



INTERIM REPORT 中期報告

2016

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)



KINGDOM
ZHE JIANG KINGDOM LINEN CO.,LTD.
浙江金達亞麻有限公司



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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 (appointed on 18 March 2016 and
appointment became effective on 22 March 2016)

Non-executive Director:

Mr. Ngan Kam Wai Albert

Independent Non-executive Directors:

Mr. Lau Ying Kit
Mr. Lo Kwong Shun Wilson
Mr. Yan Jianmiao
(appointed and became effective on 30 May 2016)

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 (於二零一六年三月十八日獲委任
並於二零一六年三月二十二日生效)

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
(於二零一六年五月三十日獲委任並生效)

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

HEADQUARTER 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 2016.

- Revenue decreased by approximately 20.3% to approximately RMB358,534,000 for the six months ended 30 June 2016 from approximately RMB449,619,000 for the six months ended 30 June 2015.
 - Gross profit margin decreased by approximately 5.9 percentage points to approximately 21.1% for the six months ended 30 June 2016 from approximately 27.0% for the six months ended 30 June 2015 due to strategic reduction of selling price of linen yarn.
 - Profit for the period dropped by approximately 33.0% to approximately RMB41,519,000 for the six months ended 30 June 2016 from approximately RMB62,010,000 for the six months ended 30 June 2015.
 - Profit attributable to the owners of the parent decreased by approximately 39.1% to approximately RMB37,751,000 for the six months ended 30 June 2016 from approximately RMB62,010,000 for the six months ended 30 June 2015.
 - Basic earnings per share were approximately RMB0.06 for the six months ended 30 June 2016 and approximately RMB0.10 for the six months ended 30 June 2015.
- 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**」)截至二零一六年六月三十日止六個月的未經審核合併中期業績。
- 收入由截至二零一五年六月三十日止六個月約人民幣449,619,000元減少約20.3%至截至二零一六年六月三十日止六個月約人民幣358,534,000元。
 - 受策略性調低亞麻紗售價影響，毛利率由截至二零一五年六月三十日止六個月約27.0%下跌約5.9個百分點至截至二零一六年六月三十日止六個月約21.1%。
 - 期內溢利由截至二零一五年六月三十日止六個月約人民幣62,010,000元下跌約33.0%至截至二零一六年六月三十日止六個月約人民幣41,519,000元。
 - 母公司擁有人應佔溢利由截至二零一五年六月三十日止六個月約人民幣62,010,000元減少約39.1%至截至二零一六年六月三十日止六個月約人民幣37,751,000元。
 - 截至二零一六年六月三十日止六個月的每股基本盈利約為人民幣0.06元，而截至二零一五年六月三十日止六個月則約為人民幣0.10元。

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW

The global economy for the six months ended 30 June 2016 (the “Review Period”) remained weak. China has been experiencing structural transformation and excessive production capacity in many industries. Europe faced various terrorist attacks and continuous influx of refugees caused by civil wars in Syria and Iraq. The refugee problem is believed to have an impact on the referendum results in Britain to leave from the European Union (“Brexit”) in June 2016. On the other hand, subdued economic growth might give rise to the adoption of more aggressive monetary easing policies by Central banks around the world, leading to a prolonged low interest rate environment to help the economic recovery in developed and developing countries. As the Group is principally engaged in the manufacturing of linen yarn and selling linen yarn products to over 20 countries and regions around the world, its business performance was affected by the sluggish global economy.

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 4.2% on a year-on-year basis during the Review Period. The pure linen yarn export, however, was contracted by approximately 20.4% year over year during the Review Period. The relatively soft demand for linen yarn during the Review Period was mainly attributable to the higher linen yarn prices compared to that of the cotton yarn, which has been declining for the past few years and continued to stand at a low level. Generally, the unit price of linen yarn is higher than that of cotton yarn on the same technical specification. In the trough of the economic cycle, the low level of cotton yarn price may lower the demand for pure linen yarn from fashion brands and garment manufacturers, in favour of cotton or cotton/linen blended yarn to make products more appealing to cost conscious consumers. Despite this, the Group continued to lead the market and accounted for approximately 34.0% of the total pure linen yarn export from China during the Review Period.

During the Review Period, the revenue of the Group decreased by approximately 20.3% on a year-on-year basis to RMB358,534,000. The decrease in revenue was mainly attributable to the weak demand from China and other overseas markets, and the strategic price reduction of the linen yarn products of the Group from April onwards.

業務回顧

於截至二零一六年六月三十日止六個月（「回顧期」），全球經濟仍然疲弱。中國多個行業正經歷結構性轉型，同時受到產能過剩的問題困擾；歐洲先後發生多宗恐怖襲擊，敘利亞及伊拉克內戰逼使難民持續湧入歐洲。市場相信，難民問題是促使英國二零一六年六月公投結果贊成脫離歐盟（「脫歐」）的其中一項因素。另一方面，經濟增長步伐緩慢，可能導致全球央行更積極地採取寬鬆貨幣政策，低息環境將會持續，務求加快發達國家及發展中國家經濟復蘇。由於本集團的主要業務為生產亞麻紗及將亞麻紗產品銷售至全球20多個國家及地區，故全球經濟不景對本集團的業務表現構成影響。

據中華人民共和國海關總署資料顯示，回顧期內的全國紗線及紡織品出口總值按年增長約4.2%。然而，回顧期內的純亞麻紗出口按年收縮約20.4%。回顧期內亞麻紗需求相對疲軟，主要是由於過去數年棉紗價格持續下跌並持續處於低水平，相對亞麻紗價格則較高所致。一般而言，按同一技術規格計，亞麻紗單位價格乃高於棉紗單位價格。在當前經濟下滑週期中，時裝品牌及成衣製造商可能傾向選擇棉紗或棉麻混紗作為產品原料，以吸引較關注成本之消費者。棉紗價格偏低或會減低時裝品牌及成衣製造商對純亞麻紗的需求。儘管如此，本集團於回顧期內仍然保持市場領先地位，佔全國純亞麻紗出口總值約34.0%。

於回顧期內，本集團的收入按年下跌約20.3%至人民幣358,534,000元，主要是由於中國及其他海外市場需求疲弱，加上自四月起策略性地調低本集團亞麻紗產品的價格所致。

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, due to weak demands discussed above, the domestic sales, which contributed approximately 30.0% of the Group's total revenue, recorded a decrease of approximately 27.6% as compared with the same period of last year, while the overseas sales, which contributed approximately 70.0% of the Group's total revenue, recorded a decline of approximately 16.7% on a year-on-year basis. In particular, total sales to non-European Union countries accounted for approximately 34.2% of the Group's total revenue during the Review Period. 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 grew steadily and the Group procured approximately 10,972 tonnes of raw materials abroad, representing a year-on-year decrease of approximately 5%. The average procurement unit price was approximately RMB20,740 per tonne, representing an yearly increase of approximately 5%. The volume in overseas procurement of raw materials was relatively stable 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，鑑於上文所論述的需求疲弱因素，國內銷售為本集團總收入貢獻約30.0%，較去年同期按年下跌約27.6%；海外銷售則為本集團總收入貢獻約70.0%，較去年同期按年下跌約16.7%。其中非歐盟國於回顧期內的銷售總額佔本集團總收入約34.2%。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，因此具有較強議價能力。於回顧期內，亞麻纖維成本平穩上升，而本集團在海外採購約10,972噸原材料，按年減少約5%。採購平均單位價格約為每噸人民幣20,740元，按年上漲約5%。海外採購原材料數量相對穩定，主要是由於本集團對亞麻紡織業的未來抱持審慎樂觀態度，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 2016, the Group had three production 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) has an annual production capacity 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. 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 to achieve higher satisfaction at the same time. All the above linen yarn production lines operated at close to 100% utilisation rate during the Review Period with a total linen yarn production of 8,164 tonnes.

During the Review Period, the Board had authorized the construction of a flax and industrial hemp yarn manufacturing facility in Heilongjiang with an annual production capacity of 5,000 tonnes. The Group owns 80% 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 expected to be completed by March 2017 and trial production is expected to commence in the third 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. In addition, knit fabric and woven fabric containing 51% or more by weight of flax is exempted from the "yarn forward" requirement imposed on textile products under Trans-Pacific Partnership (TPP), an international agreement spearheaded by the United States, hence the adverse effect of TPP on our Group is expected to be minimal. Given the further delay, the phase 1 of the Ethiopia project, with an annual production capacity of 5,000 tonnes, is expected to commence trial production in 2018.

產能

於二零一六年六月三十日，本集團設有三個生產基地，位於(1)浙江省海鹽縣(海鹽一期)；(2)江蘇省如皋市；及(3)浙江省海鹽縣(海鹽二期)，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。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3nm至75nm多規格產品，為客戶提供更多產品選擇，更能滿足彼等的需求。以上所有亞麻紗生產線均於回顧期內接近100%滿負荷生產，共產出亞麻紗8,164噸。

於回顧期內，董事會授權於黑龍江興建一座亞麻及工業大麻紗生產設施，年產能為5,000噸。本集團擁有該新合資公司的80%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的政策，工業大麻紗市場將於未來數年急速增長。黑龍江新廠房預期於二零一七年三月或之前竣工，並預期於二零一七年第三季開始試產。

除中國外，本集團亦致力於埃塞俄比亞進行投資。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。此外，根據《跨太平洋夥伴關係(TPP)協定》(一項以美國為首的國際協定)，含重51%或以上亞麻的針織布料及梭織布料獲豁免遵守對紡織產品施加的「從紗開始」產地認證規定，因此，預期TPP協定不會對本集團造成重大不利影響。鑑於年產能為5,000噸的埃塞俄比亞項目的第一期工程進一步延誤，現時預期項目將於二零一八年開始試產。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW

Revenue

For the Review Period, the Group's revenue decreased by approximately 20.3% to approximately RMB358,534,000 (six months ended 30 June 2015: RMB449,619,000). The drop of revenue was mainly attributable to the weakened demands of linen yarn from China and other non-European countries. To cope with the weak demands for linen yarn caused by continuously low level of cotton yarn prices, the Group has strategically reduced the average selling prices of its linen yarn since April 2016, in order to boost demand and further increase its market share in the linen yarn market. As a result, the sales in China and non-European countries had a year-on-year decrease of approximately 27.6% and 35.4%, respectively. The adverse effect of declining sales in those countries was partly offset by the yearly increase in revenue from the European Union countries by approximately 15.2%.

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，本集團的收入下跌約20.3%至約人民幣358,534,000元（截至二零一五年六月三十日止六個月：人民幣449,619,000元）。收入下跌主要是由於中國及其他非歐洲國家對亞麻紗的需求轉弱所致。棉紗價格持續處於低水平亦導致對亞麻紗的需求下降。為應對此一情況，本集團自二零一六年四月起策略性地調低亞麻紗的平均售價，冀能刺激需求及進一步提高在亞麻紗市場的市場份額。因此，中國及非歐洲國家的銷售額分別按年下跌約27.6%及35.4%，惟有關不利影響部分被來自歐盟國家的收入的按年增幅約15.2%抵銷。

按銷售地區劃分的收入如下：

銷售地區：

For the six months ended 30 June 截至六月三十日止六個月	
2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2015 二零一五年 RMB'000 人民幣千元 (Unaudited) (未經審核)
107,428	148,311
128,375	111,398
122,731	189,910
358,534	449,619

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 37.5% to approximately RMB75,718,000 (six months ended 30 June 2015: approximately RMB121,180,000). Gross profit margin for the Review Period reduced by 5.9 percentage points to approximately 21.1% (six months ended 30 June 2015: approximately 27.0%) mainly due to the strategic reduction of average selling price of linen yarn during the Review Period and the dropping sales volume of premium linen yarn during the Review Period.

Other Income and Gains

Other income and gains for the Review Period mainly comprises government grants and subsidies of approximately RMB25,050,000 (six months ended 30 June 2015: approximately RMB3,124,000); interest income of approximately RMB1,309,000 (six months ended 30 June 2015: approximately RMB971,000) and an exchange gain of RMB2,713,000 (six months ended 30 June 2015: net exchange loss of approximately RMB3,345,000). There was an unrealised fair value loss on derivative financial instruments of RMB249,000 recognized during the Review Period (six months ended 30 June 2015: fair value gain of RMB8,985,000). The surge in government grants and subsidies received during the Review Period was mainly due to the incentives for the Group's investment in the designated area. The net exchange gain was mainly due to Renminbi depreciation against United States Dollars of approximately 2.4% during the Review Period.

Selling and Distribution Costs

The Group's selling and distribution costs for the Review Period amounted to approximately RMB16,005,000 (six months ended 30 June 2015: approximately RMB17,532,000), which accounted for approximately 4.5% (six months ended 30 June 2015: approximately 3.9%) of the Group's total revenue. The increase in selling costs as a percentage of revenue during the Review Period was mainly due to the increase in proportion of freight charge to sales as a result of the strategic reduction of the selling price of linen yarn since April 2016.

毛利及毛利率

本集團於回顧期的毛利下跌約37.5%至約人民幣75,718,000元(截至二零一五年六月三十日止六個月:約人民幣121,180,000元)。回顧期內的毛利率下跌5.9個百分點至約21.1%(截至二零一五年六月三十日止六個月:約27.0%)，主要是由於回顧期內策略性地調低亞麻紗的平均售價及優質亞麻紗的銷量下跌所致。

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25,050,000元(截至二零一五年六月三十日止六個月:約人民幣3,124,000元)、利息收入約人民幣1,309,000元(截至二零一五年六月三十日止六個月:約人民幣971,000元)及匯兌得益人民幣2,713,000元(截至二零一五年六月三十日止六個月:匯兌虧損淨額約人民幣3,345,000元)。本集團於回顧期內確認衍生金融工具的未變現公允價值虧損人民幣249,000元(截至二零一五年六月三十日止六個月:公允價值得益人民幣8,985,000元)。回顧期內收取的政府補助及補貼大增主要是由於發放本集團於指定地區投資的獎勵所致。錄得匯兌得益淨額主要是由於人民幣兌美元於回顧期內貶值約2.4%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16,005,000元(截至二零一五年六月三十日止六個月:約人民幣17,532,000元)，佔本集團總收入約4.5%(截至二零一五年六月三十日止六個月:約3.9%)。回顧期內的銷售成本佔收入百分比增加，主要是由於自二零一六年四月起策略性地調低亞麻紗的售價，令貨運支出佔銷售的比例增加所致。

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Administrative Expenses

The Group's administrative expenses for the Review Period amounted to approximately RMB28,592,000 (six months ended 30 June 2015: approximately RMB24,022,000), representing an increase of approximately 19.0% as compared with the corresponding period last year. The increase in the Group's administrative expenses was mainly due to an increase of consulting fee of approximately RMB1,202,000 including risk management assessment and design fee of a new factory; an increase of provision of bad debt expense of approximately RMB1,041,000 for certain Italian customers; an increase of personnel costs of approximately RMB343,000; and an increase of share option expense of RMB230,000.

Other Expenses

Other expenses for the Review Period amounted to approximately RMB582,000 which included a fair value loss on derivative financial instrument of RMB249,000 (six months ended 30 June 2015: gain of approximately RMB8,985,000).

Finance Costs

Net finance costs for the Review Period amounted to approximately RMB5,925,000 (six months ended 30 June 2015: approximately RMB5,926,000). Net finance costs represent total interest expense on bank loans less amount capitalized attributable to capital assets. An interest expense of approximately RMB1,380,000 was capitalized during the Review Period (six months ended 30 June 2015: approximately RMB1,070,000).

Share of Loss of an Associate

For the Review Period, there was no share of loss of an associate (six months ended 30 June 2015: share of loss of approximately RMB230,000). The investment in Huaning Flax Electronic Business (Zhejiang) Co., Ltd. (浙江華凝亞麻電子商務有限公司), an associate established in China principally engaging in the sale of linen raw material products and provision of transaction services, was disposed of in 2015.

行政開支

本集團於回顧期內的行政開支約為人民幣28,592,000元(截至二零一五年六月三十日止六個月:約人民幣24,022,000元),較去年同期增加約19.0%。本集團的行政開支增加,主要是由於顧問費(包括風險管理評估及新廠房的設計費用)增加約人民幣1,202,000元,就若干意大利客戶錄得壞賬開支撥備增加約人民幣1,041,000元,人員成本增加約人民幣343,000元,以及購股權開支增加人民幣230,000元。

其他開支

回顧期內的其他開支約為人民幣582,000元,包括衍生金融工具公允價值虧損人民幣249,000元(截至二零一五年六月三十日止六個月:得益約人民幣8,985,000元)。

財務成本

回顧期內的財務成本淨額約為人民幣5,925,000元(截至二零一五年六月三十日止六個月:約人民幣5,926,000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1,380,000元(截至二零一五年六月三十日止六個月:約人民幣1,070,000元)。

應佔一間聯營公司的虧損

回顧期內並無應佔一間聯營公司的虧損(截至二零一五年六月三十日止六個月:應佔虧損約人民幣230,000元)。於浙江華凝亞麻電子商務有限公司(一間在中國成立的聯營公司,主要業務為銷售亞麻原料產品及提供交易服務)的投資已於二零一五年出售。

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Income Tax Expenses

Income tax expense for the Review Period amounted to approximately RMB12,227,000 (six months ended 30 June 2015: approximately RMB21,135,000). The effective tax rate for the Review Period and the corresponding period in 2015 was 22.7% and 25.4% respectively. The drop in the effective tax rate by approximately 2.7 percentage points was mainly attributable to the reversal of withholding tax and a decrease of non-deductible expenses during the Review Period.

Profit for the Review Period

As a result, the Group recorded a net profit for the Review Period of approximately RMB41,519,000 (six months ended 30 June 2015: approximately RMB62,010,000), representing a decrease of approximately 33.0% as compared with the corresponding period last year.

Minority interests

The minority interests represents the share of the net profit of the 20% 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 2015: Nil)

Profit Attributable to Owners of the Parent

The Group recorded a profit attributable to owners of the parent for the Review Period of approximately RMB37,751,000 (six months ended 30 June 2015: RMB62,010,000), representing a decrease of approximately 39.1% as compared with the corresponding period last year.

Liquidity and Financial Resources

As at 30 June 2016, the Group had net current assets of approximately RMB407,998,000 (as at 31 December 2015: approximately RMB429,833,000). The Group financed its operations with internally generated resources and bank loans during the Review Period.

所得稅開支

回顧期內的所得稅開支約為人民幣12,227,000元（截至二零一五年六月三十日止六個月：約人民幣21,135,000元）。回顧期內及二零一五年同期的實際稅率分別為22.7%及25.4%。實際稅率下跌約2.7個百分點，主要是由於回顧期內撥回預扣稅及不可扣稅開支減少所致。

回顧期內溢利

因此，本集團於回顧期內錄得純利約人民幣41,519,000元（截至二零一五年六月三十日止六個月：約人民幣62,010,000元），較去年同期減少約33.0%。

少數股東權益

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」）20%股權所佔純利（截至二零一五年六月三十日止六個月：無）。

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37,751,000元（截至二零一五年六月三十日止六個月：人民幣62,010,000元），較去年同期減少約39.1%。

流動資金及財務資源

於二零一六年六月三十日，本集團的流動資產淨值約為人民幣407,998,000元（於二零一五年十二月三十一日：約人民幣429,833,000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。

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As at 30 June 2016, the Group had cash and cash equivalents of approximately RMB396,374,000 (as at 31 December 2015: approximately RMB237,214,000). The liquidity ratio of the Group as at 30 June 2016 was approximately 151.1% (as at 31 December 2015: approximately 179.1%).

Total equity of the Group as at 30 June 2016 was approximately RMB1,052,234,000 (as at 31 December 2015: approximately RMB1,043,978,000). As at 30 June 2016, the Group had bank loans repayable within 12 months from the date of the statement of financial position of approximately RMB524,788,000 (as at 31 December 2015: approximately RMB368,033,000). The gross debt gearing ratio (i.e. total borrowings/total equity) amounted to approximately 49.9% (as at 31 December 2015: approximately 35.3%). The Board believes that the Group's existing financial resources are sufficient for the Group's capital expenditure requirement in the remaining period of 2016.

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

CAPITAL COMMITMENTS

As at 30 June 2016, 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 RMB163,344,000 (as at 31 December 2015: approximately RMB97,230,000). There was no capital commitment authorised but not contracted for (as at 31 December 2015: Nil).

CONTINGENT LIABILITIES

As at 30 June 2016, the Group did not have any contingent liabilities.

於二零一六年六月三十日，本集團的現金及現金等價物約為人民幣396,374,000元（於二零一五年十二月三十一日：約人民幣237,214,000元）。本集團於二零一六年六月三十日的流動比率約為151.1%（於二零一五年十二月三十一日：約179.1%）。

本集團於二零一六年六月三十日的權益總額約為人民幣1,052,234,000元（於二零一五年十二月三十一日：約人民幣1,043,978,000元）。於二零一六年六月三十日，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524,788,000元（於二零一五年十二月三十一日：約人民幣368,033,000元）。總資本負債率（即總借貸／權益總額）約為49.9%（於二零一五年十二月三十一日：約35.3%）。董事會相信，本集團現有的財務資源足以應付本集團於二零一六年餘下時間的資本開支需要。

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

於二零一六年六月三十日，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163,344,000元（於二零一五年十二月三十一日：約人民幣97,230,000元）。於二零一五年十二月三十一日，本集團並無已授權但尚未訂約的資本承擔（於二零一五年十二月三十一日：無）。

或有負債

於二零一六年六月三十日，本集團並無任何或有負債。

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CHARGE ON ASSETS

As at 30 June 2016, the interest-bearing bank loans were secured by certain property, plant and equipment, prepaid land lease payments, inventories and pledged deposits of the Group with carrying amounts of approximately RMB111,012,000 (as at 31 December 2015: approximately RMB70,282,000), approximately RMB28,075,000 (as at 31 December 2015: approximately RMB28,598,000), approximately RMB40,000,000 (as at 31 December 2015: approximately RMB40,000,000) and approximately RMB45,907,000 (as at 31 December 2015: approximately RMB41,511,000), respectively.

MATERIAL INVESTMENTS

During the Review Period, the Board has approved the formation of Heilongjiang Jinda where the Group would own 80% of the equity interest of Heilongjiang Jinda. Heilongjiang Jinda will build a factory in Qinggang County, Heilongjiang for the production of flax and industrial hemp yarn.

Heilongjiang Jinda has engaged one of the largest engineering design institutes in the PRC to provide an engineering procurement construction (EPC)/Turn-key services in respect of the construction of the factory to Heilongjiang Jinda at a contract price of RMB87,800,000. Please refer to the Company's announcement dated 13 May 2016 for details.

Saved for disclosed above, 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 negligible fair value and hence no asset nor liability was recognized as at 30 June 2016 (as at 31 December 2015: liability of RMB2,258,000).

資產押記

於二零一六年六月三十日，計息銀行貸款以本集團賬面金額分別約人民幣111,012,000元（於二零一五年十二月三十一日：約人民幣70,282,000元）、人民幣28,075,000元（於二零一五年十二月三十一日：約人民幣28,598,000元）、人民幣40,000,000元（於二零一五年十二月三十一日：約人民幣40,000,000元）及人民幣45,907,000元（於二零一五年十二月三十一日：約人民幣41,511,000元）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。

重大投資

於回顧期內，董事會批准成立黑龍江金達，本集團將擁有其80%股權。黑龍江金達將於黑龍江青岡縣興建一座廠房，以生產亞麻紗及工業大麻紗。

黑龍江金達已委聘中國其中一家最大的工程設計院，以就興建廠房向黑龍江金達提供設計採購施工(EPC)/總承包服務，合約價為人民幣87,800,000元。詳情請參閱本公司日期為二零一六年五月十三日之公佈。

除上文所披露者外，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，而於二零一六年六月三十日，本集團有公允價值微乎其微的衍生金融工具，因此並無確認任何資產或負債（於二零一五年十二月三十一日：負債人民幣2,258,000元）。

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REMUNERATION POLICY AND SHARE OPTION SCHEMES

As at 30 June 2016, the Group had a total of 2,605 employees (30 June 2015: 2,671 employees). Total staff costs incurred for the Review Period amounted to approximately RMB80,710,000 (six months ended 30 June 2015: RMB78,946,000).

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 share option scheme adopted on 12 December 2006 ("Old Scheme") expired in 2016. The Group adopted a new share option scheme ("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 remained outstanding under the Old Scheme as at 30 June 2016. Of which, options carrying rights to subscribe for 6,675,000 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.

薪酬政策及購股權計劃

於二零一六年六月三十日，本集團合共聘有2,605名僱員（二零一五年六月三十日：2,671名僱員）。回顧期內產生的員工總成本約為人民幣80,710,000元（截至二零一五年六月三十日止六個月：人民幣78,946,000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。

於二零零六年十二月十二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本集團董事、僱員、顧問、客戶、供應商、代理、業務夥伴、諮詢人或承辦商提供激勵及獎勵。於二零一六年六月三十日，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股股份的購股權尚未行使，其中附帶權利可認購6,675,000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。

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OUTLOOK AND PLANS

The Brexit, together with the ongoing refugee problem in Europe and the recurrent terrorist attacks by ISIS are expected to seriously damage consumer confidence, especially that in Europe in the short term.

However, the trend of environment-friendliness and the use of natural fibers has been set.

As many countries have committed to curbing climate change at the 2015 United Nations Climate Change Conference held in Paris, many fashion brands had also set their own targets of carbon footprint reduction including the use of sustainable materials and zero hazardous discharges. Linen yarn is made from all natural ingredients. It is environment-friendly and of low carbon footprint, and resonates with global trend of casual dressing. In light of the above, the Group considers that linen yarn is likely to remain in relatively high demand in the years to come.

In addition, the Group has stepped up its marketing efforts to promote the linen textile industry and to build up its brand. The Group has also organized and participated in various Kingdom Linen Day almost every month during the Review Period in various countries including Turkey, Korea, India, Japan, Italy and in China. The Company believes that those efforts may not be rewarded in the short-term, but will ensure its sustainable business growth in the long run.

Built on the foundation of the past 25 years of industrialization and hundreds of millions of middle-class created by the industrialization, the Chinese government is also promoting the domestic consumption to lessen the reliance of export for the Chinese gross domestic products (“GDP”). As a leading enterprise in the linen yarn manufacturing industry, Kingdom will endeavour to boost brand equity and consolidate its industry position by technical innovation, expanding capacity, enhancing production efficiency as well as speeding up the development of domestic and foreign markets.

前景及計劃

脫歐的公投結果加上歐洲面對的難民問題及伊斯蘭國多次發動恐怖襲擊，短期內預期會嚴重打擊消費者信心，當中以歐洲最受影響。

然而，推動環保及使用天然纖維已成趨勢。

二零一五年在巴黎舉行的聯合國氣候變化大會上，多個國家已承諾採取措施應對氣候變化。有鑑於此，許多時裝品牌亦已自行制定減少碳足印的目標，包括使用可持續物料及停止排放有害廢料。亞麻紗由純天然材料製成，既環保亦具低碳足印特性，符合現時全球崇尚簡便衣飾的大趨勢，因此本集團認為亞麻紗未來數年的需求很可能繼續高企。

此外，本集團已加快進行營銷工作，推動亞麻紡織品產業，同時建立集團品牌。於回顧期內，本集團差不多每月舉行並參與「金達亞麻日」，活動地點包括土耳其、韓國、印度、日本、意大利、中國等國家。本公司相信，集團的努力未必能於短期內取得成果，但長遠將可確保業務持續發展及增長。

憑藉過去25年的工業化根基及日漸擴大的中產階層，中國政府亦正鼓勵國內消費，減少依賴出口在中國國內生產總值的佔比。作為領先的亞麻紗生產企業，金達將竭力透過技術升級、擴大產能、提高生產效益及加快發展國內外市場，提升品牌價值，鞏固行業地位。

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 2016, 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

於二零一六年六月三十日，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 (%)
					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	324,000	67,000,000 (Note 3) (附註3)	67,324,000	10.69
Ms. Shen Hong	沈鴻女士	424,000	–	424,000	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 50.22% 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50.22%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 2016, no share options were granted to the Directors or any of their associates.

Save as disclosed above, as at 30 June 2016, 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

於二零一六年六月三十日，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，於二零一六年六月三十日，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 2016, 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 2016, 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

就任何董事目前所知，於二零一六年六月三十日，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。
- 非執行董事顏金煒先生及顏陳秀吉女士（顏先生的配偶）分別擁有Millionfull International 51.00%及23.00%的權益。

除以上所披露者外，於二零一六年六月三十日，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 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 2016.

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 2016 (30 June 2015: Nil).

SHARE OPTION SCHEMES

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.

購買、出售或贖回本公司上市股份

本公司或其任何附屬公司於截至二零一六年六月三十日止六個月期間內概無購買、出售或贖回本公司任何上市證券。

企業策略及長期業務模式

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二零一六年六月三十日止六個月宣派任何中期股息（二零一五年六月三十日：無）。

購股權計劃

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、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。

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

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.

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.

Options carrying rights to subscribe for a maximum of 22,250,000 shares were granted on 24 August 2015 (the "Date of Grant") and remained outstanding under the Old Scheme as at 30 June 2016 with details as follows:

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。

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。

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，且於二零一六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 1/1/2016 於 二零一六年 一月一日	Granted during the period	Exercised during the period	Forfeited during the period	Cancelled during the period	As at 30/06/2016 於 二零一六年 六月三十日	Exercise period
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	7,250,000	-	-	-	-	7,250,000	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
Business consultants 業務顧問	24/08/2015 二零一五年八月二十四日	2.0	4,500,000	-	-	-	-	4,500,000	note 1 附註1
Total 合計			<u>22,250,000</u>					<u>22,250,000</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 6,675,000 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 2016 and up to the date of this interim report.

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 2016.

附註1：

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

- (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6,675,000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，概無該等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，董事已確認於截至二零一六年六月三十日止六個月及直至本中期報告日期，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，本公司於截至二零一六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 2016 have been reviewed 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。本集團截至二零一六年六月三十日止期間的中期業績已由審核委員會審閱。

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 2016 (unaudited) 截至二零一六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		2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2015 二零一五年 RMB'000 人民幣千元 (Unaudited) (未經審核)
REVENUE	收入	4		358,534	449,619
Cost of sales	銷售成本			(282,816)	(328,439)
Gross profit	毛利			<u>75,718</u>	<u>121,180</u>
Other income and gains	其他收益及得益	4		29,132	13,221
Selling and distribution costs	銷售及分銷成本			(16,005)	(17,532)
Administrative expenses	行政開支			(28,592)	(24,022)
Other expenses	其他開支			(582)	(3,546)
Finance costs	財務成本	5		(5,925)	(5,926)
Share of profits or losses of an associate	應佔一間聯營公司 溢利或虧損			-	(230)
PROFIT BEFORE INCOME TAX EXPENSE	除所得稅開支前溢利	6		<u>53,746</u>	<u>83,145</u>
Income tax expense	所得稅開支	7		(12,227)	(21,135)
PROFIT FOR THE PERIOD	期內溢利			<u>41,519</u>	<u>62,010</u>
Attributable to:	由下列項目應佔:				
Owners of the parent	母公司擁有人			37,751	62,010
Non-controlling interests	非控制性權益			3,768	-
				<u>41,519</u>	<u>62,010</u>
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		<u>RMB人民幣0.06元</u>	<u>RMB人民幣0.10元</u>
Diluted	攤薄	9		<u>RMB人民幣0.06元</u>	<u>RMB人民幣0.10元</u>

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 2016 (unaudited) 截至二零一六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	
		2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2015 二零一五年 RMB'000 人民幣千元 (Unaudited) (未經審核)
PROFIT FOR THE PERIOD	期內溢利	41,519	62,010
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	(826)	(532)
TOTAL COMPREHENSIVE INCOME, FOR THE PERIOD	期內全面收益總額	40,693	61,478
Attributable to:	由下列項目應佔：		
Owners of the parent	母公司擁有人	36,925	61,478
Non-controlling interests	非控制性權益	3,768	-
		40,693	61,478

Interim Condensed Consolidated Statement of Financial Position

中期簡明合併財務狀況表

As at 30 June 2016 (unaudited) 於二零一六年六月三十日 (未經審核)

			30 June 2016 二零一六年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2015 二零一五年 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	物業、廠房及設備	10	565,565	543,976
Investment property	投資物業		1,995	2,080
Prepaid land lease payments	土地租賃預付款項		67,383	52,065
Intangible asset	無形資產	11	8,780	9,083
Prepayments for equipment	設備預付款項		12,046	13,194
Deferred tax assets	遞延稅項資產		5,457	5,935
Total non-current assets	非流動資產總值		661,226	626,333
CURRENT ASSETS	流動資產			
Inventories	存貨	12	460,695	340,902
Trade and notes receivables	應收貿易賬款及應收票據	13	217,171	306,821
Prepayments, deposits and other receivables	預付款、押金及其他應收款項		45,939	28,226
Pledged deposits	已抵押存款		85,725	60,351
Cash and cash equivalents	現金及現金等價物		396,374	237,214
Total current assets	流動資產總值		1,205,904	973,514
CURRENT LIABILITIES	流動負債			
Trade and notes payables	應付貿易賬款及應付票據	14	164,640	98,048
Other payables and accruals	其他應付款項及預提費用		51,985	51,462
Interest-bearing bank borrowings	計息銀行借貸	15	524,788	368,033
Derivative financial instruments	衍生金融工具	18	-	2,258
Dividend payable	應付股息		43,244	187
Tax payable	應付稅項		13,249	23,693
Total current liabilities	流動負債總額		797,906	543,681
NET CURRENT ASSETS	流動資產淨值		407,998	429,833
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		1,069,224	1,056,166

Interim Condensed Consolidated Statement of Financial Position

中期簡明合併財務狀況表

As at 30 June 2016 (unaudited) 於二零一六年六月三十日 (未經審核)

		Notes	30 June 2016 二零一六年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
		附註		
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		1,069,224	1,056,166
NON-CURRENT LIABILITIES	非流動負債			
Deferred tax liabilities	遞延稅項負債		16,990	12,188
Total non-current liabilities	非流動負債總額		16,990	12,188
Net assets	資產淨值		1,052,234	1,043,978
EQUITY	權益			
Equity attributable to owners of the parent	母公司擁有人應佔權益			
Issued capital	已發行股本	16	6,329	6,329
Reserves	儲備		1,032,137	1,037,649
			1,038,466	1,043,978
Non-controlling interests	非控制性權益		13,768	–
Total equity	權益總額		1,052,234	1,043,978

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 2016 截至二零一六年六月三十日止六個月

		Attributable to owners of the parent 母公司擁有人應佔							Non-controlling interests		Total equity
		Issued capital	Share premium	Merger reserve	Statutory reserve	Share option reserve	Exchange reserve	Retained profits	Total	Non-controlling interests	Total equity
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
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
At 1 January 2015	於二零一五年一月一日	6,345	273,407	196,816	90,382	-	(3,069)	397,781	961,662	-	961,662
Profit for the period	期內溢利	-	-	-	-	-	-	62,010	62,010	-	62,010
Exchange differences on translation of foreign operations	換算海外業務的匯兌差額	-	-	-	-	-	(532)	-	(532)	-	(532)
Total comprehensive income for the period	期內全面收益總額	-	-	-	-	-	(532)	62,010	61,478	-	61,478
Share repurchase	購回股份	(16)	(2,018)	-	-	-	-	-	(2,034)	-	(2,034)
Final 2014 dividend declared	已宣派二零一四年末期股息	-	-	-	-	-	-	(37,370)	(37,370)	-	(37,370)
At 30 June 2015 (Unaudited)	於二零一五年六月三十日 (未經審核)	6,329	271,389	196,816	90,382	-	(3,601)	422,421	983,736	-	983,736

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 2016 (unaudited) 截至二零一六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

		2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2015 二零一五年 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	53,746	83,145
Adjustments for:	調整項目:		
Share of profits and losses of an associate	應佔一間聯營公司溢利及虧損	-	230
Fair value gains on derivative instruments – transactions not qualifying as hedges	衍生工具的公允價值得益 – 不合資格作對沖的交易	249	(8,985)
Equity-settled share option expenses	以權益結算購股權開支	230	-
Depreciation	折舊	31,174	31,796
Amortisation of prepaid land lease payments	土地租賃預付款項攤銷	663	659
Amortisation of an intangible asset	無形資產攤銷	303	303
Provision for impairment of inventories	存貨減值撥備	1,344	2,729
Gain on disposal of items of property, plant and equipment	出售物業、廠房及設備項目得益	-	(2)
Provision for/(reversal of) impairment of doubtful debts	呆賬減值撥備/(轉回)	977	(17)
Finance costs	財務成本	5,925	5,926
Exchange losses, net	匯兌虧損淨額	390	-
Bank interest income	銀行利息收入	(1,309)	(971)
		93,692	114,813
Increase in inventories	存貨增加	(121,137)	(84,072)
Decrease in trade and notes receivables	應收貿易賬款及應收票據減少	88,673	12,705
Increase in prepayments, deposits and other receivables	預付款、押金及其他應收款項增加	(17,713)	(11,202)
(Increase)/decrease in derivative financial instruments	衍生金融工具(增加)/減少	(2,507)	2,121
Increase in trade and notes payables	應付貿易賬款及應付票據增加	66,592	6,932
Increase/(decrease) in other payables and accruals	其他應付款項及預提費用增加/(減少)	523	(1,439)
Decrease in an amount due to an associate	應付一間聯營公司款項減少	-	(100)
Cash generated from operations	經營活動產生的現金	108,123	39,758
Interest received	已收利息	1,309	971
Income tax paid	已付所得稅	(17,391)	(22,250)
Net cash flows generated from operating activities	經營活動產生的現金流量淨額	92,041	18,479

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 2016 (unaudited) 截至二零一六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	
		2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2015 二零一五年 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	(70,012)	(34,207)
Prepayments for equipment	設備預付款項	(12,046)	(12,682)
Proceeds from disposal of items of property, plant and equipment	出售物業、廠房及設備項目所得款項	-	4
Proceeds from pledged deposits	已抵押存款之所得款項	60,351	69,186
New pledged deposits	新造已抵押存款	(85,725)	(54,552)
Net cash flows used in investing activities	投資活動所用的現金流量淨額	(107,432)	(32,251)
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動的現金流量		
New bank loans	新造銀行貸款	358,979	155,760
Repayment of bank loans	償還銀行貸款	(202,224)	(157,312)
Share repurchase	購回股份	-	(2,034)
Interest paid	已付利息	(7,305)	(6,996)
Government grants received	已收政府補助	15,930	-
Capital injection from non-controlling shareholders	非控股股東注資	10,000	-
Dividends paid	已付股息	-	(127)
Net cash flows generated from/ (used in) financing activities	融資活動產生/(所用)的現金流量淨額	175,380	(10,709)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等價物增加/(減少)淨額	159,989	(24,481)
Cash and cash equivalents at beginning of period	期初現金及現金等價物	237,214	217,185
Effect of foreign exchange rate changes, net	匯率變動影響淨額	(829)	(524)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	期末現金及現金等價物	396,374	192,180
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	482,099	246,732
Less: Pledged deposits	減: 已抵押存款	85,725	54,552
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	396,374	192,180

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

For the six months ended 30 June 2016 (unaudited) 截至二零一六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 2016 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 2015.

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

截至二零一六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，故應與本集團截至二零一五年十二月三十一日止年度的全年財務報表一併閱覽。

Notes to the Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

For the six months ended 30 June 2016 (unaudited) 截至二零一六年六月三十日止六個月(未經審核)

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 2016 are consistent with those used in the preparation of the Group's annual financial statements for the year ended 31 December 2015, 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.

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 2015, except for the adoption of new standards and interpretations effective as of 1 January 2016.

The Group has applied, for the first time, several new standards and amendments in 2016. However, they do not impact the annual consolidated financial statements of the Group or the interim condensed consolidated financial statements of the Group.

2.2 主要會計政策概要

編製截至二零一六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二零一五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。

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二零一五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，惟採納於二零一六年一月一日生效的新訂準則及詮釋除外。

本集團於二零一六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。

Notes to the Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

For the six months ended 30 June 2016 (unaudited) 截至二零一六年六月三十日止六個月(未經審核)

2.3 ADOPTION OF NEW AND REVISED IFRSs (continued)

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

<i>Amendments to IFRS 10, IFRS 12 and IAS 28 (2011)</i>	<i>Investment Entities: Applying the Consolidation Exception</i>
<i>Amendments to IFRS 11</i>	<i>Accounting for Acquisitions of Interests in Joint Operations</i>
<i>Amendments to IAS 1</i>	<i>Disclosure Initiative</i>
<i>Amendments to IAS 16 and IAS 38</i>	<i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>
<i>Amendments to IAS 16 and IAS 41</i>	<i>Agriculture: Bearer Plants</i>
<i>Amendments to IAS 27 (2011)</i>	<i>Equity Method in Separate Financial Statements</i>
<i>Annual Improvements 2012-2014 Cycle</i>	<i>Amendments to a number of IFRSs</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》(續)

本公司於本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》。

《國際財務報告準則》第10號、《國際財務報告準則》第12號及《國際會計準則》第28號(二零一一年)的修訂本	投資實體：應用合併例外情況
《國際財務報告準則》第11號的修訂本	收購聯合經營權益的會計法
《國際會計準則》第1號的修訂本	披露計劃
《國際會計準則》第16號及《國際會計準則》第38號的修訂本	澄清可接納的折舊及攤銷法
《國際會計準則》第16號及《國際會計準則》第41號的修訂本	農業：生產性植物
《國際會計準則》第27號(二零一一年)的修訂本	獨立財務報表的權益法
年度改進二零一二年至二零一四年週期	多項《國際財務報告準則》的修訂本

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 the Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

For the six months ended 30 June 2016 (unaudited) 截至二零一六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 2016 is set out in the following table:

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

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

Information about a major customer

No revenue amounting to 10 percent or more of the Group's revenue was derived from sales to a single customer for the six months ended 30 June 2016 (six months ended 30 June 2015: Nil).

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二零一六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	
2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2015 二零一五年 RMB'000 人民幣千元 (Unaudited) (未經審核)
107,428	148,311
128,375	111,398
122,731	189,910
358,534	449,619

- (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

於截至二零一六年六月三十日止六個月，並無向單一客戶進行的銷售收入佔本集團收入10%或以上（截至二零一五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 2016 (unaudited) 截至二零一六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
Fair value gains on derivate financial instruments – transactions not qualifying as hedges	衍生金融工具的公允價值得益 – 不合資格作對沖的交易

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	
2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2015 二零一五年 RMB'000 人民幣千元 (Unaudited) (未經審核)
358,534	449,619
1,309	971
25,050	3,124
60	141
26,419	4,236
2,713	–
–	8,985
2,713	8,985
29,132	13,221

5. FINANCE COSTS

Interest on bank loans,
wholly repayable within five years
Less: interest capitalised

須於五年內全數償還的銀行貸款
的利息
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	
2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2015 二零一五年 RMB'000 人民幣千元 (Unaudited) (未經審核)
7,305	6,996
(1,380)	(1,070)
5,925	5,926

Notes to the Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

For the six months ended 30 June 2016 (unaudited) 截至二零一六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	
		2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2015 二零一五年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Cost of inventories sold	出售存貨成本	282,816	328,439
Depreciation	折舊	31,174	31,796
Amortisation of prepaid land lease payments	土地租賃預付款項攤銷	663	659
Amortisation of intangible assets	無形資產攤銷	303	303
Research and development ("R&D") expenses	研究及開發(「研發」)開支	2,742	2,768
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	802	894
Auditors' remuneration	核數師酬金	900	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	75,542	74,179
Pension scheme contributions	退休金計劃供款	4,938	4,767
Equity-settled share option expense	以權益結算購股權開支	230	–
		80,710	78,946
Foreign exchange differences, net	外匯差額淨額	(2,713)	3,345
Fair value gains on derivative financial instruments	衍生金融工具的公允價值得益		
– transactions not qualifying as hedges	– 不合資格作對沖的交易	–	(8,985)
Write-down of inventories to net realisable value	撇減存貨至可變現淨值	1,344	2,729
Impairment of trade receivables/ (Reversal of provision for impairment of trade receivables)	應收貿易賬款減值／ (轉回應收貿易賬款減值撥備)	977	(17)
Finance costs	財務成本	5,925	5,926
Bank interest income	銀行利息收入	(1,309)	(971)

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中期簡明合併財務報表附註

For the six months ended 30 June 2016 (unaudited) 截至二零一六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
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	
2016	2015
二零一六年	二零一五年
RMB'000	RMB'000
人民幣千元	人民幣千元
(Unaudited)	(Unaudited)
(未經審核)	(未經審核)
6,849	18,613
98	927
5,280	1,595
12,227	21,135

- (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。

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For the six months ended 30 June 2016 (unaudited) 截至二零一六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%.

(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%. No Italy profits tax has been provided as the Group has not generated any assessable profits arising in Italy during the period (six months ended 30 June 2015: Nil).

8. DIVIDEND

The board has resolved not to declare any interim dividend in respect of the six months ended 30 June 2016 (six months ended 30 June 2015: 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%。

(iii) 香港利得稅按年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。由於本集團於期內並無產生任何應課稅溢利，故並無就意大利利得稅計提撥備(截至二零一五年六月三十日止六個月：無)。

8. 股息

董事會議決不宣派截至二零一六年六月三十日止六個月的任何中期股息(截至二零一五年六月三十日止六個月：無)。

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

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

The calculation of the basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares of 629,678,000 (six months ended 30 June 2015: 630,716,000) 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期內已發行普通股加權平均數629,678,000股(截至二零一五年六月三十日止六個月: 630,716,000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	
		2016 二零一六年 RMB'000 人民幣千元 (unaudited) (未經審核)	2015 二零一五年 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	37,751	62,010

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

9. 母公司普通股權益持有人應佔每股基本及攤薄盈利 (續)

		Number of shares 股份數目	
		2016 二零一六年 '000 千股	2015 二零一五年 '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	629,678	630,716
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	22,250	–
		651,928*	630,716

* 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 RMB37,751,000 and the weighted average number of ordinary shares of 629,678,000 in issue during the period.

* 由於計及購股權時會增加每股攤薄盈利的數額，故購股權對期內每股基本盈利具有反攤薄影響，而於計算每股攤薄盈利時已排除購股權。因此，每股攤薄盈利的數額乃依照期內溢利人民幣37,751,000元及期內已發行普通股加權平均數629,678,000股計算。

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中期簡明合併財務報表附註

For the six months ended 30 June 2016 (unaudited) 截至二零一六年六月三十日止六個月(未經審核)

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 2015 and at 1 January 2016:	於二零一五年十二月三十一日 及於二零一六年一月一日:							
Cost	成本	281,947	590,767	57,722	9,897	13,866	42,888	997,087
Accumulated depreciation	累計折舊	(81,293)	(333,171)	(23,030)	(7,114)	(8,503)	-	(453,111)
Net carrying amount	賬面淨額	<u>200,654</u>	<u>257,596</u>	<u>34,692</u>	<u>2,783</u>	<u>5,363</u>	<u>42,888</u>	<u>543,976</u>
At 1 January 2016, net of accumulated depreciation	於二零一六年一月一日， 扣除累計折舊	200,654	257,596	34,692	2,783	5,363	42,888	543,976
Additions	添置	2,002	554	1,483	404	964	47,268	52,675
Depreciation provided during the period	期內折舊撥備	(7,168)	(18,932)	(3,185)	(488)	(1,316)	-	(31,089)
Transfers	轉撥	5,561	(268)	(1,952)	-	280	(3,621)	-
Exchange realignment	匯兌調整	-	4	(1)	-	-	-	3
At 30 June 2016, net of accumulated depreciation	於二零一六年六月三十日， 扣除累計折舊	<u>201,049</u>	<u>238,954</u>	<u>31,037</u>	<u>2,699</u>	<u>5,291</u>	<u>86,535</u>	<u>565,565</u>
At 30 June 2016:	於二零一六年六月三十日:							
Cost	成本	289,510	575,297	57,240	10,301	15,111	86,535	1,033,994
Accumulated depreciation	累計折舊	(88,461)	(336,343)	(26,203)	(7,602)	(9,820)	-	(468,429)
Net carrying amount	賬面淨額	<u>201,049</u>	<u>238,954</u>	<u>31,037</u>	<u>2,699</u>	<u>5,291</u>	<u>86,535</u>	<u>565,565</u>

As at 30 June 2016, the Group's property, plant and equipment with a net carrying amount of approximately RMB111,012,000 (31 December 2015: RMB70,282,000) 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，於二零一六年六月三十日，本集團賬面淨額約人民幣111,012,000元(二零一五年十二月三十一日：人民幣70,282,000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. INTANGIBLE ASSET

11. 無形資產

		Certified emission rights 認證排放權
		RMB'000 人民幣千元
At 1 January 2016, net of accumulated amortization	於二零一六年一月一日，	
	扣除累計攤銷	9,083
Amortisation provided during the period	期內攤銷撥備	(303)
At 30 June 2016, net of accumulated amortization (Unaudited)	於二零一六年六月三十日， 扣除累計攤銷 (未經審核)	<u>8,780</u>
At 30 June 2016:	於二零一六年六月三十日：	
Cost	成本	12,096
Accumulated amortisation	累計攤銷	(3,316)
Net carrying amount	賬面淨額	<u>8,780</u>

12. INVENTORIES

12. 存貨

		30 June 2016 二零一六年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Raw materials	原材料	162,962	178,318
Work in progress	在製品	33,320	32,741
Finished goods	製成品	264,413	129,843
		<u>460,695</u>	<u>340,902</u>

As at 30 June 2016, inventories with a carrying amount of RMB40,000,000 (31 December 2015: RMB40,000,000) were pledged to secure bank loans granted to the Group as set out in note 15(i).

於二零一六年六月三十日，如附註15(i)所載，賬面金額為人民幣40,000,000元（二零一五年十二月三十一日：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

Trade receivables	應收貿易賬款
Notes receivable	應收票據
Impairment	減值

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.

13. 應收貿易賬款及應收票據

30 June 2016 二零一六年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
180,638	226,473
39,425	82,263
(2,892)	(1,915)
217,171	306,821

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 2016 二零一六年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
89,339	191,785
19,454	11,969
31,453	13,201
37,500	7,603
177,746	224,558

14. TRADE AND NOTES PAYABLES

An aged analysis of the trade and notes payables as at 30 June 2016, 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

14. 應付貿易賬款及應付票據

於二零一六年六月三十日，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 2016 二零一六年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
32,100	52,518
132,540	45,530
164,640	98,048

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 2016 (unaudited) 截至二零一六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 2016	31 December 2015
		二零一六年 六月三十日	二零一五年 十二月三十一日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
Current	即期		
Secured bank loans	有抵押銀行貸款	(i) 252,057	90,708
Unsecured bank loans	無抵押銀行貸款	272,731	277,325
		524,788	368,033

Notes:

- (i) As at 30 June 2016, the current interest-bearing bank loans were secured by certain property, plant and equipment, prepaid land lease payments, inventories and pledged deposits of the Group with carrying amounts of approximately RMB111,012,000 (31 December 2015: approximately RMB70,282,000), approximately RMB28,075,000 (31 December 2015: approximately RMB28,598,000), approximately RMB40,000,000 (31 December 2015: approximately RMB40,000,000) and approximately RMB45,907,000 (31 December 2015: approximately RMB41,511,000), respectively.
- (ii) The bank borrowings bear interest at rates ranging from 1.21% to 5.09% per annum (31 December 2015: 3.06% to 5.40% per annum).

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

附註:

- (i) 於二零一六年六月三十日，即期計息銀行借貸以本集團賬面金額分別約人民幣111,012,000元(二零一五年十二月三十一日：約人民幣70,282,000元)、約人民幣28,075,000元(二零一五年十二月三十一日：約人民幣28,598,000元)、約人民幣40,000,000元(二零一五年十二月三十一日：約人民幣40,000,000元)及約人民幣45,907,000元(二零一五年十二月三十一日：約人民幣41,511,000元)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) 銀行借貸按年利率1.21%至5.09%(二零一五年十二月三十一日：年利率3.06%至5.40%)計息。

由於短期內到期，故本集團計息銀行貸款的賬面金額與其公允價值相若。

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中期簡明合併財務報表附註

For the six months ended 30 June 2016 (unaudited) 截至二零一六年六月三十日止六個月(未經審核)

16. ISSUED CAPITAL

Authorised:

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

30 June 2016 二零一六年六月三十日		31 December 2015 二零一五年十二月三十一日	
Number of shares	Amount HK\$'000 金額 千港元	Number of shares	Amount HK\$'000 金額 千港元
3,000,000,000	30,000	3,000,000,000	30,000

16. 已發行股本

法定：

Issued and fully paid:

已發行及繳足：

		30 June 2016 二零一六年六月三十日			31 December 2015 二零一五年十二月三十一日		
		Amount 金額			Amount 金額		
		Number of shares	HK\$'000	RMB'000 equivalent 人民幣千元 (等值)	Number of shares	HK\$'000	RMB'000 equivalent 人民幣千元 (等值)
		股份數目	千港元		股份數目	千港元	
At the beginning	最初	629,678,000	6,297	6,329	631,600,000	6,316	6,345
Share repurchase	購回股份	-	-	-	(1,922,000)	(19)	(16)
At the end	最終	629,678,000	6,297	6,329	629,678,000	6,297	6,329

The Company purchased 1,922,000 of its shares on the Stock Exchange in March and April 2015 for a total consideration of RMB2,034,000. The purchased shares were cancelled during the period and the issued capital of the Company was reduced by the par value thereof. The premium paid on the purchase of the shares of RMB2,018,000 was charged to share premium of the Company.

於二零一五年三月及四月，本公司在聯交所購回其1,922,000股股份，總代價為人民幣2,034,000元。購回的股份已於期內註銷，而本公司已發行股本已按有關面值予以削減。購回股份時支付的溢價人民幣2,018,000元已自本公司股份溢價扣除。

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中期簡明合併財務報表附註

For the six months ended 30 June 2016 (unaudited) 截至二零一六年六月三十日止六個月(未經審核)

17. 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:

17. 按類別分類的金融工具

於報告期末，各類別金融工具的賬面金額如下：

Financial assets:

金融資產：

As at 30 June 2016

Trade and notes receivables

Financial assets included in prepayments,
deposits and other receivables

Cash and cash equivalents

Pledged deposits

Total

於二零一六年六月三十日

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

現金及現金等價物

已抵押存款

總計

Loans and
receivables
貸款及
應收款項
RMB'000
人民幣千元
(Unaudited)
(未經審核)

217,171

40,852

396,374

85,725

740,122

Loans and
receivables
貸款及
應收款項
RMB'000
人民幣千元
(Audited)
(經審核)

As at 31 December 2015

Trade and notes receivables

Financial assets included in prepayments,
deposits and other receivables

Cash and cash equivalents

Pledged deposits

Total

於二零一五年十二月三十一日

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

現金及現金等價物

已抵押存款

總計

306,821

23,639

237,214

60,351

628,025

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中期簡明合併財務報表附註

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17. 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:

As at 30 June 2016
Interest-bearing bank loans
Financial liabilities included in other payables
Trade payables
Dividend payable

Total

金融負債：

於二零一六年六月三十日
計息銀行貸款
計入其他應付款項的金融負債
應付貿易賬款
應付股息

總計

17. 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
按攤銷成本列賬的金融負債
RMB'000
人民幣千元
(Unaudited)
(未經審核)

524,788
44,641
164,640
43,244

777,313

	Financial liabilities at amortized cost	Financial liabilities at fair value through profit or loss	Total
	按攤銷成本入賬的金融負債	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 2015	於二零一五年十二月三十一日		
Interest-bearing bank loans	計息銀行貸款	368,033	368,033
Financial liabilities included in other payables	計入其他應付款項的金融負債	39,344	39,344
Trade and notes payables	應付貿易賬款及應付票據	98,048	98,048
Dividend payable	應付股息	187	187
Financial liabilities at fair value through profit or loss	按公允價值計入損益的金融負債	–	2,258
Total	總計	505,612	507,870

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18. 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 2016:

18. 金融工具的公允價值及公允價值等級架構

下文載列於二零一六年六月三十日金融工具賬面金額及公允價值的比較：

		30 June 2016 二零一六年六月三十日		31 December 2015 二零一五年十二月三十一日	
		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：				
Derivative financial instruments	衍生金融工具	-	-	(2,258)	(2,258)

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 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.

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

本集團與多名對手方（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。

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

As at 30 June 2016, 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 2016, financial assets at fair value through profit or loss – foreign currency forward contracts was measured to be nil by using significant observable inputs (Level 2).

During the six months ended 30 June 2016, 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 (2015: Nil).

18. 金融工具的公允價值及公允價值等級架構(續)

於二零一六年六月三十日，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。

於二零一六年六月三十日，按公允價值計入損益的金融資產—外匯遠期合約利用重大可觀察輸入值(第二層)計量為零。

於截至二零一六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，亦無轉入第三層或自第三層轉出(二零一五年：無)。

Notes to the Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

For the six months ended 30 June 2016 (unaudited) 截至二零一六年六月三十日止六個月(未經審核)

19. OPERATING LEASE COMMITMENTS

Non-cancellable operating lease rentals were payable as follows:

Less than one year	一年內
Between one and five years	一年後但五年內

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

20. CAPITAL COMMITMENTS

Capital commitments in respect of the purchase of property, plant and equipment outstanding as at 30 June 2016 and 31 December 2015 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

19. 經營租賃承擔

不可撤銷經營租賃租金於以下年期應付：

30 June 2016 二零一六年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
1,005	2,211
212	812
1,217	3,023

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

20. 資本承擔

有關購置物業、廠房及設備於二零一六年六月三十日及二零一五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 2016 二零一六年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
163,344	97,230
—	—
163,344	97,230

Notes to the Interim Condensed Consolidated Financial Statements

中期簡明合併財務報表附註

For the six months ended 30 June 2016 (unaudited) 截至二零一六年六月三十日止六個月 (未經審核)

21. RELATED PARTY TRANSACTIONS

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

- (i) During the six months ended 30 June 2016, the Group leased an office located in Mainland China from Zhejiang Kingdom Creative Co., Ltd. (“**Kingdom Creative**”) and incurred operating lease charges of RMB250,000 (six months ended 30 June 2015: 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 2016, the Group bought electricity from 浙江昱源光伏有限公司 (“**Zhejiang Yuyuan**”) and incurred electricity expenses of RMB346,000 (2015:Nil). Mr. Ren Weiming, who ultimately controls the Group, also has a controlling equity interest over Zhejiang Yuyuan.

The price of electricity was made according to market prices.

21. 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) 於截至二零一六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**」）租用一個位於中國大陸的辦公室，所產生的經營租賃費用為人民幣250,000元（截至二零一五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。

租賃乃根據由本集團出租人或服務供應商提供的已公佈價格及條件訂立。

- (ii) 於截至二零一六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346,000元（二零一五年：無）。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。

電價乃根據市價訂立。

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

For the six months ended 30 June 2016 (unaudited) 截至二零一六年六月三十日止六個月(未經審核)

21. RELATED PARTY TRANSACTIONS (continued)

(b) Compensation of key management personnel of the Group

Short-term employee benefits	短期僱員福利
Post-employment benefits	離職後福利

21. 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

2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2015 二零一五年 RMB'000 人民幣千元 (Unaudited) (未經審核)
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2,194	2,151
62	87
2,256	2,238

22. 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 26 August 2016.

22. 批准中期簡明合併財務報表

董事會已於二零一六年八月二十六日批准及授權刊發本未經審核中期簡明合併財務報表。



欢迎光临
Welcome

KINGDOM
HOTEL

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