



**YONGSHENG ADVANCED MATERIALS  
COMPANY LIMITED**  
**永盛新材料有限公司**

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號 : 3608

**INTERIM REPORT 2017**  
中期報告

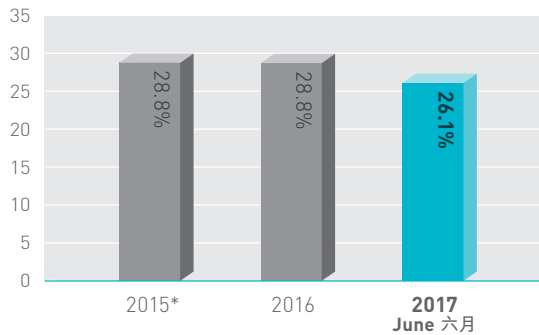
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# Financial Highlight

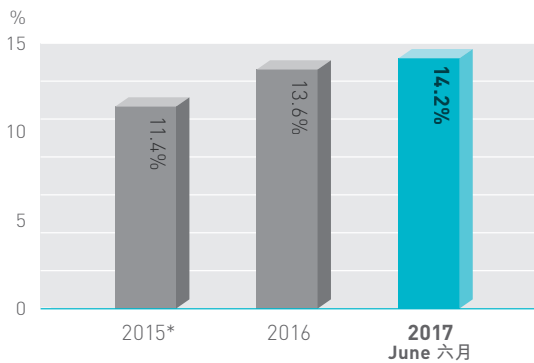
## 財務摘要

Statement of Profit or Loss and Other Comprehensive Income	損益及其他全面收入表	For the six months ended 30 June		Changes 變動
		2017 二零一七年	2016 二零一六年	
		RMB million 人民幣百萬元		
Revenue	收益	<b>329.6</b>	255.9	28.8%
Gross profit	毛利	<b>85.9</b>	78.2	9.8%
Profit before tax	除稅前溢利	<b>59.8</b>	49.0	22.0%
Net profit for the period	期間溢利淨額	<b>46.8</b>	38.4	21.9%
Profit attributable to shareholders of the Company	本公司股東應佔溢利	<b>43.3</b>	34.9	24.3%
Earnings per share (RMB cents) BASIC	每股盈利(人民幣分)基本	<b>10.8</b>	8.7	24.1%
Profit attributable to shareholders of the Company (excluding share-based payments)	本公司股東應佔溢利 (未計股份基礎支出)	<b>45.7</b>	39.7	15.0%
Dividend per share (HK cents) – interim	每股股息(港仙) – 中期	<b>3.5</b>	3.0	16.7%
Statement of Financial Position	財務狀況表	As at 於		Changes 變動
		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	
		RMB million 人民幣百萬元		
Non-current assets	非流動資產	<b>235.0</b>	188.3	24.8%
Current assets	流動資產	<b>562.3</b>	484.5	16.0%
Current liabilities	流動負債	<b>(254.5)</b>	(158.4)	60.7%
Net current assets	流動資產淨值	<b>307.8</b>	326.1	-5.6%
Non-current liabilities	非流動負債	<b>(19.0)</b>	(17.2)	10.5%
Net assets	淨資產	<b>523.8</b>	497.2	5.3%

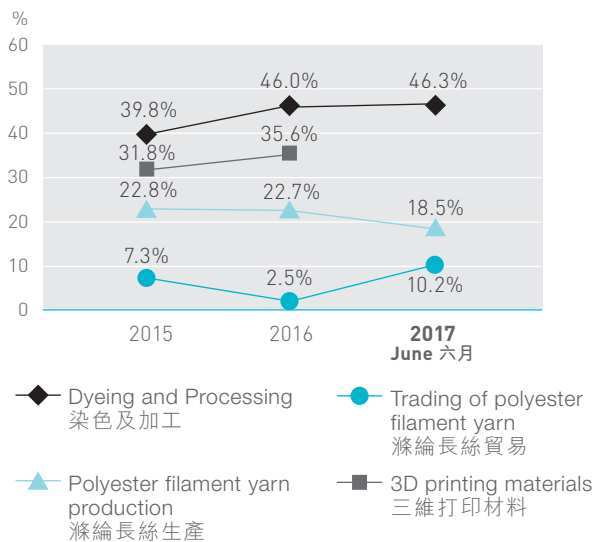
**Gross Profit Margin of the Group**  
集團毛利率



**Net Profit Margin of the Group**  
集團純利率

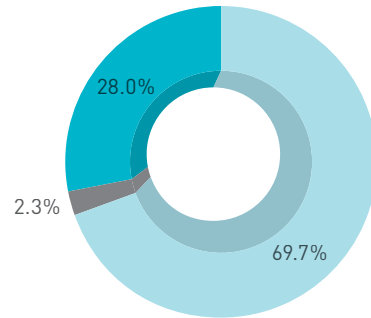


**Gross Profit Margin by Business Segment**  
毛利率按業務分部



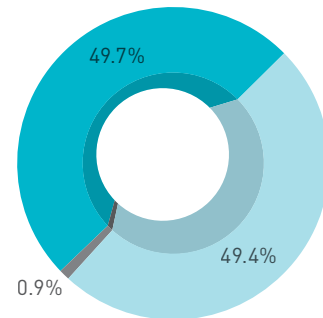
**Revenue by Business Segment**  
業務分部收益佔比

For the six months ended 30 June 2017  
截至二零一七年六月三十日止六個月



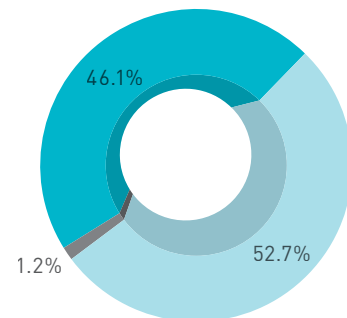
**Gross Profit by Business Segment**  
業務分部毛利佔比

For the six months ended 30 June 2017  
截至二零一七年六月三十日止六個月



**Operating Profit by Business Segment**  
業務分部經營溢利佔比

For the six months ended 30 June 2017  
截至二零一七年六月三十日止六個月



\* Excluding trading of textile raw materials and products  
不包括紡織原材料及產品貿易

# Corporate Information

## 公司資料

### Board of Directors

#### Executive Directors

Mr. Li Cheng (*Chairman*)  
Mr. Zhao Jidong (*Chief Executive Officer*)  
Mr. Li Conghua  
Mr. Ma Qinghai

#### Independent non-executive Directors

Ms. Wong Wai Ling  
Mr. Shiping James Wang  
Dr. Wang Huaping

#### Audit Committee

Ms. Wong Wai Ling (*Chairlady*)  
Mr. Shiping James Wang  
Dr. Wang Huaping

#### Remuneration Committee

Ms. Wong Wai Ling (*Chairlady*)  
Mr. Zhao Jidong  
Dr. Wang Huaping

#### Nomination Committee

Mr. Li Cheng (*Chairman*)  
Mr. Shiping James Wang  
Dr. Wang Huaping

#### Authorised Representatives

Mr. Li Cheng  
Mr. Leung Ho Yan, Julian (*FCS, FCIS, FCCA, FCPA*)

#### Company Secretary

Mr. Leung Ho Yan, Julian (*FCS, FCIS, FCCA, FCPA*)

#### Auditors

Ernst & Young

#### Legal Advisers as to Hong Kong Laws

Chiu & Partners

### 董事會

#### 執行董事

李誠先生 (主席)  
趙繼東先生 (行政總裁)  
李聰華先生  
馬青海先生

#### 獨立非執行董事

黃慧玲女士  
王世平先生  
王華平博士

#### 審核委員會

黃慧玲女士 (主席)  
王世平先生  
王華平博士

#### 薪酬委員會

黃慧玲女士 (主席)  
趙繼東先生  
王華平博士

#### 提名委員會

李誠先生 (主席)  
王世平先生  
王華平博士

#### 授權代表

李誠先生  
梁浩仁先生 (*FCS, FCIS, FCCA, FCPA*)

#### 公司秘書

梁浩仁先生 (*FCS, FCIS, FCCA, FCPA*)

#### 核數師

安永會計師事務所

#### 關於香港法律之法律顧問

趙不渝 馬國強律師事務所

### Legal Advisers as to PRC Laws

Mr. Wang Shungen of Zhejiang Baoxuan Law Firm

### Registered Office

P.O. Box 10008, Willow House, Cricket Square  
Grand Cayman, KY1-1001, Cayman Islands

### Headquarter and Principal Place of Business in Hong Kong

Office 1616, 16th Floor, Tower Two Lippo Centre,  
No. 89 Queensway, Hong Kong

### Company's Website

[www.chinaysgroup.com](http://www.chinaysgroup.com)

### Stock Code

3608

### Principal Share Registrar and Transfer Office in the Cayman Islands

Tricor Services (Cayman Islands) Limited  
P.O. Box 10008, Willow House, Cricket Square  
Grand Cayman, KY1-1001, Cayman Islands

### Hong Kong Branch Share Registrar and Transfer Office

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

### Principal Bankers

Agricultural Bank of China  
Bank of China  
China CITIC Bank  
China Everbright Bank

### 關於中國法律之法律顧問

浙江寶鉉律師事務所之汪順根律師

### 註冊辦事處

P.O. Box 10008, Willow House, Cricket Square  
Grand Cayman, KY1-1001, Cayman Islands

### 香港總辦事處及主要營業地點

香港金鐘道89號  
力寶中心2座16樓1616室

### 本公司網址

[www.chinaysgroup.com](http://www.chinaysgroup.com)

### 股份代號

3608

### 開曼群島股份過戶登記總處

Tricor Services (Cayman Islands) Limited  
P.O. Box 10008, Willow House, Cricket Square  
Grand Cayman, KY1-1001, Cayman Islands

### 香港股份過戶登記分處

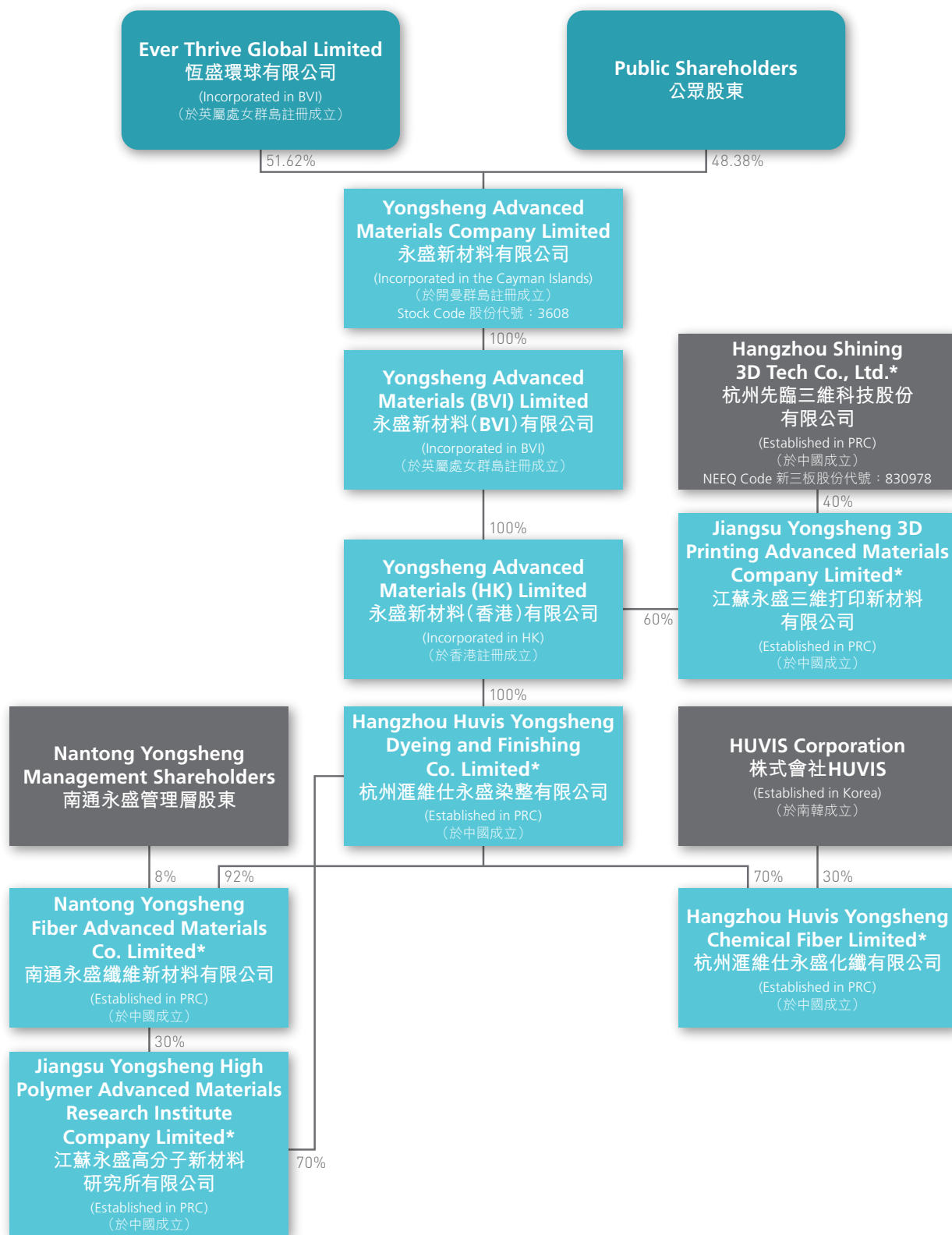
卓佳證券登記有限公司  
香港  
皇后大道東183號  
合和中心22樓

### 主要往來銀行

中國農業銀行  
中國銀行  
中信銀行  
中國光大銀行

# Group Structure

## 集團架構圖



\* For identification purposes only

\* 僅供識別

# Interim Financial Information

## 中期財務資料

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME – UNAUDITED

For the six months ended 30 June 2017

### 合併損益及其他全面收入表－未經審核

截至二零一七年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	收益	5	329,597	255,948
Cost of sales	銷售成本	6	(243,703)	(177,707)
Gross profit	毛利		85,894	78,241
Other income and gains, net	其他收入及收益淨額	5	8,848	5,806
Selling and distribution expenses	銷售及分銷開支		(3,314)	(4,054)
Administrative expenses	行政開支		(31,319)	(30,260)
Finance costs	融資成本		(263)	(775)
<b>PROFIT BEFORE TAX</b>	<b>除稅前溢利</b>	6	<b>59,846</b>	48,958
Income tax expense	所得稅開支	7	(13,087)	(10,551)
<b>PROFIT FOR THE PERIOD</b>	<b>期內溢利</b>		<b>46,759</b>	38,407
<b>OTHER COMPREHENSIVE INCOME:</b>	<b>其他全面收入：</b>			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:	不會於往後期間重列為損益的其他全面收入：			
– Exchange differences on translation of financial statements	– 換算財務報表的匯兌差額		(1,369)	32
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX</b>	<b>期內其他全面收入（扣除稅項）</b>		<b>(1,369)</b>	32
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>期內全面收入總額</b>		<b>45,390</b>	38,439



## Interim Financial Information (Continued)

中期財務資料 (續)

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME – UNAUDITED (Continued)

For the six months ended 30 June 2017

### 合併損益及其他全面收入表 – 未經審核 (續)

截至二零一七年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
<b>Profit attributable to:</b>			
Shareholders of the Company		<b>43,342</b>	34,855
Non-controlling interests		<b>3,417</b>	3,552
		<b>46,759</b>	38,407
<b>Total comprehensive income attributable to:</b>			
Shareholders of the Company		<b>41,973</b>	34,887
Non-controlling interests		<b>3,417</b>	3,552
		<b>45,390</b>	38,439
<b>EARNINGS PER SHARE ATTRIBUTABLE TO THE SHAREHOLDERS OF THE COMPANY</b>			
Basic			
– For profit for the period	9	RMB人民幣10.8cents分	RMB人民幣8.7cents分
Diluted			
– For profit for the period		RMB人民幣10.7cents分	RMB人民幣8.7cents分

The notes on pages 13 to 40 form part of this interim financial information. Details of dividends payable to equity shareholders of the Company are set out in note 8.

第13頁至第40頁的附註構成本中期財務資料的一部分。應付本公司權益股東股息的詳情列載於附註8。

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION – UNAUDITED**

As at 30 June 2017

**合併財務狀況表 – 未經審核**

於二零一七年六月三十日

		Note 附註	As at 30 June 2017 於二零一七年 六月三十日 RMB'000 人民幣千元	(Audited) (經審核) As at 31 December 2016 於二零一六年 十二月三十一日 RMB'000 人民幣千元
<b>NON-CURRENT ASSETS</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	10	198,919	151,654
Prepayments for property, plant and equipment	物業、廠房及設備的預付款項		1,136	906
Prepaid land lease payments	預付土地租賃款項		29,026	29,336
Intangible assets	無形資產	10	5,436	5,962
Deferred tax assets	遞延稅項資產		496	441
Total non-current assets	非流動資產總額		235,013	188,299
<b>CURRENT ASSETS</b>	<b>流動資產</b>			
Inventories	存貨	11	63,981	47,593
Trade and bills receivables	貿易應收款項及應收票據	12	195,954	130,337
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	13	8,989	10,682
Trust loan and other loan receivable	應收委託貸款及其他貸款	14	72,498	50,000
Financial assets at fair value through profit or loss	按公平值計入損益的金融資產	15	152,607	173,852
Amounts due from related parties	應收關連方款項	22(c)	2,868	3,002
Pledged deposits	已抵押存款		11,390	1,705
Cash and cash equivalents	現金及現金等值物		53,987	67,362
Total current assets	流動資產總額		562,274	484,533
<b>CURRENT LIABILITIES</b>	<b>流動負債</b>			
Trade and bills payables	貿易應付款項及應付票據	16	190,896	92,767
Amounts due to related parties	應付關連方款項		1,175	2,375
Other payables, advances from customers and accruals	其他應付款項、客戶墊款及應計款項	17	35,801	50,945
Government grants	政府資助		1,225	1,225
Income tax payable	應付所得稅		10,379	11,075
Borrowings	借貸	18	15,000	–
Total current liabilities	流動負債總額		254,476	158,387
<b>NET CURRENT ASSETS</b>	<b>流動資產淨額</b>		307,798	326,146
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>總資產減流動負債</b>		542,811	514,445

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION – UNAUDITED (Continued)

As at 30 June 2017

## 合併財務狀況表 – 未經審核 (續)

於二零一七年六月三十日

		Note 附註	As at 30 June 2017 於二零一七年 六月三十日 RMB'000 人民幣千元	(Audited) (經審核) As at 31 December 2016 於二零一六年 十二月三十一日 RMB'000 人民幣千元
<b>NON-CURRENT LIABILITIES</b>	<b>非流動負債</b>			
Government grants	政府資助		<b>13,122</b>	13,735
Deferred tax liabilities	遞延稅項負債		<b>5,927</b>	3,497
Total non-current liabilities	非流動負債總額		<b>19,049</b>	17,232
<b>NET ASSETS</b>	<b>淨資產</b>		<b>523,762</b>	497,213
<b>EQUITY</b>	<b>權益</b>			
Equity attributable to shareholders of the Company	本公司股東應佔權益			
Share capital	股本	19	<b>3,165</b>	3,165
Share premium	股份溢價	19	<b>183,708</b>	195,859
Other reserves	其他儲備	21	<b>293,327</b>	249,044
			<b>480,200</b>	448,068
Non-controlling interests	非控股權益		<b>43,562</b>	49,145
<b>Total equity</b>	<b>權益總額</b>		<b>523,762</b>	497,213

The notes on pages 13 to 40 form part of this interim financial information.

第13頁至第40頁的附註構成本中期財務資料的一部分。

CONSOLIDATED STATEMENT OF CHANGES  
IN EQUITY – UNAUDITED

For the six months ended 30 June 2017

合併權益變動表 – 未經審核

截至二零一七年六月三十日止六個月

	Note 附註	Attributable to shareholders of the Company 本公司股東應佔					Non- controlling interests 非控股權益 人民幣千元	Total equity 權益總額 人民幣千元
		Share capital 股本 RMB'000 人民幣千元	Share premium 股份溢價 RMB'000 人民幣千元	Retained earnings 保留盈利 RMB'000 人民幣千元	Other reserves 其他儲備 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元		
As at 1 January 2017	於二零一七年一月一日	3,165	195,859	245,370	3,674	448,068	497,213	
Profit for the period	期內溢利	-	-	43,342	-	43,342	46,759	
Other comprehensive income for the period:	期內其他全面收入:							
Exchange differences on translation of financial statements	換算財務報表的匯兌差額	-	-	-	(1,369)	(1,369)	(1,369)	
Total comprehensive income for the period	期內全面收入總額	-	-	43,342	(1,369)	41,973	45,390	
Dividends paid to shareholders of the Company	向本公司股東支付股息	8	(12,151)	-	-	(12,151)	(12,151)	
Dividends paid to non-controlling interests	向非控股權益支付股息	-	-	-	-	(9,000)	(9,000)	
Equity-settled share option arrangements	股權結算購股權安排	-	-	-	2,310	2,310	2,310	
As at 30 June 2017	於二零一七年六月三十日	3,165	183,708	288,712	4,615	480,200	523,762	
As at 1 January 2016	於二零一六年一月一日	3,165	216,330	182,691	(20,716)	381,470	420,092	
Profit for the period	期內溢利	-	-	34,855	-	34,855	38,407	
Other comprehensive income for the period:	期內其他全面收入:							
Exchange differences on translation of financial statements	換算財務報表的匯兌差額	-	-	-	32	32	32	
Total comprehensive income for the period	期內全面收入總額	-	-	34,855	32	34,887	38,439	
Dividends paid to shareholders of the Company	向本公司股東支付股息	8	(10,166)	-	-	(10,166)	(10,166)	
Dividends paid to non-controlling interests	向非控股權益支付股息	-	-	-	-	(4,320)	(4,320)	
Equity-settled share option arrangements	股權結算購股權安排	-	-	-	4,841	4,841	4,841	
As at 30 June 2016	於二零一六年六月三十日	3,165	206,164	217,546	(15,843)	411,032	448,886	

The notes on pages 13 to 40 form part of this interim financial information.

第13頁至第40頁的附註構成本中期財務資料的一部分。

CONDENSED CONSOLIDATED STATEMENT  
OF CASH FLOWS – UNAUDITED

For the six months ended 30 June 2017

## 簡明合併現金流量表－未經審核

截至二零一七年六月三十日止六個月

		<b>2017</b>	2016
		<b>30 June</b>	30 June
		二零一七年	二零一六年
		六月三十日	六月三十日
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
Net cash flows from operating activities	經營活動所得現金流量淨額	<b>54,424</b>	37,229
Net cash flows used in investing activities	投資活動所用現金流量淨額	<b>(60,133)</b>	(40,647)
Net cash flows used in financing activities	融資活動所用現金流量淨額	<b>(6,414)</b>	(15,011)
NET DECREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值物減少淨額	<b>(12,123)</b>	(18,429)
Cash and cash equivalents at beginning of the period	期初現金及現金等值物	<b>67,362</b>	139,487
Effect of foreign exchange rate changes, net	外匯匯率變動的影響淨額	<b>(1,252)</b>	210
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	期末現金及現金等值物	<b>53,987</b>	121,268

The notes on pages 13 to 40 form part of this interim financial information.

第13頁至第40頁的附註構成本中期財務資料的一部分。

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(Expressed in Renminbi unless otherwise indicated)

### 1. CORPORATE INFORMATION

Yongsheng Advanced Materials Company Limited (the “Company”) was incorporated in the Cayman Islands on 19 April 2012 as an exempted company with limited liability under the Companies Law (2010 Revision) of the Cayman Islands. On 9 February 2017, the address of the Company’s registered office was changed to P.O. Box 10008, Willow House, Cricket Square, Grand Cayman KY1-1001, Cayman Islands.

The Company and its subsidiaries (the “Group”) are principally engaged in the developing and manufacturing of polyester filament yarns and 3D printing materials, the provision of dyeing services of differentiated polyester filament fabric and trading of textile raw materials and products in the People’s Republic of China (the “PRC”). The directors consider the ultimate holding company of the Company is Ever Thrive Global Limited (“Ever Thrive”), a company incorporated in the BVI and controlled by Mr. Li Cheng (the “Controlling Shareholder”).

The Company’s shares have been listed on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 27 November 2013.

These condensed consolidated interim financial information is presented in Renminbi (“RMB”), unless otherwise stated.

These condensed consolidated interim financial information has been approved for issue by the Company’s board (the “Board”) of directors (the “Directors”) on 24 August 2017.

The Group’s condensed consolidated interim financial information is unaudited, but has been reviewed by the Company’s Audit Committee.

## 未經審核簡明合併中期財務資料附註

(除另有說明外，以人民幣計值)

### 1. 公司資料

永盛新材料有限公司(「本公司」)於二零一二年四月十九日根據開曼群島公司法(二零一零年修訂本)在開曼群島註冊成立為獲豁免有限公司。於二零一七年二月九日，本公司的註冊辦事處地址更改為P.O. Box 10008, Willow House, Cricket Square, Grand Cayman KY1-1001, Cayman Islands。

本公司及其附屬公司(「本集團」)主要在中華人民共和國(「中國」)從事開發及製造滌綸長絲及3D打印材料、提供差別化滌綸面料染色服務及紡織原材料和產品貿易業務。董事認為，本公司的最終控股公司為恆盛環球有限公司(「恆盛」)(一間在英屬處女群島註冊成立並由李誠先生控制的公司)(「控股股東」)。

本公司股份自二零一三年十一月二十七日起於香港聯合交易所有限公司(「聯交所」)上市。

除另有指明外，此等簡明合併中期財務資料乃以人民幣(「人民幣」)呈列。

此等簡明合併中期財務資料已由本公司董事(「董事」)會(「董事會」)於二零一七年八月二十四日批准刊發。

本集團的簡明合併中期財務資料乃未經審核，惟已由本公司的審核委員會審閱。

## 2. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial information for the six months ended 30 June 2017 has been prepared in accordance with International Accounting Standard (“IAS”) 34, “Interim Financial Reporting”, issued by the International Accounting Standards Board (“IASB”).

The preparation of the unaudited condensed consolidated interim financial information in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year-to-date basis. Actual results may differ from these estimates.

The unaudited condensed consolidated interim financial information includes the financial information of the Company and its subsidiaries, Yongsheng Advanced Materials (BVI) Limited, Yongsheng Advanced Materials (HK) Limited (“Yongsheng Hong Kong”), Nantong Yongsheng Fiber Advanced Materials Company Limited (“Nantong Yongsheng”), Hangzhou Huvis Yongsheng Chemical Fiber Company Limited (“Yongsheng Chemical Fiber”), Hangzhou Huvis Yongsheng Dyeing and Finishing Company Limited (“Yongsheng Dyeing”), Jiangsu Yongsheng 3D Printing Advanced Materials Company Limited (“Yongsheng 3D Printing”) and Jiangsu Yongsheng High Polymer Advanced Materials Research Institute Company Limited (“High Polymer Research Institute”). The direct/indirect percentage holding remain the same with the Group’s financial statements for the year ended 31 December 2016.

The unaudited condensed consolidated interim financial information should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2016, with an unqualified auditor’s report reported by the Company’s auditor. The Group’s policies on financial risk management were set out in the financial statements included in the Company’s 2016 Annual Report and there have been no significant changes in the financial risk management policies for the six months ended 30 June 2017.

## 2. 編製基準

截至二零一七年六月三十日止六個月的未經審核簡明合併中期財務資料乃根據國際會計準則委員會(「國際會計準則委員會」)所頒佈的國際會計準則(「國際會計準則」)第34號「中期財務報告」編製。

編製符合國際會計準則第34號的未經審核簡明合併中期財務資料要求管理層作出會影響政策應用以及年內至今資產與負債、收入與開支的申報金額的判斷、估計及假設。實際結果可能與此等估計有所不同。

未經審核簡明合併中期財務資料包括本公司及其附屬公司、永盛新材料(BVI)有限公司、永盛新材料(香港)有限公司(「永盛香港」)、南通永盛纖維新材料有限公司(「南通永盛」)、杭州滙維仕永盛化纖有限公司(「永盛化纖」)、杭州滙維仕永盛染整有限公司(「永盛染整」)、江蘇永盛三維打印新材料有限公司(「永盛三維打印」)及江蘇永盛高分子新材料研究所有限公司(「高分子研究所」)的財務資料。直接/間接持股百分比與本集團截至二零一六年十二月三十一日止年度的財務報表相同。

本未經審核簡明合併中期財務資料應與本集團截至二零一六年十二月三十一日止年度的年度財務報表及由本公司核數師呈報的無保留的核數師報告一併閱讀。本集團的財務風險管理政策已載列於本公司二零一六年年報所載的財務報表內，而截至二零一七年六月三十日止六個月，財務風險管理政策並無重大改變。

## 2. BASIS OF PREPARATION (Continued)

The Group's unaudited condensed consolidated interim financial information contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the annual financial statements for the year ended 31 December 2016. The unaudited condensed consolidated interim financial information and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with International Financial Reporting Standards ("IFRSs").

The financial information relating to the financial year 31 December 2016 that is included in the interim financial information as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements.

## 3. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP

The accounting policies adopted in the preparation of the unaudited condensed consolidated interim financial information are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2016, except for the adoption of new standards effective as of 1 January 2017. The Group has not early adopted any other standard, interpretation or amendments that has been issued but is not yet effective.

The nature and the effect of these changes are disclosed below. Although these amendments apply for the first time in 2017, they do not have a material impact on the unaudited interim condensed consolidated financial information of the Group. The nature and the impact of each amendment is described below:

## 2. 編製基準 (續)

本集團的未經審核簡明合併中期財務資料包括簡明合併財務報表及經選定的解釋附註。附註載有對理解本集團截至二零一六年十二月三十一日止年度財務報表以來的財務狀況及表現變動有重大意義的事項及交易的解釋。未經審核簡明合併中期財務資料及其附註並不包括根據國際財務報告準則(「國際財務報告準則」)編製整套財務報表要求的所有資料。

中期財務資料載有截至二零一六年十二月三十一日止財政年度的財務資料以作為比較資料，惟該等資料並不構成本公司在該財政年度的法定年度合併財務報表，但這些財務資料均取自有關的財務報表。

## 3. 本集團採納的新訂準則、詮釋及修訂

除採納自二零一七年一月一日起生效的新訂準則外，編製未經審核簡明合併中期財務資料時採用的會計政策與編製本集團截至二零一六年十二月三十一日止年度的年度財務報表時所採用者一致。本集團並無提早採納已頒佈但尚未生效的任何其他準則、詮釋或修訂。

此等變動的性質及影響於下文披露。儘管此等修訂是於二零一七年首次採納，它們對本集團的未經審核中期簡明合併財務資料並無重大影響。各項修訂的性質及影響說明如下：



### 3. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP (Continued)

#### Amendments to IAS 7 Statement of Cash Flows: Disclosure Initiative

The amendments require entities to provide disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). On initial application of the amendment, entities are not required to provide comparative information for preceding periods. The Group is not required to provide additional disclosures in its unaudited condensed interim consolidated financial information, but will disclose additional information in its annual consolidated financial statements for the year ending 31 December 2017.

#### Amendments to IAS 12 Income Taxes: Recognition of Deferred Tax Assets for Unrecognised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact. The Group applied the amendments retrospectively. However, their application has no effect on the Group's financial position and performance as the Group has no deductible temporary differences or assets that are in the scope of the amendments.

### 3. 本集團採納的新訂準則、詮釋及修訂 (續)

#### 國際會計準則第7號現金流量表：披露計劃的修訂

該等修訂要求實體提供有關彼等因融資活動所產生的負債變動的披露資料，包括現金流量產生的變動及非現金變動（如匯兌收益或虧損）。於首次應用修訂時，實體毋須提供以前期間的比較資料。本集團毋須於其未經審核簡明中期合併財務資料內作出額外披露，惟將於其截至二零一七年十二月三十一日止年度的年度合併財務報表內披露額外資料。

#### 國際會計準則第12號所得稅：就未變現虧損確認遞延稅項資產的修訂

該等修訂釐清實體需要考慮稅務法例是否對於可扣減暫時差異轉回時可用作抵扣的應課稅利潤的來源有所限制。此外，該等修訂就實體應如何釐定未來應課稅利潤提供指引，並解釋應課稅利潤可包括收回超過賬面值部分的資產的情況。實體須追溯應用該等修訂。然而，於首次應用該等修訂時，最早比較期間期初權益的變動可在期初保留盈利（或如合適，則在權益的另一組成部分）中確認，而並非在期初保留盈利和權益的其他組成部分之間分配。應用此項寬免措施的實體必須披露此事實。本集團已追溯應用該等修訂。然而，由於本集團並無任何可扣減暫時差額或屬該等修訂範圍內的資產，故應用該等修訂對本集團的財務狀況及業績並無任何影響。

#### 4. OPERATING SEGMENT INFORMATION

For management purpose, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

- Production: Production of polyester filament yarns ("PFY") and 3D printing materials;
- Processing: The dyeing and processing of differentiated PFY;
- Trading: Trading of PFY.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on profit before tax without allocation of interest income/(costs) and other expenses which are not occurred directly for operating segments.

Segment assets exclude corporate cash, deferred tax assets and other loan receivable as the asset is managed on a group basis.

Segment liabilities exclude corporate accruals, payroll payable, deferred tax liabilities and income tax payable as the liability is managed on a group basis.

No further geographical segment information is presented as the Group's revenue from external customers is derived mainly from its operation in the Mainland China and no non-current assets are located outside the Mainland China.

#### 4. 經營分部資料

為方便管理，本集團按照其產品及服務劃分業務單元，可分為以下三個可報告經營分部：

- 生產：生產滌綸長絲（「滌綸長絲」）及三維打印材料；
- 加工：差別化滌綸長絲染色及加工；
- 貿易：買賣滌綸長絲。

管理層獨立審視本集團經營分部的業績，以就分配資源及評估表現作出決定。分部表現按照未劃撥利息收入／（成本）的除稅前溢利及並非直接就經營分部產生的其他開支進行評估。

分部資產不包括公司現金、遞延稅項資產及其他應收貸款，原因是資產乃在集團層面管理。

分部負債不包括公司應計款項、應付工資、遞延稅項負債及應付所得稅，原因是負債乃在集團層面管理。

由於本集團來自外界客戶的收益主要源於其在中國大陸的業務及並無非流動資產位於中國大陸境外，故並無進一步呈列地區分部資料。

4. OPERATING SEGMENT INFORMATION  
(Continued)

## 4. 經營分部資料 (續)

## Operating segments

## 經營分部

		For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月			
		Production 生產 RMB'000 人民幣千元	Processing 加工 RMB'000 人民幣千元	Trading 貿易 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>Segment revenue</b>	<b>分部收益</b>				
Sales to external customers	銷售予外界客戶	229,795	92,265	7,537	329,597
Revenue	收益				329,597
Segment gross profit	分部毛利	42,449	42,679	766	85,894
<b>Segment results</b>	<b>分部業績</b>	<b>34,369</b>	<b>30,025</b>	<b>766</b>	<b>65,160</b>
<i>Reconciliations:</i>					
Corporate and unallocated expenses	公司及未分配開支				(11,582)
Interest income and fair value changes	利息收入及公平值變動				6,531
Finance costs	融資成本				(263)
Profit before income tax	除所得稅前溢利				59,846

		As at 30 June 2017 於二零一七年六月三十日			
		Production 生產 RMB'000 人民幣千元	Processing 加工 RMB'000 人民幣千元	Trading 貿易 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Segment assets	分部資產	494,682	342,075	-	836,757
<i>Reconciliations:</i>					
Corporate and other unallocated assets	公司及其他未分配資產				25,014
Elimination of inter-segment receivables	抵銷分部間的應收款項				(64,484)
Total assets	總資產				797,287
<b>Segment liabilities</b>	<b>分部負債</b>	<b>115,974</b>	<b>220,969</b>	<b>-</b>	<b>336,943</b>
<i>Reconciliations:</i>					
Corporate and other unallocated liabilities	公司及其他未分配負債				1,066
Elimination of inter-segment payables	抵銷分部間的應付款項				(64,484)
Total liabilities	總負債				273,525

#### 4. OPERATING SEGMENT INFORMATION (Continued)

#### 4. 經營分部資料 (續)

##### Operating segments (Continued)

##### 經營分部 (續)

		For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月			
		Production 生產 RMB'000 人民幣千元	Processing 加工 RMB'000 人民幣千元	Trading 貿易 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>Segment revenue</b>	<b>分部收益</b>				
Sales to external customers	銷售予外界客戶	166,892	87,424	1,632	255,948
Revenue	收益				255,948
Segment gross profit	分部毛利	34,034	44,169	38	78,241
<b>Segment results</b>	<b>分部業績</b>	24,178	32,989	38	57,205
<i>Reconciliations:</i>					
Corporate and unallocated expenses	對賬： 公司及未分配開支				(12,768)
Interest income and fair value changes	利息收入及公平值變動				5,296
Finance costs	融資成本				(775)
Profit before income tax	除所得稅前溢利				48,958

		As at 31 December 2016 於二零一六年十二月三十一日			
		Production 生產 RMB'000 人民幣千元	Processing 加工 RMB'000 人民幣千元	Trading 貿易 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>Segment assets</b>	<b>分部資產</b>	336,614	394,224	-	730,838
<i>Reconciliations:</i>					
Corporate and other unallocated assets	對賬： 公司及其他未分配資產				40,110
Elimination of inter-segment receivables	抵銷分部間的應收款項				(98,116)
Total assets	總資產				672,832
<b>Segment liabilities</b>	<b>分部負債</b>	122,970	149,745	-	272,715
<i>Reconciliations:</i>					
Corporate and other unallocated liabilities	對賬： 公司及其他未分配負債				1,020
Elimination of inter-segment payables	抵銷分部間的應付款項				(98,116)
Total liabilities	總負債				175,619

## 5. REVENUE, OTHER NET INCOME AND GAINS

Revenue comprises the fair value of the consideration received or receivable for the sales of goods and services in the ordinary course of the Group's activities. Sales are shown, net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below. The Group bases its estimates of return on historical results, the type of transaction and the specifics of each arrangement.

Sales of goods and materials are recognised on the transfer of the significant risks and rewards of ownership, which generally coincides with the time when the Group has delivered goods to the customers and collectability of the related receivables is reasonably assured.

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

## 5. 收入、其他淨收入及收益

收益包括本集團於日常業務中出售貨品及服務之已收或應收代價的公平值。所示銷售額已扣除增值稅、退貨、回扣及折扣，並已抵銷本集團的內部銷售額。

當收益金額能夠可靠計量；未來經濟利益將可能流入實體；及本集團每項活動均符合具體條件時（如下文所述），本集團便會確認收益。本集團會根據往績、交易類別及每項安排的特點作出回報估計。

貨品及材料的銷售額於轉移擁有權的重大風險及回報時（一般為本集團已將貨品交付予客戶且有應收款項的收回可合理保證時）確認。

收入、其他淨收入及收益分析如下：

		<b>Six month ended</b>	
		截至下列日期止六個月	
		<b>30 June 2017</b>	30 June 2016
		二零一七年	二零一六年
		六月三十日	六月三十日
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
<b>Revenue</b>	<b>收入</b>		
Production	生產	<b>229,795</b>	166,892
Processing	加工	<b>92,265</b>	87,424
Trading	貿易	<b>7,537</b>	1,632
		<b>329,597</b>	255,948
<b>Other income and gains, net</b>	<b>其他收入及收益淨額</b>		
Bank interest income	銀行利息收入	<b>500</b>	2,949
Fair value gains on financial assets at fair value through profit or loss	按公平值計入損益的 金融資產的公平值收益	<b>6,031</b>	2,347
Rental income	租金收入	<b>255</b>	255
Government grants	政府資助	<b>1,632</b>	602
Foreign exchange losses	匯兌虧損	<b>(314)</b>	(889)
Loss on disposal of property, plant and equipment, net	出售物業、廠房及 設備虧損淨額	<b>(7)</b>	(18)
Others	其他	<b>751</b>	560
		<b>8,848</b>	5,806

## 6. PROFIT BEFORE INCOME TAX

## 6. 除所得稅前溢利

Profit before income tax is arrived at after charging/(crediting):

除所得稅前溢利已扣除/(計入)下列各項:

		<b>Six months ended</b>	
		截至下列日期止六個月	
		<b>30 June 2017</b>	30 June 2016
		二零一七年	二零一六年
		六月三十日	六月三十日
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
Changes in inventories of finished goods and work in progress	製成品及在製品的存貨變動	<b>5,429</b>	(1,605)
Raw materials consumed and consumable used	所耗用原材料及所採用消耗品	<b>232,744</b>	168,111
Employee benefit expenses (including directors and chief executive emoluments)	僱員福利開支 (包括董事及高管酬金)		
Salaries, bonus and other welfares (including social security insurance)	薪金、花紅及其他福利 (包括社會保障保險)	<b>37,113</b>	33,877
Pension scheme contribution (defined contribution plans)	退休金計劃供款 (界定供款計劃)	<b>1,149</b>	941
Equity settled share-based payments	以權益結算股份為基礎的支出	<b>2,310</b>	4,841
		<b>40,572</b>	39,659
Depreciation and amortisation	折舊及攤銷	<b>8,492</b>	8,209
Provision for impairment of receivables	應收款項減值撥備	<b>257</b>	-
Office rental (operating leases in respect of land and buildings)	辦公室租金 (有關土地及樓宇的經營租賃)	<b>151</b>	321
Provision for write-down of inventories	存貨撇減撥備	<b>-</b>	179

## 7. INCOME TAX EXPENSE

## 7. 所得稅開支

		Six months ended	
		截至下列日期止六個月	
		30 June 2017	30 June 2016
		二零一七年	二零一六年
		六月三十日	六月三十日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Current income tax	即期所得稅		
– Enterprise income tax	– 企業所得稅	10,712	8,684
Deferred income tax	遞延所得稅	2,375	1,867
		<b>13,087</b>	10,551

## (a) Cayman Islands income tax

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

## (b) Hong Kong profits tax

Enterprises incorporated in Hong Kong are subject to profits tax rates of 16.5% (2016: 16.5%).

## (c) PRC corporate income tax

Enterprises incorporated in the PRC are generally subject to income tax rates of 25% (2016: 25%) except for enterprises with approval for preferential rate (Note (d) below).

The income tax provision of the Group in respect of its operations in the PRC has been calculated at the applicable tax rate on the estimated assessable profits based on existing legislations, interpretations and practices.

Since the deferred income tax assets and liabilities shall be measured at the tax rates that are expected to apply to the year when the assets is realised or the liability is settled, the change in the applicable tax rate will affect the determination of the carrying values of deferred tax assets and liabilities of the Group's subsidiaries located in the PRC.

## (a) 開曼群島所得稅

本公司於開曼群島根據開曼群島公司法註冊成立為獲豁免有限公司，因此獲豁免繳納開曼群島所得稅。

## (b) 香港利得稅

於香港註冊成立的企業須按利得稅率 16.5% (二零一六年: 16.5%) 繳稅。

## (c) 中國企業所得稅

於中國註冊成立的企業一般按所得稅率 25% (二零一六年: 25%) 繳稅，惟獲批享有優惠稅率的企業則除外 (見下文附註(d))。

本集團就其於中國的經營作出的所得稅撥備乃根據現行法例、詮釋及慣例基於估計應課稅溢利按適用稅率計算。

由於遞延所得稅資產及負債應按預期適用於變現資產或清償負債年度的稅率計量，適用稅率的變動將影響本集團位於中國之附屬公司的遞延稅項資產及負債賬面值的釐定。

## 7. INCOME TAX EXPENSE (Continued)

### (d) Tax effect of reduced tax rate

Certain subsidiaries of the Group enjoyed preferential income tax rates and have obtained approvals from the relevant tax authorities in the PRC:

- Yongsheng Dyeing obtained the certificate of qualifying as new and high technology company (“NHTC”) in 2015 and is subject to 15% corporate income tax rate for three years from 2015 to 2017.
- Nantong Yongsheng obtained the certificate of qualifying as NHTC in 2015 and is subject to 15% corporate income tax rate for three years from 2015 to 2017.
- Yongsheng Chemical Fiber obtained the certificate of qualifying as NHTC in 2014 and is subject to 15% corporate income tax rate for three years from 2014 to 2016.

The effective corporate income tax rates for the companies with tax preferential treatment are as follows:

		Six months ended 截至下列日期止六個月	
		30 June 2017 二零一七年 六月三十日	30 June 2016 二零一六年 六月三十日
Yongsheng Chemical	永盛化纖	25%*	15%
Yongsheng Dyeing	永盛染整	15%	15%
Nantong Yongsheng	南通永盛	15%	15%

- \* Yongsheng Chemical Fiber is subject to the review of its NHTC status, the result of which will be announced by the end of 2017. It has accrued income tax for the 2017 interim period based on corporate income tax rate of 25% before the completion of its NHTC status review.

## 7. 所得稅開支(續)

### (d) 稅率減低的稅務影響

本集團若干附屬公司享有優惠所得稅率，並已取得中國相關稅務機關的批准：

- 永盛染整於二零一五年獲得高新技術企業(「高新技術企業」)資格證書，並自二零一五年至二零一七年三年間按15%的企業所得稅率繳稅。
- 南通永盛於二零一五年獲得高新技術企業資格證書，並自二零一五年至二零一七年三年間按15%的企業所得稅率繳稅。
- 永盛化纖於二零一四年獲得高新技術企業資格證書，並自二零一四年至二零一六年三年間按15%的企業所得稅率繳稅。

享有稅務優惠待遇的公司的實際企業所得稅率如下：

- \* 永盛化纖須接受其高新技術企業狀況的評審，有關結果將於二零一七年年終公佈。於完成其高新技術企業狀況評審前，其於二零一七年年中期期間的所得稅按企業所得稅率25%累計。



## 7. INCOME TAX EXPENSE (Continued)

### (d) Tax effect of reduced tax rate (Continued)

Save as disclosed above, no tax reductions and exemptions were granted to the other subsidiaries of the Company in the PRC for the six months ended 30 June 2017 and 30 June 2016.

### (e) PRC withholding income tax

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on the dividends declared to foreign investors from the foreign investment enterprises established in the PRC. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between the PRC and the jurisdiction of the foreign investors. The Group is therefore liable to withholding taxes on dividends distributed by those subsidiaries established in the PRC in respect of their earnings generated from the date when these subsidiaries became foreign owned enterprises in the PRC.

As at 30 June 2017, deferred tax liabilities of approximately RMB4,836,000 (2016: RMB4,836,000) has not been recognized for withholding tax that would be payable on the unremitted earnings of the Group's subsidiaries in the PRC, as the directors do not intend to declare any dividends out of these unremitted earnings for the subsidiaries.

## 7. 所得稅開支 (續)

### (d) 稅率減低的稅務影響 (續)

除上文所披露者外，本公司在中國的其他附屬公司於截至二零一七年六月三十日及二零一六年六月三十日止六個月概無獲授予稅項寬減及豁免。

### (e) 中國預扣所得稅

根據中國企業所得稅法，在中國成立的外資企業向海外投資者宣派的股息須繳納10%預扣稅。有關規定由二零零八年一月一日起生效，適用於二零零七年十二月三十一日後的盈利。倘中國與海外投資者的司法權區訂有稅務條約，則可能適用較低的預扣稅率。本集團因而須就該等在中國成立的附屬公司就彼等成為中國境內的外商投資企業當日起賺取的盈利所派發的股息繳納預扣稅。

於二零一七年六月三十日，並未就本集團於中國之附屬公司的未匯付盈利將要支付的預扣稅確認遞延稅項負債約人民幣4,836,000元（二零一六年：人民幣4,836,000元），原因為董事並不擬從附屬公司的該等未匯付盈利中宣派任何股息。

## 8. DIVIDENDS

- (a) Dividends payable to equity shareholders of the Company attributable to the interim period:

		<b>Six months ended 30 June</b>	
		截至六月三十日止六個月	
		<b>2017</b>	2016
		二零一七年	二零一六年
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
Interim dividend proposed after the interim period, of HK\$0.035 (equivalent to approximately RMB0.02975) per share (2016: HK\$0.03 (equivalent to approximately RMB0.02576) per share)	中期期間後擬派中期股息 每股0.035港元(相當於約 人民幣0.02975元) (二零一六年: 每股0.03港元(相當於約 人民幣0.02576元))	<b>11,902</b>	10,305

The interim dividend has not been recognised as a liability at the end of the reporting period.

中期股息並無於報告期末確認為負債。

- (b) Dividends attributable to the previous financial year, approved and paid during the period.

		<b>Six months ended 30 June</b>	
		截至六月三十日止六個月	
		<b>2017</b>	2016
		二零一七年	二零一六年
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
Ordinary final dividend in respect of the previous financial year, approved and paid during the period, of HK\$0.035 (equivalent to approximately RMB0.0304) per share (2016: HK\$0.03 (equivalent to approximately RMB0.0254) per share)	於期內批准及派發的 上一財政年度 一般末期股息 每股0.035港元 (相當於約人民幣0.0304元) (二零一六年: 每股0.03港元(相當於約 人民幣0.0254元))	<b>12,151</b>	10,166

## 9. EARNINGS PER SHARE

## (a) Basic

Basic earnings per share for the six months ended 30 June 2017 and 30 June 2016 is calculated by dividing the profit attributable to the shareholders of the Company by the weighted average number of ordinary shares in issue.

		截至下列日期止六個月	
		Six months ended	
		30 June 2017	30 June 2016
		二零一七年	二零一六年
		六月三十日	六月三十日
Profit attributable to the shareholders of the Company (RMB'000)	本公司股東應佔溢利 (人民幣千元)	43,342	34,855
Weighted average number of ordinary shares in issue ('000)	已發行普通股加權平均數 (千股)	400,000	400,000
Basic earnings per share (RMB)	每股基本盈利 (人民幣)	10.8 cents分	8.7 cents分

## (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.

		截至下列日期止六個月	
		Six months ended	
		30 June 2017	30 June 2016
		二零一七年	二零一六年
		六月三十日	六月三十日
Profit attributable to the shareholders of the Company (RMB'000)	本公司股東應佔溢利 (人民幣千元)	43,342	34,855
Weighted average number of ordinary shares (diluted) in issue ('000)	已發行普通股(經攤薄)加權平均數(千股)	405,691	400,540
Diluted earnings per share (RMB)	每股攤薄盈利(人民幣)	10.7 cents分	8.7 cents分

## 9. 每股盈利

## (a) 基本

截至二零一七年六月三十日及二零一六年六月三十日止六個月的每股基本盈利乃以本公司股東應佔溢利除以已發行普通股的加權平均數計算。

## (b) 攤薄

每股攤薄盈利按調整已發行普通股加權平均股份數以假設已轉換所有攤薄性潛在普通股而計算。

## 9. EARNINGS PER SHARE (Continued)

### (b) Diluted (Continued)

Weighted average number of ordinary shares (diluted) is calculated as follows:

		<b>Six months ended</b>	
		截至下列日期止六個月	
		<b>30 June 2017</b>	30 June 2016
		二零一七年	二零一六年
		六月三十日	六月三十日
		<b>Number of</b>	Number of
		<b>shares</b>	shares
		股份數目	股份數目
		'000	'000
		千股	千股
Weighted average number of ordinary shares in issue during the period	期內已發行普通股加權平均股份數	<b>400,000</b>	400,000
Dilutive equivalent shares arising from share options	因購股權產生的等同攤薄股份數	<b>5,691</b>	540
Weighted average number of ordinary shares (diluted) during the period	期內普通股(經攤薄)加權平均股份數	<b>405,691</b>	400,540

## 9. 每股盈利 (續)

### (b) 攤薄 (續)

普通股(經攤薄)加權平均股份數計算如下:

## 10. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

### (a) Acquisition of property, plant and equipment

During the six months ended 30 June 2017, the Group acquired items of property, plant and equipment with a cost of RMB7,577,000 (for the six months ended 30 June 2016: RMB2,815,000).

### (b) Disposal of property, plant and equipment

Property, plant and equipment with a net book value of RMB110,000 were disposed during the six months ended 30 June 2017 (for the six months ended 30 June 2016: RMB33,000).

## 10. 物業、廠房及設備以及無形資產

### (a) 購入物業、廠房及設備

截至二零一七年六月三十日止六個月，本集團以成本人民幣7,577,000元(截至二零一六年六月三十日止六個月：人民幣2,815,000元)購入物業、廠房及設備項目。

### (b) 出售物業、廠房及設備

賬面淨值為人民幣110,000元的物業、廠房及設備已於截至二零一七年六月三十日止六個月出售(截至二零一六年六月三十日止六個月：人民幣33,000元)。

## 10. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS (Continued)

### (c) Acquisition of intangible assets

During the six months ended 30 June 2017, the Group acquired an intangible asset with a cost of RMB79,000 (for the six months ended 30 June 2016: Nil).

## 11. INVENTORIES

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

<b>As at</b>	As at
<b>30 June</b>	31 December
<b>2017</b>	2016
於二零一七年	於二零一六年
六月三十日	十二月三十一日
<b>RMB'000</b>	RMB'000
人民幣千元	人民幣千元

		<b>39,540</b>	28,581
		<b>3,524</b>	2,401
		<b>20,917</b>	16,611
		<b>63,981</b>	47,593

For the six months ended 30 June 2016, the Group has recognised losses of approximately RMB179,000 (for the six months ended 30 June 2017: Nil) for the write-down of inventories to their net realisable value. These amounts have been included in the cost of sales in the consolidated statement of comprehensive income.

## 10. 物業、廠房及設備以及無形資產 (續)

### (c) 購入無形資產

截至二零一七年六月三十日止六個月，本集團以成本人民幣79,000元（截至二零一六年六月三十日止六個月：無）購入一項無形資產。

## 11. 存貨

截至二零一六年六月三十日止六個月，本集團已就存貨撇減至其可變現淨值確認虧損約人民幣179,000元（截至二零一七年六月三十日止六個月：無）。該等金額已於合併全面收入表列作銷售成本。

## 12. TRADE AND BILLS RECEIVABLES

## 12. 貿易應收款項及應收票據

		As at 30 June 2017 於二零一七年 六月三十日 RMB'000 人民幣千元	As at 31 December 2016 於二零一六年 十二月三十一日 RMB'000 人民幣千元
Trade receivables	貿易應收款項	19,758	21,641
Bills receivable	應收票據	177,651	109,894
		<b>197,409</b>	131,535
Impairment	減值	<b>(1,455)</b>	(1,198)
Trade and bills receivables – net	貿易應收款項及應收票據淨額	<b>195,954</b>	130,337

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally 3 months. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivable and overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

本集團與客戶間的貿易條款以信貸為主，惟新客户一般須預先付款除外。信貸期通常為3個月。每名客戶均設有最高信貸限額。本集團致力嚴格控制未收回應收款項，而高級管理層則定期檢討逾期結餘。鑒於上文所述，加上本集團貿易應收款項與大量分散客戶相關，故並無重大信用風險集中的情況。本集團並無就其貿易應收款項結餘持有任何抵押品或增加其他信貸。貿易應收款項為免息。

## 12. TRADE AND BILLS RECEIVABLES (Continued)

An aged analysis of the trade receivables as at the end of the reporting period, based on the invoice date, is as follows:

		As at 30 June 2017 於二零一七年 六月三十日 RMB'000 人民幣千元	As at 31 December 2016 於二零一六年 十二月三十一日 RMB'000 人民幣千元
Within 3 months	3個月內	18,539	17,174
3 to 6 months	3至6個月	1,103	2,912
6 months to 1 year	6個月至1年	1	104
More than 1 year	超過1年	115	1,451
		<b>19,758</b>	21,641

## 12. 貿易應收款項及應收票據 (續)

於報告期末的貿易應收款項按發票日期的賬齡分析如下：

## 13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

		As at 30 June 2017 於二零一七年 六月三十日 RMB'000 人民幣千元	As at 31 December 2016 於二零一六年 十二月三十一日 RMB'000 人民幣千元
Prepayment to suppliers	向供應商支付的預付款項	4,137	8,655
Deposits and other receivables	按金及其他應收款項	4,226	1,594
Prepaid expenses	預付開支	119	165
Interest receivables	應收利息	440	69
Value-added tax recoverable	可收回增值稅	162	294
		<b>9,084</b>	10,777
Less: provision for impairment	減：減值撥備	<b>(95)</b>	(95)
Prepayments, deposits and other receivables – net	預付款項、按金及其他應收款項淨額	<b>8,989</b>	10,682

## 13. 預付款項、按金及其他應收款項

## 14. TRUST LOAN AND OTHER LOAN RECEIVABLE

## 14. 應收委託貸款及其他貸款

		As at <b>30 June</b> <b>2017</b> 於二零一七年 六月三十日 <b>RMB'000</b> 人民幣千元	As at 31 December 2016 於二零一六年 十二月三十一日 RMB'000 人民幣千元
Trust loan receivable	應收委託貸款	<b>50,000</b>	50,000
Other loan receivable	其他應收貸款	<b>22,498</b>	-
		<b>72,498</b>	50,000

Trust loan receivable represents a six-month entrusted loan agreement entered by Yongsheng Dyeing with a commercial bank in the PRC with an interest rate of 6.5% per annum. The trust loan receivable was matured and received on 10 July 2017 and was extended for another 6 months.

Other loan receivable represents a loan agreement entered by Yongsheng Hong Kong with an independent third party in Hong Kong with an interest rate of 5.0% per annum and will mature on 29 December 2017.

應收委託貸款指永盛染整與中國一間商業銀行訂立的一項年利率為6.5%的六個月委託貸款協議。應收委託款項於二零一七年七月十日到期及收回，以及再延長六個月。

應收其他貸款指永盛香港與一名獨立第三方於香港訂立的一項年利率為5.0%及將於二零一七年十二月二十九日到期的貸款協議。



## 15. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

## 15. 按公平值計入損益的金融資產

	As at <b>30 June</b> <b>2017</b> 於二零一七年 六月三十日 <b>RMB'000</b> 人民幣千元	As at 31 December 2016 於二零一六年 十二月三十一日 RMB'000 人民幣千元
Asset management agreement, at fair value 資產管理協議，按公平值	<b>152,607</b>	173,852

Financial assets at fair value through profit or loss present asset management agreements entered by Yongsheng Dyeing (as asset entrustor) and PRC fund management companies (as assets managers). The asset management plans mainly invests in money market, bonds and fixed income products and were deposited to designated accounts at PRC commercial banks.

The financial assets at 30 June 2017 and 31 December 2016 were classified as held for trading and were, upon initial recognition, designated by the Group as financial assets at fair value through profit or loss.

按公平值計入損益的金融資產指永盛染整（作為資產委託人）與中國基金管理公司（作為資產管理人）訂立的資產管理協議。資產管理計劃主要投資於貨幣市場、債券及固定收益產品以及存放於中國商業銀行的指定賬戶內。

於二零一七年六月三十日及二零一六年十二月三十一日的金融資產被列為持作買賣，並於初步確認時被本集團指定為按公平值計入損益的金融資產。

## 16. TRADE AND BILLS PAYABLES

An aged analysis of the trade and bills payables as at the end of the period, based on the invoice date, is as follows:

		As at 30 June 2017 於二零一七年 六月三十日 RMB'000 人民幣千元	As at 31 December 2016 於二零一六年 十二月三十一日 RMB'000 人民幣千元
Within 6 months	6個月內	188,590	90,760
6 months to 1 year	6個月至1年	244	1,321
More than 1 year	超過1年	2,062	686
		<b>190,896</b>	92,767

## 16. 貿易應付款項及應付票據

於期末，貿易應付款項及應付票據根據發票日期的賬齡分析如下：

## 17. OTHER PAYABLES, ADVANCES FROM CUSTOMERS AND ACCRUALS

		As at 30 June 2017 於二零一七年 六月三十日 RMB'000 人民幣千元	As at 31 December 2016 於二零一六年 十二月三十一日 RMB'000 人民幣千元
Advances from customers	客戶墊款	6,215	16,049
Accrued payroll	應計工資	19,982	20,066
Accruals	應計款項	1,327	1,842
Value-added and other taxes payable	應付增值稅及其他稅項	3,181	6,446
Payables for purchase of property, plant and equipment	購入物業、廠房及設備的 應付款項	3,913	4,802
Others	其他	1,183	1,740
		<b>35,801</b>	50,945

## 17. 其他應付款項、客戶墊款及應計款項

## 18. BORROWINGS

## 18. 借貸

		<b>As at 30 June 2017</b>	As at 31 December 2016
		於二零一七年 六月三十日	於二零一六年 十二月三十一日
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
<b>Current</b>	<b>即期</b>		
Short-term bank borrowings (fixed rate at 4.35% per annum)	短期銀行借貸 (固定年利率4.35厘)	<b>15,000</b>	-
<b>Total borrowings</b>	<b>借貸總額</b>	<b>15,000</b>	-
Representing:	指:		
Unsecured	無抵押	-	-
Pledged (i)	已抵押(i)	<b>15,000</b>	-
		<b>15,000</b>	-

(i) As at 30 June 2017, bank borrowings of RMB15,000,000 were pledged by land use rights and buildings with net carrying amounts of approximately RMB8,916,000 and RMB8,858,000 respectively (as at 31 December 2016: Nil).

(i) 於二零一七年六月三十日，銀行借貸人民幣15,000,000元乃由賬面淨值分別約為人民幣8,916,000元及人民幣8,858,000元的土地使用權及樓宇作抵押(二零一六年十二月三十一日：無)。

As at 30 June 2017, certain of the Group's land use rights and buildings, with net carrying amounts of approximately RMB5,773,000 and RMB15,912,000 respectively (as at 31 December 2016: RMB4,321,000 and RMB8,110,000 respectively), were pledged to secure letter of credit facilities granted to the Group by PRC commercial banks.

於二零一七年六月三十日，本集團賬面淨值分別約為人民幣5,773,000元及人民幣15,912,000元(二零一六年十二月三十一日：分別人民幣4,321,000元及人民幣8,110,000元)的若干土地使用權及樓宇已予抵押，以擔保中國商業銀行向本集團授予的信用證融資。

19. SHARE CAPITAL AND SHARE PREMIUM

19. 股本及股份溢價

		As at 30 June 2017 於二零一七年 六月三十日 HK\$'000 千港元	As at 31 December 2016 於二零一六年 十二月三十一日 HK\$'000 千港元
<i>Authorised:</i>	<i>法定:</i>		
2,000,000,000 (2016: 2,000,000,000) ordinary shares of HK\$0.01 each	2,000,000,000股(二零一六年: 2,000,000,000股) 每股面值0.01港元的普通股	<b>20,000</b>	20,000
<i>Issued and fully paid:</i>	<i>已發行及繳足:</i>		
400,000,000 (2016: 400,000,000) ordinary shares of HK\$0.01 each	400,000,000股(二零一六年: 400,000,000股) 每股面值0.01港元的普通股	<b>4,000</b>	4,000

A summary of movements in the Company's share capital and share premium are as follows:

本公司股本及股份溢價變動情況概要如下:

		Note 附註	Number of shares 股份數目 '000 千股	Share capital 股本 RMB'000 人民幣千元	Share premium account 股份溢價賬 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2016	於二零一六年一月一日		400,000	3,165	216,330	219,495
Dividends paid to the shareholders of the Company	向本公司股東支付股息	8	-	-	(20,471)	(20,471)
At 31 December 2016	於二零一六年十二月三十一日		400,000	3,165	195,859	199,024
Dividends paid to the shareholders of the Company	向本公司股東支付股息	8	-	-	(12,151)	(12,151)
At 30 June 2017	於二零一七年六月三十日		400,000	3,165	183,708	186,873

## 20. SHARE OPTION SCHEME

The status of share options granted up to 30 June 2017 is as follows:

	Number of unlisted share options 非上市購股權數目		Vesting Conditions 歸屬條件	Contractual life of options 購股權 訂約年期
	As at 30 June 2017 於二零一七年 六月三十日	As at 31 December 2016 於二零一六年 十二月三十一日		
Options granted to directors 授予董事的購股權 On 6 January 2015 於二零一五年一月六日	5,700,000	5,700,000	50% exercisable from 2 April, 2016, 50% exercisable from 1 April, 2017 50%自二零一六年四月二日起即可行 使，50%自二零一七年四月一日起 即可行使	10 years 10年
On 30 December 2015 於二零一五年十二月三十日	5,700,000	5,700,000	50% exercisable from 2 April, 2017, 50% exercisable from 1 April, 2018 50%自二零一七年四月二日起即可行 使，50%自二零一八年四月一日起 即可行使	10 years 10年
Options granted to other employees 授予其他僱員的購股權 On 6 January 2015 於二零一五年一月六日	5,918,000	5,918,000	50% exercisable from 2 April, 2016, 50% exercisable from 1 April, 2017 50%自二零一六年四月二日起即可行 使，50%自二零一七年四月一日起 即可行使	10 years 10年
On 30 December 2015 於二零一五年十二月三十日	8,220,000	9,300,000	50% exercisable from 2 April, 2017, 50% exercisable from 1 April, 2018 50%自二零一七年四月二日起即可行 使，50%自二零一八年四月一日起 即可行使	10 years 10年
	<b>25,538,000</b>	26,618,000		

During the six months ended 30 June 2017, neither the directors of the Company or other employees of the Group exercised options to subscribe for ordinary shares of the Company. In addition, 1,080,000 options were lapsed due to non-achievement of performance conditions during the period.

The fair value of equity-settled share options granted during the previous financial year was estimated as at the date of grant using a binomial model, taking into account the terms and conditions upon which the options were granted. Inputs to the model and assumptions used could be found on the annual financial statements for the year ended 31 December 2016.

## 20. 購股權計劃

直至二零一七年六月三十日，已授出購股權的狀況如下：

截至二零一七年六月三十日止六個月，本公司董事或本集團其他僱員概無行使購股權以認購本公司的普通股。此外，由於未能達到表現條件，故1,080,000份購股權已於期內失效。

於上一財政年度內所授出股權結算購股權於授出日期計及購股權的授出條款及條件後使用二項式模型估計其公平值。該模型的輸入數據及所用假設載於截至二零一六年十二月三十一日止年度的年度財務報表。

## 21. OTHER RESERVES

The amounts of the Group's other reserves and the movements therein for the current period and prior years are presented in the consolidated statement of changes in equity on page 11 of the financial information. In accordance with the Company Law of the PRC, certain subsidiaries of the Group which are domestic enterprises are required to allocate 10% of their profit after tax, as determined in accordance with the relevant PRC accounting standards, to their respective statutory surplus reserves until the reserves reach 50% of their respective registered capital. Subject to certain restrictions set out in the Company Law of the PRC, part of the statutory surplus reserve may be converted to increase share capital, provided that the remaining balance after the capitalisation is not less than 25% of the registered capital.

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of operations with a functional currency other than RMB.

## 22. RELATED PARTY TRANSACTIONS AND BALANCES

### (a) Name and relationship

Name of related party	Relationship with the Group
Hangzhou Shining 3D Tech Co., Limited	Joint venture partner
HUVIS Corporation and its subsidiary	Joint venture partner and its subsidiary
Hangzhou Xiaoshan Yongsheng Foreign Trading Co. Limited ("Hangzhou Yongsheng Trading")	Controlled by the Controlling Shareholders

## 21. 其他儲備

本集團的其他儲備於本期間及過往年度的金額及其變動於財務資料第11頁的合併權益變動表呈列。根據《中華人民共和國公司法》，本集團若干附屬公司被視為國內企業，須按照相關中華人民共和國會計準則所釐定分配其10%除稅後溢利至其各自法定盈餘儲備，直至有關儲備達到其各自註冊資本的50%。在遵守《中華人民共和國公司法》載列的若干限制情況下，部分法定盈餘儲備可被轉換以增加股本，前提是資本化後的餘額不得少於註冊資本的25%。

外幣匯兌儲備包括因換算功能貨幣為人民幣以外貨幣的業務財務報表而產生的所有匯兌差額。

## 22. 關連方交易及結餘

### (a) 名稱及關係

關連方名稱	與本集團的關係
杭州先臨三維科技股份有限公司	合資企業夥伴
株式會社HUVIS及其附屬公司	合資企業夥伴及其附屬公司
杭州蕭山永盛對外貿易有限公司 (「杭州永盛貿易」)	由控股股東控制

## 22. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

## (b) Related parties transactions

In addition to the transactions and balances disclosed elsewhere in these financial information, the Group had the following material transactions with related parties:

## 22. 關連方交易及結餘 (續)

## (b) 關連方交易

除此等財務資料其他部分所披露的交易及結餘外，本集團與關連方已進行以下重大交易：

		<b>Six months ended</b>	
		截至下列日期止六個月	
		<b>30 June 2017</b>	30 June 2016
		二零一七年	二零一六年
		六月三十日	六月三十日
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
<hr/>			
<b>(1) Purchase of goods</b>		<b>(1) 採購貨品</b>	
– HUVIS Corporation and its subsidiary	– 株式會社HUVIS及其附屬公司	<b>46,118</b>	24,858
<b>(2) Sales of goods</b>		<b>(2) 銷售貨品</b>	
– Hangzhou Shining 3D Tech Co., Limited	– 杭州先臨三維科技股份有限公司	–	573
<b>(3) Interest income</b>		<b>(3) 利息收入</b>	
– Hangzhou Yongsheng Trading	– 杭州永盛貿易	–	1,563
<b>(4) Rental income</b>		<b>(4) 租金收入</b>	
– Hangzhou Yongsheng Trading	– 杭州永盛貿易	<b>68</b>	–

## 22. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

## 22. 關連方交易及結餘(續)

### (c) Outstanding balances with related parties

### (c) 與關連方的未償還結餘

		As at 30 June 2017 於二零一七年 六月三十日 RMB'000 人民幣千元	As at 31 December 2016 於二零一六年 十二月三十一日 RMB'000 人民幣千元
Due from related parties	應收關連方		
- Hangzhou Shining 3D Tech Co., Limited	- 杭州先臨三維科技股份 有限公司	2,800	3,002
- Hangzhou Yongsheng Trading	- 杭州永盛貿易	68	-
		<b>2,868</b>	3,002

		As at 30 June 2017 於二零一七年 六月三十日 RMB'000 人民幣千元	As at 31 December 2016 於二零一六年 十二月三十一日 RMB'000 人民幣千元
Due to related parties	應付關連方		
- HUVIS Corporation and its subsidiary	- 株式會社HUVIS及 其附屬公司	1,175	2,375
		<b>1,175</b>	2,375

All trade balances with related parties are unsecured and bear no interest.

所有與關連方的貿易結餘為無抵押及免息。

The amount due from Hangzhou Shining 3D Tech Co., Limited and Hangzhou Yongsheng Trading is non-interest bearing and have no fixed terms of repayment.

應收杭州先臨三維科技股份有限公司及杭州永盛貿易款項為不計息及無固定還款期。

## 23. FAIR VALUES

## 23. 公平值

All financial instruments are carried at amounts not materially different from their fair values at the reporting dates.

所有金融工具均按與該等工具於報告日期的公平值並無重大差異的金額列賬。



## 24. COMMITMENTS

## (a) Capital commitments

Capital expenditure contracted for at each reporting dates, but not yet incurred is as follows:

		As at 30 June 2017 於二零一七年 六月三十日 RMB'000 人民幣千元	As at 31 December 2016 於二零一六年 十二月三十一日 RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	24,822	48,424

## (b) Operating lease commitments

The Group leases certain office premises and staff quarters under non-cancellable operating lease agreements.

The Group's future aggregate minimum lease payments to be paid under non-cancellable operating leases were as follows:

		As at 30 June 2017 於二零一七年 六月三十日 RMB'000 人民幣千元	As at 31 December 2016 於二零一六年 十二月三十一日 RMB'000 人民幣千元
Not later than 1 year	不遲於一年	220	28
Later than 1 year and no later than 5 years	遲於一年及 不遲於五年	8	6
		228	34

## 25. SUBSEQUENT EVENTS

Except as disclosed in "Subsequent Important Events After the Period Under Review" section, there is no material subsequent event undertaken by the Group after 30 June 2017.

## 24. 承擔

## (a) 資本承擔

於各報告日期已訂約但尚未產生的資本開支如下：

		As at 30 June 2017 於二零一七年 六月三十日 RMB'000 人民幣千元	As at 31 December 2016 於二零一六年 十二月三十一日 RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	24,822	48,424

## (b) 經營租賃承擔

本集團根據不可註銷經營租賃協議租用若干辦公室物業及員工宿舍。

本集團根據不可註銷經營租賃將予支付的未來最低租賃付款總額如下：

		As at 30 June 2017 於二零一七年 六月三十日 RMB'000 人民幣千元	As at 31 December 2016 於二零一六年 十二月三十一日 RMB'000 人民幣千元
Not later than 1 year	不遲於一年	220	28
Later than 1 year and no later than 5 years	遲於一年及 不遲於五年	8	6
		228	34

## 25. 後續事項

除「回顧期間後重大事項」一節所披露者外，於二零一七年六月三十日後，本集團概無發生任何重大後續事項。

# Management Discussion and Analysis

## 管理層討論及分析

### I. BUSINESS REVIEW

The Board is pleased to present the unaudited interim results of the Group for the six months ended 30 June 2017 (the “Period under Review”).

#### Business review

The economy of the PRC had been doing well in the first half of 2017. The gross domestic product, with a growth of approximately 6.9% on a year-on-year basis, outperformed the market expectation. As a result of the recovery of the global economy, the demand for high quality chemical fiber products increased along with the recovery in the consumption market. As the price of crude oil was higher than that in the corresponding period in 2016, the average selling price of the synthetic textile products was also increased.

During the Period under Review, the Group was principally engaged in textile and advanced material-related business in the PRC, namely (1) the production of differentiated polyester filament yarn; (2) the dyeing and processing of differentiated polyester filament fabric; and (3) the trading of polyester filament yarn. In view of the rebound of the economy and the uprising trend of the synthetic fiber and textile market in the PRC, by leveraging on the Group’s unique leading technology, the Group focused on the development of elastic polymer technology to provide technical supports to the production of differentiated fibers, which formed an integrated platform for research and development (R&D) and production. In 2016, the Group undertook a series of measures to enhance its production capabilities in response to the increasing market demand. As the result of the improved production capacity and increase in number of orders being placed in the first half of 2017, the Group recorded remarkable results for the Period under Review.

### I. 業務回顧

董事會欣然提呈本集團於截至二零一七年六月三十日止六個月（「回顧期內」）的未經審核中期業績。

#### 業務回顧

二零一七年上半年中國發展表現良好，國內生產總值同比增長約6.9%，超出市場預期。受惠於全球經濟體系有復甦現象，消費市場回暖，高質量的化纖產品需求也因而有所提升。基於原油價格較二零一六年同期亦有所回升，化纖紡織產品平均售價也因而相應調高。

回顧期內，本集團主要於中國從事紡織新材料相關業務，包括(1)差別化滌綸長絲生產、(2)差別化滌綸面料染色及加工、及(3)滌綸長絲貿易業務。面對經濟回暖，中國化纖紡織市場勢頭良好，本集團憑著獨有的領先技術，於回顧期內專注開發彈性體聚合技術，為差異化纖維業務提供技術支持，形成研發、生產一體化平台。因應市場需求增加，本集團於二零一六年內已採取一系列措施以提高生產量。鑒於產能的提升和二零一七年上半年訂單量的增加，本集團於回顧期內獲得亮麗的成績。

## Management Discussion and Analysis (Continued)

### 管理層討論及分析 (續)

During the Period under Review, the Group recorded a steady growth in respect of all of its business segments. The overall revenue was approximately RMB329.6 million, representing an increase of approximately 28.8% from approximately RMB255.9 million for the six months ended 30 June 2016. The increase in revenue was mainly contributed by the increase in both the average selling price of the products as well as product demand. The Group recorded gross profit of approximately RMB85.9 million, representing an increase of approximately 9.8% from approximately RMB78.2 million for the corresponding period in 2016, and the gross profit margin dropped to approximately 26.1% during the Period Under Review, mainly attributable to the increase in headcounts for the preparation of the operation of phase two of Nantong Yongsheng, which contributed to the increase in overall production cost and lowered gross profit margin. Profit attributable to shareholders significantly increased by approximately 24.3% to approximately RMB43.3 million for the Period under Review. Earnings per share attributable to shareholders increased by approximately 24.1% to RMB0.108 (corresponding period in 2016: RMB0.087).

To further enhance the industry standards and technological capabilities, the Ministry of Industry and Information Technology of the PRC issued a new amendment plan for industry standards in June 2017. The Group is delighted to be selected as the key drafting unit of two technical projects, including (i) Yongsheng Chemical Fiber being one of the key drafting units to formulate the standards for high-shrinkage polyester full drawn yarn/polyester pre-oriented combined filament yarn; and (ii) Nantong Yongsheng being the key drafting unit to formulate the standards for dull elastic polyester drawn yarn. Such accreditation demonstrated the Group's technical capabilities and its leading role in the industry.

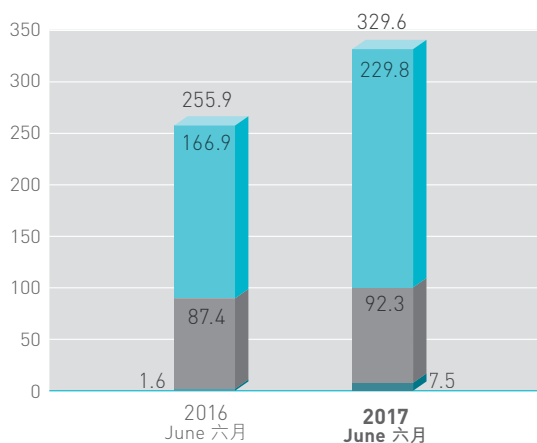
回顧期內，本集團各主營業務平穩增長，錄得整體營業額約人民幣329.6百萬元，較截至二零一六年六月三十日止六個月期間約人民幣255.9百萬元增加約28.8%。營業額大幅上升主要由於產品平均售價和產品需求量皆有所上漲。毛利約為人民幣85.9百萬元，較二零一六年同期約人民幣78.2百萬元增加約9.8%。毛利率則下跌至回顧期內約26.1%，主要由於須為南通永盛之二期工程預先增添人手，使整體生產成本上升，導致毛利率有所下降。股東應佔溢利顯著增加約24.3%至回顧期內約人民幣43.3百萬元，股東應佔每股基本盈利亦上升約24.1%至人民幣10.8分（二零一六年同期：人民幣8.7分）。

為了進一步加強行業重點標準制定及提升標準技術水平，中華人民共和國工業和信息化部於二零一七年六月發佈了新的行業標準制修訂計劃。本集團很榮幸能被甄選成兩項技術項目的主要起草單位，包括本集團旗下(i)永盛化纖成為制定高收縮滌綸牽伸絲／滌綸預取向絲混織絲標準的主要起草單位之一；及(ii)南通永盛成為制定消光彈性滌綸牽伸絲標準之主要起草單位。這兩個榮譽足以證明了本集團的技術實力及行業領導地位。

## REVENUE BY BUSINESS SEGMENT

### 收益按業務分部

RMB million  
人民幣百萬元

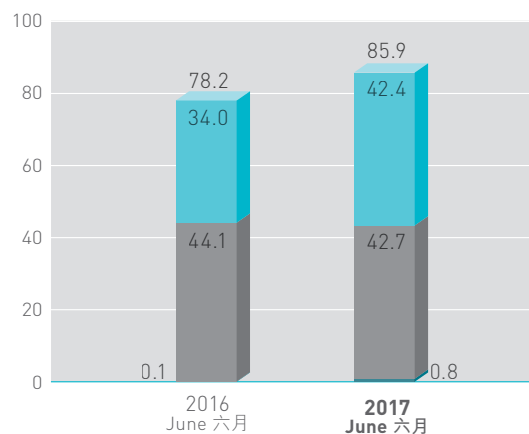


■ Polyester filament yarn ("PFY") and 3D printing materials production  
滌綸長絲及三維打印材料生產

## GROSS PROFIT OF THE GROUP

### 本集團毛利

RMB million  
人民幣百萬元



■ Dyeing and processing of differentiated polyester fabric  
差別化滌綸面料染色及加工

■ Trading of PFY  
滌綸長絲貿易

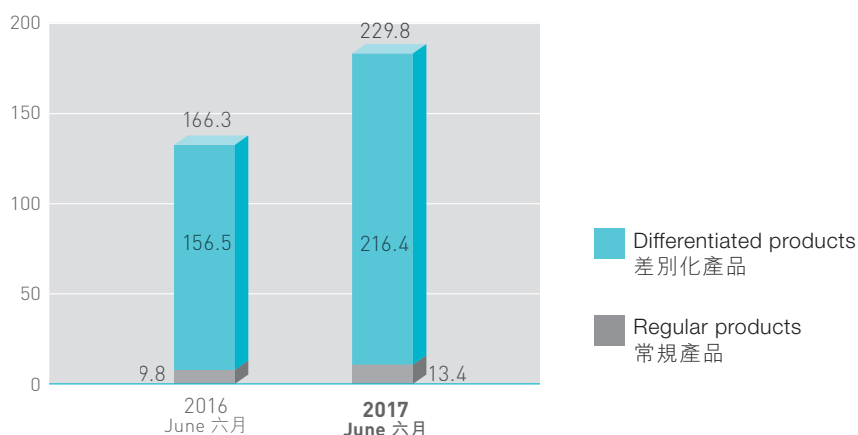
## Production of polyester filament yarn (“PFY”)

The Group produced and sold regular and differentiated PFY, with revenue derived from the PFY production division accounted for approximately 69.7% of the revenue during the Period under Review. Differentiated PFY carries special features such as dry, elastic and shape-retention and is widely used for producing end products including high-end garments, sportswear and household products. With higher gross profit margin than that of regular product, it is the major revenue source and major development focus of this segment. The Group continued to focus on the development and production of differentiated products with higher gross profit margin, resulting in the share of total revenue derived from differentiated PFY products increased to approximately 65.6% for the Period under Review from approximately 61.2% for the corresponding period in 2016, whereas the share of total revenue derived from regular PFY products increasing to approximately 4.2% for the Period under Review from approximately 3.8% for the corresponding period in 2016.

During the Period under Review, the overall revenue derived from the PFY production business of the Group increased by approximately 38.2% to approximately RMB229.8 million for the Period under Review as compared to the corresponding period in 2016. The increase in revenue was mainly due to the addition of 11 units of new production equipment at Yongsheng Chemical Fiber in 2016 and the expansion of production capacity. Subsequent to the expansion in production capacity, the overall gross profit margin was adversely affected by the increase in headcounts for Nantong Yongsheng and increase in price of raw materials, which contributed to a decrease in gross profit margin to approximately 18.5% during the Period under Review.

## REVENUE ANALYSIS: PFY PRODUCTION 滌綸長絲生產分部的收入分析

RMB million  
人民幣百萬元



## 滌綸長絲生產

本集團生產及銷售常規及差別化滌綸長絲，滌綸長絲生產分部於回顧期內之收益佔比約為69.7%。差別化滌綸長絲具特殊性能，如乾爽、具彈性及防皺，廣泛應用於生產包括高端服飾、運動服飾及家居在內的終端產品，毛利率較常規產品高，亦是本分部的主要收益來源及重點發展產品。本集團繼續著重開發及生產毛利率更高之差別化產品之策略，來自差別化滌綸長絲產品之總收益佔比由二零一六年同期約61.2%上升至回顧期內約65.6%；而常規化滌綸長絲產品的總收益佔比則由二零一六年同期約3.8%上升至回顧期內約4.2%。

回顧期內，本集團滌綸長絲生產業務之整體收益較二零一六年同期增加約38.2%，達人民幣229.8百萬元。收益上升主要是由於永盛化纖於二零一六年投入共十一台新設備，擴展了產能，而產能提升後，由於南通永盛增加了員工數目及原材料價格上升，使整體毛利率受到不利影響，期內毛利率下降至約18.5%。

#### Differentiated PFY dyeing and processing

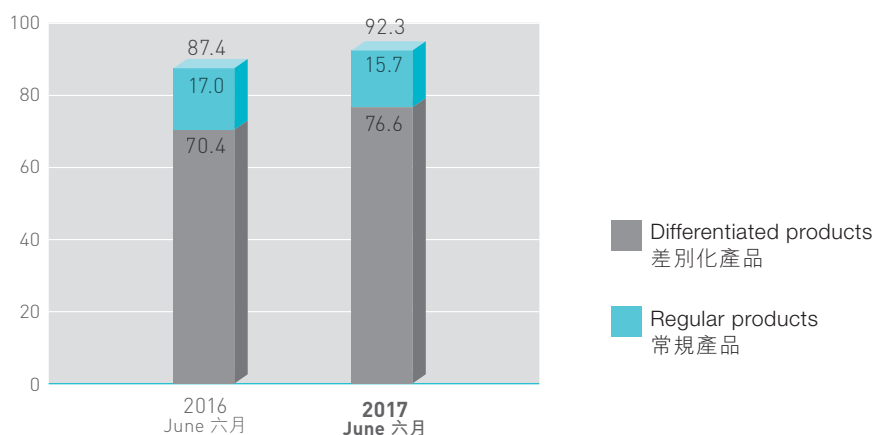
The major revenue sources of this segment include providing fabric dyeing and processing services to customers and further dyeing and processing of differentiated polyester fabric sourced by the Group. During the Period under Review, the Group continued to make effort to develop the dyeing and processing of differentiated polyester fabric business and improve dyeing quality by continuing technology enhancement in order to satisfy the market demand for diversified and innovative differentiated polyester fabric.

During the Period under Review, the revenue of the segment increased by approximately 5.6% from the corresponding period in 2016 to approximately RMB92.3 million during the Period Under Review, and the gross profit of the segment maintained at approximately RMB42.7 million. Gross profit margin maintained at approximately 46.0% during the Period Under Review. The increase in revenue was attributable by the installation of the new production line in April 2016, which resulted in the increase in volume of fabrics being processed. During the Period under Review, despite the general decrease in processing fee in the industry, the Group maintained its bargaining power with its leading technology and its unique dyeing and finishing facilities which comply with strict requirements, successfully mitigated cost increase and resulted in revenue growth. In the meantime, the Group further optimised its production schedule to fully utilise its production capacity and had achieved higher productivity as a result.

#### REVENUE ANALYSIS: PFY PRODUCTION

##### 滌綸長絲生產分部的收入分析

RMB million  
人民幣百萬元



#### 差別化滌綸長絲染色及加工

本分部主要收入來源包括向加工客戶提供面料染色及加工服務，以及利用本集團所採購的差別化滌綸面料進行進一步染色及加工。於回顧期內，本集團繼續努力發展差別化滌綸面料業務及透過持續提升技術以提高染色質量，藉以滿足市場對多元化及創新差別化滌綸面料的需求。

回顧期內，分部收益較二零一六年同期上升約5.6%至回顧期內約人民幣92.3百萬元，分部毛利維持於約人民幣42.7百萬元。回顧期內的毛利率維持於約46.0%。收益增加的原因為二零一六年四月安裝新生產線，致使進行加工的面料數量增加所致。於回顧期內，儘管業內加工費用普遍下跌，本集團憑藉其領先技術及符合嚴格規定的獨特染整加工設施，維持其議價能力之餘，更成功緩和成本升幅及獲取收益增長。與此同時，本集團進一步優化其生產安排以充分發揮其產能，並因而達致更高生產力。

## Production of three-dimensional (“3D”) printing new materials

For the implementation of the State’s Outline of the ‘Thirteenth Five-Year Plan’ and “Made in China 2025”, the Ministry of Industry and Information Technology, the Development and Reform Commission, the Ministry of Science and the Technology and Ministry of Finance of the PRC jointly issued “Industry Development Guidelines to Advanced Materials” in January 2017, which mentioned the major development directions of the materials in the textile industry and expressively suggested that the industry should strive for the innovation of advanced materials in order to facilitate the reform and development of the advanced materials industry.

Yongsheng 3D Printing, a joint venture company of the Group has developed PLA printing materials, which include several series of product that carry special features such as the luminous, colour-changing and carbon fiber series. During the Period under Review, the Group’s 3D printing materials production business underwent strategic integration to conform with market needs. The Group expects that after completion of the integration process, the Group will be able to cover larger client base and generate higher revenue in the future.

## Prospect

The Group expects the general economy will continue to recover in the second half of 2017, which is beneficial to the sale of the chemical fiber and textile industries. By leveraging on the Group’s edges as well as its high-end technologies and leading techniques, the Group is confident in maintaining its business performance in the second half of the year.

In order to capture the rising demand in the market, the Group has commenced the building and installation of new differentiated PFY production lines in the production facilities of Nantong Yongsheng since the end of 2016. As of the date of this report, the work related to the expansion of production capacities have been substantially completed and the new production lines will put into operation in September 2017, which is expected to increase the overall annual production capacity for PFY by approximately 32.3% to approximately 45,000 tonnes per annum. The increase in production capacity will enable the Group to accommodate with more orders, significantly expand its market share and the competitiveness of the Group, which ultimately maintain the Group’s leading position in the industry.

It is expected that in the second half of 2017, the Group will continue to intensify internal operation and governance tasks, optimise production arrangement and improve production efficiency so that the Group would be able to make use of its leading techniques to develop more high quality and high cost-performance products as well as to expand the client base and scale of the Group.

## 3D打印新材料生產

為貫徹落實國家「十三五」規劃綱要和《中國製造2025》，中華人民共和國工業和信息化部聯合發展改革委、科技部、財政部研究於二零一七年一月印發了《新材料產業發展指南》，當中提及紡織業界確立了材料發展的重點方向，並表明業界應致力提高新材料的創新能力，以促進新材料行業的改革發展。

本集團之合資公司永盛三維打印已研發出PLA打印材料，並開發出夜光、變色、碳纖維等多個系列產品。於回顧期內，本集團3D打印業務進行策略性的整合工作，以配合更廣闊的市場需要。本集團期望整合工作完成以後，將來能全方面覆蓋更多客戶，以圖帶來更高收益。

## 展望

展望二零一七年下半年，本集團預計整體經濟將保持復甦勢頭，因此會有利於化纖紡織行業的銷售。憑借本集團的優勢，以及高端科技與領先技術，本集團有信心下半年的業績將繼續保持增長。

為把握市場需求上升的趨勢，本集團在二零一六年底已於南通永盛的生產廠房興建及安裝新的差別化滌綸長絲生產線。截至本報告日期，產能添加工程已大致完成，將於二零一七年九月底正式投產，預計本集團整體滌綸長絲的年產能可提升約32.3%至約45,000噸。產量的提升將有助本集團日後吸納更多的訂單，能大規模擴大本集團的市場份額以及競爭力，讓永盛新材料能保持行業領先地位。

展望二零一七年下半年，本集團將繼續深化內部營運及管治的工作，致力優化產能佈局，提升生產效率，以本集團領先的技術，開發更多高質量和高性價比的優質產品，拓闊本集團的客戶基礎及規模。

## II. FINANCIAL REVIEW

### Revenue and gross profit

The following table sets forth a breakdown of the Group's revenue and gross profit by our business segment for the Period under Review:

Revenue	收益	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	Percentage of sales 佔銷售額的 百分比	2016 二零一六年 RMB'000 人民幣千元	Percentage of sales 佔銷售額的 百分比
1) Production	1) 生產	229,795	69.7%	166,892	65.2%
PFY – Differentiated	滌綸長絲 – 差別化	216,381	65.6%	156,527	61.2%
PFY – Regular	滌綸長絲 – 常規	13,414	4.1%	9,792	3.8%
3D printing filaments	三維打印耗材	-	-	573	0.2%
2) Dyeing and processing	2) 染色及加工	92,265	28.0%	87,424	34.2%
3) PFY trading	3) 滌綸長絲貿易	7,537	2.3%	1,632	0.6%
		329,597	100.0%	255,948	100.0%

Revenue of the Group in 2017 was approximately RMB330.0 million, representing an increase of approximately 28.8%. The increase was mainly contributed by the increase in revenue of approximately RMB62.9 million, RMB5.9 million and RMB4.8 million in our production business, PFY trading business and dyeing and processing business, respectively. Details of the fluctuations of revenue in each business segment are discussed separately below.

## II. 財務回顧

### 收益及毛利

下表載列本集團於回顧期內按業務分部劃分的收益及毛利明細：

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	Percentage of sales 佔銷售額的 百分比	2016 二零一六年 RMB'000 人民幣千元	Percentage of sales 佔銷售額的 百分比
1) Production	1) 生產	229,795	69.7%	166,892	65.2%
PFY – Differentiated	滌綸長絲 – 差別化	216,381	65.6%	156,527	61.2%
PFY – Regular	滌綸長絲 – 常規	13,414	4.1%	9,792	3.8%
3D printing filaments	三維打印耗材	-	-	573	0.2%
2) Dyeing and processing	2) 染色及加工	92,265	28.0%	87,424	34.2%
3) PFY trading	3) 滌綸長絲貿易	7,537	2.3%	1,632	0.6%
		329,597	100.0%	255,948	100.0%

本集團於二零一七年的收益約為人民幣330,000,000元，增長約28.8%。收益增加主要因生產業務、滌綸長絲貿易業務以及染色及加工業務的收益分別增加約人民幣62,900,000元、人民幣5,900,000元及人民幣4,800,000元所致。各業務分部的收益變動詳情於下節分開討論。

Six months ended 30 June 截至六月三十日止六個月					
Gross Profit	毛利	2017 二零一七年 RMB'000 人民幣千元	Gross Profit Margin 毛利率	2016 二零一六年 RMB'000 人民幣千元	Gross Profit Margin 毛利率
1) Production	1) 生產	42,449	18.5%	34,034	20.4%
PFY – Differentiated	滌綸長絲 – 差別化	41,064	19.0%	32,282	20.6%
PFY – Regular	滌綸長絲 – 常規	1,385	10.3%	1,569	16.0%
3D printing filaments	三維打印耗材	-	-	183	31.9%
2) Dyeing and processing	2) 染色及加工	42,679	46.3%	44,169	50.5%
3) PFY trading	3) 滌綸長絲貿易	766	10.2%	38	2.3%
		85,894	26.1%	78,241	30.6%

Gross profit of the Group in 2017 was approximately RMB85.9 million, representing an increase of approximately 9.8%. The increase was mainly contributed by the increase in gross profit of approximately RMB8.4 million in the Group's production business. Details of the fluctuations of gross profit in each business segment are discussed separately below.

本集團於二零一七年的毛利約為人民幣85,900,000元，增長約9.8%。毛利增加主要因本集團生產業務的毛利增加約人民幣8,400,000元所致。各業務分部的毛利變動詳情於下節分開討論。

1) PFY production business

1) 滌綸長絲生產業務

		Six months ended 30 June 截至六月三十日止六個月			
Revenue	收益	2017 二零一七年 RMB'000 人民幣千元	Percentage of sales 佔銷售額的 百分比	2016 二零一六年 RMB'000 人民幣千元	Percentage of sales 佔銷售額的 百分比
Differentiated	差別化	216,381	94.2%	156,527	94.1%
Regular	常規	13,414	5.8%	9,792	5.9%
		229,795	100%	166,319	100%

		Six months ended 30 June 截至六月三十日止六個月			
Gross Profit	毛利	2017 二零一七年 RMB'000 人民幣千元	Gross Profit Margin 毛利率	2016 二零一六年 RMB'000 人民幣千元	Gross Profit Margin 毛利率
Differentiated	差別化	41,064	19.0%	32,282	20.6%
Regular	常規	1,385	10.3%	1,569	16.0%
		42,449	18.5%	33,851	20.4%

Revenue and gross profit of PFY production business in 2017 were approximately RMB230.0 million and approximately RMB42.4 million, respectively, representing an increase of approximately 38.2% and approximately 25.4%, respectively, mainly comprising the following:

滌綸長絲生產業務於二零一七年的收益及毛利分別約為人民幣230,000,000元及約人民幣42,400,000元，分別上升約38.2%及約25.4%，主要歸因於下列因素：

The increase in sales of PFY by approximately RMB63.5 million was mainly attributable to the increase in the sale of differentiated products of approximately RMB59.9 million. Being consistent with the Group's strategy to focus on differentiated products with higher gross profit margin, the percentage of the revenue derived from the sale of differentiated PFY remained at approximately 94.2% for Period under Review as compared with approximately 94.1% in 2016. Due to the increase in the price of raw materials sourcing caused by the increase in crude oil price, the Group's gross profit margin remained at approximately 18.5% in 2017.

滌綸長絲銷售額增加約人民幣63,500,000元，主要由於差別化產品的銷售額增加約人民幣59,900,000元。與本集團專注於毛利率較高的差別化產品的策略一致，銷售差別化滌綸長絲於回顧期內所產生的收益所佔的百分比保持於約94.2%的平穩水平，而二零一六年約為94.1%。受到原油價格上升導致原材料價格上漲所影響，本集團於二零一七年的毛利率保持於約18.5%。



## Management Discussion and Analysis (Continued)

### 管理層討論及分析 (續)

- i) Sales volume in differentiated PFY increased by approximately 29.5% from approximately 10,500 tonnes to approximately 13,600 tonnes. Due to the increase in demand for premium grade PFY, especially for SPH, SQH, CEY, REN, CEI and SSY, the revenue and volume for differentiated PFY increased sharply in 2017, the average selling price increased from approximately RMB14,900/tonne in 2016 to approximately RMB15,900/tonne during the Period under Review as the Group increased the price of differentiated products as a result of the increase in the costs of raw materials. During the period, Nantong Yongsheng has increase in headcounts for the preparation of the phase two manufacturing plants, which resulted in increase in overall production costs and adversely affects the gross profit margin. In addition, since a portion of cost of sales represented raw materials costs for PET chips and POY, the general increase in raw materials price slightly affects the Group's gross profit margin. The Group maintained a stable gross profit margin of approximately 19.0% for differentiated PFY.
- ii) In order to utilise the Group's production facilities so as to keep the plant and machinery at the best working condition and to share manufacturing fixed costs such as depreciation of plant and equipment, the Group sold more regular products during 2017. Sales volume in regular PFY increased from approximately 1,170 tonnes in 2016 to approximately 1,510 tonnes in 2017. The Group maintained a gross profit margin of approximately 10.3% during the Period under Review as compared to approximately 16.0% during the corresponding period in 2016 as the Group mainly focused on the production and sale of differentiated PFY which have higher gross profit margin.
- i) 差別化滌綸長絲的銷量由約10,500公噸上升約29.5%至約13,600公噸。由於特級滌綸長絲(尤其是SPH、SQH、CEY、REN、CEI及SSY)的需求增加,差別化滌綸長絲於二零一七年的收益及銷量急增,而隨着原材料成本上漲,本集團調高差別化產品的價格,致使平均售價由二零一六年約人民幣14,900元/公噸上升至回顧期內約人民幣15,900元/公噸。期內,南通永盛就生產廠房二期的籌備工作增加員工數目,導致整體生產成本上升及毛利率受到不利影響。此外,由於部分銷售成本為PET切片及POY的原材料成本,原材料價格普遍上升對毛利率產生輕微影響。本集團的差別化滌綸長絲維持平穩毛利率約19.0%。
- ii) 為善用本集團的生產設施,以使廠房及機器處於最佳工作狀態,並分攤生產固定成本(例如廠房及設備折舊),本集團於二零一七年銷售更多常規產品。常規滌綸長絲的銷量由二零一六年的約1,170公噸增加至二零一七年的約1,510公噸。本集團於回顧期內維持約10.3%的毛利率,而二零一六年同期則約為16.0%,原因是本集團主要專注生產及銷售毛利率較高的差別化滌綸長絲所致。

## 2) Dyeing and processing business

## 2) 染色及加工業務

		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	Percentage of sales 佔銷售額的 百分比	2016 二零一六年 RMB'000 人民幣千元	Percentage of sales 佔銷售額的 百分比
Revenue	收益				
Processing activity	加工活動	76,568	83.0%	70,458	80.6%
Direct sales	直接銷售	15,697	17.0%	16,966	19.4%
		92,265	100%	87,424	100%

		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	Gross Profit Margin 毛利率	2016 二零一六年 RMB'000 人民幣千元	Gross Profit Margin 毛利率
Gross Profit	毛利				
Processing activity	加工活動	41,120	53.7%	42,004	59.6%
Direct sales	直接銷售	1,559	9.9%	2,165	12.8%
		42,679	46.3%	44,169	50.5%

Revenue and gross profit of dyeing and processing business in 2017 were approximately RMB92.3 million and approximately RMB42.4 million, respectively, representing an increase of approximately 5.5% and a decrease of approximately 3.4%, respectively from the corresponding period in 2016, mainly comprising the following:

- i) Processing volume in dyeing and processing activity increased by approximately 15.0% from approximately 18,905,000 meters in 2016 to approximately 21,743,000 meters in 2017. The average processing income decreased slightly from approximately RMB3.7/meter in 2016 to approximately RMB3.5/meter in 2017. Due to changes in the product mix for processing and the market trends, the Group achieved a gross profit margin of approximately 53.7% during the Period under Review as compared to approximately 59.6% during the same period in 2016 in the processing activity.
- ii) Sales volume in direct sale decreased from approximately 1,750,000 meters in 2016 to approximately 1,463,000 meters in 2017. The average selling price for direct sale fabrics increased from approximately RMB9.7/meter in 2016 to RMB10.7/meter in 2017. The Group achieved a gross profit margin of approximately 9.9% in 2017 as compared to approximately 12.8% in 2016 for direct sales mainly due to the increase in unit cost of fabric.

於二零一七年，染色及加工業務的收益及毛利分別約為人民幣92,300,000元及約人民幣42,400,000元，較二零一六年同期分別上升約5.5%及下跌約3.4%，主要歸因於下列因素：

- i) 染色及加工活動的加工數量由二零一六年約18,905,000米增加約15.0%至二零一七年約21,743,000米。平均加工收入由二零一六年的約人民幣3.7元/米輕微下跌至二零一七年的約人民幣3.5元/米。由於須作加工的產品組合改變及跟隨市場趨勢，本集團的加工活動於回顧期內實現約53.7%的毛利率，而二零一六年同期則約為59.6%。
- ii) 直接銷售的銷量由二零一六年的約1,750,000米減少至二零一七年的約1,463,000米。直接銷售面料的平均售價由二零一六年的約人民幣9.7元/米上升至二零一七年的約人民幣10.7元/米。本集團的直接銷售於二零一七年錄得毛利率約9.9%，而二零一六年則約為12.8%，主要由於面料的單位成本上升所致。

### 3) Trading of PFY business

### 3) 滌綸長絲貿易業務

		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	收益	7,537	1,632
Gross profit	毛利	766	38
Gross profit margin	毛利率	10.2%	2.3%

Revenue of PFY trading business in 2017 were approximately RMB7.5 million, mainly due to the increase in sales volume in PFY from approximately 120 tonnes in 2016 to approximately 540 tonnes in 2017; and the increase in average selling price from approximately RMB13,800/tonne in 2016 to approximately RMB14,000/tonne in 2017. The Group observed more trading opportunities of PFY in the market during 2017 as compared to 2016 due to the increase in trade opportunities of the PFY caused by the unstable oil price. The Group achieved a gross profit margin of approximately 10.2% in 2017 as compared to approximately 2.3% in 2016 for the trading of PFY.

滌綸長絲貿易業務於二零一七年的收益約為人民幣7,500,000元，主要由於滌綸長絲的銷量由二零一六年約120公噸增加至二零一七年約540公噸；及平均售價由二零一六年約人民幣13,800元／公噸上升至二零一七年約人民幣14,000元／公噸所致。本集團於二零一七年在市場上覓得的滌綸長絲貿易機會比二零一六年增加，此乃由於滌綸長絲的貿易機會因油價波動而增加所致。本集團的滌綸長絲貿易於二零一七年實現毛利率約10.2%，而二零一六年則約為2.3%。

### Other income and gains, net

Other net income and gains increased by approximately RMB3.0 million from approximately RMB5.8 million for 2016 to approximately RMB8.8 million for 2017, primarily due to the increase in interest and finance income as a result of the strong financial resources of the Group and the increase in government grants.

### 其他收入及收益淨額

其他收入及收益淨額由二零一六年的約人民幣5,800,000元增加約人民幣3,000,000元至二零一七年的約人民幣8,800,000元，主要由於本集團財務資源雄厚帶動利息及融資收入增加以及政府資助增加所致。

### Selling and distribution expenses

Selling and distribution expenses decreased by approximately RMB0.8 million from approximately RMB4.1 million in 2016 to approximately RMB3.3 million during the Period Under Review, primarily attributed to the decrease in the marketing expenses as a result of the reduction in headcounts for marketing staff.

### 銷售及分銷開支

		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
Selling and distribution expenses total	銷售及分銷開支總額	3,314	4,054

銷售及分銷開支由二零一六年的約人民幣4,100,000元減少約人民幣800,000元至回顧期內的約人民幣3,300,000元，主要由於削減市場推廣職員數目令市場推廣費用減少所致。

## Administrative expenses

## 行政開支

### Six months ended 30 June

截至六月三十日止六個月

2017	2016
二零一七年	二零一六年
RMB'000	RMB'000
人民幣千元	人民幣千元

Administrative expenses total	行政開支總額	<b>31,319</b>	30,260
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Administrative expenses increased by approximately 3.5% from approximately RMB30.3 million for 2016 to approximately RMB31.3 million for 2017 primarily due to the increase in staff costs as a result of an increase in the reward granted to employees during the Period under Review.

行政開支由二零一六年的約人民幣30,300,000元增加約3.5%至二零一七年的約人民幣31,300,000元，主要由於回顧期內加大對僱員的獎勵令員工成本增加所致。

## Finance costs

Finance costs decreased by approximately RMB0.5 million from approximately RMB0.8 million for 2016 to approximately RMB0.3 million for 2017, primarily due to the decrease in discounted notes receivables in 2017.

## 融資成本

融資成本由二零一六年的約人民幣800,000元減少約人民幣500,000元至二零一七年的約人民幣300,000元，主要由於應收已貼現票據於二零一七年有所減少所致。

## Profit before income tax

Profit before income tax increased by approximately 22.2% from approximately RMB49.0 million for 2016 to approximately RMB59.8 million for 2017, which was mainly due to the increase in gross profit by RMB7.7 million and the increase in other net income and gains by approximately RMB3.0 million, partially offset by the increase in administrative expenses of approximately RMB1.0 million.

## 除所得稅前溢利

除所得稅前溢利由二零一六年的約人民幣49,000,000元上升約22.2%至二零一七年的約人民幣59,800,000元，主要由於毛利增加人民幣7,700,000元以及其他收入及收益淨額增加約人民幣3,000,000元所致，惟受到行政開支增加約人民幣1,000,000元抵銷部分影響。

## Income tax expenses

Income tax expense increased by approximately 24.0% from 2016 to 2017, which was consistent with the increase in profit before income tax of approximately 22.2%.

## 所得稅開支

於二零一六年至二零一七年，所得稅開支上升約24.0%，與除所得稅前溢利增幅約22.2%相一致。

## Profit for the period

Our profit for the Period under Review increased by approximately 21.7% from approximately RMB38.4 million for 2016 to approximately RMB46.8 million for 2017. The Group's net profit margin slightly decreased from approximately 15.0% for 2016 to approximately 14.2% for 2017, mainly due to the increase in other net income and gains, offset by the slightly decrease in gross profit margin.

## 期間溢利

回顧期內的溢利由二零一六年的約人民幣38,400,000元上升約21.7%至二零一七年的約人民幣46,800,000元。本集團的純利率由二零一六年的約15.0%輕微下跌至二零一七年的約14.2%，主要由於其他收入及收益淨額增加所致，惟受到毛利率輕微下跌所抵銷。

## Property, plant and equipment

Property, plant and equipment as at 30 June 2017 increased by approximately RMB47.3 million, or approximately 31.2% as compared to 31 December 2016, mainly attributable to the depreciation approximately of RMB7.6 million offset by additions of approximately RMB55.2 million, mainly for the construction-in-progress for the expansion of the production plants at Nantong Yongsheng and addition to plant and machinery for production.

## Intangible assets

Intangible assets as at 30 June 2017 decreased by approximately RMB0.5 million, or approximately 8.8% as compared to 31 December 2016, mainly attributable to amortisation.

## Inventories

		30 June 2017 二零一七年 六月三十日 RMB'000 人民幣千元	31 December 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元
Raw materials	原材料	39,540	28,581
Work in progress	在製品	3,524	2,401
Finished goods	製成品	22,109	17,803
		<b>65,173</b>	48,785
Less: provision	減: 撥備	<b>(1,192)</b>	(1,192)
		<b>63,981</b>	47,593
Inventory turnover days (Note)	存貨周轉日數 (附註)	<b>31 days</b> 日	28 days日

Note: Inventory turnover days equals to the average of beginning and ending inventory balances of the period divided by revenue of the period and multiplied by the total number of days for the respective period.

Inventories as at 30 June 2017 increased by approximately RMB16.4 million, or approximately 34.4% as compared to 31 December 2016, mainly due to the increase in raw materials for production business.

Inventory turnover days increased from approximately 28 days for the year ended 31 December 2016 to approximately 31 days for the six months ended 30 June 2017 as a result of the increase in inventory level of production business driven by the increase in demand thereof.

## 物業、廠房及設備

於二零一七年六月三十日的物業、廠房及設備較二零一六年十二月三十一日增加約人民幣47,300,000元或約31.2%，主要由於折舊約人民幣7,600,000元所致，惟受到添置約人民幣55,200,000元所抵銷，主要為擴建南通永盛生產廠房的在建工程及添置用於生產的廠房和機器。

## 無形資產

於二零一七年六月三十日的無形資產較二零一六年十二月三十一日減少約人民幣500,000元或約8.8%，主要由於攤銷所致。

## 存貨

附註：存貨周轉日數相等於期初及期末存貨結餘的平均數除以期內收益再乘以各期間的總日數。

於二零一七年六月三十日的存貨較二零一六年十二月三十一日增加約人民幣16,400,000元或約34.4%，主要由於生產業務的原材料有所增加所致。

存貨周轉日數由截至二零一六年十二月三十一日止年度的約28日增加至截至二零一七年六月三十日止六個月的約31日，原因是相關需求帶動生產業務的存貨水平有所上升所致。

## Trade and bills receivables

## 貿易應收款項及應收票據

		<b>30 June 2017 二零一七年 六月三十日 RMB'000 人民幣千元</b>	31 December 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元
Trade receivables	貿易應收款項	<b>19,758</b>	21,641
Bills receivable	應收票據	<b>177,651</b>	109,894
		<b>197,409</b>	131,535
Less: Provision for impairment	減：減值撥備	<b>(1,455)</b>	(1,198)
Trade and bills receivables – net	貿易應收款項及應收票據－淨額	<b>195,954</b>	130,337
Debtors' turnover days (Note)	應收賬款周轉日數 (附註)	<b>90 days日</b>	70 days日

Note: Debtors' turnover days equals to the average of the beginning and ending trade and bills receivables balances of the period divided by revenue and multiplied by the total number of days for the respective period.

附註：應收賬款周轉日數相等於期初及期末貿易應收款項及應收票據結餘的平均數除以收益再乘以各期間的總日數。

Trade and bills receivable as at 30 June 2017 increased by approximately RMB65.6 million, or approximately 50.3% as compared to 31 December 2016, mainly attributable to the increase in bills receivables from production business.

於二零一七年六月三十日的貿易應收款項及應收票據較二零一六年十二月三十一日增加約人民幣65,600,000元或約50.3%，主要由於生產業務的應收票據有所增加所致。

Debtors' turnover days increased from approximately 70 days for the year ended 31 December 2016 to approximately 90 days for the six months ended 30 June 2017 as a result of the increase in bill receivable balances for production business.

應收賬款周轉日數由截至二零一六年十二月三十一日止年度的約70日增加至截至二零一七年六月三十日止六個月的約90日，原因是生產業務的應收票據結餘有所增加所致。

## Trade and bills payables

## 貿易應付款項及應付票據

		<b>30 June 2017 二零一七年 六月三十日 RMB'000 人民幣千元</b>	31 December 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元
Trade and bills payables	貿易應付款項及應付票據	<b>190,896</b>	92,767
Creditors' turnover days (Note)	應付賬款周轉日數 (附註)	<b>105 days日</b>	71 days日

Note: Creditors' turnover days equal to the average of the beginning and ending trade and bills payables balances of the period divided by cost of sales and multiplied by the actual number of days in respective period.

附註：應付賬款周轉日數相等於期初及期末貿易應付款項及應付票據結餘的平均數除以銷售成本再乘以各期間的實際日數。

## Management Discussion and Analysis (Continued)

### 管理層討論及分析 (續)

Trade and bills payables as at 30 June 2017 increased by approximately RMB98.1 million, or approximately 105.8% as compared to 31 December 2016, mainly attributable to the increase in bills payables of the production business.

Creditors' turnover days increased from approximately 71 days as at 31 December 2016 to approximately 105 days as at 30 June 2017 as a result of the increase in trade and bills payables balances due to the increase in bills payable of the production business.

### Prepayments, deposits and other receivables

Prepayments, deposits and other receivables decreased from approximately RMB10.7 million in 31 December 2016 to approximately RMB9.0 million in 2017 due to the decrease in prepayment to suppliers for chemical fiber products.

### Capital structure and gearing ratio

The Company's issued share capital as at 30 June 2017 was HK\$4,000,000 divided into 400,000,000 shares of HK\$0.01 each.

The Group adopts a prudent treasury policy, and its debt to equity ratio (calculated by dividing the total interest-bearing borrowings by total equity) as at 30 June 2017 was approximately 2.9% (31 December 2016: 0%). The current ratio (calculated as current assets divided by current liabilities) as at 30 June 2017 was approximately 2.21 times (31 December 2016: approximately 3.06 times).

### Liquidity and financial resources

As at 30 June 2017, the Group had bank borrowings of approximately RMB15.0 million (31 December 2016: Nil). The Group's cash and bank balances, including pledged deposits, amounted to approximately RMB65.4 million (31 December 2016: approximately RMB69.1 million).

### Pledge of Group's assets

As at 30 June 2017, bank borrowings of RMB15.0 million were pledged by land use rights and buildings with net carrying amounts of approximately of RMB8.9 million and RMB8.9 million respectively (as at 31 December 2016: Nil).

As at 30 June 2017, certain of the Group's land use rights and buildings, with net carrying amounts of approximately RMB5.8 million and RMB15.9 million respectively (as at 31 December 2016: RMB4.3 million and RMB8.1 million respectively), were pledged to secure letter of credit facilities granted to the Group by several PRC commercial banks.

於二零一七年六月三十日的貿易應付款項及應付票據較二零一六年十二月三十一日增加約人民幣98,100,000元或約105.8%，主要由於生產業務的應付票據有所增加所致。

應付賬款周轉日數由截至二零一六年十二月三十一日的約71日增加至截至二零一七年六月三十日的約105日，原因是生產業務的應付票據增加令貿易應付款項及應付票據結餘有所增加所致。

### 預付款項、按金及其他應收款項

預付款項、按金及其他應收款項由二零一六年十二月三十一日的約人民幣10,700,000元減少至二零一七年的約人民幣9,000,000元，原因是就化纖產品向供應商支付的預付款項有所減少所致。

### 資本架構及資本負債比率

本公司於二零一七年六月三十日的已發行股本為4,000,000港元，分為400,000,000股每股面值0.01港元的股份。

本集團採取審慎的庫務政策，而其於二零一七年六月三十日的負債與權益比率（按計息借款總額除以權益總額計算）約為2.9%（二零一六年十二月三十一日：0%）。於二零一七年六月三十日的流動比率（按流動資產除以流動負債計算）約為2.21倍（二零一六年十二月三十一日：約3.06倍）。

### 流動資金及財務資源

於二零一七年六月三十日，本集團的銀行借款約為人民幣15,000,000元（二零一六年十二月三十一日：無）。本集團的現金及銀行結餘（包括已抵押存款）約為人民幣65,400,000元（二零一六年十二月三十一日：約人民幣69,100,000元）。

### 集團資產抵押

於二零一七年六月三十日，銀行借貸人民幣15,000,000元乃由賬面淨值分別約為人民幣8,900,000元及人民幣8,900,000元的土地使用權及樓宇作抵押（二零一六年十二月三十一日：無）。

於二零一七年六月三十日，本集團賬面淨值分別約為人民幣5,800,000元及人民幣15,900,000元（二零一六年十二月三十一日：分別人民幣4,300,000元及人民幣8,100,000元）的若干土地使用權及樓宇已作為若干中國商業銀行向本集團授出信用證融資的抵押。

## Capital commitments

The Group had the following capital commitments as follows:

		<b>30 June 2017 二零一七年 六月三十日 RMB'000 人民幣千元</b>	31 December 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	<b>24,822</b>	48,424

## 資本承擔

本集團有下列資本承擔：

## Operating lease commitments

The Group's future aggregate minimum lease payments to be paid under non-cancellable operating leases were as follows:

		<b>30 June 2017 二零一七年 六月三十日 RMB'000 人民幣千元</b>	31 December 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元
Within one year	一年內	<b>220</b>	28
In the second to fifth years, inclusive	第二至第五年 (包括首尾兩年)	<b>8</b>	6
		<b>228</b>	34

## 經營租賃承擔

本集團根據不可註銷經營租賃於下列到期日的未來最低租賃付款總額如下：

## Contingent liabilities

The Group had no contingent liabilities as at 30 June 2017.

## Material acquisitions and disposals

The Group did not have any material acquisition or disposal of subsidiaries or associates during the Period under Review.

## 或然負債

於二零一七年六月三十日，本集團並無或然負債。

## 重大收購及出售

於回顧期內，本集團並無進行任何附屬公司或聯營公司的重大收購或出售。



#### Exposure to fluctuations in exchange rates and related hedge

Most transactions of the Group are settled in Renminbi (“RMB”) since the operations of the Group are mainly carried out in the PRC, and the major subsidiaries of the Group are operating in the PRC and the functional currency of the major subsidiaries is RMB. The reporting currency of the Group is RMB. The Group carried on trading of textile products from overseas and most of such transactions were settled in United States Dollars.

The Group’s cash and bank deposits are predominantly in RMB. The Company will pay dividends in Hong Kong Dollars if any dividends are declared. The Directors are of the view that RMB is relatively stable against other currencies and the Group will closely monitor the fluctuations in exchange rates, and that hedging by means of derivative instruments is therefore not necessary. RMB is currently not a freely convertible currency. A portion of the Group’s RMB revenue or profit may be converted into other currencies to meet foreign currency obligations of the Group such as the payment of any dividends, if declared.

#### Employee benefits and remuneration policies

As at 30 June 2017, the Group had a total of 655 employees (as at 31 December 2016: 560). The employees of the Group were remunerated based on their experience, qualifications, the Group’s performance and the prevailing market conditions. During the Period under Review, staff costs (including Directors’ remunerations) amounted to approximately RMB40.6 million (as at 30 June 2016: approximately RMB39.7 million).

Moreover, the share option scheme of the Company (the “Scheme”) was adopted on 7 November 2013 to retain staff members who have made contributions to the success of the Group. In January and December 2015, 15,000,000 and 16,300,000 options were granted to the Directors and other employees of the Group under the Scheme respectively, details of which are disclosed in note 20 to the unaudited condensed consolidated interim financial information of this report. The Group also organised periodic internal and external trainings on management and production safety to its employees.

As required by the PRC regulations on social insurance, the Group participates in the social insurance schemes operated by the relevant local government authorities which include retirement pension, medical insurance, unemployment insurance, industrial injuries insurance and maternity insurance.

#### 匯率波動風險及有關對沖

由於本集團主要在中國境內經營業務及本集團的主要附屬公司於中國營運，而主要附屬公司的功能貨幣為人民幣（「人民幣」），故本集團大部分交易以人民幣結算。本集團的呈報貨幣為人民幣。本集團從事來自海外的紡織品貿易及大部分該等交易以美元結算。

本集團的現金及銀行存款主要以人民幣計值。倘宣派股息，本公司將以港元派付股息。董事認為人民幣與其他貨幣的匯率相對穩定，且本集團將密切留意匯率波動情況，因此並無必要採用衍生工具進行對沖。人民幣目前為不可自由兌換的貨幣。本集團部分人民幣收入或溢利可兌換為其他貨幣，以履行本集團的外匯責任，例如派付股息（如有宣派）。

#### 僱員福利及酬金政策

於二零一七年六月三十日，本集團共聘用655名（二零一六年十二月三十一日：560名）僱員。本集團僱員的薪酬根據其經驗、資格、本集團表現及現行市況釐定。於回顧期內，員工成本（包括董事酬金）約為人民幣40,600,000元（二零一六年六月三十日：約人民幣39,700,000元）。

此外，本公司已於二零一三年十一月七日採納購股權計劃（「該計劃」），以挽留為本集團的佳績作出貢獻的員工。於二零一五年一月及十二月，已根據該計劃分別向董事及本集團其他僱員授出15,000,000份及16,300,000份購股權，詳情披露於本報告內未經審核簡明合併中期財務資料附註20。本集團亦定期就管理及生產安全為僱員進行內部及外部培訓。

根據中國社保法規所規定，本集團參與相關地方政府部門營運的社保計劃，涵蓋退休金、醫療保險、失業保障、工傷保險及分娩保險。

**SIGNIFICANT OUTSTANDING INVESTMENTS  
HELD AS AT THE RELEVANT DATE**

**於相關日期所持有重大未贖回投資**

Assets manager 資產管理人	Custodian 託管人	Initial investment amount 初步投資額 RMB'000 人民幣千元	Date of agreement 協議日期	Effective date 生效日期	Expected annual rate of return 預期年收益率 (per annum) (每年)	Management/ custodian fees 管理/託管費 (per annum) (每年)	Maturity 到期日	Type of investment (Note) 投資類型 (附註)
<b>As of 30 June 2017</b> 截至2017年6月30日								
1. China Foreign Economy and Trade Trust Co., Limited ("FOTIC") 中國對外經濟貿易信託有限公司 (「中國外經貿信託」)	Shanghai Pudong Development Bank Co. Limited Beijing Changan Avenue East Branch ("Pudong Development Bank Beijing") 上海浦東發展銀行股份有限公司北京東長安街支行 (「浦東發展銀行北京」)	20,000	20 Sep 2016 2016年9月20日	21 Sep 2016 2016年9月21日	6.30%	-	12 months 12個月	1
2. LJZ Wealth Management (Shanghai) Co., Limited ("LJZ Wealth Management") 陸家嘴財富管理(上海)有限公司 (「陸家嘴財富管理」)	China Merchant Bank Co., Limited, Shanghai Branch ("CMB Shanghai") 招商銀行股份有限公司上海分行 (「招商銀行上海」)	30,000	15 Feb 2017 2017年2月15日	16 Feb 2017 2017年2月16日	5.70%	0.04%	8 months 8個月	2
3. LJZ Wealth Management 陸家嘴財富管理	CMB Shanghai 招商銀行上海	30,000	24 Mar 2017 2017年3月24日	24 Mar 2017 2017年3月24日	5.50%	0.04%	9 months 9個月	2
4. Shanghai International Trust Co., Limited ("Shanghai International") 上海國際信託有限公司 (「上海國際」)	Shanghai Pudong Development Bank Co. Limited Shanghai Branch ("Pudong Development Bank Shanghai") 上海浦東發展銀行股份有限公司上海分行 (「浦東發展銀行上海」)	40,000	24 Mar 2017 2017年3月24日	27 Mar 2017 2017年3月27日	5.00%	-	114 to 177 days 114至177日	3
5. Shanghai International 上海國際	Pudong Development Bank Shanghai 浦東發展銀行上海	30,000	28 Jun 2017 2017年6月28日	29 Jun 2017 2017年6月29日	5.40%	-	146 days 146日	3
		<u>150,000</u>						
<b>As of 31 December 2016</b> 截至2016年12月31日								
1. Shenzhen Sidaoke Investment Limited ("SZ Sidaoke Investment") 深圳市思道科投資有限公司 (「深圳市思道科投資」)	Ping An Bank Co., Limited, Shenzhen Branch ("Ping An Bank Shenzhen") 平安銀行股份有限公司深圳分行 (「平安銀行深圳」)	20,000	4 Jul 2016 2016年7月4日	4 Jul 2016 2016年7月4日	6.62%	1.02%	8 months 8個月	4
2. SZ Sidaoke Investment 深圳市思道科投資	Ping An Bank Shenzhen 平安銀行深圳	65,000	12 Jul 2016 2016年7月12日	13 Jul 2016 2016年7月13日	6.62%	1.02%	8 months 8個月	4
3. LJZ Wealth Management 陸家嘴財富管理	CMB Shanghai 招商銀行上海	15,000	11 Jul 2016 2016年7月11日	14 Jul 2016 2016年7月14日	5.50%	0.04%	7 months 7個月	2
4. LJZ Wealth Management 陸家嘴財富管理	CMB Shanghai 招商銀行上海	20,000	16 Aug 2016 2016年8月16日	18 Aug 2016 2016年8月18日	5.40%	0.04%	6 months 6個月	2
5. LJZ Wealth Management 陸家嘴財富管理	CMB Shanghai 招商銀行上海	30,000	20 Sep 2016 2016年9月20日	23 Sep 2016 2016年9月23日	5.30%	0.04%	6 months 6個月	2
6. FOTIC 中國外經貿信託	Pudong Development Bank Beijing 浦東發展銀行北京	20,000	20 Sep 2016 2016年9月20日	21 Sep 2016 2016年9月21日	6.30%	-	12 months 12個月	1
		<u>170,000</u>						

#### Note:

1. Type 1 investment refers to (i) bank deposits; (ii) money market funds; (iii) bond funds; (iv) transferable depositary notes; (v) bond repurchases; (vi) corporate bonds with AA- rating or above; and (vii) short-term notes with A-1 rating or above.
2. Type 2 investment refers to (i) bank deposits; (ii) money market funds; (iii) bond funds and low risk fixed income assets; and (iv) other fixed income assets approved by the regulatory bodies.
3. Type 3 investment refers to trust plans including Shanghai International fixed income sector sub-trust (E-4101 series) and idle cash will be put in bank deposits.
4. Type 4 investment refers to (i) monetary instruments; (ii) bonds; (iii) public equity funds; (iv) fixed income products; (v) fixed income-like products; and (vi) other low-risk investment products including subscription of new shares, etc.

Save as disclosed above, there were no significant investments held by the Company as at 30 June 2017.

## INTERIM DIVIDEND

The Board resolved to declare an interim dividend of HK\$0.035 per share for the six months ended 30 June 2017 to the shareholders of the Company whose names appear on the register of members of the Company on Friday, 22 September 2017 (the "Interim Dividend") (30 June 2016: HK\$0.03 per share).

## CLOSURE OF REGISTER OF MEMBERS

The register of members will be closed from 20 September 2017 to 22 September 2017, both days inclusive, and the Interim Dividend is expected to be paid on Tuesday, 24 October 2017. In order to qualify for the Interim Dividend, shareholders of the Company should ensure that all transfers accompanied by the relevant share certificates and transfer forms are lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on Tuesday, 19 September 2017.

#### 附註:

1. 第1類投資指(i)銀行存款；(ii)貨幣市場基金；(iii)債券基金；(iv)可轉讓存單；(v)債券逆回購；(vi)評級為AA-或以上的企業債；及(vii)評級為A-1或以上的短期融資券。
2. 第2類投資指(i)銀行存款；(ii)貨幣市場基金；(iii)債券基金及低風險固定收益資產；及(iv)監管機構認可的其他固定收益資產。
3. 第3類投資指包括上海國際固定收益板塊信託(上信E-4101)的信託計劃，閒置資金用於銀行存款。
4. 第4類投資指(i)貨幣工具；(ii)債券；(iii)公募基金；(iv)固定收益產品；(v)類固定收益產品；及(vi)其他低風險投資產品，包括新股申購等。

除上文所披露者外，於二零一七年六月三十日，本公司概無持有重大投資。

## 中期股息

董事會議決向於二零一七年九月二十二日(星期五)名列本公司股東名冊的本公司股東派付截至二零一七年六月三十日止六個月的中期股息每股0.035港元(「中期股息」)(二零一六年六月三十日：每股0.03港元)。

## 暫停辦理股份過戶登記

股東名冊將於二零一七年九月二十日至二零一七年九月二十二日(包括首尾兩日)期間暫停辦理股東登記，並且預期於二零一七年十月二十四日(星期二)派付中期股息。如欲符合資格獲取中期股息，本公司股東應確保所有過戶文件連同有關股票及過戶表格須於二零一七年九月十九日(星期二)下午四時三十分前交回本公司的香港股份過戶登記分處卓佳證券登記有限公司(地址為香港皇后大道東183號合和中心22樓)，方為有效。

## SUBSEQUENT IMPORTANT EVENTS AFTER THE PERIOD UNDER REVIEW

On 10 July 2017, Yongsheng Dyeing entered into the second entrusted loan agreement with China Merchant Bank Hangzhou Xiaoshan Branch (招商銀行杭州蕭山支行) (“CMB Xiaoshan”), pursuant to which Yongsheng Dyeing has entrusted CMB Xiaoshan with an amount of RMB50,000,000 for the purpose of lending the same to an independent third party, Saintyear Holding Co., Ltd. The interest rate of the entrusted loan is 6.5% per annum and the loan period is six months. Please refer to the announcement of the Company dated 10 July 2017 for further details.

## PURCHASE, SALE AND REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

There was no purchase, sale or redemption of the Company's listed shares by the Company or its subsidiaries during the Period under Review.

## CORPORATE GOVERNANCE CODE

The Board has adopted and had complied with all the code provisions of the Corporate Governance Code set out in Appendix 14 to the Rules (the “Listing Rules”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) during the Period under Review.

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules (the “Model Code”) as its code of conduct regarding securities transactions by the Directors. After specific enquiry made by the Company, all of the Directors have confirmed that they had complied with the required standards as set out in the Model Code during the Period under Review.

## AUDIT COMMITTEE

The audit committee of the Company (the “Audit Committee”) currently comprises three independent non-executive Directors, namely Ms. Wong Wai Ling (Chairlady), Mr. Shiping James Wang and Dr. Wang Huaping. The Audit Committee has reviewed the unaudited interim results for the Period under Review and this report, and discussed internal controls and financial reporting matters with the management of the Company. The Audit Committee was of the opinion that the preparation of the unaudited interim results complied with the applicable accounting standard and requirements and that adequate disclosures have been made.

## 回顧期間後重大事項

於二零一七年七月十日，永盛染整與招商銀行杭州蕭山支行（「招商銀行蕭山」）訂立第二份委託貸款協議，據此，永盛染整已將人民幣50,000,000元交託予招商銀行蕭山，以將該款項借予獨立第三方三元控股集團有限公司。委託貸款的年利率為6.5厘，貸款期為六個月。其他詳情請參閱本公司日期為二零一七年七月十日的公佈。

## 購買、出售及贖回本公司上市證券

於回顧期內，本公司或其附屬公司概無購買、出售或贖回本公司上市股份。

## 企業管治守則

於回顧期內，董事會已採納並遵守香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十四所載的企業管治守則的所有守則條文。

## 董事進行證券交易的標準守則

本公司已採納上市規則附錄十所載的上市發行人董事進行證券交易的標準守則（「標準守則」），作為有關董事進行證券交易的行為守則。經本公司作出特定查詢後，所有董事均已確認彼等於回顧期內已遵守標準守則內所載的規定標準。

## 審核委員會

本公司審核委員會（「審核委員會」）現時由三名獨立非執行董事即黃慧玲女士（主席）、王世平先生及王華平博士組成。審核委員會已審閱回顧期內的未經審核中期業績及本報告，並與本公司管理層討論內部監控及財務報告事項。審核委員會認為，未經審核中期業績乃遵守適用會計準則及規定而編製並已作出充足的披露。

## Other Information 其他資料

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2017, interests or short positions in the shares of the Company (the "Shares"), underlying Shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) held by the Directors and chief executive of the Company which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO) or have been entered in the register maintained by the Company pursuant to section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to the Model Code are as follows:

#### (A) Long position in the Shares and underlying Shares

### 董事及最高行政人員於股份、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，董事及本公司的最高行政人員於本公司股份（「股份」）、本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）相關股份及債權證中，持有已根據證券及期貨條例第XV部第7及8分部知會本公司及聯交所的權益或淡倉（包括根據證券及期貨條例有關條文彼等被當作或視為擁有的權益及淡倉），或列入本公司遵照證券及期貨條例第352條保存的登記冊內的權益或淡倉，或根據標準守則已知會本公司及聯交所的權益或淡倉如下：

#### (A) 於股份及相關股份之好倉

Name of Director	Capacity/Nature	Number of Shares and underlying Shares held/ interested	Percentage of shareholding
董事姓名	身份／性質	所持／擁有權益的股份及相關股份數目	股權百分比
Mr. Li Cheng ("Mr. Li") (Note 1) 李誠先生（「李先生」）（附註1）	Interest in controlled corporation 受控法團權益	206,471,700	51.62%
Mr. Ma Qinghai ("Mr. Ma") (Note 2) 馬青海先生（「馬先生」）（附註2）	Beneficial owner 實益擁有人	7,075,677	1.77%
Mr. Zhao Jidong ("Mr. Zhao") (Note 3) 趙繼東先生（「趙先生」）（附註3）	Beneficial owner 實益擁有人	7,000,000	1.75%
	Interest of spouse 配偶之權益	4,116,427	1.03%

Note 1: Mr. Li beneficially owns approximately 95.71% of the issued share capital of Ever Thrive Global Limited which in turn, beneficially holds 206,471,700 Shares. Therefore, Mr. Li is deemed or taken to be interested in all the Shares held by Ever Thrive Global Limited for the purposes of the SFO. Mr. Li is also the sole director of Ever Thrive Global Limited.

Note 2: On 6 January 2015, share options to subscribe for 2,200,000 Shares were granted to Mr. Ma. On 30 December 2015, share options to subscribe for 2,200,000 Shares were granted to Mr. Ma. Besides, Mr. Ma beneficially owns 2,675,677 Shares. Therefore, Mr. Ma was interested in 7,075,677 Shares in aggregate.

Note 3: On 6 January 2015, share options to subscribe for 3,500,000 Shares were granted to Mr. Zhao. On 30 December 2015, share options to subscribe for 3,500,000 Shares were granted to Mr. Zhao. Besides, Ms. Chen Xi, the spouse of Mr. Zhao beneficially owns 4,116,427 Shares. Accordingly, Mr. Zhao was interested in 11,116,427 Shares in aggregate.

附註1：李先生實益擁有恆盛環球有限公司約95.71%的已發行股本，而恆盛環球有限公司實益持有206,471,700股股份。因此，根據證券及期貨條例，李先生被視為或當作於恆盛環球有限公司持有的全部股份中擁有權益。李先生亦為恆盛環球有限公司的唯一董事。

附註2：二零一五年一月六日，馬先生獲授可認購2,200,000股股份的購股權。二零一五年十二月三十日，馬先生獲授可認購2,200,000股股份的購股權。此外，馬先生實益擁有2,675,677股股份。因此，馬先生合共於7,075,677股股份中擁有權益。

附註3：二零一五年一月六日，趙先生獲授可認購3,500,000股股份的購股權。二零一五年十二月三十日，趙先生獲授可認購3,500,000股股份的購股權。此外，陳曦女士（趙先生之配偶）實益擁有4,116,427股股份。因此，趙先生合共於11,116,427股股份中擁有權益。

## (B) Long position in shares of associated corporation

## (B) 於相聯法團股份之好倉

Name of Director	Name of Associated Corporation	Capacity/Nature	Number of shares held/ interested	Approximate percentage of shareholding
董事姓名	相聯法團名稱	身份／性質	所持／擁有權益的股份數目	股權概約百分比
Mr. Li 李先生	Ever Thrive Global Limited 恆盛環球有限公司	Beneficial owner 實益擁有人	446	95.71%

Apart from those disclosed herein, as at 30 June 2017, none of the Directors nor the chief executive of the Company had any interests or short positions in any of the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of the SFO) that is required to be recorded and kept in the register in accordance with section 352 of the SFO or any interests required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

除本文所披露者外，於二零一七年六月三十日，董事或本公司的最高行政人員並無於本公司或其任何相聯法團（定義見證券及期貨條例）的股份、相關股份或債權證中擁有根據證券及期貨條例第352條須記入該條所述的登記冊內的任何權益或淡倉，或根據標準守則須知會本公司及聯交所的任何權益。

## Other Information (Continued)

其他資料 (續)

### SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2017, so far as is known to the Directors, the following persons (other than a Director or chief executive of the Company) had or were deemed or taken to have an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of shareholder	Capacity/Nature	Number of Shares held/ interested	Approximate percentage of shareholding
股東名稱	身份／性質	所持／擁有權益的股份數目	股權概約百分比
Ever Thrive Global Limited 恆盛環球有限公司	Beneficial owner 實益擁有人	206,471,700	51.62%
Ms. Chen Fangqin (Note) 陳芳芹女士 (附註)	Interest of Spouse 配偶之權益	206,471,700	51.62%

Note: Ms. Chen Fangqin is the spouse of Mr. Li. Therefore, Ms. Chen Fangqin was deemed, or taken to be interested in all the Shares which are interested by Mr. Li for the purposes of the SFO.

### SUBSTANTIAL SHAREHOLDERS OF THE COMPANY'S SUBSIDIARIES

Huvis Corporation holds 30% of the equity interest in Yongsheng Chemical Fiber as at 30 June 2017. For details, please refer to the paragraph headed "Yongsheng Chemical Fiber" set out in the section headed "History and development" of the prospectus of the Company dated 15 November 2013.

### 主要股東及其他人士於股份及相關股份之權益及淡倉

於二零一七年六月三十日，據董事所知，以下人士（董事或本公司的最高行政人員除外）擁有或被視為或當作於股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部的條文須向本公司及聯交所披露的權益或淡倉：

附註：陳芳芹女士為李先生的配偶，因此，就證券及期貨條例而言，陳芳芹女士被視為或當作於李先生擁有權益的全部股份中擁有權益。

### 本公司附屬公司的主要股東

株式會社Huvis於二零一七年六月三十日持有永盛化纖30%股權，詳情請參閱本公司日期為二零一三年十一月十五日之招股章程「歷史及發展」一節所載「永盛化纖」一段。

## SHARE OPTION SCHEME OF THE COMPANY

The Company adopted a share option scheme (the "Scheme") on 7 November 2013 as to attract and retain the best available personnel and to provide additional incentive to the eligible participants under the Scheme.

The status of the share options granted, cancelled or lapsed up to 30 June 2017 is as follows:

### Number of unlisted share options

Name and category of participants	As at 1 January 2017	Granted during the period	Exercised during the period	Cancelled/lapsed during the period	As at 30 June 2017	Date of grant of share options	Vesting period of share options	Exercise price of share options	Share price of the Company as at the date of grant of share options*	Share price of the Company As at the date of exercise of share options
參與者名稱及類別	於二零一七年一月一日	期內授出	期內行使	期內註銷/失效	於二零一七年六月三十日	購股權授出日期	購股權歸屬期	購股權之行使價	授出日期之本公司股價*	行使日期之本公司股價
								HK\$ 港元	HK\$ 港元	HK\$ 港元
<b>Directors</b> 董事										
Mr. Zhao 趙先生	3,500,000	-	-	-	3,500,000	6 January 2015 二零一五年一月六日	**	1.48	1.46	-
	3,500,000	-	-	-	3,500,000	30 December 2015 二零一五年十二月三十日	***	1.52	1.52	-
Mr. Ma 馬先生	2,200,000	-	-	-	2,200,000	6 January 2015 二零一五年一月六日	**	1.48	1.46	-
	2,200,000	-	-	-	2,200,000	30 December 2015 二零一五年十二月三十日	***	1.52	1.52	-
<b>Other employees</b> 其他僱員	5,918,000	-	-	-	5,918,000	6 January 2015 二零一五年一月六日	**	1.48	1.46	-
	9,300,000	-	-	1,080,000	8,220,000	30 December 2015 二零一五年十二月三十日	***	1.52	1.52	-
<b>Total</b> 總計	26,618,000	-	-	1,080,000	25,538,000					

## 本公司的購股權計劃

本公司於二零一三年十一月七日採納一項購股權計劃(「該計劃」)，旨在吸引及挽留最稱職人員及向該計劃的合資格參與者提供額外獎勵。

截至二零一七年六月三十日已授出、註銷或失效之購股權狀況如下：

### 非上市購股權數目



## Other Information (Continued)

### 其他資料 (續)

<p>* The share price of the Company disclosed as at the date of the grant of the share options was the closing price as quoted on the Stock Exchange of the trading day immediately prior to the date of the grant of the share options.</p>	<p>* 於購股權授出日期披露之本公司股價為緊接購股權授出日期前之交易日聯交所報之收市價。</p>
<p>** <b>Maximum percentage of share options exercisable including the percentage of share options previously exercised</b>            可行使購股權最高百分比(包括早前已行使購股權百分比)</p>	<p><b>Period for exercise of the relevant percentage of the share options<sup>#</sup></b>            行使購股權有關百分比之期間<sup>#</sup></p>
<p>50%</p>	<p>2 April 2016 to 5 January 2025            二零一六年四月二日至二零二五年一月五日</p>
<p>50%</p>	<p>1 April 2017 to 5 January 2025            二零一七年四月一日至二零二五年一月五日</p>
<p>*** <b>Maximum percentage of share options exercisable including the percentage of share options previously exercised</b>            可行使購股權最高百分比(包括早前已行使購股權百分比)</p>	<p><b>Period for exercise of the relevant percentage of the share options<sup>#</sup></b>            行使購股權有關百分比之期間<sup>#</sup></p>
<p>50%</p>	<p>2 April 2017 to 30 December 2025            二零一七年四月二日至二零二五年十二月三十日</p>
<p>50%</p>	<p>1 April 2018 to 30 December 2025            二零一八年四月一日至二零二五年十二月三十日</p>
<p><sup>#</sup> The vesting and exercise of the options granted under the Scheme are subject to the performance conditions set out in the announcement of the Company dated 6 January 2015.</p>	<p><sup>#</sup> 根據該計劃授出之購股權須達致載於本公司日期為二零一五年一月六日之公佈之表現條件後，方可歸屬及行使。</p>
<p><sup>##</sup> The vesting and exercise of the options granted under the Scheme are subject to the performance conditions set out in the announcement of the Company dated 30 December 2015.</p>	<p><sup>##</sup> 根據該計劃授出之購股權須達致載於本公司日期為二零一五年十二月三十日之公佈之表現條件後，方可歸屬及行使。</p>

Apart from the foregoing, at no time for the six months ended 30 June 2017 was the Company, any of its holding companies, subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

除上文所述者外，本公司、其任何控股公司、本公司之附屬公司或同系附屬公司概無於截至二零一七年六月三十日止六個月內任何時間訂立任何安排致使董事可藉購入本公司或任何其他法團之股份或債券而獲益。

