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福田實業(集團)有限公司

Fountain Set (Holdings) Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code: 420)

## ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2014

The Board of Directors would like to announce that the unaudited condensed consolidated financial statements of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2014 are as follows:

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME 簡明綜合損益及其他全面收益表

For the six months ended 30 June 2014 截至2014年6月30日止6個月

|                                               |               |             | Six months ended<br>截至下列日期止6個月                                                |                                                                               |
|-----------------------------------------------|---------------|-------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------|
|                                               |               | NOTES<br>附註 | 30 June<br>2014<br>2014年<br>6月30日<br>HK\$'000<br>千港元<br>(unaudited)<br>(未經審核) | 30 June<br>2013<br>2013年<br>6月30日<br>HK\$'000<br>千港元<br>(unaudited)<br>(未經審核) |
| Revenue                                       | 營業額           | 3           | 3,367,926                                                                     | 3,317,989                                                                     |
| Cost of sales                                 | 銷售成本          |             | (3,039,950)                                                                   | (2,957,994)                                                                   |
| Gross profit                                  | 毛利            |             | 327,976                                                                       | 359,995                                                                       |
| Other income                                  | 其他收入          |             | 31,492                                                                        | 21,103                                                                        |
| Other gains and losses                        | 其他收益及虧損       |             | (29,604)                                                                      | 6,323                                                                         |
| Distribution and selling expenses             | 分銷及銷售費用       |             | (84,440)                                                                      | (86,444)                                                                      |
| Administrative expenses                       | 行政費用          |             | (203,578)                                                                     | (258,930)                                                                     |
| Finance costs                                 | 融資成本          | 4           | (18,960)                                                                      | (17,119)                                                                      |
| Net gain on disposal of subsidiaries          | 出售附屬公司之所得收益淨額 |             | 4,694                                                                         | -                                                                             |
| Profit before taxation                        | 除稅前盈利         |             | 27,580                                                                        | 24,928                                                                        |
| Income tax                                    | 所得稅           | 5           | (14,944)                                                                      | 9,625                                                                         |
| Profit for the period                         | 是期間盈利         | 6           | 12,636                                                                        | 34,553                                                                        |
| Profit/(loss) for the period attributable to: | 應佔是期間盈利／(虧損)： |             |                                                                               |                                                                               |
| Owners of the Company                         | 本公司擁有人        |             | 14,383                                                                        | 31,160                                                                        |
| Non-controlling interests                     | 非控股權益         |             | (1,747)                                                                       | 3,393                                                                         |
|                                               |               |             | 12,636                                                                        | 34,553                                                                        |
|                                               |               |             | HK cents 港仙                                                                   | HK cents 港仙                                                                   |
| Earnings per share                            | 每股盈利          | 8           | 1.2                                                                           | 2.6                                                                           |
| Basic and diluted                             | 基本及攤薄         |             |                                                                               |                                                                               |

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

## 簡明綜合損益及其他全面收益表

For the six months ended 30 June 2014 截至2014年6月30日止6個月

|                                                                                     |                        | Six months ended |             |
|-------------------------------------------------------------------------------------|------------------------|------------------|-------------|
|                                                                                     |                        | 截至下列日期止6個月       |             |
|                                                                                     |                        | 30 June          | 30 June     |
|                                                                                     |                        | 2014             | 2013        |
|                                                                                     |                        | 2014年            | 2013年       |
|                                                                                     |                        | 6月30日            | 6月30日       |
|                                                                                     |                        | HK\$'000         | HK\$'000    |
|                                                                                     |                        | 千港元              | 千港元         |
|                                                                                     |                        | (unaudited)      | (unaudited) |
|                                                                                     |                        | (未經審核)           | (未經審核)      |
| Profit for the period                                                               | 是期間盈利                  | 12,636           | 34,553      |
| Items that will be reclassified to<br>profit or loss in subsequent periods:         | 其後期間將重新分類至<br>損益之項目：   |                  |             |
| Exchange differences arising on translation of<br>foreign operations                | 換算海外業務產生之<br>匯兌差額      | (989)            | 18,226      |
| Reclassification adjustment of<br>translation reserve upon disposal of a subsidiary | 出售附屬公司時匯兌儲備之<br>重新分類調整 | (1,435)          | –           |
| Other comprehensive (expenses)/income<br>for the period                             | 是期間其他全面（開支）／收益         | (2,424)          | 18,226      |
| Total comprehensive income for the period                                           | 是期間全面收益總值              | 10,212           | 52,779      |
| Total comprehensive income/(expenses)<br>for the period attributable to:            | 應佔是期間全面收益／<br>（開支）總值：  |                  |             |
| Owners of the Company                                                               | 本公司擁有人                 | 12,714           | 47,512      |
| Non-controlling interests                                                           | 非控股權益                  | (2,502)          | 5,267       |
|                                                                                     |                        | 10,212           | 52,779      |

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION 簡明綜合財務狀況表

As at 30 June 2014 於2014年6月30日

|                                                 |                    |    | At<br>30 June<br>2014<br>於2014<br>6月30日<br>HK\$'000<br>千港元<br>(unaudited)<br>(未經審核) | At<br>31 December<br>2013<br>於2013年<br>12月31日<br>HK\$'000<br>千港元<br>(audited)<br>(經審核) |
|-------------------------------------------------|--------------------|----|-------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|
|                                                 | NOTES<br>附註        |    |                                                                                     |                                                                                        |
| <b>Non-current assets</b>                       | <b>非流動資產</b>       |    |                                                                                     |                                                                                        |
| Investment properties                           | 投資物業               |    | 37,696                                                                              | 33,800                                                                                 |
| Property, plant and equipment                   | 物業、機器及設備           | 9  | 1,609,472                                                                           | 1,624,510                                                                              |
| Prepaid lease payments – non-current portion    | 預付租賃款項 – 非流動部份     |    | 106,066                                                                             | 107,784                                                                                |
| Other intangible assets                         | 其他無形資產             | 9  | 29,218                                                                              | 30,284                                                                                 |
| Investment in an associate                      | 聯營公司之投資            |    | 16,204                                                                              | –                                                                                      |
| Investment in life insurance policies           | 人壽保險保單之投資          | 10 | 37,621                                                                              | 37,346                                                                                 |
| Deferred tax assets                             | 遞延稅項資產             |    | 29,472                                                                              | 34,043                                                                                 |
|                                                 |                    |    | <b>1,865,749</b>                                                                    | <b>1,867,767</b>                                                                       |
| <b>Current assets</b>                           | <b>流動資產</b>        |    |                                                                                     |                                                                                        |
| Inventories                                     | 存貨                 | 11 | 1,449,070                                                                           | 1,636,772                                                                              |
| Trade and bills receivables                     | 營業及票據應收款項          | 12 | 1,352,820                                                                           | 1,265,935                                                                              |
| Prepayments, deposits and other receivables     | 預付款項、按金及<br>其他應收款項 | 12 | 145,928                                                                             | 191,146                                                                                |
| Prepaid lease payments – current portion        | 預付租賃款項 – 流動部份      |    | 2,610                                                                               | 2,610                                                                                  |
| Derivative financial instruments                | 衍生金融工具             |    | –                                                                                   | 14,170                                                                                 |
| Tax recoverable                                 | 可收回稅項              |    | 1,854                                                                               | 4,282                                                                                  |
| Short-term bank deposits                        | 短期銀行存款             |    | 399,631                                                                             | 346,889                                                                                |
| Bank balances and cash                          | 銀行結餘及現金            |    | 699,251                                                                             | 803,074                                                                                |
|                                                 |                    |    | <b>4,051,164</b>                                                                    | <b>4,264,878</b>                                                                       |
| <b>Current liabilities</b>                      | <b>流動負債</b>        |    |                                                                                     |                                                                                        |
| Trade and bills payables                        | 營業及票據應付款項          | 13 | 841,813                                                                             | 1,001,781                                                                              |
| Other payables and accruals                     | 其他應付款項及應計費用        | 13 | 296,425                                                                             | 339,799                                                                                |
| Amounts due to non-controlling shareholders     | 欠非控股股東款項           |    | 80,100                                                                              | 80,100                                                                                 |
| 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             |    | 17,653                                                                              | –                                                                                      |
| Tax payable                                     | 應付稅項               |    | 13,084                                                                              | 9,555                                                                                  |
| Bank and other borrowings – due within one year | 銀行及其他借貸 – 一年內到期    | 14 | 984,763                                                                             | 838,946                                                                                |
| Bank overdrafts                                 | 銀行透支               |    | 2,179                                                                               | –                                                                                      |
|                                                 |                    |    | <b>2,237,475</b>                                                                    | <b>2,271,639</b>                                                                       |
| <b>Net current assets</b>                       | <b>流動資產淨值</b>      |    | <b>1,813,689</b>                                                                    | <b>1,993,239</b>                                                                       |
| <b>Total assets less current liabilities</b>    | <b>資產總值減流動負債</b>   |    | <b>3,679,438</b>                                                                    | <b>3,861,006</b>                                                                       |

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION 簡明綜合財務狀況表

As at 30 June 2014 於2014年6月30日

|                                                |                  | At<br>30 June<br>2014<br>於2014<br>6月30日<br>HK\$'000<br>千港元<br>(unaudited)<br>(未經審核) | At<br>31 December<br>2013<br>於2013年<br>12月31日<br>HK\$'000<br>千港元<br>(audited)<br>(經審核) |
|------------------------------------------------|------------------|-------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|
|                                                |                  | NOTES<br>附註                                                                         |                                                                                        |
| <b>Non-current liabilities</b>                 | <b>非流動負債</b>     |                                                                                     |                                                                                        |
| Deferred income – non-current portion          | 遞延收入－非流動部份       | <b>62,947</b>                                                                       | 63,676                                                                                 |
| Bank and other borrowings – due after one year | 銀行及其他借貸－一年後到期 14 | <b>364,484</b>                                                                      | 516,598                                                                                |
| Deferred tax liabilities                       | 遞延稅項負債           | <b>6,977</b>                                                                        | 2,085                                                                                  |
|                                                |                  | <b>434,408</b>                                                                      | 582,359                                                                                |
| <b>Net assets</b>                              | <b>資產淨值</b>      | <b>3,245,030</b>                                                                    | 3,278,647                                                                              |
| <b>Capital and reserves</b>                    | <b>資本及儲備</b>     |                                                                                     |                                                                                        |
| Share capital                                  | 股本 15            | <b>862,211</b>                                                                      | 240,609                                                                                |
| Reserves                                       | 儲備 15            | <b>2,244,617</b>                                                                    | 2,876,611                                                                              |
| Equity attributable to owners of the Company   | 本公司擁有人應佔權益       | <b>3,106,828</b>                                                                    | 3,117,220                                                                              |
| Non-controlling interests                      | 非控股權益            | <b>138,202</b>                                                                      | 161,427                                                                                |
| <b>Total equity</b>                            | <b>權益總值</b>      | <b>3,245,030</b>                                                                    | 3,278,647                                                                              |

## NOTES

### 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 Hong Kong Accounting Standard ("HKAS") 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 on the historical cost basis except for certain financial instruments, which are measured at fair values. The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2014 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2013.

In the current interim period, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the HKICPA, which are effective for the Group's financial year beginning on 1 January 2014.

|                                                        |                                                                 |
|--------------------------------------------------------|-----------------------------------------------------------------|
| Amendments to HKFRS 10,<br>HKFRS 12 and HKAS 27 (2011) | Investment Entities                                             |
| Amendments to HKAS 32                                  | Offsetting Financial Assets and Financial<br>Liabilities        |
| Amendments to HKAS 36                                  | Recoverable Amount Disclosures for<br>Non-Financial Assets      |
| Amendments to HKAS 39                                  | Novation of Derivatives and<br>Continuation of Hedge Accounting |
| HK(IFRIC) – Interpretation 21                          | Levies                                                          |

The application of the above new and revised standards, amendments and interpretations in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

## 附註

### 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（「香港會計準則」）第34號「中期財務申報」而編製。

### 2. 主要會計政策

本簡明綜合財務報表乃按歷史成本基準編製，惟若干金融工具按公平價值列賬除外。截至2014年6月30日止6個月之簡明綜合財務報表所採用之會計政策及計算方法與編製本集團截至2013年12月31日止年度之全年財務報表所遵循者相同。

於本中期期間，本集團已首次應用下列由香港會計師公會頒佈並於本集團2014年1月1日開始之財政年度生效之新訂及經修訂準則、修訂本及詮釋（「新訂及經修訂香港財務報告準則」）。

|                                                            |                      |
|------------------------------------------------------------|----------------------|
| 香港財務報告準則第10號、<br>香港財務報告準則第12號<br>及香港會計準則第27號之<br>修訂本（2011） | 投資實體                 |
| 香港會計準則第32號<br>之修訂本                                         | 抵銷金融資產及金融<br>負債      |
| 香港會計準則第36號<br>之修訂本                                         | 非金融資產可收回<br>金額的披露    |
| 香港會計準則第39號<br>之修訂本                                         | 衍生工具之更替與<br>對沖會計法之延續 |
| 香港（國際財務報告詮釋<br>委員會）－詮釋第21號                                 | 徵費                   |

於本中期期間應用上述新訂及經修訂準則、修訂本及詮釋並無對該等簡明綜合財務報表所呈報之金額及／或該等簡明綜合財務報表所披露之事項造成重大影響。

## 2. PRINCIPAL ACCOUNTING POLICIES (continued)

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

|                                            |                                                            |
|--------------------------------------------|------------------------------------------------------------|
| HKFRS 9                                    | Financial Instruments <sup>3</sup>                         |
| Amendments to HKFRS 9, HKFRS 7 and HKAS 39 | Hedge Accounting <sup>3</sup>                              |
| Amendments to HKAS 19 (2011)               | Defined Benefit Plans: Employee Contributions <sup>1</sup> |
| HKFRSs (Amendments)                        | Annual Improvements 2010-2012 Cycle <sup>2</sup>           |
| HKFRSs (Amendments)                        | Annual Improvements 2010-2013 Cycle <sup>1</sup>           |

<sup>1</sup> Effective for annual periods beginning on or after 1 July 2014

<sup>2</sup> Effective for annual periods beginning, or transactions occurring, on or after 1 July 2014

<sup>3</sup> No mandatory effective date yet determined but is available for early adoption

The directors of the Company anticipate that the application of the new and revised HKFRSs will have no material impact on the results and the financial position of the Group.

## 3. 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, Vietnam 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 profit from the production and sales of dyed fabrics, sewing threads, yarns and garments and results by reportable segment for the period under review.

## 2. 主要會計政策 (續)

下列可能與本集團之簡明綜合財務報表有關之新訂／經修訂香港財務報告準則已經頒佈，惟尚未生效亦未經本集團提早採納。

|                                        |                                 |
|----------------------------------------|---------------------------------|
| 香港財務報告準則第9號                            | 金融工具 <sup>3</sup>               |
| 香港財務報告準則第9號、香港財務報告準則第7號及香港會計準則第39號之修訂本 | 對沖會計法 <sup>3</sup>              |
| 香港會計準則第19號之修訂本(2011)                   | 定額福利計劃：僱員供款 <sup>1</sup>        |
| 香港財務報告準則（修訂本）                          | 2010年至2012年週期之年度改進 <sup>2</sup> |
| 香港財務報告準則（修訂本）                          | 2010年至2013年週期之年度改進 <sup>1</sup> |

<sup>1</sup> 於2014年7月1日或之後開始之年度期間生效

<sup>2</sup> 於2014年7月1日或之後開始之年度期間生效，或適用於該日或之後出現之交易

<sup>3</sup> 尚未釐定強制生效日期，惟可提早採納

本公司董事預期應用該等新訂及經修訂香港財務報告準則將不會對本集團之業績及財務狀況造成重大影響。

## 3. 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（本集團所屬地）、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、越南及澳門）。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。

以下為本集團於回顧期間源自製造及銷售色布、縫紉線、紗及成衣之營業額及盈利以及按可申報分類所呈報業績之分析。

### 3. REVENUE AND SEGMENT INFORMATION (continued)

Six months ended 30 June 2014

### 3. 營業額及分類資料 (續)

截至2014年6月30日止6個月

|                                      |                   | Hong Kong<br>香港<br>HK\$'000<br>千港元 | The PRC<br>中國<br>HK\$'000<br>千港元 | Taiwan<br>台灣<br>HK\$'000<br>千港元 | Korea<br>韓國<br>HK\$'000<br>千港元 | Sri Lanka<br>斯里蘭卡<br>HK\$'000<br>千港元 | America<br>美洲<br>HK\$'000<br>千港元 | Europe<br>歐洲<br>HK\$'000<br>千港元 | Others<br>其他地區<br>HK\$'000<br>千港元 | Segment total<br>分類總值<br>HK\$'000<br>千港元 | Eliminations<br>對銷<br>HK\$'000<br>千港元 | Consolidated<br>綜合<br>HK\$'000<br>千港元 |
|--------------------------------------|-------------------|------------------------------------|----------------------------------|---------------------------------|--------------------------------|--------------------------------------|----------------------------------|---------------------------------|-----------------------------------|------------------------------------------|---------------------------------------|---------------------------------------|
| <b>REVENUE</b>                       | <b>營業額</b>        |                                    |                                  |                                 |                                |                                      |                                  |                                 |                                   |                                          |                                       |                                       |
| External sales                       | 對外銷售              | 759,994                            | 591,413                          | 399,621                         | 571,732                        | 309,875                              | 229,517                          | 65,614                          | 440,160                           | 3,367,926                                | -                                     | 3,367,926                             |
| Inter-segment sales (note)           | 分類間銷售 (附註)        | 2,560,472                          | 1,296,606                        | -                               | -                              | 148,809                              | 61,027                           | -                               | 105,081                           | 4,171,995                                | (4,171,995)                           | -                                     |
| Total segment revenue                | 分類營業額總值           | 3,320,466                          | 1,888,019                        | 399,621                         | 571,732                        | 458,684                              | 290,544                          | 65,614                          | 545,241                           | 7,539,921                                | (4,171,995)                           | 3,367,926                             |
| <b>RESULTS</b>                       | <b>業績</b>         |                                    |                                  |                                 |                                |                                      |                                  |                                 |                                   |                                          |                                       |                                       |
| Segment profit                       | 分類盈利              | 60,860                             | 33,707                           | 33,306                          | 47,819                         | 11,538                               | 14,171                           | 5,466                           | 35,635                            |                                          |                                       | 242,502                               |
| Interest income                      | 利息收入              |                                    |                                  |                                 |                                |                                      |                                  |                                 |                                   |                                          |                                       | 8,590                                 |
| Unallocated income                   | 未分配收入             |                                    |                                  |                                 |                                |                                      |                                  |                                 |                                   |                                          |                                       | 1,473                                 |
| Unallocated expenses                 | 未分配支出             |                                    |                                  |                                 |                                |                                      |                                  |                                 |                                   |                                          |                                       | (210,719)                             |
| Finance costs                        | 融資成本              |                                    |                                  |                                 |                                |                                      |                                  |                                 |                                   |                                          |                                       | (18,960)                              |
| Net gain on disposal of subsidiaries | 出售附屬公司之<br>所得收益淨額 |                                    |                                  |                                 |                                |                                      |                                  |                                 |                                   |                                          |                                       | 4,694                                 |
| Profit before taxation               | 除稅前盈利             |                                    |                                  |                                 |                                |                                      |                                  |                                 |                                   |                                          |                                       | 27,580                                |

Six months ended 30 June 2013

截至2013年6月30日止6個月

|                            |            | Hong Kong<br>香港<br>HK\$'000<br>千港元 | The PRC<br>中國<br>HK\$'000<br>千港元 | Taiwan<br>台灣<br>HK\$'000<br>千港元 | Korea<br>韓國<br>HK\$'000<br>千港元 | Sri Lanka<br>斯里蘭卡<br>HK\$'000<br>千港元 | America<br>美洲<br>HK\$'000<br>千港元 | Europe<br>歐洲<br>HK\$'000<br>千港元 | Others<br>其他地區<br>HK\$'000<br>千港元 | Segment total<br>分類總值<br>HK\$'000<br>千港元 | Eliminations<br>對銷<br>HK\$'000<br>千港元 | Consolidated<br>綜合<br>HK\$'000<br>千港元 |
|----------------------------|------------|------------------------------------|----------------------------------|---------------------------------|--------------------------------|--------------------------------------|----------------------------------|---------------------------------|-----------------------------------|------------------------------------------|---------------------------------------|---------------------------------------|
| <b>REVENUE</b>             | <b>營業額</b> |                                    |                                  |                                 |                                |                                      |                                  |                                 |                                   |                                          |                                       |                                       |
| External sales             | 對外銷售       | 751,609                            | 513,496                          | 421,954                         | 517,976                        | 405,458                              | 194,022                          | 118,024                         | 395,450                           | 3,317,989                                | -                                     | 3,317,989                             |
| Inter-segment sales (note) | 分類間銷售 (附註) | 2,493,213                          | 1,490,683                        | -                               | -                              | 310,756                              | 36,610                           | -                               | 79,773                            | 4,411,035                                | (4,411,035)                           | -                                     |
| Total segment revenue      | 分類營業額總值    | 3,244,822                          | 2,004,179                        | 421,954                         | 517,976                        | 716,214                              | 230,632                          | 118,024                         | 475,223                           | 7,729,024                                | (4,411,035)                           | 3,317,989                             |
| <b>RESULTS</b>             | <b>業績</b>  |                                    |                                  |                                 |                                |                                      |                                  |                                 |                                   |                                          |                                       |                                       |
| Segment profit             | 分類盈利       | 66,999                             | 46,144                           | 44,394                          | 54,462                         | 23,931                               | 10,099                           | 12,463                          | 38,519                            |                                          |                                       | 297,011                               |
| Interest income            | 利息收入       |                                    |                                  |                                 |                                |                                      |                                  |                                 |                                   |                                          |                                       | 3,343                                 |
| Unallocated income         | 未分配收入      |                                    |                                  |                                 |                                |                                      |                                  |                                 |                                   |                                          |                                       | 20,576                                |
| Unallocated expenses       | 未分配支出      |                                    |                                  |                                 |                                |                                      |                                  |                                 |                                   |                                          |                                       | (278,883)                             |
| Finance costs              | 融資成本       |                                    |                                  |                                 |                                |                                      |                                  |                                 |                                   |                                          |                                       | (17,119)                              |
| Profit before taxation     | 除稅前盈利      |                                    |                                  |                                 |                                |                                      |                                  |                                 |                                   |                                          |                                       | 24,928                                |

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。

### 3. REVENUE AND SEGMENT INFORMATION (continued)

Segment profit represents the profit earned by each segment without allocation of central administration costs and other expenses (including non-production related employee benefits expense, directors' emoluments, bank charges, etc.), depreciation and amortisation, interest income, gain on disposal of property, plant and equipment, net gain or loss 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.

### 4. FINANCE COSTS

### 3. 營業額及分類資料 (續)

分類盈利乃指各分類所賺取的盈利，當中並無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支出、董事酬金、銀行費用等）、折舊及攤銷、利息收入、出售物業、機器及設備之收益、衍生金融工具之收益或虧損淨值、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。

### 4. 融資成本

|                                                                 |                       | Six months ended<br>截至下列日期止6個月                       |                                                      |
|-----------------------------------------------------------------|-----------------------|------------------------------------------------------|------------------------------------------------------|
|                                                                 |                       | 30 June<br>2014<br>2014年<br>6月30日<br>HK\$'000<br>千港元 | 30 June<br>2013<br>2013年<br>6月30日<br>HK\$'000<br>千港元 |
| Finance costs on:                                               | 融資成本：                 |                                                      |                                                      |
| Bank and other borrowings wholly repayable<br>within five years | 須於五年內全數償還之<br>銀行及其他借貸 | 18,960                                               | 17,119                                               |

## 5. INCOME TAX

## 5. 所得稅

|                                                                 |                | Six months ended     |                       |
|-----------------------------------------------------------------|----------------|----------------------|-----------------------|
|                                                                 |                | 截至下列日期止6個月           |                       |
|                                                                 |                | 30 June              | 30 June               |
|                                                                 |                | 2014                 | 2013                  |
|                                                                 |                | 2014年                | 2013年                 |
|                                                                 |                | 6月30日                | 6月30日                 |
|                                                                 |                | HK\$'000             | HK\$'000              |
|                                                                 |                | 千港元                  | 千港元                   |
| Current tax:                                                    | 是期間稅項：         |                      |                       |
| Hong Kong                                                       | 香港             | –                    | 366                   |
| The PRC                                                         | 中國             | 4,890                | 7,635                 |
| Other jurisdictions                                             | 其他司法地區         | 1,312                | 1,193                 |
|                                                                 |                | <u>6,202</u>         | <u>9,194</u>          |
| Over provision in prior years:                                  | 過往年度超額撥備：      |                      |                       |
| Hong Kong                                                       | 香港             | –                    | (25)                  |
| The PRC                                                         | 中國             | (603)                | (174)                 |
| Other jurisdictions                                             | 其他司法地區         | (115)                | (281)                 |
|                                                                 |                | <u>(718)</u>         | <u>(480)</u>          |
| Over provision for the total tax undercharged in previous years | 過往年度少收稅務總額超額撥備 | <u>–</u>             | <u>(8,040)</u>        |
| Deferred tax:                                                   | 遞延稅項：          |                      |                       |
| Hong Kong                                                       | 香港             | 7                    | –                     |
| The PRC                                                         | 中國             | 5,131                | (10,493)              |
| Other jurisdictions                                             | 其他司法地區         | 4,322                | 194                   |
|                                                                 |                | <u>9,460</u>         | <u>(10,299)</u>       |
|                                                                 |                | <u><u>14,944</u></u> | <u><u>(9,625)</u></u> |

## 5. INCOME TAX (continued)

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods.

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%.

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 April 2014.

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 estimated 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.

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.

## 5. 所得稅（續）

香港利得稅乃按兩個期間之估計應課稅盈利以16.5%計算。

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，中國附屬公司之稅率為25%。

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2014年4月為止。

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各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。

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港元分別發予本公司及一間香港附屬公司實為發予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港元分別發予本公司及一間香港附屬公司亦實為發予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港元分別發予本公司及一間香港附屬公司亦實為發予上述海外附屬公司的保障性評稅之交替式的估計評稅。

## 5. INCOME TAX (continued)

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 period ended 30 June 2013, the Group has submitted a settlement proposal, on a complete without prejudice basis, to the IRD in order to finalise the tax audit and the tax provision of the Group for the years of assessment 2001/02 to 2011/12. After negotiations, the Group has finally come up with an agreement with the IRD that the total tax undercharged for the years of assessment 2001/02 to 2011/12 is approximately HK\$33,000,000, and the related interest payable and compound penalty is approximately HK\$9,300,000 in aggregate (collectively referred as "Total Tax Payment"), while the Group has purchased tax reserve certificates totaling HK\$34,600,000 for the aforesaid years of assessment. The Group has then redeemed the tax reserve certificates to offset part of the Total Tax Payment and settle the remaining portion by cash. Since a tax provision of HK\$41,000,000 has been made for the year ended 31 August 2011, the Group has concluded the Total Tax Payment and credited the tax being over-provided during the period ended 30 June 2013.

## 5. 所得稅（續）

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各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2013年6月30日止期間，本集團已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撥備。經磋商後，本集團最終與稅務局達成協議，同意2001/02至2011/12課稅年度少收稅務總額約33,000,000港元，及應付相關利息及累計罰款合共約為9,300,000港元（統稱為「總稅款」），而本集團已就上述課稅年度購買合共34,600,000港元之儲稅券。因此，本集團已贖回儲稅券以抵銷部分總稅款，並以現金償付餘下部分。由於截至2011年8月31日止年度已作出稅務撥備41,000,000港元，本集團於截至2013年6月30日止期間總結總稅款及計入稅項超額撥備。

## 6. PROFIT FOR THE PERIOD

## 6. 是期間盈利

|                                                                |                | Six months ended |          |
|----------------------------------------------------------------|----------------|------------------|----------|
|                                                                |                | 截至下列日期止6個月       |          |
|                                                                |                | 30 June          | 30 June  |
|                                                                |                | 2014             | 2013     |
|                                                                |                | 2014年            | 2013年    |
|                                                                |                | 6月30日            | 6月30日    |
|                                                                |                | HK\$'000         | HK\$'000 |
|                                                                |                | 千港元              | 千港元      |
| Profit for the period has been arrived                         | 是期間盈利          |                  |          |
| at after charging:                                             | 已扣減下列各項：       |                  |          |
| Amortisation of other intangible assets                        | 其他無形資產之攤銷      | 1,561            | –        |
| Release of prepaid lease payments                              | 預付租賃款項轉出       | 1,305            | 1,304    |
| Depreciation of investment properties                          | 投資物業之折舊        | 925              | 55       |
| Depreciation of property, plant and equipment                  | 物業、機器及設備之折舊    | 100,687          | 139,688  |
| Net exchange losses #                                          | 匯兌虧損淨值#        | –                | 12,950   |
| Net loss from derivative financial instruments #               | 衍生金融工具之虧損淨值#   | 33,190           | –        |
| Employee benefits expense<br>(including directors' emoluments) | 僱員福利支出（包括董事酬金） | 462,435          | 459,151  |
| and after crediting:                                           | 及已計入下列各項：      |                  |          |
| Gain on disposal of property, plant and equipment #            | 出售物業、機器及設備之收益# | 84               | 424      |
| Interest income *                                              | 利息收入*          | 8,590            | 3,343    |
| Net rental income from investment properties *                 | 投資物業之租金收入淨值*   | 2,779            | 1,078    |
| Net exchange gain #                                            | 匯兌收益淨值#        | 3,502            | –        |
| Net gain from derivative financial instruments #               | 衍生金融工具之收益淨值#   | –                | 18,849   |

\* Included in other income

# Included in other gains and losses

\* 包括在其他收入內

# 包括在其他收益及虧損內

## 7. DIVIDENDS

## 7. 股息

|                                      |                | Six months ended |          |
|--------------------------------------|----------------|------------------|----------|
|                                      |                | 截至下列日期止6個月       |          |
|                                      |                | 30 June          | 30 June  |
|                                      |                | 2014             | 2013     |
|                                      |                | 2014年            | 2013年    |
|                                      |                | 6月30日            | 6月30日    |
|                                      |                | HK\$'000         | HK\$'000 |
|                                      |                | 千港元              | 千港元      |
| Dividend recognised as distribution  | 是期間已確認為分派之股息：  |                  |          |
| during the period:                   |                |                  |          |
| 2013 final dividend of HK2 cents     | 2013年末期股息每股2港仙 |                  |          |
| (2012 final dividend: Nil) per share | (2012年末期股息：零)  | 24,061           | —        |

No interim dividend in respect of the six months ended 30 June 2014 has been proposed by the directors of the Company (Six months ended 30 June 2013: Nil).

本公司董事並無建議派付截至2014年6月30日止6個月之中期股息（截至2013年6月30日止6個月：零）。

The final dividend of HK2 cents per share in respect of the year ended 31 December 2013, amounting to approximately HK\$24,061,000 (2012 final dividend: Nil) in total, has been approved in the annual general meeting and paid after interim period.

截至2013年12月31日止年度之末期股息每股2港仙，合共約24,061,000港元（2012年末期股息：零）已於股東週年大會上獲批准，並已於中期後支付。

## 8. EARNINGS PER SHARE

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

|                                                                                                                               |                                | Six months ended     |               |
|-------------------------------------------------------------------------------------------------------------------------------|--------------------------------|----------------------|---------------|
|                                                                                                                               |                                | 截至下列日期止6個月           |               |
|                                                                                                                               |                                | 30 June              | 30 June       |
|                                                                                                                               |                                | 2014                 | 2013          |
|                                                                                                                               |                                | 2014年                | 2013年         |
|                                                                                                                               |                                | 6月30日                | 6月30日         |
|                                                                                                                               |                                | HK\$'000             | HK\$'000      |
|                                                                                                                               |                                | 千港元                  | 千港元           |
| <b>Earnings</b>                                                                                                               | <b>盈利</b>                      |                      |               |
| Profit for the period attributable to owners of the Company for the purposes of basic earnings and diluted earnings per share | 就計算每股基本盈利及攤薄盈利所用之本公司擁有人應佔是期間盈利 |                      |               |
|                                                                                                                               |                                | <b>14,383</b>        | 31,160        |
|                                                                                                                               |                                |                      |               |
|                                                                                                                               |                                | Six months ended     |               |
|                                                                                                                               |                                | 截至下列日期止6個月           |               |
|                                                                                                                               |                                | 30 June              | 30 June       |
|                                                                                                                               |                                | 2014                 | 2013          |
|                                                                                                                               |                                | 2014年                | 2013年         |
|                                                                                                                               |                                | 6月30日                | 6月30日         |
| <b>Number of shares</b>                                                                                                       | <b>股份數目</b>                    |                      |               |
| Number of ordinary shares for the purposes of basic earnings and diluted earnings per share                                   | 就計算每股基本盈利及攤薄盈利所用之普通股數目         |                      |               |
|                                                                                                                               |                                | <b>1,203,046,960</b> | 1,203,046,960 |

The computation of diluted earnings per share for the six months ended 30 June 2014 and 30 June 2013 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 period.

## 8. 每股盈利

本公司擁有人應佔每股基本盈利及攤薄盈利乃根據下列數據計算：

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該期間之平均市價，因此計算截至2014年6月30日及2013年6月30日止6個月期間之每股攤薄盈利時並無假設該等購股權已獲行使。

## 9. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT AND OTHER INTANGIBLE ASSETS

The Group incurred expenditure of HK\$93,556,000 during the six-months ended 30 June 2014 (six months ended 30 June 2013: HK\$22,553,000) on property, plant and equipment and other intangible assets to expand and upgrade the Group's manufacturing facilities.

## 10. INVESTMENT IN LIFE INSURANCE POLICIES

In prior period, the Group entered into contracts with two insurance companies 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 in prior 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. Two of the key members left the Group on 7 December 2012 and 1 May 2013, the Group is in the process of changing the life insured person to other key member(s).

## 11. INVENTORIES

## 9. 物業、機器及設備以及其他無形資產之變動

本集團於截至2014年6月30日止6個月，為擴大及增強本集團之生產設施而用於物業、機器及設備以及其他無形資產的開支為93,556,000港元（截至2013年6月30日止6個月：22,553,000港元）。

## 10. 人壽保險保單之投資

於過往期間，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。本公司於過往期間已支付預付款項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2名主要成員於2012年12月7日及2013年5月1日辭任，本集團正在將受保人更改為其他主要成員。

## 11. 存貨

|                  |     | At<br>30 June<br>2014<br>於2014年<br>6月30日<br>HK\$'000<br>千港元 | At<br>31 December<br>2013<br>於2013年<br>12月31日<br>HK\$'000<br>千港元 |
|------------------|-----|-------------------------------------------------------------|------------------------------------------------------------------|
| Spare parts      | 備件  | 69,045                                                      | 70,657                                                           |
| Raw materials    | 原料  | 640,690                                                     | 829,755                                                          |
| Work in progress | 半製品 | 350,085                                                     | 334,255                                                          |
| Finished goods   | 製成品 | 389,250                                                     | 402,105                                                          |
|                  |     | <b>1,449,070</b>                                            | <b>1,636,772</b>                                                 |

## 12. TRADE AND BILLS RECEIVABLES/PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

The Group allows a credit period ranging from 30 days to 60 days to its trade customers. The following is an aging analysis of trade and bills receivables based on the payment due date net of allowance for doubtful debts:

|                      |          | At<br>30 June<br>2014<br>於2014年<br>6月30日<br>HK\$'000<br>千港元 | At<br>31 December<br>2013<br>於2013年<br>12月31日<br>HK\$'000<br>千港元 |
|----------------------|----------|-------------------------------------------------------------|------------------------------------------------------------------|
| Not yet due          | 未到期      | 959,420                                                     | 838,616                                                          |
| Overdue 1 – 30 days  | 逾期1-30天  | 215,262                                                     | 214,253                                                          |
| Overdue 31 – 60 days | 逾期31-60天 | 42,223                                                      | 101,191                                                          |
| Overdue > 60 days    | 逾期超過60天  | 135,915                                                     | 111,875                                                          |
|                      |          | <u>1,352,820</u>                                            | <u>1,265,935</u>                                                 |

Other receivables as at 30 June 2014 represented value-added tax recoverable of HK\$37,368,000 (31 December 2013: HK\$36,816,000) and prepayments, deposits and other receivables of HK\$108,560,000 (31 December 2013: HK\$154,330,000).

## 13. TRADE AND BILLS PAYABLES/OTHER PAYABLES AND ACCRUALS

|                |        | At<br>30 June<br>2014<br>於2014年<br>6月30日<br>HK\$'000<br>千港元 | At<br>31 December<br>2013<br>於2013年<br>12月31日<br>HK\$'000<br>千港元 |
|----------------|--------|-------------------------------------------------------------|------------------------------------------------------------------|
| Trade payables | 營業應付款項 | 606,801                                                     | 515,406                                                          |
| Bills payables | 票據應付款項 | 235,012                                                     | 486,375                                                          |
|                |        | <u>841,813</u>                                              | <u>1,001,781</u>                                                 |

## 12. 營業及票據應收款項／預付款項、按金及其他應收款項

本集團提供平均30天至60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：

於2014年6月30日，其他應收款項乃指可收回增值稅37,368,000港元（2013年12月31日：36,816,000港元）及預付款項、按金及其他應收款項108,560,000港元（2013年12月31日：154,330,000港元）。

## 13. 營業及票據應付款項／其他應付款項及應計費用

### 13. TRADE AND BILLS PAYABLES/OTHER PAYABLES AND ACCRUALS (continued)

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

|                      |          | At<br>30 June<br>2014<br>於2014年<br>6月30日<br>HK\$'000<br>千港元 | At<br>31 December<br>2013<br>於2013年<br>12月31日<br>HK\$'000<br>千港元 |
|----------------------|----------|-------------------------------------------------------------|------------------------------------------------------------------|
| Not yet due          | 未到期      | 492,142                                                     | 458,408                                                          |
| Overdue 1 – 30 days  | 逾期1-30天  | 90,719                                                      | 42,833                                                           |
| Overdue 31 – 60 days | 逾期31-60天 | 12,007                                                      | 6,450                                                            |
| Overdue > 60 days    | 逾期超過60天  | 11,933                                                      | 7,715                                                            |
|                      |          | <u>606,801</u>                                              | <u>515,406</u>                                                   |

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

Other payables and accruals as at 30 June 2014 represented other payables of HK\$120,555,000 (31 December 2013: HK\$123,971,000) and accruals of HK\$175,870,000 (31 December 2013: HK\$215,828,000).

### 14. BANK AND OTHER BORROWINGS

During the current interim period, the Group obtained new bank and other borrowings of HK\$1,247,197,000 (Six months ended 30 June 2013: HK\$1,005,573,000) and made repayments of HK\$1,254,421,000 (Six months ended 30 June 2013: HK\$1,275,594,000). These bank borrowings obtained and repaid are mainly denominated in Hong Kong dollar and US dollar. The bank borrowings raised were mainly used to repay the existing bank borrowings or as working capital of the Group.

### 13. 營業及票據應付款項／其他應付款項及應計費用（續）

營業應付款項按付款到期日之賬齡分析如下：

於報告期終，本集團之所有票據應付款項均未到期。

於2014年6月30日，其他應付款項及應計費用指其他應付款項120,555,000港元（2013年12月31日：123,971,000港元）及應計費用175,870,000港元（2013年12月31日：215,828,000港元）。

### 14. 銀行及其他借貸

於本中期期間，本集團取得新銀行及其他借貸1,247,197,000港元（截至2013年6月30日止6個月：1,005,573,000港元）及已償還1,254,421,000港元（截至2013年6月30日止6個月：1,275,594,000港元），該等已取得及已償還之銀行借貸主要以港元及美元計值。所籌集之銀行借貸乃主要用作償還現有的銀行借貸或用作本集團之流動資金。

#### 14. BANK AND OTHER BORROWINGS (continued)

The borrowings mainly carry floating interest at the weighted average effective interest rate of 2.46% (31 December 2013: 2.54%) per annum and are repayable by installments over a period from one to three years. Except for borrowings of HK\$68,272,000 (31 December 2013: HK\$88,278,000) which are secured by certain life insurance policies as detailed in note 10, all other borrowings are unsecured.

#### 15. CAPITAL AND RESERVES

##### (a) Share Capital

As at 31 December 2013, 1,400,000,000 ordinary shares, with par value of HK\$0.20 each were authorised for issue. Under the new Hong Kong Companies Ordinance (Cap. 622), which commenced operation on 3 March 2014, the concepts of “authorised share capital” and “par value” no longer exist. As part of the transition to the no-par value regime, the amounts standing to the credit of the share premium account and the capital redemption reserve on 3 March 2014 have become part of the company’s share capital, under the transitional provisions set out in section 37 of Schedule 11 to the new Hong Kong Companies Ordinance (Cap. 622). These changes do not have an impact on the number of shares in issue or the relative entitlement of any of the members.

Movements of the Company’s ordinary shares are set out below:

#### 14. 銀行及其他借貸（續）

有關借貸主要按浮息以加權平均實際年利率2.46%（2013年12月31日：2.54%）計算利息，並須於介乎1年至3年期間內分期償還。除附註10所詳述以若干人壽保險保單抵押之借貸68,272,000港元（2013年12月31日：88,278,000港元）外，所有其他借貸均為無抵押。

#### 15. 資本及儲備

##### (a) 股本

於2013年12月31日，1,400,000,000股每股面值0.20港元之普通股獲授權發行。根據於2014年3月3日開始生效之新香港公司條例（第622章），「法定股本」及「面值」之概念不再存在。為過渡至無面值制度，於2014年3月3日股份溢價及資本贖回儲備之貸方餘額，已根據新香港公司條例（第622章）附表11第37條所載之過渡性條文成為本公司股本之一部分。上述變動對已發行股份數目或任何股東之相對權利並無影響。

本公司之普通股變動載列如下：

|                                                                                                                                                              |                                               | At 30 June 2014<br>於2014年6月30日 |                 | At 31 December 2013<br>於2013年12月31日 |                 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|--------------------------------|-----------------|-------------------------------------|-----------------|
|                                                                                                                                                              |                                               | No. of shares<br>股份數目          | HK\$'000<br>千港元 | No. of shares<br>股份數目               | HK\$'000<br>千港元 |
| <b>Ordinary shares, issued and fully paid:</b>                                                                                                               | 普通股，已發行及繳足股本：                                 |                                |                 |                                     |                 |
| At 1 January                                                                                                                                                 | 於1月1日                                         | 1,203,046,960                  | 240,609         | 1,203,046,960                       | 240,609         |
| Transfer from share premium and capital redemption reserve upon abolition of par value under the new Hong Kong Companies Ordinance effective on 3 March 2014 | 根據於2014年3月3日生效之新香港公司條例，就廢除股份面值由股份溢價及資本贖回儲備之調撥 | –                              | 621,602         | –                                   | –               |
| At 30 June/31 December                                                                                                                                       | 於6月30日／12月31日                                 | 1,203,046,960                  | 862,211         | 1,203,046,960                       | 240,609         |

## **15. CAPITAL AND RESERVES (continued)**

### **(b) Share premium and capital redemption reserves**

Prior to 3 March 2014, the application of the share premium account and the capital redemption reserve was governed by sections 48B and 49H respectively of the predecessor Hong Kong Companies Ordinance (Cap. 32). In accordance with the transitional provisions set out in section 37 of Schedule 11 to the new Hong Kong Companies Ordinance (Cap. 622), on 3 March 2014 any amount outstanding to the credit of the share premium account and the capital redemption reserve has become part of the company's share capital (see note 15(a)). The use of share capital as from 3 March 2014 is governed by the new Hong Kong Companies Ordinance (Cap. 622).

## **15. 資本及儲備 (續)**

### **(b) 股份溢價及資本贖回儲備**

於2014年3月3日前，股份溢價及資本贖回儲備之應用分別受前香港公司條例（第32章）第48B條及第49H條所監管。根據新香港公司條例（第622章）附表11第37條所載之過渡性條文，於2014年3月3日股份溢價及資本贖回儲備之貸方餘額已成為本公司股本之一部分（參看附註15(a)）。於2014年3月3日之後股本之應用受新香港公司條例（第622章）所監管。

## BUSINESS REVIEW 業務回顧

During the first half of 2014, the GDP growth of the U.S., which is the Group's major target market, recorded a reduction of 2.1% in the first quarter, being the largest decline since 2009. The decrease was mainly attributable to weaker consumer sentiment due to extremely cold weather, and lower-than-expected employment rate, coupled with the Federal Reserve System's continued tampering of Quantitative Easing (which had last for years). It is expected that the GDP growth of the U.S. rebounded to around 4% in the second quarter, which indicated that the U.S. economy was gradually coming out of difficulty and embracing a brighter prospect. In terms of other major markets, the economy of Europe had been showing a mild recovery in the first half of the year, and the China economy maintained the trend of "Seeking progress through stability" with microstimulation policies in place. Amidst a relatively stable environment for international and PRC apparel consumer markets, the turnover of the Group improved as compared to corresponding period of last year.

Impacted by the adjustment of cotton reserve policy in mainland China, the yarn price kept coming down in the first half of the year and had dampened the procurement sentiment of the downstream fabrics enterprises, which in turns increased the cost of short term turnover of raw material inventories of the Group.

Meanwhile, the substantial depreciation of RMB, which fell 2.6% in the first quarter against the U.S. dollar and did not stabilise until June, also had a negative impact on the Group.

In view of the reasons aforementioned, the Group's overall gross profits in the first half of 2014 were lower than that of the corresponding period in 2013, although our turnover increased as compared to the corresponding period of last year and a series of measures were constantly adopted by the Group to reduce operating and management costs, together with the efforts in optimizing the management structure and operational processes.

### Production and Sales of Dyed Fabrics, Sewing Threads and Yarns

The Group's production capacity among four fabric mills in both China and Sri Lanka remained at approximately 25 million pounds of fabric dyeing per month which is basically the same level compared with last year.

For the period under review, the Group's core business, production and sales of dyed fabrics, sewing threads and yarns, generated revenue of approximately HK\$2,872,472,000 and accounted for 85.3% of the Group's total revenue.

於2014年上半年，作為集團主要目標市場的美國第1季度國內生產總值縮減2.1%，是2009年以來最大跌幅。下跌的主要原因是嚴寒氣候導致美國民眾消費意欲疲弱及就業情況未如理想，加上美國聯邦儲備局不斷縮減持續數年的量化寬鬆政策。預期第2季度國內生產總值才「反彈」到4%左右的水平，顯示美國經濟逐漸步出寒冬，前景轉佳。其他主要市場方面，歐洲經濟上半年緩慢復甦，而中國經濟政策在微刺激中，維持了「穩中求進」的方向，在國際及國內服裝消費市場相對平穩的大環境下，集團的營業額較去年同期有所提升。

上半年受內地棉花儲備政策調整的影響，棉紗價格一直下跌，抑制了下游面料企業的採購意願，使得集團短期原料周轉庫存成本有所上升。

另一方面，人民幣匯率在首季度出現大幅貶值，離岸美元兌人民幣匯率貶值幅度達2.6%，該匯率至6月份方趨於穩定，亦對集團造成負面影響。

鑒於上述原因，儘管集團在經營和管理上繼續堅持採取降低成本、控制費用等一系列措施，並優化管理架構和運營流程，2014年上半年營業額雖然較去年同期有所增長，但集團整體毛利水平仍不及2013年同期。

### 製造及銷售色布、縫紉線及紗

集團位於中國大陸和斯里蘭卡的4家面料工廠的印染能力維持在每月約2千5百萬磅，與去年同期相比基本持平。

在回顧期內，集團核心業務－製造及銷售色布、縫紉線及紗的營業額達到約2,872,472,000港元，佔集團營業額總值的85.3%。

## BUSINESS REVIEW (continued) 業務回顧 (續)

### Production and Sales of Garments

Revenue from the production and sales of garments for the first half of 2014 was approximately HK\$495,454,000 and accounted for 14.7% of the Group's total revenue.

### 製造及銷售成衣

2014年上半年製造及銷售成衣的營業額約為495,454,000港元，佔集團營業額總值的14.7%。

### Dividend

In view of the current business and financial situation of the Group, the Board has resolved not to pay any interim dividend for the six months ended 30 June 2014.

### 股息

鑒於集團現時的業務和財務狀況，董事會決定就截至2014年6月30日止6個月內不予派發任何中期股息。

### Awards & Certifications

Our awards and certificates accredited during the first half of 2014 are as follows:

### 獎項及認證

在2014年上半年，集團所獲獎項及認證如下：

| No.<br>文件序號                                       | Name of Award/Certification<br>獎項／認證名稱                                   | Typ of Doc.<br>文件類型 | Date of Issue<br>頒發日期 | Issued by<br>發出單位                                                                                                                                                                    |
|---------------------------------------------------|--------------------------------------------------------------------------|---------------------|-----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Jiangyin Fuhui Textiles Limited</b> 江陰福匯紡織有限公司 |                                                                          |                     |                       |                                                                                                                                                                                      |
| 1                                                 | 2013 Award for Building Ecological Civilization*<br>2013年度生態文明建設獎        | Award<br>獎牌         | 2014/1                | Jiangyin High-tech Industrial Development Committee of PRC*<br>中共江陰高新技術產業開發區工作委員會<br>Administration Committee of Jiangyin High-tech Industrial Development Zone*<br>江陰高新技術產業開發區管理委員會 |
| 2                                                 | 2013 Outstanding Enterprise of Foreign Investment*<br>2013年度外商投資先進企業     | Trophy<br>獎盃        | 2014/1                | Jiangyin High-tech Industrial Development Committee of PRC*<br>中共江陰高新技術產業開發區工作委員會<br>Administration Committee of Jiangyin High-tech Industrial Development Zone*<br>江陰高新技術產業開發區管理委員會 |
| 3                                                 | 2013 Outstanding Enterprise of Environment Protection*<br>2013年度環境保護先進集體 | Award<br>獎牌         | 2014/1                | Administration Committee of Jiangyin High-tech Industrial Development Zone*<br>江陰高新技術產業開發區管理委員會                                                                                      |
| 4                                                 | 2013 Top100 Star Enterprise*<br>2013年度百強名星企業                             | Award<br>獎牌         | 2014/2                | The People's Government of Jiangyin<br>江陰市人民政府                                                                                                                                       |
| 5                                                 | Top 10 Caring Enterprise<br>十佳示範企業關工委                                    | Award<br>獎牌         | 2014/3                | Committee of caring for the next generation of Jiangyin<br>江陰市關心下一代工作委員會                                                                                                             |

## BUSINESS REVIEW (continued) 業務回顧 (續)

| No.<br>文件序號                                                                              | Name of Award/Certification<br>獎項／認證名稱                      | Typ of Doc.<br>文件類型 | Date of Issue<br>頒發日期 | Issued by<br>發出單位                                                              |
|------------------------------------------------------------------------------------------|-------------------------------------------------------------|---------------------|-----------------------|--------------------------------------------------------------------------------|
| 6                                                                                        | 2013 Safety Enterprise Model*<br>2013年度安全文化建設示範企業           | Award<br>獎牌         | 2014/3                | Production Safety Committee of<br>Jiangyin City Government*<br>江陰市人民政府安全生產委員會  |
| 7                                                                                        | Workers Vanguard*<br>工人先鋒號                                  | Award<br>獎牌         | 2014/4                | Jiangyin Federation of Trade Union*<br>江陰市總工會                                  |
| 8                                                                                        | 2013 Outstanding Basic Party Organization*<br>2013年度先進基層黨組織 | Award<br>獎牌         | 2014/6                | Jiangyin High-tech Industrial Development<br>Committee of PRC*<br>中共江陰高新區工作委員會 |
| 9                                                                                        | Organic Content Standard (OCS)<br>有機含量標準                    | Certification<br>證書 | 12/3/2014             | The Institute for Marketecology (IMO)<br>瑞士生態市場研究所                             |
| 10                                                                                       | Global Organic Textile Standard (GOTS)<br>全球有機紡織品標準(GOTS)   | Certification<br>證書 | 12/3/2014             | The Institute for Marketecology (IMO)<br>瑞士生態市場研究所                             |
| 11                                                                                       | Oeko-Tex Standard 100                                       | Certification<br>證書 | 8/11/2013             | Swiss Textile Testing Institute                                                |
| <b>Yancheng Fuhui Textiles Limited 鹽城福匯紡織有限公司</b>                                        |                                                             |                     |                       |                                                                                |
| 12                                                                                       | 5.1 Labor Certificates of Yancheng City*<br>鹽城市五一勞動獎狀       | Award<br>獎牌         | 2014/4                | Yancheng City Federation of Trade Union*<br>鹽城市總工會                             |
| 13                                                                                       | Oeko-Tex Standard 100                                       | Certification<br>證書 | 15/5/2014             | Swiss Textile Testing Institute                                                |
| <b>Dongguan Shatin Lake Side Textiles Printing &amp; Dyeing Co., Ltd. 東莞沙田麗海紡織印染有限公司</b> |                                                             |                     |                       |                                                                                |
| 14                                                                                       | Excellent Export Textiles Enterprise*<br>優秀出口紡織企業           | Award<br>獎牌         | 2013/12               | Guangdong Province Textile Association<br>廣東省紡織協會                              |
| 15                                                                                       | Oeko-Tex Standard 100                                       | Certification<br>證書 | 2014/4                | Swiss Textile Testing Institute                                                |

\* English names are only translation of their official Chinese names. In case of inconsistencies, the Chinese name shall prevail.

\* 英文名稱僅為官方中文名稱之譯文。倘有歧異，概以中文名稱為準。

## OUTLOOK 展望

Looking forward to the second half of 2014, the economies and consumer markets in the U.S. and Europe are facing uncertain economic prospects, while the requirement was clearly stated in an executive meeting of State Council of the PRC held in May to strengthen the implementation of “Targeted RRR cuts” with the aim to achieve the annual growth target for the China economy which is favorable for textiles market. In overall, the Group will proactively confront its business prospect.

The challenges that the Group is facing in the second half of the year include the fluctuations in prices of raw material and exchange rate of RMB, concerns about more stringent environmental requirements by the PRC government and the continued rising labour costs. The Group will monitor closely the market conditions and upcoming sourcing plan of our customers while adjusting our operating and sales strategies, expanding the research and development of new products so as to enhance the Group’s competitiveness, proactively pursue business opportunities and maintain our leading position in the industry.

With the expected instability of the overall global economy but our continuing effort in operational enhancements, we will do our best to achieve the Group’s annual budget target and create greater value for our shareholders in the long run.

展望2014年下半年，預計美國與歐洲經濟前景尚未明朗。另一方面，中國國務院常務會議在5月份明確要求加大「定向降准」措施的力度，務求達到全年中國經濟發展目標，對紡織品市場帶來正面訊息。整體而言，集團對營商前景態度積極。

下半年集團面臨的挑戰主要來自原材料價格及人民幣匯率等波動，以及關注到中國政府對環保之嚴格要求及人力成本之上漲，集團將密切跟蹤市場狀況和客戶未來的採購安排，從而調整經營運作和銷售策略，開拓新產品之研發，以增加集團競爭優勢，努力把握每個業務機遇，保持集團於行業的領先地位。

在預期環球整體經濟不穩定，但集團不斷追求改善營運效率下，集團將儘最大努力，務求完成全年預算目標，為股東創造更高的長遠價值。

## FINANCIAL REVIEW 財務回顧

The key operating and financial indicators of the Group for the six months ended 30 June 2014 are set out below:

本集團截至2014年6月30日止6個月之主要經營及財務指標呈列如下：

|                                                         |                         | For the<br>6 months ended<br>30 June 2014<br>截至<br>2014年6月30日<br>止6個月 | For the<br>6 months ended<br>30 June 2013<br>截至<br>2013年6月30日<br>止6個月 |
|---------------------------------------------------------|-------------------------|-----------------------------------------------------------------------|-----------------------------------------------------------------------|
| <b>Income Statement Items</b>                           | <b>收益表項目</b>            |                                                                       |                                                                       |
| (All amounts in HK\$ thousands unless otherwise stated) | (除特別註明外所有金額均以千元港幣列示)    |                                                                       |                                                                       |
| Revenue                                                 | 營業額                     | 3,367,926                                                             | 3,317,989                                                             |
| Gross Profit                                            | 毛利                      | 327,976                                                               | 359,995                                                               |
| EBITDA                                                  | 息稅前利潤加折舊及攤銷             | 151,018                                                               | 183,094                                                               |
| Profit for the period                                   | 是期間盈利                   | 12,636                                                                | 34,553                                                                |
| Profit attributable to owners of the Company            | 本公司擁有人應佔盈利              | 14,383                                                                | 31,160                                                                |
| Basic earnings per share (HK cents)                     | 每股基本盈利 (港仙)             | 1.2                                                                   | 2.6                                                                   |
| <b>Key Financial Ratios</b>                             | <b>主要財務比率</b>           |                                                                       |                                                                       |
| <b>Profitability ratios</b>                             | <b>盈利能力比率</b>           |                                                                       |                                                                       |
| Gross profit margin (%)                                 | 毛利率(%)                  | 9.7%                                                                  | 10.8%                                                                 |
| EBITDA margin (%)                                       | 息稅折舊攤銷前利潤率(%)           | 4.5%                                                                  | 5.5%                                                                  |
| <b>Expenses as a % of revenue</b>                       | <b>開支佔營業額比率</b>         |                                                                       |                                                                       |
| Distribution and selling expenses                       | 分銷及銷售費用                 | 2.5%                                                                  | 2.6%                                                                  |
| Administrative expenses                                 | 行政費用                    | 6.0%                                                                  | 7.8%                                                                  |
| Finance costs                                           | 融資成本                    | 0.6%                                                                  | 0.5%                                                                  |
| <b>Asset efficiency</b>                                 | <b>資產效率</b>             |                                                                       |                                                                       |
| Inventory turnover period (days)                        | 存貨周轉期 (日)               | 87                                                                    | 97                                                                    |
| Trade and bills receivables turnover period (days)      | 營業及票據應收款項<br>周轉期 (日)    | 73                                                                    | 73                                                                    |
| Trade and bills payables turnover period (days)         | 營業及票據應付款項<br>周轉期 (日)    | 50                                                                    | 60                                                                    |
|                                                         |                         |                                                                       |                                                                       |
|                                                         |                         | At 30 June<br>2014<br>於2014年<br>6月30日                                 | At 31 December<br>2013<br>於2013年<br>12月31日                            |
| <b>Asset ratios</b>                                     | <b>資產比率</b>             |                                                                       |                                                                       |
| Current ratio                                           | 流動比率                    | 1.8                                                                   | 1.9                                                                   |
| Net debt/EBITDA ratio (annualised)                      | 淨債務／息稅折舊<br>攤銷前利潤率 (年化) | 0.8                                                                   | 0.5                                                                   |

## FINANCIAL REVIEW (continued) 財務回顧(續)

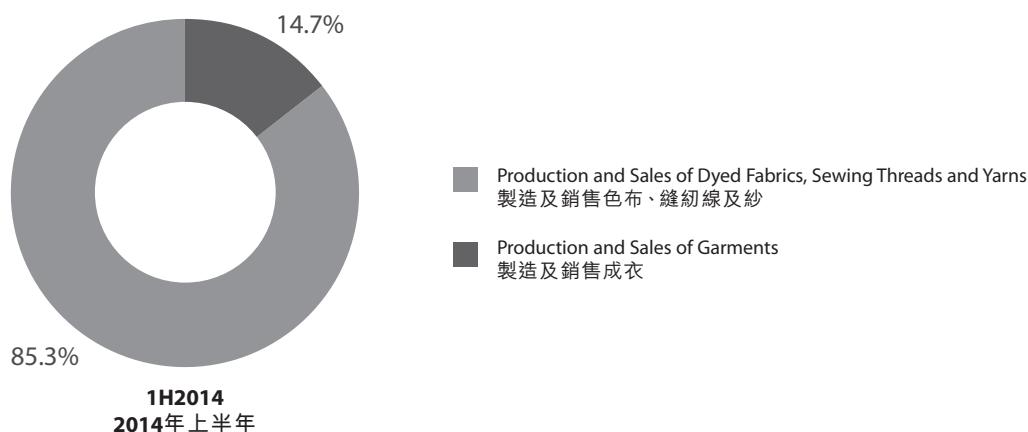
### Revenue

The Group's revenue for the period ended 30 June 2014 amounted to HK\$3,367,926,000 (2013: HK\$3,317,989,000).

### 營業額

集團截至2014年6月30日止期內的營業額達3,367,926,000港元(2013年: 3,317,989,000港元)。

### Revenue by business segments



### 營業額按業務分類

In first half of 2014, the Group's core business, production and sales of dyed fabrics, sewing threads and yarns, generated revenue of HK\$2,872,472,000 (six months ended 30 June 2013: HK\$2,769,891,000), which accounted for 85.3% (six months ended 30 June 2013: 83.5%) of the Group's total revenue. Revenue from production and sales of garments was HK\$495,454,000 (six months ended 30 June 2013: HK\$548,098,000), accounted for 14.7% (six months ended 30 June 2013: 16.5%) of the Group's total revenue.

於2014年上半年，集團核心業務－製造及銷售色布、縫紉線及紗的營業額達到2,872,472,000港元(截至2013年6月30日止6個月: 2,769,891,000港元)，佔集團營業額總值的85.3%(截至2013年6月30日止6個月: 83.5%)。製造及銷售成衣的營業額為495,454,000港元(截至2013年6月30日止6個月: 548,098,000港元)，佔集團營業額總值的14.7%(截至2013年6月30日止6個月: 16.5%)。

### Cost of Sales and Gross Profit

For the six months ended 30 June 2014, overall cost of sales of the Group amounted to HK\$3,039,950,000 (six months ended 30 June 2013: HK\$2,957,994,000) and overall gross profit margin was 9.7% (six months ended 30 June 2013: 10.8%).

### 銷售成本及毛利

集團截至2014年6月30日止6個月內之整體銷售成本為3,039,950,000港元(截至2013年6月30日止6個月: 2,957,994,000港元)，整體毛利率為9.7%(截至2013年6月30日止6個月: 10.8%)。

### Distribution and Selling Expenses

For the six months ended 30 June 2014, the Group's overall distribution and selling expenses amounted to HK\$84,440,000 (six months ended 30 June 2013: HK\$86,444,000), accounting for 2.5% (six months ended 30 June 2013: 2.6%) of the Group's total revenue.

### 分銷及銷售費用

集團截至2014年6月30日止6個月內之整體分銷及銷售費用為84,440,000港元(截至2013年6月30日止6個月: 86,444,000港元)，佔集團營業額總值的2.5%(截至2013年6月30日止6個月: 2.6%)。

## FINANCIAL REVIEW (continued) 財務回顧(續)

### Administrative Expenses

In first half of 2014, the Group's overall administrative expenses amounted to HK\$203,578,000 (six months ended 30 June 2013: HK\$258,930,000), accounting for 6.0% (six months ended 30 June 2013: 7.8%) of the Group's total revenue.

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

In 1H2014, the Group's EBITDA approximately amounted to HK\$151,018,000 (six months ended 30 June 2013: HK\$183,094,000).

### Finance costs

In first half of 2014, the Group's finance costs approximately amounted to HK\$18,960,000 (six months ended 30 June 2013: HK\$17,119,000), representing 0.6% (six months ended 30 June 2013: 0.5%) of the Group's total revenue.

### Capital Expenditure

For the six months ended 30 June 2014, the Group invested approximately HK\$93,556,000 (six months ended 30 June 2013: HK\$22,553,000) in the additions of property, plant and equipment and other intangible assets. The Group expects the capital expenditure for the whole financial year will be approximately HK\$180,000,000.

### Income Tax

For the period ended 30 June 2014, income tax of the Group (including deferred tax) approximately amounted to HK\$14,944,000 (six months ended 30 June 2013: income tax credit of HK\$9,625,000).

### 行政費用

於2014年上半年，集團之整體行政費用為203,578,000港元（截至2013年6月30日止6個月：258,930,000港元），佔集團營業額總值的6.0%（截至2013年6月30日止6個月：7.8%）。

### 息稅前利潤加折舊及攤銷(EBITDA)

於2014年上半年，集團之息稅前利潤加折舊及攤銷約151,018,000港元（截至2013年6月30日止6個月：183,094,000港元）。

### 融資成本

於2014年上半年，集團之融資成本約為18,960,000港元（截至2013年6月30日止6個月：17,119,000港元），佔本集團營業額總值的0.6%（截至2013年6月30日止6個月：0.5%）。

### 資本開支

截至2014年6月30日止6個月內，集團已投資約93,556,000港元（截至2013年6月30日止6個月：22,553,000港元）以增加物業、機器及設備以及其他無形資產。集團預期整個財政年度的資本開支約為180,000,000港元。

### 所得稅

截至2014年6月30日止期內，集團之所得稅（包含遞延稅項）約為14,944,000港元（截至2013年6月30日止6個月：所得稅計入為9,625,000港元）。

## FINANCIAL REVIEW (continued) 財務回顧(續)

### Liquidity and Financial Resources

At 30 June 2014, the Group's total assets amounted to approximately HK\$5,916,913,000 (31 December 2013: HK\$6,132,645,000). The key figures of financial position were as follows:

### 資金流動性及財政資源

於2014年6月30日，集團資產總值約5,916,913,000港元（2013年12月31日：6,132,645,000港元）。財務狀況的主要資料如下：

|                                              |            | At 30 June<br>2014<br>於2014年6月30日<br>HK\$'000<br>千港元 | At 31 December<br>2013<br>於2013年12月31日<br>HK\$'000<br>千港元 |
|----------------------------------------------|------------|------------------------------------------------------|-----------------------------------------------------------|
| Non-current assets                           | 非流動資產      | 1,865,749                                            | 1,867,767                                                 |
| Current assets                               | 流動資產       | 4,051,164                                            | 4,264,878                                                 |
| Total assets                                 | 資產總值       | 5,916,913                                            | 6,132,645                                                 |
| Current liabilities                          | 流動負債       | 2,237,475                                            | 2,271,639                                                 |
| Non-current liabilities                      | 非流動負債      | 434,408                                              | 582,359                                                   |
| Non-controlling interests                    | 非控股權益      | 138,202                                              | 161,427                                                   |
| Equity attributable to owners of the Company | 本公司擁有人應佔權益 | 3,106,828                                            | 3,117,220                                                 |
| Total liabilities and equity                 | 負債及權益總值    | 5,916,913                                            | 6,132,645                                                 |

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營運資金需要，而資本開支則主要由長期銀行貸款和業務出售的所得款項撥付。

## FINANCIAL REVIEW (continued) 財務回顧 (續)

At 30 June 2014, the principal financial covenant figure/ratios (according to the banks' definitions) were as follows:

於2014年6月30日，主要的財務契約數據／比率（根據銀行的定義）如下：

|                                                                    |                          | At 30 June<br>2014<br>於2014年6月30日 | At 31 December<br>2013<br>於2013年12月31日 |
|--------------------------------------------------------------------|--------------------------|-----------------------------------|----------------------------------------|
| Consolidated tangible net worth                                    | 綜合淨有形資產                  | HK\$2,946,439,000                 | HK\$2,920,523,000                      |
| Consolidated total bank debt to<br>consolidated tangible net worth | 綜合總銀行負債對<br>綜合淨有形資產比例    | 0.5                               | 0.5                                    |
| Consolidated EBITDA to<br>consolidated interest expense            | 綜合息稅折舊攤銷前利潤<br>對綜合利息支出比例 | 8.0                               | 10.3                                   |
| Consolidated current assets to<br>consolidated current liabilities | 綜合流動資產對<br>綜合流動負債比例      | 1.8                               | 1.9                                    |
| Consolidated capital expenditure                                   | 綜合資本開支                   | HK\$93,556,000                    | HK\$132,227,000                        |

The Group follows stringent and prudent risk management policy to manage foreign exchange and interest rate risks. The sales and the purchase of raw materials of the Group are mainly denominated in Hong Kong dollars, US dollars and Renminbi (RMB). Since the Group mainly produces in China thus is exposed to foreign exchange risk arising from RMB exposure. In order to mitigate this type of risk, the Group has entered into forward contracts to hedge against certain of its exposure to reduce currency risk.

本集團會依據嚴格及審慎的風險管理政策應對外匯及利率風險。集團之銷售及原料採購以港元、美元及人民幣為主，而主要的生產基地於中國，故涉及人民幣所產生之外匯風險。為降低此風險，集團已簽定遠期外匯合約以減低其匯率風險。

In addition, bank borrowings of the Group are denominated in Hong Kong dollars and US dollars, interests are mainly charged on a floating rate basis. Due to the slow recovery of the global economy in this year, it is expected that interest rates will remain at the current level in the second half of the year. The Group will continue monitor the interest rates fluctuation in the market and arrange appropriate financial instruments to minimize the interest rate risk.

此外，集團的銀行借貸以港元及美元為單位，利息主要以浮動利率計算。由於全球的經濟復甦於本年內仍然緩慢，預期利率於下半年將維持於現水平。本集團將繼續留意市場的利率波動，並將於適當時間安排合適的金融工具以減低利率上升的風險。

## EMPLOYEES AND EMOLUMENT POLICIES 僱員及酬金政策

At 30 June 2014, the Group had approximately 12,300 (30 June 2013: 12,500) full time employees. There is no significant change in the Group's emolument policies.

於2014年6月30日，本集團全職僱員人數約為12,300人（2013年6月30日：12,500人），而本集團薪酬政策並無重大改變。

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

### 購回、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回、出售或贖回本公司之任何上市證券。

## CORPORATE GOVERNANCE CODE 企業管治守則

Throughout the period from 1 January 2014 to 30 June 2014, the Company has applied the principles of, and complied with, all the applicable code provisions of Corporate Governance Code as set out in Appendix 14 of the Listing Rules. However, with effect from 21 March 2014, the Chairman and Executive Director of the Company, Madam Li Lan, takes up the position of Chief Executive Officer of the Company, details of which were set out in the announcement dated 21 March 2014. This deviates from Code Provision A.2.1 of the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 of the Listing Rules which stipulates that the responsibilities between the chairman and chief executive officer should be divided. However, having considered the current status of the Group, vesting the roles of both chairman and chief executive officer in the same person enables the Group to more efficiently plan its overall strategy and achieve the budgeted target. The Board believes that the balance of power and authority under this arrangement is adequately ensured by the Board which comprises experienced, professional and high caliber individuals with sufficient number thereof being independent non-executive directors.

於2014年1月1日至2014年6月30日止期間，本公司已應用及一直遵守上市規則附錄14所載之企業管治守則之原則及所有適用之守則條文。但自2014年3月21日起，本公司主席及執行董事李蘭女士開始兼任本公司行政總裁一職，詳情載於日期為2014年3月21日之公告。此會偏離上市規則附錄14（企業管治守則及企業管治報告）守則條文A.2.1的規定，主席與行政總裁的角色應有區分，不應由一人同時兼任，但考慮到本集團現時的情況，由同一名人士同時擔任本公司主席及行政總裁兩個職務可以讓本集團更有效率地計劃整體策略及完成預算目標。由於董事會由經驗豐富人士及專業人士的組成（包括充足的獨立非執行董事人數），相信會有足夠能力確保職能及權力在此安排下得到平衡。

## AUDIT COMMITTEE REVIEW 審核委員會審閱

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 unaudited interim results of the Company for the six months ended 30 June 2014.

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2014年6月30日止6個月之未經審核中期業績。

## PUBLICATIONS OF RESULTS ANNOUNCEMENT 公佈業績公告

This results announcement is published on the websites of the Company ([www.fshl.com](http://www.fshl.com)) and the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)). An interim report for the six months ended 30 June 2014 containing all the information required by the Listing Rules will be dispatched to the shareholders of the Company and available on the websites of the Company and the Stock Exchange in due course.

本業績公告將於本公司網站([www.fshl.com](http://www.fshl.com))及聯交所網站([www.hkex.com.hk](http://www.hkex.com.hk))刊登。載有上市規則規定的所有資料之截至2014年6月30日止6個月中期報告將會於適當時候寄發予本公司股東，並且刊載於本公司及聯交所網站。

On behalf of the Board

**Fountain Set (Holdings) Limited**

**Li Lan**

*Chairman and Chief Executive Officer*

Hong Kong

26 August 2014

*As at the date hereof, the Board comprises four executive directors, namely, Madam Li Lan, Mr. Ha Kam On, Victor, Mr. Gong Zhengyi and Mr. Zhao Yao; two non-executive directors, namely, Dr. Yen Gordon and Mr. Zhang Chong; and three independent non-executive directors, namely, Mr. Ng Kwok Tung, Mr. Chow Wing Kin, Anthony, SBS, JP, and Mr. Yang Shibin.*