

# KINGDOM

KINGDOM HOLDINGS LIMITED

金達控股有限公司

*(incorporated in the Cayman Islands with limited liability)*

(於開曼群島註冊成立的有限公司)

(Stock code 股份代號 : 528)



INTERIM REPORT  
**2018**  
中期報告



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# Corporate Information

## 公司資料

### BOARD OF DIRECTORS

#### Executive Directors:

Mr. Ren Weiming (*Chairman*)  
Mr. Shen Yueming  
Mr. Zhang Hongwen  
Ms. Shen Hong

#### Non-executive Director:

Mr. Ngan Kam Wai Albert

#### Independent non-executive Directors:

Mr. Lau Ying Kit  
Mr. Lo Kwong Shun Wilson  
Mr. Yan Jianmiao

### AUDIT COMMITTEE

Mr. Lau Ying Kit (*Chairman*)  
Mr. Yan Jianmiao  
Mr. Lo Kwong Shun Wilson

### REMUNERATION COMMITTEE

Mr. Yan Jianmiao (*Chairman*)  
Mr. Zhang Hongwen  
Mr. Lo Kwong Shun Wilson

### NOMINATION COMMITTEE

Mr. Lo Kwong Shun Wilson (*Chairman*)  
Mr. Shen Yueming  
Mr. Lau Ying Kit

### COMPANY SECRETARY

Mr. Chan Yan Kwan Andy

### LEGAL ADVISERS TO THE COMPANY

Sidley Austin

### AUDITORS

Ernst & Young

### AUTHORISED REPRESENTATIVES

Mr. Ren Weiming  
Mr. Chan Yan Kwan Andy

### 董事會

#### 執行董事：

任維明先生 (主席)  
沈躍明先生  
張鴻文先生  
沈鴻女士

#### 非執行董事：

顏金煒先生

#### 獨立非執行董事：

劉英傑先生  
羅廣信先生  
嚴建苗先生

### 審核委員會

劉英傑先生 (主席)  
嚴建苗先生  
羅廣信先生

### 薪酬委員會

嚴建苗先生 (主席)  
張鴻文先生  
羅廣信先生

### 提名委員會

羅廣信先生 (主席)  
沈躍明先生  
劉英傑先生

### 公司秘書

陳仁君先生

### 本公司法律顧問

盛德律師事務所

### 核數師

安永會計師事務所

### 授權代表

任維明先生  
陳仁君先生

# Corporate Information 公司資料

## REGISTERED OFFICE

Cricket Square  
Hutchins Drive  
P.O. Box 2681 GT  
Grand Cayman KY1-1111  
Cayman Islands

## HEADQUARTERS IN CHINA

Henggang Town  
Haiyan County  
Zhejiang Province  
China

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Level 54  
Hopewell Centre  
183 Queen's Road East  
Hong Kong

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

## HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

## PRINCIPAL BANKERS

Bank of China, Rugao Branch  
Bank of China, Haiyan Branch

## STOCK CODE

00528

## COMPANY WEBSITE

<http://www.kingdom-china.com>

## INVESTOR RELATIONS CONTACT

Email: [ir@kingdom-china.com](mailto:ir@kingdom-china.com)

## 註冊辦事處

Cricket Square  
Hutchins Drive  
P.O. Box 2681 GT  
Grand Cayman KY1-1111  
Cayman Islands

## 中國總辦事處

中國  
浙江省  
海鹽縣  
橫港鎮

## 香港主要營業地點

香港  
皇后大道東183號  
合和中心  
54樓

## 主要股份過戶登記處

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

## 香港股份過戶登記分處

卓佳證券登記有限公司  
香港  
皇后大道東183號  
合和中心22樓

## 主要往來銀行

中國銀行如皋支行  
中國銀行海鹽支行

## 股份代號

00528

## 公司網站

<http://www.kingdom-china.com>

## 投資者關係聯繫方式

電郵: [ir@kingdom-china.com](mailto:ir@kingdom-china.com)

## Financial Highlights 財務摘要

The board of directors (the “**Board**”) of Kingdom Holdings Limited (the “**Company**”) is pleased to present the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2018 (the “**Review Period**”):

- Revenue increased by approximately 12.9% to approximately RMB513,401,000 for the six months ended 30 June 2018 from approximately RMB454,836,000 for the six months ended 30 June 2017.
  - The Group accounted for approximately 44% of the total pure linen yarn export from China by volume during the Review Period.
  - Gross profit margin increased by approximately 4.0 percentage points to approximately 16.0% for the six months ended 30 June 2018 from approximately 12.0% for the six months ended 30 June 2017 as a result of the selling price of linen yarn bottomed out at end of 2017.
  - Profit for the Review Period increased by 169.2% to approximately RMB22,481,000 for the six months ended 30 June 2018 from approximately RMB8,350,000 for the six months ended 30 June 2017.
  - Profit attributable to the owners of the parent increased by approximately 230.9% to approximately RMB23,099,000 for the six months ended 30 June 2018 from approximately RMB6,981,000 for the six months ended 30 June 2017.
  - Basic earnings per share grew approximately threefold to approximately RMB0.04 for the six months ended 30 June 2018 compared to approximately RMB0.01 for the six months ended 30 June 2017.
- 金達控股有限公司(「**本公司**」)董事會(「**董事會**」)欣然提呈本公司及其附屬公司(統稱「**本集團**」)截至二零一八年六月三十日止六個月(「**回顧期間**」)的未經審核合併中期業績。
- 收入由截至二零一七年六月三十日止六個月約人民幣454,836,000元增加約12.9%至截至二零一八年六月三十日止六個月約人民幣513,401,000元。
  - 本集團於回顧期間內佔中國純亞麻紗出口總量約44%。
  - 因二零一七年底亞麻紗售價觸底，毛利率由截至二零一七年六月三十日止六個月約12.0%上升約4.0個百分點至截至二零一八年六月三十日止六個月約16.0%。
  - 回顧期間溢利由截至二零一七年六月三十日止六個月約人民幣8,350,000元上升169.2%至截至二零一八年六月三十日止六個月約人民幣22,481,000元。
  - 母公司擁有人應佔溢利由截至二零一七年六月三十日止六個月約人民幣6,981,000元增加約230.9%至截至二零一八年六月三十日止六個月約人民幣23,099,000元。
  - 截至二零一八年六月三十日止六個月的每股基本盈利增加約三倍至約人民幣0.04元，而截至二零一七年六月三十日止六個月則約為人民幣0.01元。

# Management Discussion and Analysis

## 管理層討論及分析

### BUSINESS REVIEW

In 2017, price of linen yarn dropped to its very low level with recovery slowly picked up towards the end of 2017 and continued to improve over the first six months of 2018.

According to the General Administration of Customs of the People's Republic of China, the total value of all yarn and textile products export from China grew by approximately 10.3% on a year-on-year basis during the Review Period.

Pure linen yarn export, on the other hand, grew by approximately 23.0% year-on-year by volume during the Review Period.

From the past few years and up to end of 2017, the entire flax yarn industry has expanded its capacity too fast, prices have reached a low point in the third quarter of 2017, spinning mills with poor productivity had ceased operations and closed down. The overall supply of the flax yarn has decreased, resulting in increases in the market prices of flax yarn in recent months. In addition, from the market perspective, the consumers of these fast fashion brands in Asian countries like China and India are increasingly accepting linen products through their stores and linen consumption pattern established. Linen products have gained more and more recognition from the consumers, and the market consumption volume has gradually recovered and expanded.

The Group had accounted for approximately 44.0% of the total pure linen yarn export from China by volume during the Review Period, compared with approximately 47.8% of market share for the same period in last year.

During the Review Period, revenue of the Group increased by approximately 12.9% on a year-on-year basis to RMB513,401,000. The increase in revenue was mainly attributable to the improving demand from overseas markets and as a result of the recovery of market demand especially in the EU region and price adjustments on the linen yarn products of the Group since beginning of 2018.

### 業務回顧

於二零一七年，亞麻紗的價格下跌至極低水平，隨後於二零一七年底緩慢復甦回升並於截至二零一八年上半年繼續提高。

據中華人民共和國海關總署資料顯示，回顧期間的中國所有紗線及紡織品出口總值按年增長約10.3%。

另一方面，回顧期間的純亞麻紗出口量按年增長約23.0%。

從過去幾年直至二零一七年底，整個亞麻紗行業過快擴大其產能，價格於二零一七年第三季度達到低點，生產效益低的紡紗廠已停止運營及關閉。亞麻紗的整體供應減少，導致近幾個月亞麻紗的市場價格上升。此外，從市場角度來看，在中國及印度等亞洲國家，亞麻消費逐漸形成，越來越多消費者通過該等快速時尚品牌的店鋪接受亞麻產品。亞麻產品已贏得越來越多消費者的認可，且市場消費量已逐步恢復並擴大。

本集團於回顧期間內佔中國純亞麻紗出口總量約44.0%，而去年同期則為約47.8%的市場份額。

於回顧期間內，本集團的收入按年增加約12.9%至人民幣513,401,000元。收入增加主要是由於自二零一八年初以來市場需求（特別是歐盟地區）復甦及對本集團亞麻紗產品的價格調整，令海外市場需求增加所致。

# Management Discussion and Analysis

## 管理層討論及分析

### Major Markets and Customers

By implementing an international sales strategy, the Group has a sales network covering approximately 20 countries and regions around the world. During the Review Period, the domestic sales, which contributed approximately 31.7% of the Group's total revenue, recorded an increase of approximately 7.4% as compared with the same period of last year, while the overseas sales, which contributed approximately 68.3% of the Group's total revenue, recorded an increase of approximately 15.6% on a year-on-year basis. In particular, total sales to European Union countries reported a strong growth of 18.7% on a year-on-year basis during the Review Period. Key European Union countries include Italy, Portugal and Lithuania. The Group constantly maintains stable and amicable collaborations with international fashion brands. Meanwhile, the Group will also persist in developing the domestic market and secure more cooperation with target customers in China.

### Raw Material Procurement

The Group mainly sources its fibre flax, the major raw material of linen yarn, from well-established suppliers such as those in France, Belgium and the Netherlands. Being one of the largest buyers in these regions, the Group has developed long term business relationship with suppliers. During the Review Period, the Group procured approximately 14,173 tonnes (2017: 13,914 tonnes) of raw materials abroad, representing a year-on-year increase of approximately 1.9%. The average procurement unit price was approximately RMB20,253 per tonne, representing an annual increase of approximately 5.3% from approximately RMB19,240 for the same period last year. The Group is cautiously optimistic about the future of the linen textile industry and it is the corporate procurement strategy of the Group to maintain its production scale and to secure a steady volume of production going forward.

### 主要市場及客戶

本集團實行國際化的銷售策略，銷售網絡遍佈全球約20個國家及地區。於回顧期間內，國內銷售為本集團總收入貢獻約31.7%，較去年同期增加約7.4%；海外銷售則為本集團總收入貢獻約68.3%，按年增加約15.6%。尤其是，於回顧期間內，歐盟國的銷售總額按年強勁增長18.7%。主要歐盟國包括意大利、葡萄牙及立陶宛。本集團與國際時裝品牌不斷維持穩定良好的合作關係。同時，本集團亦將繼續拓展國內市場，爭取與更多中國目標客戶合作。

### 原材料採購

本集團亞麻紗的主要原材料—亞麻纖維—主要從法國、比利時和荷蘭等優質亞麻產地的供應商進口。本集團是以上產地最大的採購商之一，與供應商建立了長期的業務關係。於回顧期間內，本集團在海外採購約14,173噸（二零一七年：13,914噸）原材料，按年增加約1.9%。採購平均單位價格約為每噸人民幣20,253元，較去年同期約人民幣19,240元按年增加約5.3%。本集團對亞麻紡織業的未來持審慎樂觀態度，且本集團的企業採購策略為維持生產規模及確保未來產量穩定。

# Management Discussion and Analysis

## 管理層討論及分析

### Production Capacity

As at 30 June 2018, the Group had four production bases. The production bases in (1) Haiyan County, Zhejiang Province (1st Phase of the Haiyan Plant); (2) Rugao in Jiangsu Province; (3) Haiyan County, Zhejiang Province (2nd Phase of the Haiyan Plant) and (4) Qinggang in Heilongjiang Province have designed annual production capacities of 7,000 tonnes, 6,000 tonnes, 5,000 tonnes, and 4,000 tonnes respectively, resulting in the Group's aggregate annual production capacity reaching 22,000 tonnes based on the 24 nm standard specification. Equipped with the advanced equipment for its unique spinning technique, namely wet spinning and long and short spinning, the Group can manufacture products with multiple specifications from 3nm to 75nm, thereby broadening the choices of its customers and achieving higher satisfaction at the same time. A total of 8,539 tonnes of linen and hemp yarn under various specifications was produced during the Review Period.

The Group owns 72.73% of the equity interest of the Heilongjiang venture and it is the Group's maiden attempt to explore the hemp yarn market, as the Company believes hemp will grow rapidly in the next few years due to the national policy in China to promote the planting of hemp in Heilongjiang region and the use of the hemp textile products. There were 127 tonnes of hemp yarn produced during the Review Period.

Apart from China, the Group has also committed to investing in Ethiopia. The investment is expected to help the Group outcompete its competitors not only by helping the Group save land cost, labour cost, energy cost and tax expenses, but also by enabling the Group to benefit from the favourable treatment under the African Growth and Opportunity Act (AGOA), a piece of the United States legislation which allows eligible apparel articles made in qualifying sub-Saharan African countries, including Ethiopia, to be imported without duty and quota. The Group also expects the investment to be benefitted from the Everything but Arms (EBA) initiative of the European Union for least developed countries (LDCs), which grants duty-free quota-free access to all products into European Union countries, except for arms and ammunitions. The first phase of the Ethiopia project, with a designed annual production capacity of 5,000 tonnes, is expected to commence trial production in 2019.

### 產能

於二零一八年六月三十日，本集團設有四個生產基地，位於(1)浙江省海鹽縣（海鹽一期廠房）；(2)江蘇省如皋市；(3)浙江省海鹽縣（海鹽二期廠房）及(4)黑龍江省青岡縣，設計年產能分別為7,000噸、6,000噸、5,000噸及4,000噸，令本集團的年產能共達到22,000噸（按標準24公支規格計）。本集團擁有採用行業獨有的紡紗工藝—濕紡及長紡和短紡工藝的先進設備，可生產3公支至75公支多種規格產品，為客戶提供更多產品選擇，更能滿足彼等的需求。於回顧期間內，共生產多規格亞麻及漢麻紗8,539噸。

本集團擁有黑龍江合資公司的72.73%股權。此項投資為本集團進軍漢麻紗市場的首項舉措，本公司相信，受惠於中國推動黑龍江地區漢麻種植及漢麻紡織品使用的國策，漢麻將於未來數年急速增長。於回顧期間內，已生產127噸漢麻紗。

除中國外，本集團亦致力投資於埃塞俄比亞。預期該項投資不僅有助本集團減省土地成本、勞工成本、能源成本及稅項開支，更可讓本集團受惠於非洲成長暨機會法案(AGOA)下的優惠待遇，因而使本集團較競爭對手更勝一籌。AGOA為美國一項法例，准許以免關稅及無配額形式進口撒哈拉以南的合資格非洲國家（包括埃塞俄比亞）所生產的合資格服裝產品。本集團亦預計投資將從歐盟就最不發達國家採納「除武器外一切都行(EBA)」的倡議中獲益，給予所有進入歐盟國家的產品（武器及彈藥除外）免關稅、無配額的優惠待遇。設計年產能為5,000噸的埃塞俄比亞項目的第一期工程，預期將於二零一九年開始試產。

# Management Discussion and Analysis

## 管理層討論及分析

### FINANCIAL REVIEW

#### Revenue

For the Review Period, the Group's revenue increased by approximately 12.9% to approximately RMB513,401,000 (six months ended 30 June 2017: RMB454,836,000). The increase of revenue was mainly attributable to (i) the recovery of the overall market demand and (ii) the increased average selling price of linen yarn during the Review Period. There were approximately 1.2% more in quantity and resulting in 8,243 tonnes of linen yarn sold during the Review Period (six months ended 30 June 2017: 8,144 tonnes). Sales to all regions had year-on-year improvement, in particular, each of domestic, European Union and non-European Union regions grew approximately 7.4%, 18.7% and 13.7%, respectively, during the Review Period.

The breakdown of revenue by sales regions is as follows:

China	中國
European Union Countries	歐盟國
Non-European Union Countries	非歐盟國

### 財務回顧

#### 收入

於回顧期間內，本集團的收入增加約12.9%至約人民幣513,401,000元（截至二零一七年六月三十日止六個月：人民幣454,836,000元）。收入增加主要是由於回顧期間內(i)整體市場需求復甦及(ii)亞麻紗的平均售價增加所致。於回顧期間內，數量上增加約1.2%以上，銷售亞麻紗8,243噸（截至二零一七年六月三十日止六個月：8,144噸）。於回顧期間內，所有地區的銷售額按年增加，尤其是國內、歐盟及非歐盟地區的銷售額各自分別增加約7.4%、18.7%及13.7%。

按銷售地區劃分的收入明細如下：

#### For the six months ended 30 June 截至六月三十日止六個月

2018 二零一八年 (Unaudited) (未經審核) RMB'000 人民幣千元	2017 二零一七年 (Unaudited) (未經審核) RMB'000 人民幣千元
162,603	151,388
137,479	115,866
213,319	187,582
<b>513,401</b>	<b>454,836</b>

# Management Discussion and Analysis

## 管理層討論及分析

### Gross Profit and Gross Profit Margin

The Group's gross profit for the Review Period increased by approximately 50.1% to approximately RMB82,245,000 (six months ended 30 June 2017: approximately RMB54,805,000). Gross profit margin for the Review Period improved by approximately 4.0 percentage points to approximately 16.0% (six months ended 30 June 2017: approximately 12.0%) mainly due to the increase of selling prices of linen yarn as the market demand recovered during the Review Period.

### Other Income and Gains

Other income and gains for the Review Period mainly comprises of fair value gain on derivative instruments of approximately RMB5,474,000 (six months ended 30 June 2017: fair value loss of approximately RMB747,000), government grants and subsidies of approximately RMB865,000 (six months ended 30 June 2017: approximately RMB10,827,000) and interest income of approximately RMB326,000 (six months ended 30 June 2017: approximately RMB676,000). The drop in other income and gains was attributable to the fact of the decrease in government grants received during the Review Period.

### Selling and Distribution Costs

The Group's selling and distribution costs for the Review Period amounted to approximately RMB21,227,000 (six months ended 30 June 2017: approximately RMB16,783,000), which accounted for approximately 4.1% (six months ended 30 June 2017: approximately 3.7%) of the Group's total revenue. The increase in selling costs as a percentage of revenue during the Review Period was mainly due to higher percentage of export sales resulting in higher freight costs and overseas sale agent commission incurred.

### Administrative Expenses

The Group's administrative expenses for the Review Period amounted to approximately RMB29,993,000 (six months ended 30 June 2017: approximately RMB25,222,000), representing an increase of approximately 18.9% as compared with the corresponding period last year. The increase in the Group's administrative expenses was mainly due to additional staff costs and afforestation expenses for the new Heilongjiang factory during the Review Period, as well as additional consultancy and legal fees to participate in the India anti-dumping investigation.

### 毛利及毛利率

本集團於回顧期間內的毛利上升約50.1%至約人民幣82,245,000元(截至二零一七年六月三十日止六個月:約人民幣54,805,000元)。回顧期間的毛利率上升約4.0個百分點至約16.0%(截至二零一七年六月三十日止六個月:約12.0%)，主要是由於回顧期間的市場需求復甦令亞麻紗的售價上升所致。

### 其他收益及得益

回顧期間的其他收益及得益主要包括衍生工具的公允價值得益約人民幣5,474,000元(截至二零一七年六月三十日止六個月:公允價值虧損約人民幣747,000元)、政府補助及補貼約人民幣865,000元(截至二零一七年六月三十日止六個月:約人民幣10,827,000元)及利息收入約人民幣326,000元(截至二零一七年六月三十日止六個月:約人民幣676,000元)。其他收益及得益減少是由於回顧期間內獲得的政府補助減少所致。

### 銷售及分銷成本

本集團於回顧期間內的銷售及分銷成本約為人民幣21,227,000元(截至二零一七年六月三十日止六個月:約人民幣16,783,000元)，佔本集團總收入約4.1%(截至二零一七年六月三十日止六個月:約3.7%)。回顧期間內的銷售成本佔收入百分比增加，主要是由於出口銷售百分比增加，令運費及海外銷售代理佣金增加所致。

### 行政開支

本集團於回顧期間內的行政開支約為人民幣29,993,000元(截至二零一七年六月三十日止六個月:約人民幣25,222,000元)，較去年同期增加約18.9%。本集團的行政開支增加主要是由於回顧期間內新黑龍江廠房的額外員工成本及造林開支，以及參與印度反傾銷調查產生的額外諮詢及法律費用所致。

# Management Discussion and Analysis

## 管理層討論及分析

### Other expenses

Other expenses mainly comprises of net exchange loss of approximately RMB3,793,000 (six months ended 30 June 2017: approximately RMB10,946,000). The net exchange loss was mainly due to the depreciation of Renminbi against United States Dollars of approximately 1.3% and an appreciation of Renminbi against Euro of approximately 1.9% during the Review Period.

### Finance Costs

Net finance costs for the Review Period amounted to approximately RMB9,253,000 (six months ended 30 June 2017: approximately RMB7,024,000). Net finance costs represent total interest expense on bank loans less amount capitalized attributable to capital assets. An interest expense of approximately RMB1,743,000 was capitalized during the Review Period (six months ended 30 June 2017: approximately RMB5,722,000).

### Income Tax Expense/Credit

Income tax expense for the Review Period amounted to approximately RMB2,099,000 (six months ended 30 June 2017: income tax credit of approximately RMB2,185,000). The effective tax rate for the Review Period and the corresponding period in 2017 was approximately 8.5% and -35.4% respectively. The income tax credit in 2017 and the relative low effective tax rate during the Review Period was mainly due to the reversal of dividend withholding tax in PRC. The Company had been accruing the provision of dividend withholding tax using the standard rate of 10% but the relevant tax authorities had been charging at 5% in previous years.

### Minority interests

The minority interests of approximately RMB618,000 represents the share of the net loss of certain subsidiaries of the Group attributable to the minority shareholders during the Review Period (six months ended 30 June 2017: profit of approximately RMB1,369,000).

### 其他開支

其他開支主要包括匯兌虧損淨額約人民幣3,793,000元(截至二零一七年六月三十日止六個月:約人民幣10,946,000元)。匯兌虧損淨額主要由於回顧期間內人民幣兌美元貶值約1.3%及人民幣兌歐元升值約1.9%所致。

### 財務成本

回顧期間的財務成本淨額約為人民幣9,253,000元(截至二零一七年六月三十日止六個月:約人民幣7,024,000元)。財務成本淨額指銀行貸款的利息開支總額減資本資產應佔的已撥充資本金額。於回顧期間內撥充資本的利息開支約為人民幣1,743,000元(截至二零一七年六月三十日止六個月:約人民幣5,722,000元)。

### 所得稅開支／抵免

回顧期間的所得稅開支約為人民幣2,099,000元(截至二零一七年六月三十日止六個月:所得稅抵免約人民幣2,185,000元)。回顧期間內及二零一七年同期的實際稅率分別為約8.5%及-35.4%。二零一七年所得稅抵免及回顧期間內實際稅率相對較低主要由於撥回中國股息預扣稅所致。本公司一直按10%的標準稅率計提股息預扣稅,而相關稅務機構於過往年度只按5%稅率徵收。

### 少數股東權益

約人民幣618,000元的少數股東權益指於回顧期間內少數股東應佔本集團若干附屬公司所佔虧損淨額(截至二零一七年六月三十日止六個月:溢利約人民幣1,369,000元)。

# Management Discussion and Analysis

## 管理層討論及分析

### Profit Attributable to Owners of the Parent

As a result of the aforesaid, the Group recorded a profit attributable to owners of the parent for the Review Period of approximately RMB23,099,000 (six months ended 30 June 2017: RMB6,981,000), representing an increase of approximately 230.9% as compared with the corresponding period last year.

### Liquidity and Financial Resources

As at 30 June 2018, the Group had net current assets of approximately RMB293,950,000 (as at 31 December 2017: approximately RMB307,836,000). The Group financed its operations with internally generated resources and bank loans during the Review Period.

As at 30 June 2018, the Group had cash and cash equivalents of approximately RMB133,252,000 (as at 31 December 2017: approximately RMB173,824,000). The liquidity ratio of the Group as at 30 June 2018 was approximately 136.2% (as at 31 December 2017: approximately 137.2%).

Total equity of the Group as at 30 June 2018 was approximately RMB1,069,405,000 (as at 31 December 2017: approximately RMB1,050,196,000). As at 30 June 2018, the Group had bank loans repayable within 12 months from the date of the statement of financial position of approximately RMB533,993,000 (as at 31 December 2017: approximately RMB519,561,000) and long-term loans of approximately RMB63,000,000 (as at 31 December 2017: approximately RMB75,600,000). Together they represented a gross debt gearing ratio (i.e. total borrowings/total equity) amounted to approximately 55.8% (as at 31 December 2017: approximately 56.7%). The Board believes that the Group's existing financial resources are sufficient for the Group's capital expenditure requirement in the remaining period of 2018.

The Group's cash and cash equivalents as well as borrowings are mainly denominated in Renminbi, United States Dollars, Euro and Hong Kong Dollars.

### 母公司擁有人應佔溢利

由於上文所述，於回顧期間內，本集團錄得母公司擁有人應佔溢利約人民幣23,099,000元（截至二零一七年六月三十日止六個月：人民幣6,981,000元），較去年同期增加約230.9%。

### 流動資金及財務資源

於二零一八年六月三十日，本集團的流動資產淨值約為人民幣293,950,000元（於二零一七年十二月三十一日：約人民幣307,836,000元）。本集團於回顧期間內以內部產生的資源及銀行貸款為營運提供資金。

於二零一八年六月三十日，本集團的現金及現金等價物約為人民幣133,252,000元（於二零一七年十二月三十一日：約人民幣173,824,000元）。本集團於二零一八年六月三十日的流動比率約為136.2%（於二零一七年十二月三十一日：約137.2%）。

本集團於二零一八年六月三十日的權益總額約為人民幣1,069,405,000元（於二零一七年十二月三十一日：約人民幣1,050,196,000元）。於二零一八年六月三十日，本集團須於由財務狀況表日期起計十二個月內償還的銀行貸款約為人民幣533,993,000元（於二零一七年十二月三十一日：約人民幣519,561,000元），並有長期貸款約人民幣63,000,000元（於二零一七年十二月三十一日：約人民幣75,600,000元）。兩者反映的總資本負債率（即總借貸／權益總額）約為55.8%（於二零一七年十二月三十一日：約56.7%）。董事會相信，本集團現有的財務資源足以應付本集團於二零一八年餘下期間的資本開支需要。

本集團的現金及現金等價物以及借貸主要以人民幣、美元、歐元及港元計值。

# Management Discussion and Analysis

## 管理層討論及分析

### CAPITAL COMMITMENTS

As at 30 June 2018, outstanding contractual capital commitments of the Group in respect of the purchase of property, plant and equipment not provided for in the interim condensed consolidated financial statements amounted to approximately RMB175,190,000 (as at 31 December 2017: approximately RMB36,283,000). As at 30 June 2018, there was no capital commitment authorised but not contracted for (as at 31 December 2017: Nil).

### CONTINGENT LIABILITIES

As at 30 June 2018, the Group did not have any contingent liabilities.

### CHARGE ON ASSETS

As at 30 June 2018, the current interest-bearing bank loans with a carrying amount of RMB259,720,000 were secured by certain property, plant and equipment, prepaid land lease payments, inventories with carrying amounts of approximately RMB189,638,000 (31 December 2017: approximately RMB112,775,000), approximately RMB26,464,000 (31 December 2017: approximately RMB27,421,000) and approximately RMB40,000,000 (31 December 2017: approximately RMB40,000,000) respectively.

As at 30 June 2018, the non-current interest-bearing bank borrowings with a carrying amount of RMB63,000,000 were secured by certain property, plant and equipment, prepaid land lease payments, of the Group with carrying amounts of RMB76,974,000 (31 December 2017: approximately RMB78,961,000) and RMB15,262,000 (31 December 2017: approximately RMB15,422,000), respectively.

### 資本承擔

於二零一八年六月三十日，本集團就購買物業、廠房及設備未在中期簡明合併財務報表內計提的未償還合約資本承擔約為人民幣175,190,000元（於二零一七年十二月三十一日：約人民幣36,283,000元）。於二零一八年六月三十日，本集團並無已授權但尚未訂約的資本承擔（於二零一七年十二月三十一日：無）。

### 或有負債

於二零一八年六月三十日，本集團並無任何或有負債。

### 資產押記

於二零一八年六月三十日，賬面金額為人民幣259,720,000元的即期計息銀行貸款以賬面金額分別約人民幣189,638,000元（二零一七年十二月三十一日：約人民幣112,775,000元）、約人民幣26,464,000元（二零一七年十二月三十一日：約人民幣27,421,000元）及約人民幣40,000,000元（二零一七年十二月三十一日：約人民幣40,000,000元）的若干物業、廠房及設備、土地租賃預付款項及存貨作抵押。

於二零一八年六月三十日，賬面金額為人民幣63,000,000元的非即期計息銀行借貸以本集團賬面金額分別為人民幣76,974,000元（二零一七年十二月三十一日：約人民幣78,961,000元）及人民幣15,262,000元（二零一七年十二月三十一日：約人民幣15,422,000元）的若干物業、廠房及設備及土地租賃預付款項作抵押。

# Management Discussion and Analysis

## 管理層討論及分析

### MATERIAL INVESTMENTS

During the Review Period, the Board approved a Master Agreement of Procurement Service and the Management Service for the development of the Project in Ethiopia at an aggregate contract price of RMB208,670,000. Kingdom (Ethiopia) has engaged one of the largest engineering design institutes in the PRC to provide an engineering procurement construction (EPC)/Turn-key services in respect of the construction of the factory in Adama Industrial Park in Ethiopia for the production of flax yarn.

Please refer to the Company's announcement dated 25 January 2018 for further details.

Saved for disclosed above, there was no material acquisition or disposal of the Group's subsidiaries and associates during the Review Period.

As at the date of this interim report, the Group had no concrete plan for any material investments or capital assets.

### FOREIGN CURRENCY EXPOSURE

The Group's transactions are mainly denominated in Renminbi, United States Dollars, Euros and Hong Kong Dollars. The exchange rate changes of such currencies are monitored regularly and managed appropriately. Currently, the Company has also entered into certain foreign currency forward contracts and derivative financial instruments by utilising its credit line, and derivative financial instruments with an asset of RMB1,707,000 was recognized as at 30 June 2018 (as at 31 December 2017: current liabilities of RMB7,002,000).

### 重大投資

於回顧期間內，董事會就開發位於埃塞俄比亞的項目批准採購服務及管理服務的總協議，合約總價為人民幣208,670,000元。金達（埃塞俄比亞）已委聘中國最大的工程設計研究院之一就建設位於埃塞俄比亞阿達瑪工業園的工廠以生產亞麻紗提供工程採購建築／總承包服務。

進一步詳情請參閱本公司日期為二零一八年一月二十五日的公告。

除上文所披露者外，於回顧期間內，本集團的附屬公司及聯營公司並無重大收購或出售。

於本中期報告日期，本集團並無任何重大投資或資本資產的具體計劃。

### 外幣風險

本集團的交易主要以人民幣、美元、歐元及港元計值。本集團定期監察並妥善管理該等貨幣之間的匯率變動。目前，本公司亦運用信貸額訂立了若干外幣遠期合約及衍生金融工具，而於二零一八年六月三十日，衍生金融工具確認資產人民幣1,707,000元（於二零一七年十二月三十一日：流動負債人民幣7,002,000元）。

# Management Discussion and Analysis

## 管理層討論及分析

### REMUNERATION POLICY

As at 30 June 2018, the Group had a total of 3,125 employees (30 June 2017: 2,627 employees). Total staff costs incurred for the Review Period amounted to approximately RMB96,029,000 (six months ended 30 June 2017: RMB80,687,000).

The Group offers comprehensive and competitive remuneration, retirement scheme and benefit packages to its employees. The Group is required to make contributions to a social security scheme in China. Moreover, the Group and its employees in China are each required to make contributions to fund pension insurance and unemployment insurance at rates specified in the relevant laws and regulations in China.

The remuneration policy for the employees of the Group is formulated by the Board with reference to the employee's respective qualification, experience, responsibilities and contributions to the Group, as well as the prevailing market rate of remuneration for a similar position. The remuneration of the directors of the Company (the "Directors") are determined by the Board and the remuneration committee of the Company with the mandate given by the shareholders at the annual general meeting having regard to the Group's operating results, individual performance and comparable market statistics. The Group also provides both internal and external training programmes for its employees from time to time.

The Group has also adopted share option schemes and a share award plan for the purpose of providing incentives and rewards to the Directors, including independent non-executive Directors, and other employees of the Group who have contributed to the success of the Group's operations.

### 薪酬政策

於二零一八年六月三十日，本集團合共聘有3,125名僱員（二零一七年六月三十日：2,627名僱員）。回顧期間內產生的員工總成本約為人民幣96,029,000元（截至二零一七年六月三十日止六個月：人民幣80,687,000元）。

本集團為其僱員提供全面及具競爭力的薪酬、退休計劃及福利待遇。本集團須向中國社會保障計劃供款。此外，本集團及其中國僱員須各自按有關中國法律及法規訂明的水平向養老保險及失業保險作出供款。

本集團僱員的薪酬政策由董事會參照各僱員的資歷、經驗、所承擔責任、對本集團的貢獻及類似職位的現行市場薪酬水平制定。董事會及本公司薪酬委員會獲股東於股東週年大會上授權，根據本集團經營業績、本公司董事（「董事」）個別表現及可比較市場數字釐定董事薪酬。本集團亦不時為其僱員提供內部及外部培訓課程。

本集團亦已採納購股權計劃及股份獎勵計劃，目的為向對本集團業務的成功作出貢獻的董事（包括獨立非執行董事）及本集團的其他僱員提供激勵及獎勵。

# Management Discussion and Analysis

## 管理層討論及分析

### OUTLOOK AND PLANS

There is a growing trend towards the use of environmental friendly natural fibers. The Group considers that linen yarn, as one of the most environmental friendly fibers, will benefit from this trend.

There is a rise in the sentiment of protectionism and unilateralism and global free trade is under imminent threats. Despite so, the Group remains cautiously optimistic that the demand of linen yarn has bottomed out and will be robust with the remainder of this year. The Group may consider further adjusting the selling prices of linen yarn upwards in the second half of 2018. This will be done progressively and subject to market reaction.

The Ethiopia project will not only helps the Group to save land cost, labour cost, energy cost and tax expenses, but also enables the Group to benefit from the favourable treatment under the African Growth and Opportunity Act (AGOA) of United States and the Everything but Arms (EBA) initiative of the European Union for least developed countries (LDCs), which grants duty-free quota-free access to all products into these countries, to counter the threats of protectionism and unilateralism.

### 前景及計劃

環保型天然纖維的使用已成發展趨勢。本集團認為亞麻紗作為最環保的纖維之一，將會從中受惠。

保護主義及單邊主義的情緒有所上升，全球自由貿易面臨迫在眉睫的威脅。儘管如此，本集團對亞麻紗的需求已觸底並將於今年餘下時間表現強勁仍持審慎樂觀態度。於二零一八年下半年，本集團可能考慮進一步上調亞麻紗的售價，且將會逐步上調，視市場反應而定。

埃塞俄比亞項目將不僅有助本集團減省土地成本、勞工成本、能源成本及稅項開支，更可讓本集團受惠於美國非洲成長暨機會法案(AGOA)下的優惠待遇及從歐盟就最不發達國家採納「除武器外一切都行(EBA)」的倡議中獲益，給予所有進入該等國家的產品免關稅、無配額的優惠待遇，以應對保護主義及單邊主義的威脅。

# Disclosure of Interests

## 權益披露

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

### 董事及最高行政人員於股份、相關股份及債券擁有的權益及淡倉

As at 30 June 2018, the Directors and their associates had the following interests in shares of the Company (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**”), which were notified to the Company and The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) pursuant to Divisions 7 and 8 of part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept under Section 352 of the SFO or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) to be notified to the Company and the Stock Exchange:

於二零一八年六月三十日，董事及彼等的聯繫人於本公司股份（「**股份**」）、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部的相關股份及債券中，擁有根據證券及期貨條例第XV部第7及8分部已知會本公司及香港聯合交易所有限公司（「**聯交所**」）的權益（包括根據證券及期貨條例有關條文彼等被當作或視作擁有的權益或淡倉），或已記入證券及期貨條例第352條規定存置的登記冊的權益，或按照香港聯合交易所有限公司證券上市規則（「**上市規則**」）附錄十所載的上市發行人董事進行證券交易的標準守則（「**標準守則**」）須知會本公司及聯交所的權益如下：

#### Long positions in Shares

#### 股份的好倉

##### Ordinary Shares of HK\$ 0.01 each 每股面值0.01港元的普通股

Name of Director	董事姓名	Personal interests (Note 1)	Corporate interests	Total number of Shares held	Approximately percentage of issued share capital (%)
		個人權益 (附註1)	集團權益	所持股份總數	佔已發行股本 概約百分比(%)
Mr. Ren Weiming	任維明先生	12,072,000	290,244,000 (Note 2) (附註2)	302,316,000	48.01
Mr. Ngan Kam Wai Albert	顏金煒先生	418,000	67,000,000 (Note 3) (附註3)	67,418,000	10.71
Ms. Shen Hong	沈鴻女士	480,000	–	480,000	0.08

Notes:

附註：

1. The Shares are registered under the names of the Directors who are the beneficial shareholders.

1. 該等股份以作為實益股東的董事的名義登記。

## Disclosure of Interests 權益披露

2. Mr. Ren Weiming holds approximately 76.38% of the issued share capital of Kingdom Investment (BVI) (as defined below). Mr. Ren therefore holds a controlling interest in Kingdom Investment (BVI) and is deemed under the SFO to be interested in the Shares held by Kingdom Investment (BVI).
2. Kingdom Investment (BVI) (定義見下文)由任維明先生持有約76.38%的已發行股本。因此，任先生對Kingdom Investment (BVI)持有控制權益。根據證券及期貨條例，任先生因而被視為於由Kingdom Investment (BVI)持有的股份中擁有權益。
3. Mr. Ngan Kam Wai Albert and Ms. Ngan Chan Kattie Sau Kat, the spouse of Mr. Ngan, holds approximately 51.00% and 23.00% of the issued share capital of Millionfull International (as defined below) and 57.98% and 29.76% of the issued share capital of Millionfull Company Limited, respectively. Mr. Ngan therefore holds controlling interests in both Millionfull International and Millionfull Company Limited and is deemed under the SFO to be interested in 64,800,000 Shares, i.e. 10.29%, held by Millionfull International and 2,200,000 Shares, i.e. 0.35%, held by Millionfull Company Limited.
3. Millionfull International (定義見下文)由顏金煒先生及顏陳秀吉女士(顏先生的配偶)分別持有約51.00%及23.00%的已發行股本，而億裕有限公司則由彼等分別持有57.98%及29.76%的已發行股本。因此，顏先生對Millionfull International及億裕有限公司持有控制權益。根據證券及期貨條例，顏先生因而被視為於由Millionfull International持有的64,800,000股股份(即10.29%)及由億裕有限公司持有的2,200,000股股份(即0.35%)中擁有權益。

### Share options

As at 30 June 2018, no share options were granted to the Directors or any of their associates.

Save as disclosed above, as at 30 June 2018, none of the Directors or their associates had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept under Section 352 of the SFO or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Save as disclosed above, at no time during the Review Period was the Company or any of its subsidiary companies a party or parties to any arrangement to enable the Directors to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

### 購股權

於二零一八年六月三十日，並無授出購股權予董事或彼等任何的聯繫人。

除以上所披露者外，於二零一八年六月三十日，概無董事或彼等的聯繫人於本公司或其任何相關法團(定義見證券及期貨條例第XV部)的股份、相關股份及債券中，擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的任何權益或淡倉(包括根據證券及期貨條例有關條文彼等被當作或視作擁有的權益或淡倉)，或已記入證券及期貨條例第352條規定存置的登記冊，或按照標準守則須知會本公司及聯交所的任何權益或淡倉。

除以上所披露者外，本公司或其任何附屬公司於回顧期間任何時候均無訂立任何安排，使董事以收購本公司或任何其他法人團體的股份或債券的方式獲得利益。

# Disclosure of Interests

## 權益披露

### INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

So far as it is known to the Directors, as at 30 June 2018, the following persons, other than a Director or chief executive of the Company, had, or were deemed or taken to have, interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under Section 336 of the SFO:

#### Long positions in Shares

Name of Shareholder	Capacity	Number of Shares	Approximately percentage of issued share capital (%) 佔已發行股本概約百分比(%)
股東名稱	身份	股份數目	
Kingdom Investment Holdings Limited ("Kingdom Investment (BVI)") (Note 1)	Beneficial owner	290,244,000	46.09
Kingdom Investment Holdings Limited ("Kingdom Investment (BVI)") (附註1)	實益擁有人		
Millionfull International Co., Ltd. ("Millionfull International") (Note 2)	Beneficial owner	64,800,000	10.29
Millionfull International Co., Ltd. ("Millionfull International") (附註2)	實益擁有人		

Notes:

- Kingdom Investment (BVI) is owned as to 76.38% by Mr. Ren Weiming, an executive Director and substantial shareholder of the Company.
- Millionfull International is owned as to 51.00% by Mr. Ngan Kam Wai Albert, a non-executive Director, and 23.00% by Ms. Ngan Chan Kattie Sau Kat, the spouse of Mr. Ngan.

Save as disclosed above, as at 30 June 2018, the Company had not been notified by any person, other than a Director or chief executive of the Company, who had, or were deemed or taken to have, interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

### 主要股東的權益及淡倉

就董事目前所知，於二零一八年六月三十日，以下人士（董事或本公司最高行政人員除外）於本公司股份或相關股份中擁有或被視作或當作擁有根據證券及期貨條例第XV部第2及3分部條文須向本公司披露，或已記入證券及期貨條例第336條規定存置的登記冊的權益或淡倉：

#### 股份好倉

Name of Shareholder	Capacity	Number of Shares	Approximately percentage of issued share capital (%) 佔已發行股本概約百分比(%)
股東名稱	身份	股份數目	
Kingdom Investment Holdings Limited ("Kingdom Investment (BVI)") (Note 1)	Beneficial owner	290,244,000	46.09
Kingdom Investment Holdings Limited ("Kingdom Investment (BVI)") (附註1)	實益擁有人		
Millionfull International Co., Ltd. ("Millionfull International") (Note 2)	Beneficial owner	64,800,000	10.29
Millionfull International Co., Ltd. ("Millionfull International") (附註2)	實益擁有人		

附註：

- 本公司執行董事兼主要股東任維明先生擁有 Kingdom Investment (BVI) 76.38% 的權益。
- 非執行董事顏金煒先生及顏陳秀吉女士（顏先生的配偶）分別擁有 Millionfull International 51.00% 及 23.00% 的權益。

除以上所披露者外，於二零一八年六月三十日，本公司並無獲任何人士（董事或本公司最高行政人員除外）知會，其於本公司的股份或相關股份中擁有或被視作或當作擁有根據證券及期貨條例第XV部第2及3分部條文須向本公司披露，或已記入證券及期貨條例第336條規定由本公司存置的登記冊的權益或淡倉。

# Corporate Governance and Other Information

## 企業管治及其他資料

### PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

The Company has adopted Share Award Plan on 26 August 2016 (as further detailed in the paragraph headed "Share Award Plan" under this section of the interim report). The Trustee had purchased an aggregate of 19,400,000 Shares on the market in 2017 to hold on trust for the selected persons pursuant to the terms and conditions of the rules of the Share Award Plan and the trust deed. The Board had granted 19,400,000 Awarded Shares to more than 90 employees during the Review Period. Please refer to the paragraph headed "Share Award Plan" under the section "Management Discussion and Analysis" and the Company's announcement dated 25 May 2018 for further details. There were 19,370,000 Awarded Shares accepted as of 30 June 2018.

Save as disclosed above, the Company or any of its subsidiaries did not purchase, sell or redeem any of the Company's listed securities during the six-month period ended 30 June 2018.

### CORPORATE STRATEGY

The primary objective of the Group is to enhance long-term total return for shareholders. To achieve this objective, the strategy of the Group is to deliver sustainable returns with solid financial fundamentals. The management discussion and analysis contain discussions and analyses of the performance of the Group and the basis on which the Group generates or preserves value over the longer term and the strategy for delivering the objective of the Group.

### INTERIM DIVIDEND

The Board has resolved not to recommend any interim dividend for the six months ended 30 June 2018 (30 June 2017: Nil).

### 購買、出售或贖回本公司上市股份

本公司已於二零一六年八月二十六日採納股份獎勵計劃（詳情載於本中期報告此節「股份獎勵計劃」一段）。於二零一七年，受託人已根據股份獎勵計劃規則及信託契約的條款及條件，於市場上購買合共19,400,000股股份，並以信託方式為獲選人士持有該等股份。於回顧期間內，董事會已向超過90名僱員授出19,400,000股獎勵股份。進一步詳情請參閱「管理層討論及分析」一節內「股份獎勵計劃」一段及本公司日期為二零一八年五月二十五日的公告。截至二零一八年六月三十日，19,370,000股獎勵股份已獲接納。

除上文所披露者外，本公司或其任何附屬公司於截至二零一八年六月三十日止六個月期間內概無購買、出售或贖回本公司任何上市證券。

### 企業策略

本集團的主要目標為提升股東長遠回報總額。為實現此目標，本集團的策略為打造堅實的財務基礎，落實持續回報。管理層討論及分析載有本集團表現的討論及分析，本集團長遠取得或維持有關價值的基礎，以及實現本集團目標的策略。

### 中期股息

董事會議決不建議就截至二零一八年六月三十日止六個月宣派任何中期股息（二零一七年六月三十日：無）。

# Corporate Governance and Other Information

## 企業管治及其他資料

### SHARE OPTION SCHEMES

Pursuant to the written resolutions of the sole shareholder of the Company passed on 15 November 2006, the Company adopted a share option scheme (the “**Old Scheme**”). The Old Scheme expired in 2016.

A new share option scheme (the “**New Scheme**”) with shareholders’ approval at the annual general meeting held on 30 May 2016 was adopted on the same date, for the purpose of providing rewards and incentives to any Director, employee, consultant, customer, supplier, agent, partner or advisor of or contractor to the Group who have contributed to the success of the Group’s operations.

Subject to the terms of the Old Scheme and the New Scheme, the Board may at its discretion grant options to: (i) any Director, employee, consultant, customer, supplier, agent, partner or adviser of or contractor to the Group or a company in which the Group holds an interest or a subsidiary of such company (“**Affiliate**”); or (ii) the trustee of any trust the beneficiary of which or any discretionary trust the discretionary objects of which include any Director, employee, consultant, professional, customer, supplier, agent, partner or adviser of or contractor to the Group or an Affiliate; or (iii) a company beneficially owned by any Director, employee, consultant, professional, customer, supplier, agent, partner, adviser of or contractor to the Group or an Affiliate.

The overall limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Scheme and any other schemes must not exceed 30% of the Shares in issue from time to time. Subject to the aforesaid limit, the total number of Shares available for issue under options which may be granted under the New Scheme and any other schemes must not, in aggregate, exceed 62,967,800 Shares, being 10% of the number of issued shares of the Company as at 30 May 2016, the date of adoption of the New Scheme, unless separate shareholders’ approval has been obtained.

### 購股權計劃

根據本公司唯一股東於二零零六年十一月十五日通過的書面決議案，本公司採納一項購股權計劃（「**舊計劃**」）。舊計劃於二零一六年屆滿。

為獎勵及激勵對本集團業務的成功作出貢獻的董事、僱員、顧問、客戶、供應商、代理、業務夥伴、諮詢人或承辦商，本公司於二零一六年五月三十日舉行的股東週年大會上經股東批准，於同日採納一項新購股權計劃（「**新計劃**」）。

在舊計劃及新計劃條款的規限下，董事會可自行酌情向下列人士授出購股權：(i)本集團或本集團持有權益的公司或該公司的附屬公司（「**關聯公司**」）任何董事、僱員、顧問、客戶、供應商、代理、業務夥伴或諮詢人或承辦商；或(ii)以本集團或關聯公司任何董事、僱員、顧問、專業人士、客戶、供應商、代理、業務夥伴或諮詢人或承辦商為受益人或酌情對象的信託或酌情信託的受託人；或(iii)本集團或關聯公司任何董事、僱員、顧問、專業人士、客戶、供應商、代理、業務夥伴、諮詢人或承辦商實益擁有的公司。

因行使根據新計劃及任何其他計劃授出而尚未行使的所有發行在外購股權可發行的股份數目整體上限，不得超過不時已發行股份的30%。根據上述的上限，因行使根據新計劃及任何其他計劃可授出購股權所涉及可供發行的股份總數，合共不得超過62,967,800股股份（即於新計劃採納日期二零一六年五月三十日本公司已發行股份數目的10%），惟獲得股東另行批准則除外。

## Corporate Governance and Other Information 企業管治及其他資料

The maximum entitlement for any one participant under the New Scheme shall not in any 12-month period up to the date of grant exceed 1% of the issued share capital of the Company as at the date of grant.

The period within which the options must be exercised will be specified by the Board at the time of the grant, and must expire no later than 10 years from the date of grant of the options.

The subscription price for any Share shall not be less than the highest of (i) the closing price of a share as stated in the Stock Exchange's daily quotations sheet on the date of grant of the relevant option, which must be a business day, (ii) an amount equivalent to the average closing price of a share as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant of the relevant option and (iii) the nominal value of a share.

Options carrying rights to subscribe for a maximum of 22,250,000 shares were granted on 24 August 2015 (the "Date of Grant") (of which options carrying rights to subscribe for 6,000,000 shares have since been cancelled) and remained outstanding under the Old Scheme as at 30 June 2018 with details as follows:

新計劃的任何一名參與者於直至授出日期止的任何十二個月期間的最高利益不得超過本公司於授出日期已發行股本的1%。

購股權須行使的期間將由董事會於授出時指定，且最遲須於由授出購股權當日起計十年時屆滿。

任何股份的認購價不得低於以下的最高者：(i)於授出有關購股權日期聯交所每日報價表所列股份收市價，且該日必須為營業日，(ii)相等於緊接授出有關購股權日期前五個營業日聯交所每日報價表所列股份平均收市價的金額及(iii)股份面值。

本公司於二零一五年八月二十四日（「授出日期」）根據舊計劃授出附帶權利可認購最多22,250,000股股份（其中附帶權利可認購6,000,000股股份的購股權已註銷），且於二零一八年六月三十日根據舊計劃仍未行使的購股權詳情如下：

		Number of Shares issuable under the options 購股權涉及的可發行股份數目								
Grantees	Date of Grant	Exercise price per share	As at 1/1/2018 於 二零一八年 一月一日	Granted during the period 期內授出	Exercised during the period 期內行使	Forfeited during the period 期內沒收	Cancelled during the period 期內註銷	As at 30/06/2018 於 二零一八年 六月三十日	Exercise period 行使期	
Employees of the Group in aggregate 本集團僱員總計	24/08/2015 二零一五年八月二十四日	2.0	5,750,000	-	-	-	-	5,750,000	note 1 附註1	
Supplier 供應商	24/08/2015 二零一五年八月二十四日	2.0	2,500,000	-	-	-	-	2,500,000	note 1 附註1	
Sales agents 銷售代理	24/08/2015 二零一五年八月二十四日	2.0	8,000,000	-	-	-	-	8,000,000	note 1 附註1	
Total 合計			<u>16,250,000</u>					<u>16,250,000</u>		

# Corporate Governance and Other Information

## 企業管治及其他資料

### Note 1:

Subject to the Old Scheme, the share options (the “Share Options”) granted to the grantees are valid for a period of four years commencing on the Date of Grant and shall be exercisable during the following periods:

- (i) up to 30% of the Share Options granted shall be vested and exercisable at any time after the expiration of six (6) months from the Date of Grant; and
- (ii) the remaining Share Options granted shall be vested and exercisable at any time after the expiration of twenty-four (24) months from the Date of Grant.

Of which, Share Options carrying rights to subscribe for 16,250,000 shares have been vested and become exercisable at an exercise price of HK\$2.00 per share.

No Share Option under the Old Scheme was exercised during the Review Period. No option was granted under the New Scheme as at 30 June 2018.

### SHARE AWARD PLAN

The Company has adopted a share award plan (the “Share Award Plan”) on 26 August 2016. The purpose of the Share Award Plan is to incentivise, recognize and reward eligible persons for their contribution to the Group, attract and retain personnel, and align the interests of award holders with that of the Shareholders to promote the long-term development and financial performance of the Company.

The Board may, from time to time and at its sole discretion, select any eligible person to participate in the Share Award Plan and determine the number of Shares to be awarded and the terms and conditions of the awards. Awards shall be satisfied by Shares acquired in the market at the prevailing market price and no new Shares will be allotted and issued under the Share Award Plan. The trustee of the Share Award Plan (the “Trustee”) shall hold the awarded shares on trust for the award holders until the awarded Shares are vested in the relevant award holders according to the Share Award Plan rules. Upon vesting, the Trustee shall either transfer the vested awarded Shares at no cost to such award holders or sell the vested awarded Shares at the then prevailing market price by way of market order and remit the net proceeds to the award holders in accordance with the direction given by such award holders.

### 附註1：

在舊計劃的規限下，向承授人授出的該等購股權（「該等購股權」）的有效期為由授出日期起計四年，並可於下列期間行使：

- (i) 所獲授該等購股權的最多30%於由授出日期起計六(6)個月屆滿後歸屬，並可隨時行使；及
- (ii) 所獲授的其餘該等購股權於由授出日期起計二十四(24)個月屆滿後歸屬，並可隨時行使。

其中，附帶權利可認購16,250,000股股份的該等購股權已經歸屬，可按行使價每股2.00港元行使。

於回顧期內，概無購股權根據舊計劃獲行使。於二零一八年六月三十日，概無購股權根據新計劃獲授出。

### 股份獎勵計劃

本公司已於二零一六年八月二十六日採納股份獎勵計劃（「股份獎勵計劃」）。股份獎勵計劃之目的為激勵、認可及獎勵合資格人士為本集團作出的貢獻、吸引及挽留人員以及使獎勵持有人與股東利益一致，以推動本公司長期發展及提升本公司財務表現。

董事會可不時按其全權酌情決定選擇任何合資格人士參與股份獎勵計劃及釐定將授予的股份數目以及獎勵的條款及條件。獎勵將以按當時市價於市場上購買的股份撥付而概不會根據股份獎勵計劃配發及發行任何新股份。股份獎勵計劃的受託人（「受託人」）應以信託方式為獎勵持有人持有獎勵股份，直至獎勵股份根據股份獎勵計劃規則歸屬予有關獎勵持有人為止。於歸屬後，受託人須按照該等獎勵持有人作出的指示，將已歸屬之獎勵股份免費轉讓予該等獎勵持有人，或於市場上按當時現行之市價盤出售已歸屬之獎勵股份並將所得款項淨額匯付予獎勵持有人。

## Corporate Governance and Other Information 企業管治及其他資料

The Trustee had purchased an aggregate of 19,400,000 Shares on the market in 2017 to hold on trust for the selected persons pursuant to the terms and conditions of the rules of the Share Award Plan and the trust deed. No Share was purchased by the Trustee during the Review Period.

The Board had granted 19,400,000 Awarded Shares to more than 90 employees during the Review Period. Please refer to the Company's announcement dated 25 May 2018 for details. There were 19,370,000 Awarded Shares accepted as of 30 June 2018.

The Board will constantly review and determine at its absolute discretion such number of Awarded Shares to be awarded to the selected persons under the Share Award Plan with such vesting conditions as the Board may deem appropriate.

### MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company adopted the Model Code set out in Appendix 10 to the Listing Rules regarding securities transactions by directors on terms no less exacting than the required standard set out in the Model Code. Having made specific enquiry with all Directors, the Directors confirmed that they have complied with the required standard set out in the Model Code and the Company's code of conduct regarding directors' securities transactions for the six months ended 30 June 2018 and up to the publication date of the interim results on 20 August 2018.

### COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE OF THE LISTING RULES

The Company is committed to establishing good corporate governance practices and procedures with a view to being a transparent and responsible organisation which is open and accountable to the Company's shareholders. The Directors believe that good corporate governance practices are increasingly important for maintaining and promoting investor confidence. In the opinion of the Directors, save as the deviation from paragraph A.2.1 of the Corporate Governance Code (the "Code") contained in Appendix 14 of the Listing Rules as disclosed below, the Company has complied with the code provisions set out in the Code throughout the six months ended 30 June 2018.

於二零一七年，受託人已根據股份獎勵計劃規則及信託契約的條款及條件，於市場上購買合共19,400,000股股份，並以信託方式為獲選人士持有該等股份。受託人於回顧期間概無購買股份。

於回顧期間內，董事會已向超過90名僱員授出19,400,000股獎勵股份。詳情請參閱本公司日期為二零一八年五月二十五日的公告。截至二零一八年六月三十日，19,370,000股獎勵股份已獲接納。

董事會將不斷檢討及全權酌情釐定根據股份獎勵計劃按董事會可能視為合適的有關歸屬條件將向獲選人士授出的有關獎勵股份數目。

### 董事進行證券交易的標準守則

本公司已就董事進行證券交易採納上市規則附錄十所載的標準守則，其條款不遜於標準守則所載的規定標準。經向全體董事作出特定查詢後，董事已確認於截至二零一八年六月三十日止六個月及直至中期業績之刊發日期二零一八年八月二十日，彼等一直遵守標準守則所載的規定標準及本公司有關董事進行證券交易的操守守則。

### 遵守上市規則企業管治守則

本公司致力建立良好企業管治常規及程序，以成為具透明度及負責任的組織，並對本公司股東公開及負責。董事相信，良好企業管治常規對維持及提升投資者信心日益重要。董事認為，除下文所披露的偏離上市規則附錄十四所載企業管治守則（「守則」）第A.2.1段的情況外，本公司於截至二零一八年六月三十日止六個月一直遵守守則所載的守則條文。

# Corporate Governance and Other Information

## 企業管治及其他資料

### Code Provision A.2.1

Under code provision A.2.1 of the Code, the roles of the chairman and chief executive of the Company should be separated and should not be performed by the same individual. The Company does not have any officer with the title of “chief executive”. Mr. Ren Weiming, who acts as the chairman of the Company, is also responsible for overseeing the general operations of the Group. The Board will meet regularly to consider major matters affecting the operations of the Company. Given the nature and extent of the Group’s operation and Mr. Ren’s extensive experience in the industry, the Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Company and is conducive to strong and consistent leadership, enabling the Company to operate efficiently.

### AUDIT COMMITTEE AND REVIEW OF INTERIM RESULTS

The audit committee of the Company (the “**Audit Committee**”) was established in compliance with Rules 3.21 and 3.22 of the Listing Rules and with written terms of reference in compliance with the Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process, risk management and internal control system of the Group and to provide advice and comments to the Board. The Audit Committee comprises three members who are all independent non-executive Directors, namely, Mr. Lau Ying Kit, Mr. Lo Kwong Shun Wilson and Mr. Yan Jianmiao. Mr. Lau Ying Kit, who has appropriate professional qualifications and experience in accounting matters, was appointed as the chairman of the Audit Committee. The interim results of the Group for the period ended 30 June 2018 have been reviewed with no disagreement by the Audit Committee.

### APPRECIATION

The chairman of the Company would like to take this opportunity to thank his fellow Directors for their invaluable advice and guidance, and to each and every one of the staff of the Group for their hard work and loyalty to the Group.

### 守則條文第A.2.1條

根據守則的守則條文第A.2.1條，本公司主席及行政總裁應有職責分工，兩職不應由同一人士擔任。本公司並無任何高級職員擁有「行政總裁」職銜。任維明先生為本公司主席，亦負責監察本集團一般營運。董事會將定期舉行會議，以考慮影響本公司營運的主要事宜。基於本集團業務性質及規模，以及任先生於業內的豐富經驗，董事會認為此架構將不會損害董事會與本公司管理層之間的權力及職權平衡，且有助於建立有力而穩定的領導層，使本公司能有效營運。

### 審核委員會及中期業績審閱

本公司已遵照上市規則第3.21及3.22條成立審核委員會（「**審核委員會**」），並訂出符合守則的書面職權範圍。審核委員會的主要職責為檢討及監察本集團財務申報程序、風險管理及內部監控制度，並向董事會提供意見及評議。審核委員會由三名屬獨立非執行董事的成員組成，分別為劉英傑先生、羅廣信先生及嚴建苗先生，而於會計事宜擁有適當專業資格及經驗的劉英傑先生獲委任為審核委員會主席。本集團截至二零一八年六月三十日止期間的中期業績已由審核委員會審閱，並無不同意之處。

### 致謝

本公司主席希望藉此機會感謝眾位董事給予寶貴意見及指導，以及本集團各員工為本集團勤奮工作及忠誠服務。

# Interim Condensed Consolidated Statement of Profit or Loss

## 中期簡明合併損益表

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

		For the six months ended 30 June 截至六月三十日止六個月		
		2018 二零一八年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2017 二零一七年 RMB'000 人民幣千元 (Unaudited) (未經審核)	
		Notes 附註		
REVENUE FROM CONTRACTS WITH CUSTOMERS	客戶合約收入	4	513,401	454,836
Cost of sales	銷售成本		(431,156)	(400,031)
Gross profit	毛利		82,245	54,805
Other income and gains	其他收益及得益	4	7,199	12,365
Selling and distribution expenses	銷售及分銷開支		(21,227)	(16,783)
Administrative expenses	行政開支		(29,993)	(25,222)
Other expenses	其他開支		(4,391)	(11,976)
Finance costs	財務成本	5	(9,253)	(7,024)
PROFIT BEFORE TAX	除稅前溢利	6	24,580	6,165
Income tax (expense)/credit	所得稅(開支)/抵免	7	(2,099)	2,185
PROFIT FOR THE PERIOD	期內溢利		22,481	8,350
Attributable to:	由下列項目應佔:			
Owners of the parent	母公司擁有人		23,099	6,981
Non-controlling interests	非控制性權益		(618)	1,369
			22,481	8,350
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	母公司普通股權益持有人應佔每股盈利			
Basic	基本	9	RMB人民幣0.04元	RMB人民幣0.01元
Diluted	攤薄	9	RMB人民幣0.04元	RMB人民幣0.01元

# Interim Condensed Consolidated Statement of Comprehensive Income

## 中期簡明合併全面收益表

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

For the six months ended 30 June  
截至六月三十日止六個月

		<b>2018</b> 二零一八年 <b>RMB'000</b> 人民幣千元 <b>(Unaudited)</b> (未經審核)	2017 二零一七年 RMB'000 人民幣千元 (Unaudited) (未經審核)
PROFIT FOR THE PERIOD	期內溢利	<b>22,481</b>	8,350
Other comprehensive income to be reclassified to profit or loss in subsequent periods:	將於往後期間重新分類至損益的其他全面收益：		
Exchange differences on translation of foreign operations	換算海外業務的匯兌差額	(255)	522
TOTAL COMPREHENSIVE INCOME, FOR THE PERIOD	期內全面收益總額	<b>22,226</b>	8,872
Attributable to:	由下列項目應佔：		
Owners of the parent	母公司擁有人	22,844	7,503
Non-controlling interests	非控制性權益	(618)	1,369
		<b>22,226</b>	8,872

# Interim Condensed Consolidated Statement of Financial Position

## 中期簡明合併財務狀況表

As at 30 June 2018 於二零一八年六月三十日

			<b>30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)</b>	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
	<i>Notes</i>			
	<i>附註</i>			
<b>NON-CURRENT ASSETS</b>		<b>非流動資產</b>		
Property, plant and equipment	10	物業、廠房及設備	745,976	726,532
Investment property		投資物業	7,229	7,529
Prepaid land lease payments		土地租賃預付款項	65,902	64,837
Other intangible assets	11	其他無形資產	7,556	5,834
Prepayments for equipment		設備預付款項	11,088	7,571
Other non-current assets		其他非流動資產	407	407
Deferred tax assets		遞延稅項資產	10,582	14,640
<b>Total non-current assets</b>		<b>非流動資產總值</b>	<b>848,740</b>	<b>827,350</b>
<b>CURRENT ASSETS</b>		<b>流動資產</b>		
Inventories	12	存貨	531,366	531,212
Trade and notes receivables	13	應收貿易賬款及應收票據	274,681	310,215
Prepayments, deposits and other receivables		預付款、押金及其他應收款項	63,137	68,650
Derivative financial instruments	19	衍生金融工具	1,707	-
Other current assets		其他流動資產	-	851
Pledged deposits		已抵押存款	100,844	50,314
Cash and cash equivalents		現金及現金等價物	133,252	173,824
<b>Total current assets</b>		<b>流動資產總值</b>	<b>1,104,987</b>	<b>1,135,066</b>
<b>CURRENT LIABILITIES</b>		<b>流動負債</b>		
Trade and notes payables	14	應付貿易賬款及應付票據	151,295	189,783
Other payables and accruals		其他應付款項及預提費用	102,392	93,979
Interest-bearing bank borrowings	15	計息銀行借貸	533,993	519,561
Derivative financial instruments	19	衍生金融工具	-	7,002
Dividend payable		應付股息	10,619	-
Tax payable		應付稅項	12,738	16,054
Other current liability		其他流動負債	-	851
<b>Total current liabilities</b>		<b>流動負債總額</b>	<b>811,037</b>	<b>827,230</b>
<b>NET CURRENT ASSETS</b>		<b>流動資產淨值</b>	<b>293,950</b>	<b>307,836</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>資產總值減流動負債</b>	<b>1,142,690</b>	<b>1,135,186</b>

# Interim Condensed Consolidated Statement of Financial Position

## 中期簡明合併財務狀況表

As at 30 June 2018 於二零一八年六月三十日

		Notes 附註	30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		<b>1,142,690</b>	1,135,186
NON-CURRENT LIABILITIES	非流動負債			
Deferred tax liabilities	遞延稅項負債		<b>10,285</b>	9,390
Interest-bearing bank borrowings	計息銀行借貸	15	<b>63,000</b>	75,600
Total non-current liabilities	非流動負債總額		<b>73,285</b>	84,990
Net assets	資產淨值		<b>1,069,405</b>	1,050,196
EQUITY	權益			
Equity attributable to owners of the parent	母公司擁有人應佔權益			
Share capital	股本	16	<b>6,329</b>	6,329
Treasury shares	庫存股份	17	<b>(19,508)</b>	(19,508)
Reserves	儲備		<b>1,043,763</b>	1,030,936
Non-controlling interests	非控制性權益		<b>1,030,584</b>	1,017,757
			<b>38,821</b>	32,439
Total equity	權益總額		<b>1,069,405</b>	1,050,196

# Interim Condensed Consolidated Statement of Changes in Equity

## 中期簡明合併權益變動表

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

		Attributable to owners of the parent 母公司擁有人應佔											
		Issued capital 已發行股本	Treasury shares 庫存股份	Share premium 股份溢價	Merger reserve 合併儲備	Statutory reserve 法定儲備	Share option reserve 購股權儲備	Share award reserve 股份獎勵儲備	Exchange reserve 匯兌儲備	Retained profits 保留溢利	Total 總計	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	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
At 1 January 2018	於二零一八年一月一日	6,329	(19,508)	268,319	196,816	114,215	2,207	-	(3,021)	452,400	1,017,757	32,439	1,050,196
Profit for the period	期內溢利	-	-	-	-	-	-	-	-	23,099	23,099	(618)	22,481
Exchange differences on translation of foreign operations	換算海外業務的匯兌差額	-	-	-	-	-	-	-	(255)	-	(255)	-	(255)
Total comprehensive income for the period	期內全面收益總額	-	-	-	-	-	-	-	(255)	23,099	22,844	(618)	22,226
Capital injection	注資	-	-	-	-	-	-	-	-	-	-	7,000	7,000
Equity-settled share awards plan	以權益結算股份獎勵計劃	-	-	-	-	-	-	510	-	-	510	-	510
Final 2017 dividend declared	已宣派二零一七年末期股息	-	-	-	-	-	-	-	-	(10,527)	(10,527)	-	(10,527)
At 30 June 2018 (Unaudited)	於二零一八年六月三十日(未經審核)	6,329	(19,508)	268,319	196,816	114,215	2,207	510	(3,276)	464,972	1,030,584	38,821	1,069,405
At 1 January 2017	於二零一七年一月一日	6,329	-	271,389	196,816	112,536	2,012	-	(3,634)	482,303	1,067,751	18,685	1,086,436
Profit for the period	期內溢利	-	-	-	-	-	-	-	-	6,981	6,981	1,369	8,350
Exchange differences on translation of foreign operations	換算海外業務的匯兌差額	-	-	-	-	-	-	-	522	-	522	-	522
Total comprehensive income for the period	期內全面收益總額	-	-	-	-	-	-	-	522	6,981	7,503	1,369	8,872
Capital injection	注資	-	-	-	-	-	-	-	-	-	-	10,000	10,000
Repurchase of share capital	購回股本	-	(15,927)	-	-	-	-	-	-	-	(15,927)	-	(15,927)
Equity-settled share option arrangements	以權益結算購股權安排	-	-	-	-	-	146	-	-	-	146	-	146
Final 2016 dividend declared	已宣派二零一六年末期股息	-	-	-	-	-	-	-	-	(28,162)	(28,162)	-	(28,162)
At 30 June 2017 (Unaudited)	於二零一七年六月三十日(未經審核)	6,329	(15,927)	271,389	196,816	112,536	2,158	-	(3,112)	461,122	1,031,311	30,054	1,061,365

# Interim Condensed Consolidated Statement of Cash Flows

## 中期簡明合併現金流量表

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

For the six months ended 30 June  
截至六月三十日止六個月

		2018 二零一八年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2017 二零一七年 RMB'000 人民幣千元 (Unaudited) (未經審核)
CASH FLOWS FROM OPERATING ACTIVITIES	經營活動的現金流量		
Profit before tax	除稅前溢利	24,580	6,165
Adjustments for:	調整項目：		
Fair value (gains)/losses on derivative instruments – transactions not qualifying as hedges	衍生工具的公允價值 (得益)/虧損 – 不合資格作對沖的交易	(5,474)	747
Equity-settled share option expenses	以權益結算購股權開支	–	146
Equity-settled share award expenses	以權益結算股份獎勵開支	510	–
Depreciation	折舊	37,151	30,195
Amortisation of prepaid land lease payments	土地租賃預付款項攤銷	866	580
Amortisation of intangible assets	無形資產攤銷	278	258
(Reversal of)/Provision for impairment of inventories	存貨減值 (轉回)/撥備	(2,519)	253
Losses/(gains) on disposal of items of property, plant and equipment	出售物業、廠房及設備項目虧損/(得益)	335	(568)
Reversal of provision for impairment of doubtful debts	呆賬減值撥備轉回	(8)	(5)
Finance costs	財務成本	9,253	7,024
Exchange losses/(gains), net	匯兌虧損/(得益)淨額	95	(791)
Bank interest income	銀行利息收入	(326)	(676)
		<b>64,741</b>	<b>43,328</b>
Decrease/(increase) in inventories	存貨減少/(增加)	2,365	(30,757)
Decrease in trade and notes receivables	應收貿易賬款及應收票據減少	35,542	17,523
Decrease/(increase) in prepayments, deposits and other receivables	預付款、押金及其他應收款項減少/(增加)	3,582	(16,502)
Proceeds from pledged deposits	已抵押存款的所得款項	77,538	6,017
New pledged deposits	新造已抵押存款	(79,183)	(72,386)
(Increase)/Decrease in derivative financial instruments	衍生金融工具 (增加)/減少	(3,235)	5,788
(Decrease)/increase in trade and notes payables	應付貿易賬款及應付票據 (減少)/增加	(38,488)	58,455
Increase/(decrease) in other payables and accruals	其他應付款項及預提費用增加/(減少)	8,413	(1,861)
Cash generated from operations	經營產生的現金	71,275	9,605
Interest received	已收利息	326	676
Income tax paid	已付所得稅	(968)	(12,532)
Net cash flows generated/(used in) from operating activities	經營活動產生/(所用)的現金流量淨額	<b>70,633</b>	<b>(2,251)</b>

# Interim Condensed Consolidated Statement of Cash Flows

## 中期簡明合併現金流量表

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

For the six months ended 30 June  
截至六月三十日止六個月

		2018 二零一八年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2017 二零一七年 RMB'000 人民幣千元 (Unaudited) (未經審核)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>投資活動的現金流量</b>		
Purchases of items of property, plant and equipment	購置物業、廠房及設備項目	(47,046)	(93,010)
Prepayments for equipment	設備預付款項	(10,582)	(5,115)
Proceeds from disposal of items of property, plant and equipment and other intangible assets	出售物業、廠房及設備項目及其他無形資產所得款項	32	2,956
Net cash flows used in investing activities	投資活動所用的現金流量淨額	<u>(57,596)</u>	<u>(95,169)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>融資活動的現金流量</b>		
Capital injection from non-controlling shareholders	非控股股東注資	5,000	10,000
New bank loans	新造銀行貸款	525,387	377,818
Repayment of bank loans	償還銀行貸款	(523,555)	(353,235)
Share repurchase	購回股份	-	(15,927)
Interest paid	已付利息	(11,301)	(12,746)
Purchase of available-for-sale investments	購買可供出售投資	-	(407)
Proceeds from pledged deposits	已抵押存款的所得款項	33,669	68,338
New pledged deposits	新造已抵押存款	(82,554)	(57,393)
Net cash flows (used in)/generated from financing activities	融資活動(所用)/產生的現金流量淨額	<u>(53,354)</u>	<u>16,448</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>現金及現金等價物減少淨額</b>	<b>(40,317)</b>	<b>(80,972)</b>
Cash and cash equivalents at beginning of period	期初現金及現金等價物	173,824	279,511
Effect of foreign exchange rate changes, net	匯率變動影響淨額	(255)	522
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	<b>期末現金及現金等價物</b>	<b><u>133,252</u></b>	<b><u>199,061</u></b>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>	<b>現金及現金等價物結餘分析</b>		
Cash and bank balances	現金及銀行結餘	133,252	199,061
Cash and cash equivalents as stated in the statement of financial position	財務狀況表所列的現金及現金等價物	<b><u>133,252</u></b>	<b><u>199,061</u></b>

# Notes to Interim Condensed Consolidated Financial Statements 中期簡明合併財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

## 1. CORPORATE AND GROUP INFORMATION

Kingdom Holdings Limited (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability on 21 July 2006. The Company’s shares were listed on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 12 December 2006.

The Group is principally engaged in the manufacture and sale of linen yarns.

The Company’s registered office address is Cricket Square, Hutchins Drive, P.O. Box 2681 GT, Grand Cayman KY1-1111, Cayman Islands; and the principal place of business is located at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong.

### 2.1 BASIS OF PREPARATION

The interim condensed consolidated financial statements for the six months ended 30 June 2018 have been prepared in accordance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting”.

The interim condensed consolidated financial statements do not include all the 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 2017.

### 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and basis of preparation adopted in the preparation of the interim condensed consolidated financial statements for the six months ended 30 June 2018 are consistent with those used in the preparation of the Group’s annual financial statements for the year ended 31 December 2017, except in relation to the new and revised International Financial Reporting Standards (“IFRSs”, which also include IASs and interpretations) as set out in note 2.3 that are adopted for the first time for the current period’s unaudited interim condensed consolidated financial statements, the adoption of these new and revised IFRSs has had no significant impact on the results and the financial position of the Group.

## 1. 公司及集團資料

金達控股有限公司(「本公司」)於二零零六年七月二十一日在開曼群島註冊成立為獲豁免有限公司。本公司股份於二零零六年十二月十二日在香港聯合交易所有限公司(「聯交所」)上市。

本集團主要從事生產及銷售亞麻紗。

本公司的註冊辦事處地址為Cricket Square, Hutchins Drive, P.O. Box 2681 GT, Grand Cayman KY1-1111, Cayman Islands; 其主要營業地點則位於香港皇后大道東183號合和中心54樓。

### 2.1 編製基準

截至二零一八年六月三十日止六個月的中期簡明合併財務報表乃按照《國際會計準則》(「《國際會計準則》」)第34號「中期財務報告」編製。

本中期簡明合併財務報表並不包括全年財務報表所要求的全部資料及披露，故應與本集團截至二零一七年十二月三十一日止年度的全年財務報表一併閱覽。

### 2.2 主要會計政策概要

編製截至二零一八年六月三十日止六個月的中期簡明合併財務報表所採納的會計政策及編製基準與編製本集團截至二零一七年十二月三十一日止年度的全年財務報表所使用者一致，惟有關附註2.3所載，就本期間的未經審核中期簡明合併財務報表首次採納的新訂及經修訂《國際財務報告準則》(「《國際財務報告準則》」，當中亦包括《國際會計準則》及詮釋)除外，採納該等新訂及經修訂《國際財務報告準則》對本集團的業績及財務狀況並無重大影響。

# Notes to Interim Condensed Consolidated Financial Statements

## 中期簡明合併財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

### 2.3 ADOPTION OF NEW AND REVISED IFRSs

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2017, except for the adoption of new standards and interpretations effective as of 1 January 2018. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The Group applies, for the first time, IFRS 15 *Revenue from Contracts with Customers*, IFRS 9 *Financial Instruments* and several other amendments and interpretations in 2018, which do not have an impact on the interim condensed consolidated financial statements of the Group.

All of the new and revised IFRSs adopted for the first time in these interim condensed consolidated financial statements are listed below.

<i>Amendments to IFRS 2</i>	<i>Classification and Measurement of Share-based Payment Transactions</i>	《國際財務報告準則》第2號的修訂本	以股份付款交易的分類及計量
<i>Amendments to IFRS 4</i>	<i>Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts</i>	《國際財務報告準則》第4號的修訂本	在《國際財務報告準則》第4號「保險合約」下應用《國際財務報告準則》第9號「金融工具」
<i>IFRS 9</i>	<i>Financial Instruments</i>	《國際財務報告準則》第9號	金融工具
<i>IFRS 15</i>	<i>Revenue from Contracts with Customers</i>	《國際財務報告準則》第15號	客戶合約收入
<i>Amendments to IFRS 15</i>	<i>Clarifications to IFRS 15 Revenue from Contracts with Customers</i>	《國際財務報告準則》第15號的修訂本	澄清《國際財務報告準則》第15號「客戶合約收入」
<i>Amendments to IAS 40</i>	<i>Transfers of Investment Property</i>	《國際會計準則》第40號的修訂本	轉讓投資物業
<i>IFRIC 22</i>	<i>Foreign Currency Transactions and Advance Consideration</i>	《國際財務報告詮釋委員會》第22號	外幣交易及墊付代價
<i>Annual Improvements 2014-2016 Cycle</i>	<i>Amendments to IFRS 1 and IAS 28</i>	年度改進二零一四年至二零一六年週期	《國際財務報告準則》第1號及《國際會計準則》第28號的修訂本

### 2.3 採納新訂及經修訂《國際財務報告準則》

編製本中期簡明合併財務報表所採納的會計政策與編製本集團截至二零一七年十二月三十一日止年度的全年合併財務報表所遵循者一致，惟採納於二零一八年一月一日生效的新訂準則及詮釋除外。本集團並無提早採納已頒佈但尚未生效的任何其他準則、詮釋或修訂。

本集團於二零一八年首次採用《國際財務報告準則》第15號客戶合約收入、《國際財務報告準則》第9號金融工具及多項其他修訂及詮釋，彼等並無對本集團的中期簡明合併財務報表產生影響。

該等中期簡明合併財務報表首次採納的所有新訂及經修訂《國際財務報告準則》如下。

# Notes to Interim Condensed Consolidated Financial Statements

## 中期簡明合併財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

### 2.3 ADOPTION OF NEW AND REVISED IFRSs (continued)

#### IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach for measuring and recognising revenue. The standard requires entities to exercise judgement, taking into consideration all of the relevant fact and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

Either a full retrospective application or a modified retrospective adoption is required on the initial application of the standard. The Group adopted IFRS 15 using the modified retrospective method of adoption after performing a detailed assessment on the impact of the adoption.

The Group is in the business of selling linen yarns. The Group's contracts with customers for the sale of linen yarns only include one performance obligation. The Group has concluded that revenue should be recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Therefore, the adoption of IFRS 15 did not have an impact on the timing of revenue recognition.

Meanwhile, the Group receives advances from its customers. Prior to the adoption of IFRS 15, the Group presented these receives in *Other payables and accruals* in the statement of financial position. No interest was accrued on the previous accounting policy. Upon the adoption of IFRS 15, the Group will not adjust the promised amount of the consideration for the effects of a financing component in contracts. This is because that the period between the time the customers pays for the good and when the Group transfers that promised good to the customer is always less than one year.

### 2.3 採納新訂及經修訂《國際財務報告準則》(續)

#### 《國際財務報告準則》第15號客戶合約收入

《國際財務報告準則》第15號取代《國際會計準則》第11號建築合約、《國際會計準則》第18號收入及相關詮釋，並適用於所有客戶合約收入，除非該等合約屬於其他準則範圍內。新訂準則建立五步模式，將客戶合約收入入賬。根據《國際財務報告準則》第15號，收入按能反映實體預期有權就向客戶轉讓貨物或服務而換取的代價金額確認。《國際財務報告準則》第15號的原則為計量及確認收入提供架構更完善的方法。該準則要求實體作出判斷，並考慮將該模式各步驟應用於其客戶合約時的所有相關事實及情況。該準則亦訂明將獲得合約的遞增成本及履行合約直接相關的成本入賬。

初次應用該準則需要進行全面回溯性應用或經修改回溯性採納。本集團就採納之影響作出詳盡評估後，使用經修改回溯性採納方法採納《國際財務報告準則》第15號。

本集團經營銷售亞麻紗業務。本集團銷售亞麻紗之客戶合約僅包括一項履約責任。本集團認為收入應在資產控制權轉讓予客戶時的某個時間點（通常為交付貨物時）確認。因此，採納《國際財務報告準則》第15號不會對收入確認之時間產生影響。

同時，本集團收取客戶墊款。於採納《國際財務報告準則》第15號前，本集團於財務狀況表的其他應付款項及預提費用內呈列該等所收款項。並無按先前的會計政策累計利息。於採納《國際財務報告準則》第15號後，本集團將不會就合約融資部分的影響調整所承諾的代價金額，原因是客戶支付貨物款項的時間與本集團轉讓承諾貨物予客戶的時間之間總是相差不足一年。

# Notes to Interim Condensed Consolidated Financial Statements 中期簡明合併財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

## 2.3 ADOPTION OF NEW AND REVISED IFRSs (continued)

### IFRS 15 Revenue from Contracts with Customers

(Continued)

As for disclosure requirements for the condensed interim financial statements, the Group disaggregated revenue recognised from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue are affected by economic factors. Refer to Note 4 for the disclosure on disaggregated revenue.

In conclusion, the adoption of IFRS 15 does not have a significant impact on the interim condensed consolidated financial statements of the Group.

### IFRS 9 Financial Instruments

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: *Recognition and Measurement* for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting. The Group adopted IFRS 9 from 1 January 2018. The Group has not restated comparative information because the adoption of IFRS 9 has limited effect on the Group's financial position statements.

(a) Classification and measurement

To determine their classification and measurement category, IFRS 9 requires all financial assets, except equity instruments and derivatives, to be assessed based on a combination of the entity's business model for managing the assets and the instruments' contractual cash flow characteristics.

## 2.3 採納新訂及經修訂《國際財務報告準則》(續)

### 《國際財務報告準則》第15號客戶合約收入(續)

關於簡明中期財務報表的披露規定，本集團將確認的客戶合約收入細分為描述收入的性質、金額、時間及不確定性如何受經濟因素影響的類別。有關經細分收入的披露資料請參閱附註4。

總而言之，採納《國際財務報告準則》第15號不會對本集團中期簡明合併財務報表產生重大影響。

### 《國際財務報告準則》第9號金融工具

《國際財務報告準則》第9號金融工具於二零一八年一月一日或之後開始的年度期間取代《國際會計準則》第39號金融工具：確認及計量，合併金融工具會計處理的所有三個方面：分類及計量；減值；及對沖會計處理。本集團自二零一八年一月一日起採納《國際財務報告準則》第9號。由於採納《國際財務報告準則》第9號對本集團財務狀況表的影響有限，故本集團並未重列比較資料。

(a) 分類及計量

為釐定其分類及計量類別，《國際財務報告準則》第9號要求所有金融資產（權益工具及衍生工具除外）按實體管理資產的業務模式及工具合約現金流量特徵進行評估。

# Notes to Interim Condensed Consolidated Financial Statements

## 中期簡明合併財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

### 2.3 ADOPTION OF NEW AND REVISED IFRSs (continued)

#### IFRS 9 *Financial Instruments* (continued)

(a) Classification and measurement (continued)

The IAS 39 measurement categories of financial assets, including financial assets at fair value through profit or loss, loans and receivables, available-for-sale financial investments and held-to-maturity investments have been replaced by:

Debt instruments at amortised cost;

Debt instruments at fair value through other comprehensive income, with gains or losses recycled to profit or loss on derecognition;

Equity instruments at fair value through other comprehensive income, with no recycling of gains or losses to profit or loss on derecognition; and

Financial assets at fair value through profit or loss.

As of 1 January 2018, the category of loans and receivables under IAS 39, including *cash and cash equivalents, trade and notes receivables, financial assets included in prepayments, deposits and other receivables and pledged deposits*, were transferred to debt instruments at amortised cost under IFRS 9. Meanwhile, *financial assets at fair value through profit or loss* remained unchanged under IFRS 9.

The accounting for the Group's financial liabilities remains largely the same as it was under IAS 39. Similar to the requirements of IAS 39, IFRS 9 requires contingent consideration liabilities to be treated as financial instruments measured at fair value, with the changes in fair value recognised in the statement of profit or loss.

### 2.3 採納新訂及經修訂《國際財務報告準則》(續)

#### 《國際財務報告準則》第9號金融工具(續)

(a) 分類及計量(續)

《國際會計準則》第39號金融資產的計量類別(包括按公允價值計入損益的金融資產、貸款及應收款項、可供出售金融投資及持至到期投資)已由以下類別替代:

按攤銷成本列賬的債務工具;

按公允價值計入其他全面收益的債務工具,於終止確認時盈虧結轉至損益;

按公允價值計入其他全面收益的權益工具,於終止確認時概無盈虧結轉至損益;及

按公允價值計入損益的金融資產。

截至二零一八年一月一日,《國際會計準則》第39號項下的貸款及應收款項類別(包括現金及現金等價物、應收貿易賬款及應收票據、計入預付款、押金及其他應收款項的金融資產以及已抵押存款)已根據《國際財務報告準則》第9號轉移至按攤銷成本列賬的債務工具。同時,根據《國際財務報告準則》第9號,按公允價值計入損益的金融資產保持不變。

本集團金融負債的會計處理與《國際會計準則》第39號的會計處理大致相同。類似於《國際會計準則》第39號的規定,《國際財務報告準則》第9號要求將或然代價負債視為按公允價值計量的金融工具,公允價值變動則於損益表中確認。

# Notes to Interim Condensed Consolidated Financial Statements 中期簡明合併財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

## 2.3 ADOPTION OF NEW AND REVISED IFRSs (continued)

### IFRS 9 *Financial Instruments* (continued)

#### (b) Impairment

IFRS 9 requires an impairment on debt instruments recorded at amortised cost or at fair value through other comprehensive income, lease receivables, loan commitments and financial guarantee contracts that are not accounted for at fair value through profit or loss under IFRS 9, to be recorded based on an expected credit loss model either on a twelve-month basis or a lifetime basis. The Group applied the simplified approach and record lifetime expected losses that are estimated based on the present values of all cash shortfalls over the remaining life of all of its *trade and notes receivables*. Furthermore, the Group applied the general approach and record twelve-month expected credit losses that are estimated based on the possible default events on its *financial assets included in deposits and other receivables*. The adoption of the standard has no material impact on the Group's financial performance and position.

## 3. OPERATING SEGMENT

For management purposes, the Group is organised into one single business unit that includes primarily the manufacture and sale of linen yarns. Management reviews the consolidated results when making decisions about allocating resources and assessing performance of the Group. Accordingly, no segmental analysis is presented.

## 2.3 採納新訂及經修訂《國際財務報告準則》(續)

### 《國際財務報告準則》第9號金融工具 (續)

#### (b) 減值

《國際財務報告準則》第9號規定按攤銷成本或按公允價值計入其他全面收益列賬的債務工具、租賃應收款項、貸款承擔及財務擔保合約(並非根據《國際財務報告準則》第9號按公允價值計入損益入賬)所作減值,須根據預期信貸虧損模式按十二個月基準或可用年期基準入賬。本集團已應用簡化方式,將根據於所有應收貿易賬款及應收票據餘下可用年期內的所有現金差額現值估計的可用年期預期虧損入賬。此外,本集團已應用一般方式並將基於計入押金及其他應收款項的金融資產可能遭遇的違約事件所估計的十二個月預期信貸虧損入賬。採納該準則不會對本集團財務表現及狀況產生重大影響。

## 3. 經營分部

為方便管理,本集團已組織成一個單一業務單位,主要包括生產及銷售亞麻紗。管理層於就分配本集團資源及評估表現作出決定時會審閱合併業績。因此,本集團並無呈列分部分分析。

# Notes to Interim Condensed Consolidated Financial Statements

## 中期簡明合併財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

### 3. OPERATING SEGMENT (continued)

#### Geographical information

(a) Revenue from contracts with customers

An analysis of the Group's geographical information on revenue attributed to the regions on the basis of the customers' locations for the six months ended 30 June 2018 is set out in the following table:

Mainland China	中國大陸
European Union	歐盟國
Non-European Union	非歐盟國
Total	總額

(b) Non-current assets

Since the principal non-current assets, other than deferred tax assets, employed by the Group are located in Mainland China, no geographical information for non-current assets is presented.

#### Information about a major customer

No revenue amounting to 10 percent or more of the Group's total revenue was derived from sales to a single customer for the six months ended 30 June 2018 (six months ended 30 June 2017: RMB76,784,000).

### 3. 經營分部 (續)

#### 地理資料

(a) 客戶合約收入

下表載列本集團於截至二零一八年六月三十日止六個月按客戶所在地劃分的地區應佔收入的地理資料分析：

**Revenue from contracts  
with customers  
客戶合約收入  
For the six months  
ended 30 June  
截至六月三十日止六個月**

2018 二零一八年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2017 二零一七年 RMB'000 人民幣千元 (Unaudited) (未經審核)
<b>162,603</b>	151,388
<b>137,479</b>	115,866
<b>213,319</b>	187,582
<b>513,401</b>	454,836

(b) 非流動資產

由於本集團使用的主要非流動資產(遞延稅項資產除外)位於中國大陸，故並無呈列非流動資產的地理資料。

#### 有關主要客戶的資料

於截至二零一八年六月三十日止六個月，並無向單一客戶進行的銷售收入佔本集團總收入10%或以上(截至二零一七年六月三十日止六個月：人民幣76,784,000元)。

# Notes to Interim Condensed Consolidated Financial Statements 中期簡明合併財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

## 4. REVENUE FROM CONTRACTS WITH CUSTOMERS, OTHER INCOME AND GAINS

Revenue from contracts with customers, which is also the Group's turnover, represents the sales value of linen yarn, hemp yarn and scraps, net of sales tax and deduction of any sales discounts and returns.

An analysis of revenue from contracts with customers, other income and gains is as follows:

## 4. 客戶合約收入、其他收益及得益

客戶合約收入（亦即本集團營業額）指亞麻紗、漢麻紗及廢料的銷售價值，經扣除銷售稅及扣減任何銷售折扣及退還。

客戶合約收入、其他收益及得益分析如下：

		For the six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2017 二零一七年 RMB'000 人民幣千元 (Unaudited) (未經審核)
<b>Type of goods or services</b>	<b>貨品或服務類型</b>		
Sales of linen yarn, hemp yarn and scraps	銷售亞麻紗、漢麻紗及廢料	<u>513,401</u>	<u>454,836</u>
<b>Timing of revenue recognition</b>	<b>收入確認時間</b>		
Goods transferred at a point in time	於某一時點轉讓的貨品	<u>513,401</u>	<u>454,836</u>
<b>Other income</b>	<b>其他收益</b>		
Bank interest income	銀行利息收入	326	676
Government grants	政府補助	865	10,827
Others	其他	534	862
		<u>1,725</u>	<u>12,365</u>
<b>Gains</b>	<b>得益</b>		
Fair value gains on derivative financial instruments, net	衍生金融工具的公允價值得益淨額	<u>5,474</u>	-
		<u>7,199</u>	<u>12,365</u>

# Notes to Interim Condensed Consolidated Financial Statements 中期簡明合併財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

## 5. FINANCE COSTS

## 5. 財務成本

For the six months  
ended 30 June  
截至六月三十日止六個月

	2018 二零一八年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2017 二零一七年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Interest on bank loans	10,995	12,746
Less: interest capitalised	(1,742)	(5,722)
	<u>9,253</u>	<u>7,024</u>

# Notes to Interim Condensed Consolidated Financial Statements

## 中期簡明合併財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

### 6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/ (crediting):

### 6. 除稅前溢利

本集團除稅前溢利於扣除／(計入)下列各項後得出：

		For the six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2017 二零一七年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Cost of inventories sold	出售存貨成本	431,156	400,031
Depreciation	折舊	37,151	30,195
Amortisation of prepaid land lease payments	土地租賃預付款項攤銷	866	580
Amortisation of intangible assets	無形資產攤銷	278	258
Research and development ("R&D") expenses	研究及開發(「研發」)開支	3,378	3,402
Minimum lease payments under operating lease	經營租賃項下的最低租賃款項		
– land and buildings	– 土地及樓宇	726	975
Auditors' remuneration	核數師酬金	979	933
Employee benefit expense (including directors' and chief executive's remuneration):	僱員福利開支(包括董事及最高行政人員薪酬)：		
Wages, salaries and other benefits	工資、薪金及其他福利	89,764	75,591
Pension scheme contributions	退休金計劃供款	5,755	4,950
Equity-settled share option expense	以權益結算購股權開支	–	146
Equity-settled share award expense	以權益結算股份獎勵開支	510	–
		<b>96,029</b>	<b>80,687</b>
Foreign exchange loss, net	外匯虧損淨額	3,793	10,946
Fair value (gain)/loss on derivative financial instruments transactions not qualifying as hedges	衍生金融工具的公允價值(得益)／虧損 – 不合資格作對沖的交易	(5,474)	747
(Reversal of)/provision of inventories to net realisable value	存貨(轉回)／撥備至可變現淨值	(2,519)	253
Reversal of provision for impairment of trade receivables	轉回應收貿易賬款減值撥備	(8)	(5)
Finance costs	財務成本	9,253	7,024
Bank interest income	銀行利息收入	(326)	(676)

# Notes to Interim Condensed Consolidated Financial Statements

## 中期簡明合併財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

### 7. INCOME TAX EXPENSE/(CREDIT)

Major components of the Group's income tax expense/(credit) for the period are as follows:

Current (credit)/charge for the period	即期期內(抵免)/支出
Deferred	遞延
Total tax charge/(credit) for the period	期內稅項支出/(抵免)總額

- (i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands or the British Virgin Islands.
- (ii) In accordance with the PRC Corporate Income Tax Law which was approved and became effective on 1 January 2008, the provision for Mainland China current income tax has been based on a statutory rate of 25% of the assessable profits of the Company for the period except for Zhaosu Jindi Flax Co., Ltd. ("Zhaosu Jindi") and Zhejiang Jinlainuo Fiber Co., Ltd. ("Zhejiang Jinlainuo"), two indirect wholly-owned subsidiaries of the Group. Zhaosu Jindi is engaged in the preliminary processing of agriculture products and is exempted from PRC income tax. Also, Zhejiang Jinlainuo obtained the High-new Technology Certificate for the years from 2017 to 2020 and was entitled to a tax rate of 15%.
- (iii) Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the period.
- (iv) Pursuant to the rules and regulations of Italy, the Group is subject to tax at an income tax rate of 28.82%, which comprises the Italy Corporate Income Tax at 24% and the Italy Regional Income Tax at 4.82%.

### 7. 所得稅開支/(抵免)

本集團於期內的所得稅開支/(抵免)主要項目如下:

For the six months ended 30 June	
截至六月三十日止六個月	
2018	2017
二零一八年	二零一七年
RMB'000	RMB'000
人民幣千元	人民幣千元
(Unaudited)	(Unaudited)
(未經審核)	(未經審核)
(2,854)	5,328
4,953	(7,513)
<b>2,099</b>	<b>(2,185)</b>

- (i) 根據開曼群島及英屬處女群島規則及法規，本集團毋須繳納開曼群島或英屬處女群島任何所得稅。
- (ii) 根據已通過並於二零零八年一月一日生效的《中國企業所得稅法》，中國大陸即期所得稅撥備已根據期內本公司的應課稅溢利按25%法定稅率計算，惟本集團的兩間間接全資附屬公司昭蘇金地亞麻有限公司（「昭蘇金地」）及浙江金萊諾纖維有限公司（「浙江金萊諾」）除外。昭蘇金地從事農產品的初加工業務，獲豁免繳付中國所得稅。浙江金萊諾則取得於二零一七年至二零二零年各個年度的高新技術認證，可享有15%稅率。
- (iii) 香港利得稅按期內於香港產生的估計應課稅溢利以16.5%稅率計提撥備。
- (iv) 根據意大利規則及法規，本集團須按28.82%稅率繳納所得稅，當中包括按24%稅率計算的意大利企業所得稅及按4.82%稅率計算的意大利地區所得稅。

# Notes to Interim Condensed Consolidated Financial Statements 中期簡明合併財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

## 8. DIVIDEND

The board has resolved not to declare any interim dividend in respect of the six months ended 30 June 2018 (six months ended 30 June 2017: Nil).

## 9. BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares of 629,678,000 (six months ended 30 June 2017: 629,678,000) in issue during the reporting period.

The calculation of the diluted earnings per share amount is based on the profit for the reporting period attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the reporting period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings per share are based on:

## 8. 股息

董事會議決不宣派截至二零一八年六月三十日止六個月的任何中期股息（截至二零一七年六月三十日止六個月：無）。

## 9. 母公司普通股權益持有人應佔每股基本及攤薄盈利

每股基本盈利金額乃根據母公司普通股權益持有人應佔期內溢利及報告期內已發行普通股加權平均數629,678,000股（截至二零一七年六月三十日止六個月：629,678,000股）計算。

每股攤薄盈利金額乃根據母公司普通股權益持有人應佔報告期內溢利計算。計算時使用的普通股加權平均數乃報告期內已發行普通股數目（與計算每股基本盈利所使用者相同），以及假設全部攤薄潛在普通股被視為獲行使或兌換為普通股後無償發行的普通股加權平均數。

每股基本及攤薄盈利的計算方式如下：

		For the six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2017 二零一七年 RMB'000 人民幣千元 (Unaudited) (未經審核)
<b>Earnings</b>	<b>盈利</b>		
Profit attributable to ordinary equity holders of the parent used in the basic earnings per share calculation	用作計算每股基本盈利的母公司普通股權益持有人應佔溢利	<b>23,099</b>	<b>6,981</b>

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### 9. BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (continued)

### 9. 母公司普通股權益持有人應佔每股基本及攤薄盈利(續)

		Number of shares 股份數目	
		2018 二零一八年 '000 千股	2017 二零一七年 '000 千股
<b>Shares</b>	<b>股份</b>		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	用作計算每股基本盈利的期內已發行普通股加權平均數	<b>629,678</b>	629,678
Effect of dilution – weighted average number of ordinary shares:	攤薄影響 – 普通股加權平均數：		
Share options	購股權	<b>16,250</b>	16,250
		<b>645,928*</b>	645,928

\* Because the diluted earnings per share amount is increased when taking share options into account, the share options had an anti-dilutive effect on the basic earnings per share for the period and were ignored in the calculation of diluted earnings per share. Therefore, the diluted earnings per share amounts are based on the profit for the period of RMB23,099,000 and the weighted average number of ordinary shares of 629,678,000 in issue during the period.

\* 由於計及購股權時會增加每股攤薄盈利的數額，故購股權對期內每股基本盈利具有反攤薄影響，而於計算每股攤薄盈利時已排除購股權。因此，每股攤薄盈利的數額乃依照期內溢利人民幣23,099,000元及期內已發行普通股加權平均數629,678,000股計算。

# Notes to Interim Condensed Consolidated Financial Statements

## 中期簡明合併財務報表附註

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### 10. PROPERTY, PLANT AND EQUIPMENT

### 10. 物業·廠房及設備

		Plant and buildings 廠房及建築物 RMB'000 人民幣千元	Machinery 機器 RMB'000 人民幣千元	Office equipment 辦公室設備 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Leasehold improvements 租賃物業裝修 RMB'000 人民幣千元	Construction in progress 在建工程 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
As at 31 December 2017 and at 1 January 2018:	於二零一七年十二月三十一日及於二零一八年一月一日:							
Cost	成本	364,757	685,301	94,430	10,626	19,780	83,490	1,258,384
Accumulated depreciation	累計折舊	(101,328)	(369,950)	(37,239)	(8,740)	(14,595)	-	(531,852)
Net carrying amount	賬面淨額	<u>263,429</u>	<u>315,351</u>	<u>57,191</u>	<u>1,886</u>	<u>5,185</u>	<u>83,490</u>	<u>726,532</u>
As at 1 January 2018, net of accumulated depreciation	於二零一八年一月一日，扣除累計折舊	263,429	315,351	57,191	1,886	5,185	83,490	726,532
Additions	添置	2,430	152	1,980	-	942	51,161	56,665
Depreciation provided during the period	期內折舊撥備	(9,399)	(21,395)	(4,352)	(286)	(1,419)	-	(36,851)
Transfers	轉撥	3,705	4,499	3,104	-	-	(11,308)	-
Disposals	出售	(278)	(74)	(15)	-	-	-	(367)
Exchange realignment	匯兌調整	-	(3)	-	-	-	-	(3)
As at 30 June 2018, net of accumulated depreciation	於二零一八年六月三十日，扣除累計折舊	<u>259,887</u>	<u>298,530</u>	<u>57,908</u>	<u>1,600</u>	<u>4,708</u>	<u>123,343</u>	<u>745,976</u>
As at 30 June 2018:	於二零一八年六月三十日:							
Cost	成本	369,586	689,210	99,364	10,626	20,722	123,343	1,312,851
Accumulated depreciation	累計折舊	(109,699)	(390,680)	(41,456)	(9,026)	(16,014)	-	(566,875)
Net carrying amount	賬面淨額	<u>259,887</u>	<u>298,530</u>	<u>57,908</u>	<u>1,600</u>	<u>4,708</u>	<u>123,343</u>	<u>745,976</u>

As at 30 June 2018, the Group's property, plant and equipment with a net carrying amount of approximately RMB266,611,000 (31 December 2017: RMB191,736,000) were pledged to secure bank loans granted to the Group as set out in note 15(i) and (ii).

如附註15(i)及(ii)所載，於二零一八年六月三十日，本集團賬面淨額約人民幣266,611,000元(二零一七年十二月三十一日：人民幣191,736,000元)的物業、廠房及設備已予質押，作為本集團獲授銀行貸款的擔保。

# Notes to Interim Condensed Consolidated Financial Statements

## 中期簡明合併財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

### 11. OTHER INTANGIBLE ASSETS

### 11. 其他無形資產

		Certified emission rights 認證排放權 RMB'000 人民幣千元
At 1 January 2018, net of accumulated amortization	於二零一八年一月一日，扣除累計攤銷	5,834
Additions	添置	2,000
Disposal	出售	-
Amortisation provided during the period	期內攤銷撥備	(278)
At 30 June 2018, net of accumulated amortization (Unaudited)	於二零一八年六月三十日， 扣除累計攤銷（未經審核）	<u>7,556</u>
At 30 June 2018:	於二零一八年六月三十日：	
Cost	成本	11,946
Accumulated amortisation	累計攤銷	(4,390)
Net carrying amount	賬面淨額	<u>7,556</u>

### 12. INVENTORIES

### 12. 存貨

		30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Raw materials	原材料	320,470	326,175
Work in progress	在製品	40,905	37,995
Finished goods	製成品	169,991	167,042
		<u>531,366</u>	<u>531,212</u>

As at 30 June 2018, inventories with a carrying amount of RMB40,000,000 (31 December 2017: RMB40,000,000) were pledged to secure bank loans granted to the Group as set out in note 15(i).

於二零一八年六月三十日，如附註15(i)所載，賬面金額為人民幣40,000,000元（二零一七年十二月三十一日：人民幣40,000,000元）的存貨已予質押，作為本集團獲授銀行貸款的擔保。

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For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

## 13. TRADE AND NOTES RECEIVABLES

## 13. 應收貿易賬款及應收票據

		30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Trade receivables	應收貿易賬款	229,360	194,552
Notes receivable	應收票據	46,239	116,589
Impairment	減值	(918)	(926)
		<b>274,681</b>	<b>310,215</b>

Customers are normally granted credit terms ranging from 30 days to 150 days depending on the creditworthiness of the individual customers. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. Trade receivables are non-interest-bearing.

The Group's notes receivables were all aged within six months and were neither past due nor impaired.

客戶一般獲授予信貸期30天至150天，視乎個別客戶的信譽而定。本集團力求持續嚴格控制未收回的應收款項，並設有信貸控制部以將信貸風險減至最低。高級管理層定期審閱逾期結餘。應收貿易賬款並不計息。

本集團的應收票據賬齡均為六個月內，並無逾期亦無減值。

# Notes to Interim Condensed Consolidated Financial Statements

## 中期簡明合併財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

### 13. TRADE AND NOTES RECEIVABLES (continued)

An aged analysis of the Group's trade receivables as at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

Within 1 month	一個月內
1 to 2 months	一個月至兩個月
2 to 3 months	兩個月至三個月
Over 3 months	三個月以上

### 13. 應收貿易賬款及應收票據(續)

於報告期末，本集團的應收貿易賬款按發票日分類並扣減撥備的賬齡分析如下：

30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
139,636	74,737
39,932	59,856
25,653	40,177
23,221	18,856
<b>228,442</b>	<b>193,626</b>

### 14. TRADE AND NOTES PAYABLES

An aged analysis of the trade and notes payables as at 30 June 2018, based on the payment due date, is as follows:

Due within 1 month or on demand	一個月內到期或於要求時償還
Due after 1 month but within 3 months	一個月以後但三個月內到期
Due after 3 months but within 6 months	三個月以後但六個月內到期

### 14. 應付貿易賬款及應付票據

於二零一八年六月三十日，按付款到期日分類的應付貿易賬款及應付票據賬齡分析如下：

30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
101,027	115,400
49,918	62,361
350	12,022
<b>151,295</b>	<b>189,783</b>

The above balances are unsecured and non-interest-bearing. The carrying amount of trade and notes payables at the end of each reporting period approximates to their fair value due to their short term maturity.

上述結餘為無抵押及不計息。於各報告期末，由於短期內到期，故應付貿易賬款及應付票據的賬面金額與其公允價值相若。

# Notes to Interim Condensed Consolidated Financial Statements

## 中期簡明合併財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

### 15. INTEREST-BEARING BANK BORROWINGS

### 15. 計息銀行借貸

			30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
<b>Current</b>	<b>即期</b>			
Secured bank loans	有抵押銀行貸款	(i)	259,720	334,221
Unsecured bank loans	無抵押銀行貸款		274,273	185,340
Subtotal	小計		<u>533,993</u>	<u>519,561</u>
<b>Non-current</b>	<b>非即期</b>			
Secured bank loans	有抵押銀行貸款	(ii)	63,000	75,600
Total	總計		<u>596,993</u>	<u>595,161</u>

Notes:

- (i) As at 30 June 2018, the current interest-bearing bank loans with a carrying amount of RMB259,720,000 were secured by certain property, plant and equipment, prepaid land lease payments, inventories with carrying amounts of approximately RMB189,638,000 (31 December 2017: approximately RMB112,775,000), approximately RMB26,464,000 (31 December 2017: approximately RMB27,421,000) and approximately RMB40,000,000 (31 December 2017: approximately RMB40,000,000) respectively.
- (ii) As at 30 June 2018, the non-current interest-bearing bank borrowings with a carrying amount of RMB63,000,000 were secured by certain property, plant and equipment, prepaid land lease payments, of the Group with carrying amounts of RMB76,974,000 (31 December 2017: approximately RMB78,961,000) and RMB15,262,000 (31 December 2017: approximately RMB15,422,000), respectively.
- (iii) The bank borrowings bear interest at rates ranging from 1% to 5.22% per annum (31 December 2017: 0.3% to 4.70% per annum).

附註：

- (i) 於二零一八年六月三十日，賬面金額為人民幣259,720,000元的即期計息銀行貸款以賬面金額分別約人民幣189,638,000元（二零一七年十二月三十一日：約人民幣112,775,000元）、約人民幣26,464,000元（二零一七年十二月三十一日：約人民幣27,421,000元）及約人民幣40,000,000元（二零一七年十二月三十一日：約人民幣40,000,000元）的若干物業、廠房及設備、土地租賃預付款項及存貨作抵押。
- (ii) 於二零一八年六月三十日，賬面金額為人民幣63,000,000元的非即期計息銀行借貸以本集團賬面金額分別為人民幣76,974,000元（二零一七年十二月三十一日：約人民幣78,961,000元）及人民幣15,262,000元（二零一七年十二月三十一日：約人民幣15,422,000元）的若干物業、廠房及設備及土地租賃預付款項作抵押。
- (iii) 銀行借貸按年利率1%至5.22%（二零一七年十二月三十一日：年利率0.3%至4.70%）計息。

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For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

### 15. INTEREST-BEARING BANK BORROWINGS

(continued)

The carrying amount of the current interest-bearing bank loans of the Group approximates to their fair value due to their short term maturity.

The fair values of the non-current interest-bearing bank borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for interest-bearing bank borrowings as at 30 June 2018 was assessed to be insignificant. Management has assessed that the carrying amount of the non-current interest-bearing bank loans of the Group approximates to the fair value due to their floating interest rate.

### 16. SHARE CAPITAL

Authorised:

Ordinary shares of HK\$0.01 each 每股0.01港元普通股

Issued and fully paid:

At the beginning and the end 於期初及期末

### 15. 計息銀行借貸 (續)

由於短期內到期，故本集團即期計息銀行貸款的賬面金額與其公允價值相若。

非即期計息銀行借貸的公允價值按適用於具有類似條款、信貸風險及剩餘年期的工具的現行利率折現預期未來現金流量計算。於二零一八年六月三十日，本集團本身對計息銀行借貸的不履約風險被評定為並不重大。按管理層的評估，本集團的非即期計息銀行貸款由於按浮動利率計息，故其賬面金額與其公允價值相若。

### 16. 股本 法定：

已發行及繳足：

30 June 2018 二零一八年六月三十日		31 December 2017 二零一七年十二月三十一日	
Number of shares	Amount HK\$'000 金額	Number of shares	Amount HK\$'000 金額
股份數目	千港元	股份數目	千港元
(Unaudited) (未經審核)	(Unaudited) (未經審核)	(Audited) (經審核)	(Audited) (經審核)
3,000,000,000	30,000	3,000,000,000	30,000

30 June 2018 二零一八年六月三十日			31 December 2017 二零一七年十二月三十一日		
Number of shares 股份數目	Amount 金額		Number of shares 股份數目	Amount 金額	
	HK\$'000 千港元	RMB'000 equivalent 人民幣千元等值		HK\$'000 千港元	RMB'000 equivalent 人民幣千元等值
(Unaudited) (未經審核)	(Unaudited) (未經審核)	(Unaudited) (未經審核)	(Audited) (經審核)	(Audited) (經審核)	(Audited) (經審核)
629,678,000	6,297	6,329	629,678,000	6,297	6,329

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## 中期簡明合併財務報表附註

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### 17. TREASURY SHARES

### 17. 庫存股份

		30 June 2018 二零一八年六月三十日			31 December 2017 二零一七年十二月三十一日		
		Amount 金額			Amount 金額		
	Number of shares	HK\$'000	RMB'000 equivalent	Number of shares	HK\$'000	RMB'000 equivalent	
	股份數目	千港元	人民幣千元 等值	股份數目	千港元	人民幣千元 等值	
		(Unaudited) (未經審核)	(Unaudited) (未經審核)		(Audited) (經審核)	(Audited) (經審核)	
At the beginning	於期初	19,400,000	22,160	19,400,000	22,160	19,508	
Share repurchase	購回股份	-	-	-	-	-	
At the end	於期末	<u>19,400,000</u>	<u>22,160</u>	<u>19,400,000</u>	<u>22,160</u>	<u>19,508</u>	

On 26 August 2016, the Company adopted a share award plan, which is not subject to the provisions of Chapter 17 of the Listing Rules (the "Share Award Plan"). The board of directors may, at their discretion, grants shares of the Company to eligible participants. The Company has appointed a trustee for administration of the Share Award Plan (the "Trustee"). The principal activity of the Trustee is administrating and holding the Company's shares for the Share Award Plan for the benefit of the Company's award holders. The Company's shares will be purchased by the Trustee in the market with cash paid by the Company and held in the trust for relevant award holders until such shares are vested in accordance with the provisions of the Share Award Plan. Upon vesting, the Trustee shall either transfer the vested awarded shares at no cost to such award holders or sell the vested awarded shares at the then prevailing market price by way of market order and remit the net proceeds to the award holders in accordance with the direction given by such award holders. The total number of the Company's shares purchased by the Trustee under the Share Award Plan will not exceed 5% of the total issued shares of the Company at the beginning of fiscal year. During the year ended 31 December 2017, the Trustee purchased 19,400,000 shares of the Company at a total consideration of approximately RMB19,508,000. At the end of the reporting period, 19,370,000 shares were granted under the Share Award Plan.

於二零一六年八月二十六日，本公司採納一項股份獎勵計劃（「股份獎勵計劃」），該計劃不受上市規則第十七章條文所規限。董事會可酌情向合資格參與人授出本公司股份。本公司已委聘受託人（「受託人」）管理股份獎勵計劃。受託人的主要活動乃為本公司獎勵持有人的利益就股份獎勵計劃管理及持有本公司股份。本公司之股份將由受託人於市場上使用本公司支付之現金購入並以信託方式為相關獎勵持有人而持有，直至有關股份根據股份獎勵計劃條文予以歸屬為止。於歸屬後，受託人須按照該等獎勵持有人作出的指示，將已歸屬之獎勵股份免費轉讓予該等獎勵持有人，或於市場上按當時現行之市價盤出售已歸屬之獎勵股份並將所得款項淨額匯付予獎勵持有人。於財政年度初，受託人根據股份獎勵計劃購入的本公司股份總數將不會超過本公司已發行股份總數的5%。截至二零一七年十二月三十一日止年度，受託人以總代價約人民幣19,508,000元購入本公司19,400,000股股份。於報告期末，19,370,000股股份已根據股份獎勵計劃獲授出。

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### 18. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

### 18. 按類別分類的金融工具

於報告期末，各類別金融工具的賬面金額如下：

Financial assets:	金融資產：	Debt instruments at amortized cost 按攤銷成本列賬的債務工具 RMB'000 人民幣千元 (Unaudited) (未經審核)	Financial assets at fair value through profit or loss 按公允價值計入損益的金融資產 RMB'000 人民幣千元 (Unaudited) (未經審核)	Total 總計 RMB'000 人民幣千元 (Unaudited) (未經審核)
As at 30 June 2018	於二零一八年六月三十日			
Trade and notes receivables	應收貿易賬款及應收票據	274,681	-	274,681
Financial assets included in prepayments, deposits and other receivables	計入預付款、押金及其他應收款項的金融資產	50,470	-	50,470
Cash and cash equivalents	現金及現金等價物	133,252	-	133,252
Pledged deposits	已抵押存款	100,844	-	100,844
Financial assets at fair value through profit or loss	按公允價值計入損益的金融資產	-	1,707	1,707
		<u>559,247</u>	<u>1,707</u>	<u>560,954</u>

As at 31 December 2017	於二零一七年十二月三十一日			
Trade and notes receivables	應收貿易賬款及應收票據			310,215
Financial assets included in deposits and other receivables	計入押金及其他應收款項的金融資產			58,040
Cash and cash equivalents	現金及現金等價物			173,824
Pledged deposits	已抵押存款			50,314
				<u>592,393</u>

Debt instruments at amortized cost  
按攤銷成本列賬的債務工具  
RMB'000  
人民幣千元  
(Audited)  
(經審核)

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For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

### 18. FINANCIAL INSTRUMENTS BY CATEGORY

(continued)

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:  
(continued)

### 18. 按類別分類的金融工具 (續)

於報告期末，各類別金融工具的賬面金額如下：(續)

Financial liabilities:	金融負債：	Financial liabilities at amortized cost 按攤銷成本列賬的金融負債 RMB'000 人民幣千元 (Unaudited) (未經審核)	Total 總計 RMB'000 人民幣千元 (Unaudited) (未經審核)
As at 30 June 2018	於二零一八年六月三十日		
Interest-bearing bank loans	計息銀行貸款	596,993	596,993
Financial liabilities included in other payables	計入其他應付款項的金融負債	69,037	69,037
Trade and notes payables	應付貿易賬款及應付票據	151,295	151,295
Dividend payable	應付股息	10,619	10,619
Financial liabilities at fair value through profit or loss	按公允價值計入損益的金融負債	-	-
<b>Total</b>	<b>總計</b>	<b>827,944</b>	<b>827,944</b>
		Financial liabilities at fair value through profit or loss 按公允價值計入損益的金融負債 RMB'000 人民幣千元 (Audited) (經審核)	Total 總計 RMB'000 人民幣千元 (Audited) (經審核)
As at 31 December 2017	於二零一七年十二月三十一日		
Interest-bearing bank loans	計息銀行貸款	595,161	595,161
Financial liabilities included in other payables	計入其他應付款項的金融負債	84,232	84,232
Trade and notes payables	應付貿易賬款及應付票據	189,783	189,783
Derivative financial instruments	衍生金融工具	-	7,002
<b>Total</b>	<b>總計</b>	<b>869,176</b>	<b>876,178</b>

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### 19. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Set out below is a comparison of the carrying amounts and fair values of financial instruments as at 30 June 2018:

Financial Assets/  
(liabilities):  
Derivative financial  
instruments

金融資產／(負債):  
衍生金融工具

30 June 2018 二零一八年六月三十日		31 December 2017 二零一七年十二月三十一日	
Carrying amount	Fair value	Carrying amount	Fair value
賬面金額	公允價值	賬面金額	公允價值
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
(Unaudited)	(Unaudited)	(Audited)	(Audited)
(未經審核)	(未經審核)	(經審核)	(經審核)
<b>1,707</b>	<b>1,707</b>	(7,002)	(7,002)

Management has assessed that the fair values of cash and cash equivalents, trade and notes receivables, financial assets included in prepayments, deposits and other receivables, pledged deposits, current interest-bearing bank loans, trade and notes payables, dividend payable, financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short term maturities of these instruments. The carrying amount of the non-current interest-bearing bank loans of the Group approximates to their fair value because the loans have a floating interest rate.

### 19. 金融工具的公允價值及公允價值等級架構

下文載列於二零一八年六月三十日金融工具賬面金額及公允價值的比較：

按管理層的評估，現金及現金等價物、應收貿易賬款及應收票據、計入預付款、押金及其他應收款項的金融資產、已抵押存款、即期計息銀行貸款、應付貿易賬款及應付票據、應付股息以及計入其他應付款項及預提費用的金融負債的公允價值與其賬面金額相若，主要由於該等工具於短期內到期所致。本集團的非即期計息銀行貸款由於按浮動利率計息，故其賬面金額與其公允價值相若。

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For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

## 19. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer and the audit committee. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Group enters into derivative financial instruments with various counterparties, principally financial institutions with AAA credit ratings. Derivative financial instruments, including forward currency contracts and cross-currency swap, are measured using valuation techniques similar to forward pricing and swap models, using present value calculations. The models incorporate various market observable inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves. The carrying amounts of forward currency contracts are the same as their fair values.

As at 30 June 2018, the marked to market value of the derivative asset position is net of a debt valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the financial instruments recognised at fair value.

## 19. 金融工具的公允價值及公允價值等級架構 (續)

以本集團財務經理為首的財務部負責釐定金融工具公允價值計量的政策及程序。財務經理直接向財務總監及審核委員會匯報。於各報告日期，財務部分析金融工具的價值變動並釐定估值所採用的主要輸入值。估值由財務總監審閱及批准。審核委員會每年討論估值過程及結果兩次以進行中期及年度財務呈報。

金融資產及負債的公允價值按當前交易（強制或清算出售除外）中雙方自願交換工具的金額入賬。

本集團與多個對手方（主要為具AAA信貸評級的金融機構）訂立衍生金融工具。衍生金融工具（包括遠期貨幣合約及換匯換利掉期）乃採用與遠期定價及掉期模型類似的估值技巧計量（採用現值計算）。該等模型納入了多項不同的市場可觀察輸入值，包括對手方的信貸素質、外匯即期及遠期匯率與利率曲線。遠期貨幣合約的賬面金額與其公允價值相同。

於二零一八年六月三十日，按市值標價的衍生資產狀況已扣除涉及衍生工具對手方違約風險應佔的債務評估調整。對手方信貸風險的變動對按公允價值確認的金融工具並無重大影響。

# Notes to Interim Condensed Consolidated Financial Statements

## 中期簡明合併財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

### 19. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

#### Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

As at 30 June 2018, financial assets at fair value through profit or loss- foreign exchange forward contracts and cross-currency swap contracts were measured to be RMB1,707,000 by using significant observable inputs (Level 2).

### 19. 金融工具的公允價值及公允價值等級架構 (續)

#### 公允價值等級架構

本集團按以下等級架構使用估值技巧釐定及披露金融工具的公允價值：

- 第一層：按同等資產或負債於活躍市場上所報（未經調整）的市價計算；
- 第二層：按估值技巧計算，而該等估值技巧中就公允價值計量而言屬重要的最低層輸入值為可直接或間接觀察的數據；
- 第三層：按估值技巧計算，而該等估值技巧中就公允價值計量而言屬重要的最低層輸入值為不可觀察的數據。

於二零一八年六月三十日，按公允價值計入損益的金融資產—外匯遠期合約及換匯換利掉期合約利用重大可觀察輸入值（第二層）計量為人民幣1,707,000元。

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For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

## 19. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

### Fair value hierarchy (continued)

During the six months ended 30 June 2018, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements (2017: Nil).

## 20. OPERATING LEASE COMMITMENTS

### (a) As lessor

Non-cancellable operating leases with its tenants falling due as follows:

Less than one year	一年內
In the second to fifth years	第二至第五年

The Group leases its investment properties under operating lease arrangements, with leases negotiated for terms ranging from two to five years.

## 19. 金融工具的公允價值及公允價值等級架構 (續)

### 公允價值等級架構 (續)

於截至二零一八年六月三十日止六個月，公允價值計量在第一層及第二層之間概無轉移，亦無公允價值計量轉入第三層或自第三層轉出(二零一七年：無)。

## 20. 經營租賃承擔

### (a) 作為出租人

與租戶訂立的不可撤銷經營租賃於以下年期到期：

30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
660	660
270	600
<b>930</b>	<b>1,260</b>

本集團根據經營租賃安排租賃其投資物業，該等租賃經磋商的年期介乎二至五年。

# Notes to Interim Condensed Consolidated Financial Statements 中期簡明合併財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

## 20. OPERATING LEASE COMMITMENTS (continued)

### (b) As lessee

Non-cancellable operating lease rentals were payable as follows:

Less than one year	一年內
In the second to fifth years	第二至第五年
After five years	五年後

The Group leases certain properties located in Mainland China, Hong Kong and Italy as the Group's offices. The leases run for an initial period of three to five years.

## 21. CAPITAL COMMITMENTS

Capital commitments in respect of the purchase of property, plant and equipment outstanding as at 30 June 2018 and 31 December 2017 but not provided for in the interim condensed consolidated financial statements were as follows:

Contracted for	已訂約
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## 20. 經營租賃承擔(續)

### (b) 作為承租人

不可撤銷經營租賃租金於以下年期應付：

30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
1,902	2,192
1,635	3,291
570	660
<b>4,107</b>	<b>6,143</b>

本集團在中國大陸、香港及意大利租用若干物業作為本集團的辦公室，初始租賃期為三至五年。

## 21. 資本承擔

有關購置物業、廠房及設備於二零一八年六月三十日及二零一七年十二月三十一日尚未支付但並未在中期簡明合併財務報表內計提撥備的資本承擔如下：

30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
175,190	36,283

# Notes to Interim Condensed Consolidated Financial Statements 中期簡明合併財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

## 22. RELATED PARTY TRANSACTIONS

### (a) Transactions with a company controlled by one of the Company's directors

- (i) During the six months ended 30 June 2018, the Group leased an office located in Mainland China from Zhejiang Kingdom Creative Co., Ltd. ("Kingdom Creative") and incurred operating lease charges of RMB238,000 (six months ended 30 June 2017: RMB238,000). Mr. Ren Weiming has a controlling equity interest in Kingdom Creative. The lease expenses were made according to published prices and conditions offered by the lessor to its major customers.
- (ii) During the six months ended 30 June 2018, the Group bought electricity from Zhejiang Yuyuan Solar Co., Ltd. and incurred electricity expenses of RMB1,146,000 (six months ended 30 June 2017: RMB1,204,000). Mr. Ren Weiming has a controlling equity interest in this company. The electricity purchase was made according to published prices and conditions offered by the supplier to its major customers.

### (b) Compensation of key management personnel of the Group

## 22. 關連方交易

### (a) 與由本公司一名董事控制的公司進行的交易

- (i) 於截至二零一八年六月三十日止六個月，本集團向浙江金達創業股份有限公司（「金達創業」）租用一間位於中國大陸的辦公室，所產生的經營租賃費用為人民幣238,000元（截至二零一七年六月三十日止六個月：人民幣238,000元）。任維明先生擁有金達創業的控股權益。租賃費用乃根據由出租人向其主要客戶提供的已公佈價格及條件作出。
- (ii) 於截至二零一八年六月三十日止六個月，本集團向浙江昱源光伏有限公司購電，所產生的電費為人民幣1,146,000元（截至二零一七年六月三十日止六個月：人民幣1,204,000元）。任維明先生擁有該公司的控股權益。購電乃根據由供應商向其主要客戶提供的已公佈價格及條件作出。

### (b) 本集團主要管理人員的補償

For the six months  
ended 30 June  
截至六月三十日止六個月

	2018 二零一八年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2017 二零一七年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Short-term employee benefits	2,430	2,502
Post-employment benefits	64	62
Share award plan	8	—
	<b>2,502</b>	<b>2,564</b>

# Notes to Interim Condensed Consolidated Financial Statements

## 中期簡明合併財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

### 23. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The unaudited interim condensed consolidated financial statements were approved and authorised for issue by the board of directors on 20 August 2018.

### 23. 批准中期簡明合併財務報表

董事會已於二零一八年八月二十日批准及授權刊發未經審核中期簡明合併財務報表。





地址: 中國浙江省海鹽縣橫港集鎮  
Add: Henggang Town, Haiyan County, Zhejiang Province, China  
E-mail: ir@kingdom-china.com

[www.kingdom-china.com](http://www.kingdom-china.com)