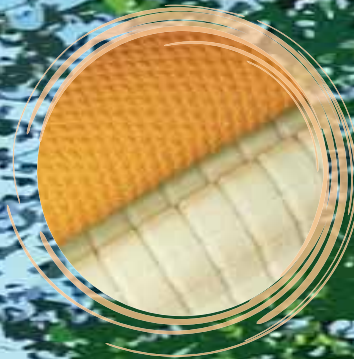




福田實業(集團)有限公司
Fountain Set (Holdings) Limited

The World's Finest Circular Knits. Since 1969.
世界優質圓筒針織，始於1969

Interim Report | 2007
中期報告 | 2007



編織創意，活出新意。
Knit Different. Live Different.

GROUP PROFILE

Fountain Set (Holdings) Limited and its subsidiaries are recognised in the industry as the world's largest circular knitted fabric manufacturer and has long been a driving force in the global market through its vertically integrated operations in spinning, knitting, dyeing, printing and finishing. The Group's product range also includes dyed yarns, sewing threads and garments. As a major fabric supplier to garment manufacturers in over 40 countries that supply to internationally renowned retail brands, Fountain Set's worldwide sales reached HK\$7.13 billion (US\$919 million) in the financial year 2006.

Headquartered in Hong Kong and listed on The Stock Exchange of Hong Kong Limited, Fountain Set (Holdings) Limited (SEHK: 420) has production facilities in the PRC, Sri Lanka and Indonesia, with marketing and representative offices in 8 countries and a global staff force of approximately 20,000.

To learn more about Fountain Set, please visit www.fshl.com

集團簡介

福田實業(集團)有限公司及其附屬公司被業界譽為世界最大的圓筒針織面料生產商，並一直通過提供紡紗、針織、染色、印花及整理等高度垂直之綜合服務而成為環球紡織行業的翹楚。集團產品亦包括色紗、縫紉線及成衣。福田實業向超過40個國家的成衣製造商提供面料，以製成國際知名品牌的成衣。福田實業於2006年財政年度的環球銷售額達71.3億港元(9.19億美元)。

福田實業(集團)有限公司之總部位於香港，並於香港聯合交易所有限公司上市(香港聯交所編號：420)，在中國、斯里蘭卡及印尼設有生產設施；海外市場推廣辦事處／代表處分佈8個國家，全球共聘用僱員約20,000人。

欲知更多福田實業資料，請瀏覽 www.fshl.com

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 簡明綜合財務報表

The Board of Directors is pleased to announce that the unaudited condensed consolidated financial statements of the Company and its subsidiaries ("the Group") for the six months ended 28th February, 2007 are as follows:

董事會欣然宣佈截至二零零七年二月二十八日止六個月本公司及其附屬公司(「本集團」)之未經審核簡明綜合財務報表如下：

Condensed Consolidated Income Statement 簡明綜合收益賬

For the six months ended 28th February, 2007

截至二零零七年二月二十八日止六個月

			Six months ended 28th February, 2007 截至 二零零七年 二月二十八日 止 六個月 HK\$'000 千港元 (unaudited) (未經審核)	Six months ended 28th February, 2006 截至 二零零六年 二月二十八日 止 六個月 HK\$'000 千港元 (unaudited) (未經審核)
Turnover	營業額	3	2,976,417	3,237,940
Cost of sales	銷售成本		<u>(2,411,646)</u>	<u>(2,620,342)</u>
			564,771	617,598
Other income	其他收入		61,853	39,218
Gain on disposal of property interests	出售物業權益之盈利		—	144,028
Distribution and selling expenses	分銷及銷售費用		(158,026)	(178,046)
Administrative expenses	行政費用		(334,418)	(323,718)
Finance costs	融資成本	4	<u>(47,777)</u>	<u>(50,768)</u>
Profit before taxation	除稅前盈利		86,403	248,312
Income tax charge	所得稅支出	5	<u>(7,783)</u>	<u>(23,048)</u>
Profit for the period	是期間盈利	6	<u><u>78,620</u></u>	<u><u>225,264</u></u>
Attributable to:	應佔：			
Shareholders of the Company	本公司股東		60,244	204,676
Minority shareholders	少數股東		18,376	20,588
			<u><u>78,620</u></u>	<u><u>225,264</u></u>
Dividend paid	已付股息	7	<u><u>51,611</u></u>	<u><u>55,581</u></u>
Basic earnings per share	每股基本盈利	8	<u><u>HK7.6 cents港仙</u></u>	<u><u>HK25.8 cents港仙</u></u>

Condensed Consolidated Balance Sheet 簡明綜合資產負債表

At 28th February, 2007

於二零零七年二月二十八日

			28th February, 2007 二零零七年 二月二十八日	31st August, 2006 二零零六年 八月三十一日
	Notes 附註		HK\$'000 千港元 (unaudited) (未經審核)	HK\$'000 千港元 (audited) (已經審核)
NON-CURRENT ASSETS		非流動資產		
Investment properties		投資物業	11,100	10,230
Property, plant and equipment	9	物業、機器及設備	2,220,078	2,165,327
Prepaid lease payments		預付租賃款項		
— non-current portion	9	— 非流動部份	73,539	65,865
Deferred tax assets		遞延稅項資產	19,424	21,834
			<u>2,324,141</u>	<u>2,263,256</u>
CURRENT ASSETS		流動資產		
Inventories	10	存貨	1,659,284	1,563,176
Prepaid lease payments		預付租賃款項		
— current portion	9	— 流動部份	1,905	1,567
Trade and other receivables	11	營業及其他應收款項	1,265,698	1,568,681
Amounts due from jointly controlled entities		共同控制機構 所欠款項	13,429	13,169
Derivative financial instruments		衍生金融工具	2,019	493
Tax recoverable		可收回稅項	7,548	9,654
Bank deposits with restricted use		有限制用途之銀行存款	2,249	3,979
Short-term bank deposits		短期銀行存款	418,979	292,079
Bank balances and cash		銀行結存及現金	433,053	367,632
			<u>3,804,164</u>	<u>3,820,430</u>
CURRENT LIABILITIES		流動負債		
Trade and other payables	12	營業及其他應付款項	708,251	652,049
Bills payable	12	應付票據	324,394	166,716
Amounts due to minority shareholders		欠少數股東款項	40,050	13,350
Derivative financial instruments		衍生金融工具	1,137	1,666
Tax payable		應付稅項	53,246	61,864
Bank borrowings		銀行借貸		
— due within one year	13	— 一年內到期	61,959	344,413
Bank overdrafts		銀行透支	6,419	3,415
Obligations under finance leases		財務租賃應付賬款		
— due within one year		— 一年內到期	1,300	5,049
			<u>1,196,756</u>	<u>1,248,522</u>
NET CURRENT ASSETS		流動資產淨值	<u>2,607,408</u>	<u>2,571,908</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		資產總值減流動負債	<u>4,931,549</u>	<u>4,835,164</u>

Condensed Consolidated Balance Sheet (Continued) 簡明綜合資產負債表(續)

At 28th February, 2007

於二零零七年二月二十八日

			28th February, 2007 二零零七年 二月二十八日	31st August, 2006 二零零六年 八月三十一日
		Note 附註	HK\$'000 千港元 (unaudited) (未經審核)	HK\$'000 千港元 (audited) (已經審核)
NON-CURRENT LIABILITIES	非流動負債			
Bank borrowings	銀行借貸			
— due after one year	— 一年後到期	13	1,921,395	1,827,990
Obligations under finance leases	財務租賃應付賬款			
— due after one year	— 一年後到期		—	440
Deferred tax liabilities	遞延稅項負債		6,511	7,084
			<u>1,927,906</u>	<u>1,835,514</u>
NET ASSETS	資產淨值		<u>3,003,643</u>	<u>2,999,650</u>
CAPITAL AND RESERVES	資本及儲備			
Share capital	股本		158,802	158,802
Reserves	儲備		2,638,599	2,639,513
Equity attributable to shareholders of the Company	本公司股東應佔 權益		2,797,401	2,798,315
Minority interests	少數股東權益		206,242	201,335
TOTAL EQUITY	權益總值		<u>3,003,643</u>	<u>2,999,650</u>

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動報表

For the six months ended 28th February, 2007
截至二零零七年二月二十八日止六個月

		Share capital	Share premium	Capital redemption reserve	Translation reserve	Statutory reserves	Retained profits	Total equity attributable to shareholders of the Company	Minority interests	Total equity
		股本	股份溢價	資本贖回儲備	匯兌儲備	法定儲備	滾存盈利	本公司股東應佔權益總值	少數股東權益	權益總值
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1st September, 2005	於二零零五年九月一日	158,802	197,124	210	(45,874)	16,000	2,258,037	2,584,299	193,413	2,777,712
Exchange differences arising from translation of financial statements denominated in foreign currencies directly recognised in equity	直接在權益內確認之外幣財務報表匯兌差額	—	—	—	(1,907)	—	—	(1,907)	(2,128)	(4,035)
Profit for the period	是期間盈利	—	—	—	—	—	204,676	204,676	20,588	225,264
Total recognised income and expense for the period	是期間確認之收入及支出總值	—	—	—	(1,907)	—	204,676	202,769	18,460	221,229
Dividend paid to shareholders of the Company	已付股息予本公司股東	—	—	—	—	—	(55,581)	(55,581)	—	(55,581)
Dividend paid to minority shareholders	已付股息予少數股東	—	—	—	—	—	—	—	(15,632)	(15,632)
Capital contribution from minority shareholders	少數股東之資本注資	—	—	—	—	—	—	—	690	690
At 28th February, 2006	於二零零六年二月二十八日	158,802	197,124	210	(47,781)	16,000	2,407,132	2,731,487	196,931	2,928,418
Exchange differences arising from translation of financial statements denominated in foreign currencies directly recognised in equity	直接在權益內確認之外幣財務報表匯兌差額	—	—	—	462	—	—	462	431	893
Profit for the period	是期間盈利	—	—	—	—	—	102,096	102,096	19,728	121,824
Total recognised income for the period	是期間確認之收入總值	—	—	—	462	—	102,096	102,558	20,159	122,717
Dividend paid to shareholders of the Company	已付股息予本公司股東	—	—	—	—	—	(35,730)	(35,730)	—	(35,730)
Dividend paid to minority shareholders	已付股息予少數股東	—	—	—	—	—	—	—	(15,755)	(15,755)
Transfer	調撥	—	—	—	—	2,000	(2,000)	—	—	—
At 31st August, 2006	於二零零六年八月三十一日	158,802	197,124	210	(47,319)	18,000	2,471,498	2,798,315	201,335	2,999,650
Exchange differences arising from translation of financial statements denominated in foreign currencies directly recognised in equity	直接在權益內確認之外幣財務報表匯兌差額	—	—	—	(9,547)	—	—	(9,547)	(5,809)	(15,356)
Profit for the period	是期間盈利	—	—	—	—	—	60,244	60,244	18,376	78,620
Total recognised income and expense for the period	是期間確認之收入及支出總值	—	—	—	(9,547)	—	60,244	50,697	12,567	63,264
Dividend paid to shareholders of the Company	已付股息予本公司股東	—	—	—	—	—	(51,611)	(51,611)	—	(51,611)
Dividend paid to minority shareholders	已付股息予少數股東	—	—	—	—	—	—	—	(7,660)	(7,660)
At 28th February, 2007	於二零零七年二月二十八日	158,802	197,124	210	(56,866)	18,000	2,480,131	2,797,401	206,242	3,003,643

Condensed Consolidated Cash Flow Statement 簡明綜合現金流量報表

For the six months ended 28th February, 2007
截至二零零七年二月二十八日止六個月

		Six months ended 28th February, 2007 截至 二零零七年 二月二十八日 止 六個月 HK\$'000 千港元 (unaudited) (未經審核)	Six months ended 28th February, 2006 截至 二零零六年 二月二十八日 止 六個月 HK\$'000 千港元 (unaudited) (未經審核)
Net cash from operating activities	營運項目所得之現金淨值	669,606	186,687
Investing activities	投資項目		
Purchase of property, plant and equipment	購買物業、機器及設備	(185,650)	(247,204)
Net proceeds from disposal of property interests	出售物業權益所得款項淨值	—	488,929
Other movements in investing activities	投資項目之其他變動	(15,993)	8,068
Net cash (used in) from investing activities	投資項目(所用)所得之現金淨值	(201,643)	249,793
Financing activities	融資項目		
New borrowings raised	新籌集之銀行借貸	324,233	648,282
Repayment of bank borrowings	償還銀行借貸	(513,896)	(814,407)
Other movements in financing activities	融資項目之其他變動	(89,287)	(133,054)
Net cash used in financing activities	融資項目所用之現金淨值	(278,950)	(299,179)
Net increase in cash and cash equivalents	現金及等同現金項目之增加淨值	189,013	137,301
Cash and cash equivalents at beginning of the period	於是期間開始時之現金及等同現金項目	656,296	531,529
Effect of foreign exchange rate changes	匯率變動之影響	304	(714)
Cash and cash equivalents at end of the period	於是期間終結時之現金及等同現金項目	845,613	668,116
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS	現金及等同現金項目結存之分析		
Being:	作為：		
Short-term bank deposits	短期銀行存款	418,979	341,575
Bank balances and cash	銀行結存及現金	433,053	329,248
Bank overdrafts	銀行透支	(6,419)	(2,707)
		845,613	668,116

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 28th February, 2007

截至二零零七年二月二十八日止六個月

1. Basis of Preparation

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with the Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

2. Principal Accounting Policies

The condensed consolidated financial statements have been prepared under the historical cost basis except for certain financial instruments which are measured at fair values.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the annual financial statements of the Group for the year ended 31st August, 2006.

Application of Hong Kong Financial Reporting Standards ("HKFRSs")

In the current interim period, the Group has applied, for the first time, a number of new standards, amendments and interpretations (the "new HKFRSs") issued by the HKICPA, which are effective for the Group's financial year beginning on 1st September, 2006. The adoption of the new HKFRSs has no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been recognised.

1. 編製基準

本簡明綜合財務報表乃根據香港聯合交易所有限公司證券上市規則（「上市規則」）附錄16之適用披露規定及按照香港會計師公會（「香港會計師公會」）頒佈之香港會計準則第34條「中期財務申報」而編製。

2. 主要會計政策

除若干金融工具以公平價值釐定外，本簡明綜合財務報表乃按歷史成本基準編製。

本簡明綜合財務報表所採用之會計政策與編製本集團截至二零零六年八月三十一日止年度之全年財務報表所遵循者一致。

應用香港財務申報準則（「香港財務申報準則」）

本中期間本集團已首次應用香港會計師公會頒佈之多項新準則、修訂及詮釋（「新香港財務申報準則」），並於二零零六年九月一日本集團之財政年度開始時生效。應用新香港財務申報準則對本會計期間及過往會計期間已呈報之業績及財務狀況沒有重大之影響。據此，並沒有就過往期間之調整作出確認。

Notes to the Condensed Consolidated Financial Statements (Continued)

簡明綜合財務報表附註 (續)

For the six months ended 28th February, 2007

截至二零零七年二月二十八日止六個月

2. Principal Accounting Policies (Continued)

Application of Hong Kong Financial Reporting Standards ("HKFRSs") (Continued)

The Group has not early applied the following new standards, amendment or interpretations that have been issued but are not yet effective. The directors of the Company has commenced considering the potential impact of these new HKFRSs but is not yet in a position to determine whether these new HKFRSs would have a significant impact on how its results and financial position are presented. These new HKFRSs may result in changes in the future as to how the results and financial position are presented.

HKAS 1 (Amendment)

香港會計準則第1條(經修訂)

HKFRS 7

香港財務申報準則第7條

HKFRS 8

香港財務申報準則第8條

HK(IFRIC)-Int 10

香港(國際財務申報詮釋委員會)－詮釋第10條

HK(IFRIC)-Int 11

香港(國際財務申報詮釋委員會)－詮釋第11條

HK(IFRIC)-Int 12

香港(國際財務申報詮釋委員會)－詮釋第12條

2. 主要會計政策(續)

應用香港財務申報準則(「香港財務申報準則」)(續)

本集團並沒有提早採納以下已頒佈但未生效之新準則、修訂或詮釋。本公司董事已開始考慮該等新香港財務申報準則之潛在影響，惟目前仍未能確定該等新香港財務申報準則會否對所呈報之業績及財務狀況有重大之影響。該等新香港財務申報準則可能引致日後呈報之業績及財務狀況產生變動。

Capital disclosures¹

股本披露¹

Financial instruments: Disclosures¹

金融工具：披露¹

Operating segments²

營運分類²

Interim financial reporting and impairment³

中期財務申報及減值³

HKFRS 2 - Group and treasury share transactions⁴

香港財務申報準則第2條－集團及庫存股份交易⁴

Service concession arrangements⁵

服務特許權安排⁵

1. Effective for accounting periods beginning on or after 1st January, 2007
2. Effective for accounting periods beginning on or after 1st January, 2009
3. Effective for accounting periods beginning on or after 1st November, 2006
4. Effective for accounting periods beginning on or after 1st March, 2007
5. Effective for accounting periods beginning on or after 1st January, 2008

1. 於二零零七年一月一日或以後開始之會計期生效
2. 於二零零九年一月一日或以後開始之會計期生效
3. 於二零零六年十一月一日或以後開始之會計期生效
4. 於二零零七年三月一日或以後開始之會計期生效
5. 於二零零八年一月一日或以後開始之會計期生效

Notes to the Condensed Consolidated Financial Statements (Continued)

簡明綜合財務報表附註 (續)

For the six months ended 28th February, 2007

截至二零零七年二月二十八日止六個月

3. Segment Information

The Group's primary format for reporting segment information is geographical segments (based on location of customers).

Six months ended 28th February, 2007

		The People's Republic of China								Rest of Asia		America		Europe		Eliminations		Consolidated		
		Hong Kong	中華人民共和國	香港	韓國	斯里蘭卡	亞洲地區	美洲	歐洲	對銷	綜合									
		HK\$'000	HK\$'000	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
TURNOVER	營業額																			
External sales	對外銷售	1,193,349	119,801	413,054	310,936	642,799	281,497	14,981	—	2,976,417										
Inter-segment sales (note)	分類間銷售 (附註)	2,481,975	1,533,150	—	192,854	34,375	26,066	—	(4,268,420)	—										
Total turnover	營業額總值	<u>3,675,324</u>	<u>1,652,951</u>	<u>413,054</u>	<u>503,790</u>	<u>677,174</u>	<u>307,563</u>	<u>14,981</u>	<u>(4,268,420)</u>	<u>2,976,417</u>										
RESULT	業績																			
Segment result	分類業績	<u>164,148</u>	<u>15,417</u>	<u>56,436</u>	<u>70,400</u>	<u>88,346</u>	<u>40,733</u>	<u>1,858</u>			437,338									
Interest income	利息收入											11,569								
Unallocated income	不可分拆之收入											19,691								
Unallocated expenses	不可分拆之支出											(334,418)								
Finance costs	融資成本											(47,777)								
Profit before taxation	除稅前盈利											86,403								
Income tax charge	所得稅支出											(7,783)								
Profit for the period	是期間盈利											<u>78,620</u>								

Note: Inter-segment sales are charged at prices with reference to the prevailing market rates.

3. 分類資料

本集團呈報分類資料之主要格式為地域分類 (按客戶所在地區為基準)。

截至二零零七年二月二十八日止六個月

		The People's Republic of China								Rest of Asia		America		Europe		Eliminations		Consolidated		
		Hong Kong	中華人民共和國	香港	韓國	斯里蘭卡	亞洲地區	美洲	歐洲	對銷	綜合									
		HK\$'000	HK\$'000	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
TURNOVER	營業額																			
External sales	對外銷售	1,193,349	119,801	413,054	310,936	642,799	281,497	14,981	—	2,976,417										
Inter-segment sales (note)	分類間銷售 (附註)	2,481,975	1,533,150	—	192,854	34,375	26,066	—	(4,268,420)	—										
Total turnover	營業額總值	<u>3,675,324</u>	<u>1,652,951</u>	<u>413,054</u>	<u>503,790</u>	<u>677,174</u>	<u>307,563</u>	<u>14,981</u>	<u>(4,268,420)</u>	<u>2,976,417</u>										
RESULT	業績																			
Segment result	分類業績	<u>164,148</u>	<u>15,417</u>	<u>56,436</u>	<u>70,400</u>	<u>88,346</u>	<u>40,733</u>	<u>1,858</u>			437,338									
Interest income	利息收入											11,569								
Unallocated income	不可分拆之收入											19,691								
Unallocated expenses	不可分拆之支出											(334,418)								
Finance costs	融資成本											(47,777)								
Profit before taxation	除稅前盈利											86,403								
Income tax charge	所得稅支出											(7,783)								
Profit for the period	是期間盈利											<u>78,620</u>								

附註：分類間銷售之價格乃參照銷售時之市場價格而釐定。

Notes to the Condensed Consolidated Financial Statements (Continued)

簡明綜合財務報表附註(續)

For the six months ended 28th February, 2007

截至二零零七年二月二十八日止六個月

3. Segment Information (Continued)

Six months ended 28th February, 2006

		The People's Republic of China		Korea	Sri Lanka	Rest of Asia	America	Europe	Eliminations	Consolidated
		Hong Kong	中華人民共和國	韓國	斯里蘭卡	其他亞洲地區	美洲	歐洲	對銷	綜合
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
TURNOVER	營業額									
External sales	對外銷售	1,330,588	77,730	425,092	249,806	771,166	333,612	49,946	—	3,237,940
Inter-segment sales (note)	分類間銷售(附註)	3,169,474	2,051,609	—	165,339	40,365	25,293	—	(5,452,080)	—
Total turnover	營業額總值	<u>4,500,062</u>	<u>2,129,339</u>	<u>425,092</u>	<u>415,145</u>	<u>811,531</u>	<u>358,905</u>	<u>49,946</u>	<u>(5,452,080)</u>	<u>3,237,940</u>
RESULT	業績									
Segment result	分類業績	<u>187,098</u>	<u>10,422</u>	<u>58,125</u>	<u>55,878</u>	<u>106,143</u>	<u>41,677</u>	<u>7,172</u>		466,515
Interest income	利息收入									6,455
Gain on disposal of property interests	出售物業權益之盈利									144,028
Unallocated income	不可分拆之收入									5,800
Unallocated expenses	不可分拆之支出									(323,718)
Finance costs	融資成本									(50,768)
Profit before taxation	除稅前盈利									248,312
Income tax charge	所得稅支出									(23,048)
Profit for the period	是期間盈利									<u>225,264</u>

Note: Inter-segment sales are charged at prices with reference to the prevailing market rates.

3. 分類資料(續)

截至二零零六年二月二十八日止六個月

附註：分類間銷售之價格乃參照銷售時之市場價格而釐定。

Notes to the Condensed Consolidated Financial Statements (Continued)

簡明綜合財務報表附註 (續)

For the six months ended 28th February, 2007

截至二零零七年二月二十八日止六個月

4. Finance Costs

4. 融資成本

		Six months ended 28th February, 2007 截至 二零零七年 二月二十八日止 六個月 HK\$'000 千港元	Six months ended 28th February, 2006 截至 二零零六年 二月二十八日止 六個月 HK\$'000 千港元
Finance costs on:	融資成本：		
Bank borrowings wholly repayable within five years	於五年內全部償還之 銀行借貸	39,951	38,903
Bank borrowings not wholly repayable within five years	於五年內無需全部償還 之銀行借貸	10,376	13,518
Finance leases wholly repayable within five years	於五年內全部償還之 財務租賃	108	516
Total finance costs	融資成本總值	50,435	52,937
Less: amounts capitalised	減：化作資產金額	(2,658)	(2,169)
		<u>47,777</u>	<u>50,768</u>

Finance costs capitalised during the period arose on the general borrowing pool and have been calculated by applying a capitalisation rate of 4.73% (six months ended 28th February, 2006: 4.57%) per annum to expenditure on qualifying assets.

本期間化作資產之融資成本乃由一般借貸項目產生，並經以年息率4.73% (截至二零零六年二月二十八日止六個月：4.57%) 計算，轉至合資格資產內。

Notes to the Condensed Consolidated Financial Statements (Continued)

簡明綜合財務報表附註(續)

For the six months ended 28th February, 2007

截至二零零七年二月二十八日止六個月

5. Income Tax Charge

		Six months ended 28th February, 2007 截至 二零零七年 二月二十八日止 六個月 HK\$'000 千港元	Six months ended 28th February, 2006 截至 二零零六年 二月二十八日止 六個月 HK\$'000 千港元
Current tax:	是期間稅項：		
Hong Kong	香港	3,520	41,857
Other jurisdictions	其他司法地區	2,426	6,649
		<u>5,946</u>	<u>48,506</u>
Deferred tax:	遞延稅項：		
Current period	是期間	1,837	(25,458)
Taxation attributable to the Group	本集團應佔稅項	<u>7,783</u>	<u>23,048</u>

Hong Kong Profits Tax is calculated at 17.5% of the estimated assessable profit for both periods.

Pursuant to the relevant laws and regulations in the PRC, the Group's certain PRC subsidiaries are entitled to exemption from the PRC enterprise income tax for two years commencing from their first profit-making year of operation and thereafter, they are entitled to 50% relief from the PRC enterprise income tax for the following three years. The reduced tax rate for the relief period is 12%. In addition, the Group's certain PRC subsidiaries are entitled to a 50% reduction in tax rate in the year as over 70% of their turnover are for export purposes. The reduced tax rate is 12%.

Pursuant to the relevant laws and regulations in Sri Lanka, the profit generated from a subsidiary of the Group is entitled to exemption from the Sri Lanka income tax for certain years. Accordingly, no provision for the income tax was made during the current period.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

5. 所得稅支出

	Six months ended 28th February, 2007 截至 二零零七年 二月二十八日止 六個月 HK\$'000 千港元	Six months ended 28th February, 2006 截至 二零零六年 二月二十八日止 六個月 HK\$'000 千港元
Current tax:		
Hong Kong	3,520	41,857
Other jurisdictions	2,426	6,649
	<u>5,946</u>	<u>48,506</u>
Deferred tax:		
Current period	1,837	(25,458)
Taxation attributable to the Group	<u>7,783</u>	<u>23,048</u>

兩段期間之香港盈利稅是以估計應評估盈利之17.5%計算。

根據中國有關之法律及法規，本集團若干中國附屬公司可於首個獲利年度起，獲豁免中國企業所得稅兩年，及於其後三年可獲中國企業所得稅稅項減免50%。於稅務優惠期間之減免稅率為12%。此外，本集團若干中國附屬公司因外銷營業額超逾其營業總額70%時，該年度可獲50%稅率寬減，減免稅率為12%。

根據斯里蘭卡有關之法律及法規，由本集團一間附屬公司所產生之盈利可獲豁免若干年期之斯里蘭卡所得稅。據此，本期間並沒有就所得稅作出撥備。

其他司法地區之稅項是以有關各自司法地區當時之稅率計算。

Notes to the Condensed Consolidated Financial Statements (Continued)

簡明綜合財務報表附註 (續)

For the six months ended 28th February, 2007

截至二零零七年二月二十八日止六個月

6. Profit for the Period

6. 是期間盈利

		Six months ended 28th February, 2007 截至 二零零七年 二月二十八日止 六個月 HK\$'000 千港元	Six months ended 28th February, 2006 截至 二零零六年 二月二十八日止 六個月 HK\$'000 千港元
Profit for the period has been arrived at after charging (crediting):	是期間盈利已扣減(計入) 下列項目：		
Amortisation of prepaid lease payments	預付租賃款項之攤銷	865	1,767
Depreciation of investment properties	投資物業之折舊	185	1,258
Depreciation of property, plant and equipment	物業、機器及設備 之折舊	122,110	113,162
Total amortisation and depreciation	攤銷及折舊總值	123,160	116,187
Loss on disposal of property, plant and equipment	出售物業、機器及設備 之虧損	2,300	1,589
(Gain) losses arising from changes in fair value of derivative financial instruments	衍生金融工具之公平價值 變動所產生之(盈利)虧損	(2,564)	2,204

Notes to the Condensed Consolidated Financial Statements (Continued)

簡明綜合財務報表附註(續)

For the six months ended 28th February, 2007

截至二零零七年二月二十八日止六個月

7. Dividend Paid

7. 已付股息

		Six months ended 28th February, 2007 截至 二零零七年 二月二十八日止 六個月 HK\$'000 千港元	Six months ended 28th February, 2006 截至 二零零六年 二月二十八日止 六個月 HK\$'000 千港元
Final, paid - HK6.5 cents for 2006 (2005: HK7.0 cents) per share	已付末期：二零零六年度 每股6.5港仙 (二零零五年度：7.0港仙)	<u>51,611</u>	<u>55,581</u>

The directors have determined that an interim dividend of HK4.0 cents (2006: HK4.5 cents) per share be payable to the shareholders of the Company whose names appear in the register of members on 22nd June, 2007.

董事已決定派發中期股息每股4.0港仙(二零零六年度：4.5港仙)予二零零七年六月二十二日名列股東名冊內之本公司股東。

Notes to the Condensed Consolidated Financial Statements (Continued)

簡明綜合財務報表附註 (續)*For the six months ended 28th February, 2007*

截至二零零七年二月二十八日止六個月

8. Basic Earnings Per Share

The calculation of the basic earnings per share attributable to the shareholders of the Company is based on the profit for the period attributable to shareholders of the Company of approximately HK\$60,244,000 (six months ended 28th February, 2006: HK\$204,676,000) and on 794,010,960 (six months ended 28th February, 2006: 794,010,960) ordinary shares in issue during the period.

Diluted earnings per share is not presented as there were no potential ordinary shares in respect of share options in existence for both periods.

9. Movements in Property, Plant and Equipment and Prepaid Lease Payments

During the period, the Group incurred expenditure of approximately HK\$188,307,000 (six months ended 28th February, 2006: HK\$249,373,000) on property, plant and equipment and prepaid lease payments to expand and upgrade the Group's manufacturing facilities.

8. 每股基本盈利

本公司股東應佔每股基本盈利乃根據本公司股東應佔是期間盈利約60,244,000港元(截至二零零六年二月二十八日止六個月：204,676,000港元)及按是期間發行之普通股份794,010,960股(截至二零零六年二月二十八日止六個月：794,010,960)計算。

由於兩段期間均沒有因認股權而產生潛在之普通股份，因此並沒有就每股攤薄盈利作出呈列。

9. 物業、機器及設備和預付租賃款項之變動

本期間本集團為擴大及增強本集團之生產設施而用於物業、機器及設備和預付租賃款項的開支約為188,307,000港元(截至二零零六年二月二十八日止六個月：249,373,000港元)。

Notes to the Condensed Consolidated Financial Statements (Continued)

簡明綜合財務報表附註(續)

For the six months ended 28th February, 2007

截至二零零七年二月二十八日止六個月

10. Inventories

		28th February, 2007 二零零七年 二月二十八日 HK\$'000 千港元	31st August, 2006 二零零六年 八月三十一日 HK\$'000 千港元
Spare parts	備件	175,765	176,503
Raw materials	原料	796,482	795,468
Work in progress	半製品	368,102	294,031
Finished goods	製成品	318,935	297,174
		<u>1,659,284</u>	<u>1,563,176</u>

10. 存貨

11. Trade and Other Receivables

The Group allows an average credit period of 45 days to its trade customers.

The following is an aged analysis of trade receivables at the balance sheet date:

		28th February, 2007 二零零七年 二月二十八日 HK\$'000 千港元	31st August, 2006 二零零六年 八月三十一日 HK\$'000 千港元
Not yet due	未到期	571,493	701,580
Overdue 1 - 30 days	過期1-30天	305,517	273,143
Overdue 31 - 60 days	過期31-60天	95,037	141,380
Overdue > 60 days	過期超過60天	94,966	114,118
		<u>1,067,013</u>	<u>1,230,221</u>

11. 營業及其他應收款項

本集團提供平均45天數期予營業客戶。

於結算日，營業應收款項之賬齡分析如下：

Notes to the Condensed Consolidated Financial Statements (Continued)

簡明綜合財務報表附註 (續)

For the six months ended 28th February, 2007

截至二零零七年二月二十八日止六個月

12. Trade and Other Payables and Bills Payable

The following is an aged analysis of trade payables at the balance sheet date:

		28th February, 2007 二零零七年 二月二十八日 HK\$'000 千港元	31st August, 2006 二零零六年 八月三十一日 HK\$'000 千港元
Not yet due	未到期	394,725	297,085
Overdue 1 - 30 days	過期1-30天	40,270	27,065
Overdue 31 - 60 days	過期31-60天	14,935	12,368
Overdue > 60 days	過期超過60天	13,044	8,985
		<u>462,974</u>	<u>345,503</u>

All bills payable of the Group are not yet due at the balance sheet dates.

13. Bank Borrowings

During the period, the Group obtained new bank loans of approximately HK\$324,233,000 (six months ended 28th February, 2006: HK\$648,282,000) and made repayments of approximately HK\$513,896,000 (six months ended 28th February, 2006: HK\$814,407,000). The proceeds from the new loans were used as working capital of the Group and the acquisition of property, plant and equipment for the expansion and upgrading of the Group's manufacturing facilities.

12. 營業及其他應付款項和應付票據

於結算日，營業應付款項之賬齡分析如下：

	28th February, 2007 二零零七年 二月二十八日 HK\$'000 千港元	31st August, 2006 二零零六年 八月三十一日 HK\$'000 千港元
Not yet due	394,725	297,085
Overdue 1 - 30 days	40,270	27,065
Overdue 31 - 60 days	14,935	12,368
Overdue > 60 days	13,044	8,985
	<u>462,974</u>	<u>345,503</u>

於結算日，所有本集團之應付票據乃未到期。

13. 銀行借貸

本期間本集團取得新銀行貸款約324,233,000港元（截至二零零六年二月二十八日止六個月：648,282,000港元）及已償還約513,896,000港元（截至二零零六年二月二十八日止六個月：814,407,000港元）。新貸款所得款項乃用作本集團之流動資金和購買物業、機器及設備以擴大及增強本集團之生產設施。

Notes to the Condensed Consolidated Financial Statements (Continued)

簡明綜合財務報表附註(續)

For the six months ended 28th February, 2007

截至二零零七年二月二十八日止六個月

14. Capital Commitments

14. 資本承擔

		28th February, 2007 二零零七年 二月二十八日 HK\$'000 千港元	31st August, 2006 二零零六年 八月三十一日 HK\$'000 千港元
Capital expenditure in respect of the acquisition of property, plant and equipment contracted but not provided for in the financial statements	就有關購買物業、機器及設備之已簽約但未在財務報表作出撥備之資本開支	<u>53,523</u>	<u>143,109</u>
Capital expenditure in respect of the acquisition of property, plant and equipment authorised but not contracted for	就有關購買物業、機器及設備之已批准但未簽約之資本開支	<u>26,469</u>	<u>48,576</u>

BUSINESS REVIEW 業務回顧

We are pleased to report to shareholders the results of the Group for the six months ended 28th February, 2007. The Group's turnover was approximately HK\$2,976,417,000, a decrease of 8.08% over the same period last year. Unaudited profit attributable to shareholders amounted to approximately HK\$60,244,000, a decrease of 20.61% over the same period last year when excluding the net gain on disposal of certain property interests recorded in the corresponding period. Profit margin for the period under review was 2.02%, a decrease of 0.32 percentage point over the same period last year. Earnings per share were HK7.6 cents, compared to HK9.6 cents (HK25.8 cents if included the net gain on disposal of property interests) for the first half of financial year 2006. The Board resolved the payment of an interim dividend of HK4.0 cents (2006: HK4.5 cents) per share.

As stated in the 2006 annual report, the newly rebuilt effluent treatment unit at Dongguan Fuan Textiles Limited ("Fuan"), a joint venture subsidiary of the Group, was under test run starting from September 2006. During the period, the production capacity of Fuan was not in full operation and as a result, there was an impact on the production output which translated into lower turnover for the Group when compared to the same period last year. At the end of January 2007, Fuan successfully obtained official government certification for such effluent treatment unit, allowing the production capacity of Fuan to gradually recover thereafter.

In order to counter the effect of appreciation of the Renminbi, increase in minimum wage and the reductions in VAT refund rate in the PRC, the Group was able to increase the average selling price of products during the period under review. As a result, increase in production costs was largely compensated by the rise in selling price. At the same time, the drop of production volume during the period under review reduced the consumption of certain variable costs such as raw materials, energy and fuel as well as water. However, due to the temporary nature of volume reduction, the Group was not able to reduce fixed costs significantly, thus resulted in lower profit margin of 2.02% compared with 2.34% (excluding the net gain on disposal of property interests) of the same period last year.

本集團欣然向各股東匯報本集團截至二零零七年二月二十八日止六個月之業績。集團營業額約為2,976,417,000港元，與去年同期相比下跌8.08%。股東應佔未經審核盈利約為60,244,000港元，較去年同期當扣除所錄得之出售若干物業權益的淨盈利後，下跌20.61%。回顧期內的盈利率為2.02%，與去年同期相比下跌0.32個百分點。每股盈利為7.6港仙，相對二零零六年上半財政年度的為9.6港仙（如包括出售物業權益的淨盈利為25.8港仙）。董事會議決通過派發中期股息每股4.0港仙（二零零六年度：4.5港仙）。

如二零零六年年報所提及，位於集團旗下一間合資附屬公司——東莞福安紡織印染有限公司（「福安」）的全新污水處理設施已從二零零六年九月起進行測試。在測試期間，福安的生產能力並未能全面運作，因此產量受到影響並轉化為較去年同期相比較低的集團營業額。於二零零七年一月底，福安就此項全新污水處理設施已成功獲得政府正式認證，此後使得福安的產能逐漸恢復。

為抵銷人民幣升值、最低工資上調及中國減低增值稅退稅率的影響，集團於回顧期內能調升產品的平均售價。因此，上升的售價能大幅抵銷生產成本之增加。同時，在回顧期內產量的降低減少若干可變成本例如原材料、能源及燃料、以及水的耗用。然而，由於產量減低是暫時性的，集團未能顯著減低固定成本，故此導致較低的盈利率為2.02%，相比去年同期（扣除出售物業權益的淨盈利後）的2.34%。

BUSINESS REVIEW (Continued) 業務回顧 (續)

Production and Sales of Dyed Fabrics, Sewing Threads and Yarns

For the period under review, turnover from the production and sales of dyed fabrics, sewing threads and yarns was approximately HK\$2,658,896,000, a decrease of 12.40% as compared with the same period last year, and accounted for 89.33% of the Group's total turnover. This decrease was a result of the temporary reduction of the production capacity of Fuan.

Production and Sales of Garments

For the first half of financial year 2007, turnover from the production and sales of garments reached approximately HK\$317,521,000, a sharp increase of 56.56% as compared with the same period last year, and accounted for 10.67% of the Group's total turnover. The Group entered into a joint venture arrangement in garment business in December 2005. Since then, this joint venture established a factory in Dongguan and acquired another factory in Ningbo and the production capacity increased by over 50% compared to the first half of financial year 2006.

Analysis by Customer Geographical Regions

For the period under review, the Group's major customers were located in Asia and accounted for approximately 90.04% of the Group's total turnover. The remaining 9.96% was generated from sales to customers located in Europe and America.

製造及銷售色布、縫紉線及紗

在回顧期內，製造及銷售色布、縫紉線及紗的營業額約為2,658,896,000港元，比去年同期減少12.40%，佔集團營業額總值的89.33%。這減少乃福安暫時降低其產能所導致。

製造及銷售成衣

在二零零七年上半財政年度期間，製造及銷售成衣的營業額達到約317,521,000港元，比去年同期顯著上升56.56%，佔集團營業額總值的10.67%。集團於二零零五年十二月簽訂成衣業務之合資經營安排。此後，這項合資經營於東莞成立一間廠房及於寧波購買另外一間廠房，及產能較二零零六年上半財政年度增加50%以上。

客戶所屬地域分析

在回顧期內，集團之主要客戶位於亞洲，佔集團營業額總值約90.04%。而餘下的9.96%則來自銷售予位於歐洲及美洲的客戶。

OUTLOOK 展望

The existing Sino-EU textile trade agreement that has controlled the PRC's export of certain textile products to the EU will expire on 31st December, 2007. Although there are possibilities of other factors that may limit the growth rate of such export in the future, the Group is looking forward to the likelihood of certain level of increase in export from the mainland to these markets, which could present a growth opportunity for the Group in the future.

For the fabric business, the Group targets to expand the monthly fabric dyeing capacity from 29 million pounds by the end of August, 2006 to about 32 million pounds by the end of August 2007. The Group's plant in Jiangyin, the PRC has now become the largest production site within the Group and is expected to represent half of the Group's total capacity within this financial year. It is the long term plan of the Group to gradually migrate some production capacity from Southern part of the PRC to other parts of the PRC through expansion of the Jiangyin operation while continuing to secure new production locations that can provide favorable operating conditions. This plan will enable the Group to strategically accommodate the long-term policy of the PRC government to reduce the overall effluent discharge volume in the Guangdong province and to lessen the impact of rising costs of producing in Southern part of the PRC. The Group has entered into an agreement with an economic development zone of Yancheng city in Jiangysu, the PRC at the end of December 2006 for the establishment of a production base for textile products. Nevertheless, the concrete investment schedule is still subject to finalization of schedule for provision of infrastructural services by the local party, including the supply of steam and effluent treatment service conforming to national standard.

隨著操控中國若干紡織品出口到歐盟的現有中歐紡織品貿易協議將於二零零七年十二月三十一日期滿。雖然未來會有其他可能性的因素或會限制此等出口的增長率，集團期望中國出口到這些市場有可能得到若干程度的增長，在未來能為集團帶來增長機會。

在布料業務上，集團目標把每月染布產能由二零零六年八月底的二千九百萬磅增加至二零零七年八月底的約三千二百萬磅。集團位於中國江陰的廠房現已成為集團內最大的生產廠房，並預期能在本財政年度內達到相當於集團總產能的一半。以通過擴展江陰運作及繼續找尋具有合適營運條件的新生產廠房，集團長期計劃續步遷移部份南中國之產能到其他中國地區。該計劃使集團能策略性地配合中國政府對減少廣東省整體污水排放的長期政策，以及減低南中國地區生產成本上升的影響。集團於二零零六年十二月底與位於中國江蘇的鹽城市經濟開發區簽訂協議，設立紡織品生產廠房。然而，實際投資時間表乃視乎當地部門提供的最終基礎設施安排，包括蒸氣供應及符合國家標準的污水處理服務。

OUTLOOK (Continued) 展望 (續)

The production capacity expansion plan of our fabric mill in Sri Lanka, Ocean Lanka (Private) Limited (“Ocean Lanka”), is also on schedule to cater for the increasing demand for high quality knitted fabrics in the region. In February 2007, Ocean Lanka became the first knitted fabric manufacturer to qualify Fairtrade accreditation from FLO-CERT GmbH, the international certification body for Fairtrade Labelling Organizations International (FLO) in Sri Lanka. With an increase in importance of social responsibility in the global textile supply chain, Ocean Lanka will become an even more attractive circular knitted fabric supplier and is expected to secure additional new business from socially responsible customers.

The Group will continue to expand garment production capacity in the future. It is expected that the garment production capacity will continue to increase in this year. However, most of the production capacity will commence operation towards the end of the financial year; thus, the full potential of such expansion will not be fully reflected in the segment turnover and contribution of the garment business in this year. Moreover, new production lines will usually require certain period of development before they can start contributing to the performance of the company.

Jiangyin Jintian Machinery Limited (“Jintian”), our wholly owned subsidiary for the manufacturing of fabric production machinery, commenced operation in the second quarter of the calendar year of 2007. With a current team of several hundred skilled and experienced staff, the Company has been manufacturing numerous types of textile machines including fabric finishing and inspection machines for use by other subsidiaries of the Group. Since Jintian is still in the start-up phase, the majority of the machinery produced will be used to support the growth of our fabric mills while the balance will be sold to external customers. Although the revenue contribution to the Group by Jintian is small, it is expected to reduce our capital expenditure in machinery and diversify our source of revenue in the near future.

Based on the current assessment, the Group remains a cautiously optimistic view on the Group’s performance for this financial year.

我們位於斯里蘭卡的布料廠房 — 海洋蘭卡(私人)有限公司(「海洋蘭卡」)的產能擴充計劃亦正按原定計劃進行，以滿足該地區對高品質針織布料的需求增長。在二零零七年二月，海洋蘭卡成為斯里蘭卡首間取得公平貿易標籤組織之國際認證單位FLO-CERT GmbH認可的公平貿易認證的針織布料製造商。隨著在全球紡織供應鏈中，對布料產品的社會責任日益重視，海洋蘭卡將成為一間更具吸引力的圓筒針織布料供應商，並預期能從具社會責任的客戶中獲得更多的新業務商機。

集團將於未來繼續擴充成衣產能，預期成衣產能將於本年內持續上升。然而，大部份產能將於近本財政年度底開始運作，故此，這擴充之全部潛力在本年內將未能於分類營業額及成衣業務貢獻中全面反映。此外，新生產線通常需要若干開發時間才能開始對公司表現有貢獻。

我們在布料生產機械業務之全資附屬公司 — 江陰金田機械有限公司(「金田」)，於二零零七年曆年第二季度開始運作。現有數百名具技術及經驗的僱員團隊，公司已生產眾多款式之紡織機械包括布料整理及檢測機械供集團其他附屬公司使用。由於金田仍處於開始階段，大部份生產的機械會用於支持集團布料廠房的增長，而餘下的將會銷售予外部客戶。儘管由金田帶予集團的收入貢獻仍小，它預期能於不久將來降低機械之資本開支及分散業務收入來源。

按現狀估計，本集團對於本財政年度之集團表現保持謹慎樂觀。

FINANCIAL REVIEW 財務回顧

Liquidity and Financial Information

At 28th February, 2007, the total amount of bank deposits, bank balances and cash of the Group was approximately HK\$854,281,000, an increase of approximately HK\$190,591,000 compared with 31st August, 2006.

At 28th February, 2007, the financial ratios (inclusive of interim dividend declared) of the Group were as follows:

Gearing ratio	資本負債比率
Bank borrowings ratio	銀行借貸比率
Net bank borrowings ratio	銀行借貸淨值比率

The sales of the Group are mainly denominated in Hong Kong dollars and US dollars and the purchase of raw materials is mainly made in Hong Kong dollars, US dollars and Renminbi. Bank borrowings are also denominated in Hong Kong dollars and US dollars and interest are mainly charged on a floating rate basis. In addition, the Group mainly operates in the PRC and is exposed to foreign exchange risk arising from Renminbi exposure. The fluctuations in the US dollars and Renminbi have always been the concern of the Group. In order to mitigate the foreign currency risk and interest rate risk, the Group will enter into appropriate hedging arrangements in accordance with the Group's risk management policies.

流動資金及財務資料

於二零零七年二月二十八日，集團之銀行存款、銀行結存及現金總值約為854,281,000港元，比二零零六年八月三十一日增加約190,591,000港元。

於二零零七年二月二十八日，集團之財務比率（包括已宣派之中期股息在內）如下：

28th February, 2007 二零零七年 二月二十八日	31st August, 2006 二零零六年 八月三十一日
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1.22	1.21
0.72	0.79
0.41	0.55

本集團之銷售以港元及美元為主，原料採購則以港元、美元及人民幣為主。銀行借貸亦以港元及美元為單位，利息主要以浮動利率計算。此外，本集團主要於中國經營業務，故涉及人民幣所產生之外匯風險。本集團一直關注美元及人民幣匯率之波動。為降低外匯及利率風險，本集團會依據風險管理政策作出合適的對沖安排。

FINANCIAL REVIEW (Continued) 財務回顧 (續)

Capital Expenditure

During the period under review, the Group invested approximately HK\$185,650,000 in the addition of property, plant and equipment and prepaid lease payments. As mentioned in the annual report of last year, the Group estimated its capital expenditure for this financial year to be approximately HK\$420 million.

Charge over Assets

The Group's obligations under finance leases are secured by the lessor's charge over the leased assets. At 28th February, 2007, the carrying amount of those leased assets was approximately HK\$32,252,000 (31.8.2006: HK\$63,207,000) and the amount of obligations under finance leases was approximately HK\$1,300,000 (31.8.2006: HK\$5,489,000).

EMPLOYEES AND EMOLUMENT POLICIES

At 28th February, 2007, the Group had approximately 20,000 full time employees. There is no significant change in the Group's emolument policies.

資本開支

於回顧期內，本集團已投資約185,650,000港元以增加物業、機器及設備和預付租賃款項。如去年年報所提及，集團估計本財政年度的資本開支約為四億二千萬港元。

資產抵押

本集團之財務租賃應付賬款乃以出租人之租賃資產作抵押。於二零零七年二月二十八日，該等租賃資產的賬面值約為32,252,000港元(二零零六年八月三十一日：63,207,000港元)及財務租賃應付賬款約為1,300,000港元(二零零六年八月三十一日：5,489,000港元)。

僱員及酬金政策

集團於二零零七年二月二十八日之全職僱員人數約為20,000人，而集團之酬金政策並無重大改變。

DIRECTORS' INTERESTS IN SECURITIES 董事之證券權益

At 28th February, 2007, the interests of the directors of the Company and their associates in the shares and underlying shares of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance (“SFO”), or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules (the “Model Code”), were as follows:

Long positions in shares and underlying shares of the Company:

於二零零七年二月二十八日，根據本公司按證券及期貨條例（「證券及期貨條例」）第352條設置之名冊所記錄或按上市規則內上市公司董事進行證券交易之標準守則（「標準守則」）須通知本公司及香港聯合交易所有限公司（「聯交所」）之資料，本公司各董事及其聯繫人於本公司及其聯營公司所擁有之股份及相關股份權益如下：

於本公司股份及相關股份的好倉情況：

Name of director 董事名稱	Number of shares held as 持有股份數目			Approximate % of the issued share capital 約佔已發行 股本比率
	Beneficial owner 實益擁有人	Other interests 其他權益	Total 總數	
Mr. HA Chung Fong 夏松芳先生	30,122,000	282,014,044 (note) (附註)	312,136,044	39.31
Mr. HA Kam On, Victor 夏錦安先生	718,000	—	718,000	0.09
Mr. LAU Hong Yon 柳康遠先生	280,000	—	280,000	0.04
Mrs. FUNG YEHI Hao, Yvette 馮葉儀皓女士	70,000	—	70,000	0.01

Note:

Mr. HA Chung Fong was deemed to be interested in 282,014,044 shares in the Company in virtue of the set up of a discretionary trust, the HA Trust, for the benefit of his family and Trustcorp Limited (“Trustcorp”) is the trustee of the HA Trust. Trustcorp is the wholly owned subsidiary of Newcorp Holdings Limited (“Newcorp”).

Other than as disclosed above, none of the directors of the Company nor their associates had any interests or short positions in any shares and underlying shares of the Company or any of its associated corporations, which were recorded in the register as required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

附註：

由於夏松芳先生為其家族利益成立一項酌情信託the HA Trust，因此被當作擁有282,014,044股本公司股份權益。Trustcorp Limited（「Trustcorp」）為the HA Trust之受託人。Trustcorp是Newcorp Holdings Limited（「Newcorp」）之全資附屬公司。

除上述披露外，根據本公司按證券及期貨條例第352條設置之名冊所記錄或按標準守則須通知本公司及聯交所之資料，本公司董事及其聯繫人並無擁有本公司或本公司任何聯營公司任何股份及相關股份權益或淡倉。

SUBSTANTIAL SHAREOLDERS' AND OTHER SHAREHOLDERS' INTERESTS 主要股東及其他股東權益

At 28th February, 2007, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that other than the interests disclosed above in respect of certain directors, the following shareholders had notified the Company of relevant interests in the issued share capital of the Company.

於二零零七年二月二十八日，根據本公司按證券及期貨條例第336條所設置的主要股東名冊顯示，除上述部份董事已披露之權益外，以下股東已通知本公司其擁有本公司已發行股本的有關權益。

Long positions in shares and underlying shares of the Company:

於本公司股份及相關股份的好倉情況：

Name of substantial shareholder 主要股東名稱	Number of shares 股份數目	Capacity 身份	Approximate % of the issued share capital 約佔已發行 股本比率
Ms. TANG Kuen Mui 鄧娟妹女士	312,136,044 (notes 1 and 3) (附註1及3)	Spouse interest 配偶權益	39.31
Newcorp	282,014,044 (notes 2 and 3) (附註2及3)	Interest of corporation controlled 所控制的法團的權益	35.52
Mondrian Investment Partners Ltd.	86,709,430	Investment manager 投資經理	10.92
Templeton Investment Counsel, LLC	70,811,989	Investment manager 投資經理	8.92

Notes:

附註：

- Ms. TANG Kuen Mui, spouse of Mr. HA Chung Fong, was deemed to be interested in the shares.
- Newcorp is the ultimate controlling shareholder of Trustcorp and Trustcorp is the trustee of the HA Trust, a discretionary trust set up by Mr. HA Chung Fong for the benefit of his family.
- The interests of Mr. HA Chung Fong, Ms. TANG Kuen Mui and Newcorp were duplicated.

- 鄧娟妹女士為夏松芳先生之配偶，因而被當作擁有該等股份權益。
- Newcorp乃Trustcorp之最終控股股東，而Trustcorp為the HA Trust之受託人，the HA Trust為夏松芳先生為其家族利益而成立的一項酌情信託。
- 夏松芳先生、鄧娟妹女士及Newcorp之權益是重複的。

Other than as disclosed above, the Company has not been notified of any other relevant interests or short position in the issued share capital of the Company as at 28th February, 2007.

除上述披露外，於二零零七年二月二十八日，本公司並無收到任何其他擁有本公司已發行股本的有關權益或淡倉通知。

PURCHASE, SALE AND REDEMPTION OF THE COMPANY'S LISTED SECURITIES 購買、出售及贖回本公司之上市證券

For the period under review, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

於回顧期內本公司及其任何附屬公司並無購買、出售或贖回本公司之任何上市證券。

CODE OF CORPORATE GOVERNANCE PRACTICES 企業管治常規守則

None of the directors of the Company is aware of any information which would reasonably indicate that the Company is not, or, was not during the six months ended 28th February, 2007 in compliance with the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Listing Rules which came into effect on 1st September, 2005 to the Company, with deviation from the Code provision as explained below.

本公司董事概不知悉任何資料，足以合理地顯示本公司於截至二零零七年二月二十八日止六個月期間未有或未曾遵守上市規則附錄14所載之企業管治常規守則（「守則」）（已於二零零五年九月一日起在本公司開始生效），惟下文所載之守則條文之偏離行為除外。

Under the Code provision A.2.1, the roles of chairman and chief executive officer ("CEO") should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and CEO should be clearly established and set out in writing. Mr. HA Chung Fong ("Mr. HA") is presently the Chairman and Managing Director of the Company. Having considered the current business operation and nature of the Company, the Board is of the view that Mr. HA acting as both the roles of chairman and CEO is in the best interest of the Company. The Board will review this situation periodically.

按守則條文A.2.1規定，主席與行政總裁（「行政總裁」）的角色應有區分，不應由一人同時兼任。主席與行政總裁之間之職責分工應清楚界定並以書面列載。夏松芳先生（「夏先生」）現為本公司之主席兼董事總經理。經考慮本公司之現有業務運作及特性，董事會認為夏先生同時擔任主席及行政總裁之角色乃最符合本公司利益。董事會將定期檢討此情況。

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS 董事進行證券交易的標準守則

The Company has adopted the Model Code as its own code of conduct regarding securities transactions by the directors of the Company. Having made specific enquiry of all directors of the Company, the Company confirms that all directors of the Company have complied with the required standard set out in the Model Code for the period under review.

本公司已採納標準守則為其有關董事進行證券交易之操作守則。經向本公司所有董事作出查詢後，本公司確認本公司所有董事於回顧期內已遵守標準守則所規定之準則。

AUDIT COMMITTEE 審核委員會

The Company has established an Audit Committee for the purposes of reviewing and providing supervision over the Company's financial reporting process and internal controls. The Audit Committee presently comprises the three independent non-executive directors of the Company. The Audit Committee has reviewed the unaudited interim results. In addition, the Group's external auditor has carried out a review of the unaudited interim results in accordance with the Statement of Auditing Standards 700 "Engagements to Review Interim Financial Reports" issued by the HKICPA.

本公司已成立審核委員會，藉以檢討及監查本公司之財務申報程序及內部監控制度。審核委員會現由三名本公司獨立非執行董事組成。審核委員會已審閱未經審核之中期業績。再者，本集團之外聘核數師已依照香港會計師公會頒佈的核數基準第700條「中期財務報告審閱」對未經審核之中期業績進行審閱。

REMUNERATION COMMITTEE 薪酬委員會

The Company has established a Remuneration Committee for the purposes of making recommendations to the Board on the Company's remuneration policy and structure for directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remunerations. The Remuneration Committee presently comprises five directors of the Company, including the three independent non-executive directors of the Company, Mrs. FUNG YEY Yi Hao, Yvette (non-executive director of the Company) and Mr. WAI Yick Man (executive director of the Company).

本公司已成立薪酬委員會，藉以向董事會就董事及高級管理人員的薪酬政策及架構，以及就設立正規而具透明度的程序制訂此等薪酬政策提供建議。薪酬委員會現由五位本公司董事組成，包括三位本公司獨立非執行董事、馮葉儀皓女士(本公司非執行董事)及衛億民先生(本公司執行董事)組成。

On behalf of the Board
HA Chung Fong
Chairman

Hong Kong
18th May, 2007

代董事會
主席
夏松芳

香港
二零零七年五月十八日

SHAREHOLDER INFORMATION 股東資料

Listing	:	Listed on the Main Board of The Stock Exchange of Hong Kong Limited since 20th April, 1988
Stock Code	:	420
Board Lot	:	2,000
Par Value	:	HK\$0.20
Shares Issued	:	794,010,960

上市	:	自一九八八年四月二十日起於香港聯合交易所有限公司主板上市
股份代號	:	420
買賣單位	:	2,000
面值	:	0.20港元
已發行股份	:	794,010,960

Financial Calendar 2007/2008

Financial year ended	31st August, 2007
Interim results announced	18th May, 2007
Register of members closed	18th – 22nd June, 2007
Distribution of dividend	About 6th July, 2007
2007 full year results to be announced	Mid-December 2007

2007/2008年財務日誌

財政年度結算	二零零七年八月三十一日
中期業績公佈	二零零七年五月十八日
股份暫停登記	二零零七年六月十八日至二十二日
股息派發	約二零零七年七月六日
2007年全年業績公佈	二零零七年十二月中旬

Interim Dividend

The Board has resolved to pay an interim dividend of HK4.0 cents per share in respect of the year ending 31st August, 2007 (2006: HK4.5 cents) to the shareholders of the Company whose names appear on the register of members on Friday, 22nd June, 2007. Dividend will be distributed to the shareholders of the Company on or about Friday, 6th July, 2007.

中期股息

董事會議決通過派發截至二零零七年八月三十一日止年度中期股息每股4.0港仙(二零零六年度: 4.5港仙)予二零零七年六月二十二日(星期五)名列股東名冊內之本公司股東。股息將約於二零零七年七月六日(星期五)派發予本公司股東。

Closure of the Register of Members

The register of members will be closed from Monday, 18th June, 2007 to Friday, 22nd June, 2007, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar, Secretaries Limited, not later than 4:00 pm on Friday, 15th June, 2007.

暫停辦理股份過戶登記手續

本公司將於二零零七年六月十八日(星期一)至二零零七年六月二十二日(星期五)止, 首尾兩天包括在內, 暫停辦理股份過戶登記手續。為確保收取中期股息之權利, 過戶登記者須於二零零七年六月十五日(星期五)下午四時前, 將所有過戶文件及有關股票送交本公司股份登記處秘書商業服務有限公司。

Shareholder Services

For enquiries about share transfer and registration, please contact the Company's share registrar:

股東服務

任何有關股份過戶及登記之查詢, 請聯絡本公司股份過戶登記處:

Secretaries Limited

26/F, Tesbury Centre
28 Queen's Road East
Wanchai, Hong Kong
Tel +852 2980 1766
Fax +852 2861 1465

秘書商業服務有限公司

香港灣仔皇后大道東28號
金鐘匯中心26樓
電話+852 2980 1766
傳真+852 2861 1465

Investor Relations

Ms Charmaine CHENG
Corporate Communications & Investor Relations Manager
Block A, 6/F, Eastern Sea Industrial Building
29-39 Kwai Cheong Road, Kwai Chung
New Territories, Hong Kong
Tel +852 3478 7017
Email pr@fshl.com

投資者關係

鄭惠嫻小姐
企業傳訊及投資者關係經理
香港新界葵涌葵昌路29-39號
東海工業大廈A座6字樓
電話+852 3478 7017
電郵pr@fshl.com



Global Network 環球網絡

Fountain Set (Holdings) Limited
福田實業（集團）有限公司

Block A, 7/F, Eastern Sea Industrial Building,
29-39 Kwai Cheong Road, Kwai Chung,
New Territories, Hong Kong

香港新界葵涌葵昌路29-39號
東海工業大廈A座7字樓

Tel 電話 +852 2485 1881

Fountain Set has overseas marketing/representative offices in the following locations.

Addresses, phone numbers and fax numbers are listed at www.fshl.com

福田實業於下列地區設有海外市場推廣辦事處 / 代表處，地址、電話號碼及傳真號碼均列明在www.fshl.com內

London ● New York ● Toronto ● Vancouver ● Bangalore
倫敦 紐約 多倫多 溫哥華 班加羅爾

Ho Chi Minh City ● Seoul ● Shanghai ● Singapore
胡志明市 首爾 上海 新加坡

Production facilities are set up in the following countries:

於以下國家設有生產設施：

The PRC ● Indonesia ● Sri Lanka
中國 印尼 斯里蘭卡