



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



中期報告
INTERIM REPORT **2017**

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EXECUTIVE DIRECTORS

Mr. Hong Tianzhu (*Chairman*)
 Mr. Zhu Yongxiang (*Vice chairman and 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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 Dorset House, Taikoo Place
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REGISTERED OFFICE

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 Hutchins Drive, PO Box 2681
 Grand Cayman KY1-1111
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執行董事

洪天祝先生 (主席)
 朱永祥先生 (副主席兼行政總裁)
 湯道平先生
 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
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 31 樓 9 室

註冊辦事處

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

AUDITOR

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

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股份編號

2678

			Unaudited 未經審核 30 June 2017 二零一七年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2016 二零一六年 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	841,755	695,184
Property, plant and equipment	物業、廠房及設備	8	6,468,703	6,231,119
Investments accounted for using the equity method	使用權益法入賬之投資	9	110,637	99,349
Deferred income tax assets	遞延所得稅資產		96,828	117,004
Total non-current assets	非流動資產總值		7,517,923	7,142,656
Current assets	流動資產			
Inventories	存貨	10	3,437,456	2,931,297
Trade and bills receivables	應收貿易及票據款項	11	1,522,485	1,589,990
Prepayments, deposits and other receivables	預付款項、按金及其他應收賬款	12	602,501	1,308,115
Derivative financial instruments	衍生金融工具	16	168,230	317,882
Pledged bank deposits	已抵押銀行存款		181,124	181,201
Cash and cash equivalents	現金及現金等值物		1,055,939	1,813,208
Total current assets	流動資產總值		6,967,735	8,141,693
Total assets	資產總值		14,485,658	15,284,349
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	17	96,709	96,709
Share premium	股份溢價	17	433,777	433,777
Other reserves	其他儲備		567,629	566,590
Retained earnings	保留溢利		4,488,265	4,051,645
Non-controlling interests	非控制性權益		5,586,380	5,148,721
			49,843	42,723
Total equity	權益總額		5,636,223	5,191,444

Note
附註

			Unaudited 未經審核 30 June 2017 二零一七年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2016 二零一六年 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	3,069,042	2,559,625
Deferred income tax liabilities	遞延所得稅負債		142,177	113,377
Total non-current liabilities	非流動負債總值		3,211,219	2,673,002
Current liabilities	流動負債			
Trade and bills payables	應付貿易及票據款項	13	2,755,784	3,044,295
Accruals and other payables	預提費用及其他 應付款項	14	664,686	721,658
Current income tax liabilities	當期所得稅負債		44,526	72,006
Borrowings	借貸	15	2,122,896	3,549,669
Derivative financial instruments	衍生金融工具	16	50,324	32,275
Total current liabilities	流動負債總值		5,638,216	7,419,903
Total liabilities	負債總值		8,849,435	10,092,905
Total equity and liabilities	總權益及負債		14,485,658	15,284,349

The notes on pages 12 to 71 form an integral part of this condensed consolidated interim financial information.

第12至71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

		Note 附註	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Revenue	收入	6	7,448,497	5,821,792
Cost of sales	銷售成本	20	(6,301,884)	(4,760,565)
Gross profit	毛利		1,146,613	1,061,227
Selling and distribution costs	銷售及分銷開支	20	(263,867)	(216,252)
General and administrative expenses	一般及行政開支	20	(247,447)	(226,828)
Other income	其他收入	19	114,447	7,050
Other gains – net	其他收益淨額	19	51,632	78,125
Operating profit	經營溢利		801,378	703,322
Finance income	財務收入	21	4,263	5,137
Finance costs	財務費用	21	(57,242)	(164,266)
Share of profits/(losses) of investments accounted for using the equity method	分佔使用權益法入賬之投資溢利/(虧損)	9	6,267	(1,214)
Profit before income tax	除所得稅前溢利		754,666	542,979
Income tax expense	所得稅開支	22	(104,672)	(86,859)
Profit for the period	期內溢利		649,994	456,120
Attributable to:	以下各方應佔：			
Owners of the Company	本公司擁有人		644,740	456,709
Non-controlling interests	非控制性權益		5,254	(589)
			649,994	456,120
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	23		
– Basic earnings per share	– 每股基本盈利		RMB0.70 人民幣 0.70 元	RMB0.52 人民幣 0.52 元
– Diluted earnings per share	– 每股攤薄盈利		RMB0.70 人民幣 0.70 元	RMB0.52 人民幣 0.52 元

The notes on pages 12 to 71 form an integral part of this condensed consolidated interim financial information.

第 12 至 71 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

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Profit for the period	期內溢利	649,994	456,120
Other comprehensive income/ (losses)	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 income/(losses) of investments accounted for under equity method	分佔用權益法計入投資之其他全面收益／(虧損)		
– Share of currency translation reserve	– 分佔貨幣兌換儲備	5,021	(1,308)
Currency translation differences	貨幣匯兌差額	(1,883)	848
Total comprehensive income for the period	期內全面收益總額	653,132	455,660
Attributable to:	以下各方應佔：		
Owners of the Company	本公司擁有人	648,074	456,249
Non-controlling interests	非控制性權益	5,058	(589)
		653,132	455,660

The notes on pages 12 to 71 form an integral part of this condensed consolidated interim financial information.

第12至71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	Share premium	Other reserves	Retained earnings	Non- controlling interests 非控制性 權益	Total equity 權益總額
		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
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	- 分佔貨幣匯兌儲備	-	-	(1,308)	-	-	(1,308)
Currency translation differences	貨幣匯兌差額	-	-	848	-	-	848
Total comprehensive income for the six months ended 30 June 2016	截至二零一六年六月三十日止六個月全面收益總額	-	-	(460)	456,709	(589)	455,660
Transactions with owners	與股權持有人之交易						
Capital injection from non-controlling shareholders of subsidiaries	附屬公司非控股股東注資	-	-	-	-	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	由重估儲備轉發至保留溢利						
- 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	-	-	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

		Unaudited 未經審核					
		Attributable to owners of the Company 本公司擁有人應佔					
		Share capital	Share premium	Other reserves	Retained earnings	Non- controlling interests 非控制性 權益	Total equity
		股本 RMB'000 人民幣千元	股份溢價 RMB'000 人民幣千元	其他儲備 RMB'000 人民幣千元	保留溢利 RMB'000 人民幣千元	權益 RMB'000 人民幣千元	權益總額 RMB'000 人民幣千元
Balance at 1 January 2017	於二零一七年一月一日的結餘	96,709	433,777	566,590	4,051,645	42,723	5,191,444
Comprehensive income	全面收益						
Profit for the period	期間溢利	-	-	-	644,740	5,254	649,994
Other comprehensive income/(loss)	其他全面收益/(虧損)						
Share of other comprehensive losses of investments accounted for under equity method	分佔用權益法計入投資之其他全面虧損						
- Share of currency translation reserve	- 分佔貨幣匯兌儲備	-	-	5,021	-	-	5,021
Currency translation differences	貨幣匯兌差額	-	-	(1,687)	-	(196)	(1,883)
Total comprehensive income for the six months ended 30 June 2017	截至二零一七年六月三十日止六個月全面收益總額	-	-	3,334	644,740	5,058	653,132
Transactions with owners	與股權持有人之交易						
Changes in ownership interests in subsidiaries without change of control	並無控制權變動下於附屬公司之擁有權權益變動	-	-	(2,062)	-	2,062	-
Dividends relating to 2016 paid in May 2017	於二零一七年五月派付有關二零一六年之股息	-	-	-	(210,137)	-	(210,137)
Employee share option scheme	僱員購股權計劃	-	-	1,784	-	-	1,784
Transfer from revaluation reserve to retained earnings	由重估儲備轉撥至保留溢利						
- gross	- 總額	-	-	(3,181)	3,181	-	-
- deferred income tax	- 遞延所得稅	-	-	1,164	(1,164)	-	-
Total transactions with owners	與股權持有人之交易總額	-	-	(2,295)	(208,120)	2,062	(208,353)
Balance at 30 June 2017	於二零一七年六月三十日的結餘	96,709	433,777	567,629	4,488,265	49,843	5,636,223

The notes on pages 12 to 71 form an integral part of this condensed consolidated interim financial information.

第12至71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

		2017 二零一七年 <i>RMB'000</i> 人民幣千元	2016 二零一六年 <i>RMB'000</i> 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	1,394,691	225,108
Interest received	已收利息	4,263	5,137
Income tax paid	已付所得稅	(111,839)	(74,835)
Net cash flows generated from operating activities	來自經營活動的現金流量淨額	1,287,115	155,410
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	(429,811)	(1,158,976)
Purchases of land use rights	購買土地使用權	(11,285)	(67,633)
Proceeds from sale of property, plant and equipment	出售物業、廠房及設備所得款項	2,620	1,741
Proceeds from sale of freehold land	出售永久產權土地所得款項	16,580	-
Net (payments on)/proceeds from settlement of financial instruments	金融工具結算(付款)/所得款項淨額	(39,955)	8,501
Payments on acquisition of subsidiaries, net of cash and cash equivalents	收購附屬公司的付款，扣除現金及現金等值物	(355,816)	(44,662)
Net cash flows used in investing activities	用於投資活動的現金流量淨額	(817,667)	(1,261,029)

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

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
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	3,908,646	1,873,689
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	(4,740,685)	(1,385,670)
Interest paid	已付利息	(184,618)	(162,860)
Dividends paid	已付股息	(210,137)	(89,155)
Decrease/(increase) in pledged bank deposits	已抵押銀行存款減少/(增加)	77	(78,808)
Net cash flows (used in)/ generated from financing activities	(用於)/來自融資活動的現金流量淨額	(1,226,717)	158,796
Net decrease in cash and cash equivalents	現金及現金等值物減少淨額	(757,269)	(946,823)
Cash and cash equivalents at the beginning of the period	期初之現金及現金等值物	1,813,208	1,940,022
Cash and cash equivalents at end of the period	期末之現金及現金等值物	1,055,939	993,199

The notes on pages 12 to 71 form an integral part of this condensed consolidated interim financial information.

第12至71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 sales of yarns, 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 (“Board”) of directors (“Directors”) of the Company on 15 August 2017.

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 2017 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 consolidated financial statements of the Company for the year ended 31 December 2016, which have been prepared in accordance with HKFRSs.

1. 一般資料

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

本公司乃於二零零四年七月十二日在開曼群島根據開曼群島公司法註冊成立為一家獲豁免有限公司。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。

於二零一七年八月十五日，本簡明綜合中期財務資料已獲本公司董事(「董事」)會(「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

截至二零一七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本公司截至二零一六年十二月三十一日止年度之年度綜合財務報表(乃按香港財務報告準則編製)一併閱讀。

3. ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2016, as described in those annual financial statements, except for the estimation of income tax using the tax rate that would be applicable to expected total annual earnings and the adoption of amendments to HKFRSs effective for the financial year ending 31 December 2017.

(a) New amendments of HKFRSs adopted by the Group in the first half of 2017

The following amendments to existing standards have been adopted by the Group for the first time for the financial year beginning on 1 January 2017.

Amendments to HKAS 12 'Income Taxes' on the recognition of deferred tax assets for unrealised losses clarify how to account for deferred tax assets related to debt instruments measured at fair value.

Amendments to HKAS 7 'Statement of Cash Flows' introduced an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities.

3. 會計政策

所採納之會計政策與截至二零一六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)，惟採用適用於預期年度總收益稅率之所得稅估算除外，而採納香港財務報告準則修訂於截至二零一七年十二月三十一日止財政年度生效。

(a) 本集團於二零一七年上半年採納之香港財務報告準則之新修訂

本集團於二零一七年一月一日起之財政年度首次採納以下現有準則修訂。

香港會計準則第12號「所得稅」(修訂本)就確認未變現虧損的遞延稅項資產，澄清如何將以公平值計量的債務工具相關遞延稅項資產入賬。

香港會計準則第7號「現金流量表」(修訂本)引入額外披露，將讓財務報表使用者能評估融資活動所引致的負債變動。

3. ACCOUNTING POLICIES (Continued)

(a) New amendments of HKFRSs adopted by the Group in the first half of 2017 (Continued)

Amendment to HKFRS 12 'Disclosure of Interest in Other Entities' is part of the annual improvements to HKFRSs 2014–2016 cycle. It clarifies that the disclosure requirement of HKFRS 12 is applicable to interest in entities classified as held for sale except for summarised financial information (para B17 of HKFRS 12).

The adoption of the above new amendments did not give rise to any significant impact on the Group's results of operations and financial position for the six month ended 30 June 2017.

(b) New standards, amendments and interpretations of HKFRSs issued but are not yet effective for the financial year beginning on 1 January 2017 and have not been early adopted by the Group

A number of new standards, amendments and interpretations to existing standards have been issued but are not yet effective for the financial year beginning on 1 January 2017, and have not been early adopted by the Group in preparing this condensed consolidated interim financial information. The Group is yet to assess the full impact of these new standards, amendments and interpretations and intends to adopt them no later than their respective effective dates. These new standards, amendments and interpretations are set out below:

3. 會計政策 (續)

(a) 本集團於二零一七年上半年採納之香港財務報告準則之新修訂 (續)

香港財務報告準則第12號「披露於其他實體的權益」(修訂本)乃香港財務報告準則二零一四年至二零一六年週期年度改進的一部分，澄清香港財務報告準則第12號的披露規定適用於分類為持作出售實體的權益，惟財務資料概要(香港財務報告準則第12號第B17段)除外。

採納上述新修訂並無對本集團截至二零一七年六月三十日止六個月的經營業績及財務狀況產生任何重大影響。

(b) 香港財務報告準則之新訂準則、修訂以及詮釋於二零一七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

多項新訂準則、現有準則的修訂以及詮釋已頒佈但尚未於二零一七年一月一日開始之財政年度生效，而本集團於編製此等簡明綜合中期財務資料時並無提早採納。本集團尚未評估該等新訂準則、修訂及詮釋之全面影響，並擬不遲於其各自之生效日期時予以採納。該等新訂準則、修訂以及詮釋列示如下：

3. ACCOUNTING POLICIES (Continued)

(b) **New standards, amendments and interpretations of HKFRSs issued but are not yet effective for the financial year beginning on 1 January 2017 and have not been early adopted by the Group (Continued)**

(i) *HKFRS 9 'Financial Instruments'*

HKFRS 9 'Financial Instruments' addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The Group has decided not to adopt HKFRS 9 until it becomes mandatory on 1 January 2018.

The Group does not expect the new guidance to have significant impact on the classification and measurement of its financial assets as the Group does not have:

- Debt instrument that are classified as available-for-sale financial assets;
- Debt instrument classified as held-to-maturity and measured at amortised cost;
- Equity investments measured at fair value through profit or loss.

3. 會計政策 (續)

(b) 香港財務報告準則之新訂準則、修訂以及詮釋於二零一七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)

(i) 香港財務報告準則第9號「金融工具」香港財務報告準則第9號「金融工具」闡述金融資產及金融負債之分類、計量及終止確認，為對沖會計法引進新規則，並為金融資產引進全新減值模式。香港財務報告準則第9號於二零一八年一月一日強制生效前，本集團決定不採納有關準則。

本集團預期，新指引並不會對其金融資產的分類及計量造成重大影響，原因如下：

- 本集團並無分類為可供出售金融資產的債務工具；
- 本集團並無分類為持有至到期日並以攤銷成本計量的債務工具；
- 本集團並無按公平值計量且其變動計入損益的權益投資。

3. ACCOUNTING POLICIES (Continued)

(b) **New standards, amendments and interpretations of HKFRSs issued but are not yet effective for the financial year beginning on 1 January 2017 and have not been early adopted by the Group (Continued)**

(i) *HKFRS 9 'Financial Instruments' (Continued)*

There will be no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities. The derecognition rules have been transferred from HKAS 39 *Financial Instruments: Recognition and Measurement* and have not been changed.

The new hedge accounting rules will align the accounting for hedging instruments more closely with the Group's risk management practices. As a general rule, more hedge relationships might be eligible for hedge accounting, as the standard introduces a more principles-based approach. However, at this stage the Group does not expect to identify any new hedge relationships. It would appear that the Group's current hedge relationships would qualify as continuing hedges upon the adoption of HKFRS 9. Accordingly, the Group does not expect a significant impact on the accounting for its hedging relationships.

3. 會計政策(續)

(b) 香港財務報告準則之新訂準則、修訂以及詮釋於二零一七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)

(i) 香港財務報告準則第9號「金融工具」(續)

本集團金融負債之會計處理將不受影響，原因為新規定只影響指定為按公平值計量且其變動計入損益之金融負債之會計處理，而本集團並無任何此等負債。終止確認之規則已從香港會計準則第39號「金融工具：確認及計量」轉移，且並無任何變動。

新對沖會計規則下，對沖工具的會計處理將與本集團的風險管理常規更一致。作為整體規則，由於準則引入更多原則為本的方針，故可能有更多對沖關係符合對沖會計處理。然而，於此階段，本集團並不預期識別任何新對沖關係。採納香港財務報告準則第9號時，本集團目前對沖關係可能會符合為持續對沖。因此，本集團預期並不會對其對沖關係的會計處理造成重大影響。

3. ACCOUNTING POLICIES (Continued)

(b) **New standards, amendments and interpretations of HKFRSs issued but are not yet effective for the financial year beginning on 1 January 2017 and have not been early adopted by the Group (Continued)**

(i) **HKFRS 9 'Financial Instruments' (Continued)**

The new impairment model requires the recognition of impairment provisions based on expected credit losses (ECL) rather than only incurred credit losses as is the case under HKAS 39. It applies to financial assets classified at amortised cost, debt instruments measured at FVOCI, contract assets under HKFRS 15 'Revenue from Contracts with Customers', lease receivables, loan commitments and certain financial guarantee contracts. The Group is still assessing the actual impact affected by the new model, it may result in an earlier recognition of credit losses for trade receivables. But according to the preliminary result, the financial impact is expected to be immaterial.

The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Group's disclosures about its financial instruments particularly in the year of the adoption of the new standard.

The Group does not intend to adopt HKFRS 9 before its mandatory date.

3. 會計政策(續)

(b) **香港財務報告準則之新訂準則、修訂以及詮釋於二零一七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)**

(i) **香港財務報告準則第9號「金融工具」(續)**

新減值模式須根據預期信貸虧損確認減值撥備，而非香港會計準則第39號所規定僅根據已產生信貸虧損確認減值撥備。其適用於按攤銷成本分類之金融資產、按公平值計量且其變動計入其他全面收益之債務工具、香港財務報告準則第15號「客戶合約收益」項下合約資產、租賃應收款項、貸款承擔及若干財務擔保合約。本集團正評估新模式所帶來的實際影響，可能導致提早確認貿易應收款項的信貸虧損，惟根據初步結果，預期財務影響將為微不足道。

新準則亦引入所擴展之披露規定及呈列變動，預期會改變本集團披露其金融工具之性質及範圍，特別是新準則採納年度。

香港財務報告準則第9號強制生效日期前，本集團並打算採納有關準則。

3. ACCOUNTING POLICIES (Continued)

(b) New standards, amendments and interpretations of HKFRSs issued but are not yet effective for the financial year beginning on 1 January 2017 and have not been early adopted by the Group (Continued)

(ii) HKFRS 15 'Revenue from Contracts with Customers'

The HKICPA has issued a new standard for the recognition of revenue. This will replace HKAS 18 which covers revenue arising from the sale of goods and the rendering of services and HKAS 11 which covers construction contracts.

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer.

The standard permits either a full retrospective or a modified retrospective approach for the adoption. The new standard is effective for first interim periods within annual reporting periods beginning on or after 1 January 2018. The Group will adopt the new standard from 1 January 2018.

3. 會計政策(續)

(b) 香港財務報告準則之新訂準則、修訂以及詮釋於二零一七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)

(ii) 香港財務報告準則第15號「客戶合約收益」

香港會計師公會已頒佈確認收益的新準則，並將取替香港會計準則第18號(涵蓋出售貨品及提供服務所產生收益)及香港會計準則第11號(涵蓋建築合約)。

新準則乃基於收益於貨物或服務控制權轉讓予客戶時確認的原則。

此準則允許選擇具全面追溯力之方式或改良追溯力之方式採納該準則。新準則於二零一八年一月一日或之後開始的年度報告期內首個中期期間生效。本集團將自二零一八年一月一日起採納新準則。

3. ACCOUNTING POLICIES (Continued)

(b) **New standards, amendments and interpretations of HKFRSs issued but are not yet effective for the financial year beginning on 1 January 2017 and have not been early adopted by the Group (Continued)**

(ii) *HKFRS 15 'Revenue from Contracts with Customers' (Continued)*

When applying HKFRS 15, revenue shall be recognized by applying following steps:

- identify the contract(s) with customer;
- identify separate performance obligations in a contract;
- determine the transaction price;
- allocate transaction price to performance obligations;
- recognise revenue when performance obligation is satisfied.

3. 會計政策 (續)

(b) 香港財務報告準則之新訂準則、修訂以及詮釋於二零一七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)

(ii) 香港財務報告準則第15號「客戶合約收益」(續)

採納香港財務報告準則第15號時，確認收益應採取以下步驟：

- 與客戶識別合約；
- 識別合約內的獨立履約責任；
- 釐定交易價；
- 分配交易價至履約責任；
- 於完成履約責任時確認收益。

3. ACCOUNTING POLICIES (Continued)

(b) **New standards, amendments and interpretations of HKFRSs issued but are not yet effective for the financial year beginning on 1 January 2017 and have not been early adopted by the Group (Continued)**

(ii) *HKFRS 15 'Revenue from Contracts with Customers' (Continued)*

Management has identified the following area that is likely to be affected:

- rights of return – HKFRS 15 requires separate presentation on the balance sheet of the right to recover the goods from the customer and the refund obligation. Due to the large size and low value of the Group's products, the historical goods return rate is very low.

Based on the preliminary assessment result, the Group does not expect a material impact on the adoption of new HKFRS 15.

3. 會計政策 (續)

(b) **香港財務報告準則之新訂準則、修訂以及詮釋於二零一七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)**

(ii) *香港財務報告準則第15號「客戶合約收益」(續)*

管理層已識別以下可能受影響的範疇：

- 退貨權 – 香港財務報告準則第15號要求在資產負債表內獨立呈報從客戶收回貨品的權利和退款責任。由於本集團產品體積大及價值低，故過往退貨率非常低。

根據初步評估結果，本集團預期採納新香港財務報告準則第15號不會有重大影響。

3. ACCOUNTING POLICIES (Continued)

(b) **New standards, amendments and interpretations of HKFRSs issued but are not yet effective for the financial year beginning on 1 January 2017 and have not been early adopted by the Group (Continued)**

(iii) *HKFRS 16 'Leases'*

HKFRS 16 was issued in January 2016. It will result in almost all leases being recognized on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognized. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change.

The standard will affect primarily the accounting for the Group's operating leases. As at 30 June 2017, the Group has non-cancellable operating lease commitments of RMB95 million. However, the Group has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows.

3. 會計政策(續)

(b) 香港財務報告準則之新訂準則、修訂以及詮釋於二零一七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)

(iii) 香港財務報告準則第16號「租賃」

香港財務報告準則第16號於二零一六年一月頒佈後，絕大部分租賃將於資產負債表確認，原因為經營租賃與融資租賃的劃分已被刪除。在新準則下，資產(使用租賃項目之權利)及支付租金之金融負債已獲確認。唯一例外情況為短期低價值之租約。

對於出租人之會計處理將不會出現重大變動。

此準則將主要影響本集團經營租賃之會計處理。於二零一七年六月三十日，本集團有人民幣9,500萬元之不可撤銷經營租賃承擔。然而，本集團尚未釐定此等承擔將會導致確認資產與就未來付款之負債程度，以及對於本集團溢利及現金流量分類的影響。

3. ACCOUNTING POLICIES (Continued)

(b) **New standards, amendments and interpretations of HKFRSs issued but are not yet effective for the financial year beginning on 1 January 2017 and have not been early adopted by the Group (Continued)**

(iii) **HKFRS 16 'Leases' (Continued)**

Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under HKFRS 16.

The standard is mandatory for first interim periods within annual reporting periods beginning on or after 1 January 2019. At this stage, the Group does not intend to adopt the standard before its effective date.

(iv) Amendments to HKFRS 4 'Insurance Contracts', effective for annual periods beginning on or after 1 January 2018.

(v) Amendment to HKFRS 1 'First Time Adoption of HKFRS', effective for annual periods beginning on or after 1 January 2018.

(vi) Amendment to HKAS 28 'Investments in Associates and Joint Ventures', effective for annual periods beginning on or after 1 January 2018.

3. 會計政策(續)

(b) 香港財務報告準則之新訂準則、修訂以及詮釋於二零一七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)

(iii) 香港財務報告準則第16號「租賃」(續)

部分承擔可能涉及短期低值租約之例外情況，而部分承擔則可能與不符合資格作為香港財務報告準則第16號所指租賃之安排有關。

此準則將於二零一九年一月一日或之後開始之年度報告期間內的首個中期期間強制生效。本集團現階段不擬於生效日期前採納此準則。

(iv) 香港財務報告準則第4號「保險合約」之修訂於二零一八年一月一日或之後開始之年度期間生效。

(v) 香港財務報告準則第1號「首次採納香港財務報告準則」之修訂於二零一八年一月一日或之後開始之年度期間生效。

(vi) 香港會計準則第28號「於聯營公司及合營企業的投資」之修訂於二零一八年一月一日或之後開始之年度期間生效。

3. ACCOUNTING POLICIES (Continued)

(b) New standards, amendments and interpretations of HKFRSs issued but are not yet effective for the financial year beginning on 1 January 2017 and have not been early adopted by the Group (Continued)

- (vii) HK (IFRIC) 22 'Foreign Currency Transactions and Advance Consideration', effective for annual periods beginning on or after 1 January 2018.
- (viii) HK (IFRIC) 23 'Uncertainty over Income Tax Treatments', effective for annual periods beginning on or after 1 January 2019.
- (ix) Amendments to HKFRS 10 and HKAS 28 'Sale or Contribution of Assets between an Investor and its Associate or Joint Venture', originally intended to be effective for annual periods beginning on or after 1 January 2016. The effective date has now been deferred/removed.
- (x) Amendment to HKFRS 2 'Classification and Measurement of Share-based Payment Transactions', effective for annual periods beginning on or after 1 January 2018.

3. 會計政策(續)

(b) 香港財務報告準則之新訂準則、修訂以及詮釋於二零一七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)

- (vii) 香港(國際財務報告詮釋委員會)－詮釋第22號「外幣交易及預付代價」於二零一八年一月一日或之後開始之年度期間生效。
- (viii) 香港(國際財務報告詮釋委員會)詮釋第23號「稅務處理的不確定性」於二零一九年一月一日或之後開始之年度期間生效。
- (ix) 香港財務報告準則第10號及香港會計準則第28號之修訂「投資者與其聯營公司及合營企業之間的資產出售或注資」之修訂原訂於二零一六年一月一日或之後開始之年度期間生效。有關生效日期現已押後／刪除。
- (x) 香港財務報告準則第2號「股份支付交易的分類及計量」之修訂於二零一八年一月一日或之後開始之年度期間生效。

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 2016.

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 for the year ended 31 December 2016.

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

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，與編製截至二零一六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。

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，並應與本集團截至二零一六年十二月三十一日止年度財務報表一併閱讀。

風險管理政策自年末以來並無變動。

5. FINANCIAL RISK MANAGEMENT

(Continued)

5.2 Liquidity risk

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

5.3 Fair value estimation

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

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

5. 財務風險管理(續)

5.2 流動資金風險

與年末相比，財務負債的未折現合約現金外流並無重大變動。

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

5. FINANCIAL RISK MANAGEMENT (Continued)

5.3 Fair value estimation (Continued)

The following table presents the Group's financial assets and liabilities that are measured at fair value at 30 June 2017 and 31 December 2016.

At 30 June 2017 於二零一七年六月三十日

Assets 資產

Derivative financial instruments 衍生金融工具

Liabilities 負債

Derivative financial instruments 衍生金融工具

At 31 December 2016 於二零一六年十二月三十一日

Assets 資產

Derivative financial instruments 衍生金融工具

Liabilities 負債

Derivative financial instruments 衍生金融工具

5. 財務風險管理(續)

5.3 公平值估計(續)

下表載列本集團於二零一七年六月三十日及二零一六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 2017				
Assets				
Derivative financial instruments	-	168,230	-	168,230
Liabilities				
Derivative financial instruments	-	50,324	-	50,324
	Level 1 第一級	Level 2 第二級	Level 3 第三級	Total 總計
At 31 December 2016				
Assets				
Derivative financial instruments	-	317,882	-	317,882
Liabilities				
Derivative financial instruments	-	32,275	-	32,275

5. FINANCIAL RISK MANAGEMENT

(Continued)

5.4 Valuation techniques used to derive Level 2 fair values

Level 2 trading and hedging derivatives comprise forward foreign exchange contracts, interest rate swaps, cross currency swaps and cotton future contracts. These forward foreign exchange contracts have been fair valued using forward exchange rates that are quoted in an active market. Interest rate swap is fair valued using forward interest rates extracted from observable yield curves. Cross currency swaps are fair valued using forward exchange rates that are quoted in an active market and interest rates extracted from observable yield curves. The cotton future contracts are fair valued using forward cotton price that are quoted in an active market. The effects of discounting are generally insignificant for Level 2 derivatives.

Level 2 debt investments are fair valued using a discounted cash flow approach, which discounts the contractual cash flows using discount rates derived from observable market prices of other quoted debt instruments of the counterparties.

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

第二級貿易及對沖衍生工具包括遠期外匯合約、利率掉期合約、換匯換利合約及棉花期貨合約。該等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。換匯換利合約利用活躍市場所報遠期匯率及從可觀察收益曲線摘取之利率評估公平值。棉花期貨合約利用活躍市場所報遠期棉花價評估公平值。貼現普遍不會對第二級衍生工具造成重大影響。

第二級債務投資利用貼現現金流量法評估公平值，其使用對手方其他所報債務工具的可觀察市價所得貼現率將合約現金流量貼現。

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 yarns, 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, Cambodia and Nicaragua.

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

6. 收益及分類資料

本集團主要從事製造及銷售紗線、坯布及面料以及服裝。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、柬埔寨及尼加拉瓜)作進一步評估。

執行董事委員會根據收益及經營利潤評估經營分類之業績。

6. REVENUE AND SEGMENT INFORMATION (Continued)

The segment information for the six months ended 30 June 2017 is as follows:

6. 收益及分類資料(續)

截至二零一七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 2017 截至二零一七年六月三十日止六個月												
		Yarns 紗纈			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	Macao		Mainland China and Hong Kong 中國大陸及香港		Cambodia	Vietnam	Nicaragua	Mainland China 中國大陸		Vietnam
		香港	越南	澳門	香港	柬埔寨	越南	尼加拉瓜	中國大陸	越南	RMB'000	RMB'000	RMB'000	
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
Total revenue	總收入	5,499,031	3,326,540	6,087,794	209,212	89,717	98,530	29,622	267,892	2,677	15,611,015			
Inter-segment revenue	分類間收入	(196,677)	(3,160,085)	(4,803,079)	-	-	-	-	-	(2,677)	(8,162,518)			
Revenue (from external customers)	收入(來自外部客戶)	5,302,354	166,455	1,284,715	209,212	89,717	98,530	29,622	267,892	-	7,448,497			
Segment results	分類業績	378,974	233,382	43,020	27,899	(13,009)	6,771	590	9,073	(4,246)	682,454			
Unallocated profit	未分配溢利										118,924			
Operating profit	經營溢利										801,378			
Finance income	財務收入										4,263			
Finance costs	財務費用										(57,242)			
Share of profits less losses of investments accounted for using the equity method	分佔使用權益法入賬之投資溢利減虧損										6,267			
Income tax expense	所得稅開支										(104,672)			
Profit for the period	期內溢利										649,994			
Depreciation and amortisation	折舊及攤銷	(138,751)	(153,244)	(62)	(3,471)	(3,861)	(3,488)	(1,096)	(5,542)	(4,520)	(314,035)			

6. REVENUE AND SEGMENT INFORMATION (Continued)

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

6. 收益及分類資料(續)

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										
		Yarns 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 and Hong Kong 中國大陸 及香港		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 less profits of investments accounted for using the equity method	分佔使用權益法入賬之投資虧損減溢利									(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 assets and liabilities as at 30 June 2017 are as follows:

6. 收益及分類資料(續)

於二零一七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 2017 於二零一七年六月三十日										
		Yarns 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			Sub- total	Mainland China and Hong Kong 中國大陸 及香港			Mainland China 中國大陸			
		Vietnam	Macao		Hong Kong	Cambodia	Vietnam	Nicaragua	China	Vietnam		
		越南	澳門	小計	及香港	柬埔寨	越南	尼加拉瓜	中國大陸	越南		
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
Total segment assets	分類總資產	7,430,564	4,071,425	412,120	11,914,109	381,859	334,262	720,868	178,446	426,463	361,379	14,317,386
Unallocated assets	未分配資產											168,272
Total assets of the Group	本集團總資產											14,485,658
Total segment liabilities	分類總負債				(5,478,936)	(185,390)	(91,554)	(471,981)	(18,478)	(71,935)	(174,837)	(6,493,111)
Unallocated liabilities	未分配負債											(2,356,324)
Total liabilities of the Group	本集團總負債											(8,849,435)
Capital expenditure	資本開支	164,925	7,663	-	172,588	3,754	-	81,493	-	6,845	30,157	294,837

6. REVENUE AND SEGMENT INFORMATION (Continued)

The segment assets and liabilities as at 31 December 2016 are as follows:

6. 收益及分類資料(續)

於二零一六年十二月三十一日之分類資產及負債如下：

		Audited 經審核									
		As at 31 December 2016 於二零一六年十二月三十一日									
		Yarns 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			Mainland China and Hong Kong 中國大陸 及香港			Mainland China 中國大陸		Vietnam 越南	
		Vietnam 越南	Macao 澳門	Sub-total 小計	Hong Kong 及香港	Cambodia 柬埔寨	Vietnam 越南	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
Total segment assets	分類總資產	8,845,466	3,992,467	419,211	13,257,144	362,774	52,131	324,417	440,766	358,225	14,795,457
Unallocated assets	未分配資產										486,892
Total assets of the Group	本集團總資產										15,284,349
Total segment liabilities	分類總負債				(6,341,931)	(221,857)	(5,602)	(129,352)	(44,328)	(287,525)	(7,030,595)
Unallocated liabilities	未分配負債										(3,062,310)
Total liabilities of the Group	本集團總負債										(10,092,905)
Capital expenditure	資本開支	971,502	147,526	37	1,119,065	140,708	29,297	297,558	5,500	331,678	1,923,806

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 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)
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
Six months ended 30 June 2017	截至二零一七年六月三十日 止六個月	
Opening net book amount as at 1 January 2017	於二零一七年一月一日之 期初賬面淨值	695,184
Additions	添置	11,285
Acquisition of subsidiaries (Note 25)	收購附屬公司(附註25)	162,900
Amortisation	攤銷	(8,240)
Disposals	出售	(16,580)
Currency translation differences	貨幣匯兌差額	(2,794)
Closing net book amount as at 30 June 2017	於二零一七年六月三十日之 期末賬面淨值	841,755

As at 30 June 2017, no land use right (31 December 2016: land use rights with a total net book amount of RMB25,993,000) was pledged as collateral for the Group's bank borrowings (Note 15).

於二零一七年六月三十日，並無抵押土地使用權(二零一六年十二月三十一日：賬面淨值總額為人民幣25,993,000元之土地使用權)，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 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
Six months ended 30 June 2017	截至二零一七年六月三十日 止六個月	
Opening net book amount as at 1 January 2017	於二零一七年一月一日 之期初賬面淨值	6,231,119
Additions	添置	283,552
Acquisition of subsidiaries (Note 25)	收購附屬公司(附註25)	269,638
Disposals	出售	(3,841)
Depreciation	折舊	(305,795)
Currency translation differences	貨幣匯兌差額	(5,970)
Closing net book amount as at 30 June 2017	於二零一七年六月三十日 之期末賬面淨值	6,468,703

As at 30 June 2017, no property, plant and equipment (31 December 2016: property, plant and equipment with a total net book amount of RMB116,548,000) was pledged as collateral for the Group's bank borrowings (Note 15).

於二零一七年六月三十日，並無抵押物業、廠房及設備(二零一六年十二月三十一日：賬面淨值總額為人民幣116,548,000元之物業、廠房及設備)，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 2017, no finance cost was capitalised as part of property, plant and equipment (for 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).

於截至二零一七年六月三十日止六個月，概無財務費用資本化為物業、廠房及設備的一部分(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元按年利率4.33%資本化為物業、廠房及設備的一部分)。

9. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The amounts recognised in the consolidated balance sheet are as follows:

Associates	聯營公司
Joint ventures	合營企業

The amounts recognised in the consolidated income statement are as follows:

Associates	聯營公司
Joint ventures	合營企業

9. 使用權益法入賬之投資

於綜合資產負債表確認的款項如下：

Unaudited 未經審核 30 June 2017 二零一七年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元
101,887	87,761
8,750	11,588
110,637	99,349

於綜合收益表確認的款項如下：

Unaudited 未經審核 Six months ended 30 June 截至六月三十日止六個月 2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
9,222	(1,214)
(2,955)	—
6,267	(1,214)

9. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

Investments in associates (Continued)
 Nature of investments in associates as at 30 June 2017:

Name of associate	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	Particulars of issued share capital	Interest held
聯營公司名稱		主要業務	已發行股本詳情	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	HKD11,000,000	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	11,000,000 港元	
Subsidiaries of Hang Chi Enterprise Co., Ltd. 恒志企業有限公司的附屬公司				
- 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. 使用權益法入賬之投資 (續)

於聯營公司的投資 (續)
 於二零一七年六月三十日，於聯營公司的投資性質如下：

9. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

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, other comprehensive income or losses for the period, assets and liabilities of the associates, which have been included in the consolidated income statement, statement of comprehensive income and balance sheet using equity method, are as follows:

9. 使用權益法入賬之投資 (續)

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)，及本集團期內應佔溢利、期內其他全面收益或虧損、聯營公司的資產及負債(均已採用權益法計入綜合收益表、全面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	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Revenue	收入	318,239	149,326
Profits/(losses) for the period	期內溢利/(虧損)	9,222	(1,214)
Other comprehensive income/(losses) for the period	期內其他全面收益/(虧損)	4,904	(1,308)
		Unaudited 未經審核 30 June 2017 二零一七年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元
Non-current assets	非流動資產	372,564	788,022
Current assets	流動資產	262,742	677,267
Current liabilities	流動負債	(475,777)	(1,060,719)
Non-current liabilities	非流動負債	(57,833)	(178,336)
Net assets value	資產淨值	101,696	226,234

9. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

Investments in joint ventures

9. 使用權益法入賬之投資 (續)

於合營企業的投資

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Opening amount	期初金額	11,588	—
Share of losses based on equity held	根據所持的權益應佔虧損	(2,955)	—
Share of other comprehensive income based on equity held	根據所持的權益應佔其他全面收益	117	—
Closing amount	期末金額	8,750	—

9. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

Investments in joint ventures (Continued)

Nature of investments in joint ventures as at 30 June 2017:

Name of joint ventures	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	Particulars of issued share capital	Interest held
合營企業名稱		主要業務	已發行股本詳情	所持權益
Texhong Tan Cang Logistics Joint Stock Company	Vietnam, 30 June 2016 limited liability company	Cargo transportation by land and sea; other assistant services; cargo landing-over, storage, management consulting	VND20,000,000,000	50%
天虹新港物流股份公司	越南，二零一六年六月三十日， 有限責任公司	海陸貨物運輸；其他輔助服務； 貨物卸運、儲存、管理諮詢	20,000,000,000 越南盾	
Shelink Limited	Hong Kong, 4 April 2005 limited liability company	Engaged in manufacturing and sale of knitted, dyed and finished top-grade textile products	HKD55,692,000	50%
兆光有限公司	香港，二零零五年四月四日， 有限責任公司	從事製造及銷售紡織、染色及 頂級面料製成品	55,692,000 港元	
Subsidiary of Shelink Limited 兆光有限公司的附屬公司				
- Foshan Zhao Yue Textile Co., Ltd.	Foshan, Mainland China 17 October 2005 limited liability company	Engaged in manufacturing and sale of knitted, dyed and finished top-grade textile products	HKD80,000,000	50%
- 佛山市兆越紡織有限公司	中國大陸佛山，二零零五年 十月十七日，有限責任公司	從事製造及銷售紡織、染色及 頂級面料製成品	80,000,000 港元	

9. 使用權益法入賬之投資 (續)

於合營企業的投資 (續)

於二零一七年六月三十日，於合營企業的投資性質如下：

9. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

Investments in joint ventures (Continued)

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

9. 使用權益法入賬之投資(續)

於合營企業的投資(續)

本集團應佔合營企業的收入(不計入本集團收入)、及本集團應佔合營企業的期內虧損、期內其他全面收入、資產及負債(均已採用權益法計入綜合收益表、全面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	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Revenue	收入	9,678	—
Losses for the period	期內虧損	(2,955)	—
Other comprehensive income for the period	期內其他全面收入	117	—

9. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)
Investments in joint ventures (Continued)

Non-current assets	非流動資產
Current assets	流動資產
Current liabilities	流動負債
Non-current liabilities	非流動負債
Net assets value	資產淨值

10. INVENTORIES

Raw materials	原材料
Work-in-progress	在製品
Finished goods	製成品

As at 30 June 2017, no inventory (31 December 2016: inventories with a total net book amount of RMB393,000,000) was pledged as collateral for the Group's bank borrowings (Note 15).

9. 使用權益法入賬之投資 (續)
 於合營企業的投資 (續)

Unaudited 未經審核 30 June 2017 二零一七年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元
8,491	8,352
23,692	52,989
(23,433)	(38,165)
—	—
8,750	23,176

10. 存貨

Unaudited 未經審核 30 June 2017 二零一七年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元
2,298,654	2,168,041
203,977	117,580
934,825	645,676
3,437,456	2,931,297

於二零一七年六月三十日，概無存貨作為本集團銀行借貸的抵押品(二零一六年十二月三十一日：賬面淨值總額為人民幣393,000,000元之存貨)(附註15)。

11. TRADE AND BILLS RECEIVABLES

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

Bills receivable 應收票據款項

The Group generally grants a credit term 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	978,440	788,378
31 to 90 days	31日至90日	471,896	668,960
91 to 180 days	91日至180日	60,368	128,085
181 days to 1 year	181至1年	9,809	2,590
Over 1 year	1年以上	7,336	7,384
Less: provision for impairment	減：減值撥備	(5,364)	(5,407)
Trade and bills receivables – net	應收貿易及票據款項 – 淨額	1,522,485	1,589,990

11. 應收貿易及票據款項

Unaudited 未經審核 30 June 2017 二零一七年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元
520,715	391,614
(5,364)	(5,407)
515,351	386,207
1,007,134	1,203,783
1,522,485	1,589,990

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 2017 二零一七年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元
978,440	788,378
471,896	668,960
60,368	128,085
9,809	2,590
7,336	7,384
1,527,849	1,595,397
(5,364)	(5,407)
1,522,485	1,589,990

11. TRADE AND BILLS RECEIVABLES

(Continued)

As at 30 June 2017, included in the trade receivables were amounts due from related parties of RMB42,977,000 (31 December 2016: RMB56,215,000) (Note 27).

As at 30 June 2017, no bills receivable (31 December 2016: bills receivable with a total net book amount of RMB206,797,000) was pledged as collateral for the Group's bank borrowings (Note 15).

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 operation	業務按金
Other receivables	其他應收款項

As at 30 June 2017, included in the prepayments were amounts from related parties of RMB46,289,000 (31 December 2016: RMB35,780,000) (Note 27).

11. 應收貿易及票據款項(續)

於二零一七年六月三十日，應收款項包括應收關聯方款項人民幣42,977,000元(二零一六年十二月三十一日：人民幣56,215,000元)(附註27)。

於二零一七年六月三十日，概無應收票據作為本集團銀行借貸的抵押品(二零一六年十二月三十一日：賬面淨值合共人民幣206,797,000元之應收票據)(附註15)。

12. 預付款項、按金及其他應收賬款

Unaudited 未經審核 30 June 2017 二零一七年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元
366,851	996,669
211,167	298,328
11,717	6,526
4,040	4,415
8,726	2,177
602,501	1,308,115

於二零一七年六月三十日，預付款項包括關聯方預付款項人民幣46,289,000元(二零一六年十二月三十一日：人民幣35,780,000元)(附註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 2017, included in the trade payables were amounts due to related parties of RMB6,246,000 (31 December 2016: RMB4,341,000) (Note 27).

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

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

13. 應付貿易及票據款項

Unaudited 未經審核 30 June 2017 二零一七年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元
373,884	296,039
2,381,900	2,748,256
2,755,784	3,044,295

於二零一七年六月三十日，應付貿易款項包括應付關聯方款項人民幣6,246,000元(二零一六年十二月三十一日：人民幣4,341,000元)(附註27)。

應付貿易及票據款項(包括應付關連方之貿易性質款項)根據發票日期的賬齡分析如下：

Unaudited 未經審核 30 June 2017 二零一七年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元
1,735,974	1,848,405
989,850	1,181,040
23,529	9,347
6,431	5,503
2,755,784	3,044,295

14. ACCRUALS AND OTHER PAYABLES

14. 預提費用及其他應付款項

		Unaudited 未經審核 30 June 2017 二零一七年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元
Accrued wages and salaries	應計工資及薪金	187,190	182,943
Payables for acquisition of subsidiaries	收購附屬公司應付款項	121,000	42,624
Deposits from customers	客戶按金	80,640	99,567
Payables for purchase of property, plant and equipment	購買物業、廠房及設備應付賬款	112,553	155,573
Accrual of operating expenses	應計經營開支	73,134	116,275
Tax payables other than enterprise income tax	應付稅項(企業所得稅除外)	31,108	33,482
Interest payable	應付利息	2,982	45,041
Other payables	其他應付賬款	56,079	46,153
		664,686	721,658

As at 30 June 2017, within the other payables there was no amount due to related parties (31 December 2016: RMB541,000) (Note 27).

於二零一七年六月三十日，其他應付款項中並無應付關聯方款項(二零一六年十二月三十一日：人民幣541,000元)(附註27)。

15. BORROWINGS

15. 借貸

		Unaudited 未經審核 30 June 2017 二零一七年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2016 二零一六年 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	1,039,259	173,334
Secured bank borrowings (Note (a))	有抵押銀行借貸 (附註(a))	-	602,748
Other bank borrowings (Note (b))	其他銀行借貸 (附註(b))	1,083,637	1,509,874
Notes payable (Note (c))	應付票據款項 (附註(c))	-	1,263,713
		2,122,896	3,549,669
Non-current	非即期		
Unsecured bank borrowings	無抵押銀行借貸	2,362,084	1,105,822
Secured bank borrowings (Note (a))	有抵押銀行借貸 (附註(a))	-	55,496
Other bank borrowings (Note (b))	其他銀行 借貸(附註(b))	706,958	1,398,307
		3,069,042	2,559,625
Total borrowings	借貸總額	5,191,938	6,109,294

Notes:

- (a) At 31 December 2016, bank borrowings of RMB658,244,000 were secured by the pledge of the Group's land use rights with a net book amount of RMB25,993,000 (Note 7); property, plant and equipment with a net book amount of RMB116,548,000 (Note 8); bills receivable with a net book amount of RMB206,797,000 (Note 11); and inventories with a net book amount of RMB393,000,000 (Note 10).

附註：

- (a) 於二零一六年十二月三十一日，人民幣658,244,000元的銀行借貸以本集團賬面淨值為人民幣25,993,000元的土地使用權(附註7)、賬面淨值為人民幣116,548,000元的物業、廠房及設備(附註8)、賬面淨值為人民幣206,797,000元的應收票據(附註11)及賬面淨值為人民幣393,000,000元的存貨(附註10)作抵押。

15. BORROWINGS (Continued)

Notes: (Continued)

- (b) Other bank borrowings of RMB1,790,595,000 (31 December 2016: RMB2,908,181,000) were secured by cross corporate guarantees provided by certain subsidiaries of the Group as at 30 June 2017.
- (c) At 31 December 2016, US\$182 million senior notes ("Hong Kong Notes") 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 should be repayable in whole on 18 January 2019 and they were fully repaid on 18 January 2017 in advance.

15. 借貸(續)

附註：(續)

- (b) 於二零一七年六月三十日，其他銀行借貸人民幣1,790,595,000元(二零一六年十二月三十一日：人民幣2,908,181,000元)以本集團若干附屬公司提供的交叉公司擔保作抵押。
- (c) 於二零一六年十二月三十日，1.82億美元優先票據(「香港票據」)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，而該等票據已於二零一七年一月十八日預先悉數償還。

Movements in borrowings are analysed as follows:

借貸變動分析如下：

		Unaudited 未經審核 RMB'000 人民幣千元
Six months ended 30 June 2016	截至二零一六年六月三十日	
	止六個月	
Opening amount as at 1 January 2016	於二零一六年一月一日之	
	期初金額	4,053,060
Proceeds from borrowings	借貸所得款項	1,873,689
Repayments of borrowings	償還借貸	(1,385,670)
Exchange losses on borrowings	借貸匯兌虧損	54,683
		<hr/>
Closing amount as at 30 June 2016	於二零一六年六月三十日之	
	期末金額	4,595,762
		<hr/>
Six months ended 30 June 2017	截至二零一七年六月三十日	
	止六個月	
Opening amount as at 1 January 2017	於二零一七年一月一日之	
	期初金額	6,109,294
Proceeds from borrowings	借貸所得款項	3,908,646
Repayments of borrowings	償還借貸	(4,740,685)
Exchange gains on borrowings	借貸匯兌收益	(85,317)
		<hr/>
Closing amount as at 30 June 2017	於二零一七年六月三十日之	
	期末金額	5,191,938
		<hr/>

15. BORROWINGS (Continued)

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

RMB	人民幣
USD	美元
HKD	港元

The weighted average effective interest rate per annum at 30 June 2017 was 4.04% (31 December 2016: 6.42%).

At 30 June 2017, the Group has undrawn floating rates borrowing facilities of approximately RMB1,875,825,000 (31 December 2016: RMB1,235,302,000) 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 2017 二零一七年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元
2,275,100	2,923,494
1,238,939	2,976,487
1,677,899	209,313
5,191,938	6,109,294

於二零一七年六月三十日之加權平均實際年利率為4.04% (二零一六年十二月三十一日：6.42%)。

於二零一七年六月三十日，本集團未動用之浮息借貸融資約人民幣1,875,825,000元(二零一六年十二月三十一日：人民幣1,235,302,000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 2017 二零一七年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2016 二零一六年 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))	168,139	317,882
Interest rate swap contract (Note (b))	利率掉期合約 (附註(b))	91	-
		168,230	317,882
Liabilities:	負債：		
Forward foreign exchange contracts (Note (a))	遠期外匯合約 (附註(a))	19,632	24,260
Interest rate swap contract (Note (b))	利率掉期合約 (附註(b))	-	40
Cross currency swap contracts (Note (c))	跨貨幣掉期合約 (附註(c))	26,686	7,975
Cotton future contracts (Note (d))	棉花期貨合約 (附註(d))	4,006	-
		50,324	32,275

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

非對沖衍生工具歸類為流動資產或負債。

Notes:

附註：

- (a) The forward foreign exchange contracts as at 30 June 2017 comprised 32 contracts with notional principal amounts totalling RMB4,064,640,000 (31 December 2016: 20 contracts with notional principal amounts totalling RMB5,555,718,000).
- (b) The interest rate swap contract as at 30 June 2017 comprised 1 contract with notional principal amount of RMB135,488,000 (31 December 2016: 1 contract with notional principal amount of RMB173,425,000).

- (a) 於二零一七年六月三十日，遠期外匯合約包括32份合約，名義本金額總計為人民幣4,064,640,000元(二零一六年十二月三十一日：20份合約，名義本金額總計為人民幣5,555,718,000元)。
- (b) 於二零一七年六月三十日，利率掉期合約為1份合約，名義本金額為人民幣135,488,000元(二零一六年十二月三十一日：1份合約，名義本金額為人民幣173,425,000元)。

16. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

Notes: (Continued)

- (c) The cross currency swap contracts as at 30 June 2017 comprised 8 contracts with notional principal amounts totalling RMB1,215,060,000 (31 December 2016: 3 contracts with notional principal amounts totalling RMB626,150,000).
- (d) The cotton future contracts as at 30 June 2017 comprised 13 contracts with notional principal amounts totalling RMB106,195,000.

16. 衍生金融工具 (續)

附註：(續)

- (c) 於二零一七年六月三十日，跨貨幣掉期合約由8份合約組成，名義本金額合共為人民幣1,215,060,000元(二零一六年十二月三十一日：由3份合約組成，名義本金額合共人民幣626,150,000元)。
- (d) 於二零一七年六月三十日，棉花期貨合約由13份合約組成，名義本金額合共人民幣106,195,000元。

17. SHARE CAPITAL AND SHARE PREMIUM

17. 股本及股份溢價

	Number of shares 股份數目 (thousands) (千股)	Ordinary shares 普通股 HKD'000 千港元
Authorised: 法定：		
Ordinary shares of Hong Kong Dollars ("HKD") 0.1 each	每股面值 0.1 港元 (「港元」)之普通股	
At 31 December 2016 and 30 June 2017	於二零一六年 十二月三十一日及 二零一七年六月三十日	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: 已發行及繳足：				
Ordinary shares of HKD0.1 each	每股面值 0.1 港元之 普通股			
At 31 December 2016 and 30 June 2017	於二零一六年 十二月三十一日及 二零一七年六月三十日	915,000	96,709	433,777 530,486

18. 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 issued from time to time.

18. 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%。

18. SHARE OPTION SCHEME (Continued)

Pursuant to the Share Option Scheme, share options to subscribe for an aggregate of 5,000,000 ordinary shares of the Company were granted to two executive directors of the Company on 23 March 2015. The subscription price is HKD8.7 per share. 1,670,000 share options are exercisable over the period from 1 January 2016 to 22 March 2025, 1,670,000 share options are exercisable over the period from 1 January 2017 to 22 March 2025 and 1,660,000 share options are exercisable from 1 January 2018 to 22 March 2025. On 28 December 2015, Share options to subscribe for an aggregate of 1,500,000 ordinary share of the Company were granted to one executive director of the Company. The subscription price is HKD5.7 per share. 300,000 share options are exercisable over the period from 1 January 2017 to 27 December 2025, 300,000 share options are exercisable over the period from 1 January 2018 to 27 December 2025, 300,000 share options are exercisable over the period from 1 January 2019 to 27 December 2025, 300,000 share options are exercisable over the period from 1 January 2020 to 27 December 2025 and 300,000 share options are exercisable over the period from 1 January 2021 to 27 December 2025. The Group has no legal or constructive obligation to repurchase or settle the above options in cash. No options have been exercised since the date of grant to 30 June 2017.

18. 購股權計劃(續)

根據購股權計劃，本公司於二零一五年三月二十三日向兩名執行董事授出合共可認購5,000,000股本公司普通股的購股權。認購價為每股8.7港元。1,670,000份購股權可於二零一六年一月一日至二零二五年三月二十二日期間行使；1,670,000份購股權可於二零一七年一月一日至二零二五年三月二十二日期間行使；及1,660,000份購股權可於二零一八年一月一日至二零二五年三月二十二日期間行使。本公司於二零一五年十二月二十八日向一名執行董事授出合共可認購1,500,000股本公司普通股的購股權。認購價為每股5.7港元。300,000份購股權可於二零一七年一月一日至二零二五年十二月二十七日期間行使；300,000份購股權可於二零一八年一月一日至二零二五年十二月二十七日期間行使；300,000份購股權可於二零一九年一月一日至二零二五年十二月二十七日期間行使；300,000份購股權可於二零二零年一月一日至二零二五年十二月二十七日期間行使；及300,000份購股權可於二零二一年一月一日至二零二五年十二月二十七日期間行使。本集團並無法定或推定責任以現金購回或結算有關購股權。自授出日期至二零一七年六月三十日，概無購股權獲行使。

18. SHARE OPTION SCHEME (Continued)

The fair value of options granted on 23 March 2015 was determined using the Binomial Option-Pricing Model. The significant inputs into the model included the share price of HKD8.7 per share at the grant date, exercise price shown above, expected annual risk-free interest rate of 1.582%, expected dividend yield of 1.45% and volatility of 49.8%. The total fair value of these options was RMB17,154,000 and RMB1,303,000 was charged to administrative expenses for the six months ended 30 June 2017 (for the six months ended 30 June 2016: RMB2,847,000).

The fair value of options granted on 28 December 2015 was determined using the Binomial Option-Pricing Model. The significant inputs into the model included the share price of HKD5.7 per share at the grant date, exercise price shown above, expected annual risk-free interest rate of 1.623%, expected dividend yield of 3.42% and volatility of 50.94%. The total fair value of these options was RMB3,171,000 and RMB481,000 was charged to administrative expenses for the six months ended 30 June 2017 (for the six months ended 30 June 2016: RMB730,000).

18. 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1,303,000元已於截至二零一七年六月三十日止六個月於行政開支扣除(截至二零一六年六月三十日止六個月：人民幣2,847,000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481,000元已於截至二零一七年六月三十日止六個月之行政開支扣除(截至二零一六年六月三十日止六個月：人民幣730,000元)。

19. OTHER INCOME AND OTHER GAINS – NET

19. 其他收入及其他收益 – 淨額

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Other income	其他收入		
Subsidy income (a)	補貼收入 (a)	114,447	7,050
Other gains/(losses)	其他收益/(虧損)		
Derivative financial instruments at fair value through profit or loss:	按公平值計入損益之衍生金融工具：		
– Realised profits	– 已變現溢利	39,955	8,501
– Unrealised (losses)/profits	– 未變現(虧損)/溢利	(127,190)	54,278
Net foreign exchange losses	匯兌虧損淨額	(7,256)	(6,895)
Gains on acquisition of associates	收購聯營公司之收益	–	19,971
Gains on acquisition of subsidiaries (Note 25)	收購附屬公司之收益(附註 25)	146,578	–
Loss from notes repurchase	購回票據之虧損	–	(291)
Others	其他	(455)	2,561
Total other gains	其他收益總額	51,632	78,125

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

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

20. 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 consolidated income statement.

21. FINANCE INCOME AND COSTS

20. 開支(按性質分類)

下列開支項目已於綜合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。

21. 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	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Cost of inventories	存貨成本	4,925,711	3,704,953
Employment benefit expenses	僱員福利開支	849,579	663,573
Utilities	動力及燃料	409,094	342,643
Depreciation and amortisation	折舊及攤銷	314,035	242,004
Transportation	運輸	184,656	143,495

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Interest expenses – borrowings	利息開支 – 借貸	142,559	117,064
– finance lease obligations	– 融資租賃承擔	–	4,732
		142,559	121,796
Net exchange (gains)/losses on financing activities	融資活動所得匯兌(收益)/虧損淨額	(85,317)	61,168
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	57,242	164,266
Finance income – interest income on bank deposits	財務收入 – 銀行存款利息收入	(4,263)	(5,137)
Net finance costs	財務費用淨額	52,979	159,129

22. INCOME TAX EXPENSE

22. 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

	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Current income tax		
– Mainland China, Vietnam, Cambodia and Taiwan enterprise income tax		
Deferred income tax		
	84,359	96,121
	20,313	(9,262)
	104,672	86,859

(i) **Hong Kong profits tax**
 Subsidiaries established in Hong Kong are subject to profits tax at rate of 16.5% (2016: 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% (2016: 25%).

(i) **香港利得稅**
 於香港成立的附屬公司須按 16.5% (二零一六年：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% (二零一六年：25%) 之稅率繳付企業所得稅。

22. INCOME TAX EXPENSE (Continued)

(iii) Vietnam income tax

Subsidiaries established in Vietnam are subject to income tax at rate of 20% (2016: 20%).

As approved by the relevant Tax Bureau in Vietnam, the subsidiary acquired in Vietnam in 2017 is entitled to a preferential tax rate of 7.5% during the six months ended 30 June 2017 and effective till 31 December 2018.

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% (2016: 20%).

22. 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% (二零一六年: 20%)之稅率繳付所得稅。

經越南的相關稅務局批准, 於二零一七年在越南收購的附屬公司, 有權於截至二零一七年六月三十日止六個月享受優惠稅率7.5%, 有效期至二零一八年十二月三十一日。

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% (二零一六年: 20%)的所得稅稅率, 可獲所得稅減半優惠。

22. INCOME TAX EXPENSE (Continued)

(iii) Vietnam income tax (Continued)

As approved by the relevant Tax Bureau in Vietnam, the remaining 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% (2016: 20%).

The applicable tax rates for the subsidiaries in Vietnam range from nil to 20% during the six months ended 30 June 2017 (2016: nil to 20%).

(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% (2016: 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 2017 (2016: nil).

22. 所得稅開支(續)

(iii) 越南所得稅(續)

經越南有關稅務局批准，於越南成立的餘下一家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% (二零一六年：20%)之稅率。

於截至二零一七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% (二零一六年：無至20%)。

(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% (二零一六年：9%)之稅率繳付所得稅。由於本集團於截至二零一七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(二零一六年：零)。

22. INCOME TAX EXPENSE (Continued)

(iv) Other income tax (Continued)

The subsidiary established in Uruguay is subject to income tax at the rate of 25% (2016: 25%). No provision for Uruguay profits tax has been made as the Group had no assessable profit arising in or derived from Uruguay during the six months ended 30 June 2017 (2016: nil).

The subsidiary established in Turkey is subject to income tax at the rate of 20% (2016: 20%). No provision for Turkey profits tax has been made as the Group had no assessable profit arising in or derived from Turkey during the six months ended 30 June 2017 (2016: nil).

The subsidiaries acquired in Cambodia in 2017 and 2015 are subject to income tax at the rate of 20%. No provision for Cambodia profits tax has been made as the Group had no assessable profit arising in or derived from these subsidiaries during the six months ended 30 June 2017 (2016: nil).

The subsidiary acquired in Nicaragua in 2017 is subject to income tax at the rate of 30%. As approved by relevant Tax Bureau in Nicaragua, the subsidiary is entitled to exemption from profits tax during the six months ended 30 June 2017 and effective till 31 December 2020.

22. 所得稅開支(續)

(iv) 其他所得稅(續)

於烏拉圭成立之附屬公司須按25%(二零一六年: 25%)之稅率繳付所得稅。概無就烏拉圭利得稅計提撥備, 因為本集團於截至二零一七年六月三十日止六個月並無於烏拉圭產生或獲得應課稅溢利(二零一六年: 零)。

於土耳其成立之附屬公司須按20%(二零一六年: 20%)之稅率繳付所得稅。由於本集團於截至二零一七年六月三十日止六個月概無在土耳其產生或從土耳其賺取應課稅溢利, 故概無就土耳其利得稅作出撥備(二零一六年: 零)。

於二零一七年及二零一五年在柬埔寨收購之附屬公司須按20%之稅率繳付所得稅。由於本集團截至二零一七年六月三十日止六個月並無由該等附屬公司產生或衍生的應課稅溢利, 故概無就柬埔寨利得稅作出撥備(二零一六年: 無)。

於二零一七年在尼加拉瓜收購之附屬公司須按30%之稅率繳付所得稅。經尼加拉瓜有關稅務局批准, 該附屬公司有權於截至二零一七年六月三十日止六個月豁免繳付利得稅, 有效期至二零二零年十二月三十一日。

22. INCOME TAX EXPENSE (Continued)
(iv) Other income tax (Continued)

The subsidiary established in Taiwan in 2017 is subject to income tax at the rate of 17%. Taxable income under New Taiwan Dollar 120,000 is exempted from income tax. No provision for Taiwan profits tax has been made as the Group had no assessable profit arising in or derived from Taiwan during the six months ended 30 June 2017.

The subsidiaries acquired in Samoa in 2017 are exempted from profits tax during the six months ended 30 June 2017.

23. EARNINGS PER SHARE
(a) Basic

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

22. 所得稅開支(續)
(iv) 其他所得稅(續)

於二零一七年在台灣成立之附屬公司須按17%之稅率繳付所得稅。應課稅收入不足新台幣120,000元豁免繳付所得稅。概無就台灣利得稅計提撥備，因為本集團於截至二零一七年六月三十日止六個月並無於台灣產生或從台灣賺取應課稅溢利。

於二零一七年在薩摩亞收購之附屬公司於截至二零一七年六月三十日止六個月豁免繳付利得稅。

23. 每股盈利
(a) 基本

每股基本盈利以本公司擁有人應佔溢利除以期內已發行普通股的加權平均數計算。

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

	2017 二零一七年	2016 二零一六年
Profit attributable to owners of the Company (RMB'000)	644,740	456,709
Weighted average number of ordinary shares in issue (thousands)	915,000	884,681
Basic earnings per share (RMB per share)	0.70	0.52

本公司擁有人應佔溢利(人民幣千元)

已發行普通股加權平均數(以千計)

每股基本盈利(每股人民幣)

23. 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.

23. 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**

	2017 二零一七年	2016 二零一六年
Profit attributable to owners of the Company (RMB'000)	644,740	456,709
Weighted average number of ordinary shares in issue (thousands)	915,000	884,681
Adjustments for: – Share options (thousands)	1,442	228
Weighted average number of ordinary shares for diluted earnings per share (thousands)	916,442	884,909
Diluted earnings per share (RMB per share)	0.70	0.52

本公司擁有人應佔溢利(人民幣千元)

已發行普通股加權平均數(以千計)

調整：
— 購股權(以千計)

每股攤薄盈利所用之普通股加權平均數(以千計)

每股攤薄盈利(每股人民幣)

24. DIVIDENDS

A final dividend of RMB210,137,000 that is related to the year ended 31 December 2016 was paid in May 2017 (2016: RMB89,155,000).

In addition, an interim dividend of HKD0.24 per share (2016: HKD0.18 per share) was proposed by the board of directors on 15 August 2017. It will be payable on or about 18 September 2017 to shareholders whose names are on the register on 7 September 2017. This interim dividend, amounting to RMB190,590,000 (2016: RMB136,105,000), 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 2017.

25. BUSINESS COMBINATIONS

On 1 May 2017, the Group acquired the entire interest of bundled companies for a total consideration of RMB440,691,000.

Name of the bundled companies are as follows:

Name of companies 公司名稱	Place of incorporation 註冊成立地點	Principal activities 主要業務
Nien Hsing Garment (Vietnam) Co., Ltd.	Vietnam	Manufacturing and sales of garment products
Nien Hsing Garment (Vietnam) Co., Ltd.	越南	製造及銷售服裝產品
Chu Hsing Garment (Cambodia) Co., Ltd.	Cambodia	Manufacturing and sales of garment products
Chu Hsing Garment (Cambodia) Co., Ltd.	柬埔寨	製造及銷售服裝產品
C Square Investment Co., Ltd.	Samoa	A holding company
C Square Investment Co., Ltd.	薩摩亞	一間控股公司
Foster Capital Management Inc.	Samoa	A property management company
Foster Capital Management Inc.	薩摩亞	一間物業管理公司
Alpha Textil de Nicaragua, S.A.	Nicaragua	Dyeing of fabric products
Alpha Textil de Nicaragua, S.A.	尼加拉瓜	服裝面料染色
Zona Franca Mateare, S.A.	Nicaragua	An operational company under the Export Processing Zone Act
Zona Franca Mateare, S.A.	尼加拉瓜	一間根據出口加工區法案經營的運營公司
C Square Garment Finishing Co., Ltd.	Cambodia	Provision of laundry and washing processing services
C Square Garment Finishing Co., Ltd.	柬埔寨	提供洗衣處理服務

24. 股息

於二零一七年五月，已支付與截至二零一六年十二月三十一日止年度相關的末期股息人民幣210,137,000元(二零一六年：人民幣89,155,000元)。

此外，董事會於二零一七年八月十五日建議派付中期股息每股0.24港元(二零一六年：每股0.18港元)。有關股息將於二零一七年九月十八日或前後向於二零一七年九月七日名列股東名冊的股東支付。中期股息人民幣190,590,000元(二零一六年：人民幣136,105,000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二零一七年十二月三十一日止年度之財務報表確認為股東權益。

25. 業務合併

於二零一七年五月一日，本集團以人民幣440,691,000元之代價收購一組公司的全部權益。

該組公司的名稱如下：

25. BUSINESS COMBINATIONS (Continued)

As a result of the acquisitions, the Group is expected to increase its presence in these markets. It also expects to reduce costs through economies of scale. The Group recognized gains of RMB146,578,000 from the acquisitions and the gains are included in 'other gains – net' in the consolidated income statement for the six months ended 30 June 2017.

The details of the fair value of assets acquired, liabilities assumed at the acquisition date of these acquisitions are summarized on an aggregate basis as follows:

25. 業務合併(續)

由於該等收購事項，本集團預期於該等市場擴大業務，並預期透過規模經濟降低成本。本集團自該等收購事項確認收益人民幣146,578,000元，有關收益已計入截至二零一七年六月三十日止六個月之綜合收益表「其他收益淨額」內。

於該等收購事項之收購日期，已收購資產及所承擔負債公平值總數之詳情概述如下：

		Fair value at acquisition date 收購日期之公平值 RMB'000 人民幣千元
Consideration:	代價：	
– Cash	– 現金	351,440
– Other payables to be settled in cash	– 將以現金結付之其他 應付款項	89,251
Total consideration	總代價	440,691
Recognised amounts of identifiable assets acquired and liabilities assumed	所收購可識別資產及 所承擔負債之已確認 金額	
Cash and cash equivalents	現金及現金等值物	6,499
Property, plant and equipment (Note 8)	物業、廠房及設備(附註8)	269,638
Land use rights (Note 7)	土地使用權(附註7)	162,900
Inventories	存貨	197,540
Trade and bills receivables	應收貿易及票據款項	12,512
Prepayments, deposits and other receivables	預付款項、按金及 其他應收款項	11,454
Trade and bills payables	應付貿易及票據款項	(14,188)
Accruals and other payables	預提費用及其他應付款項	(30,423)
Deferred income tax assets	遞延所得稅資產	6,893
Deferred income tax liabilities	遞延所得稅負債	(35,556)
Total identifiable net assets	可識別資產總額淨值	587,269
Gains on acquisitions (Note 19)	收購事項之收益(附註19)	(146,578)
		440,691
Cash and cash equivalents in subsidiaries acquired	於所收購附屬公司之現金 及現金等值物	6,499
Consideration for acquisitions settled in cash	收購事項以現金結付之代價	(351,440)
Cash paid on acquisitions	就收購事項支付之現金	(344,941)

25. BUSINESS COMBINATIONS (Continued)

Acquisition related costs of RMB2,900,000 have been charged to administrative expenses in the consolidated income statement for the six months ended 30 June 2017.

The revenue included in the consolidated income statement from 1 May 2017 to 30 June 2017 contributed by the bundled companies was RMB189,383,000. The bundled companies also made losses of RMB1,354,000 over the same period.

Had the bundled companies been consolidated from 1 January 2017, the consolidated income statement would show pro-forma revenue of RMB7,685,941,000 and profit of RMB629,366,000.

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
Authorised but not contracted for	已授權但未訂約
Total capital commitments	資本承擔總額

25. 業務合併(續)

收購事項相關成本人民幣2,900,000元已於截至二零一七年六月三十日止六個月的綜合收益表之行政開支中扣除。

自二零一七年五月一日至二零一七年六月三十日，由該組公司所貢獻之已計入綜合收益表的收入為人民幣189,383,000元。該組公司亦於同期錄得虧損人民幣1,354,000元。

倘該組公司自二零一七年一月一日起綜合入賬本集團，綜合收益表將錄得備考收入人民幣7,685,941,000元及溢利人民幣629,366,000元。

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 2017 二零一七年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元
508,614	—
120,885	258,048
629,499	258,048
40,000	—
669,499	258,048

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 2017 二零一七年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元
14,687	17,980
28,952	32,220
51,211	50,410
94,850	100,610
24,780	24,630
70,070	75,980
94,850	100,610

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

Wah Fung Knitters Co., Ltd.
華峰針織有限公司

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

Texhong Tan Cang Logistics Joint Stock Company
天虹新港物流股份公司

Foshan Zhao Yue Textile Co., Ltd.
佛山市兆越紡織有限公司

Shelink Limited
兆光有限公司

Texhong Industrial Park Vietnam Limited
天虹工業園區越南有限公司

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

Associate company
聯營公司

Joint venture
合營企業

Joint venture
合營企業

Joint venture
合營企業

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

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	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Sales of goods	貨品銷售		
- Taltex (Zhuhai) Co., Ltd.	- 聯業織染(珠海)有限公司	56,060	10,335
- Wah Fung Knitters Co., Ltd.	- 華峰針織有限公司	13,081	-
- Foshan Zhao Yue Textile Co., Ltd.	- 佛山市兆越紡織有限公司	1,602	-
		70,743	10,335
Purchase of land use rights	購買土地使用權		
- Texhong Industrial Park Vietnam Limited	- 天虹工業園區越南有限公司	-	65,033
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	5,242	8,660
- Foshan Zhao Yue Textile Co., Ltd.	- 佛山市兆越紡織有限公司	8	-
		5,250	8,660
Purchases of services	採購服務		
- Texhong Tan Cang Logistics Joint Stock Company	- 天虹新港物流股份公司	6,075	-
- Foshan Zhao Yue Textile Co., Ltd.	- 佛山市兆越紡織有限公司	791	-
		6,866	-

27. RELATED-PARTY TRANSACTIONS

(Continued)

(a) Transactions with related parties

(Continued)

Purchase of utilities	採購動力及燃料
– Foshan Zhao Yue Textile Co., Ltd.	– 佛山市兆越紡織有限公司
– Texhong Industrial Park Vietnam Limited	– 天虹工業園區越南有限公司

27. 與關聯方的交易 (續)

(a) 與關聯方的交易 (續)

Unaudited 未經審核	
Six months ended 30 June 截至六月三十日止六個月	
2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
45	–
33,770	18,258
33,815	18,258

In the opinion of the 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.

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) Balances with related parties

Trade receivables	應收貿易款項
– Taltex (Zhuhai) Co., Ltd.	– 聯業織染(珠海)有限公司
– Wah Fung Knitters Co., Ltd.	– 華峰針織有限公司
– Foshan Zhao Yue Textile Co., Ltd.	– 佛山市兆越紡織有限公司
Prepayments	預付款項
– Hang Chi Enterprise Co., Ltd.	– 恒志企業有限公司
– Foshan Zhao Yue Textile Co., Ltd.	– 佛山市兆越紡織有限公司
– Shelink Limited	– 兆光有限公司
Trade payables	應付貿易款項
– Texhong Industrial Park Vietnam Limited	– 天虹工業園區越南有限公司
– Texhong Tan Cang Logistics Joint Stock Company	– 天虹新港物流股份公司
– Nantong Textile Group Co., Ltd.	– 南通紡織控股集團紡織染有限公司
Accruals and other payables	預提費用及其他應付款項
Deposits from customers	來自客戶的按金
– Taltex (Zhuhai) Co., Ltd.	– 聯業織染(珠海)有限公司

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

27. 與關聯方的交易(續)

(b) 與關聯方的結餘

Unaudited 未經審核 30 June 2017 二零一七年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元
31,164	30,817
9,160	22,278
2,653	3,120
42,977	56,215
42,267	35,780
4,000	–
22	–
46,289	35,780
2,609	4,021
3,274	–
363	320
6,246	4,341
–	541

與關連方的結餘為無抵押、不計息及須於一年內償還。

27. RELATED-PARTY TRANSACTIONS

(Continued)

(c) Key management compensation

Salaries, wages and bonuses 薪金、工資及花紅
 Pension costs (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)

(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	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
		8,890	5,684
		337	274
		122	399
		9,349	6,357

OVERVIEW

We are pleased to present the unaudited consolidated financial results of the Group for the six months ended 30 June 2017 to our shareholders. During the period under review, the Group's revenue increased by 27.9% to RMB7.45 billion when compared to the corresponding period last year. The increase was mainly attributable to the rise in sales volume and unit price of yarns. Profit attributable to equity holders for the six months ended 30 June 2017 rose by 41.2% to RMB645 million when compared to the corresponding period last year. Earnings per share also increased to RMB0.70 from RMB0.52 for the corresponding period last year. The increase in profit attributable to equity holders was mainly attributable to the one-off gain from the acquisition of the jeanswear business and operating subsidy income of the Xinjiang factory beginning to normalise during the period, partially offset by the impact of comparatively weaker market demand and fierce competition on sales volume and gross profit margin.

INDUSTRY REVIEW

In the first half of 2017, there was a strong demand for differentiated products from the PRC market. In contrast, the market for traditional goods and those easily replicated products has been facing intensified competition. Obviously, there is little room to grow in the PRC market under the business model based on making profit merely by low cost production. Nevertheless, customers have been increasingly demanding in respect of product development, quality and services. All in all, mounting challenges continue to impact the industry.

綜覽

我們欣然向股東報告本集團截至二零一七年六月三十日止六個月的未經審核綜合財務業績。在回顧期內，主要由於紗線銷量以及單價上升，本集團之收入較去年同期上升27.9%至人民幣74.5億元。截至二零一七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41.2%至人民幣6.45億元。每股盈利亦由去年同期的人民幣0.52元增加至人民幣0.70元。股權持有人應佔溢利同比上升的主要原因是由於期內收購牛仔服裝業務產生的一次性收益以及新疆工廠的經營性補貼收入開始正常化所致，但由於期內較弱的市場需求及激烈的競爭影響了紗線銷量及毛利率，抵銷了部分盈利的增長。

行業回顧

二零一七年上半年，中國市場對於差異化的產品需求殷切。相反，傳統貨品以及容易複製的產品面臨激烈競爭。純粹依靠低成本生產獲利的經營模式在中國市場顯然已經沒有多大出路。客戶對於產品開發、品質以及服務的要求還是不斷提高，總體來說行業還是面對巨大的挑戰。

INDUSTRY REVIEW (Continued)

According to the statistics between January and June 2017 from the National Bureau of Statistics of the PRC, enterprises with a sizeable capacity in the textile industry realised an aggregate revenue of RMB2,034.9 billion from its principal activities, representing year-on-year growth of 9.4%. Total profit amounted to RMB98.3 billion, representing year-on-year growth of 5.1%. From January to June 2017, fixed asset investments in the textile industry in the PRC amounted to RMB312.4 billion, representing year-on-year growth of 7.2%.

According to the statistics between January and June 2017 from the General Administration of Customs of the PRC, the aggregate export of textiles and garments was US\$124.05 billion, representing an increase of 0.36%. Among these exports, US\$53.12 billion was attributable to textiles and US\$70.93 billion to garments, representing an increase of 2.1% and a decrease of 0.9% respectively. With respect to production volume between January and June 2017, yarns, fabrics and synthetic fiber production amounted to 20.52 million tonnes, 34.6 billion meters and 25.59 million tonnes respectively, representing year-on-year growth of 5.1%, 4.5% and 4.8% respectively.

According to the statistics between January and June 2017 from Vietnam Customs, sales of yarns and short fiber manufactured in Vietnam increased by 14.1% to 614,000 tonnes, representing a growth of 24.1% in revenue to US\$1.641 billion; while garments exports increased by 7.0% to US\$11.59 billion.

行業回顧(續)

根據中國國家統計局的數據顯示，二零一七年一月至六月，紡織業規模企業累計實現主營業務收入人民幣20,349億元，同比增長9.4%；實現利潤總額983億元，同比增長5.1%。中國紡織業在二零一七年一月至六月固定資產投資人民幣3,124億元，同比增長7.2%。

根據中國海關總署發佈的數據顯示，二零一七年一月至六月，紡織品服裝累計出口1,240.5億美元，上升0.36%，其中紡織品出口531.2億美元，上升2.1%，服裝出口709.3億美元，下降0.9%。產量方面，二零一七年一月至六月紗線2,052萬噸，同比增長5.1%，布產量346億米，同比增長4.5%，化纖產量2,559萬噸，同比增長4.8%。

根據越南海關數據顯示，二零一七年一月至六月產自越南紗線及短纖銷售量增加14.1%至614,000噸，銷售額增加24.1%至16.41億美元；服裝出口額增加7.0%至115.9億美元。

BUSINESS REVIEW

For the period under review, the revenue of the Group was RMB7.45 billion, representing an increase of 27.9% 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 RMB6.75 billion during the six months ended 30 June 2017, accounting for 90.7% of total revenue of the Group. The increase was mainly driven by the growth in sales volume and the increase in sales prices of the Group's products. In the first half of 2017, as new factories that commenced production in stages last year are now running at full steam, the Group's yarn sales volume increased significantly by 14.9% to over 300,000 tonnes for the six months ended 30 June 2017. The Group has continued 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74.5億元，較去年同期上升27.9%。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，截至二零一七年六月三十日止六個月收入達到人民幣67.5億元，佔本集團總收入的90.7%，上升主要由對本集團產品的銷量增長以及銷售價格增加所致。於二零一七年上半年，由於去年陸續投產的新廠房已經全面運作，截至二零一七年六月三十日止六個月，本集團紗線銷量大幅增加14.9%至逾300,000噸。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 2017	Revenue from January to June 2016	Revenue change between 2017 and 2016
		二零一七年一月至六月銷售額 RMB'000 人民幣千元	二零一六年一月至六月銷售額 RMB'000 人民幣千元	二零一七年銷售額對比二零一六年之轉變
Stretchable core-spun yarns	彈力包芯紗線			
- Cotton	- 棉紗	1,850,407	1,738,643	6.4%
- Denim	- 牛仔	1,352,031	940,479	43.8%
- Synthetic fiber	- 人造纖維	498,382	464,498	7.3%
Other yarns	其他紗線			
- Cotton	- 棉紗	1,445,878	833,327	73.5%
- Denim	- 牛仔	931,677	743,826	25.3%
- Synthetic fiber	- 人造纖維	675,149	638,429	5.8%
Grey fabrics	坯布			
- Stretchable grey fabrics	- 彈力坯布	228,318	221,761	3.0%
- Other grey fabrics	- 其他坯布	39,574	32,321	22.4%
Garment fabrics	面料	203,292	143,527	41.6%
Jeans	牛仔褲	223,789	64,981	244.4%
Total	總計	7,448,497	5,821,792	27.9%

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 2017 二零一七年 一月至六月	January to June 2016 二零一六年 一月至六月	January to June 2017 二零一七年 一月至六月	January to June 2016 二零一六年 一月至六月	January to June 2017 二零一七年 一月至六月	January to June 2016 二零一六年 一月至六月
Stretchable core-spun yarns (Ton/RMB per ton)	彈力包芯紗線(噸/ 人民幣每噸)						
- Cotton	- 棉紗	82,025	80,838	22,559	21,508	15.3%	19.8%
- Denim	- 牛仔	54,878	40,396	24,637	23,281	18.5%	24.7%
- Synthetic fiber	- 人造纖維	21,008	19,791	23,723	23,470	21.6%	21.2%
Other yarns (Ton/RMB per ton)	其他紗線(噸/人民幣每噸)						
- Cotton	- 棉紗	65,202	46,979	22,175	17,738	14.1%	14.7%
- Denim	- 牛仔	47,815	43,567	19,485	17,073	16.6%	16.5%
- Synthetic fiber	- 人造纖維	30,403	30,690	22,207	20,803	14.7%	14.6%
Grey fabrics	坯布						
(Million meters/RMB per meter)	(百萬米/人民幣每米)						
- Stretchable grey fabrics	- 彈力坯布	22.5	22.7	10.1	9.8	8.3%	12.4%
- Other grey fabrics	- 其他坯布	5.4	5.0	7.3	6.5	3.3%	9.1%
Garment fabrics	面料						
(Million meters/RMB per meter)	(百萬米/人民幣每米)	12.9	13.0	15.8	11.0	10.0%	12.4%
Jeans (Million pairs)	牛仔褲(百萬條)	4.5	1.9	49.7	34.2	3.3%	-1.3%

The overall gross profit margin of the Group's products decreased from 18.2% for the six months ended 30 June 2016 to 15.4% for the six months ended 30 June 2017. The decrease was mainly attributable to the fierce market competition among comparatively simple product categories of the differentiated products and the slower growth in demand that had affected sales volume and unit price of products, causing certain pressure on our gross profit margin.

Cost of sales increased by 32.4% to RMB6.30 billion when compared to the corresponding period last year due to the increase in production volume and raw material cost. Raw material cost accounted for about 77.2% of the total cost of sales for the six months ended 30 June 2017. Cotton is one of the Group's major raw materials.

截至二零一七年六月三十日止六個月，本集團產品之整體毛利率由截至二零一六年六月三十日止六個月的18.2%下降至15.4%。毛利率下降的主要原因是市場中差異化產品中的相對簡單品種的競爭相對激烈，在需求增長也有些放慢的情況下，影響了產品的銷量及單價，對毛利率也產生一定的壓力。

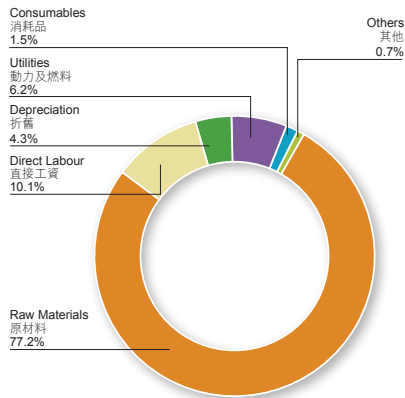
銷售成本較去年同期上升32.4%至人民幣63.0億元，原因是產量及原材料成本上升。截至二零一七年六月三十日止六個月，原材料成本佔銷售成本總額的約77.2%。棉花為本集團的主要原材料之一。

BUSINESS REVIEW (Continued)

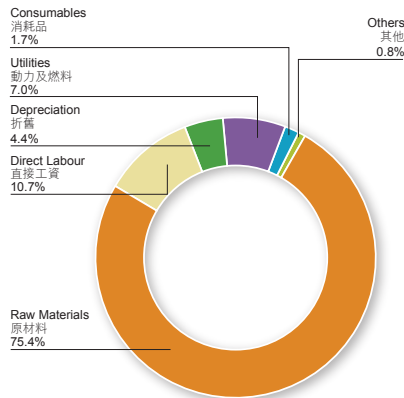
The breakdown of our cost of sales is shown below:

業務回顧(續)

銷售成本的明細列示如下：



January to June 2017
二零一七年一至六月



January to June 2016
二零一六年一至六月

The Group will continue to implement its established corporate strategies, optimise its 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, using innovative fibre technologies to produce trendy functional yarns to tap into the differentiated high-end market. The Group has reinforced its cooperative relations with Toray of Japan, with the aim of expanding the cooperation from the yarn business to its denim garment business. In response to market demand, the Group's research and development centre in Xuzhou has been raising product quality and developing products in order to maintain a leading position in the industry, as well as satisfying 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，使用創新科技纖維生產時尚耐用的功能紗線，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，將從紗線業務擴展到牛仔服裝業務。本集團位於徐州的研發中心也不斷應市場需求而改良產品質素及開發新產品，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 84.3% of total sales for the six months ended 30 June 2017. The ten largest customers of the Group for the six months ended 30 June 2017, which accounted for 17.0% of the total revenue, are as follows:

Shaoguan Shunchang Weaving Factory Co., Ltd.
 Ningbo Daqian Textile Co., Ltd.
 Guangdong Qianjin Jeans Co., Ltd.
 Toray International, Inc.
 Zhejiang Limayunshan Textile Co., Ltd.
 Xinchangjing Textiles Co., Ltd.
 TCE Vina Denim Joint Stock Company
 Yixing Magnolia Garment Co., Ltd.
 Black Peony Textile Co., Ltd.
 Foshan Seazon Textile & Garment Co., Ltd.

PROSPECTS

In light of the prevailing government policies and the demand and supply conditions in the PRC market, barring any unforeseen circumstances in relation to the cotton supply for next cotton season, we expect to witness relatively stable cotton prices which will have a stabilising impact on the businesses engaged in yarn spinning.

Currently, the Group has an aggregate of 1.64 million spindles and 1.25 million spindles in the PRC and Vietnam respectively. In light of the strong demand for quick delivery and tailor made differentiated products, the Group intends to allocate RMB100 million to procure second-hand equipment to expand domestic production capacity by 100,000 spindles, which is expected to be in full production in the fourth quarter of the year. Meanwhile, the establishment of a brand new intelligent yarn spinning factory with 140,000 spindles in Xuzhou is expected to be completed in the second quarter of the coming year. With an investment of approximately RMB500 million, the facilities serve to fulfil orders that require quick delivery. Based on estimated production capacity, targeted sales volumes of yarn for 2017 and 2018 are about 650,000 tonnes and 720,000 tonnes respectively. Nevertheless, the actual sales volume will depend on the product mix in the corresponding period.

業務回顧(續)

中國紡織市場為本集團的主要市場，佔本集團截至二零一七年六月三十日止六個月總銷售額的84.3%。截至二零一七年六月三十日止六個月，本集團十大客戶佔總收入的17.0%，為：

韶關市順昌布廠有限公司
 寧波大千紡織品有限公司
 廣東前進牛仔布有限公司
 Toray International, Inc.
 浙江立馬雲山紡織股份有限公司
 增城市新昌景紡織品有限公司
 TCE Vina Denim Joint Stock Company
 宜興熹黑白玉蘭服裝有限公司
 黑牡丹紡織有限公司
 佛山市致興紡織服裝有限公司

前景

鑒於當前的政府政策及中國市場供需情況，若下一棉花年度的棉花供應沒有特別情況，我們預期棉花價格將相對穩定，對於從事紡紗的企業都產生穩定的作用。

本集團目前於中國及越南的紗錠總數分別為164萬錠及125萬錠。由於快速交付及定制差異化訂單產品需求殷切，本集團計劃於斥資人民幣1億元增添二手設備擴充國內產能10萬錠，預計本年第4季度全面投產。另外預期明年第二季度完成於徐州建設全新智能化紡紗工廠14萬錠，投資約5億人民幣，以加強應對需要快速交貨的訂單。根據預計產能，二零一七年及二零一八年紗線銷售目標分別為約65萬噸及72萬噸。然而，實際銷量將取決於同期的產品組合。

PROSPECT (Continued)

In March 2017, the Group and Nien Hsing Textile Co., Ltd. entered into a sales and purchase agreement mainly in relation to the acquisition of its denim garment factories in Vietnam and Cambodia and the associated business. The acquisition was completed on 1 May 2017 at an adjusted final consideration of approximately US\$64 million in accordance with the pro forma balance sheet as at 30 April 2017, which primarily covered inventories and fixed assets of approximately US\$36 million and US\$26 million respectively. We expected that the adjustment of the associated business will be completed during the year in order to enhance production management and strive to obtain steady bulk orders from brand customers. Despite that the business is expected to record certain operating losses for the year, the Group expects it to achieve a turnaround in 2018. The garment factory in Vietnam jointly established by us and Changzhou Hualida Group has commenced trial operation. After discussion, to complement the plan in respect of the newly acquired denim garment factory mentioned above, the joint venture factory is to primarily focus on production of jackets and tops, the strengths of Hualida, with denim garments as a secondary product to target leading brands in Japan in order to achieve orderly expansion of the main operation. As a new business, the denim garment business is to be the development focus and is expected to become a growth driver of the Group in the mid-to-long term. It will also help effectively stabilise the operating profit to avoid undue sensitivity to the fluctuation of raw material prices.

前景(續)

於本年三月份，本集團與Nien Hsing Textile Co., Ltd. 簽訂買賣協定，主要收購其於越南及柬埔寨的牛仔服裝工廠及有關業務，於二零一七年五月一日有關收購已經完成交割，最終價格按二零一七年四月三十日的備考資產負債表調整為約6,400萬美元，其中主要為存貨及固定資產淨值分別約3,600萬及2,600萬美元。我們預計於本年度完成調整有關業務，加強生產管理，爭取通過向品牌客戶爭取大宗且穩定的訂單，縱使預計本年度有關業務預計還是會有一定經營虧損，但目標二零一八年將轉虧為盈。我們與常州華利達集團合資的越南服裝工廠已開始試運轉，經過商討，也配合以上新收購的牛仔服裝工廠的佈局，合資工廠將以華利達擅長的外套上裝為生產重點，牛仔服裝為輔，以主攻日本一流品牌為主線有序擴張經營。牛仔服裝業務為本集團重點發展的新業務，期望成為中、長期本集團的增長引擎，也將有助有效穩定經營利潤率以避免過多受原料價格波動影響。

PROSPECT (Continued)

Though the construction of plants to form an integrated platform comprising a downstream industry chain in Vietnam is behind the original schedule, the plants are currently expected to commence production by stages in any events during the second half of 2017. The Group's targeted sales volume for grey fabrics and jeans for the year have been adjusted to about 80 million meters and 14 million pairs.

The Group retained its place among the internationally renowned Fortune "Top 500 Companies in China 2017" list announced on 31 July 2017, signifying broad recognition for its success in continuing to expand and develop its mode of business. According to the China National Textile and Apparel Council, the Group ranked third in terms of competitiveness among yarn and cotton enterprises, we will make every effort to achieve even better operating results in order to deliver long-term and sustainable returns to its shareholders.

前景(續)

在越南打造下游產業鏈一體化平台方面，進展比原定有所延誤，但目前有關廠房無論如何在二零一七年下半年將陸續投產。本集團今年坯布以及牛仔褲的目標銷量調整分別為約8,000萬米及1,400萬件。

於二零一七年七月三十一日，本集團繼續名列國際知名雜誌—《財富雜誌》之「二零一七年中國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。本集團也榮獲中國紡織協會棉紡企業競爭力排名全國第三名，我們將繼續努力不懈，全力為股東帶來長遠及可持續的回報。

FINANCIAL REVIEW

Liquidity and financial resources

As at 30 June 2017, the Group's bank and cash balances (including pledged bank deposits) amounted to RMB1,237 million (as at 31 December 2016: RMB1,994 million). The decrease in bank and cash balances was mainly attributable to the early redemption of senior notes issued in 2013 ("2013 Notes") which were due in January 2019.

As at 30 June 2017, the Group's inventories increased by RMB506 million to RMB3,437 million (as at 31 December 2016: RMB2,931 million), and trade and bills receivables decreased by RMB68 million to RMB1,522 million (as at 31 December 2016: RMB1,590 million). The inventory turnover days and trade and bills receivables turnover days were 91 days and 38 days respectively, as compared to 79 days and 35 days respectively as at 31 December 2016. The increase in inventory turnover days was mainly due to higher inventory level of yarns and the inventories of the newly acquired denim garment business. The increase in trade and bills receivables turnover days was due to the increase in sales which led to an increase in bills receivable, as well as longer credit terms for customers of the newly acquired denim garment business than that for customers of yarns. Trade and bills payables decreased to RMB2,756 million (as at 31 December 2016: RMB3,044 million). The decrease was mainly due to the settlement of payables in raw material purchases and equipment purchases.

As at 30 June 2017, the Group's borrowings decreased by RMB917 million to RMB5,192 million (as at 31 December 2016: RMB6,109 million) and current bank borrowings decreased by RMB1,427 million to RMB2,123 million, which were mainly due to the early repayment of 2013 Notes due in January 2019.

財務回顧

流動資金及財務資源

於二零一七年六月三十日，本集團之銀行及現金結餘(包括已抵押銀行存款)為人民幣12.37億元(於二零一六年十二月三十一日：人民幣19.94億元)。銀行及現金結餘減少乃主要由於提前贖回於二零一三年發行並於二零一九年一月到期之優先票據(「二零一三年票據」)。

於二零一七年六月三十日，本集團之存貨增加人民幣5.06億元至人民幣34.37億元(於二零一六年十二月三十一日：人民幣29.31億元)，以及應收貿易及票據款項減少人民幣6,800萬元至人民幣15.22億元(於二零一六年十二月三十一日：人民幣15.90億元)。存貨周轉天數及應收貿易及票據款項周轉天數分別為91天及38天，而二零一六年十二月三十一日則分別為79天和35天。存貨周轉天數增加主要是因為紗線存貨水平增加及新增收購的牛仔服裝業務的存貨。應收貿易及票據款項周轉天數增加一方面因為伴隨銷售額增加導致應收票據款項增加；另一方面是因為新收購牛仔服裝業務的客戶賬期較紗線客戶信貸期長所致。應付貿易及票據款項減少至人民幣27.56億元(於二零一六年十二月三十一日：人民幣30.44億元)，主要由於結付原材料及設備採購的應付款項所致。

於二零一七年六月三十日，本集團之借貸減少人民幣9.17億元至人民幣51.92億元(於二零一六年十二月三十一日：人民幣61.09億元)及流動銀行借貸減少人民幣14.27億元至人民幣21.23億元，乃主要由於提前償還於二零一九年一月到期之二零一三年票據所致。

FINANCIAL REVIEW (Continued)

Liquidity and financial resources (Continued)

As at 30 June 2017, 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 Renminbi and US dollar. 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 dollar and Hong Kong dollar. The Group manages its foreign exchange risks by performing regular reviews and closely monitoring its foreign exchange exposures.

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 and purchasing a suitable amount of currency option contracts. As at 30 June 2017, other than bills payable, the Group only had exposure in Hong Kong dollar indebtedness of HK\$600 million without protection of option contracts. 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.

財務回顧(續)

流動資金及財務資源(續)

於二零一七年六月三十日，本集團之財務比率如下：

	30 June 2017 二零一七年 六月三十日	31 December 2016 二零一六年 十二月三十一日
Current ratio	1.24	1.10
Debt to equity ratio ¹	0.93	1.19
Net debt to equity ratio ²	0.71	0.80

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及港元計值的借貸及原料採購貸款。本集團進行定期檢討及密切關注其外匯風險程度以管理其外匯風險。

為應對人民幣貶值風險，本集團透過削減美元借款以及購入適量的貨幣期權合約以減低美元負債敞口。於二零一七年六月三十日，除應付票據外，本集團僅有6億港元的港元負債敞口沒有期權合約保護。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。

FINANCIAL REVIEW (Continued)

Capital expenditure

For the six months ended 30 June 2017, the capital expenditure of the Group amounted to approximately RMB295 million (for the six months ended 30 June 2016: RMB1,056 million), which was mainly related to the renovation of buildings and upgrade of equipments in the PRC and the new capacity of fabric and garments in Vietnam during the period.

In addition, the Group acquired denim business with a final consideration of approximately US\$64 million.

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)

資本開支

截至二零一七年六月三十日止六個月，本集團之資本開支約為人民幣2.95億元(截至二零一六年六月三十日止六個月：人民幣10.56億元)，主要與期內翻新中國的樓宇及升級設備以及在越南新增面料及服裝產能有關。

此外，本集團以最終代價約6,400萬美元收購牛仔服裝業務。

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.

Such bonds were fully redeemed in advance in January 2017.

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。

該等債券已於二零一七年一月全數提前贖回。

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 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.

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.

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)

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貨貸融資(「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。

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。

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 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 2015 Facility Agreement and the 2016 Facility Agreement.

Pledge of assets

As at 30 June 2017, the Group did not have any pledged assets (as at 31 December 2016: land use rights, property, plant and equipment, inventories and bank acceptance with a net book amount of RMB26.0 million, RMB116.5 million, RMB393.0 million and RMB206.8 million, respectively were pledged for bank borrowings).

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)

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

於二零一七年六月三十日，本集團概無任何已抵押資產(於二零一六年十二月三十一日：賬面淨值分別為人民幣2,600萬元的土地使用權；人民幣1.165億元的物業、廠房及設備；人民幣3.930億元的存貨以及人民幣2.068億元的銀行承兌滙票已用作銀行借貸的抵押品)。

FINANCIAL REVIEW (Continued)

Human resources

As at 30 June 2017, the Group had a total workforce of 39,051 employees (as at 31 December 2016: 27,279 employees), of whom 15,452 employees were based in the regional headquarters in Shanghai and our manufacturing plants in Mainland China. The remaining 23,599 employees were stationed in regions outside Mainland China including Vietnam, Cambodia, Nicaragua, Taiwan, 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 promote a learning and knowledge sharing culture within 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 24 HK cents per share for the six months ended 30 June 2017 to shareholders whose names appear on the register of shareholders of the Company in Hong Kong on 7 September 2017.

Closure of register of members

The register of members of the Company will be closed from 5 September 2017 to 7 September 2017, 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 18 September 2017), 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 4 September 2017.

財務回顧(續)

人力資源

於二零一七年六月三十日，本集團員工合共39,051名(於二零一六年十二月三十一日：27,279名員工)，其中15,452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23,599名員工駐於中國大陸以外地區(包括越南、柬埔寨、尼加拉瓜、台灣、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知識分享的文化，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。董事會議決就截至二零一七年六月三十日止六個月向於二零一七年九月七日名列本公司於香港股東名冊之股東宣派每股24港仙之中期股息。

暫停辦理股份過戶登記手續

本公司於二零一七年九月五日至二零一七年九月七日(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(將於二零一七年九月十八日或前後派發)，股東必須確保所有過戶文件連同相關股票，於二零一七年九月四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 early redemption of the 2013 Notes, 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 2017.

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 share(s) of HK\$0.10 each in the share capital of the Company ("Share(s)") 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

除提前贖回二零一三年票據外，截至二零一七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本公司股本中每股面值0.10港元之股份(「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 Board 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 2017, movements of the share options granted under the Share Option Scheme are summarised as follows:

財務回顧(續)

購股權(續)

於截至二零一七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	Closing price per Share immediately before the date of grant	Exercise price per share	Number of share options 購股權數目					
					Outstanding as at 1 January 2017	Granted during the six months ended 30 June 2017	Exercised during the six months ended 30 June 2017	Lapsed during the six months ended 30 June 2017	Cancelled during the six months ended 30 June 2017	Outstanding as at 30 June 2017
			緊接授出日期前之每股收市價 HKS 港元	每股行使價 HKS 港元	於二零一七年一月一日未行使	於二零一七年六月三十日止六個月授出	於二零一七年六月三十日止六個月行使	於二零一七年六月三十日止六個月失效	於二零一七年六月三十日止六個月註銷	於二零一七年六月三十日未行使
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二零二五年三月二十二日	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二零二五年三月二十二日	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二零二五年三月二十二日	8.27	8.70	660,000	-	-	-	-	660,000
					2,000,000	-	-	-	-	2,000,000
Mr. Hui Tsz Wai 許子慧先生	23 March 2015 二零一五年三月二十三日	1 January 2016 to 22 March 2025 二零一六年一月一日至二零二五年三月二十二日	8.27	8.70	1,000,000	-	-	-	-	1,000,000
	23 March 2015 二零一五年三月二十三日	1 January 2017 to 22 March 2025 二零一七年一月一日至二零二五年三月二十二日	8.27	8.70	1,000,000	-	-	-	-	1,000,000
	23 March 2015 二零一五年三月二十三日	1 January 2018 to 22 March 2025 二零一八年一月一日至二零二五年三月二十二日	8.27	8.70	1,000,000	-	-	-	-	1,000,000
	28 December 2015 二零一五年十二月二十八日	1 January 2017 to 27 December 2025 二零一七年一月一日至二零二五年十二月二十七日	5.84	5.70	300,000	-	-	-	-	300,000
	28 December 2015 二零一五年十二月二十八日	1 January 2018 to 27 December 2025 二零一八年一月一日至二零二五年十二月二十七日	5.84	5.70	300,000	-	-	-	-	300,000
	28 December 2015 二零一五年十二月二十八日	1 January 2019 to 27 December 2025 二零一九年一月一日至二零二五年十二月二十七日	5.84	5.70	300,000	-	-	-	-	300,000
	28 December 2015 二零一五年十二月二十八日	1 January 2020 to 27 December 2025 二零二零年一月一日至二零二五年十二月二十七日	5.84	5.70	300,000	-	-	-	-	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二零二五年十二月二十七日	5.84	5.70	300,000	-	-	-	-	300,000
					4,500,000	-	-	-	-	4,500,000
Total					6,500,000	-	-	-	-	6,500,000
總計										

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 2017, 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

於二零一七年六月三十日，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)	59.53%
	the Company 本公司	Beneficial owner 實益擁有人	5,400,000(L)	0.59%
Mr. Zhu Yongxiang 朱永祥先生	the Company 本公司	Interest of controlled corporation(s) 所控制法人的權益	219,900,000(L) (Note 3) (附註3)	24.03%
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)	0.40%
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)	0.49%
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 Shares 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 股股份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 2017, 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:

Ordinary Shares of the Company:

主要股東在本公司股份、相關股份及債權證之權益及淡倉

就董事所知悉，於二零一七年六月三十日，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：

本公司之普通股：

Name of the substantial shareholders 主要股東姓名／名稱	Nature of interests 權益性質	Number of ordinary shares (Note 1) 普通股數目 (附註1)	Percentage 百分比
New Green Group Limited	Beneficial owner 實益擁有人	392,842,400(L) (Note 2) (附註2)	42.90%
	Interest of controlled corporation(s) 所控制法人權益	151,900,000(L) (Note 3) (附註3)	16.60%
Trade Partner Investments Limited	Beneficial owner 實益擁有人	151,900,000(L) (Note 3) (附註3)	16.60%
Wisdom Grace Investments Limited	Beneficial owner 實益擁有人	68,000,000(L) (Note 4) (附註4)	7.43%
	Interest of controlled corporation(s) 所控制法人權益	151,900,000(L) (Note 3) (附註3)	16.60%
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)	59.53%
Ms. Ke Luping 柯綠萍女士	Interest of spouse 配偶權益	550,142,400(L) (Note 5) (附註5)	60.12%

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)	24.03%
Mr. Hui Ching Lau 許清流先生	Interest of controlled corporation(s) 所控制法人權益	55,058,000(L) (Note 7) (附註 7)	6.02%
Event Star Limited	Beneficial owner 實益擁有人	55,058,000(L) (Note 7) (附註 7)	6.02%

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 55,058,000 Shares are registered in the name of and beneficially owned by Event Star Limited, a company which is 100% controlled by Mr. Hui Ching Lau. Under the SFO, Mr. Hui Ching Lau is deemed to be interested in all the Shares held by Event Star Limited.

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 on the Stock Exchange. 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55,058,000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。董事會已採納載於聯交所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 2017.

REMUNERATION COMMITTEE

The remuneration committee of the Board comprises Mr. Hong Tianzhu, the chairman and executive Director, 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二零一七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洪天祝先生（主席兼執行董事）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 Mr. Hong Tianzhu, the chairman and executive Director, 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 2017

提名委員會

董事會提名委員會由洪天祝先生(主席兼執行董事)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，二零一七年八月十五日



This Interim Report is printed on environmentally friendly paper
本中期報告以環保紙張印刷