

香港交易及結算所有限公司及香港聯合交易所有限公司對本公告的內容概不負責，對其準確性或完整性亦不發表任何聲明，並明確表示，概不對因本公告全部或任何部份內容而產生或因倚賴該等內容而引致的任何損失承擔任何責任。



福田實業(集團)有限公司

Fountain Set (Holdings) Limited

(於香港註冊成立之有限公司)

(股份代號：420)

截至2012年12月31日止16個月期間 末期業績公告

董事會宣佈截至2012年12月31日止16個月期間本公司及其附屬公司(「本集團」)之已審核綜合業績如下：

CONSOLIDATED INCOME STATEMENT 綜合收益表

For the 16 months period ended 31 December 2012 截至2012年12月31日止16個月期間

			For the 16 months ended 31 December 2012 截至2012年 12月31日 止16個月 HK\$'000 千港元	For the 12 months ended 31 August 2011 截至2011年 8月31日 止12個月 HK\$'000 千港元
	NOTES 附註			
Revenue		2	9,167,089	7,593,889
Cost of sales			(8,379,813)	(6,429,052)
Gross profit			787,276	1,164,837
Other income			117,980	54,967
Distribution and selling expenses			(294,682)	(189,496)
Administrative expenses			(895,285)	(613,459)
Other expenses			(4,313)	(22,281)
Finance costs		3	(87,288)	(71,589)
Net gain on disposal of subsidiaries			42,855	20,212
(Loss)/profit before taxation			(333,457)	343,191
Income tax expense		4	(4,304)	(103,473)
(Loss)/profit for the period/year		5	(337,761)	239,718
(Loss)/profit for the period/year attributable to:				
Owners of the Company			(324,167)	210,886
Non-controlling interests			(13,594)	28,832
			(337,761)	239,718
			HK cents港仙	HK cents港仙
(Loss)/earnings per share				
Basic and diluted		7	(33.5)	26.6

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME 綜合全面收益表

For the 16 months period ended 31 December 2012 截至2012年12月31日止16個月期間

		For the 16 months ended 31 December 2012 截至2012年 12月31日 止16個月 HK\$'000 千港元	For the 12 months ended 31 August 2011 截至2011年 8月31日 止12個月 HK\$'000 千港元
(Loss)/profit for the period/year	是期間／年度(虧損)／盈利	(337,761)	239,718
Other comprehensive (expense)/income:	其他全面(開支)／收益：		
Exchange differences arising on translation of foreign operations	換算海外業務產生之匯兌差額	2,159	7,835
Reclassification adjustment of translation reserve upon disposal of subsidiaries	出售附屬公司時匯兌儲備之重新分類調整	(13,537)	(5,166)
Other comprehensive (expense)/income for the period/year	是期間／年度其他全面(開支)／收益	(11,378)	2,669
Total comprehensive (expense)/income for the period/year	是期間／年度全面(開支)／收益總值	(349,139)	242,387
Total comprehensive (expense)/income for the period/year attributable to:	應佔是期間／年度全面(開支)／收益總值：		
Owners of the Company	本公司擁有人	(336,707)	209,246
Non-controlling interests	非控股權益	(12,432)	33,141
		(349,139)	242,387

CONSOLIDATED STATEMENT OF FINANCIAL POSITION 綜合財務狀況表

As at 31 December 2012 於2012年12月31日

			At 31 December 2012 於2012年 12月31日 HK\$'000 千港元	At 31 August 2011 於2011年 8月31日 HK\$'000 千港元
	NOTES 附註			
Non-current assets		非流動資產		
Investment properties		投資物業	2,548	–
Property, plant and equipment		物業、機器及設備	1,827,010	2,155,311
Prepaid lease payments – non-current portion		預付租賃款項 – 非流動部份	110,273	119,207
Deposits paid for acquisition of property, plant and equipment		購買物業、機器及設備之 已付按金	18,371	–
Investment in life insurance policies	8	人壽保險保單之投資	36,742	–
Deferred tax assets		遞延稅項資產	28,517	25,689
			2,023,461	2,300,207
Current assets		流動資產		
Inventories	9	存貨	1,340,553	1,683,454
Trade and bills receivables	10	營業及票據應收款項	1,259,918	1,275,741
Prepayments, deposits and other receivables		預付款項、按金及 其他應收款項	166,404	214,193
Prepaid lease payments – current portion		預付租賃款項 – 流動部份	2,607	2,732
Derivative financial instruments		衍生金融工具	2,044	4,984
Tax recoverable		可收回稅項	7,065	3,039
Short-term bank deposits		短期銀行存款	302,577	106,075
Bank balances and cash		銀行結存及現金	915,466	1,018,477
			3,996,634	4,308,695
Current liabilities		流動負債		
Trade and bills payables	11	營業及票據應付款項	783,712	698,433
Other payables and accruals		其他應付款項及應計費用	342,160	320,661
Amounts due to non-controlling shareholders		欠非控股股東款項	80,100	80,100
Consideration payable	12	應付代價	–	23,501
Deferred income – current portion		遞延收入 – 流動部份	1,458	1,458
Derivative financial instruments		衍生金融工具	15,037	108
Tax payable		應付稅項	67,261	131,311
Bank and other borrowings – due within one year		銀行及其他借貸 – 一年內到期	1,234,735	1,443,532
Bank overdrafts		銀行透支	7,751	–
			2,532,214	2,699,104
Net current assets		流動資產淨值	1,464,420	1,609,591
Total assets less current liabilities		資產總值減流動負債	3,487,881	3,909,798

	At	At
	31 December	31 August
	2012	2011
	於2012年	於2011年
	12月31日	8月31日
	HK\$'000	HK\$'000
	千港元	千港元

Non-current liabilities	非流動負債		
Deferred income – non-current portion	遞延收入 – 非流動部份	65,134	67,080
Derivative financial instruments	衍生金融工具	–	45,583
Bank and other borrowings – due after one year	銀行及其他借貸 – 一年後到期	240,587	755,854
Deferred tax liabilities	遞延稅項負債	2,380	3,055
		<hr/>	<hr/>
		308,101	871,572
		<hr/>	<hr/>
Net assets	資產淨值	3,179,780	3,038,226
		<hr/> <hr/>	<hr/> <hr/>
Capital and reserves	資本及儲備		
Share capital	股本	240,609	158,802
Reserves	儲備	2,769,113	2,679,224
		<hr/>	<hr/>
Equity attributable to owners of the Company	本公司擁有人應佔權益	3,009,722	2,838,026
Non-controlling interests	非控股權益	170,058	200,200
		<hr/>	<hr/>
Total equity	權益總值	3,179,780	3,038,226
		<hr/> <hr/>	<hr/> <hr/>

NOTES 附註

1. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(a) Adoption of amendments to HKFRSs - first effective on 1 January 2012

Amendments to HKFRS 1	Severe Hyper Inflation and Removal of Fixed Dates for First-time Adopters
Amendments to HKFRS 7	Disclosures - Transfers of Financial Assets
Amendments to HKAS 12	Deferred Tax - Recovery of Underlying Assets

Except as explained below, the adoption of these amendments has no material impact on the Group's financial statements.

Amendments to HKFRS 7 - Disclosures – Transfers of Financial Assets

The amendments to HKFRS 7 expand the disclosure requirements for transfer transactions of financial assets, in particular where the reporting entity has continuing involvement in financial assets that it has derecognized. The newly required disclosures allow users of financial statements to better understand the risks to which the reporting entity remains exposed. And such information is relevant in assessing the amount, timing and uncertainty of the entity's future cash flows.

The Group has discounted certain of its trade debts with recourse (note 10). As the Group retained the significant risks and rewards of ownership of the discounted trade debts, the transfer transactions did not meet the requirements of HKAS 39 for de-recognition. The trade debts remained as the Group's financial assets with the cash received being recognized as asset-backed borrowings. The financial statements for the current period include additional disclosures describing the nature of the relationship between the discounted trade debts and the associated financial liabilities, including restrictions on the Group's use of the debts arising from the discounting arrangements. In accordance with the transition requirements of the amendments, the disclosures for the comparative period have not been amended.

1. 採納香港財務報告準則（「香港財務報告準則」）

(a) 採納香港財務報告準則之修訂本－於2012年1月1日首次生效

香港財務報告準則第1號之修訂本	嚴重高通脹及剔除首次採用者的固定日期
香港財務報告準則第7號之修訂本	披露－金融資產之轉撥
香港會計準則第12號之修訂本	遞延稅項－收回相關資產

除下文闡述者外，採納該等修訂本對本集團的財務報表並無重大影響。

香港財務報告準則第7號之修訂本－披露－金融資產之轉撥

香港財務報告準則第7號的修訂本擴大了有關金融資產轉移交易的披露規定，尤其是當申報實體繼續參與已取消確認的金融資產。新披露規定允許財務報表使用者更好地了解有關申報實體仍面對的風險。有關資料乃於評估實體未來現金流量的金額、時間及不確定性時相關。

本集團已貼現若干具有追索權之營業債務（附註10）。由於本集團保留了貼現營業債務擁有權的重大風險及回報，轉讓交易並不符合香港會計準則第39號有關不再確認的規定。營業債務仍屬於本集團的金融資產，所收取之現金乃確認為資產擔保借貸。是期間的財務報表包括描述貼現營業債務與相關金融負債之間關係性質的額外披露，包括對本集團使用貼現安排所產生債務的限制。根據修訂本的過渡規定，比較期間的披露資料並無修訂。

1. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

(a) Adoption of amendments to HKFRSs - first effective on 1 January 2012 (continued)

Amendments to HKAS 12 - Deferred Tax – Recovery of Underlying Assets

The amendments to HKAS 12 introduce a rebuttable presumption that an investment property which is stated at fair value under HKAS 40 “Investment Property” is recovered entirely through sale. The measurement of the deferred tax liability or deferred tax asset reflects the tax consequences of recovering the carrying amount of the investment property entirely through sale. This presumption is rebutted if the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. If this presumption is rebutted, the amount of deferred tax is measured based on the expected manner in which the carrying amount of the investment property would be recovered, using the appropriate tax rates enacted or substantially enacted at the reporting date.

(b) New/revised HKFRSs that have been issued but are not yet effective

The following new/revised HKFRSs, potentially relevant to the Group’s financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

HKFRSs (Amendments)	Annual Improvements 2009-2011 Cycle ²
Amendments to HKAS 1 (Revised)	Presentation of Items of Other Comprehensive Income ¹
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities ³
Amendments to HKFRS 7	Offsetting Financial Assets and Financial Liabilities ²

1. 採納香港財務報告準則（「香港財務報告準則」）（續）

(a) 採納香港財務報告準則之修訂本－於2012年1月1日首次生效（續）

香港會計準則第12號之修訂本－遞延稅項－收回相關資產

香港會計準則第12號修訂本引入按香港會計準則第40號「投資物業」以公平價值列值的投資物業可透過銷售全部收回的反駁推定。遞延稅項負債或遞延稅項資產的計量，應當反映透過出售該投資物業收回其賬面值的稅務影響。倘投資物業折舊及業務模式的目的並非是透過出售而是隨時間流逝實現該物業所包含的絕大部分經濟利益，則本推定被反駁。倘本推定被反駁，則按預期方式計量的遞延稅項金額（其中投資物業的賬面值可收回）乃使用於報告日期生效或大致生效的適當稅率。

(b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則

下列可能與本集團財務報表有關之新訂／經修訂香港財務報告準則經已頒佈，惟尚未生效亦未經本集團提早採納。

香港財務報告準則（修訂本）	2009年至2011年週期的年度改進 ²
香港會計準則第1號之修訂本（經修訂）	其他全面收益項目的呈列 ¹
香港會計準則第32號之修訂本	抵銷金融資產及金融負債 ³
香港會計準則第7號之修訂本	抵銷金融資產及金融負債 ²

1. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

(b) New/revised HKFRSs that have been issued but are not yet effective (continued)

HKFRS 9	Financial Instruments ⁴
HKFRS 10	Consolidated Financial Statements ²
HKFRS 11	Joint Arrangements ²
HKFRS 12	Disclosure of Interests in Other Entities ²
HKFRS 13	Fair Value Measurement ²
HKAS 27 (2011)	Separate Financial Statements ²
HKAS 28 (2011)	Investments in Associates and Joint Ventures ²
HKAS 19 (2011)	Employee Benefits ²
HK(IFRIC) - Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine ²
Amendments to HKFRS 1	Government Loans ²
Amendments to HKFRS 10, HKFRS 12 and HKAS27 (2011)	Investment Entities ³

¹ Effective for annual periods beginning on or after 1 July 2012

² Effective for annual periods beginning on or after 1 January 2013

³ Effective for annual periods beginning on or after 1 January 2014

⁴ Effective for annual periods beginning on or after 1 January 2015

2. REVENUE AND SEGMENT INFORMATION

The board of directors of the Company, i.e. the chief operating decision maker, regularly reviews the operating results and financial information based on distinct geographical areas of location of customers, including Hong Kong (place of domicile of the Group), the People's Republic of China (the “PRC”), Taiwan, Korea, Sri Lanka, America, Europe and Others (i.e. representing other geographical locations mainly Singapore and Macau). All of these geographical areas are operating segments except “Others” which is an aggregation of operating segments.

The following is an analysis of the Group's revenue and (loss)/profit from the production and sales of dyed fabrics, sewing threads, yarns and garments and results by reportable segment for the period/year.

1. 採納香港財務報告準則（「香港財務報告準則」）（續）

(b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則（續）

香港財務報告準則第9號	金融工具 ⁴
香港財務報告準則第10號	綜合財務報表 ²
香港財務報告準則第11號	聯合安排 ²
香港財務報告準則第12號	於其他實體的權益披露 ²
香港財務報告準則第13號	公平價值計量 ²
香港會計準則第27號(2011)	獨立財務報表 ²
香港會計準則第28號(2011)	於聯營公司及合營公司之投資 ²
香港會計準則第19號(2011)	僱員福利 ²
香港（國際財務報告詮釋委員會）－詮釋第20號	露天礦生產階段的剝採成本 ²
香港財務報告準則第1號之修訂本	政府貸款 ²
香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第27號之修訂本(2011)	投資實體 ³

¹ 於2012年7月1日或之後開始之年度期間生效

² 於2013年1月1日或之後開始之年度期間生效

³ 於2014年1月1日或之後開始之年度期間生效

⁴ 於2015年1月1日或之後開始之年度期間生效

2. 營業額及分類資料

本公司董事會（即主要營運決策者）根據客戶所在地區位於不同的地域位置定期審閱經營業績及財務資料，包括香港（集團所屬地）、中華人民共和國（「中國」）、台灣、韓國、斯里蘭卡、美洲、歐洲及其他地區（即指其他地域位置，主要為新加坡及澳門），所有該等地域位置為營運分類，而「其他地區」則為綜合之營運分類。

以下為本集團源自製造及銷售色布、縫紉線、紗及成衣之營業額及（虧損）／盈利於是期間／年度按可申報分類所作之分析。

2. REVENUE AND SEGMENT INFORMATION (continued)

For the 16 months ended 31 December 2012

2. 營業額及分類資料(續)

截至2012年12月31日止16個月

		Hong				Sri			Segment			
		Kong	The PRC	Taiwan	Korea	Lanka	America	Europe	Others	total	Eliminations	Consolidated
		香港	中國	台灣	韓國	斯里蘭卡	美洲	歐洲	其他地區	分類總值	對銷	綜合
		HK\$'000	HK\$'000	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	千港元	千港元
Revenue	營業額											
External sales	對外銷售	2,355,369	1,632,676	1,230,409	1,375,842	953,049	373,227	246,600	999,917	9,167,089	-	9,167,089
Inter-segment sales (note)	分類間銷售(附註)	6,749,742	4,029,705	-	-	596,937	129,983	-	285,343	11,791,710	(11,791,710)	-
Total segment revenue	分類營業額總值	9,105,111	5,662,381	1,230,409	1,375,842	1,549,986	503,210	246,600	1,285,260	20,958,799	(11,791,710)	9,167,089
Results	業績											
Segment profit	分類盈利	146,538	69,513	76,615	86,351	32,733	30,454	15,042	62,283			519,529
Interest income	利息收入											15,221
Unallocated income	未分配收入											5,745
Depreciation and amortization	折舊及攤銷											(347,420)
Other unallocated expenses	其他未分配支出											(482,099)
Finance costs	融資成本											(87,288)
Net gain on disposal of subsidiaries	出售附屬公司之所得 收益淨額											42,855
Loss before taxation	除稅前虧損											(333,457)

2. REVENUE AND SEGMENT INFORMATION (continued)

For the 12 months ended 31 August 2011

2. 營業額及分類資料(續)

截至2011年8月31日止12個月

		Hong		Taiwan	Korea	Sri		Segment			Eliminations	Consolidated
		Kong	The PRC			Lanka	America	Europe	Others	total		
		香港	中國	台灣	韓國	斯里蘭卡	美洲	歐洲	其他地區	分類總值	對銷	綜合
		HK\$'000	HK\$'000	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	千港元	千港元
Revenue	營業額											
External sales	對外銷售	2,090,673	1,484,926	1,072,529	782,444	748,313	331,627	81,133	1,002,244	7,593,889	-	7,593,889
Inter-segment sales (note)	分類間銷售(附註)	4,832,987	2,719,455	-	-	486,374	85,574	-	65,462	8,189,852	(8,189,852)	-
Total segment revenue	分類營業額總值	6,923,660	4,204,381	1,072,529	782,444	1,234,687	417,201	81,133	1,067,706	15,783,741	(8,189,852)	7,593,889
Results	業績											
Segment profit	分類盈利	274,480	188,802	153,923	113,239	79,632	13,657	9,704	140,517			973,954
Interest income	利息收入											9,779
Unallocated income	未分配收入											4,316
Depreciation and amortization	折舊及攤銷											(259,599)
Other unallocated expenses	其他未分配支出											(333,882)
Finance Costs	融資成本											(71,589)
Net gain on disposal of subsidiaries	出售附屬公司之所得收益淨額											20,212
Profit before taxation	除稅前盈利											343,191

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

附註：分類間銷售之價格乃參照當時之市場價格而釐定。

Segment profit represents the profit earned by each segment without allocation of central administration costs and other expenses (including non-production related employee benefits expenses, directors' emoluments, bank charges, etc.), depreciation and amortization, interest income, loss on disposal/written-off of property, plant and equipment, net gain from derivative financial instruments, finance costs, net gain on disposal of subsidiaries, etc.. This is the measure reported to the board of directors of the Company for the purposes of resource allocation and performance assessment. No analysis on segment assets and liabilities is disclosed as it is not presented to the board of directors of the Company.

分類盈利乃指各分類所賺取的盈利，當中並沒有計入中央行政成本及其他費用(包括非有關生產之僱員福利開支、董事酬金、銀行費用等)，折舊及攤銷、利息收入、出售／註銷物業、機器及設備之虧損、衍生金融工具之收益淨值、融資成本及出售附屬公司之所得收益淨額等。此乃為資源分配及績效評估而向本公司董事會匯報之基準。對分類資產及負債並沒有作出分析披露，因該資料沒有向本公司董事會呈列。

2. REVENUE AND SEGMENT INFORMATION (continued)

Revenue from the Group's products

The following is an analysis of the Group's revenue from external customers by products:

		For the 16 months ended 31 December 2012 截至2012年 12月31日 止16個月 HK\$'000 千港元	For the 12 months ended 31 August 2011 截至2011年 8月31日 止12個月 HK\$'000 千港元
Production and sales of dyed fabrics, sewing threads and yarns (note)	製造及銷售色布、縫紉線及紗 (附註)	7,977,076	6,643,889
Production and sales of garments	製造及銷售成衣	1,190,013	950,000
		9,167,089	7,593,889

Note: The balance substantially represents revenue from sales of dyed fabrics for the period/year.

2. 營業額及分類資料(續)

本集團產品之營業額

以下為按產品劃分本集團來自外部客戶營業額之分析：

附註：是期間／年度的金額指營業額主要源自銷售色布。

Geographical information

The following is an analysis of geographical location of the Group's non-current assets (note) at the end of the reporting period:

地域資料

於報告期終，本集團之非流動資產(附註)按地域位置之分析如下：

		At 31 December 2012 於2012年 12月31日 HK\$'000 千港元	At 31 August 2011 於2011年 8月31日 HK\$'000 千港元
The PRC	中國	1,749,854	2,081,324
Hong Kong	香港	77,599	21,556
America	美洲	173	201
Sri Lanka	斯里蘭卡	166,550	170,198
Others	其他地區	768	1,239
		1,994,944	2,274,518

Note: Non-current assets excluded deferred tax assets.

附註：非流動資產不包括遞延稅項資產。

2. REVENUE AND SEGMENT INFORMATION (continued)

Information about major customers

No revenue from individual customer contributed over 10% of the total revenue of the Group for the year ended 31 August 2011 and the 16 months period ended 31 December 2012.

2. 營業額及分類資料(續)

有關主要客戶之資料

於截至2011年8月31日止年度及截至2012年12月31日止16個月期間，均無來自個別客戶之營業額佔本集團營業總額超過10%。

3. FINANCE COSTS

3. 融資成本

		For the 16 months ended 31 December 2012 截至2012年 12月31日 止16個月 HK\$'000 千港元	For the 12 months ended 31 August 2011 截至2011年 8月31日 止12個月 HK\$'000 千港元
Finance costs on:	融資成本：		
Bank and other borrowings wholly repayable within five years	須於5年內全部償還之銀行及其他借貸	87,288	70,904
Imputed interest expense on consideration payable (note 12)	應付代價之推算利息開支(附註12)	-	685
Total finance costs	融資成本總值	87,288	71,589

4. INCOME TAX EXPENSE

4. 所得稅支出

		For the 16 months ended 31 December 2012 截至2012年 12月31日 止16個月 HK\$'000 千港元	For the 12 months ended 31 August 2011 截至2011年 8月31日 止12個月 HK\$'000 千港元
Current tax:	是期間稅項：		
Hong Kong	香港	625	52,164
The PRC	中國	8,849	9,396
Other jurisdictions	其他司法地區	146	3,318
		<u>9,620</u>	<u>64,878</u>
Under/(over) provision in prior years:	過往年度撥備不足／(超額撥備)：		
Hong Kong	香港	562	9
The PRC	中國	(2,086)	(1,865)
Other jurisdictions	其他司法地區	(289)	497
		<u>(1,813)</u>	<u>(1,359)</u>
Provision for the tax audit	稅務審查撥備	-	41,000
		<u>7,807</u>	<u>104,519</u>
Deferred tax:	遞延稅項：		
Hong Kong	香港	(64)	78
The PRC	中國	(3,543)	(729)
Other jurisdictions	其他司法地區	104	(395)
		<u>(3,503)</u>	<u>(1,046)</u>
		<u>4,304</u>	<u>103,473</u>

Hong Kong Profits Tax is calculated at 16.5% (31 August 2011: 16.5%) of the estimated assessable profit for the period/year.

香港利得稅乃按是期間／年度之估計應課稅盈利以16.5% (2011年8月31日：16.5%) 計算。

4. INCOME TAX EXPENSE (continued)

Under the law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT law, the tax rate of the PRC subsidiaries is 25% starting from 1 January 2008 onwards. Certain of the Company's PRC subsidiaries are entitled to exemption from the PRC Enterprise Income Tax for two calendar years and thereafter, they are entitled to 50% relief from the PRC Enterprise Income Tax for the following three calendar years (the "Tax Holiday"). The reduced tax rate for the relief period is 12.5% for both periods. The Tax Holiday expired on 31 December 2012.

Pursuant to the relevant laws and regulations in Sri Lanka, the profit generated from a subsidiary of the Company is entitled to exemption from the Sri Lanka income tax until 31 August 2015. Accordingly, no provision for the income tax was made on the profit for both periods.

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

In February 2008, the Hong Kong Inland Revenue Department (the "IRD") initiated a tax audit on the Company and its subsidiaries for the years of assessment from 2001/02 onwards. In March 2008, 2009 and 2010, February 2011, January 2012 and February 2012, notices of estimate additional assessment (the "Protective Assessments") for the years of assessment 2001/02, 2002/03, 2003/04, 2004/05, 2005/06 and 2005/06 in an aggregate amount of HK\$14,352,000, HK\$19,844,000, HK\$18,390,000, HK\$62,834,000, HK\$35,019,000 and HK\$12,343,000, respectively, were issued to the Company and certain subsidiaries of the Company by the IRD.

4. 所得稅支出(續)

根據中國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例，從2008年1月1日起，中國附屬公司之稅率為25%。本公司若干中國附屬公司可於2個曆年獲豁免繳納中國企業所得稅及於其後3個曆年獲減免50%的中國企業所得稅(「免稅期」)。於兩個期間免稅期的經調低稅率為12.5%。免稅期已於2012年12月31日屆滿。

根據斯里蘭卡有關之法律及法規，由本公司一間附屬公司所產生之盈利可獲豁免斯里蘭卡所得稅，直至2015年8月31日為止。據此，於兩個期間並無就盈利作出所得稅撥備。

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。

於2008年2月，香港稅務局(「稅務局」)就本公司及其附屬公司由2001/02及其後之課稅年度進行一項稅務審查。於2008年3月、2009年3月及2010年3月、2011年2月、2012年1月以及2012年2月，稅務局就2001/02、2002/03、2003/04、2004/05、2005/06及2005/06課稅年度分別發出合共14,352,000港元、19,844,000港元、18,390,000港元、62,834,000港元、35,019,000港元及12,343,000港元金額之估計補加評稅通知(「保障性評稅」)予本公司及本公司若干附屬公司。

4. INCOME TAX EXPENSE (continued)

Regarding the Protective Assessments for the year of assessment 2003/04, out of the aggregate amount of HK\$18,390,000, two Protective Assessments of HK\$4,375,000 issued to the Company and a Hong Kong subsidiary, respectively, were in effect alternative assessments to that of an overseas subsidiary. Regarding the Protective Assessments for the year of assessment 2004/05, out of the aggregate amount of HK\$62,834,000, two Protective Assessments of HK\$2,266,000 and HK\$23,194,000 issued to the Company and a Hong Kong subsidiary, respectively, were also in effect alternative assessments to that of the above overseas subsidiary. Regarding the Protective Assessments for the year of assessment 2005/06, out of the aggregate amount of HK\$47,362,000, two Protective Assessments of HK\$1,687,000 and HK\$15,985,000 issued to the Company and a Hong Kong subsidiary, respectively, were also in effect alternative assessments to that of the above overseas subsidiary.

Objections against the Protective Assessments were lodged. For the years of assessment 2001/02 and 2002/03, full amounts were held over unconditionally. For the years of assessment 2003/04, 2004/05 and 2005/06, amounts were held over on the condition that Tax Reserve Certificates in the amount of HK\$1,600,000, HK\$23,000,000 and HK\$10,000,000 were purchased in May 2010, April 2011 and March 2012, respectively.

During the year ended 31 August 2011, having taken the advices from the Group's tax advisor, the directors of the Company made a provision for additional tax of HK\$41,000,000, which was charged to the consolidated income statement, in relation to the tax audit. Further to that, the Group has submitted a settlement proposal, on a complete without prejudice basis, to the IRD on 21 January 2013 in order to finalize the tax audit and tax position of the Group for the years of assessment 2001/02 to 2011/12. The directors believe that other than the aforesaid provision, no significant amount of additional profits tax will be payable for the tax audit.

4. 所得稅支出(續)

就2003/04課稅年度之保障性評稅合共18,390,000港元之金額，當中兩張保障性評稅金額各4,375,000港元分別發出給本公司及一間香港附屬公司實為發出給一間海外附屬公司的保障性評稅之交替式的估計評稅。就2004/05課稅年度之保障性評稅合共62,834,000港元之金額，當中兩張保障性評稅金額2,266,000港元及23,194,000港元分別發出給本公司及一間香港附屬公司實為發出給上述海外附屬公司的保障性評稅之交替式的估計評稅。就2005/06課稅年度之保障性評稅合共47,362,000港元之金額，當中兩張保障性評稅金額1,687,000港元及15,985,000港元分別發出給本公司及一間香港附屬公司實為發出給上述海外附屬公司的保障性評稅之交替式的估計評稅。

就此項保障性評稅已提出反對，2001/02及2002/03課稅年度之全數金額已獲無條件緩繳，而2003/04、2004/05及2005/06課稅年度之金額已分別於2010年5月、2011年4月及2012年3月購買1,600,000港元、23,000,000港元及10,000,000港元之儲稅券時獲緩繳。

截至2011年8月31日止年度期間，經考慮本集團稅務顧問的意見後，本公司董事已就稅務審查補加稅項撥備41,000,000港元，有關撥備已從綜合收益表扣除。此外，本集團已於2013年1月21日向稅務局提交全面無損權利的和解建議書，以達致完成本集團2001/02至2011/12課稅年度的稅務審查及稅務狀況。董事相信，除上述撥備外，就稅務審查需償付之補加利得稅金額並不重大。

5. (LOSS)/PROFIT FOR THE PERIOD/YEAR

5. 是期間／年度(虧損)／盈利

	For the 16 months ended 31 December 2012 截至2012年 12月31日 止16個月 HK\$'000 千港元	For the 12 months ended 31 August 2011 截至2011年 8月31日 止12個月 HK\$'000 千港元
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(Loss)/profit for the period/year has been arrived at after charging: 是期間／年度(虧損)／盈利
已扣減下列：

Auditors' remuneration	核數師之薪酬	4,214	4,600
Cost of inventories recognized as expenses	確認為費用之存貨成本	8,379,813	6,429,052
Depreciation of investment properties	投資物業之折舊	59	-
Depreciation of property, plant and equipment	物業、機器及設備之折舊	343,883	256,808
Employee benefits expense (including directors' emoluments)	僱員福利支出(包括董事酬金)	1,218,138	876,284
Impairment loss recognized on trade receivables, net	確認為營業應收款項之減值損失淨值	12,690	-
Loss on disposal/written-off of property, plant and equipment (included in other expenses)	出售／註銷物業、機器及設備之虧損 (包括在其他費用內)	2,955	5,169
Net exchange losses (included in other expenses)	匯兌虧損淨值(包括在其他費用內)	1,358	17,112
Release of prepaid lease payments included in	包括在以下項目內的預付租賃款項 轉出		
-cost of sales	-銷售成本	3,455	2,711
-administrative expenses	-行政費用	23	80
and after crediting:	及已計入：		
Amortization of deferred income*	遞延收入的攤銷*	1,946	1,458
Imputed interest income on consideration receivable*	應收代價之推算利息收入*	-	6,469
Interest income*	利息收入*	15,221	3,310
Rental income from investment properties*	投資物業的租金收入*	413	-
Net gain from derivative financial instruments*	衍生金融工具之收益淨值*	2,771	2,521
Impairment loss reversed on trade receivables, net	營業應收款項之減值損失淨值撥回	-	8,245
Government grants* (note)	政府補貼*(附註)	47,907	-

* Included in other income

* 包括在其他收入內

Note: Government grants for the 16 months ended 31 December 2012 mainly represent a grant of HK\$37,145,000 received from the PRC local government authority as a compensation to the Group for relocating and disposing of certain property, plant and equipment. There were no restrictions with the use of such government grants.

附註：截至2012年12月31日止16個月之政府補貼主要指收取自中國地方政府之37,145,000港元補貼，以補償本集團重置及出售若干物業、機器及設備。該政府補貼並無設限制使用用途。

6. DIVIDENDS

6. 股息

	For the 16 months ended 31 December 2012 截至2012年 12月31日 止16個月 HK\$'000 千港元	For the 12 months ended 31 August 2011 截至2011年 8月31日 止12個月 HK\$'000 千港元
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Dividend recognized as distribution

是期間／年度已確認分派之股息：

during the period/year:

2011 final dividend of HK 1 cent (2010: HK 1 cent)
per share

2011年末期股息每股1港仙
(2010年：1港仙)

7,940

7,940

No interim dividend was paid or proposed for both periods.

於兩個期間並無已付或擬派中期股息。

No final dividend in respect of the 16 months period ended 31 December 2012 has been proposed by the directors of the Company (31 August 2011: HK 1 cent per share, amounting to HK\$7,940,000 in total).

本公司董事並無建議派付截至2012年12月31日止16個月期間之末期股息（2011年8月31日：每股1港仙，合共為7,940,000港元）。

7. (LOSS)/EARNINGS PER SHARE

The calculation of the basic (loss)/earnings and diluted earnings per share attributable to owners of the Company is based on the following data:

7. 每股(虧損)／盈利

本公司擁有人應佔每股基本(虧損)／盈利及攤薄盈利乃根據下列數據計算：

	For the 16 months ended 31 December 2012 截至2012年 12月31日 止16個月 HK\$'000 千港元	For the 12 months ended 31 August 2011 截至2011年 8月31日 止12個月 HK\$'000 千港元
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(Loss)/earnings

(虧損)／盈利

(Loss)/profit for the period/year attributable to owners of the Company for the purposes of basic (loss)/earnings and diluted earnings per share

就計算每股基本(虧損)／盈利及攤薄盈利所用之本公司擁有人應佔是期間／年度(虧損)／盈利

(324,167)

210,886

7. (LOSS)/EARNINGS PER SHARE (continued)

7. 每股(虧損)/盈利(續)

	For the 16 months ended 31 December 2012 截至2012年 12月31日 止16個月	For the 12 months ended 31 August 2011 截至2011年 8月31日 止12個月
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Number of shares

股份數目

Number of ordinary shares for the purposes
of basic (loss)/earnings and diluted earnings
per share

就計算每股基本(虧損)/盈利及
攤薄盈利所用之普通股數目

969,192,362

794,010,960

No adjustment has been made to the basic loss per share amounts presented for the 16 months period ended 31 December 2012 in respect of a dilution as the impact of share options outstanding had no anti-dilutive effect on the basic loss per share amounts presented.

由於尚未行使購股權並無對所呈列的每股基本虧損金額產生反攤薄影響，因此並無就截至2012年12月31日止16個月期間所呈列的每股基本虧損金額作出攤薄調整。

The computation of diluted earnings per share for the year ended 31 August 2011 does not assume the exercise of the Company's outstanding share options because the adjusted exercise prices of those options calculated in accordance with HKAS 33 "Earnings Per Share" are higher than the average market price of the shares for the year.

由於根據香港會計準則第33號「每股盈利」計算，本公司尚未行使購股權之經調整行使價高於股份於是年度之平均市價，因此計算截至2011年8月31日止年度之每股攤薄盈利時並無假設該等購股權已獲行使。

8. INVESTMENT IN LIFE INSURANCE POLICIES

During the 16 months period ended 31 December 2012, the Group entered into contracts with two insurance companies of which contain life insurance policies to insure against the death of certain key members of management of the Group, with an aggregate insured sum of approximately US\$18.8 million (equivalent to approximately HK\$145.8 million). Under these contracts, the beneficiary and policy holder is the Company. The Company has made upfront payments of HK\$36,178,000 during the current period. The monthly insurance costs and administrative charges determined by the insurance companies will be deducted from the account value. The insurers will declare interest (including the guaranteed interest) to the Company on a monthly basis, based on the amount of account value, at a rate to be determined at their own discretion. One of the key members left the Group on 7 December 2012 and the Group is in the process of changing the life insured person to the other key member(s).

8. 人壽保險保單之投資

截至2012年12月31日止16個月期間，本集團與兩間保險公司訂立合約，當中包含人壽保險保單，為本集團若干名主要管理層成員之身故事宜投保，投保金額合共約為18,800,000美元（相等於約145,800,000港元）。根據該等合約，受益人及保單持有人為本公司。本公司於本期間已支付預付按金36,178,000港元。每月支付的保費及保險公司釐定的行政費用將從賬戶價值中扣除。保險公司每月可根據賬戶價值按其酌情決定之利率向本公司宣派利息（包括保證利息）。本集團1名主要成員於2012年12月7日辭任，本集團正在將受保人更改為其他主要成員。

9. INVENTORIES

9. 存貨

		At 31 December 2012 於2012年 12月31日 HK\$'000 千港元	At 31 August 2011 於2011年 8月31日 HK\$'000 千港元
Spare parts	備件	92,263	98,941
Raw materials	原料	577,267	787,348
Work-in-progress	半製品	300,907	397,242
Finished goods	製成品	370,116	399,923
		<u>1,340,553</u>	<u>1,683,454</u>

10. TRADE AND BILLS RECEIVABLES

10. 營業及票據應收款項

		At 31 December 2012 於2012年 12月31日 HK\$'000 千港元	At 31 August 2011 於2011年 8月31日 HK\$'000 千港元
Trade receivables	營業應收款項	1,045,456	1,116,780
Bills receivables	票據應收款項	255,364	187,184
Less: allowance for doubtful debts	減：呆賬撥備	(40,902)	(28,223)
		<u>1,259,918</u>	<u>1,275,741</u>

The Group allows a credit period ranging from 30 days to 90 days to its trade customers. The following is an ageing analysis of trade and bills receivables based on the payment due date net of allowance for doubtful debts:

本集團提供平均30天至90天數期予其營業客戶。營業及票據應收款項根據付款到期日(經扣除呆賬撥備)的賬齡分析如下：

		At 31 December 2012 於2012年 12月31日 HK\$'000 千港元	At 31 August 2011 於2011年 8月31日 HK\$'000 千港元
Not yet due	未到期	764,880	919,114
Overdue 1-30 days	逾期1-30天	265,530	179,692
Overdue 31-60 days	逾期31-60天	108,753	109,931
Overdue >60 days	逾期超過60天	120,755	67,004
		<u>1,259,918</u>	<u>1,275,741</u>

In last year, the Group discounted part of its bills receivables with full recourse to a bank. In the event of default by the debtors, the Group is obliged to pay the bank the amount in default. Interest is charged at 6.06% on the proceeds received from the bank until the date the debtors pay.

於去年，本集團將部份應收票據貼現予一間銀行乃具有全面追索權的。倘債務人違約，本集團須向銀行支付違約金額，並須根據自取得銀行的所得款項起至債務人償還款項日期止按6.06%計息。

10. TRADE AND BILLS RECEIVABLES (continued)

The discounting transactions do not meet the requirements in HKAS 39 for de-recognition of financial assets as the Group retains substantially all of the risks and rewards of ownership of the discounted trade debts. At 31 August 2011, bills receivables of HK\$8,735,000 continued to be recognized in the Group's financial statements even though they have been legally transferred to the bank. The proceeds of the discounting transactions were included in borrowings as asset-backed financing until the bills receivables are collected or the Group settles any losses suffered by the bank. At 31 August 2011, the asset-backed financing liability amounted to HK\$8,735,000.

As at 31 December 2012, the Group did not discount any of its trade and bills receivables to any banks.

11. TRADE AND BILLS PAYABLES

		At 31 December 2012 於2012年 12月31日 HK\$'000 千港元	At 31 August 2011 於2011年 8月31日 HK\$'000 千港元
Trade payables	營業應付款項	488,414	418,672
Bills payables	票據應付款項	295,298	279,761
		<u>783,712</u>	<u>698,433</u>

The following is an ageing analysis of trade payables based on the payment due date:

		At 31 December 2012 於2012年 12月31日 HK\$'000 千港元	At 31 August 2011 於2011年 8月31日 HK\$'000 千港元
Not yet due	未到期	405,062	363,886
Overdue 1-30 days	逾期1-30天	62,641	26,801
Overdue 31-60 days	逾期31-60天	10,440	6,550
Overdue >60 days	逾期超過60天	10,271	21,435
		<u>488,414</u>	<u>418,672</u>

10. 營業及票據應收款項(續)

由於本集團保留了貼現營業債務擁有權的絕大部份風險及回報，因此貼現交易並不符合香港會計準則第39條有關不再確認金融資產的規定。於2011年8月31日，即使應收票據8,735,000港元已合法轉讓予銀行，惟將繼續於本集團的財務報表確認有關款項。貼現交易的所得款項乃計入借貸列作資產擔保融資，直至收回應收票據或本集團清償銀行所蒙受的損失為止。於2011年8月31日，資產擔保融資負債為8,735,000港元。

於2012年12月31日，本集團並無向任何銀行貼現營業及票據應收款項。

11. 營業及票據應付款項

營業應付款項按付款到期日的賬齡分析如下：

11. TRADE AND BILLS PAYABLES (continued)

All the bills payables of the Group are not yet due at the end of the reporting period.

The average credit period on purchase of goods ranges from 30 days to 120 days. The Group has financial risk management policies in place to ensure that payables are within the credit time frame.

12. CONSIDERATION PAYABLE

On 27 April 2009, Folktune, a wholly-owned subsidiary of the Company, entered into an agreement with certain non-controlling shareholders of Dongguan Fuan Textiles Limited (“Dongguan Fuan”) (the “Transferors”) to acquire from the Transferors in aggregate 39% of the equity interests in Dongguan Fuan at a total consideration of HK\$77,326,205 (the “Share Transfer Agreement”). Upon completion of the Share Transfer Agreement in 2009, Dongguan Fuan became a 90% owned subsidiary of the Company.

Pursuant to the Share Transfer Agreement, the consideration was payable by five installments, unsecured and interest-free. The fair value of the deferred consideration at the date of initial recognition was determined as HK\$74,433,000 based on the estimated future cash flows by applying a discount rate of 3.7% per annum. In last year, an amount of HK\$35,630,000 was settled by the Group. During the current period, the remaining balance of HK\$23,501,000 was fully settled.

Details of the above transaction are set out in the circular of the Company dated 30 July 2009.

11. 營業及票據應付款項(續)

於報告期終，本集團之所有票據應付款項均未到期。

購貨的平均信貸期為30天至120天。本集團已設有財務風險管理政策，以確保應付賬款均處於信貸期限內。

12. 應付代價

於2009年4月27日，本公司之一間全資附屬公司福津與東莞福安紡織印染有限公司(「東莞福安」)若干非控股股東(「轉讓方」)訂立協議，以總代價77,326,205港元從轉讓方收購於東莞福安總計39%之股本權益(「股權轉讓協議」)。於2009年完成股權轉讓協議後，東莞福安成為本公司擁有90%權益之附屬公司。

根據股權轉讓協議，代價分5期支付、為無抵押及免息。於初步確認日期之遞延代價之公平價值為74,433,000港元，乃根據估計未來現金流量按貼現年率3.7%計算。於去年，本集團已支付35,630,000港元。於本期間，餘額23,501,000港元已悉數償還。

有關上述交易之詳情已載於本公司日期為2009年7月30日之通函內。

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Overview

With effect from 10 August 2012, the financial year end of Fountain Set (Holdings) Limited has been changed from 31 August to 31 December. This annual report accounts for financial results of the Group from September 2011 to December 2012, with a total of 16 months instead of the usual 12 months. The financial year of 2012 ("FY2012") was one of the more difficult years for the textile and apparel industry and the Group. The adverse economic environment in North America and Europe caused by factors including high unemployment rate and concerns over default of European debts continued, resulting in weak demand for textile products and further deterioration in the demand for textile and apparel products. At the same time, some large scale local brands and retailers in China have experienced over-inventory situation which negatively affected the demand for the textile products. During the period under review, there was unusually high price premium of Chinese cotton over that of the rest of the World which mainly as a result of the purchase of domestically produced cotton by the Chinese government at a guaranteed minimum price. Coupled with the surging labor cost, high energy cost and RMB appreciation, each operator of the industry value chain has experienced one of the toughest operating environments in the past decade.

The Group's production capacity maintained at about 25 million pounds of fabric dyeing per month which was diversified among four fabric mills in both China and Sri Lanka. The Group was one of the pioneers in the industry to diversify our production base by establishing fabric mills in more than one province in Mainland China since 2003. Currently, we have four fabric mills located in Dongguan, Jiangyin and Yancheng, China as well as Colombo, Sri Lanka.

During the period under review, the Group has disposed of the textile machinery business at the aggregate consideration of RMB90,000,000 and has also ceased the cotton spinning business. The scale-back actions of our non-core businesses are in-line with our strategic business plan to reallocate our resources to the Group's principal businesses, to realize its investment in China, reduce gearing and increase the liquidity of the Group. In respect of the disposal of the textile machinery business, the Group has recorded a gain from the disposal of approximately HK\$43,144,000. For the disposal of the cotton spinning business, the Group has made a loss from the disposal of approximately HK\$8,272,000. The net proceeds from these two disposals have been used for loan repayment and general working capital of the Group.

管理層討論與分析

業務回顧

概述

生效於2012年8月10日，福田實業(集團)有限公司的財政年度結算日已經從8月31日更改為12月31日。此次集團的年度報告匯報從2011年9月至2012年12月的財務業績，共16個月而不是一般的12個月。2012年財政年度對紡織和服裝行業以及集團都是其中較為困難的一年。高失業率及擔憂歐洲債務持續違約等因素而引致北美和歐洲經濟環境嚴峻，導致消費者信心減弱及對紡織品成衣業需求下降。同時，中國本土部分大型品牌和零售商經歷的過剩庫存情況對紡織產品的需求造成了負面影響。在回顧期內，主要由於中國政府以保底價格收購國產棉花，造成國內棉花價格較世界其他地區的溢價不尋常地高。加上勞動力成本飆升、高能源成本和人民幣升值的因素，令產業價值鏈的每個經營者經歷了過去10年內其中一個最困難的經營環境。

集團來自在中國和斯里蘭卡多元化經營的4個廠房的染布產能維持在每月約2千5百萬磅。集團自2003年起已在中國大陸超過一個省份建立面料廠房，使生產基地多樣化，是行業內的先行者之一。目前，我們分別於中國東莞、江陰、鹽城和斯里蘭卡可倫坡設有4個面料廠房。

在回顧期內，集團出售其紡織機械業務，總代價為人民幣90,000,000元，同時也終止了棉紡業務。縮減非核心業務規模的行動與集團策略性業務計劃一致，即將資源重新分配於集團的主要業務上，實現其在中國的投資，降低資產負債比率及提高集團的流動性。對於紡織機械業務的出售，集團錄得出售收益約43,144,000港元。對於出售的棉紡企業，集團錄得出售之虧損約8,272,000港元。此兩項出售之所得款項淨額已用作償還貸款及集團一般營運資金。

Customers

As a fabric manufacturer, the Group's direct customers are garment factories who are actual purchaser of fabrics. At the same time, the Group has also developed a long-lasting and strong cohesiveness relationship with the retailers and brands over the years. These "end-buyer" customers are commonly the ones to coordinate fabric design, volume and price directly with the Group. The Group is also committed in developing new and innovative fabrics for our customers with over four-decade of our expertise and craftsmanship in the circular knitted fabric industry. Our end-buyer customers consist of renowned international and domestic brands and retailers. The aggregate revenue attributable to the Group's five largest customers was less than 30% of the total revenue for the year.

Products

The Group has been actively developing and promoting a wide range of knitted fabrics under the trademark of "fabric by Fountain Set™" which is the consolidated brand name for our comprehensive knitted fabric collection. Our quality and innovative products include:

1. Performance series: "UV-Protection", "Anti-Mosquito", "Nano water and oil repellent"
2. Eco series: organic cotton, complete cotton (made by blending combing noils and virgin fibers) and original bamboo fiber;
3. Moisture management series: our own brands "Invisi.dri™" (rapidly absorbs moisture from the skin but without showing any "water stain" marks on the fabric surface), "Comforton™" (utilizes the "push-and-pull" method to more effectively wick away perspiration), Dr Dry® and "Sukool™" (powerful finishing provides superior moisture management);
4. Fresh series: our own brand "ActivFresh™ C, B and S" of odor management and anti-microbial fabrics

Capital Investment

The Group is committed to continue investing in infrastructure, machinery and information systems according to the operating needs and future development plans. With several fabric mills and garment factories within the Group, regular infrastructure maintenance and machinery upgrades are necessary to ensure continuous improvement in operations. The Group has been configuring SAP as our enterprise resources planning systems and the target implementation date is early 2014. It is expected that the overall operational efficiency and productivity will be highly improved.

客戶

作為面料生產商，集團的直接客戶為實際採購面料的成衣製造商。同時，多年來集團亦與零售商及品牌商建立並保持長期緊密穩定的關係。這些所謂的「最終客戶」通常都直接與集團協調面料設計、數量及價格。集團亦利用在圓筒針織面料行業超過40年之專業技術經驗保證為客戶不斷開發創新面料。我們的最終客戶均為在國際及國內享有盛譽的知名品牌和零售商。在回顧期內，集團之5大客戶共佔營業額少於30%。

產品

集團一直積極開發及推廣我們以統一品牌紡特適™為商標的多元化針織面料系列。我們的優質和創新產品包括：

1. 功能系列：「防紫外線」、「防蚊」以及「納米防水防油」
2. 環保系列：有機棉、環保棉(由落棉及新棉混紡而成)以及竹原纖維
3. 排汗系列：我們的自主品牌「Invisi.dri™」(快速的把水份從皮膚上吸收，但不會在布面呈現任何水漬)，「Comforton™」(採用「推一拉」原理把汗水更有效地帶走)，Dr Dry®和「Sukool™」(超凡的排汗功能處理)
4. 防菌系列：我們吸味及防菌面料的自主品牌「ActivFresh™ C, B及S」

資本投資

本集團根據經營需要及未來發展計劃致力於持續投資於基礎設施、機械和資訊系統。集團擁有多家面料廠房及製衣廠房，為確保能持續改進營運，定期維護基礎設施和機械升級是非常有必要的。集團已開始設置SAP作為我們的企業資源的規劃系統且目標實施日期為2014年的初期。預計整體營運效率和生產力將大大提高。

Dividend

In view of the current business situation of the Group, the Board has resolved not to pay any final dividend for the period ended 31 December 2012.

FINANCIAL REVIEW

The Group has been actively and consistently communicated with the capital market throughout the years. Against the backdrop of stagnant market situation, the textiles industry may continue to be weak, as well as the challenges the Group is facing in the current phase of its corporate development, the Group's financial performance will be affected in the short term.

The key operating and financial indicators of the Group for the period ended 31 December 2012 are set out below:

股息

鑒於集團面臨現時的業務狀況，董事會決定就截至2012年12月31日止期內不予派發任何末期股息。

財務回顧

集團這些年來一直積極地保持與資本市場的溝通。在市場不景氣的背景下，紡織行業可能會繼續疲軟，加上集團企業發展的當前階段所面臨的各種挑戰，在短期內，集團的財務表現將會受到影響。

本集團截至2012年12月31日止期內之主要經營及財務指標呈列如下：

		For the 16 months ended 31 December 2012 截至2012年 12月31日 止16個月	For the 12 months ended 31 August 2011 截至2011年 8月31日 止12個月
Key Financial Ratios	主要財務比率		
Profitability ratios	盈利能力比率		
Gross profit margin (%)	毛利率	8.6%	15.3%
EBITDA margin (%)	息稅折舊攤銷前利潤率	1.1%	8.9%
Expenses as a % of revenue	開支佔營業額比率		
Distribution and selling expenses	分銷及銷售費用	3.2%	2.5%
Administrative expenses	行政費用	9.8%	8.1%
Finance costs	融資成本	1.0%	0.9%
Asset efficiency	資產效率		
Inventory turnover (days)	存貨週轉期(日)	78	96
Trade and bills receivables turnover (days)	營業及票據應收款項週轉期(日)	67	61
Trade and bills payables turnover (days)	營業及票據應付款項週轉期(日)	46	40

		31 December 2012 2012年 12月31日	31 August 2011 2011年 8月31日
Asset ratios	資產比率		
Current ratio	流動比率	1.6	1.6
Net debt/EBITDA ratio	淨債務／息稅折舊攤銷前利潤率	2.6	1.6

Revenue

The Group's revenue for the period ended 31 December 2012 amounted to HK\$9,167,089,000.

營業額

集團截至2012年12月31日止期內的營業額達9,167,089,000港元。

Revenue by business segments 營業額按業務分類



In FY2012, the Group's core business, production and sales of dyed fabrics, sewing threads and yarns, generated revenue of HK\$7,977,076,000, which accounted for 87.0% of the Group's total revenue. Revenue from production and sales of garments was HK\$1,190,013,000, accounted for 13.0% of the Group's total revenue.

於2012年財政年度，集團核心業務－製造及銷售色布、縫紉線及紗的營業額達到7,977,076,000港元，佔集團營業額總值的87.0%。製造及銷售成衣的營業額為1,190,013,000港元，佔集團營業額總值的13.0%。

Cost of Sales and Gross Profit

For the period ended 31 December 2012, overall cost of sales of the Group amounted to HK\$8,379,813,000 and overall gross profit margin was 8.6%.

銷售成本及毛利

集團截至2012年12月31日止期內之整體銷售成本為8,379,813,000港元，整體毛利率為8.6%。

Distribution and Selling Expenses

For the period ended 31 December 2012, the Group's overall selling and distribution costs amounted to HK\$ 294,682,000, accounting for 3.2% of the Group's total revenue.

分銷及銷售費用

集團截至2012年12月31日止期內之整體分銷及銷售費用為294,682,000港元，佔集團營業額總值的3.2%。

Administrative Expenses

For the period ended 31 December 2012, the Group's overall administrative expenses approximately amounted to HK\$895,285,000, accounting for 9.8% of the Group's total revenue.

行政費用

集團截至2012年12月31日止期內之整體行政費用約895,285,000港元，佔集團營業額總值的9.8%。

Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)

For the period ended 31 December 2012, the Group's EBITDA approximately amounted to HK\$101,251,000.

息稅前利潤加折舊及攤銷(EBITDA)

集團截至2012年12月31日止期內之息稅前利潤加折舊及攤銷約101,251,000港元。

Finance costs

For the period ended 31 December 2012, the Group's finance costs approximately amounted to HK\$87,288,000, representing 1.0% of the Group's total revenue.

融資成本

集團截至2012年12月31日止期內之融資成本淨額約為87,288,000港元，佔本集團營業額總值的1.0%。

Capital Expenditure

During the period under review, the Group invested approximately HK\$99,396,000 in the additions of property, plant and equipment. The Group expects the capital expenditure for the next financial year will be approximately HK\$160,000,000.

資本開支

於回顧期內，集團已投資約99,396,000港元以增加物業、機器及設備。集團預期下一財政年度的資本開支約為160,000,000港元。

Income Tax Expenses

For the period ended 31 December 2012, income tax expenses of the Group approximately amounted to HK\$4,304,000.

所得稅支出

集團截至2012年12月31日止期內之所得稅支出約為4,304,000港元。

Inventory

The Group's inventory approximately amounted to HK\$1,340,553,000 as of 31 December 2012. The inventory turnover period was 78 days.

存貨

集團於2012年12月31日之存貨約為1,340,553,000港元。存貨周轉期為78天。

Liquidity and Financial Resources

At 31 December 2012, the Group's total assets amounted to approximately HK\$6,020,095,000. The key figures of financial position were as follows:

資金流動性及財政資源

於2012年12月31日，集團資產總值約6,020,095,000港元。財務狀況的主要資料如下：

		At 31 December 2012	At 31 August 2011
		於2012年 12月31日	於2011年 8月31日
		HK\$'000	HK\$'000
		千港元	千港元
Non-current assets	非流動資產	2,023,461	2,300,207
Current assets	流動資產	3,996,634	4,308,695
Total assets	資產總值	6,020,095	6,608,902
Current liabilities	流動負債	2,532,214	2,699,104
Non-current liabilities	非流動負債	308,101	871,572
Non-controlling interests	非控股權益	170,058	200,200
Equity attributable to owners of the Company	本公司擁有人應佔權益	3,009,722	2,838,026
Total liabilities and equity	負債及權益總值	6,020,095	6,608,902

The Group met its funding requirements in its usual course of operation by cash flows from operations, as well as long-term and short-term bank borrowings. Capital expenditure was mainly financed by long-term bank borrowings and proceeds received from business disposals.

集團以營運所得現金流量及銀行的長短期貸款應付日常資金需要，而資本開支則主要由長期銀行貸款和業務出售的收益撥付。

At 31 December 2012, the principal financial ratios (after inclusion of proposed final dividend) were as follows:

於2012年12月31日，主要的財務比率(包括擬付之末期股息在內)如下：

		At 31 December 2012	At 31 August 2011
		於2012年 12月31日	於2011年 8月31日
		HK\$'000	HK\$'000
		千港元	千港元
Gearing ratio	資本負債比率	0.95	1.24
Bank borrowing ratio	銀行借貸比率	0.51	0.78
Net bank borrowing ratio	銀行借貸淨值比率	0.09	0.38

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

EMPLOYEES AND EMOLUMENT POLICIES

At 31 December 2012, the Group had approximately 13,600 full time employees (2011: 14,200). The Group's emolument policies are formulated on the performance of individual employee and on the basis of the salary trends in various regions, and are reviewed regularly. Subject to the Group's profitability, the Group may also distribute discretionary bonus to its employees as an incentive for their contribution to the Group.

The Group has established a share option scheme for its employees, and also provides regular training courses and subsidies for continuing education so as to improve the skills of its employees with respect to production, selling and management.

MANAGEMENT FOCUS

The Group believes that the global economy will take some time to normalize and the pressure of cost escalation will persist in China's textile and apparel industry while competition will remain intense. In view of these challenges, the Group will focus resources on its core businesses as well as enhancing its operating efficiency and performance through a series of proactive reforms. These initiatives include:

本集團報告貨幣為港元。集團之銷售及原料採購以港元、美元及人民幣為主。銀行借貸亦以港元、美元及人民幣為單位，利息主要以浮動利率計算。此外，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。集團一直關注美元與人民幣匯率之波動。為降低外匯及利率風險，集團會依據風險管理政策作出合適的對沖安排。

僱員及酬金政策

集團於2012年12月31日之全職僱員人數約為13,600人(2011：14,200)，而集團的僱員酬金政策是根據個別僱員的工作表現及各地區薪酬趨勢而定期作出檢討。集團亦會因應集團之盈利情況，酌情發放花紅予僱員以鼓勵他們對集團之貢獻。

集團為僱員設有一項認購權計劃，亦會提供定期培訓課程及資助進修計劃，以提高僱員之生產、銷售及管理技能。

管理重點

集團相信全球經濟恢復正常將需要一段時間，同時中國紡織和服裝行業中成本上漲的壓力將持續，而競爭仍會維持激烈。面對這個挑戰，集團將集中資源於核心業務以及通過一系列積極的改革來提高營運效率和績效。這些措施包括：

1. Optimizing the Group's organization, management structure, and operating process through seamless team work between production, purchasing, and sales

Facing the increasingly stern operating environment and market competition, we should reevaluate the existing management structure and operating processes of the Group to enhance the synergetic cooperation between purchasing, production, and sales so as to effectively reduce cost and wastage, as well as to improve operating efficiency and performance. In this respect, the Group has realigned the purchasing structure in FY2012. It is anticipated that with the assistance and support of Chinatex, our purchasing efficiency can reach a more competitive level. The Group has also surveyed the production condition of its three existing production bases in China to determine the short-term improvement targets and the corresponding measures. At the same time, the Group has also decided to appoint professional human resource consulting firm to formulate an incentive program for encouraging our sales personnel to be more proactive and be more aggressive in improving sales performance. We believe that the progressive completion of these various measures could forge continue improvement of the Group's overall performance.

2. Optimizing the allocation of production and the underlining features of local products

Providing quality products is the basis for servicing our customers and presenting our shareholders with equitable returns. The Group has, over a period of time and through capital investment, achieved a production capacity layout with economies of scale. Facing future market environment that is uncertain and unstable, we believe we should focus our energy on addressing the demands of the market and customers, optimizing existing production facilities, and underscoring unique product offerings for the production bases in different regions. Hence, the features and competitive edges of the differentiated products can be emphasized to satisfy market demands and elevate the effectiveness of our operation. We are confident that our increasing financial strength is poised to transform our technology incessantly and selectively while maintaining necessary investment in energy savings and emission reduction. This is essential to maintaining and increasing the Group's overall competitiveness.

1. 優化集團組織管理架構和運營流程（生產、採購、銷售緊密配合）

面對日益嚴峻的經營環境和市場競爭，必須重新審視集團現有的管理架構和營運流程，使採購、生產和銷售更加緊密協同，從而更加有效地降低成本與損耗，提升營運效率和經營業績。在此方面，集團已於2012年財政年度重新調整了採購架構，預期在中紡的協助和支持下，改善採購效率至更有市場競爭力之水平；集團也有針對性地審視了現有國內3大生產基地的生產狀況，並分別釐定了近期的改善目標和相應措施；與此同時，集團亦已決定委任專業的人力資源顧問公司，啟動針對銷售人員的激勵制度的重新釐定工作，以鼓勵銷售隊伍更加積極、進取地提升銷售績效。我們相信，這些措施的陸續落實，將會有力地推動集團整體業績的持續改善。

2. 優化產能配置，突出區域產品特色

提供高品質的產品是集團服務客戶、回報股東的立身之本。集團在過去的一段時期內，已經透過資本性投資形成了具規模效益的產能佈局。面對未來不確定、不穩定的市場環境，我們認為，應集中精力，緊緊圍繞市場和客戶的需求，優化現有的產能配置，突出各個生產基地的區域性產品特色，形成更加突出的差異化產品組合特色和優勢，以更好地滿足市場需求並提升經營效益。我們相信，隨著財務實力的增強，集團有足夠的能力選擇性繼續推進必要的技術改造和節能減排方面的基礎性投入，這對於維持和提升集團整體競爭能力必不可少。

3. Strengthening budget management, harnessing the function of financial cost analysis to monitor the variation of cost and to identify areas for implementing control

The Group considers continuous reduction in costs and increase of efficiency are the top priorities for the management of operations. To target certain essential production factors that manifest continual increase in costs, we should take further steps to broaden our thinking, draw collective wisdom to absorb all useful ideas, learn thoroughly and draw on the management experiences and methods of advanced enterprises, to focus on the seamless implementation of comprehensive budgeting. To this end, we will deploy various analytical tools to understand and monitor the variable changes of cost instantly and dynamically, and pinpoint those areas that require timely and effective measures of control. Although our Group has over the past few years implemented various cost reduction measures, we consider reducing costs and improving efficiency as perpetual tasks. The setting up of the Group's new ERP system is being actively promoted internally. We believe that the Group's overall operating and control system will benefit from the progressive implementation of such system. Thus, we shall be able to ensure that information can be communicated seamlessly to enable more effective reduction in costs and improvement in efficiency. The prices and services that we offer to our customers can then become more competitive.

4. Optimization staff allocation and reducing personnel cost

We are very proud of our hardworking and committed staff force. Hence, we promise our staff, and take up the responsibility, to create more opportunities for development as well as to stimulate proactiveness and creativity in order to grow together with the Group. Facing the stern challenges that lie in front of us, the Group will positively reinforce the principle of "unity and synchronization; reform and creativity", which shall lead our staff to respond and to follow the various reforming measures. Since the beginning of the second half of FY2012, the Group has, in its headquarters and production bases, kicked off a program to optimize job allocation for staff to fortify a more resilient and energetic staff force, encourage proactive working attitude among key employees, elevate job efficiency so as to reduce personnel cost. The program has to an extent achieved positive development – the rapid uptrend of personnel cost has since been controlled.

3. 加強預算管理，利用財務成本分析職能，即時跟蹤成本的變化，有針對地實施管控

集團認為，持續地降本增效是當前經營管理工作的重中之重。針對當前一些生產要素成本持續攀升的不利情勢，應進一步開闊思路，集思廣益，充分學習和借鑒一些先進企業的管理經驗與做法，緊緊圍繞落實全面預算這條主線，積極運用各種成本分析工具，更加即時和動態地瞭解與跟蹤成本變化動因，並有針對性地採取及時有效的管控措施。儘管集團在過去的幾年中已實施多項削減成本的措施，但降低成本、提升效率永無止境。集團新的ERP系統的建設正在積極推進之中。我們相信，集團整體營運和管控體系將得益於該系統的逐步落地，我們也將能夠通過確保資訊的無縫流動來更加有效地實現降低成本和提升效率，從而使我們能夠提供更有競爭力的價值和服務給予我們的顧客。

4. 優化人員配置，降低人力成本

勤勉敬業的員工隊伍是集團引以為榮的寶貴財富。不斷為他們創造更多地發展空間，激發他們的主動性和創造性，實現與集團共同成長，這是我們的承諾與責任。面對當前的嚴峻挑戰，集團積極宣導「同心同步，改革創新」的理念，引導集團員工積極回應和配合集團的各項改革措施。從2012年財政年度年下半年開始，為了打造更富彈性和活力的員工隊伍，集團已經開始在總部和生產機地進行員工的優化配置工作，以激發骨幹員工工作的積極性，提升工作效率，從而有效降低人力成本。該項工作亦已取得了階段性的積極進展，人力成本快速上升的勢頭已經得到有效遏制。

5. Shutting down and cleaning up certain loss-stricken companies and businesses

Based on the principle of “focusing on core competence and be better and stronger”, and by adapting the Group’s existing business structure with the severe industry development environment that lies ahead of us, the Group considers it imperative to focus on our fabric production core business in order to lay a foundation for future development in case of recovery. In this regard, we ceased our cotton spinning and textile machinery business in FY2012. In addition, in view of the losses of certain subsidiary companies of the Group, we have reviewed the necessity of continuing development and alternative adjustment programs. We anticipate that we can progressively create the necessary conditions for expediting the process of such adjustments. Hence, the Group can focus its resources and energy towards the improvement of its core business.

6. Placing great emphasis on energy saving and emission reduction; being proactive in taking up social responsibility and working together for the betterment of China

In response to the Chinese government’s call for “energy saving and emission reduction” and “the betterment of China”, the Group will continue to invest in constructing and upgrading its infrastructure facilities. It is our belief that energy saving and emission reduction are the best means for integrating enterprise interest and social responsibility. To this end, the Group has established a “Committee for sustainable development and corporate social responsibility” and various energy saving and emission reduction task forces.

5. 關閉和清理部分虧損公司和業務

本著「聚焦核心、做優做強」的思想，結合集團現有的業務結構和當前嚴峻的行業發展環境，集團認為近期應集中做好面料生產等核心業務，以便為今後的恢復性發展打下一個堅實的基礎。為此，我們於2012年財政年度終止了棉紡業務和紡織機械生產業務。同時，針對部分子公司和業務虧損的狀況，集團已經開始重新審視持續開展的必要性和備選的調整方案。我們期望能夠逐步創造條件，加快對這些業務的調整處置進程，以便集團釋放資源和精力，更好地聚焦於核心業務的改善。

6. 高度重視節能減排，積極實踐社會責任，共同建設美好中國

集團積極回應中國政府「節能減排」、「共建美好中國」的號召，持續投入資源用於相關基礎設施的建設和改造。我們深信，節能減排是將企業利益與社會責任有機結合的最佳途徑之一。在此方面，集團設立了「可持續發展及企業社會責任委員會」及各公司能源管理節能減排小組。

In the production process, each of our production mills will aim at energy saving, wastage reduction and emission reduction, and will continue to inject resources for upgrading energy consuming equipment, especially the technical review of key areas that consume water, electricity and heat energy. In this respect, we have installed recyclable components and energy saving devices in equipment that commands processes such as dyeing and temperature control in order to fully utilize every bit of water, electricity and thermal energy. The environmental impact of the emissions from the equipment will also be reduced, matching and even better than national emission standards. In FY2012, the Group has already implemented 17 measures including insulation for dyeing machines, heat source transformation for finishing machines, fan and water pump energy-saving regulators, waste water and heat energy recovery system for dyeing and finishing processes. These measures have achieved remarkable economic and social benefits.

Among products that we manufacture, the Group proactively promotes the use of environmentally friendly materials and eco-friendly production techniques. A series of innovative environmentally friendly products are being developed, such as Kapok fiber, organic cotton, and natural bamboo-derived fiber. Within our workplaces, the Group has initiated a green office campaign with an aim of achieving a greener workplace. At the same time, we are also researching the incorporation into our daily operations of the 4R concepts: Reduction, Reuse, Recycle, and Regeneration.

Internally, the Group has attempted every endeavor to promote growth that is sustainable. Externally, we have collaborated with a number of organizations to promote environment protection and sustainable growth for the industry, which has received wide reception.

The Group remains cautious of the global macro-economic environment in 2013. Nevertheless, the Board and the management believe that the Group's strategies and the above initiatives are rational and on the right tracks thus maintain a relatively optimistic outlook on business for the longer term. Going forward, the Group commits to enhancing our operational efficiency through a series of proactive measures to achieve sustainable and financially stable corporate development.

在生產過程中，各生產廠房以節能、降耗、減排為目標，持續加大對能源消耗設備的技術改造投入，尤其對耗水、電、熱能的關鍵設備集中進行技術檢討，先後在染整等工序、照明及控溫設備中安裝循環再用元件或節能裝置，力求使每噸水、每度電、每組熱能的功效發揮最大，同時也將設備的排放物對環境的影響性降低，完全達到並優於國家的排放環保標準。於2012年財政年度內，集團已先後實施包括染布缸保溫、定型機熱源改造、風機水泵變頻節能、染整工藝廢水熱能回收等共17項工程，取得了顯著的經濟效益和社會效益。

在產品中，集團積極宣傳使用環保特性材料，經環保工藝生產下開發有環保特性的產品，並持續開發新型環保系列產品，如：木棉、有機棉和天然竹原纖維等。集團亦積極開展綠色辦公室活動，目標實現一個更綠色的工作場所，並不斷研究如何於日常運作中融入4R概念：Reduction(減量)、Reuse(重複使用)、Recycling(回收)、Regeneration(再生)。

集團除努力推動可持續發展工作外，亦與多個團體合作，積極推行業界內環保及可持續發展的工作，獲得了良好的口碑。

集團對2013年環球宏觀經濟環境依然保持謹慎態度。然而，董事會及管理層認為集團的策略和上述措施均為理性和在正確的軌道，從而維持對長期業務前景相對樂觀。展望未來，集團將繼續致力於加強我們的營運效率，通過一系列積極的措施來實現集團可持續發展和財務穩健的企業發展。

CORPORATE GOVERNANCE CODE

Throughout the period from 1 September 2011 to 31 March 2012 and the period from 1 April 2012 to 31 December 2012, the Company has consistently adopted and complied with all the applicable code provisions of the Code on Corporate Governance Practices (effective until 31 March 2012) (the “Old Code”) and the revised Corporate Governance Code (effective from 1 April 2012) (the “Code”) respectively as set out in Appendix 14 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) as guidelines to reinforce our corporate governance principles, except for the deviation on Code Provision A.6.7 of the Code.

According to the Code Provision A.6.7 of the Code, independent non-executive directors and other non-executive directors should attend general meetings in order to develop a balanced understanding of the views of shareholders.

Due to other business engagements, an independent non-executive director of the Company who has resigned on 6 June 2012 could not attend the extraordinary general meeting of the Company held on 10 May 2012 (the “EGM”). Except for the above independent non-executive director of the Company, all the other directors of the Company were present at the EGM to enable the Board to develop a balanced understanding of the views of the shareholders of the Company.

Save for the above deviation, 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 16 months period ended 31 December 2012 in compliance with any code provisions of the Old Code or the Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding directors’ securities transactions. Having made specific enquiry of all directors of the Company considers that all directors of the Company have complied with the required standard set out in the Model Code for the period under review.

企業管治守則

由2011年9月1日起至2012年3月31日止期間以及由2012年4月1日起至2012年12月31日止期間，本集團一貫地採納及遵守香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄14所載之企業管治常規守則(於2012年3月31日前有效)(「舊守則」)及經修訂企業管治守則(於2012年4月1日起生效)(「守則」)之全部守則條文，作為強化本公司企業管治原則之方針，惟於守則之守則條文A.6.7有所偏離除外。

根據守則之守則條文第A.6.7條，獨立非執行董事及其他非執行董事均須出席股東大會，以均衡了解股東意見。

本公司之其中1名獨立非執行董事(已於2012年6月6日辭任)由於另有其他公務，因此未能出席本公司於2012年5月10日舉行之股東特別大會(「股東特別大會」)。除上述獨立非執行董事外，本公司所有其他董事均有出席股東特別大會，董事會從而得以均衡了解本公司股東意見。

除以上偏離外，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2012年12月31日止16個月期間未有或未曾遵守舊守則或守則之任何守則條文。

董事進行證券交易的標準守則

本公司已採納上市規則附錄10所載上市發行人董事進行證券交易的標準守則(「標準守則」)為其有關董事進行證券交易之守則。經向本公司所有董事作出查詢後，本公司認為本公司所有董事於回顧期內均已遵守標準守則所要求的標準。

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the 16 months period ended 31 December 2012, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's securities.

AUDIT COMMITTEE REVIEW

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 one non-executive director and two independent non-executive directors of the Company, and one of the independent non-executive directors acts as the chairman of the Audit Committee. The Audit Committee has reviewed the audited final results and the system of internal control of the Company for the 16 months period ended 31 December 2012.

購回、出售或贖回證券

於截至2012年12月31日止16個月期間內，本公司或其任何附屬公司概無購回、出售或贖回本公司之任何證券。

審核委員會審閱

本公司已成立審核委員會，藉以檢討及監察本公司之財務申報程序及內部監控制度。審核委員會現由本公司1名非執行董事及2名獨立非執行董事組成，並由其中1名獨立非執行董事擔任審核委員會主席。審核委員會已審閱本公司截至2012年12月31日止16個月期間之經審核末期業績及內部監控制度。

代表董事會
福田實業(集團)有限公司
主席
李蘭

香港，2013年3月26日

於本公告日期，董事會有5位執行董事，即李蘭女士、夏錦安先生、嚴震銘博士、宮征誼先生及趙耀先生；1位非執行董事，即張湧先生；及3位獨立非執行董事，即伍國棟先生、周永健先生、銀紫荊星章、太平紳士及楊世濱先生。