



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

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號 : 2678



2016

INTERIM REPORT 中期報告

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EXECUTIVE DIRECTORS

Mr. Hong Tianzhu (*Chairman and chief executive officer*)
 Mr. Zhu Yongxiang (*Co-chief executive officer*)
 Mr. Tang Daoping
 Mr. Hui Tsz Wai
 Mr. Ji Zhongliang

INDEPENDENT NON-EXECUTIVE DIRECTORS AND AUDIT COMMITTEE

Mr. Ting Leung Huel, Stephen
 MH FCCA FCPA (Practising)
 ACA FTIHK FHKIoD
 (*Chairman of the audit committee*)
 Professor Tao Xiaoming
 Professor Cheng Longdi

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

COMPANY SECRETARY

Ms. Sze Fung Ting

AUTHORISED REPRESENTATIVES

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 Ms. Sze Fung Ting

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 979 King's Road
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REGISTERED OFFICE

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執行董事

洪天祝先生 (主席兼行政總裁)
 朱永祥先生 (聯席行政總裁)
 湯道平先生
 許子慧先生
 吉忠良先生

獨立非執行董事及審核委員會

丁良輝先生
 MH FCCA FCPA (Practising)
 ACA FTIHK FHKIoD (審核委員會主席)
 陶肖明教授
 程隆棣教授

薪酬委員會

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

提名委員會

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

公司秘書

施鳳婷女士

授權代表

洪天祝先生
 施鳳婷女士

總辦事處

香港
 鰂魚涌
 英皇道 979 號
 太古坊多盛大廈
 31 樓 9 室

註冊辦事處

Cricket Square
 Hutchins Drive, PO Box 2681
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 Cayman Islands

PRINCIPAL BANKS

Bank of China (Hong Kong)
 Citibank (China) Co., Ltd. Shanghai Branch
 Australia and New Zealand Banking Group Limited
 Standard Chartered Bank
 Deutsche Bank AG, Hong Kong Branch
 Credit Agricole CIB
 BNP Paribas
 The Hongkong and Shanghai Banking Corporation Limited
 Bank of China
 China Merchants Bank
 Hang Seng Bank Limited
 Export-Import Bank of China

AUDITORS

PricewaterhouseCoopers

LEGAL ADVISORS AS TO HONG KONG LAW

Chiu & Partners

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 KY1-1110
 Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Boardroom Share Registrars (HK) Limited
 31st Floor
 148 Electric Road
 North Point
 Hong Kong

WEBSITE

www.texhong.com

STOCK CODE

2678

主要往來銀行

中國銀行(香港)
 花旗銀行(中國)有限公司上海分行
 澳新銀行
 渣打銀行
 德意志銀行香港分行
 東方滙理銀行
 法國巴黎銀行
 滙豐銀行

中國銀行
 招商銀行
 恒生銀行有限公司
 中國進出口銀行

核數師

羅兵咸永道會計師事務所

法律顧問(香港法律)

趙不渝・馬國強律師事務所

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 KY1-1110
 Cayman Islands

香港股份過戶登記分處

寶德隆證券登記有限公司
 香港
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互聯網址

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股份編號

2678

			Unaudited 未經審核 30 June 2016 二零一六年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元
ASSETS	資產			
Non-current assets	非流動資產			
Freehold land and land use rights	永久產權土地及 土地使用權	7	610,408	551,618
Property, plant and equipment	物業、廠房及設備	8	5,751,515	4,997,844
Investments in associates	聯營公司之投資	9	81,123	63,674
Deferred income tax assets	遞延所得稅資產		178,621	160,731
Total non-current assets	非流動資產總值		6,621,667	5,773,867
Current assets	流動資產			
Inventories	存貨	10	2,711,942	1,893,107
Trade and bills receivables	應收貿易及票據款項	11	1,028,398	1,031,779
Prepayments, deposits and other receivables	預付款項、按金及 其他應收賬款	12	688,928	453,572
Derivative financial instruments	衍生金融工具	16	143,418	61,087
Pledged bank deposits	已抵押銀行存款		326,471	247,663
Cash and cash equivalents	現金及現金等值物		993,199	1,940,022
Total current assets	流動資產總值		5,892,356	5,627,230
Total assets	資產總值		12,514,023	11,401,097
EQUITY	權益			
Equity attributable to owners of the Company	本公司擁有人 應佔權益			
Share capital: nominal value	股本：賬面值	18	94,064	94,064
Share premium	股本溢價	18	189,218	189,218
Other reserves	其他儲備		510,400	509,922
Retained earnings	保留溢利		3,488,144	3,117,951
Non-controlling interests	非控制性權益		4,281,826	3,911,155
			28,425	27,414
Total equity	權益總額		4,310,251	3,938,569

Note
附註

			Unaudited 未經審核 30 June 2016 二零一六年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元
LIABILITIES	負債			
Non-current liabilities	非流動負債			
Borrowings	借貸	15	3,306,139	2,505,306
Deferred income tax liabilities	遞延所得稅負債		104,969	96,341
Finance lease obligations	融資租賃承擔	17	177,478	235,546
Total non-current liabilities	非流動負債總值		3,588,586	2,837,193
Current liabilities	流動負債			
Trade and bills payables	應付貿易及票據款項	13	2,562,312	2,294,638
Accruals and other payables	預提費用及其他 應付賬款	14	581,887	618,767
Current income tax liabilities	當期所得稅負債		49,274	27,988
Borrowings	借貸	15	1,289,623	1,547,754
Derivative financial instruments	衍生金融工具	16	5,973	12,688
Finance lease obligations	融資租賃承擔	17	126,117	123,500
Total current liabilities	流動負債總值		4,615,186	4,625,335
Total liabilities	負債總值		8,203,772	7,462,528
Total equity and liabilities	總權益及負債		12,514,023	11,401,097

The notes on pages 11 to 60 form an integral part of this condensed consolidated interim financial information.

第11至60之附註為此簡明綜合中期財務資料之一部分。

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

			2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Revenue	收入	6	5,821,792	4,847,327
Cost of sales	銷售成本	21	(4,760,565)	(4,023,112)
Gross profit	毛利		1,061,227	824,215
Selling and distribution costs	銷售及分銷開支	21	(216,252)	(176,187)
General and administrative expenses	一般及行政開支	21	(226,828)	(171,886)
Other income	其他收入	20	7,050	3,956
Other gains/(losses) – net	其他收益/(虧損) – 淨額	20	78,125	(26,028)
Operating profit	經營溢利		703,322	454,070
Finance income	財務收入	22	5,137	8,462
Finance costs	財務費用	22	(164,266)	(111,996)
Share of (losses)/profits of associates	分佔聯營公司(虧損)/溢利		(1,214)	1,186
Profit before income tax	除所得稅前溢利		542,979	351,722
Income tax expense	所得稅開支	23	(86,859)	(58,765)
Profit for the period	期內溢利		456,120	292,957
Attributable to:	以下各方應佔：			
Owners of the Company	本公司擁有人		456,709	292,957
Non-controlling interests	非控制性權益		(589)	–
			456,120	292,957
Earnings per share for profit attributable to owners of the Company	本公司擁有人應佔溢利之每股盈利			
– Basic earnings per share	– 每股基本盈利	24	RMB0.52 人民幣 0.52 元	RMB0.33 人民幣 0.33 元
– Diluted earnings per share	– 每股攤薄盈利	24	RMB0.52 人民幣 0.52 元	RMB0.33 人民幣 0.33 元

The notes on pages 11 to 60 form an integral part of this condensed consolidated interim financial information.

第 11 至 60 頁之附註為此簡明綜合中期財務資料之一部分。

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

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Profit for the period	期內溢利	456,120	292,957
Other comprehensive income/(loss)	其他全面收益/(虧損)		
<i>Item that may be reclassified subsequently to profit or loss</i>	其後可能會重新分類至損益之項目		
Share of other comprehensive losses of associates accounted for under equity method	分佔用權益法計入聯營公司之其他全面虧損		
– Share of currency translation reserve	– 分佔貨幣兌換儲備	(1,308)	–
Currency translation differences	貨幣匯兌差額	848	(940)
Total comprehensive income for the period	期內全面收益總額	455,660	292,017
Attributable to:	以下各方應佔：		
Owners of the Company	本公司擁有人	456,249	292,017
Non-controlling interests	非控制性權益	(589)	–
		455,660	292,017

The notes on pages 11 to 60 form an integral part of this condensed consolidated interim financial information.

第 11 至 60 頁之附註為此簡明綜合中期財務資料之一部分。

Unaudited
未經審核
Attributable to owners of the Company
本公司擁有人應佔

		Share capital 股本 RMB'000 人民幣千元	Share premium 股份溢價 RMB'000 人民幣千元	Other reserves 其他儲備 RMB'000 人民幣千元	Retained earnings 保留溢利 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Balance at 1 January 2015	於二零一五年一月一日的結餘	94,064	189,218	480,049	2,691,301	3,454,632
Comprehensive income	全面收益					
Profit for the period	期間溢利	-	-	-	292,957	292,957
Other comprehensive loss	其他全面虧損					
Currency translation differences	貨幣匯兌差額	-	-	(940)	-	(940)
Total comprehensive income for the period ended 30 June 2015	截至二零一五年六月三十日止期間全面收益總額	-	-	(940)	292,957	292,017
Transactions with owners	與股權持有人之交易					
Dividends relating to 2014 paid in May 2015	於二零一五年五月派付有關二零一四年之股息	-	-	-	(55,848)	(55,848)
Employee share option scheme	僱員購股權計劃	-	-	3,220	-	3,220
Transfer from revaluation reserve to retained earnings	由重估儲備轉撥至保留溢利					
- gross	- 總額	-	-	(3,611)	3,611	-
- deferred income tax	- 遞延所得稅	-	-	972	(972)	-
Total transactions with owners	與股權持有人之交易總額	-	-	581	(53,209)	(52,628)
Balance at 30 June 2015	於二零一五年六月三十日的結餘	94,064	189,218	479,690	2,931,049	3,694,021

		Unaudited 未經審核 Attributable to owners of the Company 本公司擁有人應佔					
		Share capital 股本 RMB'000 人民幣千元	Share premium 股份溢價 RMB'000 人民幣千元	Other reserves 其他儲備 RMB'000 人民幣千元	Retained earnings 保留溢利 RMB'000 人民幣千元	Non-Controlling interests 非控制性權益 RMB'000 人民幣千元	Total Equity 權益總額 RMB'000 人民幣千元
Balance at 1 January 2016	於二零一六年一月一日的結餘	94,064	189,218	509,922	3,117,951	27,414	3,938,569
Comprehensive income	全面收益						
Profit for the period	期間溢利	-	-	-	456,709	(589)	456,120
Other comprehensive income/(loss)	其他全面收益/(虧損)						
Share of other comprehensive losses of associates accounted for under equity method	分佔用權益法計入聯營公司之其他全面虧損						
- Share of currency translation reserve	- 分佔貨幣兌換儲備	-	-	(1,308)	-	-	(1,308)
Currency translation differences	貨幣匯兌差額	-	-	848	-	-	848
Total comprehensive income for the period ended 30 June 2016	截至二零一六年六月三十日止期間全面收益總額	-	-	(460)	456,709	(589)	455,660
Transactions with owners	與股權持有人的交易						
Capital injection from non-controlling shareholders of subsidiaries	附屬公司非控股股東之注資	-	-	-	-	1,600	1,600
Dividends relating to 2015 paid in May 2016	於二零一六年五月派付有關二零一五年之股息	-	-	-	(89,155)	-	(89,155)
Employee share option scheme	僱員購股權計劃	-	-	3,577	-	-	3,577
Transfer from revaluation reserve to retained earnings	由重估儲備轉撥至保留溢利						
- gross	- 總額	-	-	(3,611)	3,611	-	-
- deferred income tax	- 遞延所得稅	-	-	972	(972)	-	-
Total transactions with owners	與股權持有人的交易總額	-	-	938	(86,516)	1,600	(83,978)
Balance at 30 June 2016	於二零一六年六月三十日的結餘	94,064	189,218	510,400	3,488,144	28,425	4,310,251

The notes on pages 11 to 60 form an integral part of this condensed consolidated interim financial information.

第 11 至 60 頁之附註為其簡明綜合中期財務資料之一部分。

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

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Cash flows from operating activities	來自經營活動的現金流量		
Cash generated from operations	經營所產生之現金	225,108	285,191
Interest received	已收利息	5,137	8,462
Income tax paid	已付所得稅	(74,835)	(32,146)
Net cash flows generated from operating activities	來自經營活動的現金流量淨額	155,410	261,507
Cash flows from investing activities	來自投資活動的現金流量		
Purchases of property, plant and equipment	購買物業、廠房及設備	(1,158,976)	(196,367)
Purchases of land use rights	購買土地使用權	(67,633)	(39,672)
Proceeds from sale of property, plant and equipment	出售物業、廠房及設備所得款項	1,741	363
Cash received from returns on investments	取得投資收益所收到的現金	8,501	-
Payables for acquisition of subsidiaries	應付收購附屬公司之款項	(44,662)	-
Net cash flows used in investing activities	用於投資活動的現金流量淨額	(1,261,029)	(235,676)
Cash flows from financing activities	來自融資活動的現金流量		
Proceeds from borrowings	借貸所得款項	1,873,689	237,694
Proceeds from capital injection by non-controlling interests	非控制性權益注資之所得款項	1,600	-
Repayments of borrowings	償還借貸	(1,385,670)	(220,535)
Interest paid	已付利息	(162,860)	(115,839)
Dividends paid	已付股息	(89,155)	(55,848)
Increase in pledged bank deposits	已抵押銀行存款增加	(78,808)	(9,307)
Net cash flows generated from/(used in) financing activities	來自/(用於)融資活動的現金流量淨額	158,796	(163,835)
Net decrease in cash and cash equivalents	現金及現金等值物減少淨額	(946,823)	(138,004)
Cash and cash equivalents at beginning of the period	期初之現金及現金等值物	1,940,022	1,094,197
Cash and cash equivalents at end of the period	期末之現金及現金等值物	993,199	956,193

The notes on pages 11 to 60 form an integral part of this condensed consolidated interim financial information.

第11至60頁之附註為此簡明綜合中期財務資料之一部分。

1. GENERAL INFORMATION

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

The Company was incorporated in the Cayman Islands on 12 July 2004 as an exempted company with limited liability under the Companies Law of Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

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

This condensed consolidated interim financial information is presented in Chinese Renminbi (“RMB”), unless otherwise stated. This condensed consolidated interim financial information has been approved and authorised for issue by the Board of Directors of the Company on 15 August 2016.

This condensed consolidated interim financial information has not been audited.

2. BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2016 has been prepared in accordance with HKAS 34, ‘Interim Financial Reporting’. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2015, which have been prepared in accordance with HKFRS.

1. 一般資料

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

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

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

除非另有指明，本簡明綜合中期財務資料以中國人民幣(「人民幣」)呈列。於二零一六年八月十五日，本簡明綜合中期財務資料已獲本公司董事會批准及授權刊發。

此簡明綜合中期財務資料乃未經審核。

2. 編製基準

截至二零一六年六月三十日止六個月之簡明綜合中期財務資料，乃按香港會計準則第34號「中期財務報告」編製。此簡明綜合中期財務資料應與截至二零一五年十二月三十一日止年度之年度財務報表(乃按香港財務報告準則編製)一併閱讀。

3. ACCOUNTING POLICIES

Except as described below and the adoption of new and amended standards effective for the financial year beginning on 1 January 2016, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2015, as described in those annual financial statements.

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

(a) New standard and amendments of HKFRS adopted by the Group in the first half of 2016

The following new standard and amendments to existing standards have been adopted by the Group for the first time for the financial year beginning on 1 January 2016.

HKFRS 14 'Regulatory Deferral Accounts' describes regulatory deferral account balances as amounts of expense or income that would not be recognised as assets or liabilities in accordance with other standards, but that qualify to be deferred in accordance with HKFRS14 because the amount is included, or is expected to be included, by the rate regulator in establishing the price(s) that entity can charge to customers for rate-regulated goods or services. It permits eligible first-time adopters of HKFRS to continue their previous GAAP rate-regulated accounting policies, with limited changes. It requires separate presentation of regulatory deferral account balances in the balance sheet and of movements in those balances in the statement of comprehensive income. Disclosures are required to identify the nature of, and risk associated with, the form of rate regulation that has given rise to the recognition of regulatory deferral account balances.

3. 會計政策

除下文所述及採納於二零一六年一月一日開始之財政年度生效之新訂及經修訂準則外，所採納之會計政策與截至二零一五年十二月三十一日止年度之年度財務報表一致（如該等年度財務報表所述）。

中期期間之所得稅乃採用適用於預期年度總收益之稅率計算。

(a) 本集團於二零一六年上半年採納之香港財務報告準則之新訂準則及修訂

本集團於二零一六年一月一日起之財政年度首次採納以下新訂準則及現有準則修訂。

香港財務報告準則14號「監管遞延賬目」說明監管遞延賬目結餘為不會根據其他準則確認為資產或負債，但符合資格根據香港財務報告準則14遞延處理的開支或收入金額，原因是費率監管機構現時或預期在訂定實體可就受費率規管的貨品或服務向客戶收取的價格時將該金額計算在內。其允許首次採納香港財務報告準則的合資格人士繼續沿用過往公認會計原則的費率監管會計政策，而只作有限變動。其規定於資產負債表分開呈列監管遞延賬目結餘及於綜合收益表分開呈列該等結餘的變動。本集團須作出披露，以識別導致確認監管遞延賬目結餘的費率監管形式的性質及相關風險。

3. ACCOUNTING POLICIES (Continued)

(a) New standard and amendments of HKFRS adopted by the Group in the first half of 2016 (Continued)

Amendment to HKFRS 11 'Accounting for Acquisitions of Interests in Joint Operations' requires an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a 'Business' (as defined in HKFRS 3, Business combinations). Specifically, the investor needs to:

- measure identifiable assets and liabilities at fair value;
- expense acquisition-related costs;
- recognise deferred tax; and
- recognise the residual as goodwill.

All other principles of business combination accounting apply unless they conflict with HKFRS 11. The amendment is applicable to both the acquisition of the initial interest and a further interest in a joint operation. The previously held interest is not remeasured when the acquisition of an additional interest in the same joint operation with joint control maintained.

3. 會計政策 (續)

(a) 本集團於二零一六年上半年採納之香港財務報告準則之新訂準則及修訂 (續) 香港財務報告準則第11號「收購共同經營權益的會計法」(修訂本)要求投資者，如所收購的共同經營權益構成一項「業務」(香港財務報告準則第3號「企業合併」的定義)，則須應用企業合併的會計法原則。具體而言，投資者需要：

- 計量按公平值計算的可辨別資產及負債；
- 支銷收購相關成本；
- 確認遞延所得稅項；及
- 確認殘值為商譽。

除非與香港財務報告準則第11號相抵觸，否則必須應用企業合併會計法的所有其他原則。該修訂本同時適用於收購一項共同經營的初始權益和額外權益。當購入同一共同經營的額外權益並維持共同控制權時，之前持有的權益不重新計量。

3. ACCOUNTING POLICIES (Continued)

(a) New standard and amendments of HKFRS adopted by the Group in the first half of 2016 (Continued)

Amendments to HKAS 16 and HKAS 38 'Clarification of Acceptable Methods of Depreciation and Amortisation' clarify when a method of depreciation or amortisation based on revenue may be appropriate. The amendment to HKAS 16 clarifies that depreciation of an item of property, plant and equipment based on revenue generated by using the asset is not appropriate. The amendment to HKAS 38 establishes a rebuttable presumption that amortisation of an intangible asset based on revenue generated by using the asset is inappropriate. The presumption may only be rebutted in certain limited circumstances:

- where the intangible asset is expressed as a measure of revenue; or
- where it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

Amendments to HKAS 16 and HKAS 41 'Agriculture: Bearer Plants' change the reporting for bearer plants, such as grape vines, rubber trees and oil palms. Bearer plants should be accounted for in the same way as property, plant and equipment because their operation is similar to that of manufacturing. The amendments include them in the scope of HKAS 16 rather than HKAS 41. The produce on bearer plants will remain in the scope of HKAS 41.

3. 會計政策 (續)

(a) 本集團於二零一六年上半年採納之香港財務報告準則之新訂準則及修訂 (續) 香港會計準則第16號及香港會計準則第38號「澄清折舊及攤銷的可接納方法」(修訂本)澄清以收入為基準的折舊或攤銷方法何時適合使用。香港會計準則第16號(修訂本)闡明，以動用資產所產生的收入為基準計量物業、廠房及設備項目折舊並不適合。香港會計準則第38號(修訂本)確立一項可駁回假設，以動用資產所得收入為基準計量無形資產攤銷並不適合。假設僅可於若干有限情況駁回：

- 無形資產表明為收入的計量方法；或
- 可證明無形資產經濟利益的收入及耗用有密切關聯。

香港會計準則第16號及香港會計準則第41號「農業：生產性植物」(修訂本)變更生產性植物(如葡萄藤、橡膠樹及油棕)的報告方式。生產性植物因業務運作與製造活動相同，故其入賬方式應與物業、廠房及設備相同。該等修訂本將生產性植物歸入香港會計準則第16號的範圍內，而非香港會計準則第41號。生產性植物的產物則將保留於香港會計準則第41號的範圍內。

3. ACCOUNTING POLICIES (Continued)

(a) New standard and amendments of HKFRS adopted by the Group in the first half of 2016 (Continued)

Amendment to HKAS 27 'Equity Method in Separate Financial Statements' allows entities to use equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.

Annual improvements 2014 include changes from the 2012–2014 cycle of the annual improvements project, that affect 4 standards:

- HKFRS 5 'Non-current Assets Held for Sale and Discontinued Operations' clarifies that when an asset (or disposal group) is reclassified from 'Held for Sale' to 'Held for Distribution', or vice versa, this does not constitute a change to a plan of sale or distribution, and does not have to be accounted for as such. This means that the asset (or disposal group) does not need to be reinstated in the financial statements as if it had never been classified as 'Held for Sale' or 'Held for Distribution' simply because the manner of disposal has changed. It also explains that the guidance on changes in a plan of sale should be applied to an asset (or disposal group) which ceases to be held for distribution but is not classified as 'Held for Sale'.

3. 會計政策(續)

- (a) 本集團於二零一六年上半年採納之香港財務報告準則之新訂準則及修訂(續)香港會計準則第27號「單獨財務報表之權益法」(修訂本)容許主體在各自的單獨財務報表中以權益法核算其附屬公司、合營和聯營企業的投資主體。

二零一四年度改進包括二零一二年至二零一四週期的年度改進專案的變動，其影響四項準則：

- 香港財務報告準則5號「持作出售的非流動資產及已終止經營業務」(修訂本)澄清資產(或出售集團)由「持作出售」重新分類至「持作分派」(反之亦然)的時間，這並不構成一項出售或分派計劃的變動，亦不會按有關情況入賬。這意味資產(或出售集團)無需單單因為出售方式變動，而於財務報表還原為未曾分類為「持作出售」或「持作分派」的情況。亦解釋不再持作分派但並無分類為「持作出售」的資產(或出售集團)應採用出售計劃變動的指引。

3. ACCOUNTING POLICIES (Continued)

(a) New standard and amendments of HKFRS adopted by the Group in the first half of 2016 (Continued)

- HKFRS 7 'Financial Instruments: Disclosures' contains two amendments:

(i) service contracts

If an entity transfers a financial asset to a third party under conditions which allow the transferor to derecognise the asset, HKFRS 7 requires disclosure of all types of continuing involvement that the entity might still have in the transferred assets. It provides guidance about what is meant by continuing involvement. There is a consequential amendment to HKFRS 1 to give the same relief to first time adopters.

(ii) Interim financial statements

It clarifies the additional disclosure required by the amendments to HKFRS 7, 'Disclosure – Offsetting Financial Assets and Financial Liabilities' is not specifically required for all interim periods, unless required by HKAS 34.

3. 會計政策 (續)

(a) 本集團於二零一六年上半年採納之香港財務報告準則之新訂準則及修訂 (續)

- 香港財務報告準則7號「金融工具：披露」包括兩項修訂：

(i) 服務合約

倘實體根據容許轉讓人終止確認資產的條件向第三方轉讓金融資產，香港財務報告準則7號規定披露實體可能於所轉讓資產保留的所有持續參與類別。該準則提供持續參與定義的指引。香港財務報告準則1號的後續修改給予首次採納者相同的寬免。

(ii) 中期財務報表

澄清香港財務報告準則7號「披露 – 對銷金融資產及金融負債」的修改規定的額外披露並無特別規定於所有中期期間作出，惟香港會計準則34規定除外。

3. ACCOUNTING POLICIES (Continued)

(a) New standard and amendments of HKFRS adopted by the Group in the first half of 2016 (Continued)

- HKAS 19 'Employee Benefits' clarifies when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important, not the country where they arise. The assessment of whether there is a deep market in high-quality corporate bonds is based on corporate bonds in that currency, not corporate bonds in a particular country. Similarly, where there is no deep market in high-quality corporate bonds in that currency, government bonds in the relevant currency should be used.
- HKAS 34 'Interim Financial Reporting' clarifies what is meant by the reference in the standard to 'Information Disclosed Elsewhere in the Interim Financial Report'. It also amends HKAS 34 to require a cross-reference from the interim financial statements to the location of that information.

3. 會計政策(續)

(a) 本集團於二零一六年上半年採納之香港財務報告準則之新訂準則及修訂(續)

- 香港會計準則第19號「僱員福利」澄清，釐定離職後福利責任的貼現率時，重要的是責任的計值貨幣，而非責任產生的國家。於評估優質公司債券是否具有深度市場時，乃基於以該貨幣計值的公司債券，而非特定國家的公司債券。同樣地，倘以該貨幣計值的優質公司債券並無深度市場，則應使用相關貨幣的政府債券。
- 香港財務報告準則34號「中期財務報告」。該準則釐清「於中期財務報告其他部份所披露的資料」的標準參考，亦修訂了國際會計準則第34號，規定中期財務報表與該資料所在位置的交叉參考。

3. ACCOUNTING POLICIES (Continued)

(a) New standard and amendments of HKFRS adopted by the Group in the first half of 2016 (Continued)

Amendments to HKFRS 10, HKFRS 12 and HKAS 28 'Investment Entities: Applying the Consolidation Exception', clarify the application of the consolidation exception for investment entities and their subsidiaries. The amendments to HKFRS 10 clarify that the exception from preparing consolidated financial statements is available to intermediate parent entities which are subsidiaries of investment entities. The exception is available when the investment entity parent measures its subsidiaries at fair value. The intermediate parent would also need to meet the other criteria for exception listed in HKFRS 10. The amendments also clarify that an investment entity should consolidate a subsidiary which is not an investment entity and which provides services in support of the investment entity's investment activities, such that it acts as an extension of the investment entity. However, the amendments also confirm that if the subsidiary is itself an investment entity, the investment entity parent should measure its investment in the subsidiary at fair value through profit or loss. This approach is required regardless of whether the subsidiary provides investment-related services to the parent or to third parties. The amendments to HKAS 28 allows an entity which is not an investment entity, but has an interest in an associate or a joint venture which is an investment entity, a relief to retain the fair value measurement applied by the investment entity associate or joint venture, or to unwind the fair value measurement and instead perform a consolidation at the level of the investment entity associate or joint venture for their subsidiaries when applying the equity method.

3. 會計政策(續)

(a) 本集團於二零一六年上半年採納之香港財務報告準則之新訂準則及修訂(續)香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第28號「有關投資實體：應用綜合入賬之例外情況」(修訂本)釐清投資實體及彼等之附屬公司應用綜合入賬豁免。香港財務報告準則第10號(修訂本)釐清當中介母公司為投資實體之附屬公司時可獲豁免編製綜合財務報表。當投資實體母公司按公平值計量其附屬公司時有關豁免則可適用。該中介母公司亦需就有關豁免符合香港財務報告準則第10號之其他標準。修訂本亦釐清投資實體須將並非投資實體及為支持投資實體之投資活動提供服務，因此成為投資實體延伸之附屬公司綜合入賬。然而，修訂本亦確認，倘附屬公司本身為投資實體，投資實體母公司須按透過損益表按公平值列值之方式計量其於附屬公司之投資。香港會計準則第28號(修訂本)允許並非屬於投資實體惟於屬於投資實體之聯營公司或合營企業中擁有權益之實體，於應用權益法時可豁免保留投資實體聯營公司或合營企業所使用之公平值計量，或解除公平值計量，惟投資實體聯營公司或合營企業須就彼等之附屬公司綜合入賬。

3. ACCOUNTING POLICIES (Continued)

(a) New standard and amendments of HKFRS adopted by the Group in the first half of 2016 (Continued)

Amendments to HKAS 1 'Disclosure Initiative' clarify guidance on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies. Although the amendments do not require specific changes, they clarify a number of presentation issues and highlight that preparers are permitted to tailor the format and presentation of the financial statements to their circumstances and the needs of users.

The key areas addressed by the changes are as follows:

- **Materiality:** an entity should not aggregate or disaggregate information in a manner that obscures useful information. An entity need not provide disclosures if the information is not material;
- **Disaggregation and subtotals:** the amendments clarify what additional subtotals are acceptable and how they should be presented;
- **Notes:** an entity is not required to present the notes to the financial statements in a particular order, and management should tailor the structure of their notes to their circumstances and the needs of their users;

3. 會計政策(續)

- (a) 本集團於二零一六年上半年採納之香港財務報告準則之新訂準則及修訂(續)香港會計準則第1號「披露計畫」(修訂本)澄清了關於重要性和匯總、小計的列報、財務報表的結構及會計政策披露的指引。儘管修改不涉及具體變動，但是澄清了許多關於列報的問題，並強調允許編製者對財務報表的格式及列報進行適當修改以符合自身情況及使用者的需求。

通過修訂來解決的關鍵範圍如下：

- **實質性：**實體不應以會損害有用資料的方式合併或分列資料。倘資料並不重大，則實體毋須披露；
- **分列及小計：**該等修訂本釐清可接受的額外小計及呈列有關小計的方式；
- **附註：**實體毋須以特定次序呈列財務報表附註；管理層應根據自身情況及使用者需要調整附註的結構；

3. ACCOUNTING POLICIES (Continued)

(b) New standard and amendments of HKFRS issued but are not yet effective for the financial year beginning on 1 January 2016 and have not been early adopted by the Group (Continued)

HKFRS15 'Revenue from Contracts with Customers', effective for annual periods beginning on or after 1 January 2018.

HKFRS 9 'Financial Instruments', effective for annual periods beginning on or after 1 January 2018.

HKFRS 16 'Leases' effective for annual periods beginning on or after 1 January 2019.

Amendments to HKFRS 10 and HKAS 28, 'Sale or Contribution of Assets between an Investor and its Associate or Joint Venture', originally intend to be effectively for annual periods beginning on or after 1 January 2016. The effective date has now been deferred/ removed.

4. ESTIMATES

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

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial information for the year ended 31 December 2015, with the exception of changes in estimates that are required in determining the provision for income taxes (Note 22).

3. 會計政策 (續)

(b) 香港財務報告準則之新訂準則以及修訂於二零一六年一月一日起之財政年度已頒佈但尚未生效，且未獲本集團提前採納 (續)

香港財務報告準則第15號「客戶合約收益」於二零一八年一月一日或之後之年度期間起生效。

香港財務報告準則第9號「金融工具」，於二零一八年一月一日或之後之年度期間起生效。

香港財務報告準則第16號「租賃」，於二零一九年一月一日或之後開始之年度期間生效。

香港財務報告準則第10號及香港會計準則第28號之修訂「投資者與其聯營企業及合營企業之間的資產出售或注資」原訂於二零一六年一月一日或之後開始的年度期間生效。有關生效日期現已押後／刪除。

4. 估計

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

於編製此簡明綜合中期財務資料時，管理層於應用本集團會計政策及有關不明朗估計的主要來源時作出的主要判斷，與編製截至二零一五年十二月三十一日止年度的綜合財務資料時所應用者一致，惟釐定所得稅撥備時所需的估計之變動除外(附註22)。

5. FINANCIAL RISK MANAGEMENT

5.1 Financial risk factors

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

The condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2015.

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

5.2 Liquidity risk

Compared to year end, there was no material change in the contractual undiscounted cash out flows for financial liabilities.

5.3 Fair value estimation

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

5. 財務風險管理

5.1 財務風險因素

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

簡明綜合中期財務資料並不包括年度財務報表所需的所有財務風險管理資料及披露，並應與本集團截至二零一五年十二月三十一日的年度財務報表一併閱讀。

財務風險部自年末以來並無變動。

5.2 流動資金風險

與年末相比，財務負債的未折現合約現金外流並無重大變動。

5.3 公平值估計

計下表以估值法分析按公平值列賬之金融工具，各等級分析如下：

- 相同資產或負債之活躍市場報價（未經調整）（第一級）。
- 除所報價格（計入第一級）外，資產或負債之直接（如價格）或間接（如源自價格者）可觀察輸入資料（第二級）。

5. FINANCIAL RISK MANAGEMENT

(Continued)

5.3 Fair value estimation (Continued)

- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's financial assets and liabilities that are measured at fair value at 30 June 2016 and 31 December 2015.

5. 財務風險管理 (續)
5.3 公平值估計 (續)

- 並非根據可觀察市場數據釐定之資產或負債輸入資料(即不可觀察輸入資料)(第三級)。

下表載列本集團於二零一六年六月三十日及二零一五年十二月三十一日按公平值計量之財務資產與負債。

		Level 1 第一級	Level 2 第二級	Level 3 第三級	Total 總計
At 30 June 2016	於二零一六年六月三十日				
Assets	資產				
Derivative financial instruments	衍生金融工具	-	143,418	-	143,418
Liabilities	負債				
Derivative financial instruments	衍生金融工具	-	5,973	-	5,973
		Level 1 第一級	Level 2 第二級	Level 3 第三級	Total 總計
At 31 December 2015	於二零一五年十二月三十一日				
Assets	資產				
Derivative financial instruments	衍生金融工具	-	61,087	-	61,087
Liabilities	負債				
Derivative financial instruments	衍生金融工具	-	12,688	-	12,688

5. FINANCIAL RISK MANAGEMENT (Continued)

5.4 Valuation techniques used to derive Level 2 fair values

Level 2 derivative financial instruments comprise forward foreign exchange contracts and interest rate swaps. Forward foreign exchange contracts have been fair valued using forward exchange rates that are quoted in an active market. Interest rate swaps are fair valued using forward interest rates extracted from observable yield curves. The effects of discounting are generally insignificant for Level 2 derivatives.

6. REVENUE AND SEGMENT INFORMATION

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

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

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

5. 財務風險管理(續)

5.4 得出第二級公平值所用之估值方法

第二級衍生金融工具包括遠期外匯合約及利率掉期合約。遠期外匯合約已利用活躍市場所報遠期匯率評估公平值。利率掉期合約則利用從可觀察收益曲線摘取之遠期利率評估公平值。貼現普遍不會對第二級衍生工具造成重大影響。

6. 收益及分類資料

本集團主要從事製造及銷售紗線、坯布、面料以及服裝。於期內確認之收入指貨品銷售(扣除增值稅)。

執行董事委員會為本集團之主要經營決策者。經營分類以向主要經營決策者提供內部呈報一致的形式呈報。執行董事委員會審閱本集團之內部申報，以評估表現及分配資源。管理層已根據該等報告釐定經營分類。

執行董事委員會認為業務可按產品及地區前景分類，管理層評估紗線、坯布及面料以及服裝之銷售表現。業務以地區基準(包括中國大陸(及香港)、越南、澳門及柬埔寨)作進一步評估。

6. REVENUE AND SEGMENT INFORMATION (Continued)

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

The segment information for the six months ended 30 June 2016 is as follows:

6. 收益及分類資料(續)

執行董事委員會根據收益及經營利潤評估經營分類之業績。

截至二零一六年六月三十日止六個月之分類資料如下：

		Unaudited 未經審核										
		Six months ended 30 June 2016 截至二零一六年六月三十日止六個月										
		Yarn 紗線			Garment fabrics and Garments 面料及服裝			Grey fabrics 坯布		Total 總額		
		Mainland China and Hong Kong 中國大陸 及香港		Vietnam 越南	Macao 澳門	Mainland China 中國大陸		Cambodia 柬埔寨	Vietnam 越南	Mainland China 中國大陸	Vietnam 越南	
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Total revenue	總收入	4,453,421	2,531,839	4,854,894	160,936	47,572	-	254,082	-	12,302,744		
Inter-segment revenue	分類間收入	(161,916)	(2,429,286)	(3,889,750)	-	-	-	-	-	(6,480,952)		
Revenue (from external customers)	收入(來自外部 客戶)	4,291,505	102,553	965,144	160,936	47,572	-	254,082	-	5,821,792		
Segment results	分類業績	294,503	178,439	227,318	18,490	(1,075)	411	17,324	(991)	734,419		
Unallocated expenses	未分配費用									(31,097)		
Operating profit	經營溢利									703,322		
Finance income	財務收入									5,137		
Finance costs	財務費用									(164,266)		
Share of losses of associates	分佔聯營公司 虧損									(1,214)		
Income tax expense	所得稅開支									(86,859)		
Profit for the period	期內溢利									456,120		
Depreciation and amortisation	折舊及攤銷	(97,334)	(137,711)	(50)	(248)	(1,122)	-	(5,539)	-	(242,004)		

6. REVENUE AND SEGMENT INFORMATION
(Continued)

The segment information for the six months ended 30 June 2015 is as follows:

6. 收益及分類資料(續)

截至二零一五年六月三十日止六個月之分類資料如下：

		Unaudited 未經審核					
		Six months ended 30 June 2015 (Restated)					
		截至二零一五年六月三十日止六個月(經重列)					
		Yarn 紗線		Garment fabrics 面料	Grey fabrics 坯布	Total 總額	
		Mainland China and Hong Kong 中國大陸 及香港	Vietnam 越南	Macao 澳門	Mainland China 中國大陸	Mainland China 中國大陸	
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Total revenue	總收入	3,727,126	2,107,006	4,414,224	75,009	266,445	10,589,810
Inter-segment revenue	分類間收入	(108,402)	(2,029,591)	(3,604,490)	-	-	(5,742,483)
Revenue (from external customers)	收入 (來自外部客戶)	3,618,724	77,415	809,734	75,009	266,445	4,847,327
Segment results	分類業績	162,060	157,522	137,882	9,264	16,125	482,853
Unallocated expenses	未分配費用						(28,783)
Operating profit	經營溢利						454,070
Finance income	財務收入						8,462
Finance costs	財務費用						(111,996)
Share of profit of an associate	分佔聯營公司溢利						1,186
Income tax expense	所得稅開支						(58,765)
Profit for the period	期內溢利						292,957
Depreciation and amortisation	折舊及攤銷	(98,649)	(120,010)	(21)	(9)	(7,114)	(225,803)

6. REVENUE AND SEGMENT INFORMATION

(Continued)

The segment assets and liabilities as at 30 June 2016 are as follows:

6. 收益及分類資料(續)

於二零一六年六月三十日之分類資產及負債如下：

		Unaudited 未經審核									
		As at 30 June 2016 於二零一六年六月三十日									
		Yarn 紗線				Garment fabrics and Garments 面料及服裝			Grey fabrics 坯布		Total 總額
						Mainland China			Mainland Vietnam		
		Mainland China and Hong Kong 中國大陸 及香港				Mainland China 中國大陸			Mainland Vietnam 越南		
		Vietnam	Macao	Sub-total	China	Cambodia	Vietnam	China	Vietnam		
		越南	澳門	小計	中國大陸	柬埔寨	越南	中國大陸	越南		
		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	
Total segment assets	分類總資產	7,189,447	3,938,547	375,643	11,503,637	246,115	72,828	135,361	357,317	95,028	12,410,286
Unallocated assets	未分配資產										103,737
Total assets of the Group	本集團總資產										12,514,023
Total segment liabilities	分類總負債				(5,155,249)	(16,352)	(18,817)	(584)	(37,588)	(307)	(5,228,897)
Unallocated liabilities	未分配負債										(2,974,875)
Total liabilities of the Group	本集團總負債										(8,203,772)
Capital expenditure	資本開支	702,247	153,420	29	855,696	4,893	5,174	113,877	2,170	73,912	1,055,722

7. FREEHOLD LAND AND LAND USE RIGHTS

7. 永久產權土地及土地使用權

		Unaudited 未經審核 RMB'000 人民幣千元
Six months ended 30 June 2015	截至二零一五年六月三十日	
	止六個月	
Opening net book amount as at 1 January 2015	於二零一五年一月一日 之期初賬面淨值	384,753
Additions	添置	39,672
Amortisation	攤銷	(4,767)
		<hr/>
Closing net book amount as at 30 June 2015	於二零一五年六月三十日 之期末賬面淨值	419,658
		<hr/>
Six months ended 30 June 2016	截至二零一六年六月三十日	
	止六個月	
Opening net book amount as at 1 January 2016	於二零一六年一月一日 之期初賬面淨值	551,618
Additions	添置	67,633
Amortisation	攤銷	(8,843)
		<hr/>
Closing net book amount as at 30 June 2016	於二零一六年六月三十日 之期末賬面淨值	610,408
		<hr/>

As at 30 June 2016, land use rights with a net book amount of RMB26,272,000 (31 December 2015: RMB45,087,000) was pledged as collateral for the Group's bank borrowings (Note 15).

於二零一六年六月三十日，賬面淨值為人民幣26,272,000元（二零一五年十二月三十一日：人民幣45,087,000元）之土地使用權已作抵押，以作為本集團取得銀行融資之抵押品（附註15）。

8. PROPERTY, PLANT AND EQUIPMENT

8. 物業、廠房及設備

Unaudited
未經審核
RMB'000
人民幣千元

Six months ended 30 June 2015	截至二零一五年六月三十日 止六個月	
Opening net book amount as at 1 January 2015	於二零一五年一月一日 之期初賬面淨值	4,157,691
Additions	添置	89,337
Disposals	出售	(681)
Depreciation	折舊	(221,036)
Closing net book amount as at 30 June 2015	於二零一五年六月三十日 之期末賬面淨值	4,025,311
Six months ended 30 June 2016	截至二零一六年六月三十日 止六個月	
Opening net book amount as at 1 January 2016	於二零一六年一月一日 之期初賬面淨值	4,997,844
Additions	添置	988,089
Disposals	出售	(1,257)
Depreciation	折舊	(233,161)
Closing net book amount as at 30 June 2016	於二零一六年六月三十日 之期末賬面淨值	5,751,515

As at 30 June 2016, property, plant and equipment of approximately RMB121,544,000 (31 December 2015: RMB352,700,000) were pledged as collateral for the Group's bank borrowings (Note 15).

於二零一六年六月三十日，約為人民幣121,544,000元(二零一五年十二月三十一日：人民幣352,700,000元)之物業、廠房及設備已作抵押，以作為本集團取得銀行融資之抵押品(附註15)。

During the six months ended 30 June 2016, finance cost of RMB18,698,000 was capitalised as part of property, plant and equipment at a rate of 4.33% per annum (for the six months ended 30 June 2015: nil).

於截至二零一六年六月三十日止六個月，財務費用人民幣18,698,000元(截至二零一五年六月三十日止六個月：無)按年利率4.33%資本化為物業、廠房及設備的一部分。

9. INVESTMENTS IN ASSOCIATES

Share of net assets of unlisted associates
Goodwill

分佔非上市聯營公司
資產淨值
商譽

80,932
191

63,483
191

81,123

63,674

Movement of shares of net assets attributable to the Group is as follows:

Opening amount
Acquisition
Share of (losses)/profits based on equity held
Share of other comprehensive losses based on equity held

期初金額
收購
根據所持的權益應佔(虧損)/溢利
根據所持的權益應佔其他全面虧損

63,483
19,971
(1,214)
(1,308)

59,355
—
4,128
—

Closing amount

期末金額

80,932

63,483

On 9 May 2016, the Group acquired 49% interest of Hang Chi Enterprise Co., Ltd. and its subsidiaries, a group engaged in the manufacturing and sales of textile and fabrics products in China and Hongkong, for a consideration of HKD1. The Group's share of the fair value of net assets acquired at acquisition date on aggregation was RMB19,971,000. As a result of the acquisition, the Group recognized gains of RMB19,971,000 and the gains are included in 'other gains/(losses)' for the six months ended 30 June 2016.

於二零一六年五月九日，本集團以代價1港元收購恒志企業有限公司及其附屬公司49%權益，恒志企業有限公司及其附屬公司為於中國及香港從事製造及銷售紡織品及面料產品的集團。本集團於收購日期應佔已收購資產淨值的公平值合共為人民幣19,971,000元。由於進行收購事項，本集團確認收益人民幣19,971,000元，而有關收益計入截至二零一六年六月三十日止六個月的「其他收益/(虧損)」。

9. 於聯營公司的投資

Unaudited 未經審核 30 June 2016 二零一六年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元
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本集團應佔資產淨值變動如下：

Unaudited 未經審核 30 June 2016 二零一六年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元
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9. INVESTMENTS IN ASSOCIATES (Continued)

Particulars of the associates are as follows:

9. 於聯營公司的投資(續)

聯營公司的詳情如下：

Name of associate 聯營公司名稱	Place and date of incorporation and form of legal entity 註冊成立地點及日期以及法律實體類別	Principal activities 主要業務	Particulars of issued share capital 已發行股本詳情	Interest held 所持權益
Nantong Textile Group Co., Ltd.	Nantong, Mainland China, 11 September 2002 limited liability company	Manufacturing and sales of top-grade textile knitting products and garments	RMB116,375,000	37%
南通紡織控股集團紡織染有限公司	中國大陸南通，二零零二年九月十一日，有限責任公司	製造及銷售高級紡織產品及成衣	人民幣116,375,000元	
Hang Chi Enterprise Co., Ltd.	Hong Kong, 7 August 1974 limited liability company	Trading, knitting and dyeing of textile and fabric products and investment holding	HKD11,000,001	49%
恒志企業有限公司	香港，一九七四年八月七日，有限責任公司	紡織品及面料產品貿易、針織及漂染和投資控股	11,000,001港元	
Wah Fung Knitters Co., Ltd.	Hong Kong, 7 November 2008 limited liability company	Sales of textiles and investment holding	HKD6,000,000	49%
華峰針織有限公司	香港，二零零八年十一月七日，有限責任公司	銷售紡織品及投資控股	6,000,000港元	
Taltex (Zhuhai) Co., Ltd.	Zhuhai, Mainland China, 27 April 1994 limited liability company	Manufacturing and sales of various kind of knitted fabric and chemical fiber	USD60,180,000	49%
聯業織染(珠海)有限公司	中國大陸珠海，一九九四年四月二十七日，有限責任公司	製造及銷售各類針織面料及化學纖維	60,180,000美元	
Drago Textile International Co., Ltd.	Hong Kong, 8 November 1983 limited liability company	Engaged in property investment	HKD22,000,000	49%
志偉紡織國際有限公司	香港，一九八三年十一月八日，有限責任公司	從事物業投資	22,000,000港元	
Sky Keen Investments Co., Ltd.	Hong Kong, 8 April 1988 limited liability company	Engaged in property investment	HKD10,000	49%
天京投資有限公司	香港，一九八八年四月八日，有限責任公司	從事物業投資	10,000港元	

9. INVESTMENTS IN ASSOCIATES (Continued)

The Group's share of revenue of the associates, which is not included in the Group's revenue, and the Group's share of profit for the period, assets and liabilities of the associates, which have been included in the consolidated income statement and balance sheet using equity method, are as follows:

9. 於聯營公司的投資(續)

本集團應佔聯營公司的收入(不計入本集團收入)，及本集團應佔聯營公司的期間溢利、資產及負債(均已採用權益法計入綜合收益表及資產負債表)如下：

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Revenue	收入	149,326	81,239
Losses/(profits) for the period	期內虧損/(溢利)	(1,214)	1,186
Other comprehensive losses for the period	期內其他全面虧損	(1,308)	-
		Unaudited 未經審核 30 June 2016 二零一六年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元
Non-current assets	非流動資產	324,059	158,774
Current assets	流動資產	221,975	107,772
Current liabilities	流動負債	(405,935)	(171,027)
Non-current liabilities	非流動負債	(59,167)	(32,036)
Net assets value	資產淨值	80,932	63,483

11. TRADE AND BILLS RECEIVABLES

(Continued)

The Group generally grants credit terms of less than 90 days to its customers in Mainland China and 120 days to its customers in other countries. The ageing analysis of the trade and bills receivables by invoice date is as follows:

Within 30 days	30日以內
31 to 90 days	31日至90日
91 to 180 days	91日至180日
181 days to 1 year	181日至1年
Over 1 year	1年以上

Less: provision for impairment 減：減值撥備

Trade and bills receivables – net 應收貿易及票據款項 – 淨額

As at 30 June 2016, included in the trade receivables was amount from an associate of RMB18,536,000 (31 December 2015: nil) (Note 27).

11. 應收貿易及票據款項(續)

本集團授予其中國大陸客戶之信貸期一般為90日內，而授予其他國家客戶之信貸期為120日內。應收貿易及票據款項根據發票日期的賬齡分析如下：

Unaudited 未經審核 30 June 2016 二零一六年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元
638,380	600,610
270,634	355,858
115,811	74,278
3,306	1,002
6,006	8,026
1,034,137	1,039,774
(5,739)	(7,995)
1,028,398	1,031,779

於二零一六年六月三十日，應收款項包括應收聯營公司款項人民幣18,536,000元(二零一五年十二月三十一日：零)(附註27)。

12. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

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

As at 30 June 2016, included in the prepayments was amount from an associate of RMB34,188,000 (31 December 2015: nil) (Note 27).

13. TRADE AND BILLS PAYABLES

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

As at 30 June 2016, included in the trade payables was amount due to an associate of RMB866,000 (31 December 2015: RMB221,000) (Note 27).

12. 預付款項、按金及其他應收賬款

Unaudited 未經審核 30 June 2016 二零一六年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元
424,464	272,712
242,458	147,730
12,233	2,159
—	16,756
6,637	6,690
3,136	7,525
688,928	453,572

於二零一六年六月三十日，預付款項包括預付聯營公司款項人民幣34,188,000元(二零一五年十二月三十一日：零)(附註27)。

13. 應付貿易及票據款項

Unaudited 未經審核 30 June 2016 二零一六年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元
273,148	184,473
2,289,164	2,110,165
2,562,312	2,294,638

於二零一六年六月三十日，應付貿易款項包括應付一間聯營公司款項人民幣866,000元(二零一五年十二月三十一日：人民幣221,000元)(附註27)。

13. TRADE AND BILLS PAYABLES (Continued)

The ageing analysis of the trade and bills payables (including amount due to an associate of trading in nature) based on invoice date is as follows:

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

13. 應付貿易及票據款項(續)

應付貿易及票據款項(包括應付一間聯營公司之貿易款項)根據發票日期的賬齡分析如下:

Unaudited 未經審核 30 June 2016 二零一六年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元
1,365,461	1,822,606
1,173,804	361,999
2,988	1,232
20,059	108,801
2,562,312	2,294,638

14. ACCRUALS AND OTHER PAYABLES

Accrued wages and salaries	應計工資及薪金
Interest payable	應付利息
Payables for purchase of property, plant and equipment	購買物業、廠房及設備應付賬款
Deposits from customers	客戶按金
Tax payables other than enterprise income tax	應付稅項(企業所得稅除外)
Payables for acquisition of subsidiaries	應付收購附屬公司賬款
Other payables	其他應付賬款

14. 預提費用及其他應付款項

Unaudited 未經審核 30 June 2016 二零一六年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元
142,325	122,515
45,786	86,850
193,400	121,296
67,939	76,168
16,126	28,550
42,624	87,286
73,687	96,102
581,887	618,767

15. BORROWINGS

15. 借貸

		Unaudited 未經審核 30 June 2016 二零一六年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元
Current	即期		
Unsecured bank borrowings	無抵押銀行借貸	293,333	86,667
Secured bank borrowings (Note (a))	有抵押銀行借貸 (附註(a))	304,575	204,548
Other bank borrowings (Note (b))	其他銀行借貸 (附註(b))	691,715	246,693
Notes payable (Note (c))	應付票據款項(附註(c))	-	1,009,846
		1,289,623	1,547,754
Non-current	非即期		
Unsecured bank borrowings	無抵押銀行借貸	662,879	353,333
Secured bank borrowings (Note (a))	有抵押銀行借貸 (附註(a))	66,047	77,427
Other bank borrowings (Note (b))	其他銀行借貸 (附註(b))	1,380,036	891,247
Notes payable (Note (c))	應付票據款項(附註(c))	1,197,177	1,183,299
		3,306,139	2,505,306
Total borrowings	借貸總額	4,595,762	4,053,060

15. BORROWINGS (Continued)

Notes:

(a) Bank borrowings of RMB370,622,000 (31 December 2015: RMB281,975,000) were secured by the pledge of the Group's land use rights with a net book amount of RMB26,272,000 (31 December 2015: RMB45,087,000) (Note 7); property, plant and equipment with a net book amount of approximately RMB121,544,000 (31 December 2015: RMB352,700,000) (Note 8); and inventories with a net book amount of RMB347,563,000 (31 December 2015: nil) (Note 10) as at 30 June 2016.

(b) Other bank borrowings of RMB2,071,751,000 (31 December 2015: RMB1,137,940,000) were secured by cross corporate guarantees provided by certain subsidiaries of the Group as at 30 June 2016.

(c) The notes payable comprised two senior notes:

At 30 June 2016, United States Dollars ("US\$") 182 million senior notes ("Hong Kong Notes") (31 December 2015: US\$184 million) were issued in April 2013, with a principal amount of US\$200 million, interest bearing at a fixed rate of 6.5% per annum and listed on the Hong Kong Stock Exchange. The Hong Kong Notes will be repayable in whole on 18 January 2019. The Group repurchased the Hong Kong Notes with a principal amount of US\$18 million, up to 30 June 2016.

At 31 December 2015, US\$ 156 million senior notes ("Singapore Notes") were issued in January 2011, with a principle amount of US\$200 million, interest bearing at a fixed rate of 7.625% per annum and listed on the Singapore Exchange Securities Trading Limited. The Singapore Notes were fully repaid on 19 January 2016.

15. 借貸(續)

附註:

(a) 於二零一六年六月三十日，人民幣370,622,000元(二零一五年十二月三十一日：人民幣281,975,000元)的銀行借貸已以本集團賬面淨值為人民幣26,272,000元(二零一五年十二月三十一日：人民幣45,087,000元)的土地使用權(附註7)及賬面淨值約為人民幣121,544,000元(二零一五年十二月三十一日：人民幣352,700,000元)的物業、廠房及設備(附註8)，以及賬面淨值為人民幣347,563,000元(二零一五年十二月三十一日：無)的存貨(附註10)作抵押。

(b) 於二零一六年六月三十日，其他銀行借貸人民幣2,071,751,000元(二零一五年十二月三十一日：人民幣1,137,940,000元)以本集團若干附屬公司提供的交叉公司擔保作抵押。

(c) 應付票據包括兩項優先票據：

於二零一六年六月三十日，1.82億美元優先票據(「香港票據」)(二零一五年十二月三十一日：1.84億美元)於二零一三年四月發行，本金額為2億美元，按每年6.5%之固定利率計息，並於香港聯交所上市。香港票據將於二零一九年一月十八日悉數償還。截至二零一六年六月三十日，本集團已購回本金額18,000,000美元的香港票據。

於二零一五年十二月三十一日，1.56億優先票據(「新加坡票據」)於二零一一年一月發行，本金額為2億美元，按每年7.625%之固定利率計息，並於新加坡證券交易所有限公司上市。新加坡票據已於二零一六年一月十九日悉數償還。

15. BORROWINGS (Continued)

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

RMB 人民幣
US\$ 美元

The weighted average effective interest rate per annum at 30 June 2016 was 4.77% (31 December 2015: 6.7%).

At 30 June 2016, the Group has undrawn floating rates borrowing facilities of approximately RMB2,141,893,000 (31 December 2015: RMB1,543,580,000) which will be expired within one year.

15. 借貸(續)

本集團借貸的賬面值按以下貨幣計值：

Unaudited 未經審核 30 June 2016 二零一六年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元
2,058,263	864,400
2,537,499	3,188,660
4,595,762	4,053,060

於二零一六年六月三十日之加權平均實際年利率為4.77% (二零一五年十二月三十一日：6.7%)。

於二零一六年六月三十日，本集團未動用之浮息借貸融資約人民幣2,141,893,000元(二零一五年十二月三十一日：人民幣1,543,580,000元)將於一年內到期。

16. DERIVATIVE FINANCIAL INSTRUMENTS

16. 衍生金融工具

		Unaudited 未經審核 30 June 2016 二零一六年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元
Assets:	資產：		
Forward foreign exchange contracts (Note (a))	遠期外匯合約(附註(a))	143,418	61,087
Liabilities:	負債：		
Interest rate swap contracts (Note (b))	利率掉期合約(附註(b))	3,343	9,899
Forward foreign exchange contracts (Note (a))	遠期外匯合約(附註(a))	2,630	2,789
		5,973	12,688

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

非對沖衍生工具分類為流動資產或負債。

Notes:

附註：

- (a) The forward foreign exchange contracts as at 30 June 2016 comprised 27 contracts with notional principal amounts totalling RMB6,474,613,000 (31 December 2015: 10 contracts with notional principal amounts totalling RMB2,402,632,000).
- (b) The interest rate swap contracts as at 30 June 2016 comprised 4 contracts with notional principal amounts totalling RMB332,221,000 (31 December 2015: 5 contracts with notional principal amounts totalling RMB1,694,836,000).

- (a) 於二零一六年六月三十日，遠期外匯合約包括27份合約，名義本金總計為人民幣6,474,613,000元(二零一五年十二月三十一日：10份合約，名義本金總計為人民幣2,402,632,000元)。
- (b) 於二零一六年六月三十日，利率掉期合約由4份合約組成，名義本金總計為人民幣332,221,000元(二零一五年十二月三十一日：由5份合約組成，名義本金總計為人民幣1,694,836,000元)。

17. FINANCE LEASE OBLIGATIONS

The rights to the leased asset are reverted to the lessor in the event of default of the lease liabilities by the Group.

17. 融資租賃承擔

倘本集團拖欠租賃負債，則租賃資產之權利將歸還出租人。

		Unaudited 未經審核 30 June 2016 二零一六年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元
Gross finance lease liabilities	融資租賃負債總額		
– minimum lease payments	– 最低租賃付款		
No later than 1 year	一年內	133,595	132,706
Later than 1 year and no later than 5 years	一年後至五年內	186,178	230,895
More than 5 years	五年以上	–	16,355
Less: future finance charges on finance leases	減：融資租賃之未來融資費用	(16,178)	(20,910)
		303,595	359,046

The present value of finance lease liabilities is as follows:

融資租賃負債之現值如下：

No later than 1 year	一年內	126,117	123,500
Later than 1 year and no later than 5 years	一年後至五年內	177,478	219,312
More than 5 years	五年以上	–	16,234
		303,595	359,046

18. SHARE CAPITAL AND SHARE PREMIUM

18. 股本及股份溢價

		Number of shares 股份數目 (thousands) (千股)			Ordinary shares 普通股 HKD'000 千港元
Authorised: Ordinary shares of Hong Kong Dollars ("HKD") 0.1 each	法定： 每股面值0.1港元 (「港元」)之普通股				
At 31 December 2015 and 30 June 2016	於二零一五年 十二月三十一日及 二零一六年六月三十日	4,000,000			400,000
		Number of shares 股份數目 (thousands) (千股)	Ordinary shares 普通股 RMB'000 人民幣千元	Share premium 股份溢價 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Issued and fully paid: Ordinary shares of HKD0.1 each	已發行及繳足： 每股面值0.1港元 之普通股				
At 31 December 2015 and 30 June 2016	於二零一五年 十二月三十一日 及二零一六年 六月三十日	884,681	94,064	189,218	283,282

19. SHARE OPTION SCHEME

Pursuant to a shareholders' resolution passed on 7 April 2014, the Company adopted a share option scheme ("the Share Option Scheme"), which will remain in force for a period of 10 years up to April 2024. Under the Share Option Scheme, the Company's directors may, at their sole discretion, grant to any employee, director, supplier of goods or services, customer, person or entity that provides research, development or other technological support to the Group, shareholder and adviser or consultant of the Group to subscribe for shares in the Company at a price of not less than the higher of (i) the closing price of shares as stated in the daily quotation sheet of the Stock Exchange on the date of the offer of grant; or (ii) the average closing price of shares as stated in the daily quotation sheets of the Stock Exchange for the five trading days immediately preceding the date of the offer of grant; and (iii) the nominal value of the share. A nominal consideration of HKD1 is payable on acceptance of the grant of an option. The maximum number of shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme adopted by the Group from time to time must not in aggregate exceed 30% of the share capital of the Company in issue from time to time.

19. 購股權計劃

根據本公司於二零一四年四月七日通過之股東決議案，本公司採納一項購股權計劃（「購股權計劃」），於截至二零二四年四月止十年期間內有效。根據購股權計劃，本公司董事可全權酌情向任何僱員、董事、貨品或服務供應商、客戶、為本集團提供研究、發展或其他技術支援的個人或實體、股東及本集團顧問或諮詢人授出購股權，以認購本公司股份，惟價格不低於下列較高者：(i) 於授出要約日期在聯交所每日報價表所列出的股份收市價；或(ii) 於緊接授出要約日期前五個交易日的聯交所每日報價表所列出的股份平均收市價；及(iii) 股份的面值。1港元的名義代價於接納授出購股權要約時支付。在購股權計劃及本集團不時採納的任何其他購股權計劃以下所有授出有待行使購股權獲行使時最高可予發行的股份數目合計不得超過本公司不時已發行股本的30%。

19. SHARE OPTION SCHEME (Continued)

The fair value of option granted on 23 March 2015 was determined using the Binomial Option-Pricing Model. The significant inputs into the model included the share price of HKD8.7 per share at the grant date, exercise price shown above, expected annual risk-free interest rate of 1.582%, expected dividend yield of 1.45% and volatility of 49.8%. The total fair value of these options was RMB17,154,000 and RMB2,847,000 was charged to administrative expenses for the six months ended 30 June 2016 (for the six months ended 30 June 2015: RMB3,220,000).

The fair value of option granted on 28 December 2015 was determined using the Binomial Option-Pricing Model. The significant inputs into the model included the share price of HKD5.7 per share at the grant date, exercise price shown above, expected annual risk-free interest rate of 1.623%, expected dividend yield of 3.42% and volatility of 50.94%. The total fair value of these options was RMB3,171,000 and RMB730,000 was charged to administrative expenses for the six months ended 30 June 2016 (for the six months ended 30 June 2015: nil).

19. 購股權計劃(續)

於二零一五年三月二十三日授出之購股權之公平值乃採用二項式期權定價模式釐定。該模式之重大輸入數據包括於授出日期之股價每股8.7港元、上述行使價、預期年度無風險利率1.582%、預期股息率1.45%及波幅49.8%。購股權之公平值總額為人民幣17,154,000元，而人民幣2,847,000元已於截至二零一六年六月三十日止六個月於行政開支扣除(截至二零一五年六月三十日止六個月：人民幣3,220,000元)。

於二零一五年十二月二十八日授出之購股權之公平值乃採用二項式期權定價模式釐定。該模式之重大輸入數據包括於授出日期之股價每股5.7港元、上述行使價、預期年度無風險利率1.623%、預期股息率3.42%及波幅50.94%。此等購股權之公平值總額為人民幣3,171,000元，而人民幣730,000元已於截至二零一六年六月三十日止六個月之行政開支扣除(截至二零一五年六月三十日止六個月：無)。

21. EXPENSES BY NATURE

The following expenses items have been included in cost of sales, selling and distribution costs and general and administrative expenses in the statement of comprehensive income.

21. 開支(按性質分類)

下列開支項目已於全面收益表中計入銷售成本、銷售及分銷成本，以及一般及行政開支。

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Cost of inventories	存貨成本	3,704,953	3,122,803
Employment benefit expenses	僱員福利開支	663,573	493,074
Utilities	動力及燃料	342,643	300,536
Depreciation and amortisation	折舊及攤銷	242,004	225,803
Transportation	運輸	143,495	116,139

22. FINANCE INCOME AND COSTS

22. 財務收入及費用

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

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Interest expenses	利息開支		
– borrowings	– 借貸	117,064	108,759
– finance lease obligations	– 融資租賃承擔	4,732	6,519
		121,796	115,278
Exchange losses/(gains) on financing activities	融資活動所得 匯兌虧損/(收益)	61,168	(3,282)
Less: amount capitalised in property, plant and equipment	減：物業、廠房及 設備資本化款項	(18,698)	–
Finance costs – net	財務費用 – 淨額	164,266	111,996
Finance income – interest income on bank deposits	財務收入 – 銀行存款 利息收入	(5,137)	(8,462)
Net finance costs	財務費用淨額	159,129	103,534

23. INCOME TAX EXPENSE

23. 所得稅開支

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

	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Current income tax		
– Mainland China and Vietnam enterprise income tax		
Deferred income tax		
	96,121	55,784
	(9,262)	2,981
	86,859	58,765

(i) **Hong Kong profits tax**
Subsidiaries established in Hong Kong are subject to profits tax at rate of 16.5% (2015: 16.5%).

(ii) **Mainland China enterprise income tax (“EIT”)**
Effective from 1 January 2008, the subsidiaries established in Mainland China are required to determine and pay the EIT in accordance with the Corporate Income Tax Law of the PRC (the “New CIT Law”) as approved by the National People’s congress on 16 March 2007 and Detailed Implementations Regulations of the New CIT Law (the “DIR”) as approved by the State Council on 6 December 2007. According to the New CIT Law and DIR, subsidiaries established in Mainland China are subject to EIT at rate of 25% (2015: 25%).

(i) **香港利得稅**
於香港成立的附屬公司須按16.5% (二零一五年：16.5%)之稅率繳付利得稅。

(ii) **中國大陸企業所得稅 (「企業所得稅」)**
由二零零八年一月一日起，於中國大陸成立的附屬公司需要根據全國人大於二零零七年三月十六日批准的中國企業所得稅法 (「新企業所得稅法」) 及國務院於二零零七年十二月六日批准的新企業所得稅法實施條例 (「實施條例」) 釐定及支付企業所得稅。根據新企業所得稅法實施條例，於中國大陸成立的附屬公司須按25% (二零一五年：25%)之稅率繳付企業所得稅。

23. INCOME TAX EXPENSE (Continued)

(iii) Vietnam income tax

Subsidiaries established in Vietnam are subject to income tax at rate of 20% (2015: 22%).

As approved by the relevant Tax Bureau in Vietnam, the subsidiaries established in Vietnam in 2016, 2014, 2013 and 2011 are entitled to four years' exemption from income taxes followed by nine years of a 50% tax reduction, commencing from the first profitable year after offsetting the losses carried forward from the previous years, and are entitled to a preferential income tax rate of 10% for 15 years, commencing from the first year generating income from the operation.

As approved by the relevant Tax Bureau in Vietnam, the subsidiary established in Vietnam in 2006, should separately calculate income tax on its supplementary investments. The initial investment of the subsidiary is entitled to three years' exemption from income taxes followed by seven years of a 50% tax reduction and is entitled to a preferential income tax rate of 15% for 12 years. The first supplementary investment of the subsidiary is entitled to three years' exemption from income taxes followed by five years of a 50% tax reduction based on the income tax rate of 20% (2015: 22%).

23. 所得稅開支(續)

(iii) 越南所得稅

於越南成立之附屬公司須按20%(二零一五年: 22%)之稅率繳付所得稅。

經越南的相關稅務局批准,於二零一六年、二零一四年、二零一三年及二零一一年在越南成立的附屬公司,有權於抵銷過往年度結轉的虧損後首個獲利年度起,免繳所得稅四年,其後九年則獲稅務減半優惠,並由業務產生收入的首個年度起,有權享受優惠所得稅稅率10%達十五年。

經越南的相關稅務局批准,一家於二零零六年於越南成立的附屬公司,可就其補充投資獨立計算所得稅。該附屬公司的初步投資有權免繳所得稅三年,其後七年則獲稅務減半優惠,並有權享受優惠所得稅稅率15%達十二年。該附屬公司的首項補充投資有權免繳所得稅三年,其後五年根據20%(二零一五年: 22%)的所得稅稅率,可獲所得稅減半優惠。

23. INCOME TAX EXPENSE (Continued)

(iii) Vietnam income tax (Continued)

As approved by the relevant Tax Bureau in Vietnam, the other subsidiary established in Vietnam should separately calculate income tax on its supplementary investments. The initial investment of the subsidiary is entitled to a tax rate of 15%. The supplementary investment of the subsidiary is entitled to a tax rate of 20% (2015: 22%).

The applicable tax rates for the subsidiaries in Vietnam range from nil to 20% during the six months ended 30 June 2016 (2015: nil to 22%).

(iv) Other income tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of Cayman Islands and, accordingly, is exempted from payment of Cayman Islands income tax.

The Company's subsidiaries established in the British Virgin Islands were incorporated under the International Business Companies Acts or the Business Companies Acts, 2004 of the British Virgin Islands and, accordingly, are exempted from payment of British Virgin Islands income tax.

The subsidiary established in Macao is subject to income tax at the rate of 9% (2015: 9%). No provision for Macao profits tax has been made as the Group had no assessable profit arising in or derived from Macao during the six months ended 30 June 2016 (2015: nil).

23. 所得稅開支(續)

(iii) 越南所得稅(續)

經越南有關稅務局批准，於越南成立的其他附屬公司可就其補充投資獨立計算所得稅。該附屬公司的初步投資有權享有15%之稅率。該附屬公司的補充投資有權享有20%（二零一五年：22%）之稅率。

於截至二零一六年六月三十日止六個月，於越南之附屬公司之適用稅率為無至20%（二零一五年：無至22%）。

(iv) 其他所得稅

本公司根據開曼群島公司法於開曼群島註冊成立為獲豁免有限公司，因此獲免繳開曼群島所得稅。

本公司於英屬處女群島成立之附屬公司乃根據英屬處女群島國際商業公司法或二零零四年商業公司法註冊成立，因此獲免繳英屬處女群島所得稅。

於澳門成立之附屬公司須按9%（二零一五年：9%）之稅率繳付所得稅。由於本集團於截至二零一六年六月三十日止六個月概無在澳門產生或從澳門賺取應課稅溢利，故概無就澳門利得稅作出撥備（二零一五年：零）。

24. EARNINGS PER SHARE (Continued)
(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the Company's share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

24. 每股盈利(續)
(b) 攤薄

每股攤薄盈利乃透過調整發行在外的普通股加權平均數計算，以假設所有具攤薄影響之潛在普通股獲轉換。就本公司之購股權而言，本公司已根據未行使購股權附帶之認購權之幣值，計算能夠按公平值（釐定為本公司股份之平均年度市價）收購的股份數目。上述計算所得之股份數目與假設購股權獲行使的情況下，已發行的股份數目比較。

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2016 二零一六年	2015 二零一五年
Profit attributable to owners of the Company (RMB'000)	本公司擁有人應佔溢利 (人民幣千元)	456,709	292,957
Weighted average number of ordinary shares in issue (thousands)	已發行普通股加權平均數 (以千計)	884,681	884,681
Adjustments for:	調整：		
– Share options (thousands)	– 購股權 (以千計)	228	58
Weighted average number of ordinary shares for diluted earnings per share (thousands)	每股攤薄盈利所用之普通股加權平均數 (以千計)	884,909	884,739
Diluted earnings per share (RMB per share)	每股攤薄盈利 (每股人民幣)	0.52	0.33

25. DIVIDENDS

A final dividend of RMB89,155,000 that is related to the year ended 31 December 2015 was paid in May 2016 (2015: RMB55,848,000).

In addition, an interim dividend of HKD0.18 per share (2015: HKD0.12 per share) was proposed by the board of directors on 15 August 2016. It will be payable on or about 20 September 2016 to shareholders whose names are on the register on 8 September 2016. This interim dividend, amounting to RMB136,105,000 (2015: RMB87,329,000), has not been recognised as a liability in this interim financial information. It will be recognised in shareholders' equity in the financial statements of the Company for the year ending 31 December 2016.

26. COMMITMENTS

(a) Capital expenditures commitments

Capital expenditures at the balance sheet date that have not been incurred are as follows:

Property, plant and equipment	物業、廠房及設備
Authorised but not contracted for	已授權但未訂約
Contracted but not provided for	已訂約但未撥備
Land use rights	土地使用權
Contracted but not provided for	已訂約但未撥備
Total capital commitments	資本承擔總額

25. 股息

於二零一六年五月，已支付與截至二零一五年十二月三十一日止年度相關的末期股息人民幣89,155,000元(二零一五年：人民幣55,848,000元)。

此外，董事會於二零一六年八月十五日建議派付中期股息每股0.18港元(二零一五年：每股0.12港元)。有關股息將於二零一六年九月二十日或前後向於二零一六年九月八日名列股東名冊的股東支付。中期股息人民幣136,105,000元(二零一五年：人民幣87,329,000元)尚未於本中期財務資料確認為負債。該股息將於本公司截至二零一六年十二月三十一日止年度之財務報表確認為股東權益。

26. 承擔

(a) 資本開支承擔

於結算日的未產生資本開支如下：

Unaudited 未經審核 30 June 2016 二零一六年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元
17,100	183,408
533,937	740,644
551,037	924,052
41,923	96,117
592,960	1,020,169

26. COMMITMENTS (Continued)
(b) Operating leases commitments

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

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

Relating to:	關於：
Land use rights	土地使用權
Property, plant and equipment	物業、廠房及設備

26. 承擔(續)
(b) 經營租賃承擔

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

Unaudited 未經審核 30 June 2016 二零一六年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元
13,440	9,304
21,908	13,207
20,628	20,518
55,976	43,029
23,869	23,691
32,107	19,338
55,976	43,029

27. RELATED-PARTY TRANSACTIONS

Related parties are those as defined under Hong Kong Accounting Standard 24 and include key management of the Group. General speaking, parties are considered to be related if one party has the ability, directly or indirectly, control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control.

The related parties that had transactions with the Group are as follows:

Name of related party

關聯方名稱

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

Hang Chi Enterprise Co., Ltd.
恒志企業有限公司

Taltex (Zhuhai) Co., Ltd.
聯業織染(珠海)有限公司

Texhong Haiha Industrial Park Vietnam Co., Ltd.
越南天虹海河工業區有限公司

27. 與關聯方的交易

關聯方為香港會計準則第24條所定義者並包括本集團之主要管理層。一般而言，倘其中一方能直接或間接控制另一方或在財務及營運決定方面對另一方行使重大影響力，則被視為關聯方。倘彼等受共同控制，亦被視為關聯方。

與本集團進行交易的關聯方如下：

Relationship with the Group

與本集團的關係

Associate company
聯營公司

Associate company
聯營公司

Associate company
聯營公司

A company controlled by the
chairman of the Group
由本集團主席所控制之公司

27. RELATED-PARTY TRANSACTIONS

(Continued)

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

(a) Transactions with related parties

Sales of goods	貨品銷售
– Taltex (Zhuhai) Co., Ltd.	– 聯業織染(珠海)有限公司
Purchase of land use rights	購買土地使用權
– Texhong Haiha Industrial Park Vietnam Co., Ltd.	– 越南天虹海河工業區有限公司
Purchases of goods	購買貨品
– Nantong Textile Group Co., Ltd.	– 南通紡織控股集團紡織染有限公司
Purchase of electricity	採購電力
– Texhong Haiha Industrial Park Vietnam Co., Ltd.	– 越南天虹海河工業區有限公司

In the opinion of the Company's directors and the Group's management, the above related party transactions were carried out in the ordinary course of business, and in accordance with the terms of the underlying agreements and or the invoices issued by the respective parties.

27. 與關聯方的交易(續)

本集團與其關聯方進行的重大交易及結餘如下：

(a) 與關聯方的交易

Unaudited 未經審核	
Six months ended 30 June 截至六月三十日止六個月	
2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
10,335	–
65,033	39,672
8,660	1,723
18,258	–

本公司董事及本集團的管理層認為上述與關聯方的交易乃於日常業務過程並且根據相關協議的條款及/或由有關各方發出的發票進行。

27. RELATED-PARTY TRANSACTIONS
(Continued)

(b) Balance with related parties

Trade receivable	應收貿易款項
– Taltex (Zhuhai) Co., Ltd.	– 聯業織染(珠海)有限公司
Prepayments	預付款項
– Hang Chi Enterprise Co., Ltd.	– 恒志企業有限公司
Trade payable	應付貿易款項
– Nantong Textile Group Co., Ltd.	– 南通紡織控股集團紡織染有限公司

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

(c) Key management compensation

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

27. 與關聯方的交易(續)

(b) 與關聯方的結餘

Unaudited 未經審核 30 June 2016 二零一六年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元
18,536	–
34,188	–
866	221

與關連方的結餘為無抵押、不計息及須於一年內償還。

(c) 主要管理層薪酬

Unaudited 未經審核 Six months ended 30 June 截至六月三十日止六個月 2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
5,684	4,470
274	208
399	444
6,357	5,122

OVERVIEW

We are pleased to present the results of the Group for the six months ended 30 June 2016 to our shareholders. During the period under review, the Group's revenue increased by 20.1% to RMB5.82 billion when compared to the corresponding period last year. The increase was mainly attributable to the rise in sales volume of yarns. Profit attributable to equity holders for the six months ended 30 June 2016 increased by 55.9% to RMB456.7 million when compared to the corresponding period last year. Earnings per share also increased to RMB0.52 from RMB0.33 for the corresponding period last year. The increase in profit attributable to equity holders was mainly due to the strong sales volume of yarns, enhancement of product mix and an increase in profit margin attributable to the drop in cotton cost which was more substantial than the decline in the selling prices of yarns.

INDUSTRY REVIEW

In the first half of 2016, the depreciation of the Renminbi led to an increase in the import price of yarn and a decrease in its import volume, thereby vitalising the market demand in the PRC textile industry. Moreover, controlled sales of cotton reserves by the PRC government assured the price stability of cotton in the PRC. The operating environment for cotton textile enterprises has thus been relatively stable. Nevertheless, domestic competition between cotton textile enterprises remained extremely fierce and customers have been increasingly demanding in respect of product development, quality and services. All in all, certain challenges continue to impact the industry.

綜覽

我們欣然向股東報告本集團截至二零一六年六月三十日止六個月的業績。在回顧期內，主要由於紗線銷量上升，本集團之收入較去年同期上升20.1%至人民幣58.2億元。截至二零一六年六月三十日止六個月，股權持有人應佔溢利較去年同期增加55.9%至人民幣4.567億元。每股盈利亦由去年同期的人民幣0.33元增加至人民幣0.52元。股權持有人應佔溢利同比上升的主要原因是紗線銷量強勁，產品組合的調整及棉花成本的下降幅度大於紗線售價跌幅令毛利率得以提升。

行業回顧

二零一六年上半年，隨著人民幣貶值引致紗線進口價格上升壓抑其進口量，對我國紡織行業市場需求起了提振作用。另外，中國政府有序出售儲備棉花也對國內棉花價格穩定性提供了很好的保障，因此，棉紡企業的經營環境相對平穩。儘管如此，國內棉紡企業競爭還是非常激烈，客戶對於產品開發、品質以及服務的要求不斷提高，總體來說行業還是面對一定的挑戰。

INDUSTRY REVIEW (Continued)

According to the data from the National Bureau of Statistics of the PRC, from January to June 2016, enterprises with sizeable capacity in the textile industry realised aggregate revenue of RMB1,874.4 billion from its principal activities, representing year-on-year growth of 4.5%. Total profit amounted to RMB94.4 billion, representing year-on-year growth of 7.5%. From January to June 2016, fixed asset investments in the textile industry in the PRC amounted to RMB291.4 billion, representing year-on-year growth of 12.9%.

According to statistics from the General Administration of Customs of the PRC, the aggregate export of textiles and garments from January to June 2016 was US\$123.6 billion, representing a decrease of 3.7%. Among such exports, US\$52.0 billion was attributable to textiles export and US\$71.6 billion to garments export, representing a decrease of 1.6% and 5.1% respectively. With respect to production volume, from January to June 2016, yarns, fabrics and synthetic fibers production amounted to 19.71 million tonnes, 33.1 billion meters and 24.52 million tonnes respectively, representing year-on-year growth of 6.6%, 2.0% and 8.4% respectively.

行業回顧(續)

根據中國國家統計局的數據顯示，二零一六年一月至六月，紡織行業規模企業累計實現主營業務收入人民幣18,744億元，同比增長4.5%；實現利潤總額944億元，同比增長7.5%。中國紡織業在二零一六年一月至六月固定資產投資人民幣2,914億元，同比增長12.9%。

根據中國海關總署發佈的數據顯示，二零一六年一月至六月，紡織品服裝累計出口1,236億美元，下降3.7%，其中紡織品出口520億美元，下降1.6%，服裝出口716億美元，下降5.1%。產量方面，二零一六年一月至六月紗線1,971萬噸，同比增長6.6%，布產量331億米，同比增長2.0%，化纖產量2,452萬噸，漲幅8.4%。

BUSINESS REVIEW

For the period under review, the revenue of the Group was RMB5.82 billion, representing an increase of 20.1% when compared to the corresponding period last year. Revenue of the Group comprises sales of yarns, grey fabrics, garment fabrics as well as garments. Yarns continued to be the major product of the Group, which contributed revenue of RMB5.36 billion to the Group during the six months ended 30 June 2016, accounting for 92.1% of total revenue. The increase was mainly driven by the growth in sales volume under strong demand of the Group's products. In the first half of 2016, the Group's two plants, comprising an aggregate of newly added capacity of approximately 710,000 spindles from production plants in Xinjiang, the PRC and the first phase of the Galaxy facilities in northern Vietnam, commenced trial production. The expansion in capacity has directly supported our sales volume growth and it is expected that the plants will begin full-scale operation upon completion of all testing and adjustment procedures in the second half of the year. The Group's yarn sales volume increased by 20.9% to a record high of over 262,000 tonnes for the six months ended 30 June 2016. The Group continues to focus on stretchable core-spun yarn and denim yarn markets in the PRC with a view to explore markets for exceptional and high value-added yarn products. The operating data of the Group's products is set out below:

業務回顧

於回顧期內，本集團的收入為人民幣58.2億元，較去年同期上升20.1%。本集團收入包括紗線、坯布、面料和服裝的銷售。紗線繼續為本集團的重點產品，截至二零一六年六月三十日止六個月收入達到人民幣53.6億元，佔本集團總收入的92.1%，上升主要由對本集團產品的強勁需求帶動的銷量增長所致。於二零一六年上半年，本集團的兩座廠房於中國新疆以及越南北部銀河一期總數為約71萬紗錠的新增產能陸續開始試運轉，產能的擴張直接支撐了銷量的增加，預計於下半年完成所有調試開始全面投產。截至二零一六年六月三十日止六個月，本集團紗線銷量大幅增加20.9%至逾262,000噸，打破歷年銷量紀錄。本集團持續主攻中國的彈力包芯紗線及牛仔紗線市場，開拓差異化高增值紗線產品市場。本集團產品的經營數據如下：

		Revenue from January to June 2016	Revenue from January to June 2015	Revenue change between 2016 and 2015 二零一六年銷售額對比二零一五年之轉變
		二零一六年一月至六月銷售額 RMB'000 人民幣千元	二零一五年一月至六月銷售額 RMB'000 人民幣千元	
Stretchable core-spun yarns	彈力包芯紗線			
- Cotton	- 棉紗	1,738,643	1,439,180	20.8%
- Denim	- 牛仔	940,479	631,820	48.9%
- Synthetic fiber	- 人造纖維	464,498	357,158	30.1%
Other yarns	其他紗線			
- Cotton	- 棉紗	833,327	844,735	-1.4%
- Denim	- 牛仔	743,826	669,886	11.0%
- Synthetic fiber	- 人造纖維	638,429	563,094	13.4%
Fabrics	坯布及面料			
- Stretchable grey fabrics	- 彈力坯布	221,761	223,126	-0.6%
- Other grey fabrics	- 其他坯布	32,321	43,319	-25.4%
- Garment fabrics	- 面料	135,527	75,009	80.7%
Garments and others	服裝及其他	72,981	-	-
Total	總計	5,821,792	4,847,327	20.1%

BUSINESS REVIEW (Continued)

業務回顧(續)

	Sales volume 銷量		Selling price 售價		Gross profit margin 毛利率	
	January to June 2016 二零一六年 一月至六月	January to June 2015 二零一五年 一月至六月	January to June 2016 二零一六年 一月至六月	January to June 2015 二零一五年 一月至六月	January to June 2016 二零一六年 一月至六月	January to June 2015 二零一五年 一月至六月
Stretchable core-spun yarns (Ton/RMB per ton)						
彈力包芯紗線 (噸/人民幣每噸)						
- Cotton	80,838	62,878	21,508	22,888	19.8%	18.0%
- Denim	40,396	27,837	23,281	22,697	24.7%	21.3%
- Synthetic fiber	19,791	16,232	23,470	22,003	21.2%	13.6%
Other yarns (Ton/RMB per ton)						
其他紗線(噸/人民幣每噸)						
- Cotton	46,979	44,858	17,738	18,831	14.7%	18.7%
- Denim	43,567	37,119	17,073	18,047	16.5%	16.3%
- Synthetic fiber	30,690	28,031	20,803	20,088	14.6%	12.5%
Fabrics (Million meters/RMB per meter)						
坯布及面料 (百萬米/人民幣每米)						
- Stretchable grey fabrics	22.7	21.4	9.8	10.4	12.4%	10.9%
- Other grey fabrics	5.0	6.8	6.5	6.4	9.1%	10.3%
- Garment fabrics	8.1	4.1	16.7	18.3	13.2%	21.0%

The overall gross profit margin of the Group's products increased from 17.0% for the six months ended 30 June 2015 to 18.2% for the six months ended 30 June 2016. Increase in gross profit margin was mainly attributable to the drop in cotton cost, which was more substantial than the decline in the selling prices of yarns, as well as an enhancement of the Group's product mix.

截至二零一六年六月三十日止六個月，本集團產品之整體毛利率由截至二零一五年六月三十日止六個月的17.0%上升至18.2%。毛利率的上升主要是由於棉花成本的下降幅度大於紗線售價跌幅及本集團產品組合的調整所致。

Cost of sales increased by 18.3% to RMB4.76 billion when compared to the corresponding period last year. Raw material cost accounted for about 75.4% of the total cost of sales for the six months ended 30 June 2016. Cotton is the Group's major raw material.

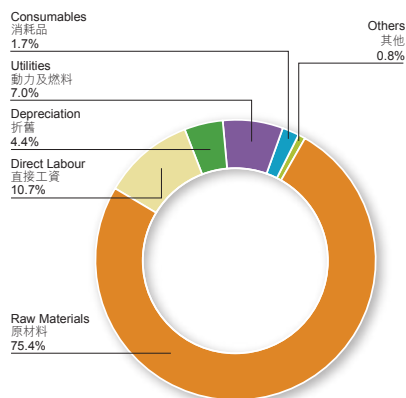
銷售成本較去年同期上升18.3%至人民幣47.6億元。原材料成本佔截至二零一六年六月三十日止六個月的銷售成本總額約75.4%。棉花為本集團的主要原材料。

BUSINESS REVIEW (Continued)

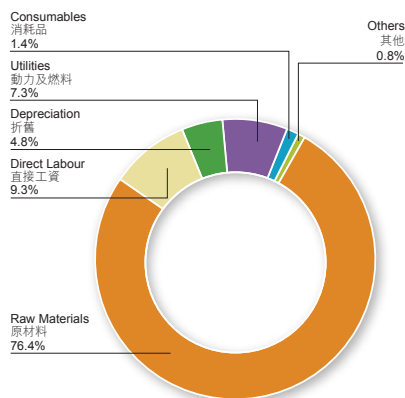
The breakdown of our cost of sales is shown below:

業務回顧(續)

銷售成本的明細列示如下：



January to June 2016
二零一六年一至六月



January to June 2015
二零一五年一至六月

The Group will continue to implement its established corporate strategies, optimize product mix and develop new products that meet market trends and needs. The Group will also further improve its financial performance by taking full advantage of the strategic presence of the production operations.

本集團將繼續執行既有企業策略，優化產品組合，開發迎合市場趨勢及需要的新產品，充分利用戰略性化的生產佈局優勢，並進一步改善本集團的財務表現。

The Group has continued to strengthen cooperation with INVISTA, an international core-spun spandex fibre manufacturer of LYCRA® fibre, and Lenzing Fibers, the manufacturer of TENCEL® lyocell fibre and Modal® fibre in order to build long-standing strategic partnerships with them, as well as use innovative fibre technologies to produce trendy functional yarns to tap into the differentiated high-end market. The Group has reinforced cooperative relations with Toray of Japan as well. In reaction to market demand, the Group's research and development centre in Changzhou has been raising product quality. It has also been developing products in order to maintain a leading position in the industry, as well as meet customers' demands for diversified and high-end products.

本集團持續與包芯用氨綸纖維全球「萊卡®」品牌製造商「英威達」及纖維素纖維「天絲®」、「木代爾®」纖維品牌製造商「蘭精纖維」深入合作，建立了戰略合作夥伴關係，使創新科技纖維轉化為時尚耐用功能紗線，迎合差異化高端市場的開發。本集團強化與日本東麗公司的合作關係。本集團位於常州的研發中心也不斷應市場需求而改良產品質素。本集團同時開發新產品，銳意在業界保持領先地位，並主攻客戶對多元及高端產品的需求。

BUSINESS REVIEW (Continued)

The Chinese textile market has been the major market for the Group, accounting for 86% of our total sales for the six months ended 30 June 2016. The ten largest customers of the Group for the six months ended 30 June 2016, which accounted for 16.9% of the total revenue, are as follows:

Shaoguan Shunchang Weaving Factory Co., Ltd.
Toray International, Inc.
Guangdong Qianjin Jeans Co., Ltd.
Zhejiang Jiaermei Textile Co., Ltd.
Zhejiang Limayunshan Textile Co., Ltd.
Haining Denim Weaving Co., Ltd.
Yixing Lucky G And L Denim Co., Ltd.
Foshan Seazon Textile & Garment Co., Ltd.
Zhejiang Seven Star Textile Co., Ltd.
Zhejiang Xinhai Textile Co., Ltd.

PROSPECT

In light of prevailing state policies and the demand and supply conditions in the market, barring any unforeseen developments in relation to cotton supply for next year which will affect cotton price from October 2016, cotton price in the second half of 2016 is expected to be higher than the first half of the year. This will have a positive impact on the selling prices of yarns, as well as gross profit of yarn spinning enterprises with raw material inventories.

With regard to the Group's expansion plan for 2016, production bases for yarn, the Xinjiang and Galaxy facilities in Northern Vietnam, with an aggregate of approximately 710,000 spindles, are currently expected to commence full-scale operation in the second half of the year upon completion of all testing and adjustment procedures. Currently, the Group has an aggregate of 1.59 million spindles and 1.25 million spindles in the PRC and Vietnam, respectively. In the second half of the year, the Group plans to spend about RMB30 million to acquire and upgrade a small yarn factory in Guangdong Province, the PRC. The factory will be upgraded to a planned capacity of 50,000 spindles, so as to cope with orders requiring prompt delivery. Based on estimated production capacity, targeted sales volume for 2016 and 2017 will be about 600,000 tonnes and 690,000 tonnes of yarn respectively. Construction of plants to form an integrated platform comprising a downstream industry chain in Vietnam is currently underway, and it is targeted to complete equipment installations by the end of 2016.

業務回顧(續)

中國紡織市場為本集團的主要市場佔本集團截至二零一六年六月三十日止六個月總銷售額的86%。截至二零一六年六月三十日止六個月，本集團十大客戶佔總收入的16.9%，為：

韶關市順昌布廠有限公司
Toray International, Inc.
廣東前進牛仔布有限公司
浙江佳而美紡織有限公司
浙江立馬雲山紡織股份有限公司
海寧牛仔織造有限公司
宜興樂威牛仔布有限公司
佛山市致興紡織服裝有限公司
浙江七星紡織有限公司
浙江鑫海紡織有限公司

前景

鑒於當前的國家政策及市場供需情況，若下一年的棉花供應沒有特別情況，而由二零一六年十月起影響棉花價格，預計二零一六年下半年的棉花價格將會高於上半年，對於紗線的銷售價格及擁有原料庫存的紡紗企業的毛利都有正面的影響。

就本集團二零一六年的拓展計劃，目前新疆及越南北部銀河新的紗線生產基地共約71萬錠預計下半年全面陸續完成調試開始全面投產，本集團目前於中國及越南的紗錠總數分別為159萬錠及125萬錠。本集團計劃於下半年斥資人民幣3,000萬元收購並升級改造一家位於中國廣東省的小型紗廠，預計規模約5萬錠，以加強應對需要快速交貨的訂單。根據預計產能，二零一六年及二零一七年紗線銷售目標分別為約60萬噸及69萬噸。在越南打造下游產業鏈一體化平台方面，目前有關廠房在建設中，目標於二零一六年底完成設備安裝。

PROSPECT (Continued)

On 13 July 2016, the Group retained its place in the internationally renowned Fortune “Top 500 Companies in China 2016” list, which signifies the broad recognition that the Group is receiving for its success in continuing to expand and develop its mode of business. The Group will make every effort to achieve even better operating results in order to deliver long-term and sustainable return to its shareholders.

FINANCIAL REVIEW

Liquidity and financial resources

As at 30 June 2016, the Group's bank and cash balances (including pledged bank deposits) amounted to RMB1,319.7 million (as at 31 December 2015: RMB2,187.7 million). The decrease in bank and cash balances was mainly attributable to the redemption of senior notes issued in 2011 (“2011 Notes”) which were due in January 2016.

As at 30 June 2016, the Group's inventories increased by RMB818.8 million to RMB2,711.9 million (as at 31 December 2015: RMB1,893.1 million), and trade and bills receivables decreased by RMB3.38 million to RMB1,028.4 million (as at 31 December 2015: RMB1,031.8 million). The inventory turnover days and trade and bills receivable turnover days were 87 days and 32 days respectively, as compared to 73 days and 40 days respectively as at 31 December 2015. Increase in inventory turnover days was mainly due to increased raw materials stocked for capacity expansion. Decrease in trade and bills receivable turnover days was mainly attributable to the Group's effective control policy on credit terms and credibility of customers. Trade and bills payable increased to RMB2,562.3 million (as at 31 December 2015: RMB2,294.6 million). The increase was mainly due to the increase in raw material purchases.

前景(續)

於二零一六年七月十三日，本集團繼續名列國際知名雜誌—《財富雜誌》之「2016年中國500強排行榜」，足以證明我們的企業不斷壯大，業務模式獲得廣泛認同。本集團將繼續努力不懈，全力為股東帶來長遠及可持續的回報。

財務回顧

流動資金及財務資源

於二零一六年六月三十日，本集團之銀行及現金結餘(包括已抵押銀行存款)為人民幣13.197億元(於二零一五年十二月三十一日：人民幣21.877億元)。銀行及現金結餘減少乃主要由於贖回於二零一一年發行並於二零一六年一月到期之優先票據(「二零一一年票據」)。

於二零一六年六月三十日，本集團之存貨增加人民幣8.188億元至人民幣27.119億元(於二零一五年十二月三十一日：人民幣18.931億元)，以及應收貿易及票據款項減少人民幣338萬元至人民幣10.284億元(於二零一五年十二月三十一日：人民幣10.318億元)。存貨周轉天數及應收貿易及票據款項周轉天數分別為87天及32天，而二零一五年十二月三十一日則分別為73天和40天。存貨周轉天數增加主要是因為應對產能增加而儲備的原材料增加所致。應收貿易及票據款項周轉天數降低主要是由於集團有效的客戶賬期和信用管控政策。應付貿易及票據款項增加至人民幣25.623億元(於二零一五年十二月三十一日：人民幣22.946億元)，主要由於增購原材料所致。

FINANCIAL REVIEW (Continued)

Liquidity and financial resources (Continued)

As at 30 June 2016, the Group's borrowings increased by RMB542.7 million to RMB4,595.8 million, mainly due to the new bank borrowings in Vietnam and Mainland China, which were used as working capital and capital expenditures of the Group (as at 31 December 2015: RMB4,053.1 million). Current bank borrowings decreased by RMB258.1 million to RMB1,289.6 million, which was mainly due to the repayment of 2011 Notes due in January 2016.

As at 30 June 2016, the Group's financial ratios were as follows:

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

¹ Based on total borrowings over equity attributable to shareholders

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

Foreign exchange risk

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

財務回顧(續)

流動資金及財務資源(續)

於二零一六年六月三十日，本集團之借貸增加人民幣5.427億元至人民幣45.958億元，主要源於越南及中國內地之新增銀行借貸，已用作本集團之營運資金和資本開支(於二零一五年十二月三十一日：人民幣40.531億元)。流動銀行借貸減少人民幣2.581億元至人民幣12.896億元，乃主要由於償還於二零一六年一月到期之二零一一年票據所致。

於二零一六年六月三十日，本集團之財務比率如下：

	30 June 2016 二零一六年 六月三十日	31 December 2015 二零一五年 十二月三十一日
Current ratio	1.28	1.22
Debt to equity ratio ¹	1.07	1.04
Net debt to equity ratio ²	0.77	0.48

¹ 總借貸除股東應佔權益

² 總借貸減現金及現金等值物及已抵押銀行存款除股東應佔權益

外匯風險

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

FINANCIAL REVIEW (Continued)

Foreign exchange risk (Continued)

To mitigate the risk of depreciation of Renminbi, the Group has taken steps to reduce its US dollar indebtedness exposure by cutting down its US dollar-denominated borrowings, converting part of its Renminbi liquid assets to US dollar assets and purchasing a suitable amount of currency option contracts. As at 30 June 2016, the Group did not have any net exposure in US dollar indebtedness. The protection offered by some of the currency option contracts entered is only to the extent of USD1 to RMB7.6. In the event that Renminbi depreciates beyond that level, the Group will be required to bear the relevant foreign exchange risk.

Capital expenditure

For the six months ended 30 June 2016, the capital expenditure of the Group amounted to approximately RMB1,056 million (for the six months ended 30 June 2015: RMB129 million), which was mainly related to the investments in newly added production capacity in Northern Vietnam and Xinjiang, the PRC.

Disclosure pursuant to Rule 13.18 of the Rules (the “Listing Rules”) Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”)

As announced by the Company on 12 April 2013, the Company and certain of its subsidiaries entered into a purchase agreement with Deutsche Bank AG, Singapore Branch, J.P. Morgan Securities plc and Standard Chartered Bank in connection with the issue of US\$200 million 6.500% senior notes (the “2013 Notes”) due 2019. The indenture (the “Indenture”) governing the 2013 Notes provides that upon the occurrence of a change of control triggering event, the Company will make an offer to purchase all outstanding 2013 Notes at a purchase price equal to 101% of the principal amount plus accrued and unpaid interest, if any, to (but not including) the offer to purchase payment date.

財務回顧(續)

外匯風險(續)

為應對人民幣貶值風險，本集團透過削減美元借款、轉換部分人民幣流動資產為美元資產以及購入適量的貨幣期權合約以減低美元負債敞口。於二零一六年六月三十日，本集團無淨美元負債敞口。已訂立的部分貨幣期權合約提供的保障僅限於一美元兌人民幣7.6元之內。當人民幣貶值超過該水平，本集團仍需負擔有關外匯風險。

資本開支

截至二零一六年六月三十日止六個月，本集團之資本開支約為人民幣10.56億元(截至二零一五年六月三十日止六個月：人民幣1.29億元)，主要與越南北部及中國新疆的新增產能投資有關。

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

誠如本公司於二零一三年四月十二日所公佈，本公司及其若干附屬公司與德意志銀行新加坡分行、摩根大通及渣打銀行訂立購買協議，內容有關發行於二零一九年到期的200,000,000美元6.500%優先票據(「二零一三年票據」)。監管二零一三年票據的契約(「契約」)訂明在發生觸發控制權變動之事件之情況下，本公司將按相等於本金額之101%之購買價另加計至購買付款日期(惟不包括當日)之應計及未付利息(如有)，提出購買所有未償還二零一三年票據。

FINANCIAL REVIEW (Continued)

Disclosure pursuant to Rule 13.18 of the Rules (the “Listing Rules”) Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (Continued)

A change of control under the Indenture includes, among others, any transaction that results in either (i) the Permitted Holders (as defined below), which include Mr. Hong Tianzhu, the controlling shareholder of the Company and companies controlled by him, being the beneficial owners (as such term is used in the Indentures) of less than 50.1% of the total voting power of the voting stock of the Company; or (ii) any person or group (as such terms are used in the Indentures) is or becomes the beneficial owner, directly or indirectly, of total voting power of the voting stock of the Company greater than such total voting power held beneficially by the Permitted Holders. “Permitted Holders” means any or all of (1) Messrs. Hong Tianzhu and Zhu Yongxiang; (2) any affiliate of the persons specified in paragraph (1); and (3) any person both the capital stock and the voting stock of which (or in the case of a trust, the beneficial interests in which) are owned 80% by persons specified in paragraphs (1) and (2) above.

As announced by the Company on 18 March 2014, by a master lease agreement dated 18 March 2014 (“Master Lease Agreement”) entered into between Australia And New Zealand Banking Group Limited (“Lessor”) as lessor, the Company as lessee and certain subsidiaries of the Company as guarantors, the Lessor shall from time to time lease and the Company shall take on lease various textile equipment (“Equipment”) with not more than five individual leases entered into under the Master Lease Agreement. The leases shall be for a maximum term of 84 months commencing from the date of the Master Lease Agreement for Equipment at the principal lease amount not exceeding US\$50 million. In addition and as one of the conditions precedent for the Lessor to purchase the Equipment and lease the Equipment to the Company, the Company shall also pay the difference between the purchase price of the Equipment and the principal lease amount as advance rental payments, which is expected to amount to approximately US\$23.2 million, together with interest on the lease payment and other fees payable to the Lessor.

財務回顧(續)

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

契約內所指的控制權變動包括(其中包括)引致以下後果的任何交易：(i)許可持有人(定義見下文)(包括本公司控股股東洪天祝先生及彼控制的公司)成為本公司具投票權股份中總投票權少於50.1%的實益擁有人(按該等詞條用於契約中的涵義)；或(ii)任何人士或組別(按該等詞條用於契約中的涵義)為或成為直接或間接擁有超過許可持有人實益持有的該等總投票權的本公司具投票權股份中總投票權的實益擁有人。「許可持有人」指下列任何或全部人士：(1)洪天祝先生及朱永祥先生；(2)(1)段指明之人士之任何聯屬人士；及(3)其股本及具投票權股份均(或如為信託，則當中之實益權益)由上文(1)及(2)段指明之人士擁有80%之任何人士。

誠如本公司於二零一四年三月十八日公佈，藉著澳盛銀行集團股份有限公司(「出租人」)(作為出租人)、本公司(作為承租人)及本公司若干附屬公司(作為擔保人)訂立日期為二零一四年三月十八日的總租賃協議(「總租賃協議」)，出租人將不時出租，而本公司將承租各種紡織設備(「設備」)，惟在總租賃協議下，不可訂立超過五份獨立租約。租期最長由紡織設備總租賃協議日期起計為期八十四個月，總租賃額不超過50,000,000美元。此外，作為出租人購買設備及出租設備予本公司的先決條件之一，本公司亦須支付設備購買價與總租賃額的差額作為租金預付款，金額預期約為23,200,000美元，連同租金付款的利息及應付出租人其他費用。

FINANCIAL REVIEW (Continued)**Disclosure pursuant to Rule 13.18 of the Rules (the “Listing Rules”) Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (Continued)**

The Master Lease Agreement contains an undertaking that the Company shall ensure and procure that Mr. Hong Tianzhu, shall remain the chairman of the Company. A breach of such requirement will constitute an event of default under the Master Lease Agreement, and as a result, the Lessor shall have the right to, among others, cancel and terminate the Master Lease Agreement and any lease thereunder, demand that the Equipment be returned to the Lessor and declare that all amounts accrued or outstanding under the Master Lease Agreement to be immediately due and payable. The occurrence of such circumstance may also trigger the cross default provisions of other banking/credit facilities available to the Group and, as a possible consequence, these other facilities may also be declared to be immediately due and payable.

As announced by the Company on 18 May 2015, by an agreement dated 18 May 2015 (“2015 Facility Agreement”) entered into by, among others, the Company as borrower and a syndicate of banks and financial institutions as lenders, the lenders have agreed to grant a term loan facility (“2015 Facility”) of up to the aggregate principal amount of US\$110 million. The purpose is for all amounts borrowed under the 2015 Facility to be applied towards any refinancing, repayment, redemption, purchase or repurchase of the 2011 Notes due in January 2016 issued by the Company, in whole or part, at or before their maturity. The 2015 Facility shall be fully repaid in May 2018 and is guaranteed by certain subsidiaries of the Company. The 2015 Facility Agreement contains the usual cross default provisions and a further requirement that Mr. Hong Tianzhu shall be and continue to be the chairman of the Board, directly or indirectly beneficially own not less than 25% of the total voting shares issued by the Company, and be and remain the single largest holder of the voting shares issued by the Company. A breach of such requirement will constitute an event of default under the 2015 Facility Agreement, and as a result, the 2015 Facility is liable to be declared immediately due and payable. The occurrence of such circumstance may trigger the cross default provisions of other banking/credit facilities available to the Group and, as a possible consequence, these other facilities may also be declared to be immediately due and payable.

財務回顧(續)**根據香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)第13.18條作出之披露(續)**

總租賃協議載有承諾，內容有關本公司將確保及促使洪天祝先生留任本公司主席。違反該項規定將構成總租賃協議項下之違約事項，因此出租人有權(其中包括)撤銷及終止總租賃協議以及其項下任何租約、要求向出租人退還設備以及宣佈總租賃協議項下所有累計或尚未償還之款項即時到期及須予支付。出現該情況亦可能觸發本集團其他適用銀行／信貸融資之交叉違約條文，及(作為可能產生的後果)該等其他融資亦可能即時宣佈為到期或須予支付。

如本公司於二零一五年五月十八日所公佈，根據由(其中包括)本公司(作為借款人)及由銀行及金融機構組成之銀團(作為貸款人)於二零一五年五月十八日訂立之協議(「二零一五年信貸協議」)，貸款人同意授出有期信貸融資(「二零一五年信貸融資」)，本金總額達110,000,000美元。目的是將於二零一五年信貸融資項下借入的所有款項應用於任何再融資、在本公司所發行於二零一六年一月到期之二零一一年票據到期前償還、贖回、購買或購回有關票據。二零一五年信貸融資須於二零一八年五月悉數償還，並以本公司若干附屬公司作擔保。二零一五年信貸協議載有一般交叉違約條文，以及另一項有關洪天祝先生須繼續為董事會主席之規定，而其直接或間接擁有不少於本公司已發行表決股本總額25%，並將繼續為本公司已發行表決股份之單一最大持有人。違反有關規定將構成二零一五年信貸協議之違約事項，並因此二零一五年信貸融資須即時宣佈為到期及償還。發生有關情況可能導致觸發本集團其他銀行／信貸融資額度之交叉違約條文，並因此該等其他信貸額度亦可能即時宣佈為到期及償還。

FINANCIAL REVIEW (Continued)

Disclosure pursuant to Rule 13.18 of the Rules (the “Listing Rules”) Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (Continued)

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

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

As at the date of this interim report, the Company is in compliance with the Indenture, the Master Lease Agreement, the 2015 Facility Agreement and the 2016 Facility Agreement.

Pledge of assets

As at 30 June 2016, the Group’s land use rights and buildings, machinery and equipment with an aggregate net book value of approximately RMB147.8 million (as at 31 December 2015: RMB397.8 million) and raw material with an aggregate book value of approximately RMB347.6 million (as at 31 December 2015: Nil) were pledged to secure for banking facilities for the purposes of purchases of fixed assets and working capital for the Group respectively.

財務回顧(續)

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

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

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

於本中期報告日期，本公司遵守契約、總租賃協議、二零一五年信貸協議及二零一六年信貸協議。

資產抵押

於二零一六年六月三十日，本集團總賬面淨值約為人民幣1.478億元(於二零一五年十二月三十一日：人民幣3.978億元)之土地使用權以及樓宇、機器及設備及賬面總值約為人民幣3.476億元的原材料(於二零一五年十二月三十一日：零)已作抵押，以分別為本集團購買固定資產及為營運資金取得銀行融資。

FINANCIAL REVIEW (Continued)

Human resources

As at 30 June 2016, the Group had a total workforce of 28,670 employees (as at 31 December 2015: 23,265 employees), of whom 15,533 employees were based in the regional headquarters in Shanghai and our manufacturing plants in Mainland China. The remaining 13,137 employees stationed in regions outside Mainland China including Vietnam, Cambodia, Hong Kong and Macao. The Group will continuously optimize the workforce structure and offer its staff with competitive remuneration schemes. The Group is committed to nurturing a learning and sharing culture in the organisation. Heavy emphasis is placed on the training and development of individual staff and team building, as the Group's success depends on the contributions of our skilled and motivated staff in all our functional divisions.

Dividend policy

The Board intends to maintain a long term dividend payout ratio, representing about 30% of the Group's net profit for the year attributable to owners of the Company, with a view to providing our shareholders with reasonable returns. The Board has resolved to declare an interim dividend of 18 HK cents per share for the six months ended 30 June 2016 to shareholders whose names appear on the register of shareholders of the Company in Hong Kong on 8 September 2016.

Closure of register of members

The register of members of the Company will be closed from 7 September 2016 to 8 September 2016, both days inclusive, during which no transfer of shares can be registered. To qualify for the interim dividend (which will be payable on or about 20 September 2016), shareholders must ensure that all transfer documents accompanied by the relevant share certificates are lodged with the Hong Kong branch share registrar and transfer office of the Company, Boardroom Share Registrars (HK) Limited at 31st Floor, 148 Electric Road, North Point, Hong Kong no later than 4:30 p.m. on 6 September 2016.

財務回顧(續)

人力資源

於二零一六年六月三十日，本集團員工合共28,670名(於二零一五年十二月三十一日：23,265名員工)，其中15,533名員工駐於上海地區總部及本集團在中國大陸的工廠。其餘13,137名員工駐於中國大陸以外地區(包括越南、柬埔寨、香港及澳門)。本集團仍會不斷優化人力架構，同時向其員工提供具競爭力的酬金計劃。本集團之成功有賴由技巧純熟且士氣高昂的員工組成各職能部門，故此本集團致力於集團內孕育學習與分享的文化，重視員工之個人培訓及發展，以及建立團隊。

股息政策

董事會有意維持長期穩定的派息率，即本集團年內本公司擁有人應佔淨利潤約30%，為股東提供合理回報。董事會議決截至二零一六年六月三十日止六個月向於二零一六年九月八日名列本公司於香港股東名冊之股東宣派每股18港仙之中期股息。

暫停辦理股份過戶登記手續

本公司於二零一六年九月七日至二零一六年九月八日(包括首尾兩日)期間，暫停辦理股份過戶登記手續，期間不會登記任何股份轉讓。為符合資格領取中期股息(將於二零一六年九月二十日或前後派發)，股東必須確保所有過戶文件連同相關股票，於二零一六年九月六日下午四時三十分前，送交本公司之香港股份過戶登記分處寶德隆證券登記有限公司，地址為香港北角電氣道148號31樓。

FINANCIAL REVIEW (Continued)

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

Save for the redemption of the 2011 Notes upon maturity and the repurchase of some of the 2013 Notes in the principal amount of US\$2,000,000, there was no purchase, sale or redemption of the Company's listed securities by the Company or its subsidiaries during the six months ended 30 June 2016.

Share options

A share Option Scheme ("Share Option Scheme") was adopted by the shareholders of the Company at the annual general meeting on 7 April 2014 ("Adoption Date"). The purpose of the Share Option Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their contributions to the Group. All directors, employees, suppliers of goods or services, customers, persons or entities that provide research, development or other technological support to the Group, shareholders of any member of the Group, advisers or consultants of the Group and any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement and growth of the Group are eligible to participate in the Share Option Scheme. The Share Option Scheme will remain in force for a period of 10 years after the Adoption Date.

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

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

財務回顧(續)

購買、出售或贖回本公司之上市證券

除於到期時贖回二零一一年票據及贖回本金額2,000,000美元之部分二零一三年票據外，截至二零一六年六月三十日止六個月，本公司或其任何附屬公司並無購買、出售或贖回本公司任何上市證券。

購股權

本公司股東於二零一四年四月七日(「採納日期」)之股東週年大會上採納一項購股權計劃(「購股權計劃」)。購股權計劃之目的乃讓本集團向指定參與者授予購股權，作為向此等人士對本集團作出之貢獻予以嘉獎或酬謝。所有董事、僱員、貨物或服務供應商、客戶、向本集團提供研究、發展或其他技術支援之人士或實體、本集團任何成員公司之股東、本集團之顧問或專業顧問及任何其他對本集團之發展曾作出貢獻或可透過合營企業、業務聯盟或其他業務安排作出貢獻之團體或類別之參與者均合資格參與現有購股權計劃。購股權計劃自採納日期後十年內有效。

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

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

FINANCIAL REVIEW (Continued)

Share options (Continued)

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

An option may be accepted by a participant within 21 days from the date of the offer of grant of the option. A nominal consideration of HK\$1 is payable on acceptance of the grant of an option. An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the Directors to each grantee, which period may commence on a day after the date upon which the offer for the grant of options is made but shall end in any event not later than 10 years from the date of grant of the option, subject to the provisions for early termination thereof. Unless otherwise determined by the Directors and stated in the offer of the grant of options to a grantee, there is no minimum period required under the Share Option Scheme for the holding of an option before it can be exercised.

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

財務回顧(續)

購股權(續)

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

參與者可於授出購股權要約日期起二十一日內接納購股權。於接納授出之購股權時，須繳付1港元之象徵代價。購股權可按照購股權計劃之條款於董事會釐定及通知各承授人之期限(期限由授出購股權要約當日之後一日開始，惟無論如何不得遲於購股權授出日期起計十年結束，並受購股權有關提早終止之條文限制)內隨時行使。除董事另有釐定並於向承授人發出之要約函件註明外，購股權計劃並無規定其行使前必須持有之最短時限。

根據購股權計劃，股份之認購價將由董事釐定，惟不得少於(以較高者為準)(i)授出購股權要約日期(須為營業日)在聯交所每日報價表上所示股份之收市價；(ii)緊接授出購股權要約日期前之五個交易日在聯交所每日報價表上所示股份之平均收市價；及(iii)股份之面值。

FINANCIAL REVIEW (Continued)

Share options (Continued)

During the six months ended 30 June 2016, movements of the share options granted under the Share Option Scheme are summarised as follows:

財務回顧(續)

購股權(續)

於截至二零一六年六月三十日止六個月，根據購股權計劃授出的購股權的變動概述如下：

List of grantees	Date of grant (Note)	Exercise period	Number of share options 購股權數目							Outstanding as at 30 June 2016 於二零一六年六月三十日未行使
			Closing price per Share immediately before the date of grant 緊接授出日期前之每股收市價 HK\$ 港元	Exercise price per share 每股行使價 HK\$ 港元	Outstanding as at 1 January 2016 於二零一六年一月一日未行使	Granted during the year 於年內授出	Exercised during the year 於年內行使	Lapsed during the year 於年內失效	Cancelled during the year 於年內註銷	
Directors										
董事										
Mr. Tang Daoping 湯道平先生	23 March 2015 二零一五年三月二十三日	1 January 2016 to 22 March 2025 二零一六年一月一日至二零一五年三月二十二日	8.27	8.70	670,000	-	-	-	-	670,000
	23 March 2015 二零一五年三月二十三日	1 January 2017 to 22 March 2025 二零一七年一月一日至二零一五年三月二十二日	8.27	8.70	670,000	-	-	-	-	670,000
	23 March 2015 二零一五年三月二十三日	1 January 2018 to 22 March 2025 二零一八年一月一日至二零一五年三月二十二日	8.27	8.70	660,000	-	-	-	-	660,000
					2,000,000	-	-	-	-	2,000,000

FINANCIAL REVIEW (Continued)
 Share options (Continued)

 財務回顧(續)
 購股權(續)

List of grantees	Date of grant (Note)	Exercise period	Number of share options 購股權數目					Outstanding as at 30 June 2016 於二零一六年六月三十日未行使			
			Closing price per Share immediately before the date of grant 緊接授出日期前之每股收市價 HK\$ 港元	Exercise price per share 每股行使價 HK\$ 港元	Outstanding as at 1 January 2016 於二零一六年一月一日未行使	Granted during the year 於年內授出	Exercised during the year 於年內行使		Lapsed during the year 於年內失效	Cancelled during the year 於年內註銷	
Mr. Hui Tsz Wai 許子慧先生	23 March 2015 二零一五年三月二十三日	1 January 2016 to 22 March 2025 二零一六年一月一日至二零一五年三月二十二日	8.27	8.70	1,000,000	-	-	-	-	1,000,000	
	23 March 2015 二零一五年三月二十三日	1 January 2017 to 22 March 2025 二零一七年一月一日至二零一五年三月二十二日	8.27	8.70	1,000,000	-	-	-	-	1,000,000	
	23 March 2015 二零一五年三月二十三日	1 January 2018 to 22 March 2025 二零一八年一月一日至二零一五年三月二十二日	8.27	8.70	1,000,000	-	-	-	-	1,000,000	
	28 December 2015 二零一五年十二月二十八日	1 January 2017 to 27 December 2025 二零一七年一月一日至二零一五年十二月二十七日	5.84	5.70	300,000	-	-	-	-	300,000	
	28 December 2015 二零一五年十二月二十八日	1 January 2018 to 27 December 2025 二零一八年一月一日至二零一五年十二月二十七日	5.84	5.70	300,000	-	-	-	-	300,000	
	28 December 2015 二零一五年十二月二十八日	1 January 2019 to 27 December 2025 二零一九年一月一日至二零一五年十二月二十七日	5.84	5.70	300,000	-	-	-	-	300,000	
	28 December 2015 二零一五年十二月二十八日	1 January 2020 to 27 December 2025 二零二零年一月一日至二零一五年十二月二十七日	5.84	5.70	300,000	-	-	-	-	300,000	
	28 December 2015 二零一五年十二月二十八日	1 January 2021 to 27 December 2025 二零二一年一月一日至二零一五年十二月二十七日	5.84	5.70	300,000	-	-	-	-	300,000	
						4,500,000	-	-	-	-	4,500,000
	Total 總計					6,500,000	-	-	-	-	6,500,000

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

附註：購股權之歸屬期由授出日期起直至行使期間開始為止。

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

At 30 June 2016, the interests and short positions of each Director and chief executive of the Company in the Shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong (the "SFO")), as recorded in the register maintained by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, were as follows:

董事及行政總裁於本公司或任何相聯法團之股份、相關股份及債權證之權益及淡倉

於二零一六年六月三十日，本公司各董事及行政總裁於本公司及其相聯法團（定義見香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部）股份、相關股份及債權證中擁有根據證券及期貨條例第352條，記錄於本公司須予存置之登記冊內之權益及淡倉，或其他根據上市規則所載上市公司董事進行證券交易標準守則規定須通知本公司及聯交所之權益及淡倉如下：

Name of directors of the Company 本公司董事姓名	Name of Group member/ associated corporation 本集團成員公司/ 相聯法團名稱	Nature of interest 權益性質	Number of ordinary shares (Note 1) 普通股數目 (附註1)	Percentage 百分比
Mr. Hong Tianzhu 洪天祝先生	the Company 本公司	Interest of controlled corporation(s) 所控制法人的權益	544,742,400(L) (Note 2) (附註2)	61.57%
	the Company 本公司	Beneficial owner 實益擁有人	5,400,000(L)	0.61%
Mr. Zhu Yongxiang 朱永祥先生	the Company 本公司	Interest of controlled corporation(s) 所控制法人的權益	219,900,000(L) (Note 3) (附註3)	24.86%
Mr. Tang Daoping 湯道平先生	the Company 本公司	Beneficial owner 實益擁有人	3,700,000(L) (Note 4) (附註4)	0.42%
Mr. Hui Tsz Wai 許子慧先生	the Company 本公司	Beneficial owner 實益擁有人	4,500,000(L) (Note 5) (附註5)	0.51%
Mr. Ji Zhongliang 吉忠良先生	Celestial Ease Holdings Limited 天逸控股有限公司	Interest of controlled corporation(s) 所控制法人的權益	750(L) (Note 6) (附註6)	9.80%

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

Notes:

- The letter "L" denotes the person's long position in the Shares.
- Among these 544,742,400 Shares, as to 392,842,400 Shares are registered in the name of and beneficially owned by New Green Group Limited, the entire issued share capital of which is beneficially owned by Texhong Group Holdings Limited, a company wholly owned by Mr. Hong Tianzhu and as to 151,900,000 Shares are registered in the name of and beneficially owned by Trade Partner Investments Limited, the entire issued share capital of which is beneficially owned as to 57.44% by Mr. Hong Tianzhu through New Green Group Limited. Under the SFO, Mr. Hong Tianzhu is deemed to be interested in all the Shares held by New Green Group Limited and Trade Partner Investments Limited. Mr. Hong Tianzhu is a director of Texhong Group Holdings Limited, New Green Group Limited and Trade Partner Investments Limited.
- Among these 219,900,000 Shares, as to 68,000,000 Shares are registered in the name of and beneficially owned by Wisdom Grace Investments Limited, the entire issued share capital of which is beneficially owned by Mr. Zhu Yongxiang and as to 151,900,000 Shares are registered in the name of and beneficially owned by Trade Partner Investments Limited, the entire issued share capital of which is beneficially owned as to 42.56% by Mr. Zhu Yongxiang through Wisdom Grace Investments Limited. Under the SFO, Mr. Zhu Yongxiang is deemed to be interested in all the Shares held by Wisdom Grace Investments Limited and Trade Partner Investments Limited.
- Among these interests, 2,000,000 of which are underlying shares comprised in the options granted to Mr. Tang Daoping pursuant to the Share Option Scheme.
- These interests are underlying shares comprised in the options granted to Mr. Hui Tsz Wai pursuant to the Share Option Scheme.
- These 750 shares are registered in the name of and beneficially owned by Welde Global Limited, the entire issued share capital of which is beneficially owned by Mr. Ji Zhongliang. Under the SFO, Mr. Ji Zhongliang is deemed to be interested in all the shares held by Welde Global Limited.

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

附註：

- [L] 代表該人士於股份之好倉。
- 該 544,742,400 股股份中 392,842,400 股以 New Green Group Limited 全部已發行股本由 Texhong Group Holdings Limited 實益擁有，洪天祝先生實益擁有後者 100% 權益) 名義及作為實益擁有人登記；151,900,000 股以 Trade Partner Investments Limited (洪天祝先生透過 New Green Group Limited 實益擁有其全部已發行股份的 57.44% 權益) 名義及作為實益擁有人登記。根據證券及期貨條例，洪天祝先生被視為於 New Green Group Limited 及 Trade Partner Investments Limited 持有之所有股份佔有權益。洪天祝先生為 Texhong Group Holdings Limited、New Green Group Limited 及 Trade Partner Investments Limited 之董事。
- 該 219,900,000 股股份中 68,000,000 股以 Wisdom Grace Investments Limited (其全部已發行股本由朱永祥先生實益擁有) 名義及作為實益擁有人登記；151,900,000 股以 Trade Partner Investments Limited (朱永祥先生透過 Wisdom Grace Investments Limited 實益擁有其全部已發行股份的 42.56% 權益) 名義及作為實益擁有人登記。根據證券及期貨條例，朱永祥先生被視為於 Wisdom Grace Investments Limited 及 Trade Partner Investments Limited 持有之所有股份佔有權益。朱永祥先生為 Wisdom Grace Investments Limited 及 Trade Partner Investments Limited 之董事。
- 該等權益當中，2,000,000 為根據購股權計劃授予湯道平先生的購股權內的相關股份。
- 該等權益為根據購股權計劃授予許子慧先生的購股權內的相關股份。
- 該等 750 股股份以偉德環球有限公司之名義登記及由其擁有，而該公司之全部已發行股本由吉忠良先生實益擁有。根據證券及期貨條例，吉忠良先生被視為於偉德環球有限公司持有之所有股份中擁有權益。

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

So far as the Directors are aware, as at 30 June 2016, the interests or short position of the persons other than a Director or chief executive of the Company in the Shares or underlying shares of the Company which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

主要股東在本公司股份、相關股份及
債權證之權益及淡倉

就董事所知悉，於二零一六年六月三十日，於本公司股份或相關股份中擁有根據證券及期貨條例第336條紀錄於本公司須予存置之登記冊內之權益或淡倉的人士(惟本公司之董事或行政總裁除外)如下：

Ordinary Shares of the Company:

本公司之普通股：

Name of the substantial shareholders 主要股東姓名／名稱	Nature of interests 權益性質	Number of ordinary shares (Note 1) 普通股數目 (附註1)	Percentage 百分比
New Green Group Limited	Beneficial owner 實益擁有人	392,842,400(L) (Note 2) (附註2)	44.40%
	Interest of controlled corporation(s) 所控制法人權益	151,900,000(L) (Note 3) (附註3)	17.17%
Trade Partner Investments Limited	Beneficial owner 實益擁有人	151,900,000(L) (Note 3) (附註3)	17.17%
Wisdom Grace Investments Limited	Beneficial owner 實益擁有人	68,000,000(L) (Note 4) (附註4)	7.69%
	Interest of controlled corporation(s) 所控制法人權益	151,900,000(L) (Note 3) (附註3)	17.17%
Texhong Group Holdings Limited	Interest of controlled corporation(s) 所控制法人權益	544,742,400(L) (Note 2 and 3) (附註2及3)	61.57%
Ms. Ke Luping 柯綠萍女士	Interest of spouse 配偶權益	550,142,400(L) (Note 5) (附註5)	62.18%

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

主要股東在本公司股份、相關股份及
債權證之權益及淡倉(續)

Name of the substantial shareholders 主要股東姓名／名稱	Nature of interests 權益性質	Number of ordinary shares (Note 1) 普通股數目 (附註1)	Percentage 百分比
Ms. Zhao Zhiyang 趙志揚女士	Interest of spouse 配偶權益	219,900,000(L) (Note 6) (附註6)	24.86%
Mr. Hui Ching Lau 許清流先生	Interest of controlled corporation(s) 所控制法人權益	51,036,500(L) (Note 7) (附註7)	5.77%
Event Star Limited	Beneficial owner 實益擁有人	51,036,500(L) (Note 7) (附註7)	5.77%

Notes:

附註：

- The letter "L" denotes the person's long position in the Shares.
 - These 392,842,400 Shares are registered in the name of and beneficially owned by New Green Group Limited, the entire issued share capital of which is beneficially owned by Texhong Group Holdings Limited, a company wholly beneficially owned by Mr. Hong Tianzhu. Under the SFO, each of Texhong Group Holdings Limited and Mr. Hong Tianzhu is deemed to be interested in all the Shares held by New Green Group Limited.
 - These 151,900,000 Shares are registered in the name of and beneficially owned by Trade Partner Investments Limited, the entire issued share capital of which is beneficially owned as to 57.44% by Mr. Hong Tianzhu through New Green Group Limited and 42.56% by Mr. Zhu Yongxiang through Wisdom Grace Investments Limited. Under the SFO, each of Mr. Hong Tianzhu, Mr. Zhu Yongxiang, New Green Group Limited and Wisdom Grace Investments Limited is deemed to be interested in all the Shares held by Trade Partner Investments Limited.
- 「L」代表該人士於股份之好倉。
 - 該392,842,400股股份以New Green Group Limited(其全部已發行股本由Texhong Group Holdings Limited實益擁有，洪天祝先生則實益擁有後者全部權益)名義及作為實益擁有人登記。根據證券及期貨條例，Texhong Group Holdings Limited及洪天祝先生均被視為於New Green Group Limited持有之所有股份佔有權益。
 - 該151,900,000股股份以Trade Partner Investments Limited(其全部已發行股本由洪天祝先生(透過New Green Group Limited)及朱永祥先生(透過Wisdom Grace Investments Limited)分別實益擁有57.44%及42.56%)名義及作為實益擁有人登記。根據證券及期貨條例，洪天祝先生、朱永祥先生、New Green Group Limited及Wisdom Grace Investments Limited分別被視為於Trade Partner Investments Limited持有之所有股份佔有權益。

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

Notes: (Continued)

4. These 68,000,000 Shares are registered in the name of and beneficially owned by Wisdom Grace Investments Limited, the entire issued share capital of which is beneficially owned by Mr. Zhu Yongxiang. Under the SFO, Mr. Zhu Yongxiang is deemed to be interested in all the Shares held by Wisdom Grace Investments Limited.
5. Ms. Ke Luping is the spouse of Mr. Hong Tianzhu. Under the SFO, Ms. Ke Luping is deemed to be interested in the same number of Shares in which Mr. Hong Tianzhu is interested.
6. Ms. Zhao Zhiyang is the spouse of Mr. Zhu Yongxiang. Under the SFO, Ms. Zhao Zhiyang is deemed to be interested in the same number of Shares in which Mr. Zhu Yongxiang is interested.
7. These 51,036,500 Shares are registered in the name of and beneficially owned by Event Star Limited, a company which is 100% controlled by Mr. Hui Ching Lau. Under the SFO, Mr. Hui Ching Lau is deemed to be interested in all the Shares held by Event Star Limited.

CORPORATE GOVERNANCE

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

The Board comprises five executive Directors and three independent non-executive Directors. The Board has adopted the code provisions of the Corporate Governance Code (the "Code Provisions") set out in Appendix 14 to the Listing Rules. During the reporting period, the Company had complied with the Code Provisions.

主要股東在本公司股份、相關股份及債權證之權益及淡倉(續)

附註：(續)

4. 該68,000,000股股份以Wisdom Grace Investments Limited (其全部已發行股本由朱永祥先生實益擁有) 名義及作為實益擁有人登記。根據證券及期貨條例，朱永祥先生被視為於Wisdom Grace Investments Limited 持有之所有股份佔有權益。
5. 柯綠萍女士為洪天祝先生之配偶。根據證券及期貨條例，柯綠萍女士被視為於洪天祝先生佔有權益同樣數目之股份佔有權益。
6. 趙志揚女士為朱永祥先生之配偶。根據證券及期貨條例，趙志揚女士被視為於朱永祥先生佔有權益同樣數目之股份佔有權益。
7. 該等51,036,500股股份以Event Star Limited之名義登記及由其擁有，而該公司由許清流先生100%控制。根據證券及期貨條例，許清流先生被視為於Event Star Limited 持有之所有股份中擁有權益。

企業管治

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

董事會由五名執行董事及三名獨立非執行董事組成。董事會已採納載於上市規則附錄十四之企業管治守則內的守則條文(「守則條文」)。本公司於報告期內已遵守《守則條文》。

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding the Directors' securities transactions on terms not less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules. After specific enquiry made by the Company, all of the Directors confirmed that they had complied with the required standard set out in the Model Code and the code of conduct regarding the Directors' securities transactions during the reporting period.

AUDIT COMMITTEE

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

The audit committee has discussed with management and reviewed the unaudited condensed consolidated financial statements of the Company for the six months ended 30 June 2016.

REMUNERATION COMMITTEE

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

董事進行證券交易的標準守則

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

審核委員會

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

審核委員會已與管理層商討並審閱本公司截至二零一六年六月三十日止六個月之未經審核簡明綜合財務報表。

薪酬委員會

董事會薪酬委員會由主席兼執行董事洪天祝先生及三名獨立非執行董事丁良輝先生、陶肖明教授、程隆棣教授組成。丁良輝先生為薪酬委員會主席。薪酬委員會的職權範圍符合《守則條文》。薪酬委員會主要負責擬訂本集團董事及高級管理層的所有酬金政策及架構，向董事會提供意見及推薦建議。

NOMINATION COMMITTEE

The nomination committee of the Board comprises the chairman and executive Director, Mr. Hong Tianzhu, and three independent non-executive Directors, namely Mr. Ting Leung Huel, Stephen, Professor Tao Xiaoming and Professor Cheng Longdi. Mr. Hong Tianzhu is the chairman of the nomination committee. The terms of reference of the nomination committee comply with the Code Provisions. The nomination committee is principally responsible for reviewing the structure, size and composition of the Board, identifying individuals suitably qualified to become Board members, assessing the independence of independent non-executive Directors, and making recommendations to the Board on the appointment and re-appointment of Directors and succession planning for Directors.

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

Hong Kong, 15 August 2016

提名委員會

董事會提名委員會由主席兼執行董事洪天祝先生及三名獨立非執行董事丁良輝先生、陶肖明教授及程隆棣教授組成。洪天祝先生為提名委員會的主席。提名委員會的職權範圍符合《守則條文》。提名委員會主要負責檢討董事會的架構、規模及組成、物色具合適資格加入成為董事會成員的個別人士，並評估獨立非執行董事人選的獨立性，及就委任或重新委任董事以及董事繼任計劃向董事會提出建議。

承董事會命
天虹紡織集團有限公司
 主席
 洪天祝

香港，二零一六年八月十五日

