

# KINGDOM

KINGDOM HOLDINGS LIMITED

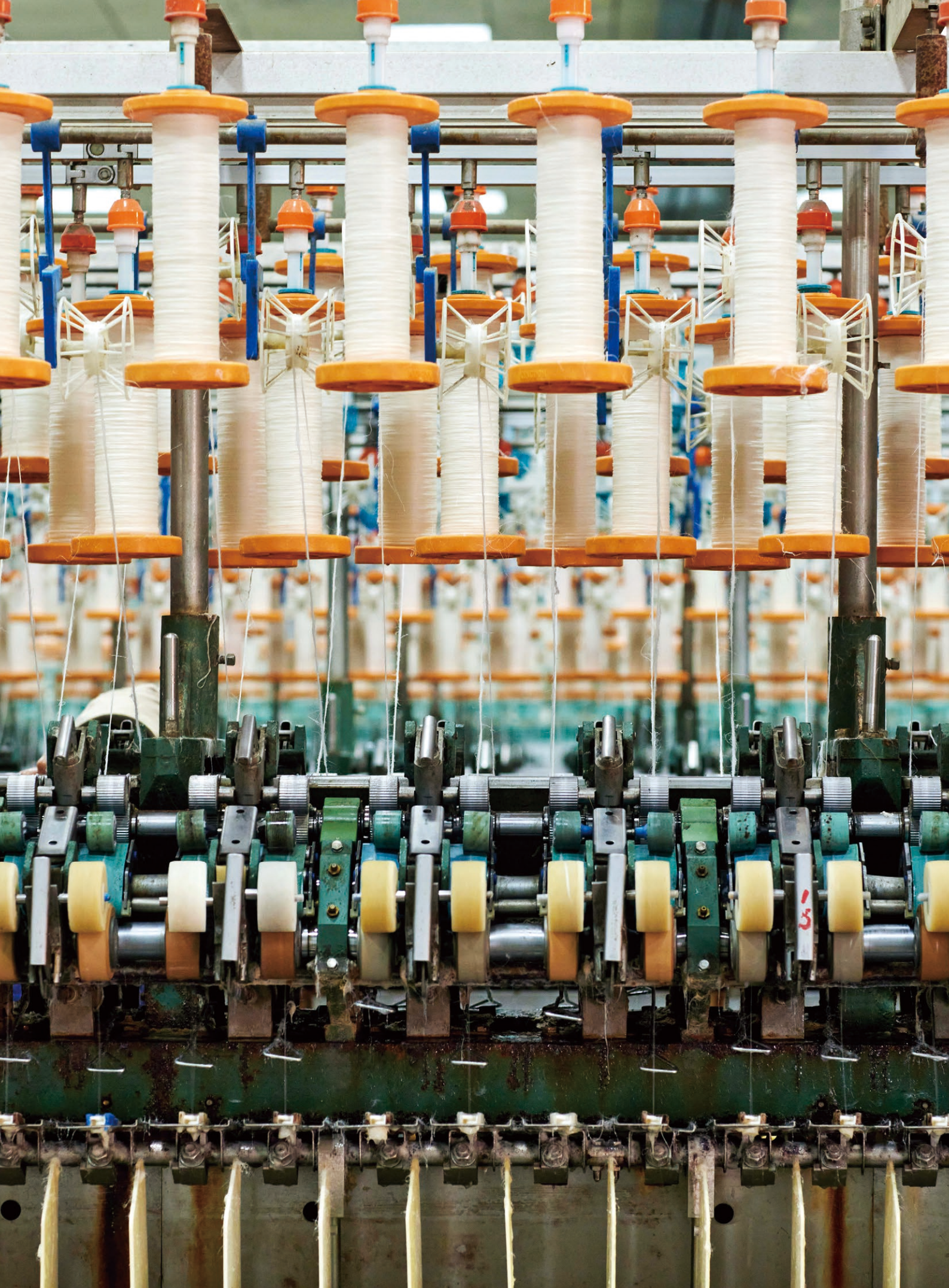
金達控股有限公司

*(Incorporated in the Cayman Islands with limited liability and carrying on business in Hong Kong as "Kingdom (Cayman) Limited")*  
*(於開曼群島註冊成立的有限公司，以「金達(開曼)有限公司」的名稱於香港經營業務)*

(Stock Code 股份代號：528)



**INTERIM REPORT**  
**2023 中期報告**



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# Corporate Information 公司資料

## BOARD OF DIRECTORS

### Executive Directors:

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

### Non-executive Director:

Mr. Ngan Kam Wai Albert

### Independent non-executive Directors:

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

## AUDIT COMMITTEE

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

## REMUNERATION COMMITTEE

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

## NOMINATION COMMITTEE

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

## COMPANY SECRETARY

Mr. Chan Yan Kwan Andy

## LEGAL ADVISERS TO THE COMPANY AS TO HONG KONG LAW

Sidley Austin

## AUDITORS

Ernst & Young

## AUTHORISED REPRESENTATIVES

Mr. Ren Weiming  
Mr. Chan Yan Kwan Andy

## 董事會

### 執行董事：

任維明先生 (*主席*)  
沈躍明先生  
張鴻文先生  
沈鴻女士

### 非執行董事：

顏金煒先生

### 獨立非執行董事：

劉英傑先生  
羅廣信先生  
嚴建苗先生

## 審核委員會

劉英傑先生 (*主席*)  
嚴建苗先生  
羅廣信先生

## 薪酬委員會

嚴建苗先生 (*主席*)  
張鴻文先生  
羅廣信先生

## 提名委員會

羅廣信先生 (*主席*)  
劉英傑先生  
沈躍明先生

## 公司秘書

陳仁君先生

## 本公司有關香港法律之法律顧問

盛德律師事務所

## 核數師

安永會計師事務所

## 授權代表

任維明先生  
陳仁君先生

# Corporate Information 公司資料

## REGISTERED OFFICE

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

## HEADQUARTERS IN CHINA

Henggang Town  
Haiyan County  
Zhejiang Province  
China

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

5/F, Manulife Place,  
348 Kwun Tong Road,  
Kowloon, 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  
17/F, Far East Finance Centre,  
16 Harcourt Road,  
Hong Kong

## PRINCIPAL BANKERS

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

## STOCK CODE

00528

## COMPANY WEBSITE

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

## INVESTOR RELATIONS CONTACT

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

## 註冊辦事處

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

## 中國總辦事處

中國  
浙江省  
海鹽縣  
橫港鎮

## 香港主要營業地點

香港九龍  
觀塘道348號  
宏利廣場5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  
夏慤道16號  
遠東金融中心17樓

## 主要往來銀行

中國銀行如皋支行  
中國銀行海鹽支行

## 股份代號

00528

## 公司網站

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

## 投資者關係聯繫方式

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

## Financial Highlights 財務摘要

The board (the “Board”) of directors (the “Directors”) 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 2023 (the “Review Period”):

- Revenue decreased by approximately 14.2% to approximately RMB821,476,000 for the six months ended 30 June 2023 from approximately RMB957,058,000 for the six months ended 30 June 2022 mainly attributable to the lower quantity of linen yarn sold due to weaker demand from export markets especially the European Union region, countered off by higher average selling price of linen yarn, the launch of REEL linen products and organic hemp yarn and the appreciation of United States Dollars against Renminbi during the Review Period.
- Gross profit margin slightly decreased by approximately 0.6 percentage point to approximately 18.8% for the six months ended 30 June 2023 from approximately 19.4% for the six months ended 30 June 2022 as a result of the surge in raw material costs, countered by higher selling price of linen yarn, scaling up of production capacity of the Ethiopia factory and the appreciation of the United States Dollars against Renminbi during the Review Period.
- Profit for the Review Period dropped by approximately 20.1% to RMB67,500,000 for the six months ended 30 June 2023 from approximately RMB84,439,000 for the six months ended 30 June 2022.
- Profit attributable to the owners of the parent dropped by approximately 18.1% to RMB67,549,000 for the six months ended 30 June 2023 from approximately RMB82,494,000 for the six months ended 30 June 2022.
- Basic earnings per share at approximately RMB0.11 for the six months ended 30 June 2023 (for the six months ended 30 June 2022: RMB0.13).

金達控股有限公司(「本公司」)董事(「董事」)會(「董事會」)欣然提呈本公司及其附屬公司(統稱「本集團」)截至二零二三年六月三十日止六個月(「回顧期間」)的未經審核合併中期業績：

- 收入由截至二零二二年六月三十日止六個月約人民幣957,058,000元減少約14.2%至截至二零二三年六月三十日止六個月約人民幣821,476,000元，乃主要由於回顧期間出口市場(尤其是歐盟地區)需求疲軟，從而導致所售亞麻紗數量減少，但被亞麻紗平均售價上調、推出瑞優亞麻產品、有機大麻紗以及美元兌人民幣升值抵銷所致。
- 由於回顧期間原材料成本飆升，亞麻紗售價上漲，埃塞俄比亞廠房產能釋放以及美元兌人民幣升值，毛利率由截至二零二二年六月三十日止六個月約19.4%輕微下降約0.6個百分點至截至二零二三年六月三十日止六個月約18.8%。
- 回顧期間溢利由截至二零二二年六月三十日止六個月約人民幣84,439,000元下降約20.1%至截至二零二三年六月三十日止六個月人民幣67,500,000元。
- 母公司擁有人應佔溢利由截至二零二二年六月三十日止六個月約人民幣82,494,000元下降約18.1%至截至二零二三年六月三十日止六個月約人民幣67,549,000元。
- 截至二零二三年六月三十日止六個月，每股基本盈利為約人民幣0.11元(截至二零二二年六月三十日止六個月：人民幣0.13元)。

# Management Discussion and Analysis

## 管理層討論及分析

*(Certain comparative figures have been reclassified to conform with current year's presentation)*

*(若干比較數字已重新分類以符合本年度的呈列方式)*

### BUSINESS REVIEW

### 業務回顧

The COVID-19 finally came to an end when the Director-General of World Health Organisation (WHO) announced COVID-19 emergency was over in May 2023 but geo-political tension among different countries remains. Many developed and developing countries predicted low single digit growth or even contraction of their economies in 2023.

當世界衛生組織(WHO)總幹事於二零二三年五月宣佈COVID-19不再為緊急情況時，COVID-19終於迎來結束，但不同國家之間的地緣政治緊張局勢仍然存在。許多發達國家及發展中國家預測二零二三年經濟將呈低個位數增長，甚至出現收縮。

During the Review Period, revenue of the Group dropped by approximately 14.2% on a year-on-year basis from RMB957,058,000 to RMB821,476,000. There were 7,275 tonnes of linen yarn sold during the Review Period, which was 31.2% fewer than the 10,572 tonnes of linen yarn sold during the six months ended 30 June 2022. The decrease in revenue was mainly attributable to the lower quantity of linen yarn sold during the Review Period, partially netted off by the higher average selling price of linen yarn sold, as well as the appreciation of the United States Dollars against Renminbi during the Review Period.

於回顧期間，本集團的收入由人民幣957,058,000元按年下降約14.2%至人民幣821,476,000元。於回顧期間售出亞麻紗7,275噸，較截至二零二二年六月三十日止六個月售出亞麻紗10,572噸減少31.2%。收入減少乃主要由於回顧期間所售亞麻紗數量減少（部分被所售亞麻紗平均售價上升抵銷），以及回顧期間美元兌人民幣升值所致。

### Major Markets and Customers

### 主要市場及客戶

By implementing an international sales strategy, the Group has a sales network covering approximately 20 countries and regions around the world. During the Review Period, the Group's domestic sales of RMB344,603,000, which contributed to approximately 41.9% of the Group's total revenue, recorded an increase of approximately 10.2% as compared with the corresponding period last year, while the Group's overseas sales of RMB476,873,000, which contributed to approximately 58.1% of the Group's total revenue, recorded a drop of approximately 26.0% on a year-on-year basis. In particular, total sales to European Union countries and non-European Union countries reported a decrease of 29.2% and 22.4% on a year-on-year basis respectively, as a result of the weak demand during the Review Period. Key European Union countries that the Group sold its products to include Italy, Portugal, Belgium and Lithuania. Meanwhile, the Group continues to develop the domestic market with an objective to secure more cooperation with target customers in China.

本集團實行國際化的銷售策略，銷售網絡遍佈全球約20個國家及地區。於回顧期間，本集團的國內銷售額達人民幣344,603,000元，為本集團總收入貢獻約41.9%，較去年同期增加約10.2%；本集團海外銷售額達人民幣476,873,000元，為本集團總收入貢獻約58.1%，按年下降約26.0%。尤其是，於回顧期間，由於需求疲弱，歐盟國及非歐盟國的銷售總額分別按年減少29.2%及22.4%。本集團產品出口的主要歐盟國包括意大利、葡萄牙、比利時及立陶宛。同時，本集團繼續拓展國內市場，旨在爭取與更多中國目標客戶合作。

# Management Discussion and Analysis

## 管理層討論及分析

### Raw Material Procurement

The Group mainly sources its fibre flax, the major raw material of linen yarn, from well-established suppliers such as those in France, Belgium and the Netherlands. Being one of the largest buyers in these regions, the Group has developed long term business relationships with its suppliers. During the Review Period, the Group procured approximately 19,419 tonnes (six months ended 30 June 2022: 22,426 tonnes) of raw materials abroad, representing a year-on-year decrease of approximately 13.4%. The average procurement unit price was approximately RMB44,658 per tonne, representing a surge of approximately 64.3% from approximately RMB27,177 for the corresponding period last year, due to shortage of supplies as a result of poor harvest yield. The Group is optimistic about the future of the linen textile industry. It is the corporate procurement strategy of the Group to maintain its production scale and to secure a steady volume of production going forward. The Group will continue to closely monitor the international market development and plan its procurement cautiously at the same time.

### Production Capacity

As at 30 June 2023, the Group had five productions bases as follows:

No. 編號	Factory 廠房	Location 地點	Country 國家	Annual capacity (Tonnes) 年產能 (噸)	Utilisation/Status 利用率 / 狀況
1	Haiyan 1st Factory 海鹽一期廠房	Zhejiang 浙江	China 中國	7,000 7,000	Approximately 90% 約90%
2	Rugao Factory 如皋廠房	Jiangsu 江蘇	China 中國	6,000 6,000	Approximately 90% 約90%
3	Haiyan 2nd Factory 海鹽二期廠房	Zhejiang 浙江	China 中國	5,000 5,000	Approximately 80% 約80%
4	Qinggang Factory 青崗廠房	Heilongjiang 黑龍江	China 中國	4,000 4,000	Approximately 90% 約90%
5	Ethiopia 埃塞俄比亞	Adama 阿達瑪	Ethiopia 埃塞俄比亞	5,000 5,000	Approximately 60% 約60%

### 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、比利時和荷蘭等地的優質供應商進口。本集團是以上產地最大的採購商之一，與供應商建立了長期的業務關係。於回顧期間，本集團在海外採購約19,419噸（截至二零二二年六月三十日止六個月：22,426噸）原材料，按年減少約13.4%。平均採購單價約為每噸人民幣44,658元，較去年同期約人民幣27,177元飆升約64.3%，乃由於收成低導致供應短缺所致。本集團對亞麻紡織業的未來持樂觀態度。本集團的企業採購策略仍為維持生產規模及確保未來產量穩定。本集團將繼續密切監察國際市場發展情況，同時審慎制定採購計劃。

### 產能

於二零二三年六月三十日，本集團設有以下五個生產基地：



# Management Discussion and Analysis

## 管理層討論及分析

The Group is equipped with advanced equipment for its unique spinning technique, namely wet spinning and long and short spinning, and can manufacture products with multiple specifications from 3nm to 75nm, thereby broadening its customers' choices and achieving higher satisfaction from them at the same time.

A total of 194 tonnes of hemp yarn under various specifications were produced during the Review Period. The Group owns 75.34% of the equity interest in the Heilongjiang venture, namely Heilongjiang Kingdom Enterprise Co., Ltd.<sup>7</sup> (黑龍江金達麻業有限公司), and this is the Group's maiden attempt to explore the hemp yarn market. The Group believes that the hemp yarn market will grow rapidly in the next few years due to the national policy in China to promote the planting of hemp in the Heilongjiang region and the use of the hemp textile products.

Apart from China, the Group is also committed to investing in Ethiopia. The investment is expected to help the Group outperform its competitors not only by helping the Group save land cost, labour cost, energy cost and tax expenses, but also by allowing the Group to benefit from the Everything but Arms (EBA) initiative of the European Union for least developed countries (LDCs), which grants duty-free and quota-free access to all products made in LDCs into European Union countries, except for arms and ammunitions.

In order to ensure the well-being of the Group's employees in the Adama factory in Ethiopia, the factory operation in Ethiopia was halted in 2020 but has since re-commenced the recruitment of workers and started trial production in the second quarter of the year 2021. The Ethiopia factory was under normal production and ramping up its production capacity during the Review Period.

### WEAVING AND FABRIC PROJECT

By leveraging on some local government incentives, we will tap into the linen weaving and fabric business with an aim to broaden different linen applications and ultimately creating a bigger market for linen yarn in general. The weaving and fabric factory in China was still under construction during the Review Period and is expected to start trial production in the fourth quarter of 2023.

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，並可生產3公支至75公支多種規格產品，為客戶提供更多產品選擇，更能滿足彼等的需求。

於回顧期間，合共生產多規格大麻紗194噸。本集團擁有黑龍江合資公司(即黑龍江金達麻業有限公司)的75.34%股權。此項投資為本集團進軍大麻紗市場的首項舉措。本集團相信，受惠於中國推動黑龍江地區大麻種植及大麻紡織品使用的國策，大麻紗市場將於未來數年急速增長。

除中國外，本集團亦致力投資於埃塞俄比亞。預期該項投資不僅有助本集團節省土地成本、勞工成本、能源成本及稅項開支，更可讓本集團從歐盟就最不發達國家採納「除武器外一切都行(EBA)」的倡議中獲益，給予最不發達國家製造的所有進入歐盟國家的產品(武器及彈藥除外)免除關稅及無配額的優惠待遇。

為確保本集團於埃塞俄比亞阿達瑪廠房的僱員的福祉，埃塞俄比亞廠房於二零二零年停止運營，惟此後重新開始招聘工人，並於二零二一年第二季度開始試產。埃塞俄比亞工廠於回顧期間內正常生產，且產能不斷提升。

### 編織及面料項目

憑藉當地政府的若干激勵措施，我們將進軍亞麻編織及面料業務，旨在拓寬不同的亞麻應用領域，最終為亞麻紗創造更大的市場。於回顧期間，於中國的編織及面料工廠仍在建設中，預計於二零二三年第四季度開始試產。

# Management Discussion and Analysis

## 管理層討論及分析

### FINANCIAL REVIEW

#### Revenue

For the Review Period, the Group's revenue dropped only by approximately 14.2% to approximately RMB821,476,000 (six months ended 30 June 2022: RMB957,058,000). The decrease in revenue was mainly attributable to the lower quantity of linen yarn sold due to weaker demand from export markets especially the European Union region as a result of the COVID-19 pandemic and geo-political tensions, countered off by higher average selling price of linen yarn, the launch of REEL linen products and organic hemp yarn and the appreciation of United States Dollars against Renminbi during the Review Period. Domestic sales in China grew by 10.2% while export sales to European Union and non-European Union regions recorded a drop of approximately 29.2% and 22.4% respectively during the Review Period.

The breakdown of revenue by sales regions is as follows:

### 財務回顧

#### 收入

於回顧期間，本集團的收入僅下降約14.2%至約人民幣821,476,000元（截至二零二二年六月三十日止六個月：人民幣957,058,000元）。收入減少主要是由於回顧期間COVID-19大流行及地緣政治緊張局勢令出口市場（尤其是歐盟地區）需求疲軟，從而導致所售亞麻紗數量減少，但被亞麻紗平均售價上調、推出瑞典優亞麻產品、有機大麻紗以及美元兌人民幣升值抵銷所致。於回顧期間，中國國內銷售額增長10.2%，而對歐盟及非歐盟地區的出口銷售額則分別下跌約29.2%及22.4%。

按銷售地區劃分的收入明細如下：

		For the six months ended 30 June 2023		For the six months ended 30 June 2022		Year-on-year change in revenue	
		RMB'000	%	RMB'000	%	RMB'000	%
		人民幣千元	%	人民幣千元	%	人民幣千元	%
China	中國	344,603	41.9%	312,827	32.7%	31,776	+10.2%
European Union	歐盟	240,230	29.3%	339,165	35.4%	(98,935)	-29.2%
Non-European Union	非歐盟	236,643	28.8%	305,066	31.9%	(68,423)	-22.4%
Total Revenue	總收入	821,476	100.0%	957,058	100.0%	(135,582)	-14.2%

# 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 16.9% to approximately RMB154,701,000 (six months ended 30 June 2022: approximately RMB186,082,000). Gross profit margin for the Review Period dropped by approximately 0.6 percentage point to approximately 18.8% (six months ended 30 June 2022: approximately 19.4%) as a result of the surge in raw material costs, countered by higher selling price of linen yarn, scaled up of production capacity of the Ethiopia factory and the appreciation of the United States Dollars against Renminbi during the Review Period.

### Other Income and Gains

Other income and gains for the Review Period mainly comprises government grants and subsidies of approximately RMB2,889,000 (six months ended 30 June 2022: approximately RMB8,117,000), interest income of approximately RMB1,958,000 (six months ended 30 June 2022: approximately RMB529,000) and a net exchange gain of RMB4,223,000 (six months ended 30 June 2022: RMB28,238,000). The net exchange gain was mainly contributed by the appreciation of United States Dollars against Renminbi during the Review Period, as all overseas invoices were billed in United States Dollars. There were more government grants and subsidies provided by the Chinese government during the six months ended 30 June 2022, targeted to alleviate the negative financial impacts to corporations during the lockdown to curb the spread of the COVID-19 in China.

### Selling and Distribution Expenses

The Group's selling and distribution expenses for the Review Period amounted to approximately RMB13,957,000 (six months ended 30 June 2022: approximately RMB23,210,000), which accounted for approximately 1.7% (six months ended 30 June 2022: approximately 2.4%) of the Group's total revenue. The decrease in selling costs as a percentage of revenue was mainly due to less sales commission payable during the Review Period, as sales agent commission is only payable to certain export sales and there is no sales commission payable for domestic sales in China.

### 毛利及毛利率

本集團於回顧期間的毛利減少約16.9%至約人民幣154,701,000元(截至二零二二年六月三十日止六個月:約人民幣186,082,000元)。由於回顧期間原材料成本飆升,亞麻紗售價上漲,埃塞俄比亞廠房產能釋放以及美元兌人民幣升值,回顧期間的毛利率下降約0.6個百分點至約18.8%(截至二零二二年六月三十日止六個月:約19.4%)。

### 其他收益及得益

回顧期間的其他收益及得益主要包括政府補助及補貼約人民幣2,889,000元(截至二零二二年六月三十日止六個月:約人民幣8,117,000元)、利息收入約人民幣1,958,000元(截至二零二二年六月三十日止六個月:約人民幣529,000元)以及匯兌得益淨額人民幣4,223,000元(截至二零二二年六月三十日止六個月:人民幣28,238,000元)。匯兌得益淨額主要歸因於回顧期間美元兌人民幣升值,因為所有海外發票均以美元開具。於截至二零二二年六月三十日止六個月,中國政府提供更多政府補助及補貼,旨在減輕為遏制COVID-19在中國傳播而實施的封鎖期間對企業的負面財務影響。

### 銷售及分銷開支

本集團於回顧期間的銷售及分銷開支約為人民幣13,957,000元(截至二零二二年六月三十日止六個月:約人民幣23,210,000元),佔本集團總收入約1.7%(截至二零二二年六月三十日止六個月:約2.4%)。回顧期間的銷售成本佔收入百分比下降,主要是由於僅就若干出口銷售支付銷售代理佣金,而無需就中國國內銷售支付銷售佣金,導致回顧期間應付銷售佣金減少所致。

# Management Discussion and Analysis

## 管理層討論及分析

### Administrative Expenses

The Group's administrative expenses for the Review Period amounted to approximately RMB49,361,000 (six months ended 30 June 2022: approximately RMB60,087,000), representing a drop of approximately 17.9% as compared with the corresponding period last year. The decrease in the Group's administrative expenses was mainly due to lower staff costs of RMB3.0 million, lower research and development expenses of RMB3.0 million and a reduction in provision in bad debts of RMB3.8 million during the Review Period.

### Other Expenses

The Group's other expenses for the Review Period amounted to approximately RMB673,000 (six months ended 30 June 2022: approximately RMB5,998,000). There was no fair value loss on derivative instruments (six months ended 30 June 2022: RMB4,875,000) and no assets disposal loss (six months ended 30 June 2022: approximately RMB621,000) during the Review Period.

### Finance Costs

Finance costs include net borrowing interest expense and interest on lease liabilities.

Net borrowing interests for the Review Period amounted to approximately RMB15,130,000 (six months ended 30 June 2022: approximately RMB17,261,000). Net borrowing interests represent the total interest expense on bank loans less amount capitalized attributable to capital assets.

An interest expense of approximately RMB1,105,000 was capitalized during the Review Period (six months ended 30 June 2022: approximately RMB3,490,000).

Interest on lease liabilities for the Review Period amounted to approximately RMB196,000 (six months ended 30 June 2022: RMB363,000).

Total finance costs for the Review Period amounted to approximately RMB15,326,000 (six months ended 30 June 2022: approximately RMB17,624,000). The total finance cost was lower in the Review Period as the average loan balance was lower during the Review Period as compared to that of the same period last year.

### 行政開支

本集團於回顧期間的行政開支約為人民幣49,361,000元(截至二零二二年六月三十日止六個月：約人民幣60,087,000元)，較去年同期減少約17.9%。本集團於回顧期間的行政開支減少主要是由於員工成本減少人民幣3.0百萬元、研發開支減少人民幣3.0百萬元及壞賬撥備減少人民幣3.8百萬元所致。

### 其他開支

本集團於回顧期間的其他開支約為人民幣673,000元(截至二零二二年六月三十日止六個月：約人民幣5,998,000元)。於回顧期間，概無衍生工具的公允價值虧損(截至二零二二年六月三十日止六個月：人民幣4,875,000元)及概無資產出售虧損(截至二零二二年六月三十日止六個月：約人民幣621,000元)。

### 財務成本

財務成本包括借貸利息開支淨額及租賃負債利息。

回顧期間的借貸利息淨額約為人民幣15,130,000元(截至二零二二年六月三十日止六個月：約人民幣17,261,000元)。借貸利息淨額指銀行貸款的利息開支總額減資本資產應佔的已撥充資本金額。

於回顧期間撥充資本的利息開支約為人民幣1,105,000元(截至二零二二年六月三十日止六個月：約人民幣3,490,000元)。

回顧期間的租賃負債利息約為人民幣196,000元(截至二零二二年六月三十日止六個月：人民幣363,000元)。

回顧期間的財務成本總額約為人民幣15,326,000元(截至二零二二年六月三十日止六個月：約人民幣17,624,000元)。由於回顧期間的平均貸款結餘低於去年同期，故財務成本總額較低。

# Management Discussion and Analysis

## 管理層討論及分析

### Income Tax Expense

Income tax expense for the Review Period amounted to approximately RMB20,984,000 (six months ended 30 June 2022: RMB32,566,000). The effective tax rate for the Review Period and the corresponding period last year was approximately 23.7% and 27.8% respectively.

### Profit for the Review Period

The Group recorded a profit for the Review Period of approximately RMB67,500,000 (six months ended 30 June 2022: RMB84,439,000), representing a decline of approximately 20.1% as compared with the corresponding period last year.

### Minority Interests

The minority interests of approximately RMB49,000 represented the share of loss of certain subsidiaries of the Group attributable to the minority shareholders during the Review Period (six months ended 30 June 2022: share of profit of RMB1,945,000).

### Profit Attributable to Owners of the Parent

As a result of the aforesaid, the Group recorded a profit attributable to owners of the parent for the Review Period of approximately RMB67,549,000 (six months ended 30 June 2022: RMB82,494,000), representing a decline of approximately 18.1% as compared with the corresponding period last year.

### 所得稅開支

回顧期間的所得稅開支約為人民幣20,984,000元（截至二零二二年六月三十日止六個月：人民幣32,566,000元）。回顧期間及去年同期的實際稅率分別為約23.7%及27.8%。

### 回顧期間溢利

本集團於回顧期間錄得溢利約人民幣67,500,000元（截至二零二二年六月三十日止六個月：人民幣84,439,000元），較去年同期減少約20.1%。

### 少數股東權益

少數股東權益約人民幣49,000元指於回顧期間少數股東應佔本集團若干附屬公司應佔虧損（截至二零二二年六月三十日止六個月：應佔溢利人民幣1,945,000元）。

### 母公司擁有人應佔溢利

由於上文所述，於回顧期間，本集團錄得母公司擁有人應佔溢利約人民幣67,549,000元（截至二零二二年六月三十日止六個月：人民幣82,494,000元），較去年同期減少約18.1%。

# Management Discussion and Analysis

## 管理層討論及分析

### Liquidity and Financial Resources

As at 30 June 2023, the Group had net current assets of approximately RMB433,541,000 (as at 31 December 2022: approximately RMB417,334,000). The Group financed its operations with internally generated resources and bank loans during the Review Period.

As at 30 June 2023, the Group had cash and cash equivalents of approximately RMB168,180,000 (as at 31 December 2022: approximately RMB467,469,000). The liquidity ratio of the Group as at 30 June 2023 was approximately 129.1% (as at 31 December 2022: approximately 131.6%).

Total assets of the Group as at 30 June 2023 were approximately RMB3,088,772,000 (as at 31 December 2022: RMB2,904,922,000).

Total equity of the Group as at 30 June 2023 was approximately RMB1,504,247,000 (as at 31 December 2022: approximately RMB1,487,990,000). As at 30 June 2023, the Group had interest-bearing bank and other borrowings repayable within 12 months from the date of the statement of financial position of approximately RMB786,642,000 (as at 31 December 2022: approximately RMB696,344,000) and long-term interest-bearing bank and other borrowings of approximately RMB56,387,000 (as at 31 December 2022: approximately RMB56,559,000). Together they represented a gross debt gearing ratio (i.e. total borrowings divided by total equity) amounted to approximately 56.0% (as at 31 December 2022: approximately 50.6%).

The Board believes that the Group's existing financial resources are relatively sufficient. In the event that additional financing is required, the Group may consider all possible financing options, including capital raising in the capital market as and when appropriate, with an objective to maintain the Group's gearing ratio at a healthy level.

The Group's cash and cash equivalents are mainly denominated in Renminbi, United States Dollars, Euros, Hong Kong Dollars and Ethiopian Birrs. Borrowings are mainly denominated in Renminbi and Euros.

### 流動資金及財務資源

於二零二三年六月三十日，本集團的流動資產淨值約為人民幣433,541,000元（於二零二二年十二月三十一日：約人民幣417,334,000元）。本集團於回顧期間以內部產生的資源及銀行貸款為營運提供資金。

於二零二三年六月三十日，本集團的現金及現金等價物約為人民幣168,180,000元（於二零二二年十二月三十一日：約人民幣467,469,000元）。本集團於二零二三年六月三十日的流動比率約為129.1%（於二零二二年十二月三十一日：約131.6%）。

本集團於二零二三年六月三十日的資產總值約為人民幣3,088,772,000元（於二零二二年十二月三十一日：人民幣2,904,922,000元）。

本集團於二零二三年六月三十日的權益總額約為人民幣1,504,247,000元（於二零二二年十二月三十一日：約人民幣1,487,990,000元）。於二零二三年六月三十日，本集團須於由財務狀況表日期起計十二個月內償還的計息銀行及其他借貸約為人民幣786,642,000元（於二零二二年十二月三十一日：約人民幣696,344,000元），並有長期計息銀行及其他借貸約人民幣56,387,000元（於二零二二年十二月三十一日：約人民幣56,559,000元）。兩者反映的總資本負債率（即總借貸除以權益總額）約為56.0%（於二零二二年十二月三十一日：約50.6%）。

董事會相信，本集團現有的財務資源相對充足。倘需額外資金，本集團可考慮一切可能的融資方案，包括於適當時在資本市場進行集資，旨在使本集團的資本負債率維持在穩健水平。

本集團的現金及現金等價物主要以人民幣、美元、歐元、港元及埃塞俄比亞比爾計值。借貸主要以人民幣及歐元計值。

# Management Discussion and Analysis

## 管理層討論及分析

### CAPITAL COMMITMENTS

As at 30 June 2023, 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 RMB172,371,000 (as at 31 December 2022: approximately RMB208,855,000). As at 30 June 2023, there was no capital commitment authorised but not contracted for (as at 31 December 2022: Nil).

### CONTINGENT LIABILITIES

As at 30 June 2023, the Group did not have any material contingent liabilities (as at 31 December 2022: Nil).

### CHARGE ON ASSETS

As at 30 June 2023, the current interest-bearing bank loans with a carrying amount of RMB220,000,000 (31 December 2022: RMB408,000,000) were secured by certain property, plant and equipment, and inventories with carrying amounts of approximately RMB286,967,000 (31 December 2022: RMB298,487,000), approximately RMB40,000,000 (31 December 2022: RMB40,000,000), respectively.

### MATERIAL ACQUISITION AND DISPOSAL

The Group did not have any material acquisition or disposal of subsidiaries, associates and joint ventures during the Review Period.

### SIGNIFICANT INVESTMENTS HELD

The Group did not have any significant investment held during the Review Period.

### FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save for the various up-keeping and maintenance of existing factory projects, vertical expansion into weaving and fabric business, the Directors confirmed that as at the date of this report, there is no current plan to acquire any material investment or capital assets.

### 資本承擔

於二零二三年六月三十日，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172,371,000元（於二零二二年十二月三十一日：約人民幣208,855,000元）。於二零二三年六月三十日，本集團並無已授權但尚未訂約的資本承擔（於二零二二年十二月三十一日：無）。

### 或有負債

於二零二三年六月三十日，本集團並無任何重大或有負債（於二零二二年十二月三十一日：無）。

### 資產抵押

於二零二三年六月三十日，賬面金額為人民幣220,000,000元（二零二二年十二月三十一日：人民幣408,000,000元）的即期計息銀行貸款以賬面金額分別約人民幣286,967,000元（二零二二年十二月三十一日：人民幣298,487,000元）及約人民幣40,000,000元（二零二二年十二月三十一日：人民幣40,000,000元）的若干物業、廠房及設備及存貨作抵押。

### 重大收購及出售

於回顧期間，本集團並無任何附屬公司、聯營公司及合營公司的重大收購或出售。

### 所持重大投資

本集團於回顧期間並無持有任何重大投資。

### 重大投資或資本資產的未來計劃

除對現有工廠項目的各種維護保養、垂直拓展至編織及面料業務外，董事確認於本報告日期，目前並無計劃收購任何重大投資或資本資產。

# Management Discussion and Analysis

## 管理層討論及分析

### FOREIGN CURRENCY EXPOSURE

The Group's transactions are mainly denominated in Renminbi, United States Dollars, Euros, Hong Kong Dollars and Ethiopian Birrs. The exchange rate fluctuations of such currencies are monitored regularly and managed appropriately. The Company may enter into certain foreign currency forward contracts and derivative financial instruments by utilising its credit line as and when required.

### REMUNERATION POLICY

As at 30 June 2023, the Group had a total of 3,842 employees (30 June 2022: 4,342 employees). Total staff costs incurred for the Review Period amounted to approximately RMB80,261,000 (six months ended 30 June 2022: RMB97,418,000).

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, each of the Group and its employees in China is 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 is determined by the Board and the remuneration committee of the Company with the mandate given by the shareholders of the Company (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.

### 外幣風險

本集團的交易主要以人民幣、美元、歐元、港元及埃塞俄比亞比爾計值。本集團定期監察並妥善管理該等貨幣之間的匯率波動。本公司可能於需要時運用信貸額訂立若干外幣遠期合約及衍生金融工具。

### 薪酬政策

於二零二三年六月三十日，本集團合共聘有3,842名僱員（二零二二年六月三十日：4,342名僱員）。回顧期間產生的總員工成本約為人民幣80,261,000元（截至二零二二年六月三十日止六個月：人民幣97,418,000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本公司股東（「股東」）於股東週年大會上授權，根據本集團經營業績、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。



# Management Discussion and Analysis

## 管理層討論及分析

The Group has also adopted a share option scheme and a share award plan for the purpose of providing incentives and rewards to the Directors, including independent non-executive Directors, and other employees of the Group who have contributed to the success of the Group's operations. The Board will constantly review and determine at its absolute discretion such number of awarded shares of the Company (the "Shares") to be awarded to the selected persons under the share award plan with such vesting conditions as the Board may deem appropriate.

### MISCELLANEOUS

The Board is of the opinion that there have been no material changes to the information published in the Company's annual report for the year ended 31 December 2022, other than those disclosed in this report.

### PRINCIPAL RISKS AND UNCERTAINTIES FACING THE GROUP

The Group is principally engaged in the manufacturing of linen yarn and the sale of the products to over 20 countries. Overseas sales are invoiced in United States Dollars except sales by the subsidiary in Italy are invoiced in Euros. Domestic sales in China are invoiced in Renminbi. Raw materials (fiber flax) are imported from Europe. The principal risks and uncertainties facing the Group include the demand for linen yarn, protectionism of certain countries and possible punitive tariffs imposed on products made in China, stable supplies of raw materials, depreciation of United States Dollars against Renminbi, the implementation risks of the new expansion project in Ethiopia, and outbreak of epidemic causing disruption of production.

本集團亦已採納購股權計劃及股份獎勵計劃，旨在向對本集團業務成功作出貢獻的董事（包括獨立非執行董事）及本集團的其他僱員提供激勵及獎勵。董事會將不斷檢討及全權酌情釐定根據股份獎勵計劃按董事會可能視為合適的有關歸屬條件將向獲選人授出的有關本公司獎勵股份（「股份」）數目。

### 雜項資料

董事會認為，除本報告所披露者外，本公司截至二零二二年十二月三十一日止年度的年報內所刊發的資料並無重大變動。

### 本集團面對的主要風險及不明朗因素

本集團主要從事亞麻紗生產，並向超過20個國家銷售產品。除意大利附屬公司銷售的發票以歐元為單位外，海外銷售的發票以美元為單位。中國內地銷售的發票以人民幣為單位。原材料（亞麻纖維）從歐洲進口。本集團面對的主要風險及不明朗因素包括對亞麻紗的需求、若干國家的貿易保護主義及可能對中國製產品徵收懲罰性關稅、穩定的原材料供應、美元兌人民幣貶值、埃塞俄比亞新擴充項目的執行風險及導致生產中斷的疫情爆發。

# Management Discussion and Analysis

## 管理層討論及分析

### OUTLOOK AND PLANS

Business operation is getting back to normal after COVID-19 pandemic officially ended. However, the trade tension between the United States and China is expected to continue in the foreseeable future.

The Group's factory in Ethiopia has been in operation and would contribute extra production capacity to the Group.

Being the first company in the linen industry to obtain the carbon neutrality certification, we will continue to cultivate the growth of the hemp fiber base in China. We target to establish a scaled hemp yarn production within three years to satisfy the market demand.

In addition, the Group has partnered with COTTONCONNECT from the United Kingdom for the development of REEL Linen Code of Conduct. REEL stands for "Responsible Environment, Enhanced Livelihoods". REEL Linen Code of Conduct is a social responsibility initiative committed to the improvement and promotion of environmental safety, quality responsibility and traceability of the global flax industry from farm to yarn, and to promote the sustainable development of the whole industry chain from planting to end user. REEL Linen Code of Conduct version 2.0 was issued in May 2022.

The Group will continue to promote the REEL Linen Code of Conduct for the sustainability of the linen industry.

### 前景及計劃

於COVID-19疫情正式結束後，業務運營逐步恢復正常。然而，預計中美貿易衝突於可預見未來仍將持續。

本集團於埃塞俄比亞的工廠已開始運營，並將為本集團貢獻額外產能。

在獲得全球首家碳中和企業認證的基礎上，積極推動中國纖維大麻種植基地的培育。努力用三年時間，形成纖維大麻紡紗生產的規模化，以滿足市場需求。

此外，本集團與英國的康特耐(COTTONCONNECT)合作制定瑞優亞麻行為守則。瑞優代表「對環境負責，讓生活改善」。瑞優亞麻行為守則為一項社會責任倡議，致力於改善及促進全球亞麻行業由農場到紗線的環境安全、質量責任及可追溯性，促進由種植到終端用戶的全產業鏈的可持續發展。瑞優亞麻行為守則2.0版本於二零二二年五月發佈。

本集團將繼續推廣瑞優亞麻行為守則，以促進亞麻行業的可持續發展。

# 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 2023, the Directors and the chief executives of the Company had the following interests in the Shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the "SFO")), or which were recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed 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"):

### 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

於二零二三年六月三十日，董事及本公司最高行政人員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）的股份、相關股份及債券中擁有，或已記入證券及期貨條例第352條規定存置的登記冊的權益，或按照香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十所載的上市發行人董事進行證券交易的標準守則（「標準守則」）須另行知會本公司及聯交所的權益如下：

### 股份的好倉

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

Name of Director	董事姓名	Personal interests (Note 1)	Corporate interests	Total number of Shares interested	Approximately percentage of issued share capital (%)
					個人權益 (附註1)
Mr. Ren Weiming	任維明先生	12,072,000	314,990,000 (Note 2) (附註2)	327,062,000	51.94
Mr. Ngan Kam Wai Albert	顏金煒先生	418,000	67,000,000 (Note 3) (附註3)	67,418,000	10.71
Ms. Shen Hong	沈鴻女士	504,000	–	504,000	0.08

Notes:

附註：

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

1. 該等股份以作為實益股東的董事的名義登記。

## Disclosure of Interests 權益披露

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

### Share options

As at 30 June 2023, no share options were granted to the Directors.

Save as disclosed above, as at 30 June 2023, none of the Directors or the chief executives of the Company had or were deemed to have 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 were recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

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

### 購股權

於二零二三年六月三十日，並無授出購股權予董事。

除以上所披露者外，於二零二三年六月三十日，概無董事或本公司最高行政人員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或被視為擁有已記入證券及期貨條例第352條規定存置的登記冊，或按照標準守則已另行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 2023, the following persons, other than a Director or chief executive of the Company, had interests or short positions in the Shares or underlying shares of the Company which were recorded in the register required to be kept under Section 336 of the SFO:

### Long positions in Shares

Name of Shareholder 股東名稱	Capacity 身份	Number of Shares 股份數目	Approximately percentage of issued share capital (%) 佔已發行股本概約百分比(%)
Kingdom Investment Holdings Limited ("Kingdom Investment (BVI)") (Note 1) Kingdom Investment Holdings Limited (「Kingdom Investment (BVI)」) (附註1)	Beneficial owner 實益擁有人	314,990,000	50.02
Millionfull International Co., Ltd. ("Millionfull International") (Note 2) Millionfull International Co., Ltd. (「Millionfull International」) (附註2)	Beneficial owner 實益擁有人	64,800,000	10.29

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 2023, the Company had not been notified by any person, other than a Director or chief executive of the Company, who had interests or short positions in the Shares or underlying shares of the Company which were recorded in the register required to be kept by the Company under section 336 of the SFO.

## 主要股東的權益及淡倉

就董事目前所知，於二零二三年六月三十日，以下人士（董事或本公司最高行政人員除外）於本公司股份或相關股份中擁有已記入證券及期貨條例第336條規定存置的登記冊的權益或淡倉：

### 股份的好倉

Name of Shareholder 股東名稱	Capacity 身份	Number of Shares 股份數目	Approximately percentage of issued share capital (%) 佔已發行股本概約百分比(%)
Kingdom Investment Holdings Limited ("Kingdom Investment (BVI)") (Note 1) Kingdom Investment Holdings Limited (「Kingdom Investment (BVI)」) (附註1)	Beneficial owner 實益擁有人	314,990,000	50.02
Millionfull International Co., Ltd. ("Millionfull International") (Note 2) Millionfull International Co., Ltd. (「Millionfull International」) (附註2)	Beneficial owner 實益擁有人	64,800,000	10.29

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，於二零二三年六月三十日，本公司並無獲任何人士（董事或本公司最高行政人員除外）知會，其於本公司的股份或相關股份中擁有已記入證券及期貨條例第336條規定由本公司存置的登記冊的權益或淡倉。

# Corporate Governance and Other Information

## 企業管治及其他資料

### CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

The Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

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

The Company or any of its subsidiaries did not purchase, sell or redeem any of the Company's listed securities during the Review Period.

### CORPORATE STRATEGY AND LONG-TERM BUSINESS MODEL

The primary objective of the Group is to enhance long-term total return for Shareholders. The strategy of the Group is to deliver sustainable returns with solid financial fundamentals. To achieve this objective, the Company strives to be one of the largest linen yarn manufacturers in the world through implementation of strategic global production layout, its commitment to sustainable development and technical innovation, developing proprietary intellectual property rights, branding of products and pursuing advanced management for lean management and excellent performance to generate or preserve value over a longer term. The management discussion and analysis contains 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 2023 (30 June 2022: Nil).

### 根據上市規則的持續披露責任

本公司並無任何其他須根據上市規則第13.20、13.21及13.22條作出披露的責任。

### 購買、出售或贖回本公司上市證券

本公司或其任何附屬公司於回顧期間概無購買、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

本集團的主要目標為提升股東長遠回報總額。本集團的策略為打造堅實的財務基礎，落實持續回報。為實現此目標，本公司實施了生產佈局全球化的策略，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，追求卓越管理從而達致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，長期創造或維持價值。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二零二三年六月三十日止六個月宣派任何中期股息（二零二二年六月三十日：無）。

# Corporate Governance and Other Information

## 企業管治及其他資料

### SHARE OPTION SCHEME

The Company has adopted a share option scheme (the “**Scheme**”) 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. No option has been granted under the Scheme since its adoption on 30 May 2016.

### SHARE AWARD PLAN

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

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

No amount is payable by a selected person upon the acceptance of an offer of or transfer of the awarded Shares from the Trustee to such selected person.

### 購股權計劃

本公司於二零一六年五月三十日採納購股權計劃（「**計劃**」），旨在向任何曾對本集團業務成功作出貢獻的董事、本集團的僱員、顧問、客戶、供應商、代理、業務夥伴或諮詢人或承辦商提供獎勵及激勵。自計劃於二零一六年五月三十日採納以來，概無根據計劃授出購股權。

### 股份獎勵計劃

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

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

於接納要約或受託人向獲選人士轉讓獎勵股份時，有關獲選人士毋須支付任何款項。

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

Any grant of awarded Shares to a selected person which would result in the aggregate of (i) the number of awarded Shares underlying all awards (whether vested or not); and (ii) the number of Shares issued and to be issued upon exercise of options (whether exercised or outstanding) under any share option scheme adopted by the Company from time to time (including the Scheme), granted to such selected person in the 12-month period up to and including the date of grant of such awarded Shares exceeding 1% of the Shares in issue as at the date of grant of such awarded Shares shall be subject to the approval of the Shareholders in a general meeting. In any financial year of the Company, the maximum number of Shares acquired by the Trustee under the Share Award Plan shall not exceed 5% of the Shares in issue as at the beginning of such financial year.

During the Review Period, no Shares have been awarded pursuant to the Share Award Plan. There were a total of 13,230,750 Shares held by Trustee and available for future granting as at 30 June 2023, representing approximately 2.1% of the issued Shares of the Company as at 30 June 2023.

### EVENTS AFTER THE REVIEW PERIOD

The Group has no material events after the Review Period that is required to be disclosed subsequent to 30 June 2023 and up to the date of this report.

### MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has devised its own code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard as set out in the Model Code. Having made specific enquiries with all Directors, all Directors have confirmed that they have complied with the required standards as set out in the Model Code and the Company's code of conduct regarding Directors' securities transactions for the Review Period and up to the publication date of this report.

倘向一名獲選人授出任何獎勵股份將導致截至授出該獎勵股份之日(包括該日)止12個月期間內該獲選人獲授的(i)全部獎勵所涉及的獎勵股份數目(無論歸屬與否);及(ii)本公司不時採納的任何購股權計劃(包括計劃)項下的購股權(不論已行使或尚未行使)獲行使時發行及將予發行的股份數目,兩者之總和超過於授出該獎勵股份之日已發行股份的1%,則須獲股東於股東大會上批准。於本公司任何財政年度內,股份獎勵計劃項下由受託人購入的股份最高數目不得超過該財政年度初已發行股份的5%。

於回顧期間,概無股份已按股份獎勵計劃獲授出。於二零二三年六月三十日,合共13,230,750股股份由受託人持有且可供日後授出,佔本公司於二零二三年六月三十日已發行股份的約2.1%。

### 回顧期間後事項

於二零二三年六月三十日後及直至本報告日期,本集團概無須予披露之重大回顧期間後事項。

### 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制定其自身行為守則,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,全體董事已確認於回顧期間及直至本報告之刊發日期,彼等一直遵守標準守則所載的規定標準及本公司有關董事進行證券交易的行為守則。



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

## 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 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 for the deviation from code provision C.2.1 of Part 2 of the Corporate Governance Code (the “Code”) contained in Appendix 14 to the Listing Rules as disclosed below, the Company has complied with all the code provisions set out in Part 2 of the Code throughout the Review Period.

### Code Provision C.2.1

Under code provision C.2.1 of Part 2 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 meets regularly to consider major matters affecting the operations of the Group. 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.

## 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2部的守則條文第C.2.1條的情況外，本公司於整個回顧期間一直遵守守則第2部所載的所有守則條文。

### 守則條文第C.2.1條

根據守則第2部的守則條文第C.2.1條，本公司主席及行政總裁應有職責分工，兩職不應由同一人士擔任。本公司並無任何高級職員擁有「行政總裁」職銜。任維明先生為本公司主席，亦負責監察本集團一般營運。董事會定期舉行會議，以考慮影響本集團營運的主要事宜。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。

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

## 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 systems of the Group as well as the Group’s internal audit function 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 as required under Rule 3.10(2) of the Listing Rules, is appointed as the chairman of the Audit Committee. The interim results of the Group for the Review Period and this interim report have been reviewed with no disagreement by the Audit Committee.

## APPRECIATION

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

## 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以及本集團內部審核職能，並向董事會提供意見及評議。審核委員會由三名均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，而根據上市規則第3.10(2)條的規定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。本集團於回顧期間的中期業績及本中期報告已由審核委員會審閱，並無不同意之處。

## 致謝

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

# Interim Condensed Consolidated Statement of Profit or Loss

## 中期簡明合併損益表

For the six months ended 30 June 2023 截至二零二三年六月三十日止六個月

		For the six months ended 30 June 截至六月三十日止六個月		
		2023 二零二三年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2022 二零二二年 RMB'000 人民幣千元 (Unaudited) (未經審核)	
		Notes 附註		
<b>REVENUE</b>	<b>收入</b>	4	<b>821,476</b>	957,058
Cost of sales	銷售成本		<b>(666,775)</b>	(770,976)
Gross profit	毛利		<b>154,701</b>	186,082
Other income and gains	其他收益及得益	4	<b>13,100</b>	37,842
Selling and distribution expenses	銷售及分銷開支		<b>(13,957)</b>	(23,210)
Administrative expenses	行政開支		<b>(49,361)</b>	(60,087)
Other expenses	其他開支		<b>(673)</b>	(5,998)
Finance costs	財務成本	5	<b>(15,326)</b>	(17,624)
<b>PROFIT BEFORE TAX</b>	<b>除稅前溢利</b>	6	<b>88,484</b>	117,005
Income tax expense	所得稅開支	7	<b>(20,984)</b>	(32,566)
<b>PROFIT FOR THE PERIOD</b>	<b>期內溢利</b>		<b>67,500</b>	84,439
Attributable to:	由下列項目應佔：			
Owners of the parent	母公司擁有人		<b>67,549</b>	82,494
Non-controlling interests	非控制性權益		<b>(49)</b>	1,945
			<b>67,500</b>	84,439
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>	<b>母公司普通股權益持有人應佔每股盈利</b>			
Basic	基本	9	<b>RMB人民幣0.11元</b>	RMB人民幣0.13元
Diluted	攤薄	9	<b>RMB人民幣0.11元</b>	RMB人民幣0.13元

# Interim Condensed Consolidated Statement of Comprehensive Income

## 中期簡明合併全面收益表

For the six months ended 30 June 2023 截至二零二三年六月三十日止六個月

		For the six months ended 30 June 截至六月三十日止六個月	
		2023 二零二三年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2022 二零二二年 RMB'000 人民幣千元 (Unaudited) (未經審核)
<b>PROFIT FOR THE PERIOD</b>	<b>期內溢利</b>	<b>67,500</b>	<b>84,439</b>
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	(620)	(1,527)
<b>TOTAL COMPREHENSIVE INCOME, FOR THE PERIOD</b>	<b>期內全面收益總額</b>	<b>66,880</b>	<b>82,912</b>
Attributable to:	由下列項目應佔：		
Owners of the parent	母公司擁有人	66,929	80,967
Non-controlling interests	非控制性權益	(49)	1,945
		<b>66,880</b>	<b>82,912</b>

# Interim Condensed Consolidated Statement of Financial Position

## 中期簡明合併財務狀況表

As at 30 June 2023 於二零二三年六月三十日

			30 June 2023 二零二三年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2022 二零二二年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
	<i>Notes</i> <i>附註</i>			
<b>NON-CURRENT ASSETS</b>		<b>非流動資產</b>		
Property, plant and equipment		物業、廠房及設備	1,071,353	1,075,398
Investment property		投資物業	4,233	4,533
Right-of-use assets		使用權資產	67,382	68,815
Other intangible assets		其他無形資產	5,743	6,173
Prepayments for equipment		設備預付款項	4,641	1,082
Deferred tax assets		遞延稅項資產	10,038	8,473
Other non-current assets		其他非流動資產	3,407	3,407
Total non-current assets		非流動資產總值	<b>1,166,797</b>	1,167,881
<b>CURRENT ASSETS</b>		<b>流動資產</b>		
Inventories		存貨	1,042,867	685,180
Trade and bills receivables		應收貿易賬款及應收票據	440,733	426,267
Prepayments, deposits and other receivables		預付款、押金及其他應收款項	130,292	96,225
Pledged deposits		已抵押存款	139,903	61,900
Cash and cash equivalents		現金及現金等價物	168,180	467,469
Total current assets		流動資產總值	<b>1,921,975</b>	1,737,041
<b>CURRENT LIABILITIES</b>		<b>流動負債</b>		
Trade and bills payables		應付貿易賬款及應付票據	433,421	367,096
Other payables and accruals		其他應付款項及預提費用	194,330	228,094
Interest-bearing bank and other borrowings		計息銀行及其他借貸	786,642	696,344
Dividend payable		應付股息	52,464	307
Tax payable		應付稅項	21,577	27,866
Total current liabilities		流動負債總額	<b>1,488,434</b>	1,319,707
<b>NET CURRENT ASSETS</b>		<b>流動資產淨值</b>	<b>433,541</b>	417,334
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>資產總值減流動負債</b>	<b>1,600,338</b>	1,585,215

# Interim Condensed Consolidated Statement of Financial Position

## 中期簡明合併財務狀況表

As at 30 June 2023 於二零二三年六月三十日

		30 June 2023 二零二三年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2022 二零二二年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>資產總值減流動負債</b>	<b>1,600,338</b>	1,585,215
<b>NON-CURRENT LIABILITIES</b>	<b>非流動負債</b>		
Deferred tax liabilities	遞延稅項負債	39,704	40,666
Interest-bearing bank and other borrowings	計息銀行及其他借貸	56,387	56,559
	15		
Total non-current liabilities	非流動負債總額	<b>96,091</b>	97,225
Net assets	資產淨值	<b>1,504,247</b>	1,487,990
<b>EQUITY</b>	<b>權益</b>		
Equity attributable to owners of the parent	母公司擁有人應佔權益		
Share capital	股本	6,329	6,329
Treasury shares	庫存股份	(13,305)	(13,305)
Reserves	儲備	1,429,270	1,412,964
		<b>1,422,294</b>	1,405,988
Non-controlling interests	非控制性權益	<b>81,953</b>	82,002
Total equity	權益總額	<b>1,504,247</b>	1,487,990

# 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 2023 截至二零二三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 非控制性權益		Total equity 權益總額
		Issued capital 已發行股本	Share premium 股份溢價	Treasury shares 庫存股份	Merger reserve 合併儲備	Statutory reserve 法定儲備	Other reserve 其他儲備	Exchange reserve 匯兌儲備	Retained profits 保留溢利	Total 總計		
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 31 December 2022 (audited)	於二零二二年十二月三十一日 (經審核)	6,329	269,226	(13,305)	196,019	176,352	758	(15,465)	786,074	1,405,988	82,002	1,487,990
Profit for the period	期內溢利	-	-	-	-	-	-	-	67,549	67,549	(49)	67,500
Exchange differences on translation of foreign operations	換算海外業務的匯兌差額	-	-	-	-	-	-	(620)	-	(620)	-	(620)
Total comprehensive income for the period	期內全面收益總額	-	-	-	-	-	-	(620)	67,549	66,929	(49)	66,880
Final 2022 dividend declared	已宣派二零二二年末期股息	-	-	-	-	-	-	-	(50,623)	(50,623)	-	(50,623)
At 30 June 2023 (unaudited)	於二零二三年六月三十日 (未經審核)	<u>6,329</u>	<u>269,226</u>	<u>(13,305)</u>	<u>196,019</u>	<u>176,352</u>	<u>758</u>	<u>(16,085)</u>	<u>803,000</u>	<u>1,422,294</u>	<u>81,953</u>	<u>1,504,247</u>
		Attributable to owners of the parent 母公司擁有人應佔								Non-controlling interests 非控制性權益		Total equity 權益總額
		Issued capital 已發行股本	Share premium 股份溢價	Treasury shares 庫存股份	Merger reserve 合併儲備	Statutory reserve 法定儲備	Other reserve 其他儲備	Exchange reserve 匯兌儲備	Retained profits 保留溢利	Total 總計		
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 31 December 2021 (audited)	於二零二一年十二月三十一日 (經審核)	6,329	269,226	(13,305)	196,019	157,628	758	(12,384)	661,455	1,265,726	84,890	1,350,616
Profit for the period	期內溢利	-	-	-	-	-	-	-	82,494	82,494	1,945	84,439
Exchange differences on translation of foreign operations	換算海外業務的匯兌差額	-	-	-	-	-	-	(1,527)	-	(1,527)	-	(1,527)
Total comprehensive income for the period	期內全面收益總額	-	-	-	-	-	-	(1,527)	82,494	80,967	1,945	82,912
Final 2021 dividend declared	已宣派二零二一年末期股息	-	-	-	-	-	-	-	(30,889)	(30,889)	-	(30,889)
At 30 June 2022 (unaudited)	於二零二二年六月三十日 (未經審核)	<u>6,329</u>	<u>269,226</u>	<u>(13,305)</u>	<u>196,019</u>	<u>157,628</u>	<u>758</u>	<u>(13,911)</u>	<u>713,060</u>	<u>1,315,804</u>	<u>86,835</u>	<u>1,402,639</u>

# 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 2023 截至二零二三年六月三十日止六個月

		For the six months ended 30 June 截至六月三十日止六個月	
		2023 二零二三年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2022 二零二二年 RMB'000 人民幣千元 (Unaudited) (未經審核)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>經營活動的現金流量</b>		
Profit before tax	除稅前溢利	<b>88,484</b>	117,005
Adjustments for:	調整項目：		
Fair value loss on derivative financial instruments transactions not qualifying as hedges	不合資格作對沖的衍生金融工具交易的公允價值虧損	-	4,875
Depreciation	折舊	<b>50,869</b>	51,420
Depreciation of right-of-use assets	使用權資產折舊	<b>1,987</b>	2,346
Amortisation of intangible assets	無形資產攤銷	<b>430</b>	362
(Reversal of provision)/Provision for impairment of inventories	存貨減值(撥備撥回)/撥備	<b>(3,296)</b>	2,884
(Gains)/Losses on disposal of items of property, plant and equipment	出售物業、廠房及設備項目(得益)/虧損	<b>(1,982)</b>	621
Provision for impairment of trade and bills receivables	應收貿易賬款及應收票據減值撥備	<b>74</b>	3,841
Finance costs	財務成本	<b>15,326</b>	17,624
Bank interest income	銀行利息收入	<b>(1,958)</b>	(529)
		<b>149,934</b>	200,449
Increase in inventories	存貨增加	<b>(354,391)</b>	(76,816)
(Increase)/Decrease in trade and bills receivables	應收貿易賬款及應收票據(增加)/減少	<b>(14,540)</b>	21,643
Increase in prepayments and other assets	預付款及其他資產增加	<b>(34,067)</b>	(12,856)
Increase in right-of-use asset	使用權資產增加	-	(182)
Proceeds from pledged deposits	已抵押存款的所得款項	<b>116,864</b>	140,526
New pledged deposits	新造已抵押存款	<b>(194,867)</b>	(278,594)
Increase in trade and bills payables	應付貿易賬款及應付票據增加	<b>66,325</b>	161,660
Decrease in other payables and accruals	其他應付款項及預提費用減少	<b>(20,498)</b>	(1,399)
Cash (used in)/generated from operations	經營(所用)/產生的現金	<b>(285,240)</b>	154,431
Interest received	已收利息	<b>1,958</b>	529
Income tax paid	已付所得稅	<b>(29,800)</b>	(11,219)
Net cash flows from operating activities	經營活動的現金流量淨額	<b>(313,082)</b>	143,741



# 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 2023 截至二零二三年六月三十日止六個月

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

		2023 二零二三年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2022 二零二二年 RMB'000 人民幣千元 (Unaudited) (未經審核)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>投資活動的現金流量</b>		
Purchases of items of property, plant and equipment	購置物業、廠房及設備項目	(63,889)	(14,397)
Prepayments for land lease payment	土地租賃付款預付款項	-	(72)
Prepayments for equipment	設備預付款項	-	(3,424)
Proceeds from disposal of items of property, plant and equipment and other intangible assets	出售物業、廠房及設備項目及其他無形資產所得款項	3,628	1,059
Net cash flows used in investing activities	投資活動所用的現金流量淨額	<u>(60,261)</u>	<u>(16,834)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>融資活動的現金流量</b>		
New bank loans	新造銀行貸款	673,078	722,083
Repayment of bank loans	償還銀行貸款	(582,435)	(730,872)
Interest paid	已付利息	(14,897)	(19,684)
Principal portion of lease payment	租賃付款本金部分	(1,071)	(1,049)
Net cash flows used in financing activities	融資活動所用的現金流量淨額	<u>74,675</u>	<u>(29,522)</u>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>現金及現金等價物(減少)／增加淨額</b>	<b>(298,668)</b>	97,385
Cash and cash equivalents at beginning of period	期初現金及現金等價物	467,469	249,213
Effect of foreign exchange rate changes, net	匯率變動影響淨額	(621)	(1,526)
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>期末現金及現金等價物</b>	<b><u>168,180</u></b>	<b><u>345,072</u></b>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>	<b>現金及現金等價物結餘分析</b>		
Cash and bank balances	現金及銀行結餘	168,180	345,072
Cash and cash equivalents as stated in the interim condensed consolidated statement of financial position	中期簡明合併財務狀況表所列的現金及現金等價物	<b><u>168,180</u></b>	<b><u>345,072</u></b>

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

For the six months ended 30 June 2023 截至二零二三年六月三十日止六個月

## 1. CORPORATE AND GROUP INFORMATION

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

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

The Company’s registered office address is Cricket Square, Hutchins Drive, P.O. Box 2681 GT, Grand Cayman KY1-1111, Cayman Islands; and the principal place of business is located at 5/F, Manulife Place, 348 Kwun Tong Road, Kowloon, Hong Kong.

### 2.1 BASIS OF PREPARATION

The interim condensed consolidated financial statements for the six months ended 30 June 2023 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 2022.

### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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 2022, except for the adoption of the following new and revised International Financial Reporting Standards (“IFRSs”) for the first time for the current period’s financial information.

## 1. 公司及集團資料

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

本集團主要從事生產及銷售亞麻紗。

本公司的註冊辦事處地址為Cricket Square, Hutchins Drive, P.O. Box 2681 GT, Grand Cayman KY1-1111, Cayman Islands; 其主要營業地點則位於香港九龍觀塘道348號宏利廣場5樓。

### 2.1 編製基準

截至二零二三年六月三十日止六個月的中期簡明合併財務報表乃按照《國際會計準則》（「《國際會計準則》」）第34號「中期財務報告」編製。

本中期簡明合併財務報表並不包括全年財務報表所要求的全部資料及披露，故應與本集團截至二零二二年十二月三十一日止年度的全年財務報表一併閱覽。

### 2.2 會計政策及披露的變動

編製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二零二二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，惟就本期間的財務資料首次採納以下新訂及經修訂《國際財務報告準則》（「《國際財務報告準則》」）除外。

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

For the six months ended 30 June 2023 截至二零二三年六月三十日止六個月

## 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

IFRS 17	<i>Insurance Contracts</i>
Amendments to IFRS 17	<i>Insurance Contracts</i>
Amendment to IFRS 17	<i>Initial Application of IFRS 17 and IFRS 9 – Comparative Information</i>
Amendments to IAS 1 and IFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i>
Amendments to IAS 8	<i>Definition of Accounting Estimates</i>
Amendments to IAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to IAS 12	<i>International Tax Reform – Pillar Two Model Rules</i>

The nature and impact of the revised IFRSs are described below:

- (a) Amendments to IAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to IFRS Practice Statement 2 provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The Group has applied the amendments since 1 January 2023. The amendments did not have any impact on the Group's interim condensed consolidated financial information but are expected to affect the accounting policy disclosures in the Group's annual consolidated financial statements.

## 2.2 會計政策及披露的變動(續)

《國際財務報告準則》第17號	保險合約
《國際財務報告準則》第17號的修訂本	保險合約
《國際財務報告準則》第17號的修訂本	首次應用《國際財務報告準則》第17號及《國際財務報告準則》第9號—比較資料
《國際會計準則》第1號及《國際財務報告準則實務報告》第2號的修訂本	會計政策披露
《國際會計準則》第8號的修訂本	會計估計的定義
《國際會計準則》第12號的修訂本	與單一交易產生的資產及負債相關的遞延稅項
《國際會計準則》第12號的修訂本	國際稅務改革—第二支柱示範規則

經修訂《國際財務報告準則》的性質及影響載述如下：

- (a) 《國際會計準則》第1號的修訂本要求實體披露其重大會計政策資料而非其主要會計政策。倘會計政策資料與實體財務報表所載其他資料一併考慮時，可能合理預期影響一般用途財務報表的主要使用者基於該等財務報表作出的決定，則該等資料屬重大。《國際財務報告準則實務報告》第2號的修訂本為如何將重大的概念應用於會計政策披露提供了非強制性指導。本集團已自二零二三年一月一日起應用該等修訂本。該等修訂本對本集團的中期簡明合併財務資料並無任何影響，惟預計會影響本集團的全年合併財務報表中的會計政策披露。

# Notes to Interim Condensed Consolidated Financial Statements

## 中期簡明合併財務報表附註

For the six months ended 30 June 2023 截至二零二三年六月三十日止六個月

### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

- (b) Amendments to IAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. The Group has applied the amendments to changes in accounting policies and changes in accounting estimates that occur on or after 1 January 2023. Since the Group's policy of determining accounting estimates aligns with the amendments, the amendments did not have any impact on the financial position or performance of the Group.
- (c) Amendments to IAS 12 narrow the scope of the initial recognition exception in IAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset and a deferred tax liability for temporary differences arising from these transactions. The Group has applied the amendments on temporary differences related to leases as at 1 January 2022, with any cumulative effect recognised as an adjustment to the balance of retained profits or other component of equity as appropriate at that date. In addition, the Group has applied the amendments prospectively to transactions other than leases that occurred on or after 1 January 2022, if any.

Prior to the initial application of these amendments, the Group applied the initial recognition exception and did not recognise a deferred tax asset and a deferred tax liability for temporary differences for transactions related to leases. Upon initial application of these amendments, the Group recognised (i) a deferred tax asset for all deductible temporary differences associated with lease liabilities (provided that sufficient taxable profit is available), and (ii) a deferred tax liability for all taxable temporary differences associated with right-of-use assets as at 1 January 2022. The quantitative impact on the financial information is immaterial, so no adjustment was made to the balance of retained profits as at 1 January 2022.

### 2.2 會計政策及披露的變動(續)

- (b) 《國際會計準則》第8號的修訂本澄清會計估計變動與會計政策變動的區別。會計估計被定義為財務報表中存在計量不確定的貨幣金額。該等修訂本亦闡明實體如何使用計量技術及輸入值以制定會計估計。本集團已將該等修訂本應用於二零二三年一月一日或之後發生的會計政策變動及會計估計變動。由於本集團釐定會計估計的政策與該等修訂本一致，故該等修訂本不會對本集團的財務狀況或表現造成任何影響。
- (c) 《國際會計準則》第12號的修訂本縮小《國際會計準則》第12號初始確認例外的範圍，使其不再適用於產生相等的應納稅及可抵扣暫時性差異的交易，例如租賃及棄置義務。因此，實體須就該等交易產生的暫時性差異確認遞延稅項資產及遞延稅項負債。本集團已將該等修訂本應用於二零二二年一月一日與租賃相關的暫時性差異，任何累積影響確認為對該日保留溢利或其他權益組成部分(如適用)結餘的調整。此外，本集團已前瞻性地將該等修訂本應用於二零二二年一月一日或之後發生的租賃以外的交易(如有)。

於首次應用該等修訂本前，本集團應用初始確認例外情況，不對與租賃相關的交易暫時性差異確認遞延稅項資產及遞延稅項負債。於首次應用該等修訂本時，本集團確認於二零二二年一月一日(i)與租賃負債相關的所有可抵扣暫時性差異的遞延稅項資產(前提是有足夠的應課稅溢利)，及(ii)與使用權資產相關的所有應課稅暫時性差異的遞延稅項負債。由於對財務資料的量化影響甚微，故並無對於二零二二年一月一日的保留溢利結餘作出調整。

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

For the six months ended 30 June 2023 截至二零二三年六月三十日止六個月

## 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

- (d) Amendments to IAS 12 International Tax Reform – Pillar Two Model Rule introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. Entities are required to disclose the information relating to their exposure to Pillar Two income taxes in annual periods beginning on or after 1 January 2023, but are not required to disclose such information for any interim periods ending on or before 31 December 2023. The Group has applied the amendments retrospectively. Since the Group did not fall within the scope of the Pillar Two model rules, the amendments did not have any impact to the Group.

## 3. OPERATING SEGMENT

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

## 2.2 會計政策及披露的變動(續)

- (d) 《國際會計準則》第12號的修訂本國際稅務改革—第二支柱示範規則引入了一項確認及披露因實施經濟合作與發展組織頒佈的第二支柱示範規則而產生的遞延稅項的強制性臨時例外情況。該等修訂本亦為受影響實體引入披露規定，幫助財務報表的使用者更好了解實體面臨的第二支柱所得稅風險，包括於第二支柱立法生效期間單獨披露與第二支柱所得稅相關的即期稅項，以及於立法已頒佈或實質頒佈但尚未生效期間披露其面臨的第二支柱所得稅風險的已知或可合理估計的資料。實體須於二零二三年一月一日或之後開始的年度期間披露與其面臨的與第二支柱所得稅風險相關的資料，惟毋須披露於截至二零二三年十二月三十一日或之前的任何中期期間的有關資料。本集團已追溯應用該等修訂本。由於本集團不屬於第二支柱示範規則的範圍，故該等修訂本不會對本集團造成任何影響。

## 3. 經營分部

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

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

For the six months ended 30 June 2023 截至二零二三年六月三十日止六個月

## 3. OPERATING SEGMENT (continued)

### Geographical information

#### (a) Revenue

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 2023 is set out in the following table:

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

## 3. 經營分部(續)

### 地理資料

#### (a) 收入

下表載列本集團於截至二零二三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 收入 For the six months ended 30 June 截至六月三十日止六個月

2023 二零二三年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2022 二零二二年 RMB'000 人民幣千元 (Unaudited) (未經審核)
344,603	312,827
240,230	339,165
236,643	305,066
<b>821,476</b>	<b>957,058</b>

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

For the six months ended 30 June 2023 截至二零二三年六月三十日止六個月

### 3. OPERATING SEGMENT (continued)

#### Geographical information (continued)

(b) Non-current assets

Mainland China	中國大陸
Ethiopia	埃塞俄比亞

The non-current asset information of continuing operations above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

#### Information about major customers

No revenue amounting to 10 percent or more of the Group's total revenue was derived from sales to a single customer for the six months ended 30 June 2023 (six months ended 30 June 2022: Nil).

### 3. 經營分部(續)

#### 地理資料(續)

(b) 非流動資產

30 June 2023 二零二三年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2022 二零二二年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
799,890	790,849
356,869	368,559
<b>1,156,759</b>	<b>1,159,408</b>

上文所載之持續經營業務的非流動資產資料乃基於資產(金融工具及遞延稅項資產除外)所處的位置。

#### 有關主要客戶的資料

於截至二零二三年六月三十日止六個月，並無向單一客戶進行的銷售收入佔本集團總收入10%或以上(截至二零二二年六月三十日止六個月：無)。

# Notes to Interim Condensed Consolidated Financial Statements

## 中期簡明合併財務報表附註

For the six months ended 30 June 2023 截至二零二三年六月三十日止六個月

### 4. REVENUE, OTHER INCOME AND GAINS

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

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

### 4. 收入、其他收益及得益

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

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	
		2023 二零二三年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2022 二零二二年 RMB'000 人民幣千元 (Unaudited) (未經審核)
<b>Type of goods or services</b>	<b>貨品或服務類型</b>		
Sales of linen yarn, hemp yarn and scraps	銷售亞麻紗、大麻紗及廢料	802,256	929,011
Other services	其他服務	19,220	28,047
		<b>821,476</b>	<b>957,058</b>
<b>Timing of revenue recognition</b>	<b>收入確認時間</b>		
Goods transferred at a point in time	於某一時點轉讓的貨品	802,256	929,011
Services provided over time	隨時間提供的服務	19,220	28,047
		<b>821,476</b>	<b>957,058</b>
<b>Other income</b>	<b>其他收益</b>		
Foreign exchange gains, net	外匯得益淨額	4,223	28,238
Gain on disposal of items of property, plant and equipment	出售物業、廠房及設備項目得益	1,982	–
Government grants	政府補助	2,889	8,117
Bank interest income	銀行利息收入	1,958	529
Others	其他	2,048	958
		<b>13,100</b>	<b>37,842</b>



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

For the six months ended 30 June 2023 截至二零二三年六月三十日止六個月

## 5. FINANCE COSTS

## 5. 財務成本

		For the six months ended 30 June 截至六月三十日止六個月	
		2023 二零二三年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2022 二零二二年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Interest on bank loans	銀行貸款的利息	16,235	20,751
Interest on lease liabilities	租賃負債的利息	196	363
Total interest expense on financial liabilities not at fair value through profit or loss	未按公允價值計入損益的 金融負債的利息開支總額	16,431	21,114
Less: interest capitalised	減：資本化利息	(1,105)	(3,490)
		<b>15,326</b>	<b>17,624</b>

# Notes to Interim Condensed Consolidated Financial Statements

## 中期簡明合併財務報表附註

For the six months ended 30 June 2023 截至二零二三年六月三十日止六個月

### 6. PROFIT BEFORE TAX

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

### 6. 除稅前溢利

本集團除稅前溢利於扣除／(計入)下列各項後得出：

		For the six months ended 30 June 截至六月三十日止六個月	
		2023 二零二三年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2022 二零二二年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Cost of inventories sold	出售存貨成本	647,555	742,929
Cost of services	服務成本	19,220	28,047
Depreciation	折舊	50,869	51,420
Depreciation of right-of-use asset	使用權資產折舊	1,987	2,346
Amortisation of intangible assets	無形資產攤銷	430	362
Research and development ("R&D") expenses	研究及開發(「研發」)開支	12,656	15,699
Auditors' remuneration	核數師酬金	1,100	1,025
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	73,511	91,649
Pension scheme contributions	退休金計劃供款	6,750	5,769
		<b>80,261</b>	<b>97,418</b>
Foreign exchange gains, net	外匯得益淨額	(4,223)	(28,238)
Fair value loss on derivative financial instruments	衍生金融工具的公允價值虧損		
– transactions not qualifying as hedges	– 不合資格作對沖的交易	–	4,875
(Reversal of provision)/Provision for impairment of inventories	存貨減值(撥備轉回)／撥備	(3,296)	2,884
Provision for impairment of trade and bills receivables	應收貿易賬款及應收票據減值撥備	74	3,841
Finance costs	財務成本	15,326	17,624
Bank interest income	銀行利息收入	(1,958)	(529)

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

For the six months ended 30 June 2023 截至二零二三年六月三十日止六個月

## 7. INCOME TAX

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

Current charge for the period	即期期內支出
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) In accordance with the PRC Corporate Income Tax Law which was approved and became effective on 1 January 2008, the provision for current income tax of Mainland China has been based on a statutory rate of 25% of the assessable profits of the Group for the year, except for Zhejiang Kingdom Linen Co., Ltd. ("Zhejiang Kingdom"), an indirectly wholly-owned subsidiary of the Group. Zhejiang Kingdom obtained the High-new Technology Certificate for the years from 2022 to 2024 and is entitled to a tax rate of 15%.

## 7. 所得稅

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

2023 二零二三年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2022 二零二二年 RMB'000 人民幣千元 (Unaudited) (未經審核)
23,511	22,533
(2,527)	10,033
<b>20,984</b>	<b>32,566</b>

- (i) 根據開曼群島及英屬處女群島規則及法規，本集團毋須繳納開曼群島或英屬處女群島任何所得稅。
- (ii) 根據已通過並於二零零八年一月一日生效的《中國企業所得稅法》，中國大陸即期所得稅撥備已根據年內本集團的應課稅溢利按25%法定稅率計算，惟本集團的一間間接全資附屬公司浙江金達亞麻有限公司（「浙江金達」）除外。浙江金達取得於二零二二年至二零二四年各個年度的高新技術認證，可享有15%稅率。

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

For the six months ended 30 June 2023 截至二零二三年六月三十日止六個月

## 7. INCOME TAX (continued)

- (iii) Hong Kong profits tax has been provided at the rate of 8.25% on the estimated assessable profits arising in Hong Kong up to HK\$2 million. The assessable profits over HK\$2 million are subject to a tax rate of 16.5%.
- (iv) Pursuant to the rules and regulations of Italy, the Group is subject to tax at an income tax rate of 28.82%, which comprises the Italy Corporate Income Tax at 24% and the Italy Regional Income Tax at 4.82%.
- (v) Pursuant to the rules and regulations of Ethiopia, the Group is subject to tax at an income tax rate of 30%. The Group enjoys a tax holiday of profit tax exemption of 5 years since 2020.

## 8. DIVIDEND

The board has resolved not to declare any interim dividend in respect of the six months ended 30 June 2023 (six months ended 30 June 2022: Nil).

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

The calculation of the basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares of 616,447,000 (six months ended 30 June 2022: 616,447,000) 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.

## 7. 所得稅 (續)

- (iii) 香港利得稅按於香港產生的至多二百萬港元估計應課稅溢利以8.25%稅率計提撥備。超逾二百萬港元的應課稅溢利須按16.5%的稅率繳稅。
- (iv) 根據意大利規則及法規，本集團須按28.82%稅率繳納所得稅，當中包括按24%稅率計算的意大利企業所得稅及按4.82%稅率計算的意大利地區所得稅。
- (v) 根據埃塞俄比亞規則及法規，本集團須按30%稅率繳納所得稅。自二零二零年起，本集團享有5年利得稅豁免的稅務優惠。

## 8. 股息

董事會議決不宣派截至二零二三年六月三十日止六個月的任何中期股息(截至二零二二年六月三十日止六個月：無)。

## 9. 母公司普通股權益持有人應佔每股基本及攤薄盈利

每股基本盈利金額乃根據母公司普通股權益持有人應佔期內溢利及報告期內已發行普通股加權平均數616,447,000股(截至二零二二年六月三十日止六個月：616,447,000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。

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

For the six months ended 30 June 2023 截至二零二三年六月三十日止六個月

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

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 (續)

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	
		2023 二零二三年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2022 二零二二年 RMB'000 人民幣千元 (Unaudited) (未經審核)
<b>Earnings</b>	<b>盈利</b>		
Profit attributable to ordinary equity holders of the parent used in the basic earnings per share calculation	用作計算每股基本盈利的母公司普通股權益持有人應佔溢利	<u>67,549</u>	<u>82,494</u>
<b>Shares</b>	<b>股份</b>		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	用作計算每股基本盈利的期內已發行普通股加權平均數	<u>616,447</u>	616,447
Effect of dilution – weighted average number of ordinary shares: Share award plan*	攤薄影響—普通股加權平均數： 股份獎勵計劃*	<u>–</u>	<u>–</u>
		<u><u>616,447</u></u>	<u><u>616,447</u></u>

\* The share award is subject to profit target which is contingently issuable and as the condition is not met by the end of the period/year, it is not included in the calculation of diluted earnings per share calculation.

\* 股份獎勵須達成或然可發出的溢利目標，由於期／年底前未達成該條件，故未計入每股攤薄盈利計算的計算中。

# Notes to Interim Condensed Consolidated Financial Statements

## 中期簡明合併財務報表附註

For the six months ended 30 June 2023 截至二零二三年六月三十日止六個月

### 10. PROPERTY, PLANT AND EQUIPMENT

### 10. 物業、廠房及設備

		Plant and buildings 廠房及樓宇 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 總計 RMB'000 人民幣千元
At 31 December 2022 and at 1 January 2023:	於二零二二年十二月三十一日 及於二零二三年一月一日:							
Cost	成本	800,546	863,763	120,332	13,058	44,724	23,594	1,866,017
Accumulated depreciation	累計折舊	(205,386)	(482,011)	(72,567)	(7,329)	(23,326)	-	(790,619)
Net carrying amount	賬面淨額	<u>595,160</u>	<u>381,752</u>	<u>47,765</u>	<u>5,729</u>	<u>21,398</u>	<u>23,594</u>	<u>1,075,398</u>
At 1 January 2023, net of accumulated depreciation	於二零二三年一月一日， 扣除累計折舊	595,160	381,752	47,765	5,729	21,398	23,594	1,075,398
Additions	添置	1,592	9	3,084	496	558	42,430	48,169
Depreciation provided during the period	期內折舊撥備	(19,442)	(26,798)	(1,361)	(727)	(2,241)	-	(50,569)
Transfers	轉撥	-	10,512	404	623	600	(12,139)	-
Disposals	出售	(157)	(386)	(1,083)	(20)	-	-	(1,646)
Exchange realignment	匯兌調整	-	(1)	2	-	-	-	1
At 30 June 2023, net of accumulated depreciation	於二零二三年六月三十日， 扣除累計折舊	<u>577,153</u>	<u>365,088</u>	<u>48,811</u>	<u>6,101</u>	<u>20,315</u>	<u>53,885</u>	<u>1,071,353</u>
At 30 June 2023:	於二零二三年六月三十日:							
Cost	成本	801,475	871,546	122,520	13,747	45,883	53,885	1,909,056
Accumulated depreciation	累計折舊	(224,322)	(506,458)	(73,709)	(7,646)	(25,568)	-	(837,703)
Net carrying amount	賬面淨額	<u>577,153</u>	<u>365,088</u>	<u>48,811</u>	<u>6,101</u>	<u>20,315</u>	<u>53,885</u>	<u>1,071,353</u>

As at 30 June 2023, the Group's property, plant and equipment with a net carrying amount of approximately RMB286,967,000 (31 December 2022: RMB298,487,000) were pledged to secure bank loans granted to the Group as set out in note 15(i).

如附註15(i)所載，於二零二三年六月三十日，本集團賬面淨額約人民幣286,967,000元(二零二二年十二月三十一日：人民幣298,487,000元)的物業、廠房及設備已予質押，作為本集團獲授銀行貸款的擔保。

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

For the six months ended 30 June 2023 截至二零二三年六月三十日止六個月

## 11. OTHER INTANGIBLE ASSETS

## 11. 其他無形資產

		Patents and licences 專利及特許權 RMB'000 人民幣千元	Certified emission rights 認證排放權 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2023, net of accumulated amortisation	於二零二三年一月一日， 扣除累計攤銷	1,800	4,373	6,173
Amortisation provided during the period	期內攤銷撥備	(100)	(330)	(430)
At 30 June 2023, net of accumulated amortisation	於二零二三年六月三十日， 扣除累計攤銷	<u>1,700</u>	<u>4,043</u>	<u>5,743</u>
At 30 June 2023:	於二零二三年六月三十日：			
Cost	成本	2,000	10,566	12,566
Accumulated amortisation	累計攤銷	(300)	(6,523)	(6,823)
Net carrying amount	賬面淨額	<u>1,700</u>	<u>4,043</u>	<u>5,743</u>

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

For the six months ended 30 June 2023 截至二零二三年六月三十日止六個月

## 12. INVENTORIES

## 12. 存貨

		30 June 2023 二零二三年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2022 二零二二年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Raw materials	原材料	436,369	333,258
Work in progress	在製品	92,481	66,869
Finished goods	製成品	514,017	285,053
		<u>1,042,867</u>	<u>685,180</u>

As at 30 June 2023, inventories with a carrying amount of RMB40,000,000 (31 December 2022: RMB40,000,000) were pledged to secure bank loans granted to the Group as set out in note 15(i).

如附註15(i)所載，於二零二三年六月三十日，賬面金額為人民幣40,000,000元（二零二二年十二月三十一日：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。



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

For the six months ended 30 June 2023 截至二零二三年六月三十日止六個月

## 13. TRADE AND BILLS RECEIVABLES

Trade receivables	應收貿易賬款
Bills 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 bills receivable 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 2023 二零二三年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2022 二零二二年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
335,142	273,073
105,991	153,520
(400)	(326)
<b>440,733</b>	<b>426,267</b>

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

本集團的應收票據賬齡均為六個月內，並無逾期亦無減值。

# Notes to Interim Condensed Consolidated Financial Statements

## 中期簡明合併財務報表附註

For the six months ended 30 June 2023 截至二零二三年六月三十日止六個月

### 13. TRADE AND BILLS 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	一個月以內
1 to 2 months	一至兩個月
2 to 3 months	兩至三個月
Over 3 months	超過三個月

### 13. 應收貿易賬款及應收票據 (續)

於報告期末，按發票日期分類並扣減撥備的本集團的應收貿易賬款賬齡分析如下：

30 June 2023 二零二三年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2022 二零二二年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
186,069	148,389
62,215	49,438
63,823	37,250
22,635	37,670
<b>334,742</b>	<b>272,747</b>

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

For the six months ended 30 June 2023 截至二零二三年六月三十日止六個月

## 14. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at 30 June 2023, based on the invoice 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
Over 3 months	超過三個月

The above balances are unsecured and non-interest-bearing with credit terms of 90 days. The carrying amount of trade and bills payables at the end of each reporting period approximates to their fair value due to their short-term maturity.

## 14. 應付貿易賬款及應付票據

於二零二三年六月三十日，按發票日期分類的應付貿易賬款及應付票據賬齡分析如下：

30 June 2023 二零二三年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2022 二零二二年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
55,170	65,609
343,251	252,383
35,000	49,104
<b>433,421</b>	<b>367,096</b>

上述結餘為無抵押及不計息，信貸期為90日。於各報告期末，由於短期內到期，故應付貿易賬款及應付票據的賬面金額與其公允價值相若。

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

For the six months ended 30 June 2023 截至二零二三年六月三十日止六個月

## 15. INTEREST-BEARING BANK AND OTHER BORROWINGS

## 15. 計息銀行及其他借貸

			30 June 2023 二零二三年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2022 二零二二年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
		Notes 附註		
<b>Current</b>	<b>即期</b>			
Secured bank loans	有抵押銀行貸款	(i)	220,000	408,000
Unsecured bank loans	無抵押銀行貸款		564,827	280,233
Other loans – unsecured	其他貸款—無抵押		–	5,951
Lease liability	租賃負債		1,815	2,160
Subtotal	小計		<u>786,642</u>	<u>696,344</u>
<b>Non-current</b>	<b>非即期</b>			
Other loans – unsecured	其他貸款—無抵押		50,000	50,000
Lease liability	租賃負債		6,387	6,559
Subtotal	小計		<u>56,387</u>	<u>56,559</u>
Total	總計		<u>843,029</u>	<u>752,903</u>

Notes:

- (i) As at 30 June 2023, the current interest-bearing bank loans with a carrying amount of RMB220,000,000 (31 December 2022: RMB408,000,000) were secured by certain property, plant and equipment, and inventories with carrying amounts of approximately RMB286,967,000 (31 December 2022: RMB298,487,000), approximately RMB40,000,000 (31 December 2022: RMB40,000,000), respectively.
- (ii) The bank borrowings bear interest at rates ranging from 2.13% to 5.00% per annum (31 December 2022: 2.00% to 5.00% per annum).

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

附註：

- (i) 於二零二三年六月三十日，賬面金額為人民幣220,000,000元（二零二二年十二月三十一日：人民幣408,000,000元）的即期計息銀行貸款以賬面金額分別約人民幣286,967,000元（二零二二年十二月三十一日：人民幣298,487,000元）及約人民幣40,000,000元（二零二二年十二月三十一日：人民幣40,000,000元）的若干物業、廠房及設備及存貨作抵押。
- (ii) 銀行借貸按年利率介乎2.13%至5.00%（二零二二年十二月三十一日：年利率2.00%至5.00%）計息。

由於短期內到期，故本集團即期計息銀行貸款的賬面金額與其公允價值相若。

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

For the six months ended 30 June 2023 截至二零二三年六月三十日止六個月

## 15. INTEREST-BEARING BANK AND OTHER BORROWINGS (continued)

The fair values of the non-current interest-bearing bank borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for interest-bearing bank borrowings as at 30 June 2023 was assessed to be insignificant. Management has assessed that the carrying amount of the non-current interest-bearing bank loans of the Group approximates to the fair value due to their floating interest rate.

## 16. SHARE CAPITAL

### Authorised:

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

## 15. 計息銀行及其他借貸(續)

非即期計息銀行借貸的公允價值按適用於具有類似條款、信貸風險及剩餘年期的工具的現行利率折現預期未來現金流量計算。於二零二三年六月三十日，本集團本身對計息銀行借貸的不履約風險被評定為並不重大。按管理層的評估，本集團的非即期計息銀行貸款由於按浮動利率計息，故其賬面金額與其公允價值相若。

## 16. 股本

### 法定：

30 June 2023 二零二三年六月三十日		31 December 2022 二零二二年十二月三十一日	
Number of shares	Amount HK\$'000 金額	Number of shares	Amount HK\$'000 金額
股份數目	千港元	股份數目	千港元
(Unaudited) (未經審核)	(Unaudited) (未經審核)	(Audited) (經審核)	(Audited) (經審核)
3,000,000,000	30,000	3,000,000,000	30,000

### Issued and fully paid:

### 已發行及繳足：

	30 June 2023 二零二三年六月三十日			31 December 2022 二零二二年十二月三十一日		
	Number of shares	Amount HK\$'000 金額	RMB'000 equivalent 人民幣千元 等值	Number of shares	Amount HK\$'000 金額	RMB'000 equivalent 人民幣千元 等值
股份數目	千港元	人民幣千元	等值	股份數目	千港元	人民幣千元
	(Unaudited) (未經審核)	(Unaudited) (未經審核)	(Unaudited) (未經審核)		(Audited) (經審核)	(Audited) (經審核)
At the beginning and the end 於期初及期末	629,678,000	6,297	6,329	629,678,000	6,297	6,329

# Notes to Interim Condensed Consolidated Financial Statements

## 中期簡明合併財務報表附註

For the six months ended 30 June 2023 截至二零二三年六月三十日止六個月

### 17. TREASURY SHARES

### 17. 庫存股份

	30 June 2023 二零二三年六月三十日			31 December 2022 二零二二年十二月三十一日		
	Number of shares	Amount 金額		Number of shares	Amount 金額	
	HK\$'000	RMB'000 equivalent		HK\$'000	RMB'000 equivalent	
股份數目	千港元	人民幣千元 等值		千港元	人民幣千元 等值	
	(Unaudited) (未經審核)	(Unaudited) (未經審核)		(Audited) (經審核)	(Audited) (經審核)	
At the beginning and the end 於期初及期末	<u>13,230,750</u>	<u>14,632</u>	<u>13,305</u>	<u>13,230,750</u>	<u>14,632</u>	<u>13,305</u>

On 26 August 2016, the Company adopted a share award plan, which is not subject to the provisions of Chapter 17 of the Listing Rules (the "Share Award Plan"). The Board may, at their discretion, grants shares of the Company to eligible participants. The Company has appointed a trustee for administration of the Share Award Plan (the "Trustee"). The principal activity of the Trustee is administrating and holding the Company's shares for the Share Award Plan for the benefit of the Company's award holders. The Company's shares will be purchased by the Trustee in the market with cash paid by the Company and held in the trust for relevant award holders until such shares are vested in accordance with the provisions of the Share Award Plan. Upon vesting, the Trustee shall either transfer the vested awarded shares at no cost to such award holders or sell the vested awarded shares at the then prevailing market price by way of market order and remit the net proceeds to the award holders in accordance with the direction given by such award holders. The Trustee purchased 19,400,000 shares of the Company at a total consideration of approximately RMB19,508,000 and 19,370,000 shares were granted to award holders. In the six months ended 30 June 2023, no vested shares were transferred to award holders.

於二零一六年八月二十六日，本公司採納一項股份獎勵計劃（「股份獎勵計劃」），該計劃不受上市規則第十七章條文所規限。董事會可酌情向合資格參與人授出本公司股份。本公司已委聘受託人（「受託人」）管理股份獎勵計劃。受託人的主要活動乃為本公司獎勵持有人的利益就股份獎勵計劃管理及持有本公司股份。本公司之股份將由受託人於市場上使用本公司支付之現金購入並以信託方式為相關獎勵持有人而持有，直至有關股份根據股份獎勵計劃條文予以歸屬為止。於歸屬後，受託人須按照該等獎勵持有人作出的指示，將已歸屬之獎勵股份免費轉讓予該等獎勵持有人，或於市場上按當時現行之市價盤出售已歸屬之獎勵股份並將所得款項淨額匯付予獎勵持有人。受託人以總代價約人民幣19,508,000元購入本公司19,400,000股股份，而19,370,000股股份已授予獎勵持有人。截至二零二三年六月三十日止六個月，概無歸屬股份已轉讓予獎勵持有人。

# Notes to Interim Condensed Consolidated Financial Statements

## 中期簡明合併財務報表附註

For the six months ended 30 June 2023 截至二零二三年六月三十日止六個月

### 18. FINANCIAL INSTRUMENTS BY CATEGORY

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

#### Financial assets

As at 30 June 2023	於二零二三年六月三十日
Trade receivables	應收貿易賬款
Bills receivable	應收票據
Financial assets included in deposits and other receivables	計入押金及其他應收款項的金融資產
Pledged deposits	已抵押存款
Cash and cash equivalents	現金及現金等價物

As at 31 December 2022	於二零二二年十二月三十一日
Trade receivables	應收貿易賬款
Bills receivable	應收票據
Financial assets included in deposits and other receivables	計入押金及其他應收款項的金融資產
Pledged deposits	已抵押存款
Cash and cash equivalents	現金及現金等價物

### 18. 按類別分類的金融工具

於報告期末，各類別金融工具的賬面金額如下：

#### 金融資產

Financial assets at fair value through other comprehensive income 按公允價值計入其他全面收益的金融資產 RMB'000 人民幣千元 (Unaudited) (未經審核)	Financial assets at amortised cost 按攤銷成本列賬的金融資產 RMB'000 人民幣千元 (Unaudited) (未經審核)	Total 總計 RMB'000 人民幣千元 (Unaudited) (未經審核)
–	334,742	334,742
105,991	–	105,991
–	6,527	6,527
–	139,903	139,903
–	168,180	168,180
<b>105,991</b>	<b>649,352</b>	<b>755,343</b>

Financial assets at fair value through other comprehensive income 按公允價值計入其他全面收益的金融資產 RMB'000 人民幣千元 (Audited) (經審核)	Financial assets at amortised cost 按攤銷成本列賬的金融資產 RMB'000 人民幣千元 (Audited) (經審核)	Total 總計 RMB'000 人民幣千元 (Audited) (經審核)
–	272,747	272,747
153,520	–	153,520
–	7,708	7,708
–	61,900	61,900
–	467,469	467,469
<b>153,520</b>	<b>809,824</b>	<b>963,344</b>

# Notes to Interim Condensed Consolidated Financial Statements

## 中期簡明合併財務報表附註

For the six months ended 30 June 2023 截至二零二三年六月三十日止六個月

### 18. FINANCIAL INSTRUMENTS BY CATEGORY

(continued)

#### Financial liabilities

As at 30 June 2023	於二零二三年六月三十日
Interest-bearing bank and other borrowings	計息銀行及其他借貸
Financial liabilities included in other payables and accruals	計入其他應付款項及預提費用的金融負債
Dividend payable	應付股息
Trade and bills payables	應付貿易賬款及應付票據

### 18. 按類別分類的金融工具 (續)

#### 金融負債

Financial liabilities at fair value through profit or loss 按公允價值計入損益的金融負債 RMB'000 人民幣千元 (Unaudited) (未經審核)	Financial liabilities at amortised cost 按攤銷成本列賬的金融負債 RMB'000 人民幣千元 (Unaudited) (未經審核)	Total 總計 RMB'000 人民幣千元 (Unaudited) (未經審核)
–	843,029	843,029
–	140,332	140,332
–	52,464	52,464
–	433,421	433,421
–	<b>1,469,246</b>	<b>1,469,246</b>

As at 31 December 2022	於二零二二年十二月三十一日
Interest-bearing bank and other borrowings	計息銀行及其他借貸
Financial liabilities included in other payables and accruals	計入其他應付款項及預提費用的金融負債
Dividend payable	應付股息
Trade and bills payables	應付貿易賬款及應付票據

Financial liabilities at fair value through profit or loss 按公允價值計入損益的金融負債 RMB'000 人民幣千元 (Audited) (經審核)	Financial liabilities at amortised cost 按攤銷成本列賬的金融負債 RMB'000 人民幣千元 (Audited) (經審核)	Total 總計 RMB'000 人民幣千元 (Audited) (經審核)
–	752,903	752,903
–	149,971	149,971
–	307	307
–	367,096	367,096
–	<b>1,270,277</b>	<b>1,270,277</b>



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

For the six months ended 30 June 2023 截至二零二三年六月三十日止六個月

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

Set out below is a comparison of the carrying amounts and fair values of financial instruments as at 30 June 2023:

## 19. 金融工具的公允價值及公允價值等級架構

下文載列於二零二三年六月三十日金融工具賬面金額及公允價值的比較：

		Carrying amounts 賬面金額		Fair values 公允價值	
		2023 二零二三年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2022 二零二二年 RMB'000 人民幣千元 (Audited) (經審核)	2023 二零二三年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2022 二零二二年 RMB'000 人民幣千元 (Audited) (經審核)
<b>Financial assets</b>	<b>金融資產</b>				
Debt instruments at fair value through other comprehensive income	按公允價值計入其他全面收益的債務工具	<b>105,991</b>	153,520	<b>105,991</b>	153,520

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

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、即期計息銀行及其他借貸、應付貿易賬款及應付票據、應付股息、計入其他應付款項及預提費用的金融負債的公允價值與其賬面金額相若，主要由於該等工具於短期內到期所致。本集團的非即期計息銀行及其他借貸由於按浮動利率計息，故其賬面金額與其公允價值相若。

# Notes to Interim Condensed Consolidated Financial Statements

## 中期簡明合併財務報表附註

For the six months ended 30 June 2023 截至二零二三年六月三十日止六個月

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

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

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

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

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

### 19. 金融工具的公允價值及公允價值等級架構(續)

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

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

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

於期末,按市值標價的衍生資產頭寸已扣除涉及衍生工具對手方違約風險應佔的債務評估調整。對手方信貸風險的變動對按公允價值確認的金融工具並無重大影響。

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

For the six months ended 30 June 2023 截至二零二三年六月三十日止六個月

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

### Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

Bills receivable 應收票據

	Fair value measurement using 採用以下項目進行的公允價值計量		
	Quoted prices in active markets Level 1 於活躍市場的報價 第一層 RMB'000 人民幣千元 (Unaudited) (未經審核)	Significant observable inputs Level 2 重大可觀察輸入值 第二層 RMB'000 人民幣千元 (Unaudited) (未經審核)	Significant unobservable inputs Level 3 重大不可觀察輸入值 第三層 RMB'000 人民幣千元 (Unaudited) (未經審核)
30 June 2023 二零二三年六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	105,991	-	-

## 19. 金融工具的公允價值及公允價值等級架構 (續)

### 公允價值等級架構

下表顯示本集團金融工具的公允價值計量等級架構：

按公允價值計量的資產：

	Fair value measurement using 採用以下項目進行的公允價值計量		
	Quoted prices in active markets Level 1 於活躍市場的報價 第一層 RMB'000 人民幣千元 (Audited) (經審核)	Significant observable inputs Level 2 重大可觀察輸入值 第二層 RMB'000 人民幣千元 (Audited) (經審核)	Significant unobservable inputs Level 3 重大不可觀察輸入值 第三層 RMB'000 人民幣千元 (Audited) (經審核)
31 December 2022 二零二二年十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)	153,520	-	-

Bills receivable 應收票據

# Notes to Interim Condensed Consolidated Financial Statements

## 中期簡明合併財務報表附註

For the six months ended 30 June 2023 截至二零二三年六月三十日止六個月

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

#### Fair value hierarchy (continued)

During the six month ended 30 June 2023, 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 (2022: Nil).

### 20. COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

Contracted, but not provided for:	已訂約但未撥備：
Plant and machinery	廠房及機器

### 19. 金融工具的公允價值及公允價值等級架構 (續)

#### 公允價值等級架構 (續)

於截至二零二三年六月三十日止六個月，公允價值計量在第一層及第二層之間概無轉移，亦無公允價值計量轉入第三層或自第三層轉出 (二零二二年：無)。

### 20. 承擔

於報告期末，本集團的資本承擔如下：

30 June 2023 二零二三年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2022 二零二二年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
<u>172,371</u>	<u>208,855</u>

### 21. RELATED PARTY TRANSACTIONS

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

- (i) During the six months ended 30 June 2023, the Group leased offices and manufacturing facilities located in Mainland China from Zhejiang Kingdom Creative Co., Ltd. ("Kingdom Creative") and incurred operating lease charges of RMB286,000 (six months ended 30 June 2022: RMB333,000). Mr. Ren Weiming has a controlling equity interest in Kingdom Creative. Rental and other terms for these lease arrangements were negotiated between the parties on arm's length basis with reference to the then prevailing market rates.

### 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) 於截至二零二三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」) 租用多個位於中國大陸的辦公室及製造廠房，所產生的經營租賃費用為人民幣286,000元 (截至二零二二年六月三十日止六個月：人民幣333,000元)。任維明先生擁有金達創業的控股權益。該等租賃安排之租金及其他條款乃由雙方參考當時現行的市價公平協商。

# Notes to Interim Condensed Consolidated Financial Statements

## 中期簡明合併財務報表附註

For the six months ended 30 June 2023 截至二零二三年六月三十日止六個月

### 21. RELATED PARTY TRANSACTIONS (continued)

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

- (ii) During the six months ended 30 June 2023, the Group purchased electricity from Zhejiang Yuyuan Solar Co., Ltd. with an amount of RMB1,061,000 (six months ended 30 June 2022: RMB1,311,000). Mr. Ren Weiming has a controlling equity interest in this company. The price of electricity was made with a discount rate of approximately 3.5% to the market prices.
- (iii) During the six months ended 30 June 2023, the Group purchased chemicals and additives from Zhejiang Jinxiu Jiangnan Silk Co., Ltd. with an amount of RMB898,000 (six months ended 30 June 2022: RMB1,417,000). Mr. Ren Weiming has a controlling equity interest in this company. The raw material purchase was made according to published prices and conditions offered by the supplier to its major customers.
- (iv) During the six months ended 30 June 2023, the Group leased cars from Interconnect Financial Leasing (Shanghai) Co., Ltd, which incurred lease charges of RMB159,000 (six months ended 30 June 2022: RMB159,000). During the six months ended 30 June 2022, the Group leased an office to Interconnect Financial Leasing (Shanghai) Co., Ltd, which incurred lease charges of RMB171,000. Mr. Ren Weiming has a controlling equity interest in Interconnect Financial Leasing (Shanghai) Co., Ltd.'s parent company, Kingdom Creative. Rental and other terms for these lease arrangements were negotiated between the parties on arm's length basis with reference to the then prevailing market rates.

### 21. 關連方交易 (續)

#### (a) 與由本公司一名董事控制的公司進行的交易 (續)

- (ii) 於截至二零二三年六月三十日止六個月，本集團以人民幣1,061,000元(截至二零二二年六月三十日止六個月：人民幣1,311,000元)向浙江昱源光伏有限公司購電。任維明先生擁有該公司的控股權益。電價較市價折讓約3.5%。
- (iii) 於截至二零二三年六月三十日止六個月，本集團向浙江錦繡江南絲綢有限公司採購金額為人民幣898,000元(截至二零二二年六月三十日止六個月：人民幣1,417,000元)的化學品及添加劑。任維明先生擁有該公司的控股權益。原材料採購乃根據供應商向其主要客戶提供的已公佈價格及條件作出。
- (iv) 於截至二零二三年六月三十日止六個月，本集團向滙通融資租賃(上海)有限公司租用汽車，產生租賃費用人民幣159,000元(截至二零二二年六月三十日止六個月：人民幣159,000元)。於截至二零二二年六月三十日止六個月，本集團向滙通融資租賃(上海)有限公司出租辦公室，產生租賃費用人民幣171,000元。任維明先生擁有滙通融資租賃(上海)有限公司的母公司金達創業的控股權益。該等租賃安排之租金及其他條款乃由雙方參考當時現行的市價公平協商。

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

For the six months ended 30 June 2023 截至二零二三年六月三十日止六個月

## 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

2023 二零二三年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2022 二零二二年 RMB'000 人民幣千元 (Unaudited) (未經審核)
2,523	1,745
31	904
<b>2,554</b>	<b>2,649</b>

## 22. EVENTS AFTER THE REPORTING PERIOD

There was no material subsequent event undertaken by the Group after 30 June 2023 up to the date of this report.

## 22. 報告期後事項

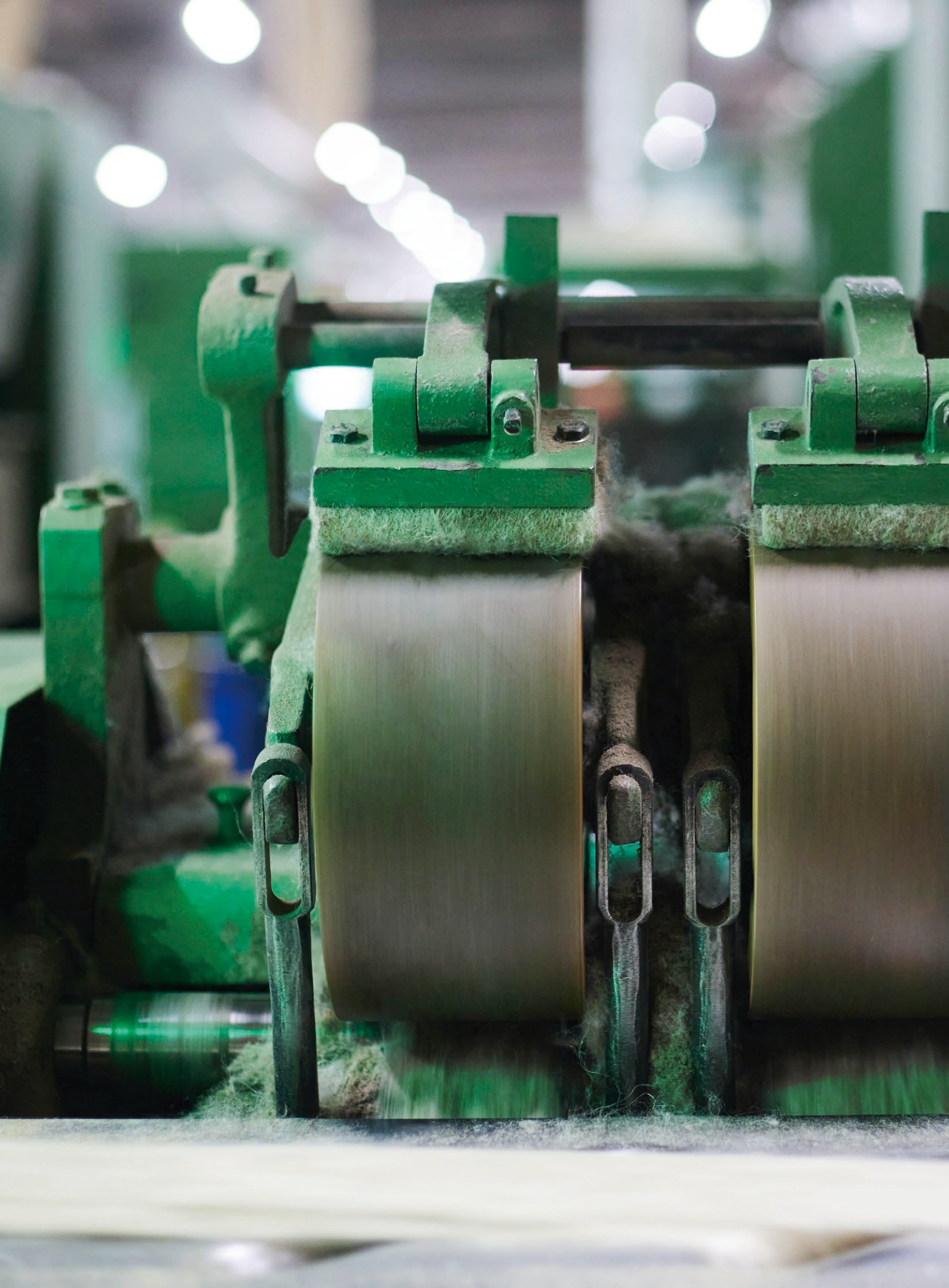
於二零二三年六月三十日後及直至本報告日期，本集團並無進行重大期後事項。

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

The unaudited interim condensed consolidated financial statements were approved and authorised for issue by the Board on 30 August 2023.

## 23. 批准中期簡明合併財務報表

董事會已於二零二三年八月三十日批准及授權刊發未經審核中期簡明合併財務報表。



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