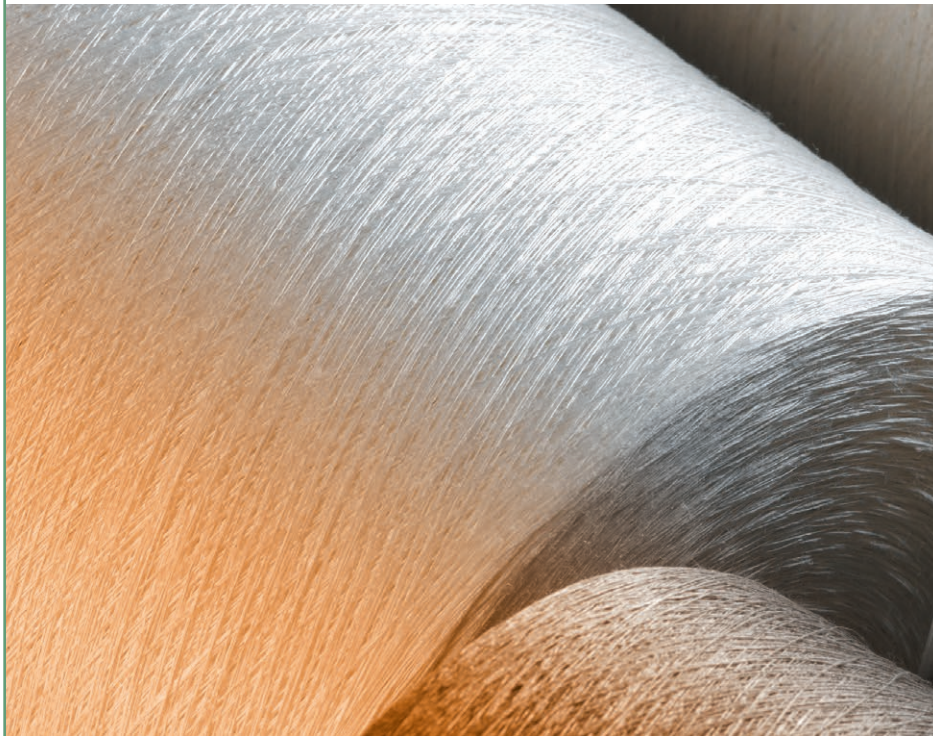


KINGDOM

INTERIM REPORT

2014
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

Mr. Chan Yan Kwan Andy (appointed on 15 January 2014)

LEGAL ADVISERS TO THE COMPANY

Sidley Austin

AUDITORS

Ernst & Young

AUTHORISED REPRESENTATIVES

Mr. Ren Wei Ming
Mr. Chan Yan Kwan Andy

董事會

執行董事：

任維明先生 (*主席*)
沈躍明先生
張鴻文先生

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

陳仁君先生 (於二零一四年一月十五日獲委任)

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
陳仁君先生

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 54
Hopewell Centre
183 Queen's Road East
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Royal Bank of Canada Trust Company (Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road
George Town
Grand Cayman KY-1110
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 22, Hopewell Centre
183 Queen's Road East
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

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

中國總辦事處

中國
浙江省
海鹽縣
橫港鎮

香港主要營業地點

香港
皇后大道東183號
合和中心
54樓

主要股份過戶登記處

Royal Bank of Canada Trust Company (Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road
George Town
Grand Cayman KY-1110
Cayman Islands

香港股份過戶登記分處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心22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

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投資者聯繫方式

電郵: ir@kingdom-china.com

Financial Highlights 財務摘要

- Revenue decreased by 6.6% to approximately RMB364.6 million for the six months ended 30 June 2014 from approximately RMB390.5 million for the six months ended 30 June 2013.
- Gross profit margin improved by 1.0 percentage points to approximately 28.7% for the six months ended 30 June 2014 from 27.7% for the six months ended 30 June 2013.
- Profit attributable to the owners of the parent decreased by 12.7% to approximately RMB41.8 million for the six months ended 30 June 2014 from approximately RMB47.8 million for the six months ended 30 June 2013.
- Basic earnings per share was RMB0.07 for the six months ended 30 June 2014 and RMB0.08 for the six months ended 30 June 2013.
- 收入由截至二零一三年六月三十日止六個月約人民幣390,500,000元減少6.6%至截至二零一四年六月三十日止六個月約人民幣364,600,000元。
- 毛利率由截至二零一三年六月三十日止六個月的27.7%改善1.0個百分點至截至二零一四年六月三十日止六個月約28.7%。
- 母公司擁有人應佔溢利由截至二零一三年六月三十日止六個月約人民幣47,800,000元下跌12.7%至截至二零一四年六月三十日止六個月約人民幣41,800,000元。
- 截至二零一四年六月三十日止六個月的每股基本盈利為人民幣0.07元，而截至二零一三年六月三十日止六個月則為人民幣0.08元。

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW

As the economic recovery gave further impetus to the consumption market, the export growth of the Chinese textile industry continued its momentum in the first half of 2014. The market experienced a stable growth in general as China's textile export for the first half of the year amounted to US\$53.298 billion, up by 4.2% year-on-year, while garment export recorded US\$79.184 billion, up by 4.1% year-on-year, according to the General Administration of Customs. During the first half of 2014, the Chinese linen textile industry saw a favourable development, particularly evidenced by the sustainable growth of the export of garment with linen materials.

While chemical fiber and cotton textile industries are facing great challenges and pressure, linen is one of the textile fabrics with increasing popularity in recent years, and this is one of the reasons why the linen industry enjoyed stable development.

Being a leading enterprise in the linen yarn manufacturing industry, the Group endeavours to seize every market opportunity and actively expands its production capacity. In April 2014, the third production base in Haiyan County, Zhejiang Province (2nd Phase of the Haiyan Plant), of which the construction had started in the second half of 2012, was put into operation. It has an annual production capacity of 5,000 tons, which is expected to increase the Group's aggregate annual production capacity to 18,000 tons. In addition, the Group is identifying overseas sites for other production bases in order to enjoy cost competitiveness. On 17 July 2014, the Group signed an investment agreement with the Ministry of Industry of Ethiopia for the development and construction of a technological world class linen industrial zone (the "Kingdom Linen Industrial Zone"). The first project, with an estimated annual production capacity of 5,000 tons of linen yarn, will commence construction in or around March 2015 and is expected to commence production by September 2016. On the other hand, the Group has secured supply contracts with clients in the PRC and abroad for terms up to late 2014 to ensure adequate orders. The Board believes that following the commencement of production of the new production base in Haiyan County, Zhejiang Province, the Group is in the position of capturing greater market share and taking advantage of the rising market demand by better serving its domestic and overseas clients. It is expected that the Group's profitability will be enhanced, thus making greater contribution to income growth for 2014.

業務回顧

二零一四年上半年，隨着經濟復甦對消費市場的良好影響逐步深入，中國紡織行業出口增速延續穩步回升的走勢。據海關總署數據，中國上半年紡織品出口額為532.98億美元，同比增長4.2%；服裝出口額為791.84億美元，同比增長4.1%，整體增長平穩。二零一四年上半年，我國麻紡織行業整體形勢良好，特別是含麻服裝出品量依然保持穩定的增長態勢。

亞麻紡織品是近年來越來越受歡迎的紡織面料之一，在化纖、棉紡行業面臨極大挑戰和壓力的背景下，也是亞麻行業繼續保持穩定發展態勢的原因之一。

作為亞麻紗生產行業領軍企業，本集團緊握市場需求機遇，積極擴充產能。本集團早在二零一二年下半年已投入第三個生產基地浙江省海鹽縣（海鹽二期）基地的建設，已成功於二零一四年四月正式投產，新增年產能5,000噸，總年產能預計會達到18,000噸。此外，本集團亦着手於海外具成本競爭力的地點興建生產基地。於二零一四年七月十七日，本集團與埃塞俄比亞工業部簽訂投資協議，開發及興建一個具備世界級技術的亞麻工業園項目（「金達亞麻工業園項目」），第一個項目的估計年產能達5,000噸亞麻紗，將於二零一五年三月或前後動工，並預計於二零一六年九月或之前投產。同時，本集團訂單充足，與中國及海外客戶簽訂的供貨合約已到二零一四年年底。董事會相信，位於浙江省海鹽縣的新生產基地投產將更好地服務本集團海內外客戶，有助於集團充分把握市場需求、擴充市場份額，從而提升集團的盈利水平，為二零一四年全年收入的增長作出積極貢獻。

Management Discussion and Analysis

管理層討論及分析

For the first half of 2014, the Group's turnover dropped by approximately 6.6% to approximately RMB364.6 million. The year-on-year turnover drop as shown in the statement of profit or loss for the first half of 2014 was attributable to the nearly full utilisation of the Group's production lines in the first half of both 2013 and 2014, and a higher sales in the first half of 2013 of additional inventories stocked at the end of 2012, which formed a higher base figure for turnover comparison.

Major Markets and Clients

With operations in over 20 countries and regions around the world, the Group balances its sales strategy between domestic and overseas markets. For the six months ended 30 June 2014, domestic sales accounted for approximately 34% of the Group's total turnover, rose by 12% year-on-year, while overseas sales accounted for approximately 66% of the Group's total turnover, dropped by 14% year-on-year. In terms of export amount, Italy remained the largest export market of the Group and accounted for 24.4% of the Group's total export sales, followed by Korea, India and Turkey, successively.

The Group maintains a long-term and stable relationship with international top fashion brands including, among others, UNIQLO, LORO PIANA and MUJI.

Raw Material Procurement and Production Capacity

The Group mainly sources quality linen fiber from well-established origins such as France, Belgium and the Netherlands to ensure the quality of its raw materials. According to the statistics of China Customs, the Group has been the largest buyer of European linen fiber since 2010. This allows the Group to enjoy greater bargaining power and influence over market prices and better control its raw material procurement cost. Furthermore, a very small portion of the raw material, which are used in the production of organic linen, is from the Group's production base in Xinjiang.

二零一四年上半年集團營業額下降了約6.6%至約人民幣364,600,000元，是由於二零一三年上半年與二零一四年上半年集團生產線均接近滿負荷生產，而二零一三年上半年亦銷售了二零一二年底的大量存貨，提高了營業額同比基數，因此二零一四年上半年損益表中體現出營業額同比下降。

主要市場及客戶

本集團一直實行國內及海外市場並行的銷售策略，業務已遍佈全球20多個國家與地區。截至二零一四年六月三十日止六個月，國內市場的銷售約佔集團總營業額34%，同比增長12%，海外市場銷售約佔集團總營業額的66%。同比減少14%。若以出口金額計算，意大利為集團最大的海外出口市場，佔總出口營業額的24.4%，其次為韓國，印度和土耳其。

本集團與國際一線服飾品牌維持長期穩定的合作，包括UNIQLO, LORO PIANA和MUJI等等。

原材料採購及產能

本集團主要從法國、比利時和荷蘭等高质量產地進口原材料亞麻纖維，以保證原材料的質量水平。根據中國海關統計數字顯示，從二零一零年開始，本集團為歐洲亞麻原材料的最大買家，對市場價格有較強的議價能力及影響力，有助於集團控制原材料採購成本。本集團亦有極少量原材料來自新疆生產基地自產，用於生產有機亞麻。

Management Discussion and Analysis

管理層討論及分析

For the six months ended 30 June 2014, the Group had three production bases in Haiyan County, Zhejiang Province (1st Phase of the Haiyan Plant), Rugao, Jiangsu Province and Haiyan County, Zhejiang Province (2nd Phase of the Haiyan Plant), with annual production capacities of 7,000 tons, 6,000 tons and 5,000 tons, respectively. Both the first two production bases have a 100% utilisation rates. The third production base was put into operation in April 2014, and its annual production capacity is expected to increase the Group's aggregate annual production to 18,000 tons. With the advanced equipment for its unique spinning technique, namely wet spinning and long and short spinning, the Group can manufacture products with multiple specifications of 3-75nm, thereby broadening the choices of its clients and satisfying them at the same time.

FINANCIAL REVIEW

Turnover

For the six months ended 30 June 2014, the Group's turnover dropped by approximately 6.6% to approximately RMB364.6 million (six months ended 30 June 2013: approximately RMB390.5 million). The year-on-year turnover drop as shown in the statement of profit or loss for the first half of 2014 was attributable to the nearly full utilisation of the Group's production lines in the first half of both 2013 and 2014, and a higher sales in the first half of 2013 of additional inventories stocked at the end of 2012, which formed a higher base figure for turnover comparison. For the six months ended 30 June 2014, the Group's export turnover amounted to RMB240.6 million (six months ended 30 June 2013: approximately RMB279.6 million), representing a drop of 14% as compared with the corresponding period last year. The drop was mainly due to the higher sales base last year.

截至二零一四年六月三十日止六個月，本集團共擁有三個生產基地，位於浙江省海鹽縣（海鹽一期）和江蘇省如皋市的生產基地年產能分別為7,000噸及6,000噸，產能利用率均為100%；浙江省海鹽縣（海鹽二期）生產基地已成功於二零一四年四月正式投產，新增年產能5,000噸，總產能預計會達到18,000噸。本集團擁有行業獨有的紡紗工藝—濕紡工藝及長紡和短紡的領先設備，可生產3-75nm多規格產品，充分引導及滿足客戶多方位的產品需求。

財務回顧

營業額

截至二零一四年六月三十日止六個月，本集團的營業額下降了約6.6%至約人民幣364,600,000元（截至二零一三年六月三十日止六個月：約人民幣390,500,000元）。二零一三年上半年與二零一四年上半年集團生產線均滿負荷生產，由於二零一三年上半年亦銷售了二零一二年底的大量存貨，提高了營業額同比基數，因此二零一四年上半年損益表中營業額同比下降。截至二零一四年六月三十日止六個月，本集團外銷營業額為人民幣240,600,000元（截至二零一三年六月三十日止六個月：約人民幣279,600,000元），較去年同期減少14%，主要是由於去年比較高的營業額同比基數所致。

Management Discussion and Analysis

管理層討論及分析

The breakdown of turnover by sales regions is as follows:

Sales regions:

China	中國
European Union	歐盟國
Non-European Union	非歐盟國
Total	總額

按銷售地區分佈的營業額如下：

銷售地區：

For the six months ended 30 June	
截至六月三十日止六個月	
2014	2013
二零一四年	二零一三年
RMB'000	RMB'000
人民幣千元	人民幣千元
(Unaudited)	(Unaudited)
(未經審核)	(未經審核)
123,984	110,932
104,208	119,197
136,392	160,419
364,584	390,548

Gross Profit and Gross Profit Margin

For the six months ended 30 June 2014, the Group's gross profit recorded a drop of 3.4% to approximately RMB104.7 million (six months ended 30 June 2013: approximately RMB108.4 million). For the six months ended 30 June 2014, gross profit margin was approximately 28.7% (six months ended 30 June 2013: approximately 27.7%), representing an improvement of 1.0 percentage points, which was mainly attributable to the increase in the prices of linen yarns by approximately 5% in early 2014.

Other Income

For the six months ended 30 June 2014, other income mainly comprised government grants of approximately RMB2.3 million (six months ended 30 June 2013: compensation income of approximately RMB2.56 million arisen from the default by suppliers and fair value gain on derivative instruments of approximately RMB4.4 million).

毛利及毛利率

截至二零一四年六月三十日止六個月，本集團毛利下降3.4%至約人民幣104,700,000元（截至二零一三年六月三十日止六個月：約人民幣108,400,000元）。截至二零一四年六月三十日止六個月，毛利率約為28.7%（截至二零一三年六月三十日止六個月：約27.7%），增加了1.0個百分點，主要是由於二零一四年初亞麻紗線的價格上調約5%所致。

其他收益

截至二零一四年六月三十日止六個月，其他收益主要包括約人民幣2,300,000元的政府補助（截至二零一三年六月三十日止六個月：供應商違約產生的賠償金收入約人民幣2,560,000元及衍生工具公允價值變動收益約人民幣4,400,000元）。

Management Discussion and Analysis

管理層討論及分析

Selling and Distribution Costs

For the six months ended 30 June 2014, the Group's selling and distribution costs amounted to approximately RMB15.5 million (six months ended 30 June 2013: approximately RMB15.8 million), which accounted for approximately 4.2% of the Group's total turnover (six months ended 30 June 2013: approximately 4.0%). The drop was in line with the decrease in the Group's revenue for the six months ended 30 June 2014.

Administrative Expenses

For the six months ended 30 June 2014, the Group's administrative expenses amounted to approximately RMB21.6 million (six months ended 30 June 2013: approximately RMB23.9 million), representing a reduction of approximately 9.3% as compared with the corresponding period last year. The decrease was mainly due to the reversal of the Group's allowance for doubtful debts and the write-down of inventories to net realisable value for the six months ended 30 June 2014.

Other Expenses

For the six months ended 30 June 2014, other expenses mainly comprised investment loss of derivative instruments of RMB5.4 million, foreign exchange losses of RMB4.2 million and losses of RMB0.4 million of the Group's assets due to a fire accident in March 2014, net of compensation received from the insurance company (six months ended 30 June 2013: exchange loss of approximately RMB3.4 million).

Finance Costs

For the six months ended 30 June 2014, net finance costs decreased by approximately 32% to approximately RMB4.0 million (six months ended 30 June 2013: approximately RMB5.9 million), which was mainly due to more interest expenses being capitalised during the period.

Share of Profit/(Loss) of an Associate

For the six months ended 30 June 2014, share of profit 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 RMB76,000 (six months ended 30 June 2013: share of loss of an associate of approximately RMB138,000).

銷售及分銷成本

截至二零一四年六月三十日止六個月，本集團的銷售及分銷成本約為人民幣15,500,000元（截至二零一三年六月三十日止六個月：約人民幣15,800,000元），佔本集團總營業額約4.2%（截至二零一三年六月三十日止六個月：約4.0%）。下降是符合本集團截至二零一四年六月三十日止六個月的收入減少。

行政開支

截至二零一四年六月三十日止六個月，本集團的行政開支約為人民幣21,600,000元（截至二零一三年六月三十日止六個月：約人民幣23,900,000元），較去年同期減少約9.3%。行政開支減少，主要乃由於本集團截至二零一四年六月三十日止六個月撥回呆賬撥備及撇減存貨至可變現淨值所致。

其他開支

截至二零一四年六月三十日止六個月，其他開支主要包括衍生工具投資虧損人民幣5,400,000元、匯兌損失人民幣4,200,000元及因二零一四年三月發生火災而令本集團損失的資產（已扣除保險公司發放的賠償）人民幣400,000元（截至二零一三年六月三十日止六個月：匯兌損失約人民幣3,400,000元）。

財務成本

截至二零一四年六月三十日止六個月，財務成本淨額減少約32%至約人民幣4,000,000元（截至二零一三年六月三十日止六個月：約人民幣5,900,000元）。財務成本減少，主要乃由於本期更多的利息費用被資本化。

應佔一間聯營公司溢利／（虧損）

截至二零一四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76,000元（截至二零一三年六月三十日止六個月：應佔一間聯營公司虧損約人民幣138,000元）。

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Profit Attributable to Owners of the Parent

For the six months ended 30 June 2014, the Group's profit attributable to owners of the parent decreased by 12% to approximately RMB41.8 million as compared with the corresponding period last year (six months ended 30 June 2013: approximately RMB47.8 million).

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2014, the Group had net current assets of approximately RMB329.3 million (as at 31 December 2013: approximately RMB371.4 million). The Group financed its operations with internally generated resources and bank loans during the six months ended 30 June 2014.

As at 30 June 2014, the Group had cash and bank deposits of approximately RMB158.4 million (as at 31 December 2013: approximately RMB201.7 million). The liquidity ratio of the Group as at 30 June 2014 was approximately 174% (as at 31 December 2013: approximately 201%).

Total equity of the Group as at 30 June 2014 was approximately RMB894.5 million (as at 31 December 2013: approximately RMB890.0 million).

As at 30 June 2014, the Group had bank loans repayable within 12 months from the statement of financial position date of approximately RMB236.5 million (as at 31 December 2013: approximately RMB188.5 million) and long-term loans of approximately RMB50.0 million (as at 31 December 2013: approximately RMB50.0 million). Together they represented a gross debt gearing (i.e. total borrowings/total equity) of approximately 32.0% (as at 31 December 2013: approximately 26.8%). The Board believes that the Group's existing financial resources are sufficient for the Group's capital expenditure requirement in the remaining period of 2014.

CAPITAL COMMITMENTS

As at 30 June 2014, outstanding contractual capital commitments of the Group in respect of the purchases of property, plant and equipment not provided for in the interim report amounted to approximately RMB25,391,000 (as at 31 December 2013: approximately RMB79,505,000).

母公司擁有人應佔溢利

截至二零一四年六月三十日止六個月，本集團的母公司擁有人應佔溢利較去年同期減少12%至約人民幣41,800,000元（截至二零一三年六月三十日止六個月：約人民幣47,800,000元）。

流動資金及財務資源

於二零一四年六月三十日，本集團的流動資產淨值約為人民幣329,300,000元（於二零一三年十二月三十一日：約人民幣371,400,000元）。本集團於截至二零一四年六月三十日止六個月內以內部資源及銀行貸款為其營運提供資金。

於二零一四年六月三十日，本集團的現金及銀行存款約為人民幣158,400,000元（於二零一三年十二月三十一日：約人民幣201,700,000元）。本集團於二零一四年六月三十日的流動比率約為174%（於二零一三年十二月三十一日：約201%）。

本集團於二零一四年六月三十日的權益總額約為人民幣894,500,000元（於二零一三年十二月三十一日：約人民幣890,000,000元）。

於二零一四年六月三十日，本集團須於結算日起計十二個月內償還的銀行貸款約為人民幣236,500,000元（於二零一三年十二月三十一日：約人民幣188,500,000元），長期貸款約人民幣50,000,000元（於二零一三年十二月三十一日：約人民幣50,000,000元）。兩者反映的總資本負債率（即總借貸／權益總額）約為32.0%（於二零一三年十二月三十一日：約26.8%）。董事會相信，本集團現有的財務資源足以應付本集團於二零一四年餘下期間的資本開支需要。

資本承擔

於二零一四年六月三十日，本集團就購買物業、廠房及設備未在中期報告內計提的未償還合約資本承擔約為人民幣25,391,000元（於二零一三年十二月三十一日：約人民幣79,505,000元）。

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CONTINGENT LIABILITIES

As at 30 June 2014, the Group did not have any contingent liabilities.

CHARGE OF ASSETS

As at 30 June 2014, 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 RMB73,435,000 (as at 31 December 2013: approximately RMB44,532,000), approximately RMB45,427,000 (as at 31 December 2013: approximately RMB46,443,000), approximately RMB40,000,000 (as at 31 December 2013: approximately RMB72,799,000) and approximately RMB64,879,000 (as at 31 December 2013: approximately RMB37,802,000), respectively.

MATERIAL INVESTMENTS

There was no material acquisition or disposal of the Group's subsidiaries and associates during the six months ended 30 June 2014.

FOREIGN CURRENCY RISK

The Group's transactions are mainly denominated in Renminbi, 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 utilising its existing credit line, and derivative financial instruments of approximately RMBNil was recognised by the Group as assets as at 30 June 2014 (as at 31 December 2013: assets of approximately RMB7.8 million).

REMUNERATION POLICY AND SHARE OPTION SCHEME

As at 30 June 2014, the Group had a total of 2,502 employees (30 June 2013: 2,096 employees). Total staff costs incurred for the six months ended 30 June 2014 amounted to approximately RMB64.5 million (six months ended 30 June 2013: approximately RMB52.4 million).

或有負債

於二零一四年六月三十日，本集團並無任何或有負債。

資產抵押

於二零一四年六月三十日，計息銀行貸款以本集團賬面金額分別約人民幣73,435,000元（於二零一三年十二月三十一日：約人民幣44,532,000元）、約人民幣45,427,000元（於二零一三年十二月三十一日：約人民幣46,443,000元）、約人民幣40,000,000元（於二零一三年十二月三十一日：約人民幣72,799,000元）及約人民幣64,879,000元（於二零一三年十二月三十一日：約人民幣37,802,000元）的若干物業、廠房及設備、土地租賃預付款項、存貨以及已抵押存款作抵押。

重大投資

於截至二零一四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、歐元及港元為單位。本集團定期監察該等貨幣之間的匯率變動，並作出妥善管理。目前，本公司亦運用現有的信貸額訂立了若干外匯遠期合約，而於二零一四年六月三十日，本集團已確認的衍生金融工具資產約為人民幣零元（於二零一三年十二月三十一日：資產約人民幣7,800,000元）。

薪酬政策及購股權計劃

於二零一四年六月三十日，本集團合共聘有2,502名僱員（二零一三年六月三十日：2,096名僱員）。截至二零一四年六月三十日止六個月產生的僱員總成本約為人民幣64,500,000元（截至二零一三年六月三十日止六個月：約人民幣52,400,000元）。

Management Discussion and Analysis 管理層討論及分析

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 employees' respective qualifications, 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 programs to 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 2014, the Company had no outstanding share options under the Scheme.

OUTLOOK AND PLANS

Looking forward, the Group will take advantage of its leading position in the industry to seize every market opportunity. To do so, the Group will implement a wide range of measures such as boosting its production capacity, rolling out new products and expanding further in the domestic and overseas markets so as to secure additional market share in the linen textile industry.

本集團為其僱員提供全面及具吸引力的薪金、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。

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

本集團於二零零六年十一月十五日設立購股權計劃（「計劃」），目的為向對本集團業務之成功作出貢獻的董事（包括獨立非執行董事）及本集團的其他僱員提供獎勵及激勵。

於二零一四年六月三十日，本公司計劃項下沒有尚未行使購股權。

前景及計劃

展望未來，本集團將充分把握市場機遇，全力發揮作為行業領袖的絕對優勢，通過提升產能、繼續推出新產品及進一步拓展海內外市場等發展策略，進一步擴大本集團於亞麻紡織行業的市場份額。

Management Discussion and Analysis 管理層討論及分析

As stated above, the smooth operation of the Group's production base in Haiyan County, Zhejiang Province (2nd Phase of the Haiyan Plant) will greatly enhance the production capacity of the Group. Furthermore, in view of the abundant human resources, low labour costs and favourable taxation treatments offered by the governments in certain overseas countries, the Group has also embarked on establishing production bases in overseas markets. On 17 July 2014, the Group signed an investment agreement with the Ministry of Industry of Ethiopia for the development and construction of the Kingdom Linen Industrial Zone. The first project, with an estimated annual production capacity of 5,000 tons of linen yarn, will commence construction in or around March 2015 and is expected to commence production by September 2016. To facilitate the construction of the Kingdom Linen Industrial Zone, the Ministry of Industry of Ethiopia has committed to support the Group by leasing a parcel of land of 300,000 square metres with a land use rights of 70 years to the Group. The Ministry of Industry of Ethiopia will also facilitate the provisions of electricity supply, sewerage discharge outlets, telecommunications system and expressway infrastructure to ensure the smooth development, construction and operation of the Kingdom Linen Industrial Zone. The increase in production capacity will help the Group to better satisfy the enormous demand from customers at home and abroad and boost its overall income, thereby fundamentally solving the shortage in supply and creating a win-win situation for the Group and its customers.

The Group will continue its efforts in marketing one of its new products, namely dope-dyed linen yarn. Due to its complete colour scheme, this linen yarn line breaks the dull monotone of conventional products and can be used to produce a wide range of fabrics that better fit for the production of trendy garments. Moreover, the gross profit margin of dope-dyed linen yarn can be as high as 35% since its average selling price is more than a double of the conventional products. Therefore, dope-dyed linen yarn will broaden the profit of the Group.

如上文所說，浙江省海鹽縣（海鹽二期）生產基地的順利投產將大大提升本集團的生產產能；此外，由於海外部份國家人力資源充足及人力成本較為低廉，且當地政府為企業提供優惠的稅收政策，本集團亦已拉開於海外市場興建生產基地的帷幕。於二零一四年七月十七日，本集團與埃塞俄比亞工業部簽訂投資協議，開發及興建金達亞麻工業園項目，第一個項目的估計年產能達5,000噸亞麻紗，將於二零一五年三月或前後動工，並預計於二零一六年九月或之前投產。埃塞俄比亞工業部將向本集團出租一幅面積為300,000平方米的土地，以供興建金達亞麻工業園，土地使用權為期70年，藉此向本集團提供支援。埃塞俄比亞工業部亦將協助提供供電、排污出口、電訊系統及高速公路等基礎設施，以確保金達亞麻工業園順利開發、興建及運作。提升生產產能，可助本集團更好地把握海內外客戶的大量訂單需求，從根本上解決供不應求的現狀，實現本集團與客戶雙贏的局面，進而提升整體收入水平。

本集團將繼續大力推廣高附加值新產品色紡紗。由於此亞麻紗產品色彩豐富齊全，擺脫了傳統產品單一色彩的限制，能更廣泛的應用於生產各種面料，更適應流行服飾的要求。此外，色紡紗產品毛利率高達35%，平均銷售價格較傳統產品高一倍之多，因此色紡紗能為集團帶來更為廣闊的利潤空間。

Management Discussion and Analysis 管理層討論及分析

The Group will also invest in the automation of its plants in order to reduce labour costs and mitigate workplace safety risks along the production chain. The Group has installed energy management, power, water and steam equipment solutions provided by Siemens AG of Germany at its new production base with a view to ensuring high operation efficiency and lowering energy costs. The introduction of these solutions will help the Group to enhance its level of automation and signifies a major step towards production automation and modernisation.

As the Chinese linen yarn market matures day by day with more and more large domestic fashion chains opting for linen fabrics, the market focus has shifted from processing and export to domestic sales. In the future, the Group will enlarge its efforts in developing the domestic market. Given a population of 1.3 billion and the Group's advantageous position in its motherland, China will offer enormous market potential to the Group in the coming years. On the other hand, the Group will also aggressively explore overseas market. At a linen yarn industry conference in Turkey in May 2014, the Group had thorough discussions and exchanges with its clients and suppliers in China, other countries in Asia and Europe so as to reinforce its relationship with the clients and promote its brand image. All the above efforts will further strengthen the Group's leading position in the industry and achieve dual expansion in the domestic and overseas markets.

本集團亦將投放資金於廠房建立生產自動化設施系統，可減少人工僱傭成本及降低員工於生產線工作的安全隱患。本集團亦於新生產基地採用了德國西門子有限公司為我們提供能源管理及電力、水力及蒸汽設備的解決方案，以確保高效運營及降低能源成本。此系列方案的引入可助本集團大大提升自動化程度，標誌着本集團向生產自動化及現代化邁出了重要的一步。

中國亞麻紗市場漸趨成熟，越來越多國內大型連鎖服裝品牌開始採用亞麻面料，市場趨勢逐漸從加工外銷轉向內銷。本集團未來會更進一步深入開發國內市場，借助中國龐大的十三億人口及本集團扎根中國的地利優勢，國內市場的潛能預期可在未來數年釋放。本集團亦積極拓展海外市場。已於二零一四年五月於土耳其參加亞麻紗行業交流會，跟中國、亞洲其他國家及歐洲國家的客戶及供應商進行研討，藉此交流機會鞏固本集團與客戶之間的關係，提升品牌形象，進一步穩固本集團的行業領軍地位，確保海內市場及海外市場業務並駕齊驅、並行增長。

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

As at 30 June 2014, 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, Chapter 571 of the Laws of Hong Kong (the "SFO")), which were notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept under Section 352 of the SFO or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules to be notified to the Company and the Stock Exchange:

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

董事及最高行政人員於股份、相關股份及債券擁有的權益及淡倉

於二零一四年六月三十日，董事及彼等的聯繫人於本公司及其相聯法團（定義見香港法例第571章證券及期貨條例（「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XV部第7及8分部已知會本公司及香港聯合交易所有限公司（「聯交所」）的權益（包括證券及期貨條例有關條文彼等被當作或視作擁有的權益或淡倉），或根據證券及期貨條例第352條已記入該條規定存置的登記冊的權益，或按照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

Name of Director	董事姓名	Ordinary shares of HK\$ 0.01 each 每股面值0.01港元普通股			Approximately percentage of issued share capital (%)
		Personal interests (Note 1)	Corporate interests	Total number of Shares held	
		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	12,072,000	279,200,000 (Note 2) (附註2)	291,272,000	46.12
Mr. Ngan Kam Wai Albert	顏金煒先生	-	67,000,000 (Note 3) (附註3)	67,000,000	10.61
Mr. Tse Chau Shing Mark	謝宙勝先生	17,550,000	-	17,550,000	2.78

Notes:

附註：

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

1. 該等股份以作為受益股東的董事的名義登記。

Disclosure of Interests 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)由任維明先生持有約76.38%的已發行股本。因此，任先生對Kingdom Investment (BVI)持有控制權益。根據證券及期貨條例，任先生因而被視為於由Kingdom Investment (BVI)持有的股份中擁有權益。
3. Mr. Ngan Kam Wai Albert and Ms. Ngan Chan Kattie Sau Kat, the spouse of Mr. Ngan, holds approximately 51.00% and 23.00% of the issued share capital of Millionfull International (as defined below) and 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. 10.26%, 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)分別持有約51.00%及23.00%的已發行股本，而億裕有限公司則由彼等分別持有50.22%及22.33%的已發行股本。因此，顏先生對Millionfull International及億裕有限公司持有控制權益。根據證券及期貨條例，顏先生因而被視為於由Millionfull International持有的64,800,000股股份(即10.26%)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 2014, no share options were granted to the Directors or any of their associates.

Save as disclosed above, as at 30 June 2014, none of the Directors or their associates had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept under Section 352 of the SFO or which were required to be 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.

As at 30 June 2014 and the date of this report, there was no share option outstanding under the share option scheme of the Company.

購股權

於二零一四年六月三十日，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，於二零一四年六月三十日，概無董事或彼等的聯繫人於本公司或其任何相關法團(定義見證券及期貨條例第XV部)的股份、相關股份及債券中，擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的任何權益或淡倉(包括證券及期貨條例有關條文彼等被當作或視作擁有的權益或淡倉)，或根據證券及期貨條例第352條已記入該條規定存置的登記冊，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任何其他法人團體的股份或債券的方式獲得利益。

於二零一四年六月三十日及本報告日期，本公司購股權計劃下並無任何未獲行使的購股權。

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

So far as is known to any Director, as at 30 June 2014, 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 would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under Section 336 of the SFO:

Long positions in Shares

主要股東的權益及淡倉

就任何董事目前所知，於二零一四年六月三十日，以下人士（本公司董事或最高行政人員除外）於本公司股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部條文須向本公司披露，或根據證券及期貨條例第336條已記入該條規定存置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	44.21
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	10.26
Millionfull International Co., Ltd. ("Millionfull International") (附註2)	實益擁有人		
Asian Equity Special Opportunities Portfolio Master Fund Limited (Note 3)	Beneficial owner	33,857,000	5.36
Asian Equity Special Opportunities Portfolio Master Fund Limited (附註3)	實益擁有人		
RAYS Capital Partners Limited (Note 3)	Beneficial owner and interest of controlled company	44,629,000	7.07
RAYS Capital Partners Limited (附註3)	實益擁有人及 受控制公司權益		
YIP, Yok Tak Amy (Note 3)	Interest of controlled companies	44,629,000	7.07
葉約德 (附註3)	受控制公司權益		
Ruan, Ching Chi David (Note 3)	Interest of controlled companies	44,629,000	7.07
阮清旗 (附註3)	受控制公司權益		

Disclosure of Interests 權益披露

Notes:

1. Kingdom Investment (BVI) is owned as to 76.38% by Mr. Ren Wei Ming, an executive Director and substantial shareholder of the Company.
2. 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.
3. Asian Equity Special Opportunities Portfolio Master Fund Limited is beneficially owned by RAYS Capital Partners Limited. RAYS Capital Partners Limited is 50% beneficially owned by YIP, Yok Tak Amy and 50% beneficially owned by Ruan, Ching Chi David.

Save as disclosed above, as at 30 June 2014, 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 would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

附註：

1. 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。
2. 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。
3. Asian Equity Special Opportunities Portfolio Master Fund Limited由RAYS Capital Partners Limited實益擁有。RAYS Capital Partners Limited由葉約德及阮清旗分別實益擁有50%權益。

除以上所披露者外，於二零一四年六月三十日，本公司並無獲任何人士（本公司董事或最高行政人員除外）知會，其於本公司的股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部條文須向本公司披露，或根據證券及期貨條例第336條已記入該條規定由本公司存置的登記冊的權益或淡倉。

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

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

The Company has not redeemed any of its listed shares for the six months ended 30 June 2014. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed shares during the six months ended 30 June 2014.

INTERIM DIVIDEND

The Board has resolved not to recommend any interim dividend for the six months ended 30 June 2014.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules 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 2014 and up to the date of this report.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE OF THE LISTING RULES

The Company is committed to the establishment of good corporate governance practices and procedures with a view to being a transparent and responsible 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 deviation from paragraphs A.2.1 and A.6.7 of the Corporate Governance Code (the "Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") as disclosed below, the Company has complied with the code provisions set out in the Code throughout the six months ended 30 June 2014.

購買、出售或贖回本公司上市股份

本公司於截至二零一四年六月三十日止六個月內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二零一四年六月三十日止六個月內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二零一四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

本公司已就董事進行證券交易採納上市規則附錄十所載上市發行人董事進行證券交易的標準守則（「標準守則」），其條款不遜於標準守則所載的規定標準。經向全體董事作出特定查詢後，董事已確認於截至二零一四年六月三十日止六個月及直至本報告日期，彼等一直遵守標準守則所載的規定標準及本公司有關董事進行證券交易的行為守則。

遵守上市規則企業管治守則

本公司致力建立良好企業管治常規及程序，以成為具透明度及負責任的組織，並對本公司股東公開及負責。董事相信，良好企業管治常規對維持及提升投資者信心日益重要。董事認為，除下文所披露偏離香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四所載企業管治守則（「守則」）第A.2.1及A.6.7段的情況外，本公司於截至二零一四年六月三十日止六個月一直遵守守則內的守則條文。

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

Code Provision A.2.1

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

The Company does not have any officer with the title of “chief executive officer”. Mr. Ren 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

Independent non-executive directors and other non-executive directors, as equal board members, should give the board and any committees on which they serve the benefit of their skills, expertise and varied backgrounds and qualifications through regular attendance and active participation. They should also attend general meetings and develop a balanced understanding of the views of shareholders.

In respect of code provision A.6.7 of the Code, Mr. Lo Kwong Shun Wilson, an independent non-executive director was unable to attend the annual general meeting of the Company held on 19 May, 2014 due to unforeseen urgent matters.

守則條文第A.2.1條

根據守則的守則條文第A.2.1條，本公司的主席及行政總裁應有清晰的職責分工，兩職不應由同一人士擔任。

本公司並無任何高級職員擁有「行政總裁」職銜。任維明先生為本公司主席，亦負責監察本集團一般營運。董事會將定期舉行會議，以考慮影響本公司營運的重要事宜。董事會認為此架構將不會損害董事會與本公司管理層之間的權力及職權平衡，且有助於建立有力而穩定的領導層，使本公司能有效營運。

守則條文第A.6.7條

獨立非執行董事及其他非執行董事作為與其他董事擁有同等地位的董事會成員，應定期出席董事會及其同時出任委員會成員的委員會的會議並積極參與會務，以其技能、專業知識及不同背景及資格作出貢獻。彼等並應出席股東大會，對股東的意見有公正了解。

就守則的守則條文第A.6.7條而言，獨立非執行董事羅廣信先生因突發緊急事宜而未能出席本公司於二零一四年五月十九日舉行的股東週年大會。

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 2014 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.

審核委員會及中期業績審閱

本公司已遵照上市規則第3.21及3.22條成立審核委員會（「**審核委員會**」），並訂出符合守則的書面職權範圍。審核委員會的主要職責為檢討及監察本集團財務申報程序及內部監控制度，並向董事會提供意見及評議。審核委員會由三名屬獨立非執行董事的成員組成，分別為劉英傑先生、楊東輝先生及羅廣信先生，而於會計事宜擁有適當專業資格及經驗的劉英傑先生獲委任為審核委員會主席。本集團截至二零一四年六月三十日止期間的中期業績已由審核委員會審閱。

致謝

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

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

For the six months ended 30 June 2014 截至二零一四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	
				2014 二零一四年	2013 二零一三年
				RMB'000 人民幣千元	RMB'000 人民幣千元
				(Unaudited) (未經審核)	(Unaudited) (未經審核)
		Notes 附註			
REVENUE	收入	4	364,584	390,548	
Cost of sales	銷售成本		(259,906)	(282,197)	
Gross profit	毛利		104,678	108,351	
Other income and gains	其他收益及得益	4	2,746	8,363	
Selling and distribution costs	銷售及分銷成本		(15,459)	(15,771)	
Administrative expenses	行政開支		(21,656)	(23,876)	
Other expenses	其他開支	6	(10,851)	(5,513)	
Finance costs	財務成本	5	(4,042)	(5,945)	
Share of profit/(loss) of an associate	應佔一間聯營公司溢利/ (虧損)		76	(138)	
PROFIT BEFORE INCOME TAX EXPENSE	除所得稅開支前溢利	6	55,492	65,471	
Income tax expense	所得稅開支	7	(13,705)	(17,623)	
PROFIT FOR THE PERIOD	期內溢利		41,787	47,848	
Attributable to:	應佔:				
Owners of the parent	母公司擁有人		41,787	47,848	
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		RMB人民幣0.07元	RMB人民幣0.08元	
Diluted	攤薄		RMB人民幣0.07元	RMB人民幣0.08元	

Interim Condensed Consolidated Statement of Comprehensive Income 中期簡明合併全面收益表

For the six months ended 30 June 2014 截至二零一四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	
		2014 二零一四年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2013 二零一三年 RMB'000 人民幣千元 (Unaudited) (未經審核)
PROFIT FOR THE PERIOD	期內溢利	<u>41,787</u>	<u>47,848</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods:	將於往後期間重新分類至損益的其他全面收益：		
Exchange differences on translation of foreign operations	海外業務換算的匯兌差額	<u>(18)</u>	<u>(384)</u>
TOTAL COMPREHENSIVE INCOME, FOR THE PERIOD	期內全面收益總額	<u>41,769</u>	<u>47,464</u>
Attributable to: Owners of the parent	應佔： 母公司擁有人	<u>41,769</u>	<u>47,464</u>

Interim Condensed Consolidated Statement of Financial Position

中期簡明合併財務狀況表

As at 30 June 2014 於二零一四年六月三十日

			30 June 2014 二零一四年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2013 二零一三年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	10	535,834	455,091
Investment property	投資物業		3,667	3,754
Prepaid land lease payments	土地租賃預付款項		54,012	54,654
Intangible asset	無形資產	11	9,909	10,212
Investment in an associate	於一間聯營公司的投資		5,959	5,883
Prepayments for equipment	設備預付款項		8,928	40,125
Deferred tax assets	遞延稅項資產		6,021	5,920
Total non-current assets	非流動資產總值		<u>624,330</u>	<u>575,639</u>
CURRENT ASSETS	流動資產			
Inventories	存貨	12	296,011	264,344
Trade and notes receivables	應收貿易賬款及應收票據	13	176,513	162,753
Prepayments, deposits and other receivables	預付款、押金及其他應收款項		77,462	33,916
Derivative financial instruments	衍生金融工具	17	-	7,819
Pledged deposits	已抵押存款		64,879	68,625
Cash and cash equivalents	現金及現金等價物		158,380	201,698
Total current assets	流動資產總值		<u>773,245</u>	<u>739,155</u>
CURRENT LIABILITIES	流動負債			
Trade and notes payables	應付貿易賬款及應付票據	14	99,347	115,902
Other payables and accruals	其他應付款項及預提費用		71,213	37,402
Interest-bearing bank borrowings	計息銀行借貸	15	236,481	188,548
Dividend payable	應付股息		14,083	167
Tax payable	應付稅項		22,734	25,690
Amount due to a related company	應付一間關連公司款項		100	-
Total current liabilities	流動負債總值		<u>443,958</u>	<u>367,709</u>
NET CURRENT ASSETS	流動資產淨值		<u>329,287</u>	<u>371,446</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		<u>953,617</u>	<u>947,085</u>

Interim Condensed Consolidated Statement of Financial Position

中期簡明合併財務狀況表

As at 30 June 2014 於二零一四年六月三十日

		30 June 2014 二零一四年 六月三十日	31 December 2013 二零一三年 十二月三十一日
	<i>Notes 附註</i>	RMB'000 人民幣千元 (Unaudited) (未經審核)	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	9,115	7,110
Interest-bearing bank borrowings	計息銀行借貸	50,000	50,000
		<hr/>	<hr/>
Total non-current liabilities	非流動負債總值	59,115	57,110
Net assets	資產淨值	894,502	889,975
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	6,345	6,345
Reserves	儲備	888,157	846,388
Proposed final dividend	建議末期股息	-	37,242
		<hr/>	<hr/>
Total equity	權益總額	894,502	889,975

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

For the six months ended 30 June 2014 截至二零一四年六月三十日止六個月

		Attributable to owners of the parent 母公司擁有人應佔								
		Issued capital 已發行股本	Share premium 股份溢價	Merger reserve 合併儲備	Statutory reserve 法定儲備	Share option reserve 購股權儲備	Exchange reserve 匯兌儲備	Proposed final dividend 建議末期股息	Retained profits 保留溢利	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2014	於二零一四年一月一日	6,345	273,407	196,816	79,927	-	(1,521)	37,242	297,759	889,975
Profit for the period	期內溢利	-	-	-	-	-	-	-	41,787	41,787
Exchange differences on translation of foreign operations	海外業務換算的匯兌差額	-	-	-	-	-	(18)	-	-	(18)
Total comprehensive income for the period	期內全面收益總額	-	-	-	-	-	(18)	-	41,787	41,769
Final 2013 dividend declared	已宣派二零一三年末期股息	-	-	-	-	-	-	(37,242)	-	(37,242)
At 30 June 2014 (Unaudited)	於二零一四年六月三十日 (未經審核)	<u>6,345</u>	<u>273,407</u>	<u>196,816</u>	<u>79,927</u>	<u>-</u>	<u>(1,539)</u>	<u>-</u>	<u>339,546</u>	<u>894,502</u>
At 1 January 2013	於二零一三年一月一日	6,301	270,181	196,816	71,258	1,285	(1,731)	35,537	243,232	822,879
Profit for the year	年內溢利	-	-	-	-	-	-	-	47,848	47,848
Exchange differences on translation of foreign operations	海外業務換算的匯兌差額	-	-	-	-	-	(384)	-	-	(384)
Total comprehensive income for the period	期內全面收益總額	-	-	-	-	-	(384)	-	47,848	47,464
Equity-settled share option arrangements	以權益結算購股權安排	-	-	-	-	257	-	-	-	257
Final 2012 dividend declared	已宣派二零一二年末期股息	-	-	-	-	-	-	(35,537)	-	(35,537)
At 30 June 2013 (Unaudited)	於二零一三年六月三十日 (未經審核)	<u>6,301</u>	<u>270,181</u>	<u>196,816</u>	<u>71,258</u>	<u>1,542</u>	<u>(2,115)</u>	<u>-</u>	<u>291,080</u>	<u>835,063</u>

Interim Condensed Consolidated Statement of Cash Flows

中期簡明合併現金流量表

For the six months ended 30 June 2014 截至二零一四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	
		2014 二零一四年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2013 二零一三年 RMB'000 人民幣千元 (Unaudited) (未經審核)
CASH FLOWS FROM OPERATING ACTIVITIES	經營活動的現金流量		
Profit before tax	除稅前溢利	55,492	65,471
Adjustments for:	調整項目：		
Share of profits and losses of an associate	應佔一間聯營公司溢利及虧損	(76)	138
Fair value losses/(gains) on derivative instruments – transactions not qualifying as hedges	不合資格作對沖之衍生工具交易之 公允價值虧損／(得益)	5,401	(4,384)
Equity-settled share option expense	以權益結算購股權開支	–	257
Depreciation	折舊	26,000	25,123
Amortisation of prepaid land lease payments	土地租賃預付款項攤銷	777	729
Amortisation of an intangible asset	無形資產攤銷	303	303
(Reversal of)/provision for impairment of inventories	(存貨減值撥備轉回)／存貨減值 撥備	(935)	13
Loss on disposal of items of property, plant and equipment	出售物業、廠房及設備項目虧損	860	–
(Reversal of)/provision for impairment of doubtful debts	(呆賬減值撥備轉回)／呆賬減值 撥備	(228)	3,790
Finance costs	財務成本	4,042	5,945
Bank interest income	銀行利息收入	(307)	(618)
		91,329	96,767
Increase in inventories	存貨增加	(30,732)	(30,708)
(Increase)/decrease in trade and notes receivables	應收貿易賬款及應收票據 (增加)／減少	(13,532)	30,269
Increase in prepayments, deposits and other receivables	預付款、押金及其他應收款項 增加	(43,611)	(22,642)
Decrease in derivative financial instruments	衍生金融工具減少	2,418	68
(Decrease)/increase in trade and notes payables	應付貿易賬款及應付票據 (減少)／增加	(16,555)	91,536
Increase/(decrease) in other payables and accruals	其他應付款項及預提費用 增加／(減少)	7,642	(8,016)
Increase/(decrease) in an amount due to a related company	應付一間關連公司款項 增加／(減少)	100	(55)
Cash (used in)/generated from operations	經營活動(所用)／產生的現金	(2,941)	157,219
Interest received	已收利息	307	618
Income tax paid	已付所得稅	(14,757)	(12,844)
Net cash flows (used in)/generated from operating activities	經營活動(所用)／產生的 現金流量淨額	(17,391)	144,993

Interim Condensed Consolidated Statement of Cash Flows

中期簡明合併現金流量表

For the six months ended 30 June 2014 截至二零一四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	
		2014 二零一四年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2013 二零一三年 RMB'000 人民幣千元 (Unaudited) (未經審核)
CASH FLOWS FROM INVESTING ACTIVITIES		投資活動的現金流量	
Purchases of items of property, plant and equipment	購置物業、廠房及設備項目	(45,618)	(35,575)
Prepayments for equipment	設備預付款項	(8,928)	–
Purchase of an investment property	購置投資物業	–	(3,855)
Proceeds from disposal of items of property, plant and equipment	出售物業、廠房及設備項目所得款項	6,605	–
Proceeds from pledged deposits	已抵押存款所得款項	68,625	35,900
New pledged deposits	新造已抵押存款	(64,879)	(67,247)
Net cash flows used in investing activities	投資活動所用的現金流量淨額	(44,195)	(70,777)
CASH FLOWS FROM FINANCING ACTIVITIES		融資活動的現金流量	
New bank loans	新造銀行貸款	105,032	99,985
Repayment of bank loans	償還銀行貸款	(57,099)	(76,584)
Interest paid	已付利息	(6,327)	(6,479)
Dividends paid	已付股息	(23,326)	(35,927)
Net cash flows generated from/(used in)/financing activities	融資活動產生/(所用)的 現金流量淨額	18,280	(19,005)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物(減少)/增加 淨額	(43,306)	55,211
Cash and cash equivalents at beginning of year	年初現金及現金等價物	201,698	163,643
Effect of foreign exchange rate changes, net	匯率變動影響淨額	(12)	–
CASH AND CASH EQUIVALENTS AT END OF YEAR	年末現金及現金等價物	158,380	218,854
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	223,259	286,101
Less: Pledged deposits	減: 已抵押存款	64,879	67,247
Cash and cash equivalents as stated in the statement of financial position	財務狀況表所列的現金及 現金等價物	158,380	218,854

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

For the six months ended 30 June 2014 截至二零一四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. 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 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong.

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial statements for the six months ended 30 June 2014 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 as at 31 December 2013.

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

本集團主要從事生產及銷售亞麻紗。

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

2.1 編製基準

截至二零一四年六月三十日止六個月的中期簡明合併財務報表乃按照《國際會計準則》(「《國際會計準則》」)第34號「中期財務報告」編製。

本中期簡明合併財務報表並不包括全年財務報表所要求的全部資料及披露，故應與本集團於二零一三年十二月三十一日的全年財務報表一併閱覽。

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

For the six months ended 30 June 2014 截至二零一四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 2014 are consistent with those used in the preparation of the Group's annual financial statements for the year ended 31 December 2013, 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

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2013, except for the adoption of new standards and interpretations effective as of 1 January 2014.

The Group has applied, for the first time, several new standards and amendments in 2014. However, they do not impact the annual consolidated financial statements of the Group or the interim condensed consolidated financial statements of the Group.

2.2 主要會計政策概要

編製截至二零一四年六月三十日止六個月的中期簡明合併財務報表所採納的會計政策及編製基準與編製本集團截至二零一三年十二月三十一日止年度的全年財務報表所使用者一致，惟有關附註2.3所載，就本期間的未經審核中期簡明合併財務報表首次採納的新訂及經修訂《國際財務報告準則》（「《國際財務報告準則》」，當中包括《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》

編製本中期簡明合併財務報表所採納的會計政策與編製本集團截至二零一三年十二月三十一日止年度的全年合併財務報表所遵循者一致，惟所採納於二零一四年一月一日生效的新訂準則及詮釋除外。

本集團於二零一四年首次採用多項新訂準則及修訂。然而，該等準則及修訂不會影響本集團的全年合併財務報表或本集團的中期簡明合併財務報表。

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

For the six months ended 30 June 2014 截至二零一四年六月三十日止六個月

2.3 ADOPTION OF NEW AND REVISED IFRSs (continued)

The Company has adopted the following new and revised IFRSs for the first time in these interim condensed financial statements.

IFRS 10, IFRS 12 and IAS 27 (2011) Amendments	Amendments to IFRS 10, IFRS 12 and IAS 27 (2011) – <i>Investment Entities</i>
IAS 32 Amendments	Amendments to IAS 32 <i>Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities</i>
IAS 36 Amendments	Amendments to IAS 36 <i>Impairment of Assets: Recoverable Amount Disclosures for Non-Financial Assets</i>
IAS 39 Amendments	Amendments to IAS 39 <i>Financial Instruments: Recognition And Measurement – Novation of Derivatives and Continuation of Hedge Accounting</i>
IFRIC 21	<i>Levies</i>

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

2.3 採納新訂及經修訂《國際財務報告準則》(續)

本公司於本中期簡明財務報表首次採納下列新訂及經修訂《國際財務報告準則》。

《國際財務報告準則》 第10號、《國際財務 報告準則》第12號 及《國際會計準 則》第27號 (二零一一年) 的修訂本	《國際財務報告準則》第10號、 《國際財務報告準則》第12 號及《國際會計準則》第27號 (二零一一年)的修訂本—投資 實體
《國際會計準則》 第32號的修訂本	《國際會計準則》第32號的修訂本 金融工具：呈列—抵銷金融資產 及金融負債
《國際會計準則》 第36號的修訂本	《國際會計準則》第36號的修訂本 資產減值：非金融資產的可收回 金額披露
《國際會計準則》 第39號的修訂本	《國際會計準則》第39號的修訂本 金融工具：確認及計量—衍生工 具更替及對沖會計法的延續
國際財務報告詮釋 委員會第21號	徵費

本集團並無提早採納已頒佈但尚未生效的任何其他準則、詮釋或修訂。

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

For the six months ended 30 June 2014 截至二零一四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 2014 is set out in the following table:

Mainland China	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 2014 (six months ended 30 June 2013: Nil).

3. 經營分部

為方便管理，本集團已組織成一個單一業務單位，主要包括生產及銷售亞麻紗。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二零一四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	
2014 二零一四年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2013 二零一三年 RMB'000 人民幣千元 (Unaudited) (未經審核)
123,984	110,932
104,208	119,197
136,392	160,419
364,584	390,548

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

於截至二零一四年六月三十日止六個月，並無向單一客戶進行的銷售佔本集團收入10%或以上（截至二零一三年六月三十日止六個月：無）。

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

For the six months ended 30 June 2014 截至二零一四年六月三十日止六個月

4. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents the sales value of linen yarns, net of sales tax and deduction of any sales discounts and returns.

An analysis of revenue, other income and gains is as follows:

4. 收入、其他收益及得益

收入(亦即本集團營業額)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、其他收益及得益分析如下:

		For the six months ended 30 June 截至六月三十日止六個月	
		2014 二零一四年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2013 二零一三年 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>364,584</u>	<u>390,548</u>
Other income	其他收益		
Bank interest income	銀行利息收入	307	618
Compensation income	賠償收入	-	2,560
Government grants	政府補助	2,327	530
Others	其他	112	271
		<u>2,746</u>	<u>3,979</u>
Gains	得益		
Fair value gains on derivative financial instruments – transactions not qualifying as hedges	衍生金融工具的公允價值得益 — 不合資格作對沖的交易	-	4,384
		<u>2,746</u>	<u>8,363</u>

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

For the six months ended 30 June 2014 截至二零一四年六月三十日止六個月

5. FINANCE COSTS

5. 財務成本

		For the six months ended 30 June 截至六月三十日止六個月	
		2014 二零一四年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2013 二零一三年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Interest on bank loans, wholly repayable within five years	須於五年內全數償還的 銀行貸款的利息	6,645	6,479
Less: interest capitalised	減：資本化利息	(2,603)	(534)
		<u>4,042</u>	<u>5,945</u>

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

For the six months ended 30 June 2014 截至二零一四年六月三十日止六個月

6. PROFIT BEFORE INCOME TAX EXPENSE

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

6. 除所得稅開支前溢利

本集團除稅前溢利於扣除／（計入）下列各項後得出：

		For the six months ended 30 June 截至六月三十日止六個月	
		2014 二零一四年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2013 二零一三年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Cost of inventories sold	出售存貨成本	259,906	282,197
Depreciation	折舊	26,000	25,108
Amortisation of prepaid land lease payments	土地租賃預付款項攤銷	777	752
Amortisation of intangible assets	無形資產攤銷	303	303
Research and development ("R&D") expenses	研究及開發（「研發」）開支	2,309	1,664
Minimum lease payments under operating lease	經營租賃項下的最低租賃款項		
– land and buildings	– 土地及樓宇	770	817
Auditors' remuneration	核數師酬金	900	791
Employee benefit expense (including directors' and chief executive's remuneration):	僱員福利開支（包括董事及主要行政人員酬金）：		
Wages, salaries and other benefits	工資、薪金及其他福利	60,916	48,201
Pension scheme contributions	退休金計劃供款	3,569	3,939
Equity-settled share option expense	以權益結算購股權開支	–	257
		64,485	52,397
Foreign exchange losses, net	匯兌損失淨額	4,154	3,402
Fair value losses/(gains) on derivative financial instruments – transactions not qualifying as hedges	不合資格作對沖的衍生金融工具交易的公允價值虧損／（得益）	5,401	(4,384)
Fire accident losses, net (note (a))	火災損失淨額（附註(a)）	399	–
(Reversal of the write-down of inventories)/ write-down of inventories to net realisable value	（撥回存貨撇減）／撇減存貨至可變現淨值	(935)	13
(Reversal)/provision of allowance for doubtful debts	（撥回）／計提呆賬撥備	(228)	3,790
Finance costs	財務成本	4,042	5,945
Bank interest income	銀行利息收入	(307)	(618)

Note (a): The amount represents the losses of the Group's assets due to a fire accident in March 2014, net of compensation received from the insurance company.

附註(a)：該金額指因二零一四年三月發生火災而令本集團損失的資產（已扣除保險公司發放的賠償）。

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

For the six months ended 30 June 2014 截至二零一四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
Current – Hong Kong	即期－香港
Current – Italy	即期－意大利
Deferred	遞延
Total tax charge for the period	期內稅項支出總額

- (i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands or the British Virgin Islands.
- (ii) 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 ("the 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	
2014 二零一四年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2013 二零一三年 RMB'000 人民幣千元 (Unaudited) (未經審核)
10,783	12,781
493	488
525	152
1,904	4,202
13,705	17,623

- (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) 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 2014 截至二零一四年六月三十日止六個月

7. INCOME TAX EXPENSE (continued)

(ii) (continued)

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.

(iii) Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the period.

(iv) Pursuant to the rules and regulations of Italy, the Group is subject to an income tax rate at 31.4%, which comprises Italy Corporate Income Tax at 27.5% and Italy Regional Income Tax at 3.9%.

8. DIVIDEND

The board has resolved not to declare any interim dividend in respect of the six months ended 30 June 2014 (six months ended 30 June 2013: 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 631,600,000 (six months ended 30 June 2013: 626,140,000) in issue during the reporting period.

7. 所得稅開支 (續)

(ii) (續)

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。

(iii) 香港利得稅按期內於香港產生的估計應課稅溢利以16.5%稅率計提撥備。

(iv) 根據意大利規則及法規，本集團須按31.4%稅率繳納所得稅，當中包括按27.5%稅率計算的意大利企業所得稅及按3.9%稅率計算的意大利地區所得稅。

8. 股息

董事會議決不宣派截至二零一四年六月三十日止六個月的任何中期股息（截至二零一三年六月三十日止六個月：無）。

9. 母公司普通股權益持有人應佔每股基本及攤薄盈利

每股基本盈利金額乃根據母公司普通股權益持有人應佔期內溢利及報告期內已發行普通股加權平均數631,600,000股（截至二零一三年六月三十日止六個月：626,140,000股）計算。

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

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

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

9. 母公司普通股權益持有人應佔每股 基本及攤薄盈利(續)

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

每股基本及攤薄盈利的計算如下:

		For the six months ended 30 June 截至六月三十日止六個月	
		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 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	<u>41,787</u>	<u>47,848</u>
		Number of shares 股份數目	
		2014 二零一四年 '000 千股	2013 二零一三年 '000 千股
Shares	股份		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	用作計算每股基本盈利的 期內已發行普通股加權平均數	631,600	626,140
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	–	2,916
		<u>631,600</u>	<u>629,056</u>

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For the six months ended 30 June 2014 截至二零一四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
At 31 December 2013 and at 1 January 2014:	於二零一三年十二月三十一日 及二零一四年一月一日:							
Cost	成本	173,298	441,475	27,888	8,853	11,577	137,079	800,170
Accumulated depreciation	累計折舊	(59,799)	(261,070)	(14,391)	(5,398)	(4,421)	-	(345,079)
Net carrying amount	賬面淨額	<u>113,499</u>	<u>180,405</u>	<u>13,497</u>	<u>3,455</u>	<u>7,156</u>	<u>137,079</u>	<u>455,091</u>
At 1 January 2014, net of accumulated depreciation	於二零一四年一月一日， 扣除累計折舊	113,499	180,405	13,497	3,455	7,156	137,079	455,091
Additions	添置	204	1,003	4,044	230	1,180	107,466	114,127
Depreciation provided during the period	期內折舊撥備	(4,938)	(17,705)	(1,896)	(605)	(769)	-	(25,913)
Transfers	轉撥	54,537	106,489	34,807	2	-	(195,835)	-
Disposals	出售	(4,103)	(3,021)	(7)	(33)	-	(301)	(7,465)
Exchange realignment	匯兌調整	-	-	(6)	-	-	-	(6)
At 30 June 2014, net of accumulated depreciation	於二零一四年六月三十日， 扣除累計折舊	<u>159,199</u>	<u>267,171</u>	<u>50,439</u>	<u>3,049</u>	<u>7,567</u>	<u>48,409</u>	<u>535,834</u>
At 30 June 2014:	於二零一四年六月三十日:							
Cost	成本	222,624	543,407	66,672	8,755	12,757	48,409	902,624
Accumulated depreciation	累計折舊	(63,425)	(276,236)	(16,233)	(5,706)	(5,190)	-	(366,790)
Net carrying amount	賬面淨額	<u>159,199</u>	<u>267,171</u>	<u>50,439</u>	<u>3,049</u>	<u>7,567</u>	<u>48,409</u>	<u>535,834</u>

As at 30 June 2014, the Group's property, plant and equipment with a net carrying amount of approximately RMB73,435,000 (31 December 2013: RMB44,532,000) were pledged to secure bank loans granted to the Group as set out in note 15(i).

如附註15(i)所載，於二零一四年六月三十日，本集團賬面淨額約人民幣73,435,000元(二零一三年十二月三十一日：人民幣44,532,000元)的物業、廠房及設備已予抵押，作為本集團獲授銀行貸款的擔保。

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11. INTANGIBLE ASSET

		Certified emission rights 認證排放權 RMB'000 人民幣千元
At 1 January 2014, net of accumulated amortization	於二零一四年一月一日，扣除累計攤銷	10,212
Additions	新增	–
Amortisation provided during the period	期內攤銷撥備	(303)
At 30 June 2014, net of accumulated amortization (Unaudited)	於二零一四年六月三十日， 扣除累計攤銷（未經審核）	<u>9,909</u>
At 30 June 2014:	於二零一四年六月三十日：	
Cost	成本	12,013
Accumulated amortisation	累計攤銷	(2,104)
Net carrying amount	賬面淨額	<u>9,909</u>

11. 無形資產

12. INVENTORIES

		30 June 2014 二零一四年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2013 二零一三年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Raw materials	原材料	198,807	186,699
Work in progress	在製品	21,558	17,737
Finished goods	製成品	75,646	59,908
		<u>296,011</u>	<u>264,344</u>

12. 存貨

As at 30 June 2014, inventories with a carrying amount of RMB40,000,000 (31 December 2013: RMB72,799,000) were pledged to secure bank loans granted to the Group as set out in note 15(i).

如附註15(i)所載，於二零一四年六月三十日，賬面金額為人民幣40,000,000元（二零一三年十二月三十一日：人民幣72,799,000元）的存貨已予抵押，作為本集團獲授銀行貸款的擔保。

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For the six months ended 30 June 2014 截至二零一四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 2014 二零一四年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2013 二零一三年 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	139,611	115,469
Notes receivable	應收票據	37,689	48,299
Allowance for trade and notes receivables	應收貿易賬款及應收票據撥備	(787)	(1,015)
		<u>176,513</u>	<u>162,753</u>

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

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

客戶一般獲授予信貸期30天至150天，視乎個別客戶的信譽而定。本集團一直嚴格控制未收回應收款項，並設有信貸控制部以將信貸風險減至最低。高級管理層定期審閱逾期結餘。應收貿易賬款並不計息。

本集團的應收票據賬齡均為六個月內，並無逾期亦無減值。

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13. TRADE AND NOTES RECEIVABLES (continued)

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

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

13. 應收貿易賬款及應收票據(續)

於報告期末，本集團的應收貿易賬款按發票日分類並扣減撥備的賬齡分析如下：

	30 June 2014 二零一四年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2013 二零一三年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
	53,576	64,239
	32,871	13,981
	26,259	10,155
	26,118	26,079
	<u>138,824</u>	<u>114,454</u>

14. TRADE AND NOTES PAYABLES

An aged analysis of the trade and notes payables as at 30 June 2014, 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 6 months but within 12 months	六個月以後但十二個月內到期

14. 應付貿易賬款及應付票據

於二零一四年六月三十日，按付款到期日分類的應付貿易賬款及應付票據賬齡分析如下：

	30 June 2014 二零一四年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2013 二零一三年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
	95,886	89,852
	1,620	25,618
	1,358	249
	483	183
	<u>99,347</u>	<u>115,902</u>

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

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

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15. INTEREST-BEARING BANK BORROWINGS

15. 計息銀行借貸

			30 June 2014	31 December 2013
			二零一四年 六月三十日	二零一三年 十二月三十一日
		<i>Notes</i>	RMB'000	RMB'000
		<i>附註</i>	人民幣千元	人民幣千元
			(Unaudited)	(Audited)
			(未經審核)	(經審核)
Current	即期			
Secured bank loans	有抵押銀行貸款	(i)	171,449	176,200
Unsecured bank loans	無抵押銀行貸款		65,032	12,348
			236,481	188,548
Non-current	非即期			
Secured bank loans	有抵押銀行貸款	(ii)	50,000	50,000
			286,481	238,548

Notes:

- (i) As at 30 June 2014, the current 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 RMB73,435,000 (31 December 2013: approximately RMB44,532,000), approximately RMB26,547,000 (31 December 2013: approximately RMB27,324,000), approximately RMB40,000,000 (31 December 2013: approximately RMB72,799,000) and approximately RMB64,879,000 (31 December 2013: approximately RMB37,802,000), respectively.
- (ii) As at 30 June 2014, the non-current interest-bearing borrowings with carrying amount of RMB50,000,000 were secured by prepaid land lease payments with carrying amounts of RMB18,880,000 (31 December 2013: approximately RMB19,119,000).
- (iii) The bank borrowings bear interest at rates ranging from 4.67% to 7.36% per annum (31 December 2013: 4.67% to 7.36% per annum).

附註:

- (i) 於二零一四年六月三十日，即期計息銀行貸款以本集團賬面金額分別約人民幣73,435,000元(二零一三年十二月三十一日：約人民幣44,532,000元)、約人民幣26,547,000元(二零一三年十二月三十一日：約人民幣27,324,000元)、約人民幣40,000,000元(二零一三年十二月三十一日：約人民幣72,799,000元)及約人民幣64,879,000元(二零一三年十二月三十一日：約人民幣37,802,000元)的若干物業、廠房及設備、土地租賃預付款項、存貨及已抵押存款作抵押。
- (ii) 於二零一四年六月三十日，賬面金額為人民幣50,000,000元的非即期計息借貸以賬面金額為人民幣18,880,000元(二零一三年十二月三十一日：約人民幣19,119,000元)的土地租賃預付款項作抵押。
- (iii) 銀行借貸按年利率4.67%至7.36%(二零一三年十二月三十一日：年利率4.67%至7.36%)計息。

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15. INTEREST-BEARING BANK BORROWINGS

(continued)

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

The fair values of the non-current interest-bearing bank borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for interest-bearing bank borrowings as at 30 June 2014 was assessed to be insignificant. Management has assessed that the carrying amount of the non-current interest-bearing bank loans of the Group approximates to their fair value due to its floating interest rate.

16. FINANCIAL INSTRUMENTS BY CATEGORY

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

15. 計息銀行借貸 (續)

由於到期日短，故本集團計息銀行貸款的賬面金額與其公允價值相若。

非即期計息銀行借貸的公允價值按適用於具有類似條款、信貸風險及剩餘年期的工具的現行利率折現預期未來現金流量計算。於二零一四年六月三十日，本集團本身對計息銀行貸款的不履約風險被評定為並不重大。按管理層的評估，本集團的非即期計息銀行貸款由於按浮動利率計息，故其賬面金額與其公允價值相若。

16. 按類別分類的金融工具

於報告期末，各類別金融工具的賬面金額如下：

Financial assets:	金融資產：	Financial assets at fair value through profit or loss		Total
		Loans and receivables	按公允價值 計入損益的 金融資產	
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
		(Unaudited)	(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)	(未經審核)
As at 30 June 2014	於二零一四年六月三十日			
Trade and notes receivables	應收貿易賬款及應收票據	176,513	–	176,513
Financial assets included in prepayments, deposits and other receivables	金融資產(計入預付款、 押金及其他應收款項)	70,270	–	70,270
Cash and cash equivalents	現金及現金等價物	158,380	–	158,380
Pledged deposits	已抵押存款	64,879	–	64,879
Total	總計	470,042	–	470,042

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16. FINANCIAL INSTRUMENTS BY CATEGORY

(continued)

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

(continued)

16. 按類別分類的金融工具 (續)

於報告期末，各類別金融工具的賬面金額如下：(續)

		Loans and receivables	Financial assets at fair value through profit or loss	Total
		貸款及應收款項	按公允價值計入損益的金融資產	總計
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
		(Audited)	(Audited)	(Audited)
		(經審核)	(經審核)	(經審核)
As at 31 December 2013	於二零一三年十二月三十一日			
Trade and notes receivables	應收貿易賬款及應收票據	162,753	–	162,753
Financial assets included in prepayments, deposits and other receivables	金融資產(計入預付款、押金及其他應收款項)	27,060	–	27,060
Cash and cash equivalents	現金及現金等價物	201,698	–	201,698
Pledged deposits	已抵押存款	68,625	–	68,625
Derivative financial instruments	衍生金融工具	–	7,819	7,819
Total	總計	460,136	7,819	467,955

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

For the six months ended 30 June 2014 截至二零一四年六月三十日止六個月

16. FINANCIAL INSTRUMENTS BY CATEGORY

(continued)

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

(continued)

Financial liabilities:

金融負債：

As at 30 June 2014

Interest-bearing bank borrowings

Trade payables

Financial liabilities included in other payables and accruals

Amount due to a related company

Dividend payable

Total

於二零一四年六月三十日

計息銀行借貸

應付貿易賬款

金融負債（計入其他應付款項及預提費用）

應付一間關連公司款項

應付股息

總計

16. 按類別分類的金融工具 (續)

於報告期末，各類別金融工具的賬面金額如下：(續)

Financial liabilities at amortized cost	Financial liabilities at fair value through profit or loss	Total
按攤銷成本入賬的金融負債	按公允價值計入損益的金融負債	總計
RMB'000	RMB'000	RMB'000
人民幣千元	人民幣千元	人民幣千元
(Unaudited)	(Unaudited)	(Unaudited)
(未經審核)	(未經審核)	(未經審核)
286,481	–	286,481
99,347	–	99,347
48,402	–	48,402
100	–	100
14,083	–	14,083
448,413	–	448,413

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For the six months ended 30 June 2014 截至二零一四年六月三十日止六個月

16. FINANCIAL INSTRUMENTS BY CATEGORY

(continued)

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

(continued)

16. 按類別分類的金融工具 (續)

於報告期末，各類別金融工具的賬面金額如下：(續)

		Financial liabilities at amortized cost	Financial liabilities at fair value through profit or loss	Total
		按攤銷成本入賬的金融負債	按公允價值計入損益的金融負債	總計
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
		(Audited)	(Audited)	(Audited)
		(經審核)	(經審核)	(經審核)
As at 31 December 2013	於二零一三年十二月三十一日			
Interest-bearing bank loans	計息銀行貸款	238,548	–	238,548
Trade payables	應付貿易賬款	115,902	–	115,902
Dividend payable	應付股息	167	–	167
Financial liabilities included in other payables and accruals	金融負債(計入其他應付款項及預提費用)	26,945	–	26,945
Total	總計	<u>381,562</u>	<u>–</u>	<u>381,562</u>

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

For the six months ended 30 June 2014 截至二零一四年六月三十日止六個月

17. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Set out below is a comparison of the carrying amounts and fair values of financial instruments as at 30 June 2014:

Financial Assets: 金融資產：
Derivative financial instruments 衍生金融工具

17. 金融工具的公允價值及公允價值等級架構

下文載列於二零一四年六月三十日金融工具賬面金額與公允價值的比較：

30 June 2014 二零一四年六月三十日		31 December 2013 二零一三年十二月三十一日	
Carrying amount 賬面金額 RMB'000 人民幣千元 (Unaudited) (未經審核)	Fair value 公允價值 RMB'000 人民幣千元 (Unaudited) (未經審核)	Carrying amount 賬面金額 RMB'000 人民幣千元 (Audited) (經審核)	Fair value 公允價值 RMB'000 人民幣千元 (Audited) (經審核)
-	-	7,819	7,819

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

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

按管理層的評估，現金及現金等價物、應收貿易賬款及應收票據、金融資產（計入預付款、押金及其他應收款項）、已抵押存款、即期計息銀行貸款、應付貿易賬款及應付票據、應付一間聯營公司款項、應付股息、金融負債（計入其他應付款項及預提費用）的公允價值與其賬面金額相若，主要由於該等工具的到期日短。本集團的非即期計息銀行貸款由於按浮動利率計息，故其賬面金額與其公允價值相若。

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

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

For the six months ended 30 June 2014 截至二零一四年六月三十日止六個月

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

As at 30 June 2014, the marked to market value of the derivative asset position is net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the financial instruments recognised at fair value.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Liabilities measured at fair value

17. 金融工具的公允價值及公允價值等級架構 (續)

於二零一四年六月三十日，按市值標價的衍生資產狀況乃扣除涉及衍生工具對手方違約風險應佔的信貸評估調整。對手方信貸風險的變動對按公允價值確認的金融工具並無重大影響。

公允價值等級架構

本集團按以下等級架構使用估值技巧釐定及披露金融工具的公允價值：

第一層：按同等資產或負債於活躍市場上所報（未經調整）的市價計算；

第二層：按估值技巧計算，而該等估值技巧中就公允價值計量而言屬重要的最低層輸入值為可直接或間接觀察的數據；

第三層：按估值技巧計算，而該等估值技巧中就公允價值計量而言屬重要的最低層輸入值為不可觀察的數據。

按公允價值計量的負債

		Fair value measurement using 採用以下項目進行的公允價值計量			
		Quoted prices In active markets Level 1 於活躍市場 的報價 第一層	Significant observable inputs Level 2 重大可觀察 輸入值 第二層	Significant unobservable inputs Level 3 重大不可觀察 輸入值 第三層	
30 June 2014		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
Non-current interest-bearing bank borrowings	非即期計息銀行借貸	50,000	–	50,000	–
Financial assets at fair value through profit or loss – foreign currency forward contracts	按公允價值計入損益的金融資產 – 外匯遠期合約	–	–	–	–
		<u>50,000</u>	<u>–</u>	<u>50,000</u>	<u>–</u>

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

For the six months ended 30 June 2014 截至二零一四年六月三十日止六個月

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

Liabilities measured at fair value (continued)

During the six months ended 30 June 2014, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements (2013: Nil).

18. 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.

17. 金融工具的公允價值及公允價值等級架構 (續)

按公允價值計量的負債 (續)

於截至二零一四年六月三十日止六個月，公允價值計量在第一層及第二層之間概無轉移，亦無轉入第三層或自第三層轉出（二零一三年：無）。

18. 經營租賃承擔

不可撤銷經營租賃租金於以下年期應付：

30 June 2014 二零一四年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2013 二零一三年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
2,030	2,312
2,108	3,458
4,138	5,770

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。

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

For the six months ended 30 June 2014 截至二零一四年六月三十日止六個月

19. CAPITAL COMMITMENTS

Capital commitments in respect of the purchase of property, plant and equipment outstanding as at 30 June 2014 and 31 December 2013 but not provided for in the interim condensed consolidated financial statements were as follows:

Contracted for 已訂約

19. 資本承擔

有關購置物業、廠房及設備於二零一四年六月三十日及二零一三年十二月三十一日尚未支付但並未在中期簡明合併財務報表內提撥準備的資本承擔如下：

30 June 2014 二零一四年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2013 二零一三年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
25,391	79,505
<u>25,391</u>	<u>79,505</u>

20. 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 2014, 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 2013: RMB100,000). Mr. Ren Wei Ming, who ultimately controls the Group, also has a controlling equity interest over Kingdom Creative.

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

20. 關連方交易

(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) 於截至二零一四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（截至二零一三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。

租賃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作出。

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

For the six months ended 30 June 2014 截至二零一四年六月三十日止六個月

20. RELATED PARTY TRANSACTIONS (continued)

(b) Compensation of key management personnel of the Group

Short-term employee benefits	短期僱員福利
Post-employment benefits	離職後福利
Equity-settled share option expense	以權益結算購股權開支

20. 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	
2014 二零一四年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2013 二零一三年 RMB'000 人民幣千元 (Unaudited) (未經審核)
1,685	1,199
52	52
–	17
1,737	1,268

21. EVENTS AFTER THE REPORTING PERIOD

On 16 July 2014, the Group incorporated Kingdom (Ethiopia) Linen PLC (“Kingdom Ethiopia”) in Ethiopia to further expand its production capacity of linen yarn. The registered capital of Kingdom Ethiopia is Birr3,890,000 (equivalently USD200,000). The Group holds 100% equity investment in Kingdom Ethiopia.

22. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

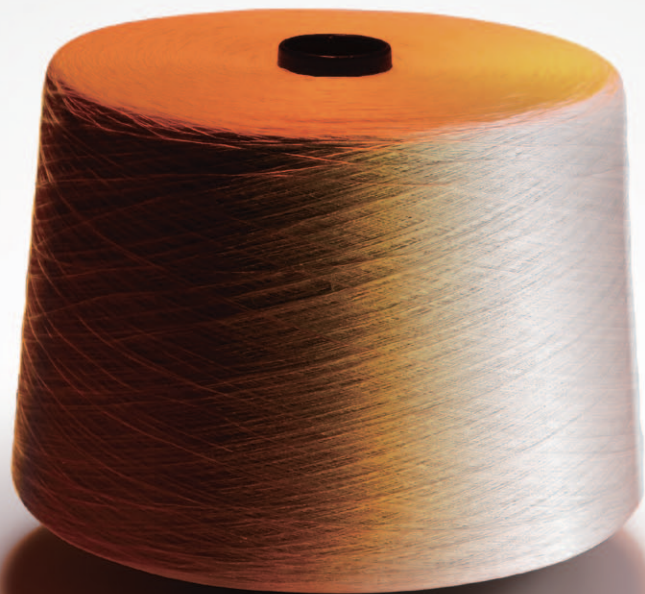
The unaudited interim condensed consolidated financial statements were approved and authorised for issue by the board of directors on 22 August 2014.

21. 報告期後事項

於二零一四年七月十六日，本集團於埃塞俄比亞註冊成立Kingdom (Ethiopia) Linen PLC (「Kingdom Ethiopia」)，以進一步擴大其亞麻紗產能。Kingdom Ethiopia的註冊資本為3,890,000比爾(相等於200,000美元)。本集團持有Kingdom Ethiopia的100%股權投資。

22. 批准中期簡明合併財務報表

董事會已於二零一四年八月二十二日批准及授權刊發本未經審核中期簡明合併財務報表。



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