



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

2012 Interim Report 二零一二年中期報告

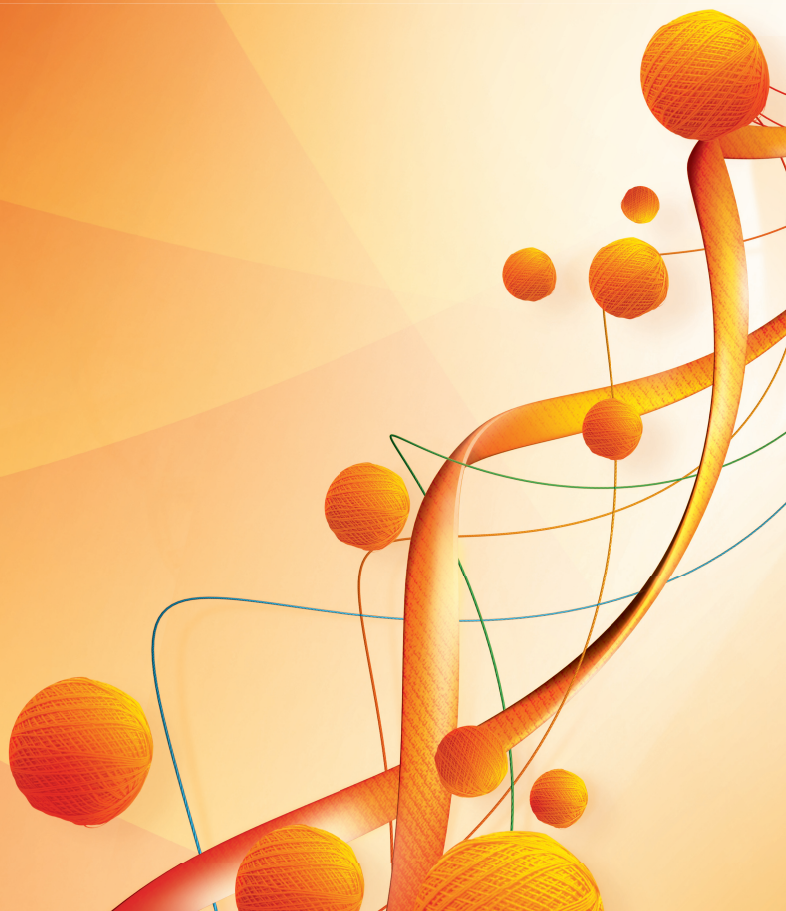


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EXECUTIVE DIRECTORS

Mr. Hong Tianzhu (*Chairman*)
Mr. Zhu Yongxiang
Mr. Tang Daoping
Mr. Gong Zhao

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Mr. Ting Leung Huel, Stephen
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ACA FTIHK FHKIoD
Ms. Zhu Lanfen
Professor Cheng Longdi

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Ms. Zhu Lanfen
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Mr. Hui Tsz Wai

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公司秘書

許子慧先生

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PRINCIPAL BANKERS

Bank of China (Hong Kong)
Standard Chartered Bank
Deutsche Bank AG, Hong Kong Branch
Citibank (China) Co., Ltd. Shanghai Branch
Australia and New Zealand Banking Group Limited
BNP Paribas
Industrial and Commercial Bank of China
Bank of China
China Merchants Bank
Bank of Jiangsu

AUDITORS

PricewaterhouseCoopers

LEGAL ADVISORS AS TO HONG KONG LAW

Chiu & Partners

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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Butterfield House, 68 Fort Street
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WEBSITE

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STOCK CODE

2678

主要往來銀行

中國銀行(香港)
渣打銀行
德意志銀行香港分行
花旗銀行(中國)有限公司上海分行
澳新銀行
法國巴黎銀行
中國工商銀行
中國銀行
招商銀行
江蘇銀行

核數師

羅兵咸永道會計師事務所

法律顧問(香港法律)

趙不渝·馬國強律師事務所

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股份編號

2678

			Unaudited 未經審核 30 June 2012 二零一二年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2011 二零一一年 十二月三十一日 RMB'000 人民幣千元
ASSETS	資產			
Non-current assets	非流動資產			
Land use rights	土地使用權	7	225,455	185,711
Property, plant and equipment	物業、廠房及設備	8	1,921,072	1,991,777
Investment in an associate	聯營公司之投資		48,433	46,545
Deferred income tax assets	遞延所得稅資產		62,601	49,638
Total non-current assets	非流動資產總值		2,257,561	2,273,671
Current assets	流動資產			
Inventories	存貨		1,559,004	1,288,561
Trade and bills receivables	應收貿易及票據款項	9	774,125	640,086
Prepayments, deposits and other receivables	預付款項、按金及其他應收賬款	10	174,523	232,719
Pledged bank deposits	已抵押銀行存款		55,450	31,907
Cash and cash equivalents	現金及現金等值物		533,316	463,407
Total current assets	流動資產總值		3,096,418	2,656,680
Total assets	資產總值		5,353,979	4,930,351
EQUITY	權益			
Equity attributable to owners of the Company	本公司擁有人應佔權益			
Share capital	股本	15	94,064	94,064
Other reserves	其他儲備		611,250	613,071
Retained earnings	保留溢利		1,511,577	1,364,673
			2,216,891	2,071,808
Non-controlling interests	非控制性權益		(81)	95
Total equity	權益總額		2,216,810	2,071,903

			Unaudited 未經審核 30 June 2012 二零一二年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2011 二零一一年 十二月三十一日 RMB'000 人民幣千元
LIABILITIES	負債			
Non-current liabilities	非流動負債			
Borrowings	借貸	13	1,632,180	1,712,275
Deferred income tax liabilities	遞延所得稅負債		54,692	52,401
Total non-current liabilities	非流動負債總值		1,686,872	1,764,676
Current liabilities	流動負債			
Trade and bills payables	應付貿易及票據款項	11	971,909	502,408
Accruals and other payables	預提費用及 其他應付賬款	12	289,271	417,103
Current income tax liabilities	當期所得稅負債		1,648	(14,277)
Borrowings	借貸	13	125,191	143,519
Derivative financial instruments	衍生金融工具	14	62,278	45,019
Total current liabilities	流動負債總值		1,450,297	1,093,772
Total liabilities	總負債		3,137,169	2,858,448
Total equity and liabilities	權益及負債總額		5,353,979	4,930,351
Net current assets	流動資產淨值		1,646,121	1,562,908
Total assets less current liabilities	總資產減流動負債		3,903,682	3,836,579

The notes on pages 10 to 42 form an integral part of these interim consolidated financial statements.

第 10 至 42 頁之附註為此等中期綜合財務報表之一部分。

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
	Note 附註		
Revenue	收入	6	3,325,184
Cost of sales	銷售成本		(2,879,246)
Gross profit	毛利		445,938
Selling and distribution costs	銷售及分銷開支		(89,592)
General and administrative expenses	一般及行政開支		(110,926)
Other income	其他收入	17	2,624
Other losses – net	其他虧損－淨額	17	(10,795)
Operating profit	經營溢利		237,249
Finance income	財務收入	19	6,367
Finance costs	財務費用	19	(80,745)
Share of profit of an associate	分佔聯營公司溢利		1,888
Profit before income tax	除所得稅前溢利		164,759
Income tax expense	所得稅開支	20	(19,852)
Profit for the period	期內溢利		144,907
Other comprehensive income	其他全面收益		–
Total comprehensive income for the period	期內全面收益總額		144,907
Total comprehensive income for the period attributable to:	以下各方應佔期內全面收益總額：		
– Owners of the Company	– 本公司擁有人		145,083
– Non-controlling interests	– 非控制性權益		(176)
			256,082
			170
			144,907
			256,252
Earnings per share attributable to owners of the Company (expressed in RMB per share)	本公司擁有人應佔之每股盈利 (以每股人民幣表示)	21	
Basic earnings per share	每股基本盈利		0.164
Diluted earnings per share	每股攤薄盈利		0.164
Dividends	股息	22	–
			72,304

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第10至42頁之附註為此等中期綜合財務報表之一部分。

		Unaudited 未經審核					
		Attributable to owners of the Company 本公司擁有人應佔					
		Share capital	Other reserves	Retained earnings	Total	Non- controlling interests 非控制性 權益	Total equity
		股本 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	總計 RMB'000 人民幣千元	RMB'000 人民幣千元	權益總額 RMB'000 人民幣千元
Balance at 1 January 2011	於二零一一年一月一日的結餘	94,064	608,517	1,506,518	2,209,099	76	2,209,175
Profit for the period	期間溢利	-	-	256,082	256,082	170	256,252
Other comprehensive income	其他全面收益						
- Transfer from revaluation reserve to retained earnings	由重估儲備轉撥至保留溢利						
- gross	—總額	-	(2,498)	2,498	-	-	-
- deferred income tax	—遞延所得稅	-	658	(658)	-	-	-
Total comprehensive income for the period ended 30 June 2011	截至二零一一年六月三十日止期間全面收益總額	-	(1,840)	257,922	256,082	170	256,252
Transactions with owners	與股權持有人之交易						
Dividends relating to 2010 paid in April 2011	於二零一一年四月派付有關二零一零年之股息	-	-	(126,243)	(126,243)	-	(126,243)
Balance at 30 June 2011	於二零一一年六月三十日的結餘	94,064	606,677	1,638,197	2,338,938	246	2,339,184
Balance at 1 January 2012	於二零一二年一月一日的結餘	94,064	613,071	1,364,673	2,071,808	95	2,071,903
Profit for the period	期間溢利	-	-	145,083	145,083	(176)	144,907
Other comprehensive income	其他全面收益						
- Transfer from revaluation reserve to retained earnings	由重估儲備轉撥至保留溢利						
- gross	—總額	-	(2,497)	2,497	-	-	-
- deferred income tax	—遞延所得稅	-	676	(676)	-	-	-
Total comprehensive income for the period ended 30 June 2012	截至二零一二年六月三十日止期間全面收益總額	-	(1,821)	146,904	145,083	(176)	144,907
Balance at 30 June 2012	於二零一二年六月三十日的結餘	94,064	611,250	1,511,577	2,216,891	(81)	2,216,810

The notes on pages 10 to 42 form an integral part of these interim consolidated financial statements.

第 10 至 42 頁之附註為此等中期綜合財務報表之一部分。

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

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Cash flows from operating activities	來自經營活動的現金流量		
Cash generated from operations	經營所產生之現金	452,583	63,863
Interest received	已收利息	6,367	2,704
Income tax paid	已付所得稅	(14,599)	(82,759)
Cash flows from operating activities – net	來自經營活動的現金流量 – 淨額	444,351	(16,192)
Cash flows from investing activities	來自投資活動的現金流量		
Purchases of property, plant and equipment and land use rights	購買物業、廠房及設備以及土地使用權	(179,690)	(392,609)
Proceeds on disposal of property, plant and equipment	出售物業、廠房及設備所得款項	2,378	311
Cash flows from investing activities – net	來自投資活動的現金流量 – 淨額	(177,312)	(392,298)
Cash flows from financing activities	來自融資活動的現金流量		
Proceeds from borrowings	借貸所得款項	–	1,401,047
Repayments of borrowings	償還借貸	(99,034)	(732,316)
Interest paid	已付利息	(74,553)	(39,639)
Dividend paid	已付股息	–	(126,243)
Increase in pledged bank deposits	已抵押銀行存款增加	(23,543)	(1,383)
Cash flows from financing activities – net	來自融資活動的現金流量 – 淨額	(197,130)	501,466
Net increase in cash and cash equivalents	現金及現金等值物增加淨額	69,909	92,976
Cash and cash equivalents at the beginning of the period	期初之現金及現金等值物	463,407	569,466
Cash and cash equivalents at end of the period	期末之現金及現金等值物	533,316	662,442

The notes on pages 10 to 42 form an integral part of these interim consolidated financial statements.

第 10 至 42 頁之附註為此等中期綜合財務報表之一部分。

1. GENERAL INFORMATION

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

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, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

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

This condensed consolidated interim financial information is presented in Chinese Renminbi (“RMB”), unless otherwise stated. This condensed consolidated interim financial information was approved for issue on 13 August 2012.

These condensed consolidated interim financial statements have not been audited.

2. BASIS OF PREPARATION

These condensed consolidated interim financial statements for the six months ended 30 June 2012 have been prepared in accordance with HKAS 34, ‘Interim financial reporting’. The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2011, which have been prepared in accordance with HKFRSs.

1. 一般資料

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

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

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

除非另有指明，本簡明綜合中期財務資料以中國人民幣(「人民幣」)呈列。於二零一二年八月十三日，本簡明綜合中期財務資料已獲批准刊發。

此等簡明綜合中期財務報表乃未經審核。

2. 編製基準

截至二零一二年六月三十日止六個月之簡明綜合中期財務報表，乃按香港會計準則第34號「中期財務報告」編製。此等簡明中期綜合財務報表應與截至二零一一年十二月三十一日止年度之年度財務報表(乃按香港財務報告準則編製)一併閱讀。

2. BASIS OF PREPARATION (Continued)

2.1 Going-concern basis

The Group meets its day-to-day working capital requirements through its bank facilities. The current economic conditions continue to create uncertainty particularly over (a) the level of demand for the Group's products; and (b) the availability of bank finance for the foreseeable future. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facilities. After making enquiries, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its condensed consolidated interim financial statements.

3. ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2011, as described in those annual financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

There are no amended standards or interpretations that are effective for the first time for this interim period that could be expected to have a material impact on this Group.

2. 編製基準(續)

2.1 持續經營基準

本集團以銀行融資應付日常營運資金需要。目前的經濟狀況持續帶來不明朗因素，尤其(a)本集團產品的需求量；及(b)於可見將來可取的銀行融資。本集團之預測及推測(計及交易表現可能出現的合理變動)顯示本集團在其目前的融資下，理應能夠營運。經作出查詢後，董事合理預期本集團有足夠資源於可見將來繼續營運。因此，本集團繼續以持續經營基準編製其簡明綜合中期財務報表。

3. 會計政策

除下文所述者外，所採納之會計政策與截至二零一一年十二月三十一日止年度之年度財務報表所採用者一致。有關會計政策載於該等年度財務報表。

中期間之所得稅乃採用適用於預期年度總收益之稅率計算。

概無於本中期間首次生效的經修訂準則或詮釋預期會對本集團產生重大影響。

3. ACCOUNTING POLICIES (Continued)

The following new standards and amendments to standards have been issued but are not effective for the financial year beginning 1 January 2012 and have not been early adopted:

- HKFRS 9 'Financial instruments' addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2015 but is available for early adoption. When adopted, the standard will affect in particular the Group's accounting for its available-for-sale financial assets, as HKFRS 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. Fair value gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in profit or loss.

There will be no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss, and the Group does not have any such liabilities. The derecognition rules have been transferred from HKAS 39 'Financial instruments: Recognition and measurement' and have not been changed. The Group has not yet decided when to adopt HKFRS 9.

- HKFRS 10 'Consolidated financial statements' builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The Group is yet to assess HKFRS 10's full impact and intends to adopt HKFRS 10 no later than the accounting period beginning on or after 1 January 2013.

3. 會計政策(續)

下列新準則及準則修訂於二零一二年一月一日開始之財政年度已頒佈但尚未生效，且並未獲提前採納：

- 香港財務報告準則第9號「金融工具」關於金融資產及金融負債的分類、計量及終止確認。此準則於二零一五年一月一日方始生效，惟可供提早採納。採納此準則時，準則將特別影響本集團對可供出售金融資產之會計處理，原因為若可供出售金融資產與非持作交易的權益投資有關，香港財務報告準則第9號僅容許於其他全面收益確認公平值收益及虧損。例如，可供出售債務投資之公平值收益及虧損將因此於損益直接確認。

該準則對本集團有關金融負債之會計處理並無影響，原因是新規定僅影響指定為按公平值計入損益之金融負債之會計處理，而本集團並無任何有關負債。終止確認之規定轉錄自香港會計準則第39號「金融工具：確認及計量」，且並無變動。本集團尚未確定何時採納香港財務報告準則第9號。

- 香港財務報告準則第10號「綜合財務報表」以現有原則為基礎，確定將控制權的概念作為釐定實體應否計入母公司的綜合財務報表的因素。該準則提供額外指引，在難以評估的情況下協助釐定控制權。本集團尚未評估香港財務報告準則第10號之全面影響，並擬不遲於二零一三年一月一日或之後開始之會計年度間採納香港財務報告準則第10號。

3. ACCOUNTING POLICIES (Continued)

- HKFRS 12 'Disclosures of interests in other entities' includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The Group is yet to assess HKFRS 12's full impact and intends to adopt HKFRS 12 no later than the accounting period beginning on or after 1 January 2013.
- HKFRS 13 'Fair value measurement' aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across HKFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within HKFRSs. The Group is yet to assess HKFRS 13's full impact and intends to adopt HKFRS 13 no later than the accounting period beginning on or after 1 January 2013.
- HKAS 19 (Amendment) 'Employee benefits' eliminate the corridor approach and calculate finance costs on a net funding basis. The Group is yet to assess the amendments to HKAS 19's impact.

There are no other HKFRSs or HK(IFRIC) interpretations that are not yet effective that would be expected to have a material impact on the Group.

3. 會計政策(續)

- 香港財務報告準則第12號「於其他實體之權益披露」載入有關其他實體所有形式之權益(包括共同安排、聯營公司、特殊目的實體及其他資產負債表以外之實體)之披露規定。本集團尚未評估香港財務報告準則第12號之全面影響，並擬不遲於二零一三年一月一日或之後開始之會計年度採納香港財務報告準則第12號。
- 香港財務報告準則第13號「公平值計量」旨在透過提供公平值的精確定義及於香港財務報告準則中使用的公平值計量及披露規定的單一來源而提升一致性及減少複雜性。該等規定並不擴大公平值會計的使用，但提供當其使用已由香港財務報告準則內的其他準則規定或准許的情況下應如何運用的指引。本集團尚未評估香港財務報告準則第13號之全面影響，並擬不遲於二零一三年一月一日或之後開始之會計年度採納香港財務報告準則第13號。
- 香港會計準則第19號(修訂)「僱員福利」剔除緩衝區法，按融資淨額計算融資成本。本集團尚未評估修訂香港會計準則第19號之影響。

概無其他尚未生效之香港財務報告準則或香港(國際財務報告詮釋委員會)詮釋預期會對本集團產生重大影響。

4. ESTIMATES

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

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2011, with the exception of changes in estimates that are required in determining the provision for income taxes and disclosure of exception items (Note 20).

5. FINANCIAL RISK MANAGEMENT

5.1 Financial risk factors

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

The interim condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2011.

There have been no changes in the risk management department since year end or in any risk management policies.

4. 估計

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

於編製該等簡明綜合中期財務報表時，管理層於應用本集團會計政策及有關不明朗估計的主要來源時作出的主要判斷，與編製截至二零一一年十二月三十一日止年度的綜合財務報表時所應用者一致，惟釐定所得稅撥備時所需的估計之變動及非經常性項目之披露除外(附註20)。

5. 財務風險管理

5.1 財務風險因素

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

簡明綜合中期財務報表並不包括年度財務報表所需的所有財務風險管理資料及披露，並應與本集團截至二零一一年十二月三十一日止年度的年度財務報表一併閱讀。

財務風險部或風險管理政策自年末以來並無變動。

5. FINANCIAL RISK MANAGEMENT

(Continued)

5.2 Liquidity risk

Compared to year end, there was no material change in the contractual undiscounted cash out flows for financial liabilities, except for the repurchases and cancellation of senior notes with a principal amount of US\$5 million.

5.3 Fair value estimation

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

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

5. 財務風險管理(續)

5.2 流動資金風險

與年末相比，財務負債的未折現合約現金外流並無重大變動，惟不包括購回及註銷本金額為5,000,000美元的優先票據。

5.3 公平值估計

下表以估值法分析按公平值列賬之金融工具，各等級分析如下：

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

5. FINANCIAL RISK MANAGEMENT
(Continued)

5.3 Fair value estimation (Continued)

The following table presents the Group's assets and liabilities that are measured at fair value at 30 June 2012 and 31 December 2011.

At 30 June 2012
Liabilities
 Derivative financial instruments

於二零一二年
 六月三十日
 負債
 衍生金融工具

At 31 December 2011
Liabilities
 Derivative financial instruments

於二零一一年
 十二月三十一日
 負債
 衍生金融工具

5. 財務風險管理(續)

5.3 公平值估計(續)

下表載列本集團於二零一二年六月三十日及二零一一年十二月三十一日按公平值計量之資產與負債。

Level 1 第一級	Level 2 第二級	Level 3 第三級	Total 總計
-	62,278	-	62,278
Level 1 第一級	Level 2 第二級	Level 3 第三級	Total 總計
-	45,019	-	45,019

6. REVENUE AND SEGMENTAL INFORMATION

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

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

The Committee of Executive Directors considers the business from both a product and geographical perspectives. From a product perspective, management assesses the performance from sales of yarn, grey fabrics and garment fabrics. The operations are further evaluated on a geographic basis including Mainland China, Vietnam, Macao and Hong Kong.

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

6. 收益及分類資料

本集團主要從事製造及銷售紗線、坯布及面料。於期末確認之收益指貨品銷售(扣除增值稅)。

執行董事委員會為本集團之主要經營決策者。經營分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。就產品前景而言，管理層評估紗線、坯布及面料之銷售表現。業務以地區基準(包括中國大陸、越南、澳門及香港)作進一步評估。

執行董事委員會根據收益及經營利潤評估經營分部之業績。

6. REVENUE AND SEGMENTAL INFORMATION (Continued)

The segment information for the six months ended 30 June 2012 is as follows:

6. 收益及分類資料(續)

截至二零一二年六月三十日止六個月的分類資料如下：

		Unaudited Six months ended 30 June 2012 未經審核 截至二零一二年六月三十日止六個月					
		Yarn 紗線		Grey fabrics 坯布		Garment fabrics 面料	Total 總額
		Mainland China 中國大陸	Vietnam 越南	Macao 澳門	Hong Kong 香港	Mainland China 中國大陸	Mainland China 中國大陸
		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	2,423,096	1,159,381	2,641,315	169,098	473,214	6,957,798
Inter-segment revenue	分類間收入	(238,743)	(1,069,251)	(2,155,522)	(169,098)	-	(3,632,614)
Revenue (from external customers)	收入(來自 外部客戶)	2,184,353	90,130	485,793	-	473,214	3,325,184
Segment results	分類業績	138,716	78,112	4,634	10,683	5,308	244,756
Unallocated expenses	未分配費用					7,303	(7,507)
Operating results	經營業績						237,249
Finance income	財務收入						6,367
Finance costs	財務費用						(80,745)
Share of profit of an associate	分佔聯營公司 溢利						1,888
Income tax expense	所得稅開支						(19,852)
Profit for the period	期內溢利						144,907
Depreciation and amortisation	折舊及攤銷	(40,721)	(43,588)	(28)	(11)	(11,034)	(97,014)

6. REVENUE AND SEGMENTAL INFORMATION (Continued)

The segment information for the six months ended 30 June 2011 is as follows:

6. 收益及分類資料(續)

截至二零一一年六月三十日止六個月的分類資料如下：

		Unaudited Six months ended 30 June 2011 未經審核 截至二零一一年六月三十日止六個月						
		Yarn 紗線		Grey fabrics 坯布		Garment fabrics 面料	Total 總額	
		Mainland China 中國大陸	Vietnam 越南	Macao 澳門	Hong Kong 香港	Mainland China 中國大陸	Mainland China 中國大陸	
		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	2,186,787	1,122,027	2,203,873	36,068	444,601	47,113	6,040,469
Inter-segment revenue	分類間收入	(176,065)	(993,815)	(1,860,565)	(36,068)	-	-	(3,066,513)
Revenue (from external customers)	收入(來自 外部客戶)	2,010,722	128,212	343,308	-	444,601	47,113	2,973,956
Segment results	分類業績	155,583	36,274	190,415	(2,563)	1,908	5,383	387,000
Unallocated expenses	未分配費用							(40,193)
Operating results	經營業績							346,807
Finance income	財務收入							2,704
Finance costs	財務費用							(44,795)
Share of profit of an associate	分佔聯營公司 溢利							751
Income tax expense	所得稅開支							(49,215)
Profit for the period	期內溢利							256,252
Depreciation and amortisation	折舊及攤銷	(37,127)	(32,555)	(9)	(58)	(11,366)	(943)	(82,058)

6. REVENUE AND SEGMENTAL INFORMATION (Continued)

The segment assets and liabilities as at 30 June 2012 are as follows:

6. 收益及分類資料(續)

截至二零一二年六月三十日的分類資產及負債如下：

		Unaudited As at 30 June 2012 未經審核 於二零一二年六月三十日							
		Yarn 紗線			Grey fabrics 坯布		Garment fabrics 面料	Total 總額	
		Mainland China 中國大陸	Vietnam 越南	Macao 澳門	Hong Kong 香港	Sub-total 小計	Mainland China 中國大陸	Mainland China 中國大陸	
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	
Total segment assets	分類總資產	2,897,630	1,457,420	243,126	26,534	4,624,710	568,309	113,112	5,306,131
Unallocated assets	未分配資產								47,848
Total assets of the Group	本集團總資產								5,353,979
Total segment liabilities	分類總負債					(1,675,454)	(91,235)	(17,160)	(1,783,849)
Unallocated liabilities	未分配負債								(1,353,320)
Total liabilities of the Group	本集團總負債								(3,137,169)
Capital expenditure	資本開支	21,964	44,589	-	2	66,555	4,242	165	70,962

6. REVENUE AND SEGMENTAL INFORMATION (Continued)

The segment assets and liabilities as at 31 December 2011 are as follows:

6. 收益及分類資料(續)

截至二零一一年十二月三十一日的分類資產及負債如下：

		Audited As at 31 December 2011 經審核 於二零一一年十二月三十一日							
		Yarn 紗線			Grey fabrics 坯布		Garment fabrics 面料	Total 總額	
		Mainland China 中國大陸	Vietnam 越南	Macao 澳門	Hong Kong 香港	Sub-total 小計	Mainland China 中國大陸	Mainland China 中國大陸	
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Total segment assets	分類總資產	2,462,781	1,395,961	379,882	12,285	4,250,909	504,302	95,407	4,850,618
Unallocated assets	未分配資產								79,733
Total assets of the Group	本集團總資產								4,930,351
Total segment liabilities	分類總負債					(1,331,788)	(83,687)	(9,963)	(1,425,438)
Unallocated liabilities	未分配負債								(1,433,010)
Total liabilities of the Group	本集團總負債								(2,858,448)
Capital expenditure	資本開支	148,665	262,874	886	10	412,435	12,315	44	424,794

7. LAND USE RIGHTS

7. 土地使用權

Unaudited
未經審核
RMB'000
人民幣千元

Six months ended 30 June 2011	截至二零一一年六月三十日 止六個月	
Opening net book amount as at 1 January 2011	於二零一一年一月一日之 期初賬面淨值	151,075
Additions	添置	38,812
Amortisation	攤銷	(2,132)
Closing net book amount as at 30 June 2011	於二零一一年六月三十日之 期末賬面淨值	187,755
Six months ended 30 June 2012	截至二零一二年六月三十日 止六個月	
Opening net book amount as at 1 January 2012	於二零一二年一月一日之 期初賬面淨值	185,711
Additions	添置	41,876
Amortisation	攤銷	(2,132)
Closing net book amount as at 30 June 2012	於二零一二年六月三十日之 期末賬面淨值	225,455

As at 30 June 2012, land use rights with a net book amount of RMB50,281,000 (31 December 2011: RMB50,899,000) was pledged as collateral of the Group's bank borrowings (Note 13).

於二零一二年六月三十日，賬面淨值約為人民幣50,281,000元(二零一一年十二月三十一日：人民幣50,899,000元)之土地使用權已作抵押，以作為本集團取得銀行融資之抵押品(附註13)。

8. PROPERTY, PLANT AND EQUIPMENT

8. 物業、廠房及設備

		Unaudited 未經審核 RMB'000 人民幣千元
Six months ended 30 June 2011	截至二零一一年六月三十日 止六個月	
Opening net book amount as at 1 January 2011	於二零一一年一月一日之 期初賬面淨值	1,798,930
Additions	添置	236,861
Disposals	出售	(1,097)
Depreciation	折舊	(79,926)
Closing net book amount as at 30 June 2011	於二零一一年六月三十日之 期末賬面淨值	1,954,768
Six months ended 30 June 2012	截至二零一二年六月三十日 止六個月	
Opening net book amount as at 1 January 2012	於二零一二年一月一日之 期初賬面淨值	1,991,777
Additions	添置	29,086
Disposals	出售	(4,909)
Depreciation	折舊	(94,882)
Closing net book amount as at 30 June 2012	於二零一二年六月三十日之 期末賬面淨值	1,921,072

As at 30 June 2012, property, plant and equipment of approximately RMB309,763,000 (31 December 2011: RMB387,214,000) were pledged as collateral of the Group's bank borrowings (Note 13).

於二零一二年六月三十日，約為人民幣309,763,000元(二零一一年十二月三十一日：人民幣387,214,000元)之物業、廠房及設備已作抵押，以作為本集團取得銀行融資之抵押品(附註13)。

9. TRADE AND BILLS RECEIVABLES

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

Bills receivables 應收票據款項

The Group generally grants credit terms of less than 90 days to its customers. The ageing analysis of the trade and bills receivables was as follows:

Within 30 days	30日內	438,495	297,279
31 to 90 days	31日至90日	215,475	42,269
91 to 180 days	91日至180日	117,719	299,670
181 days to 1 year	181日至1年	2,906	2,305
Over 1 year	1年以上	407	306
Less: provision for impairment	減：減值撥備	(877)	(1,743)
Trade and bills receivables – net	應收貿易及票據款項 – 淨額	774,125	640,086

9. 應收貿易及票據款項

Unaudited 未經審核 30 June 2012 二零一二年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2011 二零一一年 十二月三十一日 RMB'000 人民幣千元
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160,527	190,226
(877)	(1,743)

159,650	188,483
614,475	451,603

774,125	640,086
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本集團授予其客戶的信貸期一般為90日內。應收貿易及票據款項的賬齡分析如下：

30 June 2012 二零一二年 六月三十日 RMB'000 人民幣千元	31 December 2011 二零一一年 十二月三十一日 RMB'000 人民幣千元
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438,495	297,279
215,475	42,269
117,719	299,670
2,906	2,305
407	306

775,002	641,829
(877)	(1,743)

774,125	640,086
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10. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

Prepayments for purchase of raw materials	購買原材料的預付款項
Value-added tax recoverable	應退增值稅
Prepaid expenses	預付開支
Other receivables	其他應收款項
Deposits	按金

Unaudited 未經審核 30 June 2012 二零一二年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2011 二零一一年 十二月三十一日 RMB'000 人民幣千元
94,154	175,740
67,650	51,542
6,759	1,550
5,217	649
743	3,238
174,523	232,719

11. TRADE AND BILLS PAYABLES

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

Unaudited 未經審核 30 June 2012 二零一二年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2011 二零一一年 十二月三十一日 RMB'000 人民幣千元
177,232	115,890
794,677	386,518
971,909	502,408

As at 30 June 2012, included in the trade payables was an amount due to an associate of RMB1,537,000 (31 December 2011: RMB345,000) (Note 24).

於二零一二年六月三十日，應付貿易款項包括應付一間聯營公司款項人民幣1,537,000元(二零一一年十二月三十一日：人民幣345,000元)(附註24)。

11. TRADE AND BILLS PAYABLES (Continued)

The ageing analysis of the trade and bills payables was as follows:

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

11. 應付貿易及票據款項(續)

應付貿易及票據款項的賬齡分析如下：

30 June 2012 二零一二年 六月三十日 RMB'000 人民幣千元	31 December 2011 二零一一年 十二月三十一日 RMB'000 人民幣千元
725,010	99,188
231,336	394,022
12,941	5,282
2,622	3,916
971,909	502,408

12. ACCRUALS AND OTHER PAYABLES

Payables for purchase of property, plant and equipment	購買物業、廠房及設備應付賬款
Accrued wages and salaries	應計工資及薪酬
Deposits from customers	客戶按金
Interest payable	應付利息
Accrual of operating expenses	應計經營開支
Other payables	其他應付賬款
Tax payables other than Mainland China enterprise income tax	應付稅項(中國大陸企業所得稅除外)

12. 預提費用及其他應付款項

Unaudited 未經審核 30 June 2012 二零一二年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2011 二零一一年 十二月三十一日 RMB'000 人民幣千元
96,602	205,330
44,504	70,118
43,882	34,406
43,322	43,577
37,094	22,070
13,024	19,990
10,843	21,612
289,271	417,103

13. BORROWINGS

13. 借貸

		Unaudited 未經審核 30 June 2012 二零一二年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2011 二零一一年 十二月三十一日 RMB'000 人民幣千元
Current	即期		
Secured bank borrowings (Note (a))	有抵押銀行借貸 (附註(a))	53,235	24,573
Other bank borrowings (Note (b))	其他銀行借貸 (附註(b))	71,956	118,946
		125,191	143,519
Non-current	非即期		
Secured bank borrowings (Note (a))	有抵押銀行借貸 (附註(a))	411,386	452,063
Other bank borrowings (Note (b))	其他銀行借貸 (附註(b))	42,783	56,740
Notes payable (Note (c))	應付票據款項 (附註(c))	1,178,011	1,203,472
		1,632,180	1,712,275
Total borrowings	借貸總額	1,757,371	1,855,794

13. BORROWINGS (Continued)

Notes:

- (a) Bank borrowings of RMB464,621,000 (31 December 2011: RMB476,636,000) were secured by the pledge of the Group's land use rights with a net book amount of RMB50,281,000 as at 30 June 2012 (31 December 2011: RMB50,899,000) (Note 7); and property, plant and equipment with a net book amount of approximately RMB309,763,000 as at 30 June 2012 (31 December 2011: RMB387,214,000) (Note 8).
- (b) Other bank borrowings were secured by cross corporate guarantees provided by certain subsidiaries of the Group in the amount of RMB114,739,000 as at 30 June 2012 (31 December 2011: RMB175,686,000).
- (c) The notes payable as at 30 June 2012 represent US\$188 million senior notes ("Notes") which will be repayable in whole on 19 January 2016 (31 December 2011: US\$193 million). The Notes were issued in January 2011, with a principal amount of US\$200 million, bear interest at a fixed rate of 7.625% per annum and listed on the Singapore Exchange Securities Trading Limited. The Group repurchased and cancelled the Notes with a principal amount of US\$5 million for the six months ended 30 June 2012 (Note 17).

13. 借貸(續)

附註：

- (a) 人民幣464,621,000元(二零一一年十二月三十一日：人民幣476,636,000元)的銀行借貸已以本集團於二零一二年六月三十日賬面淨值為人民幣50,281,000元(二零一一年十二月三十一日：人民幣50,899,000元)的土地使用權(附註7)及賬面淨值約為人民幣309,763,000元(二零一一年十二月三十一日：人民幣387,214,000元)的物業、廠房及設備作抵押(附註8)。
- (b) 其他銀行借貸以本集團若干附屬公司提供的於二零一二年六月三十日數額為人民幣114,739,000元(二零一一年十二月三十一日：人民幣175,686,000元)的交叉公司擔保作抵押。
- (c) 二零一二年六月三十日之應付票據指應於二零一六年一月十九日悉數償還的1.88億美元(二零一一年十二月三十一日：1.93億美元)優先票據(「票據」)。該票據於二零一一年一月發行並在新加坡證券交易所有限公司上市，本金額為2.00億美元，按每年7.625%之固定利率計息。本集團已於截至二零一二年六月三十日止六個月回購並註銷本金額500萬美元之票據(附註17)。

13. BORROWINGS (Continued)

Movements in borrowings are analysed as follows:

13. 借貸(續)

借貸變動分析如下：

		RMB'000 人民幣千元
Six months ended 30 June 2011	截至二零一一年六月三十日 止六個月	
Opening amount 1 January 2011	於二零一一年一月一日之期初金額	1,239,718
Proceeds from borrowings	借貸所得款項	1,401,047
Repayments of borrowings	償還借貸	(732,316)
Exchange gains on borrowings	借貸之匯兌收益	(31,370)
Closing amount as at 30 June 2011	於二零一一年六月三十日之 期末金額	1,877,079
Six months ended 30 June 2012	截至二零一二年六月三十日 止六個月	
Opening amount 1 January 2012	於二零一二年一月一日之期初金額	1,855,794
Proceeds from borrowings	借貸所得款項	-
Repayments of borrowings	償還借貸	(99,034)
Gain from the repurchased and cancelled Notes (Note 17)	回購及註銷票據 收益(附註17)	(5,836)
Exchange losses on borrowings	借貸匯兌虧損	6,447
Closing amount as at 30 June 2012	於二零一二年六月三十日 之期末金額	1,757,371

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

借貸的賬面值按以下貨幣計值：

		30 June 2012 二零一二年 六月三十日 RMB'000 人民幣千元	31 December 2011 二零一一年 十二月三十一日 RMB'000 人民幣千元
RMB	人民幣	110,000	170,000
USD	美元	1,642,632	1,680,109
HKD	港元	4,739	5,685
		1,757,371	1,855,794

13. BORROWINGS (Continued)

The weighted average effective interest rate per annum at period ended 30 June 2012 was 6.9% (31 December 2011: 6.8%).

Interest expense on borrowings for the six months ended 30 June 2012 is RMB74,298,000 (2011: RMB76,518,000).

The Group has the following undrawn borrowing facilities:

Floating rate:	浮動息率：
– expiring within one year	– 於一年內到期

14. DERIVATIVE FINANCIAL INSTRUMENTS

Liabilities:	負債：
Interest rate swap contracts	利率掉期合約

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

The interest rate swap contracts as at 30 June 2012 comprised four contracts with notional principal amounts to totalling RMB1,729,860,000 (31 December 2011: RMB1,265,851,000).

13. 借貸(續)

截至二零一二年六月三十日止期間之加權平均實際年利率為6.9%(二零一一年十二月三十一日：6.8%)。

截至二零一二年六月三十日止六個月之借貸利息開支為人民幣74,298,000元(二零一一年：人民幣76,518,000元)。

本集團未動用之借貸融資如下：

30 June 2012 二零一二年 六月三十日 RMB'000 人民幣千元	31 December 2011 二零一一年 十二月三十一日 RMB'000 人民幣千元
629,757	558,407

14. 衍生金融工具

Unaudited 未經審核 30 June 2012 二零一二年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2011 二零一一年 十二月三十一日 RMB'000 人民幣千元
62,278	45,019

非對沖衍生工具分類為流動資產或負債。

於二零一二年六月三十日，利率掉期合約包含四份合約，名義本金額為人民幣1,729,860,000元(二零一一年十二月三十一日：人民幣1,265,851,000元)。

15. SHARE CAPITAL

Authorised:	法定：
Ordinary shares of HKD0.1 each	每股面值0.1港元之普通股
At 31 December 2011 and 30 June 2012	於二零一一年十二月三十一日及二零一二年六月三十日

Number of shares
股份數目
(thousands)
(千股)

Ordinary shares
普通股
HK\$'000
千港元

4,000,000

400,000

Issued and fully paid:	已發行及繳足：
Ordinary shares of HKD0.1 each	每股面值0.1港元之普通股
At 31 December 2011 and 30 June 2012	於二零一一年十二月三十一日及二零一二年六月三十日

Number of shares
股份數目
(thousands)
(千股)

Ordinary shares
普通股
HK\$'000
千港元

884,681

94,064

16. SHARE OPTION SCHEME

Pursuant to a shareholders' resolution passed on 21 November 2004, the Company adopted a share option scheme ("the Share Option Scheme"), which will remain in force for a period of 10 years up to November 2014. 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 share capital of the Company in issued from time to time. At 30 June 2012, no options had been granted under this Share Option Scheme (31 December 2011: Nil).

16. 購股權計劃

根據本公司於二零零四年十一月二十一日通過之股東決議案，本公司已採納一項購股權計劃（「購股權計劃」），於截至二零一四年十一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、發展或其他技術支援的個人或實體、股東及本集團顧問或諮詢人授出購股權，以認購本公司股份，惟價格不低於下列較高者：(i) 於授出要約日期在聯交所每日報價表所列出的股份收市價；或(ii) 於緊接授出要約日期前五個交易日的聯交所每日報價表所列出的股份平均收市價；及(iii) 股份的面值。1港元的名義代價於接納授出購股權要約時支付。在購股權計劃及本集團不時採納的任何其他購股權計劃以下所有授出有待行使購股權獲行使時最高可予發行的股份數目合計不得超過本公司不時已發行股本的30%。於二零一二年六月三十日，概無購股權根據本購股權計劃授出(二零一一年十二月三十一日：無)。

17. OTHER INCOME AND OTHER LOSSES, NET

17. 其他收入及其他虧損淨額

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Other income	其他收入		
Subsidy income	補貼收入	2,624	2,727
Other losses – net	其他虧損 – 淨額		
Derivative financial liability at fair value through profit or loss:	按公平值計入損益之衍生金融負債：		
– Unrealised loss	– 未實現虧損	(10,749)	(20,962)
– Realised loss	– 實現虧損	–	(22,343)
Gain from Notes repurchases	回購票據收益	5,836	–
Net foreign exchange losses	匯兌虧損淨額	(9,479)	(9,909)
Others	其他	3,597	1,759
Total other losses – net	其他虧損總額 – 淨額	(10,795)	(51,455)

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

The gain from Notes repurchases represented the repurchases and cancellation of Notes with principal amount of US\$5 million for the six months ended 30 June 2012 (Note 13(c)).

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

回購票據收益指截至二零一二年六月三十日止六個月購回及註銷，本金額為5,000,000美元之票據(附註13(c))。

18. EXPENSES BY NATURE

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Cost of inventories	存貨成本	2,474,959	1,932,316
Employment costs	僱員成本	240,313	207,615
Utilities	動力及燃料	167,020	131,983
Depreciation and amortisation (Reversal of)/provision for decline in the value of inventories	折舊及攤銷 存貨減值(撥回)/ 撥備	97,014	82,058
Transportation	運輸	(72,635)	79,490
		63,151	37,619

19. FINANCE INCOME AND COSTS

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Interest expense – bank borrowings wholly repayable within five years	利息開支—須於五年 內悉數償還的 銀行借貸	74,298	76,518
Less: amount capitalised in property, plant and equipment	減：物業、廠房 及設備 資本化金額	—	(353)
		74,298	76,165
Exchange losses/(gains) on financing activities	融資活動匯兌 虧損/(收益)	6,447	(31,370)
Finance costs – net	財務費用—淨額	80,745	44,795
Finance income – interest income on bank deposits	財務收入—銀行存款 利息收入	(6,367)	(2,704)
Net finance costs	財務費用淨額	74,378	42,091

18. 開支(按性質分類)

19. 財務收入及費用

20. INCOME TAX EXPENSE

20. 所得稅開支

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

	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Current income tax		
– Mainland China and Vietnam enterprise income tax	30,524	58,644
Deferred income tax	(10,672)	(9,429)
	19,852	49,215

Current income tax 即期所得稅
– Mainland China and Vietnam 中國大陸及越南
enterprise income tax 企業所得稅
Deferred income tax 遞延所得稅

(i) Hong Kong profits tax

No provision for Hong Kong profits tax has been made as the Group had no assessable profit arising in or derived from Hong Kong during the period (2011: Nil).

(ii) Mainland China enterprise income tax

Subsidiaries established in Mainland China are subject to enterprise income tax ("EIT") at rate of 25% during the period (2011: rates ranging from 24% to 25%).

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.

(i) 香港利得稅

由於本集團於期內並無在香港產生或收取任何應課稅溢利，故並無就香港利得稅作出撥備(二零一一年：無)。

(ii) 中國大陸企業所得稅

於中國大陸成立的附屬公司於本期間須按25%(二零一一年：24%至25%)之稅率繳付企業所得稅(「企業所得稅」)。

由二零零八年一月一日起，於中國大陸成立的附屬公司需要根據人大常委於二零零七年三月十六日批准的中國企業所得稅法(「新企業所得稅」)及國務院於二零零七年十二月六日批准的新企業所得稅法實施條例(「實施條例」)釐定及支付企業所得稅。

20. INCOME TAX EXPENSE (Continued)

(ii) Mainland China enterprise income tax (Continued)

Except for Texhong (China) Investment Co., Ltd., Shanghai Texhong Trading Co., Ltd. and Shanghai Hongrun Textile Co., Ltd., all other subsidiaries established in Mainland China, being wholly foreign owned enterprises, have obtained approvals from the relevant Mainland China Tax Bureau for their entitlement of exemption from EIT for the first two years and 50% reduction in EIT for the next three years, commencing from the earlier of the first profitable year after offsetting all unexpired tax losses carried forward from the previous years or 1 January 2008, in accordance with the relevant tax rules and regulations applicable to foreign investment enterprises in Mainland China.

(iii) Vietnam income tax

Subsidiaries established in Vietnam are subject to income tax at rate of 25% (2011: 25%).

As approved by the relevant Tax Bureau in Vietnam, the subsidiaries established in Vietnam in 2012 and 2011 are entitled to four years' exemption from income taxes followed by nine years of a 50% reduction in income tax, 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.

20. 所得稅開支(續)

(ii) 中國大陸企業所得稅(續)

除天虹(中國)投資有限公司、上海特斯虹貿易有限公司及上海虹潤貿易有限公司外，所有於中國大陸成立的其他附屬公司均為外商獨資企業，已根據適用於中國大陸外資企業的有關稅項規則及規定，取得有關中國大陸稅務局之批准，有權於抵銷所有過往年度結轉的所有未到期稅期虧損後首個獲利年度或二零零八年一月一日起(以較早者為準)，免繳企業所得稅兩年，其後三年則獲稅率減半優惠。

(iii) 越南所得稅

於越南成立之附屬公司須按25%(二零一一年：25%)之稅率繳付所得稅。

經越南的相關稅務局批准，於二零一二年及二零一一年在越南成立的附屬公司，有權於抵銷過往年度結轉的虧損後首個獲利年度起，免繳所得稅四年，其後九年則獲所得稅減半優惠，並由業務產生收入的首個年度起，有權享受優惠所得稅稅率10%達十五年。

20. INCOME TAX EXPENSE (Continued)

(iii) Vietnam income tax (Continued)

As approved by the relevant Tax Bureau in Vietnam, the other subsidiary established in Vietnam in 2006 should separately calculate income tax on its supplementary investments. The initial investment of the subsidiary is entitled to three years' exemption from income taxes followed by seven years of a 50% reduction in income tax and is entitled to a preferential income tax rate of 15% for 12 years. The first supplementary investment of the subsidiary is entitled to three years' exemption from income taxes followed by five years of a 50% reduction in income tax based on the income tax rate of 25%.

The applicable tax rates for the subsidiaries established in Vietnam range from nil to 25% during the period (2011: Nil to 25%).

(iv) Other income tax

The Company, incorporated in the Cayman Islands, and the Company's subsidiaries established in the British Virgin Islands are exempted from payment of income tax in the countries of jurisdiction.

The subsidiary established in Macao is subject to income tax at rate of 9% (2011: 9%). No provision for Macao profits tax has been made as the Group had no assessable profit arising in or derived from Macao during the period (2011: Nil).

20. 所得稅開支(續)

(iii) 越南所得稅(續)

經越南的相關稅務局批准，另外一家於二零零六年於越南成立的附屬公司，可就其補充投資獨立計算所得稅。該附屬公司的初步投資有權免繳所得稅三年，其後七年則獲所得稅減半優惠，並有權享受優惠所得稅稅率15%達十二年。該附屬公司的首項補充投資有權免繳所得稅三年，其後五年根據25%的所得稅稅率，可獲所得稅減半優惠。

期內，於越南成立之附屬公司之適用稅率為無至25%（二零一一年：無至25%）。

(iv) 其他所得稅

於開曼群島註冊成立之本公司，及於英屬處女群島註冊成立之本公司附屬公司，均享有在司法國免繳所得稅。

於澳門成立之附屬公司須按9%（二零一一年：9%）之稅率繳付所得稅。由於本集團於本期間內概無在澳門或從澳門賺取應課稅溢利，故概無就澳門利得稅作出撥備（二零一一年：無）。

21. EARNINGS PER SHARE

(a) Basic

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

Profit attributable to equity holders of the Company (RMB'000)	本公司股權持有人應佔溢利 (人民幣千元)	145,083	256,082
Weighted average number of ordinary shares in issue (thousands)	已發行普通股加權平均數 (以千計)	884,681	884,681
Basic earnings per share (RMB per share)	每股基本盈利 (每股人民幣元)	0.164	0.289

(b) Diluted

Diluted earnings per share is the same as the basic earnings per share since the Company does not have dilutive shares.

22. DIVIDENDS

No dividend that relates to the period up to 31 December 2011 was paid in 2012 (2011: RMB126,243,000).

In addition, no interim dividend (2011: HKD0.1 per ordinary share, amounting to RMB72,304,000) was proposed by the board of directors.

21. 每股盈利

(a) 基本

每股基本盈利以本公司股權持有人應佔溢利除以期內已發行普通股的加權平均數計算。

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截至六月三十日止六個月

	2012 二零一二年	2011 二零一一年
Profit attributable to equity holders of the Company (RMB'000)	145,083	256,082
Weighted average number of ordinary shares in issue (thousands)	884,681	884,681
Basic earnings per share (RMB per share)	0.164	0.289

(b) 攤薄

由於本公司並無攤薄股份，故每股攤薄盈利與每股基本盈利相同。

22. 股息

概無有關截至二零一一年十二月三十一日止期間的股息於二零一二年派付(二零一一年：人民幣126,243,000元)。

此外，董事會並不建議派付中期股息(二零一一年：每股普通股0.1港元，金額為人民幣72,304,000元)。

23. COMMITMENTS

(a) Capital commitments

Capital expenditure at the balance sheet date but not yet incurred is as follows:

23. 承擔

(a) 資本承擔

於結算日的資本開支(但未產生)如下:

		Unaudited 未經審核 30 June 2012 二零一二年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2011 二零一一年 十二月三十一日 RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備		
Authorized but not contracted for	已授權但未訂約	1,168,204	622,371
Contracted but not provided for	已訂約但未撥付	30,338	51,332
		1,198,542	673,703
Land use rights	土地使用權		
Contracted but not provided for	已訂約但未撥付	94,677	52,149
Total capital commitments	資本承擔總額	1,293,219	725,852

23. COMMITMENTS (Continued)

(b) Operating leases commitments

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

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

Representing:	指：
Land use right	土地使用權
Property, plant and equipment	物業、廠房及設備

23. 承擔(續)

(b) 經營租賃承擔

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

Unaudited 未經審核 30 June 2012 二零一二年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2011 二零一一年 十二月三十一日 RMB'000 人民幣千元
3,266	8,640
4,420	2,810
22,170	24,218
29,856	35,668
25,238	25,450
4,618	10,218
29,856	35,668

24. RELATED-PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control.

The related party that had transactions with the Group is as follows:

Name of related party

關聯方名稱

Nantong Textile Group Co., Ltd.
南通紡織控股集團紡織染有限公司

Relationship with the Group

與本集團的關係

Associate company
聯營公司

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

(a) Transactions with the related party

Sales of goods	銷售貨品
Purchases of goods	購買貨品

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.

24. 與關聯方的交易

倘其中一方能直接或間接控制另一方或在財務及營運決定方面對另一方行使重大影響力，則被視為關聯方。倘彼等受共同控制，亦被視為關聯方。

與本集團進行交易的關聯方如下：

本集團與其關聯方進行的重大交易及結餘如下：

(a) 與關聯方的交易

Unaudited
未經審核
Six months ended 30 June
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	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Sales of goods	-	42
Purchases of goods	3,339	11,759

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。

24. RELATED-PARTY TRANSACTIONS
(Continued)

(b) Balance with the related party

Trade payable to a related party 應付關連方的貿易款項

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

(c) Key management compensation

Salaries and bonuses 薪金及花紅
Pension cost (defined contribution plan) 退休金成本(界定供款計劃)
Other benefits 其他福利

24. 與關聯方的交易(續)

(b) 與關聯方的結餘

Unaudited 未經審核 30 June 2012 二零一二年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2011 二零一一年 十二月三十一日 RMB'000 人民幣千元
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1,537	345
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與關連方的結餘為無抵押、不計息及須於一年內償還。

(c) 主要管理層薪酬

Unaudited 未經審核 Six months ended 30 June 截至六月三十日止六個月	
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2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
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2,220	1,620
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60	51
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452	468
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2,732	2,139
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OVERVIEW

We are pleased to present the results of the Group for the six months ended 30 June 2012 to our shareholders. During the period under review, the Group's turnover increased by 11.8% to RMB3,325 million when compared to the corresponding period last year. The increase was mainly attributable to the growth in sales volume. Profit attributable to equity holders decreased by 43.3% to RMB145 million when compared to the corresponding period last year. Earnings per share for the half year decreased by 43.3% to RMB0.164 from RMB0.289 for the corresponding period last year. The decrease in profit attributable to equity holders was mainly due to the fact that the Group was unable to sell its products in the first half of 2012 at such higher selling prices and better profit margin as that in the corresponding period last year due to much lower cotton market prices in the first half of 2012 when compared to the corresponding period last year.

INDUSTRY REVIEW

Since 2012, given the weakening of the domestic and international market demand under the macroeconomic environment, China's textile industry tends to grow at a slower pace. There was a significant fall in the growth rate of the major economic indicators when compared to the corresponding period last year. As indicated by the information provided by China National Textile And Apparel Council, the accumulated industrial output value realized by the textile enterprises with certain economy of scale in China from January to May 2012 was RMB2,144.93 billion, representing an increase of 7.7% over the corresponding period last year. According to the statistics from the General Administration of Customs, the accumulated amount of export of textiles and garment products from January to June 2012 was US\$113.5 billion, representing an increase of 1.6% over the corresponding period in 2011. Additional investments in fixed assets of RMB340.4 billion was made in the textile industry in China from January to June 2012, representing an increase of 15.2% over the corresponding period last year. However, the number of new projects and the number of completed projects decreased by 10.1% and 22.44% over the corresponding period last year respectively.

綜覽

我們欣然向股東報告本集團截至二零一二年六月三十日止六個月的業績。在回顧期內，主要由於銷量上升，本集團之營業額較去年同期上升11.8%至人民幣33.25億元。股權持有人應佔溢利較去年同期下跌43.3%至人民幣1.45億元。半年度之每股溢利較去年同期人民幣0.289元下跌43.3%至人民幣0.164元。股權持有人應佔溢利減少乃主要由於二零一二年上半年棉花市價遠低於去年同期，致本集團無法於二零一二年上半年按去年同期的較高售價及利潤率出售產品所致。

行業回顧

二零一二年以來，在宏觀經濟環境影響下，國內外市場需求減弱，我國紡織工業經濟增長的減速態勢仍在延續，主要經濟指標增速較上年同期明顯下降。根據中國紡織工業協會提供的資料顯示，二零一二年一至五月，具若干經濟規模的紡織企業累計實現工業總產值21,449.3億元，較去年同期增長超過7.7%。根據中國海關總署的統計顯示，二零一二年一至六月紡織品及成衣產品累計出口1,135億美元，較二零一一年同期增長1.6%。中國紡織行業在二零一二年一至六月新增固定資產投資人民幣3,404億元，比去年同期增長15.2%，但新開工項目數量和竣工項目數量分別比去年同期減少10.1%和22.44%。

BUSINESS REVIEW

For the six months ended 30 June 2012, the turnover of the Group was RMB3,325 million, representing an increase of 11.8% over the corresponding period last year. The turnover comprises sales of yarns, grey fabrics and garment fabrics. Yarns continued to be the major product of the Group, the turnover of which amounted to RMB2,760 million and accounted for 83.0% of the Group's total turnover for the six months ended 30 June 2012. With the relatively stable cotton prices, together with the resumption of sales orders and product portfolio to normal levels, sales volume of yarns grew by 45.1% to about 109,120 tons when compared to the corresponding period last year. The Group has continuously been focusing on the core-spun cotton and denim yarn markets in China and exploring the differentiated and high value-added yarn products market. The turnover of grey fabrics amounted to RMB473 million and accounted for 14.2% of the Group's total turnover for the six months ended 30 June 2012. Sales volume of grey fabrics rose by 20.5% from the corresponding period last year to about 40 million meters. The operating data of our products is set out below:

業務回顧

截至二零一二年六月三十日止六個月，本集團的營業額為人民幣33.25億元，較去年同期上升11.8%。營業額包括紗線、坯布及面料的銷售。紗線繼續為本集團的重點產品，截至二零一二年六月三十日止六個月營業額達到人民幣27.60億元，佔集團總營業額的83.0%，隨著棉花價格相對穩定，銷售訂單及產品組合也回復到正常水平，促使紗線銷量較去年同期增加45.1%至約109,120噸。本集團持續主攻中國的棉包芯紗線及牛仔紗線市場，開拓多樣性高增值紗線產品市場。截至二零一二年六月三十日止六個月坯布的營業額為人民幣4.73億元，佔集團總營業額的14.2%。坯布銷量與去年同期比較增加20.5%至約4,000萬米。本集團產品的經營數據如下：

		January to June 2012	Gross profit margin	January to June 2011	Gross profit margin	Turnover change between 2012 and 2011 二零一二年 營業額對比 二零一一年 之轉變	Margin change between 2012 and 2011 二零一二年 毛利率對比 二零一一年 之轉變 percentage points 百分點
		RMB'000 人民幣千元	毛利率	RMB'000 人民幣千元	毛利率		
Stretchable core-spun yarns	彈力包芯紗線						
- Cotton	- 棉紗	1,243,257	14.6%	968,743	21.5%	28.3%	-6.9
- Denim	- 牛仔	365,687	21.4%	279,949	27.9%	30.6%	-6.5
- Synthetic fiber	- 化纖	326,603	10.7%	256,448	22.3%	27.4%	-11.6
Other yarns	其他紗線						
- Cotton	- 棉紗	164,677	13.1%	203,844	0.5%	-19.2%	12.6
- Denim	- 牛仔	391,104	11.8%	462,253	19.4%	-15.4%	-7.6
- Synthetic fiber	- 化纖	268,948	12.9%	311,005	27.9%	-13.5%	-15.0
Fabrics	坯布及面料						
- Stretchable grey fabrics	- 彈力坯布	368,380	9.1%	311,834	7.9%	18.1%	1.2
- Other grey fabrics	- 其他坯布	104,834	1.7%	132,767	3.1%	-21.0%	-1.4
- Garment fabrics	- 面料	91,694	15.5%	47,113	16.5%	94.6%	-1.0
Total	總計	3,325,184	13.4%	2,973,956	18.8%	11.8%	-5.4

BUSINESS REVIEW (Continued)

業務回顧(續)

	Sales Volume		Sales Volume change	Selling price		Selling price change	
			between			between	
			2012			2012	
	銷量	and 2011	售價	and 2011			
January to June 2012	January to June 2011	二零一二年銷量對比二零一一年之轉變	January to June 2012	January to June 2011	二零一二年售價對比二零一一年之轉變		
二零一二年一月至六月	二零一一年一月至六月		二零一二年一月至六月	二零一一年一月至六月			
Stretchable core-spun yarns (Ton/RMB per ton)	彈力包芯紗線 (噸/人民幣每噸)						
- Cotton	- 棉紗	44,238	24,810	78.3%	28,104	39,046	-28.0%
- Denim	- 牛仔	14,364	8,522	68.6%	25,459	32,850	-22.5%
- Synthetic fiber	- 化纖	13,713	9,100	50.7%	23,817	28,181	-15.5%
Other yarns (Ton/RMB per ton)	其他紗線 (噸/人民幣每噸)						
- Cotton	- 棉紗	6,847	6,232	9.9%	24,051	32,709	-26.5%
- Denim	- 牛仔	17,892	15,690	14.0%	21,859	29,462	-25.8%
- Synthetic fiber	- 化纖	12,066	10,855	11.2%	22,290	28,651	-22.2%
Fabrics (Million meters/ RMB per meter)	坯布及面料(百萬米/ 人民幣每米)						
- Stretchable grey fabrics	- 彈力坯布	30.7	23.1	32.9%	12.0	13.5	-11.1%
- Other grey fabrics	- 其他坯布	9.5	10.3	-7.8%	11.1	12.9	-14.0%
- Garment fabrics	- 面料	4.7	1.9	147.4%	19.6	24.8	-21.0%

The overall gross profit margin of the Group's products decreased from 18.8% for the corresponding period last year to 13.4%. Although the Group achieved a successful turnaround in 2012 from its loss position in the second half of 2011, and the Group's profitability in the first half of 2012 has been gradually improved, the Group's profit for the six months ended 30 June 2012 was significantly less than that for the corresponding period last year. This was due to the fact that the Group was unable to sell its products in the first half of 2012 at such higher selling prices and better profit margin as that in the first half of 2011 due to much lower cotton market prices in the first half of 2012 when compared to the corresponding period last year.

本集團產品之整體毛利率由去年同期的18.8%減少至13.4%。雖然本集團在二零一二年已成功從二零一一年下半年的虧損狀態轉虧為盈，而本集團的盈利能力在二零一二年的上半年亦逐漸得到改善，但本集團截至二零一二年六月三十日止六個月的盈利仍遠低於去年同期，此乃由於二零一二年上半年的棉花市價遠低於二零一一年同期，導致本集團無法於二零一二年上半年按二零一一年上半年的較高售價及利潤率出售其產品所致。

BUSINESS REVIEW (Continued)

Although customers have still been very sensitive to yarn selling prices, as compared to second half of 2011, sales volume in the first half of 2012 continued to be stable at around 109,120 tons, which was a growth when compared to about 75,000 tons for the corresponding period last year.

The Group will continue to pursue its business strategy of optimizing the product mix, developing new products that cater for market trend and demand and fully leveraging the cost advantage of the production base in Vietnam, thereby further improving the Group's financial performance. Currently, the international market prices of cotton are lower than cotton prices in China. This will be beneficial to the Group's manufacturing operation in Vietnam. The Group has stepped up the procurement of overseas cotton, in order to provide assurance for the profit in the second half of 2012.

While developing differentiated products, we keep on exploring the production of different types of yarns including knitted yarns. We have continued to maintain close relationship with special fibre producers. Our research and development centre in Changzhou has been developing and improving a wide variety of products based on the market demand in order to secure our leading position in the industry and meet the demand of quality customers for different high-end products.

The Chinese textile market has been the Group's major market, the ten largest customers of the Group for the six months ended 30 June 2012 are as follows:

Zhejiang Limayunshan Textile Co., Ltd.
Yixing Lucky G And L Dyeing And Finishing Co., Ltd.
Jiangsu Baohong Textile Co., Ltd
Yixing Lucky G And L Denim Co., Ltd.
Shaoguan Shunchang Weaving Factory Co., Ltd.
Guangdong Qianjin Jeans Co., Ltd.
Toray International, Inc.
Foshan Seazon Textile & Garment Co., Ltd.
PUNTO FA,S.L.
Zhejiang Jiaermei Textile Co., Ltd.

業務回顧(續)

儘管客戶對紗線售價仍非常敏感，對比二零一一年的下半年，截至二零一二年上半年的銷量持續穩定，達到約109,120噸水平，銷量多於去年同期所銷售的約75,000噸紗線。

本集團將繼續執行既有企業策略，優化產品組合、開發迎合市場趨勢及需要的新產品及充分發揮越南生產基地的成本優勢，進一步改善本集團之財務表現。目前國際市場的棉花價格低於中國的棉花價格，將有利於本集團於越南的生產業務，本集團已加大採購海外棉花的力度，為二零一二年下半年的利潤提供保障。

於開發各類型產品之同時，本集團不斷發掘機會，生產不同類型之紗線，當中包括針織紗線。我們繼續與特製纖維生產商，維持緊密關係。我們設於常州之研發中心，一直因應市場之需求，開發及改善本集團旗下多元化之產品，務求鞏固本集團於業界之領導地位，以及就各類型高端產品，迎合優質客戶之需求。

中國紡織市場為本集團的主要市場，截至二零一二年六月三十日止六個月，本集團十大客戶為：

浙江立馬雲山紡織股份有限公司
宜興新樂祺紡織印染有限公司

江蘇寶鴻紡織品有限公司
宜興樂威牛仔布有限公司
韶關市順昌布廠有限公司
廣東前進牛仔布有限公司
Toray International, Inc.
佛山市致興紡織服裝有限公司
PUNTO FA,S.L.
浙江佳而美紡織有限公司

FUTURE OUTLOOK

Given that the prices of cotton and other agricultural products are still subject to the impact of dramatic changes in global economy and financial market, and certain policies on cotton prices and imports have been put into place by the PRC government, domestic textile business environment in China is increasingly unstable. Fortunately, the Group has set up production bases in countries other than China earlier, this greatly strengthens its competitive edges and reduces risk exposure. The Group's project in northern Vietnam has successfully commenced construction in July 2012. In view of the Group's resumed profitability, the scale of the first stage of this project will be enlarged to 170,000 spindles. The related capital expenditure is currently intended to be financed by internal resources and some machinery may be financed by instalment loans. The project is expected to undergo test run at the end of the first quarter of 2013, and to be put into full operation in the second quarter of 2013.

In the foreseeable future, as the Group's major sales market is in China and its products are mainly related to cotton textiles, the performance of the Group will be mainly influenced by cotton prices, especially cotton prices in China. In addition, the price difference between China and the international cotton market will also have significant impact on the profitability of the Group's products produced in Vietnam. Nevertheless, the market demand for textiles in China remains huge. With a determined commitment to the manufacture and sale of high-quality yarn products, the Group is confident of the future sales growth.

前景

棉花與其他農產品的價格依然受到全球的經濟及金融市場劇烈變化所影響，加上中國政府對棉花價格及進口實施的一些政策，加深了中國國內紡織企業經營環境的不穩定性。本集團慶幸早在中國以外國家建立生產基地，大大加強了競爭力及減少所面對的風險。本集團越南北部工程已於2012年7月份順利動工，有鑒於盈利能力的恢復，第一期工程的規模將加大至17萬紗錠，相關資本開支的目前計劃主要以集團內部資源及一些機器分期付款的形式支付。該項目預計2013年第1季度末試行，於第2季度全面投產。

在可見將來，由於本集團主要銷售市場在中國本土而產品主要為棉紡織品，因此本集團的業績將主要受到棉花價格影響，特別是中國本土的棉花價格。此外，中國與國際市場的棉花價格差異，也會嚴重影響本集團越南生產產品的盈利能力。儘管如此，中國紡織品市場需求還是非常龐大，本集團在致力生產及銷售優質紗綫產品的方針下，對未來的銷量增長還是充滿信心。

FINANCIAL REVIEW

Liquidity and financial resources

As at 30 June 2012, the Group's bank and cash balances (including pledged bank deposits) amounted to RMB588.8 million (as at 31 December 2011: RMB495.3 million).

The Group's inventories and trade and bills receivables increased by RMB270.4 million and by RMB134.0 million to RMB1,559.0 million and RMB774.1 million, respectively (as at 31 December 2011: RMB1,288.6 million and RMB640.1 million). The inventory turnover days and trade receivable turnover days were 89 days and 38 days, respectively, compared to 76 days and 27 days, respectively as at 31 December 2011. During the period compared to that of last year, the increase in inventory turnover days were mainly due to advance purchases of Pakistan cotton. Increase in trade and bills receivable turnover days was mainly attributable to the increase in bills receivable as the Group reduced discounting of bills receivable due to stronger operating cash flow.

The Group's borrowings decreased to RMB1,757 million mainly due to the repurchase of its senior notes of notional amount of US\$5 million and the repayment of matured bank borrowings (as at 31 December 2011: RMB1,856 million). The Group has repurchased and cancelled its senior notes of notional amount of US\$12 million since its issuance in January 2011.

As at 30 June 2012, the Group's financial ratios were as follows:

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

- Based on total borrowings over total equity
- Based on total borrowings net of cash and cash equivalents and pledged bank deposits over total equity

財務回顧

流動資金及財務資源

於二零一二年六月三十日，本集團之銀行及現金結餘(包括已抵押銀行存款)為人民幣5.888億元(於二零一一年十二月三十一日：人民幣4.953億元)。

本集團的存貨和應收貿易及票據款項分別增加人民幣2.704億元及人民幣1.340億元至人民幣15.590億元及人民幣7.741億元(於二零一一年十二月三十一日：人民幣12.886億元及人民幣6.401億元)。存貨周轉日數及應收貿易款項周轉日數分別為89日及38日，而二零一一年十二月三十一日則分別為76日和27日。期內存貨周轉日較去年上升，主要由於預購巴基斯坦棉花所致。應收貿易及票據款項周轉日上升，主要由於本集團營運現金流增加，以致減少應收票據貼現，應收票據款項因而上升所致。

本集團之借貸主要由於回購面值為500萬美元優先票據及償還到期銀行借貸而減少至人民幣17.57億元(於二零一一年十二月三十一日：人民幣18.56億元)。自二零一一年一月優先票據發行後，本集團已回購及註銷面值為1,200萬美元的優先票據。

於二零一二年六月三十日，本集團之財務比率如下：

	30 June 2012 二零一二年 六月三十日	31 December 2011 二零一一年 十二月三十一日
Current ratio	2.14	2.43
Debt to equity ratio ¹	0.79	0.90
Net debt to equity ratio ²	0.53	0.66

- 總借貸除總權益
- 總借貸減現金及現金等值物及已抵押銀行存款除總權益

FINANCIAL REVIEW (Continued)

Foreign exchange risk

The Group mainly operates in mainland China and Vietnam. Most of the Group's transactions, assets and liabilities are denominated in RMB and USD, among which, most of the sales revenue are denominated in RMB, while certain costs and liabilities are denominated in USD. Depreciation of RMB against USD will be unfavourable to the Group. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities, and net investments in foreign operations. The Group manages its foreign exchange risks by performing regular reviews and monitoring its foreign exchange exposures. The Group did not engage in any material foreign exchange hedging activities during the period under review.

Capital expenditure

For the six months ended 30 June 2012, the capital expenditure of the Group amounted to approximately RMB70.96 million (For the six months ended 30 June 2011: RMB275.7 million), including equipment upgrading in the plants located in Mainland China and the prepayment for land use right in northern Vietnam.

財務回顧(續)

外匯風險

本集團主要在中國內地及越南營運。本集團大部份交易、資產及負債以人民幣及美元計值，其中大部份銷售收入以人民幣計值，若干成本及負債以美元計值。人民幣兌美元貶值將不利於本集團。外匯風險為來自於未來海外營運中的商業貿易、已確認資產及負債以及投資淨額。本集團進行定期檢討及監察其外匯風險以管理其外匯風險。本集團於回顧期內並無涉及任何重大外匯對沖活動。

資本開支

截至二零一二年六月三十日止六個月，本集團之資本開支約為人民幣7,096萬元(截至二零一一年六月三十日止六個月：人民幣2.757億元)，包括中國大陸工廠的設備更新及越南北部項目的土地預付款。

FINANCIAL REVIEW (Continued)

Disclosure pursuant to Rule 13.18 of the Listing Rules

As announced by the Company on 12 January 2011, the Company and certain of its subsidiaries entered into a purchase agreement with Deutsche Bank AG, Singapore Branch, in connection with the issue of US\$200 million 7.625% senior notes (“Notes”) due 2016. The indenture (“Indenture”) governing the Notes provides that upon the occurrence of a change of control triggering event, the Company will make an offer to purchase all outstanding Notes at a purchase price equal to 101% of their principal amount plus accrued and unpaid interest, if any, to the offer to purchase payment date. A change of control under the Indenture includes, among others, any transaction that results in either (i) the Permitted Holders (as defined below), which include Mr. Hong Tianzhu, the controlling shareholder of the Company and companies controlled by him, being the beneficial owners (as such term is used in the Indenture) of less than 50.1% of the total voting power of the voting stock of the Company; or (ii) any person or group (as such terms are used in the Indenture) is or becomes the beneficial owner, directly or indirectly, of total voting power of the voting stock of the Company greater than such total voting power held beneficially by the Permitted Holders. “Permitted Holders” means any or all of (1) Messrs. Hong Tianzhu and Zhu Yongxiang; (2) any affiliate of the persons specified in paragraph (1); and (3) any person both the capital stock and the voting stock of which (or in the case of a trust, the beneficial interests in which) are owned 80% by persons specified in paragraphs (1) and (2) above.

財務回顧(續)

根據上市規則第13.18條作出之披露

如本公司於二零一一年一月十二日所公佈，本公司及其若干附屬公司與德意志銀行新加坡分行訂立購買協議，內容有關發行於二零一六年到期的2.00億美元7.625%優先票據(「票據」)。監管票據的契約(「契約」)訂明在發生觸發控制權變動之事件之情況下，本公司將按相等於本金額之101%之購買價另加計至購買付款日期之應計及未付利息(如有)，提出購買所有未償還票據。契約內所指的控制權變動包括(其中包括)引致以下後果的任何交易：(i) 許可持有人(定義見下文)(包括本公司控股股東洪天祝先生及彼控制的公司)成為本公司具投票權股份中總投票權少於50.1%的實益擁有人(按該等詞條用於契約中的涵義)；或(ii)任何人士或組別(按該等詞條用於契約中的涵義)為或成為直接或間接擁有超過許可持有人實益持有的該等總投票權的本公司具投票權股份中總投票權的實益擁有人。「許可持有人」指下列任何或全部人士：(1)洪天祝先生及朱永祥先生；(2)(1)段指明之人士之任何聯屬人士；及(3)其股本及具投票權股份均(或如為信託，則當中之實益權益)由上文(1)及(2)段指明之人士擁有80%之任何人士。

FINANCIAL REVIEW (Continued)

Disclosure pursuant to Rule 13.18 of the Listing Rules (Continued)

As announced by the Company on 14 July 2011, by an agreement dated 13 July 2011 (“2011 Facility Agreement”) entered into by, among others, 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 loan facility (“2011 Facility”) of up to the aggregate principal amount of US\$60,000,000 for our expansion of the Phase III project in Vietnam. The 2011 Facility shall be fully repaid in July 2018 and is secured by a mortgage of equipment and machinery. The 2011 Facility Agreement contains the usual cross default provisions and a further requirement that Mr. Hong Tianzhu shall remain the Chief Executive Officer of the Group and the Company’s single largest shareholder and own, directly or indirectly, more than 25% of the total issued share capital of the Company. A breach of such requirement will constitute an event of default under the 2011 Facility Agreement, and as a result, the 2011 Facility is liable to be declared immediately due and repayable. 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 repayable.

As at the date of this report, the Company is in compliance with the Indenture and the 2011 Facility Agreement. During the six months ended 30 June 2012, the Company repurchased and cancelled notional amount of US\$5 million of the Notes.

財務回顧(續)

根據上市規則第13.18條作出之披露(續)

如本公司於二零一一年七月十四日所公佈，根據由(其中包括)本公司全資附屬公司(作為借款人)及由銀行及金融機構組成之銀團(作為貸款人)於二零一一年七月十三日訂立之協議(「二零一一年信貸協議」)，貸款人同意授出信貸融資(「二零一一年信貸融資」)，本金總額達6,000萬美元，以供本集團擴展越南的第三期項目。二零一一年信貸融資須於二零一八年七月悉數償還，並以設備及機器的抵押為擔保。二零一一年信貸協議載有交叉違約條文，以及另一項有關洪天祝先生須繼續為本集團行政總裁兼本公司最大單一股東之規定，而其直接或間接擁有超過本公司已發行總股本25%。違反有關規定將構成二零一一年信貸協議之違約事項，並因此二零一一年信貸融資須即時宣佈為到期及償還。發生有關情況可能導致觸發本集團其他銀行／信貸融資額度之交叉違約條文，並因此該等其他信貸額度亦可能即時宣佈為到期及償還。

於本報告日期，本公司遵守契約及二零一一年信貸協議。截至二零一二年六月三十日止六個月，本公司購回及註銷票據面值為500萬美元。

FINANCIAL REVIEW (Continued)

Pledge of assets

As at 30 June 2012, the Group's land use rights and buildings, machinery and equipment with an aggregate net book value of approximately RMB360 million were pledged to secure for banking facilities for the purposes of working capital and purchases of fixed assets for the Group (as at 31 December 2011: RMB438.1 million).

Human resources

As at 30 June 2012, the Group had a total workforce of 13,246, representing a decrease of 0.9% compared with that at the end of last year (As at 31 December 2011: 13,368), of whom 8,863 were based in the regional headquarters in Shanghai and our manufacturing plants in mainland China. The remaining 4,383 were located in regions outside mainland China including Vietnam, Hong Kong and Macao. The Group will continuously optimize the workforce structure and offer its staff with competitive remuneration schemes. The Group is committed to nurturing a learning and sharing culture in the organisation. Heavy emphasis is placed on the training and development of individual staff and team building, as the Group's success depends on the contributions of our skilled and motivated staff in all our functional divisions.

Dividend policy

The Board intends to maintain a long term dividend payout ratio, representing about 30% of the Group's net profit for the year, with a view to providing our shareholders with a reasonable return. Due to the limitations as stipulated in the Indenture of the Notes, the Board does not recommend interim dividend for the six months ended 30 June 2012. Once the requirement of the Indenture has been met again, the Board will consider recommending dividend accordingly depending on the then financial performance of the Group.

Purchase, sale and redemption of the listed securities of the Company

For the six months ended 30 June 2012, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

財務回顧(續)

資產抵押

於二零一二年六月三十日，本集團總賬面淨值約為人民幣3.60億元之土地使用權以及樓宇、機器及設備已作抵押，以為本集團的營運資金及購買固定資產取得銀行融資。(於二零一一年十二月三十一日：人民幣4.381億元)。

人力資源

於二零一二年六月三十日，本集團員工合共13,246名，比去年底減少了0.9%(於二零一一年十二月三十一日：13,368名)，其中8,863名駐於上海地區總部及本集團在中國大陸的廠房。其餘4,383名駐於中國大陸以外地區(包括越南、香港及澳門)。本集團仍會不斷優化人力架構，同時向其員工提供具競爭力的酬金計劃。本集團之成功有賴由技巧純熟且士氣高昂的員工組成各職能部門，故此本集團致力於集團內孕育學習與分享的文化，重視員工之個人培訓及發展，以及建立團隊。

股息政策

董事會有意維持長期穩定的派息率，即本集團年內淨利潤約30%，為股東提供合理回報。由於受票據契據規定所限制，董事會不建議就截至二零一二年六月三十日止六個月派發中期股息。一旦再次符合契據規定，董事會將視乎本集團當時的財務表現考慮及建議宣派相應股息。

購買、出售及贖回本公司之上市證券

截至二零一二年六月三十日止六個月，本公司或其任何附屬公司並無購買、出售或贖回本公司任何上市證券。

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

At 30 June 2012, the interests and short positions of each Director and chief executive of the Company in the Shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong (the "SFO")), as recorded in the register maintained by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, were as follows:

董事及行政總裁持有之本公司或任何相聯法團之股份、相關股份及債權證之權益及淡倉

於二零一二年六月三十日，本公司各董事及行政總裁於本公司及其相聯法團（定義見香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部）股份、相關股份及債權證中擁有根據證券及期貨條例第352條，記錄於本公司須予存置之登記冊內之權益及淡倉，或其他根據上市規則所載上市公司董事進行證券交易標準守則規定須通知本公司及聯交所之權益及淡倉如下：

Name of directors of the Company 本公司董事姓名	Name of Group member/ associated corporation 本集團成員公司/ 相聯法團名稱	Nature of interests 權益性質	Number of shares held 持有股份數目	
			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) 所控制法人的權益	538,959,173 (L) (Note 2) (附註2)	60.92%
	the Company 本公司	Beneficial owner 實益擁有人	5,400,000 (L)	0.61%
Mr. Zhu Yongxiang 朱永祥先生	the Company 本公司	Interest of controlled corporation(s) 所控制法人的權益	231,500,000 (L) (Note 3) (附註3)	26.17%
Mr. Tang Daoping 湯道平先生	the Company 本公司	Beneficial owner 實益擁有人	200,000 (L)	0.02%
Mr. Gong Zhao 龔照先生	the Company 本公司	Beneficial owner 實益擁有人	90,000 (L)	0.01%

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

Notes:

1. The letter "L" denotes the person's long position in the Shares.
2. Among these 538,959,173 Shares, as to 375,459,173 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 100% owned by Mr. Hong Tianzhu and as to 163,500,000 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 51.36% by Mr. Hong Tianzhu. 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.
3. Among these 231,500,000 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 163,500,000 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 41.36% 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 and Trade Partner Investments Limited.

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

附註：

1. 「L」代表該人士於股份之好倉。
2. 該538,959,173股股份中375,459,173股以New Green Group Limited（其全部已發行股本由Texhong Group Holdings Limited實益擁有，洪天祝先生擁有該公司100%權益）名義及作為實益擁有人登記；163,500,000股以Trade Partner Investments Limited（洪天祝先生實益擁有全部已發行股本的51.36%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。
3. 該231,500,000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；163,500,000股以Trade Partner Investments Limited（朱永祥先生實益擁有全部已發行股本的41.36%權益）名義及作為實益擁有人登記。根據證券及期貨條例，朱永祥先生被視為於Wisdom Grace Investments Limited及Trade Partner Investments Limited持有之所有股份佔有權益。

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

So far as the Directors are aware, as at 30 June 2012, the interests or short position of the persons other than a Director or chief executive of the Company in the Shares or underlying shares or debenture of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

主要股東在本公司股份、相關股份及債權證之權益及淡倉

就董事所知悉，於二零一二年六月三十日，根據證券及期貨條例第336條本公司須予存置之登記冊內所示，於本公司股份或相關股份或債權證中擁有權益或淡倉的人士（惟本公司董事或主要行政人員除外）如下：

Ordinary Shares of the Company:

本公司之普通股：

Name of substantial shareholder 本公司主要股東	Nature of interests 權益性質	Number of shares held 持有股份數目	
		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	375,459,173 (L) (Note 2) (附註2)	42.44%
Trade Partner Investments Limited	Beneficial owner 實益擁有人	163,500,000 (L) (Note 3) (附註3)	18.48%
Wisdom Grace Investments Limited	Beneficial owner 實益擁有人	68,000,000 (L) (Note 4) (附註4)	7.69%
Texhong Group Holdings Limited	Interest of controlled corporation(s) 所控制法人的權益	375,459,173 (L) (Note 2) (附註2)	42.44%
Ms. Ke Luping 柯綠萍女士	Interest of spouse 配偶權益	544,359,173 (L) (Note 5) (附註5)	61.53%
Ms. Zhao Zhiyang 趙志揚女士	Interest of spouse 配偶權益	231,500,000 (L) (Note 6) (附註6)	26.17%
Lianjie (China) Investments Limited	Beneficial owner 實益擁有人	45,016,000 (L) (Note 7) (附註7)	5.09%
Mr. Hui Ching Lau 許清流先生	Interest of controlled corporation(s) 所控制法人的權益	45,016,000 (L) (Note 7) (附註7)	5.09%

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

Notes:

- The letter "L" denotes the person's long position in the Shares.
- These 375,459,173 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 100% 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.
- These 163,500,000 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 51.36% by Mr. Hong Tianzhu, 41.36% by Mr. Zhu Yongxiang, 2.24%, 1.68%, 1.68% and 1.68%, by Mr. Sha Tao, Mr. Tang Daoping, Mr. Gong Zhao and Mr. Hu Zhiping. Under the SFO, each of Mr. Hong Tianzhu and Mr. Zhu Yongxiang is deemed to be interested in all the Shares held by Trade Partner Investments Limited.
- 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.
- Ms. Ke Luping is the spouse of Mr. Hong Tianzhu. Under the SFO, Ms. Ke Luping is taken to be interested in the same number of Shares in which Mr. Hong Tianzhu is interested.
- Ms. Zhao Zhiyang is the spouse of Mr. Zhu Yongxiang. Under the SFO, Ms. Zhao Zhiyang is taken to be interested in the same number of Shares in which Mr. Zhu Yongxiang is interested.
- These 45,016,000 Shares are registered in the name of Lianjie (China) Investments Limited, 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 in which Lianjie (China) Investments Limited is interested.

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：

- [L] 代表該人士於股份之好倉。
- 該 375,459,173 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。
- 該 163,500,000 股股份以 Trade Partner Investments Limited (其全部已發行股本由洪天祝先生、朱永祥先生、沙陶先生、湯道平先生、龔照先生及胡志平先生分別實益擁有 51.36%、41.36%、2.24%、1.68%、1.68% 及 1.68%) 名義及作為實益擁有人登記。根據證券及期貨條例，洪天祝先生及朱永祥先生分別被視為於 Trade Partner Investments Limited 持有之所有股份佔有權益。
- 該 68,000,000 股股份以 Wisdom Grace Investments Limited (其全部已發行股本由朱永祥先生實益擁有) 名義及作為實益擁有人登記。根據證券及期貨條例，朱永祥先生被視為於 Wisdom Grace Investments Limited 持有之所有股份佔有權益。
- 柯綠萍女士為洪天祝先生之配偶。根據證券及期貨條例，柯綠萍女士被視為於洪天祝先生佔有權益同樣數目之股份佔有權益。
- 趙志揚女士為朱永祥先生之配偶。根據證券及期貨條例，趙志揚女士被視為於朱永祥先生佔有權益同樣數目之股份佔有權益。
- 該 45,016,000 股股份以由許清流先生全資控制的 Lianjie (China) Investments Limited 名義登記。根據證券及期貨條例，許清流先生被視為於 Lianjie (China) Investments Limited 佔有權益之所有股份佔有權益。

CORPORATE GOVERNANCE

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

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding the Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules (“Model Code”). After specific enquiry made by the Company, all of the Directors confirmed that they had complied with the required standard set out in the Model Code and the code of conduct regarding the Directors' securities transactions during the reporting period.

企業管治

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

董事會由四名執行董事及三名獨立非執行董事組成。董事會已採納載於聯交所證券上市規則(「《上市規則》」)附錄14之企業管治常規守則內的守則條文(「《守則條文》」)。本公司於報告期內已遵守《守則條文》。

董事進行證券交易的標準守則

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

AUDIT COMMITTEE

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

The audit committee has discussed with the management and reviewed the unaudited condensed consolidated financial statements of the Company for the six months ended 30 June 2012.

REMUNERATION COMMITTEE

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

審核委員會

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

審核委員會已與管理層商討並審閱截至二零一二年六月三十日止六個月之未經審核簡明綜合財務報表。

薪酬委員會

董事會薪酬委員會由三名獨立非執行董事丁良輝先生、朱蘭芬女士、程隆棣教授及主席兼執行董事洪天祝先生組成。丁良輝先生為薪酬委員會主席。薪酬委員會的職權範圍符合守則條文。薪酬委員會主要負責擬訂本集團董事及高級管理層的所有酬金政策及架構，向董事會提供意見及建議。

NOMINATION COMMITTEE

As announced by the Company on 30 March 2012, the nomination committee of the Board was established with effect from 1 April 2012. The nomination committee comprises the chairman and executive Director, Mr. Hong Tianzhu, and three independent non-executive Directors, namely Mr. Ting Leung Huel, Stephen, Ms. Zhu Lanfen and Professor Cheng Longdi. Mr. Hong Tianzhu is the chairman of the nomination committee. The terms of reference of the nomination committee comply with the Code Provisions. The nomination committee is principally responsible for reviewing the structure, size and composition of the Board, identifying individuals suitably qualified to become Board members, assessing the independence of independent non-executive Directors, and making recommendations to the Board on the appointment and re-appointment of Directors and succession planning for Directors.

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

Hong Kong, 13 August 2012

提名委員會

根據本公司於二零一二年三月三十日之公佈，董事會提名委員會於二零一二年四月一日成立。提名委員會由三名獨立非執行董事丁良輝先生、朱蘭芬女士、程隆棣教授及主席兼執行董事洪天祝先生組成。洪天祝先生為提名委員會的主席。提名委員會的職權範圍符合守則條文。提名委員會主要負責檢討董事會的架構、規模及組成、物色具合適資格加入成為董事會成員的個別人士，並評估獨立非執行董事人選的獨立性，及就委任或重新委任董事以及董事繼任計劃向董事會提出建議。

承董事會命
天虹紡織集團有限公司
主席
洪天祝

香港，二零一二年八月十三日

