

KINGDOM

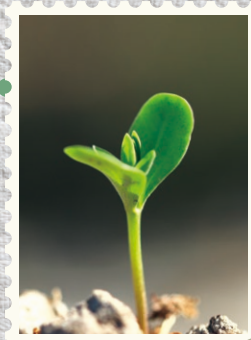
KINGDOM HOLDINGS LIMITED

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)



2017

INTERIM REPORT

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

528

COMPANY WEBSITE

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

INVESTOR RELATIONS CONTACT

Email: 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

528

公司網站

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

投資者關係聯繫方式

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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 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**」)截至二零一七年六月三十日止六個月的未經審核合併中期業績。

- Revenue increased by approximately 26.9% to approximately RMB454,836,000 for the six months ended 30 June 2017 from approximately RMB358,534,000 for the six months ended 30 June 2016.
- The Group accounted for approximately 47.8% of the total pure linen yarn export from China by volume during the Review Period.
- There is possibility of upward adjustment to the selling prices of linen yarn in second half of 2017.
- Gross profit margin decreased by approximately 9.1 percentage points to approximately 12.0% for the six months ended 30 June 2017 from approximately 21.1% for the six months ended 30 June 2016 due to strategic reduction of selling price of linen yarn since April 2016.
- Profit for the period dropped by approximately 79.9% to approximately RMB8,350,000 for the six months ended 30 June 2017 from approximately RMB41,519,000 for the six months ended 30 June 2016.
- Profit attributable to the owners of the parent decreased by approximately 81.5% to approximately RMB6,981,000 for the six months ended 30 June 2017 from approximately RMB37,751,000 for the six months ended 30 June 2016.
- Basic earnings per share were approximately RMB0.01 for the six months ended 30 June 2017 and approximately RMB0.06 for the six months ended 30 June 2016.
- 收入由截至二零一六年六月三十日止六個月約人民幣358,534,000元增加約26.9%至截至二零一七年六月三十日止六個月約人民幣454,836,000元。
- 本集團於回顧期內佔中國純亞麻紗出口總量約47.8%。
- 於二零一七年下半年，亞麻紗的售價存在上調的可能。
- 因自二零一六年四月起策略性調低亞麻紗售價，毛利率由截至二零一六年六月三十日止六個月約21.1%下跌約9.1個百分點至截至二零一七年六月三十日止六個月約12.0%。
- 期內溢利由截至二零一六年六月三十日止六個月約人民幣41,519,000元下跌約79.9%至截至二零一七年六月三十日止六個月約人民幣8,350,000元。
- 母公司擁有人應佔溢利由截至二零一六年六月三十日止六個月約人民幣37,751,000元減少約81.5%至截至二零一七年六月三十日止六個月約人民幣6,981,000元。
- 截至二零一七年六月三十日止六個月的每股基本盈利約為人民幣0.01元，而截至二零一六年六月三十日止六個月則約為人民幣0.06元。

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW

The global economies appeared to be stabilising with positive sentiments during the six months ended 30 June 2017 (the “**Review Period**”). The MSCI World Index is a broad global equity benchmark that represents large and mid-cap equity performance across 23 developed markets countries. It covers approximately 85% of the free float-adjusted market capitalization in each country. The MSCI World Index recorded an approximately 9.1% gain at the end of June 2017 when compared with that at the end of December 2016.

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 3.1% on a year-on-year basis during the Review Period. Pure linen yarn export, however, contracted by approximately 4.9% year over year by volume during the Review Period. Cotton price has been relatively stable, with an increase of approximately 0.9% only, during the Review Period. Despite the overall decrease of approximately 4.9% in total volume of pure linen yarn export from China, the Group had adopted a proactive strategy of reducing the selling price of its products since 2016 to boost demand for its products and further increase its market share in the linen yarn market. The strategy started to bear fruits and the Group had accounted for approximately 47.8% of the total pure linen yarn export from China by volume during the Review Period, compared with approximately 34.0% of market share for the same period in last year.

During the Review Period, the revenue of the Group increased by approximately 26.9% on a year-on-year basis to RMB454,836,000. The increase in revenue was mainly attributable to the improving demand from China and other overseas markets as a result of the strategic price reduction of the linen yarn products of the Group since April 2016.

業務回顧

於截至二零一七年六月三十日止六個月（「**回顧期間**」），全球經濟持續穩定，氛圍良好。MSCI世界指數是一個廣泛的全球股票基準，代表23個發達市場國家的大中型股票表現，涵蓋各個國家自由流通量調整市值的約85%。與截至二零一六年十二月底相比，MSCI世界指數於截至二零一七年六月底錄得增長約9.1%。

據中華人民共和國海關總署資料顯示，回顧期內的中國所有紗線及紡織品出口總值按年增長約3.1%。然而，回顧期內的純亞麻紗出口量按年收縮約4.9%。棉花價格於回顧期內一直相對穩定，僅上漲約0.9%。儘管中國純亞麻紗出口總量整體下跌約4.9%，本集團自二零一六年起採取降低產品售價的主動策略，以提升產品需求及進一步增加亞麻紗市場份額。該策略已初見成效，本集團佔回顧期內中國純亞棉紗出口總量之約47.8%，而去年同期則為約34.0%之市場份額。

於回顧期內，本集團的收入按年增加約26.9%至人民幣454,836,000元。收入增加主要是由於自二零一六年四月起策略性地調低本集團亞麻紗產品的價格，令中國及其他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 over 20 countries and regions around the world. During the Review Period, the domestic sales, which contributed approximately 33.3% of the Group's total revenue, recorded an increase of approximately 40.9% as compared with the same period of last year, while the overseas sales, which contributed approximately 66.7% of the Group's total revenue, recorded an increase of approximately 20.8% on a year-on-year basis. In particular, total sales to non-European Union countries accounted for approximately 41.2% of the Group's total revenue during the Review Period. In particular, sales to India surged by approximately 158.6% to RMB108,765,000, as a result of the appreciation of Indian Rupees against the United States Dollars during the Review Period and the implementation of the Goods and Services Tax (GST) reform in India in 2017 that reduces the tax disadvantages of importing linen yarn by approximately 10% of the value of the imported products. 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 a stronger bargaining power when dealing with suppliers. During the Review Period, the costs of fibre flax dropped for the first time in the past few years and the Group procured approximately 13,914 tonnes of raw materials abroad, representing a year-on-year increase of approximately 26.8%. The average procurement unit price was approximately RMB19,240 per tonne, representing a yearly decrease of approximately 7.3%. The increase in volume of procurement of raw materials was mainly because 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 secure a steady volume of production.

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20多個國家及地區。於回顧期內，國內銷售為本集團總收入貢獻約33.3%，較去年同期增加約40.9%；海外銷售則為本集團總收入貢獻約66.7%，按年增加約20.8%。尤其是，於回顧期內，非歐盟國的銷售總額佔本集團總收入約41.2%。特別是由於回顧期內印度盧比兌美元升值以及印度於二零一七年實施商品服務稅改革，令進口亞麻紗的稅務不利影響降低進口產品價值之約10%，使印度銷量飆升約158.6%至人民幣108,765,000元。本集團與國際時裝品牌維持穩定良好的合作關係，同時亦將繼續拓展國內市場，爭取與更多國內目標客戶合作。

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，因此與供應商交易時具有較強議價能力。於回顧期內，亞麻纖維成本在過去幾年裡首次出現下跌，而本集團在海外採購約13,914噸原材料，按年增加約26.8%。採購平均單位價格約為每噸人民幣19,240元，按年下跌約7.3%。採購原材料數量增加主要由於本集團對亞麻紡織業的未來持審慎樂觀態度，加上本集團的企業採購策略為維持生產規模及確保產量穩定所致。

Management Discussion and Analysis

管理層討論及分析

Production Capacity

As at 30 June 2017, the Group had three productions bases. The production bases in (1) Haiyan County, Zhejiang Province (1st Phase of the Haiyan Plant); (2) Rugao in Jiangsu Province; and (3) Haiyan County, Zhejiang Province (2nd Phase of the Haiyan Plant) have designed annual production capacities of 7,000 tonnes, 6,000 tonnes and 5,000 tonnes, respectively, resulting in the Group's aggregate annual production capacity reaching 18,000 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 7,443 tonnes of linen yarn under various specifications was produced during the Review Period.

The Board had authorized the construction of a flax and industrial hemp yarn manufacturing facility in Heilongjiang with a designed annual production capacity of 5,000 tonnes in 2016. The Group owns 72.73% of the equity interest in this new venture and it is the Group's maiden attempt to explore the industrial hemp yarn market, as the Company believes industrial hemp will grow rapidly in the next few years due to the national policy in China to promote the planting of industrial hemp in Heilongjiang region and the use of the industrial hemp textile products. The construction of the new factory in Heilongjiang is substantially completed and trial production is expected to commence in the fourth quarter of 2017.

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 late 2018.

產能

於二零一七年六月三十日，本集團設有三個生產基地，位於(1)浙江省海鹽縣(海鹽一期廠房)；(2)江蘇省如皋市；及(3)浙江省海鹽縣(海鹽二期廠房)，設計年產能分別為7,000噸、6,000噸及5,000噸，目前本集團的年產能合共達到18,000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。於回顧期內，合共生產多規格亞麻紗7,443噸。

董事會二零一六年授權於黑龍江興建一座亞麻及工業大麻紗生產設施，設計年產能為5,000噸。本集團擁有該新合資公司的72.73%股權。此項投資為本集團進軍工業大麻紗市場的首項舉措，本公司相信，受惠於國家推動黑龍江地區工業大麻種植及工業大麻紡織品使用的政策，工業大麻將於未來數年急速增長。黑龍江新廠房已基本竣工，並預期於二零一七年第四季度開始試產。

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，預期將於二零一八年底開始試產。

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 26.9% to approximately RMB454,836,000 (six months ended 30 June 2016: RMB358,534,000). The increase of revenue was mainly attributable to the increase in demand of linen yarn from China and other non-European countries as a result of the Group's strategic reduction in the selling price of linen yarn since April 2016. There were approximately 42.3% more in quantity and resulting in 8,144 tonnes of linen yarn sold during the Review Period (six months ended 30 June 2016: 5,720 tonnes). The sales in China and non-European countries had a year-on-year improvement of approximately 40.9% and 52.8% respectively, while sales in European countries recorded a decline of approximately 9.7% during the Review Period.

The breakdown of revenue by sales regions is as follows:

Sales regions:

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

財務回顧

收入

於回顧期內，本集團的收入增加約26.9%至約人民幣454,836,000元（截至二零一六年六月三十日止六個月：人民幣358,534,000元）。收入增加主要是由於本集團自二零一六年四月起策略性地調低亞麻紗的售價，令中國及其他非歐洲國家對亞麻紗的需求增加所致。於回顧期內，數量上增加約42.3%以上，令亞麻紗銷售8,144噸（截至二零一六年六月三十日止六個月：5,720噸）。於回顧期內，中國及非歐洲國家的銷售額分別按年增加約40.9%及52.8%，而歐洲國家銷售額則下跌約9.7%。

按銷售地區劃分的收入明細如下：

銷售地區：

For the six months ended 30 June 截至六月三十日止六個月	
2017 二零一七年 (Unaudited) (未經審核) RMB'000 人民幣千元	2016 二零一六年 (Unaudited) (未經審核) RMB'000 人民幣千元
151,388	107,428
115,866	128,375
187,582	122,731
454,836	358,534

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 decreased by approximately 9.1% to approximately RMB54,805,000 (six months ended 30 June 2016: approximately RMB75,718,000). Gross profit margin for the Review Period reduced by approximately 9.1 percentage points to approximately 12.0% (six months ended 30 June 2016: approximately 21.1%) mainly due to the the Group's strategic reduction of selling price of linen yarn since April 2016.

Other Income and Gains

Other income and gains for the Review Period mainly comprises government grants and subsidies of approximately RMB10,827,000 (six months ended 30 June 2016: approximately RMB25,050,000) and interest income of approximately RMB676,000 (six months ended 30 June 2016: approximately RMB1,309,000). The drop in other income and gains was attributable to the fact that there were government grants of approximately RMB25,000,000 received in 2016 for the Group's investment in the designated area.

Selling and Distribution Costs

The Group's selling and distribution costs for the Review Period amounted to approximately RMB16,783,000 (six months ended 30 June 2016: approximately RMB16,005,000), which accounted for approximately 3.7% (six months ended 30 June 2016: approximately 4.5%) of the Group's total revenue. The decrease in selling costs as a percentage of revenue during the Review Period was mainly due to the more sales in China and in India with lower commission incurred.

Administrative Expenses

The Group's administrative expenses for the Review Period amounted to approximately RMB25,222,000 (six months ended 30 June 2016: approximately RMB28,592,000), representing a decrease of approximately 11.8% as compared with the corresponding period last year. The decrease in the Group's administrative expenses was mainly due to the fact that there was consulting fee of risk management assessment and design fee of a new factory incurred in the same period last year but not in the Review Period and an reduction of provision of bad debt expense of approximately RMB979,000 for certain customers.

毛利及毛利率

本集團於回顧期內的毛利下跌約9.1%至約人民幣54,805,000元(截至二零一六年六月三十日止六個月:約人民幣75,718,000元)。回顧期內的毛利率下跌約9.1個百分點至約12.0%(截至二零一六年六月三十日止六個月:約21.1%)，主要是由於本集團自二零一六年四月起策略性地調低亞麻紗的售價所致。

其他收益及得益

回顧期內的其他收益及得益主要包括政府補助及補貼約人民幣10,827,000元(截至二零一六年六月三十日止六個月:約人民幣25,050,000元)及利息收入約人民幣676,000元(截至二零一六年六月三十日止六個月:約人民幣1,309,000元)。其他收益及得益減少是由於本集團於指定地區的投資於二零一六年收取的政府補助約人民幣25,000,000元所致。

銷售及分銷成本

本集團於回顧期內的銷售及分銷成本約為人民幣16,783,000元(截至二零一六年六月三十日止六個月:約人民幣16,005,000元)，佔本集團總收入約3.7%(截至二零一六年六月三十日止六個月:約4.5%)。回顧期內的銷售成本佔收入百分比減少，主要是由於中國和印度的銷售增加，但佣金降低所致。

行政開支

本集團於回顧期內的行政開支約為人民幣25,222,000元(截至二零一六年六月三十日止六個月:約人民幣28,592,000元)，較去年同期減少約11.8%。本集團的行政開支減少，主要是由於去年同期(並非回顧期內)新廠房產生的風險管理評估顧問費及設計費及為若干客戶計提壞賬開支減少約人民幣979,000元所致。

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Other expenses

Other expenses mainly comprises a net exchange loss of approximately RMB10,946,000 (six months ended 30 June 2016: net exchange gain of approximately RMB2,713,000). The net exchange loss was mainly due to the depreciation of Renminbi against Euro of approximately 5.7% during the Review Period. Most of the raw materials procurement transactions of the Group were fixed in Euro and there were also certain bank loans denominated in Euro.

Finance Costs

Net finance costs for the Review Period amounted to approximately RMB7,024,000 (six months ended 30 June 2016: approximately RMB5,925,000). Net finance costs represent total interest expense on bank loans less amount capitalized attributable to capital assets. An interest expense of approximately RMB5,722,000 was capitalized during the Review Period (six months ended 30 June 2016: approximately RMB1,380,000).

Income Tax Expenses

Income tax credit for the Review Period amounted to approximately RMB2,185,000 (six months ended 30 June 2016: income tax expense of approximately RMB12,227,000). The effective tax rate for the Review Period and the corresponding period in 2016 was approximately -35.4% and 22.74% respectively. The income tax credit 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.

The Group recorded a reversal of deferred tax of approximately RMB2.8 million after the three-year statutory limit for the tax authorities to recourse expired.

其他開支

其他開支主要包括匯兌虧損淨額約人民幣10,946,000元（截至二零一六年六月三十日止六個月：匯兌收益淨額約人民幣2,713,000元）。匯兌虧損淨額主要由於回顧期內人民幣兌歐元貶值約5.7%所致。本集團大部分原材料採購交易由歐元計值以及若干銀行貸款亦以歐元計值。

財務成本

回顧期內的財務成本淨額約為人民幣7,024,000元（截至二零一六年六月三十日止六個月：約人民幣5,925,000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。於回顧期內撥充資本的利息開支約為人民幣5,722,000元（截至二零一六年六月三十日止六個月：約人民幣1,380,000元）。

所得稅開支

回顧期內的所得稅抵免約為人民幣2,185,000元（截至二零一六年六月三十日止六個月：所得稅開支約人民幣12,227,000元）。回顧期內及二零一六年同期的實際稅率分別為約-35.4%及22.74%。所得稅抵免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，而相關稅務機構去年只按5%稅率徵收。

於有關稅務機構三年法定追索權期限失效後，本集團錄得撥回遞延稅項約人民幣2,800,000元。

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Minority interests

The minority interests of approximately RMB1,369,000 represents the share of the net profit of the 27.27% of equity interests of the Heilongjiang Jinda Flax and Hemp Co., Ltd. (“Heilongjiang Jinda”), attributable to the minority shareholders during the Review Period (six months ended 30 June 2016: approximately RMB3,768,000).

Profit Attributable to Owners of the Parent

The Group recorded a profit attributable to owners of the parent for the Review Period of approximately RMB6,981,000 (six months ended 30 June 2016: RMB37,751,000), representing a decrease of approximately 81.5% as compared with the corresponding period last year.

Liquidity and Financial Resources

As at 30 June 2017, the Group had net current assets of approximately RMB375,541,000 (as at 31 December 2016: approximately RMB484,729,000). The Group financed its operations with internally generated resources and bank loans during the Review Period.

As at 30 June 2017, the Group had cash and cash equivalents of approximately RMB199,061,000 (as at 31 December 2016: approximately RMB279,511,000). The liquidity ratio of the Group as at 30 June 2017 was approximately 144.6% (as at 31 December 2016: approximately 166.7%).

少數股東權益

約人民幣1,369,000元的少數股東權益指於回顧期內少數股東應佔黑龍江金達麻業有限公司（「黑龍江金達」）27.27%股權所佔純利（截至二零一六年六月三十日止六個月：約人民幣3,768,000元）。

母公司擁有人應佔溢利

於回顧期內，本集團錄得母公司擁有人應佔溢利約人民幣6,981,000元（截至二零一六年六月三十日止六個月：人民幣37,751,000元），較去年同期減少約81.5%。

流動資金及財務資源

於二零一七年六月三十日，本集團的流動資產淨值約為人民幣375,541,000元（於二零一六年十二月三十一日：約人民幣484,729,000元）。本集團於回顧期內以內部產生的資源及銀行貸款為營運提供資金。

於二零一七年六月三十日，本集團的現金及現金等價物約為人民幣199,061,000元（於二零一六年十二月三十一日：約人民幣279,511,000元）。本集團於二零一七年六月三十日的流動比率約為144.6%（於二零一六年十二月三十一日：約166.7%）。

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Total equity of the Group as at 30 June 2017 was approximately RMB1,061,365,000 (as at 31 December 2016: approximately RMB1,086,436,000). As at 30 June 2017, the Group had bank loans repayable within 12 months from the date of the statement of financial position of approximately RMB568,286,000 (as at 31 December 2016: approximately RMB531,103,000). The gross debt gearing ratio (i.e. total borrowings/total equity) amounted to approximately 61.9% (as at 31 December 2016: approximately 58.2%). The Board believes that the Group's existing financial resources are sufficient for the Group's capital expenditure requirement in the remaining period of 2017.

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

CAPITAL COMMITMENTS

As at 30 June 2017, 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 RMB69,517,000 (as at 31 December 2016: approximately RMB77,930,000). There was no capital commitment authorised but not contracted for (as at 31 December 2016: Nil).

CONTINGENT LIABILITIES

As at 30 June 2017, the Group did not have any contingent liabilities.

本集團於二零一七年六月三十日的權益總額約為人民幣1,061,365,000元(於二零一六年十二月三十一日:約人民幣1,086,436,000元)。於二零一七年六月三十日,本集團須於由結算日起計十二個月內償還的銀行貸款約為人民幣568,286,000元(於二零一六年十二月三十一日:約人民幣531,103,000元)。總資本負債率(即總借貸/權益總額)約為61.9%(於二零一六年十二月三十一日:約58.2%)。董事會相信,本集團現有的財務資源足以應付本集團於二零一七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。

資本承擔

於二零一七年六月三十日,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69,517,000元(於二零一六年十二月三十一日:約人民幣77,930,000元)。本集團並無已授權但尚未訂約的資本承擔(於二零一六年十二月三十一日:無)。

或有負債

於二零一七年六月三十日,本集團並無任何或有負債。

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CHARGE ON ASSETS

As at 30 June 2017, the current interest-bearing bank loans with a carrying amount of RMB344,419,000 were secured by certain property, plant and equipment, prepaid land lease payments, inventories and pledged deposits of the Group with carrying amounts of approximately RMB189,638,000 (31 December 2016: approximately RMB207,598,000), approximately RMB26,464,000 (31 December 2016: approximately RMB31,685,000), approximately RMB40,000,000 (31 December 2016: approximately RMB40,000,000) and approximately RMB57,393,000 (31 December 2016: Nil), respectively.

As at 30 June 2017, the non-current interest-bearing bank borrowings with a carrying amount of RMB88,200,000 were secured by certain property, plant and equipment, prepaid land lease payments, of the Group with carrying amounts of RMB58,540,000 (31 December 2016: approximately RMB57,070,000) and RMB15,582,000 (31 December 2016: approximately RMB15,742,000), respectively.

MATERIAL INVESTMENTS

There was no material acquisition or disposal of the Group's subsidiaries and associates during the Review Period.

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 a liability of RMB747,000 was recognized as at 30 June 2017 (as at 31 December 2016: assets of RMB5,788,000).

資產押記

於二零一七年六月三十日，賬面金額為人民幣344,419,000元的即期計息銀行貸款以本集團賬面金額分別約人民幣189,638,000元（二零一六年十二月三十一日：約人民幣207,598,000元）、約人民幣26,464,000元（二零一六年十二月三十一日：約人民幣31,685,000元）、約人民幣40,000,000元（二零一六年十二月三十一日：約人民幣40,000,000元）及約人民幣57,393,000元（二零一六年十二月三十一日：無）的若干物業、廠房及設備、土地租賃預付款項、存貨以及已抵押存款作抵押。

於二零一七年六月三十日，賬面金額為人民幣88,200,000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58,540,000元（二零一六年十二月三十一日：約人民幣57,070,000元）及人民幣15,582,000元（二零一六年十二月三十一日：約人民幣15,742,000元）的若干物業、廠房及設備及土地租賃預付款項作抵押。

重大投資

於回顧期內，本集團的附屬公司及聯營公司並無重大收購或出售。

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，而於二零一七年六月三十日，衍生金融工具確認負債人民幣747,000元（於二零一六年十二月三十一日：資產人民幣5,788,000元）。

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REMUNERATION POLICY

As at 30 June 2017, the Group had a total of 2,627 employees (30 June 2016: 2,605 employees). Total staff costs incurred for the Review Period amounted to approximately RMB80,687,000 (six months ended 30 June 2016: RMB80,710,000).

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

於二零一七年六月三十日，本集團合共聘有2,627名僱員（二零一六年六月三十日：2,605名僱員）。回顧期內產生的員工總成本約為人民幣80,687,000元（截至二零一六年六月三十日止六個月：人民幣80,710,000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。

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SHARE OPTION SCHEMES

The share option scheme adopted on 15 November 2006 (the “**Old Scheme**”) expired in 2016. The Group adopted a new share option scheme (the “**New Scheme**”) at the annual general meeting held on 30 May 2016, for the purpose of providing rewards and incentives to any Director, employee, consultant, customer, supplier, agent, partner or adviser of or contractor to the Group who have contributed to the success of the Group’s operations. Options carrying rights to subscribe for a maximum of 22,250,000 shares were granted in 2015 and 16,250,000 options remained outstanding under the Old Scheme as at 30 June 2017. Of which, options carrying rights to subscribe for 4,875,000 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 or exercised under the New Scheme during the Review Period.

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.

購股權計劃

於二零零六年十一月十五日採納的購股權計劃（「**舊計劃**」）於二零一六年屆滿。本集團於二零一六年五月三十日舉行的股東週年大會上採納一項新購股權計劃（「**新計劃**」），目的為向任何曾對本集團業務成功作出貢獻的董事、本集團的僱員、顧問、客戶、供應商、代理、業務夥伴、諮詢人或承辦商提供獎勵及激勵。於二零一七年六月三十日，於二零一五年根據舊計劃授出附帶權利可認購最多22,250,000股股份的購股權及16,250,000份尚未行使的購股權，其中附帶權利可認購4,875,000股股份的購股權已歸屬並可行使，行使價為每股2.00港元。於回顧期內並無根據舊計劃授出的購股權獲行使。於回顧期內並無根據新計劃授出或行使購股權。

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獎勵持有人，抑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。

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The Trustee had purchased an aggregate of 15,000,000 Shares on the market during the Review Period 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 Shares have been awarded to selected persons pursuant to the Share Award Plan. 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.

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.

The implementation of our proactive strategy of reducing the selling price of linen yarn during the trough of the economic cycle starts to bear fruits and we accounted for approximately 47.8% of the total pure linen yarn export from China by volume during the Review Period.

The Group remains cautiously optimistic that despite cotton price may remain to be resilient on current price level, the demand of linen yarn is likely to have bottomed out. The Group may consider adjusting the selling prices of linen yarn upwards in the second half of 2017. This will be done progressively and subject to market reaction.

The construction of the new industrial hemp and linen yarn manufacturing facility in Heilongjiang, with a designed annual production capacity of 5,000 tonnes of yarn, has commenced in 2016 and the facility is expected to commence trial production in the fourth quarter of 2017. It is also the Group's maiden attempt to explore the industrial hemp yarn market.

The Ethiopia project has a planned site area of approximately 300,000 square metres and will be constructed in phases. The first phase will have a designed annual production capacity of 5,000 tonnes of regular linen yarn and is expected to commence trial production in late 2018.

於回顧期內，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15,000,000股股份，並以信託方式為獲選人士持有該等股份。概無根據股份獎勵計劃向獲選人士授出任何股份。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。

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。

於經濟週期低迷時實施降低亞麻紗售價的主動策略開始初見成效，我們於回顧期內佔中國純亞麻紗出口總量約47.8%。

儘管棉花價格在當前價格水平上落，亞麻紗的需求可能已觸底，本集團仍持審慎樂觀態度。於二零一七年下半年，本集團可能考慮上調亞麻紗的售價，且將會逐步上調，視市場反應而定。

於黑龍江新建的工業大麻及亞麻紗生產設施配備設計年產能5,000噸紗線，已於二零一六年開始施工，該設施預計將於二零一七年第四季度開始試生產，屆時將為本集團首度開拓工業大麻紗市場。

埃塞俄比亞項目的規劃地盤面積約為300,000平方米，將分階段興建。第一階段的設計年產能將達5,000噸常規亞麻紗，預計將於二零一八年底開始試生產。

Disclosure of Interests 權益披露

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

As at 30 June 2017, 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:

Long positions in Shares

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

於二零一七年六月三十日，董事及彼等的聯繫人於本公司及其相聯法團（定義見香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部）的本公司股份（「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），或根據證券及期貨條例第352條已記入該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：

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	454,000	–	454,000	0.07

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 50.55% and 22.33% 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50.55%及22.33%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 2017, no share options were granted to the Directors or any of their associates.

Save as disclosed above, as at 30 June 2017, 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 period under review 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

於二零一七年六月三十日，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，於二零一七年六月三十日，概無董事或彼等的聯繫人於本公司或其任何相聯法團(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)，或根據證券及期貨條例第352條已記入該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 2017, 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 2017, 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，於二零一七年六月三十日，以下人士（本公司董事或最高行政人員除外）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，或根據證券及期貨條例第336條已記入該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。
- 非執行董事顏金輝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，於二零一七年六月三十日，本公司並無獲任何人士（本公司董事或最高行政人員除外）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，或根據證券及期貨條例第336條已記入該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. The Trustee had purchased an aggregate of 15,000,000 Shares on the market during the Review Period 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 Shares have been awarded to selected persons pursuant to the Share Award Plan. Please refer to Share Award Plan section under Management Discussion and Analysis for details.

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 2017.

CORPORATE STRATEGY AND LONG TERM BUSINESS MODEL

The Company strives to be one of the largest linen yarn manufacturers in the world through its commitment to sustainable development and technical innovation, developing proprietary intellectual property rights, branding of products and pursuing lean management and excellent performance to generate or preserve value over long term.

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 long 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 2017 (30 June 2016: 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。於回顧期內，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15,000,000股股份，並以信託方式為獲選人士持有該等股份。概無根據股份獎勵計劃向獲選人士授出任何股份。詳情請參閱管理層討論及分析內股份獎勵計劃一節。

除上文所披露者外，本公司或其任何附屬公司於截至二零一七年六月三十日止六個月內概無購買、出售或贖回本公司任何上市證券。

企業策略及長期業務模式

本公司致力於可持續發展及技術創新，開發自主知識產權，產品品牌營銷，追求精益管理及優秀表現，銳意成為全球最大型亞麻紗製造商之一，長遠創造或維持價值。

管理層討論及分析載有本集團表現的討論及分析，本集團長遠創造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二零一七年六月三十日止六個月宣派任何中期股息（二零一六年六月三十日：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**”).

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.

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**」）。

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等公司的附屬公司（「**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 2017 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)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），且於二零一七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 1/1/2017 於二零一七年一月一日	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 30/06/2017 於二零一七年六月三十日	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 4,875,000 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 or exercised under the New Scheme during the Review Period.

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 2017 and up to the publication date of the interim results on 18 August 2017.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE OF THE LISTING RULES

The Company is committed to the establishment of 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 2017.

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」）的有效期限為由授出日期起計四年，並可行使如下：

- (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4,875,000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。於回顧期內，概無購股權根據新計劃獲授出或行使。

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，董事已確認於截至二零一七年六月三十日止六個月及直至中期業績之刊發日期二零一七年八月十八日，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行為守則。

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，本公司於截至二零一七年六月三十日止六個月一直遵守守則內的守則條文。

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 officer 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 officer”. 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. Yan Jianmiao and Mr. Lo Kwong Shun Wilson. 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 2017 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，本公司的主席及行政總裁應有清晰的職責分工，兩職不應由同一人士擔任。

本公司目前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、嚴建苗先生及羅廣信先生，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。本集團截至二零一七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 2017 (unaudited) 截至二零一七年六月三十日止六個月 (未經審核)

				For the six months ended 30 June 截至六月三十日止六個月	
		Notes 附註		2017 二零一七年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)
REVENUE	收入	4		454,836	358,534
Cost of sales	銷售成本			(400,031)	(282,816)
Gross profit	毛利			54,805	75,718
Other income and gains	其他收益及得益	4		12,365	29,132
Selling and distribution expenses	銷售及分銷開支			(16,783)	(16,005)
Administrative expenses	行政開支			(25,222)	(28,592)
Other expenses	其他開支			(11,976)	(582)
Finance costs	財務成本	5		(7,024)	(5,925)
PROFIT BEFORE INCOME TAX EXPENSE	除所得稅開支前溢利	6		6,165	53,746
Income tax expense	所得稅開支	7		2,185	(12,227)
PROFIT FOR THE PERIOD	期內溢利			8,350	41,519
Attributable to:	由下列項目應佔:				
Owners of the parent	母公司擁有人			6,981	37,751
Non-controlling interests	非控制性權益			1,369	3,768
				8,350	41,519
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0.01元	RMB人民幣0.06元
Diluted	攤薄	9		RMB人民幣0.01元	RMB人民幣0.06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 2017 (unaudited) 截至二零一七年六月三十日止六個月(未經審核)

		For the six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)
PROFIT FOR THE PERIOD	期內溢利	<u>8,350</u>	<u>41,519</u>
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	<u>522</u>	<u>(826)</u>
TOTAL COMPREHENSIVE INCOME, FOR THE PERIOD	期內全面收益總額	<u>8,872</u>	<u>40,693</u>
Attributable to:	由下列項目應佔：		
Owners of the parent	母公司擁有人	<u>7,503</u>	36,925
Non-controlling interests	非控制性權益	<u>1,369</u>	3,768
		<u>8,872</u>	<u>40,693</u>

Interim Condensed Consolidated Statement of Financial Position

中期簡明合併財務狀況表

As at 30 June 2017 (unaudited) 於二零一七年六月三十日 (未經審核)

			30 June 2017 二零一七年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
	<i>Notes</i> <i>附註</i>			
NON-CURRENT ASSETS		非流動資產		
Property, plant and equipment	10	物業、廠房及設備	694,326	601,537
Investment property		投資物業	7,829	8,129
Prepaid land lease payments		土地租賃預付款項	65,703	66,283
Other intangible assets	11	其他無形資產	6,111	8,137
Prepayments for equipment		設備預付款項	5,115	31,401
Available-for-sale investments	19	可供出售投資	407	–
Deferred tax assets		遞延稅項資產	4,955	3,304
Total non-current assets		非流動資產總值	784,446	718,791
CURRENT ASSETS		流動資產		
Inventories	12	存貨	540,095	509,591
Trade and notes receivables	13	應收貿易賬款及應收票據	280,446	297,964
Prepayments, deposits and other receivables		預付款、押金及其他應收款項	67,771	44,435
Derivative financial instruments	19	衍生金融工具	–	5,788
Pledged deposits		已抵押存款	129,779	74,355
Cash and cash equivalents		現金及現金等價物	199,061	279,511
Total current assets		流動資產總值	1,217,152	1,211,644
CURRENT LIABILITIES		流動負債		
Trade and notes payables	14	應付貿易賬款及應付票據	187,944	129,489
Other payables and accruals		其他應付款項及預提費用	48,453	50,314
Interest-bearing bank borrowings	15	計息銀行借貸	568,286	531,103
Derivative financial instruments	19	衍生金融工具	747	–
Dividend payable		應付股息	27,376	–
Tax payable		應付稅項	8,805	16,009
Total current liabilities		流動負債總額	841,611	726,915
NET CURRENT ASSETS		流動資產淨值	375,541	484,729
TOTAL ASSETS LESS CURRENT LIABILITIES		資產總值減流動負債	1,159,987	1,203,520

Interim Condensed Consolidated Statement of Financial Position

中期簡明合併財務狀況表

As at 30 June 2017 (unaudited) 於二零一七年六月三十日 (未經審核)

		Notes 附註	30 June 2017 二零一七年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		1,159,987	1,203,520
NON-CURRENT LIABILITIES	非流動負債			
Deferred tax liabilities	遞延稅項負債		10,422	16,284
Interest-bearing bank borrowings	計息銀行借貸	15	88,200	100,800
Total non-current liabilities	非流動負債總額		98,622	117,084
Net assets	資產淨值		1,061,365	1,086,436
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	6,329	6,329
Treasury shares	庫存股份	17	(15,927)	–
Reserves	儲備		1,040,909	1,061,422
Non-controlling interests	非控制性權益		1,031,311	1,067,751
Total equity	權益總額		30,054	18,685
			1,061,365	1,086,436

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 2017 (unaudited) 截至二零一七年六月三十日止六個月(未經審核)

		Attributable to owners of the parent 母公司擁有人應佔										
		Issued capital	Treasury shares	Share premium	Merger reserve	Statutory reserve	Share option reserve	Exchange reserve	Retained profits	Total	Non- controlling interests 非控制性 權益	Total equity
		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 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
At 1 January 2016	於二零一六年一月一日	6,329	-	271,389	196,816	106,752	1,636	(3,354)	464,410	1,043,978	-	1,043,978
Profit for the period	期內溢利	-	-	-	-	-	-	-	37,751	37,751	3,768	41,519
Exchange differences on translation of foreign operations	換算海外業務的匯兌差額	-	-	-	-	-	-	(826)	-	(826)	-	(826)
Total comprehensive income for the period	期內全面收益總額	-	-	-	-	-	-	(826)	37,751	36,925	3,768	40,693
Capital injection	注資	-	-	-	-	-	-	-	-	-	10,000	10,000
Equity-settled share option arrangements	以權益結算購股權安排	-	-	-	-	-	230	-	-	230	-	230
Final 2015 dividend declared	已宣派二零一五年 末期股息	-	-	-	-	-	-	-	(42,667)	(42,667)	-	(42,667)
At 30 June 2016 (Unaudited)	於二零一六年六月三十日 (未經審核)	6,329	-	271,389	196,816	106,752	1,866	(4,180)	459,494	1,038,466	13,768	1,052,234

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 2017 (unaudited) 截至二零一七年六月三十日止六個月(未經審核)

		For the six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2016 二零一六年 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	6,165	53,746
Adjustments for:	調整項目：		
Fair value losses on derivative instruments – transactions not qualifying as hedges	衍生工具的公允價值虧損 – 不合資格作對沖的交易	747	249
Equity-settled share option expenses	以權益結算購股權開支	146	230
Depreciation	折舊	30,195	31,174
Amortisation of prepaid land lease payments	土地租賃預付款項攤銷	580	663
Amortisation of intangible assets	無形資產攤銷	258	303
Provision for impairment of inventories	存貨減值撥備	253	1,344
Gain on disposal of items of property, plant and equipment	出售物業、廠房及設備項目得益	(568)	–
(Reversal of)/provision for impairment of doubtful debts	呆賬減值(轉回)/撥備	(5)	977
Finance costs	財務成本	7,024	5,925
Exchange losses, net	匯兌虧損淨額	(791)	390
Bank interest income	銀行利息收入	(676)	(1,309)
		43,328	93,692
Increase in inventories	存貨增加	(30,757)	(121,137)
Decrease in trade and notes receivables	應收貿易賬款及應收票據減少	17,523	88,673
Increase in prepayments, deposits and other receivables	預付款、押金及其他應收款項增加	(16,502)	(17,713)
Proceeds from pledged deposits	已抵押存款的所得款項	6,017	8,540
New pledged deposits	新造已抵押存款	(72,386)	(24,156)
Decrease/(increase) in derivative financial instruments	衍生金融工具減少/(增加)	5,788	(2,507)
Increase in trade and notes payables	應付貿易賬款及應付票據增加	58,455	66,592
(Decrease)/increase in other payables and accruals	其他應付款項及預提費用 (減少)/增加	(1,861)	523
Cash generated from operations	經營產生的現金	9,605	92,507
Interest received	已收利息	676	1,309
Income tax paid	已付所得稅	(12,532)	(17,391)
Net cash flows (used in)/generated from operating activities	經營活動(所用)/產生的現金流量淨額	(2,251)	76,425

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 2017 (unaudited) 截至二零一七年六月三十日止六個月(未經審核)

		For the six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動的現金流量		
Purchases of items of property, plant and equipment	購置物業、廠房及設備項目	(93,010)	(70,012)
Prepayments for equipment	設備預付款項	(5,115)	(12,046)
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	2,956	–
Net cash flows used in investing activities	投資活動所用的現金流量淨額	(95,169)	(82,058)
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動的現金流量		
Capital injection from non-controlling shareholders	非控股股東注資	10,000	10,000
New bank loans	新造銀行貸款	377,818	358,979
Repayment of bank loans	償還銀行貸款	(353,235)	(202,224)
Share repurchase	購回股份	(15,927)	–
Interest paid	已付利息	(12,746)	(7,305)
Government grants received	已收政府補助	–	15,930
Purchase of available-for-sale investments	購買可供出售投資	(407)	–
Proceeds from pledged deposits	已抵押存款之所得款項	68,338	51,811
New pledged deposits	新造已抵押存款	(57,393)	(61,569)
Net cash flows generated from financing activities	融資活動產生的現金流量淨額	16,448	165,622
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物(減少)/ 增加淨額	(80,972)	159,989
Cash and cash equivalents at beginning of period	期初現金及現金等價物	279,511	237,214
Effect of foreign exchange rate changes, net	匯率變動影響淨額	522	(829)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	期末現金及現金等價物	199,061	396,374
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等價物結餘分析		
Cash and bank balances	現金及銀行結餘	199,061	396,374
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	199,061	396,374

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 2017 (unaudited) 截至二零一七年六月三十日止六個月(未經審核)

1. CORPORATE 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 2017 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 2016.

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 2017 are consistent with those used in the preparation of the Group’s annual financial statements for the year ended 31 December 2016, 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

截至二零一七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》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，故應與本集團截至二零一六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

編製截至二零一七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二零一六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》(當中包括《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 2017 (unaudited) 截至二零一七年六月三十日止六個月 (未經審核)

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 2016, except for the adoption of new standards and interpretations effective as of 1 January 2017.

The Group has applied, for the first time, several new standards and amendments in 2017. However, they do not impact the annual consolidated financial statements of the Group or the interim condensed consolidated financial statements of the Group.

The Company has adopted the following new and revised IFRSs for the first time in these interim condensed financial statements.

<i>Amendments to IAS 7</i>	<i>Statement of Cash Flows: Disclosure Initiative</i>
<i>Amendments to IAS 12</i>	<i>Income Taxes: Recognition of Deferred Tax Assets for Unrecognised Losses</i>
<i>Annual Improvements 2014-2016 Cycle</i>	<i>Amendments to IFRS 12 Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in IFRS 12</i>

The adoption of these new and revised IFRSs has had no significant financial effect on the Group's interim condensed consolidated financial statements.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

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二零一六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，惟採納於二零一七年一月一日生效的新訂準則及詮釋除外。

本集團於二零一七年首次採用多項新訂準則及修訂。然而，該等準則及修訂不會影響本集團的全年合併財務報表或本集團的中期簡明合併財務報表。

本公司於該等中期簡明財務報表首次採納下列新訂及經修訂《國際財務報告準則》。

《國際會計準則》 第7號的修訂本	現金流量表： 披露計劃
《國際會計準則》 第12號的修訂本	所得稅：就未變現 虧損確認遞延 稅項資產
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12號的修訂本披 露於其他實體的權 益：澄清《國際財 務報告準則》第12 號的披露規定範圍

採納該等新訂及經修訂《國際財務報告準則》對本集團的中期簡明合併財務報表並無重大財務影響。

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。

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 2017 (unaudited) 截至二零一七年六月三十日止六個月(未經審核)

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.

Geographical information

(a) Revenue from external 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 2017 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

Revenue of approximately RMB76,784,000 (six months ended 30 June 2016: Nil) amounting to approximately 16.7% of the Group's revenue was derived from sales to a single customer for the six months ended 30 June 2017.

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本集團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析。

地理資料

(a) 來自外部客戶收入

下表載列本集團於截至二零一七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
external customers
來自外部客戶收入
For the six months
ended 30 June
截至六月三十日止六個月**

2017 二零一七年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)
151,388	107,428
115,866	128,375
187,582	122,731
454,836	358,534

(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

於截至二零一七年六月三十日止六個月，向單一客戶進行的銷售收入約人民幣76,784,000元佔本集團收入約16.7%(截至二零一六年六月三十日止六個月：無)。

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 2017 (unaudited) 截至二零一七年六月三十日止六個月 (未經審核)

4. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents the sales value of linen yarns, net of sales tax and deduction of any sales discounts and returns.

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

Revenue	收入
Sales of linen yarns	銷售亞麻紗
Other income	其他收益
Bank interest income	銀行利息收入
Government grants	政府補助
Others	其他
Gains	得益
Foreign exchange gains, net	外匯得益淨額

4. 收入、其他收益及得益

收入(亦即本集團營業額)指亞麻紗的銷售價值,經扣除銷售稅及扣減任何銷售折扣及退還。

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	
2017 二零一七年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)
454,836	358,534
676	1,309
10,827	25,050
862	60
12,365	26,419
-	2,713
12,365	29,132

5. FINANCE COSTS

Interest on bank loans	銀行貸款的利息
Less: interest capitalised	減:資本化利息

5. 財務成本

For the six months ended 30 June	
截至六月三十日止六個月	
2017 二零一七年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)
12,746	7,305
(5,722)	(1,380)
7,024	5,925

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 2017 (unaudited) 截至二零一七年六月三十日止六個月(未經審核)

6. PROFIT BEFORE INCOME TAX EXPENSE

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

6. 除所得稅開支前溢利

本集團除所得稅開支前溢利於扣除／(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	
		2017 二零一七年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Cost of inventories sold	出售存貨成本	400,031	282,816
Depreciation	折舊	30,195	31,174
Amortisation of prepaid land lease payments	土地租賃預付款項攤銷	580	663
Amortisation of intangible assets	無形資產攤銷	258	303
Research and development ("R&D") expenses	研究及開發(「研發」)開支	3,402	2,742
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	975	802
Auditors' remuneration	核數師酬金	933	900
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	75,591	75,542
Pension scheme contributions	退休金計劃供款	4,950	4,938
Equity-settled share option expense	以權益結算購股權開支	146	230
		80,687	80,710
Foreign exchange loss/(gain), net	外匯虧損／(得益)淨額	10,946	(2,713)
Fair value losses on derivative financial instruments	衍生金融工具的公允價值虧損		
– transactions not qualifying as hedges	– 不合資格作對沖的交易	747	–
Write-down of inventories to net realisable value	撇減存貨至可變現淨值	253	1,344
(Reversal of provision for impairment of trade receivables)/impairment of trade receivables	(轉回應收貿易賬款減值撥備)／ 應收貿易賬款減值	(5)	977
Finance costs	財務成本	7,024	5,925
Bank interest income	銀行利息收入	(676)	(1,309)

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 2017 (unaudited) 截至二零一七年六月三十日止六個月 (未經審核)

7. INCOME TAX EXPENSE

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

Current – Mainland China	即期－中國大陸
Current – Hong Kong	即期－香港
Current – Italy	即期－意大利
Deferred	遞延
Total tax charge for the period	期內稅項支出總額

- (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) The provision for Mainland China income tax is based on the respective corporate income tax rates applicable to the subsidiaries located in Mainland China as determined in accordance with the relevant income tax rules and regulations of the People's Republic of China ("the PRC").

7. 所得稅開支

本集團於期內的所得稅開支主要項目如下：

For the six months ended 30 June	
截至六月三十日止六個月	
2017	2016
二零一七年	二零一六年
RMB'000	RMB'000
人民幣千元	人民幣千元
(Unaudited)	(Unaudited)
(未經審核)	(未經審核)
4,977	6,849
286	98
65	–
(7,513)	5,280
(2,185)	12,227

- (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所得稅。
- (ii) 中國大陸所得稅撥備是根據位於中國大陸的附屬公司所適用，按中華人民共和國（「中國」）有關所得稅規則及法規所釐定的各企業所得稅率而作出。

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 2017 (unaudited) 截至二零一七年六月三十日止六個月(未經審核)

7. INCOME TAX EXPENSE (continued)

(ii) (continued)

During the Fifth Session of the Tenth National People's Congress, which was concluded on 16 March 2007, the PRC Corporate Income Tax Law (the "Corporate Income Tax Law") was approved and became effective on 1 January 2008. According to the Corporate Income Tax Law, the applicable tax rates of the Group's subsidiaries in Mainland China are unified at 25% with effect from 1 January 2008 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 obtains the High-new Technology Certificate for years from 2014 to 2016 with a tax rate of 15% and is registering for renewed certificate with tax rate of 15% in 2017.

(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 an income tax rate at 31.4%, which comprises Italy Corporate Income Tax at 27.5% and Italy Regional Income Tax at 3.9%.

8. DIVIDEND

The board has resolved not to declare any interim dividend in respect of the six months ended 30 June 2017 (six months ended 30 June 2016: Nil).

7. 所得稅開支(續)

(ii) (續)

第十屆全國人民代表大會第五次會議已於二零零七年三月十六日結束，當中通過了《中國企業所得稅法》(「企業所得稅法」)，並於二零零八年一月一日生效。根據企業所得稅法規定，自二零零八年一月一日起，本集團中國大陸附屬公司的適用稅率將統一為25%，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二零一四年至二零一六年各個年度的高新技術認證，稅率為15%並於二零一七年登記重續證書，稅率為15%。

(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31.4%稅率繳納所得稅，當中包括按27.5%稅率計算的意大利企業所得稅及按3.9%稅率計算的意大利地區所得稅。

8. 股息

董事會議決不宣派截至二零一七年六月三十日止六個月的任何中期股息(截至二零一六年六月三十日止六個月:無)。

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中期簡明合併財務報表附註

For the six months ended 30 June 2017 (unaudited) 截至二零一七年六月三十日止六個月 (未經審核)

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 617,767,000 (six months ended 30 June 2016: 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:

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617,767,000股(截至二零一六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	
		2017 二零一七年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Earnings	盈利		
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	6,981	37,751

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For the six months ended 30 June 2017 (unaudited) 截至二零一七年六月三十日止六個月(未經審核)

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	
		2017 二零一七年 '000 千股	2016 二零一六年 '000 千股
Shares	股份		
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	617,767	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	16,250	22,250
		634,017*	651,928

* 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 RMB6,981,000 and the weighted average number of ordinary shares of 617,767,000 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6,981,000元及期內已發行普通股加權平均數617,767,000股計算。

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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
At 31 December 2016 and at 1 January 2017:	於二零一六年十二月三十一日 及於二零一七年一月一日:							
Cost	成本	277,023	599,553	62,799	10,335	16,371	127,446	1,093,527
Accumulated depreciation	累計折舊	(90,236)	(352,653)	(29,896)	(8,102)	(11,103)	-	(491,990)
Net carrying amount	賬面淨額	186,787	246,900	32,903	2,233	5,268	127,446	601,537
At 1 January 2017, net of accumulated depreciation	於二零一七年一月一日， 扣除累計折舊	186,787	246,900	32,903	2,233	5,268	127,446	601,537
Additions	添置	4,552	2,340	682	294	1,077	114,354	123,299
Depreciation provided during the period	期內折舊撥備	(5,319)	(18,487)	(3,582)	(336)	(2,171)	-	(29,895)
Transfers	轉撥	3,260	481	14,922	-	-	(18,663)	-
Disposals	出售	-	(620)	-	-	-	-	(620)
Exchange realignment	匯兌調整	-	5	-	-	-	-	5
At 30 June 2017, net of accumulated depreciation	於二零一七年六月三十日， 扣除累計折舊	189,280	230,619	44,925	2,191	4,174	223,137	694,326
At 30 June 2017:	於二零一七年六月三十日:							
Cost	成本	284,835	595,909	78,409	10,629	17,449	223,137	1,210,368
Accumulated depreciation	累計折舊	(95,555)	(365,290)	(33,484)	(8,438)	(13,275)	-	(516,042)
Net carrying amount	賬面淨額	189,280	230,619	44,925	2,191	4,174	223,137	694,326

As at 30 June 2017, the Group's property, plant and equipment with a net carrying amount of approximately RMB248,178,000 (31 December 2016: RMB264,668,000) 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，於二零一七年六月三十日，本集團賬面淨額約人民幣248,178,000元(二零一六年十二月三十一日：人民幣264,668,000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。

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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 2017, net of accumulated amortization	於二零一七年一月一日， 扣除累計攤銷	8,137
Amortisation provided during the period	期內攤銷撥備	(258)
Disposals	出售	(1,768)
At 30 June 2017, net of accumulated amortization (Unaudited)	於二零一七年六月三十日， 扣除累計攤銷(未經審核)	<u>6,111</u>
At 30 June 2017:	於二零一七年六月三十日：	
Cost	成本	9,955
Accumulated amortisation	累計攤銷	(3,844)
Net carrying amount	賬面淨額	<u>6,111</u>

12. INVENTORIES

12. 存貨

		30 June 2017 二零一七年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Raw materials	原材料	243,577	205,594
Work in progress	在製品	42,821	39,235
Finished goods	製成品	253,697	264,762
		<u>540,095</u>	<u>509,591</u>

As at 30 June 2017, inventories with a carrying amount of RMB40,000,000 (31 December 2016: RMB40,000,000) were pledged to secure bank loans granted to the Group as set out in note 15(i).

於二零一七年六月三十日，如附註15(i)所載，賬面金額為人民幣40,000,000元(二零一六年十二月三十一日：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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13. TRADE AND NOTES RECEIVABLES

13. 應收貿易賬款及應收票據

		30 June 2017 二零一七年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Trade receivables	應收貿易賬款	232,906	198,858
Notes receivable	應收票據	48,773	100,344
Impairment	減值	(1,233)	(1,238)
		280,446	297,964

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。

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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 2017 二零一七年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
121,540	45,440
69,027	86,576
21,510	33,084
19,596	32,520
231,673	197,620

14. TRADE AND NOTES PAYABLES

An aged analysis of the trade and notes payables as at 30 June 2017, 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

於二零一七年六月三十日，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 2017 二零一七年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
30,458	19,813
157,486	108,644
–	1,032
187,944	129,489

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。

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For the six months ended 30 June 2017 (unaudited) 截至二零一七年六月三十日止六個月 (未經審核)

15. INTEREST-BEARING BANK BORROWINGS

15. 計息銀行借貸

			30 June 2017 二零一七年 六月三十日	31 December 2016 二零一六年 十二月三十一日
		<i>Notes 附註</i>	RMB'000 人民幣千元 (Unaudited) (未經審核)	RMB'000 人民幣千元 (Audited) (經審核)
Current	即期			
Secured bank loans	有抵押銀行貸款	(i)	344,419	304,911
Unsecured bank loans	無抵押銀行貸款		223,867	226,192
Subtotal	小計		568,286	531,103
Non-current	非即期			
Secured bank loans	有抵押銀行貸款	(ii)	88,200	100,800
Total	總計		656,486	631,903

Notes:

- (i) As at 30 June 2017, the current interest-bearing bank loans with a carrying amount of RMB344,419,000 were secured by certain property, plant and equipment, prepaid land lease payments, inventories and pledged deposits of the Group with carrying amounts of approximately RMB189,638,000 (31 December 2016: approximately RMB207,598,000), approximately RMB26,464,000 (31 December 2016: approximately RMB31,685,000), approximately RMB40,000,000 (31 December 2016: approximately RMB40,000,000) and approximately RMB57,393,000 (31 December 2016: Nil), respectively.
- (ii) As at 30 June 2017, the non-current interest-bearing bank borrowings with a carrying amount of RMB88,200,000 were secured by certain property, plant and equipment, prepaid land lease payments, of the Group with carrying amounts of RMB58,540,000 (31 December 2016: approximately RMB57,070,000) and RMB15,582,000 (31 December 2016: approximately RMB15,742,000), respectively.

附註：

- (i) 於二零一七年六月三十日，賬面金額為人民幣344,419,000元的即期計息銀行貸款以本集團賬面金額分別約人民幣189,638,000元（二零一六年十二月三十一日：約人民幣207,598,000元）、約人民幣26,464,000元（二零一六年十二月三十一日：約人民幣31,685,000元）、約人民幣40,000,000元（二零一六年十二月三十一日：約人民幣40,000,000元）及約人民幣57,393,000元（二零一六年十二月三十一日：無）的若干物業、廠房及設備、土地租賃預付款項、存貨及已抵押存款作抵押。
- (ii) 於二零一七年六月三十日，賬面金額為人民幣88,200,000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58,540,000元（二零一六年十二月三十一日：約人民幣57,070,000元）及人民幣15,582,000元（二零一六年十二月三十一日：約人民幣15,742,000元）的若干物業、廠房及設備及土地租賃預付款項作抵押。

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15. INTEREST-BEARING BANK BORROWINGS

(continued)

Notes: (continued)

- (iii) The bank borrowings bear interest at rates ranging from 0.8% to 4.52% per annum (31 December 2016: 0.3% to 4.44% per annum).

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 2017 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.

15. 計息銀行借貸

(續)

附註：(續)

- (iii) 銀行借貸按年利率0.8%至4.52% (二零一六年十二月三十一日：年利率0.3%至4.44%)計息。

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。於二零一七年六月三十日，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。

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16. SHARE CAPITAL

Authorised:

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

16. 股本

法定：

30 June 2017 二零一七年六月三十日		31 December 2016 二零一六年十二月三十一日	
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

Issued and fully paid:

At the beginning and
the end 於期初及期末

已發行及繳足：

30 June 2017 二零一七年六月三十日			31 December 2016 二零一六年十二月三十一日		
Number of shares	Amount 金額		Number of shares	Amount 金額	
	HK\$'000	RMB'000 equivalent 等值		HK\$'000	RMB'000 equivalent 等值
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)	(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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17. TREASURY SHARES

17. 庫存股份

		30 June 2017 二零一七年六月三十日			31 December 2016 二零一六年十二月三十一日		
		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	-	-	-	-	-	
Share repurchase	購回股份	15,000,000	17,627	-	-	-	
At the end	於期末	15,000,000	17,627	-	-	-	

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 ("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 period ended 30 June 2017, the Trustee purchased 15,000,000 shares of the Company for a total consideration of approximately RMB15,927,000. At the end of the reporting period, no share was 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購股權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獎勵持有人，抑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%。截至二零一七年六月三十日止期間，受託人以總代價約人民幣15,927,000元購入本公司15,000,000股股份。於報告期末，概無根據股份獎勵計劃授出股份。

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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:

Financial assets:	金融資產:	Loans and receivables 貸款及應收款項 RMB'000 人民幣千元 (Unaudited) (未經審核)	Available-for-sale financial assets 可供出售金融資產 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 2017	於二零一七年六月三十日			
Trade and notes receivables	應收貿易賬款及應收票據	280,446	–	280,446
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	61,328	–	61,328
Cash and cash equivalents	現金及現金等價物	199,061	–	199,061
Available-for-sale investments	可供出售投資	–	407	407
Pledged deposits	已抵押存款	129,779	–	129,779
Total	總計	670,614	407	671,021

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：

		Loans and receivables 貸款及應收款項 RMB'000 人民幣千元 (Audited) (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 (Audited) (經審核)	Total 總計 RMB'000 人民幣千元 (Audited) (經審核)
As at 31 December 2016	於二零一六年十二月三十一日			
Trade and notes receivables	應收貿易賬款及應收票據	297,964	–	297,964
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	38,161	–	38,161
Cash and cash equivalents	現金及現金等價物	279,511	–	279,511
Financial assets at fair value through profit or loss	按公允價值計入損益的金融資產	–	5,788	5,788
Pledged deposits	已抵押存款	74,355	–	74,355
Total		689,991	5,788	695,779

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For the six months ended 30 June 2017 (unaudited) 截至二零一七年六月三十日止六個月(未經審核)

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)

		Financial liabilities at amortized cost	Financial liabilities at fair value through profit or loss	Total
		按攤銷成本列賬的金融負債	按公允價值計入損益的金融負債	總計
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
		(Unaudited)	(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)	(未經審核)
As at 30 June 2017	於二零一七年六月三十日			
Interest-bearing bank loans	計息銀行貸款	656,486	–	656,486
Financial liabilities included in other payables	計入其他應付款項的金融負債	41,852	–	41,852
Trade and notes payables	應付貿易賬款及應付票據	187,944	–	187,944
Dividend payable	應付股息	27,376	–	27,376
Financial liabilities at fair value through profit or loss	按公允價值計入損益的金融負債	–	747	747
Total	總計	913,658	747	914,405

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 at amortized cost	Financial liabilities at fair value through profit or loss	Total
		按攤銷成本列賬的金融負債	按公允價值計入損益的金融負債	總計
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
		(Audited)	(Audited)	(Audited)
		(經審核)	(經審核)	(經審核)
As at 31 December 2016	於二零一六年十二月三十一日			
Interest-bearing bank loans	計息銀行貸款	631,903	–	631,903
Financial liabilities included in other payables	計入其他應付款項的金融負債	42,418	–	42,418
Trade and notes payables	應付貿易賬款及應付票據	129,489	–	129,489
Dividend payable	應付股息	–	–	–
Total	總計	803,810	–	803,810

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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 2017:

19. 金融工具的公允價值及公允價值等級架構

下文載列於二零一七年六月三十日金融工具賬面金額及公允價值的比較：

		30 June 2017 二零一七年六月三十日		31 December 2016 二零一六年十二月三十一日	
		Carrying amount 賬面金額 RMB'000 人民幣千元 (Unaudited) (未經審核)	Fair value 公允價值 RMB'000 人民幣千元 (Unaudited) (未經審核)	Carrying amount 賬面金額 RMB'000 人民幣千元 (Audited) (經審核)	Fair value 公允價值 RMB'000 人民幣千元 (Audited) (經審核)
Financial Assets:	金融資產：				
Available-for-sale investments	可供出售投資	407	407	-	-
Derivative financial instruments	衍生金融工具	-	-	5,788	5,788
		407	407	5,788	5,788
Financial Liabilities:	金融負債：				
Derivative financial instruments	衍生金融工具	747	747	-	-

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 fair value of available-for-sale investments, which is gold, is based on quoted market prices.

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。

可供出售投資（即黃金）的公允價值乃根據市場報價釐定。

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

The Group enters into derivative financial instruments with various counterparties, principally financial institutions with AAA credit ratings. Derivative financial instruments, including forward currency contracts, 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 2017, the marked to market value of the derivative asset position is net of a credit 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.

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 2017, available-for-sale investments was measured to be RMB407,000 by using quoted market prices.

19. 金融工具的公允價值及公允價值等級架構(續)

本集團與多名對手方(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)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。

於二零一七年六月三十日,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信貸評估調整。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。

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。

於二零一七年六月三十日,可供出售投資利用市場報價計量為人民幣407,000元。

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

As at 30 June 2017, financial liabilities at fair value through profit or loss— foreign currency forward contracts was measured to be RMB747,000 by using significant observable inputs (Level 2).

During the six months ended 30 June 2017, 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 (2016: 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)

於二零一七年六月三十日，按公允價值計入損益的金融負債—外幣遠期合約利用重大可觀察輸入值（第二層）計量為人民幣747,000元。

於截至二零一七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（二零一六年：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 2017 二零一七年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
420	529
630	254
1,050	783

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。

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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 two to five years.

21. CAPITAL COMMITMENTS

Capital commitments in respect of the purchase of property, plant and equipment outstanding as at 30 June 2017 and 31 December 2016 but not provided for in the interim condensed consolidated financial statements were as follows:

-

Contracted for	已訂約
Authorised but not contracted for	已授權但未訂約

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 2017 二零一七年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
1,558	1,919
1,692	1,592
750	840
4,000	4,351

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，初始租賃期為二至五年。

21. 資本承擔

有關購置物業、廠房及設備，於二零一七年六月三十日及二零一六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 2017 二零一七年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
69,517	77,930
-	-
69,517	77,930

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For the six months ended 30 June 2017 (unaudited) 截至二零一七年六月三十日止六個月(未經審核)

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 2017, 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 2016: RMB250,000). Mr. Ren Weiming, who ultimately controls the Group, also has a controlling equity interest over Kingdom Creative.

The lease was made according to published prices and conditions offered by the lessor or service provider of the Group.

- (ii) During the six months ended 30 June 2017, the Group bought electricity from 浙江昱源光伏有限公司 (“**Zhejiang Yuyuan**”) and incurred electricity expenses of RMB1,204,000 (six months ended 30 June 2016: RMB346,000). Mr. Ren Weiming, who ultimately controls the Group, also has a controlling equity interest over Zhejiang Yuyuan.

The price of electricity was made with a discount rate of approximately 3.5% to the market prices.

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) 於截至二零一七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(截至二零一六年六月三十日止六個月：人民幣250,000元)。任維明先生為本集團的最終控股股東，亦擁有金達創業的控股權益。

租賃乃根據由出租人或本集團服務供應商提供的已公佈價格及條件訂立。

- (ii) 於截至二零一七年六月三十日止六個月，本集團向浙江昱源光伏有限公司(「**浙江昱源**」)購電，所產生的電費為人民幣1,204,000元(截至二零一六年六月三十日止六個月：人民幣346,000元)。任維明先生為本集團的最終控股股東，亦擁有浙江昱源的控股權益。

電價乃根據市價按約3.5%的折讓率訂立。

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22. RELATED PARTY TRANSACTIONS (continued)

(b) Compensation of key management personnel of the Group

22. 關連方交易(續)

(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	
		2017 二零一七年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Short-term employee benefits	短期僱員福利	2,502	2,194
Post-employment benefits	離職後福利	62	62
		2,564	2,256

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 18 August 2017.

23. 批准中期簡明合併財務報表

董事會已於二零一七年八月十八日批准及授權刊發未經審核中期簡明合併財務報表。



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