



# 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

# 2020

Interim Report 中期報告





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## 公司資料

### CORPORATE INFORMATION

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#### EXECUTIVE DIRECTORS

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

#### INDEPENDENT NON-EXECUTIVE DIRECTORS AND AUDIT COMMITTEE

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

#### REMUNERATION COMMITTEE

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

#### NOMINATION COMMITTEE

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

#### COMPANY SECRETARY

Mr. Hui Tsz Wai

#### AUTHORISED REPRESENTATIVES

Mr. Hong Tianzhu  
Mr. Hui Tsz Wai

#### HEAD OFFICE

Unit 3, 37/F  
Cable TV Tower  
9 Hoi Shing Road  
Tsuen Wan  
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  
(*審核委員會主席*)  
陶肖明教授  
程隆棣教授

#### 薪酬委員會

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

#### 提名委員會

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

#### 公司秘書

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  
荃灣  
海盛路9號  
有線電視大樓  
37樓3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

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#### PRINCIPAL BANKS

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

#### AUDITOR

PricewaterhouseCoopers  
Certified Public Accountants and  
Registered PIE Auditor

#### LEGAL ADVISERS AS TO HONG KONG LAW

Chiu & Partners

#### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

SMP Partners (Cayman) Limited  
Royal Bank House, 3rd Floor  
24 Shedden Road, P.O. Box 1586  
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)  
滙豐銀行

渣打銀行  
三井住友銀行  
東方滙理銀行  
中國農業發展銀行  
招商銀行  
澳新銀行

恒生銀行有限公司  
中國銀行  
法國巴黎銀行

#### 核數師

羅兵咸永道會計師事務所  
執業會計師及認可  
公眾利益實體核數師

#### 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

SMP Partners (Cayman) Limited  
Royal Bank House, 3rd Floor  
24 Shedden Road, P.O. Box 1586  
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)

#### 股份編號

2678

**簡明綜合資產負債表**  
**CONDENSED CONSOLIDATED BALANCE SHEET**

			<b>Unaudited</b> 未經審核 <b>30 June</b> <b>2020</b> 二零二零年 六月三十日 <b>RMB'000</b> 人民幣千元	<b>Audited</b> 經審核 <b>31 December</b> <b>2019</b> 二零一九年 十二月三十一日 <b>RMB'000</b> 人民幣千元
		<i>Note</i> 附註		
<b>ASSETS</b>	<b>資產</b>			
<b>Non-current assets</b>	<b>非流動資產</b>			
Freehold land	永久產權土地	7	172,507	170,005
Property, plant and equipment	物業、廠房及設備	8	9,229,965	9,445,725
Right-of-use assets	使用權資產	9	1,323,028	1,344,312
Intangible assets	無形資產	10	65,236	67,067
Investments accounted for using the equity method	使用權益法入賬之投資	11	275,776	243,269
Deferred income tax assets	遞延所得稅資產		129,218	103,676
			<b>11,195,730</b>	<b>11,374,054</b>
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨	12	5,247,095	5,100,090
Properties under development	發展中物業	12	228,324	227,580
Trade and bills receivables	應收貿易及票據款項	13	1,228,657	1,534,673
Prepayments, deposits and other receivables	預付款項、按金及其他應收賬款	14	637,720	798,492
Derivative financial instruments	衍生金融工具	18	372,774	287,435
Pledged bank deposits	已抵押銀行存款		31,576	21,478
Cash and cash equivalents	現金及現金等值物		4,086,549	1,830,859
			<b>11,832,695</b>	<b>9,800,607</b>
<b>Total assets</b>	<b>資產總值</b>		<b>23,028,425</b>	<b>21,174,661</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：賬面值	20	96,709	96,709
Share premium	股份溢價	20	433,777	433,777
Other reserves	其他儲備		906,875	905,019
Retained earnings	保留溢利		5,918,631	6,037,951
			<b>7,355,992</b>	<b>7,473,456</b>
<b>Non-controlling interests</b>	<b>非控制性權益</b>		<b>604,121</b>	<b>625,919</b>
<b>Total equity</b>	<b>權益總額</b>		<b>7,960,113</b>	<b>8,099,375</b>

## 簡明綜合資產負債表

### CONDENSED CONSOLIDATED BALANCE SHEET

			Unaudited 未經審核 30 June 2020 二零二零年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2019 二零一九年 十二月三十一日 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	借貸	17	4,718,688	4,925,007
Lease liabilities	租賃負債	9	124,389	135,386
Deferred income tax liabilities	遞延所得稅負債		284,694	287,461
Long-term payables	長期應付款項	19	95,524	144,212
			<b>5,223,295</b>	<b>5,492,066</b>
<b>Current liabilities</b>	<b>流動負債</b>			
Trade and bills payables	應付貿易及票據款項	15	3,495,838	3,035,868
Contract liabilities	合約負債		126,694	133,027
Accruals and other payables	預提費用及 其他應付賬款	16	681,594	797,958
Current income tax liabilities	當期所得稅負債		26,205	96,879
Borrowings	借貸	17	5,316,261	3,359,616
Derivative financial instruments	衍生金融工具	18	54,414	29,530
Lease liabilities	租賃負債	9	39,117	35,770
Long-term payables due within 1 year	1年內到期的 長期應付賬款	19	104,894	94,572
			<b>9,845,017</b>	<b>7,583,220</b>
<b>Total liabilities</b>	<b>負債總值</b>		<b>15,068,312</b>	<b>13,075,286</b>
<b>Total equity and liabilities</b>	<b>總權益及負債</b>		<b>23,028,425</b>	<b>21,174,661</b>

The notes on pages 13 to 72 form an integral part of these condensed consolidated financial statements.

第13至72頁之附註為此簡明綜合財務報表之一部分。

## 簡明綜合收益表

### CONDENSED CONSOLIDATED INCOME STATEMENT

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
	Note 附註		
Revenue	收入	6	8,214,436
Cost of sales	銷售成本	23	(7,277,373)
<b>Gross profit</b>	<b>毛利</b>		<b>937,063</b>
Selling and distribution costs	銷售及分銷開支	23	(337,144)
General and administrative expenses	一般及行政開支	23	(510,832)
Net accrual of impairment losses on financial assets	預提金融資產減值虧損淨額		(1,384)
Other income	其他收入	22	91,908
Other gains	其他收益	22	136,999
<b>Operating profit</b>	<b>經營溢利</b>		<b>316,610</b>
Finance income	財務收入	24	25,650
Finance costs	財務費用	24	(349,221)
Finance costs — net	財務費用，淨額	24	(323,571)
Share of profits less losses of investments accounted for using the equity method	分佔使用權益法入賬之投資溢利減虧損	11	29,507
<b>Profit before income tax</b>	<b>除所得稅前溢利</b>		<b>22,546</b>
Income tax expense	所得稅開支	25	(4,126)
<b>Profit for the period</b>	<b>期內溢利</b>		<b>18,420</b>



## 簡明綜合收益表

### CONDENSED CONSOLIDATED INCOME STATEMENT

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
		Note 附註	
<b>Attributable to:</b>	以下各方應佔：		
Owners of the Company	本公司擁有人	<b>10,475</b>	471,042
Non-controlling interests	非控制性權益	<b>7,945</b>	15,283
		<b>18,420</b>	486,325
<b>Earnings per share for profit attributable to owners of the Company</b>	本公司擁有人應佔溢利之每股盈利	26	
— Basic earnings per share	— 每股基本盈利	<b>RMB0.01</b> 人民幣 0.01 元	RMB0.51 人民幣 0.51 元
— Diluted earnings per share	— 每股攤薄盈利	<b>RMB0.01</b> 人民幣 0.01 元	RMB0.51 人民幣 0.51 元

The notes on pages 13 to 72 form an integral part of these condensed consolidated financial statements.

第13至72頁之附註為此簡明綜合財務報表之一部分。

## 簡明綜合全面收益表

### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
<b>Profit for the period</b>	期內溢利	<b>18,420</b>	486,325
<b>Other comprehensive losses</b> <i>Items that may be reclassified subsequently to profit or loss</i>	其他全面虧損 其後可能會重新分類至 損益之項目		
Currency translation differences	貨幣兌換差額	<b>(2,643)</b>	(2,780)
<b>Total comprehensive income for the period</b>	期內全面收益總額	<b>15,777</b>	483,545
<b>Attributable to:</b>	以下各方應佔：		
Owners of the Company	本公司擁有人	<b>7,832</b>	468,262
Non-controlling interests	非控制性權益	<b>7,945</b>	15,283
		<b>15,777</b>	483,545

The notes on pages 13 to 72 form an integral part of these condensed consolidated financial statements.

第13至72頁之附註為此簡明綜合財務報表之一部分。

## 簡明綜合權益變動表

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

		Unaudited 未經審核					
		Attributable to owners of the Company 本公司擁有人應佔					
		Share capital	Share premium	Other reserves	Retained earnings	Non- controlling interests 非控制性 權益	Total equity 權益總額
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
<b>Balance at 1 January 2019</b>	於二零一九年一月一日的結餘	96,709	433,777	712,893	5,495,258	98,185	6,836,822
<b>Comprehensive income</b>	全面收益						
Profit for the period	期間溢利	-	-	-	471,042	15,283	486,325
<b>Other comprehensive loss:</b>	其他全面虧損：						
Currency translation differences	貨幣匯兌差額	-	-	(2,780)	-	-	(2,780)
<b>Total comprehensive income for the six months ended 30 June 2019</b>	截至二零一九年六月三十日止六個月全面收益總額	-	-	(2,780)	471,042	15,283	483,545
<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	-	-	-	-	477,315	477,315
Excess of consideration paid recognised in the transactions with non-controlling interests reserve within equity	權益內非控制性權益儲備交易中確認已支付代價差額	-	-	(17,120)	-	11,396	(5,724)
Dividends relating to 2018 paid in May 2019	於二零一九年五月派付有關二零一八年之股息	-	-	-	(158,936)	-	(158,936)
Employee share option scheme	僱員購股權計劃	-	-	146	-	-	146
Transfer from revaluation reserve to retained earnings	由重估儲備轉撥至保留溢利						
— gross	— 總額	-	-	(3,180)	3,180	-	-
— deferred income tax	— 遞延所得稅	-	-	1,106	(1,106)	-	-
<b>Total transactions with owners</b>	與股權持有人之交易總額	-	-	(19,048)	(156,862)	488,711	312,801
<b>Balance at 30 June 2019</b>	於二零一九年六月三十日的結餘	96,709	433,777	691,065	5,809,438	602,179	7,633,168

## 簡明綜合權益變動表

### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

		Unaudited 未經審核					
		Attributable to owners of the Company 本公司擁有人應佔					
		Share capital	Share premium	Other reserves	Retained earnings	Non- controlling interests	Total equity
		股本	股份溢價	其他儲備	保留溢利	非控制性 權益	權益總額
		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
Balance at 1 January 2020	於二零二零年一月一日的結餘	96,709	433,777	905,019	6,037,951	625,919	8,099,375
Comprehensive income	全面收益						
Profit for the period	期間溢利	-	-	-	10,475	7,945	18,420
Other comprehensive loss:	其他全面虧損：						
Currency translation differences	貨幣匯兌差額	-	-	(2,643)	-	-	(2,643)
Total comprehensive income for the six months ended 30 June 2020	截至二零二零年六月三十日 止六個月全面收益總額	-	-	(2,643)	10,475	7,945	15,777
Transactions with owners	與股權持有人之交易						
Dividend paid for non-controlling interests	向非控制性權益派付之股息	-	-	-	-	(29,743)	(29,743)
Dividends relating to 2019 paid in June 2020	於二零二零年六月派付 有關二零一九年之股息	-	-	-	(125,364)	-	(125,364)
Employee share option scheme	僱員購股權計劃	-	-	68	-	-	68
Transfer to statutory reserves	轉撥至法定儲備	-	-	8,956	(8,956)	-	-
Transfer from revaluation reserve to retained earnings	由重估儲備轉撥至保留溢利	-	-	-	-	-	-
— gross	— 總額	-	-	(5,765)	5,765	-	-
— deferred income tax	— 遞延所得稅	-	-	1,240	(1,240)	-	-
Total transactions with owners	與股權持有人之交易總額	-	-	4,499	(129,795)	(29,743)	(155,039)
Balance at 30 June 2020	於二零二零年六月三十日 的結餘	96,709	433,777	906,875	5,918,631	604,121	7,960,113

The notes on pages 13 to 72 form an integral part of this condensed consolidated financial statements.

第13至72頁之附註為此簡明綜合財務報表之一部分。

## 簡明綜合現金流量表

### CONDENSED CONSOLIDATED CASH FLOW STATEMENT

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
<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	1,395,161	1,678,712
Interest received	已收利息	25,650	17,781
Income tax paid	已付所得稅	(85,909)	(105,365)
Net cash flows generated from operating activities	來自經營活動的現金流量淨額	<b>1,334,902</b>	1,591,128
<b>Cash flows from investing activities</b>	<b>來自投資活動的現金流量</b>		
Purchases of property, plant and equipment	購置物業、廠房及設備	(350,269)	(971,242)
Purchases of land use rights	購買土地使用權	-	(2,559)
Purchases of freehold land	購買永久產權土地	-	(34,740)
Proceeds from sale of property, plant and equipment	出售物業、廠房及設備所得款項	5,111	1,097
Net proceeds from settlement of financial instruments	變現金融工具的所得款項淨額	52,236	4,056
Purchases of financial instruments	購買金融工具	-	(55,180)
Investment in an associate	投資聯營公司	(3,000)	-
Payments on acquisition 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	-	(25,409)
Net cash flows used in investing activities	用於投資活動的現金流量淨額	<b>(295,922)</b>	(1,083,977)

## 簡明綜合現金流量表

### CONDENSED CONSOLIDATED CASH FLOW STATEMENT

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
<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	4,649,316	3,743,069
Repayments of borrowings	償還借貸	(3,028,021)	(3,081,420)
Principal elements of lease payments	租賃付款之本金部分	(23,764)	(17,225)
Interest paid	已付利息	(215,616)	(226,450)
Dividends paid	已付股息	(125,364)	(158,936)
Dividends paid to non-controlling interests	向非控制性權益派付之股息	(29,743)	-
(Increase)/decrease in pledged bank deposits	已抵押銀行存款(增加)/減少	(10,098)	99,217
<b>Net cash flows generated from financing activities</b>	<b>來自融資活動的現金流量淨額</b>	<b>1,216,710</b>	<b>358,255</b>
<b>Net increase in cash and cash equivalents</b>	<b>現金及現金等值物增加淨額</b>	<b>2,255,690</b>	<b>865,406</b>
Cash and cash equivalents at the beginning of the period	期初之現金及現金等值物	1,830,859	1,054,721
<b>Cash and cash equivalents at end of the period</b>	<b>期末之現金及現金等值物</b>	<b>4,086,549</b>	<b>1,920,127</b>

The notes on pages 13 to 72 form an integral part of this condensed consolidated financial statements.

第13至72頁之附註為此簡明綜合財務報表之一部分。

## 1. GENERAL INFORMATION

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

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

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

This condensed consolidated financial statements are presented in Chinese Renminbi (“RMB”), unless otherwise stated.

This condensed consolidated financial statements have been approved and authorised for issue by the board (“Board”) of directors (“Directors”) of the Company on 21 August 2020.

This condensed consolidated financial statements have not been audited.

## 2. BASIS OF PREPARATION

This condensed consolidated financial statements for the six months ended 30 June 2020 have been prepared in accordance with HKAS 34, ‘Interim Financial Reporting’. The condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements of the Company for the year ended 31 December 2019, which have been prepared in accordance with HKFRSs.

## 1. 一般資料

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

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

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

除非另有指明，本簡明綜合財務報表以中國人民幣(「人民幣」)呈列。

於二零二零年八月二十一日，本簡明綜合財務報表已獲本公司董事(「董事」)會(「董事會」)批准及授權刊發。

此簡明綜合財務報表乃未經審核。

## 2. 編製基準

截至二零二零年六月三十日止六個月之簡明綜合財務報表，乃按香港會計準則第34號「中期財務報告」編製。此簡明綜合財務報表應與本公司截至二零一九年十二月三十一日止年度之年度綜合財務報表(乃按香港財務報告準則編製)一併閱讀。

### 3. ACCOUNTING POLICIES

The accounting policies applied for the preparation of the condensed consolidated financial statements are consistent with those of the annual financial statements for the year ended 31 December 2019, as described in those annual financial statements, except for the estimation of income tax using the tax rate that would be applicable to expected total annual earnings and the adoption of new standards, amendments and interpretation of HKFRSs effective for the financial year ending 31 December 2020.

#### (a) New standards, amendments and interpretation of HKFRSs adopted by the Group in the first half of 2020

A number of new amendments and interpretation to existing standards became applicable for the current reporting period. These new amendments and interpretation did not give rise to any significant impact on the Group's financial statements. The impact of the adoption of the new accounting policies are set out below:

##### (i) Amendments to HKAS 1 and HKAS 8 regarding definition of material

The HKICPA has made amendments to HKAS 1 'Presentation of Financial Statements' and HKAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' which use a consistent definition of materiality throughout Hong Kong Financial Reporting Standards and the Conceptual Framework for Financial Reporting, clarify when information is material and incorporate some of the guidance in HKAS 1 about immaterial information.

### 3. 會計政策

編製本簡明綜合財務報表所採納之會計政策與截至二零一九年十二月三十一日止年度之年度財務報表一致(如該等年度財務報表所述)，惟採用適用於預期年度總收益稅率之所得稅估算除外，而採納香港財務報告準則之新訂準則、修訂及詮釋於截至二零二零年十二月三十一日止財政年度生效。

#### (a) 本集團於二零二零年上半年採納之香港財務報告準則之新訂準則、修訂以及詮釋

多項現有準則的修訂以及詮釋適用於現時報告期。該些新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。採納新會計政策的影響載列如下：

##### (i) 香港會計準則第1號及香港會計準則第8號有關重大定義之修訂

香港會計師公會對香港會計準則第1號「財務報表列報」和香港會計準則第8號「會計政策，會計估計變更和差錯」進行了修訂，與香港財務報告準則和財務報告概念框架中使用對重要性一致的定義，以澄清資料何時為重要，並對香港會計準則第1號中對非重要資料提供一些指引。



**3. ACCOUNTING POLICIES (Continued)**

**(a) New standards, amendments and interpretation of HKFRSs adopted by the Group in the first half of 2020 (Continued)**

**(i) Amendments to HKAS 1 and HKAS 8 regarding definition of material (Continued)**

In particular, the amendments clarify:

- that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information, and that an entity assesses materiality in the context of the financial statements as a whole, and
- the meaning of 'primary users of general purpose financial statements' to whom those financial statements are directed, by defining them as 'existing and potential investors, lenders and other creditors' that must rely on general purpose financial statements for much of the financial information they need.

**(ii) Amendments to HKFRS 3 regarding definition of a business**

The amended definition of a business requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term 'outputs' is amended to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits.

The amendments will likely result in more acquisitions being accounted for as asset acquisitions.

**3. 會計政策 (續)**

**(a) 本集團於二零二零年上半年採納之香港財務報告準則之新訂準則、修訂以及詮釋 (續)**

**(i) 香港會計準則第1號及香港會計準則第8號有關重大定義之修訂 (續)**

修訂中特別澄清：

- 提及模糊資料是指其影響類似於省略或遺漏該資料的情況，並且實體按整個財務報表的背景評估重要性，及
- 這些財務報表所針對的「一般財務報表的主要用戶」的含義，通過將其定義為必須依賴一般財務報表以獲取財務資料的「現有和潛在投資者，貸方和其他債權人」需要。

**(ii) 香港財務報告準則第3號有關業務的定義之修訂**

修訂後的業務定義要求收購包括投入和實質性流程，並一起對創建產出的能力做出重大貢獻。修改了「產出」一詞的定義，以集中於提供商品和服務給客戶而產生投資收益與其他收益，並且不包括以較低成本和其他經濟利益形式的收益。

該修訂將可能導致更多的收購作為資產收購入賬。

3. ACCOUNTING POLICIES (Continued)

(a) New standards, amendments and interpretation of HKFRSs adopted by the Group in the first half of 2020 (Continued)

(iii) Revised Conceptual Framework for Financial Reporting

The HKICPA has issued a revised Conceptual Framework which will be used in standard-setting decisions with immediate effect. Key changes include:

- increasing the prominence of stewardship in the objective of financial reporting
- reinstating prudence as a component of neutrality
- defining a reporting entity, which may be a legal entity, or a portion of an entity
- revising the definitions of an asset and a liability
- removing the probability threshold for recognition and adding guidance on derecognition
- adding guidance on different measurement basis, and
- stating that profit or loss is the primary performance indicator and that, in principle, income and expenses in other comprehensive income should be recycled where this enhances the relevance or faithful representation of the financial statements.

No changes will be made to any of the current accounting standards.

3. 會計政策(續)

(a) 本集團於二零二零年上半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) 財務報告概念框架之修訂

香港會計師公會發佈了即時生效的概念框架之修訂，將用於標準制定決策。主要更改包括：

- 提高管理財務報告的客觀性
- 恢復審慎作為中立的組成部分
- 定義報告實體，該實體可以是法人實體，或是實體的一部分
- 修訂資產和負債的定義
- 刪除確認的概率閾值及增加終止確認的指導
- 增加不同測量基礎的指導，及
- 列出損益為主要的績效指標，原則上，應將其他綜合中的收入和支出重新利用，以增強財務報表的相關性或忠實性。

現時的任何會計準則都不會更改。

**3. ACCOUNTING POLICIES** (Continued)

**(a) New standards, amendments and interpretation of HKFRSs adopted by the Group in the first half of 2020** (Continued)

**(iv) Amendments to HKFRS 7, HKFRS 9 and HKAS 39 regarding interest rate benchmark reform**

The amendments made to HKFRS 7 'Financial Instruments: Disclosures', HKFRS 9 'Financial Instruments' and HKAS 39 'Financial Instruments: Recognition and Measurement' provide certain reliefs in relation to interest rate benchmark reforms.

The reliefs relate to hedge accounting and have the effect that the reforms should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement. Given the pervasive nature of hedges involving Inter Bank Offered Rate based contracts, the reliefs will affect companies in all industries.

**3. 會計政策** (續)

**(a) 本集團於二零二零年上半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7號、香港財務報告準則第9號及香港會計準則第39號有關利率基準變革之修訂**

香港財務報告準則第7號「金融工具：披露事項」、香港財務報告準則第9號「金融工具」及香港會計準則第39號「金融工具：認列與衡量」有關利率基準變革的修訂提供一定的緩衝期。

該緩衝期針對對沖會計，其效果是利率基準變革一般不應導致對沖會計終止。但是，任何無效性的對沖均應繼續在收益表中記錄。鑑於涉及銀行間同業拆借利率的合約的對沖的普遍性，該緩衝期將影響所有行業的公司。

3. ACCOUNTING POLICIES (Continued)

(a) **New standards, amendments and interpretation of HKFRSs adopted by the Group in the first half of 2020** (Continued)

(v) **Amendments to HKFRS 16 regarding Covid-19-related rent concessions**

As a result of the COVID-19 pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. In May 2020, the HKICPA made an amendment to HKFRS 16 'Leases' which provides lessees with an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concessions as variable lease payments in the period in which they are granted.

Entities applying the practical expedients must disclose this fact, whether the expedient has been applied to all qualifying rent concessions or, if not, information about the nature of the contracts to which it has been applied, as well as the amount recognised in profit or loss arising from the rent concessions.

This amendment is effective on 1 June 2020.

3. 會計政策 (續)

(a) 本集團於二零二零年上半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) **香港財務報告準則第16號有關新型冠狀肺炎之相關租金寬減之修訂**

因為新型冠狀肺炎疫情，承租人可獲租金寬減。租金寬減的不同形式包括寬免或豁免租賃付款。於二零二零年五月，香港會計師公會就香港財務報告準則第16號「租賃」作出修訂，允許承租人選擇不將合資格的租金寬減視為租賃修訂。故，租金寬減會不時於獲取期間以變動租金入賬。

實體必須披露是否應用可行權宜方法，以及是否對所有合資格的租金寬減應用可行權宜方法。否則，必須提供應用可行權宜方法的合約性質的相關資料，並於損益表中確認因租金寬減而產生的金額。

此修訂於二零二零年六月一日生效。

**3. ACCOUNTING POLICIES (Continued)**

(b) The following new standard and amendments of HKFRSs have been issued but are not effective for the financial year beginning on 1 January 2020 and have not been early adopted by the Group:

- (i) Amendments to HKAS 1 regarding classification of liabilities as current or non-current, effective for annual periods beginning on or after 1 January 2022 (possibly deferred to 1 January 2023).
- (ii) Amendments to HKAS 16 regarding property, plant and equipment, proceeds before intended use, effective for annual periods beginning on or after 1 January 2022.
- (iii) Amendments to HKAS 37 regarding onerous contracts — cost of fulfilling a contract, effective for annual periods beginning on or after 1 January 2022.
- (iv) Amendments to HKFRS 3 regarding reference to the conceptual framework, effective for annual periods beginning on or after 1 January 2022.
- (v) HKFRS 17 'Insurance Contracts', effective for annual periods beginning on or after 1 January 2023.
- (vi) 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.
- (vii) Annual Improvements to HKFRS Standards 2018–2020, effective for annual periods beginning on or after 1 January 2022.

**3. 會計政策 (續)**

(b) 本集團並無提早採納已頒布但於二零二零年一月一日財政年度尚未強制生效的香港財務報告準則之新訂準則及修訂如下：

- (i) 香港會計準則第1號有關將負債分類為流動或非流動之修訂，自二零二零年一月一日或之後起年度期間生效（可能遞延至二零二三年一月一日）。
- (ii) 香港會計準則第16號有關物業、產房及設備於作擬定用途前之所得款項之修訂，自二零二零年一月一日或之後起年度期間生效。
- (iii) 香港會計準則第37號有關虧損性合約 — 履行合約之成本之修訂，自二零二零年一月一日或之後起年度期間生效。
- (iv) 香港財務報告準則第3號有關概念框架之提述之修訂，自二零二零年一月一日或之後起年度期間生效。
- (v) 香港財務報告準則第17號「保險合約」，自二零二三年一月一日或之後起年度期間生效。
- (vi) 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或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。有關日期現已押後／刪除。
- (vii) 香港財務報告準則二零一八年至二零二零年之改進，自二零二零年一月一日或之後起年度期間生效。

#### 4. ESTIMATES

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

In preparing this condensed consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2019, with the exception of changes in estimates that are required in determining the provision for income taxes (Note 25).

#### 5. FINANCIAL RISK MANAGEMENT

##### 5.1 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 condensed consolidated financial statements does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2019.

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

#### 4. 估計

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

於編製此簡明綜合財務報表時，管理層於應用本集團會計政策及有關不明朗估計的主要來源時作出的主要判斷，與編製截至二零一九年十二月三十一日止年度的綜合財務報表時所用者一致，釐定所得稅撥備之估計差額除外(附註25)。

#### 5. 財務風險管理

##### 5.1 財務風險因素

本集團的業務面對多種財務風險(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。

簡明綜合財務報表並不包括年度財務報表所需的所有財務風險管理資料及披露，並應與本集團截至二零一九年十二月三十一日止年度財務報表一併閱讀。

風險管理政策自上年度末以來並無變動。

## 5. FINANCIAL RISK MANAGEMENT

(Continued)

### 5.2 Liquidity risk

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

### 5.3 Fair value estimation

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

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

The following table presents the Group's financial assets and liabilities that are measured at fair value at 30 June 2020 and 31 December 2019.

## 5. 財務風險管理(續)

### 5.2 流動資金風險

與上年度末相比，財務負債的未折現合約現金外流並無重大變動。

### 5.3 公平值估計

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)。

下表載列本集團於二零二零年六月三十日及二零一九年十二月三十一日按公平值計量之財務資產與負債。

5. FINANCIAL RISK MANAGEMENT

(Continued)

5.3 Fair value estimation (Continued)

5. 財務風險管理 (續)

5.3 公平值估計 (續)

		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 30 June 2020</b>	於二零二零年 六月三十日				
<b>Assets</b>	<b>資產</b>				
Derivative financial instruments	衍生金融工具	-	372,774	-	372,774
<b>Liabilities</b>	<b>負債</b>				
Derivative financial instruments	衍生金融工具	-	54,414	-	54,414
<b>At 31 December 2019</b>	於二零一九年 十二月三十一日				
<b>Assets</b>	<b>資產</b>				
Derivative financial instruments	衍生金融工具	-	287,435	-	287,435
<b>Liabilities</b>	<b>負債</b>				
Derivative financial instruments	衍生金融工具	-	29,530	-	29,530



**5. FINANCIAL RISK MANAGEMENT**

*(Continued)*

**5.4 Valuation techniques used to derive Level 2 fair values**

Level 2 trading derivatives comprise forward foreign exchange contracts, cross currency swap contracts, cotton future contracts and cotton option 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 and cotton option contracts are fair valued using forward cotton price that are quoted in an active market. The effects of discounting are generally insignificant for Level 2 derivatives.

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

**5. 財務風險管理(續)**

**5.4 得出第二級公平值所用之估值方法**

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

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

## 6. REVENUE AND SEGMENT INFORMATION

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

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, non-woven fabrics and garment fabrics as well as garments.

Due to the continuous improvement of the regional integration process, the Group shows homogeneity of operation and management in the same geographical area. As a consequence, the Committee of Executive Directors integrated the segment information in the same area.

## 6. 收益及分類資料

本集團主要從事製造及銷售紗線、坯布、無紡布及面料和服裝。於期內確認之收入指貨品銷售（扣除增值稅）。

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角度分類，管理層從產品角度評估紗線、坯布、無紡布及面料和服裝之銷售表現。

由於區域一體化進程不斷改善，本集團在同一地理區域內展現經營及管理均一性。因此，執行董事委員會對同一區域的分類資料予以整合。

6. REVENUE AND SEGMENT INFORMATION

(Continued)

The scope of the operating segments has been modified following the changes in management responsibilities as from 1 January 2020. China now includes Mainland China, Hong Kong and Macao. Southeast Asia now includes Vietnam and Cambodia. Americas now includes United States, Mexico and Nicaragua.

2019 comparative information has been restated.

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

The segment information for the six months ended 30 June 2020 is as follows:

6. 收益及分類資料(續)

自二零二零年一月一日起，隨著管理職責變化，經營分類的範圍亦有所修改。中國現包括中國大陸、香港及澳門。東南亞現包括越南及柬埔寨。美洲現包括美國、墨西哥及尼加拉瓜。

二零一九年比較資料已經重列。

執行董事委員會根據收益及經營利潤評估經營分類之業績。

截至二零二零年六月三十日止六個月之分類資料如下：

		Unaudited 未經審核											
		Six months ended 30 June 2020 截至二零二零年六月三十日止六個月											
		Yarns 紗線				Garment fabrics and Garments 面料及服裝			Grey fabrics 灰布		Non-woven fabric 無紡布		Total 總額
		Southeast		America	Others	Southeast		America	Southeast		Southeast		
		China	Asia	美洲	其他	China	東南亞	美洲	China	東南亞	China	Asia	
		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
Total revenue	總收入	8,873,546	3,347,677	6,632	54,696	1,426,527	312,367	343,791	338,877	169,501	10,524	15,575	14,899,713
Inter-segment revenue	分類間收入	(2,891,045)	(3,146,234)	(6,632)	-	(41,790)	(254,445)	(24,433)	(141,119)	(169,190)	-	(10,429)	(6,685,277)
Revenue (from external customers)	收入(來自外部客戶)	5,982,501	201,443	-	54,696	1,384,777	57,922	319,358	197,758	311	10,524	5,146	8,214,436
Timing of revenue recognition — At a point in time	收入確認之時間 — 於某一時間點	5,982,501	201,443	-	54,696	1,384,777	57,922	319,358	197,758	311	10,524	5,146	8,214,436
Segment results	分類業績	103,797	108,164	(12,202)	(11,389)	61,222	(2,628)	(29,483)	(1,892)	1,961	151	(10,633)	207,068
Unallocated profits	未分配溢利												109,542
Operating profit	經營溢利												316,610
Finance income	財務收入												25,650
Finance costs	財務費用												(349,221)
Share of profits less losses of investments accounted for using the equity method	分佔使用權益法入賬之投資溢利減虧損												29,507
Income tax expense	所得稅開支												(4,126)
Profit for the period	期內溢利												18,420
Depreciation and amortisation	折舊及攤銷	(220,179)	(162,934)	(574)	(8,219)	(49,341)	(26,488)	(10,619)	(3,002)	(13,564)	-	(2,808)	(497,728)

6. REVENUE AND SEGMENT INFORMATION

(Continued)

The segment information for the six months ended 30 June 2019 is restated as follows:

6. 收益及分類資料(續)

截至二零一九年六月三十日止六個月之分類資料重列如下：

		Unaudited (Restated) 未經審核(經重列)								
		Six months ended 30 June 2019 截至二零一九年六月三十日止六個月								
		Yarns 紗線			Garment fabrics and Garments 面料及服裝			Grey fabrics 坯布		Total 總額
		Southeast			Southeast			Southeast		
		China 中國	Asia 東南亞	Others 其他	China 中國	Asia 東南亞	Americas 美洲	China 中國	Asia 東南亞	
		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	10,492,964	3,940,806	14,887	1,790,223	393,426	468,270	513,849	255,197	17,869,622
Inter-segment revenue	分類間收入	(3,046,793)	(3,671,855)	-	(147,256)	(367,923)	(16,280)	(172,906)	(255,143)	(7,678,156)
<b>Revenue (from external customers)</b>	<b>收入(來自外部客戶)</b>	<b>7,446,171</b>	<b>268,951</b>	<b>14,887</b>	<b>1,642,967</b>	<b>25,503</b>	<b>451,990</b>	<b>340,943</b>	<b>54</b>	<b>10,191,466</b>
Timing of revenue recognition — At a point in time	收入確認之時間 — 於某一個時間點	7,446,171	268,951	14,887	1,642,967	25,503	451,990	340,943	54	10,191,466
<b>Segment results</b>	<b>分類業績</b>	<b>179,794</b>	<b>342,890</b>	<b>(9,847)</b>	<b>53,825</b>	<b>(16,562)</b>	<b>2,981</b>	<b>16,035</b>	<b>17,419</b>	<b>586,535</b>
Unallocated profits	未分配溢利									214,868
<b>Operating profit</b>	<b>經營溢利</b>									<b>801,403</b>
Finance income	財務收入									17,781
Finance costs	財務費用									(254,342)
Share of profits less losses of investments accounted for using the equity method	分佔使用權益法入賬之投資溢利減虧損									260
Income tax expense	所得稅開支									(78,777)
<b>Profit for the period</b>	<b>期內溢利</b>									<b>486,325</b>
Depreciation and amortisation	折舊及攤銷	(176,034)	(161,303)	(1,253)	(32,072)	(31,169)	(9,069)	(6,527)	(12,978)	(430,405)

6. REVENUE AND SEGMENT INFORMATION

(Continued)

The segment assets and liabilities as at 30 June 2020 are as follows:

6. 收益及分類資料(續)

於二零二零年六月三十日之分類資產及負債如下：

		Unaudited 未經審核												
		As at 30 June 2020 於二零二零年六月三十日												
		Yarns 紗線					Garment fabrics and Garments 面料及服裝			Grey fabrics 坯布		Non-woven fabric 無紡布		Total 總額
		Southeast		Americas	Others	Sub- total	Southeast			Southeast		Southeast		
		China	Asia				China	Asia	Americas	China	Asia	China	Asia	
		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
Total segment assets	分類總資產	10,170,553	4,661,220	481,201	440,320	15,753,294	2,750,561	1,076,768	525,213	205,502	353,776	2,577	521,763	21,189,454
Unallocated assets	未分配資產													1,838,971
Total assets of the Group	本集團總資產													23,028,425
Total segment liabilities	分類總負債					(7,039,122)	(747,926)	(422,575)	(317,022)	(58,217)	(260,832)	-	(314,015)	(9,160,709)
Unallocated liabilities	未分配負債													(5,907,603)
Total liabilities of the Group	本集團總負債													(15,068,312)
Addition to non-current assets	添置非流動資產	41,307	5,333	26,221	13,293	86,154	36,662	12,544	27,385	434	-	-	92,294	255,473

6. REVENUE AND SEGMENT INFORMATION

(Continued)

The segment assets and liabilities as at 31 December 2019 are restated as follows:

6. 收益及分類資料(續)

於二零一九年十二月三十一日之分類資產及負債重列如下：

		Audited (Restated) 經審核(經重列)										
		As at 31 December 2019 於二零一九年十二月三十一日										
		Yarn 紗線				Garment fabrics and Garments 面料及服裝			Grey fabrics 坯布		Total 總額	
		Southeast		Americas	Others	Sub-total	Southeast		Southeast			
		China	Asia				China	Asia	Americas	China	Asia	
		中國	東南亞	美洲	其他	小計	中國	東南亞	美洲	中國	東南亞	
		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	
<b>Total segment assets</b>	<b>分類總資產</b>	9,480,505	4,535,545	387,345	379,097	14,782,492	3,602,748	790,260	532,858	331,183	786,312	20,825,853
Unallocated assets	未分配資產											348,808
<b>Total assets of the Group</b>	<b>本集團總資產</b>											<u>21,174,661</u>
<b>Total segment liabilities</b>	<b>分類總負債</b>					(5,584,845)	(690,417)	(426,182)	(283,146)	(26,254)	(358,896)	(7,369,740)
Unallocated liabilities	未分配負債											(5,705,546)
<b>Total liabilities of the Group</b>	<b>本集團總負債</b>											<u>(13,075,286)</u>
<b>Addition to non-current assets</b>	<b>添置非流動資產</b>	722,080	130,970	420,069	165,508	1,438,627	59,901	180,138	115,234	10,562	296,856	2,101,318

7. FREEHOLD LAND AND LAND USE RIGHTS 7. 永久產權土地及土地使用權

		<b>Unaudited</b> 未經審核 RMB'000 人民幣千元
<b>Six months ended 30 June 2019</b>	<b>截至二零一九年六月三十日 止六個月</b>	
Opening net book amount as at 1 January 2019	於二零一九年一月一日之 期初賬面淨值	1,011,183
Adjustment for change in accounting policy	有關會計政策變動之調整	(877,045)
		<hr/>
Restated opening net book amount	重列期初賬面淨值	134,138
Additions	添置	34,740
		<hr/>
<b>Closing net book amount as at 30 June 2019</b>	<b>於二零一九年六月三十日之 期末賬面淨值</b>	<b>168,878</b>
<b>Six months ended 30 June 2020</b>	<b>截至二零二零年六月三十日 止六個月</b>	
Opening net book amount as at 1 January 2020	於二零二零年一月一日之 期初賬面淨值	<b>170,005</b>
Currency translation differences	貨幣匯兌差額	<b>2,502</b>
		<hr/>
<b>Closing net book amount as at 30 June 2020</b>	<b>於二零二零年六月三十日之 期末賬面淨值</b>	<b>172,507</b>

8. PROPERTY, PLANT AND EQUIPMENT

8. 物業、廠房及設備

Unaudited  
未經審核  
RMB'000  
人民幣千元

Six months ended 30 June 2019	截至二零一九年六月三十日止六個月	
Opening net book amount as at 1 January 2019	於二零一九年一月一日之期初賬面淨值	7,716,921
Adjustment for change in accounting policy	有關會計政策變動之調整	(17,409)
Restated opening net book amount	重列期初賬面淨值	7,699,512
Acquisition of subsidiaries	收購附屬公司	527,148
Additions	添置	1,083,292
Disposals	出售	(5,656)
Depreciation	折舊	(396,755)
Currency translation differences	貨幣匯兌差額	(1,909)
<b>Closing net book amount as at 30 June 2019</b>	<b>於二零一九年六月三十日之期末賬面淨值</b>	<b>8,905,632</b>
<b>Six months ended 30 June 2020</b>	<b>截至二零二零年六月三十日止六個月</b>	
Opening net book amount as at 1 January 2020	於二零二零年一月一日之期初賬面淨值	9,445,725
Additions	添置	243,210
Disposals	出售	(6,951)
Depreciation	折舊	(459,115)
Currency translation differences	貨幣匯兌差額	7,096
<b>Closing net book amount as at 30 June 2020</b>	<b>於二零二零年六月三十日之期末賬面淨值</b>	<b>9,229,695</b>

As at 30 June 2020, property, plant and equipment with a total net book amount of RMB657,407,000 (31 December 2019: RMB709,529,000) was pledged as collateral for the Group's bank borrowings (Note 17).

於二零二零年六月三十日，賬面淨值總額為人民幣657,407,000元之物業、廠房及設備(二零一九年十二月三十一日：人民幣709,529,000元)已抵押作為本集團取得銀行融資之抵押品(附註17)。

During the six months ended 30 June 2020, no finance cost was capitalised as part of property, plant and equipment (for the six months ended 30 June 2019: nil).

於截至二零二零年六月三十日止六個月，概無財務費用資本化為物業、廠房及設備的一部分(截至二零一九年六月三十日止六個月：零)。



9. LEASES

9. 租賃

		Unaudited 未經審核 30 June 2020 二零二零年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元
Right-of-use assets	使用權資產		
— Land use rights	— 土地使用權	1,167,159	1,178,793
— Buildings and warehouses	— 樓宇及倉庫	108,979	115,422
— Equipment and others	— 設備及其他	46,890	50,097
		<b>1,323,028</b>	<b>1,344,312</b>
Lease liabilities	租賃負債		
— Current	— 即期	39,117	35,770
— Non-current	— 非即期	124,389	135,386
		<b>163,506</b>	<b>171,156</b>

9. LEASES (Continued)

The statement of profit or loss shows the following amounts relating to leases:

9. 租賃(續)

損益表列示以下有關租賃的款項：

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Depreciation of right-of-use assets	使用權資產之折舊		
— Land use rights	— 土地使用權	13,750	12,471
— Buildings and warehouses	— 樓宇及倉庫	19,508	16,591
— Equipment and others	— 設備及其他	3,524	2,757
		<b>36,782</b>	31,819
Interest expense	利息開支	<b>3,094</b>	3,155
Expense relating to short-term leases	有關短期租賃的開支	<b>4,989</b>	1,586
Expense relating to leases of low-value assets	有關低價值租賃的開支	<b>81</b>	164

The total cash payment for leases during the period was RMB28,834,000 (for the six months ended 30 June 2019: RMB18,975,000).

期內的租賃現金流出總額為人民幣28,834,000(截至二零一九年六月三十日止六個月：人民幣18,975,000元)。

10. INTANGIBLE ASSETS

10. 無形資產

		<b>Unaudited</b> 未經審核 RMB'000 人民幣千元
<b>Six months ended 30 June 2019</b>	<b>截至二零一九年六月三十日 止六個月</b>	
Opening net book amount as at 1 January 2019	於二零一九年一月一日之 期初賬面淨值	70,728
Amortisation charges	攤銷費用	(1,831)
<b>Closing net book amount as at 30 June 2019</b>	<b>於二零一九年六月三十日之 期末賬面淨值</b>	<b>68,897</b>
<b>Six months ended 30 June 2020</b>	<b>截至二零二零年六月三十日 止六個月</b>	
Opening net book amount as at 1 January 2020	於二零二零年一月一日之 期初賬面淨值	<b>67,067</b>
Amortisation charges	攤銷費用	<b>(1,831)</b>
<b>Closing net book amount as at 30 June 2020</b>	<b>於二零二零年六月三十日之 期末賬面淨值</b>	<b>65,236</b>

11. INVESTMENTS ACCOUNTED FOR USING  
THE EQUITY METHOD

11. 使用權益法入賬之投資

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

以下為已於簡明綜合資產負債表確認的金額：

		<b>Unaudited</b> 未經審核 <b>30 June</b> <b>2020</b> 二零二零年 六月三十日 <b>RMB'000</b> 人民幣千元	<b>Audited</b> 經審核 <b>31 December</b> <b>2019</b> 二零一九年 十二月三十一日 <b>RMB'000</b> 人民幣千元
Associates	聯營公司	<b>270,784</b>	238,560
Joint ventures	合營企業	<b>4,992</b>	4,709
		<b>275,776</b>	243,269

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

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

11. 使用權益法入賬之投資(續)

以下為已於簡明綜合收益表確認的金額：

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Associates	聯營公司	29,224	(416)
Joint ventures	合營企業	283	676
		<b>29,507</b>	<b>260</b>

Investments in associates

於聯營公司的投資

		Unaudited 未經審核 30 June 2020 二零二零年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2019 二零一九年 十二月三十一日 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	270,593	238,369
Goodwill	商譽	191	191
		<b>270,784</b>	<b>238,560</b>

11. 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:

11. 使用權益法入賬之投資 (續)

於聯營公司的投資 (續)

本集團應佔資產淨值變動如下：

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Opening amount	期初金額	238,369	200,640
Addition	添置	3,000	—
Share of profits/(losses) based on equity held	根據所持的權益應佔溢利/(虧損)	29,224	(416)
Closing amount	期末金額	270,593	200,224

Set out below are the associates of the Group as at 30 June 2020 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.

以下為於二零二零年六月三十日，董事認為對本集團並非個別重大之本集團聯營公司。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。

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

Investments in associates (Continued)

Nature of investments in associates as at 30 June 2020:

11. 使用權益法入賬之投資(續)

於聯營公司的投資(續)

於二零二零年六月三十日，聯營公司的投資性質如下：

Name of associate	Place and date of incorporation and form of legal entity 註冊成立地點及日期 以及法律實體類別	Principal activities	Particulars of issued share capital	Interest held
聯營公司名稱		主要業務	已發行股本詳情	所持權益
Nantong Textile Group Co., Ltd.	Nantong, Mainland China, 11 September 2002 limited liability company	Manufacturing and sales of top-grade textile knitting products and garments	RMB116,375,000	48%
南通紡織控股集團紡織染有限公司	中國大陸南通， 二零二零年九月十一日， 有限責任公司	製造及銷售高級紡織產品 及成衣	人民幣 116,375,000 元	48%
Hongyan Vietnam Holdings Limited	British Virgin Islands, 2 July 2015, limited liability company	Investment holding in British Virgin Islands	RMB166,167,000	45%
鴻雁越南控股有限公司	英屬處女群島， 二零一五年七月二日， 有限責任公司	於英屬處女群島進行 投資控股	人民幣 166,167,000 元	45%
Henglun International (Hong Kong) Limited	Hong Kong, 11 June 2019, limited liability company	Investment holding in Hong Kong	USD5,000,000	30%
恒綸國際(香港)有限公司	香港， 二零一九年六月十一日， 有限責任公司	於香港進行投資控股	5,000,000 美元	30%
Hualida Vietnam (Quang Ninh) Holdings Limited	Hong Kong, 16 November 2018, limited liability company	Investment holding in Hong Kong	HKD20,000	45%
華利達越南(廣寧)控股有限公司	香港， 二零一八年十一月十六日， 有限責任公司	於香港進行投資控股	20,000 港元	45%

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

Investments in associates (Continued)

Nature of investments in associates as at 30 June 2020: (Continued)

11. 使用權益法入賬之投資 (續)

於聯營公司的投資 (續)

於二零二零年六月三十日，聯營公司的投資性質如下：(續)

Name of associate	Place and date of incorporation and form of legal entity 註冊成立地點及日期 以及法律實體類別	Principal activities	Particulars of issued share capital	Interest held
聯營公司名稱		主要業務	已發行股本詳情	所持權益
Jiangsu Dasheng Intelligence Technology Development Co., Ltd.	Nantong, Mainland China, 9 March 2020, limited liability company	Manufacturing and sales of textile products	RMB10,000,000	30%
江蘇大生智能科技發展有限公司	中國大陸南通，二零二零年三月九日，有限責任公司	製造及銷售紡織產品	人民幣 10,000,000 元	30%
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	Hong Kong, 2 June 2015, limited liability company	Investment holding in Hong Kong	HKD100	45%
— 蘭雁牛仔服裝越南控股有限公司	香港，二零一五年六月二日，有限責任公司	於香港進行投資控股	100 港元	45%
— Hualida (Vietnam) Garments Limited Company	Vietnam, January 2016, limited liability company	Manufacturing of garments in Vietnam	VND39,870,000,000	45%
— 華利達(越南)服裝責任有限公司	越南，二零一六年一月，有限責任公司	於越南製造成衣	39,870,000,000 越南盾	45%

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

Investments in associates (Continued)

Nature of investments in associates as at 30 June 2020: (Continued)

11. 使用權益法入賬之投資(續)

於聯營公司的投資(續)

於二零二零年六月三十日，聯營公司的投資性質如下：(續)

Name of associate	Place and date of incorporation and form of legal entity 註冊成立地點及日期 以及法律實體類別	Principal activities	Particulars of issued share capital	Interest held
聯營公司名稱		主要業務	已發行股本詳情	所持權益
A subsidiary of Henglun International (Hong Kong) Limited 恒綸國際(香港)有限公司之附屬公司				
— Henglun Textile (Vietnam) Company Limited	Vietnam, November 2019, limited liability company	Manufacturing of garment fabrics in Vietnam	USD5,000,000	30%
— 恒綸紡織(越南)有限公司	越南，二零一九年十一月，有限責任公司	於越南製造面料	5,000,000 美元	30%
A subsidiary of Jiangsu Dasheng Intelligence Technology Development Co., Ltd. 江蘇大生智能科技發展有限公司之附屬公司				
— Nantong Dasheng Third Cotton Textile Co., Ltd.	Nantong, Mainland China, 26 April 2020, limited liability company	Manufacturing and sales of textile products	RMB161,720,000	30%
— 南通大生三棉紡織有限公司	中國大陸南通，二零二零年四月二十六日，有限責任公司	製造及銷售紡織產品	人民幣 161,720,000 元	30%



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

Investments in associates (Continued)

11. 使用權益法入賬之投資(續)

於聯營公司的投資(續)

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Aggregate carrying amount of individually immaterial associates	個別非重大聯營公司的 總賬面值	270,784	200,415
The Group's share of profits from continuing operations	本集團分佔持續經營業務 產生的溢利	29,224	(416)

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

Investments in joint ventures

11. 使用權益法入賬之投資(續)

於合營企業的投資

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Opening amount	期初金額	4,709	3,876
Share of profits based on equity held	根據所持的權益應佔溢利	283	676
Closing amount	期末金額	4,992	4,552

Set out below is the joint venture of the Group as at 30 June 2020 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 is held directly by the Group; the country of incorporation or registration is also its principal place of business.

以下為於二零二零年六月三十日，董事認為對本集團並非個別重大之本集團合營企業。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。

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

Investments in joint ventures (Continued)

Nature of investment in a joint venture as at 30 June 2020:

11. 使用權益法入賬之投資 (續)

於合營公司的投資 (續)

於二零二零年六月三十日，於合營企業的投資性質如下：

Name of joint venture	Place and date of incorporation and form of legal entity 註冊成立地點及日期以及法律實體類別	Principal activities	Particulars of issued share capital	Interest held
合營企業名稱		主要業務	已發行股本詳情	所持權益
Texhong Tan Cang Logistics Joint Stock Company	Vietnam, 30 June 2016, limited liability company	Cargo transportation by land and sea; other assistant services; cargo landing-over, storage, management consulting	VND20,000,000,000	50%
天虹新港物流股份公司	越南，二零一六年六月三十日，有限責任公司	海陸貨物運輸；其他輔助服務；貨物卸運、儲存、管理諮詢	20,000,000,000越南盾	50%

Texhong Tan Cang Logistics Joint Stock Company is a private company and there is no quoted market price available for its shares.

天虹新港物流股份公司乃一家私營公司，其股份並無市場報價。

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

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Carrying amount of the immaterial joint ventures	非重大合營企業的賬面值	4,992	4,552
The Group's share of profit from continuing operations	本集團分佔持續經營業務產生的溢利	283	676

12. INVENTORIES AND PROPERTIES UNDER DEVELOPMENT

Inventories

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

As at 30 June 2020, inventories with a total net book amount of RMB42,939,000 were pledged as collateral for the Group's bank borrowings (31 December 2019: RMB66,580,000) (Note 17).

Properties under development

Land use rights	土地使用權
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As at 30 June 2020, land use rights of RMB228,324,000 (31 December 2019: RMB227,580,000) were in Mainland China with lease terms of 40 to 70 years.

As at 30 June 2020, no construction had started yet, and no finance cost was capitalized as part of properties under development (31 December 2019: nil).

12. 存貨及發展中物業

存貨

Unaudited 未經審核 30 June 2020 二零二零年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元
2,800,744	3,189,503
448,333	481,381
1,998,018	1,429,206
<b>5,247,095</b>	<b>5,100,090</b>

於二零二零年六月三十日，賬面淨值總額為人民幣42,939,000元之存貨已抵押作本集團銀行借貸的抵押品(二零一九年十二月三十一日：人民幣66,580,000元)(附註17)。

發展中物業

Unaudited 未經審核 30 June 2020 二零二零年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元
228,324	227,580

於二零二零年六月三十日，在中國大陸的土地使用權為人民幣228,324,000元(二零一九年十二月三十一日：人民幣227,580,000元)，租賃期限為40年至70年。

於二零二零年六月三十日，尚未開始施工，概無財務費用(二零一九年十二月三十一日：無)資本化為發展中物業之一部分。

13. TRADE AND BILLS RECEIVABLES

13. 應收貿易及票據款項

		Unaudited 未經審核 30 June 2020 二零二零年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元
Trade receivables	應收貿易款項	630,207	817,743
Less: provision for impairment	減：減值撥備	(11,921)	(10,226)
		<b>618,286</b>	<b>807,517</b>
Bills receivable	應收票據款項	610,371	727,156
		<b>1,228,657</b>	<b>1,534,673</b>

As at 30 June 2020, included in the trade receivables were amount due from related parties of RMB195,000 (31 December 2019: nil) (Note 29).

The fair values of trade and bills receivables approximate their carrying amounts.

於二零二零年六月三十日，應收貿易款項包含人民幣195,000元應收關聯方的款項（二零一九年十二月三十一日：無）（附註29）。

應收貿易及票據款項的公平值與其賬面值相若。

13. TRADE AND BILLS RECEIVABLES

(Continued)

The Group generally grants credit terms of less than 90 days to its customers in Mainland China and 120 days to its customers in other countries and regions. The ageing analysis of the trade and bills receivables (including amounts due from related parties of trading in nature) by invoice date is as follows:

13. 應收貿易及票據款項 (續)

本集團授予其中國大陸客戶之信貸期一般為90日內，而授予其他國家及地區客戶之信貸期為120日內。應收貿易及票據款項(包括貿易性質的應收關聯方款項)根據發票日期的賬齡分析如下：

		Unaudited 未經審核 30 June 2020 二零二零年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元
Within 30 days	30日以內	822,326	1,050,742
31 to 90 days	31日至90日	263,941	399,113
91 to 180 days	91日至180日	124,810	75,479
181 days to 1 year	181日至1年	20,897	9,694
Over 1 year	1年以上	8,604	9,871
		<b>1,240,578</b>	<b>1,544,899</b>
Less: provision for impairment	減：減值撥備	<b>(11,921)</b>	<b>(10,226)</b>
Trade and bills receivables — net	應收貿易及票據款項 — 淨額	<b>1,228,657</b>	<b>1,534,673</b>

There is no concentration of credit risk with respect to trade and bills receivables, as the Group has a large number of customers.

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。

14. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

14. 預付款項、按金及其他應收賬款

		Unaudited 未經審核 30 June 2020 二零二零年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元
Value-added tax recoverable	應退增值稅	319,436	327,586
Prepayments for purchase of raw materials	購買原材料的預付款項	210,231	315,856
Prepaid expenses and deposits	預付開支及按金	54,515	120,232
Shareholders' loan to related parties	向關聯方提供股東貸款	35,474	—
Prepaid income tax	預付所得稅	13,933	31,133
Other receivables	其他應收賬款	4,131	3,685
		<b>637,720</b>	<b>798,492</b>

As at 30 June 2020, included in the prepayments, deposits and other receivables were amount due from related parties of RMB35,474,000 (31 December 2019: nil) (Note 29).

於二零二零年六月三十日，預付款項、按金及其他應收賬款包含應收關聯方款項人民幣35,474,000元(二零一九年十二月三十一日：無)(附註29)。

15. TRADE AND BILLS PAYABLES

15. 應付貿易及票據款項

		Unaudited 未經審核 30 June 2020 二零二零年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元
Trade payables	應付貿易款項	681,628	811,591
Bills payable	應付票據款項	2,814,210	2,224,277
		<b>3,495,838</b>	<b>3,035,868</b>

15. TRADE AND BILLS PAYABLES (Continued)

As at 30 June 2020, included in the trade payables were amounts due to related parties of RMB14,101,000 (31 December 2019: RMB13,975,000) (Note 29).

The fair values of trade and bills payables approximate their carrying amounts.

The ageing analysis of the trade and bills payables (including amounts due to related parties of trading in nature) is as follows:

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

15. 應付貿易及票據款項 (續)

於二零二零年六月三十日，應付貿易款項包括應付關聯方款項人民幣14,101,000元(二零一九年十二月三十一日：人民幣13,975,000元)(附註29)。

應付貿易及票據款項的公平值與其賬面值相若。

應付貿易及票據款項(包括應付關聯方之貿易性質款項)的賬齡分析如下：

Unaudited 未經審核 30 June 2020 二零二零年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元
2,519,426	2,235,897
875,984	781,214
76,300	11,600
24,128	7,157
<b>3,495,838</b>	<b>3,035,868</b>



16. ACCRUALS AND OTHER PAYABLES

16. 預提費用及其他應付賬款

		<b>Unaudited</b>	<b>Audited</b>
		未經審核	經審核
		<b>30 June</b>	<b>31 December</b>
		<b>2020</b>	<b>2019</b>
		二零二零年	二零一九年
		六月三十日	十二月三十一日
		<b>RMB'000</b>	<b>RMB'000</b>
		人民幣千元	人民幣千元
Accrued wages and salaries	應計工資及薪金	<b>274,686</b>	328,216
Payables for purchase of property, plant and equipment	購買物業、廠房及設備的應付賬款	<b>129,002</b>	192,704
Accrual of operating expenses	應計經營開支	<b>111,870</b>	155,146
Tax payables other than enterprise income tax	應付稅項 (企業所得稅除外)	<b>44,949</b>	61,636
Interest payable	應付利息	<b>8,789</b>	8,067
Other payables	其他應付賬款	<b>112,298</b>	52,189
		<b>681,594</b>	797,958

17. BORROWINGS

17. 借貸

		Unaudited 未經審核 30 June 2020 二零二零年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元
<b>Current</b>	<b>即期</b>		
Unsecured bank borrowings	無抵押銀行借貸	334,941	990,965
Secured bank borrowings (Note (a))	有抵押銀行借貸(附註(a))	289,759	332,440
Other bank borrowings (Note (b))	其他銀行借貸(附註(b))	4,691,561	2,036,211
		<b>5,316,261</b>	<b>3,359,616</b>
<b>Non-current</b>	<b>非即期</b>		
Unsecured bank borrowings	無抵押銀行借貸	983,891	705,935
Secured bank borrowings (Note (a))	有抵押銀行借貸(附註(a))	159,289	188,357
Other bank borrowings (Note (b))	其他銀行借貸(附註(b))	3,575,508	4,030,715
		<b>4,718,688</b>	<b>4,925,007</b>
<b>Total borrowings</b>	<b>借貸總額</b>	<b>10,034,949</b>	<b>8,284,623</b>

Notes:

(a) As at 30 June 2020, bank borrowings of RMB449,048,000 (31 December 2019: RMB520,797,000) were secured by the pledge of the Group's property, plant and equipment with a net book amount of approximately RMB657,407,000 (31 December 2019: RMB709,529,000) (Note 8); inventories with a total amount of RMB42,939,000 (31 December 2019: RMB66,580,000) (Note 12); and pledged bank deposits with a net book amount of RMB4,300,000 (31 December 2019: RMB8,001,000).

附註：

(a) 於二零二零年六月三十日，人民幣449,048,000元的銀行借貸(二零一九年十二月三十一日：人民幣520,797,000元)以本集團賬面淨值約人民幣657,407,000元(二零一九年十二月三十一日：人民幣709,529,000元)的物業、廠房及設備(附註8)·總額為人民幣42,939,000元(二零一九年十二月三十一日：66,580,000)的存貨(附註12)·及賬面淨值約人民幣4,300,000元(二零一九年十二月三十一日：人民幣8,001,000元)的已抵押銀行存款作抵押。

17. BORROWINGS (Continued)

Notes: (Continued)

(b) As at 30 June 2020, other bank borrowings of RMB8,267,069,000 (31 December 2019: RMB6,066,926,000) were secured by cross corporate guarantees provided by certain subsidiaries of the Group.

Movements in borrowings are analysed as follows:

17. 借貸(續)

附註：(續)

(b) 於二零二零年六月三十日，其他銀行借貸人民幣8,267,069,000元(二零一九年十二月三十一日：人民幣6,066,926,000元)以本集團若干附屬公司提供的交叉公司擔保作抵押。

借貸變動分析如下：

		Unaudited 未經審核 RMB'000 人民幣千元
<b>Six months ended 30 June 2019</b>	<b>截至二零一九年六月三十日止六個月</b>	
Opening amount as at 1 January 2019	於二零一九年一月一日之期初金額	7,127,734
Proceeds from borrowings	借貸所得款項	3,743,069
Repayments of borrowings	償還借貸	(3,081,420)
Exchange losses on borrowings	借貸匯兌虧損	30,778
<b>Closing amount as at 30 June 2019</b>	<b>於二零一九年六月三十日之期末金額</b>	<b>7,820,161</b>
<b>Six months ended 30 June 2020</b>	<b>截至二零二零年六月三十日止六個月</b>	
Opening amount as at 1 January 2020	於二零二零年一月一日之期初金額	<b>8,284,623</b>
Proceeds from borrowings	借貸所得款項	<b>4,649,316</b>
Repayments of borrowings	償還借貸	<b>(3,028,021)</b>
Exchange losses on borrowings	借貸匯兌虧損	<b>129,031</b>
<b>Closing amount as at 30 June 2020</b>	<b>於二零二零年六月三十日之期末金額</b>	<b>10,034,949</b>

17. BORROWINGS (Continued)

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

HKD	港元
RMB	人民幣
USD	美元

The weighted average effective interest rate per annum at 30 June 2020 was 2.55% (31 December 2019: 3.71%).

As at 30 June 2020, the Group has undrawn floating rates borrowing facilities of approximately RMB3,847,161,000 (31 December 2019: RMB4,400,070,000) which will be expired within one year.

17. 借貸(續)

本集團借貸的賬面值按以下貨幣計值：

Unaudited 未經審核 30 June 2020 二零二零年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元
4,565,184	5,433,479
3,089,806	1,522,037
2,379,959	1,329,107
<b>10,034,949</b>	<b>8,284,623</b>

於二零二零年六月三十日之加權平均實際年利率為2.55%(二零一九年十二月三十一日：3.71%)。

於二零二零年六月三十日，本集團未動用之浮動息率借貸融資約人民幣3,847,161,000元(二零一九年十二月三十一日：人民幣4,400,070,000元)將於一年內到期。

18.DERIVATIVE FINANCIAL INSTRUMENTS

18.衍生金融工具

		Unaudited 未經審核 30 June 2020 二零二零年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元
Assets:	資產：		
Forward foreign exchange contracts (Note (a))	遠期外匯合約(附註(a))	231,233	187,736
Cross currency swap contracts (Note (b))	交叉貨幣掉期合約(附註(b))	141,467	87,942
Cotton future contracts (Note (c))	棉花期貨合約(附註(c))	74	11,757
		<b>372,774</b>	<b>287,435</b>
Liabilities:	負債：		
Forward foreign exchange contracts (Note (a))	遠期外匯合約(附註(a))	23,650	22,010
Cotton option contracts (Note (d))	棉花期權合約(附註(d))	18,492	-
Cotton future contracts (Note (c))	棉花期貨合約(附註(c))	6,853	-
Cross currency swap contracts (Note (b))	交叉貨幣掉期合約(附註(b))	5,419	7,520
		<b>54,414</b>	<b>29,530</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。

18. DERIVATIVE FINANCIAL INSTRUMENTS

(Continued)

Notes:

- (a) The forward foreign exchange contracts as at 30 June 2020 comprised thirteen contracts with notional principal amounts totalling RMB4,060,801,000 (31 December 2019: nineteen contracts with notional principal amounts totalling RMB4,756,373,000).
- (b) The cross currency swap contracts as at 30 June 2020 comprised forty-six contracts with notional principal amounts totalling RMB8,880,759,000 (31 December 2019: fifty-one contracts with notional principal amounts totalling RMB9,658,644,000).
- (c) The cotton future contracts as at 30 June 2020 comprised one contract with notional principal amounts totalling USD14,124,000 (31 December 2019: five contracts with notional principal amounts totalling USD35,583,000).
- (d) The cotton option contracts as at 30 June 2020 comprised four contracts with notional principal amount of USD68,254,000 (31 December 2019: nil).

18. 衍生金融工具 (續)

附註：

- (a) 於二零二零年六月三十日，遠期外匯合約包括十三份合約，名義本金額總計為人民幣4,060,801,000元(二零一九年十二月三十一日：十九份合約，名義本金額總計為人民幣4,756,373,000元)。
- (b) 於二零二零年六月三十日，交叉貨幣掉期合約包括四十六份合約，名義本金額總計為人民幣8,880,759,000元(二零一九年十二月三十一日：五十一份合約，名義本金額總計為人民幣9,658,644,000元)。
- (c) 於二零二零年六月三十日，棉花期貨合約包括一份合約，名義本金額總計為14,124,000美元(二零一九年十二月三十一日：五份合約，名義本金額總計為35,583,000美元)。
- (d) 於二零二零年六月三十日，棉花期權合約包括四份合約，名義本金額總計為68,254,000美元(二零一九年十二月三十一日：無)。

19. LONG-TERM PAYABLES

19. 長期應付賬款

		Unaudited 未經審核 30 June 2020 二零二零年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元
No later than 1 year	一年內	113,632	105,693
Later than 1 year and no later than 5 years	一年後至五年內	98,600	150,962
Less: future finance charges on long-term payables	減：長期應付賬款之未來融資費用	(11,814)	(17,871)
		<b>200,418</b>	<b>238,784</b>
The present value of long-term payables is as follows:			
	長期應付賬款之現值如下：		
No later than 1 year	一年內	104,894	94,572
Later than 1 year and no later than 5 years	一年後至五年內	95,524	144,212
		<b>200,418</b>	<b>238,784</b>

As at 30 June 2020, included in the long-term payables were amounts due to third parties for purchasing machinery and equipment with a carrying amount of RMB200,418,000 (31 December 2019: RMB238,784,000).

於二零二零年六月三十日，列入長期應付賬款的款項指就購買賬面值為人民幣200,418,000元(二零一九年十二月三十一日：人民幣238,784,000元)的機械及設備應付第三方的款項。

20. SHARE CAPITAL AND SHARE PREMIUM

20. 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 Hong Kong Dollars (“HKD”) 0.1 each</b>	每股面值0.1港元 (「港元」)之普通股		
<b>At 31 December 2019 and 30 June 2020</b>	於二零一九年 十二月三十一日及 二零二零年六月三十日	4,000,000	400,000

		Number of shares 股份數目 (thousands) (千股)	Ordinary shares 普通股 RMB'000 人民幣千元	Share premium 股份溢價 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Issued and fully paid:	已發行及繳足：				
<b>Ordinary shares of HKD0.1 each</b>	每股面值0.1港元 (「港元」)之普通股				
<b>At 31 December 2019 and 30 June 2020</b>	於二零一九年 十二月三十一日及 二零二零年 六月三十日	915,000	96,709	433,777	530,486



## 21. SHARE OPTION SCHEME

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

## 21. 購股權計劃

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

**21. SHARE OPTION SCHEME (Continued)**

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

**21. 購股權計劃(續)**

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

**21. SHARE OPTION SCHEME (Continued)**

The fair value of options granted on 23 March 2015 was determined using the Binomial Option-Pricing Model. The significant inputs into the model included the share price of HKD8.7 per share at the grant date, exercise price shown above, expected annual risk-free interest rate of 1.582%, expected dividend yield of 1.45% and volatility of 49.80%. The total fair value of these options was RMB17,154,000 and there was no administrative expenses was deducted for the six months ended 30 June 2020 (for the six months ended 30 June 2019: nil).

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 RMB68,000 was charged to administrative expenses for the six months ended 30 June 2020 (for the six months ended 30 June 2019: RMB146,000).

**21. 購股權計劃(續)**

於二零一五年三月二十三日授出之購股權之公平值乃採用二項式期權定價模式釐定。該模式之重大輸入數據包括於授出日期之股價每股8.7港元、上述行使價、預期年度無風險利率1.582%、預期股息率1.45%及波幅49.80%。此等購股權之公平值總額為人民幣17,154,000元，而於截至二零二零年六月三十日止六個月並無自行政開支扣除的款項(截至二零一九年六月三十日止六個月：無)。

於二零一五年十二月二十八日授出之購股權之公平值乃採用二項式期權定價模式釐定。該模式之重大輸入數據包括於授出日期之股價每股5.7港元、上述行使價、預期年度無風險利率1.623%、預期股息率3.42%及波幅50.94%。此等購股權之公平值總額為人民幣3,171,000元，而人民幣68,000元已於截至二零二零年六月三十日止六個月之行政開支扣除(截至二零一九年六月三十日止六個月：人民幣146,000元)。

22. OTHER INCOME AND OTHER GAINS

22. 其他收入及其他收益

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Other income	其他收入		
Subsidy income (a)	補貼收入 (a)	91,908	70,300
Other gains	其他收益		
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 gains/(losses)	— 已變現收益/ (虧損)	49,848	(58,130)
— Unrealised profits	— 未變現溢利	62,843	28,475
Net foreign exchange gains/ (losses)	匯兌收益/(虧損)淨額	20,300	(14,130)
Gains on acquisition of subsidiaries	收購附屬公司之收益	—	209,019
Others	其他	4,008	5,037
Total other gains	其他收益總額	136,999	170,271

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

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

### 23. EXPENSES BY NATURE

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

### 23. 開支 (按性質分類)

下列開支項目已於簡明綜合收益表中計入銷售成本、銷售及分銷成本，以及一般及行政開支。

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Cost of inventories	存貨成本	5,152,345	6,834,196
Employment benefit expenses	僱員福利開支	1,172,242	1,290,163
Utilities	動力及燃料	576,063	599,362
Depreciation and amortisation	折舊及攤銷	497,728	430,405
Transportation	運輸	211,398	240,024

### 24. FINANCE INCOME AND COSTS

### 24. 財務收入及費用

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Interest expenses	利息開支		
— borrowings	— 借貸	216,338	220,409
— lease liabilities	— 租賃負債	3,851	3,155
		220,189	223,564
Net exchange losses on financing activities	融資活動所得匯兌虧損淨額	129,032	30,778
Finance costs	財務費用	349,221	254,342
Finance income — interest income on bank deposits	財務收入 — 銀行存款利息收入	(25,650)	(17,781)
Net finance costs	財務費用淨額	323,571	236,561

25. INCOME TAX EXPENSE

25. 所得稅開支

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Current tax on profits for the period	本期間溢利即期稅項	32,435	84,179
Deferred income tax	遞延所得稅	(28,309)	(5,402)
		<b>4,126</b>	<b>78,777</b>

(i) Hong Kong profits tax

Subsidiaries established in Hong Kong are subject to profits tax at rate of 16.5% (2019: 16.5%).

(i) 香港利得稅

於香港成立的附屬公司須按 16.5% (二零一九年：16.5%) 之稅率繳付利得稅。

(ii) Mainland China enterprise income tax ("EIT")

Effective from 1 January 2008, the subsidiaries established in Mainland China are required to determine and pay the EIT in accordance with the Corporate Income Tax Law of the PRC (the "New CIT Law") as approved by the National People's congress on 16 March 2007 and Detailed Implementations Regulations of the New CIT Law (the "DIR") as approved by the State Council on 6 December 2007. According to the New CIT Law and DIR, subsidiaries established in Mainland China are subject to EIT at rate of 25% (2019: 25%).

(ii) 中國大陸企業所得稅(「企業所得稅」)

由二零零八年一月一日起，於中國大陸成立的附屬公司需要根據全國人大於二零零七年三月十六日批准的中國企業所得稅法(「新企業所得稅法」)及國務院於二零零七年十二月六日批准的新企業所得稅法實施條例(「實施條例」)釐定及支付企業所得稅。根據新企業所得稅法實施條例，於中國大陸成立的附屬公司須按 25% (二零一九年：25%) 之稅率繳付企業所得稅。

**25. INCOME TAX EXPENSE (Continued)**

**(ii) Mainland China enterprise income tax (“EIT”) (Continued)**

As approved by the relevant tax bureau in Mainland China, three subsidiaries established in Jiangsu, one subsidiary established in Xinjiang and two subsidiaries established in Guangdong respectively are entitled to a preferential tax rate of 15% during the period (2019: four subsidiaries established in Jiangsu, one subsidiary established in Xinjiang and two subsidiaries established in Guangdong respectively are entitled to a preferential tax rate of 15%).

**(iii) 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% (2019: 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% (2019: 20%).

**25. 所得稅開支 (續)**

**(ii) 中國大陸企業所得稅 (「企業所得稅」) (續)**

經中國大陸有關稅務局批准，三家在江蘇成立的附屬公司、一家在新疆成立的附屬公司及兩家在廣東成立的附屬公司於期內有權享有15%的優惠稅率(二零一九年：四家在江蘇成立的附屬公司、一家在新疆成立的附屬公司及兩家在廣東成立的附屬公司有權享有15%的優惠稅率)。

**(iii) 越南所得稅**

越南主要附屬公司的所得稅如下：

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，可就其補充投資獨立計算所得稅。該附屬公司的初步投資有權免繳所得稅三年，其後七年則獲稅務減半優惠，並有權享受優惠所得稅稅率15%達十二年。該附屬公司的首項補充投資有權免繳所得稅三年，其後五年根據20% (二零一九年：20%) 的所得稅稅率，可獲所得稅減半優惠。該附屬公司的第二項補充投資有權免繳所得稅兩年，其後五年根據20% (二零一九年：20%) 的所得稅稅率，可獲所得稅減半優惠。

**25. INCOME TAX EXPENSE (Continued)**

**(iii) Vietnam income tax (Continued)**

As approved by the relevant tax bureau in Vietnam, other subsidiaries established in Vietnam 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 period (2019: nil to 20%).

**(iv) 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.

**25. 所得稅開支 (續)**

**(iii) 越南所得稅 (續)**

經越南的相關稅務局批准，在越南成立的其他附屬公司有權於抵銷過往年度結轉的虧損後首個獲利年度起，免繳所得稅四年，其後九年則可獲稅率減半優惠，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。

期內，於越南之所有附屬公司之適用稅率介乎零至 20% (二零一九年：零至 20%)。

**(iv) 其他所得稅或利得稅**

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。



**25. INCOME TAX EXPENSE (Continued)**

**(iv) Other income or profits tax (Continued)**

The Company's subsidiary established in Macao is subject to income tax rate of 12% (2019: 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 period (2019: nil).

The Company's subsidiary established in Uruguay is subject to income tax rate of 25% (2019: 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 period (2019: nil).

The Company's subsidiary established in Turkey is subject to income tax at the rate of 22% (2019: 22%). No provision for Turkey profits tax has been made as the Group had no assessable profit arising in or derived from Turkey during the period (2019: nil).

The Company's subsidiary acquired in Cambodia in 2017 is subject to income tax at the rate of 20% (2019: 20%). No provision for Cambodia profits tax has been made as the Group had no assessable profit arising in or derived from Cambodia during the period (2019: nil).

**25. 所得稅開支 (續)**

**(iv) 其他所得稅或利得稅 (續)**

本公司於澳門成立之附屬公司須按12% (二零一九年：12%)之稅率繳付所得稅。由於本集團於期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 (二零一九年：零)。

本公司於烏拉圭成立之附屬公司須按25% (二零一九年：25%)之稅率繳付所得稅。概無就烏拉圭利得稅計提撥備，因為本集團於期內並無於烏拉圭產生或獲得應課稅溢利 (二零一九年：零)。

本公司於土耳其成立之附屬公司須按22% (二零一九年：22%)之稅率繳付所得稅。由於本集團於期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 (二零一九年：零)。

本公司於二零一七年在柬埔寨收購之附屬公司須按20%之稅率繳付所得稅 (二零一九年：20%)。由於本集團期內並無由柬埔寨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 (二零一九年：零)。

**25. INCOME TAX EXPENSE** (Continued)

**(iv) Other income or profits tax** (Continued)

The Company's subsidiaries in Nicaragua acquired and established in 2017 and 2018 respectively are subject to income tax at the rate of 30% (2019: 30%). As approved by relevant tax bureau in Nicaragua, the subsidiary is entitled to exemption from profits tax during the period (2019: exempted).

The Company's subsidiaries acquired in Samoa in 2017 are exempted from profits tax during the period (2019: exempted).

The Company's subsidiaries acquired in the United States in 2018 are subject to income tax rate within the range from 27.5% to 30% (2019: 27.5% to 30%).

The Company's subsidiaries established in Mexico in 2018 and 2019 are subject to income tax at the rate of 30% (2019: 30%).

**25. 所得稅開支** (續)

**(iv) 其他所得稅或利得稅** (續)

本公司於二零一七年及二零一八年在尼加拉瓜收購及成立之附屬公司須按30%之稅率繳付所得稅(二零一九年：30%)。經尼加拉瓜有關稅務局批准，該等附屬公司於期內獲豁免繳付利得稅(二零一九年：豁免)。

本公司於二零一七年在薩摩亞收購之附屬公司於期內豁免繳付利得稅(二零一九年：豁免)。

於二零一八年在美國所收購之本公司附屬公司須按介乎27.5%至30%之所得稅稅率繳稅(二零一九年：27.5%至30%)。

本公司於二零一八年及二零一九年在墨西哥成立的附屬公司須按30%的所得稅稅率繳稅(二零一九年：30%)。

26. EARNINGS PER SHARE

(a) Basic

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

26. 每股盈利

(a) 基本

每股基本盈利以本公司擁有人應佔溢利除以期內已發行普通股的加權平均數計算。

		<b>Unaudited</b> 未經審核	
		<b>Six months ended 30 June</b> 截至六月三十日止六個月	
		<b>2020</b> 二零二零年	2019 二零一九年
Profit attributable to owners of the Company (RMB'000)	本公司擁有人應佔溢利 (人民幣千元)	<b>10,475</b>	471,042
Weighted average number of ordinary shares in issue (thousands)	已發行普通股加權平均數 (以千計)	<b>915,000</b>	915,000
Basic earnings per share (RMB per share)	每股基本盈利 (每股人民幣元)	<b>0.01</b>	0.51

26. EARNINGS PER SHARE (Continued)

(b) Diluted

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

26. 每股盈利(續)

(b) 攤薄

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

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年	2019 二零一九年
Profit attributable to owners of the Company (RMB'000)	本公司擁有人應佔溢利 (人民幣千元)	<b>10,475</b>	471,042
<b>Weighted average number of ordinary shares in issue (thousands)</b>	已發行普通股加權平均數 (以千計)	<b>915,000</b>	915,000
Adjustments for: — Share options (thousands)	調整： — 購股權(以千計)	<b>244</b>	3,969
Weighted average number of ordinary shares for diluted earnings per share (thousands)	每股攤薄盈利所用之 普通股加權平均數 (以千計)	<b>915,244</b>	918,969
Diluted earnings per share (RMB per share)	每股攤薄盈利 (每股人民幣元)	<b>0.01</b>	0.51

**27. DIVIDENDS**

A final dividend of RMB125,364,000 that is related to the year ended 31 December 2019 was paid in June 2020 (2019: RMB158,936,000).

In addition, no interim dividend (2019: HKD0.18 per share) was proposed by the board of directors on 21 August 2020.

**28. COMMITMENTS**

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

**27. 股息**

於二零二零年六月，已支付與截至二零一九年十二月三十一日止年度相關的末期股息人民幣125,364,000元(二零一九年：人民幣158,936,000元)。

此外，董事會於二零二零年八月二十一日概無建議派付中期股息(二零一九年：每股0.18港元)。

**28. 承擔**

於結算日的資本開支(但未產生)如下：

		<b>Unaudited</b> 未經審核 <b>30 June</b> <b>2020</b> 二零二零年 六月三十日 <b>RMB'000</b> 人民幣千元	<b>Audited</b> 經審核 <b>31 December</b> <b>2019</b> 二零一九年 十二月三十一日 <b>RMB'000</b> 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	<b>736,790</b>	—
Contracted but not provided for	已訂約但未撥備	<b>159,908</b>	178,282
<b>Total capital commitments</b>	<b>資本承擔總額</b>	<b>896,698</b>	178,282

## 29. RELATED-PARTY TRANSACTIONS

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

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

### Name of related party

關聯方名稱

Nantong Textile Group Co., Ltd.

南通紡織控股集團紡織染有限公司

Hualida (Vietnam) Garments Limited Company

華利達(越南)服裝責任有限公司

Nantong Dasheng Third Cotton Textile Co., Ltd.

南通大生三棉紡織有限公司

Henglun International (Hong Kong) Limited

恒綸國際(香港)有限公司

Texhong Tan Cang Logistics Joint Stock Company

天虹新港物流股份公司

Texhong Industrial Park Vietnam Limited

天虹工業園區越南有限公司

## 29. 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。

與本集團進行交易的關聯方如下：

### Relationship with the Group

與本集團的關係

Associated company

聯營公司

Associated company

聯營公司

Associated company

聯營公司

Associated company

聯營公司

Joint venture

合營企業

A company controlled by the chairman of the Group

由本集團主席所控制之公司

29. RELATED-PARTY TRANSACTIONS

(Continued)

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

(a) Transactions with related parties

29. 與關聯方的交易 (續)

本集團與其關聯方進行的重大交易及結餘如下：

(a) 與關聯方的交易

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Sales of goods	銷售貨品		
— Hualida (Vietnam) Garments Limited Company	— 華利達(越南)服裝責任有限公司	177	4
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	874	4,442
— Nantong Dasheng Third Cotton Textile Co., Ltd.	— 南通大生三棉紡織有限公司	120	—
— Hualida (Vietnam) Garments Limited Company	— 華利達(越南)服裝責任有限公司	23	714
		<b>1,017</b>	<b>5,156</b>
Purchases of water	購買用水		
— Texhong Industrial Park Vietnam Limited	— 天虹工業園區越南有限公司	1,776	1,980
Purchases of electricity	購買電力		
— Texhong Industrial Park Vietnam Limited	— 天虹工業園區越南有限公司	77,202	71,419
Purchases of steam	購買蒸氣		
— Texhong Industrial Park Vietnam Limited	— 天虹工業園區越南有限公司	10,357	9,480

29. RELATED-PARTY TRANSACTIONS

(Continued)

(a) Transactions with related parties

(Continued)

29. 與關聯方的交易 (續)

(a) 與關聯方的交易 (續)

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Purchases of wastewater treatment service	購買污水處理服務		
— Texhong Industrial Park Vietnam Limited	— 天虹工業園區越南有限公司	3,001	2,990
Purchases of petroleum gas	購買石油氣		
— Texhong Industrial Park Vietnam Limited	— 天虹工業園區越南有限公司	481	646
Purchases of services	購買服務		
— Texhong Tan Cang Logistics Joint Stock Company	— 天虹新港物流股份有限公司	16,093	30,682
Providing shareholder loan	提供股東貸款		
— Nantong Dasheng Third Cotton Textile Co., Ltd.	— 南通大生三棉紡織有限公司	20,100	—
— Henglun International (Hong Kong) Limited	— 恒綸國際(香港)有限公司	15,374	—
		<b>35,474</b>	<b>—</b>

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。



29. RELATED-PARTY TRANSACTIONS

(Continued)

(b) Balances with related parties

29. 與關聯方的交易 (續)

(b) 與關聯方的結餘

		Unaudited 未經審核 30 June 2020 二零二零年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元
Trade receivables	應收貿易款項		
— Hualida (Vietnam) Garments Limited Company	— 華利達(越南)服裝責任有限公司	195	—
Trade payables	應付貿易款項		
— Texhong Industrial Park Vietnam Limited	— 天虹工業園區越南有限公司	9,516	8,054
— Texhong Tan Cang Logistics Joint Stock Company	— 天虹新港物流股份公司	4,585	5,920
— Nantong Textile Group Co., Ltd.	— 南通紡織控股集團紡織染有限公司	—	1
		<b>14,101</b>	13,975
Prepayments, deposits and other receivables	預付款項、按金及其他應收賬款		
— Nantong Dasheng Third Cotton Textile Co., Ltd.	— 南通大生三棉紡織有限公司	20,100	—
— Henglun International (Hong Kong) Limited	— 恒綸國際(香港)有限公司	15,374	—
		<b>35,474</b>	—

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

與關聯方的結餘為無抵押、不計息及須於一年內償還。

29. RELATED-PARTY TRANSACTIONS

(Continued)

(c) Key management compensation

29. 與關聯方的交易 (續)

(c) 主要管理層薪酬

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Salaries, wages and bonuses	薪金、工資及花紅	4,270	4,915
Pension costs (defined contribution plan)	退休金成本 (界定供款計劃)	243	310
Other benefits	其他福利	36	34
		<b>4,549</b>	<b>5,259</b>

### OVERVIEW

The Group is pleased to present the unaudited consolidated financial results of the Group for the six months ended 30 June 2020 (the “Review Period”) to the shareholders of the Company (the “Shareholders”). Due to the global spread of COVID-19 during the Review Period, customers generally requested delays in shipments and reduction of purchase orders, which resulted in a decrease in the revenue of the Group of approximately 19.4% to approximately RMB8,214 million, compared with the corresponding period last year. Profit attributable to equity holders for the Review Period fell to the break-even level, amounting only to RMB10.48 million. Earnings per share also decreased from RMB0.51 for the corresponding period last year to RMB0.01. The decrease in profit attributable to equity holders was primarily attributable to the substantial decline in revenue, and due to sluggish market demand, the Group had to realign the product mix to maintain the utilization rate and sales volume during the Review Period, which inevitably affected the profit level. In particular, the gross profit margin of yarns dropped from approximately 14.1% for the corresponding period last year to approximately 10.6% during the Review Period, directly affecting the Group’s net profit.

### 綜覽

我們欣然向本公司股東（「股東」）報告本集團截至二零二零年六月三十日止六個月（「回顧期」）的未經審核綜合財務業績。受新型冠狀病毒肺炎疫情在全球蔓延的影響，在回顧期內，客戶普遍要求延遲發貨並削減採購訂單，導致本集團之收入較去年同期下降約19.4%至約人民幣82.14億元。於回顧期內，權益持有人應佔溢利跌至盈虧平衡區間僅人民幣1,048萬元。每股盈利亦由去年同期的人民幣0.51元跌至人民幣0.01元。股權持有人應佔溢利下降主要因為收入大幅倒退，而由於市場需求萎靡，本集團在回顧期內需要調整產品組合以保障產能使用率及銷售量，在這情況下調整後的產品組合無可避免影響利潤水平，其中紗線的毛利率從去年同期的約14.1%下跌至回顧期內的約10.6%，直接影響集團的淨利潤。

### INDUSTRY REVIEW

According to the statistics from the National Bureau of Statistics of the PRC, between January and June 2020, enterprises with a sizeable capacity in the textile industry recorded an aggregate revenue of RMB966.94 billion from their principal activities, representing a year-on-year decrease of 15.6%. Total profit for the industry amounted to RMB40.21 billion, representing a year-on-year decrease of 5.6%. From January to June 2020, fixed asset investments in the textile industry in the PRC amounted to RMB243.7 billion, representing a year-on-year decrease of 22.4%.

According to the statistics from the General Administration of Customs of the PRC, between January and June 2020, the aggregate export of textiles and garments was US\$125.188 billion, representing an increase of 3.16%. Among these exports, US\$74.103 billion was attributable to textiles and US\$51.084 billion to garments, representing an increase of 27.8% and a decrease of 19.4% respectively. With respect to production volume, between January and June 2020, yarns, fabrics and synthetic fibre production amounted to 11.457 million tonnes, 16.93 billion metres and 28.105 million tonnes respectively, representing a year-on-year decrease of 15.8%, decrease of 25.9% and decrease of 1.0% respectively.

According to the statistics from Vietnam Customs, between January and June 2020, the export volume of yarns and staple fibre manufactured in Vietnam decreased by 8.1% to 731,000 tonnes, representing a decrease of 20.7% in revenue to US\$1.610 billion, while the revenue of garments exports decreased by 12.7% to US\$13.182 billion.

### 行業回顧

根據中國國家統計局的數據顯示，二零二零年一月至六月，紡織業規模企業累計錄得主營業務收入人民幣9,669.4億元，同比減少15.6%；行業實現利潤總額人民幣402.1億元，同比減少5.6%。中國紡織業在二零二零年一月至六月固定資產投資人民幣2,437億元，同比降低22.4%。

根據中國海關總署發佈的統計數據顯示，二零二零年一月至六月，紡織品服裝累計出口1,251.88億美元，上升3.16%，其中紡織品出口741.03億美元，上升27.8%，服裝出口510.84億美元，下降19.4%。產量方面，二零二零年一月至六月紗線1,145.7萬噸，同比降低15.8%，布產量169.3億米，同比減少25.9%，化纖產量2,810.5萬噸，同比減少1.0%。

根據越南海關統計數據顯示，二零二零年一月至六月產自越南紗線及短纖出口量減少8.1%至731,000噸，收入減少20.7%至16.10億美元；服裝出口收入減少12.7%至131.82億美元。

### BUSINESS REVIEW

Currently, the Group's revenue is mainly derived from sales of yarns, the percentage of which as of the Group's total revenue will decrease following the development of the midstream and downstream business segments. During the Review Period, revenue from sales of yarns decreased by approximately 19.3% to approximately RMB6,239 million, and its percentage of the total revenue of the Group was approximately 75.9%. As for the midstream and downstream business segments, which are mainly driven by woven garment fabrics, with simultaneous development of kitted garment fabrics and garment manufacturing businesses, the revenue from these business segments has declined to varying degrees as a result of lower market demand resulting from COVID-19 epidemic during the Review Period. However, the positive impact of the completion of acquisition and the internal reorganization of midstream and downstream businesses that were conducted last year has led to an improvement in the profitability of such business segments even at critical times during the Review Period, which has provided strong support to the Group for its continuous expansion.

### 業務回顧

本集團收入目前仍然以紗線銷售為主，佔本集團總收入的比例將隨著中下游業務發展漸漸下降，在回顧期內紗線銷售收入約人民幣62.39億元，下跌約19.3%，佔集團總收入約75.9%。中下游業務中以梭織面料為主，同時發展針織面料及服裝製造業務，在回顧期內同樣受到新型冠狀病毒肺炎疫情影響，市場需求減少，導致銷售收入有不同程度的下降，但由於去年完成的收購及各中下游業務內部整頓帶來正面效果，有關業務板塊的獲利能力在回顧期內的艱難時刻亦能有所提升改善，對於集團持續開拓中下游業務打下了一支強心針。

### BUSINESS REVIEW (Continued)

#### Yarn operation

During the Review Period, the Group's sales volume of yarns amounted to approximately 303,000 tonnes, representing a decrease of 9.77% as compared with the corresponding period last year. During the Review Period, due to the COVID-19 epidemic which had impacts similar to those brought about by the Sino-US trade war last year, the Group had to realign its product mix to accommodate market demands and therefore we were unable to implement the original production plan with the ideal product mix. This has not only affected the sales volume of yarn, but also affected the profit level. In particular, we had to produce and sell simple yarns to maintain the capacity utilization rate, which resulted in a significant drop in the gross profit margin of other yarns. During the Review Period, the average gross profit margin of yarns was 10.6%, down by 3.5 percentage points as compared with that of last year.

#### Grey fabrics operation

During the Review Period, the Group's sales volume of grey fabrics amounted to approximately 26.30 million metres, representing a decrease of approximately 29.9% as compared with the corresponding period last year. The decrease in sales volume was mainly attributable to the COVID-19 epidemic and the once-again increase in the usage of grey fabrics for production of our garment fabrics as compared with that for the corresponding period last year. As the COVID-19 epidemic affected the demand and price of grey fabrics, the gross profit margin also decreased from approximately 15.3% for the corresponding period last year to approximately 8.8% during the Review Period.

#### 業務回顧(續)

##### 紗線方面

在回顧期內本集團紗線銷量約30.3萬噸，比去年同期減少9.77%。回顧期內受到新型冠狀病毒肺炎疫情影響，與去年受到中美貿易戰的影響類似，本集團需要調整產品組合以適應市場需求，導致我們無法以理想產品組合實施原有生產計劃，影響紗線銷量之餘還影響了利潤水平，其中更需要生產銷售普通紗線以維持產能利用率導致其他紗線的毛利率大幅下跌，在回顧期內紗線的平均毛利率跌至10.6%，比去年下降3.5個百分點。

##### 坯布方面

在回顧期內本集團坯布銷量約2,630萬米，比去年同期下降約29.9%，銷量下降主要受到新型冠狀病毒肺炎疫情影響以及自用於面料生產的坯布比去年同期再上升所致。坯布的品种需求、價格以及毛利率亦受新型冠狀病毒肺炎疫情影響，從去年同期約15.3%下降至回顧期內約8.8%。

**BUSINESS REVIEW** (Continued)

**Woven fabrics operation**

During the Review Period, the sales volume of self-produced and trading woven fabrics amounted to approximately 42.10 million metres and 14.07 million metres respectively. The sales revenue of woven fabrics amounted to approximately RMB1.11 billion, representing a decrease of approximately 8.3% as compared with the corresponding period last year. The gross profit margin of woven fabrics increased to 17.1% for the Review Period as compared with 13.1% for the corresponding period last year, which was mainly driven by the business with higher gross profit margin which was acquired last year. Under the impact of the epidemic, notwithstanding the decrease in sales volume, there was no significant impact on the gross profit margin, given its development of premium garment fabrics and strong vertically integrated production capacity. In terms of stability, this has significantly outperformed other business segments of the Group.

**Knitted fabrics operation**

The knitted fabrics business has entered a stage of steady improvement after the internal reorganization of the management team in the second half of 2019. The sales volume of knitted fabrics were affected by the epidemic, and sales revenue amounted to approximately RMB329 million during the Review Period, representing a decrease of 18.0% as compared with the corresponding period last year, while the gross profit margin increased from approximately 10.8% for the corresponding period last year to 12.0%.

**業務回顧** (續)

**梭織面料方面**

在回顧期內，梭織面料自產及貿易銷售量分別約4,210萬米及1,407萬米，梭織面料銷售收入約人民幣11.1億元，較去年同期減少約8.3%。梭織面料的毛利率從去年同期的13.1%上升至回顧期內的17.1%，主要由去年收購的高毛利率業務所拉動，雖然受到疫情影響，憑著優質的面料開發及垂直一體化生產能力，銷售量縱有下降但毛利率並無重大影響，業務穩定性比本集團其他板塊相對優勝得多。

**針織面料方面**

針織面料自二零一九年下半年管理團隊內部重組後已進入穩步提升階段，雖然疫情影響了針織面料的銷售量，回顧期內銷售收入約人民幣3.29億元，比去年同期下降18.0%，但毛利率還是能從去年同期約10.8%提升至12.0%。

### BUSINESS REVIEW (Continued)

#### Jeanswear operation

The jeanswear business also showed steady improvement after the reform in the second half of last year. The production and sales volumes were affected by the closure of the factory in Cambodia as well as the COVID-19 epidemic during the Review Period. The revenue of the jeans-wear business decreased by 36.3% to RMB326 million as compared with that for the corresponding period last year. Driven by better selling prices and gross profit margin of products from the factory in Vietnam, the gross profit margin rose from 7.1% for the corresponding period last year to approximately 10.6% during the Review Period. The Board expected that there is room for further improvement in product development and production efficiency, thereby improving profitability of the jeans-wear business.

#### Non-woven fabrics operation

In the first quarter of 2020, the first production line of the non-woven fabric business commenced trial operation. During the Review Period, revenue from sales of non-woven fabrics amounted to approximately RMB15.67 million. As it was at the stage of trial operation in the first half of the year, the capacity utilization rate was low and the gross profit margin was unsatisfactory. Since the second quarter, with the increase in customer orders, which increased the utilization rate, and the gross profit margin has rebounded to a positive level.

#### 業務回顧(續)

##### 牛仔服裝方面

牛仔服裝業務亦是自去年下半年改革後穩步提升，在柬埔寨工廠關閉後影響生產及銷售量，回顧期內也有受到新型冠狀病毒肺炎疫情影響，牛仔服裝業務的收入對比去年同期下降36.3%至約人民幣3.26億元，在越南工廠的產品銷售價格及毛利率相對較好的帶動下，毛利率從去年同期的7.1%增加至回顧期內約10.6%。董事會預期，產品開發及生產效率還有進一步提升的空間，從而改善牛仔服裝業務的獲利能力。

##### 無紡布方面

無紡布業務的第一條生產綫於二零二零年一季度開始試運營。於回顧期內，無紡布的銷售收入約人民幣1,567萬元，由於上半年處於試運營階段，產能利用率較低，毛利率不理想。從二季度開始，隨著客戶訂單的增多，產能利用率有所提高，毛利率已回升至正數水平。



## 管理層討論及分析

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW (Continued)

The operating data of the Group's products is set out below:

### 業務回顧(續)

本集團產品的經營數據如下：

		<b>Revenue from January to June 2020</b> 二零二零年一月至六月的收入 <b>RMB'000</b> 人民幣千元	Revenue from January to June 2019 二零一九年一月至六月的收入 <b>RMB'000</b> 人民幣千元	<b>Revenue change</b>  收入變動
Stretchable core-spun yarns	彈力包芯紗線	<b>2,632,412</b>	3,885,272	<b>-32.2%</b>
Other yarns	其他紗線	<b>3,606,228</b>	3,844,737	<b>-6.2%</b>
Stretchable grey fabrics	彈力坯布	<b>134,739</b>	277,274	<b>-51.4%</b>
Other grey fabrics	其他坯布	<b>63,330</b>	63,723	<b>-0.6%</b>
Woven garment fabrics	梭織面料	<b>1,106,915</b>	1,207,246	<b>-8.3%</b>
Knitted garment fabrics	針織面料	<b>329,478</b>	401,947	<b>-18.0%</b>
Jeans	牛仔褲	<b>325,664</b>	511,267	<b>-36.3%</b>
Non-woven fabrics	無紡布	<b>15,670</b>	—	<b>—</b>
<b>Total</b>	<b>總計</b>	<b>8,214,436</b>	<b>10,191,466</b>	<b>-19.4%</b>

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

### BUSINESS REVIEW (Continued)

### 業務回顧(續)

		Sales volume		Selling price		Gross profit margin	
		銷量		售價		毛利率	
		January to June 2020 二零二零年 一至六月	January to June 2019 二零一九年 一至六月	January to June 2020 二零二零年 一至六月	January to June 2019 二零一九年 一至六月	January to June 2020 二零二零年 一至六月	January to June 2019 二零一九年 一至六月
Stretchable core-spun yarns (Tonne/RMB per tonne)	彈力包芯紗線 (噸/人民幣每噸)	121,547	163,617	21,658	23,746	15.2%	14.8%
Other yarns (Tonne/RMB per tonne)	其他紗線 (噸/人民幣每噸)	181,018	171,717	19,922	22,390	7.2%	13.4%
Stretchable grey fabrics (Million metres/RMB per metre)	彈力坯布 (百萬米/人民幣每米)	15.6	29.3	8.6	9.5	10.2%	15.0%
Other grey fabrics (Million metres/RMB per metre)	其他坯布 (百萬米/人民幣每米)	10.7	8.2	5.9	7.8	5.9%	16.9%
Woven garment fabrics (Million metres/RMB per metre)	梭織面料 (百萬米/人民幣每米)	56.2	63.0	19.7	19.2	17.1%	13.1%
Knitted Garment fabrics (Tonne/RMB per tonne)	針織面料 (噸/人民幣每噸)	6,956	8,376	47,366	47,988	12.0%	10.8%
Jeans (Million pairs/RMB per pair)	牛仔褲 (百萬條/人民幣每條)	5.0	9.1	65.1	56.2	10.6%	7.1%
Non-woven fabrics (Tonne/RMB per tonne)	無紡布 (噸/人民幣每噸)	862	-	18,179	-	-20.7%	-

The overall gross profit margin of the Group decreased from 13.5% for the six months ended 30 June 2019 to 11.4% for the six months ended 30 June 2020. The decrease of gross profit margin was mainly due to the decrease of the gross profit margin of the yarn business.

The cost of sales of the Group decreased by 17.4% to RMB7.28 billion when compared with the corresponding period last year mainly due to the decrease in sales of yarns and garments fabrics. The cost of raw materials accounted for about 74.0% of the total cost of sales for the six months ended 30 June 2020.

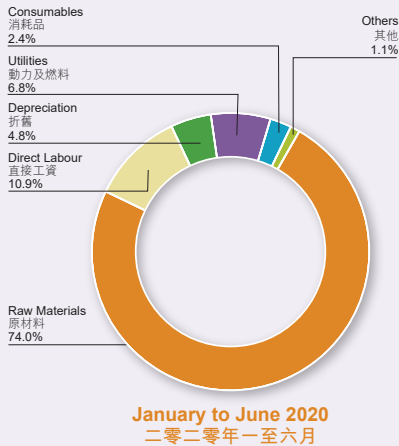
截至二零二零年六月三十日止六個月，本集團之整體毛利率由截至二零一九年六月三十日止六個月的13.5%減少至11.4%。毛利率減少主要由紗線業務的毛利率減少所致。

本集團的銷售成本較去年同期下降17.4%至人民幣72.8億元，主要是紗線和面料產品銷售下降所致。截至二零二零年六月三十日止六個月，原材料成本佔銷售成本總額的約74.0%。

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

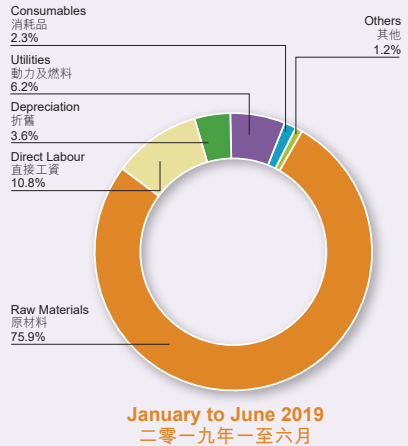
### BUSINESS REVIEW (Continued)

The breakdown of the Group's cost of sales for the six months ended 30 June 2020 as compared with the cost of sales for the six months ended 30 June 2019 is shown below:



### 業務回顧 (續)

截至二零二零年六月三十日止六個月本集團銷售成本與截至二零一九年六月三十日止六個月的銷售成本比較的明細列示如下：



The Group will continue to implement its established corporate strategies, optimise its existing product mix and develop new products that address market trends and needs. In addition, the Group will also enhance the level of vertical integration among the various business segments, promote diversified business development and further improve its financial performance.

本集團將繼續執行既有企業策略，優化現有產品組合，開發迎合市場趨勢及需要的新產品。此外，本集團將加強各業務板塊垂直整合的力度，促使業務向多元化發展以進一步改善本集團的財務表現。

### BUSINESS REVIEW (Continued)

The Group has continued to strengthen cooperation with world-renowned synthetic manufacturers of fibres and has built a longstanding strategic partnership with these manufacturers, in order to use innovative fibre technologies to produce trendy functional yarns to tap the differentiated high-end market. In addition, in response to market demand, the Group's research and development centre of yarns, garment fabrics and garment products have been raising product quality and continue to develop new products in order to maintain its leading position in the textile industry, as well as satisfying customers' demand for diversified and high-end products.

The Chinese textile market has been the major market for the Group, accounting for 69.0% of total sales for the six months ended 30 June 2020. With the Group's development of midstream and downstream businesses around the world, the percentage of Group's overseas sales will experience gradual growth. The ten largest customers of the Group for the six months ended 30 June 2020 accounted for 13.6% of the total revenue.

### PROSPECTS

As at 30 June 2020, the Group had an aggregate of approximately 2.51 million spindles and 1.60 million spindles located inside and outside of China (mainly located in Vietnam), respectively. Due to the effect of the global epidemic, it is estimated that the market demand for textile products will remain unstable in the second half of 2020 even if the current market demand has stabilized and improved. In the absence of a significant rebound in market demand, the overall revenue of the Group in 2020 may drop by about 20% as compared to 2019.

### 業務回顧(續)

本集團持續與各全球知名的人造纖維製造商深入合作，並與該等製造商建立了戰略合作夥伴關係，使用創新科技纖維生產時尚耐用的功能紗線，迎合差異化高端市場的開發。此外，本集團的紗線，面料及服裝產品研發中心也不斷應市場需求而改良產品質素及開發新產品，銳意在紡織業界保持領先地位，並主攻客戶對多元及高端產品的需求。

中國紡織市場為本集團的主要市場，佔本集團截至二零二零年六月三十日止六個月總銷售額的69.0%。隨著本集團在世界各地發展中下游業務，本集團海外銷售比例將逐步增加。截至二零二零年六月三十日止六個月，本集團的十大客戶佔總收入的13.6%。

### 前景

於二零二零年六月三十日，本集團在中國及海外（主要位於越南）的紗錠總數分別約251萬錠及160萬錠。由於受全球疫情影響，即便目前市場需求稍為穩定下來並有所好轉，估計紡織產品的市場需求於二零二零年下半年也會處於不穩定狀態，在市場需求沒有明顯反彈的情況下，預計二零二零年本集團的總體收入還是有可能比二零一九年度下降20%左右。

### PROSPECTS (Continued)

In response to uncertainties brought by the tension escalation between China and U.S. and other European countries, the Group will persist in the development of internationalisation and vertical integration. Yarn production facilities to be constructed outside China will directly cater for the overseas market. Fabrics facilities integrated with the production processes of spinning, weaving and dyeing will be completed in Vietnam and Nicaragua. These initiatives will effectively mitigate or avert the impact brought by the trade friction between countries, while vertically integrated production of fabrics, or even including garment production, will uplift the overall profit margin and further stabilise profitability, diminishing the impact from the pricing fluctuation of the raw materials. Furthermore, the Group will increase use of synthetic fibers commensurate with the growing market demand, while the safety inventory level for synthetic fibers is lower, thereby reducing the impact brought by the pricing fluctuation of raw materials on the overall profitability of the Group. Starting from the second half of 2020, the Group will also focus on expanding the production capacity of knitted fabrics in Vietnam, and make every effort to promote the production and sales of woven fabrics in Vietnam and Nicaragua to make full use of its increased production capacity.

On 27 July 2020, the Group was again named among the “Fortune 500 Chinese Companies 2020”, a strong endorsement of its continuous business expansion and proven business model. The Group will continue to work tirelessly, putting forth its best effort, to bring long term and sustainable returns to the Shareholders.

### 前景(續)

為應對中國與歐美等國家關係趨於緊張所帶來的不確定性，本集團將堅持國際化及產業鏈垂直一體化的發展方向，於中國以外地區建設紗線生產基地直接面對海外市場，以及在越南及尼加拉瓜完成建設紡織染三合一的面料生產流程基地，一方面有效減輕或規避國與國之間貿易摩擦所帶來的影響，另一方面透過垂直一體化的面料甚至於服裝的生產，帶動整體利潤率上升以及進一步穩定利潤，減輕受原材料價格波動的影響。另外，本集團的人造纖維使用比例也將隨著市場需求增長而增加，而人造纖維所需要的安全庫存量較低，從而有機會減低原材料價格波動對集團整體利潤率帶來的影響。本集團亦將於二零二零年下半年開始著力在越南擴充針織面料產能，另外全力推動在越南及尼加拉瓜的梭織面料生產及銷售以充分利用其已經增加的產能。

於二零二零年七月二十七日，本集團繼續名列國際知名雜誌——《財富雜誌》之二零二零年中國500強排行榜，證明集團業務不斷壯大，業務模式獲得廣泛認同。我們將繼續努力不懈，致力為股東帶來長遠可持續的回報。

## FINANCIAL REVIEW

### Liquidity and financial resources

As at 30 June 2020, the Group's bank and cash balances (including pledged bank deposits) amounted to RMB4,118 million (as at 31 December 2019: RMB1,852 million). The increase in bank and cash balances was mainly attributable to the various measures adopted by the Group against the adverse impact of the COVID-19 epidemic to maintain its cash level beyond its actual daily needs and ensure sufficient and stable cash flow.

As at 30 June 2020, the Group's inventories increased by RMB147.0 million to RMB5,247.1 million (as at 31 December 2019: RMB5,100.1 million), and trade and bills receivables decreased by RMB306.0 million to RMB1,228.7 million (as at 31 December 2019: RMB1,534.7 million). The inventory turnover days and trade and bills receivables turnover days were 128 days and 30 days for the Review Period respectively, as compared to 98 days and 27 days for the year ended 31 December 2019 respectively. The increase in inventory turnover days was mainly due to the decline in cost of sales and revenue, as affected by the COVID-19 epidemic. The trade and bills receivables turnover days was slightly higher than that of last year, which was mainly due to a slower collection of receivables from certain overseas customers, as affected by the COVID-19 epidemic. As at 30 June 2020, the trade and bills payables of the Group increased to RMB3,495.8 million (as at 31 December 2019: RMB3,035.9 million), which was mainly due to the reduction of advance settlement of bills payables of the Group.

As at 30 June 2020, the Group's borrowings increased by RMB1,750.3 million to RMB10,034.9 million (as at 31 December 2019: RMB8,284.6 million), which were mainly due to the increase in bank financing as the Group maintained funds beyond its actual daily needs so as to avoid the uncertain impact of the COVID-19 epidemic on its operations.

### 財務回顧

#### 流動資金及財務資源

於二零二零年六月三十日，本集團之銀行及現金結餘(包括已抵押銀行存款)為人民幣41.18億元(於二零一九年十二月三十一日：人民幣18.52億元)。銀行及現金結餘的增加主要是在新型冠狀病毒肺炎疫情的不利影響下，本集團採取多項措施維持超出日常實際需要的現金水平，確保集團現金流的充足和穩定。

於二零二零年六月三十日，本集團存貨增加人民幣1.470億元至人民幣52.471億元(於二零一九年十二月三十一日：人民幣51.001億元)，以及應收貿易及票據款項減少人民幣3.060億元至人民幣12.287億元(於二零一九年十二月三十一日：人民幣15.347億元)。存貨周轉天數及應收貿易及票據款項周轉天數於回顧期分別為128天及30天，而於截至二零一九年十二月三十一日止年度則分別為98天和27天。存貨周轉天數增加主要是因為受新型冠狀病毒肺炎疫情影響，銷售成本及銷售收入下滑所致。應收貿易及票據款項周轉天數略高於其去年水平，主要是受新型冠狀病毒肺炎疫情影響，部分海外客戶應收賬款回款速度放緩所致。於二零二零年六月三十日，本集團應付貿易及票據款項增加至人民幣34.958億元(於二零一九年十二月三十一日：人民幣30.359億元)，主要由於集團減少應付票據的提前結算所致。

於二零二零年六月三十日，本集團之借貸增加人民幣17.503億元至人民幣100.349億元(於二零一九年十二月三十一日：人民幣82.846億元)，乃主要由於本集團維持超出日常實際需要的資金以規避新型冠狀病毒肺炎疫情對本集團經營帶來的不確定影響而增加的銀行融資。

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

### FINANCIAL REVIEW (Continued)

#### Liquidity and financial resources (Continued)

As at 30 June 2020 and 31 December 2019, the Group's key financial ratios were as follows:

		As at 30 June 2020 於二零二零年 六月三十日	As at 31 December 2019 於二零一九年 十二月三十一日
Current ratio	流動比率	1.20	1.29
Debt to equity ratio <sup>1</sup>	負債權益比率 <sup>1</sup>	1.36	1.11
Net debt to equity ratio <sup>2</sup>	負債淨額權益比率 <sup>2</sup>	0.80	0.86

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

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

The debt to equity ratio slightly increased from 1.11 as at 31 December 2019 to 1.36 as at 30 June 2020, such increase was a result of an increase of borrowings from RMB8,284.6 million as at 31 December 2019 to RMB10,034.9 million as at 30 June 2020.

The current ratio and the net debt to equity ratio remained relatively stable as at 31 December 2019 and 30 June 2020, respectively.

### 財務回顧(續)

#### 流動資金及財務資源(續)

於二零二零年六月三十日及二零一九年十二月三十一日，本集團之主要財務比率如下：

<sup>1</sup> 總借貸除股東應佔權益總額

<sup>2</sup> 總借貸減現金及現金等值物及已抵押銀行存款除股東應佔權益總額

負債權益比率由二零一九年十二月三十一日的1.11稍微增加至二零二零年六月三十日的1.36，該增加乃由於借貸由二零一九年十二月三十一日的人民幣82.846億元增加至二零二零年六月三十日的人民幣100.349億元。

流動比率及負債淨額權益比率於二零一九年十二月三十一日及二零二零年六月三十日分別維持相對穩定。

### FINANCIAL REVIEW (Continued)

#### Foreign exchange risk

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

To mitigate the depreciation risk of RMB, the Group has purchased a suitable amount of currency option contracts and currency swap contracts so that the currency exposure is hedged against.

#### Capital expenditure and significant acquisition or investment

For the six months ended 30 June 2020, the capital expenditure of the Group amounted to approximately RMB255 million (for the six months ended 30 June 2019: RMB1,122 million), which was mainly related to the production capacity of yarns, fabrics and non-woven fabrics under construction in the PRC, Vietnam, Americas and Turkey during the Review Period. Except for this, the Group had no other significant investments or material acquisitions and disposals of subsidiaries and associated companies.

### 財務回顧(續)

#### 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及港元計值的銀行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，本集團透過購入適量的貨幣期權合同及貨幣掉期合同以控制外幣敞口。

#### 資本開支及重大收購或投資

截至二零二零年六月三十日止六個月，本集團之資本開支約為人民幣2.55億元(截至二零一九年六月三十日止六個月：人民幣11.22億元)，主要與回顧期內於中國、越南、美洲及土耳其在建的紗線和面料及無紡布產能相關。除此之外，本集團並無任何其他重大投資或重大收購及出售附屬公司及聯營公司。



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

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

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

**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

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

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

於本中期報告日，本公司遵守二零一六年信貸協議。

## FINANCIAL REVIEW (Continued)

### Pledge of assets

As at 30 June 2020, the Group's machineries and equipment with a net book amount of RMB657.4 million (as at 31 December 2019: RMB709.5 million), inventories with a total amount of RMB42.94 million (as at 31 December 2019: RMB66.58 million) and bank deposits with a net book amount of RMB4.30 million (as at 31 December 2019: RMB8.00 million) were pledged to secure for bank borrowings for the purposes of the capital expenditure and working capital respectively.

### Contingent liabilities

As at 30 June 2020, the Group had no material contingent liabilities (as at 31 December 2019: nil).

### Human resources

As at 30 June 2020, the Group had a total workforce of 38,112 employees (as at 31 December 2019: 41,108 employees), of whom 20,200 employees were based in the regional headquarters in Shanghai and our manufacturing plants in Mainland China. The remaining 17,912 employees were stationed in regions outside of Mainland China including Vietnam, Cambodia, Turkey, Nicaragua, North America, Hong Kong and Macao. The Group will continuously optimize the workforce structure and offer its staff with competitive remuneration packages. The Group is committed to promote a learning and knowledge sharing culture within the organisation. Heavy emphasis is placed on the training and development of individual staff and team building, as the Group's success depends on the contributions of our skilled and motivated staff in all our functional divisions.

## 財務回顧(續)

### 資產抵押

於二零二零年六月三十日，本集團的賬面淨值為人民幣6.574億元(於二零一九年十二月三十一日：人民幣7.095億元)的機器及設備、總額為人民幣4,294萬元(於二零一九年十二月三十一日：人民幣6,658萬元)的存貨以及賬面淨值為人民幣430萬元(於二零一九年十二月三十一日：人民幣800萬元)的銀行存款已作為銀行借款(分別作資本開支及營運資金用途)的抵押。

### 或然負債

於二零二零年六月三十日，本集團並無重大或然負債(於二零一九年十二月三十一日：無)。

### 人力資源

於二零二零年六月三十日，本集團員工合共38,112名(於二零一九年十二月三十一日：41,108名員工)，其中20,200名員工駐於上海地區總部及本集團在中國大陸的工廠。其餘17,912名員工駐於中國大陸以外地區(包括越南、柬埔寨、土耳其、尼加拉瓜、北美、香港及澳門)。本集團仍會不斷優化人力架構，同時向其員工提供具競爭力的薪酬待遇。本集團之成功有賴由技巧純熟且士氣高昂的員工組成各職能部門，故此本集團致力於集團內孕育學習與知識分享的文化，重視員工之個人培訓及發展，以及建立團隊。

### FINANCIAL REVIEW (Continued)

#### 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 the owners of the Company, providing our Shareholders with reasonable returns. During the Review Period, the Group's performance was seriously affected by the outbreak of the COVID-19 epidemic, the Board has resolved not to declare any interim dividend for the six months ended 30 June 2020.

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

There was no purchase, sale or redemption of the Company's listed securities by the Company or its subsidiaries during the six months ended 30 June 2020.

#### Share options

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

#### 財務回顧(續)

#### 股息政策

董事會有意維持長期穩定的派息率，即本集團年內本公司擁有人應佔淨利潤約30%，為股東提供合理回報。於回顧期內，本集團業績受新型冠狀病毒肺炎疫情嚴重影響，董事會議決就截至二零二零年六月三十日止六個月不分派中期股息。

#### 購買、出售或贖回本公司之上市證券

截至二零二零年六月三十日止六個月，本公司或其任何附屬公司並無購買、出售或贖回本公司任何上市證券。

#### 購股權

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

**FINANCIAL REVIEW** (Continued)

**Share options** (Continued)

The total number of share(s) of HK\$0.10 each in the share capital of the Company (“Share(s)”) which may be allotted and issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme adopted by the Group must not in aggregate exceed 10% of the Shares in issue on the Adoption Date (“General Scheme Limit”). The Company may renew the General Scheme Limit with shareholders’ approval provided that each such renewal may not exceed 10% of the Shares in issue as at the date of the shareholders’ approval.

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

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

**財務回顧** (續)

**購股權** (續)

於購股權計劃及獲本集團採納日期採納之任何其他購股權計劃項下授出之全部購股權倘獲行使而可予配發及發行之本公司股本中每股面值0.10港元之股份(「股份」)總數不得超過採納日期已發行股份之10%(「一般計劃上限」)。本公司可於獲得股東批准下重訂該一般計劃上限，惟該重訂不得超過於獲股東通過之日已發行股份之10%。

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

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」)。

**FINANCIAL REVIEW** (Continued)

**Share options** (Continued)

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

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

**財務回顧** (續)

**購股權** (續)

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

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

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

### FINANCIAL REVIEW (Continued)

#### Share options (Continued)

During the six months ended 30 June 2020, movements of the share options granted under the Share Option Scheme are summarised as follows:

### 財務回顧(續)

#### 購股權(續)

於截至二零二零年六月三十日止六個月，根據購股權計劃授出的購股權的變動概述如下：

List of grantees	Date of grant (Note)	Exercise period	Closing price per Share immediately before the date of grant	Exercise price per share	Number of share options 購股權數目					
					Outstanding as at 1 January 2020	Granted during the six months ended 30 June 2020	Exercised during the six months ended 30 June 2020	Lapsed during the six months ended 30 June 2020	Cancelled during the six months ended 30 June 2020	Outstanding as at 30 June 2020
			緊接授出日期前之每股收市價 HKS 港元	每股行使價 HKS 港元	於二零二零年一月一日未行使	於截至二零二零年六月三十日止六個月授出	於截至二零二零年六月三十日止六個月行使	於截至二零二零年六月三十日止六個月失效	於截至二零二零年六月三十日止六個月註銷	於二零二零年六月三十日未行使
<b>Directors</b> 董事										
Mr. Tang Daoping 湯道平先生	23 March 2015 二零一五年三月二十三日	1 January 2016 to 22 March 2025 二零一六年一月一日至二零二五年三月二十二日	8.27	8.70	670,000	-	-	-	-	670,000
	23 March 2015 二零一五年三月二十三日	1 January 2017 to 22 March 2025 二零一七年一月一日至二零二五年三月二十二日	8.27	8.70	670,000	-	-	-	-	670,000
	23 March 2015 二零一五年三月二十三日	1 January 2018 to 22 March 2025 二零一八年一月一日至二零二五年三月二十二日	8.27	8.70	660,000	-	-	-	-	660,000
					2,000,000	-	-	-	-	2,000,000
Mr. Hui Tsz Wai 許子慧先生	23 March 2015 二零一五年三月二十三日	1 January 2016 to 22 March 2025 二零一六年一月一日至二零二五年三月二十二日	8.27	8.70	1,000,000	-	-	-	-	1,000,000
	23 March 2015 二零一五年三月二十三日	1 January 2017 to 22 March 2025 二零一七年一月一日至二零二五年三月二十二日	8.27	8.70	1,000,000	-	-	-	-	1,000,000
	23 March 2015 二零一五年三月二十三日	1 January 2018 to 22 March 2025 二零一八年一月一日至二零二五年三月二十二日	8.27	8.70	1,000,000	-	-	-	-	1,000,000
	28 December 2015 二零一五年十二月二十八日	1 January 2017 to 27 December 2025 二零一七年一月一日至二零二五年十二月二十七日	5.84	5.70	300,000	-	-	-	-	300,000
	28 December 2015 二零一五年十二月二十八日	1 January 2018 to 27 December 2025 二零一八年一月一日至二零二五年十二月二十七日	5.84	5.70	300,000	-	-	-	-	300,000
	28 December 2015 二零一五年十二月二十八日	1 January 2019 to 27 December 2025 二零一九年一月一日至二零二五年十二月二十七日	5.84	5.70	300,000	-	-	-	-	300,000
	28 December 2015 二零一五年十二月二十八日	1 January 2020 to 27 December 2025 二零二零年一月一日至二零二五年十二月二十七日	5.84	5.70	300,000	-	-	-	-	300,000
	28 December 2015 二零一五年十二月二十八日	1 January 2021 to 27 December 2025 二零二一年一月一日至二零二五年十二月二十七日	5.84	5.70	300,000	-	-	-	-	300,000
					4,500,000	-	-	-	-	4,500,000
Total 總計					6,500,000	-	-	-	-	6,500,000

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

**附註：** 購股權之歸屬期由授出日期起直至行使期間始為止。

## 其他資料

### ADDITIONAL INFORMATION

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

As at 30 June 2020, the interests and short positions of each Director and chief executive of the Company in the Shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong (the "SFO")), as recorded in the register maintained by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, were as follows:

董事及行政總裁於本公司或任何相聯法團之股份、相關股份及債權證之權益及淡倉

於二零二零年六月三十日，本公司各董事及行政總裁於本公司及其相聯法團(定義見香港法例第571章證券及期貨條例(「證券及期貨條例」)第XV部)股份、相關股份及債權證中擁有根據證券及期貨條例第352條，記錄於本公司須予存置之登記冊內之權益及淡倉，或其他根據上市規則所載上市公司董事進行證券交易標準守則規定須通知本公司及聯交所之權益及淡倉如下：

Name of directors of the Company 本公司董事姓名	Name of Group member/associated corporation 本集團成員公司/ 相聯法團名稱	Nature of interest 權益性質	Number of ordinary shares (Note 1) 普通股數目 (附註1)	Approximate percentage of shareholdings 概約股權百分比
Mr. Hong Tianzhu 洪天祝先生	the Company 本公司	Interest of controlled corporation(s) 所控制法人的權益	544,742,400 (L) (Note 2) (附註2)	59.53%
	the Company 本公司	Beneficial owner 實益擁有人	5,400,000 (L)	0.59%
Mr. Zhu Yongxiang 朱永祥先生	the Company 本公司	Interest of 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%

**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 include 2,000,000 share options granted to Mr. Tang Daoping pursuant to the share option scheme of the Company.
5. These interests represent the 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(其全部已發行股本由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本的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楊女士實益擁有)名義及作為實益擁有人登記；151,900,000股以Trade Partner Investments Limited(趙志楊女士透過Wisdom Grace Investments Limited實益擁有其全部已發行股本的42.56%權益)名義及作為實益擁有人登記。朱永祥先生為趙志楊女士之配偶。根據證券及期貨條例，朱永祥先生被視為於趙志楊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。



## 其他資料

### ADDITIONAL INFORMATION

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

So far as the Directors are aware, as at 30 June 2020, the interests or short position of the persons other than a Director or chief executive of the Company in the Shares or underlying shares of the Company which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

Ordinary Shares of the Company:

主要股東在本公司股份、相關股份及債權證之權益及淡倉

就董事所知悉，於二零二零年六月三十日，於本公司股份或相關股份中擁有根據證券及期貨條例第336條紀錄於本公司須予存置之登記冊內之權益或淡倉的人士（惟本公司之董事或行政總裁除外）如下：

本公司之普通股：

Name of the substantial shareholders 主要股東姓名／名稱	Nature of interests 權益性質	Number of ordinary shares (Note 1) 普通股數目 (附註1)	Approximate percentage of shareholding 概約股權百分比
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) (Note 2 and 3) (附註2及3)	59.53%

## 其他資料

### ADDITIONAL INFORMATION

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

(Continued)

主要股東在本公司股份、相關股份及債權證之權益及淡倉(續)

Name of the substantial shareholders 主要股東姓名／名稱	Nature of interests 權益性質	Number of ordinary shares (Note 1) 普通股數目 (附註1)	Approximate percentage of shareholding 概約股權百分比
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 趙志楊女士	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%

Notes:

附註：

1. The letter "L" denotes the person's long position in the Shares.
1. 「L」代表該人士於股份之好倉。
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.
2. 該等392,842,400股股份以New Green Group Limited(其全部已發行股本由Texhong Group Holdings Limited實益擁有，洪天祝先生則實益擁有後者全部權益)名義及作為實益擁有人登記。根據證券及期貨條例，Texhong Group Holdings Limited及洪天祝先生均被視為於New Green Group Limited持有之所有股份佔有權益。

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

(Continued)

Notes: (Continued)

- 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.
- 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.
- 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.
- 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.
- 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：(續)

- 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)及趙志楊女士(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、趙志楊女士、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。
- 該等68,000,000股股份以Wisdom Grace Investments Limited(其全部已發行股本由趙志楊女士實益擁有)名義及作為實益擁有人登記。根據證券及期貨條例、趙志楊女士被視為於Wisdom Grace Investments Limited持有之所有股份佔有權益。
- 柯綠萍女士為洪天祝先生之配偶。根據證券及期貨條例、柯綠萍女士被視為於洪天祝先生佔有權益同樣數目之股份佔有權益。
- 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楊女士實益擁有)名義及作為實益擁有人登記；及151,900,000股以Trade Partner Investments Limited(趙志楊女士透過Wisdom Grace Investments Limited實益擁有其全部已發行股本的42.56%權益)名義及作為實益擁有人登記。
- 該等55,058,000股股份以Event Star Limited之名義及作為實益擁有人登記，而該公司由許清流先生100%控制。根據證券及期貨條例、許清流先生被視為於Event Star Limited持有之所有股份中擁有權益。

### CORPORATE GOVERNANCE

The Group 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 on the Stock Exchange. During the Review Period, the Company had complied with the Code Provisions.

### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

### 企業管治

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

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

### 董事進行證券交易的標準守則

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

### AUDIT COMMITTEE

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

The audit committee has discussed with management and reviewed this interim report and the unaudited condensed consolidated financial statements of the Company for the six months ended 30 June 2020.

### REMUNERATION COMMITTEE

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

### 審核委員會

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

審核委員會已與管理層商討並審閱本中期報告及本公司截至二零二零年六月三十日止六個月之未經審核簡明綜合財務報表。

### 薪酬委員會

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

### NOMINATION COMMITTEE

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

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

Hong Kong, 21 August 2020

### 提名委員會

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

承董事會命  
**天虹紡織集團有限公司**  
**洪天祝**  
*主席*

香港，二零二零年八月二十一日



