

KINGDOM

INTERIM

REPORT

2012
中期報告



金達控股有限公司

(於開曼群島註冊成立的有限公司)
(股份代號：528)

KINGDOM HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)
(Stock code : 528)



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Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors:

Mr. Ren Wei Ming (*Chairman*)
Mr. Shen Yueming
Mr. Zhang Hong Wen

Non-executive Directors:

Mr. Ngan Kam Wai Albert
Mr. Tse Chau Shing Mark

Independent Non-executive Directors:

Mr. Yang Donghui
Mr. Lau Ying Kit
Mr. Lo Kwong Shun Wilson

AUDIT COMMITTEE

Mr. Lau Ying Kit (*Chairman*)
Mr. Yang Donghui
Mr. Lo Kwong Shun Wilson

REMUNERATION COMMITTEE

Mr. Yang Donghui (*Chairman*)
Mr. Zhang Hong Wen
Mr. Lo Kwong Shun Wilson

NOMINATION COMMITTEE

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

COMPANY SECRETARY

Ms. Chan Ching Yi

LEGAL ADVISERS TO THE COMPANY

Sidley Austin

AUDITORS

Ernst & Young

AUTHORISED REPRESENTATIVES

Mr. Ren Wei Ming
Ms. Chan Ching Yi

董事會

執行董事：

任維明先生 (*主席*)
沈躍明先生
張鴻文先生

非執行董事：

顏金煒先生
謝宙勝先生

獨立非執行董事：

楊東輝先生
劉英傑先生
羅廣信先生

審核委員會

劉英傑先生 (*主席*)
楊東輝先生
羅廣信先生

薪酬委員會

楊東輝先生 (*主席*)
張鴻文先生
羅廣信先生

提名委員會

羅廣信先生 (*主席*)
沈躍明先生
劉英傑先生

公司秘書

陳靜儀女士

本公司法律顧問

盛德律師事務所

核數師

安永會計師事務所

授權代表

任維明先生
陳靜儀女士

REGISTERED OFFICE

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

HEADQUARTER IN CHINA

Henggang Town
Haiyan County
Zhejiang Province
China

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Level 28
Three Pacific Place
1 Queen's Road East
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Butterfield Fund Services (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 705, George Town
Grand Cayman
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
26th Floor, Tesbury Centre
28 Queen's Road East
Wanchai, Hong Kong

PRINCIPAL BANKERS

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

STOCK CODE

528

COMPANY WEBSITE

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

INVESTOR RELATIONS CONTACT

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註冊辦事處

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

中國總辦事處

中國
浙江省
海鹽縣
橫港鎮

香港主要營業地點

香港
皇后大道東1號
太古廣場三座
28樓

主要股份過戶登記處

Butterfield Fund Services (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 705, George Town
Grand Cayman
Cayman Islands

香港股份過戶登記分處

卓佳證券登記有限公司
香港灣仔
皇后大道東28號
金鐘匯中心26樓

主要往來銀行

中國銀行如皋支行
中國銀行海鹽支行

股份代號

528

公司網站

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

投資者聯繫方式

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Financial Highlights 財務摘要

- Revenue decreased by 8.1% to approximately RMB294.3 million for the six months ended 30 June 2012 from approximately RMB320.2 million for the six months ended 30 June 2011.
- Gross profit margin decreased by 2.9 percentage points to approximately 32.0% for the six months ended 30 June 2012 from 34.9% for the six months ended 30 June 2011.
- Profit attributable to the owners of the parent decreased by 25.6% to approximately RMB43.1 million for the six months ended 30 June 2012 from approximately RMB57.9 million for the six months ended 30 June 2011.
- Basic earnings per share for the six months ended 30 June 2012 was RMB0.07, representing a 22.2% decline from RMB0.09 for the six months ended 30 June 2011.
- 收入由截至二零一一年六月三十日止六個月約人民幣320,200,000元下跌8.1%至截至二零一二年六月三十日止六個月約人民幣294,300,000元。
- 毛利率由截至二零一一年六月三十日止六個月之34.9%減少2.9個百分點至截至二零一二年六月三十日止六個月之32.0%。
- 母公司擁有人應佔溢利由截至二零一一年六月三十日止六個月約人民幣57,900,000元減少25.6%至截至二零一二年六月三十日止六個月約人民幣43,100,000元。
- 每股基本盈利由截至二零一一年六月三十日止六個月之人民幣0.09元下跌22.2%至截至二零一二年六月三十日止六個月之人民幣0.07元。

Management Discussion and Analysis 管理層討論及分析

INDUSTRY OVERVIEW

In the first half of 2012, the slowdown of China's economy and the deteriorating European sovereign debt crisis had been adversely affecting the linen yarn industry. Both domestic and international market demands for linen yarn during the six months ended 30 June 2012 shrank from those in the corresponding period of 2011. Cotton yarn spinning, chemical fibers and textile industry all have suffered under the prevailing market environment. Linen fabric has the characteristic as being eco-friendly with good air permeability, as such linen fabric has been increasingly popular, especially in the high-end apparel market. With the well recognized brand and flexible marketing strategies of Kingdom Holdings Limited (the "Company") and its subsidiaries (together, the "Group"), the Group managed to record growth in external sales for the period under review as compared with the same period of last year.

Recently, European high-end apparel brands are moving their manufacturing facilities back to home countries. Apart from the garment industry, the increasing awareness of low-carbon life-style has driven the application of linen fabric in other industries, such as furniture, decoration and daily supplies. Linen yarn has become immensely popular in market in the post-financial crisis world, and its market demand has shown an upward trend in general. As a leader in the linen yarn spinning industry with years of track record, the Group is aiming to play a more influential role in promoting and development of linen yarn in the domestic market.

BUSINESS REVIEW

Overall performance

For the six months ended 30 June 2012, the Group's turnover decreased by 8.1% to approximately RMB294.3 million; gross profit decreased by 15.5% to approximately RMB94.3 million. Profit attributable to owners of the parent decreased by 25.6% to approximately RMB43.1 million while earnings per share was RMB0.07. The board of directors of the Company (the "Board") did not recommend payment of any interim dividend for the six months ended 30 June 2012 to the ordinary equity holders of the Company.

行業概況

二零一二年上半年，國內經濟放緩及不斷惡化的歐洲主權債務危機，對亞麻紗行業造成不利影響。截至二零一二年六月三十日六個月，亞麻紗的國內及國際市場需求均較二零一一年同期下降。棉紗紡紗、化纖及紡織業均在目前市況下難艱經營。亞麻面料兼備環保及排氣性好等特點。憑著這些特點，亞麻面料越來越受歡迎，特別是國際高端服裝市場。金達控股有限公司（「本公司」）及其附屬公司（統稱「本集團」）集團憑借良好的品牌及靈活的市場策略，使集團於回顧期內外銷方面好於去年同期水平。

最近，歐洲成衣高端品牌制造基地回流本國。除成衣業外，低碳環保理念的意識形態逐漸加深，推動亞麻面料的應用，例如家具，裝潢及日常家居等其他行業。金融危機後，亞麻紗的市場認知度迅猛提升，市場需求量總體呈上升趨勢。作為具悠久經營往績的亞麻紡紗行業龍頭企業，本集團矢志在國內市場促進亞麻紗的發展。

業務回顧

整體表現

截至二零一二年六月三十日止六個月內，本集團的營業額下跌8.1%至約人民幣294,300,000元，毛利則下降15.5%至約人民幣94,300,000元。母公司擁有人應佔溢利下跌25.6%至約人民幣43,100,000元，每股盈利為人民幣0.07元。本公司董事會（「董事會」）不建議向本公司普通股擁有人派付任何截至二零一二年六月三十日止六個月中期股息。

Management Discussion and Analysis

管理層討論及分析

During the period under review, the Group's total sales of linen yarn amounted to approximately RMB294.3 million, representing a decrease of 8.1% as compared with the corresponding period of last year. In particular, domestic sales accounted for 26.4% of the Group's sale, amounting to RMB77.8 million, while export sales, representing 73.6% of the Group's sales, increased by approximately 1.2% as compared with the corresponding period of last year. For the six months ended 30 June 2012, the Group's export sales accounted for approximately 32.3% of China's total export value of linen yarn. The Group held on its position as the leading exporter of linen yarn in China.

For the six months ended 30 June 2012, the quality of raw material – linen fiber was affected by poor climate conditions in Europe. Together with the unfavourable market circumstances, China's import volume of linen fiber from France and Belgium, the key producers of linen, have decreased significantly, recording a decrease of 52.5% between January and June this year, as compared with the same period of last year. Nevertheless, the Group was able to utilize its leadership in the linen market to maintain a healthy raw material inventory, so as to minimize operating risks and enhance our competitiveness in the market.

In view of the current upward trend of the linen yarn industry, the Group further expanded its capacity to meet the market demand for linen yarn and high-value added products such as linen dope-dyed fiber and differentiation linen fiber. The technological modification of the Group's existing production plants in Zhejiang and Jiangsu has enhanced its production efficiency and reduced production labor cost.

Market Development

For the six months ended 30 June 2012, the Group focused on research and development of linen yarn products and attempted to seize opportunities arising from the overall growth of the linen yarn market. Another focus of the Group was to optimize sales network. Apart from consolidating the Group's existing overseas market, the Group was also exploring new markets in South America. The linen yarn market of China is also a key part in the Group's development plan. Drawing on its competitive edges in scale of production and technical prowess, the Group reassured its position as a leading manufacturer of linen yarn in China.

於回顧期內本集團亞麻紗總銷售額約為人民幣294,300,000元，較去年同期下降8.1%，其中內銷佔本集團銷售額的26.4%，約為人民幣77,800,000元，而外銷佔本集團銷售73.6%，較去年同期增長約1.2%。截至二零一二年六月三十日止六個月內，本集團的外銷佔同期中國亞麻紗出口產品總額約32.3%，保持中國亞麻紗出口行業的領軍地位。

截至於二零一二年六月三十日止六個月內，由於歐洲原麻產地氣候問題，原材料亞麻纖維的質量受到影響，加之市場不景氣，使中國從歐洲亞麻原料主產地法國及比利時原麻進口量大幅減少，今年一至六月進口亞麻原料金額與去年同期相比減少52.5%。然而，本集團憑借多年亞麻市場營運經驗及行業影響力，依靠自身前瞻性的原料庫存儲備降低了風險，再次提高了企業的競爭力。

對於目前亞麻紡紗行業的整體上升趨勢，集團進一步產能擴張，以滿足亞麻紗的市場對麻紡色纖維及差別化亞麻纖維等高附加值新產品的需求。在原有浙江及江蘇的廠區進行設備技術改造，以提高其生產效率，降低生產勞動成本。

市場拓展狀況

截至二零一二年六月三十日止六個月內，本集團專注亞麻紗及其相關產品的研發，把握亞麻紗市場需求近年總體上升的機遇。同時，合理的市場銷售布局也是集團銷售策略的重點。本集團除了鞏固現有海外市場外，也著力開拓南美洲等地的新市場。中國亞麻紗市場仍是本集團發展重要部分，集團憑借本身的規模及工藝優勢，繼續成為國內同業中的引領企業。

Management Discussion and Analysis 管理層討論及分析

For the first half of this year, the Group's sales in China, EU and non-EU markets accounted for 26.4%, 40.7% and 32.9% of the total sales volume, respectively. The Group is of the view that a reasonable sales framework will help to reduce market risks as well as to realize the strength of the Group's technical maturity in producing variety of linen yarn products.

The demand for high-end and value-added linen fabrics, such as dope-dyed fiber and differentiation linen fiber, has increased recently due to the recovery of high-end brands manufacturing industries in Europe and the U.S. as well as greater consumer recognition. The development of these high-end linen products are currently underway with mass production expected in the second half on this year or next year and will become an important growth driver for the Group in the coming years.

The Group has been closely monitoring the changes and development direction of the domestic textile market, and has participated in trade fairs regularly, which allowed more potential customers to gain a better understanding of the Group. Two of the trade fairs the Group joined during the six-month period ended 30 June 2012 were the China International Trade Fair for Fibres and Yarns in Beijing in March, and the Textile Products Exhibition in India in April.

During the period under review, the Group received the title of "National Innovative and Hi-tech Enterprise of the Linen Industry" from China Bast and Leaf Fibers Textile Association.

Achievements in Research and Development

In the first half of 2012, one of the Group's focuses was to develop dope-dyed fiber and differentiation linen fiber. The Group enjoyed significant advantages in these two new products in terms of technical prowess and pricing.

During the period under review, the Group had been heavily involved in research and development projects and obtained two invention patents, four utility patents and three design patents. The differentiation linen fiber of the Group was enlisted in the 2012 provincial new product trial-production plan, demonstrating the recognition of the government and related institutions towards the Group's effort in research and development.

今年上半年，集團在國內、歐盟及非歐盟地區的銷售額分別佔市場銷售總金額的26.4%、40.7%及32.9%。集團認為，合理的銷售布局將相應減小市場風險，又可以發揮集團亞麻紗產品工藝跨度大的優勢。

近期，由於歐美等高端品牌製造業回流及亞麻材料的消費認可度日益提高的大趨勢下，附加值較高的亞麻類高端產品，如亞麻色紡紗及差別化亞麻纖維等產品市場需求相對增強，集團已對這些新產品進行開發，預計今年下半年或明年可以批量投產，這也是集團未來市場策略的重要增長點。

集團一直關注國內紡織市場動態及發展走勢，定期參加行業各類大型交易會，讓更多的潛在客戶了解集團的業務優勢。本集團於截至二零一二年六月三十日止六個月期間參與兩個交易會，包括三月份在北京舉辦的中國國際紡織紗線（春夏）展覽會及四月份在印度舉辦的針織品展覽會。

於回顧期內，集團還獲得中國麻紡行業協會授予「全國麻紡織行業技術創新先進企業」稱號。

研發成果

二零一二年上半年，本集團工作重點之一是開發亞麻色紡紗及差別化亞麻纖維等新產品。集團在此兩項新產品的工藝水準及價格都具有明顯的優勢。

於回顧期內，本集團積極投入研發項目，並獲發兩項發明、四項實用新型和三項外觀專利的專利證書。本集團生產的差別化亞麻纖維更被列入二零一二年省級新產品試制計劃名單，足以證明本集團在研發方面投放的努力獲得政府及有關機構的認可及支持。

Management Discussion and Analysis

管理層討論及分析

Plants and Raw Material Base

For the six months ended 30 June 2012, the production capacity of the Group's new plants in Zhejiang and Jiangsu accounted for 55% and 45% of Group's total production capacity, respectively. The utility rate of each of the Group's plants reached 100% and the annual total production capacity reached 12,000 tonnes. To further enhance the production efficiency, both plants of the Group are currently undergoing technical upgrade, which is scheduled to complete by the end of 2012. The Group's production efficiency is expected to be further enhanced.

To further stabilize the supply of raw materials and to cater for the global trend of organic planting, the Group established linen base to cultivate organic linen in Xinjiang. The products are certified with the Global Organic Textile Standard (GOTS). During the six months ended 30 June 2012, the output from the Xinjiang production base reached 331 tonnes, representing approximately 5% of the total supply of raw materials to the Group.

FINANCIAL REVIEW

Turnover

For the six months ended 30 June 2012, the Group's turnover amounted to approximately RMB294.3 million, representing a decrease of approximately 8.1% (for the six months ended 30 June 2011: approximately RMB320.2 million). Decrease in turnover was mainly due to the slow down of the domestic and overseas economic growth in the first half of the year, which adversely affected the domestic textile industry. For the six months ended 30 June 2012, the Group's turnover of exports amounted to RMB216.5 million, representing a growth of 1.2% (for the six months ended 30 June 2011: turnover of exports of approximately RMB213.9 million) as compared with the same period of last year, the increase was mainly due to the increasing market demand for high-end linen in Europe.

設備及原料基地

截至二零一二年六月三十日止六個月內，本集團位於浙江及江蘇新廠房的總產能佔比分別為55%及45%。各廠房利用率均達到100%，全年總產能達到12,000噸。為進一步提升產能至更大的生產規模，本集團兩廠房正進行技術改造，並預期於二零一二年年底完成，屆時將進一步優化生產效率。

為增強本集團的原料供應的穩定性，與配合全球有機種植熱潮，本集團於新疆設有亞麻基地培育有機亞麻，產品更獲得「全球有機紡織品標準」的認證。截至二零一二年六月三十日止六個月內，新疆基地亞麻原料產量為331噸，約佔本集團5%的總原材料供應。

財務回顧

營業額

截至二零一二年六月三十日止六個月，本集團的營業額約為人民幣294,300,000元，下降約8.1%（截至二零一一年六月三十日止六個月：約為人民幣320,200,000元）。營業額下降的主要原因是今年上半年國內外經濟增長速度趨緩，國內紡織行業受到沖擊不利影響。截至二零一二年六月三十日止六個月，本集團外銷營業額為人民幣216,500,000元，相比去年同期上升1.2%（截至二零一一年六月三十日止六個月，外銷營業額約人民幣213,900,000元），增長主要是由於歐洲高端亞麻市場需求增長。

Management Discussion and Analysis 管理層討論及分析

The breakdown of turnover by sales regions is as follows:

Sales regions:

The PRC	中國大陸
EU	歐盟
Non-EU	非歐盟
Total	總額

營業額按銷售地區分布情況如下：

銷售地區：

For the 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 (Unaudited) (未經審核)	2011 二零一一年 RMB'000 人民幣千元 (Unaudited) (未經審核)
77,798	106,219
119,875	109,059
96,651	104,877
294,324	320,155

Gross Profit and Gross Profit Margin

For the six months ended 30 June 2012, the linen yarn market was dragged by a decrease of sales of domestic textile products causing a lower average selling price of linen yarn as compared with the same period of last year. Thus, the Group's gross profit recorded a decrease of 15.5% to approximately RMB94.3 million (for the six months ended 30 June 2011: gross profit of approximately RMB111.6 million). For the six months ended 30 June 2012, gross profit margin was 32.0% (gross profit margin for the same period of last year: 34.9%), which was attributable to the fall of selling price in the domestic linen yarn market and the volatile price of raw linens due to the climate of Europe (origin of the raw materials) affecting the quality of new linen.

As the present price of linen yarn is volatile, the Group will continue to implementing measures of expanding the high-end linen yarn market in Europe and utilizing the Company's inventory of raw linens to maintain and increase the gross profit margin, which can transfer the risk of increasing cost from shortage of raw materials, and effectively reduce the pressure of falling price in domestic linen yarn market.

毛利及毛利率

截至二零一二年六月三十日止六個月，亞麻紗市場受到國內紡織品市場在銷售全面走低，亞麻紗平均售價較去年同期有所下降的情況下，本集團期內毛利下降15.5%，至約人民幣94,300,000元（截至二零一一年六月三十日止六個月：毛利約為人民幣111,600,000元）。截至二零一二年六月三十日止六個月期內毛利率為32.0%（去年同期毛利率為：34.9%），主要原因是國內麻紡紗市場銷售價格回落，歐洲原料產地因為氣候問題新麻質量受到影響，麻原料價格不穩定。

在目前亞麻紗價格並不穩定的市場環境下，本集團為了穩定及提升毛利率，採用繼續開拓歐洲高端亞麻紗市場及動用公司亞麻原料庫存等措施。不但有效地轉移了原料供應不足帶來的成本上升風險，也同時有效緩解了國內亞麻紗市場價格下滑帶來的壓力。

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Other Income and Gains

For the six months ended 30 June 2012, the Group obtained government grant of approximately RMB4.2 million (for the six months ended 30 June 2011: net exchange gain of approximately RMB5.0 million and government grant approximately RMB1.7 million).

Selling and Distribution Costs

For the six months ended 30 June 2012, the Group's selling and distribution costs amounted to approximately RMB14.4 million (for the six months ended 30 June 2011: approximately RMB12.3 million), which accounted for approximately 4.9% of the Group's total turnover (for the six months ended 30 June 2011: 3.8%). The increase in selling costs was mainly due to the increase in freight charges during the year.

Administrative Expenses

For the six months ended 30 June 2012, the Group's administrative expenses amounted to approximately RMB16.4 million (for the six months ended 30 June 2011: approximately RMB16.0 million), representing an increase of approximately 2.5% as compared with the same period of last year. The increase was mainly due to the increase in staff cost.

Finance Costs

For the six months ended 30 June 2012, net finance costs amounted to approximately RMB6.2 million (for the six months ended 30 June 2011: approximately RMB7.8 million), representing a decrease of approximately 20.5%. The decrease was mainly due to the decrease in bank borrowings, which resulted in corresponding reduction in finance costs.

Share of Profits of an Associate

For the six months ended 30 June 2012, share of profits of an associate, namely Huaning Flax Electronic Business (Zhejiang) Co. Ltd. (浙江華凝亞麻電子商務有限公司) was approximately RMB1.5 million (for the six months ended 30 June 2011: approximately RMB79,000). This associate was established on 28 December 2009 in the PRC which principal business is sale of linen yarn products and provision of transaction services.

其他收益及得益

截至二零一二年六月三十日止六個月，本集團獲得政府資助約為人民幣4,200,000元（截至二零一一年六月三十日止六個月：外匯得益淨額約為人民幣5,000,000元及政府資助：約人民幣1,700,000元）。

銷售及分銷成本

截至二零一二年六月三十日止六個月內，本集團的銷售及分銷開支約為人民幣14,400,000元（截至二零一一年六月三十日止六個月，約為人民幣12,300,000元），佔本集團之營業額約4.9%（截至二零一一年六月三十日止六個月：3.8%）。銷售成本的增加主要是今年海運費漲價。

行政開支

截至二零一二年六月三十日止六個月本集團的行政開支約人民幣16,400,000元（截至二零一一年六月三十日止六個月：約為人民幣16,000,000元），比去年同期增長約2.5%，主要由於職工薪酬支出增加所致。

財務成本

截至二零一二年六月三十日止六個月財務成本淨額約為人民幣6,200,000元（截至二零一一年六月三十日止六個月：約人民幣7,800,000元），減少約20.5%。財務成本減少主要是銀行借款減少，相應減少財務成本。

應佔一間聯營公司收益

截至二零一二年六月三十日止六個月應佔聯營公司浙江華凝亞麻電子商務有限公司溢利約為人民幣1,500,000元（截至二零一一年六月三十日止六個月：約人民幣79,000元）。聯營公司於二零零九年十二月二十八日於中國成立，主要業務為銷售亞麻紗產品及提供交易服務。

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Profit Attributable to Owners of the Parent

For the six months ended 30 June 2012, the Group's profit attributable to owners of the parent decreased by 25.6% to approximately RMB43.1 million as compared with the same period of last year (for the six months ended 30 June 2011: approximately RMB57.9 million), the decrease was primarily attributable to the decrease of linen yarn market price during the period due to corresponding decrease in domestic demand.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2012, the Group had net current assets of approximately RMB351.6 million (as at 31 December 2011: approximately RMB333.6 million). The Group finances its operations with internally generated resources and bank loans during the six months ended 30 June 2012.

As at 30 June 2012, the Group had cash and bank deposits of approximately RMB149.2 million (as at 31 December 2011: approximately RMB163.5 million). The liquidity ratio of the Group as at 30 June 2012 was approximately 182.4% (as at 31 December 2011: 221.0%).

Total equity of the Group as at 30 June 2012 was approximately RMB767.7 million (as at 31 December 2011: approximately RMB761.9 million).

As at 30 June 2012, the Group had bank loans repayable within 12 months from the statement of financial position date of approximately RMB217.7 million (as at 31 December 2011: approximately RMB164.1 million) and no long-term loans (as at 31 December 2011: Nil). Together they represented a gross debt gearing (i.e. total borrowings/shareholders' funds) of approximately 28.3% (as at 31 December 2011: 21.5%). The Board believes that the Group's existing financial resources are sufficient for the Group's required capital expenditure in the remaining period of 2012.

CAPITAL COMMITMENTS

As at 30 June 2012, outstanding contractual capital commitments of the Group in respect of purchase of property, plant and equipment not provided for in the interim report amounted to approximately RMB1.5 million (as at 31 December 2011: approximately RMB997,000).

母公司擁有人應佔溢利

截至二零一二年六月三十日止六個月，本集團的母公司擁有人應佔溢利對比去年同期下降了25.6%至約人民幣43,100,000元（截至二零一一年六月三十日止六個月：約為人民幣57,900,000元），主要是因為期內亞麻紗市場價格下降，國內需求相對減少。

流動資金及財務資源

於二零一二年六月三十日，本集團的流動資產淨值約人民幣351,600,000元（二零一一年十二月三十一日：約人民幣333,600,000元）。於截至二零一二年六月三十日止六個月期內本集團透過以內部資源及銀行借貸為其營運提供資金。

於二零一二年六月三十日，本集團的現金及銀行存款約為人民幣149,200,000元（二零一一年十二月三十一日：約為人民幣163,500,000元）。本集團於二零一二年六月三十日的流動比率約為182.4%（二零一一年十二月三十一日：221.0%）。

本集團於二零一二年六月三十日的股東資金約人民幣767,700,000元（二零一一年十二月三十一日：約人民幣761,900,000元）。

於二零一二年六月三十日，本集團由結算日起十二個月內應付的銀行借貸約為人民幣217,700,000元（二零一一年十二月三十一日：約人民幣164,100,000元），並無長期借貸（二零一一年十二月三十一日：無），連同作出的總資本負債率（即總借貸／股東資金）約28.3%（二零一一年十二月三十一日：21.5%）。董事會相信目前本集團擁有的充足財務資源，預料足夠本集團於二零一二年剩餘期限的資本開支的需要。

資本承擔

於二零一二年六月三十日，本集團不在中期報告內計提的就購買物業、廠房及設備的未償還合約資本承擔約為人民幣1,500,000元（二零一一年十二月三十一日：約人民幣997,000元）。

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CONTINGENT LIABILITIES

As at 30 June 2012, the Group did not have any contingent liabilities.

CHARGE OF ASSETS

As at 30 June 2012, the interest-bearing bank loans were secured by certain property, plant and equipment, prepaid land lease payments, inventories and pledged deposits of the Group with carrying amounts of approximately RMB51.0 million (as at 31 December 2011: approximately RMB48.5 million), approximately RMB20.2 million (as at 31 December 2011: approximately RMB28.7 million), approximately RMB40.0 million (as at 31 December 2011: approximately RMB40.0 million) and approximately RMB38.2 million (as at 31 December 2011: approximately RMB37.6 million), respectively.

MATERIAL INVESTMENTS

There was no material acquisition or disposal of the Group's subsidiaries and associated companies during the six months ended 30 June 2012.

FOREIGN CURRENCY RISK

The Group's transactions are mainly denominated in RMB, United States Dollars, Euro and Hong Kong Dollars. The exchange rate changes of such currencies were monitored regularly and managed appropriately. Currently, the Company also has certain foreign currency forward contracts entered into by utilizing its available credit line, and derivative financial instruments of approximately RMB979,000 (as at 31 December 2011: assets approximately RMB1,033,000) was recognized by the Group as liabilities as at 30 June 2012.

REMUNERATION POLICY AND SHARE OPTION SCHEME

As at 30 June 2012, the Group had a total of 2,240 employees (30 June 2011: 2,349 employees). Total staff costs incurred for the six months ended 30 June 2012 amounted to approximately RMB41,300,000 (for the six months ended 30 June 2011: approximately RMB35,900,000).

或有負債

於二零一二年六月三十日，本集團並無或有負債。

資產抵押

於二零一二年六月三十日，計息銀行貸款以本集團賬面值分別約為人民幣51,000,000元（二零一一年十二月三十一日：約人民幣48,500,000元）、約人民幣20,200,000元（二零一一年十二月三十一日：約人民幣28,700,000元）、約人民幣40,000,000元（二零一一年十二月三十一日：約人民幣40,000,000元）及約人民幣38,200,000元（二零一一年十二月三十一日：約人民幣37,600,000元）之若干物業、機器及設備、租賃預付款項、存貨以及已抵押存款作抵押。

重大投資

於截至二零一二年六月三十日止六個月，本集團的附屬公司及聯營公司並無重大收購或出售。

外幣風險

本集團的交易主要以人民幣、美元、歐元及港幣為單位。本集團已定期就該等貨幣之間的匯率變動作出妥善管理，目前，本公司亦運用現存的銀行信用訂立了部分外匯遠期合約，而於二零一二年六月三十日，本集團已確認之衍生金融工具負債約為人民幣979,000元（二零一一年十二月三十一日：資產約人民幣1,033,000元）。

薪酬政策及購股權計劃

於二零一二年六月三十日，本集團合共聘有2,240名僱員（二零一一年六月三十日：2,349名僱員）。截至二零一二年六月三十日止六個月產生的僱員總成本約為人民幣41,300,000元（截至二零一一年六月三十日止六個月：約人民幣35,900,000元）。

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

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

The Group adopted a share option scheme (the "Scheme") on 15 November 2006 for the purpose of providing rewards and incentives to the Directors, including independent non-executive Directors, and other employees of the Group who have contributed to the success of the Group's operations.

As at 30 June 2012, the Company had 9,100,000 outstanding share options, representing approximately 1.46% of the Group's shares in issue, under the Scheme.

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

本集團僱員之薪酬政策由董事會參照各僱員的資歷及經驗、所承擔責任、對本集團的貢獻及類似職位的現行市場薪酬水平而定。董事會及本公司薪酬委員會獲股東於公司股東周年大會上授權，根據本集團經營業績、個別表現及可比較的市場數據而決定本公司董事（「董事」）薪酬。本集團不時為其僱員提供內部及外部培訓課程。

本集團於二零零六年十一月十五日採納購股權計劃（「計劃」），目的為向對本集團業務之成功作出貢獻之本公司董事（包括獨立非執行董事）及本集團之其他僱員提供獎勵及激勵。

於二零一二年六月三十日，本公司計劃項下有9,100,000份尚未行使購股權，佔本集團已發行股份約1.46%。

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PROSPECTS

For the first half of 2012, under the backdrop of continuous economic downturn in domestic and overseas markets, the textile industry had been affected by factors such as weaker international market demand, slowdown in domestic market and increasing gap between the prices of domestic and imported cottons, which resulting in aggravated losses of frontend enterprises, in the industry chain like cotton spinning and chemical fiber enterprises. Recognized for eco-friendliness, anti-bacterial function, moisture absorption and ventilation, linen yarn had been highly rated by the consumer market. In particular, with large-scale adoption of certain high-end branded linen fabrics, overall market demand for linen yarn has exhibited a strong upward trend in recent years. As the Group has been focusing on linen yarn production, it has outperformed competitors in the industry in terms of production scale and manufacturing technique. As such, the Group should seize the current market opportunities, enhance its competitive edges in the market and reinforce its influence in the industry.

With years of efforts in brand building, the Group has progressively consolidated its leading position in the domestic market, set a benchmark for the industry, and successfully diversified its footprint to overseas markets included Europe and the United States. The Company offers a great variety of linen yarn products, which cater for the needs of different markets. The Group is also committed to develop high-ended products with high added-value. The production of dope-dyed fiber and differentiation linen fiber has recently commenced, and it is anticipated that the Group will gain significant pricing power and technical prowess. With scientific and effective marketing strategy, the Group will not only grasp the potential market opportunity, but can also avert the risks from the turbulent market environment.

In view of the increasing market demand of linen yarn and fiercer competition from peers, the Group continue to enhance production efficiency and expand production capacity. Furthermore, the Group also engages in the research and development of high value-added products to build its brands and promote the use of linen fabric in the market. The Group is confident that it can create valuable return to the Group's shareholders.

展望

二零一二年上半年，國內外經濟持續下滑，紡織業受國際市場需求減弱，國內市場需求增長趨緩，國內外棉差價過大等因素影響，使棉紡、化纖等產業鏈前端企業虧損加重。亞麻紡以其環保抗菌，吸濕透氣等優勢受到消費市場的推崇，特別是一些高端品牌麻面料的大規模引入，使近年亞麻紗市場需求量總體呈大幅上升的趨勢。本集團作為一直專著於亞麻紗生產企業，無論是生產規模還是工藝水平都領先於同業，更應抓住目前的市場機遇，提高市場競爭力，加強行業的影響力。

集團憑借多年努力培育的自身品牌優勢，不但逐步加強自己國內市場行業標桿的領導地位，也成功開拓歐美等海外市場。公司亞麻紡產品種類跨度大，可以滿足不同類型的市場需求，加之集團一直致力於高附加值的新產品的研發。麻紡色纖維及差別化亞麻纖維在近期投產後，預期本集團在價格及產品工藝上都極具市場優勢。集團憑借科學、高效的市場策略，不但抓住市場先機而且相應的規避了市場大環境動蕩的風險。

為了適應亞麻紡市場需求增加及同業競爭日趨激烈的市場環境，集團將繼續提升生產效率及加大產能擴張；研發高附加值產品；在市場上加深品牌影響力以及促進亞麻面料的應用。集團有信心為廣大股東創造最佳的投資回報。

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

As at 30 June 2012, the Directors and their associates had the following interests in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of the Securities and Futures Ordinance (the "SFO"), which were recorded or required to be recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong (the "Listing Rules"):

Long positions in shares of the Company (the "Shares")

董事及主要行政人員於股份、相關股份及債券擁有的權益及淡倉

於二零一二年六月三十日，董事及彼等的聯繫人於本公司及其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）的股份、相關股份及債券中，擁有根據證券及期貨條例第352條已記入或須記入該條所述的登記冊或按照香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十所載的上市發行人董事進行證券交易的標準守則（「標準守則」）須知會本公司及聯交所的權益如下：

本公司股份（「股份」）的好倉

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

Name of Director	董事名稱	Personal interests (Note 1)	Corporate interests	Total number of Shares held	Approximately percentage of issued share capital (%)
		個人權益 (附註1)	集團權益	所持股份總數	佔已發行股本 概約百分比(%)
Mr. Ren Wei Ming	任維明先生	10,772,000	279,200,000 (Note 2) (附註2)	289,972,000	46.58
Mr. Ngan Kam Wai Albert	顏金煒先生	-	67,000,000 (Note 3) (附註3)	67,000,000	10.76
Mr. Tse Chau Shing Mark	謝宙勝先生	17,550,000	-	17,550,000	2.82

Notes:

附註：

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

1. 該等股份為以作為受益股東的董事的個人名義登記的股份。

Disclosure of Interest 權益披露

2. Mr. Ren Wei Ming holds approximately 76.38% of the issued share capital of Kingdom Investment (BVI) (as defined below). Mr. Ren therefore holds a controlling interest in Kingdom Investment (BVI) and is deemed under the SFO to be interested in the Shares held by Kingdom Investment (BVI).
2. Kingdom Investment (BVI) (定義見下文)由任維明先生擁有約76.38%的已發行股本。因此，任先生對Kingdom Investment (BVI)有控制權益。根據證券及期貨條例，任先生因而被視為於由Kingdom Investment (BVI)持有的股份中擁有權益。
3. Mr. Ngan Kam Wai Albert and Ms. Ngan Chan Kattie Sau Kat, the spouse of Mr. Ngan, holds approximately 51.00% and 23.00% of the issued share capital of Millionfull International (as defined below) and 50.22% and 22.33% of the issued share capital of Millionfull Company Limited, respectively. Mr. Ngan therefore holds controlling interests in both Millionfull International and Millionfull Company Limited and is deemed under the SFO to be interested in 64,800,000 Shares, i.e. 10.41%, held by Millionfull International and 2,200,000 Shares, i.e. 0.35%, held by Millionfull Company Limited.
3. Millionfull International (定義見下文)由顏金煒先生及Ngan Chan Kattie Sau Kat女士(顏先生的配偶)分別擁有約51.00%及23.00%的已發行股本，而億裕有限公司則由彼等分別擁有50.22%及22.33%的已發行股本。因此，顏先生對Millionfull International及億裕有限公司有控制權益。根據證券及期貨條例，顏先生因而被視為於由Millionfull International持有的64,800,000股股份(即10.41%)及由億裕有限公司持有的2,200,000股股份(即0.35%)中擁有權益。

Share options

As at 30 June 2012, no share options were granted to the Directors or any of their associates.

Save as disclosed above, as at 30 June 2012, none of the Directors or their associates had or were deemed to have any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were recorded or required to be recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

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

購股權

於二零一二年六月三十日，並無授出購股權予董事或彼等任何的聯繫人。

除以上所披露者外，於二零一二年六月三十日，概無董事或彼等的聯繫人於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份及債券中，擁有或被視為擁有根據證券及期貨條例第352條記入或須記入登記冊或按照標準守則須知會本公司及聯交所的任何權益或淡倉。

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

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

So far as is known to any Director, as at 30 June 2012, the following persons, other than a Director or chief executive of the Company, had interests or short positions in the shares or underlying shares of the Company which were recorded or required to be recorded in the register required to be kept under Section 336 of the SFO:

Long positions in Shares

Name of Shareholder	Capacity	Number of Shares	Approximately percentage of issued share capital (%) 佔已發行股本概約百分比(%)
股東名稱	身份	股份數目	
Kingdom Investment Holdings Limited ("Kingdom Investment (BVI)") (Note 1)	Beneficial owner	279,200,000	44.85
Kingdom Investment Holdings Limited ("Kingdom Investment (BVI)") (附註1)	實益擁有人		
Millionfull International Co., Ltd. ("Millionfull International") (Note 2)	Beneficial owner	64,800,000	10.41
Millionfull International Co., Ltd. ("Millionfull International") (附註2)	實益擁有人		
Caledonia Investments plc	Beneficial owner	66,825,000	10.73
Caledonia Investments plc	實益擁有人		

Notes:

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

Save as disclosed above, as at 30 June 2012, the Company had not been notified by any person, other than a Director or chief executive of the Company, who had interests or short positions in the shares or underlying shares of the Company which were recorded or required to be recorded in the register required to be kept by the Company under section 336 of the SFO.

主要股東的權益及淡倉

就任何董事目前所知，於二零一二年六月三十日，以下人士（除本公司董事或主要行政人員外）於本公司股份或相關股份擁有根據證券及期貨條例第336條已記入或須記入該條所述的登記冊的權益或淡倉：

股份好倉

Name of Shareholder	Capacity	Number of Shares	Approximately percentage of issued share capital (%) 佔已發行股本概約百分比(%)
股東名稱	身份	股份數目	
Kingdom Investment Holdings Limited ("Kingdom Investment (BVI)") (Note 1)	Beneficial owner	279,200,000	44.85
Kingdom Investment Holdings Limited ("Kingdom Investment (BVI)") (附註1)	實益擁有人		
Millionfull International Co., Ltd. ("Millionfull International") (Note 2)	Beneficial owner	64,800,000	10.41
Millionfull International Co., Ltd. ("Millionfull International") (附註2)	實益擁有人		
Caledonia Investments plc	Beneficial owner	66,825,000	10.73
Caledonia Investments plc	實益擁有人		

附註：

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

除以上所披露者外，於二零一二年六月三十日，本公司並無獲任何人士（除本公司董事或主要行政人員外）知會，其於本公司的股份或相關股份中擁有任何根據證券及期貨條例第336條已記入或須記入由本公司存置的登記冊的權益或淡倉。

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

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

The Company has not redeemed any of its listed shares during the six months ended 30 June 2012. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed shares for the six months ended 30 June 2012.

INTERIM DIVIDEND

The Board has resolved not to recommend any interim dividend for the six months ended 30 June 2012.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company adopted the Model Code regarding securities transactions by directors on terms no less exacting than the required standard set out in the Model Code. Having made specific enquiry with all Directors, the Directors confirmed that they have complied with the required standard set out in the Model Code and the Company's code of conduct regarding directors' securities transactions for the six months ended 30 June 2012 and up to the date of this report.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES OF THE LISTING RULES

The Company is committed to the establishment of good corporate governance practices and procedures with a view to being a transparent and responsible organization which is open and accountable to the Company's shareholders. The Directors believe that good corporate governance practices are increasingly important for maintaining and promoting investor confidence. In the opinion of the Directors, save as the deviations as disclosed below, the Company has complied with the code provisions set out in the Code on Corporate Governance Practices (the "Code") contained in Appendix 14 of the Listing Rules from 1 January 2012 until 31 March 2012 and with the revised Code from 1 April 2012 until 30 June 2012.

購買、出售或贖回本公司上市股份

本公司於截至二零一二年六月三十日止六個月並無贖回其任何上市股份。本公司或其任何附屬公司於截至二零一二年六月三十日止六個月亦無購買或出售本公司任何上市股份。

中期股息

董事會議決不建議就截至二零一二年六月三十日止六個月宣派任何中期股息。

董事進行證券交易的標準守則

本公司已採納標準守則，董事以不遜於標準守則所載規定標準的條款進行證券交易。經向全體董事作出特定查詢後，所有董事確認截至二零一二年六月三十日止六個月及直至本報告日期，他們遵守標準守則所載規定標準及本公司有關董事進行證券交易的行為守則的規定。

遵守上市規則企業管治常規守則

本公司致力建立良好企業管治守則及程序，以成為具透明度及負責任的組織，並對本公司股東公開及負責。董事相信良好的企業管治常規對維持及提升投資者信心的重要性與日俱增。董事認為，除以下所述之偏離情況外，本公司由二零一二年一月一日至二零一二年三月三十一日一直遵守上市規則附錄十四所載的企業管治常規守則（「守則」）所載的守則條文及由二零一二年四月一日至二零一二年六月三十日一直遵守已修訂守則。

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

Code Provision A.2.1

Under code provision A.2.1 of the Code, the roles of the chairman and chief executive officer of the Company should be separate and should not be performed by the same individual.

The Company does not have any officer with the title of “chief executive officer”. Mr. Ren Wei Ming, who acts as the chairman of the Company, is also responsible for overseeing the general operations of the Group. The Board will meet regularly to consider major matters affecting the operations of the Company. The Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Company and is conducive to strong and consistent leadership, enabling the Company to operate efficiently.

Code Provision A.6.7

Under code provision A.6.7 of the Code, the independent non-executive Directors and the non-executive Directors should attend the general meetings of the Company. However, due to other business commitment, the independent non-executive Director, Mr. Yang Donghui, did not attend the annual general meeting of the Company held on 16 May 2012.

AUDIT COMMITTEE AND REVIEW OF INTERIM RESULTS

The audit committee of the Company (the “Audit Committee”) was established in compliance with Rules 3.21 and 3.22 of the Listing Rules and with written terms of reference in compliance with the Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Group and to provide advice and comments to the Board. The Audit Committee comprises three members who are all independent non-executive Directors, namely, Mr. Lau Ying Kit, Mr. Yang Donghui and Mr. Lo Kwong Shun Wilson. Mr. Lau Ying Kit, who has appropriate professional qualifications and experience in accounting matters, was appointed as the chairman of the Audit Committee. The interim results of the Group for the period ended 30 June 2012 have been reviewed by the Audit Committee.

APPRECIATION

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

守則條文第A.2.1條

根據守則條文第A.2.1條，本公司主席及行政總裁須有清晰的職責分工及不應由同一人士擔任。

本公司並無任何高級職員擁有「行政總裁」的職銜。任維明先生為本公司的主席，亦負責監察本集團的一般營運。董事會將定期舉行會議，以考慮影響本公司營運的主要事宜。董事會認為這架構將不會損害董事會及本公司管理層之間的權力及職權的平衡，且有助於建立有力而穩定的領導層，使本公司能有效營運。

守則條文第A.6.7條

根據守則條文第A.6.7條，獨立非執行董事及非執行董事均應出席本公司股東大會。然而，由於有其他公務在身，獨立非執行董事楊東輝先生並無出席二零一二年五月十六日舉行的本公司股東週年大會。

審核委員會和中期業績審閱

本公司已遵照上市規則第3.21及3.22條成立審核委員會（「審核委員會」），並根據守則列明書面職權範圍。審核委員會之主要職責為審核及監督本集團之財務匯報程序及內部監控系統，及向董事會提出建議及意見。審核委員會由三名獨立非執行董事組成，包括劉英傑先生、楊東輝先生及羅廣信先生。劉英傑先生擁有會計方面的適用專業資格及經驗，獲委任為審核委員會主席。本集團截至二零一二年六月三十日止期間之中期業績已經由審核委員會審閱。

致謝

本公司主席希望藉此機會感謝眾位董事的寶貴意見及指導，以及本集團每一名員工對本集團的勤奮及忠誠。

Interim Condensed Consolidated Income Statement

簡明中期合併損益表

For the six months ended 30 June 2012 截至二零一二年六月三十日止六個月

				For the six months ended 30 June 截至六月三十日止六個月	
				2012 二零一二年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2011 二零一一年 RMB'000 人民幣千元 (Unaudited) (未經審核)
		Note 附註			
REVENUE	收入	4	294,324	320,155	
Cost of sales	銷售成本		<u>(200,004)</u>	<u>(208,552)</u>	
Gross profit	毛利		94,320	111,603	
Other income and gains	其他收益及得益	4	4,980	8,439	
Selling and distribution costs	銷售及分銷成本		(14,416)	(12,279)	
Administrative expenses	行政開支		(16,356)	(16,015)	
Other expenses	其他開支		(4,488)	(4,481)	
Finance costs	財務成本	5	(6,243)	(7,812)	
Share of profits of an associate	應佔一間聯營公司收益		1,529	79	
PROFIT BEFORE INCOME TAX EXPENSE	除所得稅開支前溢利	6	59,326	79,534	
Income tax expense	所得稅開支	7	(16,219)	(21,661)	
PROFIT FOR THE PERIOD	期內溢利		<u>43,107</u>	<u>57,873</u>	
Attributable to:	應佔：				
Owners of the parent	母公司擁有人		<u>43,107</u>	<u>57,873</u>	
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	母公司普通股權益持有人 應佔每股盈利	9			
Basic	基本		<u>RMB人民幣0.07</u>	<u>RMB人民幣0.09</u>	
Diluted	攤薄		<u>RMB人民幣0.07</u>	<u>RMB人民幣0.09</u>	

Interim Condensed Consolidated Statement of Comprehensive Income 簡明中期合併全面收益表

For the six months ended 30 June 2012 截至二零一二年六月三十日止六個月

		For the six months ended 30 June 截至六月三十日止六個月	
		2012 二零一二年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2011 二零一一年 RMB'000 人民幣千元 (Unaudited) (未經審核)
PROFIT FOR THE PERIOD	期內溢利	<u>43,107</u>	<u>57,873</u>
Exchange differences on translation of foreign operations	折算海外業務的匯兌差額	<u>(286)</u>	<u>(71)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	期內全面收益總額	<u>42,821</u>	<u>57,802</u>
Attributable to: Owners of the parent	應佔： 母公司擁有人	<u>42,821</u>	<u>57,802</u>

Interim Condensed Consolidated Statement of Financial Position 簡明中期合併財務狀況表

As at 30 June 2012 於二零一二年六月三十日

			30 June 2012 二零一二年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2011 二零一一年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
	<i>Notes</i> 附註			
NON-CURRENT ASSETS		非流動資產		
Property, plant and equipment		物業、廠房及設備	366,937	378,226
Prepaid land lease payments		租賃預付款項	37,588	34,032
Intangible asset		無形資產	11,031	11,323
Interest in an associate		於一間聯營公司的權益	6,175	6,069
Deferred tax assets		遞延稅項資產	7,801	7,004
Total non-current assets		非流動資產總值	<u>429,532</u>	<u>436,654</u>
CURRENT ASSETS		流動資產		
Inventories		存貨	347,465	235,995
Trade and notes receivables		應收貿易賬款及應收票據	165,314	149,338
Prepayments, deposits and other receivables		預付款、押金及其他應收款項	46,009	21,972
Derivative financial instruments		衍生金融工具	-	1,033
Pledged deposits		已抵押存款	70,530	37,600
Cash and cash equivalents		現金及現金等價物	149,165	163,502
Total current assets		流動資產總值	<u>778,483</u>	<u>609,440</u>
CURRENT LIABILITIES		流動負債		
Interest-bearing bank loans		計息銀行貸款	217,730	164,100
Trade payables		應付貿易賬款	151,449	58,349
Other payables and accruals		其他應付款項及預提費用	29,237	30,947
Dividend payable		應付股息	16,025	-
Tax payable		應付稅項	11,424	22,415
Derivative financial instruments		衍生金融工具	979	-
Total current liabilities		流動負債總值	<u>426,844</u>	<u>275,811</u>
NET CURRENT ASSETS		流動資產淨值	<u>351,639</u>	<u>333,629</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		資產總值減流動負債	<u>781,171</u>	<u>770,283</u>

Interim Condensed Consolidated Statement of Financial Position 簡明中期合併財務狀況表

As at 30 June 2012 於二零一二年六月三十日

		30 June 2012 二零一二年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2011 二零一一年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
NON-CURRENT LIABILITIES	非流動負債		
Deferred tax liabilities	遞延稅項負債	<u>11,427</u>	<u>8,420</u>
Total non-current liabilities	非流動負債總值	<u>11,427</u>	<u>8,420</u>
Net assets	資產淨值	<u>769,744</u>	<u>761,863</u>
EQUITY	權益		
Equity attributable to owners of the parent	母公司擁有人應佔權益		
Issued capital	已發行股本	6,272	6,272
Reserves	儲備	763,472	720,265
Proposed final dividend	建議末期股息	-	35,326
Total equity	權益總額	<u>769,744</u>	<u>761,863</u>

Interim Condensed Consolidated Statement of Changes in Equity 簡明中期合併權益變動表

For the six months ended 30 June 2012 截至二零一二年六月三十日止六個月

		Attributable to owners of the parent 母公司擁有人應佔								
		Issued capital	Share premium	Merger reserve	Statutory reserve	Share option reserve	Exchange reserve	Proposed final dividend 建議	Retained profits	Total
		已發行股本	股份溢價	合併儲備	法定儲備	購股權 儲備	匯兌儲備	末期股息	保留溢利	總計
		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
At 1 January 2012	於二零一二年一月一日	6,272	268,001	196,816	59,016	1,542	(1,941)	35,326	196,831	761,863
Profit for the year	年內溢利	-	-	-	-	-	-	-	43,107	43,107
Exchange differences on translation of foreign operations	海外業務折算的匯兌差額	-	-	-	-	-	(286)	-	-	(286)
Total comprehensive income for the period	期內全面收益總額	-	-	-	-	-	(286)	-	43,107	42,821
Equity-settled share option arrangements	以權益結算購股權安排	-	-	-	-	386	-	-	-	386
Final 2011 dividend declared	已宣派二零一一年末期股息	-	-	-	-	-	-	(35,326)	-	(35,326)
Transfer from retained profits	轉撥自保留溢利	-	-	-	228	-	-	-	(228)	-
At 30 June 2012 (Unaudited)	於二零一二年六月三十日 (未經審核)	<u>6,272</u>	<u>268,001</u>	<u>196,816</u>	<u>59,244</u>	<u>1,928</u>	<u>(2,227)</u>	<u>-</u>	<u>239,710</u>	<u>769,744</u>
At 1 January 2011	於二零一一年一月一日	6,272	268,001	196,816	44,511	514	(1,155)	26,488	143,523	684,970
Profit for the year	年內溢利	-	-	-	-	-	-	-	57,873	57,873
Exchange differences on translation of foreign operations	海外業務折算的匯兌差額	-	-	-	-	-	(71)	-	-	(71)
Total comprehensive income for the period	期內全面收益總額	-	-	-	-	-	(71)	-	57,873	57,802
Equity-settled share option arrangements	權益結算購股權安排	-	-	-	-	514	-	-	-	514
Final 2010 dividend declared	宣派二零一零年末期股息	-	-	-	-	-	-	(26,488)	-	(26,488)
At 30 June 2011 (Unaudited)	於二零一一年六月三十日 (未經審核)	<u>6,272</u>	<u>268,001</u>	<u>196,816</u>	<u>44,511</u>	<u>1,028</u>	<u>(1,226)</u>	<u>-</u>	<u>201,396</u>	<u>716,798</u>

Interim Condensed Consolidated Statement of Cash Flows

簡明中期合併現金流量表

For the six months ended 30 June 2012 截至二零一二年六月三十日止六個月

		For the six months ended 30 June 截至六月三十日止六個月	
		2012 二零一二年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2011 二零一一年 RMB'000 人民幣千元 (Unaudited) (未經審核)
NET CASH INFLOW FROM OPERATING ACTIVITIES	經營活動的現金流入淨額	20,402	88,018
NET CASH OUTFLOW USED IN INVESTING ACTIVITIES	投資活動所用的現金流出淨額	(46,514)	(3,984)
NET CASH INFLOW FROM FINANCING ACTIVITIES	融資活動的現金流入淨額	11,775	(102,930)
NET DECREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物減少淨額	(14,337)	(18,896)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	期初現金及現金等價物	163,502	223,464
CASH AND CASH EQUIVALENTS AT END OF PERIOD	期末現金及現金等價物	149,165	204,568
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等價物結餘分析		
Cash and bank balances	現金及銀行結餘	219,695	252,487
Less: Pledged deposits	減：已抵押存款	(70,530)	(47,919)
Cash and cash equivalents	現金及現金等價物	149,165	204,568

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

For the six months ended 30 June 2012 截至二零一二年六月三十日止六個月

1. CORPORATE INFORMATION

Kingdom Holdings Limited (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability on 21 July 2006 under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company’s shares were listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 12 December 2006.

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

The Company’s registered office address is Cricket Square, Hutchins Drive, P.O. Box 2681 GT, Grand Cayman KY1-1111, Cayman Islands; and its principal place of business is located at Level 28, Three Pacific Place, 1 Queen’s Road East, Hong Kong.

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial statements for the six months ended 30 June 2012 have been prepared in accordance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting”.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2011.

1. 公司資料

金達控股有限公司(「本公司」)於二零零六年七月二十一日根據開曼群島公司法第22章(一九六一年法例三,以經合併及修訂為準),在開曼群島註冊成立為獲豁免有限公司。本公司股份於二零零六年十二月十二日在香港聯合交易所有限公司(「聯交所」)上市。

本集團主要從事生產及銷售亞麻紗。

本公司的註冊辦事處地址為Cricket Square, Hutchins Drive, P.O. Box 2681 GT, Grand Cayman KY1-1111, Cayman Islands; 其主要營業地點則位於香港皇后大道東1號太古廣場三座28樓。

2.1 編製基準

截至二零一二年六月三十日止六個月的中期簡明合併財務報表乃按照《國際會計準則》(「《國際會計準則》」)第34號「中期財務報告」編製。

本中期簡明合併財務報表並不包括年度財務報表全部所需資料及披露,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覽。

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For the six months ended 30 June 2012 截至二零一二年六月三十日止六個月

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and basis of preparation adopted in the preparation of the interim condensed consolidated financial statements for the six months ended 30 June 2012 are consistent with those used in the preparation of the Group's annual financial statements for the year ended 31 December 2011, except in relation to the new and revised International Financial Reporting Standards ("IFRSs", which also include IASs and interpretations) as set out in note 2.3 that are adopted for the first time for the current period's unaudited interim condensed consolidated financial statements, the adoption of these new and revised IFRSs has had no significant impact on the results and the financial position of the Group.

2.3 ADOPTION OF NEW AND REVISED IFRSs

During the six months ended 30 June 2012, the following new standards and interpretations are adopted by the Group:

IAS 12	<i>Income Taxes: Recovery of Underlying Assets (Amendment) effective 1 January 2012</i>
IFRS 7	<i>Financial Instruments: Disclosures-Enhanced Derecognition Disclosure Requirements (Amendment) effective 1 July 2011</i>
IFRS 1	<i>First-time Adoption of International Finance Reporting Standards: Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters (Amendment) effective 1 July 2011</i>

Apart from above, the Group has adopted *Improvements to IFRSs 2011*, which sets out amendments to a number of IFRSs.

The adoption of these new and revised IFRSs has had no significant financial effect on these interim condensed financial information and there have been no significant changes to the accounting policies applied in these interim condensed financial information.

2.2 主要會計政策概要

編製截至二零一二年六月三十日止六個月本中期簡明合併財務報表所採納的會計政策及編製基準與編製本集團截至二零一一年十二月三十一日止年度的年度財務報表所使用者一致，惟有關附註2.3所載，就本期間的未經審核中期簡明合併財務報表首次採納的新訂及經修訂《國際財務報告準則》（「《國際財務報告準則》」，當中包括《國際會計準則》及詮釋）除外，採納該等新訂及經修訂國際財務報告準則對本集團的業績及財務狀況並無重大影響。

2.3 採納新訂及經修訂《國際財務報告準則》

於截至二零一二年六月三十日止六個月，本集團已採納下列新準則及詮釋：

《國際會計準則》 第12號	所得稅： 收回相關資產（修訂本） （於二零一二年一月一日生效）
《國際財務報告準則》 第7號	金融工具： 披露—加強的撤銷披露要求 （修訂本）（於二零一一年 七月一日生效）
《國際財務報告準則》 第1號	首次採納《國際財務報告準則》— 嚴重高通脹及剔除首次採納者的 固定日期（修訂本） （於二零一一年七月一日生效）

除上述者外，本集團亦已採納二零一一年《國際財務報告準則》的改進，當中載列若干《國際財務報告準則》的修訂本。

採納該等新訂及經修訂《國際財務報告準則》並無對該等中期簡明財務資料造成重大財務影響，而該等中期簡明財務資料所用之會計政策亦無重大變動。

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

For the six months ended 30 June 2012 截至二零一二年六月三十日止六個月

3. OPERATING SEGMENT

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

Geographical information

An analysis of the Group's geographical information on revenue attributed to the regions on the basis of the customers' locations for the six months ended 30 June 2012 is set out in the following table:

The PRC	中國大陸
European Union	歐盟國
Non-European Union	非歐盟國
Total	總額

The principal non-current assets employed by the Group are located in the PRC.

Information about a major customer

No revenue amounting to 10 percent or more of the Group's revenue was derived from sales to a single customer for the six months ended 30 June 2012 (six months ended 30 June 2011: Nil).

3. 經營分部

為方便管理，本集團被識定為一項單一業務單位，主要包括生產及銷售亞麻紗。本公司管理層就分配本集團資源及評估本集團表現作出決定時會審閱合併業績。因此，本集團不會呈列分部分析。

地理資料

下表載列本集團於截至二零一二年六月三十日止六個月按客戶所在地劃分的地區應佔收入的地理資料：

Revenue from external customers 來自外部客戶收入 For the 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 (Unaudited) (未經審核)	2011 二零一一年 RMB'000 人民幣千元 (Unaudited) (未經審核)
77,798	106,219
119,875	109,059
96,651	104,877
294,324	320,155

本集團使用的主要非流動資產位於中國。

有關主要客戶的資料

於截至二零一二年六月三十日止六個月，並無單一客戶的銷售額佔本集團收入10%或以上（截至二零一一年六月三十日止六個月：無）。

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

For the six months ended 30 June 2012 截至二零一二年六月三十日止六個月

4. REVENUE, OTHER INCOME AND GAINS

Revenue represents the sales value of linen yarns, net of sales tax and deduction of any sales discounts and returns.

An analysis of revenue and other income is as follows:

4. 收入、其他收益及得益

收入指亞麻紗的銷售價值，經扣除銷售稅及扣減任何銷售折扣及退還。

收入及其他收益分析如下：

		For the 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 (Unaudited) (未經審核)	2011 二零一一年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Revenue	收入		
Sales of linen yarns	銷售亞麻紗	<u>294,324</u>	<u>320,155</u>
Other income and gains	其他收益及得益		
Bank interest income	銀行利息收益	529	1,678
Foreign exchange gains, net	外匯得益淨額	-	5,033
Government grants	政府補助	4,218	1,704
Others	其他	<u>233</u>	<u>24</u>
		<u>4,980</u>	<u>8,439</u>

5. FINANCE COSTS

Interest on bank loans, overdrafts and other loans wholly repayable with one year

5. 財務成本

須於一年內全數償還的銀行貸款、透支及其他貸款的利息

		For the 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 (Unaudited) (未經審核)	2011 二零一一年 RMB'000 人民幣千元 (Unaudited) (未經審核)
		<u>6,243</u>	<u>7,812</u>

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

For the six months ended 30 June 2012 截至二零一二年六月三十日止六個月

6. PROFIT BEFORE INCOME TAX EXPENSE

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

6. 除所得稅前溢利

本集團除所得稅開支前溢利於扣除／（計入）下列各項後得出：

		For the six months ended 30 June 截至六月三十日止六個月	
		2012 二零一二年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2011 二零一一年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Cost of inventories sold	出售存貨成本	200,004	208,552
Depreciation	折舊	23,723	23,374
Amortisation of prepaid land lease payments	租賃預付款項攤銷	438	438
Amortisation of intangible assets	無形資產攤銷	298	298
Minimum lease payments under operating lease – land and buildings	經營租賃項下的最低 租賃款項 – 土地及樓宇	452	496
Employee benefit expense (including directors' remuneration):	僱員福利開支 (包括董事酬金):		
Wages, salaries and other benefits	薪金、工資及其他福利	28,072	31,272
Pension scheme contributions	退休金計劃供款	3,429	4,086
Equity-settled share option expense	以權益結算購股權開支	386	514
		31,887	35,872
Foreign exchange losses/(gains), net	外匯虧損／（收益）淨額	2,657	(5,033)
Provision/(reversal) of inventory provision	存貨撥備之撥備／（撥回）	21	(1,047)
Reversal of allowance for doubtful debts	呆賬撥備之撥回	(1,024)	(364)
Finance costs	財務成本	6,243	7,812
Bank interest income	銀行利息收益	(529)	(1,678)

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

For the six months ended 30 June 2012 截至二零一二年六月三十日止六個月

7. INCOME TAX EXPENSE

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

Current – Mainland China	即期－中國大陸
– Charge for the period	– 期內扣除
– Over provision in respect of prior periods	– 過往期間超額撥備
Current – Italy	即期－意大利稅項
Deferred	遞延
Total tax charge for the period	期內稅項扣除總額

- (i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands or the British Virgin Islands.
- (ii) No provision has been made for Hong Kong profits tax during the six months ended 30 June 2012 (2011: Nil) as the Group did not earn any assessable income for Hong Kong profits tax purposes during the period.
- (iii) The provision for Mainland China income tax is based on the respective corporate income tax rates applicable to the subsidiaries located in Mainland China as determined in accordance with the relevant income tax rules and regulations of the People's Republic of China ("PRC").

7. 所得稅開支

本集團於期內的所得稅開支主要項目如下：

For the six months ended 30 June 截至六月三十日止六個月	
2012 二零一二年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2011 二零一一年 RMB'000 人民幣千元 (Unaudited) (未經審核)
13,944	20,554
–	(214)
65	616
2,210	705
16,219	21,661

- (i) 根據開曼群島及英屬處女群島規則及法規，本集團毋須繳納開曼群島或英屬處女群島所得稅。
- (ii) 由於本集團於截至二零一二年六月三十日止六個月並無賺取須繳納香港利得稅的應課稅收入，故並無就香港利得稅作出撥備（二零一一年：無）。
- (iii) 中國大陸所得稅撥備是根據位於中國大陸的附屬公司所適用，按中華人民共和國（「中國」）有關所得稅規則及法規所釐定的各企業所得稅率而作出。

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For the six months ended 30 June 2012 截至二零一二年六月三十日止六個月

7. INCOME TAX EXPENSE (continued)

(iii) (continued)

Pursuant to the income tax rules and regulations of the PRC (the "FEIT Law"), certain subsidiaries located in Mainland China ("Mainland China subsidiaries") including Zhejiang Jinyuan Flax Co., Ltd. ("Zhejiang Jinyuan"), Jiangsu Jinyuan Flax Co., Ltd. ("Jiangsu Jinyuan") and Jiangsu Ziwei Flax Co., Ltd. ("Jiangsu Ziwei") are entitled to a tax holiday of a tax-free period for two years from their first profit-making year of operations and thereafter, they are subject to PRC enterprise income tax at 50% of the applicable income tax rate for the following three years ("Tax Holidays"). The years of 2003, 2005 and 2008 are the first profit making year for Zhejiang Jinyuan, Jiangsu Jinyuan and Jiangsu Ziwei, respectively.

During the Fifth Session of the Tenth National People's Congress, which was concluded on 16 March 2007, the PRC Corporate Income Tax Law (the "Corporate Income Tax Law") was approved and became effective on 1 January 2008. According to the Corporate Income Tax Law, the applicable tax rates of the Group's subsidiaries in Mainland China are unified at 25% with effect from 1 January 2008 except Zhaosu Jindi Flax Co., Ltd. ("Zhaosu Jindi") which is engaged in the preliminary processing of agriculture products and is exempted from PRC income tax. Pursuant to the transitional arrangement under the Corporate Income Tax Law, Jiangsu Ziwei will continue to enjoy 50% reduction on the applicable income tax rate under the Corporate Income Tax Law until the expiry of the Tax Holidays previously granted under the FEIT Law as at 31 December 2012, and thereafter will be subject to the unified rate of 25%.

(iv) Kingdom Europe S.R.L. is subject to the tax rate of 31.4%, which comprises the Italian Corporate Income Tax rate of 27.5% and the Italian Regional Income Tax rate of 3.9%.

7. 所得稅開支(續)

(iii) (續)

根據中國的所得稅規則和法規(「外商稅法」)規定,若干位於中國大陸的附屬公司(「中國大陸附屬公司」,包括浙江金元亞麻有限公司(「浙江金元」)、江蘇金元亞麻有限公司(「江蘇金元」)及江蘇紫薇亞麻有限公司(「江蘇紫薇」))可享有由其經營的首個獲利年度起兩年免徵企業所得稅,而其後三年按適用所得稅稅率的50%繳納中國企業所得稅之稅收優惠(「稅收優惠期」)。浙江金元、江蘇金元及江蘇紫薇之首個獲利年度分別為二零零三年、二零零五年及二零零八年。

第十屆全國人民代表大會第五次會議已於二零零七年三月十六日結束,當中通過了《中國企業所得稅法》(「企業所得稅法」),並於二零零八年一月一日生效。根據企業所得稅法規定,自二零零八年一月一日起,本集團中國大陸附屬公司的適用稅率將統一為25%,惟昭蘇金地亞麻有限公司(「昭蘇金地」)除外,該公司從事農產品的初加工業務,獲豁免繳付中國所得稅。根據企業所得稅法的過渡安排,江蘇紫薇將根據企業所得稅法繼續享有適用所得稅減半優惠,直至之前根據外商稅法獲授的稅收優惠期於二零一二年十二月三十一日期滿為止,其後則按統一稅率25%繳納。

(iv) 根據意大利規則與法規,本集團須按所得稅率31.4%納稅,當中包括意大利企業所得稅(Italy Corporate Income Tax)27.5%及意大利地區所得稅(Italy Regional Income Tax)3.9%。

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For the six months ended 30 June 2012 截至二零一二年六月三十日止六個月

8. DIVIDEND

The Board does not recommend any interim dividend to the ordinary owners of the Company for the six months ended 30 June 2012 (six months ended 30 June 2011: Nil).

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

The calculation of the basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares of 622,500,000 (six months ended 30 June 2011: 622,500,000) in issue during the reporting period.

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

No options were exercised during the six months ended 30 June 2012.

8. 股息

董事會並不建議向本公司普通股擁有人派付任何截至二零一二年六月三十日止六個月的中期股息(截至二零一一年六月三十日止六個月:無)。

9. 母公司普通股權益持有人應佔每股基本及攤薄盈利

每股基本盈利乃根據母公司普通股權益持有人應佔期內溢利及報告期內已發行普通股加權平均數622,500,000股(截至二零一一年六月三十日止六個月:622,500,000股)計算。

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

於截至二零一二年六月三十日止六個月並無行使購股權。

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

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

9. 母公司普通股權益持有人應佔每股 基本及攤薄盈利(續)

每股基本及攤薄盈利的計算如下：

		For the 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
Earnings	盈利		
Profit attributable to ordinary equity holders of the parent used in the basic and diluted earnings per share calculation	用作計算每股基本及攤薄盈利的母公司普通股權益持有人應佔溢利	43,107	57,873
		43,107	57,873
		Number of shares 股份數目	
		2012 二零一二年 '000 千股	2011 二零一一年 '000 千股
Shares	股份		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	用作計算每股基本盈利的年內已發行普通股加權平均數	622,500	622,500
Effect of dilution – weighted average number of ordinary shares: Share options	攤薄影響 – 普通股加權平均數： 購股權	3,268	506
		625,768	623,006

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For the six months ended 30 June 2012 截至二零一二年六月三十日止六個月

10. PROPERTY, PLANT AND EQUIPMENT

10. 物業、廠房及設備

		Plant and buildings 廠房及建築物 RMB'000 人民幣千元	Machinery 機器 RMB'000 人民幣千元	Office equipment 辦公室設備 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Leasehold improvements 租賃物業裝修 RMB'000 人民幣千元	Construction in progress 在建工程 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Cost:	成本：							
Balance at 1 January 2012	於二零一二年一月一日結餘	170,698	412,856	16,471	7,768	8,307	10,817	626,917
Additions	添置	1,230	4,405	895	-	-	8,279	14,809
Transfer in	撥入	-	29,502	543	171	-	(8,574)	21,642
Disposals	出售	-	(23,898)	(361)	(308)	-	-	(24,567)
Exchange realignment	匯兌調整	-	(3)	(4)	-	(1)	-	(8)
Balance at 30 June 2012 (Unaudited)	於二零一二年六月三十日結餘 (未經審核)	<u>171,928</u>	<u>422,862</u>	<u>17,544</u>	<u>7,631</u>	<u>8,306</u>	<u>10,522</u>	<u>638,793</u>
Accumulated depreciation:	累計折舊：							
Balance at 1 January 2012	於二零一二年一月一日結餘	(42,554)	(190,715)	(9,940)	(3,311)	(2,171)	-	(248,691)
Charge for the period	期內扣除	(4,337)	(18,448)	(169)	(682)	(87)	-	(23,723)
Transfer in	撥入	-	(1,617)	(28)	(26)	-	-	(1,671)
Written back on disposals	出售時撥回	-	2,048	28	149	-	-	2,225
Exchange realignment	匯兌調整	-	2	2	-	-	-	4
Balance at 30 June 2012 (Unaudited)	於二零一二年六月三十日結餘 (未經審核)	<u>(46,891)</u>	<u>(208,730)</u>	<u>(10,107)</u>	<u>(3,870)</u>	<u>(2,258)</u>	<u>-</u>	<u>(271,856)</u>
Carrying amounts:	賬面值							
At 30 June 2012 (Unaudited)	於二零一二年六月三十日 (未經審核)	<u>125,037</u>	<u>214,132</u>	<u>7,437</u>	<u>3,761</u>	<u>6,048</u>	<u>10,522</u>	<u>366,937</u>
At 31 December 2011	於二零一一年十二月三十一日	<u>128,144</u>	<u>222,141</u>	<u>6,531</u>	<u>4,457</u>	<u>6,136</u>	<u>10,817</u>	<u>378,226</u>

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簡明中期合併財務報表附註

For the six months ended 30 June 2012 截至二零一二年六月三十日止六個月

11. INTANGIBLE ASSET

At 1 January 2012, net of accumulated amortization
Additions
Amortisation provided during the period
At 30 June 2012, net of accumulated amortization (Unaudited)
At 30 June 2012:
Cost
Accumulated amortisation
Net carrying amount

11. 無形資產

	Certified emission rights 認證排放權
	RMB'000 人民幣千元
於二零一二年一月一日， 扣除累計攤銷	11,323
新增	6
期內攤銷撥備	(298)
於二零一二年六月三十日， 扣除累計攤銷(未經審核)	<u>11,031</u>
於二零一二年六月三十日：	
成本	11,329
累計攤銷	(298)
賬面淨值	<u>11,031</u>

12. INVENTORIES

Raw materials	原材料
Work in progress	在製品
Finished goods	製成品
Goods in transit	在途貨物

12. 存貨

30 June 2012 二零一二年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2011 二零一一年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
160,298	137,192
14,590	15,605
123,735	77,992
48,842	5,206
<u>347,465</u>	<u>235,995</u>

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For the six months ended 30 June 2012 截至二零一二年六月三十日止六個月

13. TRADE AND NOTES RECEIVABLES

13. 應收貿易賬款及應收票據

		30 June 2012 二零一二年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2011 二零一一年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Trade receivables	應收貿易賬款	135,181	117,827
Notes receivable	應收票據	30,723	33,125
		165,904	150,952
Allowance for trade and notes receivables	應收貿易賬款及應收票據撥備	(590)	(1,614)
		165,314	149,338

Customers are normally granted credit terms ranging from 30 to 150 days depending on the creditworthiness of individual customers.

客戶一般獲授予信貸期30天至150天，視乎個別客戶的信譽而定。

An aged analysis of the Group's trade and notes receivables (based on the due date and net of provisions for bad and doubtful debts) is as follows:

本集團的應收貿易賬款及應收票據按到期日分類並扣減呆壞賬撥備的賬齡分析如下：

		30 June 2012 二零一二年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2011 二零一一年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Neither past due nor impaired	未逾期及未減值	133,149	138,306
Less than 1 month past due	已逾期不超過一個月	8,621	4,046
1-3 months past due	已逾期一個月至三個月	15,530	6,199
Over 3 months but less than 12 months past due	已逾期三個月以上 但不超過十二個月	7,790	787
Over 12 months past due	已逾期十二個月以上	224	-
		165,314	149,338

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14. INTEREST-BEARING BANK LOANS

Current	即期
Secured bank loans	有抵押銀行貸款
Unsecured bank loans	無抵押銀行貸款

Notes:

- (i) As at 30 June 2012, the interest-bearing bank loans were secured by certain property, plant and equipment, prepaid land lease payments, inventories and pledged deposits of the Group with carrying amounts of approximately RMB50,964,000 (31 December 2011: approximately RMB48,470,000), approximately RMB20,187,000 (31 December 2011: approximately RMB28,738,000), approximately RMB40,000,000 (31 December 2011: approximately RMB40,000,000) and approximately RMB38,202,000 (31 December 2011: approximately RMB37,600,000), respectively.
- (ii) The bank loans bear interest at rates ranging from 3.82% to 6.71% per annum (31 December 2011: 5.56% to 6.56% per annum).

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

14. 計息銀行貸款

Note 附註	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
	RMB'000 人民幣千元 (Unaudited) (未經審核)	RMB'000 人民幣千元 (Audited) (經審核)
(i)	127,730	159,100
	90,000	5,000
	217,730	164,100

附註：

- (i) 於二零一二年六月三十日，計息銀行貸款以本集團賬面值分別為約人民幣50,964,000元（二零一一年十二月三十一日：約人民幣48,470,000元）、約人民幣20,187,000元（二零一一年十二月三十一日：約人民幣28,738,000元）、約人民幣40,000,000元（二零一一年十二月三十一日：約人民幣40,000,000元）及約人民幣38,202,000元（二零一一年十二月三十一日：約人民幣37,600,000元）的若干物業、機器及設備、土地租賃預付款項、存貨及已抵押存款作抵押。
- (ii) 銀行貸款按年利率3.82%至6.71%（二零一一年十二月三十一日：每年5.56%至6.56%）計息。

由於到期日短，故本集團計息銀行貸款的賬面值與其公允價值相若。

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15. TRADE PAYABLES

An aged analysis of the trade payables as at 30 June 2012, based on the payment due date, is as follows:

Due within 1 month or on demand	一個月內到期或於要求時償還
Due after 1 month but within 3 months	一個月以後但三個月內到期
Due after 3 months but within 6 months	三個月以後但六個月內到期
Due after 12 month	十二個月以後到期

The above balances are unsecured and no-interest-bearing. The carrying amount of trade payables at the end of each reporting period approximates to their fair value due to their short term maturity.

16. SHARE OPTION SCHEME

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Scheme include the Company's directors, including independent non-executive directors, and other employees of the Group in the Company's subsidiaries. The Scheme became effective on 15 November 2006 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of unexercised share options currently permitted to be granted under the Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

15. 應付貿易賬款

於二零一二年六月三十日，按付款到期日分類的應付貿易賬款賬齡分析如下：

30 June 2012 二零一二年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2011 二零一一年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
17,149	43,669
130,656	6,484
3,216	8,196
428	—
151,449	58,349

上述結餘為無抵押及不計息。於各報告期，由於在短期內到期，故應付貿易賬款的賬面值與其公允價值相若。

16. 購股權計劃

本公司設有一項購股權計劃（「計劃」），乃為對本集團業務成功作出貢獻的合資格參與人提供激勵及獎賞而設。計劃的合資格參與人包括本公司董事（包括獨立非執行董事）及隸屬於本公司附屬公司的本集團其他僱員。計劃自二零零六年十一月十五日起生效，除非被取消或修訂，否則將自該日起計十年有效。

根據計劃現時獲准授出的未行使購股權的最高數目，數額於行使時相等於本公司於任何時間已發行股份的10%。根據計劃內每名合資格參與人獲授的購股權而可予發行的最高股份數目，於任何十二個月期間內不可超過本公司於任何時間已發行股份的1%。授出超過此限的購股權須經股東於股東大會上批准。

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16. SHARE OPTION SCHEME (continued)

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors.

The offer of a grant of share options may be accepted within 21 days from the date of offer, upon payment of a nominal consideration of HK\$0.01 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and commences after a vesting period of one to three years and ends on a date which is not later than five years from the date of offer of the share options or the expiry date of the Scheme, if earlier.

The exercise price of share options is determinable by the directors, but may not be less than the highest of (i) the Stock Exchange closing price of the Company's shares on the date of offer of the share options; and (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of offer; and (iii) the nominal value of the share.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

The following share options were outstanding under the Scheme during the six months ended 30 June 2012:

At 1 January and 30 June 2012

於二零一二年一月一日及
六月三十日

16. 購股權計劃 (續)

授予本公司董事、主要行政人員或主要股東或彼等任何聯繫人的購股權須經獨立非執行董事事先批准。

授出購股權的要約可於提呈日期起計21日內由承授人支付名義代價合共0.01港元接納。授出的購股權的行使期由董事決定，並於一至三年歸屬期後開始，且於不遲於提呈購股權日期起五年內任何日子或計劃屆滿日期終止（以較早者為準）。

購股權行使價由董事釐定，惟不能低於下列各項的最高者：(i)於提呈購股權日期本公司股份於聯交所的收市價；及(ii)緊接提呈日期前五個交易日本公司股份於聯交所的平均收市價；及(iii)股份面值。

購股權並無賦予持有人收取股息或於股東大會上投票的權利。

截至二零一二年六月三十日止六個月期間，計劃項下尚未行使的購股權如下：

Weighted average exercise price HK\$ per share 加權平均 行使價 每股港元	Number of options '000 購股權數目 千股
0.400	9,100

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16. SHARE OPTION SCHEME (continued)

No share options were exercised during the six months ended 30 June 2012 (2011: Nil). The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

Number of options 購股權數目	Exercise price 行使價	Exercise period 行使期
'000 千份	HK\$ per share 每股港元	
3,640	0.400	9 July 2012 to 8 July 2015 二零一二年七月九日至二零一五年七月八日
5,460	0.400	9 July 2013 to 8 July 2015 二零一三年七月九日至二零一五年七月八日
<u>9,100</u>		

The Group recognised a share option expense of HK\$475,000 (2011: HK\$612,000), equivalent to RMB386,000 (2011: RMB514,000), during the six months ended 30 June 2012.

At the end of the reporting period, the Company had 9,100,000 share options outstanding under the Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 9,100,000 additional ordinary shares of the Company and additional share capital of HK\$91,000, equivalent to RMB74,000, and share premium of HK\$3,549,000, equivalent to RMB2,893,000 (before issue expenses).

At the date of approval of these financial statements, the Company had 9,100,000 share options outstanding under the Scheme, which represented approximately 1.46% of the Company's shares in issue as at that date.

16. 購股權計劃 (續)

截至二零一二年六月三十日止六個月期間，並無購股權獲行使(二零一一年：無)。於報告期末尚未行使購股權的行使價及行使期如下：

Number of options 購股權數目	Exercise price 行使價	Exercise period 行使期
'000 千份	HK\$ per share 每股港元	
3,640	0.400	9 July 2012 to 8 July 2015 二零一二年七月九日至二零一五年七月八日
5,460	0.400	9 July 2013 to 8 July 2015 二零一三年七月九日至二零一五年七月八日
<u>9,100</u>		

截至二零一二年六月三十日止六個月期間，本集團已確認購股權開支475,000港元(二零一一年：612,000港元)，相等於人民幣386,000元(二零一一年：人民幣514,000元)。

於報告期末，本公司共有9,100,000份尚未根據計劃行使的購股權。按照本公司現時的資本架構，未行使購股權獲全數行使將導致發行9,100,000股本公司額外普通股，並產生額外股本91,000港元(相當於人民幣74,000元)及股份溢價3,549,000港元(相當於人民幣2,893,000元)(未計發行開支)。

於該等財務報表獲批准日期，本公司共有9,100,000份尚未根據計劃行使的購股權，佔本公司於該日已發行股份約1.46%。

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17. OPERATING LEASE COMMITMENTS

Non-cancellable operating lease rentals were payable as follows:

Less than one year	一年內
Between one and five years	一年後但五年內

The Group leases certain properties located in Mainland China and Italy as the Group's offices. The leases run for an initial period of three to six years, with an option to renew the leases after the due date.

18. CAPITAL COMMITMENTS

Capital commitments in respect of the purchase of property, plant and equipment outstanding as at 30 June 2012 and 31 December 2011 but not provided for in the interim condensed consolidated financial statements were as follows:

Contracted for	已訂約
Authorised, but not contracted for	已授權但未訂約

17. 經營租賃承擔

不可撤銷經營租賃租金付款金額如下：

30 June 2012 二零一二年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2011 二零一一年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
3,784	1,681
654	1,207
4,438	2,888

本集團在中國大陸及意大利租用若干物業作為本集團的辦公室，初始租賃期為三至六年，到期日後可選擇續租。

18. 資本承擔

有關購置物業、廠房及設備於二零一二年六月三十日及二零一一年十二月三十一日尚未支付但並未在簡明中期合併財務報表內提撥準備的資本承擔如下：

30 June 2012 二零一二年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2011 二零一一年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
1,477	977
—	—
1,477	977

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19. RELATED PARTY TRANSACTIONS

- (a) Transactions with a company controlled by the controlling shareholders of the Company's ultimate holding company, the company controlled by one of the Company's directors and an associate of the Group
- (i) During the six months ended 30 June 2012, the Group leased an office located in Mainland China from Zhejiang Kingdom Creative Co., Ltd. ("Kingdom Creative") and incurred operating lease charges of RMB100,000 (six months ended 30 June 2011: RMB100,000). Mr. Ren Wei Ming, who ultimately controls the Group, also has a controlling equity interest over Kingdom Creative.
- (ii) During the six months ended 30 June 2012, the Group paid commission expenses to Huaning Flax totalling RMB11,330 (six months ended 30 June 2011: RMB23,890). Huaning Flax is an associate of the Group and Mr. Ren Wei Ming, who ultimately controls the Group, also has equity interest over Huaning Flax.

The lease and commission expense were made according to published prices and conditions offered by the lessor or service provider of the Group.

19. 關聯方交易

- (a) 與由本公司最終控股公司的控股股東控制的公司、與由本公司一名董事控制的公司以及與本集團一間聯營公司進行的交易
- (i) 於截至二零一二年六月三十日止六個月，本集團向浙江金達創業股份有限公司（「金達創業」）租用一個位於中國大陸的辦公室，所產生的經營租賃費用為人民幣100,000元（截至二零一一年六月三十日止六個月：人民幣100,000元）。任維明先生為本集團的最終控股股東，彼亦擁有金達創業的控股權。
- (ii) 於截至二零一二年六月三十日止六個月，本集團向華凝亞麻支付佣金費用合共人民幣11,330元（截至二零一一年六月三十日止六個月：人民幣23,890元）。華凝亞麻為本集團的聯營公司，而任維明先生為本集團的最終控股股東，彼亦擁有華凝亞麻的控股權。

租賃及佣金費用根據由出租人或本集團服務供應商提供的已公佈價格及條件進行。

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19. RELATED PARTY TRANSACTIONS (continued)

- (b) Compensation of key management personnel of the Group

19. 關連方交易 (續)

- (b) 本集團主要管理人員的補償

		For the six months ended 30 June 截至六月三十日止六個月	
		2012 二零一二年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2011 二零一一年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Short-term employee benefits	短期僱員福利	1,328	1,390
Post-employment benefits	離職後福利	44	55
Equity-settled share option expense	以權益結算購股權開支	47	62
		1,419	1,507

20. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The unaudited interim condensed consolidated financial statements were approved and authorised for issue by the board of directors on 24 August 2012.

20. 批准簡明中期合併財務報表

董事會已於二零一二年八月二十四日批准及授權刊發本未經審核的簡明中期合併財務報表。



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