jurisdictions. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers it is likely that future taxable profits will be available against which the temporary differences or tax losses can be utilised. When the expectations are different from the original estimates, such differences will impact the recognition of deferred tax assets and income tax charges in the period in which such estimates have been changed.

## 5. SEGMENT INFORMATION

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

The Committee of Executive Directors considers the business from both a product and geographical perspective. From a product perspective, management assesses the performance from sales of yarns, grey fabrics, non-woven fabrics and garment fabrics as well as garments.

Due to the continuous improvement of the regional integration process, the Group shows homogeneity of operation and management in the same geographical area. As a consequence, the Committee of Executive Directors integrated the segment information in the same area.

## 4. 關鍵會計估計及判斷(續)

### 4.5 所得稅及遞延所得稅

本集團須於若干司法管轄區繳納所得稅。在釐定所得稅撥備時，需要作出重大判斷。在正常業務過程中，有許多交易和計算所涉及的最終稅務釐定都是不確定的。本集團根據估計附加稅是否將到期而確認預期發出的審核稅負債。倘該等事項的最終稅務後果與最初記錄金額不同，差額將影響作出此等釐定期間的所得稅及遞延稅項撥備。

凡管理層認為日後極可能有應課稅溢利用作抵銷暫時差額或稅項虧損，則若干暫時差額及稅項虧損有關的遞延稅項資產將予確認。倘預期金額與原定估計不同，則該差額將會影響該估計出現變動期間的遞延稅項資產及所得稅支出的確認。

## 5. 分部資料

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

執行董事委員會認為業務可按產品及地區前景分類。管理層從產品角度評估紗線、坯布、無紡布、面料和服裝之銷售表現。

由於區域一體化進程不斷改善，本集團在同一地理區域內展現經營及管理均一性。因此，執行董事委員會對同一區域的分部資料予以整合。

## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021  
截至二零二一年十二月三十一日止年度

### 5. SEGMENT INFORMATION (Continued)

China now includes Mainland China, Hong Kong and Macao. Southeast Asia now includes Vietnam and Cambodia. Americas now includes United States, Mexico and Nicaragua.

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

The segment information for the year ended 31 December 2021 is as follows:

### 5. 分部資料(續)

中國現包括中國內地、香港及澳門。東南亞現包括越南及柬埔寨。美洲現包括美國、墨西哥及尼加拉瓜。

執行董事委員會根據收入及經營溢利評估經營分部之業績。

截至二零二一年十二月三十一日止年度之分部資料如下：

		Year ended 31 December 2021 截至二零二一年十二月三十一日止年度											
		Yarns 紗線				Garment fabrics and Garments 面料及服裝			Grey fabrics 坯布		Non-woven fabrics 無紡布		Total 總額
		Southeast		Americas		Southeast		Americas		Southeast		Southeast	
		China 中國	Asia 東南亞	Asia 東南亞	Americas 美洲	China 中國	Asia 東南亞	Americas 美洲	China 中國	Asia 東南亞	China 中國	Asia 東南亞	RMB'000 人民幣千元
Total revenue	總收入	26,900,083	9,193,801	101,476	478,657	4,494,406	943,819	1,153,676	808,965	577,326	110,121	156,853	44,919,183
Inter-segment revenue	分部間收入	(7,913,992)	(8,008,375)	(101,476)	(7,387)	(323,615)	(861,212)	(240,555)	(222,130)	(575,719)	-	(143,529)	(18,397,990)
<b>Revenue (from external customers)</b>	<b>收入(來自外部客戶)</b>	<b>18,986,091</b>	<b>1,185,426</b>	<b>-</b>	<b>471,270</b>	<b>4,170,791</b>	<b>82,607</b>	<b>913,121</b>	<b>586,835</b>	<b>1,607</b>	<b>110,121</b>	<b>13,324</b>	<b>26,521,193</b>
Timing of revenue recognition	收入確認時間												
— At a point in time	— 於某個時間點	18,986,091	1,185,426	-	471,270	4,170,791	82,607	913,121	586,835	1,607	110,121	13,324	26,521,193
<b>Segment results</b>	<b>分部業績</b>	<b>1,297,843</b>	<b>1,660,822</b>	<b>(22,916)</b>	<b>101,391</b>	<b>354,797</b>	<b>31,181</b>	<b>21,874</b>	<b>84,086</b>	<b>33,018</b>	<b>(6,001)</b>	<b>(5,222)</b>	<b>3,550,873</b>
Unallocated losses	未分配虧損												(127,676)
<b>Operating profit</b>	<b>經營溢利</b>												<b>3,423,197</b>
Finance income	財務收入												44,589
Finance costs	財務費用												(167,252)
Share of profits less losses of investments accounted for using the equity method	分佔以權益法入賬之投資的溢利減虧損												39,617
Income tax expense	所得稅開支												(598,535)
<b>Profit for the period</b>	<b>期內溢利</b>												<b>2,741,616</b>
Depreciation and amortisation	折舊及攤銷	(453,526)	(310,362)	(17,673)	(16,676)	(102,897)	(43,613)	(33,183)	(12,667)	(23,747)	-	(23,212)	(1,037,556)

## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

截至二零二一年十二月三十一日止年度

### 5. SEGMENT INFORMATION (Continued)

The segment information for the year ended 31 December 2020 is as follows:

### 5. 分部資料(續)

截至二零二零年十二月三十一日止年度之分部資料如下：

		Year ended 31 December 2020 截至二零二零年十二月三十一日止年度											
		Yams 紗線				Garment fabrics and Garments 面料及服裝			Grey fabrics 坯布		Non-woven fabrics 無紡布		Total 總額
		Southeast				Southeast			Southeast		Southeast		
		China 中國	Asia 東南亞	Americas 美洲	Others 其他	China 中國	Asia 東南亞	Americas 美洲	China 中國	Asia 東南亞	China 中國	Asia 東南亞	
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Total revenue	總收入	19,694,736	7,044,903	19,535	172,314	3,090,115	678,469	756,862	625,724	381,558	56,105	60,010	32,580,331
Inter-segment revenue	分部間收入	(5,185,193)	(6,524,519)	(19,535)	-	(106,159)	(528,971)	(74,128)	(129,806)	(380,675)	-	(54,407)	(13,003,393)
<b>Revenue (from external customers)</b>	<b>收入(來自外部客戶)</b>	14,509,543	520,384	-	172,314	2,983,956	149,498	682,734	495,918	883	56,105	5,603	19,576,938
Timing of revenue recognition	收入確認時間												
— At a point in time	— 於某個時間點	14,509,543	520,384	-	172,314	2,983,956	149,498	682,734	495,918	883	56,105	5,603	19,576,938
<b>Segment results</b>	<b>分部業績</b>	435,296	385,254	(17,908)	(20,432)	129,222	47,627	(14,070)	9,048	9,715	944	12,598	977,294
Unallocated losses	未分配虧損												(121,643)
<b>Operating profit</b>	<b>經營溢利</b>												855,651
Finance income	財務收入												50,774
Finance costs	財務費用												(270,689)
Share of profits less losses of investments accounted for using the equity method	分佔以權益法入賬之投資的溢利減虧損												45,124
Income tax expense	所得稅開支												(150,506)
<b>Profit for the period</b>	<b>期內溢利</b>												530,354
Depreciation and amortisation	折舊及攤銷	(447,376)	(332,851)	(832)	(15,533)	(103,770)	(44,592)	(21,873)	(7,685)	(23,477)	-	(5,681)	(1,003,670)

## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021  
截至二零二一年十二月三十一日止年度

### 5. SEGMENT INFORMATION (Continued)

The segment assets and liabilities as at 31 December 2021 are as follows:

### 5. 分部資料(續)

於二零二一年十二月三十一日之分部資產及負債如下：

		As at 31 December 2021 於二零二一年十二月三十一日											
		Yarns 紗線				Garment fabrics and Garments 面料及服裝			Grey fabrics 坯布		Non-woven fabrics 無紡布		Total 總額
		Southeast				Southeast			Southeast		Southeast		
		China 中國	Asia 東南亞	Americas 美洲	Others 其他	China 中國	Asia 東南亞	Americas 美洲	China 中國	Asia 東南亞	China 中國	Asia 東南亞	
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
<b>Total segment assets</b>	<b>分部總資產</b>	11,095,040	5,169,955	591,340	408,889	3,686,870	1,250,814	677,472	201,580	351,632	17,548	586,538	24,037,678
Unallocated assets	未分配資產												405,206
<b>Total assets of the Group</b>	<b>本集團總資產</b>												<b>24,442,884</b>
<b>Total segment liabilities</b>	<b>分部總負債</b>	(3,416,648)	(4,190,308)	(388,146)	(271,000)	(749,688)	(970,023)	(418,489)	(80,137)	(311,360)	(804)	(477,171)	(11,273,774)
Unallocated liabilities	未分配負債												(2,568,158)
<b>Total liabilities of the Group</b>	<b>本集團總負債</b>												<b>(13,841,932)</b>
<b>Addition to non-current assets</b>	<b>添置非流動資產</b>	885,199	609,513	252,939	19,835	215,009	262,413	69,110	21,104	871	-	10,614	2,346,607

## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

截至二零二一年十二月三十一日止年度

### 5. SEGMENT INFORMATION (Continued)

The segment assets and liabilities as at 31 December 2020 are as follows:

### 5. 分部資料(續)

於二零二零年十二月三十一日之分部資產及負債如下：

		As at 31 December 2020 於二零二零年十二月三十一日											
		Yarns 紗線				Garment fabrics and Garments 面料及服裝			Grey fabrics 坯布		Non-woven fabrics 無紡布		Total 總額
		Southeast				Southeast			Southeast		Southeast		
		China	Asia	Americas	Others	China	Asia	Americas	China	Asia	China	Asia	
		中國	東南亞	美洲	其他	中國	東南亞	美洲	中國	東南亞	中國	東南亞	
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
<b>Total segment assets</b>	<b>分部總資產</b>	9,309,102	4,156,144	397,829	396,007	3,206,076	986,656	615,563	174,788	271,633	10,884	578,669	20,103,351
Unallocated assets	未分配資產												53,928
<b>Total assets of the Group</b>	<b>本集團總資產</b>												<b>20,157,279</b>
<b>Total segment liabilities</b>	<b>分部總負債</b>	(3,668,124)	(2,369,948)	(336,565)	(365,684)	(736,773)	(816,676)	(396,447)	(59,681)	(257,611)	(422)	(425,143)	(9,433,074)
Unallocated liabilities	未分配負債												(2,251,467)
<b>Total liabilities of the Group</b>	<b>本集團總負債</b>												<b>(11,684,541)</b>
<b>Addition to non-current assets</b>	<b>添置非流動資產</b>	115,379	32,815	32,026	14,349	103,838	71,667	48,509	171	-	-	121,041	539,795



## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021  
截至二零二一年十二月三十一日止年度

### 6. FREEHOLD LAND

### 6. 永久產權土地

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Freehold land	永久產權土地	<b>163,957</b>	167,794

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Opening net book amount	年初賬面淨值	<b>167,794</b>	170,005
Currency translation differences	貨幣匯兌差額	<b>(3,837)</b>	(2,211)
Closing net book amount	年末賬面淨值	<b>163,957</b>	167,794

The Group's freehold land is analysed as follows:

本集團之永久產權土地分析如下：

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Freehold land	永久產權土地		
— In Cambodia	— 於柬埔寨	<b>116,711</b>	119,443
— In Turkey	— 於土耳其	<b>19,065</b>	19,511
— In Mexico	— 於墨西哥	<b>13,727</b>	14,048
— In Uruguay	— 於烏拉圭	<b>9,532</b>	9,755
— In Nicaragua	— 於尼加拉瓜	<b>4,922</b>	5,037
		<b>163,957</b>	167,794

## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

截至二零二一年十二月三十一日止年度

### 7. PROPERTY, PLANT AND EQUIPMENT

### 7. 物業、廠房及設備

		Buildings 樓宇 RMB'000 人民幣千元	Machinery and equipment 機器及設備 RMB'000 人民幣千元	Furniture and fixtures 傢俬及裝置 RMB'000 人民幣千元	Motor vehicles 汽車 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
<b>At 1 January 2020</b>	於二零二零年一月一日						
Cost or valuation	成本或估值	3,847,420	8,300,346	115,139	59,205	1,328,937	13,651,047
Accumulated depreciation	累計折舊	(619,222)	(3,498,335)	(54,433)	(33,332)	-	(4,205,322)
Net book amount	賬面淨值	3,228,198	4,802,011	60,706	25,873	1,328,937	9,445,725
<b>Year ended 31 December 2020</b>	截至二零二零年 十二月三十一日止年度						
Opening net book amount	年初賬面淨值	3,228,198	4,802,011	60,706	25,873	1,328,937	9,445,725
Additions	添置	4,088	28,595	4,901	3,803	440,068	481,455
Transfers	轉讓	318,669	882,139	215	2,589	(1,203,612)	-
Disposals (Note 33)	出售(附註33)	(3,986)	(13,946)	(1,103)	(1,410)	-	(20,445)
Depreciation charges (Note 26)	折舊支出(附註26)	(159,020)	(744,839)	(15,877)	(7,041)	-	(926,777)
Impairment charges (Note 26)	減值支出(附註26)	-	(16,863)	-	-	-	(16,863)
Currency translation differences	貨幣匯兌差額	(22,208)	(11,686)	(527)	(7)	(34,531)	(68,959)
Closing net book amount	年末賬面淨值	3,365,741	4,925,411	48,315	23,807	530,862	8,894,136
<b>At 31 December 2020</b>	於二零二零年 十二月三十一日						
Cost or valuation	成本或估值	4,129,468	9,070,279	113,965	59,749	530,862	13,904,323
Accumulated depreciation	累計折舊	(763,727)	(4,144,868)	(65,650)	(35,942)	-	(5,010,187)
Net book amount	賬面淨值	3,365,741	4,925,411	48,315	23,807	530,862	8,894,136

## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021  
截至二零二一年十二月三十一日止年度

### 7. PROPERTY, PLANT AND EQUIPMENT (Continued)

### 7. 物業、廠房及設備(續)

		Buildings	Machinery and equipment	Furniture and fixtures	Motor vehicles	Construction in-progress	Total
		樓宇	機器及設備	傢俬及裝置	汽車	在建工程	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
<b>Year ended 31 December 2021</b>	<b>截至二零二一年十二月三十一日止年度</b>						
Opening net book amount	年初賬面淨值	3,365,741	4,925,411	48,315	23,807	530,862	8,894,136
Additions	添置	326,382	171,141	6,285	12,846	1,749,047	2,265,701
Acquisition of subsidiaries (Note 35)	收購附屬公司(附註35)	251,397	114,721	391	3,795	6	370,310
Transfers	轉讓	131,254	612,193	503	880	(744,830)	-
Disposals (Note 33)	出售(附註33)	(514,432)	(735,568)	(5,753)	(2,306)	(21,856)	(1,279,915)
Depreciation charges (Note 26)	折舊支出(附註26)	(172,711)	(757,260)	(10,269)	(7,214)	-	(947,454)
Impairment charges (Note 26)	減值支出(附註26)	-	(57,202)	-	-	-	(57,202)
Currency translation differences	貨幣匯兌差額	(9,234)	(2,803)	(839)	(12)	(3,569)	(16,457)
Closing net book amount	年末賬面淨值	3,378,397	4,270,633	38,633	31,796	1,509,660	9,229,119
<b>At 31 December 2021</b>	<b>於二零二一年十二月三十一日</b>						
Cost or valuation	成本或估值	4,165,476	8,432,929	74,872	66,729	1,509,660	14,249,666
Accumulated depreciation and impairment charges	累計折舊及減值支出	(787,079)	(4,162,296)	(36,239)	(34,933)	-	(5,020,547)
Net book amount	賬面淨值	3,378,397	4,270,633	38,633	31,796	1,509,660	9,229,119

Buildings are shown at fair value, based on periodic, but at least triennial valuations by external independent valuers, less subsequent depreciation. The Group did not revalue the buildings as at 31 December 2021, because in the opinion of the directors, the net book amount of RMB3,378,397,000 (2020: RMB3,365,741,000) as at 31 December 2021 for such buildings did not differ materially from which would be determined using fair value.

The valuation performed as at 31 December 2019 was determined using the depreciated replacement costs approach and was within level 3 of the fair value hierarchy. Current gross reproduction costs of the buildings are adjusted for physical deterioration and all relevant forms of obsolescence and optimization.

樓宇根據外部獨立估值師定期(但最少每三年一次)進行的估值按公平值減其後的折舊列賬。本集團於二零二一年十二月三十一日並無對樓宇進行重估，乃由於董事認為有關樓宇於二零二一年十二月三十一日的賬面淨值人民幣3,378,397,000元(二零二零年：人民幣3,365,741,000元)與採用公平值所釐定者並無重大差異。

二零一九年十二月三十一日進行之估值乃採用折舊重置成本法釐定，並歸入公平值層級第三級內。樓宇目前的整體複製成本已就實體老化及所有陳舊及優化相關形式作出調整。

## 綜合財務報表附註(續)

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

截至二零二一年十二月三十一日止年度

#### 7. PROPERTY, PLANT AND EQUIPMENT (Continued)

The revaluation surplus, net of applicable deferred income tax liabilities, was regarded as other comprehensive income and credited to revaluation reserve in equity (Note 18).

If buildings were stated on historical cost basis, the amounts would be as follows:

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Cost	成本	3,855,197	3,819,189
Accumulated depreciation	累計折舊	(763,620)	(740,268)
Net book amount	賬面淨值	3,091,577	3,078,921

During the year ended 31 December 2021, depreciation of RMB855,847,000 (2020: RMB838,759,000) was included in cost of sales, RMB4,061,000 (2020: RMB4,557,000) was included in selling and distribution costs and RMB87,546,000 (2020: RMB83,461,000) was included in general and administrative expenses.

During the year ended 31 December 2021, no finance cost was capitalised as part of property, plant and equipment (2020: nil).

As at 31 December 2021, property, plant and equipment of approximately RMB164,427,000 (2020: nil) were pledged as collateral of the Group's bank borrowings (Note 19).

#### 7. 物業、廠房及設備(續)

重估盈餘扣除適用的遞延所得稅負債，作為其他全面收益並已計入權益內的重估儲備(附註18)。

倘樓宇以歷史成本法列賬，金額將為如下：

於截至二零二一年十二月三十一日止年度，人民幣855,847,000元(二零二零年：人民幣838,759,000元)的折舊已計入銷售成本，人民幣4,061,000元(二零二零年：人民幣4,557,000元)的折舊已計入銷售及分銷開支及人民幣87,546,000元(二零二零年：人民幣83,461,000元)的折舊已計入一般及行政開支。

於截至二零二一年十二月三十一日止年度，概無財務費用(二零二零年：無)資本化為物業、廠房及設備之一部分。

於二零二一年十二月三十一日，約人民幣164,427,000元(二零二零年：無)的物業、廠房及設備已抵押為本集團銀行借貸的抵押品(附註19)。

## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021  
截至二零二一年十二月三十一日止年度

### 8. LEASES

#### (a) Amounts recognised in the consolidated balance sheet

The consolidated balance sheet shows the following amounts relating to leases:

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
<b>Right-of-use assets</b>	<b>使用權資產</b>		
Land use rights	土地使用權	1,124,394	1,147,878
Buildings and warehouses	樓宇及倉庫	65,376	133,021
Equipment and others	設備及其他	37,420	43,518
		<b>1,227,190</b>	1,324,417
Current lease liabilities	即期租賃負債	31,622	60,516
Non-current lease liabilities	非即期租賃負債	82,627	125,229
<b>Total lease liabilities</b>	<b>租賃負債總額</b>	<b>114,249</b>	185,745

Additions to the right-of-use assets during the 2021 financial year were RMB139,353,000 (2020: RMB58,340,000).

As at 31 December 2021, land use rights of with a net book amount of approximately RMB34,388,000 (2020: nil) were pledged as collateral of the Group's bank borrowings (Note 19).

The Group leases various machinery and equipment under finance lease agreement. The original lease terms are from 3 to 4 years. Under the terms of the leases, the lessors transfer ownership of the assets to the Group by the end of the lease term.

### 8. 租賃

#### (a) 於綜合資產負債表確認的金額

與租賃相關的金額載於綜合資產負債表如下：

二零二一年財政年度使用權資產增加人民幣139,353,000元(二零二零年：人民幣58,340,000元)。

於二零二一年十二月三十一日，賬面淨值約人民幣34,388,000元(二零二零年：無)之土地使用權已抵押為本集團銀行借貸的抵押品(附註19)。

本集團根據融資租賃協議租賃各種機器及設備。最初租賃期限為3至4年。根據租賃條款，出租人應在租賃期限屆滿前將資產的所有權轉讓給本集團。

## 綜合財務報表附註(續)

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

截至二零二一年十二月三十一日止年度

#### 8. LEASES (Continued)

##### (b) Amounts recognised in the consolidated income statement

The consolidated income statement shows the following amounts relating to leases:

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
<b>Depreciation charge of right-of-use assets</b>	<b>使用權資產折舊費用</b>		
Land use rights	土地使用權	<b>31,724</b>	27,207
Buildings and warehouses	樓宇及倉庫	<b>42,661</b>	38,988
Equipment and others	設備及其他	<b>12,056</b>	7,037
		<b>86,441</b>	73,232
Interest expense (included in finance cost) (Note 28)	利息開支(計入財務費用) (附註28)	<b>5,393</b>	6,215
Expense relating to short-term leases (included in selling and distribution costs and administrative expenses) (Note 26)	有關短期租賃的開支 (計入銷售及分銷開支以及 行政開支)(附註26)	<b>4,174</b>	2,577
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in cost of sales and administrative expenses) (Note 26)	有關未列示為上述短期租賃的 低價值資產租賃的開支 (計入銷售成本及 行政開支)(附註26)	<b>21</b>	137

The total cash outflow for leases in 2021 was RMB124,388,000 (2020: RMB51,132,000).

二零二一年的租賃現金流出總額為人民幣124,388,000元(二零二零年:人民幣51,132,000元)。

#### 8. 租賃(續)

##### (b) 已於綜合收益表確認的金額

綜合收益表列示以下有關租賃的款項：

## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021  
截至二零二一年十二月三十一日止年度

### 9. INTANGIBLE ASSETS

### 9. 無形資產

		<b>Goodwill</b> 商譽 RMB'000 人民幣千元	<b>Customer relationship</b> 客戶關係 RMB'000 人民幣千元	<b>Total</b> 總計 RMB'000 人民幣千元
<b>At 1 January 2020</b>	於二零二零年一月一日			
Cost	成本	17,641	54,918	72,559
Accumulated depreciation	累計折舊	-	(5,492)	(5,492)
Net book amount	賬面淨值	17,641	49,426	67,067
<b>Year ended 31 December 2020</b>	截至二零二零年 十二月三十一日止年度			
Opening net book amount	年初賬面淨值	17,641	49,426	67,067
Amortisation charges (Note 26)	攤銷開支(附註26)	-	(3,661)	(3,661)
Closing net book amount	年末賬面淨值	17,641	45,765	63,406
<b>At 31 December 2020</b>	於二零二零年 十二月三十一日			
Cost or valuation	成本或估值	17,641	54,918	72,559
Accumulated amortisation	累計攤銷	-	(9,153)	(9,153)
Net book amount	賬面淨值	17,641	45,765	63,406
<b>Year ended 31 December 2021</b>	截至二零二一年 十二月三十一日止年度			
Opening net book amount	年初賬面淨值	17,641	45,765	63,406
Acquisition of subsidiaries (Note 35)	收購附屬公司(附註35)	9,333	-	9,333
Amortisation charges (Note 26)	攤銷開支(附註26)	-	(3,661)	(3,661)
Closing net book amount	年末賬面淨值	26,974	42,104	69,078
<b>At 31 December 2021</b>	於二零二一年 十二月三十一日			
Cost or valuation	成本或估值	26,974	54,918	81,892
Accumulated amortisation	累計攤銷	-	(12,814)	(12,814)
Net book amount	賬面淨值	26,974	42,104	69,078

During the year ended 31 December 2021, amortisation of RMB3,661,000 (2020: RMB3,661,000) was included in general and administrative expenses.

截至二零二一年十二月三十一日止年度，攤銷人民幣3,661,000元(二零二零年：人民幣3,661,000元)已計入一般及行政開支。

## 綜合財務報表附註(續)

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

截至二零二一年十二月三十一日止年度

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

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

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Associates	聯營公司	316,807	286,228
Joint ventures	合營企業	4,131	3,847
At 31 December	於十二月三十一日	320,938	290,075

#### 10. 以權益法列賬的投資

以下為已於綜合資產負債表確認的金額：

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

以下為已於綜合收益表確認的金額：

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Associates	聯營公司	39,333	44,668
Joint ventures	合營企業	284	456
For the year ended 31 December	截至十二月三十一日止年度	39,617	45,124

##### (a) Investments in associates

##### (a) 於聯營公司的投資

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Share of net assets of unlisted associates	分佔非上市聯營公司資產淨值	316,807	286,037
Goodwill	商譽	-	191
		316,807	286,228



## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021  
截至二零二一年十二月三十一日止年度

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

#### (a) Investments in associates (Continued)

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

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Opening amount	期初金額	286,037	238,369
Additions (i)	添置 (i)	27,715	3,000
Share of profits less losses based on equity held	根據所持的權益應佔溢利減虧損	39,333	44,668
Disposal (ii)	出售 (ii)	(36,278)	-
Closing amount	期末金額	316,807	286,037

(i) The Group previously held 100% equity interest in Treasure Reap Limited and its subsidiaries. On 31 December 2021, the Group transferred 55% equity interest to Hualida Vietnam (Quang Ninh) Investment Management Co., Ltd., a third party. Upon the completion of the transaction, Treasure Reap Limited and its subsidiaries became associates of the Group.

(ii) The Group previously held 48% equity interest of Nantong Textile Group Co., Ltd. and its subsidiaries. On 31 October 2021, the Group acquired the remaining 52% equity interest. Upon the completion of the transaction, Nantong Textile Group Co., Ltd. and its subsidiaries became wholly-owned subsidiaries of the Group.

There are no contingent liabilities relating to the Group's interests in the associates.

Set out below are the associates of the Group as at 31 December 2021 which, in the opinion of the directors, are individually immaterial to the Group. The associates as listed below have share capital consisting solely of ordinary shares, which are held directly by the Group. The countries of incorporation or registration is also their principal places of business.

### 10. 以權益法列賬的投資(續)

#### (a) 於聯營公司的投資(續)

本集團應佔聯營公司資產淨值變動如下：

(i) 本集團先前持有豐實有限公司及其附屬公司100%股權。於二零二一年十二月三十一日，本集團將55%股權轉讓予第三方華利達越南(廣寧)投資管理有限公司。交易完成後，豐實有限公司及其附屬公司成為本集團聯營公司。

(ii) 本集團先前持有南通紡織控股集團紡織染有限公司及其附屬公司的48%股權。於二零二一年十月三十一日，本集團收購餘下52%股權。交易完成後，南通紡織控股集團紡織染有限公司及其附屬公司成為本集團的全資附屬公司。

不存在與本集團於聯營公司權益相關之或然負債。

以下為於二零二一年十二月三十一日，董事認為個別對本集團並不重要之本集團聯營公司。下列聯營公司之股本僅由普通股組成，並由本集團直接持有；其註冊成立或註冊國家亦為其主要營業地點。

## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

截至二零二一年十二月三十一日止年度

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

#### (a) Investments in associates (Continued)

The Group's investments in associates as at 31 December 2021:

Name of associate 聯營公司名稱	Place and date of incorporation and form of legal entity 註冊成立地點及日期以及法律實體類別	Principal activities 主要業務	Particulars of issued share capital 已發行股本詳情	Interest held 所持權益
Hongyan Vietnam Holdings Limited 鴻雁越南控股有限公司	British Virgin Islands, 2 July 2015, limited liability company 英屬處女群島，二零一五年七月二日，有限責任公司	Investment holding in British Virgin Islands 於英屬處女群島進行投資控股	RMB166,167,000 人民幣 166,167,000元	45%
Henglun International (Hong Kong) Limited 恒綸國際(香港)有限公司	Hong Kong, 11 June 2019, limited liability company 香港，二零一九年六月十一日，有限責任公司	Investment holding in Hong Kong 於香港進行投資控股	USD5,000,000 5,000,000美元	30%
Hualida Vietnam (Quang Ninh) Holdings Limited 華利達越南(廣寧)控股有限公司	Hong Kong, 16 November 2018, limited liability company 香港，二零一八年十一月十六日，有限責任公司	Investment holding in Hong Kong 於香港進行投資控股	HKD20,000 20,000港元	45%
Jiangsu Dasheng Intelligence Technology Development Co., Ltd. 江蘇大生智能科技發展有限公司	Nantong, Mainland China, 9 March 2020, limited liability company 中國內地南通，二零二零年三月九日，有限責任公司	Manufacturing and sales of textile products 製造及銷售紡織品	RMB10,000,000 人民幣 10,000,000元	30%
Treasure Reap Limited 豐寶有限公司	British Virgin Islands, February 2017, limited liability company 英屬處女群島，二零一七年二月，有限責任公司	Investment holding in British Virgin Islands 於英屬處女群島進行投資控股	USD100 100美元	45%

### 10. 以權益法列賬的投資(續)

#### (a) 於聯營公司的投資(續)

於二零二一年十二月三十一日，本集團於聯營公司投資：

## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021  
截至二零二一年十二月三十一日止年度

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

#### (a) Investments in associates (Continued)

Name of associate 聯營公司名稱	Place and date of incorporation and form of legal entity 註冊成立地點及日期以及法律實體類別	Principal activities 主要業務	Particulars of issued share capital 已發行股本詳情	Interest held 所持權益
Subsidiaries of Hongyan Vietnam Holdings Limited: 鴻雁越南控股有限公司之附屬公司：				
— Lanyan Denim Garment Vietnam Holdings Limited — 蘭雁牛仔服裝越南控股有限公司	Hong Kong, 2 June 2015, limited liability company 香港，二零一五年六月二日，有限責任公司	Investment holding in Hong Kong 於香港進行投資控股	HKD100 100 港元	45%
— Hualida (Vietnam) Garments Limited Company — 華利達(越南)服裝責任有限公司	Vietnam, January 2016, limited liability company 越南，二零一六年一月，有限責任公司	Manufacturing of garments in Vietnam 於越南製造成衣	Vietnam Dong ("VND") 39,492,000,000 39,492,000,000 越南盾(「越南盾」)	45%
— Hualida Vietnam (Quang Ninh) Garments Company Limited — 華利達越南(廣寧)服裝責任有限公司	Vietnam, 5 January 2021, limited liability company 越南，二零二一年一月五日，有限責任公司	Manufacturing of garments in Vietnam 於越南製造成衣	VND46,580,000,000 46,580,000,000 越南盾	45%
Subsidiary of Hualida Vietnam (Quang Ninh) Holdings Limited: 華利達越南(廣寧)控股有限公司之附屬公司：				
— Hualida Vietnam (Hai Ha) Garments Limited Company — 華利達越南(海河)服裝責任有限公司	Vietnam, 9 March 2021, limited liability company 越南，二零二一年三月九日，有限責任公司	Manufacturing of garments in Vietnam 於越南製造成衣	VND37,236,800,000 37,236,800,000 越南盾	45%
Subsidiary of Henglun International (Hong Kong) Limited: 恒綸國際(香港)有限公司之附屬公司：				
Henglun Textile (Vietnam) Company Limited 恒綸紡織(越南)有限公司	Vietnam, November 2019, limited liability company 越南，二零一九年十一月，有限責任公司	Manufacturing of garment fabrics in Vietnam 於越南製造面料	USD5,000,000 5,000,000 美元	30%

### 10. 以權益法列賬的投資(續)

#### (a) 於聯營公司的投資(續)

## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

截至二零二一年十二月三十一日止年度

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

#### (a) Investments in associates (Continued)

Name of associate 聯營公司名稱	Place and date of incorporation and form of legal entity 註冊成立地點及日期以及 法律實體類別	Principal activities 主要業務	Particulars of issued share capital 已發行股本詳情	Interest held 所持權益
Subsidiary of Jiangsu Dasheng Intelligence Technology Development Co., Ltd.: 江蘇大生智能科技發展有限公司之附屬公司：				
Nantong Dasheng Third Cotton Textile Co., Ltd.	Nantong, Mainland China, 26 April 2020, limited liability company	Manufacturing and sales of textile products	RMB23,030,000	30%
南通大生三棉紡織有限公司	中國內地南通，二零二零年 四月二十六日， 有限責任公司	製造及銷售紡織品	人民幣 23,030,000 元	30%
Subsidiaries of Treasure Reap Limited: 豐寶有限公司之附屬公司：				
Harvest Bright (HK) Industrial Limited	Hong Kong, February 2017, limited liability company	Investment holding in Hong Kong	HKD100	45%
耀豐(香港)實業有限公司	香港，二零一七年二月， 有限責任公司	於香港進行投資控股	100 港元	45%
Texhong Tai Binh Garment Company Limited	Vietnam, March 2007, limited liability company	Manufacturing of garment fabrics in Vietnam	VND304,000,000,000	45%
天虹太平服裝有限公司	越南，二零零七年三月， 有限責任公司	於越南製造面料	304,000,000,000 越南盾	45%

### 10. 以權益法列賬的投資(續)

#### (a) 於聯營公司的投資(續)

## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021  
截至二零二一年十二月三十一日止年度

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

#### (b) Investment in a joint venture

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Opening amount	期初金額	3,847	4,709
Share of profit	分攤溢利	284	456
Dividends received from the joint venture entity	自合營企業實體收取的股息	-	(1,318)
At 31 December	於十二月三十一日	4,131	3,847

There are no contingent liabilities relating to the Group's interests in the joint venture.

Set out below is the joint venture of the Group as at 31 December 2021 which, in the opinion of the directors, is immaterial to the Group. The joint venture as listed below has share capital consisting solely of ordinary shares, which are held directly by the Group. The country of incorporation or registration is also its principal place of business.

The Group investment in a joint venture as at 31 December 2021 is:

### 10. 以權益法列賬的投資(續)

#### (b) 於合營企業的投資

本集團於合營企業的權益並無任何或然負債。

以下為於二零二一年十二月三十一日，董事認為對本集團並不重要之本集團合營企業。下列合營企業之股本僅由普通股組成，並由本集團直接持有；其註冊成立或註冊國家亦為其主要營業地點。

於二零二一年十二月三十一日本集團於合營企業的投資：

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

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

天虹新港物流股份公司為私人公司，其股份並無市場報價。

## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

截至二零二一年十二月三十一日止年度

### 11. FINANCIAL INSTRUMENTS BY CATEGORY

### 11. 按類別劃分的金融工具

		Assets at fair value through the profit and loss 按公平值計入 損益的資產 RMB'000 人民幣千元	Financial assets at amortised cost 按攤銷成本列賬 之金融資產 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>31 December 2021</b>				
<b>Assets as per balance sheet</b>				
Trade and bills receivables (Note 13)	二零二一年十二月三十一日 資產負債表所列資產 應收貿易及票據款項 (附註 13)	-	2,019,660	2,019,660
Derivative financial instruments (Note 20)	衍生金融工具(附註 20)	55,653	-	55,653
Deposits and other receivables (Note 14)	按金及其他應收賬款 (附註 14)	-	249,163	249,163
Long-term receivables (Note 14)	長期應收賬款(附註 14)	-	292,000	292,000
Pledged bank deposits and cash and cash equivalents (Note 15)	已抵押銀行存款及現金及 現金等值物(附註 15)	-	2,695,709	2,695,709
Total	總計	55,653	5,256,532	5,312,185
<b>31 December 2020</b>				
<b>Assets as per balance sheet</b>				
Trade and bills receivables (Note 13)	二零二零年十二月三十一日 資產負債表所列資產 應收貿易及票據款項(附註 13)	-	1,735,593	1,735,593
Derivative financial instruments (Note 20)	衍生金融工具(附註 20)	111,167	-	111,167
Deposits and other receivables (Note 14)	按金及其他應收賬款(附註 14)	-	61,916	61,916
Pledged bank deposits and cash and cash equivalents (Note 15)	已抵押銀行存款及現金及 現金等值物(附註 15)	-	2,944,223	2,944,223
Total	總計	111,167	4,741,732	4,852,899

## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021  
截至二零二一年十二月三十一日止年度

### 11. FINANCIAL INSTRUMENTS BY CATEGORY

(Continued)

### 11. 按類別劃分的金融工具(續)

		Liabilities at fair value through the profit and loss	Other financial liabilities at amortised cost	Total
		按公平值計入 損益的負債	按攤銷 成本列賬之 其他金融負債	總計
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
<b>31 December 2021</b>	<b>二零二一年十二月三十一日</b>			
<b>Liabilities as per balance sheet</b>	<b>資產負債表所列負債</b>			
Borrowings (Note 19)	借貸(附註19)	-	7,215,039	7,215,039
Derivative financial instruments (Note 20)	衍生金融工具(附註20)	165,975	-	165,975
Trade and bills payables (Note 23)	應付貿易及票據款項(附註23)	-	4,576,337	4,576,337
Accruals and other payables excluding deposits and statutory liabilities (Note 24)	預提費用及其他應付賬款(不包括按金及法定負債)(附註24)	-	413,985	413,985
Lease liabilities (Note 8)	租賃負債(附註8)	-	114,249	114,249
Long-term payables (Note 21)	長期應付賬款(附註21)	-	29,871	29,871
<b>Total</b>	<b>總計</b>	<b>165,975</b>	<b>12,349,481</b>	<b>12,515,456</b>
<b>31 December 2020</b>	<b>二零二零年十二月三十一日</b>			
<b>Liabilities as per balance sheet</b>	<b>資產負債表所列負債</b>			
Borrowings (Note 19)	借貸(附註19)	-	7,063,103	7,063,103
Derivative financial instruments (Note 20)	衍生金融工具(附註20)	234,704	-	234,704
Trade and bills payables (Note 23)	應付貿易及票據款項(附註23)	-	2,652,659	2,652,659
Accruals and other payables excluding deposits and statutory liabilities (Note 24)	預提費用及其他應付賬款(不包括按金及法定負債)(附註24)	-	387,587	387,587
Lease liabilities (Note 8)	租賃負債(附註8)	-	185,745	185,745
Long-term payables (Note 21)	長期應付賬款(附註21)	-	153,912	153,912
<b>Total</b>	<b>總計</b>	<b>234,704</b>	<b>10,443,006</b>	<b>10,677,710</b>

## 綜合財務報表附註(續)

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

截至二零二一年十二月三十一日止年度

#### 12. INVENTORIES AND PROPERTIES UNDER DEVELOPMENT

##### (a) Inventories

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Raw materials	原材料	5,074,375	2,344,703
Work-in-progress	在製品	596,640	446,589
Finished goods	製成品	1,480,652	1,004,426
		<b>7,151,667</b>	3,795,718

The cost of inventories recognised as expense and included in 'cost of sales' amounted to RMB16,272,629,000 (2020: RMB12,905,462,000) (Note 26).

In 2021, the Group made an inventory provision of approximately RMB16,177,000 (2020: RMB70,287,000). These amounts have been included in 'cost of sales' in the consolidated income statement (Note 26).

#### 12. 存貨及發展中物業

##### (a) 存貨

確認為費用且列入「銷售成本」的存貨成本金額為人民幣16,272,629,000元(二零二零年：人民幣12,905,462,000元)(附註26)。

於二零二一年，本集團計提存貨撥備約人民幣16,177,000元(二零二零年：人民幣70,287,000元)。該等金額已計入綜合收益表之「銷售成本」中(附註26)。



## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021  
截至二零二一年十二月三十一日止年度

### 12. INVENTORIES AND PROPERTIES UNDER DEVELOPMENT (Continued)

#### (b) Properties under development

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Properties under development expected to be completed:	預期竣工的發展中物業：		
— Expected to be completed after more than 12 months	— 預期12個月後完成	235,113	228,680
Properties under development comprise:	發展中物業包括：		
— Land use rights	— 土地使用權	229,283	228,680
— Construction cost	— 建築成本	5,830	—
		<b>235,113</b>	<b>228,680</b>

As at 31 December 2021, land use rights of RMB229,283,000 (2020: RMB228,680,000) were in Mainland China with lease terms of 40 to 70 years.

As at 31 December 2021, land use rights with net book value of RMB27,130,000 is under development, and the construction cost is RMB5,830,000 (2020: nil). The remaining land use rights with net book value of RMB 202,153,000 has not been constructed yet.

### 12. 存貨及發展中物業(續)

#### (b) 發展中物業

於二零二一年十二月三十一日，在中國內地的土地使用權為人民幣229,283,000元(二零二零年：人民幣228,680,000元)，租賃期限為40至70年。

於二零二一年十二月三十一日，賬面淨值為人民幣27,130,000元的土地使用權仍在發展中，建築成本為人民幣5,830,000元(二零二零年：無)。賬面淨值為人民幣202,153,000元的餘下土地使用權尚未建設。

## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

截至二零二一年十二月三十一日止年度

### 13. TRADE AND BILLS RECEIVABLES

### 13. 應收貿易及票據款項

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Trade receivables	應收貿易款項	1,293,965	881,453
Bills receivable	應收票據款項	737,022	869,217
		<b>2,030,987</b>	1,750,670
Less: provision for impairment	減：減值撥備	<b>(11,327)</b>	(15,077)
		<b>2,019,660</b>	1,735,593

As at 31 December 2021, included in the trade receivables were amounts due from related parties of RMB31,428,000 (2020: RMB123,000) (Note 36).

於二零二一年十二月三十一日，應收貿易款項中包括應收關連方款項共計人民幣31,428,000元(二零二零年：人民幣123,000元)(附註36)。

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

應收貿易及票據款項之公平值接近其賬面值。

As at 31 December 2021, no bills receivable was pledged as collateral for the Group's bank borrowings (2020: bills receivable with a total net book amount of RMB160,000,000 were pledged as collateral for the Group's bank borrowings) (Note 19).

於二零二一年十二月三十一日，概無應收票據已作質押，以作為本集團取得銀行借貸之抵押品(二零二零年：賬面淨值共計人民幣160,000,000元的應收票據已作質押，以作為本集團取得銀行借貸之抵押品)(附註19)。

The Group generally grants credit terms of less than 90 days to its customers in Mainland China and 120 days to its customers in other countries. The ageing analysis of the trade and bills receivables (including amounts due from related parties of trading in nature) based on invoice date is as follows:

本集團授予其中國內地客戶之信貸期一般為90日內，而授予其他國家客戶之信貸期為120日內。應收貿易及票據款項(包括性質為應收貿易關連方之款項)按發票日期之賬齡分析如下：

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Within 30 days	30日內	1,489,902	1,101,062
31 to 90 days	31至90日	422,564	448,412
91 to 180 days	91至180日	93,535	168,690
181 days to 1 year	181日至1年	2,034	17,985
Over 1 year	1年以上	22,952	14,521
		<b>2,030,987</b>	1,750,670
Less: provision for impairment	減：減值撥備	<b>(11,327)</b>	(15,077)
Trade and bills receivables — net	應收貿易及票據款項 — 淨額	<b>2,019,660</b>	1,735,593

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

由於本集團擁有大批客戶，故應收貿易及票據款項無集中的信貸風險。

## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021  
截至二零二一年十二月三十一日止年度

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

#### Impairment and risk exposure

The Group applies HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and bills receivables.

Information about the impairment of trade and bills receivables and the Group's exposure to credit risk, foreign currency risk and interest rate risk can be found in Note 3.1.

Trade and bills receivables are denominated in the following currencies:

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
USD	美元	1,031,282	1,116,227
RMB	人民幣	850,652	560,251
HKD	港元	80,495	48,462
VND	越南盾	68,558	25,730
		<b>2,030,987</b>	1,750,670

Movements of the provision for impairment of trade and bills receivables are as follows:

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
At 1 January	於一月一日	15,077	10,226
(Reversal)/accrual of provision for impairment of trade and bills receivables	(撥回)/計提應收貿易及 票據款項減值撥備	(3,750)	4,851
At 31 December	於十二月三十一日	<b>11,327</b>	15,077

The creation and release of provision for impaired receivables have been included in net accrual of impairment losses on financial assets in 2021 and 2020. Amounts charged to the allowance account are written off when there is no expectation of receiving additional cash.

The maximum exposure to credit risk at the reporting date is the carrying amount of trade and bills receivables.

### 13. 應收貿易及票據款項(續)

#### 減值及風險敞口

本集團採用香港財務報告準則第9號簡化方法計量預期信貸虧損，為所有應收貿易及票據款項採用整個存續期內的預期虧損撥備。

有關應收貿易及票據款項及本集團所面臨的信貸風險、外匯風險及利率風險的詳情載於附註3.1。

應收貿易及票據款項按以下貨幣計值：

應收貿易及票據款項減值撥備變動如下：

增設及解除已減值應收款項撥備於二零二一年及二零二零年已列入計提金融資產之減值虧損淨額。當預期未能收取額外現金時，在準備賬中扣除的款項將被撇銷。

於報告日期，本集團面對的最大信貸風險為應收貿易及票據款項賬面值。

## 綜合財務報表附註(續)

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

截至二零二一年十二月三十一日止年度

#### 14. PREPAYMENTS, DEPOSITS, OTHER RECEIVABLES AND LONG-TERM RECEIVABLES

#### 14. 預付款項、按金、其他應收賬款及長期應收賬款

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
<b>Prepayments, deposits, other receivables</b> 預付款項、按金、其他應收賬款			
Value-added tax recoverable	應退增值稅	390,317	181,914
Prepayments for purchase of raw materials	購買原材料的預付款項	214,327	175,746
Receivables from disposal of subsidiaries (Note)	附屬公司出售應收賬款(附註)	186,764	-
Due from related parties (Note 36)	應收關聯方款項(附註36)	52,717	53,480
Prepaid expenses	預付開支	35,013	52,037
Deposits for operation	營運按金	12,231	5,229
Prepaid income tax	預付所得稅	1,997	40,745
Other receivables	其他應收賬款	32,074	3,207
		<b>925,440</b>	512,358
Less: provision for impairment	減：減值撥備	<b>(34,623)</b>	-
Prepayments, deposits, other receivables — net	預付款項、按金及其他應收賬款淨額	<b>890,817</b>	512,358
<b>Long-term receivables</b> 長期應收賬款			
Receivables from disposal of subsidiaries (Note)	附屬公司出售應收賬款(附註)	<b>292,000</b>	-

## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021  
截至二零二一年十二月三十一日止年度

### 14. PREPAYMENTS, DEPOSITS, OTHER RECEIVABLES AND LONG-TERM RECEIVABLES (Continued)

The fair values of deposits and other receivables approximate their carrying amounts.

Note: On 5 November 2021, share transfer and assignment of loan agreement, was entered into between the Company as the seller and Sinowin Holding (H.K.) Limited (the "Purchaser") as the purchaser for the sale and purchase of the entire issued share capital of Great Triumph Investments Limited (the "Target"), a direct wholly owned subsidiary of the Company, who indirectly owned Xinjiang Tianmian Foundation Textile Co., Ltd., together with the assignment of loan and dividend payable to the Company at the total consideration of RMB810,387,000. The consideration for the disposal of the equity interest is RMB130,950,000, the consideration for the assignment of the dividend payable to the Company is RMB68,571,000 which shall be payable by the Purchaser to the Company within 12 months from the date of the framework agreement, and the consideration for the assignment of the loan payable to the Group is RMB610,866,000, which shall be payable to the Group with four instalments with interest of 5% per annum, and the last instalment will be on 1 December 2024. And as a security for the payment of the consideration for the assignment of the loan, it was also agreed that the equity interest for some subsidiaries of the Target shall be pledged in favour of the Group until such consideration has been fully paid.

As at 31 December 2021, the current and non-current portion of the consideration outstanding were disclosed as other receivables and long-term receivables amounting to RMB146,000,000 and RMB 292,000,000 respectively.

On 31 December 2021, the Group transferred 55% equity interest of Treasure Reap Limited and its subsidiaries to Hualida Vietnam (Quang Ninh) Investment Management Co., Ltd with the consideration of RMB40,764,000, which was disclosed as other receivables.

### 14. 預付款項、按金、其他應收賬款及長期應收賬款(續)

按金及其他應收賬款的公平值與其賬面值相若。

附註：於二零二一年十一月五日，本公司作為賣方與通晟控股(香港)有限公司作為買方(「買方」)就買賣豐捷投資有限公司(「目標公司」，本公司直接全資附屬公司，間接控制新疆天棉基業紡織有限公司)全部已發行股本以及轉讓貸款及應付股息予本公司，訂立股份轉讓及貸款轉讓協議，總代價為人民幣810,387,000元。出售股權的代價為人民幣130,950,000元，轉讓應付本公司股息的代價為人民幣68,571,000元，須由買方於框架協議日期起計十二個月內向本公司支付。轉讓應付本集團貸款的代價為人民幣610,866,000元，須分四期支付本集團，年利率為5%，最後一期為二零二四年十二月一日。此外，作為貸款轉讓代價付款的抵押，彼此亦同意將目標公司若干附屬公司的股權質押予本集團，直至有關代價悉數支付為止。

於二零二一年十二月三十一日，未支付代價的即期部分及非即期部分分別披露為其他應收賬款及長期應收賬款人民幣146,000,000元及人民幣292,000,000元。

於二零二一年十二月三十一日，本集團將豐寶有限公司及其附屬公司55%的股權轉讓予華利達越南(廣寧)投資管理有限公司，代價為人民幣40,764,000元，披露為其他應收賬款。

## 綜合財務報表附註(續)

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

截至二零二一年十二月三十一日止年度

#### 15. PLEDGED BANK DEPOSITS AND CASH AND CASH EQUIVALENTS

#### 15. 已抵押銀行存款以及現金及現金等值物

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Pledged bank deposits	已抵押銀行存款	190,302	260,610
Cash and cash equivalents	現金及現金等值物		
— Cash at bank and in hand	— 銀行及手頭現金	2,505,407	2,683,613
		<b>2,695,709</b>	2,944,223

As at 31 December 2021, bank deposits with net book amount of RMB170,000,000 (2020: RMB60,000,000), RMB13,935,000 (2020: nil) and RMB6,367,000 (2020: RMB610,000) were pledged as collateral for the Group's bills payable, collateral for construction projects and collateral for operating activities, respectively.

於二零二一年十二月三十一日，賬面淨值分別為人民幣170,000,000元(二零二零年：人民幣60,000,000元)、人民幣13,935,000元(二零二零年：無)及人民幣6,367,000元(二零二零年：人民幣610,000元)的銀行存款已作質押，以作為本集團應付票據款項、建築項目及經營活動之抵押品。

As at 31 December 2020, in addition to the above, bank deposits with net book amount of RMB200,000,000 were pledged as collateral for the Group's borrowing (Note 19).

於二零二零年十二月三十一日，除上文外，已抵押銀行存款賬面淨額為人民幣200,000,000元，作為本集團借貸之抵押品(附註19)。

Pledged bank deposits and cash and cash equivalents are denominated in the following currencies:

已抵押銀行存款以及現金及現金等值物按以下貨幣計值：

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
RMB	人民幣	1,109,919	1,658,060
USD	美元	1,155,426	727,112
VND	越南盾	370,843	488,834
HKD	港元	53,168	57,797
EUR	歐元	2,070	2,161
Others	其他	4,283	10,259
		<b>2,695,709</b>	2,944,223

Majority of the cash and cash equivalents are deposited with banks in Mainland China and Hong Kong. The conversion of the RMB denominated balances into other currencies and the remittance of funds out of Mainland China are subject to the rules and regulations relating to foreign exchange controls promulgated by the Mainland China Government.

大部分現金及現金等值物存放於中國內地及香港之銀行。將人民幣計值結餘兌換為其他貨幣以及將資金匯出中國內地，均須遵守中國內地政府頒佈之有關外匯管制之規則及法規。

## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021  
截至二零二一年十二月三十一日止年度

### 16. SHARE CAPITAL AND SHARE PREMIUM

### 16. 股本及股份溢價

		Number of shares 股份數目 (thousands) (千股)	Ordinary shares 普通股 HKD'000 千港元		
Authorised:	法定：				
<b>Ordinary shares of HKD0.1 each</b>	<b>每股0.1港元普通股</b>				
At 31 December 2020 and 2021	於二零二零年及二零二一年 十二月三十一日	4,000,000		400,000	
		Number of shares 股份數目 (thousands) (千股)	Ordinary shares 普通股 RMB'000 人民幣千元	Share premium 股份溢價 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Issued and fully paid:	已發行及繳足：				
<b>Ordinary shares of HKD0.1 each</b>	<b>每股0.1港元普通股</b>				
At 31 December 2020	於二零二零年 十二月三十一日	915,000	96,709	433,777	530,486
Shares issued upon exercise of share options (Note 17)	行使購股權時發行 股份(附註17)	3,000	249	28,282	28,531
At 31 December 2021	於二零二一年 十二月三十一日	918,000	96,958	462,059	559,017

## 綜合財務報表附註(續)

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

截至二零二一年十二月三十一日止年度

#### 17. SHARE-BASED PAYMENT

##### Share Option Scheme

Pursuant to a shareholders' resolution passed on 7 April 2014, the Company adopted a share option scheme ("the Share Option Scheme"), which will remain in force for a period of 10 years up to April 2024. Under the Share Option Scheme, the Company's directors may, at their sole discretion, grant to any employee, director, supplier of goods or services, customer, person or entity that provides research, development or other technological support to the Group, shareholder and adviser or consultant of the Group to subscribe for shares in the Company at a price of not less than the higher of (i) the closing price of shares as stated in the daily quotation sheet of the Stock Exchange on the date of the offer of grant; or (ii) the average closing price of shares as stated in the daily quotation sheets of the Stock Exchange for the five trading days immediately preceding the date of the offer of grant; and (iii) the nominal value of the share. A nominal consideration of HK\$1 is payable on acceptance of the grant of an option. The maximum number of shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme adopted by the Group from time to time must not in aggregate exceed 30% of the ordinary share of the Company in issued from time to time.

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

#### 17. 以股份為基礎付款

##### 購股權計劃

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

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



## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021  
截至二零二一年十二月三十一日止年度

### 17. SHARE-BASED PAYMENT (Continued)

#### Share Option Scheme (Continued)

The fair value of options granted on 23 March 2015 was determined using the Binomial Option-Pricing Model. The significant inputs into the model included the share price of HKD8.7 per share at the grant date, exercise price shown above, expected annual risk-free interest rate of 1.582%, expected dividend yield of 1.45% and volatility of 49.80%. The total fair value of these options at grant date was RMB17,154,000, and no expenses was charged to administrative expenses for the year ended 31 December 2021 (2020: nil).

The fair value of options granted on 28 December 2015 was determined using the Binomial Option-Pricing Model. The significant inputs into the model included the share price of HKD5.7 per share at the grant date, exercise price shown above, expected annual risk-free interest rate of 1.623%, expected dividend yield of 3.42% and volatility of 50.94%. The total fair value of these options was RMB3,171,000 and no administrative expenses was charged to for the year ended 31 December 2021 (2020: RMB133,000).

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

		2021 二零二一年		2020 二零二零年	
		Average exercise price in HK\$ per share 每股港元 平均行使價	Options (thousands) 購股權 (千份)	Average exercise price in HK\$ per share 每股港元 平均行使價	Options (thousands) 購股權 (千份)
At 1 January	於一月一日	8.01	6,500	8.01	6,500
Exercised	已行使	7.70	(3,000)	-	-
At 31 December	於十二月三十一日	8.27	3,500	8.01	6,500

### 17. 以股份為基礎付款(續)

#### 購股權計劃(續)

於二零一五年三月二十三日授出之購股權之公平值乃採用二項式期權定價模式釐定。該模式之重大輸入數據包括於授出日期之股價每股8.7港元、上述行使價、預期年度無風險利率1.582%、預期股息率1.45%及波幅49.80%。此等購股權於授出日期之公平值總額為人民幣17,154,000元，而並無開支於截至二零二一年十二月三十一日止年度之行政開支扣除(二零二零年：無)。

於二零一五年十二月二十八日授出之購股權之公平值乃採用二項式期權定價模式釐定。該模式之重大輸入數據包括於授出日期之股價每股5.7港元、上述行使價、預期年度無風險利率1.623%、預期股息率3.42%及波幅50.94%。此等購股權之公平值總額為人民幣3,171,000元，且並無於截至二零二一年十二月三十一日止年度之行政開支扣除(二零二零年：人民幣133,000元)。

未行使購股權數目及其相關加權平均行使價之變動如下：

## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

截至二零二一年十二月三十一日止年度

### 18. OTHER RESERVES AND RETAINED EARNINGS

#### (a) Other reserves

		Capital reserve <sup>(i)</sup>	Share-based compensation reserve 以股份為基礎 資本儲備 <sup>(i)</sup>	Statutory reserves <sup>(ii)</sup>	Revaluation reserve	Translation reserve	Translation with non-controlling interests 非控制性權益匯兌	Total
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2020	於二零二零年一月一日	162,041	21,296	512,173	233,934	(7,305)	(17,120)	905,019
Transfer to statutory reserves	轉撥至法定儲備	-	-	48,231	-	-	-	48,231
Employee share option scheme (Note 17)	僱員購股權計劃 (附註17)	-	133	-	-	-	-	133
Currency translation differences	貨幣換算差額	-	-	-	-	(2,023)	-	(2,023)
Transfer from revaluation reserve to retained earnings for buildings revaluation	就樓宇重估由重估儲備轉撥至保留溢利	-	-	-	(11,530)	-	-	(11,530)
— gross	— 總額	-	-	-	(11,530)	-	-	(11,530)
— deferred income tax (Note 22)	— 遞延所得稅(附註22)	-	-	-	2,480	-	-	2,480
At 31 December 2020	於二零二零年十二月三十一日	162,041	21,429	560,404	224,884	(9,328)	(17,120)	942,310
At 1 January 2021	於二零二一年一月一日	162,041	21,429	560,404	224,884	(9,328)	(17,120)	942,310
Shares issued upon exercise of share options	行使購股權時發行股份	-	(9,284)	-	-	-	-	(9,284)
Transfer to statutory reserves	轉撥至法定儲備	-	-	105,679	-	-	-	105,679
Currency translation differences	貨幣換算差額	-	-	-	-	(1,838)	-	(1,838)
Transfer from revaluation reserve to retained earnings for buildings revaluation	就樓宇重估由重估儲備轉撥至保留溢利	-	-	-	(11,279)	-	-	(11,279)
— gross	— 總額	-	-	-	(11,279)	-	-	(11,279)
— deferred income tax (Note 22)	— 遞延所得稅(附註22)	-	-	-	2,575	-	-	2,575
Disposal of subsidiaries	出售附屬公司	-	-	(73,435)	(47,194)	-	-	(120,629)
At 31 December 2021	於二零二一年十二月三十一日	162,041	12,145	592,648	168,986	(11,166)	(17,120)	907,534

Notes:

- (i) The capital reserve represents the difference between the amount of share capital issued and the net asset value of the subsidiaries acquired under a group reorganisation in 2004.

附註：

- (i) 資本儲備指已發行股本數額與於二零零四年集團重組下收購附屬公司的資產淨值的差額。

## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021  
截至二零二一年十二月三十一日止年度

### 18. OTHER RESERVES AND RETAINED EARNINGS

(Continued)

#### (a) Other reserves (Continued)

Notes: (Continued)

- (ii) As stipulated by regulations in Mainland China, the Company's subsidiaries established and operated in Mainland China are required to appropriate a portion of their after-tax profit (after offsetting prior years' losses) to statutory reserves, at rates determined by their respective boards of directors. Such transfer is not required when the amount of the statutory reserve reaches 50% of the corresponding subsidiaries' registered capital.

Statutory reserves shall only be used to make up losses of the corresponding subsidiaries, to expand the corresponding subsidiaries' production operations, or to increase the capital of the corresponding subsidiaries. Upon approval by resolutions of the corresponding subsidiaries' shareholders in general meetings, the corresponding subsidiaries may convert their statutory reserves into registered capital and issue bonus capital to existing owners in proportion to their existing ownership structure.

#### (b) Retained earnings

### 18. 其他儲備及保留溢利(續)

#### (a) 其他儲備(續)

附註:(續)

- (ii) 根據中國內地頒佈之規例，本公司在中國內地成立及營運之附屬公司須按其各自董事會所釐訂之比例，提撥一部分除稅後溢利(經抵銷過往年度虧損)至法定儲備。倘法定儲備的金額已達相關附屬公司註冊資本的50%，則無需作出此撥款。

法定儲備僅可用於抵銷相關附屬公司虧損、擴充相關附屬公司生產經營或增加相關附屬公司股本。當獲得相關附屬公司股東於股東大會上以決議案通過，相關附屬公司則可將其法定儲備轉換成註冊資本，並按現有股東的持股比例向彼等發行紅股。

#### (b) 保留溢利

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
At 1 January	於一月一日	6,390,471	6,037,951
Profit for the year	年度溢利	2,685,170	517,065
Transfer from revaluation reserve to retained earnings	由重估儲備轉撥至保留溢利		
— gross	— 總額	11,279	11,530
— deferred income tax (Note 22)	— 遞延所得稅(附註22)	(2,575)	(2,480)
		9,084,345	6,564,066
Dividend relating to 2020/2019	二零二零年/二零一九年之股息	(150,461)	(125,364)
Dividend relating to 2021	二零二一年之股息	(377,115)	—
Disposal of subsidiaries	出售附屬公司	120,629	—
Transfer to statutory reserves	轉撥至法定儲備	(105,679)	(48,231)
At 31 December	於十二月三十一日	8,571,719	6,390,471

## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

截至二零二一年十二月三十一日止年度

### 19. BORROWINGS

### 19. 借貸

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
<b>Current</b>	<b>即期</b>		
Unsecured bank borrowings	無抵押銀行借貸	339,943	297,038
Secured bank borrowings (Note (a))	有抵押銀行借貸(附註(a))	40,000	353,603
Other bank borrowings (Note (b))	其他銀行借貸(附註(b))	3,451,719	3,186,840
		<b>3,831,662</b>	3,837,481
<b>Non-current</b>	<b>非即期</b>		
Unsecured bank borrowings	無抵押銀行借貸	263,087	767,675
Other bank borrowings (Note (b))	其他銀行借貸(附註(b))	3,120,290	2,457,947
		<b>3,383,377</b>	3,225,622
<b>Total borrowings</b>	<b>借貸總額</b>	<b>7,215,039</b>	7,063,103

Notes:

- (a) As at 31 December 2021, bank borrowings of RMB40,000,000 were secured by the Group's properties and land use right with net book values of approximately RMB164,427,000 (Note 7) and RMB34,388,000 (Note 8) respectively.

As at 31 December 2020, bank borrowings of RMB153,603,000 were secured by the pledge of the Group's bills receivable with net book amount of RMB160,000,000 (Note 13), and bank borrowings of RMB200,000,000 was pledged by bank deposits RMB200,000,000 (Note 15).

- (b) Other bank borrowings of RMB6,572,009,000 (2020: RMB5,644,787,000) were guaranteed by certain subsidiaries of the Group as at 31 December 2021.

附註：

- (a) 於二零二一年十二月三十一日，銀行借貸人民幣40,000,000元以賬面淨值分別約為人民幣164,427,000元(附註7)及約為人民幣34,388,000(附註8)的物業及土地使用權作抵押。

於二零二零年十二月三十一日，銀行借貸人民幣153,603,000元以賬面淨值為人民幣160,000,000元的本集團應收票據作抵押(附註13)；及銀行借貸人民幣200,000,000元以人民幣200,000,000元的銀行存款作抵押(附註15)。

- (b) 於二零二一年十二月三十一日，其他銀行借貸人民幣6,572,009,000元(二零二零年：人民幣5,644,787,000元)由本集團若干附屬公司作擔保。

## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021  
截至二零二一年十二月三十一日止年度

### 19. BORROWINGS (Continued)

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

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
RMB	人民幣	2,274,571	1,846,250
HKD	港元	3,043,207	3,343,047
USD	美元	1,897,261	1,873,806
		<b>7,215,039</b>	7,063,103

The weighted average effective interest rates per annum are as follows:

		2021 二零二一年			2020 二零二零年		
		USD 美元	RMB 人民幣	HKD 港元	USD 美元	RMB 人民幣	HKD 港元
Bank borrowings	銀行借貸	1.4%	4.0%	1.3%	2.2%	4.4%	2.5%

At 31 December 2021, the Group's borrowings were repayable as follows:

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Within 1 year	1年內	3,831,662	3,837,481
Between 1 and 2 years	1至2年	1,783,962	1,802,628
Between 2 and 5 years	2至5年	1,599,415	1,422,994
		<b>7,215,039</b>	7,063,103

The fair values of the borrowings approximate their carrying amounts as at the balance sheet date, as the impact of discounting is not significant.

The Group has undrawn borrowing facilities of approximately RMB2,624,561,000 (2020: RMB3,889,427,000). These facilities are subject to review at various dates during 2022.

The Group has complied with the financial covenants of its borrowing facilities during years 2021 and 2020.

### 19. 借貸(續)

借貸的賬面值按以下貨幣計值：

加權平均實際年利率如下：

於二零二一年十二月三十一日，本集團借貸的還款期如下：

由於折現之影響微不足道，於結算日，借貸之公平值與其賬面值相若。

本集團未動用之借貸融資為約人民幣2,624,561,000元(二零二零年：人民幣3,889,427,000元)。該等融資須於二零二二年不同日期作審閱。

於二零二一年及二零二零年，本集團遵守其借貸融資的財務條款。

## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

截至二零二一年十二月三十一日止年度

### 20. DERIVATIVE FINANCIAL INSTRUMENTS

### 20. 衍生金融工具

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Assets:	資產：		
Cotton option contracts (Note (a))	棉花期權合約(附註(a))	29,874	27,332
Forward foreign exchange contracts (Note (b))	遠期外匯合約(附註(b))	19,869	62,690
Cross currency swap contracts (Note (c))	交叉貨幣掉期合約(附註(c))	3,725	21,145
Cotton future contract (Note (d))	棉花期貨合約(附註(d))	2,185	-
		<b>55,653</b>	111,167
Liabilities:	負債：		
Cross currency swap contracts (Note (c))	交叉貨幣掉期合約(附註(c))	160,921	232,634
Cotton option contracts (Note (a))	棉花期權合約(附註(a))	2,998	2,001
Forward foreign exchange contracts (Note (b))	遠期外匯合約(附註(b))	2,056	69
		<b>165,975</b>	234,704

Non-hedging derivatives are classified as current assets or liabilities.

非對沖衍生工具分類為流動資產或負債。

Notes:

附註：

- (a) The cotton option contracts as at 31 December 2021 comprised nine contracts with notional principal amount of USD66,069,000 (2020: five contracts with notional principal amount of USD45,823,000).
- (b) The forward foreign exchange contracts as at 31 December 2021 comprised sixty-two contracts with notional principal amounts totaling RMB902,208,000 (2020: thirty-eight contracts with notional principal amounts totaling RMB2,306,552,000).
- (c) The cross currency swap contracts as at 31 December 2021 comprised twenty-six contracts with notional principal amounts totaling RMB3,490,612,000 (2020: twenty-one contracts with notional principal amounts totaling RMB3,543,954,000).
- (d) The cotton future contract as at 31 December 2021 comprised one contract with notional principal amount of USD5,850,000 (2020: nil).

- (a) 於二零二一年十二月三十一日，棉花期權合約包括九份合約，名義本金額為66,069,000美元(二零二零年：五份名義本金額為45,823,000美元之合約)。
- (b) 於二零二一年十二月三十一日，遠期外匯合約包括六十二份名義本金總額為人民幣902,208,000元之合約(二零二零年：三十八份名義本金總額為人民幣2,306,552,000元之合約)。
- (c) 於二零二一年十二月三十一日，交叉貨幣掉期合約包括二十六份合約，名義本金總額為人民幣3,490,612,000元(二零二零年：二十一份名義本金總額為人民幣3,543,954,000元之合約)。
- (d) 於二零二一年十二月三十一日，棉花期貨合約包括一份合約，名義本金額為5,850,000美元(二零二零年：無)。

## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021  
截至二零二一年十二月三十一日止年度

### 21. LONG-TERM PAYABLES

### 21. 長期應付賬款

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
No later than 1 year	一年內	<b>30,726</b>	129,936
Later than 1 year and no later than 5 years	一年後至五年內	-	30,726
Less: future finance charges on long-term payables	減：長期應付賬款之未來融資費用	<b>(855)</b>	(6,750)
		<b>29,871</b>	153,912
The present value of long-term payables is as follows:	長期應付賬款之現值如下：		
No later than 1 year	一年內	<b>29,871</b>	124,041
Later than 1 year and no later than 5 years	一年後至五年內	-	29,871
		<b>29,871</b>	153,912

As at 31 December 2021, included in the long-term payables were amounts due to third parties for purchasing machinery and equipment with a carrying amount of RMB29,871,000 (2020: RMB153,912,000).

於二零二一年十二月三十一日，長期應付賬款中包含就購買機器及設備應付第三方賬面值為人民幣29,871,000元(二零二零年：人民幣153,912,000元)的款項。

Details of the Group's exposure to risks arising from long-term payables are set out in Note 3.1.

有關本集團因長期應付賬款所面臨的風險詳情乃載於附註3.1。

## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

截至二零二一年十二月三十一日止年度

### 22. DEFERRED INCOME TAX

The analysis of deferred income tax assets and deferred income tax liabilities is as follows:

### 22. 遞延所得稅

遞延所得稅資產及遞延所得稅負債之分析如下：

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Deferred income tax assets:	遞延所得稅資產：		
— Deferred tax assets to be recovered after more than 12 months	— 超過12個月後收回之遞延稅項資產	21,798	14,941
— Deferred tax assets to be recovered within 12 months	— 在12個月內收回之遞延稅項資產	70,185	74,771
		<b>91,983</b>	89,712
Deferred income tax liabilities:	遞延所得稅負債：		
— Deferred tax liabilities to be settled after more than 12 months	— 超過12個月後支付之遞延稅項負債	(274,332)	(282,071)
— Deferred tax liabilities to be settled within 12 months	— 在12個月內支付之遞延稅項負債	(12,150)	(10,588)
		<b>(286,482)</b>	(292,659)

The movements in deferred income tax assets and liabilities during the year are as follows:

於年內遞延所得稅資產及負債變動如下：

Deferred income tax assets:

遞延所得稅資產：

		Tax losses 稅務虧損 RMB'000 人民幣千元	Temporary differences 暫時差異 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2020	於二零二零年一月一日			
Acquisition of subsidiaries (Charged)/credited	收購附屬公司(扣除)/貸記	60,937	42,739	103,676
— to the consolidated income statement	— 於綜合收益表	(38,252)	24,288	(13,964)
At 31 December 2020	於二零二零年十二月三十一日	22,685	67,027	89,712
(Charged)/credited	(扣除)/貸記			
— to the consolidated income statement	— 於綜合收益表	(12,707)	2,880	(9,827)
Acquisition of subsidiaries (Note 35)	收購附屬公司(附註35)	12,098	-	12,098
At 31 December 2021	於二零二一年十二月三十一日	22,076	69,907	91,983



## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021  
截至二零二一年十二月三十一日止年度

### 22. DEFERRED INCOME TAX (Continued)

Deferred income tax liabilities:

		Fair value adjustments on assets relating to business combinations 有關業務合併之資產之公平值調整 RMB'000 人民幣千元	Revaluation of buildings 樓宇重估 RMB'000 人民幣千元	Withholding tax relating to unremitted earnings of subsidiaries 有關附屬公司未匯付盈利的預扣稅 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2020	於二零二零年一月一日	113,370	60,490	113,601	287,461
Charged/(credited)	扣除/(貸記)				
— to consolidated income statement	— 於綜合收益表	(9,151)	(2,480)	16,829	5,198
At 31 December 2020	於二零二零年十二月三十一日	104,219	58,010	130,430	292,659
Charged/(credited)	扣除/(貸記)				
— to consolidated income statement	— 於綜合收益表	(8,965)	(2,575)	15,737	4,197
Acquisition of subsidiaries (Note 35)	收購附屬公司(附註35)	15,494	—	—	15,494
Disposal of subsidiaries	出售附屬公司	(10,016)	(15,852)	—	(25,868)
At 31 December 2021	於二零二一年十二月三十一日	100,732	39,583	146,167	286,482

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through the future taxable profits is probable. As at 31 December 2021 and 2020, the Group has recognised the deferred income tax assets for all tax loss carry-forwards.

Deferred income tax of RMB2,575,000 (2020: RMB2,480,000) was transferred from other reserves to retained earnings. This represents deferred tax on the difference between the actual depreciation on buildings and the equivalent depreciation based on the historical cost of buildings.

Deferred income tax liabilities of RMB146,167,000 (2020: RMB130,430,000) have been recognised for the withholding tax that would be payables on the earnings of subsidiaries when remitted to the Company. As at 31 December 2021, the unremitted earnings of subsidiaries is RMB2,923,340,000 (2020: RMB2,608,580,000). There are no unremitted earnings with no deferred tax liabilities recognised (2020: nil).

### 22. 遞延所得稅(續)

遞延所得稅負債：

遞延所得稅資產乃就結轉之稅項虧損確認，惟以有可能透過日後之應課稅溢利變現有關稅項利益為限。於二零二一年及二零二零年十二月三十一日，本集團已就所有結轉之稅項虧損確認遞延所得稅資產。

人民幣2,575,000元(二零二零年：人民幣2,480,000元)的遞延所得稅乃由其他儲備轉撥至保留溢利。此代表樓宇的實際折舊與根據樓宇的歷史成本計算的相同折舊之間的差額的遞延稅項。

本集團已就附屬公司匯入本公司的盈利應付預扣稅確認遞延所得稅負債人民幣146,167,000元(二零二零年：人民幣130,430,000元)。於二零二一年十二月三十一日，附屬公司未匯付盈利為人民幣2,923,340,000元(二零二零年：人民幣2,608,580,000元)。並無未確認的遞延稅項負債的未匯付盈利(二零二零年：無)。

## 綜合財務報表附註(續)

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

截至二零二一年十二月三十一日止年度

#### 23. TRADE AND BILLS PAYABLES

#### 23. 應付貿易及票據款項

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Trade payables	應付貿易款項	1,433,658	784,824
Bills payable	應付票據款項	3,142,679	1,867,835
		<b>4,576,337</b>	2,652,659

As at 31 December 2021, included in trade payables were amounts due to related parties of RMB25,111,000(2020: RMB8,568,000) (Note 36).

於二零二一年十二月三十一日，應付貿易款項中包含應付關連方的款項人民幣25,111,000元(二零二零年：8,568,000元)(附註36)。

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

應付貿易及票據款項之公平值與其賬面值相若。

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

應付貿易及票據款項(包括性質為應付貿易關連方之款項)按發票日期之賬齡分析如下：

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Within 90 days	90日內	3,801,252	2,121,441
91 to 180 days	91日至180日	750,893	485,176
181 days to 1 year	181日至1年	8,580	30,951
Over 1 year	1年以上	15,612	15,091
		<b>4,576,337</b>	2,652,659

Trade and bills payables are denominated in the following currencies:

應付貿易及票據款項按以下貨幣計值：

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
USD	美元	3,322,273	2,116,566
RMB	人民幣	966,214	403,024
VND	越南盾	268,499	125,385
HKD	港元	7,338	2,082
Mexican Peso	墨西哥披索	6,739	5,602
EUR	歐元	5,274	-
		<b>4,576,337</b>	2,652,659

## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021  
截至二零二一年十二月三十一日止年度

### 24. ACCRUALS AND OTHER PAYABLES

### 24. 預提費用及其他應付賬款

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Accrued wages and salaries	應計工資及薪酬	400,966	320,371
Payables for purchase of property, plant and equipment	購買物業、廠房及設備之應付賬款	198,605	181,557
Accrual of operating expenses	應計經營開支	172,109	150,516
Tax payables other than enterprise income tax	應付稅項(企業所得稅除外)	88,628	103,674
Interest payable	應付利息	4,705	8,140
Other payables	其他應付賬款	38,566	47,374
		<b>903,579</b>	<b>811,632</b>

As at 31 December 2021 and 31 December 2020, the carrying amounts of the Group's accruals and other payables approximate their fair values.

於二零二一年十二月三十一日及二零二零年十二月三十一日，本集團的預提費用及其他應付賬款的賬面值與其公平值相若。

### 25. OTHER INCOME AND OTHER LOSSES — NET

### 25. 其他收入及其他虧損 — 淨額

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Other income	其他收入		
Subsidy income (a)	補貼收入(a)	95,543	179,106
Other losses — net	其他虧損 — 淨額		
Gains on acquisition of subsidiaries (Note 35)	收購附屬公司收益(附註35)	13,665	—
Gains on disposal of subsidiaries	出售附屬公司收益	33,702	—
Derivative financial instruments at fair value through profit or loss:	按公平值計入損益之衍生金融工具：		
— Realised (losses)/gains	— 已變現(虧損)/收益	(133,302)	70,822
— Unrealised gains/(losses)	— 未變現收益/(虧損)	13,214	(381,443)
Net foreign exchange (losses)/gains — net (Note 29)	匯兌(虧損)/收益 — 淨額(附註29)	(33,136)	56,106
Others	其他	20,443	15,131
Total other losses — net	其他虧損總額 — 淨額	<b>(85,414)</b>	<b>(239,384)</b>

(a) The subsidy income was mainly related to incentives for development in Mainland China provided by municipal governments based on the amounts of value added tax and income tax paid. The Group has received all the subsidy income and there was no future obligation related to these subsidy income.

(a) 補貼收入主要為來自於中國內地發展所獲得由市政府根據已付增值稅及所得稅金額提供之優惠。本集團已收取全數補貼收入，以及並無有關該等補貼收入之未來責任。

## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

截至二零二一年十二月三十一日止年度

### 26. EXPENSES BY NATURE

### 26. 開支(按性質分類)

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Raw materials and consumables used	耗用原材料及消耗品	<b>16,898,906</b>	12,495,164
Changes in inventories of finished goods and work in progress	製成品及在製品存貨變動	<b>(626,277)</b>	410,298
Employment benefit expenses (Note 27)	僱員福利開支(附註27)	<b>2,888,955</b>	2,372,271
Depreciation and amortisation (Note 7, Note 8 and Note 9)	折舊及攤銷 (附註7、附註8及附註9)	<b>1,037,556</b>	1,003,670
Impairment charges on property, plant and equipment (Note 7)	物業、廠房及設備減值費用 (附註7)	<b>57,202</b>	16,863
(Gains)/losses on disposal of property, plant and equipment (Note 33)	出售物業、廠房及設備 (收益)/虧損(附註33)	<b>(1,394)</b>	7,289
Office expenses	辦公開支	<b>88,317</b>	82,420
Utilities	動力及燃料	<b>1,541,231</b>	1,255,052
Transportation costs	運輸成本	<b>528,214</b>	413,773
Auditor's remuneration	核數師酬金		
— Annual audit services	— 年度審核服務	<b>4,300</b>	3,725
— Non-audit services	— 非審核服務	<b>780</b>	893
Rental expenses for buildings and machinery (Note 8)	樓宇及機器租金開支(附註8)	<b>4,195</b>	2,714
Net accrual of provision for decline in value of inventories (Note 12)	存貨減值撥備計提淨額(附註12)	<b>16,177</b>	70,287
Other expenses	其他開支	<b>639,090</b>	521,739
Total cost of sales, selling and distribution costs and general and administrative expenses	銷售成本、銷售及分銷開支 以及一般及行政開支總額	<b>23,077,252</b>	18,656,158

### 27. EMPLOYMENT BENEFIT EXPENSES

### 27. 僱員福利開支

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Wages, salaries and bonuses	工資、薪酬及花紅	<b>2,476,017</b>	2,148,406
Pension costs — defined contribution plans and retirement benefits (Note (a))	退休金成本 — 界定供款計劃及 退休福利(附註(a))	<b>166,709</b>	110,021
Other welfare benefits (Note (b))	其他福利(附註(b))	<b>164,752</b>	62,863
Other employment benefits	其他僱員福利	<b>81,477</b>	50,981
		<b>2,888,955</b>	2,372,271

## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021  
截至二零二一年十二月三十一日止年度

### 27. EMPLOYMENT BENEFIT EXPENSES (Continued)

#### (a) Pension — defined contribution plans and retirement benefits

As stipulated by rules and regulations in Mainland China, the Group has participated in state-sponsored defined contribution retirement plans for its employees in Mainland China. The Group and the eligible employees are required to contribute 13% to 22% and 7% to 8%, respectively, of the employees' basic salary (subject to a cap) at rates as stipulated by the relevant municipal governments. The Group has no further obligations for the actual payment of pensions or post-retirement benefits beyond the annual contributions. The state-sponsored retirement plans are responsible for the entire pension obligations payable to the retired employees. During the year ended 31 December 2021, the Group contributed approximately RMB89,601,000 (2020: RMB44,485,000) to the aforesaid state-sponsored retirement plans.

As stipulated by rules and regulations in Vietnam, the Group contributes to stated-sponsored employees' social insurance scheme for its employees in Vietnam. The Group contributes to the scheme at a rate of 20% of the employee's salary. The stated-sponsored social insurance scheme is responsible for the entire obligations payable to retired employees. During the year ended 31 December 2021, the Group contributed approximately RMB55,313,000 (2020: RMB61,926,000) to the aforesaid state-sponsored social insurance scheme.

As stipulated by rules and regulations in other countries and regions, during the year ended 31 December 2021, the Group contributed approximately RMB21,795,000 (2020: RMB3,610,000) to the social insurance scheme of other countries and regions.

#### (b) Other welfare benefits

All of the Group's employees in Mainland China participate in employee social security plans, including medical, housing and other welfare benefits, organised and administered by governmental authorities. During the year ended 31 December 2021, the Group contributed approximately RMB164,752,000 (2020: RMB62,863,000) to these plans and the Group has no further obligations for the actual payment of these plans.

### 27. 僱員福利開支(續)

#### (a) 退休金 — 界定供款計劃及退休福利

本集團已為其中國內地僱員參與國家資助的界定供款退休計劃。本集團及合資格僱員須分別就僱員基本薪金的13%至22%及7%至8%作出供款(訂有上限)，比率由有關市政府規定。除此項年度供款外，本集團對其任何實際退休金支出或退休後福利則毋須再作任何承擔。退休僱員的所有退休金支出概由國家資助退休計劃承擔。於截至二零二一年十二月三十一日止年度，本集團向上述國家資助的退休計劃供款約人民幣89,601,000元(二零二零年：人民幣44,485,000元)。

根據越南規則及法規規定，本集團已為其越南僱員向國家資助的僱員社會保險計劃作出供款。本集團按僱員薪金的20%向該計劃供款。退休僱員的所有支出概由國家資助的社會保險計劃承擔。於截至二零二一年十二月三十一日止年度，本集團向上述國家資助的社會保險計劃供款約人民幣55,313,000元(二零二零年：人民幣61,926,000元)。

根據其他國家及地區的規則及法規規定，本集團於截至二零二一年十二月三十一日止年度向其他國家及地區之社會福利計劃供款約人民幣21,795,000元(二零二零年：人民幣3,610,000元)。

#### (b) 其他福利

本集團於中國內地的所有僱員均參與僱員社會保障計劃，該計劃包括由政府機構籌劃及監控的醫療、房屋及其他福利。於截至二零二一年十二月三十一日止年度，本集團就上述計劃供款約人民幣164,752,000元(二零二零年：人民幣62,863,000元)及本集團對該等計劃的實際付款並無進一步責任。

## 綜合財務報表附註(續)

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

截至二零二一年十二月三十一日止年度

#### 27. EMPLOYMENT BENEFIT EXPENSES (Continued)

##### (c) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include four (2020: five) directors whose emoluments are reflected in the analysis shown in Note 38. The emoluments payable to the remaining one individual for the year ended 31 December 2021 are as follows:

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Basic salaries and allowances	基本薪金及津貼	775	-
Bonuses	花紅	4,324	-
Benefit scheme contributions	福利計劃供款	21	-
Other benefits	其他福利	8	-
		<b>5,128</b>	-

#### 27. 僱員福利開支(續)

##### (c) 五位最高薪酬人士

於本年度，本集團五位最高薪酬人士其中四位(二零二零年：五位)為董事，其酬金於附註38的分析內反映。截至二零二一年十二月三十一日止年度應付予餘下一位人士之酬金如下：

#### 28. FINANCE COSTS — NET

#### 28. 財務費用 — 淨額

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Interest expenses	利息開支		
— borrowings	— 借貸	195,620	353,604
— long term payables	— 長期應付賬款	5,895	11,121
— lease liabilities (Note 8)	— 租賃負債(附註8)	5,393	6,215
		<b>206,908</b>	370,940
Net exchange gains on financing activities (Note 29)	融資活動產生的匯兌收益淨額(附註29)	<b>(39,656)</b>	(100,251)
Finance costs	財務費用	<b>167,252</b>	270,689
Finance income — interest income on bank deposits	財務收入 — 銀行存款利息收入	<b>(44,589)</b>	(50,774)
Net finance costs	財務費用淨額	<b>122,663</b>	219,915

## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021  
截至二零二一年十二月三十一日止年度

### 29. NET FOREIGN EXCHANGE GAINS

The exchange differences included in the consolidated income statement are as follows:

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Net finance income (Note 28)	財務收入淨額(附註28)	39,656	100,251
Other (losses)/gains — net (Note 25)	其他(虧損)/收益淨額(附註25)	(33,136)	56,106
Net foreign exchange gains	匯兌收益淨額	6,520	156,357

### 30. INCOME TAX EXPENSE

The amount of income tax charged to the consolidated income statement represents:

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Current tax on profits for the year	年度溢利之即期稅項	584,511	131,344
Deferred income tax (Note 22)	遞延所得稅(附註22)	14,024	19,162
		598,535	150,506

#### (a) Hong Kong profits tax

Subsidiaries incorporated in Hong Kong are subject to profits tax at rate of 16.5% (2020: 16.5%).

#### (b) Mainland China enterprise income tax (“EIT”)

Effective from 1 January 2008, the subsidiaries established in Mainland China are required to determine and pay the EIT in accordance with the Corporate Income Tax Law of the PRC (the “New CIT Law”) as approved by the National People’s congress on 16 March 2007 and Detailed Implementations Regulations of the New CIT Law (the “DIR”) as approved by the State Council on 6 December 2007. According to the New CIT Law and DIR, subsidiaries established in Mainland China are subject to EIT at rate of 25% during the year (2020: 25%).

### 29. 匯兌收益淨額

於綜合收益表計入之匯兌差額包括以下項目：

### 30. 所得稅開支

於綜合收益表扣除之所得稅金額如下：

#### (a) 香港利得稅

於香港註冊成立之附屬公司須按16.5% (二零二零年：16.5%)之稅率繳納利得稅。

#### (b) 中國內地企業所得稅(「企業所得稅」)

由二零零八年一月一日起，於中國內地成立之附屬公司，須依照全國人民代表大會於二零零七年三月十六日通過之中國企業所得稅法(「新企業所得稅法」)，和國務院於二零零七年十二月六日批准之新企業所得稅法條例實施細則(「條例實施細則」)，釐定並繳納企業所得稅。根據新企業所得稅法及條例實施細則，在中國內地成立之附屬公司於年內須繳納企業所得稅，稅率為25%(二零二零年：25%)。

## 綜合財務報表附註(續)

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

截至二零二一年十二月三十一日止年度

#### 30. INCOME TAX EXPENSE (Continued)

##### (b) Mainland China enterprise income tax (“EIT”) (Continued)

As approved by the relevant tax bureau in Mainland China, sixteen subsidiaries are entitled to a preferential tax rate of 15% during the year (2020: eleven subsidiaries are entitled to a preferential tax rate of 15%). Such preferential tax treatments require annual assessment on meeting the stipulated conditions and re-application to maintain the lower tax rate status every few years.

##### (c) Vietnam income tax

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

As approved by the relevant tax bureau in Vietnam, one subsidiary established in Vietnam should separately calculate income tax on its initial supplementary investments. The initial investment of the subsidiary is entitled to three years' exemption from income taxes followed by seven years of a 50% tax reduction and is further entitled to a preferential income tax rate of 15% for 12 years. The first supplementary investment of the subsidiary is entitled to three years' exemption from income taxes followed by five years of a 50% tax reduction based on the income tax rate of 20% (2020: 20%). The second supplementary investment of the subsidiary is entitled to two years' exemption from income taxes followed by four years of a 50% tax reduction based on the income tax rate of 20% (2020: 20%).

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

The applicable tax rates for all subsidiaries in Vietnam range from nil to 20% during the year (2020: nil to 20%).

#### 30. 所得稅開支(續)

##### (b) 中國內地企業所得稅(「企業所得稅」)(續)

經中國內地有關稅務局批准，十六家附屬公司於年內有權享有15%的優惠稅率(二零二零年：十一家附屬公司有權享有15%的優惠稅率)。此類稅收優惠政策要求每年評估是否符合規定條件，並須每隔幾年重新申請以維持較低的稅率。

##### (c) 越南所得稅

在越南的主要附屬公司之所得稅如下：

經越南有關稅務局批准，一家在越南成立的附屬公司，應就其初步補充投資獨立計算所得稅。該附屬公司的初步投資有權免繳所得稅三年，其後七年則可獲稅率減半優惠，並有權進一步享受優惠所得稅稅率15%達十二年。該附屬公司的首項補充投資有權免繳所得稅三年，其後五年根據20%(二零二零年：20%)的所得稅稅率繳付，可獲稅率減半優惠。該附屬公司的第二項補充投資有權免繳所得稅兩年，其後四年根據20%(二零二零年：20%)的所得稅稅率繳付，可獲稅率減半優惠。

經越南有關稅務局批准，其他在越南成立的附屬公司有權於抵銷過往年度結轉的虧損後首個獲利年度起，免繳所得稅四年，其後九年則可獲稅率減半優惠，並有權由業務產生收入之首個年度起享受優惠所得稅稅率10%達十五年。

年內，在越南的所有附屬公司的適用稅率，介乎零至20%(二零二零年：零至20%)。



## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021  
截至二零二一年十二月三十一日止年度

### 30. INCOME TAX EXPENSE (Continued)

#### (d) Other income or profits tax

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

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

The Company's subsidiary established in Macao is subject to income tax rate of 12% (2020: 12%). No provision for Macao profits tax has been made as the Group had no assessable profit arising in or derived from Macao during the year (2020: nil).

The Company's subsidiary established in Uruguay is subject to income tax rate of 25% (2020: 25%). No provision for Uruguay profits tax has been made as the Group had no assessable profit arising in or derived from Uruguay during the year (2020: nil).

The Company's subsidiary established in Cambodia is subject to income tax at the rate of 20% (2020: 20%). No provision for Cambodia profits tax has been made as the Group had no assessable profit arising in or derived from the subsidiary during the year (2020: nil).

The Company's subsidiaries established in Nicaragua are subject to income tax at the rate of 30% (2020: 30%). As approved by relevant tax bureau in Nicaragua, the subsidiaries are entitled to exemption from profits tax during the year (2020: exempted).

The Company's subsidiaries established in Samoa are exempted from profits tax during the year (2020: exempted).

The Company's subsidiary established in Turkey is subject to income tax at the rate of 25% (2020: 22%).

The Company's subsidiaries established in the United States are subject to income tax rate within the range from 27.5% to 30% during the year (2020: 27.5% to 30%).

The Company's subsidiaries established in Mexico are subject to income tax at the rate of 30% (2020: 30%).

### 30. 所得稅開支(續)

#### (d) 其他所得或利得稅

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

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

本公司於澳門成立之附屬公司須按12% (二零二零年：12%)之稅率繳付所得稅。由於本集團於年內概無在澳門產生或從澳門賺取應課稅溢利，故概無就澳門利得稅作出撥備(二零二零年：零)。

本公司於烏拉圭成立之附屬公司須按25% (二零二零年：25%)之稅率繳付所得稅。由於本集團於年內概無在烏拉圭產生或從烏拉圭賺取應課稅溢利，故概無就烏拉圭利得稅作出撥備(二零二零年：零)。

本公司在柬埔寨成立之附屬公司須按20% (二零二零年：20%)之稅率繳付所得稅。由於本集團於年內概無在該附屬公司產生或從該附屬公司賺取應課稅溢利，故概無就柬埔寨利得稅作出撥備(二零二零年：零)。

本公司在尼加拉瓜成立之附屬公司須按30% (二零二零年：30%)之稅率繳付所得稅。經尼加拉瓜有關稅務局批准，該等附屬公司於年內獲豁免繳付利得稅(二零二零年：豁免)。

本公司在薩摩亞成立之附屬公司於年內獲豁免繳付利得稅(二零二零年：豁免)。

本公司於土耳其成立之附屬公司須按25% (二零二零年：22%)之稅率繳付所得稅。

年內，本公司在美國成立之附屬公司須按介乎27.5%至30% (二零二零年：27.5%至30%)之稅率繳付所得稅。

本公司在墨西哥成立之附屬公司須按30% (二零二零年：30%)之稅率繳付所得稅。

## 綜合財務報表附註(續)

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

截至二零二一年十二月三十一日止年度

#### 30. INCOME TAX EXPENSE (Continued)

##### (d) Other income or profits tax (Continued)

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities, as follows:

	2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Profit before income tax, after excluding share of profits of investments accounted for using the equity method	3,300,534	635,736
Tax calculated at domestic tax rates applicable to profits of the respective subsidiaries	616,736	155,740
Effect of income tax exemption	(95,131)	(60,600)
Expenses not deductible for income tax purposes	57,989	46,743
Withholding tax relating to unremitted earnings of subsidiaries	15,737	16,829
Others	3,204	(8,206)
	598,535	150,506

The weighted average applicable tax rate was 18.69% (2020: 24.5%).

10% withholding income tax is generally imposed on dividends relating to any profits earned in PRC commencing from 2008 to foreign investors, while for some PRC entities held by companies incorporated in certain places, including Hong Kong and Singapore, preferential tax rate of 5% will be applied if such companies are the beneficial owner of over 25% of these PRC entities according to PRC tax regulations.

#### 30. 所得稅開支(續)

##### (d) 其他所得或利得稅(續)

本集團除所得稅前溢利的稅款與根據適用於綜合實體溢利的加權平均稅率計算之理論金額不同，差異如下：

適用的加權平均稅率為18.69% (二零二零年：24.5%)。

中國企業所得稅對境外投資者獲分派二零零八年及之後賺取的利潤的股息一般徵收10%預提所得稅，而就若干地區(包括香港及新加坡)註冊成立之公司所持有的中國實體而言，倘該等公司根據中國之稅務條例為該等中國實體超過25%權益之實益擁有人，則享有5%的優惠稅率。

## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021  
截至二零二一年十二月三十一日止年度

### 31. EARNINGS PER SHARE

#### (a) Basic

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

		2021 二零二一年	2020 二零二零年
Profit attributable to owners of the Company (RMB'000)	本公司擁有人應佔溢利(人民幣千元)	2,685,170	517,065
Weighted average number of ordinary shares in issue (thousands)	已發行普通股加權平均數(以千計)	916,715	915,000
Basic earnings per share (RMB per share)	每股基本盈利(每股人民幣元)	2.93	0.57

#### (b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the Company's share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

		2021 二零二一年	2020 二零二零年
Profit attributable to owners of the Company (RMB'000)	本公司擁有人應佔溢利(人民幣千元)	2,685,170	517,065
Weighted average number of ordinary shares in issue (thousands)	已發行普通股加權平均數(以千計)	916,715	915,000
Adjustments for:	調整:		
— Share options (thousands)	— 購股權(以千計)	904	189
Weighted average number of ordinary shares for diluted earnings per share (thousands)	每股攤薄盈利之普通股加權平均數(以千計)	917,619	915,189
Diluted earnings per share (RMB per share)	每股攤薄盈利(每股人民幣元)	2.93	0.56

### 31. 每股盈利

#### (a) 基本

每股基本盈利以本公司擁有人應佔溢利除以年內已發行普通股之加權平均數計算。

#### (b) 攤薄

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

## 綜合財務報表附註(續)

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

截至二零二一年十二月三十一日止年度

#### 32. DIVIDENDS

The dividend paid in 2021 were RMB527,576,000 (2020: RMB125,364,000), being HKD0.70 per ordinary share (2020: HKD0.15 ordinary share).

#### 32. 股息

於二零二一年已支付的股息金額為人民幣527,576,000元(二零二零年:人民幣125,364,000元),每股普通股0.70港元(二零二零年:每股普通股0.15港元)。

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Final dividend for the year ended 31 December 2020 of HKD0.20 (2019: HKD0.15) per ordinary share	截至二零二零年十二月三十一日 止年度末期股息 每股普通股0.20港元 (二零一九年:0.15港元)	150,461	125,364
Interim dividend for the year ended 31 December 2021 of HKD0.50 (2020: nil) per ordinary share	截至二零二一年十二月三十一日 止年度中期股息每股普通股 0.50港元(二零二零年:無)	377,115	-
		527,576	125,364

A proposed final dividend in respect of the year ended 31 December 2021 of HKD0.57 (2020: HKD0.20) per ordinary share, amounting to a total dividend of RMB427,817,000 (2020: RMB154,013,000) is to be presented for approval at the annual general meeting of the Company on 6 May 2022. These financial statements do not reflect this as dividend payable.

截至二零二一年十二月三十一日止年度之擬派末期股息為每股普通股0.57港元(二零二零年:0.20港元),股息總金額達人民幣427,817,000元(二零二零年:人民幣154,013,000元),將於本公司二零二二年五月六日之股東週年大會上提呈批准。此等財務報表並不反映此項為應付股息。

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Proposed final dividend for the year ended 31 December 2021 of HKD0.57 (2020: HKD0.20) per ordinary share	截至二零二一年十二月三十一日 止年度擬派末期股息 每股普通股0.57港元 (二零二零年:0.20港元)	427,817	154,013

## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021  
截至二零二一年十二月三十一日止年度

### 33. CASH FLOW INFORMATION

#### (a) Cash generated from operations

The reconciliation from profit before income tax to cash generated from operations is as follows:

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Profit before income tax	除所得稅前溢利	3,340,151	680,860
Adjustments for:	經調整：		
— Amortisation, depreciation and impairment	— 攤銷、折舊及減值	1,094,758	1,020,533
— Share of profits less losses of investments accounted for using equity method	— 分佔使用權益法入賬之投資溢利減虧損	(39,617)	(45,124)
— Amortisation of share option scheme	— 購股權計劃攤銷	—	133
— (Gains)/losses on disposal of property, plant and equipment (Note 26)	— 出售物業、廠房及設備(收益)/虧損(附註26)	(1,394)	7,289
— Net accrual of provision for decline in the value of inventories (Note 26)	— 存貨減值撥備之預提淨額(附註26)	16,177	70,287
— (Reversal)/accrual of provision for impairment of trade receivables (Note 13)	— 應收貿易款項減值撥備之(撥回)/計提(附註13)	(3,750)	4,851
— Accrual of provision for impairment of Prepayments, deposits and other receivables (Note 14)	— 計提預付款項、按金及其他應收賬款減值撥備	34,623	—
— Finance costs — net (Note 28)	— 財務費用 — 淨額(附註28)	122,663	219,915
— Fair value (losses)/gains on derivative financial instruments and assets (Note 25)	— 衍生金融工具及資產公平值(虧損)/收益(附註25)	(13,214)	381,443
— Settlement on derivative financial instruments (Note 25)	— 衍生金融工具結算(附註25)	133,302	(70,822)
— Gains on disposal of subsidiaries	— 出售附屬公司收益	(33,702)	—
— Gains on acquisition of subsidiaries	— 收購附屬公司收益	(13,665)	—
— Net exchange differences	— 匯兌差額淨額	30,735	72,378
Changes in working capital (excluding the effects of exchange differences on consolidation):	營運資金變動(綜合賬目之匯兌差額的影響除外)：		
— Inventories	— 存貨	(3,567,279)	1,234,085
— Properties under development	— 發展中物業	(6,433)	(1,100)
— Trade and bills receivables	— 應收貿易及票據款項	(280,822)	(205,771)
— Prepayments, deposits and other receivables	— 預付款項、按金及其他應收賬款	(710,170)	295,746
— Trade and bills payables	— 應付貿易及票據款項	1,842,468	(311,572)
— Contract liabilities	— 合約負債	393,529	87,116
— Accruals and other payables	— 預提費用及其他應付款項	633,833	24,748
— Pledged bank deposits	— 已抵押銀行存款	(129,692)	(47,133)
Cash generated from operations	經營所產生的現金	2,842,501	3,417,862

### 33. 現金流量資料

#### (a) 經營所產生的現金

除所得稅前溢利與經營所產生的現金對賬如下：

	2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
除所得稅前溢利	3,340,151	680,860
經調整：		
— 攤銷、折舊及減值	1,094,758	1,020,533
— 分佔使用權益法入賬之投資溢利減虧損	(39,617)	(45,124)
— 購股權計劃攤銷	—	133
— 出售物業、廠房及設備(收益)/虧損(附註26)	(1,394)	7,289
— 存貨減值撥備之預提淨額(附註26)	16,177	70,287
— 應收貿易款項減值撥備之(撥回)/計提(附註13)	(3,750)	4,851
— 計提預付款項、按金及其他應收賬款減值撥備	34,623	—
— 財務費用 — 淨額(附註28)	122,663	219,915
— 衍生金融工具及資產公平值(虧損)/收益(附註25)	(13,214)	381,443
— 衍生金融工具結算(附註25)	133,302	(70,822)
— 出售附屬公司收益	(33,702)	—
— 收購附屬公司收益	(13,665)	—
— 匯兌差額淨額	30,735	72,378
營運資金變動(綜合賬目之匯兌差額的影響除外)：		
— 存貨	(3,567,279)	1,234,085
— 發展中物業	(6,433)	(1,100)
— 應收貿易及票據款項	(280,822)	(205,771)
— 預付款項、按金及其他應收賬款	(710,170)	295,746
— 應付貿易及票據款項	1,842,468	(311,572)
— 合約負債	393,529	87,116
— 預提費用及其他應付款項	633,833	24,748
— 已抵押銀行存款	(129,692)	(47,133)
經營所產生的現金	2,842,501	3,417,862

## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

截至二零二一年十二月三十一日止年度

### 33. CASH FLOW INFORMATION (Continued)

#### (a) Cash generated from operations (Continued)

In the consolidated cash flow statement, proceeds from disposal of property, plant and equipment include:

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Net book amount — property, plant and equipment (Note 7)	賬面淨值 — 物業、 廠房及設備(附註7)	1,279,915	20,445
Disposal of subsidiaries	出售附屬公司	(1,224,432)	-
Gains/(losses) on disposal of property, plant and equipment (Note 26)	出售物業、廠房及設備 收益/(虧損)(附註26)	1,394	(7,289)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備 所得款項	56,877	13,156

#### (b) Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the years presented.

### 33. 現金流量資料(續)

#### (a) 經營所產生的現金(續)

於綜合現金流量表，出售物業、廠房及設備所得款項包括：

#### (b) 淨債務對賬

本節載列各個呈列年度的淨債務分析及淨債務變動。

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
<b>Net debt</b>	<b>淨債務</b>		
Cash and cash equivalents	現金及現金等值物	2,505,407	2,683,613
Pledged bank deposits	已抵押銀行存款	190,302	260,610
Borrowings	借貸	(7,215,039)	(7,063,103)
Lease liabilities	租賃負債	(114,249)	(185,745)
Long term payables	長期應付賬款	(29,871)	(153,912)
Net debt	淨債務	(4,663,450)	(4,458,537)
Cash and cash equivalents	現金及現金等值物	2,505,407	2,683,613
Pledged bank deposits	已抵押銀行存款	190,302	260,610
Gross debt — fixed interest rates	總債務 — 固定利率	(2,231,410)	(2,349,425)
Gross debt — variable interest rates	總債務 — 浮動利率	(5,127,749)	(5,053,335)
Net debt	淨債務	(4,663,450)	(4,458,537)

## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021  
截至二零二一年十二月三十一日止年度

### 33. CASH FLOW INFORMATION (Continued)

#### (b) Net debt reconciliation (Continued)

		Other assets 其他資產		Liabilities from financing activities 來自融資活動之負債			Total 總計
		Cash and cash equivalents 現金及現金等值物	Pledged bank deposits 已抵押銀行存款	Lease liabilities 租賃負債	Long term payables 長期應付賬款	Borrowings 借貸	
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
<b>Net debt as at 1 January 2020</b>	於二零二零年一月一日的淨債務	1,830,859	21,478	(171,156)	(238,784)	(8,284,623)	(6,842,226)
Cash flows	現金流量	852,754	239,132	48,418	84,872	1,121,269	2,346,445
Addition of leases	添置租賃	-	-	(63,007)	-	-	(63,007)
Foreign exchange adjustments	外匯調整	-	-	-	-	100,251	100,251
<b>Net debt as at 31 December 2020</b>	於二零二零年十二月三十一日的淨債務	2,683,613	260,610	(185,745)	(153,912)	(7,063,103)	(4,458,537)
Cash flows	現金流量	(178,206)	(70,308)	56,455	124,041	(410,760)	(478,778)
Acquisition of subsidiaries	收購附屬公司	-	-	-	-	(370,300)	(370,300)
Disposal of subsidiaries	出售附屬公司	-	-	-	-	589,468	589,468
Disposal of leases	處置租賃	-	-	15,041	-	-	15,041
Foreign exchange adjustments	外匯調整	-	-	-	-	39,656	39,656
<b>Net debt as at 31 December 2021</b>	於二零二一年十二月三十一日的淨債務	2,505,407	190,302	(114,249)	(29,871)	(7,215,039)	(4,663,450)

### 34. COMMITMENTS

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

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備		
Contracted but not provided for	已訂約但未撥備	1,142,477	394,531
Authorised but not contracted for	已授權但未訂約	1,314,408	1,246,279
<b>Total capital expenditure commitments</b>	<b>資本開支承擔總額</b>	<b>2,456,885</b>	1,640,810

### 33. 現金流量資料(續)

#### (b) 淨債務對賬(續)

### 34. 承擔

於結算日的資本開支(但未產生)如下:

## 綜合財務報表附註(續)

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

截至二零二一年十二月三十一日止年度

#### 35. BUSINESS COMBINATIONS

##### Acquisition of Nantong Textile Group Co., Ltd

Nantong Textile Group Co., Ltd and its subsidiaries (the "Nantong Textile Group") manufacture and sell top-grade textile products in PRC. The Group previously held a 48% equity interest in Nantong Textile Group and the investment in Nantong Textile Group was previously accounted for under the equity method.

On 31 October 2021, the Group acquired additional 52% equity interest in Nantong Textile Group for a cash consideration of RMB58,035,000. Upon the completion of the transaction, Nantong Textile Group became a wholly-owned subsidiary of the Group.

The particulars of the Nantong Textile Group are set out as follows:

Name of companies 公司名稱	Place of incorporation 註冊成立地點	Principal activities 主要業務
Nantong Textile Group Co., Ltd. 南通紡織控股集團紡織染有限公司	Nantong, Mainland China 中國大陸南通	Sales of top-grade textile products 銷售高級紡織產品
Nantong Chongtian Spinning Co., Ltd. 南通崇天紡紗有限公司	Nantong, Mainland China 中國大陸南通	Manufacturing and sales of textile products 製造及銷售紡織產品
Nantong Tianlang Enterprise Management Co., Ltd. 南通天琅企業管理有限公司	Nantong, Mainland China 中國大陸南通	Enterprise management 企業管理
Nantong Printing & Dyeing Textiles Import And Export Co., Ltd. 南通印染紡織品進出口有限公司	Nantong, Mainland China 中國大陸南通	Trading of textile products 買賣紡織產品

The acquisition is expected to enhance the overall growth of the Group and is undertaken as part of its plan to expand its top-grade textile products offerings.

#### 35. 業務合併

##### 收購南通紡織控股集團紡織染有限公司

南通紡織控股集團紡織染有限公司及其附屬公司(「南通紡織集團」)在中國製造並銷售高級紡織產品。本集團先前持有南通紡織集團48%股權，於南通紡織集團之投資先前採用權益法列賬。

於二零二一年十月三十一日，本集團按現金代價人民幣58,035,000元額外收購南通紡織集團52%股權。有關交易完成後，南通紡織集團成為本集團之全資附屬公司。

南通紡織集團具體情況載列如下：

收購預期將促進本集團整體增長，並作為其擴大高級紡織產品供應計劃一部分。



## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021  
截至二零二一年十二月三十一日止年度

### 35. BUSINESS COMBINATIONS (Continued)

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

### 35. 業務合併(續)

於收購事項之收購日期，已收購資產及所承擔負債公平值總數之詳情概述如下：

		Fair value at acquisition date 於收購日期之 公平值 RMB'000 人民幣千元
<b>Total purchase price is comprised of:</b>	<b>總購買價包括：</b>	
— Cash consideration	— 現金代價	58,035
— Fair value of previously held equity interests	— 先前所持股權之公平值	44,953
		102,988
<b>Recognised amounts of identifiable assets acquired and liabilities assumed (100% of Nantong Textile Group)</b>	<b>所收購可識別資產及所承擔負債之已確認 金額(南通紡織集團100%權益)</b>	
Cash and cash equivalents	現金及現金等值物	65,889
Property, plant and equipment (Note 7)	物業、廠房及設備(附註7)	370,310
Right-of-use assets	使用權資產	58,447
Deferred income tax assets	遞延所得稅資產	12,098
Inventories	存貨	70,402
Trade and bills receivables	應收貿易及票據款項	16,276
Prepayments, deposits and other receivables	預付款項、按金及其他應收賬款	20,096
Borrowings	借貸	370,300
Trade and bills payables	應付貿易及票據款項	(48,649)
Accruals and other payables	預提費用及其他應付款項	(84,217)
Income tax payables	應付所得稅	(1,203)
Deferred income tax liabilities	遞延所得稅負債	(15,494)
<b>Total identifiable net assets</b>	<b>可識別資產總額淨值</b>	93,655
Goodwill	商譽	9,333
		102,988
Cash and cash equivalents in subsidiaries acquired	於已收購附屬公司的現金及現金等值物	65,889
Consideration for acquisition settled in cash	以現金支付的收購代價	(58,035)
Cash inflow on acquisition	收購現金流入	7,854

## 綜合財務報表附註(續)

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

截至二零二一年十二月三十一日止年度

#### 35. BUSINESS COMBINATIONS (Continued)

A gain of RMB13,665,000 in relation to the revaluation of the previously held equity interest was recorded in 'other losses — net' in the consolidated income statement for the year ended 31 December 2021.

The revenue included in the consolidated income statement from 1 November 2021 to 31 December 2021 contributed by Nantong Textile Group was RMB86,401,000. The Nantong Textile Group also made profit of RMB12,068,000 over the same period.

If the acquisition had occurred on 1 January 2021, the Group's consolidated pro-forma revenue and net profit for the year ended 31 December 2021 would have been RMB26,833,632,000 and RMB2,686,188,000 respectively.

#### 36. RELATED-PARTY TRANSACTIONS

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

As at 31 December 2021, the Group is controlled by New Green Group Limited (incorporated in BVI), which directly and indirectly owns 59.34% of the Company's shares. The remaining 40.66% of the shares are widely held. The ultimate parent of the Group is Texhong Group Holdings Limited (incorporated in Cayman Islands). The ultimate controlling party of the Group is Mr. Hong Tian Zhu.

#### 35. 業務合併(續)

與重估先前所持股權相關之收益人民幣13,665,000元計入截至二零二一年十二月三十一日止年度之綜合收益表內之「其他虧損—淨額」。

自二零二一年十一月一日至二零二一年十二月三十一日，由南通紡織集團所貢獻之已計入綜合收益表的收入為人民幣86,401,000元。南通紡織集團亦於同期錄得溢利人民幣12,068,000元。

倘收購於二零二一年一月一日發生，則本集團截至二零二一年十二月三十一日止年度的綜合備考收益及淨利潤將分別為人民幣26,833,632,000元及人民幣2,686,188,000元。

#### 36. 與關聯方的交易

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

於二零二一年十二月三十一日，本集團由New Green Group Limited(於英屬處女群島註冊成立)控制，其直接及間接擁有本公司股份之59.34%。股份餘下之40.66%被廣泛持有。本集團之最終母公司為Texhong Group Holdings Limited(於開曼群島註冊成立)。本集團之最終控制方為洪天祝先生。

## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021  
截至二零二一年十二月三十一日止年度

### 36. RELATED-PARTY TRANSACTIONS (Continued)

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

Name of related party 關聯方名稱	Relationship with the Group 與本公司關係
Hualida (Vietnam) Garments Limited Company 華利達(越南)服裝責任有限公司	Associated company 聯營公司
Nantong Dasheng Third Cotton Textile Co., Ltd. 南通大生三棉紡織有限公司	Associated company 聯營公司
Henglun International (Hong Kong) Limited 恒綸國際(香港)有限公司	Associated company 聯營公司
Henglun Textile Vietnam Company Limited 恒綸紡織(越南)有限公司	Associated company 聯營公司
Jiangsu Dasheng Intelligence Technology Development Co., Ltd. 江蘇大生智能科技發展有限公司	Associated company 聯營公司
Texhong Thai Binh Garment Company Limited (i) 天虹太平服裝有限公司(i)	Associated company 聯營公司
Texhong Tan Cang Logistics Joint Stock Company 天虹新港物流股份公司	Joint venture 合營企業
Texhong Industrial Park Vietnam Limited 天虹工業園區越南有限公司	A company controlled by the chairman of the Group 由本集團主席所控制之公司
(i) On 31 December 2021, the Group transferred 55% equity interest of Texhong Thai Binh Garment Company Limited to Hualida Vietnam (Quang Ninh) Investment Management Co., Ltd., a third party, and Texhong Thai Binh Garment Company Limited became a related company since then.	(i) 於二零二一年十二月三十一日,本集團將天虹太平服裝有限公司55%股權轉讓予第三方華利達越南(廣寧)投資管理有限公司,自此天虹太平服裝有限公司成為一間關聯公司。

### 36. 與關聯方的交易(續)

與本集團進行業務交易的關聯方如下:

## 綜合財務報表附註(續)

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

截至二零二一年十二月三十一日止年度

#### 36. RELATED-PARTY TRANSACTIONS (Continued)

##### (a) Transactions with related parties

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Sales of goods	銷售貨品		
— Henglun Textile (Vietnam) Company Limited	— 恒綸紡織(越南)有限公司	71,591	3,821
— Nantong Dasheng Third Cotton Textile Co., Ltd.	— 南通大生三棉紡織有限公司	3,461	-
— Hualida (Vietnam) Garments Limited Company	— 華利達(越南)服裝責任有限公司	398	670
		<b>75,450</b>	4,491
(Withdrawing)/providing shareholder loan	(提取)/提供股東貸款		
— Henglun International (Hong Kong) Limited	— 恒綸國際(香港)有限公司	(763)	33,380
— Jiangsu Dasheng Intelligence Technology Development Co., Ltd.	— 江蘇大生智能科技發展有限公司	-	20,100
		<b>(763)</b>	53,480
Purchases of goods	購買貨品		
— Hualida (Vietnam) Garments Limited Company	— 華利達(越南)服裝責任有限公司	4	274
— Nantong Dasheng Third Cotton Textile Co., Ltd.	— 南通大生三棉紡織有限公司	-	120
		<b>4</b>	394
Purchases of utilities	購買動力及燃料		
— Texhong Industrial Park Vietnam Limited	— 天虹工業園區越南有限公司	261,329	205,534
Purchases of services	購買服務		
— Texhong Tan Cang Logistics Joint Stock Company	— 天虹新港物流股份公司	69,801	31,888
— Texhong Industrial Park Vietnam Limited	— 天虹工業園區越南有限公司	820	-
		<b>70,621</b>	31,888
Sales of property, plant and equipment	銷售物業、廠房及設備		
— Henglun Textile (Vietnam) Company Limited	— 恒綸紡織(越南)有限公司	5,976	-

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

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

## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021  
截至二零二一年十二月三十一日止年度

### 36. RELATED-PARTY TRANSACTIONS (Continued)

#### (b) Balance with related parties

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Trade receivables	應收貿易款項		
— Henglun Textile (Vietnam) Company Limited	— 恒綸紡織(越南)有限公司	27,617	—
— Nantong Dasheng Third Cotton Textile Co., Ltd.	— 南通大生三棉紡織有限公司	3,531	—
— Hualida (Vietnam) Garments Limited Company	— 華利達(越南)服裝責任有限公司	280	123
		<b>31,428</b>	123
Trade payables	應付貿易款項		
— Texhong Industrial Park Vietnam Limited	— 天虹工業園區越南有限公司	15,215	7,752
— Texhong Tan Cang Logistics Joint Stock Company	— 天虹新港物流股份公司	8,514	816
— Texhong Thai Binh Garment Company Limited	— 天虹太平服裝有限公司	1,382	—
		<b>25,111</b>	8,568
Prepayments, deposits and other receivables	預付款項、按金及其他應收賬款		
— Henglun International (Hong Kong) Limited	— 恒綸國際(香港)有限公司	32,617	33,380
— Jiangsu Dasheng Intelligence Technology Development Co., Ltd.	— 江蘇大生智能科技發展有限公司	20,100	20,100

The amounts due from related parties are unsecured, interest-free and repayable on demand.

應收關聯方款項為無抵押、不計息及按  
要求償還。

## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

截至二零二一年十二月三十一日止年度

### 36. RELATED-PARTY TRANSACTIONS (Continued)

#### (c) Key management compensation

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Salaries, wages and bonuses	薪金、工資及花紅	47,932	22,041
Pension costs — defined contribution plan	退休金成本 — 界定供款計劃	599	483
Other benefits	其他福利	179	79
		<b>48,710</b>	22,603

### 36. 與關聯方的交易(續)

#### (c) 主要管理層薪酬

### 37. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

#### (a) Balance sheet of the Company

		As at 31 December 於十二月三十一日	
		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
<b>ASSETS</b>	<b>資產</b>		
<b>Non-current assets</b>	<b>非流動資產</b>		
Property, plant and equipment	物業、廠房及設備	19	22
Investments in subsidiaries	於附屬公司的投資	4,125,927	4,791,261
		<b>4,125,946</b>	4,791,283
<b>Current assets</b>	<b>流動資產</b>		
Prepayments, deposits and other receivables	預付款項、按金及其他應收賬款	310,605	22,653
Due from subsidiaries	應收附屬公司款項	3,302,828	2,916,072
Derivative financial instruments	衍生金融工具	33,435	70,088
Cash and cash equivalents	現金及現金等值物	56,039	29,340
		<b>3,702,907</b>	3,038,153
<b>Total assets</b>	<b>資產總值</b>	<b>7,828,853</b>	7,829,436

### 37. 本公司之資產負債表及儲備變動

#### (a) 本公司的資產負債表

## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021  
截至二零二一年十二月三十一日止年度

### 37. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (Continued)

#### (a) Balance sheet of the Company (Continued)

### 37. 本公司之資產負債表及儲備變動(續)

#### (a) 本公司的資產負債表(續)

		As at 31 December 於十二月三十一日	
		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
<b>EQUITY</b>	<b>權益</b>		
<b>Equity attributable to owners of the Company</b>	<b>本公司擁有人應佔權益</b>		
Share capital: nominal value	股本：面值	96,958	96,709
Share premium	股份溢價	462,059	433,777
Other reserves	其他儲備	184,464	193,748
Retained earnings	保留溢利	2,921,035	2,489,650
<b>Total equity</b>	<b>權益總值</b>	<b>3,664,516</b>	3,213,884
<b>LIABILITIES</b>	<b>負債</b>		
<b>Non-current liabilities</b>	<b>非流動負債</b>		
Borrowings	借貸	2,410,044	2,317,064
		<b>2,410,044</b>	2,317,064
<b>Current liabilities</b>	<b>流動負債</b>		
Bills payable	應付票據款項	31,551	11,574
Accruals and other payables	預提費用及其他應付賬款	35,752	15,412
Due to subsidiaries	應付附屬公司款項	2,258	1,099
Borrowings	借貸	1,597,776	2,180,178
Derivative financial instruments	衍生金融工具	86,956	90,225
		<b>1,754,293</b>	2,298,488
<b>Total liabilities</b>	<b>總負債</b>	<b>4,164,337</b>	4,615,552
<b>Total equity and liabilities</b>	<b>總權益及負債</b>	<b>7,828,853</b>	7,829,436

The balance sheet of the Company was approved by the Board of Directors on 16 March 2022 and was signed on its behalf by:

本公司資產負債表已於二零二二年三月十六日獲董事會批准，並由下列董事代表董事會簽署：

Hong Tianzhu

Zhu Yongxiang

洪天祝

朱永祥

## 綜合財務報表附註(續)

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

截至二零二一年十二月三十一日止年度

#### 37. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (Continued)

##### (b) Reserve movement of the Company

#### 37. 本公司之資產負債表及儲備變動(續)

##### (b) 本公司之儲備變動

		Other reserves 其他儲備 RMB'000 人民幣千元	Retained earnings 保留溢利 RMB'000 人民幣千元
At 1 January 2020	於二零二零年一月一日	193,615	1,519,993
Profit for the year	年度溢利	-	1,095,021
Employee share option scheme	僱員購股權計劃	133	-
Dividend relating to 2019	二零一九年之股息	-	(125,364)
At 31 December 2020	於二零二零年十二月三十一日	193,748	2,489,650
At 1 January 2021	於二零二一年一月一日	<b>193,748</b>	<b>2,489,650</b>
Profit for the year	年度溢利	-	<b>958,961</b>
Shares issued upon exercise of share options	行使購股權時發行股份	<b>(9,284)</b>	-
Dividend relating to 2020	二零二零年之股息	-	<b>(150,461)</b>
Dividend relating to 2021	二零二一年之股息	-	<b>(377,115)</b>
At 31 December 2021	於二零二一年十二月三十一日	<b>184,464</b>	<b>2,921,035</b>



## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021  
截至二零二一年十二月三十一日止年度

### 38. BENEFITS AND INTERESTS OF DIRECTORS

#### (a) Directors' and chief executive's emoluments

Mr. Zhu Yongxiang and Mr. Tang Daoping are the chief executive officer and chief operation officer of the Group, respectively.

The remuneration of every director is set out below:

For the year ended 31 December 2021, emoluments paid or payable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking:

Name of Director 董事姓名		Fees 袍金 RMB'000 人民幣千元	Salaries 薪金 RMB'000 人民幣千元	Discretionary bonuses 酌情花紅 RMB'000 人民幣千元	Housing allowance 住屋津貼 RMB'000 人民幣千元	Estimated money value of other benefits 其他福利之 估計金錢價值 RMB'000 人民幣千元	Employer's contribution to benefit scheme 僱主福利計 劃供款 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Executive Directors: 執行董事:								
Hong Tianzhu	洪天祝	-	1,009	3,561	-	-	1	4,571
Zhu Yongxiang	朱永祥	-	687	16,942	-	-	15	17,644
Tang Daoping	湯道平	-	1,020	10,880	-	25	111	12,036
Hui Tsz Wai	許子慧	-	3,987	2,024	-	111	321	6,443
Ji Zhongliang*	吉忠良*	-	368	-	-	10	20	398
Independent non-executive Directors: 獨立非執行董事:								
Ting Leung Huel, Stephen	丁良輝	245	-	-	-	-	-	245
Cheng Longdi	程隆棟	123	-	-	-	-	-	123
Tao Xiaoming	陶肖明	147	-	-	-	-	-	147
		515	7,071	33,407	-	146	468	41,607

\* Mr. Ji Zhongliang resigned from Executive Director on 3 May 2021.

### 38. 董事福利及權益

#### (a) 董事及行政總裁酬金

朱永祥先生及湯道平先生分別為本集團行政總裁及營運總裁。

應付予每位董事的酬金如下：

截至二零二一年十二月三十一日止年度，就個人擔任董事提供服務(不論本公司或其附屬公司)已付或應付酬金：

\* 吉忠良先生於二零二一年五月三日辭任執行董事。

## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

截至二零二一年十二月三十一日止年度

### 38. BENEFITS AND INTERESTS OF DIRECTORS

(Continued)

#### (a) Directors' and chief executive's emoluments

(Continued)

For the year ended 31 December 2020, emoluments paid or payable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking:

Name of Director	Fees	Salaries	Discretionary bonuses	Housing allowance	Estimated money value of other benefits	Employer's contribution to benefit scheme	Total
董事姓名	袍金 RMB'000 人民幣千元	薪金 RMB'000 人民幣千元	酌情花紅 RMB'000 人民幣千元	住屋津貼 RMB'000 人民幣千元	其他福利之 估計金錢價值 RMB'000 人民幣千元	僱主福利計 劃供款 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
Executive Directors: 執行董事:							
Hong Tianzhu 洪天祝	-	1,108	1,417	-	-	7	2,532
Zhu Yongxiang 朱永祥	-	1,198	3,825	-	-	15	5,038
Tang Daoping 湯道平	-	963	3,906	-	22	45	4,936
Hui Tsz Wai 許子慧	-	3,469	281	-	-	318	4,068
Ji Zhongliang 吉忠良	-	1,441	713	-	29	45	2,228
Independent non-executive Directors: 獨立非執行董事:							
Ting Leung Huel, Stephen 丁良輝	252	-	-	-	-	-	252
Cheng Longdi 程隆棣	126	-	-	-	-	-	126
Tao Xiaoming 陶肖明	151	-	-	-	-	-	151
	529	8,179	10,142	-	51	430	19,331

### 38. 董事福利及權益(續)

#### (a) 董事及行政總裁酬金(續)

截至二零二零年十二月三十一日止年度，就個人擔任董事提供服務(不論本公司或其附屬公司)已付或應付酬金：

#### (b) Directors' retirement and termination benefits

None of the directors received or will receive any retirement benefits or termination benefits during the year.

#### (c) Consideration provided to third parties for making available directors' services

The Group did not pay consideration to any third parties for making available directors' services during the year.

#### (d) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

No loans, quasi-loans and other dealings were made available in favour of directors, controlled bodies corporate by and connected entities with such directors subsisted at the end of the year or at any time during the year.

#### (e) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

#### (b) 董事退任及終止僱用福利

年內，概無董事曾或將獲得任何退任福利或終止僱用福利。

#### (c) 就提供董事服務向第三方提供之代價

年內，本集團概無就提供董事服務向任何第三方支付代價。

#### (d) 有關以董事、其受控法團或其關連實體為受益人之貸款、準貸款及其他交易的資料

於年末或年內任何時間概無存續以董事、其受控法團或其關連實體為受益人之貸款、準貸款及其他交易。

#### (e) 董事於交易、安排或合約之重大權益

本公司概無訂立與本集團業務有關，而本公司董事直接或間接擁有重大權益且於年末或年內任何時間存續之重大交易、安排及合約。

## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021  
截至二零二一年十二月三十一日止年度

### 39. PRINCIPAL SUBSIDIARIES

The following is a list of the Group's principal subsidiaries, all of which are unlisted, at 31 December 2021:

### 39. 主要附屬公司

下表列示本集團於二零二一年十二月三十一日的主要附屬公司(均為非上市):

Name of subsidiary 附屬公司名稱	Place and date of incorporation and form of legal entity 註冊成立地點及日期及法律實體類別	Principal activities and place of operations 主要業務及營運地點	Particulars of issued share capital or paid-in capital 已發行股本或繳入股本的詳情	Interest held 所持權益
<b>Directly held:</b> 直接持有:				
Texhong Textile Holdings Limited	British Virgin Islands 26 May 2004, limited liability company	Investment holding in British Virgin Islands	100 ordinary shares of USD1 each	100%
天虹紡織控股有限公司	英屬處女群島， 二零零四年五月二十六日， 有限責任公司	於英屬處女群島投資控股	100股每股1美元 普通股	100%
Sunray International Holdings Limited	British Virgin Islands 21 January 2005, limited liability company	Investment holding in British Virgin Islands	1 ordinary share of USD1 each	100%
新銳國際控股有限公司	英屬處女群島， 二零零五年一月二十一日， 有限責任公司	於英屬處女群島投資控股	1股每股1美元 普通股	100%
Texhong Vietnam Investment Limited	British Virgin Islands, 6 September 2006, limited liability company	Investment holding in British Virgin Islands	50,000 ordinary shares of USD1 each	100%
天虹越南投資有限公司	英屬處女群島， 二零零六年九月六日， 有限責任公司	於英屬處女群島投資控股	50,000股每股1美元 普通股	100%
Prosperous Time Holdings Limited	British Virgin Islands, 12 May 2015, limited liability company	Investment holding in British Virgin Islands	USD1	100%
好景創投有限公司	英屬處女群島， 二零一五年五月十二日， 有限責任公司	於英屬處女群島投資控股	1美元	100%
Texhong Winnitex Holdings Limited	British Virgin Islands, December 2018, limited liability company	Investment holding in British Virgin Islands	USD1	80%
天虹農業控股有限公司	英屬處女群島， 二零一八年十二月， 有限責任公司	於英屬處女群島投資控股	1美元	80%

## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

截至二零二一年十二月三十一日止年度

### 39. PRINCIPAL SUBSIDIARIES (Continued)

### 39. 主要附屬公司(續)

Name of subsidiary 附屬公司名稱	Place and date of incorporation and form of legal entity 註冊成立地點及日期及 法律實體類別	Principal activities and place of operations 主要業務及營運地點	Particulars of issued share capital or paid-in capital 已發行股本或 繳入股本的詳情	Interest held 所持權益
<b>Indirectly held:</b> 間接持有：				
Jiangsu Century Texhong Textile Co., Ltd.	Xuzhou, Mainland China, 6 June 2000, limited liability company	Manufacturing and sales of yarns, grey fabrics, dyed clothes and dress; processing of cotton in Mainland China	USD15,000,000	100%
江蘇世紀天虹紡織有限公司	中國內地徐州， 二零零零年六月六日， 有限責任公司	於中國內地製造及銷售 紗線、坯布、染布及 服裝；棉花加工	15,000,000 美元	100%
Nantong Century Texhong Textile Co., Ltd.	Nantong, Mainland China, 7 June 2002, limited liability company	Manufacturing and sales of yarns, grey fabrics and dyed fabrics in Mainland China	USD5,500,000	100%
南通世紀天虹紡織有限公司	中國內地南通， 二零零二年六月七日， 有限責任公司	於中國內地製造及銷售 紗線、坯布及染布	5,500,000 美元	100%
Xuzhou Texhong Yinfeng Textile Co., Ltd.	Xuzhou, Mainland China, 12 May 2004, limited liability company	Manufacturing and sales of yarns, grey fabrics, clothes and dyed fabrics in Mainland China	USD7,800,000	100%
徐州天虹銀豐紡織有限公司	中國內地徐州， 二零零四年五月十二日， 有限責任公司	於中國內地製造及銷售 紗線、坯布、布料 及染布	7,800,000 美元	100%
Xuzhou Texhong Times Textile Co., Ltd.	Xuzhou, Mainland China, 29 December 2004, limited liability company	Manufacturing and sales of top-grade yarns, thread, grey fabrics, textile knitting products, and garments in Mainland China	USD43,000,000	100%
徐州天虹時代紡織有限公司	中國內地徐州， 二零零四年十二月二十九日， 有限責任公司	於中國內地製造及銷售 高級紗線、線、坯布、 紡織與織造產品及成衣	43,000,000 美元	100%
Texhong (China) Investment Co., Ltd.	Shanghai, Mainland China, 21 June 2005, Limited liability company	Investment holding and trading of textile products in Mainland China	USD100,000,000	100%
天虹(中國)投資有限公司	中國內地上海， 二零零五年六月二十一日， 有限責任公司	投資控股及於中國內地 買賣紡織產品	100,000,000 美元	100%

## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021  
截至二零二一年十二月三十一日止年度

### 39. PRINCIPAL SUBSIDIARIES (Continued)

### 39. 主要附屬公司(續)

Name of subsidiary 附屬公司名稱	Place and date of incorporation and form of legal entity 註冊成立地點及日期及 法律實體類別	Principal activities and place of operations 主要業務及營運地點	Particulars of issued share capital or paid-in capital 已發行股本或 繳入股本的詳情	Interest held 所持權益
Xuzhou Texhong Yinlian Textile Co., Ltd. 徐州天虹銀聯紡織有限公司	Xuzhou, Mainland China, 30 March 2006, limited liability company 中國內地徐州， 二零零六年三月三十日， 有限責任公司	Manufacturing top-grade yarns, thread, grey fabrics, dresses, in Mainland China 於中國內地製造高級 紗線、線、坯布及服裝	USD20,500,000 20,500,000 美元	100% 100%
Sunray Macao Commercial Limited. 新睿澳門商業服務有限公司	Macao, 19 December 2005, limited liability company 澳門， 二零零五年十二月十九日， 有限責任公司	Trading in Macao 於澳門貿易	MOP\$300,000 300,000 澳門幣	100% 100%
Changzhou Texhong Textile Co., Ltd. 常州天虹紡織有限公司	Changzhou, Mainland China, 1 January 1979, limited liability company 中國內地常州， 一九七九年一月一日， 有限責任公司	Manufacturing and sales of textile, decoration and garment in Mainland China 於中國內地製造及銷售 紡織品、飾品及成衣	RMB53,145,000 人民幣 53,145,000 元	100% 100%
Texhong Renze Textile Joint Stock Company 天虹仁澤紡織股份有限公司	Vietnam, 24 October 2006, limited liability company 越南， 二零零六年十月二十四日， 有限責任公司	Manufacturing of yarn in Vietnam 於越南製造紗線	USD30,000,000 30,000,000 美元	100% 100%
Texhong Renze Technology Limited 天虹仁澤科技有限公司	Vietnam, 11 April 2013, limited liability company 越南， 二零一三年四月十一日， 有限責任公司	Manufacturing of yarn in Vietnam 於越南製造紗線	USD9,850,000 9,850,000 美元	100% 100%
Weishan Texhong Technology Limited 微山天虹科技有限公司	Shandong, Mainland China, 12 April 2018 limited liability company 中國內地山東， 二零一八年四月十二日， 有限責任公司	Manufacturing and sales of yarns in Mainland China 在中國內地製造及 銷售紗線	RMB58,000,000 人民幣 58,000,000 元	100% 100%
Texhong Yinlong Technology Ltd. 天虹銀龍科技有限公司	Vietnam, 11 April 2012, limited liability company 越南， 二零一二年四月十一日， 有限責任公司	Manufacturing of yarn in Vietnam 於越南製造紗線	USD40,000,000 40,000,000 美元	100% 100%

## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

截至二零二一年十二月三十一日止年度

### 39. PRINCIPAL SUBSIDIARIES (Continued)

### 39. 主要附屬公司(續)

Name of subsidiary 附屬公司名稱	Place and date of incorporation and form of legal entity 註冊成立地點及日期及 法律實體類別	Principal activities and place of operations 主要業務及營運地點	Particulars of issued share capital or paid-in capital 已發行股本或 繳入股本的詳情	Interest held 所持權益
Shandong Texhong Textile Co., Ltd. 山東天虹紡織有限公司	Shandong, Mainland China, 1 May 2004, limited liability company 中國內地山東， 二零零四年五月一日， 有限責任公司	Manufacturing and sales of yarns in Mainland China 於中國內地製造及 銷售紗線	RMB700,000,000 人民幣 700,000,000 元	100%
Texhong Galaxy Technology Limited 天虹銀河科技有限公司	Vietnam, 13 September 2014, limited liability company 越南， 二零一四年九月十三日， 有限責任公司	Manufacturing of yarns, grey fabrics, garments and dyed fabrics in Vietnam 於越南製造紗線、 坯布、成衣及染布	USD80,000,000 80,000,000 美元	100%
Shandong Lanyan Textiles Co., Ltd. 山東蘭雁紡織服裝有限公司	Shandong, Mainland China, 21 August 2015, limited liability company 中國內地山東， 二零一五年八月二十一日， 有限責任公司	Manufacturing of yarns, grey fabrics, garments in Shandong 於山東製造紗線、 坯布及成衣	USD3,000,000 3,000,000 美元	100%
ChangZhou Texhong Grand Textile Co., Ltd 常州天虹偉業紡織有限公司	Changzhou, Mainland China, August 2016, limited liability company 中國內地常州， 二零一六年八月， 有限責任公司	Trading of textile products in Changzhou 於常州買賣紡織產品	USD19,500,000 19,500,000 美元	100%
Foshan Ruhong Textile Co., Ltd. 佛山如虹紡織有限公司	Foshan, Mainland, China, August 2016, limited liability company 中國內地佛山， 二零一六年八月， 有限責任公司	Manufacturing of yarns in Foshan 於佛山製造紗線	USD3,000,000 3,000,000 美元	100%
Shanghai Hongrun Textile Co., Ltd 上海虹潤貿易有限公司	Shanghai, Mainland China, 7 January 2009, limited liability company 中國內地上海， 二零零九年一月七日， 有限責任公司	Trading of textile products in Mainland China 於中國內地買賣紡織產品	RMB5,000,000 人民幣 5,000,000 元	100%

## 綜合財務報表附註(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021  
截至二零二一年十二月三十一日止年度

### 39. PRINCIPAL SUBSIDIARIES (Continued)

### 39. 主要附屬公司(續)

Name of subsidiary 附屬公司名稱	Place and date of incorporation and form of legal entity 註冊成立地點及日期及 法律實體類別	Principal activities and place of operations 主要業務及營運地點	Particulars of issued share capital or paid-in capital 已發行股本或 繳入股本的詳情	Interest held 所持權益
Taizhou Century Texhong Textile Co., Ltd.	Taizhou, Mainland China, 23 April 2002, limited liability company	Manufacturing and sales of industrial-use textile products and top-grade blended-spinning in Mainland China	USD18,580,000	100%
泰州世紀天虹紡織有限公司	中國內地泰州， 二零零二年四月二十三日， 有限責任公司	於中國內地製造及銷售 工業用紡織產品及 高端混紡品	18,580,000 美元	100%
Nantong Texhong Yinhai Industrial Co., Ltd.	Nantong, Mainland China, 20 May 2004, limited liability company	Manufacturing and sales of garment, textile knitting products and yarns in Mainland China	USD13,500,000	100%
南通天虹銀海實業有限公司	中國內地南通， 二零零四年五月二十日， 有限責任公司	於中國內地製造及銷售 成衣、紡織與織造產品及紗線	13,500,000 美元	100%
Shandong Lanyan Jeanswear Co., Ltd.	Shandong, Mainland China, 21 August 2015, limited liability company	Manufacturing of yarns, grey fabrics, garments in Shandong	USD1,000,000	100%
山東蘭雁牛仔服裝有限公司	中國內地山東， 二零一五年八月二十一日， 有限責任公司	於中國內地製造紗線、 坯布及成衣	1,000,000 美元	100%
Taizhou Texhong Yintai Textile Co., Ltd.	Taizhou, Mainland China, 26 May 2006, limited liability company	Manufacturing top-grade garment and special textile for construction in Mainland China	USD6,640,000	100%
泰州天虹銀泰紡織有限公司	中國內地泰州， 二零零六年五月二十六日， 有限責任公司	於中國內地製造高級 成衣和特別紡織品	6,640,000 美元	100%
Xuzhou Texhong Intelligence Textile Co., Ltd.	Xuzhou, Mainland China, 25 May 2017, limited liability company	Manufacturing of yarns in Mainland China	USD100,000,000	100%
徐州天虹智能紡織有限公司	中國內地徐州， 二零一七年五月二十五日， 有限責任公司	於中國內地製造紗線	100,000,000 美元	100%
Hongan Textile (Huaian) Co., Ltd.	Huaian, Mainland China, 27 October 2017 limited liability company	Manufacturing of yarns in Mainland China	USD1,500,000	100%
虹安紡織(淮安)有限公司	中國內地淮安， 二零一七年十月二十七日， 有限責任公司	於中國內地製造紗線	1,500,000 美元	100%

## 綜合財務報表附註(續)

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

截至二零二一年十二月三十一日止年度

#### 39. PRINCIPAL SUBSIDIARIES (Continued)

#### 39. 主要附屬公司(續)

Name of subsidiary 附屬公司名稱	Place and date of incorporation and form of legal entity 註冊成立地點及日期及 法律實體類別	Principal activities and place of operations 主要業務及營運地點	Particulars of issued share capital or paid-in capital 已發行股本或 繳入股本的詳情	Interest held 所持權益
Nantong Textile Group Co., Ltd 南通紡織控股集團紡織染 有限公司	Nantong, Mainland China, 11 September 2002, limited liability company 中國大陸南通，二零零二年 九月十一日，有限責任公司	Manufacturing and sales of top-grade textile knitting products and garments 製造及銷售高級紡織產品及成衣	USD15,000,000 15,000,000 美元	100%
Zhejiang Qing Mao Weaving, Dyeing & Printing Co., Ltd 浙江慶茂紡織印染有限公司	Shaoxing, Mainland China, 1 October 2002 limited liability company 中國內地紹興， 二零零二年十月一日， 有限責任公司	Manufacturing of cotton and cotton blend yarns, greige, dyed and finished woven fabrics 製造純棉以及混棉紗線、 坯布、染整梭織面料	USD51,000,000 51,000,000 美元	80%
Winnitex Limited 慶業有限公司	Hong Kong, 24 January 2003, limited liability company 香港， 二零零三年一月二十四日， 有限責任公司	Sales of woven garment fabrics 銷售梭織布	HKD1,000 1,000 港元	80%
Twin Dragon Marketing, Inc. Twin Dragon Marketing, Inc.	USA, incorporated company 美國，股份有限公司	Sales of denim fabrics and apparel 銷售牛仔面料及服裝	USD4,063,000 4,063,000 美元	65%

The above table lists the subsidiaries of the Group which, in the opinion of the directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

上表載列董事認為主要影響本集團業績或資產的本集團附屬公司。董事認為提供其他附屬公司的資料將導致篇幅過於冗長。

Texhong (China) Investment Co., Ltd. is a wholly foreign owned investment holding company incorporated in Mainland China.

天虹(中國)投資有限公司為於中國內地註冊成立之全外資投資控股公司。

None of above subsidiaries had any loan capital in issue at any time during year ended 31 December 2021 (2020: None).

截至二零二一年十二月三十一日止年度內任何時間，概無上述附屬公司擁有任何已發行借貸股本(二零二零年：零)。

The English names of certain subsidiaries established in Mainland China represent the best effort by the Group's management to translate their Chinese names, as they do not have official English names.

若干於中國內地成立之附屬公司並無正式英文名稱，其英文名稱為本集團管理層盡最大努力將其中文名稱翻譯為英文之版本。







This Annual Report is printed on environmentally friendly paper  
本年報以環保紙張印刷