



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

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

**Stock Code 股份代號 : 2678**

# 2018

ANNUAL REPORT

年報





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# 財務摘要

## FINANCIAL HIGHLIGHTS

### OPERATING PERFORMANCE DATA

### 經營表現數據

		2018	2017		2016	2015	2014
		二零一八年	二零一七年	Change	二零一六年	二零一五年	二零一四年
For the year ended 31 December		RMB '000	RMB '000		RMB '000	RMB '000	RMB '000
截至十二月三十一日止年度		人民幣千元	人民幣千元	變動	人民幣千元	人民幣千元	人民幣千元
Revenue	收入	19,155,709	16,306,375	17.5%	13,647,737	10,574,854	10,470,321
Gross profit	毛利	3,145,825	2,439,959	28.9%	2,645,143	1,905,832	1,294,214
Profit for the year	年度溢利	1,167,943	1,174,725	-0.6%	1,201,073	588,968	306,721
Profit attributable to shareholders	股東應佔溢利	1,163,092	1,151,862	1.0%	1,187,531	590,826	306,721
Earnings per share	每股盈利						
— Basic	— 基本	RMB 人民幣 1.27 元	RMB 人民幣 1.26 元	0.8%	RMB 人民幣 1.33 元	RMB 人民幣 0.67 元	RMB 人民幣 0.35 元
— Diluted	— 攤薄	RMB 人民幣 1.27 元	RMB 人民幣 1.26 元	0.8%	RMB 人民幣 1.33 元	RMB 人民幣 0.67 元	RMB 人民幣 0.35 元

### FINANCIAL POSITION DATA

### 財務狀況數據

		2018	2017		2016	2015	2014
		二零一八年	二零一七年	Change	二零一六年	二零一五年	二零一四年
As at 31 December		RMB '000	RMB '000		RMB '000	RMB '000	RMB '000
於十二月三十一日		人民幣千元	人民幣千元	變動	人民幣千元	人民幣千元	人民幣千元
Total assets	總資產	18,770,015	15,534,431	20.8%	15,284,349	11,401,097	9,138,546
Non-current assets	非流動資產	9,336,032	7,813,552	19.5%	7,142,656	5,773,867	4,753,644
Current assets	流動資產	9,433,983	7,720,879	22.2%	8,141,693	5,627,230	4,384,902
Total liabilities	總負債	11,933,193	9,558,718	24.8%	10,092,905	7,462,528	5,683,914
Current liabilities	流動負債	6,773,423	6,420,730	5.5%	7,419,903	4,625,335	2,490,947
Non-current liabilities	非流動負債	5,159,770	3,137,988	64.4%	2,673,002	2,837,193	3,192,967
Net current assets	流動資產淨值	2,660,560	1,300,149	104.6%	721,790	1,001,895	1,893,955
Net assets	資產淨值	6,836,822	5,975,713	14.4%	5,191,444	3,938,569	3,938,569
Equity attributable to shareholders	股東應佔權益	6,738,637	5,910,127	14.0%	5,148,721	3,911,155	3,454,632

### FINANCIAL INDICATORS

### 財務指標

		2018	2017	2016	2015	2014
		二零一八年	二零一七年	二零一六年	二零一五年	二零一四年
For the year ended 31 December						
截至十二月三十一日止年度						
Inventory turnover days	存貨周轉天數	101	87	79	73	77
Trade and bill receivables turnover days	應收貿易及票據款項周轉天數	32	36	35	40	39
Trade and bill payables turnover days	應付貿易及票據款項周轉天數	73	78	87	82	72
Current ratio	流動比率	1.4	1.2	1.1	1.2	1.8
Net debt to equity ratio (Note 1)	負債淨額權益比率 (附註1)	0.88	0.68	0.80	0.48	0.54
Return on equity (Note 2)	權益回報率 (附註2)	18%	21%	26%	16%	9%

**Note 1:** Based on total borrowings net of cash and cash equivalents and pledged bank deposits over equity attributable to shareholders at each year end.

附註1：根據各年終時的借貸總額扣除現金及現金等值物以及已抵押銀行存款除以股東應佔權益計算得出。

**Note 2:** Based on each year's profit attributable to shareholders over the average of the equity attributable to shareholders at the beginning and ending of the financial year.

附註2：根據各年的股東應佔溢利除以該財政年度年初及年終股東應佔權益之平均數計算得出。



# 企業簡介及架構

## CORPORATE PROFILE AND STRUCTURE



Texhong Dyeing and Printing Vietnam Limited  
越南天虹染整責任有限公司

### CORPORATE PROFILE

Texhong Textile Group Limited (the “Company”, together with its subsidiaries, the “Group”) (stock code: 2678) is one of the largest cotton textile manufacturers in the People’s Republic of China (“China” or the “PRC”) and is a leading textile enterprise focusing on manufacturing high value-added core-spun textile products. The Group is principally engaged in the manufacture and distribution of quality yarn, grey fabrics, garment fabrics as well as garments, especially high value-added core-spun yarn. Since 1997, the Group has grown rapidly and has over 3,000 customers in China and overseas, with its sales network spanning across the PRC, Vietnam, North America, Europe, Brazil, Turkey, Bangladesh, Japan and South Korea. With its sales headquarter established in Shanghai, the Group has production bases in the PRC, Vietnam, Cambodia and Nicaragua respectively, with major production facilities comprising about 3.50 million spindles and 1,389 weaving and knitting machines.

### 企業簡介

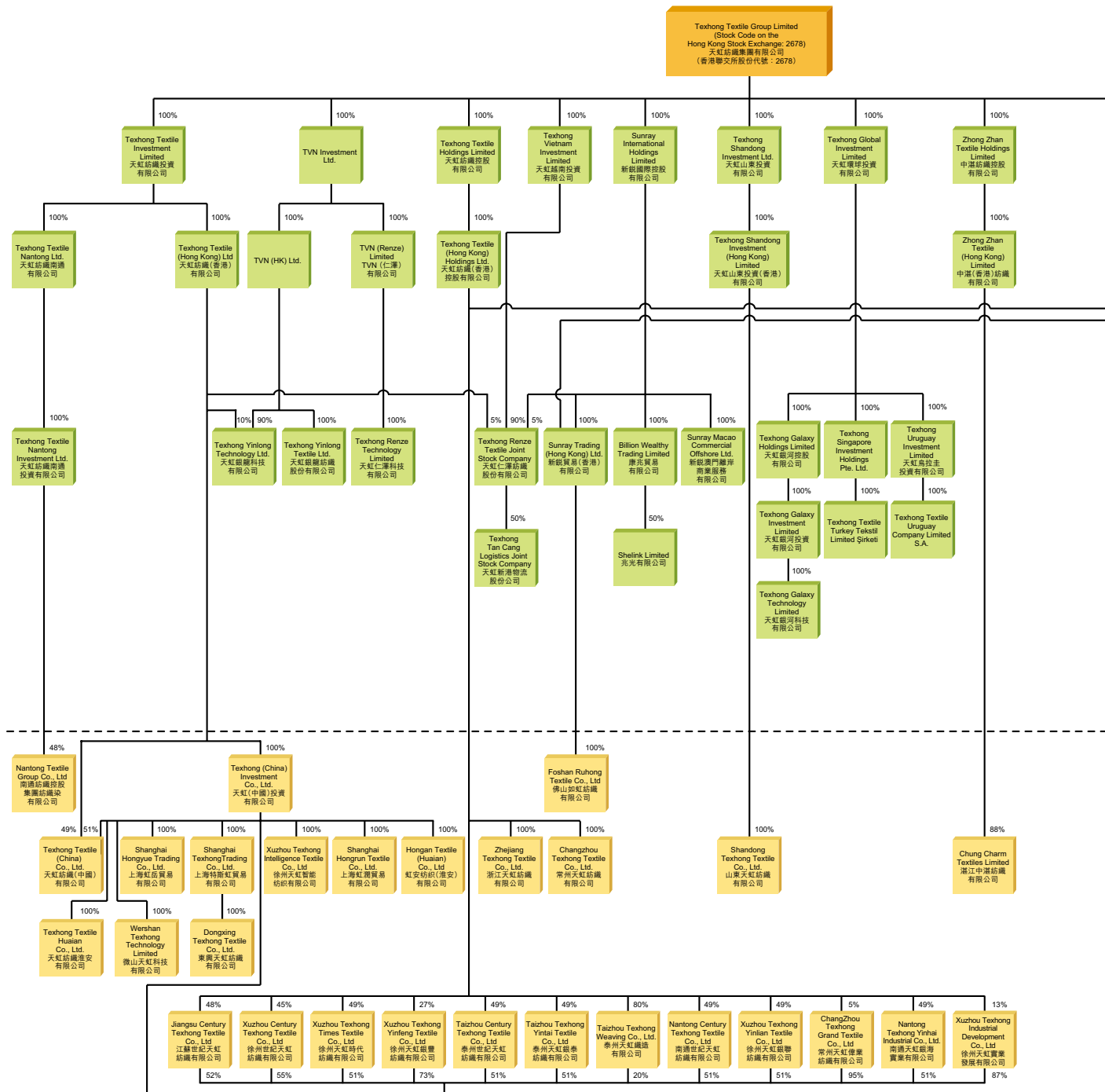
天虹紡織集團有限公司(「本公司」，連同其附屬公司統稱「本集團」)(股份代號：2678)是中華人民共和國(「中國」)最大的棉紡織品製造商之一，更是中國領先的高附加值包芯紡織產品生產企業。本集團的主要業務為製造及銷售優質紗線、坯布、面料和服裝，尤其專注生產具有高附加值的包芯紗線。自一九九七年始，本集團業務發展迅速，更擁有超過3,000個國內外客戶，銷售網絡遍及中國、越南、北美、歐洲、巴西、土耳其、孟加拉、日本及南韓。本集團以上海為銷售總部，於中國、越南、柬埔寨及尼加拉瓜分別設有生產基地，主要生產設施包括大約350萬紗錠及1,389台梭織及針織織機。

# 企業簡介及架構

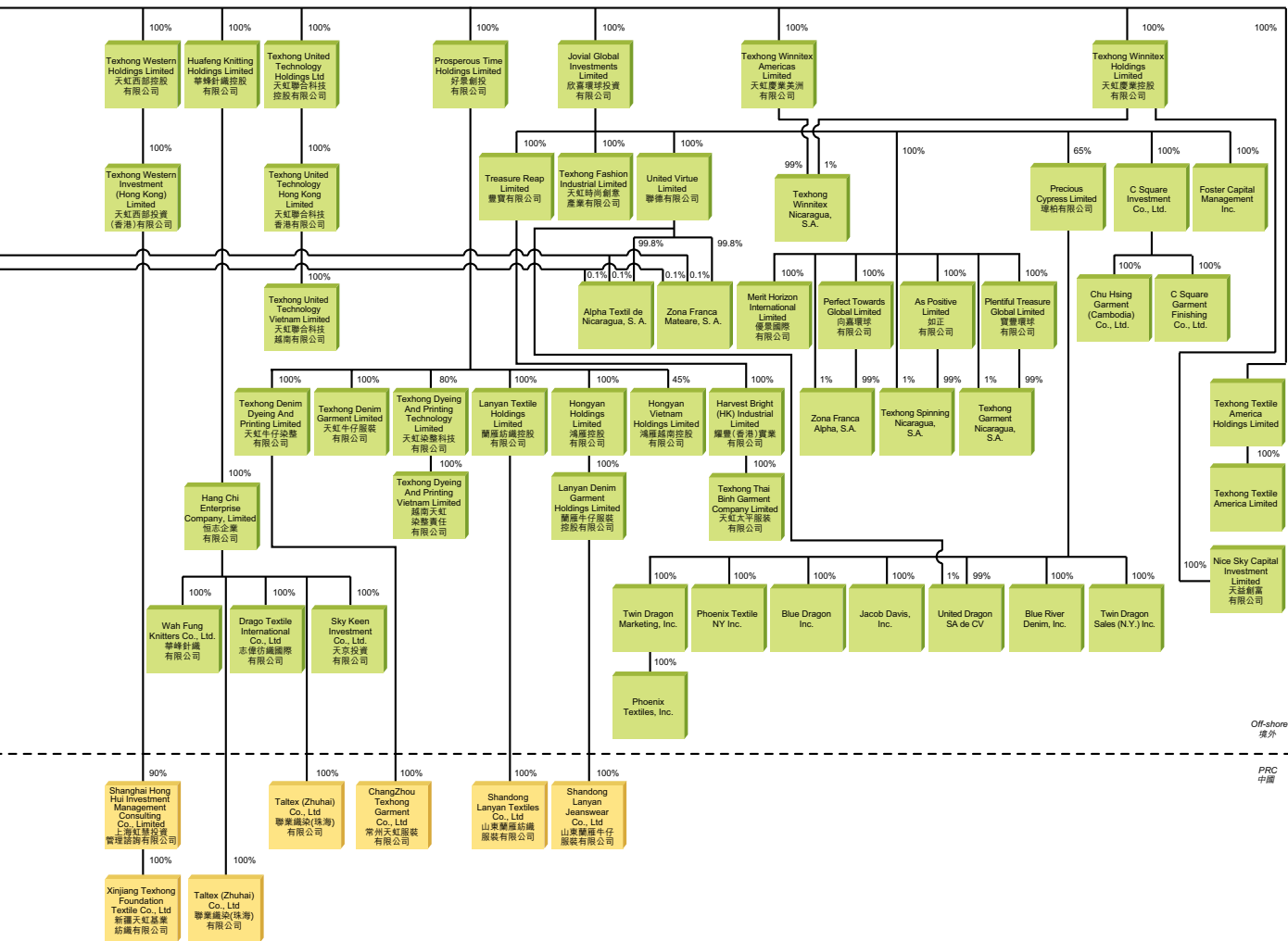
## CORPORATE PROFILE AND STRUCTURE

### CORPORATE STRUCTURE\*

#### 企業架構\*



\* As at 31 December 2018  
 \* 於二零一八年十二月三十一日





# 主席報告書

## CHAIRMAN'S STATEMENT



**Hong Tianzhu 洪天祝**  
*Chairman 主席*

On behalf of the Company's board of directors (the "Board"), I am pleased to present the annual results of the Group for the year ended 31 December 2018 to the shareholders of the Company.

本人謹代表本公司董事會(「董事會」)，欣然向本公司股東呈列本集團截至二零一八年十二月三十一日止年度的全年業績。

# 主席報告書 CHAIRMAN'S STATEMENT

## RESULTS

In 2018, the friction between China and the United States escalated from trade issues to a full-scale conflict as against changing complicated landscapes in global politics and economy. As policies and reforms in China triggered rising costs of domestic enterprises amid changing international market conditions, the second half of the year witnessed a significant impact on the domestic economy and consumer sentiment, while consumer spending and various economic indicators demonstrated a sign of economic slowdown. As a result, corporations were exposed to enormous threats and pressure.

Notwithstanding the abovementioned conditions, in order to satisfy customers' strong demand for the differentiated products of the Group, we continued to expand our yarn production capacity. In 2018, approximately 470,000 spindles were added in accordance with the original two-year expansion plan. However, as most of the new capacity was only put into trial production in the second half of the year or even in the fourth quarter, alongside the accelerated production rate due to vertical integration of the industry chain in Vietnam during the year, the output of our self-produced yarns used for grey fabrics production increased rapidly, even though the Group's sales of yarns hit record high for the twelve consecutive years at approximately 660,000 tonnes, only representing a slight increase when compared with 647,000 tonnes last year. As the selling prices of yarns returned to a relatively normal level in 2018 from the abnormal sales market in 2017, revenue from sales of yarns increased by approximately 6.7% to RMB15.5 billion when compared with last year. We also broke sales records of garment fabrics, which was produced by our vertically integrated production line of spinning, weaving, and dyeing and finishing processes in Vietnam. The sales of our self-produced woven dyed fabrics reached 42 million metres, with revenue exceeded RMB600 million.

Affected by Sino-US trade frictions in the second half of 2018, especially the fourth quarter, the consumer market saw a temporary impact on the sales orders and product mix of yarns, and the expectation that sales and profit margin during the second half would outperform that of the first half was missed. Nonetheless, the annual gross profit margin of yarns returned to 17.9% from 16.3% last year, while the profit attributable to shareholders of the Group for 2018 was RMB1.16 billion and the basic earnings per share was RMB1.27, both representing an increase of 1.0% over the same period last year. Excluding the one-off accounting gain of RMB177 million derived from acquisition of subsidiaries in the same period last year, the profit attributable to shareholders would have increased by approximately RMB189 million in 2018 as compared to that of last year, representing a year-on-year increase of over 19%.

## 業績

二零一八年，環球政治、經濟情況複雜多變，中美之間的矛盾由貿易方面演變成全方位的衝突。中國國內的政策改革導致國內企業成本持續上升，加上國際形勢變化，下半年明顯影響國內經濟及消費情緒，消費者開支以及各項經濟指標都顯示經濟有放緩跡象，給企業帶來巨大的威脅及壓力。

縱觀如此，為滿足客戶對本集團差異化產品的強勁需求，我們持續擴充紗線產能，按原定的兩年擴充計劃，於二零一八年先增加了約47萬紗錠。但由於大部分新增產能於下半年甚至於第四季度才開始試運轉，加上本年度我們在越南產業鏈垂直整合明顯的提升速度，自產紗線用於集團內坯布生產的數量迅速增多，縱使本集團紗線銷量連續12年創出歷史新高達約66萬噸，相比去年64.7萬噸只是輕微增長，但由於紗線銷售價格從二零一七年不正常的銷售環境至二零一八年回到相對正常的水平，致使紗線銷售收入達到人民幣155億元，比去年增加約6.7%，而在越南垂直整合紡紗、織布、染整一條龍生產的面料銷售也取得突破，自家生產的梭織染色布銷售量已達到4,200萬米，銷售收入突破人民幣6億元。

此外，二零一八年下半年特別是第4季度開始受中美貿易摩擦影響消費市場，紗線的銷售訂單及產品組合也受到短暫影響，原來下半年的銷量及利潤應該比上半年更好的預期落空，儘管如此，全年紗線毛利率從去年的16.3%回升至17.9%。本集團二零一八年度股東應佔溢利為人民幣11.6億元，每股基本盈利人民幣1.27元，兩者較去年同期同樣上升1.0%。若排除去年同期收購附屬公司產生的一次性會計收益人民幣1.77億元，二零一八年的股東應佔溢利會比去年增加約人民幣1.89億元，按年增幅超過19%。



# 主席報告書

## CHAIRMAN'S STATEMENT

### RESULTS (Continued)

To better facilitate the vertical integration of the Group's industry chain, we, following long-term exploration and months of negotiations, entered into an agreement with the Winnitex Group, a leading group in the weaving and dyeing industry, on 7 December 2018. Both parties thereto merged their woven fabrics, and dyeing and finishing businesses into a joint venture, 80% of which is held by Texhong and 20% by Winnitex Group. The joint venture will harness the existing resources of both parties to develop the dyeing business of high-quality woven fabrics that are produced through our vertical integration of spinning, weaving, and dyeing and finishing processes. Such business is managed by the existing management team of Winnitex Group, and will become an important cornerstone for the Group to carve out a global leading vertically integrated businesses within the industry chain.

### OUTLOOK

Since 2015, we have been developing our midstream and downstream production lines in Vietnam, all of which have reached sizeable operations in 2018. In particular, the dyeing and finishing and garment businesses are brand new for the Group, thus recording losses due to insufficient sales orders and proven production technology at the initial stage of production. Owing to tremendous teamwork efforts, targeted acquisitions in the market, and our cooperation with powerful partners, the losses in the said business operation is believed to end in 2018. Looking into the year of 2019, our jeanswear business is expected to enter a profitable period. The garment company, which is a joint venture between Changzhou Hualida and us and started generating profits in 2018, will continue to expand in 2019.

As for the woven dyeing and finishing business, a joint venture with Winnitex Group, leveraging on over 50 years of their experience and reputation of Winnitex Group in the industry, we will firstly build a premier woven fabric enterprise, operating production bases integrated with the spinning, weaving, and dyeing and finishing processes in China, Vietnam and Nicaragua at an annual production capacity of 180 million metres of fashion fabrics and special workwear fabrics, as well as having the ability to distribute products to customers worldwide. It is expected that its sales revenue can reach RMB4 billion annually. By tapping into the production techniques, product development capacity, solid customer base and popularity of Winnitex Group, we expect that the existing woven dyeing and finishing plants in Vietnam and Nicaragua will turn from losses last year into profits in 2019. In addition to the profitability of Winnitex Group, the Group will achieve horizontal expansion based on our yarn business, and vertically attain the vertical integration of the midstream and downstream businesses, so as to enhance profitability and stability.

### 業績(續)

為了更有效推進本集團的產業鏈垂直整合，經過長期的尋找及多月的商談，我們在二零一八年十二月七日與梭織染整行業內的領先集團香港慶業集團(Winnitex Group)簽訂協議，雙方把梭織織布及染整業務合併組成一家合資企業，合資企業將由天虹及慶業集團分別持有80%及20%股權，合資公司將整合雙方現有資源共同發展以紡紗、織布、染整垂直整合一條龍生產的優質梭織染色面料業務，並由原香港慶業集團管理團隊主管有關生產經營，將成為本集團打造全球領先的產業鏈垂直一體化業務重要的基石。

### 展望

我們從二零一五年開始在越南建設的中下游生產線於二零一八年已陸續達到一定的經營規模，特別是染整及服裝業務對於本集團來說屬全新業務，投產初期面對訂單不足及生產技術難題導致虧損。透過自身團隊的拼搏加上在市場上針對性的收購及與強手合作，相信有關業務虧損已於二零一八年告一段落。展望二零一九年，牛仔服裝業務預期將進入獲利時期，我們與常州華利達合資的服裝企業在二零一八年已經開始實現利潤，於二零一九年將繼續擴充。

與慶業集團合資的梭織染整業務，憑著對方在業界超過50年的經驗及知名度，我們將第一步打造一家在中國、越南及尼加拉瓜三國擁有紡紗、織布、染整一體化生產基地、年產能達到1.8億米時尚面料及特殊工作服面料、具備銷售到全球客戶能力的優質梭織面料企業，年銷售額有望能達到人民幣40億元。以慶業集團的生產技術、產品開發能力、堅實的客戶基礎及知名度，我們期望在二零一九年開始原来越南及尼加拉瓜的梭織染整工廠將由以前年度虧損轉為盈利，加上慶業集團本身的獲利能力，本集團將實現以紗線業務為基礎橫向擴張，並縱向發展垂直整合中下游業務，從而提升盈利能力及穩定性。



## 主席報告書 CHAIRMAN'S STATEMENT

### OUTLOOK (Continued)

Having built premium production and operation conditions for our industry chain platform in the industrial park in Northern Vietnam, we rapidly achieved high-level industry chain integration in Vietnam, allowing us to complete production, operation and management of the entire industry chain in a single industrial park. Our expedient delivery can satisfy the requirements of the current brands to minimise inventory risks and place additional orders to meet consumer demands during the same season. The Group began to invest in and establish plants in Vietnam a decade ago, having proven to be an initiative that has enabled us to maintain our industrial leadership to date. We expect to implement and carry out our industry chain integration concept so that the Group will continue to thrive in the future.

### ACKNOWLEDGEMENT

Lastly, I would like to express my sincere gratitude on behalf of the Board to all our shareholders for giving the Group their care and support over the years.

**Hong Tianzhu**  
Chairman

7 March 2019

### 展望(續)

我們在越南北部工業園區的產業鏈平台創造了上佳的生產經營環境，快速在越南達到高水平產業鏈整合，在一個工業園區內完成全產業鏈的生產經營管理，做到快速反應交貨，完全滿足現今品牌對於降低庫存風險以及在同一季節中針對產品銷售情況而追加訂單的需求。十年前本集團開始在越南投資設廠，讓我們目前得以在行業中保持領先，我們期望把產業鏈整合的概念貫徹落實，讓集團在未來不斷茁壯成長。

### 鳴謝

最後，本人謹代表董事會對全體股東一直以來對本集團的關注和支持致以由衷的感謝！

**洪天祝**  
主席

二零一九年三月七日

# 管理層討論及分析

## MANAGEMENT DISCUSSION AND ANALYSIS

### OVERVIEW

The Group is pleased to present to the shareholders the annual results of the Group for the year ended 31 December 2018. During the year, the Group's revenue grew by 17.5% to RMB19.16 billion when compared with last year. Profit attributable to shareholders of the Company increased by 1.0% to RMB1,163 million against last year. Basic earnings per share also increased slightly to RMB1.27 from RMB1.26 last year. Excluding the one-off accounting gain of RMB177 million from acquisition of subsidiaries in the same period last year, the profit attributable to shareholders increased by approximately RMB189 million when compared with last year, representing a year-on-year increase of 19.4%.

### INDUSTRY REVIEW

According to statistics from the National Bureau of Statistics of the PRC, the aggregate sales achieved by sizeable textile enterprises amounted to RMB2,786.3 billion in 2018, representing a 0.2% decrease year-on-year, with profit totalling at RMB126.5 billion, up by 5.3% year-on-year. Sizeable garment and apparel enterprises recorded total sales in the amount of RMB1,741.8 billion, representing a year-on-year increase of 4.2%, with net profit at RMB100.68 billion, up by 10.8% year-on-year. In terms of production volume, in 2018, 29.16 million tonnes of yarn, 49.4 billion metres of fabrics and 49.21 million tonnes of synthetic fibre were produced. According to data from PRC Customs, in 2018, US\$119.1 billion worth of textile products were exported from the country, representing a year-on-year increase of 8.12%. US\$157.6 billion worth were garments, representing a year-on-year increase of 0.29%.

According to statistics from Vietnam Customs, the sales volume of yarn and staple of the country grew by 8.7% to 1.466 million tonnes in 2018, bringing in sales income of US\$3,987 million, up by 11.0% when compared with 2017. Garments exports grew by 16.6% to US\$30.447 billion.

### BUSINESS REVIEW

For the whole year of 2018, revenue of the Group reached record high at RMB19.16 billion, representing an increase of 17.5% when compared with last year. In addition to the steady growth in sales of yarns, all the midstream and downstream business segments also recorded growth.

### 綜覽

我們欣然向股東報告本集團截至二零一八年十二月三十一日止年度的全年業績。年內，本集團之收入較去年上升17.5%至人民幣191.6億元。本公司股東應佔溢利較去年增加1.0%至人民幣11.63億元。每股基本盈利亦由去年的人民幣1.26元微增至人民幣1.27元。但若排除去年同期收購附屬公司產生的一次性會計收益人民幣1.77億元，股東應佔溢利比去年增加約人民幣1.89億元，按年增幅19.4%。

### 行業回顧

根據中國國家統計局的數據顯示，二零一八年，紡織業規模企業累計實現營業收入人民幣27,863億元，同比減少0.2%；實現利潤總額人民幣1,265億元，同比增長5.3%。紡織服裝、服飾業規模企業實現銷售人民幣17,418億元，同比增長4.2%；淨利潤人民幣1,006.8億元，同比增長10.8%。產量方面，二零一八年，紗線產量2,916萬噸；布產量494億米；化纖產量4,921萬噸。根據中國海關總署發布數據顯示，二零一八年，中國出口紡織品總額為1,191億美元，同比增長8.12%；服裝出口1,576億美元，同比增長0.29%。

根據越南海關數據顯示，二零一八年越南紗線及短纖銷售量增加8.7%至146.6萬噸，銷售收入較二零一七年上升11.0%至39.87億美元。服裝出口額增加16.6%至304.47億美元。

### 業務回顧

二零一八全年，本集團的收入達到破紀錄人民幣191.6億元，比去年上升17.5%，除紗線銷售保持穩定增長外，各中下游業務板塊亦全線增長。

### BUSINESS REVIEW (Continued)

The Group derives revenue from sales of yarns, grey fabrics, garment fabrics as well as jeanswear. During the year, sales of yarns reached RMB15.5 billion, an increase of 6.7% when compared with last year, accounting for 81.2% of the Group's total revenue for the year. The increase was mainly driven by the rebound in selling prices of products. Following the development of the other midstream and downstream businesses over a period in the past, these businesses recorded sales revenue of RMB3.6 billion in 2018, which is more than double of the sales revenue in 2017, mainly as a result of growth in sales of dyed fabrics.

In 2018, the Group's total production volume of yarns was approximately 720,000 tonnes. As trial run for most of the new capacity only started in the second half the year and approximately 45,000 tonnes of the yarns produced by the Group were used by its midstream and downstream businesses, growth in external sales of yarns slightly slowed down in 2018. In addition, the chain effect sparked by the Sino-US trade dispute affected consumer market and in turn the sales orders received by the Group in the fourth quarter. As a result, external sales of yarns increased by a slight 2.0% to approximately 660,000 tonnes, falling short of the target of 700,000 tonnes set for the year of 2018. The Group's new yarn production capacity after satisfying internal needs shall be fully utilized to fulfil external demand. During the year under review, in the absence of abnormal market demands in the same period last year, the gross profit margin of yarns returned to normal at approximately 18%. Assuming that the Sino-US trade dispute had no impact, the Group would have made higher sales and have a higher gross profit margin.

As for our grey fabrics production, the Group's grey fabric factory in northern Vietnam started full production in mid-2018 after completing trial run in the second half of 2017. Although a fair portion of the fabrics produced was used by the Group's dyeing factory in Vietnam to meet increased sales orders, sales of grey fabrics still saw a significant increase by approximately 45% against last year, to approximately 96 million metres. Benefitting from partial vertical integration of the fabrics and yarn factories in Vietnam, the average gross profit margin of grey fabrics also increased markedly to 14.8%. Nonetheless, as production of grey fabrics in China did not involve in the vertical integration, the overall gross profit margin of grey fabrics production business has been dragged down. As commanded by the need for vertical integration of the various factories in Vietnam, the grey fabrics business in Vietnam will first satisfy the internal demands of the dyeing factory in Vietnam, whereas a part of the production capacity of grey fabrics in PRC market will be used to satisfy the demands of the joint venture with Winnitex Group to better benefit from vertical integration. Therefore, the Group expects external sales of grey fabrics to temporarily reduce until new production facility will be built in future.

### 業務回顧(續)

本集團的收入包括紗線、坯布、面料和牛仔服裝的銷售。年內紗線銷售佔集團本年度總收入的81.2%，達到人民幣155億元，相比去年增長6.7%，增長主要由產品銷售價格回升帶動。其他中下游業務在過去一段時間的培育後，於二零一八年度已經實現人民幣36億元銷售收入，對比二零一七年年增長超過1倍，主要是由於染色面料銷售增長。

本集團於二零一八年紗線總產量約72萬噸，由於新增產能主要在下半年才陸續試運轉，另外中下游業務消耗約4.5萬噸自產紗線，致使紗線對外銷售數量增長在二零一八年稍為放慢，加上受中美貿易摩擦影響消費市場的連鎖反應在第四季度影響訂單，對外銷售紗線輕微增加2.0%至約66萬噸，比原來二零一八年目標銷售70萬噸為低。本集團新增紗線產能在滿足內部需求後將全力應付外部需求。由於去年同期的市場需求異常情況在本年回顧期內並沒有出現，紗線的毛利率遂恢復到正常範圍約18%，若沒有受中美貿易摩擦影響，估計銷售量及毛利率將會更佳。

坯布方面，在二零一七年下半年越南北部的坯布工廠開始試生產後，在二零一八年年中已完全高速運轉，雖然越南染廠訂單逐步增加消耗了部分自產坯布，坯布銷量比去年同期仍然大幅增加約45%至約9,600萬米，得益於越南布廠與紗廠的局部垂直整合，坯布的平均毛利率也顯著提升至14.8%，目前有關毛利率主要被國內沒有垂直整合的坯布生產業務拉低。由於需要配合越南各工廠的垂直整合深化，越南坯布將以優先應付越南染廠的內部需求，而中國的部分坯布產能也會配合與香港慶業集團合資的公司所使用以達到更加的垂直整合效果，因此，預計坯布對外銷售的數量將會暫時減少，直至新生產設施在未來建成為止。



### BUSINESS REVIEW (Continued)

As for woven dyed fabrics, with the completion of trial production of the Group's woven fabric factory in northern Vietnam in the second half of 2017 and the acquisition in May 2017 of the Asian denim business (including a woven fabric factory in Nicaragua) of Nien Hsing Group in Taiwan, revenue from sales of woven fabrics amounted to approximately RMB612 million in 2018, representing an increase of 24% when compared with last year, with sales volume reaching 42 million metres. As for woven fabrics trading business, as textile trading companies in North America were acquired by the Group during the year, sales of woven fabrics increased notably to 24 million metres, generating revenue of RMB511 million. Despite incurring loss in the first half year due to serious order shortage, the woven fabrics production business in Vietnam managed to breakeven by the fourth quarter with capacity utilization reaching more than 80%. As the Group's woven fabric production business is at an early stage of development, it currently has a single-digit gross profit margin. However, with the integration of the relevant production business of Winnitex Group with that of the Group, the production technology, product development and marketing capabilities of the woven dyed fabric business will markedly improve. The business is expected to turn around to profit in 2019 and gradually reach world-class level under the management of Winnitex Group.

Regarding knitted dyed fabrics, following the acquisition of the knitting and dyeing plant which was originally an associate company at the end of 2017 by increasing 51% to 100% equity interest, the Group also began to try to build a dyeing production line for knitted fabrics in Vietnam in 2018. For the year of 2018, the Group sold self-produced dyed knitted fabrics of approximately 15,000 tonnes in all, and approximately 1,900 tonnes were sold via trading. The gross profit margin of self-produced knitted fabrics was 15.5%. As the knitted fabric factory only became wholly owned by the Group this year and the Sino-US trade dispute also affected the business in the second half of the year, internal reform will be required to improve production and order taking efficiency of the business. Alongside, with the increasing use of self-produced yarns which help vertical integration and increase in production capacity in Vietnam, the business is expected to see notable enhancement in profitability.

### 業務回顧(續)

梭織染色面料方面，在二零一七年下半年越南北部的梭織面料工廠完成試生產後，及於二零一七年五月完成收購台灣年興集團的亞洲牛仔業務時包含的位於尼加拉瓜的梭織面料廠，自產梭織面料銷售收入在二零一八年達到約人民幣6.12億元，比去年增長24%，達到4,200萬米。而貿易梭織面料在年中收購位於北美的紡織品貿易公司帶動下，銷售收入也大幅增加到2,400萬米，銷售收入人民幣5.11億元。越南的梭織面料生產由上半年的嚴重訂單不足導致虧損，到第四季度已基本達到八成以上的產能利用率至初步收支平衡，由於還在起步階段，毛利率目前只是單位數，隨著與香港慶業集團合資整合有關生產業務，本集團的梭織染色面料業務的生產技術、產品開發能力以及銷售能力將得到大幅提升，有望在二零一九年轉虧為盈並在香港慶業集團管理下逐步達到世界一流水平。

針織染色面料方面，於二零一七年底完成收購原來為聯營公司的針織染整工廠的51%股權至100%全資控股後，我們在二零一八年也開始嘗試在越南增設針織面料染色生產線，於二零一八年我們銷售自產針織染色面料共約15,000噸、貿易銷售約1,900噸，自產針織面料的毛利率為15.5%，由於針織面料工廠是今年才由本集團全資擁有，下半年也受中美貿易摩擦影響，在內部整頓提高生產及接單效率後，加上提高越南的產能後，使用更多本集團生產之紗線將深化垂直整合的力度，盈利能力在未來有望提升至更佳水平。

## 管理層討論及分析

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW (Continued)

As for jeanswear business, as the acquisition of jeanswear business was completed on 1 May 2017, together with the production base in Shandong of China, sales of the jeanswear business exceeded RMB822 million, representing an increase of approximately 30% when compared with the same period last year. The sales volume was approximately 15.5 million pairs of jeans in 2018, which was lower than the original sales target of 18 million pairs of jeans, mainly due to the slightly slower adjustment of business orders than expected. As the adjustment was completed in the second half year, the business has been improving and is expected to start making profit in 2019.

The overall gross profit margin of the Group increased from 15.0% in 2017 to 16.4% in 2018, which was mainly attributable to the fact that the prices of some yarns survived from the market pressure in 2017. Except for impacts of the Sino-US dispute in the fourth quarter of 2018, market conditions basically remained normal. Gross profit margin of the yarn business was 18%, back in the normal range. Moreover, other business operations have also improved and contributed to the increased overall gross profit margin of the Group. However, the new business segment was still in early development stage with a much lower gross profit margin than the yarn business. It is expected that such business will outperform the profitability of the yarn business following constant improvement and enhancement of the vertical integration initiatives, which in turn will further improve and stabilize the overall gross profit margin of the Group.

In 2018, the Group recorded profit attributable to shareholders of RMB1,163 million and basic earnings per share was RMB1.27, representing a slight increase of 1.0%, respectively, when compared with those last year. In spite of the rebound in profit of the yarn business and improved profits in other business segments, the profit attributable to shareholders remained basically the same as in the previous year because of the absence of the one-time accounting gains on acquisitions in the same period last year.

### PROSPECTS

With the two sides in the Sino-US trade dispute in active negotiations, the market is seeing a ray of hope. Even though complete agreement between the two countries might not be reached within a short period, latest progress should help ease pressure on the market and stabilise the consumer market and commodity prices, otherwise the market would feel a severe blow and almost industries would be affected.

### 業務回顧(續)

牛仔服裝業務方面，由於收購牛仔服裝業務於二零一七年五月一日完成，連同原來在中國山東的生產基地，牛仔服裝銷售金額超過人民幣8.22億元，比去年同期增長約30%，銷量約1,550萬條，低於原來1,800萬條的銷售目標，主要由於業務接單的調整比預期中稍為緩慢，在下半年調整完畢後已見逐步好轉，預計二零一九年將開始獲利。

本集團整體毛利率由二零一七年度的15.0%回升至二零一八年度的16.4%，主要由於二零一七年受市場影響部分紗線價格受壓的情況已經過去，二零一八年的市場情況除了於第四季度受中美摩擦影響以外基本上都屬正常，紗線業務毛利率回升到正常範圍的18%，加上其他各業務板塊的經營也有所改善，總體毛利率有所回升，唯新業務板塊由於仍在起步階段，目前階段毛利率遠遠低於紗線業務的毛利率，估計有關業務在持續改良以及加強垂直整合力度後，有望突破紗線業務的盈利水平，讓集團總體毛利率有所提升而且變得更穩定。

本集團二零一八年度的股東應佔溢利為人民幣11.63億元，每股基本盈利人民幣1.27元，兩者都較去年微升1.0%。雖然紗線業務利潤回升以及其他各板塊業務利潤都有不同程度的改善，但由於二零一八年沒有如去年同期的收購產生的一次性會計收益，股東應佔溢利基本沒有變化。

### 前景

中美貿易談判隨著兩方積極的磋商有了一絲曙光，縱使兩國不一定能在短時間內達成完整的協議，也應該能令市場鬆一口氣，對消費市場以及商品價格都會帶來穩定作用，否則，對市場的衝擊將會是非常嚴重，眾多產業都沒法獨善其身。

### PROSPECTS (Continued)

As at the end of 2018, the Group's major production facilities were equipped with approximately 3.50 million spindles and 1,389 looms. Of all the spindles, approximately 2.12 million were in the PRC and approximately 1.38 million were in Vietnam. With the uncertainties in Sino-US trade dispute, the Group will slightly slow down its investment in China. Outside China though, to back the woven dyed fabrics business which the Group and Winnitex Group jointly invested in, the Group will focus on expanding the existing woven dyed fabrics production lines in Vietnam and Nicaragua in 2019, as well as adding spinning and weaving facilities to supply for the dyeing and finishing process. We target to build a vertically integrated dyed woven fabrics production base with spinning, weaving, dyeing and finishing processes handled all under one roof. Those undertakings, when all completed, combined with Winnitex Group's existing production base in China, will see the Group become a comprehensive integrated dyed woven fabrics business that can effectively avert trade barriers and restrictions and serve customers worldwide, showing its integrated capability to develop, produce and distribute annually more than 180 million metres of woven dyed fabrics for fashionable garments and special workwear.

In addition to the original two-year expansion plan for 2018 and 2019, in developing overseas yarn bases, the Group will acquire and build facilities with approximately 80,000 spindles in Turkey so that it may quickly respond to and directly meet local markets demand, and in turn increase related profit.

The expansion plan of the Group in 2019 is expected to cost approximately RMB1.5 billion, excluding the consideration for the acquisition of Winnitex Group to form the joint venture. Excluding the sales volume under trading business, the Group targets to sell 720,000 tonnes of yarns, 80 million metres of grey fabrics, 120 million metres of woven dyed fabrics, 18,000 tonnes of knitted dyed fabrics and 18 million pairs of jeans in 2019.

After the Group's efforts to adjust and consolidate the jeanswear business in the last two years, the business is set to advance more efficiently in the future. Thanks to the continuous exertion of the Group in seeking garment and fabrics suppliers outside China by famous brand names, the business is expected to start generating profits in 2019. The Group will also continue to implement the strategy of establishing industrial chain platforms in Vietnam to foster vertical integration of production for its various dyed fabrics and garment businesses.

On 19 July 2018, the Group was again named among the "Fortune 500 Chinese Companies 2018", and ranked third by the China Cotton Textile Association among cotton textile enterprises in terms of comprehensive competitiveness, a strong endorsement of the Group continuously expanding business and proven business. The Group will continue to work tirelessly, putting in its best effort, to bring long term and sustainable returns to shareholders.

### 前景(續)

截至二零一八年底，本集團主要生產設施包括大約350萬紗錠及1,389台織機，其中中國及越南分別約212萬紗錠及約138萬紗錠。基於中美貿易摩擦的不確定性，我們在中國的投資將稍為放慢，反之，隨著我們與香港慶業集團合資發展梭織染色面料業務，我們在二零一九年將重點在越南及尼加拉瓜把現有的梭織染色面料生產線加以擴充，並補充建設紡紗及織布生產設施供染整生產過程所需，我們計劃形成紡紗、織布、染整垂直整合的梭織染色面料生產基地，屆時連同慶業集團原有在中國的生產基地，本集團將擁有一個能有效規避貿易壁壘限制、面向全球客戶的綜合一體化梭織染色面料集團，開發、生產並銷售每年超過1.8億米時尚梭織染色服裝面料以及特殊工作服所需梭織染色面料。

在原定的二零一八及二零一九兩年擴充計劃之外，在海外紗線基地建設方面，我們在土耳其將收購並建設約8萬紗錠，以直接供應當地市場以達到快速反應的目標，藉此增加有關利潤水平。

此外，預計擴充計劃在二零一九年需約人民幣15億元，不包括收購慶業集團以組成合資企業的代價。不計算貿易有關的銷售量，本集團二零一九年目標銷售72萬噸紗線、8,000萬米坯布、1.2億米梭織染色面料及18,000噸針織染色面料以及1,800萬條牛仔褲。

經過兩年的調整與磨合，本集團的牛仔服裝業務將更有效率的往前推進，得益於知名品牌在中國以外地區積極尋找服裝及面料供應商，我們期待牛仔服裝業務可以於二零一九年開始獲利。而越南產業鏈平台佈局的策略亦繼續進行，並逐步推進垂直整合生產各種染色面料及服裝業務。

於二零一八年七月十九日，本集團繼續榮獲為《財富》雜誌推選為二零一八年中國企業500強之一，另外我們也榮獲中國紡織協會棉紡企業綜合競爭力排名全國第三位，證明集團不斷壯大，業務模式繼續獲得廣泛認同。本集團將繼續努力不懈，全力為股東帶來長遠及可持續的回報。



## 管理層討論及分析

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW

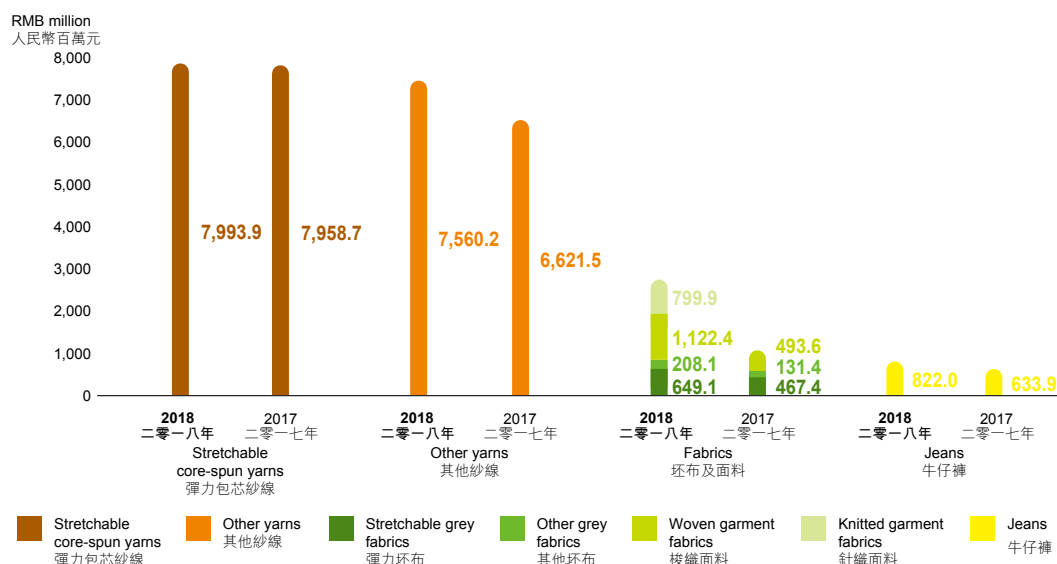
#### Sales

The Group's sales mainly comprises the sales of yarns, grey fabrics and garment fabrics, as well as jeanswear. Yarns continued to be the Group's major product. With the commencement of operations of our new production facilities, and the commitment of staff members, the sales of yarns increased by about 6.7% in 2018 as compared to that of 2017. Sales analyses of the Group by products are shown below.

### 財務回顧

#### 銷售

本集團的銷售主要來自銷售紗線、坯布及面料與牛仔服裝。紗線繼續成為本集團的重點產品。由於本集團於新建的生產設施投產及全體人員的努力，二零一八年集團紗線銷售額較二零一七年增長約6.7%。下列為本集團各種產品的銷售分析。



		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	Revenue change 收入變動
Stretchable core-spun yarns	彈力包芯紗線	7,993,929	7,958,705	0.4%
Other yarns	其他紗線	7,560,241	6,621,455	14.2%
Stretchable grey fabrics	彈力坯布	649,110	467,367	38.9%
Other grey fabrics	其他坯布	208,092	131,402	58.4%
Woven garment fabrics	梭織面料	1,122,412	493,554	127.4%
Knitted garment fabrics	針織面料	799,864	-	-
Jeans	牛仔褲	822,061	633,892	29.7%
<b>Total</b>	<b>總計</b>	<b>19,155,709</b>	<b>16,306,375</b>	<b>17.5%</b>

# 管理層討論及分析

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW (Continued)

#### Sales (Continued)

### 財務回顧(續)

#### 銷售(續)

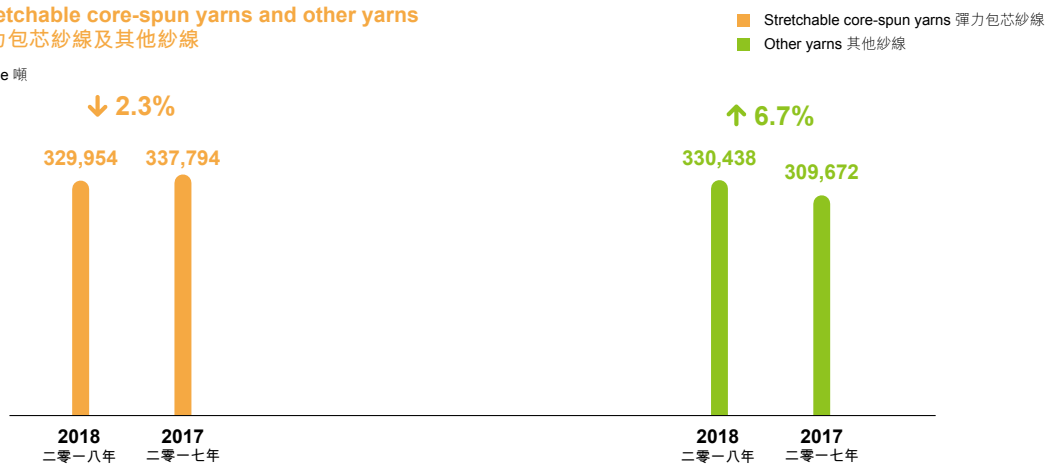
#### Sales Volume

##### 銷量

#### Stretchable core-spun yarns and other yarns

##### 彈力包芯紗線及其他紗線

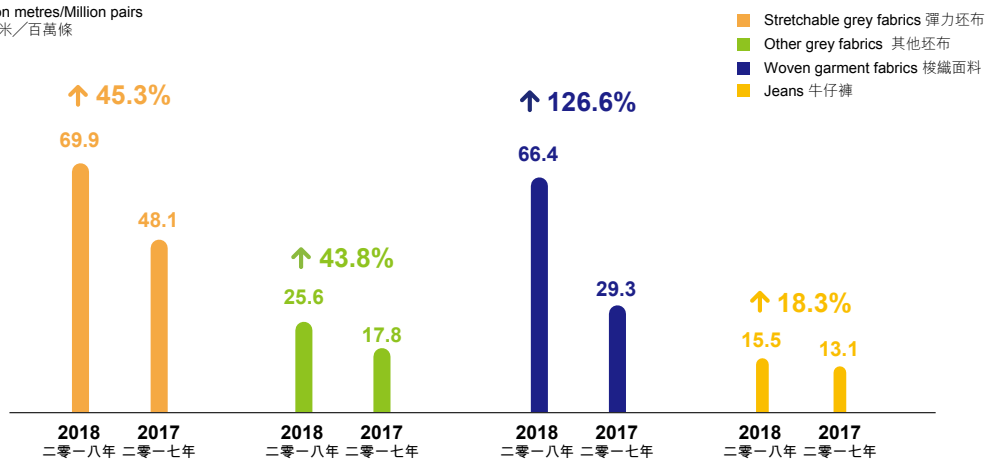
Tonne 噸



#### Stretchable grey fabrics, Other grey fabrics, Woven garment fabrics and Jeans

##### 彈力坯布、其他坯布、梭織面料及牛仔褲

Million metres/Million pairs  
百萬米/百萬條



## 管理層討論及分析 MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW (Continued) Sales (Continued)

### 財務回顧(續) 銷售(續)

		Sales volume		Selling price		Gross profit margin	
		銷量		售價		毛利率	
		2018	2017	2018	2017	2018	2017
		二零一八年	二零一七年	二零一八年	二零一七年	二零一八年	二零一七年
Stretchable core-spun yarns (Tonne/RMB per tonne)	彈力包芯紗線 (噸/人民幣每噸)	329,954	337,794	24,227	23,561	18.6%	17.1%
Other yarns (Tonne/RMB per tonne)	其他紗線(噸/人民幣每噸)	330,438	309,672	22,879	21,382	17.2%	15.3%
Stretchable grey fabrics (Million metres/RMB per metre)	彈力坯布(百萬米/人民幣每米)	69.9	48.1	9.3	9.7	13.3%	5.1%
Other grey fabrics (Million metres/RMB per metre)	其他坯布(百萬米/人民幣每米)	25.6	17.8	8.1	7.4	19.7%	-5.3%
Woven garment fabrics (Million metres/RMB per metre)	梭織面料(百萬米/人民幣每米)	66.4	29.3	16.9	16.8	7.7%	7.5%
Knitted Garment fabrics (Tonne/RMB per tonne)	針織面料(噸/人民幣每噸)	16,753	-	47,745	-	14.5%	-
Jeans (Million pairs/RMB per pair)	牛仔褲(百萬條/人民幣每條)	15.5	13.1	53.0	48.4	3.7%	2.3%

The Chinese textile market is the Group's major market, accounting for 73.5% of our total sales of 2018. The ten largest customers of the Group for 2018 are as follows:

Toray International, Inc.  
Shaoguan Beijiang Smart Textile Technology Co., Ltd.  
Guangdong Qianjin Jeans Co., Ltd.  
Ningbo Daqian Textile Co., Ltd.  
American Eagle Outfitters, Inc.  
TCE Vina Denim Joint Stock company  
Chintex Enterprises Ltd.  
Yixing Magnolia Garment Co, Ltd.  
Haining Denim Weaving Co., Ltd.  
Zhejiang Limayunshan Textile Co., Ltd.

As at the date of this report, the Group has more than 3,000 customers. As the Group produces differentiated products, the Group does not rely on orders from a particular customer. The ten largest customers only accounted for 17.0% of the total sales of the Group for the year ended 31 December 2018 and each one of them has a more than 5 years' business relationship with the Group.

中國紡織市場是本集團的主要市場，佔本集團二零一八年總銷售額的73.5%，以下是本集團於二零一八年的十大客戶：

Toray International, Inc.  
韶關市北紡製造科技有限公司  
廣東前進牛仔布有限公司  
寧波大千紡織品有限公司  
American Eagle Outfitters, Inc.  
TCE Vina Denim Joint Stock company  
台巨紡織(上海)有限公司  
宜興熹黑白玉蘭服裝有限公司  
海寧牛仔織造有限公司  
浙江立馬雲山紡織股份有限公司

於本報告日期，本集團擁有客戶逾3,000家，由於本集團以生產差異化產品為重點，且本集團並不依賴單一客戶的訂單，截至二零一八年十二月三十一日止年度十大客戶僅佔本集團總銷售額的17.0%。以上十大客戶與本集團的業務往來均超過五年以上。

# 管理層討論及分析 MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW (Continued)

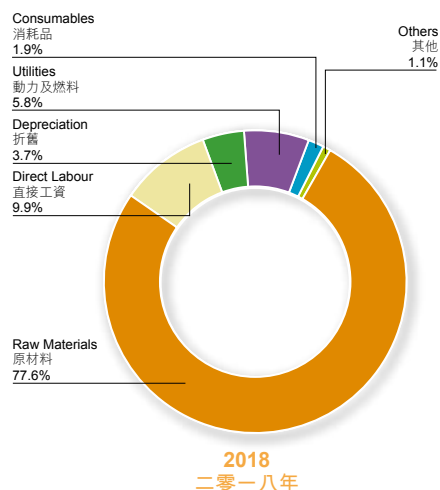
### Gross profit and gross profit margin

Gross profit of the Group increased from RMB2.44 billion to RMB3.15 billion, representing an increase of 28.9% as compared to that of 2017. The overall gross profit margin also increased by 1.4 percentage point to 16.4% as compared to that of 2017. In 2018, the gross profit margin of the yarn business recovered to the normal range of 18% and the operation of other business segments also improved, leading to an increase in the overall gross profit margin.

### Cost structure

Cost of sales increased by 15.5% to RMB16.0 billion when compared to that of 2017. Raw materials cost accounted for about 77.6% of the total cost of sales of 2018. Cotton is our major raw materials.

The breakdown of our cost of sales is shown below:



## 財務回顧(續)

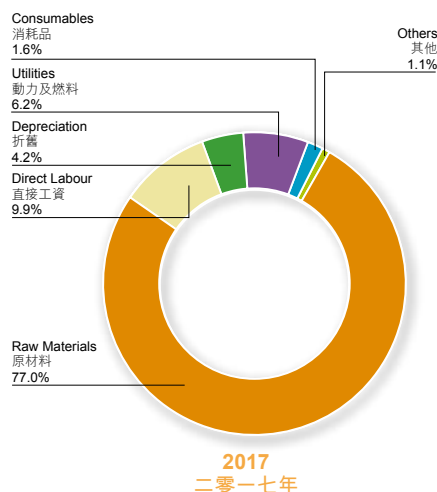
### 毛利及毛利率

本集團的毛利由二零一七年人民幣24.4億元增加28.9%至人民幣31.5億元。整體毛利率亦較二零一七年增加1.4個百分點至16.4%。二零一八年紗線業務的毛利率恢復到正常範圍的18%，加上其他業務板塊的經營也有所改善，總體毛利率有所回升。

### 成本架構

銷售成本較二零一七年增加15.5%至人民幣160億元。於二零一八年之原材料成本佔總銷售成本約77.6%。棉花為我們的主要原材料。

下列為本集團銷售成本的明細：



### Selling and distribution costs

For the year ended 31 December 2018, the Group's selling and distribution costs amounted to RMB685.1 million, representing an increase of 17.8% when compared to that of 2017. The increase was attributable to the increase in transportation costs and salaries of sales personnel due to increase in sales volume.

### General and administrative expenses

For the year ended 31 December 2018, the Group's general and administrative expenses increased by 40.8% to RMB721 million when compared to that of 2017, which represented 3.8% of the Group's sales. The increase was mainly due to the increase in research and development expenditures and expenses of the newly acquired business.

### 銷售及分銷開支

於截至二零一八年十二月三十一日止年度，本集團之銷售及分銷開支較二零一七年上升17.8%至人民幣6.851億元。升幅是由於銷量增加，令運輸成本及銷售人員薪金上漲所致。

### 一般及行政開支

於截至二零一八年十二月三十一日止年度，本集團之一般及行政開支較二零一七年增加40.8%至人民幣7.21億元，佔本集團銷售額3.8%。增幅乃主要由於研發開支及新收購業務的費用增加所致。



## 管理層討論及分析

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW (Continued)

#### Cash flows

### 財務回顧(續)

#### 現金流量

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Net cash generated from operating activities	經營活動所得現金淨額	766,684	2,192,611
Net cash used in investing activities	投資活動所耗現金淨額	(1,821,900)	(1,337,721)
Net cash generated from/(used in) financing activities	融資活動所得/(所耗)現金淨額	643,219	(1,201,380)
Cash and cash equivalents at end of the year	於年末的現金及現金等值物	1,054,721	1,466,718

For the year ended 31 December 2018, net cash generated from operating activities amounted to RMB766.7 million, which represents a significant decrease comparing with 2017 mainly because of the significant increase in cash outflow of raw material purchase this year. Net cash used in investing activities amounted to RMB1,821.9 million, which was mainly used for the payment of capital expenditures for capacity expansion and acquisitions of subsidiaries. During the year under review, net cash generated from financing activities amounted to RMB643.2 million, which was mainly used in financing for capital expenditures.

#### Liquidity and financial resources

As at 31 December 2018, the Group's bank and cash balances (including pledged bank deposits) amounted to RMB1,199.7 million (as at 31 December 2017: RMB1,555.0 million). The Group's inventories increased by RMB1,447.1 million to RMB5,211.3 million and our trade and bills receivables increased by RMB153.6 million to RMB1,783.8 million (as at 31 December 2017: RMB3,764.2 million and RMB1,630.1 million respectively). The inventory turnover days and trade and bills receivables turnover days were 101 days and 32 days respectively, compared to 87 days and 36 days in 2017. Increase in inventory turnover days was mainly attributable to the increase in average inventory for the year due to the increase of raw material purchase for new production capacity in the second half of 2018.

截至二零一八年十二月三十一日止年度，本集團錄得經營活動所得現金淨額人民幣7.667億元，相較二零一七年大幅下降，主要是因為本年度原料採購現金流出大幅增加所致。本集團投資活動所耗現金淨額為人民幣18.219億元，主要用於擴充產能的資本開支及收購附屬公司之付款。於回顧年度內，融資活動所得現金淨額為人民幣6.432億元，主要用於為資本開支融資。

#### 流動資金及財務資源

於二零一八年十二月三十一日，本集團的銀行及現金結餘(包括已抵押銀行存款)為人民幣11.997億元(於二零一七年十二月三十一日：人民幣15.55億元)。本集團的存貨及應收貿易及票據款項分別增加人民幣14.471億元至人民幣52.113億元及增加人民幣1.536億元至人民幣17.838億元(於二零一七年十二月三十一日：分別為人民幣37.642億元及人民幣16.301億元)。存貨周轉天數及應收貿易及票據款項周轉天數分別為101天及32天，而二零一七年則分別為87天及36天。二零一八年下半年為新增產能儲備的原料採購增加導致全年存貨平均值增加，因此存貨周轉天數增加。

**FINANCIAL REVIEW (Continued)**

**Liquidity and financial resources (Continued)**

Trade and bills payables increased by RMB561.0 million to RMB3,522.7 million as at 31 December 2018 (as at 31 December 2017: RMB2,961.7 million), the payable turnover days was 73 days, compared to 78 days in 2017. Decrease in the payable turnover days was mainly due to early settlement of part of bills payable to try to reduce the overall liability level.

The total bank borrowings of the Group increased by RMB1,578.1 million to RMB7,127.7 million as at 31 December 2018. Current bank borrowings decreased by RMB309.8 million to RMB2,252.5 million while non-current bank borrowings increased by RMB1,888.0 million to RMB4,875.2 million. The increase in the proportion of non-current bank borrowings enhanced the stability of the financial structure. Despite its higher interest rate than current borrowings, the Group will continue to maintain a considerable portion of long-term borrowings to achieve a better debt portfolio.

As at 31 December 2018 and 2017, the Group's financial ratios were as follows:

		2018 二零一八年	2017 二零一七年
Current ratio	流動比率	1.39	1.20
Debt to equity ratio <sup>1</sup>	負債權益比率 <sup>1</sup>	1.06	0.94
Net debt to equity ratio <sup>2</sup>	負債淨額權益比率 <sup>2</sup>	0.88	0.68

<sup>1</sup> Based on total borrowings over equity attributable to shareholders

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

**Borrowings**

As at 31 December 2018, the Group's total bank borrowings amounted to RMB7,127.7 million, among which RMB1,860.1 million (26.1%) was denominated in Renminbi, RMB1,356.2 million (19.0%) was denominated in United States dollars ("US\$" or "USD") and RMB3,911.4 million (54.9%) was denominated in Hong Kong dollars ("HK\$" or "HKD"). These bank borrowings borne interest at rates ranging from 2.0% to 5.0% per annum (2017: 1.2% to 6.5%).

As at 31 December 2018, the Group has outstanding current bank borrowings of RMB2,252.5 million (2017: RMB2,562.4 million). Decrease in current bank borrowings was mainly due to the optimization of long-term and short-term debts to strengthen its financial security.

**財務回顧(續)**

**流動資金及財務資源(續)**

於二零一八年十二月三十一日，應付貿易及票據款項增加人民幣5.61億元至人民幣35.227億元(於二零一七年十二月三十一日：人民幣29.617億元)，其付款周轉天數為73天，而二零一七年則為78天。應付款項周轉天數對比去年降低主要是因為為盡力降低整體負債水平，而提前結清部份應付票據。

於二零一八年十二月三十一日，本集團的銀行借貸總額增加人民幣15.781億元至人民幣71.277億元。流動銀行借貸減少人民幣3.098億元至人民幣22.525億元，而非流動銀行借貸則增加人民幣18.88億元至人民幣48.752億元。非流動銀行借貸的比例增加有助於增加財務結構的安全性，本集團將繼續維持相當部分的長期貸款以實現更佳債務組合，縱使貸款利率會高於流動貸款。

於二零一八年及二零一七年十二月三十一日，本集團之財務比率如下：

**借貸**

於二零一八年十二月三十一日，本集團的銀行借貸總額為人民幣71.277億元，其中人民幣18.601億元(26.1%)以人民幣列值，及人民幣13.562億元(19.0%)以美元(「美元」)列值以及人民幣39.114億元(54.9%)則以港元(「港元」)列值。該等銀行借貸按年利率2.0%至5.0%(二零一七年：1.2%至6.5%)計息。

於二零一八年十二月三十一日，本集團之未償還流動銀行借貸為人民幣22.525億元(二零一七年：人民幣25.624億元)。流動銀行借貸減少主要是由於優化長短期債務組合以加強財務安全性。

## 管理層討論及分析

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW (Continued)

#### Borrowings (Continued)

In respect of the Group's borrowings, the Group has to comply with certain restrictive financial covenants.

As at 31 December 2018, bank borrowings of RMB877.4 million (2017: RMB464.7 million) were secured by the pledge of the Group's property, plant and equipment with a net book amount of approximately RMB834.9 million (2017: RMB180.9 million), bills receivable with a net book amount of RMB97.5 million (2017: Nil) and bank deposits with a net book amount of RMB68.5 million (2017: Nil). No land use rights and inventory were secured as at 31 December 2018 (2017: RMB26.7 million and RMB261.2 million).

#### Foreign exchange risk

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

To mitigate the risk of depreciation of Renminbi, the Group has taken steps to purchase a suitable amount of currency option contracts and cross currency swap contracts. Other than bills payable in US\$, the Group did not have exposure on foreign currency without protection of option contracts or cross currency swap contracts as at 31 December 2018. However, since the mark-to-market value of those financial derivative instruments are calculated based on forward exchange rate, this may not reflect the actual protection of those instruments on the risk of foreign exchange rate fluctuation.

#### Capital expenditure

For the year ended 31 December 2018, the capital expenditure of the Group amounted to RMB2,003 million (2017: RMB724 million). It was mainly comprised of the investments in fixed assets in Vietnam and the PRC.

#### Contingent liabilities

As at 31 December 2018, the Group had no material contingent liabilities.

### 財務回顧(續)

#### 借貸(續)

本集團須就其借貸遵守若干財務限制條款。

於二零一八年十二月三十一日，人民幣8.774億元(二零一七年：人民幣4.647億元)的銀行借貸已以賬面淨值約為人民幣8.349億元(二零一七年：人民幣1.809億元)的物業、廠房及設備，賬面淨值為人民幣9,750萬元(二零一七年：零)的應收票據以及賬面淨值為人民幣6,850萬元的銀行存單作抵押(二零一七年：零)。於二零一八年十二月三十一日，本集團概無抵押土地使用權及存貨(二零一七年：人民幣2,670萬元及人民幣2.612億元)。

#### 外匯風險

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

為應對人民幣貶值風險，本集團採取措施以購入適量的貨幣期權合約及交叉貨幣掉期合約。除以美元支付的票據外，於二零一八年十二月三十一日，本集團在沒有期權合約或交叉貨幣掉期合約保護的情況下並無外幣風險。然而，由於有關金融衍生工具按市值計算的價值乃按遠期匯率計算，這可能並不反映該等工具對匯率波動風險的實際保護。

#### 資本開支

於截至二零一八年十二月三十一日止年度，本集團之資本開支為人民幣20.03億元(二零一七年：人民幣7.24億元)，主要為越南及中國的固定資產投資。

#### 或然負債

於二零一八年十二月三十一日，本集團並無重大或然負債。

### FINANCIAL REVIEW (Continued)

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

As announced by the Company on 18 May 2015, by an agreement dated 18 May 2015 (“2015 Facility Agreement”) entered into by, among others, the Company as borrower and a syndicate of banks and financial institutions as lenders, the lenders have agreed to grant a term loan facility (“2015 Facility”) of up to the aggregate principal amount of US\$110 million for any refinancing, repayment, redemption, purchase or repurchase of the 2011 Notes due in January 2016 issued by the Company, in whole or part, at or before their maturity. The 2015 Facility shall be fully repaid in May 2018 and is guaranteed by certain subsidiaries of the Company. The amount of the 2015 Facility represents approximately 27% of the total amount of banking/credit facilities (including the 2015 Facility) presently available to the Group. The 2015 Facility Agreement contains the usual cross default provisions and a further requirement that Mr. Hong Tianzhu shall be and continue to be the chairman of the Company, directly or indirectly beneficially own not less than 25% of the total voting shares issued by the Company, and be and remain the single largest holder of the voting shares issued by the Company. A breach of such requirement will constitute an event of default under the 2015 Facility Agreement, and as a result, the 2015 Facility is liable to be declared immediately due and payable. The occurrence of such circumstance may trigger the cross default provisions of other banking/credit facilities available to the Group and, as a possible consequence, these other facilities may also be declared to be immediately due and payable. The 2015 Facility was fully repaid by the Company in January 2018.

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

### 財務回顧(續)

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

誠如本公司於二零一五年五月十八日所公佈，根據由(其中包括)本公司(作為借款人)及由銀行及金融機構組成之銀團(作為貸款人)於二零一五年五月十八日訂立之協議(「二零一五年信貸協議」)，貸款人同意授出有期信貸融資(「二零一五年信貸融資」)，本金總額達110,000,000美元，用於任何再融資、在本公司所發行於二零一六年一月到期之二零一一年票據到期之時或之前償還、贖回、購買或購回全部或部份票據。二零一五年信貸融資須於二零一八年五月悉數償還，並以本公司若干附屬公司作擔保。二零一五年信貸融資之金額相當於現時本集團可供動用之銀行/信貸融資額度(包括二零一五年信貸融資)總額約27%。二零一五年信貸協議載有一般交叉違約條文，以及另一項有關洪天祝先生須繼續為本公司主席之規定，而其直接或間接實益擁有不少於本公司已發行表決股份總額25%，並將繼續為本公司已發行表決股份之單一最大持有人。違反有關規定將構成二零一五年信貸協議之違約事項，因此二零一五年信貸融資須即時宣佈為到期及須予償還。發生有關情況可能導致觸發本集團其他銀行/信貸融資額度之交叉違約條文，因此該等其他信貸額度亦可能即時宣佈為到期及須予償還。本公司已於二零一八年一月悉數償還二零一五年信貸融資。

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



## 管理層討論及分析

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW (Continued)

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

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

As at the date of this annual report, the Company is in compliance with the 2016 Facility Agreement.

### Human resources

As at 31 December 2018, the Group had a total workforce of 38,076 employees (as at 31 December 2017: 38,024), of whom 18,211 employees were located in the sales headquarters and our manufacturing plants in Mainland China. The remaining 19,865 employees were stationed in regions outside Mainland China including Vietnam, Cambodia, Nicaragua, North America, Hong Kong and Macao. New employees were recruited to cater for the Group's business expansion during the year. The Group offers a competitive remuneration package to its employees. In addition, discretionary bonuses and share options may also be granted to eligible staff based on individual and Group's performance. The Group is committed to creating a learning and sharing culture in the organization. Strong emphasis is placed on the training and development of individual staff and team building, as the Group's success is dependent on the contribution of all skilled and motivated employees.

### Dividend policy

The Board intends to maintain a long term, stable dividend payout ratio of about 30% of the Group's net profit for the year attributable to owners of the Company, providing shareholders with an equitable return. The Board has resolved to distribute a final dividend of 20 HK cents per share for the year ended 31 December 2018 to shareholders whose names appear on the register of member on 9 May 2019 and will be payable on or about 23 May 2019, subject to the approval by the shareholders at the forthcoming annual general meeting of the Company on 26 April 2019. An interim dividend of 23 HK cents per share was paid by the Company on 24 September 2018.

### 財務回顧(續)

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

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

於本年報日期，本公司遵守二零一六年信貸協議。

### 人力資源

於二零一八年十二月三十一日，本集團擁有合共38,076名僱員(於二零一七年十二月三十一日：38,024名)，其中18,211名僱員位於中國大陸之銷售總部及生產工廠。其餘19,865名僱員駐於中國大陸境外地區，包括越南、柬埔寨、尼加拉瓜、北美、香港及澳門。新聘僱員為應付本集團於年度內擴充的業務。本集團向其僱員提供具競爭力的酬金待遇。此外，合資格員工亦可按其個人及本集團的表現獲授酌情花紅及購股權。本集團致力於組織內建立學習及分享文化。本集團的成功有賴由技巧純熟且士氣高昂的員工，故此本集團重視員工的個人培訓及發展，以及建立團隊。

### 股息政策

董事會旨在維持長期、穩定的派息率，即本集團年內歸屬於本司擁有人淨利潤約30%，為股東提供合理回報。董事會已決議於截至二零一八年十二月三十一日止年度分派每股20港仙之末期股息，予名列二零一九年五月九日股東名冊內之股東，並將於二零一九年五月二十三日或前後派發，惟須得到股東於二零一九年四月二十六日本公司應屆股東週年大會上批准後，方可作實。本公司於二零一八年九月二十四日派付每股23港仙之中期股息。

## 管理層討論及分析 MANAGEMENT DISCUSSION AND ANALYSIS

### MATERIAL RISKS OF THE GROUP

The following are the key risks that the Group considers to be of great significance to the Group in its current status. These risks may have materially adverse effect on the Group's business.

For the possible impact of each risk on the Group should it occur, we have made a detail description and set down corresponding control measures and mitigation plan to manage the risk.

The impact of risk relating to the business of the Group will change over time. The size, complexity and coverage of our business and the changing environment in which the Group operates also mean that the list cannot be an exhaustive list of all material risks that could affect the Group.

### 本集團的重大風險

以下為我們認為對本集團就其現狀而言意義重大的主要風險。該等風險可能會對本集團的業務造成嚴重不利影響。

對於每一類風險發生時可能對本集團產生的影響，我們都作了詳細描述，並制訂了相應的監控措施和對策來管理該等風險。

與本集團業務有關的風險的影響將隨時間推移。我們業務的規模、複雜程度和覆蓋範圍以及經營環境的不斷變化也意味著此列表不可能包含所有影響本集團的重大風險。

Risks description 風險描述	Major control measures and risk mitigation 主要監控措施及風險對策	Changes of risk level from last year 風險水平較上年變化
<p><b>Business concentration</b> 業務集中</p> <p>Product concentration: The Group has established its market position as a manufacturer of high value-added core-spun cotton textile products and core-spun cotton is the major earning source of the Group. In the event of any change in fashion trend, customers may prefer other textile materials. Competition in such market may also intensify suddenly. If the Group fails to respond to the change in an efficient and effective manner, the profitability of the Group may be adversely affected.</p> <p>Geographical concentration: The Mainland China is the major market of the Group and, thus, the Group is subject to the economic, political and social condition and change in domestic demand for the products of the Group in China.</p>	<ul style="list-style-type: none"> <li>Enhance customer communication with an outstanding marketing team which thoroughly and promptly understands the requirements of customers.</li> <li>Step up cooperation with raw material suppliers and monitor the market trend of change in new textile materials</li> <li>Boost input for research and development team and improve product functionality and develop new products in response to market demands</li> <li>Explore downstream industries and increase the contribution of downstream products</li> <li>Facilitate the development of import and export business continuously to tap into overseas markets</li> </ul>	<p>↔ Unchanged</p>
<p>產品集中：本集團已在市場建立其作為高附加值棉包芯紡織產品製造商的地位，棉包芯紗綫為集團主要盈利點。倘若時裝潮流有任何變化，客戶日後可能偏好其他紡織物料，又或者該市場的競爭突然變得更激烈，如果本集團未能迅速及有效回應變動，本集團的盈利能力或會受不利影響。</p> <p>地域集中：中國大陸為本集團主要市場，因此本集團受到中國經濟、政治和社會狀況以及本集團產品於中國國內需求的改變的影響。</p>	<ul style="list-style-type: none"> <li>透過優秀的市場營銷團隊，加強與客戶溝通，充分及時瞭解客戶需求</li> <li>加強與原料供應商的合作，關注市場新紡織物料變動趨勢</li> <li>加大研發團隊投入，應市場需求改善產品功能及開發新產品</li> <li>拓展下游產業，增加下游產品的比重</li> <li>不斷加強進出口業務的開發，開拓海外市場</li> </ul>	<p>↔ 無變動</p>

## 管理層討論及分析

## MANAGEMENT DISCUSSION AND ANALYSIS

### MATERIAL RISKS OF THE GROUP

(Continued)

### 本集團的重大風險(續)

Risks description 風險描述	Major control measures and risk mitigation 主要監控措施及風險對策	Changes of risk level from last year 風險水平較上年變化
<b>Risk of fluctuation of cotton prices</b> 棉花價格波動風險		
Cotton is the major production material of the Group and the fluctuation of cotton prices may not align with fluctuation of end-product prices at all times. In the event of intense fluctuation of cotton prices, the gross profit margin of the Group will be heavily affected.	<ul style="list-style-type: none"><li>• Closely monitor the dynamics of cotton futures and supply and demand balance and correlation in the spot market and hedge risks mainly through measures like maintaining stable procurement and inventory strategies</li><li>• Diversify the development of the synthetic fiber category and reduce the Group's reliance on the cotton category</li></ul>	↔ Unchanged
棉花是本集團主要的生產原料，棉花價格的波動幅度不一定與終端產品的價格波動完全同步。倘若棉花價格劇烈波動，將會對本集團毛利率造成巨大影響。	<ul style="list-style-type: none"><li>• 密切關注棉花期貨動向以及現貨市場的供需平衡及相關性，主要以維持穩定的採購及存貨策略等措施來對沖風險</li><li>• 增加化纖產品品種開發，降低本集團對棉紗品種的依賴</li></ul>	↔ 無變動

# 管理層討論及分析

## MANAGEMENT DISCUSSION AND ANALYSIS

### MATERIAL RISKS OF THE GROUP (Continued)

### 本集團的重大風險(續)

Risks description 風險描述	Major control measures and risk mitigation 主要監控措施及風險對策	Changes of risk level from last year 風險水平較上年變化
<p><b>Foreign exchange and interest risk</b> 外匯及利率風險</p>	<ul style="list-style-type: none"> <li>• Foster communication with financial institutions and market analysis institutions to interpret the dynamics of financial market and make specific adjustments to financing structure</li> <li>• Increase loans in RMB to reduce the ratio of loans in USD to directly mitigate risks</li> <li>• Lock up exposure of liabilities in foreign currencies, including foreign liabilities arising from daily operation and financing, using foreign financing products, such as forward contracts and options</li> <li>• Closely monitor various important economic data published by the People's Bank of China and the Federal Reserve and keep abreast with its interest rate policy</li> <li>• Obtain quotations for interest rate swap from financial institutions regularly and utilize financial instruments in a timely manner to switch from floating to fixed interest rate</li> </ul>	<p>↓</p> <p>Causes of the trend:</p> <ul style="list-style-type: none"> <li>• Substantial part exposure to foreign currency liabilities has been locked up</li> <li>• Structure of the financings in various currencies has been optimized gradually</li> </ul>
<p>匯率波動可能導致重大外幣損失，影響本集團的原料採購成本以及融資成本。倘若美元／人民幣的匯率波動加劇，本集團的盈利能力可能將面臨重大不確定性。</p> <p>倘若銀行現行利率上升，浮動計息的負債或會導致本集團融資成本增加。</p>	<ul style="list-style-type: none"> <li>• 加強與金融機構及市場分析機構的溝通，瞭解金融市場動向，針對性的調整融資結構</li> <li>• 增加人民幣貸款以減低美元貸款比例，直接降低風險</li> <li>• 利用遠期合約、期權等外匯金融產品來鎖定外幣負債敞口，包括日常經營的外幣負債及融資性外幣負債</li> <li>• 密切關注中國人民銀行及美聯儲的各項重要經濟數據，對其利率政策持續關注</li> <li>• 與金融機構保持常規利率掉期報價，適時利用金融工具將浮動利率變為固定利率</li> </ul>	<p>↓</p> <p>形成趨勢的原因：</p> <ul style="list-style-type: none"> <li>• 大多數的外幣負債敞口已經被鎖定</li> <li>• 各幣種融資結構在逐漸優化</li> </ul>





## 管理層討論及分析

## MANAGEMENT DISCUSSION AND ANALYSIS

### MATERIAL RISKS OF THE GROUP

(Continued)

### 本集團的重大風險(續)

Risks description 風險描述	Major control measures and risk mitigation 主要監控措施及風險對策	Changes of risk level from last year 風險水平較上年變化
<b>Financing risk</b> 融資風險		
<p>The Group is now in the stage of business expansion with higher financing needs. In the event that the financial institutions which provide the existing facilities cease to offer such financing to the Group or banking facilities on similar terms and the Group fails to obtain alternatives, the Group may not have sufficient funds for its commitment of capital projects and may restrict or hinder the business operation of the Group.</p>	<ul style="list-style-type: none"><li>• Enhance the transparency of the Group's operation for banks' understanding and maintain good working relationship between the Group and financial institutions</li><li>• Monitor various financing indicators in real-time and provide timely alerts to ensure compliance in respect of various indicators</li><li>• Diversify the portfolio of financial institutions and financing products</li><li>• Devise a reasonable spread for financing with different terms to strike a balance between financing costs and risks</li></ul>	 Unchanged
<p>本集團目前處於業務擴張階段，有較高的融資需要。倘若提供現有融資的金融機構停止向本集團提供有關融資或類似條款的銀行融資，而本集團亦未能另覓新的融資，則本集團或不能獲得足夠的資金用於資本項目投入，因而可能限制或阻礙本集團的業務營運。</p>	<ul style="list-style-type: none"><li>• 增強銀行對於集團運行狀況瞭解的透明度，維護好本集團與融資機構的合作關係</li><li>• 實時監控各項融資指標，及時預警，確保各項指標不違約</li><li>• 增加融資機構和融資產品組合的多樣性</li><li>• 合理配置不同期限的融資，兼顧融資成本及融資風險</li></ul>	 無變動

# 管理層討論及分析

## MANAGEMENT DISCUSSION AND ANALYSIS

### MATERIAL RISKS OF THE GROUP (Continued)

### 本集團的重大風險(續)

Risks description 風險描述	Major control measures and risk mitigation 主要監控措施及風險對策	Changes of risk level from last year 風險水平較上年變化
<p><b>Customer credit management risk</b> 客戶信用管理風險</p>	<ul style="list-style-type: none"> <li>• Monitor and evaluate credit terms granted to customers regularly</li> <li>• Monitor the collectability of receivables in real-time and provide alerts and warnings for amount overdue and customers with abnormal business operation</li> <li>• Closely monitor market dynamics and operation of customers to devise plan for customer visit and collect the latest information of customers</li> <li>• Enhance customer reconciliation system</li> <li>• Adopt collectability of receivables as a criterion of staff performance assessment to promote staff members' awareness of payment demand</li> <li>• Arrange export credit insurance for all overseas customers with newly established relationship</li> </ul>	<p>↑</p> <p>Causes of the trend:</p> <ul style="list-style-type: none"> <li>• Increasing business volume and business type lead to increasing total receivables</li> <li>• Unfavorable operation environment in the textile industry spurs operation risk for customers</li> </ul>
<p>本集團以生產各式各樣的產品為重點，不依賴於某單一客戶。本集團擁有客戶逾3,000家，客戶眾多且地區分布分散。由於市場環境嚴峻，加上有部份客戶要求延長信用期，本集團面對應收賬款的壞賬風險。</p>	<ul style="list-style-type: none"> <li>• 監察及定期評估客戶的賬期</li> <li>• 實時監督應收款情況，對超期以及業務營運異常的客戶的應收賬款進行預警提示</li> <li>• 密切關注市場動態和客戶經營情況，制定客戶拜訪的計劃，瞭解客戶最新信息</li> <li>• 改善客戶對賬機制</li> <li>• 將應收款的回收情況納入業務員績效考核，增強業務人員的催款意識</li> <li>• 對於所有剛剛合作的海外客戶均辦理出口信用保險</li> </ul>	<p>↑</p> <p>形成趨勢的原因：</p> <ul style="list-style-type: none"> <li>• 業務量及業務類型的不斷增加導致應收款總額增加</li> <li>• 紡織行業經營環境不佳造成客戶經營風險增加</li> </ul>

## 管理層討論及分析

# MANAGEMENT DISCUSSION AND ANALYSIS

### MATERIAL RISKS OF THE GROUP

(Continued)

### 本集團的重大風險(續)

Risks description 風險描述	Major control measures and risk mitigation 主要監控措施及風險對策	Changes of risk level from last year 風險水平較上年變化
<b>Product liability risk</b> 產品責任風險		
<p>The Group offers a wide range of products and its portfolio is ever-expanding, creating a huge risk of product liability for the Group. Although the Group has not incurred any material losses from product liability, there have been individual claims from customers in respect of product quality.</p>	<ul style="list-style-type: none"><li>• Increase efforts on quality control and devise improvement solutions for quality fluctuation</li><li>• Control production process using state-of-the-art measurement equipment and online quality control system</li><li>• Improve production technology training for staff members and cultivate responsibility awareness of plant production staff and management members at each level</li><li>• Actively reach out to customers for product liability incidents and coordinate for resolution and hold relevant staff accountable internally</li></ul>	<p>↑ Causes of the trend:</p> <ul style="list-style-type: none"><li>• Increased product portfolio</li><li>• More stringent requirements on product quality and differentiation from customers</li></ul>
<p>本集團產品品種繁多，且新品種日益增加，對本集團產品責任帶來了巨大的風險。雖然本集團尚未因產品責任導致任何重大損失，但是存在客戶對於產品質量的個別索賠事件。</p>	<ul style="list-style-type: none"><li>• 加大質量監控力度並針對出現的質量波動進行改進攻關</li><li>• 利用先進的檢測儀器及在綫質量控制系統，對產品生產的過程進行控制</li><li>• 增加員工生產技術的培訓，提高工廠生產人員及各級管理人員的責任意識</li><li>• 就產品責任事件與客戶積極溝通，協調處理，對內追究相關人員責任</li></ul>	<p>↑ 形成趨勢的原因：</p> <ul style="list-style-type: none"><li>• 新品種增加</li><li>• 客戶對產品質量及差異化的要求提高</li></ul>



# 管理層討論及分析

## MANAGEMENT DISCUSSION AND ANALYSIS

### MATERIAL RISKS OF THE GROUP (Continued)

### 本集團的重大風險(續)

Risks description 風險描述	Major control measures and risk mitigation 主要監控措施及風險對策	Changes of risk level from last year 風險水平較上年變化
<p><b>Tax risk</b> 稅務風險</p>		
<p>The operation presence of the Group covers various countries and regions, including the Mainland China, Hong Kong, Macau, Vietnam, Cambodia, Turkey and North America. In the course of tax preparation and daily operation, we are subject to the following tax risks:</p> <ul style="list-style-type: none"> <li>• Risk of tax incompliance caused by misunderstanding of regional tax policies;</li> <li>• The interpretation of tax policies and the legal conformity of tax preparation must be confirmed by the tax administration authority. In the course of such confirmation, the enforcement of tax administration may be different.</li> </ul>	<ul style="list-style-type: none"> <li>• Engage financial officers familiar with local tax policies and regulations to conduct tax audit and handle tax examination of the government</li> <li>• Engage professional local tax consultation institutions for consultations on tax compliance advices, tax incentive policies and tax preparation solutions</li> <li>• Liaise with local tax authority frequently to have thorough understanding of change in tax policies and policy interpretation, thereby reducing risks of tax incompliance and enforcement of tax administration</li> </ul>	<p>↑ Causes of the trend:</p> <ul style="list-style-type: none"> <li>• Intensifying tax regulations in different countries</li> <li>• Increasing international coverage of operation presence, resulting in mounting overseas tax risk</li> </ul>
<p>本集團目前經營區域涵蓋中國大陸、香港、澳門、越南、柬埔寨、土耳其及北美等多個國家和地區，在稅務籌劃及日常運營過程中，我們面臨以下稅務風險：</p> <ul style="list-style-type: none"> <li>• 對地區性稅務政策理解有誤而產生的稅務違規風險；</li> <li>• 稅務政策解讀與稅務籌劃的合法性需要得到稅務行政部門的確認。在這一確認過程中，稅務行政執法可能出現偏差。</li> </ul>	<ul style="list-style-type: none"> <li>• 聘請熟悉當地稅務政策法規的財務人員進行稅務核算，應對政府稅務檢查</li> <li>• 聘請當地專業的稅務諮詢機構進行稅務合規建議、稅務優惠政策以及稅務籌劃方案諮詢</li> <li>• 與當地稅務機關緊密溝通，全面掌握稅務政策變動及政策解讀，減少稅務違規風險以及稅務行政執法風險。</li> </ul>	<p>↑ 形成趨勢的原因：</p> <ul style="list-style-type: none"> <li>• 各國稅收監管不斷增加</li> <li>• 經營區域日益國際化，凸顯海外稅務風險</li> </ul>

## 管理層討論及分析 MANAGEMENT DISCUSSION AND ANALYSIS

### MATERIAL RISKS OF THE GROUP (Continued)



### 本集團的重大風險 (續)

Risks description 風險描述	Major control measures and risk mitigation 主要監控措施及風險對策	Changes of risk level from last year 風險水平較上年變化
<p><b>Legal and other regulatory risk</b> 法律及其他監管風險</p>	<ul style="list-style-type: none"> <li>Engage qualified legal advisors or consultation institutions to review and provide advices on relevant documents to ensure legal compliance</li> <li>The company secretary is responsible for offering advices to the board of directors and board committees in respect of the latest legal, regulatory and governance matters and ensuring their awareness of such matters</li> </ul>	<p>↔ Unchanged</p>
<p>本集團作為一所於香港聯合交易所(「聯交所」)上市公司，必須遵守《證券及期貨條例》和聯交所《上市規則》以及本集團經營所在地的法律及法規。隨著社會經濟環境的變化，各國以及相關機構會不斷頒布更新公司管治、海外投資、商業、稅務及貿易等經濟事務的法律及規例。這些法律及法規的新增或變更均可能對本集團業務及前景造成負面影響。</p>	<ul style="list-style-type: none"> <li>聘請合資格的法律顧問或諮詢機構審閱相關文書並提出意見，確保遵從法律合規要求</li> <li>公司秘書負責向董事會及董事委員會就最新的法律、監管及管治事宜提供意見及確保他們得悉該等事宜</li> </ul>	<p>↔ 無變動</p>

## 管理層討論及分析 MANAGEMENT DISCUSSION AND ANALYSIS

### MATERIAL RISKS OF THE GROUP (Continued)

### 本集團的重大風險(續)

Risks description 風險描述	Major control measures and risk mitigation 主要監控措施及風險對策	Changes of risk level from last year 風險水平較上年變化
<b>Energy supply risk</b> 能源供應風險	<ul style="list-style-type: none"> <li>• Equip production factories subject to potential electricity shortage with generators to minimize the duration of electricity shortage</li> <li>• Conduct technological renovation on equipment to reduce energy consumption</li> <li>• Liaise with the government to seek permit for uninterrupted electricity supply</li> </ul>	 Unchanged
<p>本集團於製造過程中耗用大量的電力，電力供應短缺可能對本集團生產設施的運轉造成不利影響。</p>	<ul style="list-style-type: none"> <li>• 為可能出現電力短缺的生產工廠配備發電機，盡可能縮短電力供應短缺的時間</li> <li>• 對設備進行技術改造，降低能源消耗</li> <li>• 與政府溝通，盡可能獲取持續供應電力的許可</li> </ul>	 無變動

## 管理層討論及分析

## MANAGEMENT DISCUSSION AND ANALYSIS

### MATERIAL RISKS OF THE GROUP

(Continued)

### 本集團的重大風險(續)

Risks description 風險描述	Major control measures and risk mitigation 主要監控措施及風險對策	Changes of risk level from last year 風險水平較上年變化
<b>Human resources risk</b> 人力資源風險		
<p>The Group operates in a labour-intensive industry. While our new plant, with more advanced production facilities, has helped to reduce our deployment of labour force to a certain extent, our need in manpower remains relatively high compared to some other industrial segments. If we experience any labour shortage or technical inadequacy of its labour force, the efficiency in utilization of our production facilities will be impaired, and our profitability will be affected as a result.</p> <p>The Group has been expanding its operation abroad. The cultural difference between our foreign and Chinese employees may bring risk to the regular and normal operation of our Company.</p>	<ul style="list-style-type: none"><li>• Commence effective performance-based unit count in recognition of the principle of ‘better reward comes with greater contribution’</li><li>• Expand the scope of staff training to create a highly efficient and capable workforce</li><li>• Prepare and work further ahead on any decisions related to employees and that any issue which may arise will be promptly dealt with</li><li>• Address issue concerning the conditions of our canteen and staff quarters, enhance the quality of our employees’ livelihood, and improve our backup supporting service</li><li>• Train up and enhance the management capability of our management staff, roll out skill and capability reinforcement programme, strengthen the sense of belonging and honour of our staff</li><li>• Improve staff retention through maintaining and expanding our presence in the locality</li></ul>	 Unchanged
<p>本集團所處行業為勞動密集型行業，雖然新工廠配備了更為先進的生產設施，在一定程度上降低了勞工，但是相比其他行業，對於勞工的需求依然較高。若人員不足或人員生產技能不佳將導致生產設施利用效率降低，進而影響集團的盈利能力。</p> <p>本集團海外規模不斷擴大，海外員工與中國籍員工的文化差異可能為企業的正常運轉帶來風險。</p>	<ul style="list-style-type: none"><li>• 高效開展績效計件，體現多勞多得的原則</li><li>• 擴大員工培訓範疇，使得每個員工都具備高效的工作能力</li><li>• 關係到員工方面的決策需提前做好預案，出現問題及時解決</li><li>• 改善食堂、宿舍問題，提高員工生活質素，做好後勤保障服務</li><li>• 培訓提升管理人員的管理水平，開展活動提升員工的質素，增強員工對企業的認同感、榮譽感</li><li>• 為提升員工保有率，維護並擴大公司在當地的影響力</li></ul>	 無變動



# 管理層討論及分析

## MANAGEMENT DISCUSSION AND ANALYSIS

### MATERIAL RISKS OF THE GROUP (Continued)

### 本集團的重大風險(續)

Risks description 風險描述	Major control measures and risk mitigation 主要監控措施及風險對策	Changes of risk level from last year 風險水平較上年變化
<p><b>Environmental protection compliance risk</b> 環保合規風險</p>	<ul style="list-style-type: none"> <li>• Selectively pick our suppliers, enter into purchase agreements with suppliers which guarantee the raw materials supplied are in compliance with environmental protection standard (in particular dyestuff and chemicals)</li> <li>• Establish a factory internal check system and procedure in compliance with product-wise regular core environmental protection standard, set up a highly regulated control system and strictly implement it</li> <li>• Pay attention to news about development in environmental regulations, cause new factories to operate in strict compliance with any new regulations and existing factories to transform and upgrade their facilities in order to meet with environmental protection standard.</li> </ul>	<p>↑ Causes of the trend:</p> <ul style="list-style-type: none"> <li>• Increase in number of dyeing factories and higher risk in environmental governance</li> <li>• The PRC government tightens its control over environmental protection, which may affect the production operation of business enterprises</li> </ul>
<p>本集團生產過程須遵守各國或地區的環境保護法律及條例。本集團在過去並無因環境污染而被罰款或予以處罰，但是並不保證各國或地區政府不會於日後引入更嚴厲控制環境污染的新法律及條例。另外，本集團也因對下游產業投資而可能增加有關風險。</p>	<ul style="list-style-type: none"> <li>• 優選供應商，與供應商簽訂保證原料環保達標的供貨協議，尤其是染化料及化學品方面</li> <li>• 建立產品常規核心環保指標的工廠自檢系統與流程，建立規範的管理制度並嚴格執行</li> <li>• 關注環境法規方面的變動信息，對於新建工廠嚴格按照新法規執行，對於老工廠積極進行改造及設施升級，以達到新的環保合規標準</li> </ul>	<p>↑ 形成趨勢的原因：</p> <ul style="list-style-type: none"> <li>• 染廠項目增加，環境治理風險增加</li> <li>• 中國政府對環保方面的管制力度增加，或對企業的生產經營產生影響</li> </ul>
<p>現有環保法律及條例出現轉變，可能令本集團產生龐大的開支，以提升其現有環境保護設施的環保等級，本集團的盈利能力可能受不利影響。</p>		

# 企業管治報告

## CORPORATE GOVERNANCE REPORT

The Group is committed to maintaining a high level of corporate governance with an emphasis on the principles of transparency, accountability and independence. The Board believes that good corporate governance is essential to the success of the Group and the enhancement of shareholders' value.

### CORPORATE GOVERNANCE CODE (the "CG CODE")

The Company is committed to maintaining high level of corporate governance and has steered its development and protected the interests of its shareholders in an enlightened and open manner. The Board comprises five executive Directors and three independent non-executive Directors. The Board has adopted the code provisions of the Corporate Governance Code (the "Code Provisions") set out in Appendix 14 to the Listing Rules. During the reporting period, the Company had complied with the Code Provisions.

### THE BOARD

The Board currently comprises eight Directors and its composition is set out as follows:

#### Executive Directors:

Hong Tianzhu (*Chairman*)  
Zhu Yongxiang (*Vice Chairman and Chief Executive Officer*)  
Tang Daoping  
Hui Tsz Wai  
Ji Zhongliang

#### Independent non-executive Directors ("INEDs"):

Tao Xiaoming  
Cheng Longdi  
Ting Leung Huel, Stephen MH, FCCA, FCPA  
(PRACTISING), ACA, CTA(HK), FHKIoD

本集團致力維持高水平之企業管治，以強調高透明度、問責性及獨立性為原則。董事會相信優良之企業管治對本集團之成功及提升股東價值至為重要。

### 企業管治守則(「企業管治守則」)

本公司一直致力保持高水平企業管治，以開明和開放的理念維護本集團的發展及保障股東們的權益。董事會由五名執行董事及三名獨立非執行董事組成。董事會已採納載於上市規則附錄十四內企業管治守則的守則條文(「守則條文」)。於報告期內，本公司已遵守守則條文。

### 董事會

董事會目前由八名董事組成，其成員載列如下：

#### 執行董事：

洪天祝(主席)  
朱永祥(副主席兼行政總裁)

湯道平  
許子慧  
吉忠良

#### 獨立非執行董事(「獨立非執行董事」)：

陶肖明  
程隆棟  
丁良輝MH, FCCA, FCPA  
(PRACTISING), ACA, CTA(HK), FHKIoD

# 企業管治報告

## CORPORATE GOVERNANCE REPORT

### THE BOARD (Continued)

The brief biographical details of the Directors are set out in the “Directors and Senior Management” section on pages 62 to 65. There was no relationship (including financial, business, family or other material/relevant relationship) among members of the Board.

The Company has three INEDs representing more than one-third of the Board. At least one of the INEDs has appropriate professional qualifications or accounting or related financial management expertise under Rule 3.10 of the Listing Rules. The Board has received from each INED an annual confirmation of his independence and considers that all the INEDs are independent under the guidelines set out in Rule 3.13 of the Listing Rules.

The Board meets regularly to discuss the overall strategy as well as the operation and financial performance of the Group, and to review and approve the Group’s annual and interim results. During the year, four Board meetings and one general meeting were held and attendance of each Director at the Board meetings and the general meeting is set out as follows:

### 董事會(續)

董事之履歷詳情載於第62至65頁之「董事及高級管理層」一節內。董事會成員間概無任何關係(包括財務、業務、家庭或其他重大/相關關係)。

本公司之三名獨立非執行董事佔董事會人數多於三分之一。根據上市規則第3.10條，至少一名獨立非執行董事必須具備適當之專業資格或會計或相關財務管理專業知識。董事會已接獲每名獨立非執行董事有關其獨立性之年度確認書，並認為所有獨立非執行董事均具備上市規則第3.13條所載之指引下之獨立性。

董事會定期召開會議，討論本集團之整體策略以及營運及財政表現，並審閱及批准本集團之全年及中期業績。於年內，已舉行四次董事會會議及一次股東大會，各董事出席董事會會議及股東大會之情況如下：

		Number of Board meetings attended/held 出席／舉行董事會會議次數	Number of General meetings attended/held 出席／舉行股東大會次數
<b>Executive Directors:</b>	<b>執行董事：</b>		
Hong Tianzhu (Chairman)	洪天祝 (主席)	4/4	1/1
Zhu Yongxiang (Vice Chairman and Chief Executive Officer)	朱永祥(副主席兼行政總裁)	4/4	1/1
Tang Daoping	湯道平	4/4	1/1
Hui Tsz Wai	許子慧	4/4	1/1
Ji Zhongliang	吉忠良	4/4	1/1
<b>Independent Non-Executive Directors:</b>	<b>獨立非執行董事：</b>		
Cheng Longdi	程隆棣	4/4	1/1
Ting Leung Huel, Stephen MH, FCCA, FCPA (PRACTISING), ACA, CTA(HK), FHKIoD	丁良輝 MH, FCCA, FCPA (PRACTISING), ACA, CTA(HK), FHKIoD	4/4	1/1
Tao Xiaoming	陶肖明	4/4	1/1

## 企業管治報告 CORPORATE GOVERNANCE REPORT

### THE BOARD (Continued)

The Board has reserved for its decision or consideration matters covering mainly the Group's overall strategy, investment plans, annual and interim results, recommendations on Directors' appointment or reappointment, material contracts and transactions as well as other significant policies and financial matters. The Board has delegated the day-to-day responsibility to the senior management under the supervision of the Board.

Board meetings are scheduled to be held at approximately quarterly intervals and as required by business needs. At least 14 days' notice of a Board meeting is normally given to all Directors who are given an opportunity to include matters for discussion in the agenda. The company secretary assists the chairman of the Board in preparing the agenda for meetings and ensures that all applicable rules and regulations are complied with. The agenda and the accompanying Board papers are normally sent to all Directors at least three days before the intended date of a regular Board meeting (and so far as practicable for other Board meetings). Draft minutes of each Board meeting are circulated to all Directors for their comment before the same will be tabled at the following Board meeting for approval. All minutes are kept by the company secretary and are open for inspection at any reasonable time on reasonable notice by any Director.

Every Director is entitled to have access to Board papers and related materials and has access to the advice and services of the company secretary. The Board and each Director also have separate and independent access to the Company's senior management. Directors will be continuously updated on the major development of the Listing Rules and other applicable regulatory requirements to ensure compliance and upkeep of good corporate governance practices.

### 董事會(續)

經董事會決定或考慮之事宜包括本集團整體策略、投資計劃、全年及中期業績、董事委任或重新委任之建議、重大合約及交易，以及其他重大政策及財務等事宜。董事會已將日常職責委派予高級管理層，並由董事會監督。

董事會會議預定為約每季及按業務需要而舉行。召開董事會會議一般會給予全體董事至少十四天之通知，以便彼等皆有機會提出商討事項列入會議議程。公司秘書協助董事會主席編製會議議程，以及確保已遵守所有適用規則及規例。議程及隨附之董事會文件一般在舉行定期董事會會議（及就可行情況下，其他董事會會議）前至少三天發呈全體董事。每份董事會會議記錄之初稿於提交下一次董事會會議審批前，先供全體董事傳閱並提出意見。所有會議記錄均由公司秘書保存，並供任何董事於發出合理通知時，於任何合理時間內查閱。

每名董事有權查閱董事會文件及相關資料，及可向公司秘書尋求意見及服務。董事會及各董事亦可個別及獨立地接觸本公司之高級管理層。董事將獲持續提供上市規則及其他適用監管規定之最新發展之資料，以確保彼等遵守及秉持優秀企業管治常規。

# 企業管治報告

## CORPORATE GOVERNANCE REPORT

### DIRECTORS' CONTINUOUS PROFESSIONAL DEVELOPMENT

To ensure the Directors' contribution to the Board remains informed and relevant and in compliance with paragraph A.6.5 of the CG Code, the Company would arrange and fund suitable continuous professional development for the Directors to participate in order to develop and refresh their knowledge and skills.

During the year ended 31 December 2018, the Company had provided all the Directors with regular updates regarding the Company's performance as well as updates on latest amendments and developments to the Listing Rules and other relevant legal and regulatory requirements from time to time.

### DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct ("the Securities Code") regarding securities transactions by Directors and officers on terms no less exacting than the required standard set out in the Model Code ("Model Code") for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules.

A copy of the Securities Code has been sent to each Director of the Company first on his/her appointment and thereafter twice annually, 30 days and 60 days before the date of the Board meetings to approve the Company's interim result and annual result respectively, with a reminder that the Director cannot deal in the securities and derivatives of the Company until after such results have been published, and that all his dealings must be conducted in accordance with the Securities Code.

Under the Securities Code, the Directors are required to notify Mr. Hong Tianzhu or Mr. Zhu Yongxiang or a Director (other than himself/herself) designated by the Board for the specific purpose (the "Designated Director") and receive a dated written acknowledgement from such Designated Director before dealing in the securities and derivatives of the Company.

During the year ended 31 December 2018, the Company, having made specific enquiry on all the Directors, confirms that all the Directors have complied with the required standard set out in the Securities Code and the Model Code.

### 董事之持續專業發展

為確保董事在具備全面資訊及切合所需之情況下對董事會作出貢獻，符合企業管治守則第A.6.5條，本集團為董事安排及出資支持適合之持續專業發展項目，供學習及更新知識及技能。

於截至二零一八年十二月三十一日止年度，本公司向全體董事提供有關本公司表現之定期更新，亦不時向全體董事提供有關上市規則以及其他相關法律及監管規定之最新修訂及發展之最新資料。

### 董事進行之證券交易

本公司已就有關董事及主要人員進行之證券交易採納一套操守守則(「《證券守則》」)，條款不遜於上市規則附錄十上市發行人董事進行之證券交易的標準守則(「《標準守則》」)所載之要求標準。

《證券守則》之副本已於本公司每名董事首次獲委任時，及其後每年兩次(分別於批准本公司中期業績及全年業績而召開之董事會會議日期前30天及60天送交各董事，連同之備忘錄列明，在有關業績刊發前，董事不得買賣本公司證券及衍生工具，而一切買賣均須根據《證券守則》進行。

根據《證券守則》，董事在買賣本公司之證券及衍生工具前，須知會洪天祝先生或朱永祥先生或董事會就特定目的而指定之一名董事(「指定董事」)(除該董事本身外)，並接獲該指定董事發出具有日期之書面確認。

於截至二零一八年十二月三十一日止年度，本公司經向全體董事作出特定查詢後，確認所有董事已一直遵守《證券守則》及《標準守則》所載之標準。



# 企業管治報告

## CORPORATE GOVERNANCE REPORT

### ROLES OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Code A.2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

Mr. Hong Tianzhu is the chairman of the Company. Mr. Zhu Yongxiang is the vice chairman and chief executive officer of the Company.

### TERM OF APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

Each of Mr. Ting Leung Huel Stephen, Professor Cheng Longdi, Professor Tao Xiaoming has been appointed as an independent non-executive Director for an initial term of one year commencing from their respective date of appointment as an INED renewable automatically for successive term of one year each commencing from the next day after the expiry of the then current term of appointment, unless terminated by not less than three months' notice in writing served by either the independent non-executive Director or the Company expiring at the end of the initial term or at any time thereafter. The Company has paid an annual director's fee of HKD300,000 to Mr. Ting Leung Huel Stephen, HKD150,000 to Professor Cheng Longdi, and HKD180,000 to Professor Tao Xiaoming for the year ended 31 December 2018. Save for the above directors' fees, none of the independent non-executive Directors has received any other remuneration for holding their office as an independent non-executive Director.

### BOARD COMMITTEES

The Board has established a remuneration committee (the "Remuneration Committee"), an audit committee (the "Audit Committee") and the nomination committee (the "Nomination Committee"), each of which has its specific written terms of reference. Copies of minutes of all meetings and resolutions of the committees, which are kept by the company secretary, are circulated to all Board members and the committees are required to report back to the Board on their decision and recommendations where appropriate. The procedures and arrangements for a Board meeting, as mentioned on page 35 in the section "The Board" above, have been adopted for the committee meetings so far as practicable.

### 主席及行政總裁之角色

守則A.2.1規定主席與行政總裁的角色應有區分，並不應由一人同時兼任。

洪天祝先生為本公司的主席。朱永祥先生為本公司的副主席兼行政總裁。

### 獨立非執行董事之委任任期

丁良輝先生、程隆棣教授及陶肖明教授已獲委任為獨立非執行董事，首任年期為一年，由彼等各自獲委任為獨立非執行董事之日期開始，自當時委任任期屆滿翌日起自動連任一年，惟獨立非執行董事或本公司於首任到期時或之後任何時間以不少於三個月書面通知終止委任除外。本公司已就截至二零一八年十二月三十一日止年度分別向丁良輝先生、程隆棣教授及陶肖明教授支付年度董事袍金300,000港元、150,000港元及180,000港元。除上述董事袍金外，並無任何獨立非執行董事預期可就擔任其獨立非執行董事的職位收取任何其他酬金。

### 董事委員會

董事會已成立薪酬委員會（「薪酬委員會」）、審核委員會（「審核委員會」）及提名委員會（「提名委員會」），並以書面具體列明其職權範圍。所有委員會之會議記錄及決議案均由公司秘書保存，並提供副本予全體董事會成員傳閱，而各委員會需按其決定及建議（倘適合）向董事會匯報。董事會會議之程序及安排（於上文第35頁「董事會」一節提述）已按可行情況在每次委員會會議上採納。

# 企業管治報告

## CORPORATE GOVERNANCE REPORT

### BOARD COMMITTEES (Continued)

#### Remuneration Committee

The Company has established the Remuneration Committee since November 2004, which currently comprises three independent non-executive Directors of the Company, namely Mr. Ting Leung Huel, Stephen, Professor Tao Xiaoming and Professor Cheng Longdi and the chairman and an executive Director of the Company, namely Mr. Hong Tianzhu. The chairman of the Remuneration Committee is Mr. Ting Leung Huel, Stephen. The Remuneration Committee has adopted terms of reference which are in line with the code provisions of the CG Code. The Remuneration Committee is provided with sufficient resources to discharge its duties and has access to independent professional advice in accordance with the Company's policy if considered necessary.

The major roles and functions of the Remuneration Committee are:

- (a) to make recommendations to the Board on the Company's policy and structure for all directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
- (b) to review and approve the management's remuneration proposals with reference to the board's corporate goals and objectives;
- (c) to make recommendations to the board on the remuneration packages of individual executive Directors and senior management, this should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
- (d) to make recommendations to the Board on the remuneration of non-executive Directors;
- (e) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;

### 董事委員會(續)

#### 薪酬委員會

本公司自二零零四年十一月起已成立薪酬委員會，現時該委員會由本公司三名獨立非執行董事組成，包括丁良輝先生、陶肖明教授及程隆棣教授及本公司主席兼執行董事洪天祝先生。薪酬委員會主席為丁良輝先生。薪酬委員會已採納符合企業管治守則守則條文的職權範圍。薪酬委員會獲提供充裕資源以履行其職務，並可按本公司政策在有需要時尋求獨立專業意見。

薪酬委員會之主要角色及職能如下：

- (a) 就本公司全體董事及高級管理人員的薪酬政策及架構，及就設立正規而具透明度的程序制訂薪酬政策，向董事會提出建議；
- (b) 因應董事會所訂企業方針及目標而檢討及批准管理層的薪酬建議；
- (c) 就個別執行董事及高級管理人員的薪酬待遇向董事會提供推薦建議。此應包括非金錢利益、退休金權利及賠償金額（包括喪失或終止職務或委任的賠償）；
- (d) 就非執行董事的薪酬向董事會提出建議；
- (e) 考慮同類公司支付的薪酬、須付出的時間及職責以及本集團內其他職位的僱用條件；

# 企業管治報告

## CORPORATE GOVERNANCE REPORT

### BOARD COMMITTEES (Continued)

#### Remuneration Committee (Continued)

- (f) to review and approve compensation payable to executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;
- (g) to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate; and
- (h) to ensure that no director or any of his associates is involved in deciding his own remuneration.

The Remuneration Committee shall meet at least once a year. One committee meeting was held in 2018 to review and discuss the existing policy and structure for the remuneration of Directors, the remuneration packages of both the executive and non-executive Directors and the attendance of each member is set out as follows:

Committee member	委員會成員	Number of committee meeting attended/held 出席／舉行委員會會議之次數
Ting Leung Huel, Stephen	丁良輝	1/1
Hong Tianzhu	洪天祝	1/1
Tao Xiaoming	陶肖明	1/1
Cheng Longdi	程隆棣	1/1

In addition to the Committee meetings, the Remuneration Committee also dealt with matters by way of circulation during 2018. The remuneration payable to Directors will depend on their respective contractual terms under their employment or service contracts as approved by the Board on the recommendation of the Remuneration Committee.

In order to attract, retain and motivate the senior executives and key employees of the Group, including the executive Directors, the Company adopted a share option scheme (the "Share Option Scheme") in April 2014 for a term of ten years. Details of the share option scheme are set out in the Directors' Report on pages 70 to 72 and note 16 to the financial statements.

### 董事委員會(續)

#### 薪酬委員會(續)

- (f) 檢討及批准向執行董事及高級管理人員就其喪失或終止職位或委任而須支付的賠償，以確保該等賠償與合約條款一致；若未能與合約條款一致，賠償亦須公平合理，不致過多；
- (g) 檢討及批准因董事行為失當而解僱或罷免有關董事所涉及的賠償安排，以確保該等安排與合約條款一致；若未能與合約條款一致，有關賠償亦須合理適當；及
- (h) 確保任何董事或其任何聯繫人不得參與釐定他自己的薪酬。

薪酬委員會每年須至少召開一次會議。於二零一八年已舉行一次委員會會議，以審議及討論董事之現行薪酬政策及架構，執行董事及非執行董事之薪酬待遇，而各成員之出席情況如下：

除委員會會議外，薪酬委員會亦於二零一八年內透過傳閱方式處理事宜。應付董事之薪酬將視乎薪酬委員會向董事會提供之建議獲批准後，並按各自之僱傭或服務合約內之條款而釐定。

本公司已於二零一四年四月採納一項購股權計劃(「購股權計劃」)以吸引、延攬及推動本集團高級行政人員及主要僱員(包括執行董事)，為期十年。購股權計劃詳情載於董事會報告第70至72頁及財務報表附註16。

# 企業管治報告

## CORPORATE GOVERNANCE REPORT

### BOARD COMMITTEES (Continued)

#### Audit Committee

The Audit Committee has been established since November 2004, the current members of the Audit Committee are Mr. Ting Leung Huel, Stephen, Professor Tao Xiaoming and Professor Cheng Longdi. The chairman of the Audit Committee is Mr. Ting Leung Huel, Stephen. To retain independence and objectivity, the Audit Committee has been chaired by an INED with appropriate professional qualifications or accounting or related financial management expertise. The Audit Committee has adopted terms of reference, which are in line with the code provisions of the CG Code. The Audit Committee is provided with sufficient resources to discharge its duties and has access to independent professional advice according to the Company's policy if considered necessary.

The major roles and functions of the Audit Committee are:

- (a) to be primarily responsible for making recommendation to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of resignation or dismissal of that auditor;
- (b) to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standard;
- (c) to develop and implement policy on the engagement of an external auditor to supply non-audit services;
- (d) to monitor integrity of financial statements of the Company and the Company's annual report and accounts, half-year report and, if prepared for publication, quarterly reports, and to review significant financial reporting judgments contained in them, and to review the Company's annual report and accounts, half-year report and, if prepared for publication, quarterly reports before submission to the Board;
- (e) to discuss problems and reservations arising from the interim and final audits, and any matters the auditors may wish to discuss;
- (f) to review the Company's financial controls, risk management and internal control systems;

### 董事委員會(續)

#### 審核委員會

審核委員會自二零零四年十一月成立，現有成員為丁良輝先生、陶肖明教授及程隆楸教授。審核委員會主席為丁良輝先生。為保持獨立性及客觀性，審核委員會由一名具備合適專業資格或會計或相關財務管理專業知識之獨立非執行董事擔任主席。審核委員會已採納符合企業管治守則守則條文的職權範圍。審核委員會獲提供充裕資源以履行其職務，並可按本公司之政策在有需要時尋求獨立專業意見。

審核委員會之主要角色及職能：

- (a) 主要負責向董事會就委任、重新委任及罷免外聘核數師提出建議，以及批准外聘核數師之薪酬及聘用條款，並處理任何有關該核數師辭任或辭退該核數師之問題；
- (b) 根據適用準則檢討及監察外聘核數師之獨立性及客觀性及審核程序之效率；
- (c) 研究及實施委任外聘核數師提供非審核服務的政策；
- (d) 監察本公司財務報表及本公司年度報告及賬目、中期報告及季度報告(倘編製供刊發之用)的完整性，並審核其中的重大財務報告判斷，及於本公司的年度報告及賬目、中期報告及季度報告(倘編製供刊發之用)呈交董事會之前先行審核；
- (e) 商議就中期審核及年終審核而產生之任何問題及保留事項，及核數師擬商討之任何事宜；
- (f) 檢討本公司之財務監控、風險管理及內部監控系統；

# 企業管治報告

## CORPORATE GOVERNANCE REPORT

### BOARD COMMITTEES (Continued)

#### Audit Committee (Continued)

- (g) to discuss with the management the risk management and internal control systems and ensure that management has discharged its duty to have effective systems;
- (h) to consider any findings of major investigations of risk management and internal control matters as delegated by the Board or on its own initiative and management's response;
- (i) to review the Group's financial and accounting policies and practices; and
- (j) to review the external auditor's management letter, any material queries raised by the auditor to management in respect of the accounting records, financial accounts or systems of control and management's response.

The Audit Committee shall meet at least twice a year. Two committee meetings were held in 2018 and the attendance of each member is set out as follows:

### 董事委員會(續)

#### 審核委員會(續)

- (g) 與管理層討論風險管理及內部監控系統及確保管理層已盡其職責以達至有效之系統；
- (h) 考慮董事會授予或自發進行之風險管理內部監控事項之主要調查之任何結果以及管理層之回應；
- (i) 審核本集團的財務及會計政策及常規；及
- (j) 審核外聘核數師的管理函件、核數師就會計記錄、財務賬目或控制系統向管理層提出的任何重大提問，及管理層的回應。

審核委員會每年須至少召開兩次會議。於二零一八年已舉行兩次委員會會議，而各成員之出席情況如下：

Committee member	委員會成員	Number of committee meeting attended/held 出席／舉行委員會會議之次數
Ting Leung Huel, Stephen	丁良輝	2/2
Tao Xiaoming	陶肖明	2/2
Cheng Longdi	程隆棣	2/2

During the meetings held in 2018, the Audit Committee had performed the work as summarised below:

- (i) reviewed and approved the audit scope and fees proposed by the external auditor regarding the final audit of the Group for the year ended 31 December 2017 (the "2017 Final Audit");
- (ii) reviewed the external auditor's report of findings in relation to the 2017 Final Audit;

於二零一八年舉行之會議，審核委員會已履行之工作概述如下：

- (i) 檢討及批准外聘核數師建議之本集團截至二零一七年十二月三十一日止年度之年終審核(「二零一七年年終審核」)之核數範圍及費用；
- (ii) 檢討外聘核數師之二零一七年年終審核結果之報告；



# 企業管治報告

## CORPORATE GOVERNANCE REPORT

### BOARD COMMITTEES (Continued)

#### Audit Committee (Continued)

- (iii) reviewed the financial reports for the year ended 31 December 2017 and for the six months ended 30 June 2018; and
- (iv) reviewed the effectiveness of internal control system of the Group including financial, operational and compliance control and risk management functions of the Group.

There was no disagreement between the Board and the Audit Committee on the selection, appointment, resignation or dismissal of the external auditors.

#### Nomination Committee

On 19 March 2012, the Board has approved the establishment of the Nomination Committee which became effective on 1 April 2012. The current members of Nomination Committee comprises an executive Director and the chairman of the Company, Mr. Hong Tianzhu and three independent non-executive Directors, namely Professor Tao Xiaoming, Professor Cheng Longdi and Mr. Ting Leung Huel, Stephen. The chairman of the Nomination Committee is Mr. Hong Tianzhu. The Nomination Committee has adopted terms of reference which are in line with the code provisions of the CG Code. The Nomination Committee is provided with sufficient resources to discharge its duties and has access to independent professional advice in accordance with the Company's policy if considered necessary.

The major roles and functions of the Nomination Committee are:

- (a) to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the board to complement the Company's corporate strategy;
- (b) to identify individuals suitably qualified to become members of the Board and select or make recommendations to the Board on the selection of individuals nominated for directorships;
- (c) to assess the independence of the independent non-executive Directors;

### 董事委員會(續)

#### 審核委員會(續)

- (iii) 檢討截至二零一七年十二月三十一日止年度及截至二零一八年六月三十日止六個月之財務報告；及
- (iv) 檢討本集團內部監控制度，包括本集團的財務、營運及合規控制情況及風險管理功能的有效性。

董事會及審核委員會就甄選、委聘、退任或罷免外聘核數師並無意見分歧。

#### 提名委員會

於二零一二年三月十九日，董事會批准成立提名委員會，於二零一二年四月一日生效。提名委員會現任成員包括執行董事兼本公司主席洪天祝先生，及三名獨立非執行董事，即陶肖明教授、程隆棣教授及丁良輝先生。提名委員會主席為洪天祝先生。提名委員會已採納與企業管治守則的守則條文一致的職權範圍。提名委員會獲提供足夠資源履行職務，並已考慮在適當情況下，根據本公司政策尋求獨立專業意見。

提名委員會的主要職位及功能如下：

- (a) 至少每年檢討董事會的架構、人數及組成(包括技能、知識及經驗方面)，並為配合本公司的企業策略而擬對董事會作出調整向董事會提出建議；
- (b) 物色具備合適資格可擔任董事的人士，並挑選提名有關人士出任董事或就此向董事會提供意見；
- (c) 評估獨立非執行董事的獨立性；

# 企業管治報告

## CORPORATE GOVERNANCE REPORT

### BOARD COMMITTEES (Continued)

#### Nomination Committee (Continued)

- (d) to make recommendations to the Board on:
- (i) the role, responsibilities, capabilities, skills, knowledge and experience required from members of the Board;
  - (ii) the policy on the terms of employment of non-executive Directors;
  - (iii) the composition of the Audit Committee, Remuneration Committee and other board committees of the Company;
  - (iv) proposed changes to the structure, size and composition of the Board;
  - (v) candidates suitably qualified to become members of the Board;
  - (vi) the selection of individuals nominated for directorship;
  - (vii) the re-election by shareholders of the Company of any Directors who are to retire by rotation having regard to their performance and ability to continue to contribute to the Board;
  - (viii) the continuation (or not) in service of any independent non-executive Director serving more than nine years and to provide recommendation to the shareholders of the Company as to how to vote in the resolution approving the re-election of such independent non-executive Director;
  - (ix) the appointment or re-appointment of Directors;
  - (x) succession planning for Directors in particular the chairman and the chief executive; and
  - (xi) the policy concerning diversity of Board members;

### 董事委員會(續)

#### 提名委員會(續)

- (d) 向董事會就下列事宜作出推薦建議：
- (i) 作為董事會成員所應有的角色、責任、能力、技能、知識及經驗；
  - (ii) 委聘非執行董事條件的政策；
  - (iii) 本公司審核委員會、薪酬委員會及其他董事會委員會的組成；
  - (iv) 董事會的架構、人數及組成擬作出的變動；
  - (v) 具備合適資格擔任董事的候選人；
  - (vi) 挑選被提名人士出任董事；
  - (vii) 由本公司股東重新委任輪流退任董事，於此，須考慮其工作表現及對董事會繼續作出貢獻的能力；
  - (viii) 在任多於九年的獨立非執行董事的去留問題，並就是否贊成批准該等獨立非執行董事連任的決議案向本公司股東提供建議；
  - (ix) 委任或重新委任董事；
  - (x) 董事接替計劃(尤其是主席及行政總裁)；及
  - (xi) 有關董事會成員多元化的政策；

# 企業管治報告

## CORPORATE GOVERNANCE REPORT

### BOARD COMMITTEES (Continued)

#### Nomination Committee (Continued)

- (e) to give full consideration to the following in the discharge of its duties as mentioned above or elsewhere in these terms of reference:
  - (i) succession planning of Directors;
  - (ii) leadership needs of the Group with a view of maintaining or fostering the competitive edge of the Group over others;
  - (iii) changes in market environment and commercial needs of the market in which the Group operates;
  - (iv) the skills and expertise required from members of the Board;
  - (v) the Board's policy concerning diversity of Board members adopted from time to time; and
  - (vi) the relevant requirements of the Listing Rules with regard to directors of a listed issuer;
- (f) in respect of any proposed service contracts to be entered into by any members of the Group with its director or proposed director, which require the prior approval of the shareholders of the Company at general meeting under rule 13.68 of the Listing Rules, to review and provide recommendations to the shareholders of the Company (other than shareholders who are directors with a material interest in the relevant service contracts and their respective associates) as to whether the terms of the service contracts are fair and reasonable and whether such service contracts are in the interests of the Company and the shareholders as a whole, and to advise shareholders on how to vote;
- (g) to ensure that on appointment to the Board, non-executive Directors receive a formal letter of appointment setting out what is expected of them in terms of time commitment, committee service and involvement outside meetings of the Board;
- (h) to conduct exit interviews with any Director upon their resignation in order to ascertain the reasons for his departure; and
- (i) to consider other matters, as defined or assigned by the Board from time to time.

### 董事委員會(續)

#### 提名委員會(續)

- (e) 在履行上述責任或本職權範圍項下的其他責任，對下列各項給予充分考慮：
  - (i) 董事繼任計劃；
  - (ii) 本集團為保持或加強本集團的競爭優勢所需要的領導才能；
  - (iii) 市場環境的轉變及本集團營運市場的商業需要；
  - (iv) 董事會成員所須具備的技能及專才；
  - (v) 董事會不時採納有關董事會成員多元化的政策；及
  - (vi) 上市規則對上市發行人的董事的相關要求；
- (f) 檢討及就所有按上市規則第 13.68 條須事先取得本公司股東於股東大會上批准的現董事或建議委任董事與本集團任何成員的擬定服務合同，就該議定服務合同條款的公平及合理性、服務合同對本公司及股東而言是否整體有利及本公司股東應怎樣作出表決，向本公司股東（而身為董事並在該等服務合同中有重大利益的股東和彼等各自聯繫人除外）提呈建議；
- (g) 確保非執行董事獲邀加入董事會時收到正式的聘書，其中列明公司期望非執行董事投入的時間、應盡的服務和在董事會會議以外的參與；
- (h) 會見辭去本公司董事職責的董事並瞭解其離職原因；及
- (i) 考慮董事會不時確定或委派的其他事項。

# 企業管治報告

## CORPORATE GOVERNANCE REPORT

### DIRECTOR NOMINATION POLICY

The director nomination policy of Company aims to set out the criteria and process in the nomination and appointment of directors of the Company; ensure that the board (the "Board") of directors of the Company has a balance of skills, experience and diversity of perspectives appropriate to the Company; and ensure the Board continuity and appropriate leadership at Board level.

### Criteria for nomination and appointment of Directors

The criteria for selecting any candidate for directorship are set out as follows:

- bringing an independent judgment and make constructive recommendation on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conducts;
- taking the lead where potential conflicts of interests arise;
- serving on the Audit Committee, and the Remuneration Committee and the Nomination Committee (in the case of candidate for Non-Executive Director) and other relevant Board Committees, if invited;
- devoting sufficient time to the Board and/or any Committee(s) on which he or she serves so as to allow them to benefit from his or her skills, expertise, and varied backgrounds and qualifications and diversity through attendance and participation in the Board;
- scrutinising the Company's performance in achieving agreed corporate goals and objectives, and monitoring the reporting of performance;
- ensuring the Nomination Committees on which he or she serves to perform their powers and functions conferred on them by the Board; and
- conforming to any requirement, direction and regulation that may from time to time be prescribed by the Board or contained in the constitutional documents of the Company or imposed by legislation or the Listing Rules, where appropriate.

### 董事提名政策

本公司董事提名政策旨在載列本公司提名及委任董事的準則及程序；確保本公司的董事會（「董事會」）成員具備切合本公司業務所需的技能、經驗及多元觀點；及確保董事會的持續性及維持其領導角色。

### 董事提名及委任標準

甄選董事候選人的標準如下：

- 就策略、政策、表現、職責、資源、主要委任及操守準則等事項作出獨立判斷及提供建設性建議；
- 於發生潛在利益衝突時發揮領導作用；
- 服務於審核委員會、薪酬委員會及提名委員會（如為非執行董事候選人）以及其他相關董事委員會（如獲邀請）；
- 對董事會及／或所服務的任何委員會投入充足時間，從而透過出席及參與董事會而令董事會及任何委員會受惠於其技能、專長、各種背景及資格以及多元觀點；
- 監察本公司在達致議定企業宗旨及目標方面的表現以及監督相關表現的申報情況；
- 確保所服務的提名委員會履行董事會授予的權力及職能；及
- 遵守董事會不時訂定或本公司章程文件不時所載或法例或上市規則不時施加的任何規定、指示及規例（如適用）。

# 企業管治報告

## CORPORATE GOVERNANCE REPORT

### DIRECTOR NOMINATION POLICY (Continued)

If the candidate is proposed to be appointed as an INED, his or her independence shall be assessed in accordance with, among other things, the factors as set out in Rule 3.13 of the Listing Rules, subject to any amendments as may be made by the Stock Exchange from time to time. Where applicable, the totality of the candidate's education, qualifications and experience shall also be evaluated to consider whether he or she has the appropriate professional qualifications or accounting or related financial management expertise for filling the office of an INED with such qualifications or expertise as required under Rule 3.10(2) of the Listing Rules.

### Nomination process

#### (a) Appointment of New Director

- (i) The Nomination Committee and/or the Board should, upon receipt of the proposal on appointment of new director and the biographical information (or relevant details) of the candidate, evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.
- (ii) If the process yields one or more desirable candidates, the Nomination Committee and/or the Board should rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable).
- (iii) The Nomination Committee should then recommend to the Board to appoint the appropriate candidate for directorship, as applicable.
- (iv) For any person that is nominated by a shareholder for election as a director at the general meeting of the Company, the Nomination Committee and/or the Board should evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.

Where appropriate, the Nomination Committee and/or the Board should make recommendation to shareholders in respect of the proposed election of director at the general meeting.

### 董事提名政策(續)

如建議委任候選人為獨立非執行董事，則須根據(其中包括)上市規則第3.13條(經聯交所可能不時作出修訂)所載的因素評估其獨立性。如適用，則亦須評估該候選人的學歷、資格及經驗等整體情況，以考慮其是否具備合適的專業資格或會計或相關財務管理專長(即上市規則第3.10(2)條所規定的相關資格或專長)以擔任獨立非執行董事。

### 提名程序

#### (a) 委任新董事

- (i) 提名委員會及／或董事會應在收到委任新董事的建議及候選人的履歷資料(或相關詳情)後，依據上述準則評估該候選人，以判斷該候選人是否合資格擔任董事。
- (ii) 如過程涉及一個或多個合意的候選人，提名委員會及／或董事會應根據本公司的需要及各候選人的證明審查(如適用)排列彼等的優先次序。
- (iii) 提名委員會隨後應就委任合適人選擔任董事一事向董事會提出推薦意見(如適用)。
- (iv) 就任何經由股東提名於本公司股東大會上選舉為董事的人士，提名委員會及／或董事會應依據上述準則評估該候選人，以判斷該候選人是否合資格擔任董事。

倘適合，提名委員會及／或董事會應就於股東大會上選舉董事的提案向股東提出推薦意見。



# 企業管治報告

## CORPORATE GOVERNANCE REPORT

### DIRECTOR NOMINATION POLICY (Continued)

#### Nomination process (Continued)

##### (b) Re-election of Director at General Meeting

- (i) The Nomination Committee and/or the Board should review the overall contribution and service to the Company of the retiring director and the level of participation and performance on the Board.
- (ii) The Nomination Committee and/or the Board should also review and determine whether the retiring director continues to meet the criteria as set out above.
- (iii) The Nomination Committee and/or the Board should then make recommendation to shareholders in respect of the proposed re-election of director at the general meeting.

Where the Board proposes a resolution to elect or re-elect a candidate as director at the general meeting, the relevant information of the candidate will be disclosed in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting in accordance with the Listing Rules and/or applicable laws and regulations.

##### (c) Re-election of INED at General Meeting

Where the Board proposes a resolution to elect an individual as an INED at the general meeting, it should set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting:

- (i) the process used for identifying the individual and why the Board believes the individual should be elected and the reasons why it considers the individual to be independent;
- (ii) if the proposed INED will be holding their seventh (or more) listed company directorship, why the Board believes the individual would still be able to devote sufficient time to the Board;
- (iii) the perspectives, skills and experience that the individual can bring to the Board; and
- (iv) how the individual contributes to diversity (including gender diversity) of the Board.

### 董事提名政策(續)

#### 提名程序(續)

##### (b) 於股東大會上重選董事

- (i) 提名委員會及／或董事會應檢討退任董事對本公司的整體貢獻及服務，以及在董事會的參與程度及表現。
- (ii) 提名委員會及／或董事會亦應檢討及確定退任董事是否仍然符合上文所載標準。
- (iii) 提名委員會及／或董事會其後應就於股東大會上重選董事的提案向股東提出推薦意見。

若董事會擬於股東大會上提呈決議案選舉或重選某候選人為董事，隨附有關股東大會通告的致股東通函及／或說明函件中，將會按上市規則及／或適用法律及法規要求披露候選人的相關資料。

##### (c) 於股東大會上重選獨立非執行董事

倘董事會提呈一項決議案於股東大會上選任某人士為獨立非執行董事，則須於相關股東大會通告隨附的致股東通函及／或說明函件內載明：

- (i) 用以物色該名人士的流程，董事會認為應選任該名人士的理由以及認為該名人士屬獨立人士的原因；
- (ii) 如建議獨立非執行董事將出任第七家(或以上)上市公司的董事，董事會認為該名人士仍可投入足夠時間履行董事責任的原因；
- (iii) 該名人士可為董事會帶來的觀點與角度、技能及經驗；及
- (iv) 該名人士如何促進董事會成員多元化(包括性別多元化)。

# 企業管治報告

## CORPORATE GOVERNANCE REPORT

### DIRECTOR NOMINATION POLICY (Continued)

The Nomination Committee will conduct regular review on the structure, size and composition of the Board and this Policy and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy and business needs, to comply with all applicable laws and regulations from time to time and maintain good corporate governance practice.

On 5 August 2013, the Board adopted a board diversity policy which aims to set out the approach to achieve diversity on the Board. All Board appointments will be based on merit while taking into account diversity including gender diversity. The Nomination Committee will regularly review the measurable objectives to ensure its effectiveness to achieve diversity on the Board. The following measurable objectives have been set for implementing the board diversity policy:

- inclusion of candidates for Board members with overseas working experience (outside of PRC);
- ensuring that there is no limitation on gender on selection of Directors;
- inclusion of candidates for Board members with working experience in other industries; and
- inclusion of candidates for Board members with knowledge and skills in different aspects.

As at the date of this annual report, the above objectives have been achieved, 7 out of 8 members of the Board have overseas working experience and 2 out of 8 members of the Board have accounting or other professional qualifications.

### 董事提名政策(續)

提名委員會將會定期為董事會的架構、規模及組成及本政策舉行檢討，並在有需要時向董事會提出修訂建議，以完善本公司的企業策略及切合本公司的業務需要，以不時遵守所有適用的法律及法規以及維持良好企業管治常規。

董事會於二零一三年八月五日採納董事會成員多元化政策，旨在羅列達成董事會成員多元化的方法。董事會內任命的原則是任人唯才，亦考慮到多元性，包括性別多元。提名委員會將定期審閱可計量目標，確保有效達成董事會多元化。已就執行董事會多元化政策而訂立以下可計量目標：

- 董事會的候選董事應包括具備海外(中國境外)工作經驗者；
- 應確保不限性別地選任董事；
- 董事會的候選董事應包括具備其他行業工作經驗者；及
- 董事會的候選董事應具備不同領域的知識及技術。

於本年報日期，上述目標已達成，8名董事會成員中有7名具備海外工作經驗及8名董事會成員中有2名具備會計或其他專業資格。

## 企業管治報告 CORPORATE GOVERNANCE REPORT

### DIRECTOR NOMINATION POLICY (Continued)

The Nomination Committee shall meet at least once a year. One committee meeting was held in 2018 to review the structure and composition of the Board and the re-election of the retiring Directors and the attendance of each member is set out as follows:

### 董事提名政策(續)

提名委員會每年須至少召開一次會議。於二零一八年已舉行一次委員會會議，以檢討董事會的架構及組織，以及重選退任董事，而各成員之出席情況如下：

Committee member	委員會成員	Number of committee meeting attended/held 出席／舉行委員會會議之次數
Hong Tianzhu	洪天祝	1/1
Tao Xiaoming	陶肖明	1/1
Cheng Longdi	程隆棣	1/1
Ting Leung Huel, Stephen	丁良輝	1/1

The Nomination Committee has adopted a written nomination procedure (the “Nomination Procedure”) specifying the process and criteria for the selection and recommendation of candidates for directorship of the Company. The Nomination Committee shall, based on those criteria as set out in the Nomination Procedure (such as appropriate experience, personal skills and time commitment etc.), identify and recommend the proposed candidate to the Board for approval of an appointment.

提名委員會已採納一套以書面列載之提名程序(「提名程序」)，具體列明本公司董事候選人之挑選及推薦程序及準則。提名委員會會根據提名程序所載之該等準則(如恰當資歷、個人專長及投放時間等)向董事會物色及建議人選以予批准委任。

New Directors, on appointment, will be given an induction package containing all key legal and Listing Rules’ requirements as well as guidelines on the responsibilities and obligations to be observed by a Director. The package will also include the latest published financial reports of the Company and the documentation for the corporate governance practices adopted by the Board. The senior management will subsequently conduct such briefing as is necessary to give the new Directors more detailed information on the Group’s businesses and activities.

新董事在獲委任後將會取得一套入職資料文件，載有所有主要法律及上市規則規定，以及有關董事應遵守之責任及義務之指引。資料文件亦包括本公司最新公佈之財務報告及董事會採納之企業管治常規文件。高級管理層其後將於有需要時提供說明，並為新董事提供本集團業務及活動之詳細資料。

# 企業管治報告

## CORPORATE GOVERNANCE REPORT

### CORPORATE GOVERNANCE PRACTICES

The Company has not set up any corporate governance committee. Since April 2012, the Board has adopted written terms of reference in compliance with the code provisions of the CG Code.

The Board is mainly responsible for keeping the effectiveness of the corporate governance and system of internal non-financial controls of the Group. The Board shall introduce and propose relevant principles concerning corporate governance and to review and determine the corporate governance policy, so as to enhance and to ensure a high standard of corporate governance practices in the Group.

During the year, the Board regularly reviews and monitors the training and continuous professional development of the Directors, and the Company's policies and practices on compliance with legal and regulatory requirements.

### ACCOUNTABILITY AND AUDIT

#### Financial Reporting

The Directors acknowledge their responsibility for preparing, with the support from finance department, the financial statements of the Group. In preparing the financial statements for the year ended 31 December 2018, the requirements of the Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure requirements of the Listing Rules and the Companies Ordinance were complied with.

The reporting responsibilities of the Company's external auditor, Messrs. PricewaterhouseCoopers, are set out in the Auditor's Report on pages 126 to 132.

#### Risk Management and Internal Control

##### Framework

The risk management and internal controls system will assist the Group to fully achieve its strategic objective by identifying and assessing all the risk exposure of the Group and setting down corresponding control measures, with a view to attain the long-term vision of the Group. We believe that effective risk management and internal controls system will enhance shareholders' value in the long term. The risk faced by the Group directly relates to its control measures and mitigation plan.

### 企業管治常規

本公司並無設立任何企業管治委員會。由二零一二年四月起，董事會採納符合企業管治守則內各項守則條文的書面職權範圍。

董事會主要負責維持本集團的企業管治及內部非財務監控系統的有效性。董事會將就企業管治引用及建議相關守則，並審閱及釐定企業管治政策，以提高及確保本集團的高標準企業管治常規。

年內，董事會定期檢討並審視董事的培訓及持續專業發展，以及本公司遵行法定及監管要求的政策及常規。

### 問責及核數

#### 財務匯報

於財務部之協助下，董事確認彼等編製本集團財務報表之責任。截至二零一八年十二月三十一日止年度之財務報表已按照香港會計師公會頒佈之香港財務報告準則、香港會計準則及詮釋，以及上市規則及公司條例之適用披露規定而編製。

本公司外聘核數師羅兵咸永道會計師事務所之匯報責任載於第126至132頁之核數師報告。

#### 風險管理及內部監控

##### 框架

風險管理及內部監控系統藉著識別和評估本集團所面臨的各項風險，並制定相關的監控措施，協助本集團全面實現戰略目標，進而達成本集團的長期願景。我們相信有效的風險管理及內部監控系統能提升長遠的股東價值。本集團所面對的風險與其監控措施及對策有直接關聯。

# 企業管治報告

## CORPORATE GOVERNANCE REPORT

### ACCOUNTABILITY AND AUDIT (Continued)

#### Risk Management and Internal Control (Continued)

##### Framework (Continued)

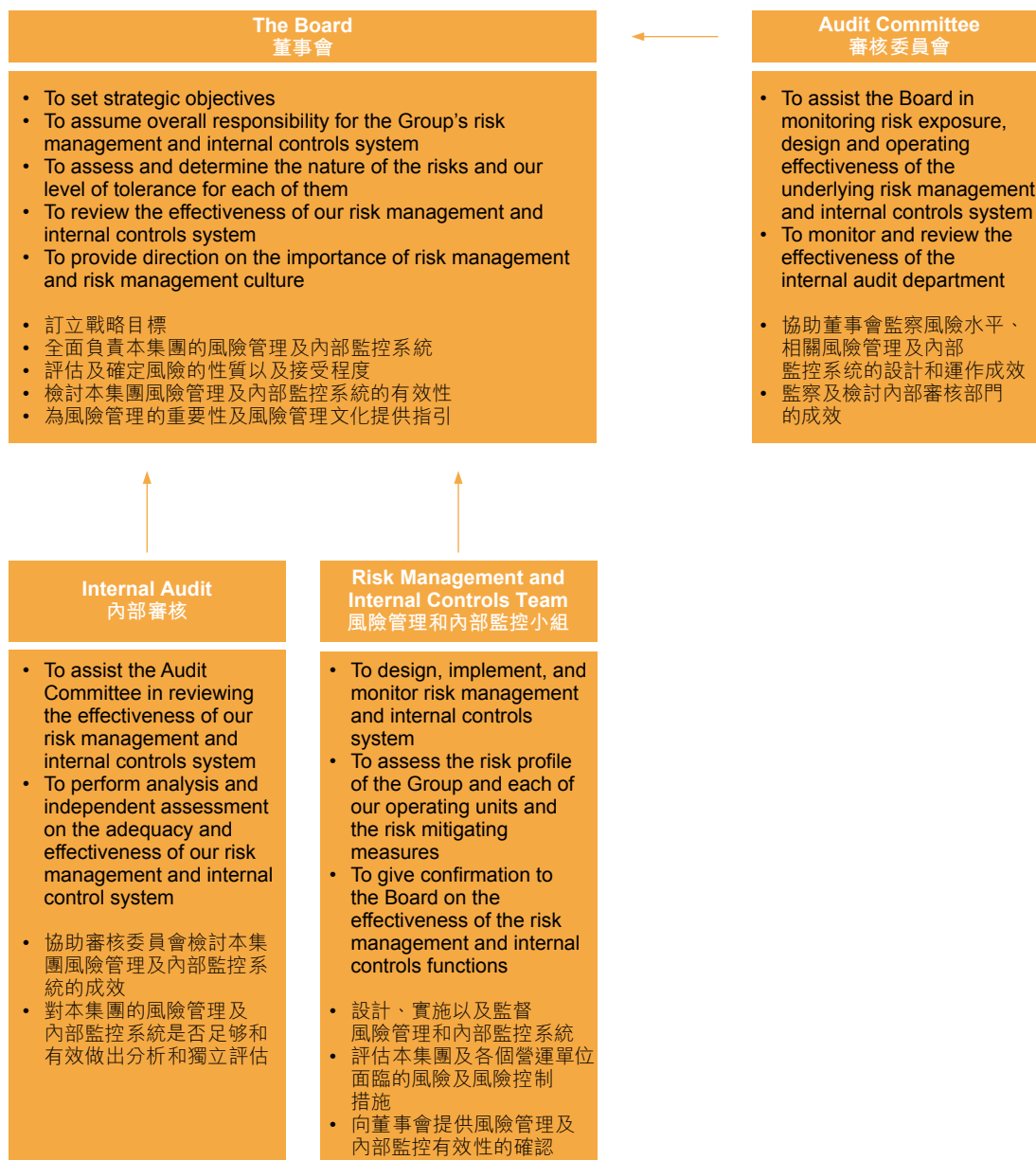
Accordingly, the risk management and internal controls framework of our Group is as follows:

### 問責及核數(續)

#### 風險管理及內部監控(續)

##### 框架(續)

由此，本集團的風險管理及內部監控框架如下：





# 企業管治報告

## CORPORATE GOVERNANCE REPORT

### ACCOUNTABILITY AND AUDIT (Continued) Risk Management and Internal Control (Continued) Framework (Continued)

The operating model of the Group's risk management and internal control framework conforms to the internal controls framework of COSO (the Committee of Sponsoring Organizations of the Treadway Commission) in the following five aspects:

- **Control Environment**

The Group has established a clear organization structure and delegated powers necessary to perform different business functions to management at different levels but it is subject to the limit set by the Board. The Board meets regularly to discuss and approve the business strategies and working plans set by each operating units. The Group will report our financial performance to the Board on monthly basis.

Our governance rules and requirements are very transparent to employees. We hope to build up risk awareness and internal controls responsibility in our corporate culture by creating an internal organizational environment driven by the management operating philosophy, risk awareness, integrity and ethical values.

- **Risk Assessment**

The Group identifies, assesses and grades the risks that are most relevant to the success of the Group based on the possibility of occurrence and the impact on the financial result of the risk). Risk management and internal controls team is responsible for setting the appropriate tone from the top, performing risk assessment, as well as taking care of the design, implementation and maintenance of internal controls. Meanwhile, it requires department heads from each of the operating units to identify operating risks from the bottom in order to determine the major risks and the risk levels of the Group.

- **Control Activities**

The Group has policy and procedure in place for all business functions, including authorization, approval and audit, recommendation, performance review, asset protection and division of duty, to ensure effective execution of organization objectives and mitigation of risk activities.

### 問責及核數(續)

#### 風險管理及內部監控(續) 框架(續)

本集團風險管理及內部監控框架運作方式與 COSO 委員會 (the Committee of Sponsoring Organizations of the Treadway Commission) 內部監控框架一致，包括下列五方面內容：

- **監控環境**

建立清晰的組織架構，授予各級管理層經營不同業務職能所需的權力，惟其權力範圍受到董事會設定的限制。董事會定期開會討論及通過各營運單位所制定的業務策略及工作計劃。本集團的財務表現亦會每月向董事會報告。

公司管治守則及制度規定對僱員均非常透明，我們希望在企業文化中建立風險意識及內部監控責任感，營造以管理運作理念、風險意識、誠信及道德價值驅動的內部組織環境。

- **風險評估**

本集團識別、評估、並就與本集團成功與否最為有關的風險進行評級（根據該等風險發生的可能性及其對財務結果的影響）。風險管理及內部監控小組負責「自上而下」為監控定調、風險評估及設計、執行、維護內部控制，同時「自下而上」要求各營運單位主管參與識別營運風險，從而釐定本集團的主要風險及風險等級。

- **監控活動**

本集團為各業務功能設定政策及程序，包括授權、批准及審核、建議、表現檢討、資產保障及職責分工，確保有效執行組織目標及減低風險活動。

# 企業管治報告

## CORPORATE GOVERNANCE REPORT

### ACCOUNTABILITY AND AUDIT (Continued)

#### Risk Management and Internal Control (Continued)

##### Framework (Continued)

- *Information and Communication*  
The risk management and internal controls team performs risk assessment and prepare the Annual Report of Risk Management on a semi-annual basis, which sets out the identified risks and related control procedures. The report will be submitted to the Board and reviewed by the Audit Committee annually.
- *Monitoring*  
The Group self-assesses its controls and risks by internal review and circulating major control procedures to its employees to maintain continuous monitoring of the internal control procedures. Rectification will be made according to findings of the control procedures in order to improve internal monitoring.

#### Risk Management and Internal Controls Team

##### Composition

A risk management and internal controls team has been set up by the Group in 2016, which comprises Mr. Tang Daoping (executive Director and chief operation officer), Mr. Hui Tsz Wai (executive Director) and Mr. Ji Zhongliang (executive Director), and members including general manager and department head from each of our operating units, and general managers and department head of finance and human resources department of our subsidiaries. Mr. Hong Tianzhu, an executive Director and chairman of the Group and Mr. Zhu Yongxiang, an executive Director and vice chairman and chief executive officer of the Group act as advisors of the working team.

### 問責及核數(續)

#### 風險管理及內部監控(續)

##### 框架(續)

- *資訊及溝通*  
風險管理及內部監控小組每半年進行一次風險評估工作，編制《風險管理年度報告》，載明所識別的風險及其相關監控程序，報告將提交董事會，並由審核委員會每年審閱。
- *監察工作*  
本集團實行自我評估監控及風險，透過內部評審及向僱員傳達關鍵的監控程序，以持續監控內部控制流程。因應監控過程的結果作出修正，以改善內部監控活動。

#### 風險管理和內部監控小組

##### 成員構成

本集團自二零一六年起成立風險管理和內部監控小組，小組包括執行董事兼營運總裁湯道平先生、執行董事許子慧先生和執行董事吉忠良先生，小組成員包括各營運單位總經理及主要負責人、各附屬公司總經理以及財務和人事部門主要負責人。本集團執行董事兼主席洪天祝先生和執行董事兼副主席及行政總裁朱永祥先生出任工作小組顧問。

# 企業管治報告

## CORPORATE GOVERNANCE REPORT

### ACCOUNTABILITY AND AUDIT (Continued)

#### Risk Management and Internal Control (Continued)

##### Risk Management and Internal Controls Team (Continued)

###### Major Tasks

Set out below are the major responsibilities of our risk management and internal control team:

- The team shall formulate proposal and plan for building and promotion of corporate culture in risk awareness and to lead in providing risk management training.
  - The team shall prepare and conduct annual and interim reviews on risk profile and formulate mitigating measures.
  - The team shall summarize and analyze the findings of the review exercise, to advise any modification to the risk management strategy, to lead and assist relevant departments in formulating counter measures in addressing any material risks.
  - It shall conduct annual internal evaluation on its own risk management function, to lead and mobilize the establishment and modification of risk management and internal controls system, to give guidance to subsidiaries on initiation of setting up of risk management system.
  - It shall prepare the Annual Report on Risk Management and submit the same to our Audit Committee for review and approval.
  - It shall be responsible to formulate or modify the relevant risk management and internal controls system and to oversee its implementation, to give guidance and assist the subsidiaries on setting up and optimizing their risk management practical measures.
  - It shall be responsible for the organization, compiling of minutes and oversight of implementation of relevant resolutions concerning the risk management function in the meetings of the Audit Committee and Board meetings.
  - It shall strictly comply its plan to counter risks by implementing the measures stipulated therein and to monitor the work rate and efficiency of such implementation on an ongoing basis, and advise on remedy in a timely manner.
  - It shall monitor the status and development of any risk events and formulate and devise contingency plan in a timely manner, to forthwith report or inform the Audit Committee on such matters.
- 問責及核數(續)**  
**風險管理及內部監控(續)**  
**風險管理和內部監控小組(續)**
- 主要工作內容**  
下文列載風險管理及內部監控團隊之主要職責：
- 制定公司風險文化培育與宣貫工作方案和計劃，組織風險管理培訓。
  - 組織開展年度或階段性風險評估及應對工作。
  - 對評估結果匯總分析，提出風險管理策略調整建議，組織並協助相關部門制定重大風險應對方案。
  - 對年度風險管理工作情況進行自評估，組織推動風險管理及內部監控體系的建設和改進提升，指導附屬公司開展風險管理體系建設。
  - 編制《風險管理年度報告》，並提交本集團審核委員會審核。
  - 負責擬定或修訂風險管理及內部監控相關制度並監督落實，指導和協助附屬公司制定完善具體風險的管理辦法。
  - 負責審核委員會會議及董事會會議有關風險管理部分的組織、會議紀要的整理和決議事項的督促落實。
  - 嚴格根據風險應對計劃，實施應對措施，並持續監控應對計劃的執行效率和效果，及時提請修正。
  - 監控風險事件的變化狀態，適時制定和啓動應急預案，並及時向審核委員會通報或備案。

# 企業管治報告

## CORPORATE GOVERNANCE REPORT

### ACCOUNTABILITY AND AUDIT (Continued) Risk Management and Internal Control (Continued) Risk Management and Internal Controls Team (Continued)

#### Work Accomplished in 2018

Our risk management and internal controls team held two meetings in 2018, and reported twice to the Audit Committee and the Board on the annual risk assessment and findings of internal controls review. The team accomplished the following work in 2018:

1. issued relevant documents on risk assessment and internal controls within the Group to enhance its risk management culture;
2. performed a general review on the major risk exposure of the Group, especially in areas relating to raw material purchase, foreign exchange and exchange rate, credit management and taxation;
3. discussed the possible risk and impact on operating result with department heads from each of our operating units;
4. reviewed and improved corresponding internal controls measure;
5. prepared and submitted the annual report on risk assessment and internal controls to the Audit Committee and the Board.

Details of the major risks of the Group are set out in the "Management Discussion and Analysis" section on pages 24 to 34.

#### Review of Internal Controls Effectiveness

For the year ended 31 December 2018, our Board had reviewed the representations made by the management in respect of risk management and internal controls, and considered that our Group's risk management and internal controls system effective and adequate. No significant areas of weaknesses and deficiency that might have affected the financial, operational, compliance controls and risk management functions of the Group were identified. The Board is of the view that the resources, qualification and experience of staff of the Group's accounting, internal audit and financial reporting functions, and their training and budget are adequate.

### 問責及核數(續) 風險管理及內部監控(續) 風險管理和內部監控小組(續)

#### 二零一八年已完成工作

風險管理和內部監控小組於二零一八年舉行了兩次會議，並就年度風險評估及內部監控檢討結果向審核委員會和董事會彙報兩次。該小組於二零一八年已完成工作包括：

1. 本集團內部下刊發風險評估及內部監控相關文件，增強了本集團的風險管理文化；
2. 全面審視本集團面對的重大風險，尤其是有關原料採購、外匯及匯率、信用管理及稅務方面所涉及的風險；
3. 與各營運單位主管討論風險發生的可能性及對經營結果的影響；
4. 檢討及完善相應的內部監控措施；
5. 編制風險評估及內部監控年度報告，提報審核委員會及董事會。

有關本集團主要風險的詳情載列於第24至34頁之「管理層討論及分析」一節內。

#### 檢討內部監控成效

截至二零一八年十二月三十一日止年度，董事會已檢討管理層關於風險管理及內部監控有效性的聲明，認為本集團風險管理及內部監控系統有效及足夠，未發現任何可能影響集團財務監控、運作監控、合規監控以及風險管理職能的重要風險監控缺失事項。董事會認為本集團會計、內部審核及財務彙報職能方面的資源、員工資歷及經驗，以及員工所接受的培訓及預算是足夠的。

# 企業管治報告

## CORPORATE GOVERNANCE REPORT

### ACCOUNTABILITY AND AUDIT (Continued)

#### Risk Management and Internal Control (Continued)

##### Review of Internal Controls Effectiveness (Continued)

The risk management and internal controls system is designed to manage rather than eliminate the risk of failure to achieve our business objectives. Like all other systems, it could not entirely eliminate the impact of all unforeseeable risks and events beyond our control that might emerge and occur during the course of our operation. Consequently, the Board may only provide reasonable, but not absolute, assurance that there was no significant misrepresentation or deficiency as to the completeness and effectiveness of our Group's risk management and internal controls.

##### Disclosure of Inside Information

Regarding procedures and measures of internal controls for the handling and dissemination of inside information, the Group:

1. is aware of its obligation under the Securities and Futures Ordinance, the Listing Rules and the overriding principle that inside information should be announced on a timely manner;
2. conducts its affairs in strict compliance with the applicable laws and regulations prevailing in Hong Kong;
3. has implemented and disclosed its policy on fair disclosure by pursuing broad, non-exclusive distribution of information to the public through channels such as financial reporting, announcements and its website;
4. has included in the Code of Conduct a strict prohibition on the unauthorized use of non-public or inside information;
5. has communicated to all relevant staff regarding the implementation of the Continuous Disclosures Policy and relevant trainings are also provided.

### 問責及核數(續)

#### 風險管理及內部監控(續)

##### 檢討內部監控成效(續)

風險管理及內部監控系統旨在管理而非消除未能達成業務目標的風險。與所有其他系統一樣，該系統並不能完全排除經營過程中遇到的不可預測風險及不可控事件等因素的影響。因此，董事會只能對本集團風險管理及內部監控的完整及有效性不會有重大的失實陳述或損失作出合理而非絕對的保證。

##### 內幕消息的披露

有關處理及發布內幕消息的程序及內部監控措施，本集團：

1. 知悉根據證券及期貨條例、上市規則以及首要原則，其有責任及時公布內幕消息；
2. 嚴格遵照香港現行適用法律及法規執行本公司事務；
3. 透過財務報告、公佈及其網站等途徑，向公眾廣泛及非獨家地披露資料，以實施及披露其公平披露政策；
4. 已將嚴格禁止非授權使用保密及內幕消息的規定納入其行為操守守則；
5. 已向所有相關人員傳達有關實施持續披露政策的執行情況並提供相關培訓。



# 企業管治報告

## CORPORATE GOVERNANCE REPORT

### ACCOUNTABILITY AND AUDIT (Continued)

#### External Auditor's Remuneration

During the year, the remuneration paid and payable to the Company's external auditor, Messrs. PricewaterhouseCoopers, is set out as follows:

### 問責及核數(續)

#### 外聘核數師之酬金

於年內，已付及應付本公司外聘核數師羅兵咸永道會計師事務所之酬金載列如下：

Services rendered to the Group	向本集團提供之服務	Paid/ Payable 已付/應付費用 RMB'000 人民幣千元
Annual audit service	年度審核服務	4,000
Non-audit services (including consulting service for transfer pricing and agreed-upon procedures for selected financial information of the Group, financial due diligence and preliminary announcement of results)	非審核服務(包括轉移訂價的顧問服務及本集團特選財務資料，財務盡職調查及初步業績公佈的協定程序)	1,430
Total:	合計：	5,430

### COMMUNICATION WITH SHAREHOLDERS

The Board recognizes the importance of good communication with shareholders. Information in relation to the Group is disseminated to shareholders in a timely manner through a number of formal channels, which include interim and annual reports, announcements and circulars.

The Company's annual general meeting (the "AGM") is a valuable forum for the Board to communicate directly with the shareholders. The chairman actively participated in the AGM held during the year and personally chaired the meeting to answer any questions from the shareholders. A separate resolution had been proposed by the chairman in respect of each issue to be considered at the AGM. An AGM circular and AGM notice had been distributed to all shareholders in accordance with the requirements of the articles of association of the Company and the Listing Rules, setting out details of each proposed resolution, voting procedures and other relevant information. The chairman explained the procedures for conducting a poll at the beginning of the AGM, and answered any questions from shareholders regarding voting by way of poll.

### 與股東之溝通

董事會瞭解與股東保持良好聯繫之重要性。有關本集團之資料乃按時透過多種正式途徑向股東傳達，包括中期報告及年報、公佈及通函。

本公司股東週年大會(「股東週年大會」)乃董事會直接與股東聯繫之寶貴機會。主席於年內舉行之股東週年大會上積極回應任何股東之查詢。主席已就每項在股東週年大會上審議之議題提呈個別之決議案。股東週年大會通函及通告已根據本公司組織章程細則及上市規則之規定發送予全體股東，該通函及通告載列每項擬提呈決議案之詳情、投票程序及其他相關資料。主席於股東週年大會開始時，已解釋以投票方式進行表決之程序，已回答股東就按股數投票之任何提問。

# 企業管治報告

## CORPORATE GOVERNANCE REPORT

### SHAREHOLDERS' RIGHTS

#### Procedures for shareholders to convene an extraordinary general meeting

The following procedures for shareholders (the "Shareholders", each a "Shareholder") of the Company to convene an extraordinary general meeting (the "EGM") of the Company are prepared in accordance with Article 64 of the articles of association of the Company:

1. One or more Shareholders (the "Requisitionist(s)") holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings shall have the right, by written notice (the "Requisition"), to require an EGM to be called by the Directors for the transaction of any business specified therein.
2. Such Requisition shall be made in writing to the Board or the company secretary of the Company via email at the email address of the Company at [main@texhong.com](mailto:main@texhong.com).
3. The EGM shall be held within two months after the deposit of such Requisition.
4. If the Directors fail to proceed to convene such meeting within 21 days of the deposit of such Requisition, the Requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the Requisitionist(s) as a result of the failure of the Directors shall be reimbursed to the Requisitionist(s) by the Company.

#### Procedures for raising enquiries

1. Shareholders should direct their questions about their shareholdings, share transfer, registration and payment of dividend to the Company's branch share registrar in Hong Kong, details of which are set out in the section headed "Corporate Information" of this annual report.
2. Shareholders may at any time raise any enquiry in respect of the Company via email at the email address of the Company at [main@texhong.com](mailto:main@texhong.com).
3. Shareholders are reminded to lodge their questions together with their detailed contact information for the prompt response from the Company if it deems appropriate.

### 股東權利

#### 股東召開股東特別大會之程序

下列本公司股東(「股東」, 各為一名「股東」)召開股東特別大會(「股東特別大會」)之程序, 乃根據本公司組織章程細則第64條所編製:

1. 於遞呈要求日期持有不少於本公司繳足股本十分之一的任何一名或多名有權於股東大會上投票的股東(「呈請人」)通過書面通知有權要求董事會召開股東特別大會(「呈請」), 以處理有關要求中指明之任何事項。
2. 有關呈請須以書面形式並透過發送電郵至本公司電郵地址 [main@texhong.com](mailto:main@texhong.com) 向本公司董事會或公司秘書提出。
3. 股東特別大會將於遞呈呈請後兩個月內召開。
4. 倘董事未能在呈請遞交後21天內召開股東特別大會, 則呈請人以同樣方式可自行召開股東特別大會, 而因董事未能召開該大會令呈請人產生的所有合理費用, 本公司須向呈請人進行償付。

#### 提出查詢的程序

1. 股東如對名下股權、股份轉讓、登記及派付股息有任何疑問, 應向本公司香港股份過戶登記分處提出, 其詳情載於本年報「公司資料」一節內。
2. 股東可隨時透過發送電郵本公司電郵地址 [main@texhong.com](mailto:main@texhong.com) 提出任何有關本公司的查詢。
3. 倘股東提出問題時, 務請留下彼等詳細聯絡資料以便本公司適時迅速回應。

# 企業管治報告

## CORPORATE GOVERNANCE REPORT

### SHAREHOLDERS' RIGHTS (Continued)

#### Procedures and contact details for putting forward proposals at shareholders' meetings

1. To put forward proposals at a general meeting of the Company, a Shareholder should lodge a written notice of his/her/its proposal (the "Proposal") with his/her/its detailed contact information via email at the email address of the Company at [main@texhong.com](mailto:main@texhong.com).
2. The identity of the Shareholder and his/her/its request will be verified with the Company's branch share registrar in Hong Kong and upon confirmation by the branch share registrar that the request is proper and in order and made by a Shareholder, the Board will include the Proposal in the agenda for the general meeting.
3. The notice period to be given to all the Shareholders for consideration of the Proposal raised by the Shareholder concerned at the general meeting varies according to the nature of the Proposal as follows:
  - (i) Notice of not less than 21 days in writing if the Proposal requires approval by way of an ordinary resolution in an annual general meeting or a special resolution of the Company;
  - (ii) Notice of not less than 14 days in writing if the Proposal requires approval in meeting other than an annual general meeting or approval by way of a special resolution of the Company.

### CORPORATE GOVERNANCE ENHANCEMENT

Enhancing corporate governance is not simply a matter of applying and complying with the CG Code but about promoting and developing an ethical and healthy corporate culture. We will continue to review and, where appropriate, improve our current practices on the basis of our experience, regulatory changes and development. Any views and suggestions from our Shareholders are also welcome to enhance our transparency.

On behalf of the Board

**Hong Tianzhu**  
Chairman

Hong Kong, 7 March 2019

### 股東權利(續)

#### 於股東大會提呈建議的程序及詳細聯絡資料

1. 為於本公司股東大會上提呈建議，股東須以書面提交該建議(「建議」)，連同詳細聯絡資料，透過電郵傳送至本公司電郵地址 [main@texhong.com](mailto:main@texhong.com)。
2. 本公司會向本公司之香港股份過戶登記分處核實股東身份及其要求，於獲得股份過戶登記分處確認股東作出的要求為恰當及適當後，董事會將在股東大會的議程內加入建議。
3. 就上述股東提出於股東大會考慮之建議而向全體股東發出通告之通知期因應建議之性質有所不同，詳情如下：
  - (i) 倘建議須於本公司股東週年大會上以普通決議案方式獲得批准或以特別決議案方式獲得批准，則須不少於21日之書面通知；
  - (ii) 倘建議須於本公司大會而非於股東週年大會上獲得批准，或以本公司特別決議案方式獲得批准，則須不少於14日之書面通知。

### 提升企業管治水平

提升企業管治水平並非只為應用及遵守聯交所之企業管治守則，乃為推動及建立道德與健全之企業文化為依歸。吾等將不斷檢討並按經驗、監管變動及發展，於適當時候改善現行常規。本公司歡迎股東提供任何意見及建議以提高本公司之透明度。

代表董事會

**洪天祝**  
主席

香港，二零一九年三月七日

# 董事及高級管理層

## DIRECTORS AND SENIOR MANAGEMENT

### DIRECTORS

#### Executive Directors

**Mr. Hong Tianzhu**, aged 51, is an executive Director and chairman of the Group. He is the founder of the Group. He is responsible for the strategic development and strategic deployment, project investment and decision-making for major issues, leadership and policy decision-making for establishment of corporate culture of the Group. Mr. Hong is currently an executive vice chairman of the Hong Kong General Chamber of Textiles Limited. He has over 20 years of experience in the textile industry. Prior to establishing the Group, Mr. Hong was a vice general manager of 晉江藝豐服裝織造有限公司 (Jinjiang Yifeng Garment Weaving Company Limited). Mr. Hong's interest in the shares of HK\$0.10 each in the share capital of the Company ("Shares") is disclosed under the paragraph headed "Report of the Directors — Directors' and chief executives' interests and short positions in the Shares, underlying shares and debentures of the Company or any associated corporations" in this annual report.

**Mr. Zhu Yongxiang**, aged 52, is an executive Director, vice Chairman and chief executive officer of the Group. He is responsible for the strategy implementation, operational planning and decision-making, decision-making for major issues and organizational implementation of the Group. Mr. Zhu graduated from the 南通紡織工學院 (Nantong Textile Industry College) in 1987. Prior to joining the Group in 1997, Mr. Zhu was an assistant to the general manager of 南通第二棉紡織廠 (Nantong No. 2 Cotton Textile Factory). Mr. Zhu's interest in the Shares of the Company is disclosed under the paragraph headed "Report of the Directors — Directors' and chief executives' interests and short positions in the Shares, underlying Shares and debentures of the Company or any associated corporations" in this annual report.

**Mr. Tang Daoping**, aged 53, is an executive Director and chief operation officer of the Group. He is responsible for the operation management of the Group. Mr. Tang graduated from 徐州廣播電視大學 (Xuzhou Radio and TV University) in 1996 majoring in accounting and administrative management. Mr. Tang has over 30 years of experience in the textile industry. He was a workshop manager of 睢寧棉紡織廠 (Suining Cotton Textile Factory) prior to joining the Group in 1998 as a vice general manager. Mr. Tang was promoted and became a director of Jiangsu Century Texhong in September 2002. Mr. Tang's interest in the Shares of the Company is disclosed under the paragraph headed "Report of the Directors — Directors' and chief executives' interests and short positions in the Shares, underlying Shares and debentures of the Company or any associated corporations" in this annual report.

### 董事

#### 執行董事

**洪天祝先生**，51歲，本集團的執行董事及主席。洪先生是本集團創始人，負責本集團的戰略發展和戰略布局、項目投資和重要工作決策、企業文化建設的引領和決策。洪先生是現任香港紡織商會常務副會長。彼於紡織業擁有逾二十年經驗，在成立本集團前，彼曾任晉江藝豐服裝織造有限公司的副總經理。洪先生於本公司股本中每股面值0.10港元之股份（「股份」）之權益在本年報「董事會報告—董事及行政總裁於本公司或任何相聯法團之股份、相關股份及債權證之權益及淡倉」一段披露。

**朱永祥先生**，52歲，本集團的執行董事、副主席兼行政總裁。彼負責本集團的戰略實施、營運策劃布局和決策、重要工作決策與組織實施。朱先生於一九八七年畢業於南通紡織工學院。於一九九七年加入本集團前，朱先生曾任南通第二棉紡織廠的總經理助理。朱先生於本公司的股份權益在本年報「董事會報告—董事及行政總裁於本公司或任何相聯法團之股份、相關股份及債權證之權益及淡倉」一段披露。

**湯道平先生**，53歲，本集團執行董事兼營運總裁。彼負責本集團的營運管理。彼於一九九六年畢業於徐州廣播電視大學，主修會計及行政管理，並於紡織業擁有逾三十年經驗。湯先生曾於睢寧棉紡織廠出任工廠經理，後於一九九八年加入本集團為副總經理。湯先生於二零零二年九月晉升為江蘇世紀天虹的董事。湯先生於本公司的股份權益在本年報「董事會報告—董事及行政總裁於本公司或任何相聯法團之股份、相關股份及債權證之權益及淡倉」一段披露。

## 董事及高級管理層 DIRECTORS AND SENIOR MANAGEMENT

### DIRECTORS (Continued)

#### Executive Directors (Continued)

**Mr. Hui Tsz Wai**, aged 45, is an executive Director and company secretary. He is responsible for the management of finance, information system and treasury management of the Group. Mr. Hui graduated from the Chinese University of Hong Kong with a bachelor of business administration (honours) degree. He is a fellow member of the Association of Chartered Certified Accountants and a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants. He is also a Chartered Financial Analyst and a Certified Fraud Examiner. He has more than 20 years' working experience in finance related area. Prior to first joining the Group in November 2004, Mr. Hui had been working at one of the big four international accounting firms for about nine years. Mr. Hui had been the company secretary of the Company and the chief financial officer of the Group. Mr. Hui's interest in the Shares of the Company is disclosed under the paragraph headed "Report of the Directors — Directors' and chief executives' interests and short positions in the Shares, underlying Shares and debentures of the Company or any associated corporations" in this annual report.

**Mr. Ji Zhongliang**, aged 55, is an executive Director. He is responsible for the operations management of the Group's garment fabric and garment business segment. Mr. Ji graduated from Jiangsu College of Engineering and Technology of the PRC (江蘇工程職業技術學院) (formerly known as Nantong Textile Industry School (南通紡織工業學校)) in July 1982. Prior to joining the Group in August 2015, he had been the vice president of Black Peony (Group) Co. Ltd. (黑牡丹(集團)股份有限公司) (stock code: 600510), the shares of which are listed on the Shanghai Stock Exchange from December 2011 to May 2015. He had been the general manager of Chanzhou K&J Import and Export Co., Ltd. (常州凱杰進出口有限公司), which is principally engaged in import and export of cotton and fabrics in the PRC from October 1997 to May 2011, the general manager of Black Peony Group Import and Export Co., Ltd. (黑牡丹集團進出口有限公司), which is principally engaged in import and export of textile, garments and daily necessities in the PRC from May 2011 to December 2011, and the chairman of the board of directors of Black Peony (HK) Limited, which is principally engaged in manufacture of denim in the PRC, from December 2011 to May 2015. Mr. Ji has more than 30 years' working experience in the textile industry. Mr. Ji is a director of Texhong Dyeing and Printing Technology Limited, a indirect non-wholly owned subsidiary of the Company.

### 董事(續)

#### 執行董事(續)

**許子慧先生**，45歲，執行董事及公司秘書。彼負責本集團財務、信息系統、資金的管理。許先生畢業於香港中文大學，獲頒工商管理(榮譽)學士學位。彼為英國特許公認會計師公會資深會員及香港會計師公會執業會計師。彼亦為特許財務分析員兼舞弊查核師。彼於財務相關領域擁有逾二十年工作經驗。許先生於二零零四年十一月首次加盟本集團前，一直於其中一家四大國際會計師行任職約九年。許先生曾任本公司公司秘書及本集團財務總監。許先生於本公司的股份權益在本年報「董事會報告—董事及行政總裁於本公司或任何相聯法團之股份、相關股份及債權證之權益及淡倉」一段披露。

**吉忠良先生**，55歲，執行董事。彼負責本集團的面料及服裝事業部的營運管理。吉先生於一九八二年七月畢業於中國江蘇工程職業技術學院(前稱南通紡織工業學校)。於二零一五年八月加入本集團前，彼自二零一一年十二月至二零一五年五月擔任上海證券交易所上市公司黑牡丹(集團)股份有限公司(股份代號：600510)之副總裁。彼亦自一九九七年十月至二零一一年五月擔任常州凱杰進出口有限公司(該公司主要在中國從事棉及布料進出口業務)之總經理；自二零一一年五月至二零一一年十二月擔任黑牡丹集團進出口有限公司(該公司主要在中國從事紡織品、成衣及日用品進出口業務)之總經理；及自二零一一年十二月至二零一五年五月擔任黑牡丹(香港)有限公司(該公司主要在中國生產牛仔布)之董事會主席。吉先生在紡織業累積逾30年工作經驗。吉先生為本公司間接非全資附屬公司天虹染整科技有限公司之董事。



## 董事及高級管理層 DIRECTORS AND SENIOR MANAGEMENT

### DIRECTORS (Continued)

#### Independent Non-executive Directors

**Professor Tao Xiaoming**, aged 61, was appointed as an independent non-executive Director on 3 March 2014. Professor Tao is an elected fellow of The Textile Institute, the American Society of Mechanical Engineers, the Royal Academy of Arts and Design and Commerce of the United Kingdom, and has been the chair professor in Textile Technology at the Institute of Textiles and Clothing of the Hong Kong Polytechnic University since April 2002. She was elected as the world president of The Textile Institute for a tenure of three years from May 2007. Professor Tao received a bachelor's degree in textile engineering from China Textile University (中國紡織大學) (currently known as Donghua University (東華大學)) of the PRC in January 1982 and a doctorate degree in textile physics from University of New South Wales in August 1987. From September 1987 to September 1988 and from October 1990 to September 1994, she had been a scientist of the Commonwealth Scientific and Industrial Research Organisation of Australia. From October 1988 to January 1990, she had been a lecturer of Donghua University. Professor Tao was the recipient of two prestigious individual awards of the field: the honorary fellowship by The Textile Institute in November 2010 and the founder award of the Fiber Society of the United States in November 2013. With seven academic monographs, over 800 research papers published and over 30 patents granted, she has been internationally recognised in particular for her pioneering work on smart textiles and clothing and textile engineering such as low-twist yarns, solospun yarns and fabric sensing technology which have been widely applied in the textile industry.

**Professor Cheng Longdi**, aged 59, was appointed as an independent non-executive Director on 21 November 2004. Professor Cheng obtained his doctorate degree in textile engineering from Donghua University in 2002. He is currently a professor (2nd grade) in College of Textiles and a deputy director of the Key Laboratory of Textile Science and Technology of Donghua University. Professor Cheng is a member of the expert committee of each of the following institutions: the China Cotton Textile Association of New Technology (as a deputy director), the China Knitting Industrial Association, the China Bast And Leaf Fibers Textile Association and the China Textile Machinery Association. Professor Cheng was an engineer of the China Textile Academy (formerly known as Textile Academy of Textile Ministry). Professor Cheng is currently an independent director of Jiangsu Lianfa Textile Co., Ltd. (stock code: 002394) which is a company listed on the Shenzhen Stock Exchange, and Hengli Petrochemical Co., Ltd. (stock code: 600346) as well as Zhejiang Taihua New Material Co., Ltd (stock code: 603055) which are companies listed on the Shanghai Stock Exchange.

### 董事 (續)

#### 獨立非執行董事

**陶肖明教授**，61歲，於二零一四年三月三日獲委任為獨立非執行董事。陶教授為國際紡織學會院士、美國機械工程師學會院士以及英國皇家藝術、設計及商業研究院 (Royal Academy of Arts and Design and Commerce of the United Kingdom) 院士，並由二零零二年四月起，擔任香港理工大學紡織及製衣學系紡織技術講座教授。自二零零七年五月起，陶教授獲選為國際紡織學會世界會長，任期三年。陶教授於一九八二年一月獲中國紡織大學 (現稱為東華大學) 頒授紡織工程學士學位，並於一九八七年八月獲頒新南威爾士大學紡織物理學博士學位。由一九八七年九月至一九八八年九月，以及由一九九零年十月至一九九四年九月，彼為澳洲聯邦科學及工業研究組織之科研人員。由一九八八年十月至一九九零年一月期間，陶教授為東華大學講師。陶教授曾獲頒業內兩個地位崇高的個人獎項，分別於二零一零年十一月獲國際紡織學會頒授榮譽院士，以及於二零一三年十一月獲美國纖維學會頒授創始人獎項。陶教授曾出版七部學術專著，發表超過800篇研究論文，並獲得超過30項專利，成就廣受國際認同，尤其以其於智能紡織品及服裝與纖維工程方面的創舉 (例如低捻紗、分束紡紗及織物傳感技術) 最為突出，而該等技術已廣泛應用於紡織業內。

**程隆棣教授**，59歲，於二零零四年十一月二十一日獲委任為獨立非執行董事。程教授於二零零二年取得東華大學的紡織工程博士學位，現為東華大學紡織學院二級教授、紡織面料技術教育部重點實驗室常務副主任。程教授為中國棉紡織行業協會新技術專家委員會副主任委員、中國針織行業協會專家委員會委員、中國麻紡織行業協會專家委員會委員、中國紡織機械與器材行業協會專家委員會委員等。程教授曾為中國紡織科學研究院 (前稱紡織工業部紡織科學研究院) 的工程師。程教授現為深圳證券交易所上市公司江蘇聯發紡織股份有限公司 (股份代號: 002394)、上海證券交易所上市公司恒力化工股份有限公司 (股份代號: 600346) 及浙江台華新材料股份有限公司 (股份代號: 603055) 之獨立董事。

## 董事及高級管理層 DIRECTORS AND SENIOR MANAGEMENT

### DIRECTORS (Continued)

#### Independent Non-executive Directors (Continued)

**Mr. Ting Leung Huel, Stephen**, MH, FCCA, FCPA (PRACTISING), ACA, CTA (HK), FHKIoD, aged 65, was appointed as independent non-executive Director of the Company on 21 November 2004. Mr. Ting is an accountant in public practice and has more than 30 years' experience in this field. Currently he is a partner and director of Messrs Ting Ho Kwan & Chan, Certified Public Accountants (Practising) and Ting Ho Kwan & Chan CPA Limited respectively. He is currently an independent non-executive director of six other listed companies in Hong Kong, namely China SCE Group Holdings Limited (stock code: 01966), Computer and Technologies Holdings Limited (stock code: 00046), Dongyue Group Limited (stock code: 00189), New Silkroad Culturaltainment Limited (stock code: 00472), Tong Ren Tang Technologies Company Limited (stock code: 01666) and Tongda Group Holdings Limited (stock code: 00698) respectively. He is also a non-executive director of Chow Sang Sang Holdings International Limited (stock code: 00116).

### SENIOR MANAGEMENT

**Mr. Sha Tao**, aged 53, is a vice president of the Group and director of our grey fabric production and management center. Mr. Sha obtained his bachelor's degree in textile from 無錫輕工業學院 (Wuxi Light Industry University) in 1986. Mr. Sha has over 27 years of experience in the textile industry. Prior to joining the Group in 1998, he was a factory manager of one of the factories of 南通第二棉紡織廠 (Nantong No. 2 Cotton Textile Factory).

**Mr. Hu Zhiping**, aged 55, is a vice president of the Group and general manager of Taizhou business segment. Mr. Hu graduated from 無錫職業大學 (Wuxi Professional University) in textile in 1984. Mr. Hu has over 27 years of experience in the textile industry. He was a vice general manager of 無錫協達織造有限公司 (Wuxi Xieda Weaving Company Limited) prior to joining the Group in 1998.

**Mr. Cao Youchang**, aged 50, is a vice president of the Group and director of the yarn production and management center of the Group. He is responsible for the yarn production of the Group. Mr. Cao graduated from 南通紡織工學院 (Nantong Textile Industry College) with a bachelor's degree in textile engineering in 1994. Mr. Cao has over 22 years of experience in the textile industry. He joined the Group in 2000, and served as the director of yarn technology of the Group.

### 董事(續)

#### 獨立非執行董事(續)

丁良輝先生，MH, FCCA, FCPA (PRACTISING), ACA, CTA (HK), FHKIoD, 65歲，於二零零四年十一月二十一日獲委任為本公司之獨立非執行董事。丁先生為執業會計師，於該行業積逾三十年經驗。彼現為丁何關陳會計師行及丁何關陳會計師事務所有限公司之合夥人及董事。現為其他六家香港上市公司之獨立非執行董事，分別為中駿集團控股有限公司(股份代號：01966)、科聯系統集團有限公司(股份代號：00046)、東岳集團有限公司(股份代號：00189)、新絲路文旅有限公司(股份代號：00472)、北京同仁堂科技發展股份有限公司(股份代號：01666)及通達集團控股有限公司(股份代號：00698)。彼亦擔任周生生集團國際有限公司(股份代號：00116)之非執行董事。

### 高級管理層

沙淘先生，53歲，本集團的副總裁兼坯布生產管理中心總監。沙先生於一九八六年畢業自無錫輕工業學院紡工系，並取得學士學位。沙先生於紡織業擁有逾二十七年經驗。彼於一九九八年加入本集團前，曾出任南通第二棉紡織廠其中一家廠房的廠長。

胡志平先生，55歲，本集團副總裁兼泰州業務部總經理。胡先生於一九八四年畢業自無錫職業大學紡織系。彼於紡織業擁有逾二十七年經驗。於一九九八年加入本集團前，胡先生曾出任無錫協達織造有限公司的副總經理。

曹友常先生，50歲，本集團的副總裁兼集團紗線生產管理中心總監並負責本集團的紗線生產。曹先生於一九九四年畢業自南通紡織工學院紡織工程系，並取得學士學位。曹先生於紡織業擁有逾22年經驗。彼於二零零零年加入本集團，曾出任本集團紗線技術總監。

# 公司資料

## CORPORATE INFORMATION

### EXECUTIVE DIRECTORS

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

### INDEPENDENT NON-EXECUTIVE DIRECTORS AND AUDIT COMMITTEE

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

### REMUNERATION COMMITTEE

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

### NOMINATION COMMITTEE

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

### COMPANY SECRETARY

Mr. Hui Tsz Wai

### AUTHORISED REPRESENTATIVES

Mr. Hong Tianzhu  
Mr. Hui Tsz Wai

### HEAD OFFICE

Unit 18, 7th Floor  
Lippo Sun Plaza  
28 Canton Road  
Tsimshatsui  
Hong Kong

### REGISTERED OFFICE

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

### 執行董事

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

### 獨立非執行董事及審核委員會

丁良輝先生 MH, FCCA, FCPA (PRACTISING), ACA, FTIHK, FHKIoD (主席)  
陶肖明教授  
程隆棣教授

### 薪酬委員會

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

### 提名委員會

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

### 公司秘書

許子慧先生

### 授權代表

洪天祝先生  
許子慧先生

### 總辦事處

香港  
尖沙咀  
廣東道28號  
力寶太陽廣場  
7樓18室

### 註冊辦事處

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

## 公司資料 CORPORATE INFORMATION

### PRINCIPAL BANKERS

Bank of China (Hong Kong)  
Citibank (China) Co., Ltd. Shanghai Branch  
The Hongkong and Shanghai Banking Corporation Limited  
Standard Chartered Bank  
Sumitomo Mitsui Banking Corporation  
Agricultural Development Bank Of China  
Australia and New Zealand Banking Group Limited  
Bank of China  
Crédit Agricole Corporate & Investment Bank  
Hang Seng Bank Limited  
China Merchants Bank  
BNP Paribas

### AUDITOR

PricewaterhouseCoopers

### LEGAL ADVISORS AS TO HONG KONG LAW

Chiu & Partners

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Royal Bank of Canada Trust Company  
(Cayman) Limited  
4th Floor, Royal Bank House  
24 Shedden Road, George Town  
Grand Cayman KY1-1110  
Cayman Islands

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Boardroom Share Registrars (HK) Limited  
2103B  
21st Floor  
148 Electric Road  
North Point  
Hong Kong

### WEBSITE

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

### STOCK CODE

2678

### 主要往來銀行

中國銀行(香港)  
花旗銀行(中國)有限公司上海分行  
滙豐銀行  
渣打銀行  
三井住友銀行  
中國農業發展銀行  
澳新銀行  
中國銀行  
東方滙理銀行  
恒生銀行有限公司  
招商銀行  
法國巴黎銀行

### 核數師

羅兵咸永道會計師事務所

### 法律顧問(香港法律)

趙不渝馬國強律師事務所

### 主要股份過戶登記處

Royal Bank of Canada Trust Company  
(Cayman) Limited  
4th Floor, Royal Bank House  
24 Shedden Road, George Town  
Grand Cayman KY1-1110  
Cayman Islands

### 香港股份過戶登記分處

寶德隆證券登記有限公司  
香港  
北角  
電氣道148號  
21樓  
2103B

### 互聯網址

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

### 股份代號

2678

# 董事會報告

## REPORT OF THE DIRECTORS

The Board of Directors of the Company is pleased to submit their report together with the audited financial statements of the Company for the year ended 31 December 2018.

### PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The Company is an investment holding company. The Group is principally engaged in the manufacture and sale of yarns, grey fabrics and garment fabrics as well as garments. The principal activities of the principal subsidiaries of the Company are set out in note 39 to the accompanying financial statements.

#### Business segments

The Group is engaged in the manufacturing and sale of yarns, grey fabrics and garment fabrics as well as garments. Business analysis of sales, segment results, total assets and capital expenditure are set out in note 5 to the accompanying financial statements.

#### Geographical segments

The Group operates in four main geographical areas, the PRC, Vietnam, Cambodia and Macao. Geographical analysis of sales, segment results, total assets, and capital expenditure are set out in note 5 to the accompanying financial statements.

### BUSINESS REVIEW

For details of business review in relation to the development, performance or position of the Company's business, please refer to the section headed "Management Discussion and Analysis" of this annual report.

The Group recognises the importance of compliance with rules and regulations and the impact of non-compliance of such rules and regulations on the business. During the year ended 31 December 2018, to the best knowledge of the Directors, the Group has complied with all the relevant laws and regulations that have a significant impact on the Group in relation to its business including health and safety, workplace conditions, employment and the environment.

As a responsible corporation, the Group is committed to maintaining the highest environmental and social standards to ensure sustainable development of its business. The Group understands that a better future depends on everyone's participation and contribution. It has encouraged all employees to participate in environmental and social activities which benefit the community as a whole.

本公司董事會同寅欣然將其截至二零一八年十二月三十一日止年度之報告連同經已審核之本公司財務報表呈覽。

### 主要業務及營運地區分析

本公司為一間投資控股公司。本集團主要從事生產及銷售紗線、坯布及面料和服裝。本公司重大附屬公司之主要業務活動載於隨附之財務報表附註39。

#### 業務分類

本集團主要製造及銷售紗線、坯布及面料和服裝。營業額、分類業績、資產總額及資本開支業務分析載於隨附之財務報表附註5。

#### 地區分類

本集團主要於中國、越南、柬埔寨及澳門這四個地區經營業務。營業額、分類業績、資產總額及資本開支之地區分析載於隨附之財務報表附註5。

#### 業務回顧

關於本公司業務發展、表現或狀況之業務回顧詳情，請參閱本年報「管理層討論及分析」一節。

本集團知悉遵守規則及法規之重要性及不遵守該等規則及法規對業務之影響。於截至二零一八年十二月三十一日止年度，據董事所知本集團已遵守所有與其業務有關有重大影響的相關法例及法規，包括健康及安全、工作環境條件、就業及環境。

作為一間具社會責任的企業，本集團致力維持最高要求之環境及社會標準，以確保其業務可持續發展。本集團明白有賴所有人的參與及貢獻才能成就美好將來，亦因此鼓勵所有僱員參與環境及社會活動，惠及整個社區。



# 董事會報告

## REPORT OF THE DIRECTORS

### BUSINESS REVIEW (Continued)

As a result of the Group's active engagement in the enhancement of management measures and technology improvement, the Group incurred less unit electricity consumption and expenses in production as compared to that of last year. The Group also advocated conservation of resources in office and encouraged employees to develop good habits, conserve resources and energy to build a green and comfortable office environment.

Details of the Environmental, Social and Governance Report of the Group are set out on pages 90 to 125 of this annual report.

### RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2018 are set out in the consolidated income statement on page 135 of this annual report.

The board recommended the payment of a final dividend of HK\$0.2 per share in respect of the financial year ended 31 December 2018.

### RESERVES

Details of movements in the reserves of the Group during the year ended 31 December 2018 are set out in note 17 to the accompanying financial statements.

### PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group during the year ended 31 December 2018 are set out in note 7 to the accompanying financial statements.

### SHARE CAPITAL

Details of the movements in share capital of the Company are set out in note 15 to the accompanying financial statements.

### DISTRIBUTABLE RESERVES

The Company's distributable reserves as at 31 December 2018 is set out in note 37 to the accompanying financial statements.

### PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's articles of association and the laws of the Cayman Islands, which would oblige the Company to offer new Shares on a pro-rata basis to its existing shareholders.

### 業務回顧(續)

由於本集團積極推進管理措施和技術改造，生產用電單耗用量及開支均比去年有所節約。本集團亦引導各項辦公室減耗措施，鼓勵員工養成良好習慣，節約資源和能源，建設綠色舒適的辦公環境。

本集團「環境、社會及管治報告」詳情載於本年報第90至125頁。

### 業績及分派

本集團於截至二零一八年十二月三十一日止年度之業績載列於本年報第135頁之綜合收益表。

董事會建議派發截至二零一八年十二月三十一日止財政年度之末期股息每股0.2港元。

### 儲備

本集團截至二零一八年十二月三十一日止年度之儲備變動詳情載於隨附之財務報表附註17。

### 物業、廠房及設備

本集團截至二零一八年十二月三十一日止年度之物業、廠房及設備變動詳情載於隨附之財務報表附註7。

### 股本

本公司之股本變動詳情載於隨附之財務報表附註15。

### 可供分派儲備

本公司於二零一八年十二月三十一日之可供分派儲備詳情載於隨附之財務報表附註37。

### 優先購買權

本公司組織章程細則中並無優先購股權之條文，而開曼群島之法例亦無規定本公司須按比例向現有股東發售新股的限制。

# 董事會報告

## REPORT OF THE DIRECTORS

### TAX RELIEF

The Company is not aware of any tax relief or exemption available to the shareholders of the Company by reason of their holding of the Company's securities.

### FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 2 of this annual report.

### PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Save as disclosed below, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2018.

### SHARE OPTIONS

The Share Option Scheme was adopted by the shareholders of the Company at the annual general meeting on 7 April 2014 (the "Adoption Date").

The purpose of the Share Option Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their contributions to the Group. All directors, employees, suppliers of goods or services, customers, persons or entities that provide research, development or other technological support to the Group, shareholders of any member of the Group, advisers or consultants of the Group and any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement and growth of the Group are eligible to participate in the Share Option Scheme.

The Share Option Scheme will remain in force for a period of 10 years after the Adoption Date.

The total number of Shares which may be allotted and issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme adopted by the Group must not in aggregate exceed 88,468,117 Shares, representing 10% of the Shares in issue on the Adoption Date and 9.67% of the Shares in issue as at the date of this annual report respectively (the "General Scheme Limit"). The Company may renew the General Scheme Limit with shareholders' approval provided that each such renewal may not exceed 10% of the Shares in the Company in issue as at the date of the shareholders' approval.

### 稅務減免

本公司並不知悉任何因持有本公司證券而提供予本公司股東之稅務寬減或減免。

### 財務概要

本集團過去五個財政年度之業績及資產負債摘要載於本年報第2頁。

### 購買、出售或購回上市證券

除下文所披露者外，於截至二零一八年十二月三十一日止年度內，本公司或其附屬公司概無購買、出售或購回本公司上市證券。

### 購股權

購股權計劃於二零一四年四月七日（「採納日期」）舉行之股東週年大會獲本公司採納。

購股權計劃之目的乃讓本集團向指定參與者授予購股權，作為向此等人士對本集團作出之貢獻予以嘉獎或酬謝。所有董事、僱員、貨物或服務供應商、客戶、向本集團提供研究、發展或其他技術支援之人士或實體、本集團任何成員公司之股東、本集團之顧問或專業顧問及任何其他對本集團之發展曾作出貢獻或可透過合營企業、業務聯盟或其他業務安排作出貢獻之團體或類別之參與者均合資格參與購股權計劃。

購股權計劃自採納日期後十年內有效。

於購股權計劃及獲本集團採納之任何其他購股權計劃項下授出之全部購股權倘獲行使而可予配發及發行之股份總數不得超過88,468,117股股份，即採納日期已發行股份之10%及於本年報日期已發行股份9.67%（「一般計劃上限」）。本公司可於獲得股東批准下重訂該一般計劃上限，惟該重訂不得超過於獲股東通過之日本公司已發行股份之10%。

## 董事會報告

### REPORT OF THE DIRECTORS

#### SHARE OPTIONS (Continued)

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

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

An option may be accepted by a participant within 21 days from the date of the offer of grant of the option. A nominal consideration of HK\$1 is payable on acceptance of the grant of an option.

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

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

#### 購股權(續)

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

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

參與者可於授出購股權要約日期起二十一日內接納購股權。於接納授出之購股權時，須繳付1港元之象徵代價。

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

根據購股權計劃，股份之認購價將由董事釐定，惟不得少於(以較高者為準)(i)授出購股權要約日期(須為營業日)在聯交所每日報價表上所示股份之收市價；(ii)緊接授出購股權要約日期前五個交易日在聯交所每日報價表上所示股份之平均收市價；及(iii)股份之面值。

# 董事會報告

## REPORT OF THE DIRECTORS

### SHARE OPTIONS (Continued)

Movements of the share options granted under the Share Option Scheme during the year ended 31 December 2018 are summarised as follows and details of which are set out in note 16 to the consolidated financial statements:

### 購股權(續)

於截至二零一八年十二月三十一日止年度，根據購股權計劃授出之購股權之變動之概要如下，詳情載於綜合財務報表附註16：

List of grantees	Date of grant (Note)	Exercise period	Closing price per Share immediately before the date of grant		Number of share options					Outstanding as at 31 December 2018
			緊接授出日期前之每股收市價 HK\$ 港元	每股行使價 HK\$ 港元	Outstanding as at 1 January 2018	Granted during the year	Exercised during the year	Lapsed during the year	Cancelled during the year	
承授人名單	授出日期(附註)	行使期	收市價 HK\$ 港元	每股行使價 HK\$ 港元	於二零一八年一月一日未行使	於年內授出	於年內行使	於年內失效	於年內註銷	於二零一八年十二月三十一日未行使
<b>Directors</b>										
<b>董事</b>										
Mr. Tang Daoping	23 March 2015	1 January 2016 to 22 March 2025	8.27	8.70	670,000	-	-	-	-	670,000
湯道平先生	二零一五年三月二十三日	二零一六年一月一日至 二零二五年三月二十二日								
	23 March 2015	1 January 2017 to 22 March 2025	8.27	8.70	670,000	-	-	-	-	670,000
	二零一五年三月二十三日	二零一七年一月一日至 二零二五年三月二十二日								
	23 March 2015	1 January 2018 to 22 March 2025	8.27	8.70	660,000	-	-	-	-	660,000
	二零一五年三月二十三日	二零一八年一月一日至 二零二五年三月二十二日								
					2,000,000	-	-	-	-	2,000,000
Mr. Hui Tsz Wai	23 March 2015	1 January 2016 to 22 March 2025	8.27	8.70	1,000,000	-	-	-	-	1,000,000
許子慧先生	二零一五年三月二十三日	二零一六年一月一日至 二零二五年三月二十二日								
	23 March 2015	1 January 2017 to 22 March 2025	8.27	8.70	1,000,000	-	-	-	-	1,000,000
	二零一五年三月二十三日	二零一七年一月一日至 二零二五年三月二十二日								
	23 March 2015	1 January 2018 to 22 March 2025	8.27	8.70	1,000,000	-	-	-	-	1,000,000
	二零一五年三月二十三日	二零一八年一月一日至 二零二五年三月二十二日								
	28 December 2015	1 January 2017 to 27 December 2025	5.84	5.70	300,000	-	-	-	-	300,000
	二零一五年十二月二十八日	二零一七年一月一日至 二零二五年十二月二十七日								
	28 December 2015	1 January 2018 to 27 December 2025	5.84	5.70	300,000	-	-	-	-	300,000
	二零一五年十二月二十八日	二零一八年一月一日至 二零二五年十二月二十七日								
	28 December 2015	1 January 2019 to 27 December 2025	5.84	5.70	300,000	-	-	-	-	300,000
	二零一五年十二月二十八日	二零一九年一月一日至 二零二五年十二月二十七日								
	28 December 2015	1 January 2020 to 27 December 2025	5.84	5.70	300,000	-	-	-	-	300,000
	二零一五年十二月二十八日	二零二零年一月一日至 二零二五年十二月二十七日								
	28 December 2015	1 January 2021 to 27 December 2025	5.84	5.70	300,000	-	-	-	-	300,000
	二零一五年十二月二十八日	二零二一年一月一日至 二零二五年十二月二十七日								
					4,500,000	-	-	-	-	4,500,000
<b>Total</b>					6,500,000	-	-	-	-	6,500,000
<b>總計</b>										

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

附註：購股權之歸屬期由授出日期起直至行使期間始為止。

## 董事會報告

# REPORT OF THE DIRECTORS

### DIRECTORS

The Directors during the year ended 31 December 2018 and up to the date of this report were:

Mr. Hong Tianzhu  
Mr. Zhu Yongxiang  
Mr. Tang Daoping  
Mr. Hui Tsz Wai  
Mr. Ji Zhongliang  
Mr. Ting Leung Huel, Stephen\*  
Professor Cheng Longdi\*  
Professor Tao Xiaoming\*

\* Independent non-executive Directors

In accordance with articles 108(A) and 108(B) of the articles of association of the Company, Mr. Tang Daoping, Mr. Ji Zhongliang and Prof. Cheng Langdi will retire from office by rotation and they, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

### DIRECTORS' SERVICE CONTRACTS

Each of Mr. Hong Tianzhu, Mr. Zhu Yongxiang and Mr. Tang Daoping, all being executive Directors, has entered into a service contract with the Company for an initial term of one year commencing from 21 November 2015, and will continue thereafter for successive terms of one year until terminated by not less than three months' notice in writing served by either party on the other expiring at the end of the initial term or at any time thereafter. Mr. Hui Tsz Wai and Mr. Ji Zhongliang, both being executive Directors, has entered into a service contract with the Company for an initial term of three years commencing from their respective dates of appointment as an executive Director, and will continue thereafter for successive term of one year until terminated by not less than three month's notice in writing served by either party on the other expiring at the end of the initial term or at any time thereafter.

Each of Mr. Ting Leung Huel, Stephen, Professor Tao Xiaoming and Professor Cheng Longdi, all being independent non-executive directors, has been appointed for an initial term of one year commencing from their respective dates of appointment as an INED renewable automatically for a successive term of one year each commencing from the next day after the expiry of the then current term, unless terminated by not less than three months' notice in writing at the end of the initial term or at any time thereafter.

None of the Directors has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

### 董事

截至二零一八年十二月三十一日止年度及直至本報告日期，在任之董事如下：

洪天祝先生  
朱永祥先生  
湯道平先生  
許子慧先生  
吉忠良先生  
丁良輝先生\*  
程隆棣教授\*  
陶肖明教授\*

\* 獨立非執行董事

根據本公司組織章程細則第 108(A) 及 108(B) 條，湯道平先生、吉忠良先生及程隆棣教授將輪值告退，彼等符合資格並願意於即將舉行的股東週年大會上膺選連任。

### 董事服務合約

執行董事洪天祝先生、朱永祥先生及湯道平先生已各自與本公司訂立服務合約，由二零一五年十一月二十一日起計，初步為期一年，將其後將繼續期一年，直至於初始期間末時或其後任何時間，其中一方向另一方發出不少於三個月之書面通知終止為止。許子慧先生及吉忠良先生(均為執行董事)已各自與本公司訂立服務合約，自彼等各自獲委任為執行董事之日期起計，初步為期三年，其後按年續約，直至任何一方於初步年期屆滿前或其後任何時間向另一方發出不少於三個月之書面通知終止合約。

丁良輝先生、陶肖明教授及程隆棣教授均為獨立非執行董事，分別獲委以一年初步任期，由獲委任為獨立非執行董事之日期起計，可於現有委任期屆滿後翌日自動續約一年，直至任何一方於初步年期屆滿前或其後任何時間向另一方發出不少於三個月之書面通知終止合約。

概無董事與本公司或其任何附屬公司訂立服務合同，而有關服務合同在未有支付法定賠償以外之賠償則不得由本集團於一年內予以終止。



## 董事會報告

# REPORT OF THE DIRECTORS

### PERMITTED INDEMNITY PROVISION

The service contracts entered into by the Company with each of the Directors, which are currently in force and were in force during the year ended 31 December 2018, contain indemnity provisions which are permitted indemnity provisions under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) subject to the limitations specified in sections 468 and 469 thereof, for the benefit of the executive Directors. Pursuant to such provisions, the Company shall indemnify and hold harmless any Directors on demand from and against any and all losses, claims, damages, liabilities, and expenses, including without limitation, any proceedings brought against such Directors, arising from the performance of his duties pursuant to or his appointment under the service contracts, so far as permitted by law, except in any case where the matter in respect of which indemnification is sought was caused by the default, neglect, omission or fraud of the executive Directors. The Company has also taken out and maintained appropriate insurance cover to indemnify the Directors for liabilities that may arise out of corporate activities. The insurance coverage is reviewed on an annual basis. During the year ended 31 December 2018, no claims were made against the Directors.

### INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of its independent non-executive Directors confirmation of his independence and the Company considers that each of them to be independent based on the guidelines set out in Rule 3.13 of the Listing Rules.

### 獲准許的彌償條文

本公司與各董事訂立之服務合約(目前生效及於截至二零一八年十二月三十一日止年度生效)載有的彌償條文，屬香港法例第622章公司條例的獲准許彌償條文，惟受當中第468及469條列明的若干限制所限，並以董事為受益人。根據該等條文，本公司應就任何董事在法律允許情況下，根據服務合約下的委任履行職務所產生的任何及所有損失、申索、損害、責任及開支，包括但不限於向該董事提出的任何訴訟，向該董事作出彌償及應要求使該董事免受其損害，惟倘因執行董事違約、疏忽、遺漏或欺詐而索取彌償的任何情況，則作別論。本公司亦已投購及維持適當保險，保障董事不承擔公司活動可能產生的責任。保險保障獲每年檢討。於截至二零一八年十二月三十一日止年度，概無對董事作出申索。

### 獨立非執行董事之獨立性

本公司已獲得各獨立非執行董事確認其獨立性，而根據上市規則第3.13條所載指引，本公司認為其各人均為獨立。

## 董事會報告

# REPORT OF THE DIRECTORS

### EMOLUMENTS OF DIRECTORS, FIVE HIGHEST PAID DIRECTORS/EMPLOYEES AND SENIOR MANAGEMENT

Details of the emoluments of the Directors on a named basis during the year under review are set out in note 38 to the accompanying financial statements.

Details of the five highest paid individuals during the year ended 31 December 2018 are set out in note 27 to the accompanying financial statements.

During the year ended 31 December 2018, the remuneration of the senior management by band is set out as follows:

### 董事、五位最高薪之董事／僱員及高級管理層之酬金

有關回顧年度內根據指名基準之董事酬金詳情載於隨附之財務報表附註38。

截至二零一八年十二月三十一日止年度內之五位最高薪人士之詳情載於隨附之財務報表附註27。

以下為截至二零一八年十二月三十一日止年度高級管理層之薪酬範圍分析：

Remuneration bands 薪酬範圍		Number of senior management 高級管理層人數
Below RMB1,000,000	人民幣1,000,000元以下	1
RMB1,000,001 to RMB2,000,000	人民幣1,000,001元至人民幣2,000,000元	1
RMB2,000,001 to RMB3,000,000	人民幣2,000,001元至人民幣3,000,000元	1
RMB3,000,001 to RMB4,000,000	人民幣3,000,001元至人民幣4,000,000元	0
RMB4,000,001 to RMB5,000,000	人民幣4,000,001元至人民幣5,000,000元	0

### REMUNERATION POLICY

Remuneration policy of the Group is reviewed regularly, making reference to the legal framework, market condition and performance of the Group and individual staff including the Directors). The remuneration policy and remuneration packages of the executive Directors and the senior management of the Group are reviewed by the Remuneration Committee, which are contained in the paragraph headed "Remuneration Committee" under the section headed "Corporate Governance Report" of this annual report.

### 薪酬政策

本集團參考法定架構、市場狀況及本集團及個別員工(包括董事)之表現，定期檢討其薪酬政策。薪酬委員會負責檢討本集團執行董事及高級管理層之薪酬政策及薪酬組合，詳情載於本年度報告「企業管治報告」一節「薪酬委員會」一段內。

### RETIREMENT BENEFIT SCHEMES

Particulars of the Group's retirement benefit schemes are set out in note 27 to the accompanying financial statements.

### 退休福利計劃

本集團退休福利計劃之詳情載於隨附之財務報表附註27。

### BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical details of the Directors and senior management as at the date of this annual report are set out on pages 62 to 65 of this annual report.

### 董事及高級管理人員之個人簡歷

董事及高級管理人員於本年報日期之個人簡歷載於本年報第62至65頁。

## 董事會報告 REPORT OF THE DIRECTORS

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

As at 31 December 2018, the interests and short positions of each Director and chief executive of the Company in the Shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong (the "SFO")), as recorded in the register maintained by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code contained in the Listing Rules, were as follows:

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

於二零一八年十二月三十一日，本公司各董事及行政總裁於本公司及其相聯法團（定義見香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債權證中擁有根據證券及期貨條例第352條，紀錄於本公司須予存置之登記冊內之權益及淡倉，或根據上市規則所載的標準守則規定須以其他方式通知本公司及聯交所之權益及淡倉如下：

Name of directors of the Company 本公司董事姓名	Name of Group member/ associated corporation 本集團成員公司/ 相聯法團名稱	Nature of interest 權益性質	Number of ordinary shares (Note 1) 普通股數目 (附註1)	Percentage 百分比
Mr. Hong Tianzhu 洪天祝先生	the Company 本公司	Interest of controlled corporation(s) 所控制法人權益	544,742,400(L) (Note 2) (附註2)	59.53%
	the Company 本公司	Beneficial owner 實益擁有人	5,400,000(L)	0.59%
Mr. Zhu Yongxiang 朱永祥先生	the Company 本公司	Interest of spouse 配偶權益	219,900,000(L) (Note 3) (附註3)	24.03%
Mr. Tang Daoping 湯道平先生	the Company 本公司	Beneficial owner 實益擁有人	2,580,000(L) (Note 4) (附註4)	0.28%
Mr. Hui Tsz Wai 許子慧先生	the Company 本公司	Beneficial owner 實益擁有人	4,500,000(L) (Note 5) (附註5)	0.49%

## 董事會報告

### REPORT OF THE DIRECTORS

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

Notes:

1. The letter "L" denotes the person's long position in the Shares.
2. Among these 544,742,400 Shares, as to 392,842,400 Shares are registered in the name of and beneficially owned by New Green Group Limited, the entire issued share capital of which is beneficially owned by Texhong Group Holdings Limited, a company wholly owned by Mr. Hong Tianzhu and as to 151,900,000 Shares are registered in the name of and beneficially owned by Trade Partner Investments Limited, the entire issued share capital of which is beneficially owned as to 57.44% by Mr. Hong Tianzhu through New Green Group Limited. Under the SFO, Mr. Hong Tianzhu is deemed to be interested in all the Shares held by New Green Group Limited and Trade Partner Investments Limited. Mr. Hong Tianzhu is a director of Texhong Group Holdings Limited, New Green Group Limited and Trade Partner Investments Limited.
3. Among these 219,900,000 Shares, as to 68,000,000 Shares are registered in the name of and beneficially owned by Wisdom Grace Investments Limited, the entire issued share capital of which is beneficially owned by Ms. Zhao Zhiyang and as to 151,900,000 Shares are registered in the name of and beneficially owned by Trade Partner Investments Limited, the entire issued share capital of which is beneficially owned as to 42.56% by Ms. Zhao Zhiyang through Wisdom Grace Investments Limited. Mr. Zhu Yongxiang is the spouse of Ms. Zhao Zhiyang. Under the SFO, Mr. Zhu Yongxiang is deemed to be interested in the same number of shares in which Ms. Zhao Zhiyang is interested. Mr. Zhu Yongxiang is a director of Wisdom Grace Investments Limited and Trade Partner Investments Limited.
4. These interests includes 2,000,000 share options granted to Mr. Tang Daoping pursuant to the share option scheme of the Company.
5. These interests represent share options granted to Mr. Hui Tsz Wai pursuant to the share option scheme of the Company.

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

附註：

1. 「L」代表該人士於股份之好倉。
2. 該等544,742,400股股份中392,842,400股以New Green Group Limited (New Green Group Limited全部已發行股本由Texhong Group Holdings Limited實益擁有，洪天祝先生實益擁有後者100%權益)名義及作為實益擁有人登記；151,900,000股以Trade Partner Investments Limited (洪天祝先生透過New Green Group Limited實益擁有其全部已發行股份的57.44%權益)名義及作為實益擁有人登記。根據證券及期貨條例，洪天祝先生被視為於New Green Group Limited及Trade Partner Investments Limited持有之所有股份佔有權益。洪天祝先生為Texhong Group Holdings Limited、New Green Group Limited及Trade Partner Investments Limited之董事。
3. 該等219,900,000股股份中68,000,000股以Wisdom Grace Investments Limited (其全部已發行股本由趙志揚女士實益擁有)名義及作為實益擁有人登記；151,900,000股以Trade Partner Investments Limited (趙志揚女士透過Wisdom Grace Investments Limited實益擁有其全部已發行股份的42.56%權益)名義及作為實益擁有人登記。朱永祥先生為趙志揚女士之配偶。根據證券及期貨條例，朱永祥先生被視為於趙志揚女士佔有權益之同樣數目股份中佔有權益。朱永祥先生為Wisdom Grace Investments Limited及Trade Partner Investments Limited之董事。
4. 該等權益包括根據本公司購股權計劃授予湯道平先生的2,000,000份購股權。
5. 該等權益代表根據本公司購股權計劃授予許子慧先生的購股權。

## 董事會報告 REPORT OF THE DIRECTORS

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

So far as the Directors are aware, as at 31 December 2018, the interests or short position of the persons other than a Director or chief executive of the Company in the Shares, underlying shares or debentures of the Company or its associated corporations which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

Ordinary Shares of the Company:

### 主要股東在本公司股份、相關股份及債權證之權益及淡倉

就董事所知悉，於二零一八年十二月三十一日，於本公司或其相聯法團股份、相關股份或債權證中擁有根據證券及期貨條例第336條紀錄於本公司須予存置之登記冊內之權益或淡倉的人士（惟本公司之董事或行政總裁除外）如下：

本公司之普通股：

Name of the substantial shareholders 主要股東姓名／名稱	Nature of interests 權益性質	Number of ordinary shares (Note 1) 普通股數目 (附註1)	Percentage 百分比
New Green Group Limited	Beneficial owner 實益擁有人	392,842,400 (L) (Note 2) (附註2)	42.93%
	Interest of controlled corporation(s) 所控制法人權益	151,900,000 (L) (Note 3) (附註3)	16.60%
Trade Partner Investments Limited	Beneficial owner 實益擁有人	151,900,000 (L) (Note 3) (附註3)	16.60%
Wisdom Grace Investments Limited	Beneficial owner 實益擁有人	68,000,000 (L) (Note 4) (附註4)	7.43%
	Interest of controlled corporation(s) 所控制法人權益	151,900,000 (L) (Note 3) (附註3)	16.60%
Texhong Group Holdings Limited	Interest of controlled corporation(s) 所控制法人權益	544,742,400 (L) (Notes 2 and 3) (附註2及3)	59.53%
Ms. Ke Luping 柯綠萍女士	Interest of spouse 配偶權益	550,142,400 (L) (Note 5) (附註5)	60.12%
Ms. Zhao Zhiyang 趙志揚女士	Interest of controlled corporation(s) 所控制法人權益	219,900,000 (L) (Note 6) (附註6)	24.03%
Mr. Hui Ching Lau 許清流先生	Interest of controlled corporation(s) 所控制法人權益	55,058,000 (L) (Note 7) (附註7)	6.02%
Event Star Limited	Beneficial owner 實益擁有人	55,058,000 (L) (Note 7) (附註7)	6.02%



## 董事會報告

# REPORT OF THE DIRECTORS

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

Notes:

1. The letter "L" denotes the person's long position in the Shares.
2. These 392,842,400 Shares are registered in the name of and beneficially owned by New Green Group Limited, the entire issued share capital of which is beneficially owned by Texhong Group Holdings Limited, a company wholly beneficially owned by Mr. Hong Tianzhu. Under the SFO, each of Texhong Group Holdings Limited and Mr. Hong Tianzhu is deemed to be interested in all the Shares held by New Green Group Limited.
3. These 151,900,000 Shares are registered in the name of and beneficially owned by Trade Partner Investments Limited, the entire issued share capital of which is beneficially owned as to 57.44% by Mr. Hong Tianzhu through New Green Group Limited and 42.56% by Ms. Zhao Zhiyang through Wisdom Grace Investments Limited. Under the SFO, each of Mr. Hong Tianzhu, Ms. Zhao Zhiyang, New Green Group Limited and Wisdom Grace Investments Limited is deemed to be interested in all the Shares held by Trade Partner Investments Limited.
4. These 68,000,000 Shares are registered in the name of and beneficially owned by Wisdom Grace Investments Limited, the entire issued share capital of which is beneficially owned by Ms. Zhao Zhiyang. Under the SFO, Ms. Zhao Zhiyang is deemed to be interested in all the Shares held by Wisdom Grace Investments Limited.
5. Ms. Ke Luping is the spouse of Mr. Hong Tianzhu. Under the SFO, Ms. Ke Luping is deemed to be interested in the same number of Shares in which Mr. Hong Tianzhu is interested.
6. Among these 219,900,000 Shares, as to 68,000,000 Shares are registered in the name of and beneficially owned by Wisdom Grace Investments Limited, the entire issued share capital of which is beneficially owned by Ms. Zhao Zhiyang and as to 151,900,000 Shares are registered in the name of and beneficially owned by Trade Partner Investments Limited, the entire issued share capital of which is beneficially owned as to 42.56% by Ms. Zhao Zhiyang through Wisdom Grace Investments Limited.
7. These 55,058,000 Shares are registered in the name of and beneficially owned by Event Star Limited, a company which is 100% controlled by Mr. Hui Ching Lau. Under the SFO, Mr. Hui Ching Lau is deemed to be interested in all the Shares held by Event Star Limited.

### 主要股東在本公司股份、相關股份及債權證之權益及淡倉(續)

附註：

1. 「L」代表該人士於股份之好倉。
2. 該等392,842,400股股份以New Green Group Limited (New Green Group Limited全部已發行股本由Texhong Group Holdings Limited實益擁有，洪天祝先生實益擁有後者100%權益)名義及作為實益擁有人登記。根據證券及期貨條例，Texhong Group Holdings Limited及洪天祝先生均被視為於New Green Group Limited持有之所有股份佔有權益。
3. 該等151,900,000股股份以Trade Partner Investments Limited (其全部已發行股本由洪天祝先生(透過New Green Group Limited)及趙志揚女士(透過Wisdom Grace Investments Limited)分別實益擁有57.44%及42.56%)名義及作為實益擁有人登記。根據證券及期貨條例，洪天祝先生、趙志揚女士、New Green Group Limited及Wisdom Grace Investments Limited分別被視為於Trade Partner Investments Limited持有之所有股份佔有權益。
4. 該等68,000,000股股份以Wisdom Grace Investments Limited (其全部已發行股本由趙志揚女士實益擁有)名義及作為實益擁有人登記。根據證券及期貨條例，趙志揚女士被視為於Wisdom Grace Investments Limited持有之所有股份佔有權益。
5. 柯綠萍女士為洪天祝先生之配偶。根據證券及期貨條例，柯綠萍女士被視為於洪天祝先生佔有權益之同樣數目股份佔有權益。
6. 該219,900,000股股份中68,000,000股以Wisdom Grace Investments Limited (其全部已發行股本由趙志揚女士實益擁有)名義及作為實益擁有人登記；151,900,000股以Trade Partner Investments Limited (趙志揚女士透過Wisdom Grace Investments Limited實益擁有其全部已發行股份的42.56%權益)名義及作為實益擁有人登記。
7. 該等55,058,000股股份以Event Star Limited之名義登記及由其實益擁有，而該公司完全由許清流先生控制。根據證券及期貨條例，許清流先生被視為於Event Star Limited持有之所有股份中擁有權益。

# 董事會報告

## REPORT OF THE DIRECTORS

### ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed under the section headed “Share Options” above, at no time during the year ended 31 December 2018 was the Company, its holding company or its subsidiaries a party to any arrangements which enabled the Directors (including their spouses or children under 18 years of age), to acquire benefits by means of acquisition of Shares in or debenture of the Company or any other body corporate.

### CONTRACTS OF SIGNIFICANCE

Save as disclosed in the related party transactions as set out in note 36 of the financial statements and in the section headed “Connected transactions” in this annual report, no Director nor an entity connected with such director had a material interest, whether directly or indirectly, in any transaction, arrangement or contract of significance in relation to the Group’s business to which the Company or any of its subsidiaries was a party, subsisting at the end of the year or at any time during the year.

Save as disclosed in the related party transactions as set out in note 36 of the financial statements and in the section headed “Connected transactions” in this annual report, no contract of significance has been entered into between the Company or any of its subsidiaries and the controlling shareholder (as defined in the Listing Rules) of the Company or any of its subsidiaries.

### MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company which were not contracts of service with any Director or any person engaged in full time employment of the Company were entered into or subsisted during the year.

### MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 December 2018, the percentages of purchases and sales attributable to the Group’s major suppliers and customers are as follows:

Purchases	
– the largest supplier	19.5%
– five largest suppliers combined	34.8%
Sales	
– the largest customer	4.8%
– five largest customers combined	12.3%

None of the Directors, their close associates or any shareholder (which to the knowledge of the Directors owns more than 5% of the Company’s share capital) had an interest in the major suppliers or customers of the Group noted above.

### 購買股份或債權證之安排

除上述「購股權」一節披露者外，截至二零一八年十二月三十一日止年度，本公司、其控股公司或其附屬公司概無參與訂立安排讓董事（包括其配偶或未滿十八歲之子女）以透過收購本公司或任何其他法人團體之股份或債權證之方法獲得利益。

### 重大合約

除本年報財務報表附註36及「關連交易」一節所載之關連方交易所披露之外，概無董事或與該董事有關連之實體於任何就本集團業務而言屬重大且本公司或其任何附屬公司為訂約方並於年終或年內任何時間存在的交易、安排或合約中擁有重大權益（不論直接或間接）。

除本年報財務報表附註36及「關連交易」一節所載之關連方交易所披露之外，本公司或其任何附屬公司及本公司或其任何附屬公司之控股股東（定義見上市規則）之間概無訂立重大合約。

### 管理層合約

概無有關本公司整體或任何重大部分業務之管理及行政之合約（並非與任何董事或獲本公司委聘擔任全職工作之任何人士）獲訂立或存續。

### 主要客戶及供應商

截至二零一八年十二月三十一日止年度，本集團主要供應商及客戶佔本年度之採購額及銷售額百分比如下：

採購額	
– 最大供應商	19.5%
– 五位最大供應商合計	34.8%
銷售額	
– 最大客戶	4.8%
– 五位最大客戶合計	12.3%

董事、彼等之緊密聯繫人或任何股東（指據董事所知擁有本公司5%以上股本權益之股東）並無於上述之本集團主要供應商或客戶中擁有任何權益。

# 董事會報告

## REPORT OF THE DIRECTORS

### CONNECTED TRANSACTIONS

During the year ended 31 December 2018, the Group has conducted the following continuing connected transactions which were required to be disclosed pursuant to Rule 14A.71 of the Listing Rules:

#### Continuing connected transactions — Utilities Master Supply and Service Agreements

Reference is made to (i) the announcement of the Company dated 23 May 2017 in relation to the supply of utilities and wastewater treatment services by Texhong Industrial Park Vietnam Limited to each of Texhong Galaxy Technology Limited (“Texhong Galaxy”) for its uses on the Texhong Galaxy Land (as defined below) and Texhong Dyeing And Printing Vietnam Limited (“Texhong Dyeing”) for its uses on the Texhong Dyeing Land (as defined below); and (ii) the announcement of the Company dated 20 October 2017 in relation to supply of gas by Texhong Industrial Park to Texhong Dyeing Land.

On 23 May 2017, Texhong Galaxy, as customer, had entered into the following agreements with Texhong Industrial Park, as supplier, for its uses on two parcels of industrial land located at Texhong Industrial Park, Hai Ha District, Quang Ninh Province, Vietnam with a site area of approximately 225,000 square metres and 215,000 square metres, respectively, and the infrastructure erected thereon (“Texhong Galaxy Land”):

1. the power master supply agreement in relation to the provision and supply of electricity (“Texhong Galaxy Power Master Supply Agreement”);
2. the steam master supply agreement in relation to the provision and supply of steam (“Texhong Galaxy Steam Master Supply Agreement”);
3. the wastewater treatment service agreement in relation to the provision and supply of wastewater treatment service (“Texhong Galaxy Wastewater Treatment Service Agreement”); and
4. the water master supply agreement in relation to the provision and supply of water (“Texhong Galaxy Water Master Supply Agreement”)

(collectively, “Texhong Galaxy Agreements”)

### 關連交易

於截至二零一八年十二月三十一日止年度，本集團已進行以下持續關連交易，須根據上市規則第 14A.17 條披露：

#### 持續關連交易 — 水電供應及服務總協議

茲提述(i)本公司日期為二零一七年五月二十三日之公佈，內容有關天虹工業園區越南有限公司分別向天虹銀河科技有限公司(「天虹銀河」)天虹銀河地塊(定義見下文)及越南天虹染整責任有限公司(「天虹染整」)天虹染整地塊(定義見下文)供應水電及提供污水處理服務；及(ii)本公司日期為二零一七年十月二十日之公佈，內容有關天虹工業園向天虹染整地塊供應燃氣。

於二零一七年五月二十三日，天虹銀河(作為客戶)與天虹工業園(作為供應商)就其使用位於越南廣寧省海河區天虹工業園兩幅地盤面積分別約為225,000平方米及215,000平方米之工業用地以及其上所建基建(「天虹銀河地塊」)訂立如下協議：

1. 有關電力供應的供電總協議(「天虹銀河供電總協議」)；
2. 有關蒸氣供應的蒸汽供應總協議(「天虹銀河蒸汽供應總協議」)；
3. 有關提供廢水處理服務的污水處理服務協議(「天虹銀河污水處理服務協議」)；及
4. 有關水供應的供水總協議(「天虹銀河供水總協議」)

(統稱為「天虹銀河協議」)

## 董事會報告

# REPORT OF THE DIRECTORS

### CONNECTED TRANSACTIONS (Continued) Continuing connected transactions — Utilities Master Supply and Service Agreements (Continued)

On 23 May 2017, Texhong Dyeing, as customer, had entered into the following agreements with Texhong Industrial Park, as supplier, for its uses on the a parcel of industrial land located at Texhong Industrial Park, Hai Ha District, Quang Ninh Province, Vietnam with a site area of approximately 123,228 square metres and the infrastructure erected thereon (“Texhong Dyeing Land”):

1. the power master supply agreement in relation to the provision and supply of electricity (“Texhong Dyeing Power Master Supply Agreement”);
2. the steam master supply agreement in relation to the provision and supply of steam (“Texhong Dyeing Steam Master Supply Agreement”);
3. the wastewater treatment service agreement in relation to the provision and supply of wastewater treatment service (“Texhong Dyeing Wastewater Treatment Service Agreement”); and
4. the water master supply agreement in relation to the provision and supply of water (“Texhong Dyeing Water Master Supply Agreement”)

(collectively, “Texhong Dyeing Agreements”)

On 20 October 2017, Texhong Dyeing, as customer, had entered into a gas supply agreement with Texhong Industrial Park as supplier, for its uses on the Texhong Dyeing Land in relation the provision and supply of liquefied petroleum gas (“Gas Supply Agreement”).

As it is anticipated that there will be additional usage, the annual caps under the Texhong Dyeing Agreements and the Texhong Galaxy Agreements are revised. Please refer to the announcement of the Company dated 19 June 2018 for further details.

The tables below set out the actual transaction amount for the year ended 31 December 2017 and for the year ending 31 December 2018, the existing annual caps and the revised annual caps for each of the Texhong Dyeing Agreements, Texhong Galaxy Agreements and Gas Supply Agreement.

### 關連交易 (續)

#### 持續關連交易 — 水電供應及服務總協議 (續)

於二零一七年五月二十三日，天虹染整（作為客戶）與天虹工業園（作為供應商）就其使用位於越南廣寧省海河區天虹工業園一幅地盤面積約為123,228平方米之工業用地以及其上所建基建（「天虹染整地塊」）訂立如下協議：

1. 有關電力供應的供電總協議（天虹染整供電總協議）；
2. 有關蒸氣供應的蒸汽供應總協議（「天虹染整蒸汽供應總協議」）；
3. 有關提供廢水處理服務的污水處理服務協議（「天虹染整污水處理服務協議」）；及
4. 有關水供應的供水總協議（「天虹染整供水總協議」）

（統稱為「天虹染整協議」）

於二零一七年十月二十日，天虹染整（作為客戶）與天虹工業園（作為供應商）就於天虹染整地塊使用供應液態石油氣訂立燃氣供應協議（「燃氣供應協議」）。

由於預計將會增加用量，故修訂天虹染整協議及天虹銀河協議項下年度上限。有關進一步詳情，請參閱本公司日期為二零一八年六月十九日的公佈。

下表載列天虹染整協議、天虹銀河協議及燃氣供應協議各自截至二零一七年十二月三十一日止年度及截至二零一八年十二月三十一日止年度之實際交易金額、現有年度上限及經修訂年度上限。

# 董事會報告

## REPORT OF THE DIRECTORS

### CONNECTED TRANSACTIONS (Continued) Texhong Dyeing Agreements

### 關連交易(續) 天虹染整協議

		For the year ended 31 December 2017 截至二零一七年 十二月三十一日 止年度	For the year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度
Texhong Dyeing Power Master Supply Agreement 天虹染整供電總協議	Actual transaction amount 實際交易金額	RMB1,247,000 人民幣 1,247,000 元	RMB3,874,000 人民幣 3,874,000 元
	Existing annual caps 現有年度上限	Not applicable 不適用	RMB19.4 million 人民幣 19,400,000 元
	Revised annual caps 經修訂年度上限	Not applicable 不適用	Not applicable 不適用
Texhong Dyeing Water Master Supply Agreement 天虹染整供水總協議	Actual transaction amount 實際交易金額	RMB260,000 人民幣 260,000 元	RMB1,446,000 人民幣 1,446,000 元
	Existing annual caps 現有年度上限	Not applicable 不適用	RMB2.0 million 人民幣 2,000,000 元
	Revised annual caps 經修訂年度上限	Not applicable 不適用	Not applicable 不適用
Texhong Dyeing Steam Master Supply Agreement 天虹染整蒸汽供應總協議	Actual transaction amount 實際交易金額	RMB1,728,000 人民幣 1,728,000 元	RMB11,166,000 人民幣 11,166,000 元
	Existing annual caps 現有年度上限	Not applicable 不適用	RMB20.0 million 人民幣 20,000,000 元
	Revised annual caps 經修訂年度上限	Not applicable 不適用	Not applicable 不適用
Texhong Dyeing Wastewater Treatment Service Agreement 天虹染整污水處理服務協議	Actual transaction amount 實際交易金額	RMB116,000 人民幣 116,000 元	RMB1,991,000 人民幣 1,991,000 元
	Existing annual caps 現有年度上限	Not applicable 不適用	RMB299,250 人民幣 299,250 元
	Revised annual caps 經修訂年度上限	Not applicable 不適用	RMB2.6 million 人民幣 2,600,000 元
Gas Supply Agreement 燃氣供應協議	Actual transaction amount 實際交易金額	No transaction 並無交易	RMB1,434,000 人民幣 1,434,000 元
	Existing annual caps 現有年度上限	Not applicable 不適用	RMB950,000 人民幣 950,000 元
	Revised annual caps 經修訂年度上限	Not applicable 不適用	RMB2.0 million 人民幣 2,000,000 元



# 董事會報告

## REPORT OF THE DIRECTORS

### CONNECTED TRANSACTIONS (Continued) Texhong Galaxy Agreements

### 關連交易(續) 天虹銀河協議

		For the year ended 31 December 2017 截至二零一七年 十二月三十一日 止年度	For the year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度
Texhong Galaxy Power Master Supply Agreement 天虹銀河供電總協議	Actual transaction amount 實際交易金額	RMB77,804,000 人民幣 77,804,000 元	RMB99,893,000 人民幣 99,893,000 元
	Existing annual caps 現有年度上限	Not applicable 不適用	RMB248 million 人民幣 248,000,000 元
	Revised annual caps 經修訂年度上限	Not applicable 不適用	Not applicable 不適用
Texhong Galaxy Water Master Supply Agreement 天虹銀河供水總協議	Actual transaction amount 實際交易金額	RMB123,000 人民幣 123,000 元	RMB876,000 人民幣 876,000 元
	Existing annual caps 現有年度上限	Not applicable 不適用	RMB380,000 人民幣 380,000 元
	Revised annual caps 經修訂年度上限	Not applicable 不適用	RMB880,000 人民幣 880,000 元
Texhong Galaxy Steam Master Supply Agreement 天虹銀河蒸汽供應總協議	Actual transaction amount 實際交易金額	RMB1.5 million 人民幣 1,500,000 元	RMB6.9 million 人民幣 6,900,000 元
	Existing annual caps 現有年度上限	Not applicable 不適用	RMB4.0 million 人民幣 4,000,000 元
	Revised annual caps 經修訂年度上限	Not applicable 不適用	RMB8.3 million 人民幣 8,300,000 元
Texhong Galaxy Wastewater Treatment Service Agreement 天虹銀河污水處理服務協議	Actual transaction amount 實際交易金額	RMB103,000 人民幣 103,000 元	RMB1,593,000 人民幣 1,593,000 元
	Existing annual caps 現有年度上限	Not applicable 不適用	RMB283,000 人民幣 283,000 元
	Revised annual caps 經修訂年度上限	Not applicable 不適用	RMB1.6 million 人民幣 1,600,000 元

Texhong Industrial Park is a connected person of the Company by virtue of its being an associate of Mr. Hong Tianzhu, the chairman of the Company and an executive Director. Therefore, the transactions contemplated under the Texhong Dyeing Agreements, the Texhong Galaxy Agreements and the Gas Supply Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The independent non-executive Directors have, for the purpose of Rule 14A.55 of the Listing Rules, reviewed and confirmed that the aforementioned continuing connected transactions undertaken by the Group were entered into (i) in the ordinary and usual course of business of the Group; (ii) either on normal commercial terms or better; and (iii) in accordance with the relevant agreements governing the transactions on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole. PricewaterhouseCoopers, the auditors of the Company, has issued a letter to the Company to confirm the matters stated in Rule 14A.56 of the Listing Rules.

天虹工業園為本公司主席兼執行董事洪天祝先生之聯繫人，故屬本公司之關連人士。因此，天虹染整協議及天虹銀河協議以及燃氣供應協議項下擬進行交易構成上市規則第14A章項下本公司之持續關連交易。

就上市規則第14A.55條而言，獨立非執行董事已檢討及確認本集團上述持續關連交易(i)乃於本集團日常及一般業務過程中；(ii)按正常或更佳商業條款；及(iii)根據規範交易的相關協議按公平合理條款訂立，符合本公司股東整體利益。本公司核數師羅兵咸永道會計師事務所已向本公司發出函件，確認上市規則第14A.56條所述事項。

# 董事會報告

## REPORT OF THE DIRECTORS

### DISCLOSABLE TRANSACTIONS

#### (1) The S&P Agreement — Acquisition of the Target Group

On 7 December 2018 (after trading hours), the Company as the purchaser entered into a sale and purchase agreement (“S&P Agreement”) dated 7 December 2018 with the guarantors and Winnitex Group Limited and Winnitex China Holdings Limited as the vendors (the “Vendors”) in relation to the sale and purchase of the entire issued share capital Winnitex Holdings Limited, Winnitex Limited and 浙江慶茂紡織印染有限公司 (Zhejiang Qing Mao Weaving, Dyeing, Printing Co., Ltd.) (“Target Group”) for an aggregate consideration of approximately HK\$1.35 billion. The Target Group is principally engaged in the manufacture and sale of woven textile fabrics in the PRC and Hong Kong.

The aggregate consideration was approximately HK\$1.35 billion which shall be payable by the Company in the following manner:

- (1) 20.0% of the consideration (equivalent to approximately HK\$269.46 million) shall be paid to the Vendors as deposit upon signing of the S&P Agreement;
- (2) 75.0% of the consideration (equivalent to approximately HK\$1.01 billion) shall be paid to the Vendors on the completion date;
- (3) 5.0% of the consideration shall be withheld by the Company and paid to the Vendors after the completion date after deduction (if any).

The consideration was determined after arm's length negotiation between the Company and the Vendors on normal commercial terms principally with reference to the total assets of the Target Group less all liabilities of the Target Group as shown on the combined pro forma financial statements of the Target Group as at 30 September 2018, plus an agreed premium attributable to the intangible brand value of the Target Group.

As the applicable percentage ratios in respect of the transaction contemplated under the S&P Agreement are more than 5% but all applicable percentage ratios are below 25%, the entering into of the S&P Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

Further details of the S&P Agreement is set out in the announcement of the Company dated 10 December 2018.

### 須予披露交易

#### (1) 買賣協議 — 收購目標集團

於二零一八年十二月七日(交易時段後)，本公司(作為買方)與擔保人、Winnitex Group Limited及慶業中國控股有限公司(「賣方」)就買賣慶業中國控股有限公司、Winnitex Limited及浙江慶茂紡織印染有限公司(「目標集團」)的全部已發行股本訂立日期為二零一八年十二月七日的買賣協議，總代價約為13.5億港元。目標集團主要於中國及香港從事製造及銷售梭織面料。

總代價約13.5億港元將由本公司按下列方式支付：

- (1) 代價其中20.0%(相當於約269,460,000港元)將於簽訂買賣協議時支付予賣方作為訂金；
- (2) 代價其中75.0%(相當於約10.1億港元)將於完成日期支付予賣方；
- (3) 代價其中5.0%將由本公司保留並於完成日期後經作出扣減(如有)後支付予賣方。

代價由本公司與賣方經公平磋商後按正常商業條款釐定，主要參考目標集團於二零一八年九月三十日合併備考財務報表所示目標集團總資產減目標集團所有負債加目標集團無形品牌價值相關之協定溢價計算。

由於買賣協議項下擬進行交易所涉及適用百分比率超過5%惟所有適用百分比率均低於25%，故根據上市規則第14章，訂立買賣協議構成本公司之須予披露交易。

有關買賣協議的進一步詳情載於本公司日期為二零一八年十二月十日之公佈。

## 董事會報告

### REPORT OF THE DIRECTORS

#### DISCLOSABLE TRANSACTIONS (Continued)

##### (2) The Subscription Agreement — Deemed disposal of the equity interest in Texhong Winnitex

On 7 December 2018 (after trading hours), Texhong Winnitex Holdings Limited (“Texhong Winnitex”), a wholly owned subsidiary of the Company and the Mr. Wai Chi Kwok, Jacob and Mr. Wai Chi Wah, Nelson as the subscribers (the “Subscribers”) entered into the the subscription agreement dated 7 December 2018 (“Subscription Agreement”), pursuant to which Texhong Winnitex has agreed to allot and issue, and the Subscribers have agreed to subscribe for the subscription shares at the subscription price calculated using the following below. The subscription shares represent 20% of the total number of shares of Texhong Winnitex in issue upon Subscription Completion (as enlarged by the allotment and issue of the subscription shares) (“Subscription Shares”).

Pursuant to the Subscription Agreement, a reorganisation shall take place, upon which Texhong Winnitex shall become the holding company of the Target Group, weaving and dyeing operations in Nicaragua owned and controlled by Texhong Winnitex Americas Limited (“Texhong Americas”) and weaving and dyeing operations in Vietnam owned and controlled by Merit Horizon International Limited (“Merit Horizon”).

Upon the completion of the subscription, Texhong Winnitex will cease to be a direct wholly-owned subsidiary of the Company, but will remain as a subsidiary of the Company and the financial information of Texhong Winnitex and its subsidiaries will be consolidated to the Company’s consolidated financial statements.

The subscription price shall be determined based on the formula set out below (“Subscription Price”):

$$\text{Subscription Price} = (A + B1 + B2) \times (1/0.8-1)$$

A = total consideration of the S&P Agreement

B1 = the pro forma combined net asset value of Merit Horizon as at the date of the completion of the subscription if the reorganisation has been completed or if the reorganisation has not been completed, the relevant payment dates (“Subscription Completion Accounts Date”)

B2 = the consolidated net asset value of Texhong Americas as at the Subscription Completion Accounts Date

#### 須予披露交易 (續)

##### (2) 認購協議 — 視作出售天虹慶業股權

於二零一八年十二月七日(交易時段後)，本公司全資附屬公司天虹慶業控股有限公司(「天虹慶業」)與魏志國先生及魏志華先生(作為認購人，「認購人」)訂立日期為二零一八年十二月七日的認購協議(「認購協議」)，據此，天虹慶業同意配發及發行而認購人同意按使用下列方法計算的認購價認購認購股份(「認購股份」)。認購股份相當於認購事項完成後經配發及發行認購股份擴大之天虹慶業已發行股份總數之20%。

根據認購協議將進行重組，其後天虹慶業將成為目標集團、天虹慶業美洲有限公司(「天虹美洲」)擁有及控制的尼加拉瓜紡織印染業務及優景國際有限公司(「優景」)擁有及控制的越南紡織印染業務之控股公司。

於認購事項完成後，天虹慶業將不再為本公司直接全資附屬公司，但仍為本公司附屬公司，故天虹慶業及其附屬公司之財務資料將綜合計入本公司之綜合財務報表。

認購價(「認購價」)將根據下文所載公式釐定：

$$\text{認購價} = (A + B1 + B2) \times (1/0.8-1)$$

A = 買賣協議總代價

B1 = 優景於認購事項完成日期(倘重組已完成)、相關付款日期(倘重組尚未完成)之備考合併資產淨值(「認購事項完成賬目日期」)

B2 = 天虹美洲於認購事項完成賬目日期之綜合資產淨值

## 董事會報告

### REPORT OF THE DIRECTORS

#### DISCLOSABLE TRANSACTIONS (Continued)

##### (2) The Subscription Agreement — Deemed disposal of the equity interest in Texhong Winnitex (Continued)

The Subscription Price was determined after arm's length negotiation between the Company and the Subscribers on normal commercial terms principally with reference to the total consideration of the S&P Agreement plus the consolidated or pro forma combined net asset value of Merit Horizon and Texhong Americas.

The subscription constitutes a deemed disposal by the Company under Rule 14.29 of the Listing Rules. As one or more of the applicable percentage ratios for the subscription under Rule 14.07 of the Listing Rules are more than 5% but all applicable percentage ratios are below 25%, the subscription by the Subscribers constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

Further details of the Subscription Agreement are set out in the announcement of the Company dated 10 December 2018.

Save as disclosed above, there was no material acquisition and disposal of subsidiaries or associated companies by the Company during the financial year ended 31 December 2018.

##### (3) The JV Term Sheet — Grant of put option in Texhong Winnitex

Pursuant to a term sheet dated 7 December 2018 and entered into between the Company, the Subscribers and Texhong Winnitex regulating the joint investment and management of Texhong Winnitex and the rights and obligations for each parties ("JV Term Sheet"), the Company granted a put option to the Subscribers so that each of the subscribers may request the Company to purchase his shares in Texhong Winnitex ("Put Option"). The Put Option is exercisable by the Subscribers in their sole discretion at any time after the occurrence of an event of default on the part of the Company or at any time after the fourth anniversary of the completion of the subscription.

Pursuant to Rule 14.76(1) of the Listing Rules, as the applicable percentage ratios in respect of the grant of the Put Option are more than 5% but all applicable percentage ratios below 25%, the Put Option constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

Further details of the JV Term Sheet and the Put Option are set out in the announcement of the Company dated 10 December 2018.

#### 須予披露交易 (續)

##### (2) 認購協議 — 視作出售天虹慶業股權 (續)

認購價由本公司與認購人經公平磋商後按正常商業條款釐定，主要參考買賣協議總代價加優景及天虹美洲之綜合或備考合併資產淨值。

根據上市規則第14.29條，認購事項構成本公司之視作出售事項。由於上市規則第14.07條項下認購事項之一項或多項適用百分比率超過5%惟所有適用百分比率均低於25%，故根據上市規則第14章，認購人進行認購事項構成本公司之須予披露交易。

有關認購協議的進一步詳情載於本公司日期為二零一八年十二月十日之公佈。

除上文所披露者外，本公司於截至二零一八年十二月三十一日止財政年度並無重大收購及出售附屬公司或聯營公司事項。

##### (3) 合營企業條款 — 授出天虹慶業之認沽期權

根據本公司、認購人及天虹慶業訂立的日期為二零一八年十二月七日規範天虹慶業共同投資及管理以及各訂約方權利與責任的條款（「合營企業條款」），本公司向認購人授出認沽期權，故此各認購人可要求本公司購回其所持天虹慶業之股份（「認沽期權」）。認購人可於本公司發生違約事件後任何時間或認購事項完成四週年後任何時間全權酌情行使認沽期權。

根據上市規則第14.76(1)條，由於授出認沽期權所涉及適用百分比率超過5%惟所有適用百分比率均低於25%，故根據上市規則第14章，認沽期權構成本公司之須予披露交易。

有關合營企業條款及認沽期權的進一步詳情載於本公司日期為二零一八年十二月十日之公佈。

## 董事會報告

# REPORT OF THE DIRECTORS

### PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors at the latest practicable date prior to the issue of this annual report, there was sufficient prescribed public float of the issued shares of the Company under the Listing Rules at any time during the financial year ended 31 December 2018.

### AUDIT COMMITTEE

The Company has established the Audit Committee pursuant to a resolution of the Directors passed on 21 November 2004. The Audit Committee comprises three independent non-executive Directors, namely Mr. Ting Leung Huel, Stephen, Professor Tao Xiaoming and Professor Cheng Longdi. Mr. Ting Leung Huel, Stephen is the chairman of the Audit Committee. The rights and duties of the Audit Committee comply with the code provisions of the CG Code. The Audit Committee is responsible for reviewing and supervising the Group's financial reporting process and internal control system and providing advice and recommendations to the Board.

The Audit Committee had reviewed the audited results of the Group for the financial year ended 31 December 2018.

### NOMINATION COMMITTEE

The Company has established the Nomination Committee pursuant to a resolution of the Directors passed on 19 March 2012. The Nomination Committee comprises an executive Director and the chairman of the Company, Mr. Hong Tianzhu and three independent non-executive Directors, namely Professor Tao Xiaoming, Professor Cheng Longdi and Mr. Ting Leung Huel, Stephen. The chairman of the Nomination Committee is Mr. Hong Tianzhu. The Nomination Committee has adopted terms of reference which are in line with the code provisions of the CG Code. The Nomination Committee is provided with sufficient resources to discharge its duties and has access to independent professional advice in accordance with the Company's policy if considered necessary.

### 公眾持股量

根據於本年報刊發前之最後實際可行日期本公司獲得之公開資料及據董事所知，本公司於截至二零一八年十二月三十一日止財政年度任何時間已發行股份均有充分之指定公眾持股量，符合上市規則。

### 審核委員會

根據董事於二零零四年十一月二十一日通過的一項決議案，本公司已成立審核委員會。審核委員會由三名獨立非執行董事組成，包括丁良輝先生、陶肖明教授及程隆棣教授，丁良輝先生為審核委員會主席。審核委員會所採納的權力及職責符合企業管治守則之守則條文。審核委員會負責審閱及監督本集團之財務匯報程序及內部監控制度，並向董事會提供意見及推薦建議。

審核委員會已審閱本集團截至二零一八年十二月三十一日止財政年度之經審核業績。

### 提名委員會

根據董事於二零一二年三月十九日通過的一項決議案，本公司已成立提名委員會。提名委員會由執行董事兼本公司主席洪天祝先生及三名獨立非執行董事組成，三名董事分別為陶肖明教授、程隆棣教授及丁良輝先生。洪天祝先生為提名委員會主席。提名委員會所採納的職權範圍符合企業管治守則之守則條文。提名委員會獲提供充分資源以履行其職務，並可按本公司政策在有需要時尋求獨立專業意見。



## 董事會報告

### REPORT OF THE DIRECTORS

#### REMUNERATION COMMITTEE

The Company has established the Remuneration Committee pursuant to a resolution of the Directors passed on 21 November 2004. The Remuneration Committee comprises three independent non-executive Directors, namely Mr. Ting Leung Huel, Stephen, Professor Tao Xiaoming and Professor Cheng Longdi and the chairman and executive Director, namely Mr. Hong Tianzhu. Mr. Ting Leung Huel, Stephen is the chairman of the Remuneration Committee. The Remuneration Committee has rights and duties consistent with those set out in the code provisions of the CG Code. The Remuneration Committee is principally responsible for formulating the Group's policy and structure for all remunerations of the Directors and senior management and providing advice and recommendations to the Board.

#### CHARITABLE CONTRIBUTIONS

During the year ended 31 December 2018, the Group made charitable contributions amounted to approximately RMB611,000.

#### LITIGATION

Neither the Company nor any of its subsidiaries is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against the Company or any of its subsidiaries during the year ended 31 December 2018.

#### AUDITOR

The financial statements have been audited by PricewaterhouseCoopers who will retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting.

On behalf of the Board

**Hong Tianzhu**  
*Chairman*

Hong Kong, 7 March 2019

#### 薪酬委員會

根據董事於二零零四年十一月二十一日通過的一項決議案，本公司已成立薪酬委員會。薪酬委員會由三名獨立非執行董事丁良輝先生、陶肖明教授、程隆棣教授及主席兼執行董事洪天祝先生組成。丁良輝先生為薪酬委員會主席。薪酬委員會已採納與企業管治守則之守則條文一致的權力及職責。薪酬委員會主要負責擬訂本集團董事及高級管理層的所有酬金政策及架構，向董事會提供意見及建議。

#### 慈善捐款

截至二零一八年十二月三十一日止年度，本集團作出慈善捐款約人民幣611,000元。

#### 訴訟

於截至二零一八年十二月三十一日止年度，本公司或其任何附屬公司概無牽涉於任何重大訴訟或仲裁，而據董事所知，本公司或其任何附屬公司並無涉及待決或面臨威脅之重大訴訟或索償。

#### 核數師

財務報表已經由羅兵咸永道會計師事務所審核。該核數師將任滿告退，其合資格並願意於即將舉行的股東週年大會上獲續聘。

承董事會命

**洪天祝**  
*主席*

香港，二零一九年三月七日

# 環境、社會及管治報告

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group has a corporate mission of “becoming a global leading cotton textile enterprise that emphasizes creating a wonderful life; being committed to develop products with high added value and providing comprehensive all-rounded services; maximizing the benefits of employees, customers and shareholders; contributing to and serving the society in an earnest way”. It adheres to the principles of “honest partner, creativity and excellence, customer-oriented approach” and insists on a sustainable development model to promote the concept of humanity, environmental friendliness and energy conservation, health and safety, and integrity, with a view to becoming a socially responsible corporation.

According to the requirements of the Appendix 27 “Environmental, Social and Governance Reporting Guide” (the “ESG Reporting Guide”) to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, the Company has prepared this report, which covers the main business segments of the Group in the manufacturing of yarns, grey fabrics, dyeing, apparels and garment fabrics, including the environmental key performance indicators (“KPI”) of the 18 production subsidiaries of the Group that are situated in Mainland China, Vietnam, Cambodia and Nicaragua, throughout the financial year ended 31 December 2018. Save for the inclusion of Taltex (Zhuhai) Co., Ltd. (“Taltex (Zhuhai)”), a wholly owned subsidiary of the Group, there is no significant adjustments on the scope of the ESG Report compared with the ESG report contained in the annual report for the year ended 31 December 2017.

The Group performs an assessment over the relevant aspects and KPIs in terms of applicability and materiality in accordance with the ESG Reporting Guide. In full compliance with the disclosure requirement “comply or explain”, this report provides explanations as to why certain disclosure rules do not apply to the Group, thereby satisfying the reporting principles of materiality, quantification, balance and consistency.

本集團以「成為全球領先的棉紡織企業，創意精彩生活；致力於發展高附加值產品，全面提供增值服務；為員工、客戶和股東創造最大價值，真誠回饋和服務社會」為企業願景使命，恪守「誠實合作、創新卓越、客戶導向」的行動綱領，始終堅持企業可持續發展道路，傳遞以人為本、環保節能、健康安全、誠信經營的理念，努力成為一家有企業社會責任感的公司。

根據《香港聯合交易所有限公司證券上市規則》附錄27《環境、社會及管治報告指引》要求，本公司編製了本報告，覆蓋本集團的紗綫、坯布、印染、成衣及面料等主要業務板塊，並包括截至二零一八年十二月三十一日止整個財政年度位於中國大陸、越南、柬埔寨和尼加拉瓜的本集團18家附屬生產公司的環境關鍵績效指標（「關鍵績效指標」）。除計入本集團的全資附屬公司聯業織染（珠海）有限公司（「珠海聯業」）外，ESG報告的範圍相較於截至二零一七年十二月三十一日止年度年報所載ESG報告並無重大調整。

本集團根據《ESG報告指引》對相關層面和關鍵績效指標進行了適用性及實質性評估。本報告完全符合「不遵守就解釋」披露要求，報告中對不適用於集團的披露規則進行了解釋，遵守了重要性、量化、平衡和一致性的彙報原則。

# 環境、社會及管治報告

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### 1. ESG MANAGEMENT

The Group recognizes the importance of enhancing its own environmental and social performances to maintain business sustainability. In determining its operation strategy, therefore, the Group considers risks and opportunities affecting the environmental, social and governance (“ESG”) issues, which will provide guidelines for its daily business operations.

The Board of the Group endorses the Group’s commitments to corporate social responsibility, and assumes full responsibility for ESG strategies and reporting. In charge of assessing and determining the ESG risk exposure, the Board also ensures the Group establishes appropriate and effective ESG risk management and internal control systems.

It is the responsibility of the Group’s management to confirm the effectiveness of the ESG system with the Board. To carry out the full-scale ESG management work, the Group’s ESG task group, comprised of the major functional departments of Texhong, is established, and all responsible officers in charge of various functional departments will directly participate in and designate personnel to engage in the ESG management and reporting work, the work progress of which will be reported to the management of the Group.

The Group’s ESG strategies are built on the core principle and practical objective of “Safety, Quality and Environmental Sustainability”, providing ESG management guidelines for daily operations. ESG policies and strategies will be reviewed on a regular basis to ensure their related contents are appropriate and applicable to the business of the Group.

### 1. ESG 管理

本集團深知提升自身環境與社會績效對集團可持續化運營的重要性，已將影響環境、社會及管治(「ESG」)的風險與機遇因素納入集團經營戰略中，指導日常業務運營。

本集團董事會支持本集團對於履行企業社會責任所作的承諾，並對本集團的ESG策略及彙報承擔全部責任。董事會負責評估及釐定本集團有關環境、社會及管治的風險，並確保本集團設立合適及有效的ESG風險管理及內部控制系統。

本集團的管理層負責向董事會提供有關ESG系統是否有效的確認。為全面開展環境、社會及管治的管理工作，本集團成立了由天虹主要部門組成的ESG工作組，各部門負責人直接參與，並指定專人負責開展ESG管理和報告的工作，向集團管理層彙報ESG管理和報告的工作進度。

本集團的ESG策略基於安全優質、環保永續的核心原則及切實目標，以為日常營運中的ESG管理提供指導，並定期檢討其ESG政策及策略，確保當中內容切合及適用於自身業務。

### 1. ESG MANAGEMENT (Continued)

The Group attaches great importance to communications with stakeholders and establishes effective communication channels with key stakeholders including shareholders, employees, suppliers and customers. After identifying, evaluating and selecting ESG issues of concern to all stakeholders, the Group determines “Health and Safety” and “Product Responsibility” as its two major issues, which will be specifically disclosed by the Group with corresponding responses in the report.

### 2. EMPLOYEE CARE

The Group gives attention to the work, learning, life and health of its employees, and remains committed to improving the workplace conditions. A sound communication mechanism is established to facilitate self-improvement of our employees and enrich their cultural and amateur activities.

#### 2.1 Health and safety

In addition to strictly complying with the relevant local laws and regulations, such as the “Production Safety Law of the People’s Republic of China”, “Law of the People’s Republic of China on the Prevention and Control of Occupational Diseases”, “Measures for the Supervision and Administration of Occupational Health Surveillance”, and “Design Standards for Occupational Safety and Health for Businesses in the Textile Industry”, the Group is committed to achieving the balance between work and life of our employees by introducing a series of internal rules and systems to safeguard the workplace safety and prevent occupational diseases. Furthermore, the Group also strengthens the protection of female employees.

### 1. ESG 管理(續)

本集團極其重視與利益相關方的溝通，與主要利益相關方包括股東、員工、供應商與客戶等建立了有效的溝通渠道，就各利益相關方關心的 ESG 議題進行了識別、評估和篩選後，確定了「健康與安全」及「產品責任」是兩個重要議題，並將在報告中進行重點披露和回應。

### 2. 員工關懷

本集團關注員工工作、學習、生活和健康，致力於持續改善工作環境，建立健全溝通機制，幫助員工自我提升，豐富員工文化生活。

#### 2.1. 健康與安全

本集團嚴格遵守當地與員工健康與安全相關的法律法規，如《中華人民共和國安全生產法》、《中華人民共和國職業病防治法》、《職業健康監護管理辦法》和《紡織工業企業職業安全衛生設計規範》等，通過系列的內部規章制度來規範公司的安全生產與職業病防護工作，加強女性員工保護，致力於員工的工作與生活的平衡。

## 2. EMPLOYEE CARE (Continued)

### 2.1 Health and safety (Continued)

#### 2.1.1 Safe production

In accordance with the requirements of the “Policy on Production Accidents”, “Policy on Production Standardization”, “Policy on Regular Safe Production Meetings”, “Policy on Safe Production Education”, “Policy on Accident Reporting and Handling”, “Policy on Emergency Response”, “Three Simultaneities” of Construction Projects, and “Policy on Facilities and Equipment Maintenance”, the Group strengthens its management on accidents and violations to regulate safe production and prevent non-compliance with the relevant laws and regulations. With regard to onsite inspection of non-compliance, relevant disciplinary schemes are executed and lessons are learnt through accident analysis meetings to prevent repeated violation. The principle of “four prohibition” on incomplete cause investigation, incomplete disciplinary action for responsible staff member, incomplete rectification measures and incomplete training for relevant staff member is upheld to improve safety education and implement rectifying measures.

The Group strictly adheres to the requirements to provide training and learning sessions to its employees in relation to workplace safety, which primarily include the safety procedures, management system, hazard identification skills and a three-level safety induction program. Cases of industrial accidents occurred in the Group and other comparable companies would be used for learning and discussion during the training session. Comparison and rationalization are based on the three aspects of “system and procedure, operation environment, and personnel education” so that our employees will be able to put things into proper perspective for record and filing.

## 2. 員工關懷(續)

### 2.1. 健康與安全(續)

#### 2.1.1 安全生產

本集團按照《生產安全事故管理制度》、《安全生產標準化管理制度》、《安全生產工作例會制度》、《安全生產教育制度》、《事故報告處理制度》、《公司事故應急救援制度》、《建設項目「三同時」》和《設備設施管理制度》等制度規定，加強事故和違章管理，以監管安全生產及防止違反有關法律及法規的情況，還按照事故分析會的模式進行事故反省，並吸取違章帶來的教訓，杜絕重複違章現象，落實好事故原因未查清不放過、責任人員未處理不放過、整改措施未落實不放過和有關人員未受到教育不放過的「四不放過」原則，做好人員安全教育及落實整改措施。

本集團嚴格按照制度規定為僱員提供與工作場所安全有關的培訓及學習課程，內容主要包含安全規程、管理制度、危險源辨識技能以及新員工三級安全教育等方面；在培訓期間，本集團及可比較公司發生的工業事故案件將用於學習及討論。按照「制度規程、作業條件、人員教育」三個方面進行對照梳理，舉一反三，並記錄存檔。



2. EMPLOYEE CARE (Continued)

2.1 Health and safety (Continued)

2.1.1 Safe production (Continued)

In 2018, Shandong Texhong Textile Co., Ltd. (“Shandong Texhong”) established the “Implementation Plan for Dual Prevention System” and organized training and examination sessions for the “Dual Prevention System” among all employees, which sets an example for other subsidiaries of the Group in establishing the dual prevention system.

To further strengthen workplace safety and continue the promotion of 6S management and backup support, the Group held a special meeting on “Safe Production, 6S Management and Backup Support” for all subsidiaries in May 2018. Announced at the meeting were the “Policy on Workplace Safety Management” and “Regulations on Handling Workplace Accidents”, which contain the workplace safety accountability system and the safety compliance duties of management personnel at all levels and specify the workplace accident levels and corresponding penalties, alongside a notice on safety inspection throughout the Group. In addition, the Group makes general arrangements for workplace safety in the future, including the establishment of a safety compliance system and the top-to-bottom development of workplace safety management accountability. Only by making great efforts to enhance workplace safety and safety training among all subsidiaries can the three-level safety management system be more than a management concept and put into practice.

2. 員工關懷(續)

2.1. 健康與安全(續)

2.1.1 安全生產(續)

二零一八年，山東天虹紡織有限公司(「山東天虹」)制定了《雙重預防體系實施方案》，進行全員《雙重預防體系》培訓學習和考試，完成雙重預防體系建設，為本集團其他子公司樹立了榜樣。

為進一步加強安全生產，持續推進6S管理及後勤保障工作，本集團於二零一八年五月舉行面向所有子公司的「安全生產、6S管理、後勤保障」專題會議。會上發佈了《安全生產管理制度》和《安全事故處理規定》，包含安全生產責任制、各級管理人員的安全職責等；明確了安全事故等級及相應處罰，並通報了集團安全檢查通知。本集團還對今後的總體安全工作進行部署，包括建立安全體系，自上而下建立安全管理責任制；抓好各子公司的安全工作，加大安全培訓，使三級安全管理體系真正地從管理意識到專業操作等。

# 環境、社會及管治報告 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 2. EMPLOYEE CARE (Continued)

### 2.1 Health and safety (Continued)

#### 2.1.1 Safe production (Continued)

In 2018, the subsidiaries of the Group actively carried out various activities such as fire drills, flood-control drills and workplace safety training to strengthen its capability to prevent workplace accidents and save lives and safeguard its production safety.



Fire Drill Carried out by Texhong Dyeing and Printing Vietnam Limited (“Texhong Dyeing”)

越南天虹染整責任有限公司  
（「天虹染整」）開展消防演習

#### 2.1.2 Occupational disease prevention and protection

In accordance with various policies and procedures, including the “Management of Occupational Hygiene and Safety” and “Distribution and Management of Labor Protection Equipment”, the Group continues its commitments to occupational health management and occupational disease prevention and protection.

- Employees are provided with health and safety education sessions, safety induction training, and ongoing safety training sessions (in case of incumbent employees);

## 2. 員工關懷(續)

### 2.1. 健康與安全(續)

#### 2.1.1 安全生產(續)

二零一八年，集團各子公司積極開展消防演習、防汛演練和安全生产培訓等活動，加強自防自救的能力，保障公司生產安全。



Annual Joint Fire Drill Carried Out by Texhong Galaxy Technology Limited (“Texhong Galaxy”) and the Police and Fire Departments

天虹銀河科技有限公司  
（「天虹銀河」）與公安消防聯合年度消防演習

#### 2.1.2 職業病防護

本集團依據《職業衛生安全管理制度》和《勞動保護用品發放管理制度》等制度規程，不斷加強職業健康管理和職業病防治工作。

- 對員工進行健康安全教肓，實行入職前安全培訓和老員工安全再培訓；

2. EMPLOYEE CARE (Continued)

2.1 Health and safety (Continued)

2.1.2 Occupational disease prevention and protection (Continued)

- Inspections over occupational hazards at workplaces, such as noise and dusts, are carried out. Notices and warning signals at workplaces where the occupational hazards exist are posted to raise the awareness of self-protection;

2. 員工關懷(續)

2.1. 健康與安全(續)

2.1.2 職業病防護(續)

- 對生產崗位的噪聲和粉塵等職業危害進行檢測，在車間有職業危害的地方進行告知和警示，提高員工自我防護意識；



Medical Experts Invited by Changzhou Texhong Textile Co., Ltd. ("Changzhou Texhong") to Provide Health Consultation for Employees with Different Ethnicities

常州天虹紡織有限公司(「常州天虹」)邀請醫療專家為各民族職工開展健康諮詢

- Protection gears, such as earplugs and masks, are regularly distributed among our staff members, who will also receive training on use of these gears;
- Occupational health profiles have been compiled and occupational health checkups have been arranged to prevent occupational diseases effectively.
- 按時分發耳塞、口罩等勞保用品，並對如何正確佩戴進行員工培訓；
- 已建立職業健康檔案，並已開展職業健康體檢，有效預防職業病的發生。

2. EMPLOYEE CARE (Continued)

2.1 Health and safety (Continued)

2.1.3 Protection for female employees

Female employees assume a wide variety of posts on different levels in the Group. In strict compliance with relevant local laws and regulations, such as the “Law of the People’s Republic of China on the Protection of Women’s Rights and Interests”, “Labor Protection of Female Employees” and “Healthcare Work of Female Employees”, the Group protects the rights of female employees from the sources. We are concerned about the problems encountered by employees in their work and life and constantly improve the working environment and condition for female employees. A “Three-period” requirement and regular physical examination system have been put in place to promote female employees’ physical and mental health.

2. 員工關懷(續)

2.1. 健康與安全(續)

2.1.3 女職工保護

在本集團，女性員工廣泛分佈在不同層級、不同類別的崗位上。本集團嚴格遵守當地的相關法律法規，如《中華人民共和國婦女權益保障法》、《女職工勞動保護規定》和《女職工保健工作規定》等，從源頭上維護女職工的權益。我們關注職工在工作和生活遇到的問題，不斷改善女性勞動環境和勞動條件，落實女工「三期」規定及定期體檢制度，關心女職工身心健康。



Health Training for Female Employees at Texhong Thai Binh Garment Company Limited (“Texhong Thai Binh Garment”)

天虹太平服裝有限公司(「天虹太平服裝」)為女工提供健康培訓

2. EMPLOYEE CARE (Continued)

2.1 Health and safety (Continued)

2.1.4 Promote work-life balance

In 2018, the Group arranged various forms of cultural and work campaigns to create a positive atmosphere and promote work-life balance. In addition, coffee klatches are held monthly among general managers, and seminars among workshop heads, chief operator and chief mechanist as well as after-hours meetings among employees are held regularly to help employees maintain a positive work attitude, enhance work enthusiasm and strengthen corporate cohesion.

To provide pleasant workplace conditions for our employees and safeguard their wellbeing during their amateur life, the headquarters and subsidiaries of the Group underwent comprehensive upgrades of in the workplace areas and amenity areas. For example, Texhong Yinfeng constructed facilities like leisure room, television room, basketball court and badminton court to enhance the overall living and work standard of employees.

In addition, the Group endeavors to support employees in need and offers relief and condolence to hospitalized employees, employees who lose immediate family members and employees in severe difficulties.



May Day Fun Games held at Xinjiang Texhong Foundation Textile Co., Ltd. ("Xinjiang Texhong")

新疆天虹基業紡織有限公司  
迎五一趣味運動會

2. 員工關懷(續)

2.1. 健康與安全(續)

2.1.4 倡導工作與生活的平衡

二零一八年，本集團開展多種形式的文體競賽和勞動競賽，營造積極向上的氛圍，倡導工作與生活的平衡。此外，本集團每月召開總經理茶話會，定期組織召開車間班組、值班長和機工組長座談會、員工班後會，幫助員工樹立良好的工作心態，提升工作熱情，增強企業凝聚力。

為了讓員工在企業可以快樂工作和幸福生活，集團總部和各子公司進行了工作區和生活區的全面改造，例如天虹銀豐建立了員工娛樂活動室、電視房、籃球場羽毛球場等設施，以全面保障員工的工作生活水平。

此外，本集團重視困難員工的幫扶，對員工生病住院治療、員工直系親屬死亡、特困員工送去溫暖，上門慰問。



Mid-Autumn Festival Culture Night Celebrated by Chinese and Vietnamese Employees at Texhong Thai Binh Garment

天虹太平服裝中越員工  
中秋文藝晚會



## 環境、社會及管治報告 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### 2. EMPLOYEE CARE (Continued)

#### 2.2 Right protection

The Group strictly complies with relevant local laws and regulations, such as the “Labor Law of the People’s Republic of China” and “Labor Contract Law of the People’s Republic of China”. In accordance with internal rules and regulations, such as “Employee Manual”, “Recruitment Management System”, “Employee Induction and Loss of Office Management Requirement”, “Employee Promotion Management Requirement” and “Performance Management Measure”, the Group regulates recruitment process, improves the mechanism of talent selection, and actively protects employees’ legal rights, human rights and privacy.

The Group does not discriminate against recruitment candidates because of gender, age, ethnicity, race and nationality. Right protection covers the following aspects:

- **Labor contract:** We enter into a legally binding labor contract with every employee in accordance with relevant laws and regulations, and our employees are entitled to annual leave according to the legal requirements
- **Child labor:** Recruitment of young workers under the age of 18 will be subject to the requirements of the laws and regulations, and use of child labor is prohibited by the Group.
- **Forced or compulsory labor:** Use of forced labor is prohibited.
- **Working hour:** We complies with all the requirements of the national laws and regulations on working hour and overtime arrangement for employees is on a voluntary basis.
- **Labor union and collective bargaining agreement:** We recognize and respect employees’ right to organize and participate in a labor union and collective bargaining.
- **Discrimination:** Discrimination against ethnicity, race, religious belief, disability, personality, etc. is prohibited.

### 2. 員工關懷(續)

#### 2.2 權益保護

本集團嚴格遵守當地的相關法律法規，如《中華人民共和國勞動法》和《中華人民共和國勞動合同法》等。依據《員工手冊》、《招聘管理制度》、《員工入離職管理規定》、《員工晉升管理規定》和《績效管理辦法》等內部規章制度，本集團規範員工招聘流程，健全人才選用機制，積極保障員工合法權益，保護員工人權及個人隱私。

本集團招聘人員不歧視性別、年齡、種族、膚色、國籍，從以下幾個方面保護員工權益：

- **勞動合同：**我們根據相關法律及法規與每名僱員簽訂具法律約束力的勞動合同，並依法給予僱員年假。
- **童工：**招用18歲以下未成年工必須符合法律、法規的要求，本集團禁止招聘童工。
- **強迫或強制勞動：**杜絕強迫勞動。
- **工作時間：**遵守各國家法律、法規關於工作時間的要求，在員工自願的情況下安排加班。
- **工會組織和集體談判權：**承認並尊重員工組織和參加工會，以及進行集體談判的權利。
- **歧視：**杜絕因民族、種族、宗教信仰、殘疾、個人性格等原因使員工受到歧視。

## 2. EMPLOYEE CARE (Continued)

### 2.2 Right protection (Continued)

- **Harassment and torture:** The Group cares for the physical and mental health of each and every employee and prohibits harassment, torture and corporal punishment.
- **Promotion and development:** Based on the Group's stratified talent nurturing plan, every employee is provided with fair "branched" promotion and development paths. The Group enhances career advancement programs for employees and expands their development paths. For employees with development preferences, promotion is based on a combination of skill examination and daily performance, which promotes professionalism, diversified and extended development, and helps rationalize promotional criteria.
- **Dismissal:** Any dismissal of employees is in strict compliance with local laws and regulations.

The Group regulates the management of labor and employment according to all the relevant local laws, regulations and policies to build a harmonious and stable labor relation. Based on the principles of "equality, willingness and mutual agreement", we enter into a written labor contract with every employee (the success rate of which is 100%). Our annual leave policy is established according to legal requirements. In order to protect employees' rights, the Group provides updates through different means to employees on recent production and operation conditions of the Group, as well as rules, regulations, and systems that are closely related to their interests.

## 2. 員工關懷(續)

### 2.2 權益保護(續)

- **騷擾與虐待：**集團保障每位員工的身體與精神健康，禁止騷擾、虐待與體罰。
- **晉升與發展：**按照集團梯隊人才培養方案，每位員工享有公平的「雙通道」職業生涯晉升發展通道。本集團推進員工職業生涯發展項目，拓寬員工發展通道；對於有發展願望的員工，以技能考試和平時工作表現相結合的形式，予以晉升，從而引導員工提升工作專業程度，在員工發展多元化、發展周期長期化以及晉升標準合理化方面做出了成績。
- **解聘：**解聘任何僱員須嚴格遵照當地法律法規。

本集團嚴格執行當地有關法律、法規和政策，規範勞動用工管理，建立和諧穩定的勞動關係。我們按照「平等、自願、協調一致」的原則，與員工簽訂書面勞動合同（員工勞動合同簽訂率為100%），並依法建立年休假制度。本集團通過多種形式向員工宣講集團近期的生產經營狀況以及與員工利益密切相關的規章制度，保障員工的利益。

2. EMPLOYEE CARE (Continued)

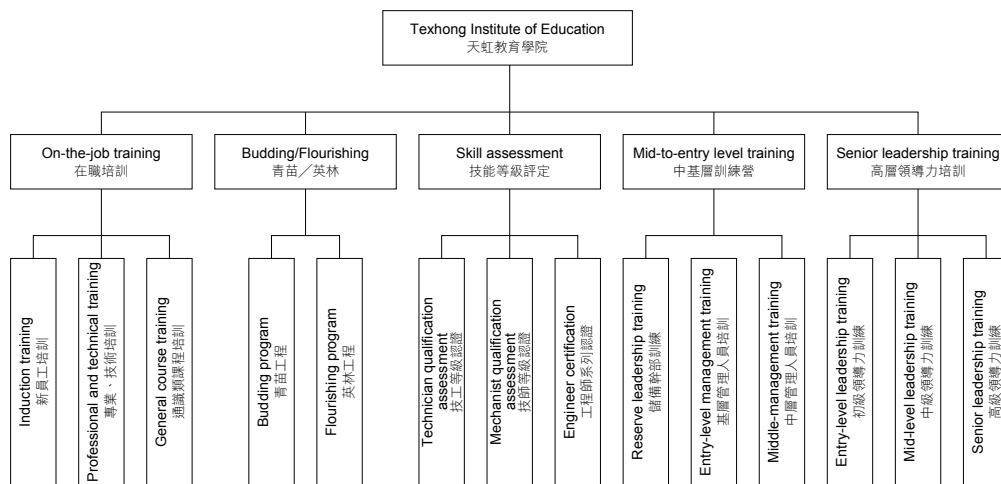
2.3 Training and development

The Group provides comprehensive and systematic support to the employee development. Based on the needs of strategic development of the Group, the Group prepared “Training and Implementation Measures of Texhong Textile Group” to set up the structure for training, learning course, technician, mechanist/engineer skill assessment, mid-to-entry level training and senior leadership. The Group puts in place a “branched career path” for every employee and nurtures talent in a systematic manner through “budding program” (for university graduates with less than one year of experience), “flourishing program” (for university graduates with one to three years of experience) and “stratified talent nurturing program” (for all employee with more than three years of experience).

2. 員工關懷(續)

2.3 培訓與發展

本集團全面系統地支持員工發展。根據集團戰略發展需求，本集團制定了《天虹集團培訓實施管理辦法》，並建立了集團培訓體系、集團課程體系和技工技師/工程師技能等級評定體系、中基層訓練營體系以及高層領導力體系。集團針對所有員工制定了「雙通道職業發展路徑」，並通過「青苗計劃」（1年內大學生）、「英林計劃」（1-3年內大學生）和「人才梯隊培養計劃」（3年以上所有員工）系統性地培養人才。

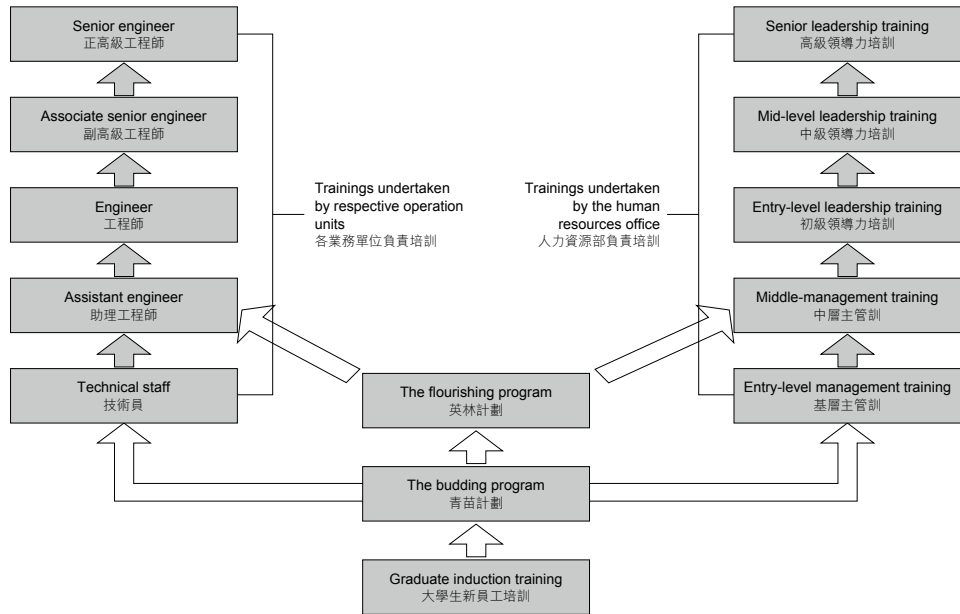


# 環境、社會及管治報告 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 2. EMPLOYEE CARE (Continued)

### 2.3 Training and development (Continued)

#### ➤ Career path for university graduates

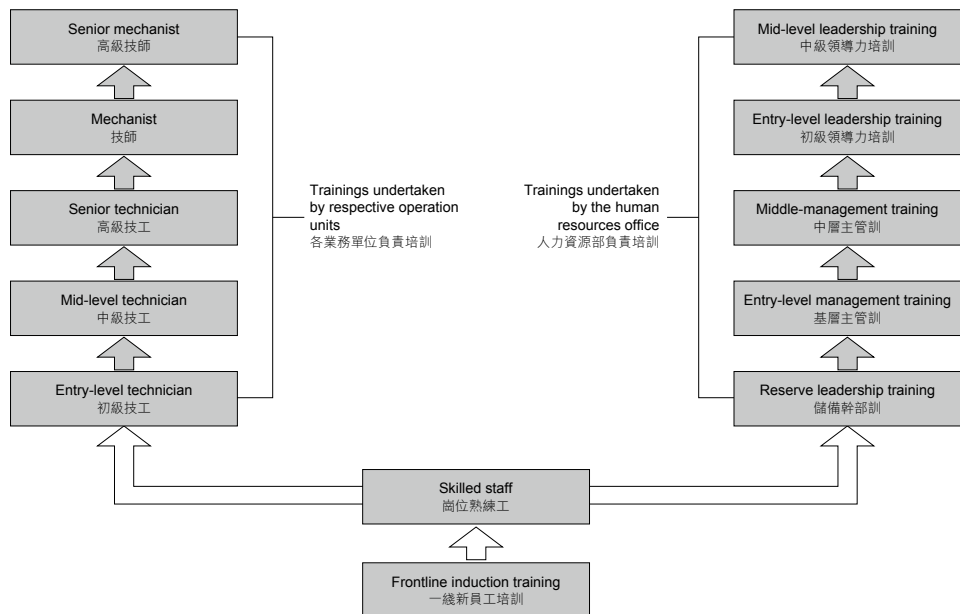


## 2. 員工關懷(續)

### 2.3 培訓與發展(續)

#### ➤ 大學生職業生涯發展路徑

#### ➤ Career path for frontline employees



#### ➤ 一線員工職業發展路徑

## 環境、社會及管治報告 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### 2. EMPLOYEE CARE (Continued)

#### 2.3 Training and development (Continued)

In 2018, companies under the Group have organized various training activities, including production training, management skills, safety training, skills training and safe production, and targeted training was also provided to all new employees, entry-level management, middle management and reserve management personnel to meet the needs of all levels.



Team Leader Lecturer Training Camp for Texhong Renze Textile Joint Stock Company ("Texhong Renze")  
天虹仁澤紡織股份有限公司(「天虹仁澤」)  
班組長講師訓練營

### 2. 員工關懷(續)

#### 2.3 培訓與發展(續)

二零一八年，本集團各公司開展了包含生產培訓、管理技巧、安全培訓、技能培訓和安全生產等多種培訓活動，並為新入職員工、基層管理人員、中層管理人員和後備管理人員等各類員工提供具有針對性的培訓，滿足各個級別的需求。



Training for Human Resources Practitioners of Texhong Galaxy  
天虹銀河人力資源從業人員培訓

### 3. PRODUCT RESPONSIBILITY

The Group strictly complies with relevant local laws and regulations, such as the "Product Quality Law of the People's Republic of China", "Law of the People's Republic of China on the Protection of Consumers' Rights and Interests", and "National General Safety Technical Code for Textile Products".

#### 3.1 Product quality safeguards

The Group places great emphasis on quality management by establishing and obtaining the certification of the ISO 9001 quality management system. Meanwhile, with increased investments in scientific instruments, the Group adopts advanced equipment for effective control over product quality and integrates quality management throughout production process.

### 3. 產品責任

本集團嚴格遵守當地的相關法律法規，如《中華人民共和國產品質量法》、《中華人民共和國消費者權益保護法》和《國家紡織產品基本安全技術規範》等。

#### 3.1 保障產品質量

本集團高度重視質量管理，建立了ISO 9001質量管理體系並通過認證。同時，本集團加大科技設備的投入，用先進的設備對產品質量進行有效的監控，將質量管理落實到產品生產的全過程。



3. PRODUCT RESPONSIBILITY (Continued)

3.1 Product quality safeguards (Continued)

In order to ensure product quality and safety, provide better services for downstream customers and boost customer satisfaction, the Group has taken the following measures:

- Quality management policy and training for addressing quality issues
  - Establishment of a quality management system
  - Clear and specific work requirements
    - Job description for each person-in-charge
    - Quality control for delivery
  - Establishment of quality management policies
    - “Quality assurance structure”
    - “Quality work manual”
    - “Rules on order assessment and product modification”
    - “Rules on production and storage”
    - “Quality management and shutdown policy”
    - “Rules on quality issue handling”
    - “Responsibility and accountability policy for quality issues”

3. 產品責任(續)

3.1 保障產品質量(續)

為了確保產品質量和安全、更好地服務下游客戶、提升客戶滿意度，本集團採取以下了措施：

- 質量管理制度及質量問題培訓攻關
  - 建立質量管理體系
  - 明確具體工作要求
    - 各責任人崗位職責
    - 發貨質量控制
  - 建立質量管理制度
    - 《質保體系》
    - 《質量工作手冊》
    - 《訂單評審及品種翻改相關規定》
    - 《產品生產、入庫相關規定》
    - 《質量管理關車制度》
    - 《質量問題與措施相關規定》
    - 《質量問題責任追究制度》

# 環境、社會及管治報告

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### 3. PRODUCT RESPONSIBILITY (Continued)

#### 3.1 Product quality safeguards (Continued)

- Customer complaint handling and customer satisfaction improvement
  - Establishment of quality concept
    - Quality meeting is organized for every new product type to analyze quality control points at each level according to customer's requirements and production features.
    - Quick responses to internal control quality fluctuation.
    - Cause analysis for substandard quality to prevent reoccurrence.
    - Comprehensive investigation of quality anomalies. Quality control department is responsible for producing monthly quality control report.
  - Regular customer visit
    - Monthly market visits with customers to understand market demands, cooperate to develop new products, and foster mutual understanding and trust.
  - Countermeasures for quality anomalies and reasonable handling of customer complaint
    - Receipt of feedbacks from operators and sampling analysis or customer visit to understand quality information.
    - Cause analysis of quality issues and communication with customer to achieve resolution.

### 3. 產品責任(續)

#### 3.1 保障產品質量(續)

- 客訴處理及客戶滿意度提升
  - 建立品質理念
    - 凡接新品種即召開質量會議，根據客戶要求和生產特點，逐級分解質量控制點。
    - 發現內部控制質量波動即迅速處理。
    - 剖析品質異常原因，避免此類問題再次發生。
    - 完整搜集品質異常信息，品管部負責編製品質月報。
  - 定期走訪客戶
    - 每月一次，與客戶共同走訪市場，瞭解市場需求，共同研究開發品種，並增加彼此間的瞭解與信任。
  - 品質異常對策與合理處理客訴
    - 接受業務員的反饋，取樣分析或者直接走訪客戶瞭解質量信息。
    - 分析產生質量問題的原因，再與客戶溝通，共同解決。

3. PRODUCT RESPONSIBILITY (Continued)

3.1 Product quality safeguards (Continued)

In 2018, the Group improved the operating skill level of our employees, strengthened the awareness of standard operation, and improved product quality through monthly quality analysis meetings, internal and external quality training sessions, operation competitions, etc.

3. 產品責任(續)

3.1 保障產品質量(續)

二零一八年，本集團通過月度質量分析會、內外部質量培訓、操作比賽等形式來提升員工的操作技能水平、強化規範操作的意識，提高產品質量。



Texhong Renze Equipment Operator Contest  
天虹仁澤  
設備和運轉操運會比賽



Texhong Renze Monthly Quality Analysis Meeting  
天虹仁澤月度質量分析會



Lecture Given by national-level experts invited by Xuzhou Texhong Times Textile Co., Ltd ("Texhong Times")  
徐州天虹時代紡織有限公司(「天虹時代」)  
邀請國家級專家講解



Training Sessions Offered by USTER® Quality University to Texhong Textile Group

烏斯特質量管理學院  
走進天虹集團培訓

# 環境、社會及管治報告

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### 3. PRODUCT RESPONSIBILITY (Continued)

#### 3.2 Customer satisfaction improvement

##### 3.2.1 Customer relations

The Group assigns specific staff to different customers in order to handle their enquiries in a timely manner, including enquiries on order quality, quantity requirement, delivery schedule and customer feedback.

The business philosophy of the Group is to expand market share with brand name and improve customer satisfaction. Consumers' opinions would be analysed comprehensively in order to boost customer satisfaction in every possible way.

##### 3.2.2 Customer satisfaction

Market intelligence department of the Group conducts biannual satisfaction surveys on major customers who have purchased the Group's products and invites them to complete "Survey form of customer satisfaction". In past sampling done by national, provincial and city supervising authorities on the Group, there has been no unsatisfactory result and the objective of "consistent product quality to meet customers' needs" has been achieved. In accordance with after-sales quality management requirements, professionals of the Group offer all-rounded services for products sold and have been widely recognized by customers.

### 3. 產品責任(續)

#### 3.2 提升客戶滿意

##### 3.2.1 客戶關係

本集團針對不同的客戶安排專門的對接人員，及時處理客戶提出的各項問題，包括：訂單質量、數量要求、交期及客戶反饋的及時處理。

本集團堅持企業的經營理念，以品牌拓市場、視客戶的滿意度為企業追求和目標，全面分析用戶的意見，全方位提升客戶滿意度。

##### 3.2.2 客戶滿意度

本集團市場信息部每半年對購買本集團產品的主要客戶進行滿意度調查，邀請客戶填寫《客戶滿意度調查表》。本集團在國家、省及市技術監督部門的歷次抽查中未出現不合格，達到了「產品質量持續穩定，滿足客戶需要」的質量目標。本集團的專業技術人才按照質量售後管理要求，對出售產品進行全方位服務，獲得了客戶的廣泛認可。

**3. PRODUCT RESPONSIBILITY (Continued)**

**3.2 Customer satisfaction improvement (Continued)**

**3.2.3 Customer complaints**

The Group strictly adheres to the relevant local laws and regulations, such as the “Law of the People’s Republic of China on the Protection of Consumers’ Rights and Interests” to prepare documents like “Flow chart on the handling of quality feedback from customers on yarns of the Group” to ensure speedy and effective resolution for quality issue reported by customers. The Group registers and records every enquiry and requirement on quality raised by customers. For handling customer complaints, we meet with relevant staff to analyze the cause and identify responsible department to devise and implement countermeasures. Reply to customer and handling record will be made within 20 days.

The quality department of the Group categorizes customer feedback and analyzes existing issues, followed by the preparation of after-sales service report. The Group boosts its product quality constantly to create a leading edge in the market. Customer satisfaction and product quality also benefit significantly from such practices. Customer service managers of the Group are responsible for supervising and examining after-sales services and providing monthly and annual report to after-sales service department at the headquarters. Customer visits are arranged for the general manager of the Group, if necessary.

**3. 產品責任(續)**

**3.2 提升客戶滿意(續)**

**3.2.3 客戶投訴**

本集團嚴格按照當地的相關法律法規，如《中華人民共和國消費者權益保護法》等要求，編製了《集團紗綫客戶質量反饋處理流程圖》等流程文件，以保證客戶反饋的質量問題得到及時、有效的解決。本集團對客戶提出的質量問題和要求進行逐條登記，並做好記錄，根據彙報情況，召集有關人員分析原因，確定責任部門，研究處理辦法並予以實施，同時在20日內給客戶答覆，並處理和記錄。

本集團品質部對收集的客戶反饋信息進行整理分類，分析存在的問題，並編寫售後服務報告。本集團不斷提高的產品質量使其在市場上處於領先優勢，極大地提升了用戶滿意度和產品質量。本集團客服經理負責監督檢查售後服務工作，並本部售後服務工作進行月度小結和年末總結，必要時安排集團總經理進行客戶走訪。



**3. PRODUCT RESPONSIBILITY (Continued)**

**3.2 Customer satisfaction improvement (Continued)**

**3.2.4 Protection of customer's privacy**

Recognizing the importance of customer relations and respecting the privacy of every customer, the Group actively safeguards the privacy and security of each customer. For instance, Shandong Texhong strictly implements "Regulation on Employee Management" so that employees who disclose without authorization any customer, technology and other confidential information in relation to business operation or internal department operation shall be put on probation and it may result in termination of employment contract in a serious case.

**3.3 Enhancing product innovation**

Since its establishment in 1997, the Group has invested a large amount of funds and resources in technological innovation and technological transformation. With our laboratories as the technical center, the Group has developed a number of new technologies and products, namely pure cotton products, including elastic pure cotton core-spun yarn series, high-end yarns and garment fabrics for knitting, through independent R&D and cooperation with renowned domestic and international fabric developers and research institutions.

The Group has established a national research and development institute under Texhong Times. The person-in-charge of the institute is our technical director. The Group has established several entrepreneur-scholar researcher joint development bases in cooperation with major renowned institutions and universities, and developed 25 new products, with significant results after a year of operation in 2018. It has not only boost local economy, but also created approximately 3,000 jobs for residents in Xuzhou.

**3. 產品責任(續)**

**3.2 提升客戶滿意(續)**

**3.2.4 保護客戶隱私**

本集團重視與客戶的關係，尊重每個客戶的隱私權，積極地維護每個客戶的隱私與安全。例如，山東天虹嚴格執行《員工管理條例》，未經批准向他人洩漏與公司業務經營或公司內各部門業務有關的客戶、技術和其他有關公司保密信息的員工會改為試用工，造成嚴重後果的則與其解除勞動合同。

**3.3 加強產品創新**

本集團自一九九七年成立以來在技術創新和技術改造上投入了大量資金及資源。本集團以實驗室為技術中心，通過自主研究以及與國內外知名纖維開發商及研究機構的合作，開發了主要以純棉產品為主的包括純棉包芯彈力系列、高檔針織用紗和服裝面料在內的多種新技術、新產品。

本集團在天虹時代建立了集團國家級研發中心，由技術總監擔任中心主要負責人。本集團先後與各大知名機構及院校合作建立產學研開發基地，開發研究新產品25項。經過二零一八年一年的投產運營，現已收到顯著的成果，不但拉動了當地的經濟，還解決了徐州近3,000人的就業問題。

**3. PRODUCT RESPONSIBILITY (Continued)**

**3.3 Enhancing product innovation (Continued)**

The Group focuses on cotton core-spun yarn and produces series such as weaving single yarn as well. The Group expands market share with top-notch, superb, premium and advanced products and its product quality reaches the level between 5% to 25% of Uster Technologies, which is the exceptional level for domestic standard and caters for both the domestic and international market primarily focused on product diversification and sophistication.

**3.4 Compliance operation**

The Group pays close attention to the protection of intellectual properties and observes relevant local laws and regulations, such as the “Trademark Law of the People’s Republic of China”, “Patent Law of the People’s Republic of China”, “Regulation for the Implementation of Patent Law of the People’s Republic of China” and “Anti-Unfair Competition Law of the People’s Republic of China”. In 2018, the Group continued to take care of the Group’s logos and trademarks to protect our legal rights and intellectual properties and maintain fair competition in the market.

The Group requires its subsidiaries to use legitimate software, such as IP telephony service, SAP and OA, and prohibits the installation of pirated software.

**4. GREEN DEVELOPMENT**

**4.1 Energy conservation, cost reduction and efficiency enhancement**

In response to the urge for accelerating the development of a “conservation-oriented society”, the Group has complied with relevant local laws and regulations like the “Energy Conservation Law of the People’s Republic of China” and “Water Law of the People’s Republic of China”, as well as “Energy Management Implementation Details” prepared by the Group to become an efficient, conserving and energy-saving pioneer.

**3. 產品責任(續)**

**3.3 加強產品創新(續)**

本集團以棉包芯紗為主打品種，同時也生產針織單紗等系列品種。本集團以高、精、尖、新等新產品佔領市場，其產品的質量水平均達到烏斯特公報5%到25%水平，達到國內標準的優級水平，迎合了目前以產品多樣化和高檔化為主要方向的國內國際市場。

**3.4 合規經營**

本集團十分關注知識產權保護，嚴格執行當地的相關法律法規，如《中華人民共和國商標法》、《中華人民共和國專利法》、《中華人民共和國專利法實施細則》和《中華人民共和國反不正當競爭法》等。二零一八年，集團持續關注本集團LOGO和商標的字樣，確保了集團的合法權益和知識產權，維護了市場的公平性競爭。

本集團要求各子公司均使用正版軟件，如IP電話，SAP和OA等系統軟件，並禁止非正版軟件的安裝。

**4. 綠色發展**

**4.1 節約能源 降本增效**

為響應國家提出的加快建設「節約型社會」的要求，本集團積極遵循當地的相關法律法規，如《中華人民共和國節約能源法》、《中華人民共和國水法》等及本集團制定的《能源管理實施細則》，使集團成為高效、勤儉和節能的領路人。

## 4. GREEN DEVELOPMENT (Continued)

### 4.1 Energy conservation, cost reduction and efficiency enhancement (Continued)

The Group has put in place “Measures for peak-and-trough electricity Consumption and Management for Management Staff”, “Operation Standard for Cooling Equipment in a Workshop in Summer”, and “Notice on Enhancement of Placement, Disposal and Classification Management of Domestic Waste Bin ” to facilitate environmental protection and energy management in the Group.

While actively implementing the national laws and regulations as well as internal systems, the subsidiaries of the Group revise and update relevant systems and policies every year to mobilize the enthusiasm of relevant personnel for energy conservation and emission reduction, and promote energy conservation and emission reduction throughout the Company, thereby exploiting maximum economic benefits from resources.

#### 4.1.1 Energy conservation

The Group actively promotes the concept of electricity conservation with enhanced energy management, truly encourages our employees to practice energy conservation in work and life. As a result, the Group not only evangelizes the practice of energy conservation but also becomes conscientiously active in energy conservation:

- Establish the energy management policy by installing more energy measure instrument, formulating energy consumption standard, and conducting energy efficiency assessment;
- Step up analysis on the efficiency of the energy-consuming equipment in order to enhance their operational efficiency for energy saving;

## 4. 綠色發展(續)

### 4.1 節約能源 降本增效(續)

本集團制定了《管理人員峰平谷用電管理考核辦法》、《車間夏季降溫設備啓用標準》和《關於加強生活垃圾桶定置定位和分類管理的通知》等規範性文件，以加強集團的環境保護和資源管理。

集團各子公司在積極落實各國家法律法規及內部制度的同時，每年修訂更新相關制度政策，調動相關人員的節能減排積極性，推動公司節能減排工作，使資源發揮更大的經濟效益。

#### 4.1.1 節約用能

集團積極傳播節能理念，加強能源管理，將節能真正融入到員工日常工作和生活中，將節能實踐變為自覺行動：

- 建立能源管理制度，加強能源計量器具的配置，設立能耗標準，並開展能耗指標考核；
- 加強用能設備的效率分析工作，以提高設備運行效率，達到節能降耗的目的；

**4. GREEN DEVELOPMENT** *(Continued)*

**4.1 Energy conservation, cost reduction and efficiency enhancement** *(Continued)*

**4.1.1 Energy conservation** *(Continued)*

- Designate management unit and personnel for energy conservation, build a stronger team of energy-saving workers, and strengthen energy-saving training;
- Conduct analysis on the energy consumption to identify any insufficiency of our energy management in a timely manner with a view to raising our energy management capacity;
- Intensify monitoring of the quality of parts and components to improve the quality of maintenance and repair. Identify and fix any possible malfunction of equipment in a timely manner to ensure that equipment is always in good technological condition. Meanwhile, eliminating energy-inefficient equipment to enhance the energy efficiency.

**4. 綠色發展** *(續)*

**4.1 節約能源 降本增效** *(續)*

**4.1.1 節約用能** *(續)*

- 明確節能的管理部門與人員，充實節能工作隊伍，加強節能培訓；
- 開展能源利用狀況分析，及時發現能源管理過程中的不足，提高能源管理水平；
- 嚴格對機配件的質量進行把關，提高維護維修的工作質量。及時發現和排除設備故障隱患，確保設備經常處於良好的技術狀態。同時淘汰高能耗落後設備，以提高能源利用率。

# 環境、社會及管治報告 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 4. GREEN DEVELOPMENT (Continued)

### 4.1 Energy conservation, cost reduction and efficiency enhancement (Continued)

#### 4.1.1 Energy conservation (Continued)

In 2018, the Group invested significant resources to promote energy saving by transforming inverter and energy-efficient ventilator, replacing LED light, and using air heat water heater. Changzhou Texhong managed to improve the energy efficiency and utilization rate by implementing various measures, including transforming variable-frequency spinning frames, configuring compensatory circuits, enhancing the efficiency of cooling towers, and restructuring air ducts of research and development workshops. Texhong Dyeing optimised the production processes of the pre-treatment workshops by upgrading from joint bleaching processes to the processes combining cold pad-batch dyeing with desizing, thereby successfully conserving approximately 70% of water, electricity, and steam consumption.

## 4. 綠色發展(續)

### 4.1 節約能源 降本增效(續)

#### 4.1.1 節約用能(續)

二零一八年，集團投入大量資源，依靠包括變頻器改造，節能風機改造、LED等替換、使用空氣能熱水機組等在內的手段來助推節能降耗。常州天虹通過細紗機變頻改造、整改補償電路、提升冷卻塔冷卻效率、改造研發車間風道等方式減少浪費，提高能源使用率；天虹染整前處理車間優化生產工藝，把退、煮漂聯合生產工藝改軋酶冷堆+退漿工藝，節約了70%的水、電和蒸汽。

日期	班次	产量
18/10/23	07:45 B班	12804
18/10/22	19:45 A班	12575
18/10/22	07:45 B班	12584
18/10/21	19:45 A班	12709
18/10/21	07:45 B班	12527
18/10/20	19:45 A班	11782
18/10/20	07:45 B班	12758
18/10/19	19:45 A班	12731
18/10/19	07:45 B班	12778
18/10/18	19:45 A班	11511
18/10/18	07:45 B班	5523

当前A班工作 7965 米 罗拉转速 231

A班总产量 2547327 米  
B班总产量 2570537 米  
C班总产量 0 米  
D班总产量 0 米  
总产量 5380008 米



Energy Efficiency Upgrade at Changzhou Texhong  
常州天虹節能改造

4. GREEN DEVELOPMENT (Continued)

4.1 Energy conservation, cost reduction and efficiency enhancement (Continued)

4.1.2 Water conservation

To become a water-saving enterprise, the Group actively nurtures the culture of water conservation by encouraging employees to develop the water-saving habit:

- Use water saving productions and implement water recycling;
- Turn off taps after use;
- Check the water pipes regularly to avoid water leakage and prevent any unintended use of water;
- Install separate water metres in office, living and production areas and assign dedicated staff to record monthly water consumption and analyze the data collected from each department.

In 2018, the Group launched a range of water-saving projects, such as installation of water-saving equipment, promotion of water recycling and reclaimed water recycling, which saw remarkable results. Texhong Renze installed a water collection system to the rooftop drainage system of workshops, which can direct raindrops on the rooftop to the water tank of the cooling station for air-conditioning purposes. Shandong Lanyan Textiles Co., Ltd. (“Shandong Lanyan”) further introduced automated heating devices for plastic carpets and blankets, achieving automation for production procedures. Meanwhile, the heating pipeline of workshops was successfully upgraded, effectively minimizing the steam consumption.

4. 綠色發展(續)

4.1 節約能源 降本增效(續)

4.1.2 節約用水

集團積極營造節水氛圍，鼓勵員工養成節水習慣，打造節水型企業：

- 使用節水型產品，實施水資源的重複利用；
- 要求用水完畢後，及時關閉水龍頭；
- 定期檢查水管，避免漏水情況，杜絕長流水現象發生；
- 辦公區、生活區、生產區和施工現場各設獨立水錶，由專人負責進行登記，每月根據各部用水量的記錄進行數據分析。

二零一八年，集團廣泛開展包括安裝節水設備、增加循環用水、中水回用等在內的節水項目，成效顯著。天虹仁澤在車間房屋頂部的排水處安裝集水管，把屋面雨水集中引至製冷站水池，供給空調製冷使用；山東蘭雁紡織服裝有限公司(「山東蘭雁」)增加膠毯毛毯加熱自動控制裝置，進行生產流程的自動化控制，同時利用對車間供暖管道設施加以改造，有效地減少了蒸汽使用。



# 環境、社會及管治報告

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### 4. GREEN DEVELOPMENT (Continued)

#### 4.1 Energy conservation, cost reduction and efficiency enhancement (Continued)

##### 4.1.3 Conservation of packaging materials

The Group attached great importance to the utilization of packaging materials and implemented control over the consumption of packaging materials to boost the resource efficiency.

The following table sets out the consumption rate of the Group for the year ended 31 December 2018 and 2017:

2018 A2: Use of Resources KPIs  
2018年A2資源使用關鍵績效指標

KPIs 關鍵績效指標	Specific Indicator 具體指標	2018 二零一八年	2017 二零一七年
A2.1	Energy Consumption (MWh) 能源消耗量(兆瓦時)	1,693,089	1,591,916
A2.1	Energy intensity (MWh/RMB million sales) 能源密度(兆瓦時/百萬元人民幣銷售額)	88.4	97.6
A2.2	Water consumption (tonne) 用水量(噸)	12,473,850	8,651,940
A2.2	Water intensity (tonne/RMB million sales) 用水密度(噸/百萬元人民幣銷售額)	651.2	530.6
A2.5	Packaging material (tonne) <sup>1</sup> 包裝材料(噸) <sup>1</sup>	28,396	14,002
A2.5	Intensity of packaging material used (tonne/RMB million sales) 包裝材料使用密度(噸/百萬元人民幣銷售額)	1.5	1.0

<sup>1</sup> During 2018, the Group further improved the statistics regarding packaging materials. In addition, to ensure data consistency, recalculation of the intensity of packaging materials for 2017 is based on the calculating methods adopted for 2018.

### 4. 綠色發展(續)

#### 4.1 節約能源 降本增效(續)

##### 4.1.3 節約包裝材料

本集團重視包裝材料的使用，對包裝材料的用量進行監控，提高資源使用效率。

下表載列本集團於截至二零一八年及二零一七年十二月三十一日止年度的消耗率：

<sup>1</sup> 二零一八年，本集團進一步完善了包裝材料的統計。此外，為保證數據的一致性，二零一七年包裝材料使用密度根據二零一八年的計算口徑進行了重新計算。

#### 4. GREEN DEVELOPMENT (Continued)

##### 4.2 Environmental protection and low carbon

In strict compliance with the requirements of relevant local laws and regulations, such as the “Environmental Protection Law of the People’s Republic of China”, “Water Pollution Prevention and Control Law of the People’s Republic of China” and “Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste”, the Group adhered to green and low-carbon operation and actively adopted emission reduction measures as well as promoting environmental awareness of our staff in order to reduce environmental impacts arising from sewage, exhaust, greenhouse gas, hazardous and non-hazardous wastes generated from our production and operation processes. The Group primarily discharges effluent and domestic sewage, exhaust and solid waste.

The Group has identified no environmental non-compliance case over the past three years.

##### 4.2.1 Effluent

The Group requires separate treatment for production effluent and domestic sewage:

- Production effluent is reused or, if not reusable, directly discharged to the sewage pipeline of factory zone and discharged up to standard after passing through the sewage treatment device;
- Processed by the biological treatment system of the factory zone, domestic sewage will meet the first grade emission standard and be transported to the municipal wastewater treatment system through the sewage pipeline of the factory zone.

#### 4. 綠色發展(續)

##### 4.2 環境保護 低碳節約

本集團嚴格遵守當地的相關法律法規，如《中華人民共和國環境保護法》、《中華人民共和國水污染防治法》和《中華人民共和國固體廢物污染環境防治法》等規定，堅持綠色低碳運營，積極採取減排措施，培養員工環保意識，以減少集團生產和運營過程中產生的廢水、廢氣、溫室氣體、有害及無害廢棄物所帶來的環境影響。本集團產生的排放物主要是生產廢水和生活污水、廢氣和固體廢棄物。

本集團近三年內無環保違規行為。

##### 4.2.1 廢水

集團要求對生產廢水和集團要求對生產廢水和生活污水進行分別處理：

- 生產廢水循環使用，不能循環使用的直接排入廠區內的污水管道，並經過污水處理裝置後達標排放；
- 生活污水經廠區內的生化處理裝置生化處理後，達一級排放標準後排入廠區污水管道，最終進入市政污水管網統一處理。

# 環境、社會及管治報告

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### 4. GREEN DEVELOPMENT (Continued)

#### 4.2 Environmental protection and low carbon (Continued)

##### 4.2.1 Effluent (Continued)

For example, at Texhong Renze:

- All septic tanks throughout the factory zone are cleaned on a daily basis;
- Three rounds of cleaning are carried out for effluent filtration tanks each month;
- Daily inspection is performed over effluent filtration tanks, while spot checks are conducted for septic tanks to determine the cleanness;
- Environmental team is arranged to inspect the cleaning and isolation conditions of the factory environment and sewage and drainage systems on regular basis each month so that any identified issue can be timely reported and rectification can be made under supervision.

##### 4.2.2 Exhaust

The Group primarily produces fiber dusts and boiler exhaust in production process. To minimize the negative environmental impact of fiber dusts, the Group requires workshops to close windows during production for close operation. The Group installs dust removal units in every workshop to handle fiber dusts to reduce exhaust emission.

### 4. 綠色發展(續)

#### 4.2 環境保護 低碳節約(續)

##### 4.2.1 廢水(續)

以天虹仁澤為例：

- 每日清潔整個廠區所有污水陰井；
- 對過濾污水池進行每月3次大清理工作；
- 每日檢查過濾污水池的情況並抽查廠區污水陰井清潔情況；
- 每月定期組織環保組檢查公司廠區環境及污雨水系統清潔、隔離情況，對存在問題及時反饋及監督整改工作。

##### 4.2.2 廢氣

本集團在生產過程中產生的廢氣主要為纖維粉塵和鍋爐廢氣。為避免纖維粉塵對環境帶來不利影響，集團要求車間生產時段不得對外開啓門窗，做到封閉作業。本集團還在各車間安裝除塵機組淨化處理纖維粉塵，減少廢氣的排放。

4. GREEN DEVELOPMENT (Continued)

4.2 Environmental protection and low carbon (Continued)

4.2.2 Exhaust (Continued)

In 2018, subsidiaries of the Group actively worked on all kinds of waste reduction and emission reduction training publicity and implementation, technical renovation projects and equipment replacement:

- Taltex (Zhuhai) adopted the cold pad-batch dyeing process for knitted fabrics to replace the traditional overflow dyeing process, annually reducing emissions of CO<sub>2</sub>, SO<sub>2</sub>, and COD by 6,000 tons, 5.6 tons, and 3.6 tons, respectively. The 15-tonnage coal-fire boiler was removed, and two forming machines were upgraded to use natural gas for combustion. Furthermore, the 10-tonnage natural gas boiler was purchased. As a result, annual emissions of SO<sub>2</sub> and NO<sub>x</sub> were reduced by 32 tons and 34 tons, respectively;
- Shandong Lanyan installed the connected VOC monitoring equipment for the finishing workshops, and the exhaust treatment facility was installed to the quasi paste workshops for color dyeing processes;
- Shandong Texhong arranged personnel to promote emission reduction campaigns inside and outside the Company so as to raise the public awareness of environmental protection and emission reduction.

4. 綠色發展(續)

4.2 環境保護 低碳節約(續)

4.2.2 廢氣(續)

二零一八年，集團各子公司積極開展各類降廢減排培訓宣貫、技改項目和設備換新，如：

- 珠海聯業採用針織布冷軋堆染色工藝代替傳統溢流染色工藝，年減少CO<sub>2</sub>排放量6,000噸、SO<sub>2</sub>排放量5.6噸、COD排放量3.6噸；淘汰15噸燃煤鍋爐1台，改造兩台定型機用天然氣直燃方式，新購進10噸天然氣鍋爐1台，年減少SO<sub>2</sub>排放量32噸、NO<sub>x</sub>排放量34噸；
- 山東蘭雁後整理車間安裝VOCs在綫設備，准漿車間染色工序安裝廢氣處理設施；
- 山東天虹安排人員在公司內外進行減排宣傳，提高人們的保護環境和減排意識等。

## 4. GREEN DEVELOPMENT (Continued)

### 4.2 Environmental protection and low carbon (Continued)

#### 4.2.3 Greenhouse Gases

The Group primarily produces greenhouse gases due to energy consumption in the production process, which comprise Scope 1: direct emissions (petrol, diesel oil and natural gas) and Scope 2: Energy indirect emissions (electricity). The Group actively adopts energy-saving measures to reduce energy consumption and adopts clean energy and photovoltaic power generation for the purpose of reducing greenhouse gas emission.

#### 4.2.4 Solid waste

The Group primarily produces waste cotton, office and domestic waste, waste equipment parts and components and oily waste yarns in the production process. The Group has prepared documents such as “Notice on Enhancing Customized Placement of Rubbish Bin and Classified Management” and “Notice on Enhancing Management and Classified Deposit of Industrial Waste and Domestic Waste”, bringing classified management of domestic waste and industrial waste into the scope of enterprise management and requiring classified collection of the above-mentioned solid waste. According to these documents, the Group sorts the said solid waste and stores such waste by category in the temporary deposit zone of factory where a banner is hanged and category, volume and storage period are displayed. Waste from the production process, such as cotton waste, can be reused as raw material, while the remaining scrap cotton and impurities are collected for sale and integrated use. Dangerous waste should undergo detoxification treatment by a competent organization according to requirements. General solid waste, such as domestic waste, is collectively handled by the Office of Environment and Sanitation.

## 4. 綠色發展(續)

### 4.2 環境保護 低碳節約(續)

#### 4.2.3 溫室氣體

本集團的溫室氣體排放主要源於生產過程的能源消耗，包括範疇一：直接排放（汽油、柴油和天然氣）和範疇二：能源間接排放（電）。本集團通過採取積極的節能減排措施，減少能源消耗，使用清潔能源和光伏發電，以達到減少溫室氣體排放的目的。

#### 4.2.4 固體廢棄物

本集團生產過程中主要產生的廢棄物為廢棉、辦公和生活垃圾、設備廢零件和含油廢棉紗。集團制定了《關於加強垃圾桶制定定位和分類管理的通知》和《關於加強工業垃圾、生活垃圾管理和歸類放置的通知》等文件，將生活垃圾和工業垃圾分類管理納入企業管理範疇，要求對上述固體廢物進行分類收集，按照類別存放在廠內臨時暫存點，並在暫存點豎立標識，標明種類、數量及存放時期。生產過程中產生的回花等廢料可回用作為項目原料，剩餘的廢棉和雜質經收集後進行外售綜合利用；危險廢棄物按照要求委託有資質的單位進行無害化處理；生活垃圾等一般固體廢棄物由環衛處統一進行處理。

4. GREEN DEVELOPMENT (Continued)

4.2 Environmental protection and low carbon (Continued)

The following table sets out the gas emission and waste disposal data of the Group for the year ended 31 December 2017 and 2018:

2018 A1: Emissions KPIs

2018年A1排放物關鍵績效指標

KPIs 關鍵績效指標	Specific Indicator 具體指標	2018 二零一八年	2017 二零一七年
A1.1	Effluent discharge (tonne) 廢水排放量(噸)	8,760,656	6,614,207
A1.1	Effluent discharge intensity (tonne/RMB million sales) 廢水排放密度(噸/百萬元人民幣銷售額)	457.3	405.6
A1.2	Greenhouse gas emission (tonne) 溫室氣體排放量(噸)	1,272,418	1,219,903
A1.2	Greenhouse gas emission intensity (tCO <sub>2</sub> e/RMB million sales) 溫室氣體排放密度(tCO <sub>2</sub> e/百萬元人民幣銷售額)	66.4	74.8
A1.3	Hazardous waste discharge (tonne) 有害廢棄物排放量(噸)	6,630	4,850
A1.3	Hazardous waste discharge intensity (tonne/RMB million sales) 有害廢棄物排放密度(噸/百萬元人民幣銷售額)	0.3	0.3
A1.4	Non-hazardous waste discharge (tonne) 無害廢棄物排放量(噸)	13,035	7,722
A1.4	Non-hazardous waste discharge intensity (tonne/RMB million sales) 無害廢棄物排放密度(噸/百萬元人民幣銷售額)	0.7	0.5

4.3 Environment and natural resources

The Group is principally engaged the production and sales of yarns and grey fabrics. The production process and techniques of yarns and grey fabrics involve only physical changes which mean neither chemical reactions nor additives are involved. As described in section 4.1, primary resources used in the production process are electricity and a small amount of water. Other than that, the Group will not make extensive use of other environment and natural resources.

4. 綠色發展(續)

4.2 環境保護 低碳節約(續)

下表載列本集團於截至二零一七年及二零一八年十二月三十一日止年度的廢氣排放及廢氣物處理數據：

4.3 環境及天然資源

本集團主營業務為紗綫和坯布的生產與銷售，紗綫和坯布的生產流程和工藝為物理原理成型，整個過程中無化學反應，也無化學製劑添加；生產過程中主要使用的資源為電力和水，已經在4.1章節進行了描述。除此之外，集團不會大量使用其他的環境及天然資源。



### 5. JOINT EFFORTS TO BUILD A WIN-WIN FUTURE

The Group believes that the fundamental task and obligation of supply chain management is built on the promotion of social responsibility performance among suppliers. Through visits and exchanges, the Group delivers its messages of anti-unfair competition, respect for intellectual property and anti-bribery to every part of the supply chain. The Group has formulated guidelines, such as the “Policy on the Management of Procurement Operation of Daily Supplies of Subsidiaries”, and “Policy on the Procurement of Certain Supplies of the Headquarters and Texhong China” to regulate the supply chain system. Moreover, the Group infuses the practices of environmental and social sustainability into the supply chain management:

- Open tender for selection of logistic services.
- Logistic contract: in case of newly signed or renewed contracts, certain clauses requiring the practices of environmental and social sustainability will be included, which is legally binding on the cooperating parties.
- Assessment policy: certain terms in relation to the practices of environmental and social sustainability (which detailing and quantifying contract requirements) are included to the existing assessment system of transportation companies as a regular management tool.

In 2018, the Group’s subsidiaries exchanged experiences with suppliers on environmental protection, energy conservation and sustainable management by visits to suppliers and onsite inspections. For example, the representatives of Texhong Renze, together with Vietnam Special Trade Missions during the period from 21 July to 27 July, visited the United States to explore the plantation conditions and scientific management for local cotton, and visited the American cotton companies in North Carolina and the farms in McAllen of Texas to develop first-hand understanding of the concepts and practices on sustainable management, environmental protection and protection of practitioners’ rights in local cotton plantations.

### 5. 攜手共贏

本集團把推動供應商履行社會責任作為供應鏈管理的一項基本責任和義務，通過訪問與交流，把本集團的反不正當競爭、尊重知識產權以及反對商業賄賂等信息傳遞到供應鏈的各個環節。本集團制定了《關於集團子公司常用物資採購操作管理的規定》和《集團總部暨天紡中國部分物資的採購規定》等指引以監管供應鏈管理制度。此外，本集團將環境和社會可持續發展精神引入供應鏈管理中：

- 公開招標物流服務。
- 物流合同：在新簽或續簽的雙方合同中增加與環境和社會可持續發展要求有關的若干條款，對合作的公司有約束性。
- 考核制度：在現有對運輸公司的考核制度中補充若干與環境和社會可持續發展相關的條款（細化量化合同的要求），作為常態化管理工具。

二零一八年，集團子公司通過走訪供應商、實地考察等形式，與供應商就環保節能、可持續管理等進行經驗交流，如，天虹仁澤公司代表於7月21日—27日參加越南特別貿易代表團赴美考察美棉種植環境和科學管理，訪問北卡羅來納州的美國棉花公司、德克薩斯州麥卡倫的農場等，實地瞭解當地棉花種植農場的可持續管理、環境保護及從業者權益保護等理念與實踐。

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## 6. INTEGRITY IN BUSINESS

In strict compliance with the requirements of relevant local laws and regulations, such as the “Company Law of the People’s Republic of China”, “Bidding Law of the PRC”, “Anti-Unfair Competition Law of the People’s Republic of China”, and “Interim Provisions on Banning Commercial Bribery”, the Group requests its customers and suppliers to sign a memorandum on anti-commercial bribery.

Every employee of the Group based in the headquarters, as well as middle and senior management members of subsidiaries, is subject to “Building business integrity for employees of the enterprise” on-site training and must sign an “Undertaking of business integrity as an employee of Texhong Textile Group”. The Group has a stringent system for procurement for bulk supplies and has set up a whistle-blowing mechanism.

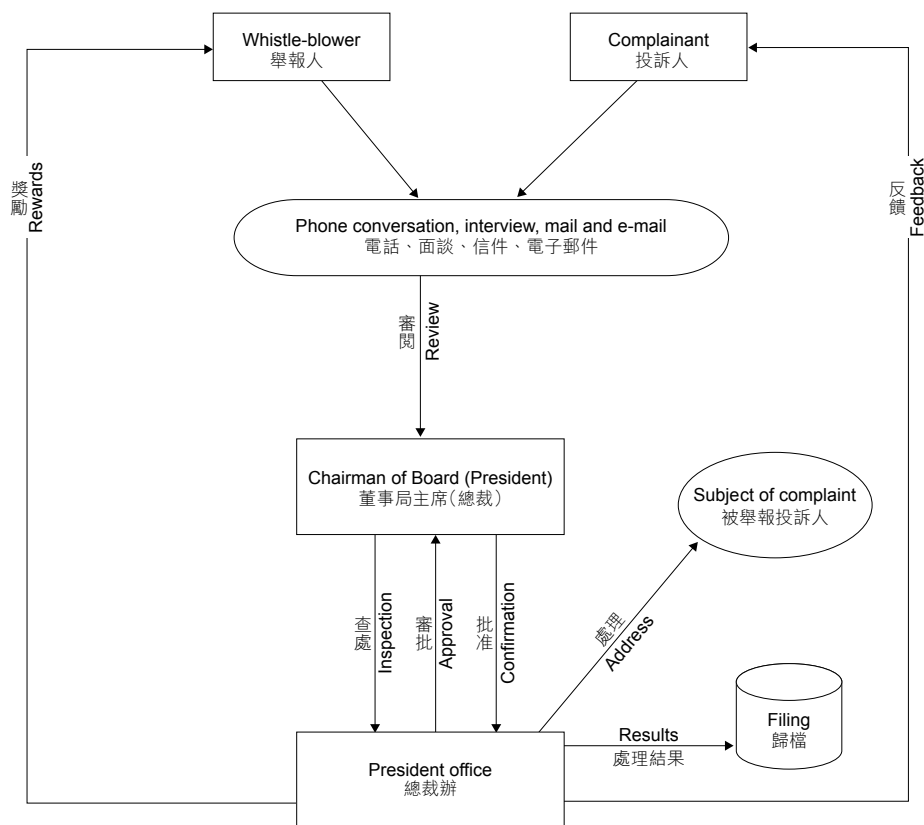
The Group complies with all the national and local laws and regulations regarding extortion, fraud and money laundering. Due to the nature of the industry, the Group does not have the policy regarding extortion, fraud and money laundering at the moment. However, the Group will discuss from time to time the need for adoption of such policy in the future and will adopt such policy should the need arise.

## 6. 誠信經營

本集團嚴格遵守當地的相關法律法規，如《中華人民共和國公司法》、《中華人民共和國招標投標法》、《中華人民共和國反不正當競爭法》和《關於禁止商業賄賂行為的暫行規定》等，要求客戶及供應商簽署反商業賄賂備忘錄。

本集團總部所有員工及子公司中高層管理人員需接受《企業員工廉潔從業文化建設》現場培訓，並且簽訂《天虹集團員工廉潔從業承諾書》。本集團對大宗物資採購設定嚴謹制度，並針對此過程設立監督舉報機制。

本集團遵守各國家和地方相關的欺詐、勒索和洗黑錢的法律法規。因行業特點，集團目前尚未建立與欺詐、勒索和洗黑錢相關的制度，未來會就是否需要建立相關制度不定期進行討論，並將於有需要時採納有關政策。



### 7. COMMUNITY INVESTMENT

The Group has been committed to giving back to society over the years. For instance, we acquired bankrupt cotton textile enterprises in the People's Republic of China and offered better remuneration package and living security for retained staff. In response to state policy of "One Belt One Road" initiative, we proactively implemented industrial support in Xinjiang by recruiting ethnic minority employees in order to improve their living quality with job and education opportunities. Being enthusiastic in social welfare, we made donations every year and hired disabled employees so that they can support themselves financially. The Group established Charity and Social Welfare Management System of Texhong Textile Group for organizing charity and welfare activities.

#### 7.1 Charitable Donation

- In July 2018, Jiangsu Century Texhong Textile Co., Ltd ("Jiangsu Texhong") donated RMB10,000 to Suining County Federation of Industry and Commerce, RMB50,000 to the Dream Scholarship Program under the Suining Hope and Charity Foundation, RMB20,000 to national defence education and promotion; and RMB20,000 to the Golden Autumn Education Support Program, respectively;
- In December 2018, Nantong Century Texhong Textile Co., Ltd. ("Nantong Texhong") donated RMB11,829 to the County Red Cross.

#### 7.2 Cares for Underprivileged Groups

During Mid-autumn Festival, Texhong Renze and Labor Union distributed moon-cakes to the poverty-stricken children in Longshou Community of Renze County (仁澤縣龍壽社) and orphanages in Fulin (福林).



### 7. 回饋社會

本集團多年來一直專注於回饋社會，如收購國家破產棉紡企業，提供原職工更好的工資待遇和生活保障；積極響應國家「一帶一路」政策號召，實行產業援疆，積極招錄少數民族員工，解決其就業與學習問題，提升其生活品質；熱心社會公益，除每年的捐款以外，還錄用殘疾員工幫助其自食其力。本集團制定了《天虹紡織集團慈善與公益管理制度》，專責策劃各項慈善和公益活動。

#### 7.1 慈善捐贈

- 二零一八年七月，江蘇世紀天虹紡織有限公司（「江蘇天虹」）捐贈睢寧縣總商會會費1萬元；捐贈睢寧希望公益圓夢助學金5萬元；捐贈國防教育宣傳費2萬元；捐贈金秋助學捐款2萬元；
- 二零一八年十二月，南通世紀天虹紡織有限公司（「南通天虹」）為縣人十字會捐款11,829元。

#### 7.2 關愛弱勢群體

中秋之際，天虹仁澤和工會組織向仁澤縣龍壽社及社裏的貧困孩童、福林孤兒院贈送了中秋月餅。



7. COMMUNITY INVESTMENT (Continued)

7.3 Volunteer Services

Facing the severe post-disaster restoration conditions, such as inaccessible roads and ruins caused by the super typhoon that hit Zhuhai in September 2018, Taltex (Zhuhai)'s employees joined the local volunteer team to clear obstacles on inaccessible roads.



7. 回饋社會(續)

7.3 志願服務

二零一八年九月，珠海經歷超強颱風襲擊，颱風過後道路阻塞，一片狼藉，災後修復形式嚴峻，珠海聯業組織員工加入當地志願團隊，共同清理路障，貢獻一份力量。



7.4 Increasing Employment of Ethnic Minorities

In 2018, Nantong Texhong employed a total of 118 ethnic minority staff members, including Shui people, Miao people, Dai people and Bouyei people, and established “Yunnan and Guizhou Villages” to celebrate their traditional festivals. The Company had a total of 9 physically challenged employees and showed loving care to them when they were at work.

7.4 促進少數民族就業

南通天虹二零一八年招收水族、苗族、傣族和布衣族等少數民族員工共118人，建立了「雲南村、貴州村」，對他們的傳統節日給予祝賀；公司共有殘疾人9名，並在工作上給予關心。

7.5 Environmental Promotion

In November 2018, more than 100 employees from Shandong Texhong planted and grew more than 300 Oriental planes by participating a voluntary plantation event to improve factory zone environment.

7.5 環保宣傳

二零一八年十一月，山東天虹組織100多名員工參加科季義務植樹活動，共栽種法桐樹木300多棵，美化園區環境。



## 環境、社會及管治報告 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### 7. COMMUNITY INVESTMENT (Continued)

#### 7.6 Overseas Charity

While maintaining stable production and enhancing management standard since its establishment, Texhong Galaxy has devoted itself to public affair and education. The company has provided VND36,500,000 for scholarships to schools such as Quang Ninh University of Industry, Hanoi Industrial Textile Garment University, Faculty of Foreign Languages, Huê University and Hanoi University of Industry.

Texhong Yinlong Technology Ltd. (“Texhong Yinlong”) always supports the local education in Vietnam. In 2018, the company made donations in aggregate of VND10,000,000 for technology innovation competition fund or other funding to Faculty of Foreign Languages and Quang Ninh University of Industry. Meanwhile, Texhong Yinlong attached great importance to development of talent by recruiting nearly 100 new graduates from tertiary institutions every year. Outstanding trainees are promoted to junior management and receive trainings in different subsidiaries across the country in respect of advanced management model and production experience.

Texhong Thai Binh Garment made annual donations to orphanages and poverty-stricken people in Vietnam in 2018.

### 7. 回饋社會(續)

#### 7.6 海外公益

天虹銀河自成立以來，在穩定生產、提高自身管理水平的同時，還致力於各項公共事業、教育事業，公司給廣寧工業大學、河內紡織服裝工業大學、太原外語大學、順化外國語大學和河內工業大學等學校資助獎學金3,650萬越盾。

天虹銀龍科技有限公司(「天虹銀龍」)一如既往地支持越南當地的教育事業，在二零一八年，公司陸續為太原外國語大學、廣寧工業大學捐款共1,000萬越盾作技術創新比賽基金或其他經費。同時，天虹銀龍注重人才培養，每年招收近百名大專院校應屆畢業生，提拔大量的優秀工人為中基層管理人員，並輸送到中國國內的各個子公司參加培訓，學習中國先進的管理方式及生產經驗。

天虹太平服裝在二零一八年向越南孤兒院及貧困人民進行每年一次的捐助。



# 獨立核數師報告

## INDEPENDENT AUDITOR'S REPORT



羅兵咸永道

### To the Shareholders of Texhong Textile Group Limited

(incorporated in the Cayman Islands with limited liability)

致天虹紡織集團有限公司全體股東

(於開曼群島註冊成立的有限公司)

### OPINION

#### What we have audited

The consolidated financial statements of Texhong Textile Group Limited (the "Company") and its subsidiaries (the "Group") set out on pages 133 to 276, which comprise:

- the consolidated balance sheet as at 31 December 2018;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated cash flow statement for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

#### Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### 意見

本核數師(以下簡稱「我們」)已審核:

列載於第133至276頁天虹紡織集團有限公司(「貴公司」)及其附屬公司(「貴集團」)的綜合財務報表。此綜合財務報表包括:

- 於二零一八年十二月三十一日的綜合資產負債表;
- 截至該日止年度的綜合收益表;
- 截至該日止年度的綜合全面收益表;
- 截至該日止年度的綜合權益變動表;
- 截至該日止年度的綜合現金流量表;及
- 綜合財務報表附註,其中包括重要會計政策摘要。

#### 我們的意見

我們認為,綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實而公平地反映貴集團於二零一八年十二月三十一日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量,並已按照香港公司條例的披露規定妥為編製。

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# 獨立核數師報告 INDEPENDENT AUDITOR'S REPORT



羅兵咸永道

## BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of this report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Independence

We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code.

## KEY AUDIT MATTER

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## 意見基準

我們已根據香港會計師公會頒佈的香港審計準則（「香港審計準則」）進行審核。我們於該等準則下的責任於本報告的核數師就審核綜合財務報表須承擔的責任一節內詳述。

我們相信，我們所獲得的審核憑證能充分和適當地為我們的意見提供基礎。

## 獨立性

根據香港會計師公會的「專業會計師道德守則」（「守則」）我們獨立於貴集團，並已遵循守則履行其他道德責任。

## 關鍵審核事項

根據我們的專業判斷，關鍵審核事項為我們審核於本期間的綜合財務報表中最重要的事項。我們在審核整體綜合財務報表及就此達致意見時處理此等事項，而不會就此等事項單獨發表意見。

# 獨立核數師報告 INDEPENDENT AUDITOR'S REPORT



羅兵咸永道

A key audit matter is identified in our audit as follows: 我們在審核中識別出一個關鍵審核事項如下：

## Key Audit Matter

關鍵審核事項

## How our audit addressed the Key Audit Matter

我們在審核中的處理關鍵審核事項的方法

### Revenue recognition: Sales of goods

Refer to Note 2.28 to  
the consolidated financial statements  
請參閱綜合財務報表附註 2.28

During the year ended 31 December 2018,  
the Group recognised RMB19,155,709,000 of  
revenue from sales of goods.  
於截至二零一八年十二月三十一日止年度，貴集團  
已確認商品銷售收入為人民幣19,155,709,000元。

Revenue is recognised when control of the  
underlying products has been transferred to  
the customers.  
收入於相關產品的風險及回報已轉嫁予客戶時確認。

We focused on this area due to the high volume of  
sales generated in various locations and  
from decentralised customers, and thus  
significant audit time and resources were  
devoted in this area, in particular relating to  
the occurrence, accuracy and timely  
recording of such transactions.

由於自不同地區及分散的客戶產生巨額銷售，  
故我們著重此方面，並投入大量審核時間與資源  
到此領域中，尤其是與有關交易的發生、準確性  
及及時記錄相關的事宜。

收入確認：商品銷售

We understood, evaluated and validated management's controls in  
respect of the Group's process to recognise sales transactions,  
including contract approval, recording of sales based on contract  
terms, and reconciliations with cash receipts and customers' records.  
我們就貴集團確認銷售交易之控制權之程序，包括合約批准、記錄按  
合約條款之銷售及已收現及客戶記錄對賬，理解、評估及核實管理層。

We tested the revenue derived from different customers and different  
locations for selected samples by examination of the sales contracts,  
invoices and goods delivery notes to revenue recorded. We compared  
the delivery dates based on delivery notes with the timing of revenue  
recognition, and we also examined transactions which occurred  
immediately before and after the balance sheet date for their recording  
as revenue in the proper periods.

透過檢查銷售合約、發票及已記賬收入之送貨記錄，我們按經挑選的  
樣本測試不同客戶及不同地點產生的收入。我們根據送貨記錄比較  
送貨日期與確認收入時間，我們亦檢查緊接其於適當期間列賬為  
收益的結算日前及緊隨其後進行的交易。

Based on our audit procedures, we found the Group's revenue  
recognition in relation to sales of goods was supported by the relevant  
evidence that we gathered.

基於審核程序，我們發現貴集團關於商品銷售的收入確認得到所收集  
相關證據支持。

# 獨立核數師報告 INDEPENDENT AUDITOR'S REPORT



羅兵咸永道

## OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the 2018 annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The audit committee is responsible for overseeing the Group's financial reporting process.

## 其他資料

貴公司董事須對其他資料承擔責任。其他資料包括載於二零一八年年報的所有資料(惟不包括綜合財務報表及我們的核數師報告)。

我們對綜合財務報表作出的意見並無涵蓋其他資料，而我們不會並對其他資料發表任何形式的核證結論。

就我們審核綜合財務報表而言，我們的責任為閱讀其他資料，從而考慮其他資料是否與綜合財務報表或我們在審核過程中獲悉的資料存在重大不符，或似乎存在重大錯誤陳述。

倘若我們基於對我們進行的工作認為其他資料出現重大錯誤陳述，我們須報告有關事實。就此，我們毋須作出報告。

## 董事及審核委員會就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及按照香港公司條例的披露規定，編製真實而公平的綜合財務報表，以及董事釐定屬必要的內部監控，以使編製的綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

在編製綜合財務報表時，董事須負責評估貴集團持續經營的能力，並披露與持續經營有關的事項(如適用)及採用以持續經營為基礎的會計法，除非董事擬將貴集團清盤或停止營運，或除此之外並無其他實際可行的辦法則作別論。

審核委員會負責監督貴集團的財務報告流程。

# 獨立核數師報告 INDEPENDENT AUDITOR'S REPORT



羅兵咸永道

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

## 核數師就審核綜合財務報表須承擔 的責任

我們的目標為合理確定綜合財務報表整體而言不會存在由於欺詐或錯誤而導致的重大錯誤陳述，並發出載有我們意見的核數師報告。我們僅向閣下（作為整體）報告，除此以外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

合理確定屬高層次的核證，惟根據香港審計準則進行的審核工作不能保證總能察覺所存在的重大錯誤陳述。錯誤陳述可因欺詐或錯誤產生，倘個別或整體在合理預期情況下可影響使用者根據綜合財務報表作出的經濟決定時，則被視為重大錯誤陳述。

根據香港審計準則進行審計的過程中，我們運用專業判斷，保持專業懷疑態度。我們亦：

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險、設計及執行審計程序以應對該等風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述或凌駕內部監控的情況，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部監控，以設計適當的審計程序，惟並非旨在對貴集團內部監控的有效性發表意見。

# 獨立核數師報告 INDEPENDENT AUDITOR'S REPORT



羅兵咸永道

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 評估董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論，並根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。倘我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。倘有關披露不足，則修訂我們意見。我們結論乃基於截至核數師報告日期止所取得的審計憑證。然而，未來事項或情況可能導致貴集團無法持續經營。
- 評估綜合財務報表的整體呈報方式、結構及內容，包括披露資料，以及綜合財務報表是否中肯反映相關交易和事項。
- 就貴集團內主體或業務活動的財務資料獲取充足及適當的審計憑證，以便對綜合財務報表發表意見。我們負責集團審計的方向、監督和執行。我們為審核意見承擔全部責任。

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

我們與審核委員會就(其中包括)審計的計劃範圍、時間安排及重大審計發現溝通，該等發現包括我們在審計過程中識別的內部監控的任何重大缺失。

我們亦向審核委員會作出聲明，指出我們已符合有關獨立性的相關道德要求，並與彼等溝通可能被合理認為會影響我們獨立性的所有關係及其他事宜，以及相關防範措施(如適用)。

# 獨立核數師報告 INDEPENDENT AUDITOR'S REPORT



羅兵咸永道

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Arthur Chi Ping Kwok.

從與審核委員會溝通的事項中，我們釐定對本期間綜合財務報表的審計至關重要的事項，因而構成關鍵審核事項。我們在核數師報告中描述該等事項，除非法律或法規不允許公開披露該等事項，或在極端罕見的情況下，倘合理預期在我們報告中溝通某事項造成的負面後果超出產生的公眾利益，則我們決定不應在報告中傳達該事項。

出具本獨立核數師報告的審計合夥人為郭志平。

**PricewaterhouseCoopers**  
*Certified Public Accountants*

Hong Kong, 7 March 2019

羅兵咸永道會計師事務所  
執業會計師

香港，二零一九年三月七日



# 綜合資產負債表

## CONSOLIDATED BALANCE SHEET

As at 31 December 2018  
於二零一八年十二月三十一日

		As at 31 December 於十二月三十一日		
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	
	Note 附註			
<b>ASSETS</b>	<b>資產</b>			
<b>Non-current assets</b>	<b>非流動資產</b>			
Freehold land and land use rights	永久產權土地及土地使用權	6	1,011,183	863,083
Property, plant and equipment	物業、廠房及設備	7	7,716,921	6,660,122
Intangible assets	無形資產	8	70,728	–
Investments accounted for using the equity method	以權益法入賬之投資	9	204,707	182,789
Deferred income tax assets	遞延所得稅資產	22	96,391	107,558
Other non-current assets	其他非流動資產	34	236,102	–
			<b>9,336,032</b>	<b>7,813,552</b>
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨	11	5,211,292	3,764,189
Properties under development	發展中物業	11	226,058	–
Trade and bills receivables	應收貿易及票據款項	12	1,783,774	1,630,144
Prepayments, deposits and other receivables	預付款項、按金及其他應收賬款	13	867,899	637,229
Derivative financial instruments	衍生金融工具	19	145,220	134,350
Pledged bank deposits	已抵押銀行存款	14	145,019	88,249
Cash and cash equivalents	現金及現金等值物	14	1,054,721	1,466,718
			<b>9,433,983</b>	<b>7,720,879</b>
<b>Total assets</b>	<b>資產總值</b>		<b>18,770,015</b>	<b>15,534,431</b>
<b>EQUITY</b>	<b>權益</b>			
<b>Equity attributable to owners of the Company</b>	<b>本公司擁有人應佔權益</b>			
Share capital: nominal value	股本：面值	15	96,709	96,709
Share premium	股份溢價	15	433,777	433,777
Other reserves	其他儲備	17	712,893	616,374
Retained earnings	保留溢利	17	5,495,258	4,763,267
			<b>6,738,637</b>	<b>5,910,127</b>
<b>Non-controlling interests</b>	<b>非控股權益</b>		<b>98,185</b>	<b>65,586</b>
<b>Total equity</b>	<b>權益總額</b>		<b>6,836,822</b>	<b>5,975,713</b>

# 綜合資產負債表

## CONSOLIDATED BALANCE SHEET

As at 31 December 2018  
於二零一八年十二月三十一日

		As at 31 December 於十二月三十一日	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
	Note 附註		
<b>LIABILITIES</b>	<b>負債</b>		
<b>Non-current liabilities</b>	<b>非流動負債</b>		
Borrowings	18	4,875,187	2,987,229
Deferred income tax liabilities	22	161,690	149,172
Finance lease obligations	20	—	1,587
Long-term payables	21	122,893	—
		<b>5,159,770</b>	<b>3,137,988</b>
<b>Current liabilities</b>	<b>流動負債</b>		
Trade and bills payables	23	3,522,714	2,961,729
Contract liabilities	2.2(b(v))	88,272	—
Accruals and other payables	24	727,219	741,451
Current income tax liabilities		70,077	36,562
Borrowings	18	2,252,547	2,562,369
Derivative financial instruments	19	89,468	112,996
Finance lease obligations	20	831	5,623
Long-term payables due within 1 year	21	22,295	—
		<b>6,773,423</b>	<b>6,420,730</b>
<b>Total liabilities</b>	<b>負債總值</b>	<b>11,933,193</b>	<b>9,558,718</b>
<b>Total equity and liabilities</b>	<b>總權益及負債</b>	<b>18,770,015</b>	<b>15,534,431</b>

The notes on pages 140 to 276 are an integral part of these consolidated financial statements.

於第140至276頁之附註為此等綜合財務報表之一部分。

The consolidated financial statements on pages 133 to 276 were approved by the Board of Directors on 7 March 2019 and the consolidated balance sheet was signed on its behalf by:

於第133至276頁之綜合財務報表已於二零一九年三月七日獲董事會批准，並由下列董事代表董事會簽署其中的綜合資產負債表：

Hong Tianzhu  
Director

Zhu Yongxiang  
Director

洪天祝  
董事

朱永祥  
董事

# 綜合收益表

## CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2018  
截至二零一八年十二月三十一日止年度

		Year ended 31 December 截至十二月三十一日止年度		
		Note 附註	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Revenue	收入	5	19,155,709	16,306,375
Cost of sales	銷售成本	26	(16,009,884)	(13,866,416)
<b>Gross profit</b>	<b>毛利</b>		<b>3,145,825</b>	2,439,959
Selling and distribution costs	銷售及分銷開支	26	(685,124)	(581,717)
General and administrative expenses	一般及行政開支	26	(721,025)	(511,930)
Net reversal of impairment losses on financial assets	撥回金融資產之減值虧損淨額	3.1(b)	553	—
Other income	其他收入	25	214,198	169,555
Other losses — net	其他虧損 — 淨額	25	(58,953)	(64,690)
<b>Operating profit</b>	<b>經營溢利</b>		<b>1,895,474</b>	1,451,177
Finance income	財務收入	28	18,371	9,162
Finance costs	財務費用	28	(511,863)	(85,697)
Finance costs — net	財務費用 — 淨額	28	(493,492)	(76,535)
Share of profits less losses of investments accounted for using the equity method	分佔以權益法入賬之投資的溢利減虧損	9	21,918	(12,820)
<b>Profit before income tax</b>	<b>除所得稅前溢利</b>		<b>1,423,900</b>	1,361,822
Income tax expense	所得稅開支	30	(255,957)	(187,097)
<b>Profit for the year</b>	<b>年度溢利</b>		<b>1,167,943</b>	1,174,725
<b>Attributable to:</b>	<b>由以下各方應佔：</b>			
Owners of the Company	本公司擁有人		1,163,092	1,151,862
Non-controlling interests	非控制性權益		4,851	22,863
			<b>1,167,943</b>	1,174,725
<b>Earnings per share for profit attributable to owners of the Company</b>	<b>本公司擁有人應佔溢利之每股盈利</b>			
— Basic earnings per share	— 每股基本盈利	31	RMB1.27 人民幣 1.27 元	RMB1.26 人民幣 1.26 元
— Diluted earnings per share	— 每股攤薄盈利	31	RMB1.27 人民幣 1.27 元	RMB1.26 人民幣 1.26 元

The notes on pages 140 to 276 are an integral part of these consolidated financial statements.

於第140至276頁之附註為此等綜合財務報表之一部分。

# 綜合全面收益表

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2018  
截至二零一八年十二月三十一日止年度

		Year ended 31 December 截至十二月三十一日止年度	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
	Note 附註		
<b>Profit for the year</b>	年度溢利	<b>1,167,943</b>	1,174,725
<b>Other comprehensive income/ (losses)</b>	其他全面收益/(虧損)		
<i>Items that may be reclassified subsequently to profit or loss</i>	其後將重新分類至損益之項目		
Share of other comprehensive income/(losses) of investments accounted for using the equity method	分佔以權益法入賬之投資之其他全面收益/(虧損)		
— share of currency translation reserve	— 分佔貨幣兌換儲備	—	11,175
Currency translation differences	貨幣兌換差額 17	<b>5,180</b>	(8,878)
<b>Total comprehensive income for the year</b>	年度全面收益總額	<b>1,173,123</b>	1,177,022
<b>Attributable to:</b>	由以下各方應佔：		
Owners of the Company	本公司擁有人	<b>1,168,272</b>	1,154,159
Non-controlling interests	非控制性權益	<b>4,851</b>	22,863
		<b>1,173,123</b>	1,177,022

The notes on pages 140 to 276 are an integral part of these consolidated financial statements.

於第140至276頁之附註為此等綜合財務報表之一部分。

# 綜合權益變動表

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔					
		Share capital	Share premium	Other reserves	Retained earnings	Non-controlling interests	Total equity
		股本	股份溢價	其他儲備	保留溢利	非控制性權益	總股東權益
Note	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
<b>Balance at 1 January 2017</b>	於二零一七年一月一日的結餘	96,709	433,777	566,590	4,051,645	42,723	5,191,444
<b>Comprehensive income</b>	全面收益						
Profit for the year	年度溢利	-	-	-	1,151,862	22,863	1,174,725
<b>Other comprehensive income/(losses):</b>	其他全面收益/(虧損):						
Share of other comprehensive income of investments accounted for using the equity method	分佔以權益法入賬之投資之其他全面收益						
— share of currency translation reserve	— 分佔貨幣匯兌儲備			11,175	-	-	11,175
Currency translation differences	貨幣匯兌差額	17	-	(8,878)	-	-	(8,878)
<b>Total comprehensive income for the year</b>	年度全面收益總額	-	-	2,297	1,151,862	22,863	1,177,022
<b>Transactions with owners</b>	與股權持有人之交易						
Dividend relating to 2016	二零一六年股息	32	-	-	(210,137)	-	(210,137)
Dividend relating to 2017	二零一七年股息	32	-	-	(185,935)	-	(185,935)
Employee share option scheme	僱員購股權計劃	16	-	3,319	-	-	3,319
Transfer to statutory reserves	轉撥至法定儲備	17	-	48,202	(48,202)	-	-
Transfer from revaluation reserve to retained earnings	由重估儲備轉撥至保留溢利						
— gross	— 總額		-	(6,362)	6,362	-	-
— deferred income tax	— 遞延所得稅		-	2,328	(2,328)	-	-
<b>Total transactions with owners</b>	與股權持有人之交易總額		-	47,487	(440,240)	-	(392,753)
<b>Balance at 31 December 2017</b>	於二零一七年十二月三十一日的結餘	96,709	433,777	616,374	4,763,267	65,586	5,975,713

The notes on pages 140 to 276 are an integral part of these consolidated financial statements.

於第140至276頁之附註為此等綜合財務報表之一部分。

## 綜合權益變動表

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2018  
截至二零一八年十二月三十一日止年度

		Note 附註	Attributable to owners of the Company 本公司擁有人應佔				Non- controlling interests 非控制性 權益	Total equity 總股東 權益
			Share capital 股本	Share premium 股份溢價	Other reserves 其他儲備	Retained earnings 保留溢利		
			RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元		
<b>Balance at 31 December 2017 as originally presented</b>	於二零一七年十二月 三十一日的結餘 (原先呈列)	2.2	96,709	433,777	616,374	4,763,267	65,586	5,975,713
Change in accounting policy	會計政策變動		-	-	-	-	-	-
<b>Balance at 1 January 2018</b>	於二零一八年一月一日 的結餘		96,709	433,777	616,374	4,763,267	65,586	5,975,713
<b>Comprehensive income</b>	全面收益							
Profit for the year	年度溢利		-	-	-	1,163,092	4,851	1,167,943
<b>Other comprehensive income:</b>	其他全面收益：							
Currency translation differences	貨幣匯兌差額	17	-	-	5,180	-	-	5,180
<b>Total comprehensive income for the year</b>	年度全面收益總額		-	-	5,180	1,163,092	4,851	1,173,123
<b>Transactions with owners</b>	與股權持有人之交易							
Non-controlling interests arising on business combination	業務合併產生的 非控制性權益	34	-	-	-	-	41,717	41,717
Dividend paid to non-controlling interests	向非控制性權益 派付之股息		-	-	-	-	(6,469)	(6,469)
Transactions with non-controlling interests	與非控制性權益的交易		-	-	-	-	(7,500)	(7,500)
Dividend relating to 2017	二零一七年股息	32	-	-	-	(156,160)	-	(156,160)
Dividend relating to 2018	二零一八年股息	32	-	-	-	(184,102)	-	(184,102)
Employee share option scheme	僱員購股權計劃	16	-	-	500	-	-	500
Transfer to statutory reserves	轉撥至法定儲備	17	-	-	94,873	(94,873)	-	-
Transfer from revaluation reserve to retained earnings	由重估儲備轉撥至 保留溢利		-	-	(6,362)	6,362	-	-
— gross	— 總額		-	-	(6,362)	6,362	-	-
— deferred income tax	— 遞延所得稅		-	-	2,328	(2,328)	-	-
<b>Total transactions with owners</b>	與股權持有人之 交易總額		-	-	91,339	(431,101)	27,748	(312,014)
<b>Balance at 31 December 2018</b>	於二零一八年十二月 三十一日的結餘		96,709	433,777	712,893	5,495,258	98,185	6,836,822

The notes on pages 140 to 276 are an integral part of these consolidated financial statements.

於第140至276頁之附註為此等綜合財務報表之一部分。



# 綜合現金流量表

## CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2018  
截至二零一八年十二月三十一日止年度

		Year ended 31 December 截至十二月三十一日止年度	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
	Note 附註		
<b>Cash flows from operating activities</b>	<b>來自經營活動的現金流量</b>		
Cash generated from operations	經營所產生之現金	942,689	2,413,303
Interest received	已收利息	18,371	9,162
Income tax paid	已付所得稅	(194,376)	(229,854)
<b>Net cash generated from operating activities</b>	<b>經營活動所得現金淨額</b>	<b>766,684</b>	<b>2,192,611</b>
<b>Cash flows from investing activities</b>	<b>來自投資活動的現金流量</b>		
Proceed from disposal of subsidiaries	出售附屬公司的所得款項	13,241	—
Proceed from disposal of joint-ventures	出售合營企業的所得款項	200	—
Newly set-up and acquisition of associates and joint ventures	新成立及收購的聯營公司及合營企業	—	(113,122)
Purchases of property, plant and equipment	購買物業、廠房及設備	(1,319,988)	(817,806)
Purchases of land use rights	購買土地使用權	(189,691)	(41,043)
Proceeds from sale of property, plant and equipment and land use rights	出售物業、廠房及設備以及土地使用權所得款項	44,518	49,679
Payments on acquisitions of subsidiaries, net of cash and cash equivalents acquired	收購附屬公司付款，扣除已收購現金及現金等值物	(320,673)	(396,013)
Purchase of financial instruments	購買金融工具	(55,964)	(39,141)
Net proceeds from settlement of financial instruments	金融工具結算所得款項淨額	6,457	19,725
<b>Net cash used in investing activities</b>	<b>投資活動所耗現金淨額</b>	<b>(1,821,900)</b>	<b>(1,337,721)</b>
<b>Cash flows from financing activities</b>	<b>來自融資活動的現金流量</b>		
Proceeds from borrowings	借貸所得款項	5,924,712	5,252,310
Repayments of borrowings	償還借貸	(4,511,376)	(5,839,824)
Repayments of finance lease obligations	償還融資租賃承擔	(6,629)	—
Dividends paid	已付股息	(340,262)	(396,072)
Dividend paid to non-controlling interests	向非控制性權益派付之股息	(6,469)	—
Transactions with non-controlling interests	與非控制性權益的交易	(7,500)	—
Interest paid	已付利息	(340,807)	(310,746)
(Increase)/decrease in pledged bank deposits	已抵押銀行存款(增加)/減少	(68,450)	92,952
<b>Net cash generated/(used in) from financing activities</b>	<b>融資活動所得/(所耗)現金淨額</b>	<b>643,219</b>	<b>(1,201,380)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>現金及現金等值物減少淨額</b>	<b>(411,997)</b>	<b>(346,490)</b>
Cash and cash equivalents at beginning of year	年初之現金及現金等值物	14	1,813,208
<b>Cash and cash equivalents at end of the year</b>	<b>年終之現金及現金等值物</b>	<b>14</b>	<b>1,466,718</b>

The notes on pages 140 to 276 are an integral part of these consolidated financial statements.

於第140至276頁之附註為此等綜合財務報表之一部分。

# 綜合財務報表附註

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2018  
截至二零一八年十二月三十一日止年度

### 1. GENERAL INFORMATION

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

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

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

These consolidated financial statements are presented in Chinese Renminbi (“RMB”), unless otherwise stated. These consolidated financial statements have been approved and authorised for issue by the Board of Directors of the Company on 7 March 2019.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 2.1 Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (HKFRSs) and disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of buildings, financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss, which are carried at fair value.

### 1. 一般資料

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

本公司乃於二零零四年七月十二日在開曼群島根據開曼群島公司法註冊成立為一間獲豁免有限公司。其註冊辦事處之地址為Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands。

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

除另有說明外，該等綜合財務報表乃以人民幣(「人民幣」)呈報。該等綜合財務報表於二零一九年三月七日獲董事會批准及授權刊發。

### 2. 重要會計政策概要

編製此等綜合財務報表採用的主要會計政策列載如下。除另有說明外，該等政策在所呈報的所有年度內已被貫徹應用。

#### 2.1 編製基準

本公司之綜合財務報表已根據所用適用香港財務報告準則(「香港財務報告準則」)及香港公司條例第622章的披露規定編製，綜合財務報表按照歷史成本法編製，並就按公平值計入損益之樓宇、金融資產及金融負債(包括衍生工具)的重估(均按公平值列賬)而作出修訂。

## 綜合財務報表附註

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.1 Basis of preparation (Continued)

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

### Changes in accounting policies and disclosures

#### (a) *New standards, amendments and interpretation of HKFRSs adopted by the Group in 2018*

A number of new standards, amendments and interpretation to existing standards became applicable for the financial year beginning on 1 January 2018 and the Group had to change its accounting policies. The adoption of these new standards, amendments and interpretation did not give rise to any significant impact on the Group's financial statements. These new standards, amendments and interpretation are set out below:

- (i) HKFRS 9 'Financial Instruments'
- (ii) HKFRS 15 'Revenue from Contracts with Customers'

The impact of the adoption of the above two new standards and the new accounting policies are disclosed in Note 2.2 below.

## 2. 重要會計政策概要(續)

### 2.1 編製基準(續)

編製符合香港財務報告準則之財務報表需要使用若干關鍵會計估計。這亦需要管理層在應用本集團會計政策過程中行使其判斷。涉及高度判斷或複雜性之範疇，或涉及對綜合財務報表屬重大假設和估計之範疇，於附註4披露。

### 會計政策變更及披露

#### (a) 本集團於二零一八年採納之香港財務報告準則之新訂準則、修訂以及詮釋

多項新訂準則、現有準則的修訂以及詮釋適用於二零一八年一月一日開始的財政年度並且本集團已更改其會計政策。採納上述之新訂準則、修訂以及詮釋並無對本集團的財務報表產生任何重大影響。該等新訂準則、修訂以及詮釋列示如下：

- (i) 香港財務報告準則第9號「金融工具」
- (ii) 香港財務報告準則第15號「客戶合約收益」

採納上述兩項新訂準則及新會計政策的影響於下文附註2.2披露。

## 綜合財務報表附註

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2018  
截至二零一八年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.1 Basis of preparation (Continued)

#### Changes in accounting policies and disclosures (Continued)

- (a) *New standards, amendments and interpretation of HKFRSs adopted by the Group in 2018 (Continued)*
- (iii) Amendments to HKFRS 2 regarding classification and measurement of share-based payment transactions clarify the measurement basis for cash-settled share-based payments and the accounting for modification that change an award from cash-settled to equity-settled. They also introduce an exception to the classification principles in HKFRS 2. Where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority, the whole award will be treated as if it was equity-settled provided it would have been equity-settled without the net settlement feature.

Entities with the following arrangements are likely to be affected by these changes:

- equity-settled awards that include net settlement features relating to tax obligations
- cash-settled share-based payments that include performance conditions, and
- cash-settled arrangements that are modified to equity-settled share-based payments.

## 2. 重要會計政策概要(續)

### 2.1 編製基準(續)

#### 會計政策變更及披露(續)

- (a) 本集團於二零一八年採納之香港財務報告準則之新訂準則、修訂以及詮釋(續)
- (iii) 香港財務報告準則第2號「股份支付交易的分類及計量」之修訂澄清了現金結算的股份支付的計量基礎，以及從現金結算獎金變更為權益結算的修改之會計方法。彼等亦引入了香港財務報告準則第2號的分類原則豁免。倘僱主有義務扣起與股份支付相關的僱員稅款金額及支付予稅務機關，整份獎勵被視為以權益結算，前提是此獎勵已經在並無淨額結算特徵的情況下以權益結算。

具有以下安排的實體或會受到該等變動的影響：

- 以權益結算的獎勵，包括與稅務責任相關的淨額結算特徵
- 以現金結算的股份支付，包括表現條件，及
- 以現金結算的安排，修改為以權益結算的股份支付。

## 綜合財務報表附註

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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截至二零一八年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.1 Basis of preparation (Continued)

#### Changes in accounting policies and disclosures (Continued)

(a) *New standards, amendments and interpretation of HKFRSs adopted by the Group in 2018 (Continued)*

- (iv) Amendments to HKFRS 4 'Insurance Contracts' address the concerns of insurance companies about the different effective dates of HKFRS 9 'Financial Instruments' and the forthcoming new insurance contracts standard. The amendments provide two different solutions for insurance companies: a temporary exemption from HKFRS 9 for entities that meet specific requirements (applied at the reporting entity level), and the 'overlay approach'. Both approaches are optional.

HKFRS 4 (including the amendments) will be superseded by the forthcoming new insurance contracts standard. Accordingly, both the temporary exemption and the 'overlay approach' are expected to cease to be applicable when the new insurance standards becomes effective.

## 2. 重要會計政策概要(續)

### 2.1 編製基準(續)

#### 會計政策變更及披露(續)

(a) 本集團於二零一八年採納之香港財務報告準則之新訂準則、修訂以及詮釋(續)

- (iv) 香港財務報告準則第4號「保險合約」的修訂解決了保險公司對香港財務報告準則第9號「金融工具」的不同生效日期及即將出台的新保險合約標準的問題。該修訂為保險公司提供了兩種不同的解決方案：對符合特定要求的主體(在報告主體層面應用)臨時豁免遵守香港財務報告準則第9號及「重疊法」。兩種方法均可選。

香港財務報告準則第4號(包括修訂)將由即將出台的新保險合約標準取代。因此，於新訂保險標準生效時，預計臨時豁免及「重疊法」將不再適用。

## 綜合財務報表附註

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2018  
截至二零一八年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.1 Basis of preparation (Continued)

#### Changes in accounting policies and disclosures (Continued)

- (a) *New standards, amendments and interpretation of HKFRSs adopted by the Group in 2018 (Continued)*
- (v) Annual Improvements to HKFRSs 2014-2016 Cycle which were finalised in December 2016:

- HKFRS 1 — deleted short-term exemptions covering transition provisions of HKFRS 7, HKAS 19 and HKFRS 10 which are no longer relevant.
- HKAS 28 — clarifies that the election by venture capital organisations, mutual funds, unit trusts and similar entities to measure investments in associates or joint ventures at fair value through profit or loss should be made separately for each associate or joint venture at initial recognition.

## 2. 重要會計政策概要(續)

### 2.1 編製基準(續)

#### 會計政策變更及披露(續)

- (a) 本集團於二零一八年採納之香港財務報告準則之新訂準則、修訂以及詮釋(續)
- (v) 於二零一六年十二月定稿的香港財務報告準則二零一四年至二零一六年週期年度改進：

- 香港財務報告準則第1號 — 刪除了香港財務報告準則第7號、香港會計準則第19號及香港財務報告準則第10號中涵蓋之不再相關之過渡性條文短期豁免。
- 香港會計準則第28號 — 澄清了創新資本企業、互惠基金、單位信託基金和類似的主體，可選擇按以公平值計量且其變動計入損益的方式，計量主體在聯營或合營企業的投資，此項選擇須在初始確認時，對每個聯營或合營企業分別確定。



## 綜合財務報表附註

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.1 Basis of preparation (Continued)

#### Changes in accounting policies and disclosures (Continued)

- (a) *New standards, amendments and interpretation of HKFRSs adopted by the Group in 2018 (Continued)*
- (vi) Amendments to HKAS 40 regarding transfers of investment property, clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. A change in use occurs when the property meets, or ceases to meet, the definition of investment property. A change in intention alone is not sufficient to support a transfer. The list of evidence for a change of use in the standard was re-characterised as a non-exhaustive list of examples to help illustrate the principle.

The Board provided two options for transition:

- prospectively, with any impact from the reclassification recognised as adjustment to opening retained earnings as at the date of initial recognition, or
- retrospectively — only permitted without the use of hindsight.

Additional disclosures are required if an entity adopts the requirements prospectively.

## 2. 重要會計政策概要(續)

### 2.1 編製基準(續)

#### 會計政策變更及披露(續)

- (a) 本集團於二零一八年採納之香港財務報告準則之新訂準則、修訂以及詮釋(續)
- (vi) 香港會計準則第40號有關轉讓投資物業，澄清轉讓至投資物業或自投資物業轉讓的修訂，僅在證據支持的用途變更時方可進行。於物業符合或不再符合投資物業的定義時，則用途會發生變更。僅僅意圖改變不足以支持轉讓。標準中用途變更的證據清單被重新定義為一個非詳盡的例子清單，以幫助說明該原則。

董事會提供了兩種過渡選擇：

- 前瞻性，重新分類產生的任何影響在初始確認日確認為對期初保留溢利的調整，或
- 追溯性 — 僅允許不使用後見之明。

倘主體未來採納要求，則需要額外披露。

## 綜合財務報表附註

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2018  
截至二零一八年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.1 Basis of preparation (Continued)

#### Changes in accounting policies and disclosures (Continued)

- (a) *New standards, amendments and interpretation of HKFRSs adopted by the Group in 2018 (Continued)*
- (vii) HK (IFRIC) 22 'Foreign Currency Transactions and Advance Consideration', clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts.

For a single payment or receipt, the date of the transaction should be the date on which the entity initially recognises the non-monetary asset or liability arising from the advance consideration (the prepayment or deferred income/contract liability).

If there are multiple payments or receipts for one item, a date of transaction should be determined as above for each payment or receipt.

## 2. 重要會計政策概要(續)

### 2.1 編製基準(續)

#### 會計政策變更及披露(續)

- (a) 本集團於二零一八年採納之香港財務報告準則之新訂準則、修訂以及詮釋(續)
- (vii) 香港(國際財務報告詮釋委員會)－詮釋第22號「外幣交易及預付代價」澄清了如何確定用於相關資產初始確認的匯率、實體就外幣計值合約預先支付或收取代價產生的開支或收入的交易日。

就單筆付款或收據而言，交易日期應為實體初始確認預付代價(預付款項或遞延收益／合約負債)產生的非貨幣資產或負債的日期。

倘一個項目有多種付款或收據，則應按照上述各個付款或收據確定交易日期。

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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截至二零一八年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.1 Basis of preparation (Continued)

#### Changes in accounting policies and disclosures (Continued)

##### (a) *New standards, amendments and interpretation of HKFRSs adopted by the Group in 2018 (Continued)*

Entities can choose to apply the interpretation:

- retrospectively for each period presented
- prospectively to items in scope that are initially recognised on or after the beginning of the reporting period in which the interpretation is first applied, or
- prospectively from the beginning of a prior reporting period presented as comparative information.

No retrospective adjustment has been made in respect of the adoption of the above new standards, amendments and interpretation of HKFRSs in 2018.

## 2. 重要會計政策概要(續)

### 2.1 編製基準(續)

#### 會計政策變更及披露(續)

##### (a) 本集團於二零一八年採納之香港財務報告準則之新訂準則、修訂以及詮釋(續)

主體可選擇應用詮釋：

- 追溯性地呈列各個期間
- 追溯至在首次應用詮釋的報告期開始時或之後確認的範圍內的項目，或
- 從過往報告期開始追溯呈列為比較資料。

並無就於二零一八年採納上述香港財務報告準則之新訂準則、修訂及詮釋作出追溯調整。

## 綜合財務報表附註

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2018  
截至二零一八年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.1 Basis of preparation (Continued)

#### Changes in accounting policies and disclosures (Continued)

(b) *New standards, amendments and interpretation of HKFRSs issued but are not effective for the financial year beginning on 1 January 2018 and have not been early adopted by the Group*

(i) HKFRS 16 'Leases'

#### *Nature of change*

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

#### *Impact*

The Group has set up a project team which has reviewed all of the Group's leasing arrangements over the last year in light of the new lease accounting rules in HKFRS 16. The standard will affect primarily the accounting for the Group's operating leases.

As at 31 December 2018, the Group has non-cancellable operating leases commitments (excluding lease relating to land use rights) of RMB206,511,000 (Note 35). Of these commitments, approximately RMB3,333,000 relate to short-term leases and RMB614,000 to low value leases which will both be recognised on a straight-line basis as expense in profit or loss. The management will take the exemption for short-term leases and low value leases.

## 2. 重要會計政策概要(續)

### 2.1 編製基準(續)

#### 會計政策變更及披露(續)

(b) *已頒佈但尚未於二零一八年一月一日開始之財政年度生效之香港財務報告準則之新訂準則、修訂及詮釋而本集團並無提早採納*

(i) 香港財務報告準則第16號「租賃」

#### *變動性質*

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

#### *影響*

本集團已成立項目團隊，根據香港財務報告準則第16號的新租賃會計規則，於上一年度審閱本集團所有租賃安排。此準則將主要影響本集團經營租賃之會計處理。

於二零一八年十二月三十一日，本集團有人民幣206,511,000元之不可撤銷經營租賃承擔(不包括與土地使用權相關之租賃)，請參閱附註35。在該等承擔中，約人民幣3,333,000元涉及短期租賃，人民幣614,000元涉及低價值租賃，該等租賃均以直線法確認為損益。管理層將豁免短期租約及低價值租約。

## 綜合財務報表附註

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.1 Basis of preparation (Continued)

#### Changes in accounting policies and disclosures (Continued)

(b) *New standards, amendments and interpretation of HKFRSs issued but are not effective for the financial year beginning on 1 January 2018 and have not been early adopted by the Group (Continued)*

(i) HKFRS 16 'Leases' (Continued)

#### *Impact (Continued)*

For the remaining lease commitments the Group expects to recognise right-of-use assets and lease liabilities of approximately RMB182,630,000 on 1 January 2019. Overall net current assets will be RMB33,478,000 lower due to the presentation of a portion of the liabilities as current liabilities.

The Group expects that net profit after tax will decrease by approximately RMB2,322,000 for 2019 as a result of adopting the new rules.

Operating cash flows will increase and financing cash flows will decrease by approximately RMB39,517,000 in 2019 as repayment of the principal and interest of the lease liabilities will be classified as cash flows from financing activities.

## 2. 重要會計政策概要(續)

### 2.1 編製基準(續)

#### 會計政策變更及披露(續)

(b) 已頒佈但尚未於二零一八年一月一日開始之財政年度生效之香港財務報告準則之新訂準則、修訂及詮釋而本集團並無提早採納(續)

(i) 香港財務報告準則第16號「租賃」(續)

#### *影響(續)*

就餘下租賃承擔，本集團預計於二零一九年一月一日確認使用權資產和租賃負債約為人民幣182,630,000元。由於將部分負債呈列為流動負債，總流動資產淨值將減少人民幣33,478,000元。

本集團預期，由於採納新規則，二零一九年除稅後淨溢利將減少約人民幣2,322,000元。

於二零一九年，經營現金流量將增加，融資現金流量將減少約人民幣39,517,000元，原因為償還租賃負債的本金及利息將歸類為融資活動的現金流量。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

Changes in accounting policies and disclosures (Continued)

(b) *New standards, amendments and interpretation of HKFRSs issued but are not effective for the financial year beginning on 1 January 2018 and have not been early adopted by the Group (Continued)*

(i) HKFRS 16 'Leases' (Continued)

*Impact (Continued)*

The Group's activities as a lessor are not material and hence the Group does not expect any significant impact on the financial statements. However, some additional disclosures will be required from next year.

*Date of adoption by the Group*

The Group will apply the standard from its mandatory adoption date of 1 January 2019. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. All right-of-use assets will be measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses).

2. 重要會計政策概要(續)

2.1 編製基準(續)

會計政策變更及披露(續)

(b) 已頒佈但尚未於二零一八年一月一日開始之財政年度生效之香港財務報告準則之新訂準則、修訂及詮釋而本集團並無提早採納(續)

(i) 香港財務報告準則第16號「租賃」(續)

*影響(續)*

本集團作為出租人的活動並不重大，因此本集團預計不會對財務報表造成任何重大影響。然而，明年將需要作出額外額外披露。

*本集團的採納日期*

本集團將於強制採用日期二零一九年一月一日應用該準則。本集團擬應用簡化過渡法且將不會重列首次採納前年度的比較金額。所有使用權資產將於採用時按租賃負債的金額計量(經任何預付或應付租賃開支調整)。



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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.1 Basis of preparation (Continued)

##### Changes in accounting policies and disclosures (Continued)

(b) *New standards, amendments and interpretation of HKFRSs issued but are not effective for the financial year beginning on 1 January 2018 and have not been early adopted by the Group (Continued)*

- (ii) HKFRS 17 'Insurance Contracts', effective for annual periods beginning on or after 1 January 2021.
- (iii) HK (IFRIC) 23 'Uncertainty over Income Tax Treatments', effective for annual periods beginning on or after 1 January 2019.
- (iv) Amendments to HKFRS 9 regarding prepayment features with negative compensation, effective for annual periods beginning on or after 1 January 2021.
- (v) Amendments to HKAS 28 regarding long-term interests in associates and joint ventures, effective for annual periods beginning on or after 1 January 2019.
- (vi) Annual Improvements to HKFRSs 2015–2017 Cycle, effective for annual periods beginning on or after 1 January 2019.

### 2. 重要會計政策概要(續)

#### 2.1 編製基準(續)

##### 會計政策變更及披露(續)

(b) 已頒佈但尚未於二零一八年一月一日開始之財政年度生效之香港財務報告準則之新訂準則、修訂及詮釋而本集團並無提早採納(續)

- (ii) 香港財務報告準則第17號「保險合約」，自二零二一年一月二十一日或之後開始的年度期間生效。
- (iii) 香港(國際財務報告詮釋委員會)詮釋第23號「稅務處理的不確定性」，於二零一九年一月一日或之後開始之年度期間生效。
- (iv) 香港財務報告準則第9號關於具有負補償的提前還款特性之修訂，於二零二一年一月一日或之後開始之年度期間生效。
- (v) 香港會計準則第28號「於聯營公司及合營企業的投資」之修訂，於二零一九年一月一日或之後開始之年度期間生效。
- (vi) 香港財務報告準則二零一五年至二零一七年週期年度改進，於二零一九年一月一日或之後開始之年度期間生效。

## 綜合財務報表附註

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2018  
截至二零一八年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.1 Basis of preparation (Continued)

#### Changes in accounting policies and disclosures (Continued)

(b) *New standards, amendments and interpretation of HKFRSs issued but are not effective for the financial year beginning on 1 January 2018 and have not been early adopted by the Group (Continued)*

(vii) Amendments to HKAS 19 regarding plan amendment, curtailment or settlement, effective for annual periods beginning on or after 1 January 2019.

(viii) Amendments to HKFRS 10 and HKAS 28 regarding sale or contribution of assets between an investor and its associate or joint venture, originally intended to be effective for annual periods beginning on or after 1 January 2016. The effective date has now been deferred/removed.

(ix) Amendments to HKAS 1 and HKAS 8 regarding definition of material, effective for annual periods beginning on or after 1 January 2020.

(x) Amendments to HKFRS 3 regarding definition of a business, effective for annual periods beginning on or after 1 January 2020.

### 2.2 Changes in accounting policies

This note explains the impact of the adoption of HKFRS 9 'Financial Instruments' and HKFRS 15 'Revenue from Contracts with Customers' on the Group's financial statements.

## 2. 重要會計政策概要(續)

### 2.1 編製基準(續)

#### 會計政策變更及披露(續)

(b) *已頒佈但尚未於二零一八年一月一日開始之財政年度生效之香港財務報告準則之新訂準則、修訂及詮釋而本集團並無提早採納(續)*

(vii) 香港財務報告準則第19號關於計劃修改、縮減或結算之修訂，於二零一九年一月一日或之後開始之年度期間生效。

(viii) 香港財務報告準則第10號及香港會計準則第28號關於投資者與其聯營公司及合營企業之間的資產出售或注資之修訂，原訂於二零一六年一月一日或之後開始之年度期間生效。有關生效日期現已押後／刪除。

(ix) 香港會計準則第1號及香港會計準則第8號關於重大的定義的修訂，於二零二零年一月一日或之後開始之年度期間生效。

(x) 香港財務報告準則第3號關於業務定義的修訂，於二零二零年一月一日或之後開始之年度期間生效。

### 2.2 會計政策變動

本附註闡釋採納財務準則第9號「金融工具」及財務準則第15號「客戶合約收益」對本集團財務報表的影響。

## 綜合財務報表附註

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.2 Changes in accounting policies (Continued)

#### (a) HKFRS 9 'Financial Instruments'

##### *Impact of adoption*

HKFRS 9 replaces the provisions of HKAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

There is no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities which are subject to HKFRS 9.

The adoption of HKFRS 9 'Financial Instruments' from 1 January 2018 resulted in changes in accounting policies. The new accounting policies are set out in Notes 2.12 and 2.14 below. In accordance with the transitional provisions in HKFRS 9 (7.2.15) and (7.2.26), comparative figures are not restated with the exception of certain aspects of hedge accounting. The Group does not have any hedge instrument, hence the exception is not applicable to the Group. The Group used modified retrospective approach while adopting HKFRS 9. The adjustments arising from the new impairment rules are therefore not reflected in the balance sheet as at 31 December 2017.

## 2. 重要會計政策概要(續)

### 2.2 會計政策變動(續)

#### (a) 香港財務報告準則第9號「金融工具」

##### *採納之影響*

香港財務報告準則第9號取代香港會計準則第39號之條款有關金融資產及金融負債之確認、分類及計量、金融工具之終止確認、金融資產之減值及對沖會計。

本集團金融負債之會計處理將不受影響，原因為新規定只影響指定為按公平值計入損益之金融負債之會計處理，而本集團並無任何受香港財務報告準則第9號影響之負債。

自二零一八年一月一日起採納香港財務報告準則第9號「金融工具」導致會計政策出現變更。新訂會計政策載於下文附註2.12及2.14。根據香港財務報告準則第9號(7.2.15)及(7.2.26)的過渡條文，並無重列比較數字，惟對沖會計的若干變動除外。本集團並無任何對沖工具，因此該例外不適用於本集團。本集團在採納香港財務報告準則第9號時採用經修改之追溯法。因此，新減值規則所引起之調整並無於二零一七年十二月三十一日之資產負債表中反映。

## 綜合財務報表附註

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2018  
截至二零一八年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.2 Changes in accounting policies (Continued)

#### (a) HKFRS 9 'Financial Instruments' (Continued)

##### Impact of adoption (Continued)

The Group has trade receivables for sales of products that are subject to HKFRS 9's new expected credit loss model, and the Group was required to revise its impairment methodology under HKFRS 9 for these receivables. The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables from initial recognition. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the ageing days. On that basis, the loss allowance as at 1 January 2018 was determined as follows for trade receivables:

		Within 180 days 180日以內 RMB'000 人民幣千元	181 days to 1 year 181日至1年 RMB'000 人民幣千元	Over 1 year 超過1年 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
1 January 2018	二零一八年一月一日				
Gross carrying amount	賬面總值	535,000	11,200	5,157	551,357
Expected loss rate	預期虧損率	0.05%	25%	75%	1.26%
Loss allowance	虧損撥備	268	2,800	3,868	6,936

The Group has performed the assessment and concluded that no material financial impact exists, and therefore no adjustment to the opening balance of equity at 1 January 2018 was recognised.

## 2. 重要會計政策概要(續)

### 2.2 會計政策變動(續)

#### (a) 香港財務報告準則第9號「金融工具」(續)

##### 採納之影響(續)

本集團有須遵守香港財務報告準則第9號的新預期信貸虧損模式的產品銷售貿易應收賬款，及本集團須根據香港財務報告準則第9號就該等應收賬款修訂其減值方法。本集團採用香港財務報告準則第9號簡化方法計量預期信貸虧損，於初步確認時，為所有貿易應收賬款撥備整個存續期內的預期虧損。為計量預期信貸虧損，貿易應收賬款已根據攤估信貸風險特點及賬齡分類。按此基準，於二零一八年一月一日的貿易應收賬款虧損撥備乃釐定如下：

本集團已進行評估並認為概無存在重大財務影響，故並無確認對二零一八年一月一日期初權益結餘所作之調整。

## 綜合財務報表附註

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.2 Changes in accounting policies (Continued)

#### (a) HKFRS 9 'Financial Instruments' (Continued)

##### Impact of adoption (Continued)

- (i) Classification and measurement  
From 1 January 2018, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

## 2. 重要會計政策概要(續)

### 2.2 會計政策變動(續)

#### (a) 香港財務報告準則第9號「金融工具」(續) 採納之影響(續)

- (i) 分類及計量  
自二零一八年一月一日起，本集團將其金融資產分類為以下計量類別：

- 其後按公平值（不論計入全面收益或計入損益）計量；及
- 按攤銷成本計量。

分類視乎實體處理財務資產及現金流合約年期之業務模式。

就按公平值計量之資產而言，收益及虧損將記入損益或其他全面收益。就並非持作買賣之於權益工具之投資而言，將視乎本集團是否於初步確認時作出不可撤回選擇，以按公平值計入其他全面收益將股權投資入賬。

## 綜合財務報表附註

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2018  
截至二零一八年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.2 Changes in accounting policies (Continued)

#### (a) HKFRS 9 'Financial Instruments' (Continued)

##### Impact of adoption (Continued)

##### (i) Classification and measurement (Continued)

The Group has reviewed its financial assets and liabilities and concludes that there is no significant impact on the classification and measurement of the financial assets and liabilities upon the adoption of the new standard since 1 January 2018, as the Group does not have the following financial assets or liabilities:

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

## 2. 重要會計政策概要(續)

### 2.2 會計政策變動(續)

#### (a) 香港財務報告準則第9號「金融工具」(續)

##### 採納之影響(續)

##### (i) 分類及計量(續)

本集團已審閱其金融資產及負債，並認為自二零一八年一月一日起採納新準則後對金融資產及負債的分類及計量並無重大影響，原因為本集團並無以下金融資產或負債：

- 分類為可供出售的債務工具或股本工具；
- 分類為持有至到期日並以攤銷成本計量的債務工具；
- 按公平值計入損益的權益投資；
- 指定為按公平值計入損益之金融負債。



## 綜合財務報表附註

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2018  
截至二零一八年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.2 Changes in accounting policies (Continued)

#### (a) HKFRS 9 'Financial Instruments' (Continued)

##### Impact of adoption (Continued)

##### (ii) Derivatives and hedging activities

The Group's derivatives include forward foreign exchange contracts, cross currency swap contracts, and cotton accumulator swap contracts, which are initially recognised at fair value when a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Derivative instruments held by the Group do not qualify for hedge instruments and are accounted for at fair value through profit or loss. Therefore there is no impact on the measurement of the derivatives upon the adoption of the new standard since 1 January 2018.

##### (iii) Impairment of financial assets

The Group has trade receivables for sales of products that are subject to HKFRS 9's new expected credit loss model, and the Group was required to revise its impairment methodology under HKFRS 9 for these receivables.

The Group applies the HKFRS 9 simplified approach to measuring expected credit loss which uses a lifetime expected loss allowance for all trade receivables. The impact is immaterial to the loss allowance for trade receivables on 1 January 2018. The loss allowance increased by RMB1,858,000 for all trade receivables on a net basis during the current reporting period compared with the amount under the incurred loss model of HKAS 39.

While cash and cash equivalents are also subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial.

## 2. 重要會計政策概要(續)

### 2.2 會計政策變動(續)

#### (a) 香港財務報告準則第9號「金融工具」(續)

##### 採納之影響(續)

##### (ii) 衍生工具及對沖活動

本集團的衍生工具包括遠期外匯合約、交叉貨幣掉期合約及棉花期貨合約，於訂立衍生工具合約時初步按公平值確認，其後於各報告期末重新計量至其公平值。本集團持有的衍生工具不符合對沖工具的資格，並以公平值計入損益。因此，自二零一八年一月一日起採納新訂標準後，對衍生工具的計量並無影響。

##### (iii) 金融資產減值

本集團有須遵守香港財務報告準則第9號的新預期信貸虧損模式的產品銷售貿易應收賬款，及本集團須根據香港財務報告準則第9號就該等應收賬款修訂其減值方法。

本集團採用香港財務報告準則第9號簡化方法計量預期信貸虧損，為所有貿易應收賬款撥備整個存續期內的預期虧損。該影響對二零一八年一月一日的貿易應收款項的虧損撥備並不重大。與香港會計準則第39號的已發生虧損模式下的金額相比，本報告期間的所有貿易應收款項的虧損撥備按淨額基準增加人民幣1,858,000元。

儘管現金及現金等值物亦須遵守香港財務報告準則第9號的減值規定，已識別的減值虧損並不重大。

## 綜合財務報表附註

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2018  
截至二零一八年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.2 Changes in accounting policies (Continued)

#### (b) HKFRS 15 'Revenue from Contracts with Customers'

##### *Impact of adoption*

The Group has adopted HKFRS 15 'Revenue from Contracts with Customers' from 1 January 2018 which resulted in changes in accounting policies. The Group adopted HKFRS 15 using the modified retrospective approach which means that the cumulative impact of the adoption (if any) will be recognised in retained earnings as of 1 January 2018 and that comparatives will not be restated.

Revenue is recognised when control of the products has transformed, being when the customer has inspected and accepted the products. The Group does not expect to have any contracts where the period between the transfer of the promised goods to the customer and payment by the customer exceeds one year. Sales are made with a credit term of less than 90 days to its customers in Mainland China and 120 days to its customers in other countries, which is consistent with market practice. As a consequence, the Group does not adjust any of the transaction prices for the time value of money as there is no significant financing component. There is no material impact for adopting the HKFRS 15 on revenue recognition.

## 2. 重要會計政策概要(續)

### 2.2 會計政策變動(續)

#### (b) 香港財務報告準則第15號「客戶合約收益」

##### *採納準則之影響*

自二零一八年一月一日起，本集團已採納香港財務報告準則第15號「客戶合約收益」，導致會計政策變更。本集團以經修改追溯方式採納香港財務報告準則第15號，即採納的累積影響(如有)將於二零一八年一月一日在保留盈利確認且比較將不予重列。

收益於產品的控制權轉移時(即客戶已驗收產品時)確認。本集團預計並無自所承諾貨品轉讓予客戶至客戶付款期限超過一年的合約。給予中國大陸客戶的銷售之信貸期少於90日，其他國家客戶則為120日，符合市場慣例。因此，本集團並無就貨幣時間價值調整任何交易價格，原因是並無重大融資成分。採納香港財務報告準則第15號對收益確認並無重大影響。

## 綜合財務報表附註

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.2 Changes in accounting policies (Continued)

#### (b) HKFRS 15 'Revenue from Contracts with Customers' (Continued)

##### Impact of adoption (Continued)

- (i) Accounting for discounts  
The Group rarely sold products with discounts. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated discounts. Accumulated experience is used to estimate and provide for the discounts, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

- (ii) Accounting for refunds  
The Group's obligations to provide a refund for faulty products are under the standard warranty terms. Accumulated experience is used to estimate such returns at the time of sale. Because of the large size and low value of each individual product, the amount of products returned were immaterial. It is highly probable that a significant reversal in the cumulative revenue recognised will not occur. Therefore, no refund liability for goods return was recognized. The validity of this assumption and the estimated amount of returns are reassessed at each reporting date. As a result, no accounting impact for refunds while applying HKFRS 15.

## 2. 重要會計政策概要(續)

### 2.2 會計政策變動(續)

#### (b) 香港財務報告準則第15號「客戶合約收益」(續)

##### 採納準則之影響(續)

- (i) 折扣之會計處理  
本集團甚少以折扣出售產品。該等銷售的收入乃基於合約規定的價格，經扣除估計折扣後確認。本公司使用累積的經驗估計及提供折扣，且收益僅於重大撥回極大可能不會產生時確認。

- (ii) 退款之會計處理  
本集團有責任向質保期內的瑕疵產品提供退款。本集團於銷售時使用累積經驗估計有關退款。因產品規模大及單個產品價值低，故退貨量並不重大。已確認累積收益之重大撥回極大可能不會產生。因此，概無就退貨確認退款負債。本集團於各報告日期重新評估上述假設之有效性及對退款金額的估計。因此，應用香港財務報告準則第15號對退款並無會計影響。

## 綜合財務報表附註

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2018  
截至二零一八年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.2 Changes in accounting policies (Continued)

#### (b) HKFRS 15 'Revenue from Contracts with Customers' (Continued)

##### Impact of adoption (Continued)

#### (iii) Accounting for customer loyalty programme

The Group did not introduce any customer loyalty programme which is likely to be affected by the HKFRS 15.

#### (iv) Accounting for costs to fulfil a contract

No additional cost occurs to fulfill the contract was identified.

#### (v) Presentation of assets and liabilities related to contracts with customers

The Group has also voluntarily changed the presentation of the following amounts in the balance sheet to reflect the terminology of HKFRS 15.

- Contract liabilities in relation to deposits from customers were previously included in accruals and other payables, and are now separately disclosed in the balance sheet.

## 2. 重要會計政策概要(續)

### 2.2 會計政策變動(續)

#### (b) 香港財務報告準則第15號「客戶合約收益」(續)

##### 採納準則之影響(續)

#### (iii) 客戶忠誠度計劃之會計處理

本集團並無引入任何可能會受到香港財務報告準則第15號影響的客戶忠誠度計劃。

#### (iv) 履行合約成本之會計處理

未發現履行有關合約須產生的額外成本。

#### (v) 呈列與客戶合約有關之資產及負債

本集團亦已自願變更資產負債表中下列金額的呈列以反映國際財務報告準則第15號的術語。

- 與客戶按金有關的合約負債先前已計入應計費用及其他應付款項，而目前單獨於資產負債表內披露。

## 綜合財務報表附註

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For the year ended 31 December 2018

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.3 Subsidiaries

#### 2.3.1 Consolidation

(a) A subsidiary is an entity (including a structured entity) over which the group has control. The Group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

#### (b) Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

## 2. 重要會計政策概要(續)

### 2.3 附屬公司

#### 2.3.1 綜合賬目

(a) 附屬公司指本集團對其有控制權之實體(包括結構實體)。於本集團藉對實體之參與而面臨可變回報之風險或取得可變回報之權利，並藉對該實體行使權力而有能力影響該等回報時，則本集團控制該實體。附屬公司自控制權轉移予本集團當日起綜合入賬，並由控制權終止當日起停止綜合入賬。

#### (b) 業務合併

本集團採用收購法就業務合併入賬。收購附屬公司的轉讓代價為所轉讓資產、對被收購方前擁有人所產生負債及本集團所發行股權的公平值。轉讓代價包括或然代價安排產生的任何資產或負債的公平值。於業務合併時所收購的可識別資產及所承擔的負債及或然負債，初步按收購日的公平值計量。

## 綜合財務報表附註

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.3 Subsidiaries (Continued)

#### 2.3.1 Consolidation (Continued)

##### (b) Business combinations (Continued)

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRS.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

## 2. 重要會計政策概要(續)

### 2.3 附屬公司(續)

#### 2.3.1 綜合賬目(續)

##### (b) 業務合併(續)

本集團按逐項收購基準已確認收購對象任何非控股權益。收購對象的非控股權益為現時擁有權權益及賦予其持有人按實體資產淨值應佔比例之權益，且非控股權益於清盤時可按公平值或按已確認收購對象可識別資產淨值中現時擁有權之比例計量。非控股權益之所有其他部分乃按彼等之收購日期公平值計量，惟按香港財務報告準則要求之另一計量基準除外。

收購相關成本於產生時支銷。

若業務合併分階段進行，則收購方先前所持被收購方權益於收購日期的賬面值按收購日期公平值重新計量；源於有關重新估值之任何收益或虧損於損益中確認。



## 綜合財務報表附註

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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截至二零一八年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.3 Subsidiaries (Continued)

#### 2.3.1 Consolidation (Continued)

##### (b) Business combinations (Continued)

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with HKAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated income statement.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

## 2. 重要會計政策概要(續)

### 2.3 附屬公司(續)

#### 2.3.1 綜合賬目(續)

##### (b) 業務合併(續)

本集團所轉讓的任何或然代價於收購日期按公平值確認。或然代價(視作一項資產或負債)公平值的其後變動根據香港會計準則第39號於損益確認，或計作其他全面收益變動。歸類為權益而並無重新計量之或然代價及其後續償付於權益中入賬。

所轉讓代價、被收購方的任何非控制性權益金額及任何先前於被收購方的股權於收購日期的公平值高於所收購可辨認資產淨值的公平值時，其差額以商譽列賬。就議價購買而言，如轉讓代價、已確認非控制性權益及先前持有的權益計量總額低於所收購附屬公司資產淨值的公平值，其差額將直接在綜合收益表中確認。

集團內部交易、結存及集團內公司間的交易之未變現收益，均予以對銷。未變現虧損亦予撇銷，除非交易提供已轉讓資產的減值證據。如有需要，附屬公司所呈報之金額已經調整，以貫徹本集團之會計政策。

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.3 Subsidiaries (Continued)

#### 2.3.1 Consolidation (Continued)

(c) *Changes in ownership interests in subsidiaries without change of control*

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions — that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(d) *Disposal of subsidiaries*

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

## 2. 重要會計政策概要(續)

### 2.3 附屬公司(續)

#### 2.3.1 綜合賬目(續)

(c) 不導致控制權改變之附屬公司所有者權益變動

不導致失去控制權之非控制性權益交易入賬列作權益交易 — 即以彼等為擁有人之身分與擁有人進行交易。任何已付代價公平值與所收購相關應佔附屬公司資產淨值賬面值之差額於權益入賬。向非控制性權益出售之盈虧亦於權益入賬。

(d) 出售附屬公司

本集團失去控制權時，於實體之任何保留權益按失去控制權當日之公平值重新計量，有關賬面值變動在損益確認。就其後入賬列作聯營公司、合營企業或金融資產之保留權益，其公平值為初始賬面值。此外，先前於其他全面收益確認與該實體有關之任何金額，按猶如本集團已直接出售有關資產或負債之方式入賬。此可能意味先前在其他全面收益確認之金額重新分類至損益。

## 綜合財務報表附註

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.3 Subsidiaries (Continued)

#### 2.3.2 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost also includes direct attributable costs of investment. The results of subsidiaries are accounted for by the company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

Impairment testing of the investments in subsidiaries is also required according to Note 2.11.

### 2.4 Associates

An associate is an entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carry amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. Upon the acquisition of the ownership interest in an associate, any difference between the cost of the associate and the Group's share of the net fair value of the associate's identifiable assets and liabilities is accounted for as goodwill.

## 2. 重要會計政策概要(續)

### 2.3 附屬公司(續)

#### 2.3.2 獨立財務報表

於附屬公司的投資乃按成本扣除減值入賬。成本亦包括投資直接應佔成本。附屬公司業績由本公司按已收及應收股息基準入賬。

倘自附屬公司收取的股息超出宣派股息期間該附屬公司的全面收益總額，或倘獨立財務報表的投資賬面值超出合併財務報表所示被投資公司資產淨值(包括商譽)的賬面值，則於自該等投資收取股息時須對於該等附屬公司的投資進行減值測試。

於附屬公司的投資亦需根據附註2.11所述進行減值測試。

### 2.4 聯營公司

聯營公司指所有本集團對其有重大影響力而無控制權之實體，通常附帶有20%至50%投票權之股權。聯營公司投資以權益會計法入賬。根據權益法，投資初始以成本確認，而賬面值則予以增加或減少，以確認投資者在收購日期後佔被投資方損益之比例。本集團於聯營公司之投資包括收購時識別之商譽。收購聯營公司之擁有權權益時，聯營公司之成本與本集團應佔聯營公司可識別資產及負債公平淨值間之差額入賬為商譽。

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.4 Associates (Continued)

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the consolidated income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit of investments accounted for using equity method' in the consolidated income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Gains or losses on dilution of equity interests in associates are recognised in the consolidated income statement.

## 2. 重要會計政策概要(續)

### 2.4 聯營公司(續)

倘對聯營公司的擁有權減少但仍存在重大影響，則先前於其他全面收益確認的金額僅有按比例計算的份額重新分類至損益(如適用)。

本集團收購後應佔的溢利或虧損於綜合收益表內確認，而收購後應佔其他全面收益變動於其他全面收益確認，並就投資賬面值作相應調整。倘本集團應佔聯營公司的虧損等於或超過所持聯營公司的權益(包括任何其他無抵押應收款項)，除非本集團承擔法定或推定責任或已代聯營公司付款，否則不會確認進一步虧損。

本集團在每個報告日期釐定於聯營公司的投資是否存在客觀減值證據。一旦存在減值證據，本集團會按聯營公司可收回金額與其賬面值之間的差額計算減值金額，並於綜合收益表「應佔以權益法入賬之投資」確認有關金額。

本集團及其聯營公司之間之上游及下游交易所產生溢利及虧損於本集團財務報表確認，惟僅以非關連投資者於聯營公司之權益為限。除非有關交易提供已轉讓資產減值證據，否則未變現虧損予以對銷。在必要的時候，聯營公司的會計政策會作出改變，以確保與本集團所採納的政策保持一致。

聯營公司股權被攤薄時之盈虧於綜合收益表確認。

## 綜合財務報表附註

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.5 Joint arrangements

The Group has applied HKFRS 11 to all joint arrangements. Under HKFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. The Group's investments in joint ventures include goodwill identified on acquisition. Upon the acquisition of the ownership interest in a joint venture, any difference between the cost of the joint venture and the Group's share of the net fair value of the joint venture's identifiable assets and liabilities is accounted for as goodwill. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

## 2. 重要會計政策概要(續)

### 2.5 合營安排

本集團已對所有合營安排應用香港財務報告準則第11號。根據香港財務報告準則第11號，在合營安排的投資必須分類為共同經營或合營企業，視乎每個投資者的合約權益和責任而定。本集團已評估其合營安排的性質並釐定為合營企業。合營企業按權益法入賬。

根據會計權益法，合營企業權益初步以成本確認，其後經調整以確認本集團分佔的收購後溢利或虧損以及其他全面收入變動的份額。本集團對合營企業的投資包括在收購時已識別的商譽。在收購合營企業的擁有權時，合營企業成本與本集團分佔合營企業可識別資產和負債的公平淨值之差額入賬為商譽。當本集團分佔某一合營企業的虧損超過或相等於在該合營企業的權益(包括任何其他無抵押應收款項)，則本集團不會確認進一步虧損，除非本集團已產生責任或已代合營企業付款。

本集團與其合營企業之間的未變現交易收益按本集團在該等合營企業的權益予以對銷。未變現虧損也予以對銷，除非交易提供證據證明所轉讓的資產出現減值。合營企業的會計政策已於有需要時變更以符合本集團採納的政策。

## 綜合財務報表附註

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.6 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Committee of Executive Directors of the Company that makes strategic decisions.

### 2.7 Foreign currency translation

#### (a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in RMB, which is the Company's functional and the Group's presentation currency.

#### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement.

## 2. 重要會計政策概要(續)

### 2.6 分部報告

經營分部以向主要經營決策者提供內部呈報一致的形式呈報。負責分配資源及評估經營分部表現之主要經營決策者已確定為作出策略決策之本公司之執行董事委員會。

### 2.7 外幣換算

#### (a) 功能及呈報貨幣

本集團旗下每個實體之財務報表所包括之項目，均以該實體之主要營運地區之貨幣(「功能貨幣」)計算。本綜合財務報表乃以人民幣呈報，人民幣為本公司功能貨幣及本集團呈報貨幣。

#### (b) 交易及結餘

外幣交易均按交易當日或估值當日(倘項目再計量)之匯率換算為功能貨幣。此等交易結算以及按年結日之匯率換算外幣資產和負債而產生的匯兌收益及虧損，均於綜合收益表內確認。



## 綜合財務報表附註

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.7 Foreign currency translation (Continued)

#### (b) Transactions and balances (Continued)

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated income statement within 'finance costs — net'. All other foreign exchange gains and losses are presented in the consolidated income statement within 'other losses — net'.

Changes in the fair value of debt securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in other comprehensive income.

## 2. 重要會計政策概要(續)

### 2.7 外幣換算(續)

#### (b) 交易及結餘(續)

有關借貸和現金及現金等值物之匯兌收益及虧損於綜合收益表中「財務費用—淨額」一項中呈列。所有其他匯兌收益及虧損於綜合收益表中「其他虧損—淨額」中呈列。

以外幣為單位且分類為可供出售的債務證券的公平值變動，按照證券的攤銷成本變動以及該證券賬面值的其他變動所產生的匯兌差額分析。與攤銷成本變動有關的匯兌差額於損益內確認，而賬面值的其他變動於其他全面收益內確認。

非貨幣財務資產及負債(例如按公平值計入損益之股本)之匯兌差額於損益內確認為公平值盈虧之一部份。非貨幣財務資產(例如分類為可供出售之股本)之匯兌差額計入其他全面收益內。

## 綜合財務報表附註

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.7 Foreign currency translation (Continued)

#### (c) Group companies

The results and financial position of all the Group's entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each consolidated income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (iii) all resulting currency translation differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Currency translation differences arising are recognised in other comprehensive income.

## 2. 重要會計政策概要(續)

### 2.7 外幣換算(續)

#### (c) 集團公司

功能貨幣與呈報貨幣不同的所有本集團內實體(當中沒有嚴重通脹貨幣)的業績和財務狀況按如下方法換算為呈報貨幣：

- (i) 每份呈報的資產負債表內的資產和負債按該資產負債表日期的收市匯率換算；
- (ii) 每份綜合收益表內的收入和費用按平均匯率換算(除非此平均匯率並不代表交易日期匯率的累計影響的合理約數；在此情況下，收支項目按交易日期的匯率換算)；及
- (iii) 所有由此產生的貨幣兌換差額於其他全面收益內確認。

綜合入賬時，換算海外實體任何投資淨額以及指定為該等投資之對沖項目的借款及其他金融工具產生之匯兌差額於其他全面收益確認。於出售境外業務或償還投資淨額的任何借款時，相關匯兌差額重新分類至損益，作為出售損益之一部分。

收購國外實體產生之商譽及公平值調整，作為國外實體之資產及負債處理，並按收市匯率兌換。所產生之貨幣兌換差額於其他全面收入確認。

## 綜合財務報表附註

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.8 Property, plant and equipment

Buildings comprise mainly factories and offices. Buildings are shown at fair value, based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated income statement during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of buildings are recognised in other comprehensive income. Decreases that offset previous increases of the same asset are charged to other comprehensive income; all other decreases are charged to the consolidated income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the consolidated income statement and depreciation based on the asset's original cost is transferred from 'revaluation reserve' to 'retained earnings'.

## 2. 重要會計政策概要(續)

### 2.8 物業、廠房及設備

樓宇主要包括工廠和辦公室。樓宇根據外部獨立估值師定期(但最少每三年一次)進行的估值按公平值減其後的折舊列賬。在重估日期的任何累計折舊與資產的賬面值總額對銷，而淨額則重列至資產的重估金額。所有其他物業、廠房及設備按歷史成本減折舊列賬。歷史成本包括收購該等項目直接應佔的開支。

只有在與項目相關的未來經濟效益有可能流入本集團，並能夠可靠地計量項目成本的情況下，本集團才會將其後成本計入為資產賬面值之一部分或確認為獨立資產項目(如適用)。所替換之部分的賬面值乃撇除確認。所有其他維護及保養費用均需於產生時於該財務期間之綜合收益表扣除。

樓宇重估後之賬面增值於其他全面收益確認。與同一資產先前增值對銷的減值部分，於其他全面收益中扣除；餘下之所有減值額則於綜合收益表內扣除。每年，根據於綜合收益表扣除之資產的重估賬面值得出之折舊，與根據資產原來成本得出之折舊的差額乃從「重估儲備」撥轉至「保留溢利」。

## 綜合財務報表附註

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.8 Property, plant and equipment (Continued)

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their costs or revalued amounts to their residual values over their estimated useful lives, as follows:

— Buildings	15 to 40 years	2.5%–6.7%
— Machinery and equipment	6 to 15 years	6.7%–16.7%
— Furniture and fixtures	3 to 10 years	10.0%–33.3%
— Motor vehicles	5 to 7 years	14.0%–20.0%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.11).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other (losses)/gains — net' in the consolidated income statement.

When revalued assets are sold, the amounts included in revaluation reserve are transferred to retained earnings.

Construction-in-progress, representing buildings on which construction work has not been completed and machinery pending installation, is stated at cost, which includes construction expenditures incurred, cost of machinery, interest capitalised and other direct costs capitalised during the construction and installation period, less accumulated impairment losses, if any. No depreciation is provided in respect of construction-in-progress until the construction and installation work is completed and put into use. On completion, construction-in-progress is transferred to appropriate categories of property, plant and equipment.

## 2. 重要會計政策概要(續)

### 2.8 物業、廠房及設備(續)

物業、廠房及設備的折舊以直線法計算，以分配其成本或重估價值至其於估計可使用年期之剩餘價值如下：

— 樓宇	15至40年	2.5%至6.7%
— 機器及設備	6至15年	6.7%至16.7%
— 傢俬及裝置	3至10年	10.0%至33.3%
— 汽車	5至7年	14.0%至20.0%

本集團在各報告期末重檢資產的剩餘價值及可使用年期，並已按適當情況作出調整。

倘資產的賬面值大於其估計可收回金額，資產的賬面值即時撇減至其可收回金額(附註2.11)。

出售之盈利及虧損是按出售所得款項與有關資產賬面值之差額而釐定，並於綜合收益表中「其他(虧損)/收益 — 淨額」中確認。

重估資產售出後，重估儲備內的金額轉移至保留溢利。

在建工程指未完成建築工程的樓宇及未安裝的機器，按成本入賬，包括所產生建築開支、機器成本、資本化利息及建築與安裝期間其他直接資本化成本，而扣減累計減值虧損(如有)。於建築及安裝工程完成及投入使用前不會就在建工程作出折舊。當工程完成後，在建工程轉撥至適當物業、廠房及設備類別。

## 綜合財務報表附註

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.9 Freehold land and land use rights

Freehold land is not amortized.

The premiums paid to acquire land use rights are recorded as prepayment for operating lease, and are amortised using the straight-line method over the period of the land use rights of 45 to 50 years.

### 2.10 Intangible assets

#### (i) Goodwill

Goodwill is measured as described in note 2.3.1. Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

#### (ii) Customer Relationship

Customer relationship acquired in a business combination is recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

## 2. 重要會計政策概要(續)

### 2.9 永久產權土地及土地使用權

永久產權土地並無攤銷。

就收購土地使用權支付的溢價視作經營租賃的預付款項，並按直線法於土地使用權的45至50年期間內攤銷。

### 2.10 無形資產

#### (i) 商譽

商譽按附註2.3.1所述計量。收購附屬公司的商譽列入無形資產。商譽不予攤銷，惟每年進行減值測試，或當有事件出現或情況變動顯示可能出現減值時進行更頻密減值測試，並按成本減去累計減值損失列示。出售實體的收益及虧損包括與出售實體有關的商譽賬面值。

商譽會被分配至現金產生單位以進行減值測試。有關分配乃對預期將從商譽產生的業務合併中獲益的現金產生單位或現金產生單位組別作出。現金產生單位或現金產生單位組別乃就內部管理目的而於監察商譽的最低層次(即經營分部)確認。

#### (ii) 客戶關係

在業務合併中購入的客戶關係按購買日的公平值確認。客戶關係的可用年期有限，隨後按成本減累積攤銷及減值虧損列賬。

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.10 Intangible assets (Continued)

#### (iii) Amortisation methods and periods

The Group amortises intangible assets with a limited useful life using the straight-line method over the following periods:

Customer Relationship	15 years
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### 2.11 Impairment of investments in subsidiaries, associates, joint ventures and non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

## 2. 重要會計政策概要(續)

### 2.10 無形資產(續)

#### (iii) 攤銷方法及期間

本集團使用直線法按下列期間對具有有限可使用年期之無形資產予以攤銷：

客戶關係	15年
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### 2.11 附屬公司、聯營公司及合營企業的投資及非金融資產減值

可使用年期不確定之資產不予攤銷並每年進行減值測試。當任何事件發生或環境變化預示其賬面值可能無法收回時，會對須予攤銷之資產進行減值測試。若某項資產的賬面值超過其可收回金額時，會就其差額確認減值虧損。資產的可收回金額為公平值減出售成本與其可使用價值中較高者。評估資產減值時，資產按可單獨分辨的最小現金流量(現金產生單位)予以分類。除商譽外減值的非金融資產將於各報告日期檢討撥回減值的可能性。



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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.12 Financial assets

#### 2.12.1 Classification

From 1 January 2018, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

#### 2.12.2 Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

## 2. 重要會計政策概要 (續)

### 2.12 金融資產

#### 2.12.1 分類

自二零一八年一月一日起，本集團將其金融資產分類為以下計量類別：

- 其後按公平值(不論計入全面收益或計入損益)計量；及
- 按攤餘成本計量。

分類視乎實體處理財務資產及現金流合約年期之業務模式。

就按公平值計量的資產而言，收益及虧損將於損益或其他全面收益列賬。就並非持作買賣的股本工具投資而言，將取決於本集團是否於初始確認時作出不可撤回選擇，將股本投資以按公平值計入其他全面收益計量(「按公平值計入其他全面收益」)入賬。

本集團只限於當管理該等資產的業務模式改變時重新分類債務投資。

#### 2.12.2 確認及終止確認

常規購買及出售的金融資產在交易日確認 — 交易日指本集團承諾購買或出售該資產之日。當從金融資產收取現金流量的權利到期或已轉讓，而本集團已轉讓所有權的絕大部分風險及報酬時，則終止確認金融資產。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Financial assets (Continued)

2.12.3 Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

*Debt instruments*

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

2. 重要會計政策概要(續)

2.12 金融資產(續)

2.12.3 計量

於初步確認時，本集團按公平值計量金融資產。倘金融資產並非按公平值計入損益(「按公平值計入損益」)記賬，則加上收購該金融資產直接應佔的交易成本。按公平值計入損益列值的金融資產的交易成本於損益中列作開支。

在確定具有嵌入衍生工具的金融資產的現金流量是否純粹為本金及利息付款時，需從金融資產的整體考慮。

*債務工具*

債務工具的後續計量取決於本集團管理資產之業務模式及該等資產的現金流量特徵。本集團將其債務工具分類為三種計量類別：

- 攤銷成本：倘持有資產旨在收取合約現金流量，而該等資產的現金流量純粹為本金及利息付款，該等資產按攤銷成本計量。該等金融資產的利息收入以實際利率法計入財務收入。終止確認產生任何收益或虧損直接於損益中確認並於其他收益/(虧損)中呈列，連同匯兌收益及虧損。減值虧損於損益表中呈列為獨立項目。

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.12 Financial assets (Continued)

#### 2.12.3 Measurement (Continued)

##### Debt instruments (Continued)

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

## 2. 重要會計政策概要(續)

### 2.12 金融資產(續)

#### 2.12.3 計量(續)

##### 債務工具(續)

- 按公平值計入其他全面收益：倘持有資產目的為收取合約現金流量及銷售金融資產，且資產的現金流量純粹為本金及利息付款，則按公平值計入其他全面收益計量。賬面值變動計入其他全面收益，惟減值損益、利息收入及匯兌損益於損益中確認。於終止確認金融資產時，先前於其他全面收益確認的累計收益或虧損由權益重新分類至損益並於其他收益／(虧損)確認。該等金融資產所產生利息收入乃使用實際利率法計入財務收入。匯兌收益及虧損於其他收益／(虧損)呈列，而減值開支在收益表中呈列為獨立項目。
- 按公平值計入損益：不符合攤銷成本或按公平值計入其他全面收益標準的資產乃以按公平值計入損益計量。隨後按公平值計入損益的債務投資的損益於其產生期間在損益中確認並在其他收益／(虧損)中呈列為淨值。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Financial assets (Continued)

2.12.3 Measurement (Continued)

*Equity instruments*

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other losses in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

2.12.4 Impairment

From 1 January 2018, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see note 12 for further details.

2. 重要會計政策概要(續)

2.12 金融資產(續)

2.12.3 計量(續)

*股本工具*

本集團隨後就所有股本投資按公平值計量。當本集團管理層已選擇於其他全面收益呈列股本投資的公平值收益及虧損，公平值收益及虧損於終止確認投資後不會重新分類至損益。該等投資的股息於本集團收取款項的權利確立時繼續於損益確認為其他收入。

按公平值計入損益的金融資產公平值變動於損益表確認為其他虧損(按適用情況)。按公平值計入其他全面收益計量的股本投資的減值虧損(及減值虧損撥回)不會因公平值其他變動而分開列報。

2.12.4 減值

自二零一八年一月一日起，本集團對有關其按攤銷成本列賬及按公平值計入其他全面收益之債務工具的預期信貸虧損進行前瞻性評估。所應用的減值方法取決於信貸風險是否大幅增加。

就應收貿易款項而言，本集團應用香港財務報告準則第9號允許的簡化方法，其中要求全期預期虧損須自首次確認應收款項時確認，更多詳情請參閱附註12。

## 綜合財務報表附註

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.12 Financial assets (Continued)

#### 2.12.5 Accounting policies applied until 31 December 2017

The Group has applied HKFRS 9 retrospectively, but has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the Group's previous accounting policy.

Until 31 December 2017 the Group classifies its financial assets in the following categories:

(a) *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

(b) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the end of the reporting period which are classified as non-current assets.

## 2. 重要會計政策概要(續)

### 2.12 金融資產(續)

#### 2.12.5 截至二零一七年十二月三十一日的會計政策

本集團已追溯應用香港財務報告準則第9號，但已決定比較資料不予重列。因此，所提供的比較資料繼續根據本集團之前的會計政策入賬。

截至二零一七年十二月三十一日，本集團將其金融資產分類為以下類別：

(a) *以公平值計量且其變動計入損益的金融資產*

以公平值計量且其變動計入損益的金融資產為持作買賣的金融資產。倘購入之主要目的為於短期內出售，則金融資產會分類為此類別。衍生工具亦分類為持作買賣，惟彼等獲指定為對沖除外。倘該類別之資產預期將於12個月內結算，則分類為流動資產；否則分類為非流動資產。

(b) *貸款及應收款項*

貸款及應收款項為有固定或可確定付款額且沒有在活躍市場上報價的非衍生金融資產。此等項目包括在流動資產內，但將於或預期將於報告期末起計超過12個月結算的數額則分類為非流動資產。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Financial assets (Continued)

2.12.5 Accounting policies applied until 31 December 2017 (Continued)

(b) Loans and receivables (Continued)

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the consolidated income statement within 'other losses — net', in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the consolidated income statement as part of 'other income' when the Group's right to receive payments is established.

*Impairment for assets carried at amortised cost*

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

2. 重要會計政策概要(續)

2.12 金融資產(續)

2.12.5 截至二零一七年十二月三十一日的會計政策(續)

(b) 貸款及應收款項(續)

「以公平值計量且其變動計入損益的金融資產」此類別因公平值變動而產生的收益或虧損，會於產生期間在綜合收益表的「其他虧損 — 淨額」內呈列。以公平值計量且其變動計入損益的金融資產的股息收入，在本集團收取付款的權利確立時，於綜合收益表確認為其他收入部分。

*按攤銷成本列賬之資產減值*

本集團會於各報告期末評估是否有客觀證據顯示某一項金融資產或某一組金融資產已減值。當有客觀證據顯示於初次確認資產後曾發生一宗或多宗導致減值的事件（「虧損事件」），而該宗或該等虧損事件對該項或該組金融資產的估計未來現金流量構成能可靠地估計的影響，則該項或該組金融資產已減值及產生減值虧損。



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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.12 Financial assets (Continued)

#### 2.12.5 Accounting policies applied until 31 December 2017 (Continued)

##### (b) Loans and receivables (Continued)

###### *Impairment for assets carried at amortised cost (Continued)*

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

## 2. 重要會計政策概要(續)

### 2.12 金融資產(續)

#### 2.12.5 截至二零一七年十二月三十一日的會計政策(續)

##### (b) 貸款及應收款項(續)

###### *按攤銷成本列賬之資產減值(續)*

減值證據可包括有跡象顯示債務人或一組債務人遇上嚴重財政困難、拖欠款項或逾期償還利息或本金、債務人可能破產或進行其他財務重組，以及有可觀察數據顯示估計未來現金流量有可計量的下跌，例如與違約有相互關連的拖欠情況或經濟狀況改變。

就貸款及應收賬款而言，虧損的金額乃以資產的賬面值與按金融資產原定實際利率貼現之估計未來現金流量現值(不包括尚未產生之未來信貸虧損)之差額計算。資產賬面值減少，而虧損金額則於綜合收益表內確認。

倘於其後期間減值虧損金額下跌，而下跌在客觀上與一項於確認減值後發生之事件(如債務人之信貸評級改善)有關，則先前已確認之減值虧損撥回會於綜合收益表內確認。

## 綜合財務報表附註

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2018  
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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.13 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

### 2.14 Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The method of recognising the resulting gain or loss depends on whether the derivative is designed as a hedging instrument, and if so, the nature of item being hedged. Derivative instruments held by the Group do not qualify for hedge accounting and are accounted for at fair value through profit or loss. Changes in fair value of these derivative instruments that do not qualify for hedge accounting are recognised immediately in the consolidated income statement within 'other losses-net'.

### 2.15 Government grants/subsidies

Grants/subsidies from government authorities are recognised at their fair value where there is a reasonable assurance that the grant/subsidies will be received and the Group will comply with all attached conditions.

Government grants/subsidies relating to assets are presented in the balance sheet by deducting the grant in arriving at the carrying amount of the asset.

Government grants/subsidies relating to compensation for relocation are deferred and recognised in the consolidated income statement over the period when the relocation takes place.

## 2. 重要會計政策概要(續)

### 2.13 抵銷金融工具

當有可合法強制執行權力抵銷已確認金額，並有意圖按淨額基準結算或同時變現資產及結算負債時，金融資產與負債可互相抵銷，並在資產負債表呈報有關淨額。可合法強制執行權利不得取決於未來事件而定，且須在一般業務過程中以及倘本公司或對手方一旦出現拖欠還款、無償債能力或破產時可強制執行。

### 2.14 衍生金融工具

衍生工具最初於訂立衍生工具合同當日按公平值確認，其後於各報告期末重新計量至其公平值。確認所得盈虧方法，取決於衍生工具是否界定為對沖工具及倘屬對沖工具，則取決於被對沖項目性質。本集團持有之衍生工具並不符合對沖會計所指的衍生工具，並透過損益以公平值列賬。任何不符合對沖會計的衍生工具的公平值變動，會即時於綜合收益表中「其他虧損 — 淨額」確認。

### 2.15 政府補助／補貼

假若可合理地確定本集團將獲得政府補助／補貼，以及符合所有附帶之條件，政府補助／補貼以公平值確認入賬。

與資產有關之政府補助／補貼乃於扣減補助以得出資產賬面值後在資產負債表呈列。

有關搬遷賠償之政府補助／補貼遞延處理，並於搬遷進行之期間在綜合損益表中確認。

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.16 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

### 2.17 Properties under development

Properties under development are stated at the lower of cost and net realisable value. Net realisable value takes into account the price ultimately expected to be realised, less applicable variable selling expenses and the anticipated costs to completion.

Development cost of properties comprises cost of land use rights, construction costs, borrowing costs and professional fees incurred during the development period. On completion, the properties are transferred to completed properties held for sale.

Properties under development are classified as current assets unless the construction period of the relevant property development project is expected to complete beyond normal operating cycle.

## 2. 重要會計政策概要(續)

### 2.16 存貨

存貨以成本及可變現淨值的較低者列賬。成本以加權平均法釐定。產成品及在產品的成本包括原材料、直接勞工、其他直接成本及相關間接生產費用(根據正常經營能力計算)，而不包括借款費用。可變現淨值為日常業務過程中的估計售價(扣除適用可變銷售費用)。

### 2.17 發展中物業

發展中物業按成本與可變現淨值之較低者列賬。可變現淨值考慮最終預期將會變現之價格，並扣除適用可變銷售開支及預計完成成本。

物業之發展成本包括於發展期內產生之土地使用權成本、建築成本、借款成本及專業費用。於落成時，該等物業乃轉撥至已落成待售物業。

發展中物業乃分類為流動資產，除非相關物業發展項目之建築期預期會於經營週期之後完成。

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.18 Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade and other receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

### 2.19 Cash and cash equivalents

In the consolidated cash flow statement, cash and cash equivalents include cash in hand and deposits held at call with banks.

### 2.20 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### 2.21 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

## 2. 重要會計政策概要(續)

### 2.18 應收貿易款項及其他應收賬款

應收貿易款項為在日常業務過程中就售出商品或所提供服務應收客戶之款項。倘應收貿易款項及其他應收賬款預期可於一年或之內收款(或倘時間更長,則在業務正常營運周期),則分類為流動資產。倘未能於一年或之內收款,則以非流動資產呈列。

應收貿易款項及其他應收賬款初步按無條件代價金額確認,除非其包含重大融資成分,並按公平值確認。本集團持有應收貿易款項及其他應收賬款,目的是收取合約現金流量,因此以實際利率法按攤銷成本計量。

### 2.19 現金及現金等值物

在綜合現金流量表中,現金及現金等值物包括手頭現金及銀行通知存款。

### 2.20 股本

普通股分類為權益。

與發行新股或購股權直接有關的增量成本,列入權益作為所得款項的減值(扣除稅項)。

### 2.21 應付貿易款項

應付貿易款項為在日常業務過程中自供應商收購商品或服務之付款責任。倘應付賬款於一年或之內到期(或倘時間更長,則在業務正常營運周期),則分類為流動負債。倘並非於一年或之內到期,則以非流動負債呈列。

應付貿易款項最初按公平值確認,其後以實際利率法按攤銷成本計量。

## 綜合財務報表附註

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.22 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

### 2.23 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

## 2. 重要會計政策概要(續)

### 2.22 借貸

借貸最初按公平值(扣除已產生之交易成本)確認。借貸其後按攤銷成本列賬，如扣除交易成本後之所得款項及贖回價值出現差額，則於借貸期內以實際利率法在綜合收益表內確認。

除非本集團有權無條件將債務結算日期遞延至報告期末後至少十二個月，否則借貸分類為流動負債。

### 2.23 借貸成本

直接歸屬於購建或生產合資格資產(該等資產需經較長時間方能達至擬定用途或出售狀態)的一般及特定借款成本，計入該等資產之成本，直至大致達至其擬定用途或出售狀態為止。

在特定借貸撥作合資格資產支出前之暫時投資所賺取之投資收入，須自合資格資本化之借貸成本中扣除。

所有其他借貸成本於其產生期間於損益確認。

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For the year ended 31 December 2018  
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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.24 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

#### (a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

#### (b) Deferred income tax

##### *Inside basis differences*

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill and deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

## 2. 重要會計政策概要(續)

### 2.24 即期及遞延所得稅

期內稅項開支包括即期及遞延稅項。稅項在綜合收益表中確認，除非其涉及其他全面收益或直接權益中確認之項目。在此情況下，稅項亦分別在其他全面收益或直接權益中確認。

#### (a) 即期所得稅

即期所得稅費用根據於結算日本公司之附屬公司經營並獲得應課稅收入所在的國家已經頒佈或實際上已頒佈的稅法計算。管理層定期評估適用稅法規定之情況下的納稅申報情況，並且就應付稅務機關的金額作出適當撥備。

#### (b) 遞延所得稅

##### *內在基準差異*

遞延所得稅以負債法就資產及負債的評稅基準與其於綜合財務報表內的賬面值兩者間的暫時差異予以確認。然而，倘遞延稅項負債源自初步確認商譽則不予確認。此外，倘遞延所得稅來自進行交易時初始確認的資產或負債(如屬業務合併則除外)而於進行交易之時並不影響會計或應課稅溢利或虧損，則不確認遞延所得稅。遞延所得稅乃根據於結算日前已頒佈或實際上已頒佈而預期當有關遞延所得稅資產已變現後或遞延所得稅負債已清償後將應用的有關稅率(及法例)釐定。



## 綜合財務報表附註

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.24 Current and deferred income tax (Continued)

#### (b) Deferred income tax (Continued) *Inside basis differences (Continued)*

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

#### *Outside basis differences*

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates. Only where there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference in the foreseeable future, deferred tax liability in relation to taxable temporary differences arising from associate's undistributed profits is not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries and associates only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

## 2. 重要會計政策概要(續)

### 2.24 即期及遞延所得稅(續)

#### (b) 遞延所得稅(續)

##### *內在基準差異(續)*

遞延所得稅資產只會在未來應課稅溢利有可能用作抵銷暫時差異時才會確認。

##### *外在基準差異*

遞延所得稅負債須就投資於附屬公司及聯營公司而引致的應課稅暫時差異作出撥備，惟集團可控制暫時差異會在何時轉回，且暫時差異很可能不會在可見的未來轉回的遞延所得稅負債則除外。本集團一般無法控制聯營公司臨時差異之撥回，僅於可見將來訂立協議賦予本集團能力，可控制臨時差異之撥回，源於聯營公司未分派溢利之應課稅臨時差異之遞延稅項負債不予確認。

僅於暫時差額可能將於日後撥回，且有充足之應課稅溢利而動用暫時差額，方會就於附屬公司及聯營公司投資產生之可扣減暫時差額，確認遞延所得稅資產。

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2018  
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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.25 Employee benefits

#### (a) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date. Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

#### (b) Pension obligations (defined contribution plans)

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

#### (c) Bonus plan

The Group recognises a provision for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

## 2. 重要會計政策概要(續)

### 2.25 僱員福利

#### (a) 僱員所享有假期

僱員所享有的年假當僱員可享有時確認，並因應僱員截至結算日所提供服務而就年假的估計承擔金額作出撥備。僱員所享有的病期及產假於休假時方會確認。

#### (b) 退休金承擔(定額供款計劃)

定額供款計劃為一項本集團向一個獨立實體支付固定供款之退休金計劃。倘該基金並無持有足夠資產，向所有僱員就其在當期及以往期間之僱用服務提供福利，則本集團亦無法定或推定責任作出進一步供款。

本集團以強制、合約或自願基準向公營或私營管理的退休保險計劃作出供款。一旦作出供款，本集團並無進一步付款責任。該等供款於到期時確認為僱員福利開支。預繳供款確認為資產，惟須以可獲現金退款或扣減日後供款為限。

#### (c) 花紅計劃

本集團於合同規定或由過往做法產生推定責任時就花紅確認撥備。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.26 Share-based payments

Equity-settled share-based payment transactions

The Group operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save or holding shares for a specified period of time).

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-marketing performance and service conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated income statement, with a corresponding adjustment to equity.

2. 重要會計政策概要(續)

2.26 以股份為基礎之付款

以權益結算以股份為基礎之付款交易

本集團設有一項以權益結算以股份為基礎之酬金計劃，據此，實體視僱員所提供服務為本集團權益工具(購股權)的代價。僱員就獲授購股權所提供服務的公平值確認為開支。將予支銷總金額參照所授出購股權的公平值而釐定：

- 包括任何市場表現條件，例如實體的股價；
- 不包括任何服務及非市場表現歸屬條件的影響，例如盈利能力、銷售增長目標及在特定時限內留聘實體僱員；及
- 包括任何非歸屬條件的影響，例如在特定時限內規定僱員儲蓄或持有股份。

於各報告期末，本集團根據非市場表現及服務條件修訂對預期歸屬之購股權數目所作之估計，並在綜合收益表確認修訂原來估計產生之影響(如有)，並對權益作出相應調整。

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.26 Share-based payments (Continued)

#### Equity-settled share-based payment transactions (Continued)

In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (and share premium).

### 2.27 Provisions

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

## 2. 重要會計政策概要(續)

### 2.26 以股份為基礎之付款(續)

#### 以權益結算以股份為基礎之付款交易(續)

此外，在部分情況下，僱員可在授出日期之前提供服務，故授出日期的公平值就確認服務開始期與授出日期的期間內的開支作出估計。

本公司於購股權獲行使時發行新股份。所收款項(扣除任何直接應計交易成本)會撥入股本(及股份溢價)。

### 2.27 撥備

倘本集團因過往事件而有現時法律或推定責任，並可能須動用資源履行有關責任，且能可靠估計相關金額，則確認撥備。撥備不就未來營運虧損確認。

如有多項類似責任，其需要在償付中流出資源的可能性根據責任的類別整體考慮。即使同一責任類別所包含的任何一個項目相關的資源流出的可能性極低，仍須確認撥備。

撥備以預期用以償付責任的開支，按反映當時市場對金錢時間價值的評估及該責任的特有風險的稅前費率計算的現值計量。因時間過去而增加的撥備確認為利息開支。

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.28 Revenue recognition

#### (a) Sales of goods

The Group manufactures and sells yarns, grey fabrics and garment fabrics as well as garments in the market. Sales are recognised when control of the products has transferred, being when the customer has inspected and accepted the products. The Group does not expect to have any contracts where the period between the transfer of the promised goods to the customer and payment by the customer exceeds one year. Delivery occurs when the products have been shipped to the specific location.

If discount is granted to customers, revenue from these sales is recognised based on the price specified in the contract, net of the estimated discounts. Accumulated experience is used to estimate and provide for the discounts, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. No significant financing component is deemed present as the sales are made with a credit term of less than 90 days to its customers in Mainland China and 120 days to its customers in other countries, which is consistent with market practice.

A receivable is usually recognised when revenue recognised as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

If the payments exceed the value of the goods sold, a contract liability is recognised.

## 2. 重要會計政策概要(續)

### 2.28 收益確認

#### (a) 貨品銷售

本集團製造及在市場銷售紗線、坯布、面料及服裝。銷售於產品的控制權轉移時(即客戶已驗收產品時)確認。本集團預期於轉交承諾的產品予客戶時至客戶付款起過一年期間並無任何合約。於產品已運送至指定地點時即屬交付落實。

倘向客戶授予折扣，該等銷售的收入乃基於合約規定的價格，經扣除估計折扣後確認。本公司使用累積的經驗估計及提供折扣，且收益僅於重大撥回極大可能不會產生時確認。於如予中國大陸客戶的銷售之信貸期少於90日，其他國家客戶則為120日，符合市場慣例，故不會被視為存在重大融資成分。

應收款項通常於收益確認時確認，原因是收取代價之權利於這時間點變為無條件，僅須待時間過去便可收取付款。

倘付款超過所售商品的價值，則確認合同責任。

## 綜合財務報表附註

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.28 Revenue recognition (Continued)

#### (b) Interest income

Interest income on financial assets at amortised cost calculated using the effective interest method is recognised in the consolidated income statement as part of other income. Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes. Any other interest income is included in other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

### 2.29 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated income statement on a straight-line basis over the period of the lease.

The Group leases certain property, plant and equipment. Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in finance lease obligations. The interest element of the finance cost is charged to the consolidated income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

## 2. 重要會計政策概要(續)

### 2.28 收益確認(續)

#### (b) 利息收入

按實際利率法計算的按攤銷成本列賬的金融資產的利息收入在綜合收益表中確認為其他收入的一部分。利息收入呈列為財務收入，其來自為現金管理目的而持有的金融資產。任何其他利息收入均包括在其他收入中。

利息收入乃對一項金融資產賬面總值應用實際利率予以計算，惟其後出現信貸減值的金融資產除外。就出現信貸減值的金融資產，實際利率適用於金融資產的賬面淨值(扣除虧損撥備後)。

### 2.29 租賃

凡擁有權的大部分風險及回報仍歸出租人所有的租賃，均列作經營租賃。根據經營租賃的付款(扣除出租人給予的任何優惠)在租期內以直線基準自綜合損益表扣除。

本集團租賃若干物業、廠房及設備。如本集團大致上承受擁有權的所有風險和回報，則物業、廠房及設備的租賃歸類為融資租賃。融資租賃在租賃開始時，按租賃物業的公平值與最低租賃付款現值兩者之中較低者資本化。每項租金均分攤為負債及財務支出。相應租金責任在扣除財務支出後計入融資租賃承擔。財務成本的利息部分於租賃期內在綜合損益表中支銷，以計算出每期剩餘負債的固定周期利率。根據融資租賃而獲得的物業、廠房及設備按資產的可使用年期與租賃期兩者之中較短者進行折舊。



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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.30 Earnings per share

#### (a) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares

by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

#### (b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

### 2.31 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, when appropriate.

## 3. FINANCIAL RISK MANAGEMENT

### 3.1 Financial risk factors

The Group's activities expose it to a variety of financial risk (including foreign exchange risk, price risk, cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain of its risk exposures on changes in interest rates.

## 2. 重要會計政策概要(續)

### 2.30 每股盈利

#### (a) 每股基本盈利

每股基本盈利之計算方法為：

- 歸屬於公司擁有人之溢利，不包括普通股以外之任何支付權益成本除以

於財政年度內已發行普通股之加權平均數，就年內發行之普通股之紅利元素作出調整以及並不包括庫存股份。

#### (b) 每股攤薄盈利

每股攤薄盈利調整釐定每股基本盈利時所使用之數字以計及：

- 與潛在攤薄普通股有關之利息及其他融資成本之除所得稅後影響；及
- 假設所有潛在攤薄普通股換股，則將為已發行之額外普通股加權平均數。

### 2.31 股息分派

向本公司股東分派的股息在股息獲本公司股東或董事(倘適用)批准的期間於本集團及本公司的財務報表內確認為負債。

## 3. 財務風險管理

### 3.1 財務風險因素

本集團的業務面對多種財務市場風險(包括外匯風險、價格風險、現金流量及公平值利率風險)、信貸風險及流動資金風險。本集團的風險管理著重金融市場的不可預計因素，並尋求將可能對本集團財政表現產生負面影響的因素降至最低。本集團利用衍生金融工具以對沖利率變動而產生的若干風險。

## 綜合財務報表附註

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### 3. FINANCIAL RISK MANAGEMENT

(Continued)

#### 3.1 Financial risk factors (Continued)

##### (a) Market risk

###### (i) Foreign exchange risk

The Group mainly operates in Mainland China and Vietnam. Most of the Group's transactions, assets and liabilities are dominated in RMB or United States dollars ("USD"). Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. The Group is exposed to foreign exchange risk primarily through pledged bank deposits, cash and cash equivalents, trade and bills receivables, trade and bills payables, finance lease obligations and borrowings that are denominated in a currency other than the functional currency of the relevant group entity. It manages its foreign exchange risks by performing regular review and monitoring of its foreign exchange exposures and purchase of foreign currency forward contracts (Note 19). In 2018, the Group has entered into the forward foreign exchange contracts and cross currency swap contracts to manage the expected depreciation of RMB against USD.

At 31 December 2018, if RMB had weakened/strengthened by 5% against USD with all other variable held constant, post-tax profit for the year would have been RMB137,760,000 (2017: RMB165,113,000) lower/higher, mainly as a result of the net foreign exchange losses/gains on translation of USD-denominated pledged bank deposits, cash and cash equivalents, trade and bills receivables, trade and bills payables, finance lease obligations and borrowings.

### 3. 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (a) 市場風險

###### (i) 外匯風險

本集團主要在中國大陸及越南營運。本集團大部分交易、資產及負債以人民幣或美元(「美元」)計值。外匯風險來自於未來海外業務中的商業貿易、已確認資產及負債及投資淨額。本集團面對的外匯風險，主要來自已抵押銀行存款、現金及現金等值物、應收貿易及票據款項、應付貿易及票據款項、融資租賃承擔及借貸，因前述各項均以相關集團實體之功能貨幣以外之貨幣結算。本集團進行定期檢討及監察其外匯敞口和購買遠期外匯合約(附註19)以管理其外匯風險。於二零一八年，本集團已簽訂遠期外匯合約及交叉貨幣掉期合約以管理人民幣兌美元的預期貶值。

於二零一八年十二月三十一日，倘人民幣兌美元的匯率貶值/升值5%，而所有其他可變因素維持不變，則年內稅後溢利將會減少/增加人民幣137,760,000元(二零一七年：人民幣165,113,000元)，主要由於匯兌以美元列示的已抵押銀行存款、現金及現金等值物、應收貿易及票據款項、應付貿易及票據款項、融資租賃承擔以及借貸產生的外匯虧損/收益淨額所致。

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### 3. FINANCIAL RISK MANAGEMENT

(Continued)

#### 3.1 Financial risk factors (Continued)

##### (a) Market risk (Continued)

###### (i) Foreign exchange risk (Continued)

At 31 December 2018, if RMB had weakened/strengthened by 4.8% against HKD with all other variable held constant, post-tax profit for the year would have been RMB162,859,000 (2017: RMB29,274,000) lower/higher, mainly as a result of the net foreign exchange losses/gains on translation of HKD-denominated pledged bank deposits, cash and cash equivalents, trade and bills receivables, trade and bills payables, finance lease obligations and borrowings.

###### (ii) Price risk

The Group is exposed to raw material price risk because of the volatility of the price of main raw material, cotton. The management of the Group analyze the trend of raw material price on weekly basis. To manage its price risk, the Group has entered into the cotton future contracts and decide to enter long term contracts to mitigate the impact from raw material price changes, and diversify the suppliers if they expect significant fluctuation in the future.

###### (iii) Cash flow and fair value interest rate risk

Except for pledged bank deposits and cash at bank (Note 14), the Group has no significant interest-bearing assets. The Group's income and operating cash flows are substantially independent of changes in market interest rates. Management does not anticipate significant impact resulted from changes in interest rates on interest bearing assets.

### 3. 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (a) 市場風險(續)

###### (i) 外匯風險(續)

於二零一八年十二月三十一日，倘人民幣兌港元的匯率貶值／升值4.8%，而所有其他可變因素維持不變，則年內稅後溢利將會減少／增加人民幣162,859,000元(二零一七年：人民幣29,274,000元)，主要由於匯兌以港元列示的已抵押銀行存款、現金及現金等值物、應收貿易及票據款項、應付貿易及票據款項、融資租賃承擔以及借貸產生的外匯虧損／收益淨額所致。

###### (ii) 價格風險

本集團所面對的原材料價格風險乃由於主要原材料——棉花的價格波動所致。本集團管理層每週分析原材料的價格趨勢。倘彼等預期日後將出現大幅波動，為控制該價格風險，本集團已訂立棉花期貨合約並決定訂立長期合約，以降低原材料價格變動及供應商分散的影響。

###### (iii) 現金流量及公平值利率風險

除已抵押銀行存款及銀行現金(附註14)外，本集團並無其他重大計息資產。大部分本集團的收入及經營現金流量均獨立於市場利率變動。管理層預期計息資產的利率變動將不會產生重大影響。

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### 3. FINANCIAL RISK MANAGEMENT

(Continued)

#### 3.1 Financial risk factors (Continued)

##### (a) Market risk (Continued)

###### (iii) Cash flow and fair value interest rate risk (Continued)

The Group's interest-rate risk arises from borrowings. Borrowings obtained at variable rates expose the Group to cash flow interest-rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest-rate risk. As at 31 December 2018, approximately 27% (2017: 41%) of the Group's borrowings were at fixed rates and the remaining were at floating rates.

The Group manages certain of its cash flow and fair value interest rate risk by purchasing cross currency swap contracts. Such cross currency swaps have the economic effect of converting borrowings from floating rates to fixed rates or from fixed rates to floating rates. As at 31 December 2018 and 2017, the Group converts its borrowings from floating rates to fixed rates.

As at 31 December 2018, if interest rates on USD and HKD-denominated borrowings had been 1 percentage points lower/higher with all other variables held constant, post-tax profit for the year would have been RMB985,000 (2017: RMB707,000) higher/lower, mainly as a result of lower/higher interest expense on floating rate borrowings.

### 3. 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (a) 市場風險(續)

###### (iii) 現金流量及公平值利率風險(續)

本集團的利率風險來自借貸。按浮息計息的借貸令本集團面對現金流量利率風險，按定息計息的借貸則令本集團面對公平值利率風險。於二零一八年十二月三十一日，本集團約27% (二零一七年：41%) 之借貸為定息，其餘為浮息。

本集團透過購買貨幣掉期互換合約而管理其若干現金流量及公平值利率風險。該貨幣掉期互換之經濟影響為將借貸由浮息轉為定息或由定息轉為浮息。於二零一八年及二零一七年十二月三十一日，本集團將其借貸由浮息轉為定息。

於二零一八年十二月三十一日，倘以美元及港元列示的借貸利率下跌/上升1個百分點，而所有其他可變因素維持不變，則年內稅後溢利將增加/減少人民幣985,000元(二零一七年：人民幣707,000元)，主要由於浮息借貸的利息開支減少/增加所致。

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### 3. FINANCIAL RISK MANAGEMENT

(Continued)

#### 3.1 Financial risk factors (Continued)

##### (b) Credit risk

The Group has more than 3,000 customers and does not rely on the orders from certain customers. So the Group has no significant concentration of credit risk. The carrying amounts of pledged bank deposits, cash and cash equivalents, trade and bills receivables and prepayments, deposits and other receivables represent the Group's maximum exposure to credit risk in relation to its financial assets.

The Group generally grants credit terms of less than 90 days to its customers in Mainland China and 120 days to its customers in other countries. The Group's management performs periodic credit evaluations/reviews of its customers and ensure that sales are made to customers with an appropriate credit history. The Group places deposits with major banks in Mainland China and Hong Kong, to limit the amount of credit exposure to any financial institution.

Trade and bills receivables, and other receivables are subject to the expected credit loss model.

To lower the Group's exposure to credit risk, the Group may request 5% deposits from certain of their customers before delivery of goods. In addition, 100% (2017: 100%) of the bills receivable of the Group are endorsed by banks as at 31 December 2018.

### 3. 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (b) 信貸風險

本集團有超過3,000名客戶，並不倚賴若干客戶的訂單。故此，本集團並無重大集中信貸風險。已抵押銀行存款、現金及現金等值物、應收貿易及票據款項以及預付款項、按金及其他應收賬款的賬面值指本集團就其金融資產所須面對的最大信貸風險。

本集團通常授出少於90日的信貸期予中國大陸的客戶，以及授出少於120日的信貸期予其他國家的客戶。本集團管理層定期對其客戶進行信貸評估／檢討，並確保僅向具良好信貸記錄之客戶銷貨。本集團將存款存於中國大陸及香港的主要銀行，以限制承擔任何一間金融機構的信貸風險。

應收貿易及票據款項及其他應收款項須遵守預期信貸虧損模式。

為降低本集團所面對之信貸風險，本集團可能在交付貨品前要求若干客戶提供5%之按金。另外，於二零一八年十二月三十一日，100% (二零一七年：100%) 之本集團應收票據由銀行背書。

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### 3. FINANCIAL RISK MANAGEMENT

(Continued)

#### 3.1 Financial risk factors (Continued)

##### (b) Credit risk (Continued)

###### Impairment of trade receivables

The Group has trade receivables from sales of products that are subject to HKFRS 9's new expected credit loss model. The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables from initial recognition. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the ageing days. The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 December 2018 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. On that basis, the loss allowance as at 31 December 2018 was determined as follows for trade receivables:

		Within 180 days 180日以內 RMB'000 人民幣千元	181 days to 1 year 181日至1年 RMB'000 人民幣千元	Over 1 year 超過1年 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>At 31 December 2018</b>	於二零一八年十二月三十一日				
Gross carrying amount	賬面總值	771,762	10,614	4,731	787,107
Expected loss rate	預期虧損率	0.05%	25%	75%	0.84%
Loss allowance	損撥備	386	2,654	3,548	6,588

### 3. 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (b) 信貸風險(續)

###### 應收貿易賬款減值

本集團有須遵守香港財務報告準則第9號的新預期信貸虧損模式的產品銷售貿易應收賬款。本集團採用香港財務報告準則第9號簡化方法計量預期信貸虧損，於初步確認時，為所有貿易應收賬款撥備整個存續期內的預期虧損。為計量預期信貸虧損，貿易應收賬款已根據攤估信貸風險特點及賬齡分類。預期虧損率基於二零一八年十二月三十一日前36個月期間銷售的付款情況及本期間內出現的相應過往虧損。過往虧損率作出調整以反映影響客戶結算應收款項能力的宏觀經濟因素的當前及前瞻性資料。按此基準，於二零一八年十二月三十一日的貿易應收賬款虧損撥備乃釐定如下：



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### 3. FINANCIAL RISK MANAGEMENT

(Continued)

#### 3.1 Financial risk factors (Continued)

##### (b) Credit risk (Continued)

###### *Impairment of trade receivables (Continued)*

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

###### *Previous accounting policy for impairment of trade receivables*

In the prior year, the impairment of trade receivables was assessed based on the incurred loss model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively to determine whether there was objective evidence that an impairment had been incurred but not yet been identified. For these receivables the estimated impairment losses were recognised in a separate provision for impairment. The Group considered that there was evidence of impairment if any of the following indicators were present:

- significant financial difficulties of the debtor, and
- probability that the debtor will enter bankruptcy or financial reorganisation.

Receivables for which an impairment provision was recognised were written off against the provision when there was no expectation of recovering additional cash.

### 3. 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (b) 信貸風險(續)

###### *應收貿易賬款減值(續)*

應收貿易賬款的減值虧損於經營溢利內呈列為減值虧損淨額。其後收回先前已撇銷的金額於則計入同一項目。

###### *應收賬款減值之過往會計政策*

於過往年度，應收賬款減值根據所產生虧損模式評估。已知不可收回的個別應收賬款通過直接削減賬面值的方式撇銷。其他應收款進行集體評估，以釐定是否存在已發生但尚未識別的減值客觀證據。就該等應收賬款而言，估計減值虧損於減值的單獨撥備中確認。本集團認為如存在任何以下指標，表明有減值證據：

- 債務人陷入重大財務困境，及
- 債務人可能進入破產或財務重組。

當預期不可收回額外現金時，已確認減值撥備的應收賬款就其撥備進行撇銷。

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### 3. FINANCIAL RISK MANAGEMENT

(Continued)

#### 3.1 Financial risk factors (Continued)

##### (b) Credit risk (Continued)

*Net impairment losses on financial assets recognised in profit or loss*

During the year, gains of RMB553,000 are recognised in net reversal of impairment losses on financial assets. In 2017, losses of RMB1,734,000 were recognised in general and administrative expenses in relation to impaired financial assets.

##### (c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Group aims to maintain flexibility in funding by keeping committed credit lines available. Details of the undrawn borrowing facilities available to the Group are disclosed in Note 18 to the consolidated financial statements.

### 3. 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (b) 信貸風險(續)

*於損益確認的金融資產減值虧損淨額*

年內，人民幣553,000元的收益於撥回金融資產之減值虧損淨額確認。於二零一七年，人民幣1,734,000元的虧損於與金融資產減值相關的一般及行政開支中確認。

##### (c) 流動資金風險

本集團採取審慎的流動資金風險管理，透過高質素的充裕信貸融資保持足夠現金及可動用的資金。本集團旨在透過維持充裕信貸融資，以保持資金之靈活彈性。有關本集團的未動用借貸融資詳情於綜合財務報表附註18中披露。

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### 3. FINANCIAL RISK MANAGEMENT

(Continued)

#### 3.1 Financial risk factors (Continued)

##### (c) Liquidity risk (Continued)

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

### 3. 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (c) 流動資金風險(續)

下表載列本集團的金融負債分析，此乃按相關到期組別並根據由結算日至合約到期日的剩餘期間進行分析。表內披露的金額為合約性未貼現的現金流量。

		Less than 1 year 少於一年 RMB'000 人民幣千元	Between 1 and 2 years 一年至兩年 RMB'000 人民幣千元	Between 2 and 5 years 兩年至五年 RMB'000 人民幣千元	More than 5 years 五年以上 RMB'000 人民幣千元
<b>At 31 December 2017</b>	於二零一七年十二月三十一日				
Borrowings	借貸	2,564,356	905,116	2,069,765	33,782
Interest payable on borrowings	借貸應付利息	172,439	93,626	71,652	380
Derivative financial instruments	衍生金融工具	112,996	-	-	-
Trade and bills payables	應付貿易及票據款項	2,961,729	-	-	-
Accruals and other payables (excluding non-financial liabilities)	預提費用及其他應付賬款 (不包括非金融負債)	337,682	-	-	-
Finance lease obligations	融資租賃承擔	5,886	1,582	46	-
		6,155,088	1,000,324	2,141,463	34,162
<b>At 31 December 2018</b>	於二零一八年十二月三十一日				
Borrowings	借貸	2,252,547	2,455,826	2,419,361	-
Interest payable on borrowings	借貸應付利息	223,175	142,120	58,125	-
Derivative financial instruments	衍生金融工具	89,468	-	-	-
Trade and bills payables	應付貿易及票據款項	3,522,714	-	-	-
Accruals and other payables (excluding non-financial liabilities)	預提費用及其他應付賬款 (不包括非金融負債)	413,160	-	-	-
Finance lease obligations	融資租賃承擔	885	-	-	-
Long-term payables	長期應付賬款	29,329	67,012	63,666	-
		6,531,278	2,664,958	2,541,152	-

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### 3. FINANCIAL RISK MANAGEMENT

(Continued)

#### 3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or issue new shares.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated balance sheet), finance lease obligations and long-term payables less pledged bank deposits and cash and total equivalents. Total capital is calculated as 'total equity' as shown in the consolidated balance sheet less non-controlling interests plus net debt.

### 3. 財務風險管理(續)

#### 3.2 資金風險管理

本集團管理資金的目標為保障本集團持續經營的能力，為股東帶來回報及為其他權益持有人帶來利益，並維持理想資本結構以減少資本成本。

為維持或調整資本結構，本集團或會調整向股東派付股息金額或發行新股份。

與業內其他公司一樣，本集團利用資產負債比率監察資本。此比率以負債淨額除以資本總額計算。負債淨額以借貸總額(包括綜合資產負債表內列示之「流動及非流動借貸」、融資租賃承擔及長期應付賬款減已抵押銀行存款及現金及現金等值物計算。資本總額以綜合資產負債表內列示之「總股東權益」扣除非控制性權益加負債淨額計算。

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### 3. FINANCIAL RISK MANAGEMENT

(Continued)

#### 3.2 Capital risk management (Continued)

The net gearing ratios at 31 December 2018 and 2017 are as follows:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Total borrowings (Note 18)	借貸總額(附註 18)	7,127,734	5,549,598
Finance lease obligations (Note 20)	融資租賃承擔(附註 20)	831	7,210
Long-term payables (Note 21)	長期應付賬款(附註 21)	145,188	-
Less: pledged bank deposits and cash and cash equivalents (Note 14)	減：已抵押銀行存款及現金及現金等值物(附註 14)	(1,199,740)	(1,554,967)
Net debt	負債淨額	6,074,013	4,001,841
Total equity excluding non-controlling interests	總股東權益，扣除非控制性權益	6,738,637	5,910,127
Total capital	資本總額	12,812,650	9,911,968
Net gearing ratio	淨資產負債比率	47%	40%

The Group has increased borrowings to finance new acquisitions and capital expenditures, which leads to the increase of net gearing ratio.

本集團增加借貸為新的收購及資本開支融資，從而導致淨資產負債比率增加。

#### 3.3 Fair value estimation

##### (i) Fair value hierarchy

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

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

#### 3.3 公平值估計

##### (i) 公平值等級

下表以估值法分析按公平值列賬之金融工具，各等級分析如下：

- 相同資產或負債之活躍市場報價(未經調整)(第一級)。
- 除所報價格(計入第一級)外，資產或負債之直接(如價格)或間接(如源自價格者)可觀察輸入資料(第二級)。
- 並非根據可觀察市場數據釐定之資產或負債輸入資料(即不可觀察輸入資料)(第三級)。

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### 3. FINANCIAL RISK MANAGEMENT

(Continued)

#### 3.3 Fair value estimation (Continued)

##### (i) Fair value hierarchy (Continued)

As at 31 December 2018 and 2017, the Group held forward foreign exchange contracts, cross currency swap contracts and cotton future contracts. These forward foreign exchange contracts have been fair valued using forward exchange rates that are quoted in an active market. Cross currency swaps are fair valued using forward exchange rates that are quoted in an active market and interest rates extracted from observable yield curves. Cotton future contracts are fair valued using forward cotton price that are quoted in an active market. The effects of discounting are generally insignificant for Level 2 derivatives.

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2018 and 2017:

### 3. 財務風險管理(續)

#### 3.3 公平值估計(續)

##### (i) 公平值等級(續)

於二零一八年及二零一七年十二月三十一日，本集團持有遠期外匯合約、交叉貨幣掉期合約及棉花期貨合約。該等遠期外匯合約以活躍市場報價的遠期匯率計算公平值。交叉貨幣掉期乃使用活躍市場報價的遠期匯率及從可觀察收益曲線摘錄的利率計算公平值。棉花期貨合約乃使用活躍市場報價的遠期棉花價格計算公平值。折現一般對第二級衍生工具並無重大影響。

下表載列本集團於二零一八年及二零一七年十二月三十一日按公平值計量之資產及負債：

		Level 1 第一級 RMB'000 人民幣千元	Level 2 第二級 RMB'000 人民幣千元	Level 3 第三級 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>At 31 December 2018</b>	於二零一八年 十二月三十一日				
<b>Assets</b>	<b>資產</b>				
Derivative financial instruments	衍生金融工具	-	145,220	-	145,220
<b>Liabilities</b>	<b>負債</b>				
Derivative financial instruments	衍生金融工具	-	89,468	-	89,468
<b>At 31 December 2017</b>	於二零一七年 十二月三十一日				
<b>Assets</b>	<b>資產</b>				
Derivative financial instruments	衍生金融工具	-	134,350	-	134,350
<b>Liabilities</b>	<b>負債</b>				
Derivative financial instruments	衍生金融工具	-	112,996	-	112,996



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### 3. FINANCIAL RISK MANAGEMENT

(Continued)

#### 3.3 Fair value estimation (Continued)

##### (ii) Valuation techniques used to determine fair values

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

### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### 4.1 Estimated useful lives and residual values of property, plant and equipment

The Group's management determines the estimated useful lives and residual values and consequently the related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. It could change as a result of technical innovations and competitors action in response to sever industry cycles. Management will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write-off or write down technically obsolete or non-strategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives, and actual residual values may differ from estimated residual values. Periodic reviews could result in a change in depreciable lives and residual values and therefore changes in depreciation expenses in the future periods.

### 3. 財務風險管理(續)

#### 3.3 公平值估計(續)

##### (ii) 釐定公平值所用的估值方法

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

### 4. 關鍵會計估計及判斷

各項估計及判斷均持續評估，並根據歷史經驗及其他因素(包括於各種情況下對未來事件被認為合理之預期)評估。

本集團作出有關未來情況的估計及假設，按照定義，會計估計結果一般將不會相等於有關實際結果。估計及假設對於就下一個財政年度內的資產及負債賬面值作出重大調整而構成的重大風險如下。

#### 4.1 物業、廠房及設備之估計可使用年期及剩餘價值

本集團之管理層釐定其物業、廠房及設備之估計可使用年期及剩餘價值以及相關折舊費用。該估計乃根據類似性質及功能之物業、廠房及設備之實際可使用年期之過往經驗而釐定，並可能因技術創新及競爭對手為回應嚴峻行業週期採取之行動而有改變。當可使用年期少於先前之估計年期，管理層將增加折舊費用，或將撇銷或撇減已報廢或出售之技術廢舊或非策略性資產。實際經濟年期可能與估計之可使用年期不同，而實際剩餘價值可能與估計之剩餘價值不同。定期檢討可能使可折舊年期及剩餘價值出現變動，因而引致未來期間之折舊開支有變。

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## 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

### 4.2 Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. These estimates are based on the current market condition and the historical experience of manufacturing and selling products of similar nature. It could change significantly as a result of technical innovations, changes in customer taste and competitor actions in response to severe industry cycle. Management reassesses these estimates at each balance sheet date.

### 4.3 Impairment of trade, bills and other receivables

The Group's management determines the provision for impairment of trade, bills and other receivables based on the expected credit losses which uses a lifetime expected loss allowance for all trade, bills and other receivables. The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. Management uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Management reassesses the provision at each balance sheet date.

## 4. 關鍵會計估計及判斷(續)

### 4.2 存貨之可變現淨值

存貨之可變現淨值乃經扣除完成之估計成本及銷售開支後之日常業務估計售價。該等估計乃基於現行市況及製造與銷售性質類似產品之過往經驗而定，可能會因技術創新、客戶喜好改變及競爭對手為回應嚴峻行業週期採取之行動而出現重大變動。管理層於各結算日重新評估該等估計。

### 4.3 應收貿易及票據款項以及其他應收賬款減值

本集團管理層根據預期信貸虧損釐定應收貿易及票據款項以及其他應收賬款減值撥備，而對所有應收貿易及票據款項以及其他應收賬款使用整個存續期的預期虧損撥備。金融資產的虧損撥備基於對違約風險及預期虧損率的假設。於各報告期末，管理層根據本集團過往歷史、當前市場狀況及前瞻性估計，通過判斷作出該等假設及選擇減值計算之輸入數據。管理層於各結算日重新評估撥備。

**4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS** (Continued)

**4.4 Income taxes and deferred income tax**

The Group is subject to income taxes in several jurisdictions. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers it is likely that future taxable profits will be available against which the temporary differences or tax losses can be utilised. When the expectations are different from the original estimates, such differences will impact the recognition of deferred tax assets and income tax charges in the period in which such estimates have been changed.

**4. 關鍵會計估計及判斷** (續)

**4.4 所得稅及遞延所得稅**

本集團須於若干司法管轄區繳納所得稅。在釐定所得稅撥備時，需要作出重大判斷。在正常業務過程中，有許多交易和計算所涉及的最終稅務釐定都是不確定的。本集團根據估計附加稅是否將到期而確認預期發出的審核稅負債。倘該等事項的最終稅務後果與最初記錄金額不同，差額將影響作出此等釐定期間的所得稅及遞延稅項撥備。

凡管理層認為日後極可能有應課稅溢利用作抵銷暫時差額或稅項虧損，則若干暫時差額及稅項虧損有關的遞延稅項資產將予確認。倘預期金額與原定估計不同，則該差額將會影響該估計出現變動期間的遞延稅項資產及所得稅支出的確認。

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### 5. SEGMENT INFORMATION

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

The Committee of Executive Directors considers the business from both a product and geographical perspective. From a product perspective, management assesses the performance from sales of yarns, grey fabrics and garment fabrics as well as garments. The operations are further evaluated on a geographic basis including Mainland China (and Hong Kong), Vietnam, Macao, Cambodia, Nicaragua and starting from 2018, the USA.

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

The segment information for the year ended 31 December 2018 is as follows:

### 5. 分部資料

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

執行董事委員會認為業務可按產品及地區前景分類。管理層從產品角度評估銷售紗線、坯布及面料和服裝的表現。業務以地區基準(包括中國大陸(及香港)、越南、澳門、柬埔寨、尼加拉瓜及自二零一八年起包括美國)作進一步評估。

執行董事委員會根據收入及經營溢利評估經營分部之業績。

截至二零一八年十二月三十一日止年度之分部資料如下：

		Year ended 31 December 2018 截至二零一八年十二月三十一日止年度																								
		Yarns 紗線		Garment fabrics and Garments 面料及服裝							Grey fabrics 坯布			Total 總額												
		Mainland China and Hong Kong 中國大陸及香港		Vietnam 越南		Macao 澳門		Mainland China and Hong Kong 中國大陸及香港		Cambodia 柬埔寨		Vietnam 越南		Nicaragua 尼加拉瓜		Macao 澳門		USA 美國		Mainland China and Hong Kong 中國大陸及香港		Vietnam 越南		Macao 澳門		
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Total revenue	總收入	13,134,158	7,666,199	13,700,098	2,258,937	170,720	562,993	30,379	50,057	480,337	822,851	531,139	331,876	39,739,744												
Inter-segment revenue	分類間收入	(485,794)	(7,241,428)	(11,219,063)	-	(162,323)	(529,674)	(30,379)	(48,462)	(38,248)	-	(528,277)	(300,387)	(20,584,035)												
Revenue (from external customers)	收入(來自外部客戶)	12,648,364	424,771	2,481,035	2,258,937	8,397	33,319	-	1,595	442,089	822,851	2,862	31,489	19,155,709												
Timing of revenue recognition – At a point in time	收入確認時間 – 於某個時間點	12,648,364	424,771	2,481,035	2,258,937	8,397	33,319	-	1,595	442,089	822,851	2,862	31,489	19,155,709												
Segment results	分類業績	750,414	529,542	366,718	3,892	(9,388)	(28,150)	(3,526)	627	(771)	53,400	36,922	1,021	1,700,701												
Unallocated profits	未分配溢利													194,773												
Operating profit	經營溢利													1,895,474												
Finance income	財務收入													18,371												
Finance costs	財務費用													(511,863)												
Share of profits less losses of investments accounted for using the equity method	分佔以權益法入賬之投資的溢利減虧損													21,918												
Income tax expense	所得稅開支													(255,957)												
Profit for the year	年度溢利													1,167,943												
Depreciation and amortisation	折舊及攤銷	(281,750)	(318,370)	(16)	(28,857)	(22,839)	(43,169)	(8,257)	-	(4,450)	(14,880)	(30,614)	-	(753,202)												

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### 5. SEGMENT INFORMATION (Continued)

The segment information for the year ended 31 December 2017 is as follows:

### 5. 分部資料(續)

截至二零一七年十二月三十一日止年度之分部資料如下：

		Year ended 31 December 2017 截至二零一七年十二月三十一日止年度										
		Yarns 紗線			Garment fabrics and Garments 面料及服裝				Grey fabrics 坯布		Total 總額	
		Mainland China and Hong Kong 中國大陸 及香港		Macao 澳門	Mainland China and Hong Kong 中國大陸 及香港		Cambodia 柬埔寨	Vietnam 越南	Nicaragua 尼加拉瓜	Mainland China 中國大陸	Vietnam 越南	
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Total revenue	總收入	11,864,291	7,124,553	12,469,262	480,394	229,471	324,324	93,257	597,652	29,809	33,213,013	
Inter-segment revenue	分類間收入	(364,783)	(6,790,829)	(9,722,334)	-	-	-	-	-	(28,692)	(16,906,638)	
<b>Revenue (from external customers)</b>	<b>收入(來自外部客戶)</b>	11,499,508	333,724	2,746,928	480,394	229,471	324,324	93,257	597,652	1,117	16,306,375	
Timing of revenue recognition — At a point in time	收入確認時間 — 於某個時間點	11,499,508	333,724	2,746,928	480,394	229,471	324,324	93,257	597,652	1,117	16,306,375	
<b>Segment results</b>	<b>分類業績</b>	704,008	440,958	236,148	27,932	(36,252)	(8,692)	6,746	697	(14,778)	1,356,767	
Unallocated profits	未分配溢利										94,410	
<b>Operating profit</b>	<b>經營溢利</b>										1,451,177	
Finance income	財務收入										9,162	
Finance costs	財務費用										(85,697)	
Share of profits less losses of investments accounted for using the equity method	分佔以權益法入賬之投資的溢利減虧損										(12,820)	
Income tax expense	所得稅開支										(187,097)	
<b>Profit for the year</b>	<b>年度溢利</b>										1,174,725	
Depreciation and amortisation	折舊及攤銷	(289,427)	(330,218)	(54)	(26,038)	(12,218)	(5,484)	(587)	(9,161)	(8,772)	(681,959)	

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### 5. SEGMENT INFORMATION (Continued)

The segment assets and liabilities as at 31 December 2018 are as follows:

### 5. 分部資料(續)

於二零一八年十二月三十一日之分部資產及負債如下：

		As at 31 December 2018 於二零一八年十二月三十一日											
		Yarn 紗線				Garment fabrics and Garments 面料及服裝				Grey fabrics 坯布			Total 總額
		Mainland China and Hong Kong 中國大陸 及香港				Mainland China and Hong Kong 中國大陸 及香港				Mainland China and Vietnam 中國大陸 及越南			
		Vietnam	Macao	Sub-total	Vietnam	Cambodia	Vietnam	Nicaragua	USA	China	Vietnam		
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
Total segment assets	分類總資產	8,639,123	5,575,259	227,768	14,442,150	1,599,261	220,583	548,605	143,851	359,266	362,660	440,756	18,117,132
Unallocated assets	未分配資產												652,883
Total assets of the Group	本集團總資產												18,770,015
Total segment liabilities	分類總負債				(6,148,083)	(887,929)	(28,243)	(402,800)	(1,867)	(219,895)	(36,505)	(345,396)	(8,070,718)
Unallocated liabilities	未分配負債												(3,862,475)
Total liabilities of the Group	本集團總負債												(11,933,193)
Capital expenditure	資本開支	995,553	695,662	8	1,691,223	42,813	7,401	85,491	41,126	3,083	20,684	111,594	2,003,415

The Group planned to develop real estate and has purchased relevant land use rights with lease terms of 40 to 70 years of RMB226,058,000. No construction had started till 31 December 2018, such land use rights were recognised in unallocated assets.

本集團計劃開發房地產並已購買租約為40年至70年的相關土地使用權人民幣226,058,000元。截至二零一八年十二月三十一日尚未開始施工，故而該土地使用權於未分配資產內確認。



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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 5. SEGMENT INFORMATION (Continued)

The segment assets and liabilities as at 31 December 2017 are as follows:

### 5. 分部資料(續)

於二零一七年十二月三十一日之分部資產及負債如下：

		As at 31 December 2017 於二零一七年十二月三十一日										
		Yarns 紗線				Garment fabrics and Garments 面料及服裝				Grey fabrics 坯布		Total 總額
		Mainland China and Hong Kong 中國大陸 及香港	Vietnam 越南	Macao 澳門	Sub-total 小計	Mainland China and Hong Kong 中國大陸 及香港	Cambodia 柬埔寨	Vietnam 越南	Nicaragua 尼加拉瓜	Mainland China 中國大陸	Vietnam 越南	
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
<b>Total segment assets</b>	<b>分類總資產</b>	7,972,965	3,910,724	495,216	12,378,905	926,361	315,363	607,633	157,145	463,002	399,216	15,247,625
Unallocated assets	未分配資產											286,806
<b>Total assets of the Group</b>	<b>本集團總資產</b>											<b>15,534,431</b>
<b>Total segment liabilities</b>	<b>分類總負債</b>				(5,712,077)	(446,224)	(59,609)	(403,504)	(12,922)	(69,802)	(297,927)	(7,002,065)
Unallocated liabilities	未分配負債											(2,556,653)
<b>Total liabilities of the Group</b>	<b>本集團總負債</b>											<b>(9,558,718)</b>
<b>Capital expenditure</b>	<b>資本開支</b>	427,333	82,819	-	510,152	7,601	27,203	55,251	-	70,281	53,841	724,329

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### 6. FREEHOLD LAND AND LAND USE RIGHTS

### 6. 永久產權土地及土地使用權

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Freehold land	永久產權土地	134,138	137,494
Land use rights	土地使用權	877,045	725,589
		<b>1,011,183</b>	<b>863,083</b>
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Opening net book amount	年初賬面淨值	863,083	695,184
Additions	添置	189,691	41,043
Acquisition of subsidiaries	收購附屬公司	-	189,586
Reclassification to properties under development (Note 11)	重新分類至發展中物業 (附註 11)	(25,391)	-
Amortisation (Note 26)	攤銷 (附註 26)	(19,632)	(16,212)
Disposals (Note 33)	出售 (附註 33)	-	(16,580)
Disposal of subsidiaries	出售附屬公司	(3,356)	-
Change of subsidiaries to associates with loss of control	失去控制權由附屬公司變為聯營公司	-	(21,456)
Currency translation differences	貨幣匯兌差額	6,788	(8,482)
Closing net book amount	年末賬面淨值	<b>1,011,183</b>	<b>863,083</b>
Cost	成本	<b>1,096,299</b>	936,526
Accumulated amortisation	累計攤銷	<b>(85,116)</b>	(73,443)
Net book amount	賬面淨值	<b>1,011,183</b>	<b>863,083</b>

The Group's freehold land cost is analysed as follows:

本集團之永久產權土地地價分析如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Freehold land	永久產權土地		
— In Cambodia	— 於柬埔寨	116,257	119,613
— In Uruguay	— 於烏拉圭	10,073	10,073
— In Nicaragua	— 於尼加拉瓜	7,808	7,808
		<b>134,138</b>	<b>137,494</b>

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 6. FREEHOLD LAND AND LAND USE RIGHTS (Continued)

The Group's interests in land use rights represent prepaid operating lease payments, and their net book value are analysed as follows:

	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Leases of between 45 to 50 years		
— In Mainland China	409,800	385,203
— In Vietnam	462,084	336,780
— In Cambodia	5,161	3,606
	<b>877,045</b>	<b>725,589</b>

As at 31 December 2018, no land use rights was pledged as collateral for the Group's bank borrowings (2017: land use rights with a net book amount of RMB26,687,000 was pledged as collateral for the Group's bank borrowings) (Note 18).

Amortisation was included in cost of sales.

### 6. 永久產權土地及土地使用權 (續)

本集團於土地使用權的權益指預付經營租賃款項，其賬面淨值分析如下：

於二零一八年十二月三十一日，概無土地使用權已抵押作本集團銀行借貸的抵押品(二零一七年：賬面淨值人民幣26,687,000元的土地使用權已抵押作本集團銀行借貸的抵押品)(附註18)。

攤銷已計入銷售成本。

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### 7. PROPERTY, PLANT AND EQUIPMENT

### 7. 物業、廠房及設備

		Buildings 樓宇 RMB'000 人民幣千元	Machinery and equipment 機器及設備 RMB'000 人民幣千元	Furniture and fixtures 傢俬及裝置 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Construction in-progress 在建工程 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>At 1 January 2017</b>	於二零一七年一月一日						
Cost or valuation	成本或估值	1,977,717	5,381,795	63,132	37,430	877,027	8,337,101
Accumulated depreciation	累計折舊	(219,031)	(1,839,139)	(29,182)	(18,630)	-	(2,105,982)
<b>Net book amount</b>	賬面淨值	<b>1,758,686</b>	<b>3,542,656</b>	<b>33,950</b>	<b>18,800</b>	<b>877,027</b>	<b>6,231,119</b>
<b>Year ended 31 December 2017</b>	截至二零一七年 十二月三十一日止年度						
Opening net book amount	年初賬面淨值	1,758,686	3,542,656	33,950	18,800	877,027	6,231,119
Additions	添置	6,501	84,239	4,970	4,742	582,834	683,286
Acquisition of subsidiaries	收購附屬公司	416,265	120,233	9,772	2,041	9,863	558,174
Transfers	轉讓	397,382	551,856	2,543	4,763	(956,544)	-
Disposals (Note 33)	出售(附註33)	(7,809)	(15,763)	(130)	(402)	(14,980)	(39,084)
Depreciation charges (Note 26)	折舊支出(附註26)	(122,130)	(529,829)	(7,810)	(5,978)	-	(665,747)
Loss of control of subsidiaries	失去附屬公司控制權	-	(10,710)	-	-	(80,977)	(91,687)
Currency translation differences	貨幣匯兌差額	(13,530)	(2,106)	(250)	(53)	-	(15,939)
<b>Closing net book amount</b>	年末賬面淨值	<b>2,435,365</b>	<b>3,740,576</b>	<b>43,045</b>	<b>23,913</b>	<b>417,223</b>	<b>6,660,122</b>
<b>At 31 December 2017</b>	於二零一七年十二月三十一日						
Cost or valuation	成本或估值	2,776,499	6,070,051	79,281	45,908	417,223	9,388,962
Accumulated depreciation	累計折舊	(341,134)	(2,329,475)	(36,236)	(21,995)	-	(2,728,840)
<b>Net book amount</b>	賬面淨值	<b>2,435,365</b>	<b>3,740,576</b>	<b>43,045</b>	<b>23,913</b>	<b>417,223</b>	<b>6,660,122</b>
<b>Year ended 31 December 2018</b>	截至二零一八年 十二月三十一日止年度						
Opening net book amount	年初賬面淨值	2,435,365	3,740,576	43,045	23,913	417,223	6,660,122
Additions	添置	57,397	150,826	8,297	6,376	1,590,828	1,813,724
Acquisition of subsidiaries (Note 34)	收購附屬公司(附註34)	2,312	5,819	728	106	-	8,965
Transfers	轉讓	174,288	927,405	1,107	32	(1,102,832)	-
Disposals (Note 33)	出售(附註33)	(4,878)	(41,222)	(462)	(574)	-	(47,136)
Depreciation charges (Note 26)	折舊支出(附註26)	(130,592)	(583,460)	(10,709)	(6,978)	-	(731,739)
Disposal of subsidiaries	出售附屬公司	(2,206)	-	-	-	-	(2,206)
Currency translation differences	貨幣匯兌差額	10,698	3,447	1,035	11	-	15,191
<b>Closing net book amount</b>	年末賬面淨值	<b>2,542,384</b>	<b>4,203,391</b>	<b>43,041</b>	<b>22,886</b>	<b>905,219</b>	<b>7,716,921</b>
<b>At 31 December 2018</b>	於二零一八年十二月三十一日						
Cost or valuation	成本或估值	3,015,122	7,082,672	86,769	50,683	905,219	11,140,465
Accumulated depreciation	累計折舊	(472,738)	(2,879,281)	(43,728)	(27,797)	-	(3,423,544)
<b>Net book amount</b>	賬面淨值	<b>2,542,384</b>	<b>4,203,391</b>	<b>43,041</b>	<b>22,886</b>	<b>905,219</b>	<b>7,716,921</b>

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### 7. PROPERTY, PLANT AND EQUIPMENT (Continued)

Buildings are shown at fair value, based on periodic, but at least triennial valuations by external independent valuers, less subsequent depreciation. As at 31 December 2016, buildings with net book amount of RMB1,758,686,000 were stated at fair value, based on a valuation performed by DTZ Debenham Tie Leung Limited, an independent firm of qualified valuers. The Group did not revalue the buildings as at 31 December 2018, because in the opinion of the directors, the net book amount of RMB2,542,384,000 as at 31 December 2018 for such buildings did not differ materially from which would be determined using fair value.

The valuation performed as at 31 December 2016 was determined using the depreciated replacement costs approach and was within level 3 of the fair value hierarchy. Current gross reproduction costs of the buildings are adjusted for physical deterioration and all relevant forms of obsolescence and optimization.

The revaluation surplus, net of applicable deferred income tax liabilities, was regarded as other comprehensive income and credited to revaluation reserve in equity (Note 17).

### 7. 物業、廠房及設備(續)

樓宇根據外部獨立估值師定期(但最少每三年一次)進行的估值按公平值減其後的折舊列賬。於二零一六年十二月三十一日賬面淨值為人民幣1,758,686,000元之樓宇根據獨立合資格估值師戴德梁行有限公司進行之估值，按公平值列賬。本集團並無重估該等樓宇於二零一八年十二月三十一日之價值，因為董事認為該等樓宇於二零一八年十二月三十一日之賬面淨值人民幣2,542,384,000元與使用公平值釐定之價值差別並不重大。

於二零一六年十二月三十一日進行之估值乃採用折舊重置成本法釐定，並歸入公平值層級第三級內。樓宇目前的整體複製成本已就實體老化及所有陳舊及優化相關形式作出調整。

重估盈餘扣除適用的遞延所得稅負債，作為其他全面收益並已計入權益內的重估儲備(附註17)。

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### 7. PROPERTY, PLANT AND EQUIPMENT (Continued)

If buildings were stated on historical cost basis, the amounts would be as follows:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Cost	成本	2,915,831	2,755,946
Accumulated depreciation	累計折舊	(455,749)	(432,271)
Net book amount	賬面淨值	2,460,082	2,323,675

During the year ended 31 December 2018, depreciation of RMB675,427,000 (2017: RMB624,451,000) was included in cost of sales, RMB5,448,000 (2017: RMB4,928,000) was included in selling and distribution costs and RMB50,864,000 (2017: RMB36,368,000) was included in general and administrative expenses.

During the year ended 31 December 2018, no finance cost was capitalised as part of property, plant and equipment (2017: Nil) (Note 28).

As at 31 December 2018, property, plant and equipment of approximately RMB834,894,000 (2017: RMB180,915,000) were pledged as collateral of the Group's bank borrowings (Note 18).

Lease rental expense of RMB62,038,000 (2017: RMB35,119,000), relating to the lease of buildings and machinery, was included in cost of sales (Note 26).

The Group leases various machinery and equipment under finance lease agreement. The original lease terms are 3 to 4 years. Under the terms of the leases, the lessors transfer ownership of the assets to the Group by the end of the lease term (Note 20).

### 7. 物業、廠房及設備(續)

倘樓宇以歷史成本法列賬，金額將如下：

於截至二零一八年十二月三十一日止年度，人民幣675,427,000元(二零一七年：人民幣624,451,000元)的折舊已計入銷售成本，人民幣5,448,000元(二零一七年：人民幣4,928,000元)的折舊已計入銷售及分銷開支及人民幣50,864,000元(二零一七年：人民幣36,368,000元)的折舊已計入一般及行政開支。

於截至二零一八年十二月三十一日止年度，概無財務費用(二零一七年：無)資本化為物業、廠房及設備之一部分(附註28)。

於二零一八年十二月三十一日，物業、廠房及設備約人民幣834,894,000元(二零一七年：人民幣180,915,000元)已抵押為本集團銀行借貸的抵押品(附註18)。

有關租賃樓宇及機器的租金開支人民幣62,038,000元(二零一七年：人民幣35,119,000元)已計入銷售成本(附註26)。

本集團根據融資租賃協議而租借不同機器及設備。原定租賃期為三至四年。根據租約條款，出租人在租賃期屆滿時將資產所有權轉讓給本集團(附註20)。



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### 8. INTANGIBLE ASSETS

### 8. 無形資產

		<b>Goodwill</b>	<b>Customer Relationship</b>	<b>Total</b>
		<b>商譽</b>	<b>客戶關係</b>	<b>總計</b>
		<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
		人民幣千元	人民幣千元	人民幣千元
<b>At 1 January 2018</b>	於二零一八年一月一日			
Cost	成本	—	—	—
Accumulated depreciation	累計折舊	—	—	—
<b>Net book amount</b>	賬面淨值	—	—	—
<b>Year ended 31 December 2018</b>	截至二零一八年十二月三十一日止年度			
Opening net book amount	年初賬面淨值	—	—	—
Acquisition of subsidiaries (Note 34)	收購附屬公司(附註34)	17,641	54,918	72,559
Amortisation charges (Note 26)	攤銷開支(附註26)	—	(1,831)	(1,831)
<b>Closing net book amount</b>	年末賬面淨值	17,641	53,087	70,728
<b>At 31 December 2018</b>	於二零一八年十二月三十一日			
Cost or valuation	成本或估值	17,641	54,918	72,559
Accumulated amortisation	累計攤銷	—	(1,831)	(1,831)
<b>Net book amount</b>	賬面淨值	17,641	53,087	70,728

During the year ended 31 December 2018, amortisation of RMB1,831,000 (2017: nil) was included in general and administrative expenses.

截至二零一八年十二月三十一日止年度，攤銷人民幣1,831,000元(二零一七年：無)已計入一般及行政開支。

#### (i) Customer Relationship

The customer relationship was acquired as part of a business combination (Note 34). They are recognised at their fair value at the date of acquisition and are subsequently amortised on a straight-line based on the timing of projected cash flows of the contracts over their estimated useful lives.

#### (i) 客戶關係

客戶關係為於業務合併過程中獲得(附註34)，按收購日的公平值確認，並隨後按合約之預計現金流量的時間按其估計可使用年期以直線法攤銷。

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### 9. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

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

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Associates	聯營公司	200,831	179,583
Joint ventures	合營企業	3,876	3,206
At 31 December	於十二月三十一日	<b>204,707</b>	<b>182,789</b>

### 9. 以權益法列賬的投資

以下為已於綜合資產負債表確認的金額：

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

以下為已於綜合收益表確認的金額：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Associates	聯營公司	21,248	(5,983)
Joint ventures	合營企業	670	(6,837)
For the year ended 31 December	截至十二月三十一日止年度	<b>21,918</b>	<b>(12,820)</b>

#### Investments in associates

於聯營公司的投資

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Share of net assets of unlisted associates	分佔非上市聯營公司資產淨值	200,640	179,392
Goodwill	商譽	191	191
		<b>200,831</b>	<b>179,583</b>

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

#### Investments in associates (Continued)

Movements of shares of net assets attributable to the Group are as follows:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Opening amount	年初金額	179,392	87,570
Change of subsidiaries to associates with loss of control	因失去控制權由附屬公司變為聯營公司	-	75,392
Acquisition	收購	-	26,855
Share of profits/(losses) based on equity held	分佔按持有權益計算之溢利/(虧損)	21,248	(5,983)
Step-acquisition from associates to subsidiaries	由聯營公司至附屬公司之分階段收購	-	(14,631)
Share of other comprehensive income based on equity held	分攤按持有權益計算之其他全面收入	-	10,189
Closing amount	年末金額	200,640	179,392

There are no contingent liabilities relating to the Group's interests in the associates.

Set out below are the associates of the Group as at 31 December 2018 which, in the opinion of the directors, are individually immaterial to the Group. The associates as listed below have share capital consisting solely of ordinary shares, which are held directly by the Group; the country of incorporation or registration is also their principal place of business.

### 9. 以權益法列賬的投資(續)

#### 於聯營公司的投資(續)

本集團應佔資產淨值變動如下：

本集團於聯營公司的權益並無任何或然負債。

以下為於二零一八年十二月三十一日，董事認為個別對本集團並不重要之本集團聯營公司。下列聯營公司之股本僅由普通股組成，並由本集團直接持有；其註冊成立或註冊國家亦為其主要營業地點。

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

#### Investments in associates (Continued)

Nature of investments in associates as at 31 December 2018:

### 9. 以權益法列賬的投資(續)

#### 於聯營公司的投資(續)

於二零一八年十二月三十一日，於聯營公司投資的性質：

Name of associate	Place and date of incorporation and form of legal entity	Principal activities	Particulars of issued share capital	Interest held
聯營公司名稱	註冊成立地點及日期以及法律實體類別	主要業務	已發行股本詳情	所持權益
Nantong Textile Group Co., Ltd. 南通紡織控股集團紡織染有限公司	Nantong, Mainland China, 11 September 2002, limited liability company 中國大陸南通，二零零二年 九月十一日，有限責任公司	Manufacturing and sales of top-grade textile knitting products and garments 製造及銷售高級紡織產品 及成衣	RMB116,375,000 人民幣 116,375,000元	48%
Hongyan Vietnam Holdings Limited 鴻雁越南控股有限公司	British Virgin Islands, 2 July 2015, limited liability company 英屬處女群島，二零一五年 七月二日，有限責任公司	Investment holding in British Virgin Islands 於英屬處女群島進行投資控股	RMB166,167,000 人民幣 166,167,000元	45%
Subsidiaries of Hongyan Vietnam Holdings Limited 鴻雁越南控股有限公司之附屬公司				
— Lanyan Denim Garment Vietnam Holdings Limited — 蘭雁牛仔服裝越南控股有限公司	Hong Kong, 2 June 2015, limited liability company 香港，二零一五年六月二日， 有限責任公司	Investment holding in Hong Kong 於香港進行投資控股	HKD100 100港元	45%
— Hualida (Vietnam) Garments Limited Company — 華利達(越南)服裝責任有限公司	Vietnam, January 2016, limited liability company 越南，二零一六年一月， 有限責任公司	Manufacturing of garments in Vietnam 於越南製造成衣	VND39,870,000,000 39,870,000,000 越南盾	45%

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

#### Investments in associates (Continued)

### 9. 以權益法列賬的投資(續)

#### 於聯營公司的投資(續)

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Aggregate carrying amount of individually immaterial associates	個別非重大聯營公司總賬面值	200,831	179,583
Aggregate amounts of the Group's share of:	本集團應佔以下各項總額：		
Profit/(loss) from continuing operations	持續經營溢利/(虧損)	21,248	(5,983)
Other comprehensive income	其他全面收益	-	10,189
<b>Total comprehensive income</b>	<b>全面收益總額</b>	<b>21,248</b>	<b>4,206</b>

#### Investments in joint ventures

#### 於合營企業的投資

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Opening amount	期初金額	3,206	11,588
Share of profits/(losses)	分攤溢利/(虧損)	670	(6,837)
Impairment of investment	投資減值	-	(2,531)
Share of other comprehensive income based on equity held	分攤按持有權益計算之其他全面收入	-	986
<b>At 31 December</b>	<b>於十二月三十一日</b>	<b>3,876</b>	<b>3,206</b>

On 15 March 2018, the Group sold all 50% interest of Shelink Limited and its subsidiary, a group engaged in manufacturing and sale of knitted, dyed and finished top-grade textile products in China and Hong Kong, for a consideration of RMB200,000.

於二零一八年三月十五日，本集團出售兆光有限公司及其附屬公司（一家於中國及香港從事針織、染色及頂級面料製成品的集團）的全部50%權益，代價為人民幣200,000元。

There are no contingent liabilities relating to the Group's interests in the joint venture.

本集團於合營企業的權益並無任何或然負債。

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

#### Investments in joint ventures (Continued)

Set out below is the joint venture of the Group as at 31 December 2018 which, in the opinion of the directors, is individually immaterial to the Group. The joint venture as listed below has share capital consisting solely of ordinary shares, which are held directly by the Group; the country of incorporation or registration is also its principal place of business.

Nature of investment in a joint venture as at 31 December 2018:

### 9. 以權益法列賬的投資(續)

#### 於合營企業的投資(續)

以下為於二零一八年十二月三十一日，董事認為個別對本集團並不重要之本集團合營企業。下列合營企業之股本僅由普通股組成，並由本集團直接持有；其註冊成立或註冊國家亦為其主要營業地點。

於二零一八年十二月三十一日在合營企業的投資性質。

Name of joint ventures	Place and date of incorporation and form of legal entity 註冊成立地點及日期 以及法律實體類別	Principal activities	Particulars of issued share capital	Interest held
合營企業名稱		主要業務	已發行股本詳情	所持權益
Texhong Tan Cang Logistics Joint Stock Company	Vietnam, 30 June 2016, limited liability company	Cargo transportation by land and sea; other assistant services; cargo landing-over, storage, management consulting	VND 20,000,000,000	50%
天虹新港物流股份公司	越南，二零一六年六月三十日，有限責任公司	海陸貨物運輸；其他輔助財務；貨物卸運、儲存、管理諮詢	20,000,000,000 越南盾	

Texhong Tan Cang Logistics Joint Stock Company is private company and there is no quoted market price available for its shares.

天虹新港物流股份公司為私人公司，其股份並無市場報價。



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

Investments in joint ventures (Continued)

### 9. 以權益法列賬的投資(續)

於合營企業的投資(續)

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Aggregate carrying amount of individually immaterial joint ventures	個別非重大聯營公司總賬面值	3,876	3,206
Aggregate amounts of the Group's share of:	本集團應佔以下各項總額：		
Profit/(loss) from continuing operations	持續經營溢利/(虧損)	670	(6,837)
Other comprehensive income	其他全面收益	-	986
Total comprehensive income	全面收益總額	670	5,851

### 10. FINANCIAL INSTRUMENTS BY CATEGORY

### 10. 按類別劃分的金融工具

		Assets at fair value through the profit and loss 按公平值計入損益的資產 RMB'000 人民幣千元	Financial assets at amortised cost 按攤銷成本列賬之金融資產 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>31 December 2018</b>	二零一八年十二月三十一日			
<b>Assets as per balance sheet</b>	資產負債表所列資產			
Trade and bills receivables (Note 12)	應收貿易及票據款項 (附註 12)	-	1,783,774	1,783,774
Derivative financial instruments (Note 19)	衍生金融工具(附註 19)	145,220	-	145,220
Deposits and other receivables (Note 13)	按金及其他應收賬款 (附註 13)	-	40,965	40,965
Pledged bank deposits and cash and cash equivalents (Note 14)	已抵押銀行存款及現金及現金等值物(附註 14)	-	1,199,740	1,199,740
Total	總計	145,220	3,024,479	3,169,699

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 10. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

### 10. 按類別劃分的金融工具(續)

		Liabilities at fair value through the profit and loss 按公平值計入損益的負債 RMB'000 人民幣千元	Other financial liabilities at amortised cost 按攤銷成本列賬之其他金融負債 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>31 December 2018</b>	二零一八年十二月三十一日			
<b>Liabilities as per balance sheet</b>	<b>資產負債表所列負債</b>			
Borrowings (Note 18)	借貸(附註18)	-	7,127,734	7,127,734
Derivative financial instruments (Note 19)	衍生金融工具(附註19)	89,468	-	89,468
Trade and bills payables (Note 23)	應付貿易及票據款項(附註23)	-	3,522,714	3,522,714
Accruals and other payables excluding deposits and statutory liabilities (Note 24)	預提費用及其他應付賬款(不包括按金及法定負債)(附註24)	-	413,160	413,160
Finance lease obligations (Note 20)	融資租賃承擔(附註20)	-	831	831
Long-term payables (Note 21)	長期應付賬款(附註21)	-	145,188	145,188
<b>Total</b>	<b>總計</b>	<b>89,468</b>	<b>11,209,627</b>	<b>11,299,095</b>
		Assets at fair value through the profit and loss 按公平值計入損益的資產 RMB'000 人民幣千元	Financial assets at amortised cost 按攤銷成本列賬之金融資產 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>31 December 2017</b>	二零一七年十二月三十一日			
<b>Assets as per balance sheet</b>	<b>資產負債表所列資產</b>			
Trade and bills receivables (Note 12)	應收貿易及票據款項(附註12)	-	1,630,144	1,630,144
Derivative financial instruments (Note 19)	衍生金融工具(附註19)	134,350	-	134,350
Deposits and other receivables (Note 13)	按金及其他應收賬款(附註13)	-	15,603	15,603
Pledged bank deposits and cash and cash equivalents (Note 14)	已抵押銀行存款及現金及現金等值物(附註14)	-	1,554,967	1,554,967
<b>Total</b>	<b>總計</b>	<b>134,350</b>	<b>3,200,714</b>	<b>3,335,064</b>

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### 10. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

### 10. 按類別劃分的金融工具(續)

		Liabilities at fair value through the profit and loss 按公平值計入損益的負債 RMB'000 人民幣千元	Other financial liabilities at amortised cost 按攤銷成本列賬之其他金融負債 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>31 December 2017</b>	二零一七年十二月三十一日			
<b>Liabilities as per balance sheet</b>	<b>資產負債表所列負債</b>			
Borrowings (Note 18)	借貸(附註18)	–	5,549,598	5,549,598
Derivative financial instruments (Note 19)	衍生金融工具(附註19)	112,996	–	112,996
Trade and bills payables (Note 23)	應付貿易及票據款項(附註23)	–	2,961,729	2,961,729
Accruals and other payables excluding deposits and statutory liabilities (Note 24)	預提費用及其他應付賬款(不包括按金及法定負債)(附註24)	–	337,682	337,682
Finance lease obligations (Note 20)	融資租賃承擔(附註20)	–	7,210	7,210
<b>Total</b>	<b>總計</b>	<b>112,996</b>	<b>8,856,219</b>	<b>8,969,215</b>

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### 11. INVENTORIES AND PROPERTIES UNDER DEVELOPMENT

#### Inventories

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Raw materials	原材料	3,473,769	2,600,507
Work-in-progress	在製品	338,350	279,705
Finished goods	製成品	1,399,173	883,977
		<b>5,211,292</b>	<b>3,764,189</b>

The cost of inventories recognised as expense and included in 'cost of sales' amounted to RMB13,068,997,000(2017: RMB11,531,903,000).

In 2018, the Group made an inventory provision of approximately RMB4,445,000 (2017: RMB177,000). These amounts have been included in 'cost of sales' in the consolidated income statement (Note 26).

As at 31 December 2018, no inventory was pledged as collateral for the Group's bank borrowings (2017: inventories with a total net book amount of RMB261,236,000 were pledged as collateral for the Group's bank borrowings) (Note 18).

#### Properties under development

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Land use rights	土地使用權	226,058	—

As at 31 December 2018, land use rights of RMB226,058,000 (2017: nil) were in Mainland China with lease terms of 40 to 70 years.

As at 31 December 2018, no construction had started yet, and no finance cost was capitalized as part of properties under development (2017: nil) (Note 28).

### 11. 存貨及發展中物業

#### 存貨

確認為費用且列入「銷售成本」的存貨成本金額為人民幣13,068,997,000元(二零一七年：人民幣11,531,903,000元)。

於二零一八年，本集團計提存貨撥備約人民幣4,445,000元(二零一七年：人民幣177,000元)。該等金額已計入綜合收益表之「銷售成本」中(附註26)。

於二零一八年十二月三十一日，概無存貨已作質押，以作為本集團取得銀行借貸之抵押品(二零一七年：賬面淨值共為人民幣261,236,000元的存貨已作質押，以作為本集團取得銀行借貸之抵押品)(附註18)。

#### 發展中物業

於二零一八年十二月三十一日，在中國大陸的土地使用權為人民幣226,058,000元(二零一七年：無)，租賃期限為40年至70年。

於二零一八年十二月三十一日，尚未開始施工，概無財務費用(二零一七年：無)資本化為發展中物業之一部分(附註28)。

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### 12. TRADE AND BILLS RECEIVABLES

### 12. 應收貿易及票據款項

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Trade receivables	應收貿易款項	787,107	551,357
Less: provision for impairment	減：減值撥備	(6,588)	(7,141)
		780,519	544,216
Bills receivable	應收票據款項	1,003,255	1,085,928
		1,783,774	1,630,144

As at 31 December 2018, included in the trade receivables were amounts due from related parties of RMB5,131,000 (2017: RMB3,019,000) (Note 36).

The fair values of trade and bills receivables approximate their carrying amounts.

As at 31 December 2018, bills receivable with a total net book amount of RMB97,526,000 were pledged as collateral for the Group's bank borrowings (2017: no bills receivable were pledged) (Note 18).

The Group generally grants credit terms of less than 90 days to its customers in Mainland China and 120 days to its customers in other countries. The ageing analysis of the trade and bills receivables (including amounts due to related parties of trading in nature) by invoice date is as follows:

於二零一八年十二月三十一日，應收貿易款項中包含應收關連方的款項共計人民幣5,131,000元(二零一七年：人民幣3,019,000元)(附註36)。

應收貿易及票據款項之公平值接近其賬面值。

於二零一八年十二月三十一日，賬面淨值共計人民幣97,526,000元的應收票據已作質押，以作為本集團取得銀行借貸之抵押品(二零一七年：概無應收票據已作質押)(附註18)。

本集團授予其中國大陸客戶之信貸期一般為90日內，而授予其他國家客戶之信貸期為120日內。應收貿易及票據款項(包括性質為應付貿易關連方之款項)按發票日期之賬齡分析如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Within 30 days	30日內	1,099,220	1,171,995
31 to 90 days	31日至90日	592,707	364,234
91 to 180 days	91日至180日	82,290	84,699
181 days to 1 year	181日至1年	11,414	11,200
Over 1 year	1年以上	4,731	5,157
		1,790,362	1,637,285
Less: provision for impairment	減：減值撥備	(6,588)	(7,141)
Trade and bills receivables — net	應收貿易及票據款項 — 淨額	1,783,774	1,630,144

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### 12. TRADE AND BILLS RECEIVABLES

(Continued)

There is no concentration of credit risk with respect to trade and bills receivables, as the Group has a large number of customers.

#### Impairment and risk exposure

##### Trade receivables

The Group applies HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. This resulted in an increase of loss allowance for all trade receivables on a net basis by RMB1,858,000 on 31 December 2018 compared with the amount under the incurred loss model of HKAS 39.

Information about the impairment of trade receivables and the Group's exposure to credit risk, foreign currency risk and interest rate risk can be found in Note 3.1.

Trade and bills receivables are denominated in the following currencies:

### 12. 應收貿易及票據款項(續)

由於本集團擁有大批客戶，故應收貿易及票據款項無集中的信貸風險。

#### 減值及風險敞口

##### 應收貿易款項

本集團採用香港財務報告準則第9號簡化方法計量預期信貸虧損，為所有應收貿易款項及合約資產撥備整個存續期內的預期虧損。此導致於二零一八年十二月三十一日所有應收貿易款項虧損撥備較根據香港會計準則第39號虧損模式所產生的金額按淨額基準增加人民幣1,858,000元。

有關應收貿易款項及本集團所面臨的信貸風險、外匯風險及利率風險的詳情載於附註3.1。

應收貿易及票據款項按以下貨幣計值：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
RMB	人民幣	849,057	1,172,636
USD	美元	863,614	417,794
Hong Kong dollars ("HKD")	港元(「港元」)	59,966	38,082
Vietnam Dong ("VND")	越南盾(「越南盾」)	17,725	8,773
		<b>1,790,362</b>	<b>1,637,285</b>



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### 12. TRADE AND BILLS RECEIVABLES

(Continued)

Movements of the provision for impairment of trade receivables are as follows:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
At 1 January	於一月一日	7,141	5,407
(Reversal)/accrual of provision for impairment of trade receivables	(撥回)/預提應收貿易款項減值撥備	(553)	1,734
At 31 December	於十二月三十一日	6,588	7,141

The creation and release of provision for impaired receivables have been included in net reversal of impairment losses on financial assets in 2018 and in general and administrative expenses in 2017. Amounts charged to the allowance account are written off when there is no expectation of receiving additional cash.

The maximum exposure to credit risk at the reporting date is the carrying amount of trade and bills receivables.

### 12. 應收貿易及票據款項(續)

應收貿易款項減值撥備變動如下：

增設及解除已減值應收款項撥備於二零一八年已列入撥回金融資產之減值虧損淨額而於二零一七年則列入一般及行政開支。當預期未能收取額外現金時，在準備賬中扣除的款項將被撇銷。

於報告日期，本集團面對的最大信貸風險為應收貿易及票據款項賬面值。

### 13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

### 13. 預付款項、按金及其他應收賬款

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Prepayments for purchase of raw materials	購買原材料的預付款項	401,836	387,838
Value-added tax recoverable	應退增值稅	363,802	181,279
Prepaid expenses	預付開支	51,418	21,775
Compensation receivables	應收補償金	27,235	-
Deposits for operation	營運按金	12,082	14,373
Prepaid income tax	預付所得稅	9,878	30,734
Other receivables	其他應收賬款	1,648	1,230
		867,899	637,229

The fair values of deposits and other receivables approximate their carrying amounts.

按金及其他應收賬款的公平值接近其賬面值。

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### 14. PLEDGED BANK DEPOSITS AND CASH AND CASH EQUIVALENTS

### 14. 已抵押銀行存款以及現金及現金等值物

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Pledged bank deposits	已抵押銀行存款	145,019	88,249
Cash and cash equivalents	現金及現金等值物		
— Cash at bank and in hand	— 銀行及手頭現金	1,054,721	1,466,718
		<b>1,199,740</b>	<b>1,554,967</b>

As at 31 December 2018, the weighted average effective interest rate on pledged bank deposits and other deposits was 2.9% (2017: 2.8%) per annum.

於二零一八年十二月三十一日，已抵押銀行存款及其他存款之加權平均實際利率為每年2.9%（二零一七年：2.8%）。

As at 31 December 2018, pledged bank deposits with a total net book amount of RMB68,450,000 were pledged as collateral for the Group's bank borrowings (2017: nil) (Note 18). Pledged bank deposits with a total net book amount of RMB76,569,000 (2017: RMB88,249,000) are used for issuance of letters of credit for purchase of raw materials, with maturities of 90 days at inception (2017: 90 days).

於二零一八年十二月三十一日，賬面淨值共為人民幣68,450,000元的已抵押銀行存款已作質押，以作為本集團取得銀行借貸之抵押品（二零一七年：無）（附註18）。賬面淨值共為人民幣76,569,000元（二零一七年：人民幣88,249,000元）的已抵押銀行存款用於簽發信用證以供購買原材料，訂立日期起計90日（二零一七年：90日）到期。

Pledged bank deposits and cash and cash equivalents are denominated in the following currencies:

已抵押銀行存款以及現金及現金等值物按以下貨幣計值：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
RMB	人民幣	699,239	1,020,562
USD	美元	328,063	468,951
VND	越南盾	129,696	38,848
HKD	港元	33,229	21,394
European Dollar ("EURO")	歐元(「歐元」)	5,302	1,084
Turkish Lira ("TRY")	土耳其里拉(「里拉」)	1,133	2,034
Others	其他	3,078	2,094
		<b>1,199,740</b>	<b>1,554,967</b>

Majority of the cash and cash equivalents are deposited with banks in Mainland China and Hong Kong. The conversion of the RMB denominated balances into other currencies and the remittance of funds out of Mainland China are subject to the rules and regulations relating to foreign exchange controls promulgated by the Mainland China Government.

大部分現金及現金等值物存於中國大陸和香港銀行。將人民幣計值之結餘兌換為其他貨幣以及將資金匯出中國大陸須遵守中國大陸政府頒佈有關外匯管制之規則及規例。

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### 15. SHARE CAPITAL AND SHARE PREMIUM

### 15. 股本及股份溢價

		Number of shares 股份數目 (thousands) (千股)	Ordinary shares 普通股 HKD'000 千港元
Authorised:	法定：		
<b>Ordinary shares of HKD0.1 each</b>	<b>每股 0.1 港元普通股於</b>		
<b>At 31 December 2017 and 2018</b>	<b>二零一七年及二零一八年 十二月三十一日</b>	4,000,000	400,000
		Number of shares 股份數目 (thousands) (千股)	Ordinary shares 普通股 RMB'000 人民幣千元
			Share premium 股份溢價 RMB'000 人民幣千元
			Total 總計 RMB'000 人民幣千元
Issued and fully paid:	已發行及繳足：		
<b>Ordinary shares of</b>	<b>每股 0.1 港元普通股</b>		
<b>HKD0.1 each</b>			
<b>At 31 December 2017</b>	<b>於二零一七年及</b>		
<b>and 2018</b>	<b>二零一八年 十二月三十一日</b>	915,000	530,486
		96,709	433,777

## 16. SHARE-BASED PAYMENT

### Share Option Scheme

Pursuant to a shareholders' resolution passed on 7 April 2014, the Company adopted a share option scheme ("the Share Option Scheme"), which will remain in force for a period of 10 years up to April 2024. Under the Share Option Scheme, the Company's directors may, at their sole discretion, grant to any employee, director, supplier of goods or services, customer, person or entity that provides research, development or other technological support to the Group, shareholder and adviser or consultant of the Group to subscribe for shares in the Company at a price of not less than the higher of (i) the closing price of shares as stated in the daily quotation sheet of the Stock Exchange on the date of the offer of grant; or (ii) the average closing price of shares as stated in the daily quotation sheets of the Stock Exchange for the five trading days immediately preceding the date of the offer of grant; and (iii) the nominal value of the share. A nominal consideration of HK\$1 is payable on acceptance of the grant of an option. The maximum number of shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme adopted by the Group from time to time must not in aggregate exceed 30% of the ordinary share of the Company in issued from time to time.

## 16. 以股份為基礎付款

### 購股權計劃

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

**16. SHARE-BASED PAYMENT (Continued)**  
**Share Option Scheme (Continued)**

Pursuant to the Share Option Scheme, share options to subscribe for an aggregate of 5,000,000 ordinary shares of the Company were granted to two executive directors of the Company on 23 March 2015. The subscription price is HKD8.7 per share. 1,670,000 share options are exercisable over the period from 1 January 2016 to 22 March 2025, 1,670,000 share options are exercisable over the period from 1 January 2017 to 22 March 2025 and 1,660,000 share options are exercisable from 1 January 2018 to 22 March 2025. On 28 December 2015, share options to subscribe for an aggregate of 1,500,000 ordinary share of the Company were granted to one executive director of the Company. The subscription price is HKD5.7 per share. 300,000 share options are exercisable over the period from 1 January 2017 to 27 December 2025, 300,000 share options are exercisable over the period from 1 January 2018 to 27 December 2025, 300,000 share options are exercisable over the period from 1 January 2019 to 27 December 2025, 300,000 share options are exercisable over the period from 1 January 2020 to 27 December 2025 and 300,000 share options are exercisable over the period from 1 January 2021 to 27 December 2025. The Group has no legal or constructive obligation to repurchase or settle the above options in cash. No options have been exercised since the date of grant to 31 December 2018.

The fair value of options granted on 23 March 2015 was determined using the Binomial Option-Pricing Model. The significant inputs into the model included the share price of HKD8.7 per share at the grant date, exercise price shown above, expected annual risk-free interest rate of 1.582%, expected dividend yield of 1.45% and volatility of 49.80%. The total fair value of these options at grant date was RMB17,154,000 and no expenses was charged to administrative expenses for the year ended 31 December 2018 (2017: RMB2,424,000).

The fair value of options granted on 28 December 2015 was determined using the Binomial Option-Pricing Model. The significant inputs into the model included the share price of HKD5.7 per share at the grant date, exercise price shown above, expected annual risk-free interest rate of 1.623%, expected dividend yield of 3.42% and volatility of 50.94%. The total fair value of these options was RMB3,171,000 and RMB500,000 was charged for the year ended 31 December 2018 (2017: RMB895,000).

**16. 以股份為基礎付款(續)**  
**購股權計劃(續)**

根據購股權計劃，本公司於二零一五年三月二十三日向兩名執行董事授出合共可認購5,000,000股本公司普通股的購股權。認購價為每股8.7港元。1,670,000份購股權可於二零一六年一月一日至二零二五年三月二十二日期間行使；1,670,000份購股權可於二零一七年一月一日至二零二五年三月二十二日期間行使；及1,660,000份購股權可於二零一八年一月一日至二零二五年三月二十二日期間行使。本公司於二零一五年十二月二十八日向一名執行董事授出合共可認購1,500,000股本公司普通股的購股權。認購價為每股5.7港元。300,000份購股權可於二零一七年一月一日至二零二五年十二月二十七日期間行使；300,000份購股權可於二零一八年一月一日至二零二五年十二月二十七日期間行使；300,000份購股權可於二零一九年一月一日至二零二五年十二月二十七日期間行使；300,000份購股權可於二零二零年一月一日至二零二五年十二月二十七日期間行使；及300,000份購股權可於二零二一年一月一日至二零二五年十二月二十七日期間行使。本集團並無法定或推定責任以現金購回或結算上述購股權。自授出日期至二零一八年十二月三十一日，概無購股權獲行使。

於二零一五年三月二十三日授出之購股權之公平值乃採用二項式期權定價模式釐定。該模式之重大輸入數據包括於授出日期之股價每股8.7港元、上述行使價、預期年度無風險利率1.582%、預期股息率1.45%及波幅49.80%。此等購股權於授出日期之公平值總額為人民幣17,154,000元，而並無開支於截至二零一八年十二月三十一日止年度之行政開支扣除(二零一七年：人民幣2,424,000元)。

於二零一五年十二月二十八日授出之購股權之公平值乃採用二項式期權定價模式釐定。該模式之重大輸入數據包括於授出日期之股價每股5.7港元、上述行使價、預期年度無風險利率1.623%、預期股息率3.42%及波幅50.94%。此等購股權之公平值總額為人民幣3,171,000元，而於截至二零一八年十二月三十一日止年度則扣除人民幣500,000元(二零一七年：人民幣895,000元)。

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### 17. OTHER RESERVES AND RETAINED EARNINGS

#### (a) Other reserves

### 17. 其他儲備及保留溢利

#### (a) 其他儲備

		Capital reserve <sup>(a)</sup>	Share-based compensation reserve	Statutory reserves <sup>(b)</sup>	Revaluation reserve	Translation reserve	Total
		資本儲備 <sup>(a)</sup>	以股份為基礎補償儲備	法定儲備 <sup>(b)</sup>	重估儲備	匯兌儲備	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2017	於二零一七年一月一日	162,041	17,179	330,973	73,475	(17,078)	566,590
Transfer to statutory reserves	轉撥至法定儲備	-	-	48,202	-	-	48,202
Employee share option scheme (Note 16)	僱員購股權計劃(附註16)	-	3,319	-	-	-	3,319
Share of other comprehensive losses of investments accounted for using the equity method	分佔用權益法計入投資之其他全面虧損	-	-	-	-	-	-
— share of currency translation reserve	— 分佔貨幣兌換儲備	-	-	-	-	11,175	11,175
Currency translation differences	貨幣換算差額	-	-	-	-	(8,878)	(8,878)
Transfer from revaluation reserve to retained earnings for buildings revaluation	就樓宇重新估值由重估儲備轉撥至保留溢利	-	-	-	-	-	-
— gross	— 總額	-	-	-	(6,362)	-	(6,362)
— deferred income tax (Note 22)	— 遞延所得稅(附註22)	-	-	-	2,328	-	2,328
At 31 December 2017	於二零一七年十二月三十一日	162,041	20,498	379,175	69,441	(14,781)	616,374
At 1 January 2018	於二零一八年一月一日	162,041	20,498	379,175	69,441	(14,781)	616,374
Transfer to statutory reserves	轉撥至法定儲備	-	-	94,873	-	-	94,873
Employee share option scheme (Note 16)	僱員購股權計劃(附註16)	-	500	-	-	-	500
Currency translation differences	貨幣換算差額	-	-	-	-	5,180	5,180
Transfer from revaluation reserve to retained earnings for buildings revaluation	就樓宇重新估值由重估儲備轉撥至保留溢利	-	-	-	-	-	-
— gross	— 總額	-	-	-	(6,362)	-	(6,362)
— deferred income tax (Note 22)	— 遞延所得稅(附註22)	-	-	-	2,328	-	2,328
At 31 December 2018	於二零一八年十二月三十一日	162,041	20,998	474,048	65,407	(9,601)	712,893



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## 17. OTHER RESERVES AND RETAINED EARNINGS (Continued)

### (a) Other reserves (Continued)

Notes:

- (i) The capital reserve represents the difference between the amount of share capital issued and the net asset value of the subsidiaries acquired under a group reorganisation in 2004.
- (ii) As stipulated by regulations in Mainland China, the Company's subsidiaries established and operated in Mainland China are required to appropriate a portion of their after-tax profit (after offsetting prior years' losses) to statutory reserves, at rates determined by their respective boards of directors. Such transfer is not required when the amount of the statutory reserve reaches 50% of the corresponding subsidiaries' registered capital.

Statutory reserves shall only be used to make up losses of the corresponding subsidiaries, to expand the corresponding subsidiaries' production operations, or to increase the capital of the corresponding subsidiaries. Upon approval by resolutions of the corresponding subsidiaries' shareholders in general meetings, the corresponding subsidiaries may convert their statutory reserves into registered capital and issue bonus capital to existing owners in proportion to their existing ownership structure.

## 17. 其他儲備及保留溢利(續)

### (a) 其他儲備(續)

附註：

- (i) 資本儲備指已發行股本數額與於二零零四年集團重組下收購附屬公司的資產淨值的差額。
- (ii) 根據中國大陸頒佈之規例，本公司在中國大陸成立及營運之附屬公司須按其各自董事會所釐訂之比例，撥一部分除稅後溢利(經抵銷過往年度虧損)至法定儲備。倘法定儲備的金額已達相關附屬公司註冊資本的50%，則無需作出此撥款。

法定儲備僅可用於抵銷相關附屬公司虧損、擴充相關附屬公司生產經營或增加相關附屬公司股本。當獲得相關附屬公司股東於股東大會上以決議案通過，相關附屬公司則可將其法定儲備轉換成註冊資本，並按現有股東的持股比例向彼等發行紅股。

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### 17. OTHER RESERVES AND RETAINED EARNINGS (Continued)

#### (b) Retained earnings

### 17. 其他儲備及保留溢利(續)

#### (b) 保留溢利

		RMB'000 人民幣千元
At 1 January 2017	於二零一七年一月一日	4,051,645
Profit for the year	年度溢利	1,151,862
Transfer from revaluation reserve to retained earnings	由重估儲備轉撥至保留溢利	
— gross	— 總額	6,362
— deferred income tax (Note 22)	— 遞延所得稅(附註22)	(2,328)
		5,207,541
Dividend relating to 2016	二零一六年之股息	(210,137)
Dividend relating to 2017	二零一七年之股息	(185,935)
Transfer to statutory reserves	轉撥至法定儲備	(48,202)
At 31 December 2017	於二零一七年十二月三十一日	4,763,267
At 1 January 2018	於二零一八年一月一日	4,763,267
Profit for the year	年度溢利	1,163,092
Transfer from revaluation reserve to retained earnings	由重估儲備轉撥至保留溢利	
— gross	— 總額	6,362
— deferred income tax (Note 22)	— 遞延所得稅(附註22)	(2,328)
		5,930,393
Dividend relating to 2017	二零一七年之股息	(156,160)
Dividend relating to 2018	二零一八年之股息	(184,102)
Transfer to statutory reserves	轉撥至法定儲備	(94,873)
At 31 December 2018	於二零一八年十二月三十一日	5,495,258

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### 18. BORROWINGS

### 18. 借貸

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
<b>Current</b>	<b>即期</b>		
Unsecured bank borrowings	無抵押銀行借貸	436,273	583,814
Secured bank borrowings (Note (a))	有抵押銀行借貸(附註(a))	414,138	464,674
Other bank borrowings (Note (b))	其他銀行借貸(附註(b))	1,402,136	1,513,881
		<b>2,252,547</b>	<b>2,562,369</b>
<b>Non-current</b>	<b>非即期</b>		
Unsecured bank borrowings	無抵押銀行借貸	1,164,630	1,359,688
Secured bank borrowings (Note (a))	有抵押銀行借貸(附註(a))	463,266	—
Other bank borrowings (Note (b))	其他銀行借貸(附註(b))	3,247,291	1,627,541
		<b>4,875,187</b>	<b>2,987,229</b>
<b>Total borrowings</b>	<b>借貸總額</b>	<b>7,127,734</b>	<b>5,549,598</b>

Notes:

附註：

(a) As at 31 December 2018, bank borrowings of RMB877,404,000 (2017: RMB464,674,000) were secured by the pledge of the Group's property, plant and equipment with a net book amount of approximately RMB834,894,000 (2017: RMB180,915,000) (Note 7); bills receivable with a net book amount of RMB97,526,000 (2017: nil) (Note 12); pledged bank deposits with a net book amount of RMB68,450,000 (2017: nil) (Note 14).

In addition, bank borrowings as at 31 December 2017 were also pledged by land use rights with net book value of RMB26,687,000 and inventories with net book value of RMB261,236,000.

(b) Other bank borrowings of RMB4,649,427,000 (2017: RMB3,141,422,000) were secured by cross corporate guarantees provided by certain subsidiaries of the Group as at 31 December 2018.

(a) 於二零一八年十二月三十一日，人民幣877,404,000元(二零一七年：人民幣464,674,000元)的銀行借貸以本集團的以下各項作抵押：賬面淨值約為人民幣834,894,000元(二零一七年：人民幣180,915,000元)的物業、廠房及設備(附註7)；賬面淨值為人民幣97,526,000元(二零一七年：無)的應收票據(附註12)；賬面淨值為人民幣68,450,000元(二零一七年：無)的已抵押銀行存款(附註14)。

此外，於二零一七年十二月三十一日之銀行借貸亦以賬面淨值為人民幣26,687,000元的土地使用權及賬面淨值為人民幣261,236,000元的存貨作抵押。

(b) 其他銀行借貸以本集團若干附屬公司提供的於二零一八年十二月三十一日數額為人民幣4,649,427,000元(二零一七年：人民幣3,141,422,000元)的交叉公司擔保作抵押。

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### 18. BORROWINGS (Continued)

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

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
RMB	人民幣	1,860,122	2,298,080
HKD	港元	3,911,405	2,241,191
USD	美元	1,356,207	1,010,327
		<b>7,127,734</b>	<b>5,549,598</b>

The weighted average effective interest rates per annum at year end are as follows:

### 18. 借貸(續)

借貸的賬面值按以下貨幣計值：

於年結日加權平均實際年利率如下：

		2018 二零一八年			2017 二零一七年		
		USD 美元	RMB 人民幣	HKD 港元	USD 美元	RMB 人民幣	HKD 港元
Bank borrowings	銀行借貸	3.7%	4.5%	3.3%	4.1%	4.5%	2.6%

At 31 December 2018, the Group's borrowings were repayable as follows:

於二零一八年十二月三十一日，本集團借貸的還款期如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Within 1 year	1年內	2,252,547	2,562,369
Between 1 and 2 years	1至2年	2,455,826	901,846
Between 2 and 5 years	2至5年	2,419,361	2,051,601
More than 5 years	超過5年	—	33,782
		<b>7,127,734</b>	<b>5,549,598</b>

The fair values of the borrowings approximate their carrying amounts as at the balance sheet date, as the impact of discounting is not significant.

由於折現之影響微不足道，於結算日，借貸之公平值與其賬面值相若。

The Group has undrawn floating rates borrowing facilities of approximately RMB2,967,823,000 (2017: RMB1,182,007,000) which will be expired within one year. These facilities are subject to review at various dates during 2019.

本集團未動用之浮動息率借貸融資約人民幣2,967,823,000元(二零一七年：人民幣1,182,007,000元)將於一年內到期。該等融資須於二零一九年不同日期作審閱。

Texhong Textile Group Limited has complied with the financial covenants of its borrowing facilities during the 2018 and 2017 reporting period.

於二零一八年及二零一七年報告期間，天虹紡織集團有限公司遵守其借貸融資的財務條款。

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### 19. DERIVATIVE FINANCIAL INSTRUMENTS

### 19. 衍生金融工具

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Assets:	資產：		
Forward foreign exchange contracts (Note (a))	遠期外匯合約(附註(a))	125,609	117,580
Cross currency swap contracts (Note (b))	交叉貨幣掉期合約(附註(b))	17,946	324
Cotton future contracts (Note (c))	棉花期貨合約(附註(c))	1,665	16,446
		<b>145,220</b>	<b>134,350</b>
Liabilities:	負債：		
Forward foreign exchange contracts (Note (a))	遠期外匯合約(附註(a))	18,562	50,282
Cross currency swap contracts (Note (b))	交叉貨幣掉期合約(附註(b))	68,235	62,714
Cotton future contracts (Note (c))	棉花期貨合約(附註(c))	2,671	-
		<b>89,468</b>	<b>112,996</b>

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

非對沖衍生工具分類為流動資產或負債。

Notes:

附註：

- (a) The forward foreign exchange contracts as at 31 December 2018 comprised thirty-one contracts with notional principal amounts totalling RMB5,292,117,000 (2017: thirty-one contracts with notional principal amounts totalling RMB3,861,712,000).
- (b) The cross currency swap contracts as at 31 December 2018 comprised twenty-six contracts with notional principal amounts totalling RMB4,622,139,000 (2017: thirteen contracts with notional principal amounts totalling RMB1,630,025,000).
- (c) The cotton future contract as at 31 December 2018 comprised eleven contracts with notional principal amounts totalling USD24,263,000 (2017: four contracts with notional principal amounts totalling USD7,103,000).

- (a) 於二零一八年十二月三十一日，遠期外匯合約包括三十一份合約，名義本金總計為人民幣5,292,117,000元(二零一七年：三十一份合約，名義本金總計為人民幣3,861,712,000元)。
- (b) 於二零一八年十二月三十一日，交叉貨幣掉期合約包括二十六份合約，名義本金總計為人民幣4,622,139,000元(二零一七年：十三份合約，名義本金總計為人民幣1,630,025,000元)。
- (c) 於二零一八年十二月三十一日，棉花期貨合約包括十一份合約，名義本金總計為24,263,000美元(二零一七年：四份合約，名義本金總計為7,103,000美元)。

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### 20. FINANCE LEASE OBLIGATIONS

The Group leases various machinery and equipment with a carrying amount of RMB17,409,000 as at 31 December 2018 (31 December 2017: RMB19,580,000) under finance leases expiring within three years.

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

### 20. 融資租賃承擔

根據融資租賃，本集團租賃賬面值於二零一八年十二月三十一日為人民幣17,409,000元(二零一七年十二月三十一日：人民幣19,580,000元)的若干機械及設備，有效期為三年。

倘本集團拖欠租賃負債，則租賃資產之權利將歸還出租人。

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Gross finance lease liabilities — minimum lease payments	融資租賃負債總額 — 最低租賃付款		
No later than 1 year	一年內	885	5,886
Later than 1 year and no later than 5 years	一年後至五年內	—	1,628
Less: future finance charges on finance leases	減：融資租賃之未來融資費用	(54)	(304)
		<b>831</b>	<b>7,210</b>
The present value of finance lease liabilities is as follows:	融資租賃負債之現值如下：		
No later than 1 year	一年內	831	5,623
Later than 1 year and no later than 5 years	一年後至五年內	—	1,587
		<b>831</b>	<b>7,210</b>



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### 21. LONG-TERM PAYABLES

### 21. 長期應付賬款

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
No later than 1 year	一年內	29,329	—
Later than 1 year and no later than 5 years	一年後至五年內	130,678	—
Less: future finance charges on long-term payables	減：長期應付賬款之未來融資費用	(14,819)	—
		<b>145,188</b>	—
The present value of long-term payables is as follows:			
No later than 1 year		長期應付賬款之現值如下：	
Later than 1 year and no later than 5 years	一年內	22,295	—
	一年後至五年內	122,893	—
		<b>145,188</b>	—

As at 31 December 2018, included in the long-term payables were amounts due to third parties for purchasing machinery and equipment with a carrying amount of RMB145,188,000 (2017: nil).

於二零一八年十二月三十一日，列入長期應付賬款的款項指就購買機械及設備應付第三方賬面值為人民幣145,188,000元(二零一七年：無)。

Details of the Group's exposure to risks arising from long-term payables are set out in Note 3.1.

有關本集團因長期應付賬款所面臨的風險詳情乃載於附註3.1。

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### 22. DEFERRED INCOME TAX

The analysis of deferred tax assets and deferred tax liabilities is as follows:

### 22. 遞延所得稅

遞延稅項資產及遞延稅項負債之分析如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Deferred tax assets:	遞延稅項資產：		
— Deferred tax assets to be recovered after more than 12 months	— 超過 12 個月後收回之遞延稅項資產	25,862	45,713
— Deferred tax assets to be recovered within 12 months	— 在 12 個月內收回之遞延稅項資產	70,529	61,845
		<b>96,391</b>	<b>107,558</b>
Deferred tax liabilities:	遞延稅項負債：		
— Deferred tax liabilities to be settled after more than 12 months	— 超過 12 個月後支付之遞延稅項負債	(155,824)	(138,475)
— Deferred tax liabilities to be settled within 12 months	— 在 12 個月內支付之遞延稅項負債	(5,866)	(10,697)
		<b>(161,690)</b>	<b>(149,172)</b>

The movements in deferred tax assets and liabilities during the year are as follows:

於年內遞延稅項資產及負債變動如下：

Deferred income tax assets:

遞延所得稅資產：

		Tax losses 稅務虧損 RMB'000 人民幣千元	Temporary differences 暫時差異 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2017	於二零一七年一月一日	67,894	49,110	117,004
Acquisition of subsidiaries (Charged)/credited to the consolidated income statement	收購附屬公司 於綜合收益表 (扣除)/貸記	14,510	—	14,510
		(30,252)	6,296	(23,956)
At 31 December 2017	於二零一七年 十二月三十一日	52,152	55,406	107,558
Charged to the consolidated income statement	於綜合收益表扣除	(9,795)	(1,372)	(11,167)
At 31 December 2018	於二零一八年 十二月三十一日	42,357	54,034	96,391

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### 22. DEFERRED INCOME TAX (Continued)

Deferred income tax liabilities:

### 22. 遞延所得稅(續)

遞延所得稅負債：

		Fair value adjustments on assets relating to business combinations 有關業務合併之資產之公平值調整 RMB'000 人民幣千元	Revaluation of buildings 樓宇重估 RMB'000 人民幣千元	Withholding tax relating to unremitted earnings of subsidiaries 有關附屬公司未匯付盈利的預扣稅 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2017	於二零一七年一月一日	6,670	29,155	77,552	113,377
Reversal relating to additional depreciation	有關額外折舊之撥回	–	(2,328)	–	(2,328)
Acquisition of subsidiaries	收購附屬公司	36,330	–	–	36,330
Credited to consolidated income statement	計入綜合收益表	(503)	–	(8,935)	(9,438)
Withholding tax relating to unremitted earnings of subsidiaries	有關附屬公司未匯付盈利的預扣稅	–	–	11,231	11,231
At 31 December 2017	於二零一七年十二月三十一日	42,497	26,827	79,848	149,172
Reversal relating to additional depreciation	有關額外折舊之撥回	–	(2,328)	–	(2,328)
Acquisition of subsidiaries (Note 34)	收購附屬公司(附註34)	16,475	–	–	16,475
Credited to consolidated income statement	計入綜合收益表	(3,197)	–	(8,698)	(11,895)
Withholding tax relating to unremitted earnings of subsidiaries	有關附屬公司未匯付盈利的預扣稅	–	–	10,266	10,266
At 31 December 2018	於二零一八年十二月三十一日	55,775	24,499	81,416	161,690

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through the future taxable profits is probable. As at 31 December 2018 and 2017, the Group has recognised the deferred income tax assets for all tax loss carry-forwards.

Deferred income tax of RMB2,328,000 (2017: RMB2,328,000) was transferred from other reserves to retained earnings. This represents deferred tax on the difference between the actual depreciation on buildings and the equivalent depreciation based on the historical cost of buildings.

Deferred income tax liabilities of RMB81,416,000 (2017: RMB79,848,000) have been recognised for the withholding tax that would be payables on the earnings of subsidiaries when remitted to the Company. As at 31 December 2018, the unremitted earnings of subsidiaries is RMB1,628,320,000 (2017: RMB1,596,960,000). There are no unremitted earnings with no deferred tax liabilities recognised (2017: nil).

遞延所得稅資產乃就結轉之稅項虧損確認，惟以有可能透過日後之應課稅溢利變現有關稅項利益為限。於二零一八年及二零一七年十二月三十一日，本集團已就所有結轉之稅項虧損確認遞延所得稅資產。

人民幣2,328,000元(二零一七年：人民幣2,328,000元)的遞延所得稅乃由其他儲備轉撥至保留溢利。此代表樓宇的實際折舊與根據樓宇的歷史成本計算的相同折舊之間的差額的遞延稅項。

本集團已就附屬公司匯入本公司的盈利應付預扣稅確認遞延所得稅負債人民幣81,416,000元(二零一七年：人民幣79,848,000元)。於二零一八年十二月三十一日，附屬公司未匯付盈利為人民幣1,628,320,000元(二零一七年：人民幣1,596,960,000元)。並無未確認的遞延稅項負債的未匯付盈利(二零一七年：無)。

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### 23. TRADE AND BILLS PAYABLES

### 23. 應付貿易及票據款項

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Trade payables	應付貿易款項	693,210	507,749
Bills payable	應付票據款項	2,829,504	2,453,980
		<b>3,522,714</b>	<b>2,961,729</b>

As at 31 December 2018, included in trade payables were amounts due to related parties of RMB5,871,000 (2017: RMB4,557,000) (Note 36).

於二零一八年十二月三十一日，應付貿易款項中包含應付關連方的款項共計人民幣5,871,000元(二零一七年：人民幣4,557,000元)(附註36)。

The fair values of trade and bills payables approximate their carrying amounts.

應付貿易及票據款項之公平值接近其賬面值。

The ageing analysis of the trade and bills payables (including amounts due to related parties of trading in nature) is as follows:

應付貿易及票據款項(包括性質為應付貿易關連方之款項)之賬齡分析如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Within 90 days	90日內	2,356,142	1,900,496
91 to 180 days	91日至180日	1,155,029	1,021,831
181 days to 1 year	181日至1年	8,003	31,981
Over 1 year	1年以上	3,540	7,421
		<b>3,522,714</b>	<b>2,961,729</b>

Trade and bills payables are denominated in the following currencies:

應付貿易及票據款項按以下貨幣計值：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
USD	美元	3,038,529	2,616,097
VND	越南盾	143,986	110,944
HKD	港元	144,702	723
RMB	人民幣	195,277	225,695
EURO	歐元	220	8,270
		<b>3,522,714</b>	<b>2,961,729</b>

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### 24. ACCRUALS AND OTHER PAYABLES

### 24. 預提費用及其他應付賬款

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Payables for purchase of property, plant and equipment	購置物業、廠房及設備之應付賬款	208,821	116,381
Accrued wages and salaries	應計工資及薪酬	281,152	247,548
Accrual of operating expenses	應計經營開支	142,682	130,236
Deposits from customers	來自客戶的按金	—	95,677
Tax payables other than enterprise income tax	應付稅項(企業所得稅除外)	32,907	60,544
Interest payable	應付利息	11,169	5,163
Payables for acquisition of subsidiaries	收購附屬公司之應付賬款	9,820	31,749
Other payables	其他應付賬款	40,668	54,153
		<b>727,219</b>	<b>741,451</b>

As at 31 December 2018 and 31 December 2017, the carrying amounts of the Group's accruals and other payables approximate their fair values.

於二零一八年十二月三十一日及二零一七年十二月三十一日，本集團的預提費用及其他應付賬款的賬面值與其公平值相若。

### 25. OTHER INCOME AND OTHER LOSSES — NET

### 25. 其他收入及其他虧損 — 淨額

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Other income	其他收入		
Subsidy income (a)	補貼收入(a)	214,198	169,555
Other losses — net	其他虧損淨額		
Gains on acquisition of subsidiaries	收購附屬公司收益	—	173,434
Gains on step-acquisition of an associate and its subsidiaries	分步收購一間聯營公司及其附屬公司之收益	—	4,027
Gains on disposal of subsidiaries	出售附屬公司之收益	7,679	—
Gains on disposal of joint-ventures	出售聯營公司之收益	200	—
Derivative financial instruments at fair value through profit or loss:	按公平值計入損益之衍生金融工具：		
— Realised (losses)/profits	— 已實現(虧損)/溢利	(3,601)	19,725
— Unrealised losses	— 未實現虧損	(12,992)	(238,616)
Net foreign exchange losses (Note 29)	匯兌虧損淨額(附註29)	(65,925)	(38,497)
Others	其他	15,686	15,237
Total other losses — net	其他虧損總額 — 淨額	<b>(58,953)</b>	<b>(64,690)</b>

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### 25. OTHER INCOME AND OTHER LOSSES — NET (Continued)

- (a) The subsidy income were mainly related to incentives for development in Xinjiang, Xuzhou, Shandong, Changzhou and Shanghai of Mainland China provided by municipal governments based on the amounts of value added tax and income tax paid. The Group has received all the subsidy income and there was no future obligation related to these subsidy income.

### 25. 其他收入及其他虧損 — 淨額 (續)

- (a) 補貼收入主要為來自於中國大陸新疆、徐州、山東、常州及上海發展所獲得之由市政府根據已付增值稅及所得稅金額提供之優惠。本集團已收取全數補貼收入，以及並無有關該等補貼收入之未來責任。

### 26. EXPENSES BY NATURE

### 26. 開支(按性質分類)

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Raw materials and consumables used	耗用原材料及消耗品	13,068,997	11,531,903
Changes in inventories of finished goods and work in progress	製成品及在製品存貨變動	(506,319)	(341,213)
Employment benefit expenses (Note 27)	僱員福利開支(附註27)	2,193,451	1,590,509
Depreciation and amortisation (Notes 6, Note 7 and Note 8)	折舊及攤銷(附註6、附註7及附註8)	753,202	681,959
Losses on disposal of property, plant and equipment and land use rights (Note 33)	出售物業、廠房及設備和土地使用權虧損(附註33)	2,618	5,985
Office expenses	辦公開支	99,190	82,596
Utilities	動力及燃料	1,036,364	905,561
Transportation costs	運輸成本	386,939	358,460
Auditor's remuneration	核數師酬金		
— Annual audit services	— 年度審核服務	4,000	3,900
— Audit services for potential bond offerings	— 潛在債券發行審核服務	—	1,350
— Non-audit services	— 非審核服務	1,430	2,150
Rental expenses for buildings and machinery (Note 7)	樓宇及機器租金開支(附註7)	62,038	35,119
Accrual of provision for impairment of trade receivables (Note 12)	應收貿易款項減值撥備之計提(附註12)	—	1,734
Net accrual of provision for decline in the value of inventories (Note 11)	存貨減值撥備計提淨額(附註11)	4,445	177
Other expenses	其他開支	309,678	99,873
Total cost of sales, selling and distribution costs and general and administrative expenses	銷售成本、銷售及分銷開支以及一般及行政開支總額	17,416,033	14,960,063



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### 27. EMPLOYMENT BENEFIT EXPENSES

### 27. 僱員福利開支

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Wages, salaries and bonuses	工資、薪酬及花紅	1,954,530	1,377,794
Pension costs — defined contribution plans (Note (a))	退休金成本界定供款計劃 (附註(a))	132,106	108,703
Other welfare benefits (Note (b))	其他福利(附註(b))	55,125	51,498
Other employment benefits	其他僱員福利	51,690	52,514
		<b>2,193,451</b>	<b>1,590,509</b>

#### (a) Pension — defined contribution plans

As stipulated by rules and regulations in Mainland China, the Group has participated in state-sponsored defined contribution retirement plans for its employees in Mainland China. The Group and the eligible employees are required to contribute 14% to 22% and 7% to 8%, respectively, of the employees' basic salary (subject to a cap) at rates as stipulated by the relevant municipal governments. The Group has no further obligations for the actual payment of pensions or post-retirement benefits beyond the annual contributions. The state-sponsored retirement plans are responsible for the entire pension obligations payable to the retired employees. During the year ended 31 December 2018, the Group contributed approximately RMB73,253,000 (2017: RMB60,546,000) to the aforesaid state-sponsored retirement plans.

As stipulated by rules and regulations in Vietnam, the Group contributes to state-sponsored employees' social insurance scheme for its employees in Vietnam. The Group contributes to the scheme at a rate of 20% of the employee's salary. The state-sponsored social insurance scheme is responsible for the entire obligations payable to retired employees. During the year ended 31 December 2018, the Group contributed approximately RMB56,819,000 (2017: RMB46,920,000) to the aforesaid state-sponsored social insurance scheme.

#### (a) 退休金 — 界定供款計劃

根據中國大陸規則及法規規定，本集團已為其中國大陸僱員參與國家資助的界定供款退休計劃。本集團及合資格僱員須分別就僱員基本薪金的14%至22%及7%至8%作出供款(訂有上限)，比率由有關市政府規定。除此項年度供款外，本集團對其任何實際退休金支出或退休後福利則毋須再作任何承擔。退休僱員的所有退休金支出概由國家資助退休計劃承擔。於截至二零一八年十二月三十一日止年度，本集團向上述國家資助退休計劃分別供款約人民幣73,253,000元(二零一七年：人民幣60,546,000元)。

根據越南規則及法規規定，本集團已為其越南僱員向國家資助的僱員社會保險計劃作出供款。本集團按僱員薪金的20%向該計劃供款。退休僱員的所有支出概由國家資助的社會保險計劃承擔。於截至二零一八年十二月三十一日止年度，本集團向上述國家資助的社會保險計劃供款約人民幣56,819,000元(二零一七年：人民幣46,920,000元)。

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### 27. EMPLOYMENT BENEFIT EXPENSES

(Continued)

#### (a) Pension — defined contribution plans

(Continued)

As stipulated by rules and regulations in other countries and regions, during the year ended 31 December 2018, the Group contributed approximately RMB2,034,000 (2017: RMB1,237,000) to the social insurance scheme of those countries and regions.

#### (b) Other welfare benefits

All of the Group's employees in Mainland China participate in employee social security plans, including medical, housing and other welfare benefits, organised and administered by governmental authorities. During the year ended 31 December 2018, the Group contributed approximately RMB55,125,000 (2017: RMB51,498,000) to these plans and the Group has no further obligations for the actual payment of these plans.

#### (c) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include three (2017: three) directors whose emoluments are reflected in the analysis shown in Note 38. The emoluments payable to the remaining two (2017: two) individuals are as follows:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Basic salaries and allowances	基本薪金及津貼	1,006	2,016
Bonuses	花紅	2,564	1,920
		3,570	3,936

### 27. 僱員福利開支(續)

#### (a) 退休金 — 界定供款計劃(續)

根據其他國家及地區的規則及法規規定，本集團於截至二零一八年十二月三十一日止年度向該等國家及地區之社會福利計劃供款約人民幣2,034,000元(二零一六年：人民幣1,237,000元)。

#### (b) 其他福利

本集團於中國大陸的所有僱員均參與僱員社會保障計劃，該計劃包括由政府機構籌劃及監控的醫療、房屋及其他福利。截至二零一八年十二月三十一日止年度，本集團就上述計劃供款約人民幣55,125,000元(二零一七年：人民幣51,498,000元)及本集團對該等供款的實際付款並無進一步責任。

#### (c) 五位最高薪酬人士

於本年度，本集團五位最高薪酬人士其中三位(二零一七年：三位)為董事，其酬金於附註38的分析內反映。應付予餘下兩位(二零一七年：兩位)人士之酬金如下：

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### 28. FINANCE INCOME AND COSTS

### 28. 財務收入及費用

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Interest expenses — borrowings	利息開支 — 借貸	346,813	270,868
Interest expenses — finance lease obligations	利息開支 — 融資租賃承擔	250	—
Net exchange losses/(gains) on financing activities (Note 29)	融資活動所得匯兌虧損/(收益)淨額(附註29)	347,063 164,800	270,868 (185,171)
Finance costs	財務費用	511,863	85,697
Finance income — interest income on bank deposits	財務收入 — 銀行存款利息收入	(18,371)	(9,162)
Net finance costs	財務費用淨額	493,492	76,535

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### 29. NET FOREIGN EXCHANGE (LOSSES)/ GAINS

The exchange differences included in the consolidated income statement are as follows:

### 29. 匯兌(虧損)/收益淨額

於綜合收益表計入之匯兌差額包括以下項目：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Finance (costs)/income (Note 28)	財務(費用)/收入(附註28)	(164,800)	185,171
Other losses — net (Note 25)	其他虧損淨額(附註25)	(65,925)	(38,497)
Net foreign exchange (losses)/gains	匯兌(虧損)/收益淨額	(230,725)	146,674

### 30. INCOME TAX EXPENSE

The amount of income tax charged to the consolidated income statement represents:

### 30. 所得稅開支

於綜合收益表扣除之所得稅金額如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Current tax on profits for the year	年度溢利之即期稅項	262,064	175,273
Adjustment in respect of prior years	過往年度調整	(13,317)	(11,597)
Deferred income tax (Note 22)	遞延所得稅(附註22)	7,210	23,421
		255,957	187,097

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### 30. INCOME TAX EXPENSE (Continued)

#### (a) Hong Kong profits tax

The Company's subsidiaries established in Hong Kong are subject to profits tax at rate of 16.5% (2017: 16.5%).

#### (b) Mainland China enterprise income tax ("EIT")

Effective from 1 January 2008, the subsidiaries established in Mainland China are required to determine and pay the EIT in accordance with the Corporate Income Tax Law of the PRC (the "New CIT Law") as approved by the National People's congress on 16 March 2007 and Detailed Implementations Regulations of the New CIT Law (the "DIR") as approved by the State Council on 6 December 2007. According to the New CIT Law and DIR, subsidiaries established in Mainland China are subject to EIT at rate of 25% during the year (2017: 25%).

As approved by the relevant tax bureau in Mainland China, the subsidiaries established in Xuzhou and Zhanjiang are entitled to a preferential tax rate of 15% effective till 31 December 2020.

#### (c) Vietnam income tax

The income tax for the major subsidiaries in Vietnam are as below:

As approved by the relevant tax bureau in Vietnam, Texhong Renze Textile Joint Stock Company established in Vietnam in 2006 should separately calculate income tax on its initial supplementary investments. The initial investment of the subsidiary is entitled to three years' exemption from income taxes followed by seven years of a 50% tax reduction and is entitled to a preferential income tax rate of 15% for 12 years. The first supplementary investment of the subsidiary is entitled to three years' exemption from income taxes followed by five years of a 50% tax reduction based on the income tax rate of 20% (2017: 20%). The second supplementary investment of the subsidiary is entitled to two years' exemption from income taxes followed by four years of a 50% tax reduction based on the income tax rate of 20% (2017: 20%).

### 30. 所得稅開支(續)

#### (a) 香港利得稅

本公司於香港成立之附屬公司須按16.5%(二零一七年:16.5%)之稅率繳納利得稅。

#### (b) 中國大陸企業所得稅(「企業所得稅」)

由二零零八年一月一日起,於中國大陸成立之附屬公司,須依照全國人民代表大會於二零零七年三月十六日通過之中國企業所得稅法(「新企業所得稅法」),和國務院於二零零七年十二月六日批准之新企業所得稅法條例實施細則(「條例實施細則」),釐定並繳納企業所得稅。根據新企業所得稅法及條例實施細則,在中國大陸成立之附屬公司於年內須繳納企業所得稅,稅率為25%(二零一七年:25%)。

經中國大陸有關稅務局批准,在徐州及湛江成立的附屬公司有權享有15%的優惠稅率,有效期至二零二零年十二月三十一日。

#### (c) 越南所得稅

在越南的主要附屬公司之所得稅如下:

經越南的相關稅務局批准,天虹仁澤紡織股份有限公司於二零零六年在越南成立,可就其初步補充投資獨立計算所得稅。該附屬公司的初步投資有權免繳所得稅三年,其後七年則可獲稅率減半優惠,並有權享受優惠所得稅稅率15%達十二年。該附屬公司的首項補充投資有權免繳所得稅三年,其後五年根據20%(二零一七年:20%)的所得稅稅率繳付,可獲稅率減半優惠。該附屬公司的第二項補充投資獲豁免繳納所得稅兩年,其後四年根據20%(二零一七年:20%)的所得稅稅率,可獲所得稅減半優惠。

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### 30. INCOME TAX EXPENSE (Continued)

#### (c) Vietnam income tax (Continued)

As approved by the relevant tax bureau in Vietnam, Texhong Yinlong Technology Ltd. and Texhong Galaxy Technology Limited established in Vietnam in 2014 and 2016, respectively are entitled to four years' exemption for income taxes followed by nine years of a 50% tax reduction, commencing from the first profitable year after offsetting the losses carried forward from the previous years, and are entitled to a preferential income tax rate of 10% for 15 years, commencing from the first year generating income from the operation.

The applicable tax rates for all subsidiaries in Vietnam range from nil to 20% during the year (2017: nil to 20%).

#### (d) Other income or profits tax

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

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

The Company's subsidiary established in Macao is subject to income tax rate of 12% (2017: 12%). No provision for Macao profits tax has been made as the Group had no assessable profit arising in or derived from Macao during the year (2017: nil).

The Company's subsidiary established in Uruguay is subject to income tax rate of 25% (2017: 25%). No provision for Uruguay profits tax has been made as the Group had no assessable profit arising in or derived from Uruguay during the year (2017: nil).

### 30. 所得稅開支(續)

#### (c) 越南所得稅(續)

經越南的相關稅務局批准，於二零一四年及二零一六年分別在越南成立的天虹銀龍科技有限公司及天虹銀河科技有限公司有權於抵銷過往年度結轉的虧損後首個獲利年度起，免繳所得稅四年，其後九年則可獲稅率減半優惠，並有權由業務產生收入之首個年度起享受優惠所得稅稅率10%達十五年。

年內，在越南的所有附屬公司的適用稅率，介乎零至20%（二零一七年：零至20%）。

#### (d) 其他所得或利得稅

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

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

本公司於澳門成立之附屬公司須按12%（二零一七年：12%）之稅率繳付所得稅。由於本集團於年內概無在澳門產生或從澳門賺取應課稅溢利，故概無就澳門利得稅作出撥備（二零一七年：零）。

本公司於烏拉圭成立之附屬公司須按25%（二零一七年：25%）之稅率繳付所得稅。概無就烏拉圭利得稅計提撥備，因為本集團於年內並無於烏拉圭產生或獲得應課稅溢利（二零一七年：零）。



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### 30. INCOME TAX EXPENSE (Continued)

#### (d) Other income or profits tax (Continued)

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

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

The Company's subsidiary acquired in Nicaragua in 2017 is subject to income tax at the rate of 30% (2017: 30%). As approved by relevant Tax Bureau in Nicaragua, the subsidiary is entitled to exemption from profits tax during the year (2017: exempted) and effective till 31 December 2020.

The Company's subsidiaries acquired in Samoa in 2017 are exempted from profits tax during the year (2017: exempted).

The Company's subsidiaries acquired in the USA in 2018 are subject to income tax rate within the range from 27.5% to 30% during the year.

The Company's subsidiary acquired in Mexico in 2018 is subject to income tax at the rate of 35%.

### 30. 所得稅開支(續)

#### (d) 其他所得或利得稅(續)

本公司於土耳其成立之附屬公司須按20% (二零一七年：20%)之稅率繳付所得稅。由於本集團於年內概無在土耳其產生或從土耳其賺取應課稅溢利，故概無就土耳其利得稅作出撥備(二零一七年：零)。

本公司於二零一七年及二零一五年在柬埔寨收購之附屬公司須按20%之稅率繳付所得稅(二零一七年：20%)。由於本集團年內並無由該等附屬公司產生或衍生的應課稅溢利，故概無就柬埔寨利得稅作出撥備(二零一七年：無)。

本公司於二零一七年在尼加拉瓜收購之附屬公司須按30%之稅率繳付所得稅(二零一七年：30%)。經尼加拉瓜有關稅務局批准，該附屬公司於年內獲豁免繳付利得稅(二零一七年：豁免)，有效期至二零二零年十二月三十一日。

本公司於二零一七年在薩摩亞收購之附屬公司於年內豁免繳付利得稅(二零一七年：豁免)。

年內，於二零一八年在美國所收購的本公司附屬公司須按介乎27.5%至30%之所得稅稅率繳稅。

本公司於二零一八年在墨西哥所收購的附屬公司須按35%的所得稅稅率繳稅。

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 30. INCOME TAX EXPENSE (Continued)

#### (d) Other income or profits tax (Continued)

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities, as follows:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Profit before income tax, after excluding share of profits of investments accounted for using the equity method	除所得稅前溢利(經扣除應佔以權益法入賬之投資溢利)	1,401,982	1,374,642
Tax calculated at domestic tax rates applicable to profits of the respective subsidiaries	按適用於相關附屬公司之溢利之當地稅率計算之稅項	284,553	236,520
Effect of tax exemption/reduction	稅項豁免/減免之影響	(18,789)	(41,765)
Expenses not deductible for tax purposes	不可扣稅開支	1,942	1,643
Adjustment in respect of prior years	過往年度調整	(13,317)	(11,597)
Withholding tax relating to unremitted earnings of subsidiaries	有關附屬公司未匯付盈利的預扣稅	1,568	2,296
		<b>255,957</b>	<b>187,097</b>

The weighted average applicable tax rate was 20.3% (2017: 17.2%).

10% withholding income tax is generally imposed on dividends relating to any profits earned in PRC commencing from 2008 to foreign investors, while for some PRC entities held by companies incorporated in certain places, including Hong Kong and Singapore, preferential tax rate of 5% will be applied if such companies are the beneficial owner of over 25% of these PRC entities according to PRC tax regulations.

### 30. 所得稅開支(續)

#### (d) 其他所得或利得稅(續)

本集團除所得稅前溢利的稅款與根據適用於綜合實體溢利的加權平均稅率計算之理論金額不同，差異如下：

適用的加權平均稅率為20.3%(二零一七年：17.2%)。

中國企業所得稅對境外投資者獲分派二零零八年及之後賺取的利潤的股息一般徵收10%預提所得稅，而就若干地區(包括香港及新加坡)註冊成立之公司所持有的中國實體而言，倘該等公司根據中國之稅務條例為該等中國實體超過25%權益之實益擁有人，則享有5%的優惠稅率。

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### 31. EARNINGS PER SHARE

#### (a) Basic

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

		2018 二零一八年	2017 二零一七年
Profit attributable to owners of the Company (RMB'000)	本公司擁有人應佔溢利 (人民幣千元)	1,163,092	1,151,862
Weighted average number of ordinary shares in issue (thousands)	已發行普通股加權平均數 (以千計)	915,000	915,000
Basic earnings per share (RMB per share)	每股基本盈利 (每股人民幣元)	1.27	1.26

#### (b) Diluted

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

		2018 二零一八年	2017 二零一七年
Profit attributable to owners of the Company (RMB'000)	本公司擁有人應佔溢利 (人民幣千元)	1,163,092	1,151,862
Weighted average number of ordinary shares in issue (thousands)	已發行普通股 加權平均數 (以千計)	915,000	915,000
Adjustments for:	調整：		
— Share options (thousands)	— 購股權(以千計)	1,799	1,317
Weighted average number of ordinary shares for diluted earnings per share (thousands)	每股攤薄盈利之普通股 加權平均數 (以千計)	916,799	916,317
Diluted earnings per share (RMB per share)	每股攤薄盈利 (每股人民幣元)	1.27	1.26

### 31. 每股盈利

#### (a) 基本

每股基本盈利以本公司擁有人應佔溢利除以年內已發行普通股之加權平均數計算。

#### (b) 攤薄

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

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### 32. DIVIDENDS

The dividend paid in 2018 were RMB340,262,000 (2017: RMB396,072,000), being HKD0.44 per ordinary share (2017: HKD 0.50 per ordinary share).

### 32. 股息

於二零一八年已支付的股息金額為人民幣340,262,000元(二零一七年：人民幣396,072,000元)，每股普通股0.44港元(二零一七年：每股普通股0.50港元)。

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Final dividend for the year ended 31 December 2017 of HKD0.21 (2016: HKD0.26) per ordinary share	截至二零一七年十二月三十一日止年度末期股息 每股普通股0.21港元 (二零一六年：0.26港元)	156,160	210,137
Interim dividend for the year ended 31 December 2018 of HKD0.23 (2017: HKD0.24) per ordinary share	截至二零一八年十二月三十一日止年度中期股息 每股普通股0.23港元 (二零一七年：0.24港元)	184,102	185,935
		<b>340,262</b>	<b>396,072</b>

A proposed final dividend in respect of the year ended 31 December 2018 of HKD0.20 (2017: HKD0.21) per ordinary share, amounting to a total dividend of RMB160,345,000 (2017: RMB160,618,000) is to be presented for approval at the annual general meeting of the Company on 26 April 2019. These financial statements do not reflect this as dividend payable.

截至二零一八年十二月三十一日止年度之擬派末期股息為每股普通股0.20港元(二零一七年：0.21港元)，股息總金額達人民幣160,345,000元(二零一七年：人民幣160,618,000元)，將於本公司二零一九年四月二十六日之股東週年大會上提呈批准。此等財務報表並不反映此項為應付股息。

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Proposed final dividend for the year ended 31 December 2018 of HKD0.20 (2017: HKD0.21) per ordinary share	截至二零一八年十二月三十一日止年度擬派末期股息 每股普通股0.20港元 (二零一七年：0.21港元)	160,345	160,618

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### 33. CASH FLOW INFORMATION

#### (a) Cash generated from operations

The reconciliation from profit before income tax to cash generated from operations is as follows:

### 33. 現金流資料

#### (a) 經營所產生之現金

除所得稅前溢利與營運產生的現金對賬如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Profit before income tax	除所得稅前溢利	1,423,900	1,361,822
Adjustments for:	調整各項目：		
— Amortisation and depreciation	— 攤銷及折舊	753,202	681,959
— Share of profits less losses of investments accounted for using equity method	— 應佔以權益法入賬之投資溢利減虧損	(21,918)	12,820
— Amortisation of share option scheme	— 購股權計劃攤銷	500	3,319
— Losses on disposal of property, plant and equipment and land use rights (Note 26)	— 出售物業、廠房及設備及土地使用權虧損(附註26)	2,618	5,985
— Finance costs — net	— 財務費用淨額	493,492	76,535
— Fair value losses on derivative financial instruments and assets (Note 25)	— 衍生金融工具及資產公平值虧損(附註25)	12,992	238,616
— Settlement on derivative financial instruments (Note 25)	— 衍生金融工具結算(附註25)	3,601	(19,725)
— Gains on disposal of joint-ventures (Note 25)	— 出售合營企業之收益(附註25)	(200)	—
— Gains on disposal of subsidiaries (Note 25)	— 出售附屬公司之收益(附註25)	(7,679)	—
— Gains on step-acquisition of an associate and its subsidiaries (Note 25)	— 分步收購聯營公司及其附屬公司之收益(附註25)	—	(4,027)
— Gains on acquisition of subsidiaries (Note 25)	— 收購附屬公司之收益(附註25)	—	(173,434)
— Costs related to acquisition of subsidiaries (Note 34)	— 收購附屬公司有關之費用(附註34)	240	—
— Net exchange differences	— 匯兌差額淨額	(18,284)	15,542
Changes in working capital (excluding the effects of exchange differences on consolidation):	營運資金變動(綜合賬目之匯兌差額的影響除外)：		
— Inventories	— 存貨	(1,379,581)	(562,215)
— Properties under development	— 發展中物業	(200,667)	—
— Trade and bills receivables	— 應收貿易及票據款項	(21,913)	75,180
— Prepayments, deposits and other receivables	— 預付款項、按金及其他應收賬款	(215,486)	799,221
— Trade and bills payables	— 應付貿易及票據款項	132,872	(190,147)
— Contract liabilities	— 合約負債	88,272	—
— Accruals and other payables	— 預提費用及其他應付賬款	(114,952)	91,852
— Pledged bank deposits	— 已抵押銀行存款	11,680	—
Cash generated from operations	經營所產生之現金	942,689	2,413,303

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### 33. CASH FLOW INFORMATION (Continued)

#### (a) Cash generated from operations

(Continued)

In the consolidated cash flow statement, proceeds from disposal of property, plant and equipment include:

	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Net book amount — freehold land and land use rights (Note 6)	—	16,580
Net book amount — property, plant and equipment (Note 7)	47,136	39,084
Losses on disposal of property, plant and equipment and land use rights (Note 26)	(2,618)	(5,985)
Proceeds from disposal of property, plant and equipment and land use rights	44,518	49,679

#### (b) Non-cash investing and financing activities

### 33. 現金流資料(續)

#### (a) 經營所產生之現金(續)

於綜合現金流量表，出售物業、廠房及設備的所得款項包括：

	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Acquisition of plant and equipment by means of finance leases (Note 20)	—	19,580
Acquisition of plant and equipment by means of long-term payables (Note 21)	145,188	—
	145,188	19,580



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### 33. CASH FLOW INFORMATION (Continued)

#### (c) Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the years presented.

### 33. 現金流資料(續)

#### (c) 淨債務對賬

本節載列各個呈列年度的淨債務分析及淨債務變動。

Net debt	淨債務	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Cash and cash equivalents	現金及現金等值物	1,054,721	1,466,718
Pledged bank deposits	已抵押銀行存款	145,019	88,249
Borrowings — repayable within one year	借款 — 須於一年內償還	(2,252,547)	(2,562,369)
Borrowings — repayable after one year	借款 — 須於一年後償還	(4,875,187)	(2,987,229)
Finance leases — repayable within one year	融資租賃 — 須於一年內償還	(831)	(5,623)
Finance leases — repayable after one year	融資租賃 — 須於一年後償還	—	(1,587)
Long term payables — repayable within one year	長期應付賬款 — 須於一年內償還	(22,295)	—
Long term payables — repayable after one year	長期應付賬款 — 須於一年後償還	(122,893)	—
<b>Net debt</b>	<b>淨債務</b>	<b>(6,074,013)</b>	<b>(4,001,841)</b>
Cash and cash equivalents	現金及現金等值物	1,054,721	1,466,718
Pledged bank deposits	已抵押銀行存款	145,019	88,249
Gross debt — fixed interest rates	總債務 — 固定利率	(2,105,995)	(2,265,446)
Gross debt — variable interest rates	總債務 — 浮動利率	(5,167,758)	(3,291,362)
<b>Net debt</b>	<b>淨債務</b>	<b>(6,074,013)</b>	<b>(4,001,841)</b>

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### 33. CASH FLOW INFORMATION (Continued) (c) Net debt reconciliation (Continued)

### 33. 現金流資料(續) (c) 淨債務對賬(續)

	Other assets 其他資產				Liabilities from financing activities 來自融資活動之負債				Total 總計
	Cash and cash overdrafts	Pledged bank deposits	Finance leases due within 1 year 於一年內	Finance leases due after 1 year 於一年後	Long term	Long term	Borrowings due within 1 year	Borrowings due after 1 year	
					payables due within 1 year 於一年內	payables due after 1 year 於一年後			
	現金及 現金透支 RMB'000 人民幣千元	已抵押 銀行存款 RMB'000 人民幣千元	到期的 融資租賃 RMB'000 人民幣千元	到期的 融資租賃 RMB'000 人民幣千元	應付賬款 RMB'000 人民幣千元	應付賬款 RMB'000 人民幣千元	於一年內 到期的借款 RMB'000 人民幣千元	於一年後 到期的借款 RMB'000 人民幣千元	
Net debt as at 1 January 2017	於二零一七年 一月一日的 淨債務	1,813,208	181,201	-	-	-	(3,549,669)	(2,559,625)	(4,114,885)
Cash flows	現金流	(346,490)	(92,952)	-	-	-	2,217,548	(1,630,034)	148,072
Acquisitions — finance leases and borrowings	收購—融資租賃 及借款	-	-	(5,623)	(1,587)	-	-	(212,969)	-
Foreign exchange adjustments	外匯調整	-	-	-	-	-	25,625	159,546	185,171
Other changes (i)	其他變動(i)	-	-	-	-	-	(1,042,884)	1,042,884	-
Net debt as at 31 December 2017	於二零一七年 十二月三十一日 的淨債務	1,466,718	88,249	(5,623)	(1,587)	-	(2,562,369)	(2,987,229)	(4,001,841)
Cash flows	現金流	(411,997)	56,770	5,001	1,628	-	1,464,230	(2,877,566)	(1,761,934)
Foreign exchange adjustments	外匯調整	-	-	-	-	-	(18,960)	(145,840)	(164,800)
Other changes (i)	其他變動(i)	-	-	(209)	(41)	(22,295)	(1,135,448)	1,135,448	(145,438)
Net debt as at 31 December 2018	於二零一八年 十二月三十一日 的淨債務	1,054,721	145,019	(831)	-	(22,295)	(2,252,547)	(4,875,187)	(6,074,013)

(i) Other changes include non-cash movements and reclassifications.

(i) 其他變動包括非現金變動及重新分類。

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### 34. BUSINESS COMBINATIONS

#### (a) Acquisition in 2018

On 1 July 2018, the Group has completed the acquisition of 65% interest of Precious Cypress Limited and its subsidiaries from a third party for a total consideration of RMB95,114,000.

The particulars of Precious Cypress Limited and its subsidiaries are set out as follows:

Name of companies 公司名稱	Place of incorporation 註冊成立地點	Principal activities 主要業務
Precious Cypress Limited	British Virgin Island 英屬處女群島	Investment holding company 投資控股公司
Twin Dragon Marketing, Inc.	USA 美國	Sales of denim fabrics and apparel 銷售牛仔面料及服裝
Twin Dragon Sales (N.Y.) Inc.	USA 美國	Providing rental service 提供租賃服務
Phoenix Textile NY Inc.	USA 美國	Providing rental service 提供租賃服務
Blue Dragon Inc.	USA 美國	Providing agency service 提供代理服務
Jacob Davis, Inc.	USA 美國	Providing agency service 提供代理服務
United Dragon SA de CV	Mexico 墨西哥	Providing the documentation and logistics service 提供文檔及物流服務
Blue River Denim, Inc.	USA 美國	Providing denim washing service 提供牛仔水洗服務
Phoenix Textiles, Inc.	USA 美國	Sales of branded apparel 銷售品牌服裝

Considering the increasing demand of functional apparel and stylish clothing, the Group has decided to increase its presence in these markets. The Group signed a sale and purchase agreement with a third party to acquire Precious Cypress Limited and its subsidiaries, which are mainly engaged in the sales of denim fabrics and apparel in United States and Mexico. This acquisition could also supplement the growth of the Group's business in United States and Mexico for products produced at the production bases of the Group in Central America and Vietnam.

The Group recognised goodwill of RMB17,641,000 from the acquisition which is included in the consolidated balance sheet for the year ended 31 December 2018. The goodwill is attributable to the synergistic effect of the acquired business.

### 34. 業務合併

#### (a) 於二零一八年的收購

於二零一八年七月一日，本集團以人民幣95,114,000元之總代價向第三方完成收購Precious Cypress Limited及其附屬公司的65%權益。

Precious Cypress Limited及其附屬公司詳情列示如下：

考慮到市場對於功能服裝的及潮流服飾需求增漲，本集團決定增強其於該等市場的地位。本集團與第三方簽立買賣協議以收購Precious Cypress Limited及其附屬公司，其主要於美國及墨西哥從事銷售牛仔面料及服裝。此收購亦可補充本集團於美國及墨西哥的業務在本集團於中美洲及越南的生產基地生產產品的增長。

本集團自該等收購事項確認商譽人民幣17,641,000元，有關商譽已計入截至二零一八年十二月三十一日止年度之綜合資產負債表內。商譽歸因於所收購業務的協同效應。

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### 34. BUSINESS COMBINATIONS (Continued)

#### (a) Acquisition in 2018 (Continued)

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

### 34. 業務合併(續)

#### (a) 於二零一八年的收購(續)

於收購事項之收購日期，已收購資產及所承擔負債公平值總數之詳情概述如下：

		Fair value at acquisition date 收購日期之 公平值 RMB'000 人民幣千元
<b>Total consideration:</b>	<b>總代價</b>	
— Cash	— 現金	95,114
<b>Recognised amounts of identifiable assets acquired and liabilities assumed</b>	<b>所收購可識別資產及 所承擔負債之已確認金額</b>	
Cash and cash equivalents	現金及現金等值物	32,712
Property, plant and equipment (Note 7)	物業、廠房及設備(附註7)	8,965
Intangible assets (Note 8)	無形資產(附註8)	54,918
Inventories	存貨	67,522
Trade and bills receivables	應收貿易及票據款項	131,717
Prepayments, deposits and other receivables	預付款項、按金及 其他應收款項	36,040
Trade and bills payables	應付貿易及票據款項	(172,005)
Accruals and other payables	預提費用及其他應付款項	(24,204)
Deferred income tax liabilities (Note 22)	遞延所得稅負債(附註22)	(16,475)
<b>Total identifiable net assets</b>	<b>可識別資產總額淨值</b>	<b>119,190</b>
Non-controlling interests	非控股權益	(41,717)
Goodwill (Note 8)	商譽(附註8)	17,641
		<b>95,114</b>
Cash and cash equivalents in subsidiaries acquired	於所收購附屬公司之 現金及現金等值物	32,712
Consideration for acquisitions settled in cash	收購事項以現金結付之代價	(95,114)
Cash paid on acquisitions	就收購事項支付之現金	(62,402)

Acquisition related costs of RMB240,000 have been charged to administrative expenses in the consolidated income statement for the year ended 31 December 2018.

收購事項相關成本人民幣240,000元已於截至二零一八年十二月三十一日止年度的綜合收益表之行政開支中扣除。

## 綜合財務報表附註

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 34. BUSINESS COMBINATIONS (Continued)

#### (a) Acquisition in 2018 (Continued)

Non-controlling interests of RMB41,717,000 was recognised as 35% of the fair value of the acquired group's net identifiable assets at the acquisition date.

The revenue included in the consolidated income statement from 1 July 2018 to 31 December 2018 contributed by Precious Cypress Limited and its subsidiaries acquired from a third party on 1 July 2018 was RMB443,274,000. Precious Cypress Limited and its subsidiaries made losses of RMB334,000 over the same period.

Had all the acquired companies been consolidated from 1 January 2018, the consolidated income statement would show pro-forma revenue of RMB19,572,942,000 and profit of RMB1,166,933,000.

#### (b) Acquisition to be completed

On 7 December 2018 (after trading hours), the Company entered into the Sale and Purchase Agreement ("S&P Agreement") with the vendors and the guarantors for the purchase of the entire issued share capital of Winnitex Holdings and the entire equity interest of Zhejiang Qing Mao ("Target Group") for an aggregate consideration of approximately HK\$1.35 billion.

The Target Group is principally engaged in the manufacturing and sale of woven textile fabrics and providing a vertically integrated service, from spinning, weaving, dyeing, to finishing for its international clients. They sell directly to many of the largest international fashion and workwear brands. With the acquisition of the Target Group, the Board believes that the Group will be able to increase its annual production capacity in dyed woven fabric. This combination will allow quality-driven flexibility to the fast-paced apparel and technical workwear businesses and will create synergy benefits for the Group by leveraging on the well-established customer base and brand reputation of the Target Group. The Group's capability to produce high quality dyed woven fabrics in the PRC, Vietnam and Nicaragua and its profitability will be significantly enhanced.

Pursuant to the S&P Agreement, the Group paid RMB236,102,000 to the vendors as deposit upon signing of the S&A Agreement. Till the date of the issuance of these financial statements, the acquisition has not yet completed.

### 34. 業務合併(續)

#### (a) 於二零一八年的收購(續)

非控股權益人民幣41,717,000元於收購日按收購集團可資識別的淨資產公平值的35%確認。

自二零一八年七月一日至二零一八年十二月三十一日，由Precious Cypress Limited及其附屬公司(於二零一八年七月一日向第三方收購)所貢獻之已計入綜合收益表的收入為人民幣443,274,000元。Precious Cypress Limited及其附屬公司亦於同期錄得虧損人民幣334,000元。

倘已收購公司全部自二零一八年一月一日起綜合入賬本集團，綜合收益表將錄得備考收入人民幣19,572,942,000元及溢利人民幣1,166,933,000元。

#### (b) 尚待完成的收購

於二零一八年十二月七日(交易時段後)，本公司與賣方及擔保人訂立買賣協議(「買賣協議」)，以購買Winnitex Holdings之全部已發行股本及浙江慶茂(「目標集團」)之全部股權，總代價約為13.5億港元。

目標集團主要從事製造及銷售梭織面料，並為國際客戶提供紡紗、織布、染整以至製成之綜向整合服務，其直接向多家大型國際時裝及工作服品牌進行銷售。隨著收購目標集團，董事會相信本集團色織布之年產能將會增加。以上種種因素有助我們具備以品質為主之靈活彈性應對步伐急速之服裝及技術工作服務，並藉著目標集團之龐大客戶群及品牌聲譽，為本集團帶來協同效益。本集團於中國、越南及尼加拉瓜生產高質素染色織布之能力及其盈利能力將會顯著上升。

根據買賣協議，本集團於簽訂買賣協議時已向賣方支付人民幣236,102,000元作為按金。截至財務報表刊發日期，收購尚未完成。

## 綜合財務報表附註

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 35. COMMITMENTS

#### (a) Capital expenditure commitments

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

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備		
Authorised but not contracted for	已授權但未訂約	780,177	1,601,311
Contracted but not provided for	已訂約但未撥備	591,010	148,954
<b>Total capital expenditure commitments</b>	<b>資本開支承擔總額</b>	<b>1,371,187</b>	<b>1,750,265</b>

As at 31 December 2018, the capital expenditure commitments for property, plant and equipment mainly represent the expansion plan and investment budget in Mainland China of RMB216,378,000, and in Vietnam of RMB328,927,000, in Nicaragua of RMB648,058,000 and in Turkey of RMB177,824,000.

### 35. 承擔

#### (a) 資本開支承擔

於結算日的資本開支(但未產生)如下:

於二零一八年十二月三十一日，物業、廠房及設備的資本開支承擔主要代表在中國、越南、尼加拉瓜、土耳其的擴充計劃及投資預算，分別為數人民幣216,378,000元、人民幣328,927,000元、人民幣648,058,000元和人民幣177,824,000。

#### (b) Operating lease commitments

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

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
No later than 1 year	一年內	43,350	27,248
Later than 1 year and no later than 5 years	一年後至五年內	123,791	59,325
Later than 5 years	超過五年	90,604	106,820
		<b>257,745</b>	<b>193,393</b>
Relating to:	關於：		
Land use rights	土地使用權	51,234	22,818
Property, plant and equipment	物業、廠房及設備	206,511	170,575
		<b>257,745</b>	<b>193,393</b>

#### (b) 經營租賃承擔

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



## 綜合財務報表附註

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 36. RELATED-PARTY TRANSACTIONS

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

The Group is controlled by New Green Group Limited (incorporated in BVI), which directly and indirectly owns 59.5% of the Company's shares. The remaining 40.5% of the shares are widely held. The ultimate parent of the Group is Texhong Group Holdings Limited (incorporated in Cayman Islands). The ultimate controlling party of the Group is Mr Hong Tian Zhu.

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

Name of related party 關聯方名稱	Relationship with the Group 與本集團的關係
Nantong Textile Group Co., Ltd. 南通紡織控股集團紡織染有限公司	Associated company 聯營公司
Foshan Zhao Yue Textile Co., Ltd. 佛山市兆越紡織有限公司	Joint venture (i) 合營企業 (i)
Texhong Tan Cang Logistics Joint Stock Company 天虹新港物流股份公司	Joint venture 合營企業
Texhong Industrial Park Vietnam Limited 天虹工業園區越南有限公司	A company controlled by the chairman of the Group 由本集團主席所控制之公司
Hualida (Vietnam) Garments Limited Company 華利達(越南)服裝責任有限公司	Associated company 聯營公司
Hang Chi Enterprise Co., Ltd. 恒志企業有限公司	Associated company up to 30 December 2017 (ii) 二零一七年十二月三十一日前為聯營公司 (ii)
Taltex (Zhuhai) Co., Ltd. 聯業織染(珠海)有限公司	Associated company up to 30 December 2017 (ii) 二零一七年十二月三十一日前為聯營公司 (ii)
Wah Fung Knitters Co., Ltd. 華峰針織有限公司	Associated company up to 30 December 2017 (ii) 二零一七年十二月三十一日前為聯營公司 (ii)
(i) On 15 March 2018, the Group sold all 50% interest of Shelink Limited and its subsidiary, Foshan Zhao Yue Textile Co., Ltd.	(i) 於二零一八年三月十五日，本集團出售 Shelink Limited 及其附屬公司佛山市兆越紡織有限公司的全部 50% 權益。
(ii) On 31 December 2017, the Group acquired the rest 51% interest of Hang Chi Enterprise Co., Ltd. and its subsidiaries, including Taltex (Zhuhai) Co., Ltd. and Wah Fung Knitters Co., Ltd.	(ii) 於二零一七年十二月三十一日，本集團收購恒志企業有限公司及其附屬公司其餘 51% 權益，包括聯業織染(珠海)有限公司及華峰針織有限公司。

### 36. 與關聯方的交易

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

本集團由 New Green Group Limited (於英屬處女群島註冊成立) 控制，其直接及間接擁有本公司股份之 59.5%。本公司股份餘下之 40.5% 被廣泛持有。本集團之最終母公司為 Texhong Group Holdings Limited (於開曼群島註冊成立)。本集團之最終控制方為洪天祝先生。

與本集團進行商業交易的關聯方如下：

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### 36. RELATED-PARTY TRANSACTIONS

(Continued)

#### (a) Transactions with related parties

### 36. 與關聯方的交易 (續)

#### (a) 與關聯方的交易

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Sales of goods	銷售貨品		
— Nantong Textile Group Co., Ltd.	— 南通紡織控股集團紡織染有限公司	16,809	2,022
— Hualida (Vietnam) Garments Limited Company	— 華利達(越南)服裝責任有限公司	1,898	518
— Taltex (Zhuhai) Co., Ltd.	— 聯業織染(珠海)有限公司	-	104,985
— Wah Fung Knitters Co., Ltd.	— 華峰針織有限公司	-	42,982
— Foshan Zhao Yue Textile Co., Ltd.	— 佛山市兆越紡織有限公司	-	3,297
		<b>18,707</b>	<b>153,804</b>
Purchases of land use rights	購買土地使用權		
— Texhong Industrial Park Vietnam Limited	— 天虹工業園區越南有限公司	133,707	29,767
Purchases of goods	購買貨品		
— Nantong Textile Group Co., Ltd.	— 南通紡織控股集團紡織染有限公司	17,505	16,221
— Hualida (Vietnam) Garments Limited Company	— 華利達(越南)服裝責任有限公司	9,311	-
— Foshan Zhao Yue Textile Co., Ltd.	— 佛山市兆越紡織有限公司	-	337
— Taltex (Zhuhai) Co., Ltd.	— 聯業織染(珠海)有限公司	-	102
		<b>26,816</b>	<b>16,660</b>
Purchases of utilities	購買動力及燃料		
— Texhong Industrial Park Vietnam Limited	— 天虹工業園區越南有限公司	129,173	82,842
— Foshan Zhao Yue Textile Co., Ltd.	— 佛山市兆越紡織有限公司	-	101
		<b>129,173</b>	<b>82,943</b>

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### 36. RELATED-PARTY TRANSACTIONS

(Continued)

#### (a) Transactions with related parties (Continued)

	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Purchases of services		
— Texhong Tan Cang Logistics Joint Stock Company	51,411	23,114
— Taltex (Zhuhai) Co., Ltd.	—	21,758
— Foshan Zhao Yue Textile Co., Ltd.	—	1,801
	51,411	46,673

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

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

#### (b) Balance with related parties

	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Trade receivables		
— Nantong Textile Group Co., Ltd.	3,147	2,366
— Hualida (Vietnam) Garments Limited Company	1,984	653
	5,131	3,019
Trade payables		
— Texhong Industrial Park Vietnam Limited	3,751	4,066
— Texhong Tan Cang Logistics Joint Stock Company	2,106	—
— Hualida (Vietnam) Garments Limited Company	14	—
— Nantong Textile Group Co., Ltd.	—	491
	5,871	4,557

### 36. 與關聯方的交易 (續)

#### (a) 與關聯方的交易 (續)

#### (b) 與關聯方的結餘

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### 36. RELATED-PARTY TRANSACTIONS

(Continued)

#### (c) Key management compensation

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Salaries, wages and bonuses	薪酬、工資及花紅	24,607	25,020
Pension costs — defined contribution plan	退休金成本 — 界定供款計劃	364	659
Other benefits	其他福利	77	132
		<b>25,048</b>	<b>25,811</b>

### 36. 與關聯方的交易 (續)

#### (c) 主要管理層薪酬

### 37. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

#### (a) Balance sheet of the Company

		As at 31 December 於十二月三十一日	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
<b>ASSETS</b>	<b>資產</b>		
<b>Non-current assets</b>	<b>非流動資產</b>		
Property, plant and equipment	物業、廠房及設備	28	15
Investments in subsidiaries	於附屬公司的投資	4,836,603	3,263,040
Other non-current assets	其他非流動資產	236,102	—
		<b>5,072,733</b>	<b>3,263,055</b>
<b>Current assets</b>	<b>流動資產</b>		
Trade and bills receivables	應收貿易及票據款項	14,953	320,742
Prepayments, deposits and other receivables	預付款項、按金及其他應收賬款	33,094	18,185
Due from subsidiaries	應收附屬公司款項	3,107,245	2,994,274
Derivative financial instruments	衍生金融工具	60,009	51,876
Cash and cash equivalents	現金及現金等值物	19,740	8,930
		<b>3,235,041</b>	<b>3,394,007</b>
<b>Total assets</b>	<b>總資產</b>	<b>8,307,774</b>	<b>6,657,062</b>

### 37. 本公司之資產負債表及儲備變動

#### (a) 本公司之資產負債表

## 綜合財務報表附註

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2018

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### 37. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

(Continued)

(a) Balance sheet of the Company (Continued)

### 37. 本公司之資產負債表及儲備變動(續)

(a) 本公司之資產負債表(續)

		As at 31 December 於十二月三十一日	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
<b>EQUITY</b>	<b>股東權益</b>		
<b>Equity attributable to owners of the Company</b>	<b>本公司擁有人應佔股東權益</b>		
Share capital: nominal value	股本：面值	96,709	96,709
Share premium	股份溢價	433,777	433,777
Other reserves	其他儲備	193,317	192,817
Retained earnings	保留溢利	1,574,817	1,019,227
<b>Total equity</b>	<b>總股東權益</b>	<b>2,298,620</b>	<b>1,742,530</b>
<b>LIABILITIES</b>	<b>負債</b>		
<b>Non-current liabilities</b>	<b>非流動負債</b>		
Borrowings	借貸	3,902,769	2,596,210
		<b>3,902,769</b>	<b>2,596,210</b>
<b>Current liabilities</b>	<b>流動負債</b>		
Bills payable	應付票據款項	1,430,247	1,878,833
Accruals and other payables	預提費用及其他應付賬款	15,075	49,408
Due to subsidiaries	應付附屬公司款項	18,577	15,990
Borrowings	借貸	639,815	372,811
Derivative financial instruments	衍生金融工具	2,671	1,280
		<b>2,106,385</b>	<b>2,318,322</b>
<b>Total liabilities</b>	<b>總負債</b>	<b>6,009,154</b>	<b>4,914,532</b>
<b>Total equity and liabilities</b>	<b>總股東權益及負債</b>	<b>8,307,774</b>	<b>6,657,062</b>

The balance sheet of the Company was approved by the Board of Directors on 7 March 2019 and was signed on its behalf by:

本公司資產負債表已於二零一九年三月七日獲董事會批准，並由下列董事代表董事會簽署：

Hong Tianzhu  
Director

Zhu Yongxiang  
Director

洪天祝  
董事

朱永祥  
董事

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### 37. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

(Continued)

#### (b) Reserve movement of the Company

### 37. 本公司之資產負債表及儲備變動(續)

#### (b) 本公司之儲備變動

		Other reserves 其他儲備 RMB'000 人民幣千元	Retained earnings 保留溢利 RMB'000 人民幣千元
At 1 January 2017	於二零一七年一月一日	189,498	1,691,098
Loss for the year	年度虧損	-	(275,799)
Employee share option scheme	僱員購股權計劃	3,319	-
Dividend relating to 2016	二零一六年之股息	-	(210,137)
Dividend relating to 2017	二零一七年之股息	-	(185,935)
At 31 December 2017	於二零一七年 十二月三十一日	192,817	1,019,227
At 1 January 2018	於二零一八年一月一日	192,817	1,019,227
Profit for the year	年度溢利	-	895,852
Employee share option scheme	僱員購股權計劃	500	-
Dividend relating to 2017	二零一七年之股息	-	(156,160)
Dividend relating to 2018	二零一八年之股息	-	(184,102)
At 31 December 2018	於二零一八年 十二月三十一日	193,317	1,574,817



## 綜合財務報表附註

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

### 38. BENEFITS AND INTERESTS OF DIRECTORS

#### (a) Directors' and chief executive's emoluments

The Group does not have a chief executive who is not also a director of the Company.

The remuneration of every director is set out below:

For the year ended 31 December 2018, emoluments paid or payable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking:

### 38. 董事福利及權益

#### (a) 董事及行政總裁酬金

本集團沒有不同時為本公司董事的行政總裁。

應付予每位董事的酬金如下：

截至二零一八年十二月三十一日止年度，就個人擔任董事提供服務（不論本公司或其附屬公司）已付或應付酬金：

Name of Director	Fees	Salaries	Discretionary bonuses	Housing allowance	Estimated money value of other benefits	Employer's contribution to benefit scheme	Total
董事姓名	袍金 RMB'000 人民幣千元	薪金 RMB'000 人民幣千元	酌情花紅 RMB'000 人民幣千元	住屋津貼 RMB'000 人民幣千元	其他福利之估計價值 RMB'000 人民幣千元	僱主福利計劃供款 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
Executive Directors: 執行董事:							
Hong Tianzhu 洪天祝	-	1,009	1,836	-	-	1	2,846
Zhu Yongxiang 朱永祥	-	1,007	4,500	-	16	16	5,539
Tang Daoping 湯道平	-	1,045	4,500	-	16	16	5,577
Hui Tsz Wai 許子慧	-	3,643	307	-	-	331	4,281
Ji Zhongliang 吉忠良	-	888	900	-	22	-	1,810
Independent non-executive Directors: 獨立非執行董事:							
Ting Leung Huel, Stephen 丁良輝	263	-	-	-	-	-	263
Cheng Longdi 程隆棟	131	-	-	-	-	-	131
Tao Xiaoming 陶肖明	158	-	-	-	-	-	158
	552	7,592	12,043	-	54	364	20,605

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### 38. BENEFITS AND INTERESTS OF DIRECTORS (Continued)

#### (a) Directors' and chief executive's emoluments (Continued)

For the year ended 31 December 2017, emoluments paid or payable in respect of a person's services as a director, whether of the company or its subsidiary undertaking:

Name of Director	Fees	Salaries	Discretionary bonuses	Housing allowance	Estimated money value of other benefits	Employer's contribution to benefit scheme	Total
董事姓名	袍金	薪金	酌情花紅	住屋津貼	其他福利之估計價值	僱主福利計劃供款	總計
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Executive Directors: 執行董事:							
Hong Tianzhu 洪天祝	-	1,009	1,796	57	-	1	2,863
Zhu Yongxiang 朱永祥	-	1,404	4,489	-	16	87	5,996
Tang Daoping 湯道平	-	1,028	4,500	-	16	87	5,631
Hui Tsz Wai 許子慧	-	3,160	309	-	-	316	3,785
Ji Zhongliang 吉忠良	-	648	480	-	22	59	1,209
Independent non-executive Directors: 獨立非執行董事:							
Ting Leung Huel, Stephen 丁良輝	251	-	-	-	-	-	251
Cheng Longdi 程隆棟	125	-	-	-	-	-	125
Tao Xiaoming 陶肖明	151	-	-	-	-	-	151
	527	7,249	11,574	57	54	550	20,011

### 38. 董事福利及權益(續)

#### (a) 董事及行政總裁酬金(續)

截至二零一七年十二月三十一日止年度，就個人擔任董事提供服務(不論本公司或其附屬公司)已付或應付酬金：

#### (b) Directors' retirement and termination benefits

None of the directors received or will receive any retirement benefits or termination benefits during the year.

#### (c) Consideration provided to third parties for making available directors' services

The Group did not pay consideration to any third parties for making available directors' services during the year.

#### (d) Information about loans, quasi-loans and other dealings in favour of directors, bodies corporate controlled by or entities connected with such directors

No loans, quasi-loans and other dealings were made available in favour of directors, bodies corporate controlled by or entities connected with such directors subsisted at the end of the year or at any time during the year.

#### (b) 董事退任及終止僱用福利

年內，概無董事曾或將獲得任何退任福利或終止僱用福利。

#### (c) 就提供董事服務向第三方提供之代價

年內，本集團概無就提供董事服務向任何第三方支付之代價。

#### (d) 有關以董事、其受控法團或其關連實體為受益人之貸款、準貸款及其他交易的資料

概無於年末或年內任何時間存在之以董事、其受控法團或其關連實體為受益人之貸款、準貸款及其他交易。

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### 38. BENEFITS AND INTERESTS OF DIRECTORS (Continued)

- (e) **Directors' material interests in transactions, arrangements or contracts**  
No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

### 38. 董事福利及權益(續)

- (e) **董事於交易、安排或合約之重大權益**  
本公司概無訂立與本集團業務有關，而本公司董事直接或間接擁有重大權益且於年末或年內任何時間存在之重大交易、安排及合約。

### 39. PRINCIPAL SUBSIDIARIES

The following is a list of the Group's principal subsidiaries, all of which are unlisted, at 31 December 2018:

### 39. 主要附屬公司資料

下表列示本集團於二零一八年十二月三十一日的重大附屬公司(均為非上市)：

Name of subsidiary 附屬公司名稱	Place and date of incorporation and form of legal entity 註冊成立地點及日期及法律實體類別	Principal activities and place of operations 主要業務及營運地點	Particulars of issued share capital or paid-in capital 已發行股本或繳入的股本詳情	Interest held 所持權益
<b>Directly held:</b> 直接持有：				
Texhong Textile Holdings Limited 天虹紡織控股有限公司	British Virgin Islands 26 May 2004, limited liability company 英屬處女群島 二零零四年五月二十六日，有限責任公司	Investment holding in British Virgin Islands 於英屬處女群島投資控股	100 ordinary shares of USD1 each 100股每股1美元普通股	100%
Sunray International Holdings Limited 新銳國際控股有限公司	British Virgin Islands 21 January 2005, limited liability company 英屬處女群島 二零零五年一月二十一日，有限責任公司	Investment holding in British Virgin Islands 於英屬處女群島投資控股	1 ordinary share of USD1 each 1股每股1美元普通股	100%
Texhong Vietnam Investment Limited 天虹越南投資有限公司	British Virgin Islands, 6 September 2006, limited liability company 英屬處女群島 二零零六年九月六日，有限責任公司	Investment holding in British Virgin Islands 於英屬處女群島投資控股	50,000 ordinary shares of USD1 each 50,000股每股1美元普通股	100%
Prosperous Time Holdings Limited 好景創投有限公司	British Virgin Islands, 12 May 2015, limited liability company 英屬處女群島 二零一五年五月十二日，有限責任公司	Investment holding in British Virgin Islands 於英屬處女群島投資控股	USD1 1美元	100%
Huafeng Knitting Holdings Limited 華峰針織控股有限公司	Hong Kong, April 2016, limited liability company 香港 二零一六年四月，有限責任公司	Investment holding in Hong Kong 於香港投資控股	USD100 100美元	100%
Zhong Zhan Textile Holdings Limited 中湛紡織控股有限公司	British Virgin Islands, 10 March 2015, limited liability company 英屬處女群島 二零一五年三月十日，有限責任公司	Investment holding in British Virgin Islands 於英屬處女群島投資控股	USD1 1美元	100%

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### 39. PRINCIPAL SUBSIDIARIES (Continued)

### 39. 主要附屬公司資料(續)

Name of subsidiary 附屬公司名稱	Place and date of incorporation and form of legal entity 註冊成立地點及日期及法律實體類別	Principal activities and place of operations 主要業務及營運地點	Particulars of issued share capital or paid-in capital 已發行股本或繳入的股本詳情	Interest held 所持權益
<b>Indirectly held:</b> 間接持有：				
Jiangsu Century Texhong Textile Co., Ltd.	Xuzhou, Mainland China, 6 June 2000, limited liability company	Manufacturing and sales of yarns, grey fabrics, dyed clothes and dress; processing of cotton in Mainland China	USD15,000,000	100%
江蘇世紀天虹紡織有限公司	中國徐州 二零零零年六月六日，有限責任公司	於中國大陸製造及銷售紗線、 坯布、染布及服裝；棉花加工	15,000,000美元	
Nantong Century Texhong Textile Co., Ltd.	Nantong, Mainland China, 7 June 2002, limited liability company	Manufacturing and sales of yarns, grey fabrics and dyed fabrics in Mainland China	USD5,500,000	100%
南通世紀天虹紡織有限公司	中國南通 二零零二年六月七日，有限責任公司	於中國大陸製造及銷售紗線、 坯布及染布	5,500,000美元	
Xuzhou Texhong Yinfeng Textile Co., Ltd.	Xuzhou, Mainland China, 12 May 2004, limited liability company	Manufacturing and sales of yarns, grey fabrics, clothes and dyed fabrics in Mainland China	USD7,800,000	100%
徐州天虹銀豐紡織有限公司	中國徐州 二零零四年五月十二日，有限責任公司	於中國大陸製造及銷售紗線、 坯布、布料及染布	7,800,000美元	
Xuzhou Texhong Times Textile Co., Ltd.	Xuzhou, Mainland China, 29 December 2004, limited liability company	Manufacturing and sales of top-grade yarns, thread, grey fabrics, textile knitting products, and garments in Mainland China	USD43,000,000	100%
徐州天虹時代紡織有限公司	中國徐州 二零零四年十二月二十九日，有限責任公司	於中國大陸製造及銷售高級紗線、 線、坯布、紡織與織造產品及成衣	43,000,000美元	
Texhong (China) Investment Co., Ltd.	Shanghai, Mainland China, 21 June 2005, Limited liability company	Investment holding and trading of textile products in Mainland China	USD100,000,000	100%
天虹(中國)投資有限公司	中國上海 二零零五年六月二十一日，有限責任公司	投資控股及於中國大陸買賣紡織產品	100,000,000美元	
Xuzhou Texhong Yinlian Textile Co., Ltd.	Xuzhou, Mainland China, 30 March 2006, limited liability company	Manufacturing top-grade yarns, thread, grey fabrics, dresses, in Mainland China	USD20,500,000	100%
徐州天虹銀聯紡織有限公司	中國徐州 二零零六年三月三十日，有限責任公司	於中國大陸製造高級紗線、線、 坯布及服裝	20,500,000美元	
Sunray Macao Commercial Offshore Limited.	Macao, 19 December 2005, limited liability company	Trading in Macao	MOP\$100,000	100%
新濠澳門離岸商業服務有限公司	澳門 二零零五年十二月十九日，有限責任公司	於澳門貿易	100,000澳門幣	
Changzhou Texhong Textile Co., Ltd.	Changzhou, Mainland China, 1 January 1979, limited liability company	Manufacturing and sales of textile, decoration and garment in Mainland China	RMB32,145,000	100%
常州天虹紡織有限公司	中國常州 一九七九年一月一日，有限責任公司	於中國大陸製造及銷售紡織品、 飾品及成衣	人民幣32,145,000元	
Texhong Renze Textile Joint Stock Company	Vietnam, 24 October 2006, limited liability company	Manufacturing of yarn in Vietnam	USD30,000,000	100%
天虹仁澤紡織股份有限公司	越南 二零零六年十月二十四日，有限責任公司	於越南製造紗線	30,000,000美元	
Texhong Textile (Hong Kong) Holdings Limited	Hong Kong, 24 October 2007, limited liability company	Investment holding in Hong Kong	100 ordinary shares of HKD1 each	100%
天虹紡織(香港)控股有限公司	香港 二零零七年十月二十四日，有限責任公司	於香港進行投資控股	100股每股1港元普通股	

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### 39. PRINCIPAL SUBSIDIARIES (Continued)

### 39. 主要附屬公司資料(續)

Name of subsidiary 附屬公司名稱	Place and date of incorporation and form of legal entity 註冊成立地點及日期及法律實體類別	Principal activities and place of operations 主要業務及營運地點	Particulars of issued share capital or paid-in capital 已發行股本或繳入的股本詳情	Interest held 所持權益
<b>Indirectly held: (Continued)</b> 間接持有：(續)				
Shanghai Texhong Trading Co., Ltd. 上海特斯虹貿易有限公司	Shanghai, Mainland China, 11 August 2008, limited liability company 中國上海 二零零八年八月十一日，有限責任公司	Trading of textile products in Mainland China 在中國大陸進行紡織品貿易	USD500,000 500,000美元	100%
Texhong Yintong Technology Ltd. 天虹銀龍科技有限公司	Vietnam, 11 April 2012, limited liability company 越南 二零一二年四月十一日，有限責任公司	Manufacturing of yarn in Vietnam 於越南製造紗線	USD40,000,000 40,000,000美元	100%
Shandong Texhong Textile Co., Ltd. 山東天虹紡織有限公司	Shandong, Mainland China, 1 May 2004, limited liability company 中國山東 二零零四年五月一日，有限責任公司	Manufacturing and sales of yarns in Mainland China 在中國大陸製造及銷售紗線	RMB700,000,000 人民幣700,000,000元	100%
Texhong Galaxy Technology Limited 天虹銀河科技有限公司	Vietnam, 13 September 2014, limited liability company 越南 二零一四年九月十三日，有限責任公司	Manufacturing of yarns, grey fabrics, garments and dyed fabrics in Vietnam 於越南製造紗線、坯布、成衣及 染布	USD120,000,000 120,000,000美元	100%
Shandong Lanyan Textiles Co., Ltd. 山東蘭雁紡織服裝有限公司	Shandong, Mainland China, 21 August 2015, limited liability company 中國山東 二零一五年八月二十一日，有限責任公司	Manufacturing of yarns, grey fabrics, garments in Shandong 於山東製造紗線、坯布、成衣	USD3,000,000 3,000,000美元	100%
ChangZhou Texhong Grand Textile Co., Ltd 常州天虹偉業紡織有限公司	Changzhou, Mainland China, August 2016, limited liability company 中國常州 二零一六年八月，有限責任公司	Trading of yarns in Changzhou 於常州進行紗線貿易	RMB131,528,883 人民幣131,528,883元	100%
Foshan Ruhong Textile Co., Ltd. 佛山如虹紡織有限公司	Foshan, Mainland China, August 2016, limited liability company 中國佛山 二零一六年八月，有限責任公司	Manufacturing of yarns in Foshan 於佛山製造紗線	RMB20,072,400 人民幣20,072,400元	100%
Chung Charm Textiles Limited* 湛江中港紡織有限公司	Zhanjiang, Mainland China, 30 November 1993, limited liability company 中國湛江 一九九三年十一月三十日，有限責任公司	Manufacturing of yarns in Zhanjiang 於湛江製造紗線	HKD104,400,000 104,400,000港元	88%
Taizhou Century Texhong Textile Co., Ltd. 泰州世紀天虹紡織有限公司	Taizhou, Mainland China, 23 April 2002, limited liability company 中國泰州 二零零二年四月二十三日，有限責任公司	Manufacturing and sales of industrial-use textile products and top-grade blended-spinning in Mainland China 於中國大陸製造及銷售工業用 紡織品及高端混紡品	USD13,000,000 13,000,000美元	100%
Xinjiang Texhong Foundation Textile Co., Ltd.* 新疆天虹基業紡織有限公司*	Xinjiang, Mainland China, 4 July 2015, limited liability company 中國新疆 二零一五年七月四日，有限責任公司	Manufacturing of yarns in Xinjiang 於新疆製造紗線	RMB398,700,000 人民幣398,700,000元	90%
Nantong Texhong Yin Hai Industrial Co., Ltd. 南通天虹銀海實業有限公司	Nantong, Mainland China, 20 May 2004, limited liability company 中國南通 二零零四年五月二十日，有限責任公司	Manufacturing and sales of garment, textile knitting products and yarns in Mainland China 於中國大陸製造及銷售成衣、 坯布及紗線	USD3,500,000 3,500,000美元	100%

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### 39. PRINCIPAL SUBSIDIARIES (Continued)

### 39. 主要附屬公司資料(續)

Name of subsidiary 附屬公司名稱	Place and date of incorporation and form of legal entity 註冊成立地點及日期及法律實體類別	Principal activities and place of operations 主要業務及營運地點	Particulars of issued share capital or paid-in capital 已發行股本或繳入的股本詳情	Interest held 所持權益
<b>Indirectly held: (Continued)</b> 間接持有：(續)				
Shandong Lanyan Jeanswear Co., Ltd. 山東蘭雁牛仔服裝有限公司	Shandong, Mainland China, 21 August 2015, limited liability company 中國山東 二零一五年八月二十一日，有限責任公司	Manufacturing of yarns, grey fabrics, garments in Shandong 於山東製造紗線、坯布、成衣	USD1,000,000 1,000,000美元	100%
Taizhou Texhong Yintai Textile Co., Ltd. 泰州天虹銀泰紡織有限公司	Taizhou, Mainland China, 26 May 2006, limited liability company 中國泰州 二零零六年五月二十六日，有限責任公司	Manufacturing top-grade garment and special textile for construction in Mainland China 就工程而言於中國大陸製造高級 成衣及特別紡織品	USD6,500,000 6,500,000美元	100%
Xuzhou Texhong Intelligence Textile Co., Ltd. 徐州天虹智慧紡織有限公司	Xuzhou, Mainland China, 25 May 2017, limited liability company 中國徐州 二零一七年五月二十五日，有限責任公司	Manufacturing of yarns in Mainland China 在中國大陸製造及銷售紗線	USD100,000,000 100,000,000美元	100%
Hongan Textile (Huaian) Co., Ltd. 虹安紡織(淮安)有限公司	Huaian, Mainland China, 27 October 2017 limited liability company 中國淮安 二零一七年十月二十七日，有限責任公司	Manufacturing and sales of yarns in Mainland China 在中國大陸製造及銷售紗線	USD1,500,000 1,500,000美元	100%

The above table lists the subsidiaries of the Group which, in the opinion of the directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

上表載列董事認為主要影響本集團業績或資產之本集團附屬公司。董事認為提供其他附屬公司的資料將導致篇幅過於冗長。

\* represents sino-foreign equity joint venture. All other subsidiaries established in Mainland China are wholly foreign owned enterprises.

\* 指中外合營企業，所有其他在中國大陸成立之附屬公司為全外資企業。

Texhong (China) Investment Co., Ltd. is a wholly foreign owned investment holding company incorporated in Mainland China.

天虹(中國)投資有限公司為於中國大陸註冊成立之全外資投資控股公司。

None of above subsidiaries had any loan capital in issue at any time during year ended 31 December 2018 (2017: None).

截至二零一八年十二月三十一日止年度內任何時間，概無上述附屬公司擁有任何已發行借貸股本(二零一七年：零)。

The English names of certain subsidiaries established in Mainland China represent the best effort by the Group's management to translate their Chinese names, as they do not have official English names.

若干於中國大陸成立之附屬公司並無正式英文名稱，其英文名稱為本集團管理層盡最大努力將其中文名稱翻譯為英文之版本。





